

Ackerman & Co.

THE SHOPPES OF MURRAY

600 N 12th Street
Murray, Kentucky 42071



OFFERING MEMORANDUM



CONFIDENTIAL INFORMATION

INFORMATION NOT WARRANTED

This Offering Memorandum and any subsequent evaluation material you may be provided (collectively known as the "Offering Memorandum") is intended solely for your limited use in considering whether to pursue negotiations to acquire The Shoppes of Murray (the "Property") located in Murray, Kentucky. The Property is being marketed for sale by Ackerman & Co. ("Broker").

The Offering Memorandum contains brief, selected information pertaining to the business and affairs of the Property and has been prepared by Broker. It does not, however, purport to be all-inclusive or to contain all of the information that a prospective purchaser may desire. Broker makes no representation or warranty, express or implied, as to the accuracy or completeness of the Offering Memorandum or any of its contents, and no legal liability is assumed to be implied with respect thereto.

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Furthermore, the inclusion or exclusion in the Offering Memorandum of information relating to asbestos or any other hazardous, toxic or dangerous chemical item, waste or substance (hereinafter collectively referred to as "Waste") relating to the Property shall in no way be construed as creating any warranties or representations, expressed or implied by the Broker as to the existence or nonexistence or nature of Waste in, under or on the Property, it may create significant legal and/or economic obligations upon the Owner, lessee and/or other holders of interest in the Property or a part thereof and you are hereby advised to obtain professional assistance such as from a consultant, engineer and/or attorney prior to taking an interest in the Property or a part thereof.





01 EXECUTIVE SUMMARY

Investment Summary
Location and Demographics
Property Photographs
Property Aerials
Property Overview

02 TENANT OVERVIEW

Tenant Overview
Rent Roll
Site Plan

03 MARKET OVERVIEW

Murray, Kentucky
Detailed Demographics

04 FINANCIAL OVERVIEW

Executive Summary
Summary of Financial Assumptions
Cash Flow Projections
Existing Lease Projections
In-Place Income Reconciliation

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01

EXECUTIVE SUMMARY

- Investment Summary
- Location and Demographics
- Property Photographs
- Property Aerials
- Property Overview

INVESTMENT SUMMARY

Ackerman & Co. is pleased to present for sale, The Shoppes of Murray, a 159,192 SF anchored shopping center located in Murray, Kentucky. With 98.12% occupancy, The Shoppes of Murray provides an investor with stable cash flow from an impressive lineup of national credit tenants and a strategic location across the street from Murray State University.

Redeveloped in 1999, The Shoppes of Murray is strategically located across the street from Murray State University. Over the years, the center has provided a stable tenant base with high occupancy and high historical tenant retention. Murray's stable university environment, combined with one of the top eight certified retirement communities in Kentucky, gives an investor a safe investment opportunity.

The Shoppes of Murray offers an investor the opportunity to acquire a stabilized, well located center with strong national tenants for an attractive year one cash-on-cash return of 9.83%. Pursuant to the rent roll, over 68% of the gross leasable area is leased by creditworthy national retailers. The rent roll at The Shoppes of Murray currently includes the following national credit tenants; Office Depot, Tractor Supply, Goody's, Hibbett Sports, Sherwin Williams, UPS, Radio Shack, Rue 21, and Maurice's.

Investment Highlights:

- Stabilized shopping center with 98.12% occupancy
- Year 1 Leveraged cash-on-cash return of 9.83%
- Stable location directly across from "Kentucky's Public Ivy-League University" Murray State University; student population of 10,623
- Anchors Tractor Supply and Goody's currently in lease obligations thru 2020
- Built-In rent increases: Office Depot's rent increases in Oct 2013
- Historically successful track record with high tenant retention
- Offered well below replacement costs at \$71.82/SF

INVESTMENT DETAILS

Square Footage:	159,192 SF
Land Area:	12.92 AC
Offering Price:	\$11,433,000 (\$71.82/SF)
Debt Structure:	Assumable/Non Recourse
In-place Net Operating Income:	\$1,000,415
In-place Capitalization Rate:	8.75%
Year 1 Leveraged Cash-on-Cash Return:	9.85%

LOAN SUMMARY

Lender:	GE Capital
Loan Balance (as of 7/1/2012):	\$7,198,743
Original Principal Balance (1/1/2006):	\$8,000,000
Equity Required:	\$4,313,675
Interest Rate:	5.5%
Maturity Date:	January 1, 2016
Monthly Payment:	\$45,423.12
Amortization Schedule:	30 years
Recourse:	N

LOCATION AND DEMOGRAPHICS

The subject property, The Shoppes of Murray, located in Murray, KY was completely renovated in 1999 and is in excellent physical condition. The shopping center is located on 12th Street (US Hwy 641) directly across from Murray State University. The center has a signalized intersection on 12th Street and multiple ingress/egress on Arcadia Circle and cross access with Chestnut Hills Mall. In 2011, the total population in a 1-mile radius, including students, is 18,555.

DEMOGRAPHIC SUMMARY

	1 MILE	3 MILES	5 MILES
Population 2011	18,555*	29,296*	33,887*
Total Households	2,889	7,928	9,841
Average Household	\$35,953	\$43,338	\$44,733

* Includes student population of Murray State University

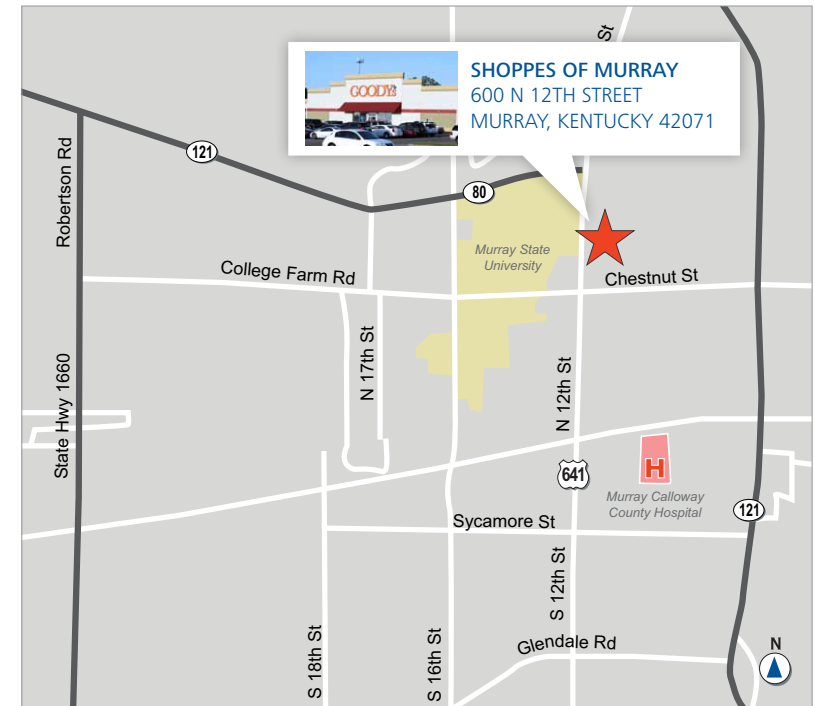


TRAFFIC COUNTS

26,320 VEHICLES PER DAY ON N 12TH STREET (HWY 461)

