

WALGREENS

WEATHERFORD, OK



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OFFERING SUMMARY

Mid-America Real Estate Corporation in cooperation with Price Edwards and Company is pleased to present the Walgreens located in Weatherford, OK. The investment is comprised of a 14,490 square foot building situated on 1.19 acres of land. Walgreens has been operating at this location since 2003 and has reported strong store sales. The combination of visibility, location at signalized intersection just off of I-90 make it one of the most desirable locations in the trade area and a desirable net lease investment opportunity.



OFFERING SUMMARY

PRICING

Price: \$4,955,000
Cap Rate: 6.80%
Square Feet: 14,490

Address	City	State	Term	Annual Base Rent	Monthly Rent	Square Footage	Rent Per Square Foot
1019 E Main Street	Weatherford	OK	10 Years	\$337,000	\$28,083	14,490	\$23.26

WEATHERFORD, OK

Tenant: Walgreen Co.
Address: [1019 E. Main Street Weatherford, OK](#)
Term Remaining: 10 Years
Annual Rent: \$337,000
Lease Type: NNN
Total Square Footage: 14,490
Lot Size: 1.19 Acres
Year Built: 2003



INVESTMENT HIGHLIGHTS



LONG TERM LEASE WITH AN INVESTMENT GRADE COMPANY Walgreens has established itself as the largest pharmacy chain in the United States, with 9,800+ locations and serving approximately 8 million customers in store and online daily. Walgreens Boots Alliance, Inc. is the parent company of Walgreens and boasts an investment grade S&P credit rating of “BBB.” As of August 31, 2017 the company reported revenues of more than \$118 Billion and net income of \$4.08 Billion. Walgreens has 10 years left on their ground lease with no Landlord responsibilities.



BEST RETAIL LOCATION IN THE MARKET, LARGE PYLON SIGN AND MULTIPLE POINTS OF ACCESS The subject property is situated at the first signalized intersection off of I-40 and has a large pylon sign, making it one of the most desirable locations in the market. Walgreens’ position at this hard corner exposes it to more than 23,000 vehicles per day. Walgreens also has multiple points of entry and can be easily accessed from East Main Street or from Washington Street. Access from East Main Street is right in, right out, however customers can enter from the north or south off of Washington Street.



LONG HISTORY AT SITE AND HEALTHY REPORTED SALES VOLUMES Walgreens has been operating at this site since 2003 establishing a strong customer base and proving their confidence in the marketplace. The store had healthy annual reported sales this past year (contact broker for more details).



WELL ESTABLISHED COLLEGE TOWN Walgreens is located in Weatherford, less than one mile from Southwestern Oklahoma State University. The University enrolls 5,448 students (per U.S. News), has more than 790 full time faculty and was ranked #18 on the MSN “Best Schools of 2017” list. The subject property is the only Walgreens within a 40 mile radius, allowing it to pull customers from a wide area. Additionally, there is no CVS or other national dedicated pharmacy for over 50 miles.





