

MAVIS DISCOUNT TIRE

EXCLUSIVE NET-LEASE OFFERING



Representative Photo



OFFERING
MEMORANDUM

89 Mount Bethel Road, Warren, NJ 07059

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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.

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Investment Highlights

PRICE: \$2,986,051 | CAP: 5.50% | RENT: \$164,233



About the Investment

- ✓ Corporately Operated 15-Year Sale-Leaseback
- ✓ Triple-Net (NNN) Lease with Zero Landlord Responsibilities
- ✓ Attractive Rental Increases of Five Percent (5.00%) Every Five (5) Years
- ✓ Five (5) Tenant Renewal Periods of Five (5) Years Each

About the Location

- ✓ Extremely Affluent Suburban Community | Average Household Income Exceeds \$227,000 within One Mile of the Subject Property
- ✓ High Visibility & Ease of Access | Property is Positioned at the Hard Corner of a Signalized Intersection with Ingress and Egress Points from Multiple Streets
- ✓ Robust Demographics | Approximately 200,000 Individuals Reside within Five Miles of the Subject Property
- ✓ Heavily Trafficked Area | Approximately 14,500 Vehicles Per Day Along Mount Bethel Road
- ✓ Significant Population Growth | Population within One Mile of the Subject Property is Projected to Increase by More than 7% by 2023
- ✓ Excellent New Jersey Real Estate | Less than 30 Miles from Midtown Manhattan

About the Tenant / Brand

- ✓ Mavis Discount Tire, founded in 1949 by Marion and Victor Sorbaro, is headquartered in Millwood, New York
- ✓ Mavis Discount Tire is one of the largest independent tire and service providers in the US, operating more than 500 fully-equipped service centers across 13 states
- ✓ Offers tires from over 20 major brands and provides repair and maintenance services, including: brakes, alignments, suspension, shocks, struts, oil changes, battery replacement and exhaust work
- ✓ Acquired Cole Muffler Brake in 2008, Somerset Tire (STS) in 2015, Kauffman Tire in 2018 and merged with Express Oil and Tire Engineers in 2018, enabling Mavis Discount Tire to keep pace with changing market demands and conditions

We Will Beat ANY Price!

For same tire size, brand and construction with shipping and/or installation costs

We will not be undersold! Think you've seen a lower price?

Call Us Now at 1-800-487-2284

Instore Installation vs. Buying On-line/Mail Order

Buying from other on-line tire companies might seem like a great deal at first, but tires need to be properly installed & balanced. By the time you pay for shipping, mounting, balancing, new valve stems, etc. you may not be getting the deal you thought you were.

Call us before buying on-line: 1-800-487-2284



Representative Photo



Financial Analysis

PRICE: \$2,986,051 | CAP: 5.50% | RENT: \$164,233



PROPERTY DESCRIPTION

Property	Mavis Discount Tire
Property Address	89 Mount Bethel Road
City, State, ZIP	Warren, NJ 07059
Estimated Building Size	5,800 SF
Lot Size	+/- 0.48 Acres
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$2,986,051
CAP Rate	5.50%
Annual Rent	\$164,233

LEASE SUMMARY

Property Type	Net-Leased Auto Services
Tenant	Mavis Discount Tire
Original Lease Term	15.0 Years
Lease Commencement	Upon Close of Escrow
Lease Expiration	15 Years from Close of Escrow
Lease Term Remaining	15.0 Years
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	5.00% Every 5 Years
Options to Renew	Five (5), Five (5)-Year Options

Rent Schedule

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 1	\$164,233	\$13,686	-
Year 2	\$164,233	\$13,686	-
Year 3	\$164,233	\$13,686	-
Year 4	\$164,233	\$13,686	-
Year 5	\$164,233	\$13,686	-
Year 6	\$172,445	\$14,370	5.00%
Year 7	\$172,445	\$14,370	-
Year 8	\$172,445	\$14,370	-
Year 9	\$172,445	\$14,370	-
Year 10	\$172,445	\$14,370	-
Year 11	\$181,067	\$15,089	5.00%
Year 12	\$181,067	\$15,089	-
Year 13	\$181,067	\$15,089	-
Year 14	\$181,067	\$15,089	-
Year 15	\$181,067	\$15,089	-

