ACA NET LEASE

ACROPOLIS
COMMERCIAL ADVISORS, LLC.

Confidentiality Disclaimer

The information contained in the following Marketing Package is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Acropolis Commercial Advisors, LLC ("ACA") and should not be made available to any other person or entity without the written consent of ACA. If you are not the named addressee you should not disseminate, distribute or copy this e-mail. Please notify the sender immediately if you have received this e-mail by mistake and delete this e-mail from your system. Finally, the recipient should check this email and any attachments for the presence of viruses. The company accepts no liability for any damage caused by any virus transmitted by this email.

ACA 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 ACA, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of ACA, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

This Marketing Package 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. ACA has not made any investigation, and makes no warranty or representation, express or implied, as to the accuracy or completeness of the information contained herein, including but not limited 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 Package has been obtained from sources we believe to be reliable; however, ACA has not verified, and will not verify, any of the information contained herein, nor has ACA 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.

Table of Contents

About Us

Eric Wasserman

President, Co-Founder
Acropolis Commercial Advisors, LLC

ewasserman@acropolisca.com
401.263.5706

Mr. Wasserman directs the brokerage activities, client relations, capital resources, and business operations for Acropolis Commercial Advisors, LLC. Most recently, Mr. Wasserman worked at a publicly traded, multi-national, real estate investment services company where he represented private equity firms, developers, and high net worth individuals in the acquisition and disposition of net-leased properties as well as shopping centers across the country. Prior to that, Mr. Wasserman worked at a family owned real estate development firm where he assisted with the acquisition, leasing, and development of big box retail centers.

Mr. Wasserman also serves as "of counsel" at a successful finance, private equity, and real estate-focused law firm with offices in Rhode Island, New York, and Massachusetts. He received his Juris Doctorate from Roger Williams University (Magna Cum Laude) and is licensed to practice in Rhode Island and Massachusetts. The combination of Mr. Wasserman's legal background and experience in the Real Estate investment community allows him to better understand and advance his clients' interests and goals.

Zach Darrow

CEO, Co-Founder
Acropolis Commercial Advisors, LLC

zdarrow@acropolisca.com
401.453.1200

Mr. Darrow founded Acropolis Commercial Advisors, LLC with the goal of developing a national platform to provide clients a full range of brokerage services. Drawing upon more than fifteen years of experience as a corporate real estate executive, co-founder of a successful real estate; finance-focused law firm, and founder of multiple other industry related businesses, Mr. Darrow has developed significant expertise in investment management, transaction structuring, and debt and equity financing of large commercial real estate projects. Mr. Darrow brings an expansive network of relationships with high net worth individuals, executives, capital sources, and investment managers both local and national.

Mr. Darrow is a co-founder and the current Chairman of a successful finance, private equity, and real estate focused law firm with offices in Rhode Island, Massachusetts, New York and Florida. Prior to this, Mr. Darrow was a partner at a highly regarded Boston based law firm. He served as a senior real estate manager of a Fortune 100 company, and served as President of Real Estate for a subsidiary of a well known New York based hedge fund. He received his juris doctorate degree from Syracuse University College of Law (cum Laude) and is licensed to practice law in Massachusetts, New York, New Hampshire and Rhode Island. Mr. Darrow is also a licensed real estate broker in New York and Rhode Island.

SUPPORT STAFF

Kevin Huther
VP of Underwriting

Melissa Sleboda
Executive Assistant

Katie Webb
Transaction Coordinator

The ACA Advantage

Relationship *Driven*

We understand the complexities and competition amongst brokerage firms as well as developers in today's market. With no managerial oversight or approval needed, we favor the long-term working relationship over the quick paycheck.

Access to *Inventory*

Unlike the large firms, who typically draw from their own in-house inventory when facilitating an investor's search, our clients benefit from a much wider and a more robust pool of opportunities because of our proficiency and access to off-market deals. The relationships we have built (and continue to nurture) with developers, investment firms and brokers nationwide, produce a wide range of opportunities, which by the nature of being "off-market" are often done quicker, with more privacy, and less headaches.

Detail *Oriented*

When representing clients in the market, our goal is to make the process smooth and efficient as most often the client is (or will be) under a time constraint. We accomplish this by providing updated status and property reports and coordinating with third-party service providers such as mortgage brokers, environmental consultants, and surveyors.

Easily *Accessible*

No matter the facet, Real Estate is an inherently "service-based" business. We understand this and pride ourselves as to our accessibility regardless of the day or time.

