

THOMASCOMPANY

NET LEASE CAPITAL MARKETS



 **CVS** Health[®]

SINGLE TENANT BONDABLE TRIPLE-NET LEASE PORTFOLIO

BRAND NEW 25-YEAR LEASES | ZERO CASH FLOW

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PLEASE CONTACT

JEFFREY S. THOMAS

WA License # 24992
ID License # CO46578
PA License # RM424260

THOMAS COMPANY

210 Third Avenue South
Suite 5C
Seattle, WA 98104
800.775.3350
jeffrey@thomascompany.com

THOMASCOMPANY.COM

OFFERED IN CONJUNCTION AND COORDINATION WITH:

DAVID BOERNER
PBA Realty (AR)
Lic # SA00027403

WILLIAM LAMMERSON
Lammersen & Associates (AZ)
Lic # BR508160000

STUART SCHEINHOLTZ
Tiburon Realty Advisors (CA)
Lic # 00999171

KEN D'AGOSTINO
D'Agostino Realty Group, Inc. (FL)
Lic # BK3283082

TIM FLANAGAN
KC Realty, Inc. (IL)
Lic # 471009518

STEPHEN PHILLIPS
Shore Properties (SC)
Lic # 22917

CJ BLANKENBECKLER
Blankenbecker Real Estate (VA)
Lic # 0226005230

RAY YUNG
Ray Yung Real Estate (MN)
Lic # 40344281

JIM JOHNSON
Jim Johnson and Associates Real Estate (NC)
Lic # C11615

TONY PUGLIESE
TAP Capital, LLC (NY)
Lic # 49PU0984578

LEN MURRAY
Murray Realty Associates (OH)
Lic # 0000307136

SCOTT HAIRE
(TX)
Lic # 396627

RICHARD KIRSCHMAN
Kirschman Realty, LLC (LA)
Lic # 396627

PATRICK COATES
Coates Commercial Properties LLC (OK)
Lic # 109902

WILLIAM GANC
Ganc Commercial Realty, LLC (DE)
Lic # RB-0020282

THOMAS MORGAN
Andrus & Morgan Co. (CO)
Lic # ER40032085

TREVER MCNIVEN
(ME)
Lic # DB917887

Thomas Company is pleased to offer for sale a portfolio of 44 well-located CVS stores in 20 states totaling +/- 531,065 square feet of retail space. The properties are offered as highly leveraged zero-cash-flow investments, with attractively priced loans on each property that fully-amortize prior to the expiration of each lease. The properties provide an investor with significant passive losses to help offset unsheltered cash flow from other real estate investments. Each property is leased on a bondable triple-net basis, with CVS responsible for all repair and maintenance. These assets may be sold individually, in pools, or as a portfolio.

INVESTMENT HIGHLIGHTS

Strong Corporate Credit

CVS Health Corporation (S&P: BBB, NYSE: CVS), together with its subsidiaries, is one of the largest pharmacy health providers in the United States, operating more than 9,900 retail drugstores in the United States, Puerto Rico, and Brazil.

Favorable Debt Structure

The current debt structure requires limited equity investment and generates annual passive losses that work to offset taxable income from other investments.

Low Equity Investment

The credit of CVS and the fully amortizing nature of the loans allow lenders to underwrite the assets with much higher leverage ratios than typical real estate investments. The high amount of leverage requires far less equity to be invested.

Passive Ownership

The Tenant has executed a bondable triple-net (NNN) lease with no Landlord responsibilities. The Tenant is responsible for all maintenance and repair, including roof and structure.

Ideal for Tax Deferred Exchange

The loan on each asset contains the pay-down/re-advance feature, allowing an investor to meet a larger exchange requirement and purchase the asset for limited equity.



