

Walgreens

Subleased to
FAMILY DOLLAR



OFFERING MEMORANDUM

280 Broad Avenue
New London, CT 06320

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Investment Highlights

PRICE: \$2,996,740 | CAP: 7.30% | RENT: \$218,762

About the Investment

- ✓ Absolute Triple-Net (NNN) Lease
- ✓ 9.25 Years Remaining on an Original 20 Year Lease
- ✓ Four (4), Five (5)-Year Tenant Renewal Options
- ✓ Corporate Guarantee from Walgreens Co. (NYSE: WBA)
- ✓ Investment Grade Credit - S&P Rating: BBB
- ✓ 10% Increases Every 10 Years and in Each Option Period

About the Location

- ✓ Major National Tenants in the Immediate Area Include: 7-Eleven, Dunkin Donuts, Taco Bell, Wendy's, Burlington Coat Factory, and Staples
- ✓ Automotive Dealerships in the Area Include: Mercedes Benz, Audi, Ford, Chevrolet, Toyota, As Well As Many Others
- ✓ Strategic Positioning on Broad Street and Near U.S. Interstate 95 – 10,200 and 98,200 Vehicles Per Day, Respectively
- ✓ Strong Demographics Within Five-Mile Radius -Population of 81,000+ & Average Household Income of \$75,000+ - Above National Average
- ✓ New London is a Seaport City and a Port of Entry on the Northeast Coast of the US

About the Tenant/Brand

- ✓ Walgreens Boots Alliance is the largest retail pharmacy, health and daily living destination across the USA and Europe.
- ✓ Walgreens Operates over 13,200 stores in 11 Countries
- ✓ 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, Botanicas, Liz Earle and Soap & Glory.



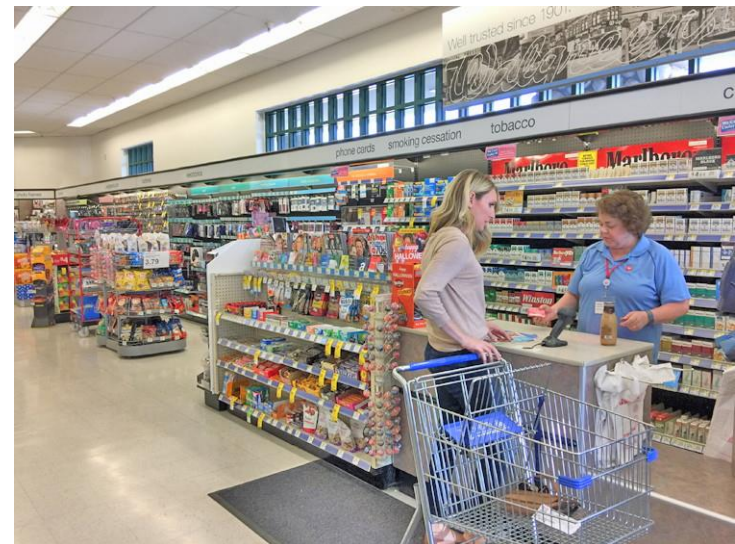
INVESTMENT SUMMARY



Marcus & Millichap is pleased to present the exclusive listing for a Family Dollar property that is subleased by Walgreens, located at 280 Broad Street in New London, Connecticut. Built in 2003, this property consists of approximately 13,215 square feet of building space and sits on 1.97 acres of land.

This Walgreens property has approximately 9.25 years remaining on an original 20-year triple-net (NNN) lease, which commenced on July 15th, 2008. The current rent is \$218,762. The rent increases by 10% every ten years, and in each option period. The initial lease term expires on July 14th 2028, and is then subject to four, five-year tenant renewal options.

Walgreens Boots Alliance is the largest retail pharmacy, health and daily living destination across the USA 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, has over 13,200 stores in 11 countries as well as one of the largest global pharmaceutical wholesale and distribution networks, with over 390 distribution centers delivering to more than 230,000 pharmacies, doctors, health centers and hospitals each year in more than 20 countries.





