



Holiday C-Store-Elk River

18296 Zane St NW Elk River, Minnesota 55330

Property Highlights

- 15-Year Absolute NNN Lease
- 2.00% Annual Rent Increases
- DST Structure-Perfect for Multiple 1031 Exchange Investors-Minimum Investment \$250K
- Car Wash & Vehicle Clearing Station.
- Remodel Underway
- High Visibility along Highway 169

Property Overview

Seasoned, NNN Absolute Net-Leased gas and convenience store property. Excellent for 1031 Tax-Deferred Exchange investors. New, fifteen (15) year lease. Provides for significant Bonus Depreciation



Sale Price:	\$6,000,000*
DST Structure:	\$250,000 Minimum Investment
Building Size:	6,142 SF
Lot Size:	1.77 Acres

For More Information

Michael Houge, CCIM, SIOR

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Garrett Farmer

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For Sale

5.00% CAP | \$6,000,000

Gas / Convenience Store



Building Name	Elk River Holiday (Currently branded as a Circle K)
Property Type	Gas / Convenience Store
Building Size	6,142 SF; includes adjacent and on-site quick lube building
Lot Size	1.77 Acres
Year Built	1984
Year Last Renovated	2001, and further slated for 2021
Fuel Pumps	Five (5) pumps, Ten (10) fuel stations
Amenities	Car Wash, Full Convenience Store.
Roof	Gabled Steel, and Pre-fab Concrete Roof Panels
Parking Spaces	10
Parking Lot	Asphalt and Concrete
Number of Buildings	2

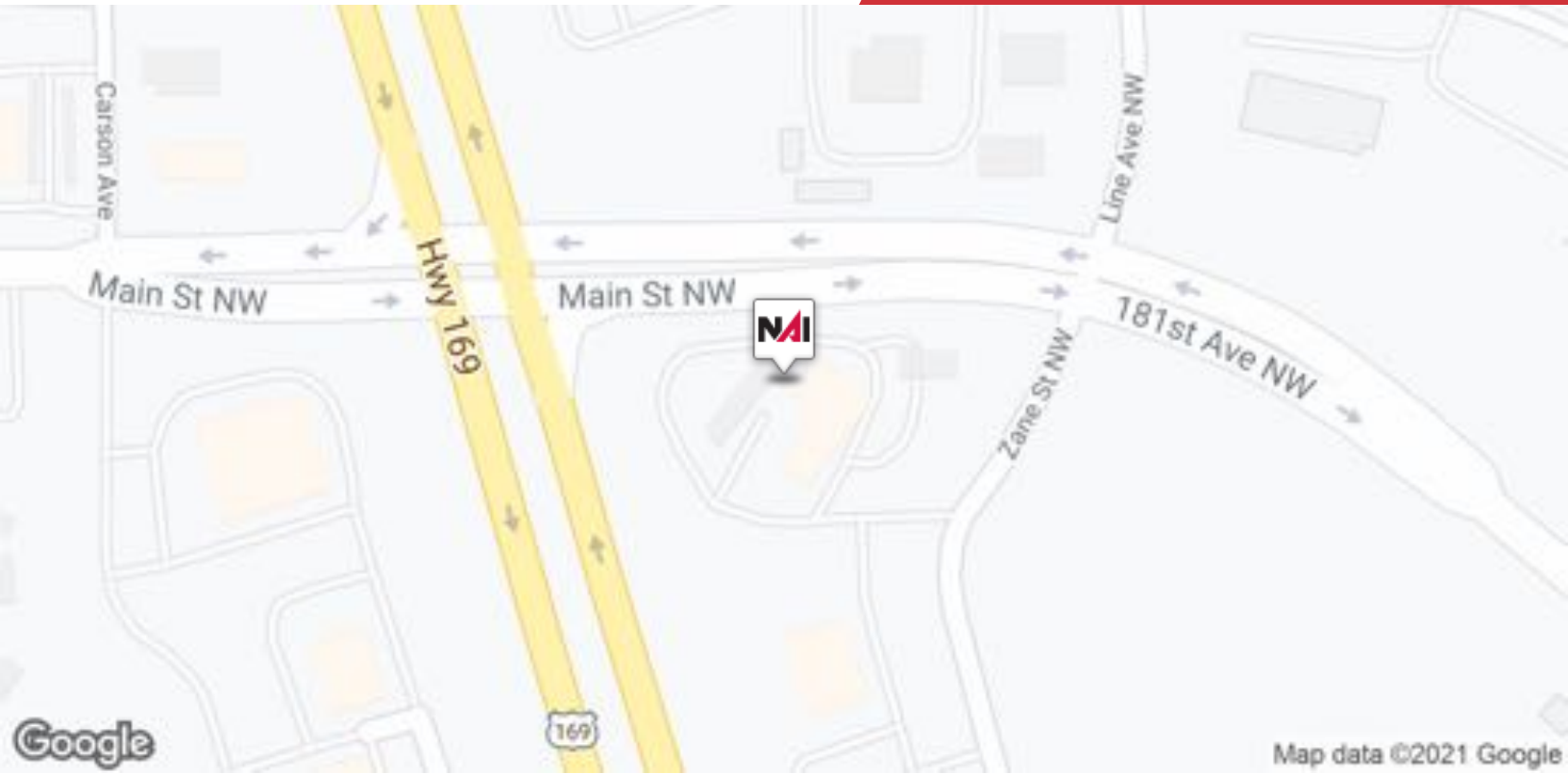
The Elk River Holiday is currently branded as a Circle K. The operator intends to covert the store brand to a Holiday during the Lease Term.

