

CIRCLE K SALE LEASEBACK

2906 Atlanta Highway
Montgomery, AL 36109



Brand New 20-Year Absolute NNN Lease | 2021 Construction | Store Opening Q1 2021

SONNY MOLLOY

SENIOR VICE PRESIDENT INVESTMENTS

Direct: (678) 808-2763

Sonny.Molloy@marcusmillichap.com

JARED KAYE

FIRST VICE PRESIDENT INVESTMENTS

Direct: (678) 808-2821

Jared.Kaye@marcusmillichap.com

COLE SNYDER

ASSOCIATE | FINANCIAL ANALYST

Direct: (678) 808-2758

Cole.Snyder@marcusmillichap.com

Marcus & Millichap

MOLLOY KAYE RETAIL GROUP

Representative Photo

NON-ENDORSEMENT & DISCLAIMER NOTICE

CONFIDENTIALITY & DISCLAIMER

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified 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, PCB's or asbestos, the compliance with 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 Marketing Brochure 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. Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services, Inc.

© 2018 Marcus & Millichap. All rights reserved.

NON-ENDORSEMENT NOTICE

Marcus & Millichap is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Marcus & Millichap, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of Marcus & Millichap, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

SPECIAL COVID-19 NOTICE

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.

Marcus & Millichap



TABLE OF CONTENTS

OFFERING HIGHLIGHTS	4
INVESTMENT OVERVIEW	5
PROPERTY PHOTOS	6
SITE PLAN	7
AERIALS	8-9
REGIONAL MAP	10
DEMOGRAPHICS	11
MONTGOMERY OVERVIEW	12-13
LEASE ABSTRACT	14
TENANT SUMMARY	15

PORTFOLIO OFFERING

All locations are 20-year Absolute NNN sale leasebacks.

