

SECURE
NET LEASE

POPEYES - GROUND LEASE

\$2,190,000 | 4.75% CAP

20-YEAR ABSOLUTE NNN LEASE

Hwy. 59 & Bellaire Blvd., Houston, TX 77036



FILE PHOTO

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INVESTMENT OVERVIEW

PRICE CAP:	\$2,190,000 4.75%
NET OPERATING INCOME:	\$104,000
BUILDING AREA:	2,400 +/- Square Feet
LAND AREA:	0.77 +/- Acres
YEAR BUILT:	2019
LANDLORD RESPONSIBILITY:	None
OCCUPANCY:	100%

INVESTMENT HIGHLIGHTS



2-MILES FROM TEXAS MEDICAL CENTER (1K BEDS)



ACROSS FROM PLAZAMERICAS MALL (850K SF)



CLOSE PROXIMITY TO HBU (3,432 STUDENTS)



LOCATED OFF OF SOUTHWEST FWY (256K VPD)

- ✓ **20-Year absolute NNN lease, projected to open December 2019.**
- ✓ **Located directly east of PlazAmericas.** PlazAmericas Mall (850,000 SF) is located west across Southwest Fwy. "Hwy. 59" (256,557 VPD) from the subject Popeyes.
- ✓ **Within a 2-mile radius are over 28 apartment complexes.** The 28 apartment complexes combine to have a total of over 12,283 units.
- ✓ **In close proximity to Houston Baptist University.** HBU is less than 1-mile from the subject Popeyes and features a total enrollment of 3,432 students.
- ✓ **Memorial Hermann - Texas Medical Center is located nearby.** The 1,002 bed campus is located directly west of HBU, less than 2-miles from the subject Popeyes.
- ✓ **The immediate trade area features above average demographics.** Within a 1-mile radius are over 29,000 people and 16,480 employees, and within 3-miles are over 274,000 people and 129,000 employees.
- ✓ **Located approximately 11-miles from downtown Houston, TX.** Popeyes is located at the southeast quadrant of Southwest Fwy "Hwy. 59" (256,557 VPD) at its signalized intersection with Bellaire Blvd. (45,642 VPD), in southwest Houston, TX

Downtown
Houston
(Approx. 11-miles)

15 Apartment Complexes
(8,996 units)



KIPP Connect
Primary School
(843 students)

Long Academy
(1,082 students)



BELLAIRE BLVD.
(±45,642 VPD)

SOUTHWEST
FWY.
(±256,557 VPD)



PlazAmericas Mall
(850,000 SF)
(Approx. 0.4-miles)