+ 13,931 VEHICLES PER DAY ON CHESTNUT STREET

Source: 2011 MPSI Systems Inc. d.b.a. DataMetrix®



PROPERTY PHOTOGRAPHS



PROPERTY PHOTOGRAPHS



PROPERTY AERIAL



PROPERTY AERIAL

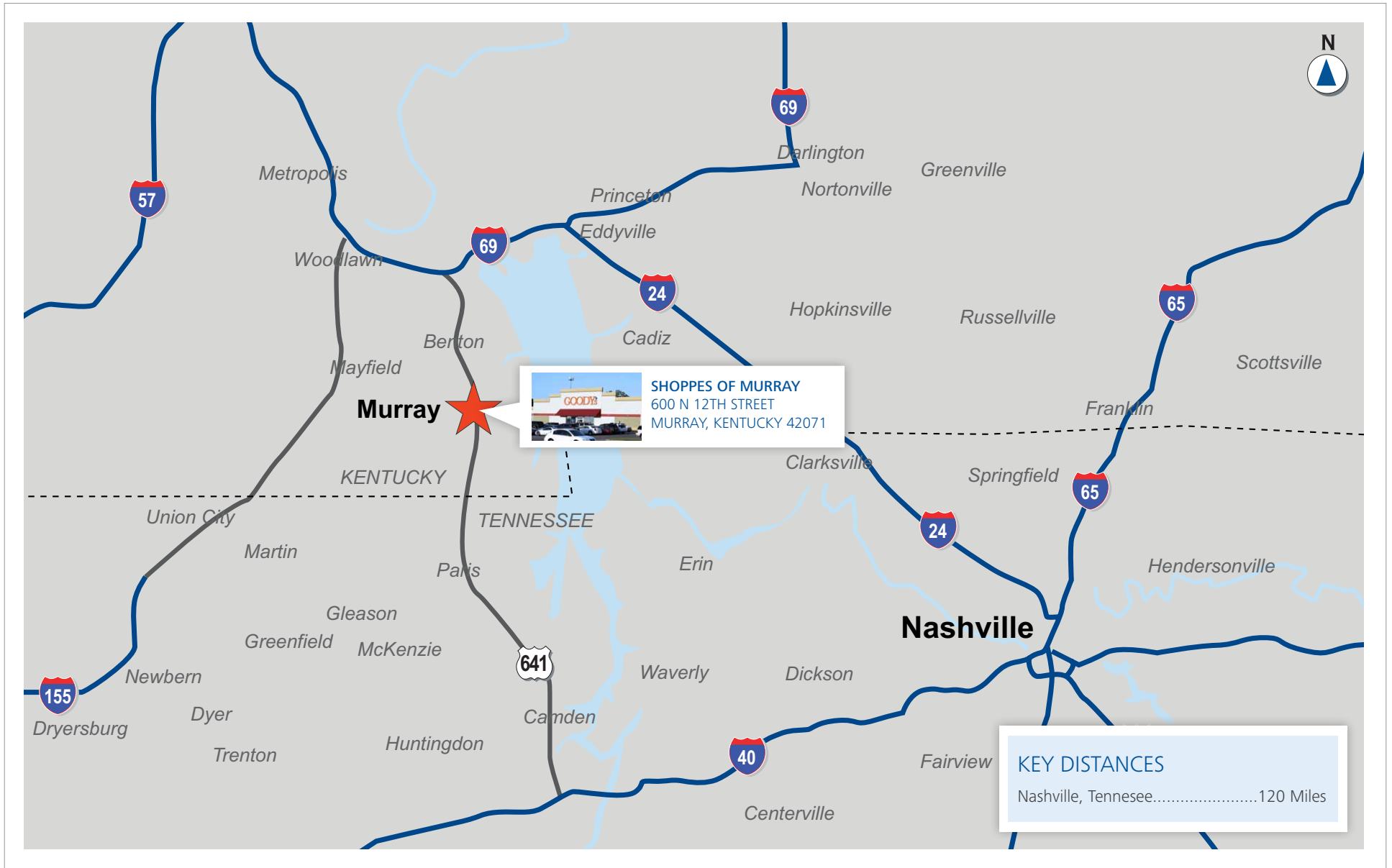


PROPERTY OVERVIEW



Address:	600 N 12th Street Murray, Kentucky 42071
County:	Calloway
Municipality:	City of Murray
Building Size:	159,192 Square Feet
Land Area	Lot A: (Shopping Center) 11.78 acres Lot D: (Outparcel) 1.14 acres Total: 12.92 acres
Parcel ID:	041-0-0192
Year Renovated:	1999
Construction:	Masonry
Zoning:	B-2 (Highway Business)
Parking:	545 parking spaces; 517 regular, 28 Handicap 4.27 / 1000 parking ratio
Signage:	Large tenant monument sign off 12th Street
Frontage:	982' along North 12th Street
Traffic Count:	26,320 (N 12th Street)

AREA MAP



02

TENANT OVERVIEW

- Tenant Overview
- Rent Roll
- Site Plan

TENANT SUMMARY



SQUARE FOOTAGE
21,179

LEASE EXPIRATION
09/2015

Founded in 1986, Office Depot is a specialty retailer focused on providing office products and services to consumers. The company has three different core business divisions: North American Retail Division, North American Business Solutions Division, and The International Division. Within the three divisions, the company has three major product categories: office supplies, business related technology products, and office/business related furniture. Office Depot currently operates over 1,100 stores in 48 states. Office Depot's international division sells products to consumers in over 51 countries through a network of internet retail sites, direct mail catalogs, contract sales forces, and other retail stores through franchise agreements, licensing, and joint ventures. Office Depot currently holds an S&P credit rating of B-.

Office Depot, Inc. (NYSE: ODP)
S&P Rating: B-
Headquarters: Boca Raton, FL
Store Locations: 1,129

Year Founded: 1986
Employees: 42,000
2011 Revenue: \$11.49B
www.officedepot.com



SQUARE FOOTAGE
24,490

LEASE EXPIRATION
3/2020

Tractor Supply Company (TSC) originally opened in 1938 as mail order tractor parts business. One year later, in 1939, the first store opened in Minot, ND. Today, TSC operates as a specialty retailer supplying farming and maintenance needs to part and full time ranchers/farmers through their 1,100+ stores in 44 states. In 2004, TSC was named one of the fastest growing companies in the country by *Fortune Magazine*. In 2010 TSC's revenues were broken down as follows: livestock and pet products (39%), tools and truck products (22%), seasonal/lawn and garden products (22%), clothing and footwear (10%), and agriculture (6%). TSC's growth continues as they added 74 new stores in 2010 and recently identified over 800 potential markets for U.S. stores.

Tractor Supply Company (NASDAQ: TSCO)
S&P Rating: NA
Headquarters: Brentwood, TN (Nashville)
Store Locations: 1,100

Year Founded: 1938
Employees: 6,900
2011 Revenue: \$4B
www.tractorsupply.com

TENANT SUMMARY



SQUARE FOOTAGE

17,000

LEASE EXPIRATION

01/2020

Goody's retail store operates under the parent company of Stage Stores, Inc. Stage Stores Inc. is a large retailer department store operator which, in addition to Goody's, operates under the following retail banners: Bealls, Palais, Royal, Peebles, and Stage. In total, Stage Stores operates over 786 stores in 39 different states. The Stage Stores retailers mostly sell private label apparel, accessories, cosmetics, and footwear to men, women, and children.

