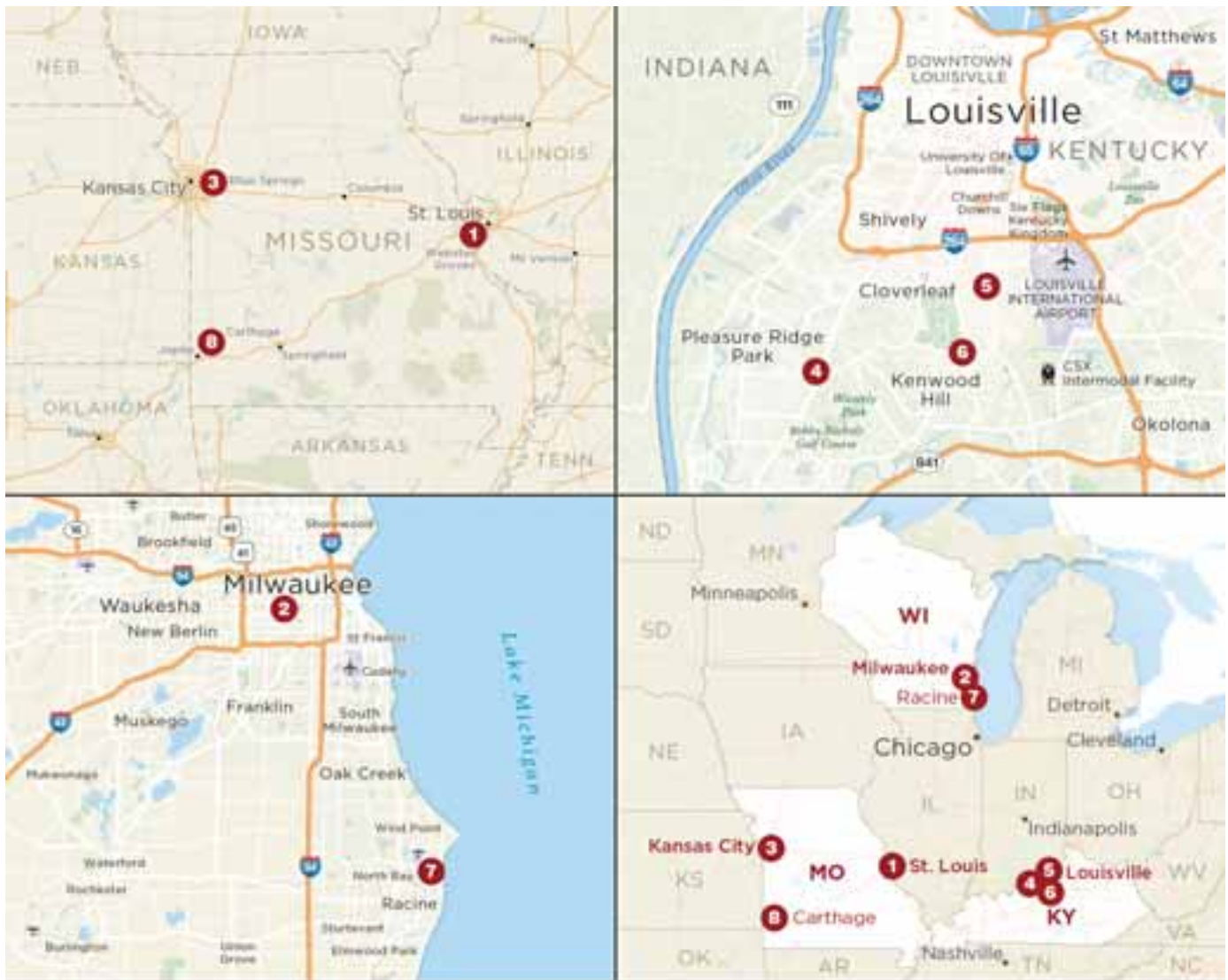


Walgreens Net Lease Portfolio III



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	Property Name	Address	City	State	Zip
1	Walgreens - #7680	8571 Watson Road	Webster Groves	MO	63119
2	Walgreens - #6020	6030 West Oklahoma Avenue	Milwaukee	WI	53219
3	Walgreens - #4225	1701 Northwest State Route 7	Blue Springs	MO	64014
4	Walgreens - #4163	7338 Dixie Highway	Louisville	KY	40258
5	Walgreens - #4216	5201 South 3rd Street	Louisville	KY	40214
6	Walgreens - #5172	5400 New Cut Road	Louisville	KY	40214
7	Walgreens - #9363	1920 Douglas Avenue	Racine	WI	53402
8	Walgreens - #9420	2737 Grand Avenue	Carthage	MO	64836

Walgreens Net Lease Portfolio III

Mortgage Loan Information

Mortgage Loan Seller:	KeyBank
Original Principal Balance:	\$34,287,252
Cut-off Date Principal Balance:	\$34,287,252
% of Pool by IPB:	3.0%
Loan Purpose:	Acquisition
Borrower:	WG DST 3
Sponsors:	DFB Holdings, LLC and Douglas F. Blough
Interest Rate:	4.22000%
Note Date:	12/19/2014
Anticipated Repayment Date⁽²⁾:	1/1/2025
Interest-only Period:	120 months
Original Term:	120 months
Original Amortization:	None
Amortization Type:	ARD—Interest Only
Call Protection:	L(27),Def(90),O(3)
Lockbox:	Hard
Additional Debt:	Yes
Additional Debt Balance:	\$9,786,720
Additional Debt Type:	Mezzanine Loan

Property Information

Single Asset / Portfolio:	Portfolio
Title:	Fee
Property Type - Subtype:	Retail – Freestanding
Net Rentable Area (SF):	117,645
Location:	Various
