

819 HARTFORD TURNPIKE WATERFORD, CT

Net Lease
Investment Opportunity



Confidential Offering Memorandum



MID-AMERICA[®]
Real Estate Corporation



Long-Term Lease With Investment Grade Credit

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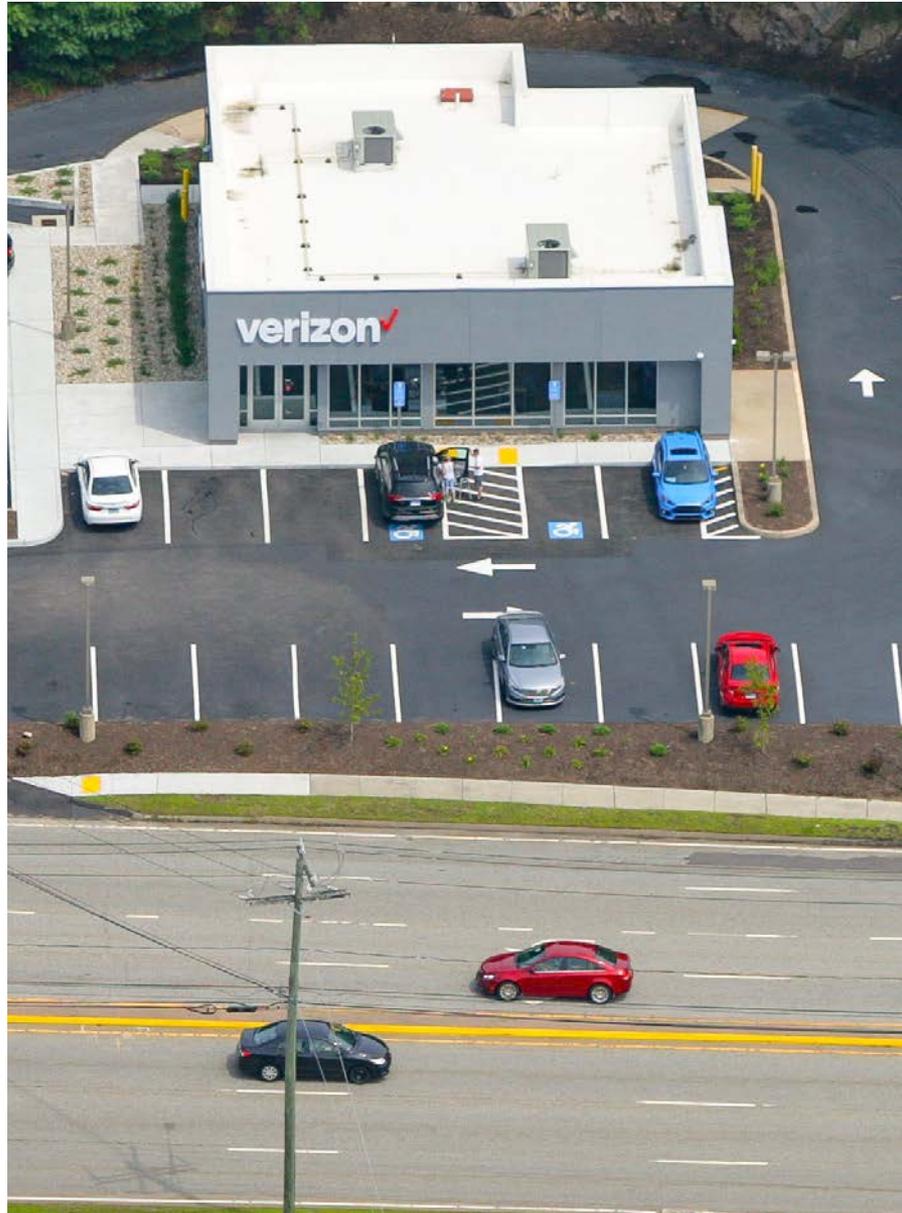
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INVESTMENT OVERVIEW

SUBJECT OFFERING

Mid-America Real Estate Corporation in cooperation with The Dartmouth Company is pleased to present Verizon located at 819 Hartford Turnpike in Waterford, CT 06385. The property is comprised of a 3,022 square foot retail building situated on a large .92 acre parcel. Verizon recently signed a 10 year firm term lease for this site with 10% increases every five years. The site is located directly across from the entrance to the Crystal Mall, a 783,000 square foot mall, owned by Simon Property Group. This asset gives potential buyers the opportunity to own a strong investment grade tenant in a desirable, affluent trade area.

