

HARBOR FREIGHT

993 COSHOCTON AVENUE, MOUNT VERNON, OHIO



OFFERING MEMORANDUM

KNOX COUNTY FAIR

Marshalls maurices **CHIPOTLE MEXICAN GRILL**
SHOE sensation **SHOE CARNIVAL** **Kroger**
Arby's **BUFFALO WILD WINGS** **Firestone** **TACO BELL**
Ruby Tuesday **LONG JOHN SILVER'S** **Tim Hortons**
DOLLAR TREE **Advance Auto Parts**

Walmart **TSC** **TRACTOR SUPPLY CO**
ALDI **Panera BREAD** **MCDONALD'S** **SUBWAY**

HARBOR FREIGHT TOOLS

Rural King
 America's Farm and Home Store
HIBBETT SPORTS **Jordmans**
 something unexpected
STAPLES **DAIRY QUEEN**
Bob Evans **Aaron's**
 Discover Farm-Fresh Goodness

DOWNTOWN MOUNT VERNON

36

LOWE'S **Super 8**
TIRE CHOICE **AUTO SERVICE CENTERS**
CVS pharmacy **Wendy's**
AutoZone

Knox Community HOSPITAL
 99 BEDS

DOLLAR GENERAL
BURGER KING

KNOX COUNTY CAREER CENTER

MOUNT VERNON NAZARENE UNIVERSITY
 2,200 STUDENTS

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. © 2020 Marcus Millichap.

Executive Summary

993 Coshocton Avenue, Mount Vernon, OH 43050

FINANCIAL SUMMARY

Price	\$1,287,000
Cap Rate	7.25%
Building Size	15,555 SF
Net Cash Flow	7.25% \$93,330
Year Built	2004
Lot Size	.67 Acres

LEASE SUMMARY

Lease Type	Double-Net (NN) Lease
Tenant	Harbor Freight Tools USA, Inc.
Guarantor	Corporate
Roof & Structure	Landlord Responsible
Lease Commencement Date	June 28, 2020
Lease Expiration Date	October 31, 2030
Lease Term	10 Years
Rental Increases	In Options
Renewal Options	5, 5 Year Options

ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
1 - 10	\$93,330.00*	7.25%
Options	Annual Rent	Cap Rate
Option 1	\$100,796.40	7.83%
Option 2	\$108,885.00	8.46%
Option 3	\$117,595.80	9.14%
Option 4	\$126,928.80	9.86%
Option 5	\$137,195.10	10.66%

Base Rent	\$93,330
Net Operating Income	\$93,330
Total Return	7.25% \$93,330

*Rent Commencement: 10/26/22 - Seller shall credit Buyer at closing for period of time up until Rent Commencement Date.

Termination Option: Tenant shall have the one-time right to terminate the Lease by providing Landlord, with a written notice of its election to terminate prior to the expiration of 54th full calendar month following the Rent Commencement Date. If Tenant delivers the Early Termination Notice then the Lease shall terminate on the last day of the 60th full calendar month following the Rent Commencement Date (Early Termination Date). On or before such Early Termination Date, Tenant shall pay Landlord the sum of \$226,660.00.

Co-Tenancy Clause: An "Occupancy Co-Tenancy Failure" shall have occurred if at any time during the Term less than 25% of the Total Rentable Area of the Shopping Center is occupied by tenants who are actively conducting retail business operations at the Shopping Center during normal Shopping Center hours (but in any event, at least from 10 am to 6 pm Mondays through Saturdays). During any period when there is an Occupancy Co-Tenancy Failure, TT's Base Rent shall be reduced by 50% until the Occupancy Co-Tenancy Failure has been cured. If TT pays reduced 50% Base Rent for 12 consecutive months as a result of an Occupancy Co-Tenancy Failure, then, at the end of such 12 consecutive month period, Tenant must elect (in writing to LL) to either terminate the Lease, or revert to paying full Base Rent (notwithstanding the continuance of the Occupancy Co-Tenancy Failure).



Walmart



STAPLES
Bob Evans
DAIRY QUEEN

Rural King
America's Farm and Home Store
HIBBETT SPORTS
Gordmans
something unexpected
Aaron's

