



STNL Investment Opportunity

Walgreens

875 East Napier Avenue
Benton Harbor (Benton Charter Township),
Michigan 49002

:: OFFERING MEMORANDUM

CBRE

WALGREENS | **Affiliated Business Disclosure and Confidentiality Agreement**

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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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Sample Photo - Not of Subject Property

01

Executive Summary
Investment Highlights
The Offering
Investment Summary
Financial Overview
Property Information
Area Maps
Aerial Map





Investment Highlights

- Absolute NNN Lease with 20+ Years Remaining on the Initial 25-Year Term
- Walgreens has a Standard & Poor's Credit Rating of A
- Zero Landlord Responsibilities, Walgreens is on a Absolute Triple Net Lease
- Located Within One Mile of The Orchards Mall, Consisting of 528,700 Square Feet Anchored by Elder Beerman, JC Penney an JoAnn Fabrics
- Located on the Northwest Corner of State Road 139 and Napier Avenue
- Excellent Exposure Along Dominant Traffic Corridor
- 24-Hour Walgreens Location with Two Drive Thru Lanes

The Offering

CBRE has been retained by current ownership as the exclusive marketing advisor for the disposition of the Walgreens Pharmacy located at 875 East Napier Avenue Benton Harbor (Benton Charter Township) Michigan 49002.

The Summary

Walgreens is on their initial 25 year lease that commenced June 1, 2007 through May 31, 2032 (with over 20 years remaining on the initial term). Although they are technically on a 75 year lease, they have an option to terminate after the first 25 years in May, 2032 with a notification period of 12 months. This Walgreens is open 24 hours and has two drive thru lanes.

Walgreen's lease is absolute triple net (NNN) in nature with the tenant responsible for all operating expenses including paying real estate tax expenses directly, insurance, repairs and maintenance items, parking areas (repairs, maintenance and replacement of the parking areas), as well as repairs, maintenance and replacement of the building and structure.

The subject property is located at the northwest corner of State Road 139 and Napier Avenue with direct frontage along both major roads. The property is surrounded by other local, regional and national tenants and less than one mile from The Orchards Mall. The subject property is subject to a reciprocal easement agreement in which the Walgreen's owner is to pay the owner of the adjacent shopping center (Benton Square) for the use of this easement. The current payment is \$15,180 per year to increase 10 percent every five years with the next increase on January 1, 2017. Please refer to the financial section for further details.

Walgreens Co. (NYSE: WAG) is one of the fastest growing retailers in the United States and a leader in the chain drugstore industry. WAG currently holds an A rating with S&P as well as a long term rating of A2 by Moody's.

Benton Harbor is located in Berrien County, the Southwestern most corner of Michigan. Benton Harbor is approximately 170 miles (three hour drive) from Detroit, Michigan and 60 miles from (just over one hour) from Chicago, Illinois.

OVERVIEW



FINANCIAL OVERVIEW

Sales Price	\$5,170,000
Down Payment-Proposed Financing	35% / \$1,809,500
CAP Rate	6.50%
Price Per Square Foot	\$348.85
Financing	Offered Free & Clear of Existing Financing

BUILDING INFORMATION

Building Square Feet (RBA)	14,820 Square Feet
Property Type	Single Tenant Pharmacy
Year Built	2006
Parcel Size	2.04 Acres
Type of Ownership	Fee Simple
Current Occupancy	100%



PROPERTY INFORMATION



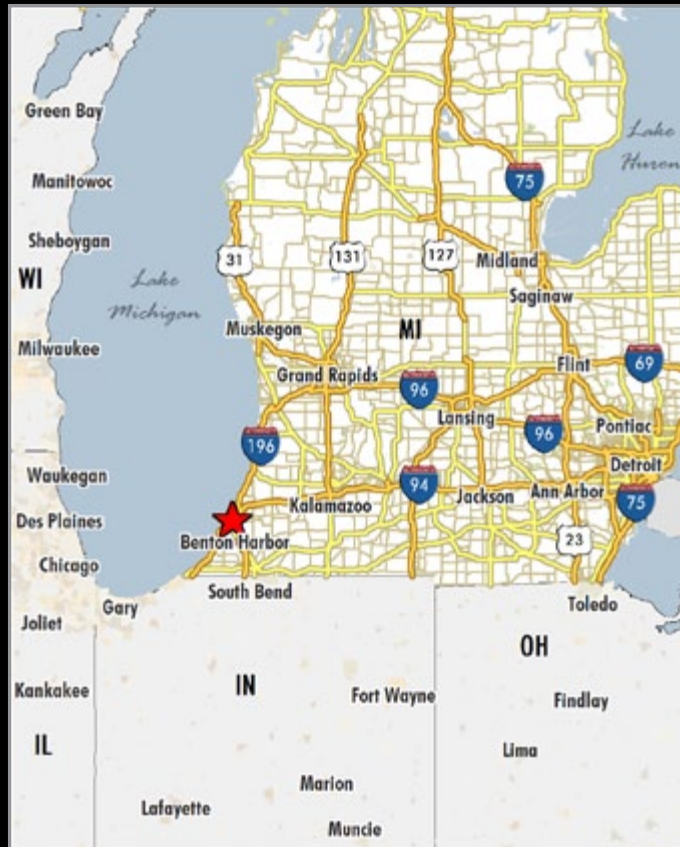
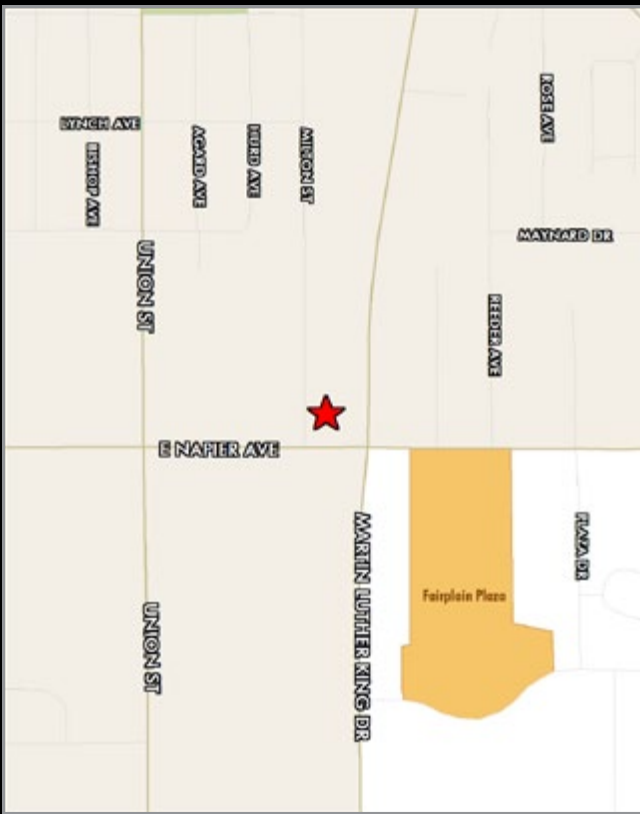
GENERAL PROPERTY INFORMATION

