

TRACTOR SUPPLY COMPANY

(NASDAQ: TSCO)

TOMBALL, TX

OFFERED AT \$6,742,000
4.65% CAP RATE



 **LEE &
ASSOCIATES**
COMMERCIAL REAL ESTATE SERVICES

 **BARR & BENNETT**
NETLEASED INVESTMENTS
A Lee & Associates Team

INVESTMENT OPPORTUNITY

EXCLUSIVELY LISTED BY

No warranty or representation is made as to the accuracy of the foregoing information. Terms of sale, lease, and availability are subject to change or withdrawal without notice.



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Listed in conjunction with Texas Real Estate Broker | Bang Realty-Texas, Inc. license 701472

Lee & Associates and Bang Realty, Inc. hereby advise all prospective purchasers of Net-Leased Invesment property as follows:

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As the Buyer of an investment property, it is the Buyer’s responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase.This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Lee & Associates expressly denies any obligation to conduct a due diligence examination of this Property for Buyer. Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of an investment property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors. Buyer and Buyer’s tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any investment property to determine to your satisfaction with the suitability of the property for your needs.

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.

By accepting this Marketing Brochure you agree to release Lee & Associates and Rod Noles and hold them harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this investment property.

Confidentiality: Tenant requires that all terms and conditions of this Lease shall be held in confidence, except as necessary to obtain financing and potential buyers of the property. Accordingly, the information herein is given with the understanding that those receiving it shall similarly hold it in confidence.

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EXECUTIVE SUMMARY

■ OFFERING SUMMARY

LIST PRICE	CAP RATE	PRICE / SF	NOI
\$6,742,000	4.65%	\$298	\$313,500

Lee & Associates, in conjunction with Texas Licensed Real Estate Broker Bang Realty-Texas, Inc., is pleased to exclusively offer the opportunity to acquire the fee simple interest (land & building) in a Tractor Supply investment property located in Tomball, TX (the “Property”). Constructed as a build to suit in 2005, the Property consists of a 22,622-square-foot retail building situated on a 4.98-acre parcel.

Tractor Supply Company (NASDAQ: TSCO), the largest rural lifestyle retailer in the United States, has been passionate about serving its unique niche, targeting the needs of recreational farmers, ranchers and all those who enjoy living the rural lifestyle, for more than 80 years. Tractor Supply offers an extensive mix of products necessary to care for home, land, pets and animals with a focus on product localization, exclusive brands and legendary customer service for the Out Here lifestyle. Tractor Supply had revenues of \$10.62B in 2020.

This Tractor Supply Co property has 9+ years remaining on its recently extended 10-year absolute triple-net (NNN) lease. The lease features substantial rent increases every 5 years in the Primary Term as well as the (3) 5-year renewal options. The rare absolute triple-net (NNN) lease structure provides for zero Landlord maintenance responsibilities on the asset, providing an investor with a passive income stream backed by a strong tenant.

The subject property features plentiful parking (109 + 4 H.C. spaces) and has critical visibility to over 21,000 cars per day on TX-249. This Tractor Supply Co property is currently undergoing construction on the new Garden Center, which will offer a massive new assortment of lawn and garden products. There are over 611,000 people living within a 10-mile radius of the subject property which is located central to Interstates 10 & 69 with access to Houston and Austin.

The Subject Property is Located within the Submarket of Tomball, which lies just 30 minutes North of Houston. Houston is the most populous city in the state of Texas and the fourth-most populous city in the United States. Houston is home to twenty-five Fortune 500 Companies on the Fortune 500 list and to the world renown Texas Medical Center, which Remains the largest in the World with 47 Highly Lauded Research and Treatment facilities.

