



CVS | Houston MSA | Porter, TX

OFFERING MEMORANDUM



THE O'SHEA NET LEASE ADVISORY

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Brand Overview



CVS Health Corporate 'Best-in-Class'

CVS Health Corporation (formerly CVS Caremark Corp.) together with its subsidiaries is one of the largest pharmacy health care providers in the United States; with integrated offerings across the entire spectrum of pharmacy care. CVS is unique among the big three retail drugstore chains (Walgreen's, Rite Aid, CVS), in that it operates its own pharmacy benefit management ("PBM"), and is thus, an integrated pharmacy health care provider. CVS's offerings include pharmacy benefit management services; mail order, retail and speciality pharmacy; disease management programs; and retail clinics. CVS operates drugstores throughout the U.S., the District of Columbia, and Puerto Rico. As of December 31, 2014, CVS operated 7,599 retail locations. Its stores sell prescription drugs, as well as other products such as nonprescription medications, health and beauty aids, and cosmetics. The company also operates the nation's largest medical care clinic, with 900 MinuteClinic® health care clinics throughout the country. MinuteClinics® are staffed by nurse practitioners and physician assistants, who utilize nationally recognized protocols to diagnose and treat minor health conditions, perform health screenings, monitor chronic conditions, and deliver vaccinations. CVS expects to grow MinuteClinic® 1,500 locations in more than 35 states by 2017.

Existing retail stores range in size from approximately 5,000 to 25,000 square feet, although most new stores range in size from approximately 8,000 to 13,000 square feet and typically include a drive-thru pharmacy. During 2014, CVS filled approximately 734 million retail prescriptions, or approximately 21% of the U.S. retail pharmacy market. As of December 31, 2014, CVS operated 900 retail health care clinics in 31 states and the District of Columbia under the MinuteClinic® name, the vast majority of which are located within CVS/pharmacy stores. There were 24 million patient visits, nationally.

The quarterly dividend increased by 38 percent in 2013 and the company recently announced another 22 percent increase for 2014, which marks the 11th consecutive year of increases.

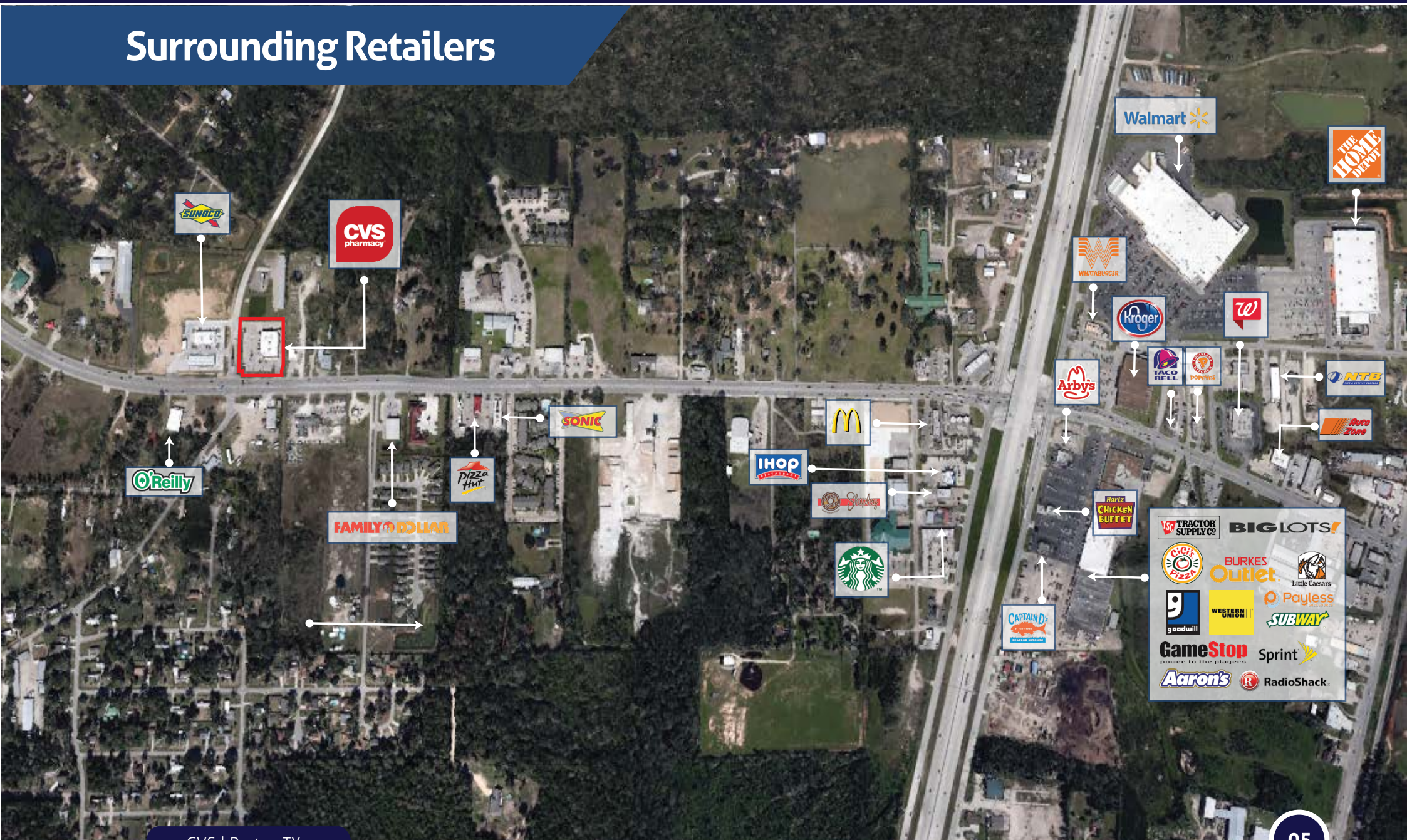
CVS is strongly positioned to take full advantage of the upcoming 'Generic Wave' due to its integrated systems with Caremark for pharmacy benefit management ("PBM") for 2015 and beyond.

