

# Ground Lease | For Sale



REPRESENTATIVE PHOTO

## OFFERING MEMORANDUM



9895 Highway 242, Conroe, Texas 77385



## Hunington

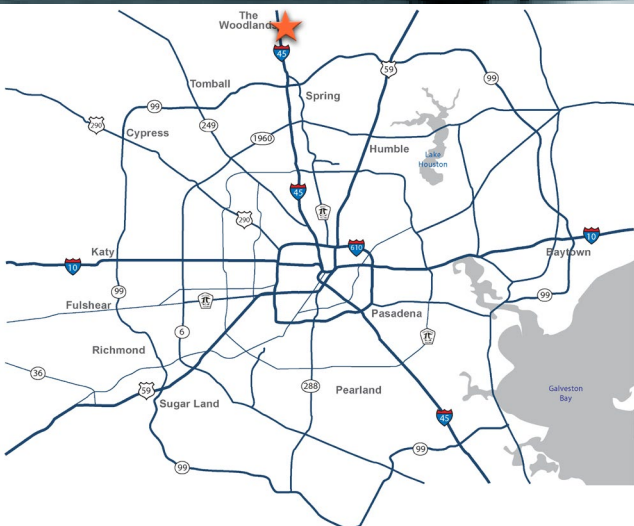
**Hunington Properties, Inc.**

3773 Richmond Ave., Suite 800

Houston, Texas 77046

**713-623-6944**

[hpiproperties.com](http://hpiproperties.com)



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### OVERVIEW

Sale Price:	\$3,240,000.00
CAP Rate:	5%
Net Operating Income:	\$162,000.00 (Yrs 1-5) \$181,440.00 (Yrs 6-10) \$203,212.80 (Yrs 11-15)
Year Built:	2017
Lot Size:	78,408 SF

### LEASE SUMMARY

Tenant Trade Name:	CST Stations Texas
Initial Lease Term:	15 Years
Lease Type:	Absolute Net Ground Lease
Roof / Structure Responsibility:	Tenant
Rent Commencement Date:	1/12/2017
Renewal Options:	Four- 5 Yr Periods
Increases:	12% after Year 5

### AREA RETAILERS



### For More Information

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**Huntington Properties, Inc.**  
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## TENANT OVERVIEW



Tenant	CSTBrands, Inc.
Number of Locations	1,900+
Sales Volume	\$12.8 Billion
Headquarters	San Antonio, TX
Website	www.cstbrands.com



Ownership	Public
Tenant	Alimentation Couche-Tard's, Inc.
Number of Locations	5,000+
Stock Symbol	TSX: ATD.A TSX: ATD.B
Sales Volume	\$37 Billion
Headquarters	Tempe, AZ
Website	www.corpo.couche-tard.com

The Canadian parent company of Circle K convenience stores finalized its \$4.4 billion merger with CST Brands Inc.

The CST acquisition is a big get for Quebec-based Alimentation Couche-Tard's fleet of Circle K convenience stores. After selling off 229 stores to satisfy antitrust regulators in the U.S. and Canada, Couche-Tard will have gained more than 1,300 stores in both countries via the sale, expanding its footprint to almost 9,500 locations including 666 in Texas.

Couche-Tard is in a "race to the top" against 7-Eleven Inc. for consolidating the convenience store market. The Irving-based convenience store chain reached 9,815 stores in the U.S. and Canada after agreeing to purchase 1,108 stores from Sunoco for \$3.3 billion in April. Couche-Tard Inc. agreed to purchase CST Brands, which operates the Corner Store chain of convenience stores, in an all-cash transaction in August. Couche-Tard won merger approvals from regulators in the U.S. and Canada earlier this week and completed the merger.

