

7-ELEVEN

S&P: AA-

\$3,889,000 | 4.50% CAP

I-10 Frontage & John Martin Rd., Baytown, TX 77521 (Houston)

- ✓ New 15-Year Corp. Absolute NNN Ground Lease
- ✓ Large Format Store - 4,842 SF building on +1.39 Acres site
- ✓ Interstate Location (I-10 78,520 VPD)
- ✓ Houston is the 2nd fastest growing MSA in the U.S. with 7 million residents
- ✓ Houston #2 in Country for Job Growth (Bureau of Labor Statistics)

A photograph of a 7-Eleven convenience store and gas station at night. The building is illuminated by interior and exterior lights, with the 7-Eleven logo prominently displayed on the roof and signage. Several gas pumps are visible in the foreground, and a white SUV is parked in the lot. The sky is dark, and the overall scene is well-lit by the store's artificial lighting.

7-Eleven, Inc., the Irving, Texas-based c-store chain, operates, franchises and/or licenses almost 70,000 stores in 17 countries, including more than 12,000 locations in North America, making it the largest convenience retailer in the world.

INVESTMENT OVERVIEW

7-ELEVEN | BAYTOWN, TEXAS

\$3,889,000 | 4.50% CAP



\$175,000

NOI



±4,842 SF

BUILDING AREA



±1.39 ACRES

LAND AREA



2020

YR BUILT



100%

OCCUPANCY



**ABSOLUTE NNN
GROUND LEASE**

LEASE TYPE

- ✓ **Close proximity to the future site of the San Jacinto Marketplace.** What used to be the San Jacinto Mall, will soon be a 1.1 million SF mixed-use facility known as San Jacinto Marketplace, which is planned to open in late 2020.
- ✓ **Subject property features large highway location format.** 7-Eleven will occupy a 4,842 SF building on a 1.39 acre site.
- ✓ **Located in new commercial development tract.** The subject property will be developed in a brand new development that will feature 6 other buildings for a total of 33,889 SF.
- ✓ **New 15-year NNN Ground Lease, projected to open 2020.** Corporate Absolute NNN Ground Lease with no Landlord responsibility, and 10% rent increases every 5-years for a good hedge against inflation.
- ✓ **Immediate trade area features many traffic drivers.** These traffic drivers includes many car dealerships and retail sites with national credit tenants such as Kroger, HEB, Academy, Kohl's, Michael's, Burlington and many more.
- ✓ **Strategically situated right off of I-10 (78,520 VPD), at the hard corner signalized intersection with John Martin Rd. (8,456 VPD).** Located along I-10 Frontage Rd., just 25-miles east of downtown Houston, TX, 7-Eleven will be the first gas station/convenience store accessible after taking exit 791, and before hitting the on ramp to I-10.

SECURE

NET LEASE

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BOB MOORHEAD

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SECURE NET LEASE | 3

TENANT OVERVIEW

7-ELEVEN | BAYTOWN, TEXAS



7-ELEVEN (7-eleven.com)

LESSEE: 7-ELEVEN, INC., A TEXAS CORPORATION

The brand name 7-Eleven is now part of an international chain of convenience stores, operating under Seven-Eleven Japan Co., Ltd., Primarily operating as a franchise. It is the largest chain store operator with approximately 65,000+ locations operating around the world, surpassing the previous record-holder McDonald's Corporation in 2007. Its stores are located in sixteen countries, with its largest markets being Japan, the United States, Canada, the Philippines, Hong Kong, Taiwan, Malaysia and Thailand. 7-Eleven, Inc. as a former U.S.-Originating company, is a subsidiary of Seven-Eleven Japan Co., Ltd, which in turn is owned by Seven & I Holdings Co. of Japan. The US chain has its headquarters in Irving, Texas.

\$5.1B

REVENUE

The company operates, franchises and licenses more than 9,800+ stores in the U.S. and Canada. Of the more than 9,800 stores the company operates and franchises in the United States, approximately 8,000 are franchised. Outside of the U.S. and Canada, there are more than 55,300 7-Eleven and other convenience stores in Japan, Taiwan, Thailand, South Korea, China, Malaysia, Mexico, Singapore, Australia, Philippines, Indonesia, Norway, Sweden and Denmark.

