SHERWIN-WILLIAMS

21806 STATE HIGHWAY 249 HOUSTON, TX 77070



OFFERING MEMORANDUM

Click to View Property Video



CONFIDENTIALITY & DISCLAIMER

Probitas Realty Advisors ("PRA") has been engaged as the exclusive agent for the sale of 21806 State Highway 249 (Sherwin-Williams), Houston, Texas, (the "Property"). The Property is being offered for sale in an "as-is, where-is" condition and Seller and PRA make no representations or warranties as to the accuracy of the information contained in this Offering Memorandum. The enclosed materials include highly confidential information and are being furnished solely for the purpose of review by prospective purchasers of the interest described herein. Neither the enclosed materials nor any information contained herein is to be used for any other purpose or made available to any other person without the express written consent of PRA. Each recipient, as a prerequisite to receiving the enclosed, should be registered with PRA as a "Registered Potential Investor" or as "Buyer's Agent" for an identified "Registered Potential Investor". The use of this Offering Memorandum and the information provided herein is subject to the terms, provisions and limitations of the confidentiality agreement furnished by PRA prior to delivery of this Offering Memorandum.

The material contained in this Offering Memorandum shall be used to facilitate the prospective investor's own due diligence for which it shall be fully and solely responsible. Although the information contained in this Offering Memorandum has been obtained from sources believed to be reliable, neither PRA, the Seller, nor any of their respective affiliates have independently verified any of the information contained herein. No representation or warranty, express or implied, is being made by PRA or Seller as to the accuracy or completeness of the information contained herein.

By taking possession of and reviewing the information contained herein, the recipient agrees that: (a) all of the information contained herein and any other information you will be receiving in connection with this transaction, whether oral, written or in any other form, is highly confidential; (b) you will not reproduce the Offering Memorandum in whole or in part; (c) if you do not wish to pursue this matter, you will return this Offering Memorandum to PRA as soon as practicable together with all other materials relating to the Property which you may have received from PRA; and (d) any proposed actions by you which are inconsistent in any manner with the foregoing agreements will require the prior written consent of PRA.

It is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Offering Memorandum is not a substitute for your thorough due diligence investigation of this investment opportunity. PRA expressly denies any obligation to conduct a due diligence examination of this Property for Buyer. Any projections, opinions, assumptions or estimates used in this Offering Memorandum are for example only and do not represent the current or future performance of this property. The value of a property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

By accepting this Confidential Offering Memorandum, you agree to release Probitas Realty Advisors and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this property. Seller reserves the right, at its sole and absolute discretion, to withdraw the Property from being marketed for sale at any time and for any reason. Seller and PRA each expressly reserves the right, at their sole and absolute discretion, to reject any and all expressions of interest or offers regarding the Property and/or to terminate discussions with any entity at any time, with or without notice. This offering is made subject to omissions, correction of errors, change of price or other terms, prior sale or withdrawal from the market without notice.



INVESTMENT OVERVIEW



Probitas Realty Advisors is pleased to exclusively offer for sale the Sherwin-Williams property located at 21806 State Highway 249 in Houston, Texas. The property includes an approximate 5,000 square foot freestanding building that is situated on 0.56 acres in the Northwest Houston Spring Cypress area. Construction was completed at the end of 2017 with a Commencement Date of October 31, 2017.

The property is being offered with 11+ years remaining on a Corporate Guaranteed Net Lease with 10% scheduled rent escalations included in the primary term and Three (3) Five (5) Year renewal options. The subject property benefits from excellent visibility along State Highway 249; a major northwest freeway in Houston.

The subject property is strategically located at the hard corner of Rodgers Road and the northbound frontage road of Texas State Highway 249, just a half mile north of Louetta Road and one mile south of Spring Cypress Road. This location provides a strong demographic profile with a three mile radius population of 104,509 and an average household income of \$118,909.

The Sherwin-Williams Company is a Fortune 500 Company with an investment grade S&P Global Credit Rating of "BBB". This Sherwin-Williams Corporate Net Leased property offers an investor the opportunity to acquire an extremely well located asset and align with one of the world's most successful paint manufacturers.



