

WALGREENS - NORTH CHARLESTON, SC

OFFERING MEMORANDUM

1861 REMOUNT ROAD | NORTH CHARLESTON, SC 29406



AFFILIATED BUSINESS DISCLOSURE AND CONFIDENTIALITY AGREEMENT

AFFILIATED BUSINESS DISCLOSURE

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Your receipt of this Memorandum constitutes your acknowledgment that (i) it is a confidential Memorandum solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property, (ii) you will hold it in the strictest confidence, (iii) you will not disclose it or its

contents to any third party without the prior written authorization of the owner of the Property ("Owner") or CBRE, Inc., and (iv) you will not use any part of this Memorandum in any manner detrimental to the Owner or CBRE, Inc. If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return it to CBRE, Inc.

DISCLAIMER

This Memorandum contains select information pertaining to the Property and the Owner, and does not purport to be all-inclusive or contain all or part of the information which prospective investors may require to evaluate a purchase of the Property. The information contained in this Memorandum has been obtained from sources believed to be reliable, but has not been verified for accuracy, completeness, or fitness for any particular purpose. All information is presented "as is" without representation or warranty of any kind. Such information includes estimates based on forward-looking assumptions relating to the general economy, market conditions, competition and other factors which are subject to uncertainty and may not represent the current or future performance of the Property. All references to acreages, square footages, and other measurements are approximations. This Memorandum describes certain documents, including leases and other materials, in summary form. These summaries may not be complete nor accurate descriptions of the full agreements referenced. Additional information and an opportunity to inspect the Property may be made available to qualified prospective purchasers. You are advised to independently verify the accuracy and completeness of all summaries and information contained herein, to

consult with independent legal and financial advisors, and carefully investigate the economics of this transaction and Property's suitability for your needs. ANY RELIANCE ON THE CONTENT OF THIS MEMORANDUM IS SOLELY AT YOUR OWN RISK.

The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions at any time with or without notice to you. All offers, counteroffers, and negotiations shall be non-binding and neither CBRE, Inc. nor the Owner shall have any legal commitment or obligation except as set forth in a fully executed, definitive purchase and sale agreement delivered by the Owner.

ALL PARCEL LINES ON SITE PLAN AND AERIALS ARE APPROXIMATE.

OFFERING MEMORANDUM

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THE OFFERING

CBRE's Net Lease Property Group is pleased to extend the opportunity to acquire fee simple interest in an Absolute NNN Walgreens located in North Charleston, South Carolina. North Charleston is located approximately 10 miles north of Downtown Charleston. The original 25-year lease has over 14 years of term remaining and a corporate guarantee (S&P Rated BBB/Stable), with zero landlord responsibilities.

Walgreens is situated on the crossroads of Remount Road, Yeamans Hall Road, and Dutton Avenue. Walgreens benefits from the signalized intersection of these streets and traffic counts over 37,500 vehicles passing daily. The Property is approximately one-mile east of the Charleston International Airport, which serviced nearly 4.5 million passengers in 2018 compared to about 4.0 million in 2017.

Walgreens is one of the nation's largest drugstore chains providing trusted care in communities around the United States. Walgreens has over 9,560 locations in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. Prescription drugs account for the majority of the company's sales while the rest comes from general merchandise, over-the-counter medications, cosmetics, and groceries. Walgreens employs more than 415,000 people and interacts with approximately 8 million customers in its stores and online each day.



FINANCIAL OVERVIEW

Offering Price	\$5,278,400
Cap Rate	6.25%
Annual Rent	\$329,900
Monthly Rent	\$27,491.67
Lease Structure	Absolute NNN
Land Area	±1.63 Acres / 70,653 Square Feet
Building Size	14,422 Square Feet
Parking	59 Spaces (4.09 per 1,000 SF of GLA)
Tenant	Walgreen Co., an Illinois Corporation
Guarantee:	Corporate
Lease Term Remaining	14 Years, 5 Months
Lease Commencement	September 15, 2008
Lease Expiration	September 30, 2033
Renewal Options	After September 30, 2033, tenant shall have the right to terminate the lease, but must give 12 months' notice to the Landlord.
Rental Increases	None

ROFR	Tenant has a 30-day right of first refusal.
Tenant Responsibilities	Roof, Structure, CAM, Taxes and Insurance
Landlord Responsibilities	None
Parking Areas	Tenant, at Tenant's cost and expense, shall maintain, repair and replace the parking areas of the Leased Premises.



