

OFFERING MEMORANDUM

HIGHLIGHTS:

- Open 24 Hours!
- Austin Texas, MSA
- Income tax free state!
- Liquor Sales! (Recession proof).
- 9+ years left on the lease.
- NNN lease. No Landlord resp.
- CVS’s corporate guaranty.

CVS – 24 Hour Store
800 West Old Settlers Blvd. Round Rock (Austin MSA), TX 78681

- St. David's Round Rock Medical Center, approx. 3.3 miles away
- Cedar Park Regional Medical Center
- Tesla moving headquarters to Texas from California | Reuters
(Click link for details.)



OPEN 24 HOURS



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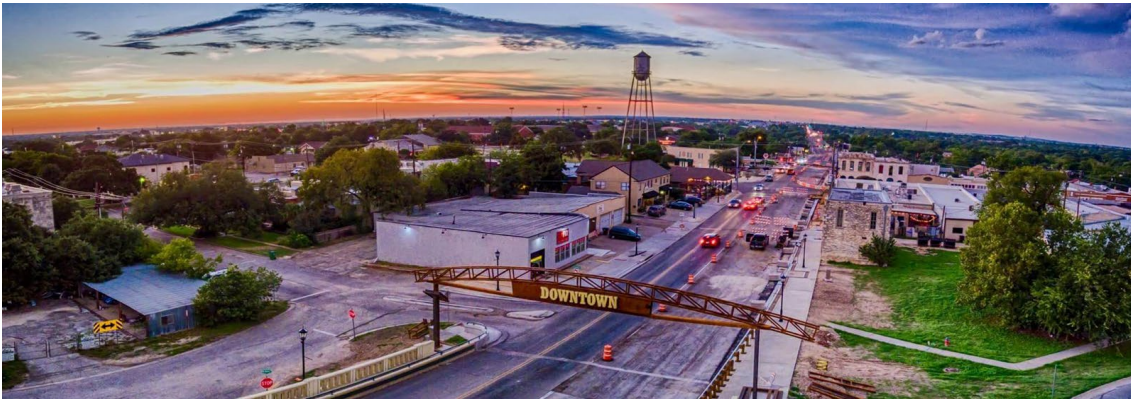
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INVESTMENT SUMMARY

CVS – 24 Hour Store

800 West Old Settlers Blvd. Round Rock (Austin MSA), TX 78681



INVESTMENT SUMMARY:

Site Address: 800 West Old Settlers Blvd.
Round Rock, TX 78681

Year Built: 2006

Building Size: Approx. 13,000 sf

Lot Size: Approx. 1.953 acres

Price: \$6,792,000 (price includes \$923,816 from Seller as a credit for rent holiday).

NOI: \$299,616

CAP RATE: 4.41% or 5.11% (see rent schedule for details)

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LEASE SUMMARY:

Tenant: CVS

Rent Commencement: January 2006

Lease Type: NNN

Taxes / CAM / Insurance: Tenant Responsibility

Roof / Structure: Tenant Responsibility

Original Lease Term: 25 Years

Term Remaining: 9+ years remaining

Commencement Date: 2006

Term Expiration: January 31, 2032

Options: Ten (10) 5 Year Options

Increases: Options 1&2 \$269,657 | 3-10 \$269,657 or 100% FMV

Rent Holiday Duration: 37 months (Credit from Seller. See rent schedule for details)

Rent Holiday Period: 2029-2032

Rent Schedule

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Initial Lease Term			
Period	Year	NOI	Cap
Current year	2022	\$299,616	4.41% or 5.11%
Year 2	2023	\$299,616	4.41% or 5.11%
Year 3	2024	\$299,616	4.41% or 5.11%
Year 4	2025	\$299,616	4.41% or 5.11%
Year 5	2026	\$299,616	4.41% or 5.11%
Year 6	2027	\$299,616	4.41% or 5.11%
Year 7	2028	\$299,616	4.41% or 5.11%
Year 8	2029	Rent Holiday	4.41% or 5.11%
Year 9	2030	Rent Holiday	4.41% or 5.11%
Year 10	2031	Rent Holiday	4.41% or 5.11%
Option 1			
Year 11-16	2032 –2037	\$269,657	TBD
Option 2			
Year 18-22	2038 - 2042	\$269,657	TBD
Option 3-10			
Option3 3-10	2043 - 2083	\$269,657 or 100% FMV	TBD

In order to make up for the rent holiday Seller will escrow the last 37 months of rent as a credit to Buyer at Closing which can then be paid annually as rent to Buyer through escrow. Buyer to receive a total credit of \$923,816 at Closing.

