

Ackerman & Co.



OFFERING MEMORANDUM

Net Leased Walgreens

301 N. Tyndall Parkway
Panama City, Florida 32404

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 Walgreens (the "Property") located in Panama City, Florida. 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.

By acknowledgment of your receipt of the Offering Memorandum you agree that the Offering Memorandum and its contents are confidential, that you will hold and treat it in the strictest of confidence, that you will not directly or indirectly disclose, or permit anyone else to disclose, the Offering Memorandum or its contents to any other person, firm, or entity (including, without limitation, any principal for whom you have been engaged), without prior written authorization of Owner or Broker and that you will not use or permit to be used the Offering Memorandum or its contents to be copied or used in any fashion or

manner detrimental to the interest of Owner. Photocopy or other duplication is strictly prohibited.

THE OFFERING MEMORANDUM SHALL NOT BE DEEMED TO REPRESENT THAT STATE OF AFFAIRS OF THE PROPERTY OR CONSTITUTE AN INDICATION THAT THERE HAS BEEN NO CHANGE IN THE BUSINESS OR AFFAIRS OF THE PROPERTY SINCE THE DATE OF PREPARATION OF THE OFFERING MEMORANDUM.

The information provided in the Offering Memorandum has been gathered from sources that are deemed reliable, but the Broker does not warrant or represent that the information is true or correct. Prospective offerors are advised to verify information independently. The Offering Memorandum is not to be construed as an offer or as any part of a contract to sell the property.

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 Aerials
- Property Overview

02 TENANT OVERVIEW

- Tenant Overview
- Site Plan

03 MARKET OVERVIEW

- Competitive Property Map
- Detailed Demographics

04 FINANCIAL OVERVIEW

- Cash Flow Projections

CONTACTS

JASON POWELL, CCIM
Vice President, Investment Sales
Ackerman & Co.
770.913.3952
jpowell@ackermanco.net

ANDREW MURPHY
Senior Vice President, Investment Sales
Ackerman & Co.
770.913.3950
amurphy@ackermanco.net

01

EXECUTIVE SUMMARY

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

01 Executive Summary

INVESTMENT SUMMARY

Ackerman & Co's Retail Investment Sales Team is pleased to exclusively present for sale an absolute net-leased Walgreens located in Panama City, Florida. The Walgreens property was built in 2006 and has over 19 years remaining on its initial lease term. The building totals 14,820 SF and provides investors with long term stable cash flow.

In addition to the remaining 19 year term, Walgreens has 10 five-year renewal options. This institutional quality asset is located in the affluent market of Panama City. This asset is fee simple, and is being offered with attractive, assumable, non-recourse debt.

Investment Highlights:

Stable Cash Flow: This asset will provide a long-term, steady cash flow to ownership. As well, there are 10 five-year renewal options upon the term's expiration. That being said, the term for Walgreens will go until May, 31st, 2081, which means there is roughly 70 years of term remaining on the lease.

Excellent Physical Quality / Limiting Managerial Responsibilities:

Recently constructed, this asset will require minimal, if any, capital improvements over the remaining term of the lease. Due to the absolute NNN reimbursement structure, the cost of any capital improvements shall be borne by Walgreens.

Superior Credit Tenant: Walgreens originated in 1901 and presently has 8,046 drugstores in the United States and Puerto Rico. In 2010, Walgreens reported \$67,400,000,000 in gross sales, which is 6.4% greater than calendar year 2009. Currently, Walgreens has a total of 244,000 employees and has an A rating from Standard & Poor's.

Mature Retail Submarket/Quality Demographics: The subject Walgreens is located at 301 N. Tyndall Parkway in Panama City, FL. This area is well known as a primary destination for tourist and visitors on the panhandle in Florida. This area is a maturing market with 45,000 VPD and such retailers as Starbucks, Chick-fil-A, CVS, and Wal-Mart. In addition, the population in a five mile radius is 55,724 and has an expected growth rate over the next five years of roughly 5.00%. In addition, the 2010 estimated household income is roughly \$44,300.