WEATHERFORD, OK TRADE AREA / WEST









LEASE SUMMARY

WALGREENS / WEATHERFORD, OK

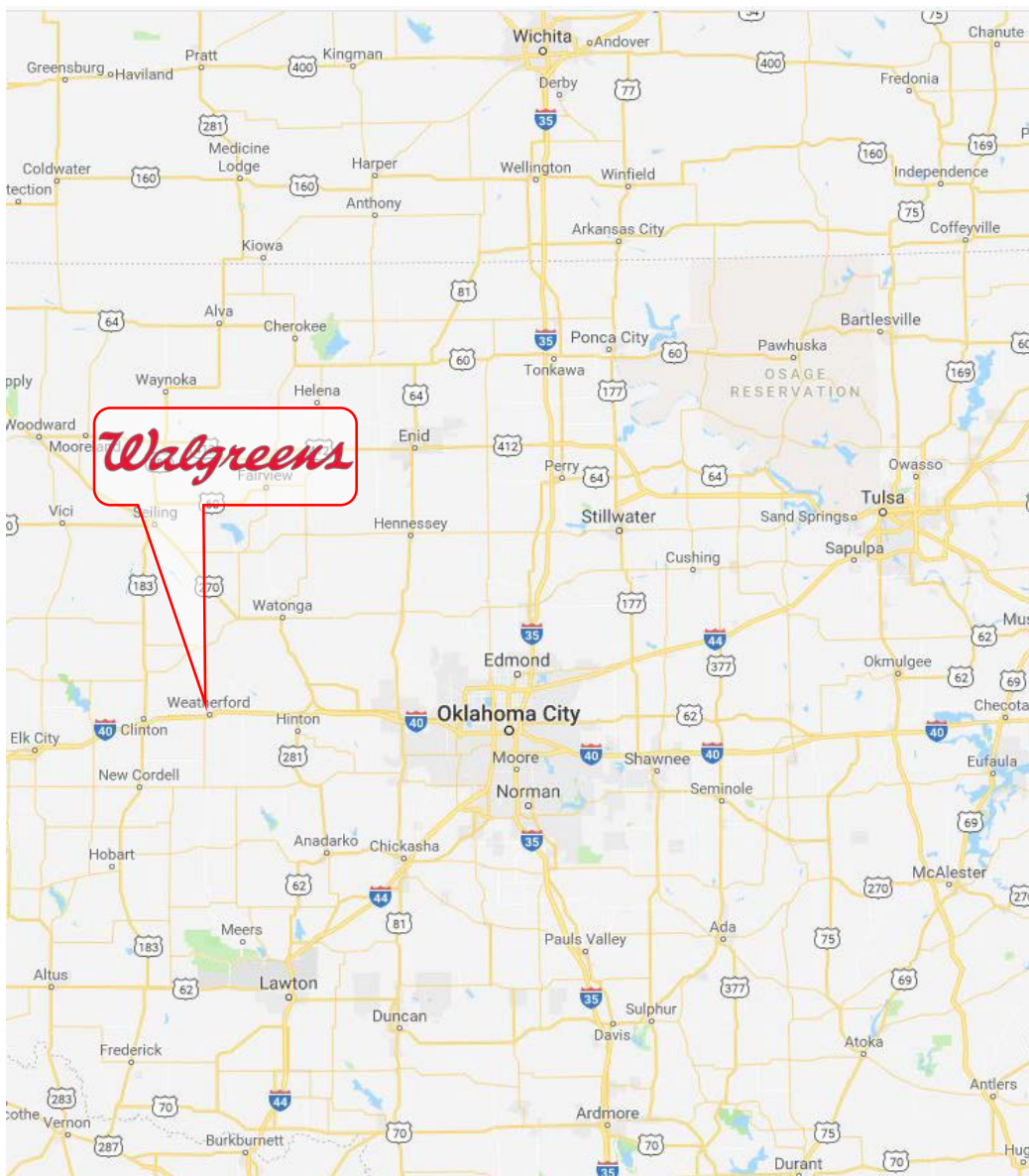
Tenant:	Walgreen Co.
Address:	1019 E. Main Street, Weatherford, OK
Lease Type:	NNN Lease
Year Built:	2003
Building Size:	14,490 SF
Land Area:	1.19 Acres
First Termination Date:	October 31, 2028
Annual Rent:	\$337,000
Monthly Rent:	\$28,083
Percentage Rent:	If a sum equal to 2% of Gross Sales, except from the sale of food items plus 0.5% of Gross Sales of food items and prescription items shall exceed the total fixed rent for such lease year, Tenant shall pay the amount of such excess as additional rent.
Rental Increases:	None.
Tenant Responsibilities:	Tenant shall maintain the Leased Premises and make all necessary repair and replacements, whether interior or exterior.
Tenant Insurance:	Tenant shall carry special form coverage insurance covering the Building and the other improvements on the Leased Premises to the extent of not less than 100% of replacement value, less foundations. Commencing with the first day of the three hundred first full calendar month of the Term, such coverage shall be on an actual cash value basis. Tenant shall also procure and continue in effect public liability and property damage insurance with respect to the operation of the Leased Premises. Liability insurance shall cover liability for death or bodily injury in any one accident mishap or casualty in a sum of not less than \$1,000,000 and shall cover liability for property damage in one accident, mishap or casualty in the amount of not less than \$100,000.
Taxes:	Tenant pays directly.
Utilities:	Tenant pays directly.
Estoppel:	Within thirty (30) days after receipt of written request.
Termination Options:	Tenant shall have the right to terminate this Lease effective as of the last day of the 300th full calendar month of the term and every five years thereafter. If tenant shall elect to exercise any option, Tenant shall send notice to Landlord at least 6 months prior to the date this Lease shall so terminate.
Right of First Refusal:	Tenant may, at Tenant's option and within 45 days after receipt of Landlord's notice offer to purchase the Leases Premises at the price and upon the terms and conditions as are contained in said Bona Fide offer.



