

OFFERING MEMORANDUM

WINN DIXIE

PRAIRIEVILLE, LOUISIANA

APPROX. 17 MILES FROM BATON ROUGE, LA



EXCLUSIVELY OFFERED BY:

ANDREW BOGARDUS

+1 415 677 0421

andy.bogardus@cushwake.com

CA LIC #00913825

BARRY COHN

+1 510 267 6003

barry.cohn@cushwake.com

CA LIC #0

IN ASSOCIATION WITH:

JOHN FAWER

Corporate Realty

Louisiana licensed agent

NET LEASE GROUP

SUBJECT PROPERTY



Confidentiality & Disclaimer

The information contained in this marketing brochure (“Materials”) is proprietary and confidential. It is intended to be reviewed only by the person or entity receiving the Materials from Cushman & Wakefield (“Agent”). The Materials are intended to be used for the sole purpose of preliminary evaluation of the subject property/properties (“Property”) for potential purchase.

The Materials have been prepared to provide unverified summary financial, property, and market information to a prospective purchaser to enable it to establish a preliminary level of interest in potential purchase of the Property. The Materials are not to be considered fact. The information contained in the Materials is not a substitute for thorough investigation of the financial, physical, and market conditions relating to the Property.

The information contained in the Materials has been obtained by Agent from sources believed to be reliable; however, no representation or warranty is made regarding the accuracy or completeness of the Materials. Agent makes no representation or warranty regarding the Property, including but not limited to income, expenses, or financial performance (past present, or future); size, square footage, condition, or quality of the land and improvements; presence or absence of contaminating substances (PCB’s, asbestos, mold, etc.); compliance with laws and regulations (local, state, and federal); or, financial condition or business prospects of any tenant (tenants’ intentions regarding continued occupancy, payment of rent, etc). A prospective purchaser must independently investigate and verify all of the information set forth in the Materials. A prospective purchaser is solely responsible for any and all costs and expenses incurred in reviewing the Materials and/or investigating and evaluating the Property.

By receiving the Materials you are agreeing to the Confidentiality and Disclaimer set forth herein.



OFFERING MEMORANDUM

WINN DIXIE

PRAIRIEVILLE, LOUISIANA

- 4 Investment Offering & Highlights
- 5 Investment Overview
- 6 Site Plan
- 7 About the Tenant
- 8 Local Map
- 9 Regional Map
- 10 Prairieville, Louisiana
- 11 Baton Rouge, Louisiana
- 13 Area Demographics



Investment Offering

The Offering

- A 61,834± square foot single story grocery store building leased to **WINN DIXIE** and recently extended for 10 years.
- **Price: \$6,300,000 — 6.75% Cap Rate**

Lease / Tenant

- Recently extended 10 year NNN lease
- Absolute net lease with zero landlord responsibilities
- Fixed rental increases every 3 years during extension
- 20 year operating history at subject location

Real Estate / Area Strengths

- Prairieville is one of Louisiana's fastest growing suburbs
- Large lot size with 338 on-site parking spaces
- Total population of 30,219 with an average household income of approximately \$121,281 within 3 miles of the property
- Traffic counts of 44,579 vehicles per day via Airline Highway and in excess of 84,979 vehicles per day via Interstate 10



Investment Offering

Location

17682 Airline Hwy, Prairieville, LA

Lot Size

Approximately 7.18± acres - 312,818± square feet

Improvements

A 61,834± square foot single story grocery store building leased to **WINN DIXIE** with 338 on-site parking spaces (5.5/1,000 sq. ft.).

Lease

Leased to **WINN DIXIE MONTGOMERY LEASING, LLC.**, and guaranteed by **WINN DIXIE, INC.** Winn Dixie recently renewed for 10 years from September 1, 2018 until August 31, 2028. The net annual rent commencing on September 1, 2018 of \$425,000 increases by approximately 5% every 3 years throughout the primary lease term. The lease is net with the tenant responsible for all taxes, insurance, and maintenance including the roof, foundation, and structure. There are five, five-year options to renew with increased rents every five years.

