

OFFERING MEMORANDUM

WALGREENS

4949 Gosford Road
Bakersfield, CA 93313



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.

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SUBJECT PROPERTY PHOTO

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\$6,895,000
PURCHASE PRICE



4.93%
CAP RATE

THE OFFERING

CBRE is offering to qualified investors the opportunity to purchase the fee-simple interest in the Walgreens at 4949 Gosford Road in Bakersfield, California (the "Property").

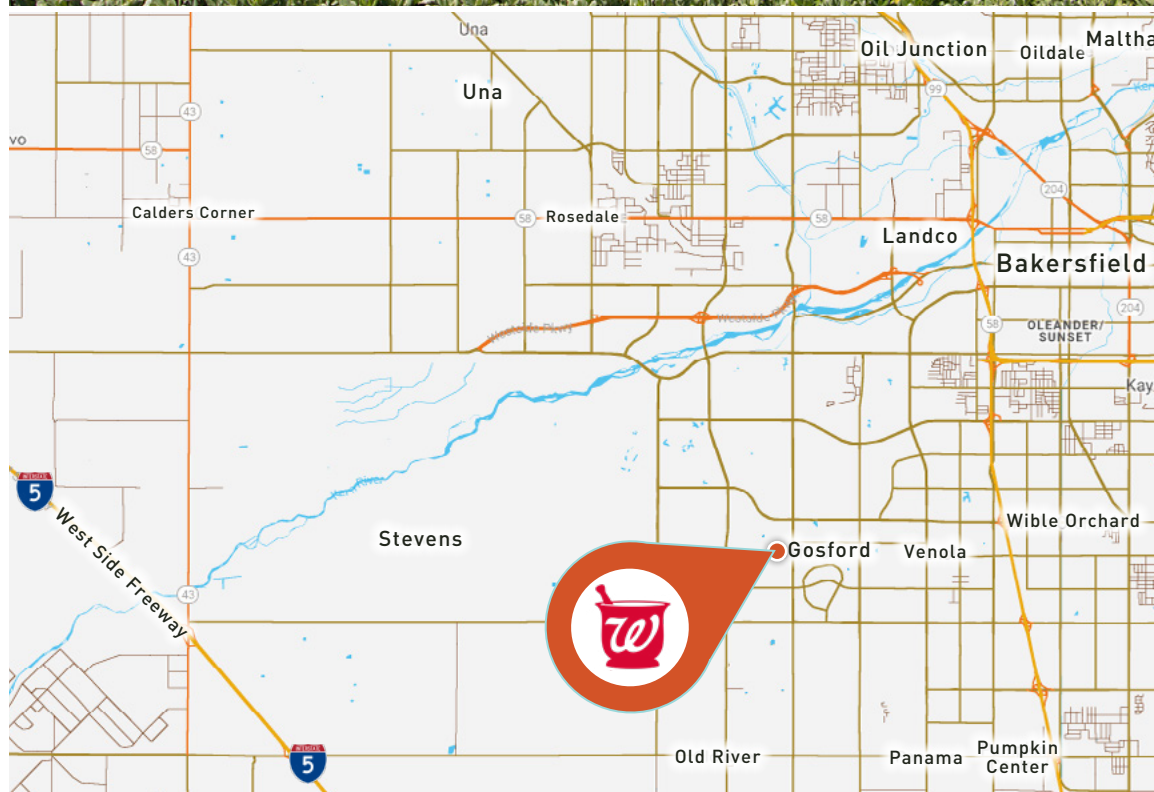
The property is leased to Walgreen Co., part of Walgreens Boots Alliance ("Walgreens") under an Absolute NNN Lease. The lease has 11 years of primary term remaining, with ten (10) 5-year tenant renewal options thereafter. Walgreens provides consumer goods and services, pharmacy, and health and wellness services through drugstores, as well as through mail, and by telephone and online. Walgreens is the global leader in pharmacy-led, health and well-being retail with over 13,200 stores in 11 countries, including 277 stores in California.

