

SAN DIEGO, CA

7-ELEVEN

POPEYES

LOUISIANA KITCHEN

OFFERING
MEMORANDUM

EXCLUSIVELY OFFERED BY:

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NET LEASE INVESTMENTS



DISCLAIMER

Cushman & Wakefield has been retained as exclusive advisor to the Seller for the sale of the 7-Eleven & Popeye's parcel (the "Property"), approximately 4,500 square feet on 0.52± acres located at 3295 Palm Ave, San Diego, CA 92154.

This Offering Memorandum has been prepared by Cushman & Wakefield for use by a limited number of parties and does not purport to provide a necessarily complete summary of the Property or any of the documents related thereto, nor does it purport to be all-inclusive or to contain all of the information which prospective investors may need or desire. All projections have been developed by Cushman & Wakefield, the Owner, and designated sources and are based upon assumptions relating to the general economy, competition, and other factors beyond the control of the Owner and Cushman & Wakefield, therefore, are subject to variation. No representation is made by Cushman & Wakefield or Owner as to the accuracy or completeness of the information contained herein, and nothing contained herein is, or shall be relied on as, a promise or representation as to the future performance of the Property. Although the information contained herein is believed to be correct, Owner and its employees disclaim any responsibility for inaccuracies and expect prospective purchasers to exercise independent due diligence in verifying all such information. Further, Cushman & Wakefield, Owner, and its employees disclaim any and all liability for representations and warranties, expressed and implied, contained in, and omitted from, this

Offering Memorandum or any other written or oral communication transmitted or made available to the recipient. This Offering Memorandum does not constitute a representation that there has been no change in the business or affairs of the Property or the Owner since the date of preparation of the package. Analysis and verification of the information contained in this package is solely the responsibility of the prospective purchaser.

Additional information and an opportunity to inspect the Property will be made available upon written request to interested and qualified prospective investors.

Owner and Cushman & Wakefield each expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers regarding the Property and/or terminate discussions with any entity at any time with or without notice. Owner shall have no legal commitment or obligation to any entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase of the Property has been fully executed, delivered, and approved by Owner and its legal counsel, and any conditions to Owner's obligations thereunder have been satisfied or waived. Cushman & Wakefield is not authorized to make any representations or agreements on behalf of Owner.

This Offering Memorandum and the contents, except such information which is a matter of public record or is provided in sources

available to the public (such contents as so limited herein are called the "Contents"), are of a confidential nature. By accepting the package, you agree (i) to hold and treat it in the strictest confidence, (ii) not to photocopy or duplicate it, (iii) not to disclose the package or any of the contents to any other entity (except to outside advisors retained by you, if necessary, for your determination of whether or not to make a proposal and from whom you have obtained an agreement of confidentiality) without the prior written authorization of Owner or Cushman & Wakefield, (iv) to not use the package or any of the contents in any fashion or manner detrimental to the interest of Owner or Cushman & Wakefield, and (v) to return it to Cushman & Wakefield immediately upon request of Cushman & Wakefield or Owner.

The information contained herein has been obtained from the owner of the property or from other sources we deem reliable. We have no reason to doubt its accuracy, but we do not guarantee it.

If you have no further interest in the Property, please return this Investment Marketing Package forthwith.

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EXECUTIVE SUMMARY

INVESTMENT OVERVIEW

LOCATION:	3295 Palm Avenue San Diego, CA 92154
APN:	630-310-49-00
BUILDING SIZE:	4,500± square feet
LAND SIZE:	0.52± acres
YEAR BUILT:	1979 / 2018 (Remodeled)



OFFERING TERMS

PRICE
\$4,652,000

CAP
4.60%

ESTIMATED NOI⁽¹⁾
\$214,000

(1) NET OF PROPERTY MANAGEMENT COST - ESTIMATED \$6,000 ANNUALLY

7-ELEVEN®

POPEYES
LOUISIANA KITCHEN

TENANT:	7-Eleven, Inc., a Texas Corporation	Tyco Group, a California LLC dba Popeyes Louisiana Kitchen
SUITE SIZE:	2,588± SF	1,843± SF
LEASE COMMENCEMENT:	February 1, 2017	October 1, 2017
LEASE EXPIRATION:	January 31, 2027	September 30, 2027
OPTIONS:	Four (4) five (5) year terms	Four (4) five (5) year terms
RENT INCREASES:	10% in options	8% every 5 years
CURRENT ANNUAL RENT:	\$130,000	\$90,000

LOCATION HIGHLIGHTS

INVESTMENT OVERVIEW

FULL REMODEL COMPLETED IN 2018

- » Updated the Popeyes space to new prototype and added a drive through
- » New HVAC units and site improvements

