



Offering Memorandum

- Former Rite-Aid Acquired by Walgreens 2/2018
- Walgreens Corporate Guarantee



1673 Highway 64 NE, New Salisbury, IN 47161

Confidentiality and Disclaimer

Table of Contents

Investment Highlights	3
Investment Summary	4
Financial Analysis	5
Concept Overview	6
WAG / RAD Merger	7
Surrounding Area	8
Location Overview	9
Surrounding Area Photos	10
State Map	11
Regional Map	12
Demographics	13

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a

guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

CONFIDENTIALITY AND DISCLAIMER

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a

thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

NON-ENDORSEMENT NOTICE

Marcus & Millichap Real Estate Investment Services, Inc. ("M&M") is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of M&M, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of M&M, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.



1673 Highway 64 NE, New Salisbury, IN 47161



Investment Highlights

PRICE: \$3,816,043 | CAP: 7.00% | RENT: \$267,123

Walgreens
Corporate Guaranty

About the Investment

- ✓ Corporately Guaranteed Lease from Walgreens Corporation
- ✓ Former Rite-Aid Location | Walgreens Conversion Site | Lease Assigned to Walgreen, Co. in 02/2018
- ✓ Limited Pharmacy Competition: This Drugstore is the Only Drugstore Serving the New Salisbury Market. The Next Closest Drugstore is in Corydon, IN.
- ✓ Strong Underlying Real Estate Attributes: The Subject Property is Located on the Hard Corner of a Signalized Intersection with Rent and Price Per Square Foot Metrics In Line for Walgreens Nationally
- ✓ Established Location: This Drugstore has been in Operation at this Location since 2007

About the Location

- ✓ Limited Competition in the Area: This Drugstore is the Only Drugstore Serving the New Salisbury Market. The Next Closest Drugstore is in Corydon, IN.
- ✓ Property is Situated at The Intersection of Highway 135 and Highway 64
- ✓ Retail in the Immediate Area Includes: Chase Bank, Regions, Bank, BP, and Dollar General Among Various Others
- ✓ Explosive Population Growth: New Salisbury Has Experienced a 12% Population Increase since 2000 and is Expected to Continue at an Upward Rate of 4%
- ✓ New Salisbury is Located 20 Miles West of Louisville, Kentucky

About the Guarantor

- ✓ **BBB Credit Guaranty**
- ✓ Walgreens is One of the Nation's Largest Leading Drugstore Chains
- ✓ Walgreens Operates 8,100 Drugstores with a Presence in all 50 States, the District of Columbia, Puerto Rico and the U.S. Virgin Islands.
- ✓ Walgreens Also Manages More Than 400 Healthcare Clinics and Provider Practice Locations Around the Country.
- ✓ Publicly Traded on the NYSE Under the Ticker Symbol 'WBA'

Representative Photo



Representative Photo





INVESTMENT SUMMARY



Marcus & Millichap is pleased to present this exclusive listing for the single-tenant net-leased Rite Aid located at 1673 Highway 64 Northeast in New Salisbury, Indiana. In February 2018 this site was acquired by Walgreens. The site will be converted to a Walgreens store and is now corporately guaranteed by Walgreens. The property consists of 14,632 square feet of building space and sits on 1.92 acres of land. The 20-year double-net (NN) lease commenced on August 1, 2007. In February 2018 the Rite-Aid lease was assigned to Walgreens Co. There are more than 9 years remaining on the base term of the lease. The current annual rent is \$267,123. The tenant has six, five-year tenant renewal options with a 4.82% average rental increase in each option period.

This pharmacy has limited competition in the immediate area. This drugstore is the only one serving the New Salisbury Market. The next closest drugstore is in Corydon, IN. The subject property is positioned near major retail, restaurants and banks. Retail in the immediate area includes: Chase Bank, First Harrison Bank, Regions Bank, BP, Marathon, and Dollar General. Some of the area's largest employers include: North Harrison High School, Palmyra Storage, and World Wide Trade Organization. New Salisbury is located just 20 miles west of Louisville, KY. Louisville is the largest city in Kentucky with a total population of roughly 741,000 people. Louisville first grew as portage site. The city was the headquarters of the Louisville and Nashville Railroad, which grew into a 6,000-mile system across 13 states. Today, Louisville is best known as the location of the Kentucky Derby, the first of the three annual races that make up the Triple Crown of Thoroughbred Racing. It is the home of the University of Louisville and three of Kentucky's six Fortune 500 companies. Its airport is also the site of UPS's worldwide air hub. New Salisbury has a population of approximately 10,274 within a five-mile radius of this property and 46,059 people within a ten-mile radius. The property is situated on the intersection of Highway 135 and Highway 64. Both highways experience average daily traffic counts of 7,773 and 7,133 respectively.