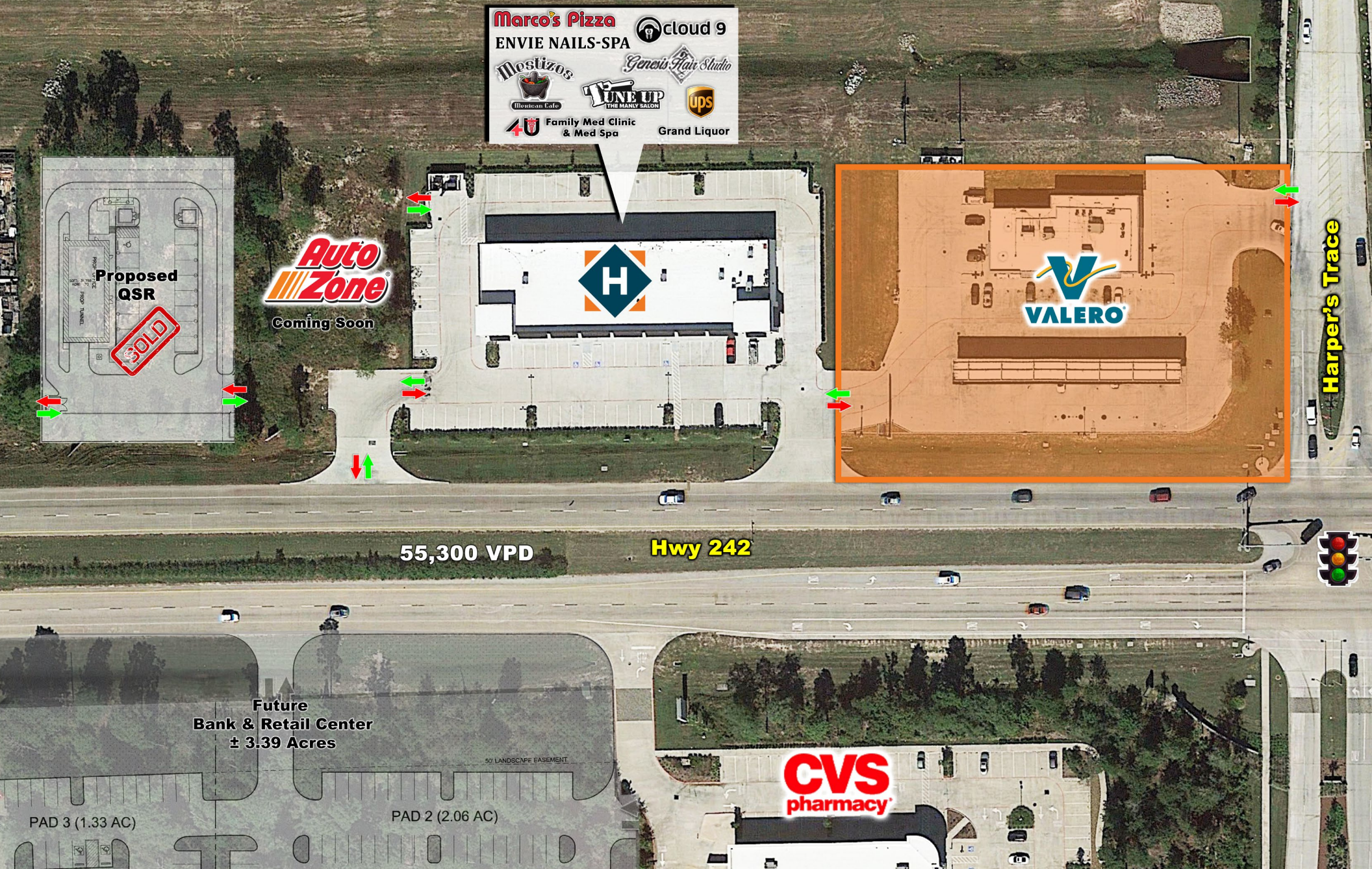
Acquiring CST also gives Couche-Tard a leg up in the convenience store industry's shift toward in-store sales of fresh food. Under Lubel's leadership, CST sought to insulate itself from volatile gas prices and falling cigarette sales by increasingly offering freshly prepared food items and groceries at its convenience stores and unveiled a separate brand, Corner Store Market, specifically focusing on fresh food.

Circle K's success in the convenience retailing industry spans more than 60 years. Our roots trace back to 1951 when Fred Hervey purchased three Kay's Food Stores in El Paso, Texas. Little did anyone know that these stores would serve as the beginning of Circle K. In 1999, a franchise program was introduced to support operators looking to build a business with a leading convenience store brand. In 2003, Circle K was acquired by Alimentation Couche-Tard and has developed into a global brand represented in over 20 countries.

