

PLANET FITNEES & INNOVATED VAPORS

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Aerial Video

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



208 TX-332
Lake Jackson, TX 77566

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The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

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Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease,

including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

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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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Investment Highlights

PRICE: \$4,337,641 | CAP: 6.00% | RENT: \$260,258



About the Investment

- ✓ Long-Term, Double Net (NN) Lease
- ✓ Approximately 11 Years Remaining on Planet Fitness Lease & 4.5 Years Remain on Innovated Vapors Lease
- ✓ Ten Percent (10%) Rental Increase on Planet Fitness Lease Occurs June 2023
- ✓ Two (2), Five (5)-Year Tenant Renewal Options On Planet Fitness Lease

About the Location

- ✓ Dense Retail Corridor | Target, Walmart, Lowe's, Menards, Kohl's, Academy Sports, Big Lots, Hobby Lobby, Tractor Supply Co, Well Fargo, McDonald's, Starbucks, and Many More
- ✓ Strategic Asset Positioning | Located Less than One Mile from Brazos Mall | Over 70 Stores and Services
- ✓ Affluent Community | Average Household Income Exceeding \$119,130 Within a One-Mile Radius
- ✓ Strong Traffic Counts | Over 41,100, 26,500 and 15,400 Vehicles Per Day Along Nolan Ryan Expressway, Texas Highway 332, and Lake Road
- ✓ Strong Demographics | Population Exceeds 49,700 Individuals Within a Five-Mile Radius

About the Tenant / Brand

- ✓ Planet Fitness is One of the Largest Fitness Clubs in the County by Number of Members and Locations
- ✓ Founded in 1992 in Dover, NH, Planet Fitness has a Strong Following
- ✓ Planet Fitness has Over 2,000 Locations and is Publicly Traded (NYSE: PLNT)
- ✓ Innovated Vapors offers a variety of E-Cig Kits, E-Liquid, Tanks, Mods and Batteries, Mechanical Mods, RDA & RTA, and Accessories
- ✓ FDA Registered to Make Their Own In-House E-liquid



Representative Photo



Representative Photo



Financial Analysis

PRICE: \$4,337,641 | CAP: 6.00% | RENT: \$260,258



PROPERTY DESCRIPTION

Concept	Planet Fitness and Innovated Vapors
Street Address	208 TX-332
City, State ZIP	Lake Jackson, TX 77566
Year Built / Renovated	2004 / 2017
Total Building Size (SF)	23,646
Lot Size (Acres)	2.39 AC
Type of Ownership	Fee Simple

THE OFFERING

Price	\$4,337,641
CAP Rate	6.00%
Net Operating Income ¹	\$260,258

PLANET FITNESS LEASE SUMMARY

Property Type	Net Lease Gym
Total Square Feet	20,255 SF
Annual Rent (Base and CAM Income)	\$253,150
Guarantor	PF Houston, LLC
Original Lease Term	15 Years
Lease Commencement	June 20, 2018
Lease Expiration	June 30, 2033
Lease Term Remaining	11 Years
Landlord Responsibilities	Common Areas, Roof and Structure
Rental Increases	10% Every Five Years
Renewal Options Remaining	Two, Five-Year Options

¹ includes a \$15k management fee reserve (existing management cost)

INNOVATED VAPORS LEASE SUMMARY

Tenant	Vapor Ventures, Inc.
Total Square Feet	3,195 SF
Annual Rent (Base and CAM Income)	\$95,850
Guarantor	Personal
Original Lease Term	5 Years
Lease Commencement	September 1, 2021
Lease Expiration	October 31, 2026
Lease Term Remaining	4.5 Years
Rental Increases	None
Renewal Options Remaining	None

INCOME AND EXPENSE SUMMARY

Planet Fitness Base Rent	\$187,000
Planet Fitness CAM Income	\$66,150
Innovated Vapors Base Rent	\$76,680
Innovated Vapors CAM Income	\$19,170
Total Expenses ²	\$88,742
Net Operating Income	\$260,258

² Contact broker for expense breakdown

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Planet Fitness and Innovated Vapors located at 208 TX-332 in Lake Jackson, Texas. The site consists of roughly 23,646 rentable square feet of building space on estimated 2.39-acre parcel of land. The Planet Fitness and Innovated Vapors are subject to individual leases. Planet fitness signed an original 15-year lease and there is currently more than 11 years remaining. Innovated Vapors signed a 5-year lease agreement with over 4.5 years remaining.