S&P : AA-

CREDIT RATING

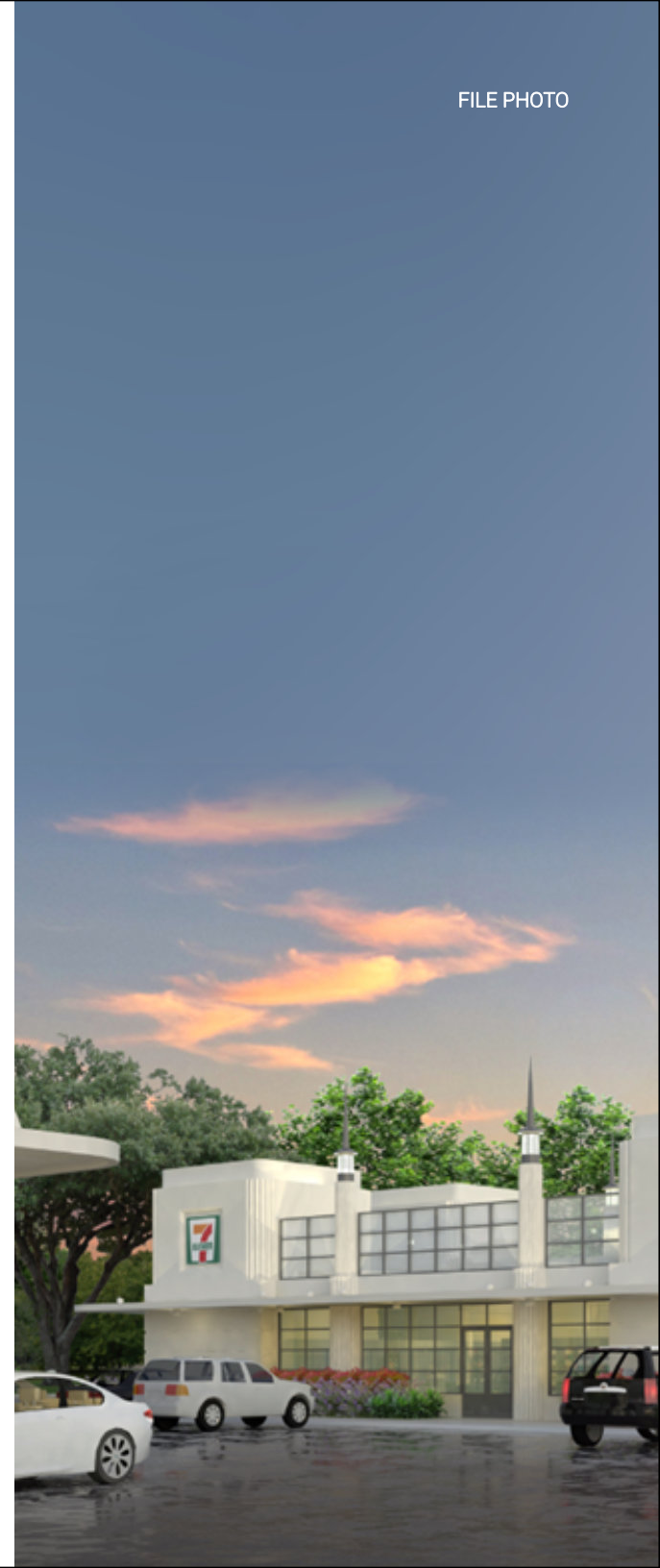
7-Eleven also is one of the nation's largest independent gasoline retailers. Its company's name was changed from The Southland Corporation to 7-Eleven, Inc. after approval by shareholders on April 28, 1999.

67,000+

LOCATIONS

7-Eleven focuses on meeting the needs of convenience-oriented customers by providing a broad selection of fresh, high-quality products and services at everyday fair prices, speedy transactions and a clean and friendly shopping environment. Each store's selection of about 2,500 different products and services is tailored to meet the needs and preferences of local customers. Stores typically vary in size from 2,400 to 3,000 square feet and are most often located on corners for great visibility and easy access. 7-Eleven Accolades include: Ranked #1 on Entrepreneur magazine's 2017 Top Global Franchises List; Ranked #1 spot on Entrepreneur magazine's Franchise 500's Top 10 Most Popular Retail Companies for 2016, and No.2 in Forbes magazine's Top 20 Franchises to Start. 7-Eleven is No. 2 on FranchiseRanking.com for Best Convenience Store Franchise Company USA, and among GI jobs magazine's Top 100 Military Friendly Employers.