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the Mavis Discount Tire located at 89 Mount Bethel Road in Warren, New Jersey. The site consists of approximately 5,800 total square feet of building space and sits on approximately 0.48 acres of land. The site will be subject to a 15-year sale-leaseback that will call for 5% rental escalations every 5 years during the base term that will continue through five (5), five (5)-year tenant renewal option periods.



Concept Overview



About Mavis Discount Tire

Mavis Discount Tire is one of the largest independent tire and service providers in the U.S. In addition to its core offering of tires from over 20 major brands, Mavis also provides repair and maintenance services including brakes, alignments, suspension, shocks, struts, oil changes, battery replacement and exhaust work. Mavis, founded in 1949 by Marion and Victor Sorbaro, is headquartered in Millwood, New York. Mavis continues to grow with the acquisition of Cole Muffler Brake in 2008, Somerset Tire (STS) in 2015, and Kauffman Tire in 2018. Its recent merger with Express Oil and Tire Engineers in 2018 allows it to keep pace with changing market demands and conditions. Today, over 500 bright, clean, fully equipped service centers can be found across 13 states.

Price Match

If you see an ad for tires at a lower price, submit it to the Mavis Price Buster Squad. After telling us the tire size and brand, you'll jump to a page where you can tell us about a competitive ad. A Mavis Price Buster will respond within one hour during business hours.

Mavis Discount Tire 30-Day Price Guarantee

If within 30 days of your purchase you find the same tire (same size, brand, model and construction) for a lower price, we will refund the difference plus 5%. And rest assured, all tires sold by Mavis come with a full manufacturer's warranty, plus this no-hassle Mavis Return policy: "We will gladly accept the return or exchange of original-condition, uninstalled tires purchased from MavisTire.Com (excl. special order items) within 30 days of purchase. No questions asked."



Representative Photo



BFGoodrich



Bridgestone



Continental



Cooper



Dunlop



Firestone



Fuzion



General



Goodyear



Hankook



Kelly



Michelin



Pirelli



Uniroyal



Yokohama



Tenant Overview: In Recent News

Golden Gate Capital Buys Mavis Discount Tire



ONCAP has agreed to sell its equity interest in Mavis Discount Tire to Express Oil Change & Tire Engineers (Express), a Golden Gate Capital portfolio company. The combined company creates one of the largest independent automotive service platforms in the US. Golden Gate Capital acquired a majority equity interest in Express in June 2017 from Carousel Capital.

Mavis Discount Tire, a portfolio company of ONCAP since October 2014, is one of the largest independent tire and service providers in the US with more than 430 service centers across New York, New Jersey, Pennsylvania, Connecticut, Massachusetts, Georgia and Florida. In addition to its core offering of tires from over 20 major brands, Mavis also provides repair and maintenance services including brakes, alignments, suspension, shocks, and exhaust. Mavis, which was founded in 1972 by Marion and Victor Sorbaro, is headquartered in Millwood, NY (www.mavistire.com). Express Oil Change & Tire Engineers is one of the largest independent automotive service platforms in the US. The company provides quick oil changes, automotive maintenance and repair, and tire sales and services and has approximately 400 company-owned and franchise locations in 19 states. Express was founded in 1979 and is headquartered in Birmingham, AL (www.expressoil.com).

The combined company will operate more than 830 locations in 24 states across the East Coast, South and

Midwest. The merged company will be led by Mavis' current Co-Chief Executive Officers, David and Stephen Sorbaro, and both of them will be significant shareholders. Express' Chief Executive Officer, Ricky Brooks, will become Executive Chairman.

