

CVS PHARMACY - NORTH WEBSTER, INDIANA

~20% Below Market Rent | 2021 Lease Reset | Investment Grade Credit

618 S. Main Street, North Webster, Indiana 46555



- ▶ \$9.93/SF vs. ±\$12.00/SF Market Rent (~20% Discount)
- ▶ Fresh 20-Year Lease Reset in 2021
- ▶ CVS Health (BBB / Baa2) – Corporate Guarantee
- ▶ Absolute NNN | Zero Landlord Responsibility

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ACTUAL PROPERTY

ON MARKET:

CVS PHARMACY IN NORTH WEBSTER, INDIANA

INVESTMENT HIGHLIGHTS

- ▶ **Long-Term Absolute Net Lease to Investment Grade Credit**
CVS Health Corporation (S&P: BBB / Moody's: Baa2) guarantees the lease, providing durable, investment-grade income backed by the nation's leading pharmacy operator.
- ▶ **Recent Lease Reset Extending Term Through 2041**
The 2021 lease amendment reestablished a 20-year primary term, delivering ± 15 years of remaining lease term and eliminating near-term rollover risk.
- ▶ **Below-Market Rent with Embedded Upside**
The property is leased at \$100,100 annually (\$9.93/SF), representing a meaningful discount to market rents of approximately \$12/SF. This below-market basis provides a built-in market-to-market opportunity and enhances long-term residual value.
- ▶ **True Passive Income**
The lease is structured as an absolute net lease with zero landlord responsibilities, insulating ownership from operating expenses, capital expenditures, and inflationary cost pressures.
- ▶ **Mission-Critical Location with 20+ Year Operating History**
CVS has successfully operated at this location since 2003, demonstrating long-term commitment and reinforcing the site's role as a critical healthcare and convenience retail hub.
- ▶ **Strong Site Fundamentals with Excellent Accessibility**
Situated on ± 1.59 acres with dual frontage along S Main Street (State Road 13) and Effie Mae Street, the property benefits from strong visibility and accessibility with traffic counts of 10,262 VPD.
- ▶ **High-Functioning Retail Prototype with Drive-Thru**
The $\pm 10,083$ SF freestanding building includes a drive-thru pharmacy and ± 62 parking spaces ($\sim 6.1/1,000$ SF), supporting efficient operations and consistent customer demand.
- ▶ **Seasonal Demand Driven by Webster Lake Tourism**
Property benefits from significant summer population inflows associated with Webster Lake, driving increased retail demand and supporting store performance beyond base demographics.



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EXECUTIVE SUMMARY

Basis-Driven Investment with Long-Term Control & Downside Protection

SAB Capital, is pleased to present the exclusive offering of a single-tenant, net-leased CVS Pharmacy located in North Webster, Indiana. The Property is secured by CVS Health Corporation, an investment-grade rated tenant (S&P: BBB / Moody's: Baa2), and benefits from a recently executed lease amendment in 2021 that reestablished a new 20-year primary term, providing approximately 15 years of remaining lease term and long-term income stability.

The investment is structured as an absolute net lease, offering a truly passive ownership experience with zero landlord responsibilities. CVS is responsible for all operating expenses, including taxes, insurance, and maintenance, delivering durable, bond-like cash flow backed by one of the nation's leading pharmacy operators.

What differentiates this opportunity is its below-market rent profile. The property is leased at \$100,100 annually (\$9.93/SF), representing a meaningful discount to prevailing market rents of approximately \$12/SF. This creates an embedded margin of safety and positions the asset for long-term upside, whether through mark-to-market potential or enhanced residual value. Unlike many net lease investments that trade at or above market rents, this offering provides a basis-driven investment thesis with both downside protection and future optionality.

The Property is strategically situated on ±1.59 acres with dual frontage along S Main Street (State Road 13) and Effie Mae Street, offering strong visibility and accessibility in a proven retail corridor. CVS has successfully operated at this location for over 20 years, reinforcing the site's viability and importance as a local healthcare and convenience retail destination.

This offering presents investors with the rare opportunity to acquire a long-term, investment-grade net lease with a recent lease reset, below-market rent, and strong underlying real estate fundamentals. The combination of passive income, tenant credit quality, and favorable basis positions the asset as a compelling addition to both income-focused and value-oriented portfolios.