A. Circle K (Subject Property)

2906 Atlanta Highway
Montgomery, AL 36109

B. Circle K

5101 Vaughn Road
Montgomery, AL 36116

C. Circle K

3565 Lower Wetumpka Road
Montgomery, AL 36110

Operator has 93 units across the SE

C

\$2,732,000
5.80% Cap Rate

A

SUBJECT PROPERTY

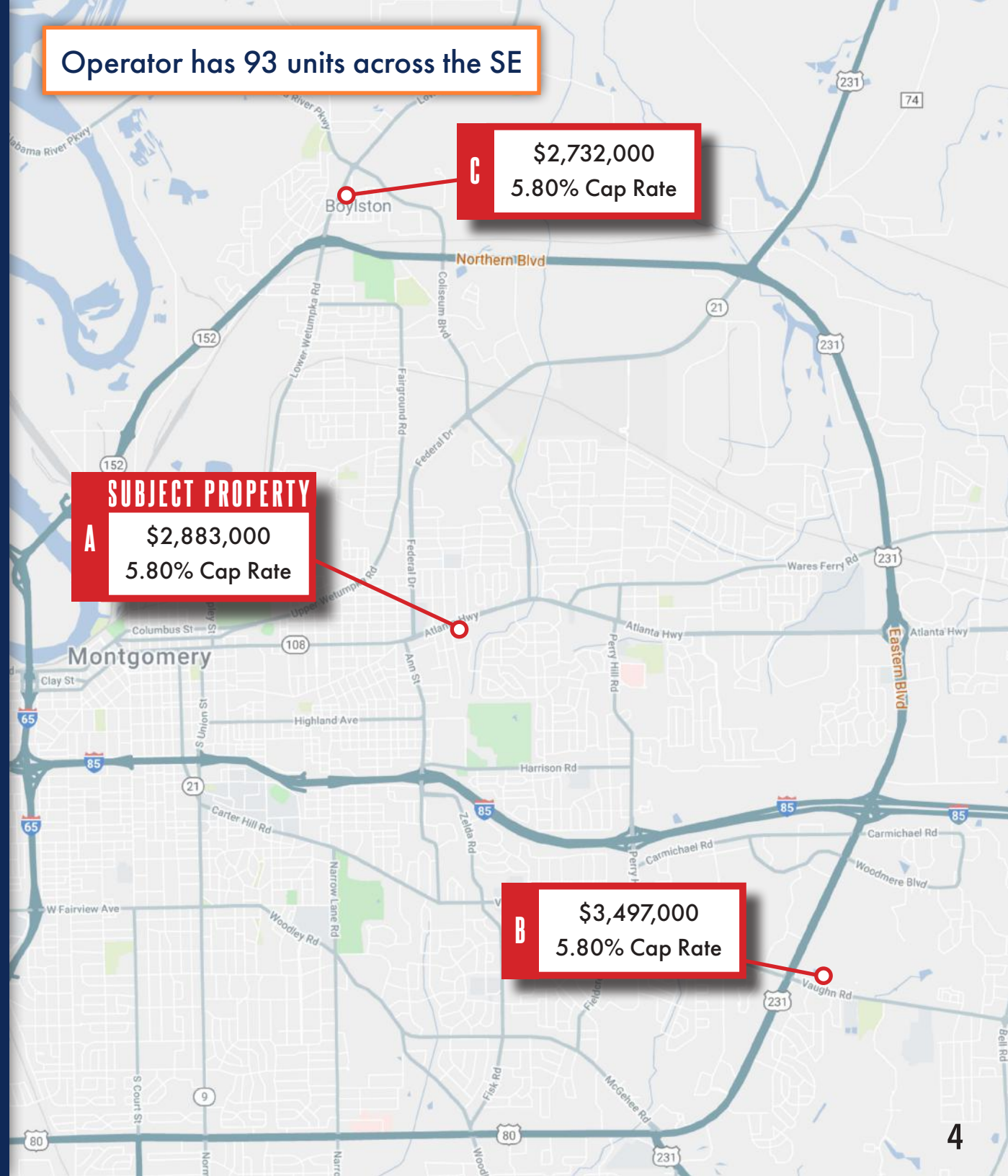
\$2,883,000
5.80% Cap Rate

B

\$3,497,000
5.80% Cap Rate

CIRCLE K

Available Individually or as a Portfolio



OFFERING HIGHLIGHTS

2906 Atlanta Highway
Montgomery, AL 36109



\$2,883,000
Price



±3,600 **0.72**
SF | Acres



5.80%
Cap Rate



20 YEARS
Base Term



ABSOLUTE NNN
Lease



2021
Year Built
(Store scheduled to
open Q1 2021)

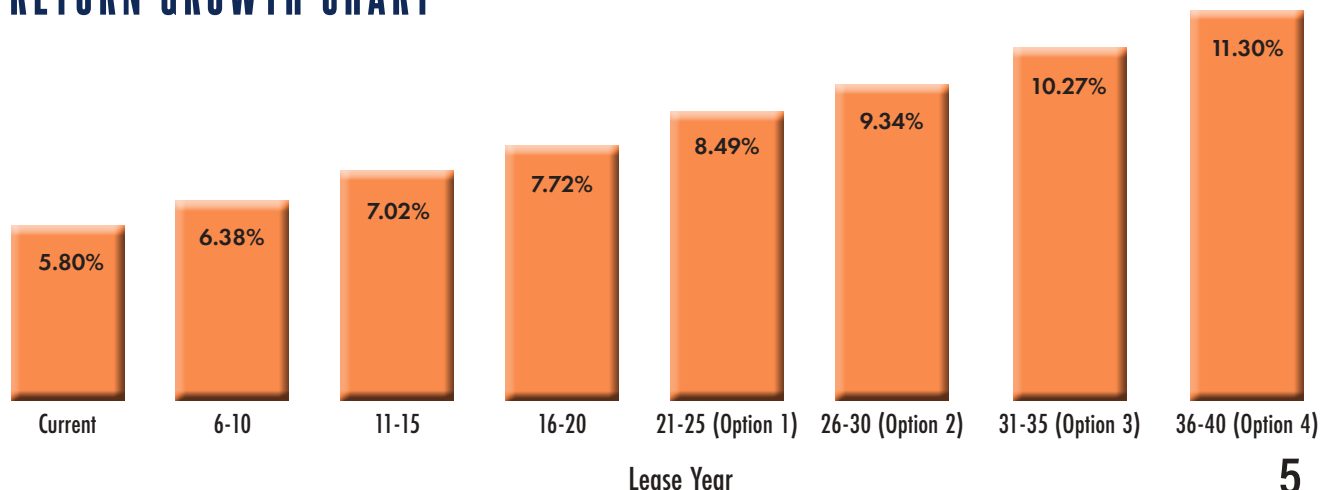
LEASE SUMMARY

Property Subtype:	Net Leased Auto Service - Gas/Conv.
Tenant:	Gas Express, LLC d/b/a/ Circle K
Rent Increases:	10% Every 5 Years
Guarantor:	Franchisee
Lease Type:	Absolute NNN
Lease Commencement:	At Close of Escrow
Initial Lease Term:	20 Years
Renewal Options:	Four (4), 5-Year

RENT ROLL

TERM	ANNUAL RENT	MONTHLY RENT	RENT/SF
Current	\$167,206	\$13,934	\$46.45
Years 6-10	\$183,927	\$15,327	\$51.09
Years 11-15	\$202,320	\$16,860	\$56.20
Year 16-20	\$222,552	\$18,546	\$61.82
Years 21-25 (Option 1)	\$244,807	\$20,401	\$68.00