Property	Walgreens
Property Address	875 East Napier Avenue Benton Charter Township, Michigan 49002
County	Berrien County
Year Constructed	2006
Parcel Number	1103-0030-0025-101
Building Size (Rentable Building Area)	14,820 Square Feet
Parcel Size	2.04 Acres
Zoning	D-1, Commercial
Frontage	Direct Along East Napier Avenue and State Road 139

BUILDING DETAILS

Exterior Walls	Decorative Concrete Block
Roof	Rolled Rubber Membrane
Structural	Structural Steel
Foundation	Masonry
Parking Surface	Asphalt Paved
Fire Protection	To Code
HVAC	Roof mounted units
Utilities	All to Site
Plumbing	To Code
Drive Thru	Yes, Two Lanes

AREA MAPS





AREA OVERVIEW



Location Overview

The property is located at the northwest corner of State Road 139 and Napier Avenue. Directly east of the property is the Benton Square Shopping Center consisting of 64,218 square feet and anchored by Family Dollar and Sav-a-Lot. The property has great access to I-94 via the East Napier Avenue interchange.

Benton Harbor

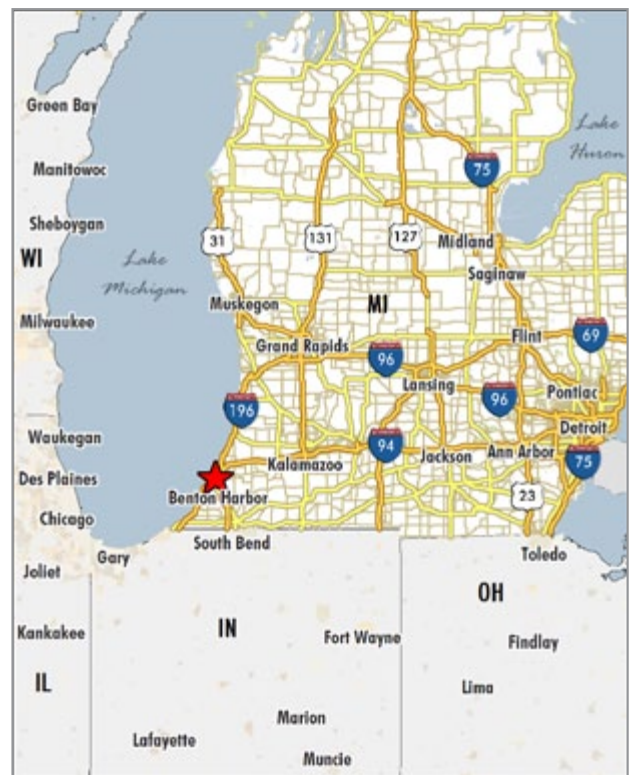
Benton Charter Township is strategically located on Lake Michigan, with five intersections off Interstate 94, an airport, and access to a commercial port. It offers a rich mix of transportation modes to any industrial or commercial entrepreneur. In addition, the Township is halfway between Detroit and Chicago with convenient access to South Bend, Indianapolis, Cincinnati, and St. Louis.

Commercial development is currently experiencing a boom with sufficient land available for diversified future development. Residents enjoy possibly the lowest fire insurance rates in the entire state, as well as relatively low water and sewer rates. Benton Charter Township

is a member of the Benton Harbor school district. This district has undergone major revisions of its program in order to improve the status of its students. The Township Board is successfully focusing efforts into changing from a negative to a positive image that has resulted in a commercial growth boom. Along with its excellent strategic location, the Township offers incentives to commercial and industrial entrepreneurs.

Berrien County

Located on Lake Michigan in the southwest corner of the state, and bisected by the St. Joseph River. Berrien County is included in the Niles-Benton Harbor, Michigan Metropolitan Statistical Area.



AREA MAJOR EMPLOYERS

Bosch Braking Systems

Whirlpool Corporation

Lecr Corporation

Gas Manufacturing Corp.

IPC Corp.

