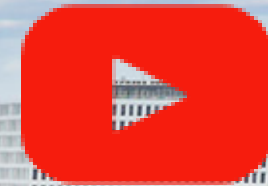


CLICK HERE TO VIEW VIDEO



310 San Pedro Ave, San Antonio, TX



OFFERING MEMORANDUM
MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

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MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES



EXECUTIVE OVERVIEW

Matthews Real Estate Investment Services is pleased to offer to qualified investors the fee simple interest in a Brand New state of the art convenience store leased to QuikTrip Corporation. This brand new 15 year Absolute NNN lease provides investors long-term passive cash flow and ease of ownership.

Located in one of the country's top MSAs (San Antonio, TX), the subject property gives a potential landlord the opportunity to own real estate leased to one of the premier convenience store operators in the country.

QUIKTRIP

310 San Pedro Ave

SAN ANTONIO, TX 78212



±4,840 SF
GLA



±1.32 AC
LOT SIZE



2019
YEAR BUILT



±45 Spaces
PARKING

PROPERTY HIGHLIGHTS

- » Brand New Construction Corporate Sale Leaseback (Store Opened March 2019) - Brand new 15-year Absolute NNN Lease will be signed at Close of Escrow
- » Accelerated Depreciation - An owner will have the opportunity to shelter income taxes through utilizing a 15 year accelerated depreciation schedule (*Please verify with CPA)
- » Two Different Lease Structures - Property is being offered with the option of two different lease structures for varying buyer needs (Lease Structure A or Lease Structure B)
- » High Quality Development - 2019 Generation 3 QuikTrip Store
- » Scheduled Rental Increases - Lease features Ten (10) Five (5) Year Options with fixed rental increases that provide a major hedge against inflation
- » Ideal 1031 Exchange Property - Offers a potential investor a very passive net lease investment
- » Offered For Sale At Development Cost - The property is being sold at development cost, not to make a profit, like most net leased investment opportunities. This provides an additional layer of security for a future landlord as the tenant is not assigning a rent that is unsustainable only to make a profit on the sale.

LOCATION HIGHLIGHTS

- » Top MSA (San Antonio, TX) - Hard corner location in the 7th most populous city in the country and the 2nd most populous in the southern United States.
- » Downtown San Antonio Location - Subject property sits less than a mile away from the heart of downtown San Antonio.
- » Robust Population Growth - Population within a 1-mile radius has grown 16.89% over the last 8 years and is expected to grow an additional 8.13% over the next 5 years
- » Dense Demographics - Over 440,000 residents within a 5-mile radius of the site
- » Strategic Highway Intersection Location - The property is being strategically built at one of the main access points leading to downtown San Antonio with average daily traffic in front of the site at 30,207.
- » Major Tourist Hub - Downtown San Antonio draws visitors across the country to experience its vibrant culture and history including attractions such as The Alamo, The River Walk, The Fairmount Hotel, and La Villita arts district amongst many others.

TENANT HIGHLIGHTS

- » 12th Largest Convenience Store Chain - QuikTrip is one of the fastest growing convenience store chains in the country and currently operates 780+ stores across multiple states.
- » 28th Largest Private Company - QuikTrip was recently ranked by Forbes as the 28th largest private company with over \$11 Billion in Revenue.
- » Private Credit Rating of NAIC2 - Equivalent to S&P BBB+ (Investment Grade Credit)
- » Top Tier Retailer - First gas retailer to earn a "Top Tier" rating from GM, BMW, Honda, VW, Audi, & Toyota

FINANCIAL OVERVIEW

LEASE STRUCTURE A



\$6,406,363
LIST PRICE



5.50%
CAP RATE



\$352,349.97
ANNUAL RENT

QUIKTRIP LEASE SUMMARY

TENANT	QuikTrip Corporation
LEASE TYPE	Absolute NNN
TYPE OF OWNERSHIP	Fee Simple
LEASE GUARANTOR	Corporate
ROOF AND STRUCTURE	Tenant Responsible
ORIGINAL LEASE TERM (YEARS)	15
LEASE COMMENCEMENT DATE	At Close of Escrow
RENT COMMENCEMENT DATE	At Close of Escrow
LEASE EXPIRATION DATE	15 Years After Close of Escrow
TERM REMAINING ON LEASE	15 Years
INCREASES	25 Basis Point Increase On Cap Rate In Each Option Period
OPTIONS	10, Five Year Options