"For years we have observed both Mavis' and Express' tireless dedication to their customers and operational excellence and we're elated to have the opportunity to partner with the Sorbaros and Ricky," said Josh Cohen, a Managing Director at Golden Gate Capital. "Uniting these strong, recognized brands will combine best practices and result in an acceleration of their current industry-leading growth." Golden Gate will continue to back the company as it seeks to acquire additional automotive service providers in the combined company's core and contiguous markets.

"We are thrilled to partner with Express and Golden Gate Capital to create a leading company in the auto service industry in terms of service center footprint, financial strength and service quality," said David Sorbaro, Co-Chief Executive Officer of Mavis Discount Tire. "Express is the ideal partner as we continue to expand our footprint nationally. We're grateful for ONCAP's support throughout its ownership, and Stephen and I look forward to continuing to provide customers at Mavis and Express with the very best auto care in the industry."

ONCAP is the mid-market private equity platform of Onex Corporation which makes private equity investments through the Onex Partners and the ONCAP families of funds. Onex has more than \$25 billion of assets under management and is based in Toronto with additional offices in New York, New Jersey and London (www.onex.com).

"During our ownership David and Stephen did a fantastic job expanding on their world-class platform," said Evan Hershberg, a Managing Director at ONCAP. "We're proud of what we accomplished together and we wish Mavis, Express and Golden Gate Capital continued success."

Golden Gate Capital targets companies across a range of industries and transaction types, including going-privates, corporate divestitures, recapitalizations, and public equity investments. The firm has approximately \$15 billion of capital under management and is based in San Francisco (www.goldengatecap.com).

Jefferies is the financial advisor to Mavis and is leading the financing group which includes Antares Capital, KKR Capital Markets, Angel Island Capital and Cowen.

This transaction is expected to close before June 30, 2018.

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Surrounding Area

Property Address: 89 Mount Bethel Road, Warren, NJ 07059



CENTRAL SCHOOL

MOUNT BETHEL RD

MOUNTAIN BLVD



Warren Primary Care



Fulton Bank





Location Overview

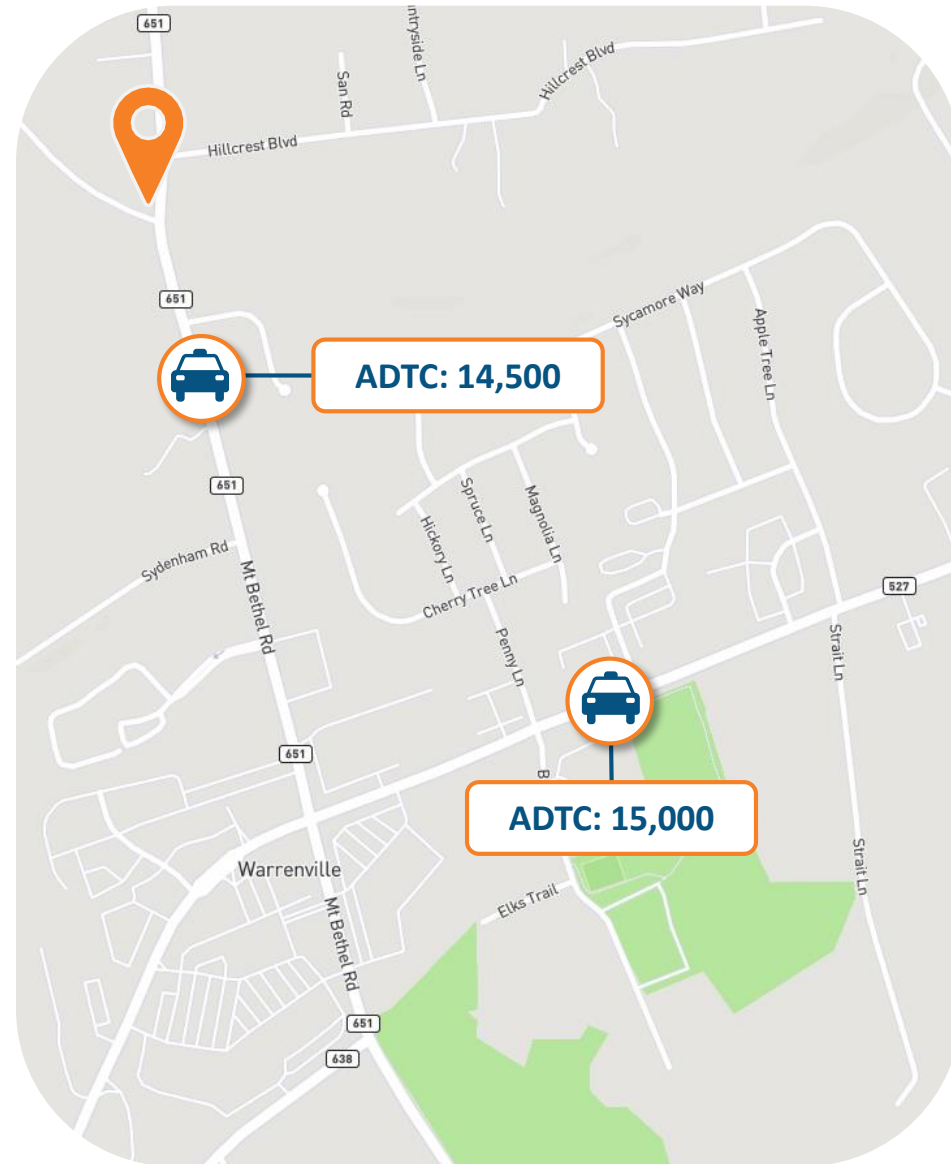
Property Address: 89 Mount Bethel Road, Warren, NJ 07059