Services Offered

Site Selection

Leasing

Investment Sales

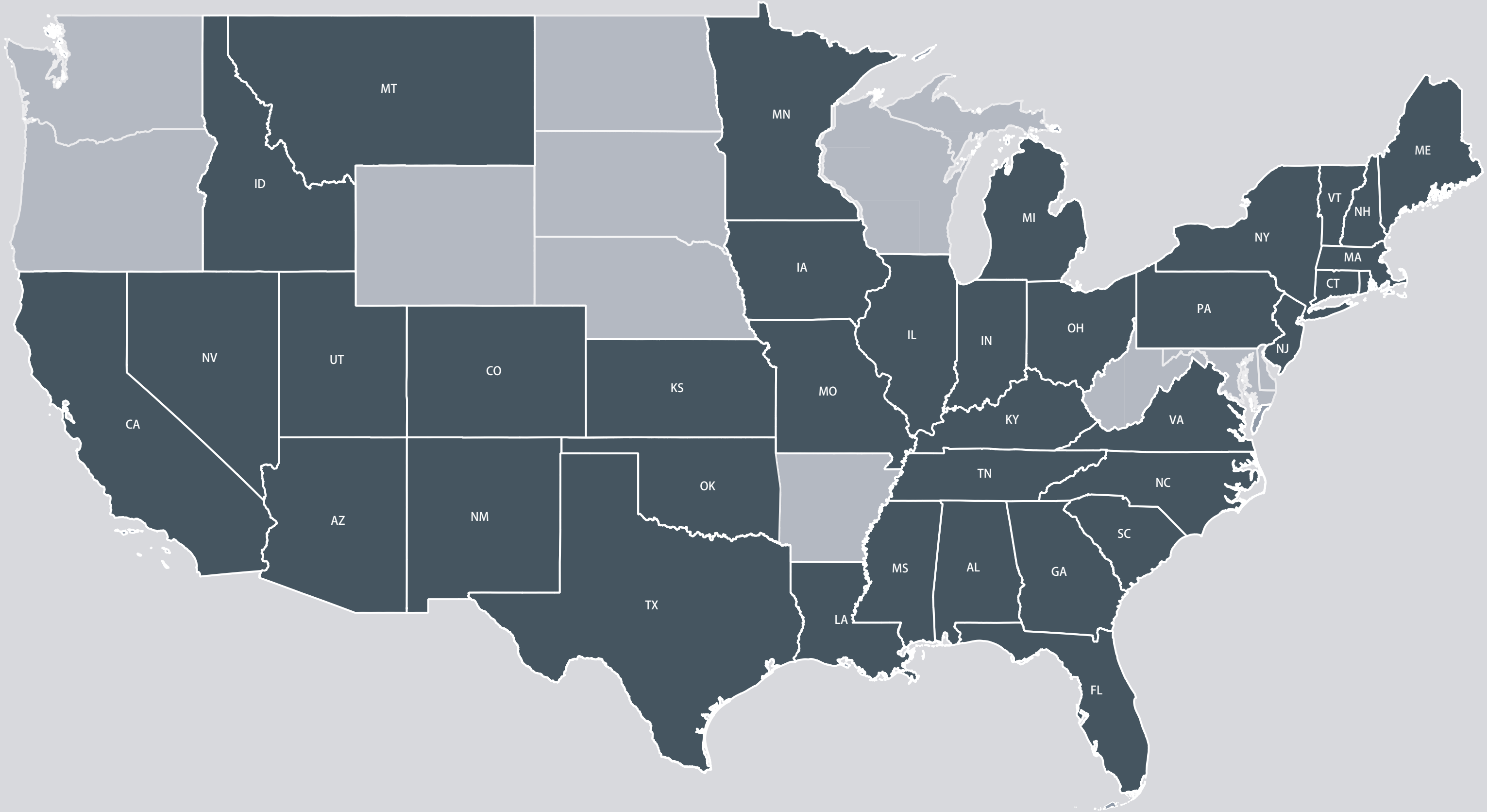
- *Single-Tenant*
- *Multi-Tenant*
- *Shopping Centers*
- *Portfolios*
- *Sale Leasebacks*