The Property is well situated at the Southwest intersection of Highway 169 and Zane Avenue in Elk River, MN, and is situated at the gateway entrance to Walmart, Home Depot, and other nationally recognized retailers. This highly visible store offers convenience items, fuel; and a full-service car wash and vehicle cleaning station.

The Property is 100% leased for fifteen (15) years to a private gas/convenience store operator with over 45 years of experience. This investment opportunity is a seasoned, NNN Absolute Net-Leased convenience store property. Excellent for 1031 Tax-Deferred Exchange investors. the property could provide for significant Bonus Depreciation.



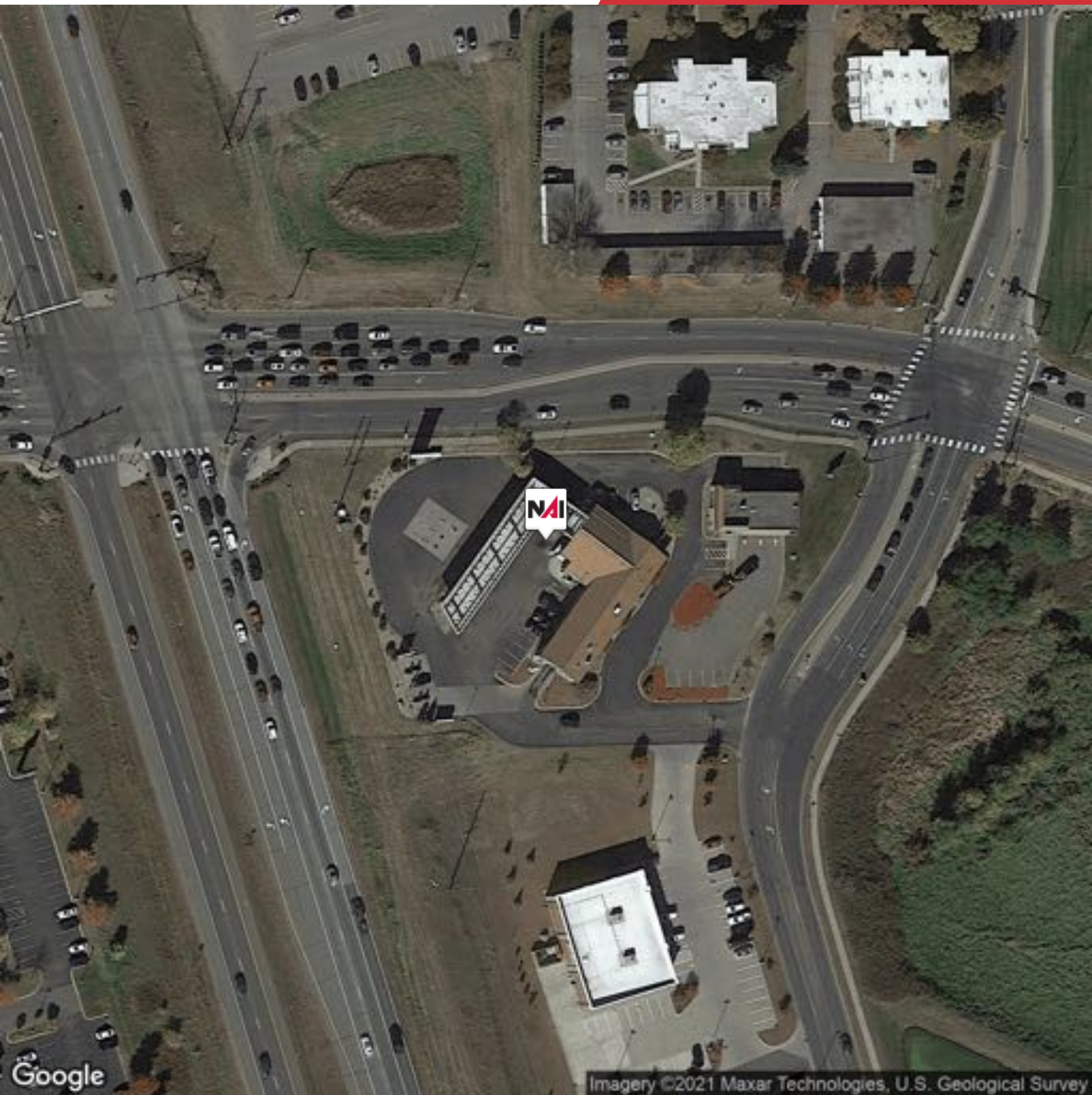
- Highly Visible Gas/Convenience Store located at the southwest intersection of Highway 169 and Zane Avenue - immediate entrance to Walmart and Home Depot.
- Full Convenience Store offering Holiday / Circle K branded items.
- Five (5) fuel pumps, with ten (10) total fuel stations
- Attached full-service car wash and vehicle cleaning station



