



WALGREENS PHARMACY

Sacramento, CA | Corporate Guarantee

Actual Location

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By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

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WALGREENS PHARMACY

4495 MACK ROAD, SACRAMENTO, CALIFORNIA 95823

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\$131.5 B

WALGREENS BOOTS ALLIANCE, INC.
GENERATED \$131.5 BILLION IN
REVENUE FOR FISCAL YEAR 2018⁽¹⁾

BBB

WALGREENS BOOTS ALLIANCE, INC.
(GUARANTOR) HAS AN INVESTMENT
GRADE CREDIT RATING FROM S&P⁽¹⁾

TENANT OVERVIEW

WALGREENS | SACRAMENTO, CA

Marcus & Millichap

(1) All financial data shown above is for Walgreens Boots Alliance, Inc., the Parent Company. The Tenant under the Lease, Walgreen Co., is a subsidiary of Walgreens Boots Alliance, Inc.

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Walgreens

WALGREENS BOOTS ALLIANCE⁽¹⁾



Walgreens Boots Alliance (Nasdaq: WBA) is the first global, pharmacy-led health and wellbeing enterprise. As the largest retail pharmacy, health and daily living destination across the United States and Europe, Walgreens Boots Alliance has a presence in more than 25 countries and employs more than 415,000 people. The Company has over 18,500 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. The portfolio of retail and business brands includes Walgreens, Duane Reade, Boots and Alliance Healthcare, as well as increasingly global health and beauty product brands. Operations are organized into three divisions: Retail Pharmacy USA, Retail Pharmacy International and Pharmaceutical Wholesale. By its sheer size, scale and expertise, Walgreens Boots Alliance is well-positioned to help expand the supply of, and address the rising cost of, prescription drugs in the U.S. and worldwide.

- ▶ \$131.5 BILLION IN REVENUE / \$25.6 BILLION NET WORTH (FISCAL YEAR 2018)
- ▶ INVESTMENT GRADE TENANT - S&P RATED BBB / MOODY’S RATED BAA2
- ▶ SALES INCREASED 9.9% TO \$33.8 BILLION IN FISCAL 2019 FIRST QUARTER, YEAR-OVER-YEAR
- ▶ 9,560 RETAIL PHARMACY STORES AND 400 IN-STORE CLINIC LOCATIONS ACROSS 50 STATES, THE DISTRICT OF COLUMBIA, PUERTO RICO & THE U.S. VIRGIN ISLANDS
- ▶ 72% OF RETAIL PHARMACY USA DIVISION SALES ARE PHARMACY, 28% OF SALES ARE RETAIL
- ▶ 1,932 RITE AID STORES & 3 DISTRIBUTION CENTERS WERE ACQUIRED FOR \$4.2 BILLION IN FISCAL 2018
- ▶ 823.1 MILLION PRESCRIPTIONS, INCLUDING IMMUNIZATIONS, WERE FILLED IN FISCAL 2018
- ▶ 78% OF THE POPULATION IN THE UNITED STATES LIVES WITHIN 5 MILES OF A WALGREENS, DUANE READE OR ACQUIRED RITE AID RETAIL PHARMACY

WALGREENS BOOTS ALLIANCE AT A GLANCE



823.1 M
PRESCRIPTIONS
FILLED

18,500
STORES
WORLDWIDE

25
PRESENCE IN
25 COUNTRIES

415,000+
EMPLOYEES

(1) All financial data and S&P Credit Rating shown above is for Walgreens Boots Alliance, Inc., the Parent Company. The Tenant under the Lease, Walgreen Co., is a subsidiary of Walgreens Boots Alliance, Inc.
Sources: www.walgreensbootsalliance.com, Yahoo Finance, Standard & Poor’s, Moody’s

Source: www.walgreensbootsalliance.com

CORPORATE GUARANTEE

WALGREENS CO., THE TENANT UNDER THE LEASE, IS A SUBSIDIARY OF WALGREENS BOOTS ALLIANCE, INC., THE PARENT COMPANY⁽¹⁾

INVESTMENT GRADE TENANT

WALGREENS BOOTS ALLIANCE, INC. CARRIES AN INVESTMENT GRADE CREDIT RATING OF "BBB" FROM S&P AND BAA2 FROM MOODY'S⁽¹⁾

INVESTMENT OVERVIEW

WALGREENS | SACRAMENTO, CA

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(1) All financial data shown above is for Walgreens Boots Alliance, Inc., the Parent Company. The Tenant under the Lease, Walgreen Co., is a subsidiary of Walgreens Boots Alliance, Inc.