INVESTMENT GRADE TENANT

7-Eleven Standard & Poors rating of AA-

RARE INFILL SAN DIEGO LOCATION

Population in excess of 26,000 in a 1-mile radius

PASSIVE INVESTMENT

Minimal landlord involvement mitigated by experienced local property manager

LONG-TERM LEASES IN PLACE

Both tenants have approximately 10 years of lease term remaining

24 HOUR LOCATION WITH BEER & WINE SALES

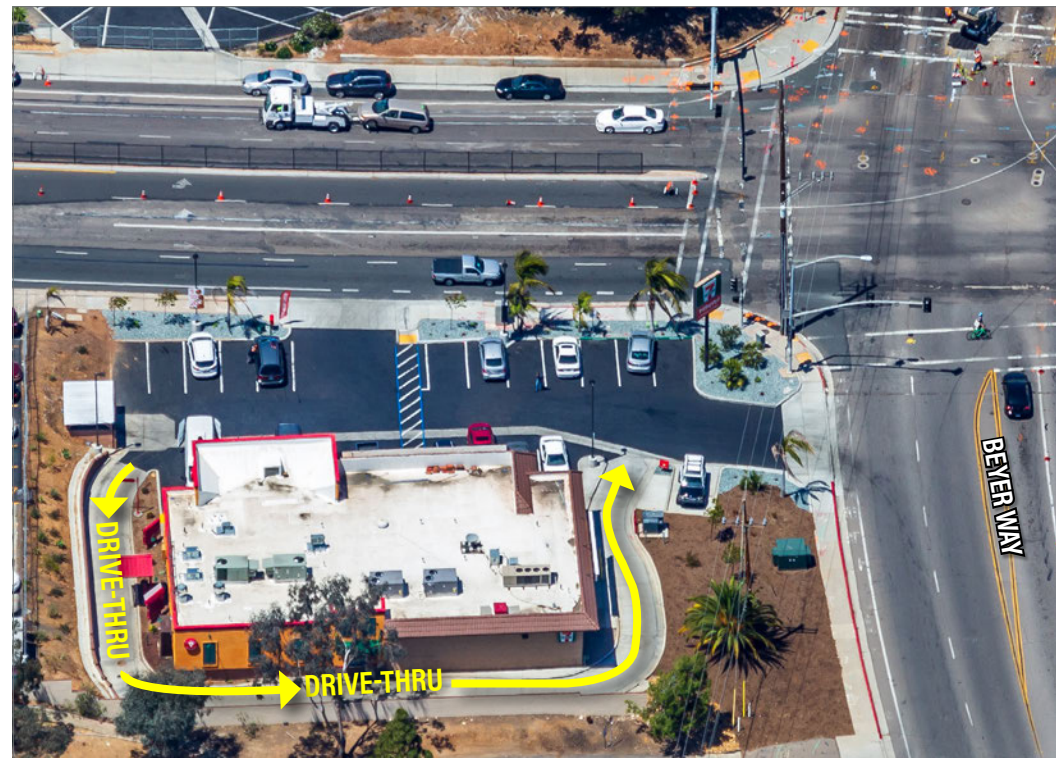
7-Eleven is permitted to stay open 24 hours and to sell Beer & Wine

ACROSS PALM AVE FROM MONTGOMERY HIGH SCHOOL

Total Current enrollment over 1,700 students


HIGH TRAFFIC LOCATION

Combined daily traffic at the intersection of Palm Ave & Beyer Way in excess of 32,750 vehicles per day



LOCATION HIGHLIGHTS




CENTRALLY LOCATED
Dense infill San Diego location, accross from Montgomery High School

SURROUNDING RETAIL

PROPERTY OVERVIEW



SURROUNDING RETAIL

PROPERTY OVERVIEW



Pacific Ocean

IMPERIAL BEACH



156,000 CARS PER DAY



18,681 CARS PER DAY

MONTGOMERY HIGH SCHOOL
1,700 STUDENTS



14,071 CARS PER DAY

PALM AVE

BEYER WAY




PRIME LOCATION
1 MILE+
FROM NEAREST MAJOR FAST-FOOD CHAIN

SURROUNDING RETAIL

PROPERTY OVERVIEW



151,000 CARS PER DAY

14,071 CARS PER DAY

18,681 CARS PER DAY

MONTGOMERY HIGH SCHOOL
1,700 STUDENTS

MONTGOMERY MIDDLE SCHOOL
~900 STUDENTS



Property Photos



7-Eleven, Inc., a Texas Corporation (JPY: 3382)



S&P CREDIT RATING: AA-
OF LOCATIONS (2018): 63,600+ (Worldwide)

7-Eleven is part of an international chain of convenience stores, operating under Seven-Eleven Japan Co. Ltd, which in turn is owned by Seven & I Holdings Co. of Japan. Founded in 1927, 7-Eleven focuses on providing a broad selection of fresh, high quality products at everyday fair prices, serving over seven million customers per day in North America alone. According to their company website, approximately 25% of the U.S. population lives within one mile of a 7-Eleven Store.