FILE PHOTO



IN THE NEWS

7-ELEVEN | BAYTOWN, TEXAS

POSITIONING 7-ELEVEN FOR THE FUTURE

David Bennet, October 12, 2018 (*Convenience Store Decisions*)

For 91 years, 7-Eleven Inc. has often been on the cutting edge of major trends across the convenience store industry.

Whether it was the company's launch of the first self-serve soda fountain, 24/7 store hours, coffee sold in to-go cups, or the first self-serve gas pumps and ATMs installed at a c-store, 7-Eleven can count many "firsts." The biggest, of course, occurred in 1927. Convenience retailing got its start when employee "Uncle Johnny" Jefferson Green approached a young Joe C. Thompson of the Southland Ice Co. about selling bread, milk and eggs from the front dock of an ice house.

President and CEO Joe DePinto shares with Convenience Store Decisions how a **customer-obsessed culture is propelling the world's largest convenience retailer forward.**

With success comes growth. Today, a new 7-Eleven store opens somewhere in the world every 3.5 hours. Convenience, 7-Eleven style, remains in high demand.

The Irving, Texas-based c-store chain, a subsidiary of Seven & I Holdings Co., operates, franchises and/or licenses more than 67,000 stores in 17 countries, including more than 11,800 locations in North America, making it the largest convenience retailer in the world.

President and CEO Joe DePinto recently shared with Convenience Store Decisions his take on the headwinds and disruption in the c-store and retail environment and how 7-Eleven is not only addressing the complex business challenges now, but also how the company plans to maintain its leadership position in the industry, going forward.

Since he was appointed president and CEO of 7-Eleven in 2005, DePinto has led the charge of building long-term sustainable growth in part by implementing programs designed to satisfy its franchisees and its customers. During the last 13 years, however, U.S. retail has been reformed drastically by demographic, technological, behavioral and entrepreneurial changes.



[CLICK HERE TO READ MORE](#)

FILE PHOTO



LEASE OVERVIEW

7-ELEVEN | BAYTOWN, TEXAS

| | |
|------------------------------|--|
| LEASE TERM | 15-Years |
| OPTIONS | Four, Five Year Periods |
| PROJECTED RENT COMMENCEMENT | September 2020 |
| PROJECTED LEASE EXPIRATION | August 2035 |
| LEASE TYPE | Corporate Absolute NNN Ground Lease |
| TAXES | Tenant Responsibility |
| INSURANCE | Tenant Responsibility |
| COMMON AREA MAINTENANCE | Tenant Responsibility |
| ROOF, STRUCTURE, PARKING LOT | Tenant Responsibility |
| RENT INCREASES | 10% Every 5 Years in Primary Term & Option Periods |
| ANNUAL RENT YEARS 1-5 | \$175,000 |
| ANNUAL RENT YEARS 6-10 | \$192,500 |
| ANNUAL RENT YEARS 11-15 | \$211,749 |
| OPTION 1 YEARS 16-20 | \$232,925 |
| OPTION 2 YEARS 21-25 | \$256,217 |
| OPTION 3 YEARS 26-30 | \$281,839 |
| OPTION 4 YEARS 31-35 | \$310,023 |

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HIGHLANDS JUNIOR
MIDDLE SCHOOL
(1,135 STUDENTS)

E WALLISVILLE ROAD
± 7,479 VPD

SUBJECT PROPERTY
I-10 FRONTAGE & JOHN MARTIN RD.

HARLEM
ELEMENTARY
(724 STUDENTS)

I-10
± 78,520 VPD

JOHN MARTIN ROAD
± 8,456 VPD

GARTH ROAD
± 33,199 VPD

N MAIN STREET
± 21,082 VPD

I-10 FRONTAGE

DOLLAR GENERAL

BAYTOWN
JUNIOR SCHOOL
(959 STUDENTS)

SPUR
330
± 38,907 VPD

LCY

U-HAUL

DQ Jack
SUBWAY
DOLLAR GENERAL

K VALERO

Hilton Garden Inn
STAYBRIDGE SUITES
TOWNEPLACE SUITES
MARRIOTT
HOME2 SUITES BY HILTON
6
Hampton Inn
Comfort
AMERICAS
Days Inn BY HILTON
BAYMONT BY HILTON
LA QUINTA
SPRINGHILL SUITES

RED LOBSTER
Waffle House
Denny's
SUBWAY

KIA
HYUNDAI
TOYOTA
BUICK
GMC

Foot Locker
BIG LOTS!