Years 26-30 (Option 2)	\$269,288	\$22,441	\$74.80
Years 31-35 (Option 3)	\$296,216	\$24,685	\$82.28
Years 36-40 (Option 4)	\$325,838	\$27,153	\$90.51

RETURN GROWTH CHART



INVESTMENT OVERVIEW

FUNDAMENTAL LOCATION, VISIBILITY & ACCESS

- Brand new 2021 construction
- Direct access to a traffic signal with multiple points of ingress/egress
- Flat topography with strong visibility in both directions along Atlanta Highway
- Strong traffic counts of $\pm 34,622$ VPD along Atlanta Highway, a 4-lane east/west thoroughfare that is east of downtown Montgomery
- Strong daytime population counts of $\pm 10k$ (1-mi), $\pm 100k$ (3-mi) & $\pm 179k$ (5-mi)
- Permanent population counts of $\pm 9,605$ (1-mi), $\pm 100k$ (3-mi) & $\pm 179k$ (5-mi)
- Limited surrounding competition - only 2 other gas/c-stores within a 1-mile radius
- Subject property is 0.6 miles from Lee High School with $\pm 1,500$ students & staff

OPTIMAL LEASE STRUCTURE

- Attractive 20-year sale leaseback
- Four (4), 5-year renewal options
- 10% rent escalations every 5 years throughout entire lease
- Absolute triple net (NNN) lease with NO landlord responsibilities
- Opportunity for accelerated depreciation based on fee simple building and gas facility use

