



OFFERING MEMORANDUM

**7411 Padre Island Hwy
Brownsville, TX 78521**



Exclusively Listed By

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES



Gary Chou

SVP & Senior Director

Gary.Chou@matthews.com
DIR (310) 919-5827
MOB (714) 928-8016
LIC # 01911222 (CA)



Robert Vasiliavitchious

Associate

Robert.V@matthews.com
DIR (949) 432-4517
MOB (224) 522-9064
LIC # 02071826 (CA)

KYLE MATTHEWS

Broker of Record

LIC # 9005919 (TX)



Investment Highlights

Healthy & Established Store

- Value-Add Opportunity – 1 year remaining on an 18-year lease signed in 2002
- Absolute NNN Lease – Landlord has zero landlord responsibilities because the tenant takes care of insurance, real estate taxes, and maintenance year after year

Strategically Located

- Dense Retail Corridor – Other national tenants in the immediate area include McDonald's, Church's Chicken, Family Dollar, Dollar Tree, CVS, Wingstop, Subway, Little Caesars Pizza, Dairy Queen, Advanced Auto Parts, among others.
- Target Demographic – Average household incomes are \$40,978 (1-Mile), \$47,825 (3-Mile), and \$48,170 (5-Mile) which is the ideal demographic for quick service restaurant concepts
- Tax-Free State – Texas is one of 8 states out of 50 that has no state income taxes – great investment for those living in tax-free states or for those who do not want to file taxes in other states.

Experienced Tenant of Tested Brand

- Fritz Management, LLC operates almost 300 Burger King Restaurants across Texas
- Restaurant Brands International (RBI), the parent company of Burger King and Tim Horton's, recently purchased Popeyes for \$1.8 billion – Ability to purchase indicates strength and performance of current concepts
- Iconic Brand – Established in 1954, Burger King has grown to over 17,000 units worldwide

FINANCIAL OVERVIEW



LIST PRICE

\$1,400,000



CAP RATE

9.21%



TERM REMAINING

±1 Years

EXECUTIVE SUMMARY

Property Name	Burger King
Address	7411 Padre Island Hwy Brownsville, TX 78521
Year Built	1995
GLA	± 4,240 SF
APN	765210-0010-002000

TENANT SUMMARY

Tenant Trade Name	Burger King
Type of Ownership	Fee Simple
Lease Guarantor	Fritz Management
Lease Type	NNN
Roof & Structure	Tenant Responsible
Original Lease Term	17 Years, 7 Months
Lease Commencement Date	11/15/2002
Lease Expiration Date	6/1/2020
Term Remaining	±1 Years
Increases	1.00% Annually/8.5% of Gross Sales
Options	Four, 5-Year Options

ANNUALIZED OPERATING DATA

	Monthly Rent	Annual Rent	Rent/SF	Cap Rate
6/1/2018-6/1/2019	\$10,748.62	\$128,983	\$30.42	9.21%
6/1/2019-6/1/2020	\$10,856.10	\$130,273	\$30.72	9.30%



Tenant Overview

TENANT OVERVIEW

Burger King Worldwide operates the world's #2 hamburger chain by sales with almost 17,000 restaurants in the US and more than 100 other countries. Every day, more than 11 million guests visit Burger King Restaurants around the world and they do so because Burger King is known for serving high-quality, great-tasting and affordable food. In addition to its popular Whopper sandwich, the chain offers a selection of burgers, chicken sandwiches, salads, and breakfast items, along with beverages, desserts, and sides. Burger King's menu has expanded from a basic offering of burgers, French fries, sodas, and milkshakes to a larger and more diverse set of products. Many of the eateries are stand-alone locations offering dine-in seating and drive-through services; the chain also includes units in high-traffic locations such as airports and shopping malls. Burger King Worldwide is owned and operated by Restaurant Brands International.

GEOGRAPHIC OUTREACH

Burger King has restaurant locations throughout the US and more than 100 other countries. The US and Canada are responsible for about 65% of revenues. Like most other giants of the fast-food industry, Burger King has expanded its nationwide and international presence primarily through franchising. But the company has reduced its domestic expansion efforts recently. Burger King has used joint ventures to expand in countries like China, Mexico, Russia, and Singapore.



PARENT COMPANY TRADE NAME

Restaurant Brands International, Inc.