Certain principals of the selling entity, including but not limited to Glen Kunofsky and Nicoletti DePaul, are Exclusive Listing Agents and part fee-simple owners of the property. See back page for full disclosure.



Concept Overview



No matter what you're looking for in a gym, we've got a membership option made for you. All Planet Fitness members enjoy unlimited access to their home club and the support of our friendly, knowledgeable staff anytime you need it. PF Black Card members receive additional benefits, including the ability to bring a guest for free and access to any of our 2,000+ PF locations.

Looking for a little extra guidance or inspiration to help you meet your fitness goals? As a PF member, you can take advantage of our free fitness training or find your motivation by reading real member experiences on Planet of Triumphs.

It's our goal to provide a clean, safe, welcoming environment for anyone who walks through our door, and all the equipment, amenities and support you need once you're here.

Welcome to Planet Fitness. The Judgement Free Zone

PF PURPOSE

Health is at the heart of all that we do. With PF Purpose, our company-wide CSR platform, we stand for enhancing people's lives and creating a healthier world by advancing three core issues: Physical Health, Emotional Health, and Planet Health.

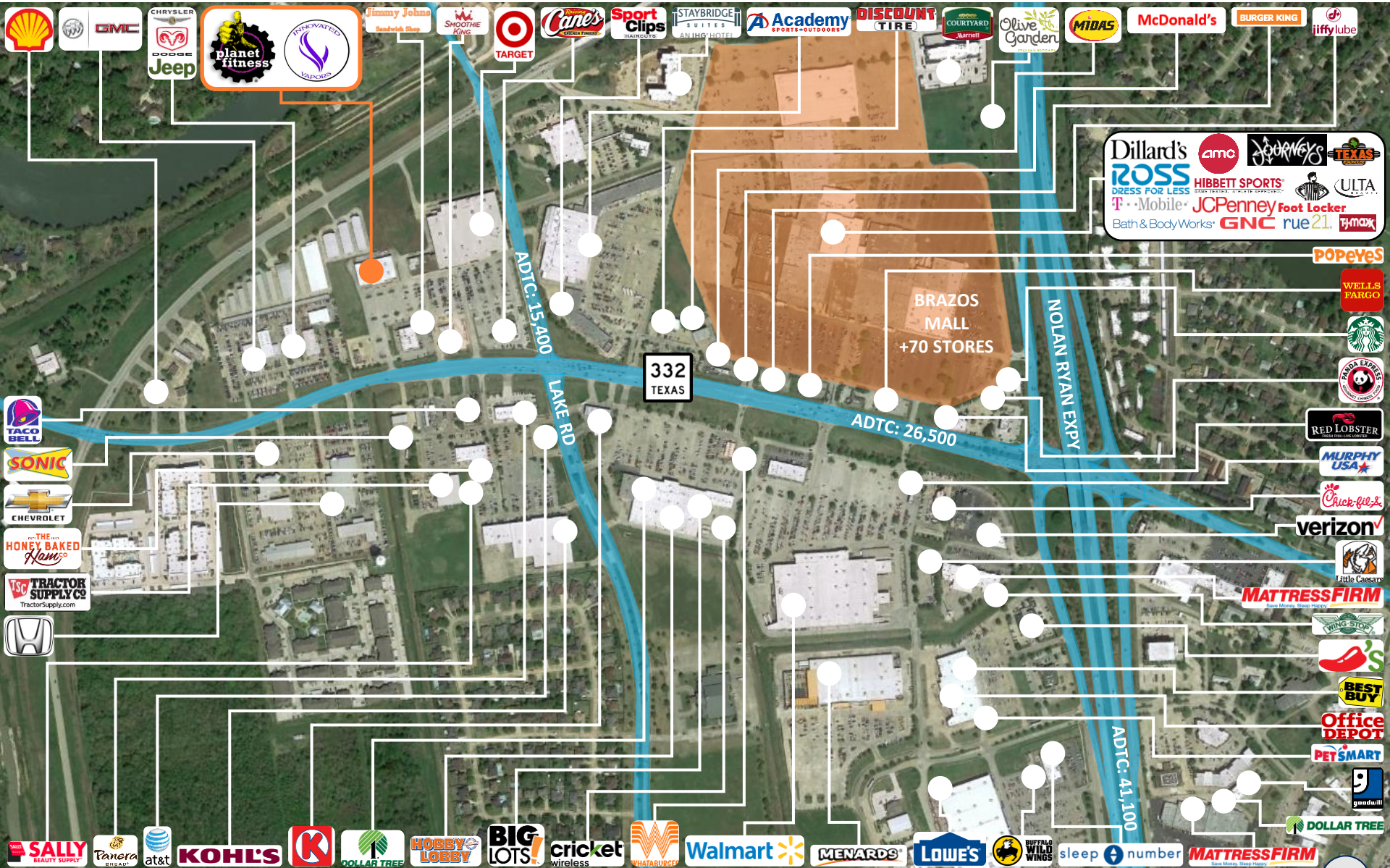


Bryan started Innovated Vapors in Lake Jackson, TX with the idea of bringing electronic cigarettes to help people in the community to stop smoking. After smoking tobacco for 35 years and attempting to quit many times, Bryan thought he would be a smoker for ever. In 2012 he discovered electronic cigarettes online and has been sold ever since.

At Innovated Vapors we offer a variety of E-Cig Kits, E-Liquid, Tanks, Mods and Batteries, Mechanical Mods, RDA & RTA, and accessories. At Innovated Vapors we have registered with the FDA and make our own in house e-liquid. We are very accommodating to all of our customers and make sure to give every new customer best possible product and advice. We are the top choice for electronic cigarettes and e-juice . At Innovated Vapors you can relax in a nice cozy atmosphere while tasting a wide variety of e-juice flavors.