LARGE FRANCHISEE & DOMINANT BRAND

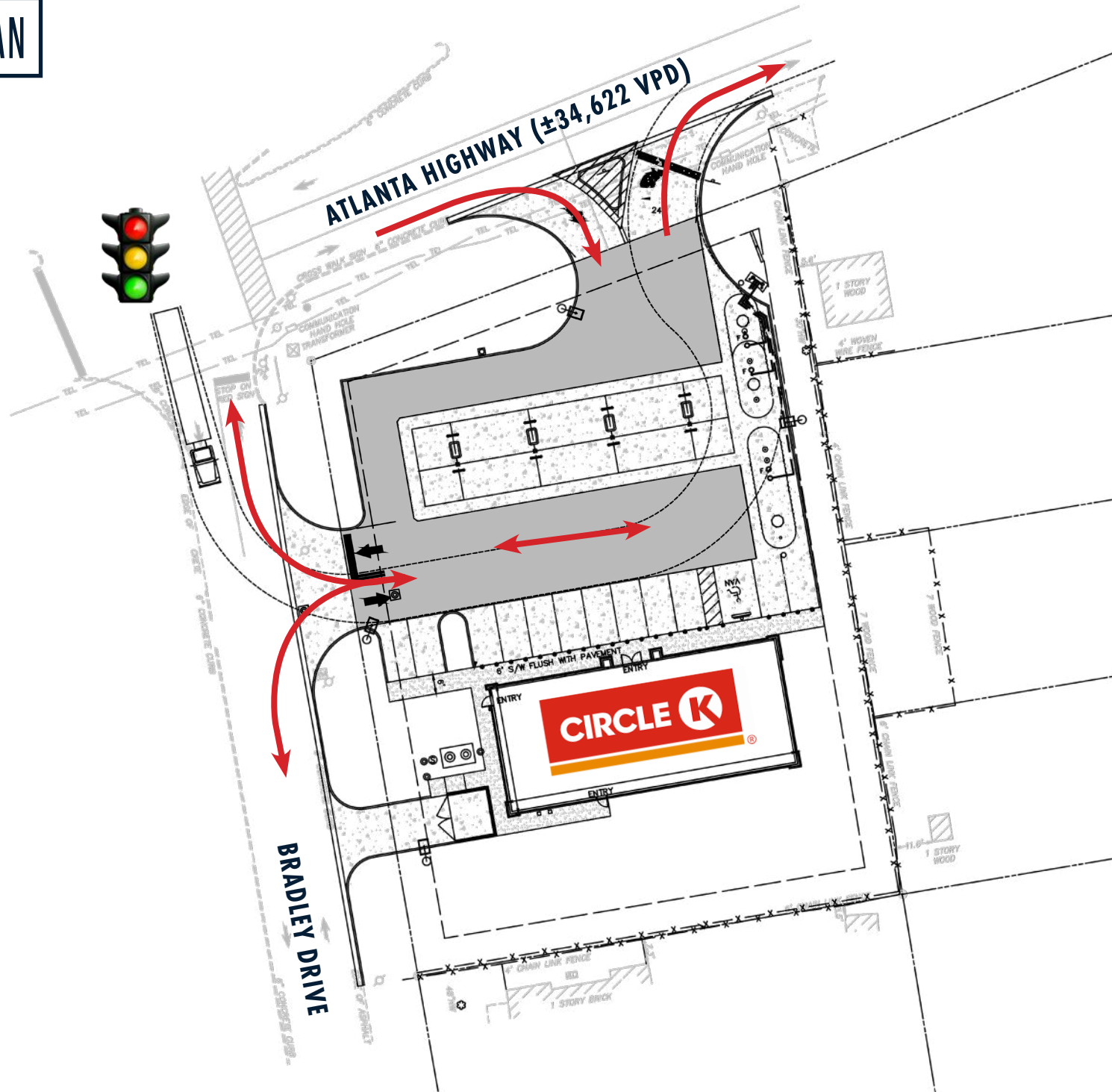
- Expanding 93-unit operator across 4 states (AL, AR, GA, LA)
 - › 45+ units directly owned by Tenant
- Other brands include BP and Kangaroo Express
- 26+ year operating history
- Circle K is an international brand with 15,000+ locations in 20 countries (corporate)

MONTGOMERY, AL ADVANTAGE

- Home to Alabama's state capital
- Gross Metro Product of \$18.6 B (2019)
- Low cost of living at 8% below national average (per *Forbes*)
- Major industries include education and defense
- Home to Maxwell Air Force Base
 - › Educational and technological center of the US Air Force
 - › Average fiscal economic impact of $\pm \$2.6$ B annually
 - › Mission critical military installation as home to Air University
 - › 17,000+ military, civil service, and contracted personnel & 34,000 students
- Other Top Employers
 - › Baptist Health: $\pm 4,300$ employees
 - › Hyundai Motor Manufacturing Alabama, LLC: $\pm 3,500$ employees
 - › Assembly plant for Sonata and Elantra sedans and Santa Fe SUV
 - › HMMA and its suppliers have an annual economic impact of \$4.82 B to the State of AL's economy
 - › ALFA Insurance Companies: $\pm 2,500$ employees