AERIAL VIEW NORTHWEST



Charleston International Airport

INTERSTATE 26
137,600 VPD

RIVERS AVE
33,500 VPD

DUTTON AVE
1,600 VPD

YEAMANS HAL RD
7,200 VPD

REMOUNT RD
28,700 VPD

Cooper River



AERIAL VIEW SOUTHWEST



Ashley River

Charleston Area Convention Center

North Charleston Coliseum & Performing Arts Center

BOEING
787 Dreamliner Final Assembly and Delivery Facility

CHARLESTON COUNTY SCHOOL OF THE ARTS

Tanger Outlets Charleston
AND MORE
LOFT H&M OFF 5TH GAP
RALPH LAUREN carter's BANANA REPUBLIC GUESS
COACH OLD NAVY J.CREW

verizon at&t STAPLES
SALLY BEAUTY SUPPLY GameStop
Great Clips MATTRESS FIRM

Sam's Club/
Walmart Supercenter



FAMILY DOLLAR

INTERSTATE 526
137,600 VPD

DUTTON AVE
1,600 VPD

SHERWIN-WILLIAMS

INTERSTATE 26
137,600 VPD

Walgreens

Advance Auto Parts

REMOUNT RD
28,700 VPD

RIVERS AVE
33,500 VPD



AutoZone

Checkers
RESTAURANT

CVS
pharmacy

Little Caesars



YEAMANS HAL RD
7,200 VPD



CUBESMART
self storage

O'Reilly AUTO PARTS

INVESTMENT HIGHLIGHTS



Corporate Guarantee: This is an excellent opportunity to acquire fee interest in a corporate Walgreens lease. Walgreens is the nation's #1 drugstore chain, operating more than 9,560 locations in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. Walgreens has a "BBB" rating from Standard & Poor's and reported \$131.5 billion dollars in sales for fiscal year 2018.



Long Term Commitment: The original lease commenced in September of 2008 and has over 14 years of term remaining.



Absolute NNN Lease Structure: There are zero landlord responsibilities. Tenant is responsible for CAM, Taxes, Insurance, Parking, Structure and Roof.



Excellent Visibility and Traffic Counts: Walgreens is highly visible with no impeding outlots at the southern corner of the crossroads of Remount Road, Yeamans Hall Road, and Dutton Avenue. The site benefits from over 37,500 vehicles passing the site daily at this fully signalized intersection.



Strong, Growing Demographics: The Property serves a growing customer base with over 117,500 residents earning an average household income of \$56,272 in the extended five-mile trade area. The trade area's population has grown nearly 12% since 2010 and is expected to grow nearly 8% over the next five years.



Access to Infrastructure: Walgreens is located within approximately one mile of Charleston International Airport which serviced nearly 4.5 million passengers last year. Interstate 26, the main intersection to Downtown Charleston is also less than a mile away from Walgreens.



Charleston MSA: Walgreens is located in the Charleston MSA, less than 10 miles from downtown Charleston. The Charleston MSA is the third largest in the state with a total estimated population of 775,831. According to the Milken Institute report, from 2011 to 2016, the population growth rate was between 2 and 2.5 percent which is well over the national average of 0.7 percent.

PROPERTY OVERVIEW



TENANT PROFILE

Founded in 1901 and headquartered in Deerfield, Illinois, Walgreens is one of the nation's largest drugstore chains providing trusted care in communities around the United States. Walgreens has 9,560 locations in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. Prescription drugs account for the majority of the company's sales while the rest comes from general merchandise, over-the-counter medications, cosmetics, and groceries. For fiscal 2017, Walgreens filled 990 million prescriptions (including immunizations) on a 30-day adjusted basis. Walgreens employs more than 235,000 people and interacts with approximately 8 million customers in its stores and online each day.

In December 2014, Walgreens combined with European-based Boots Alliance to create the first global pharmacy-led, health and wellbeing enterprise in the world. Walgreens Boots Alliance (NASDAQ: WBA) is the largest retail pharmacy, health, and daily living destination across the U.S. and Europe. Under the Walgreens, Duane Reade, Boots and Alliance Healthcare brands, the company offers prescription and nonprescription drugs, beauty and personal care products, household items, greeting cards, seasonal items, and convenience food. The company employs over 415,000 people and has a presence in 20 countries with 18,500 stores. Walgreens Boots Alliance had Fiscal Year ending August 2018 sales of \$131.5 billion.



