



OFFERING MEMORANDUM



Rite Aid
Antelope, CA | Sacramento MSA

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Disclaimer

MGM Capital Corp dba Preserve West Capital (“Broker”) has been retained on an exclusive basis to market the property described herein (“Property”). Broker has been authorized by the Seller of the Property (“Seller”) to prepare and distribute the enclosed information (“Material”) for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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- Recently Extended Corporate Net Lease to Rite Aid (NYSE: RAD) with Approximately 10 Years Remaining
 - Scheduled Rental Escalations in Option Periods
 - 20+ Year Operating History for Tenant at Site
- Excellent Access and Visibility at Signalized Hard Corner
 - Combined AADT of 42,921
- Robust Demographics in Surrounding Area
 - Population of 290,094 within 5 Mile Radius
 - Average Household Income of \$79,574 within 1 Mile of Site
- Prominent Retail Location Neighboring Numerous Major Shopping Centers
 - Nearby Anchor Tenants include Walmart, Winco Foods, Bel Air, Raley's, CVS, Walgreens & More
- 3 Miles from McClellan Business Park
 - More than 15,000 Employees at Site
 - Major Tenants Include Northrop Grumman, Siemens, Dyncorp & General Dynamics
- Approximately 12 Miles from Downtown Sacramento
- Strategic Sacramento MSA Location
 - MSA Population of Approximately 2,324,900 - 9.36% Growth Since 2010
 - GDP of \$145.5+ Billion



PRICE

\$5,045,000
6.00% Return

Location

The property is located at 4300 Elverta Road in Antelope, California.

Lot Size

Approximately 1.89 acres or 82,293 square feet

Improvements

A 16,922 square foot retail building for **Rite Aid**.

Parking

There are 77 parking spaces available on site.

Lease

Originally leased to **Thrifty Payless, Inc.** for 20 years from September 14, 1998 through September 30, 2018, and recently extended for an additional ten years through September 30, 2030 at a current annual rent of \$302,720. There are five (5) remaining five-year options to renew the lease. Rent is to increase by \$16,320 at the start of each option period. The lease is net with tenant responsible for all taxes, insurance, and maintenance, excluding roof and structure, and proportionate share of common area maintenance, including parking lot repair and replacement and a management/administrative fee equal to 10% of CAM costs.

Net Annual Income

Years	Annual Rent	Return
1-20	\$320,071	n/a
21-32 (Current)	\$302,720	6.00%
33-37 (Option 2)	\$352,675	6.99%
38-42 (Option 3)	\$368,995	7.31%
43-47 (Option 4)	\$385,315	7.64%
48-52 (Option 5)	\$401,635	7.96%
53-58 (Option 6)	\$417,955	8.28%

Financing

This property will be delivered free and clear of permanent financing.



Rite Aid is ranked #107 in the Fortune 500



Rite Aid (NYSE: RAD) is one of the largest retail pharmacy, health, and drugstore chains in the United States, with approximately 2,469 stores across 18 states. The company is ranked #107 in the Fortune 500.

The company has entered into several high-profile merger and acquisition agreements in recent years, beginning with the 2015 announcement of Walgreens' intent to acquire Rite Aid for \$17.2 billion. However, following regulatory feedback, the companies terminated the merger agreement in June 2017, instead entering into a real estate purchase agreement by which Walgreens acquired 1,932 former Rite Aid Stores and 3 distribution centers in 2018 and 2019. In February 2018, the company announced plans to merge with Albertsons, however, the agreement was terminated in August 2018 due to stockholder concerns. At present, the company is committed to continuing to operate as a standalone company, leveraging Rite Aid's expansive network of existing pharmacies, and building momentum for expanded pharmacy service offerings, innovative store and omni-channel formats, and health and wellness offerings.

For the fiscal year ended February 28, 2019, Rite Aid reported revenue of \$21.6 billion and total stockholder equity of \$1.19 billion. For the quarter ended November 30, 2019, the company surpassed earnings expectations, reporting revenue of \$5.46 billion, net income of \$51.4 million, and total stockholder equity of \$1.01 billion.

Thrifty Payless, Inc., the lease entity, is a subsidiary of Rite Aid Corporation.

