

HFF

LONG TERM CVS PHARMACY WITH DRIVE THRU



CVS PHARMACY

207 SOUTH LEBANON | LEBANON, INDIANA

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Additional information and an opportunity to inspect the property will be made available upon written request to interested and qualified prospective investors.

Owner and HFF each expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers regarding the property and/or terminate discussions with any entity at any time with or without notice. Owner shall have no legal commitment or obligations to any recipient reviewing this Offering Memorandum or making an offer to purchase the property unless and until such offer is approved by Owner, a written agreement for the purchase of the property has been fully executed, delivered and approved by Owner and its legal counsel, and any obligations set by Owner thereunder have been satisfied or waived.

The recipient ("Recipient") agrees that (a) the Offering Memorandum and its contents are confidential information, except for such information contained in the Offering Memorandum, which is a matter of public record, or is provided from sources available to the public (b) the Recipient, the Recipient's employees, agents and consultants (collectively, the "need to know parties") will hold and treat it in the strictest of confidence, and the Recipient and the need to know parties will not, directly or indirectly, disclose or permit anyone else to disclose its contents to any other person, firm, or entity without the prior written authorization of HFF and the Owner, and (c) the Recipient and the need to know parties will not use or permit to be used this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Owner or HFF or for any purpose other than use in considering whether to purchase the property. The Recipient and the need to know parties agree to keep this Offering Memorandum and all confidential information contained herein permanently confidential and further agree to use this Offering Memorandum for the purpose set forth above. If the Recipient has no interest in the property, or if in the future the Recipient or owner discontinue such negotiations, the Recipient will return this Offering Memorandum to HFF.



INVESTMENT SUMMARY

CVS PHARMACY | 207 SOUTH LEBANON STREET | LEBANON, INDIANA

INVESTMENT SUMMARY

Holliday Fenoglio Fowler, L.P. (“HFF”) Net Lease Advisory is pleased to exclusively offer a premier net lease opportunity to acquire a **CVS Pharmacy** (the “Property”) with approximately 19.5 years of remaining lease term located in Lebanon, IN. The Property is situated at the intersection of Lebanon Street and West South Street with exposure to over 24,900 VPD. CVS has been at this location since 2002 and recently signed a lease extension showing long term commitment to the site. CVS is the largest healthcare provider in the U.S. with more than 250,000 employees and over 9,700 stores. CVS Pharmacy serves over 5 million customers a day and has a market cap of over \$74 billion. CVS sells prescription drugs and a wide assortment of general merchandise, including over-the-counter drugs, beauty products and cosmetics, film and photo finishing services, seasonal merchandise, greeting cards, and convenience foods through their CVS Pharmacy and Longs Drugs retail stores and online through CVS.com. It also provides healthcare services through its more than 1,100 Minute Clinic medical clinics as well as their Diabetes Care Centers.



CVS
pharmacy

\$5,074,036

ASKING PRICE

5.50%

CAP RATE

\$279,072

NOI

19+ Years

REMAINING LEASE TERM

INVESTMENT HIGHLIGHTS



Corporate long term CVS Pharmacy with over 16 years of operating history at this location



The location benefits from over 5% historic population growth which is projected to continue to grow 4% by 2023 within a 5-mile radius of the property



CVS Pharmacy is an Investment Grade Tenant and the largest Pharmacy Chain by market share in the US in 2017



The Property is situated at the fully signalized intersection of Lebanon St and W South St with exposure to over 24,900 VPD

