LEASE SUMMARY

North Alexander Drive & Ward Road

City of Baytown, Texas | Net-Leased to Walgreen Co.

$29,291.67	$351,500.04	75 Years	No
Monthly Base Rent	Annualized Base Rent	Original Lease Term	Renewal Options Needed

Investment Highlights

- Nationally recognized, investment-grade retail pharmacy operator: the Leased Premises are occupied by **Walgreen Co.**, operating as Walgreens.
- Long-term, corporate lease commitment spanning a **75-year original term**, running from February 1, 2013 through January 31, 2088 — providing a buyer with decades of contracted, in-place income.
- Tenant's earliest opportunity to terminate does not arrive until the **end of the 240th full calendar month of the Term (February 2033) or thereafter**, and even then only with a full twelve (12) months' prior written notice — meaning no early-termination risk for the buyer for years to come.
- Built-in rent upside through a **percentage rent structure**: if Tenant's gross sales in a lease year exceed the fixed rent for that year, Tenant owes additional rent on the excess, giving ownership participation in store performance.
- Strong tenant credit profile is embedded directly into the lease: Tenant may only self-insure in lieu of third-party insurance if it maintains a **minimum net worth of $300 million and a BBB+ credit rating or better**.
- Landlord-favorable exclusive-use protections restrict competing pharmacy, drug store, alcohol, convenience store and other nuisance uses on the surrounding property that Landlord controls, and require Landlord (with Tenant cooperation) to enforce those restrictions.
- Tenant is responsible for all utility charges from the Possession Date forward (water, sewer, gas, electricity, and phone), and carries special-form (all-risk) casualty insurance at full replacement value along with a minimum $2 million general liability policy naming Landlord as additional insured.
- Environmental risk is addressed in the lease: Landlord is responsible for remediating any pre-existing hazardous substances (other than those caused by Tenant), with rent abatement protection built in if remediation disrupts Tenant's business.
- A Right of First Refusal (ROFR) and clearly defined ownership-transfer notice procedures are built into the lease, giving a future buyer a transparent, well-documented framework for the life of the investment.

Full Lease Terms

Property Address	North Alexander Drive and Ward Road, City of Baytown, TX
Tenant Name	Walgreen Co.

Permitted Use	Walgreens
Term Commencement	February 1, 2013
Term Expiration	January 31, 2088 (75-year original term)
Renewal Options	None required — full term is already 75 years
Base Rent (Monthly)	$29,291.67
Base Rent (Annualized)	$351,500.04
Rent per NOI	N/A
NNN (Est.)	N/A
Percentage Rent	Tenant pays additional rent when a lease year's gross sales exceed that year's fixed rent. Total rent (fixed + percentage) in any lease year is capped at twice the fixed rent (proportionally reduced for partial lease years).
Assignment	Tenant may assign to an affiliate; Tenant may sublease any portion of the premises; Tenant may go dark.
Utilities	Tenant pays all utility charges (water, sewer, gas, electricity, phone) from the Possession Date forward. Landlord is responsible for utilities prior to the Possession Date and must reimburse Tenant within 30 days for any prior charges Tenant pays to activate service.
Security Deposit	N/A
Exclusive Use (Sec. 8(a))	Landlord may not permit competing uses (drug stores, pharmacies, alcohol retailers, photo labs, gift shops, convenience stores, and others) or nuisance/non-retail uses (bars, arcades, adult businesses, car washes, flea markets, industrial operations, places of worship, etc.) on surrounding property it controls. Landlord must enforce these restrictions, which run with the land for the Lease Term, and must indemnify Tenant for enforcement costs and attorneys' fees.
Tenant Early Termination (Sec. 3(d))	Tenant may terminate at the end of the 240th full calendar month of the Term (February 2033) or at the end of any month thereafter, with at least 12 months' prior written notice. No notice is required for termination at the natural end of the full Term (January 31, 2088).

Special Provisions	(1) Right of First Refusal (ROFR). (2) Transfer of Title (Sec. 27): upon a sale, Tenant is not obligated to pay the new owner until receiving proof of transfer, payment instructions, the new owner's tax ID, and 1099 information; Tenant is not in default for withholding rent until these are provided. (3) Rent Tax: Tenant is responsible for any government rent-based tax imposed on tenants generally, deductible from percentage rent (with refund if percentage rent was already paid); Tenant is not liable for Landlord's income, inheritance, or successor taxes, and Landlord remains responsible for its own business license taxes. (4) Relocation: Landlord shall pay Tenant a $400,000 relocation allowance to cover relocation costs. (5) Assignment: Tenant may assign or sublet all or part of the premises without Landlord's consent (subject to certain restricted entities); for a full-premises assignment/sublease, Landlord has a 30-day election window to terminate the Lease, with specific timing rules depending on whether Tenant is operating; Landlord cannot terminate for assignments/subleases under Tenant's Section 13(b) rights or transfers involving five or more Texas locations. (6) TIF: Landlord cannot enter into or benefit from a Tax Increment Financing arrangement without Tenant's written approval; if a subsidy is received, Tenant is entitled to a rent reduction or direct payment.
Insurance (Sec. 20)	Tenant maintains special form (all-risk) casualty coverage (fire, flood, earthquake, terrorism, mold) at full replacement value, plus general liability coverage of at least $2,000,000, naming Landlord and its lender as additional insureds on a primary, non-contributory basis. Tenant may self-insure only if it maintains a minimum net worth of $300 million and a BBB+ credit rating; otherwise third-party insurance meeting all standards is required. If Tenant fails to obtain insurance, Landlord may secure it at Tenant's expense (reimbursable within 30 days). Coverage includes a waiver of subrogation in Landlord's favor.
Environmental (Sec. 10(b))	Landlord must remove and remediate hazardous substances (except those caused by Tenant) at its own expense, even after Tenant's possession begins. If remediation disrupts Tenant's business, rent abates accordingly. Landlord needs Tenant's consent (not unreasonably withheld) for remediation plans and indemnifies Tenant from related claims. Tenant handles governmental compliance related to its own use after possession.
Additional Info	Reciprocal Easement Agreement (REA) in place.