PROPERTY DETAILS

PRICE:	\$2,057,000
CAP RATE:	7.00%
SQUARE FOOTAGE:	3,022 SF
LOT SIZE:	0.92 ACRES
TERM:	10 YEARS
PARKING SPACES:	40
YEAR BUILT:	2002 Renovated 2018



KEY FEATURES

LONG TERM LEASE WITH AN INVESTMENT GRADE COMPANY – In 2019, Cellco Partnership signed a 10 year firm term lease for this site. Cellco Partnership, Inc operates as a subsidiary of Verizon Communications Inc, and boasts an impressive Fitch Credit Rating of “A-”, which is equivalent to a S&P credit rating of “A-”. Verizon has established itself as the largest wireless telecommunications provider in the United States, with approximately 156 million customers and more than 2,350 retail locations. As of August 31, 2018 the company reported revenues of more than \$130.90 Billion and net income of \$15.60 Billion.

NEWLY RENOVATED BUILDING, 10 YEAR LEASE WITH STRONG INCREASES – The building is newly renovated to Verizon’s latest store concept specifications and is subject to a 10 year firm term lease, with no kick out clause. There are strong 10% rental increases every 5 years throughout the primary term and in each 5 year option period. This lease structure serves to increase the average yield of the investment during the primary term and options terms, while hedging against inflation.

RARE FREESTANDING LOCATION IN A REGIONAL TRADE AREA – The subject offering is a rare free-standing building situated off Hartford Turnpike directly across from the 783,000 square foot Crystal Mall. The site is located in the largest regional trade area in Southeast Connecticut that has a trade population over 296,000 people, The Crystal Mall is a newly renovated regional mall owned by Simon Property Group, the largest mall owner in the United States. The Mall has over 110 stores and attracts visitors from over a 30 mile radius, including parts of Rhode Island. The subject offering is also near multiple major shopping centers anchored by big box retailers including: Home Depot, Target, Dick’s Sporting Goods, DSW, Michaels, HomeGoods, PetSmart, PetCo, Marshalls and Burlington Coat Factory.

STRONG ECONOMIC REGION – Waterford is an affluent coastal town in Connecticut that has a strong and vibrant local economy supported by three colleges. The top local employers are Connecticut College, United States Coast Guard Academy, Mitchell College, Jaypro Sports and Dominion Energy. The town’s economy is also closely tied to New Heaven and Hartford, both cities are less than 45 miles from Waterford. New Heaven is home to Yale University and the Yale – New Heaven Hospital, which combined employ over 23,500 people. Hartford is home to multiple Fortune 500 companies including: Pratt & Whitney, Aetna and Hartford Financial Services Group.

EXCELLENT TRAFFIC & EXPOSURE TO CUSTOMERS – The subject offering is situated directly off Hartford Turnpike (30,200 VPD), which is the main thoroughfare through this regional trade area. The site has great exposure to customers as it is situated less than 1/4 of a mile from a signalized intersection that serves as one of the main entrances to the Crystal Mall. Customers have easy access to the property being less than 1/3 of a mile from Interstate 95 (74,300 VPD). This access helps regulate traffic flow, and creates many opportunities for customers to find the site.



