

CONFIDENTIAL OFFERING MEMORANDUM

CVS · Urban Infill Location · No Rent Holiday · Signalized Corner with Parking
3311 N. Pulaski Road // Chicago, IL 60641



Actual Site

EXCLUSIVELY OFFERED BY:

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BAUM REALTY GROUP, LLC

1030 W. Chicago Avenue, Suite 200
Chicago, IL 60642
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Offering Summary

Baum Realty Group, LLC has been exclusively retained by ownership to sell a freestanding CVS in Chicago's northwest side Avondale neighborhood which is accessible from I-94 (320,000 VPD) and benefits from a dense local customer base of 57,245 people, 20,142 households, and an average household income of \$71,545 within 1 mile.

The property is situated at the signalized hard corner of N. Pulaski Road and N. Milwaukee Avenue featuring exposure to 43,250 VPD with access from both streets and dedicated on-site parking. There are ± 6.5 years of primary term remaining (no rent holiday) with rent increases after the first option period. CVS has operated at the site for 17+ years showing a strong commitment to the dense local consumer base.

PRICE:	\$4,931,750
CAP RATE:	6.25%
NOI:	\$308,234
Term Remaining:	± 6.5 Years
Rent Increases:	Yes - Options
Lease Type:	NN – Roof, structure, and parking lot
Building Size:	$\pm 11,878$ Square Feet
Lot Size:	± 0.50 Acres

Investment Highlights

DENSE POPULATION ON NORTHWEST SIDE OF CHICAGO

There are approximately 57,245 residents, 20,142 households, and an average household income in excess of \$71,545 within one mile of the site providing a dense customer base for the pharmacy.

LESS THAN ONE MILE FROM TWO I-94 EXITS

The Addison and Belmont I-94 (320,000 VPD) interchange ramps are each less than 1 mile from CVS providing residents and commuting customers with excellent site access on their way to/from the highway. I-94 is the primary interstate highway leading from downtown Chicago to the north / northwest Chicago suburbs.

SIGNALIZED HARD CORNER LOCATION WITH PARKING

CVS benefits from excellent traffic exposure of 43,250 VPD at the signalized hard corner intersection of N. Milwaukee Avenue and N. Pulaski Road with access from both streets. ±22 dedicated on-site parking spaces and bus stops for two different routes at the intersection accommodate customers pharmacy needs by public and private transportation.

MULTIPLE RENT INCREASES AFTER FIRST OPTION

CVS has four, 5-year renewal options with rent increases of 7-8% after the first option providing future asset appreciation for an investor.

PASSIVE INVESTMENT OPPORTUNITY

CVS has +/-6.5 years of lease term (no rent holiday) remaining with landlord maintenance responsibilities limited to roof, structure, and parking lot replacement. Tenant repairs and replaces the HVAC and fully reimburses for all taxes, CAM, and insurance.



1.5 MILES FROM CLOSEST CVS

Only CVS within a 1.5-mile radius allowing the site to continue to thrive in the immediate area without internal competition. CVS has a 17-year historical occupancy proving their commitment to the site and local customer base.

LOWER PRICE POINT FOR CVS

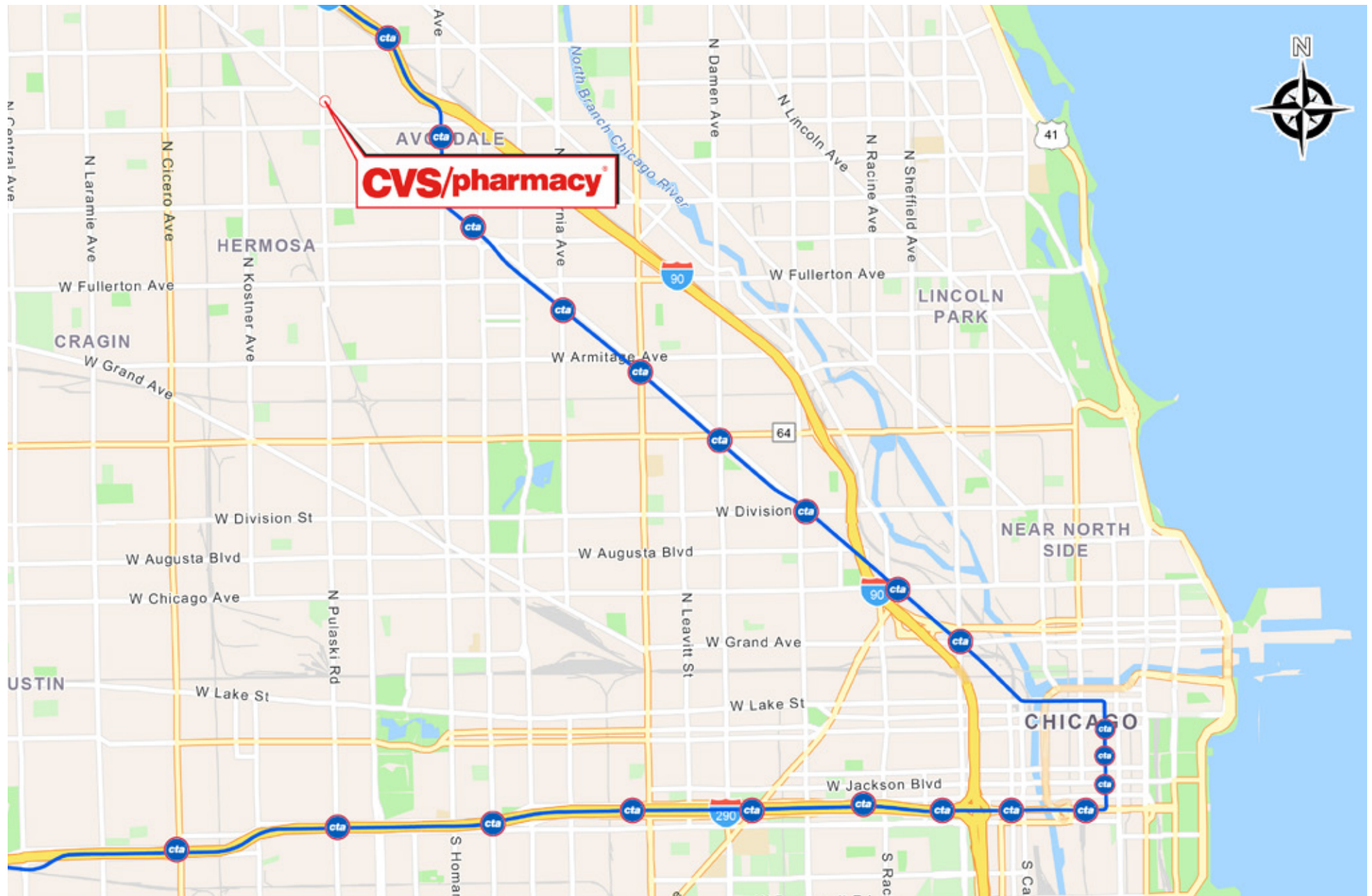
Most CVS assets are priced over \$5 million presenting a unique opportunity for an investor to acquire a CVS property below the national average in an urban northwest side Chicago location.

