

Walmart
Supercenter



CONSTRUCTION PHOTO
AS OF 4/27/2019

Offering Memorandum

VERIZON
106 SOUTH LHS DRIVE
LUMBERTON, TX 77657

verizon✓

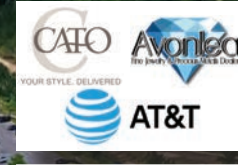
Marcus & Millichap



LUMBERTON
HIGH SCHOOL

LUMBERTON
INTERMEDIATE
SCHOOL

2,000 TOTAL
STUDENTS



S LHS DRIVE
20,800 CPD

verizon✓



VERIZON

106 South LHS Drive
Lumberton, TX 77657

FINANCIAL SUMMARY

Price	\$1,378,000
Down Payment	100% \$1,378,000
Cap Rate	6.35%
Building SF	+/- 3,000 SF
Net Cash Flow	6.35% \$87,500
Year Built	2019
Lot Size	.867 Acres

LEASE SUMMARY

Lease Type	Double-Net (NN) Lease
Tenant	Cellular Sales of Texas, LLC
Lease Guarantor	Cellular Sales of Knoxville, Inc.
Roof & Structure	Landlord Responsible
Est. Rent Commencement Date	August 1, 2019
Est. Lease Expiration Date	July 31, 2029
Lease Term	10 Years
Rental Increases	10% Every 5 Years in Options
Renewal Options	2, 5 Year Options

ANNUALIZED OPERATING DATA

LEASE YEARS	ANNUAL RENT	CAP RATE
1 - 10	\$87,500	6.35%
OPTIONS	ANNUAL RENT	CAP RATE
Option 1	\$96,250	6.98%
Option 2	\$105,875	7.68%

BASE RENT	\$87,500
Net Operating Income	\$87,500
Total Return	6.35% \$87,500





Verizon is the largest wireless telecommunications provider in the United States. The company offers the largest 4G LTE network in America and the nation's largest high-speed 3G network. For residential customers, Verizon FiOS is America's largest 100% fiber-optic network to the home, providing the nation's fastest, most consistent and most reliable Internet service, as well as TV with the best picture quality. For large businesses, Verizon is a global IP leader, operating one of the worlds' most connected public Internet backbone networks, delivering solutions that let customers securely connect, communicate and collaborate around the globe.

Headquarters	Basking Ridge, NJ
Stock Symbol	NASDAQ: VZ
Founded	2000
Locations	2,330
Website	www.verizonwireless.com

CELLULARSALES

Recognized as the largest Verizon wireless retailer in the United States, Cellular Sales was founded in Knoxville, TN in 1993 by University of Tennessee graduates, Dane and Meg Scism. The company employs over 4,600 people and is currently 730 locations strong and growing. The Knoxville area is home to 17 of Cellular Sales' Verizon Wireless retail locations, from Harriman in the west to Jefferson City and Newport in the east.

LESSEE'S OBLIGATIONS

Lessee shall, at Lessee's expense and throughout the Term, keep in clean, sanitary, and safe condition the Leased Premises, and except for the repairs Lessor is specifically obligated to make pursuant to the terms of this Lease, make all necessary repairs to the Building, including, but not limited to, the exterior and interior doors, signs, windows, ceiling tiles, fixtures, carpets and floor coverings, interior wall surfaces and coverings, sprinkler system, HVAC and plumbing systems and fixtures, and all other utility lines and connections within the Building and from the point of entry into the Building. In addition, Lessee shall, at Lessee's expense, and throughout the Term, be responsible for maintaining the Leased Premises, including, but not limited to, the parking lot and drives, landscaping and irrigation, grass mowing, site lighting, trash removal and cleaning of the sidewalks and parking lot, including trash, debris, ice, and snow.

LESSOR'S OBLIGATIONS

Lessor shall, at Lessor's expense and throughout the Term, keep in good repair, maintain, and replace, when and if necessary, all structural components of the Building including, but not limited to, the foundations, exterior walls, load bearing walls and columns, subfloors, floors (but not including carpet or tile or other floor covering), the roof, including roof membrane and any interior damage caused by roof leaks (except to the extent caused by Lessee, including caused by Lessee's failure to properly maintain HVAC equipment), under slab and exterior plumbing, site utilities servicing the Leased Premises to the point of connection with the Building, and window and door structural frames (but not any portion of the glass). Lessee will use reasonable efforts to report to Lessor any defective condition known to or discovered by Lessee that Lessor is required to repair. Lessor will commence any repair or replacement to the Leased Premises for which it is responsible pursuant to this provision promptly after Lessor is aware of, by notice from Lessee or otherwise, the need for any such repair.

