

Walgreens

SANGER, CA | OFFERING MEMORANDUM



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INVESTMENT HIGHLIGHTS

- **Long Term Lease** – Over 15.5 years remaining on the base term of the lease.
- **Absolute NNN Lease** – Fee simple ownership with zero landlord responsibilities. Tenant pays for CAM, insurance, utilities, taxes, and maintains all aspects of the premises.
- **Only National Retail Pharmacy in Sanger** – Next closest pharmacy is a CVS over 10-miles away.
- **Prototype Walgreens Store Format on Signalized Intersection** – Drive-thru 13,779 SF store format.
- **Nearby Commercial Tenants** – Include Walmart Supercenter, Jamba Juice, GameStop, O'Reilly Auto Parts, Panda Express, Shell, Dollar Tree, 7-Eleven, DaVita, Carls Jr.
- **Strong Population and Growth** – Over 14,000 residents reside in the 1-mile radius, an increase of over 5% since 2010, and projected to grow by another 4% over the next five years.
- **Aged Care Facility** - Less than one mile from a 99 Bed Golden Living Center.
- **Fresno MSA** - Sanger is located 11 miles southeast of Clovis and 14 miles southeast of Fresno.
- **Stable Community Fundamentals** – Located in Fresno County and San Joaquin Valley, home of 1.88 million acres of the world's most productive farmland, with agricultural operations covering nearly half of the county's entire land base of 3.84 million acres. Farmers here raise more than 350 different crops, contributing directly more than \$5.6 billion to the California economy and supporting 20 percent of all jobs in the Fresno area. Top crops include almonds, grapes, and poultry.
- **Nationally Recognized Investment Grade Tenant** – Lease is fully guaranteed by Walgreens Co. (S&P's Rated BBB). The company is ranked #17 on the 2017 Fortune 500.

FINANCIAL OVERVIEW

WALGREENS - STORE # 12282

2589 Jensen Ave

SANGER, CA



\$7,281,200

LIST PRICE



6.00%

CAP RATE



\$436,872

RENT



Absolute NNN

LEASE TYPE



15.5 Years

LEASE TERM

DEBT QUOTE

LOAN-TO-VALUE:	70% - 75%
INTEREST RATE:	4.60-4.85%
TERM:	10 YEARS FIXED
AMORTIZATION:	25 - 30 YEARS

Please Contact Brian Krebs for More Information

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BARRINGTON CAPITAL
REAL ESTATE FINANCING SERVICES

EXECUTIVE SUMMARY

PROPERTY ADDRESS

2589 Jensen Ave
Sanger, CA 93657

GLA

±13,779 SF

LOT SIZE

±1.03 AC (44,866 SF)

YEAR BUILT

2009

APN

315-101-65

PARKING RATIO

3.05 : 1,000

WALGREENS LEASE SUMMARY

TENANT

WALGREEN CO.

TYPE OF OWNERSHIP

FEE SIMPLE

LEASE GUARANTOR

CORPORATE

LEASE TYPE

ABSOLUTE NNN

ROOF AND STRUCTURE

TENANT RESPONSIBILITY

ORIGINAL LEASE TERM

75 YEARS

LEASE COMMENCEMENT DATE

8/23/09

LEASE EXPIRATION DATE

8/31/84

FIRST TERMINATION OPTION

8/31/34

TERM REMAINING

± 15.5 YEARS

ANNUALIZED OPERATING DATA

	ANNUAL RENT	MONTHLY RENT	RENT PSF
CURRENT TO 8/31/2034	\$436,872.00	\$36,406.00	\$31.71
OPTIONS	\$436,872.00	\$36,406.00	\$31.71