O'Reilly AUTO PARTS
Walgreens
Rocker Barrel
SONIC
Chick-fil-ee

Chevrolet
Jeep
RAM
NISSAN

U-HAUL

TACO BELL
Pier 1
Michaels
Wendy's
at&t
SUBWAY
Buffalo Wild Wings
Popeye's
Olive Garden

PALACE INN
QUALITY INN

DOLLAR GENERAL
metro
Allstate

Ford
CHEVROLET

Cheddar's
SALTGRASS
STEAK HOUSE

McDonald's
OUTBACK
STEAKHOUSE

sears
JCPenney
macy's
CHAMPS
Bath & Body Works

Planet Fitness
SMOOTHIE KING
MOD
VSC TRACTOR SUPPLY CO
Great Clips
xfinity
Burlington
H-E-B

BOOT BARN
verizon
KIRKLAND'S
KOHLS
SHOE CARNIVAL

MATTRESS ONE
MATTRESS FIRM
Marshall's
Academy
DQ
Tanner
KAY JEWELERS
ULTA
FIREHOUSE SUBS
PET SMART

AutoZone

FARMERS
INSURANCE

Conn's
HomePlus
LOWE'S
Chick-fil-ee

DISCOUNT TIRE
TITLEMAX
Aaron's
IHOP
FITNESS
Domino's

Starbucks
ROSS
HOBBY LOBBY
Office DEPOT
petco
PAPA JOHN'S
SPECS
Sprint
FAMOUS FOOTWEAR
OLD NAVY
HIBBETT

