



Starbucks - New 10 Year Lease
27855 Cabot Drive, Haggerty Corridor Corporate Park
Novi, Michigan 48377

:: Offering Memorandum

CBRE

PCG Detroit Capital Markets

Driving Price and Adding Value through Experience and Market Knowledge

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This is a confidential Memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property.

This Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the Property or the owner of the Property (the "Owner"), to be all-inclusive or to contain all or part of the information which prospective investors may require to evaluate a purchase of real property. All financial projections and information are provided for general reference purposes only and are based on assumptions relating to the general economy, market conditions, competition and other factors beyond the control of the Owner and CBRE, Inc. Therefore, all projections, assumptions and other information provided and made herein are subject to material variation. All references to acreages, square footages, and other measurements are approximations. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective purchasers. In this Memorandum, certain documents, including leases and other materials, are described in summary form. These summaries do not purport to be complete nor necessarily accurate descriptions of the full agreements referenced. Interested parties are expected to review all such summaries and other documents of whatever nature independently and not rely on the contents of this Memorandum in any manner.

Neither the Owner or CBRE, Inc, nor any of their respective directors, officers, Affiliates or representatives make any representation or warranty, expressed or implied, as to the accuracy or completeness of this Memorandum or any of its contents, and no legal

commitment or obligation shall arise by reason of your receipt of this Memorandum or use of its contents; and you are to rely solely on your investigations and inspections of the Property in evaluating a possible purchase of the real property.

The Owner expressly reserved the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions with any entity at any time with or without notice which may arise as a result of review of this Memorandum. The Owner shall have no legal commitment or obligation to any entity reviewing this Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered and approved by the Owner and any conditions to the Owner's obligations therein have been satisfied or waived.

By receipt of this Memorandum, you agree that this Memorandum and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose this Memorandum or any of its contents to any other entity without the prior written authorization of the Owner or CBRE, Inc. You also agree that you will not use this Memorandum or any of its contents in any manner detrimental to the interest of the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this Memorandum to CBRE, Inc.

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01

Executive Summary
Investment Highlights
The Offering
Investment Summary
Building Details
Area Maps
Aerial Maps





Investment Highlights

- Brand New Construction, Completed in 2014
- Stabilized Asset, Currently 100 Percent Occupied by Starbucks With a Drive Thru on a Brand New 10 Year Lease
- Excellent Location, Close Proximity to Major Highways Including I-275, I-696, I-96 and M-5
- Traffic Counts Of 34,000+ VPD Along 12 Mile Road
- Direct Frontage Along 12 Mile Road with Close Access to M-5
- Located within the Haggerty Corridor Corporate Park, a Business Park Consisting of over 1.5 MM Square Feet of Flex and Office Uses Including Henry Ford Health System, Magna International, Farmers Insurance and Robert Bosch
- Lease Equipped with Four, Five Year Renewal Options with Increases Each Option Period
- Starbucks Has an S&P Credit Rating of A-

The Offering

CBRE, Inc. has been retained by current ownership as the exclusive marketing advisor for the disposition of the Brand New Starbucks Building at the northwest corner of 12 Mile Road and Cabot Drive in Novi, Michigan.

The Summary

Starbucks Corporate recently inked a new 10 year lease for their 2,032 square foot free-standing building on a 0.74-acre parcel. The property is equipped with a drive thru and outdoor seating for this brand new building and the tenant opened for business February, 2014.

Starbucks is on a NNN lease in which they are responsible for reimbursing the landlord for all operating expenses including common area maintenance, property insurance and real estate taxes. However, Starbucks has a maximum reimbursement for the first year of the lease of \$5.54 per square foot for CAM, \$0.50 per square foot for insurance and \$5.00 per square foot for real estate taxes. This additional rent shall not exceed 105 percent over the previous calendar (exclusive of insurance, snow removal and utilities). The landlord is responsible to maintain, repair and make replacements to the subject property including the roof and exterior portions. Additionally, the lease is equipped with four, five year renewal options with rental increases per option period and a notification period of 180 days.

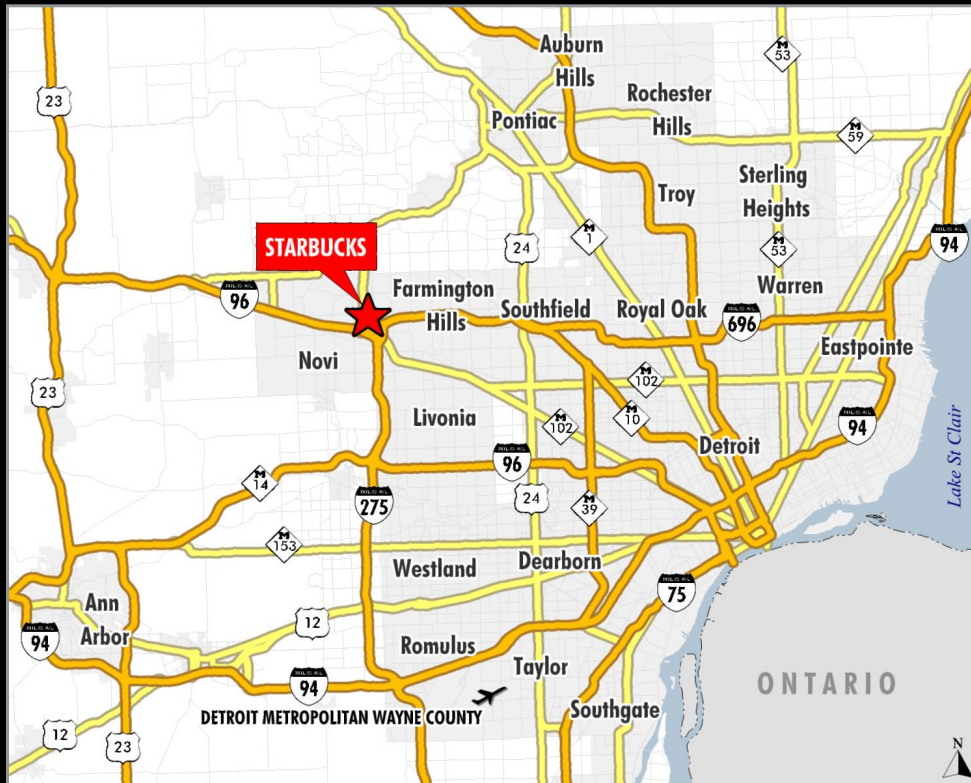
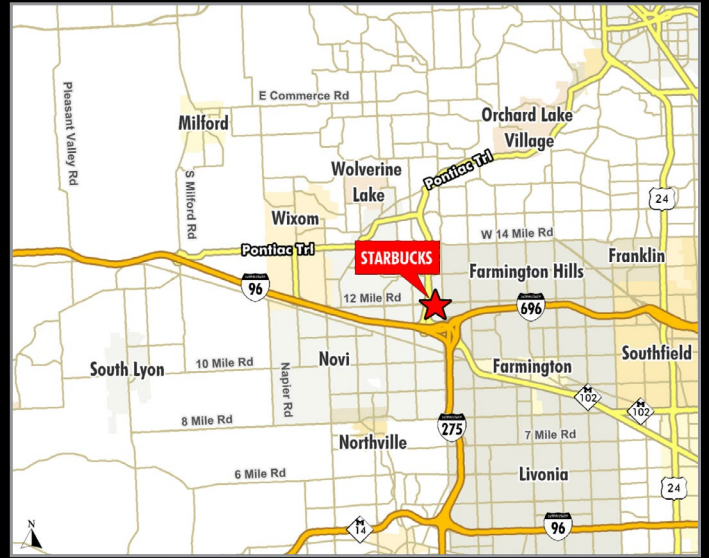
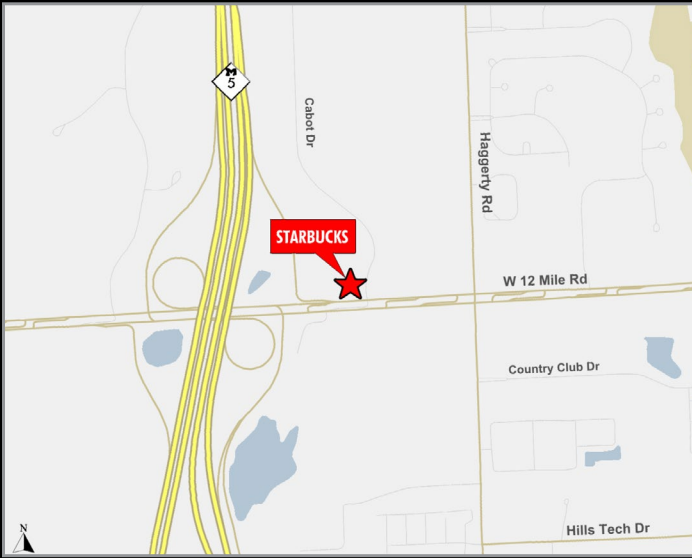
The property is ideally located at the entrance to the Haggerty Corridor Corporate Park, a business park consisting of over 1.5 million square feet, located north of 12 Mile Road, east of M-5 and Haggerty Road. This dense demographic has over 175,000 people within a five mile radius, which allows the tenant a strong, neighborhood client base. This asset should continue to appreciate in years to come as more professionals relocate to this outstanding community.



