

342 Power Road— Pawtucket, RI 02860

Walgreens

EXCLUSIVE NET-LEASE OFFERING

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OFFERING
MEMORANDUM

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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.

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The Walgreens logo is written in a red, cursive script font.

342 Power Road— Pawtucket, RI 02860

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Walgreens





Investment Highlights

PRICE: \$3,271,654 | CAP: 6.50% | RENT: \$212,658

Walgreens

About the Investment

- ✓ Acquisition by Walgreens Corporate | Extremely Low Rent Location
- ✓ Closest Existing Walgreens is an Aging <10,000 Square Foot Building Constructed in 1990
- ✓ Absolute NNN Lease with Rare 10% Rental Increases
- ✓ Complete Remodel by the Tenant in 2013 to Wellness Concept | Only Enacted on Highest Performing Rite Aids
- ✓ Drive Through Location with a Large 1.3+ Acre Lot with Ingress/Egress on Both Power Road and Mineral Spring Avenue

About the Location

- ✓ Extremely Dense Demographics
 - ✓ 19,000+ Residents Within One Mile of the Property
 - ✓ 166,000+ Residents Within Three Miles of the Property
 - ✓ 372,000+ Residents Within Five Miles of the Property
- ✓ Strong Traffic Counts | Over 20,000 Vehicles Pass the Site Per Day on Power Road
- ✓ “Neighborhood” Location | This Walgreens is the Closest Retail to Hundreds of Rooftops in the Surrounding, Densely Populated Community | Bus Stop Located In Front of the Property
- ✓ Stable Demographics | Average Household Income is Over \$65,000 and Expected to Increase Significantly in the Coming Years
- ✓ This Walgreens is Located Directly Between Interstate 95 and RI 246 | These Two Major Thruways Carry Over 175,000 Vehicles Per Day

About the Tenant / Brand

- ✓ 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’
- ✓ BBB Credit Guaranty





Financial Analysis

PRICE: \$3,271,654 | CAP: 6.50% | RENT: \$212,658

Walgreens

Property Description

Property	Walgreens
Property Address	342 Power Road
City, State, ZIP	Pawtucket, RI 02860
Year Built	2008
Building Size	11,575
Lot Size	+/- 1.34 Acres
Type of Ownership	Fee Simple

The Offering

Purchase Price	\$3,271,277
CAP Rate	6.50%
Annual Rent	\$212,657
Price / SF	\$282.64
Rent / SF	\$18.37

Lease Summary

Property Type	Net Leased Drug Store
Tenant / Guarantor	Corporate
Ownership Type	Public
Original Lease Term	20 Years
Lease Commencement	07/22/2008
Lease Expiration	07/21/2028
Lease Term Remaining	9+ Years
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Options to Renew	8, Five-Year Option Periods
Rental Increases	10% Every 10 Years

Marcus & Millichap is pleased to present the exclusive listing for a Walgreens Pharmacy located at 342 Power Road in Pawtucket, RI. This was a former Rite Aid site that was acquired by Walgreens as part of their acquisition of Rite Aid properties in specific markets. This site was remodeled in 2013 as a part of Rite Aid's Wellness Program, and features a large 1.3+ acre lot, a drive through, and two modes of ingress/egress. This is a very low rent location for Walgreens, and it is located near an aging, undersized Walgreens constructed in 1990. The population density in this area of Rhode Island is outstanding as there are over 19,000 residents within one mile of the site, and 166,000 residents within three miles of the property. This location serves the surrounding community as a neighborhood location, as it is surrounded by hundreds of multifamily homes. Aside from the population density and low rent at this location, the lease also offers 10% rental increases every ten years, which the majority of net lease drug stores on the market do not.

Rent Increases	Annual Rent	Monthly Rent
07/2018 - 07/2028	\$ 212,658	\$ 17,721.50
Option Periods (10% Increase Every 10 Years)		
07/2028 - 07/2033	\$ 233,924	\$ 19,493.65
07/2033 - 07/2038	\$ 233,924	\$ 19,493.65
07/2038 - 07/2043	\$ 257,316	\$ 21,443.02
07/2043 - 07/2048	\$ 257,316	\$ 21,443.02
07/2048 - 07/2053	FMV Rental Increases	
07/2053 - 07/2058	FMV Rental Increases	
07/2058 - 07/2063	FMV Rental Increases	
07/2063 - 07/2068	FMV Rental Increases	
Annual Rent	\$212,658	



Tenant Overview

CREDIT RATING: BBB

General Information

Address	342 Power Rd, Pawtucket, RI 02860
Phone	(908) 372-0466
Website	www.walgreens.com

Company Financial Highlights

TTM Sales	\$124,028,000,000
Stock Ticker	WBA
Average Store Size	13,900 Square Feet

Walgreens Boots Alliance (Nasdaq: WBA) is the first global pharmacy-led, health and wellbeing enterprise. 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.

