

McAllen, Texas



Recently Extended 10-Year Lease With \$450,000 Remodel in 2018



WellMed has 383 Locations Throughout Florida and Texas



TAVARER MEDICA CENTER

Population is More Than 231,000 Within 5-Miles of Subject Property



1.5 Miles from Rio Grande Regional Hospital With 320 Beds and 500+ Physicians

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

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NET LEASED DISCLAIMER

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

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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 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.



Seven WellMed locations listed by the Wolfe-Lipsky Retail Group

Available separate or as a portfolio

Contact listing agents for more information



Pricing Summary

	Address	City/State	GLA	NOI	Lease Exp.	Cap Rate	Price
1	8303 Military Drive W.	San Antonio, TX	8,400	\$137,500	11/1/2030	5.85%	\$2,350,427
2	501 N. Yarborough, Bldg B	El Paso, TX	13,087	\$245,158	10/31/2030	6.00%	\$4,085,966
3	507 W. Alexander Street	Plant City, FL	13,754	\$238,357	7/31/2030	6.25%	\$3,813,712
4	5846 Wooldridge Road	Corpus Christi, TX	9,202	\$174,838	6/30/2030	5.85%	\$2,988,683
5	1801 S. Carrier Pkwy	Grand Prairie, TX	4,000	\$62,640	10/31/2025	6.85%	\$914,452
6	801 S. Main Street, Suite C	McAllen, TX	11,006	\$197,564	4/1/2030	6.15%	\$3,212,422
7	200 W. Kearney Street	Mesquite, TX	3,700	\$57,165	10/30/2024	6.95%	\$822,517
	Total:			\$1,113,222			\$18,188,179





Overview				
801 South Main Street, Ste C, McAllen, TX 78501				
Price:	\$3,212,422			
Cap Rate:	6.15%			
Rentable Square Feet:	11,006			
Annual Rent:	\$197,563			
Price PSF:	\$291.88			
Land Area:	1.45 Acres			
Year Built/Renovated:	1976/2018			

Lease Summary					
Tenant:	WellMed				
Website:	www.WellMedHealthcare.com				
Lease Guarantor:	WellMed				
Lease Type:	NN				
Option Periods:	2, 5-Year Options				
Rent Increases:	1% Annually				
Roof & Structure:	Landlord				
Commencement:	3/21/2017				
Lease Expiration:	4/1/2030				

Rent Schedule

Base Term	Annual	Rent PSF	Cap Rate
4/2/2021 - 4/1/2022:	\$197,563	\$17.95	6.15%
4/2/2022 - 4/1/2023:	\$199,539	\$18.13	6.21%
4/2/2023 - 4/1/2024:	\$201,534	\$18.31	6.27%
4/2/2024 - 4/1/2025:	\$203,549	\$18.49	6.34%
4/2/2025 - 4/1/2026:	\$205,585	\$18.68	6.40%
4/2/2026 - 4/1/2027:	\$207,641	\$18.87	6.46%
4/2/2027 – 4/1/2028:	\$209,717	\$19.05	6.53%
4/2/2028 - 4/1/2029:	\$211,814	\$19.25	6.59%
4/2/2029 - 4/1/2030:	\$213 <i>,</i> 932	\$19.44	6.66%

Option Periods	Annual	Rent PSF	Cap Rate
Option 1, Year 1:	\$216,072	\$19.63	6.73%
Option 1, Year 2:	\$218,232	\$19.83	6.79%
Option 1, Year 3:	\$220,415	\$20.03	6.86%
Option 1, Year 4:	\$222,619	\$20.23	6.93%
Option 1, Year 5:	\$224,845	\$20.43	7.00%
Option 2, Year 1:	\$227,094	\$20.63	7.07%
Option 2, Year 2:	\$229,364	\$20.84	7.14%
Option 2, Year 3:	\$231,659	\$21.05	7.21%
Option 2, Year 4:	\$233,974	\$21.26	7.28%
Option 2, Year 5:	\$236,314	\$21.47	7.36%

Newly Extended 10-Year Lease

- Two, Five-Year Tenant Renewal Options
- One Percent Annual Rent Increases Throughout Base Term and Option Periods
- Property Renovated in 2018 With a Cost of Approximately \$450,000

