

Westlake Ace Hardware

SAPULPA, OK

OFFERING MEMORANDUM



Marcus & Millichap
Real Estate Investment Services

Westlake Ace Hardware

SAPULPA, OK

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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.

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PROPERTY DESCRIPTION

Westlake Ace Hardware

SAPULPA, OK

INVESTMENT OVERVIEW



Investment Highlights

- Dominant Hardware Retailer in Sapulpa, Oklahoma
- Three Acre Parcel with Access and Visibility from Both Taft Avenue and Main Street
- Tenant Only Pays \$3.29 per Square Foot in Base Rent - High Likelihood of Extending the Lease
- Located on a Main Intersection with Traffic Counts of Nearly 40,000 Vehicles per Day
- Absolute Net Lease

Marcus & Millichap is pleased to present this Westlake Ace Hardware located in Sapulpa, Oklahoma (Tulsa MSA).

The Westlake Ace Hardware is a 37,995-square foot property located on over three acres of land and is situated on a hard corner in the primary business district of this Tulsa suburb. The store is located on the highly traversed Main Street, with excellent neighboring tenants such as McDonald's, Walgreens, Autozone, Dollar Tree, Hibbett Sports, Sherwin Williams and several other national retail stores.

Westlake Ace Hardware joined with Ace in 1959 and is currently the largest dealer. The company was family owned until 2006, when it was purchased by the private equity firm Goldner Hawn Johnson and Morrison. Since the strategic merge with Ace Hardware, Westlake Ace Hardware has enjoyed the supply and reputation of the largest cooperative hardware store in sales nationwide - with over 4600 stores in all 50 states. Westlake Ace Hardware has 85 locations and over \$240 million in annual revenue.

The stores distribute such products as electrical and plumbing supplies, garden equipment, hand tools, housewares and power tools.

PROPERTY SUMMARY

The Offering

Property	Westlake Ace Hardware
Property Address	715 South Main Street Sapulpa, OK 74066
Assessor's Parcel Number	1220-00-013-000-0-010-00

Site Description

Year Built	1984
Rentable Square Feet	37,955
Lot Size	3.06 Acres
Type of Ownership	Fee Simple
Parking	173 Surface Parking Spaces
Parking Ratio	4.5 Spaces Per 1,000 Square Feet
Landscaping	Minimal

Construction

Foundation	Concrete Slab
Exterior	Masonry
Parking Surface	Asphalt Parking/Concrete Service Areas

