



RITE AID

7036 WERTZVILLE ROAD | MECHANICSBURG, PA

OFFERING MEMORANDUM

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

INVESTMENT HIGHLIGHTS



Strong Demographics – with average household incomes exceeding \$100,000 in a one, three, and five-mile radius



Rite Aid HQ – Minutes away from Rite Aid corporate headquarters



Prototype Store format with two points of ingress and egress & drive thru – 14,564 square feet on 2.29 acres



Increasing Sales – year over year



Lease Corporately Guaranteed by Ride Aid (NYSE:RAD)



Rent Bumps in each five-year option period



Drug Store Market Share – Over 5 miles to the closes Rite Aid, 7 miles to the closest CVS, and no Walgreens in Market



Proximity to Legacy Park. A new development by Landmark of 683 luxury homes and 26,000 sf of retail space on 185 acres. One of the largest residential projects in Cumberland County

EXCLUSIVELY LISTED BY



BREANNA RUSK
Associate

breanna.rusk@matthews.com
DIR 949.873.0508
MOB 714.722.4110
LIC # 01962063 (CA)



BILL PEDERSEN
Senior Associate

bill.pedersen@matthews.com
DIR 949.432.4501
MOB 831.246.0646
LIC # 01975700 (CA)

BROKER OF RECORD
Scott Burdett

LIC # 10301213057 (PA)

RITE AID

7036 WERTZVILLE ROAD | MECHANICSBURG, PA

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES



EXCLUSIVELY LISTED BY



BREANNA RUSK
Associate

breanna.rusk@matthews.com
DIR 949.873.0508
MOB 714.722.4110
LIC # 01962063 (CA)



BILL PEDERSEN
Senior Associate

bill.pedersen@matthews.com
DIR 949.432.4501
MOB 831.246.0646
LIC # 01975700 (CA)

BROKER OF RECORD
Scott Burdett

LIC # 10301213057 (PA)

FINANCIAL OVERVIEW



**7036 WERTZVILLE ROAD,
MECHANICSBURG, PA 17050**



List Price

\$5,604,686



Cap Rate

7.00%



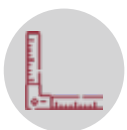
Year Built

2006



Square Footage

± 14,564



Lot Size

± 2.29 AC

Annualized Operating Data

	Annual Rent	Monthly Rent	Rent/SF	Cap Rate
Current	\$392,328.00	\$32,694.00	\$26.94	7.00%
Option 1	\$406,918.00	\$33,838.29	\$27.94	7.26%
Option 2	\$421,482.00	\$35,022.63	\$28.94	7.52%
Option 3	\$436,046.00	\$36,248.42	\$29.94	7.78%
Option 4	\$450,610.00	\$37,517.12	\$30.94	8.04%

Tenant Summary

Tenant Trade Name	Rite Aid Pharmacy
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease Type	NN
Roof and Structure	Landlord Responsible
Original Lease Term	20 Years
Rent Commencement Date	7/1/2006
Lease Expiration Date	7/31/2026
Term Remaining on Lease	± 8 Years
Increases	3.5% every 5 Years
Options	Four, 5-Year Options

TENANT OVERVIEW



Property Name	Rite Aid
Parent Company Trade Name	Rite Aid Corporation (NYSE: RAD)
Ownership	Public
Credit Rating (S&P's)	B
Revenue	\$32.84 B
Net Income	\$4.053 M
No. of Locations	± 2,550
No. of Employees	± 88,000
Headquartered	Camp Hill, Pennsylvania
Website	www.RiteAid.com
Year Founded	1962

TENANT OVERVIEW

Rite Aid is one of the largest retail drugstore chains in the United States based on both revenue and the number of stores. Rite Aid currently operates 2,550 stores in 19 states across the country.

ALBERTSONS-RITE AID MERGER

As Rite Aid and Albertsons are working through their merger, there are signs of growth potential and the ability to compete with retailers Walmart, CVS Health, Walgreens Boots Alliance and grocer Kroger on a national level. Combined, Albertsons is expected to have \$82 billion in sales and will be more than triple its size.

RITE AID DIFFERENTIATOR

Rite Aid differentiates stores from other national chain drugstores, in part, through the wellness+ Rewards loyalty program, Wellness format stores, innovative merchandising, private brands and strategic partnership with GNC, a leading retailer of vitamin and mineral supplements. Rite Aid offers a wide variety of products through a portfolio of private brands, which contributed approximately 18.7% of the front-end sales in fiscal 2018.

