



FOR SALE

NNN RETAIL CENTER

4401 S Medford Dr, Lufkin, TX 75901

OFFERING MEMORANDUM

Confidentiality & Disclosure

The information contained in the following investment summary is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from NAI Northern California Investment Real Estate Brokerage and should not be made available to any other person or entity without the written consent of the broker. The investment summary has been prepared to provide summary, unverified 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. The broker 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 state and federal regulations, the physical condition of improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue occupancy of the subject property.

The information contained in the marketing brochure has been obtained from sources we believe to be reliable. However, the broker has not verified, and will not verify, any of the information contained herein, nor has the broker conducted any investigation regarding these matters, and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential purchasers must take appropriate measures to verify all of the information set forth herein.

For More Information



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Property Information

NAI Northern California, as an exclusive advisor, is pleased to present for sale 4401 S Medford Dr, a newly constructed, net-leased strip center located in the core retail artery of Lufkin, Texas. Currently leased by Mattress Firm and Sport Clips, ownership will guarantee rent on the third unit, which is currently being marketed for lease.

The property enjoys a high traffic count over of 47,000 vehicles per day and sits on a hard corner. Nearby retailers include Best Buy, Ross, Old Navy, Home Depot, Ulta, Petsmart, Chick-Fil-A, JC Penny, T.J. Maxx, and many more.

Executive Summary



\$3,046,916
PRICE



8,061 SF
SQ FT



7.00%
CAP RATE

Other Details

| | |
|----------------------|--------------------------|
| 2020 NOI: | \$213,284* |
| Price / SF: | \$377 |
| Lot Size: | 1.09 AC |
| Year Built: | 2017 |
| Units: | Three (3) |
| APN: | 4921A-349-001 -001-00 |
| Cash on Cash: | 8.88% |