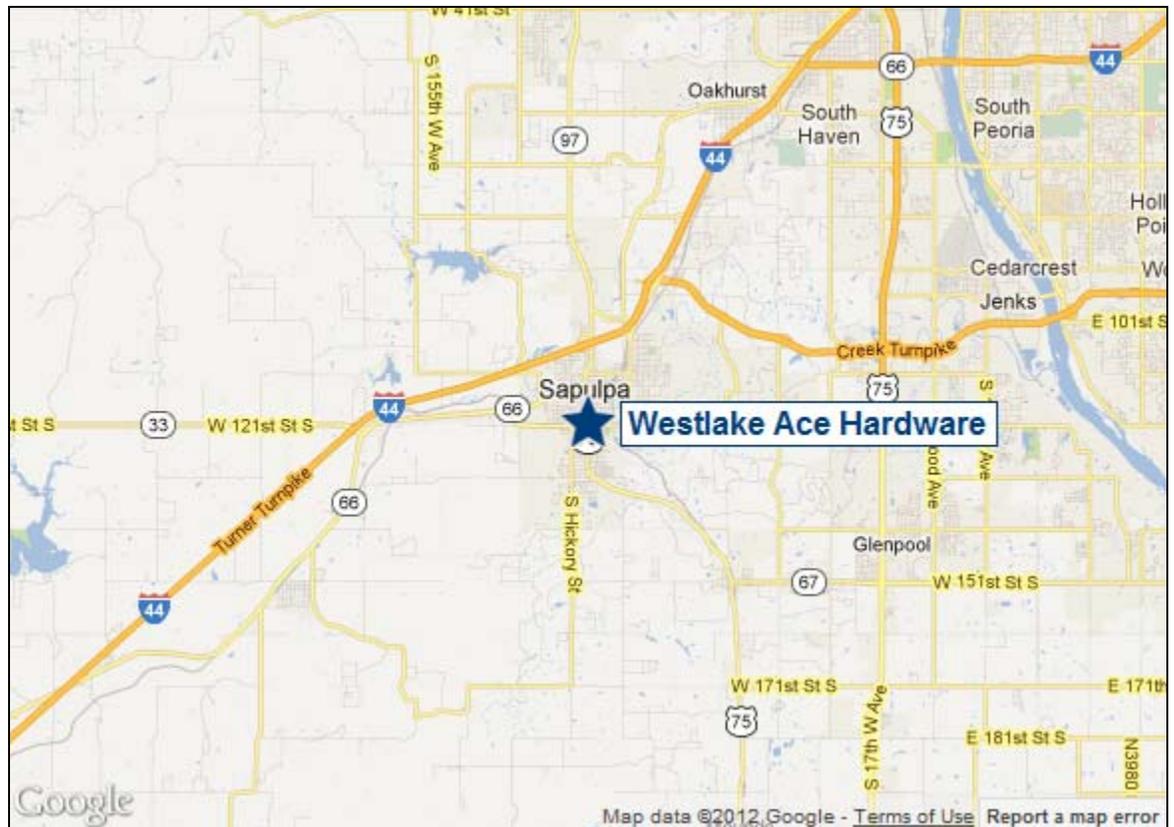




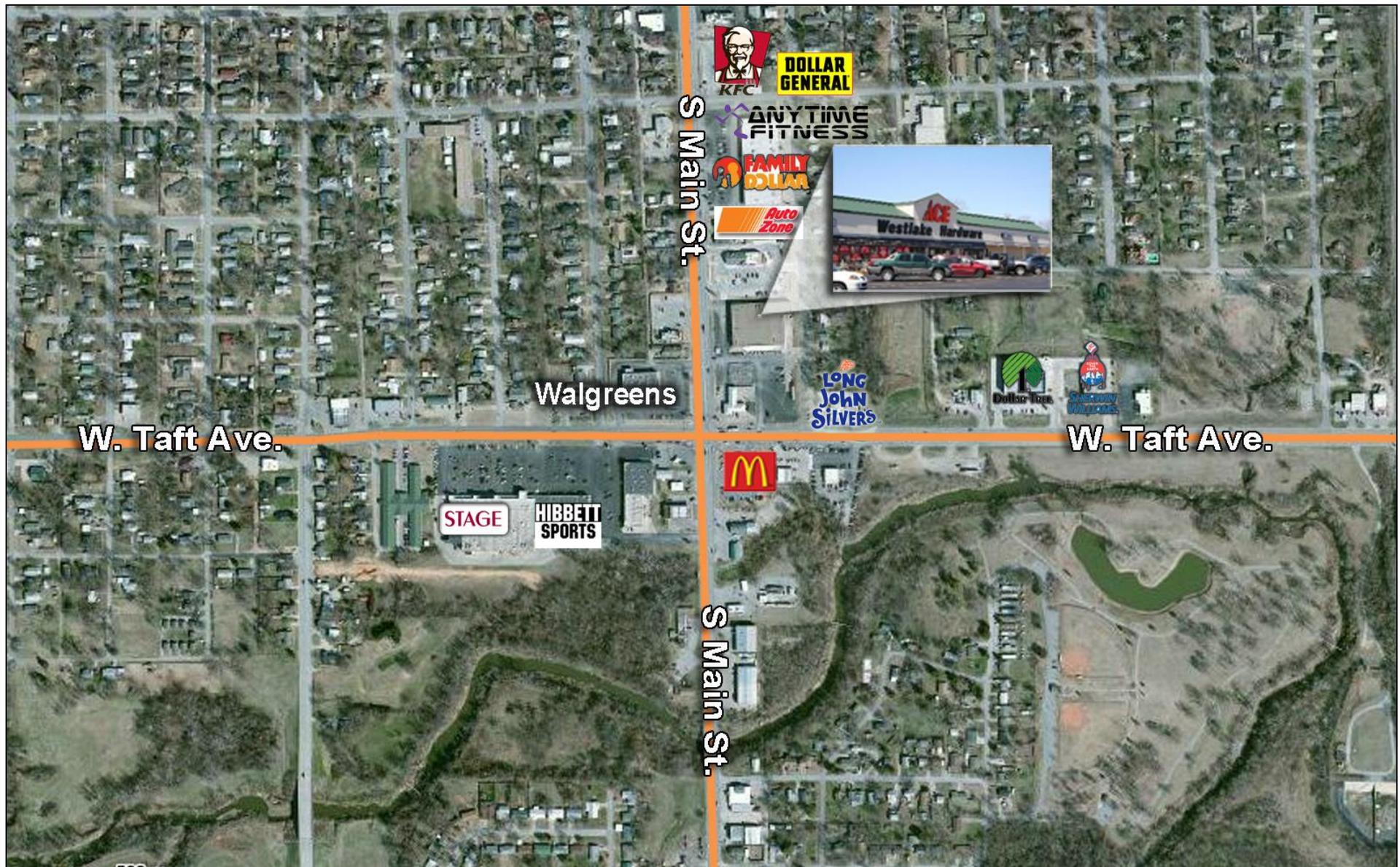
Local Map



Regional Map



AERIAL PHOTO



Westlake Ace Hardware

SAPULPA, OK

TENANT OVERVIEW

Property Name	Westlake Ace Hardware
Property Address	715 South Main Street Sapulpa, OK 74066
Property Type	Net Leased Department Store
Rentable Square Feet	37,955

Tenant Trade Name	Westlakes Ace Hardware
Ownership	Private
Tenant	Corporate Store
Sales Volume	2011 Revenue: \$240 million
Lease Guarantor	Corporate Guarantee

Lease Commencement Date	9/18/2002
Rent Commencement Date	12/21/2002
Lease Expiration Date	11/30/2014
Term Remaining on Lease	2 Years
Lease Type	Triple Net (NNN)
Roof and Structure	Tenant Responsible
Lease Term	5 Year
Year 1 Net Operating Income	\$124,920.00
Increases	None

Options to Renew	4 5-Year
Options to Terminate	None
Options to Purchase	None
First Right of Refusal	None

No. of Locations	85
Headquartered	Lenexa, Kansas
Web Site	www.westlakehardware.com
Years in the Business	107 (since 1905)

FINANCIAL OVERVIEW

Location

715 South Main Street
Sapulpa, OK 74066

Price	\$1,475,000
Down Payment	100% / \$1,475,000
Rentable Square Feet	37,955
Price/SF	\$38.86
CAP Rate	8.47%
Year Built	1984
Lot Size	3.06 Acres
Type of Ownership	Fee Simple

Annualized Operating Data

Rent Increases	Annual Rent	Monthly Rent
Option Two	\$124,920.00	\$10,410.00
Option Three	\$124,920.00	\$10,410.00
Option Four	\$124,920.00	\$10,410.00
Option Five	\$124,920.00	\$10,410.00
Base Rent (\$3.29/SF)		\$124,920
Net Operating Income		\$124,920

Tenant Summary

Tenant Trade Name	Westlakes Ace Hardware
Ownership	Private
Tenant	Corporate Store
Lease Guarantor	Corporate Guarantee
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Roof and Structure	Tenant Responsible
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Lease Expiration Date	11/30/2014
Term Remaining on Lease	2 Years
Increases	None
Options	4 5-Year

