

OFFERING MEMORANDUM

Walgreens

NET-LEASE INVESTMENT OFFERING

**2918 DEWEY AVENUE
ROCHESTER • NY 14616**

savills

SAVILLS INVESTMENT PROPERTIES GROUP LA

*Storefront Name Change to Walgreens Estimated To Occur in June 2019

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PROPERTY OVERVIEW



SAVILLS INVESTMENT PROPERTIES GROUP LA

INVESTMENT HIGHLIGHTS

Offering Price	\$4,610,103
Cap Rate	7.75%
Price Per SF	\$412.35
NOI	\$357,283.20
Lease Structure	NN
Building GLA	11,180 SF
Land Area	1.36 AC
Year Built	2000
Parking	~56
Ownership	Fee Simple
Parcel Number	262800-075-250-0002-001-100



NN LEASE | The lease is NN, with minimal landlord responsibilities. The tenant is responsible for maintaining and repairing all aspects of the subject property, except for the roof and structure.

EXTENDED LEASE TERM | The original lease has been extended from its contracted end date at 1/31/3030 to 01/31/2025.

AVAILABLE OPTION PERIODS | The lease term provides for five (5), five (5) year options and one (1), three (3) year option.

RENTAL INCREASES | The lease provides for rental increases at each option period (See Page 5).

WELLNESS REMODEL | The store was upgraded to a wellness store in 2017.

CORPORATE GUARANTEE | The lease guaranteed by an entity within Walgreens Boots Alliance.

HARD SIGNALIZED CORNER | The property is situated on the hard signalized corner of Dewey Ave. and Stone Rd., which report strong combined traffic counts of 19,511 cars per day.

DENSE INFILL LOCATION | There are over 45,405 households in the one (1) mile demographic ring.

ABOVE AVERAGE HH INCOME | The average household income in the five (5) mile demographic ring is an affluent \$79,298.

WALGREENS MANAGED | The pharmacy and store are owned and managed by Walgreens and are trading under Rite Aid brand for several more months.

WALGREENS PHARMACY | The pharmacy has a minimum of four (4) full-time pharmacists to assist in the high volume of scripts.

CENTRALIZED LOCATION | Rochester, NY hosts nearly 2 million visitors each year, and is located just 5 miles from the subject property. As the third largest city in the State of New York, Rochester is a six hour drive from New York City, three and a half hours from Toronto and ninety minutes from Niagara Falls.

LEASE SUMMARY

LEASE SUMMARY

Tenant	Walgreens
Guarantor	Walgreens Boots Alliance
Building SF	11,180 SF
Land Area	1.36 AC
Lease Effective Date	1/6/2000
Lease Expiration	1/31/2025
Original Lease Term	Twenty (20) Years and Five (5) Months
Term Remaining	Approx. Six (6) Years and Four (4) Months
Renewal Options	Five (5) - Five (5) Year Options and One (1) - Three (3) Year Option
Current Annual Rent	\$357,283.20
Rental Increases	Each Option Period
ROFR	None

LEASE STRUCTURE - NN

Lease Structure	NN
Roof & Structure	Landlord
HVAC	Tenant
Common Area	Tenant
Parking	Tenant
Property Taxes	Tenant
Utilities	Tenant
Insurance	Tenant

RENT ROLL

Term	Rent PSF	Monthly Rent	Annual Rent	% Increase
1/6/2000 - 1/31/2025	\$31.96	\$29,776.60	\$357,283.20	-
Option 1: 2/1/2025 - 1/31/2030	\$35.36	\$32,946.29	\$395,355.48	10.64%
Option 2: 2/1/2030 - 1/31/2035	\$36.37	\$33,877.96	\$406,535.98	2.86%
Option 3: 2/1/2035 - 1/31/2040	\$37.36	\$34,809.62	\$417,715.48	2.72%
Option 4: 2/1/2040 - 1/31/2045	\$38.36	\$35,741.29	\$428,895.48	2.68%
Option 5: 2/1/2045 - 1/31/2050	\$39.36	\$36,672.96	\$440,075.48	2.61%
Option 6: 2/1/2050 - 1/31/2053	\$40.36	\$37,604.62	\$451,255.48	2.54%



TENANT OVERVIEW

Walgreens



TYPE: PUBLIC (NASDAQ: WBA)

PARENT: WALGREENS BOOTS ALLIANCE

HQ: DEERFIELD, IL

EMPLOYEES: 415,000+

LOCATIONS: 9,560+

REVENUE: \$131.54 BILLION (2018)