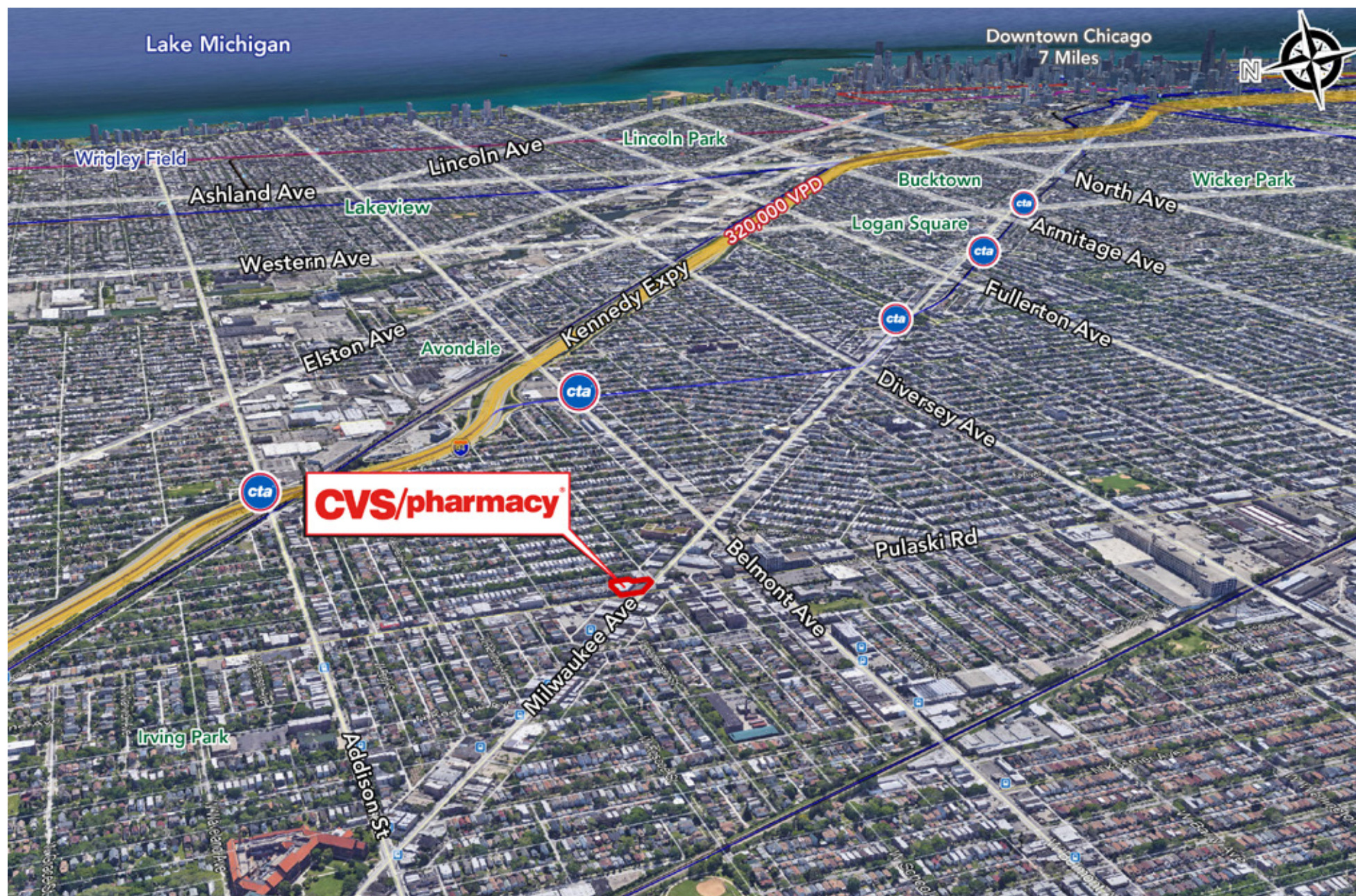
INVESTMENT GRADE CREDIT TENANT

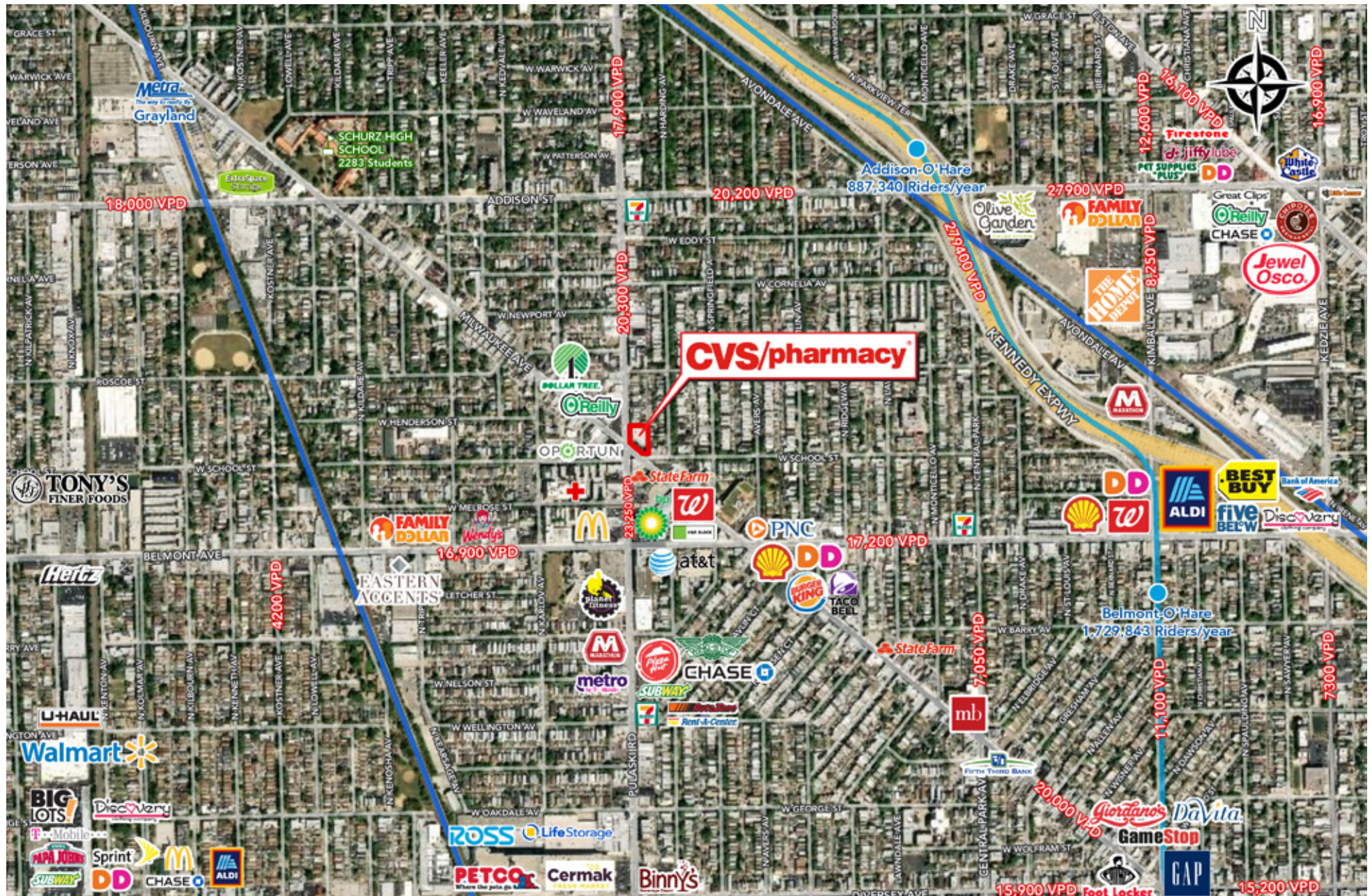
CVS is a leading pharmacy retailer with 9,900+ locations. For the FYE 2018, CVS (NYSE: CVS) had revenue in excess of \$194 billion and holds investment grade credit of BBB (S&P) providing an investor with excellent financial security.

In November 2018, CVS completed their \$70 billion acquisition of Aetna, establishing CVS Health as the nation's premier health innovation company. The acquisition combines CVS retail drugstores and pharmacy benefits manager platform with Aetna's insurance business with hopes of lowering costs for the entire industry.