SITE PLAN



AERIAL



AERIAL



REGIONAL MAP

DRIVING DISTANCE FROM SUBJECT PROPERTY

Auburn.....	52 Miles
Columbus.....	81 Miles
Birmingham.....	92 Miles
Atlanta.....	160 Miles
Mobile.....	171 Miles



DEMOGRAPHICS

POPULATION

2020 Population

Daytime Population

HOUSEHOLDS

2025 Est. Households

2020 Households

HOUSEHOLDS BY INCOME

\$200,000 or More

\$150,000 - \$199,999

\$100,000 - \$149,999

\$75,000 - \$99,999

\$50,000 - \$74,999

\$35,000 - \$49,999

\$25,000 - \$34,999

\$15,000 - \$24,999

\$10,000 - \$14,999

Under \$9,999

Average HH Income

1-MILE

9,605

10,383

4,097

4,117

0.92%

2.06%

6.56%

9.78%

16.94%

16.27%

14.28%

13.48%

8.77%

10.93%

\$49,879

3-MILE

59,810

100,261

23,132

23,264

3.71%

3.87%

10.48%

10.16%

17.38%

14.08%

10.88%

12.48%

6.66%

10.30%

\$67,266

5-MILE

139,297

179,435

55,260

55,409

2.63%

2.88%

8.72%

10.33%

17.13%

14.39%

11.39%

13.59%

7.37%

11.57%

\$59,493

POPULATION BY RACE

% White Population

% Black Population

% Asian

% American Indian,
Eskimo, Aleut Population

% Hawaiian or Pacific
Islander Population

% Multi-Race Population

% Other Population

2019 POPULATION 25+ BY EDUCATION LEVEL

Elementary (0-8)

Some High School (9-11)

High School Graduate (12)

Some College (13-15)

Associates Degree Only

Bachelors Degree Only

Graduate Degree

1-MILE

54.35%

36.79%

1.45%

0.35%

0.06%

1.92%

5.08%

6,405

5.09%

10.75%

31.92%

25.51%

5.33%

14.26%

5.88%

3-MILE

50.24%

43.44%

1.50%

0.28%

0.05%

1.76%

2.73%

39,078

3.60%

10.41%

27.08%

21.22%

5.22%

18.03%

12.81%

5-MILE

31.00%

63.32%

1.68%

0.23%

0.07%

1.62%

2.08%

90,508

3.74%

11.03%

27.98%

21.38%

6.12%

16.66%

11.51%

MONTGOMERY, AL

Strategically located at the intersection of Interstate 65 and Interstate 85, Montgomery is the capital city of Alabama and the second-largest city in the state. The metropolitan area, comprised of Autauga, Elmore, Lowndes, and Montgomery counties, has **a population over 374,000**. A region of vast economic diversity, Montgomery is **home to state and regional governments, a major military installation, the USAF Air University, an extensive service industry, wholesale and retail trade, tourism, and an industrial base**. Within the past decade, **10,000 jobs have been created and \$1.9 billion has been spent in capital expenditures**, evidence Montgomery is one of the most pro-business cities in the state.

Montgomery is nationally known for its many historic/cultural landmarks and events such as the Alabama State Capitol, Dexter Avenue King Memorial Church, First White House of the Confederacy, Montgomery Bus Boycott, Hank Williams Memorial, Alabama War Memorial and Alabama Shakespeare Theater. The city attracted the first electric street car system and Wright Brothers first school for powered flight. Today, **Montgomery is the home of both Maxwell and Gunter Air Force Bases. The two bases employ over 12,280 people.**

The city is the home of several public and private colleges, as well as military schools. Montgomery's fifteen colleges, universities and military schools, including Alabama State University and Auburn University at Montgomery, provide world-class educational opportunities. In 2004, Montgomery landed one of the biggest economic development projects when **Hyundai Motors Manufacturing Alabama (HMMA) built its \$1.4 billion automotive plant**. The Montgomery location became **the first assembly and manufacturing plant in the United States**. It **employs over 3,000 team members**. HMMA and its suppliers have **an annual economic impact of \$4.82B to Alabama's economy**. Montgomery is also home to a minor league baseball team called the Montgomery Biscuits, Class AA affiliate of the Tampa Bay Devil Rays. The team plays in a newly renovated 7,000-seat facility known as Riverwalk Stadium that is owned by the City of Montgomery.