WEST FACING AERIAL



SOUTH FACING AERIAL



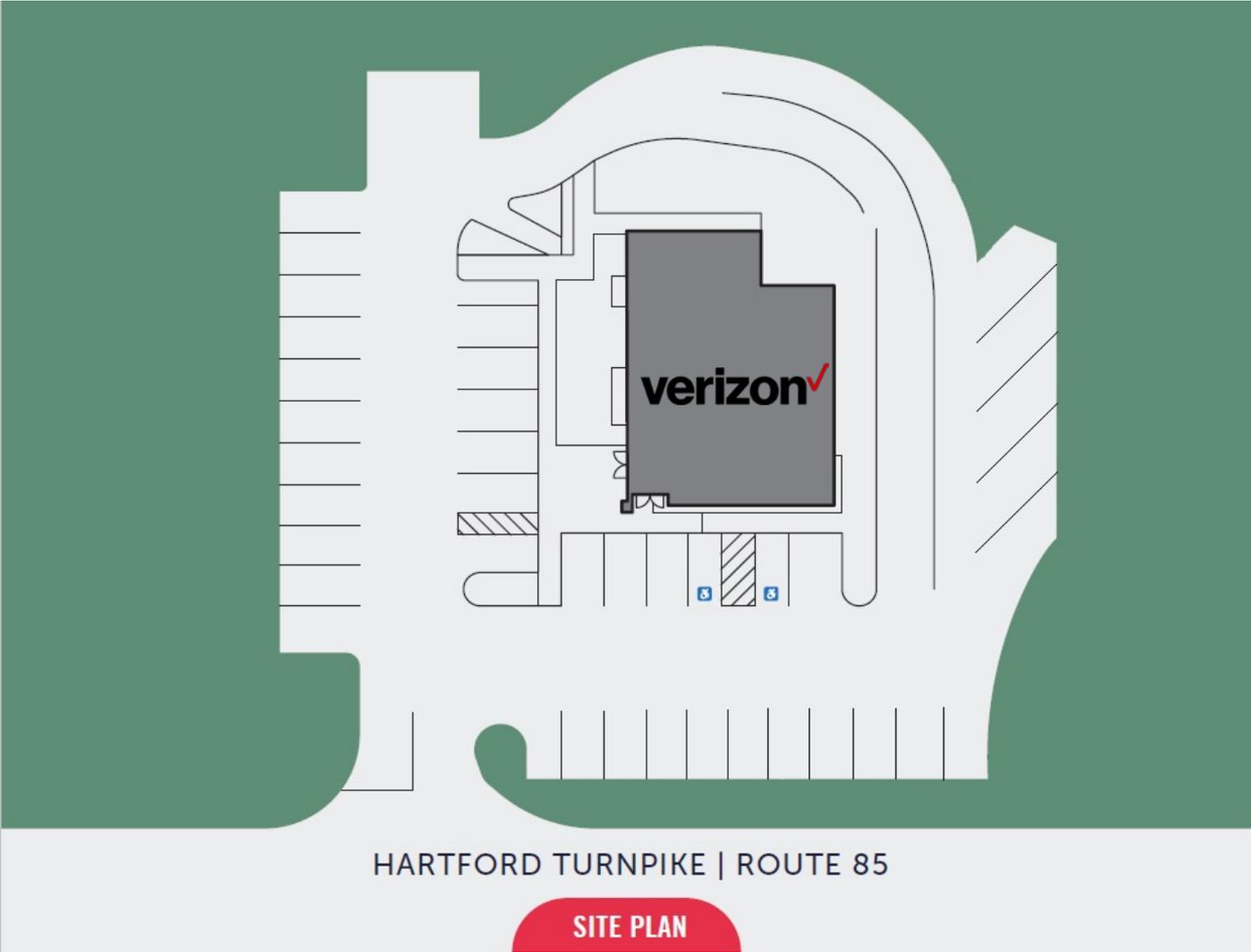
NORTHEAST FACING AERIAL



SITE AERIAL



SITE PLAN



LEASE ABSTRACT

Tenant:	Cellco Partnership d/b/a Verizon Wireless	Rental Increases:	10% increases every 5 years.
Address:	819 Hartford Turnpike, Waterford CT, 06385	Tenant Insurance:	Tenant maintains insurance.
Lease Type:	NN Lease	Landlord Insurance:	Tenant maintains insurance. Tenant reimburses Landlord for insurance premiums.
Year Built:	2002 Renovated in 2018	Taxes:	Tenant reimburses Landlord.
Building Size:	3,022 SF	Utilities:	Tenant pays directly
Land Area:	0.92 Acres	Estoppel:	Within 30 days after written request.
Expiration Date:	2/28/29	Landlord Maintenance:	Landlord responsible for structure, exterior walls, roof, floor slabs, replacement of HVAC, replacing paving and drainage/sloping issues.
Options:	Two– Five (5) Year Option Periods	Tenant Maintenance:	Tenant responsible for interior non-structural elements, trash removal, window and plate glass, doors, snow & ice removal, HVAC maintenance, interior surfaces, landscaping and maintaining/repairing the parking lot including: sanding, painting, striping and patching.
Annual Rent:	\$144,000		
Monthly Rent:	\$12,000		

PRICING

Price:	\$2,057,000
Cap Rate:	7.00%
Square Feet:	3,022

FINANCIAL SUMMARY

Years	Dates	Annual Base Rent	Monthly Rent	Yield	Rental Increase
1-5	2/14/2019 – 2/28/2024	\$144,000	\$12,000	7.00%	-
6-10	3/1/2024 – 2/28/2029	\$158,400	\$13,200	7.70%	10%
Average Yield Throughout Primary Term				7.35%	
Option 1					
11-15	3/1/2029 – 2/28/2034	\$174,240	\$14,520	8.47%	10%
Option 2					
16-20	3/1/2029 – 2/28/2034	\$191,700	\$15,975	9.32%	10%
Average Yield Throughout Option Term				8.90%	

TENANT OVERVIEW

Verizon Wireless is a telecommunications company that was founded in 1983. It provides communication, information, and entertainment products and services to consumers, businesses, and governmental agencies worldwide. Formerly known as Bell Atlantic Corporation, the company changed to Verizon Communications Inc. in 2000. Verizon is headquartered in New York, New York and has over 150,000 full-time employees worldwide. The company has an investment grade credit rating of A-.

Cellco Partnership, Inc., doing business as Verizon Wireless Inc., provides wireless, residential, and business telecommunications products and services. The company, founded in 1994, is based in New Jersey. Cellco Partnership, Inc. operates as a subsidiary of Verizon Communications Inc. The company offers smartphones and prepaid phones, mobile plans, jet packs and hotspots, tablets, and various related accessories. It also provides employee discounts, customer care, cloud management, and business application. Products and services are sold through retail stores and online.

