



Distribution

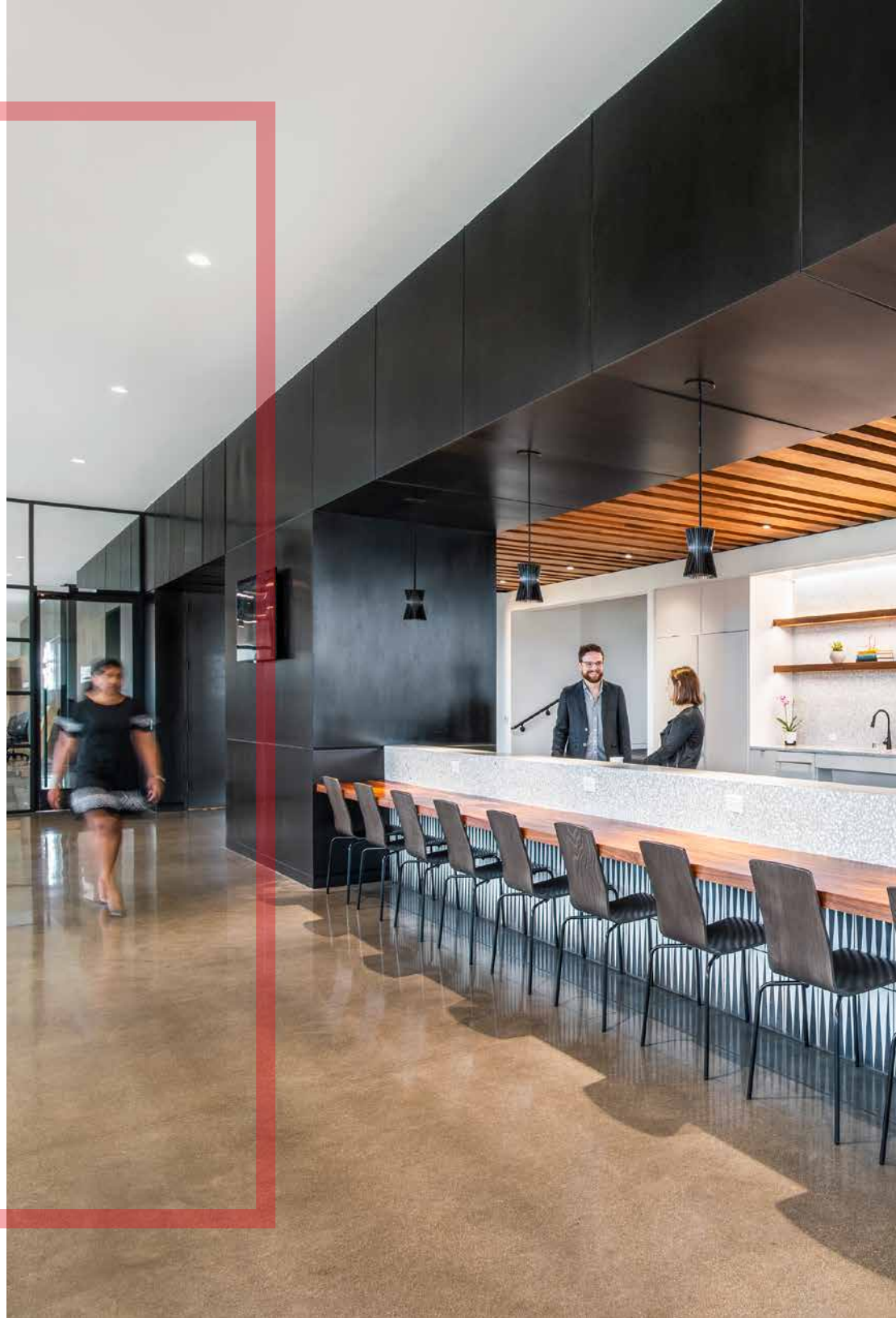
7440 TX-121 | McKinney, Texas



INVESTMENT OVERVIEW

JLL is pleased to exclusively offer the opportunity to acquire the SRS Distribution HQ (“The Property”), a 100,000 square-foot, 100% leased, Build-To-Suit office building exceptionally located on the NWC of Alma Road and SH-121 at the entrance to Craig Ranch in McKinney, Texas. With over \$1 Billion of new residential and commercial developments recently announced on land surrounding The Property, Craig Ranch, a 2,200 acre Master Planned Community, is a vibrant living and working community, and is becoming another “downtown” to the DFW metroplex. The Property is located in an area with superb highway infrastructure, as it sits along SH-121 between Dallas North Toll Road and US 75, seeing a combined 250,000+ vehicles per day, according to TxDOT.

The Property is 100% leased as the corporate headquarters to SRS Distribution Inc., the nation’s leading distributor of professional roofing supplies. The original 15 year lease expires June 30, 2035, with highly attractive annual, contractual rent increases of 2%. The Property is structured as a net lease (no landlord operating expenses) and provides investors with durable, long-term cash flow in one of the highest growth markets in the country.





PROPERTY SUMMARY

| | |
|---------------------------------|--|
| ADDRESS: | 7440 TX-121 McKinney, Texas 75070 |
| BUILDING SIZE: | 100,000 SF |
| LAND AREA: | 4.14 Acres |
| YEAR BUILT: | 2020 |
| PARKING RATIO: | 3.16:1,000 SF Garage: 300 Spaces Surface: 16 Spaces Total: 316 Spaces |
| LEASED: | 100% |
| TENANCY: | SRS Distribution Inc. |
| CREDIT RATING: | Private - Shadow Rating: Moody's: B3 / S&P: B- |
