

OFFERING MEMORANDUM.



Sam's Club Ground Lease Citrus Heights, CA | Sacramento MSA

The Maffia Team



\$16,815,000
5.65% CAP Rate

- ◆ Ground Lease Investment
 - ◆ 13 Years Remaining
 - ◆ Fixed Rental Increases in Option Periods
- ◆ Walmart Stores, Inc., is Rated "AA" by Standard & Poor's
- ◆ Located on Major Thoroughfare
 - ◆ 45,100 AADT
- ◆ Adjacent to Safeway-Anchored Center

Newmark Knight Frank
Cornish & Carey Commercial
Leased Investment Group

www.maffiateam.com



Confidentiality & Disclosure

Cornish & Carey Commercial Newmark Knight Frank (“Broker”) has been retained on an exclusive basis to market the property described herein (“Property”). Broker has been authorized by the Seller of the Property (“Seller”) to prepare and distribute the enclosed information (“Material”) for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

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Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

Vincent Aicale
Vice President
415.373.4057
vaicale@ccareynkf.com
Lic #01728696

Michael Maffia
Senior Managing Director
415.445.5144
mmaffia@ccareynkf.com
Lic #01340853

Putnam Daily
VP/Transaction Manager
415.445.5107
pdaily@ccareynkf.com
Lic #01750064



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Property Information

Location The property is located at 7147 Greenback Lane in Citrus Heights, California.

Lot Size Approximately 13.03 acres, or 567,673 square feet. *Only the land is for sale.*

Improvements Construction was completed in 2003 of an approximately 133,298 square foot retail building for **Sam's Club**. There is ample parking on site. *The tenant owns the improvements; the improvements are not for sale.*

Ground Lease Leased to **Sam's Real Estate Business Trust** and guaranteed by **Wal-Mart Stores, Inc.**, for 25 years from August 8, 2001, to August 7, 2026, at an initial annual net rent of \$950,000. After these 25 years, the tenant has seven five-year options to renew the lease, with a 10% increase at the commencement of each option. The lease is triple net, with the tenant responsible for taxes, insurance, and all maintenance, including roof and structure.

Net Annual Income	<u>Years</u>	<u>Annual Rent</u>	<u>Return</u>
	1-25	\$950,000	5.65%
	26-30 (Option 1)	\$1,045,000	6.21%
	31-35 (Option 2)	\$1,149,500	6.84%
	36-40 (Option 3)	\$1,264,500	7.52%
	41-45 (Option 4)	\$1,390,895	8.27%
	46-50 (Option 5)	\$1,529,985	9.10%
	51-55 (Option 6)	\$1,682,982	10.01%
	56-60 (Option 7)	\$1,851,281	11.01%

Price **\$16,815,000 (5.65% Return)**

Financing The property will be delivered free and clear of permanent financing.



Tenant Information

About the Tenant

Wal-Mart Stores, Inc. (NYSE: “WMT”), operates retail stores in various formats around the globe. It is the world’s #1 retailer with some 2.2 million employees. It operates its business through three reportable segments: Walmart U.S., Walmart International, and Sam’s Club. Wal-mart does business in six strategic merchandise units, namely Grocery, Entertainment, Hardlines, Health & Wellness, Apparel and Home. The Walmart U.S. segment includes the company’s mass merchant concept in the United States and Puerto Rico, operating under the Walmart brand, as well as walmart.com. In the U.S., Wal-Mart operates more than 4,000 stores, including 3,000-plus Supercenters that sell groceries and general merchandise, 610 Sam’s Club warehouses, and a growing number of smaller format stores. Additionally, it operates banks that focus on consumer lending and provides financial services and products including money orders, wire transfers, check cashing, and bill payment. The company’s faster-growing international segment (28% of sales) numbers more than 5,600 locations; Wal-Mart is the #1 retailer in Canada and Mexico and has operations in Asia (where it owns a 95% stake in Japanese retailer SEIYU), Africa, Europe, and South America.