Year Built / Renovated:	Various / N/A
Occupancy:	100.0%
Occupancy Date:	12/19/2014
Number of Tenants:	8
2012 NOI⁽¹⁾:	N/A
2013 NOI⁽¹⁾:	N/A
2014 NOI⁽¹⁾:	N/A
UW Economic Occupancy:	97.0%
UW Revenues⁽³⁾:	\$3,307,131
UW Expenses:	\$631,408
UW NOI⁽³⁾:	\$2,675,723
UW NCF⁽³⁾:	\$2,648,576
Appraised Value / Per SF:	\$49,060,000 / \$417
Appraisal Date:	November 2014

Escrows and Reserves⁽⁴⁾

	Initial	Monthly	Initial Cap
Taxes:	\$0	Springing	N/A
Insurance:	\$0	Springing	N/A
Replacement Reserves:	\$0	\$0	N/A
TI/LC:	\$0	\$0	N/A
Other:	\$0	\$0	N/A

Financial Information

Cut-off Date Loan / SF:	\$291
Maturity Date Loan / SF⁽⁵⁾:	\$291
Cut-off Date LTV:	69.9%
Maturity Date LTV⁽⁵⁾:	69.9%
UW NCF DSCR:	1.81x
UW NOI Debt Yield:	7.8%

Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan	\$34,287,252	72.2%	Purchase Price	\$46,465,832	97.9%
Mezzanine Loan	9,786,720	20.6	Closing Costs	1,017,957	2.1
Sponsor Equity	3,409,817	7.2			
Total Sources	\$47,483,789	100.0%	Total Uses	\$47,483,789	100.0%

(1) Historical financials are not available due to the loan sponsor acquiring the properties through a sale-leaseback.

(2) The loan is structured with an anticipated repayment date ("ARD"). If the loan is not paid in full by the ARD, the interest rate will increase to 2.00000% per annum plus the greater of (i) 4.22000% or (ii) the 10-year treasury yield as of the first business day after the ARD. The additional interest will accrue, but the payment of said interest will be deferred until the maturity date.

