



Offering Memorandum

RAISING CANE'S GROUND LEASE
125 S SHARY ROAD
MISSION, TX 78572

Marcus & Millichap





 Mission Regional Medical Center

 THE HOME DEPOT

I-2 FREEWAY
128,200 CPD


MATTRESS FIRM

 Denny's

N SHARY ROAD
27,260 CPD

 PANDA EXPRESS
RESTAURANT CHINESE CUISINE

 IBC BANK

 Raising Cane's
CHICKEN FINGERS

 MENCHIE'S
frozen yogurt

 H-E-B
ROSS STORES, INC.
T.J. MAXX

 CHASE

 Comfort

 WING-STOP

 CVS
pharmacy

 MCDONALD'S

RAISING CANE'S GROUND LEASE

125 S Shary Road
Mission, TX 78572

FINANCIAL SUMMARY	
Price	\$4,500,000
Down Payment	100% \$4,500,000
Cap Rate	6.0%
Building SF	3,575 SF
Net Cash Flow	6.0% \$270,000 ⁽¹⁾
Year Built	2017
Lot Size	1.48 Acres

LEASE SUMMARY	
Lease Type	Absolute Triple-Net (NNN) Ground Lease
Tenant	Raising Cane's Restaurants, LLC
Rent Commencement Date	September 7, 2017
Lease Expiration Date	September 30, 2032
Lease Term Remaining	14 Years
Rental Increases	10% Every 5 Years for Ground Rent (Improvement Rent is Fixed)
Renewal Options	4, 5 Year Options

(1) Annual Ground Rent: \$150,000

Annual Improvement Rent: \$120,000

ANNUALIZED OPERATING DATA		
LEASE YEARS	ANNUAL RENT	CAP RATE
Current - 9/30/2022	\$270,000.00	6.00%
10/1/2022 - 9/30/2027	\$285,000.00	6.33%
10/1/2027 - 9/30/2032	\$301,500.00	6.70%
OPTIONS	ANNUAL RENT	CAP RATE
Option 1	\$319,650.00	7.10%
Option 2	\$339,615.00	7.55%
Option 3	\$361,576.56	8.04%
Option 4	\$385,734.12	8.57%

BASE RENT	\$270,000
Net Operating Income	\$270,000
Total Return	6.0% \$270,000





Raising Cane's is renowned for its fresh, never frozen chicken fingers, its craveable – some say addictive – secret-recipe Cane's sauce, crinkle-cut fries, coleslaw, Texas toast, freshly brewed sweet tea and fresh-squeezed lemonade.

The rapidly growing chain recently earned the distinction of being among the top four quick service restaurant chains in the nation in 2014, according to authoritative Sandelman & Associates Quick-Track study, based on food quality, customer service, cleanliness and other important factors.

The Plano, Texas (originally based in Baton Rouge, Louisiana) -based eatery opened its first restaurant in 1996 near the Louisiana State campus. Raising Cane's is continually recognized for its unique business model and customer satisfaction. Raising Cane's vision is to have restaurants all over the world and be the brand for quality chicken finger meals, a great crew, cool culture and active community involvement. There are now more than 260 restaurants in 20 states with multiple new restaurants under construction.

Headquarters	Plano, TX
Company Type	Private
Founded	1999
Locations	300+ in 22 States
Website	www.raisingcanes.com

INVESTMENT HIGHLIGHTS

- Absolute Triple-Net (NNN) Corporate Ground Lease with 14 Years Remaining
- Ten Percent Increases Every Five Years
- 181,981 Residents in Growing Mission Trade Area
- Adjacent to Sharyland Towne Crossing – Major Retailers Include H-E-B, Target, T.J. Maxx, Petco, Chick-Fil-A, and Chili's Grill & Bar
- Visible to 27,260+ Cars per Day from N Shary Road
- Directly Off the I-2 Freeway – Major Connector for South Texas (128,200+ Cars per Day)
- Down the Road from Sharyland High School (1,575 Students)
- Across from The Home Depot-Anchored Retail Center
- Minutes to McAllen International Airport
- 20 Minutes from the University of Texas Rio Grande Valley – One of Texas' Largest Universities (27,800+ Enrolled)
- 10 Miles to the McAllen-Hidalgo International Bridge – Primary Connector for Northern Mexico and Southern Texas
- Strong Daytime Population – 231,500+ Employees in 5-Mile Radius
- Adjacent to Mission Event Center, a Newly-Constructed 40,000 SF Center



LOCATION OVERVIEW

Mission is a city in Hidalgo County, Texas situated near the Mexico-United States border. The city's history dates back to more than 200 years ago when Spanish settlers occupied the land. It was in this area that citrus was first planted in the Rio Grande Valley. The citrus industry is now a multimillion-dollar business, celebrated annually with a gala Citrus Fiesta.

Mission is located within the McAllen-Edinburg-Mission metropolitan area. The area is dominated by local agriculture, border-zone factories and commerce related to the port of entry at Reynosa into Mexico and enjoys a high growth rate and low cost of living. Many tourists from nearby cities as well as from Mexico are attracted to the metro's strong retail presence.

