

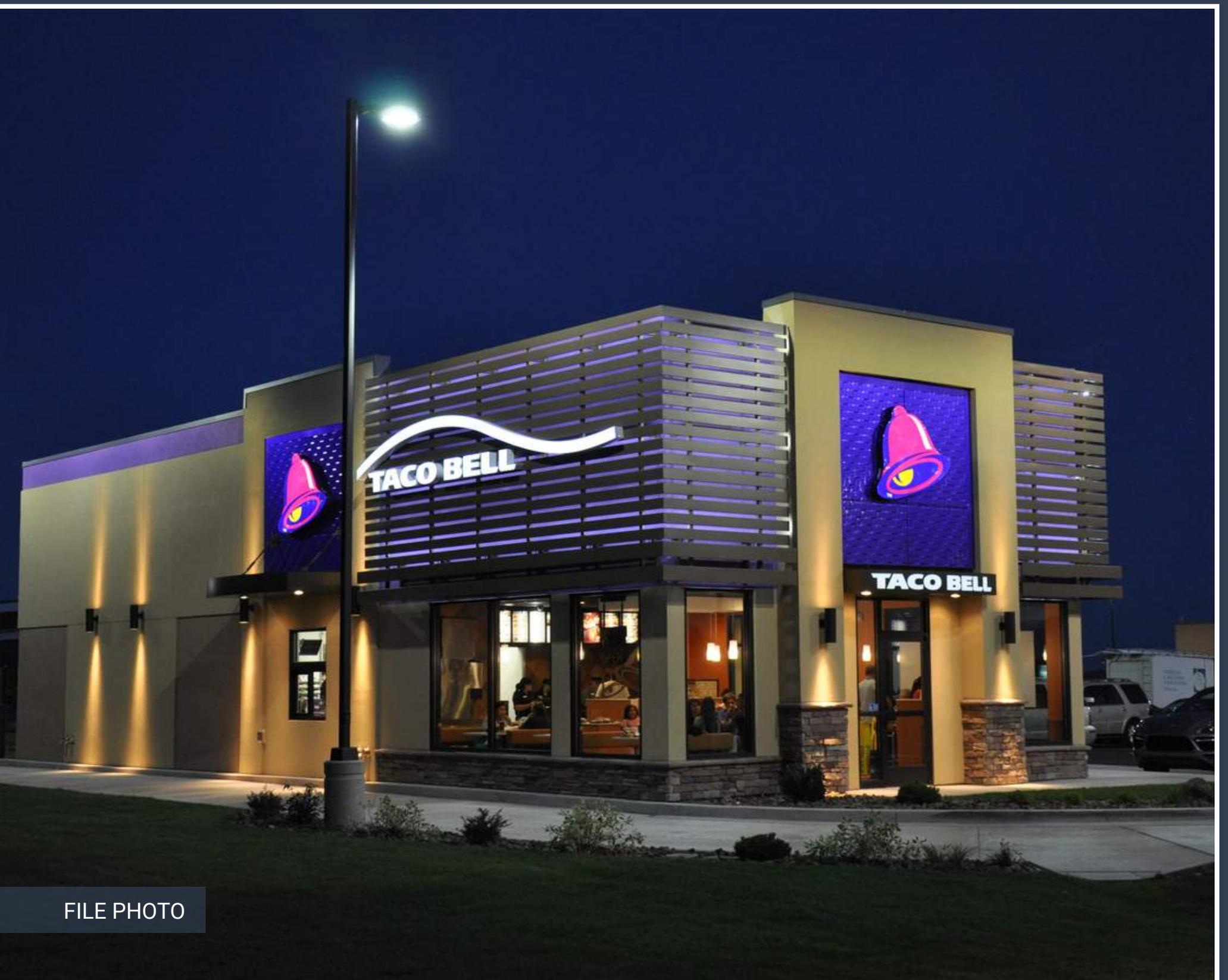
SECURE
NET LEASE

TACO BELL

\$1,300,000

20-YEAR CORPORATE GROUND LEASE

3950 Walden Road, Beaumont, TX, 77705



FILE PHOTO

CONTACT:

MARKETING TEAM

Matthew Scow

Executive Vice President

(214) 915-8888

mscow@securenetlease.com

Kevin Littenberg

Broker Associate

(469) 638-9572

klittenberg@securenetlease.com

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INVESTMENT OVERVIEW

| | |
|---------------------------------|-----------------------|
| PRICE: | \$1,300,000 |
| NET OPERATING INCOME: | \$55,000 |
| BUILDING AREA: | +/- 2,029 Square Feet |
| LAND AREA: | +/- 0.678 Acres |
| YEAR BUILT: | 2017 |
| LANDLORD RESPONSIBILITY: | None |
| OCCUPANCY: | 100% |

INVESTMENT HIGHLIGHTS



**20-YEAR
CORPORATE
GROUND LEASE**



**LOCATED WEST OF
I-10 HWY (85K VPD)**



**CLOSE PROXIMITY
TO DOWNTOWN
(7.6 MILES)**



**7 MILES FROM
MEDICAL CENTER
(224 BEDS)**

- ✓ **20-year corporate ground lease with 10% rent increases, options to extend the term for 4(5)-year periods.**
- ✓ **The subject Taco Bell is strategically located directly WEST of the I-10 Hwy which has approximately 85,000 vehicles driving daily.**
- ✓ **Downtown is the central business district of Beaumont, known as being the center of government and business for the region**
- ✓ **Taco Bell is less than 8 miles from the Medical Center of Southeast Texas, Beaumont which has approximately 424 beds**
- ✓ **Beaumont Municipal Airport us is less than 8 miles from the subject property Taco Bell, and serves 72,000 passengers annually**



