



TIC PROPERTY - SAN ANTONIO, TEXAS



Total Purchase Price - \$5,729,350

80% Assumable Loan - \$4,583,500

10715 Bandera Road

San Antonio, TX

This property is considered a “zero-coupon” real estate ownership opportunity as there is an assumable, non-recourse loan already in place and, by design, “zero” cash flow will be produced. Instead, the lease payments go directly to repaying the loan. At the end of the initial lease term you own the property free and clear.



Fractional interests in this property are available for purchase under a Tenants-in Common structure in which each TIC buyer will receive fee simple ownership of this real property. It is specifically designed to meet the debt-replacement needs of individuals involved in a 1031 exchange, offset income from other real estate investments (through passive losses) or simply build value as a high quality commercial real estate investment for those seeking long-term growth who do not have short term cash flow needs.

CVS Caremark has agreed to lease the property for an initial period of 25 years. The tenant has the option to extend the lease for ten consecutive renewal terms of five years each.

CVS is obligated to pay all taxes and assessments with respect to the property and is required to maintain the insurance coverage specified in the lease. CVS is also responsible for the utilities and to maintain and repair the property, including but not limited to the roof, walls, footings, foundation, HVAC, mechanical and electrical equipment and systems in or serving the property, including the structural and non-structural components and systems of the property, parking areas, sidewalks, roadways and landscaping.

Some of the lease specifics are:

Lease guarantor:	CVS Caremark Corporation
Date of lease commencement:	September 1, 2013
Initial term expiration date:	January 31, 2039
Options to extend lease:	Ten 5- year options
Lease type:	Absolute Net Lease (NNN)

CVS Caremark - the largest pharmacy health care provider in the United States.

Through its integrated offerings across the entire spectrum of pharmacy care, CVS is uniquely positioned to provide greater access, to engage plan members in behaviors that improve their health and to lower overall health care costs for health plans, plan sponsors, and their members. CVS Caremark is a market leader in mail order pharmacy, retail pharmacy, specialty pharmacy, retail clinics and is a leading provider of Medical Part D Prescription Drug Plans. As one of the country's largest pharmacy benefits managers (PBMs), CVS provides access to a network of more than 64,000 pharmacies. As of December 31, 2012, CVS operated 7,508 locations.

2012 Financial Highlights:

- Net revenues increased 15.0% to a record 123.1 billion, with Pharmacy Services up 24.7% and Retail Pharmacy up 6.8%
- Operating profit increased 14.2% to a record \$7.2 billion
- Generated free cash flow of \$5.2 billion; cash flow from operations of \$6.7 billion



San Antonio, Texas



San Antonio is the second-largest city in the state of Texas and the seventh-largest city in the United States with a population of 1.3 million. It was the fastest growing of the top 10 largest cities in the United States from 2000-2010. The city is home to one of the largest military concentrations in the United States. The defense industry in San Antonio employs over 89,000 and provides a \$5.25 billion impact to the city's economy. San Antonio is also home to five Fortune 500 companies including Valero Energy Corp, Tesoro, Clear Channel Communications, USAA, and NuStar Energy.



There is an existing mortgage loan on the property from Wells Fargo Bank Northwest, with an approximate outstanding principal amount of \$4,583,500.

The monthly debt service under the loan is equal to the monthly base rent under the lease and CVS pays the monthly base rent directly to the lender.

By structuring the loan with a monthly debt service payment equal to the monthly base rent, a high loan-to-value ratio can be achieved, while also fully amortizing the loan within the initial term of the lease. Although no cash flow is available, investors do earn a yield on their investment due to the principal repayment of the loan.



	1 Mile	3 Mile	5 Mile
Total Population 2013	12,252	113,815	258,928
Annual Growth 2013-2018	1.50%	2.00%	2.07%
2013 Ave. Household Income	\$85,280	\$79,744	\$70,579
2013 Households	4,479	39,812	95,030



Address	10715 Badera Road, San Antonio, TX
Tenant	CVS #10217
S&P Rating	BBB+
Building Size	14,600 square feet
Lease Expiration	February 28, 2039
Renewal Options	Ten 5-year renewal options
NOI	\$351,174
Lease Type	Bond
Approximate Purchase Price	\$5,729,350
Approximate Note Balance	\$4,583,500
Total Equity Required (over debt)	\$1,145,850
Loan To Value	80%
% Equity	20%
Maturity	2/28/2039
Debt Service	\$351,174
Minimum Ownership	25% (\$286,460 equity)

**The note balance as of 3/1/14 is approximately \$4,583,500. The principal balance decreases slightly every month as each debt payment is made. The total equity requirement of \$1,145,850 remains constant so the effective purchase price and LTV will also decrease slightly with each passing month.*