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INVESTMENT OVERVIEW

RARE NORTHERN CALIFORNIA SINGLE TENANT INVESTMENT

The Subject Property is a freestanding single tenant Walgreens Drugstore located less than ten miles from Downtown Sacramento. It is a well-established retail pharmacy near Highway 99 (172,000 VPD) comprised of approximately 14,490 square-feet and situated at the four-way signalized corner of Mack Road (27,519 VPD) and Franklin Boulevard (26,027 VPD).

WELL-ESTABLISHED LOCATION WITH EXCEPTIONALLY STRONG DEMOGRAPHICS

The Subject Property has a 15-year operational history at this location and is situated near DaVita Dialysis, Methodist Hospital (1,282 employees, 158-beds, 341 medical staff and 29 Emergency Room beds) of Dignity Health Network (60,000 caregivers and staff, the largest hospital provider in California and the 5th largest health system in the nation), Kaiser Permanente Medical Center (4,300 employees, 559 physicians & the area’s first and only Level II Trauma Center), Costco Wholesale, Target, Starbucks, Big Lots, Dollar Tree, 7-Eleven, CVS pharmacy, Office Depot, Food 4 Less, McDonald’s, Family Dollar, Mountain Mike’s Pizza, Taco Bell, El Pollo Loco and many more. There are exceptionally strong demographics in the area with 393,192 residents within a 5-mile range of the Subject Property.

INVESTMENT GRADE TENANT⁽¹⁾

Walgreens Boots Alliance, Inc., the Parent Company, carries an Investment Grade Credit Rating of “BBB” from S&P and “Baa2” from Moody’s. The Lease is guaranteed by Walgreen Co., a subsidiary of Walgreens Boots Alliance, Inc.

WALGREENS BOOTS ALLIANCE⁽¹⁾

- Walgreens Boots Alliance reported \$131.5 Billion in revenue and a net worth of \$25.6 Billion (Fiscal Year 2018)
- Walgreens Boots Alliance boasts a presence in more than 25 countries, 415,000 employees, 18,500 stores in 11 countries, as well as one of the largest global pharmaceutical wholesale and distribution networks, with over 390 distribution centers
- Company operations are organized into three divisions:
 - Retail Pharmacy USA - \$98.4 Billion in sales in Fiscal Year 2018, 72% Pharmacy, 28% Retail
 - Retail Pharmacy International - \$12.3 Billion in sales in Fiscal Year 2018, 35% Pharmacy, 65% Retail
 - Pharmaceutical Wholesale - \$23 Billion in sales in Fiscal Year 2018
- Retail Pharmacy USA division’s sales for Fiscal Year 2018 increased 12.7% compared to Fiscal Year 2017
- 823.1 Million prescriptions, including immunizations, were filled in fiscal 2018

(1) All financial data shown above is for Walgreens Boots Alliance, Inc., the Parent Company. The Lease is guaranteed by the US entity, Walgreen Co. Sources: www.walgreensbootsalliance.com, Yahoo Finance, Standard & Poor’s, Moody’s



Actual Location

OFFERING HIGHLIGHTS

WALGREENS | SACRAMENTO, CA

4495 MACK ROAD, SACRAMENTO, CALIFORNIA 95823

OFFERING PRICE

\$4,856,043

CAP RATE

7.00%

Net Operating Income	\$339,999 ⁽²⁾
Lease Type	Double Net
Lease Commencement	6/19/2004
Lease Expiration Date	6/30/2079
Year Built	2004 ⁽¹⁾
Rentable Area / Lot Size	14,490 SF / 1.93 Acres ⁽¹⁾
Options	(10) Five-Year Options
Termination Option	As of 6/30/2024 and Every Five Years Thereafter for the Remainder of the Term
Roof and Structure	Landlord Responsibility
Guarantor	Walgreens Boots Alliance, Inc. ⁽¹⁾
Credit Rating (S&P)	BBB / Stable (Investment Grade) ⁽¹⁾
Right of First Refusal	Yes, Thirty (30) days