(3) UW Revenues, UW NOI and UW NCF assume a straight-line average of contractual rent due under the Walgreens Co. leases. Based on the in-place rent, the UW NOI and UW NCF are \$2,611,970 and \$2,584,823, respectively, and result in an UW NCF DSCR and UW NOI Debt Yield of 1.76x and 7.6%, respectively. Please refer to "Underwritten Net Cash Flow" table below.

(4) For a full description of Escrows and Reserves, please refer to "Escrows and Reserves" below.

(5) Maturity Date Loan / SF and Maturity Date LTV are as of the ARD.

The Loan. The Walgreens Net Lease Portfolio III loan has an outstanding principal balance of approximately \$34.3 million and is secured by a first mortgage lien on a portfolio of eight properties, totaling 117,645 square feet, located throughout Kentucky, Missouri, and Wisconsin. The Walgreens Net Lease Portfolio III loan is structured with an ARD of January 1, 2025 and a final maturity date of January 1, 2030, and is interest-only through the ARD.

The Borrower. The borrowing entity for the loan is WG DST 3, a Delaware statutory trust and special purpose entity.

Walgreens Net Lease Portfolio III

The Sponsors. The loan sponsors and nonrecourse carve-out guarantors are DFB Holdings, LLC and Douglas F. Blough. DFB Holdings, LLC is controlled by Douglas F. Blough, co-founder and CFO of Net Lease Capital Advisors, a real estate investment firm that specializes in credit tenant lease transactions. Since inception, Net Lease Capital Advisors has acquired over \$1.0 billion of net lease property and has closed over \$9.0 billion in transactions. The loan sponsors, along with entities owned by Cantor Fitzgerald Securities and Mesirow Financial, which have ownership interest in the borrower, contributed approximately \$3.4 million in cash equity to acquire the eight properties in a sale-leaseback transaction for approximately \$46.5 million.

The Properties. The Walgreens Net Lease Portfolio III consists of eight freestanding Walgreens properties, totaling 117,645 square feet, which were purchased as part of a sale-leaseback from Walgreens. The assets are located in Missouri, Kentucky, and Wisconsin within six metropolitan statistical areas ("MSA"). The properties were built between 1997 and 2005. As of December 19, 2014, the properties were 100.0% occupied.

Portfolio Summary							
Property	Location	MSA	Net Rentable Area (SF)	Year Built	Allocated Loan Amount	% of Allocated Loan Amount	Appraised Value
Walgreens #7680	Webster Groves, MO	St. Louis, MO	16,380	2003	\$5,112,870	14.9%	\$7,350,000
Walgreens #6020	Milwaukee, WI	Milwaukee, WI	15,120	2000	4,569,655	13.3	6,570,000
Walgreens #4225	Blue Springs, MO	Kansas City, MO	13,905	1997	4,527,794	13.2	6,500,000
Walgreens #4163	Louisville, KY	Louisville, KY	15,120	1997	4,494,778	13.1	6,460,000
Walgreens #4216	Louisville, KY	Louisville, KY	13,905	1998	4,135,569	12.1	5,940,000
Walgreens #5172	Louisville, KY	Louisville, KY	13,905	2000	4,135,569	12.1	5,940,000
Walgreens #9363	Racine, WI	Racine, WI	14,490	2004	3,845,357	11.2	5,530,000
Walgreens #9420	Carthage, MO	Joplin, MO	14,820	2005	3,465,660	10.1	4,770,000
Total			117,645		\$34,287,252	100.0%	\$49,060,000

Walgreens #7680 is a 16,380 square foot single-tenant freestanding building located in Webster Groves, Missouri approximately 15 miles west of the city of St. Louis. Primary access to the area is provided by Interstate 44, which crosses the St. Louis MSA in an east-west direction. Traffic reports indicate approximately 22,463 vehicles pass the property each day. The population within a three mile radius of the property is approximately 103,409 and has a median household income of \$59,186 as of 2014.

