

OFFERING MEMORANDUM RITE AID ASSUMABLE FINANCING

RITE AID - 7225 AIRPORT HWY | HOLLAND, OHIO 43528







NET LEASE CAPITAL MARKETS

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RITE RITEAD

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This Confidential Offering Memorandum has been prepared exclusively by Newmark Knight Frank ("Newmark Knight Frank", "Agent") on behalf of Ownership, the ("Owners"), regarding the purchase of the property described herein as Rite Aid, Holland, OH. The materials and information contained in this Confidential Offering Memorandum do not purport to be all-inclusive or to contain all of the information which prospective investors may need or desire. Analysis and verification of the information contained in this Memorandum are solely the responsibility of the prospective purchaser.

Additional information and an opportunity to inspect the Property will be made available upon written request of interested and qualified prospective purchasers. Seller and Agent each expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers regarding the Property, and/or terminate discussions with any party at any time with or without notice. Seller reserves the right to change the timing and procedures for the Offering process at any time in Seller's sole discretion. Seller shall have no legal commitment or obligations to any party reviewing this Memorandum, or making an offer to purchase the Property, unless and until such offer is approved by Seller, and a written agreement for the purchase of the Property has been fully executed and delivered by Seller and the Purchaser thereunder.

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INVESTMENT HIGHLIGHTS

RITE AID PHARMACY

NATIONALLY RECOGNIZED TENANT

Rite Aid is a publicly traded (NYSE: RAD) and Fortune 500 company. It is the largest drugstore chain on the East Coast and 3rd largest in the US.



CORPORATE GUARANTEED TRIPLE NET LEASE

The subject property features a triple net lease with zero landlord obligations. The tenant signed a twenty (20) year lease in 2008 and has approximately 8 years of term remaining, with six (6), five (5) year options to extend. The lease features 10% rental increases every 10 years throughout the primary and extension term(s).



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ROBUST MARKET DEMAND

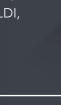
The tenant stands to capture the growth in pharmacy demand, which saw 3% revenue growth in 2019 alone. This is reflective of a rise in the 65+ population and prescription medication spending.

STRONG DEMOGRAPHICS

The median age of 42 within a 1-mile radius of the subject property exceeds the national average, indicating the strength of the location for a pharmacy due to the aging population. Holland is located approximately 10 miles from the Toledo city center and within the Toledo MSA with 650,000 residents. One of the primary employers for residents of Holland is the University of Toledo, which has 20,304 students and an academic staff of 2,232.

DRIVE-THRU PHARMACY IN THE HEART OF HOLLAND'S PRIMARY RETAIL CORRIDOR

Having a drive-thru increases the intrinsic real estate value of the subject property and generates additional traffic to the site. The property, which sits on a larger than average 2.7 acre parcel, is adjacent to a Kroger and Menard's anchored shopping center, and other national retailers in close proximity which include Target, Walmart, Home Depot, Lowe's, TJ Maxx, HomeGoods, Hobby Lobby, Dick's Sporting Goods, Kohl's, PetSmart, AutoZone, ALDI, and many others.



PHARMACY

Drive Thru





PRICE/CAP RATE

Price	\$7,174,930
Terms Cash to Existing Loan (must be a See next page for	
Cap Rate	7.25%
Annual NOI	\$520,182
Cash Flow (Yr 1)	\$338,698
Cash-on-cash Return (Yr 1)	7.19%
Principal Reduction (Yr 1)	\$60,845
Total Return Before Taxes	\$399,543 / 8.48%

EXECUTIVE SUMMARY

Address	today.	7225 Airport Hwy Holland, OH
Tenant/Guarantor	0	Rite Aid (Corporate Guaranty)
Use	No cost with most insurance." No appointment needled.	Retail
Acreage		2.70
Rentable Building Area (SF)	1	14,564
Expense Structure		NNN
Rent Increases	an unner a	10% every 10 years
Commencement Date		January 30, 2008
Primary Term Expiratio	on da	January 31, 2028
Option Periods		6, 5-Year Options
Initial Term		20 Years (8 Years Remaining)
Ownership Interest		Fee Simple