OR Buyer can elect to reduce The Purchase price by \$923,816 and will have zero cash flow for the last 37 months of the Lease.

Note: The years are approximate because the term ends on January 31st & not on December 31st. See Lease for details.

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This property is backed by a 25 year lease and a 22 year fully amortizing first mortgage, with free rent for the final 37 months. As a result of the free rent period, the rental payments are accounted for under Section 467 of the Internal Revenue Code. Under Section 467, rental payments are allocated to specific periods of the lease term and these allocations may differ from the actual rent paid in the same corresponding period. For accounting purposes, the allocated rent is reported as taxable income. Additionally, any excess amount of actual paid rent over allocated rent is treated as a loan from tenant to landlord. This is termed a “467 loan” and the interest on the loan is tax deductible. The 467 loan amortizes to \$0 at the end of the three year free rent period. The net result is a more beneficial tax structure to the Landlord versus that with a standard 25-year self amortizing loan. NOTE: In the event of a loan payoff the above will no longer apply. Please review Lease and seek adequate tax/legal counsel for details.

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Defeasance Information:

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The following is provided by 30 Capital Financial, an affiliate of Defeasance with Ease: www.defeasewithease.com

Defeasance & Lease Analysis

SCP 2006-C23-TX LP (Round Rock, TX)

- 1/1/2023 – Defeasance of Current Loan
 - o \$1,505,025 Loan Balance as of 1/1/2023
 - o \$77,431 Defeasance Premium
 - o \$71,100 Transaction Fees
 - o Loan Balance, Defeasance Premium, and Transaction Fees to be paid by **Buyer**
 - o Asset delivered free and clear to Buyer by Seller after Defeasance
 - o After Section 467 Loan is paid off by Seller, Lease remains intact as written:
 - Landlord must notify Tenant and Guarantor in writing if Landlord's interest in Lease shall pass to another (See page 32 of Lease.)
 - Subpart D of Lease may be ignored upon Defeasance of Section 467 Loan.
- 2/1/2023 thru 12/31/2028 – Fixed Rent Period - \$24,968 per month
- 1/1/2029 thru 1/31/2032 – Free Rent Period - \$923,816 of Free Rent (37 months Free Rent at same rental rate as prior) **to be paid by Seller.**
- 2/1/2032 – Extension Periods
 - o See Page 10, Schedule 2, and Schedule 5 of Lease
 - o Tenant has up to ten (10) total Extension Options
 - o Tenant has up to two (2) Fixed Rent Extension Options:
 - \$269,657 per year or 101% Fair Market Value for first two (2) years at extension
 - \$269,657 or 100% of FMV thereafter
 - First Fixed Rent Option is for five (5) years
 - Second Fixed Rent Option is for (4) years
 - o Up to ten (10) Fair Market Value Extension Options
 - Five (5) years each
 - # of Fixed Rent Options is subtracted from # of total options (e.g.. if two (2) Fixed Rent Options used, eight (8) FMV Extensions remain)

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DEMOGRAPHICS

CVS – 24 Hour Store

800 West Old Settlers Blvd. Round Rock (Austin MSA), TX 78681

GROWING AREA

Round Rock, Texas, with a population of more than 120,000, is located 15 miles north of Austin in the Central Texas Hill Country. Round Rock is the 31st largest City in Texas, according to the 2010 U.S. Census Bureau data. Round Rock is the one of the fastest growing cities in the nation, and one of the best-managed cities in Texas. [Tesla will be moving its headquarters to Austin, where it is building a brand-new factory and is about ½ hour drive from the subject property.](#) The City has maintained a high quality of life while becoming a major center for economic growth in Central Texas, with industry clusters in Innovative Manufacturing, Life Sciences and Healthcare, Professional/Financial Services and Technology and Computing.