Property Highlights

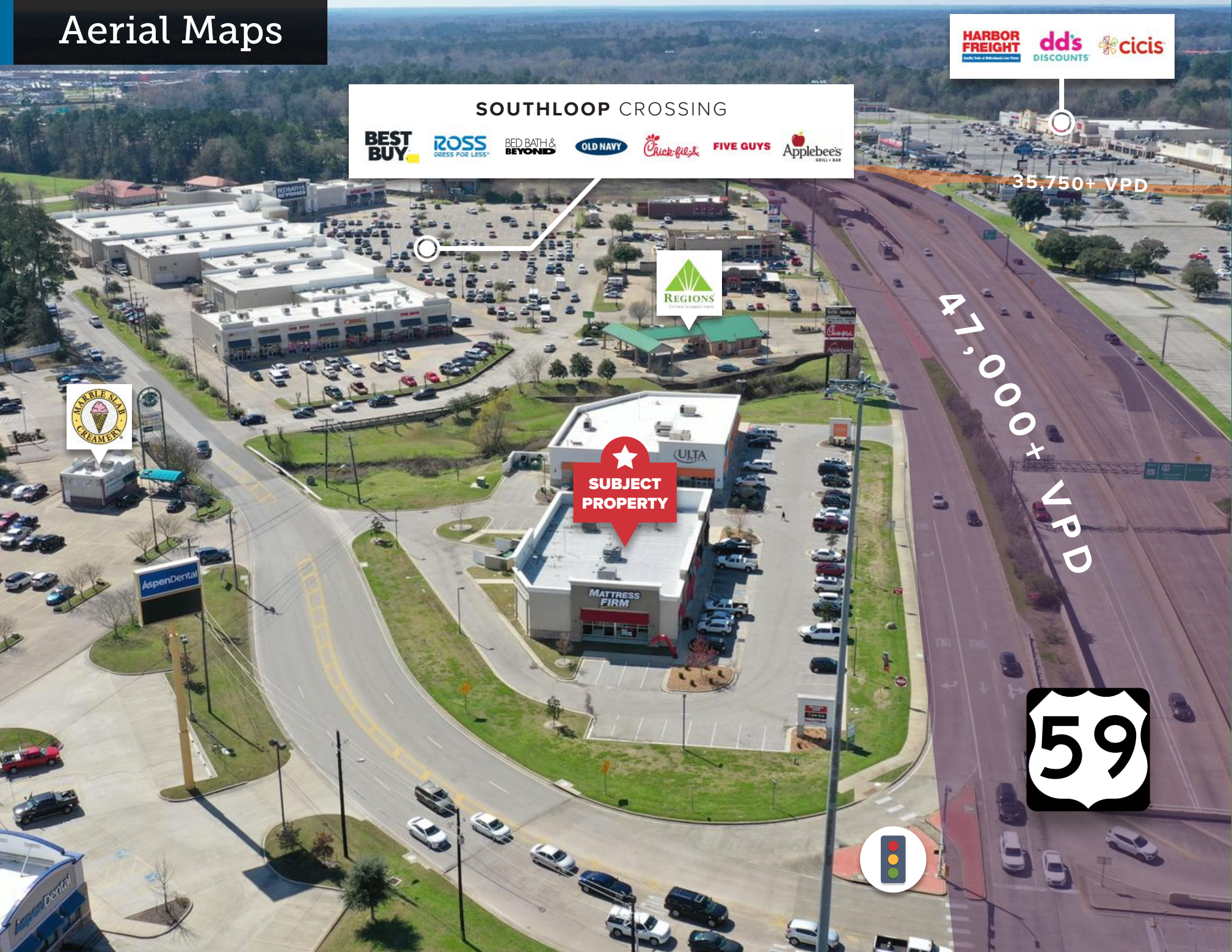
- Highway frontage on busy US Route 59 with 47,000 Vehicles per Day
- NNN Leases with rent increases
- Assumable Loan at 59% LTV
- New 2017 construction 7,315 SF retail strip center
- Hard corner real estate with signalized intersection
- Outparcel to Power Center with Best Buy, Ross, Old Navy, Chick-Fil-A as co-tenants
- Adjacent to Target and Home Depot
- Across from Lufkin Regional Mall anchored by AMC Theaters, JC Penny, Sears, T.J. Maxx and more
- Centralized location in growing trade area within 2 Miles from Angela College with 5,927 Students, one of the fastest growing colleges in Texas
- Lufkin and neighboring Nagodoches enjoy a combined population of approx. 56,000 people
- Lufkin is 115 miles northeast of Houston and 170 miles from Dallas-Fort Worth

* NOI includes a rent and CAM guarantee

Additional Photos



Aerial Maps



SOUTHLOOP CROSSING

BEST BUY **ROSS** DRESS FOR LESS® **BED BATH & BEYOND** **OLD NAVY** **Chick-fil-ee** **FIVE GUYS** **Applebee's** GRILL + BAR

