



FOOD LION

7280 MASON DIXON HIGHWAY | MEYERSDALE, PA 15552

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FOOD LION
MEYERSDALE, PA

TENANT OVERVIEW





Food Lion LLC is a grocery store company headquartered in Salisbury, North Carolina, that operates more than 1,100 supermarkets in 10 states of the Southeastern United States. The company employs more than 63,000 associates and serves approximately 10 million customers a week. Food Lion is a company of Delhaize America, the U.S. division of Zaandam-based Ahold Delhaize. Food Lion's sister chains include Giant-Carlisle, Giant-Landover, Hannaford Brothers, Martin's Food Markets and Stop & Shop.



Ahold Delhaize is an international food retail group, operating supermarkets and e-commerce businesses. Its 21 local brands employ more than 375,000 associates in 6,500 stores in 11 countries. Formats include supermarkets, convenience stores, hypermarkets, online grocery, online non-food, drugstores, wine and liquor stores.

Ahold Delhaize's international headquarters is in Zaandam, Netherlands. Its brands are active in the United States, the Netherlands, Belgium, the Czech Republic, Germany, Greece, Luxembourg, Romania and Serbia. It also participates in joint ventures in Indonesia and Portugal.



FOOD LION CORPORATE OVERVIEW

TENANT TRADE NAME:	Food Lion
PARENT COMPANY:	Ahold Delhaize
TENANT OWNERSHIP STATUS:	Public (Ahold Delaize)
BOARD/SYMBOL:	Euronext: AD OTCQZ: ADRNY
LOCATIONS:	1,100+
HEADQUARTERS:	Salisbury, NC



Ahold, Delhaize in \$28 billion merger focused on U.S. east coast

BY TOBY STERLING AND ROBERT-JAN BARTUNEK | AMSTERDAM

Dutch grocer Ahold AHLN.AS has agreed to buy Belgian rival Delhaize DELB.BR in a 25 billion-euro (\$28 billion) deal that will create one of the biggest food retailers in the United States and a major player in Europe.

The combination will bring four well-known supermarket chains on the U.S. east coast under the same umbrella: Ahold's Stop & Shop and Giant stores and Delhaize's Food Lion and Hannaford markets.

Together, the companies say, they will lower operating and purchasing costs to compete with Wal Mart (WMT.N) and expand the reach of Ahold's online grocery store Peapod, the largest such service in the United States, to compete with Amazon (AMZN.O).

Ahold will take a 61 percent stake in the new company, which will have 54.1 billion euros (\$61 billion) in annual sales from 6,500 stores worldwide, including more than 2,000 in the United States and the rest in the Netherlands, Belgium and eastern Europe.

The Dutch group will pay 4.75 shares for every Delhaize share, valuing Delhaize at about 9.3 billion euros, or 90 euros a share, based on closing prices on Tuesday.

That division is slightly more skewed in Ahold's favour than analysts had expected, especially as Ahold shareholders will receive a capital return of 1 billion euros at the time the merger closes in 2016.

Delhaize shares fell 7.7 percent to 81.29 euros, while Ahold was off 3.7 percent at 18.26 euros.

Some analysts were skeptical about aspects of the deal, including potential cost benefits.

"We remain unconvinced of how much of the synergies can flow into profits and we remain particularly concerned with Ahold's ability to defend its US operational performance ahead of the deal completing," analysts at Jefferies said in a note.



"Agreeing to a €1bn Ahold share consolidation before a share exchange seems a puzzling step for Delhaize," they said.

Since merger talks were announced on May 11, shares in Ahold have gained more than 10 percent and Delhaize more than 20 percent. Delhaize CEO Frans Muller said the terms were "a fair recognition of both companies' " value.

The deal should give the pair much-needed buying power in the fiercely competitive U.S. grocery market after a recent wave of consolidation, as well as help them face the threat posed by booming discounters such as Lidl in Europe.

The merged group would be Europe's largest listed food retailer by market capitalisation, ahead of Tesco (TSCO.L) and Carrefour (CARR.PA), which both have greater annual sales but have suffered severe margin erosion under pressure from discount chains.

