

ZACHRY

SINGLE TENANT NNN LEASE

Marcus & Millichap
DUONG INVESTMENT GROUP



SUBJECT PROPERTY

1501 YELLOWSTONE ST, FREEPORT, TX 77541

OFFERING MEMORANDUM

ZACHRY

SINGLE TENANT NNN LEASE



Exclusively Listed By

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INVESTMENT OVERVIEW

Investment Highlights



ZACHRY Group is a Highly Respected Industrial Tenant, Generating \$5.4 Billion in Annual Revenue and Operating 400+ Locations Across North America



3-Year Lease with No Options to Renew – Allows for Value-Add Potential for Future Landlord to Negotiate New Lease with the Tenant



Located on the Nolan Ryan Expressway (Hwy 288), a Main Regional Connector Between Freeport, Coastal Communities, and the Greater Houston Area, with Traffic Counts Exceeding 26,000 Vehicles Per Day.

Strong Real Estate Fundamentals

- ▶ **E-Commerce & Recession-Resilient:** Tenant's Business Model Is Well-Suited to Thrive in Various Economic Conditions
- ▶ **Located within 1-Mile from Dow Chemical Company:** Operating the Largest Integrated Chemical Manufacturing Plant in the United States
- ▶ **Deepwater Port:** Located on the Gulf of America Provides Access for Large-Scale Industrial Operations and Shipping
- ▶ **Investor-Friendly:** This NNN Industrial Property Offers Minimal Landlord Responsibilities, Making It Ideal for Out-Of-Market Investors
- ▶ **Prime Industrial Location:** Situated In a Dense Industrial Area Surrounded by National Brands, Including Air Liquide America, Phillips 66, Braskem, Among Others, All In Close Proximity To The Subject Property



INVESTMENT OVERVIEW

Tenant Spotlight

Zachry

Zachry Group is a leading North American engineering, construction, maintenance, turnaround, and fabrication services provider headquartered in San Antonio, Texas. Founded in 1924, the company has built a century-long legacy delivering critical infrastructure solutions across the energy, chemicals, power, manufacturing, and industrial sectors.



Zachry's integrated service model supports customers through the full project lifecycle — from front-end engineering and design to construction execution and long-term maintenance. The company's focus on safety, technical expertise, and reliable execution has established it as a trusted partner for complex capital projects and ongoing facility support.

| | |
|----------------|------------------------|
| Annual Revenue | \$5.4 Billion |
| Founded | 1924 |
| Headquarters | San Antonio, TX |
| # of Employees | ~10,000+* |

*Revenue and employee figures are based on the most recent industry estimates and filings.



Stock Photo

Company Growth

Over its long history, Zachry Group has evolved from a regional contractor to a diversified engineering and construction firm with deep capabilities across capital projects, maintenance services, and fabrication. The company's growth strategy emphasizes expanding technical services, enhancing execution efficiency through advanced engineering practices, and responding to long-term customer needs in energy and industrial markets.

Zachry's commitment to innovation includes investments in front-end engineering design, advanced work packaging, and integrated project delivery models that improve schedule predictability and cost performance on major capital programs. These strategic competencies support Zachry's role as a reliable partner on high-complexity projects across the United States and internationally.

Website

zachrygroup.com

Why Choose Zachry?

Zachry Group represents a strong industrial tenant with a proven operating history, diversified service offerings, and a legacy of executing essential infrastructure work. Its necessity-based services — spanning engineering, construction, and long-term maintenance — are integral to the ongoing operations of energy, manufacturing, and industrial facilities, contributing to stable demand across economic cycles.

For commercial real estate investors, Zachry offers a tenancy backed by a resilient business model, long project durations, and established relationships with major corporate and public sector clients. The company's operational depth, technical expertise, and multi-decade presence support its stability and long-term occupancy potential, aligning with net lease investment objectives.



Stock Photo

INVESTMENT OVERVIEW

Aerial Photo



FINANCIAL ANALYSIS

Offering Summary

| | |
|---------------------------|---|
| Property Name | ZACHRY |
| Property Address | 1501 Yellowstone St Freeport, TX 77541 |
| Assessor's Parcel Number | 2114-0007-000 |
| Year Built | 2000 |
| Gross Leasable Area (GLA) | ±6,000 Square Feet |
| Lot Size | ±0.74 AC (±32,234 Square Feet) |

Pricing

| | |
|----------|-------------|
| Price | \$1,400,000 |
| Cap Rate | 8.10% |
| Price/SF | \$233.33 |

Annualized Operating Data

| | |
|-----------------------------|------------------|
| Gross Potential Rent | \$113,465 |
| Less Expenses | NNN |
| Net Operating Income | \$113,465 |

Lease Information

| | |
|-------------------------|--|
| Lease Commencement Date | 03/01/2019 |
| Lease Expiration Date | 02/28/2029 |
| Total Lease Term | ±10 Years |
| Lease Term Remaining | ±3 Years |
| Increases | None |
| Options | None |
| Lease Type | NNN |
| Lease Type Details | Landlord responsible for roof & structure. |