HARBOR FREIGHT **dd's DISCOUNTS** **cicis**



★
SUBJECT PROPERTY

35,750+ VPD

47,000+ VPD



Aerial Maps



Aerial Maps

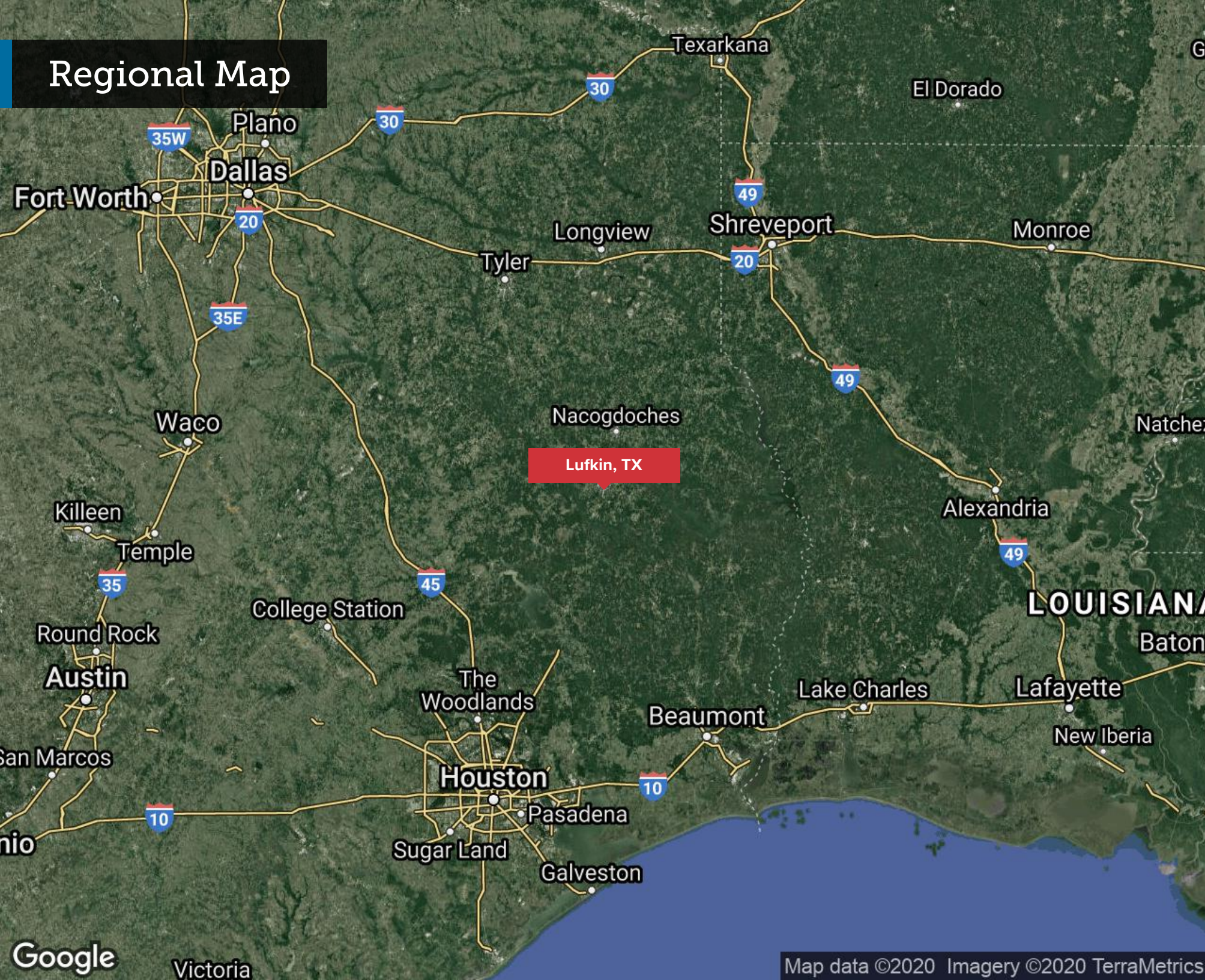


A large, circular cross-section of a tree trunk is the central focus. The wood grain is clearly visible, showing concentric rings of light and dark wood. The words "Welcome To" are written in a black, cursive script across the top. Below that, the word "LUFKIN" is written in large, bold, black, block letters. To the right of the word "LUFKIN", there is a cutout of a green tree with a brown trunk. The background behind the log is a dense forest of green trees under a clear blue sky.

Location Information

Located in the beautiful Texas Forest Country, Lufkin is conveniently located within driving distance to major cities like Dallas, Houston, San Antonio and Waco. With a population quickly approaching 40,000 and the County of Angelina expected to grow over 81,000 the area has been seeing growth from 9% to 15% per year since 2000 which has been driven in recent years by the creating of new job-producing industries, and the emergence of Lufkin as a retail shopping, health care and entertainment hub for ten surrounding counties.