TAXES

Lessee shall pay, as additional rent, an amount equal to the Real Estate Taxes assessed against the Leased Premises for the period commencing on the Rent Commencement Date and ending on the last day of the Term. The term "Real Estate Taxes" shall mean any and all real property and/or ad valorem taxes, general, special or extraordinary assessments, maintenance fees, municipal utility district or other public, quasi-public or private fees, charges or assessments and any other taxes, now or hereafter applicable to the Leased Premises, but excluding any inheritance, estate, succession, transfer, gift, franchise, corporation, income, or profit tax, or capital levy that is or may be imposed on Lessor.

INSURANCE

Lessee agrees to procure and maintain during the Term, at its sole cost, the following insurance coverages; Commercial General Liability, Owned Property, Workers' Compensation and Employer's Liability
Lessor agrees to procure and maintain during the Term, with Lessee reimbursing such costs as Additional Rent, the following insurance coverages: Building Insurance, Commercial General Liability (optional), and Loss of Rents (optional).

UTILITIES

All utilities serving the Leased Premises shall be separately metered and Lessee shall pay directly to the utility service providers all costs for utilities consumed on the Leased Premises including without limitation electricity, water, gas and sewer.

ASSIGNMENT & SUBLET

Lessee may not sublease the Leased Premises or any portion thereof nor assign this Lease without first obtaining Lessor's written consent.

INVESTMENT HIGHLIGHTS

- New 10-Year Lease with Verizon
- Brand New 2019 Construction
- Tenant is the Largest Verizon Retailer in the United States – 700+ Locations
- 22,613 Residents in Growing Lumberton Trade Area
- Down the Road from Walmart Supercenter
- Across from Lumberton Intermediate School (880 Students) and Lumberton High School (1,125 Students)
- Surrounded by Numerous National Retailers – Walmart Supercenter, Burger King, CVS, Sonic, Subway, Smoothie King, and More
- Excellent Visibility Along South LHS Drive (U.S. Route 287) – 20,800 CPD
- Average Household Income Exceeds \$82K in 5-Mile Radius

DEMOGRAPHIC REPORT

Population	1-Mile	3-Miles	5-Miles
2023 Projection	4,827	18,657	22,922
2018 Estimate	4,701	18,274	22,613
Growth 2018 - 2023	2.68%	2.10%	1.37%
Households	1-Mile	3-Miles	5-Miles
2023 Projections	1,828	6,748	8,410
2018 Estimate	1,760	6,544	8,204
Growth 2018 - 2023	3.86%	3.11%	2.50%
Income	1-Mile	3-Miles	5-Miles
2018 Est. Average Household Income	\$81,676	\$81,785	\$82,707
2018 Est. Median Household Income	\$68,005	\$65,802	\$65,519
2018 Est. Per Capita Income	\$30,682	\$29,341	\$30,049

LOCATION OVERVIEW

Lumberton is a city in Texas' Hardin County, located within the Beaumont-Port Arthur Metropolitan Area. The city is home to Village Creek State Park, a heavily forested 1,094-acre park in the Piney Woods of eastern Texas where visitors are free to picnic, hike, and camp. Tourists from all over Texas and Louisiana are attracted to the region for the park, and every year the Village Creek Festival is held in Lumberton. The city is currently in the process of developing a 90-acre park for the community to enjoy, which will become the new home for the Village Creek Festival and will include other attractions, such as walking trails, nature observation stations and a wetlands area.

The Beaumont-Port Arthur Metropolitan Area consists of four counties in Southeast Texas, with Houston to the west and Louisiana to the east. This area is also known as the Golden Triangle. The "golden" refers to the wealth that came from the Spindledrop oil strike near Beaumont in 1901 and "triangle" refers to the area among the cities of Beaumont, Port Arthur, and Orange. The region has an estimated population of 411,000 people and has seen steady growth over the last few years.







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91 MILES
..... Houston,
Texas



11-2-2015

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.

Confidentiality Agreement

The information contained in the following offering memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and it should not be made available to any other person or entity without the written consent of Marcus & Millichap. By taking possession of and reviewing the information contained herein the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum. If you have no interest in the subject property at this time, please return this offering memorandum to Marcus & Millichap.

This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this offering memorandum has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONTACT THE MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

Net Leased Disclaimer

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

By accepting this Marketing Brochure, you agree to treat the information contained herein regarding the lease terms as confidential and proprietary and to only use such information to evaluate a potential purchase of this net leased property.

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services as well as the Property Owner and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

exclusively listed

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TIMOTHY SPECK

Broker of Record

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OFFICES NATIONWIDE

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