Target
golden corral
GNC
GameStop
Starbucks
BURGER KING
BEST BUY

SITE OVERVIEW

7-ELEVEN | BAYTOWN, TEXAS



2020
YR BUILT



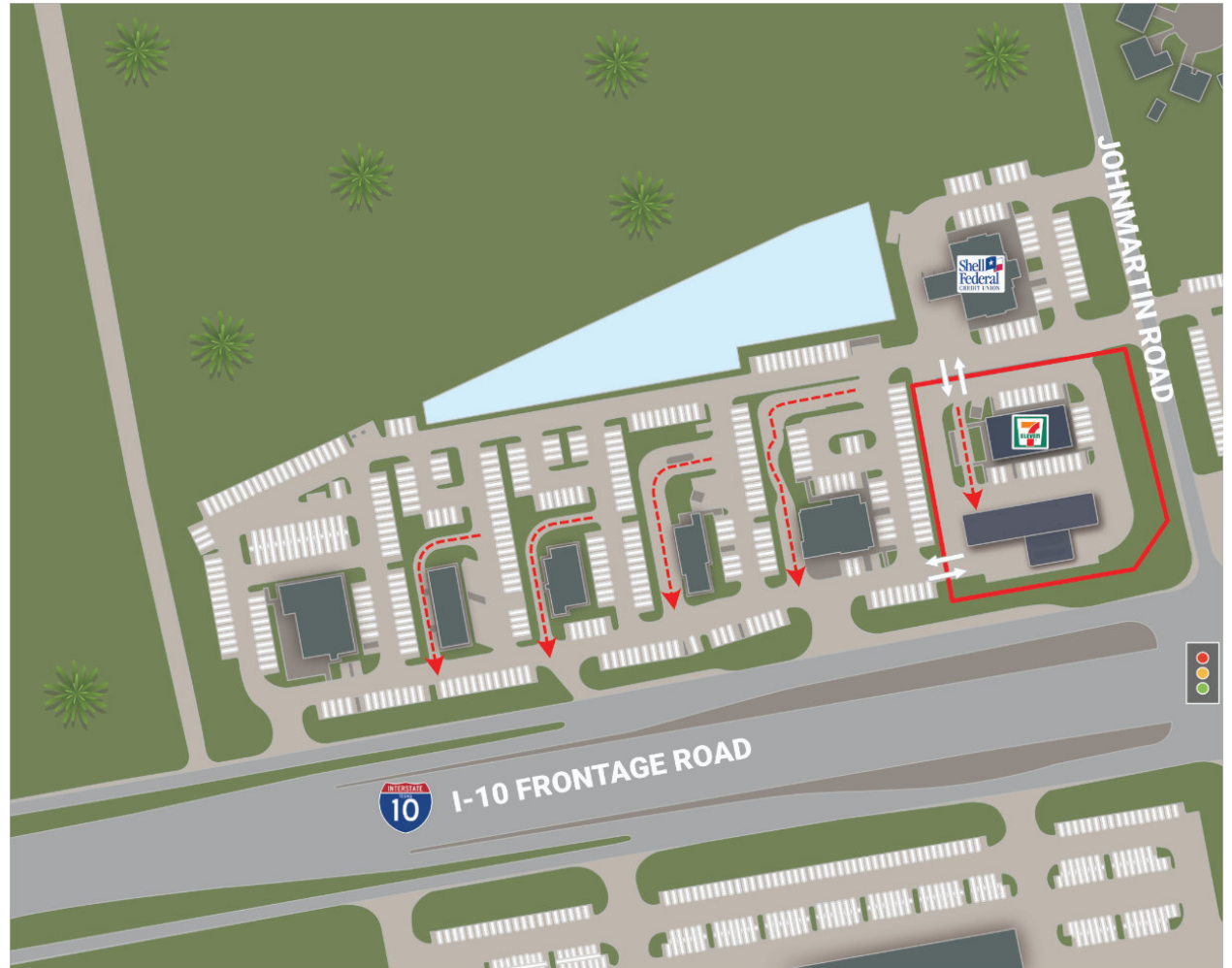
±4,842 SF
BUILDING AREA



±1.39 ACRES
LAND AREA

NEIGHBORING RETAILERS

| | |
|---------------------|---------------------|
| Denny's | JCPenney |
| Starbucks | Bath & Body Works |
| Jack in the Box | Hooters |
| O'Reilly Auto Parts | Lowe's |
| Macy's | Conn's HomePlus |
| Dollar Tree | The Home Depot |
| Best Buy | Ross Dress for Less |
| Target | Petco |
| Office Depot | Aldi |