Investment Overview

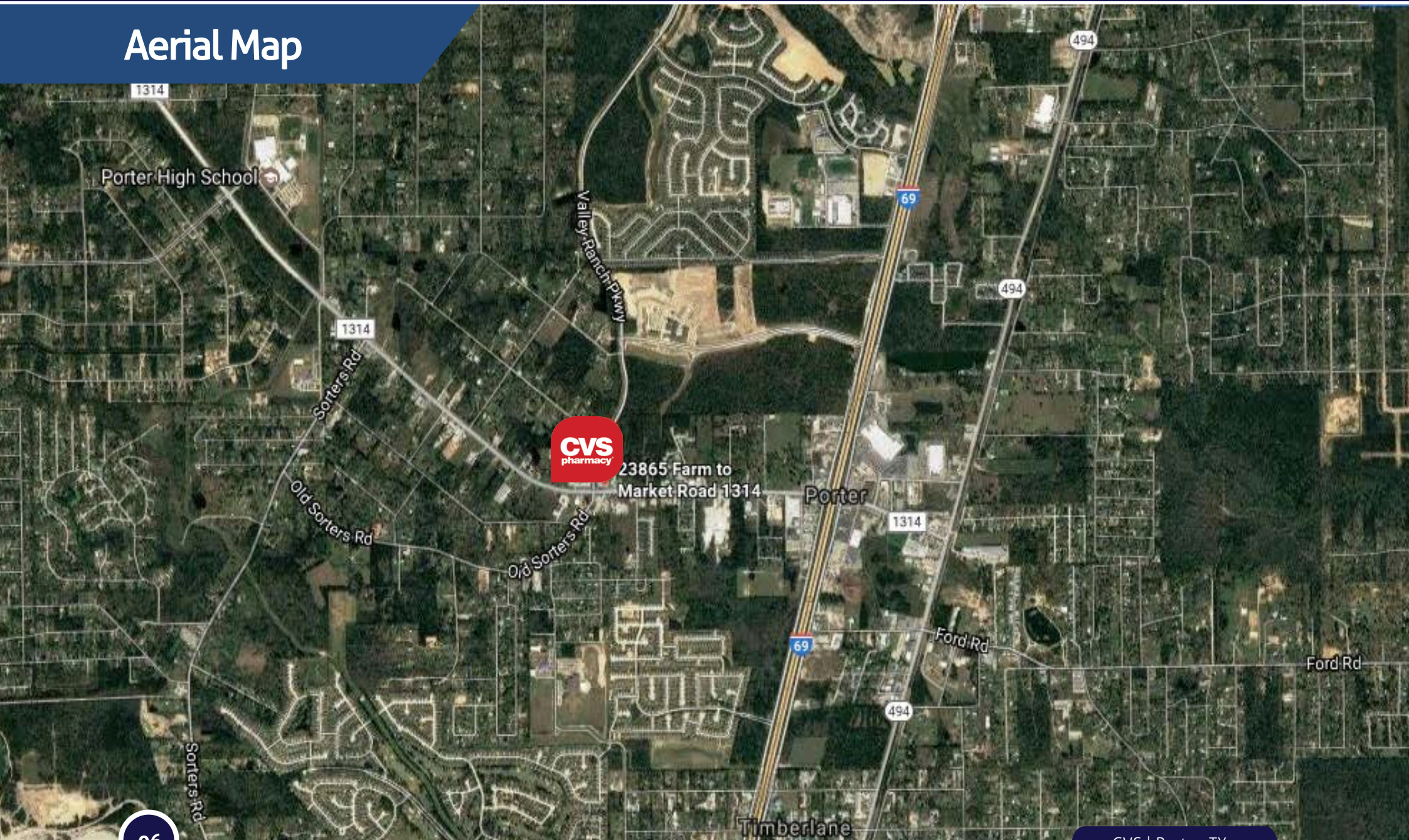
Location	23865 FM 1314, Porter, TX 77365	
Asking Price (Rent Credit)	\$7,801,590	5.08% cap rate
Seller Credit (for Rent Holiday*)	\$1,190,073	
Adjusted Net Price (w/ Credit)	\$6,611,517	6.00% cap rate
Annual NOI	\$396,691	Base Term
Option Periods	Ten (10) x Five (5) year options Options 1* & 2 @ Fixed Rate (\$357,022) Options 3 - 10 @ Fair Market Value (FMV)	

Lease Type	Absolute NNN Bond Lease	
Rent Holiday	3 Years (2031 - 2034)	
CVS Health Corporate Guarantee		
Year Built	2008	
Lease Expires	7/31/2034	
Term Remaining	14 years	
Debt Status	Free & Clear	
Building Size	12,900 ± SF	Lot Size 85,334 ± SF