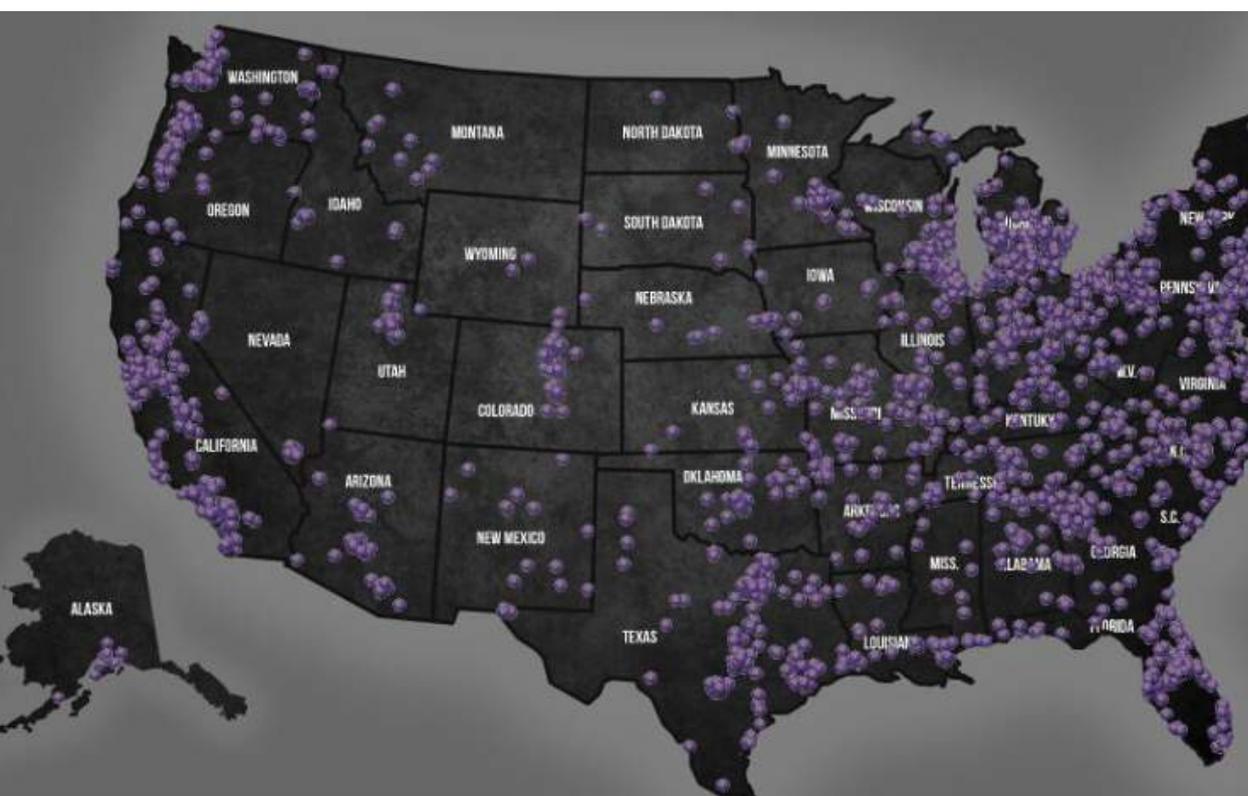
TENANT OVERVIEW



TACO BELL

Mas Restaurant Group is a franchisee of Taco Bell, KFC and Pizza Hut with over 70 restaurants in and around the Houston Area. The company was founded in June 2000 by individuals who all had careers with Taco Bell Corporation and enjoyed the business. They loved it so much they struck out on their own and purchased 16 units in June 2000 as well as another 28 restaurants in June of 2007. Since then we have added several new units and are continuing to grow and expand annually.

| | |
|------------------------|--|
| LESSEE: | MAS Restaurant Group, LLC. |
| WEBSITE: | tacobell.com |
| GUARANTOR: | Taco Bell of America, LLC. (approx... 8 years remaining) |
| S&P RATING: | AA- |
| HEADQUARTERS: | Downey, CA |
| FOUNDED: | 1962 |
| LOCATIONS: | Over 9,000 |
| COUNTRIES: | 26 |
| EMPLOYEES: | Over 210,000 |
| REVENUE: | \$2 Billion (2018) |



IN THE NEWS

MOST INNOVATIVE COMPANIES - TACO BELL

Source: Fast Company

Taco Bell is an American fast food chain known for its inventive, often, whimsical, Mexican-inspired menu items. Along with KFC and Pizza Hut, Taco Bell is owned by Louisville, Kentucky based Yum! Brands and serves 42 million customers a week at nearly 7,000 restaurant locations worldwide. Founded in California in 1962, the brand has maintained a steady presence in the American consciousness, in part because of its popular advertising campaigns like the iconic 1990's ads featuring a taco-hungry chihuahua and 2005's "Good to Go" slogan that accompanied the launch of the Crunchwrap Supreme.

In the last decade, Taco Bell has honed its focus on the millennial market, doubling down on social media across its many platforms with its signature uber-conversational voice. Thanks to regularly clever Twitter and Snapchat campaign's, the fast food joint meets young professionals and Gen X'ers where they live, transcending its reputation as a questionable late-night choice to become ad Age's Marketer of the year in 2013. Taco Bell announced its intent to claim the "last, unconquered channel": YouTube. With "Taco Tales, a Taco Bell themed web series featuring comedians and vloggers, Taco Bell is taking feedback directly from its audience and turning it into social material – spearheading what might represent a shift in branded content.

The result has been not just an international fan base for the restaurant's ever-changing menu, but also avid fans of the Taco Bell lifestyle. The restaurant chain has tapped into technology to improve its service from order to pick up. Its mobile app-which has been downloaded over 4.9 million times-makes it easy to place a custom meal order and pay before you arrive to skip the line. Some restaurant locations are testing touchscreen-ordering kiosks.

For those who would rather eat at home, the purveyor of fast Mexican food has partnered with DoorDash to deliver orders placed to over 250 Taco Bell locations. The Brand has also opened two Taco Bell Cantinas, a higher-brow extension that serves shared appetizers out of an open concept kitchen. And it's taking its innovations overseas, too: The chain is looking to expand from about 280 international locations to 1,000 by 2020.