This Mavis Discount Tire property is situated at 89 Mount Bethel Road in Warren, New Jersey, less than 30 miles from midtown Manhattan. Mount Bethel Road experiences an average daily traffic count of approximately 14,500 vehicles and intersects with Mountain Boulevard, which brings an additional 15,000 vehicles into the immediate surrounding area each day. The average household income is over \$227,000 for homes within one mile of the subject property. There are more than 41,000 individuals residing within a three-mile radius of the subject property and approximately 200,000 individuals within a five-mile radius. The population within a one-mile radius of the subject property is projected to increase by more than 7 percent by 2023.

This Mavis Discount Tire features high visibility and ease of access, being located at the hard corner of a signalized intersection and containing multiple ingress and egress points to the property from multiple streets. The property sits in a dense retail corridor that features numerous national and local restaurant and retail concepts. Major national tenants in the immediate area include: Walgreens, Acme Markets, Chase Bank, Bank of America, PNC Bank, TD Bank, Starbucks, Dunkin' Donuts, Moe's, Jersey Mike's and more. The property's position on Mount Bethel Road is less than two miles south of Interstate-78, which provides direct access into the nearby bustling cities of Newark and Manhattan. Menlo Park Mall, a two-level super regional mall featuring Macy's, Nordstrom, Barnes & Noble Booksellers, Benihana, The Cheesecake Factory, Havana Central, Seasons 52 Fresh Grill, Rainforest Cafe, Chipotle, Smashburger, Chick-fil-A, Panera Bread, Melt Shop, AMC Dine-In Theatre and a variety of specialty foods in the Food Court, is less than 10 miles from the subject property.

One of the most attractive communities in New Jersey, Warren Township was voted in 2013 the #1 Best Place to Live in Central New Jersey and #2 in the State of New Jersey. Once described as "the greenest place in New Jersey", Warren Township residents and elected officials are working to keep the city's rural character and charm while also implementing growth strategies to accompany the community's favorable property taxes and strategic location. Warren is uniquely positioned within easy commuting distance of some of the busiest commerce areas in the northeast; Newark, New York City, Philadelphia and the Lehigh Valley, connecting the city with endless resources for industry, education and cultural activities. Businesses and residents alike choose Warren as their home because of the access to major roads and resources. Warren is positioned between Route 78, Route 22 and Route 287. It is close to major shopping centers as well as great restaurants. Warren Township is the location of over 600 businesses, consisting of restaurants, retail, and manufacturing and office occupancies.