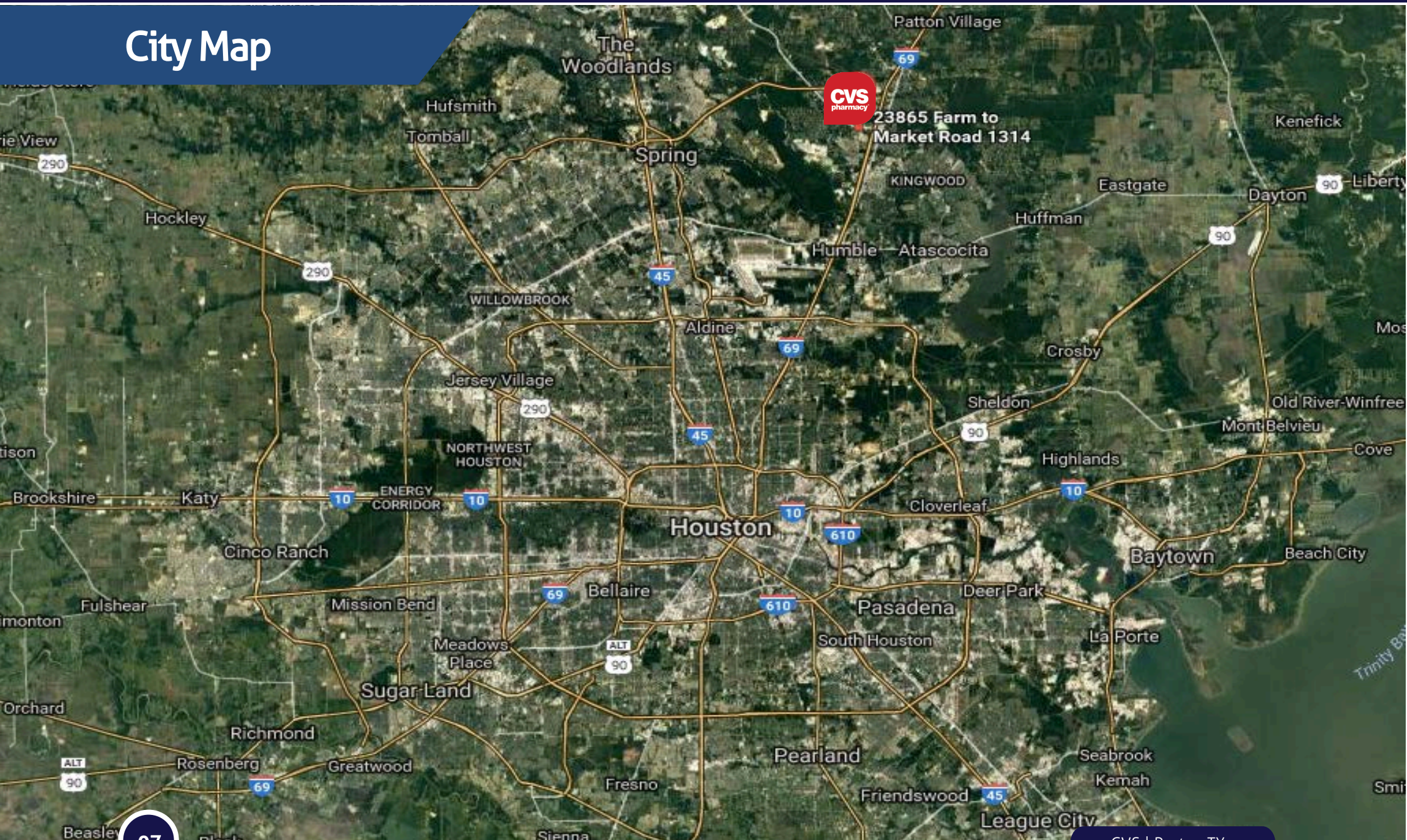
Surrounding Retailers



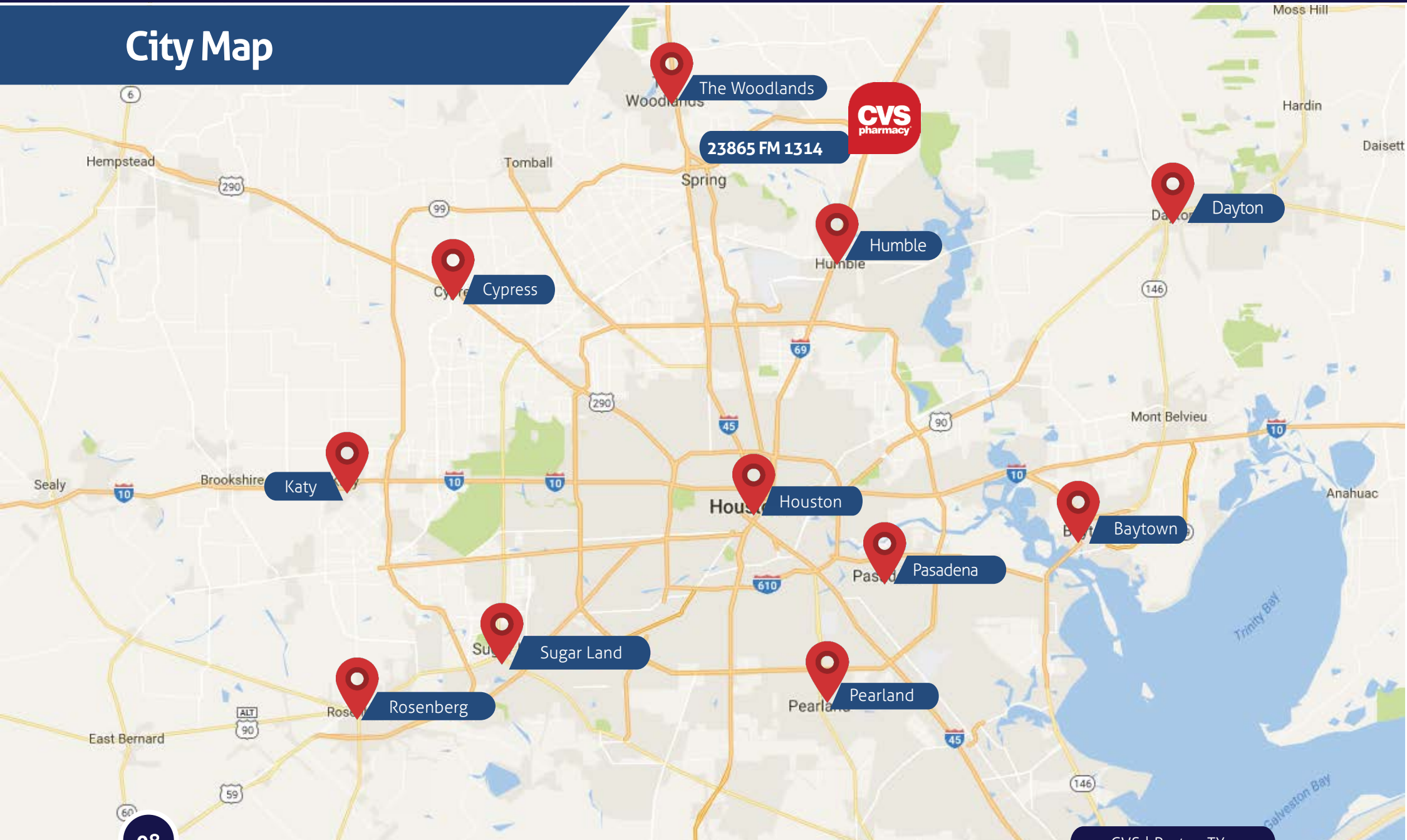
Aerial Map



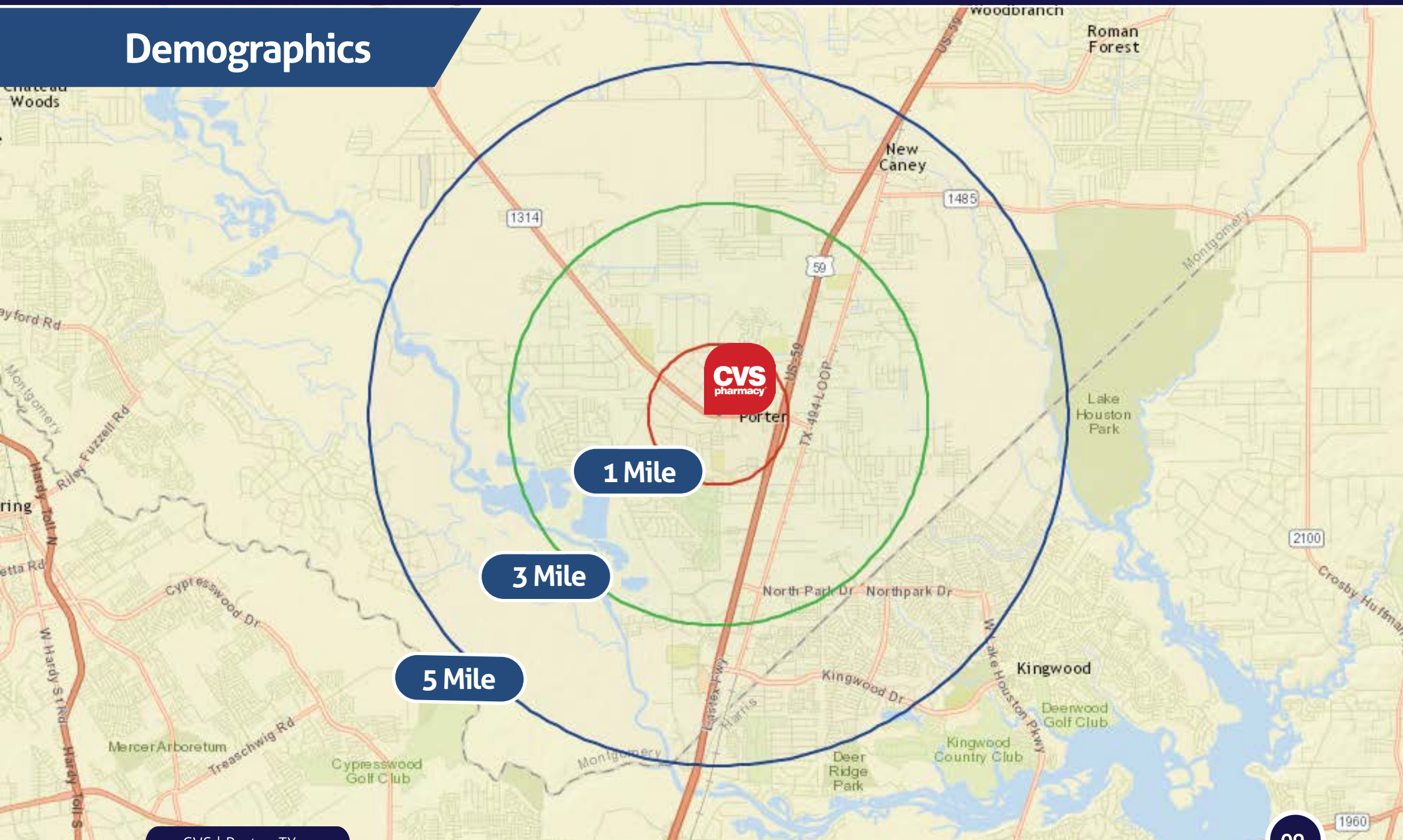
City Map



City Map



Demographics



Demographics

Census 2010 Summary

	1 Mile	3 Mile	5 Mile
Population	3,378	26,895	73,761
Households	1,089	9,597	26,542
Families	830	6,751	19,605
Average Household Size	3.04	2.78	2.77
Owner Occupied Housing Units	833	6,032	19,187
Renter Occupied Housing Units	256	3,565	7,355
Median Age	32.2	32.8	35.5

2016 Summary

Population	3,992	34,603	86,961
Households	1,298	12,272	31,070
Families	981	8,570	22,711
Average Household Size	3.03	2.80	2.79
Owner Occupied Housing Units	950	7,468	21,508
Renter Occupied Housing Units	348	4,804	9,562
Median Age	34.4	34.5	36.6
Median Household Income	\$61,920	\$59,806	\$71,278
Average Household Income	\$71,000	\$74,617	\$89,477