For the fiscal year ended January 30, 2012, Wal-Mart Stores, Inc., reported revenue of \$446.95 billion with net income of \$15.70 billion and net worth of \$71.32 billion. In the first half of 2012, Wal-mart, Inc., shares raced ahead of the broader market, nearing their all time closing high of \$69.69, set in 1999. Wal-Mart Stores, Inc., is rated “AA” by Standard & Poor’s.

The company was founded in 1962 and is headquartered in Bentonville, AR.



About the Area

Site Information

The subject property is located on Greenback Lane, which is a major thoroughfare running east-west through northern Sacramento County. The average daily traffic count is 45,100 vehicles per day at the corner of Greenback Lane and San Juan Avenue. The property is adjacent to a shopping center anchored by Safeway and Dollar Tree, and across the street from a Ross-anchored center. San Juan High School is two blocks to the east of the property. Sunrise Mall and Marketplace at Birdcage are located on the corner of Greenback Lane and Sunrise Boulevard, roughly 1.5 miles to the east of the property. Notable national tenants such as JC Penney, Macy's, Sears, Best Buy, CVS Pharmacy, Old Navy, Michaels, Sports Authority, Barnes & Noble, and ULTA are all located in these regional shopping destinations. Lowe's is located at the corner of Greenback Lane and Sunrise Boulevard as well.

General Overview

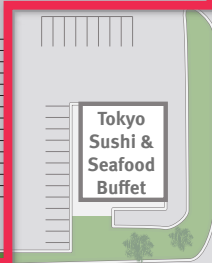
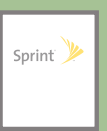
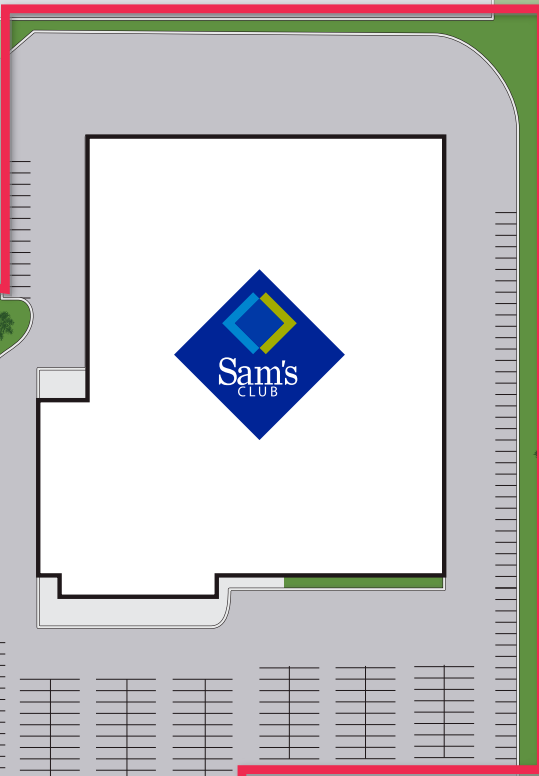
Citrus Heights is a city with over 83,000 residents in Sacramento County and is located just to the northeast of the state capital of Sacramento. Citrus Heights is part of the Sacramento-Arden-Arcade-Roseville Metropolitan Statistical Area. Citrus Heights is located along Interstate 80.

Sacramento County has witnessed sustained, rapid growth for more than three decades and is now home to more than 1.3 million people. The city of Sacramento is at the center of the metropolitan area, offering a diverse economy, varied housing opportunities, and the cultural and entertainment opportunities associated with major cities. Residents also benefit from an easily accessible international airport, a light rail system offering public transportation to major employment centers and daily commute times far below those experienced elsewhere.