- Rare Opportunity to Acquire Single Tenant Construction Net Leased to
 Investment Grade Tenant The Sherwin-Williams Company
- 15 Year Corporate Guaranteed Double Net Lease With 10% Rent Increases Every 5 Years Within Primary Term and Throughout Renewal Options
- Positioned in the Densely Populated Northwest Houston Spring Cypress Area With a 5 Mile Radius Population of 242,622 and Over 78% Population Growth Since 2000
- Located in an Affluent Retail Trade Area in Northwest Houston With a 3 Mile Average Household Income of \$118,909

- Upside Opportunity Through 10% Rental Increases and 0.56 Acres Located on a Hard Corner along State Highway 249 With Over 144,000 Vehicles per Day
- Offers an Investor the Opportunity to Diversify Their Portfolio With a Well Located Asset That Provides Income Stability With Minimal Landlord Responsibilities
- Area Retailers Include Walmart, Home Depot, Target, Sprouts, Whole Foods, H-E-B Grocery, Ross, Old Navy, Walgreens, CVS Pharmacy, Chase Bank, Wells Fargo, Comerica Bank, Hopdoddy, Torchy's Tacos, Pei Wei, The Melt, MOD Pizza, Chick-fil-A, Starbucks, and Potbelly Among Other Brand Names



EXECUTIVE SUMMARY



PROPERTY DETAIL

Location:	21806 State Highway 249 Houston, Texas 77070	C	Offering Price: Cap Rate:		\$3,190,000 5.00%	
Tenant:	The Sherwin-Williams Company	C				
Guarantor:	Corporate Guarantee	ŀ	Annual Ba	ase Rent:	\$159,500*** (Seller to from closing through	
Building Size:	5,000 SF	F	ent Com	mencement:	October 31, 2017	
Land Area:	+/- 0.56 Acres	L	Lease Expiration: Primary Term Remaining: Renewal Options: Rent Increases:		October 31, 2032 11 Years Three (3), Five (5) Year Options	
Year Built:	2017	F				
Parking:	16 Spaces	F				
Parcel No. (APN):	1391190010001	F			10% in each option period	
Ownership:	Fee Simple Interest	L	ease Typ	e:	NN - Landlord respor structure, and parking	
TERM SCHEDULE	DATES	Annuai	Rent	Monthly Rent	Rent Increase	Rent PSF
Primary Term: Years 1-5	October 31, 2017 - October 31, 2022	\$145,0	00.00	\$12,083.33		\$29.00
Primary Term: Years 6-10***	November 1, 2022 - October 31, 2027	\$159,5	00.00	\$13,291.66	10.0%	\$31.90
Primary Term: Years 11-15	November 1, 2027 - October 31, 2032	\$175,450.00		\$14,620.83	10.0%	\$35.09
Option Term 1: Years 16-20	November 1, 2032 - October 31, 2037	\$192,9	95.00	\$16,082.91	10.0%	\$38.60
Option Term 2: Years 21-25	November 1, 2037 - October 31, 2042	\$212,2	94.40	\$17,691.20	10.0%	\$42.46
Option Term 3: Years 26-30	November 1, 2042 - October 31, 2047	\$233,5	23.95	\$19,460.32	10.0%	\$46.70

PRICING DETAIL





LANDLORD'S MAINTENANCE & REPAIR OBLIGATIONS

Landlord shall, at its sole cost and expense: (i) maintain the Premises in good condition and make all interior and exterior repairs, including, but not limited to, the roof, walls, foundation, structure, gutters and downspouts, as well as to unexposed plumbing, gas, electrical and other similar systems servicing the Premises; (ii) maintain, repair and make necessary replacements to the supply pipes for gas, electricity and water leading to the Building and the Premises, and to the drainage pipes leading from the Premises, including such pipes within the walls, ceilings, and floors of the Building; (iii) maintain, repair and make all necessary replacements to the parking area, including striping of lanes and elimination of cave-ins and pools of water; as well as to the driveways, sidewalks, and entranceways and keeping the parking area open and accessible and reasonably free from ice, snow or other hindrances and provide adequate lighting.