For Sale

5.00% CAP | \$6,000,000

Gas / Convenience Store



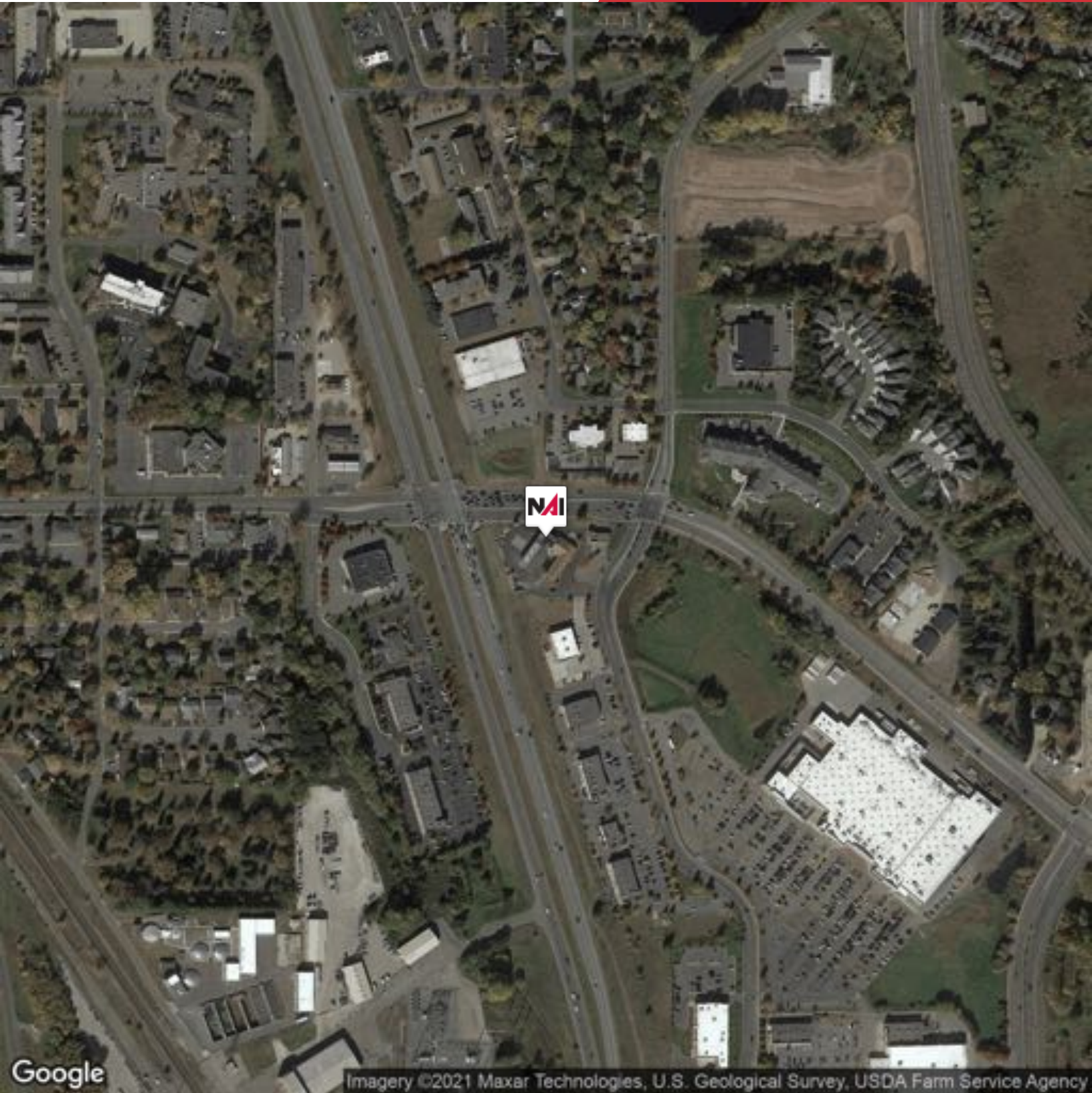
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For Sale