[READ FULL ARTICLE HERE](#)



Ahold Delhaize successfully completes merger, forming one of the world's largest food retail groups

Zaandam, the Netherlands, July 25, 2016 - Ahold Delhaize today will officially start trading on Euronext Amsterdam and Euronext Brussels following the successful completion of its merger on July 23. Ahold Delhaize moves forward as one of the world's largest food retail groups, a leader in supermarkets and e-commerce, and a company at the forefront of sustainable retailing.

Ahold Delhaize CEO Dick Boer said: "Today is the start of an important new chapter and a unique opportunity to deliver even more for customers and communities, associates and shareholders. Building on common values, complementary operations and proud legacies of success, we move forward with leading positions particularly on the United States East Coast and in Europe. Our strong e-commerce businesses and 22 great, local brands each share a passion for delivering great food, value, and innovation for customers, and for making a difference in their local communities.

"I want to thank associates for their dedication and focus and for the great work that has positioned Ahold Delhaize to move ahead with significant momentum."

Ahold Delhaize was created from the merger of Ahold and Delhaize Group, which was announced on June 24, 2015, and became effective on July 24, 2016. The combined company traces its roots back nearly 150 years. Ahold Delhaize's 22 local brands serve more than 50 million customers each week in 11 countries and have a combined workforce of more than 375,000 associates.

[READ FULL ARTICLE HERE](#)

FOOD LION
MEYERSDALE, PA

FINANCIAL OVERVIEW



PROPERTY HIGHLIGHTS

12 years remaining on initial 20 year lease

Corporately guaranteed by Ahold Delhaize - rated Baa2 by Moody's

Newer construction building built in 2010 with a 10 year roof warranty

Situated 0.2 miles from the on ramp of Flight 93 Memorial Highway with traffic counts of 4,700

Slightly above average store sales at \$382 PSF | Average for Delhaize America is \$370 PSF

Rent to sales ratio of 4.3%

Limited full service grocery store competition | Closest national chain grocery store is a Weis Markets 16 miles away | Closest Walmart is 20+ miles away



FINANCIAL OVERVIEW



PRICE: **\$5,000,000**

CAP RATE: **7.90%**

BUILDING SQUARE FOOTAGE: -/+ 25,018

LOT SIZE: -/+ 3.99 Acres

YEAR BUILT: 2010

TYPE OF OWNERSHIP: Fee Simple

TENANT: Corporate Store

LEASE GUARANTOR: Corporate - Ahold Delhize

LEASE TYPE: NN**

INITIAL LEASE TERM: 20 Years

LEASE COMMENCEMENT: 5/7/2010

RENT COMMENCEMENT: 3/9/2011

LEASE EXPIRATION DATE: 5/8/2031

ROOF AND STRUCTURE: Landlord Responsible

TERM REMAINING ON LEASE: 12 Years

INCREASES: 5% in the Options

OPTIONS: 6x5 Years

PROPERTY ADDRESS:

7280 MASON DIXON HWY | MEYERSDALE, PA 15552

ANNUALIZED OPERATING DATA

RENT INCREASES	ANNUAL	MONTHLY
CURRENT - 5/8/2031	\$398,287.96	\$33,190.58
OPTION 1	\$418,201.35	\$34,850.11
OPTION 2	\$438,115.70	\$36,509.64
OPTION 3	\$458,030.05	\$38,169.17
OPTION 4	\$477,944.40	\$39,828.70
OPTION 5	\$497,858.75	\$41,488.23
OPTION 6	\$517,773.10	\$43,147.76

TOTAL ANNUAL RENT **\$398,287.96**

NET OPERATING INCOME **\$395,608.86**

PROPERTY EXPENSES



Repairs/Maintenance	(\$150.00)
Landscaping	(\$4,046.26)
Parking Lot	(\$450.00)
Total Expenses	\$4,646.26
Insurance Overage	(\$1,934.23)
Total Expenses	\$2,712.03