ACTUAL PROPERTY

PROPERTY SNAPSHOT

PRICING GUIDANCE

PRICE	\$2,002,000
CAPITALIZATION RATE	5.00%

LEASE SUMMARY

TENANT/GUARANTOR	CVS Health Corporation
CREDIT RATING (S&P / MOODY'S)	BBB (S&P) Baa2 (Moody's)
TOTAL SF	±10,083 SF
LAND AREA	1.59 Acres
OWNERSHIP INTEREST	Fee Simple
LEASE TYPE	Absolute NNN
LANDLORD RESPONSIBILITY	Zero Landlord Exposure
NOI	\$100,100
NOI/SF	\$9.93/SF
RENTAL ESCALATIONS	3% in Options
LEASE COMMENCEMENT	December 18, 2003
LEASE EXPIRATION	October 1, 2041
LEASE TERM REMAINING	±15 Years
RENEWAL OPTIONS	8; 5-Year

618 S. MAIN STREET
NORTH WEBSTER, INDIANA 46555



ACTUAL PROPERTY

PROPERTY SPECIFICATIONS

ADDRESS	618 S. Main Street, North Webster, Indiana 46555
PARCEL NUMBER (APN)	43-08-15-100-342.000-024
ZONING	COMME (Store Building)
OCCUPANCY	100.00%
BUILDING SF	10,083 SF
LAND AREA	1.59 Acres 69,179 SF
FRONTAGE	431' on Main Street
YEAR BUILT	2004
PARKING LOT	62 Spaces
PARKING RATIO	6.15/1,000 SF
DRIVE THRU	Yes; 1
OWNERSHIP INTEREST	Fee Simple
CONSTRUCTION (IMPROVEMENTS)	Masonry
TRAFFIC COUNTS	10,262 VPD (Main Street)



ACTUAL PROPERTY



ACTUAL PROPERTY

RENT ROLL

Tenant Name	Credit Strength	GLA (SF)	Lease Start	Lease Expiration	Rent/SF	Annual Rent	Lease Term	LTR	Expenses	Options	Escalations
CVS Health Corporation	BBB (S&P) Baa2 (Moody's)	10,083 SF	12/18/2003	10/1/2041	\$9.93/SF	\$100,100	38 Years	±15 Years	Absolute NNN	8; 5-Year	3% in Options

Tenant Name	GLA (SF)	LTR	Start	End	Monthly Rent	Rent/SF	Annual Rent	Escalations	Expenses
CVS Health Corporation	10,083 SF	±15 Years	Current	10/1/2041	\$8,342	\$9.93/SF	\$100,100		Absolute NNN
		Option 1	10/2/2041	10/1/2046	\$8,592	\$10.23/SF	\$103,103	3.00%	
		Option 2	10/2/2046	10/1/2051	\$8,850	\$10.53/SF	\$106,196	3.00%	
		Option 3	10/2/2051	10/1/2056	\$9,115	\$10.85/SF	\$109,382	3.00%	
		Option 4	10/2/2056	10/1/2061	\$9,389	\$11.17/SF	\$112,663	3.00%	
		Option 5	10/2/2061	10/1/2066	\$9,670	\$11.51/SF	\$116,043	3.00%	
		Option 6	10/2/2066	10/1/2071	\$9,960	\$11.85/SF	\$119,525	3.00%	
		Option 7	10/2/2071	10/1/2076	\$10,259	-	\$123,110	3.00%	
		Option 8	10/2/2076	10/1/2081	\$10,567	-	\$126,804	3.00%	



RENT VS MARKET ANALYSIS

Below-Market Basis | Embedded Upside | Downside Protection

VALUE GAP

~20% DISCOUNT TO MARKET RENT



The subject property is leased at a meaningful discount to market, creating an immediate basis advantage and long-term mark-to-market opportunity.



WHY MARKET RENT IS HIGHER

- ▶ Tight Market Conditions: ~3.1% vacancy with limited available inventory and no new construction pipeline
- ▶ Positive Demand Fundamentals: ~38,000 SF of net absorption over the past 12 months supporting rent stability
- ▶ Supply Constraints: Minimal new development limits competitive pressure on existing assets
- ▶ Rising Construction Costs: Increasing land, labor, and material costs drive higher replacement rents