Atlantic Automotive Components

Lakeland Regional Health System

AEP/Cook Nuclear Plant

Andrews University

DEMOGRAPHIC PROFILE

	875 E Napier Ave 1 mile radius	875 E Napier Ave 3 mile radius	875 E Napier Ave 5 mile radius	
POPULATION	2011 Estimated Population	6,432	35,459	53,550
	2016 Projected Population	6,248	34,745	52,852
	2000 Census Population	6,927	37,335	55,404
	1990 Census Population	7,194	39,242	56,881
	Growth 2000-2011	-7.15%	-5.03%	-3.34%
	Growth 2011-2016	-2.85%	-2.01%	-1.30%
	2011 Estimated Median Age	35.83	36.68	38.63
	2011 Estimated Average Age	36.59	37.43	38.59
HOUSEHOLDS	2011 Estimated Households	2,643	14,246	21,556
	2016 Projected Households	2,588	14,038	21,401
	2000 Census Households	2,773	14,681	21,827
	1990 Census Households	2,795	15,005	21,818
	Growth 2000-2011	-4.66%	-2.96%	-1.24%
	Growth 2011-2016	-2.11%	-1.46%	-0.72%
	2011 Est. Average Household Size	2.41	2.41	2.41
INCOME	2011 Est. Median Household Income	\$27,271	\$31,359	\$37,074
	2016 Prj. Median Household Income	\$27,041	\$31,396	\$37,440
	2000 Cen. Median Household Income	\$26,990	\$29,700	\$34,255
	1990 Cen. Median Household Income	\$18,857	\$19,691	\$23,384
	2011 Est. Average Household Income	\$35,005	\$44,414	\$52,177
	2011 Estimated Per Capita Income	\$14,636	\$18,319	\$21,403
HOUSING	2011 Estimated Housing Units	2,864	16,049	24,096
	2011 Estimated Occupied Units	2,643	14,246	21,556
	2011 Estimated Vacant Units	221	1,803	2,540
	2011 Est. Owner Occupied Units	1,348	8,219	13,746
	2011 Est. Renter Occupied Units	1,295	6,027	7,809
	2011 Est. Median Housing Value	\$77,918	\$110,670	\$125,380
	2011 Est. Average Housing Value	\$78,001	\$114,062	\$134,489

DEMOGRAPHIC PROFILE

	875 E Napier Ave 1 mile radius	875 E Napier Ave 3 mile radius	875 E Napier Ave 5 mile radius	
INCOME	2011 Estimated Households	2,643	14,246	21,556
	- Income Less than \$15,000	818 (30.9%)	3,835 (26.9%)	4,782 (22.2%)
	- Income \$15,000 to \$24,999	420 (15.9%)	2,151 (15.1%)	2,964 (13.8%)
	- Income \$25,000 to \$34,999	343 (13.0%)	1,726 (12.1%)	2,556 (11.9%)
	- Income \$35,000 to \$49,999	406 (15.4%)	2,056 (14.4%)	3,083 (14.3%)
	- Income \$50,000 to \$74,999	408 (15.4%)	2,216 (15.6%)	3,609 (16.7%)
	- Income \$75,000 to \$99,999	154 (5.8%)	1,093 (7.7%)	2,043 (9.5%)
	- Income \$100,000 to \$149,999	90 (3.4%)	810 (5.7%)	1,636 (7.6%)
	- Income \$150,000 to \$199,999	4 (.2%)	175 (1.2%)	453 (2.1%)
	- Income \$200,000 to \$499,999	0	151 (1.1%)	367 (1.7%)
- Income \$500,000 and over	0	32 (.2%)	64 (.3%)	
	2011 Est. Average Household Income	\$35,005	\$44,414	\$52,177
	2016 Prj. Average Household Income	\$35,076	\$44,594	\$52,387
	2000 Cen. Avg. Household Income	\$33,434	\$41,671	\$48,461
	1990 Cen. Avg. Household Income	\$23,527	\$28,649	\$33,153
HOUSEHOLD SIZE	2011 Estimated Households by Household Size	2,643	14,246	21,556
	- 1 Person Household	877 (33.2%)	4,710 (33.1%)	6,757 (31.3%)
	- 2 Person Household	799 (30.2%)	4,273 (30.0%)	6,844 (31.7%)
	- 3 Person Household	420 (15.9%)	2,240 (15.7%)	3,383 (15.7%)
	- 4 Person Household	312 (11.8%)	1,657 (11.6%)	2,642 (12.3%)
	- 5 Person Household	128 (4.8%)	819 (5.7%)	1,228 (5.7%)
	- 6 Person Household	60 (2.3%)	320 (2.2%)	432 (2.0%)
	- 7 or More Person Household	47 (1.8%)	226 (1.6%)	269 (1.2%)
	2011 Est. Average Household Size	2.41	2.41	2.41
VEHICLES	2011 Estimated Households by Number of Vehicles	2,643	14,246	21,556
	- Households with No Vehicles	385 (14.6%)	2,041 (14.3%)	2,354 (10.9%)
	- Households with 1 Vehicle	1,318 (49.9%)	6,532 (45.9%)	9,064 (42.0%)
	- Households with 2 Vehicles	669 (25.3%)	4,149 (29.1%)	7,259 (33.7%)
	- Households with 3 Vehicles	228 (8.6%)	1,209 (8.5%)	2,277 (10.6%)
	- Households with 4 Vehicles	36 (1.4%)	258 (1.8%)	473 (2.2%)
	- Households with 5+ Vehicles	8 (.3%)	56 (.4%)	128 (.6%)
		2011 Est. Average Number of Vehicles	1.34	1.39