STORE #	ADDRESS	CITY	STATE	INTEREST	NEW/ RELOCATION	TERM REMAINING	SIZE (SF)	DEBT BALANCE (OCT. 2019)	NOI	% OVER DEBT BALANCE	EQUITY REQUIRED	PURCHASE PRICE
11093	101 Main Street East	Russellville	AR	Fee	New Store	25 Years	11,945	\$4,092,178	\$276,315	22.00%	\$900,279	\$4,992,457
10975	2501 McCain Blvd	North Little Rock	AR	Fee	New Store	25 Years	9,656	\$4,320,879	\$291,757	22.00%	\$950,593	\$5,271,472
10615	5450 W Happy Valley Rd	Phoenix	AZ	Fee	New Store	25 Years	14,600	\$4,542,977	\$306,754	22.00%	\$999,455	\$5,542,432
9322	2085 Fair Oaks Blvd.	Sacramento	CA	Fee	Relocation	25 Years	16,500	\$6,765,129	\$456,800	22.00%	\$1,488,328	\$8,253,457
11024	7353 Rangewood Dr	Colorado Springs	CO	Fee	New Store	25 Years	12,900	\$5,930,073	\$400,415	22.00%	\$1,304,616	\$7,234,689
10376	604 Corner Ketch Rd	Newark	DE	Fee	New Store	25 Years	13,225	\$7,253,208	\$489,756	22.00%	\$1,595,706	\$8,848,914
10644	9701 SW 72nd Street	Miami	FL	Fee	New Store	25 Years	12,900	\$10,863,270	\$733,517	22.00%	\$2,389,919	\$13,253,189
4738	13400 Immokalee Road	Naples	FL	Fee	New Store	25 Years	12,900	\$6,185,772	\$417,680	22.00%	\$1,360,870	\$7,546,642
11169	7402 West Fairview Avenue	Boise	ID	Fee	New Store	25 Years	12,900	\$5,538,695	\$373,988	22.00%	\$1,218,513	\$6,757,208
10628	177 West Virginia Street	Crystal Lake	IL	Fee	New Store	25 Years	13,225	\$5,116,121	\$345,454	22.00%	\$1,125,547	\$6,241,668
10951	3319 Nameoki Road	Granite City	IL	Fee	New Store	25 Years	13,225	\$3,522,896	\$237,876	22.00%	\$775,037	\$4,297,933
8654	327 E. Jackson Street	Macomb	IL	Fee	Relocation	25 Years	11,945	\$4,442,420	\$299,964	22.00%	\$977,332	\$5,419,753
5383	4950 West Esplanade	Metairie	LA	Fee	Relocation	25 Years	13,600	\$6,704,672	\$452,718	22.00%	\$1,475,028	\$8,179,700
801	131 Court St	Bath	ME	Fee	Relocation	25 Years	11,945	\$6,295,969	\$425,121	22.00%	\$1,385,113	\$7,681,082
11070	4400 Oak Grove Parkway	Brooklyn Park	MN	Fee	New Store	25 Years	9,516	\$3,372,864	\$227,745	22.00%	\$742,030	\$4,114,894
5577	218 East Main Street	Wallace	NC	Fee	Relocation	25 Years	6,026	\$2,734,028	\$184,609	22.00%	\$601,486	\$3,335,514
4610	2801 Guilderland Ave	Rotterdam	NY	Fee	Relocation	25 Years	13,225	\$5,601,182	\$378,207	22.00%	\$1,232,260	\$6,833,441
5034	95 Beaver St	Cooperstown	NY	Fee	Relocation	25 Years	9,516	\$4,680,307	\$316,027	22.00%	\$1,029,667	\$5,709,974
11086	210 E Emmitt Avenue	Waverly	OH	Fee	Relocation	25 Years	9,516	\$2,962,938	\$200,066	22.00%	\$651,846	\$3,614,785
10893	5812 Ridge Rd	Parma	OH	Fee	New Store	25 Years	13,225	\$4,651,635	\$314,091	22.00%	\$1,023,360	\$5,674,994
11155	2104 S. Byrne Road	Toledo	OH	Fee	New Store	25 Years	7,979	\$3,139,131	\$211,963	22.00%	\$690,609	\$3,829,740
3468	1493 Upper Valley Pike	Springfield	OH	Fee	Relocation	25 Years	9,663	\$2,297,551	\$155,137	22.00%	\$505,461	\$2,803,012