SURROUNDING TENANTS



PROPERTY OVERVIEW

THE OFFERING

Property Name	Rite Aid
Property Address	7036 Wertzville Road Mechanicsburg, PA 17050
Assessor's Parcel Number	38-13-0985-116
Site Description	
Number of Stories	One
Year Built	2006
Gross Leasable Area (GLA)	± 14,564 SF
Lot Size	± 2.29 Acres (99,752 SF)
Type of Ownership	NN
Landscaping	Professional
Topography	Generally Level
Parking Spaces	63 Surface Spaces

PARCEL MAP



AREA OVERVIEW

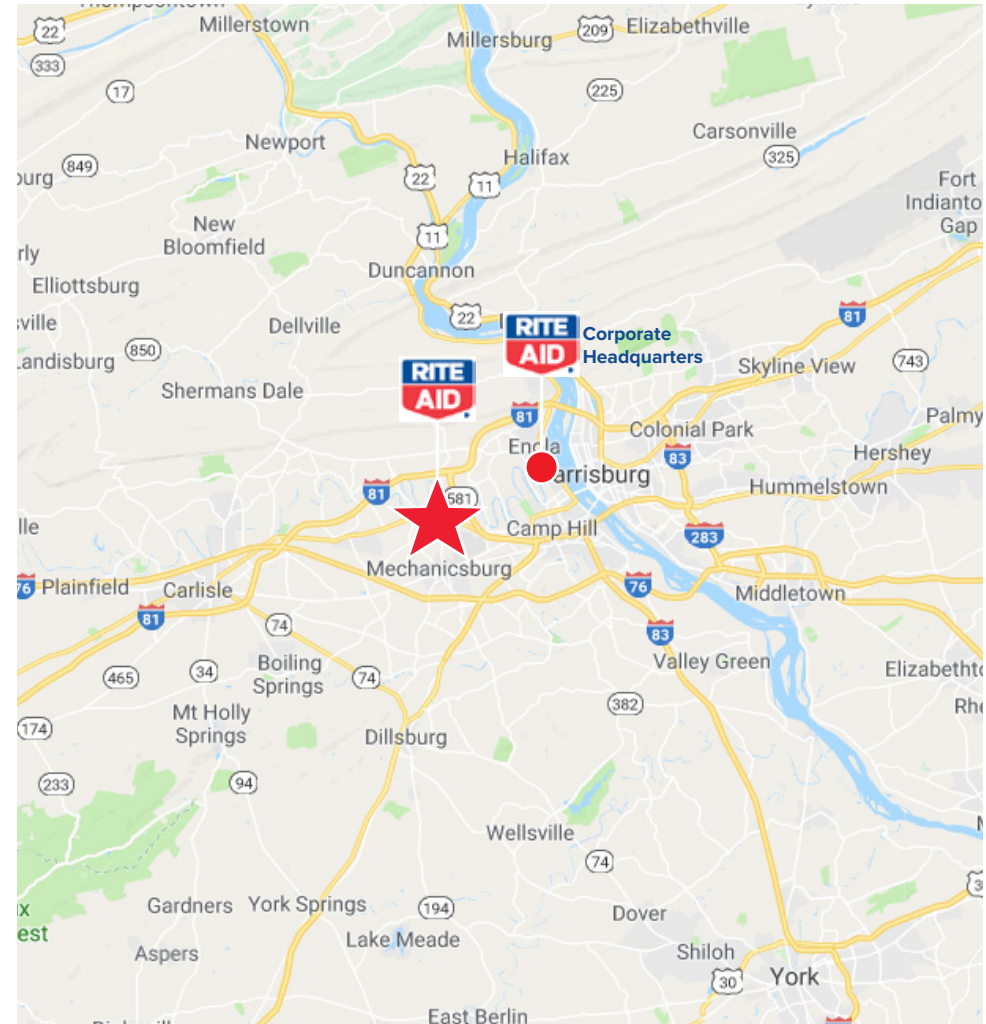


MECHANICSBURG, PA

Just 8 miles outside of Harrisburg, Mechanicsburg is a borough in Cumberland County. The quaint town of Mechanicsburg has a small town feel with large city potential. The community has been working hard to become a more modern town while still keeping their rich history. It is a large transportation hub through railways and roadways. With the accessibility of a major metropolitan area, the Mechanicsburg economy benefits sufficiently and has developed its own economic success in recent years. The technical and education sectors have been growing as well.

PROPERTY DEMOGRAPHICS

POPULATION	1-Mile	3-Mile	5-Mile
2023 Projection	1,385	10,560	47,535
2018 Estimate	1,364	10,020	44,988
Growth 2018 - 2023	1.54%	5.39%	5.66%



HOUSEHOLDS	1-Mile	3-Mile	5-Mile
2023 Projection	545	4,112	19,226
2018 Estimate	533	3,890	18,118
Growth 2018 - 2023	2.25%	5.71%	6.12%
INCOME	1-Mile	3-Mile	5-Mile
2018 Est. Average Household Income	\$117,657	\$120,445	\$117,031