WellMed | Optum Florida & Texas

- WellMed is a Multibillion-Dollar Revenue Healthcare Company Serving the Senior Population Primarily in Texas and Florida
- WellMed is Part of Optum, a UnitedHealth Group Company
- WellMed is a Network of Doctors, Specialists and Other Medical Professionals Serving Over 700,000 Older Adults
- 383 Primary Care and Specialist Locations

Strong Demographics and Traffic Counts

- Conveniently Situated Between Interstate 2, With 150,000 Vehicles Daily, and U.S. Highway 83 With More Than 40,500 Vehicles Daily
- Population More Than 231,000 Residents in a Five-Mile Radius
- Just Minutes from Major Retail Corridor off I-2
- Surrounding National Retailers Including Walmart Supercenter, Sam's Club, Costco Wholesale, Lowe's, Rooms To Go, Old Navy, Men's Wearhouse, Target, Dick's Sporting Goods, HomeGoods, Marshall's, Best Buy, Michael's, Bed Bath & Beyond, Pet Smart, H-E-B Grocery, Applebee's, Olive Garden, Chick fil A, Starbucks and Many More

Surrounding Area | Major Points of Interest

- 1.5 Miles from Rio Grande Regional Hospital Serving McAllen and the Rio Grande Valley With 320 Beds and a Team of More Than 500 Physicians
- Less Than One Mile from La Plaza Mall Anchored by Dillard's and Macy's
- Less Than Two Miles from McAllen International Airport
- 2.5 Miles from South Texas College Pecan Campus With an Enrollment of More Than 31,000 Students
- Two Miles from the University of Texas McAllen Campus, and 11 Miles from UT Rio Grande Valley Campus
- Four Miles from Interstate 69c, Running Through South Texas and Connecting McAllen North to San Antonio
- The Metro has a Strong Healthcare Sector, Encompassing Roughly 32 Percent of Total Employment



801 South Main Street, Ste C McAllen, TX 78501



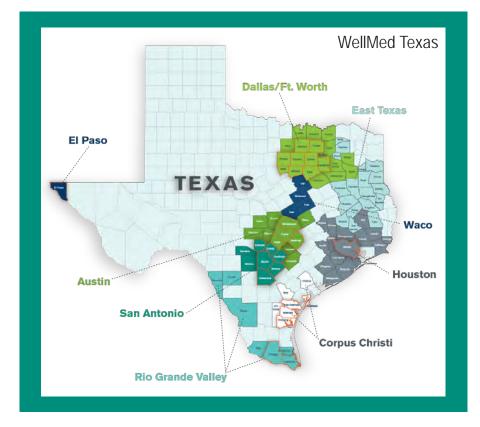


George M. Rapier III, MD, founded WellMed in 1990 as a single clinic in the Medical Center area of San Antonio, Texas. His idea was simple: deliver proactive, preventive care and build strong relationships with his senior patients. He believed that if he could keep his patients healthy instead of responding to symptoms after they become ill, then he could positively affect their quality of life and prevent complications and lengthy hospital stays.

Today, WellMed is a network of doctors, specialists and other medical professionals that specialize in providing care for more than 700,000 older adults with over 16,000 doctors' offices in Texas and Florida.

WellMed is a multibillion-dollar revenue healthcare company serving the senior population and working hard to keep older adults healthy. They are proud to provide extra support for those with multiple chronic conditions such as diabetes and heart disease. We empower patients to live healthier through the support of an entire medical team that works together to provide the best care possible. Specialists include cardiology, podiatry, dermatology, rheumatology, neurology, palliative care, wound care, hospital medicine and more.

In 2011, a federally funded, independent, peer-reviewed case study by the Robert Graham Center examined health outcomes for tens of thousands of WellMed patients in the San Antonio area. The study found WellMed patients, on average, are older and live longer than the 65+ population in Texas.



Lease Abstract

Tenant pays property taxes directly to the County. WellMed pays the insurance company direct through a global policy through United Health Group.

