



PEP BOYS

10225 S HIGHWAY 6

SUGAR LAND, TX 77498



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PEP BOYS

This Confidential Offering Memorandum (“Memorandum”) is being delivered subject to the terms of the Confidentiality Agreement (the “Confidentiality Agreement”) signed by you and constitutes part of the Confidential Information (as defined in the Confidentiality Agreement). It is being given to you for the sole purpose of evaluating the possible investment in **10225 S Highway 6, Sugar Land, TX 77498** (the “Project”), and is not to be used for any other purpose or made available to any other party without the prior written consent of its exclusive broker, Cushman & Wakefield. This Memorandum was prepared by Cushman & Wakefield based primarily on information supplied by Managing Member. It contains select information about the Project and the real estate market but does not contain all the information necessary to evaluate the Project. The financial projections contained herein (or in any other Confidential Information) are for general reference only. They are based on assumptions relating to the overall economy and local competition, among other factors. Accordingly, actual results may vary materially from such projections. Various documents have been summarized herein to facilitate your review; these summaries are not intended to be a comprehensive statement of the terms or a legal analysis of such documents. While the information contained in this Memorandum and any other Confidential Information is believed to be reliable, neither Cushman & Wakefield nor Managing Member guarantees its accuracy or completeness. Because of the foregoing and since the investment in the Project is being offered on an “As Is, Where Is” basis, a prospective investor or other party authorized by the prospective investor to use such material solely to facilitate the prospective purchaser’s investigation, must make its independent investigations, projections and conclusions regarding the investment in the Project without reliance on this Memorandum or any other Confidential Information. Although additional Confidential Information, which may include engineering, environmental or other reports, may be provided to qualified parties as the marketing period proceeds, prospective purchasers should seek advice from their own attorneys, accountants, engineers and environmental experts. Neither Cushman & Wakefield nor Managing Member guarantees the accuracy or completeness of the information contained in this Memorandum or any other Confidential Information provided by Cushman & Wakefield and Managing Member. Managing Member expressly reserves the right, at its sole discretion, to reject any offer to invest in the Project or to terminate any negotiations with any party at any time with or without written notice. Managing Member shall have no legal commitment or obligations to any prospective investor unless and until a written sale agreement has been fully executed, delivered and approved by Managing Member and any conditions to Managing Member’s obligations thereunder have been satisfied or waived. Managing Member has retained Cushman & Wakefield as its exclusive broker and will be responsible for any commission due to Cushman & Wakefield in connection with a transaction relating to the Project pursuant to a separate agreement. Cushman & Wakefield is not authorized to make any representation or agreement on behalf of Managing Member. Each prospective investor will be responsible for any claims for commissions by any other broker in connection with an investment in the Project if such claims arise from acts of such prospective investor or its broker. This Memorandum is the property of Managing Member and all parties approved by Managing Member and may be used only by parties approved by Managing Member. No portion of this Memorandum may be copied or otherwise reproduced or disclosed to anyone except as permitted under the Confidentiality Agreement.

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PEP BOYS



PROPERTY ADDRESS

10225 S Highway 6
Sugar Land, TX 77498



SIZE

Land: 1.5 Acres (65,553 sqft)
Bldg: 14,380 sqft



YEAR BUILT

2013



FRONTAGE & PARKING SPACES

Ratio of 6.41/1,000 sqft

INVESTMENT HIGHLIGHTS



**CORPORATE
GUARANTEED NNN LEASE**

The Pep Boys-Manny, Moe & Jack of Delaware, Inc. reported year end 2015 revenues of \$2.88 billion and net worth of \$524 million.

8+ YEARS
remaining on Lease

**SCHEDULED 8% RENT
INCREASES**
every 5 years of initial term and
three-5 Year options to renew with
10% rent increases





PROPERTY OVERVIEW

[VIEW PROPERTY VIDEO](#)

- Sugar Land is approximately 20 miles southwest of Houston, the largest metropolis of Texas.
- 137,000 population in 3 mile radius & Houston MSA has a population of over 6 million.
- Located on a 1.5 acre lot on Route 6, which is the major commercial artery in the area.
- 56,460 VPD on Route 6.
- Adjacent to Whataburger & Home Depot in dense retail corridor.