LEASE ABSTRACT

Tenant:	Rite Aid of Pennsylvania, Inc.
Guarantor:	Rite Aid Corporation, a Delaware Corporation
Corporate Address:	Right Aid of Pennsylvania, INC 30 Hunter Lane, Camp Hill, PA 17011
Rite Aid Store No.	7783-01
Building Size:	14,564 SF
Date of Lease:	August 12, 2005
Rent Commencement:	July 1, 2006
Lease Commencement:	July 1, 2006
Lease Expiration:	July 31, 2026
Original Lease Term:	Twenty Years
Current Rent:	\$392,328
Renewal Options:	Four (4) extension periods of five (5) years each. Option period rent shall be: 1.) \$406,918 2.) \$421,482 3.) \$436,046 4.) \$450,510
Required Advance Notice of Exercise of Renewal Options:	Six (6) months prior to the expiration of the then-current term
Repairs and Maintenance:	Landlord shall maintain the roof and structure
Real Estate Taxes:	Tenant shall pay all taxes, assessments, license fees
Insurance:	Tenant shall maintain a standard "all-risk" insurance policy, General public liability insurance, and Worker's compensation insurance
Utilities:	Tenant pays for any and all utility service used by Tenant in or about the Leased Premises during the term of this Lease
Tenant Assignment and Subletting:	Tenant may assign this Lease or sublet the whole or any part of the Leased Premises. If Tenant does so sublet, it shall remain liable to Landlord for the full performance of Tenant's obligations
Right of First Refusal:	None

HARRISBURG, PA

Along the shores of the Susquehanna River in central Pennsylvania, Harrisburg is a city that has transformed from a modest ferry outpost into a picturesque capital city. It is a burgeoning center for the region's arts and culture, offering all the pleasures of an urban metropolis while maintaining the southcentral Pennsylvania charm. As the capital of the Commonwealth of Pennsylvania, Harrisburg attracts thousands of residents and visitors.

ECONOMIC DEVELOPMENT

As the metropolitan center for some 400 communities, Harrisburg has a diverse economy with a large representation of service-related industries, namely health care and a growing technology and biotechnology industry to accompany the dominant government field. Harrisburg's economy is projected to progress due to the area's relatively low cost of doing business, financial stability of the region and the strategic central location along key surface transportation routes within the United States. Additionally, given the region, the cost of living is low in Harrisburg, especially for a capital city.

POINTS OF INTEREST



NATIONAL CIVIL WAR MUSEUM

At the National Civil War Museum, history is preserved in equally balanced presentations without bias to Union or Confederate causes. This museum is the only museum in the United States that portrays the entire story of the American Civil War.



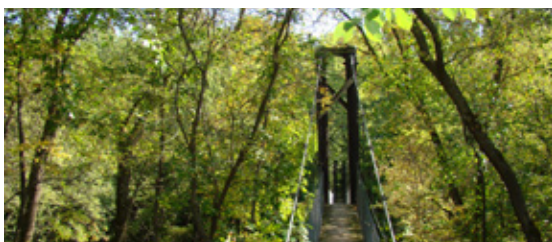
PENNSYLVANIA STATE CAPITOL

As a priceless architectural and artistic treasure, Pennsylvania's State Capitol building is a majestic icon of democracy and freedom. The building features paintings, stained glass and furnishings that incorporate various Renaissance designs throughout.



FORT HUNTER MANSION & PARK

Built on a bluff overlooking the Susquehanna River, Fort Hunter Mansion and Park has served as a war fort, a hub for frontier commerce and an exclusive private estate. Now preserved and open to the public, it exhibits Pennsylvania's rich history to visitors.



WILDWOOD PARK

Tucked away in the rolling hills of Central Pennsylvania, Wildwood Park is conveniently located on the edge of Harrisburg. From exploring the Nature Center and bike riding to birdwatching and picnicking, the park offers many outdoor recreational opportunities.



CITY ISLAND

City Island is a mile-long island in the Susquehanna River between Harrisburg and Wormleysburg. Mainly used for leisure and sports activities, the island is the current site of the Skyline Sports Complex and provides family-based amusements.



RIVERFRONT PARK

Between the shoreline and Front Street, Riverfront Park is a public park that runs parallel to the Susquehanna River. Popular among locals and visitors alike, the park offers spectacular views of the river, City Island, Wormleysburg and Blue Mountain.



HERSHEYPARK

Hersheypark is a family theme park in Hershey, Pennsylvania. Adjacent to the park is Hershey's Chocolate World, a visitors' center that is open to the public and contains shops, restaurants and a chocolate factory-themed tour ride.



STATE MUSEUM OF PENNSYLVANIA

The State Museum of Pennsylvania is a non-profit museum run by the Commonwealth through the Pennsylvania Historical and Museum Commission. It is a part of the Pennsylvania State Capitol Complex and features a large statue of Penn in its central hall.



SUSQUEHANNA ART MUSEUM

Located in Harrisburg's emerging midtown neighborhood in a newly reclaimed building, the Susquehanna Art Museum serves as a catalyst in the Commonwealth to offer educationally superior programming and diversely extraordinary exhibitions.

CONFIDENTIALITY & DISCLAIMER STATEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of **Rite Aid** located at **7036 Wertzville Road, Mechanicsburg, PA 17050 (“Property”)**. It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.