



ACTUAL PROPERTY PHOTO

OFFERING
MEMORANDUM

EARLY 10-YEAR CORPORATE LEASE EXTENSION



RITE AID

8230 MARTIN WAY E LACEY, WA 98516

Marcus & Millichap
BROWN RETAIL GROUP

OFFERING SUMMARY

8230 MARTIN WAY E
LACEY, WA 98516

ADDRESS

\$4,769,231

PRICE

6.50%

CAP RATE

\$310,000

NOI

\$303.81

PRICE/SF

15,698 SF

BUILDING SIZE

1.89 ACRES

LOT SIZE

1999

YEAR BUILT

LEASE SUMMARY

Lease Term	Early 10-Year Lease Extension
Lease Commencement Date	5/20/1999
Lease End Date	4/12/2030
Years Remaining on Lease	10.3 Years
Type of Ownership	Fee Simple
Lease Type	NN*
Landlord Responsibilities	Roof & Structure
Tenant Responsibilities	Taxes, Insurance & CAM
Guarantor	Rite Aid Corporation (Thrifty Payless, Inc.) NYSE: RAD
Guarantee	Corporate Guarantee
Renewal Options	(4) 5-Year Options
Increases	5% in Year 6, 12.5% in Option 1
Right of First Refusal	None

**Except if damaged by the act or neglect of Tenant, Landlord, at its sole cost and expense, shall maintain the structural and roof portions of the Building. Landlord and Tenant agree that the dryvit exterior membrane is not a structural element of the Building. Landlord shall also make any other repairs to the Premises made necessary by faulty construction which evidence themselves during the first year after the Commencement Date. Tenant shall otherwise keep the Premises (including all systems therein and the Vehicle Areas within the Premises) in good order and repair.*

RENT SCHEDULE

LEASE YEAR(S)	ANNUAL RENT	MONTHLY RENT	RENT INCREASE (%)
Years 1-5	\$310,000	\$25,833.33	-
Years 6-10	\$325,500	\$27,125.00	5.0%
OPTION PERIODS			
Option 1	\$366,174.96	\$30,514.58	12.5%
Option 2	\$382,925.04	\$31,910.42	4.6%
Option 3	\$399,675.00	\$33,306.25	4.4%
Option 4	\$416,424.96	\$34,702.08	4.2%



ACTUAL PROPERTY PHOTO

INVESTMENT HIGHLIGHTS



EARLY 10-YEAR LEASE EXTENSION

Rite Aid recently extended their lease term to over 10 years showing strong, long-term commitment to the site.



STRONG HISTORICAL OCCUPANCY

Rite Aid is very established at this location having operated at this site for over 20 years.



LOW RENT (\$19.41/SF + NNN)

Rite Aid is currently paying just \$19.41/SF + NNN with market rents achievable in the \$25/SF to \$28/SF + NNN range.



AAA HIGH-TRAFFIC LOCATION

The Property is located just off I-5 (200K+ VPD) on the corner of Marvin and Martin way (50K+ VPD intersection) in the main daily needs retail trade area of Lacey. The Property benefits from its close proximity to tenants such as Costco, Walmart, The Home Depot, Winco, LA Fitness and Safeway.



SCHEDULED RENT INCREASES

The current lease provides for a 5% rent increase in year 6 of the recent 10-year extension and a 12.5% rent increase in the first 5-year option.



CORPORATE GUARANTEE / NATIONAL TENANT

Rite Aid is currently ranked #107 on Fortune 500 List and #387 on Fortune 500 Global with an S&P Investment Grade Credit Rating of “B-”.



