



OFFERING MEMORANDUM

28033 INTERSTATE 45 NORTH | THE WOODLANDS, TEXAS



OFFERED EXCLUSIVELY BY
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AFFILIATED BUSINESS DISCLOSURE & CONFIDENTIALITY AGREEMENT

Newmark Knight Frank's Net Lease Practice Group (the "Agent") has been engaged as the exclusive sales representative for the sale of [insert building address here] (the "Property") by 'Ownership' (the "Seller").

The information contained herein has been obtained from sources deemed reliable but has not been verified and no guarantee, warranty or representation, either express or implied, is made with respect to such information. Terms of sale or lease and availability are subject to change or withdrawal without notice.

This Memorandum does not constitute a representation that the business or affairs of the Property or Seller since the date of preparation of this Memorandum have remained the same. Analysis and verification of the information contained in this Memorandum are solely the responsibility of the prospective purchaser.

Additional information and an opportunity to inspect the Property will be made available upon written request of interested and qualified prospective purchasers. Seller and Agent each expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers regarding the Property, and/or terminate discussions with any party at any time with or without notice. Seller reserves the right to change the timing and procedures for the Offering process at any time in Seller's sole discretion. Seller shall have no legal commitment or obligations to any party reviewing this Memorandum, or making an offer to purchase the Property, unless and until such offer is approved by Seller, and a written agreement for the purchase of the Property has been fully executed and delivered by Seller and the Purchaser thereunder.

This Memorandum and the contents, except such information which is a matter of public record or is provided in sources available to the public, are of a confidential nature. By accepting this Memorandum, you agree that you will hold and treat it in the strictest confidence, that you will not forward, photocopy or duplicate it, that you will not disclose this Memorandum or any of the contents to any other entity (except to outside advisors retained by you, if necessary, for your determination of whether or not to make a proposal and from whom you have obtained an agreement of confidentiality) without the prior written authorization of Seller or Agent, and that you will not use this Memorandum or any of the contents in any fashion or manner detrimental to the interest of Seller or Agent.

THE TEAM

INVESTMENT



TROPHY LOCATION IN THE HEART OF THE WOODLANDS, TX (HOUSTON MSA)

The Subject Property is a true trophy location within the heart of Houston's premier sub-market (The Woodlands). The asset is uniquely positioned at the interchange of Lake Woodlands Drive and Interstate 45. The Property enjoys strong accessibility from I-45 frontage, and benefits from strong traffic counts.



EXCELLENT EXPOSURE AND VISIBILITY FROM I-45 (225,740 VPD)

The Subject Property enjoys exceptional visibility from I-45, and provides for strong accessibility.



INSTITUTIONAL QUALITY CONSTRUCTED RETAIL PROTOTYPE DESIGN

The Subject Property boasts an institutional quality, prototype designed 5,000sf retail property, located in the heart of the Woodlands and Pinecroft Center.



10% RENT INCREASES IN PRIMARY TERM AND OPTION PERIODS

The AT&T lease highlights 10% rental increases every five years of the primary term, and upon commencement of each option period. The next 10% rent increase is scheduled to occur on July 1, 2021, resulting in a 6.09% average cap rate over the primary term.



AWARD WINNING WOODLANDS MARKET

The Subject Property is well positioned within one of Texas' premier retail submarkets, and within a highly synergistic trade area. Beyond it's award winning master planned residential communities, The Woodlands is home to numerous Fortune 500 corporate HQ campuses and master developments such as "Hughes Landing" – a 66 acre mixed use development, located on Lake Woodlands (1.2 miles west of the Subject Property).

PURCHASE PRICE

\$3,965,517

CAP RATE

5.80%

EXECUTIVE SUMMARY

Address	28033 Interstate 45 North The Woodlands, Texas
Tenant/Guarantor	New Cingular Wireless PCS, LLC
Use	Retail
Acreage	0.745 Acres
Rentable Building Area	5,000 SF
Expense Structure	NN
Lease Commencement Date	July 2016
Primary Term Expiration	June 30, 2026
Initial Term	10 Years
Current Annual NOI	\$230,000
Rent Increases	10% rental increase in each Option Period.
Interest	Fee Simple
Year Built	2016