Walgreens is one of the nations largest leading drugstore chains with over 8,100 stores in 50 states, the District of Columbia, Puerto Rico and the US Virgin Islands, and nearly 235,000 associates.

The Walgreens logo, featuring the word 'Walgreens' in a red, cursive script font.



Financial Analysis

PRICE: \$3,816,043 | CAP:7.00% | RENT: \$267,123



Property Description		Rent Schedule			
Property	Rite-Aid (Walgreens Corporate Guaranty)	Rent Increases	Annual Rent	Monthly Rent	Rent Escalation (%)
Property Address	1673 Highway 64 Northeast	Year 11	\$267,123	\$22,260	-
City, State, ZIP	New Salisbury, Indiana 47161	Year 12	\$267,123	\$22,260	-
Year Built	2007	Year 13	\$267,123	\$22,260	-
Building Size	14,632 SF	Year 14	\$267,123	\$22,260	-
Lot Size	+/- 1.92 Acres	Year 15	\$267,123	\$22,260	-
Type of Ownership	Fee Simple	Year 16	\$267,123	\$22,260	-
The Offering		Year 17	\$267,123	\$22,260	-
Purchase Price	\$3,816,043	Year 18	\$267,123	\$22,260	-
CAP Rate	7.00%	Year 19	\$267,123	\$22,260	-
Annual Rent	\$267,123	Year 20	\$267,123	\$22,260	-
Price / SF	\$260.80	Option Period 1	\$281,687	\$23,474	5.45%
Rent / SF	\$18.26	Option Period 2	\$296,251	\$24,688	5.17%
Lease Summary		Option Period 3	\$310,815	\$25,901	4.90%
Property Type	Net-Leased Drug Store	Option Period 4	\$325,379	\$27,115	4.68%
Tenant / Guarantor	Walgreens Co.	Option Period 5	\$339,943	\$28,329	4.47%
Ownership Type	Corporate	Option Period 6	\$354,507	\$29,542	4.28%
Original Lease Term	20.0 Years				
Lease Commencement	8/1/2007				
Lease Expiration	7/31/2027				
Lease Term Remaining	+/- 9 Years				
Lease Type	NN				
Roof & Structure	Landlord Responsible				
Rental Increases	In Option Periods				
Options to Renew	Six (6), Five (5) Year Options				



Concept Overview: Walgreens

Walgreens

COMPANY OVERVIEW

Walgreens, one of the nation's largest drugstore chains, constitutes the Retail Pharmacy USA Division of Walgreens Boots Alliance, Inc. (Nasdaq: WBA), the first global pharmacy-led, health and wellbeing enterprise. More than 8 million customers interact with Walgreens each day in communities across America, using the most convenient, multichannel access to consumer goods and services and trusted, cost-effective pharmacy, health and wellness services and advice. Walgreens operates 8,100 drugstores with a presence in all 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. Walgreens digital business includes Walgreens.com, drugstore.com, Beauty.com, SkinStore.com and VisionDirect.com. Walgreens also manages more than 400 Healthcare Clinics and provider practice locations around the country. Walgreens Boots Alliance reported sales of \$118.21 Billion in fiscal year 2017 and their credit ranking by Standard and Poor's is BBB.

Walgreens Boots Alliance (Nasdaq: WBA) is the first global pharmacy-led, health and wellbeing enterprise in the world. The company was created through the combination of Walgreens and Alliance Boots in December 2014, bringing together two leading companies with iconic brands, complementary geographic footprints, shared values and a heritage of trusted health care services through pharmaceutical wholesaling and community pharmacy care, dating back more than 100 years.

General Information

Address	Deerfield, IL
Website	www.Walgreens.com
Founded	1901
Locations	8,100 (August 31, 2017)
Chairman/CEO	Gregory D. Wasson



Representative Photo



Walgreens / Rite Aid Merger



"Over the next few months, many Rite Aid locations -- especially in the Northeast and Southern parts of the U.S. will be joining the Walgreens family. Taking care of patients, customers and our local communities is our top priority, and we look forward to having the opportunity to continue serving you. As a first step, select Rite Aid locations will transfer to Walgreens ownership over the next few months. When this happens, the pharmacies in these stores will be managed by Walgreens. Over the next approximately 18 months, the majority of these locations will convert to full Walgreens locations with the products, services and great prices found at other Walgreens stores nationwide."