Bakersfield is a city located near the southern end of the San Joaquin Valley and the Central Valley region in Kern County, California. Bakersfield's population is approximately 380,000, making it the ninth-most populous city in California and the 53rd-most populous city in the nation. The Property is located on Gosford Road within the Bakersfield suburban communities of The Oaks, Laurel Glen, Campus Park and Silver Creek. The Property is an outparcel to Gosford Village, a power center anchored by Walmart Supercenter, Ross Dress for Less, Kohl's, Petco, Starbucks and Sam's Club.

The Property is an ideal investment for an investor seeking to acquire a primary corner location in a market-dominant retail center in a growing California market, with long-term cash flow from a credit tenant and no landlord management obligations.



SUBJECT PROPERTY PHOTO



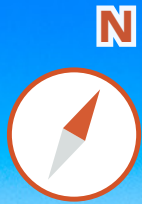
INVESTMENT HIGHLIGHTS

- Investment-Grade Tenant, Absolute NNN Corporate Guaranteed Lease Opportunity With Zero Landlord Responsibilities
- Industry-Leading Tenant (NASDAQ: WBA)
- Credit Tenant (S&P: BBB)
- Dominant Retail Location
- Strong & Diverse Retail Corridor w/ Minimal Competition
- Excellent Access & Visibility

PROPERTY SUMMARY

| | |
|--------------------|--------------------------------------------|
| PROPERTY ADDRESS | 4949 Gosford Road Bakersfield, CA 93313 |
| BUILDING SIZE (SF) | ±14,560 Square Feet |
| LAND AREA (ACRES) | ±1.57 Acres |
| OWNERSHIP INTEREST | Fee Simple |
| ENCUMBRANCES | None, Delivered Free & Clear |
| NOI | \$340,000 |

SUBJECT PROPERTY PHOTO



PRICING OVERVIEW

4949 GOSFORD ROAD | BAKERSFIELD, CA

| | |
|---------------------|--------------------------------|
| OFFERING PRICE | \$6,895,000 |
| OFFERING CAP RATE | 4.93% |
| CURRENT ANNUAL RENT | \$340,000 |
| RENTAL INCREASES | N/A |
| TENANT | Walgreens Co. |
| ENCUMBRANCES | None, Delivered Free and Clear |
| LEASE TYPE | Absolute NNN |
| OWNERSHIP | Fee Simple |

PROPERTY OVERVIEW

| | |
|--------------------|------------------------------------------------------------------------------|
| BUILDING SIZE (SF) | ±14,560 Square Feet |
| LAND AREA (ACRES) | ±1.57 Acres |
| YEAR BUILT | 2009 |
| PROPERTY TYPE | Free-Standing, Single-Tenant Retail |
| PROPERTY USE | Retail Pharmacy, offering Health & Well-Being related products and services. |

SUBJECT PROPERTY PHOTO



LEASE ABSTRACT

| | |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TENANT | Walgreens Co. |
| PARENT COMPANY | Walgreens Boots Alliance, Inc. |
| LEASE DATE | September 12, 2003 |
| LEASE TYPE | NNN |
| PROPERTY ADDRESS | 4949 Gosford Road, Bakersfield, CA 93313 |
| BUILDING SF | ±14,560 Square Feet |
| YEAR CONSTRUCTED | 2009 |
| ACREAGE | ±1.57 Acres |
| RENT COMMENCEMENT | October 1, 2004 |
| TERM EXPIRATION | September 30, 2079 |
| PRIMARY TERM | 75 Years |
| OPTIONS | Option for tenant to terminate lease effective as of the last day of the 300th, 360th, 420th, 480th, 540th, 600th, 660th, 720th, 780th, and 840th full calendar month if the term, with 12-months prior notice. |
| ANNUAL RENT/RENT SCHEDULE | Fixed rent of \$28,333.33 per month plus 2.0% of the gross sales (except for sale of food items and prescription items) and 0.5% of gross sales of food items and prescription items (excluding prescription items sold to third parties) above natural breakpoint. |
| RENT INCREASES | N/A |
| ROFR/OFFER | None known |
| SUBLET/ASSIGNMENT | Tenant may discontinue operation of its business and may re-assign, without landlord's consent, provided that any such re-assignment be only to a corporation or other entity affiliated with Tenant. |