ANNUALIZED OPERATING DATA

Base Rent	\$398,287.96
Interest Income	\$33.93
TOTAL REVENUE	\$398,320.89
Total Expenses	(\$2,712.03)
TOTAL NET OPERATING INCOME	\$395,608.86

LEASE ABSTRACT

COMMON AREAS:

Landlord shall maintain the Common Area in good condition and repair, safe, reasonably clean and free of refuse and obstructions, and adequately paved and striped for parking and traffic flow; landscaping; storm water drainage system; pest control; repair any lighting installations; snow/ice removal

Parking lot lighting: Landlord responsible for parking lot lighting system and tenant is responsible for the maintenance from lighting panel to the interior of demised premises. Quarterly, tenant sends Landlord an electric bill for the parking lot lighting systems calculated on the basis of Tenant's average cost per kilowatt hour, and (ii) a calculation of Tenant's Pro Rata Share of the charges set forth therein, and of Landlord's share of such charges. Within thirty (30) days after delivery of the Lighting Electric Bill by Tenant to Landlord, Landlord shall reimburse Tenant for Landlord's share of such charges

CAM Charges – Tenant pays prorata share of the common area maintenance charges including: maintenance of parking areas/re-striping/sealing; lighting facilities within the common area; landscaping; utilities serving the common areas; capital improvements; security; painting the building front

In no event shall such Common Area Maintenance Charges for any calendar year after the first calendar year exceed by more than three percent (3%) those in effect during the preceding calendar year. Snow and ice removal expenses shall not be subject to the three percent (3%) cap.

LANDLORD REPAIRS:

The exterior/structure including but not limited to the foundation, slab, load-bearing walls, structural members, loading dock, and roof, (ii) all wiring from the street to the connection to the building, plumbing inside of and below Tenant's slab, except those caused by Tenant Parties, pipes, conduits and utility fixtures and equipment serving the Demised Premises, (iii) the gutters, downspouts, exterior painting, and exterior lighting (regardless of where mounted or which party is responsible for payment of electricity consumed), and (iv) the sprinkler equipment, if it serves any portion of the Shopping Center in addition to the Demised Premises, and interior fire protection system (except for the interior fire alarm system which is to be maintained by Tenant) if it monitors any portion of the Shopping Center in addition to the Demised Premises

Landlord Insurance:

Landlord shall, at its expense, carry "all risk" property insurance, Tenant pays prorata share of premiums for only the property coverage portion of the premium

Taxes:

Landlord pays all Real Estate Taxes. Tenant pays prorata share of all real estate taxes as additional rent

Tenant Repairs:

The interior of the Demised Premises and the heating, ventilation and air-conditioning systems, Tenant's interior fire alarm system, sprinkler equipment if it only serves the Demised Premises (Landlord shall be responsible for replacement of the sprinkler equipment), interior fire protection system provided it does not monitor any portion of the Shopping Center except the Demised Premises (Landlord shall be responsible for replacement of the interior fire protection system), Tenant's grease trap, windows, plate glass and doors, electrical wiring and fixtures from the connection to the building, plumbing above Tenant's slab, vandalism

FINANCIAL OVERVIEW



The successful buyer could structure its offer by assuming the existing debt or purchasing the property free and clear. Below is information on the existing debt, please note these numbers are current estimates. Be sure to specify your debt structure as part of any offer made on the property.

DEBT INFORMATION

LOAN ORIGINATION DATE:	8/13/2010
ORIGINAL LOAN BALANCE:	\$3,540,875.00
CURRENT LOAN BALANCE (AS OF 6/12/2017)	\$2,451,331.00
ANNUAL DEBT SERVICE:	\$149,850.00
LOAN EXPIRATION DATE:	2/28/2025
INTEREST RATE:	4.15%

TERM:	10 Years (From Date of Assumption: 3/10/2015)
AMORTIZATION SCHEDULE:	30 Years
PRE-PAYMENT PENALTY:	\$120,000.00
LENDER:	SOMERSET TRUST COMPANY
GUARANTEE:	Non-recourse



INVESTMENT OVERVIEW

CBRE is pleased to exclusively present for sale this Food Lion property situated on 4 acres in Meyersdale, Pennsylvania.

