

100 COMMERCIAL STREET

Mineral Wells, WV



AFFILIATED BUSINESS DISCLOSURE AND CONFIDENTIALITY AGREEMENT

CBRE, Inc. operates within a global family of companies with many subsidiaries and/or related entities (each an “Affiliate”) engaging in a broad range of commercial real estate businesses including, but not limited to, brokerage services, property and facilities management, valuation, investment fund management and development. At times different Affiliates may represent various clients with competing interests in the same transaction. For example, this Memorandum may be received by our Affiliates, including CBRE Investors, Inc. or Trammell Crow Company. Those, or other, Affiliates may express an interest in the property described in this Memorandum (the “Property”) may submit an offer to purchase the Property and may be the successful bidder for the Property. You hereby acknowledge that possibility and agree that neither CBRE, Inc. nor any involved Affiliate will have any obligation to disclose to you the involvement of any Affiliate in the sale or purchase of the Property. In all instances, however, CBRE, Inc. will act in the best interest of the client(s) it represents in the transaction described in this Memorandum and will not act in concert with or otherwise conduct its business in a way that benefits any Affiliate to the detriment of any other offeror or prospective offeror, but rather will conduct its business in a manner consistent with the law and any fiduciary duties owed to the client(s) it represents in the transaction described in this Memorandum.

This is a confidential Memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property.

This Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the Property or the owner of the Property (the “Owner”), to be all-inclusive or to contain all or part of the information which prospective investors may require to evaluate a purchase of real property. All financial projections and information are provided for general reference purposes only and are based on assumptions relating to the general economy, market conditions, competition and other factors beyond the control of the Owner and CBRE, Inc. Therefore, all projections, assumptions and other information provided and made herein are subject to material variation. All references to acreages, square footages, and other measurements are approximations. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective purchasers. In this Memorandum, certain documents, including leases and other materials, are described in summary form. These summaries do not purport to be complete nor necessarily accurate descriptions of the full agreements referenced. Interested parties are expected to review all such summaries and other documents of whatever nature independently and not rely on the contents of this Memorandum in any manner.

Neither the Owner or CBRE, Inc, nor any of their respective directors, officers, Affiliates or representatives make any representation or warranty, expressed or implied, as to the accuracy or completeness of this Memorandum or any of its

contents, and no legal commitment or obligation shall arise by reason of your receipt of this Memorandum or use of its contents; and you are to rely solely on your investigations and inspections of the Property in evaluating a possible purchase of the real property.

The Owner expressly reserved the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions with any entity at any time with or without notice which may arise as a result of review of this Memorandum. The Owner shall have no legal commitment or obligation to any entity reviewing this Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered and approved by the Owner and any conditions to the Owner’s obligations therein have been satisfied or waived.

By receipt of this Memorandum, you agree that this Memorandum and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose this Memorandum or any of its contents to any other entity without the prior written authorization of the Owner or CBRE, Inc. You also agree that you will not use this Memorandum or any of its contents in any manner detrimental to the interest of the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this Memorandum to CBRE, Inc.



CONTACT US

JOHN SKOGLIN

Vice President
+1 410 244 3132
john.skoglin@cbre.com

JAMES DONNERSTAG

Senior Vice President
+1 310 550 2535
james.donnerstag@cbre.com



TABLE OF CONTENTS

- 05 EXECUTIVE SUMMARY
- 06 PROPERTY OVERVIEW
- 09 FINANCIAL OVERVIEW
- 10 LOCAL MARKET OVERVIEW



EXECUTIVE SUMMARY



THE OFFERING

On behalf of the Owner, CBRE, Inc. is pleased to extend, to qualified investors, the opportunity to acquire 100% fee interest in 100 Commercial Street, Mineral Wells, WV 26150. The 169,788 square foot facility is 100% leased to Pactiv Corporation. Pactiv Corporation has occupied the building since 2002, and originally signed a twenty-five (25) year triple net lease, followed by a five (5) year extension.

The property is located in Mineral Wells, West Virginia, on Interstate I-77, which runs from Charleston, WV to Canton and Akron, Ohio on the North and intersects I-79, I-64, I-81, I-74, I-485 and I-85 in Charlotte, NC on the South. It is also located within 2 Hours of Pittsburgh, PA.