INVESTMENT SUMMARY

Square Footage:	14,820 SF
Acreage:	1.516 acres
Offering Price:	\$4,838,000
Equity Retirement (20%):	\$948,520
Debt (MUST BE ASSUMED):	CMBS, non-recourse
Debt Maturity Date:	12/29/2016
In-place NOI:	\$340,000
Cap Rate:	7.03%
Leveraged Cash-on-Cash (Year 1)	7.50%
Remaining Lease Term:	Approximately 19 years

01 Executive Summary

LOCATION AND DEMOGRAPHICS

The subject Walgreens, located in Panama City, FL, was built in 2006 and is in excellent physical condition. The drug store fronts North Tyndall Parkway, and Wewa Highway and has two points of ingress / egress on the site. The site offers ample parking and good visibility off North Tyndall Parkway. In 2011, total population within 5 miles was 54,085 and average household income within the 5 miles was \$48,978.

DEMOGRAPHIC SUMMARY

	1 MILE	3 MILES	5 MILES
Population 2011	6,754	35,177	54,085
Total Households	2,842	14,402	22,374
Average Household Income	\$44,019	\$48,428	\$48,978



TRAFFIC COUNTS

+ 45,000 VEHICLES PER DAY ON N. TYNDALL PARKWAY
+ 22,500 VEHICLES PER DAY ON WEWHA HIGHWAY

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

01 Executive Summary

PROPERTY AERIAL



01 Executive Summary

PROPERTY AERIAL



01 Executive Summary

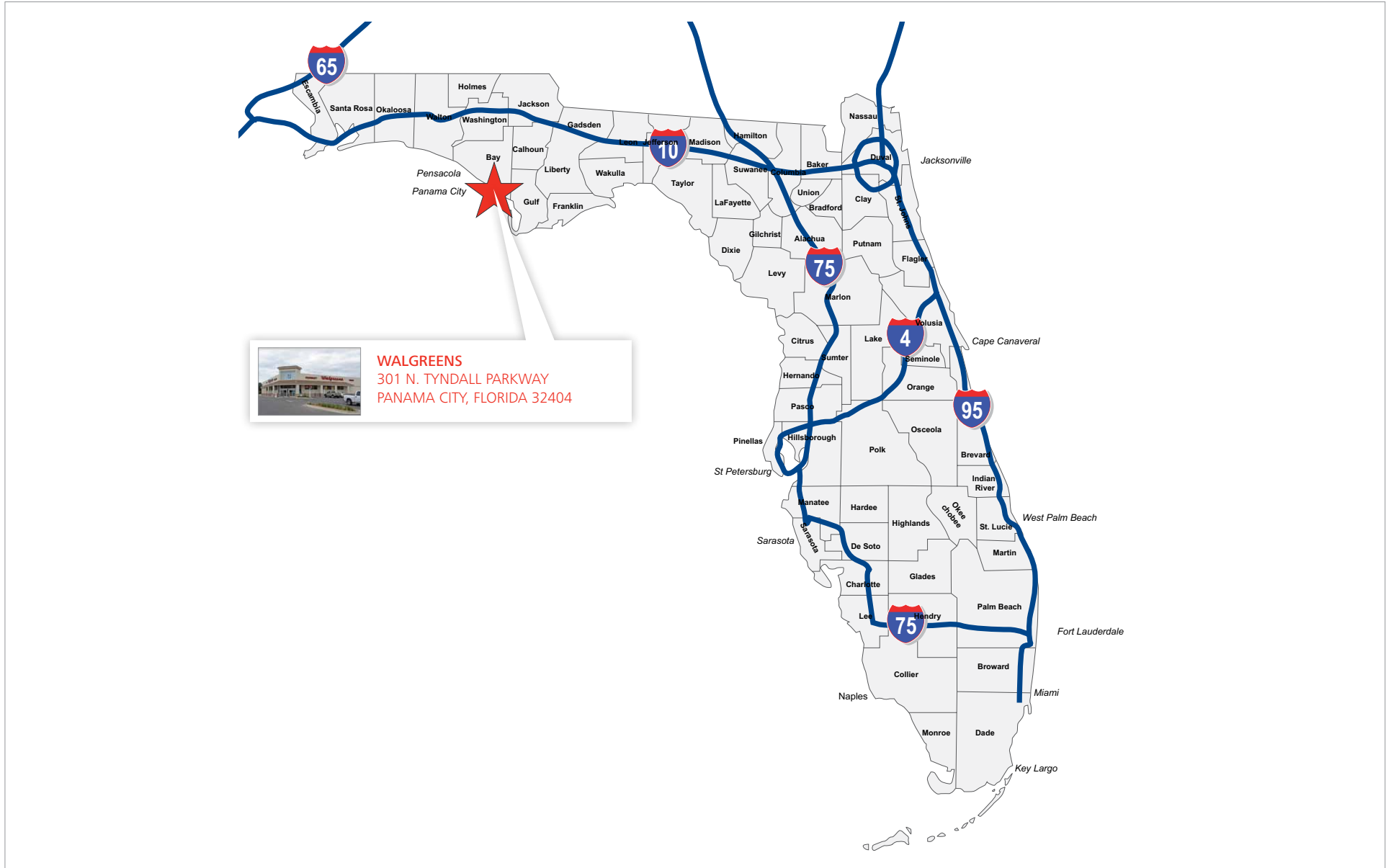
PROPERTY OVERVIEW



Address:	301 N. Tyndall Parkway Panama City, Florida 32404
County:	Bay
Municipality:	City of Panama City
Building Size:	14,820 Square Feet / One-story Building
Land Area	1.516 acres
Year Built:	2006
Construction:	Brick
Zoning:	CG
Parking:	Approximately 63 spaces
Signage:	Pylon sign at the intersection of Wewa Highway and N. Tyndall Parkway
Access:	There are points of ingress/egress via Wewa Hwy and N. Tyndall Pkwy
Store Number:	9619
Drive-through	Yes
Health Center	No
Store Hours	Monday - Sunday, 8 AM - 10 PM