Property Information

CVS is located in the Avondale neighborhood on Chicago's northwest side approximately 7 miles from downtown Chicago. The property is situated at the signalized corner of N. Milwaukee Avenue and N. Pulaski Road and benefits from excellent traffic exposure of 43,250 vehicles per day and foot traffic from two bus routes at the intersection. The urban infill location has an extremely dense population in the immediate area including 57,245 residents, 20,142 households, and a daytime population of 43,692 within 1 mile. Additionally, the Addison and Belmont I-94 (320,000 VPD) interchanges are both located within 1 mile of the site providing an influx of vehicular traffic to the area and convenient access for residents coming to / from the highway.

Milwaukee Avenue is a major northwest / southeast thoroughfare running from downtown Chicago to the northwest suburbs. Some of Chicago's most popular destinations are a short drive from the site along Milwaukee Avenue including Wicker Park / Bucktown (3 miles) and

Logan Square (1.5 miles) to the southeast and the Six Corners shopping area (1.5 miles) to the northwest. The immediate area features complimentary retailers including Cermak Fresh Market, Ross Dress for Less, Binny's, Planet Fitness, McDonald's, Wendy's, AT&T, PNC, Taco Bell, Burger King, AutoZone, Chase Bank, Dollar Tree, and O'Reilly Auto Parts, among others.

Avondale is easily accessible via I-94, the CTA 'L' Blue Line, and multiple bus routes. The neighborhood's roots trace back to an industrial beginning and Avondale has since evolved into a one of the nation's 10 hottest, need-to-visit 'hoods by popular travel website Lonely Planet. Avondale is filled with local favorite eateries like Kuma's Corner, Parachute, and Honey Butter Fried Chicken, the Revolution Brewery and Taproom, and first-class national retailers like The Home Depot, Jewel-Osco, Target, and Chipotle.



PROPERTY ADDRESS:
3311 N. PULASKI ROAD
CHICAGO, IL 60641

BUILDING SIZE:
±11,878 SQUARE FEET

PARCEL SIZE:
±0.50 ACRES

TOTAL PARKING:
±22 STALLS

TAX PIN:
13-23-317-017-0000

Site Plan



Rent Roll & Pricing

Term	Annual Rent	Monthly Rent	Rent Increase	Yield
6/15/2003 - 6/14/2008	\$ 231,621	\$ 19,302	N/A	N/A
6/15/2008 - 6/14/2013	\$ 254,783	\$ 21,232	10%	N/A
6/15/2013 - 6/14/2018	\$ 280,321	\$ 23,360	10%	N/A
6/15/2018 - 1/31/2026	\$ 308,234	\$ 25,686	10%	6.25%
2/1/2026 - 1/31/2031 (Opt. 1)	\$ 308,828	\$ 25,736	0.19%	6.26%
2/1/2031 - 1/31/2036 (Opt. 2)	\$ 332,584	\$ 27,715	8%	6.74%
2/1/2036 - 1/31/2041 (Opt. 3)	\$ 356,340	\$ 29,695	7%	7.23%
2/1/2041 - 1/31/2046 (Opt. 4)	\$ 380,096	\$ 31,675	7%	7.71%
Average Yield:				6.84%

Pricing	
Price:	\$4,931,750
Cap Rate:	6.25%
NOI:	\$308,234
Term Remaining:	±6.5 Years
Rent Increases:	Yes - Options
Lease Type:	NN – (Roof, structure, and parking lot)
Building Size:	±11,878 Square Feet
Lot Size:	±0.50 Acres



Lease Abstract

Tenant:	Highland Park CVS, LLC
Guarantor:	CVS Corporation
Space Size:	±11,878 Square Feet
Rent Commencement:	6/15/2003
Lease Expiration:	1/31/2026
Current Annual Base Rent:	\$308,234
Renewal Options:	Four, 5-year options
Rent Increases:	Yes - Options. See rent roll on previous page.
Roof & Structure:	Landlord maintains, repairs, and replaces the roof, foundation, and structure.
Common Area Maintenance:	Landlord is responsible for maintenance, repair, and replacement of the common areas including parking lot, landscaping, and snow and ice removal. Tenant reimburses landlord for reasonable CAM costs. Additionally, tenant agrees to pay landlord the amortized cost of parking lot repaving or replacing during the "useful life" of the improvement.
Taxes:	Landlord pays real estate taxes and is fully reimbursed by the tenant.
HVAC:	Tenant is responsible for all maintenance, repair, and replacement.
Insurance:	Landlord maintains insurance and is fully reimbursed by the tenant.
Utilities:	Tenant pays utilities directly.
Right of First Refusal:	None.
Sales Reporting:	None.

Tenant Overview



CVS Health is the largest drugstore chain in the country with more than 9,900 locations in the United States, Puerto Rico, and Brazil. As the retail arm of CVS Health, CVS Pharmacy sells prescription drugs and a wide assortment of general merchandise including over-the-counter medication, beauty and cosmetic products, film services, seasonal merchandise, and food. In addition to the pharmacy and general merchandise, CVS also offers healthcare services through their 1,100+ MinuteClinic locations which are usually located within the retail locations. CVS caters to more than 5 million customers per day, fills and/or manages 2.5 billion prescriptions, and serves more than 42 million MinuteClinic patients annually.

In November 2018, CVS completed their \$70 billion acquisition of Aetna, establishing CVS Health as the nation's premier health innovation company. The acquisition combines CVS retail drugstores and pharmacy benefits manager platform with Aetna's insurance business with hopes of lowering costs for the entire industry.