7-Eleven is the world's largest convenience store chain with more than 63,600 stores in 18 countries, of which approximately 10,900 are in North America. The US subsidiary of the Japanese firm has its headquarters in the One Arts Plaza building in downtown Dallas, Texas. Its stores are located in 18 countries, with its largest markets being Japan, the United States, Canada, the Philippines, Hong Kong, Taiwan, Malaysia and Thailand. The company operates, franchises and licenses more than 8,700 stores in the U.S. and Canada.



The name 7-Eleven originated in 1946 when the stores were open from 7 a.m. to 11 p.m. Today, offering busy shoppers 24-hour convenience, seven days a week is the cornerstone of 7-Eleven's business. 7-Eleven focuses on meeting the needs of convenience-oriented guests by providing a broad selection of fresh, high-quality products and services at everyday fair prices, speedy transactions and a clean, 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 guests.

www.7-eleven.com

Tyco Group, a California limited liability company dba, Popeyes Louisiana Kitchen



2017 REVENUE (\$ BILLION):	\$3.51
# OF LOCATIONS (2018):	2,892+

POPEYES OVERVIEW:

Founded in New Orleans in 1972, Popeyes® has more than 40 years of history and culinary tradition. Popeyes distinguishes itself with a unique New Orleans style menu featuring spicy chicken, chicken tenders, fried shrimp and other regional items. The chain's passion for its Louisiana heritage and flavorful authentic food has allowed Popeyes to become one of the world's largest quick service restaurant chicken concepts with over 2,890 restaurants in the U.S. and around the world.

On February 21, 2017, Restaurant Brands International (RBI) announced a deal to buy Popeyes for US\$1.8 billion. On March 27, 2017, the deal closed with RBI purchasing Popeyes at \$79 per share via Orange, Inc, an indirect subsidiary of RBI. RBI is now the fourth-largest operator of fast food restaurants in the world behind Subway, McDonald's, Starbucks and Yum! Brands (KFC, Pizza Hut, Taco Bell).