RARE DOUBLE DRIVE-THRU AND LARGE LOT

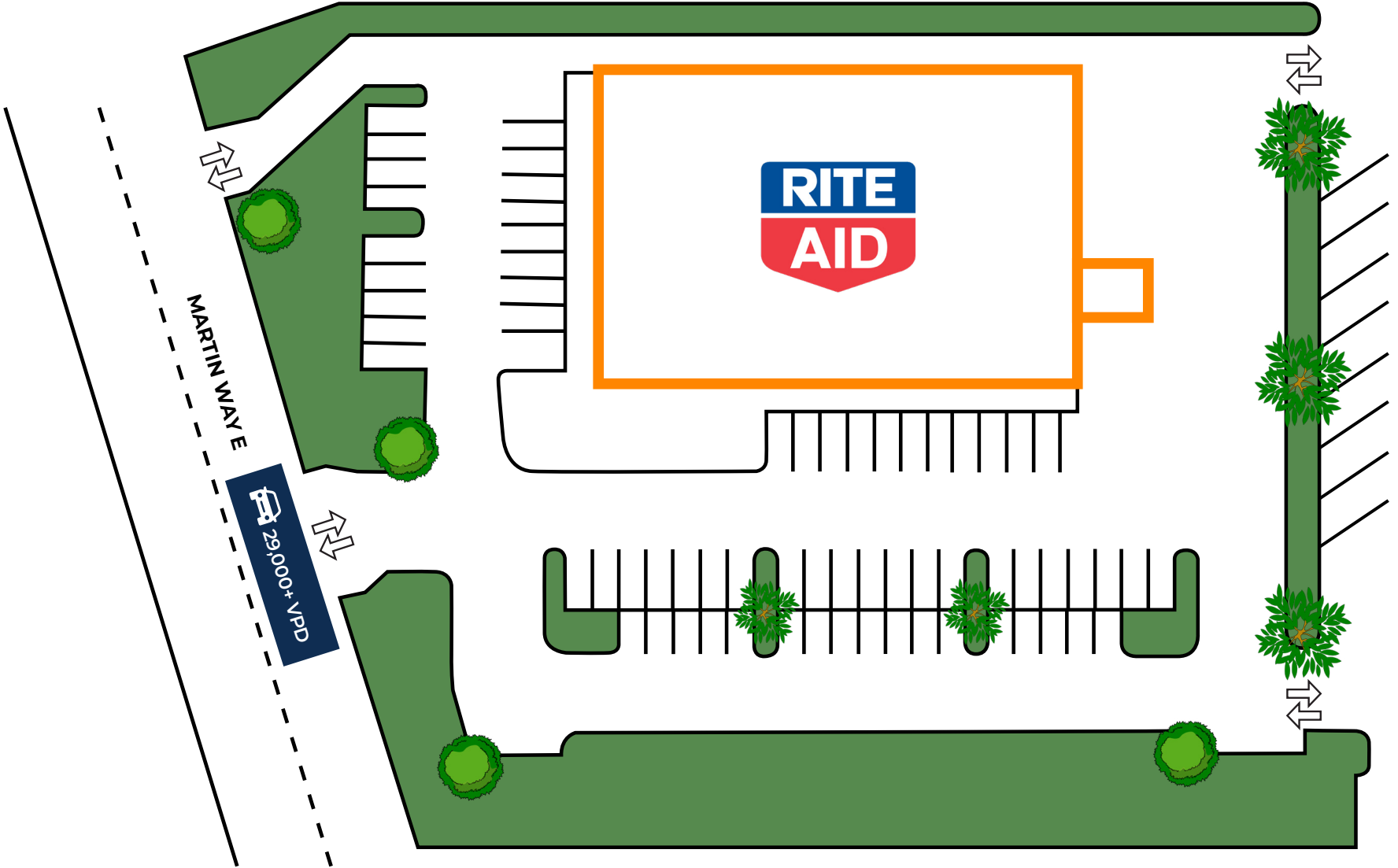
The Property features a double drive-thru and large, 1.89 acre lot.



MINIMAL LANDLORD RESPONSIBILITIES

The Lease features minimal landlord management or repair responsibilities (landlord responsible for roof/structure).