5.00% CAP | \$6,000,000

Gas / Convenience Store



Google

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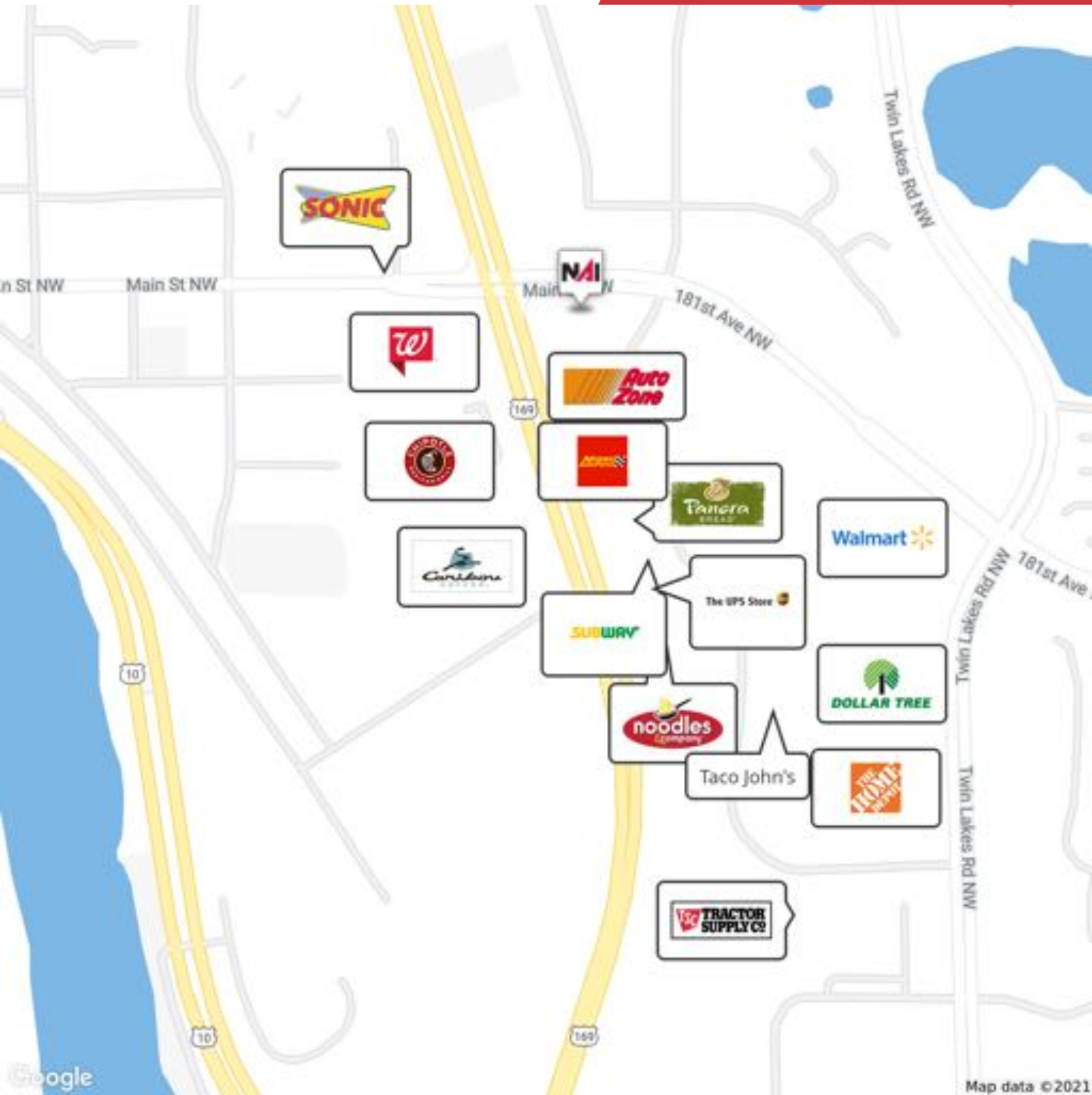
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Tenant Summary



Automotive Ventures Group is an automotive-specialized company with a substantial portfolio of fuel centers, C-stores, car washes and automotive repair centers across Minnesota. The company currently employs over 200 people across various locations. In the previous year, Automotive Ventures Group generated in excess \$70 million in revenue across its portfolio. The company traces its origins to 1970s and has been in business for over 45+ years. Automotive Ventures Group proved their operating strength through navigating the financial crisis of '08 without closing a single store during a time of extreme constraint on the fuel industry.

200+ EMPLOYEES	\$70M GENERATED	45+ YEARS IN BUSINESS
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Holiday is a chain of convenience and gasoline stores across the United States. Holiday is a subsidiary of Alimentation Couche-Tard (parent company Circle K), which has over 600 locations in 10 states. Holiday was one of the largest US private companies before being acquired by Alimentation Couche-Tard in 2017 for 1.6B. There are over 600 Holiday locations in the US with over 8,000 employees across the nation. Holiday is headquartered in Bloomington, Minnesota and has phenomenal Midwest brand recognition.