Tenant:	Cellco Partnership Inc
Credit Rating (Fitch):	A-
Parent Company:	Verizon Communications Inc.
Credit Rating (Fitch):	A-
Stock Symbol (Nasdaq):	VZ
Headquarters:	New York City
Number of Stores (2019):	2,350
Market Cap:	\$230 billion
Revenue (8/31/2018):	\$130.90 billion
Net Income (8/31/2018):	\$15.60 billion



MARKET OVERVIEW

The town of Waterford is an affluent coastal community located in the southeast region of Connecticut, in the Norwich - New London MSA. The MSA is home to over 274,055 people and a diversified local economy. Waterford was founded in 1801 and has a population over 20,000 people. It is located near three premier colleges: Connecticut College, Mitchell College and the United States Coast Guard Academy, which have a combined annual enrollment over 3,500 students. The subject offering is in north central Waterford off Hartford Turnpike, which is the primary thoroughfare through Waterford's main trade area, anchored by the Crystal Mall. Waterford sits at the intersection of two major interstate highways: I-95 and I-395 that have a combined traffic count over 161,200 VPD. These routes are major traffic corridors for the transportation of goods as well as people who commute for work to Hartford and New Haven. Many residents choose to live in Waterford given its low cost of living, excellent school system, natural beauty and easy access to major arterial routes.



MARKET ANALYSIS

The town of Waterford has a strong and vibrant local economy. It is home to over 638 employers with the largest being Connecticut College, United States Coast Guard Academy, Jaypro Sports and Dominion Energy. In total, over 11,000 people are employed in the town. Waterford is also less than 8 miles from the New London Naval Submarine Base, the primary East Coast submarine base for the United States Navy. The submarine base employs over 21,000 civilians and is home to over 19,500 people, made up of active duty personnel and their family members. The town has competitive land costs, a strong labor pool, and excellent access to Interstate 95 and 395. It is strategically located between New York and Boston, it is only two hours from each city. Waterford has a unique downtown district complete with many locally owned shops and restaurants as well as a local farmer's market. The town has become a weekend getaway for many New Englanders who want to enjoy Waterford's recreation and cultural attractions, including Eugene O'Neill Theater Center and Harkness Memorial State Park.

