



Bruce's Tires

7700 Monterey Street, Gilroy, CA 95020

Net Leased Single Tenant Investment for \$2,675,000 | 4.85% Cap Rate



Renz & Renz
Local Roots; National Reach



Exclusively Listed By



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Bruce's Tires

7700 Monterey Street, Gilroy, CA 95020

| | |
|---------------|---------------------------------------|
| List Price | \$2,675,000 (\$394 per SqFt) |
| Cap Rate | 4.85% NOI \$129,983 |
| Rent | \$12,000 Monthly \$144,000 Annually |
| Zoning | C2 |
| Building Size | 6,788 SqFt |
| Lot Size | 27,007 SqFt |
| Year Built | 1998 |

Property Highlights

- 14 years remaining on lease
- Reasonable price per SqFt
- Corporate Lease Guarantors
- Attractive 12.5% increases every 5 years
- Three 5-year options to renew
- Gilroy, CA location (South Santa Clara County)
- Landlord responsible for part of property tax increase upon sale. (see income & expense page)
- Sun Auto Tire & Service has 350 locations
- Attractive 9 Bay Automotive repair facility
- Very attractive rent increase from 12.5 - 15% every 5 years through lease & 5 year options.
- Excellent Credit Tenant
- Irreplaceable location; City of Gilroy will not allow automotive retail on Monterey St & other prominent streets in town.





Tenant Summary

| | |
|-------------------------------|---------------------------------------|
| Tenant Trade Name | Bruce's Tires |
| Lease Guarantor | GB Auto Service, Inc. |
| Lease Type | Net |
| Current Rent | \$12,000 Monthly \$144,000 Annually |
| Landlord Responsibilities | Partial payment of property taxes |
| Original Lease Term | 15 years |
| Lease Comencement Date | 12.30.2021 |
| Current Lease Expiration Date | 12.29.2036 |
| Term Remaining on Lease | 14 years |
| Rental Increases | Increases every 5 years |
| Options | Three 5-year options |

Lease Increases & Option Breakdown

| | Increases | Monthly Rent | Annual Rent |
|------------|---------------------|--------------|-------------|
| Year 1-5 | current | \$12,000 | \$144,000 |
| Year 6-10 | 12.5% | \$13,500 | \$162,000 |
| Year 11-15 | 12.5% | \$15,187 | \$182,000 |
| Option 1 | 12.5 - 15% (market) | | |
| Option 2 | 12.5 - 15% (market) | | |
| Option 3 | 12.5 - 15% (market) | | |

GB Auto Services, Inc. | Subject Tenant Credit

GB Auto's portfolio of partners currently includes Hyundai, Mazda, Chery, MG, Changan, Haval, Karry, Bajaj, Marcopolo, Iveco, Volvo Truck and Volvo Bus, Volvo Construction Equipment, Mitsubishi Fuso, SDLG, Higer, shacman, Lassa, Yokohama, Westlake, Double Coin, Goodyear, Thunderer, Verde, Techking, Sun full and Gazpromneft. The company also has non-bank financial subsidiaries, launched with the aim of offering financing options to all client categories, from major corporations and small and medium enterprises, to retail clients and individuals eligible for micro credit.

With a history of over six decades in the industry, GB Auto has built a solid reputation for standing behind its customers and is renowned for providing unmatched after-sales services in Egypt, having long positioned Hyundai cars as the best value for money in the Egyptian market and having done the same with Mazda and Chery at unique price points. GB Auto's commitment to total care for customers is evident in its nationwide network of 25 owned retail showrooms, that include 5 3-S (sales, service and spare parts center), 17 2-S (sales and spare parts center), and 3 1-S (spare parts center), after-sales service center, as well as a network of 84 authorized dealers and 125 authorized service centers across Egypt.. With new vehicle sales, the company's service and parts outlets make GB Auto a fully integrated "one-stop-shop" automotive provider that delivers on promises of lower ownership costs and real value to customers.

<https://ir.ghabbourauto.com/en/company-profile>

Sun Auto Tire & Service | Parent Company to GB Auto Services, Inc.