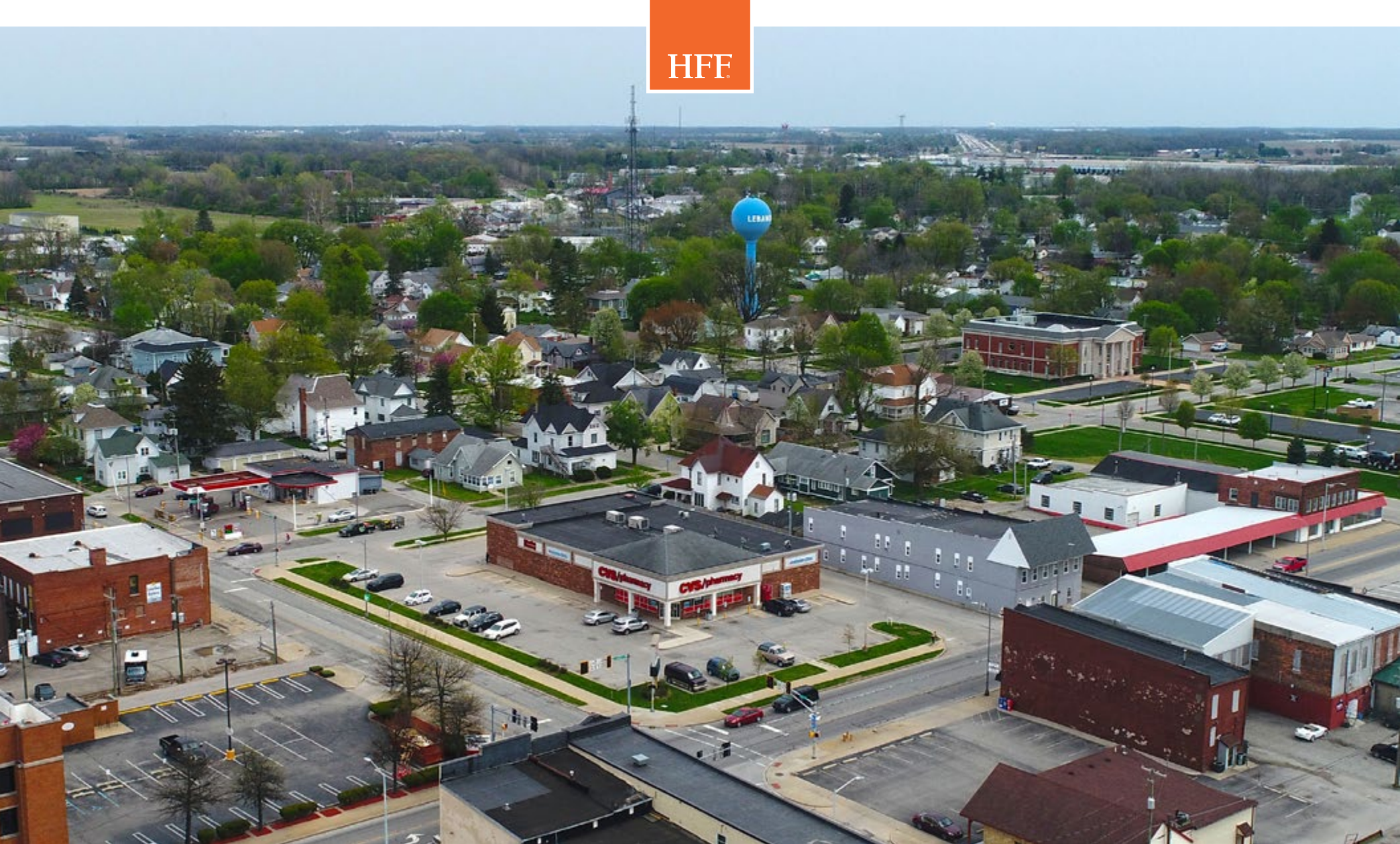


Boone County boasts more than 2,362 different businesses including Amazon, AmerisourceBergen, LIDS, and Subaru



Boone County is home to many major distribution centers for companies such as Amazon, Brooks Running Co, Gander Outdoor, Fed Ex and Subaru





TENANT OVERVIEW

CVS PHARMACY | 207 SOUTH LEBANON STREET | LEBANON, INDIANA



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In December CVS Health announced that its merger with Aetna. Aetna is one of the nation's leading diversified health care benefits companies. This transaction fills an unmet need in the current health care system and presents a unique opportunity to redefine access to high-quality care in lower cost, local settings whether in the community, at home, or through digital tools. "This is the next step in our journey, positioning the combined company to dramatically further empower consumers. Together with CVS Health, we will better understand our members' health goals, guide them through the health care system and help them achieve their best health," said Mark T. Bertolini, Aetna chairman and CEO.