9,560+
Locations



Total Revenue
\$131.5B



Stock Symbol
NASDAQ: WBA



Employees
415,000



20
Countries

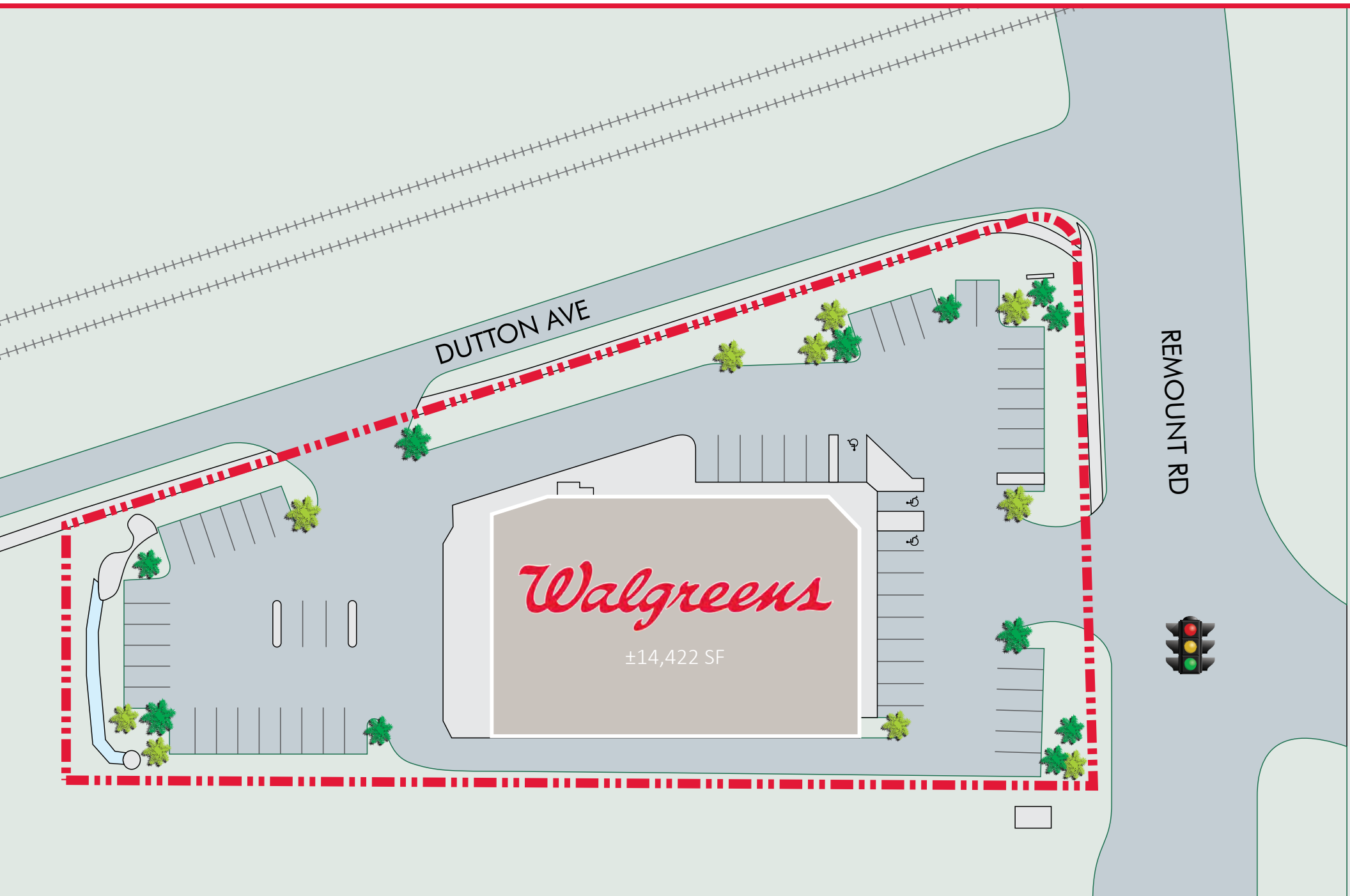


S&P Rating
BBB

RANKINGS AND RATINGS

- Fortune magazine World's Most Admired Companies (published March 2015)
- Fortune magazine World's Most Admired Companies (2018)
- Fortune magazine 500 Largest U.S.-Based Companies (2017) - Walgreens ranked 17th overall in revenue.
- Fortune magazine Global 500 Largest Companies (2017) - Walgreens ranked 37th overall in revenue.
- Forbes Global 2000 (2017)- Walgreens ranked 94th on this list of the 2000 largest public companies worldwide.
- Tenet Partners, CoreBrand 100-top Most Powerful Brands (2017)
- Forbes The World's Most Valuable Brands (2017)