2021 Summary

Population	4,983	41,710	99,566
Households	1,621	14,770	35,451
Families	1,220	10,276	25,746
Average Household Size	3.04	2.81	2.80
Owner Occupied Housing Units	1,183	9,084	24,455
Renter Occupied Housing Units	439	5,686	10,996
Median Age	35.4	35.8	37.4
Median Household Income	\$75,688	\$66,976	\$78,570
Average Household Income	\$78,021	\$80,861	\$95,429



City Overview

Porter is located within the Houston–Sugar Land–Baytown metropolitan area. Houston which is the most populous city in Texas and the fourth-most populous city in the United States, located in Southeast Texas near the Gulf of Mexico.

With a census-estimated 2014 population of 2.239 million people, within a land area of 599.6 sqm, it also is the largest city in the Southern United States, as well as the seat of Harris County. It is the principal city of Houston-The Woodlands-Sugar Land, which is the fifth-most populated metropolitan area in the United States.

A leading cultural and culinary destination in the South, the city is home to over 11,000 restaurants featuring cuisine from more than 70 countries. The thriving arts scene includes resident opera, ballet, symphony and theater companies. The Museum District houses 19 museums, all within walking distance.

Not only is Houston the hub of the oil and gas industries, but it's also a major center of manufacturing and health care. The city has weathered the economic downturn better than similarly sized metro areas in terms of bouncing back from lost jobs. As the country recouped, Houston was able to gain all of its lost jobs back, and has gone on to add two jobs for every one lost.

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