11092	15103 N Macarthur Blvd	Oklahoma City	OK	Fee	New Store	25 Years	12,900	\$4,673,013	\$315,534	22.00%	\$1,028,063	\$5,701,076
1582	1101 Mill St.	Danville	PA	Fee	Relocation	25 Years	13,225	\$4,733,175	\$319,597	22.00%	\$1,041,299	\$5,774,474
1677	33 E. Market Street	Lewistown	PA	Fee	Relocation	25 Years	11,945	\$4,027,158	\$271,925	22.00%	\$885,975	\$4,913,132
2296	3295 PA Route 100	Macungie	PA	Fee	Relocation	25 Years	11,945	\$6,389,153	\$431,413	22.00%	\$1,405,614	\$7,794,767
175	578 International Drive	Myrtle Beach	SC	Fee	New Store	25 Years	13,111	\$4,597,998	\$310,469	22.00%	\$1,011,559	\$5,609,557
10910	3030 Sylvan Ave	Dallas	TX	Fee	New Store	25 Years	12,900	\$7,165,408	\$483,828	22.00%	\$1,576,390	\$8,741,798
11044	1780 Lee Trevino	El Paso	TX	Fee	New Store	25 Years	11,945	\$6,718,251	\$453,634	22.00%	\$1,478,015	\$8,196,266
11160	9060 Dyer St	El Paso	TX	Fee	New Store	25 Years	11,945	\$6,869,632	\$463,856	22.00%	\$1,511,319	\$8,380,951
10817	1205 N US HWY 83	Zapata	TX	Fee	Relocation	25 Years	9,516	\$3,266,637	\$220,572	22.00%	\$718,660	\$3,985,297
7735	1301 W. Pflugerville Parkway	Pflugerville	TX	Fee	Relocation	25 Years	13,111	\$4,453,404	\$300,706	22.00%	\$979,749	\$5,433,153
6968	901 East Pioneer Parkway	Arlington	TX	Fee	Relocation	25 Years	13,013	\$6,789,821	\$458,467	22.00%	\$1,493,761	\$8,283,581
11096	4110 Williams Way Blvd	Richmond	TX	Fee	New Store	25 Years	14,698	\$5,311,837	\$358,670	22.00%	\$1,168,604	\$6,480,441
11162	2702 Valwood Pkwy	Farmer's Branch	TX	Fee	New Store	25 Years	13,225	\$6,905,372	\$466,269	22.00%	\$1,519,182	\$8,424,554
11099	3050 W. University Blvd	Odessa	TX	Fee	New Store	25 Years	13,225	\$5,710,355	\$385,579	22.00%	\$1,256,278	\$6,966,633
10821	709 Guadalupe Street	Laredo	TX	Fee	Relocation	25 Years	11,945	\$4,416,945	\$298,244	22.00%	\$971,728	\$5,388,673
10990	12410 W Broad St Rd	Henrico	VA	Fee	New Store	25 Years	10,880	\$4,253,851	\$287,232	22.00%	\$935,847	\$5,189,699
11056	2775 Godwin Blvd	Suffolk	VA	Fee	New Store	25 Years	11,945	\$3,671,087	\$247,882	22.00%	\$807,639	\$4,478,726
11083	2511 Anderson Highway	Powhatan	VA	Fee	Relocation	25 Years	11,945	\$3,660,904	\$247,194	22.00%	\$805,399	\$4,466,303
10251	2704 Oaklawn Blvd	Hopewell	VA	Fee	New Store	25 Years	11,945	\$3,329,195	\$224,796	22.00%	\$732,423	\$4,061,618
11179	6010 Plank Road	Fredericksburg	VA	Fee	New Store	25 Years	9,656	\$4,542,846	\$306,745	22.00%	\$999,426	\$5,542,272
10659	33520 21st Ave SW	Federal Way	WA	Fee	New Store	25 Years	12,900	\$8,034,235	\$542,493	22.00%	\$1,767,532	\$9,801,767
11023	9400 Gravelly Lake Dr	Lakewood	WA	Fee	New Store	25 Years	13,013	\$7,776,035	\$525,059	22.00%	\$1,710,728	\$9,486,763
							531,065	\$228,310,206	\$15,416,124		\$50,228,245	\$278,538,452