REPLACEMENT COST ADVANTAGE

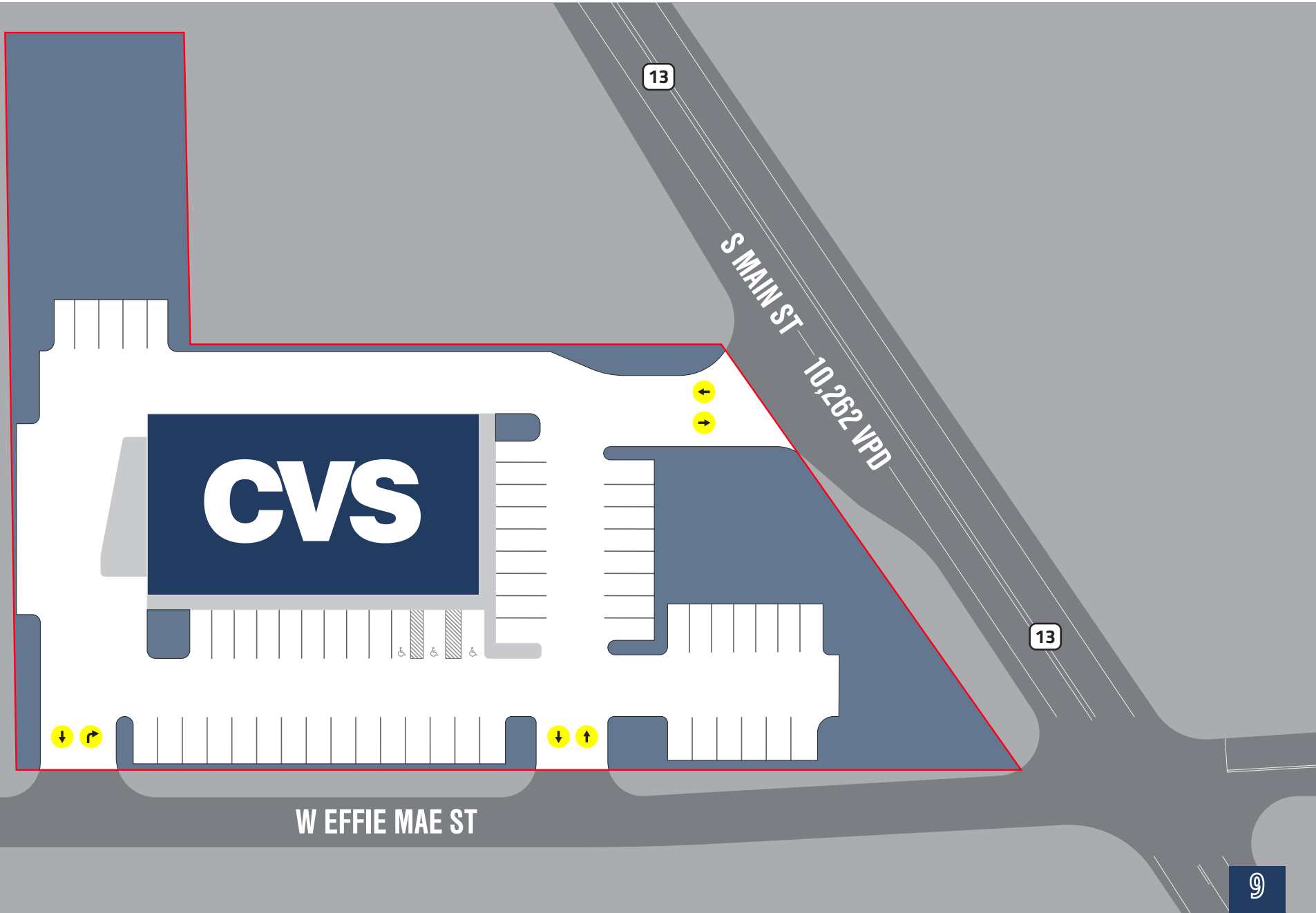
- ▶ Freestanding ±10,083 SF building
- ▶ ±1.59-acre site with dual frontage
- ▶ ±62 parking spaces (~6.1/1,000 SF)
- ▶ Existing infrastructure, access, and entitlements

Replicating the subject property today would require significantly higher rents to justify new construction, reinforcing the value of the existing below-market basis. Unlike over-market leases, the subject’s rent level enhances re-leasing probability and reduces exit risk.

TAKEAWAY

A basis-driven investment with a built-in margin of safety, combining long-term passive income with below-market rent and future real estate optionality.

SITE PLAN



TENANT OVERVIEW

CVS Health Corporation is one of the largest integrated healthcare providers in the United States, operating a diversified platform that includes retail pharmacies, pharmacy benefit management (PBM), and health insurance through its Aetna subsidiary. With over 9,000 pharmacy locations nationwide, CVS serves as a critical front-line provider of healthcare services, prescription fulfillment, and consumer wellness products.

The company has strategically evolved beyond traditional retail pharmacy into a vertically integrated healthcare model, combining insurance, pharmacy services, and clinical care delivery. This integrated approach positions CVS as a central player in the U.S. healthcare ecosystem, driving recurring customer traffic and long-term demand for its locations.

CVS locations are typically mission-critical to the company's operations, serving as essential last-mile healthcare distribution hubs within their respective communities. Many sites, including the subject property, benefit from long operating histories, established customer bases, and significant investment in infrastructure and branding.