AERIAL MAP



The Woodlands Medical Center



225,740 VPD



The Woodlands Mall



Pinecroft Center



Headquarters

- 4,700 employees
- \$13B in revenues
- 666K barrels of oil produced per day



THE INVESTMENT

LEASE ABSTRACT

TENANT TRADE NAME	AT&T
ADDRESS	28033 Interstate 45 North The Woodlands, Texas
TENANT/ GUARANTOR	New Cingular Wireless PCS, LLC
LEASE EFFECTIVE DATE	July 2016
PRIMARY TERM EXPIRATION	July 2026
REMAINING TERM	7.25 Years
OPTION PERIODS	Two, Five-year option periods.
ANNUAL NOI	Year 1-5 \$230,000 Year 6-10 \$253,000
RENT INCREASES	10% rent increase in July 2021 and at the commencement of each option period.
LEASE TYPE	NN
UTILITIES	Tenant Responsibility
TAXES	Tenant Responsibility
INSURANCE	Tenant Responsibility
ACREAGE	0.745 Acres





PROPERTY DETAILS

RENTABLE BUILDING AREA	5,000 SF
ACREAGE	0.745 Acres
YEAR BUILT	2016

RENT SCHEDULE

Year	Rent
CURRENT - JUNE 30, 2021	\$230,000
JULY 1, 2021 - JUNE 30, 2026	\$253,000
RENEWAL OPTION 1 (5 YEAR PERIOD)	\$278,000
RENEWAL OPTION 2 (5 YEAR PERIOD)	\$306,130







