



Representative Photo

Offering Memorandum

Walgreens

1911 North Broadway Street | Pittsburg, Kansas 66762

Absolute NNN Lease | 14+ Years Base Lease Term Remaining
Walgreen Co. (S&P: BBB/Stable)

- Atlanta
- Chicago
- New York
- Houston
- Los Angeles
- Phoenix
- San Francisco
- Tulsa

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Stan Johnson Company

THE NET LEASE AUTHORITY®

Purchase Price: \$5,031,500

Cap Rate: 5.85%

Investment Summary

Stan Johnson Company is pleased to exclusively offer for sale to qualified investors, the opportunity to purchase a 100% fee-simple interest in the Walgreens property located at 1911 North Broadway Street in Pittsburg, Kansas (the "Property"). The Property was constructed in 2004 as a built-to-suit Walgreens.

The Property is fully leased by Walgreen Co., operating under a seventy-five (75) year base lease term with the option to terminate with 12 months' notice after the 25th year and every five years thereafter. Current annual rent is \$294,348 or \$19.86 PSF. Walgreens' lease is absolute NNN with no landlord responsibilities for maintenance, repair or replacement throughout the term. Following the initial 25 year base term, Walgreens has ten Effective Option Periods of five years each.

The subject property is located at the corner of North Broadway Street and East 20th Street. North Broadway Street is Pittsburg's main thoroughfare and surrounding retail tenants include: Sonic, Ace Hardware, Walmart, Wendy's, Big Lots, Starbucks, Dollar General, The Home Depot, McDonald's, Aldi, and more. The property is located approximately 0.6 miles north of the Community Health Center - Southeast and 1.4 miles southwest of the Community Health Center - Main Campus.

Walgreen Co. is a Fortune 500 Company, and had FY2014 (ended August 31, 2014) revenue of \$76.39 billion and net income of \$1.93 billion. As of August 31, 2014, the company had a net worth of \$20.45 billion. Currently, Walgreen Co. holds an BBB/Stable rating by Standard and Poor's.

Investment Highlights

14 Years Remaining of Base Lease Term – The Property features a 25 year base lease with more than 14 years of secured term remaining, which is accompanied by ten, five year renewal options

Absolute NNN Lease with No Landlord Responsibility – The Subject Property includes a strong marketable lease, which features no Landlord responsibilities for maintenance or repair of the Property throughout the term and/or option periods

Best-in-Class Pharmaceutical Operator – Walgreen Co. holds a BBB/Stable rating by Standard and Poor's, and had FY2014 (ended August 31, 2014) revenue of \$76.39 billion and net income of \$1.93 billion

Hard Corner Location – The Property is located in Pittsburg, KS at the intersection of North Broadway Street and East 20th Street, which drive high traffic counts and strong exposure for the property

Proven Location – Strong performing location for tenant within the Pittsburg, KS market

Strong Retail Location – The Subject Property is well located on North Broadway Street in the heart of the primary retail corridor in Pittsburg. Surrounding national retailers include McDonald's, Subway, Walmart, Target, Kohl's Chick-fil-A, QuikTrip, and Hobby Lobby, amongst others





Lease Abstract

Address:	1911 North Broadway Street Pittsburg, KS
Tenant:	Walgreen Co. (S&P: BBB/Stable)
Ownership Interest:	Fee Simple
Building Size:	± 14,726 SF
Land Area:	± 2.50 acres
Year Built:	2004
Use:	Retail Drug Store Facility with a Drive-Through Pharmacy
Expense Structure:	Absolute NNN
Base Lease Term:	Twenty-Five (25) Years
Lease/Rent Expiration:	December 31, 2029
Annual Rent:	\$294,348
Annual Rent PSF:	\$19.86
Term Remaining:	14 years
Renewal Options:	Ten (10), Five (5) Year Options
ROFR:	Tenant has the option to purchase the Premises on the same terms within fifteen days after receipt of Bona Fide Offer.

Location Overview

Pittsburg is a city in Crawford County, in southeastern Kansas. It is the most populous city in Crawford County and in southeastern Kansas. As of the 2010 census, the city population was 20,233.