FINANCIAL OVERVIEW	
Sales Price	\$1,498,000
CAP Rate	6.00%
Price Per Square Foot	\$737.20
Financing	All Cash Transaction
BUILDING INFORMATION	
Property	Starbucks 27855 Cabot Drive Novi, MI 48377
Building Square Feet (RBA)	2,032 Square Feet
Property Type	STNL Free Standing Retail Building with Drive Thru
Year Built	2014
Land Area	0.74 Acres
Type of Ownership	Fee Simple
Current Occupancy	100%



AREA MAPS



AERIAL MAP



AERIAL MAP





STARBUCKS COFFEE COMPANY
 2401 UPLAVENE SOUTH
 SEATTLE, WA 98148



REV	DATE	DESCRIPTION

PROJECT NAME: 12 MILE & CABOT
PROJECT ADDRESS: 28845 CABOT DR, NOV, MI 48377
OAKLAND COUNTY

STORE #: 20398
PROJECT #: 000064001
CONTRACT: REGIONAL MODERN
DATE: 11/20/17
SCALE: A 1/8"=1'-0"

TERRITORY: ARCHITECTURAL SITE PLAN
SCALE: AS SHOWN
PROJECT NUMBER: A-1001

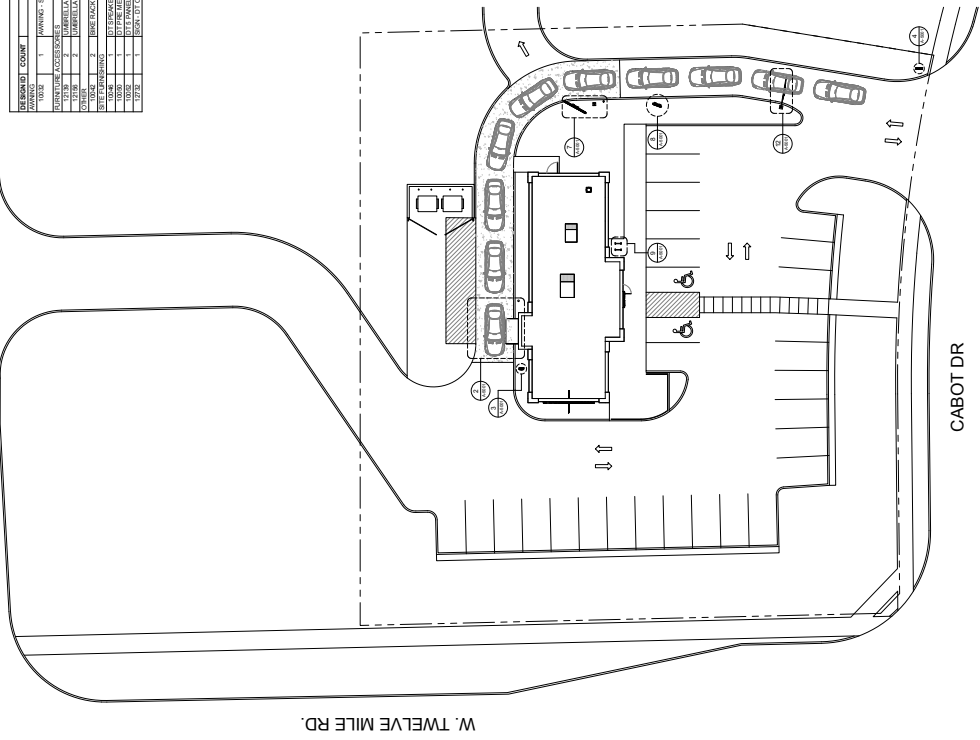
ARCHITECTURAL SITE PLAN NOTES

- A. ALL PARKING AND DRIVE THRU STRIPS TO BE PROVIDED BY LANDLORD.
- B. ALL PARKING AND DRIVE THRU STRIPS TO BE PROVIDED BY LANDLORD.
- C. GENERAL CONTRACTOR TO VERIFY CONCRETE SHALL BE CAST TO ALL EXTERIOR CONCRETE TO MATCH EXISTING CONCRETE. CONCRETE SHALL BE CAST TO ALL EXTERIOR CONCRETE TO MATCH EXISTING CONCRETE.
- D. LANDLORD IS RESPONSIBLE FOR PROVIDING SITE WORK INCLUDING: CONCRETE, EARTHWORK, AND UTILITIES. GENERAL CONTRACTOR SHALL VERIFY SIZE AND LOCATION OF ANY AND ALL EXISTING UTILITIES AND PROVIDE TO SUBCONTRACTOR FOR APPROVAL (SEE DRAWINGS).
- E. ALL PERMITS AND DRIVE THRU STRIPS TO BE PROVIDED BY LANDLORD.
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- G. GENERAL CONTRACTOR TO VERIFY CONCRETE SHALL BE CAST TO ALL EXTERIOR CONCRETE TO MATCH EXISTING CONCRETE. CONCRETE SHALL BE CAST TO ALL EXTERIOR CONCRETE TO MATCH EXISTING CONCRETE.
- H. ALL PERMITS AND DRIVE THRU STRIPS TO BE PROVIDED BY LANDLORD.
- I. ALL PERMITS AND DRIVE THRU STRIPS TO BE PROVIDED BY LANDLORD.
- J. DRIVE THRU STRIP SHALL BE PROVIDED BY LANDLORD. GENERAL CONTRACTOR SHALL VERIFY SIZE AND LOCATION OF ANY AND ALL EXISTING UTILITIES AND PROVIDE TO SUBCONTRACTOR FOR APPROVAL (SEE DRAWINGS).
- K. SIGNAGE CONTRACTOR SHALL VERIFY SIZE AND LOCATION OF ANY AND ALL EXISTING UTILITIES AND PROVIDE TO SUBCONTRACTOR FOR APPROVAL (SEE DRAWINGS).
- L. ALL PERMITS AND DRIVE THRU STRIPS TO BE PROVIDED BY LANDLORD.

SHEET NOTES

SHELL BUILDING UNDER SEPARATE PERMIT
 SIGNAGE UNDER SEPARATE PERMIT

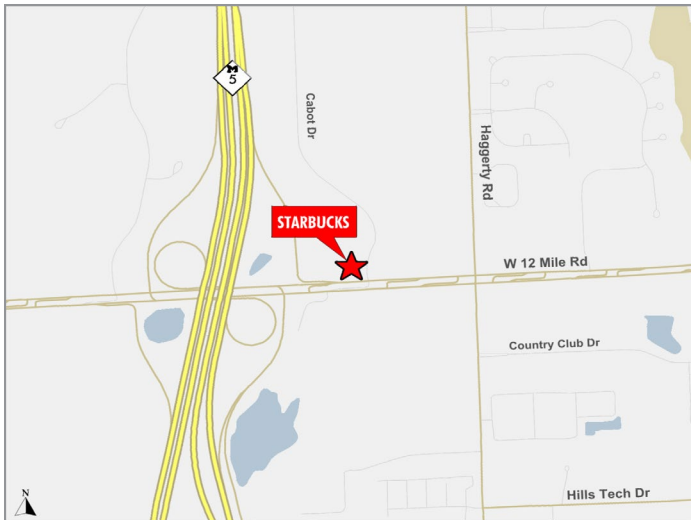
REVISION	DATE	DESCRIPTION	MANUFACTURER	MODEL	COMMENTS
1001	11/20/17	ISSUE FOR PERMITTING	GREEN CANVAS	12' X 18'	ISSUE FOR PERMITTING
1002	11/20/17	ISSUE FOR PERMITTING	GREEN CANVAS	12' X 18'	ISSUE FOR PERMITTING
1003	11/20/17	ISSUE FOR PERMITTING	GREEN CANVAS	12' X 18'	ISSUE FOR PERMITTING
1004	11/20/17	ISSUE FOR PERMITTING	GREEN CANVAS	12' X 18'	ISSUE FOR PERMITTING
1005	11/20/17	ISSUE FOR PERMITTING	GREEN CANVAS	12' X 18'	ISSUE FOR PERMITTING
1006	11/20/17	ISSUE FOR PERMITTING	GREEN CANVAS	12' X 18'	ISSUE FOR PERMITTING
1007	11/20/17	ISSUE FOR PERMITTING	GREEN CANVAS	12' X 18'	ISSUE FOR PERMITTING