CVS Health is publicly listed on the New York Stock Exchange under the ticker symbol CVS and holds investment grade credit with S&P of BBB. CVS had revenues approaching \$195 billion for the 2018 fiscal year.

TENANT:
HIGHLAND PARK CVS, LLC

GUARANTOR:
CVS CORPORATION

OWNERSHIP:
PUBLIC – NYSE: CVS

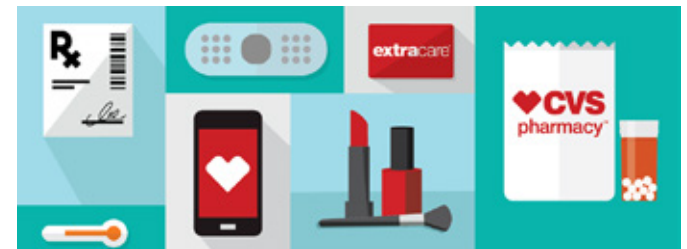
S & P RATING:
BBB (INVESTMENT GRADE)

TOTAL LOCATIONS:
9,967

FYE 2018 REVENUE:
\$194.6 BILLION

MARKET CAPITALIZATION (AS OF MAY 2019):
\$71.53 BILLION

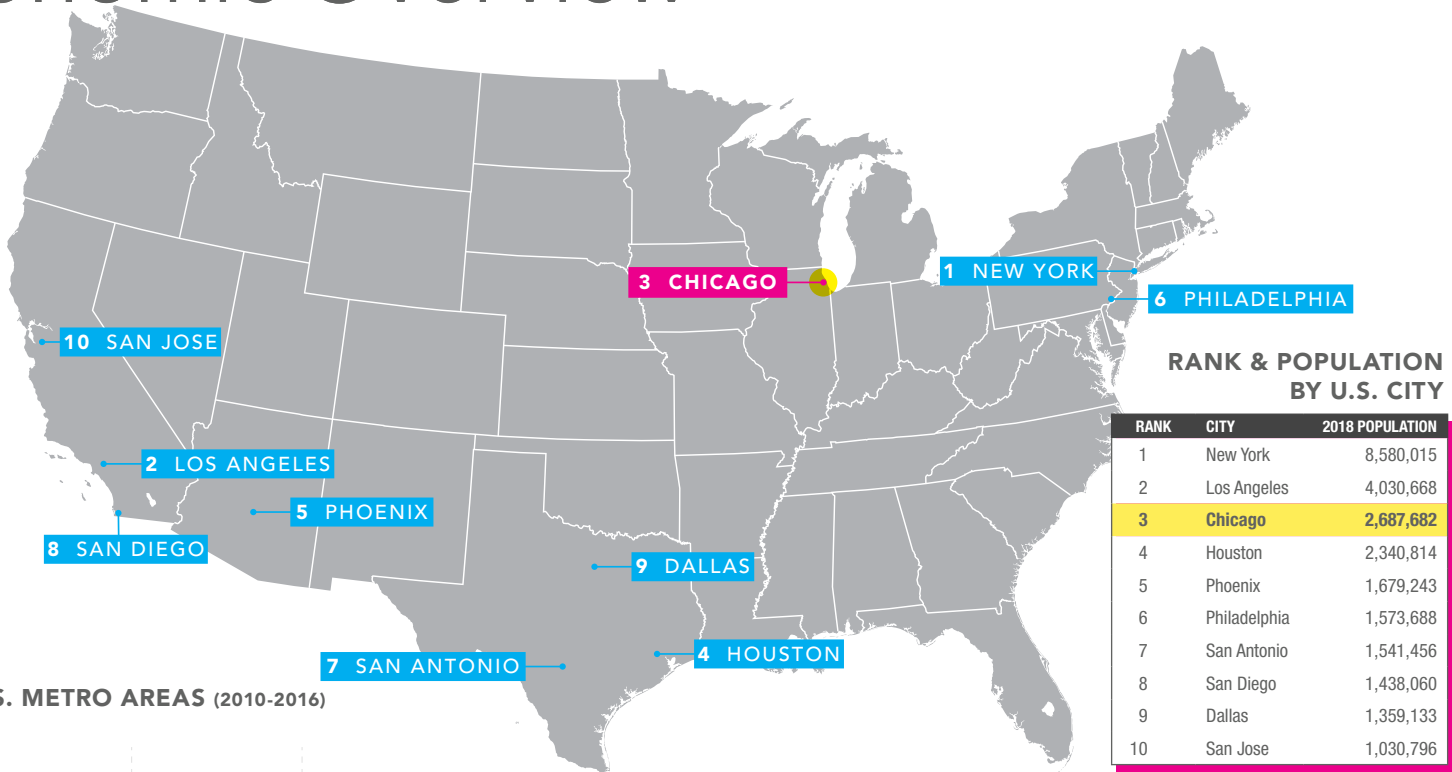
WEBSITE:
WWW.CVS.COM



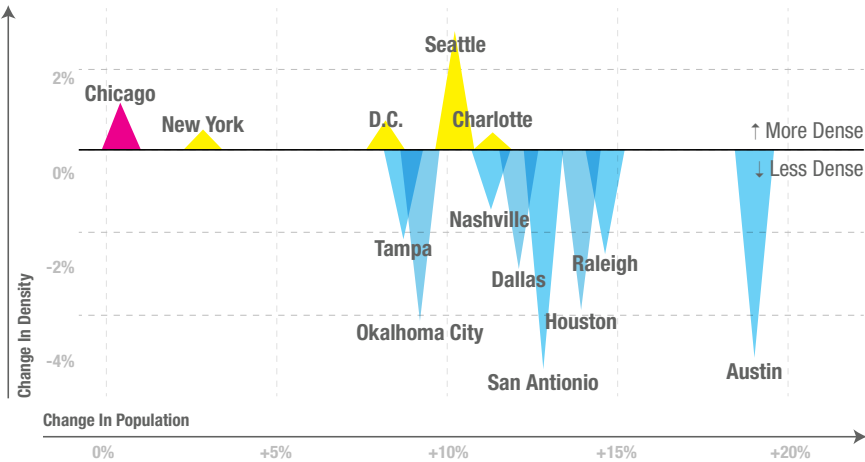
Chicago Economic Overview

3RD LARGEST MSA IN THE U.S.

The Chicago MSA is home to approximately 9.5 million residents, making it the third most populous region in the country, encompassing 16 counties across three states: Illinois, Indiana, and Wisconsin. The city of Chicago is the economic and cultural capital of the Midwest, featuring a vibrant downtown district that is filled with world class businesses, restaurants, retail, residences, and entertainment. The strong economic base, skilled labor pool and diverse background make this 24-hour metropolis one of the most important and influential in the world.