| LEASE EXPIRATION: | June 30, 2035 |
| LEASE TYPE: | Triple Net |
| ANNUAL RENT ESCALATIONS: | 2% |
| RENEWAL OPTIONS | Three 5-Year Renewal Options at Fair Market Value |



100,000 SF
TOTAL RENTABLE AREA



SRS
Distribution
TENANT/GUARANTOR



Net Lease
LEASE STRUCTURE



June 30, 2035
LEASE EXPIRATION



INVESTMENT HIGHLIGHTS

LONG-TERM NET LEASE WITH ANNUAL RENT ESCALATIONS

100% leased to SRS Distribution Inc., the nation's leading distributor of professional roofing supplies, with an original lease term of 15 years expiring June 30, 2035 and 2% annual rent escalations.

PREMIER MCKINNEY LOCATION WITH TREMENDOUS ACCESSIBILITY

The Property is located in an area with superb highway infrastructure located along SH-121 between Dallas North Toll Road and US 75, seeing a combined 250,000+ vehicles per day, and providing seamless accessibility throughout the metroplex.

DFW'S NEWEST "DOWNTOWN"

The Property is situated in the heart of Craig Ranch, a 2,200-acre Master Planned Community with residential neighborhoods, mixed-use developments, parks, trails, and a TPC Golf Course. Over the last year, there has been over \$1 billion of new developments announced at Craig Ranch consisting of office, retail, multifamily, and hotels to support the burgeoning population growth in the city of McKinney.

TENANT CREDIT SUMMARY

SRS Distribution, Inc. consists of a family of industry-leading, independent roofing distributors serving professional roofing contractors. SRS is a private company sponsored by Leonard Green & Partners and Berkshire Partners, and led by a management team of industry veterans. The Company distributes residential and commercial roofing products, siding and related accessories through 393 distribution centers across the US.