EXCELLENT CENTRAL LOCATION & TOURISM

Round Rock's economy is strong and vibrant. As the largest city in Williamson County, Round Rock is a key part of one of the fastest growing regions in Texas and the country. It's no secret why Round Rock gains national attention and accolades, with an increasing number of residents moving to the city to enjoy beautiful parks, community events, recreational activities, economic opportunities and safe neighborhoods. Despite the community's fast growth, Round Rock has been able to maintain a family-friendly community that is distinctive by design. Located just 15 miles north of Austin, having an estimated population of 961,855 according to the 2020 U.S. Census. Travis County is the fifth most populous county in Texas. Austin's population grew 48 percent in the 1990s and has been approximately doubling every decade since 2000. The low tax structure, educated workforce, availability of investment funds and business advice, and collaborative spirit between the government, businesses, and universities add up to create a very business-friendly environment. With covid-19 now presumably past us, tourism is expected to rebound and boom once again.



DEMOGRAPHICS

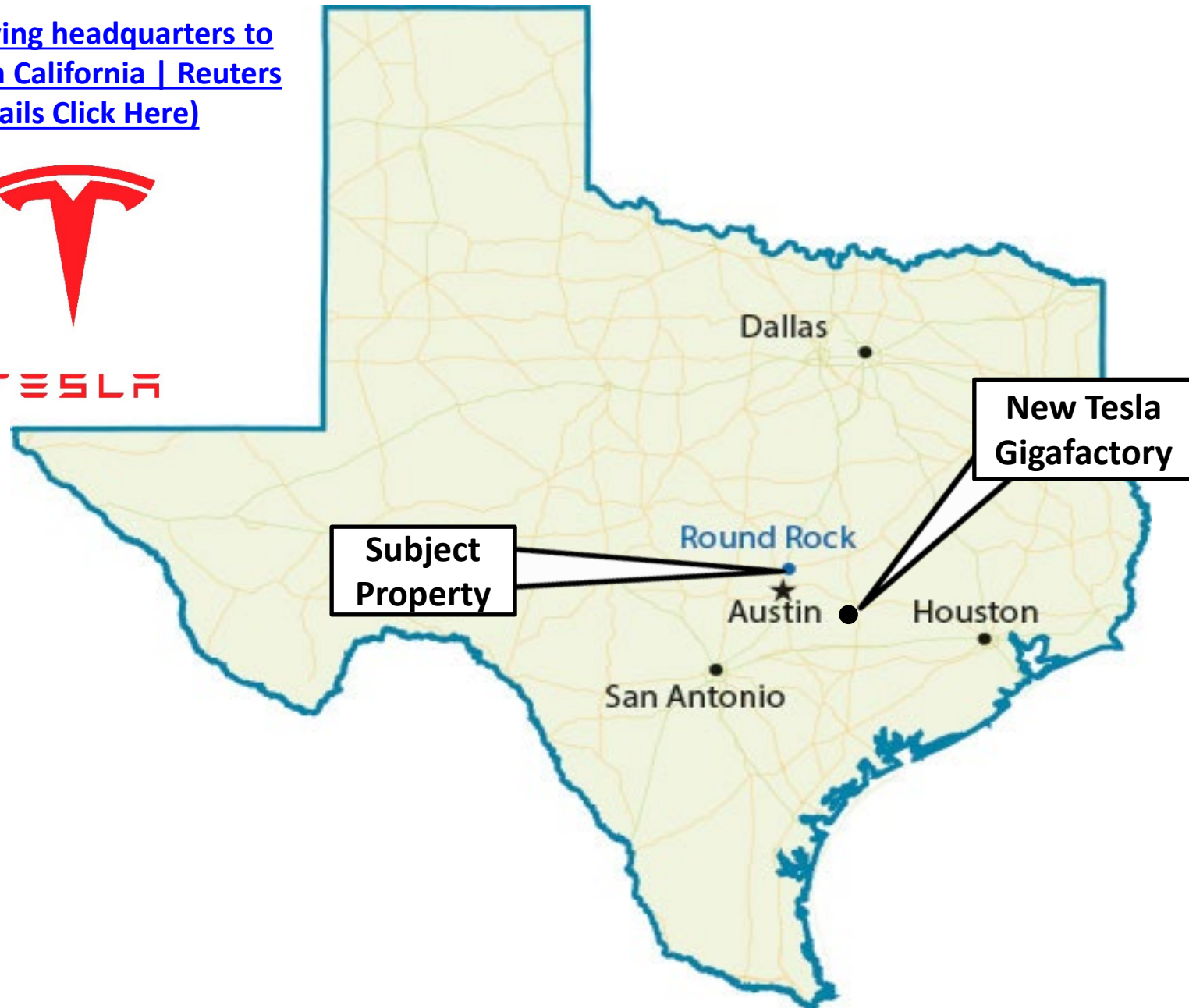
	1-Mile	3-Mile	5-Mile
Population	8,415	92,188	208,360
Avg HH Income	\$95,305	\$113,627	\$126,919