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DEMOGRAPHIC REPORT

	1 Mile	3 Miles	5 Miles
1990 Population	6,584	18,093	25,968
2000 Population	6,842	19,030	27,916
2010 Population	6,344	18,710	28,667
2011 Population	6,393	18,786	28,881
2016 Population	6,579	19,155	29,709
1990 Households	2,673	6,840	9,590
2000 Households	2,775	7,259	10,428
2010 Households	2,623	7,280	10,968
2011 Households	2,627	7,260	10,962
2016 Households	2,638	7,207	10,982
2011 Average Household Size	2.37	2.53	2.59
2011 Daytime Population	5,918	9,392	11,821
1990 Median Housing Value	\$41,372	\$45,078	\$48,440
2000 Median Housing Value	\$55,867	\$65,513	\$72,140
2000 Owner Occupied Housing Units	59.34%	63.97%	68.65%
2000 Renter Occupied Housing Units	32.30%	27.29%	22.85%
2000 Vacant	8.36%	8.74%	8.51%
2011 Owner Occupied Housing Units	54.30%	60.41%	66.51%
2011 Renter Occupied Housing Units	34.28%	29.56%	24.29%
2011 Vacant	11.42%	10.03%	9.20%
2016 Owner Occupied Housing Units	54.18%	60.25%	66.36%
2016 Renter Occupied Housing Units	34.35%	29.66%	24.36%
2016 Vacant	11.47%	10.09%	9.28%
\$ 0 - \$14,999	16.8%	16.8%	14.1%
\$ 15,000 - \$24,999	17.3%	15.5%	13.8%
\$ 25,000 - \$34,999	19.4%	15.7%	14.0%
\$ 35,000 - \$49,999	16.1%	17.1%	17.4%
\$ 50,000 - \$74,999	19.0%	17.7%	18.6%
\$ 75,000 - \$99,999	6.1%	9.5%	11.6%
\$100,000 - \$124,999	3.3%	4.1%	4.6%
\$125,000 - \$149,999	0.9%	1.6%	2.3%
\$150,000 - \$199,999	0.4%	1.0%	1.9%
\$200,000 - \$249,999	0.1%	0.4%	0.6%
\$250,000 +	0.5%	0.8%	1.2%
2011 Median Household Income	\$33,343	\$36,362	\$40,723
2011 Per Capita Income	\$17,060	\$18,041	\$20,227
2011 Average Household Income	\$41,403	\$45,816	\$52,594

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SUMMARY REPORT

Geography: 5 Miles**Population**

In 2011, the population in your selected geography was 28,881 . The population has changed by 3.46% since 2000. It is estimated that the population in your area will be 29,709 five years from now, which represents a change of 2.87% from the current year. The current population is 47.6% male and 52.4% female. The median age of the population in your area is 39.5 , compare this to the U.S. average which is 36.9. The population density in your area is 367.51 people per square mile.

Households

There are currently 10,962 households in your selected geography. The number of households has changed by 5.12% since 2000. It is estimated that the number of households in your area will be 10,982 five years from now, which represents a change of 0.18% from the current year. The average household size in your area is 2.59 persons.

Income

In 2011, the median household income for your selected geography is \$40,723 , compare this to the U.S. average which is currently \$53,620. The median household income for your area has changed by 19.47% since 2000. It is estimated that the median household income in your area will be \$44,086 five years from now, which represents a change of 8.26% from the current year.

The current year per capita income in your area is \$20,227 , compare this to the U.S. average, which is \$28,713. The current year average household income in your area is \$52,594 , compare this to the U.S. average which is \$73,458.

Race & Ethnicity

The current year racial makeup of your selected area is as follows: 78.37% White, 2.48% African American, 10.63% Native American and 0.34% Asian/Pacific Islander. Compare these to U.S. averages which are: 72.40% White, 12.60% African American, 0.95% Native American and 4.93% Asian/Pacific Islander.

