

7-ELEVEN

14441 ELDORADO PARKWAY, FRISCO, TEXAS

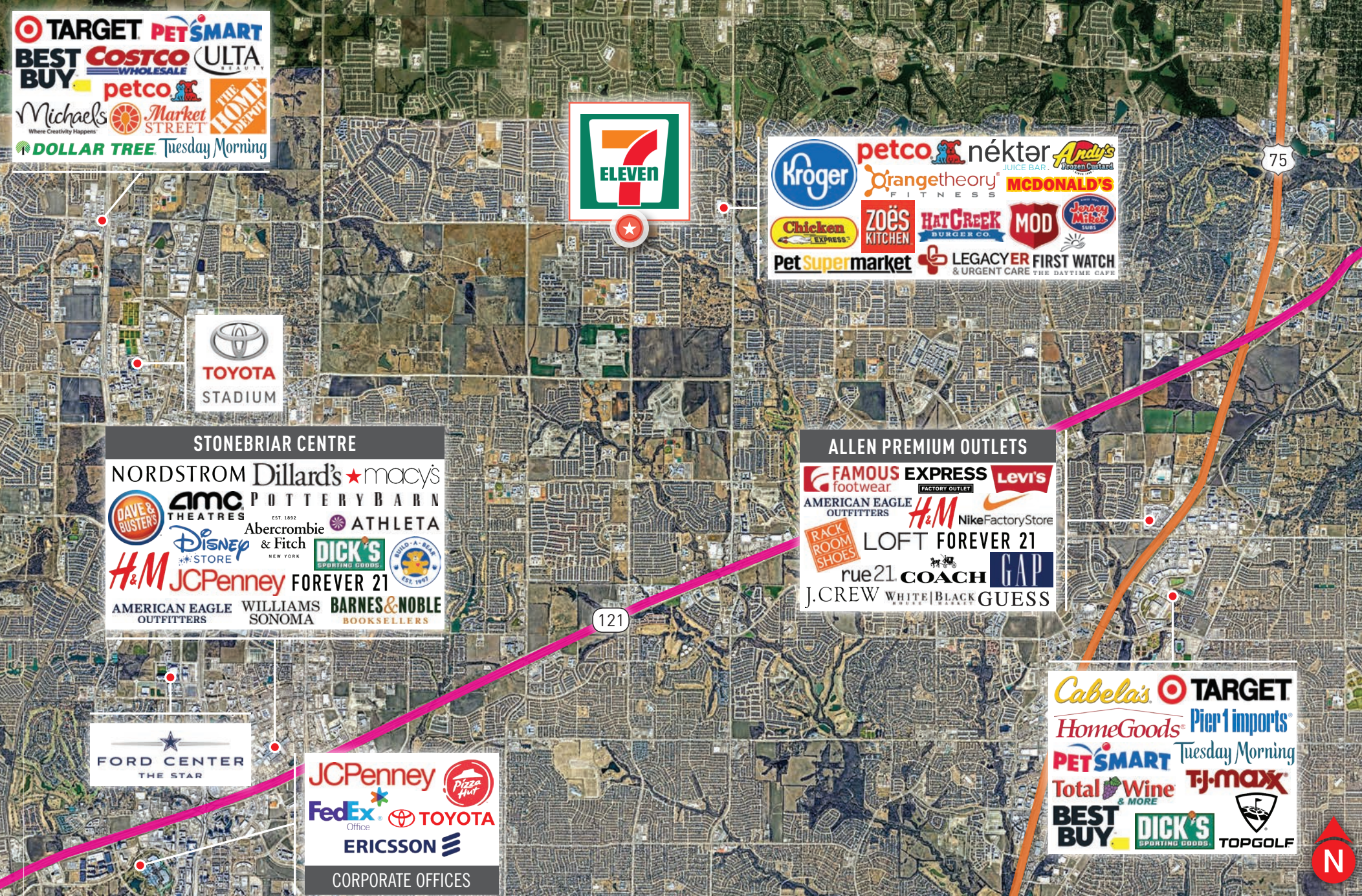


OFFERING MEMORANDUM

Marcus & Millichap



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Executive Summary

FINANCIAL SUMMARY

Price	\$5,641,000
Down Payment	100% \$5,641,000
Cap Rate	5.0%
Building SF	3,042 SF
Net Cash Flow	5.0% \$282,034
Year Built	2019
Land/Lot Size	1.95 Acres