This double net lease has 12 years remaining on its initial 20 year lease with six, five year options to renew with 5% rental increases. There are minimal landlord responsibilities for this newer construction building (2013) which comes with a 10 year roof warranty. The lease is corporately guaranteed by Ahold Delhaize, rated Baa2 by Moody's.

There are limited full service grocery stores nearby the subject property, making this a convenient and and go to store for nearby residents. Food Lion has a rent to sales ration of 4.3%, with slightly above average sales at \$382 per square food, the average for Delhaize America being \$370 per square foot. The property is situated on Business 219 (Mason Dixon Hwy) just 0.2 miles from the on ramp of US-219/Flight 93 Memorial Highway with traffic counts of 4,700.

Food Lion LLC is a grocery store company headquartered in Salisbury, North Carolina, that operates more than 1,100 supermarkets in 10 states of the Southeastern United States. The company employs more than 63,000 associates and serves approximately 10 million customers a week. Food Lion is a company of Delhaize America, the U.S. division of Zaandam-based Ahold Delhaize.

FOOD LION
MEYERSDALE, PA

PROPERTY SUMMARY

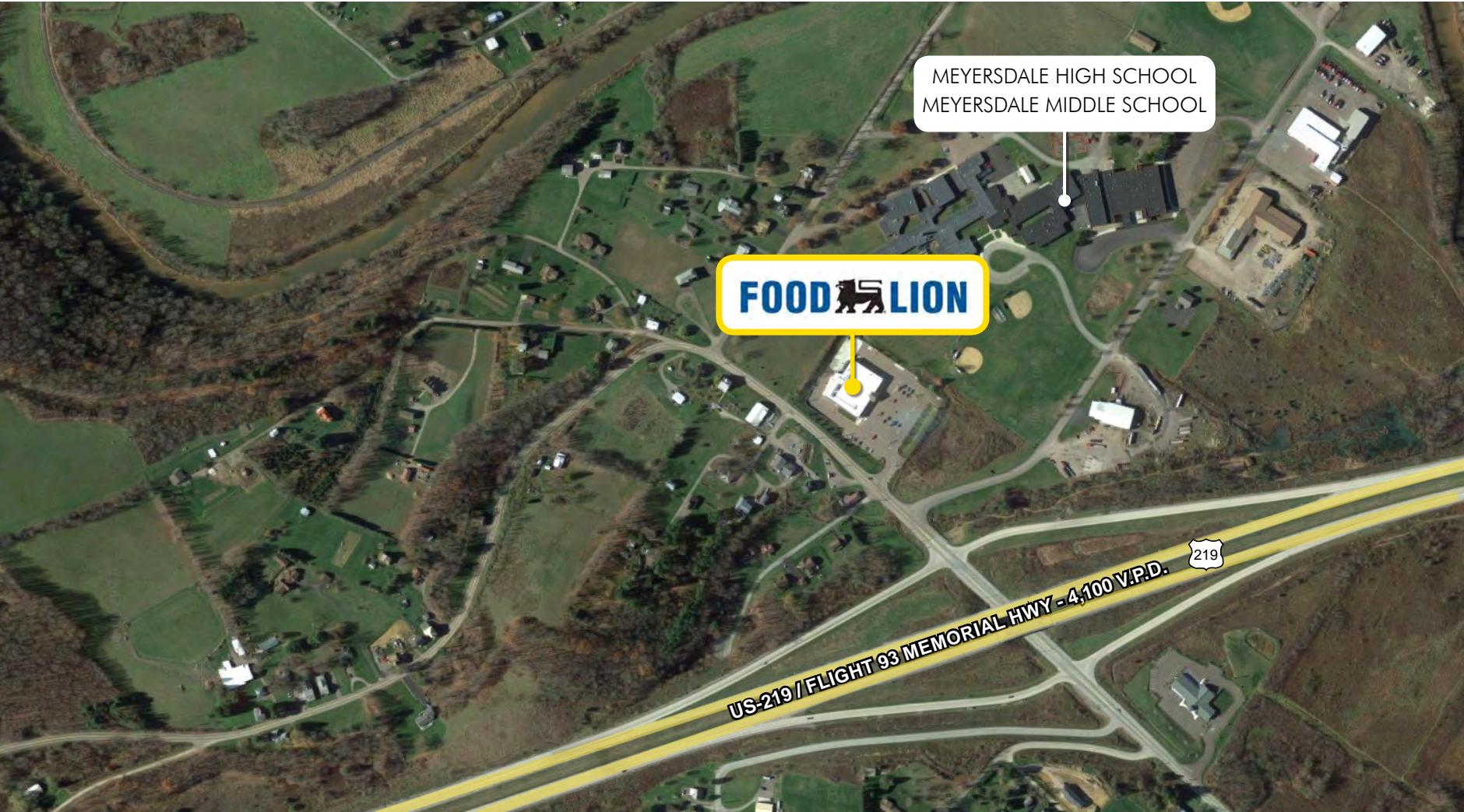


PROPERTY PHOTOS



PROPERTY PHOTOS





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MAP LOCAL



MAP REGIONAL





LOCATION OVERVIEW