SITE PLAN



TENANT OVERVIEW

ABOUT RITE AID

Rite Aid Corporation is a retail drugstore which operates over 2,465 stores in 18 states. The stores carry prescription drugs and an assortment of other merchandise including health and beauty items, convenience food. The stores also offer photo processing in addition to the other convenience services. The Company's stock is traded on the NYSE. Rite Aid is a Fortune 500 company headquartered in East Pennsboro Township, Cumberland County Pennsylvania, near Camp Hill. Rite Aid is the largest drugstore chain on the East Coast and the third largest drugstore chain in the United States.

“Rite Aid is the Third Largest Retail Drugstore Chain in the United States based on both Revenues and number of Stores.”

CREDIT RATING: “B-”



COMPANY FINANCIAL HIGHLIGHTS	
Store Count (as of 6/1/2019)	2,500+
Annual Revenue (2018)	\$30,200,000,000
Stock Ticker	RAD
Average Store Size	12,600 SF

GENERAL INFORMATION	
Address	26817 88th Ave, Stanwood, WA
Phone	(360) 629-9519
Website	www.riteaid.com

RELEVANT NEWS ARTICLE

[RITE AID'S STOCK HAS NEARLY TRIPLED IN 9 DAYS](#)



LOCATION OVERVIEW



MARVIN RD NE
22,000+
vehicles per day



MARTIN WAY E
29,000+
vehicles per day

OLYMPIA-TUMWATER MSA

The Olympia-Lacey-Tumwater region is considered one of the nation's **TOP 25 FASTEST GROWING METROPOLITAN AREAS**, according to a recent U.S. Census report. Interstate 5, the main north-south artery on the west coast connects Lacey to neighboring Olympia to the west and Tacoma to the north.

FREESTANDING BUILDING AT SIGNALIZED INTERSECTION

The subject property is a free standing single-tenant Rite Aid ideally positioned at the highly trafficked, signalized intersection of Martin Way E and Marvin Road NE with a combined traffic count of over 51,000 vehicles per day.

GREAT ACCESS AND VISIBILITY

The subject property benefits from several access points including cross access to a Safeway anchored retail center as well as great visibility from both Martin Way E and Marvin Road NE.