1008	11/20/17	ISSUE FOR PERMITTING	GREEN CANVAS	12' X 18'	ISSUE FOR PERMITTING
1009	11/20/17	ISSUE FOR PERMITTING	GREEN CANVAS	12' X 18'	ISSUE FOR PERMITTING
1010	11/20/17	ISSUE FOR PERMITTING	GREEN CANVAS	12' X 18'	ISSUE FOR PERMITTING



1 SITE PLAN SCALE: 1/8"=1'-0"



AREA OVERVIEW



Location Overview

The subject property is along the north side of 12 Mile Road and west of Cabot Drive in Novi, Michigan. The property is just east of the M-5 Connector with excellent access to I-696, I-96 and I-275. The property is located at the entrance to the Haggerty Corridor Corporate Park, a Business Park Consisting over 1.5 MM Square Feet of Flex and Office Uses Including Henry Ford Health System, Magna International, Farmers Insurance and Robert Bosch and more.

City of Novi

Novi continues to be one of the fastest growing cities in Michigan. The city consists of 31+/- square miles in the southwestern portion of Oakland County, and is just twenty-five minutes from downtown Detroit and 29 miles northeast of the center of Ann Arbor. Novi offers many solid advantages, combining an outstanding blend of highly visible land development opportunities in both high-tech and industrial areas. Novi is well connected to highway, rail and air transportation.

Industry, retail and a vibrant suburban environment happily coexist within the city limits. Since 1969, Novi's economy has steadily grown, and with vibrant economic conditions, the area has enjoyed many professional employment opportunities.

Oakland County

Oakland County is part of the Detroit metropolitan area, though the actual city of Detroit is located in neighboring Wayne County, south of 8 Mile Road. Oakland County is also home to Oakland University, a large public institution that straddles the Auburn Hills and Rochester Hills border. Metro Detroit's suburbs are among the most affluent in the nation. Oakland County is the fourth wealthiest county in the United States among counties with more than one million people.


Oakland County, home to a mix of urban and rural communities, with its 30 downtown areas and many scenic natural settings, provides a high quality of life for any lifestyle. Countless outdoor recreation opportunities are available including: 3 ski areas, 27 public fishing sites, over 60 public golf courses, more than 1468 lakes and approximately 89,000 acres of public recreation



Detroit Retail MarketView

Q4 2013

CBRE Global Research and Consulting

 U.S. Unemployment Rate
7.0% → 6.7%

 Michigan Unemployment Rate
8.7% → 8.8%

 Metro Detroit Unemployment Rate
9.8% → 9.3%

MARKET CONTINUES POSITIVE TREND HEADING INTO 2014

Quick Stats

Q4 2013	QoQ	YoY
Vacancy 10.1% → 9.6%	↓	↓
Lease Rate \$13.77 → \$13.90	↑	↑
Construction 704,000 SF	↑	↑

*The arrows are trend indicators over the specified time period and do not represent a positive or negative value. (e.g., absorption could be negative, but still represent a positive trend over a specified period.