ANNUALIZED OPERATING DATA

LEASE COMMENCE	MONTHLY RENT	ANNUAL RENT	CAP
Base Term - 2019-2034	\$29,362	\$352,350	5.50%
Option 1 - 2034-2039	\$30,697	\$368,366	5.75%
Option 2 - 2039-2044	\$32,032	\$384,382	6.00%
Option 3 - 2044-2049	\$33,366	\$400,398	6.25%
Option 4 - 2049-2054	\$34,701	\$416,414	6.50%
Option 5 - 2054-2059	\$36,036	\$432,430	6.75%
Option 6 - 2059-2064	\$37,370	\$448,445	7.00%
Option 7 - 2064-2069	\$38,705	\$464,461	7.25%
Option 8 - 2069-2074	\$40,040	\$480,477	7.50%
Option 9 - 2074-2079	\$41,374	\$496,493	7.75%
Option 10 - 2079-2084	\$42,709	\$512,509	8.00%

FINANCIAL OVERVIEW

LEASE STRUCTURE B



\$6,406,363
LIST PRICE



5.00%
CAP RATE



\$320,318
ANNUAL RENT

QUIKTRIP LEASE SUMMARY

TENANT	QuikTrip Corporation
LEASE TYPE	Absolute NNN
TYPE OF OWNERSHIP	Fee Simple
LEASE GUARANTOR	Corporate
ROOF AND STRUCTURE	Tenant Responsible
ORIGINAL LEASE TERM (YEARS)	15
LEASE COMMENCEMENT DATE	At Close of Escrow
RENT COMMENCEMENT DATE	At Close of Escrow
LEASE EXPIRATION DATE	15 Years After Close of Escrow
TERM REMAINING ON LEASE	15 Years
INCREASES	5% Rental Increases Every 5 Years Throughout Base Term and Options
OPTIONS	10, Five Year Options

ANNUALIZED OPERATING DATA

LEASE COMMENCE	MONTHLY RENT	ANNUAL RENT	CAP
Base Term - 2019-2024	\$26,693	\$320,318	5.00%
Base Term - 2024-2029	\$28,028	\$336,334	5.25%
Base Term - 2029-2034	\$29,429	\$353,151	5.51%
Option 1 - 2034-2039	\$30,901	\$370,808	5.79%
Option 2 - 2039-2044	\$32,446	\$389,349	6.08%
Option 3 - 2044-2049	\$34,068	\$408,816	6.38%
Option 4 - 2049-2054	\$35,771	\$429,257	6.70%
Option 5 - 2054-2059	\$37,560	\$450,720	7.04%
Option 6 - 2059-2064	\$39,438	\$473,256	7.39%
Option 7 - 2064-2069	\$41,410	\$496,919	7.76%
Option 8 - 2069-2074	\$43,480	\$521,765	8.14%
Option 9 - 2074-2079	\$45,654	\$547,853	8.55%
Option 10 - 2079-2084	\$47,937	\$575,245	8.98%

ACCELERATED DEPRECIATION OPPORTUNITY

This subject property offers a potential investor the opportunity to receive additional cash flow in comparison to other net leased assets through accelerated depreciation.

Assuming a 45% income tax bracket an investor can expect to see over 35% in additional cash flow from this asset compared to a similar priced net leased asset that doesn't offer accelerated depreciation.



LEASE STRUCTURE A

QUIKTRIP ACCELERATED DEPRECIATION BREAKDOWN

Purchase Price	\$6,406,363.00
Depreciable Value (80%)	\$4,484,454.10
Cap Rate	5.50%
NOI	\$352,349.97
15 Year Depreciation	\$298,963.61
Taxable Income	\$53,386.36
Income Taxes	\$24,023.86
CASH FLOW (AFTER TAXES):	\$328,326.10

*We encourage you to verify these numbers with your accountant. Matthews Real Estate Investment Services doesn't warranty the accuracy of these numbers.

