

SINGLE TENANT ABSOLUTE NNN LEASE INVESTMENT

RARE COASTAL CITY ASSET ALONG HISTORIC HWY 101

3451 Highway 101, Florence, OR 97439



PROPERTY OVERVIEW

We are pleased to offer to qualified investors an opportunity to purchase a single tenant absolute NNN leased investment that is fully occupied by Rite Aid with approximately 8.7 years fixed remaining on the base term. Located in Florence, OR the subject property comprises a 17,272 square feet building on a 1.47 acre signalized hard corner lot. Positioned on the main North/South corridor of Florence, OR (Hwy 101) the subject property has excellent visibility and easy access and is the only Rite Aid/Walgreens or CVS Pharmacy location within a 40+ mile radius (1 hour drive-time) making this a strategic corporate location. This is an excellent opportunity to purchase an absolute NNN leased investment, with minimal pharmacy competition in the market, located on the main North/South thoroughfare, with 8.7 years remaining and zero landlord responsibilities.



PRICING DETAILS

List Price	\$5,785,000
CAP Rate	7.25%
Annual Rent	\$419,495
Taxes	NNN
Insurance	NNN
CAM	NNN

LEASE ABSTRACT

Tenant Trade Name	Rite Aid
Lease Start	February 1, 2003
Lease Expiration	January 31, 2028
Term Remaining On Lease	9 Years
Base Rent	\$419,495
Rental Adjustments	None
Option Periods	6 - 5 Year Option Periods 10% Increases Every 10 Years 2/1/2028: \$461,444 2/1/2033: \$461,444 2/1/2038: \$507,589 2/1/2043: \$507,589 2/1/2048: FMV 2/1/2053: FMV
Lease Type	NNN Lease
Roof & Structure	Tenant Responsible

PARCEL DETAILS

APN	18-12-23-22-07900-000
Building Size	17,272 SF
Land Size	1.47 Acres

INVESTMENT HIGHLIGHTS

- **Rite Aid (NYSE: RAD)** Absolute NNN Leased Investment - Zero Landlord Obligations
- **8.7 Years Fixed Lease Years** Remaining with 6, 5 Year Options
- 10% Rental Increases Every 10 Years During Option Periods
- **Strong Commitment to Site** - Recent Interior Store Remodel
- **Strategic Location** - Only Rite Aid/Walgreens Location within a 40+ Mile Radius
- Double Drive-Thru Location - Excellent Visibility & Access - Over 19,000 AADT
- Close Proximity to Siuslaw High School, Siuslaw Middle School & Siuslaw Elementary School - Combined Enrollment of ~1,380 Students
- **Nearby Major Tenants:** Safeway, Fred Meyer, Bi Mart, Grocery Outlet, O'Reilly Auto Parts, Dutch Bros, McDonald's, US Bank, Taco Bell, Goodwill
- **Ideal 1031 Exchange Asset** - Tenant Pays Expenses Directly
- Deliverable Free and Clear of Existing Debt



AERIAL OVERVIEW

PACIFIC OCEAN

Fred Meyer

O'Reilly
AUTO PARTS

NAPA

SUBWAY

FLORENCE GOLF LINKS

101



OREGON COAST HWY. 14,900 VPD

verizon wireless

TACO BELL

usbank
serving you

**SIUSLAW
HIGH SCHOOL,
MIDDLE SCHOOL
& ELEMENTARY
SCHOOL**

GROCERY OUTLET
Pacifi Market

Pizza Hut

**FLORENCE
MUNICIPAL AIRPORT**

QUALITY INN

McDonald's
i'm lovin' it

**THREE RIVERS
CASINO RESORT**

ARCO

126

**PEACEHEALTH
LABORATORIES
PEACE HARBOR
MEDICAL CENTER**

**UNITED STATES
POSTAL SERVICE**

at&t
Your world. Delivered.