SURROUNDING AREA

CVS – 24 Hour Store

800 West Old Settlers Blvd. Round Rock (Austin MSA), TX 78681

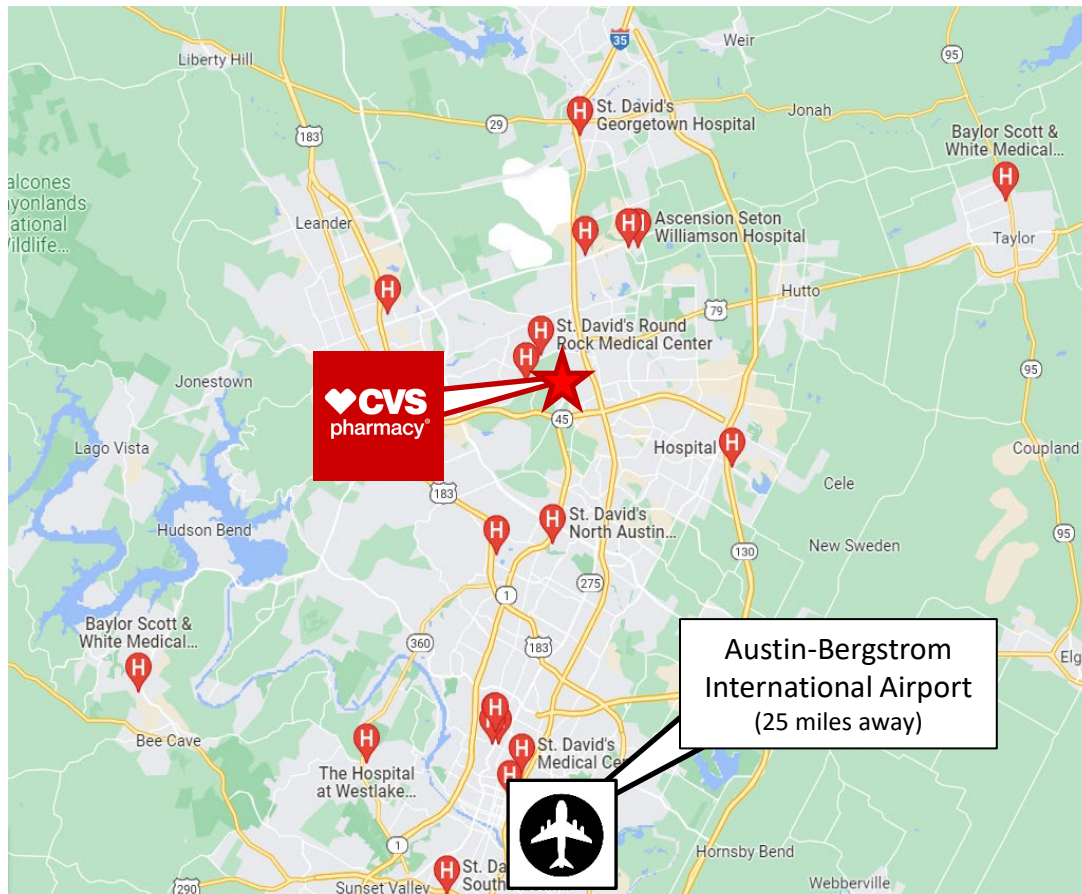
[Tesla moving headquarters to Texas from California | Reuters](#)
[\(Details Click Here\)](#)