Annual Rent

Lease Years	Annual Rent	Return
9/1/2018 – 8/31/2021	\$425,000	6.75%
9/1/2021 – 8/31/2024	\$450,000	7.14%
9/1/2024 – 8/31/2027	\$475,000	7.54%
9/1/2027 – 8/31/2028	\$500,000	7.94%
9/1/2028 – 8/31/2030 (Option 1)	\$500,000	7.94%
9/1/2030 – 8/31/2033 (Option 1 incr)	\$525,000	8.33%
9/1/2033 – 8/31/2038 (Option 2)	\$550,000	8.73%
9/1/2038 – 8/31/2043 (Option 3)	\$575,000	9.13%
9/1/2043 – 8/31/2048 (Option 4)	\$600,000	9.52%
9/1/2048 – 8/31/2053 (Option 5)	\$625,000	9.92%

Price: \$6,300,000 — 6.75% Cap Rate

Rent Per Square Foot

\$6.87 net per year - \$0.57 net per month

Site Plan

61

OLD JEFFERSON HWY

PERKINS ROAD

Winn-Dixie

AIRLINE HWY

61

KIDS TIME
LEARNING
CENTER

MULTI
TENANT
STRIP
CENTER



About the Tenant

WINN DIXIE STORES, INC. (the “Tenant”) is a subsidiary of Southeastern Grocers, LLC (the “Parent” or “Company”), which is the fifth-largest supermarket chain in the United States based on store count. Founded in 1925, Winn Dixie employs more than 45,000 associates who serve customers in approximately 473 grocery stores with a majority having in-store pharmacies and 145 liquor stores throughout the five Southeastern states of Alabama, Florida, Georgia, Louisiana and Mississippi. Winn Dixie targets the value shopper looking for a convenient, local, full-service grocer offering very competitive prices.

SOUTHEASTERN GROCERS, LLC

Winn Dixie’s parent company, **Southeastern Grocers, LLC, (SEC)** is the fifth largest conventional supermarket chain in the U.S. and the second-largest conventional supermarket in the southeast based on store count.

As of May 28, 2018 Southeastern Grocers, LLC successfully completed its financial restructuring and emerged from Chapter 11. They transformed their financial profile and beefed up their balance sheet by lowering overall debt levels by about \$600 million, including \$522 million of debt exchanged for equity in the reorganized company while maintaining their strong liquidity position. In addition to Winn Dixie, Southeastern Grocers operates the Bi-Lo, Harveys, and Fresco y Mas banners. The company

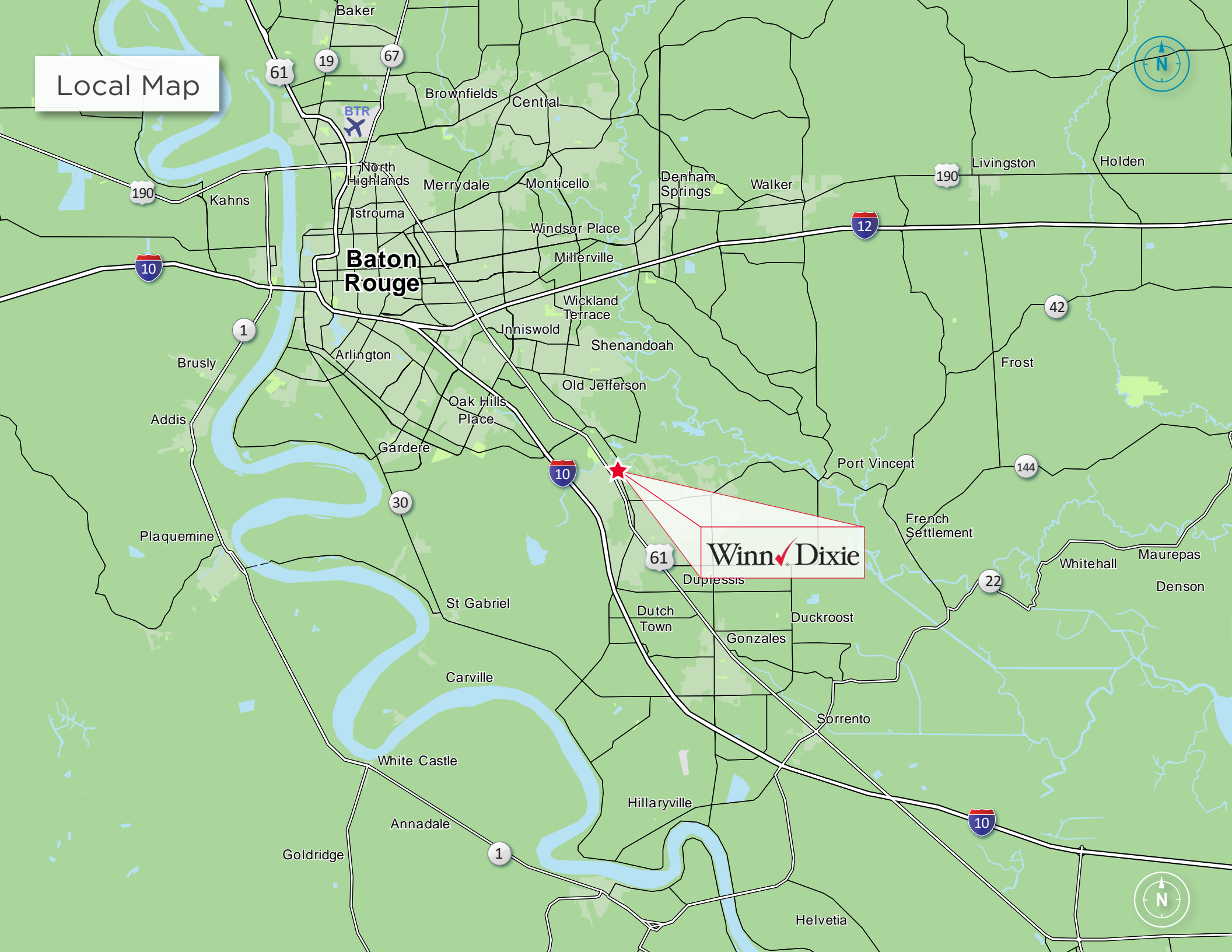
has 580 grocery stores with a majority having in-store pharmacies and 145 liquor stores throughout the seven Southeastern states of Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, and South Carolina. In 2012, BI-LO merged with Winn Dixie, and the parent company Bi-Lo Holdings was formed. In 2013, Bi-Lo Holdings acquired 72 Sweetbay stores, plus leases for 10 prior Sweetbay locations, 72 Harveys stores and 11 Reid’s stores, totaling 165 stores from Delhaize Group. In 2014, conversions for the formerly owned Delhaize stores to Bi-Lo Holdings ownership were completed. Reid’s banner stores were converted to BI-LOs, Sweetbay banner stores were converted to Winn-Dixies and Bi-Lo Holdings retained the Harveys banner. In 2015, Bi-Lo Holdings was officially renamed Southeastern Grocers. During 2016, Southeastern Grocers achieved approximately \$10.5 billion of sales.