Hot Topics

- According to the *National Retail Federation* (NRF), Holiday sales increased 3.8% to \$601.8 billion
- The *Renewable Fuel Standard* program, created under the EPCRA of 2005, generated \$433 million in economic activity for rural areas in Michigan
- Michigan looks to add *130,000 jobs over the next two years, with over 30,000 occurring within the professional and business services sector
- Michigan auto employment has increased 31% between 2009 & 2013 highlighted by \$760 million dollars of investment in manufacturing plants
- The U.S. has gained nearly *7.4 million jobs back since the economic downturn as of November 2013

* Indicates an approximation
CBRE

Economy 101

Michigan's unemployment rate increased to 8.8% as of November 2013, which is partly a function of people gaining confidence to re-enter the workforce. Over the next two years, Michigan expects to gain over *130,000 jobs yielding a 7.3% unemployment rate by 2015, according to *University of Michigan* economists. Specifically, the professional and business services segment can expect to add *30,000 jobs, whereas the auto and healthcare segments can expect to add *7,000 jobs.

The latest Michigan Retail Index showed November Sales to be sluggish after a good October, reporting a performance index of 46.7 in comparison to an index of 54.8 in October. Looking ahead, slightly less than one-third of retailers expect sales to increase through February. The Index of Consumer Sentiment, reported by Thomson Reuters and the University of Michigan, increased to 82.5 in December from 75.1 in the previous month due to an optimistic viewpoint of the economy.

Rental rate, vacancy trend positive

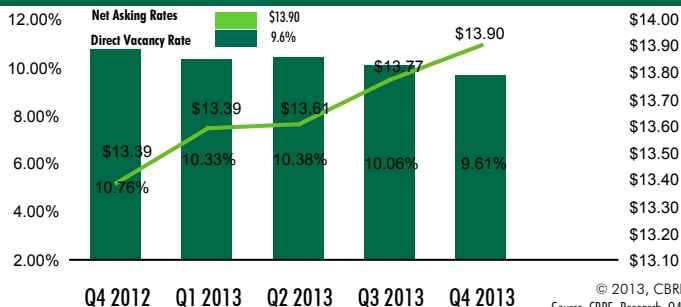
The Detroit Metropolitan retail market vacancy rate declined by 50 basis points (bps) to 9.6% in Q4 2013. Although market fundamentals are improving at a tepid pace, retailer activity should pick up heading into 2014. The average asking lease rate increased by \$0.13 to \$13.90 in Q4 2013.

Flight to quality continues to trend as retailers try to out-position their competitors and increase same-store sales. Lack of quality space may lead to an increase in developments, which was also supported by the increase of land acquisitions in 2013. With large amounts of tertiary space available U.S., major retailers like Kroger are looking to backfill these opportunities as a part of their aggressive growth strategy, and other retailers will most likely follow suit.

Outlet malls expand footprint

The dynamics surrounding the positioning of outlet malls are drastically changing. In the past, landlords required retailers to sign agreements preventing them from opening discount stores within a certain trade area, but these restrictions are being lifted allowing for a surge of new developments. That being said, it is reported that 11 new outlet malls opened across the U.S. in Q4 2013. This product type is very attractive to developers and is one of the few assets that are frequently built speculatively due to low development costs and strong store sales. Growth-oriented chains seeking new locations are looking to outlet malls to establish a new demographic of customers that are "value-conscious". Major retailers like Saks Fifth Avenue, Nordstrom and Bloomingdales are looking to increase their footprint in the discount market space, and in some measure will use the expanding footprint of outlet malls to help solidify growth.

Chart 1: Direct Vacancy Rate vs. Net Asking Rate



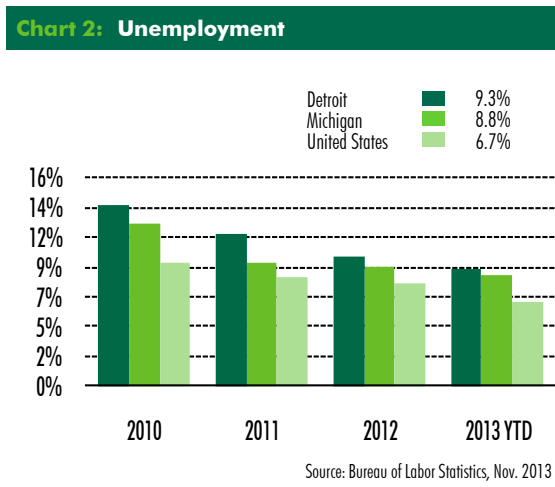
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Source: CBRE Research, Q4 2013

Table #1: Market Statistics

Submarket	Market Size	Vacancy Rate %	Net Asking Rate
Auburn Hills	2,785,858	1.0%	\$25.03
Birmingham	378,084	15.0%	\$22.51
Bloomfield-West Bloomfield	1,615,813	12.0%	\$18.74
Central Oakland	1,687,987	13.2%	\$13.09
Central Wayne	1,348,206	1.1%	\$11.77
Dearborn	1,578,974	5.5%	\$16.55
Detroit	2,592,356	22.3%	\$7.12
Eastern Macomb	1,449,889	9.0%	\$14.26
Farmington Hills	1,203,222	13.4%	\$13.49
Genesee-Lapeer	3,779,652	8.1%	\$10.02
Livingston	1,642,611	6.2%	\$15.38
Livonia	1,716,823	17.3%	\$13.40
NE Wayne	1,391,939	15.3%	\$22.23
Northern Macomb	2,066,545	10.3%	\$12.63
Novi	1,326,599	12.7%	\$20.00
Out of Area	177,176	3.8%	\$12.00
Rochester Hills	2,312,047	7.8%	\$25.39
Saginaw-Bay	1,945,200	16.4%	\$8.14
SE Oakland	2,669,023	8.7%	\$14.68
SE Wayne	1,350,752	17.5%	\$16.90
Shelby Twp	1,253,860	3.5%	\$13.24
Southern Macomb	1,823,485	2.7%	\$13.74
Southfield	1,238,238	5.4%	\$14.84
Sterling Heights-Warren	2,896,066	13.7%	\$20.13
Taylor-Southgate	1,662,509	6.2%	\$11.87
Troy	2,058,315	7.7%	\$14.63
Washtenaw	2,835,581	8.0%	\$11.54
Western Oakland	1,134,027	5.2%	\$17.62
Western Wayne	1,722,120	7.0%	\$16.25
TOTAL	51,642,957	9.6%	\$13.90