Sun Auto Tire & Service is the leading provider of quality aftermarket automotive repair, maintenance, and tire services in the Southwest. Sun Auto Tire & Service encompasses over 350 retail locations and 10 brands throughout the United States with 2,500+ Service Bays serving 2,000,000+ customers annually.

<https://sun.auto/>

Leonard Green & Partners, LP | Majority Shareholder to Sun Auto

Leonard Green & Partners, L.P. ("LGP") is a leading private equity investment firm founded in 1989 and based in Los Angeles with over \$70 billion of assets under management. Our firm partners with experienced management teams and often with founders to invest in market-leading companies.

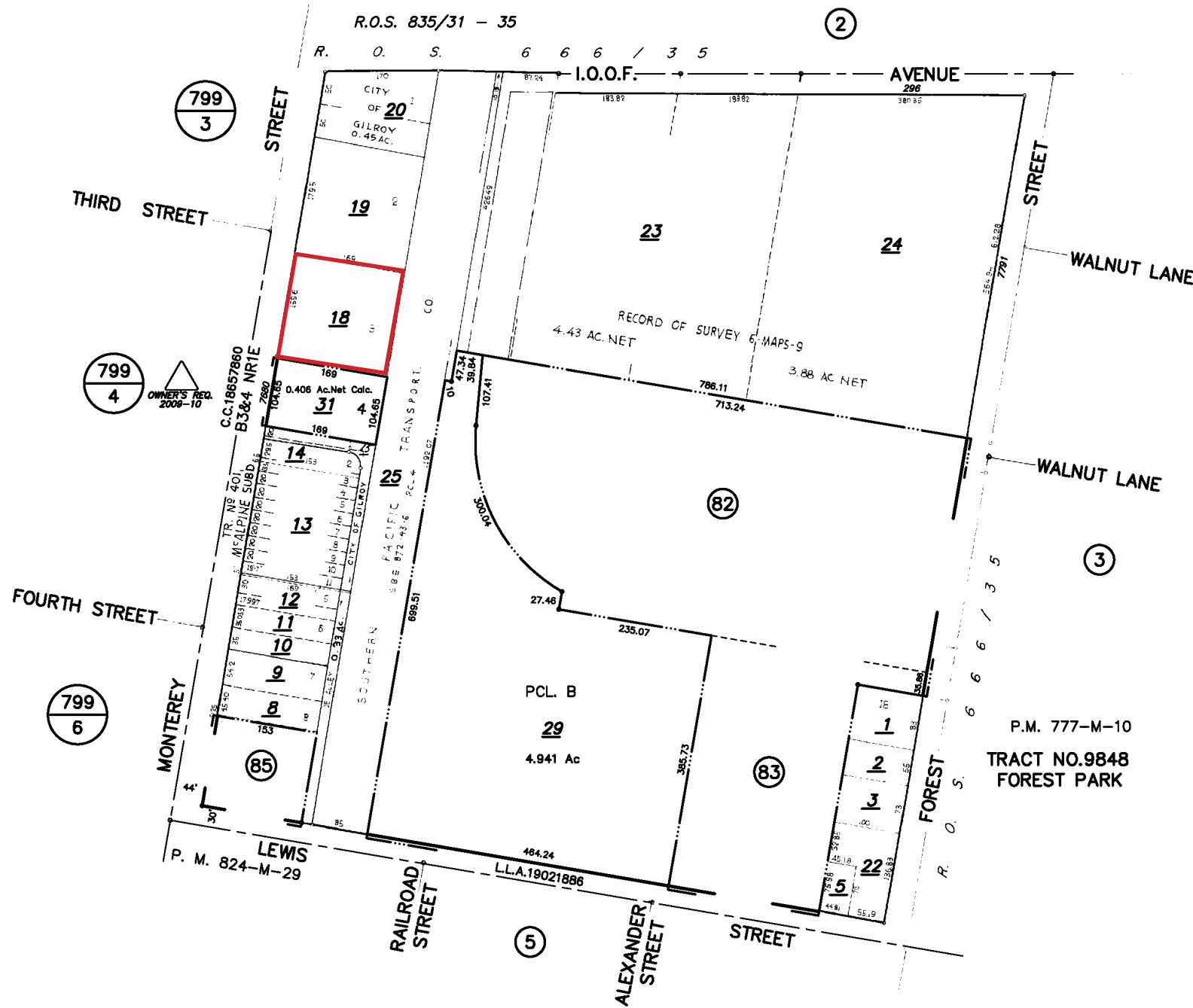
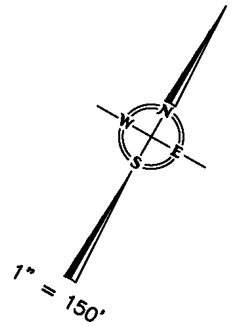
Since inception, we have invested in over 120 companies in the form of traditional buyouts, going-private transactions, recapitalizations, growth equity, and selective public equity and debt positions. We primarily focus on companies providing services, including consumer, healthcare, and business services, as well as retail, distribution, and industrials.