COMMERCIAL GENERAL LIABILITY INSURANCE

SHERWIN-WILLIAMS' MAINTENANCE & REPAIR OBLIGATIONS

Sherwin-Williams shall keep and maintain the interior of the Building in a clean and sanitary condition. Except for damage caused by fire, the elements, and other casualties, Sherwin-Williams shall perform non-structural interior repairs to the Building, including the repair or replacement of damaged or broken doors and windows.

Sherwin-Williams agrees to maintain, repair and, at its option, make necessary replacements to the heating, ventilating and air conditioning system ("HVAC").

<u>UTILITIES</u> - Tenant pays all bills for gas, water, electricity, and sewer used at the premises.

<u>TAXES & INSURANCE</u> - Tenant reimburses Landlord for Taxes and Insurance.

Sherwin-Williams shall procure, and during the Term maintain, commercial general liability insurance covering bodily injury and property damage with respect to the Premises, and the business operated by Sherwin-Williams therein. The policy shall not be less than \$1,000,000 per occurrence and \$2,000,000 aggregate. Sherwin-Williams may self-insure all or any part of the insurance it is required to carry hereunder and/or carry such insurance under a "blanket" policy. A certificate reflecting such insurance coverage and designating Landlord as additional insured thereunder, excluding Landlord's intentional or negligent acts and omissions, shall be delivered to Landlord upon request therefor.

As of the Effective Date, Landlord shall procure and maintain commercial general liability insurance covering bodily injury and property damage with respect to the Premises. The policy shall not be less than \$1,000,000 per occurrence and \$2,000,000 aggregate. A certificate reflecting such insurance coverage and designating Sherwin-Williams as additional insured thereunder, excluding Sherwin-Williams' intentional or negligent acts and omissions, shall be delivered to Sherwin-Williams upon request therefor.



Tenant Profile





Sourced Oct 2021

THE SHERWIN-WILLIAMS COMPANY

	CL 1) 4/
Stock Symbol (NYSE)	SHW
Global Headquarters	Cleveland, Ohio
Company Website	www.sherwin-williams.com
Year Founded	1866
Number of Locations	4,774
Number of Employees	61,031
S&P Global Credit Rating	BBB
Market Capitalization	\$81.55B
Revenue (TTM)	\$19.65B
Revenue Per Share (TTM)	\$73.51
Quarterly Revenue Growth (YOY)	16.90%
EBITDA (TTM)	\$3.71B
Diluted EPS (TTM)	\$7.99
Operating Cash Flow (TTM)	\$3.54B
Forward Annual Dividend Rate	\$2.20
Forward Annual Dividend Yield	0.72%
5 Year Average Dividend Yield	0.86%

Founded in 1866, The Sherwin-Williams Company (NYSE: SHW) is a Fortune 500 global leader in the manufacture, development, distribution, and sale of paint, coatings and related products to professional, industrial, commercial, and retail customers. The company manufactures products under well-known brands such as Sherwin-Williams, Valspar, HGTV HOME by Sherwin-Williams, Dutch Boy, Krylon, Minwax, Thompson's Water Seal and many more. With global headquarters in Cleveland, Ohio, Sherwin-Williams branded products are sold exclusively through a chain of more than 4,900 company-operated stores and facilities, while the company's other brands are sold through leading mass merchandisers, home centers, independent paint dealers, hardware stores, automotive retailers, and industrial distributors. The Sherwin-Williams Performance Coatings Group supplies a wide range of products in more than 120 countries around the world.