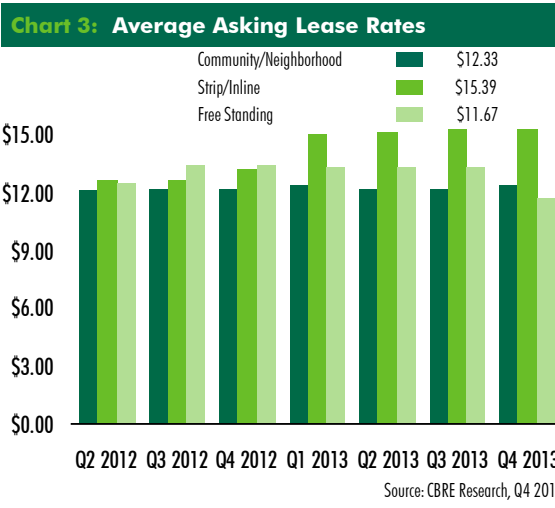
Source: CBRE Research, Q4 2013
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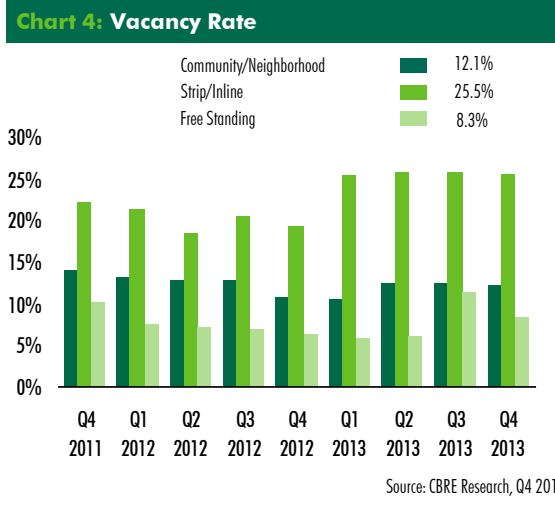
Michigan's unemployment rate increased by 10 basis points to 8.8% in Q4 2013, however, this figure is still 20 bps lower than the year-over-year figure. The state can expect to add over 130,000 jobs in the next two years yielding a 7.3% unemployment rate by 2015, according to University of Michigan economists.

The national unemployment rate decreased 30 bps to 6.7%. Additionally, non-farm payroll employment increased by 203,000 in the month of November. Significant employment increases were reported in several segments: transportation and warehousing, health care, manufacturing and professional and business services. Conversely, the federal government continued jobs cuts reporting a net loss of 7,000 jobs



The average asking lease rate for retail space in the Detroit Metropolitan area improved to close 2013 posting a rate of \$13.90 NNN, which is up from the \$13.77 NNN figure set in Q3 2013. Looking ahead, lease rates should continue to ascend and more national tenants should seek out Detroit as destination for business.

The Rochester and Auburn Hills submarkets reported the highest lease rates in Metro Detroit, averaging \$25.39 NNN and \$25.03 NNN, respectively. The Detroit retail submarket reported the lowest average asking in Q4 2013 averaging \$7.12 NNN, however, this is a \$0.12 improvement from the previous quarter.



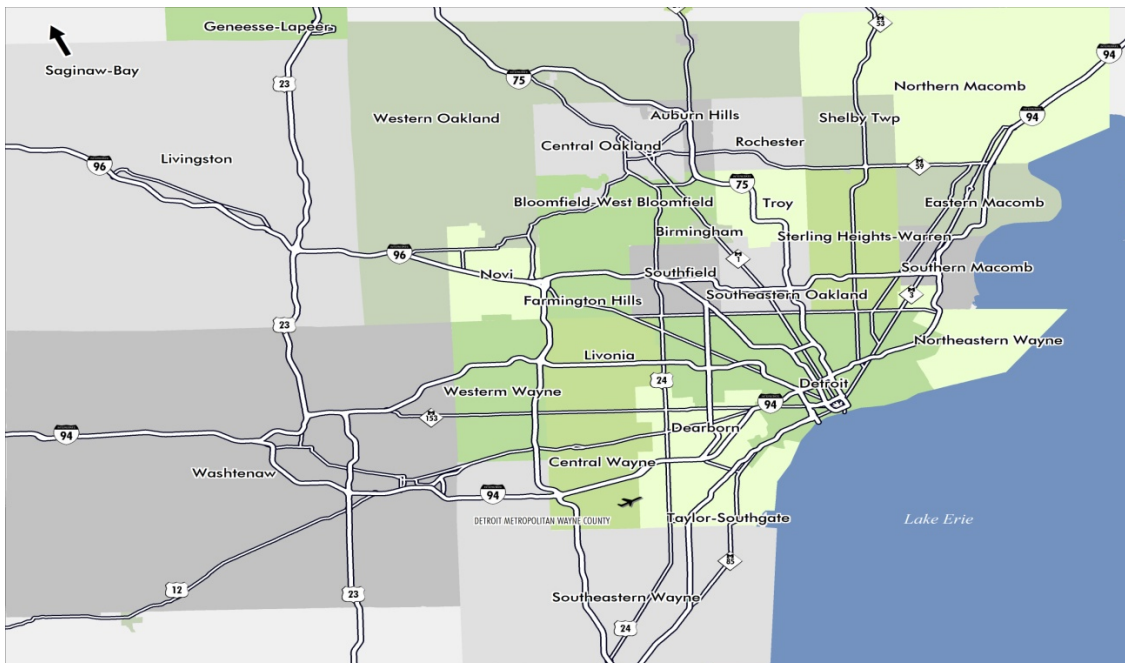
The average asking lease rates for Free Standing buildings decreased to \$11.67. Community/Neighborhood asking lease rates increased by \$0.13 to \$12.33NNN, whereas the lease rates for Strip/Inline centers decreased by \$0.31.

The Metro Detroit Retail market posted an overall vacancy rate of 9.6% in Q4 2013, which is a 50 bps decrease from the previous quarter. The Auburn Hills submarket reported the lowest vacancy rate at 1.0%, whereas the Detroit submarket posted the highest vacancy rate at 22.2%.

The Northern Macomb submarket saw the largest decrease in its vacancy rate decreasing by 3.3%. The Birmingham submarket has the largest increase in vacancy reporting a 3.1% increase, which in-part, was attributed to underrepresented availability in previous quarters.