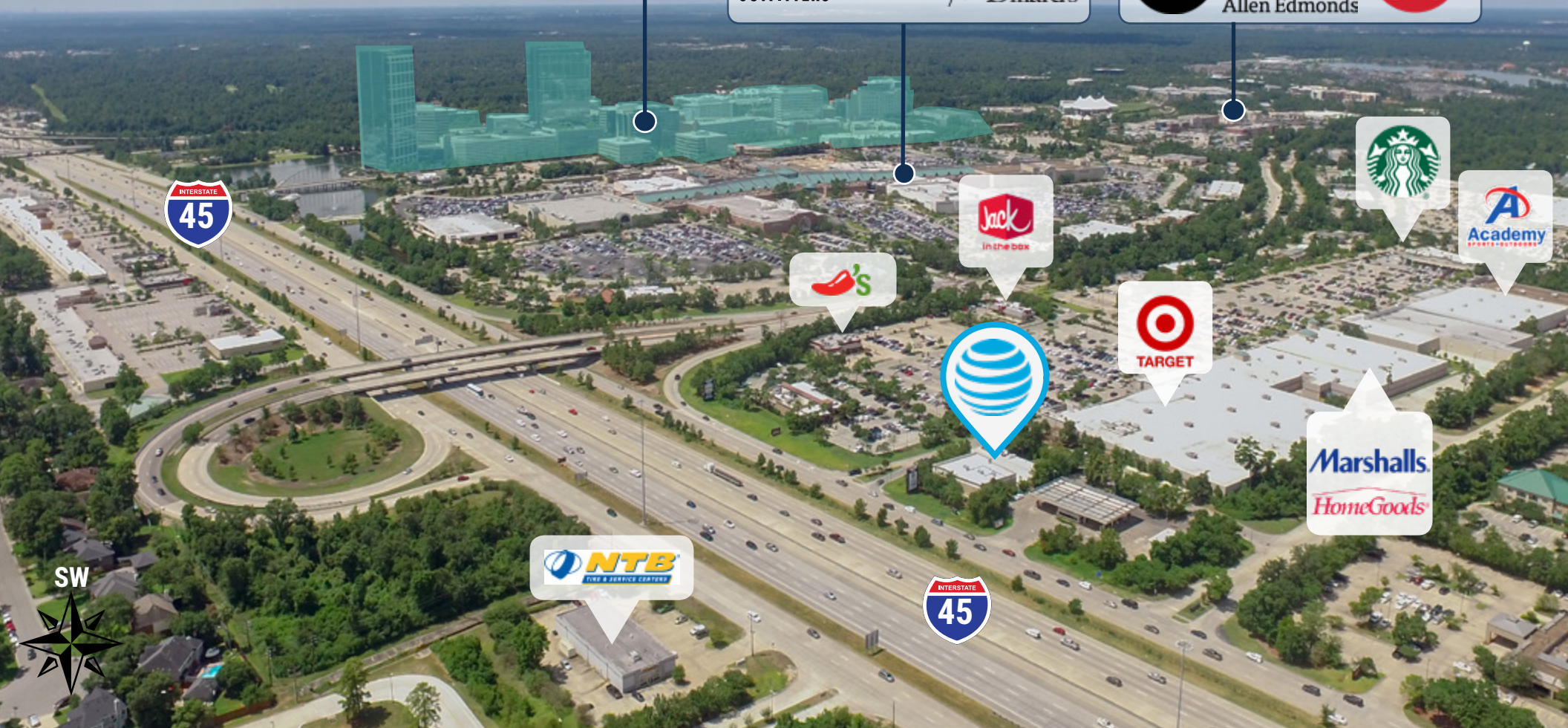
The Woodlands Waterway

The Waterway connects The Woodlands Waterway Marriott Hotel & Convention center, Cynthia Woods Mitchell Pavilion, Waterway Square and The Woodlands Mall. The area serves as a bustling entertainment district that offers a variety of restaurants, shops, entertainment venues, and outdoor green spaces. Waterway Square also features office buildings which serves as the home for many of The Woodlands major employers, such as; Anadarko petroleum, Woodforest National Bank, and American Financial and Automotive Services.

The Woodlands Mall



Market Street



Hughes Landing

Hughes Landing is a 66-acre mixed use lifestyle development that features Restaurants, shopping, Class A office buildings, multifamily housing, and outdoor entertainment. Current Tenants: Whole Foods Market, Benchmark Hotels, Hilton: Embassy Suites, Starbucks, Truluck's, Del Frisco's, and Pier 1

Outdoor Amenities: Kayak & paddleboard rental, water sports, entertainment pavilion, a dog park, and a connection to hike and bike trails.

The Woodlands Mall

The Woodlands Mall is a three-story closed shopping mall. With a gross leasable area of 1,350,000 square feet, it is considered a super-regional mall by industry definitions. The Woodlands Mall features six anchor stores: Dick's Sporting Goods, Dillard's, Forever 21, JCPenney, Macy's, and Nordstrom





THE TENANT



AT&T Inc. (NYSE: T) is the world's largest telecommunications company, the second largest provider of mobile telephone services, and the largest provider of fixed telephone services in the United States. The mission of AT&T is to inspire human progress through the power of communication and entertainment. AT&T's headquarters are in Dallas, Texas.

AT&T began its history as Southwestern Bell Telephone Company, founded by Alexander Graham Bell in 1880. In 1995, a lawsuit resulted in several independent companies including Southwestern Bell Corporation or SBC Communications Inc. In 2005, SBC purchased AT&T Corporation and took on the name and branding.

As of 2017, AT&T is the world's largest telecommunications company. AT&T is also the second largest provider of mobile telephone services in the United states.

AT&T reported total revenues of \$170.756 billion and net income of \$19.953 billion in 2018. The company currently employs about 273,210 employees. AT&T has recorded 34 consecutive years of quarterly dividend growth and is a Fortune 10 company.