The building was originally built in 1998 for a clothing distributor and is a Pre-Engineered Butler Building with 6" fiberglass roll insulation in the ceiling and 3" fiberglass roll insulation in the walls, and has a supported steel I-beam/truss roof system. The building was constructed for distribution/manufacturing purposes including 6" reinforced floors to support heavy processing equipment that is used for the current Tenant. The site has ample parking for a manufacturing operation that accommodates this facility and has an additional 2.710± acres of land which was purchased for expansion.

The current Owner acquired the property through a business acquisition in 2002. Since acquiring the asset, the Owner has been very accommodating with investing in improvements and capital expenditures to the property valued at approximately \$3.2 million, which have included significant tenant and infrastructure improvements. These improvements have included the construction of an additional fifty thousand (50,000) square feet in two (2) phases, 2003 and 2005, including an additional 10' X 12' loading dock, sprinkler system, upgrades and replacements, including HVAC and lighting upgrades and the roof has undergone expansion and maintenance.

There is approximately 170,000 square feet of leased space in the building that is actively being marketed For Sale. The building comes with twelve (12) years remaining on the lease; rental escalations every two (2) years up to April 1, 2023; a CPI rate ranging from 3% to 7%; and an average annual minimum NOI of \$1,174,938.



INVESTMENT HIGHLIGHTS

- Current annual income - \$1,038,756; cap rate 7.69%; Net annual income April 2019 - \$1,085,502; cap rate 8.04%
- Fully leased manufacturing building with additional acreage for expansion
- Credit worthy International Tenant with eleven and one half (11.5) years remaining on a thirty (30) year triple net lease term with rent escalations every two (2) years up to April 1, 2023
- The building is located in the Parkersburg/Mineral Wells area on I-77, with easy access to several interstates both North and South
- Current ownership has improved the property's overall efficiency and appeal
- Landlord invested \$3.2 million in this property with tenant improvements and capital expenditures over the past 17 years
- Not located in flood zone according to Flood Map #540213 0102 A, Dated March 4, 1985
- Current Real Estate Taxes are approximately \$59,682 per year



OFFERING SUMMARY

Price	\$13,500,000 / 8% Cap Rate 4/1/2019
Location	100 Commercial Street, Mineral Wells, WV
Land Area	11.742 +/- acres
Zoning	(None)
Building Size	Approximately 169,788 square feet
Construction	Butler Steel Building
Occupancy	100% with a remaining lease term of 11.5 years NNN lease assigned to Pactiv and it's parent company RGHL (Reynolds Group Holding).
Lease Term:	Until March 31, 2030



SALES SUMMARY

The property is being offered on an “as-is” basis with ownership making no representations or warranties with respect to the accuracy or completeness of the offering memorandum or any and all documents delivered to an acquisition prospect for the purpose of performing due diligence.



CURRENT TENANCY

Reynolds Group Holding (RGHL)

RGHL was incorporated on May 30, 2006 under the Companies Act 1993 of New Zealand. RGHL acquired its businesses in a series of transactions between 2008 and 2011. RGHL is a leading global manufacturer and supplier of consumer food, beverage, and foodservice packaging products. They are one of the largest consumer food, beverage and foodservice packaging companies in the United States, as measured by revenue, with leading market positions in many of their product lines based on management's analysis of industry data. RGHL sells products to customers globally, including a diversified mix of leading multinational companies, large national and regional companies, and small local businesses. They primarily serve the consumer food, beverage and foodservice market segments.

Pactiv

Reynolds Group Holdings acquired Pactiv in 2010. Pactiv is the world's largest manufacturer and distributor of food packaging and foodservice products, supplying packers, processors, supermarkets, restaurants, institutions and foodservice outlets across North America.

Since its founding in 1965 as Packaging Corporation of America, they have focused on producing and distributing the highest quality foodservice packaging products. Their product lines today include custom and stock foam, plastic, aluminum, pressed-paperboard, PE coated board, and molded-fiber packaging. They supply every major foodservice retailer and distributor in North America, including McDonald's, Wendy's, Burger King, WalMart, Kroger, and Tim Horton's.

Over the past few decades, Pactiv has undergone a series of strategic mergers and corporate realignments, all with an eye toward expanding their portfolio of products and customer base while securing its position as an industry leader. In 1995, PCA was acquired by Tenneco Inc., a division of Fortune 500 company Tenneco. Steady growth over the next several years led to a spin-off of Pactiv Corporation in 1999, which began trading publicly later that year (NYSE: PTV). From their world headquarters in Lake Forest, Illinois, they oversee global operations of more than 11,000 employees at more than 50 manufacturing plants, mixing centers and distribution centers.