Walgreens #6020 is a 15,120 square foot single-tenant freestanding building located in Milwaukee, Wisconsin approximately seven miles southwest of the City of Milwaukee. Primary access to the area is provided by Interstate 894 which crosses the Milwaukee MSA in an east-west direction and Interstate 43, which crosses the Milwaukee MSA in a north/south direction. Traffic reports indicate approximately 16,700 vehicles pass the property each day. The population within a three mile radius of the property is approximately 178,384 and has a median household income of \$39,562 as of 2014.

Walgreens #4225 is a 13,905 square foot single-tenant freestanding building located in Blue Springs, Missouri approximately 20 miles east of Kansas City. Primary access to the area is provided by Interstate 70, which crosses the Kansas City MSA in an east-west direction. Traffic reports indicate approximately 30,328 vehicles pass the property each day. The population within a three mile radius of the property is approximately 48,881, with a median household income of \$63,009 as of 2014.

Walgreens #4163 is a 15,120 square foot single-tenant freestanding building located in Louisville, Kentucky approximately nine miles south of the City of Louisville. Primary access to the area is provided by Interstate 264 and 265, which cross through Jefferson County in an east-west direction. Traffic reports indicate between 40,000 and 55,000 vehicles pass the property each day. The population within a three mile radius of the property is approximately 74,489, and has a median household income of \$46,771 as of 2014.

Walgreens #4216 is a 13,905 square foot single-tenant freestanding building located in Louisville, Kentucky approximately six miles south of Louisville central business district. Primary access to the area is provided by Interstate 264, which crosses through Jefferson County in an east-west direction. Traffic reports indicate approximately 25,000 vehicles pass the property each day. The population within a three mile radius of the property is approximately 82,896, and has a median household income of \$33,926 as of 2014.

Walgreens #5172 is a 13,905 square foot single-tenant freestanding building located in Louisville, Kentucky approximately nine miles from the Louisville central business district. Primary access to the area is provided by Interstates 264 and 265, which cross through Jefferson County in an east-west direction. Traffic reports indicate approximately 25,000 vehicles pass the property each day. The population within a three mile radius of the property is approximately 69,487 and has a median household income of \$38,825 as of 2014.

Walgreens Net Lease Portfolio III

Walgreens #9363 is a 14,490 square foot single-tenant freestanding building located in Racine, Wisconsin approximately 23 miles from the Milwaukee central business district. Primary access to the area is provided by Interstate 94, which crosses the Racine metro area in an east-west direction. Traffic reports indicate approximately 9,700 vehicles pass the property each day. The population within a three mile radius of the property is approximately 77,361 and has a median household income of \$41,799 as of 2014.

Walgreens #9420 is a 14,820 square foot single-tenant freestanding building located in Carthage, Missouri approximately 15 miles from the Joplin central business district in the Joplin MSA. Primary access to the area is provided by Interstate 49, which crosses the Carthage area in a north-south direction. Traffic reports indicate approximately 6,203 vehicles pass the property each day. Population within a three mile radius of the property is approximately 15,630 with a median household income of \$38,746 as of 2014.

The Walgreens Net Lease Portfolio III properties are 100.0% leased to Walgreens Co., a subsidiary of Walgreens Boots Alliance, Inc. (NASDAQ: WBA; Moody's: Baa2; S&P: BBB) ("Walgreens"), under eight separate 15-year pure net leases expiring on December 31, 2029, with each lease allowing for 12 five-year renewal options. Founded in 1901, Walgreens operates the largest drugstore chain in the United States with more than 8,300 locations. For the fiscal year ended August 31, 2014, Walgreens reported \$76.4 billion in net sales, \$1.9 billion in net income and \$37.2 billion in total assets. During the same period, Walgreens increased net sales 5.8% with same store sales increasing by 4.9%. The tenant reported average store sales for the portfolio of approximately \$12.5 million for the 12 months ended May 31, 2014.