1031 Exchanges

- *Exclusive Buyer Representation*

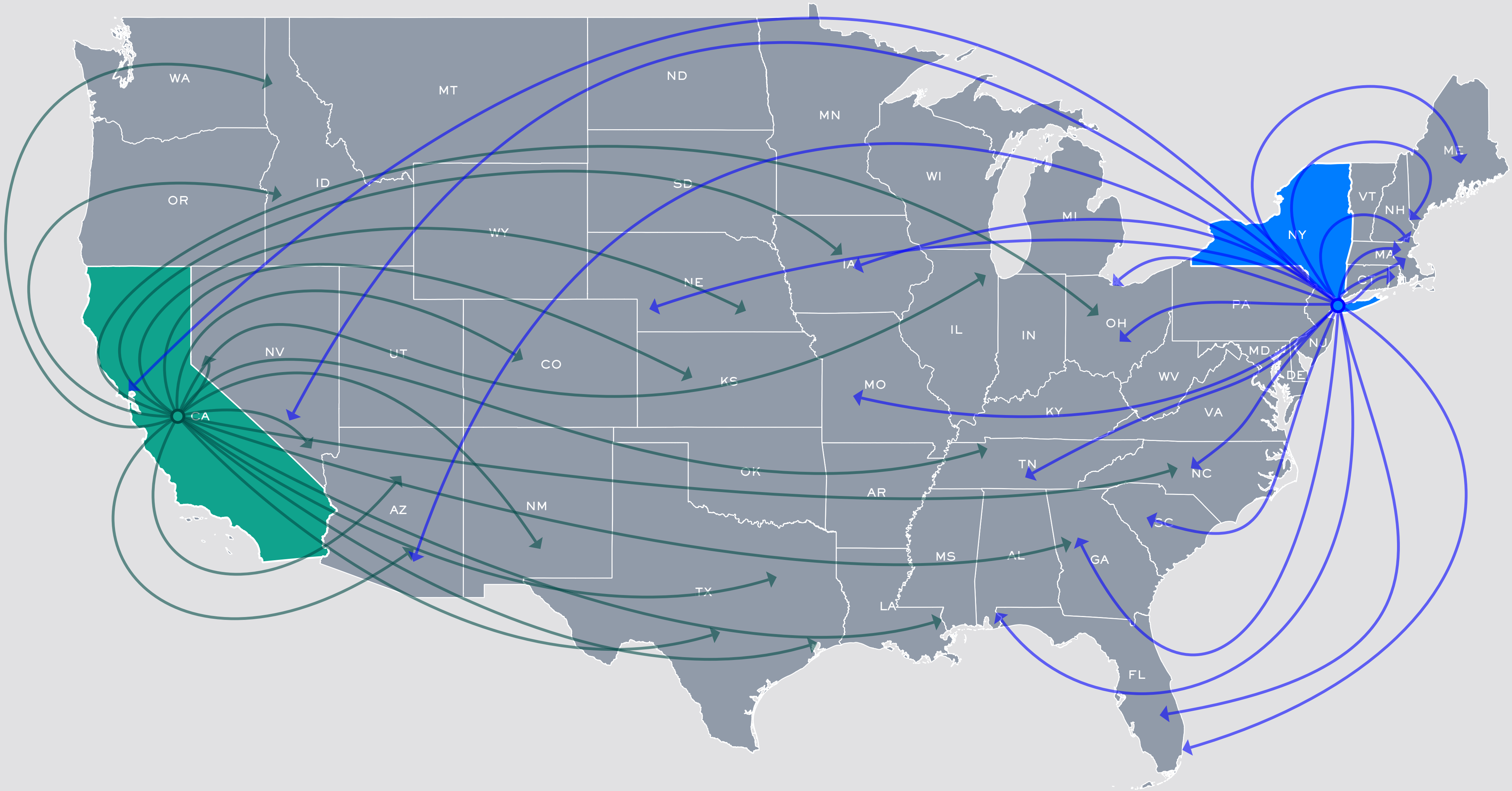
Advisory and Consulting

States in which we have transacted



Flow of Capital

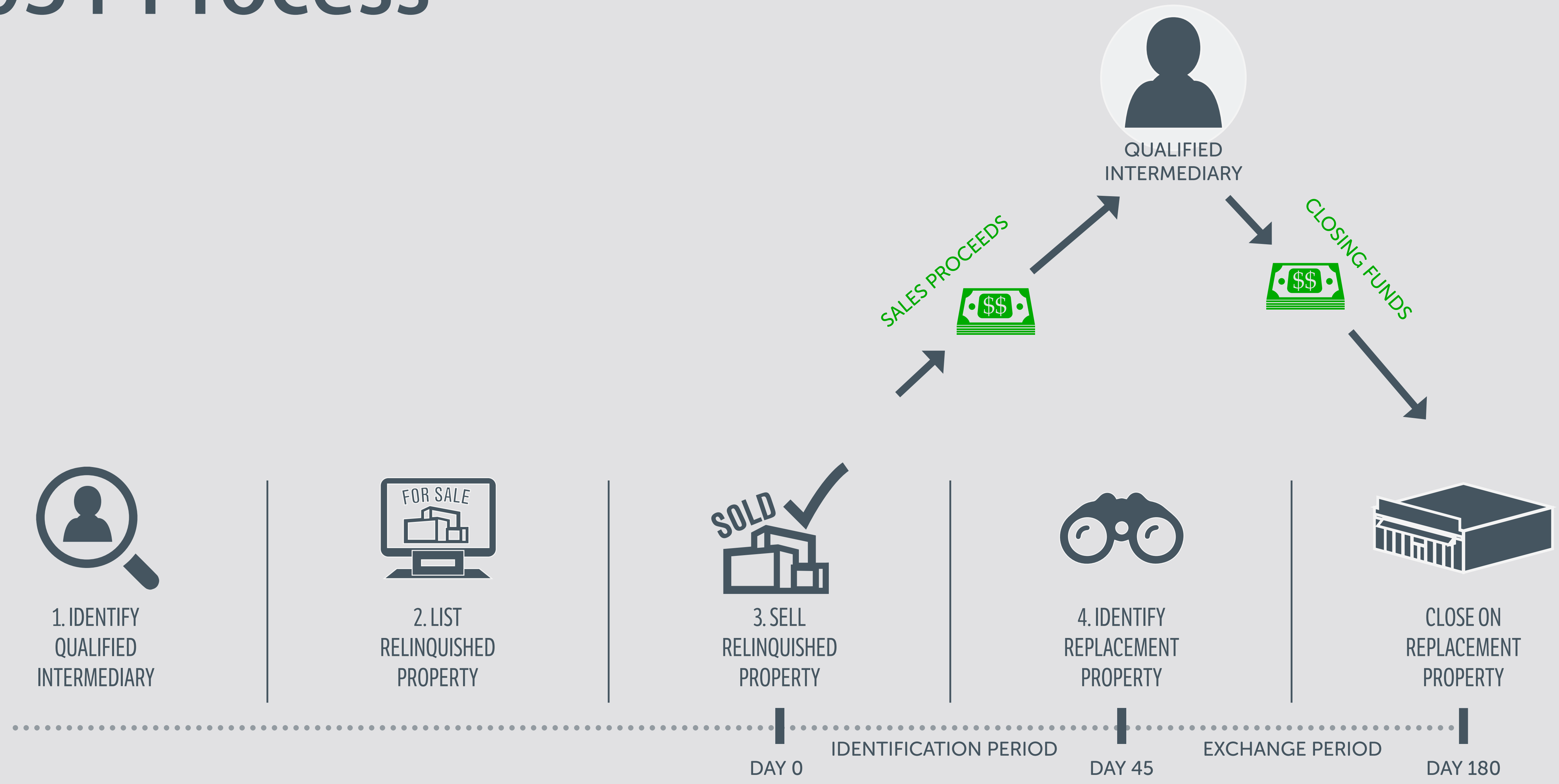
Select 2021 Flow of Capital Transaction Examples from Purchaser to Property Location



