

Offering Memorandum

Subject Property

Walgreens

Nashville, Tennessee

Strong Annual Store-Sales

**25-Year, Absolute Triple Net (NNN)
Lease with 11+ Years Remaining**

No Landlord Responsibilities

10, Five-Year Renewal Options

**Surrounding National Retailers
Include Publix, Kroger, Anytime
Fitness, Marshalls, Target, Kohl's,
AutoZone, McDonald's, Pizza Hut
and Many More**

Marcus & Millichap

WOLFE RETAIL GROUP
The Wolfe Pack of Marcus & Millichap



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 Real Estate Investment Services of Florida, Inc. ("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 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 Marcus & Millichap, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of Marcus & Millichap, 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.

Marcus & Millichap

NET LEASED DISCLAIMER

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.

Walgreens

Overview

2421 Lebanon Pike, Nashville, Tennessee 37214

Price:	\$6,725,000
Cap Rate:	5.66%
Rentable Square Feet:	13,676
Price PSF:	\$491.73
Annual Rent:	\$380,600
Rent PSF:	\$27.83
Land Area:	1.69 Acres
Year Built:	2004

Lease Summary

Tenant:	Walgreens
Website:	www.Walgreens.com
Lease Guarantor:	Corporate
Lease Type:	Absolute NNN
Lease Term:	25 Years
Option Periods:	10, 5-Year Renewal Options
Rent Increases:	Flat During Option Periods
Roof & Structure:	Tenant
Rent Commencement:	August 21, 2004
Lease Expiration:	August 31, 2029

Loan Assumption

Current Balance:	\$4,550,000
Interest Rate:	4.8%
Amortization Period:	30 Years
Loan Assumption Fee:	1.00%
Loan Commencement:	August 20, 2015
Maturity Date:	September 6, 2025

Financial Analysis with Debt Service

Asking Price:	\$6,725,000
Current Loan:	\$4,550,000
Down Payment:	\$2,175,000*
Total Income:	\$380,000
Current Debt Service:	\$299,059
Current Cash Flow:	\$80,941
Current Cash on Cash Return:	3.72%
Annual Principle Reduction:	\$80,004
Total Return**:	7.40% (\$160,945)

*At full asking price

**Including principle reduction

Loan must be assumed with purchase.

Walgreens

Walgreens is the nation's second largest drugstore chain, and constitutes the Retail Pharmacy USA Division of Walgreens Boots Alliance, Inc., 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 8,175 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 Clinic and provider practice locations around the country.

STOCK SYMBOL

NYSE:
WBA

8,000+
LOCATIONS

SALES VOLUME:
\$117.35
BILLION

Tenant/Brand Highlights

- » Nation's Second Largest Drugstore Chain
- » Walgreens Boots Alliance, Inc. is a Publicly Traded Company (NASDAQ: WBA)
- » Walgreens has an Investment Grade Credit Rating "BBB"
- » Annual Revenues Exceed \$117.35 Billion with a Net Worth in Excess of \$29.88 Billion
- » Included in *Fortune* Magazine's 2018 List of the World's Most Admired Companies





Walgreens Boots Alliance

Walgreens Boots Alliance is included in Fortune magazine's 2018 list of the World's Most Admired Companies. This is the 25th consecutive year that Walgreens Boots Alliance or its predecessor company, Walgreen Co., has been named to the list.

Walgreens Boots Alliance is the first global pharmacy-led, health and wellbeing enterprise. The Company's heritage of trusted healthcare services through community pharmacy care and pharmaceutical wholesaling dates back more than 100 years.

Walgreens Boots Alliance is the largest retail pharmacy, health and daily living destination across the U.S. and Europe. Walgreens Boots Alliance and the companies in which it has equity method investments together have a presence in more than 25 countries and employ more than 385,000 people. The Company is a global leader in pharmacy-led, health and wellbeing retail and, together with the companies in which it has equity method investments, has more than 13,200 stores in 11 countries as well as one of the largest global pharmaceutical wholesale and distribution networks, with more than 390 distribution centers delivering to more than 230,000 pharmacies, doctors, health centers and hospitals each year in more than 20 countries. In addition, Walgreens Boots Alliance is one of the world's largest purchasers of prescription drugs and many other health and wellbeing products. The Company's size, scale, and expertise will help us to expand the supply of, and address the rising cost of, prescription drugs in the U.S. and worldwide.