TOP MONTGOMERY, AL MSA EMPLOYERS

Maxwell/Gunter Air Force Base (12,280)

State of Alabama (11,380)

Montgomery Public Schools (4,524)

Baptist Health (4,300)

Hyundai Motor Manufacturing Alabama (3,530)

ALFA Insurance Companies (2,568)

City of Montgomery (2,500)

MOBIS Alabama (1,400)

Jackson Hospital & Clinic, Inc. (1,300)

Koch Foods (1,300)



Montgomery, AL



Hyundai Motor Manufacturing Alabama



12
Riverwalk Stadium

MONTGOMERY HIGHLIGHTS



Alabama's State Capital



Population of 375,000+



Gross Metro Product of \$18.6 B



Large Military Presence due to Maxwell Air Force Base, which has a \$2.6 B annual economic impact



Maxwell AFB is Mission Critical as home to Air University and Air Force's center for professional military education



Hyundai Motor Manufacturing Alabama (HMMA) is doing a \$410 M expansion to expand their assembly lineup, creating 200+ jobs



Low Unemployment Rate of 3.6%



Cost of Living 8% Below National Average

LEASE ABSTRACT

TENANT:

Gas Express, LLC d/b/a Circle K

LEASE STRUCTURE:

Absolute NNN

PARCEL SIZE:

±0.72 Acres

LEASE COMMENCEMENT:

At Close of Escrow

TERM:

20 Years

RENEWAL OPTIONS:

Four (4), 5-Year

RENTAL INCREASE:

10% increase every 5 years

MAINTENANCE:

Tenant shall, at all times during the Term of this Lease, at its sole cost and expense, maintain, repair and replace (or cause the same to be maintained, repaired and replaced) in good repair and condition the Leased Premises and all components thereof that at any time may be erected thereon (ordinary wear and tear, damage by fire or other casualty, and damage or changes related to eminent domain takings expected). Unless otherwise provided for herein, Landlord shall not be required to furnish any maintenance, repairs, or replacement to the Leased Premises it being understood and agreed that all such needs be the sole responsibility and cost of the Tenant.

TAXES:

Tenant shall pay directly the Real Estate Taxes levied against the Property for each year during the Term.

INSURANCE:

A. Special Form Property Insurance. Tenant shall obtain and maintain at its sole cost and expense building and property casualty insurance coverage for the Leased Premises from a nationally recognized company licensed to do business in the state where the Leased Premises are situated, in an amount that will provide for payment of 100% of the replacement cost of the Leased

Premises (without deduction for depreciation) for loss due to fire, wind and other hazards or casualties as are included in "special form coverage" (formally known as "all risk coverage") including Loss of Rents coverage for Rent, Property Taxes and Insurance. Tenant agrees to provide a certificate of said Insurance policy indicating Landlord (and Landlord's lender, as applicable) as named additional Insureds on the earlier of (i) the Term Commencement Date or (ii) prior to Tenant entering upon the Property to perform Tenant's Work. The certificate shall state that insurer will endeavor to provide thirty (30) days' notice prior to termination.

B. Liability Insurance. Tenant, in its name and at its own expense, shall procure and continue in force, commercial general liability insurance for (i) bodily Injury and/or death and (ii) property damage liability occurring in or on the Leased Premises, Building and Property during the Term of this Lease and prior to the Term if Tenant shall be permitted access to the Leased Premises for any reason. Such insurance shall be in the following minimum amounts: Two Million Dollars (\$2,000,000.00) per occurrence for bodily injury (Including death) and One Million Dollars (\$1,000,000.00) per occurrence for damage to property. Such insurance shall be endorsed to name the Landlord (and Landlord's lender, as applicable, provided Landlord gives Tenant written notice of the name and address of Landlord's lender) as additional insured and shall be written by a company or companies authorized to engage in the business of general liability Insurance in the state in which the Leased Premises is located and have a rating reasonably acceptable to Landlord. A certificate of Insurance will be supplied to Landlord (and Landlord's lender, as applicable).