<https://www.leonardgreen.com/>

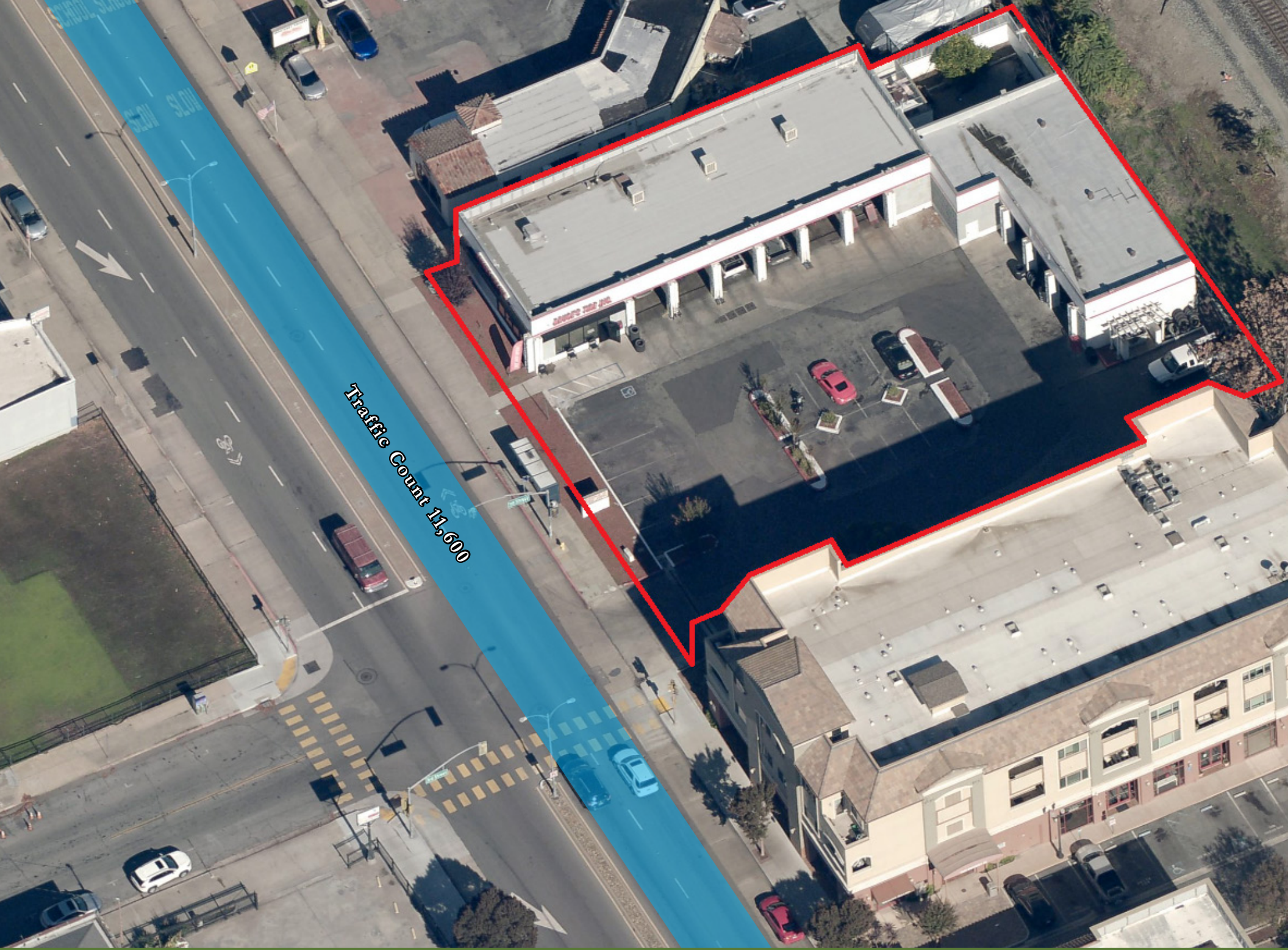
Projected 1st Year | Income & Expense

| | |
|--|--------------|
| Gross Annual Income | \$144,000.00 |
| Projected (New 2023) Buyers Property Taxes (Based on sale of \$2,675,000 x 1.24%) | \$33,170.00 |
| Taxes paid by Tenant (Based on 2022/23 Taxes) | \$19,153.36 |
| Landlord's Share of Property Taxes | \$14,016.64 |