DEMOGRAPHIC PROFILE

	875 E Napier Ave 1 mile radius	875 E Napier Ave 3 mile radius	875 E Napier Ave 5 mile radius	
RACE & ETHNICITY	2011 Estimated Population by Race and Origin	6,432	35,459	53,550
	- White Population	1,887 (29.3%)	17,015 (48.0%)	32,203 (60.1%)
	- Black Population	4,252 (66.1%)	16,635 (46.9%)	18,606 (34.7%)
	- Asian Population	48 (.7%)	491 (1.4%)	951 (1.8%)
	- Pacific Islander Population	5 (.1%)	15 (.0%)	23 (.0%)
	- American Indian and Alaska Native	33 (.5%)	128 (.4%)	186 (.3%)
	- Other Race Population	67 (1.0%)	462 (1.3%)	616 (1.2%)
	- Two or More Races Population	140 (2.2%)	713 (2.0%)	966 (1.8%)
	- Hispanic Population	190 (3.0%)	1,039 (2.9%)	1,588 (3.0%)
	- White Non-Hispanic Population	1,864 (29.0%)	17,064 (48.1%)	32,079 (59.9%)
AGE	2011 Estimated Population by Age	6,432	35,459	53,550
	- Aged 0 to 4 Years	517 (8.0%)	2,880 (8.1%)	4,040 (7.5%)
	- Aged 5 to 9 Years	500 (7.8%)	2,677 (7.5%)	3,805 (7.1%)
	- Aged 10 to 14 Years	546 (8.5%)	2,798 (7.9%)	3,945 (7.4%)
	- Aged 15 to 17 Years	282 (4.4%)	1,614 (4.6%)	2,459 (4.6%)
	- Aged 18 to 20 Years	259 (4.0%)	1,421 (4.0%)	2,089 (3.9%)
	- Aged 21 to 24 Years	291 (4.5%)	1,709 (4.8%)	2,544 (4.8%)
	- Aged 25 to 34 Years	752 (11.7%)	3,925 (11.1%)	5,692 (10.6%)
	- Aged 35 to 44 Years	869 (13.5%)	4,384 (12.4%)	6,345 (11.8%)
	- Aged 45 to 54 Years	839 (13.0%)	4,791 (13.5%)	7,669 (14.3%)
	- Aged 55 to 64 Years	700 (10.9%)	4,021 (11.3%)	6,547 (12.2%)
	- Aged 65 to 74 Years	491 (7.6%)	2,679 (7.6%)	4,351 (8.1%)
	- Aged 75 to 84 Years	275 (4.3%)	1,786 (5.0%)	2,848 (5.3%)
- Aged 85 Years and Older	110 (1.7%)	773 (2.2%)	1,216 (2.3%)	
2011 Estimated Median Age	35.83	36.68	38.63	
2011 Estimated Average Age	36.59	37.43	38.59	
EDUCATION	2011 Estimated Population Over 25 by Educational Attainment	4,037	22,360	34,669
	- Less than 9th Grade	338 (8.4%)	1,501 (6.7%)	2,026 (5.8%)
	- High School - No Diploma	560 (13.9%)	2,997 (13.4%)	3,930 (11.3%)
	- High School Diploma	1,416 (35.1%)	6,594 (29.5%)	9,586 (27.7%)
	- Some College	1,089 (27.0%)	5,029 (22.5%)	7,480 (21.6%)
	- Associate Degree	228 (5.6%)	1,717 (7.7%)	2,929 (8.4%)
	- Bachelor's Degree	286 (7.1%)	2,794 (12.5%)	5,491 (15.8%)
	- Master's Degree	113 (2.8%)	1,401 (6.3%)	2,577 (7.4%)
	- Professional Degree	3 (.1%)	245 (1.1%)	437 (1.3%)
	- Doctoral Degree	3 (.1%)	82 (.4%)	213 (.6%)