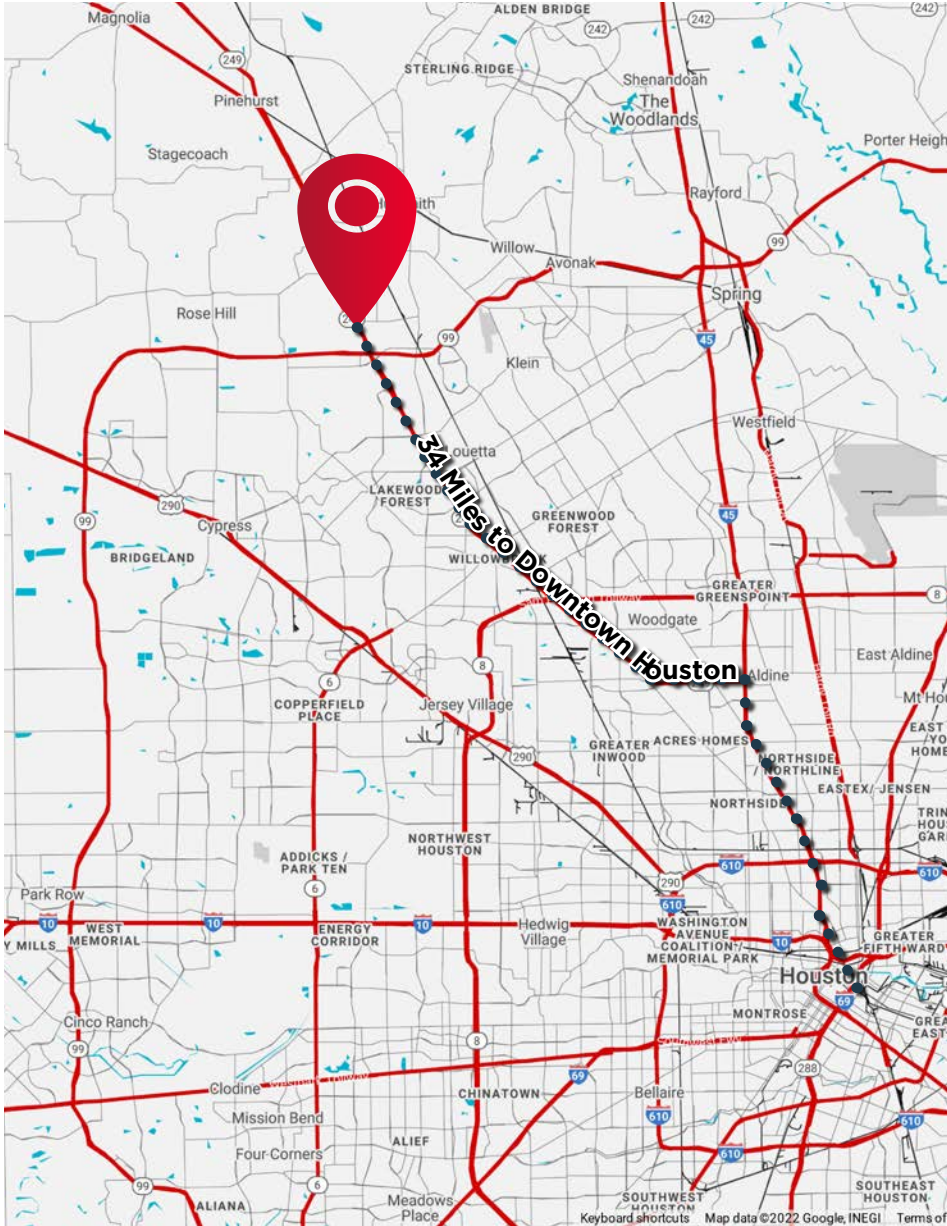
The Houston metropolitan region’s economy is primarily based on Aerospace and Aviation, Advanced Manufacturing, Energy, Biotechnology, Digital Technology, and Transportation and Logistics, providing for a diverse and balanced economy for the region.

OFFERING SUMMARY



PHOTOS: TRACTOR SUPPLY COMPANY

PROPERTY SUMMARY	
Address	27400 Tomball Parkway Tomball TX 77373
Tenant	Tractor Supply Company
Guaranty	Corporate
Building Size	22,622 SF
Lot Size	4.98 Acres
Ownership	Public
Year Built	2005



INVESTMENT HIGHLIGHTS



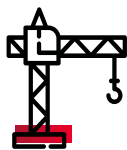
STRONG CORPORATE LEASE

Tractor Supply Co (NASDAQ: TSCO) • Investment Grade Credit • Largest Operator of Rural Lifestyle Retail Stores • Reported Revenue of \$10.62B (FY2020): Headquartered in Brentwood, Tennessee, Tractor Supply Company (NASDAQ: TSCO) is the largest operator of rural lifestyle retail stores in the United States, operating 1,923 retail stores in 49 states, as well as 182 Petsense pet specialty stores, and employing more than 42,000 team members. Tractor Supply is a leading-edge retailer, reporting annual revenues of approximately \$10.62 billion for FY2020.