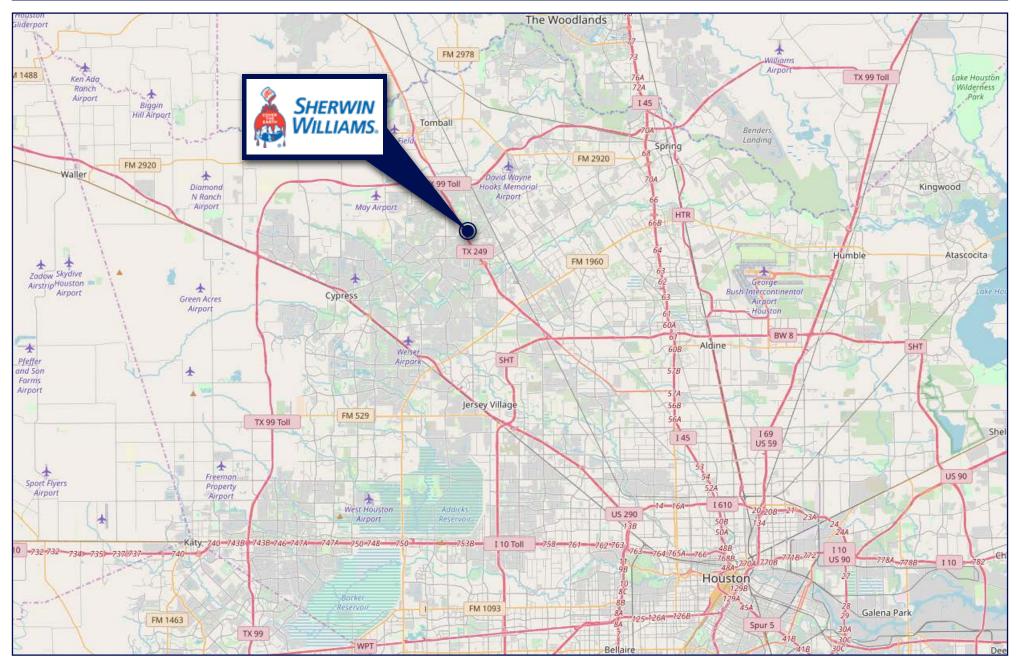
margin improved 240 basis points to 47.3% and net operating cash increased \$1.09 billion to a record \$3.41 billion, or 18.6% of sales. Return on Sales increased to 11.1%.

Sherwin-Williams recently acquired the European industrial coatings business of Sika AG. The acquired business will become part of the Sherwin-Williams Performance Coatings segment and roughly 130 employees of Sika are expected to join it. The transaction is expected to close in the beginning of 2022. The Germany-based business, which makes and markets corrosion protection coating systems, generated sales of roughly \$82 million for the year ended Dec 31, 2020. Sherwin-Williams noted that the acquisition is in sync with its strategy of taking over premium, complementary and differentiated businesses that have the potential to contribute to its growth momentum.