WAG / RAD OVERVIEW

Regulatory approval was received for a long anticipated deal between Walgreens Boots Alliance and Rite Aid in September of 2017. Walgreens will buy 1,932 Rite Aid stores and three distribution centers for \$4.38 billion.

In early March, Rite Aid announced that it has now transferred 1,651 stores to Walgreens Boots Alliance as part of a larger deal with the nation's largest pharmacy chain (WAG). In all, Walgreens is buying 1,932 stores and three distribution centers from Rite Aid for nearly \$4.4 billion in cash. Recently, Rite Aid has already received cash proceeds of \$3.6 billion, which the company continues to use in order to reduce debt. The remaining 2,500 Rite Aid locations, including its EnvisionRx PBM, are being sold to grocery store giant Albertsons in a cash and stock deal announced mid-February that will leave Rite Aid shareholders with ownership of between 28% and 29.6% of the combined company. The transfer of Rite Aids to Walgreens will be completed in the spring of 2018, while the sale of the remaining Rite Aids to Albertsons will be completed in the second half of 2018.

The yet to be named combination of Albertsons and the remaining Rite Aids not sold to Walgreens will trade publicly on the NYSE. The combination of Rite Aid and Albertsons will operate about 4,900 locations, 4,350 pharmacy counters and 320 clinics across 38 states.

Walgreens Conversion Corporate Guaranty



https://www.walgreens.com/topic/pharmacy/welcome_rite_aid.jsp

Representative Photo



Surrounding Area

1673 Highway 64 Northeast, New Salisbury, Indiana 47161



State Road 135

Highway 64 NE





Location Overview

This Rite Aid is located at 1673 Highway 64 in New Salisbury, Indiana. New Salisbury is an unincorporated census-designated place in Jackson Township, Harrison County, Indiana. The community is centered on the intersection of State Highway 135 and State Highway 64, about 8 miles north of Corydon.

SURROUNDING RETAIL & POINTS OF INTEREST

This drugstore has limited competition in the immediate area. It is the only drugstore serving the New Salisbury Market. The next closest drugstore is in Corydon, IN. The subject property is positioned near major retail, restaurants and banks. Retail in the immediate area includes: Chase Bank, First Harrison Bank, Regions Bank, BP, Marathon, and Dollar General.