<https://www.popeyes.com/>

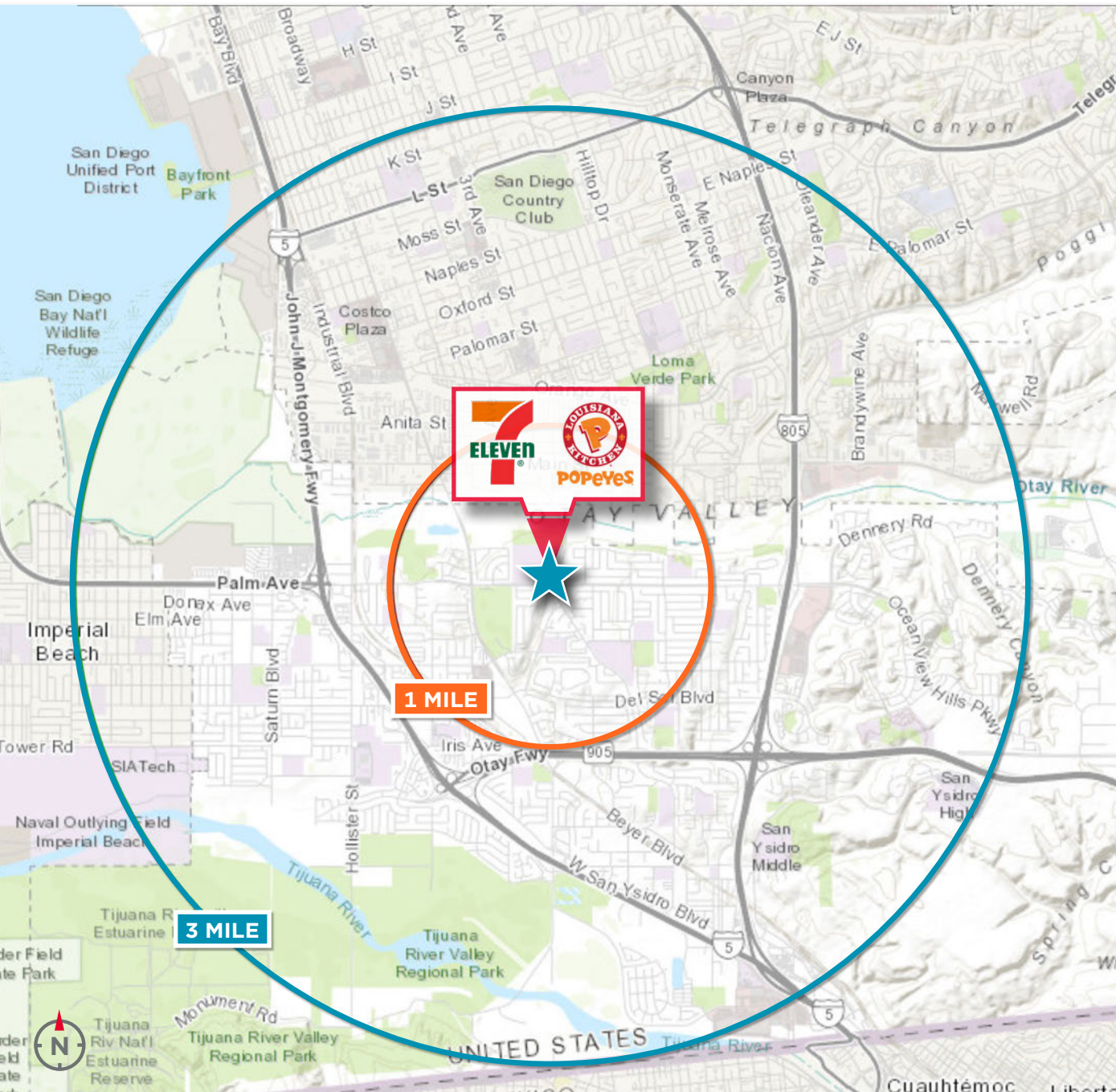


THE TYCO GROUP, LLC OVERVIEW:

Imran Damani (Tyco Group) and his father Dadruddin Demani (Deva Group) operate 10 Wendy's in Southern California and Imran is a San Diego franchisee for Popeyes. The subject property is his first Popeyes with two additional locations in the works. Tyco Group is also a principal in a Hampton Inn in Kilgore, TX.

DEMOGRAPHICS - 2017

AREA OVERVIEW



POPULATION

204,942
3 MILE RADIUS

POPULATION

1 MILE	3 MILE
26,488	204,942

AVERAGE HH INCOME

1 MILE	3 MILE
\$64,627	\$63,867

SAN DIEGO, CALIFORNIA

AREA OVERVIEW

As the second most populous city in California, and the eighth largest in the country, San Diego is a major economic engine and world-renowned hub of research and entrepreneurial activity. The region's diverse mix of industries, its superb climate, large and diverse labor force, and exceptional quality of life have fueled substantial commercial and residential development and robust employment growth that have consistently outpaced most other major U.S. metropolitan markets.

San Diego offers: one of the most competitive sales tax rates in California (8.00%); a business tax rate lower than any of the 20 largest U.S. cities; the lowest transient occupancy (hotel and motel) tax in the country; the lowest bonded indebtedness rate; the lowest real estate transfer tax in California; no city income taxes; and, no utility taxes on its citizens. San Diego's economy is very diverse with the largest sectors being agriculture, biotechnology/biosciences, computer sciences, education, healthcare, defense, financial and business services, ship construction and repair, software development, telecommunications, and tourism.

The county is currently home to 3.2 million people, the second most populous county in California. The median age of San Diego County is a relatively young 35 years, with over 50% of its population less than age 35 and only 11% age 65 or over.

Over 34% of San Diego's workforce over the age of 25 holds a bachelor's degree or higher and the average household income is a notable \$84,359 per year. According to Forbes

magazine, San Diego ranks as the fifth wealthiest city in the United States. The University of California San Diego, University of San Diego, San Diego State University and other local universities are well-respected throughout the country and the world.

San Diego has a large civilian labor force of approximately 1.56 million workers. Leading employment sectors in the region (by number of employees) include: Government (223,100); Trade, Transportation & Utilities (207,300); Professional & Business Services (204,000); and, Leisure & Hospitality (131,900). The region's 3.4% unemployment rate (May 2018) continues to outperform the state of California (3.4%).



San Diego Bay & Downtown San Diego

<https://www.sandiego.gov/>
<https://www.sandiego.org/>
<http://www.sandiego.com/>
<http://sdchamber.org/>

<http://www.sandiegocounty.gov/>
<https://visitsandiego.com/>
https://en.wikipedia.org/wiki/San_Diego

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