Stage Stores, Inc. d/b/a Goody's (NYSE: SSI)
S&P Rating: NA
Headquarters: Houston, TX
Store Locations: 786

Year Founded: 1988
www.stagestoresinc.com
www.goodysonline.com



SQUARE FOOTAGE

5,000

LEASE EXPIRATION

06/2016

Maurices retail store operates as a subsidiary of the Ascena Retail Group. The Ascena Retail Group is a large retailer department store operator that offers causal fashion apparel for women in the 30-50 year old demographic. Ascena operates over 2,500 stores in 48 U.S. states, the District of Columbia, Puerto Rico, and Canada. Ascena Retail Group operates under the following brands: Maurices, Dressbarn, and Justice Stores. According to Ford Equity Research, Ascena Retail Group has posted earnings increases for five consecutive quarters showing strong acceleration in quarterly growth rates.

Ascena Retail Group d/b/a Maurices (NASDAQ: ASNA)
S&P Rating: NA
Headquarters: Suffern, NY
Store Locations: 2,516 (786 operated as Maurices)

2011 Revenue: \$2.8B
www.ascenaretail.com
www.maurices.com

TENANT SUMMARY



SQUARE FOOTAGE

5,000

LEASE EXPIRATION

01/2014

Founded in 1945, Hibbett Sports operates over 800 sporting goods retail stores in 26 states. Hibbett Sports focuses their business in small to mid size markets throughout the Southeast, Midwest, Southwest, and Mid-Atlantic. Hibbett offers a full assortment of athletic apparel, equipment, and footwear. Hibbett also emphasizes on selling team sports equipment to local athletic leagues within their respective markets. Hibbett Sports typically occupies a 5,000-square-foot store footprint located in malls and large anchored shopping centers.

Hibbett Sports, Inc. (NASDAQ: HIBB)
S&P Rating: NA
Headquarters: Birmingham, AL
Store Locations: 800

Year Founded: 1945
Employees: 6,700
2011 Revenue: \$733M
www.hibbett.com



SQUARE FOOTAGE

4,900

LEASE EXPIRATION

06/2014

Originally founded in 1866, Sherwin Williams develops, manufactures, and sells paints, coatings, and other related products to professional, commercial, industrial, and retail customers throughout the world. Sherwin Williams's revenues can be separated into three different categories: Retail Paint Store Segment (56% of 2010 revenues), The Consumer Segment (17%), and The Global Finishes Segment (27%). According to S&P, Sherwin Williams has consistently outperformed their peers in the Specialty Chemicals sector. Sherwin Williams currently holds an S&P credit rating of A and operates over 3,400 retail stores in North America.

Sherwin Williams (NYSE: SHW)
S&P Rating: A
Headquarters: Cleveland, OH
Store Locations: 3,400

Year Founded: 1866
Employees: 32,000
2011 Revenue: \$8.77B
www.sherwin-williams.com

TENANT SUMMARY



SQUARE FOOTAGE

5,000

LEASE EXPIRATION

01/2014

Rue 21 is a specialty retailer focused on apparel for young men and women between the ages of 11-17. Apparel products include: graphic t-shirts, denim, dresses, shirts, belts, jewelry, handbags, and fragrances. The company sells several lines of their own brands through their network of over 600 retail stores in 44 states. According to Ford Equity Research, Rue 21 has posted positive earnings for five consecutive quarters with acceleration in quarterly growth rates.

Rue 21 (NASDAQ: RUE)
S&P Rating: NA
Headquarters: Warrendale, PA
Store Locations: 638

Year Founded: 1987
Employees: 1,800
www.rue21.com



SQUARE FOOTAGE

1,804

LEASE EXPIRATION

09/2016

Founded in 1984, Papa John's is an international Pizza chain which operates over 3,600 locations worldwide. Over 2,500 of the locations are in the United States where the company was founded. Of the 3,646 locations, approximately 3,034 are franchised and 612 are corporately owned. Papa John's is widely regarded as the third largest pizza chain in the United States behind Pizza Hut and Domino's. Over recent years, Papa John's has shown steady growth and increased revenue. Their commitment to quality ingredients and customer service has been their formula for success.

Papa John's International Inc. (NASDAQ: PZZA)
S&P Rating: NA
Headquarters: Louisville, KY
Store Locations: 3,646

Year Founded: 1984
Employees: 16,000
2011 Revenue: \$1.13B
www.papajohns.com

TENANT SUMMARY



SQUARE FOOTAGE
4,000

LEASE EXPIRATION
09/2015

GameStop Corp is the world's largest retailer of video game and PC game products. The company sells games and game accessories in addition to running Game Informer Magazine the world's largest publication for video games. Gamestop operates over 6,600 locations in the U.S., Canada, Australia, and Europe under the names Gamestop, EB Games, and Micromania. Gamestop has beaten the market in their industry and shown consistent growth over the past several years. According to S&P, Gamestop has posted a 3 year growth rate (FY '08 – FY '11) of 11%. The S&P growth rate for the Computer and Electronics Retail sub-sector was approximately 8% over this time period.

GameStop Corp. (NYSE: GME)
S&P Rating: NA
Headquarters: Grapevine, TX
Store Locations: 6,670

Year Founded: 1994
Employees: 68,000
2011 Revenue: \$9.47B
www.gamestop.com



SQUARE FOOTAGE
2,100

LEASE EXPIRATION
08/2015

Originally founded in 1899, Radio Shack engages in the retail sale of consumer electronics and services through their retail store and non-Radio Shack operated kiosk network. The company operates throughout U.S., Puerto Rico, and the U.S. Virgin Islands. Their store locations carry a variety of named brand and Radio Shack brand electronic products. Their kiosk products are often found inside kiosk stations located in Target retail stores. Radio Shack also provides consumers access to third-party wireless telephone services. Radio Shack currently holds an S&P credit rating of B+.

Radio Shack Corp. (NYSE: RSH)
S&P Rating: B+
Headquarters: Fort Worth, TX
Store Locations: 4,476

Year Founded: 1899
Employees: 34,000
2011 Revenue: \$4.37B
www.radioshack.com

TENANT SUMMARY



SQUARE FOOTAGE

1,520

LEASE EXPIRATION

05/2015

Advance America, Cash Advance Centers, Inc. provides cash advance services throughout the U.S., U.K., and Canada. The company franchises stores abroad, but does not franchise any of its 2,767 centers (33 states) in the U.S. The company's core focus is with providing unsecured short term loans which are typically required to be paid off out of the customer's next pay check. Advance America does not provide any title lending or pawn services. The typical Advance America customer is a middle-income working individual looking for an advance on their next paycheck. Advance America typically operates out of retail shopping centers in middle-income demographic areas.

Advance America, Cash Advance Centers, Inc. (NYSE:AEA)
S&P Rating: NA
Headquarters: Spartanburg, SC
Store Locations: 2,790

Year Founded: 1997
Employees: 5,800
2011 Revenue: \$625M (estimate)
www.advanceamerica.net



SQUARE FOOTAGE

1,443

LEASE EXPIRATION

06/2013

Heights Finance is a privately held lending corporation providing consumer loans and services for items such as: Tuition Money, Bill Consolidation, Establishing Credit, Extra Cash, Personal Loans, Auto Loans, Home Improvement Loans, and Refinancing. Founded in 1992, the company operates 87 locations across the following six states: Kentucky, Tennessee, Missouri, Indiana, Illinois, and Wisconsin.