Tenant Summary ⁽¹⁾							
Tenant	Ratings ⁽²⁾ Moody's/S&P/Fitch	Net Rentable Area (SF)	% of Total NRA	Base Rent	Base Rent PSF	% of Total Base Rent	Lease Expiration Date ⁽³⁾
Walgreens	Baa2 / BBB / NA	117,645	100.0%	\$2,778,005	\$23.61	100.0%	12/31/2029

(1) Based on the underwritten rent roll.

(2) Ratings provided are for the parent company of the entity listed in the "Tenant" field, whether or not the parent company guarantees the lease.

(3) The portfolio is 100.0% leased to Walgreens under eight separate 15-year pure net leases, with each allowing for 12 five-year renewal options.

Lease Rollover Schedule ⁽¹⁾									
Year	Number of Leases Expiring	Net Rentable Area Expiring	% of NRA Expiring	Base Rent Expiring	% of Base Rent Expiring	Cumulative Net Rentable Area Expiring	Cumulative % of NRA Expiring	Cumulative Base Rent Expiring	Cumulative % of Base Rent Expiring
Vacant	NAP	0	0.0%	NAP	NAP	0	0.0%	NAP	NAP
2015 & MTM	0	0	0.0	\$0	0.0%	0	0.0%	\$0	0.0%
2016	0	0	0.0	0	0.0	0	0.0%	\$0	0.0%
2017	0	0	0.0	0	0.0	0	0.0%	\$0	0.0%
2018	0	0	0.0	0	0.0	0	0.0%	\$0	0.0%
2019	0	0	0.0	0	0.0	0	0.0%	\$0	0.0%
2020	0	0	0.0	0	0.0	0	0.0%	\$0	0.0%
2021	0	0	0.0	0	0.0	0	0.0%	\$0	0.0%
2022	0	0	0.0	0	0.0	0	0.0%	\$0	0.0%
2023	0	0	0.0	0	0.0	0	0.0%	\$0	0.0%
2024	0	0	0.0	0	0.0	0	0.0%	\$0	0.0%
2025	0	0	0.0	0	0.0	0	0.0%	\$0	0.0%
2026 & Beyond	8	117,645	100.0	2,778,005	100.0	117,645	100.0%	\$2,778,005	100.0%
Total	8	117,645	100.0%	\$2,778,005	100.0%				

(1) Based on the underwritten rent roll.

Walgreens Net Lease Portfolio III

Underwritten Net Cash Flow ⁽¹⁾			
	Underwritten	Per Square Foot	% ⁽²⁾
Rents in Place ⁽³⁾	\$2,778,005	\$23.61	81.5%
Vacant Income	0	0.00	0.0
Gross Potential Rent	\$2,778,005	\$23.61	81.5%
Total Reimbursements	631,408	5.37	18.5
Net Rental Income	\$3,409,413	\$28.98	100.0%
(Vacancy/Credit Loss)	(102,282)	(0.87)	(3.0)
Other Income	0	0.00	0.0
Effective Gross Income	\$3,307,131	\$28.11	97.0%
Total Expenses	\$631,408	\$5.37	19.1%
Net Operating Income⁽³⁾	\$2,675,723	\$22.74	80.9%
Total TI/LC, Capex/RR	27,147	0.23	0.8
Net Cash Flow⁽³⁾	\$2,648,576	\$22.51	80.1%

(1) Historical financials are not available due to the loan sponsors acquiring the properties through a sale-leaseback.

(2) Percentage column represents percent of Net Rental Income for all revenue lines and represents percent of Effective Gross Income for the remainder of fields.