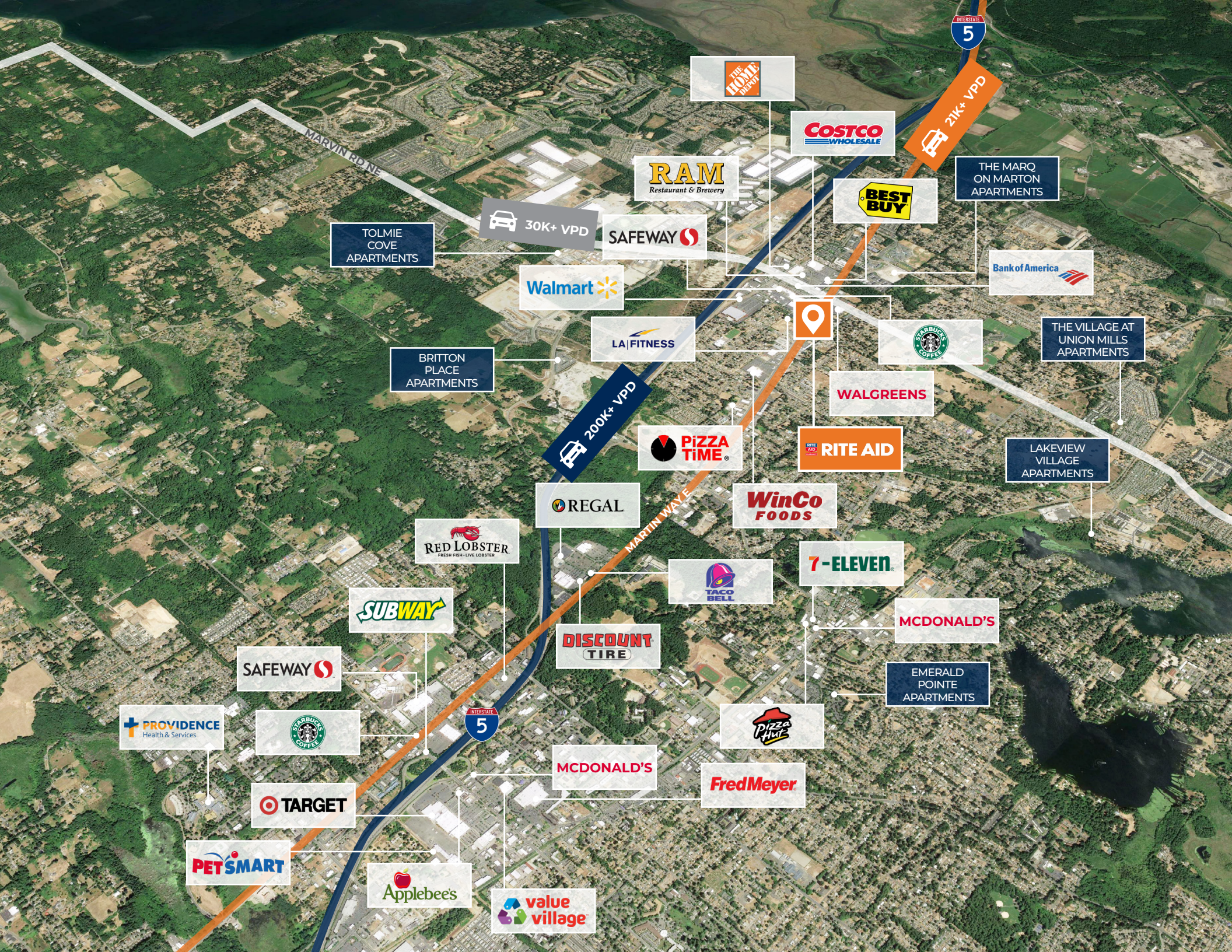
NEARBY RETAILERS

National retailers located within a short drive of the Subject Property include Costco, Walmart, Home Depot, Winco, LA Fitness, Best Buy, Petco, Safeway, O'Reilly Auto Parts, Jack in the Box, McDonalds, Starbucks, Big Lots, Wells Fargo, Walgreens and more.