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 400,000* 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, 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 portfolio of retail and business brands includes Walgreens, Duane Reade, Boots and Alliance Healthcare, as well as increasingly global health and beauty product brands, such as No7, Botanics, Liz Earle and Soap & Glory.

In October 2016 Walgreens Boots Alliance received the United Nations Foundation Global Leadership Award for its commitment to the UN's Sustainable Development Goals. The company also ranks No. 1 in the Food and Drug Stores industry of Fortune magazine's 2017 list of the World's Most Admired Companies.

More company information is available at www.walgreensbootsalliance.com

* As of 31 August 2017, using publicly available information for AmerisourceBergen.

**For 12 months ending 31 August 2017, using publicly available information for AmerisourceBergen.



Tenant Overview: In Recent News

Rite Aid Completes Transfer of Stores to Walgreens Boots Alliance and Terminates Tax Benefits Preservation Plan

"This is a significant moment for our company, and we are excited about the opportunities this agreement will deliver for our customers and patients, employees and investors," said Stefano Pessina, Walgreens Boots Alliance executive vice chairman and CEO.

Walgreens

Rite Aid Corporation ("Rite Aid") RAD, +0.00% today provided an update on the progress of its plans to sell assets to Walgreens Boots Alliance, Inc. WBA, +0.46% pursuant to the previously disclosed Amended and Restated Asset Purchase Agreement, dated as of September 18, 2017 (the "Asset Purchase Agreement"). As of March 27, 2018, Rite Aid has completed the store transfer process, and all 1,932 stores and related assets have been transferred to WBA in exchange for cash proceeds of \$4.157 billion. The transfer of the three distribution centers and related inventory is expected to begin after September 1, 2018.

The majority of the closing conditions have been satisfied, and the transfers of Rite Aid distribution centers and related assets remain subject to minimal customary closing conditions applicable only to the distribution centers being transferred at such distribution center closing, as specified in the Asset Purchase Agreement. Additional details regarding today's announcement have been filed with the Securities and Exchange Commission on Form 8-K.

The remaining more than 2,500 Rite Aids including its

EnvisionRx PBM are being sold to grocery store giant Albertsons in a cash and stock deal announced last month that will leave Rite Aid shareholders with ownership of between 28% and 29.6% of the combined company. Now that the transfer of Rite Aids has been completed, executives say they will focus on the sale of the remaining company to Albertsons sometime in the second half of this year.

"Combining Walgreens retail pharmacy network with a strong portfolio of Rite Aid locations is expected to help us achieve enhanced, sustainable growth while enabling us to broaden our reach and provide greater access to convenient, affordable care in more local neighborhoods across the United States. We are confident in the path ahead and look forward to working together to shape the future of health care and deliver on the full potential these stores bring to our network," Pessina added.

Plans for a merger between Deerfield-based Walgreens and Rite Aid date back to October 2015. The proposal lagged for more than a year after it was announced due to scrutiny from the Federal Trade Commission (FTC) over antitrust concerns. To ease FTC concerns,

Walgreens agreed to divest 865 store locations in the eastern and western United States to Fred's Pharmacy.

However, in June Walgreens scrapped its original \$9.4-billion proposal to buy Rite Aid, instead, inking a new agreement to purchase nearly half of Rite Aid's stores. At the time, Walgreens agreed to pay Rite Aid \$5.16 billion in cash for 2,186 of its 4,153 stores, as well as a \$325-million termination fee.