Food Lion is situated on Mason Dixon Highway (Business 219) in Meyersdale, PA, adjacent to the Meyersdale High School and Meyersdale Middle School. It is also situated just 0.2 miles from the on ramp of US-219/Flight 93 Memorial Highway with traffic counts of 4,700. Meyersdale is a borough in Somerset County, Pennsylvania, on the Casselman River, 73 miles southeast of Pittsburgh. It is part of the Johnstown, Pennsylvania Metropolitan Statistical Area.

SUBJECT AREA DEMOGRAPHICS



POPULATION

	1 MILE	3 MILE	5 MILE
2010 POPULATION	615	4,158	7,282
2016 POPULATION	592	4,053	7,174
PROJECTED POPULATION (2021)	574	3,955	7,045
HISTORICAL ANNUAL GROWTH			
2010-2016	-0.61%	-0.41%	-0.24%
PROJECTED ANNUAL GROWTH			
2016-2021	-0.62%	-0.49%	-0.36%

HOUSEHOLDS

	1 MILE	3 MILE	5 MILE
2010 HOUSEHOLDS	256	1,673	2,881
2016 HOUSEHOLDS	248	1,641	2,862
PROJECTED HOUSEHOLDS (2021)	242	1,609	2,826
HISTORICAL ANNUAL GROWTH			
2010-2016	-0.51%	-0.31%	-0.11%
PROJECTED ANNUAL GROWTH			
2016-2021	-0.49%	-0.39%	-0.25%

HOUSEHOLD INCOME

2016 AVERAGE	\$56,080	\$52,011	\$51,289
2016 MEDIAN	\$46,098	\$39,998	\$39,804

POPULATION BY RACE

	1 MILE	3 MILE	5 MILE
WHITE POPULATION	98.5%	98.6%	98.9%
BLACK POPULATION	0.2%	0.2%	0.2%
ASIAN POPULATION	0.2%	0.2%	0.1%
PACIFIC ISLANDER POPULATION	0.2%	0.1%	0.1%
AMERICAN INDIAN AND ALASKA NATIVE	0.2%	0.1%	0.0%
OTHER RACE POPULATION	0.3%	0.2%	0.1%
TWO OR MORE RACES POPULATION	0.7%	0.6%	0.5%

HISPANIC OR LATINO POPULATION BY ORIGIN

	1 MILE	3 MILE	5 MILE
HISPANIC OR LATINO	0.7%	0.6%	0.5%
WHITE NON-HISPANIC	98.3%	98.3%	98.6%

2016 AGE BY GENDER

	1 MILE	3 MILE	5 MILE
MEDIAN AGE			
MALE/FEMALE	45.5/49.1	41.8/46.8	42.0/46.0

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