

OFFERING MEMORANDUM

FREESTANDING SHERWIN-WILLIAMS
ROCHESTER | NEW YORK



EXCLUSIVELY OFFERED BY:

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EXECUTIVE SUMMARY

TENANT:		SHERWIN WILLIAMS	
GUARANTOR:		THE SHERWIN-WILLIAMS COMPANY (NYSE:SHW)	
S&P Rating:		BBB (INVESTMENT GRADE)	
Moody's:		BAA3 (INVESTMENT GRADE)	
Building SF:		+/- 5,074 SQUARE FEET	
LAND SIZE:		+/- 0.25 ACRES	
TENANT POSSESSION:		12/10/2018	
LEASE COMMENCEMENT:		1/1/2019	
PRIMARY TERM:		TEN (10) YEARS	
RENEWAL TERMS:		THREE (3) FIVE (5) YEAR OPTIONS TO RENEW	
BASE RENT INCREASES:		10% EACH 5 YEARS IN PRIMARY TERM AND OPTIONS	
OFFERING TERMS			
PRICE:	\$1,620,000	Reduced 04-16-19	
NOI:	\$114,165	Yr 1 Base Rent and Amortized Improvements Rent	
CAP:	7.05%	Blended Cap Rate	

INVESTMENT HIGHLIGHTS



- **Long Term Lease with Increases:** Full Ten (10) year primary lease term with 10% base rent increase in year five. Lease commenced January 1, 2019. 10% base rent increases in each option term as well. ALL RENT FULLY GUARANTEED BY The Sherwin-Williams Co..
 - Years 1-5 Base Rent - \$91,332.00 @ 6.75% Cap;
 - Amortized Improvements Rent - \$22,833/yr Years 1-10 @ 8.5% Cap;
 - Total Year 1 Annual Rent of \$114,165.00 at a Blended Cap Rate of 7.05%.
- **Turn Key Renovation:** Building completely renovated to turn-key condition for tenant. Work included new roof with 20 year warranty, new HVAC units and a new parking lot and loading ramp.
- **Investment Grade Tenant:** The lease is fully guaranteed by The Sherwin-Williams Co. (NYSE: SHW). There is no tenant termination right in the primary term.

INVESTMENT HIGHLIGHTS



- **High Density Zoning:** The underlying land is zoned C-3 Commercial with CBD overlay, which allows for significant vertical density and retail, office and residential uses on the property if redeveloped in the future. Zoning also has no mandatory parking requirement.
- **Excellent Location:** Located in the revitalized CBD of Rochester, NY, the property is positioned at the gateway intersection to downtown, has immediate interstate access and is across the street from the world famous Strong Museum of Play (550,000 annual visitors, home to the video game hall of fame), which is in the midst of a \$60M expansion.
- **Market Leader:** Sherwin-Williams is the dominant provider of paint products in the Rochester, NY MSA

KEY TERMS



Real Estate Taxes: On a monthly basis during the Term, and at the same time that Sherwin-Williams pays Fixed Monthly Rent, Sherwin-Williams shall pay to Landlord One Thousand Five Hundred Forty-Nine and 51/100 Dollars (\$1,549.51) as a monthly estimate of reimbursement owed by Sherwin-Williams for Real Estate Taxes paid by Landlord. On an annual basis, Landlord shall submit to Sherwin-Williams written notice and proof of payment of the Real Estate Taxes (including, in the event the Premises are not separately assessed, the calculation of the apportionment of the Real Estate Taxes) paid by Landlord.

Sherwin-Williams' Maintenance and Repair Obligations. Sherwin-Williams shall, at its sole cost and expense, keep and maintain the interior of the Building in a clean and sanitary condition. Except for damage caused by fire, the elements, and other casualties, Sherwin-Williams shall, at its sole cost and expense, perform non-structural interior repairs to the Building, including the repair or replacement of damaged or broken doors, windows and exterior awnings. Sherwin-Williams shall be responsible, at its sole cost and expense, for snow and ice removal and landscaping at the Premises. Sherwin-Williams shall not be required to make structural repairs or repairs necessitated by reason of the neglect, fault or default of Landlord, its agents, employees or contractors.