Regional Map



LOUISIANA

Financial Summary

| Investment Overview | Lukfin Center |
|----------------------------|----------------------|
| Price | \$3,046,916 |
| Price Per SF | \$377 |
| Cap Rate | 7.00% |
| Cash-on-Cash Return (yr 1) | 7.12% |

| Assumable Loan* | Lukfin Center |
|----------------------------|----------------------|
| Down Payment | \$1,246,916 |
| Loan Amount | \$1,800,000 |
| Principal Reduction (Yr 1) | \$38,475 |
| Interest Rate | 4.75% |
| Amortization Period | 10 Yrs |
| Loan to Value Ratio | 59% |
| Cash on Cash Return (Yr 1) | 7.12% |
| Loan Expires | Oct - 2027 |

*There is a 1% loan assumption fee. Loan must be assumed.

Income & Expenses

| Income Summary | Lukfin Center |
|-----------------------------|----------------------|
| Rental Income | \$213,284 |
| NNN Reimbursements | \$134,539 |
| Gross Income | \$347,823 |
| Expense Summary | Lukfin Center |
| Gardening | \$3,700 |
| Insurance | \$8,721 |
| L&P Fees | \$3,765 |
| Misc | \$39,375 |
| Taxes (2018) | \$56,389 |
| Telephone | \$19 |
| Electric | \$6,455 |
| Garbage | \$15,250 |
| Water | \$863 |
| Gross Expenses | \$134,539 |
| Net Operating Income | \$213,284 |

NOI includes a rent and CAM guarantee

Rent Roll

| Tenant Name | Unit Size (SF) | Monthly Rent | Annual Rent | Annual Rent/SF | Lease Start | Lease End | Options | Rent Increases | Lease Type |
|------------------------|----------------|-----------------|------------------|----------------|-------------|-----------|-----------|---------------------------------------|------------|
| Mattress Firm | 4,727 | \$10,384 | \$124,609 | \$26.35 | 6/5/2015 | 1/31/2027 | 2 x 5 yrs | 2022 - \$28.99 | NNN |
| Sports Clips | 1,125 | \$2,812 | \$33,750 | \$30.00 | 2/1/2016 | 1/31/2021 | 2 x 5 yrs | year 6 - \$33.00 year 11 - \$36.30 | NNN |
| Guarantee* | 2,197 | \$4,577 | \$54,925 | \$25.00 | | | | | |
| Totals/Averages | 8,061 | \$13,196 | \$213,284 | \$28.18 | | | | | |

* Seller will guarantee rent and NNN's for the vacant space provided price is at asking and deal terms are favorable.



Tenant Overview

Mattress Firm was founded in 1986 and is now the largest special bedding company in the United States. It currently operates over 2,600 locations plus another 1,000 locations of Sleepy's and Sleep Train. Mattress Firm's parent company, Mattress Firm Holding Corporation was acquired by Steinhoff International Holdings N.V. in 2016. Steinhoff is a South African retail holding company and reported \$12.9 billion Euros for a 9 month operating period in 2019.

| Lease | Summary |
|----------------------------------|--|
| Tenant Responsibilities | Tenant shall keep the premises neat and clean and make and pay for all repairs to the interior non-structural portions of the premises including the HVAC. |
| Landlord Responsibilities | Landlord shall maintain in good condition and repair the exterior parking and landscaped areas, and the roofing, gutters, downspouts, exterior painting, wiring, plumbing, pipes, conduits and equipment which serves the premises, and all structural portions. |
| Taxes | Tenant shall pay its pro rata share. |
| CAM | Landlord shall be responsible for the maintenance of common areas. Tenant shall pay its pro rata share of CAM expenses, which shall not increase more than 5% annual and shall include a 10% admin fee. |
| Insurance | Tenant shall obtain and maintain all risk property insurance, commercial general liability insurance and workers compensation insurance. Landlord shall carry special perils property insurance covering all buildings and improvements in the shopping center and commercial general liability insurance and tenant shall pay its pro rata share of landlord's insurance. |
| Utilities | Tenant shall pay for all its consumption of utilities at the premises. |
| Estoppel | Tenant shall have 30 days from receipt of request to provide an executed estoppel. |



Tenant Overview

Sport Clips is an America-based haircut chain that serves mostly men and boys and has over 1,800 locations. In 2020, the International Franchisee Association named Sport Clips Founder and CEO, Gordon Logan, the winner of the 2020 Hall of Fame award for a lifetime of achievement in franchising. The franchisee operates five locations.