With an economy that has transitioned from a public sector emphasis to a multitude of industries, Sacramento is home to a diverse group of businesses. The region's leading institutions of higher education, including California State University Sacramento and the world-renowned University of California Davis, offer opportunities for internships, technology transfer, and contribute substantially to the quality of the region's labor pool. Technology-related companies such as Intel and Hewlett-Packard are among the Sacramento area's largest employers. Sacramento's fastest-growing employment areas include financial activities, professional, and business services and education and health services.

Site Plan

FOUNTAIN SQUARE DRIVE



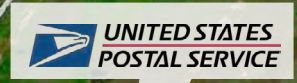
GREENBACK LANE





Aerial | Close-Up View

FOUNTAIN SQUARE DRIVE

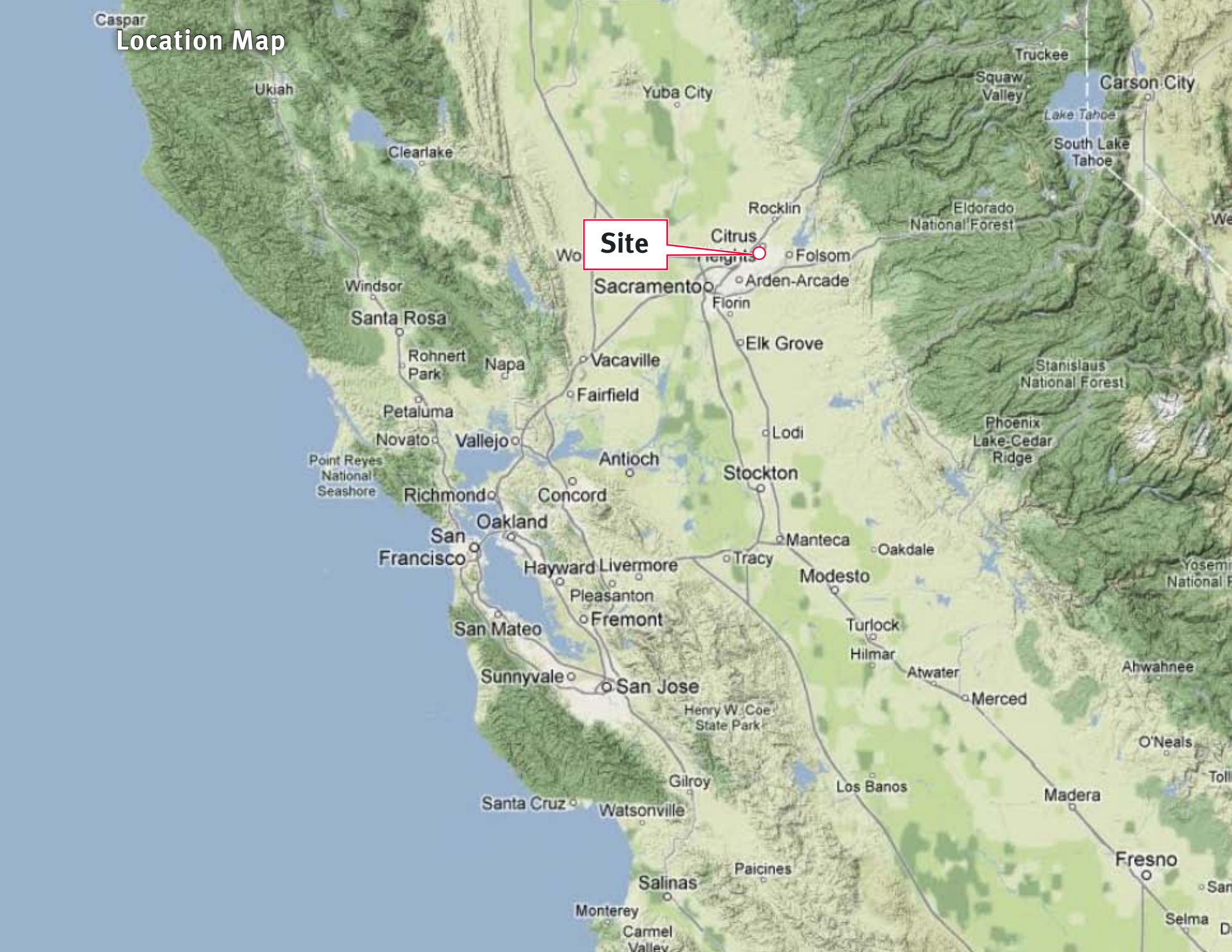


Citrus Heights Community Center

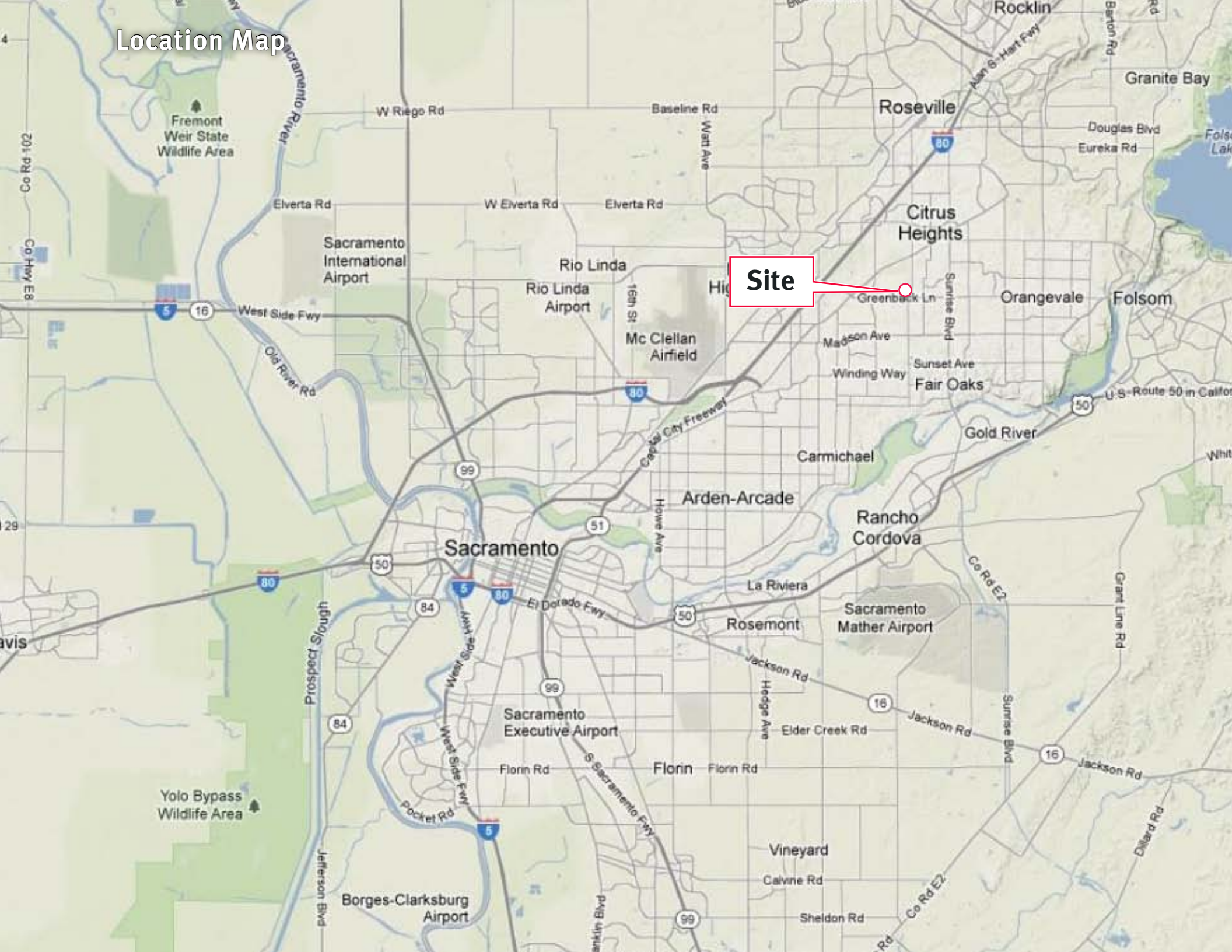


GREENBACK LANE

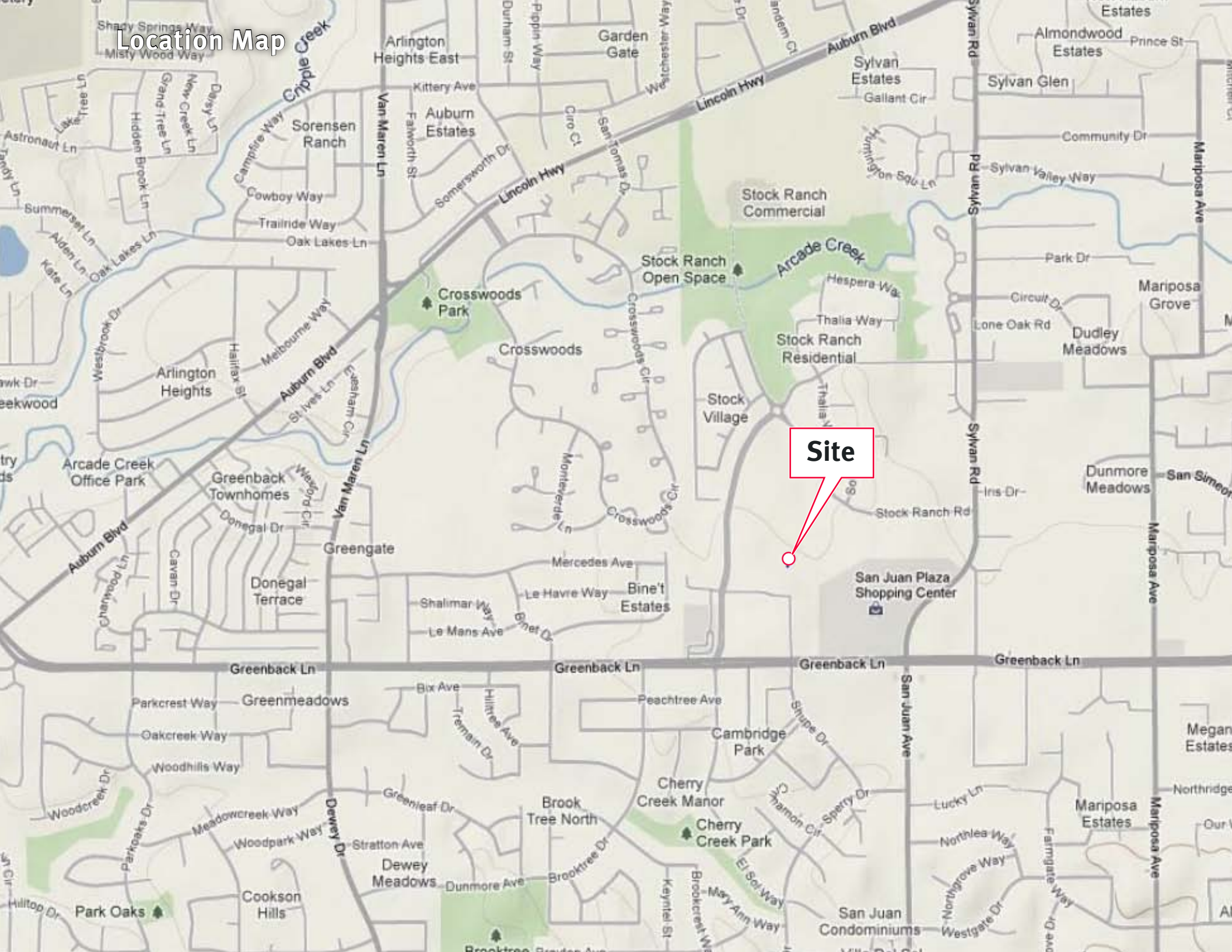
Location Map



Location Map



Location Map





Demographics

7147 Greenback Lane
Citrus Heights, CA 95621

	1 mile	3 miles	5 miles
Population Summary			
2000 Total Population	18,046	151,700	358,065
2000 Group Quarters	208	1,456	4,438
2010 Total Population	18,624	155,636	373,316
2015 Total Population	18,881	157,559	379,548
2010-2015 Annual Rate	0.27%	0.25%	0.33%
Household Summary			
2000 Households	7,666	60,126	136,519