LEASE SUMMARY

Lease Type	Absolute Triple-Net (NNN) Lease
Tenant	7-Eleven, Inc.
Guarantor	Corporate
Roof & Structure	Tenant Responsible
Lease Commencement Date	October 4, 2019
Lease Expiration Date	October 31, 2034
Lease Term Remaining	15 Years
Rental Increases	7.5% Every 5 Years
Renewal Options	4, 5 Year Options

ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
Current - 10/31/2024	\$282,034.00	5.00%
11/1/2024 - 10/31/2029	\$303,186.55	5.37%
11/1/2029 - 10/31/2034	\$325,925.54	5.78%
Lease Years	Annual Rent	Cap Rate
Option 1	\$350,370.00	6.21%
Option 2	\$376,647.78	6.68%
Option 3	\$404,896.58	7.18%
Option 4	\$435,264.00	7.72%

Base Rent	\$282,034
Net Operating Income	\$282,034
Total Return	5.00% \$282,034

Accelerated Depreciation

SPECIAL TAX ADVANTAGE AFFORDED GAS STATION/C-STORES

These investments present a tremendous opportunity for special tax saving privileges. 15-year accelerated depreciation schedule may be applied to these properties, under current IRS guidelines, as more than 50% of the gross sales are attributed to fuel sales.

When looking at the comparison to the right between a 7-Eleven Gas & Convenience Store and a representative non-convenience store, one can see the tremendous tax savings when applying a 15 year accelerated method vs. the standard 39 year method utilized in connection with the depreciation of other commercial properties.

See right for illustration of additional cash flow.

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7-ELEVEN GAS STATION

Purchase Price	\$4,000,000	Income Taxes	\$0
<u>Cap Rate</u>	5.00%	<u>(45% Tax Bracket)</u>	
Cash Flow	\$200,000	Cash Flow	\$200,000
<u>15 Year Depreciation</u>	\$200,000	<u>Income Taxes</u>	\$0
Taxable Income	\$0		
		Cash Flow (After Taxes)	\$200,000

OTHER NNN ASSET

Purchase Price	\$4,000,000	Income Taxes	\$55,385
<u>Cap Rate</u>	5.00%	<u>(45% Tax Bracket)</u>	
Cash Flow	\$200,000	Cash Flow	\$200,000
<u>39 Year Depreciation</u>	\$76,923	<u>Income Taxes</u>	(\$55,385)
Taxable Income	\$123,077		
		Cash Flow (After Taxes)	\$144,615



20,978 CPD
ELDORADO PKWY

FUTURE DATTA
YOGA CENTER



16,595 CPD
INDEPENDENCE PKWY



INDEPENDENCE
PARKWAY CITY PARK
& PRACTICE FIELDS

OFFICE PROJECT
UNDER DEVELOPMENT

FUTURE INLINE RETAIL





HERITAGE HIGH SCHOOL
(2,188 STUDENTS)



ROACH MIDDLE SCHOOL
(855 STUDENTS)

20,978 CPD
ELDORADO PKWY

FRISCO FIRE STATION #5

**INDEPENDENCE
PARKWAY CITY PARK
& PRACTICE FIELDS**



FUTURE INLINE RETAIL

**OFFICE PROJECT
UNDER DEVELOPMENT**



16,595 CPD
INDEPENDENCE PKWY





NELSON MIDDLE SCHOOL
(638 STUDENTS)



INDEPENDENCE HIGH SCHOOL
(1,825 STUDENTS)