Heights Finance Corporation (Private)
S&P Rating: NA
Headquarters: Peoria, IL
Store Locations: 87

Year Founded: 1992
Employees: NA
2011 Revenue: NA
www.heightsfinance.com

TENANT SUMMARY



SQUARE FOOTAGE

1,600

LEASE EXPIRATION

04/2015

Originally founded in 1907, United Parcel Service, Inc. (UPS) is the world's largest express and package delivery company. The company delivers more than 15 million packages per day throughout over 220 countries and territories around the world. Domestic package delivery services accounted for approximately 60% of UPS' revenues in 2011. It is estimated that as much as 85% of the 15 million packages per day are shipped by the company's ground delivery service. UPS has posted three straight years of positive revenue and net income. With an S&P Credit Rating of AA-, UPS has been widely regarded as one of the most financially sound originations in America.

United Parcel Service (UPS) (NYSE: UPS)
S&P Rating: AA+
Headquarters: Atlanta, GA
Store Locations: 4,323 (UPS Store Locations)

Year Founded: 1907
Employees: 250,000
2011 Revenue: \$53.10B
www.ups.com



SQUARE FOOTAGE

2,500

LEASE EXPIRATION

09/2013

Bank of Cadiz operates five locations throughout the greater Cadiz, KY area. The bank was originally chartered in 1970. The bank is estimated to hold over \$100 Million in assets. According to www.depositaccounts.com, the bank has an overall institution health score of 5 out of 5 with a Texas Ratio of only 1.72%.

Bank of Cadiz & Trust Co. (Private)
S&P Rating: NA
Headquarters: Cadiz, KY
Store Locations: 5

Year Founded: 1970
Employees: 35
Total Assets: \$104.59M (2011)
www.bankofcadiz.com

TENANT SUMMARY



Nick's Family Sports Bar is a local favorite hangout before Murray State University Games. There are plenty of menu options, including appetizers, beers and pizza.

www.nicksmurray.com

SQUARE FOOTAGE

6,920

LEASE EXPIRATION

08/2013

02 TENANT OVERVIEW

RENT ROLL

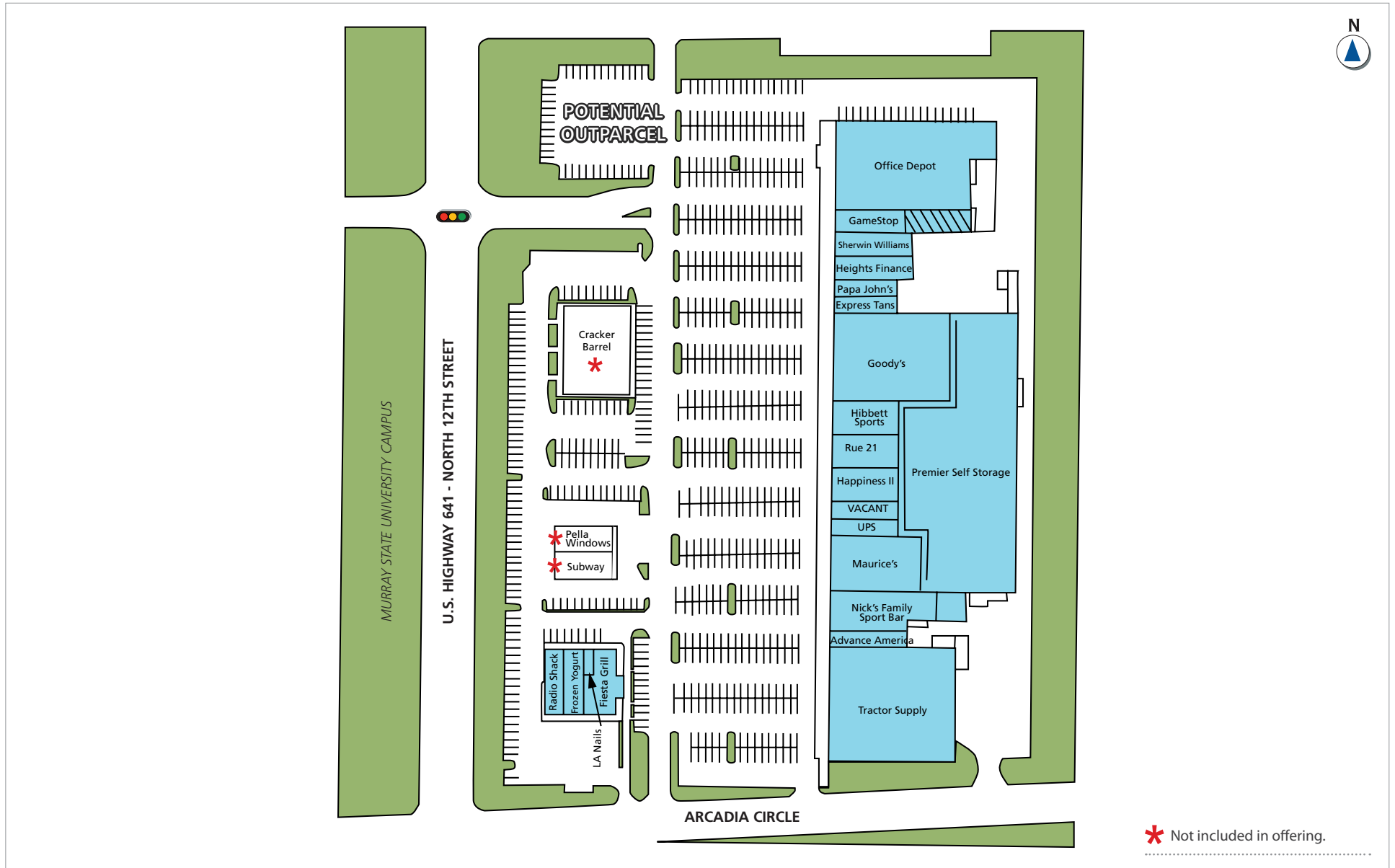
TENANT NAME TYPE & SUITE NUMBER LEASE DATES & TERM	FLOOR SF BLDG SHARE	RATE & AMOUNT PER YEAR PER MONTH	CHANGES ON	CHANGES TO	CPI & CURRENT PORTERS' WAGE MISCELLANEOUS	MONTHS TO ABATE	PCNT TO ABATE	DESCRIPTION OF OPERATING EXPENSE REIMBURSEMENTS	IMPRVMNTS RATE AMOUNT	COMMSSNS RATE AMOUNT	ASSUMPTION ABOUT SUBSEQUENT TERMS FOR THIS TENANT	COMMENTS
Office Depot Retail, Suite: A Jun-2000 to Sep-2015 184 Months	21,179 13.29%	\$5.19 \$110,000 \$0.43 \$9,167	Oct-2013	\$5.67				Office Depot Reimbursement			Market Anchor >10K SF	Space is 21,179 SF, but reimbursements are calculated with 20,000 SF as floor area for tenant. Pro-rata share is 16.94% and has been calculated as such in model.
Sherwin-Williams Retail, Suite: B Jul-2001 to Jun-2014 156 Months	4,900 3.08%	\$10.35 \$50,712 \$0.86 \$4,226						NNN			Market Shops < 5K SF	Two (2) x Five (5) Year Options. 1st Option at \$4,606/month; 2nd Option at \$5,202/month.
Express Tans Retail, Suite: C Feb-2006 to Feb-2016 121 Months	2,500 1.57%	\$13.00 \$32,496 \$1.08 \$2,708						Full Service: Pays no expense reimbursement.			Market Shops < 5K SF	One (1) x Five (5) Year Option at \$3,125/month. Agreement made with tenant to keep rental rate at \$2,708/month.
Papa Johns Pizza Retail, Suite: D Oct-2001 to Sep-2016 180 Months	1,804 1.13%	\$14.00 \$25,256 \$1.17 \$2,105						NNN			Market Shops < 5K SF	
Gamestop Retail, Suite: E Nov-2010 to Sep-2015 59 Months	4,000 2.51%	\$9.00 \$36,000 \$0.75 \$3,000						Gamestop Reimbursement			Market Shops < 5K SF	Two (2) x Five (5) Year Options. 1st Option at \$3,250/month; 2nd Option at \$3,500/month. Space is 4,000 SF, but part of the space is suited primarily for storage, so owners consider the space to be 2,660 SF for present tenant.
Radio Shack Retail, Suite: F Aug-2000 to Aug-2015 181 Months	2,100 1.32%	\$11.25 \$23,625 \$0.94 \$1,969						NNN			Market Shops < 5K SF	Two (2) x Five (5) Year Options. 1st Option at \$2,056.25/month; 2nd Option at \$2,143.75/month.
Fiesta Grill Retail, Suite: G Jul-2011 to Jul-2016 61 Months	3,240 2.03%	\$14.00 \$45,360 \$1.17 \$3,780	Jul-2013	\$14.43				Full Service: Pays no expense reimbursement.			Market Shops < 5K SF	Two (2) x Five (5) Year Options. 1st Option at \$4,284.50/month for Years 1-2, \$4,712.95/month for Years 3-4, \$5,184.25/month for Year 5; 2nd Option at \$4,948.60/month for Years 1-2, \$5,443.46 for Years 3-4, \$5,987.81 for Year 5.