PROPERTY OVERVIEW

The building is located on I-77 at 100 Commercial Street in Wood County, Mineral Wells/Parkersburg, WV. The property is in proximity to the market's major highway systems: I-79, I-64, I-74 and US 50 and off Southern Highway South of US 14.

The site is comprised of two parcels, one 9,032 \pm acres and a second 2.710 \pm acres for a total fo 11.742 \pm acres; Tax Map 90, Parcel OA7A & Tax Map 100. Parcel OH100. The building was constructed in three (3) phases beginning in 1998, followed by 2003 and final in 2005.



Property Specifications

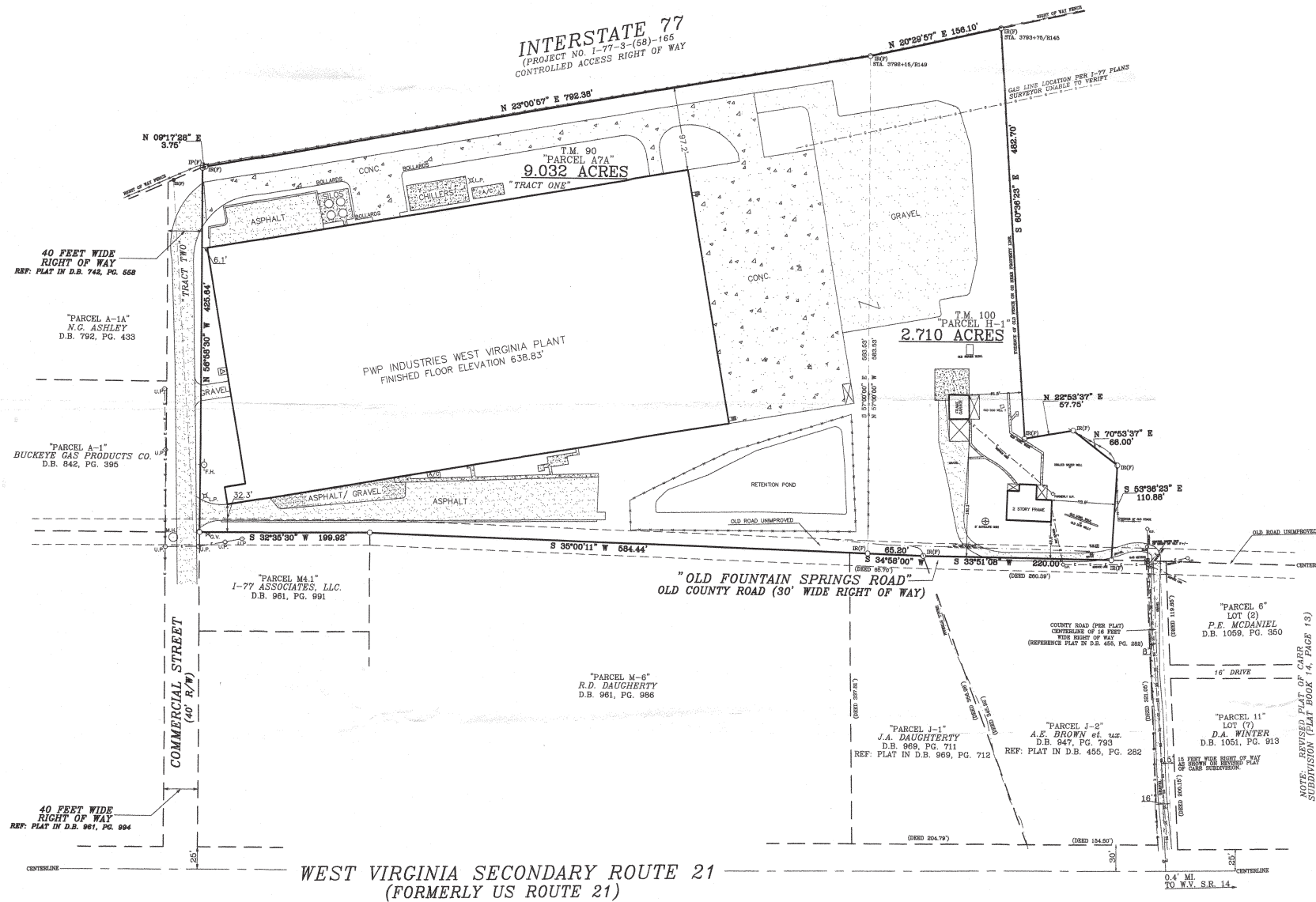
Building Size	169,788 \pm SF with 6,376 SF of office	Dock Doors	11 (8' x 10')
Property Size	11.742 \pm acres	Overhead Doors	1 (12' x 14')
Construction	Butler Pre-Engineered Steel	Ceiling Height	25'2" - 31'2"
Roof	Butler MR-24 standing seam	Column Spacing	50' x 50'
Floor Structure	Concrete - fiber reinforced	Electric	3 phase 480 volt
Foundation	Poured concrete; reinforced concrete slab on compacted fill	HVAC	Warehouse - Natural Gas Units Office - Roof Top Heating Entire Facility - Roof Top Cooling
Fire Protection	100% wet sprinklered	Restrooms	Warehouse - 2 Office - 2.5
Lighting	Metal Halide/Fluorescent	Parking	Lighted parking lot 200 spaces for cars and semi-trailers
Telecommunications	Verizon Fiber Optic	Site	Paved and landscaped
Natural Gas	Hope Gas, Inc. 6" service	Water Sewer	Mineral Wells PSD 6" main Mineral Wells PSD 8" main