(1) Rentable Area, Lot Size, Year Built, Guarantor, Lease Terms and S&P Rating are estimates. Buyer is responsible for verifying during the Due Diligence process. (2) Net Operating Income does not account for any Landlord expenses due to (but not limited) necessary capital improvements, insurance costs, or property maintenance required by the Landlord under the Lease. Buyer is responsible for confirming the amounts during their Due Diligence period. Please see the Landlord responsibilities from the Lease Agreement on pages 10-11.

RENT ROLL

TENANT INFO		LEASE TERMS		CURRENT	OPTIONS	LEASE	
GUARANTOR	RENTABLE AREA	COMMENCEMENT	EXPIRATION	NET OPERATING INCOME	RENEWAL OPTIONS	TYPE	ROOF AND STRUCTURE
WALGREENS BOOTS ALLIANCE, INC.	14,490 SF ⁽¹⁾	6/19/2004	6/30/2079	\$339,999 ⁽²⁾	10, 5-YEAR RENEWAL OPTIONS	DOUBLE NET (SEE PAGE 10-11)	LANDLORD



LANDLORD & TENANT MAINTENANCE OBLIGATIONS⁽¹⁾

PARKING:

7. (a) Tenant, at Tenant’s cost and expense, shall maintain, light, restripe, repair and resurface (but not replace), when necessary the parking areas of the Leased Premises. However, Tenant shall have no obligation to perform nor pay any costs in connection with the following: (i) any replacements of the light poles, parking areas or other improvements thereon unless damaged by Tenant; (ii) any item(s) which under generally accepted accounting principles are classified as a capital expense; (iii) any items for which Landlord is reimbursed by insurance, warranty or otherwise; (iv) any damages caused by the fault of Landlord; (v) any defects in the construction of the Leased Premises by Landlord; and/or (vi) any item which is Landlord’s obligation under Articles 5, 10 and/or 14 hereof. The foregoing items (i) through and including (vi) shall remain Landlord’s responsibility to perform. The parking areas shall be for the exclusive use of Tenant and Tenant’s customers, employees, invitees, successors, assigns and sublessees, subject to the terms of the Declaration, as defined below.

REPAIRS, CONFORMITY WITH THE LAW

10. (a) Except as provided below, Tenant shall (i) repair and replace heating and cooling equipment serving the Building, (ii) make plate glass replacements unless required by fault of Landlord, (iii) maintain the exterior lighting, (iv) maintain the landscaping and off-site landscaping in front of the Leased Premises, (v) maintain the loading dock and (vi) make repairs and replacements within the interior of the Building. Landlord, at Landlord’s sole cost and expense, shall maintain and make all repairs to the exterior (including, but not limited to painting and tuckpointing if applicable) and structural portions of the Building, roof, and all utility lines, including but not limited to sewers, sewer connections, pipes, ducts, wires and conduits leading to and from the Leased Premises and/or the Building. Landlord shall make all repairs required by causes the fault of Landlord, as well as repairs necessitated by fire, casualty (unless Tenant, at Tenant’s sole option, chooses to make repairs necessitated by casualty) or the elements, or by dry rot or termites. In the event that any Hazardous Substance or any underground storage tank is discovered at any time in, under or about the Leased Premises and/or the Building (unless introduced by Tenant), Landlord, at Landlord’s expense, shall remove and dispose of the same in the manner described in and provide all documentation required by Section (b) of Article 4. Landlord hereby indemnifies and saves and holds Tenant harmless from and against any liability, obligation, damage or cost, including, without limitation, attorneys’ fees and costs, resulting directly or indirectly from the presence, removal or disposal of any such Hazardous Substance (not introduced by Tenant) or any underground storage tank. In the event that any Hazardous Substance is discovered at any time in, under or about the Leased Premises and/or the Building which has been introduced solely by Tenant, Tenant shall, at Tenant’s expense, remove and dispose of the same. Tenant hereby indemnifies and saves and holds Landlord harmless from and against any liability, obligation, damage or cost, including, without limitation, attorneys’ fees and costs, resulting directly or indirectly from the presence, removal or disposal of any such Hazardous Substance introduced into the Leased Premises solely by Tenant. These indemnifications shall survive the termination or expiration of this Lease for any reason. The provisions of this Section shall be complied with as required from time to time.