Lease Abstract



Tenant	Various CVS Corporate Subsidiaries
Guarantor	CVS Health Corporation (NYSE: CVS, S&P: BBB)
Lease Structure	Bondable Triple-Net (NNN)
Occupancy	100%
Lease Commencement	10/17/19
Initial Term Expiration	1/31/45
Lease Term	25.3 Years
Remaining Lease Term	+/- 25.3 Years
Total Number of Extension Periods	10 x 5 year options
Fixed Rate Extension Periods	2 x 5 year options
FMV Extension Periods	8 x 5 year options
Rent Holiday	3 Years
Percentage Rent	None
Tenant Responsibilities	Tenant shall pay all expenses relating to the maintenance and repair of the Premises including roof and structure. Tenant shall also pay all taxes and insurance costs.



Loan Abstract



STORE #	ADDRESS	CITY	STATE	DEBT BALANCE	MATURITY DATE	ANNUAL DEBT SERVICE	BALLOON PAYMENT	INTEREST RATE
11093	101 Main Street East	Russellville	AR	\$4,092,178	11/10/2041	\$276,315	None	3.86%
10975	2501 McCain Blvd	North Little Rock	AR	\$4,320,879	11/10/2041	\$291,757	None	3.86%
10615	5450 W Happy Valley Rd	Phoenix	AZ	\$4,542,977	11/10/2041	\$306,754	None	3.86%
9322	2085 Fair Oaks Blvd.	Sacramento	CA	\$6,765,129	11/10/2041	\$456,800	None	3.86%
11024	7353 Rangewood Dr	Colorado Springs	CO	\$5,930,073	11/10/2041	\$400,415	None	3.86%
10376	604 Corner Ketch Rd	Newark	DE	\$7,253,208	11/10/2041	\$489,756	None	3.86%
10644	9701 SW 72nd Street	Miami	FL	\$10,863,270	11/10/2041	\$733,517	None	3.86%
4738	13400 Immokalee Road	Naples	FL	\$6,185,772	11/10/2041	\$417,680	None	3.86%
11169	7402 West Fairview Avenue	Boise	ID	\$5,538,695	11/10/2041	\$373,988	None	3.86%
10628	177 West Virginia Street	Crystal Lake	IL	\$5,116,121	11/10/2041	\$345,454	None	3.86%
10951	3319 Nameoki Road	Granite City	IL	\$3,522,896	11/10/2041	\$237,876	None	3.86%
8654	327 E. Jackson Street	Macomb	IL	\$4,442,420	11/10/2041	\$299,964	None	3.86%
5383	4950 West Esplanade	Metairie	LA	\$6,704,672	11/10/2041	\$452,718	None	3.86%
801	131 Court St	Bath	ME	\$6,295,969	11/10/2041	\$425,121	None	3.86%
11070	4400 Oak Grove Parkway	Brooklyn Park	MN	\$3,372,864	11/10/2041	\$227,745	None	3.86%
5577	218 East Main Street	Wallace	NC	\$2,734,028	11/10/2041	\$184,609	None	3.86%
4610	2801 Guilderland Ave	Rotterdam	NY	\$5,601,182	11/10/2041	\$378,207	None	3.86%
5034	95 Beaver St	Cooperstown	NY	\$4,680,307	11/10/2041	\$316,027	None	3.86%
11086	210 E Emmitt Avenue	Waverly	OH	\$2,962,938	11/10/2041	\$200,066	None	3.86%
10893	5812 Ridge Rd	Parma	OH	\$4,651,635	11/10/2041	\$314,091	None	3.86%
11155	2104 S. Byrne Road	Toledo	OH	\$3,139,131	11/10/2041	\$211,963	None	3.86%
3468	1493 Upper Valley Pike	Springfield	OH	\$2,297,551	11/10/2041	\$155,137	None	3.86%
11092	15103 N Macarthur Blvd	Oklahoma City	OK	\$4,673,013	11/10/2041	\$315,534	None	3.86%
1582	1101 Mill St.	Danville	PA	\$4,733,175	11/10/2041	\$319,597	None	3.86%
1677	33 E. Market Street	Lewistown	PA	\$4,027,158	11/10/2041	\$271,925	None	3.86%
2296	3295 PA Route 100	Macungie	PA	\$6,389,153	11/10/2041	\$431,413	None	3.86%
175	578 International Drive	Myrtle Beach	SC	\$4,597,998	11/10/2041	\$310,469	None	3.86%
10910	3030 Sylvan Ave	Dallas	TX	\$7,165,408	11/10/2041	\$483,828	None	3.86%
11044	1780 Lee Trevino	El Paso	TX	\$6,718,251	11/10/2041	\$453,634	None	3.86%
11160	9060 Dyer St	El Paso	TX	\$6,869,632	11/10/2041	\$463,856	None	3.86%
10817	1205 N US HWY 83	Zapata	TX	\$3,266,637	11/10/2041	\$220,572	None	3.86%
7735	1301 W. Pflugerville Parkway	Pflugerville	TX	\$4,453,404	11/10/2041	\$300,706	None	3.86%
6968	901 East Pioneer Parkway	Arlington	TX	\$6,789,821	11/10/2041	\$458,467	None	3.86%
11096	4110 Williams Way Blvd	Richmond	TX	\$5,311,837	11/10/2041	\$358,670	None	3.86%
11162	2702 Valwood Pkwy	Farmer's Branch	TX	\$6,905,372	11/10/2041	\$466,269	None	3.86%
11099	3050 W. University Boulevard	Odessa	TX	\$5,710,355	11/10/2041	\$385,579	None	3.86%
10821	709 Guadalupe Street	Laredo	TX	\$4,416,945	11/10/2041	\$298,244	None	3.86%
10990	12410 W Broad St Rd	Henrico	VA	\$4,253,851	11/10/2041	\$287,232	None	3.86%
11056	2775 Godwin Blvd	Suffolk	VA	\$3,671,087	11/10/2041	\$247,882	None	3.86%
11083	2511 Anderson Highway	Powhatan	VA	\$3,660,904	11/10/2041	\$247,194	None	3.86%
10251	2704 Oaklawn Blvd	Hopewell	VA	\$3,329,195	11/10/2041	\$224,796	None	3.86%
11179	6010 Plank Road	Fredericksburg	VA	\$4,542,846	11/10/2041	\$306,745	None	3.86%
10659	33520 21st Ave SW	Federal Way	WA	\$8,034,235	11/10/2041	\$542,493	None	3.86%
11023	9400 Gravelly Lake Dr	Lakewood	WA	\$7,776,035	11/10/2041	\$525,059	None	3.86%