HVAC (ii) maintain, repair and make necessary replacements to the heating, ventilating and air-conditioning system servicing the Building (the "HVAC"); provide, however, that Sherwin-Williams shall reimburse Landlord for the reasonable cost of annual service and repairs to the HVAC not to exceed One Thousand and 00/100 Dollars (\$1,000.00) annually and are not cumulative, within sixty (60) days of notice and proof of payment for such service and repairs (which \$1,000 cap shall increase by five percent (5%) on January 1, 2020 and on January 1st each fifth (5th) year thereafter);

KEY TERMS



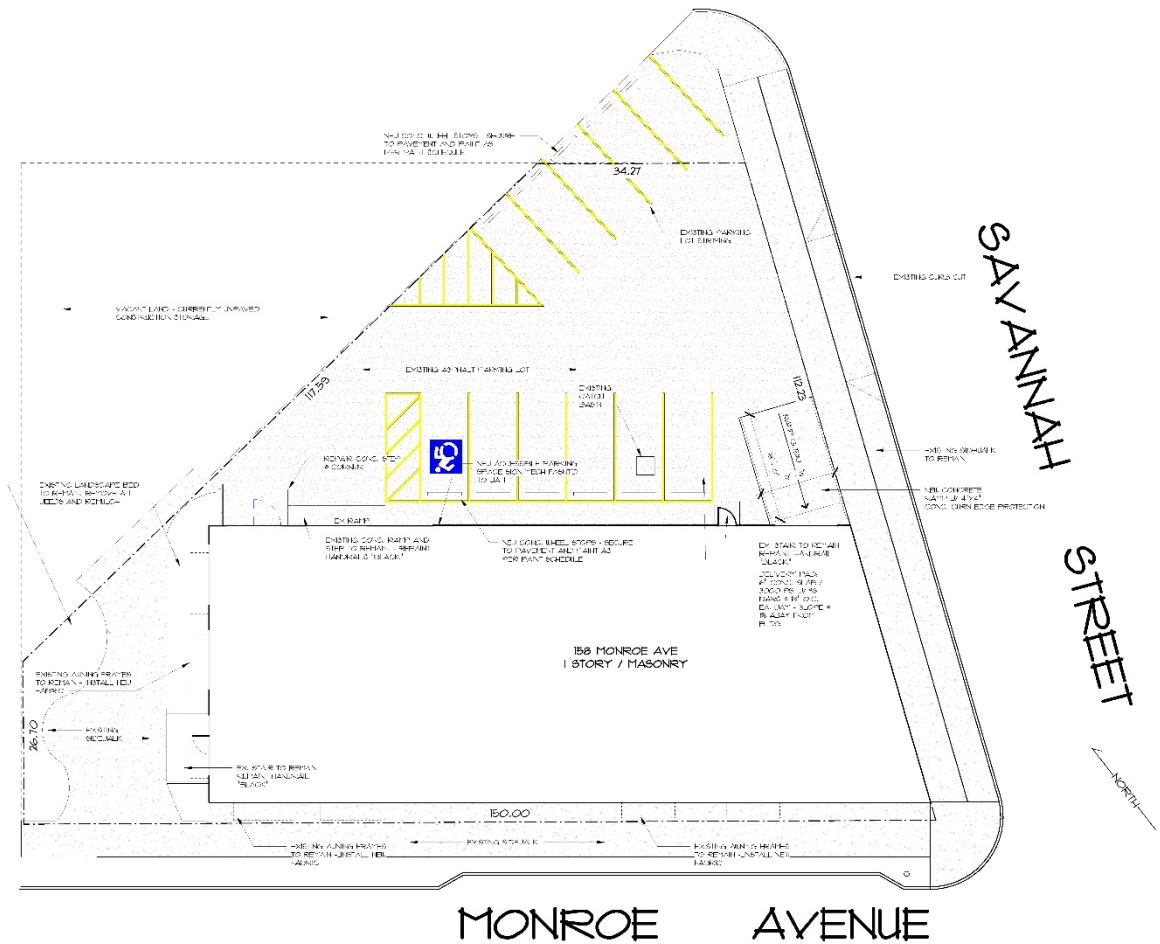
Real All Risk Property Insurance. As of the Effective Date, Landlord shall procure and maintain all risk property coverage insurance for the Building and all other improvements on the Premises for full replacement thereof and shall provide Sherwin-Williams with a certificate of insurance reflecting such coverage prior to the Commencement Date and upon policy renewal or replacement thereafter. The coverage shall include, without limitation, coverage against the following perils: fire, hail, wind damage, flood (including sewer backup and water seepage), lightning, mechanical or equipment breakdown, and vandalism.