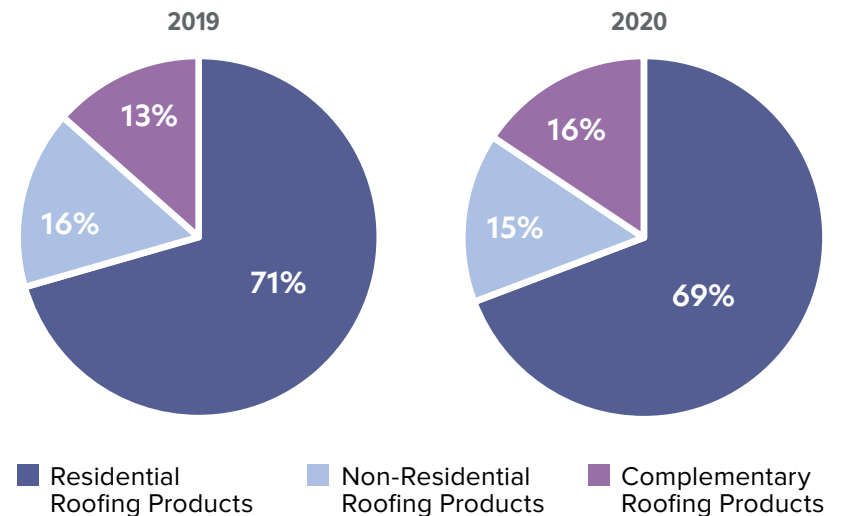
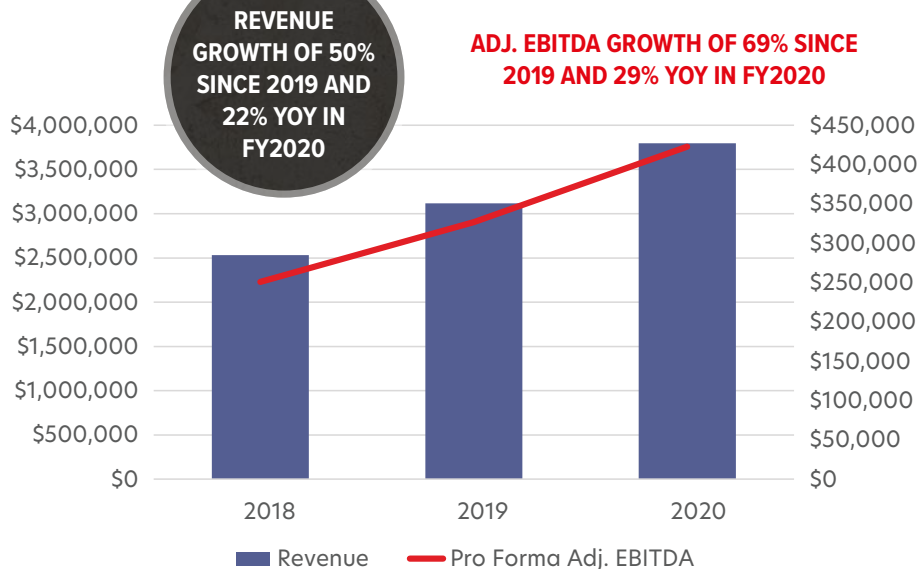
SRS also aims to become the most attractive distribution partner to their valued suppliers by forming collaborative relationships built on trust and friendships that date back decades. This focus allows the Company a broader and deeper inventory of roofing products at each location than most competitors.



FAST FACTS



REVENUE BREAKDOWN



DYNAMIC

MCKINNEY LOCATION

The Property is ideally located in the vastly expanding DFW suburb of McKinney in the vibrant Craig Ranch Master Planned development, which has earned the reputation as one of the most desirable places to live in the country. Over the last 12 months, there has been over \$1 Billion of new commercial and residential developments announced within Craig Ranch and the land surrounding the Property, such as Hub 121, District 121, The Farm, and McKinney Corporate Center.

#4

FASTEST GROWING
LARGE CITIES IN THE
UNITED STATES
- U.S. Census (2020)

#2

BEST REAL ESTATE
MARKETS IN U.S.
- Wallethub (2017)

#3

COUNTY WITH
STRONGEST POPULATION
GROWTH NATIONALLY
- Costar (2021)

#9

BEST PLACE FOR FIRST-
TIME HOME BUYERS
- Wallethub (2019)

STRATEGIC LOCATION WITH EXCELLENT ACCESSIBILITY

The Property is served by a well-developed network of highways, toll roads, and thoroughfares. Located along Sam Rayburn Tollway (SH-121) and just minutes from Dallas North Tollway and the intersection of SH-121 and U.S. 75, seeing a combined 250,000+ vehicles per day, the Property has immediate throughfare access and tremendous connectivity throughout the Metroplex.