Differences in Commercial Real Estate

Residential	VS.	NNN Commercial
Individual	Tenant	**Corporate**
Residential	Use Types	**Business (Retail, Office or Industrial)**
1 Year/Month-to-Month	Typical Lease Term	**Multi-Year + Options**
Owner	Maintenance/Repairs	**Tenant**
Owner	Operating Expenses	**Tenant**
More/Ongoing	Management	**Minimal/None**
1% to < 4%	Avg. CAP Rate	**4% to 7%+**
Metropolitan Centers	Location	**Countrywide**
Personal	Credit Worthiness	**National/Corporate**
Mostly Appreciation	Income	**Income Stream + Appreciation**

1031 Process



Acquisition Process

Letter of Intent

A non-binding letter showing a potential Purchaser's intent to purchase a Property under specific terms

Purchase Sale Agreement

Attorneys' will draft and negotiate the specific terms of the contract to make the deal official

Due Diligence

Seller to provide all relevant documents (i.e. leases, estoppels & disclosures) and Purchaser to perform any inspection (i.e. Property, Environmental & Survey)

Financing

Time for the loan to be evaluated and approved. Lender will analyze the Purchaser and Property and perform an appraisal

Close of Escrow

Once all contingency periods have been removed and the Lender has approved the loan, closing may occur

Investment Criteria

Commercial Property Lease Categories

Gross

Where the Tenant is responsible for the Rent only. The Landlord is responsible for all replacement and maintenance obligations, along with any other expenses, services, and fees associated with the Property.

Single Net Lease (N Lease)

Where the Tenant pays the rent plus their pro-rata share of the building's Property Tax in addition to their own utilities and other services. The Landlord is responsible for all replacement and maintenance obligations, along with any other expenses, services, and fees associated with the Property.

Double Net Lease (NN Lease)

Where the Tenant is financially responsible for the rent plus their pro-rata share of Taxes and Insurance as well as their own utilities and other services. In double net leases, the Landlord is responsible for the structural portions of the property along with the HVAC units. Typically, in a double net lease the Tenant will be responsible for routine maintenance of the HVAC system while the Landlord remains responsible for all other costs.

Ground Lease

A ground lease is the purest form of "Net-leased" as the Owner (Landlord) of the Property leases the ground to the Tenant and the Tenant constructs and owns the building. When the Tenant leaves, the building reverts back to the Owner (Landlord). Ground leases are often favored by investors as the Tenant is more committed to the Property given that they constructed their own building. In addition, because an Owner did not have to construct the building, the rent is lower thereby making the rent theoretically easier to replace if the tenant ever leaves. Some investors do not like ground leases as they cannot depreciate the building as in a ground lease the Landlord only owns the land.

NNN

Triple Net Lease (NNN Lease)

Where the Tenant is financially responsible for the rent plus their pro-rata share of the building's Property Tax, Insurance and all Common Area Maintenance. While the Tenant is financially responsible for the Property Taxes, Insurance, and Common Area Maintenance, in many Leases the Landlord may be responsible for administering these items such as paying the Property Taxes directly to the Municipality, or hiring a third-party company to do the Common Area Maintenance. In most cases a Triple-Net Lease that requires a Landlord to administer Common Area Maintenance will provide for a "management fee" which can be a fixed amount or percentage of Common Area Maintenance costs.

TENANT CATEGORY

QSRs

Quick Service Restaurants (QSR) or otherwise known as fast-food restaurants are restaurants which offer customers fast service and typically have a drive-thru for additional customer convenience. QSR's can be nationwide or regionally based. QSR's include McDonald's, Burger King, Taco Bell, KFC, and others.

PROs

- Often located on busy streets next to other national retailers
- Often has drive-thru's which may be difficult to obtain approval for from municipalities, offering additional security
- In general, most QSR store sales are generated via drive-thru
- Immune from the "Amazon Effect" and are "Pandemic Resistant"
- "Recession proof" business - Investors often like QSR's because they offer affordable meals, meaning it is less likely that they will suffer in an economic downturn

CONs

- Parcel size - sometimes under 1 acre, limited to other QSR or small box retail
- Franchisee guarantee (some cases)