POPULATION DENSITY CHANGE IN U.S. METRO AREAS (2010-2016)



GROWING URBAN CORE

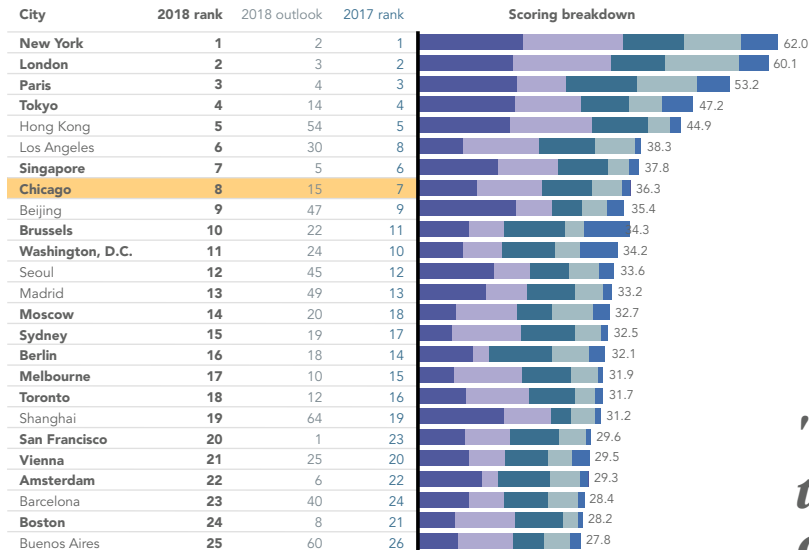
Chicago's urban core and surrounding neighborhoods has become noticeably more dense. In the last several years, according to a report by The New York Times, between 2010 and 2016, Chicago's density has increased by 1.2%.

The report suggests that the city's population is shifting and refocusing with an influx of younger, more affluent residents moving into areas like the Loop, West Loop, and Wicker Park.

THE TOP 25 ON THE GLOBAL CITIES INDEX & OUTLOOK

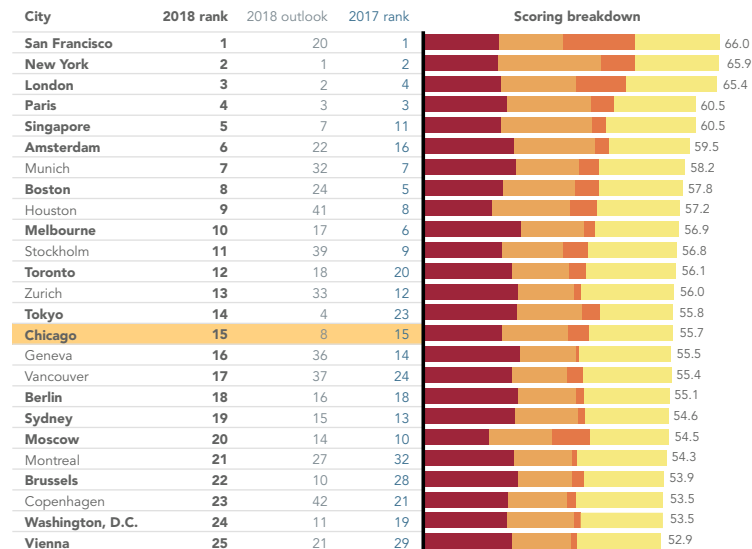
GLOBAL CITIES INDEX

Note: **Bold** city names indicate top 25 in both Index and Outlook



GLOBAL CITIES OUTLOOK

Note: **Bold** city names indicate top 25 in both Index and Outlook



The Global Cities Index examines the current performance of cities based on 27 metrics spanning five dimensions: business activity, human capital, information exchange, cultural experience, and political engagement. The Index provides insights into the global reach, performance, and level of development of the world's largest cities. Source: A.T. Kearney Global Cities 2018.