SITE PLAN



PROPERTY HIGHLIGHTS

Location	1861 Remount Road North Charleston (Charleston County), SC 29406
GLA	14,422 Square Feet
Site Size	± 1.63 Acres / 70,963 Square Feet
Year Built	2008
Site Shape	Irregular
Parking	59 parking spaces (including 3 accessible spaces) 4.09 per 1,000 SF
PIN	4731300007
Zoning	B-2 General Business
Access	Direct ingress/egress to the Site is provided by Remount Road and Dutton Avenue.
Frontage/Visibility	±215 feet of frontage on Remount Road and ±400 feet of frontage on Dutton Avenue.
Flood Zone	According to the flood hazard maps published by the FEMA, the site is within Zone X as indicated on Community Map Panel No. 45019C0295J dated November 17, 2004. Zone X, an area that is determined to be outside the 100-and 500-yearflood plains.
Surrounding Land Uses	The site is primarily surrounded by retail and residential as well as a mix of light industrial and manufacturing.
Traffic Counts	Remount Road - 28,700 VPD Yeamons Hall Road - 7,200 VPD Dutton Avenue - 1,600 VPD Interstate 26 - 137,600 VPD



MARKET OVERVIEW



CHARLESTON, SC

Charleston is the oldest and largest city in the state of South Carolina, the county seat of Charleston County, and the principal city in the Charleston–North Charleston–Summerville Metropolitan Statistical Area. The city acts as a major port on the Atlantic coast, a historic centre of Southern culture, and the hub of a large urbanized area that includes Mount Pleasant, North Charleston, Hanahan, and Goose Creek. The city is situated on a peninsula between the estuaries of the Ashley and Cooper rivers, facing a fine deep-water harbor.

The Charleston Metropolitan Statistical Area is the third largest in the state, the 74th largest in the United States, and has an estimated total population of 775,831. The Metropolitan Area is centered around the city of Charleston and the Charleston Harbor, an inlet of the Atlantic Ocean formed by the confluence of the Ashley and Cooper rivers. The MSA includes three major South Carolina counties of Berkley, Charleston, and Dorchester.

From Charleston, Atlanta is approximately 300 miles to the northwest, Savannah is approximately 100 miles southwest, and Charlotte is approximately 200 miles to the north. Its location is geographically centered between major southeastern U.S. cities, and it benefits from its location directly on the Atlantic Ocean.



MARKET OVERVIEW

RECENT PERFORMANCE

The Charleston region has a highly diversified industry structure, which keeps the region's economy growing. Charleston has benefited from strong population growth, as the state ranked 9th in 2018 for both percentage and numeric population growth. The Charleston-North Charleston Metro area ranked 16th in the Milken Institute Reports "Best Performing Cities – 2018". Charleston moved up six spots on this report from 2017 due to high-tech GDP growth and their ability to capitalize on their coastal location which makes the region a tourist destination and a hub for export-oriented industries.

According to the Milken Institute report, from 2011 through 2016, the population growth rate for the Charleston/North Charleston area was around 2 percent to 2.5 percent which is well over the national average (0.7 percent). The median family income has risen in recent years. From 2012 to 2017, it jumped from \$59,757 to \$76,236, an increase of 27.6 percent. Population and income growth drive up housing demand and prices. New construction will provide more temporary jobs for the region.

SKILLED LABOR FORCE & EDUCATION

Higher education is an important part of the city, with institutions including College of Charleston, the Citadel, and the Medical University of South Carolina, the Art Institute of Charleston, and Charleston Southern University. Moreover, a number of tech-startups and large corporations have moved to Charleston in recent years due to the attractive business incentives and highly skilled labor force. Moreover, there is an expected 25,000 jobs to be added by 2021.