LEASE STRUCTURE B

QUIKTRIP ACCELERATED DEPRECIATION BREAKDOWN

Purchase Price	\$6,406,363.00
Depreciable Value (80%)	\$4,484,454.10
Cap Rate	5.00%
NOI	\$320,318.15
15 Year Depreciation	\$298,963.61
Taxable Income	\$21,354.54
Income Taxes	\$9,609.54
CASH FLOW (AFTER TAXES):	\$310,708.61

*We encourage you to verify these numbers with your accountant. Matthews Real Estate Investment Services doesn't warranty the accuracy of these numbers.

SITE PLAN



SURROUNDING AREA



San Pedro Springs Park

The Riverwalk is one of the most visited places in all of Texas and the greater San Antonio area has a world of fun and exciting things to do and see. San Antonio and the Riverwalk feature luxurious hotels, delicious dining and restaurants, and nightlife.

DOWNTOWN SAN ANTONIO

BAPTIST
HEALTH SYSTEM



SAN ANTONIO
PUBLIC Library
Information. Imagination. Ideas.



±196,000 ADT

Luby's

QT QuikTrip

Jack
in the box

S Pedro Ave ±30,000 ADT

VALERO





12TH LARGEST CONVENIENCE RETAILER



The QuikTrip Corporation, more commonly known as QuikTrip (QT), is a Tulsa, Oklahoma-based chain of convenience stores that primarily operates in the Midwestern, Southern, and Southeastern United States as well as in Arizona.

The first QuikTrip was opened in 1958 in Tulsa by Burt Holmes and Chester Cadieux. The company expanded outside of Oklahoma in 1968 and started selling gasoline in 1971. Chester's son, Chet, Jr., is the current CEO.

Since 1991, QuikTrip has promoted its gasoline as "high quality" with an unconditional guarantee. In 2005, QuikTrip and Chevron were the first two retailers to earn a "Top Tier" rating from General Motors, BMW, Honda, Volkswagen, Audi, and Toyota. (The "Top Tier" rating exceeds the United States Environmental Protection Agency's standards for gasoline additives.)

WWW.QUIKTRIP.COM

±760
LOCATIONS

±22,000
EMPLOYEES

±\$11 Billion
REVENUE

AREA OVERVIEW



DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2023 Projection	17,903	164,293	417,346
2018 Estimate	16,994	155,847	397,213
2010 Census	14,965	142,700	373,713
Growth 2018-2023	5.35%	5.42%	5.07%
HOUSEHOLDS	1-MILE	3-MILES	5-MILES
2023 Projection	6,248	59,312	147,296
2018 Estimate	5,757	55,401	138,647
2010 Census	4,732	48,690	126,634
Growth 2018-2023	8.53%	7.06%	6.24%
INCOME	1-MILE	3-MILES	5-MILES
Average Household Income	\$53,644	\$57,709	\$59,031

SAN ANTONIO, TX

Placed perfectly in the heart of Texas Hill Country straddling South Texas and Central Texas, San Antonio is the second-most populous city in the state of Texas. A city on the rise, San Antonio is in the center of a booming corridor with many business-friendly elements. San Antonio’s historically steady population growth has established a local market of 2.3 million residents, one that is projected to increase by 28% in the coming future. Moreover, there is an increasing population of young professionals flocking to central San Antonio, enticed by areas such as Pearl Brewery, Alamo Heights and downtown, which offer an urban lifestyle with endless shopping, nightlife, cultural, fine dining and employment opportunities.

San Antonio exudes a distinct combination of metropolitan energy and small-town charm; Its laid-back character brings a welcome contrast to its substantial business community. Having acquired one of the largest concentrations of military bases in the country, the city has also become known as Military City, USA. For over a hundred years, a consistent and significant military presence has shaped San Antonio’s identity and brought stability to the local economy.