NEARBY HOSPITALS

CVS – 24 Hour Store

800 West Old Settlers Blvd. Round Rock (Austin MSA), TX 78681



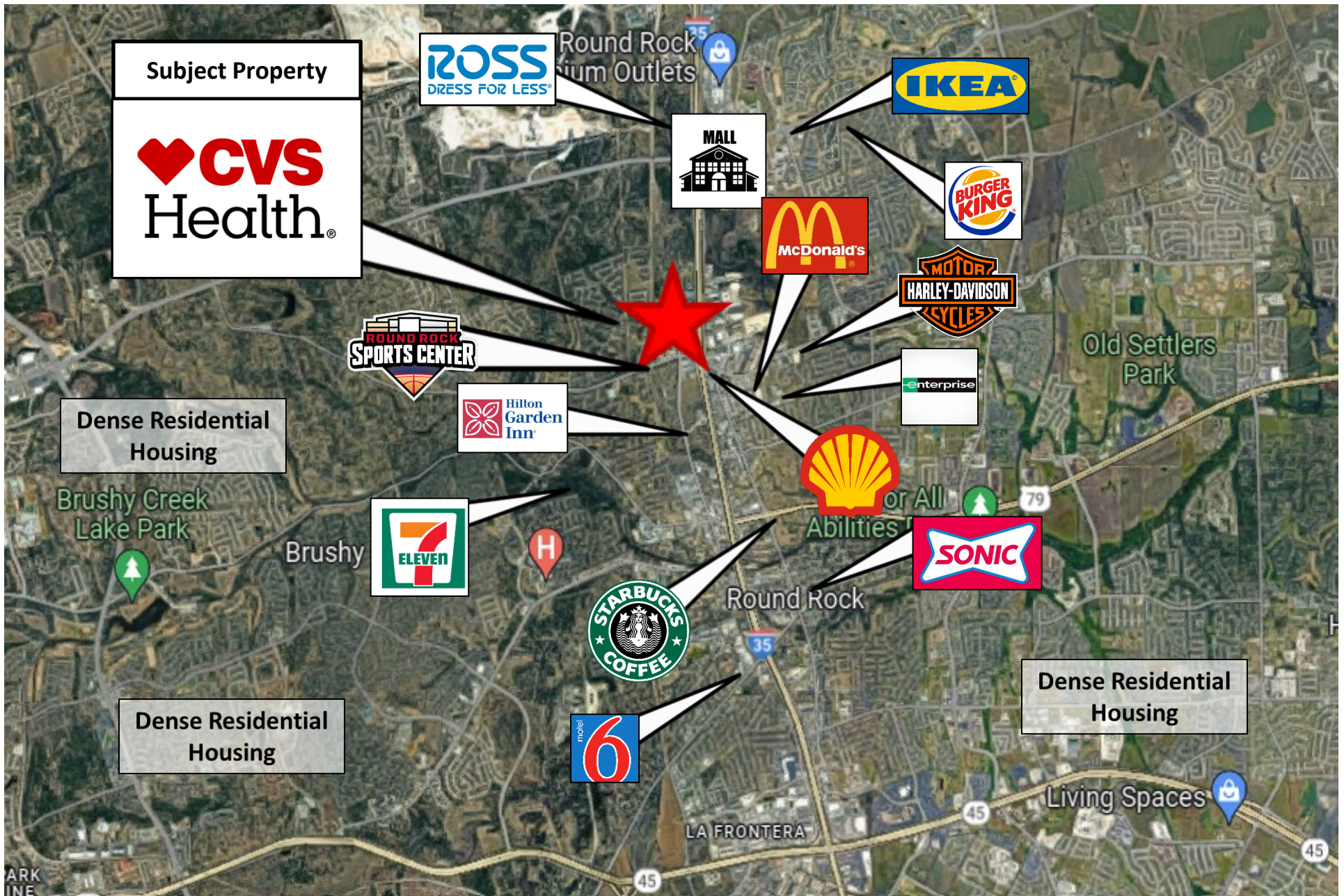
- St. David's Round Rock Medical Center– 3.3 miles away (175 Beds)
- Baylor Scott & White Medical Center– 3.6 miles away (101 Beds)
- Ascension Seton Williamson Hospital– 4.8 miles away
- Cornerstone Specialty Hospital– 5 miles away
- Cedar Park Regional Medical Center– 8 Miles away (126 Beds)
- St. David's North Austin Medical Center – 10.8 miles away (175 Beds)
- Ascension Seton Northwest Hospital – 13.6 miles