Financial Analysis

PRICE: \$2,996,740 | CAP: 7.30% | RENT: \$218,762

Property Description

Property	Walgreens (Subleased to Family Dollar)
Property Address	280 Broad Street
City, State, ZIP	New London, CT 06320
Year Built / Renovated	2003
Building Size	+/- 13,205
Lot Size	+/- 1.97 Acres
Type of Ownership	Fee Simple

The Offering

Annual Rent	\$218,762
CAP Rate	7.30%
Purchase Price	\$2,996,740
Price / SF	\$227
Rent / SF	\$16.56

Lease Summary

Property Type	Net Leased Drug Store
Tenant / Guarantor	Corporate
Ownership Type	Public (NYSE: WBA)
Original Lease Term	20 Years
Lease Commencement	July 15, 2008
Lease Expiration	July 14, 2028
Lease Term Remaining	9.25 Years
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Increases	10% Every Ten Years
Options to Renew	Four (4), Five (5)-Year Options

Rent Schedule

Lease Year(s)	Annual Rent	Monthly Rent
Years 1-10	\$198,875	\$16,573
Years 11-20	\$218,762	\$18,230

Option Periods

Option Period 1	\$240,639	\$20,053
Option Period 2	\$264,703	\$22,058
Option Period 3	\$291,173	\$24,264
Option Period 4	\$320,290	\$26,691





Tenant Overview

Walgreens Boots Alliance, Inc.



Walgreens Boots Alliance

CREDIT RATING: B1

www.fdreports.com | www.creditintell.com | August 31, 2016

General Information

Address	108 Wilnot Rd , Deerfield, Illinois, 60015, United States
Phone	(847) 315-2500
Website	www.walgreens.com

Store Base

Store Count	8,184
TTM Sales	\$117,351,000,000

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 USA 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, has over 13,200* stores in 11* countries as well as one of the largest global pharmaceutical wholesale and distribution networks, with over 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

Key Personnel

Chairman & Chief Executive Officer	Stefano Pessina
Executive Vice President	Alex Gourlay
Chief Financial Officer & Executive Vice President	George Fairweather
Chairman	James A Skinner

Financial Markets

Stock Ticker	WBA
Current Price	\$63.79 as of 4/10/2018
52 Week High/Low	\$89.69 / \$61.74

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.

More company information is available at www.walgreensbootsalliance.com.

* As of 31 August 2016, using publicly available information for AmerisourceBergen.

** For 12 months ending 31 August 2016, using publicly available information for AmerisourceBergen.

Tenant Overview

Walgreens Boots Alliance, Inc.

Overview of First Quarter Results

Fiscal 2017 first quarter net earnings attributable to Walgreens Boots Alliance determined in accordance with GAAP decreased 5.0 percent to \$1.1 billion compared with the same quarter a year ago, while GAAP diluted net earnings per share decreased 4.0 percent to \$0.97 compared with the same quarter a year ago. The decreases in GAAP net earnings and GAAP net earnings per share primarily reflect a lower impact of UK tax rate reductions.

Adjusted fiscal 2017 first quarter net earnings attributable to Walgreens Boots Alliance¹ increased 6.1 percent to \$1.2 billion, up 8.2 percent on a constant currency basis, compared with the same quarter a year ago. Adjusted diluted net earnings per share for the quarter increased 6.8 percent to \$1.10, up 9.7 percent on a constant currency basis, compared with the same quarter a year ago.

Sales in the first quarter were \$28.5 billion, a decrease of 1.8 percent from the year-ago quarter, and an increase of 1.1 percent on a constant currency basis.

GAAP operating income in the first quarter was \$1.4 billion, a decrease of 1.4 percent from the same quarter a year ago. Adjusted operating income in the first quarter was \$1.7 billion, an increase of 0.4 percent from the same quarter a year ago, and an increase of 2.8 percent on a constant currency basis. GAAP net cash provided by operating activities was \$525 million and free cash flow was \$147 million in the first quarter.

Rite Aid Acquisition

Walgreens Boots Alliance is actively engaged in discussions with the Federal Trade Commission (FTC) regarding its pending acquisition of Rite Aid Corporation, which was announced 27 October 2015. The company is working toward a close of the acquisition in the early part of this calendar year. The transaction is subject to the expiration or termination of applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and other customary closing conditions.