Bonus Depreciation

The expansion of the Bonus Depreciation rules was one of the most significant taxpayer-friendly surprises in the Tax Cuts and Jobs Act of 2017 (TCJA) under section 168(K) of the internal revenue code. The Bonus Depreciation provision allows a taxpayer to immediately deduct a certain percentage of the cost of qualifying property in the year the property is acquired, rather than capitalizing that cost and depreciating it over a period of years,. The TCJA allows 100% of first-year bonus depreciation in Year 1 for qualifying assets placed in service between September 28, 2017 and December 31, 2022. The Bonus Depreciation percentage will begin to phase out in 2023, dropping 20% each year for four (4) years until it expires at the end of 2026, absent Congressional action exten the break.

Prior Law

- Immediate tax deduction equal to 50% of the cost of the qualifying personal and real property.
- Expired for property placed in service after December 31, 2019.
- Only new property qualified for the deduction.

TCJA Changes To Law

- Immediate tax deduction equal to 100% of the cost of qualifying personal and real property.
- Effective for property acquired and placed in service after September 27, 2017; expires after December 31, 2026.
- New and used property qualifies for the deduction that is acquired and placed in service after September 27, 2017.

Qualified Property

Used the proposed regulations, "qualified property" for Bonus Depreciation purposes is defined to include:

- IProperty depreciation under Modified Accelerated Cost Recovery System that has recovery period of twenty (20) years or less,
- Certain computer software,
- Water utility property,
- Qualified film, television and live theatrical productions, and Specified plants.

Acquired Used Property

The proposed regulations provide that the acquisition of used property is eligible for Bonus Depreciation if the property wasn't used by the taxpayer or a predecessor at any time prior to acquisition of the property. Property is treated as used by the taxpayer or a predecessor had a depreciable interest in the property at any time before the acquisition, regardless of whether the taxpayer or predecessor actually claimed the depreciation. Used property also must satisfy certain related party and carryover basis requirements, as well as certain cost reimbursements.

Delaware Statutory Trust (DST)

A DST is a separate legal entity created as a Trust under Delaware Statutory Law, that allows for flexible and fractional ownership of commercial real estate. The real estate is acquired by the Trust, which holds title to the real property. Multiple investors may invest in the Trust. As opposed to acquiring the fee-simple interest in the property direct, individual investors purchase an interest in the Trust, or shares of the Trust. Investors have the right to receive distributions from the operation of the Trust, either from rental income or from the eventual sale of the property. IRS Revenue Ruling 2004-86 deemed DST interest to qualify as real property under the tax code, allowing a DST interest to be eligible for 1031 Tax-Deferred Exchanges.

DST Sponsor

DST offerings are often referred to as "pre-packaged" investments, due to the role of the sponsor in a DST offering. A DST Sponsor leverages their expertise and relationships to create a "pre-packaged" investment for accredited investors. Sponsor's typically performs the following steps before the investment opportunities made available to accredited investors:

1. Sources Investment Opportunities
2. Performs Due Diligence
3. Arranges and Secures Financing
4. Arranges or Provides Property and Asset Management
5. Structures the DST Offering
6. Acquires the Asset
7. Packages and Markets the Offering

Investor Benefits

An investor accesses several major benefits when investing through the DST structure.

- Quality of Asset
- Passive Nature of DST Investment
- Flexibility of Ownership
- Qualifies for 1031 Tax-Deferred Exchanges
- Lower Minimum Investment
- Limited Personal Liability
- Pre-Arranged and Non-Recourse Financing
- Flexible Estate Planning
- Portfolio or Investment Diversification
- Defined Exit Strategy

Investment Overview

Sales Price	\$6,000,000
First Year Net Operating Income	\$300,000
CAP Rate	5.00%
Purchase Type	Investors have the ability to acquire the whole property, or acquire a partial interest in a Delaware Statutory Trust.
Minimum / Maximum Investment	\$50,000 - \$6,000,000

Lease Summary

Tenant	Wash N. Fill Stores of Minnesota, Inc.
Lease Start Date	December 30, 2020
Term	Fifteen (15) Years
Renewal Options	Two (2), Ten (10) Year Options
First Year Annual Base Rent	\$300,000
First Year Monthly Base Rent	\$25,000
Increases in Base Rent	2.00% Annual; and throughout any option terms.
Lease Type	Absolute NNN
Tenant Expense Obligations	All operating, structural components, fuel systems, and full repair and replacement, and modifications thereof.
Personal Guaranty	Yes