Tenant	Cap Rate	Price	Term	Increases	Lease Type	Guarantee	No. of Locations	Area
Arby's	4.75% - 6.50%	600k - 2.5m	10 to 20	Annual or Every 5 Years	NNN / GL	C / F	3,342	Nationwide
Burger King	4.25% - 6.50%	800k - 3.5m	10 to 20	Annual or Every 5 Years	NNN / GL	C / F	7,257	Nationwide
Carl's Jr	3.75% - 5.75%	1m - 3m	10 to 20	Annual or Every 5 Years	NNN / GL	C / F	1,065	West Coast
Dairy Queen	5.50% - 7.00%	750k - 2.5m	10 to 20	Annual or Every 5 Years	NNN	F	4,416	Nationwide
Dunkin'	5.00% - 6.00%	1m - 2.5m	10 to 20	Annual or Every 5 Years	NNN / GL	C / F	9,300	Nationwide
Hardees	4.50% - 5.75%	1.5m - 3m	15 to 20	Annual or Every 5 Years	NNN / GL	C / F	1,766	East Coast
KFC	5.25% - 7.00%	1.25m - 2.5m	15 to 20	Annual or Every 5 Years	NNN	F	3,986	Nationwide
McDonald's	3.25% - 4.25%	750k - 3m	20	Every 5 Years	GL	C	13,441	Nationwide
Popeyes	4.25% - 5.50%	1m - 3.5m	15 to 20	Annual or Every 5 Years	NNN / GL	F	2,658	Nationwide
Starbucks	3.50% - 5.25%	1.5m - 3m	10 to 20	Every 5 Years	NN / GL	C	14,805	Nationwide
Taco Bell	3.75% - 5.25%	1m - 3m	15 to 25	Annual or Every 5 Years	NNN / GL	C / F	7,496	Nationwide
Wendy's	4.00% - 6.00%	1.5m - 3m	15 to 20	Annual or Every 5 Years	NNN / GL	C / F	6,500	Nationwide

TENANT CATEGORY

Fast Casual Restaurants

Fast Casual Restaurants are restaurants which offer affordable meals in a casual setting typically with higher food quality compared to QSR's. Fast casual restaurants are typically "self-service" where customers order and pick-up at the counter, however sometimes food may be brought to the customer. Fast casual restaurants may or may not have drive-thru service.

PROs

- Affordable prices, higher quality ingredients
- Popular among millennials and families
- Often Caters to "Health Conscious" customers
- Long term leases
- Well located real estate - visibility and access
- Immune from "Amazon Effect"

CONs

- Higher price-points than QSR restaurants
- Low Cap Rates
- Brand recognition typically not as established as QSR restaurants

Tenant	Cap Rate	Price	Term	Increases	Lease Type	Guarantee	No. of Locations	Area
Chipotle	4.00% - 5.25%	1.5m - 2.5m	10 to 15	Every Five Years	NN / GL	C	2,797	Nationwide
Panera Bread	4.00%- 5.50%	2m - 3.5m	15 to 20	Every Five Years	NNN / GL	C / F	2,000	Nationwide
Pollo Tropical	4.50% - 5.10%	2m - 3m	15 to 20	Every Five Years	GL	C	144	Nationwide
Taco Cabana	4.50% - 5.25%	2m - 3m	15 to 20	Every Five Years	GL	C	151	Nationwide
Zoe's Kitchen	5.00% - 5.50%	2m - 3m	15	Every Five Years	GL	C	258	Nationwide
Chick-Fil-A	3.25% - 4.25%	1m - 7m	15	Annual or Every 5 Years	NNN / GL	C	2,671	Nationwide
Raising Canes	3.50%- 5.25%	2m - 7m	15 to 20	Annual or Every 5 Years	NNN / GL	C / F	529	Nationwide
Habit Burger	3.75% - 4.50%	2m - 4m	15 to 20	Every Five Years	NNN / GL	C / F	288	Nationwide

TENANT CATEGORY

Casual Dining

Casual dining restaurants are sit-down restaurants where customers order through a restaurant server. Many casual dining restaurants are open for both lunch and dinner. Casual dining restaurants include Applebee's, Olive Garden, Longhorn Steakhouse, Ihop, and others. Casual restaurants are typically located in strong retail corridors, often times in a mall, lifestyle, or shopping center.

PROs

- Well located real estate, able to pick up customers from other retailers
- Large parcels to accommodate customer parking
- Long term leases
- Rental Increases
- NNN or Ground Lease
- Very passive investments

CONs

- Higher price-point than QSR and Fast Casual restaurants
- Some are Franchisee guaranteed
- Shift away from casual dining, consumer trend of wanting products/meals faster
- Generally suffered during Covid-19 Pandemic

Tenant	Cap Rate	Price	Term	Increases	Lease Type	Guarantee	No. of Locations	Area
Applebee's	5.50% - 7.50%	2.25m - 5m	10 to 20	Annual or Every 5 Years	NNN / GL	C / F	1,602	Nationwide
BJ's Restaurant	4.50% - 5.50%	4m - 6m	10 to 20	Every Five Years	GL	C	211	Nationwide
Chili's	4.25% - 5.75%	2.5m - 4.5m	10 to 20	Annual or Every 5 Years	NNN / GL	C / F	1,221	Nationwide
IHOP	5.00% - 7.00%	2.5m - 4.5m	15 to 20	Annual or Every 5 Years	NNN	C / F	1,666	Nationwide
Longhorn Steakhouse	4.50% - 6.00%	2.5m - 5.5m	10 to 20	Annual or Every 5 Years	NNN / GL	C	554	Nationwide
Olive Garden	4.50% - 5.50%	2.5m - 6m	10	Annual or Every 5 Years	NNN / GL	C	875	Nationwide
Red Lobster	5.25% - 6.25%	3.5m - 6.5m	20	Annual or Every 5 Years	NNN	C	674	Nationwide
Texas Roadhouse	4.25% - 4.75%	2m - 3.5m	10 to 20	Every Five Years	GL	C	581	Nationwide


TENANT CATEGORY

Pharmacy

Pharmacy's are 10,000 to 15,000 sq ft buildings and typically require 1.5 - 2 acres of land. Almost all Pharmacies offer a drive-thru window for convenient prescription pick-up. In addition to prescriptions, Pharmacies also carry groceries, household, beauty and medical products. Many Pharmacies now also offer various medical services.

