



Jack in the Box

4600 E US Highway 83 | Rio Grande City, TX 78582

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES



Jack in the Box

4600 E US Highway 83 | Rio Grande City, TX 78582

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PROPERTY OVERVIEW



INVESTMENT HIGHLIGHTS

- **Ideal Pricing** – Low price point nature makes this a great investment for investors of all levels.
- **Recently Exercised Option** – Tenant executed its first of four option periods June of this year, demonstrating a strong commitment to the site.
- **Absolute NNN Ground Lease** – No landlord responsibilities, providing a great investment for passive investors.
- **20+ Year Operating History** – Tenant has operated out of this location since the property was developed as a build-to-suit Jack in the Box in 2003.
- **Corporate Guarantee** – Lease is backed by Jack in the Box corporate (NASDAQ: JACK).
- **Rental Increases** – Lease contains 8% rental increases at the start of each option period, providing a strong hedge against inflation.
- **Excellent Frontage** – Property is situated directly off US Highway 83 (±35,000 VPD) a main corridor of the surrounding Rio Grande Valley.
- **Income Tax Free State** – Texas is an absolute income tax free state.
- **Retail Center** – Outparcel to an AMC Theater center, with adjacent tenants including Quality Inn & Suite (58 Rooms) and a Walmart Supercenter.

PROPERTY PHOTOS



FINANCIAL OVERVIEW



\$800,000
LIST PRICE



\$42,175
NOI



5.27%
CAP RATE



±2,522 SF
GLA



±1.10 AC
LOT SIZE



2003
YEAR BUILT



TENANT SUMMARY

| | |
|----------------------------|---------------------------------|
| Tenant Trade Name | Jack in the Box |
| Type of Ownership | Ground Lease |
| Lease Guarantor | Jack in the Box Properties, LLC |
| Lease Type | NNN |
| Landlords Responsibilities | None |
| Original Lease Term | 20 Years |
| Rent Commencement Date | 2003-06-25 |
| Lease Expiration Date | 2028-06-24 |
| Term Remaining on Lease | ±4.9 Years |
| Increases | 8% Each Option Period |
| Options | Three3, 5 Year Options |
| Drive Thru | Yes |
| 24 Hour Store Format | No |

FINANCIAL OVERVIEW

| ANNUALIZED OPERATING DATA | | | | |
|---------------------------|--------------|-------------|----------|----------|
| | MONTHLY RENT | ANNUAL RENT | RENT PSF | CAP RATE |
| Current - 06-24-2028 | \$3,514.58 | \$42,174.96 | \$16.72 | 5.27% |
| Option 2 | \$3,795.75 | \$45,549.00 | \$18.06 | 5.69% |
| Option 3 | \$4,099.42 | \$49,193.04 | \$19.51 | 6.15% |
| Option 4 | \$4,427.34 | \$53,128.08 | \$21.07 | 6.64% |



TENANT PROFILE



in the box

Jack in the Box is among the leading quick-service restaurant businesses in the US. The company operates and franchises about 2,250 of its flagship hamburger outlets in California, Texas, and more than 21 other states.

Jack in the Box offers such standard fast-food fare as burgers, fries, and soft drinks, as well as salads, tacos, and breakfast items. About 415 locations are company-owned, while the rest are franchised.

Unlike some of its fast-food rivals, Jack in the Box has traditionally had a large number of corporate locations compared to its franchised outlets. In recent fiscal years, the company has moved towards franchising more locations to bring its franchise ownership rate closer to 80%. Jack in the Box leans on quirky marketing efforts and an almost constant stream of new menu items.

