



REGIONS

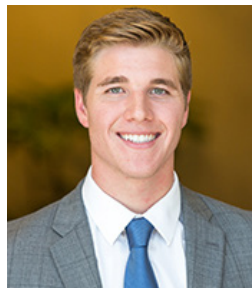
HOUSTON | TEXAS
OFFERING MEMORANDUM

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

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PROPERTY HIGHLIGHTS

- » Brand New 2019 Construction
- » 20-Year Absolute NNN Ground Lease
- » Regions Financial Corporation is a Publicly Traded Company (NYSE: RF) with Investment Grade Credit (S&P A-)
- » Rare 12.5% Increases Every 5-Years and Including the Four, 5-Year Option Periods
- » Houston is the Largest City in Texas and the Fourth Most Populous City in the U.S.



DEMOGRAPHICS HIGHLIGHTS

- » $\pm 118,000$ Vehicles Per Day Pass the Property on Westheimer Rd
- » $\pm 550,000$ People Live Within a 5-Mile Radius of the Property
- » 5.72% Expected Population Growth in 1-Mile Radius of the Property by 2024
- » Employment in West Houston is Projected to Grow by 87,670 Net New Positions by 2022



WESTCHASE DISTRICT HIGHLIGHTS

- » Located In The Westchase District, Covering 4.2 Square Miles at the Center of the Thriving West Houston Economy
- » Several Fortune 200 Companies Based in the Westchase District Including: Kroger; Bank of America; Target; Cisco; MetLife; Honeywell, National Oilwell Varco; and Office Depot
- » Many Businesses claim the Westchase District as their Corporate Headquarters including: CGG, BMC Software, Cardtronics, Tailored Brands and Phillips 66
- » 1,500 Businesses Reside in the Westchase District and 53,000 People Work in the Westchase District



LOCATION HIGHLIGHTS

- » Situated on a Large Corner Lot and Anchored by Strong National Retailers: Target, Whole Foods, CVS, Ross Dress For Less, Petco, Kirkland's, and Golf Galaxy
- » Located in the Westchase Shopping Center Owned and Managed by Weingarten Realty (NYSE: WRI), One of the Nation's Premier Real Estate Investment Trusts
- » Adjacent to Houston Community College Enrolling $\pm 10,000$ Students



Financial Overview



Investment Summary

» PROPERTY ADDRESS	10803 Westheimer Rd, Houston, TX
» OFFERING PRICE	\$5,783,133
» NOI (YEAR 1)	\$240,000
» INCREASES	12.25% Increases
» CAP RATE (YEAR 1)	4.15%
» TOTAL BUILDING AREA	±2,140 SF
» TOTAL LAND AREA	±0.83 Acres (36,242 SF)
» YEAR BUILT	2019

Annualized Operating Data

	Monthly	Annual	Increases	Cap Rate
Year 1-5	\$20,000.00	\$240,000.00		4.15%
Years 6-10	\$22,500.00	\$270,000.00	12.5%	4.67%
Years 11-15	\$25,312.50	\$303,750.00	12.5%	5.25%
Years 16-20	\$28,476.56	\$341,718.75	12.5%	5.91%
Option 1	\$32,036.13	\$384,433.59	12.5%	6.65%
Option 2	\$36,040.65	\$432,487.79	12.5%	7.48%
Option 3	\$40,545.73	\$486,548.77	12.5%	8.41%
Option 3	\$45,613.95	\$547,367.36	12.5%	9.46%

Tenant Summary

Tenant Trade Name	Regions Bank
Type of Ownership	Ground Lease
Lease Type	Absolute NNN
Lease Guarantor	Regions Financial Corporation (NYSE: RF)
Tenant Credit Rating	Investment Grade Credit (S&P A-)
Landlord Responsibilities	None, Absolute NNN
Term Remaining on Lease	± 19.25 Years
Original Lease Term	20 Years
Rent Commencement Date	October 29, 2018
Lease Expiration Date	October 28, 2038
Rent Increases	12.25% Every 5 Years
Options	Four, 5-Year Options



Regions Financial Corporation is a member of the S&P 500 Index and is one of the nation's largest full-service providers of consumer and commercial banking, wealth management and mortgage products and services. Regions serves customers across the South, Midwest and Texas.

Three foundational elements serve as the basis of their culture: values, mission, and vision. They list them in this order for a reason: their values guide our day-to-day life, how they treat customers and each other, and the expectations for how they behave. Their mission defines their corporate purpose and answers the question, "What do we want to accomplish when we work together?" And their vision is what they aspire to, what they want the company to look like when they follow the values in service of their mission.