PROPERTY DESCRIPTION

SITE PLAN





FINANCIAL OVERVIEW

PRO FORMA

100 COMMERCIAL STREET

Scenario 1 - \$13.5 million Sale: NO DEBT

8/28/2018

100 Commercial Street, Mineral Wells, WV

GENERAL ASSUMPTIONS	
Size of Premises	170,000 RSF
Lease Start	1/1/2019
Lease Expiration	3/31/2030
Lease Term	11 Years, 3 Months

RENT STRUCTURE				
Initial Rent	\$6.11	6.00% Every 2 Years		
Expense Recovery		NNN		
Free Rent		None		
Months	Dates	Pmt/Yr	PSF/Yr	
1 to 3	Jan-19-Mar-19	\$1,038,756	\$6.11	
4 to 27	Apr-19-Mar-21	\$1,101,081	\$6.48	
28 to 51	Apr-21-Mar-23	\$1,167,146	\$6.87	
52 to 135	Apr-23-Mar-30	\$1,237,175	\$7.28	

PURCHASE TERMS / RESIDUAL SALE			
Purchase Date	1/1/2019		
Purchase Price	\$79.41	\$13,500,000	
Closing Costs	0.00%	\$0	
Total Investment	\$79.41	\$13,500,000	
Reversion Sale Date	3/31/2030		
	\$13,500,000		
Gross Reversion Sale Proceeds		\$15,464,688	
Reversion Cost of Sale	3.00%	\$463,941	
Net Reversion Sale Proceeds	\$88.24	\$15,000,747	

FINANCING TERMS	
Total Investment	\$13,500,000
Down Payment	(\$13,500,000)
Amount Financed	\$0

NOTES

Property is sold for \$13.5 million.
Exit Cap rate of 8% utilizing rental in final lease year and an estimated 3% closing cost.

NOTES (Continued)

Rental Income set to increase every 2 years beginning 4/19 based on CPI with a floor of 3% per year and a ceiling of 5%. 6% increases is shown in the cash flow.
After final rent step on 4/23, rent does not increase for the final 7 years of the lease term.