As announced 20 December 2016, Walgreens Boots Alliance and Rite Aid have entered into an agreement to sell 865 Rite Aid stores and certain assets related to store operations to Fred's, Inc. for \$950 million in an all-cash transaction. The divestiture transaction is subject to FTC approval, the approval and completion of the pending acquisition of Rite Aid by Walgreens Boots Alliance and other customary closing conditions.

Taking into account the expected divestitures, Walgreens Boots Alliance continues to expect that the acquisition will be accretive to its adjusted diluted net earnings per share in the first full year after closing of the transaction. The company also continues to expect that it will realize synergies from the acquisition in excess of \$1 billion, to be fully realized within three to four years of closing of the merger. These synergies have been updated where practicable and, as previously disclosed, are expected to be derived primarily from procurement, cost savings and other operational matters.



Walgreens Boots Alliance

Financial Markets

Stock Ticker	WBA
Current Price	\$63.79 as of 4/10/2018
52 Week High/Low	\$89.69 / \$61.74

Company Outlook

The company raised the lower end of its guidance for fiscal year 2017 by 5 cents per share and now anticipates adjusted diluted net earnings per share of \$4.90 to \$5.20.

This guidance assumes accretion of \$0.05 to \$0.12 from Rite Aid and is based on the above disclosure regarding expected store divestitures and timing of closing. Additionally, this guidance assumes current exchange rates for the rest of the fiscal year and continuation of its normal anti-dilutive share buyback program.

