

Walgreens



*ACTUAL SITE PHOTO



OFFERING
MEMORANDUM

WALGREENS
ABSOLUTE NNN LEASED OFFERING

3732 WEST NORTHWEST HIGHWAY DALLAS, TX

OFFERING MEMORANDUM
PRESENTED BY:

KASE ABUSHARKH
FOUNDING PRINCIPAL

PHONE **925.348.1844**
EMAIL **kase@thekasegroup.com**
TX LICENSE **#708586**

JACOB ABUSHARKH
MANAGING PRINCIPAL

PHONE **415.269.2474**
EMAIL **jacob@thekasegroup.com**
BRE **#01385529**



DISCLAIMER & CONFIDENTIALITY

The material contained in this Investment Offering Brochure is furnished solely for the purpose of considering the purchase of the property within and is not to be used for any other purpose. This information should not, under any circumstances, be photocopied or disclosed to any third party without the written consent of The Kase Group or Owner, or used for any purpose whatsoever other than to evaluate the possible purchase of the Property.

The only party authorized to represent the Property Owner ("Owner") in connection with the sale of the Property is The Kase Group Advisor listed in this proposal, and no other person is authorized by the Owner to provide any information or to make any representations other than contained in this Investment Offering Brochure. If the person receiving these materials does not choose to pursue a purchase of the Property, this Offering Brochure must be returned to The Kase Group.

Neither The Kase Group Advisor nor the Owner or its affiliates make any representation or warranty, expressed or implied, as to the accuracy or completeness of the information contained herein, and nothing contained herein is or shall be relied upon as a promise or representation as to the future performance of the Property. This Offering Brochure may include certain statements and estimates by The Kase Group with respect to the projected future performance of the Property. These Assumptions may or may not be proven to be correct, and there can be no assurance that such estimates will be achieved. Further, The Kase Group Advisor and the Owner disclaim any and all liability for representations or warranties, expressed or implied, contained in or omitted from this Investment Offering Brochure, or any other written or oral communication transmitted or made available to the recipient. The recipient shall be entitled to rely solely on those representations and warranties that may be made to it in any final, fully executed and delivered Real Estate Purchase Agreement between it and Owner.

The information contained herein is subject to change without notice and the recipient of these materials shall not look to Owner or The Kase Group Advisor, nor any of their officers, employees, representatives, independent contractors or affiliates, for the accuracy or completeness thereof. Recipients of this Investment Offering Brochure are advised and encouraged to conduct their own comprehensive review and analysis of the Property.

This Investment Offering Brochure is a solicitation of interest only and is not an offer to sell the Property. The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest to purchase the Property and expressly reserves the right, at its sole discretion, to terminate negotiations with any entity, for any reason, at anytime with or without notice. The Owner shall have no legal commitment or obligation to any entity reviewing the Investment Offering Brochure or making an offer to purchase the Property unless and until the Owner executes and delivers a signed Real Estate Purchase Agreement on terms acceptable to Owner, in Owner's sole discretion. By submitting an offer, a prospective purchaser will be deemed to have acknowledged the foregoing and agreed to release the Owner and The Kase Group Advisor from any liability with respect thereto.

To the extent Owner or any agent of Owner corresponds with any prospective purchaser, any prospective purchaser should not rely on any such correspondence or statements as binding Owner. Only a fully executed Real Estate Purchase Agreement shall bind the property and each prospective purchaser proceeds at its own risk.

Recipients of Offering Brochure shall not contact employees or tenants of property directly or indirectly regarding materials without prior written approval.

TABLE OF CONTENTS

| | |
|----|----------------------------|
| 04 | INVESTMENT OVERVIEW |
| 05 | FINANCIAL SUMMARY |
| 06 | TENANT OVERVIEW |
| 07 | LOCATION AERIAL |
| 08 | REGIONAL OVERVIEW |
| 09 | DEMOGRAPHICS |
| 10 | AREA OVERVIEW |

INVESTMENT OVERVIEW



The subject property is a net leased Walgreens in Dallas, Texas. The new 15 year absolute NNN lease calls for zero landlord obligations. The tenant has twelve, 5 year options to renew with rare 5% increases every 5 years and at each option period. The property is well-situated on a major retail corridor surrounded by national retailers including Walmart Supercenter, Target, Whatburger, Sam’s Club, Chick-fil-A and many others. This location is heavily trafficked and there are 38,820 VPD along West Northwest Highway.