INDUSTRY: RETAIL

PARENT CREDIT: S&P: BB; MOODY'S BAA2

WEBSITE: WWW.WALGREENSBOOTS-
SALLIANCE.COM

Walgreens ("Walgreens Boots Alliance") is the first global, pharmacy-led health and wellbeing enterprise with sales of \$131 billion in the fiscal year ended August 31, 2018. Walgreens Boots Alliance is the largest retail pharmacy, health and daily living destination across the U.S. and Europe, operating through three segments – Retail Pharmacy USA, Retail Pharmacy International, and Pharmaceutical Wholesale. The Retail Pharmacy USA segment sells prescription drugs and an assortment of general merchandise, including non-prescription drugs, beauty products, photo finishing, seasonal merchandise, greeting cards, and convenience foods through its retail drugstores and convenient care clinics. It also provides specialty pharmacy services and mail services; and manages in-store clinics.

The Retail Pharmacy International segment sells prescription drugs; and health, beauty, toiletry, and other consumer products through its pharmacy-led health and beauty stores and optical practices, as well as through boots.com and an integrated mobile application. The Pharmaceutical Wholesale segment

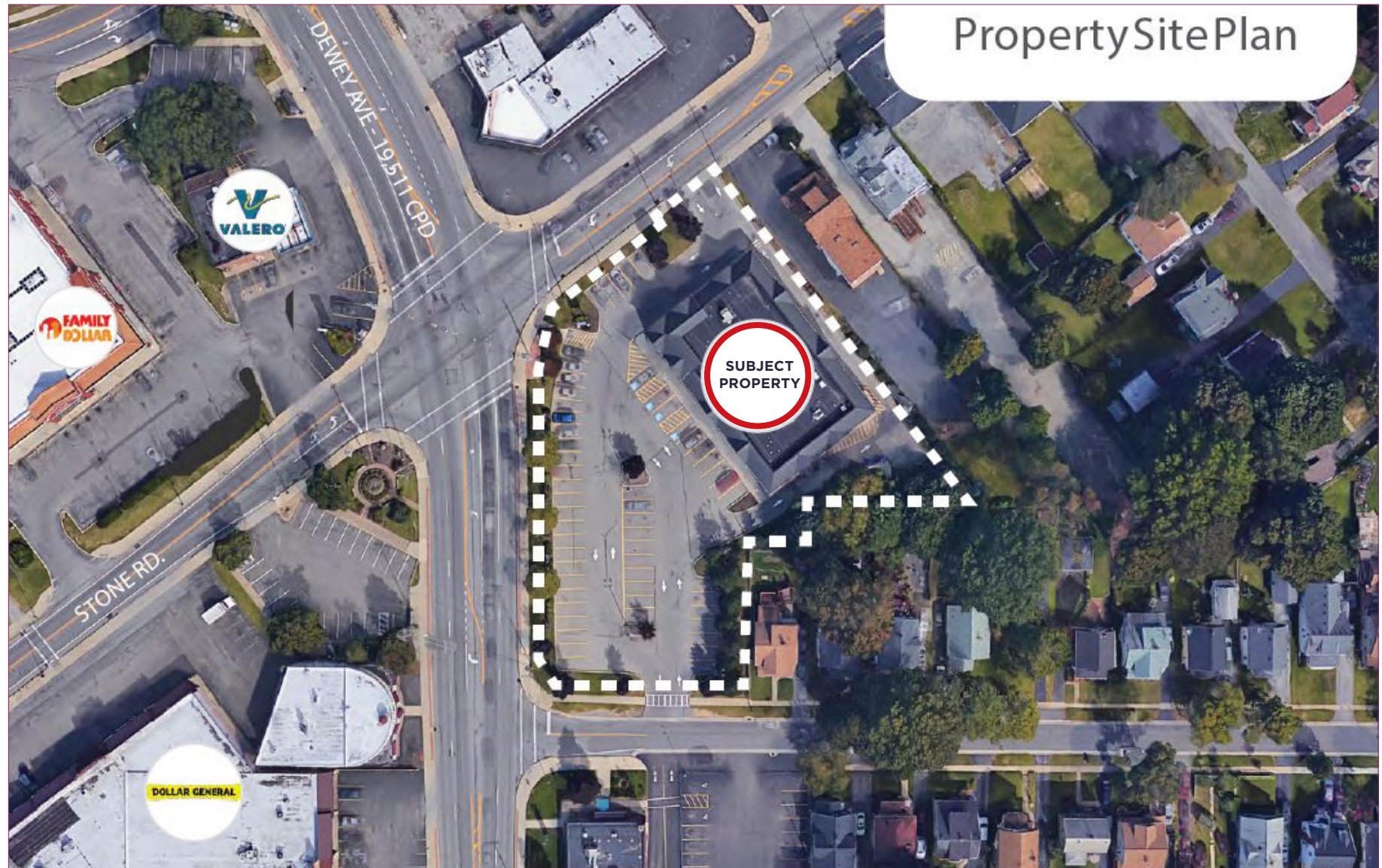
engages in the wholesale and distribution of specialty and generic pharmaceuticals, health and beauty products, and home healthcare supplies and equipment, as well as provides related services to pharmacies and other healthcare providers.