During the Term, Sherwin-Williams agrees to pay Landlord for the cost of Landlord's all risk property insurance premium (including Commercial General Liability Insurance noted in Article 178, however Sherwin-Williams shall never be required to reimburse Landlord for Commercial General Liability Insurance with limits in excess of \$5,000,000.00) as follows:

(i) On a monthly basis during the Term, Sherwin-Williams shall pay Landlord Two Hundred Thirty-Three and 33/100 Dollars (\$233.33) as a monthly estimate of the reimbursable insurance premium paid by Landlord.

THE PROPERTY

ADDRESS:	158 Monroe Avenue Rochester, NY 14604
PARCEL ID:	121.40-2-12.1
PARCEL SIZE:	+/- 0.25 Acres
BUILDING SIZE:	+/- 5,074 square feet
YEAR RENNOVATED :	December 2018



TENANT PROFILE

TENANT:	Sherwin-Williams
Parent Company:	The Sherwin-Williams Company (NYSE: SHW)
S&P CREDIT RATING:	BBB
MOODY'S CREDIT RATING:	Baa3
2017 REVENUE (\$BIL):	\$14.984
2017 NET INCOME (\$BIL):	\$1.528
# OF LOCATIONS (2017):	4,620
# OF EMPLOYEES (2017):	52,695