[CLICK HERE TO VIEW MORE](#)

LEASE SUMMARY

| | |
|--------------------------------------|--|
| Lease Term: | 20--years |
| Options: | 4, 5-Year Periods |
| Projected Rent Commencement: | June 2017 |
| Projected Lease Expiration: | 2037 |
| Lease Type: | Corporate Ground Lease |
| Taxes: | Tenant |
| Insurance: | Tenant |
| Common Area Maintenance: | Tenant |
| Roof, Structure, Parking Lot: | Tenant |
| Rent Increases: | 10% Every 5 Years in Primary Term & Option Periods |
| Annual Rent Years 1-5: | \$55,000.00 |
| Annual Rent Years 6-10: | \$60,500.00 |
| Annual Rent Years 11-15: | \$66,550.00 |
| Annual Rent Years 15-20: | \$73,205.00 |
| Option 1 Years 21-25: | \$80,526.00 |
| Option 2 Years 26-30: | \$88,578.00 |
| Option 3 Years 31-35: | \$97,436.00 |
| Option 4 Years 36-40: | \$107,180.00 |

90

COLLEGE STREET
± 30,930 VPD



MONSIGNOR KELLY CATHOLIC HIGH SCHOOL
(435 STUDENTS)



WASHINGTON BOULEVARD



 **SUBJECT PROPERTY**
3950 WALDEN RD.



DISHMAN ELEMENTARY SCHOOL
(624 STUDENTS)