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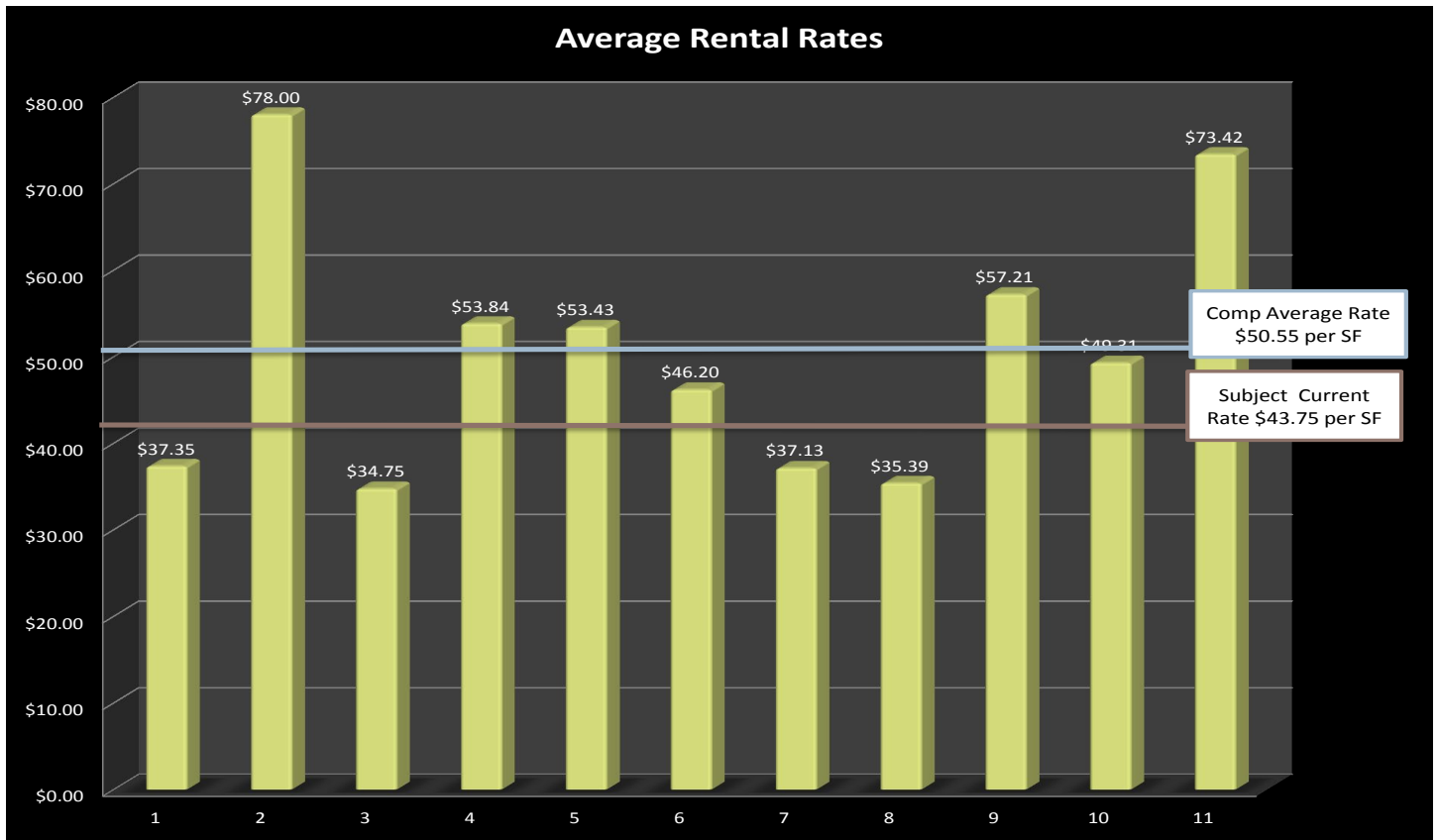
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RENT COMPARABLE ANALYSIS



The average rental rate for newer Starbucks retail buildings is \$50.55 per square foot, compared to the subject property, who is currently operating at a rental rate of \$43.75 per square foot.

RENT COMPARABLES

Starbucks Rent Summary						
Property Name & Address	Year Built	Size (SF)	Annual Rent	Rent per SF	Term Remaining	Comments
Starbucks & Potbelly Sandwich Shop 1717 Sout Rural Road 1 Tempe, AZ	2013	4,500	\$168,095	\$37.35	10	Both tenants are on 10 year net leases with no rental escalations. Both leases are equipped with three, five-year renewal options.
Starbucks 1307 S Milton Rd 2 Flagstaff , AZ	2006	2,200	\$171,600	\$78.00	3	There were 3 years remaining on the lease at the time of sale. The new owner is currently working on a 5 year renewal with the tenant.
Starbucks 9721 NE 119th Way 3 Kirkland, WA	2002	2,533	\$88,020	\$34.75	15	The property was converted to a Starbucks in March 2013 in which they executed a 15 year lease.
Starbucks 185 Spencer Street 4 Manchester , CT	1984	1,950	\$104,994	\$53.84	9	Starbucks signed a 10 year renewal in 2012, they have been at the property since 2003.
Starbucks 6277 Commerce Boulevard 5 Rohnert Park, CA	2013	1,700	\$90,825	\$53.43	10	Starbucks executed a new 10 yar lease at \$54.85 per square foot with a 10% rental increase in year six.
Starbucks 6021 Stanford Ranch Road 6 Rocklin , CA	2006	2,300	\$106,260	\$46.20	9	Starbucks is on a 15 year lease that commenced July, 2006. The lease is equipped with rental escalations.
Starbucks Ground Lease 1845 Southfield Road 7 Lincoln Park, MI	2008	1,750	\$64,978	\$37.13	16	The property is on a ground lease to Starbucks through May, 2028. The lease is equipped with escalations of 10% every five years plus four, five-year renewal options.
Sold Comparable Averages		2,419		\$48.67	10	
Starbucks 7779 Highway 72 W 8 Madison , AI	1965	2,458	\$87,000	\$35.39	10	Starbucks has shown their commitment to the site having recently extended their lease for an additional ten years.
Starbucks 1400 N Happy Valley Road 9 Nampa, ID	2014	1,920	\$109,846	\$57.21	10	This is a brand new 10 Year corporate lease with Starbucks Corporation. The lease is equipped with 10% increases every five years and four, five-year renewal options.
Starbucks 6201 North Fry Road 10 Katy, TX	2013	1,800	\$88,757	\$49.31	10	New 10-year Starbucks corporate net lease with 10 percent rent increase in year six.
Starbucks 9809 Campo Road 11 Spring Valley , CA	2013	1,642	\$120,548	\$73.42	10	New 10-year Starbucks corporate net lease with 10 percent rent increase in year six with no kick out clause.
On Market Comparable Averages		1,955		\$53.83	10	
All Comparable Averages		2,375		\$50.55	10	