01 Executive Summary

AREA MAP



02

TENANT OVERVIEW

- Tenant Overview
- Site Plan

TENANT SUMMARY



SIZE One-Story Building
SQUARE FOOTAGE 14,820
LEASE EXPIRATION 2031

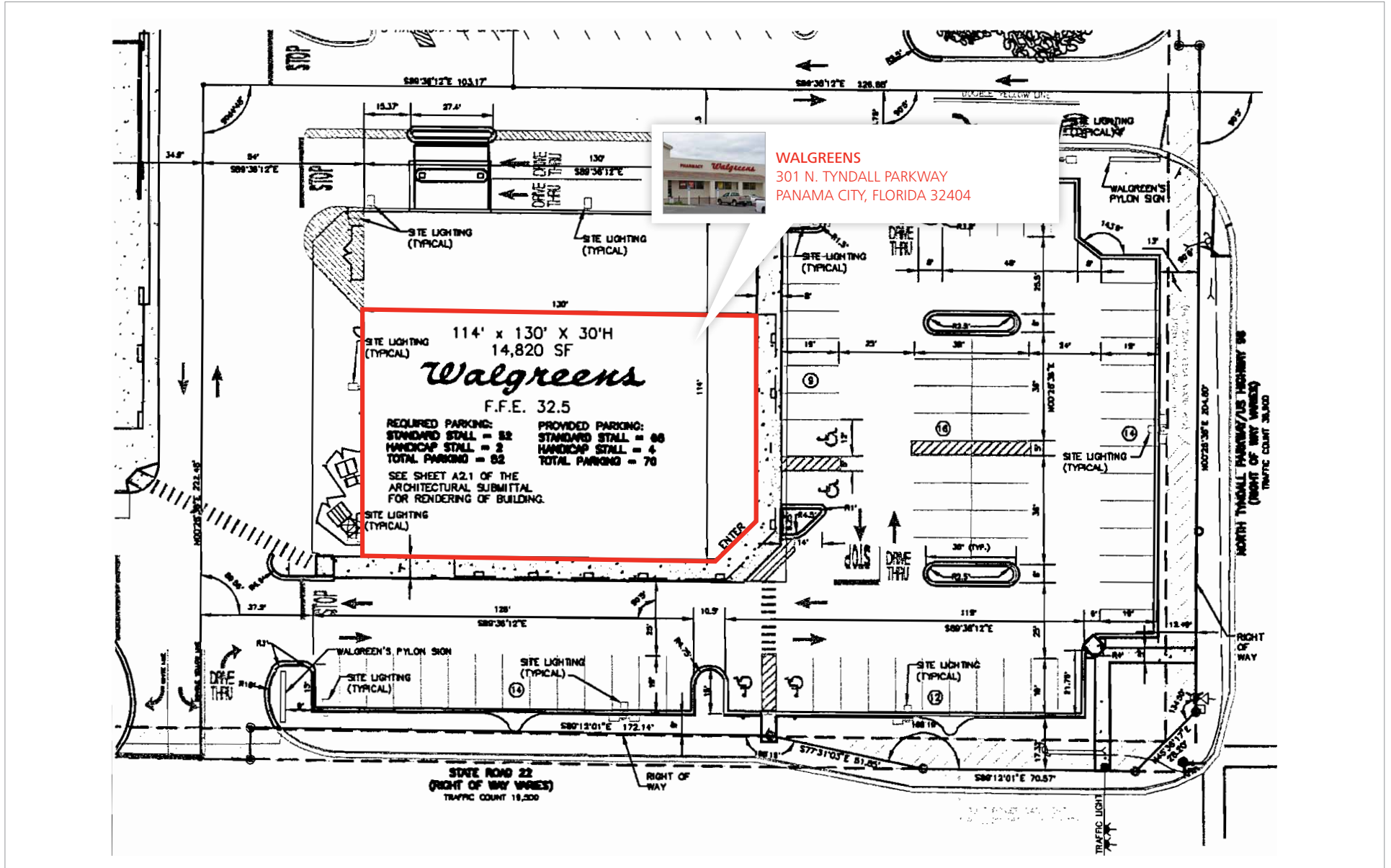
WALGREENS

Founded in 1901, Walgreens currently operates over 8,000 drugstore chains across the United States and Puerto Rico. Walgreens is a national leader in providing prescription and non-prescription drugs and household consumer products. With an S&P credit rating of A, Walgreens is consistently regarded as one of the most financially sound organizations in the United States. Innovations such as store layout remodeling and in-store health centers have allowed Walgreens to consistently outperform its competitors with regard to earnings per share, revenue growth, net income growth, and cash flow from operations. In 2010, Walgreens posted its unprecedented 36th straight year of record sales and earnings. In April of 2010, to increase their presence in New York City, the largest pharmacy market in the United States, Walgreens acquired longtime New York-Based pharmacy chain Duane Reade. The acquisition included 257 drug stores and two distribution centers. In June of 2011, Walgreens again showed their ability to innovate and expand their customer base by acquiring major online pharmacy provider Drugstore.com. Most analysts believe superior operations and customer service will allow Walgreens to continue their domination in the rapidly growing drugstore industry.