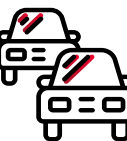
RARE LONG TERM ABSOLUTE TRIPLE-NET (NNN) LEASE • EARLY LEASE EXTENSION • 9+ YEARS REMAINING • 5% RENT INCREASES DURING PRIMARY TERM • 10% RENT INCREASES IN OPTIONS:

There are over 9 years remaining on the lease that was extended early. The lease features 5% rent increases every five years in the Primary Term and 10% rent increases during the (3) 5-year options.



BUILT IN 2005 • AMPLE PARKING (109 SPACES) • NEW LAWN AND GARDEN CENTER AT LOCATION • 27,615-SF FENCED OUTDOOR DISPLAY AREA:

The subject property is a build-to-suit for Tractor Supply completed in late 2005. This location will soon feature Tractor Supply Co's newer expanded Garden Center called the "Side Lot", offering a newer and larger assortment of lawn and garden products. The site features a 27,615-SF fenced outdoor display area, ample parking and drive-around truck access and loading docks.



REAL ESTATE ADVANTAGE • LOCATED ON MAJOR ROAD, TX-249 (21,000 CPD) • WITHIN 5 MILES OF MAJOR INTERSECTION TX-249/TX-99 (COMBINED OVER 70,000 CPD):

Central to Interstates 10 & 69 to Access Houston and Austin: The property is centrally located approximately 30 miles from Downtown Houston, and approximately 18 miles from The Woodlands, an affluent neighborhood.

INVESTMENT HIGHLIGHTS



PROXIMITY TO RANCHES, FARMS, NURSERIES • SOLID DEMOGRAPHICS PROVIDE STRONG SURROUNDING CUSTOMER BASE • SUPPORTS TENANT'S SUCCESS:

The property is ideally located at the edge of Tomball's southern rural area, offering proximity to retail including a Walmart Super Center, as well as agricultural properties and nurseries. This strategic location offers proximity to over 611,000 residents within 10 miles, providing a strong customer base for the Tractor Supply.



LOCATED IN TOMBALL • PART OF THE HOUSTON METRO AREA:

Economy Founded on Oil and Fertile Land: The Tractor Supply is located in Tomball, part of Harris County and the Northern Houston Metro Area, about 30 minutes outside of Downtown Houston. The city lies in the suburban/rural edges of the Houston area with affluent demographics and agricultural properties. The region is on the boundary between the low hills of Texas and the flat coastal plains of the Gulf.

Tomball is a mid-sized city which, combined with surrounding communities, has a total population over half a million. The area is known for its economically diverse and prosperous communities near the big city, while retaining its small-town history and hometown sensibilities.

The city, originally named Peck, was renamed after Congressman Thomas Ball who was known for routing the railroad and its operations through the town, which still contributes to the town's economic prosperity today. The town was nicknamed "Oiltown USA", when Humble Oil Company, now known as Exxon and other companies worked the fields around the city for many years producing more than 100 million barrels of oil.