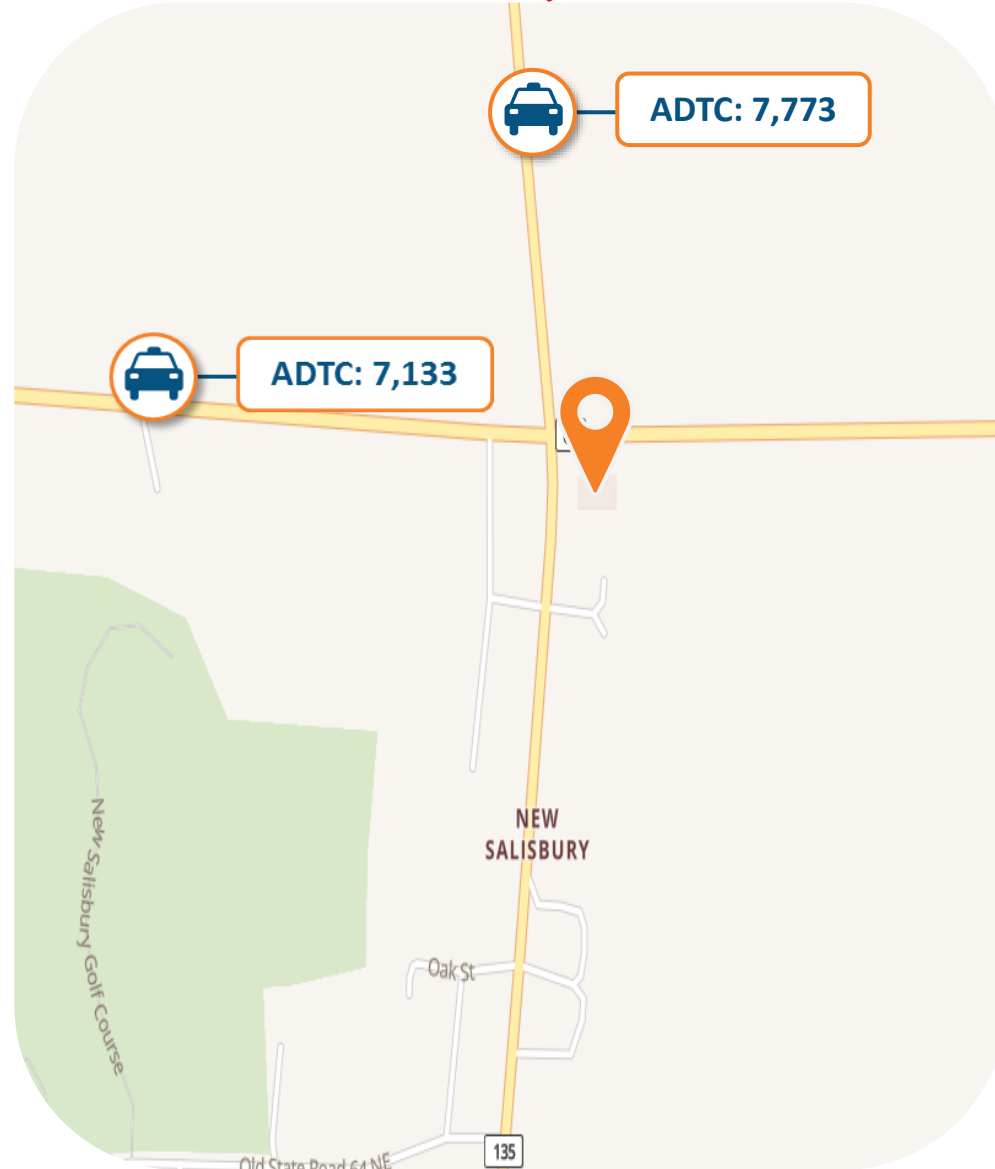
TRAFFIC COUNTS & DEMOGRAPHICS

There are 10,274 within a five-mile radius of this property and 46,059 people within a ten-mile radius. The property is situated on the intersection of Highway 135 and Highway 64. Both highways experience average daily traffic counts of 7,773 and 7,133 respectively. The area of Salisbury has seen significant population growth at a rate of roughly 12% since 2000 and is expected to continue trending upward at a rate of 4% from the current year.

MARKET OVERVIEW

New Salisbury is located just 20 miles west of Louisville, KY. Louisville is the largest city in Kentucky with a total population of roughly 741,000 people. Louisville first grew as portage site. The city was the headquarters of the Louisville and Nashville Railroad, which grew into a 6,000-mile system across 13 states. Today, Louisville is best known as the location of the Kentucky Derby, the first of the three annual races that make up the Triple Crown of Thoroughbred Racing. It is the home of the University of Louisville and three of Kentucky's six Fortune 500 companies. Its airport is also the site of UPS's worldwide air hub.

Walgreens
Corporate Guaranty





Subject Property Photos

Walgreens





Surrounding Area Photos

Walgreens





State Map

Property Address: 1673 Highway 64 Northeast, New Salisbury, Indiana 47161

Walgreens
Corporate Guaranty





Regional Map

Property Address: 1673 Highway 64 Northeast, New Salisbury, Indiana 47161

Walgreens
Corporate Guaranty





Demographics

Property Address: 1673 Highway 64 Northeast, New Salisbury, Indiana 47161

Walgreens
Corporate Guaranty

3 Miles 5 Miles 10 Miles

Population Trends:

2022 Projection	4,801	10,887	49,322
2017 Estimate	4,564	10,354	46,869
2010 Census	4,536	10,274	46,059
2000 Census	4,057	9,180	40,108

Income

Average	\$66,517	\$70,340	\$76,254
Median	\$57,601	\$59,982	\$62,584
Per Capita	\$25,089	\$26,694	\$29,122

Households

2022 Projection	1,834	4,192	19,041
2017 Estimate	1,720	3,925	17,829
2010 Census	1,702	3,879	17,432
2000 Census	1,464	3,329	14,743