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|----------------------------------|--|
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| Insurance | Tenant shall obtain and maintain all risk property insurance, commercial general liability insurance and workers compensation insurance. Landlord shall carry special perils property insurance covering all buildings and improvements in the shopping center and commercial general liability insurance and tenant shall pay its pro rata share of landlord's insurance. |
| Utilities | Tenant shall pay for all its consumption of utilities at the premises. |
| Right to Terminate | If at anytime during the lease term, less than 80% of the GLA of the center is occupied and open for business longer than 180 days, Tenant shall have the right to terminate the lease on no less than 30 days notice. |
| Estoppel | Tenant shall have 30 days from receipt of request to provide an executed estoppel. |

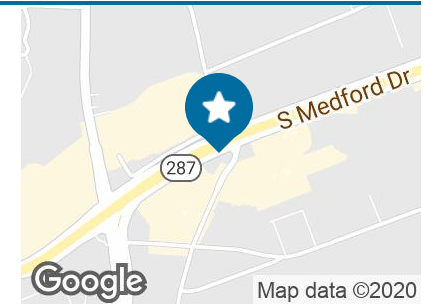
Sale Comps



Subject Property

4401 S Medford Dr | Lufkin, TX 75901

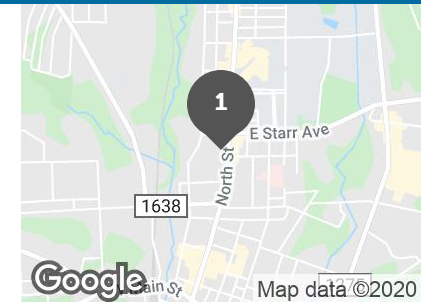
| | | |
|--------------------------------|------------------------------|-------------------------|
| Sale Price: \$3,046,916 | NOI: \$213,284 | CAP: 7.00% |
| Price PSF: \$377 | Building SF: 8,061 SF | Year Built: 2017 |
| Lot Size: 1.09 Acres | | |



Medpost Urgent Care

1305 N St | Nacogdoches, CA 75961

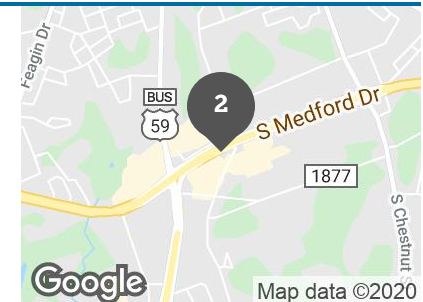
| | | |
|--------------------------------|------------------------------|-------------------------|
| Sale Price: \$2,445,000 | Closed: 12/14/2018 | CAP: 6.75% |
| Price PSF: \$361.69 | Building SF: 6,760 SF | Year Built: 2015 |
| Lot Size: 1.14 Acres | | |



Lufkin Retail Center

4419 S Medford Dr | Lufkin, TX 75901

| | | |
|--------------------------------|-------------------------------|-------------------------|
| Sale Price: \$3,235,000 | Closed: 02/16/2017 | CAP: 7.00% |
| Price PSF: \$307.98 | Building SF: 10,504 SF | Year Built: 2016 |
| Lot Size: 0.9 Acres | | |