March 2018 saw Rite Aid complete its transfer of 1,932 stores and three distribution centers to Walgreens Boots Alliance as part of a larger deal with the nation's largest pharmacy chain.

In October 2018, Walgreens and LabCorp announced their commitment to expansion. The two companies agreed to open at least 600 more LabCorp patient service centers at Walgreens stores across the U.S. over the next four years. Additionally in this same month, Kroger and Walgreens announced that the companies are collaborating on an exploratory pilot with a new format and concept that combines Kroger's role as America's grocer/food authority with Walgreens global expertise in pharmacy, health and beauty.

For additional information, see www.walgreensbootsalliance.com

SITE PLAN



ADDITIONAL PHOTOS



An aerial photograph of a city, likely Chicago, showing a large university campus in the foreground with numerous brick buildings and green spaces. A river flows through the middle ground, and the city skyline is visible in the background under a blue sky with scattered clouds.

MARKET OVERVIEW

The Savills logo, consisting of a yellow square with the word "savills" in red lowercase letters.

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ROCHESTER AREA OVERVIEW



Rochester was incorporated as a village in 1817 under the name Rochesterville. Growth was slow at first, since the community was somewhat off the main route between Albany and Buffalo, but with the opening of the Erie Canal, a boom began.

Rochester is New York State's primary port on Lake Ontario. It is about 70 miles northeast of Buffalo. Rochester combines small-town accessibility with big-city services. Amidst some of the most beautiful scenery in the United States, residents enjoy a housing market known for great bargains, short commute times, world-class cultural and entertainment offerings and a fast-growing innovation economy poised to thrive in the 21st century.

ECONOMY

Rochester's economy benefits from many advantages, including an ample supply of fresh water from Lake Ontario and the pristine Finger Lakes, a central location among the population centers of the Northeastern United States and the innovative foundations laid by such firms as Kodak, Xerox and Bausch and Lomb. A host of colleges and universities, including the University of Rochester and the Rochester Institute of Technology, produce an educated workforce and generates cutting-edge research that drives the city's innovation and technology sectors.

Rochester is emerging as the imaging, optics and photonics capital of the world and in 2015 the White House announced that new Integrated Photonics Institute for Manufacturing Innovation would be located in Rochester. Other growing industries include food-and-beverage manufacturing, biotechnology and green innovation.

RETAIL

The Marketplace Mall opened in 1982 and currently has 1.1 million square feet of retail space. Macy's, JCPenney, Sears and Dick's Sporting Goods provide the anchor draw which is complemented by more than 140 stores, such as Banana Republic, Charming Charlie, Crazy 8, TORRID, Gift-ology, LOFT, Land's End Inlet, Old Navy and other nationally recognized retailers.

The Mall at Greece Ridge, at 1.63 million square feet, is one of the largest shopping centers in the country. This size allows for an extensive and diverse collection of retail. The Mall serves the entire Rochester market as a one-stop shopping destination for traditional and discount department stores.

AREA OVERVIEW (CONT.)



EDUCATION

University of Rochester: The University of Rochester is one of the country's top-tier research universities. Their 158 buildings house more than 200 academic majors, more than 2,000 faculty and instructional staff, and some 11,100 students—approximately half of whom are women. The University is just 15 minutes from the subject property.

Rochester Institute of Technology: Rochester Institute of Technology is a privately endowed, coeducational university with nine colleges emphasizing career education and experiential learning. The RIT student body consists of approximately 15,400 undergraduate and 3,200 graduate students. For more than 30 years, RIT has been recognized for educational quality and value in U.S. News & World Report. RIT has traditionally been listed among the top 10 regional universities since the magazine started its annual ranking of colleges in 1983. The University is just 22 minutes from the subject property.

