

WALGREENS

1790 TEXAS AVENUE, BRIDGE CITY, TEXAS



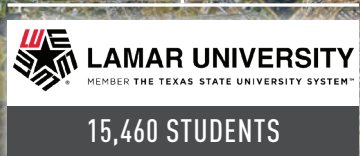
OFFERING MEMORANDUM

Marcus & Millichap

BEAUMONT TEXAS



Walgreens



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Executive Summary

1790 Texas Avenue, Bridge City, TX 77611

FINANCIAL SUMMARY

Price	\$7,544,348
Cap Rate	5.75%
Building SF	14,689 SF
Net Cash Flow	5.75% \$433,800
Year Built	2008
Lot Size	1.74 Acres

LEASE SUMMARY

Lease Type	Absolute Triple-Net (NNN) Lease
Tenant	Walgreens
Guarantor	Corporate
Roof & Structure	Tenant Responsible
Lease Commencement Date	October 27, 2008
Lease Expiration Date	October 31, 2033
Lease Term Remaining	13 Years
Rental Increases	None
Renewal Options	50, 1 Year Options

ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
Current - 10/31/2033	\$433,800	5.75%

Base Rent	\$433,800
Net Operating Income	\$433,800
Total Return	5.75% \$433,800





DAIRY QUEEN

Walgreens

10,000 CPD
E ROUNDBUNCH RD

37,100 CPD
TEXAS AVE

Property Description



INVESTMENT HIGHLIGHTS

- » **Absolute Triple-Net (NNN) Lease with Corporate Guaranty**
- » 13 Years Remaining on Lease Term
- » **104,287 Residents within a 10-Mile Radius - Beaumont-Port Arthur MSA**
- » Surrounded by National Retailers - Church's Chicken, Market Basket, Dollar Tree, Walmart, Sonic Drive-In, and More
- » **Walgreens is Classified as an Essential Services Provider**
- » Walgreens is an Investment Grade Company with a Credit Rating of BBB
- » Walgreens is a Fortune 100 Company - Ranked #19
- » **Signalized Hard Corner - Visible to Over 47,100 Cars/Day at the Intersection of Texas Avenue and Roundbunch Road**
- » Strong Daytime Population - 102,185 Employees in Surrounding Area
- » **Average Household Income Exceeds \$85K within a 5-Mile Radius**
- » Subject Property is the Only Walgreens Serving the Bridge City Community



DEMOGRAPHICS

3-miles

5-miles

10-miles

Population

2024 Projection	12,287	18,003	106,812
2019 Estimate	11,677	16,908	104,287
Growth 2019 - 2024	5.22%	6.48%	2.42%

Households

2024 Projection	4,680	6,723	41,058
2019 Estimate	4,424	6,279	39,848
Growth 2019 - 2024	5.78%	7.07%	3.04%

Income

2019 Est. Average Household Income	\$83,186	\$85,064	\$72,791
2019 Est. Median Household Income	\$67,706	\$68,929	\$53,273
2019 Est. Per Capita Income	\$31,530	\$31,660	\$27,922