The Company has:

- unmatched pharmaceutical supply chain and procurement expertise, offering customers innovative solutions and optimal efficiencies
- a portfolio of retail and business brands, including Walgreens, Duane Reade, Boots and Alliance Healthcare, as well as increasingly global health and beauty product brands, such as No7, Soap & Glory, Liz Earle, Sleek MakeUP and Botanics
- diversified and robust profit pools across the U.S., Europe and key emerging markets
- unique platform for growth in developed and emerging markets

By leveraging these advantages and opportunities, as well as the full benefit of our best practices and expertise, Walgreens Boots Alliance will be positioned to create substantial incremental efficiency, synergy and growth opportunities.

The creation of Walgreens Boots Alliance provides an opportunity to further accelerate the development of a fully integrated, global platform for the future to provide innovative ways to address health and wellness challenges. Our Company is well positioned to expand customer offerings in existing markets and become the health and wellbeing partner of choice in emerging markets.



» **Excellent Visibility**

The property is ideally positioned on a hard corner at the signalized intersection of Lebanon Pike and McGavock Pike (Combined Traffic Count: 41,752 VPD), two of the area's heaviest traveled arteries just 0.5 miles east of Briley Parkway (Traffic Count: 74,820 VPD)

» **Proximity to The Crossings Shopping Center**

The property is strategically located just east of the 133,769-square foot, The Crossings Shopping Center, which opened in April 2013 and is anchored by Publix. Walgreens is also directly across from a Kroger and CVS anchored shopping center

» **Dominant Retail Corridor**

3.2 MSF of retail, 7.6 MSF of industrial and 5.2 MSF of office space within a 3-mile radius

» **Strategic Location**

Walgreens is proximate to some of the area's main points of interest such as the historic Two Rivers Mansion (1.5 miles), Two Rivers Golf Course (1.6 miles), 1.2 MSF Opry Mills Mall (3.5 miles), 172-acre Opryland Resort & Convention Center (3.5 miles), the Grand Ole Opry (4 miles), Nashville International Airport (4 miles), Percy Priest Lake (4.5 miles) and Downtown Nashville (6 miles)

» **Donelson Neighborhood**

Donelson is a well-established suburban community situated 6 miles east of Downtown Nashville. The city has a population of 103,770, average annual income of \$57,594 and an average housing value of \$193,067. Pittsburgh-based health care company Automated Health Systems Inc. just announced that it is building a regional operations center in Donelson and health care diagnostic company Covance is relocating from Downtown bringing 370 jobs to Donelson by mid-September of 2015

» **Ideal Demographics**

The area benefits from strong demographics with a population of 36,065, average annual household income of \$50,749