Property Photos





Surrounding Area Photos

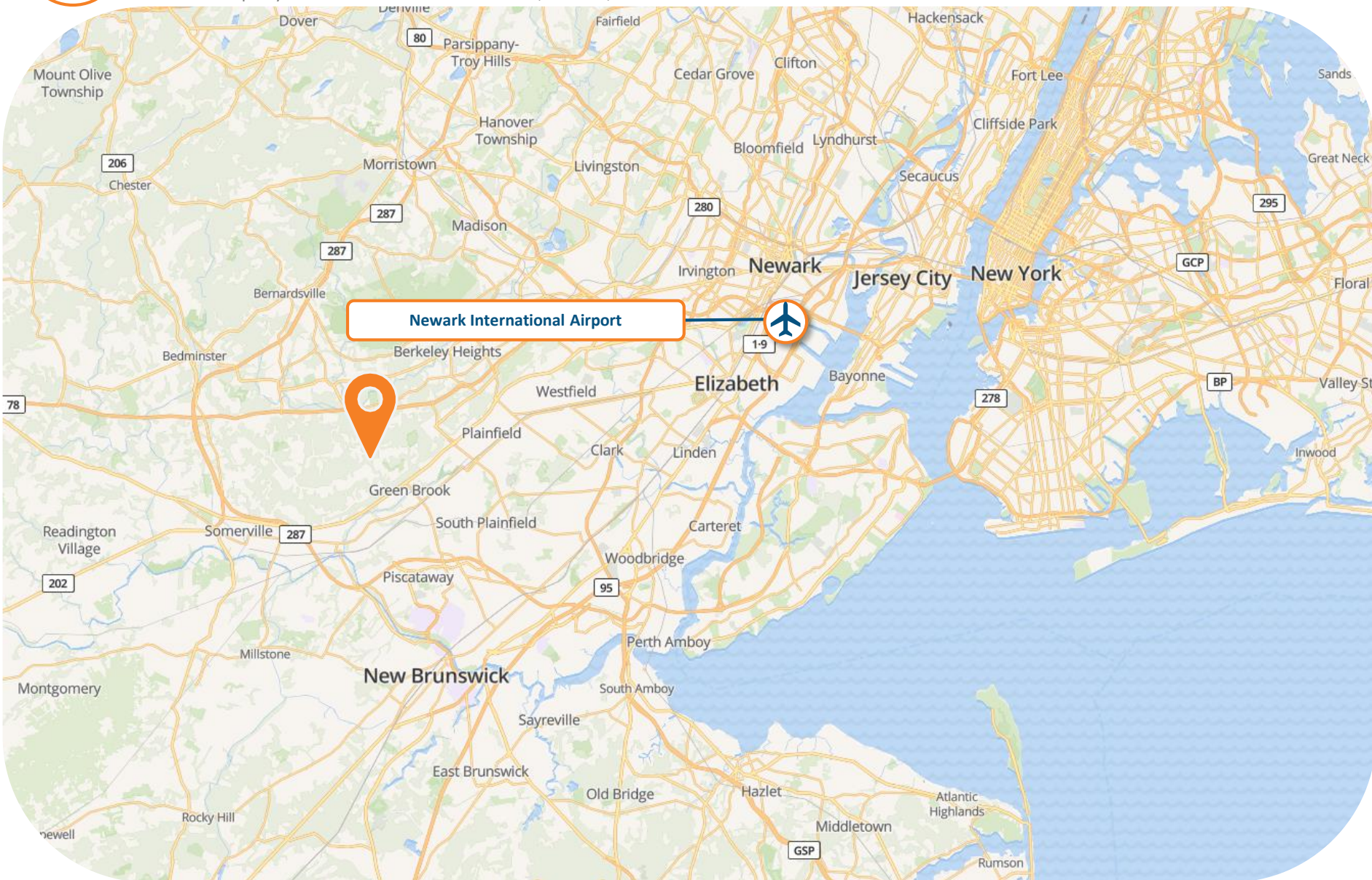




Local Map