EXISTING FINANCING SUMMARY

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Holder	Wells Fargo Commercial Mortgage Trust 2017-C42 (Purchased from Rialto Mortgage Finance, LLC)
Original Loan Amount	\$2,600,000
Current Balance	\$2,464,790.12 (As of April 1, 2020)
Commencement	November 17, 2017
Maturity Date	December 6, 2027
Interest Rate	4.95%
Monthly / Annual Debt Service	\$15,123.70 / \$181,484.40
Term Remaining	7.9 Years
Amortization	25 Years
	Borrower shall pay to Lender: - An assumption fee equal to one percent (1%) of the outstanding Principal Balance
Assumption Costs	- All reasonable out-of-pocket costs and ex- penses incurred in connection with such Trans- fer (including reasonable fees and disburse- ments of Lender's counsel and fees, costs and expenses of the Rating Agencies).
Note: Vield Maintenance Pe	nalty is approximately \$522 581 as of April 1 2020

Note: Yield Maintenance Penalty is approximately \$522,581 as of April 1, 2020







AERIAL MAP



AERIAL VIEW EAST





FOX CHASE APARTMENTS 303 UNITS

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Drive Thru Pharmacy (9)

THE INVESTMENT

RITE AID

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PHARMACY

Drive Thru

LEASE ABSTRACT / PROPERTY DETAILS

LEASE ABSTRACT

7225 Airport Hwy, Holland, Ohio 43528
Rite Aid
Rite Aid Corporation
January 30, 2008
January 31, 2028
6, 5-Year Options
\$520,182.39 (\$35.72/SF/Yr)
10% every 10 years
NNN
Tenant Responsibility
Tenant Responsibility
None
Property and Commercial General Liability

PROPERTY DETAILS

Rentable Building Area		14,564 SF
Acreage		2.70 Acres
Year Built		2007
APN		65-23966
RENT SCHEDULE		
	ANNUAL RENT	RENT INCREASE %
1/30/2008 - 2/1/2018	\$472,893.08	
2/1/2018 - 1/31/2028	\$520,182.39	10%
Option 1	\$572,200.63	10%
Option 2	\$572,200.63	- <u>-</u> Ali
Option 3	\$629,420.69	10%
Option 4	\$629,420.69	
Option 5	TBD*	TBD
Option 6	TBD*	TBD
* 110% of the Fixed Rent	applicable to previos pe	eriod or, if notice is

* 110% of the Fixed Rent applicable to previos period or, if notice is given appraised market rent





LOCATION AND DEMOGRAPHICS

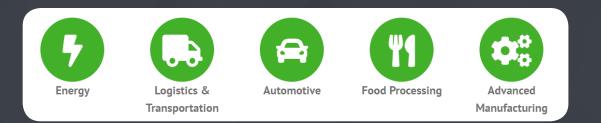
The Village of Holland is directly west of the city of Toledo in Lucas County, Ohio. Located in Northwest Ohio on the Lake Erie coast, Lucas County is situated in the center of a trade area comprised of 16 counties in Northwestern Ohio and Southeastern Michigan, with a population of nearly 1.5 million people. Lucas County is in the Toledo Metropolitan Statistical Area (MSA) and lies in the central portion of a triangle formed by the cities of Chicago, Detroit, and Cleveland. Approximately three-eighths of the population of the United States resides within 500 miles of Lucas County. *Source: Lucas County, Ohio 2018 CAFR*

- 6 Miles from The University of Toledo Main Campus

- 20,000+ Undergraduate Students / 2,000+ Faculty / 6,662 Employees

- 5 Miles from The University of Toledo Medical Center - 246 Staffed Beds / \$1,182,231,533 in Total Patient Revenue (Source: adh.com)
- Toledo MSA Population: 650,000+