City of Frisco

- 177,000 Population
- \$155,000 Average Household Income

STACY ROAD

TPC Craig Ranch
- Host of PGA
Event - Byron Nelson

INDEPENDENT
FINANCIAL

HQ



City of McKinney
 - 182,000 Population
 - \$115,000 Average Household Income
#1 Best Place to Live in America
 by Money Magazine

Craig Ranch
 - 2,200 Acres Master-Planned Community
 - PGA Tour TPC Craig Ranch Golf Course
 - \$125,000 Average Household Income
 - 37,000 Households

McKinney Corporate Center
 - \$366 million development
 - Mixed-use (Office, MF, Retail)

District 121
 - \$250mm
 - Office/ Retail/ Hotel

The Farm
 - 135 Acre mixed-use dev
 - Over 1.5 million SF office
 - 2,500 MF Units
 - 200,000k SF Retail
 - 150 Room Hotel



70,000 VPD

121 TEXAS

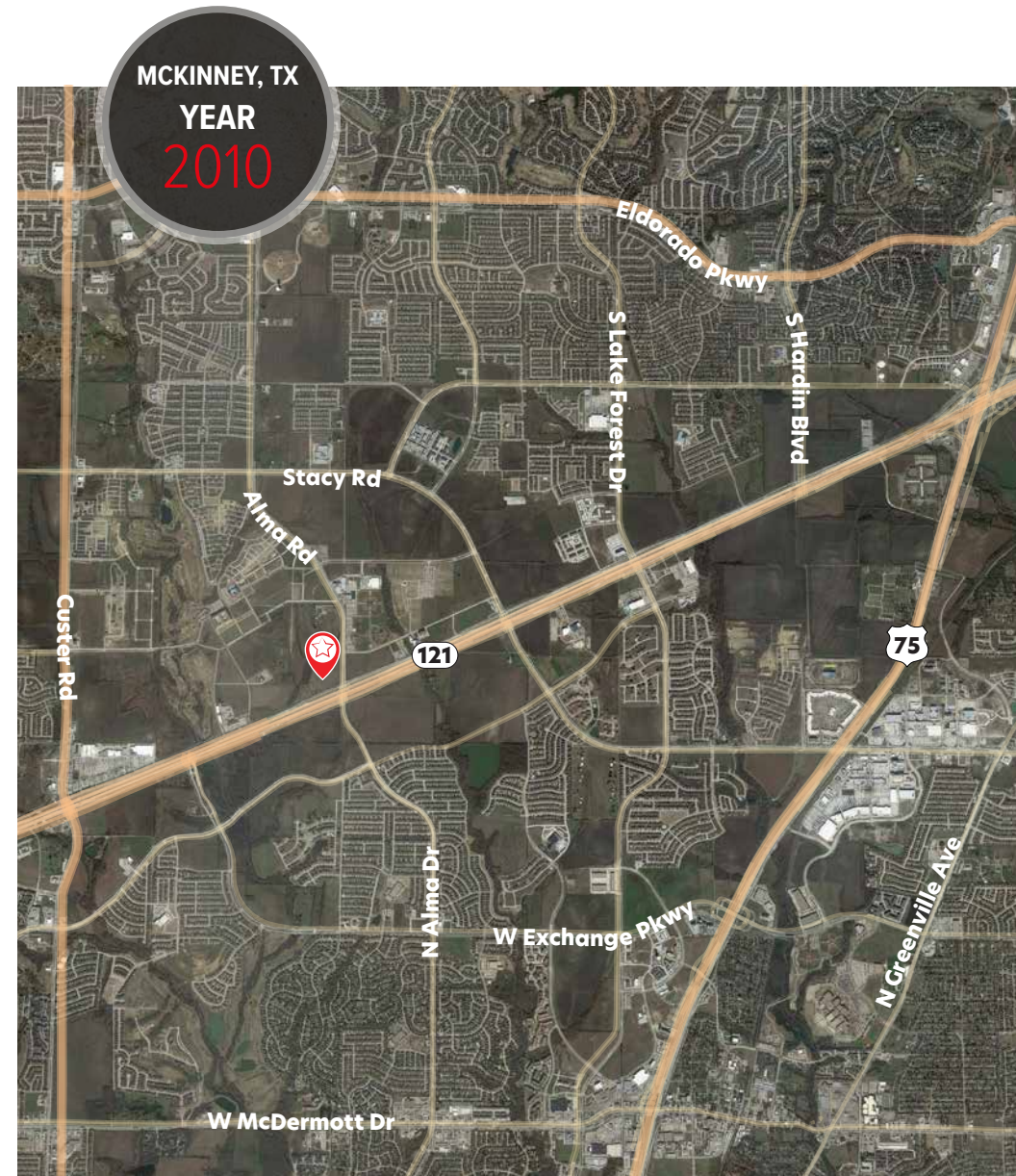
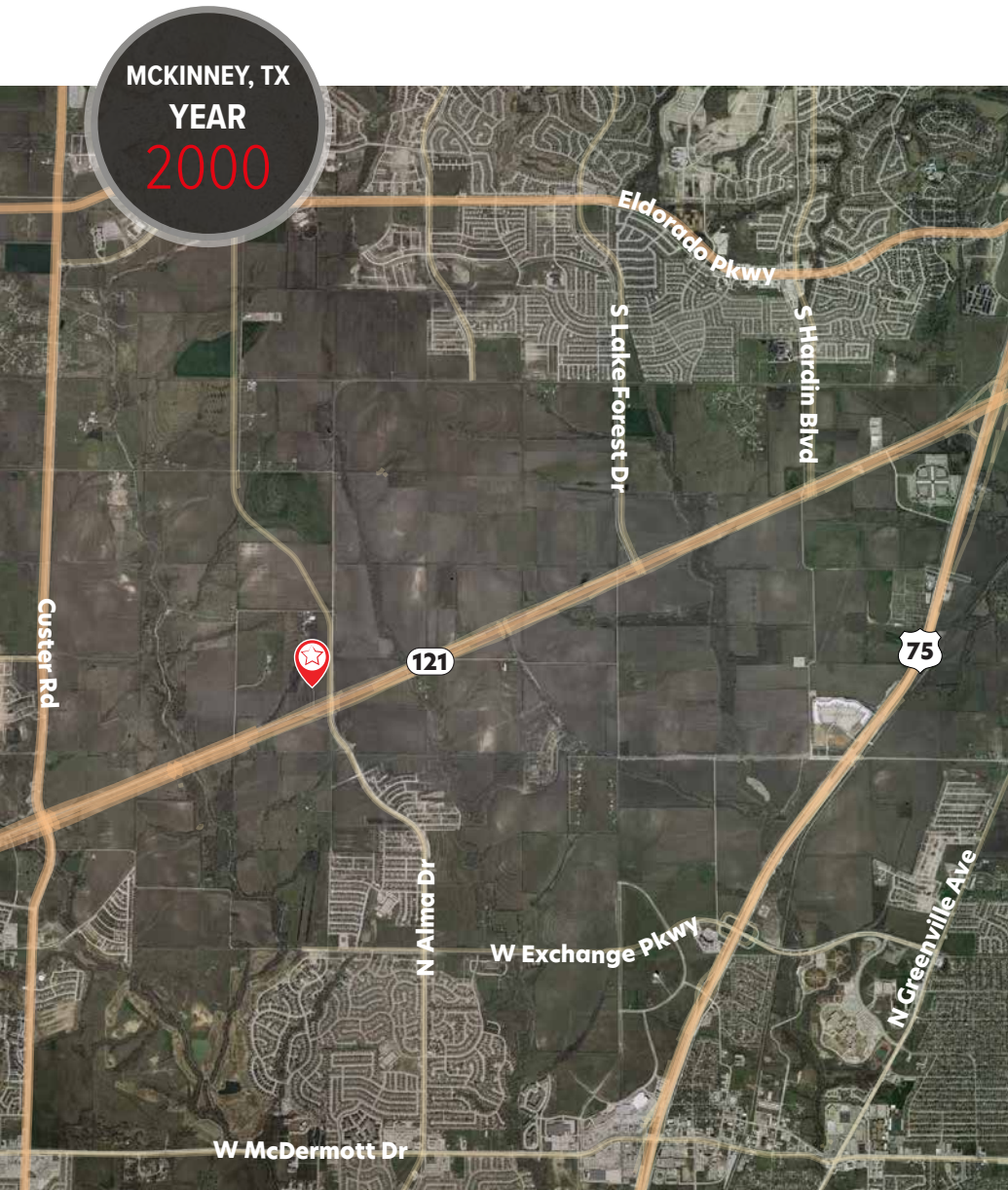