The city has a rich cultural heritage from many Southern and Eastern European mine workers who settled in and around Pittsburg and Southeastern Kansas. It is situated in a once productive coal field. It now relies heavily on education and government-related employment. Companies that call Pittsburg home include: Watco Companies Inc., Names and Numbers, Miller's Professional Imaging, Eagle Picher, Pitsco, Able Body Manufacturing, Unique Metal, VanBecelaere Machine Shop and the NPC International.

Top Employers

Employer	# Employees
Pittsburg State University	1,035
Via Christi (Hospital/Healthcare)	794
Pittsburg Unified School District	538
Walmart	380
Pitt Plastics	330

Walgreens




Tenant Overview

Walgreen Co., a subsidiary of Walgreens Boots Alliance, Inc., (NASDAQ: WBA), operates the largest drugstore chain in the United States. Founded in 1901 and incorporated in 1909, Walgreens has provided the most convenient access to pharmacy, health and wellness services, as well as consumer goods and services for over 100 years. For fiscal year ended August 31, 2014, the company reported net sales of \$76.4 billion, the 36th consecutive year of record sales.

Walgreens pharmacy, along with health and wellness services, sells prescription and non-prescription drugs, and on-site pharmacists provide drug consultations and administer flu vaccines and other immunizations. Stores also offer general merchandise including convenience and fresh foods, household items, personal care, photofinishing and beauty care.

As of August 2014, approximately 76% of the United States population lived within five miles of a Walgreens and an average of 6.2 million shoppers visited stores daily. In addition to store traffic, Walgreens websites, including walgreens.com and drugstore.com, received an average of approximately 59.7 million visits per month.

Beyond the traditional retail consumer model, Walgreens also markets products and services to employers, governments, managed

 TENANT PROFILE	
Company:	Walgreens
No. of Locations:	8,206 (as of 01/31/14)
Credit Rating:	S&P: BBB/Stable
Stock Symbol:	WBA (NASDAQ)
Total Revenue (as of 08/31/14):	\$76.39 billion*
Net Income (as of 08/31/14):	\$1.93 billion*
Net Worth (as of 08/31/14):	\$20.45 billion*
Tenant Business:	Retail/Pharmacy
Founded:	1901
Headquarters:	Deerfield, IL
Website:	www.walgreens.com

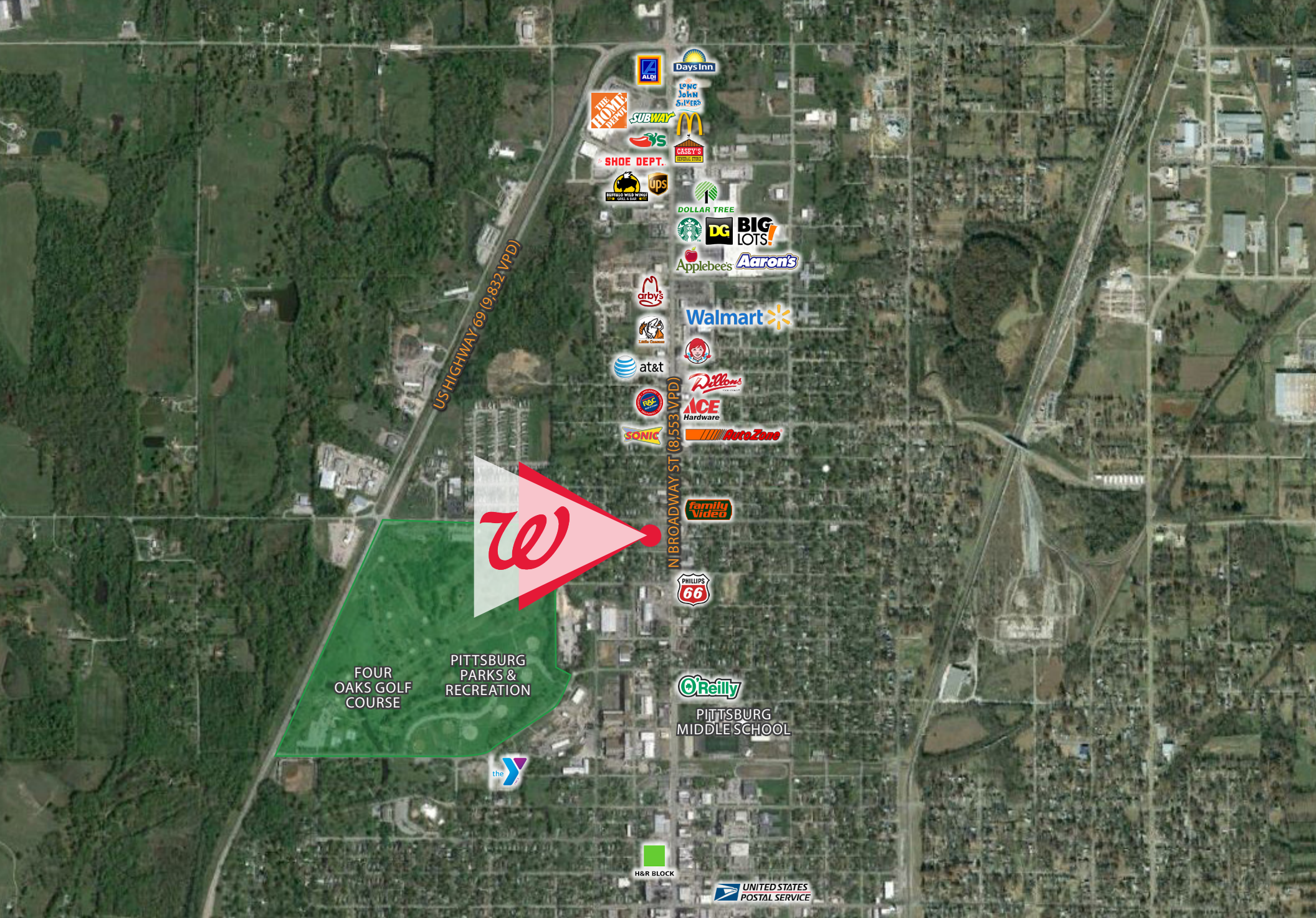
*Financial numbers from latest Walgreens filing (08/31/14) which was prior to Alliance Boots merger.