The economies of Hartford and New Haven are closely tied to Waterford's economy because many of Waterford's residents work outside the town limits in either Hartford or New Haven. New Haven is home to Yale University a top Ivy League School and premier global research institution. The University has an annual student enrollment over 5,500, while employing over 9,000 people. The largest employer in New Haven is the Yale – New Haven Hospital, which employs over 13,500 people including 4,500 medical staff. In 2019, the hospital was ranked by U.S News & World Report as one of the best hospitals in the United States. Yale University has turned New Haven into a premier medical research center attracting many high tech, health services and bio tech companies to the city. The city of Hartford is home to multiple large employers, including many industry titans such as Pratt & Whitney, Aetna, Hartford Financial Services Group as well as Hartford Hospital and St. Francis Hospital & Medical Center, combined these companies employ over 33,000 people. These major companies, along with Yale University and the Yale – New Haven Hospital, provide a strong economic outlook for Waterford's residents.



DEMOGRAPHIC OVERVIEW

Population	1 Mile	3 Miles	5 Miles
2019 Population	2,368	37,239	83,222
2024 Projected Population	2,294	36,944	82,650
Workplace Establishments	354	2,546	5,376
Estimated Daytime Population	8,068	70,866	204,976
Households	1 Mile	3 Miles	5 Miles
2019 Households	5,696	26,950	63,602
2024 Projected Households	5,747	27,535	65,318
Persons per Household	1.98	2.17	2.33
Income	1 Mile	3 Miles	5 Miles
Average Household Income	\$103,390	\$72,165	\$82,482
Median Household Income	\$77,900	\$52,279	\$60,928
Per Capita Income	\$37,997	\$28,623	\$33,475

DEMOGRAPHIC PROFILE WITHIN 5-MILE RADIUS:

POPULATION
83,222

HOUSEHOLDS
63,602

AVERAGE HH INCOME
\$82,482

LEGAL DISCLAIMER

The Offering Memorandum (“The Memorandum”) is intended solely for the limited use of The Potential Purchaser in considering whether to pursue negotiations to acquire 819 Hartford Turnpike, Waterford, CT 06385 (“The Property”). The Memorandum, prepared by Mid-America Real Estate Corporation, in cooperation with The Dartmouth Company. (Hereinafter collectively referred to as “MAREC”), contains brief, selected information pertaining to the operation of The Property and Owner does not purport to be all-inclusive or to contain all the information, which The Potential Purchaser may desire. The Memorandum will be delivered with the understanding that The Potential Purchaser will conduct its own analysis and investigation of The Property, independently and without reliance upon The Owner, MAREC or The Memorandum and based on such documents, information and other matters as The Potential Purchaser, in its sole discretion, deems appropriate in evaluating a purchase of The Property. In furnishing The Memorandum, MAREC and/or The Owner reserve(s) the right to request the return of The Memorandum (including all copies or partial copies), or any other information provided, at any time. Neither The Owner nor MAREC or any of their officers, employees or agents make any representation or warranty, expressed or implied, as to the accuracy or completeness of The Memorandum or any oral or written communication transmitted from MAREC and/or The Owner to The Potential Purchaser and no legal liability is assumed or to be implied with respect thereto. By accepting The Memorandum, The Potential Purchaser agrees that The Memorandum’s contents and any other information pertaining to The Property and provided to The Potential Purchaser are confidential and proprietary; that The Memorandum and the information contained therein or provided is the property of The Owner and/or MAREC, that it will hold in favor of and treat The Memorandum and information provided in the strictest of confidence; that it will not, directly or indirectly, disclose or permit anyone else to disclose The Memorandum’s contents without prior written authorization; and, that it will not use or permit to be used The Memorandum or The Memorandum’s contents in any fashion or manner detrimental to the interest of The Owner and/or MAREC or in violation of the obligation to maintain such information and The Memorandum in strict confidence. However, The Potential Purchaser may disclose such confidential information to its employees, auditors, financial advisors, directors and/or counsel to whom it is reasonably necessary for purposes of evaluating The Property provided such disclosure is made pursuant to this agreement, all reasonable precautions are taken to safeguard the information and parties are informed of the need to maintain the information as confidential. The Potential Purchaser agrees that photocopying or other duplication of information provided by The Owner and/or MAREC is strictly prohibited. The Owner expressly reserves the right, at its sole discretion, to reject any or all proposals or expressions of interest in The Property and to commence, participate in, or terminate discussions with any party at any time with or without notice. The Potential Purchaser acknowledges that The Owner has no obligation to discuss or agree to the sale of The Property. Notwithstanding that The Potential Purchaser and The Owner may reach one or more oral understandings or agreements on one or more issues that are being discussed, neither party shall be bound by any oral agreement of any kind and no rights, claims, obligations or liabilities of any kind, either express or implied, shall arise or exist in favor of or be binding upon either party except to the extent expressly set forth in a written agreement signed by both parties. The Memorandum shall not be deemed a representation of the state of affairs of The Property nor constitute an indication that there has been no change in the business or affairs of The Property since the date of its preparation. The Potential Purchaser agrees not to contact the tenants, leasing MARECs or property management staff of The Property in connection with its review of The Property. Any and all questions related to The Memorandum or The Property must be directed to MAREC. In the event The Potential Purchaser decides not to pursue the acquisition of The Property, The Potential Purchaser agrees to return The Memorandum and all copies (including partial copies) to the appropriate representative of MAREC.