(3) UW Revenues, UW NOI and UW NCF assume a straight-line average of contractual rent due under the Walgreens Co. leases. Based on the in-place rent, the UW NOI and UW NCF are \$2,611,970 and \$2,584,823, respectively, and result in an UW NCF DSCR and UW NOI Debt Yield of 1.76x and 7.6%, respectively.

Property Management. The properties are self-managed by the tenant.

Escrow and Reserves. At origination, the borrower was not required to deposit any funds into escrow.

Tax and Insurance Escrows - The borrower will be required to deposit 1/12 of annual taxes and insurance premiums upon (i) an event of default, (ii) the borrower or Walgreens, and any replacement tenant that is acceptable to lender ("Major Tenant"), failing to pay taxes and insurance premiums pursuant to the Major Tenant lease, (iii) any Major Tenant lease no longer being in full force and effect in respect of taxes, and the applicable individual property Major Tenant lease in respect of insurance collections, (iv) with respect to monthly insurance collections only, any property no longer being self-insured by Walgreens or the Major Tenant failing to maintain a credit rating from S&P of at least BBB-, or (v) with respect to monthly tax collection only, debt service coverage ratio falling below 1.55x based on a trailing three-month period.

Lockbox / Cash Management. The loan is structured with a hard lockbox. The borrower was required to send tenant direction letters to each Walgreens tenant instructing them to deposit all rents and payments into the lockbox account controlled by the lender. The funds are then returned to an account controlled by the borrower after the deduction of the scheduled monthly debt service. Upon the occurrence of a Cash Sweep Event (as defined below), all rents will be swept to a segregated cash management account and held for the benefit of the lender. The lender will have a first priority security interest in the cash management account and such account will be under the lender's sole control and the borrower will have no rights of withdrawal with respect to such account.

A "Cash Sweep Event" means: (i) the occurrence and continuance of an event of default, (ii) the borrower or the tenant becomes the subject of a bankruptcy, insolvency or similar action, (iii) the debt service coverage ratio as calculated in the loan agreement falls below 1.55x based on a trailing three-month period until such time the debt service coverage ratio is at least 1.60x for two consecutive quarters, (iv) the loan was not paid in full three months prior to the ARD, (v) the Major Tenant ceases to operate at two or more individual properties and the senior unsecured debt rating of the Major Tenant issued by Moody's falls below Ba2 or the long term foreign issuer credit rating by S&P falls below BB, or (vi) the senior unsecured debt rating of the Major Tenant issued by Moody's falls below B2 or the long term foreign issuer credit rating by S&P falls below B.

Release of Property. None.

Walgreens Net Lease Portfolio III

Additional Debt. Mezzanine debt of \$51.4 million ("Acquisition Mezzanine Debt") was used to finance the sale-leaseback of 41 Walgreens properties including the eight properties that serve as collateral for the Walgreens Net Lease Portfolio III loan and the eight properties that serve as collateral for Walgreens Net Lease Portfolio IV loan, as well as 25 properties that do not serve as collateral for the aforementioned loans. The lender allocated \$9,786,720 of the Acquisition Mezzanine Debt to the Walgreens Net Lease Portfolio III properties for illustration of combined debt metrics ("Walgreens Net Lease Portfolio III Mezzanine Debt"). 50.0% of the Acquisition Mezzanine Debt is interest-only and accrues interest at a rate of 16.43000% per annum with payment obligations only from various sources of distributable amounts payable to the mezzanine borrowers pursuant to its existing joint venture agreement. The remaining 50.0% of the Acquisition Mezzanine Debt is interest-only with a 15.00000% per annum internal rate of return and a current interest rate of 5.00000% per annum. Including the Walgreens Net Lease Portfolio III Mezzanine Debt, the Cut-off Date LTV is 89.8%, the UW NCF DSCR is 1.54x and the UW NOI Debt Yield is 6.1%. The combined debt metrics were calculated using the current interest rate of 5.00000% on 50.0% of the Walgreens Net Lease Portfolio III Mezzanine Debt.