LONE STAR FUNDS

Southeastern Grocers is owned and controlled by Lone Star Funds (“Lone Star” or “Sponsor”). Lone Star is a leading private equity firm that invests globally in real estate, equity, credit and other financial assets. Since the establishment of its first fund in 1995, Lone Star has organized fifteen private equity funds with aggregate capital commitments totaling approximately \$60 billion.



Local Map



Regional Map





Prairieville, Louisiana

Prairieville is a census-designated place in Ascension Parish, Louisiana, United States, just south of Baton Rouge and north of Gonzales. Prairieville is an expanding bedroom suburb of Baton Rouge. Its name is derived from the once plentiful pastures and prairies that were visible from Highway 73 (Jefferson Hwy) and Airline Highway, which is now

covered with development. In recent decades, Prairieville has benefited from migration out of Baton Rouge, with new residents particularly drawn to the area by its high-performing public schools and low crime rate. Prairieville is in one of the fastest-growing areas in Louisiana

Baton Rouge, LA

Baton Rouge is the capital of Louisiana and its second-largest city. The seat of East Baton Rouge Parish, the city is located on the eastern bank of the Mississippi River. Baton Rouge is the political hub for Louisiana, and is the second-largest metropolitan city in the state, with a growing population of 228,590 people as of 2017. The metropolitan area surrounding the city, known as Greater Baton Rouge, has a population of 830,480 people as of 2015. Baton Rouge is a thriving city that is home to numerous schools, businesses, and industrial facilities.

ECONOMY

Baton Rouge is a major industrial, petrochemical, medical, research, motion picture, and growing technology center of the American South. Baton Rouge enjoys a strong economy that has helped the city be ranked as one of the “Top 10 Places for Young Adults”. The Baton Rouge’s metro area’s economy is growing at a faster rate than predicted. In the past two years, Baton Rouge has seen job growth rates above 3%. The Baton Rouge area’s job growth has outperformed peer cities like Austin, Birmingham, and Columbia. The region added around 9,000 jobs in 2016 and forecasts to add another 6,000 jobs in 2017.