16,595 CPD
INDEPENDENCE PKWY



**OFFICE PROJECT
UNDER DEVELOPMENT**

FUTURE INLINE RETAIL

20,978 CPD
ELDORADO PKWY

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Property Description



INVESTMENT HIGHLIGHTS

- » **New 15-Year Absolute Triple Net (NNN) Corporate Lease**
- » 7.5% Rental Increases Every 5 Years
- » **232,672 Residents in Growing Frisco Trade Area - Dallas/Fort Worth MSA**
- » **Signalized Hard Corner Location**, Visible to 37,570+ Cars/Day at the Eldorado Parkway & Independence Parkway Intersection
- » **Average Household Income Exceeds \$140K within a 1-Mile Radius**
- » Walking Distance from Heritage High School (2,188 Students) and Independence High School (1,825 Students)
- » **High Growth Area - Population and Households Projected to Increase 27%+ in Immediate Area by 2023**
- » Strong Daytime Population - 154,467 Employees within a 5-Mile Radius
- » **Huge Depreciation Benefits**



DEMOGRAPHICS

5-miles

10-miles

15-miles

Population

2023 Projection	17,409	106,575	265,897
2018 Estimate	13,683	90,092	232,672
Growth 2018 – 2023	27.23%	18.30%	14.28%

Households

2023 Projection	5,114	35,647	92,943
2018 Estimate	4,016	29,729	80,246
Growth 2018 – 2023	27.35%	19.91%	15.82%

Income

2018 Est. Average Household Income	\$140,989	\$139,281	\$136,804
2018 Est. Median Household Income	\$116,615	\$110,831	\$107,929
2018 Est. Per Capita Income	\$41,379	\$45,983	\$47,194



Tenant Overview



Dallas, Texas

Headquarters

Seven & I Holdings Co., Ltd

Parent Company

68,000+

Locations

www.7-eleven.com

Website

7-Eleven Inc. is a Japanese-American international chain of convenience stores, headquartered in Dallas, Texas. The chain was founded in 1927, originally called Tote'm Stores until it was renamed in 1946. Its parent company since 2005, Seven-Eleven Japan Co., Ltd., operates, franchises, and licenses 68,236 stores in 17 countries as of June 2019. Seven-Eleven Japan is headquartered in Chiyoda, Tokyo and held by Seven & I Holdings Co., Ltd.

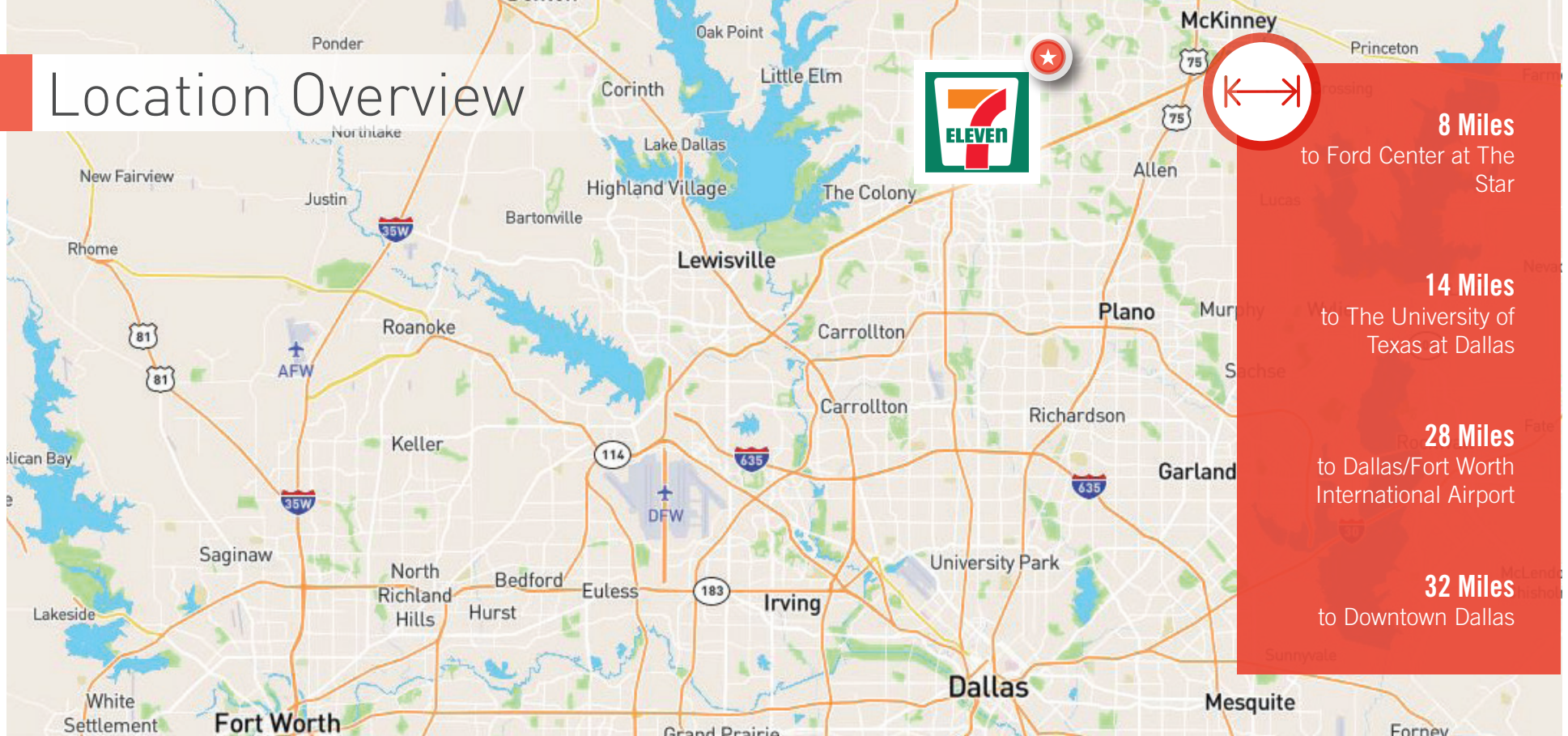
As the first to provide to-go coffee cups, offer a self-serve soda foundation, operate for 24 hours a day, and coin the phrase “BrainFreeze,” 7-Eleven has a

