

National Oilwell Varco DST

Net Leased Investment Offering



8.02% initial cash return

Lease guarantor is National Oilwell Varco, LP
(\$4.1 billion net worth)

Brand new construction

Initial rent is \$1,090,428

2% annual rent bumps

Absolute NNN, with no landlord
responsibilities





PROPERTY OVERVIEW

Street Address:

6602 Newcastle Road
Oklahoma City, OK

Surroundings:

Property is located adjacent to the northwest corner of the Will Rogers Airport and its Aviation Career Center. To the north and west of the property are drilling company yards. To the south are single family residences and to the east is vacant land.



PROPERTY DESCRIPTION

Building Use	The property is used for office, manufacturing and distribution.	
Building Type	Steel frame constructions, with exterior walls being finished with pre-finished baked enamel 26-gauge steel panels. Hip designed roof finished with a pre-finished baked enamel 26-gauge steel panel roofing system. Ceiling height in the shop ranges from 16' to 26' for bridge crane clearance. Multiple jib cranes will be installed. The tenant utilized individual work stations involving the use of high volumes of water for keeping the pipe cool during their processes. A sophisticated drainage system must be installed in the concrete slab to properly handle the water. NOV typically requires unusually large paved areas outside of the buildings in the truck aprons as well as outside storage. All 76,600 SqFt of the building will be serviced by HVAC.	
Building Size	Warehouse/Shop	53,000 SqFt
	Office (Two Story)	23,600 SqFt
	Total	76,600 SqFt
Land Area	10 Acres (approximate)	
Year Built	June 2010 (anticipated)	



TENANT OVERVIEW

National Oilwell Varco, LP a wholly-owned subsidiary of National Oilwell Varco, Inc. services (refurbishes, cleans, tests, etc.) a variety of downhole tools and rents them to the oilfield industry. National Oilwell Varco is in the Petroleum Services and Supplies segment of the parent company.

As of December 31, 2009 National Oilwell, LP reported revenues in excess of \$5.8 billion, net income of more than \$573 million, and a net worth in excess of \$4.1 billion.

PARENT COMPANY

National Oilwell Varco, Inc. (NYSE: NOV) is a worldwide leader in the design, manufacture and sale of equipment and components used in oil and gas drilling and production, the provision of oilfield inspection and other services, and supply chain integration services to the upstream oil and gas industry. The company conducts operations in over 500 locations across 6 continents. As of December 31, 2009, the company had revenues in excess of \$12.7 billion, a net income of more than \$1.4 billion, and a net worth in excess of \$14.1 billion. The company has an S&P credit rating of A- with a stable outlook.

OFFERING DETAILS

Equity Offering Amount	\$7,099,390
Assumable Non-Recourse Debt	\$7,150,000
Total Offering Price	\$14,249,390
Offering Loan to Value (LTV)	50.18%
Minimum Purchase - 1031 Investment	\$100,000
Minimum Purchase - Non-1031 Investment	\$25,000

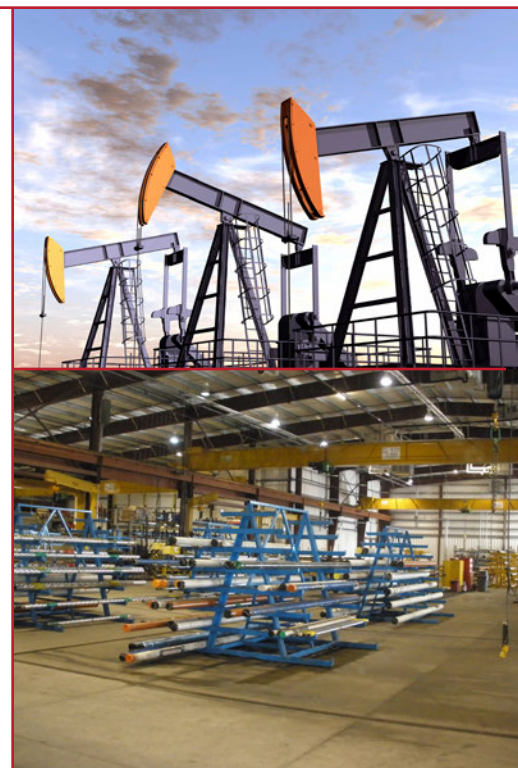
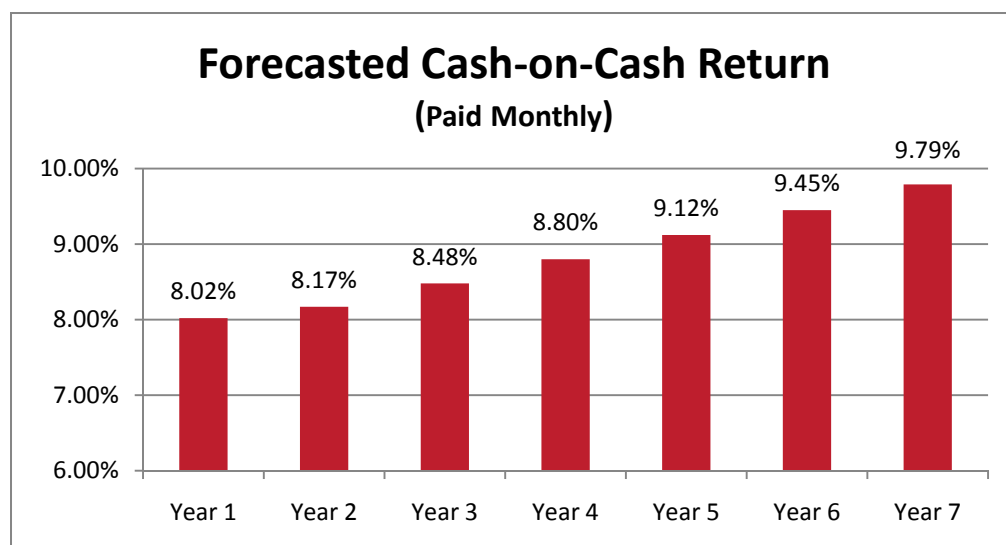
FINANCING