LEASE SUMMARY

TERMS, BASE RENT & OPTIONS	
NOI	\$313,500
Rent Commencement	January 1, 2016
Lease Expiration	December 31, 2031
Lease Term	10 Years
Term Remaining	9+ Years
Options to Renew	(3) 5-Year Options
Rent Increases	5% rent increases in primary term - 10% increases in options
Lease Type	Absolute NNN
Landlord Responsibilities	None



RENT SCHEDULE

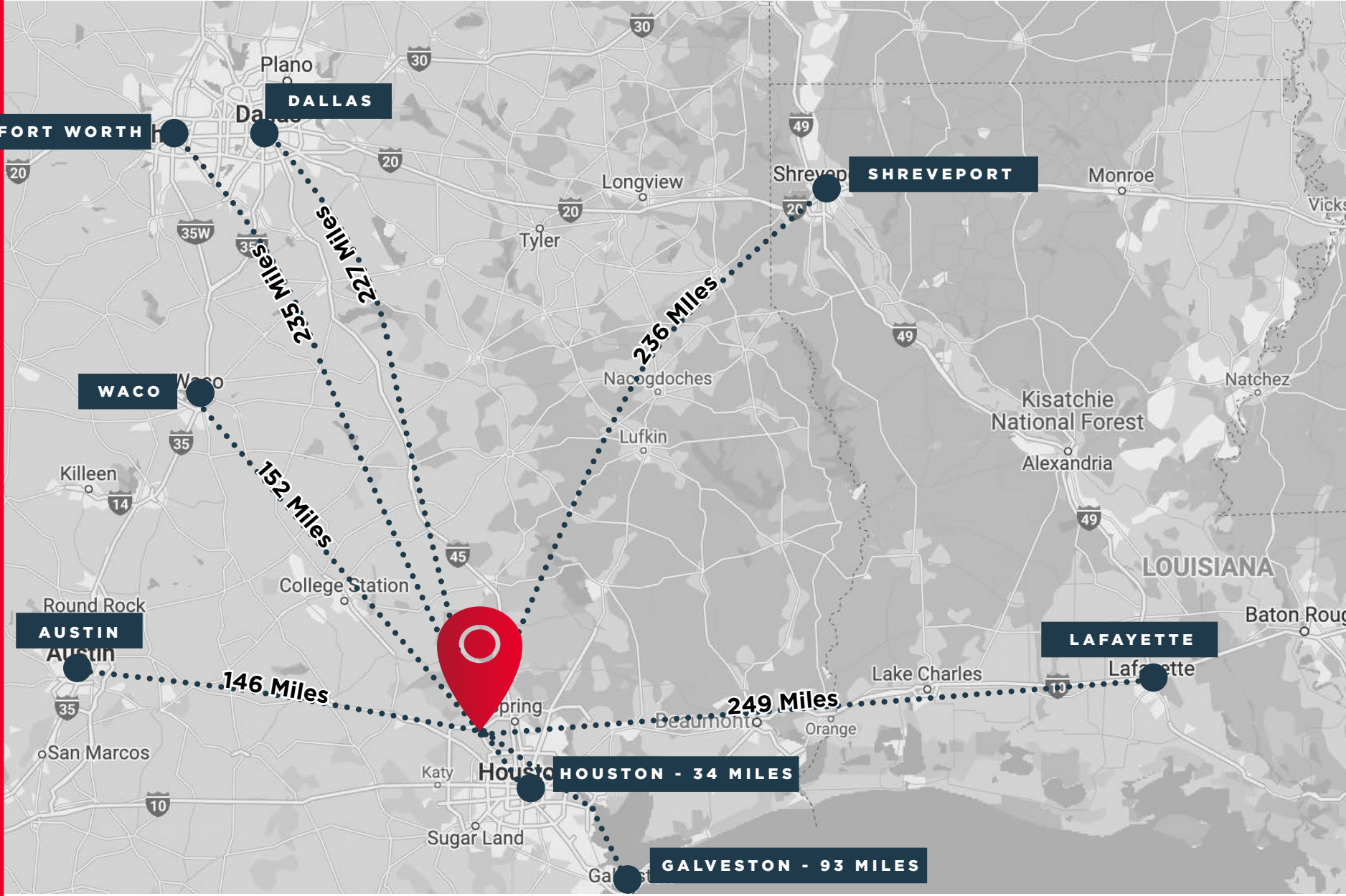
BASE RENT SCHEDULE - PRIMARY TERM					
Term	Lease Term Start Date	Lease Term End Date	NOI	Monthly Rent	Annual Rent/SF
1	1/1/2022	12/31/2026	\$313,500	\$26,125	\$1.15
2	1/1/2027	12/31/2031	\$329,100	\$27,425	\$1.21
OPTION PERIODS					
Option 1	1/1/2032	12/31/2036	\$362,004	\$30,167	\$1.33
Option 2	1/1/2037	12/31/2041	\$398,196	\$33,183	\$1.45
Option 3	1/1/2042	12/31/2046	\$438,000	\$36,500	\$1.61