Surrounding Area





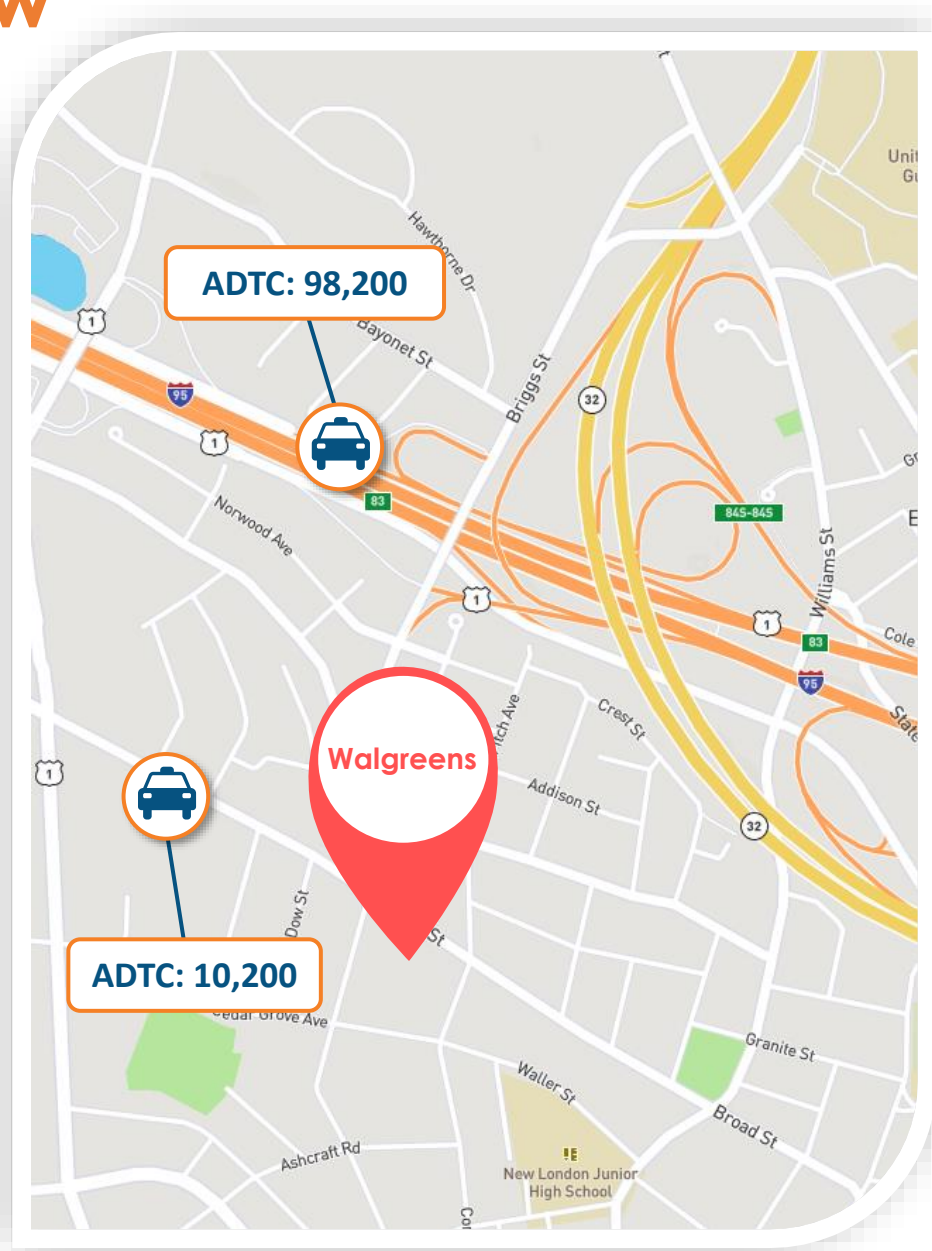
Location Overview

This Walgreens property, subleased to Family Dollar, is located at 280 Broad Street in New London, Connecticut. New London is a seaport city and a port of entry on the northeast coast of the United States, located at the mouth of the Thames River in New London County, Connecticut. It was one of the world's three busiest whaling ports for several decades beginning in the early 19th century, along with Nantucket and New Bedford, Massachusetts.

The subject property is well-positioned in an active retail corridor, benefitting from its proximity to major national and local retailers. Major national tenants in the surrounding area include: Burlington, AutoZone, Staples, Harbor Freight Tools, Texas Roadhouse, Denny's, Mobil, Advance Auto Parts, McDonald's, Taco Bell, Wendy's, Dunkin Donuts, Burger King, Popeyes, Dollar General, AT&T, O'Reilly Auto Parts, Bank of America, 7-Eleven, Sunoco, as well as many others. The corridor also has a strong automotive presence, benefiting from dealerships for the following automakers: Mercedes Benz, Audi, Chevrolet, Buick, Mitsubishi, Volvo, Mazda, Subaru, Ford, Lincoln, Toyota, Dodge, Jeep, and RAM. Additionally, the United States Coast Guard Academy is approximately one mile away. Connecticut College is also one mile away, and has more than 2,300 students and faculty.

New London has approximately 51,726 individuals residing within a three-mile radius of the property and more than 79,840 within a five-mile radius. The subject property is located directly off of Broad Street, which has traffic counts in excess of 10,200 vehicles per day. Nearby 95 Interstate 69 has additional traffic counts of 98,200 vehicles per day.

New London is bounded on the west and north by the town of Waterford, on the east by the Thames River and Groton, and on the south by Long Island Sound. New London is home to the United States Coast Guard Academy, Connecticut College, Mitchell College, and The Williams School. The Coast Guard Station New London and New London Harbor is home port to the Coast Guard Cutter Chinook and the Coast Guard's tall ship Eagle. The city had a population of 27,620 at the 2010 census. The Norwich-New London metropolitan area includes 21 towns and 274,055 people.





