

NNN INVESTMENT OPPORTUNITY

RITE AID - FLORENCE, OREGON



AGM
COMMERCIAL REAL ESTATE
*net
lease
properties*

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RITE AID - FLORENCE, OREGON

3451 US-101, Florence, OR 97439



INVESTMENT OVERVIEW 03

TENANT OVERVIEW 11

MARKET OVERVIEW 13

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INVESTMENT SUMMARY

The offering provides an opportunity to acquire a freestanding Rite Aid corporate location. Subject property is a 17,272 square foot relocation Rite Aid store located in a coastal Oregon town of Florence. Store was built in 2008 as the high sales at the older location created a need for a newer pharmacy with a drive through.

LEASE DETAILS

Rite Aid (NYSE: RAD) signed a 20-year lease with six 5-year options to extend the initial term of the lease, that commence on January 31, 2028. Lease includes 10% rental escalations every 10 years, including the initial term. Lease is a full NNN where the Landlord has zero responsibilities, allowing for carefree ownership. There are currently approximately 10+ years remaining on the initial term of the lease.

TRADE AREA

Property is located on highway 101, the busiest coastal road in the states of Washington and Oregon. Highway 101 is the main arterial connecting the coastal cities, generating a dense traffic count in excess of 19,000 vehicles per day. Neighboring tenants along the Highway 101 include Safeway, Bi Mart, Taco Bell, US Bank, Mc Donalds, O'Reilly Auto Parts, Dollar Tree, 7 Eleven, Papa Murphy, Starbucks, Les Schwab etc.

RITE AID

Rite Aid (NYSE: RAD), with annual revenues exceeding \$26.53 billion, is one of the nation's leading drugstore chains with more than 5,000 stores in 31 states and the District of Columbia. There currently is a pending \$14.6 billion dollar merger planned between Rite Aid and Walgreens Boot Alliance (NASDAQ: WBA) scheduled to close mid 2017. Once the pending merger is complete, the owner will benefit from an improved credit rating of the tenant and therefore a higher valuation and decreased risk.

INVESTMENT HIGHLIGHTS

No National Competition

The only other national pharmacy is Safeway, and it is located in-store, without a drive-thru, while other pharmacies are small, local retailers

Strategic Importance – Only Positive Impact from WG/RAD Merger

Subject store is of strategic importance to Rite Aid. Closest competing stand alone pharmacy, including both Walgreens and Rite Aid, is 40+ miles away. No CVS in Oregon.

New Prototype

Store was built in 2008 and falls into the newest Rite Aid store model

Wellness Remodel

The interior of the store was remodeled to reflect the newest Rite Aid image and merchandising standards, and successfully increased sales

Strong Rental Escalations

Lease provides for 10% rental escalations every 10 years, including the initial term.

Zero Landlord Responsibilities

Lease is absolute NNN, where the Landlord is subscribed to carefree ownership

High Visibility – Signalized Intersection

Property is located on the main thoroughfare, with approximately 19,000 ADT.

Strong National Tenant Presence

Neighboring retailers include Safeway, Bi Mart, Taco Bell, US Bank, McDonalds, Fred Meyer, O'Reilly Auto Parts, Dollar Tree, 7 Eleven, Papa Murphy, Starbucks, Les Schwab etc.

Double Drive-thru

Property is equipped with a double drive-thru, which accounts for 20%+ of total sales in drugstores.

PRICING AND FACTS



SALE PRICE: \$ 6,700,000.00

CAP RATE (CURRENT): 6.26%

NOI*: \$ 419,495

YEAR BUILT / RENOVATED: 2008

RENTABLE SF: 17,272 SF

LOT SIZE: 1.47 Acres

OWNERSHIP TYPE: Fee Simple

** Seller will Credit Buyer the difference in current income and income starting February 1, 2018, should the transaction close before the date of rental increase.*

LEASE SUMMARY

TENANT: Thrifty Payless, Inc. a wholly-owned subsidiary of Rite Aid, Inc.

LEASE TYPE: NNN - Zero Landlord Responsibilities

UTILITIES: Tenant Pays Directly

TAXES: Tenant Pays Directly

INSURANCE: Tenant Pays Directly

LEASE TERM: 20 Years

COMMENCEMENT: January 17, 2008

EXPIRATION: January 31, 2028

REMAINING TERM: 10 +/- Years

RENEWAL OPTIONS: Six 5-year options

ROFR: None

Estoppel Period: 15 Days



BASE RENT SCHEDULE

PERIOD	YEARS	\$/SF	ANNUAL RENT	MONTHLY RENT
1/08 - 1/18	1-10	\$22.08	\$31,779.92	\$381,359.00
2/18 - 1/28	11-20	\$24.29	\$34,957.92	\$419,495.00
2/28 - 1/33	21-25	\$26.72	\$38,453.67	\$461,444.00
2/33 - 1/38	26-30	\$26.72	\$38,453.67	\$461,444.00
2/38 - 1/43	31-35	\$29.39	\$42,299.08	\$507,589.00
2/43 - 1/48	36-40	\$29.39	\$42,299.08	\$507,589.00
2/48 - 1/53	41-45	TBD	TBD	Fair Market Value
2/53 - 1/58	46-50	TBD	TBD	Fair Market Value