WALDEN ROAD
± 7,917 VPD



EAST FREEWAY
± 85,704 VPD

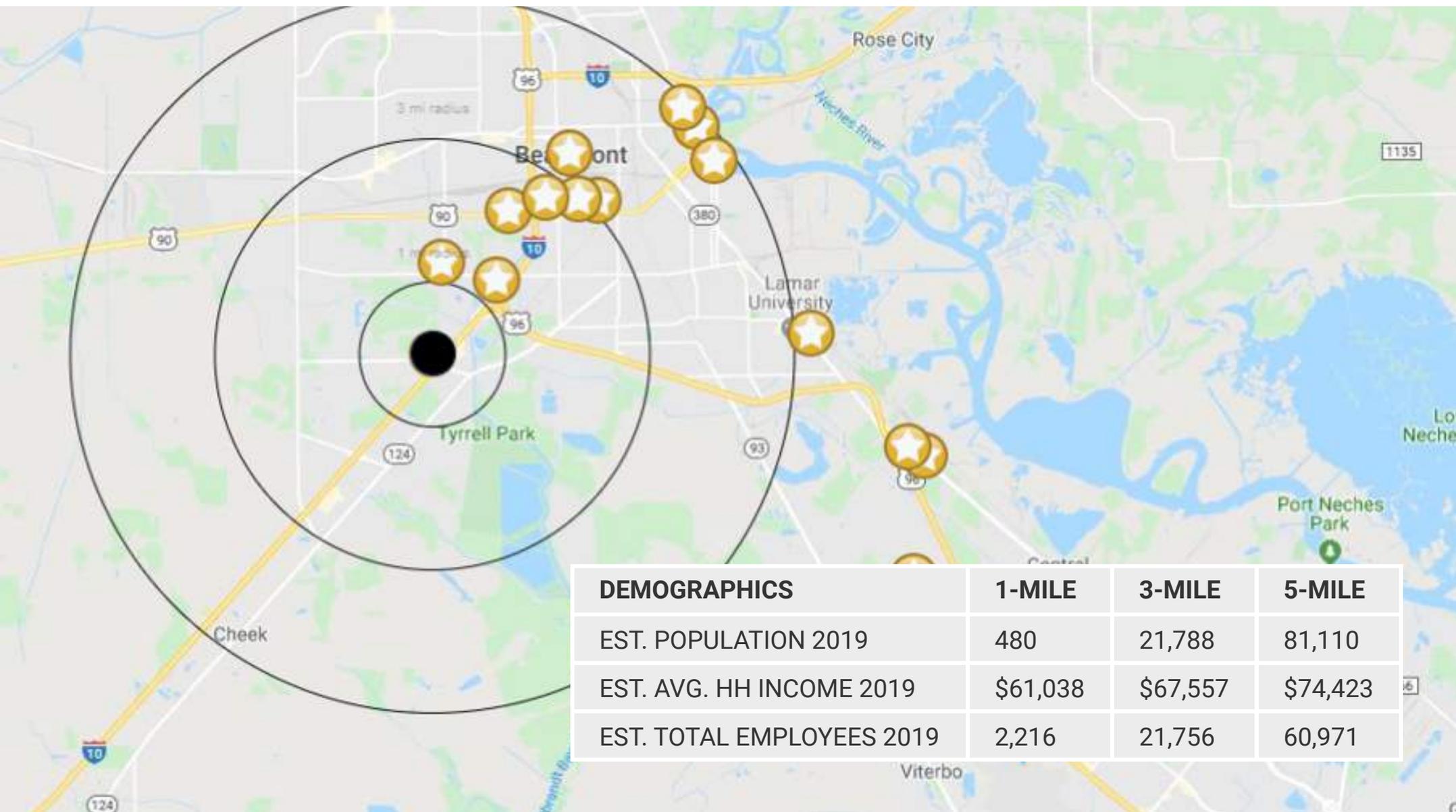


FANNETT ROAD
± 10,861 VPD

INTERSTATE 10 ACCESS ROAD
± 1,386 VPD

124 TEXAS

LOCATION OVERVIEW



ECONOMIC DRIVERS

[Click here for google maps link](#)

COMPANY (EMPLOYEES)

Memorial Hermann Baptist Hospital (1,700 + 483 beds)

Baptist Hospitals of Southeast Texas (1,6200 + 396 beds)

Federal Bureau of Prison (1,300)

Jen-Tex Delis, Inc. (1,000)

Dawson Marine Inc. (987)

Helena Laboratories Corporation (800)

Texas Department of Aging & Disability Services (750)

Sanserve of Houston LLC (700)

County of Jefferson (600)

County of Jefferson (600)

Lamar University (576 + 14,000 students)

Helena Laboratories Corporation (800)

Ohmstede Ltd. (500)

Education Futures Group, LLC (596)

Zachary Industrial, Inc. (495)

Texas Department of Criminal Justice (439)

United Parcel Service, Inc. (316)

Deep South Crane and Rigging, LLC (256)

IMMEDIATE TRADE AREA

BEAUMONT, TEXAS

Beaumont is a city in and the county seat of Jefferson County, Texas, in the United States, within the Beaumont-Port Arthur Metropolitan Statistical Area. Located in Southeast Texas on the Neches River about 85 miles (137 km) east of Houston, Beaumont has a population of 117,267, making it the 30th most populous city in the state of Texas. Beaumont is the home of Lamar university, a national Carnegie Doctoral Research University (14,966 students) including undergraduates and post graduates. Over the years, several corporations have been based in this city, including Gulf States Utilities which had its headquarters in Beaumont until its takeover by Entergy Corporation in 1933. Edison's Plaza headquarters remains the tallest building in Beaumont. Downtown Beaumont is the center of business, government and night time entertainment in southeast Texas. Downtown features the Crockett Street Entertainment Complex with entertainment options from dancing, to live music to dining or a bar. In addition to the night life entertainment, downtown also features a museum district with 5 distinct museums.



Downtown Beaumont

BEAUMONT, TX AREA



BEAUMONT

Beaumont founded in 1835 is a city and the county seat of Jefferson County, Texas, in the United States. With a population of approximately 117,000 making it the 30th most populous city in the state of Texas. Known for is prestigious Lamar University and Exxon Mobil Corporation, the city is on the rise in development.