With strong national scale, diversified revenue streams, and a focus on expanding healthcare access through physical locations and digital platforms, CVS Health continues to demonstrate resilience and adaptability within an evolving healthcare landscape. The company's investment-grade credit profile further reinforces the stability and reliability of its long-term lease obligations.



ACTUAL PROPERTY



OVERVIEW

COMPANY CVS Health Corporation

TICKER SYMBOL NYSE: CVS

HEADQUARTERS Woonsocket, Rhode Island

WEBSITE www.cvshealth.com

MARKET CAPITALIZATION (2025) ~\$100+ Billion

REVENUE (2025) ~\$402.1 Billion

CREDIT RATING BBB (S&P) / Baa2 (Moody's)



ACTUAL PROPERTY

ABOUT NORTH WEBSTER

North Webster, Indiana is a stable, service-oriented community located in Kosciusko County, serving as a local hub for retail and essential services within the broader Northern Indiana region. While modest in population, the town draws consistent demand from both full-time residents and surrounding rural communities, as well as seasonal lake traffic that supports local businesses year-round. The area benefits from a steady, blue-collar economic base anchored by manufacturing, retail trade, and construction, which provides a reliable workforce and supports recurring consumer spending. This economic stability, combined with a low cost of living and high homeownership rates, contributes to a “sticky” population base with long-term residency trends.

Demographically, the market is particularly well-suited for healthcare-oriented retail, with a median age above national averages and a meaningful concentration of residents aged 55 and older. This aging population drives consistent utilization of pharmacy and healthcare services, reinforcing the importance of established operators like CVS within the community. The subject property is strategically located along S Main Street (State Road 13), the primary commercial corridor serving North Webster, benefiting from strong visibility, accessibility, and daily traffic counts of approximately 10,262 vehicles per day. CVS has successfully operated at this location for over 20 years, demonstrating the site’s long-term viability and its role as a critical healthcare and convenience retail destination.

Additionally, North Webster represents a supply-constrained market with limited new development, creating favorable conditions for tenant retention and long-term occupancy. The lack of competing new construction and barriers to entry for national tenants further support the durability of existing retail assets. Overall, the market’s combination of stable economic fundamentals, favorable demographics, and limited supply positions it as an attractive environment for necessity-based retail investments, particularly those backed by strong national tenants operating mission-critical locations.

SEASONAL DEMAND DRIVER | WEBSTER LAKE

North Webster experiences significant seasonal population increases driven by Webster Lake, a major recreational destination in Northern Indiana. During peak summer months, the area sees a meaningful influx of tourists and second-home residents, substantially increasing demand for retail and convenience goods.

The subject property serves as a primary retail provider for this lake-driven population, functioning as a critical supply node for seasonal visitors. This includes high-frequency, convenience-driven purchases, reinforcing the store’s importance beyond what traditional demographic data suggests.



ACTUAL PROPERTY

CVS PHARMACY - North Webster, Indiana



MAIN STREET COFFEE CO.