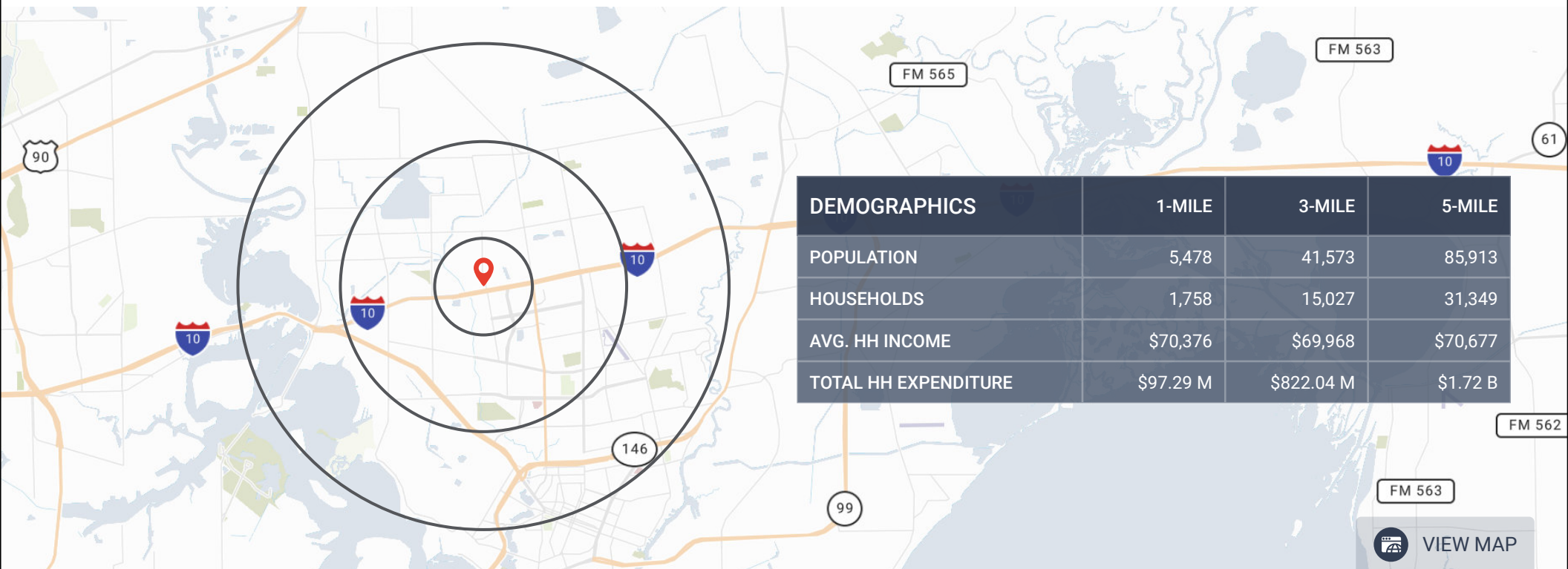
FILE PHOTO



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LOCATION OVERVIEW

7-ELEVEN | BAYTOWN, TEXAS



ECONOMIC DRIVER'S (# of Employees in Baytown)

The Methodist Hospital (1,200)
Angel Brothers Management (1,000)
Triumph Hospital Baytown (1,000)
Walmart Inc. (700)
Exxon Mobil Chemical Company (680)
Chevron Phillips Chemical Company (600)

Exxon Mobil - Tech. Complex (500)
Exxon Mobil Chemical Company - Refinery (500)
Covestro LLC (500)
Goose Creek Independent School District (345)
Walmart Inc. (300)
Kay Polymer Trucking, Inc. (292)

Ross S. Sterling High School (277 + 1,138 students)
U.S. Department of the Air Force (254)
Kroger Co. (250)
Gentry Junior High School (250 + 1,082 students)
Macy's Retail Holdings, Inc. (225)
Buc-EE's, Ltd. (201)

LOCATION OVERVIEW

7-ELEVEN | BAYTOWN, TEXAS

BAYTOWN TEXAS



77,024
POPULATION

Baytown is a city within Harris County and partially in Chambers County in the Gulf Coast region of Texas. Located within the Houston-The Woodlands-Sugarland MSA, it lies on the northern side of the Galveston Bay complex. It's the 6th largest city within this MSA. Major highways serving the city include SH-146 and I-10. The centerpieces of Baytown's economies are three industrial districts the city has created. These districts primarily support petroleum and petrochemical processing. The anchors of the business community are ExxonMobil, Covestro, and Chevron Phillips. The Baytown Refinery located there is the largest in the U.S. In addition to the heavy industry in the business community, Baytown is home to the Cedar Crossing Industrial Park. With 15,000 acres, Cedar Crossing Industrial Park is considered the world's 5th largest industrial park and the largest on the Gulf Coast. As of 2017, Baytown has a population of 77,024 people.

Houston is the most populous city in Texas, as well as the 4th most populous city in the U.S. With an estimated 2018 population of 2,325,502. Located in Southeast Texas near Galveston Bay and the Gulf of Mexico, it is the seat of Harris County and principal city of the Greater Houston metropolitan area, which is the 5th most

populous metropolitan statistical area in the U.S. Houston's economy since the late 20th century has a broad industrial base in energy, manufacturing, aeronautics, and transportation. Leading in healthcare sectors and building oilfield equipment, Houston has the second most Fortune 500 headquarters of any U.S. Municipality within its city limits (after New York City).

The Houston-The Woodlands-Sugar Land Metropolitan Statistical Area (MSA), colloquially known as Greater Houston, is the 5th largest in the U.S. with a population of 6,997,384 as of 2018. Houston is the most diverse metropolitan area in Texas and has been described as the most racially and ethnically diverse major metropolis in the U.S. It is home to many cultural institutions and exhibits, which attract more than 7 million visitors a year to the Museum District.

LOCATION OVERVIEW

7-ELEVEN | BAYTOWN, TEXAS

EXXONMOBIL BAYTOWN AREA OPERATIONS

Founded in 1919, the Baytown Refinery began operation in 1920 and the Chemical Plant started up in 1940.

The complex is located on approximately 3,400 acres along the Houston Ship Channel, about 25 miles east of Houston. It is comprised of four manufacturing sites, including one in nearby Mont Belvieu, and a global technology center. Employing a workforce of approximately 7,000, the Baytown area sites are highly integrated which makes the plants and products more efficient. We are developing technologies to make cleaner fuels and are working together to operate more safely and reliably.