MARKET OVERVIEW

WEATHERFORD, OKLAHOMA

Weatherford is a small, vibrant city located in Southwestern Oklahoma in Custer County. It is just off of Interstate 40, and 70 miles west of Oklahoma City. The Census Bureau named Weatherford as one of the top 10 fastest growing metropolitan cities in America. It has been increasing in population consistently since 1990 and looking on to 2019, the projected growth rate is at 6.42%. Weatherford is home to Southwestern Oklahoma State University, which has a pharmacy school that is among the best-value programs in the nation. The school enrolls over 5,400 undergraduates and graduate students annually. Southwestern Oklahoma State University also employs over 790 people. Kodak has a manufacturing facility in Weatherford and in 2017 invested \$15 million to expand the facility to accommodate a new product line. Weatherford is also known as a hub for multiple oil and natural gas industry leaders including ASAP Energy Inc, B.O.P Ram, Chesapeake Energy Corporation, and Devon Energy Corporation. One of Oklahoma's must see attractions is the Stafford Air and Space Museum located in Weatherford. The Stafford Air and Space Museum is named in honor of Weatherford native and legendary test pilot and astronaut, LT General Thomas P Stafford. The 40,000-square-foot museum houses a spacecraft, an actual Titan II missile, WWII V-2 rocket, MiG 21, Saturn V F-1 engine as well as flown space suits, flight equipment, space shuttle engines, and a moon rock.





DEMOGRAPHIC PROFILE

Population	1 Mile	3 Miles	5 Miles
2018 Population	5,120	13,211	14,057
2023 Projected Population	5,161	13,623	14,536
Workplace Establishments	959	590	610
Estimated Daytime Population	6,275	12,983	13,533
Households	1 Mile	3 Miles	5 Miles
2018 Households	2,319	5,341	5,676
2023 Projected Households	2,332	5,495	5,858
Persons per Household	2.07	2.29	2.30
Income	1 Mile	3 Miles	5 Miles
Average Household Income	\$59,482	\$62,157	\$62,856
Median Household Income	\$41,350	\$44,921	\$46,132
Per Capita Income	\$26,684	\$25,843	\$25,981

DEMOGRAPHIC PROFILE WITHIN 5-MILE RADIUS:



POPULATION

14,057



HOUSEHOLDS

5,676



AVERAGE HH INCOME

\$62,856



TENANT OVERVIEW



Founded in 1901 as a single drug store in Chicago, Walgreens today is the largest pharmacy chain in the United States. Through constant innovation, Walgreens has a history of breaking new ground to meet its customers' needs and improve their health from offering self-service stores beginning in the 1950's to developing a 5-star rated mobile app today. It specializes in filling prescriptions, health and wellness products, health information and photo services. The drive to innovate led Walgreens to merge with European-based Alliance Boots in 2014 to form Walgreens Boots Alliance, Inc. Walgreens Boots Alliance, Inc. is the first global pharmacy-led, health and well-being enterprise. Besides the Walgreens brand, the unit includes Duane Reade stores and most recently Walgreens completed their acquisition of more than 1,900 Rite Aid drugstores in the U.S.

For the US subsidiary, prescription drugs account for about 70% of sales; the rest comes from general merchandise, over-the-counter medications, cosmetics, and groceries. Most Walgreens stores offer drive-through pharmacies and one-hour photo processing. Additionally, 400 Walgreens locations feature in-store clinics, some of which are operated by Walgreens while others are operated by third parties.