TENANT OVERVIEW

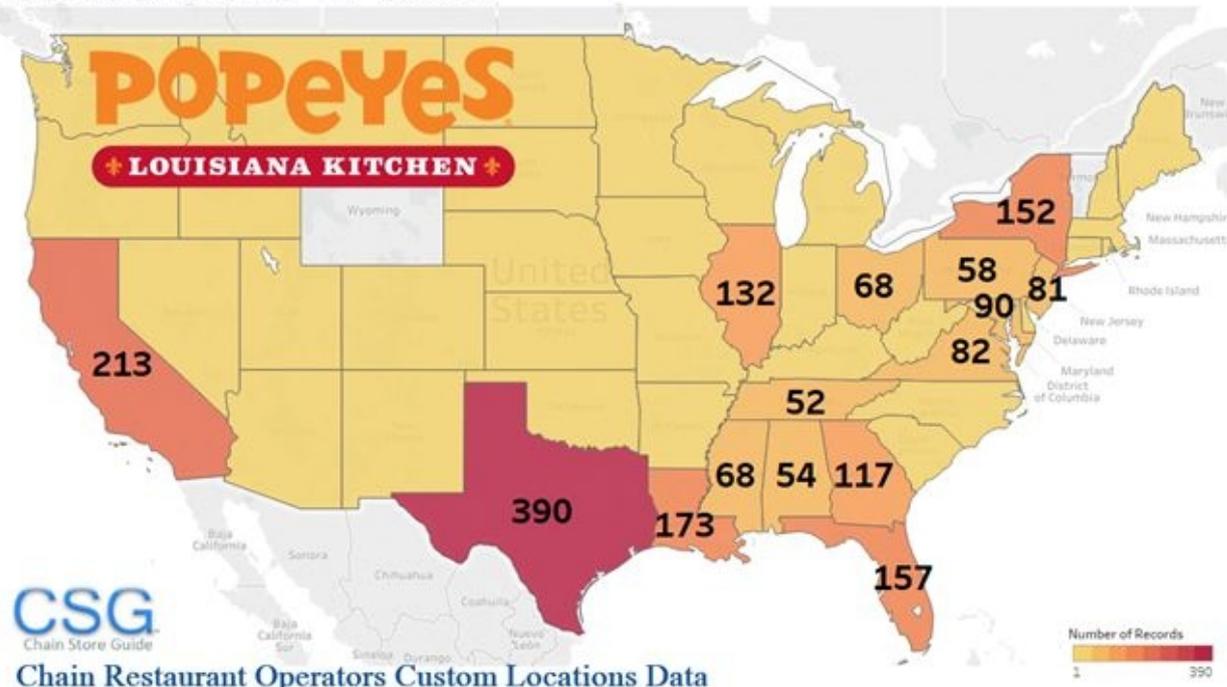


POPEYES LOUISIANA KITCHEN

Popeyes is an American multinational chain of fried chicken fast food restaurants founded in 1972 in New Orleans, Louisiana and headquartered in Miami, Florida. Since 2008, its full brand name is Popeyes Louisiana Kitchen, Inc., and it was formerly named Popeyes Chicken & Biscuits and Popeyes Famous Fried Chicken & Biscuits. It is currently a subsidiary of Toronto-based Restaurant Brands International. According to a company press release, Popeyes is the second-largest “quick-service chicken restaurant group, measured by number of units”, after KFC. About thirty locations are company-owned, the rest franchised. In 2012, Popeyes celebrated its 40th anniversary and announced plans for system-wide remodeling of its restaurants. Popeyes has the Popeyes Bahamas Bowl in Nassau, Bahamas each year.

TENANT:	Popeyes Louisiana Kitchen, Inc.
LESSEE:	Z&H Foods, Inc., a Texas Corporation
GUARANTOR:	Global new Millennium Partners, Ltd.
WEBSITE:	www.popeyes.com
LOCATIONS:	Over 3,100
STATES:	Over 40
COUNTRIES:	30
REVENUE:	\$268.9 Million (2016)

US LOCATIONS BY STATE



FRANCHISE TIMES RESTAURANT 200: TOP 20

- 3 **Dhanani Group**
Sugar Land, TX
1,310,000,000
520 Burger King
280 Popeyes
35 La Madeleine

IN THE NEWS

POPEYES' CHICKEN SANDWICH IS A HIT ON WALL STREET, TOO

Source: Richard Morgan - New York Post (September 9, 2019)

Even investors are licking their chops over Popeyes' chicken sandwich.

A Wall Street researcher raised his outlook for Popeyes third-quarter sales after determining that the fried chicken seller doubled its foot traffic last month — thanks to the now sold-out offering.

KeyBanc analyst Eric Gonzalez said Popeyes' much-hyped chicken sandwich accounted for 30 percent of the fast-food chain's sales during its limited run last month.

Just one week into the sandwich's Aug. 12 launch, Popeyes started selling about 1,000 units daily at each of its 2,500 domestic stores, Gonzalez wrote in a Sept. 8 report.

The analyst lifted his third-quarter same-store sales target by 8 percent as a result.

The surge in demand was driven in large part by a Twitter exchange Popeyes had with Chick-fil-A roughly a week into its launch, Gonzalez said.

"... y'all good?" Popeyes wrote in response to Chick-fil-A's tweet: "Bun + Chicken + Pickles = all the [heart] for the original."

