SAN BERNARDINO COUNTY INVESTMENT OFFERING

PRESENTED BY:

JASON STUART PONGSRIKUL
Managing Principal
Direct: 619.297.0055 x302
jp@pharmapropertygroup.com
CA DRE Lic. 01918332

20250 STATE HIGHWAY 18 | APPLE VALLEY, CA 92307 (DARK)

PHARMACIA PROPERTY GROUP | 5322 Banks Street | San Diego, CA 92110 | 619.297.0055 | www.pharmapropertygroup.com
CONFIDENTIALITY AGREEMENT

This marketing material is meant only for your use in deciding if the Property fits your preliminary purchase requirements. The limited information within this marketing material regarding the Property may not be as complete as necessary for a prospective Purchaser's evaluation and neither the Owner nor Its Broker make any representation or warranty as to its accuracy. All financial and lease information, along with property measurements and specifications, are summaries or estimations. Qualified Buyers are encouraged to schedule inspections of the property by third parties. You are to rely solely on your investigations and inspections of the Property in evaluating a possible purchase.

By receiving this marketing material you agree that it is of a confidential nature and will not be disclosed to any party without written permission of the Owner or Its Broker or be used in any way to negatively affect the Owner's or Pharma Property Group's interests. The marketing material and/or offers to purchase this Property are non-binding. Purchase contracts must be done in writing, approved by the Seller and fully executed by all parties to be binding. Photos herein are the property of their respective owners and use of these images without the express written consent of the owner is prohibited. Please return this marketing material should there be no further interest in purchasing the Property.
Investment Highlights

**STABLE GUARANTEED INCOME FROM WALGREENS CORPORATION**
The store is dark and no longer in operation but will produce $2,592,000 of income over the remaining 8 years of lease term. Rental income is guaranteed by Walgreens corporate (S&P BBB-) investment grade Fortune 500 Company with over 9,200 locations.

**SOUTHERN CALIFORNIA LOCATION**
This is a unique opportunity to purchase a free standing retail building on a main thoroughfare in San Bernardino County, the largest county in the contiguous United States by area. San Bernardino is part of the Inland Empire of southern California and has over 2.1 million residents.

**BUILT TO SUIT CONSTRUCTION FOR WALGREENS**
In 2004 the subject building of ±15,035 square feet was built to Walgreens specifications. There is a drive through and ±63 parking spaces on ±61,855 square feet of land. There is access points to the property from both the west along Highway 18 (Happy Trails Highway) and the south along Bass Hill Road.

**8 YEARS REMAINING ON AN ABSOLUTE NET LEASE**
Walgreens is subject to an absolute net lease that has approximately 8 years and 10 (5-year) options remaining with no landlord responsibilities.

**HIGHLY VISIBLE CORNER WITH TRAFFIC COUNTS OF OVER 31,000 VEHICLES PER DAY**
The Walgreens is a freestanding building highly visible along State Highway 18 (31,672 vehicles per day) and just 5 miles east of Interstate 15 (69,000 vehicles per day).

**MAIN HIGHWAY 18 RETAIL CORRIDOR LOCATION**
Highway 18 is the main thoroughfare through Apple Valley. National retail tenants in the adjacent and across the street from this store include Target, Walmart, Albertsons, Starbucks, Chase Bank, Ross Dress for Less, and more.

**NEAR PROVIDENCE ST. MARY MEDICAL CENTER**
Subject property is located approximately 3 miles southeast of Providence St. Mary Medical Center, a 213-bed full service hospital served by 300 physicians.

**ONE BLOCK FROM APPLE VALLEY TOWN HALL**
Just one block from the subject property is located Apple Valley Town Hall which includes the Civic Center Park, Apple Valley Police Department, the Apple Valley Conference Center and the San Bernardino County Library.

---

### Offering Summary

<table>
<thead>
<tr>
<th><strong>ASKING PRICE</strong></th>
<th>$4,500,000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CAP RATE</strong></td>
<td>7.20%</td>
</tr>
<tr>
<td><strong>PRICE PER SF</strong></td>
<td>$299.30</td>
</tr>
<tr>
<td><strong>LEASE TERM REMAINING</strong></td>
<td>8 Years</td>
</tr>
<tr>
<td><strong>OPTIONS</strong></td>
<td>10 (5-Year)</td>
</tr>
<tr>
<td><strong>LEASE TYPE</strong></td>
<td>Absolute Net Lease</td>
</tr>
<tr>
<td><strong>ANNUAL RENT (NOI)</strong></td>
<td>$324,000</td>
</tr>
<tr>
<td><strong>MONTHLY RENT</strong></td>
<td>$27,000</td>
</tr>
<tr>
<td><strong>BUILDING SIZE (SQUARE FEET)</strong></td>
<td>15,035</td>
</tr>
<tr>
<td><strong>LOT SIZE (SQUARE FEET)</strong></td>
<td>61,855</td>
</tr>
<tr>
<td><strong>YEAR BUILT</strong></td>
<td>2004</td>
</tr>
</tbody>
</table>
# Lease Summary