Walgreen CO (NYSE: WAG)
S&P Rating: A
Headquarters: Deerfield, IL USA
Store Locations: 8,046
Year Founded: 1901
Employees: 244,000
2010 Revenue: \$67.42 B

www.walgreens.com

SITE PLAN



03

MARKET OVERVIEW

- Competitive Property Survey
- Detailed Demographics

03 Market Overview

COMPETITIVE PROPERTY MAP (1 MILE)



03 Market Overview

DETAILED DEMOGRAPHICS

DEMOGRAPHICS	1 MILE	3 MILES	5 MILES
2011 Population	6,754	35,177	54,085
2016 Projected Population	6,842	35,606	54,870
2000 Census Population	6,770	35,330	53,907
1990 Census Population	6,616	33,345	52,214
Growth 2000 - 2011	1.30%	1.22%	1.45%
Growth 2011 - 2016	-0.24%	-0.43%	0.33%
2011 Median Age	35.10	34.29	35.30
Total Businesses	53	290	483
Total Employees	2,868	14,364	21,611
2011 Households	2,842	14,402	22,374
2016 Projected Households	2,931	14,827	23,081
2000 Census Households	2,744	13,960	21,592
1990 Census Households	2,561	12,665	20,156
Growth 2000 - 2011	3.13%	2.95%	3.16%
Growth 2011 - 2016	3.57%	3.17%	3.62%
2011 Average Household Size	2.38	2.43	2.35
2011 Median Household Income	\$37,586	\$39,570	\$39,125
2011 Average Household Income	\$44,019	\$48,428	\$48,978
2011 Per Capita Income	\$18,530	\$19,852	\$20,441
2011 Housing Units	2,842	14,402	22,374
2011 Owner Occupied Units	57.14%	58.85%	56.66%
2011 Renter Occupied Units	42.86%	41.15%	43.34%

04

FINANCIAL OVERVIEW

• Cash Flow Projections

04 Financial Overview

CASH FLOW PROJECTIONS

YEAR BEGINNING 9/1/2012	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Gross Rental Income	\$340,000	\$340,000	\$340,000	\$340,000	\$340,000	\$340,000	\$340,000	\$340,000	\$340,000	\$340,000	\$340,000	\$340,000	\$340,000
Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Net Operating Income	\$340,000	\$340,000	\$340,000	\$340,000	\$340,000	\$340,000	\$340,000	\$340,000	\$340,000	\$340,000	\$340,000	\$340,000	\$340,000
Cash Flow Before Debt Service	\$340,000	\$340,000	\$340,000	\$340,000	\$340,000	\$340,000	\$340,000	\$340,000	\$340,000	\$340,000	\$340,000	\$340,000	\$340,000
Annual Debt Service	(\$268,861)	(\$268,861)	(\$268,861)	(\$268,861)	(\$268,861)	(\$268,861)	(\$268,861)	(\$268,861)	(\$268,861)	(\$268,861)	(\$268,861)	(\$268,861)	(\$268,861)
Net Cash Flow (b/t)*	\$71,139	\$71,139	\$71,139	\$71,139	\$71,139	\$71,139	\$71,139	\$71,139	\$71,139	\$71,139	\$71,139	\$71,139	\$71,139
Cash On Cash Return (b/t)*	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%

EXISTING DEBT

Loan Origination Date	12/29/2006
Loan Term	10 Years
Amortization	30 Years
Interest Rate	5.56%
Loan Balance (as of 9/1/12)	\$3,889,886
Annual Debt Service (Pin. & Int.)	\$268,861.44
Assumption Fee	1.0% of balance

General Property Notes

[*] This analysis includes the existing debt structure. The analysis assumes this leverage structure continues after the maturity date 12/29/2016.

Ackerman & Co.



FOR MORE INFORMATION, PLEASE CONTACT:

JASON POWELL, CCIM | Vice President, Investment Sales
770.913.3952 jpowell@ackermanco.net

ANDREW MURPHY | Senior Vice President, Investment Sales
770.913.3950 amurphy@ackermanco.net

© 2012 Ackerman & Co. All rights reserved.