PRE-TAX CASH FLOWS (Discounted Annually)	Initial	1/19-12/19 Year 1	1/20-12/20 Year 2	1/21-12/21 Year 3	1/22-12/22 Year 4	1/23-12/23 Year 5	1/24-12/24 Year 6	1/25-12/25 Year 7	1/26-12/26 Year 8	1/27-12/27 Year 9	1/28-12/28 Year 10	1/29-12/29 Year 11	1/30-12/30 Year 12	Total Cost
Square Feet Occupied		170,000 SF	170,000 SF	170,000 SF	170,000 SF	170,000 SF	170,000 SF	170,000 SF	170,000 SF	170,000 SF	170,000 SF	170,000 SF	170,000 SF	
Months Occupied (Including Early Possession)		12	12	12	12	12	12	12	12	12	12	12	3	
Rental Income														
Base Rental Income	\$0	\$1,085,500	\$1,101,081	\$1,150,630	\$1,167,146	\$1,219,668	\$1,237,175	\$1,237,175	\$1,237,175	\$1,237,175	\$1,237,175	\$1,237,175	\$309,294	\$13,456,369
Free Rent	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Rental Income	0	1,085,500	1,101,081	1,150,630	1,167,146	1,219,668	1,237,175	1,237,175	1,237,175	1,237,175	1,237,175	1,237,175	309,294	13,456,369
Acquisition & Financing														
Purchase Price	13,500,000	0	0	0	0	0	0	0	0	0	0	0	0	13,500,000
Reversion Sale	0	0	0	0	0	0	0	0	0	0	0	0	(15,464,688)	(15,464,688)
Closing Costs / Cost of Sale	0	0	0	0	0	0	0	0	0	0	0	0	463,941	463,941
Loan Funding / Repayment (Market)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Debt Service (Market)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Acquisition & Financing	13,500,000	0	0	0	0	0	0	0	0	0	0	0	(15,000,747)	(1,500,747)
Pre-Tax Cash Flow	(\$13,500,000)	\$1,085,500	\$1,101,081	\$1,150,630	\$1,167,146	\$1,219,668	\$1,237,175	\$1,237,175	\$1,237,175	\$1,237,175	\$1,237,175	\$1,237,175	\$15,310,041	\$14,957,116
Cash on Cash Return		8.0%	8.2%	8.5%	8.6%	9.0%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%	113.4%	
IRR		8.98%												

Full size version available in Deal Flow



MARKET OVERVIEW

WOOD COUNTY, WEST VIRGINIA

New commercial developments are sprouting across the landscape of Wood County, West Virginia. Combined with a positive retail environment, this is an area welcoming many types of industry. The Third most populated city in West Virginia, Parkersburg ranked in the top 100 “Best Small Places for Business and Careers” by Forbes Magazine for its low cost of living and doing business.

Major employers include DuPont Chemicals, U.S. Treasury Department of Public Debt, WinCor Manufacturing, Hino Motor Manufacturing, and Pactiv Corporation in Mineral Wells, sister city to Parkersburg. Camden-Clark Memorial Hospital in Parkersburg, is also a major employer.

Polymers help lead the industry in the Mid-Ohio Valley, an area with abundant resources, good commercial location, a stable workforce and a remarkable quality of life. Wood County is home to a number of major corporations, with the three leading products being chemicals, ferrous metals, and glass. It also is a member of the Polymer Alliance Zone (PAZ), created in 1996 as a partnership between government, schools, and the plastics industry with the goal of bringing businesses to the area to make their products from the raw materials produced here. The Polymer Technology Park, located in Davisville and leased by the PAZ from the Mid-Ohio Valley Development Corp., will be the center of a national effort aimed at one of the zone’s key operations – electronics recycling. The park is the future home of the National Center for Electronics Recycling. The goal of the center will be to coordinate electronic recycling efforts across the country. Wood County has the highest concentration of producers of high tech, specialty and engineering resins in the world. The plastics industry is growing even though other manufacturing sectors may be decreasing nationally. The area also has a number of businesses that take care of the plastic companies’ needs, including metal fabrication, tooling, mold-making, dyes, repair work, transportation, and other tasks. Nearly 10,000 area residents work in the plastics industry.

Three nationally known glass plants in the Mid-Ohio Valley employ more than 1,000 people. Products include glass fiber, laboratory ware, and decorative glassware. Fenton Art Glass in Williamstown, where glass is blown and hand-worked, is a popular stop for tourists.

The economy is diversified, however, with many types of businesses. An ample labor supply and many desirable industrial sites are attracting additional investment to the area. Most have municipal services, such as water, sewerage, electricity, natural gas, and fire and police protection. The Mid-Ohio Valley offers new developers warehouse facilities, office spaces and storefronts. Local capital is available for industrial construction.

The Area Roundtable, a collaboration of the Parkersburg Development Corporation, the Wood County Development Authority and the Parkersburg-Wood County Area Development Corporation, is available to assist business. The Area Roundtable, created to organize and foster sustained economic growth in Wood County, is made up of three different but inter-related organizations and each plays a vital role in the retention and creation of jobs and the promotion of investments in our community. The three organizations, the Wood County Development Authority, the Parkersburg Development Corporation, and the Parkersburg-Wood County Area Development Corporation, all have a central management team to enhance administrative efficiencies and consolidate fundraising needs.



