

7-Eleven
24-Year Operating History



OFFERING MEMORANDUM



GRAPEVINE, TX

Marcus & Millichap

Knockout Sports Bar
New 9-Year Absolute Net Lease



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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.

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Marcus & Millichap

PRICING DETAILS

7-ELEVEN & KNOCKOUT PORTFOLIO

Combined Price	\$3,095,000
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LOCATION	1700 William D Tate Ave, Grapevine, TX 76051
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Price	\$1,390,161
Rentable SF	3,204
Price/SF	\$433.88
CAP Rate	9.50%
Year Built	1999
Lot Size	1.26 Acres
Type of Ownership	Leasehold Interest

LEASE SUMMARY

Tenant Name	7-Eleven
Ownership	Public
Tenant	Corporate Store
Lease Guarantor	Corporate
Lease Type	Absolute Net
Roof and Structure	Tenant Responsible
Initial Lease Term	20 Years
Lease Commencement Date	09/18/1997
Rent Commencement Date	5/25/2021
Lease Expiration Date	1/18/2031
Term Remaining on Lease	8.8 Years
Increases	10% Every Five Years
Options	Two, 5-Year

ANNUALIZED OPERATING INFORMATION

YEARS	MONTHLY RENT	ANNUAL RENT	CAP RATE
Years 21-25	\$11,007.00	\$132,084.00	9.50%
Years 26-30	\$12,108.00	\$145,296.00	10.45%
Years 31-35 (Option 1)	\$13,318.80	\$159,825.60	11.49%
Years 36-40 (Option 2)	\$14,650.68	\$175,808.15	12.64%
Base Rent (\$41.22/SF)		\$132,084.00	
Net Operating Income		\$132,084.00	
Total Return		9.50% / \$132,084.00	



7-ELEVEN & KNOCKOUT PORTFOLIO

Combined Price	\$3,095,000
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LOCATION	1720 William D Tate Ave, Grapevine, TX 76051
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Price	\$1,704,839
Rentable SF	8,189
Price/SF	\$208.19
CAP Rate	9.50%
Year Built/Renovated	2006/2021
Lot Size	1.85 Acres
Type of Ownership	Leasehold Interest

LEASE SUMMARY

Tenant Name	Knockout Sports Bar
Ownership	Private
Tenant	Corporate Store
Lease Guarantor	Corporate
Lease Type	Absolute Net
Roof and Structure	Tenant Responsible
Initial Lease Term	9 Years
Lease Commencement Date	1/1/2022
Rent Commencement Date	3/15/2022
Lease Expiration Date	1/18/2031
Term Remaining on Lease	8.9 Years
Increases	10% Every Five Years
Options	Two, 5-Year

ANNUALIZED OPERATING INFORMATION

YEARS	MONTHLY RENT	ANNUAL RENT	CAP RATE
Months 1-6	\$-	\$-	
Months 7-12	\$6,824.17	\$81,890.04	
Years 2-5	\$13,498.20	\$161,978.40	9.50%
Years 6-10	\$14,850.00	\$178,200.00	10.45%
Years 11-15 (Option 1)	\$16,335.00	\$196,020.00	11.49%
Years 16-20 (Option 2)	\$17,968.50	\$215,622.00	12.64%
Base Rent (\$19.78/SF)		\$161,978.40	
Net Operating Income		\$161,978.40	
Total Return		9.50% / \$161,978.40	





EXXON



SLURPEE

Hot Pizza

EXXON Synergy

EXXON Synergy

EXXON Synergy

EXXON Synergy

EXXON Synergy

EXXON Synergy

EXXON Synergy

EXXON Synergy

Investment Overview

Marcus & Millichap is pleased to present the opportunity to acquire absolute net leaseholds for a 7-Eleven and Knockout Sports Bar in Grapevine, Texas.

7-Eleven consists of a 3,204-square-foot, freestanding building that sits on approximately 1.26 acres of land. There are approximately 8.8 years remaining on the current lease term, with 10 percent rental escalations scheduled every five years. The tenant has operated at this location for 24 years.

Knockout Sports Bar consists of a 8,189-square-foot, freestanding building that sits on approximately 1.85 acres of land. The tenant signed a new nine-year lease with rental escalations every five years. The building was renovated in 2021.