WWW.REGIONS.COM

±1,454
BANK LOCATIONS

ALABAMA
HEADQUARTERS

\$6.77 BILLION
REVENUE

S&P A-
INVESTMENT GRADE
CREDIT



HOUSTON
COMMUNITY COLLEGE

KOHL'S
P.F. CHANG'S
Walmart LOWE'S



Bank of America

Waffle
House

The UPS Store



Walgreens

DOLLAR TREE

Office
DEPOT

FIREHOUSE
SUBS
FOUNDED BY FIREMEN
H&R BLOCK
SALLY
BEAUTY

WHOLE
FOODS
MARKET

TORCHY'S
TACOS

KIRKLAND'S

Jason's deli
Pita Pit

TACO CABANA

Dimassi's
Wedding & Event Planning

ROSS
DRESS FOR LESS

REGIONS

WESTHEIMER RD.
± 118,000 VPD

five BELOW

MATTRESS ONE

PETCO
Where the pets go.



GOLF
GALAXY





HEADQUARTERS



UPTOWN



SAM HOUSTON TOLLWAY
± 255,040 VPD



WESTHEIMER RD.
± 118,012 VPD





REGENCY CENTER
157,412 SF OFFICE

**GOLF
GALAXY**

PETCO
Where the pets go.

HCC
HOUSTON COMMUNITY COLLEGE

CAMBRIDGE PLACE
APARTMENTS

MATTRESS1ONE

five BEL'W

KIRKLAND'S

**WELLS
FARGO**

**TORCHYS
TACOS**

Jason's deli
Pita Pit

WARWICK @
WESTCHASE APARTMENTS

WESTCHASE SQUARE
1152,250 SF OFFICE

**WHOLE
FOODS**
MARKET

TACO CABANA
THE ORIGINAL
MEXICAN PITA PIT

ROSS
DRESS FOR LESS

PALAIS ROYAL

Dimassi's
MEATMARKET BUILT

TARGET

BGE

REGIONS
It's time to expect more.