GLOBAL ELITE CITY

Chicago ranks 8th on the A.T. Kearney 2018 Global Cities Index, which examines cities' performance based metrics spanning five dimensions: business activity, human capital, information exchange, cultural experience, and political engagement; and ranks 15th on the Global Cities Outlook, which evaluates their potential. Global Elite Cities—cities in the top 25 on both the Index and the Outlook—are not only performing well, but are also positioned for continued growth and global influence in the future. In 2017, Chicago was one of only 17 cities in the world to make the top 25 of both lists.

"The Windy City, the Second City, the Dark City – call it what you will, Chicago is the economic and cultural capital of the Midwest."

Wired Magazine

WORLD CLASS EDUCATION

The Chicago MSA is home to several world class higher education universities that provide the area with a constant supply of top job talent and disposable income. There are more than 325,000 students in Chicago, with 58,000 in the Loop alone, attending higher education institutions throughout the metropolitan area.

Top universities in the area include Northwestern University, The University of Chicago, Illinois Institute of Technology, Loyola University Chicago, De Paul University, Columbia College Chicago and, University of Illinois at Chicago.

TECH HUB

Chicago is home to tech industry giants and is a hotbed for privately held startups in the Midwest. Facebook currently occupies 15,000 square feet of office space Downtown and Google occupies 200,000 square feet at 1K Fulton in the West Loop. There was a 15% rise in employment at Chicago's biggest tech companies between 2016 & 2017 and in 2017 alone Chicago saw \$1.94 billion in venture capital investments.

#1 FOR CORPORATE RELOCATION & INVESTMENT

Chicago remains the #1 ranked metro area for Corporate Relocation and Investment in the US in *Site Selection Magazine*, a title it has held for five consecutive years and Chicago leads all major cities in the Americas for Foreign Direct Investment (FDI) Strategy according to *fDi Magazine*. Chicago ranks #3 on *Inc Magazine*'s list of business hubs for fast-growing companies and KIG CRE reported 30 corporations moving operations from surrounding suburbs leasing over 5.1M square feet in the metro area.



"Reflecting a melding of corporate and entrepreneurial cultures, Chicago has more than 100 startup incubators and accelerators and more than 300 corporate R&D centers."

Site Selection Magazine



Fortune 500 Companies With Headquarters In the Chicago MSA

COMPANY	RANK	REVENUES (\$M)	Location
Walgreens Boots Alliance	19	\$ 118,214	Deerfield
Boeing	27	\$ 93,392	Chicago
State Farm Insurance Cos.	36	\$ 78,331	Bloomington
Archer Daniels Midland	48	\$ 60,828	Chicago
Caterpillar	65	\$ 45,462	Deerfield
Allstate	79	\$ 38,524	Northbrook
United Continental Holdings	81	\$ 37,736	Chicago
Exelon	92	\$ 33,531	Chicago
AbbVie	110	\$ 28,216	North Chicago
Abbott Laboratories	111	\$ 27,390	Abbott Park
Mondelez International	117	\$ 25,896	Deerfield
US Foods Holding	121	\$ 24,147	Rosemont
McDonald's	131	\$ 22,820	Chicago
Sears Holdings	172	\$ 16,702	Hoffman Estates
CDW	189	\$ 15,192	Lincolnshire
Illinois Tool Works	204	\$ 14,314	Glenview
Discover Financial Services	263	\$ 11,545	Riverwoods
Baxter International	283	\$ 10,561	Deerfield
W.W. Grainger	287	\$ 10,425	Lake Forest
LKQ	300	\$ 9,848	Chicago
Tenneco	320	\$ 9,274	Lake Forest
Conagra Brands	321	\$ 9,235	Chicago
Navistar International	342	\$ 8,570	Lisle
Univar	349	\$ 8,254	Downers Grove
Jones Lang LaSalle	356	\$ 7,932	Chicago
Anixter International	357	\$ 7,927	Glenview
Dover	360	\$ 7,830	Downers Grove
R.R. Donnelley & Sons	406	\$ 6,940	Chicago
Packaging Corp. of America	436	\$ 6,445	Lake Forest
Motorola Solutions	443	\$ 6,380	Chicago
TreeHouse Foods	446	\$ 6,307	Oak Brook
Old Republic International	450	\$ 6,263	Chicago
Arthur J. Gallagher	454	\$ 6,160	Rolling Meadows
Ulta Beauty*	471	\$ 5,885	Bolingbrook
Ingredion	478	\$ 5,832	Westchester
Northern Trust	486	\$ 5,716	Chicago

* New to the Fortune 500 in 2018

Source: Fortune Magazine, June 2018

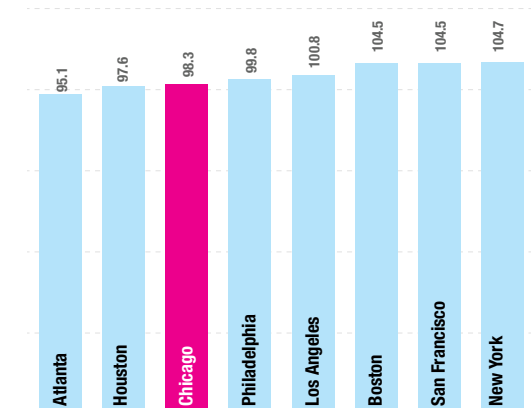
STRONG, DIVERSE ECONOMY

Chicago MSA has the 3rd largest Gross Domestic Product in the US, after New York City and Los Angeles, at \$524.6 billion. Chicago also ranks 8th in the world in terms of cities with the highest Gross Product. Additionally, Chicago is the most diversified economy in the US, with no single industry employing more than 14% of the workforce. Chicago's primary industries include Financial Services, Business & Professional Services, Manufacturing, Health Services, and Transportation and Warehousing.