The property has excellent visibility on William D Tate Avenue, where traffic counts exceed 46,586 vehicles per day. The area is extremely dense with more than 133,438 residents within a five-mile radius. Surrounding retailers in the immediate area include Walmart Supercenter, Sam's Club, Best Buy, Main Event, Big Lots, Cinemark, Taco Bell, Chase Bank, QuikTrip, Ross Dress For Less, Chili's, Chick-fil-A, Arby's and many more.

Located Minutes from DFW International Airport - 2nd Busiest Airport in the World by Passenger Traffic

Absolute Net Leases with Approximately Nine Years Remaining

Leasehold Interest – No Landlord Responsibilities

Excellent Visibility on William D Tate Avenue (46,586 VPD) Near TX-114 (126, 470 VPD)

More than 133,483 Residents Within a Five-Mile Radius

Affluent Dallas Submarket - Average Household Income of \$159,190 Within a Five-Mile Radius

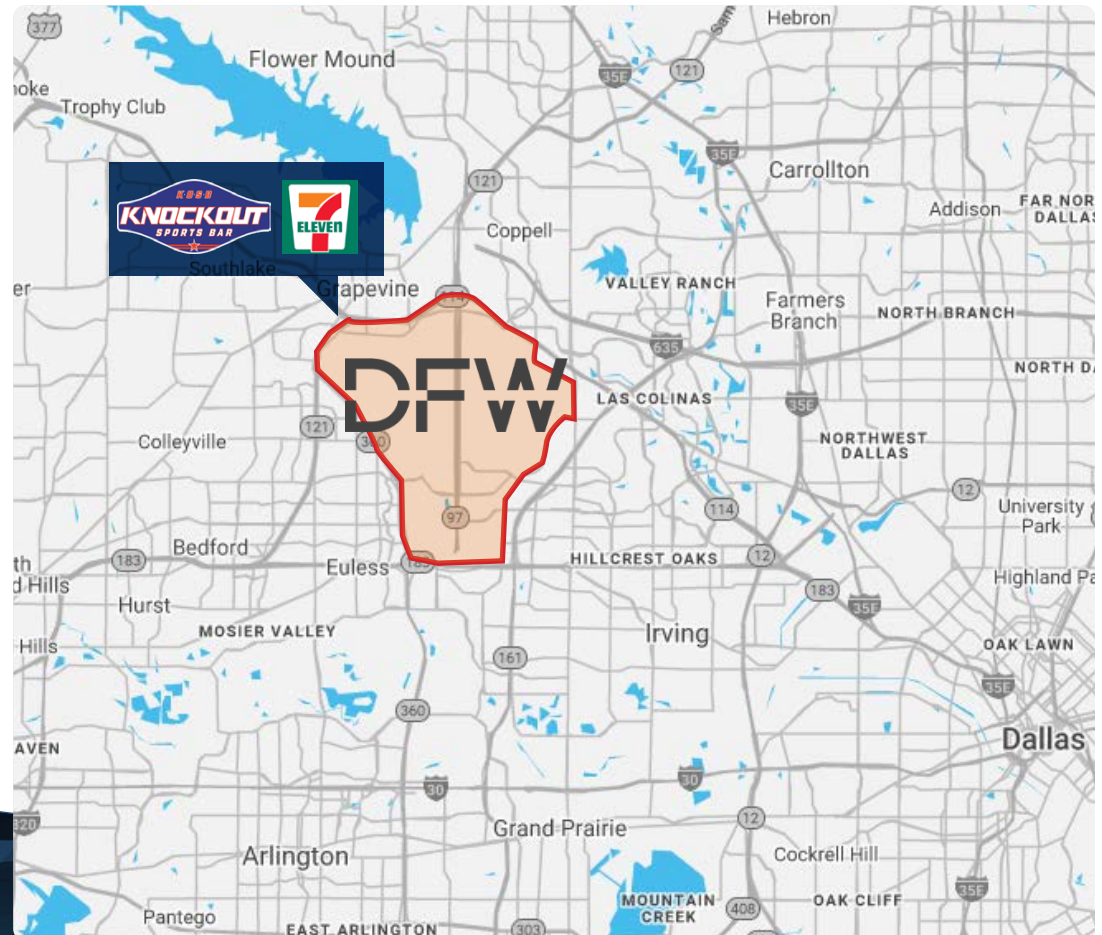
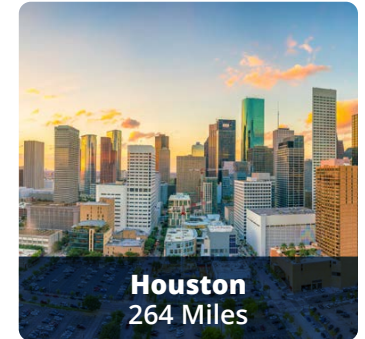
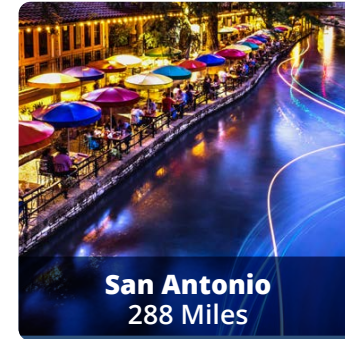
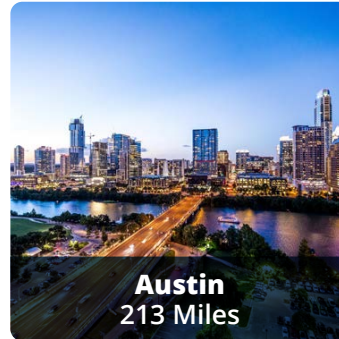