PROs

- Real Estate - often located on corner of signalized intersection
- Large 1.5 - 2 acre parcels with drive-thru
- CVS and Walgreens are Investment Grade
- Constant demand for prescription drugs
- Essential retailer, sales surged during Covid-19 pandemic

CONs

- Few Pharmacies Offer Rental Increases
- Minimal New Construction Opportunities
- Increased Competition from Online/ Delivery Services
- Shift to Online Retail "Amazon Effect"

Tenant	Cap Rate	Price	Term	Increases	Lease Type	Guarantee	No. of Locations	Area
CVS	4.00% - 5.50%	2m - 15m	15 to 25	Varies	GL / NNN / NN	C	9,957	Nationwide
Walgreens	4.50% - 6.00%	2m - 15m	10 to 15	Varies	NNN / NN	C	9,021	Nationwide
Rite Aid	5.75% - 8.25%	2m - 10m	10 to 15	Varies	NNN / NN	C	2,464	Nationwide

TENANT CATEGORY

Health Care

Healthcare Net-leased investments are typically kidney dialysis centers, dental offices, emergency room facilities, blood plasma centers, or urgent care centers. Over the past few years there has been strong investor demand for net-leased healthcare investments given the growing medical field and the constant need for medical services regardless of the state of the economy. In addition, investors see healthcare as being immune to the "Amazon Effect".

PROs

- Specialty build-out, medical tenants typically have more money invested in their build-outs compared to retail tenants given the specialty trade fixtures
- Routine visits = predictable tenant revenue
- Often located near hospitals, which are strong economic drivers
- Often have Corporate Guarantee's
- Attractive Increases

CONs

- Real Estate - typically not located next to other retailers
- Building adaptability - likely limited to future medical use if tenant ever leaves
- Some leases are NN

Tenant	Cap Rate	Price	Term	Increases	Lease Type	Guarantee	No. of Locations	Area
DaVita Dialysis	5.00% - 6.00%	1.5m - 3.5m	10 to 15	Annual or Every 5 Years	NNN / NN	C / F	2,816	Nationwide
Fresenius Kidney Care	5.00% - 5.75%	1.5m - 6m	10 - 15	Annual or Every 5 Years	NNN / NN	C / F	3,994	Nationwide
Aspen Dental	5.75% - 6.50%	2m - 3.5m	10	Every Five Years	NN	C	910	Nationwide
Heartland Dental	5.75%- 6.50%	2m - 3.5m	10	Every Five Years	NN	C	840	Nationwide
AFC Urgent Care	5.75% - 6.50%	2m - 4m	10	Every Five Years	NN	C	200	Nationwide

TENANT CATEGORY

Multi-Tenant Retail Centers

Multi-Tenant Buildings are two to five tenant buildings, sometimes with a drive-thru end-cap and can range anywhere from 5,000 - 15,000 sq ft. A typical three-tenant building may include a fast-casual restaurant with drive-thru, cellular store, and healthcare provider such as Aspen Dental. Multi-tenant buildings are often located in strong retail corridors or as outparcels to a shopping or lifestyle center. Due to the multi-tenant nature of the Property, the Landlord is responsible for administering common area maintenance. However, most leases are triple-net in nature and often provide for management and administration fees so that a Landlord can hire an outside management company, or do it themselves and generate additional income.

PROs

- Multiple tenants = risk hedging
- High traffic locations
- NNN leases often with management and administration fee's (additional income)
- Desirable national brand tenants
- Often comprised of "E-Commerce Proof" tenants such as restaurant and service providers

CONs

- Management administration responsibilities
- Maximum 10 year lease terms
- Many tenants have franchisee guarantees

Tenant	Cap Rate	Price	Term	Increases	Lease Type	Guarantee	No. of Locations	Area
Multiple/Varies	5.00% - 7.00%	2.5m - 10m	5, 7, or 10	Annual or Every 5 Years	NN	C/F	m/a	Nationwide

TENANT CATEGORY

Gas & Convenience

Net-leased gas stations are typically structured as gas pumps with 3,000 - 6,000 sq ft convenience stores, depending upon the tenant profile. Gas stations are often favored by investors given that they are typically located on easily accessible and visible parcels - often at the corner of signalized intersections. The convenience store component typically makes most of their net-revenue from the operation of the convenience store and use the gas pumps as a way to attract customers. Depending upon the tenant profile, convenience stores will often have packaged food, drinks, snacks, alcohol, and common household items. However some tenants also have a restaurant inside and offer made-to-order food and specialty drinks.