The region’s spirit expands beyond its tourist labels, creating a community rich in Hispanic and Old West heritage. Home to two of Texas’ most popular destinations, the River Walk and the Alamo, San Antonio’s rich, cultural history attracts over 32 million annual visitors. The city’s historic sites are intermingled with modern skyscrapers in downtown, including the Alamo and the Spanish Governor’s Palace. Meanwhile, the River Walk is an oasis of cypress-lined paved paths and arch stone bridges that winds through the city center. Lined with shops and sidewalk cafes along the San Antonio River, the River Walk offers easy access to San Antonio’s Main Plaza. Connecting San Antonio to its past, while paving its path to the future, the River Walk is truly the heart and soul of the city.



EDUCATION

San Antonio hosts over 100,000 students in its 31 higher-education institutions. Government funded schools include the University of Texas Health Science Center at San Antonio, the University of Texas at San Antonio, Texas A&M University - San Antonio, and the Alamo Community College District.

San Antonio is home to U.S. Air Force Basic Military Training (AFBMT). The Air Force only has one location for enlisted basic training: the 737th Training Group, at Lackland Air Force Base. All new Air Force recruits go through the same basic training at Lackland. Each year, over 35,000 new recruits go through AFBMT. In addition, METC (the Military Education and Training Campus), which provides the medical training for the U.S. military at Fort Sam Houston, hosts 30 programs and over 24,000 annual graduates. It is the largest medical education center in the world.



TRANSPORTATION

San Antonio's airport is only 8.5 miles from the downtown business district -- about a 15-minute drive -- which is unusual for a major metropolitan area. San Antonio International is the 6th busiest airport based on passenger boardings in Texas.

San Antonio's public transportation system is called VIA Metropolitan and includes 89 bus lines and a small streetcar service downtown. Service is extensive and convenient, and many of San Antonio's popular attractions are easily accessible with public transportation, including The Alamo, The Japanese Tea Gardens, The Majestic Theater, Mission Conception, and Mission San Jose.



POINTS OF INTEREST



SAN ANTONIO RIVER WALK

Also known as Paseo del Río, the River Walk is a network of walkways along the banks of the San Antonio River, one story beneath the streets of San Antonio. Lined by bars, shops, restaurants, nature, and public art the River Walk is an important part of the city's urban fabric and a tourist attraction in its own right.



SEAWORLD SAN ANTONIO

SeaWorld San Antonio is a 250-acre marine mammal park, oceanarium, and animal theme park, located in the Westover Hills District of the City of San Antonio in Texas. It is the largest of the three parks in the SeaWorld chain owned by SeaWorld Entertainment, a division of Blackstone Group, and the world's largest marine-life theme park.



SAN ANTONIO ZOO

The San Antonio Zoo is an Association of Zoos and Aquariums-accredited zoo in Midtown San Antonio. It is located in the city's Brackenridge Park. The 35-acre zoo has a collection of over 3,500 animals representing 750 species. The zoo's annual attendance exceeds 1,000,000.



THE ALAMO

More than 2.5 million people a year visit the 4.2 acre complex known worldwide as "The Alamo." The Alamo Mission in San Antonio, commonly called the Alamo and originally known as Misión San Antonio de Valero, is part of the San Antonio Missions World Heritage Site. Today the Alamo is the heart of San Antonio and it is Texas' most visited historic landmark.



SAN ANTONIO MUSEUM OF ART

The San Antonio Museum of Art's global collection represents 5,000 years of history and cultures from around the world. Housed in a complex of buildings that was once the Lone Star Brewery, the Museum is renowned for its collections of Latin American, Asian, and Ancient Mediterranean Art, and includes a notable contemporary collection.



MISSION SAN JOSE

Founded in 1720 and known as the "Queen of the Missions" due to its size and elaborate sculptures that adorn it. The compound walls reveal the importance of community living, which made the missions self-sufficient. The park's Visitor's Center is in Mission San José, where you can view Gente de Razon, which tells the story of life in the missions during the 1700s.

CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **QuikTrip** located in **310 San Pedro Ave, San Antonio, TX 78212** ("Property"). It has been prepared by Matthews Real Estate Investment Services. 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 Real Estate Investment Services. 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 Real Estate Investment Services 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 Real Estate Investment Services 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.



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.

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_____ 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

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

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