

CVS GROUND LEASE

INTERSECTION OF STATE ROAD 92 AND STATE ROAD 74
HIGHLAND, UTAH



Exclusively listed by

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CVS GROUND LEASE

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summary

Executive Summary

CVS Land Lease Highland, Utah

Intersection of State Road 92 and State Road 74
Highland, UT 84003

Offering Summary

Offering Price	\$4,400,000
Down Payment	100 % \$4,400,000
Lot Size SF	75,388 SF
Building SF	13,013 SF
Price Per SF	\$338 PSF
Cap Rate	5.00%

Lease Summary

Lease Type	Absolute NNN Ground Lease
Tenant	CVS Pharmacy
Lease Guarantor	Corporate
Rent Commencement Date	9/19/2014
Lease Expiration Date	9/18/2039
Effective Lease Term Remaining	25 Years
Options	Eight, 5-Year Options



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property

Property Description

Investment Highlights

- Eight, 5-Year Renewal Options
- Approximately 17,820 Vehicles Pass by Per Day
- Average Household Income of \$93,344 Within a Five-Mile Radius
- Nearby Tenants include Wal-mart, Jiffy Lube, Subway, Wendy's, and Wells Fargo



Investment Overview

This property is a 1.73-acre lot. A CVS Pharmacy will be constructed on the lot. It will have a 25-year lease with eight, 5-year renewal options. Average household income within a five-mile radius is \$93,344. Approximately 17,820 vehicles pass the property each day.

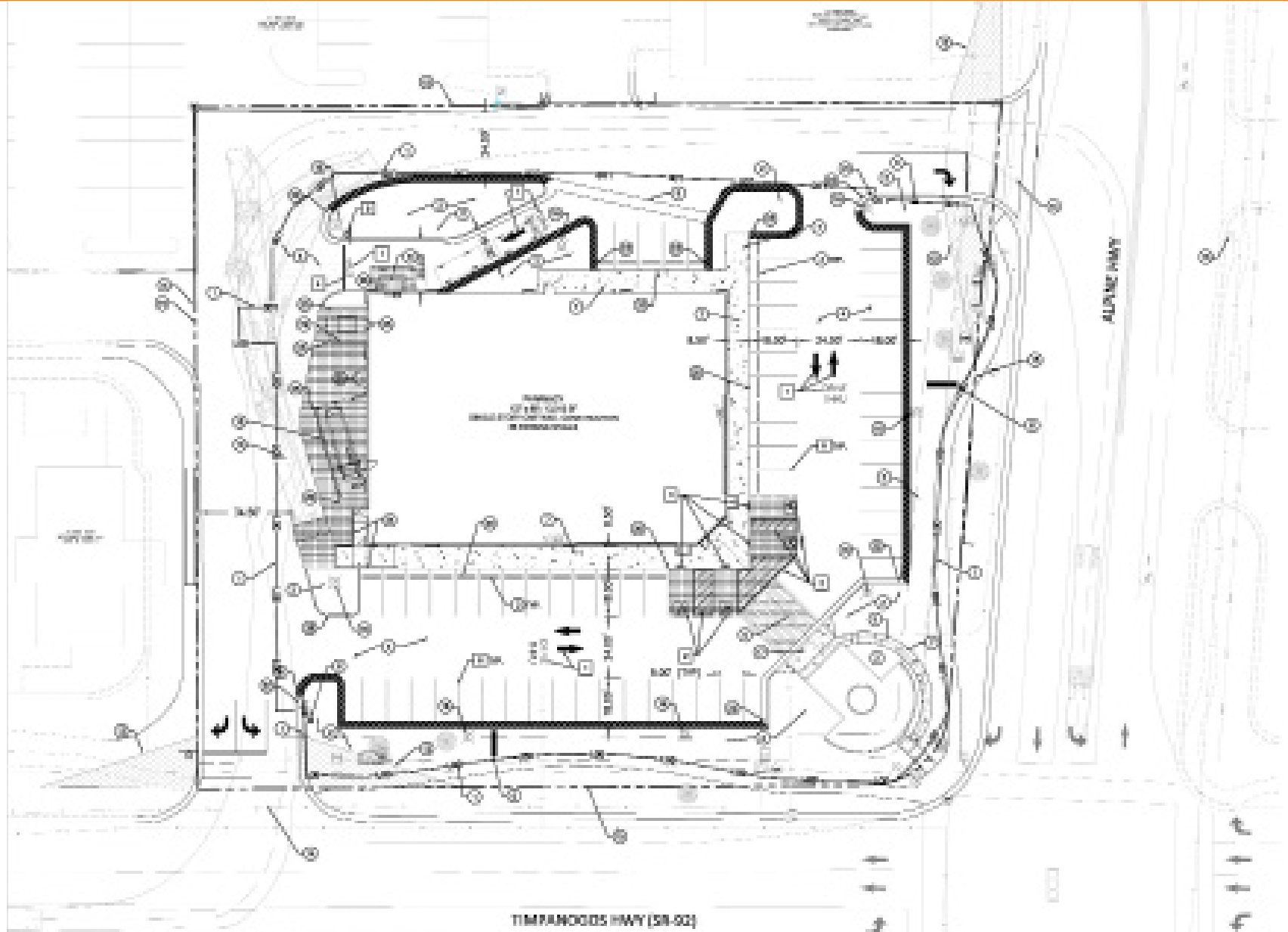
Nearby businesses include Taco Time, Subway, Wells Fargo, Domino's Pizza, Little Ceasars, Jiffy Lube, Blue Lemon, Wendy's, Wal-mart, and more. Lone Peak High School, with approximately 2,300 students and 108 teachers, and Mountain Ridge Junior High School, with approximately 1,400 students and 53 teachers, are both within a five-mile radius of the subject property.