legacy of innovation. From its humble beginnings as the world’s first convenience store, 7-Eleven continues its pursuit of innovative ways to cater to a new, digitalsavvy generation of shoppers. 7-Eleven is extremely customer-focused, offering convenient and user-friendly technology.

7-Eleven is consistently ranked as a top-five franchisor. A turnkey business model, world-class training, ongoing corporate support, advertising and marketing support, and special financing programs are available to increase the success rates of Franchisees.



Location Overview



Frisco is one of the fastest-growing cities in both Texas and the United States as a whole. Conveniently located in the northern suburbs of the Dallas-Fort Worth Metroplex, Frisco is one of the most desirable locations in the United States to live, work, educate and innovate. The city's population has grown more than 300 percent since the 2000 U.S. Census. Supported by strong infrastructure, exceptional leadership and quality commercial developments, Frisco has been recognized by Money Magazine as the #1 Best Place to Live in America.

Frisco's thriving business climate is due in part to the Frisco North Platinum Corridor, spanning from the Sam Rayburn Tollway/SH 121 to U.S. Highway 380. Located in this corridor includes Texas Health Hospital Frisco; The Ford Center at The Star, a 12,000 seat indoor stadium, serving as the Dallas Cowboys practice facility; and numerous office, medical, retail, and mixed-use developments.

The Dallas/Fort Worth Metroplex is the fourth-largest metro in the nation and is composed of 12 counties, with an aggregate of more than 6.9 million residents. Population growth in the region was tremendous during the past decade, outpacing most U.S. metros. The population of the Metroplex is forecast to expand 1.6 percent per year through 2020.

The Dallas/Fort Worth economy continues to evolve. Companies migrating to the area are attracted by warm weather, no state income tax and a right-to-work labor policy. These qualities, combined with an educated workforce, diverse population and low housing costs, have led to extraordinary growth in the Metroplex and will continue to draw new businesses. Economic expansion will be further fueled by a rise in financial services and high-tech companies. Dallas/Fort Worth is home to 21 Fortune 500 companies in diverse economic sectors.



11-2-2015

Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

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CONFIDENTIALITY AGREEMENT

The information contained in the following offering memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and it should not be made available to any other person or entity without the written consent of Marcus & Millichap. By taking possession of and reviewing the information contained herein the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum. If you have no interest in the subject property at this time, please return this offering memorandum to Marcus & Millichap.

This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this offering memorandum has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

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