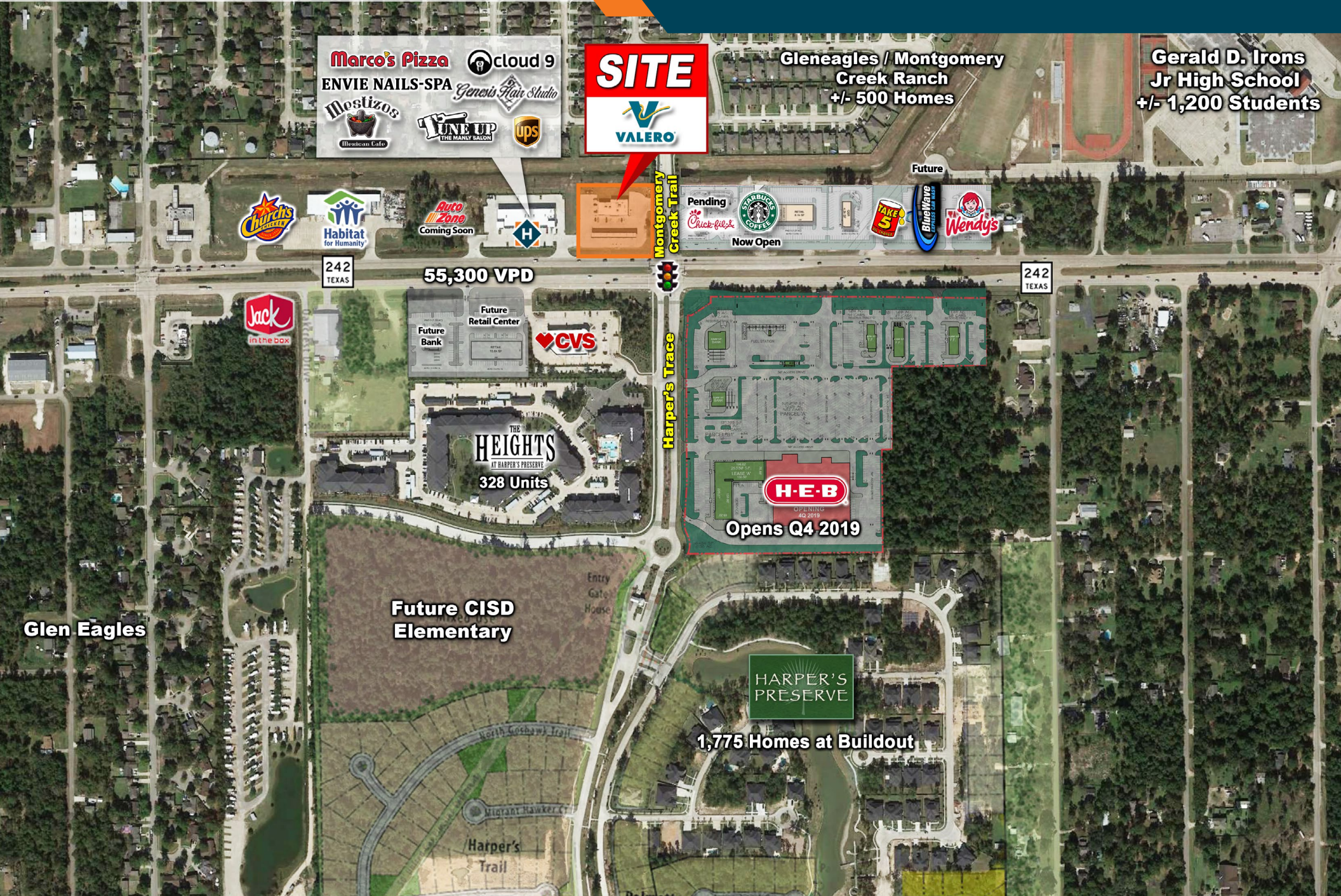
In addition, under licensing agreements, more than 2,000 stores are operated under the Circle K banner in 16 other countries and territories (Cambodia, China, Costa Rica, Egypt, Guam, Honduras, Hong Kong, Indonesia, Macau, Malaysia, Mexico, Mongolia, the Philippines, Saudi Arabia, the United Arab Emirates and Vietnam), which brings the worldwide total network to more than 16,000 stores.

As of July 22, 2018, Couche-Tard's network comprised 9,978 convenience stores throughout North America, including 8,691 stores with road transportation fuel dispensing. Its North American network consists of 19 business units, including 15 in the United States covering 48 states and 4 in Canada covering all 10 provinces. Approximately 105,000 people are employed throughout its network and at its service offices in North America. In addition, through CrossAmerica Partners LP, Couche-Tard supplies road transportation fuel under various brands to approximately 1,300 locations in the United States.