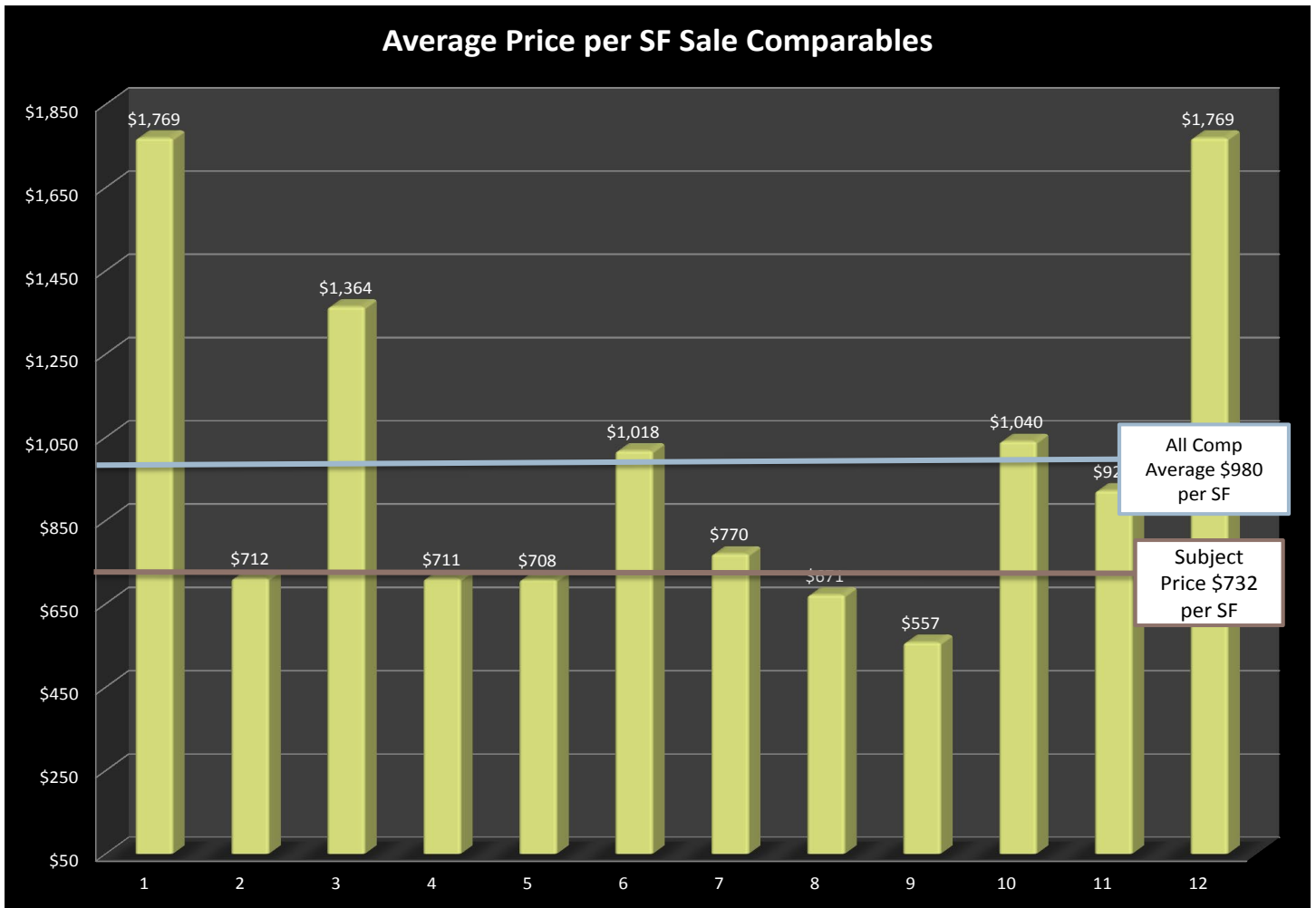


SALE COMPARABLE ANALYSIS



The brand new Starbucks Building in Novi, Michigan is currently being offered at a cap rate of 6.00%, compared to the comparables show, which are currently at a cap rate average of 5.69%.

SALE COMPARABLE ANALYSIS



With an average price per square foot of \$980 for comparable single tenant net leased Starbucks building sales, the subject property, priced at \$737 per square foot, is priced in line with the market average.

SALE COMPARABLES

Starbucks Sales Summary								
Property Name & Address	Sale Date	Year Built	Size (SF)	Sale Price	Sale Price/SF	Cap Rate	Term Remaining	Comments
Starbucks 2010 West Guadalupe Rd 1 Mesa, AZ	8/22/2013	2012	800	\$1,415,000	\$1,769	6.57%	9	The subject is an approximate 800-square foot, single-tenant retail building with a drive-thru on approximately 29,664 square feet of land. The existing NN lease is an original 10 year corporate lease (approximately 9 years remaining) with Starbucks.
Starbucks & Potbelly Sandwich Shop 1717 South Rural Road 2 Tempe, AZ	7/1/2013	2013	4,500	\$3,201,800	\$712	5.25%	10	Both tenants are on 10 year net leases with no rental escalations. Both leases are equipped with three, five-year renewal options.
Starbucks 1307 S Milton Rd 3 Flagstaff, AZ	6/12/2013	2006	2,200	\$3,000,000	\$1,364	5.72%	3	There were 3 years remaining on the lease at the time of sale. The new owner is currently working on a 5 year renewal with the tenant. The property was converted to a Starbucks in March 2013 in which they executed a 15 year lease.
Starbucks 9721 NE 119th Way 4 Kirkland, WA	5/1/2013	2002	2,533	\$1,800,000	\$711	4.89%	15	
Starbucks 185 Spencer Street 5 Manchester, CT	5/1/2013	1984	1,950	\$1,381,500	\$708	7.60%	9	Starbucks signed a 10 year renewal in 2012, they have been at the property since 2003.
Starbucks 6277 Commerce Boulevard 6 Rohnert Park, CA	3/1/2013	2013	1,700	\$1,730,000	\$1,018	5.25%	10	Starbucks executed a new 10 year lease at \$54.85 per square foot with a 10% rental increase in year six.
Starbucks 6021 Stanford Ranch Road 7 Rocklin, CA	10/1/2012	2006	2,300	\$1,771,000	\$770	6.00%	9	Starbucks is on a 15 year lease that commenced July, 2006. The lease is equipped with rental escalations.
Starbucks Ground Lease 1845 Southfield Road 8 Lincoln Park, MI	8/1/2012	2008	1,750	\$1,175,000	\$671	5.53%	16	The property is on a ground lease to Starbucks through May, 2028. The lease is equipped with escalations of 10% every five years plus four, five-year renewal options.
Sold Comparable Averages			2,217		\$965	5.85%	10	
Starbucks 7779 Highway 72 W 9 Madison, AL	On Market	1965	2,458	\$1,370,079	\$557	6.35%	10	Starbucks has shown their commitment to the site having recently extended their lease for an additional ten years.
Starbucks 1400 N Happy Valley Road 10 Nampa, ID	On Market	2014	1,920	\$1,997,200	\$1,040	5.50%	10	This is a brand new 10 Year corporate lease with Starbucks Corporation. The lease is equipped with 10% increases every five years and four, five-year renewal options.
Starbucks 6201 North Fry Road 11 Katy, TX	On Market	2013	1,800	\$1,659,000	\$922	5.35%	10	New 10-year Starbucks corporate net lease with 10 percent rent increase in year six.
Starbucks 9809 Campo Road 12 Spring Valley, CA	On Market	2013	1,642	\$2,904,762	\$1,769	4.15%	10	New 10-year Starbucks corporate net lease with 10 percent rent increase in year six with no kick out clause.
Starbucks 5260 Grant Creek Road 13 Missoula, MT	On Market	2004	1,605	\$1,174,000	\$731	5.75%	10	Starbucks has operated at this store for 10 years and just signed a 10 year extension.
On Market Comparable Averages			1,885		\$1,004	5.42%	10	
All Comparable Averages			2,141		\$980	5.69%	10	



05

Financials

Summary of Financial Assumptions
Expense Estimates
Tenant Overview
Year One Cash Flow



FINANCIAL OVERVIEW

FINANCIAL OVERVIEW	
Sales Price	\$1,498,000
Down Payment-Proposed Financing	All Cash
Price Per Square Foot	\$737.20
CAP Rate	6.00%
Financing	All Cash Transaction
BUILDING INFORMATION	
Address	Starbucks 27855 Cabot Drive Novi, MI 48377
Building Square Feet	2,032 Square Feet
Property Type	STNL Free Standing Retail Building with Drive Thru
Year Built	2014
Land Area	0.74 Acres
Type of Ownership	Fee Simple
Current Occupancy	100%
Delivery Date	February 24, 2014

LEASE TERM	
Commencement Date	3/1/2014 (Estimated)
Expiration Date	2/28/2024 (Estimated)
Term Remaining	10 Years
Lease Type	NNN, tenant responsible for reimbursing for real estate taxes, insurance and common area maintenance as well as an administrative or management fee not to exceed 10% of the operating expenses.