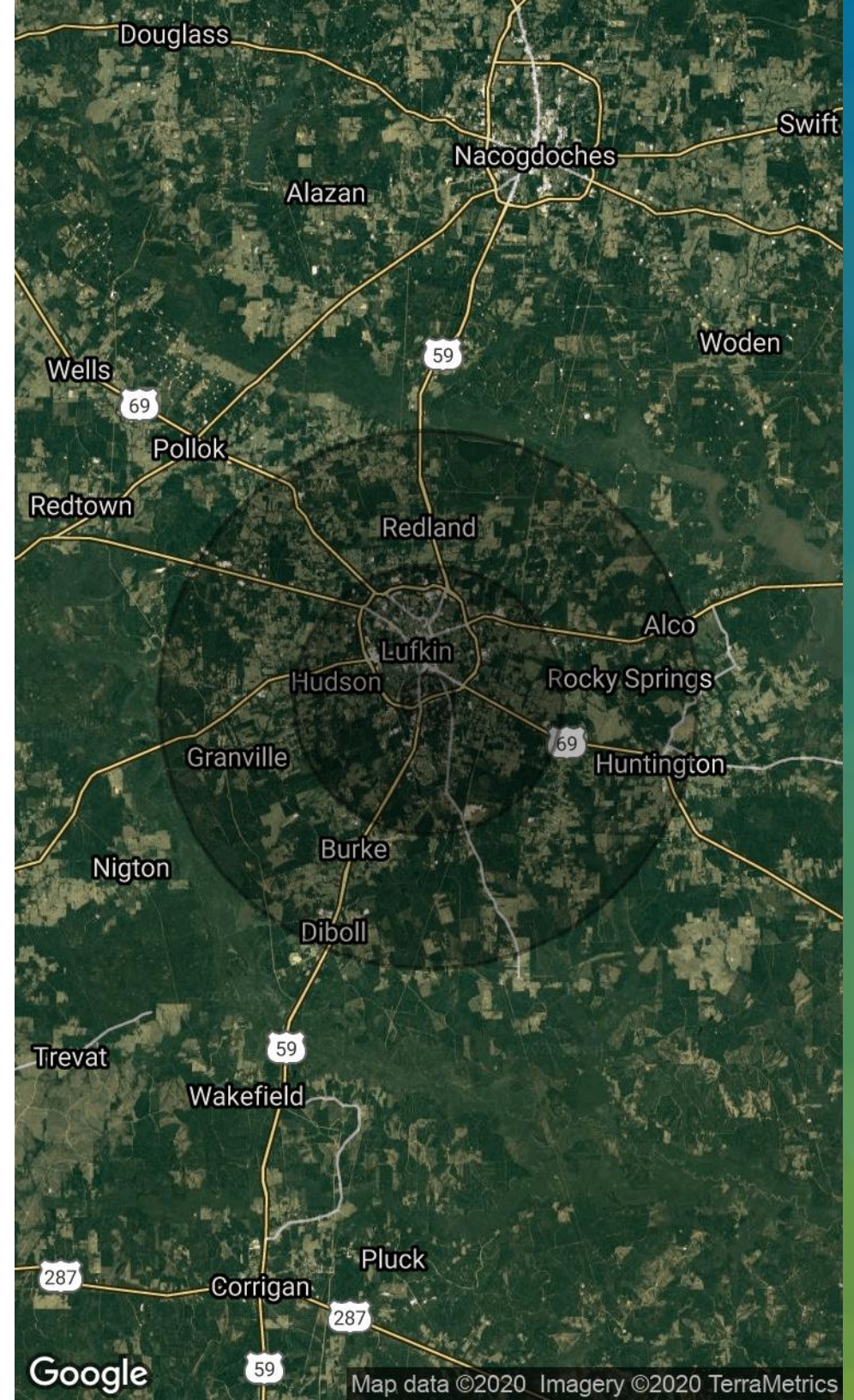


Demographics Map & Report

| Population | 1 Mile | 5 Miles | 10 Miles |
|----------------------|--------|---------|----------|
| Total Population | 3,054 | 46,757 | 72,179 |
| Average age | 37.1 | 34.9 | 35.4 |
| Average age (Male) | 33.9 | 33.1 | 34.0 |
| Average age (Female) | 39.6 | 36.7 | 36.6 |

| Households & Income | 1 Mile | 5 Miles | 10 Miles |
|---------------------|-----------|-----------|-----------|
| Total households | 1,185 | 17,445 | 26,564 |
| # of persons per HH | 2.6 | 2.7 | 2.7 |
| Average HH income | \$63,364 | \$56,508 | \$55,699 |
| Average house value | \$158,480 | \$127,776 | \$112,763 |

* Demographic data derived from 2010 US Census





Approved by the Texas Real Estate Commission for Voluntary Use
 Texas law requires all real estate licensees to give the following information about
 brokerage services to prospective buyers, tenants, sellers and landlords.