AWARDS & RECOGNITIONS:

- #16 Best Performing City – Charleston (2018: Index Milken Institute)
- #5 State for Doing Business – South Carolina (2018: Area Development Online)
- #1 Small U.S. City – Charleston (2018: Conde Nast)
- #4 "America's Biggest Boomtowns" – Charleston (2018: Magnify Money)
- #9 Fastest Growing Mid-Sized Economies – Charleston (2017: U.S. Bureau of Labor)
- #1 City in the U.S. – Charleston (2017: Travel & Leisure)

MARKET OVERVIEW

TOURISM

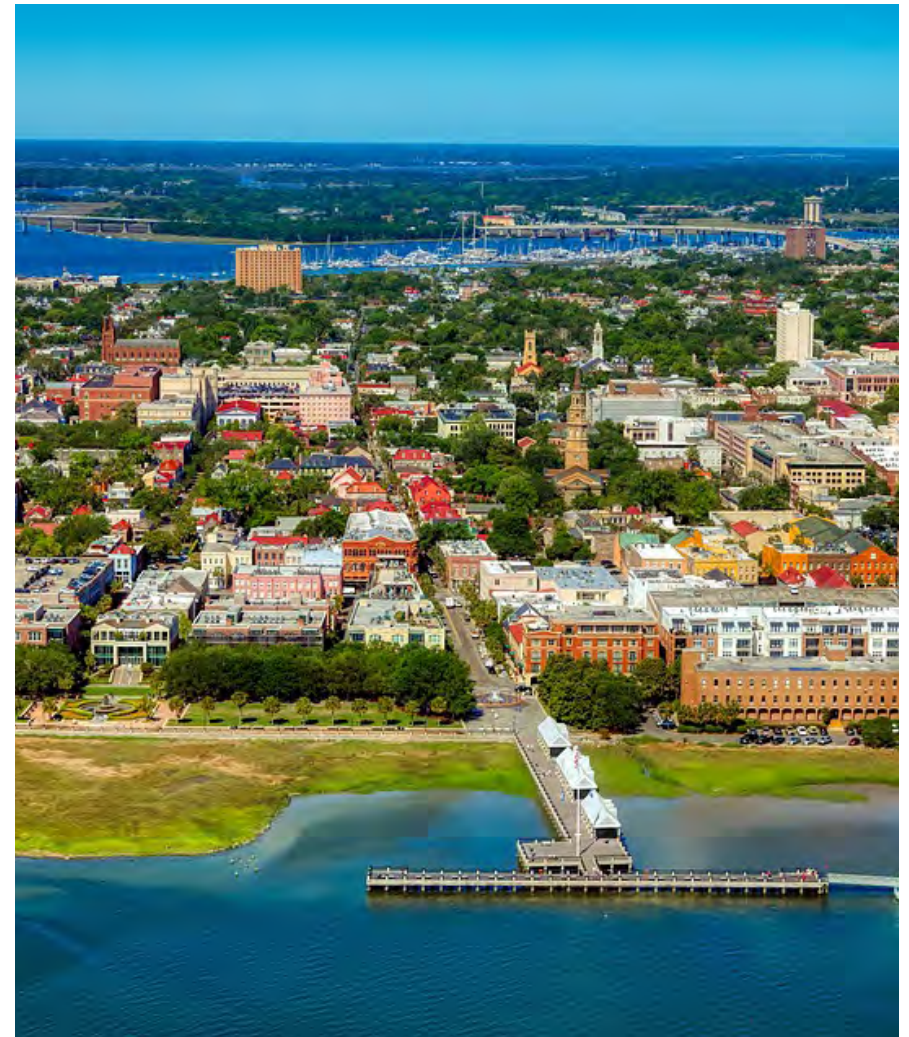
A city known for its rich history, unique architecture, award winning restaurants, quality shopping, and luxury hotels, Charleston is a popular tourist destination that has become one of the fastest growing economies in the country. With over 6 million people visiting each year, Travel & Leisure readers voted Charleston #1 City in the World. Not only does the Port of Charleston handle \$76 billion dollars of goods each year, it also has a Passenger Terminal for cruise ships. Charleston enjoys about 80-90 scheduled round-trip cruise departures each year with a total number of voyagers around 250,000. In 2017, tourism in Charleston had an economic impact of \$7.37 billion.