LEASE DETAILS

RENT SCHEDULE



Lease Type
NNN*

Lease Guarantor
CORPORATE

Rent Commencement Date
MAY 2013

Lease Expiration Date
APRIL 2028

Term Remaining on Lease
8+ YEARS

Options
THREE 5-YEAR

YEAR	MONTHLY RENT	ANNUAL RENT
1-5	\$25,130	\$301,560
6-10	\$27,140	\$325,684
11-15	\$29,318	\$351,820
Option 1	\$32,250	\$387,002
Option 2	\$35,478	\$425,744
Option 3	\$39,035	\$468,423

Cap rate
5.62%

Price
\$5,800,000

Price/ft Land
\$88.48

Price/ft Bldg.
\$403.34

NOI
\$325,684

*Landlord responsible for roof and structure replacement. Tenant responsible for repairs and maintenance. Taxes, insurance and property owner association fees are paid and reimbursed.



PEP BOYS

Pep Boys sells brand name and private label auto parts, and provides select services through some **900 stores in 35 US states and Puerto Rico**. The Company stocks about 25,000 car parts and accessories, including tires, and operates more than 7,400 service bays for vehicle repairs, inspections, and parts installations. Its distribution network spans some 20 sites. It also offers credit and parts delivery to commercial customers, such as repair shops, fleet operators, schools, and municipalities. Founded in 1921 by Philadelphians Manny, Moe, and Jack, Pep Boys is owned by billionaire investor Carl Icahn's Icahn Enterprises.

DEMOGRAPHICS

POPULATION	1 MILE	3 MILE	5 MILE
2019 Total Population:	14,361	137,121	333,730

2024 Population:	16,216	150,749	364,780
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Pop Growth 2019-2024:	12.92%	9.94%	9.30%
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Average Age:	34.70	35.10	35.00
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HOUSEHOLDS	1 MILE	3 MILE	5 MILE
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2019 Total Households:	4,209	41,008	105,526
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HH Growth 2019-2024:	12.83%	9.96%	9.22%
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Median Household Inc:	\$68,138	\$61,583	\$58,136
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Avg Household Size:	3.40	3.30	3.10
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2019 Avg HH Vehicles:	2.00	2.00	2.00
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HOUSING	1 MILE	3 MILE	5 MILE
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Median Home Value:	\$192,996	\$166,448	\$172,620
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Median Year Built:	1989	1989	1988
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TRAFFIC COUNTS (2017)

COLLECTION ST.	CROSS ST.	CROSS ST. DIST./DIR.	TRAFFIC VOLUME	DIST. FROM SUBJECT
Old Richmond Rd	Linenhall Dr	0.00 W	5,197	0.17

W Bellfort Dr		0.00	17,957	0.24
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Old Richmond Rd	Addicks-Howell Rd	0.13 E	8,727	0.25
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W Bellfort St	Spanish Grant Dr	0.02 E	2,269	0.53
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Burney Rd	Parish Mill Ln	0.04 N	9,112	0.59
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Addicks-Howell Rd	Atterbury Dr	0.13 S	48,031	0.64
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Sugarland-Howell Rd	Strutton Dr	0.08 S	5,150	0.77
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PEP BOYS

PEPBOYS AUTO
=SERVICE - TIRES - PARTS=

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Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

11-2-2015



TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

_____ Licensed Broker /Broker Firm Name or Primary Assumed Business Name	_____ License No.	_____ Email	_____ Phone
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_____ Designated Broker of Firm	_____ License No.	_____ Email	_____ Phone
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_____ Licensed Supervisor of Sales Agent/ Associate	_____ License No.	_____ Email	_____ Phone
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_____ Sales Agent/Associate's Name	_____ License No.	_____ Email	_____ Phone
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Buyer/Tenant/Seller/Landlord Initials

Date