| | |
|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| BUILDING USE | Tenant may use the building for any retail use that is not in violation of any use restriction named in the lease. |
| ROOF | Tenant Responsibility |
| PARKING, LIGHTING & LANDSCAPING | Tenant Responsibility |
| STRUCTURE | Tenant Responsibility |
| TAXES | Tenant Pays Directly |
| INSURANCE | Tenant Responsibility |
| HVAC | Tenant Responsibility |
| UTILITIES | Tenant Pays Directly |
| ALTERNATIONS AND IMPROVEMENTS | Subject to certain terms in the lease, Tenant may make structural and non-structural alterations and additions to the premises at tenant's cost and expense. |
| EXCLUSIVE USE | Tenant has the exclusive right, within 500 feet of the premises, to operate a drug store and sell certain other products or offer certain other services as defined in the lease. |
| CASUALTY | Subject to certain terms in the lease, Tenant shall repair and restore any portion of the premises damaged or destroyed by fire or other casualty at its own cost without abatement of rent. |
| ESTOPPEL | Landlord and Tenant agree to execute and deliver an estoppel certificate to the other within 20 days after receipt of such request. |

TENANT OVERVIEW

Walgreens Boots Alliance, Inc. (NASDAQ: WBA), Walgreens Boots Alliance, along with its subsidiaries, operates a network of drugstores in the United States. It provides consumer goods and services, pharmacy, and health and wellness services through drugstores, as well as through mail, and by telephone and online. The company sells prescription and non-prescription drugs; and general merchandise, including convenience and fresh foods, household items, personal care, photofinishing and candy, and beauty care. It also provides specialty pharmacy services for managing complex and chronic health conditions; customers infusion therapy services consisting of administration of intravenous medications for cancer treatments, chronic pain, heart failure, and other infections and disorders; and clinical services, such as laboratory monitoring, medication profile review, nutritional assessments, and patient and caregiver education. In addition, the company manages in-store convenient care clinics (Healthcare Clinics). As of August 31, 2016 it operated 7,175 locations in 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. The company also managed approximately 400 Healthcare Clinics and provider practice locations. The company was founded in 1901 and is based in Deerfield, Illinois.

The Company, with a presence in more than 25* countries, employs over 370,000* people and is the largest retail pharmacy, health and daily living destination in the USA and Europe, and (including equity method investments) is:

- ++ The global leader in pharmacy-led, health and well-being retail with over 13,200* stores in 11* countries
- ++ One of the largest global pharmaceutical wholesale and distribution networks with over 350* distribution centers delivering to more than 200,000+ pharmacies, doctors, health centers and hospitals each year in 19* countries
- ++ One of the world's largest purchasers of prescription drugs and many other health and well being products

For fiscal year ended December 31, 2017, Walgreens Boots Alliance reported total revenues of \$118.2 billion (a year-over-year increase of 0.7 percent), and a net income of \$5.5 billion. The company currently holds a S&P credit rating of BBB.



SUBJECT PROPERTY PHOTOS

LOCATION OVERVIEW

Bakersfield is a city located near the southern end of the San Joaquin Valley and the Central Valley region in Kern County, California. Bakersfield's population is approximately 380,000, making it the ninth-most populous city in California and the 53rd-most populous city in the nation. The Bakersfield-Delano Metropolitan Statistical Area, which includes all of Kern County, had a 2010 census population of 839,631, making it the 62nd largest metropolitan area in the United States. Bakersfield along with East Bakersfield and Rosedale, has a population of approximately 464,000. The city is a significant hub for both agriculture and oil production. Kern County is the most productive oil producing county, and the fourth most productive agricultural county (by value) in the United States. Industries include natural gas and other energy extraction, aerospace, mining, petroleum refining, manufacturing, distribution, food processing, and corporate/regional headquarters.