That triggered what Gonzalez called "a social media firestorm estimated to be worth tens of millions of dollars in free publicity for the brand."

Popeyes, founded in New Orleans in 1972, blew through what it thought was seven weeks of inventory in less than two weeks.

The Restaurant Brands International unit also increased its Twitter follower base from 100,000 to 180,000 over the same period, effectively spoiling the much-hyped promotions of larger competitors.

[CLICK HERE TO VIEW MORE](#)

FRANCHISE TIMES RESTAURANT 200: RANKING THE BIGGEST RESTAURANT OWNERS IN THE U.S.

Source: Franchise Times (August 2019)

At year-end 2018, the Restaurant 200 oversaw 28,642 restaurants and generated \$40.5 billion in revenue—up 3.58 percent from last year's rankings. The top 25 generated nearly half of that, or \$18.1 billion. At No. 1, for the eighth year in a row, Flynn Restaurant Group saw \$2.3 billion in sales, making it the first private franchisee to crest the \$2 billion mark.

[CLICK HERE TO VIEW MORE](#)

LEASE SUMMARY

Lease Term:	20-Years
Options:	Four, Five Year Periods
Projected Rent Commencement:	January 2020
Projected Store Opening:	January 2020
Projected Lease Expiration:	2040
Lease Type:	Absolute NNN - Ground Lease
Taxes:	Tenant Responsibility
Insurance:	Tenant Responsibility
Common Area Maintenance:	Tenant Responsibility
Roof, Structure, Foundation:	Tenant Responsibility
Rent Increases:	10% Every 5 Years
Primary Term Rent Increase Commencement:	Beginning Year 6
Option Period Rent Increase Commencement:	Beginning Year 21
Annual Rent Years 1-5:	\$104,000
Annual Rent Years 6-10:	\$114,400
Annual Rent Years 11-15:	\$125,840
Annual Rent Years 16-20:	\$138,424
Option 1 Years 21-25:	\$152,266
Option 2 Years 26-30:	\$167,493
Option 3 Years 31-35:	\$184,242
Option 4 Years 36-40:	\$202,666