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

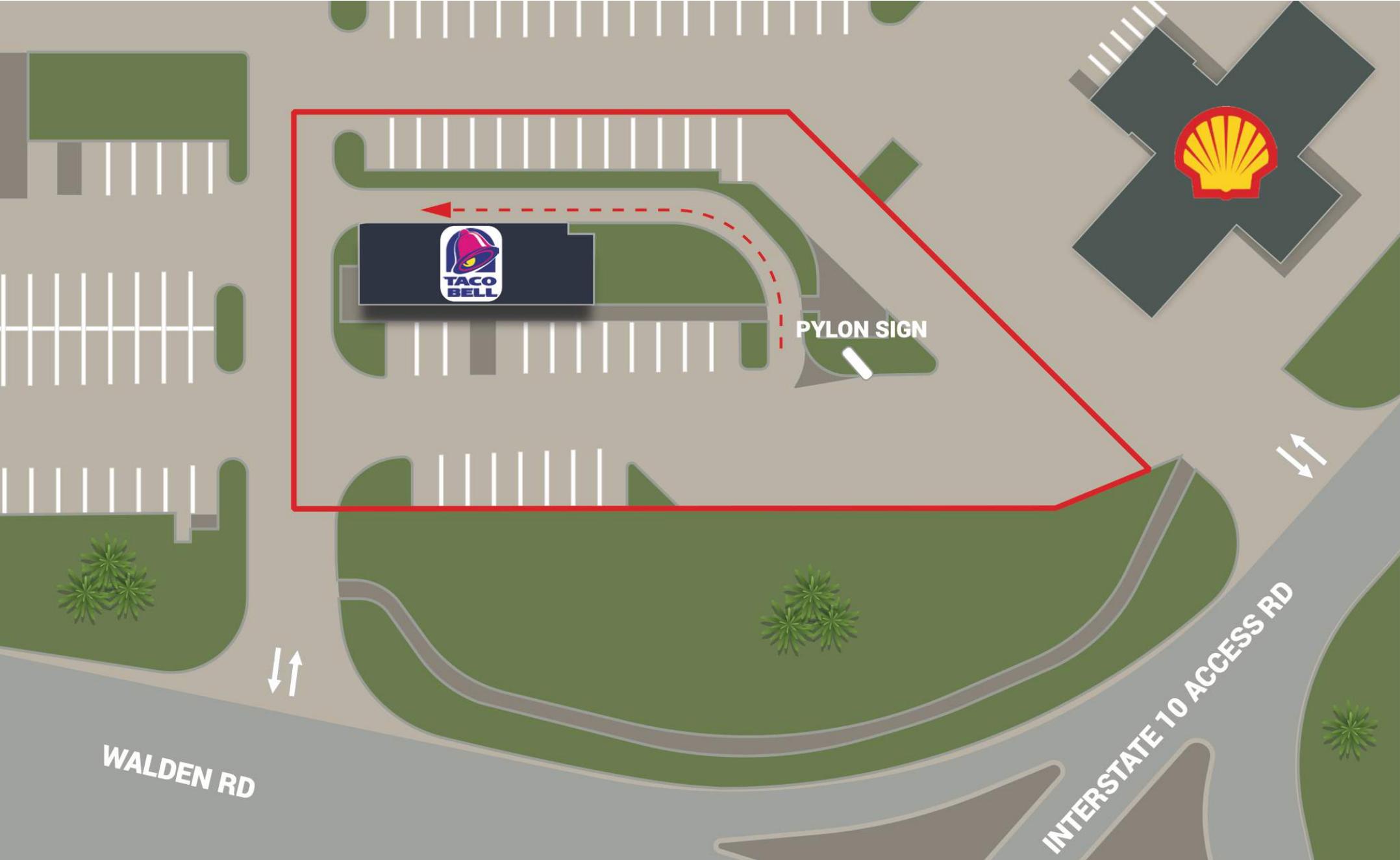
the Texas Medical Center—the largest medical center in the world—several universities (including Rice University, Texas Southern University, and The University of Houston), and two of the largest systems of higher learning in the U.S. (The Houston and Lone Star Community College systems). The University 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

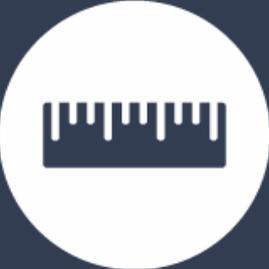


Galveston Bay and the Buffalo Bayou together form one of the most important shipping hubs in the world, and the Port of Houston, the Port of Texas City, and the Port of Galveston are all major seaports located in Greater Houston. The Port of Houston ranks 1st in the U.S. in international waterborne tonnage 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



20 +/- PARKING SPOTS



0.678 +/- ACRES



2,029 +/- 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