Hub 121
 - \$120 million development
 - Retail/Restaurant/ Entertainment

Craig Ranch
 - PGA Tour
 - on Nelson



HIGHLY AFFLUENT CUSTOMER BASE WITH ROBUST TRADE AREA GROWTH



POPULATION
54,369



COMMERCIAL & MULTIFAMILY INVENTORY
14.7M SF



POPULATION
131,117

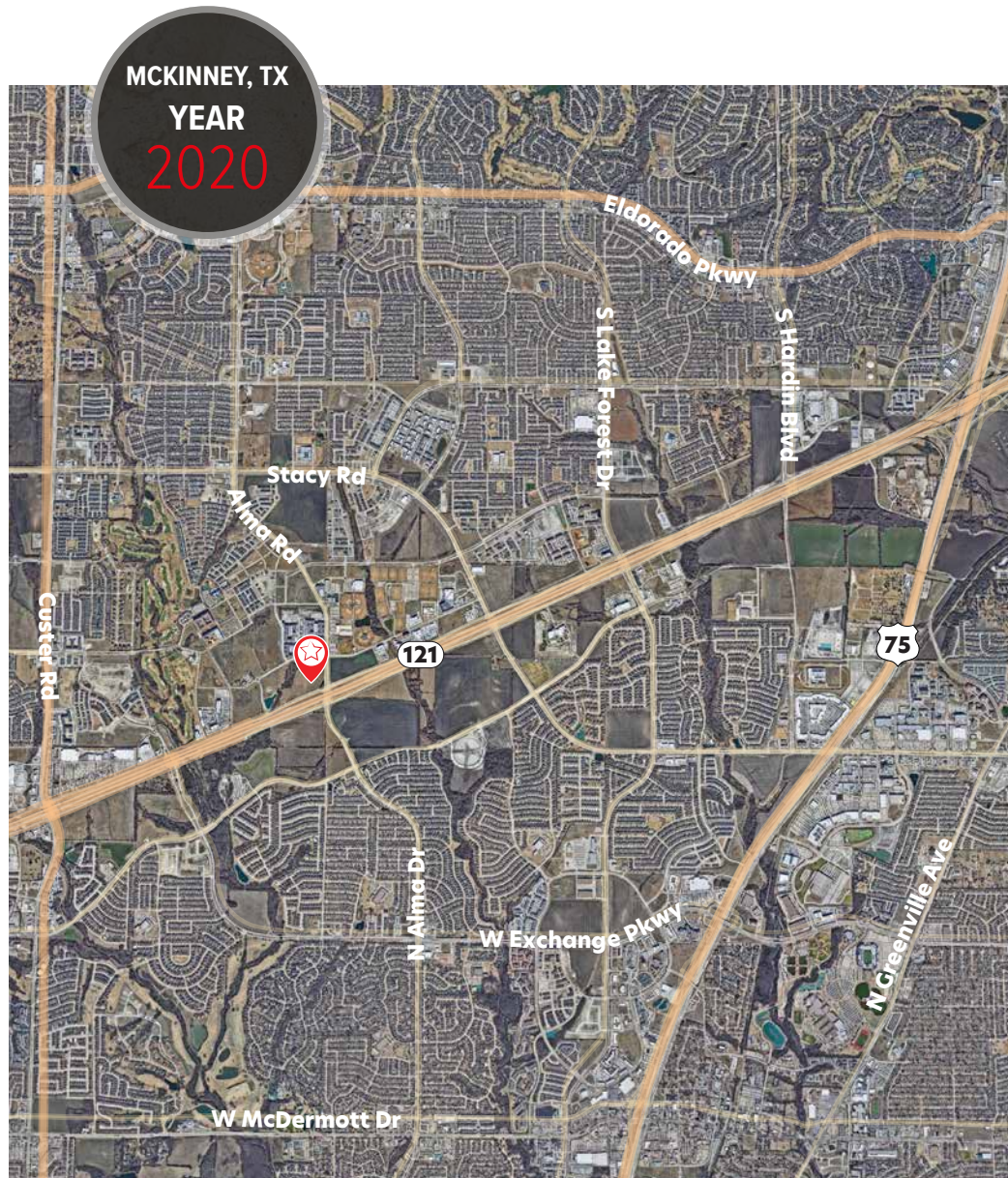


COMMERCIAL & MULTIFAMILY INVENTORY
21.8M SF

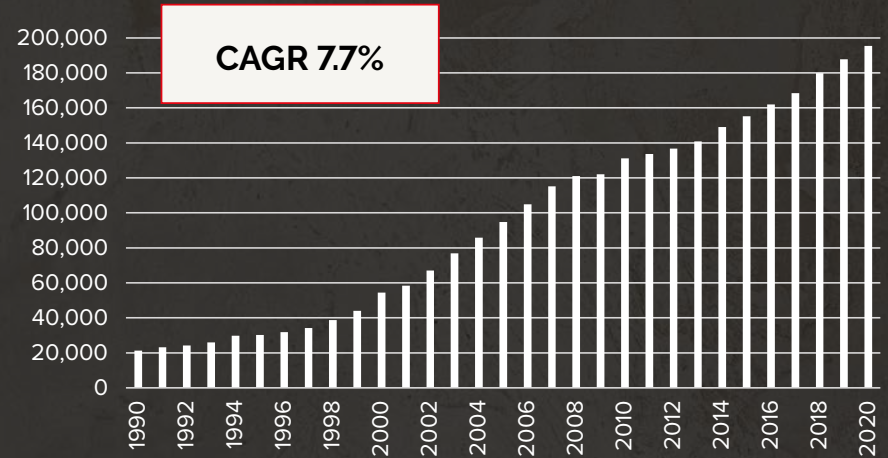
ROBUST POPULATION GROWTH

The McKinney trade area has experienced exponential growth and densification over the past 20 years with continued projected growth.

- » Since 2000, the population of the McKinney trade area has **grown 360%**.
- » During the same time period, the trade area's commercial and residential investment has **grown 180%**.



MCKINNEY POPULATION GROWTH



POPULATION
195,342

COMMERCIAL & MULTIFAMILY INVENTORY
26.8M SF

DFW METROPLEX

#2 Most Jobs Recovered

73% THROUGH THE END OF Q1 2021

#1 Market for Returning to the Office

41% OF DALLAS WORKERS ARE BACK IN OFFICE ACCORDING TO KASTLE SYSTEMS

#1 Fastest Growing Metro

350+ NEW RESIDENTS EACH DAY

#4 Real Estate Market for 2021

PWC/URBAN LAND INSTITUTE

#1 Total Office Net Absorption

26+ MILLION SF IN THE LAST 5 YEARS



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