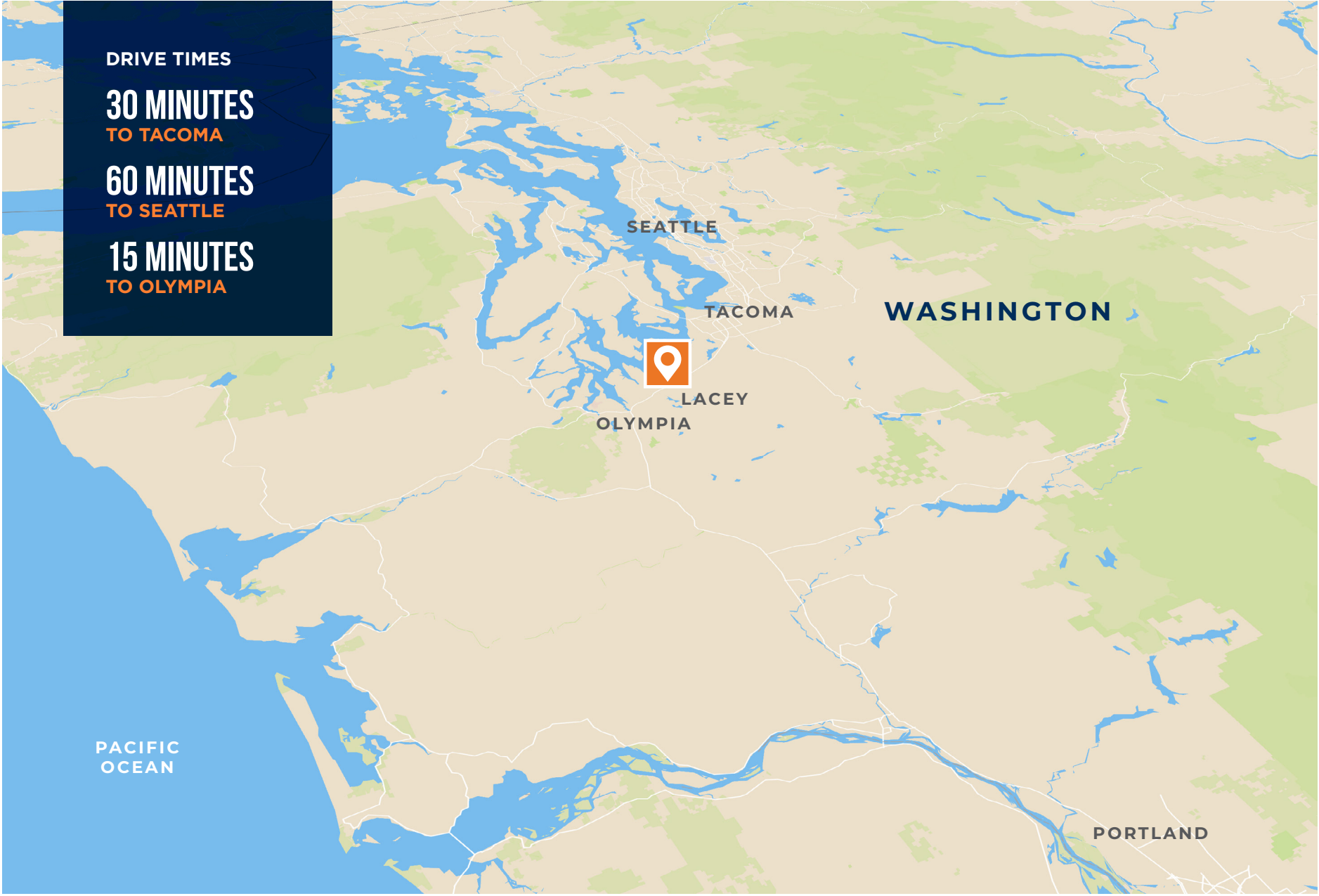
RELEVANT NEWS ARTICLE

[THE CITY OF LACEY, WA RANKED ON MONEY'S 'BEST PLACE TO LIVE IN AMERICA' LIST](#)