| **ADDRESS** | 20250 State Highway 18  
|             | Apple Valley, CA 92037 |
| **TENANT**  | Walgreens (NYSE: WBA) |
| **LANDLORD INCOME** | Corporate Guarantee |
| **CREDIT RATING** | Investment Grade, BBB- (S&P) |
| **LEASE COMMENCEMENT** | September 1, 2004 |
| **INITIAL TERM EXPIRATION** | August 31, 2029 |
| **TERM REMAINING** | 8 Years |
| **OPTIONS** | 10 (5-Year) |
| **LEASE TYPE** | Absolute Net |
| **ANNUAL RENT (NOI)** | $324,000 |
| **MONTHLY RENT** | $27,000 |
| **RENT PER SQUARE FOOT** | $21.54 |
| **RENT INCREASES** | None |
| **LANDLORD RESPONSIBILITIES** | None |
Building Photos
Building Photos

PROVIDENCE ST. MARY MEDICAL CENTER
APPLE VALLEY GOLF COURSE
HAPPY TRAILS WHY (18) - ±31,672 VPD
FIESTA AUTO INSURANCE
CHASE
ARCO
CVS pharmacy
DOMINO'S
99 Cents Only
McDonald's
O'Reilly
TACO BELL
Walgreens

SUBJECT PROPERTY

PROVIDENCE ST. MARY
MEDICAL CENTER
APPLE VALLEY GOLF COURSE
HAPPY TRAILS WHY (18) - ±31,672 VPD
FIESTA AUTO INSURANCE
CHASE
ARCO
CVS pharmacy
DOMINO'S
99 Cents Only
McDonald's
O'Reilly
TACO BELL
Walgreens
Location Overview and Demographics

Apple Valley is located just north of the San Bernardino Mountains in San Bernardino County within the Inland Empire of Southern California.

San Bernardino is the largest county in the contiguous United States by area and its population numbers over 2.1 million residents. It is part of the Riverside-San Bernardino-Ontario Metropolitan Statistical Area which has almost 4.7 residents.

Some of the largest employers in San Bernardino include Amazon (±1,900 employees), St. Mary Medical Center (±1,630 employees), Apple Valley Unified School District (±1,420 employees), and California State University San Bernardino (±950 faculty/staff and ±20,000 students).
Company Summary

Tenant History
Walgreens Boots Alliance, Inc. operates as a pharmacy-led health and wellbeing company. It operates through three segments: Retail Pharmacy USA, Retail Pharmacy International, and Pharmaceutical Wholesale.

The Retail Pharmacy USA segment sells prescription drugs and an assortment of retail products, including health, wellness, beauty, personal care, consumable, and general merchandise products through its retail drugstores and convenient care clinics. It also provides specialty pharmacy services and mail services; and manages in-store clinics.

The Retail Pharmacy International segment sells prescription drugs; and health and wellness, beauty, personal care, and other consumer products through its pharmacy-led health and beauty stores and optical practices, as well as through boots.com and an integrated mobile application. This segment operated 4,605 retail stores under the Boots, Benavides, and Ahumada in the United Kingdom, Thailand, Norway, the Republic of Ireland, the Netherlands, Mexico, and Chile; and 606 optical practices, including 165 on a franchise basis.

The Pharmaceutical Wholesale segment engages in the wholesale and distribution of specialty and generic pharmaceuticals, health and beauty products, and home healthcare supplies and equipment, as well as provides related services to pharmacies and other healthcare providers. This segment operates in the United Kingdom, Germany, France, Turkey, Spain, the Netherlands, Egypt, Norway, Romania, the Czech Republic, and Lithuania.

Walgreens Boots Alliance, Inc. was founded in 1901 and is based in Deerfield, Illinois.

*Source: Yahoo Finance

Tenant Profile (As of May 2020)

WEBSITE: https://www.walgreensbootsalliance.com/
LOCATIONS: 9,277
STOCK SYMBOL (NASDAQ): WBA
CREDIT RATING (S&P): BBB-
MARKET CAPITALIZATION: $36.55 Billion
REVENUE (2019): $131.5 Billion
ASSETS: $68.1 Billion
EMPLOYEES: 299,000
SAN BERNARDINO COUNTY INVESTMENT OFFERING

Walgreens

20250 STATE HIGHWAY 18 | APPLE VALLEY, CA 92307 (DARK)

PRESENTED BY:

JASON STUART PONGSRIKUL
Managing Principal
Direct: 619.297.0055 x302
jp@pharmapropertygroup.com
CA DRE Lic. 01918332