Demographics



Address	City, State	2019 TOTAL POPULATION			2019-2024 POPULATION: ANNUAL GROWTH RATE			2019 AVERAGE HOUSEHOLD INCOME			2019 TOTAL POPULATION AGE 55+ (%)		
		1 mi	3mi	5mi	1 mi	3mi	5mi	1 mi	3mi	5mi	1 mi	3mi	5mi
101 Main Street East	Russellville, AR	7,971	29,583	41,812	0.5%	0.6%	0.5%	\$43,667	\$55,216	\$58,330	21.8%	24.1%	25.6%
2501 McCain Blvd	North Little Rock, AR	8,327	57,759	98,895	0.0%	0.1%	0.3%	\$106,125	\$72,424	\$69,137	41.8%	31.5%	30.1%
5450 W Happy Valley Rd	Phoenix, AZ	8,983	53,395	169,964	1.8%	1.2%	1.3%	\$137,326	\$131,295	\$111,790	24.6%	27.1%	25.1%
2085 Fair Oaks Blvd.	Sacramento, CA	19,034	128,122	388,608	0.7%	0.7%	0.7%	\$86,529	\$91,442	\$78,960	30.6%	29.7%	27.1%
7353 Rangewood Dr	Colorado Springs, CO	16,064	116,881	229,115	1.0%	1.8%	1.9%	\$94,924	\$99,740	\$97,272	21.7%	25.0%	25.9%
604 Corner Ketch Rd	Newark, DE	5,656	42,992	137,348	0.1%	0.2%	0.2%	\$167,588	\$137,245	\$111,215	35.4%	34.1%	31.2%
9701 SW 72nd Street	Miami, FL	14,575	141,236	454,529	0.5%	0.7%	0.7%	\$110,235	\$91,838	\$91,681	35.4%	34.2%	33.6%
13400 Immokalee Road	Naples, FL	2,594	14,205	30,463	2.8%	2.7%	2.6%	\$95,013	\$101,877	\$104,362	26.3%	27.9%	27.9%
7402 West Fairview Avenue	Boise, ID	15,370	110,941	236,386	1.6%	1.4%	1.8%	\$56,081	\$64,207	\$75,193	27.0%	28.5%	27.8%
177 West Virginia Street	Crystal Lake, IL	10,429	56,796	128,308	0.0%	0.1%	0.2%	\$85,841	\$111,879	\$120,803	28.0%	26.7%	25.3%
3319 Nameoki Road	Granite City, IL	10,952	38,191	55,389	-0.2%	-0.3%	-0.3%	\$61,987	\$58,600	\$56,223	34.1%	31.6%	29.7%
327 E. Jackson Street	Macomb, IL	10,719	20,305	21,087	-0.7%	-0.6%	-0.6%	\$56,304	\$59,816	\$61,317	23.0%	21.2%	22.0%
4950 West Esplanade	Metairie, LA	18,608	118,784	240,776	-0.1%	-0.1%	-0.1%	\$91,820	\$75,678	\$79,387	35.2%	33.0%	33.7%
131 Court St	Bath, ME	5,246	10,895	17,908	0.2%	0.3%	0.4%	\$55,874	\$61,169	\$67,530	31.8%	36.8%	37.1%
4400 Oak Grove Parkway	Brooklyn Park, MN	10,745	84,696	237,307	1.0%	0.9%	0.8%	\$134,880	\$98,455	\$87,159	20.9%	25.8%	26.8%
218 East Main Street	Wallace, NC	3,407	6,619	11,160	0.3%	0.3%	0.6%	\$46,366	\$46,197	\$53,440	33.0%	34.2%	35.2%
2801 Guilderland Ave	Rotterdam, NY	14,456	78,792	134,719	0.2%	0.0%	0.0%	\$68,824	\$64,374	\$77,801	32.1%	29.2%	31.4%
95 Beaver St	Cooperstown, NY	1,911	3,365	5,283	-0.7%	-0.7%	-0.6%	\$99,230	\$96,416	\$95,840	46.5%	45.7%	44.0%
210 E Emmitt Avenue	Waverly, OH	4,061	7,272	12,429	0.0%	0.0%	0.0%	\$63,391	\$65,841	\$63,471	44.9%	40.2%	36.4%
5812 Ridge Rd	Parma, OH	22,085	127,024	289,574	-0.4%	-0.3%	-0.3%	\$65,702	\$60,238	\$60,122	28.8%	33.3%	32.6%
2104 S. Byrne Road	Toledo, OH	11,315	70,901	175,089	-0.1%	-0.1%	-0.1%	\$66,695	\$66,661	\$68,977	35.4%	32.5%	30.2%