Today, the Exxon Mobil Baytown Complex is one of the *largest integrated and most technologically advanced refining and petrochemical complexes in the world.*

Exxon's Baytown Facility:

- The Refinery has the capability to process up to 584,000 barrels of crude oil per day.

- The Baytown Chemical Plant produces products such as the butyl in your tires and the polypropylene in your car bumper.
- The Baytown Olefins Plant, which began operations in 1979, is one of the largest ethylene plants in the world.
- The Mont Belvieu Plastics Plant was built in 1982 and produces high- and low-density polyethylene, which goes into products such as shrink and stretch film to bundle water bottles and heavy-duty sacks that hold food.
- The Baytown Technology & Engineering Complex has been on-site since the 1920s. It has produced innovative technology, such as the lithium-ion battery separator film and numerous plastics light-weighting technologies that help make our vehicles more fuel efficient.

We recently completed the construction of a multi-billion dollar ethane cracker at the Baytown Olefins Plant. The cracker has a capacity of 1.5 million tons per year, and provides ethylene feedstock to two new high-performance polyethylene lines at Mont Belvieu Plastics Plant that started up in 2017. These projects are part of ExxonMobil's larger 10-year, \$20 billion Growing the Gulf expansion program.



HOUSTON PROPERTY VALUE IN 2020 TO RISE ON JOB GROWTH

Christie Moffat, January 27, 2020 (*Bisnow*)

Commercial property values in Houston should trend upward in 2020, as the region's positive job growth will increase demand for development opportunities, according to Houston-based valuation firm Deal Sikes.

"Houston's commercial real estate values will be on a solid upswing in 2019," Deal Sikes principal Matthew Deal said. "With Houston expected to gain population significantly in the next decade, the long-term forecast must include rising property prices that will be very impressive over the long haul."

The firm said rising land prices have pushed industrial development farther away from the center of the city, and outer suburban land prices have increased accordingly. But that hasn't stopped development: More than 15M SF of warehouse and industrial space is under construction in the greater Houston area, the firm said.

Meanwhile, property values in the urban core remain strong, as developers and builders locate buildings for redevelopment, or seek sites that are appropriate for new construction.

"Multifamily construction is strong in Houston and researchers report more than 25,000 units are now under construction, although the pace is expected to be slightly more moderate in 2020 as the new inventory is absorbed," principal Mark Sikes said.

"Investor demand is good and multifamily valuations have not yet peaked in most submarkets." Though newer office buildings and Class-A towers under construction are leasing briskly, Houston's office market is its most sluggish sector, according to the firm. The energy industry — a juggernaut in Houston's leasing arena — is in the midst of a downturn, which is hurting growth.

2 TEXAS CITIES ARE EXPECTED TO OUTPERFORM MOST OTHER BIG METROS IN THE EARLY 2020S

Dom DiFurio, December 27, 2019 (*The Dallas Morning News*)

Dallas and Houston's economic stability are projected to be somewhat of an anomaly in the U.S. over the next several years, even as much of the world's economic growth slows, according to research firm Oxford Economics.

Its economic analysis projects that nearly two-thirds of the world's major cities will see an economic slowdown over the next two years. Oxford Economics sees slowing gross domestic product growth in the 10 largest cities in the world.

Dallas and Houston trail only San Francisco for near-term economic success in the analysis of how America's 10 largest cities will fare through a slowdown. The analysis projects Dallas' GDP will grow at an average rate of 2.2% between 2020-2021, down from 3.6% from 2014-2018, according to Oxford Economics. Projecting out two more years to 2023, both the Dallas and Houston economies are forecast to grow at a 2.4% rate.

As the home of America's tech industry and its countless highly skilled workers, San Francisco will continue to see growth outpacing the rest of the country even in a downturn. But what's happening in Dallas and Houston that makes these Texas cities so well-suited to weather economic slowing?