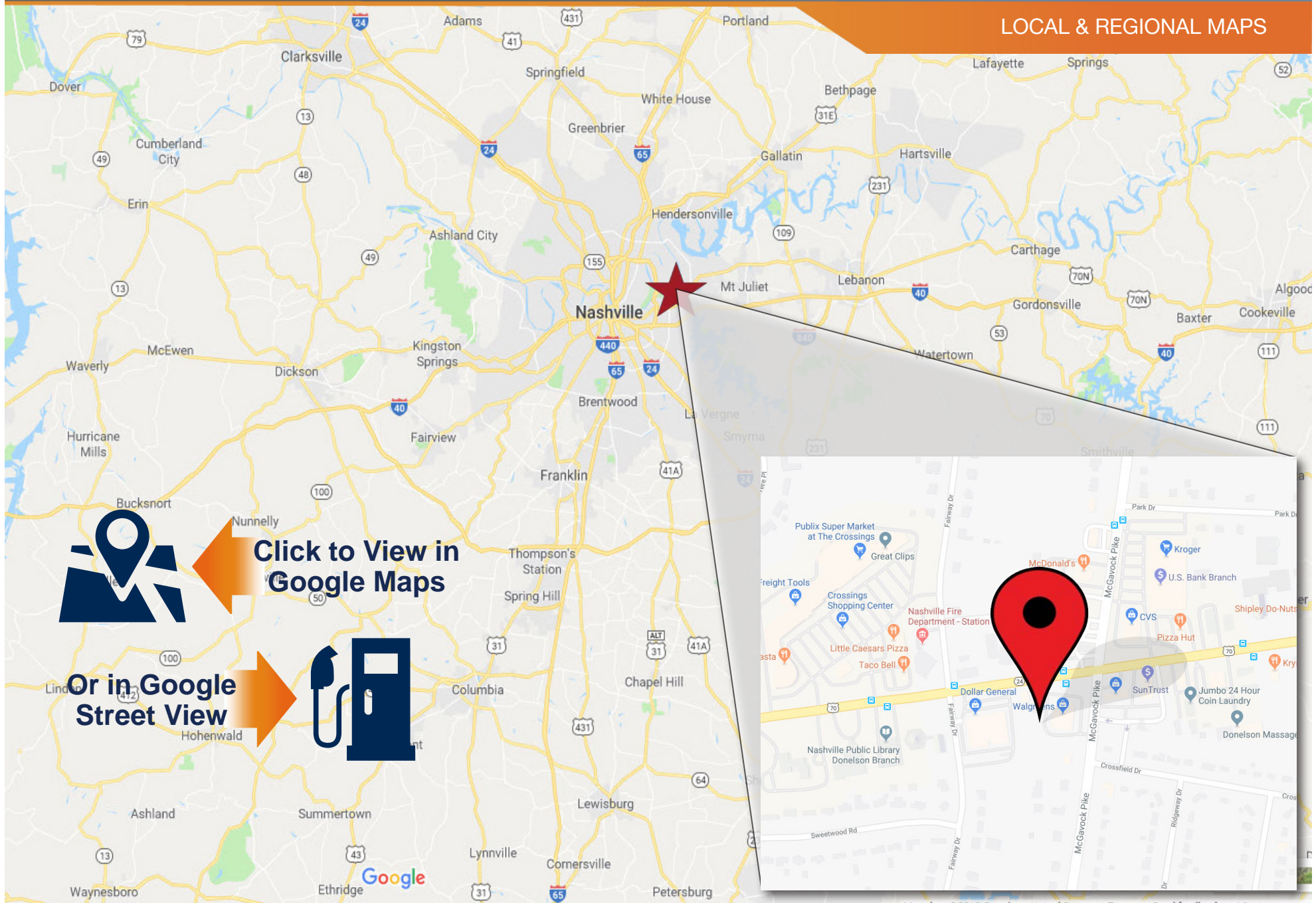
» **Nashville Market**

Long known for its country music industry, Nashville (MSA Population: 1.72 million) is home to a diverse mix of industries, services and entertainment. It is the state capital of Tennessee, and is located midway between Memphis and Knoxville. Nashville's strategic location and access to over half of America's population within 600 miles attracts national and regional companies, making the city a major business center in the southeast



Subject Property

LOCAL & REGIONAL MAPS



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. Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services© 2017. All rights reserved.

NASHVILLE

OVERVIEW

Known as the epicenter of county music, the Nashville metro contains a population of nearly 2 million within 14 counties: Davidson, Smith, Macon, Williamson, Cheatham, Sumner, Dickson, Robertson, Cannon, Rutherford, Hickman, Trousdale, Maury and Wilson. Davidson is the most populous county with 702,900 people and is home to Nashville, the capital city, which has 674,400 residents. The metro is located in the north-central portion of the state of Tennessee in what is known as the Central Basin. The Cumberland River, which snakes through the region, adds to the local economic base and enhances Nashville's quality of life. The metro has a strong multimodal infrastructure network linking the metro to markets around the world.

METRO HIGHLIGHTS



MUSIC INDUSTRY CAPITAL

The metro is well known as a central location for the country music industry, which provides many local jobs and supports a large hospitality sector.



DIVERSIFYING ECONOMY

Other major industries in the metro include healthcare, government, automotive manufacturing, publishing, insurance and finance.



ROBUST POPULATION GROWTH

The population will increase at a faster pace than the nation over the next five years.



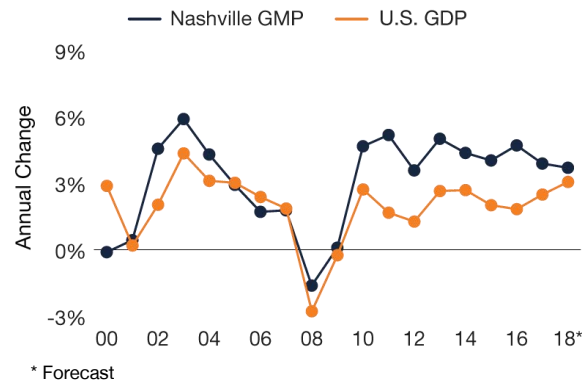
ECONOMY

- The entertainment and country music capital houses a number of venues such as Ryman Auditorium, Grand Ole Opry, Country Music Television and Music Row.
- The nation's lowest tax burdens and incentives for businesses attract companies to the region and are assisting in diversifying the economy.
- Fortune 500 companies headquartered in the region: HCA Holdings, Dollar General, Community Health Systems, LifePoint Health, Delek US Holdings and Tractor Supply Co.