LOCATION

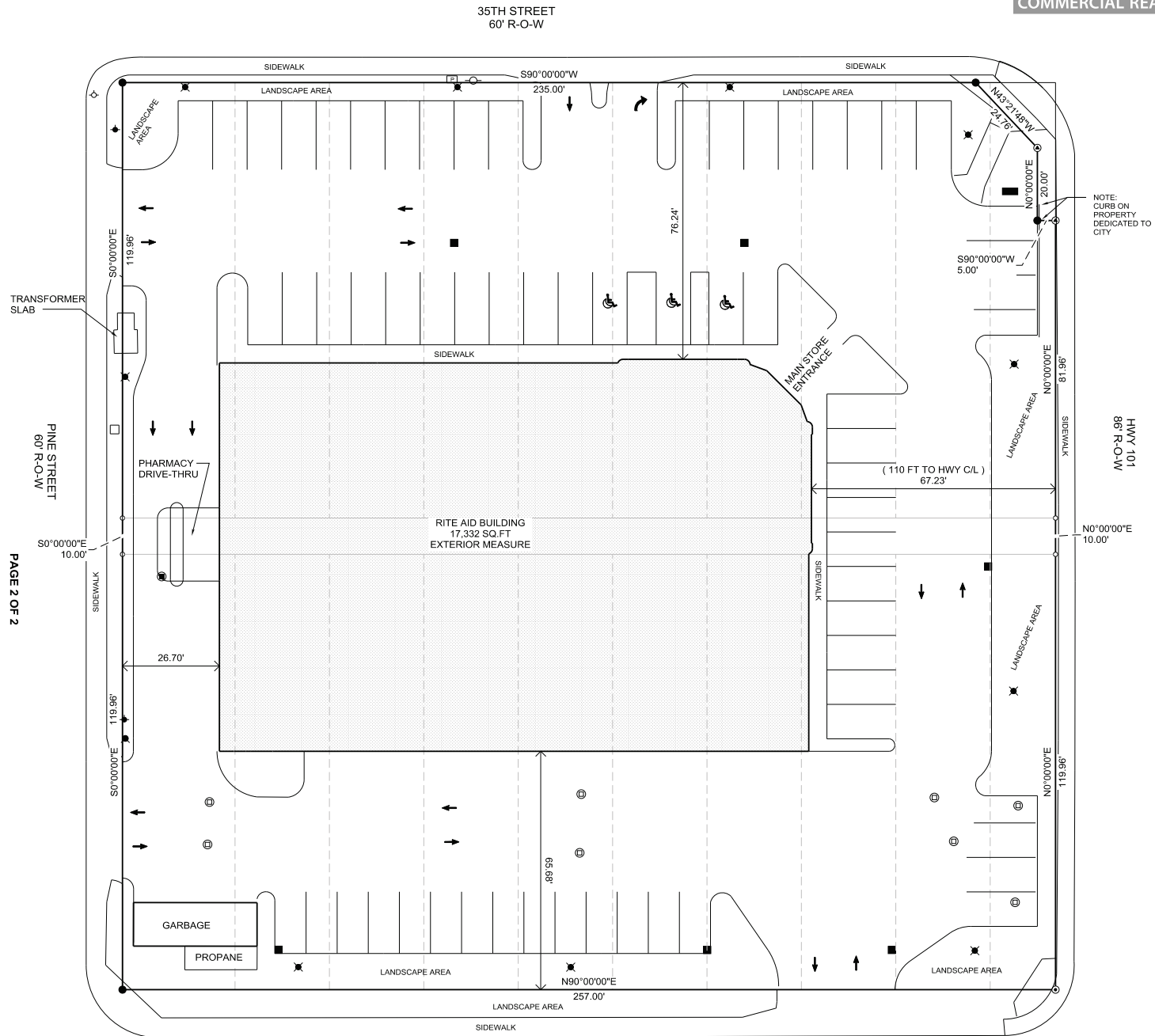
AERIAL MAP



PROPERTY SITE MAP



PAGE 2 OF 2



TENANT OVERVIEW



TENANT TRADE NAME

RITE AID

OWNERSHIP

PUBLIC

TICKER SYMBOL

RAD (NYSE)

CREDIT RATING

B (Standard & Poor's)



Rite Aid Corporation, through its subsidiaries, operates a chain of retail drugstores in the United States. The company sells prescription drugs and a range of other merchandise, including over-the-counter medications, health and beauty aids, personal care items, cosmetics, household items, food and beverages, greeting cards, seasonal merchandise, and more. The company operates more than 5,000 stores in 31 states of the United States, and the District of Columbia. Rite Aid Corporation was founded in 1927 and is headquartered in Camp Hill, Pennsylvania. Walgreens and Rite Aid are pending a potential \$17.2 billion merger.