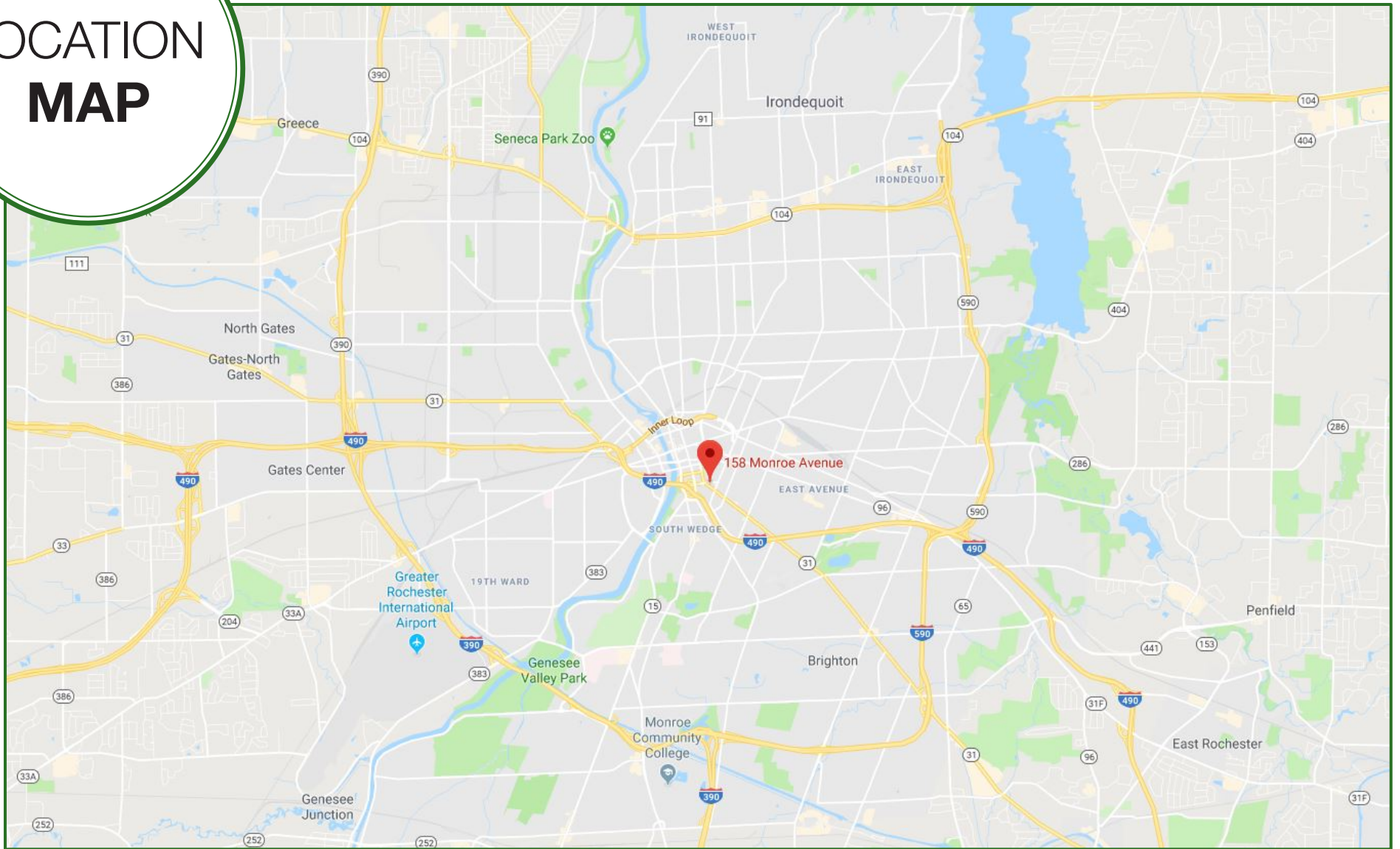


The Sherwin-Williams Company develops, manufactures, distributes, and sells paints, coatings, and related products to professional, industrial, commercial, and retail customers primarily in North and South America, the Caribbean, Europe, and Asia. The company operates in four segments: Paint Stores Group, Consumer Group, Global Finishes Group, and Latin America Coatings Group. It offers architectural paint and coatings, protective and marine products, automotive finishes and refinish products, original equipment manufacturer product finishes, and related items under the Sherwin-Williams brand.

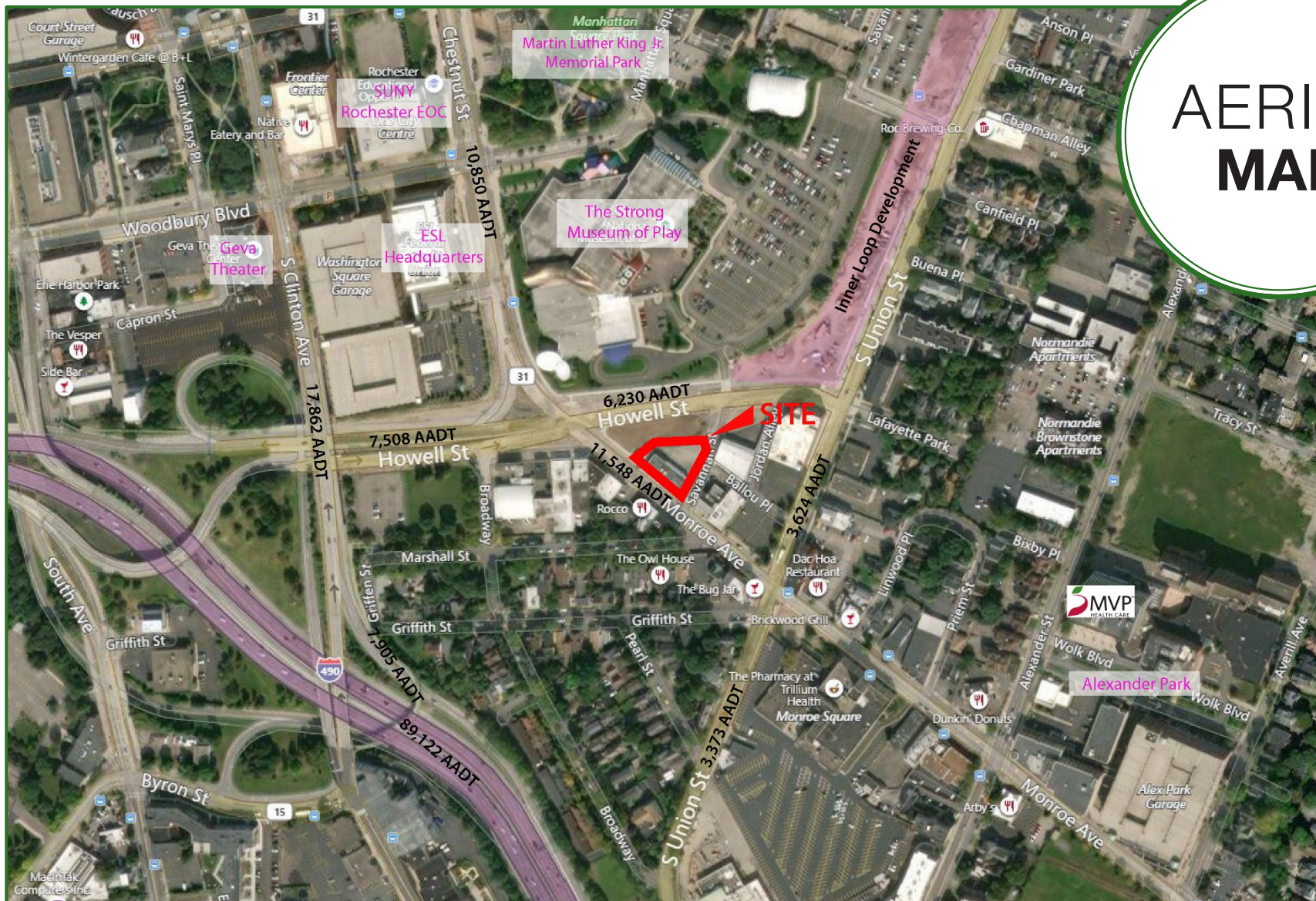
As of Dec 31, 2017, Sherwin-Williams operated 4,620 paint stores in the United States, Canada, Puerto Rico, Virgin Islands, Trinidad and Tobago, St. Maarten, Jamaica, Curacao and Aruba. The company's total revenue in 2017 was \$14.984 Billion showing a 26.4% total revenue growth over the previous year. The Sherwin-Williams Company was founded in 1866 by Henry Sherwin and Edward Williams, and has not only has grown to be one of the largest producers of paints in the United States, but is one of the largest producers in the world.