The Property will be financed with a non-recourse loan with an interest rate of 5.89%, 7-year term, amortized over 30 years. Principal payments will start immediately. The loan includes an 8-year extension option to pay off the loan in full by the end of the tenant's first lease term, which significantly reduces refinance risk.

LEASE TERMS

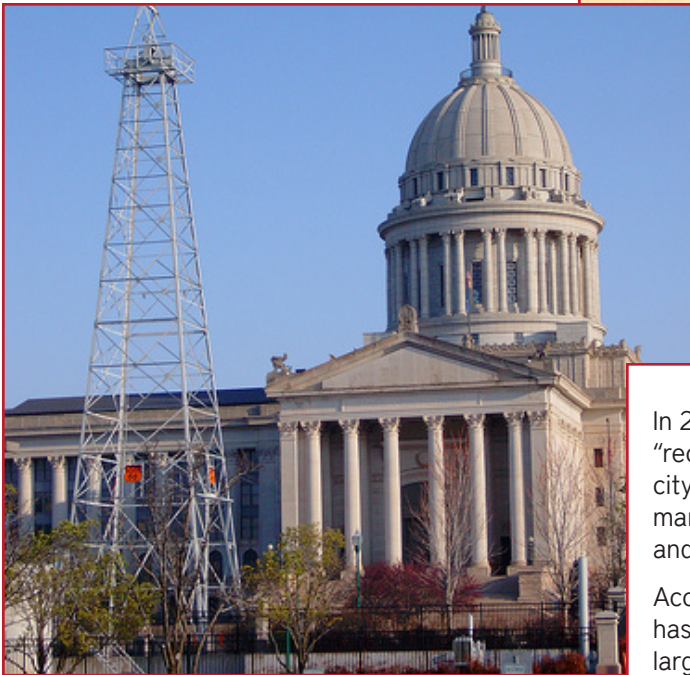
The initial term of the Lease will be 15 years with 2% annual rent bumps on a triple net basis. The Tenant has two, 5-year extension options on the same terms as the initial lease.

CASH-ON-CASH RETURN PRO FORMA



The city has a long history in the oil and gas industry. The city is actually situated in the middle of an oil field, even with an oil derrick on the capitol grounds (see picture below). The city is home to two Fortune 500 companies: Devon Energy and Chesapeake Energy. Nevertheless, the city has diversified itself over the last several years. The city is also home to the corporate headquarters of Sonic Drive In. Other large employers include Tinker Air Forces Base, the federal government, Dell, AT&T, Boeing, Xerox, UPS, Cox and the state of Oklahoma.

Oklahoma City, the largest city in the state and the state capital is located at the crossroads of I-35, I-40, and I-44 in the heart of Oklahoma. It is the second largest city the continental U.S. based on geographical size and more than 1.1 million people call the Metro Oklahoma City Area home.



In 2008, Forbes magazine named Oklahoma City the most "recession proof city in America." The magazine reported that the city as having falling unemployment, one of the strongest housing markets in the country, and solid growth in the energy, agriculture and manufacturing.

According to the U.S. Bureau of Labor Statistics, Oklahoma City has consistently had one of the lowest unemployment rates for any large metropolitan area during the recession. As of an April 7, 2010 report, Oklahoma had the 2nd lowest unemployment rate.

ABOUT THE SPONSOR:

Principle Equity is a fully-integrated real estate investment firm, which provides acquisition, asset management, leasing, and disposition services to passive investors seeking opportunities to invest in institutional-grade real estate. Currently, the company manages approximately 2.4 million square feet of commercial real estate with a capitalized asset value exceeding \$350 million. Our operations strategy is to focus on strong markets with decreasing vacancy and forward moving rental rates. We concentrate on a range of property types including multi-family, office, retail, and industrial. The company follows a rigid acquisition approach and enforces a strong asset management program to effectively add value by systematically determining opportunities and then capitalizing on them.

For property inquiries, please contact Brendan Hooie at (713) 337-8925 or at bhooie@peii.net.



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