AIRPORTS

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SURROUNDING ACTIVITY

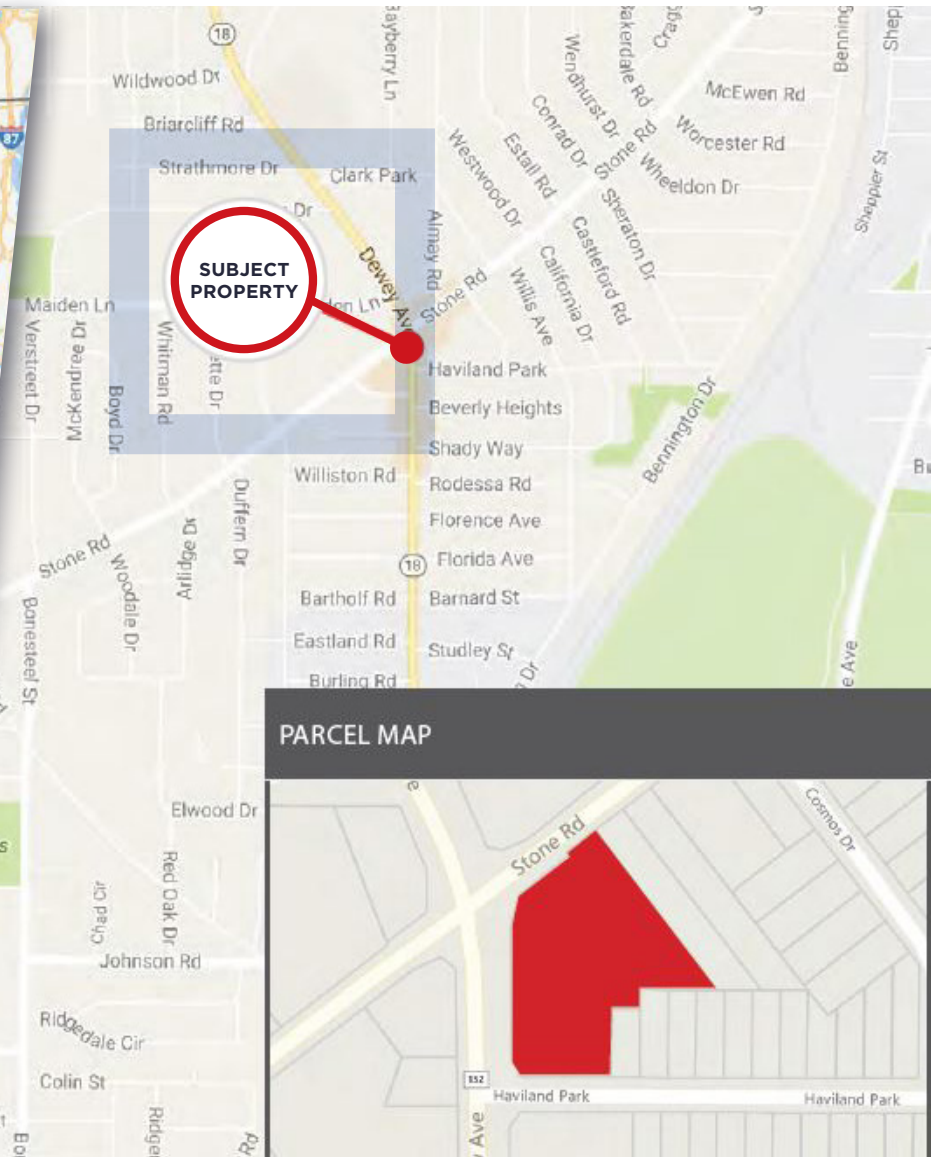
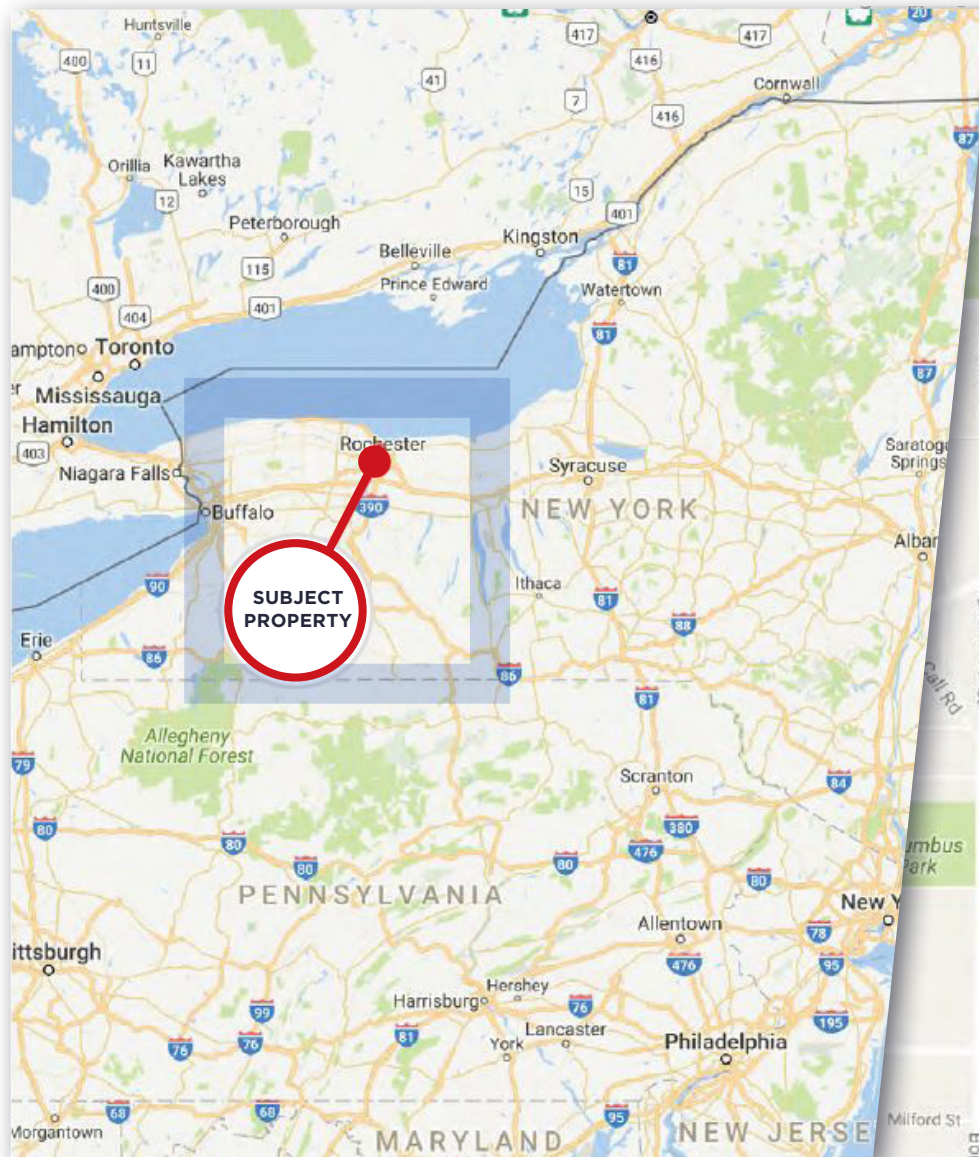
Rochester offers a host of attractions and events for just about every interest and pastime, including classical music, professional sports and music and arts festivals. This metropolitan region situated on the southern shore of Lake Ontario is also part of New York's breathtaking Finger Lakes region. Known for its vast selection of family-oriented activities and attractions, Rochester hosts nearly two million visitors each year. Conveniently located, Rochester is a six hour drive from New York City, 3 1/2 hours from Toronto and 90 minutes from Niagara Falls.