02 TENANT OVERVIEW

RENT ROLL

TENANT NAME TYPE & SUITE NUMBER LEASE DATES & TERM	FLOOR SF BLDG SHARE	RATE & AMOUNT PER YEAR PER MONTH	CHANGES ON	CHANGES TO	CPI & CURRENT PORTERS' WAGE MISCELLANEOUS	MONTHS TO ABATE	PCNT TO ABATE	DESCRIPTION OF OPERATING EXPENSE REIMBURSEMENTS	IMPRVMTS RATE AMOUNT	COMMSNS RATE AMOUNT	ASSUMPTION ABOUT SUBSEQUENT TERMS FOR THIS TENANT	COMMENTS
Advance America Retail, Suite: H May-2000 to May-2015 181 Months	1,520 0.95%	\$11.84 \$18,000 \$0.99 \$1,500						NNN			Market Shops < 5K SF	One (1) x Three (3) Year Option at \$1,550/month.
Hibbett Sports Retail, Suite: I Jul-2000 to Jan-2014 163 Months	5,000 3.14%	\$9.50 \$47,500 \$0.79 \$3,958						NNN			Market Jr. Anchor (5K - 10K SF)	Two (2) x Five (5) Year Options. 1st Option at \$4,375/month; 2nd Option at \$4,791.67/month.
Heights Finance Retail, Suite: J Jul-2003 to Jun-2013 120 Months	1,449 0.91%	\$13.75 \$19,920 \$1.15 \$1,660						Heights Finance Reimbursement			Market Shops < 5K SF	One (1) x Three (3) Year Option at \$1,743/month.
Nicks Family Sports Bar Retail, Suite: K Dec-2003 to Aug-2013 117 Months	6,920 4.34%	\$9.82 \$67,926 \$0.82 \$5,660						NNN			Market Jr. Anchor (5K - 10K SF)	
UPS Retail, Suite: L May-2004 to Apr-2015 132 Months	1,600 1.00%	\$17.77 \$28,428 \$1.48 \$2,369						Full Service: Pays no expense reimbursement.			Market Shops < 5K SF	Three (3) x Five (5) Year Options. Option rent calculated utilizing CPI over prior term.
Vacant Retail, Suite: M Sep-2012 to Aug-2017 60 Months	3,000 1.88%	\$12.00 \$36,000 \$1.00 \$3,000	Sep-2013	\$12.24				NNN	\$5.00	\$4.00 6.41% \$12,000	Market Shops < 5K SF	
Happiness II Retail, Suite: N Jun-2012 to Sep-2014 28 Months	5,000 3.14%	\$10.80 \$54,000 \$0.90 \$4,500						Full Service: Pays no expense reimbursement.			Market Jr. Anchor (5K - 10K SF)	
Strawberry Frozen Yogurt Retail, Suite: O Jun-2012 to Aug-2015 39 Months	1,800 1.13%	\$11.33 \$20,400 \$0.94 \$1,700						Full Service: Pays no expense reimbursement.			Market Shops < 5K SF	One (1) x Five (5) Year Option at \$1,850/month.

SITE PLAN



* Not included in offering.

03

MARKET OVERVIEW

- Murray, Kentucky
- Detailed Demographics

MURRAY, KENTUCKY

Murray, Kentucky is located in Calloway County along the Southwestern part of Kentucky near the Kentucky-Tennessee border. According to the 2010 census, Murray, KY has a population of 17,741 with a metropolitan area population of 37,191.

The local economy in Murray, KY is primarily driven by two major segments: college students (Murray State University) and retirees relocating to the area.

College Students in Murray, KY (Murray State University)

Murray State University (MSU) is a four year public university located in Murray, Kentucky. The school was originally established in 1922 and currently has a student enrollment of over 10,000 students with another 1,200 faculty and staff. Of the 10,000 students, over 8,000 are full time undergraduate students. The school offers over 10 associate, 60 bachelor, and 40 masters programs. In addition to majors and minors commonly found in public universities, MSU differentiates itself by offering a wide range of specialties that are not commonly found at similar institutions; these programs include: Engineering Physics, Pre-Veterinary, Equine Science, Occupational Safety and Health. MSU has over 60,000 living alumni with an annual endowment of approximately \$28 million. MSU also offers 17 varsity athletics programs including baseball, football, riflning and a top rated men’s basketball program.

MSU has also been recognized nationally by a number of the top college ranking agencies such as *U.S. News* and *Forbes*. Recently, MSU was

recognized by *U.S. News* as a top tier institution for the Southern region for an unprecedented 20th straight year. No other institution in Kentucky has received this honor consistently over the past 20 years. In 2009, MSU was ranked 10th in the nation for public institutions in the overall rating category by *U.S. News*.

Relocating Retirees in Murray, KY

In recent years, Murray has become a popular destination for retirees in the region due to the low cost of living, favorable climate, and the proximity to larger markets. With access to Interstate 24 Murray is just a short drive from Nashville, St. Louis, Louisville, and Memphis. Murray, KY is also located within a day’s drive of 60% of the nation’s population. In 2007, *Where to Retire Magazine* featured Murray in a cover story as a “low cost haven”. Murray’s low property taxes and home prices have attracted retirees from across the region. In 2008, the average price for a new home in Murray was only \$125,050. Murray was also recognized in 2008 by *Back Home in Kentucky* magazine as one of the top retirement communities in Kentucky. Murray’s favorable climate allows residents to partake in a number of outdoor activities throughout the year and the friendly “small town” atmosphere is a welcoming place for new residents looking to settle down.