Property Photos



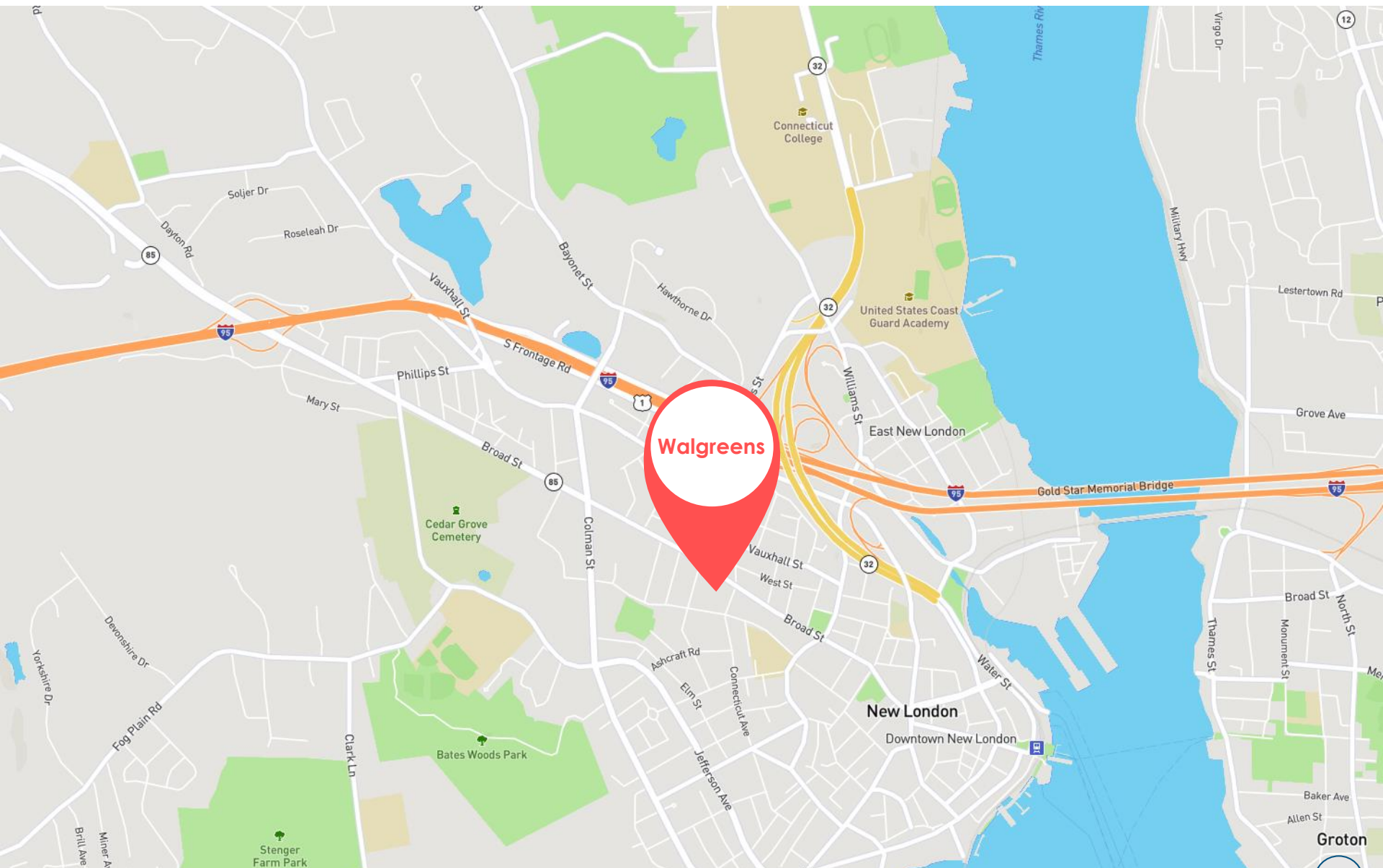


Property Photos



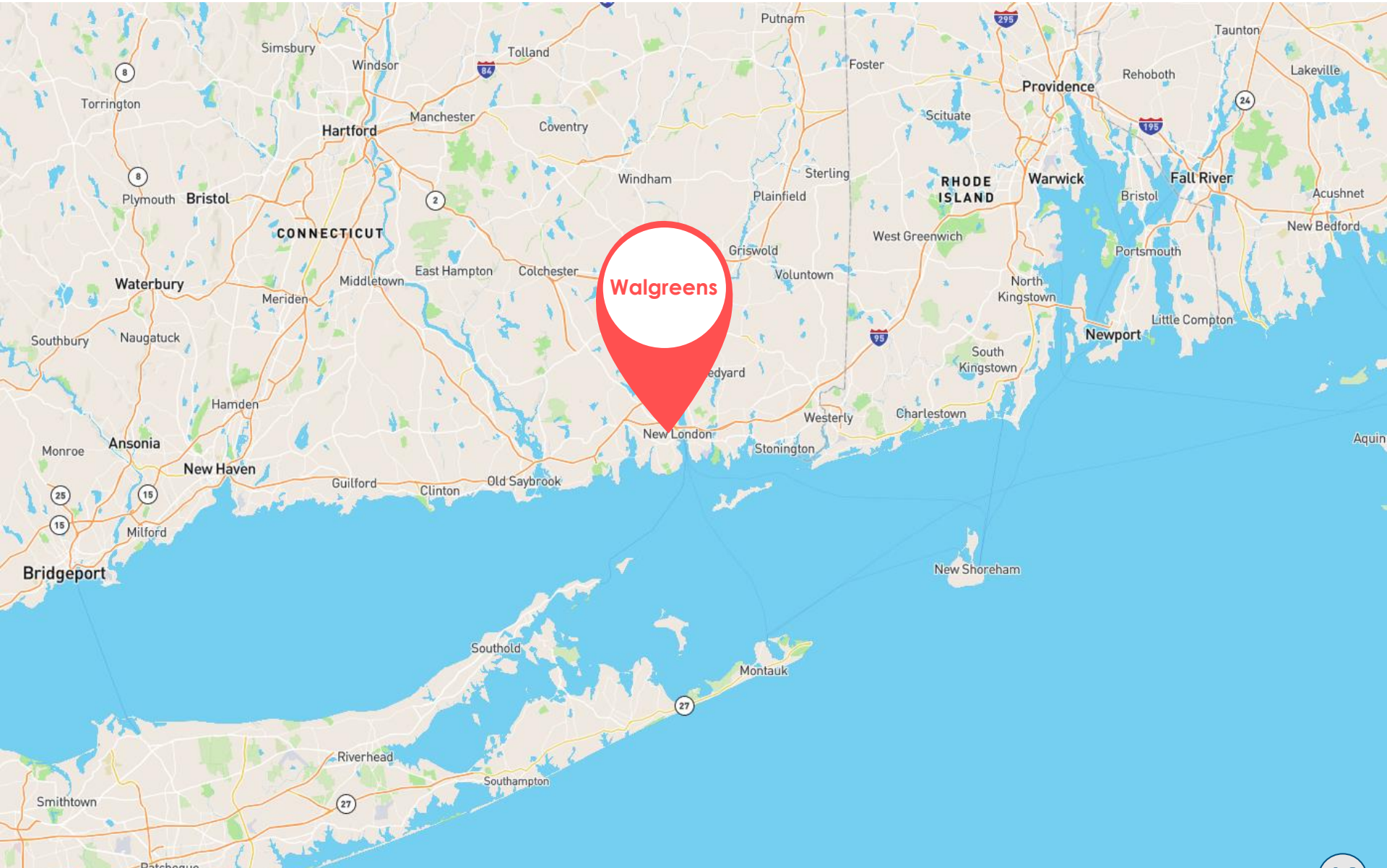


Local Map





Regional Map





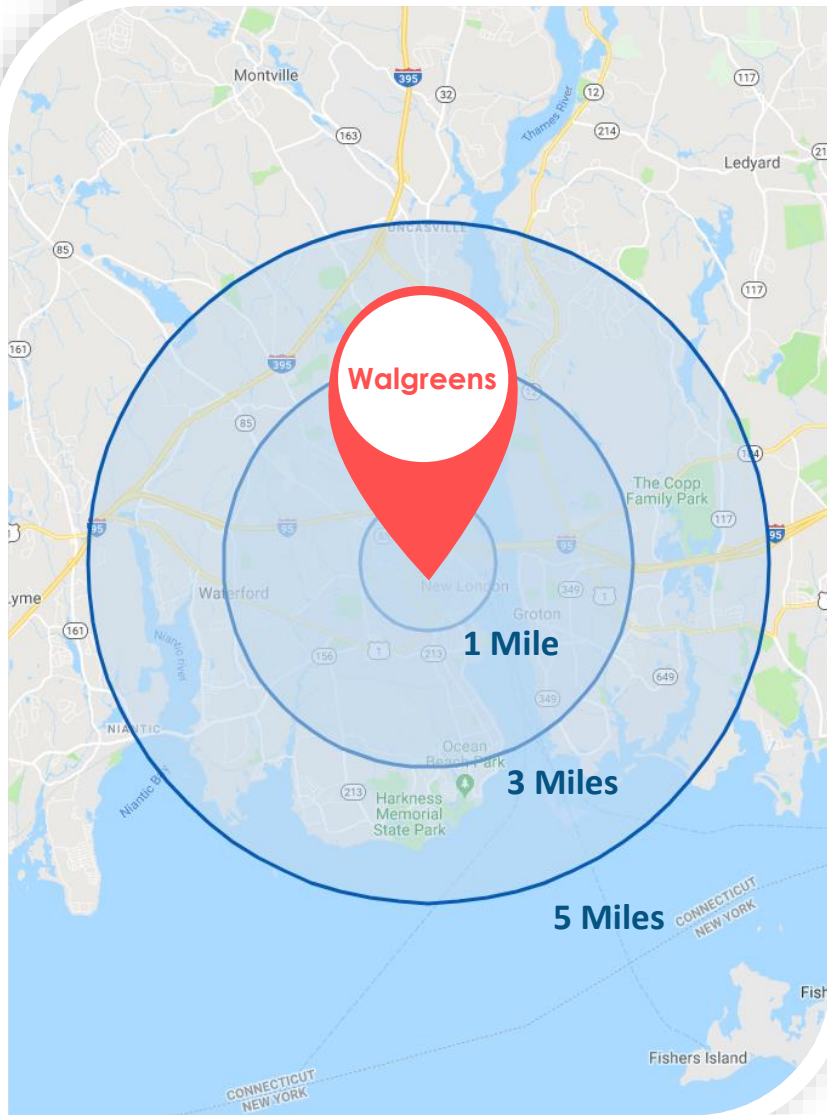
State Map



Walgreens



Demographics



Population:

	1 Mile	3 Miles	5 Miles
2023 Projection	15,090	51,202	79,132
2018 Estimate	15,238	51,726	79,843
2010 Census	15,613	53,321	81,898
2018 Population Hispanic Origin	6,762	11,655	14,336

2018 Population by Race:

	1 Mile	3 Miles	5 Miles
White	9,593	38,574	61,883