PROs

- Possible accelerated depreciation on fee simple deals
- Real Estate - large 1-2 acre parcels, generally at signalized intersections and corners
- Approval for gas, easier to re-tenant if tenant ever leaves
- Visible and easily accessible locations

CONs

- Environmental concerns, sometimes located on site of previous gas location
- Shift to electric vehicles

Tenant	Cap Rate	Price	Term	Increases	Lease Type	Guarantee	No. of Locations	Area
7-Eleven	4.00% - 5.00%	1.5m - 5m	10 to 15	Every Five Years	NN / NNN / GL	C	71,100	Nationwide
Circle K	4.00% - 5.00%	1.5m - 5m	10 to 15	Every Five Years	NN / GL	C	9,799	Southwest
RaceTrac	4.50% - 5.50%	3m - 7m	15	Every Five Years	NNN / GL	C	753	Southeast
Sheetz	4.75% - 5.25%	2.5m - 4m	20	Every Five Years	GL	C	634	Mid-Atlantic / Florida
WaWa	4.25% - 4.75%	3.5m - 8m	20	Every Five Years	GL	C	934	Mid-Atlantic / Florida
Thortons	4.50% - 5.00%	2m - 6m	15 to 20	Every Five Years	GL	C	200+	Southeast / Mid-West
QuikTrip	4.50% - 5.00%	3m - 6m	15	Every Five Years	NNN / GL	C	904	Southeast / Mid-West
Royal Farms	4.50% - 5.00%	4m - 7m	20	Every Five Years	GL	C	200+	Mid-Atlantic

TENANT CATEGORY

Big Box & Jr. Box

Mid and Large Box retailers consist of 15,000 - 80,000 sq ft retail buildings. These properties are often the "anchor" of a shopping center and sit behind a row of outparcel tenants. These retailers consist of grocery stores, household items, and larger specialty stores such as pet products, sporting goods, home improvement stores.

PROs

- Real Estate - often located as anchor to shopping center, mutually beneficial traffic from out parcel tenants
- Corporate Guarantee

CONs

- Some leases are NN
- Ability to re-tenant - fewer prospective tenants to re-lease space
- Some stores subject to the "Amazon-Effect"

Tenant	Cap Rate	Price	Term	Increases	Lease Type	Guarantee	No. of Locations	Area
ALDI Grocery	4.00% - 4.75%	2m - 5m	15 to 20	Every Five Years	GL	C	1,600	Nationwide
Hobby Lobby	5.50% - 6.00%	4m - 8m	10 to 15	Every Five Years	NNN	C	600	Nationwide
LA Fitness	5.25% - 5.75%	10m - 18m	15 to 20	Every Five Years	NNN	C	700	Nationwide
Lowe's	5.00% - 6.00%	10m - 15m	15 to 20	Every Five Years	NNN	C	1,840	Nationwide
Petco	5.50% - 6.50%	4m - 7m	10	Every Five Years	NN	C	1,500	Nationwide
Sam's Club	4.50% - 5.00%	10m - 15m	20	Varies	GL	C	650	Nationwide
Tractor Supply	5.25%- 6.00%	3.5m - 6.5m	15	Every Five Years	NN	C	1,600	Nationwide
Walmart Neighborhood Market	4.50% - 5.15%	8m - 15m	15 to 20	Varies	NNN / GL	C	4,672 (All Walmarts)	Nationwide

TENANT CATEGORY

Small Box

Small box stores are typically 4,000 - 7,000 sq ft retail spaces that cater to specialty retailers such as mattress stores, wireless communication stores, paint, and others. These stores are typically found in strong retail corridors, often times as an outparcel to a large shopping center.

PROs

- Basic build-out - easy to re-tenant if leave
- Rental Increases
- Real Estate - well located, often times as outparcels to major lifestyle and shopping centers

CONs

- Typically short-term leases
- Fear of "Amazon-Effect"
- Often NN lease

Tenant	Cap Rate	Price	Term	Increases	Lease Type	Guarantee	No. of Locations	Area
Aarons	6.75% - 7.25%	1.5m - 3m	10	Every Five Years	NN	C / F	1,864	Nationwide
AT&T	5.50%- 6.50%	1.5m - 3.5m	10	Every Five Years	NN	C / F	5,254	Nationwide
Mattress Firm	6.50% - 7.00%	2m - 2.5m	10	Every Five Years	NN	C	3,500	Nationwide
Sherwin-Williams	5.50%- 6.00%	1.5m - 2.25m	10	Every Five Years	NN	C	4,300	Nationwide
T-Mobile	6.00% - 6.75%	1.5m - 3m	10	Every Five Years	NN	C/ F	8,421	Nationwide
Verizon	5.50%- 6.50%	1.5m - 3.5m	10	Every Five Years	NN	C / F	2,330	Nationwide
Red Lobster	5.25%- 5.75%	3.5m - 6.5m	20	Annual or Every 5 Years	NNN	C	700	Nationwide

TENANT CATEGORY

Auto Retailers & Service

Automotive Section includes auto parts, tires, oil change and service stores. Automotive stores have grown over the years as consumers keep their vehicles longer thereby creating opportunities that they will need to purchase vehicle parts and need vehicle service. Automotive stores typically have strong corporate backed guarantees and long-term leases.

PROs

- Strong credit
- Long term leases
- Always demand for auto-repair

CONs

- Competition with online retailers
- Typically not found in affluent areas - less likely to "do it yourself"
- Unless it is a ground lease, most automotive stores involve some landlord responsibilities

Tenant	Cap Rate	Price	Term	Increases	Lease Type	Guarantee	No. of Locations	Area
O'Reily Auto Parts	5.25% - 5.75%	1.5m - 2.5m	20	Every Five Years	NN	C	4,800	Nationwide
AutoZone	4.50% - 5.75%	1.5m - 3m	15	Every Five Years	GL / NN	C	6,000	Nationwide
Advance Auto Parts	4.50% - 6.00%	1.5m - 3m	15	Every Five Years	GL / NN	C	5,300	Nationwide
PepBoys	5.50% - 6.25%	1.25m - 3m	15	Every Five Years	NN	C	930	Nationwide
TBC Corp	4.75% - 5.50%	3m - 4m	15	Every Five Years	NNN	C	1,200	Nationwide
Firestone	4.75% - 5.50%	2.5m - 3.5m	15 to 20	Every Five Years	NN / GL	C	1,700	Nationwide

TENANT CATEGORY

Banks

Bank branches are typically 3,000 - 5,000 sq ft buildings that sit on 1-acre parcels. Bank branches will typically have multiple drive-thru windows for customer convenience. Banks are favored by investors given their strong credit rating and long-term leases.