1493 Upper Valley Pike	Springfield, OH	1,010	28,720	76,894	-0.7%	-0.4%	-0.4%	\$61,582	\$61,356	\$58,391	43.3%	30.5%	32.7%
15103 N Macarthur Blvd	Oklahoma City, OK	5,866	37,694	124,668	3.8%	2.1%	1.6%	\$132,834	\$113,618	\$96,318	20.0%	31.0%	28.1%
1101 Mill St.	Danville, PA	5,626	13,527	16,840	0.4%	0.3%	0.3%	\$60,522	\$78,856	\$80,716	34.2%	39.1%	39.5%
33 E. Market Street	Lewistown, PA	8,524	18,087	23,229	0.1%	0.1%	0.1%	\$46,585	\$51,384	\$52,840	33.4%	36.6%	37.1%
3295 PA Route 100	Macungie, PA	8,393	39,744	89,628	0.7%	0.7%	0.9%	\$91,188	\$109,301	\$107,131	30.6%	32.8%	34.8%
578 International Drive	Myrtle Beach, SC	3,798	25,111	52,015	3.3%	2.6%	2.7%	\$79,396	\$78,619	\$74,333	25.3%	33.6%	29.9%
3030 Sylvan Ave	Dallas, TX	20,624	164,799	397,393	3.1%	2.6%	2.1%	\$56,763	\$93,234	\$87,997	15.8%	17.8%	19.8%
1780 Lee Trevino	El Paso, TX	15,988	157,203	298,718	0.1%	0.3%	0.6%	\$72,084	\$63,183	\$61,812	31.4%	26.7%	24.1%
9060 Dyer St	El Paso, TX	17,703	69,544	144,426	0.2%	0.3%	0.6%	\$43,756	\$51,423	\$58,635	26.6%	25.3%	22.6%
1205 N US HWY 83	Zapata, TX	4,382	10,432	12,278	-0.1%	-0.1%	-0.1%	\$50,342	\$49,028	\$49,494	21.5%	20.3%	20.0%
1301 W. Pflugerville Parkway	Pflugerville, TX	18,233	111,630	247,330	3.0%	2.4%	2.4%	\$95,831	\$95,921	\$98,104	16.7%	17.9%	18.1%
901 East Pioneer Parkway	Arlington, TX	25,118	148,507	339,655	0.7%	0.6%	0.7%	\$58,363	\$55,784	\$72,356	18.0%	17.8%	21.4%
4110 Williams Way Blvd	Richmond, TX	6,375	61,197	141,172	4.4%	3.0%	2.7%	\$111,820	\$119,414	\$122,477	18.0%	20.8%	22.4%
2702 Valwood Pkwy	Farmer's Branch, TX	21,171	102,101	316,835	1.0%	2.0%	1.7%	\$63,187	\$82,592	\$95,215	19.3%	24.3%	22.0%
3050 W. University Boulevard	Odessa, TX	5,004	54,062	113,063	0.6%	0.7%	0.8%	\$76,918	\$60,563	\$63,862	25.5%	21.6%	23.4%
709 Guadalupe Street	Laredo, TX	20,693	127,542	200,132	0.8%	1.0%	1.3%	\$41,701	\$45,161	\$52,400	24.5%	21.5%	19.0%
12410 W Broad St Rd	Henrico, VA	4,456	41,964	95,686	2.5%	1.4%	1.1%	\$191,721	\$156,304	\$135,577	24.8%	23.9%	28.2%
2775 Godwin Blvd	Suffolk, VA	8,708	22,507	46,863	2.0%	1.8%	1.4%	\$87,885	\$90,600	\$75,095	18.5%	27.1%	27.5%
2511 Anderson Highway	Powhatan, VA	882	6,437	15,997	1.1%	1.2%	1.3%	\$89,036	\$105,329	\$109,609	32.3%	34.2%	33.9%
2704 Oaklawn Blvd	Hopewell, VA	11,067	36,172	57,081	0.2%	0.4%	0.7%	\$48,466	\$59,272	\$71,248	27.2%	27.2%	27.5%
6010 Plank Road	Fredericksburg, VA	4,153	32,522	71,947	0.5%	0.4%	1.1%	\$127,310	\$113,935	\$112,867	23.5%	25.4%	25.0%
33520 21st Ave SW	Federal Way, WA	21,931	94,032	176,498	1.1%	1.1%	1.2%	\$98,375	\$97,441	\$95,333	23.8%	28.5%	28.0%
9400 Gravelly Lake Dr	Lakewood, WA	11,603	99,110	228,030	1.2%	1.0%	1.0%	\$67,184	\$74,710	\$73,661	26.7%	28.0%	26.5%