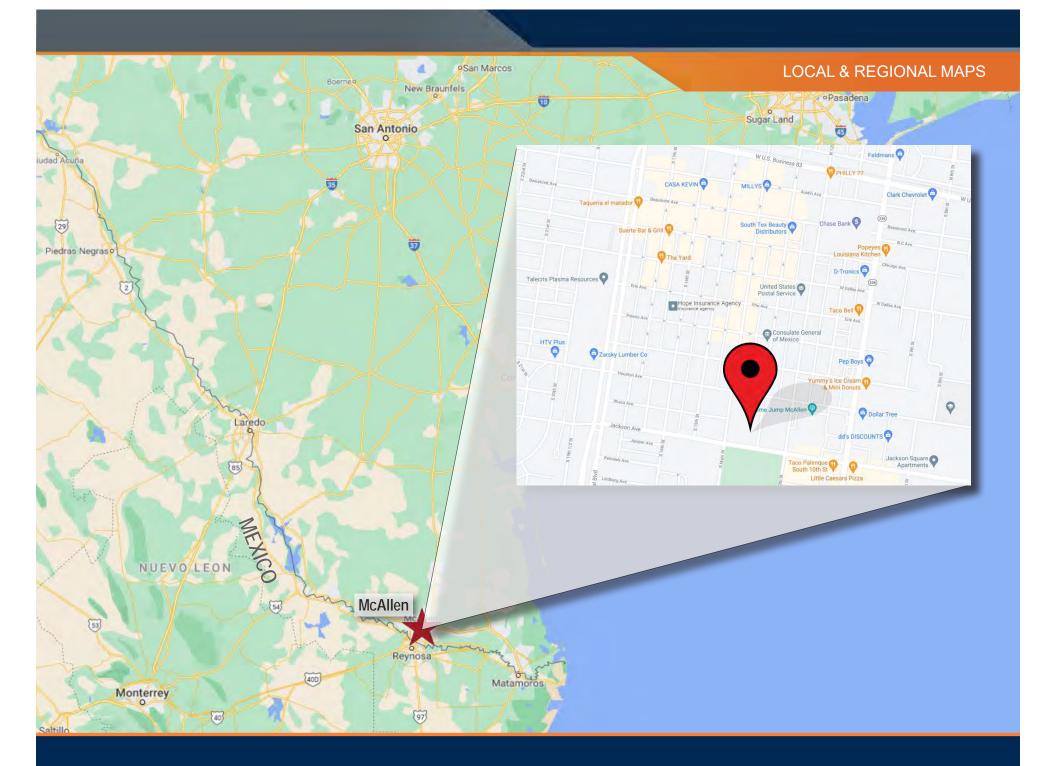
Landlord agrees to repair, replace, and maintain the roof, foundation, and structural soundness of the exterior walls, doors and windows.



In 2011, WellMed partnered with OptumCare, one of the nation's largest health and wellness companies with more than 53,000 doctors and 1,450 neighborhood clinics across the country. WellMed is now part of OptumCare as they work hard to provide specialized care to keep patients empowered and engaged in their own health.







MCALLEN-EDINBURG-MISSION OVERVIEW

The McAllen-Edinburg-Mission metro is located 250 miles south of San Antonio near the Texas-Mexico border and encompasses Hidalgo County. The metro's proximity to Mexico makes trade and logistics important drivers of the local economy. The University of Texas, Rio Grande Valley has facilities in Edinburg, McAllen and Weslaco. The Rio Grande River also runs through the area, providing recreational opportunities for locals and visitors.



* Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau

METRO HIGHLIGHTS

LOGISTICS INDUSTRY

McAllen's location on the Texas-Mexico border has turned the area into a trade hub. As a result, several logistics companies are located here.

HEALTHCARE

The metro has a strong healthcare sector, encompassing roughly 32 percent of total employment.



FOOD STORAGE AND PROCESSING

The region maintains the largest land port for fresh produce imports from Mexico, with 160,000 loads of produce transported annually.

ECONOMY

- The metro has a diverse employment base, including sectors such as healthcare, retail and trade. The healthcare sector is a significant part of the economy as several large hospitals are located in the area, including Rio Grande Regional Hospital, McAllen Medical Center and McAllen Heart Hospital.
- GE Aviation and Royal Technologies Corp. have major manufacturing facilities in the metro, supplying hundreds of jobs.
- South Texas College is also located within McAllen. It regularly receives grants to provide equipment upgrades and manufacturing training to local residents. Texas A&M University opened a satellite campus in the new master-planned community of Tres Lagos.