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PROPERTY AERIAL

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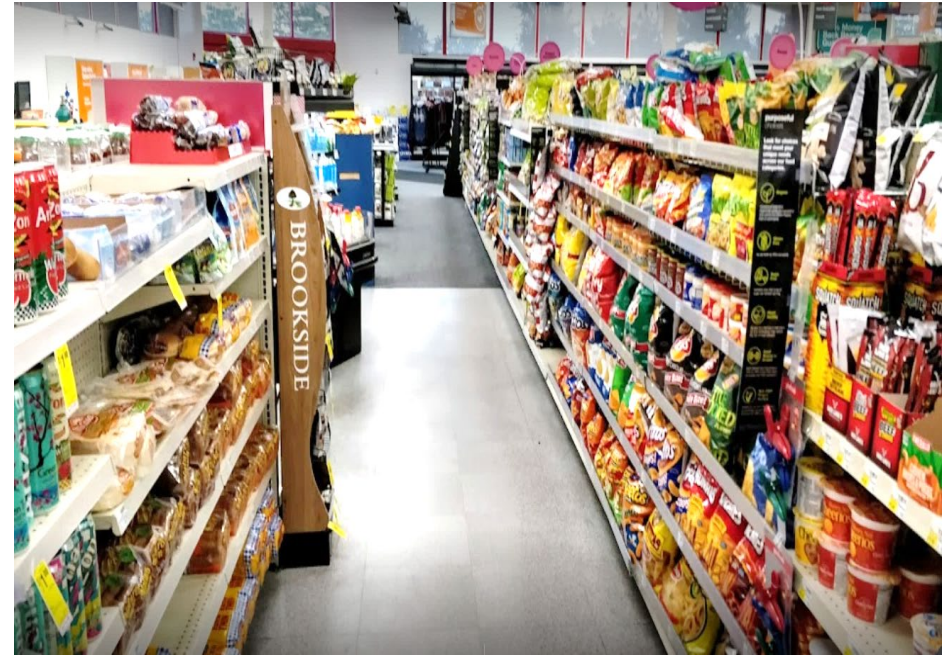
STORE PHOTOS

CVS – 24 Hour Store

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Drive -Thru Pharmacy



TENANT OVERVIEW

CVS – 24 Hour Store

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CVS Health (NASDAQ: CVS) is a pharmacy company with approx. 9,967 retail pharmacies and more than 1,100 walk-in clinics. CVS is also a pharmacy benefit manager (PGM) with more than 94 million plan members, a dedicated senior pharmacy care business serving more than 1 million patients per year, expanding specialty pharmacy services for patients who require treatment for rare or complex conditions, and a leading stand-alone Medicare Part D prescription drug plan. This unique integrated model increases access to quality care, deliver better health outcome and lowers overall health care costs.

TENANT PROFILE	
Guarantor:	CVS Health
Ownership:	Public
Stock Symbol (NASDAQ):	CVS
Credit Rating (S&P):	BBB
Business:	Drug Retail
Founded	1963
Chief Executive Officer	Karen Lynch
Locations:	9,967
Annual Revenue:	\$ 292.11 Billion (as of 2021)*
Net Worth:	\$ 136 Billion (as of 2022)*
Headquarters:	Woonsocket, RI
Website:	cvs.com



1

Health Care Consumerism: Connecting Patients to More Affordable Care

We're committed to helping patients access the medicines and care they need.

2

Saving Patients Money on Prescription Drugs

Comprehensive approach improves visibility into drug costs from the point of prescribing to the pharmacy counter.

3

Introducing the CVS Beauty Mark

We're making a commitment to use authentic beauty imagery in our stores, our websites and for our marketing materials and social media.

4

CVS Health to Acquire Aetna

Combination to Provide Consumers with a Better Experience, Reduced Costs and Improved Access to Health Care Experts in Homes and Communities Across the Country

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