MARKET OVERVIEW

WOOD COUNTY, WEST VIRGINIA

Recently, the biggest news in Wood County has been the expansion of Hino Motors with the purchase of the former Coldwater Creek building in Mineral Wells. This expansion will retain 300 jobs and add 250 jobs to the community. The Hino expansion is an example of that long, slow process and it is also an example of how Wood County can help other organizations.

The Wood County data base has seen exceptional usage and a conversation starter between the development office and potential employers. Wood County has been working with the Shell Crescent USA Initiative, which recruits high-intensive gas manufacturers to the Mid-Ohio Valley. They have access to the largest gas reserves and lowest rates in the developed world. This is unique in that is non-governmental, a two-state project that has many passionate volunteers. They continue to recruit manufacturers to locate or relocate to the area. They also sponsored an import-export seminar to help local businesses.

Recently they have been meeting with the new owners of the former federal building and they hope to give this building a meaningful purpose in downtown Parkersburg — there are no plans to level it for a parking lot.

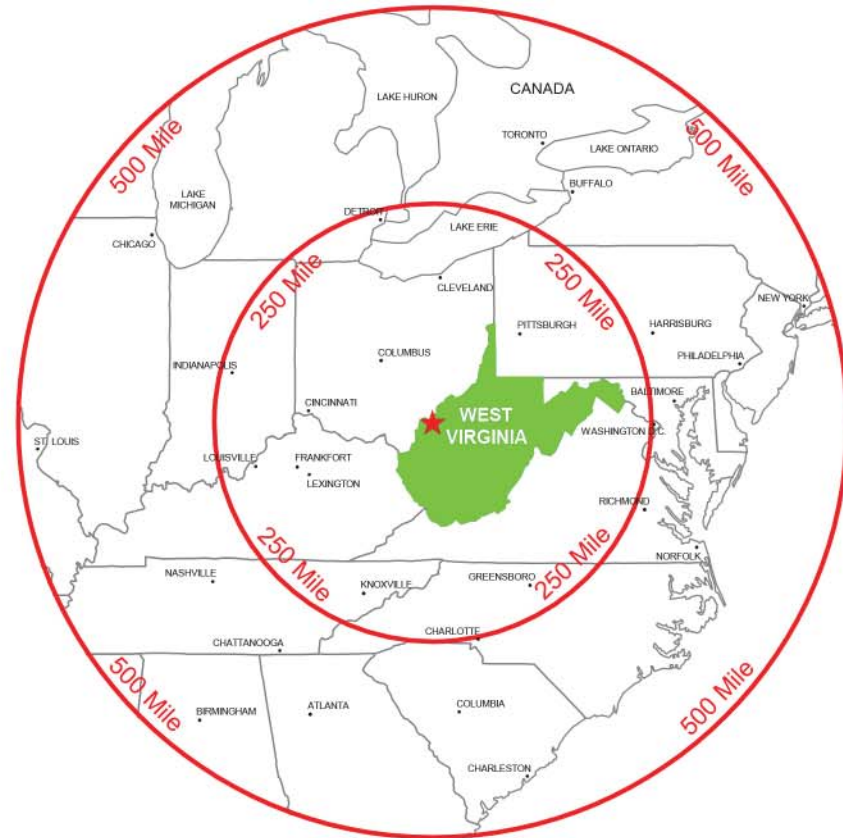
Another downtown landmark, the Dils Building, is under contract. The new owner's closing on the property is expected by the end of October. The prospective buyer is looking to put loft apartments on the upper floors, a restaurant in the back and mixed use on the lower floors, including retail and office space. New residents have found the valley is the best to place to live and professionally grow.



AREA SUMMARY

WOOD COUNTY, WEST VIRGINIA

Mileage to Key Metropolitan Areas	
Atlanta, GA	546
Nashville, TN	410
Baltimore, MD	337
New York, NY	516
Charleston, WV	47
Pittsburgh, PA	212
Cincinnati, OH	163
Raleigh, NC	348
Cleveland, OH	209
Richmond, VA	346
Columbus, OH	134
St. Louis, MO	558
Washington, DC	341
Huntington, WV	94





CONTACT US

JOHN SKOGLIN

Vice President
+1 410 244 3132
john.skoglin@cbre.com

JAMES DONNERSTAG

Senior Vice President
+1 310 550 2535
james.donnerstag@cbre.com

Advisory & Transaction Services | Industrial & Logistics

CBRE