DEMOGRAPHICS





DEMOGRAPHICS

POPULATION	1 MILE	3 MILES	5 MILES
2010 Population	10,911	85,920	209,139
2020 Population	11,427	92,758	231,403
2025 Population	11,805	98,176	248,955
2020 Female Population	5,518	44,292	111,066
2020 Male Population	5,909	48,467	120,337
2020 Median Age	37.3	34.0	33.6

RACE & ETHNICITY	1 MILE	3 MILES	5 MILES
American Indian, Eskimo	0.4%	0.4%	0.4%
Asian	0.8%	1.3%	2.0%
Black	0.7%	0.8%	1.0%
Hawaiian/Pacific Islander	0.0%	0.0%	0.0%
White	80.7%	83.0%	84.2%
Other	15.8%	12.5%	10.6%
Multi-Race	1.5%	1.9%	1.9%
Hispanic Ethnicity	93.2%	90.7%	88.2%
Not of Hispanic Ethnicity	6.8%	9.3%	11.8%

Click to View in Google Maps

HOUSEHOLD INCOME	1 MILE	3 MILES	5 MILES
2010 Avg Household Income	\$36,731	\$48,619	\$55 <i>,</i> 563
2020 Avg Household Income	\$42,168	\$57 <i>,</i> 367	\$67,615
2025 Avg Household Income	\$47,636	\$64,535	\$75,116
2010 Med. Household Income	\$21,633	\$32,362	\$37 <i>,</i> 687
2020 Med. Household Income	\$23,049	\$36,814	\$44,918
2025 Med. Household Income	\$25,831	\$42,300	\$50 <i>,</i> 356
2010 Per Capita Income	\$12,794	\$15,804	\$17,528
2020 Per Capita Income	\$15,177	\$19,197	\$21,836
2025 Per Capita Income	\$17,345	\$21,812	\$24,434

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2010 Households	3,732	27,695	65,677
2020 Households	4,050	30,829	74,470
2025 Households	4,242	32,992	80,745



Or in Google Street View



Marcus Millichap wolfe-lipsky retail group

The Wolfe-Lipsky Retail Group of Marcus & Millichap specializes in the sale of single-tenant properties and shopping centers and has successfully assisted clients in selling 571 separate commercial properties with a market value exceeding \$1.65 billion. Having closed sales in more than 40 states, our track record is evidence that we are one of the premier brokerage teams in the United States.

With our experience and background in various fields such as law and finance, we have proved to be invaluable to our clients, earning their trust and exceeding their expectations while best assisting them in their real estate transactions.

For more about the Wolfe-Lipsky Retail Group or to view all of our available listings, visit <u>www.WolfeRetailGroup.com</u>



About Marcus & Millichap

With nearly 2,000 investment professionals located throughout the U.S. and Canada, Marcus & Millichap (NYSE: MMI) is a leading specialist in commercial real estate investment sales, financing, research and advisory services. The firm closed more than 9,400 transactions in 2018 with a value of approximately \$46.3 billion.

Marcus & Millichap has been a pioneer in the real estate investment industry and has established a reputation for maximizing value for its clients while fostering long-term relationships built on integrity, trust and service. The company has perfected a powerful system for marketing properties that combines investment specialization, local market expertise, the industry's most comprehensive research, state-of-the-art technology, and relationships with the largest pool of qualified investors. Marcus & Millichap also offers clients access to the most competitive real estate financing through Marcus & Millichap Capital Corporation (MMCC), which maintains relationships with the industry's leading national, regional and local lenders.

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Information About Brokerage Services

11-2-2015

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: othat the owner will accept a price less than the written asking price;

othat the buyer/tenant will pay a price greater than the price submitted in a written offer; and

oany 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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Sales Agent/Associate's Name	License No.	Email	Phone
Regulated by the Texas Real Estate Commission	 Buyer/Tenant/Seller/L	andlord's Initials Date	Information available at www.trec.texas.gov IABS 1-0