(1) The Tenant’s and Landlord’s Repair and Maintenance Obligations were obtained from resources that Marcus & Millichap believes to be reliable; however, Marcus & Millichap has not verified and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. Buyers are strongly advised to take appropriate measures to verify all of the information set forth herein. Buyers must conduct their own Due Diligence.



Actual Location



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LOCATION OVERVIEW



RARE NORTHERN CALIFORNIA SINGLE TENANT INVESTMENT

WELL-ESTABLISHED WALGREENS WITH A 15-YEAR OPERATIONAL HISTORY IN SACRAMENTO

INFILL LOCATION JUST OFF HIGHWAY 99 (172,000 VPD)

393,192 RESIDENTS WITHIN A FIVE-MILE RADIUS OF THE SUBJECT PROPERTY

THRIVING METROPOLITAN AREA

As the capital and 6th-most populous city in California, Sacramento is the state’s political center and think tank. The capital has a major educational core, home to University of California at Davis, University of the Pacific, Sacramento State University and others, a notable financial center of the West Coast and a wellknown area in the healthcare industry as the seat of Sutter Health, UC Davis Medical Center, and UC Davis School of Medicine. Topping the list of the fastest-growing major cities in the state, Sacramento is also one of California’s oldest wine-producing regions and was recently voted as the “Best Place to Retire in the State” by Forbes Magazine in 2018.

WEST COAST THINK TANK⁽¹⁾

Situated just 10 miles south of Downtown Sacramento, the subject property boasts excellent demographics of 393,192 residents having an average household income of \$72,377 within a five mile radius. Served by air cargo, an international airport, a deep-water shipping port, two major interstate freeways, freight rail lines and an extensive network of commuter bus and light rail system, the Sacramento MSA has become a technology incubator and flexes considerable muscle as the governmental hub of one of the nation’s most influential states. Known as the metaphorical “intellectual front door to the Silicon Valley”, Sacramento is making a bold play to recruit more talent-dependent employers to the region with the likes of Intel Corporation, HewlettPackard, Apple, Aerojet Rocketdyne and Oracle. Tech companies can maintain a Silicon Valley presence by locating their headquarters and production facilities in Greater Sacramento. As a shared marketplace, the Silicon Valley and Sacramento MSA work in conjunction. California is 144% more profitable than Texas, 28% more profitable than New York and 157% more profitable than Illinois. California ranks #1 in the United States for the most IPOs, with average first day gains three times higher than the national average.

(1) Sources: www.selectsacramento.com, www.cityofsacramento.org

Parcel lines are approximate and the actual property boundary may vary. Buyer will need to verify during their Due Diligence period.



SACRAMENTO

The city of Sacramento has a healthy reputation of being the perfect blend of a West Coast think tank, a year-round playground for outdoor enthusiasts, a transportation hub and a magnet for a highly-skilled labor pool. Serving a population close to 500,000 in the city and nearly 2.5 million people in the region, Sacramento is not only California’s state capitol, it is also the seventh largest world economy. Dating back to California’s Gold Rush and pressing forward with cutting-edge technology, the area has quickly become synonymous with high-tech, high-class and high-impact.

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AERIAL VIEW

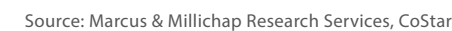
The subject property is located on 4495 Mack Road, less than 10 miles from Downtown Sacramento and near Highway 99 (172,000 VPD).

Marcus & Millichap



POPULATION

YEAR	1 MILE	3 MILES	5 MILES
2023 Projection Total Population	29,425	170,795	405,550
2018 Census Total Population	29,958	170,542	393,192
2010 Census Total Population	27,651	158,926	368,527





WALGREENS PHARMACY | Sacramento, CA | Corporate Guarantee

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