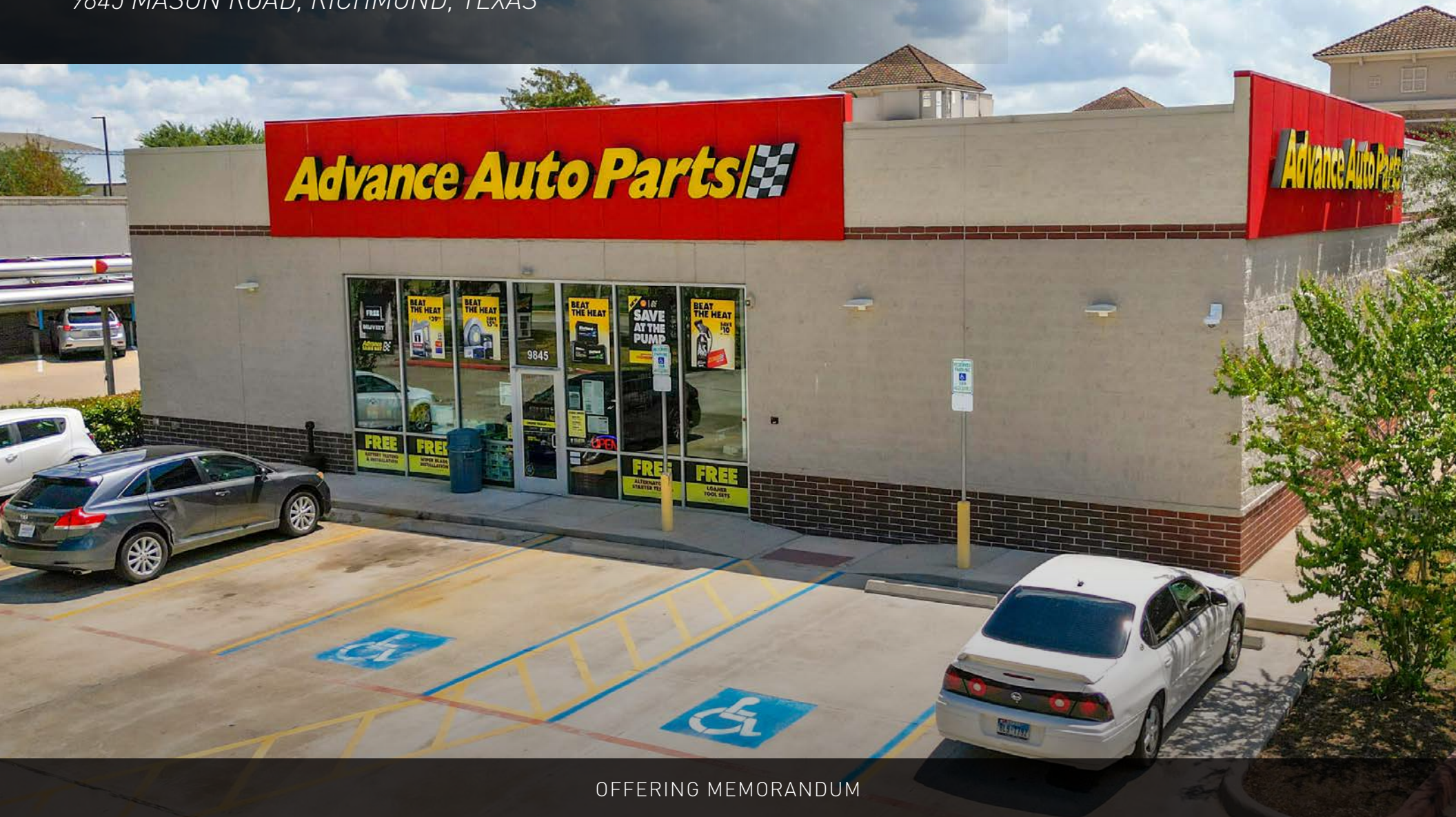


ADVANCE AUTO PARTS

9845 MASON ROAD, RICHMOND, TEXAS



OFFERING MEMORANDUM

Marcus & Millichap

TRADER JOE'S
 WHITE HOUSE BLACK MARKET
GRIMALDI'S
 PERI'S STEAKHOUSE & GRILLE
Panera
 BREAD
ATHLETA
 KENDRA SCOTT
ALAMO
 DRAFTHOUSE CINEMA
LA CENTERRA AT CINCO RANCH

THE HOME DEPOT
WHOLE FOODS MARKET
H-E-B
MOD
Starbucks
CARRABBA'S
 ITALIAN GRILL
McDonald's
BR
 baskin robbins