<https://www.marketwatch.com/press-release/rite-aid-completes-transfer-of-stores-to-walgreens-boots-alliance-and-terminates-tax-benefits-preservation-plan-2018-03-28-7159431>

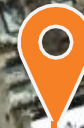
<https://csnews.com/walgreens-rite-aid-merger-back>



Surrounding Area

Property Address: 342 Power Rd – Pawtucket, RI 02860

Walgreens





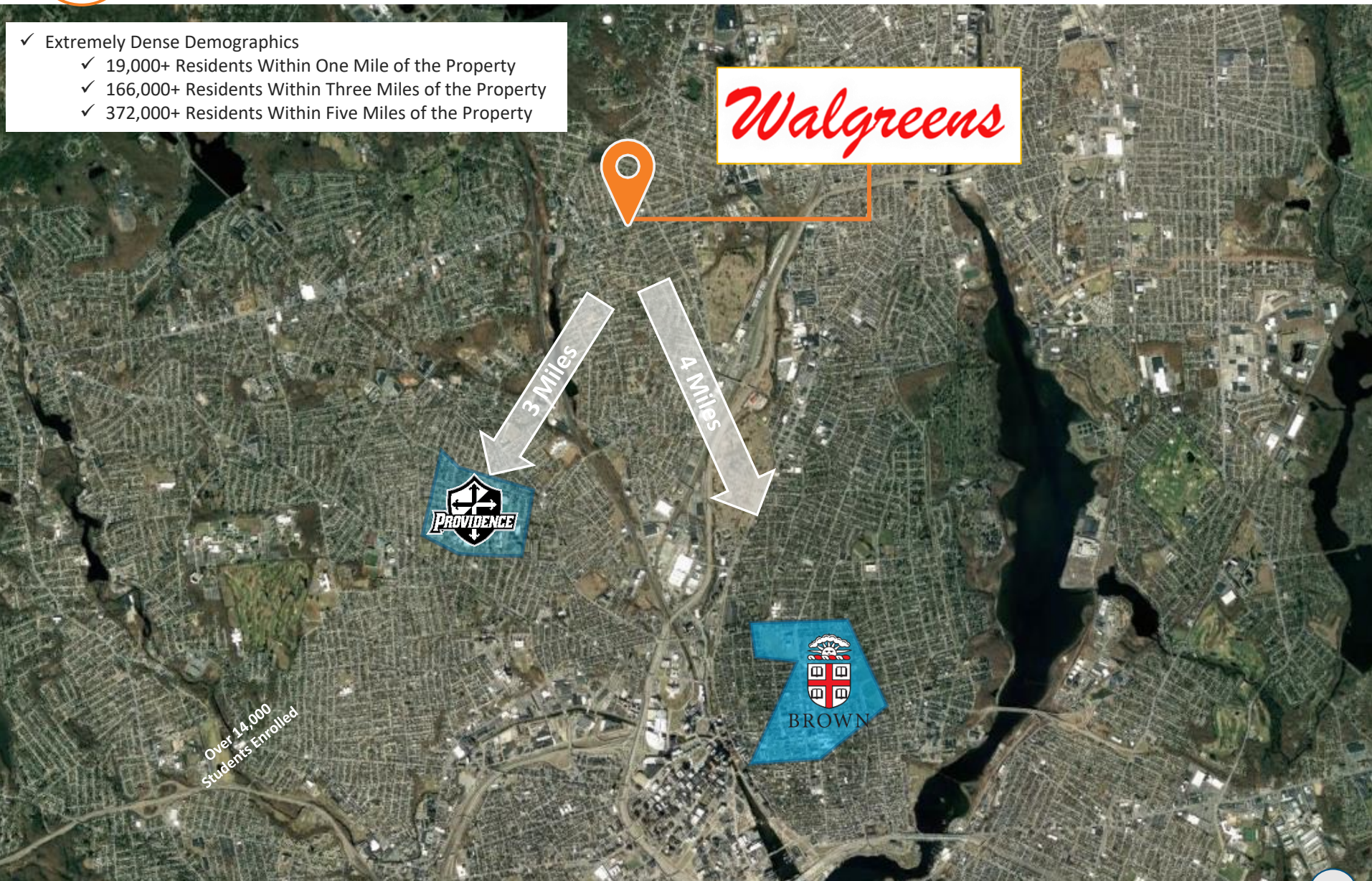
Surrounding Area

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Walgreens

✓ Extremely Dense Demographics

- ✓ 19,000+ Residents Within One Mile of the Property
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Location Overview