MAJOR AREA EMPLOYERS

Vanderbilt University and Medical Center
The Kroger Co.
Community Health Systems
Saint Thomas Health
Nissan North America
HCA Healthcare
Ryman Hospitality Properties
Electrolux Home Products
Cracker Barrel Old Country Store, Inc.
Randstad

Economic Growth



MARKET OVERVIEW



SHARE OF 2017 TOTAL EMPLOYMENT





DEMOGRAPHICS

- The metro is expected to add nearly 133,200 people over the next five years, resulting in the formation of approximately 60,900 households.
- A median home price slightly below that of the nation has allowed 65% of households to own their home, compared with 64 percent for the U.S.
- Roughly 31% of residents age 25 and older hold bachelor's degrees; of those residents, 11% also have obtained a graduate or professional degree.

2017 Population by Age



QUALITY OF LIFE

While music may be in Nashville's blood, Music City has a lot more to offer, including performing arts, history, cuisine, professional sports, education institutions, natural beauty and Southern charm. Music is alive not only at the Grand Ole Opry, but also at the Ryman Auditorium, Fontanel Mansion, Schermerhorn Symphony Center and the Tennessee Performing Arts Center. For country music fans, there is the Country Music Hall of Fame and Museum. Performing arts include the Nashville Ballet, Nashville Symphony, Nashville Opera Association, Tennessee Repertory Theatre, Nashville Children's Theatre and the ACT 1 (Artists' Cooperative Theatre). Museums in the metro include the Tennessee State Museum, the Vanderbilt University Fine Arts Gallery and Frist Center for the Visual Arts.



SPORTS



EDUCATION



ARTS & ENTERTAINMENT



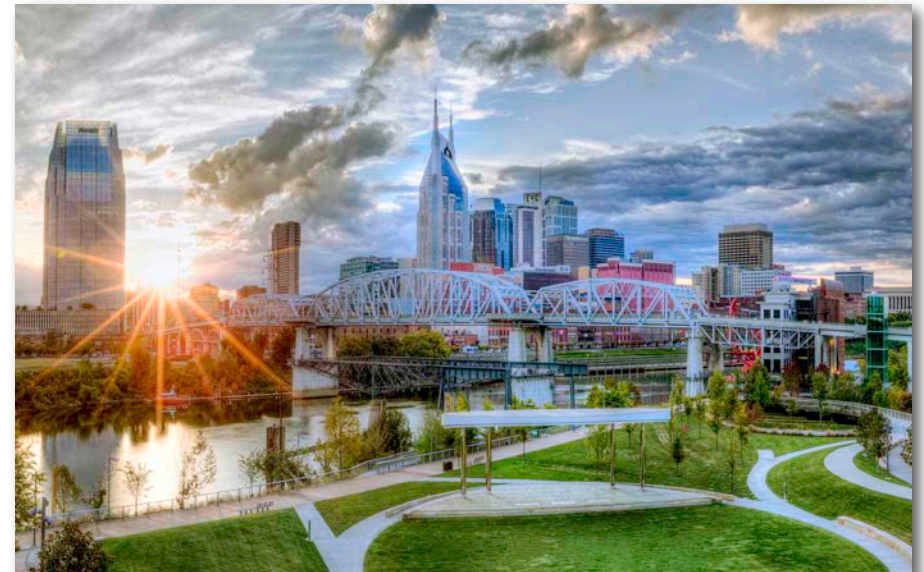
DEMOGRAPHICS

POPULATION	1 MILE	3 MILES	5 MILES
2010 Population	5,239	34,919	131,065
2017 Population	5,625	37,229	142,630
2022 Population	5,596	37,561	143,734
2017 Male Population	2,769	18,502	69,807
2017 Female Population	2,855	18,727	72,824
2017 Median Age	43.5	37.6	34.4

RACE & ETHNICITY	1 MILE	3 MILES	5 MILES
American Indian, Eskimo	0.4%	0.5%	0.4%
Asian	2.1%	2.6%	2.3%
Black	5.3%	18.1%	27.5%
Hawaiian/Pacific Islander	0.0%	0.1%	0.1%
White	86.7%	71.3%	61.1%
Other	3.2%	4.7%	5.5%
Multi-Race	2.3%	2.8%	3.1%
Hispanic Ethnicity	6.4%	9.5%	10.3%
Not of Hispanic Ethnicity	93.6%	90.5%	89.7%

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2010 Households	2,328	15,809	56,214
2017 Households	2,507	16,909	61,633
2022 Households	2,518	17,270	63,083