Black	3,870	7,227	8,998
Am. Indian & Alaskan	236	657	946
Asian	448	2,448	3,966
Hawaiian & Pacific Island	87	155	197
Other	1,002	2,665	3,854

U.S. Armed Forces:

	1 Mile	3 Miles	5 Miles
	636	2,342	4,735

Households:

	1 Mile	3 Miles	5 Miles
2023 Projection	6,097	20,203	30,840
2018 Estimate	6,160	20,425	31,146
2010 Census	6,296	20,949	31,770
Owner Occupied	1,667	9,421	16,516
Renter Occupied	4,492	11,004	14,630

2018 Avg Household Income

	1 Mile	3 Miles	5 Miles
	\$45,372	\$70,144	\$78,961

2018 Med Household Income

	1 Mile	3 Miles	5 Miles
	\$30,595	\$53,749	\$59,502

2018 Households by Household Inc:

	1 Mile	3 Miles	5 Miles
<\$25,000	2,685	5,502	7,238
\$25,000 - \$50,000	1,480	4,029	5,828
\$50,000 - \$75,000	919	3,982	5,909
\$75,000 - \$100,000	533	2,455	3,955
\$100,000 - \$125,000	213	1,664	2,677
\$125,000 - \$150,000	104	1,008	1,816
\$150,000 - \$200,000	134	947	1,984
\$200,000+	95	839	1,739

Marcus & Millichap

EXCLUSIVE NET LEASE OFFERING

Walgreens

subleased to:

FAMILY DOLLAR