2000 Average Household Size	2.33	2.50	2.59
2010 Households	7,930	61,597	141,786
2010 Average Household Size	2.32	2.50	2.60
2015 Households	8,054	62,338	144,003
2015 Average Household Size	2.32	2.50	2.60
2010-2015 Annual Rate	0.31%	0.24%	0.31%
2000 Families	4,589	39,493	93,067
2000 Average Family Size	2.95	3.02	3.09
2010 Families	4,609	39,660	95,269
2010 Average Family Size	2.98	3.06	3.13
2015 Families	4,607	39,682	95,880
2015 Average Family Size	3.00	3.07	3.15
2010-2015 Annual Rate	-0.01%	0.01%	0.13%
Housing Unit Summary			
2000 Housing Units	7,856	62,295	141,356
Owner Occupied Housing Units	48.7%	56.3%	58.4%
Renter Occupied Housing Units	48.1%	40.1%	38.1%
Vacant Housing Units	3.1%	3.5%	3.5%
2010 Housing Units	8,317	65,200	149,934
Owner Occupied Housing Units	43.9%	51.4%	53.8%
Renter Occupied Housing Units	51.5%	43.1%	40.8%
Vacant Housing Units	4.7%	5.5%	5.4%
2015 Housing Units	8,538	66,694	153,926
Owner Occupied Housing Units	42.6%	50.2%	52.7%
Renter Occupied Housing Units	51.7%	43.3%	40.9%
Vacant Housing Units	5.7%	6.5%	6.4%
Median Household Income			
2000	\$41,483	\$44,643	\$46,093
2010	\$52,738	\$55,835	\$57,485
2015	\$58,594	\$62,753	\$64,713
Median Home Value			
2000	\$136,886	\$138,510	\$144,098
2010	\$193,907	\$195,413	\$203,324
2015	\$231,919	\$233,935	\$243,353
Per Capita Income			
2000	\$21,089	\$21,834	\$22,496
2010	\$25,464	\$25,977	\$26,756
2015	\$28,523	\$29,220	\$30,270
Median Age			
2000	37.3	35.7	35.4
2010	38.8	37.1	36.8
2015	39.1	37.2	36.8