Knox Community HOSPITAL
99 BEDS

TSC TRACTOR SUPPLY CO

LOWE'S

MCDONALD'S



AutoZone

RubyTuesday



TIRE CHOICE
AUTO SERVICE CENTERS

DOLLAR TREE
AT&T SHOE sensation

HARBOR FREIGHT TOOLS

holiday hair

19,650 CPD
COSHOCTON AVE



Kroger
Firestone
PAPA JOHN'S

O'Reilly
AUTO PARTS

CHIPOTLE
MEXICAN GRILL

CVS
pharmacy

Wendy's

Super 8

LONG JOHN SILVER'S

Marshalls
maurices
BUFFALO WILD WINGS
SHOE CARNIVAL

Advance
Auto Parts

Tim Hortons

KAY
JEWELERS

holiday hair

TIRE CHOICE
AUTO SERVICE CENTERS

19,650 CPD
COSHOCTON AVE

HARBOR FREIGHT TOOLS

TACO BELL

DOLLAR TREE
AT&T **SHOE sensation**

Property Description



INVESTMENT HIGHLIGHTS

- » **Brand New 10-Year Lease with Corporate Guaranty**
- » Rental Increases During Each 5 Year Option Period
- » **Situated in Dense Retail Corridor** - Lowe's, Walmart, Kroger, Rural King, Tractor Supply Co, McDonald's, Taco Bell, and More
- » 28,350 Residents within a 5-Mile Radius - Mount Vernon Trade Area
- » **Located Along Coshocton Ave (Highway 36), Mount Vernon's Main Thoroughfare - Visible to 19,650+ Cars/Day**
- » Average Household Income Exceeds \$61,000 within 5 Miles of the Subject Property
- » **Across from Knox Community Hospital (99 Beds), Serving Knox County and its Surrounding Areas**
- » Less Than 2 Miles East of Downtown Mount Vernon



DEMOGRAPHICS

1-mile

3-miles

5-miles

Population

2024 Projection	4,382	20,891	28,384
2019 Estimate	4,394	20,887	28,350

Households

2024 Projection	2,076	8,315	10,702
2019 Estimate	2,062	8,270	10,629

Income

2019 Est. Average Household Income	\$59,890	\$57,925	\$61,854
2019 Est. Median Household Income	\$42,805	\$44,936	\$48,934
2019 Est. Per Capita Income	\$29,018	\$23,819	\$24,611



Tenant Overview



Harbor Freight Tools

Calabasas, CA

1,000+

www.harborfreight.com

Company

Headquarters

Locations

Website

Harbor Freight Tools is a privately held discount tool and equipment retailer, headquartered in Calabasas, California, which operates a chain of retail stores, as well as a mail-order and e-commerce business. The company employs over 20,000 people in the United States and has 1,000 locations in 48 states. On August 14th, 2019, they opened their 1,000th store in Louisville, Kentucky. Harbor Freight tests their tools in their own quality assurance facility located in Calabasas, California, which opened in 2010.

The company was founded in 1977 in North Hollywood, California as a small family-owned business with a commitment to providing working people with

great quality tools at the lowest prices. Harbor Freight began as a mail-order tool business that dealt with liquidated and returned merchandise, eventually becoming the company it is today. From hand tools to generators, to air and power tools, from shop equipment to automotive tools, Harbor Freight offers more than 7,000 tools and accessories at quality levels that match or exceed competing brands, at prices of up to 80% less.

Harbor Freight Tools test their own tools in state-of-the-art labs. Tools are put through punishing tests, which far exceed the strain of normal use, ensuring that the tools perform to professional standards and stay tough for the long haul.

Location Overview



Mount Vernon is a city in, and the county seat of, Ohio's Knox County, approximately 40 miles northeast of Columbus. As of 2019, the estimated population is just under 17,000 people. Ohio Magazine voted the city "Best Hometown" from 2017 to 2018. Mount Vernon has a rich entrepreneurial spirit and is home to a variety of restaurants and retailers, as well as spacious and charming parks and bike paths.

Knox County, named after an officer in the American Revolutionary War, is located in Ohio with an estimated population of just over 62,000 people as of 2019. Knox County comprises the Mount Vernon, OH Micropolitan Statistical Area, which is also included in the Columbus-Marion-Zanesville, OH Combined Statistical Area.

A large portion of Knox County's economy is based on agriculture. Corn is the primary crop, followed by soybeans and livestock. Mount Vernon is home to some of the county's largest employers, including Siemens Energy, Inc. and Ariel Corporation, both of which are manufacturers of components used in the natural gas industry. Manufacturing and technology businesses contribute to the county's steadily growing economy. Healthcare is another top industry, as well as education. Knox County is home to three universities (Kenyon College, Mount Vernon Nazarene University, and Central Ohio Technical College), a career/technical center, and five local school districts.

[exclusively listed by]

Zack House

Associate Advisor
602 687 6650
zhouse@marcusmillichap.com

Mark J. Ruble

Executive Managing Director
602 687 6766
mruble@marcusmillichap.com

Chris N. Lind

Senior Vice President
602 687 6780
chris.lind@marcusmillichap.com

Jamie A. Medress

Executive Managing Director
602 687 6778
jmedress@marcusmillichap.com

Michael Glass

Broker of Record
License: BRK.2007005898

Offices Nationwide
www.marcusmillichap.com

NET LEASED DISCLAIMER

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