What is a Zero?

WHAT IS A ZERO-CASH-FLOW INVESTMENT?

Investments in properties with debt service matching the property's net income. With all of the cash flow attributed to the debt service, the owner receives no income until the loan matures. In lieu of cash flow, the investment provides annual passive losses which investors may use to offset income from other investments. Many times, as is the case with this offering, the loans are fully-amortizing and have terms matching the length of the lease, generally 20 to 30 years. When the mortgage matures, the property is then owned free-and-clear of any debt. Properties structured as self-liquidating investments are typically net leased to a single tenant on a long term basis. The leases are generally structured as triple net or bondable, leaving the landlord with essentially no management or maintenance responsibilities. In most cases, the tenants hold investment grade ratings, minimizing the risk of default.

BENEFITS OF A ZERO-CASH-FLOW INVESTMENT

- **Fully Amortizing Loan:** Free and clear ownership upon loan maturity and the subsequent flexibility to leave the asset unleveraged for greater cash flow or to refinance to extract its equity.
- **Acquire an Institutional Quality Asset with Less Equity:** The credit of the tenant combined with fully-amortizing debt allows lenders to underwrite assets with higher leverage ratios, which means less equity invested.
- **Equity in an Exchange can be Cashed Out Tax Free:** Meets the requirements of a tax deferred exchange, allowing investor to immediately cash out much of their equity tax free.
- **Estate Planning:** Free and clear ownership upon loan maturity creates a source of long-term, unencumbered income.
- **Annual Depreciation:** Provides an annual source of depreciation and interest expense that can be written off against income from other qualifying investments. Accelerated Depreciation can be achieved via cost segregation analysis.



CVS HEALTH (NYSE: CVS; S&P: BBB)

BUSINESS OVERVIEW

CVS Health Corporation (formerly CVS Caremark Corp.), together with its subsidiaries, is the largest pharmacy health care provider in the United States, with integrated offerings across the entire spectrum of pharmacy care. CVS is unique among the "big three" retail drugstore chains (Walgreens, Rite Aid, CVS) in that it operates its own pharmacy benefit management ("PBM"), making it an integrated pharmacy health care provider. With 102 million PBM members, CVS's offerings include pharmacy benefit management services; mail order, retail, and specialty pharmacy; disease management programs, and retail clinics. Additionally, CVS is ranked #8 on the Fortune 500.

As of April 2019, CVS operated over 9,900 retail locations in the United States, Puerto Rico, and Brazil. Its stores sell prescription drugs and front-end products such as non-prescription medications, health and beauty aids, and cosmetics. The company also operates the nation's largest chain of health care clinics, with 1,100 MinuteClinic outlets throughout the country. MinuteClinics are staffed by nurse practitioners and physician assistants who utilize nationally recognized protocols to diagnose and treat minor health conditions, perform health screenings, monitor chronic conditions, and deliver vaccinations.

GROWTH

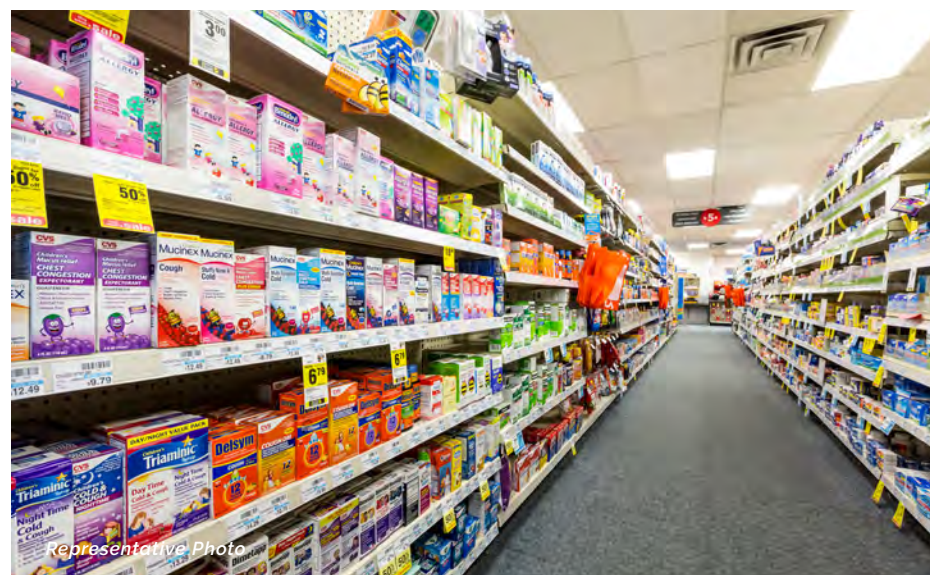
The company has implemented assertive growth plans in recent quarters.