Tenant Overview



Walgreens

Walgreens Boots Alliance

Parent Company

Deerfield, Illinois

Headquarters

9,277+

Locations

1901

Founded

walgreens.com

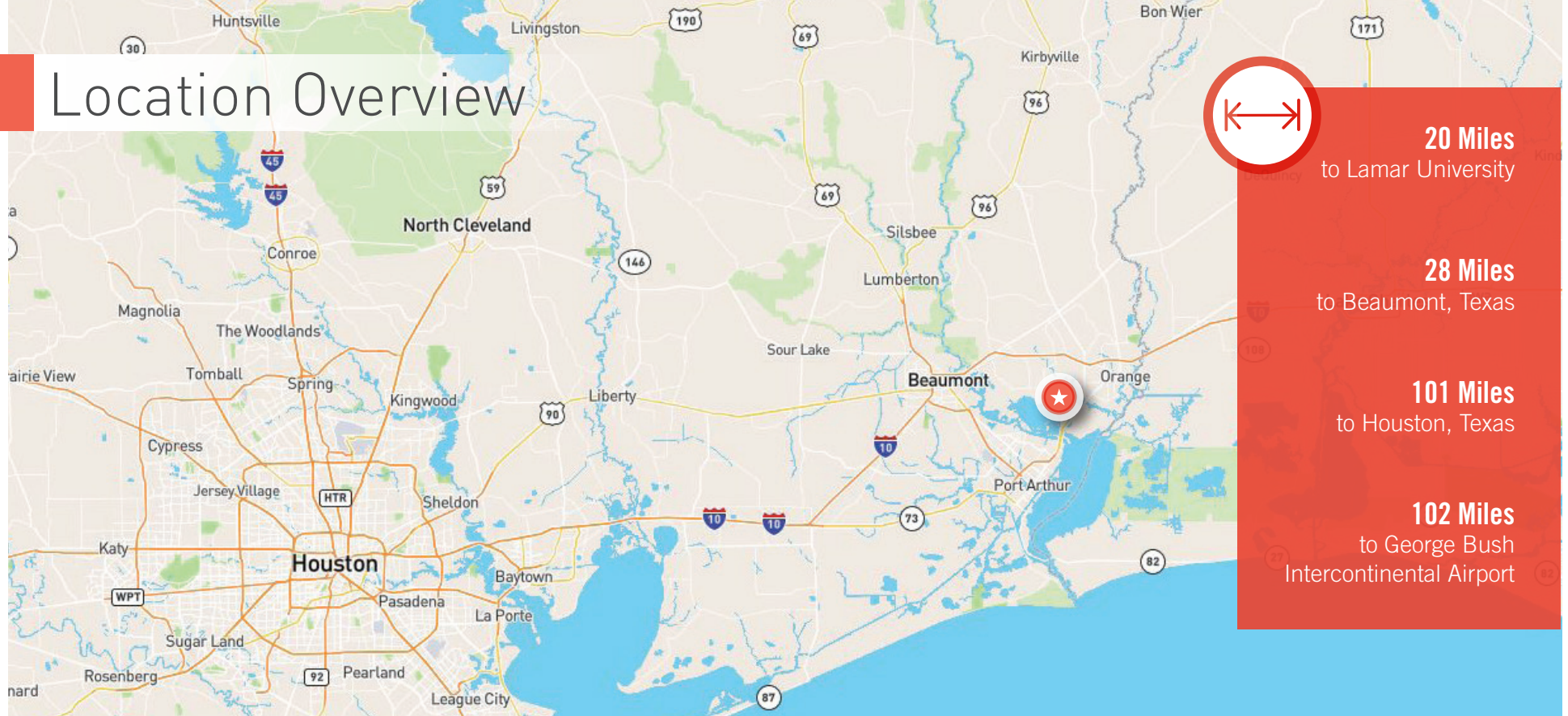
Website

Walgreens is an American pharmaceutical company which operates the largest drug retailing chain in the United States of America. It specializes in serving prescriptions, health & wellness products, health information and photo services. As of August 31, 2019, the company operated 9,277 stores in all 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. It was founded in Chicago, Illinois, in 1901. The Walgreens headquarters office is in the Chicago suburb of Deerfield, Illinois.

Walgreens Boots Alliance is the first global pharmacy-led, health and wellbeing enterprise. Their goal is to help people across the world lead healthier and happier lives. Walgreens Boots Alliance was created through the combination of Walgreens and Alliance Boots in December 2014. This transaction brought together two leading companies with iconic brands, complementary geographic footprints, shared values and a heritage of trusted healthcare services through pharmaceutical wholesaling and community pharmacy care.



Location Overview



Bridge City is located in Texas' Orange County, approximately 100 miles east of Houston, near the Gulf of Mexico. The town borders the Neches River and Cow Bayou and is part of the Beaumont-Port Arthur Metropolitan Statistical Area. As of 2018, the city's estimated population was 7,981.

Beaumont and Southeast Texas have been one of the petroleum industry's most loyal partners since the beginning of the 20th century. Energy companies have several billion-dollar projects planned for the next ten years. These projects will attract new retail outlets and restaurants to better serve a growing, vibrant population. Additional areas of industry growth have been healthcare, research and development, robotics manufacturing, food processing, tourism, aircraft and metals construction.

In Beaumont, metropolitan amenities blend with small town hospitality and values. Downtown Beaumont is the center of business, government and nightlife in Southeast Texas and also features a museum district with five distinct museums. A number of events take place in the region each year, including The Gusher Marathon, Dogtober Fest, the YMBL Southeast Texas State Fair, the Beaumont Farmers Market and more.

Lamar University, part of the Texas State University System, is located in Beaumont and is the city's only state university. With over 100 degrees offered, the university's main academic offerings are in Business, Nursing, Teaching and Engineering. Lamar University's enrollment has grown tremendously in the first decade of the 21st-century, prompting a building boom at the campus. Currently, the university enrolls over 14,780 students.



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.

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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.

SPECIAL COVID-19 NOTICE

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.

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