Bakersfield's historic and primary industries have related to Kern County's two main industries, oil and agriculture. Kern County in 2013 was the most oil productive county in America. Kern County is a part of the highly productive San Joaquin Valley, and ranks in the top five most productive agricultural counties in the nation. Major crops for Kern County include: grapes, citrus, almonds, carrots, alfalfa, cotton, and roses. The city serves as the home for both corporate and regional headquarters of companies engaged in these industries.

Bakersfield also has a growing manufacturing and distribution sector. Several companies have moved to Bakersfield because of its inexpensive land and access to international ports in both Los Angeles and Oakland. Other companies have opened regional offices and non-oil/agricultural businesses because of Bakersfield's and Kern County's business friendly policies, such as having no local utility or inventory taxes. Products manufactured in the city include: ice cream (world's largest ice cream plant), central vacuums, highway paint, and stock racing cars.

Bakersfield is the largest city with the lowest sales tax in California at the state minimum of 7.25%.

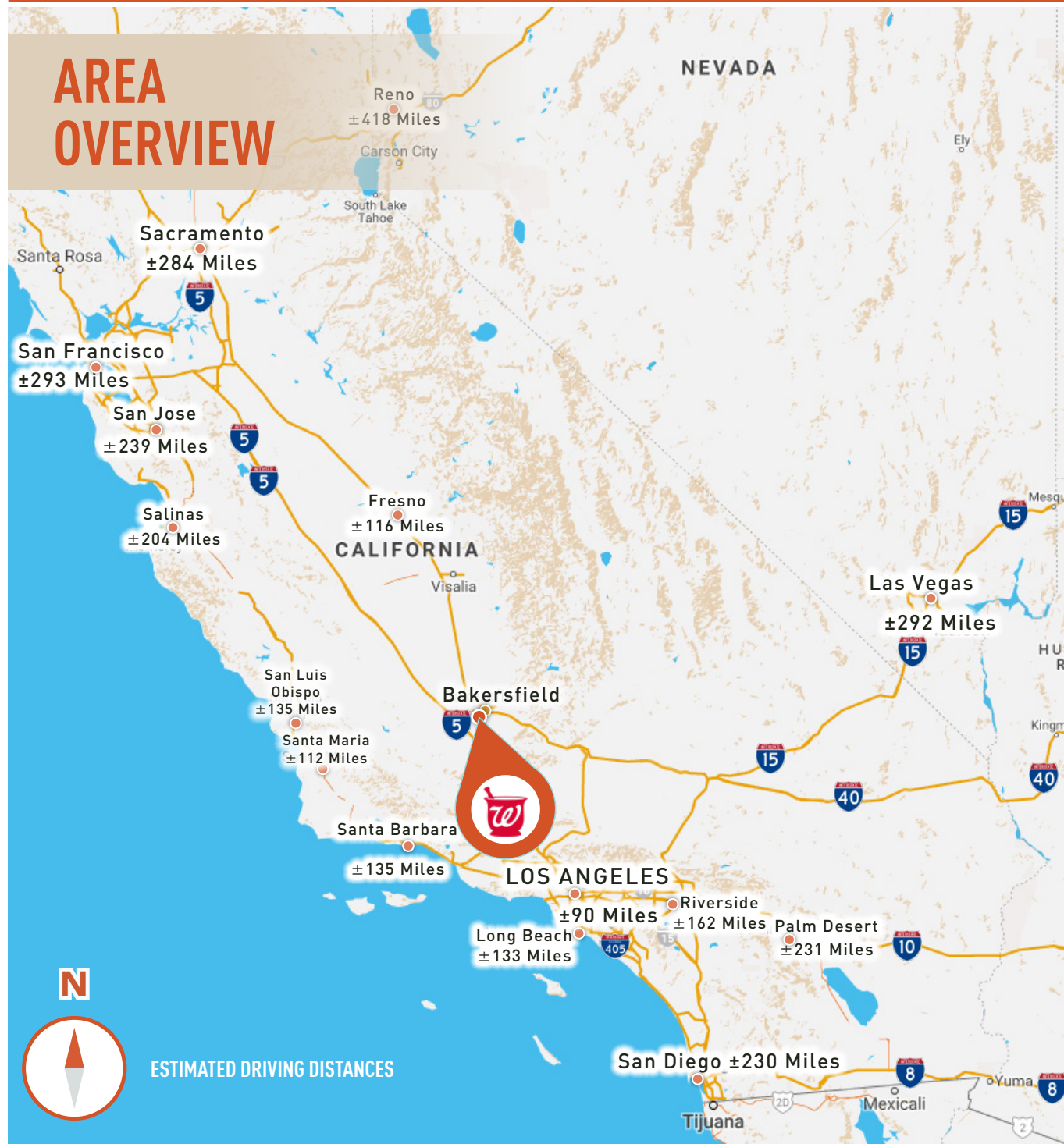