Housing

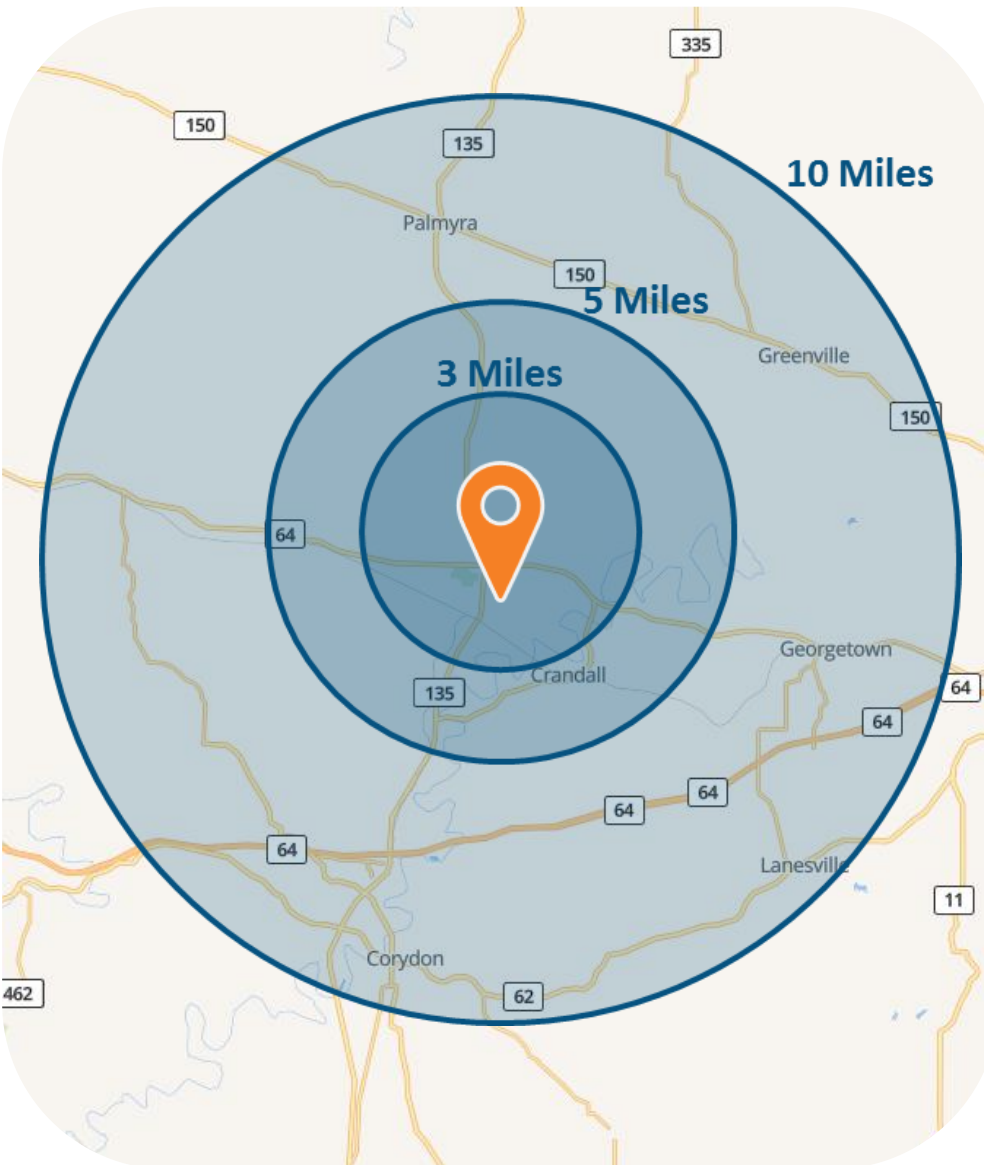
2017	\$142,93	\$148,31	\$159,57
------	----------	----------	----------

Employment

2017 Daytime Population	4,157	7,776	36,096
2017 Unemployment	4.19%	4.35%	4.77%
2017 Median Time Traveled	32	32	30

Race & Ethnicity

White	96.82%	96.94%	96.83%
Native American	0.06%	0.07%	0.02%
African American	0.91%	0.74%	0.59%
Asian/Pacific Islander	0.24%	0.25%	0.50%





EXCLUSIVE NET-LEASE OFFERING

Josh Caruana
Marcus & Millichap
600 East 96th Street Suite 500
Indianapolis, IN 46240
Tel: (317) 218-5300
Fax: (317) 218-5310
License: PB20803582



1673 Highway 64 NE, New Salisbury, IN 47161