TRANSPORTATION

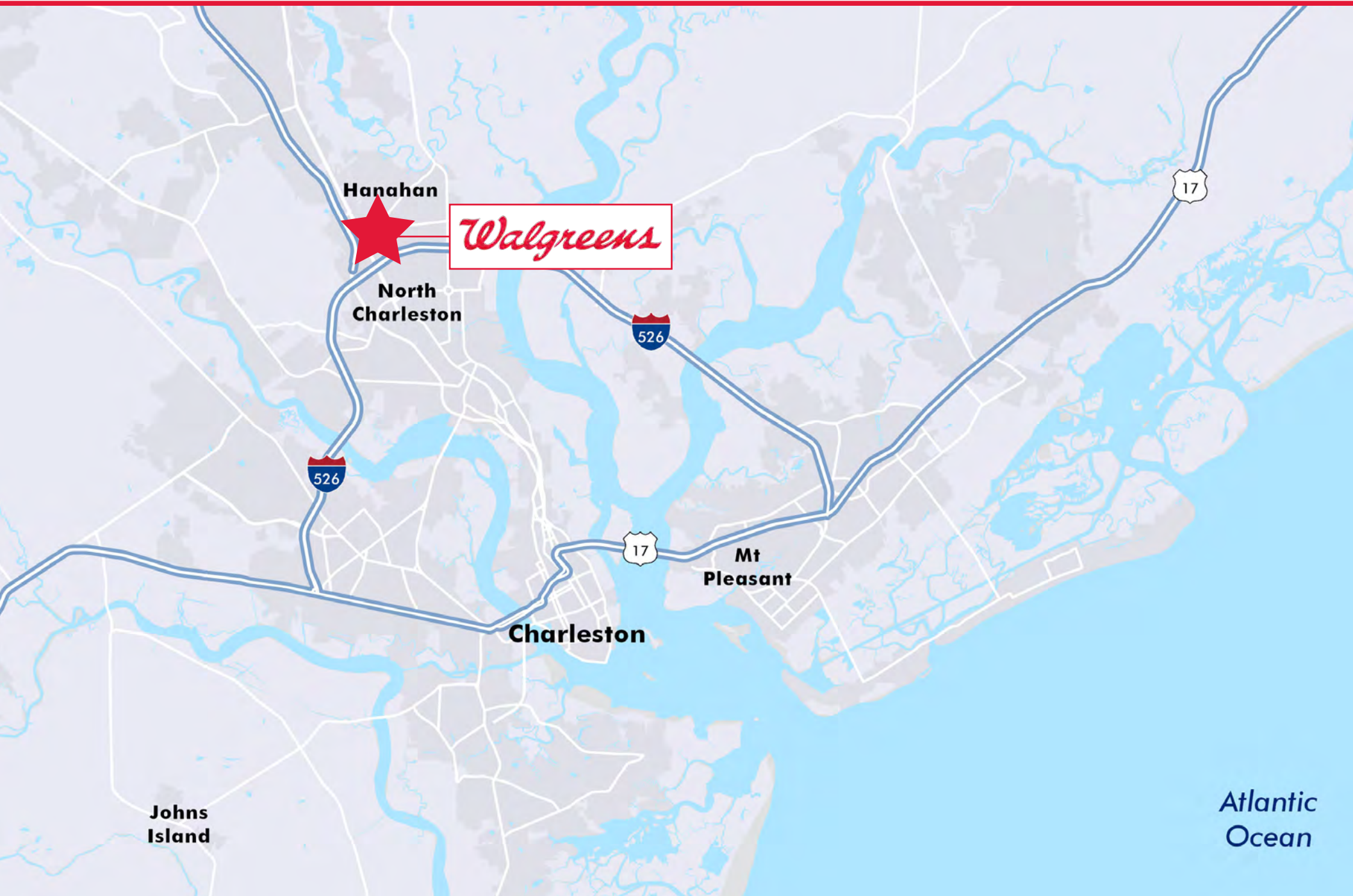
The Port of Charleston has four shipping terminals, and an additional one being constructed. This makes the Port of Charleston the fourth-largest container seaport on the East Coast, allowing Charleston to thrive in global commerce. Additionally, the city is serviced by Charleston International Airport which supported nearly 4.5 million passengers last year, two Amtrak trains, and 12 major highways. With the expansion and deepening of the Port of Charleston along with the renovation of the Charleston International Airport, the Charleston area is prepared for increased growth in the coming years. Economists have pointed to the widening of the Panama Canal and the opening of an inland port as setting off a development boom for warehouse and industrial space.