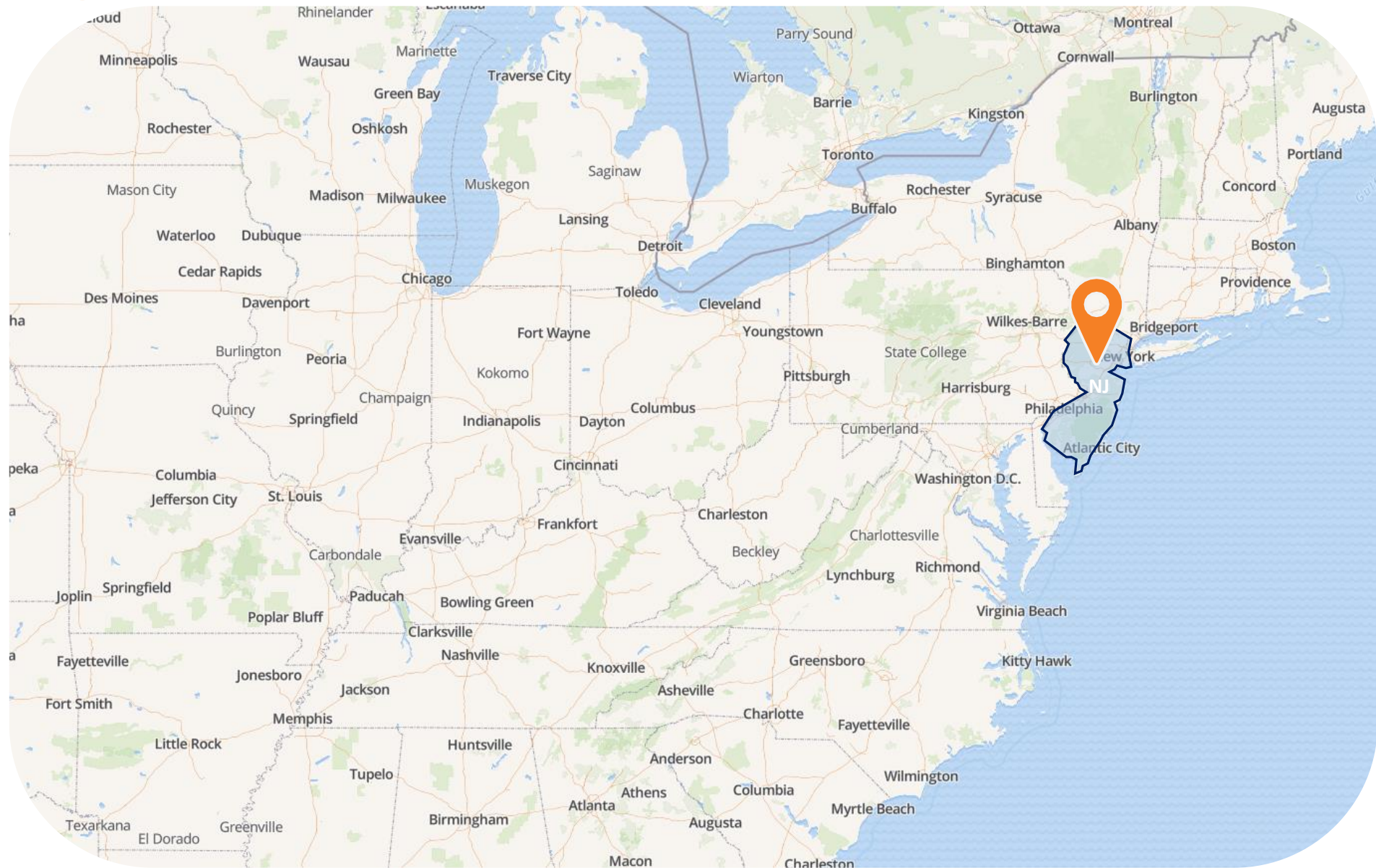
Property Address: 89 Mount Bethel Road, Warren, NJ 07059