SITE PLAN



ELVERTA ROAD

WALERGA ROAD

SIGN



16,922 SF



AERIAL

SOUTHWEST VIEW

ANTELOPE MARKETPLACE

SACRAMENTO

North Country
Elementary

Blue Oak
Park

SUBWAY

Great Clips®
IT'S GONNA BE GREAT™

Papa Murphy's
TAKE 'N BAKE PIZZA

T-Mobile

Tires LES SCHWAB

Bank of America



Little Caesars
pizza!pizza!

AutoZone

**RITE
AID**

SAFE
CREDIT UNION

BEL AIR

Banfield
PET HOSPITAL



24 FITNESS

UMPQUA
BANK

LESLIE'S SWIMMING
POOL SUPPLIES.

Walerga Rd (24,575 AADT)

Elverta Rd (18,346 AADT)

Chevron

AERIAL

NORTHWEST VIEW

ANTELOPE MARKETPLACE



Pokelma Park



Firestone

Walerga Rd (24,575 AADT)

Elverta Rd (18,346 AADT)

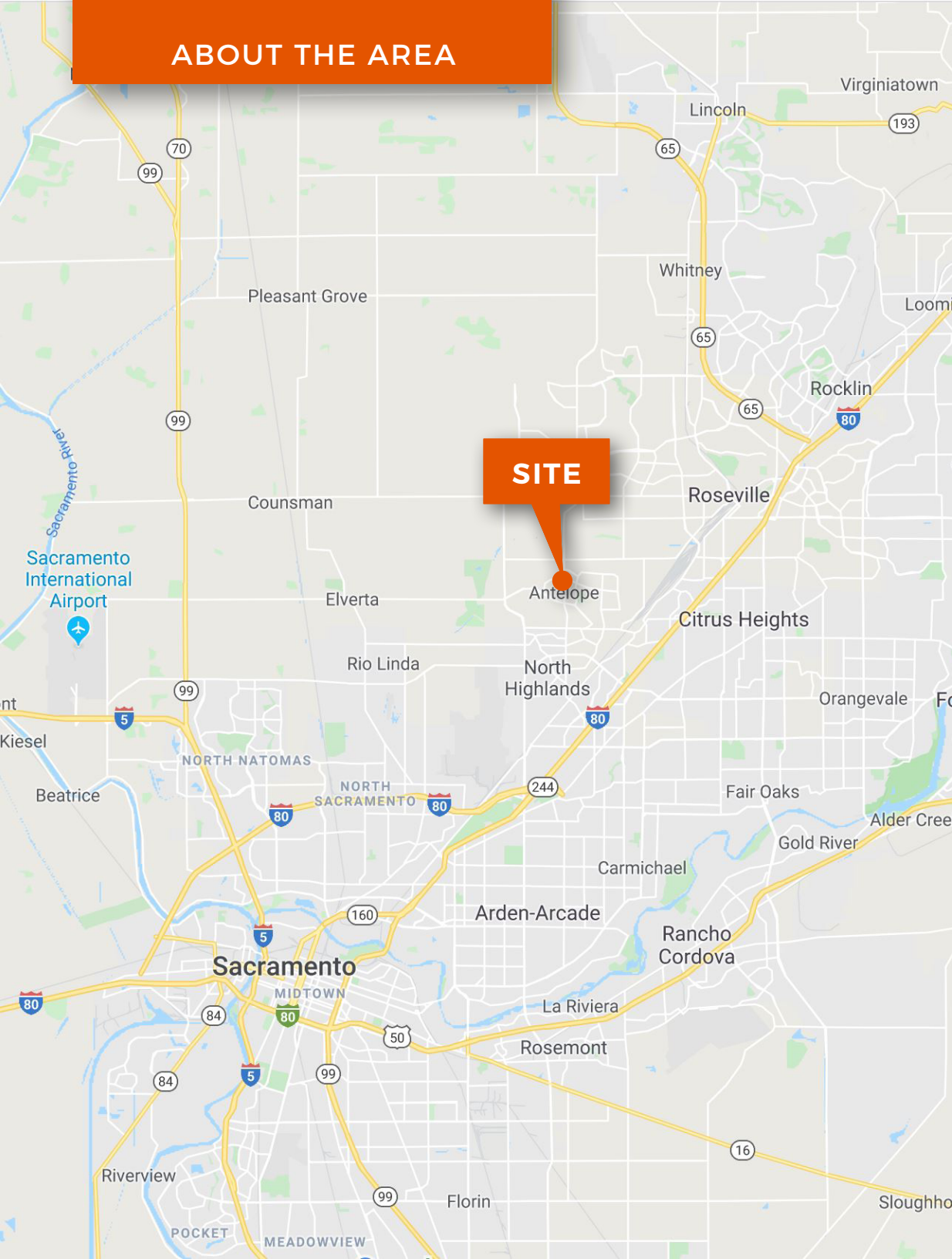


A map of Northern California with an orange banner at the top that reads "ABOUT THE AREA". A red pin labeled "SITE" is located north of Sacramento, near Roseville. The map shows major cities including San Francisco, San Jose, Sacramento, and Yuba City, as well as various national forests and highways.