PROPERTY INFORMATION

OFFERING SUMMARY



■ PROPERTY PHOTOS



■ PROPERTY PHOTOS



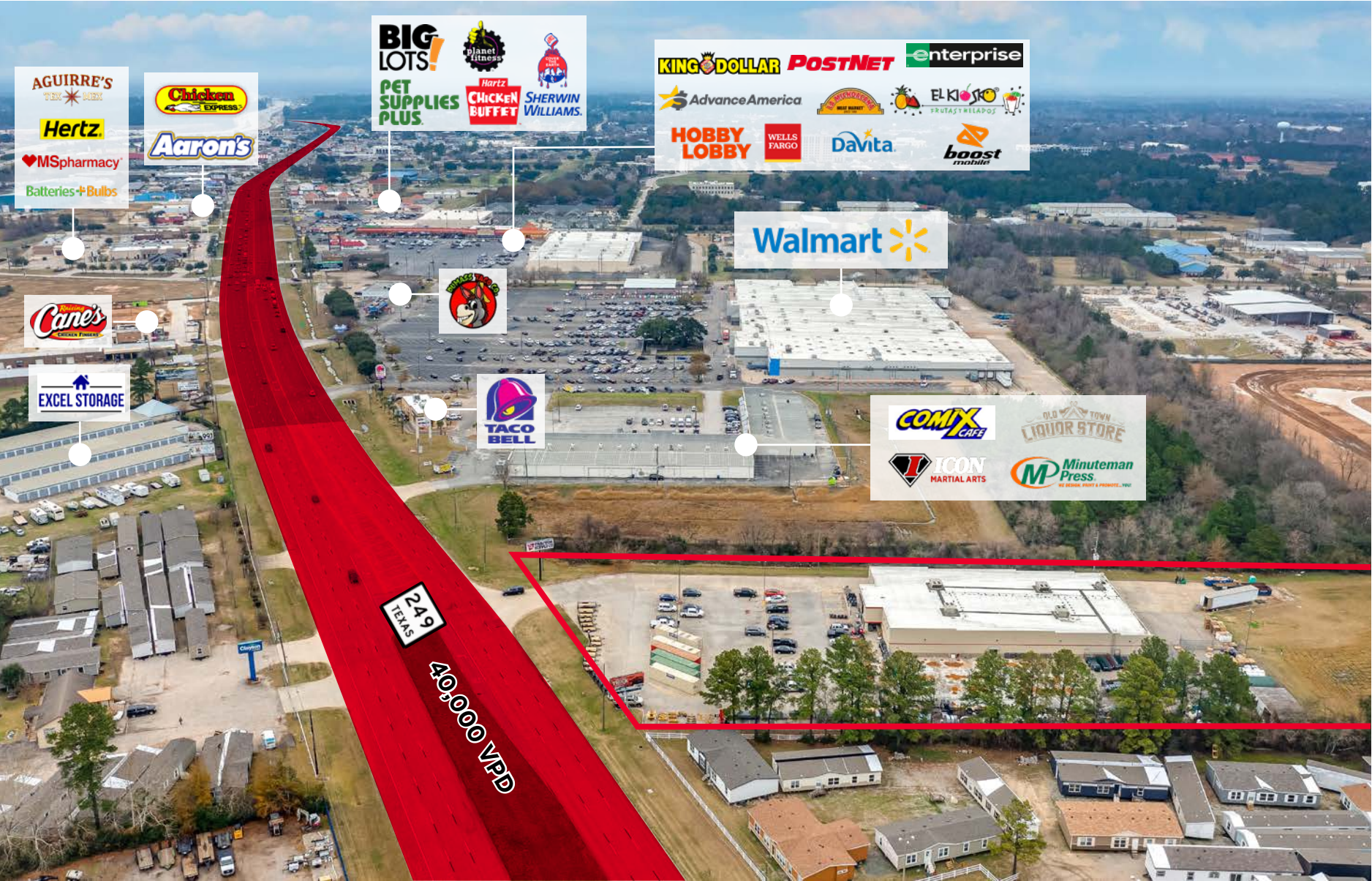
OVERHEAD VIEW



NEIGHBORING TENANTS



■ AERIAL LOOKING NORTH



■ AERIAL LOOKING EAST



■ AERIAL LOOKING WEST



■ AERIAL LOOKING SOUTH





TENANT OVERVIEW

■ ABOUT TRACTOR SUPPLY COMPANY



Tractor Supply Company is the largest operator of rural lifestyle retail stores in America. Founded in 1938 as a mail order catalog business offering tractor parts, Tractor Supply Company (also referred to as TSC) owns and operates 1,944 stores in 49 states supplying basic maintenance products to home, land, pet and animal owners.

Based in Brentwood, Tenn., Tractor Supply is a public company whose stock is traded on The NASDAQ National Market under the symbol TSCO. Today Tractor Supply is a leading edge retailer with annual revenues of approximately \$10.62 billion (2020). Tractor Supply Company's customers are a niche market of farmers, horse owners, ranchers, part-time and hobby farmers, and suburban and rural homeowners, as well as contractors and tradesmen. At TSC, customers find everything they need to maintain their farms, ranches, homes and animals.

As the inventors of the "do it yourself" trend, our customers handle practically every chore themselves, from repairing wells to building fences, welding gates together, constructing feed bins, taking care of livestock and pets, repairing tractors and trucks and building trailers for hauling. TSC stores are located primarily in towns outlying major metropolitan markets and in rural communities.

Tractor Supply lists five major product categories. The livestock and pet products category accounted for 47 percent of the company's sales in 2020.

Hardware, Tools, and Truck products tied with Seasonal products at 21 percent of sales, followed by clothing and footwear with 7 percent and agricultural products with 4 percent of sales. Tractor Supply Company also owns and operates Petsense, a small-box pet specialty supply retailer focused on meeting the needs of pet owners,

