

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES



CHASE

116 E. South St
Longview, TX 75601
OFFERING MEMORANDUM



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LISTED BY

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BROKER OF RECORD

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Executive Overview

Investment Highlights

- » Chase has consistently renewed their lease, including as recent as 2016, showing their commitment to the location
- » This location holds large deposits, close to \$120,000,000 for 2018
- » Below Market Rent - Chase is paying less than \$8.00/SF while other tenants are paying approximately \$11+/SF
- » Attractive 10% rental increases at every renewal option moving forward
- » Chase Bank carries an extremely strong Investment Grade Credit rating of A+ (S&P)
- » Great retail location in the heart of downtown
- » Strong demographics: 5-Mile population of 77,268 residents
- » Texas is an income tax-free state



Financial Overview



Financial Summary



LIST PRICE

\$658,166



CAP RATE

7.65%



TERM REMAINING

±3.5 Years

Annualized Operating Data

	2016	2017	2018
Annual Base Rent	\$58,400		
Reimbursement	\$16,255.08		
Total Gross Income	\$74,384.04	\$74,384.04	\$74,384.04
RE Taxes	-\$16,255.00	-\$16,255.00	-\$16,255.00
Utilities (25% of Total)	-\$4,170.00	-\$4,458.00	-\$4,743.00
Maintenance	-\$2,300.00	-\$5,300.00	-\$2,367.00
NOI	\$51,659.04	\$48,371.04	\$51,019.04
3 Year Average NOI	\$50,349.71		

*Per the lease, Chase reimburses property taxes 100% and covers 75% of Utilities

**Landlord currently receives \$6,198.67 a month from tenant for base rent (\$4,866.66) and RE Taxes (\$1,354.59)

Executive Summary

Property Name	Chase Bank
Address	114 E. South Street Longview, TX 75601
Year Built	1983

Tenant Summary

Tenant Trade Name	Chase Bank
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease Type	NN
Roof & Structure	Landlord Responsibility
Original Lease Term	10 Years
Rent Commencement Date	10/30/2006
Lease Expiration Date	12/31/2021
Term Remaining	±3.5 Years
Increases	10% Every 5 Years
Extensions	Three, 5-Year Extensions

Tenant Overview



Parent Company Trade Name

JP Morgan Chase & Co.



Headquartered

New York, NY



No. of Locations

±5,600



Year Founded

2000

TENANT OVERVIEW

JPMorgan Chase & Co. is a multinational banking and financial services holding company. Boasting some \$2.6 trillion in assets, JPMorgan Chase is the largest bank holding company in the US. The Company is engaged in investment banking, financial services for consumers and small businesses, commercial banking, financial transaction processing and asset management. It offers non-interest-bearing deposits; and interest-bearing deposits, such as savings accounts, demand deposits, and time deposits. The company also provides consumer loans, such as residential mortgages, home equity loans and lines of credit, auto loans, business banking loans, and student and other loans; and home equity loans secured by junior liens, prime mortgage loans, and payment option loans.

GEOGRAPHIC OUTREACH

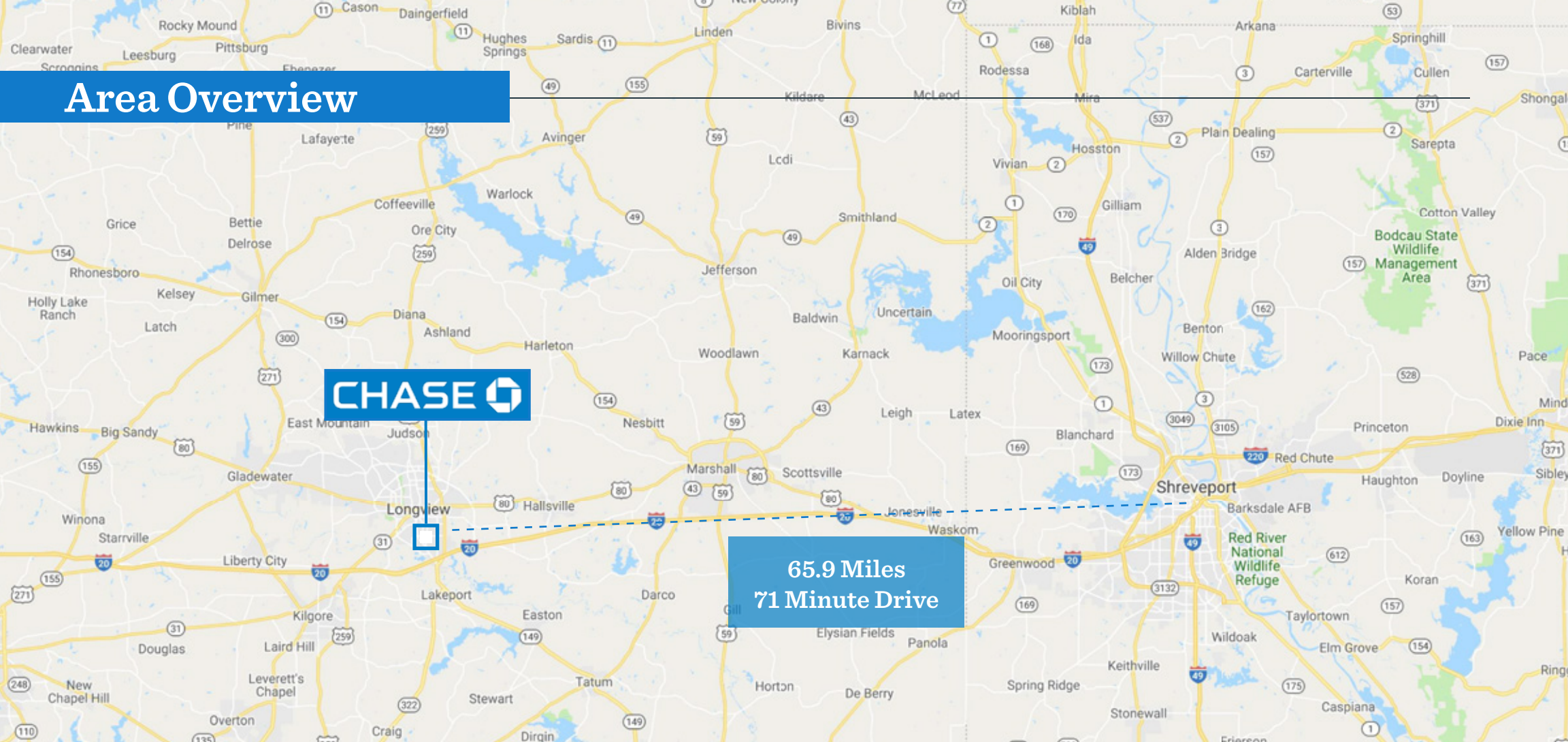
With more than 5,600 branches in about two dozen states and active in more than 100 countries, Chase is among the nation's top mortgage lenders and credit card issuers. It holds around \$131 billion in credit card loans.