[CLICK HERE TO READ MORE](#)



[CLICK HERE TO READ MORE](#)

HOUSTON MSA

7-ELEVEN | BAYTOWN, TEXAS

HOUSTON METRO STATISTICS

| | |
|--------------------------|-----------|
| TOTAL POPULATION | 6,997,384 |
| GDP | \$500 B |
| NATIONAL ECONOMY RANKING | 15th |
| FORTUNE 500 COMPANIES | 26 |

GEORGE BUSH INTERCONTINENTAL AIRPORT
✓ 40 Million Annual Passengers
✓ Hub for United Airlines & Atlas Air

MINUTE MAID PARK STADIUM
✓ Houston Astros - 10th Most Valuable MLB Team (\$1.8 Billion)
✓ 41,168 Seating Capacity

nrg park
✓ Houston Texans - 9th Most Valuable NFL Team (\$3.1B)
✓ 72,220 Seating Capacity

Houston Rockets - 7th Most Valuable NBA Team (\$2.3B)
✓ 18,300 Seating Capacity

RICE UNIVERSITY
✓ School of Architecture Ranked #2 in the Nation
✓ 6,740 Students

PORT OF HOUSTON INTERNATIONAL PORT
✓ 182 Billion Tons of Cargo Annually
✓ Shipping Activity Accounts for \$159 Billion in Trade

UNIVERSITY OF HOUSTON
✓ Part-Time Law Program Ranked #9 Nationally
✓ 45,364 Students

WILLIAM P. HOBBY AIRPORT
✓ 14 Million Annual Passengers
✓ 93% of Annual Flights are on Southwest Airlines

JOHNSON SPACE CENTER
✓ Hub of Human Space Flight for More than Half a Century
✓ 1 Million Visitors Annually

SECURE

NET LEASE

CALL FOR ADDITIONAL INFORMATION

DALLAS OFFICE

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Suite 220
Dallas, TX 75205
(214) 522-7200

LOS ANGELES OFFICE

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El Segundo, CA 90245
(424) 220-6430

securenetlease.com

TEXAS DISCLAIMER

7-ELEVEN | BAYTOWN, TEXAS

APPROVED BY THE TEXAS REAL ESTATE COMMISSION FOR VOLUNTARY USE

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

INFORMATION ABOUT BROKERAGE SERVICES

Before working with a real estate broker, you should know that the duties of a broker depend on whom the broker represents. If you are a prospective seller or landlord (owner) or a prospective buyer or tenant (buyer), you should know that the broker who lists the property for sale or lease is the owner's agent. A broker who acts as a subagent represents the owner in cooperation with the listing broker. A broker who acts as a buyer's agent represents the buyer. A broker may act as an intermediary between the parties if the parties' consent in writing. A broker can assist you in locating a property, preparing a contract or lease, or obtaining financing without representing you. A broker is obligated by law to treat you honestly.

IF THE BROKER REPRESENTS THE OWNER:

The broker becomes the owner's agent by entering into an agreement with the owner, usually through a written – listing agreement, or by agreeing to act as a subagent by accepting an offer of subagency from the listing broker. A subagent may work in a different real estate office. A listing broker or subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first. The buyer should not tell the owner's agent anything the buyer would not want the owner to know because an owner's agent must disclose to the owner any material information known to the agent.

IF THE BROKER REPRESENTS THE BUYER:

The broker becomes the buyer's agent by entering into an agreement to represent the buyer, usually through a written buyer representation agreement. A buyer's agent can assist the owner but does not represent the owner and must place the interests

of the buyer first. The owner should not tell a buyer's agent anything the owner would not want the buyer to know because a buyer's agent must disclose to the buyer any material information known to the agent.

IF THE BROKER ACTS AS AN INTERMEDIARY:

A broker may act as an intermediary between the parties if the broker complies with The Texas Real Estate License Act. The broker must obtain the written consent of each party to the transaction to act as an intermediary. The written consent must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. The broker is required to treat each party honestly and fairly and to comply with The Texas Real Estate License Act. A broker who acts as an intermediary in a transaction:

- ▷ shall treat all parties honestly;
- ▷ may not disclose that the owner will accept a price less than the asking price submitted in a written offer unless authorized in writing to do so by the owner;
- ▷ may not disclose that the buyer will pay a price greater than the price submitted in a written offer unless authorized in writing to do so by the buyer; and
- ▷ may not disclose any confidential information or any information that a part specifically instructs the broker in writing not to disclose unless authorized in writing to disclose the information or required to do so by The Texas Real Estate License Act or a court order or if the information materially relates to the condition of the property.

With the parties' consent, a broker acting as an intermediary between the parties may appoint a person who is licensed under The Texas Real Estate License Act and associated with the broker to communicate with and carry out instructions of one party and another person who is licensed under that Act and associated with the broker to communicate with and carry out instructions of the other party.