BEST BUY
ULTA
Total Wine & MORE
ROSS
 DRESS FOR LESS
Pollo Loco
Buffalo Wild Wings
Chick-fil-A
sam's club
Walmart
PETSMART

Advance Auto Parts

DOLLAR TREE
Kroger
Walgreens
Firestone
ALDI
TACO BELL
SONIC
REGAL

Walmart
TACO BELL
LOWE'S
TJ-maxx
Kroger
H-E-B
Academy
 SPORTS+OUTDOORS

at home
 The Home Décor Superstore
Academy
TARGET
HOBBY LOBBY
SPEC'S
 WINES+SPIRITS+FINER FOODS
Chick-fil-A
Marshall's
LA FITNESS
MOD
Michael's
petco
Canoe's
ULTA
Burlington
Bath & Body Works
FIRST WATCH
 THE DAYTIME CAFE
TEXAS
PETSMART

smart financial centre
 at Sugar Land

macy's
amc THEATRES
POTTERY BARN
lululemon
BARNES & NOBLE
DICK'S
 SPORTING GOODS
Dillard's
The Cheesecake Factory
JCPenney
Apple
FIRST COLONY MALL

HOUSTON ARBORETUM & NATURE CENTER

HBU
 HOUSTON BAPTIST UNIVERSITY
 4,100 STUDENTS

RICE UNIVERSITY
 8,200 STUDENTS

nrg park
 500+ EVENTS ANNUALLY

DOWNTOWN HOUSTON



The information in this package has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Any projections, opinions, assumptions or estimates used herein are for example purposes only and do not represent the current or future performance of the property. Marcus & Millichap Real Estate Investment Services is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2022 Marcus Millichap

Executive Summary

9845 Mason Road, Richmond, TX 77406

FINANCIAL SUMMARY

Price	\$2,775,000
Cap Rate	5.25%
Building Size	6,912 SF
Net Cash Flow	5.25% \$145,699
Year Built	2016
Lot Size	.906 Acres

LEASE SUMMARY

Lease Type	Double-Net (NN) Lease
Tenant	Advance Auto Parts
Guarantor	Corporate
Roof & Structure	Landlord Responsible
Lease Commencement Date	August 3, 2017
Lease Expiration Date	August 31, 2032
Lease Term Remaining	10 Years
Rental Increases	8% Every 5 Years in Options
Renewal Options	3, 5 Year Options
Right of First Offer	None

ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
Current - 8/31/2032	\$145,698.96	5.25%
Options	Annual Rent	Cap Rate
Option 1	\$160,269.00	5.78%
Option 2	\$173,090.04	6.24%
Option 3	\$186,938.04	6.74%

Base Rent	\$145,699
Net Operating Income	\$145,699
Total Return	5.25% \$145,699





40,000 CPD
GRAND PKWY



11,950 CPD
MASON ROAD





DOWNTOWN
HOUSTON



amazon

40,000 CPD
GRAND PKWY

Christian Brothers
AUTOMOTIVE

BANK OF AMERICA

SONIC

11,950 CPD
MASON ROAD

Walgreens

Kwik Kar

at home Academy
The Home Décor Superstore SPORTS+OUTDOORS
LA FITNESS
Chick-fil-A
SPECS WINES-SPIRITS-FINER FOODS
baskin robbins
TORCHYS TACOS
Wendy's
WHATABURGER

TARGET Marshalls
Starbucks MOD PET SMART
H-E-B Cane's chili's
HOBBY LOBBY

Bath & Body Works Michael's
five BELOW
petco ULTA
ROSS DRESS FOR LESS
Burlington
FIRST WATCH THE DAYTIME CAFE
crumbl cookies



DOLLAR TREE
Edward Jones
LAS MANANITAS MEXICAN RESTAURANT

Advance Auto Parts



Property Description



INVESTMENT HIGHLIGHTS

- » **10 Years Remaining on Corporate-Guaranteed Lease with Advance Auto Parts**
- » Eight Percent Rental Increases Every Five Years in Each Renewal Option
- » **190,769 Residents within a Five-Mile Radius - Houston MSA**
- » Immediate Area is Experiencing Significant Growth - Population and Households
Projected to Increase Approximately 30 Percent within a One-Mile Radius by 2026
- » **Located Immediately Off Grand Parkway/TX-99 (40,000+ Cars/Day), Providing Direct Access to Interstate Freeways 10 and 69**
- » Adjacent to National Retail Tenants - Kroger, Dollar Tree, Sonic Drive-In, Taco Bell, McDonald's, Walgreens, ALDI, and More
- » **Affluent Trade Area - Average Household Income Exceeds \$152,000 within One Mile**
- » Surrounded by New Residential, Commercial, and Retail Developments - New 3.7 Million SF Amazon Fulfillment Center Located Five Minutes Away
- » **80 Percent of Households within a Three-Mile Radius have Two or More Vehicles**