Surrounding Area





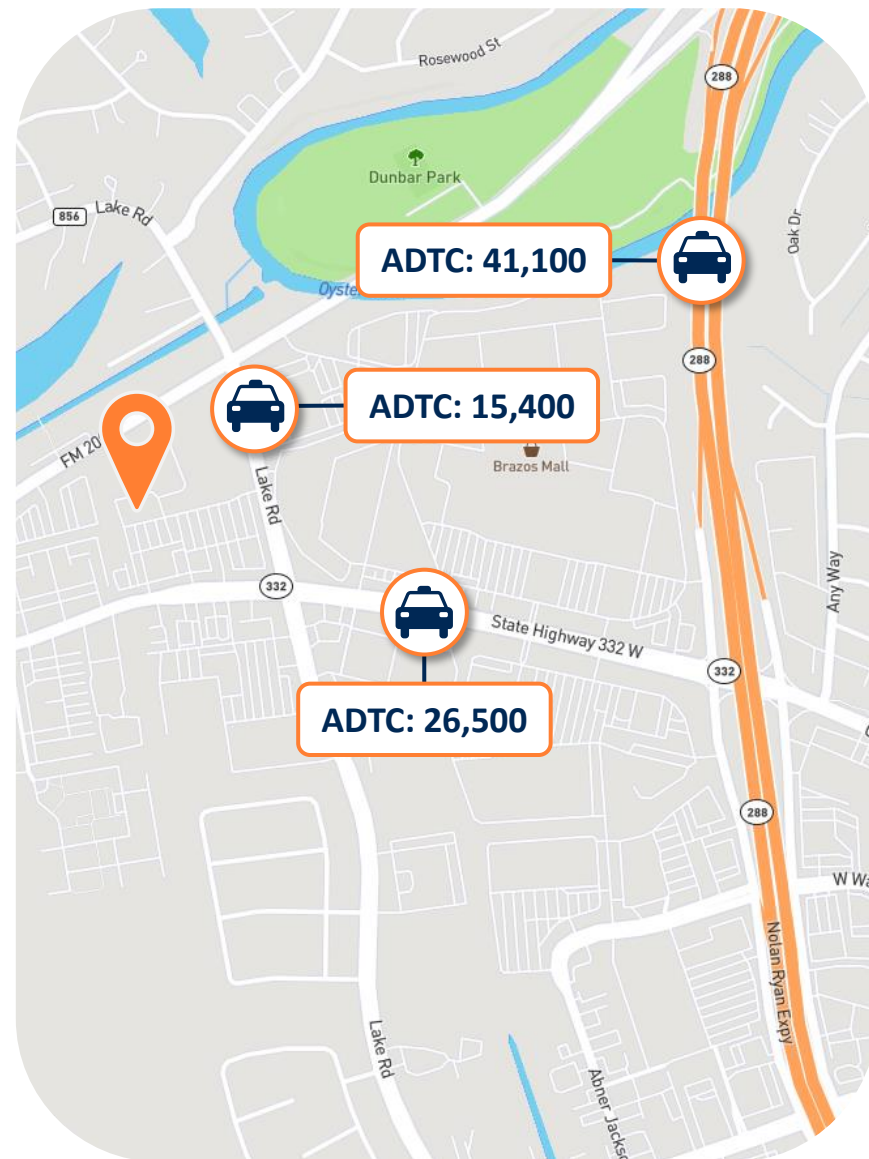
Location Overview



The Planet Fitness and Innovated Vapors property is situated just off Texas Highway 332, which boasts average daily traffic counts of 26,500 vehicles. Texas Highway 332 intersects with Nolan Ryan Expressway and Lake Road, which bring an additional 41,100 and 15,400 vehicles into the immediate area on average daily. There are more than 28,500 individuals residing within a three-mile radius of the property and more than 49,700 individuals within a five-mile radius.

The subject property benefits from being well-positioned in a very dense retail corridor consisting of national and local tenants and shopping centers all within close proximity of this property. Major national tenants in the area include: Target, Walmart, Lowe's, Menards, Kohl's, Academy Sports, Big Lots, Hobby Lobby, Tractor Supply Co, Well Fargo, McDonald's, Starbucks, as well as many others. This Planet Fitness and Innovated Vapors also benefits from its close proximity to Brazos Mall. This mall is located less than one mile away and is home to over 70 stores and services.

Lake Jackson is a city in Brazoria County, Texas, United States, within the Greater Houston metropolitan area. In 1942 a portion of Lake Jackson was first developed as a company town for workers of the Dow Chemical Company; it developed 5,000 acres on the former Abner Jackson Plantation. An oxbow lake was also named after the planter, whose house was located at the lake. Minor ruins of the Lake Jackson Plantation can now be seen in a park at the site. The city was built in the early 1940s as a planned community, designed by Alden B. Dow of Midland, Michigan for workers in support of a new plant of the Dow Chemical Company, which his father owned. The City of Lake Jackson was incorporated March 14, 1944, and voted for home rule ten years later in 1954. Gas station and convenience store chain Buc-ee's has its headquarters in Lake Jackson. The Dow Chemical Company and the Brazosport Independent School District are major employers of residents. Dow planned to develop this community in 1941 as a 5,000-acre residential area for workers at its Freeport plant. Lake Jackson is now home to other chemical and manufacturing facilities, along with many other types of businesses. In Lake Jackson's early days, Dow helped to create a booming economy. In 2014 it announced an expansion project that is estimated to bring nearly 2,000 employees to the area.