INVESTMENT HIGHLIGHTS

| |
|--|
| WALGREENS ABSOLUTE NNN LEASED OFFERING |
| 100% FEE SIMPLE INTEREST |
| ZERO LANDLORD OBLIGATIONS |
| SCHEDULED INCREASES IN RENT |
| INCOME TAX FREE STATE |
| WELL SITUATED ON A MAJOR COMMERCIAL THOROUGHFARE |
| HEAVY TRAFFIC COUNTS OF 38,820 VPD |
| S&P RATED BBB INVESTMENT GRADE CREDIT |

OFFERING SPECIFICATIONS

| | |
|----------------------|-------------|
| PRICE | \$9,000,000 |
| CAP RATE | 4.50% |
| NET OPERATING INCOME | \$405,000 |
| SQUARE FOOTAGE | 16,200 |
| LOT SIZE | 1.77 AC |
| YEAR BUILT | 1996 |

FINANCIAL SUMMARY

WALGREENS • ABSOLUTE NNN LEASED OFFERING

3732 WEST NORTHWEST HIGHWAY DALLAS, TX

\$9,000,000 • 4.50%

SUMMARY

| | |
|----------------|------------------------------------|
| TENANT NAME | Walgreens |
| SQUARE FOOTAGE | 16,200 |
| LEASE STARTS | 3/1/2020 |
| LEASE ENDS | 2/28/2035 |
| ANNUAL RENT | \$405,000 |
| OPTIONS | TWELVE, 5-YEAR OPTIONS |
| INCREASES | 5% EVERY 5 YEARS AND IN OPTIONS |

OFFERING SUMMARY

| | NET OPERATING INCOME | CAP RATE |
|-------------|-------------------------|----------|
| YEARS 1-5 | \$405,000 | 4.50% |
| YEARS 6-10 | \$425,250 | 4.73% |
| YEARS 11-15 | \$446,513 | 4.96% |