RENTAL RATE		
	Annual Rent	Rent per SF
Years 1 - 10	\$88,900	\$43.75
The lease is equipped with four, five year renewal options with annual rental increases a with notification period of 180 days.		
Option One	\$91,440	\$45.00
Option Two	\$95,504	\$47.00
Option Three	\$99,568	\$49.00
Option Four	\$103,632	\$51.00



LEASE ABSTRACT	
Tenant Name	Starbucks Corporation
Initial Lease Terms	3/1/2014 - 2/28/2024 (Estimated)
Years Remaining on Current Term	10 years
Rental Escalations	None
Lease Type	NNN
Real Estate Taxes	Tenant agrees to pay to landlord as additional rent all real estate taxes on a monthly basis. Tenant's pro rata share for real estate taxes from the rent commencement date through the end of the first full calendar year shall not exceed \$5.00 per square foot of gross leasable area in the Premises. Furthermore, there is a Property Tax protection clause, stating that if the landlord sells or transfers the Building or the Property, or if a change of ownership occurs and as a direct result the real Property Taxes increase, Tenant shall not be obligated to pay any portion of such increase becoming due during the Initial Term.
Operating Expenses and Administrative/ Management Fee	Tenant shall pay to landlord as additional rent, all costs incurred by the Landlord with respect to the operating the property. Tenant's pro rata share of Operating Expenses from the Rent Commencement date through the end of the first full calendar year only shall not exceed \$5.45 per square foot of gross leasable area in the premises. Additionally, following the first full calendar year of the term, shall not exceed 105%, on a non-cumulative basis (exclusive of insurance, snow removal and utilities). Tenant to pay for an administrative or management fee up to 10% of operating expenses.
Landlord's Obligations	Landlord shall maintain, repair and make replacements to the Premises (including the Exterior Areas). Landlord shall, at its sole cost and expense, make the repairs and replacements and perform such work. Such repairs, replacement and maintenance shall include (a) upkeep of the roof, roof membrane and roof systems, and (b) the maintenance and repair of all parking areas, sidewalks, landscaping and drainage systems on the Property.
Option to renew	Tenant shall have the right to extend the term for four additional periods of five years each. The tenant shall provide notice of not later than 180 days. Option 1: \$45.00 per SF Option 2: \$47.00 per SF Option 3: \$49.00 per SF Option 4: \$51.00 per SF

TENANT INFORMATION	
Tenant Name	Starbucks Corporation
Tenant Ownership	Public
Stock Symbol	NASDAQ:SBUX
Credit Rating	A-, Standard & Poor's
North America Headquarters	Seattle, Washington
Sales	\$10.7 Billion
Net Worth	\$945 Million
Website	www.starbucks.com
Company Profile	<p>Starbucks Corporation is a roaster, marketer and retailer of coffee operating in 60 countries. The Company purchases and roasts coffees that it sells, along with handcrafted coffee, tea and other beverages and a variety of fresh food items, through Company-operated stores. It also sells a variety of coffee and tea products and licenses its trademarks through other channels, such as licensed stores and national foodservice accounts. As of September 30, 2012, it operated 9,405 Company-operated stores and 8,661 licensed stores. It has four segments: Americas; Europe, Middle East and Africa (EMEA); China/Asia Pacific (CAP), and Channel Development. In addition to its flagship Starbucks brand, the Company's portfolio also includes Tazo Tea, Seattle's Best Coffee, Starbucks VIA Ready Brew, Starbucks Refreshers beverages and the Verismo System by Starbucks. In February 2013, Tata Coffee Ltd and the Company inaugurated a roasting and packaging plant in Karnataka.</p> <p>In the Americas, 351 licensed stores were opened in fiscal 2012, and 81 licensed stores were closed in fiscal 2012. In EMEA, 139 licensed stores were opened in fiscal 2012, and 38 licensed stores were closed in fiscal 2012. In CAP, 354 licensed stores were opened in fiscal 2012, and 60 licensed stores were closed in fiscal 2012. In fiscal 2012, 279 Company-operated stores were opened in the Americas and 45 stores were closed in fiscal 2012. In EMEA, 27 Company-operated stores were opened in fiscal 2012, and 17 stores were closed in 2012. In CAP, 161 Company-operated stores were opened in 2012, and 7 stores were closed in fiscal 2012. The Company generates its revenues through Company-operated stores, licensed stores, consumer packaged goods (CPG) and foodservice operations. Revenue from Company-operated stores accounted for 79% of total net revenues in fiscal 2012.</p> <p>Revenues from foodservice accounted 4% of total net revenues in fiscal 2012. The Company sells Starbucks and Seattle's Best Coffee whole bean and ground coffees, a selection of Tazo teas, Starbucks VIA Ready Brew, and other coffee and tea related products to institutional foodservice companies that service business and industry, education, healthcare, office coffee distributors, hotels, restaurants, airlines and other retailers. It also sells its Seattle's Best Coffee through arrangements with national accounts.</p>

Starbucks
Year One Cash Flow Estimates
Assumes All Cash Transaction

Price	\$1,498,000
Downpayment - All Cash	\$1,498,000
Rentable Square Feet	2,032
Price per Square Foot	\$737.20
CAP Rate	6.00%

			Year One 6/2014 - 5/2015	Per Month	Per SF
Income					
Base Rent					
Starbucks					
Brand New 10 year Lease					
3/2014 - 2/2024	100%	2,032 SF	\$88,900	\$7,408	\$43.75
Total Base Rent			\$88,900	\$7,408	\$43.75
Scheduled Base Rental Revenue			\$88,900	\$7,408	\$43.75
Expense Reimbursement Revenue					
Common Area Maintenance			\$10,160	\$847	\$5.00
Real Estate Taxes			\$10,160	\$847	\$5.00
Insurance			\$508	\$42	\$0.25
Administration / Management Fees			\$1,016	\$85	\$0.50
Total Expense Reimbursement Revenue			\$21,844	\$1,820	\$10.75
Gross Potential Income			\$110,744	\$9,229	\$54.50
Vacancy	0.00%		\$0	\$0	\$0.00
Effective Gross Income			\$110,744	\$9,229	\$54.50
Operating Expense Estimates					
Common Area Expenses					
Common Area Maintenance			\$10,160	\$847	\$5.00
Real Estate Taxes			\$10,160	\$847	\$5.00
Insurance			\$508	\$42	\$0.25
Total Common Area Expenses (Estimates)			\$20,828	\$1,736	\$10.25
Management Fee	0% EGR		\$0	\$0	\$0.00
Replacement Reserves	\$0.00 per SF		\$0	\$0	\$0.00
Total Expenses			\$20,828	\$1,736	\$10.25
Net Operating Income			\$89,916	\$7,493	\$44.25

For More Information, Please Contact:

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