■ ABOUT TRACTOR SUPPLY COMPANY

Type	Public (NASDAQ: TSCO)
Industry	Specialty Retail
Revenue (2020)	\$10.62 Billion
Net Income (2020)	\$748.95 Million
Shareholder Equity	\$1.923 Billion
Locations	1,944 in 49 States
Employees	More than 42,000
Corporate Headquarters	Corporate Headquarters: Brentwood, TN
Website	www.tractorsupply.com



**\$10.2 BILLION
IN SALES**



**OVER 80 YEARS
OF SERVICE**



**42,000+
TEAM MEMBERS**



**1,944 STORES
IN 49 STATES**



■ TRACTOR SUPPLY IN THE NEWS



TRACTOR SUPPLY-ROADIE RAMP UP SAME-DAY DELIVERY AMID CORONAVIRUS | DELIVERS SAME-DAY FROM 100% OF STORES

Tractor Supply Company first partnered with Roadie to offer home delivery in 2017. Founded as a mail-order tractor parts business in 1938, its customers are located all over the country, including smaller cities and towns outside the coverage areas of other delivery providers. Partnering with Roadie allowed Tractor Supply to begin a methodical expansion of same-day delivery for items ranging from livestock feed and dog food to tillers and riding lawnmowers.

When the novel coronavirus COVID-19 became a global pandemic, the need for same-day delivery became urgent and Tractor Supply suddenly needed to compress its rollout timeline from a few months to a few weeks.



TRACTOR SUPPLY COMPANY REPORTS RECORD FIRST QUARTER 2021 FINANCIAL RESULTS; RAISES 2021 FINANCIAL OUTLOOK

BRENTWOOD, Tenn.-- (BUSINESS WIRE)-- Tractor Supply Company (NASDAQ: TSCO), the largest rural lifestyle retailer in the United States, today reported record financial results for its first quarter ended March 27, 2021.

Net sales for the first quarter 2021 increased 42.5% to \$2.79 billion from \$1.96 billion in the first quarter of 2020. Comparable store sales increased 38.6% compared to an increase of 4.3% in the prior year's first quarter.