Burlington Walgreens

Foot Locker Rainbow CHAMP'S

MELROSE metroPCS cricket

VALERO Chevron WELLS FARGO CIRCLE K SUBWAY

**Conquistador High Rise Apartments
(136 units)**

**13 Apartment Complexes
(3,287 units)**

**PlazAmericas Mall
(850,000 SF)**

**SOUTHWEST
FWY.
(±256,557 VPD)**



**BELLAIRE BLVD.
(±45,642 VPD)**



POPEYES

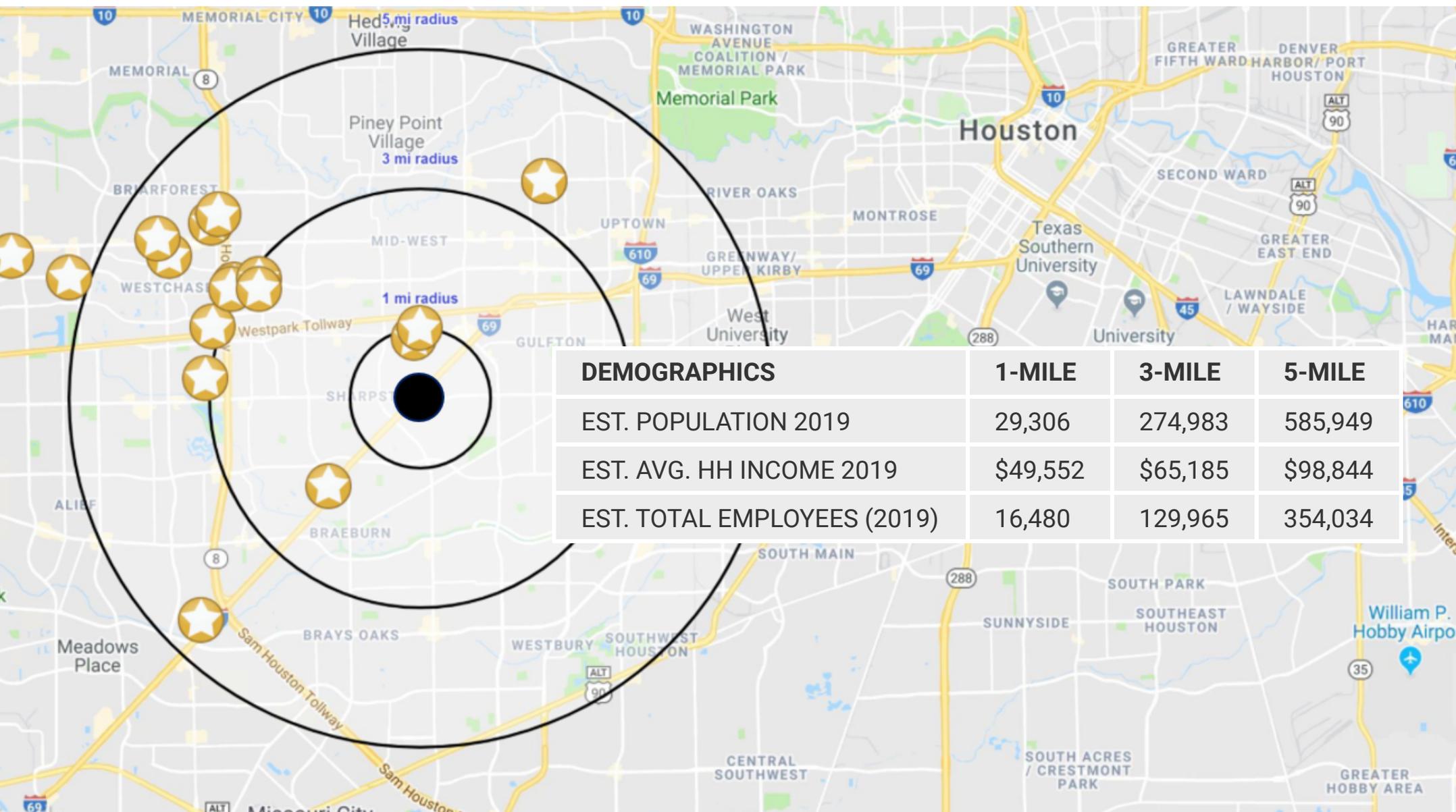
**Houston Baptist University
(3,432 students)
(Approx. 0.7-miles)**

**Memorial Hermann –
Texas Medical Center
(1,002 beds)
(Approx. 1.5-miles)**



CIRCLE K

LOCATION OVERVIEW



ECONOMIC DRIVERS

[Click here for property video link](#)

COMPANY (EMPLOYEES)

- | | |
|--|---|
| Tailored Brands, Inc. (21,000) | GCA Services Group of Texas, L.P. (2,000) |
| Houston Tribology Sales & Marketing Office (8,900) | Compugen Systems, Inc. (1,800) |
| Phillips Chemical Holdings (5,000) | Shell Oil Company (1,500) |
| Acro Service Corp. (4,300) | Everose Healthcare Inc. (1,500) |
| Pride International LLC (3,900) | BMC Software, Inc. (1,400) |
| Tracer Industries, Inc. (3,700) | Soji Services, Inc. (1,400) |
| Agilent Technologies, Inc. (3,200) | Iri International Corporation (1,200) |
| Precision Drilling Corporation (2,800) | Whmc, Inc. (1,200) |
| CJ Holding Co. (2,600) | Westerngeco LLC (1,200) |

