

OFFERING
MEMORANDUM



O'REILLY AUTO PARTS (ALL-BRICK)

LAVON, TX

Marcus & Millichap

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Downtown Dallas
33 Miles



Lake Lavon
Approximately 4 million visitors annually

Proposed Retail Development
Zoned Commercial
• RaceTrac Development
• Retail Strip
• Two Pad Sites



LAVON GRAND HERITAGE
Master Planned HOA
Community ISD
\$6 Million Resort Style Pool
Potential for 5,000 Homes



18,026 VPD

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Marcus & Millichap



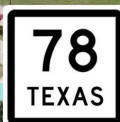
Lake Lavon

Approximately 4 million
visitors annually



LAVON GRAND HERITAGE

Master Planned HOA
Community ISD
\$6 Million Resort Style Pool
Potential for 5,000 Homes



18,026 VPD



SUBJECT PROPERTY



O'REILLY AUTO PARTS

890 TX-78, Lavon, TX 75166

Marcus & Millichap is pleased to present the opportunity to acquire an O'Reilly Auto Parts in Lavon, Texas. The property consists of a 7,225-square foot, freestanding building that sits on approximately 1.45 acres of land. There are approximately 14 years remaining on the current lease term, with a six percent rental escalation scheduled in the 11th year of the lease, as well as each option thereafter.

The property has excellent frontage and access on TX-78, the main highway connecting Lavon and Dallas, with traffic counts exceeding 17,580 vehicles per day. The area has experienced a 177 percent population growth with more than 195,838 residents within a 10-mile radius.

O'Reilly Auto Parts is one of the largest specialty retailers of automotive aftermarket parts in the United States, serving both the do-it-yourself and professional service provider markets. In 2019, the company reported sales of \$10.15 billion and has a Standard & Poor's BBB+ (investment grade) credit rating.

INVESTMENT HIGHLIGHTS

Dallas-Fort Worth MSA Location

Upgraded Construction - Brick Exterior

Corporate Store with Approximately 14 Years Remaining

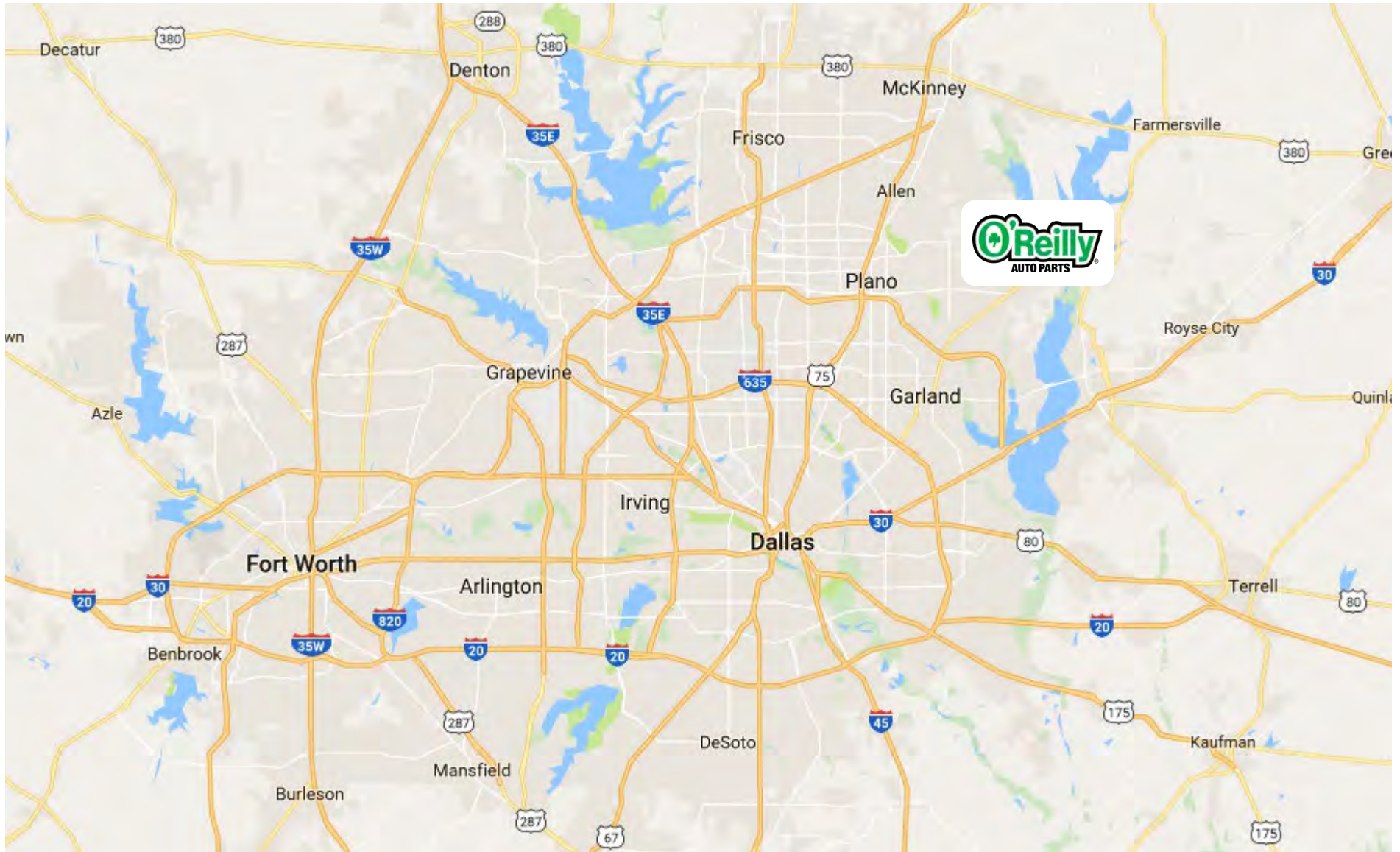
Excellent Frontage and Access on TX-78, the Main Highway Connecting Lavon and Dallas (17,580 VPD)