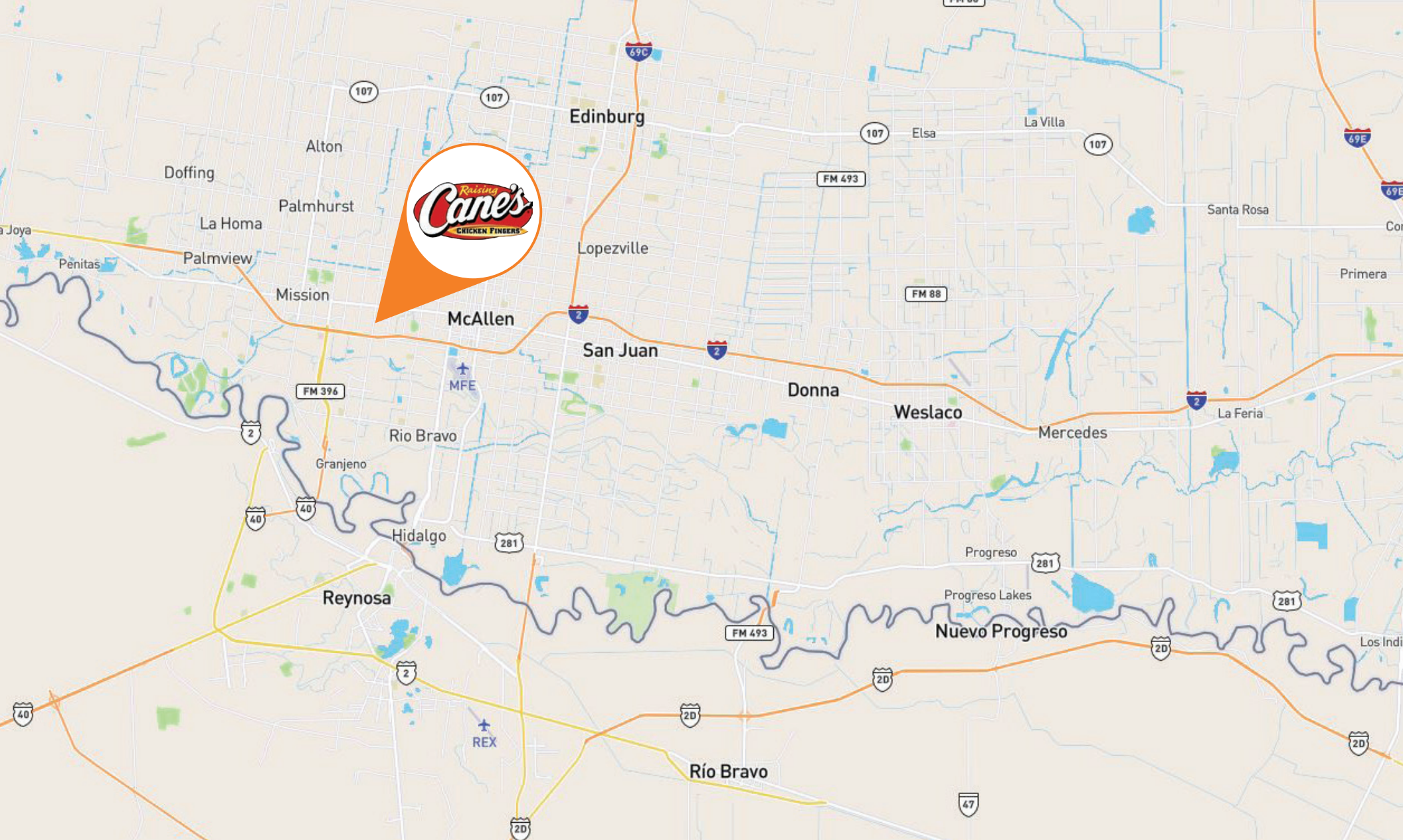
DEMOGRAPHICS

Population	1-Mile	3-Miles	5-Miles
2022 Projection	8,966	86,858	199,021
2017 Estimate	8,028	80,287	181,981
Growth 2017 - 2022	11.69%	8.18%	9.36%

Households	1-Mile	3-Miles	5-Miles
2022 Projections	3,062	27,809	63,016
2017 Estimate	2,718	25,196	56,858
Growth 2017 - 2022	12.65%	10.37%	10.83%

Income	1-Mile	3-Miles	5-Miles
2017 Est. Average Household Income	\$73,344	\$63,730	\$62,529
2017 Est. Median Household Income	\$45,007	\$41,327	\$40,131
2017 Est. Per Capita Income	\$24,976	\$20,052	\$19,620





3 MILES
Mission Regional
Medical Center

5 MILES
McAllen
International Airport

10 MILES
McAllen-Hidalgo
International Bridge

14 MILES
University of Texas
Rio Grande Valley



11-2-2015

Information About Brokerage Services

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

TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

Confidentiality Agreement

The information contained in the following offering memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and it should not be made available to any other person or entity without the written consent of Marcus & Millichap. By taking possession of and reviewing the information contained herein the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum. If you have no interest in the subject property at this time, please return this offering memorandum to Marcus & Millichap.

This offering memorandum has been prepared to provide summary, unverified financial and physical 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. Marcus & Millichap has not made any investigation, and makes no warranty or representation with respect 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, PCBs or asbestos, the compliance with local, 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 offering memorandum has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap 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. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONTACT THE MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

Net Leased Disclaimer

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

By accepting this Marketing Brochure, you agree to treat the information contained herein regarding the lease terms as confidential and proprietary and to only use such information to evaluate a potential purchase of this net leased property.

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services as well as the Property Owner and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

exclusively listed

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TIMOTHY SPECK

Broker of Record

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