Website: www.sherwin-williams.com

LOCATION MAP



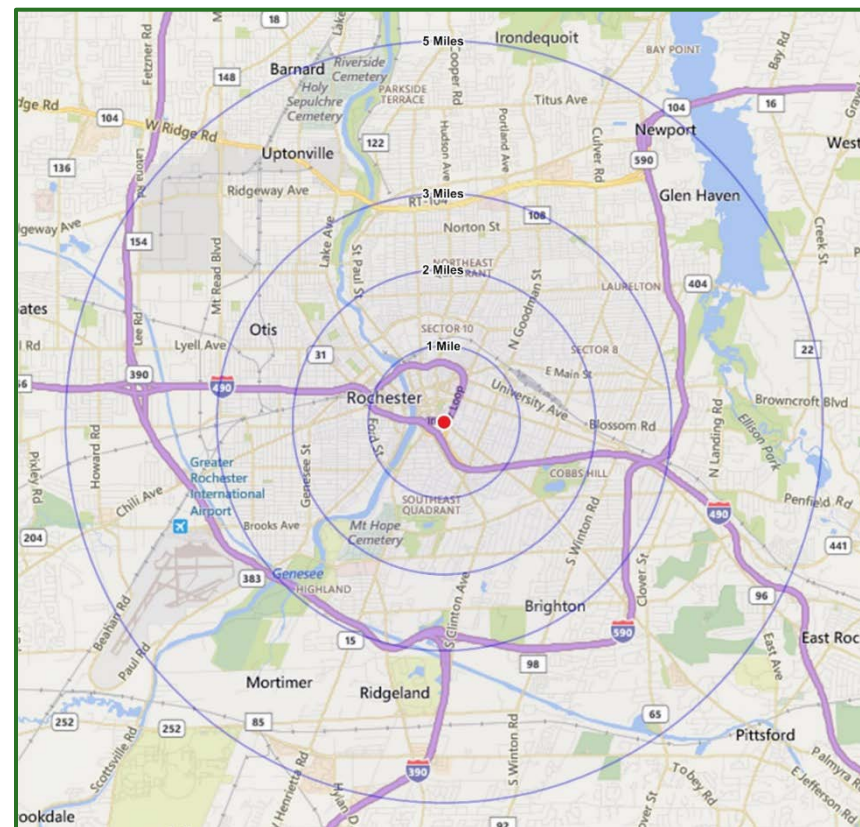
AERIAL MAP



KEY

DEMOGRAPHICS

	1 Mile	2 Miles	3 Miles	5 Miles
Population	27,307	91,385	197,976	299,180
Population Growth	0.10%	0.20%	0.20%	0.10%
Households	15,519	41,373	84,613	129,595
Household Growth	0.01	0.01	0.01	0.009
Average Household Income	\$48,619	\$47,086	\$50,536	\$57,434
Median Household Income	\$36,809	\$34,970	\$38,189	\$43,810
Some College or Better	67.50%	57.80%	55.50%	58.90%
Daytime Population at Work	47,067	97,255	152,116	236,908