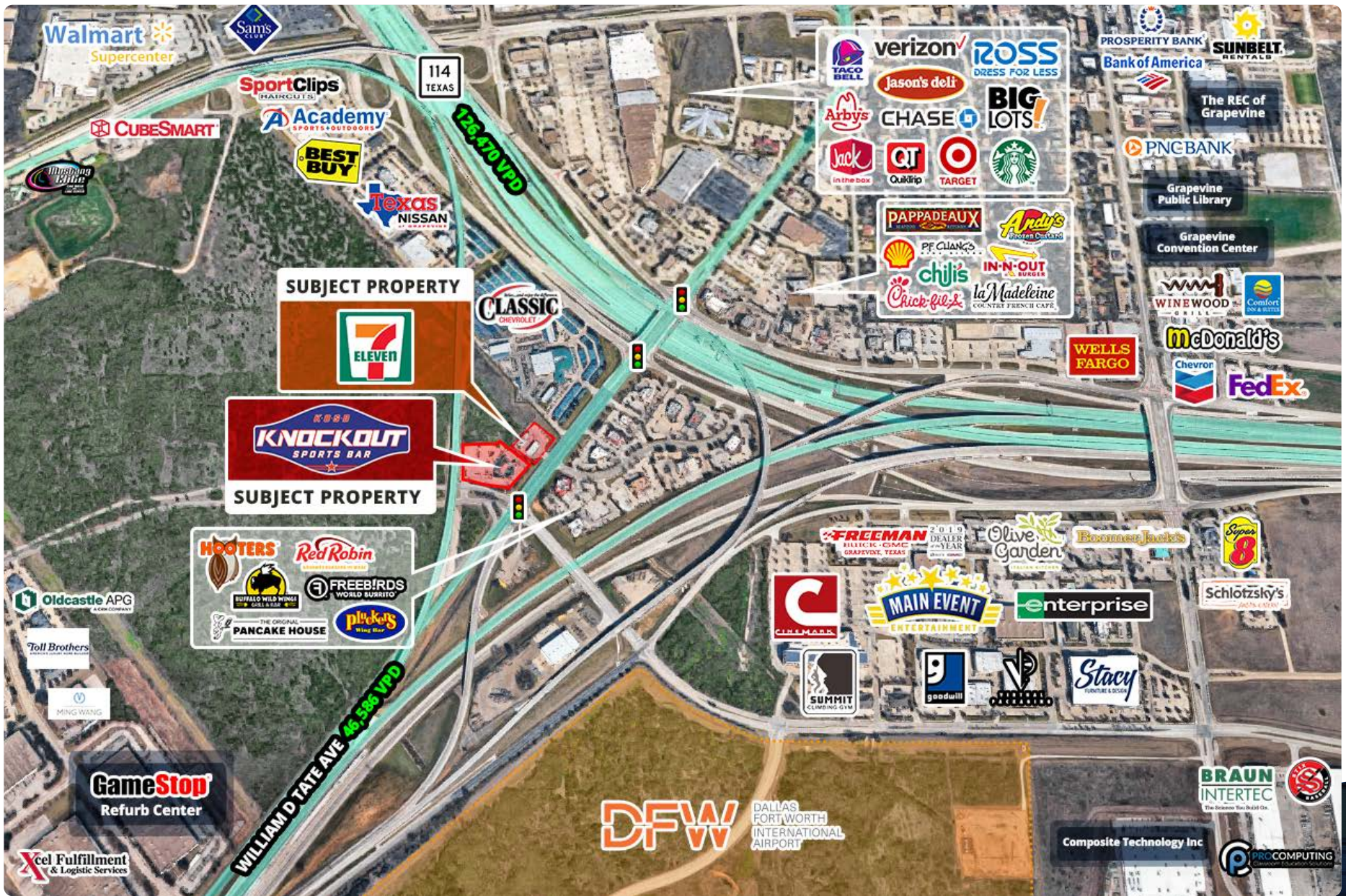
Exceptional Location Next to DFW International Airport