CHARLESTON COUNTY TOP EMPLOYERS

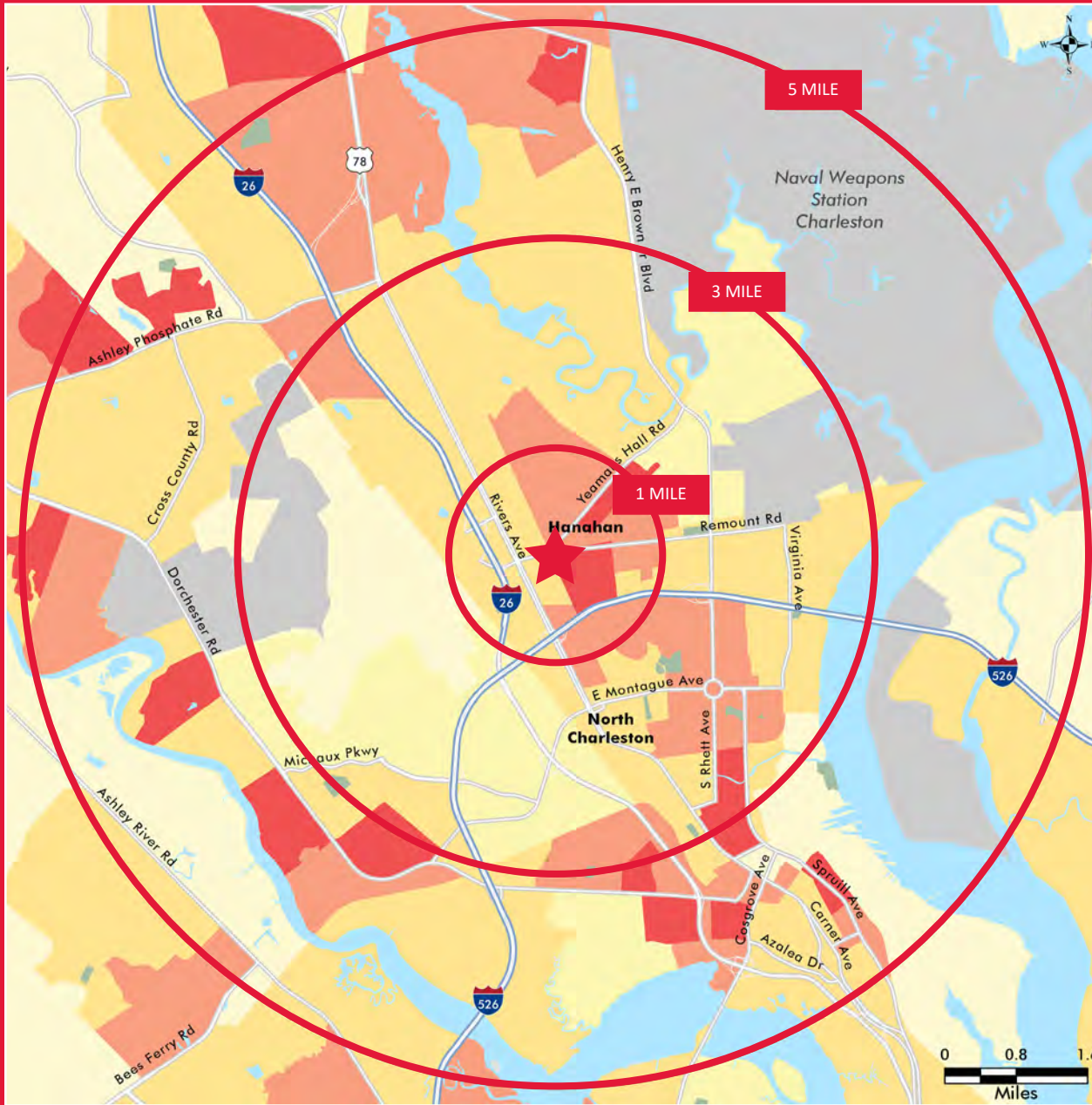
EMPLOYER	# OF EMPLOYEES
Joint Base Charleston.....	22,000
Medical University of South Carolina.....	13,000
The Boeing Company.....	7,000
Charleston County School District.....	6,500
Roper St. Francis Healthcare.....	5,500
Charleston County.....	2,600
Trident Health System.....	2,500
Walmart, Inc.....	2,300