People of Hispanic origin are counted independently of race. People of Hispanic origin make up 4.16% of the current year population in your selected area. Compare this to the U.S. average of 16.90%.

Housing

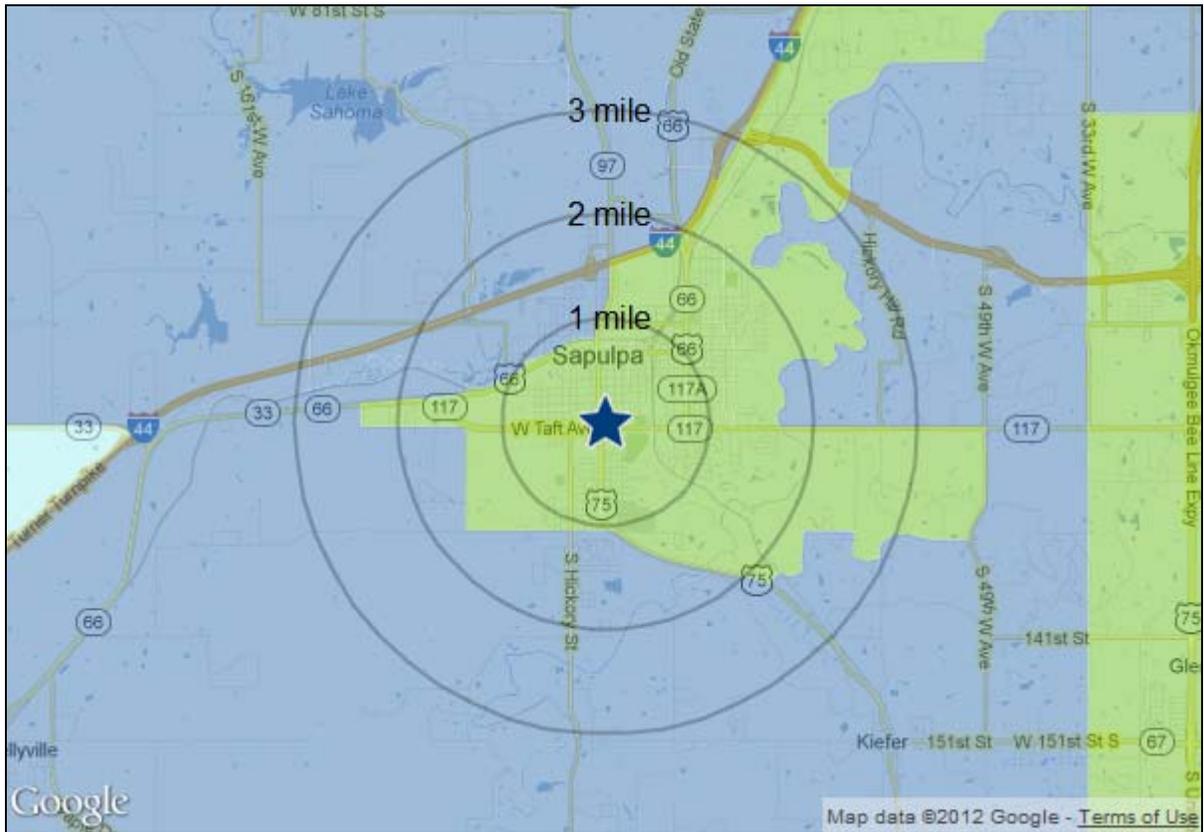
The median housing value in your area was \$72,140 in 2000, compare this to the U.S. average of \$110,796 for the same year. In 2000, there were 7,824 owner occupied housing units in your area and there were 2,605 renter occupied housing units in your area. The median rent at the time was \$353 .