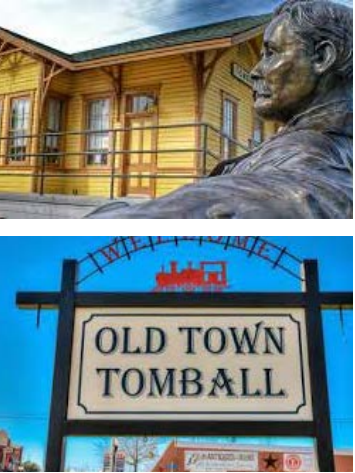
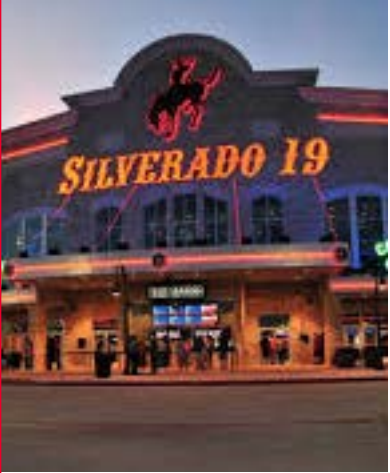
The comparable store sales results included an increase in comparable average transaction count and ticket of 21.0% and 17.6%, respectively. All geographic regions of the Company had positive comparable store sales growth of at least 30%. The comparable store sales results reflect strong demand for consumable, usable and edible products and robust growth for seasonal categories. In addition, the Company's e-commerce sales experienced triple-digit percentage growth for the fourth consecutive quarter.

Gross profit increased 48.8% to \$983.8 million from \$661.2 million in the prior year's first quarter, and gross margin increased 148 basis points to 35.2% from 33.8% in the prior year's first quarter.



AREA OVERVIEW

■ ABOUT TOMBALL, TEXAS



TOMBALL, TEXAS is a city in Harris County and part of the Houston Metro Area. The town is located between the low hills of Texas and the flag coastal plains of the Gulf. The city is known for its small-town charm and big city amenities, which create the ideal livable community.

Tomball is a culture-rich hub, hosting many annual festivals and parades, welcoming thousands of visitors each year. The city is also a weekly destination for people interested in arts, food, live music and much more with a Farmer's Market that attracts up to 4,000 attendees every Saturday. With a population of approximately 100,000, (over 2 million residents in a 20-mile radius) is known for its economically diverse and prosperous communities near the big city, while retaining its small-town history and hometown sensibilities.

Tomball is home to more than 1,500 businesses from headquarters to manufacturing. The town's business-friendly approach, dynamic economy, and cost advantages attract companies large and small. With roots as a railroad hub in the early 1900's, Tomball has become a modern destination for business and commerce. The city is steadily growing, with more than 7 million people in the Houston-metro area, Tomball companies can locate skilled employees locally.

SOURCE: TOMBALLTXEDC.ORG

■ ABOUT TOMBALL TEXAS

The largest employers in the town include:

- >> Tomball Independent School District
- >> HCA Houston Healthcare Tomball
- >> Lone Star College
- >> Baker Hughes
- >> Walmart