10-10-11

Information About Brokerage Services

Before working with a real estate broker, you should know that the duties of a broker depend on whom the broker represents. If you are a prospective seller or landlord (owner) or a prospective buyer or tenant (buyer), you should know that the broker who lists the property for sale or lease is the owner's agent. A broker who acts as a subagent represents the owner in cooperation with the listing broker. A broker who acts as a buyer's agent represents the buyer. A broker may act as an intermediary between the parties if the parties consent in writing. A broker can assist you in locating a property, preparing a contract or lease, or obtaining financing without representing you. A broker is obligated by law to treat you honestly.

IF THE BROKER REPRESENTS THE OWNER:

The broker becomes the owner's agent by entering into an agreement with the owner, usually through a written listing agreement, or by agreeing to act as a subagent by accepting an offer of subagency from the listing broker. A subagent may work in a different real estate office. A listing broker or subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first. The buyer should not tell the owner's agent anything the buyer would not want the owner to know because an owner's agent must disclose to the owner any material information known to the agent.

IF THE BROKER REPRESENTS THE BUYER:

The broker becomes the buyer's agent by entering into an agreement to represent the buyer, usually through a written buyer representation agreement. A buyer's agent can assist the owner but does not represent the owner and must place the interests of the buyer first. The owner should not tell a buyer's agent anything the owner would not want the buyer to know because a buyer's agent must disclose to the buyer any material information known to the agent.

IF THE BROKER ACTS AS AN INTERMEDIARY:

A broker may act as an intermediary between the parties if the broker complies with The Texas Real Estate License Act. The broker must obtain the written consent of each party to the transaction to act as an

intermediary. The written consent must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. The broker is required to treat each party honestly and fairly and to comply with The Texas Real Estate License Act. A broker who acts as an intermediary in a transaction:

- (1) shall treat all parties honestly;
- (2) may not disclose that the owner will accept a price less than the asking price unless authorized in writing to do so by the owner;
- (3) may not disclose that the buyer will pay a price greater than the price submitted in a written offer unless authorized in writing to do so by the buyer; and
- (4) may not disclose any confidential information or any information that a party specifically instructs the broker in writing not to disclose unless authorized in writing to disclose the information or required to do so by The Texas Real Estate License Act or a court order or if the information materially relates to the condition of the property.

With the parties' consent, a broker acting as an intermediary between the parties may appoint a person who is licensed under The Texas Real Estate License Act and associated with the broker to communicate with and carry out instructions of one party and another person who is licensed under that Act and associated with the broker to communicate with and carry out instructions of the other party.

If you choose to have a broker represent you, you should enter into a written agreement with the broker that clearly establishes the broker's obligations and your obligations. The agreement should state how and by whom the broker will be paid. You have the right to choose the type of representation, if any, you wish to receive. Your payment of a fee to a broker does not necessarily establish that the broker represents you. If you have any questions regarding the duties and responsibilities of the broker, you should resolve those questions before proceeding.

Real estate licensee asks that you acknowledge receipt of this information about brokerage services for the licensee's records.

Buyer, Seller, Landlord or Tenant

Date

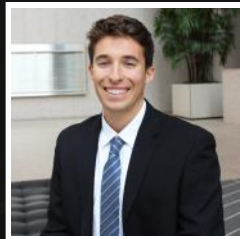
Texas Real Estate Brokers and Salespersons are licensed and regulated by the Texas Real Estate Commission (TREC). If you have a question or complaint regarding a real estate licensee, you should contact TREC at P. O. Box 12188, Austin, Texas 78711-2188, 512-425-3300 (toll-free), or <http://www.trec.texas.gov>

(TAR-2501) 10-10-11

TREC No. OP-K



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