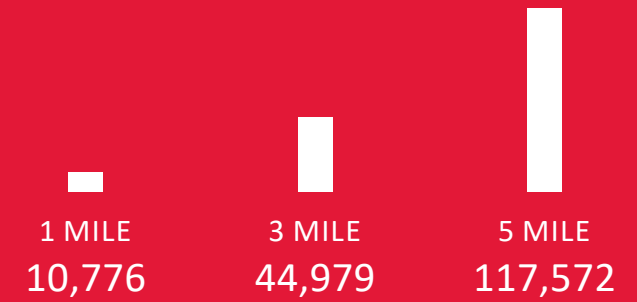
REGIONAL MAP



POPULATION CONCENTRATION



TOTAL POPULATION 2018



DAYTIME POPULATION

(TOTAL EMPLOYEES — 2018)



3 MILE RADIUS

67,769

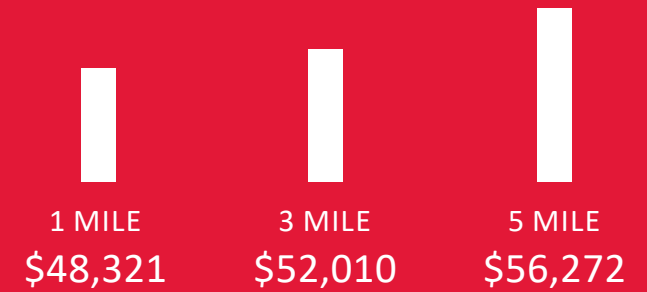
POPULATION PER SQUARE MILE — 2018



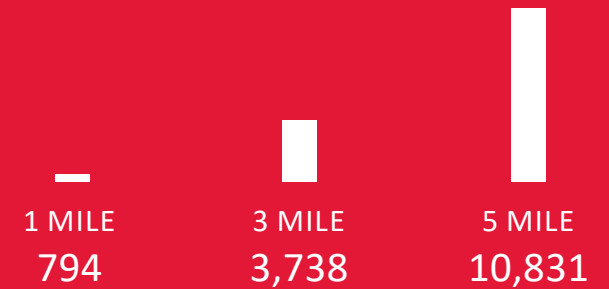
HOUSEHOLD INCOME



AVG. HOUSEHOLD INCOME 2018



HOUSEHOLDS EARNING OVER \$75,000 ANNUALLY



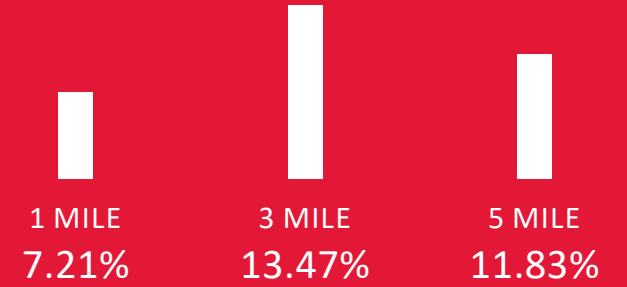
AVERAGE HOUSEHOLD INCOME—2018

- Over \$100,000
- \$75,000 to \$100,000
- \$50,000 to \$75,000
- \$35,000 to \$50,000
- Less than \$35,000

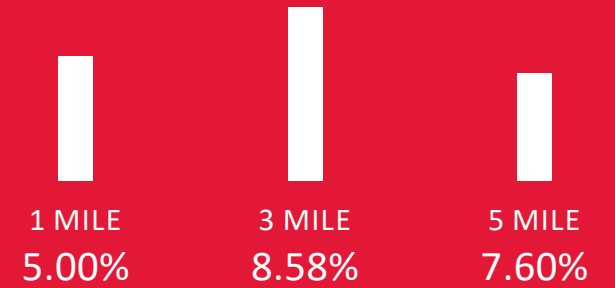
POPULATION GROWTH



POPULATION GROWTH 2010-2018 (%)



PROJECTED POPULATION GROWTH 2018-2023 (%)



POPULATION GROWTH—2010 TO 2018

- Over 5.0%
- 2.5% to 5.0%
- 1.0% to 2.5%
- Up to 1.0%
- Loss or No Growth

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