| Net Annual Income | \$129,983.36 |



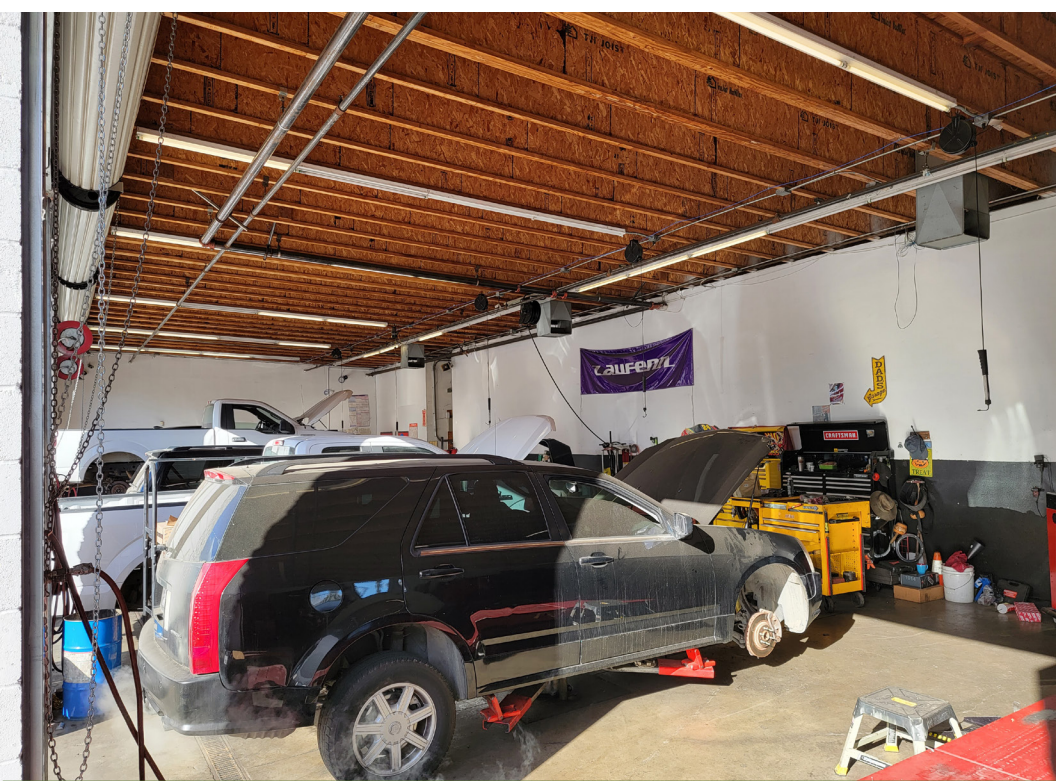


TRA DET. MAP 277
LAWRENCE E. STONE — ASSESSOR
Cadastral map for assessment purposes only.
Compiled under R. & T. Code, Sec. 327.
Effective Roll Year 2014-2015



Traffic Count 11,600





DISCLOSURE & NON-DISCLOSURE

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