LEGAL DISCLAIMER

Representation The Potential Purchaser understands and agrees that MAREC is not representing The Potential Purchaser in this Proposed Sale. MAREC is only representing The Owner in this Proposed Sale.

Americans with Disabilities Act The United States Congress has enacted the Americans With Disabilities Act. Among other things, this act is intended to make business establishments equally accessible to persons with a variety of disabilities. As such, modifications to real property may be required. State and local laws also may mandate changes. Neither The Owner nor MAREC is qualified to advise The Potential Purchaser as to what, if any, changes may be required now, or in the future. The Potential Purchaser should consult the attorneys and qualified design professionals of its choice for information regarding these matters. Neither The Owner nor MAREC can determine which attorneys or design professionals have the appropriate expertise in this area.

Hazardous Materials Disclosure Various construction materials may contain items that have been or may in the future be determined to be hazardous (toxic) or undesirable and as such may need to be specifically treated, handled or removed. Due to prior or current uses of The Property or the area, there may be hazardous or undesirable metals, minerals, chemicals, hydrocarbons or biological or radioactive items (including electric and magnetic fields) in soils, water, building components, above or below-ground containers or elsewhere in areas that may or may not be accessible or noticeable. Such items may leak or otherwise be released. Neither The Owner nor MAREC has expertise in the detection or correction of hazardous or undesirable items. Expert inspections are necessary. Current or future laws may require clean up by past, present and/or future owners and/ or operators. It is the responsibility of The Potential Purchaser to retain qualified experts to detect and correct such matters.

Remedies If there is a breach or threatened breach of any provision of these Conditions of Offering, The Owner and/or MAREC shall be entitled to seek redress by court proceedings in the form of an injunction restraining The Potential Purchaser without the necessity of showing any actual damages or that monetary damages would not afford an adequate remedy and/or a decree for specific performance without any bond or other security being required. Nothing herein shall be construed as prohibiting The Owner and/or MAREC from pursuing any other remedies at law or in equity, which it may have. If The Owner and/or MAREC is involved in a court proceeding to enforce the covenants contained in these Conditions of Offering and The Owner and/or MAREC prevails in such litigation, The Potential Purchaser shall be liable for the payment of The Owner and/or MAREC's reasonable attorneys' fees, court costs and ancillary expenses together with such other and further relief as available under any applicable statute.

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies.



For further information contact the owner's exclusive representatives:

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