DEMOGRAPHIC PROFILE

	875 E Napier Ave 1 mile radius	875 E Napier Ave 3 mile radius	875 E Napier Ave 5 mile radius	
HOUSING VALUE	2011 Estimated Owner Occupied Units by Housing Value	1,348	8,219	13,746
	- Valued Less than \$20,000	60 (4.5%)	495 (6.0%)	664 (4.8%)
	- Valued \$20,000-\$39,999	171 (12.7%)	636 (7.7%)	912 (6.6%)
	- Valued \$40,000-\$59,999	220 (16.3%)	732 (8.9%)	977 (7.1%)
	- Valued \$60,000-\$79,999	248 (18.4%)	732 (8.9%)	974 (7.1%)
	- Valued \$80,000-\$99,999	196 (14.5%)	938 (11.4%)	1,272 (9.3%)
	- Valued \$100,000-\$149,999	407 (30.2%)	2,584 (31.4%)	3,991 (29.0%)
	- Valued \$150,000-\$199,999	48 (3.6%)	1,004 (12.2%)	2,188 (15.9%)
	- Valued \$200,000-\$299,999	0	667 (8.1%)	1,667 (12.1%)
	- Valued \$300,000-\$399,999	0	261 (3.2%)	638 (4.6%)
	- Valued \$400,000-\$499,999	0	76 (.9%)	215 (1.6%)
	- Valued \$500,000-\$749,999	0	57 (.7%)	157 (1.1%)
	- Valued \$750,000-\$999,999	0	33 (.4%)	77 (.6%)
- Valued More than \$1,000,000	0	4 (.0%)	13 (.1%)	
	2011 Est. Median Housing Value	\$77,918	\$110,670	\$125,380
	2011 Est. Average Housing Value	\$78,001	\$114,062	\$134,489
HOUSING TYPE	2011 Estimated Housing Units by Housing Type	2,864	16,049	24,096
	- 1 Unit Detached	2,059 (71.9%)	10,851 (67.6%)	17,018 (70.6%)
	- 1 Unit Attached	18 (.6%)	175 (1.1%)	406 (1.7%)
	- 2 Units	43 (1.5%)	1,048 (6.5%)	1,349 (5.6%)
	- 3-19 Units	540 (18.9%)	2,407 (15.0%)	3,181 (13.2%)
	- 20-49 Units	109 (3.8%)	402 (2.5%)	534 (2.2%)
	- 50+ Units	87 (3.0%)	582 (3.6%)	715 (3.0%)
	- Mobile Home	9 (.3%)	584 (3.6%)	892 (3.7%)
- Boat, RV, Van or Other	0	0	0	
UNIT BUILT	2011 Estimated Housing Units by Year Structure Built	2,864	16,049	24,096
	- Structure Built 2000 or Later	141 (4.9%)	927 (5.8%)	1,625 (6.7%)
	- Structure Built 1990 to 1999	117 (4.1%)	904 (5.6%)	1,814 (7.5%)
	- Structure Built 1980 to 1989	76 (2.7%)	824 (5.1%)	1,633 (6.8%)