**Marco's Pizza** cloud 9  
**ENVIE NAILS-SPA** Genesis Hair Studio  
**Mestizos** TUNE UP THE MANLY SALON  
 Mexican Cafe

**SITE**

**Gleneagles / Montgomery Creek Ranch**  
 +/- 500 Homes

**Gerald D. Irons Jr High School**  
 +/- 1,200 Students



242 TEXAS

55,300 VPD

242 TEXAS



Future Retail Center  
 Future Bank

**THE HEIGHTS**  
 BY HARPER'S PRESENTS  
 328 Units

Opens Q4 2019

Glen Eagles

**Future CISD Elementary**

**HARPER'S PRESERVE**

1,775 Homes at Buildout





**SITE**  
VALERO

**THE WOODLANDS MALL**



## AREA OVERVIEW

The Woodlands is a master planned community and census-designated place (CDP) in the U.S. state of Texas in the Houston–The Woodlands–Sugar Land metropolitan area. It is primarily located in Montgomery County, with portions extending into Harris County. As of the 2010 census, the CDP population was 93,847, up from 55,649 at the 2000 census. In 2018 The Howard Hughes Corporation estimated the population to be 116,278.

The Woodlands is 28 miles (45 km) north of Houston along Interstate 45. Though it began as an exurban development and a bedroom community, it has also attracted corporations and has several corporate campuses, most notably Chevron Phillips Chemical, Anadarko Petroleum, Huntsman Corporation, Woodforest National Bank, Baker Hughes, Chicago Bridge & Iron Company, McKesson Corporation, Aon plc, Maersk Line, Safmarine, ExxonMobil, Halliburton, and Southwestern Energy. It won a Special Award for Excellence in 1994 from the Urban Land Institute.

### BUSINESS CLIMATE

The Woodlands Area, including the cities of Shenandoah and Oak Ridge North, as well as the master-planned community of The Woodlands has enjoyed unprecedented commercial growth in the last several years. The area's economic base is well diversified with over 4,000 employers, including all sectors, located in the area. These businesses range from owner-operated establishments to global corporate headquarters.

The Woodlands Area is home to a variety of leading companies, including Anadarko Petroleum Corporation, Alight Solutions, Chevron Phillips Chemical Company, CHI St. Luke's Health – The Woodlands Hospital, ExxonMobil, Huntsman Corporation, McKesson Specialty Health, Memorial Hermann The Woodlands Medical Center and Repsol USA.



Over 5,000 of this master-planned community's 28,000 acres are dedicated to commercial development, in several distinctly different development areas.

- **The Woodlands Town Center** offers more than 1,500 acres of office buildings, retail establishments, residential and entertainment facilities.
- **The Research Forest** features secluded development, separated by natural forest vegetation and ponds, providing tranquil campus-like settings for companies.
- **College Park** contains the campuses of Lone Star College - Montgomery, Lone Star College - University Center, and Sam Houston State University - The Woodlands Center, large shopping plazas and the Trade Center, a warehousing and distribution Business Park.
- **Hughes Landing** is a 66-acre mixed-use development that includes Class A office space, high density residential living, a restaurant row and gourmet grocer on a lakeside setting.
- **Research Forest Lakeside** is a 77-acre corporate campus that includes convenience retail overlooking Lake Woodlands.

## MARKET OVERVIEW

Houston serves as the county seat of Harris County. As one of the main hubs within the Texas Triangle, that is Dallas-Fort Worth, Houston, and San Antonio. The Houston area is one of the fastest growing job markets and economies in the United States. It is also the nation's fourth largest city with a population of about 2.3 million, while the Houston - The Woodlands - Sugar Land Metropolitan Statistical Area (Houston MSA) ranks fifth among U.S. metropolitan statistical areas (MSA) with a population of 6.6 million.

Houston is served by a dense network of highways and an interstate system, including Interstate Highways 10 & 45, Interstate 610, and also served by U.S. 59, U.S. 90, U.S. 290, and Texas 99. The region is home to a number of ports including the ports of Houston, Galveston, Freeport, and Texas City. The area is located 163 miles from Austin, 197 miles from San Antonio, and 239 miles from Dallas.





## 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.

<u>Hunington Properties, Inc.</u>	<u>454676</u>	<u>sandy@hpiproperties.com</u>	<u>713.623.6944</u>
Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
<u>Designated Broker of Firm</u>	<u>License No.</u>	<u>Email</u>	<u>Phone</u>
<u>Licensed Supervisor of Sales Agent/ Associate</u>	<u>License No.</u>	<u>Email</u>	<u>Phone</u>
<u>Sales Agent/Associate's Name</u>	<u>License No.</u>	<u>Email</u>	<u>Phone</u>

\_\_\_\_\_  
Buyer/Tenant/Seller/Landlord Initials

\_\_\_\_\_  
Date