Dallas Fort Worth (DFW) International Airport is the world's fourth busiest airport, offering nearly 1,850 flights per day and serving 64 million passengers a year. Located halfway between the cities of Dallas and Fort Worth, Texas, DFW provides nonstop flights to 149 domestic and 58 international destinations, with service from 27 passenger airlines (including 10 international carriers) and 21 cargo carriers. DFW is one of the highest capacity commercial airports in the world, with seven runways

and 165 gates. DFW also serves as the home and largest hub for American Airlines, the world's largest carrier, and airlines at DFW serve customers with nonstop flights to five continents.

In 2019, DFW was named Global Airport of the Year. The recognition put DFW in a class with other global hubs, including recent award winners Hong Kong International Airport, London's Heathrow and Singapore's Changi Airport.







7-Eleven: The Largest Chain in the Convenience-Retailing Industry

Based in Irving, Texas, 7-Eleven operates, franchises and/or licenses more than 77,000 stores in 16 countries and regions, including nearly 16,000 in North America. 7-Eleven, Inc. operates Speedway, Stripes, Laredo Taco Company and Raise the Roost Chicken and Biscuits locations. Known for its iconic brands such as Slurpee, Big Bite and Big Gulp, 7-Eleven has expanded into high-quality sandwiches, salads, side dishes, cut fruit and protein boxes, as well as pizza, chicken

wings and mini beef tacos. 7-Eleven offers customers industry-leading private brand products under the 7-Select brand including healthy options, decadent treats and everyday favorites at an outstanding value. Customers can earn and redeem points on various items in stores nationwide through its 7-Rewards loyalty program, which has more than 50 million members.

<i>Tenant Name</i>	<i>7-Eleven</i>
<i>Ownership</i>	<i>Public</i>
<i>Sales Volume</i>	<i>AA-</i>
<i>Credit Rating</i>	<i>S&P</i>
<i>Rating Agency</i>	<i>SVNDF</i>
<i>Headquartered</i>	<i>Dallas, Texas</i>

<i>Options to Terminate</i>	<i>No</i>
<i>Options to Purchase</i>	<i>No</i>
<i>First Right of Refusal</i>	<i>No</i>
<i>No. of Locations</i>	<i>77,000 stores in 16 Countries</i>
<i>Web Site</i>	<i>www.7-eleven.com</i>
<i>Years in the Business</i>	<i>93</i>

Knockout Sports Bar

Knockout Sports Bar, a boxing-themed sports bar, features wall-to-wall flat screens, over 20 types of beer and daily drinks specials. Their refrigeration system promises customers 26-degree bottled beer every visit. The concept is known for its wings, but also offers burgers, pizza and other bar snacks. Founded in 2018, the chain plans to

expand its Texas footprint, starting with Dallas/Fort Worth, Houston, Austin, and Waco. The chain has nine locations throughout Dallas/Fort Worth with two more in development. The first location outside of the Metroplex is slated to open with a corporate restaurant in Lynwood, California.

<i>Tenant Name</i>	<i>Knockout Sports Bar</i>
<i>Ownership</i>	<i>Private</i>
<i>Options to Terminate</i>	<i>No</i>
<i>Options to Purchase</i>	<i>No</i>
<i>First Right of Refusal</i>	<i>No</i>
<i>Headquartered</i>	<i>Dallas, Texas</i>
<i>No. of Locations</i>	<i>9</i>
<i>Web Site</i>	<i>www.kosportsbar.com</i>
<i>Years in the Business</i>	<i>4</i>





MSA
POPULATION
7,637,387

HIGHLIGHTS

Metroplex Overview

The Dallas/Fort Worth metroplex is the fourth-most populous metro in the nation, with an aggregate of nearly 7.7 million residents. It is composed of 13 counties stretching nearly 10,000 square miles. The city of Dallas houses 1.3 million people, followed by Fort Worth with 864,000 residents.