In April 2019, the company announced that it would be collaborating with teeth-straightening company SmileDirectClub to open 1,000 store-within-a-store locations over the next two years. Customers can take advantage of specialized equipment to create a 3-D scan of their teeth, which is then used to create custom invisible braces.

In November 2018, CVS completed a \$69 billion merger with Aetna, creating a healthcare giant with \$240 billion in annual revenue. CVS is using the merger as an opportunity to increase its in-store healthcare offerings, including adding primary care and complex condition management to its MinuteClinic locations.

In August 2015 the company completed a \$12.9 billion acquisition of pharmacy services firm Omnicare, which helps manage specialty pharmaceutical distribution to long-term care facilities and other medical environments.

In June 2015, it announced the \$1.9 billion purchase of Target's pharmacy business. That deal brought the company's total store count to 9,500 and extended its reach in the Western U.S.—including the metro areas of Seattle, Portland, Denver, and Salt Lake City.



STRATEGY

Formerly known as CVS Caremark, the company rebranded as CVS Health in 2014. As part of their rebranding, the company announced it was eliminating the sale of tobacco products across its network of stores, in keeping with the “health” side of its corporate mission.

CVS has four divisions—pharmacy, Caremark (pharmacy benefits management and mail service pharmacy), MinuteClinic walk-in clinics, and specialty pharmacy management. The company acquired Caremark in 2007, and now serves 75 million plan members via that division.

STORE PROFILE

Typical retail stores range in size from approximately 5,000 to 25,000 square feet, although most new stores range in size from approximately 8,000 to 13,000 square feet. Most stores include a drive-thru pharmacy. In 2018, CVS filled or managed 2.6 billion prescriptions—outpacing all other pharmacy chains.

FINANCIAL SUMMARY

Total revenue for 2018 was \$194.6 billion up 5.3% from the previous year. Adjusted earnings per share was \$7.08, an increase of 19.9% versus 2017. The company reported a 2018 operating income of \$4.0 billion. CVS generated \$6.8 billion in free cash flow in 2018, a 7.5% increase from 2017. Annual cash dividends per share held steady at \$2.00, after nearly doubling since 2014. CVS Health showed a net increase in cash, cash equivalents, and restricted cash of \$2.4 billion, up from a net decrease in 2017.



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PLEASE CONTACT

JEFFREY S. THOMAS

THOMAS COMPANY

210 Third Avenue South | Suite 5C

Seattle, WA 98104

800.775.3350

jeffrey@thomascompany.com

THOMASCOMPANY.COM

OFFERED IN CONJUNCTION AND COORDINATION WITH:

DAVID BOERNER
PBA Realty (AR)
Lic # SA00027403

WILLIAM LAMMERSON
Lammersen & Associates (AZ)
Lic # BR508160000

STUART SCHEINHOLTZ
Tiburon Realty Advisors (CA)
Lic # 00999171

KEN D'AGOSTINO
D'Agostino Realty Group, Inc.
(FL) Lic # BK3283082

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Lic # 40344281

JIM JOHNSON
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Lic # C11615

TONY PUGLIESE
TAP Capital, LLC (NY)
Lic # 49PU0984578

LEN MURRAY
Murray Realty Associates (OH)
Lic # 0000307136

SCOTT HAIRE
(TX)
Lic # 396627

RICHARD KIRSCHMAN
Kirschman Realty, LLC (LA)
Lic # 396627

PATRICK COATES
Coates Commercial Properties LLC (OK)
Lic # 109902

WILLIAM GANC
Ganc Commercial Realty, LLC (DE)
Lic #RB-0020282

THOMAS MORGAN
Andrus & Morgan Co. (CO)
Lic # ER40032085

TIM FLANAGAN
KC Realty, Inc. (IL)
Lic # 471009518