Regional Map

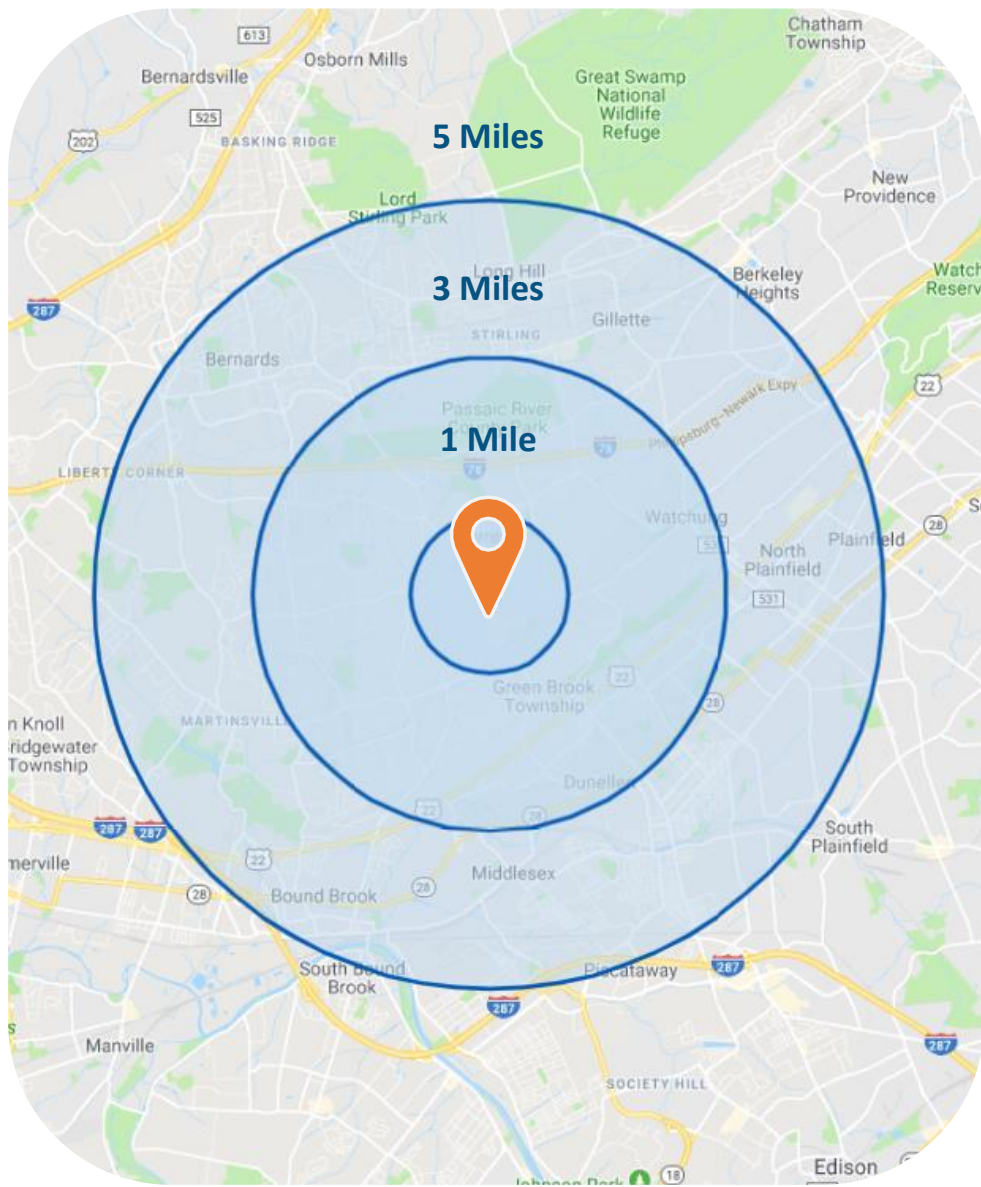
Property Address: 89 Mount Bethel Road, Warren, NJ 07059