MURRAY STATE UNIVERSITY ENROLLMENT FACTS

Undergraduate	8,664
Graduate	1,959
	10,623

ENROLLMENT DEMOGRAPHICS - FALL 2011

Average High School GPA:	3.30
Freshmen in Residential Housing:	78%
Total Female/Male Enrollment (%):	60/40
Total International Enrollment:	583
Undergrad Student/Faculty Ratio:	15 to 1
Average Age:	22 Years

DETAILED DEMOGRAPHICS

DEMOGRAPHICS	1 MILE	3 MILES	5 MILES
2011 Population	18,555	29,296	33,887
2016 Projected Population	8,343	19,416	24,110
2000 Census Population	7,582	17,320	21,573
1990 Census Population	7,842	16,254	19,842
Growth 2000 - 2011	7.40%	9.03%	8.82%
Growth 2011 - 2016	2.46%	2.82%	2.71%
2011 Median Age	23.38	29.12	31.02
Total Employees	3,810	8,989	11,295
2011 Households	2,185	6,311	8,388
2016 Projected Households	2,237	6,486	8,598
2000 Census Households	2,165	6,211	8,311
1990 Census Households	2,043	5,327	7,120
Growth 2000 - 2011	2.38%	2.77%	2.50%
Growth 2011 - 2016	0.92%	1.61%	0.93%
2011 Average Household Size	1.93	2.03	2.10
2011 Median Household Income	\$24,055	\$30,610	\$32,371
2011 Average Household Income	\$35,953	\$43,338	\$44,733
2011 Per Capita Income	\$14,237	\$16,140	\$16,440
2011 Housing Units	2,886	7,928	9,841
2011 Owner Occupied Units	33.40%	49.52%	55.14%
2011 Renter Occupied Units	66.60%	50.48%	44.87%
2011 Estimated Per Capita Income	\$19,423	\$19,424	\$22,390
2011 Estimated Housing Units	1,829	16,952	34,185
2011 Estimated Occupied Units	90.20%	87.90%	88.80%
2011 Estimated Vacant Units	9.80%	12.00%	11.20%
2011 Estimated Owner Occupied Units	58.90%	54.00%	54.00%
2011 Estimated Renter Occupied Units	31.30%	33.90%	34.80%

STUDENT POPULATION ▲

Total population within the 1-mile radius equals 18,555. There are currently 10,412 student enrolled at Murray State University.

04

FINANCIAL OVERVIEW

- Executive Summary
- Summary of Financial Assumptions
- Cash Flow Projections
- Existing Lease Expirations
- In-Place Income Reconciliation

EXECUTIVE SUMMARY

PROPERTY DESCRIPTION

Property Address:	610 N 12th Street, Murray, KY 42071
Size of Improvements:	159,192 SF
Occupancy as of May 22, 2012:	98.12%

ACQUISITION AND RESIDUAL SUMMARY

Purchase Price as of July 1, 2012	\$11,433,000
Price Per Square Foot	\$71.82
All Cash IRR	10.54%
Initial Capitalization Rate	8.92%
In-Place Capitalization Rate	8.75%
Cash-on-Cash Return	8.48%
Five Year Average Cash-on-Cash Return	8.37%
Net Residual Value as of June 30, 2022	\$14,901,403
Residual Capitalization Rate	8.75%
Residual Cost of Sale	2.00%

LEVERAGE SUMMARY [1]

Interest Rate	5.50%
Amortization Period	30 Years
Loan-To-Value Ratio	62.90%
Loan Fee	1.00%
Debt Coverage Ratio	1.87
Loan Constant	7.58%
Purchase Price as of July 1, 2012	\$11,433,314
Loan Principal	(7,191,555)
Loan Fee	71,916
Equity Requirement (38%)	\$4,313,675
Leveraged IRR	14.84%
Cash-on-Cash Return	9.83%
Five Year Average Cash-on-Cash Return	9.56%

General Property Notes

[1] Leveraged analysis is based on existing assumable financing.

SUMMARY OF FINANCIAL ASSUMPTIONS

GLOBAL

Analysis Period	
Commencement Date	July 1, 2012
End Date	June 30, 2022
Term	10 Years
Area Measures	
Building Square Footage (RSF)	159,192 SF
Consumer Price Index (CPI)	2.00%
Vacancy Loss [1]	5.00%

REVENUE ASSUMPTIONS

Market Rent Growth	
2013 - 0.00%	2018 - 3.00%
2014 - 2.00%	2019 - 3.00%
2015 - 2.00%	2020 - 3.00%
2016 - 3.00%	2021 - 3.00%
2017 - 3.00%	2022 - 3.00%

EXPENSE ASSUMPTIONS

Growth Rates	
Operating Expenses	2.00%
Capital Reserves	2.00%
Property Taxes	2.00%
Property Taxes Reassessed	No
Management Fee (% of EGR)	3.50%
Operating Expense Source [2]	CY 2011 P&L
2011 Capital Reserves	\$0.15 PSF

MARKET LEASING - 2ND GENERATION

Retention Ratio	75%
Lease Term	
Anchor (>10,000 SF)	6 Years
Jr. Anchor (5,000 - 10,000 SF)	6 Years
Shops (< 5,000 SF)	4 Years
Storage Facility	10 Years
2011 Annual Market Rent	
Anchor (>10,000 SF)	\$6.00 PSF
Jr. Anchor (5,000 - 10,000 SF)	\$8.50 PSF
Shops (< 5,000 SF)	\$12.00 PSF
Storage Facility	\$3.50 PSF
Rent Adjustment	2.00% Annually
Expense Recovery Type	
Anchor, Jr. Anchor, Shops	NNN
Storage Facility	Gross
2012 Tenant Improvements	
New	\$5.00 PSF
Renewal	\$0.00 PSF
Weighted Average - All Suites	\$1.25 PSF
Commissions	
New	\$4.00 PSF
Renewal	\$0.00 PSF
Weighted Average	\$1.00 PSF
Downtime	
Anchor	6 Month(s)
Jr. Anchor, Shops, Storage Facility	4 Month(s)
Weighted Average [3]	1 Month(s)

MARKET LEASING - VACANT LEASE-UP

Total Vacant as of May 22, 2012	3,000 SF
Absorption Period Start Date	July 1, 2012
Absorption Period	3 Month(s)
Lease Term	5 Years
2011 Annual Market Rent	\$12.00 PSF
Rent Adjustment	2.00% Annually
2012 Tenant Improvements	\$5.00 PSF
Commissions	\$4.00 PSF

General Property Notes

[1] A vacancy loss of 5.00% has been assumed for this analysis; Advance America, Gamestop, Goody's, Hibbett Sports, Maurices, Inc., Office Depot, Papa Johns Pizza, Radio Shack, Rue 21, Sherwin-Williams, Tractor Supply, and UPS have been excluded.

[2] Operating Expenses are based on CY 2011 operating expenses. All entered expenses are expected to grow at 2.00% annually for the first three years of the holding period, and increase to 2.50% for the duration of the holding period.

[3] The weighted average downtime has been rounded to the nearest whole month.