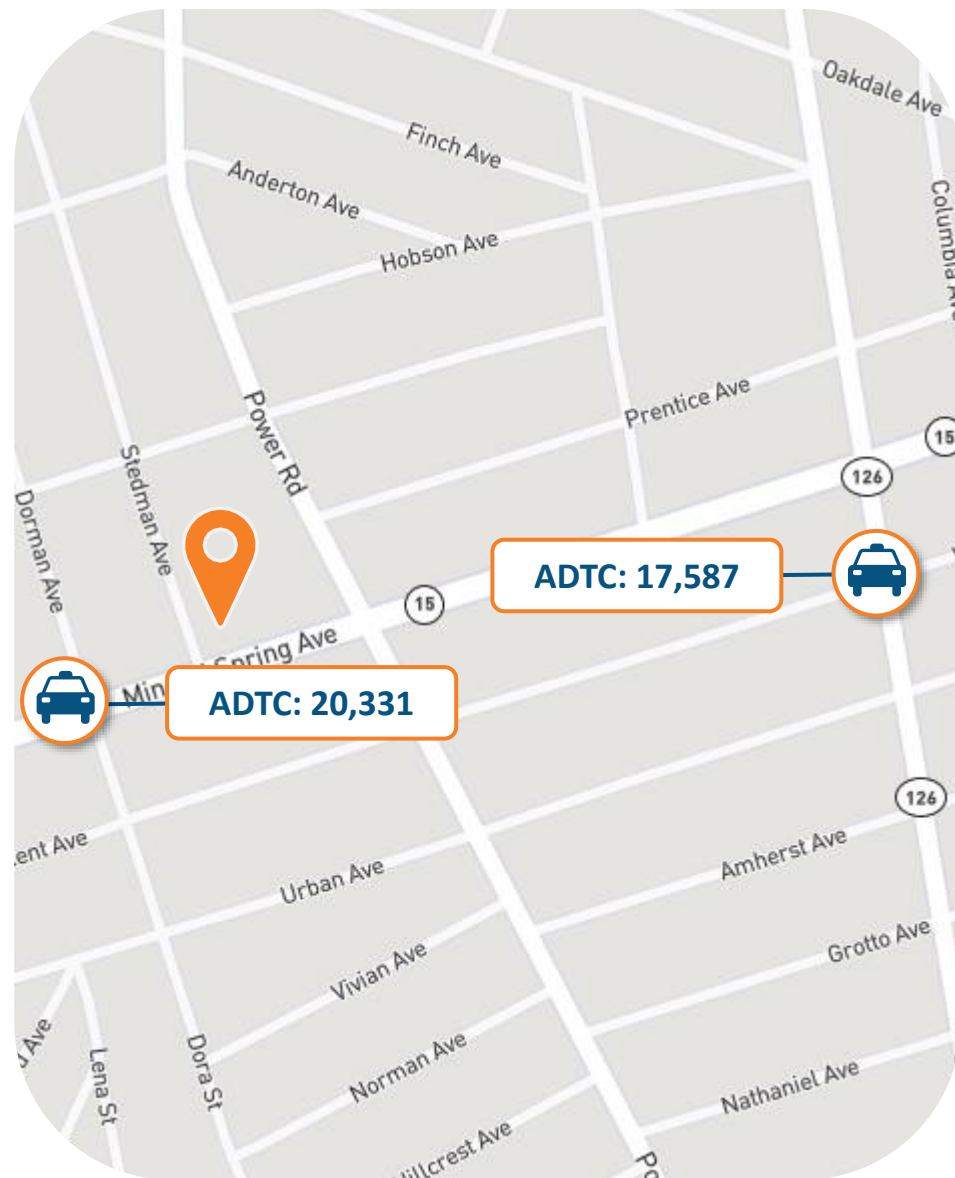
Property Address: 342 Power Rd – Pawtucket, RI 02860

Walgreens

The subject property is well-positioned in a densely populated section of Pawtucket, Rhode Island. The drug store serves the 19,000+ residents residing in a one mile radius, as well as the 166,000+ residents in a three mile radius. Surround retail in the area consists of shopping centers, national and local tenants, medical centers, and hotels. Major national tenants in the immediate area include: Stop & Shop, Dunkin' Donuts, Subway, Cumberland Farms and Papa John's. This Walgreen's property is located in the epicenter of higher education, with eight college and university campuses located in close proximity. Johnson & Wales University, RI School of Design, Providence College and Brown University, a leading Ivy League institution with a total enrollment exceeding 9,380 students, are just to name a few. Rhode Island Hospital, a level I trauma, 719 bed, general medical and surgical facility, is the state's largest hospital and is located within a five-mile radius. There are an abundance of attractions in downtown Providence, including the Dunkin' Donuts Center (DDC), New England's premier multi-use entertainment arena. Home to the AHL Providence Bruins and the Big East Providence College Men's Basketball team, the 14,000 seat DDC hosts a wide variety of sporting events, concerts, family shows, trade shows and more.