C. Equipment Insurance. Tenant, in its name and at its own expense, shall procure and continue in force, insurance on the Equipment, as defined in Exhibit "C", for the full replacement value. Such insurance shall be endorsed to name Landlord (and Landlord's lender) as additional Insured and shall be written by a company reasonably acceptable to Landlord. A certificate of will be supplied to Landlord (and Landlord's lender, as applicable).

UTILITIES:

Tenant shall pay for all sewerage disposal services, water, gas, heat, electric, garbage disposal, security, fire alarm, telecommunication and other utilities furnished to it and consumed by it, in or upon the Lease Premises.

ASSIGNMENT & SUBLETTING:

Tenant may, without Landlord's consent, sublease the Subtenant Space. Tenant may, without Landlord's consent, which shall not be unreasonably conditioned, denied or delayed, sublease all the Leased Premises or assign this Lease. Notwithstanding anything to the contrary herein Tenant may, without the consent of Landlord, and from time to time: (i) assign this Lease to a corporation or other business entity into which Tenant merges; (ii) assign this Lease to any corporation or other business entity acquiring Tenant or a substantial portion of Tenant's assets; or (iii) assign this Lease to another party which party, together with any guarantor(s), shall have a net worth of \$5,000,000 or more (each event being a "Permitted Transfer"). Upon any such assignment pursuant to a Permitted Transfer, Tenant's liability under this Lease shall immediately cease and Tenant shall have no further obligations hereunder.

FINANCIAL REPORTING:

Tenant shall provide financial statements as requested by Landlord in connection with a pending sale or financing of the Leased Premises, but in any event not more than twice during any calendar year.

TENANT SUMMARY

Gas Express is a proud franchisee of Circle K, known worldwide for quality products and great customer service. Gas Express was founded in 1994 and was originally named S&A Food and Gas. As a company that would grow to employ hundreds of people and work in the very heart of tight-knit neighborhoods and communities, they had the foresight to know that their commitment needed to extend not just to the bottom line but also to their customers and their employees.

The Gas Express team recognizes the diverse demographics of Atlanta and aims to offer unique, but always dependable service tailored to each market. Gas Express offers unique services such as growler purchases /refills, a wide selection of wine, a huge selection of craft beer and beer caves within select stores.

Gas Express is committed to growing a strong presence in the Atlanta area and beyond. They currently operate over 93 locations across Georgia, Louisiana, Alabama, and Arkansas with the majority located in the Atlanta MSA.



Tenant Trade Name Circle K

Tenant Gas Express, LLC

No. of Units 93+

Locations GA, LA, AL, AR

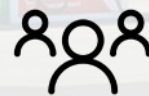
Headquarters Atlanta, GA

CIRCLE K

CIRCLE K HIGHLIGHTS



15,000+
Locations Worldwide



40,000+
Employees



20+ COUNTRIES
with Circle K Locations

CIRCLE K SALE LEASEBACK

2906 Atlanta Highway
Montgomery, AL 36109



Brand New 20-Year NNN Lease | 2021 Construction | Store Opening Q1 2021

SONNY MOLLOY

SENIOR VICE PRESIDENT INVESTMENTS

Direct: (678) 808-2763

Sonny.Molloy@marcusmillichap.com

JARED KAYE

FIRST VICE PRESIDENT INVESTMENTS

Direct: (678) 808-2821

Jared.Kaye@marcusmillichap.com

COLE SNYDER

ASSOCIATE | FINANCIAL ANALYST

Direct: (678) 808-2758

Cole.Snyder@marcusmillichap.com

Marcus & Millichap

MOLLOY KAYE RETAIL GROUP

Representative Photo