Michael Houge, CCIM, SIOR

Managing Director

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Professional Background

Michael Houge is the managing Director of NAI Legacy. NAI Legacy is a member of the NAI Global network of over 6000 professionals and 375 offices worldwide. NAI Legacy is coupling the latest technology with a traditional emphasis on customer service, our team provides strategic guidance, administrative support and brokerage services for properties totaling nearly 2,500,000 square feet. With business lines including property management, traditional sales and leasing services, and 1031 Tax-Deferred Exchange solutions, the NAI Legacy team is adept at navigating all aspects of quality commercial real estate assignments. Mr. Houge, CCIM, SIOR has over thirty years of experience in project leasing and investment sales. Michael is a specialist in the sale of net-leased investment properties, 1031 Tax Deferred Exchanges, and more recently, commercial real estate in the Bakken oilfield markets of Western North Dakota. Mr. Houge has completed over a billion dollars in investment property transactions. Michael has also leased well over a million square feet as a landlord and tenant representative and is a frequent contributor and author in various real estate trade publications and speaks frequently on panels and conferences on investment sales, capital markets, marketing, the net-lease industry, 1031 tax-deferred exchanges, and North Dakota real estate.

Specialties Include:

- The Purchase or Sale of Net-Leased Properties
- 1031 Tax Deferred Exchanges
- Commercial Real Estate Investments
- Energy (Oil Field) Related Real Estate
- Real Estate Technology
- Office Properties
- Retail and Industrial Real Estate
- Land Sales
- Financing
- Property Sales and Acquisitions
- Consulting for Real Estate Projects
- Public Speaking and Presenting on Related Topics
- Real Estate Marketing
- Branding and Web-Based Initiatives
- Investment Analysis

Education

B.A University of Minnesota-Twin Cities
Commercial Real Estate Institute (CCIM) Curriculum

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Professional Background

Mr. Farmer is a Director at NAI Legacy overseeing investments acquisitions and client brokerage relationships throughout the Midwest. Mr. Famer has completed over \$950 million of commercial and residential real estate transactions which include the acquisition and disposition of industrial, office, retail and multi-family properties; and ground-up development of hotel, multi-unit housing, and select build-to-suit single-tenant properties on behalf of clients. Mr. Farmer's background includes structured real estate investment vehicles as single-property private placements, private equity funds, tax-deferred exchanges, and tax-deferred equity syndications.

Prior to NAI Legacy, Mr. Farmer served in various property acquisitions and dispositions roles with public and private real estate investment companies. Mr. Farmer served as the Senior Acquisitions Manager at The Ackerberg Group, a Minneapolis-based private real estate investment and development company, and was involved in the creation of a \$50 million private equity fund regulated by SEC 506(b). Mr. Farmer was the Director of Investments at Talon Real Estate Holding Corp. (OTC: TALR); a publically traded real estate company structured as a Real Estate Investment Trust (REIT). Mr. Farmer oversaw the acquisition of \$65 million in properties structured as tax-deferred mergers - umbrella partnerships (UPREIT). Mr. Farmer also served as the Executive Vice President of Investments at Geneva, a private real estate investment and wealth management company, and oversaw the acquisition of \$700 million in commercial and residential properties located throughout the Midwest, Phoenix, and Florida accounting for over 4.5 million square feet of space, which included all major property types, hotel, and senior housing. Mr. Farmer was a Vice President at Stonehaven Realty Trust and RESoft, Inc. (AMEX: RPP); a publicly-traded REIT and technology company, and oversaw property management operations, third-party accounting and investor reporting in accordance with public company procedures.

Mr. Farmer is a graduate from the University of St. Thomas in St. Paul, Minnesota; is a licensed Real Estate Broker and is affiliated in various industry associations.

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