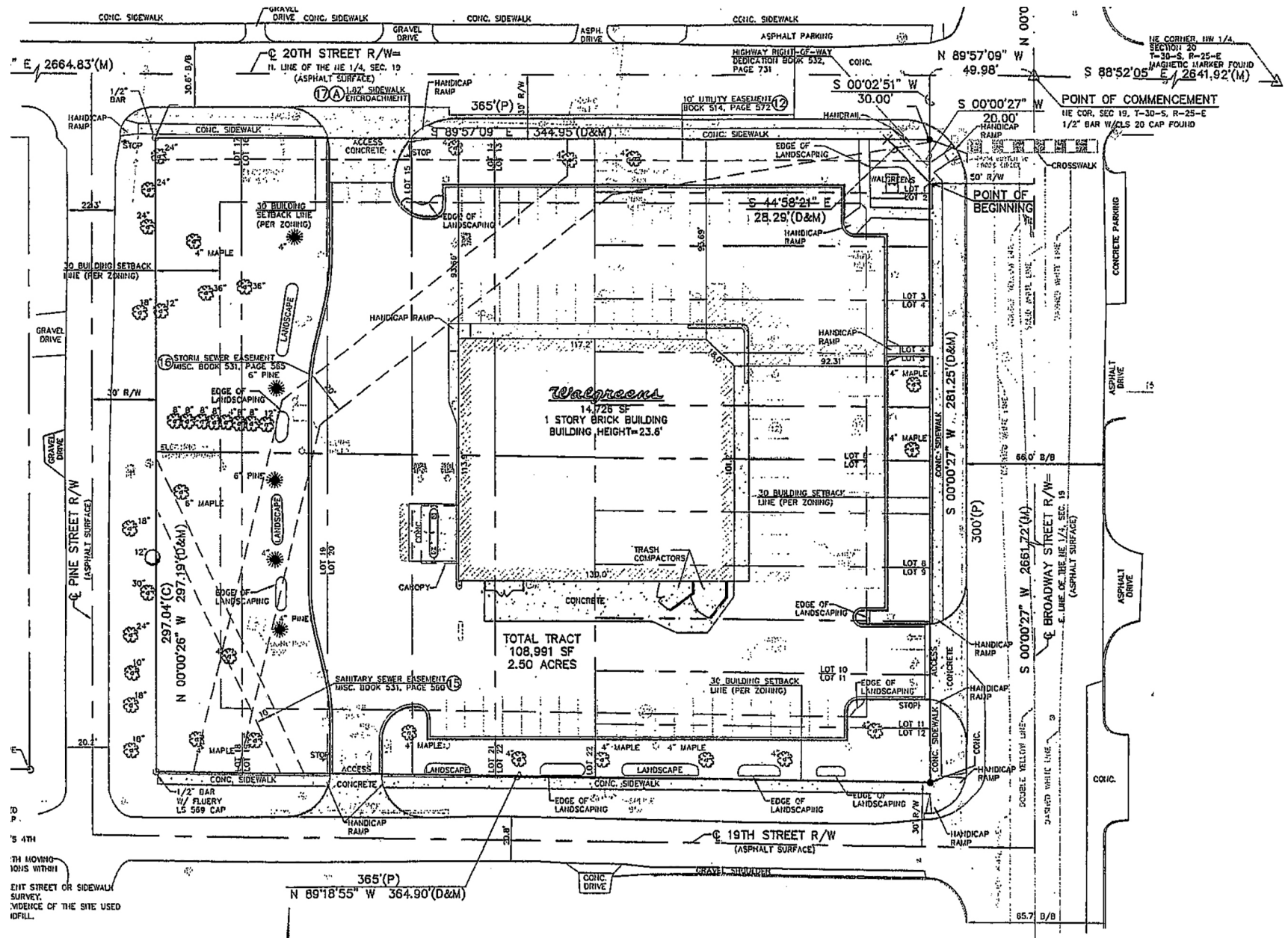


care organizations and pharmacy benefit managers. Through the more than 70,000 health care providers including pharmacists, pharmacy technicians, nurse practitioners and other health related professionals.

Walgreens also offers convenient access to medical services through its Healthcare Clinic located in more than 400 select Walgreens throughout the country. Healthcare Clinics are staffed by board-certified family nurse practitioners who are specially trained to diagnose and treat a wide variety of illnesses and chronic conditions, order diagnostic tests and provide preventive care.

On the last day of 2014, Walgreen Co. took full ownership of European drugstore chain Alliance Boots for more than \$15 billion in cash and stock. The deal created a network of nearly 13,000 stores across two dozen countries, with Walgreen Co. becoming a subsidiary of newly formed Walgreens Boots Alliance. **Walgreens Boots Alliance** is the first global pharmacy-led, health and wellbeing enterprise in the world. This transaction brought together two leading companies with iconic brands, complementary geographic footprints, shared values and a heritage of trusted health care services through pharmaceutical wholesaling and community pharmacy care, dating back more than 100 years each.