	- Structure Built 1970 to 1979	465 (16.2%)	1,892 (11.8%)	3,457 (14.3%)
	- Structure Built 1960 to 1969	558 (19.5%)	2,560 (16.0%)	4,033 (16.7%)
	- Structure Built 1950 to 1959	723 (25.2%)	3,429 (21.4%)	4,576 (19.0%)
	- Structure Built 1940 to 1949	332 (11.6%)	1,804 (11.2%)	2,288 (9.5%)
	- Structure Built Before 1939	453 (15.8%)	3,710 (23.1%)	4,669 (19.4%)
	2011 Est. Median Year Structure Built	1959	1957	1961

DEMOGRAPHIC PROFILE

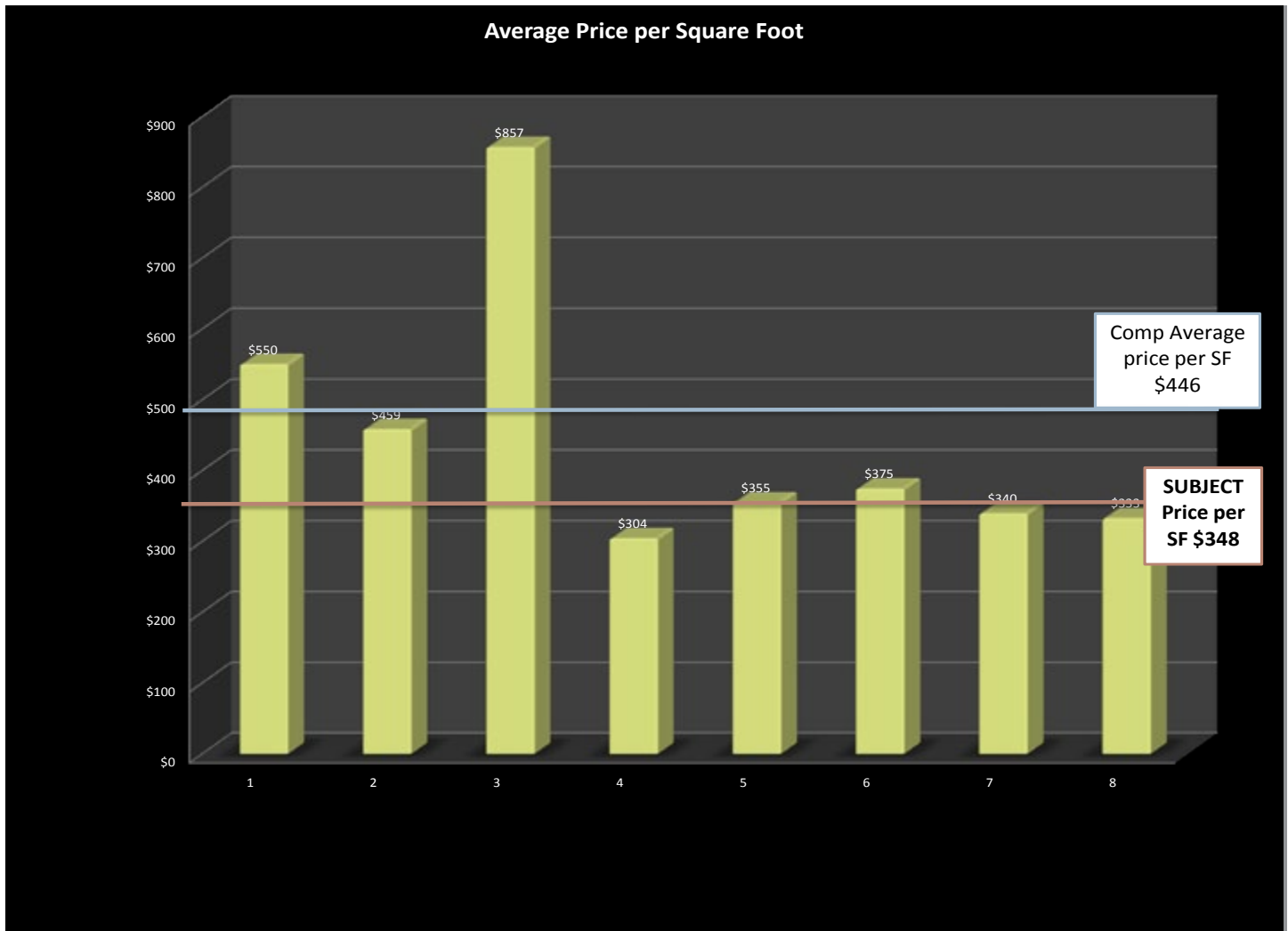
	875 E Napier Ave 1 mile radius	875 E Napier Ave 3 mile radius	875 E Napier Ave 5 mile radius	
SEX	2011 Estimated Population by Sex	6,432	35,459	53,550
	- Male	3,022 (47.0%)	16,883 (47.6%)	25,692 (48.0%)
	- Female	3,410 (53.0%)	18,576 (52.4%)	27,858 (52.0%)
MARITAL STATUS	2011 Estimated Pop. over 15 by Marital Status	4,869	27,103	41,761
	- Males Never Married	916 (18.8%)	4,868 (18.0%)	6,825 (16.3%)
	- Males Married	925 (19.0%)	5,758 (21.2%)	9,932 (23.8%)
	- Males Widowed	44 (.9%)	427 (1.6%)	647 (1.5%)
	- Males Divorced	309 (6.3%)	1,446 (5.3%)	2,148 (5.1%)
	- Females Never Married	1,008 (20.7%)	5,185 (19.1%)	6,936 (16.6%)
	- Females Married	915 (18.8%)	5,657 (20.9%)	9,753 (23.4%)
	- Females Widowed	371 (7.6%)	1,664 (6.1%)	2,530 (6.1%)
	- Females Divorced	380 (7.8%)	2,099 (7.7%)	2,991 (7.2%)
GQ	2011 Estimated Population in Group Quarters	75	1,071	1,499
	- Institutional Group Quarters	1 (1.3%)	614 (57.3%)	770 (51.4%)
	- Non-Institutional Group Quarters	74 (98.7%)	456 (42.6%)	729 (48.6%)
MOVED IN	2011 Estimated Occupied Housing Units by Year Occ. Moved In	2,643	14,246	21,556
	- Moved In 2000 or Later	1,871 (70.8%)	8,542 (60.0%)	12,023 (55.8%)
	- Moved In 1990-1999	356 (13.5%)	2,745 (19.3%)	4,532 (21.0%)
	- Moved In 1980-1989	166 (6.3%)	1,165 (8.2%)	2,032 (9.4%)
	- Moved In 1970-1979	129 (4.9%)	831 (5.8%)	1,484 (6.9%)
	- Moved In 1969 or Earlier	122 (4.6%)	963 (6.8%)	1,485 (6.9%)