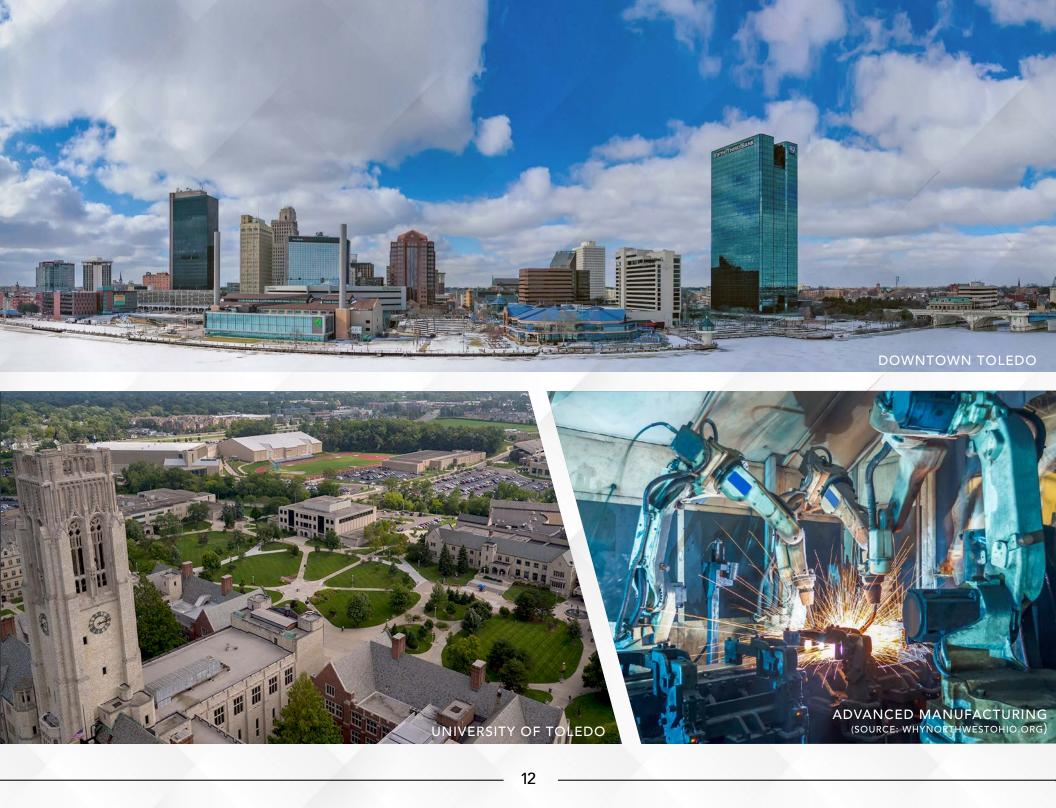
The Regional Growth Partnership (RGP) is the lead economic development group serving the Toledo region and 17 counties of Northwest Ohio. The RGP's business development efforts are focused on five cluster industries:



The RGP's efforts on attracting Investment, New Business and High-Quality Jobs has resulted in 5,736 New Jobs, 21,554 Retained Jobs, 116 Projects and \$3.2 Billion Capital Investment in the region. Toledo was ranked as third in the nation among mid-sized cities for economic development for a second consecutive year in 2018. *Source: www.rgp.org*

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POPULATION	1 MI	3 MI	5 MI
2024 Projection	5,785	41,046	105,605
2019 Estimate	5,971	42,642	109,465
2010 Census	5,899	43,101	112,520
HOUSEHOLDS	1 MI	3 MI	5 MI
2024 Projection	2,663	18,667	49,428
2019 Estimate	2,722	19,148	50,568
2010 Census	2,474	18,014	48,397
2019 Avg. Household Income	\$85,029	\$82,838	\$77,750
2019 Med. Household Income	\$71,222	\$67,689	\$63,476
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TENANT SYNOPSIS

The Rite Aid Corporation operates a chain of 2,464 retail drugstores in the United States, making the company the 3rd largest drugstore operator in the country. The company operates through two segments, Retail Pharmacy and Pharmacy Services. The Retail Pharmacy segment sells prescription drugs, over-the-counter medications, health and beauty aids, personal care items, cosmetics, household items, food and beverages, greeting cards, and seasonal merchandise. Rite Aid also operates retail clinics that provide treatment for common medical conditions; and provides preventative services, such as screenings, medical tests, immunizations, and basic physical exams. In addition, this segment offers healthcare coaching and disease management services. The Pharmacy Services segment provides pharmacy benefit management (PBM) services and a range of pharmacy-related services. This segment also performs prescription adjudication services, and offers integrated mail-order and specialty pharmacy services, as well as drug benefits under the federal government's Medicare program. As of November 30, 2019 the company operated 2,464 stores in 18 states, and is the largest drugstore chain on the East Coast. Rite Aid Corporation was founded in 1927 and is headquartered in Camp Hill, Pennsylvania.



YEAR FOUNDED 1927



HEADQUARTERS Camp Hill, PA



LOCATIONS 2,469









\$48.26 M WEBSITE www.riteaid.com

TTM OPERATING INCOME

STOCK SYMBOL NYSE: RAD

TTM REVENUES

\$21.58 B



RITE RITEAID

For more information, please contact:

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