Kodak Hall at Eastman Theatre hosts the Rochester Philharmonic Orchestra and the headline acts during the annual Xerox Rochester International Jazz Festival. The Strong National Museum of Play is home to the National Toy Halls of Fame and the annual Lilac Festival harkens Rochester's early history as the Flower City. Rochester is also home to many professional minor-league sports teams including the Americans (ice hockey), Red Wings (baseball) and the Western New York Flash (women's soccer).

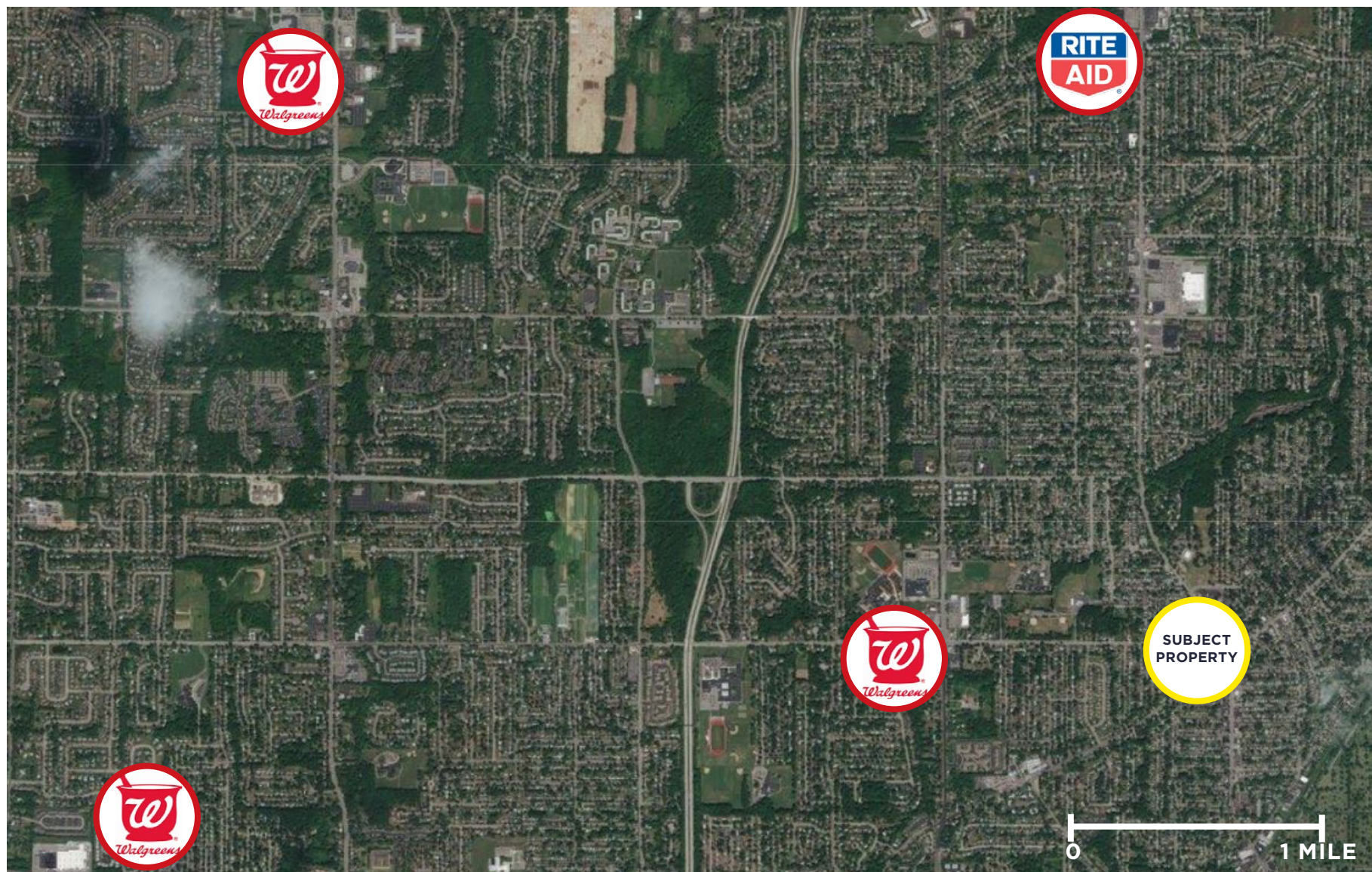
A unique blend of natural and man-made resources and amenities give Rochester a quality of life that is second to none. Straddling the Genesee River between the Erie Canal and Lake Ontario, Rochester offers a natural beauty that is easily accessible by a network of parks, trails, boat launches and scenic overlooks. The city is divided into dozens of distinct neighborhoods and urban villages supported by an eclectic mix of stores and restaurants. The city's central location in Western New York provides residents a short drive to such destinations as the Niagara Falls, the Finger Lakes region and the Adirondack Mountains.