Demographics

7147 Greenback Lane
Citrus Heights, CA 95621

	1 mile	3 miles	5 miles
2000 Households by Income			
Household Income Base	7,664	60,097	136,608
<\$15,000	13.0%	11.2%	11.1%
\$15,000 - \$24,999	12.3%	12.0%	11.3%
\$25,000 - \$34,999	15.5%	14.3%	13.4%
\$35,000 - \$49,999	20.6%	18.7%	18.3%
\$50,000 - \$74,999	22.7%	22.2%	21.6%
\$75,000 - \$99,999	8.8%	11.1%	11.6%
\$100,000 - \$149,999	5.5%	7.9%	8.8%
\$150,000 - \$199,999	0.7%	1.6%	2.1%
\$200,000+	0.9%	1.1%	1.7%
Average Household Income	\$48,306	\$54,563	\$58,237
2010 Households by Income			
Household Income Base	7,930	61,599	141,786
<\$15,000	8.7%	7.7%	7.8%
\$15,000 - \$24,999	10.2%	8.8%	8.4%
\$25,000 - \$34,999	9.5%	9.8%	9.4%
\$35,000 - \$49,999	18.0%	17.0%	16.5%
\$50,000 - \$74,999	28.4%	25.9%	24.5%
\$75,000 - \$99,999	15.2%	16.4%	15.7%
\$100,000 - \$149,999	6.9%	10.1%	11.7%
\$150,000 - \$199,999	1.8%	2.7%	3.4%
\$200,000+	1.3%	1.6%	2.5%
Average Household Income	\$59,391	\$65,203	\$69,706
2015 Households by Income			
Household Income Base	8,056	62,339	144,002
<\$15,000	7.1%	6.1%	6.1%
\$15,000 - \$24,999	8.5%	7.2%	6.9%
\$25,000 - \$34,999	7.6%	7.6%	7.3%
\$35,000 - \$49,999	14.7%	13.5%	13.0%
\$50,000 - \$74,999	30.0%	26.8%	25.2%
\$75,000 - \$99,999	17.6%	18.8%	17.7%
\$100,000 - \$149,999	10.0%	14.1%	15.9%
\$150,000 - \$199,999	2.7%	3.7%	4.5%
\$200,000+	1.7%	2.2%	3.4%
Average Household Income	\$66,390	\$73,375	\$78,942
2000 Owner Occupied Housing Units by Value			
Total	3,783	35,109	82,741
<\$50,000	2.9%	5.8%	4.8%
\$50,000 - \$99,999	12.1%	11.3%	13.5%
\$100,000 - \$149,999	51.7%	44.4%	36.6%
\$150,000 - \$199,999	29.8%	25.9%	25.1%
\$200,000 - \$299,999	3.0%	9.9%	13.9%
\$300,000 - \$499,999	0.3%	2.2%	5.0%
\$500,000 - \$999,999	0.0%	0.3%	0.9%
\$1,000,000 +	0.1%	0.2%	0.3%
Average Home Value	\$137,831	\$147,651	\$163,634
2000 Specified Renter Occupied Housing Units by Contract Rent			
Total	3,867	25,029	53,788
With Cash Rent	98.9%	98.4%	97.9%
No Cash Rent	1.1%	1.6%	2.1%
Median Rent	\$650	\$630	\$625
Average Rent	\$683	\$638	\$646



Demographics

7147 Greenback Lane
Citrus Heights, CA 95621

	1 mile	3 miles	5 miles
2000 Population by Age			
Total	18,047	151,701	358,065
0 - 4	6.4%	6.6%	6.9%
5 - 9	6.7%	7.3%	7.8%
10 - 14	6.3%	7.1%	7.7%
15 - 24	13.1%	13.7%	13.4%
25 - 34	14.2%	14.1%	13.5%
35 - 44	14.9%	15.7%	16.1%
45 - 54	12.1%	13.4%	13.7%
55 - 64	8.8%	8.9%	8.5%
65 - 74	8.3%	7.1%	6.5%
75 - 84	6.6%	4.7%	4.4%
85 +	2.6%	1.4%	1.4%
18 +	76.8%	74.7%	73.3%
2010 Population by Age			
Total	18,624	155,636	373,317
0 - 4	6.5%	6.8%	7.1%
5 - 9	6.0%	6.4%	6.8%
10 - 14	5.7%	6.1%	6.4%
15 - 24	12.7%	13.2%	13.4%
25 - 34	14.2%	14.8%	14.1%
35 - 44	12.8%	13.0%	13.0%
45 - 54	13.6%	14.1%	14.3%
55 - 64	10.7%	11.5%	11.6%
65 - 74	7.3%	7.1%	6.7%
75 - 84	6.6%	4.9%	4.5%
85 +	3.8%	2.2%	2.1%
18 +	78.1%	76.8%	75.6%
2015 Population by Age			
Total	18,880	157,557	379,549
0 - 4	6.5%	6.8%	7.1%
5 - 9	6.1%	6.5%	6.9%
10 - 14	5.8%	6.3%	6.6%
15 - 24	11.9%	12.3%	12.4%
25 - 34	14.3%	14.8%	14.6%
35 - 44	12.7%	13.4%	13.0%
45 - 54	12.3%	12.6%	12.8%
55 - 64	11.7%	11.8%	11.9%
65 - 74	8.8%	8.4%	8.3%
75 - 84	6.1%	4.8%	4.4%
85 +	3.9%	2.2%	2.1%
18 +	78.5%	76.9%	75.9%
2000 Population by Sex			
Males	46.7%	48.3%	48.3%
Females	53.3%	51.7%	51.7%
2010 Population by Sex			
Males	46.8%	48.1%	48.2%
Females	53.2%	51.9%	51.8%
2015 Population by Sex			
Males	46.9%	48.1%	48.2%
Females	53.1%	51.9%	51.8%