Sample Photo - Not of Subject Property

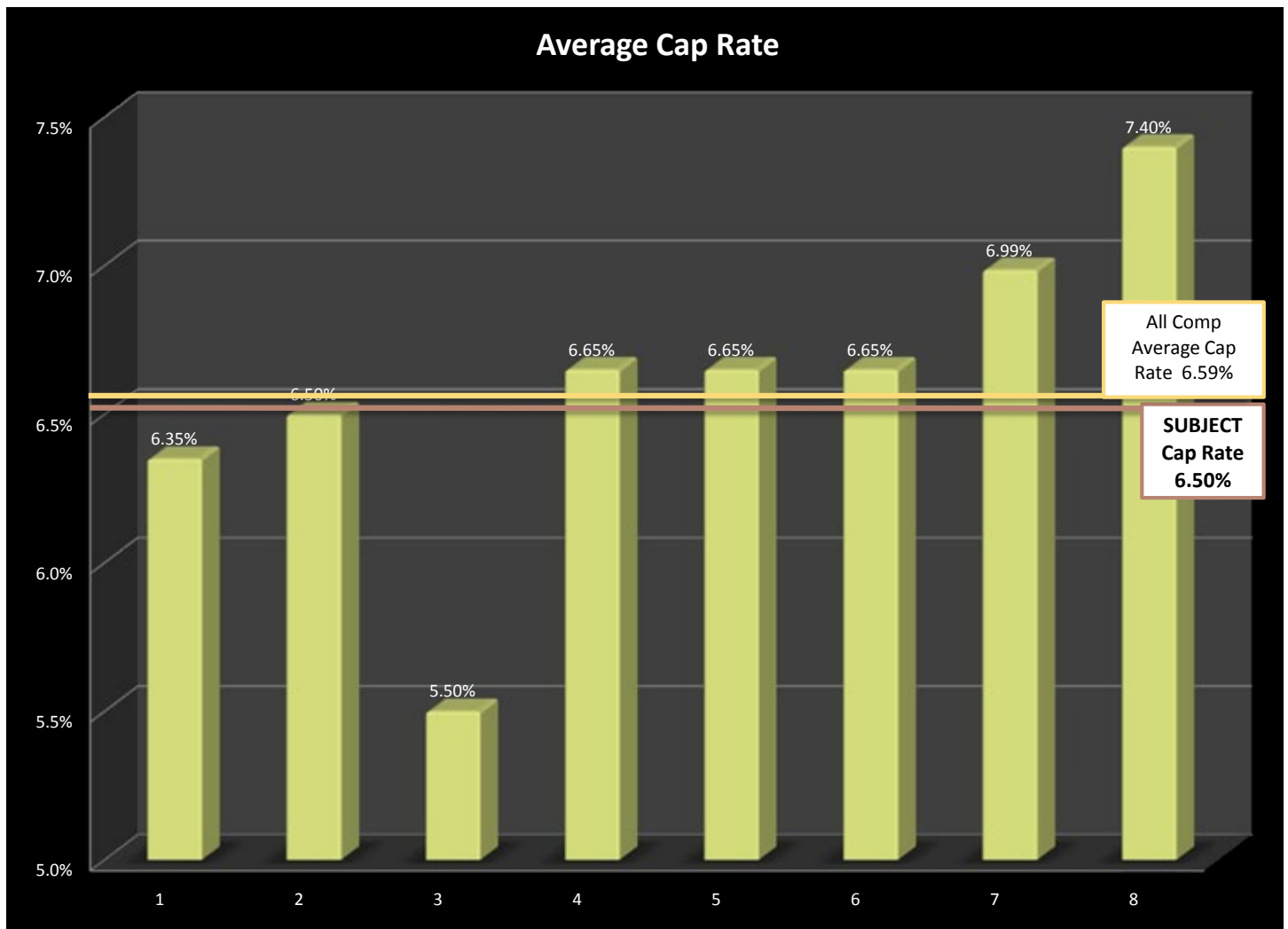


SALE COMPARABLE ANALYSIS



With an average price per square foot of \$446 or comparable properties with the same type of credit and similar lease term, the subject property, priced at \$348 per square foot, is priced below the market average price per square foot.

SALE COMPARABLE ANALYSIS



With an the average cap rate for all comparable properties of 6.59 percent, the subject property, priced at a cap rate of 6.50 percent, is priced in line with the market average.

SALE COMPARABLES

		Building Name Address	Year Built	Building Size (SF)	Sale Date	Sales Price	Price/SF	Occupancy at Sale	Cap Rate	Comments
★		Walgreens 875 East Napier Road Benton Harbor, MI	2007	14,820		\$5,170,000	\$348.85	0%	6.50%	Walgreens is on their initial 75 year lease that commenced June, 2007 through May, 2032 (with a termination option in year 25 so just over 20 years remaining on the initial term). Although they are technically on a 75 year lease, they have option to terminate after the 25th year (2032) with a notification period of 12 months. Their S&P rating is A.
1		Walgreens 100 E McMurray Road McMurray, PA	2010	14,991	Under Contract	\$8,250,000	\$550.33	100%	6.35%	Walgreens is on a 25-year net NNN lease through 7/2035 with 23.8-years remaining on the initial term of lease. Walgreens also has ten, five-year renewal options with rental increases of 2 percent.
2		Walgreens 949 Lincoln Way East Chambersburg, PA	2008	14,764	On Market	\$6,770,000	\$458.55	100%	6.50%	Walgreens has signed a 75-year absolute-net lease which commenced in June of 2008. The Tenant has the option to terminate the lease every 5 years after the 25th lease year (2033 with 21 years remaining on the current term).
3		Walgreens 26531 Also Creek Road Also Viejo, CA	2008	13,386	On Market	\$11,475,000	\$857.24	100%	5.50%	Walgreens has signed a 75-year absolute-net lease which commenced in September of 2008. The Tenant has the option to terminate the lease every 5 years after the 25th lease year (2033 with 21 years remaining on the current term).
4		Walgreens 413 West Columbian Boulevard Litchfield, IL	2007	14,820	On Market	\$4,511,200	\$304.40	100%	6.65%	There are 21 years remaining on this absolute triple-net (NNN) corporate lease. The landlord has no responsibilities, as the tenant is responsible for all expenses and management. The lease includes a corporate guarantee from Walgreens.
5		Walgreens 403 South Main Street Bryan, OH	2007	14,820	On Market	\$5,263,158	\$355.14	100%	6.65%	There are 20.5 years remaining on the current lease term.
6		Walgreens 6649 West Main Street Kalamazoo, MI	2009	14,490	On Market	\$5,428,571	\$374.64	100%	6.65%	This Walgreens was recently constructed and rental payment commenced on June 1, 2009. The property is absolute triple-net (NNN) leased to Walgreen Company for with no management responsibilities. Walgreens is on a 25 year lease through 2034 with 22 years remaining on the initial term.
7		Walgreens 975 W. South Airport Road Traverse City, MI	2009	13,580	1/3/2012	\$4,613,931	\$339.76	100%	6.99%	Walgreens is on their initial 25 year lease 9/30/ 2034 (with over 23 years remaining on the initial term). Although they are technically on a 75 year lease, they have an option to terminate after the first 25 years in September, 2033 with a notification period of 12 months. Walgreen's lease is bondable / absolute triple net (NNN) in nature with the tenant responsible for all operating expenses including paying real estate tax expenses directly, insurance, repairs and maintenance items, parking areas (repairs, maintenance and replacement of the parking areas), as well as repairs, maintenance and replacement of the building and structure. The property did sell with assumable financing.
8		Walgreens 1710 West John Beers Road Stevensville, MI	2007	14,820	11/28/2011	\$4,932,000	\$332.79	100%	7.40%	Walgreens is on a 25 year lease running through 10/31/2032 (21 years remain on the current term). The lease is equipped with 50 one-year options thereafter. The lease is NNN in nature.
Comparable Averages						\$446.61			6.59%	