Demographics

Property Address: 89 Mount Bethel Road, Warren, NJ 07059



POPULATION

	1 Mile	3 Miles	5 Miles
2023 Projection	3,105	43,366	201,395
2018 Estimate	2,891	41,596	197,948
2010 Census	2,644	39,819	190,098
2000 Census	1,878	37,229	180,961

INCOME

Average	\$227,427	\$157,737	\$128,755
Median	\$146,150	\$103,577	\$85,905
Per Capita	\$79,696	\$56,622	\$43,850

HOUSEHOLDS

2023 Projection	1,096	15,681	69,205
2018 Estimate	1,010	14,902	67,194
2010 Census	911	14,106	64,284
2000 Census	637	13,103	61,965

HOUSING

2018	\$604,515	\$439,438	\$369,256
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EMPLOYMENT

2018 Daytime Population	4,020	43,368	155,460
2018 Unemployment	2.60%	3.54%	4.40%
2018 Median Time Traveled	34 Mins	34 Mins	32 Mins

RACE & ETHNICITY

White	69.79%	67.12%	54.45%
Native American	0.00%	0.11%	0.06%
African American	2.31%	8.45%	18.03%
Asian/Pacific Islander	25.08%	16.67%	12.15%



Market Overview

City: Warren | County: Somerset | State: New Jersey



Manhattan, New York

Warren is a township in Somerset County, New Jersey, located just under 30 miles from Manhattan, New York. With an estimated 2017 population of 8,622,698 distributed over a land area of about 302.6 square miles, New York City is the most densely populated major city in the United States. Located at the southern tip of the state of New York, the city is the center of the New York metropolitan area, the largest metropolitan area in the world by urban landmass and one of the world's most populous megacities. A global power city, New York City has been described as the cultural, financial, and media capital of the world, and exerts a significant impact upon commerce, entertainment, research, technology, education, politics, tourism, and sports. Home to the headquarters of the United Nations, New York is an important center for international diplomacy. Situated on one of the world's largest natural harbors, New York City consists of five boroughs, each of which is a separate county of the State of New York. The five boroughs – Brooklyn, Queens, Manhattan, The Bronx, and Staten Island – were consolidated into a single city in 1898. As many as 800 languages are spoken in New York, making it the most linguistically diverse city in the world.

Many districts and landmarks in New York City are well known, and the city received a record 62.8 million tourists in 2017. Several sources have ranked New York the most photographed city in the world. Times Square, iconic as the world's "heart" and its "Crossroads", is the brightly illuminated hub of the Broadway Theater District, one of the world's busiest pedestrian intersections, and a major center of the world's entertainment industry. Anchored by Wall Street in the Financial District of Lower Manhattan, New York City has been called both the most economically powerful city and the leading financial center of the world, and the city is home to the world's two largest stock exchanges by total market capitalization, the New York Stock Exchange and NASDAQ. Providing continuous 24/7 service, the New York City Subway is one of the most extensive metro systems worldwide, with 472 stations in operation. Over 120 colleges and universities are located in New York City, including Columbia University, New York University and Rockefeller University, which have been ranked among the top universities in the world.

Major Employers

Employer	Estimated # of Employees
Boeing	4,518
PS&S Engineering	2,120
Bridgewater-Raritan Regional School District	1,200
Chubb	1,021
Bridgewater Raritan Board of Education	1,000
Collabera Holdings, Inc.	1,000
Ampal Services, LLC	800
Covalance Specialty Adhesives, LLC	600
City of Plainfield	564
GSK Consumer Healthcare	558
Runnells Hospital	550

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