BAKERSFIELD HIGHLIGHTS

- No local utility or inventory taxes for businesses operating in Bakersfield and Kern County
- Consistently ranked in the top five most productive agricultural counties in the nation
- Inexpensive land and access to international ports in Los Angeles and Oakland
- Home of the Bakersfield Sound - a genre of country music developed from the mid 50's
- Low-cost of living in Bakersfield and Kern County



| Company | Employees |
|------------------------------------------|-----------|
| County of Kern | 7,475 |
| The Giumarra Companies | 4,200 |
| Grimmway Farms | 3,500 |
| Bolthouse Farms | 2,000 |
| Bakersfield Memorial Hospital | 1,400 |
| City of Bakersfield | 1,300 |
| Mercy Hospitals of Bakersfield | 1,200 |
| ARB | 1,200 |
| Kern Medical Center | 1,200 |
| State Farm Insurance | 1,045 |
| Sun World | 1,025 |
| Chevron | 1,000 |
| Clinica Sierra Vista | 1,000 |
| San Joaquin Community Hospital | 880 |
| AndrewsAg | 800 |
| Sun Pacific | 800 |
| Paramount Farms | 800 |
| California State University, Bakersfield | 600 |
| Aera Energy | 600 |
| Kaiser Permanente | 500 |

AREA OVERVIEW



BAKERSFIELD INDUSTRIES

Gosford Rd. | Bakersfield, CA



Walmart
Supercenter

GOSFORD RD. (±29,486 VPD)