Tenant:	Walgreens, Co.
Parent Company:	Walgreens Boots Alliance, Inc.
Stock Symbol (Nasdaq):	WBA
Credit Rating (S&P):	"BBB"
Company Headquarters:	Deerfield, IL
Number of Stores (2018):	9,800+
Market Cap:	\$68.89 Billion

	<u>8/31/2018</u>	<u>8/31/2017</u>	<u>8/31/2016</u>
Revenue:	\$118.21 B	\$117.35 B	\$103.44 B
Net Income:	\$4.08 M	\$4.17 M	\$4.22 M



ADDITIONAL OFFERING AS PORTFOLIO

The subject offering can be purchased in conjunction with the Walgreens (Goodwill) in Missouri City. There is some discount to the overall pricing in this scenario as seen below. Additionally, there is assumable financing in place as shown on the following page. Please reach out to broker for additional information.

PORTFOLIO PRICING

Price: \$9,950,000
Cap Rate: 7.00%
Square Feet: 28,140

Address	City	State	Term	Annual Base Rent	Monthly Rent	Square Footage	Rent Per Square Foot
1019 E Main Street	Weatherford	OK	10 Years	\$337,000	\$28,083	14,490	\$23.26
5005 Highway 6	Missouri City	TX	10 Years	\$359,500	\$29,958	13,650	\$26.34
Total				\$696,500	\$58,042	28,140	

WEATHERFORD, OK

Tenant: Walgreen Co.
Address: [1019 E. Main Street Weatherford, OK](#)
Term Remaining: 10 Years
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MISSOURI CITY, TX

Tenant: Walgreen Co.
Sub Tenant: Goodwill Industries of Houston
Address: [5005 Highway 6, Missouri City, TX](#)
Term Remaining: 10 Years
Lease Type: NNN
Total Square Footage: 13,650
Lot Size: 1.81 Acres
Year Built: 2003



CURRENT FINANCING SUMMARY

WALGREENS

Lender: Cantor Commercial Real Estate Lending, LP

Estimated Loan Amount at Closing: \$5,440,775.03

Interest Rate 5.55% (Fixed)