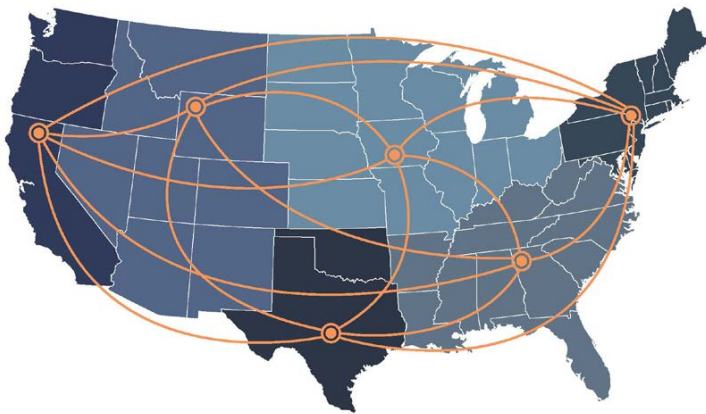
Strong job gains continually draw new residents to the region. Recently, Collin and Denton counties have received the majority of growth. To accommodate the additional traffic, the region's transportation network is evolving.

The expansion of the transportation network is vital to supporting the substantial developments in housing, retail and industrial, allowing commuters to access the metro's numerous corporations and expanding array of industries.

HIGHLIGHTS

Capital Migration

Marcus & Millichap's interconnected team, large proprietary platform and national network allows us to effortlessly move capital around the country. Clients remained unbound by geographical borders in 2020, with more than \$12 billion moving across domestic borders. Texas/Oklahoma inbound capital continues to outpace its outbound.