Together, CVS Health and Aetna will be a trusted community partner who will help consumers better manage the cost of the health care they need. The combined company will also be well positioned to more effectively meet the health needs of many more people.

www.cvs.com

CORPORATE OVERVIEW

Headquarters	Woonsocket, RI
Ticker	CVS (NYSE)

Baa1

MOODY'S CREDIT RATING

9,700

LOCATIONS IN THE UNITED STATES

\$77.55 BILLION

MARKET CAP AS OF 9/2018

HFF

CVS
pharmacy



W SOUTH ST - 11,330 VPD

LEBANON ST - 13,590 VPD

FINANCIAL ANALYSIS

CVS PHARMACY | 207 SOUTH LEBANON STREET | LEBANON, INDIANA

LEASE ABSTRACT

LEASE DETAIL

Address	207 South Lebanon Street Lebanon, IN
Tenant	CVS Pharmacy
Guarantor	CVS Corporation
Lot Area	1.16 Acres
Size	10,880 SF
Year Built	2002
Annual Rent	\$279,072
Lease Type	Fee Simple - NN
Lease Commencement	6/27/2001
Lease Expiration	1/31/2038
Remaining Lease Term	19+ Years
Remaining Options	Four (4) Five (5) Year Options

RENT SCHEDULE

Description	Dates	Annual Rent	Rent Increase
Current Term - Years 1 - 20	1/1/2018- 1/31/2038	\$279,072	-
First Option - Years 21- 25	2/1/2038- 1/31/2043	\$295,816	6.00%
Second Option - Years 26 - 30	2/1/2043- 1/31/2048	\$313,565	6.00%
Third Option - Years 31 - 35	2/1/2048- 1/31/2053	\$332,379	6.00%
Fourth Option - Years 36 - 40	2/1/2053- 1/31/2058	\$352,322	6.00%

\$5,074,036

Asking Price

5.50%

Cap Rate

TENANT RESPONSIBILITY DETAIL

Maintenance and Repairs	Tenant shall maintain, repair, and replace, as necessary: the building interior; including the fixtures and equipment therein; HVAC equipment; broken glass; and the nonstructural portions of any storefront.
Insurance	Tenant shall pay to landlord the cost of the insurance required to be maintained during the term. At tenants election, Landlord shall obtain all of the insurance from an insurer designated by Tenant. If tenant shall make this designation, then, Tenant shall pay such insurer directly.
Taxes	Tenant shall reimburse Landlord for all taxes for the demised premises.
Utilities	Tenant shall pay for all utilities consumed by it in the Premises.
Parking and Exterior Area Maintenance	Tenant shall be responsible for repairing, resurfacing, repaving, restriping, and resealing of the parking areas, repair of all curbing, sidewalks and directional markers; removal of snow and ice; landscaping; and exterior lighting.

LANDLORD RESPONSIBILITY DETAIL

Maintenance and Repairs	Landlord shall maintain including painting, repair, and replace as necessary each of the exterior portions and structural portions of the building including without limitation: the roof and roof supports, flashings, gutters, downspouts, footings, foundations, structural supports, columns, exterior walls, bearing walls, retaining walls, floor slab, and loading docks, plumbing, pipes, tubes and all other conduits and utility lines leading to and from the building.
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CLOSE UP AERIAL





MARKET OVERVIEW

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LEBANON OVERVIEW

Lebanon is a small city in Boone County, Indiana. The population is 15,959 and it is conveniently located in the heart of central Indiana, approximately 29 miles northwest of downtown Indianapolis and 36 miles southeast of Lafayette. Lebanon, Indiana is known for sense of community. Lebanon has wonderful sense of family and famous for its small-town charm.

Boone County offers abatements, bonds, training grants, moving assistance and much more to incoming small businesses and corporations to help boost economic growth. Boone County's strategic location enables the presence of a strong labor force with 35,356 workers and an unemployment rate of 2.3%. The Boone County Median household income is \$82,815 which is 50% more than the state and 37% more than the nation. Boone County boasts more than 2,362 different businesses including Amazon, AmerisourceBergen, LIDS, Subaru etc. creating job opportunities within many industries.

Boone County and Lebanon in specific offer great educational programs for their rising talent pool. Consistently ranking among the best in the state, K-12 schools have outstanding test scores and high graduation rates. Lebanon Community School Corporation has deployed a work based program; its goal is to connect future workforce with employers' needs by offering student internships, work site tours and mock interviews to prepare the future of Lebanon's workforce.



