

NNN INVESTMENT OPPORTUNITY

RITE AID - GIRARD, OH



NNN LEASE OFFERING MEMORANDUM

DISCLAIMER

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BY ACCEPTING THIS CONFIDENTIAL OFFERING MEMORANDUM, YOU AGREE TO RELEASE AGM, INC. AND HOLD IT HARMLESS FROM ANY KIND OF CLAIM, COST, EXPENSE, OR LIABILITY ARISING OUT OF YOUR INVESTIGATION AND/OR PURCHASE OF THIS NET LEASED PROPERTY.

RITE AID - GIRARD, OHIO

713 NORTH STATE STREET, GIRARD, OHIO

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EXCLUSIVELY OFFERED BY

NIKO MIĆIN

(206) 210 5208

niko@agmnetlease.com

www.agmnetlease.com

BOSKO STANKOVIĆ

(646) 416 2042

bosko@agmnetlease.com

www.agmnetlease.com

BROKER OF RECORD

CRAIG COHEN

(216) 223 5060

cohencommercial@gmail.com

OH Lic. #2164106251



INVESTMENT SUMMARY

The subject property is a 11,232 square foot Rite Aid store located in Girard, Ohio. Tenant has been successfully operating at this address for over 20 years and the subject store was not a part of the sale to Walgreens as it was one of the strongest performers in the area. Rite Aid has shown strong commitment to the location with the recent unique 15 - year extension with very rare rental escalations in the firm term. Site is equipped with a double drive-thru pharmacy and benefits from a high traffic count with an already established customer base.

LEASE DETAILS

The lease is guaranteed by Rite Aid Corporation (NYSE: "RAD"), one of the nation's leading drugstore chains. Rite Aid has recently extended the lease for up to 15 years total and had included rental escalations in the firm term of 5% every 5 years. This is a strong testament to the strength to this location as the only store that received a lease extension of more than 10 years with escalations. The lease is on a true NNN basis with zero landlord responsibilities.

LOCATION

The property is centrally located just five miles from downtown Youngstown and eight miles from downtown Warren. Youngstown State University, a major economic engine in the region, is just minutes away from the property. The college has 12,644 students and 1,200 employees, and is one of the largest employers in the region. Other schools located near the property include Girard Junior and Senior High School (826 students), Roosevelt Elementary and McDonald High School (850 students), and Liberty Local School District (1,184 students). Additionally, the property is surrounded by residential neighborhoods, with nearly 90,000 people living within a five-mile radius.

TRADE AREA

The Youngstown–Warren–Boardman metropolitan area, typically known as the Mahoning Valley, is a metropolitan area in Northeast Ohio, with the city of Youngstown, Ohio at its center. Due to the MSA's central location, this area has a strong commuter interchange with Cleveland and Pittsburgh and their metropolitan areas. Key sectors of the Youngstown MSA's economy include the automotive, education, food, building supplies, transportation, telecommunications, steel, aluminum, and textile industries. Additionally, the Youngstown Business Incubator houses several start-up technology companies. Some companies supported by the incubator have earned recognition, and a few are starting to outgrow their current space. One such company—Turning Technologies—has been rated by Inc. Magazine as the fastest growing privately held software company in the United States and 18th fastest growing privately held company overall.

INVESTMENT HIGHLIGHTS



UNIQUE 15-YEAR LEASE EXTENSION

While Rite Aid usually extends the lease for only 10 years with substantial rent reduction, as well as flat rent, this store received a 15-year lease extension with 5% rental escalations every 5 years



LOW AND REPLACEABLE RENT

Rite Aid is paying only \$13.76/SF in rent, which is 30% below an Ohio Rite Aid average



CORPORATE GUARANTY

The lease is guaranteed by Rite Aid Corporation (NYSE: "RAD"), one of the nation's leading drugstore chains



DOUBLE DRIVE-THRU

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



HIGH TRAFFIC AND UNPARALLELED VISIBILITY

Located on a hard corner signalized intersection of heavily trafficked North State Street (17,000 ADT) and Churchill Road (12,000 ADT) with a total of approximately 29,000 vehicles passing daily

STRONG STORE PERFORMANCE

The store has very strong economics due to its high performance and low rent, which prompted Rite Aid to execute a lease favorable lease extension

ESTABLISHED CUSTOMER BASE

Rite Aid has been operating at this location for 20 years and has an established customer base

ZERO LANDLORD RESPONSIBILITY

Property is subject to an absolute NNN lease with zero landlord responsibilities

VICINITY TO YOUNGSTOWN STATE UNIVERSITY

YSU has approximately 12,000 students and 1,200 employees

LEASE SUMMARY

AND PRICING

SALE PRICE	\$2,377,400
CAP RATE (CURRENT)	6.50%
NOI	\$154,531
YEAR BUILT/RENOVATED	1999
RENTABLE SF	11,232 SF
LOT SIZE	1.26 acres (54,886 SF)
OWNERSHIP TYPE	Fee Simple