IMMEDIATE TRADE AREA

SOUTHWEST MANAGEMENT DISTRICT, HOUSTON, TEXAS

Popeyes is strategically located at the southeast quadrant of Southwest Fwy. "Hwy. 59" (256,557 VPD) at its signalized intersection with Bellaire Blvd. (45,642 VPD), in southwest Houston, TX. Southwest Fwy. is a major highway also known as Hwy. 59 and I-65, that gives the surrounding communities access to downtown Houston, TX. Bellaire Blvd. is a local east-west commercial corridor that provides the area with access to Southwest Fwy. Located west across Southwest Fwy. is PlazAmericas, a 850,000 SF enclosed shopping mall. Houston Baptist University is less than a mile south of the subject property and features 3,432 enrolled students. Memorial Hermann – Texas Medical Center is located right beside HBU, a mile in a half from the property, and includes 1,002 beds. The immediate trade features high population demographics of 274,983 people and 129,965 employees within a 3-mile radius. The immediate trade area also features above average household incomes of \$98,844 within a 3-miles radius of the subject property. Additionally, within that 3-mile radius of the property are over 28 apartment complexes that have over 12,283 total units. The accessibility coupled with close proximity to major roadways, a university, and a renown medical center have contributed to the development and growth of the immediate trade area, making this an ideal location for Popeyes. The subject property is located approximately 11-miles from downtown Houston, TX.



PlazAmericas Mall - Houston, TX

HOUSTON, TX AREA



HOUSTON

Houston is the most populous city in Texas, as well as the 4th most populous city in the U.S. With an estimated 2018 population of 2,325,502. Located in Southeast Texas near Galveston Bay and the Gulf of Mexico, it is the seat of Harris County and principal city of the Greater Houston metropolitan area, which is the 5th most populous metropolitan statistical area in the U.S. Houston's economy since the late 20th century has a broad industrial base in energy, manufacturing, aeronautics, and transportation. Leading in healthcare sectors and building oilfield equipment, Houston has the second most Fortune 500 headquarters of any U.S. municipality within its city limits (after New York City).



GREATER HOUSTON MSA

The Houston-The Woodlands-Sugar Land Metropolitan Statistical Area (MSA), colloquially known as Greater Houston, is the 5th largest in the U.S. with a population of 6,997,384 as of 2018. 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 7 million visitors a year to the Museum District.

CNN/Money and Money Magazine have recognized 5 cities in the Greater Houston area the past 3-years as part of its 100 Best Places to Live in the U.S. From 2000 to 2030, the metropolitan area is projected by Woods & Poole Economics to rank 5th in the nation in population growth—adding 2.66 million people. Houston has historically been among the fastest-growing metropolitan areas in the U.S.; it was the fastest-growing in absolute terms during the 2013–2014 census year, adding 156,371 people. The area grew 25.2% between 1990 and 2000—adding more than 950,000 people—while the nation’s population increased only 13.2% over the same period, and from 2000 to 2007 alone, the area added over 910,000 people. The Greater Houston Partnership projects the metropolitan area will add between 4.1 and 8.3 million new residents between 2010 and 2050. Greater Houston has the 7th-highest metropolitan-area gross domestic product in the U.S., valued at \$490 billion in 2017. A major trade center anchored by the Port of Houston, Houston MSA has the 2nd-highest trade export value of all MSAs, at over \$84 billion in 2016, accounting for 42% of the total exports of Texas. Metropolitan Houston is home to the headquarters of 21 Fortune 500 companies, ranking 4th among all MSAs. Only 26 nations other than the U.S. have a GDP exceeding the Greater Houston GMP. Mining, which in Houston is almost entirely oil and gas exploration and production, accounts for 11 percent of Greater Houston’s GMP.

Houston has become a global city, with strengths in culture, medicine, and research. Houston is home to

the Texas Medical Center—the largest medical center in the world—several universities (including Rice University, Texas Southern University, and The University of Houston), and two of the largest systems of higher learning in the U.S. (The Houston and Lone Star Community College systems). The University of Houston’s annual impact on the Houston-area’s economy alone equates to that of a major corporation: \$1.1 billion in new funds attracted annually to the Houston area, \$3.13 billion in total economic benefit, and 24,000 local jobs generated.