TENANT OVERVIEW



PUBLICLY TRADED
NASDAQ: WBA



9,560 LOCATIONS



415,000+ EMPLOYEES

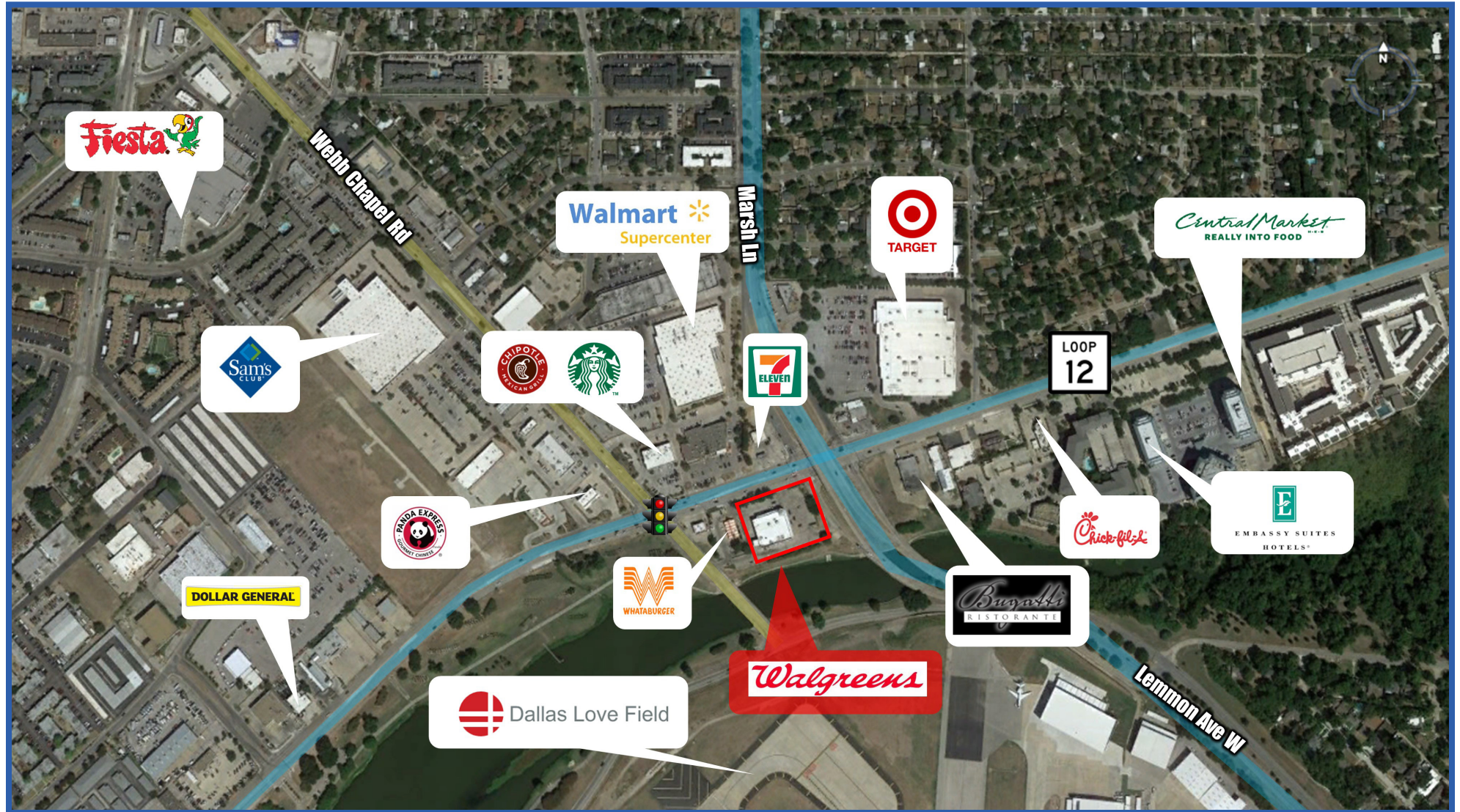
WALGREENS

Walgreen Company or simply Walgreens is an American company that operates as the second-largest pharmacy store chain in the United States behind CVS Health. It specializes in filling prescriptions, health and wellness products, health information, and photo services. As of August 31, 2018, the company operated 9,560 stores in all 50 states, the District of Columbia and the US territories of Puerto Rico and the U.S. Virgin Islands. It was founded in Chicago, Illinois, in 1901. The Walgreens headquarters office is in the Chicago suburb of Deerfield, Illinois.

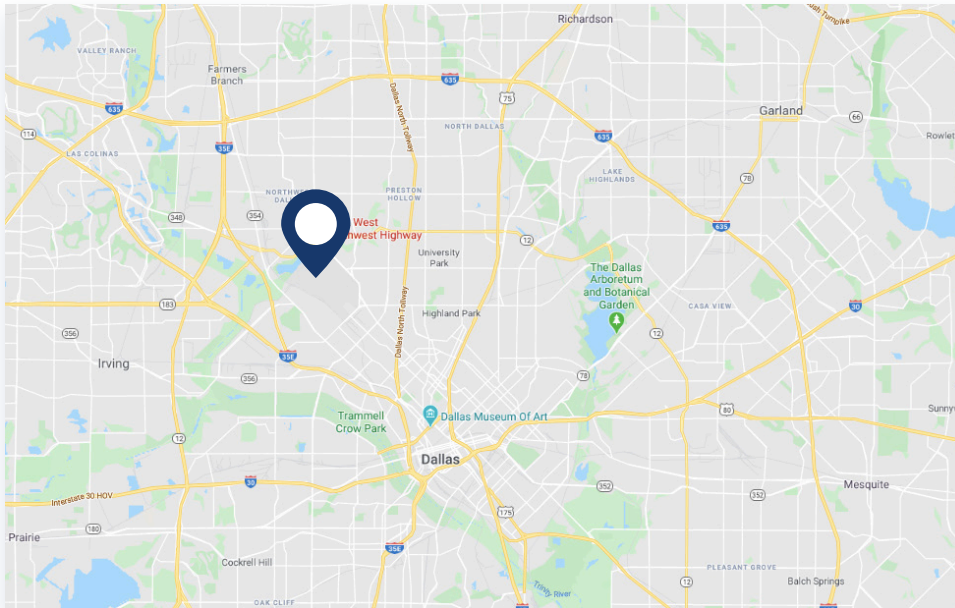
In 2014 the company agreed to purchase the remaining 55% of Switzerland-based Alliance Boots that it did not already own to form a global business. Under the terms of the purchase, the two companies merged to form a new holding company, Walgreens Boots Alliance Inc., on December 31, 2014. Walgreens became a subsidiary of the new company, which retains its Deerfield headquarters and trades on the Nasdaq under the symbol WBA. Walgreens is rated BBB by S&P Investment Grade Credit