Baton Rouge is the furthest inland port on the Mississippi River that can accommodate ocean-going tankers and cargo carriers. The ships transfer their cargo (grain, crude, cars, containers) at Baton Rouge onto rails and pipelines (to travel east-west) or barges (to travel north). Baton

Rouge’s largest industry is petrochemical production and manufacturing. ExxonMobil’s Baton Rouge Refinery complex is the fourth-largest oil refinery in the country; it is the world’s tenth largest. Baton Rouge also has rail, highway, pipeline, and deep water access. Through the years, Baton Rouge has been and continues to be shaped by a variety of cultural and environmental influences. The Baton Rouge area is not dependent on one industry for its success or failure. The economy has successfully diversified from the traditional chemical and gas industry core. The area’s 58,000+ businesses make it a center for finance, health care, education, manufacturing, research and development, renewable energy sources, transportation, construction, and distribution.

Higher Education

Louisiana State University & Agricultural and Mechanical College, generally known as Louisiana State University, located in Baton Rouge, is a public, coeducational university that is the flagship campus of the Louisiana State University System. Enrollment stands at over 31,000 students, with 1,300 full-time faculty members. Southern University and A&M College are parts of the only historically black land-grant university system in the United States. Southern became a land-grant school in 1890, and an Agricultural and Mechanical department was established. The university is the largest HBCU in Louisiana. Virginia College opened in October 2010 and offers students training in areas like Cosmetology, Business, Health and Medical Billing.



Baton Rouge, LA^(cont)

TRANSPORTATION

Highways

Baton Rouge has three Interstate highways: I-10, I-12, and I-110.

Interstate 10 enters the city from the Horace Wilkinson Bridge over the Mississippi River, curving at an interchange with Interstate 110 southeast, crossing the LSU lakes and Garden District before reaching an interchange with I-12 (referred to as the 10/12 split).

Interstate 12 (The Republic of West Florida Parkway) begins in the city at the I-10/I-12 split east of College Drive, and goes east from there before crossing the Amite River.

Interstate 110 (The Martin Luther King, Jr. Freeway) stretches 8 miles in a north-south direction from the east end of the Horace Wilkinson Bridge to Scenic Highway in Scotlandville, Louisiana.

Air

Located 10 minutes north of downtown near Baker, the **Baton Rouge Metropolitan Airport** connects the area with the four major airline hubs serving the southern United States. Commercial carriers include American Eagle, United Airlines, and Delta Air Lines. Nonstop service is available to Atlanta, Dallas-Ft. Worth, Houston, and Charlotte.

Mass Transit

Capital Area Transit System (CATS) provides urban transportation throughout Baton Rouge, including service to Southern University, Baton Rouge Community College, and Louisiana State University. Many CATS buses are equipped with bike racks for commuters to easily combine biking with bus transit.

Greyhound Bus Lines, offering passenger and cargo service throughout the United States, has a downtown terminal on Florida Boulevard.



Area Demographics

2017 Summary	1 mile	3 miles	5 miles
Population	3,853	30,219	78,179
Households	1,292	10,920	27,924
Families	1,022	8,329	21,193
Average Household Size	2.98	2.77	2.80
Owner Occupied Housing Units	1,125	9,135	22,138
Renter Occupied Housing Units	167	1,786	5,786
Median Age	35.6	36.2	36.3
Median Household Income	\$101,169	\$98,401	\$89,837
Average Household Income	\$118,615	\$121,281	\$113,176

Projected 2022 Summary	1 mile	3 miles	5 miles
Population	4,347	33,235	85,122
Households	1,457	11,984	30,385
Families	1,147	9,097	22,945
Average Household Size	2.98	2.77	2.80
Owner Occupied Housing Units	1,266	10,010	24,144
Renter Occupied Housing Units	191	1,974	6,241
Median Age	36.2	37.1	37.2
Median Household Income	\$106,305	\$103,762	\$97,750
Average Household Income	\$133,146	\$133,743	\$124,726



SUBJECT PROPERTY



**CUSHMAN &
WAKEFIELD**

NET LEASE GROUP

EXCLUSIVELY OFFERED BY:

ANDREW BOGARDUS

+1 415 677 0421

andy.bogardus@cushwake.com

CA LIC #00913825

BARRY COHN

+1 510 267 6003

barry.cohn@cushwake.com

CA LIC #01007603

IN ASSOCIATION WITH:

JOHN FAWER

Corporate Realty

Louisiana licensed agent

SUBJECT PROPERTY