WESTHEIMER RD.
± 118,012 VPD

MEMORIAL

UPTOWN

 **bmc** HEADQUARTERS

 **ion**

 **techspace**

 **TRUITY**

 **aspentech**

 **The Strategic CFO**

 **Fairfield HOMESWOOD SUITES**

 **FOLIO WEST**

 **Exxon**

 **CARDTRONICS** HEADQUARTERS

 **PHILLIPS 66** HEADQUARTERS

 **Panera MOD**

 **CHASE**

 **Hertz**

 **SMOOTHIE KING**

 **DISCOUNT TIRE**

 **TACO BELL**

 **Mister**

 **McDonald's**

 **DUNKIN'**

 **STARKEY**

 **BGE**

 **Wendy's**

 **TAKE 5**

 **REGIONS**
It's time to expect more.

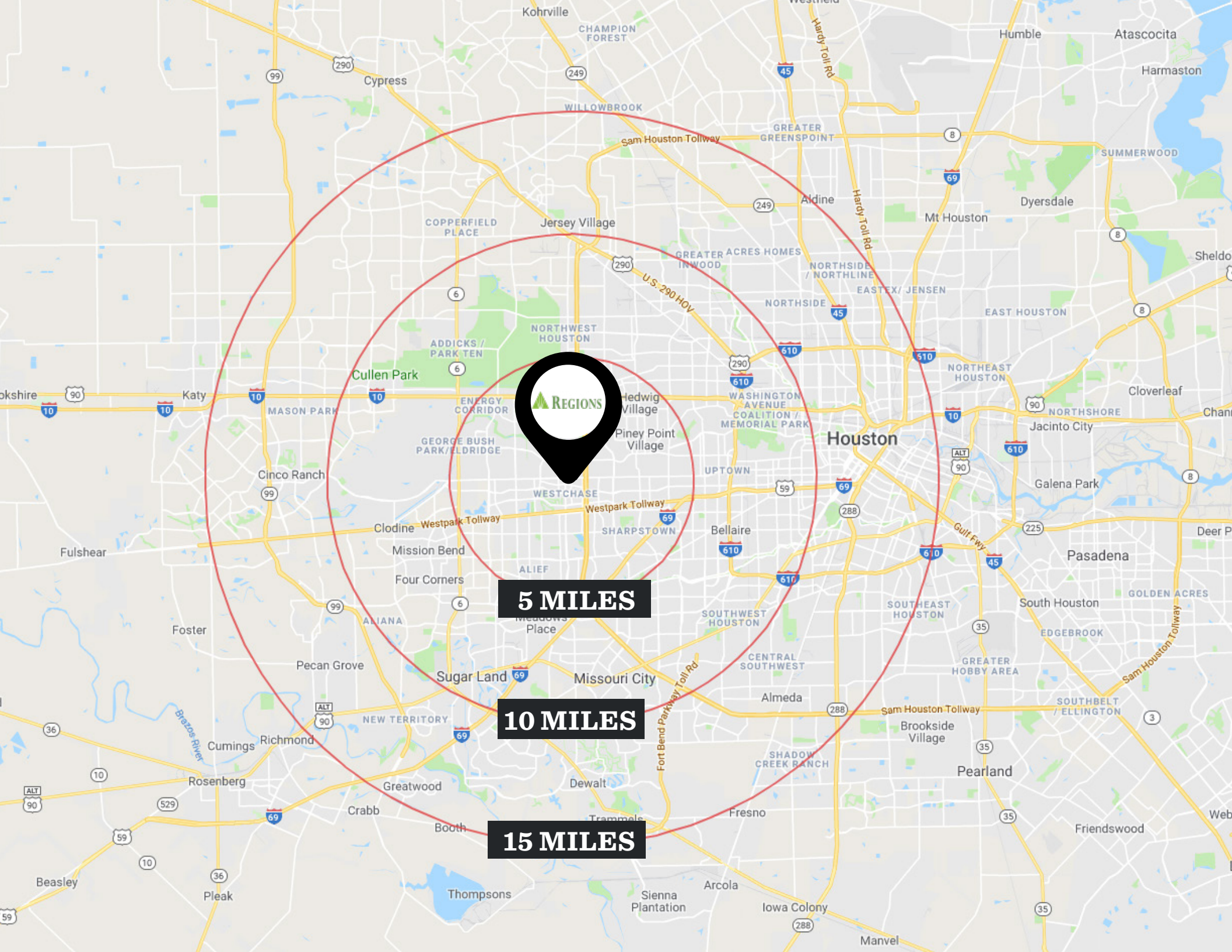
WESTHEIMER RD.
± 118,012 VPD



WESTHEIMER RD.
± 118,012 VPD



WALNUT BEND LN.
± 8,339 VPD





Financial Overview

DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
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2024 Projection	30,162	207,614	589,870
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2019 Estimate	28,100	195,054	553,161
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2010 Census	24,918	176,550	494,548
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Growth 2019-2024	7.34%	6.44%	6.64%
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HOUSEHOLDS	1-MILE	3-MILES	5-MILES
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2024 Projection	14,535	87,960	227,057
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2019 Estimate	13,617	82,733	213,123
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2010 Census	12,287	75,230	191,106
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Growth 2019-2024	6.74%	6.32%	6.54%
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INCOME	1-MILE	3-MILES	5-MILES
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Average Household Income	\$76,817	\$90,509	\$84,137
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HOUSTON METROPLEX

Houston is the most diverse metropolitan area in Texas and has been described as the most racially and ethnically diverse major metropolis in the U.S. It is home to many cultural institutions and exhibits, which attract more than 7 million visitors a year to the Museum District. Houston has an active visual and performing arts scene in the Theater District and offers year-round resident companies in all major performing arts. Though Houston is the largest city in the United States without formal zoning regulations, it has developed similarly to other Sun Belt cities because the city's land use regulations and legal covenants have played a similar role. Houston has the fifth-tallest skyline in North America (after New York City, Chicago, Toronto and Miami). A seven-mile system of tunnels and skywalks links Downtown buildings containing shops and restaurants, enabling pedestrians to avoid summer heat and rain while walking between buildings. Centered on Post Oak Boulevard and Westheimer Road, the Uptown District boomed during the 1970s and early 1980s when a collection of midrise office buildings, hotels, and retail developments appeared along Interstate 610 West. Uptown became one of the most prominent instances of an edge city. Located in the American South, Houston is a diverse city with a large and growing international community. Houston is highly regarded for its diverse food and restaurant culture. Several major publications have consistently named Houston as one of "America's Best Food Cities".

A LOOK AT TEXAS THROUGH NUMBERS



#1 ECONOMIC CLIMATE
#2 BEST STATE FOR BUSINESS



\$1,587 BILLION
GROSS STATE PRODUCT



TOP 10 HOT
HOUSING MARKET 2018



+ 30 M RESIDENTS
FROM 2010-2050
750,000 NEW RESIDENTS EVERY YEAR

A LOOK AT HTX THROUGH NUMBERS



2.8X JOB GROWTH OVER 2018 AVG



12 LARGEST MSA IN THE USA



RANKED #3 IN NUMBER OF
JOBS ADDED & RATE OF JOB
GROWTH

WESTCHASE DISTRICT

More than 1,500 businesses, including major employers such as Phillips 66, Chevron, National Oilwell Varco, BMC Software, Jacobs Engineering, M-I SWACO and ABB have experienced the overwhelming advantages that come with doing business in Westchase District. United initiatives are funded by property owners and conducted with their consent.

Westchase District has promoted economic growth in the area by enhancing mobility, beautification, public safety, planning and development of the District. The District's economic developments include: creation and execution of a long-range plan; promoting the District to businesses that are relocating; working with developers to provide the information they need to make sound investment decisions and to help them locate suitable opportunities that meet their investment criteria; and working with the City of Houston, the State of Texas, Harris County, Metro, TxDOT, and the Harris County Flood Control District to coordinate services and plan projects. By providing a higher level of services, Westchase District builds higher value for its property owners.



INCOME GROWTH

9.2%



EDUCATION

40%

Of Residents Have College Degrees

MAJOR EMPLOYERS



MetLife

Bank of America



CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Regions Bank** located in **10803 Westheimer Rd, Houston, TX 77042** ("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

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