For more information about Rite Aid visit www.riteaid.com.

32.57 billion USD
ANNUAL REVENUE

8.58 billion USD
MARKET CAP

Building image above is for illustrative purposes only.

MERGER INFORMATION

RITE AID & WALGREENS BOOTS

Rite Aid is pending acquisition by Walgreens Boots Alliance.

Walgreens

Walgreens, the nation's largest drugstore chain, constitutes the Retail Pharmacy USA Division of Walgreens Boots Alliance, Inc. (Nasdaq: WBA), the first global pharmacy-led, health and well-being enterprise. More than 8 million customers interact with Walgreens each day in communities across America, using the most convenient, multi-channel access to consumer goods and services and trusted, cost-effective pharmacy, health and wellness services, and advice. Walgreens operates more than 8,000 drugstores with a presence in all 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. Walgreens digital business includes Walgreens.com, Drugstore.com, Beauty.com, SkinStore.com and VisionDirect.com. Walgreens also manages more than 400 health care clinics and provider practice locations around the country.

For more information about Walgreens visit www.walgreens.com.

103.4 billion USD
ANNUAL REVENUE

87.78 billion USD
MARKET CAP



TENANT TRADE NAME
WALGREENS BOOTS ALLIANCE, INC
OWNERSHIP
PUBLIC
TICKER SYMBOL
WBA (NASDAQ)
CREDIT RATING
BBB (S&P)

FLORENCE

CITY INFORMATION



City Profile

Population: 11,540

County: Lane County

Location: 43:99N, 124:11W

Elevation: 46 feet

Area Codes: 541, 458

Zip Code: 97439

Time Zone: Pacific

Florence is a scenic seaside community at the confluence of the Siuslaw River and the Pacific Ocean. Conveniently located along the Pacific Coast Scenic Byway (Highway 101), only one hour west of Eugene and boasting its own airport in town, Florence is an easy and beautiful coastal destination.

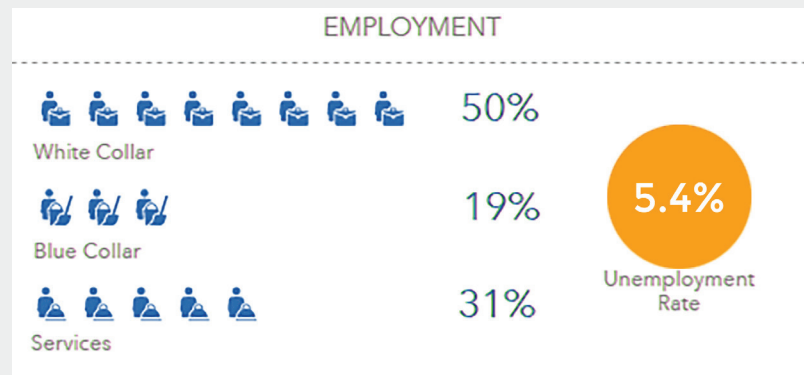
With its walkable Historic Old Town, the Three Rivers Casino Resort and ocean and lakeside recreational activities, Florence offers visitors a full agenda of fun adventures and sightseeing. Historic Old Town Florence is a charming 1900s fishing village built beside the Siuslaw River. Its original port and marina still bustles with boats and seafaring vessels.

Besides bordering the Pacific Ocean, the largest natural wonder that defines Florence is the Oregon Sand Dunes National Recreation Area. Part of the Siuslaw National Forest, these dunes are the largest coastal sand dunes in North America.

AREA DEMOGRAPHICS



2016	1 MILE	3 MILES	5 MILES
Total Population	4,838	11,540	13,175
Total Households	2,364	5,678	6,458
Median Household Income	\$37,026	\$36,021	\$36,377
2021 Projections	1 MILE	3 MILES	5 MILES
Total Population	5,069	12,143	13,848
Total Households	2,469	5,973	6,458
Housing Units 2016	1 MILE	3 MILES	5 MILES
Total Housing Units	2,837	7,020	8,161
Occupied Housing Units	2,364	5,687	6,458





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