177% Population Growth - More Than 195,838 Residents Within a 10-Mile Radius

Large 1.45 Acre Parcel with Ample Parking and Multiple Access Points

Investment Grade Tenant (BBB+; S&P) - O'Reilly Automotive is a Fortune 500 Company

REGIONAL MAP // *O'Reilly Auto Parts (All-Brick)*





PRICING DETAILS // *O'Reilly Auto Parts (All-Brick)*

LOCATION		890 TX-78, Lavon, TX 75166
Price		\$2,433,147
Rentable SF	-	7,225
Price/SF		\$336.77
CAP Rate		5.25%
Year Built		2019
Lot Size		1.45 Acres
Type of Ownership		Fee Simple
LEASE SUMMARY		
Tenant Name		O'Reilly Auto Parts
Ownership		Public
Tenant		Corporate Store
Lease Guarantor		Corporate
Lease Type		Double Net
Roof and Structure		Landlord
Lease Term		15 Years
Lease Commencement Date		6/28/2019
Rent Commencement Date		6/28/2019
Lease Expiration Date		6/30/2034
Term Remaining on Lease		14 Years
Options		Four, 5-Year
Increases		6% in Year 11 and Every Five Years in Options

ANNUALIZED OPERATING INFORMATION		
YEAR	ANNUAL RENT	MONTHLY RENT
Years 1-10	\$127,740.24	\$10,645.02
Years 11-15	\$135,404.65	\$11,283.72
Years 16-20 (Option 1)	\$143,528.93	\$11,960.74
Years 21-25 (Option 2)	\$152,140.67	\$12,678.39
Years 26-30 (Option 3)	\$161,269.11	\$13,439.09
Years 31-35 (Option 4)	\$170,945.26	\$14,245.44
Base Rent (\$17.68/SF)		\$127,740.24
Net Operating Income		\$127,740.24
Total Return		5.25% / \$127,740.24



TENANT OVERVIEW // *O'Reilly Auto Parts (All-Brick)*



O'Reilly Automotive, Inc. was founded in 1957 by the O'Reilly family and is one of the largest specialty retailers of automotive aftermarket parts, tools, supplies, equipment and accessories in the United States, serving both the do-it-yourself and professional service provider markets. As of March 31, 2020, the Company operated 5,512 stores in 47 U.S. states and 21 stores in Mexico.

LEASE SUMMARY

Tenant Name	O'Reilly Auto Parts
Ownership	Public
Sales Volume	\$10.15 Billion (2019)
Credit Rating	BBB+
Rating Agency	Standard & Poor's
Stock Symbol	ORLY
Board	NASDAQ
Options to Terminate	No
Options to Purchase	No
First Right of Refusal	Yes
No. of Locations	5,533
Headquartered	Springfield, MO
Web Site	www.oreillyauto.com
Years in the Business	62



DALLAS - FORT WORTH

POPULATION
7,539,711

City Of LAVON

Texas State Highway 78 passes through Lavon, leading north 11 miles to Farmersville and southwest 33 miles to Downtown Dallas. The Dallas-Fort Worth metroplex is the largest metro area in Texas and the fourth largest in the United States. The Metroplex led the nation in population growth over the last decade, adding approximately 1.3 million residents, making it home for more than 6.8 million residents and has one of the nation's strongest job markets. The Dallas-Fort Worth metroplex added approximately 132,000 residents from 2017 to 2018. Over the past eight years, Dallas-Fort Worth, the fourth-largest metro area in the country, has added more than 1 million people.