A typical Walgreens store is about 14,500 square feet with 11,000 square feet of sales area. They offer nearly 25,000 items for sale and typically staff between 25 and 30 people per store. On average, one store pulls in \$8.5 million in annual sales. Most stores include a pharmacy, photo lab, cosmetics counter, and a general merchandise area. Select stores in metropolitan Chicago, Florida, Atlanta, Kansas City, Nashville, Las Vegas, and St. Louis now include Walgreens TakeCare Health Clinics where certified (primarily nurse practitioners, and in some states, registered pharmacist) staff diagnose, treat, and prescribe for common illnesses and can also issue vaccinations and physicals in select locations. These clinics are open 7 days a week; including evenings and weekends with no appointments necessary and with acceptance of most major insurance plans. If a patient uses the TakeCare Clinic, their prescription is automatically processed through Walgreens' Intercom Plus Pharmacy System as a waiting prescription, so in most stores, the prescription is ready to be picked up in 15 to 20 minutes.

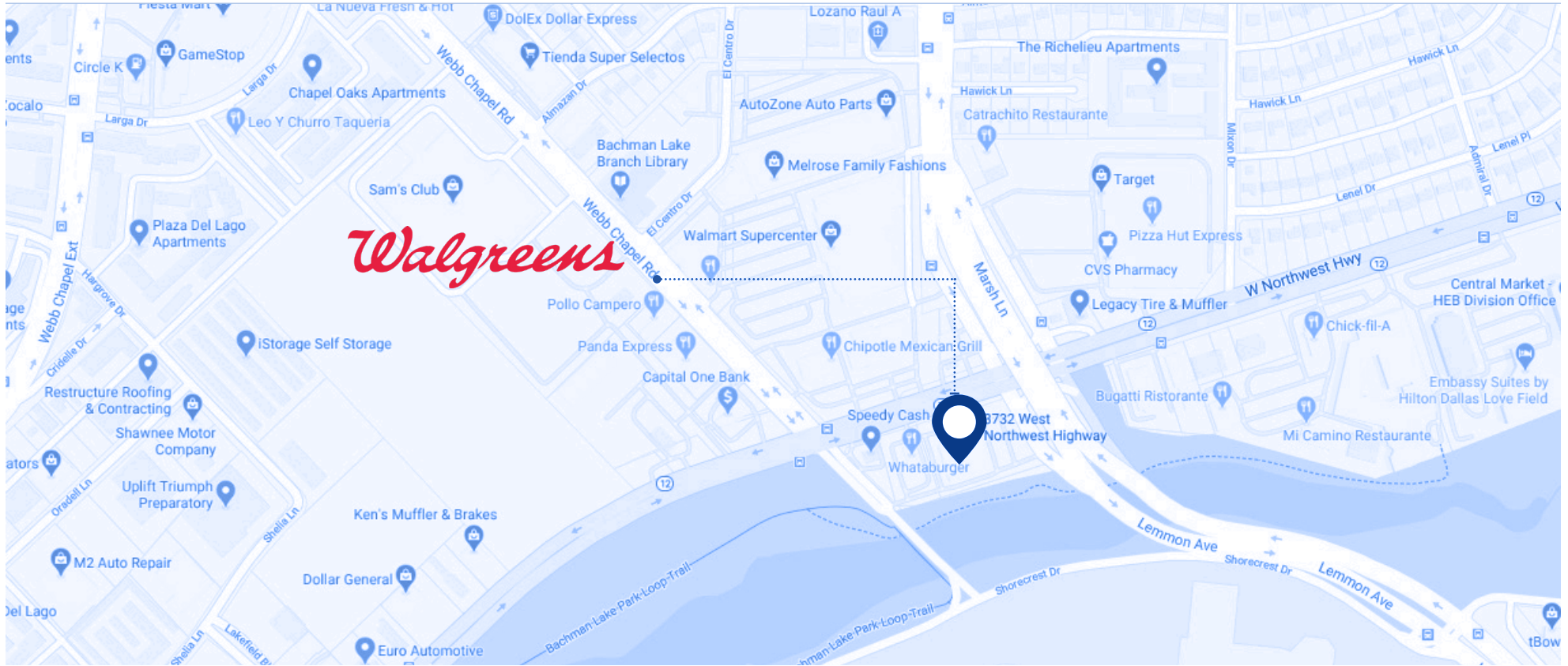
LOCATION AERIAL



REGIONAL OVERVIEW



DEMOGRAPHICS



| | 3 MILES | 5 MILES | 10 MILES |
|---------------------------------|-----------------|------------------|------------------|
| TOTAL POPULATION | 95,268 | 267,471 | 1,343,776 |
| TOTAL HOUSEHOLDS | 33,568 | 108,242 | 532,132 |
| AVERAGE HOUSEHOLD INCOME | \$97,307 | \$114,450 | \$88,997 |
| AVERAGE AGE | 34.70 | 36.50 | 35.30 |

AREA OVERVIEW

| DEMOGRAPHICS | 3 MILES | 5 MILES | 10 MILES |
|---------------------------|-----------|-----------|-----------|
| TOTAL POPULATION | 95,268 | 267,471 | 1,343,776 |