For additional information, see www.cityofrochester.gov

AREA OVERVIEW MAPS



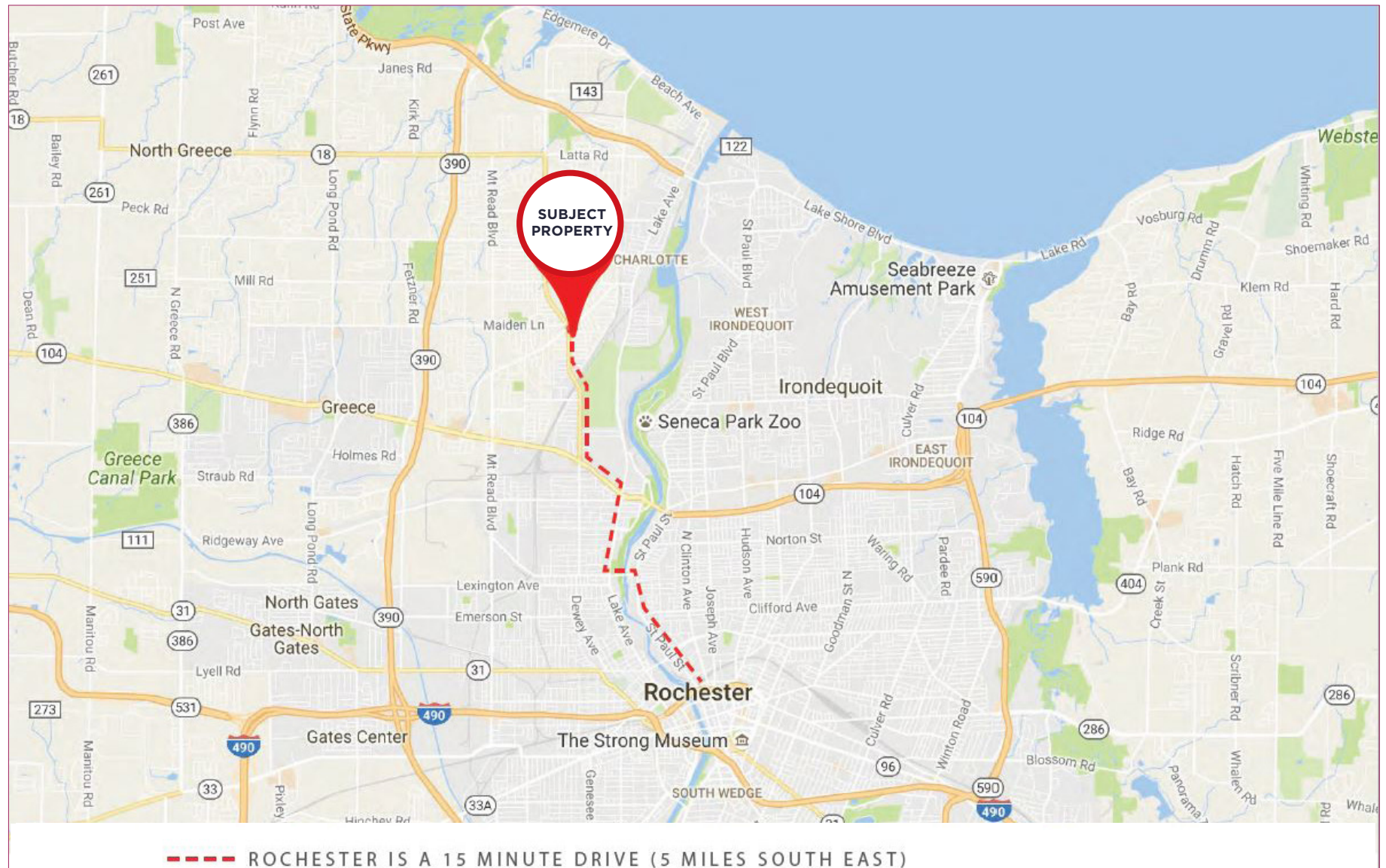
COMPETITOR MAP



SURROUNDING TENANTS



AERIAL MAP

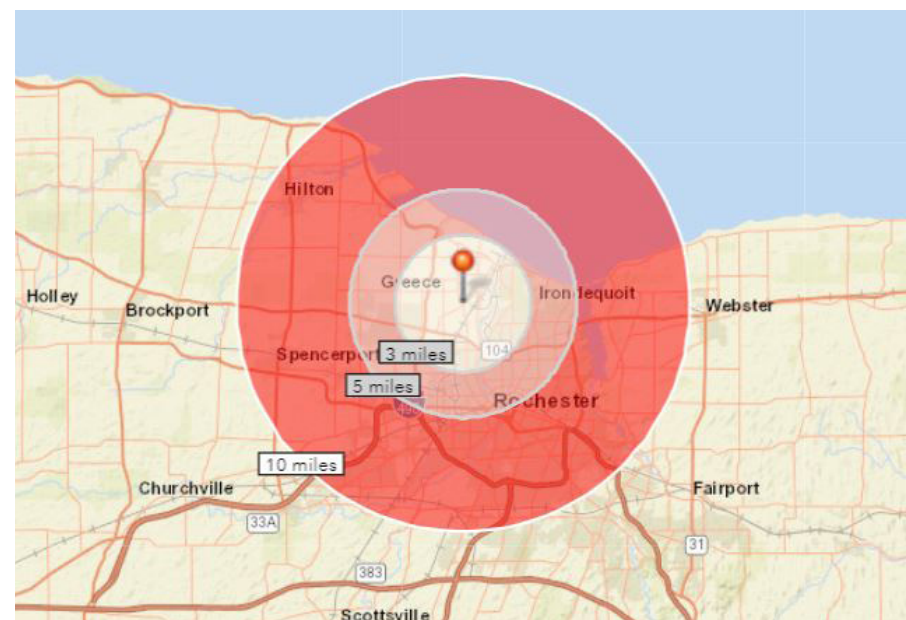


DEMOGRAPHICS - 2019

POPULATION	1 MILE	3 MILES	5 MILES
Estimated Population (2018)	105,829	140,170	279,262
Census Population (2010)	105,573	139,465	274,386
Projected Population (2023)	106,185	140,892	282,083
Projected Annual Growth			
2018-2023	0.34%	0.52%	1.01%

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
Estimated Households (2018)	45,405	55,080	117,522
Census Households (2010)	45,239	54,540	114,995
Projected Households (2023)	45,575	55,498	118,959
Projected Annual Growth			
2018-2023	0.37%	0.76%	1.22%

HOUSEHOLD INCOME	1 MILE	3 MILES	5 MILES
2018 Average	\$61,531	\$57,523	\$79,298
2018 Median	\$46,331	\$37,605	\$57,214



POPULATION BY RACE	Census 2010	2018	2023
White	76.6%	73.6%	71.5%
Black	14.8%	15.8%	16.5%
American Indian	0.3%	0.4%	0.4%
Asian	2.1%	2.3%	2.5%
Pacific Islander	0.0%	0.0%	0.0%
Other Races	3.1%	4.1%	4.7%
Two or More Races	9.2%	11.9%	14.0%
Hispanic	6.4%	7.0%	7.7%

DISCLAIMER

Savills Inc, representative of the Seller, is solely authorized to present this property investment offering (the “Offering”). 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”).

Prior to submitting an offer to purchase the Property, interested parties should perform and rely upon their own investigations, analyses, estimates and projections and otherwise satisfy any concerns regarding material aspects of the proposed transaction including, but not limited to legal, municipal, environmental, operational, seismic, financial and physical issues, and all other matters affecting or pertaining to the Property. The Seller will be offering the Property including all appurtenances and tenant improvements, solely on an “As-Is, With-All-Fault” basis, without any representations or warranties. No person is authorized to make any representations or warranties on behalf of the Seller regarding the Property. Any and all information regarding the Property provided to any interested party by the Seller or Savills Inc., including all