This subject property is situated on Power Road, which experiences average daily traffic counts of 17,587 vehicles. Mineral Spring Avenue intersects with Power Road, which experiences average daily traffic counts exceeding 20,331 vehicles.

Providence, Rhode Island mixes the urban sophistication of a big city with the graceful charm of a small town. Known for its thriving arts scene, Providence is also recognized as one of the nation's hottest culinary destinations. As the capital of Rhode Island, Providence has a strong government service sector. The state of Rhode Island is one of the largest employers in the Providence metropolitan area, with nearly 15,000 employees. Other key industries include healthcare, education, logistics, manufacturing, and financial services. Providence is home to eight hospitals, eight institutions of higher learning, and second largest deep-water seaport in New England. Prominent companies headquartered in Providence include Fortune 500 Textron, an advanced technologies industrial conglomerate, and United Natural Foods, a distributor of natural and organic foods, as well as Citizens Banks, the 15th largest bank in the country. In 2017, mayor Jorge Elorza announced major plans to transform Kennedy Plaza from a transportation hub to a public space that would serve as a "true civic heart" of Providence.









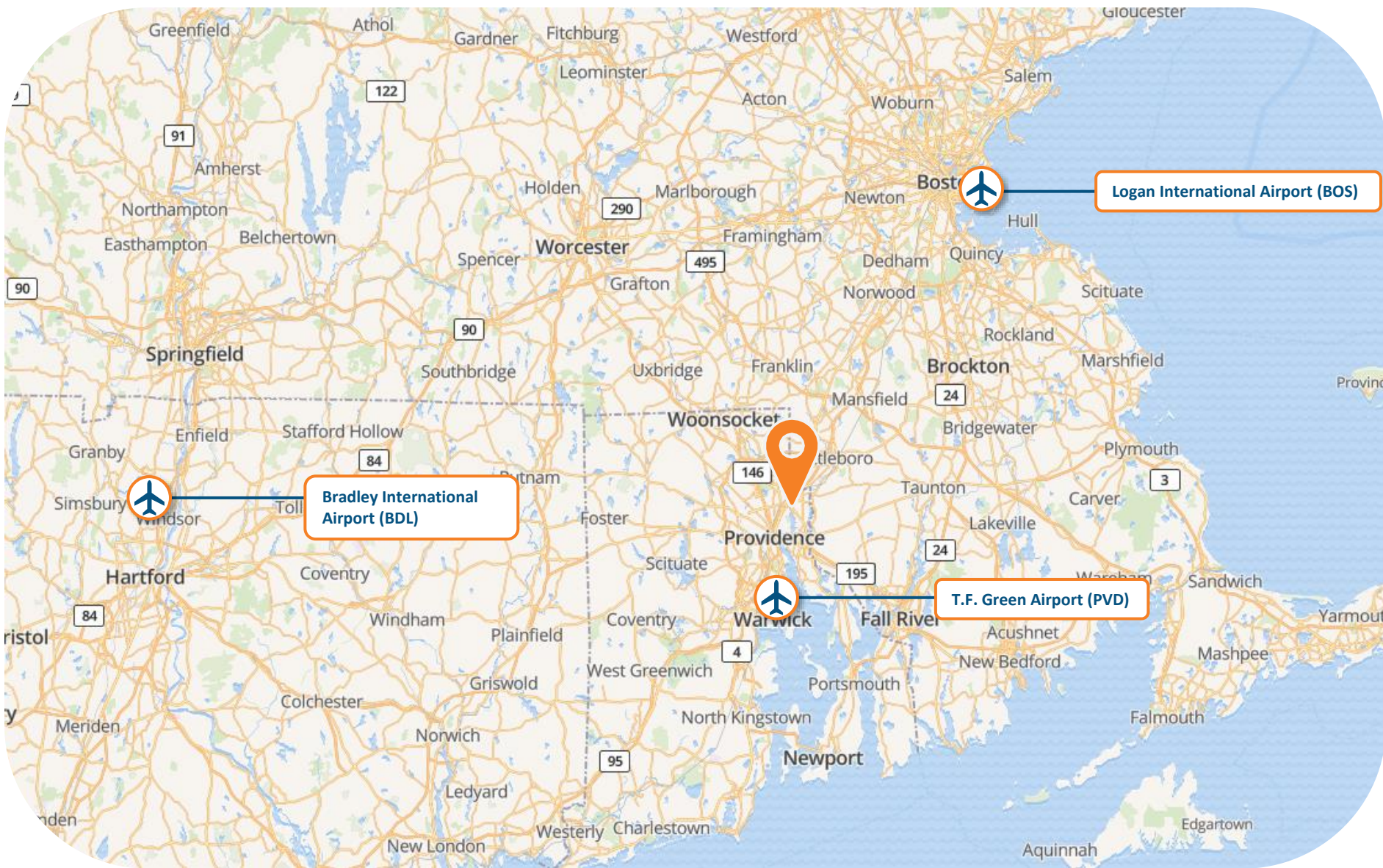




Local Map

Property Address: 342 Power Road– Pawtucket, RI 02860

Walgreens

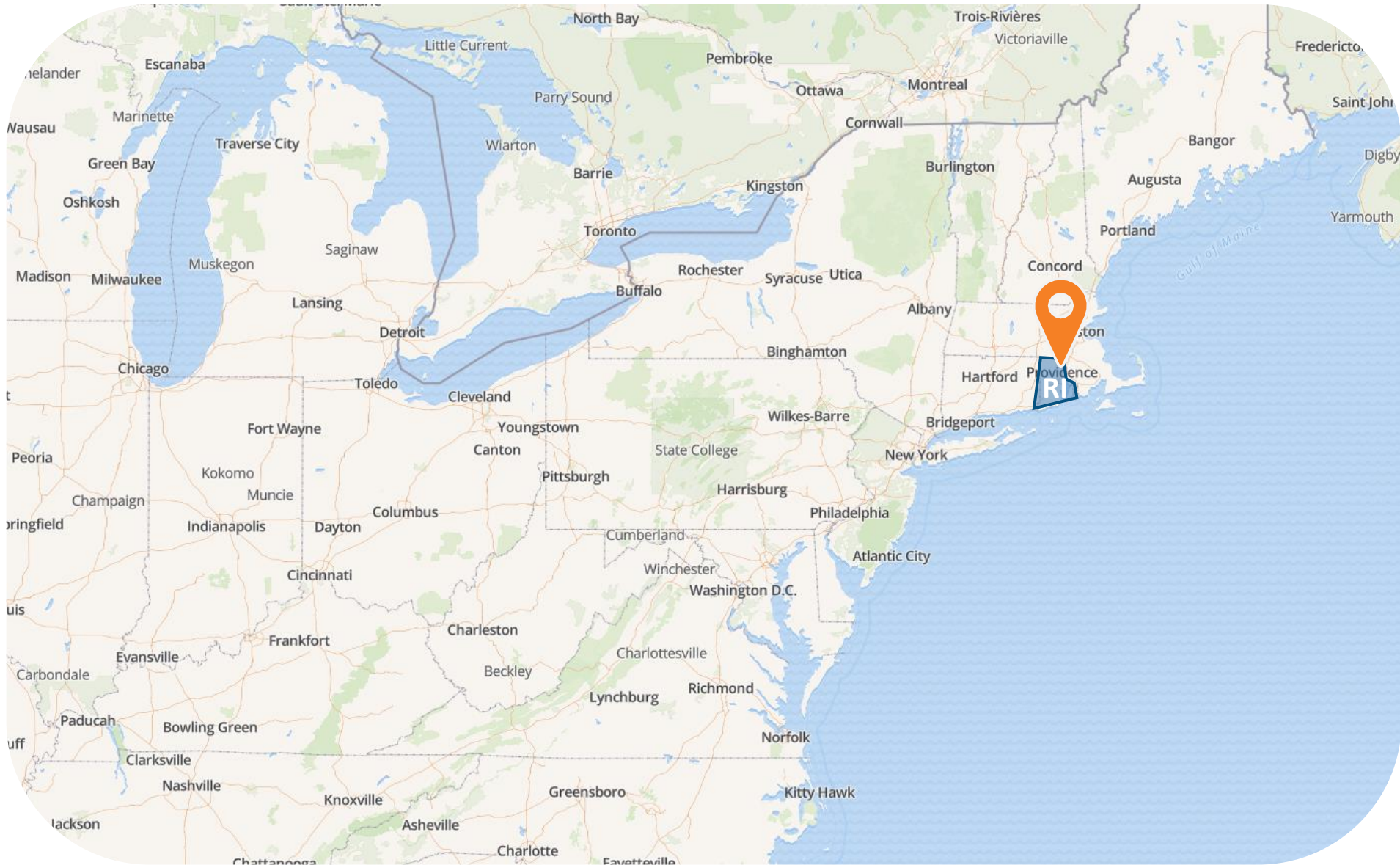




Regional Map

Property Address: 342 Power Road– Pawtucket, RI 02860

Walgreens

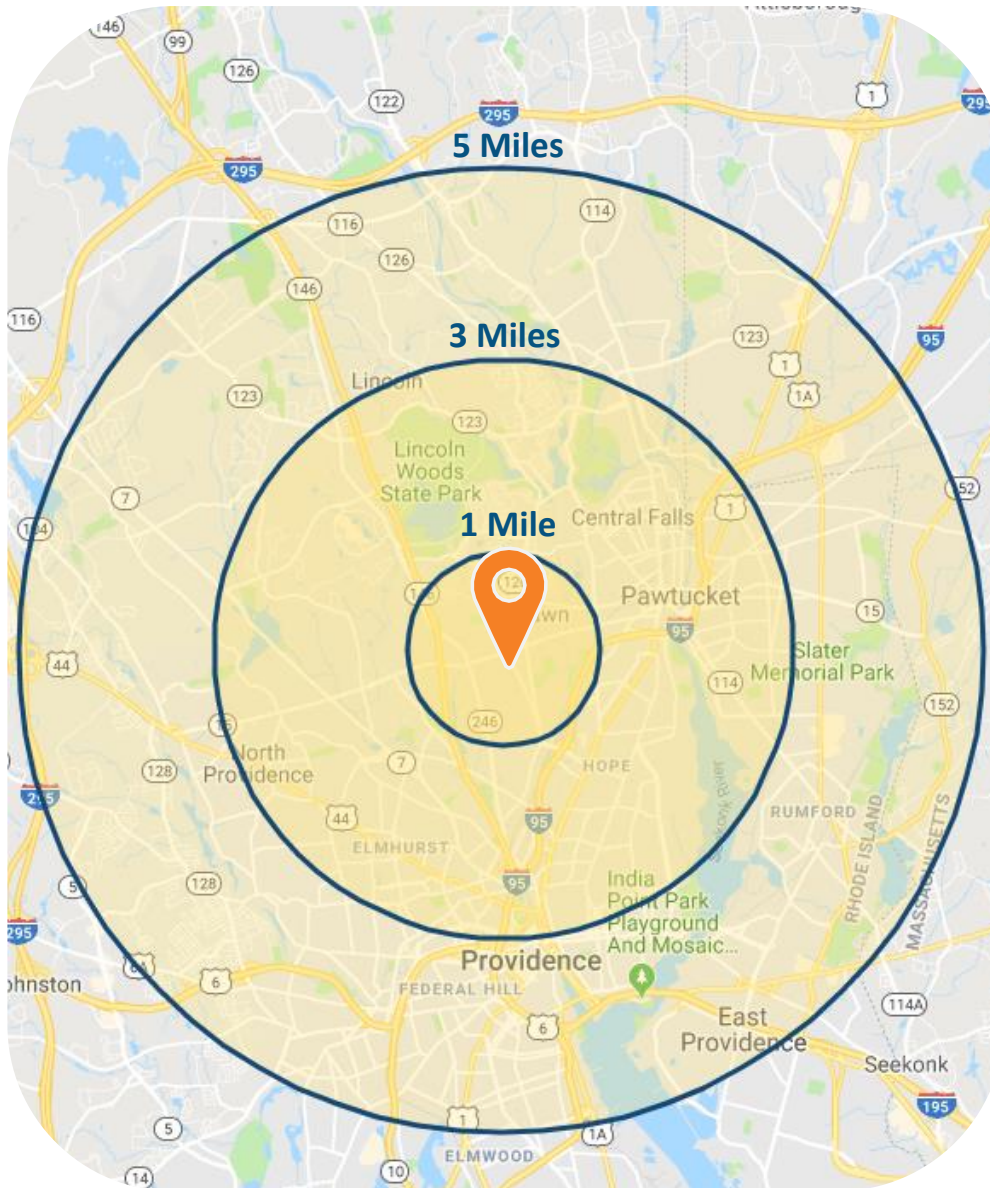




Demographics

Property Address: 342 Power Road – Pawtucket, RI 02860

Walgreens



POPULATION

	1 Mile	3 Miles	5 Miles
2022 Projection	19,090	166,002	371,199
2017 Estimate	19,238	166,995	372,096
2010 Census	19,064	165,836	368,032
2000 Census	19,106	166,503	364,865

INCOME

	1 Mile	3 Miles	5 Miles
Average	\$63,561	\$65,348	\$64,909
Median	\$46,951	\$42,597	\$43,879
Per Capita	\$24,816	\$26,360	\$25,461

HOUSEHOLDS

	1 Mile	3 Miles	5 Miles
2022 Projection	7,552	66,992	145,746
2017 Estimate	7,506	66,244	143,463
2010 Census	7,432	65,643	141,698
2000 Census	7,595	65,968	141,767

HOUSING

	1 Mile	3 Miles	5 Miles
2017	\$193,200	\$217,617	\$221,897

EMPLOYMENT

	1 Mile	3 Miles	5 Miles
2017 Daytime Population	15,210	177,076	406,275
2017 Unemployment	5.49%	7.09%	7.36%
2017 Median Time Traveled	24	25	25

RACE & ETHNICITY

	1 Mile	3 Miles	5 Miles
White	64.15%	60.93%	62.21%
Native American	0.05%	0.06%	0.10%
African American	13.43%	13.45%	11.86%
Asian/Pacific Islander	2.33%	3.69%	4.54%



Market Overview

City: Pawtucket | County: Providence | State: Rhode Island