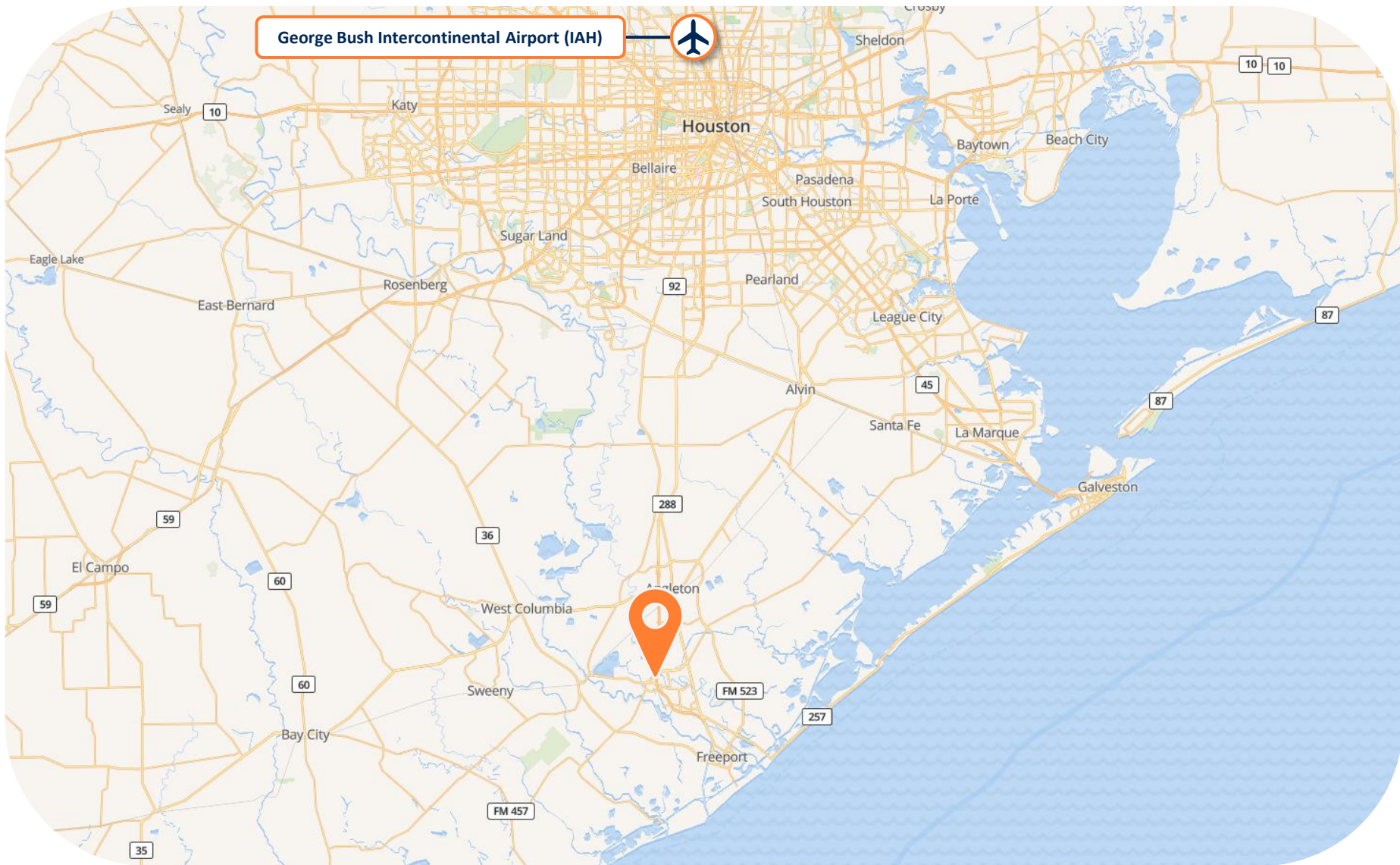


Property Photos





Local Map





Regional Map





Demographics



POPULATION TRENDS

	1 Mile	3 Miles	5 Miles
2010 Population	3,260	27,135	46,952
2021 Population	3,879	28,503	49,778
2026 Population Projection	4,175	30,166	52,758
Annual Growth 2010-2021	1.70%	0.50%	0.50%
Annual Growth 2021-2026	1.50%	1.20%	1.20%