Demographics

7147 Greenback Lane
Citrus Heights, CA 95621

	1 mile	3 miles	5 miles
2000 Population by Race/Ethnicity			
Total	18,046	151,700	358,065
White Alone	85.8%	84.2%	80.9%
Black Alone	3.0%	3.4%	4.8%
American Indian Alone	1.0%	1.0%	1.0%
Asian or Pacific Islander Alone	2.8%	3.6%	4.7%
Some Other Race Alone	2.8%	3.2%	3.7%
Two or More Races	4.6%	4.6%	4.9%
Hispanic Origin	8.5%	9.3%	10.2%
Diversity Index	37.8	40.8	46.2
2010 Population by Race/Ethnicity			
Total	18,625	155,635	373,316
White Alone	81.0%	79.1%	75.2%
Black Alone	3.6%	4.0%	5.6%
American Indian Alone	1.1%	1.1%	1.1%
Asian or Pacific Islander Alone	3.9%	5.1%	6.6%
Some Other Race Alone	4.2%	4.7%	5.2%
Two or More Races	6.2%	6.0%	6.3%
Hispanic Origin	12.7%	13.7%	14.6%
Diversity Index	48.8	51.9	57.0
2015 Population by Race/Ethnicity			
Total	18,880	157,559	379,548
White Alone	79.6%	77.7%	73.6%
Black Alone	3.6%	4.0%	5.6%
American Indian Alone	1.1%	1.1%	1.1%
Asian or Pacific Islander Alone	4.3%	5.5%	7.2%
Some Other Race Alone	4.7%	5.3%	5.8%
Two or More Races	6.7%	6.4%	6.7%
Hispanic Origin	14.4%	15.4%	16.3%
Diversity Index	52.0	55.1	60.0
2000 Population 3+ by School Enrollment			
Total	17,349	145,801	343,901
Enrolled in Nursery/Preschool	1.4%	1.5%	1.6%
Enrolled in Kindergarten	1.4%	1.6%	1.6%
Enrolled in Grade 1-8	11.0%	12.2%	13.0%
Enrolled in Grade 9-12	5.2%	5.8%	6.1%
Enrolled in College	6.5%	6.8%	6.5%
Enrolled in Grad/Prof School	0.7%	0.9%	0.9%
Not Enrolled in School	73.9%	71.2%	70.3%
2010 Population 25+ by Educational Attainment			
Total	12,869	105,110	247,620
Less Than 9th Grade	3.2%	3.3%	3.9%
9th to 12th Grade, No Diploma	6.4%	6.2%	6.4%
High School Graduate	29.4%	27.5%	26.2%
Some College, No Degree	27.4%	28.4%	27.3%
Associate Degree	10.1%	10.0%	10.1%
Bachelor's Degree	16.9%	17.3%	17.9%
Graduate/Professional Degree	6.5%	7.2%	8.2%