TENANT:	RITE AID OF OHIO, INC.
GUARANTOR:	RITE AID, INC.
LEASE TYPE	NNN - Zero Landlord Responsibilities
LANDLORD RESPONSIBILITY	None
UTILITIES	Tenant pays directly
TAXES	Tenant pays directly
INSURANCE	Tenant pays directly
LEASE TERM	15 years
COMMENCEMENT	September 1, 2018
EXPIRATION OF INITIAL TERM	September 30, 2033
REMAINING TERM	14.5 +/- years
RENEWAL OPTIONS	Eight 5-year options
RENTAL ESCALATIONS	5% every 5 years
ROFR	Yes - within 20 days

BASE RENT

SCHEDULE

PERIOD	YEARS	\$/SF	MONTHLY RENT	ANNUAL RENT	RETURN
CURRENT	1-5	\$13.76	\$12,877.58	\$154,531	6.50%
INITIAL TERM	6-10	\$14.45	\$13,521.46	\$162,258	6.83%
INITIAL TERM	11-15	\$15.17	\$14,197.54	\$170,370	7.17%
OPTION 1	16-20	\$15.93	\$14,907.41	\$178,889	7.52%
OPTION 2	21-25	\$16.72	\$15,652.78	\$187,833	7.90%
OPTION 3	26-30	\$17.56	\$16,435.42	\$197,225	8.30%
OPTION 4	31-35	\$18.44	\$17,257.19	\$207,086	8.71%
OPTION 5	36-40	\$19.36	\$18,120.05	\$217,441	9.15%
OPTION 6	41-45	\$20.33	\$19,026.06	\$228,313	9.60%
OPTION 7	46-50	\$21.34	\$19,977.36	\$239,728	10.08%
OPTION 8	51-55	\$22.41	\$20,976.23	\$251,715	10.59%

TENANT OVERVIEW



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

21.5 BILLION USD

ANNUAL REVENUE

+2,500

OF LOCATIONS



TENANT TRADE NAME	RITE AID
OWNERSHIP	PUBLIC
TICKER SYMBOL	RAD (NYSE)
CREDIT RATING	B (STANDARD & POOR'S)