Surrounding Area



Area Overview



Longview, TX

Sitting just west of the Texas-Louisiana state line, Longview is the seat of Gregg County and the forty-fifth largest city in Texas. A small part of Longview extends into the western part of neighboring Harrison County. Located at the intersection of Interstate 20 and U.S. Highways 80 and 259, Longview is conveniently located to larger cities such as Shreveport, LA and Dallas, TX.

The Longview MSA is home to over 217,000 people as of the 2017 census. Established in the 1870s as part of the railroad route in East Texas, Longview is considered a major hub city for the region. In 2014, Forbes magazine ranked Longview as the sixth fastest-growing small city in the United States. Companies with significant presence in Longview are Eastman Chemical and Trinity Rail Group; communities stimulating the city and metro area are LeTourneau University, Kilgore College, and the University of Texas at Tyler's Longview University Center.

Demographics

POPULATION	1 - MILE	3 - MILE	5 - MILE
2023 Projection	6,225	45,474	77,862
2018 Estimate	6,149	44,317	75,280
HOUSEHOLDS	1 - MILE	3 - MILE	5 - MILE
2023 Projection	1,724	17,022	30,193
2018 Estimate	1,703	16,519	29,060
INCOME	1 - MILE	3 - MILE	5 - MILE
2018 Est. Average Household Income	\$37,811	\$55,769	\$62,972

Economy

The economy in Longview is healthy. Despite a national downturn in the housing market, Longview has been growing, and home prices continue to rise. Some major sectors of the Longview economy include the East Texas Oil Field, services, technology, and manufacturing.

In 2007, Longview added some major chain stores to its north side. The addition of Kohl's, two Starbucks, a new Target, a third Walmart supercenter on the south side, and a handful of hotels means Longview is becoming a regional hub for shopping. Keeping shoppers in Longview and away from Tyler, Dallas, and Shreveport has been an important strategy for the city.

The largest employers in Longview are CHRISTUS Good Shepherd Medical Center, with 3,200 employees, Eastern Chemical, with 1,492 employees, and Longview Independent School District with 1,205 employees.

LeTourneau University

LeTourneau University (LETU) is a private, interdenominational Christian university located in Longview, Texas with programs in engineering, aeronautical science, education and business. The university also provides graduate and undergraduate degree programs for working adults online and at education centers in Texas in Dallas, Houston, and Longview.

The university has a total undergraduate enrollment of nearly 2,800 and sits on a 162-acre campus. It is ranked #15 in Best Colleges for Veterans, #11 in Best Value Schools, and #29 in Engineering Programs as compared to other schools in the region. LETU offers more than 90 programs that prepare students for success in aviation, biblical studies, business, communication, criminal justice, education, engineering, nursing, human services, kinesiology, liberal arts, psychology, and science.



Confidentiality Agreement & Disclaimer

This Offering Memorandum contains select information pertaining to the business and affairs of **Chase Bank** located at **116 E. South St, Longview, TX** ("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.

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

Regulated by the Texas Real Estate Commission

Information available at www.trec.texas.gov

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