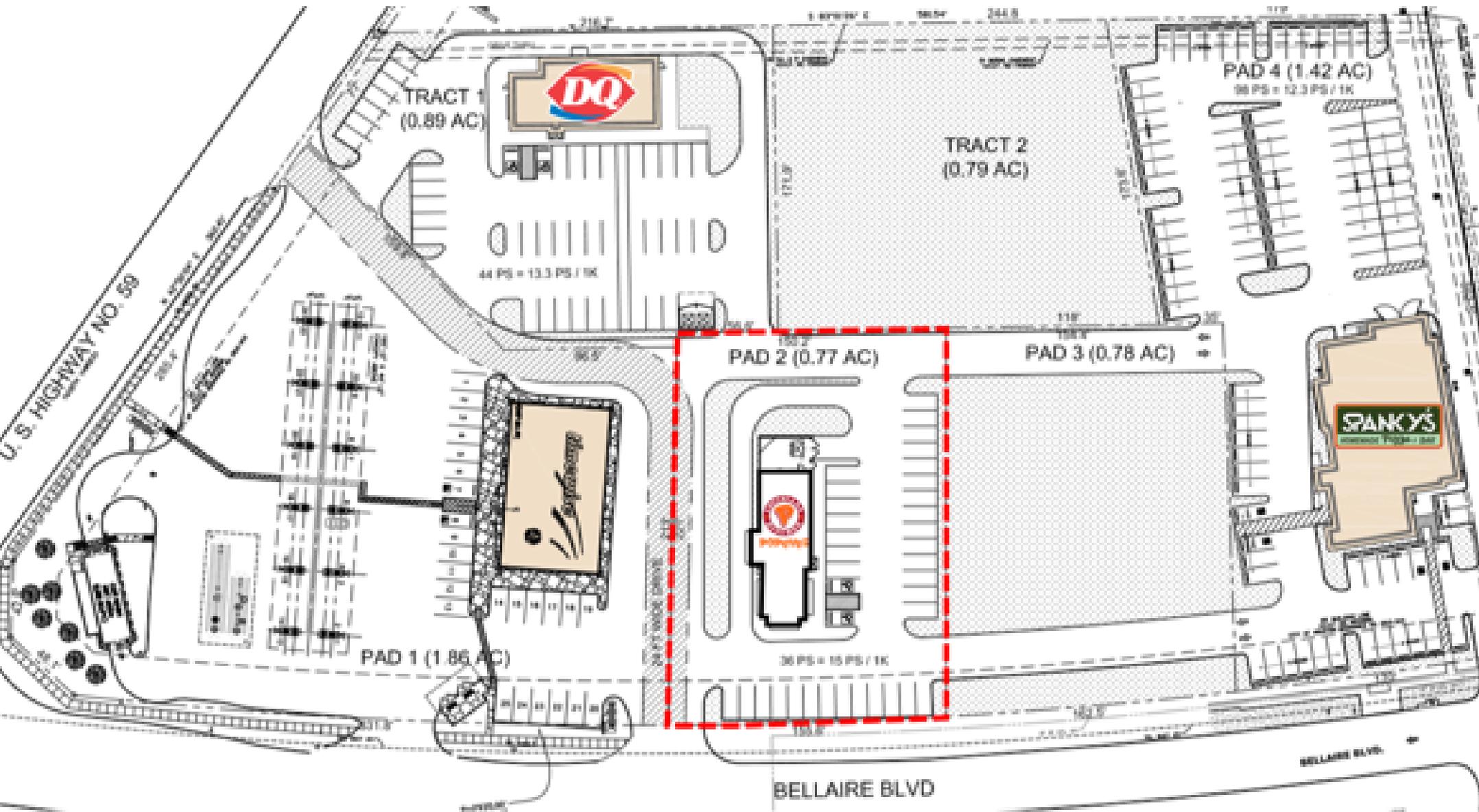
Houston Medical Center



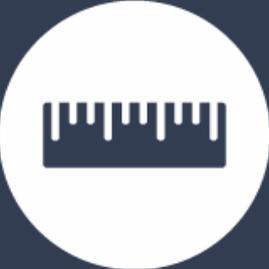
Galveston Bay and the Buffalo Bayou together form one of the most important shipping hubs in the world, and the Port of Houston, the Port of Texas City, and the Port of Galveston are all major seaports located in Greater Houston. The Port of Houston ranks 1st in the U.S. in international waterborne tonnage handled and 2nd in total cargo tonnage handled. The area is one of the leading centers of the energy industry, particularly petroleum processing, and many companies have large operations in this region. The MSA comprises the largest petrochemical manufacturing area in the world, including for synthetic rubber, insecticides, and fertilizers. Much of metro area’s success as a petrochemical complex is enabled by the Houston Ship Channel. The area is also the world’s leading center for building oilfield equipment, and is a major center of biomedical research, aeronautics, and high-technology.



SITE PLAN



36 +/- PARKING SPOTS



0.77 +/- ACRES



2,400 +/- SQ. FT.

SECURE

NET LEASE

WE LOOK FORWARD TO HEARING FROM YOU!

DALLAS OFFICE

3100 Monticello Avenue
Suite 220
Dallas, TX 75205
(214) 522-7200

LOS ANGELES OFFICE

123 Nevada Street
El Segundo, CA 90245
(424) 220-6430

TEXAS DISCLAIMER

Approved by the Texas Real Estate Commission for Voluntary Use

Texas law requires all real estate licensees to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

Information About Brokerage Services

Before working with a real estate broker, you should know that the duties of a broker depend on whom the broker represents. If you are a prospective seller or landlord (owner) or a prospective buyer or tenant (buyer), you should know that the broker who lists the property for sale or lease is the owner's agent. A broker who acts as a subagent represents the owner in cooperation with the listing broker. A broker who acts as a buyer's agent represents the buyer. A broker may act as an intermediary between the parties if the parties' consent in writing. A broker can assist you in locating a property, preparing a contract or lease, or obtaining financing without representing you. A broker is obligated by law to treat you honestly.

IF THE BROKER REPRESENTS THE OWNER:

The broker becomes the owner's agent by entering into an agreement with the owner, usually through a written – listing agreement, or by agreeing to act as a subagent by accepting an offer of subagency from the listing broker. A subagent may work in a different real estate office. A listing broker or subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first. The buyer should not tell the owner's agent anything the buyer would not want the owner to know because an owner's agent must disclose to the owner any material information known to the agent.

IF THE BROKER REPRESENTS THE BUYER:

The broker becomes the buyer's agent by entering into an agreement to represent the buyer, usually through a written buyer representation agreement. A buyer's agent can assist the owner but does not represent the owner and must place the interests of the buyer first. The owner should not tell a buyer's agent anything the owner would not want the buyer to know because a buyer's agent must disclose to the buyer any material information known to the agent.

IF THE BROKER ACTS AS AN INTERMEDIARY:

A broker may act as an intermediary between the parties if the broker complies with The Texas Real Estate License Act. The broker must obtain the written consent of each party to the transaction to act as an intermediary. The written consent must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. The broker is required to treat each party honestly and fairly and to comply with The Texas Real Estate License Act. A broker who acts as an intermediary in a transaction:

- shall treat all parties honestly;
- may not disclose that the owner will accept a price less than the asking price submitted in a written offer unless authorized in writing to do so by the owner;
- may not disclose that the buyer will pay a price greater than the price submitted in a written offer unless authorized in writing to do so by the buyer; and
- may not disclose any confidential information or any information that a part specifically instructs the broker in writing not to disclose unless authorized in writing to disclose the information or required to do so by The Texas Real Estate License Act or a court order or if the information materially relates to the condition of the property.

With the parties' consent, a broker acting as an intermediary between the parties may appoint a person who is licensed under The Texas Real Estate License Act and associated with the broker to communicate with and carry out instructions of one party and another person who is licensed under that Act and associated with the broker to communicate with and carry out instructions of the other party.