*Please note that reimbursement calculations for the pertinent retail tenants are made with a GLA of 118,133 SF rather than the 159,192 SF listed above. The 41,059 SF that is not counted in the 118,133 SF figure is comprised of the Premier Storage space (38,540 SF) and portions of the Gamestop (1,340 SF - Storage) and Office Depot (1,179 SF) spaces.

CASH FLOW PROJECTIONS

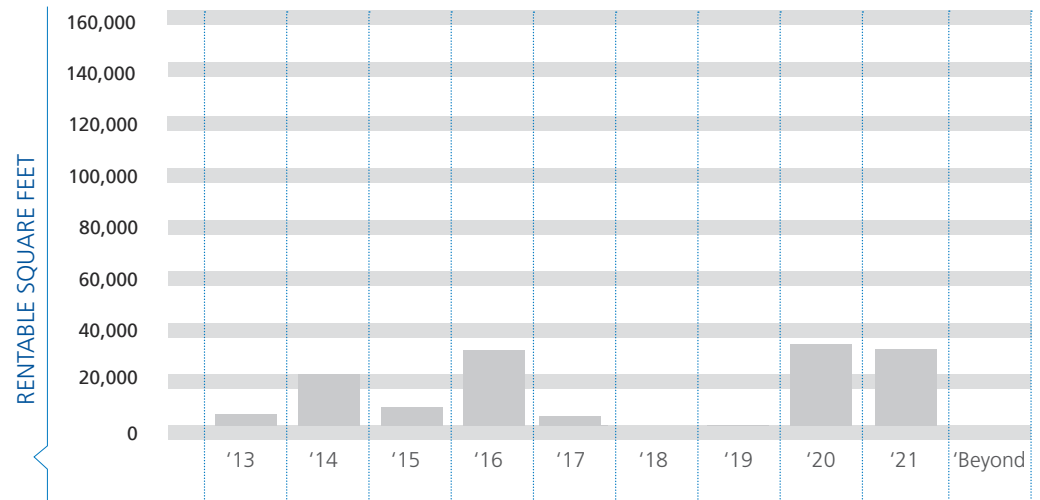
FISCAL YEAR ENDING - JUNE 30		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	FY 2013											
	\$/SF/YR											
Potential Gross Revenue												
Base Rental Revenue	\$7.15	\$1,138,333	\$1,127,894	\$1,115,027	\$1,135,094	\$1,142,103	\$1,156,962	\$1,174,595	\$1,212,739	\$1,301,405	\$1,343,887	\$1,380,201
Absorption & Turnover Vacancy	(0.04)	(6,000)	(15,935)	(11,793)	(33,532)	(9,200)	(7,669)	(7,390)	(76,576)	(24,698)	(34,944)	(10,802)
Scheduled Base Rental Revenue	7.11	1,132,333	1,111,959	1,103,234	1,101,562	1,132,903	1,149,293	1,167,205	1,136,163	1,276,707	1,308,943	1,369,399
Expense Recoveries	1.04	165,354	167,756	181,320	211,569	246,520	253,688	259,577	261,522	318,905	320,005	337,328
Total Potential Gross Revenue	8.15	1,297,687	1,279,715	1,284,554	1,313,131	1,379,423	1,402,981	1,426,782	1,397,685	1,595,612	1,628,948	1,706,727
Vacancy Loss	(0.10)	(15,446)	(12,323)	(17,248)	(15,805)	(17,331)	(13,444)	(21,424)	(11,113)	(1,909)	(16,833)	(26,024)
Effective Gross Revenue	8.05	1,282,241	1,267,392	1,267,306	1,297,326	1,362,092	1,389,537	1,405,358	1,386,572	1,593,703	1,612,115	1,680,703
Operating Expenses												
Disposal Service	(0.08)	(12,742)	(12,997)	(13,257)	(13,522)	(13,860)	(14,207)	(14,562)	(14,926)	(15,299)	(15,681)	(16,073)
Roof Repairs	(0.00)	(739)	(754)	(769)	(785)	(804)	(824)	(845)	(866)	(888)	(910)	(933)
HVAC Repairs	(0.03)	(5,074)	(5,175)	(5,279)	(5,384)	(5,519)	(5,657)	(5,798)	(5,943)	(6,092)	(6,244)	(6,400)
Plumbing Repairs	(0.01)	(2,054)	(2,095)	(2,137)	(2,180)	(2,234)	(2,290)	(2,347)	(2,406)	(2,466)	(2,528)	(2,591)
Common Area Maint.	(0.01)	(1,001)	(1,021)	(1,041)	(1,062)	(1,088)	(1,116)	(1,144)	(1,172)	(1,201)	(1,232)	(1,262)
Common Area Repairs	(0.22)	(35,156)	(35,859)	(36,577)	(37,308)	(38,241)	(39,197)	(40,177)	(41,181)	(42,211)	(43,266)	(44,348)
Lawn & Landscaping	(0.03)	(5,281)	(5,387)	(5,494)	(5,604)	(5,744)	(5,888)	(6,035)	(6,186)	(6,341)	(6,499)	(6,662)
Parking Lot Sweeping	(0.07)	(10,680)	(10,894)	(11,111)	(11,334)	(11,617)	(11,907)	(12,205)	(12,510)	(12,823)	(13,144)	(13,472)
Parking Lot Patching	(0.01)	(1,540)	(1,570)	(1,602)	(1,634)	(1,675)	(1,717)	(1,760)	(1,804)	(1,849)	(1,895)	(1,942)
Snow and Ice Removal	(0.03)	(4,434)	(4,522)	(4,613)	(4,705)	(4,823)	(4,943)	(5,067)	(5,193)	(5,323)	(5,456)	(5,593)
Lighting Repairs	(0.00)	(506)	(516)	(526)	(537)	(550)	(564)	(578)	(592)	(607)	(622)	(638)
Parking Lot Restriping	(0.00)	(730)	(745)	(760)	(775)	(794)	(814)	(834)	(855)	(877)	(899)	(921)
Supplies	(0.00)	(126)	(129)	(132)	(134)	(138)	(141)	(145)	(148)	(152)	(156)	(160)
Pest Control	(0.01)	(1,830)	(1,867)	(1,904)	(1,942)	(1,991)	(2,040)	(2,091)	(2,144)	(2,197)	(2,252)	(2,308)
Utilities	(0.32)	(51,674)	(52,707)	(53,761)	(54,837)	(56,208)	(57,613)	(59,053)	(60,529)	(62,043)	(63,594)	(65,183)
Property Taxes	(0.29)	(45,969)	(46,888)	(47,826)	(48,782)	(50,002)	(51,252)	(52,533)	(53,846)	(55,193)	(56,572)	(57,987)
Property Insurance	(0.13)	(20,467)	(20,876)	(21,294)	(21,720)	(22,263)	(22,819)	(23,390)	(23,975)	(24,574)	(25,188)	(25,818)
Liability Insurance	(0.06)	(8,799)	(8,975)	(9,154)	(9,338)	(9,571)	(9,810)	(10,056)	(10,307)	(10,565)	(10,829)	(11,099)
Property Management	(0.28)	(44,878)	(44,359)	(44,356)	(45,406)	(47,673)	(48,634)	(49,188)	(48,530)	(55,780)	(56,424)	(58,825)
Administration	(0.05)	(8,364)	(8,531)	(8,702)	(8,876)	(9,098)	(9,325)	(9,558)	(9,797)	(10,042)	(10,293)	(10,551)
Total Operating Expenses	(1.65)	(262,044)	(265,867)	(270,295)	(275,865)	(283,893)	(290,758)	(297,366)	(302,910)	(316,523)	(323,684)	(332,766)
Net Operating Income	6.41	1,020,197	1,001,525	997,011	1,021,461	1,078,199	1,098,779	1,107,992	1,083,662	1,277,180	1,288,431	1,347,937

CASH FLOW PROJECTIONS, CONT'D.