Precision Pharmacy

SolarCity



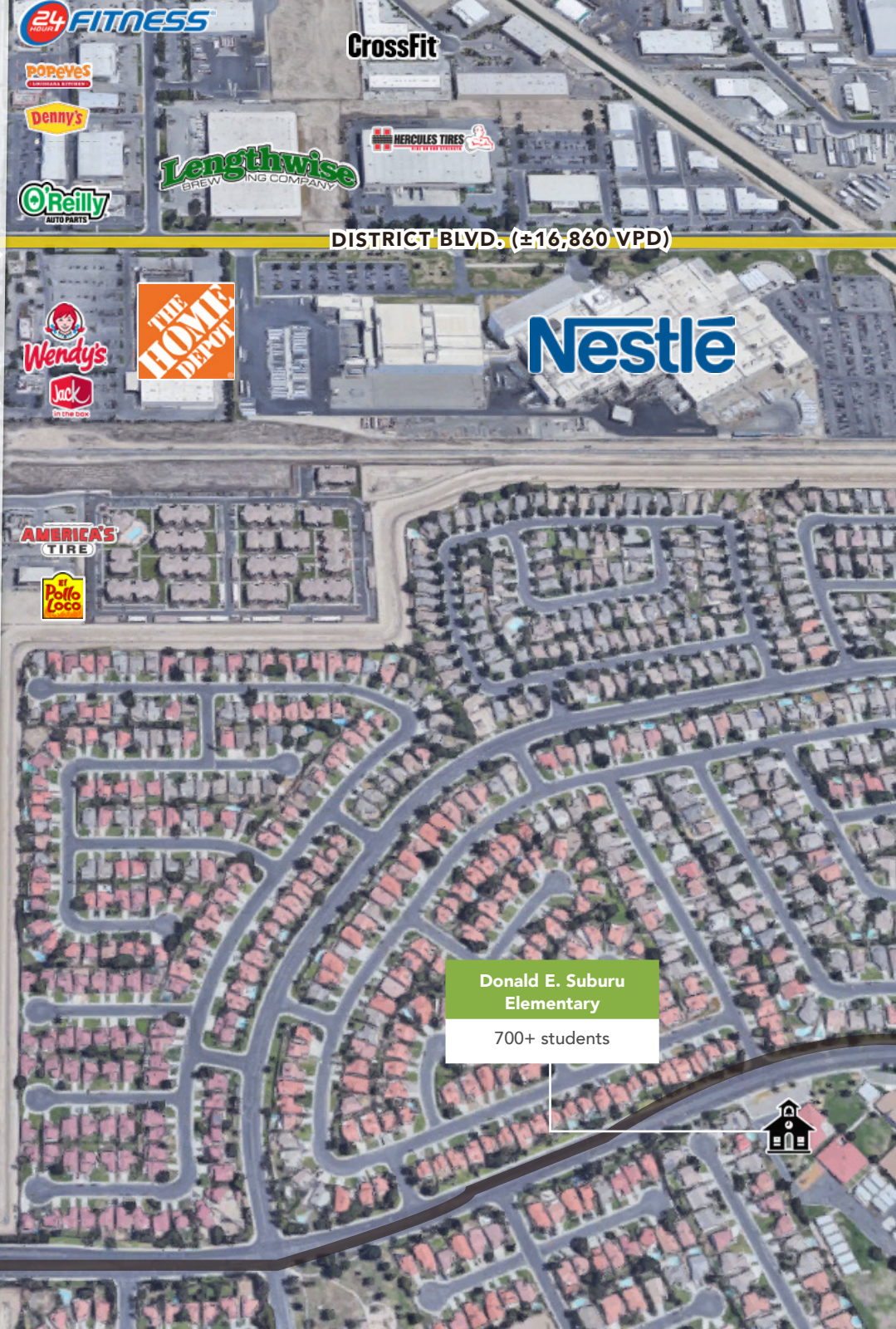
ROSS
DRESS FOR LESS

KOHL'S

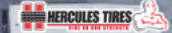
CINTAS



HARRIS RD. (±17,358 VPD)



CrossFit



DISTRICT BLVD. (±16,860 VPD)