Employment

In 2011, there are 11,821 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 54.9% of employees are employed in white-collar occupations in this geography, and 45.1% are employed in blue-collar occupations. In 2011, unemployment in this area is 5.78% . In 2000, the median time traveled to work was 22.2 minutes.

Demographic data © 2010 by Experian/Applied Geographic Solutions.

POPULATION DENSITY



Demographic data © 2010 by Experian/Applied Geographic Solutions.

Population Density

Theme	Low	High
Low	less than	55
Below Average	55	475
Average	475	4100
Above Average	4100	35000
High	35000	or more

Number of people living in a given area per square mile.

EMPLOYMENT DENSITY



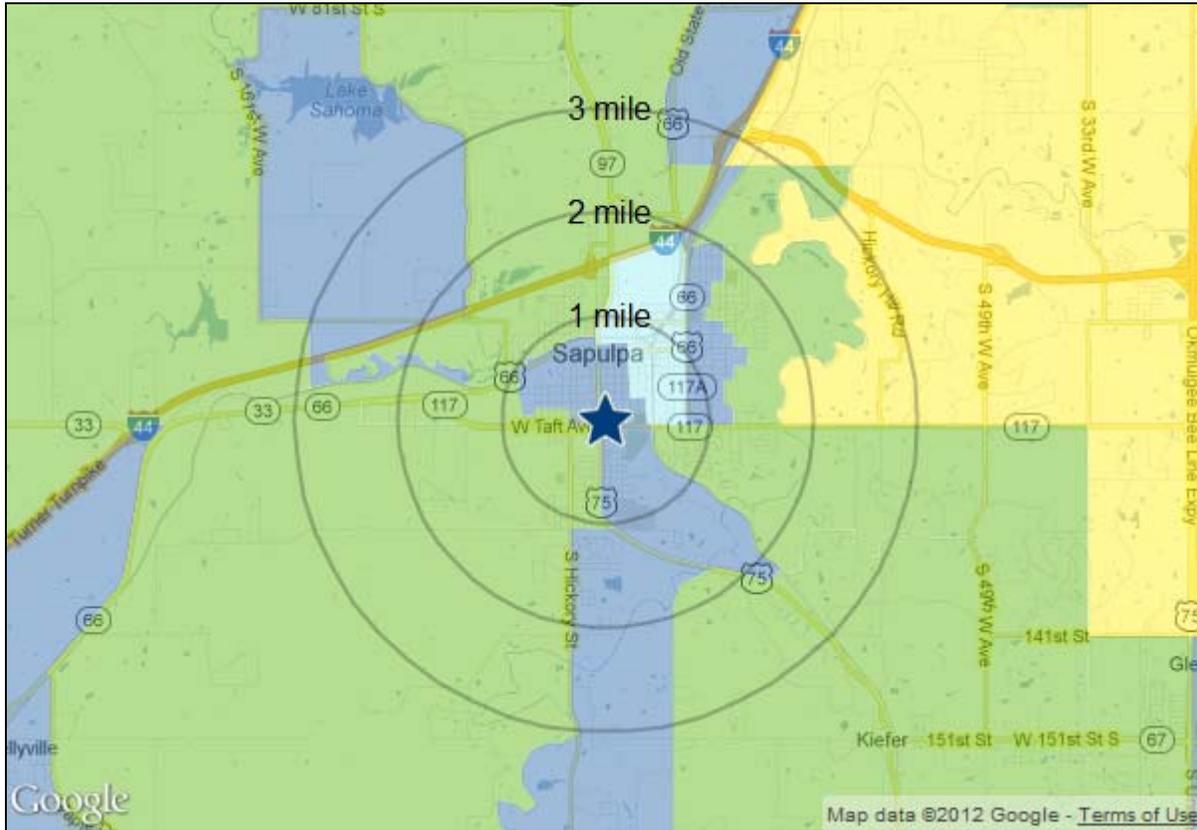
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Employment Density

Theme	Low	High
Low	less than 9	9
Below Average	9	96
Average	96	1025
Above Average	1025	10875
High	10875	or more

The number of people employed in a given area per square mile.