SITE PHOTOS



REGION OVERVIEW

ROCHESTER, NY

Monroe County is located in the northwestern section of New York State, along the south shore of Lake Ontario, at the mouth of the Genesee River. It is bounded on the west by Orleans and Genesee Counties, on the east by Wayne and Ontario Counties, on the south by Livingston County and on the north by Lake Ontario. Together these counties make up the Rochester, NY MSA.

GEOGRAPHIC DATA

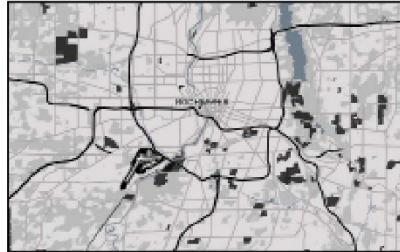


GENESEE RIVER
the major north/south waterway traveling 25 miles in a northerly direction through Monroe County to Lake Ontario.

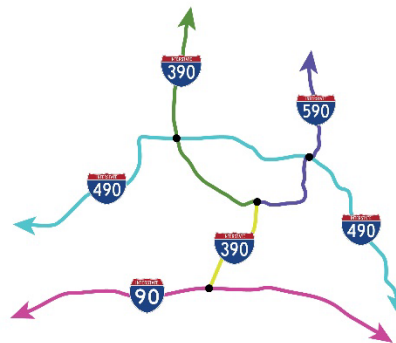
TEMPERATE CLIMATE



APPROXIMATE DRIVING DISTANCE FROM ROCHESTER



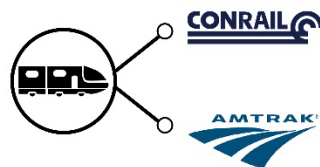
TRANSPORTATION



5 Runways

18 Non-Stop Destinations

Newly renovated terminal facility



Newly rebuilt contemporary train station

POPULATION

	Metro Region	City	Suburbs
2000	1,098,201	219,766	878,435
2010	1,054,323	210,565	843,758
COUNTIES	2000	2010	% change 00-10
GENESSEE	60,370	60,079	-.05
LIVINGSTON	64,328	65,393	+1.7
MONROE	735,343	744,344	+1.2
ONTARIO	100,224	107,931	+7.7
ORLEANS	44,171	42,883	-2.9
WAYNE	93,765	93,772	0

TOP 20 EMPLOYERS (2016)

UNIVERSITY OF ROCHESTER
University of Rochester/Strong Health
Higher Education, Healthcare
27,590 Employees

ROCHESTER GENERAL
Rochester General Health Systems
Healthcare
15,753 Employees

Wegmans
Wegmans
Retail, Grocery, Headquarters
13,606 Employees

xerox
Xerox Corp.
Photocopiers
6,396 Employees

PAYCHEX
Paychex
Payroll Services
4,123 Employees

ROCHESTER INSTITUTE OF TECHNOLOGY
Rochester Institute of Technology
Higher Education
3,993 Employees

THE LIFETIME HEALTHCARE COMPANIES
Lifetime Healthcare Cos.
Healthcare
3,569 Employees

HARRIS
Harris RF Communication
Manufacturer
3,450 Employees

SUTHERLAND GLOBAL SERVICES
Sutherland Global Services Inc.
Business process outsourcing
2,952 Employees

YMCA OF GREATER ROCHESTER
YMCA of Greater Rochester
Health and Wellness
2,745 Employees

TOPS
Tops Market LLC
Retailer Grocery
2,588 Employees

FINGER LAKES HEALTH
Finger Lakes Health
Healthcare
1,851 Employees

FRONTIER COMMUNICATIONS CORP.
Frontier Communications Corp.
Communications Services
1,800 Employees