LEASE ABSTRACT

TENANT:	WALGREEN Co., an Illinois Corporation
TENANT ADDRESS:	104 Wilmont Rd., Deerfield, IL 60015
WALGREENS STORE NUMBER:	12282
LEASE EFFECTIVE DATE:	March 20, 2008, amended October 31, 2008
LEASE COMMENCEMENT:	August 3, 2009
LEASE EXPIRATION:	August 31, 2084
ORIGINAL LEASE TERM:	75 years commencing on the Possession Date and continuing to the last day of the same calendar month of the 75th year
TERMINATION OPTIONS:	Tenant has the right and option, at tenant's election, to terminate the Lease effective as of the last day of the 300th full calendar month of the Term, or effective as of the last day of any year thereafter. Tenant must provide written notice to landlord at least 12 months prior to the termination date, provided that no notice is required for termination at expiration of the Term.
FIRST TERMINATION DATE:	August 31, 2034
FIXED RENT:	\$36,406.00 per month
PERCENTAGE RENT:	The Lease contains the standard Walgreens percentage rent provision (% rent is the amount by which the sum of 2% of Gross Sales (excluding food and Rx) and .5% of Gross Sales of food and Rx exceed Fixed Rent). Total of fixed rent plus additional percentage rent, if any, payable by tenant in any lease year may not exceed twice the amount of fixed rent payable in such lease year. Tenant to furnish landlord a gross sales statement within 45 days after the end of each lease year. Any landlord objection to the gross sales statement must be made within 6 months after receipt of same or tenants' statement shall be conclusively presumed to be correct and final.
MAINTENANCE:	This Lease is intended to be a net lease. Tenant, at Tenants sole cost and expense, maintains the leased premises and makes all necessary repairs and replacements, whether interior or exterior, to all parts of the same.
PARKING LOT:	Tenant, at Tenant's sole cost and expense, shall maintain, repair and replace the parking areas of the leased premises.
REAL ESTATE TAXES:	Upon receipt of tax bills, tenant shall pay, when due and before delinquency, the ad valorem real estate taxes (including all special benefit taxes and special assessments) directly to the taxing authority.
INSURANCE:	Commencing with the Possession Date and continuing until the last day of the 300th month of the Term, tenant shall provide special form coverage insurance on the building and other improvements for not less than 100% of the replacement value.
UTILITIES:	Tenant shall pay when due all bills for water, sewer rents, sewer charges, heat, gas, phone and electricity used in the Building or on the Leased Premises.
RIGHT OF FIRST REFUSAL:	Tenant must exercise ROFR within 30 days after receipt of landlord's notice of bona fide offer
ESTOPPEL:	Estoppel certificates to be delivered within 30 days after receipt of written request. No form attached to Lease. Landlord shall pay tenant a \$500.00 admin. charge for any estoppel requested of tenant.



SURROUNDING AREA



AREA OVERVIEW

SANGER, CALIFORNIA

The city of Sanger, California is located within Fresno County in Central California. Home to over one million residents, the Fresno County is ranked in the top five largest counties in California. Bordered on the west by the Coast Range and on the east by the Sierra Nevada, it's the center of a large agricultural area, known as the most agriculturally rich county in the United States.

Future job growth over the next ten years is predicted to be 34.30%. There are over 350 new construction homes under construction and population is projected to increase over 4% during the next five years.



POPULATION

	1-Mile	3-Mile	5-Mile
2023 Projection	13,697	29,239	35,716
2018 Estimate	13,163	28,060	34,199
2010 Census	12,627	27,058	32,737
2000 Census	9,547	21,701	26,094
Growth 2019-2023	4.06%	4.20%	4.44%

HOUSE HOLDS

	1-Mile	3-Mile	5-Mile
2023 Projection	4,247	8,310	10,262
2018 Estimate	4,102	8,017	9,878
2010 Census	3,825	7,507	9,169
2000 Census	3,007	6,076	7,442
Growth 2018-2023	3.52%	3.65%	3.88%

INCOME

	1-Mile	3-Mile	5-Mile
Average HH Income	\$72,254	\$65,648	\$67,065
Median HH Income	\$55,461	\$48,542	\$49,914



TENANT OVERVIEW



Company Name

- Walgreens Boots Alliance



Year Founded

- 1901



Headquarters

- Deerfield, IL



Ownership

- Public



Industry

- Drug Store



S&P Credit Rating

- BBB

Walgreens Boots Alliance (Nasdaq: WBA) is the first global pharmacy-led, health and wellbeing enterprise. The Company's heritage of trusted health care 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 415,000 people. The Company is a global leader in pharmacy-led, health and wellbeing retail and, together with its equity method investments, has more than 18,500 stores in 11 countries as well as one of the largest global pharmaceutical wholesale and distribution networks.

WBA U.S. prescription revenues grew in 2017. Its same-store prescription growth was much higher than its peers' growth. This reflects its aggressive participation in commercial and Medicare Part D narrow networks. Three notable transactions boosted Walgreens' pharmacy revenues in 2017 and will also affect 2018 figures: its acquisition of Rite Aid stores, the formation of AllianceRx Walgreens Prime, and its minority investment in PharMerica.

Confidentiality Agreement & Disclaimer

This Offering Memorandum contains select information pertaining to the business and affairs of **Walgreens** located at **2589 Jensen Ave Sanger, CA** ("Property"). It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

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