Chicago is home to over 400 major corporate headquarters, including 36 Fortune 500 companies

As one of the largest financial centers in North America, the Chicago MSA is home to more than 400 major corporate headquarters, including Walgreens Boots Alliance, Boeing, United Continental Holdings, McDonald's, Discover Financial and Abbott Laboratories, among others. The city is also home to the largest futures exchanges in the US, the CME Group.

COST OF DOING BUSINESS BY METRO AREA


INTERNATIONAL TRAVEL DESTINATION

Chicago's tourism totals have consistently been on the rise in recent years, growth in 2018 was more substantial than normal. A record **57.6 million people visited Chicago in 2018**, nearly a 4.3% increase over 2017's record of 55.2 million. The largest percentage of growth was domestic travel with a 4.4% increase over 2017. International visitor numbers also increased 2.9% over 2017.

The record setting numbers were due, in part, to several initiatives that boosted leisure travel as well as word-of-mouth and high-profile kudos. *Condé Nast Traveler* readers voted Chicago the number 1 big city in the US two years in a row, *Bon Appétit* magazine named Chicago "restaurant city of the year" in 2017, and the *Financial Times* called Chicago "the most architecturally aware city on earth." Part of the boost also came from the city's aggressive pursuit of big-tourist draws including the NFL Draft, the James Beard Foundation Awards and the Laver Cup. The city also bolstered tourism-friendly offerings with attractions like the Riverwalk and, more recently, Art on the Mart. Business travel also contributed to the bump, with an 3.5% in 2018. 59 new major conventions have committed to meet in Chicago in future years.



DUAL-HUB AIRPORT SYSTEM

O'Hare International Airport and Midway International Airport, the only "dual-hub" airport system in North America, handled **105 million passengers in 2018**. Both airports have direct rail access to Downtown Chicago and modernization projects are happening at both O'Hare and Midway. Most notably O'Hare's \$8.5 billion plan to expand over the next decade which includes a new airfield, terminal, gates, and passenger perks. Midway's improvements are budgeted at \$400 million and include restaurants, upgraded passenger screening, and updated parking infrastructure.

O'Hare is the busiest airport in the world for flight operations and is among the few airports worldwide that rank in the top 20 for both passenger volume and cargo tonnage - two leading indicators of an airport's connectivity and economic strength.

2000-2010 Census, 2018 Estimates with 2023 Projections

Source: Esri, Esri and Infogroup, U.S. Census



Confidentiality Disclosure

Baum Realty Group, LLC ("Baum") has been retained as the exclusive broker by the Owner of Record ("the Owner") of 3311 N. Pulaski Road, Chicago, IL 60641 in connection with the sale of certain properties ("the Property") as described in this Offering Memorandum.

This Offering Memorandum has been prepared by Baum for use by a limited number of parties, and does not purport to provide a necessarily accurate summary of the physical or economic aspects of the Property or any of the documents related thereto, nor does it purport to be all inclusive or to contain all of the information which prospective investors may need or desire further, the Offering Memorandum is limited to the matters set forth therein. All budgets or projections have been developed by Baum and Owner, and are based upon assumptions relating to the general economy, competition, and other factors beyond the control of the Owner and Baum and therefore are subject to variation. Each of Baum and Owner makes no representation as to the accuracy or completeness of the information contained herein, and nothing contained herein is, or shall be relied on as a promise or representation as to the future performance of the Property. Although the information contained herein is believed to be correct, Baum and its employees, and Owner, and its trustees, officers, and employees disclaim any and all liability for representations and warranties, expressed and implied, contained in, or omissions from the Offering Memorandum or any other written or oral communication transmitted or made available to the recipient. The Offering Memorandum does not constitute a representation that there has been no change in the business or affairs of the Property Owner as of the date of preparation of the Offering Memorandum.

Additional information and an opportunity to inspect the Property will be made available upon written request to interested and qualified prospective investors.

Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest or offers regarding the property, and/or terminate discussions with any entity at any time with or without notice. Owner shall have no legal commitment or obligations to any entity reviewing the Offering Memorandum or making an offer to purchase the property unless and until such offer is approved by Owner and the Board of Trustees of Owner and a written agreement for the purchase of the Property has been fully executed, delivered and approved by Owner and its legal counsel, and any conditions to Owner's obligations hereunder have been satisfied or waived.

This Offering Memorandum and the contents, except such information that is a matter of public record or is provided in sources available to the public, are of a confidential nature. By accepting this Offering Memorandum, you acknowledge that you have executed, and have agreed to be bound by, the Confidentiality Agreement with Baum and Owner.

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