As of 2019, Dallas-Fort Worth is home to 24 Fortune 500 companies, including Exxon Mobil, AT&T, American Airlines, Southwest Airlines, Texas Instruments and Dean Foods. The large concentration of companies in the Metroplex has spurred job growth for years. According to the U.S. Bureau of Labor Statistics Dallas-Fort Worth ranked first in new job growth in 2019 with 120,700 new jobs— beating out New York for the top spot by 21,300 jobs.

DFW NAMED GLOBAL AIRPORT OF THE YEAR

The recognition puts DFW in a class with other global hubs, including recent award winners such as Hong Kong International Airport, London's Heathrow and Singapore's Changi Airport. Dallas Fort Worth (DFW) International Airport is the world's fourth busiest airport, offering nearly 1,850 flights per day and serving 64 million passengers a year. Located halfway between the cities of Dallas and Fort Worth, Texas, DFW provides nonstop flights to 149 domestic and 58 international destinations, with service from 27 passenger airlines (including 10 international carriers) and 21 cargo carriers. DFW is one of the highest capacity commercial airports in the world, with seven runways and 165 gates. DFW also serves as the home and largest hub for American Airlines, the world's largest carrier, and airlines at DFW serve customers with nonstop flights to five continents.

24 FORTUNE 500 COMPANIES IN 2019

Home to 24 Fortune 500 companies and 19 Fortune 1000 companies, the Dallas Region continues to draw Fortune and Global 500 headquarters through the growth and expansion of local companies as well as relocations of headquarter operations.

DEMOGRAPHIC SUMMARY

POPULATION	3 Miles	5 Miles	10 Miles
2000 Population	3,145	6,294	70,766
2010 Population	5,647	11,239	145,492
2018 Population	8,110	16,154	195,838
2023 Population	10,052	20,004	234,833
HOUSEHOLDS	3 Miles	5 Miles	10 Miles
2000 Households	1,068	2,145	23,933
2010 Households	1,910	3,748	47,809
2018 Households	2,779	5,486	65,250
2023 Households	3,433	6,791	78,351
2018 Average HH Size	2.90	2.91	2.99
2018 Daytime Population	5,134	10,924	132,869
HOUSING UNITS	3 Miles	5 Miles	10 Miles
Median HH Income	\$88,171	\$88,175	\$90,851
Per Capita Income	\$38,904	\$38,109	\$37,964
Average HH Income	\$113,541	\$112,212	\$113,801

POPULATION

In 2019, the population in your selected geography is 195,838. The population has changed by 176.74% since 2000. It is estimated that the population in your area will be 234,833 five years from now, which represents a change of 19.91% from the current year. The current population is 49.21% male and 50.79% female. The median age of the population in your area is 36.4, compare this to the entire US average which is 38.1. The population density in your area is 623.41 people per square mile.

HOUSEHOLDS

There are currently 65,250 households in your selected geography. The number of households has changed by 172.64% since 2000. It is estimated that the number of households in your area will be 78,351 five years from now, which represents a change of 20.08% from the current year. The average household size in your area is 2.99 persons.

INCOME

In 2019, the median household income for your selected geography is \$90,851, compare this to the entire US average which is currently \$60,811. The median household income for your area has changed by 53.49% since 2000. It is estimated that the median household income in your area will be \$106,574 five years from now, which represents a change of 17.31% from the current year.

The current year per capita income in your area is \$37,964, compare this to the entire US average, which is \$33,623. The current year average household income in your area is \$113,801, compare this to the entire US average which is \$87,636.

RACE AND ETHNICITY

The current year racial makeup of your selected area is as follows: 75.13% White, 9.44% Black, 0.07% Native American and 5.29% Asian/Pacific Islander. Compare these to entire US averages which are: 70.07% White, 12.87% Black, 0.19% Native American and 5.66% Asian/Pacific Islander.

People of Hispanic origin are counted independently of race. People of Hispanic origin make up 17.81% of the current year population in your selected area. Compare this to the entire US average of 18.17%.

HOUSING

In 2000, there were 20,016 owner occupied housing units in your area and there were 3,917 renter occupied housing units in your area. The median rent at the time was \$540.

EMPLOYMENT

In 2019, there are 37,065 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 66.68% of employees are employed in white-collar occupations in this geography, and 33.40% are employed in blue-collar occupations. In 2019, unemployment in this area is 3.62%. In 2000, the average time traveled to work was 36.4 minutes.





INFORMATION ABOUT BROKERAGE SERVICES

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:
 - o That the owner will accept a price less than the written asking price;
 - o That the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - o 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 interest 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.

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