Sample Photo - Not of Subject Property



FINANCIAL OVERVIEW

FINANCIAL OVERVIEW	
Sales Price	\$5,170,000
Down Payment-Proposed Financing	35% / \$1,809,500
CAP Rate	6.50%
Price Per Square Foot	\$348.85
Financing	Offered Free & Clear of Existing Financing
BUILDING INFORMATION	
Property	Walgreens
Address	875 East Napier Avenue Benton Charter Township, MI
Property Type	Single-Tenant Retail
Year Built	2006
Building Size	14,820 Square Feet
Parcel Size	2.04 Acres
Type of Ownership	Fee Simple
Current Occupancy	100%
PROPOSED FINANCING TERMS	
Loan Type	CMBS
Loan To Value	75% Maximum
Amortization Schedule	30 Years
Interest Rate	5.25% estimated as of 2/1/2012, 335 bps over 10-year swap
Loan Term	10 years
Minimum DSCR	1.25
Recourse	Non-Recourse except carve outs
Prepay Penalty	Defeasance
Reserves	None
For further details on the proposed loan terms noted above, please contact Jason Brown, Vice President, CBRE Debt & Equity Finance at 317.269.1123	



RENTAL RATE			
	Annual Rent	Per Month	Per SF
Years 1-75	\$351,011	\$29,250	\$23.68
LEASE DETAILS			
Commencement Date	6/1/2007		
End Date	5/31/2082, Option to terminate 5/31/2032		
Lease Term	75 Years		
Term Remaining	20 Years		
Lease Type	Absolute NNN Lease (Tenant responsible for all interior and exterior repairs, maintenance, roof and structure as well as paying insurance and real estate taxes directly)		
EASEMENT AGREEMENT			
Commencement Date	1/1/2007		
End Date	Continues in perpetuity		
Easement Payments	\$1,150 per month (\$13,800 per year) to increase 10% every five years current payment is \$15,180 per year		
Easement Responsibilities	Landlord is responsible to pay easements per the reciprocal easement agreement dated 1/5/2007		

FINANCIAL OVERVIEW



TENANT INFORMATION

Property Name	Walgreens
Tenant Ownership	Public
Lease Guarantor	Corporate Guarantee, Walgreens
Credit Rating	A, According to Standard & Poor's
Stock Symbol	WAG
Number of Locations	7,000
Headquartered	Deerfield, Illinois
Website	www.walgreens.com

LEASE ABSTRACT

Lease Term	75 years, 6/1/2007 - 5/31/2082, option to terminate 5/31/2032
Lease Type	Absolute Triple Net
Operating Expenses	Tenant to maintain and pay
Real Estate Taxes	Tenant to pay directly, totals \$39,454 (or \$2.66/SF) based on 2011 SEV of \$804,100 (same as the 2011 taxable value) and the 2011 non-homestead millage rate of 49.0667
Parking	Tenant to procure pay directly
Repairs & Maintenance	Tenant to procure pay directly
Option to Terminate	Tenant shall have the right and option, at Tenant's election, to terminate the lease effective as of the last day of the after the 300th full calendar month of the term (5/31/2032). If the tenant shall elect to exercise any option, tenant shall send notice thereof to Landlord, at least 12 months prior to the date this lease shall so terminate.
Right of First Refusal	In the event that the landlord shall receive a bona fide offer to purchase the leased premises at any time, landlord shall so notify tenant of the offer. Tenant may, at its option, within 45 days after receipt of the notice, offer to purchase the leased premises at the price and terms as contained in the offer. Please refer to the lease document for further details.
Easement Agreement	The landlord is responsible for paying for the right to use the M-139 access driveway per a Reciprocal Easement Agreement. Payments commenced 1/1/2007 in the amount of \$1,150 per month and increase 10% every five years so the landlord is currently paying \$1,265 (\$15,180 per year) for the use of the easement.

YEAR ONE CASH FLOW

Walgreens Benton Harbor Year One Cash Flow Estimate Proposed Financing

		Year One	Per Month	Per SF
	Price		\$5,170,000	
	Down Payment	25%	\$1,292,500	
	Interest Rate		5.25%	
	Total Square Footage		14,820	
	Price per Square Foot		\$348.85	
	Cap Rate		6.50%	
Income				
Walgreens				
6/2007 - 5/2032				
(20 years remain)	14,820 SF	\$351,011	\$29,251	\$23.68
Total Base Rent		\$351,011	\$29,251	\$23.68
Expense Reimbursements (Tenant Procures and Pays Direct)		\$0	\$0	\$0.00
Gross Potential Income		\$351,011	\$29,251	\$23.68
Vacancy/Collection Allowance	0%	\$0	\$0	\$0.00
Effective Gross Income		\$351,011	\$29,251	\$23.68
Operating Expense Estimates (Tenant Procures and Pays Direct)				
Real Estate Taxes		\$0	\$0	\$0.00
Common Area Maintenance		\$0	\$0	\$0.00
Insurance		\$0	\$0	\$0.00
Easement Agreement Fee		\$15,180	\$1,265	\$1.02
Total Building Expenses		\$15,180	\$1,265	\$1.02
Management Fee	0.0% of EGI	\$0	\$0	\$0.00
Total Operating Expenses		\$15,180	\$1,265	\$1.02
Replacement Reserves	\$0.00 per SF	\$0	\$0	\$0.00
Total Expenses		\$15,180	\$1,265	\$1.02
Net Operating Income		\$335,831	\$27,986	\$22.66
Net Cash Flow Before Debt Service		\$335,831	\$27,986	\$22.66
Debt Service-Proposed Financing		(\$259,470)	(\$21,623)	(\$1,802)
Debt Service Coverage Ratio		1.29		
Net Cash Flow After Debt Service		\$76,361	\$6,363	\$530
Year One Cash on Cash Return		5.91%		
Principal Reduction		\$71,326		
Total Return		\$147,687		
Year One Total Return		11.43%		

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PCG Detroit Capital Markets

Driving Price and Adding Value through Experience and Market Knowledge

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