TRADE AREA DEMOGRAPHICS

POPULATION

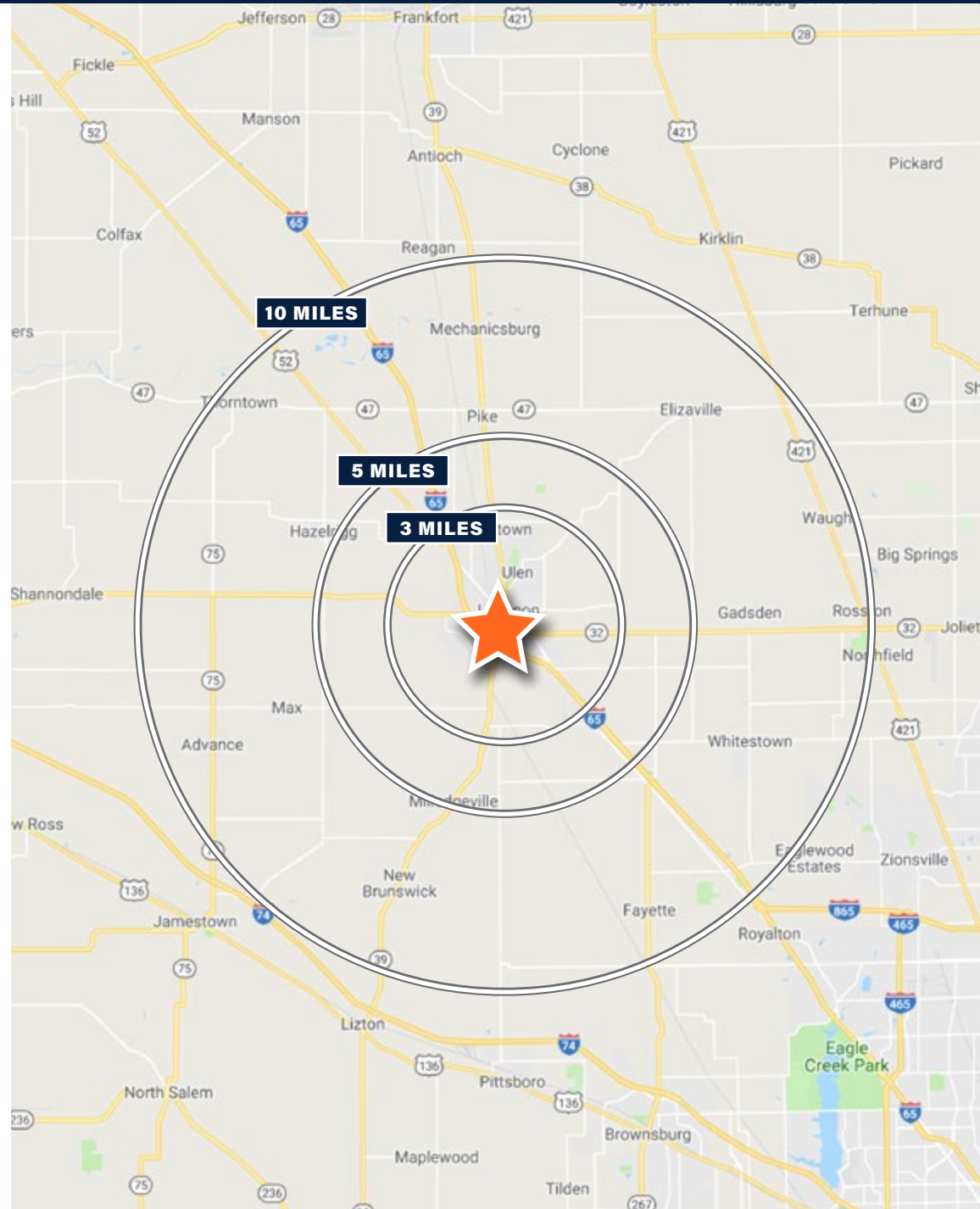
	3 MILES	5 MILES	10 MILES
2010 Census	16,827	18,591	33,390
2018 Estimate	17,756	19,586	37,479
2023 Projection	18,541	20,436	39,430

POPULATION GROWTH

	3 MILES	5 MILES	10 MILES
Historical Growth: 2010 to 2018	5.52%	5.35%	12.25%
Projected Growth: 2018 to 2023	4.42%	4.34%	5.21%

HOUSEHOLDS

	3 MILES	5 MILES	10 MILES
2010 Census	6,818	7,486	12,825
2018 Estimate	7,329	8,039	14,541
2023 Projection	7,712	8,454	15,397
Historical Growth: 2010 to 2018	7.50%	7.39%	13.38%
Projected Growth: 2018 to 2023	5.23%	5.16%	5.89%
2018 Est. Average Household Income	\$62,411	\$63,865	\$80,438
2018 Est. Median Household Income	\$49,434	\$50,616	\$61,124



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