information contained in the Offering, is provided without any representation or assurance express or implied, regarding the accuracy, completeness or current status of applicability of such information. Each interested party is expected to undertake such reviews and investigations and make such inquiries as such party may believe to be necessary, appropriate or advisable for the purpose of forming a decision to make an offer to acquire the Property.

The Owner expressly reserves the right, as its sole discretion, to reject any or all expressions of interest or offers to purchase the Property and/or to terminate discussions with an 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.

The material contained herein is confidential and is presented strictly as information for the exclusive use of the prospective purchaser. Receipt and review of this Offering by the prospective purchaser constitutes an agreement not to divulge, share or distribute the information to any other party, except the prospective purchaser's legal counsel and financial advisors, without the prior specific written authorization of the Seller or Savills Inc. Each prospective purchaser shall also agree to and comply with the provisions of the confidentiality agreement executed by such prospective purchaser prior to receipt of this Offering.

This Offering is submitted subject to errors, changes, omissions, changes in price, market and other conditions. It contains selected information pertaining to the Property and does not purport to be all-inclusive or to contain all of the information that prospective purchasers may desire. It should be noted that any and all market analyses, estimates, and projections contained in this Offering are provided for general reference purposes only and are based on assumptions related to the general economy, competitions, real estate market trends, and other factors beyond the control of the Seller or Savills Inc.

Such analyses, estimates and projections are therefore subject to material variation, and may not be consistent with the views or assumptions held by other professionals.

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