DEMOGRAPHICS

1-mile

3-miles

5-miles

Population

2026 Projection	17,604	90,089	230,068
2021 Estimate	13,604	70,189	190,769
Growth 2021 – 2026	29.40%	28.35%	20.60%

Households

2026 Projection	5,632	30,173	72,487
2021 Estimate	4,316	23,360	59,385
Growth 2021 – 2026	30.49%	29.17%	22.06%

Income

2021 Est. Average Household Income	\$152,608	\$135,444	\$135,961
2021 Est. Median Household Income	\$116,264	\$104,352	\$103,008
2021 Est. Per Capita Income	\$48,417	\$45,110	\$42,489



Tenant Overview



Raleigh, North Carolina

NYSE: AAP

4,600+

www.advanceautoparts.com

Headquarters

Stock Symbol

Locations

Website

Advance Auto Parts (NYSE: AAP), headquartered in Raleigh, North Carolina, AAP is the largest automotive aftermarket parts provider in North America, serves both the professional installer and do-it-yourself customers.

As of April 23, 2022, AAP operated 4,687 company-operated stores, 311 Worldpac branches, and serves approximately 1,318 independently owned Carquest branded stores in 49 states, Puerto Rico, the Virgin Islands and Canada. AAP employs approximately 74,000 Team Members.

AAP's strong financial profile allowed for an all-cash transaction for the acquisition of General Parts International, Inc. (GPII), a leading privately held distributor and supplier of original equipment and aftermarket replacement products for commercial markets operating under the CARQUEST and WORLDPAK brands supports Advance's commitment to maintaining its investment grade ratings. The transaction created the largest automotive aftermarket parts provider in North America, with annual sales of over \$9.3 billion.

Property Photos



Location Overview



Richmond is a city in and the county seat of Fort Bend County, Texas. Located within the Houston-The Woodlands-Sugar Land metropolitan area, the city is home to an estimated 11,627 residents. The city is situated on the Brazos River, 15 miles southwest of Houston.

As the fifth most populous metro area in the country, the Houston metro houses more than 7.1 million people in southeastern Texas. Roughly one-third of residents in the metro live in the city of Houston. The Gulf of Mexico, which borders the metro to the southeast, provides access to markets around the world via the Port of Houston, making it a prime location for exports. Houston has a lower cost of living than many major metros, no state income tax, and a median home price below the national level.

Houston is a top destination for corporate relocations due to its business-friendly environment. More than 20 Fortune 500 companies are headquartered in the metro. Major employers in the area include H-E-B, The Kroger Co., ExxonMobil Corp., Shell Oil Co., United Airlines, and Walmart. The economy is diversifying to include biotechnology, distribution, nanotechnology, and logistics. The Port of Houston is one of the country's busiest for exports, supplying thousands of jobs and generating billions of dollars in revenue.

The Houston metro is expected to add 720,700 residents through 2025, resulting in the formation of approximately 263,600 households. Greater Houston is home to several state parks, cultural venues, and museums, and is well known for its medical community and professional sports teams.



Information About Brokerage Services

11-2-2015

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: othat the owner will accept a price less than the written asking price; othat the buyer/tenant will pay a price greater than the price submitted in a written offer; and oany 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.

Marcus & Millichap	9002994	tim.speck@marcusmillichap.com	972-755-5200
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
Licensed Supervisor of Sales Agent/Associate	License No.	Email	Phone
Sales Agent/Associate's Name	License No.	Email	Phone
Regulated by the Texas Real Estate Commission		Buyer/Tenant/Seller/Landlord's Initials	Date

Information available at www.trec.texas.gov
IABS 1-0

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Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

By accepting this Marketing Brochure, you agree to treat the information contained herein regarding the lease terms as confidential and proprietary and to only use such information to evaluate a potential purchase of this net leased property.

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased 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. Marcus & Millichap 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 a net leased 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 net leased 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.

CONFIDENTIALITY AGREEMENT

The information contained in the following offering memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and it should not be made available to any other person or

entity without the written consent of Marcus & Millichap. By taking possession of and reviewing the information contained herein the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum. If you have no interest in the subject property at this time, please return this offering memorandum to Marcus & Millichap.

This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this offering memorandum has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONTACT THE MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

SPECIAL COVID-19 NOTICE

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.

Marcus & Millichap