YEAR FOUNDED
1983



STOCK SYMBOL
NYSE: T



HEADQUARTERS
Dallas, Texas



2017 REVENUES
\$170B



LOCATIONS
16,000

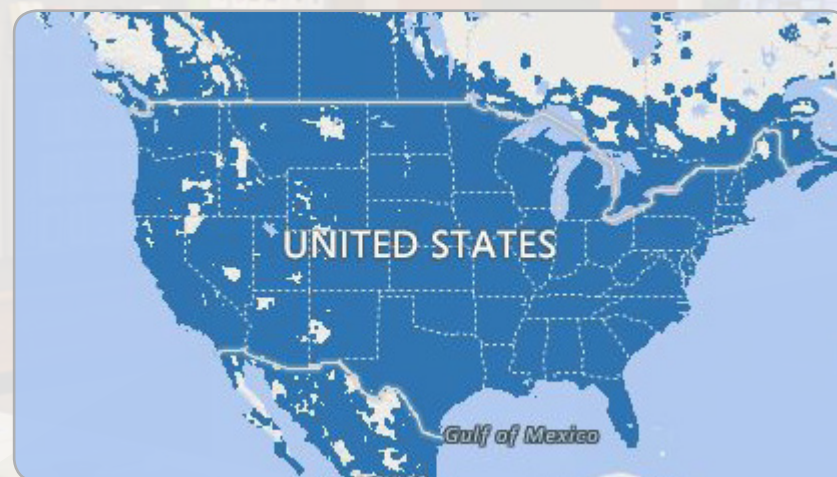


2017 NET INCOME
\$19B



EMPLOYEES
273,210

WEBSITE
www.att.com



AT&T Cellular Coverage Map

#1

LARGEST COMMUNICATIONS
COMPANY IN THE WORLD

35 YEARS

CONSECUTIVE INCREASE IN
QUARTERLY DIVIDENDS

\$154B

2018 PRO FORMA
CONSOLIDATED REVENUES

\$140B

CAPITAL INVESTMENTS IN
THE LAST 5 YEARS



THE WOODLANDS, TEXAS

LOCATION & DEMOGRAPHICS

THE WOODLANDS, TX

The Woodlands is 28 miles north of Houston and is included in the Houston metropolitan, which is also known as Greater Houston. Greater Houston is the fifth-most populous metropolitan in the United States. The Greater Houston area is projected to add between 4.1 and 8.3 million new residents between 2010 and 2050. The city of Houston is the most populous city in the state of Texas and the fourth largest city in the United States. Houston is recognized worldwide for its energy industry. The Houston area is the top U.S. market for exports; petroleum products, chemicals, and oil and gas extraction equipment accounted for roughly two-thirds of the area's exports. Houston is also known for its healthcare industry. The Texas Medical Center is the largest life sciences destination in the world. The campus welcomes more than 7.2 million visitors per year and has the number one cancer hospital in the world, M.D. Anderson Cancer Center. Houston is home to the tier one research universities of Rice University, University of Houston, and Texas A&M University.

The Woodlands is known as a master planned community with an estimated population of 116,278 residents. The community is also known to be very family oriented. The city has grown in population by 23.9% since 2010. It has attracted several larger companies and now has several corporate campuses including Chevron Phillips Chemical, Anadarko Petroleum, Baker Hughes, ExxonMobil, Halliburton, and Southwestern Energy. The newest and most popular development being Hughes Landing, which is a 66-acre walkable development. Hughes Landing is comprised of several Class-A office buildings, hotels, and a restaurant row alongside 200-acre Lake Woodlands. This area has been awarded both gold and commendation awards by The International Council of Shopping Centers (ICSC) in 2017.



POPULATION	1 MILE	3 MILE	5 MILE
2023 PROJECTION	4,474	64,730	167,298
2018 ESTIMATE	3,847	55,793	144,923
2010 CENSUS	3,064	45,452	119,119
GROWTH 2018-2023	16.30%	16.02%	15.44%
GROWTH 2010-2018	25.55%	22.75%	21.66%
HOUSEHOLDS			
2023 PROJECTION	1,911	26,714	64,155
2018 ESTIMATE	1,642	23,035	55,601
2010 CENSUS	1,282	18,650	45,673
GROWTH 2018 - 2023	16.38%	15.97%	15.38%
GROWTH 2010 - 2018	28.08%	23.51%	21.74%
2018 AVG HOUSEHOLD INCOME	\$127,895	\$117,138	\$121,664
2018 MED HOUSEHOLD INCOME	\$96,979	\$85,275	\$91,789

LOCATION

HOUSTON, TEXAS

Houston is the most populous city in the state of Texas and the fourth-most populous city in the United States. It is also the largest city in the Southern United States, and the seat of Harris County. Located near the Gulf of Mexico, it is the principal city of the Greater Houston metro area, which is the fifth-most populated MSA in the United States.

The city was named after former General Sam Houston, who was president of the Republic of Texas and had commanded and won at the Battle of San Jacinto 25 miles east of where the city was established. The burgeoning port and railroad industry, combined with oil discovery in 1901, has induced continual surges in the city's population. In the mid-20th century, Houston became the home of the Texas Medical Center—the world's largest concentration of healthcare and research institutions—and NASA's Johnson Space Center, where Mission Control Center is located.

The economy of Houston is based primarily on the energy industry, particularly oil. However, health care, biomedical research, and aerospace also constitute large sectors. In 2012, the gross domestic product (GDP) of the Houston–The Woodlands–Sugar Land metropolitan statistical area (MSA) was \$449 billion, the fourth-largest of any metro area in the United States. The Houston metropolitan area comprises the largest concentration of petrochemical manufacturing in the world, including for synthetic rubber, insecticides, and fertilizers. It is the world's leading center for oilfield equipment construction, with the city of Houston home to more than 3,000 energy-related businesses, including many of the top oil and gas exploration and production firms and petroleum pipeline operators. Twenty-three companies on the Fortune 500 list have their headquarters in, or around, Houston.

The Port of Houston ranks first in the United States in international waterborne tonnage handled and second in total cargo tonnage handled. The city has a large and growing international community. Houston is the most diverse city in Texas and has been described as the most racially and ethnically diverse major metropolis in the U.S.





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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.

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Amanda Pope	673743	mandy.pope@ngkf.com	713.300.7908
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date