AVERAGE HOUSEHOLD INCOME



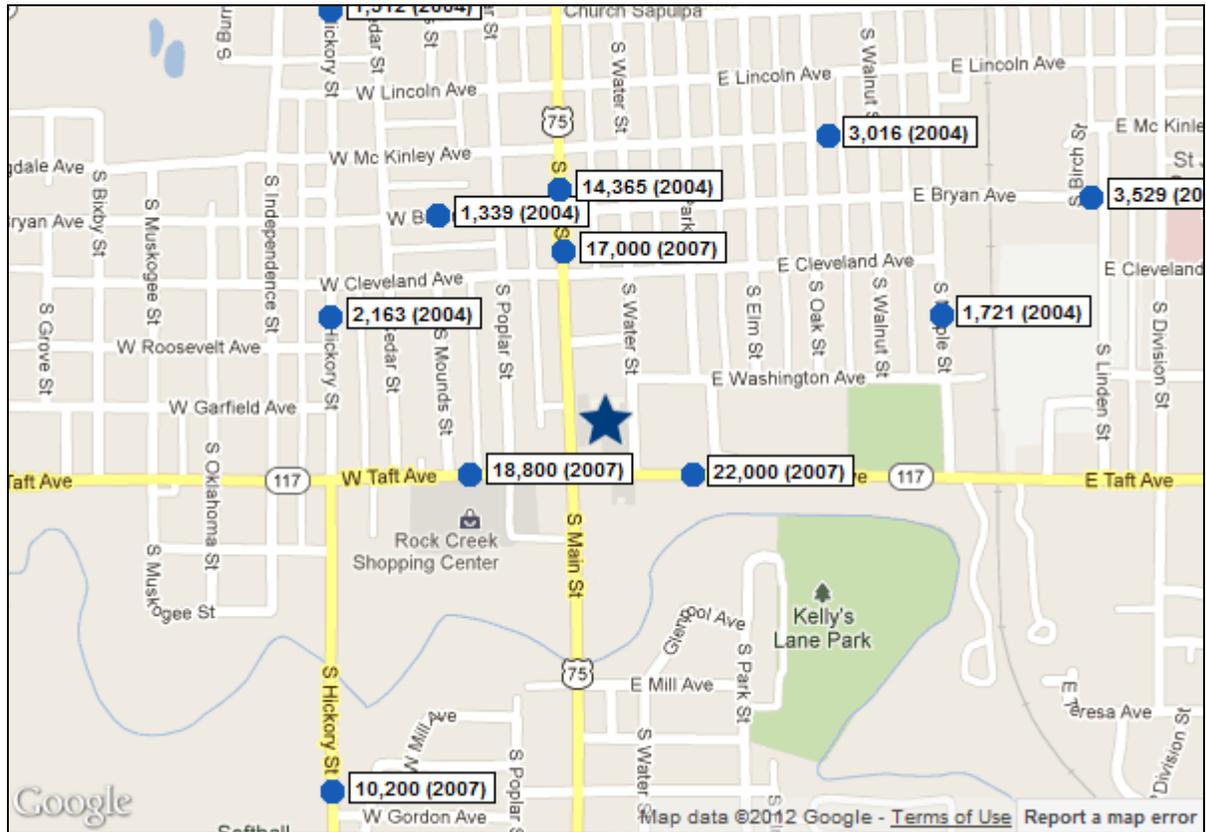
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Average Household Income

Theme	Low	High
Low	less than	\$29,500
Below Average	\$29,500	\$48,500
Average	\$48,500	\$80,000
Above Average	\$80,000	\$132,500
High	\$132,500	or more

Average income of all the people 15 years and older occupying a single housing unit.

TRAFFIC COUNTS



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Two-way, average daily traffic volumes.



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