HEADQUARTERS

San Diego, CA

OF LOCATIONS

2,250+

WEBSITE

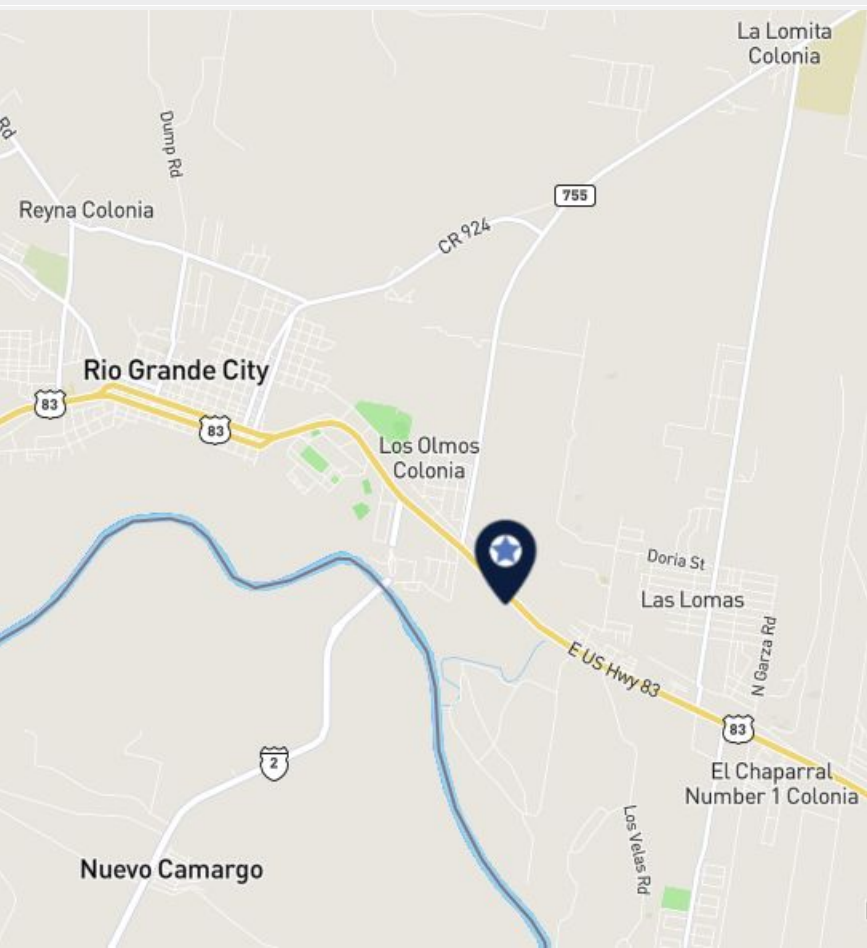
Jack in the Box

YEAR FOUNDED

1951



AREA OVERVIEW



RIO GRANDE CITY, TX

Rio Grande City is a city located in Starr County, Texas. The city's history dates back to the early 18th century, with its founding in 1848. Throughout its existence, Rio Grande City has played a significant role in trade and transportation between the United States and Mexico. Its location near the border has influenced its diverse and vibrant cultural atmosphere, characterized by a blend of Mexican and American influences.

The region's economy is primarily centered around agriculture, with citrus fruits, vegetables, and cotton being the main crops cultivated in the fertile Rio Grande Valley. Agriculture, manufacturing, and the healthcare sector are just a few of the many businesses driving the continuous economic growth of Texas' Rio Grande Valley. The area's development has been significantly influenced by its closeness to the McAllen/Edinburg Metropolitan Statistical Area (MSA), which contains these cities as important economic and cultural centers.

The city offers various recreational activities for both residents and visitors. Nature enthusiasts can explore the nearby Falcon State Park and the Lower Rio Grande Valley National Wildlife Refuge. Furthermore, Rio Grande City hosts numerous annual events and festivals, showcasing the area's heritage and traditions.

DEMOGRAPHICS

| POPULATION | 1-MILE | 3-MILE | 5-MILE |
|-------------------------------|----------|----------|----------|
| Current Year Estimate | 2,760 | 16,150 | 25,825 |
| 2020 Census | 2,739 | 15,902 | 25,293 |
| Growth 2020-Current Year | 0.77% | 1.56% | 2.10% |
| Five-Year Projection | 2,909 | 16,820 | 27,226 |
| Growth Current Year-Five-Year | 5.41% | 4.15% | 5.43% |
| HOUSEHOLDS | 1-MILE | 3-MILE | 5-MILE |
| Current Year Estimate | 803 | 4,930 | 7,779 |
| 2020 Census | 790 | 4,803 | 7,530 |
| Growth 2020-Current Year | 1.60% | 2.65% | 3.31% |
| Five-Year Projection | 781 | 4,743 | 7,572 |
| 2010 Census | 694 | 4,172 | 6,261 |
| Growth Current Year-Five-Year | -2.65% | -3.80% | -2.66% |
| INCOME | 1-MILE | 3-MILE | 5-MILE |
| Average Household Income | \$32,366 | \$50,737 | \$56,892 |

BIRDS EYE **VIEW**



AREA TENANT MAP



CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at **4600 E US Highway 83, Rio Grande City, TX, 78582** (“Property”). The 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 and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants’ plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, 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.

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.

Matthews Real Estate Investment Services is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any entity’s name or logo, including any commercial tenant’s name or logo, is informational only and does not indicate or suggest any affiliation and/or endorsement of Matthews Real Estate Investment Services, the property, or the seller by such entity.

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 Owner 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 of this Offering Memorandum.

Net Lease Disclaimer – There are many different types of leases, including gross, net, single net (“N”), double net (“NN”), and triple net (“NNN”) leases. The distinctions between different types of leases or within the same type of leases, such as “Bondable NNN,” “Absolute NNN,” “True NNN,” or other NNN leases, are not always clear. Labels given to different leases may mean different things to different people and are not defined legal terms. Buyers cannot rely on the labels or marketing descriptions given to any lease when making their purchasing decisions. Buyers must closely review all lease terms and are advised to seek legal counsel to determine the landlord and tenant’s respective rights and duties under the lease to ensure the lease, regardless of how labeled or described, meets the buyers’ particular needs.



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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.

11-2-2015



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.

| | | | |
|---|-------------|---------------------------|--------------|
| Matthews Real Estate Investment Services | 9005919 | transactions@matthews.com | 866-889-0050 |
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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