Providence, Rhode Island

Providence, is the capital and most populous city of the U.S. state of Rhode Island and is one of the oldest cities in the United States. It was founded in 1636 by Roger Williams, a Reformed Baptist theologian and religious exile from the Massachusetts Bay Colony. He named the area in honor of "God's merciful Providence" which he believed was responsible for revealing such a haven for him and his followers. The city is situated at the mouth of the Providence River at the head of Narragansett. Providence was one of the first cities in the country to industrialize and became noted for its textile manufacturing and subsequent machine tool, jewelry, and silverware industries. Today, the city of Providence is home to eight hospitals and seven institutions of higher learning which have shifted the city's economy into service industries, though it still retains some manufacturing activity. The city was once nicknamed the "Beehive of Industry"; it began rebranding itself as the "Creative Capital" in 2009 to emphasize its educational resources and arts community.

Rhode Island mixes the urban sophistication of a big city with the graceful charm of a small town. Known for its thriving arts scene, Providence is also recognized as one of the nation's hottest culinary destinations. As the capital of Rhode Island, Providence has a strong government service sector. The state of Rhode Island is one of the largest employers in the Providence metropolitan area, with nearly 15,000 employees. Other key industries include healthcare, education, logistics, manufacturing, and financial services. Providence is home to eight hospitals, eight institutions of higher learning, and second largest deep-water seaport in New England. Prominent companies headquartered in Providence include Fortune 500 Textron, an advanced technologies industrial conglomerate, and United Natural Foods, a distributor of natural and organic foods, as well as Citizens Banks, the 15th largest bank in the country. In 2017, mayor Jorge Elorza announced major plans to transform Kennedy Plaza from a transportation hub to a public space that would serve as a "true civic heart" of Providence.

Major Employers

Employer	Estimated # of Employees
Aces Acquisition Corp	37,573
SRA Companies Inc	7,300
Hasbro Managerial Services	5,000
Hasbro Children's Hospital	4,203
Miriam Hospital	3,363
Brown University In Providence	2,764
City of Providence	2,670
Fire Department	2,639
Providence Public Schools	2,636
Women & Infants Hospital RI	2,330
Twin River Casino	2,002



EXCLUSIVE NET LEASE OFFERING

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342 Power Road, Pawtucket, Rhode Island 02860