PROs

- Strong Credit
- Drive Thru Location
- Good Real Estate

CONs

- Shift to Mobile Banking
- Unlikely to re-tenant, will have to raze building
- Only Ground Lease

Tenant	Cap Rate	Price	Term	Increases	Lease Type	Guarantee	No. of Locations	Area
Bank of America	3.50% - 4.50%	3m - 8m	15 to 20	Every Five Years	GL	C	4,700	Nationwide
Capital One	3.50% - 4.50%	3m - 8m	15 to 20	Every Five Years	GL	C	1,000	Northeast
Chase	3.50% - 4.50%	3m - 8m	20	Every Five Years	GL	C	5,300	Nationwide
Citibank	3.50% - 4.50%	3m - 8m	15 to 20	Every Five Years	GL	C	4,600	Nationwide
Regions Bank	4.00% - 4.50%	2m - 4m	20	Every Five Years	GL	C	1,700	Southeast
TD Ameritrade	4.00% - 4.25%	3m - 8m	20	Every Five Years	GL	C	1,301	Southeast
Wells Fargo	3.50% - 4.50%	3m - 8m	15 to 20	Every Five Years	GL	C	8,700	Nationwide

Financing

TYPICAL FINANCING TERMS

LTV

Loan to Value
Maximum 65 - 70%

AMORT

Amortization Period
15 - 30 Years

MATURITY

Loan Term
(Fixed Interest Rate)
5, 7 or 10 Years

RATE

Interest Range Rate
Low - 3.00%
High - 4.50%

FACTORS IN DETERMINING LOAN

Remaining Lease Term
Number of Years
Number of Options
Rent Increase Schedule
Lease Category

Lease Guarantor
Corporate or Franchisee

Purchaser's Financial Strength
Amount of Downpayment

Property Location
Barriers to Entry
Demographics
Tenant's Type of Business
Total Rent vs. Store Sales
Property Condition

Trade Area
Surrounding Retailers
Economic Drivers

Robert Bhat

786-522-7092
Robert.Bhat@marcusmillichap.com

Robert Bhat joined the Miami office of Marcus & Millichap Capital Corporation (MMCC) in February 2016. As a Director with MMCC, Mr. Bhat is responsible for securing commercial debt and equity financing for an array of property types including hospitality, retail, office, industrial, senior housing and multifamily. He is well connected with national, regional and local funding sources including, agency lenders (e.g. Fannie Mae, Freddie Mac), commercial banks, CMBS lenders, life insurance companies, and private and public funds.

Mr. Bhat has almost 12 years of commercial real estate finance experience and has closed more than $800 million in transactions. Prior to joining MMCC, Mr. Bhat served as Vice President with NorthMarq Capital's Miami office and a Relationship Manager/ Loan Originator at Wells Fargo Bank, where he worked for almost 8 years.

Mr. Bhat is a graduate of University of Miami, where he earned a Masters of Business Administrations, and Virginia Commonwealth University where he earned a degree in Finance. He is also a member of NAIOP and MBA.

*Robert Bhat is in not affiliated with Acropolis Commercial Advisors, LLC

Case Studies

Case Study #1

A Doctor from Virginia purchased a Texas Roadhouse Restaurant in Ohio in 2014 (the "Property"), due to changes in the market and having purchased the Property directly from the Developer at an attractive capitalization rate, the client had double his equity position in the Property. In 2017, the client decided to sell the Property so that he could realize that equity and thereby increase his cash-flow as well as buy a new property with more guaranteed lease term. The Client initiated a 1031 exchange so that Client could purchase another net-leased restaurant which was brand new, had more guaranteed lease term, and was at a higher capitalization rate. The Property was listed for sale and received multiple offers, the Property was purchased by a couple from California who had just sold their apartment building and were looking for a higher return and no management responsibilities.

Case Study #2

A Net-Leased Developer had plans to develop a CVS Pharmacy outside of Dallas, TX. The Property was not yet under construction when the broker identified the opportunity and presented the Developer with an offer from a multi-family real estate investor in California. The investor was attracted to the CVS due to its low-rent, long-term 25-year lease, and strong corporate guarantee. The investor was able to go under contract prior to the start of construction, thereby getting an attractive capitalization rate and eliminating the risk of competing against other buyers in the market. The Developer was attracted to the investor's reputation in the market as the investor owned multiple net-leased assets.

Case Study #3

A Lawyer from Pennsylvania owned a multi-family property with a family member, due to the management responsibilities they decided to sell the Property to initiate a 1031 exchange into a net-leased restaurant. Upon sale of the multi-family property, the Lawyer engaged the broker to locate a new construction Burger King restaurant with a long-term lease and zero landlord responsibilities. The Broker was able to locate a new-construction Burger King directly from a Burger King franchisee who agreed to sell the Property to the Lawyer and simultaneously execute a new 20-year absolute triple-net lease. The Franchisee was attracted to the opportunity as he could use the proceeds from the sale to grow his business and acquire more restaurants.