HOUSEHOLD INCOME	1 MILE	3 MILES	5 MILES
2010 Avg Household Income	\$63,930	\$58,787	\$55,585
2017 Avg Household Income	\$64,309	\$60,717	\$58,021
2022 Avg Household Income	\$73,118	\$68,883	\$66,428
2010 Med. Household Income	\$50,763	\$46,727	\$42,406
2017 Med. Household Income	\$52,117	\$48,629	\$45,271
2022 Med. Household Income	\$59,509	\$55,019	\$51,805
2010 Per Capita Income	\$28,425	\$26,784	\$24,108
2017 Per Capita Income	\$28,675	\$27,742	\$25,329
2022 Per Capita Income	\$32,920	\$31,836	\$29,411



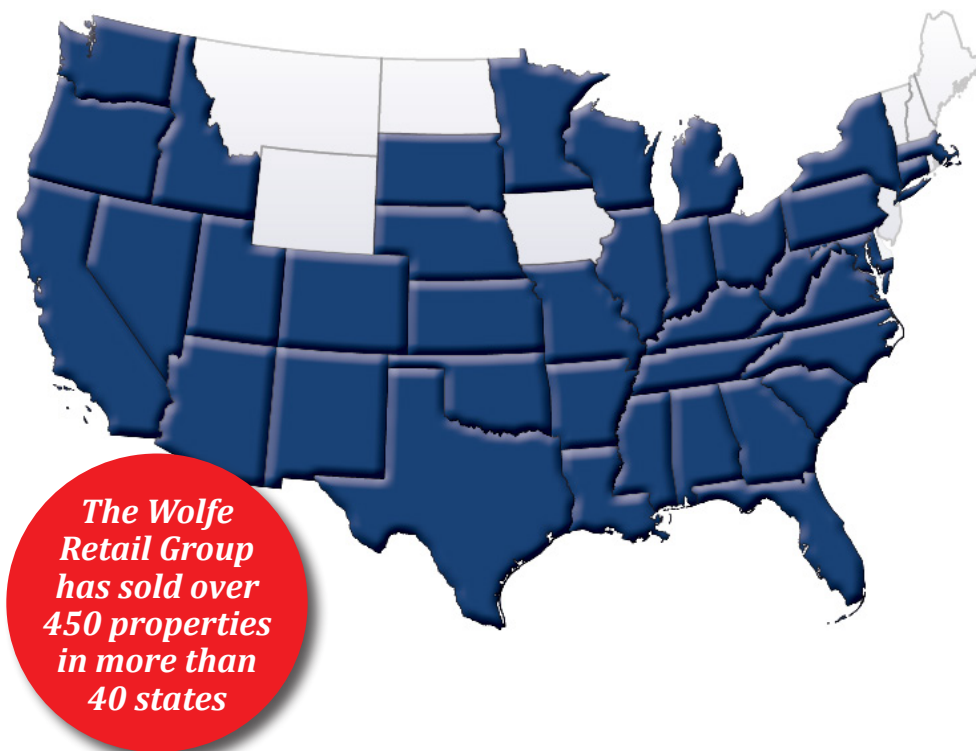
Marcus & Millichap WOLFE RETAIL GROUP

The Wolfe Pack *of* Marcus & Millichap

The Wolfe Retail Group of Marcus & Millichap specializes in the sale of single-tenant properties and shopping centers and has successfully assisted clients in selling over 450 separate commercial properties with a market value exceeding \$1.25 billion. Having closed sales in more than 40 states, our track record is evidence that we are one of the premier brokerage teams in the United States.

With our experience and background in various fields such as law and finance, we have proved to be invaluable to our clients, earning their trust and exceeding their expectations while best assisting them in their real estate transactions.

For more about the Wolfe Retail Group, or to view all of our available listings, visit www.WolfeRetailGroup.com



About Marcus & Millichap

Marcus & Millichap (NYSE: MMI) has established itself as a leading and expanding investment real estate company with nearly 1,500 brokers in 78 markets throughout the United States and Canada. The foundation of our investment sales is the depth of our local market knowledge. Our 44-year history of maintaining investor relationships in local markets enables us to be the best information source and transaction service provider in North America.

Subject Property



Barry M. Wolfe

Senior Managing Director Investments
Barry.Wolfe@marcusmillichap.com
(954) 245-3493

WOLFE RETAIL GROUP
The Wolfe Pack of Marcus & Millichap

Alan Lipsky

Vice President Investments
Alan.Lipsky@marcusmillichap.com
(954) 245-3595

Evan Whelan

Associate
Evan.Whelan@marcusmillichap.com
(954) 245-3487

Angelica Linares

Transaction Coordinator
Angelica.Linares@marcusmillichap.com
(954) 245-3416

Catie Jackson

Marketing Coordinator
Catherine.Jackson@marcusmillichap.com
(954) 245-3592