REGIONAL MAP

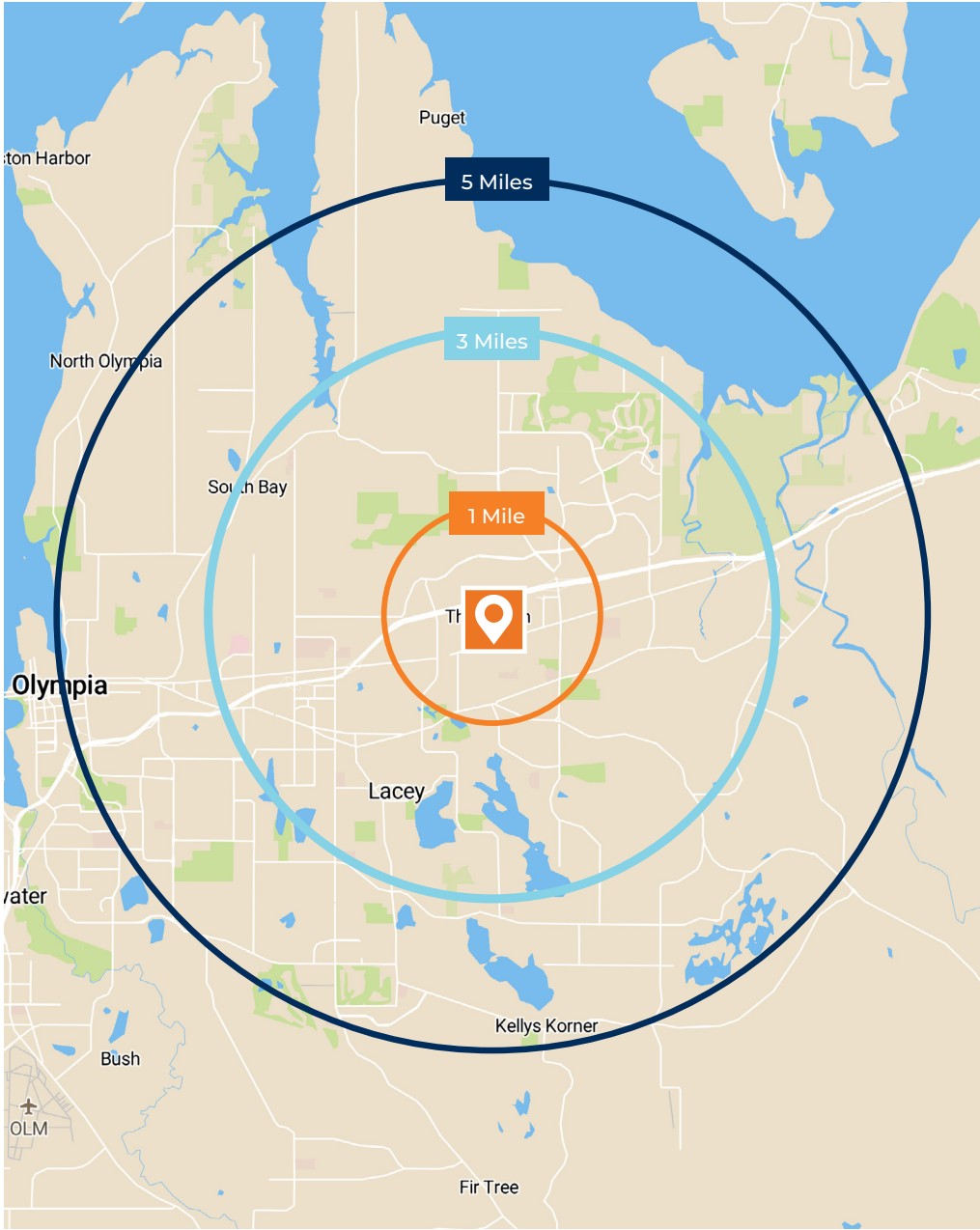


DEMOGRAPHICS

POPULATION	1 MILE	3 MILES	5 MILES
2024 Projection	11,180	55,040	113,801
2019 Total Population	10,273	50,088	104,956
Pop Growth 2019-2024	8.83%	9.89%	8.43%
Average Age	36.40	37.90	38.90

HOUSING	1 MILE	3 MILES	5 MILES
Median Home Value	\$213,702	\$252,304	\$260,645
Median Year Built	1983	1992	1989

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2019 Total Households	4,046	19,125	41,225
HH Growth 2019-2024	9.02%	9.93%	8.33%
Median HH Income	\$59,684	\$70,465	\$68,859
Avg HH Size	1,357	3,442	14,145



MARCUS & MILLICHAP HEREBY ADVISES ALL PROSPECTIVE PURCHASERS OF NET LEASED PROPERTY AS FOLLOWS

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided. As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer. Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors. Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs. Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property. By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services 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.

CONFIDENTIALITY & DISCLAIMER

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

NON-ENDORSEMENT NOTICE

Marcus & Millichap Real Estate Investment Services, Inc. ("M&M") is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of M&M, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of M&M, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY

Please consult your Marcus & Millichap agent for more details.

Activity ID: Z0110690



RITE AID



REPRESENTATIVE PHOTO

CLAYTON J. BROWN

National Retail Group
206.826.5787 D
253.569.4338 C
clayton.brown@marcusmillichap.com

SCOTT ZERDA

Marketing Coordinator
206.826.5741 D
scott.zerda@marcusmillichap.com

RUTHANNE ROMERO

National Retail Group
206.493.2622 D
916.206.4027 C
ruthanne.romero@marcusmillichap.com

CADENCE HENDRICKSON

Marketing Coordinator
206.493.5791 D
cadence.hendrickson@marcusmillichap.com

ANDREW SCOTLAND

National Retail Group
206.826.5706 D
206.718.5514 C
andrew.scotland@marcusmillichap.com

Marcus & Millichap
BROWN RETAIL GROUP