Nestlé



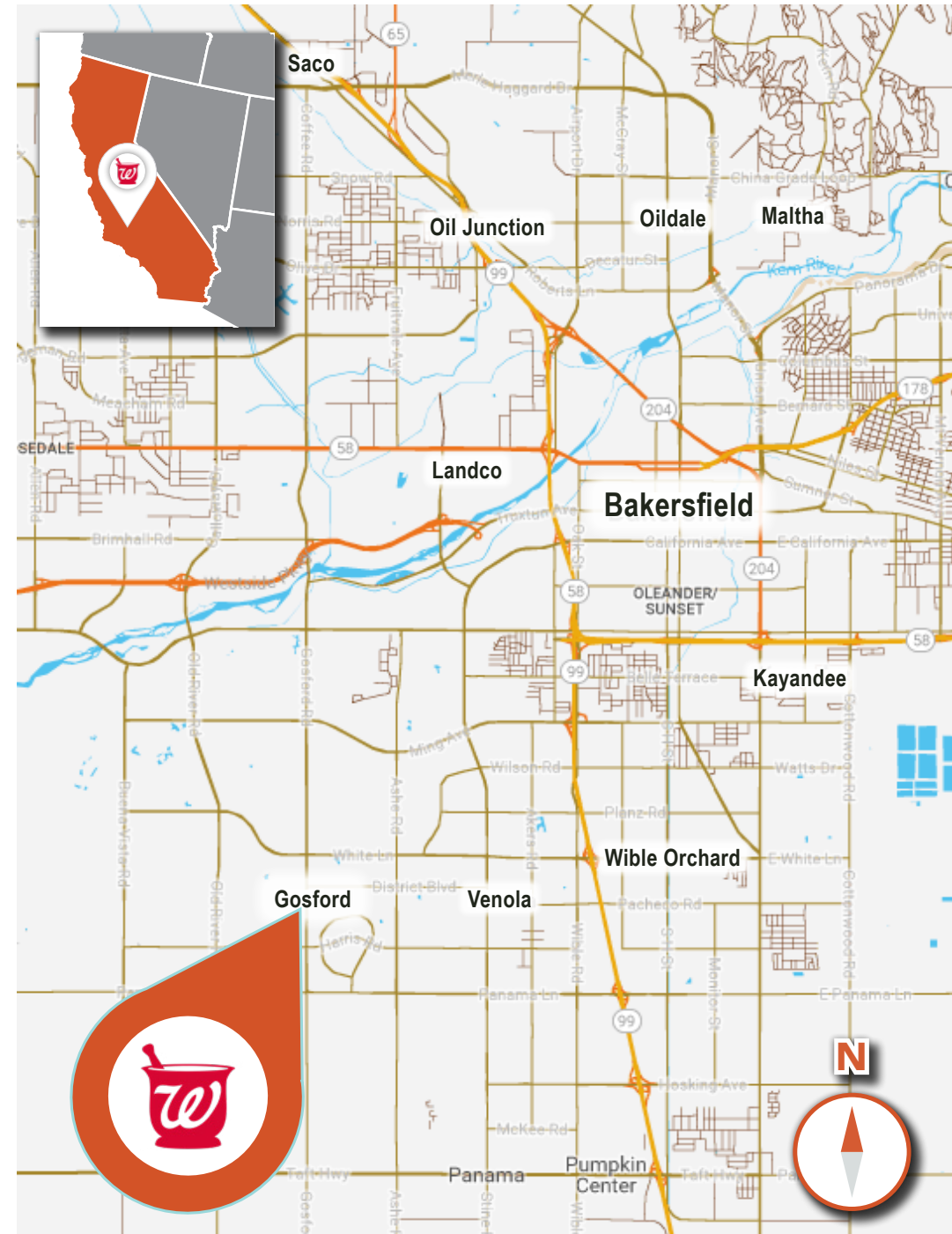
Donald E. Suburu
Elementary

700+ students



DEMOGRAPHICS

| | 0-1 MI | 0-3 MI | 0-5 MI |
|-----------------------------------------|----------|----------|----------|
| Population | | | |
| 2018 Population - Current Year Estimate | 21,244 | 128,710 | 235,826 |
| 2023 Population - Five Year Projection | 22,049 | 137,500 | 248,996 |
| 2018-2023 Annual Population Growth Rate | 0.75% | 1.33% | 1.09% |
| Households | | | |
| 2018 Households - Current Year Estimate | 5,376 | 34,919 | 70,834 |
| 2023 Households - Five Year Projection | 5,536 | 36,877 | 73,959 |
| 2018-2023 Annual Household Growth Rate | 0.59% | 1.10% | 0.87% |
| Average Household Income | | | |
| 2018 Average Household Income | \$59,927 | \$61,480 | \$63,991 |
| 2018 Median Household Income | \$49,945 | \$48,568 | \$48,498 |
| 2018 Business Employment | | | |
| 2018 Businesses | 233 | 2,055 | 4,954 |
| 2018 Employees | 3,568 | 24,411 | 53,026 |



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