CVS Pharmacy is the second largest pharmacy chain in the United States, with more than 7,600 stores, and is the second largest US pharmacy based on total prescription revenue. As the retail pharmacy division of CVS Health, it ranks as the 12th largest company in the world according to Fortune 500 in 2014.

CVS sells prescription drugs and a wide assortment of general merchandise, including over-the-counter drugs, beauty products and cosmetics, film and photo finishing services, seasonal merchandise, greeting cards, and convenience foods through their CVS Pharmacy and Longs Drugs retail stores and online through CVS.com. It also provides healthcare services through its more than 600 MinuteClinic medical clinics as well as their Diabetes Care Centers. Most of these clinics are located within CVS stores.

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Plat Map



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financial

Financial Analysis

Marcus & Millichap

Financial Summary

Price	\$4,400,000
Down Payment	100 % \$4,400,000
Cap Rate	5.00%
Lot Size	1.69 Acres
Building SF	13,013 SF
Price per SF	\$338 PSF
Net Cash Flow	5.00% \$220,000

Lease Summary

Lease Type	Absolute Triple Net (NNN) Ground Lease
Tenant	CVS Pharmacy
Lease Guarantor	Corporate
Lease Commencement Date	9/19/2014
Lease Expiration Date	9/18/2039
Options	Eight, 5-Year Options

Annualized Operating Data

LEASE YEARS	ANNUAL RENT	CAP RATE
Interim Rent Period - 3/18/2015	Seller Ensured Capitol Rate	5.00%
Intial Term 9/19/14 - 9/18/2039	\$220,000	5.00%

OPTION YEARS	ANNUAL RENT	CAP RATE
1st Option (9/19/44)	\$238,700	5.42%
2nd Option (9/19/49)	\$258,990	5.89%
3rd Option (9/19/54)	\$281,004	6.38%
4th Option (9/19/59)	\$304,889	6.93%
5th Option (9/19/64)	\$330,804	7.52%
6th Option (9/19/69)	\$358,923	8.16%
7th Option (9/19/74)	\$389,431	8.85%
8th Option (9/19/79)	\$422,533	9.60%

Base Rent (\$ per SF)	\$220,000
Net Operating Income	\$220,000
Total Return	4.50% \$220,000



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Tenant Overview

CVS/pharmacy, the retail division of CVS Health, is America's leading retail pharmacy with more than 7,700 CVS/pharmacy and Longs Drug stores. CVS/pharmacy is reinventing pharmacy to help people on their path to better health by providing the most accessible and personalized expertise, both in its stores and online at CVS.com.

Our more than 26,000 CVS pharmacists dispense prescriptions and provide services such as flu vaccinations as well as face-to-face patient counseling with respect to adherence to drug therapies, closing gaps in care, and more cost effective therapies. Our integrated pharmacy services model enables us to enhance access to care while helping to lower overall health care costs and improve health outcomes.

CVS/pharmacy sells a wide assortment of general merchandise, including over-the-counter drugs, beauty products and cosmetics, photo finishing, seasonal merchandise, greeting cards and convenience items.

CVS/pharmacy store brands offer customers trusted and high-quality alternatives to national brands. Many are innovative first-to-market products that fill a gap in the national brands' offerings and meet customers' specific needs and wants, whether in the form of inexpensive but comparable product options, or items with innovative ingredients or packaging that provide specific consumer benefits.



Headquarters	Woonsocket, RI
Founded	1963
Locations	7,700+
Employees	200,000+
Website	www.CVS.com

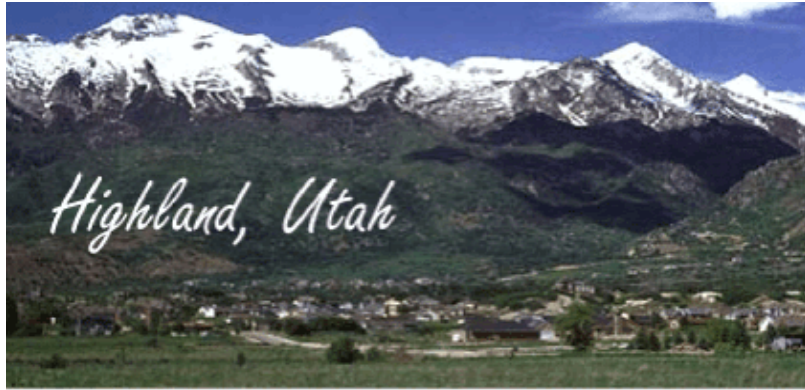
The Facts

- Headquartered in Woonsocket, RI
- Largest pharmacy health care provider in the U.S.
- Integrated offerings across the spectrum of pharmacy care
- Approximately 200,000 employees in 46 states, the District of Columbia and Puerto Rico
- Information systems development office in Northern Ireland and a retail drugstore chain in Brazil

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market

Demographic Analysis



Location Overview

Highland is a city in Utah County, Utah, United States. It is approximately 30 miles (48 km) south of Salt Lake City. As of the 2010 census, Highland had a population of 15,523. The median income for a household in the city was \$80,053.