| TOTAL HOUSEHOLDS | 33,568 | 108,242 | 532,132 |
| PERSONS PER HOUSEHOLD | 2.80 | 2.40 | 2.40 |
| AVERAGE HOUSEHOLD INCOME | \$97,307 | \$114,450 | \$88,997 |
| AVERAGE HOUSE VALUE | \$358,930 | \$462,279 | \$253,605 |
| AVERAGE AGE | 34.70 | 36.50 | 35.30 |
| WHITE | 81,933 | 222,879 | 984,948 |
| BLACK | 7,565 | 21,887 | 209,959 |
| AM. INDIAN & ALASKAN | 1,118 | 2,355 | 14,230 |
| ASIAN | 3,206 | 15,893 | 107,208 |
| HAWAIIAN & PACIFIC ISLAND | 105 | 210 | 1,618 |
| OTHER | 1,340 | 4,247 | 25,814 |

DALLAS, TEXAS

Dallas, officially the City of Dallas, is a city in the U.S. state of Texas and the seat of Dallas County, with portions extending into Collin, Denton, Kaufman and Rockwall counties. With an estimated 2018 population of 1,345,047, it is the ninth most-populous city in the U.S. and third in Texas after Houston and San Antonio. It is also the eighteenth most-populous city in North America as of 2015. Located in North Texas, the city of Dallas is the main core of the largest metropolitan area in the Southern United States and the largest inland metropolitan area in the U.S. that lacks any navigable link to the sea. It is the most populous city in the Dallas–Fort Worth metroplex, the fourth-largest metropolitan area in the country at 7.5 million people as of 2018. The city's combined statistical area is the seventh-largest in the U.S. as of 2017, with 7,846,293 residents.

Walgreens

DALLAS, TEXAS



The Kase Group

OFFERING
MEMORANDUM

WALGREENS
ABSOLUTE NNN LEASED OFFERING

3732 WEST NORTHWEST HIGHWAY DALLAS, TX

JACOB ABUSHARKH
MANAGING PRINCIPAL

PHONE 415.269.2474

EMAIL jacob@thekasegroup.com

BRE #01385529

KASE ABUSHARKH
FOUNDING PRINCIPAL

PHONE 925.348.1844

EMAIL kase@thekasegroup.com

TX LICENSE #708586