Antelope (population 45,770) is a census-designated place in Sacramento County approximately 15 miles northeast of downtown Sacramento and 5 miles southwest of Roseville. Antelope is located within the Sacramento-Arden-Arcade-Roseville Metropolitan Statistical Area (population 2,324,884), and benefits from the robust Sacramento regional economy, with an MSA GDP of \$145.5 billion annually.

Sacramento (population 485,199) is the seat of Sacramento County and the capitol of California. The greater Sacramento area is served by several major highways: Interstate 80, a major east-west arterial, connects Sacramento to San Francisco in the West and Reno in the East. Interstate 5 connects the city to Redding and Oregon in the North and to the Central Valley in the south. CA State Route 99 spans nearly the entire length of the Central Valley, connecting Sacramento to Fresno, Bakersfield, Merced, Stockton, and Chico, among others. Amtrak provides commuter rail service to the San Francisco Bay Area, Southern California, Oregon, Nevada, Washington, and the Midwest, and is the second busiest Amtrak station in California. The Sacramento International Airport provides air transportation to the region, serving more than 10 million passengers each year.

ABOUT THE AREA



Site Information

The subject property is prominently situated with excellent access and visibility at the signalized hard corner of Elverta Road (18,346 AADT) and Walerga Road (24,575 AADT) just less than 12 miles from downtown Sacramento. The site benefits from robust demographics with a population of 290,094 and average home value of \$370,672 within 5 miles of the site. Average household income within a 1 mile radius exceeds \$79,570.

The site benefits from a strategic location in close proximity to shopping centers, major retail tenants, schools, and employers. Retail centers in the surrounding area include Antelope Marketplace, anchored by Bel Air and 24 Hour Fitness; Elverta Crossing, featuring Tractor Supply Company; Elkhorn Plaza, anchored by Safeway and CVS; Elkhorn Center, featuring 99 Cents Only & O'Reilly Auto Parts; Watt Towne Center, with tenants including Dollar Tree, Big 5, and dd's Discounts; and Summerhill Plaza, anchored by Raley's. Other major retail tenants in the surrounding area include Walmart Supercenter, Winco Foods, FoodMaxx, Walgreens, and more.

The property is additionally located in close proximity to Antelope High School, Antelope Crossing Middle School, Barrett Ranch Elementary School, Dudley Elementary School, Oak Hill Elementary School, and Antelope Meadows Elementary School, drawing additional traffic from parents, students, and teachers to the site. The property is located approximately 3 miles from McClellan Business Park, a former Air Force base with tenants that include Siemens, DynCorp, Northrop Grumman, McLellan Nuclear Research Center, PRIDE industries, General Dynamics, Surewest, Cal Fire, XO Jets, and more, drawing more than 15,000 people to the surrounding area each day.



4300 Elverta Rd | Antelope, CA 95843



2019 POPULATION
290,094



AVG. HOME VALUE
\$370,672



AVG. HOUSEHOLD INCOME
\$79,576

Population Summary

	1 Mile	3 Miles	5 Miles
2010 Total Population	28,888	118,431	267,515
2019 Total Population	30,538	127,192	290,094
2024 Total Population	31,494	131,971	302,687
2019-2024 Annual Rate	0.62%	0.74%	0.85%

Average Household Income

2019	\$79,576	\$78,984	\$78,702
2024	\$93,642	\$92,274	\$92,267

Average Home Value

2019	\$345,417	\$358,076	\$370,672
2024	\$414,511	\$428,730	\$442,816

Major Employers in Sacramento County # of Employees

UC Davis Health System	12,840
Kaiser Permanente	11,005
Sutter/California Health Services	8,177
Dignity/Mercy Healthcare	7,000
Intel Corporation	6,000
Apple, Inc.	5,000
Raley's Inc./Bel Air	3,374
Health Net of California, Inc.	3,000
VSP Global	2,700
Amazon	2,000



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