ZACHRY

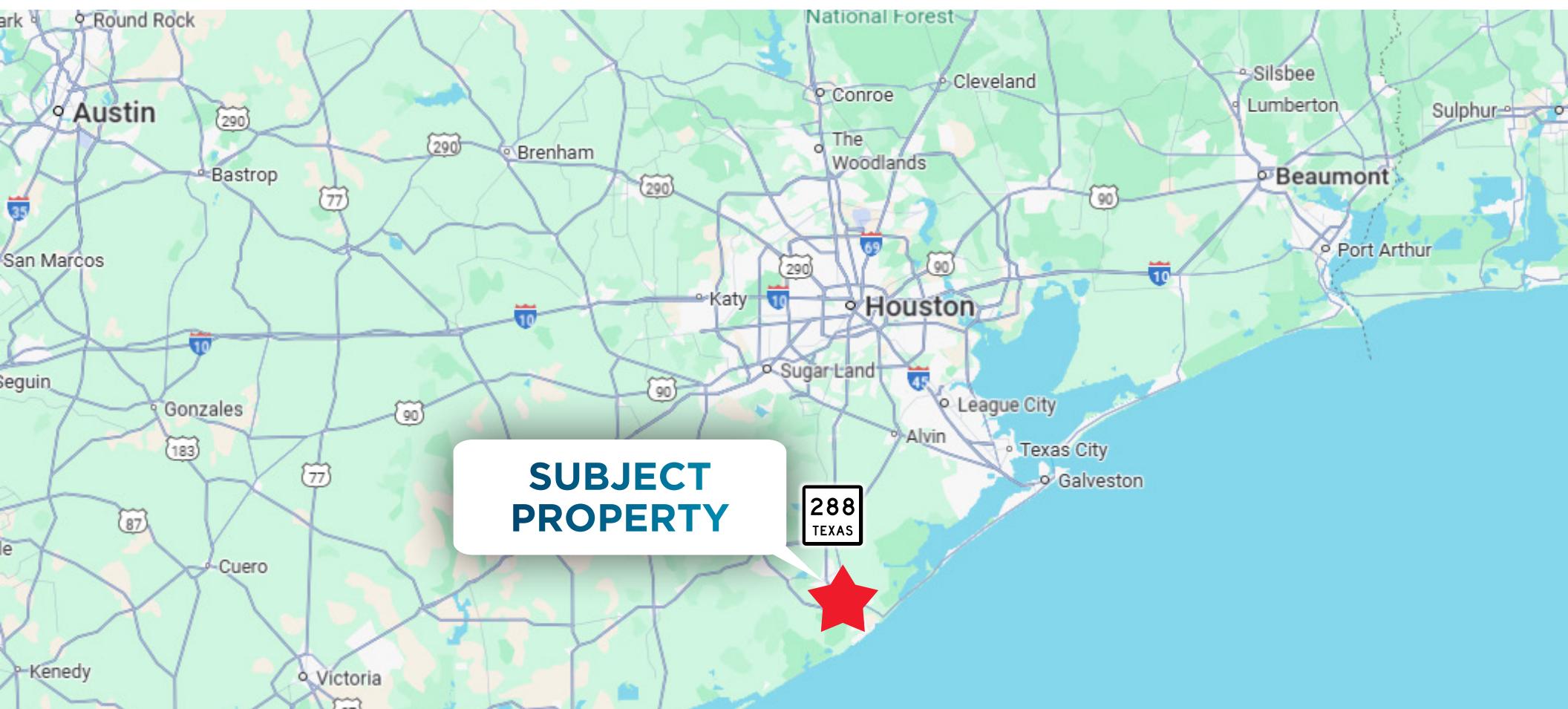
ADDITIONAL OFFERINGS - FREEPORT



2 mi

MARKET OVERVIEW

Regional Map



\pm 60 MILES

VIA TX-288
TO HOUSTON, TX



\pm 3 MILES

TO PORT FREEPORT
(MAJOR TRANSIT HUB)



\pm 5 MILES

TO UNION PACIFIC
HOSKINS JUNCTION



\pm 7,000

ACRES OCCUPIED BY NEARBY
DOW CHEMICAL FACILITIES

MARKET OVERVIEW

The City Of Freeport, TX



Freeport, located within Brazoria County and part of the Houston MSA, serves as a key industrial node along the Texas Gulf Coast. The region's industrial market is supported by the Port of Freeport, one of the fastest-growing deepwater ports in the United States, which provides vital connections to global trade lanes.

The area benefits from consistent infrastructure investment aimed at expanding port capacity, improving roadway access, and supporting petrochemical logistics.

Industrial demand in this corridor is driven by large-scale energy, petrochemical, and manufacturing operations, including significant presences from Dow, BASF, and Phillips 66. The Houston MSA's economic base, characterized by strong diversification across energy, logistics, and advanced manufacturing, underpins sustained industrial absorption and stable investor confidence.

Freeport's position within the southern Houston industrial market offers tenants and investors access to both Gulf shipping routes and major inland distribution networks via Highways 288 and 36. Continued expansion of the Gulf Intracoastal Waterway and nearby industrial parks further enhances the area's role as a logistics and processing hub.

With available land and access to maritime, rail, and road infrastructure, the Freeport market remains well-positioned for long-term industrial growth. This location provides a strategic point for users and investors seeking exposure to the Gulf Coast's energy-driven economy and international trade flows.

Nearby Major Infrastructure

PORt FREEPORT



TX-288 HIGHWAY



UNION PACIFIC TEXAS



DOW CHEMICAL TEXAS



VW GULF COAST HUB



Surfside Beach - Freeport

Demographics

| Income & Economics | 5-Mile | 7-Mile | 10-Mile |
|-----------------------------|----------|----------|-----------|
| Average Household Income | \$84,087 | \$96,350 | \$101,612 |
| AHHI: \$100,000 - \$149,999 | 17.5% | 21.1% | 20.8% |
| 2025 Daytime Population | 46,298 | 63,564 | 70,159 |
| Population | | | |
| 2030 Population | 33,335 | 58,604 | 70,079 |
| 2025 Population | 32,159 | 56,684 | 67,787 |
| 2010 Population | 32,887 | 55,153 | 64,797 |
| Households | | | |
| 2030 Households | 13,186 | 23,069 | 27,482 |
| 2025 Households | 12,634 | 22,184 | 26,386 |
| 2010 Households | 11,576 | 20,427 | 24,284 |

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