NORTH WEBSTER COMMUNITY CENTER

NAPA AUTO PARTS

BBO

THE RIVER COFFEE

NEIGHBORHOOD FRESH

PILCHER'S

E 600 N

E HUNTINGTON ST

CABRITOS MEXICAN RESTAURANT

Pizza King

LUCKY'S TAVERN

SHEILA'S SWEET TREATS & DINER

SUBJECT PROPERTY
CVS

10-262 UDD

W EFFIE MAE ST

NORTH WEBSTER ELEMENTARY SCHOOL

Pass the Cookies

ACE Hardware

AFFORDABLE Storage

FAMILY EXPRESS

S MAIN ST

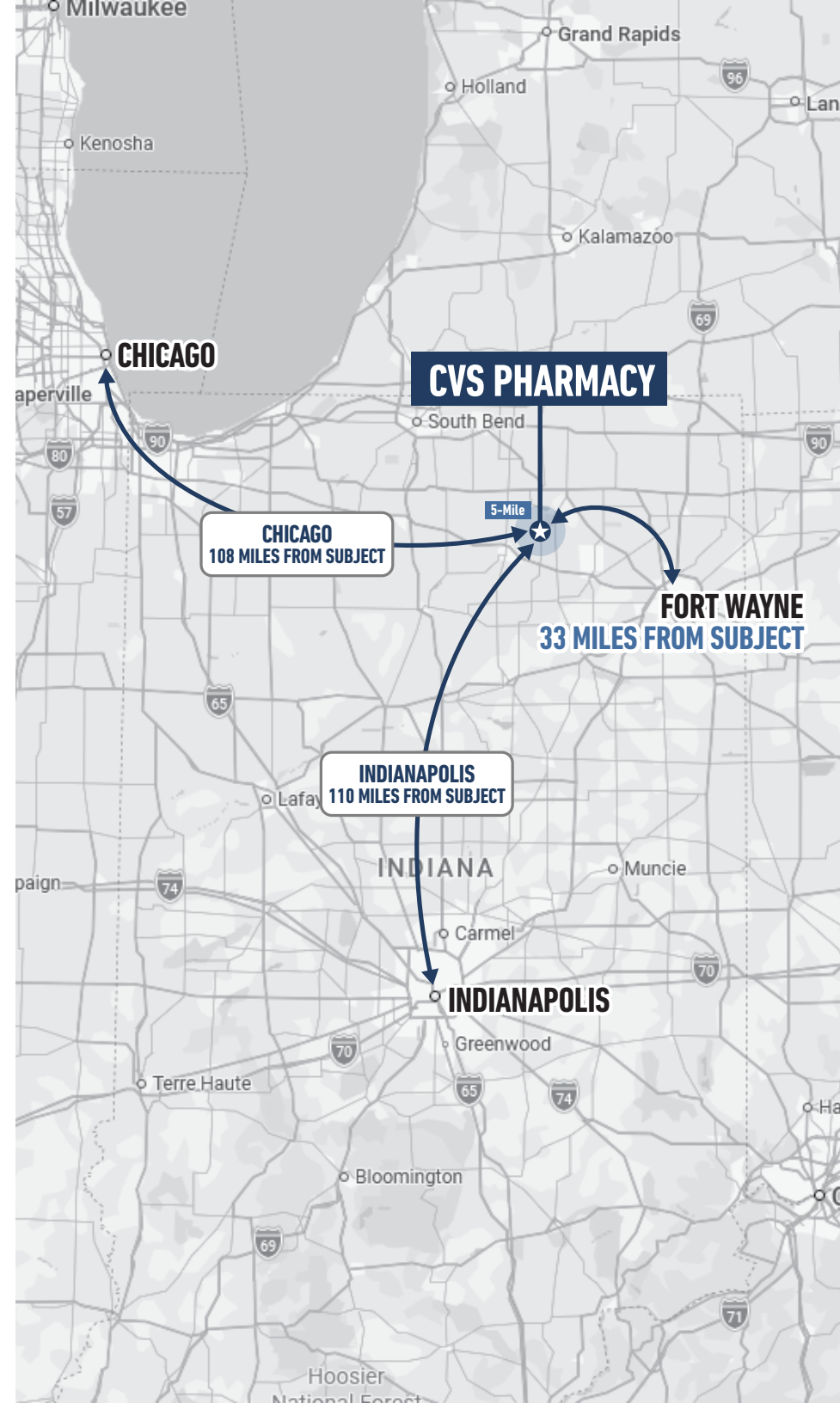
S DIXIE DR

MARIA'S HOUSE OF PANCAKES

WEBSTER LAKE

AREA DEMOGRAPHICS

	1 Mile	3 Mile	5 Mile
Population	1,111	6,271	9,028
Median Age	51.1 Years	47.0 Years	47.9 Years
HOUSEHOLDS			
Generation Alpha	13.05%	16.89%	16.05%
Generation Z	8.64%	10.32%	10.42%
Millennials	14.67%	14.78%	14.36%
Generation X	22.14%	17.45%	16.95%
Baby Boomers	32.58%	33.44%	33.20%
Greatest Generations	8.91%	7.13%	9.03%
HOUSEHOLDS			
Households	568	2,679	3,883
Average Household Income	\$72,053.70	\$87,957.11	\$93,293.82
Median Household Income	\$63,939.39	\$72,375.00	\$75,572.34
HOUSING VALUE			
Median Home Price	\$197,499.10	\$232,931.35	\$254,889.50
Owner Occupied	84.68%	82.90%	84.01%
Renter Occupied	15.32%	17.10%	15.99%
LABOR FORCE			
Employed	94.26%	90.46%	93.41%
Unemployed	5.74%	9.54%	6.60%
COMMUTE			
Drove alone	89.08%	86.91%	85.05%
Carpooled	4.71%	4.11%	6.26%
Walked	3.01%	0.56%	<0.5%
Public transportation	1.32%	<0.5%	<0.5%
Worked from home	1.13%	7.37%	7.61%
Motorcycle	0.75%	<0.5%	<0.5%
Other	-	<0.5%	<0.5%
Bicycle	-	<0.5%	<0.5%
Taxicab	-	-	-



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