KODAK
Eastman Kodak Co.
Film and Digital imaging
2,300 Employees (2014)

FINGER LAKES RACING ASSOCIATION INC.
Finger Lakes Racing Association Inc.
Private
1,744 Employees

HERITAGE CHRISTIAN SERVICES INC.
Heritage Christian Services Inc.
Non-Profit
1,637 Employees

CENTER FOR DISABILITY SERVICES
Center for Disability Rights Inc.
Non-Profit
1,569 Employees

LIFETIME ASSISTANCE INC.
Lifetime Assistance Inc.
Non-Profit
1,524 Employees

HILLSIDE
Hillside Family of Agencies
Non-Profit
1,502 Employees

HURLBUT
Hurlbut Care Communities
Private
1,500 Employees

SOURCE: ROCHESTER BUSINESS JOURNAL BOOK OF LISTS 2016 - 2017

HOSPITALS

Strong Memorial Hospital Strong Health
834 Available Beds
38,380 2014 Admissions

Rochester General Hospital
528 Available Beds
29,395 2014 Admissions

Unity Hospital
502 Available Beds
15,816 2014 Admissions

Highland Hospital of Rochester Strong Health
261 Available Beds
15,910 2014 Admissions



LEGACY
TOWER



SIBLEY
SQUARE



\$106 million in high-tech tools and equipment for the testing facility



EDUCATION


UNIVERSITY of
ROCHESTER Monroe Community College The College at
BROCKPORT

Alfred State
State University of New York



ST. JOHN
FISHER

FingerLakes

 NAZARETH COLLEGE

SOURCE: ROCHESTER BUSINESS JOURNAL BOOK OF LISTS 2017

* GREATER ROCHESTER ENTERPRISE

RECREATION



CONFIDENTIALITY & DISCLOSURE AGREEMENT

This Offering Memorandum contains confidential information released for your view and use in evaluating the opportunity to purchase the property and the subject property: 158 Monroe Avenue, Rochester, NY 14604. This release of information is made pursuant to the following terms and conditions:

1. **Confidential Information.** Owner has disclosed and made available to Recipient certain information that is non-public, confidential and/or proprietary in nature relating to the possible sale of certain property to Recipient ("Confidential Information"). Recipient (including, without limitation, its respective officers, directors, employees, counsel, consultants, brokers or agents) acknowledges and agrees that it shall maintain the Confidential Information in confidence from the time of this Agreement and for a period of three (3) years from the Effective Date of this Agreement, and shall not, without the prior written consent of Owner, disclose any of the Confidential Information except as permitted herein; provided, however, that there shall be no obligation on the part of Recipient to maintain in confidence any Confidential Information disclosed to it by Owner: (i) which is generally known to the trade or the public at the time of such disclosure; (ii) which becomes generally known to the trade or the public subsequent to the time of such disclosure, but not as a result of disclosure by the other; (iii) which is legally received by Recipient from a third party without restriction; (iv) which is independently developed by Recipient; (v) which is approved for release in writing Owner whose Confidential Information is to be released, prior to any release; or (vi) is demanded by a lawful order from any court or anybody empowered to issue such an order. Recipient agrees to notify Owner promptly of the receipt of any such order, and to promptly provide Owner with a copy of such order. If Recipient is required to disclose Confidential Information in response to a valid order by a court or other governmental body, as required by law, Recipient may disclose such Confidential Information only to the extent legally compelled. Owner will be given an opportunity to oppose any such order or to seek a protective order that protects the Confidential Information at issue before Recipient complies with any such court or governmental order provided, however, that all Parties will stipulate to any orders necessary to protect said information from public disclosure.

2. **Disclosure to Third Parties.** Recipient shall not disclose the Confidential Information: (i) to its respective employees, officers, directors, consultants, advisors, brokers, or counsel, except on a need-to-know basis and each employee, officer, director, consultant, advisor, broker or counsel receiving Confidential Information shall be notified of and required to abide by the terms and conditions of this Agreement; or (ii) to subcontractors, vendors, agents or the like, without the prior written consent of Owner and unless and until a confidential disclosure agreement expressing substantially the same terms as contained in this Agreement is executed by the person receiving and before the person receives the Confidential Information, and provided further, that disclosure of the Confidential Information by such subcontractors, vendors, agents, or the like, to their respective employees, officers, directors or counsel shall be on the same terms as set forth in Section 2(i) above. No Party shall disclose to any person (other than as, and to the extent, herein detailed) the fact that Confidential Information has been requested, that discussions or negotiations between the Parties are taking place or have taken place, or the status thereof.