POPULATION BY RACE (2021)

	1 Mile	3 Miles	5 Miles
White	3,304	24,513	42,700
Black	238	2,218	4,373
American Indian/Alaskan Native	19	197	418
Asian	250	1,033	1,335
Hawaiian & Pacific Islander	0	25	43
Two or More Races	67	518	909
Hispanic Origin	759	6,500	16,548

HOUSEHOLD TRENDS

	1 Mile	3 Miles	5 Miles
2010 Households	1,342	9,862	17,142
2021 Households	1,593	10,347	18,127
2026 Household Projection	1,715	10,953	19,210
Annual Growth 2010-2021	1.40%	0.60%	0.60%
Annual Growth 2021-2026	1.50%	1.20%	1.20%

AVG HOUSEHOLD INCOME

	1 Mile	3 Miles	5 Miles
AVG HOUSEHOLD INCOME	\$119,130	\$116,021	\$102,476

MEDIAN HOUSEHOLD INCOME

	1 Mile	3 Miles	5 Miles
MEDIAN HOUSEHOLD INCOME	\$97,274	\$92,970	\$79,428

HOUSEHOLDS BY HOUSEHOLD INCOME (2021)

	1 Mile	3 Miles	5 Miles
< \$25,000	139	830	2,164
\$25,000 - 50,000	238	1,433	3,037
\$50,000 - 75,000	301	2,006	3,467
\$75,000 - 100,000	133	1,259	2,230
\$100,000 - 125,000	145	985	1,832
\$125,000 - 150,000	228	1,169	1,740
\$150,000 - 200,000	194	1,486	2,103
\$200,000+	215	1,180	1,553



Market Overview



Houston is the most populous city in the U.S. state of Texas, fourth-most populous city in the United States, most populous city in the Southern United States, as well as the sixth-most populous in North America, with a population of 2,304,580 in 2020. Located in Southeast Texas near Galveston Bay and the Gulf of Mexico, it is the seat of Harris County and the principal city of the Greater Houston Metropolitan area, which is the fifth-most populous metropolitan statistical area in the United States. Houston is the southeast anchor of the greater megaregion known as the Texas Triangle. The city of Houston was founded by land investors on August 30, 1836, at the confluence of Buffalo Bayou and White Oak Bayou and incorporated as a city on June 5, 1837. The city is named after former General Sam Houston, who was president of the Republic of Texas and had won Texas's independence from Mexico at the Battle of San Jacinto.

The arrival of the 20th century brought a convergence of economic factors that fueled rapid growth in Houston, including a burgeoning port and railroad industry the subsequent construction of the Houston Ship Channel, and the Texas oil boom. In the mid-20th century, Houston's economy diversified, as it became home to the Texas Medical Center—the world's largest concentration of healthcare and research institutions—and NASA's Johnson Space Center, home to the Mission Control Center.

Nicknamed the "Bayou City", "Space City", "H-Town", and "the 713", Houston has become a global city, with strengths in culture, medicine, and research. The city has a population from various ethnic and religious backgrounds and a large and growing international community. 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 seven million visitors a year to the Museum District. The Museum District is home to nineteen museums, galleries, and community spaces. Houston has an active visual and performing arts scene in the Theater District and offers year-round resident companies in all major performing arts.

Information About Brokerage Services



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.

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Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date



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EXCLUSIVE NET-LEASE OFFERING



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