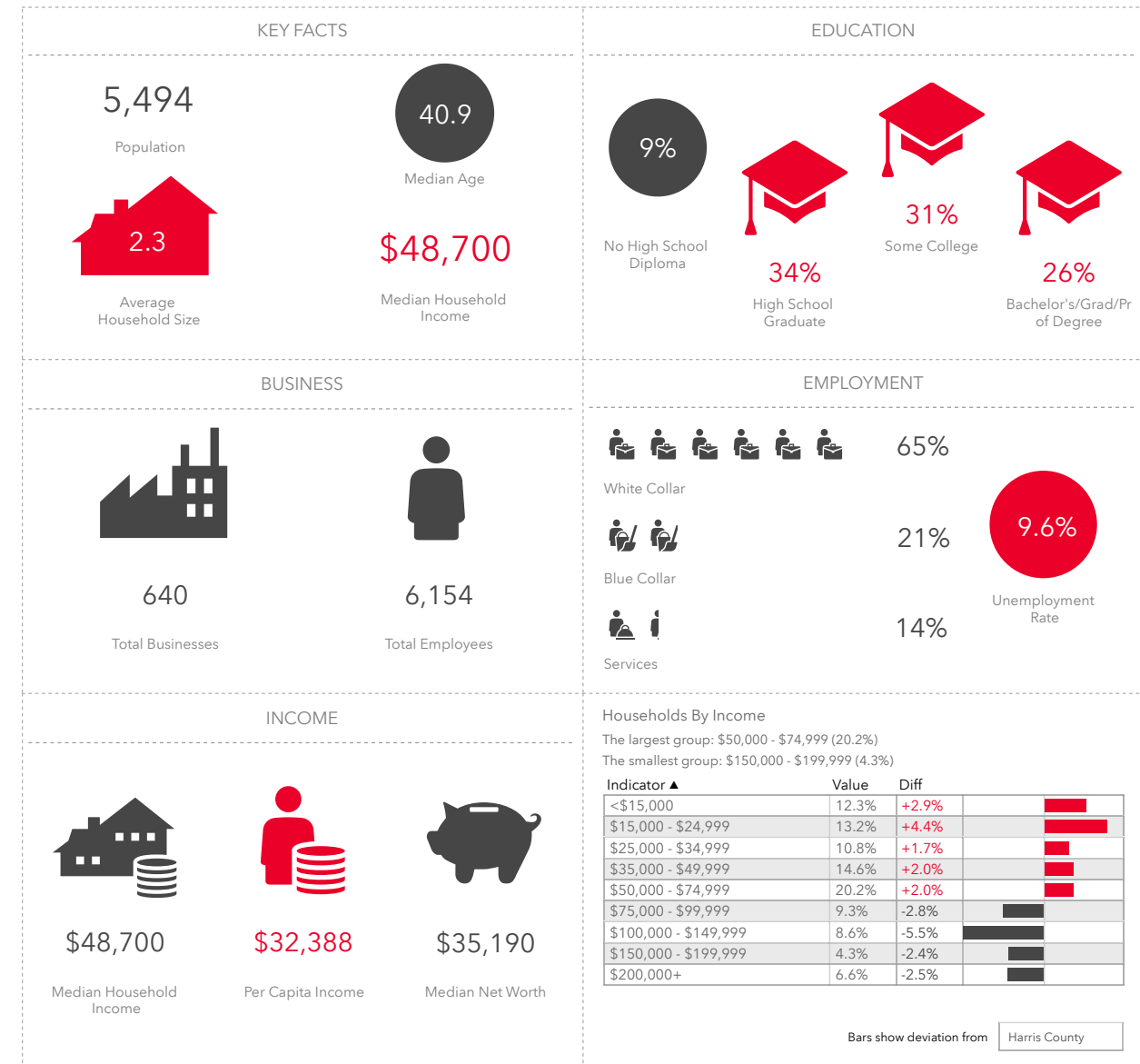
As Tomball continues to grow, new master-planned communities are helping to meet the demand of people aiming to get closer to the amenities and major employment centers.

With one of the lowest property tax rates in Harris County, the City of Tomball's prudent fiscal management maintains superior core services to citizens and local businesses. Tomball's affordability serves as a competitive advantage, as employees can live close to work, while enjoying the best of Tomball's retail, dining and recreation.

Source: tomballtxedc.org



■ KEY FACTS 1 MILE



This infographic contains data provided by Esri, Esri and Data Axle. The vintage of the data is 2021, 2026.

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TRACTOR SUPPLY COMPANY

(NASDAQ: TSCO)

TOMBALL, TX

OFFERED AT \$6,742,000
4.65% CAP RATE



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:
 - 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 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.

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Designated Broker of Firm	License No.	Email	Phone
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
Sales Agent/Associate’s Name	License No.	Email	Phone
Buyer/Tenant/Seller/Landlord Initials		Date	

Regulated by the Texas Real Estate Commission

Information available at www.trec.texas.gov

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INVESTMENT OPPORTUNITY