Highland was settled by homesteaders in the 1870s. It was named by Scottish Mormon immigrants who felt the area resembled the highlands of Scotland.

Alpine has been one of the many quickly-growing cities of Utah since the 1970s, and especially the 1990s. It is located on the slopes of the Wasatch Range north of Pleasant Grove and American Fork. The west side of the city runs above the Wasatch Fault.

Location Highlights

- 30 Miles From Salt Lake City
- 31 Miles From Salt Lake International Airport
- 5.8 Miles From Lehi's Major Retail and Business Development
- Gateway to Timpanogos Cave National Monument and Utah's Alpine Scenic Loop Byway

Natural Attractions:

The gateway to the Timpanogos Cave National Monument is located in Highland with the Visitors Center just a few miles up American Fork Canyon. The monument is made up of three caverns reached via a 1.5-mile hike from the parking lot in the canyon.

Access the Alpine Scenic Loop Byway beginning at the base of American Fork Canyon and passing by Sundance ski resort it exits through Provo Canyon.



The new 280,000-square-foot Adobe complex in Lehi, Utah, located just off I-15 about 30 miles south of downtown Salt Lake City. Lehi had a population of 47,000 in the 2010 census, more than double the 19,000 counted in the year 2000. Nearby by is a 150,000-square-foot Cabela's store as well as The Outlets at Traverse Mountain and Thanksgiving Point, featuring 15 different themed gardens, a six-story-high IMAX theatre and the Museum of Ancient Life where you can learn about dinosaurs and fossils.



The Outlets at Traverse Mountain is located in Lehi Utah just off of I-15, exit 284. It is the first and only Outlet in Utah County and brings with it several unique to Utah stores including, Under Armour, Le Creuset, and Bona Vita Italian Bistro. The Center hosts outlet favorites like Banana Republic, Coach, J Crew, Tommy Hilfiger and many more. Dining includes at Johnny Rockets or Bona Vita Italian Bistro, or for a lighter taste try Rocky Mountain Chocolate Factory or Zogo Natural Yogurt.

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Demographic Summary

POPULATION	1-MILE	3-MILES	5-MILES
2000 Population	4,231	26,971	66,571
2010 Population	5,870	47,976	108,114
2013 Population	6,408	51,312	114,860
2018 Population	7,164	60,679	132,344

HOUSEHOLDS	1-MILE	3-MILES	5-MILES
2000 Households	959	6,119	16,877
2010 Households	1,414	11,356	28,203
2013 Households	1,540	12,135	29,953
2018 Households	1,731	14,461	34,828
2013 Average HH Size	4.21	4.23	3.86
2013 Daytime Population	1,329	7,667	26,254
2000 Median Housing Value	\$0	\$224,022	\$165,451
2000 Owner Occupied Housing Units	89.35%	90.16%	80.32%
2000 Renter Occupied Housing Units	5.93%	7.59%	16.87%
2000 Vacant	3.79%	3.34%	3.35%
2013 Owner Occupied Housing Units	87.12%	86.54%	78.43%
2013 Renter Occupied Housing Units	12.88%	13.46%	21.57%
2013 Vacant	2.41%	2.07%	2.77%
2018 Owner Occupied Housing Units	86.64%	86.03%	78.28%
2018 Renter Occupied Housing Units	13.36%	13.97%	21.72%
2018 Vacant	2.25%	1.99%	2.80%

INCOME	1-MILE	3-MILES	5-MILES
\$0 - \$ 14,999	4.7%	3.1%	4.5%
\$15,000 - \$24,999	4.6%	3.2%	5.7%
\$25,000 - \$34,999	3.8%	4.4%	6.2%
\$35,000 - \$49,999	10.1%	9.0%	12.7%
\$50,000 - \$74,999	17.2%	19.3%	21.5%
\$75,000 - \$99,999	15.4%	19.6%	18.9%
\$100,000 - \$124,999	14.3%	15.4%	12.7%
\$125,000 - \$149,999	10.2%	9.8%	6.8%
\$150,000 - \$200,000	9.7%	7.8%	5.5%
\$200,000 to \$249,999	3.9%	3.5%	2.4%
\$250,000 +	6.2%	5.0%	3.2%
2013 Median HH Income	\$90,499	\$88,679	\$74,312
2013 Per Capita Income	\$28,671	\$27,012	\$24,408
2013 Average HH Income	\$119,305	\$113,989	\$93,433

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