NO. OF LOCATIONS

± 17,000



HEADQUARTERED

Miami, FL



WEBSITE

www.bk.com



YEAR FOUNDED

1953

Surrounding Tenants





Area Overview

BROWNSVILLE, TX

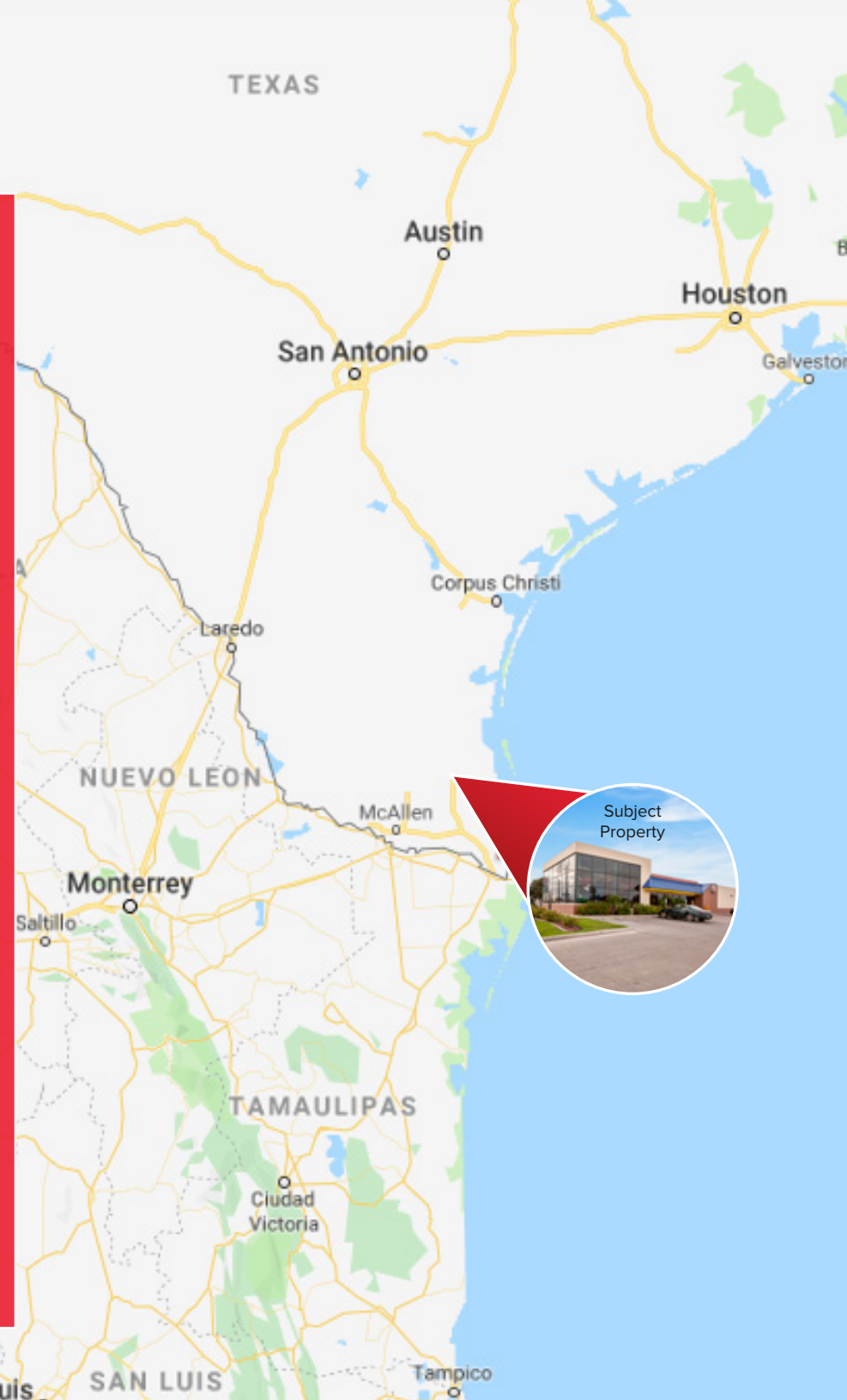
Located at the extreme southern tip of Texas and the continental U.S., Brownsville is a thriving border town and minor resort area mainly serving wintering Texans. It anchors the subtropical Lower Rio Grande Valley, a vast area spreading 60 miles west and 30 miles north, a business-friendly area clustered with small towns, agriculture, and commercial and manufacturing interests tied to Mexico and free trade status. Brownsville is a major trading center and “maquiladora” or border zone manufacturing center for U.S. companies and an international seaport. The Brownsville urban area is one of the fastest growing in the United States. Brownsville is home to one of the fastest growing manufacturing sectors in the nation. It has often been recognized as one of the best pro-business climates in the United States. There are Gulf Coast beach areas about 20 miles east of town at the mouth of the Rio Grande, notably South Padre Island, a favorite winter and spring-break destination.

In recent decades, the region has undergone rapid growth as industries have located to take advantage of inexpensive labor, the North American Free Trade Agreement (NAFTA), and ocean shipping. Industry is diverse with everything from food processing to petrochemicals to paper bags and hats.

SpaceX is building the SpaceX South Texas Launch Site, a private space launch facility east of Brownsville on the Gulf Coast. The new launch facility is expected to draw US\$85 million to the city of Brownsville and eventually generate approximately US\$51 million in annual salaries from some 500 jobs created by 2024.

AREA DEMOGRAPHICS

POPULATION	1-Mile	3-Mile	5-Mile
2010 Census	10,356	51,641	136,758
2019 Estimate	11,498	56,819	142,755
2024 Projection	12,266	60,335	148,750
HOUSEHOLDS	1-Mile	3-Mile	5-Mile
2010 Census	2,520	14,151	37,961
2019 Estimate	2,833	15,792	40,023
2024 Projection	3,032	16,844	41,834
INCOME	1-Mile	3-Mile	5-Mile
Average Household Income	\$40,978	\$47,825	\$48,170



CONFIDENTIALITY & DISCLAIMER STATEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of **Burger King** located at **7411 Padre Island Hwy | Brownsville, TX 78521 (“Property”)**. It has been prepared by Matthews Retail Advisors. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Retail Advisors. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Retail Advisors expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Retail Advisors or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

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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.

Kyle Matthews/Matthews Retail Group Inc.	678067	kyle.matthews@matthews.com	(310) 919-5757
Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
Kyle Matthews	678067	kyle.matthews@matthews.com	(310) 919-5757
Designated Broker of Firm	License No.	Email	Phone
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date