LOCATOR MAP - ZOOMED OUT

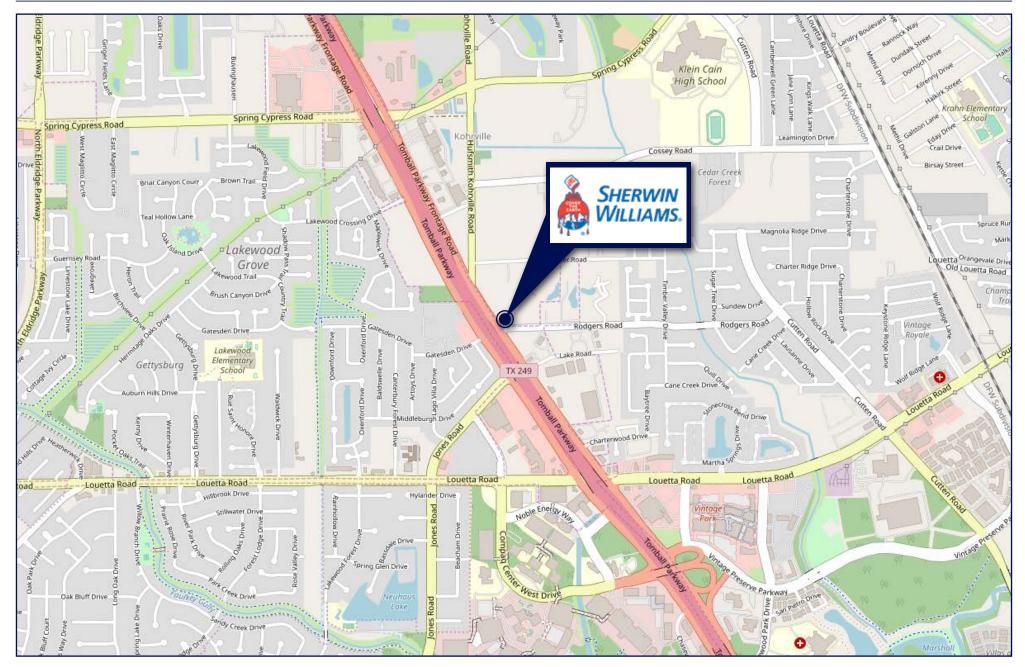






LOCATOR MAP - ZOOMED IN

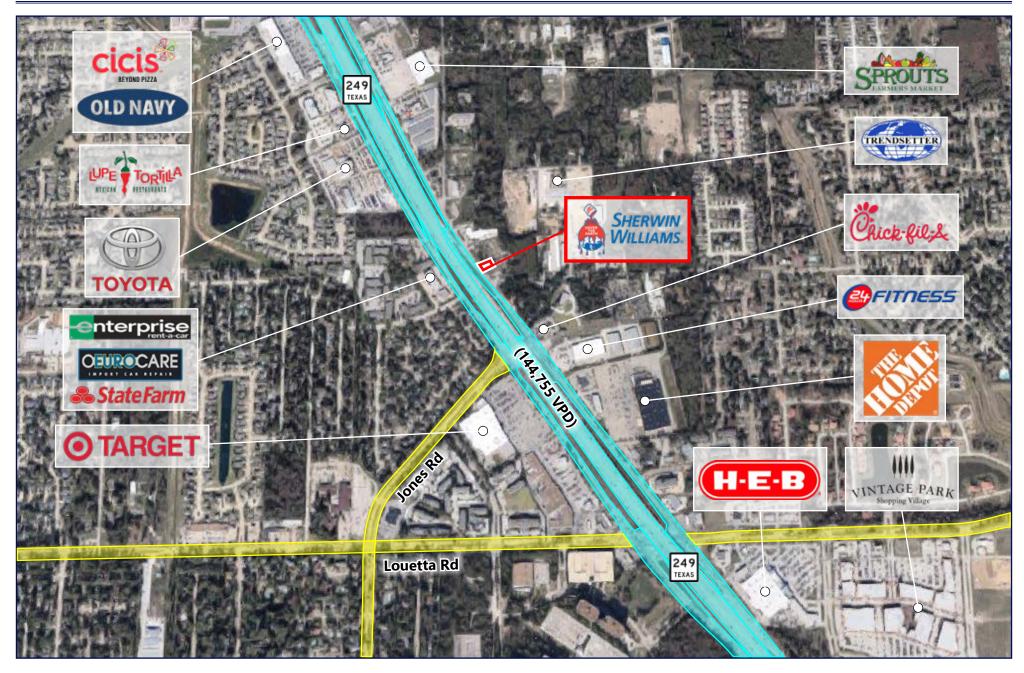






Aerial - Zoomed Out







Aerial - Zoomed In













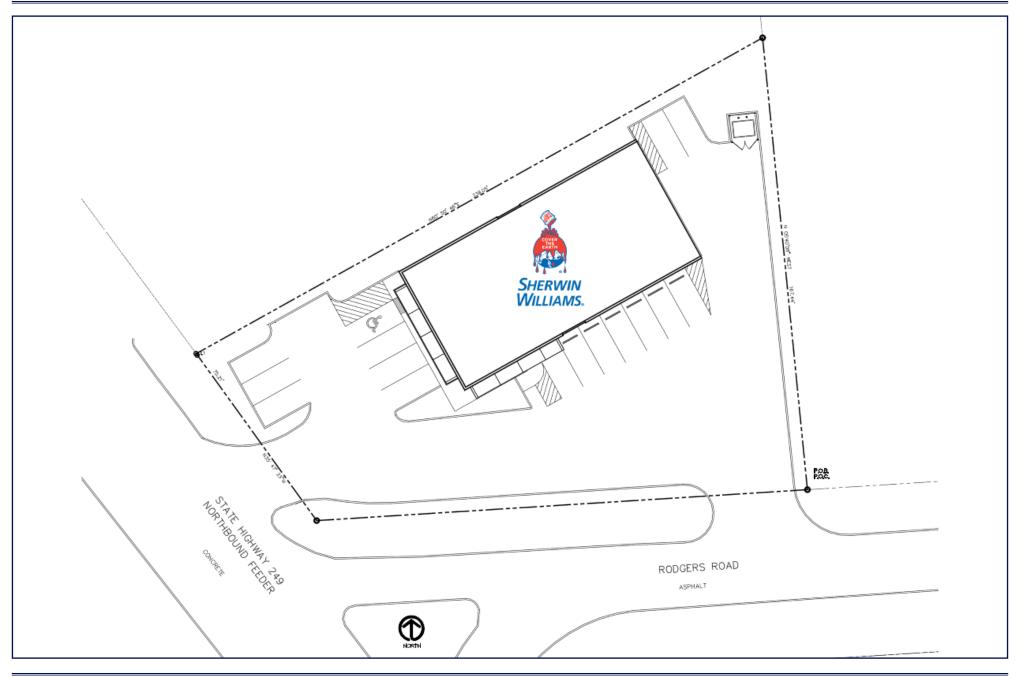






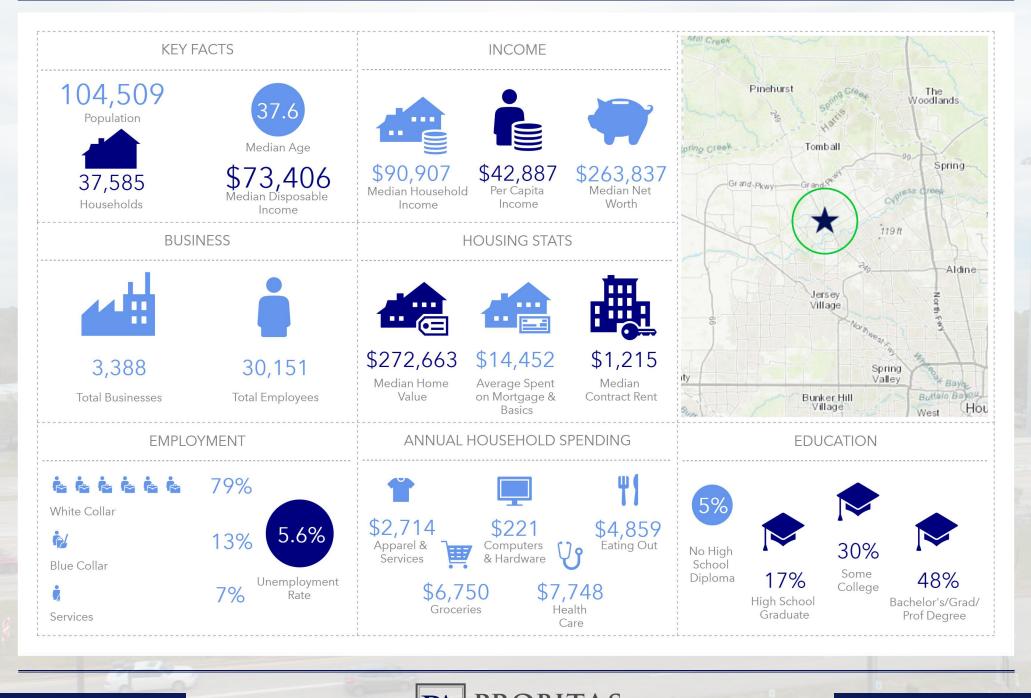
SITE PLAN











Sherwin-Williams | Houston, TX



2010 CENSUS, 2021 ESTIMATES W/ 2026 PROJECTIONS

VARIABLE	1 Mile	3 Mile	5 Mile
2010 Population	8,976	88,763	203,639
2021 Population	10,608	104,509	242,622
2026 Population	11,690	111,589	260,234
2010-2021 Annual Rate	1.50%	1.46%	1.57%
2021-2026 Annual Rate	1.96%	1.32%	1.41%
2021 Median Age	35.2	37.6	37.2
2010 Total Households	3,204	32,185	74,745
2021 Total Households	3,718	37,585	88,252
2021 Median HH Income	\$83,290	\$90,907	\$84,773
2021 Average HH Income	\$105,518	\$118,909	\$114,440
2021 Per Capita Income	\$39,079	\$42,887	\$41,582
Total Businesses	752	3,388	9,174
Total Employees	8,259	30,151	81,799



FM 293

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.

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.

Exclusively Marketed by: Joshua Cox, CCIM Managing Partner Probitas Realty Advisors 832-602-3050 JCox@probitasrealty.com

SHERWIN-WILLIAMS PAINTS