Subject Property



Subject Property

Demographics

1911 North Broadway Street, Pittsburg, KS 66762	0 - 1 mi.	0 - 3 mi.	0 - 5 mi.
Population			
2000 Population	5,344	22,347	25,831
2010 Population	5,355	23,092	26,981
2014 Population	5,423	23,365	27,240
2019 Population	5,476	23,617	27,497
2010-2014 Annual Rate	0.30%	0.28%	0.23%
Households			
2000 Households	2,360	9,216	10,570
2010 Households	2,249	9,315	10,830
2014 Total Households	2,269	9,395	10,899
2019 Total Households	2,292	9,488	10,991
2010-2014 Annual Rate	0.21%	0.20%	0.15%
Race and Ethnicity			
2014 White Alone	83.1%	86.8%	87.8%
2014 Black Alone	3.4%	2.9%	2.7%
2014 American Indian/Alaska Native Alone	1.0%	1.1%	1.0%
2014 Asian Alone	0.7%	2.1%	2.0%
2014 Pacific Islander Alone	1.0%	0.3%	0.3%
2014 Other Race	6.8%	3.4%	3.0%
2014 Two or More Races	4.1%	3.4%	3.2%
2014 Hispanic Origin (Any Race)	12.1%	7.4%	6.8%
2014 Median Household Income	\$27,582	\$33,902	\$35,317
2014 Average Household Income	\$34,859	\$43,942	\$46,190



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