Amortization: 10 Years

Origination Date: February 5, 2014

Maturity Date: February 6, 2024

Annual Loan Payment: \$542,959.44

Monthly Payment: \$45,246.62

Year 1 Debt Service Coverage: 1.28

Year 1 Debt Yield: 12.80%

Year 1 Net Cash Flow after Debt Service: \$153,540

Assumption Fee: Contact Broker for more details

LEGAL DISCLAIMER

The Offering Memorandum ("The Memorandum") is intended solely for the limited use of The Potential Purchaser in considering whether to pursue negotiations to acquire 1019 E. Main Street in Weatherford, OK ("The Property"). The Memorandum, prepared by Mid-America Real Estate Corporation, in cooperation with Price Edwards and Company (Hereinafter collectively referred to as "MAREC"), contains brief, selected information pertaining to the operation of The Property and Owner does not purport to be all-inclusive or to contain all the information, which The Potential Purchaser may desire. The Memorandum will be delivered with the understanding that The Potential Purchaser will conduct its own analysis and investigation of The Property, independently and without reliance upon The Owner, MAREC or The Memorandum and based on such documents, information and other matters as The Potential Purchaser, in its sole discretion, deems appropriate in evaluating a purchase of The Property. In furnishing The Memorandum, MAREC and/or The Owner reserve(s) the right to request the return of The Memorandum (including all copies or partial copies), or any other information provided, at any time. Neither The Owner nor MAREC or any of their officers, employees or agents make any representation or warranty, expressed or implied, as to the accuracy or completeness of The Memorandum or any oral or written communication transmitted from MAREC and/or The Owner to The Potential Purchaser and no legal liability is assumed or to be implied with respect thereto. By accepting The Memorandum, The Potential Purchaser agrees that The Memorandum's contents and any other information pertaining to The Property and provided to The Potential Purchaser are confidential and proprietary; that The Memorandum and the information contained therein or provided is the property of The Owner and/or MAREC, that it will hold and treat The Memorandum and information provided in the strictest of confidence; that it will not, directly or indirectly, disclose or permit anyone else to disclose The Memorandum's contents without prior written authorization; and, that it will not use or permit to be used The Memorandum or The Memorandum's contents in any fashion or manner detrimental to the interest of The Owner and/or MAREC or in violation of the obligation to maintain such information and The Memorandum in strict confidence. However, The Potential Purchaser may disclose such confidential information to its employees, auditors, financial advisors, directors and/or counsel to whom it is reasonably necessary for purposes of evaluating The Property provided such disclosure is made pursuant to this agreement, all reasonable precautions are taken to safeguard the information and parties are informed of the need to maintain the information as confidential. The Potential Purchaser agrees that photocopying or other duplication of information provided by The Owner and/or MAREC is strictly prohibited. The Owner expressly reserves the right, at its sole discretion, to reject any or all proposals or expressions of interest in The Property and to commence, participate in, or terminate discussions with any party at any time with or without notice. The Potential Purchaser acknowledges that The Owner has no obligation to discuss or agree to the sale of The Property. Notwithstanding that The Potential Purchaser and The Owner may reach one or more oral understandings or agreements on one or more issues that are being discussed, neither party shall be bound by any oral agreement of any kind and no rights, claims, obligations or liabilities of any kind, either express or implied, shall arise or exist in favor of or be binding upon either party except to the extent expressly set forth in a written agreement signed by both parties. The Memorandum shall not be deemed a representation of the state of affairs of The Property nor constitute an indication that there has been no change in the business or affairs of The Property since the date of its preparation. The Potential Purchaser agrees not to contact the tenants, leasing MARECs or property management staff of The Property in connection with its review of The Property. Any and all questions related to The Memorandum or The Property must be directed to MAREC. In the event The Potential Purchaser decides not to pursue the acquisition of The Property, The Potential Purchaser agrees to return The Memorandum and all copies (including partial copies) to the appropriate representative of MAREC.

LEGAL DISCLAIMER

Representation The Potential Purchaser understands and agrees that MAREC is not representing The Potential Purchaser in this Proposed Sale. MAREC is only representing The Owner in this Proposed Sale.

Americans with Disabilities Act The United States Congress has enacted the Americans With Disabilities Act. Among other things, this act is intended to make business establishments equally accessible to persons with a variety of disabilities. As such, modifications to real property may be required. State and local laws also may mandate changes. Neither The Owner nor MAREC is qualified to advise The Potential Purchaser as to what, if any, changes may be required now, or in the future. The Potential Purchaser should consult the attorneys and qualified design professionals of its choice for information regarding these matters. Neither The Owner nor MAREC can determine which attorneys or design professionals have the appropriate expertise in this area.

Hazardous Materials Disclosure Various construction materials may contain items that have been or may in the future be determined to be hazardous (toxic) or undesirable and as such may need to be specifically treated, handled or removed. Due to prior or current uses of The Property or the area, there may be hazardous or undesirable metals, minerals, chemicals, hydrocarbons or biological or radioactive items (including electric and magnetic fields) in soils, water, building components, above or below-ground containers or elsewhere in areas that may or may not be accessible or noticeable. Such items may leak or otherwise be released. Neither The Owner nor MAREC has expertise in the detection or correction of hazardous or undesirable items. Expert inspections are necessary. Current or future laws may require clean up by past, present and/or future owners and/ or operators. It is the responsibility of The Potential Purchaser to retain qualified experts to detect and correct such matters.

Remedies If there is a breach or threatened breach of any provision of these Conditions of Offering, The Owner and/or MAREC shall be entitled to seek redress by court proceedings in the form of an injunction restraining The Potential Purchaser without the necessity of showing any actual damages or that monetary damages would not afford an adequate remedy and/or a decree for specific performance without any bond or other security being required. Nothing herein shall be construed as prohibiting The Owner and/or MAREC from pursuing any other remedies at law or in equity, which it may have. If The Owner and/or MAREC is involved in a court proceeding to enforce the covenants contained in these Conditions of Offering and The Owner and/or MAREC prevails in such litigation, The Potential Purchaser shall be liable for the payment of The Owner and/or MAREC's reasonable attorneys' fees, court costs and ancillary expenses together with such other and further relief as available under any applicable statute.

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies.

For further information contact the owner's exclusive representatives:

Wes Koontz, CCIM

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