FISCAL YEAR ENDING - JUNE 30		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Leasing And Capital Costs												
Tenant Improvements	(0.09)	(15,000)	(26,608)	(14,956)	(43,906)	(14,469)	(9,590)	(6,898)	(103,281)	(72,107)	(42,021)	(15,085)
Leasing Commissions	(0.08)	(12,000)	(21,286)	(11,965)	(35,125)	(11,576)	(7,672)	(5,518)	(82,625)	(57,686)	(33,616)	(12,068)
Capital Reserves	(0.15)	(23,879)	(24,356)	(24,844)	(25,340)	(25,847)	(26,364)	(26,891)	(27,429)	(27,978)	(28,537)	(29,108)
Operating Cash Flow	6.09	969,318	929,275	945,246	917,090	1,026,307	1,055,153	1,068,685	870,327	1,119,409	1,184,257	1,291,676
Acquisition/Residual												
Acquisition Cost	(11,433,314)	0	0	0	0	0	0	0	0	0	0	All Cash
Net Residual Value	0	0	0	0	0	0	0	0	0	0	14,901,403	IRR
Cash Flow Before Debt	(11,433,314)	969,318	929,275	945,246	917,090	1,026,307	1,055,153	1,068,685	870,327	1,119,409	16,085,660	10.56%
Financing												
Principal	7,191,555	0	0	0	0	0	0	0	0	0	(6,603,289)	Leveraged
Loan Fees & Debt Service	(71,916)	(545,078)	(545,078)	(545,078)	(545,078)	(545,078)	(545,078)	(545,078)	(545,078)	(545,078)	(545,078)	IRR
Cash Flow After Debt	(\$4,313,675)	\$424,240	\$384,197	\$400,168	\$372,012	\$481,229	\$510,075	\$523,607	\$325,249	\$574,331	\$8,937,292	14.90%
All Cash Summary												
Cash-on-Cash Return		8.48%	8.13%	8.27%	8.02%	8.98%	9.23%	9.35%	7.61%	9.79%	10.36%	
Cash-on-Cash Return (Cumulative Average)		8.48%	8.30%	8.29%	8.22%	8.37%	8.52%	8.64%	8.51%	8.65%	8.82%	
Leverage Summary												
Leveraged Cash-on-Cash Return		9.83%	8.91%	9.28%	8.62%	11.16%	11.82%	12.14%	7.54%	13.31%	14.82%	
Leveraged Cash-on-Cash Return (Cumulative Average)		9.83%	9.37%	9.34%	9.16%	9.56%	9.94%	10.25%	9.91%	10.29%	10.74%	
Debt Coverage Ratio		1.87	1.84	1.83	1.87	1.98	2.02	2.03	1.99	2.34	2.36	

EXISTING LEASE EXPIRATIONS

FISCAL YEAR	NUMBER OF SUITES	RENTABLE SQUARE FEET EXPIRING	ANNUAL [1]	CUMULATIVE [1]
2013	1	1,449	0.91%	0.91%
2014	5	24,320	15.26%	16.17%
2015	4	10,072	6.32%	22.49%
2016	6	35,429	22.23%	44.73%
2017	2	5,044	3.17%	47.89%
2018	0	0	0.00%	47.89%
2019	0	0	0.00%	47.89%
2020	2	41,490	26.04%	73.93%
2021	1	38,540	24.19%	98.12%
Beyond	0	0	0.00%	98.12%
Subtotal	21	156,192	98.12%	98.12%
Vacant	1	3,000	1.88%	100.00%
TOTAL	22	159,192	100.00%	100.00%



[1] Based on 159,192 Square Feet.

04 FINANCIAL OVERVIEW

IN-PLACE INCOME RECONCILIATION (Fiscal Year Ending June 30)

TENANT	SQUARE FEET	LEASE COMMENCEMENT	LEASE TERMINATION	2013 BASE RENT PSF	2013 BASE RENT	2013 OPER. EXP RECOVERIES	2013 GROSS RENT
Office Depot	21,179	6/00	9/15	\$5.19	\$110,000	\$20,469	\$130,469
Sherwin-Williams	4,900	7/01	6/14	10.35	50,712	10,844	61,556
Express Tans	2,500	2/06	2/16	13.00	32,496	0	32,496
Papa Johns Pizza	1,804	10/01	9/16	14.00	25,256	3,993	29,249
Gamestop	4,000	11/10	9/15	9.00	36,000	7,072	43,072
Radio Shack	2,100	8/00	8/15	11.25	23,625	4,648	28,273
Fiesta Grill	3,240	7/11	7/16	14.00	45,360	0	45,360
Advance America	1,520	5/00	5/15	11.84	18,000	3,364	21,364
Hibbett Sports	5,000	7/00	1/14	9.50	47,500	11,063	58,563
Heights Finance	1,449	7/03	6/13	13.75	19,920	790	20,710
Nicks Family Sports Bar	6,920	12/03	8/13	9.82	67,926	15,313	83,239
UPS	1,600	5/04	4/15	17.77	28,428	0	28,428
Happiness II	5,000	6/12	9/14	10.80	54,000	0	54,000
Strawberry Frozen Yogurt	1,800	6/12	8/15	11.33	20,400	0	20,400
LA Nails	650	6/06	5/16	16.62	10,800	0	10,800
Maurices, Inc.	5,000	5/06	6/16	9.45	47,250	11,063	58,313
Rue 21	5,000	6/08	1/14	13.50	67,500	11,063	78,563
Bank of Cadiz	2,500	10/07	9/13	10.56	26,400	5,533	31,933
Tractor Supply	24,490	4/10	3/20	6.60	161,640	54,194	215,834
Goody's	17,000	6/09	1/20	5.50	93,500	0	93,500
Premier Mini Storage	38,540	9/00	8/20	3.00	115,620	0	115,620
	156,192				\$1,102,333	\$159,409	\$1,261,742
Vacant	3,000						
Total Square Footage	159,192						
							Other Income 0
							Effective Gross Income \$1,261,742
							Total Expenses (\$261,327)
							Net Operating Income \$1,000,415

IN-PLACE INCOME RECONCILIATION, CONT'D.
(Fiscal Year Ending June 30)

EXPENSES	
Disposal Service	(12,742)
Roof Repairs	(739)
HVAC Repairs	(5,074)
Plumbing Repairs	(2,054)
Common Area Maint.	(1,001)
Common Area Repairs	(35,156)
Lawn & Landscaping	(5,281)
Parking Lot Sweeping	(10,680)
Parking Lot Patching	(1,540)
Snow and Ice Removal	(4,434)
Lighting Repairs	(506)
Parking Lot Restriping	(730)
Supplies	(126)
Pest Control	(1,830)
Utilities	(51,674)
Property Taxes	(45,969)
Property Insurance	(20,467)
Liability Insurance	(8,799)
Property Management	(44,161)
Administration	(8,364)
Total Expenses	(\$261,327)



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