3. **Procedure to Protect.** Recipient covenants that it shall use the same degree of care with Owner's Confidential Information that it uses with its own Confidential Information of a similar type, but in any event no less than reasonable care. Recipient agrees not to sell, license or otherwise exploit any products or services (including software in any form) which embody in whole or in part any Confidential Information.

4. **Control of Confidential Information.** Copies of the Confidential Information shall be made only as necessary.

5. **Ownership.** Nothing in this Agreement shall be construed to convey any title, copyright, ownership or other proprietary rights in the Confidential Information to Recipient.

(To be continued)

CONFIDENTIALITY & DISCLOSURE AGREEMENT

6. **No Expectation.** This Agreement is not an offer, an acceptance, or a contract to negotiate or enter into any transaction, nor is it intended to require the Parties to proceed with or continue such negotiations or transactions. Other than the duties of nondisclosure and confidentiality as provided herein, this Agreement shall not give rise to any obligation for either Party to disclose any information, including the Confidential Information. The Parties further agree that unless and until a definitive agreement has been executed and delivered, which may or may not occur, neither Party will be under any obligation of any kind whatsoever with respect to any transaction by virtue of this Agreement or any other written or oral expression with respect to such a transaction made by any of their respective directors, officers, employees, agents or any other representatives.

7. **Term.** Any Party may terminate this Agreement upon thirty (30) days prior written notice to the other Parties. Upon termination and following a request from Owner, Recipient will promptly return all copies of the Confidential Information that is in Recipient's possession or in the possession of any of Recipient's representatives, without retaining any copies thereof (including expunging copies from any computer or other device), except to the extent Recipient may be specifically required to retain such copy as the result of a document retention policies, deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar process or law or governmental proceeding. Termination of this Agreement and the return of the Confidential Information shall not affect any of the obligations of the Parties with respect to disclosure or use of the Confidential Information.

8. **Integration and Survival.** This Agreement expresses the entire understanding of the Parties with respect to the exchange of Confidential Information and supersedes any prior agreements with respect thereto. This Agreement may not be amended or modified except in writing signed by both Parties. The terms hereof shall survive termination of any other arrangement between the Parties.

9. **Injunctive Relief.** Each of the Parties acknowledges that any breach of this Agreement shall result in irreparable and continuing damage to Owner and, therefore, in addition to any other remedy which may be afforded by law, any breach or threatened breach of this Agreement may be prohibited by restraining order and/or injunction or any other equitable remedies of any court.

10. **Severability.** Should any provision of this Agreement be finally determined to be inconsistent with or contrary to applicable law, such provision shall be deemed omitted to conform therewith without affecting any other provision or the validity of this Agreement.

11. **Waiver.** No failure or delay by Owner in exercising any power or right under this Agreement shall operate as a waiver, nor does any single or partial exercise of any power or right preclude any other or further exercise, or the exercise of any other power or right.

12. **Assignment.** No Party or any affiliate thereof may assign this Agreement without the prior written consent of the other.

13. **Notices.** All notices hereunder shall be in writing, and given when mailed by certified mail, postage paid, return receipt requested, delivered by hand, or sent by receipted courier service to a Party at its above-referenced address (or at such other address as a Party may designate by service upon the other in writing).

14. **Compliance with Law.** The Parties agree to comply with all applicable laws and regulations, whether federal, state or local, in performance of their obligations hereunder and further represent and warrant that their respective officers, directors, employees, agents and subcontractors hereunder shall do the same.

15. **Choice of Law.** THIS AGREEMENT SHALL BE DEEMED TO BE MADE UNDER, AND WILL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

16. The information contained herein is believed to be accurate. However, no warranties of any kind are made by Hanna Commercial Real Estate ("HannaCRE") or anyone associated therewith, expressed or implied, that any information stated herein is either complete or accurate. Moreover, nothing stated herein should in any way be relied upon as a substitute for any due diligence.