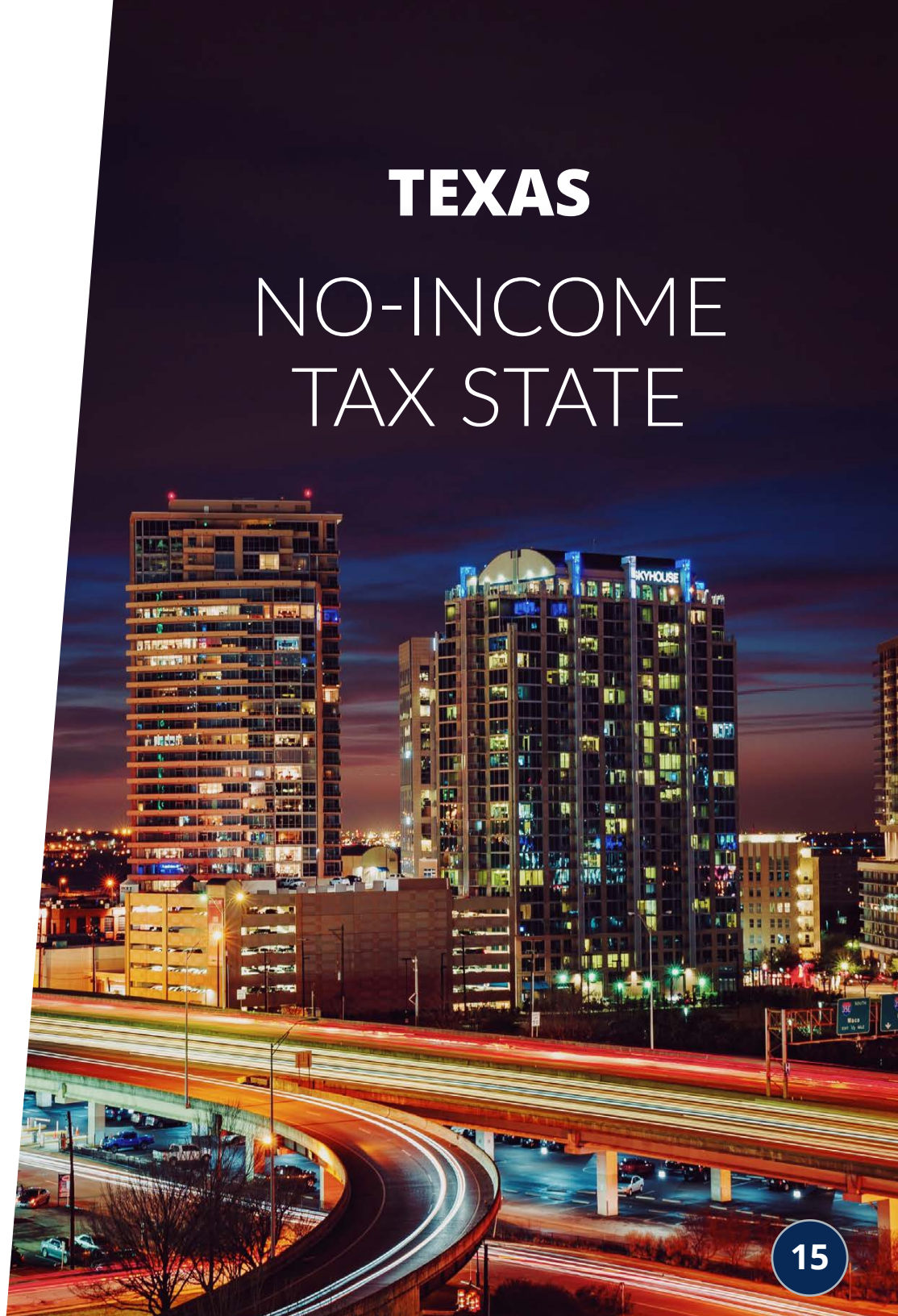


Texas & Oklahoma

Outbound - \$743 Million

Inbound Capital - \$2.6 Billion

TEXAS NO-INCOME TAX STATE





POPULATION	1 Mile	3 Mile	5 Mile
2000 Population	4,830	45,810	100,644
2010 Population	4,420	48,262	114,174
2021 Population	5,303	55,263	133,483
2026 Population	5,637	58,696	143,179
HOUSEHOLDS	1 Mile	3 Mile	5 Mile
2000 Households	1,454	16,715	36,930
2010 Households	1,788	18,194	44,152
2021 Households	2,142	21,313	52,507
2026 Households	2,300	22,808	56,607
Average HH Size	2.24	2.59	2.54
Daytime Population	33,516	100,546	198,280
HOUSING UNITS	1 Mile	3 Mile	5 Mile
Median HH Income	\$64,335	\$100,236	\$106,055
Per Capita Income	\$39,545	\$56,756	\$62,646
Average HH Income	\$97,451	\$146,994	\$159,190

POPULATION

In 2021, the population in your selected geography is 133,483. The population has changed by 32.63% since 2000. It is estimated that the population in your area will be 143,179 five years from now, which represents a change of 7.26% from the current year. The current population is 49.31% male and 50.69% female.

HOUSEHOLDS

There are currently 52,507 households in your selected geography. The number of households has changed by 42.18% since 2000. It is estimated that the number of households in your area will be 56,607 five years from now, which represents a change of 7.81% from the current year. The average household size in your area is 2.54 persons.

INCOME

In 2021, the median household income for your selected geography is \$106,055, compare this to the entire US average which is currently \$65,694. The median household income for your area has changed by 35.58% since 2000. It is estimated that the median household income in your area will be \$110,571 five years from now, which represents a change of 4.26% from the current year.

The current year per capita income in your area is \$62,646, compare this to the entire US average, which is \$36,445. The current year average household income in your area is \$159,190, compare this to the entire US average which is \$94,822.

EDUCATION

The highest level of 2021 educational attainment in your selected area is as follows: 18.68% graduate degree, 35.28% bachelor's degree, 7.55% associate degree, 20.02% some college, 13.84% high-school graduate, 2.83% some high school and 1.78% elementary.

HOUSING

In 2000, there were 25,842 owner occupied housing units in your area and there were 11,088 renter occupied housing units in your area. The median rent at the time was \$692.

EMPLOYMENT

In 2021, there are 128,859 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 78.20% of employees are employed in white-collar occupations in this geography, and 21.77% are employed in blue-collar occupations. In 2021, unemployment in this area is 3.60%. In 2000, the average time traveled to work was 26.2 minutes.





Information About Brokerage Services

11-2-2015

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:
 - o that the owner will accept a price less than the written asking price;
 - o that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
- o 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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Designated Broker of Firm	License No.	Email	Phone
Licensed Supervisor of Sales Agent/Associate	License No.	Email	Phone
Sales Agent/Associate's Name	License No.	Email	Phone

Regulated by the Texas Real Estate Commission

Buyer/Tenant/Seller/Landlord's Initials

Date

Information available at www.trec.texas.gov
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Knockout Sports Bar
New 9-Year Absolute Net Lease



7-Eleven
31-Year Operating History