LOCATION

AERIAL MAP



LOCATION

AERIAL MAP



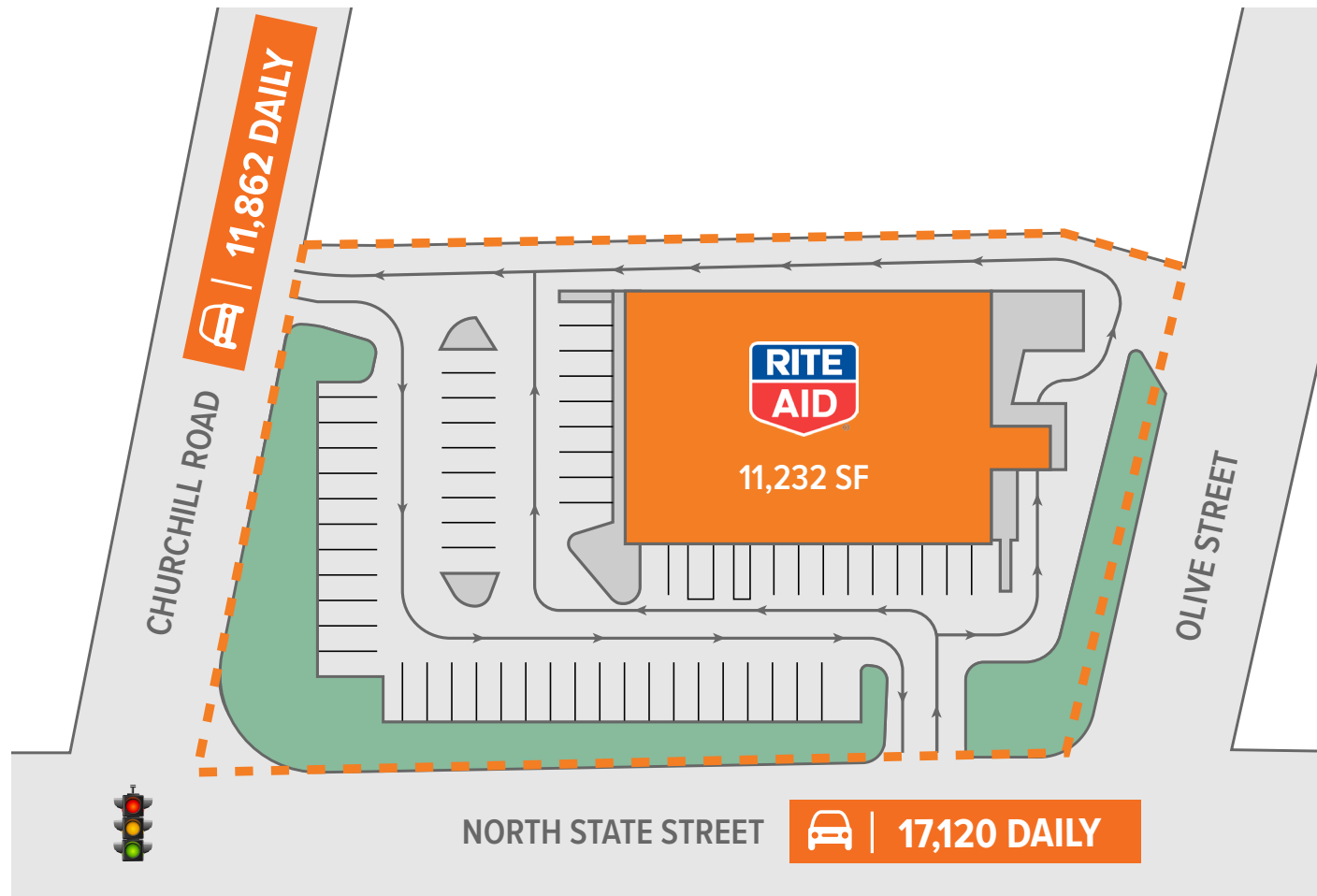
PROPERTY

SITE MAP



PROPERTY

SITE PLAN



GIRARD

MARKET OVERVIEW

Girard is a city in Trumbull County, Ohio. Located five miles northwest of Youngstown and nine miles southeast of Warren, Girard is included in the Youngstown-Warren-Boardman, OH-PA Metropolitan Statistical Area (MSA), also known as the Mahoning Valley. Girard offers the advantages of small town living with the cultural and recreational opportunities of large cities close by. Several colleges and universities are located in the surrounding area, including Youngstown State University. Girard also boasts a wealth of natural beauty, with several lakes and parks located within the city limits.

The Youngstown–Warren–Boardman metropolitan area, typically known as the Mahoning Valley, is a metropolitan area in Northeast Ohio, with the city of Youngstown, Ohio at its center. Due to the MSA's central location, this area has a strong commuter interchange with Cleveland and Pittsburgh and their metropolitan areas. Key sectors of the Youngstown MSA's economy include the automotive, education, food, building supplies, transportation, telecommunications, steel, aluminum, and textile industries. Additionally, the Youngstown Business Incubator houses several start-up technology companies. Some companies supported by the incubator have earned recognition, and a few are starting to outgrow their current space. One such company—Turning Technologies—has been rated by Inc. Magazine as the fastest growing privately held software company in the United States and 18th fastest growing privately held company overall.

- Youngstown State University (YSU) is an urban research university located in Youngstown, Ohio. A major economic engine for the region, the college has 12,644 students and 1,200 employees.
- The Mahoning Valley is home to Buhl Farm Golf Course, the only free public golf course in the United States.

- In December 2015, Youngstown State University announced plans for a new student housing apartment complex. The \$10 million, 163-bed, five-story student housing complex includes a fitness center and a rooftop deck for student residents. The complex, called The Enclave, opened for occupancy in August 2018.
- Due to its close proximity to both areas, the Mahoning Valley is commercially and culturally linked with Northeast Ohio and the Greater Pittsburgh Region.

MAJOR EMPLOYERS IN YOUNGSTOWN MSA # OF EMPLOYEES

Humility of Mary Health Partners	5,300
General Motors Company	4,500
Valleycare Health System	3,400
Youngstown Air Reserve Station	2,125
Sharon Regional Health System	1,750
Windsor House, Inc.	1,500
Roman Catholic Diocese Of Youngstown	1,400
Upm Horizon - Shenango Valley	1,245
Youngstown State University	1,200
Infocision Mangement Corporation	1,050

GIRARD

DEMOGRAPHIC PROFILE

2018 SUMMARY	1 MILE	3 MILES	5 MILES
Population	7,305	32,571	87,436
Households	3,129	14,023	36,693
Families	1,952	8,700	21,929
Average Household Size	2.33	2.30	2.29
Owner Occupied Housing Units	1,955	8,933	22,327
Renter Occupied Housing Units	1,174	5,090	14,367
Median Age	43.6	44.9	43.0
Average Household Income	\$54,085	\$57,900	\$54,662

2023 SUMMARY	1 MILE	3 MILES	5 MILES
Population	7,131	31,642	84,959
Households	3,064	13,660	35,757
Families	1,895	8,408	21,181
Average Household Size	2.32	2.29	2.28
Owner Occupied Housing Units	1,920	8,818	22,027
Renter Occupied Housing Units	1,144	4,843	13,729
Median Age	44.1	45.6	43.8
Average Household Income	\$62,514	\$67,682	\$63,769



AGM Net Lease Properties

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