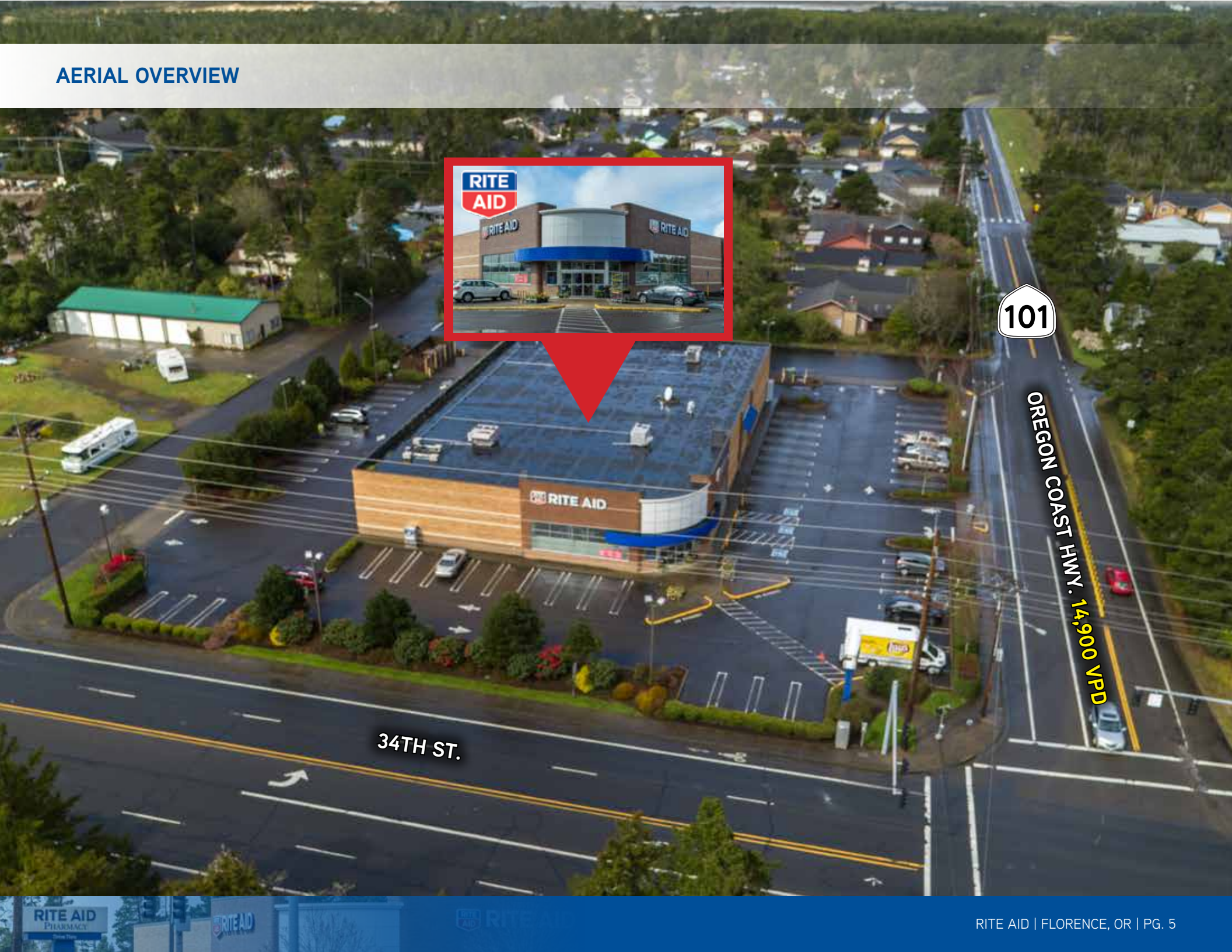
DOLLAR TREE

SAFEWAY

**RITE AID
PHARMACY**

RITE AID

AERIAL OVERVIEW



101

OREGON COAST HWY. 14,900 VPD

34TH ST.

TENANT OVERVIEW

Rite Aid Corporation is one of the nation's leading drugstore chains with approximately 2,500 stores in 19 states. Rite Aid is publicly traded on the New York Stock Exchange under the ticker symbol RAD. The company ranked No. 94 in the 2018 Fortune 500 list of the largest United States corporations by total revenue. It is headquartered in Camp Hill, East Pennsboro Township, Cumberland County, Pennsylvania, near Harrisburg.



THIRD QUARTER HIGHLIGHTS

- **Revenue growth in our Retail Pharmacy and Pharmacy Services Segments**
 - Comp store sales up 1.6% -strongest in over three years
 - Same store prescription count up 2.4% -strongest in over two years
 - PBM revenues up 5.6% -strong Med D growth
- **Significant growth in immunizations**
 - Flu shots up 19% compared to last year
 - Non-Flu immunizations up 72%
- Retail Pharmacy gross profit improved year over year in Q3
- Completed refinancing of our senior secured credit facility

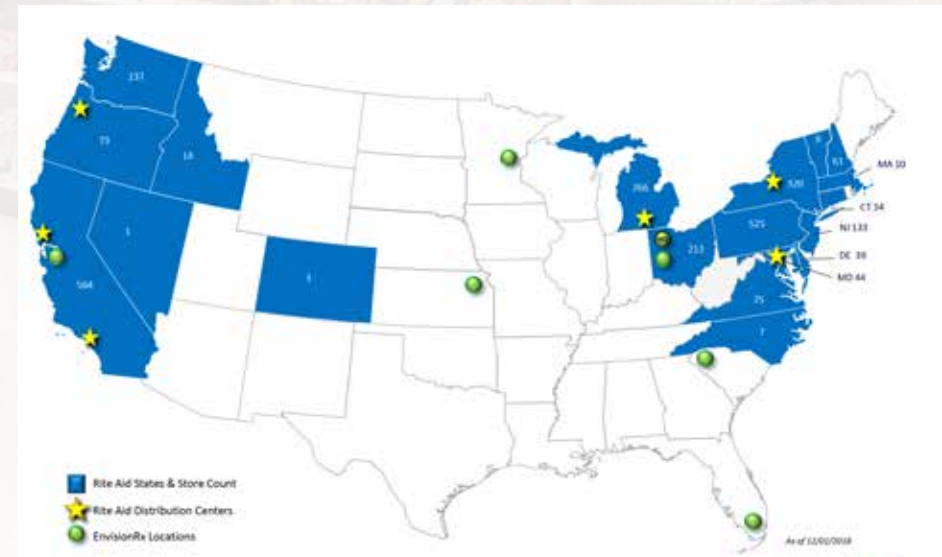
KEY METRICS

2,525 Stores in 19 states as of December 1, 2018

Approximately \$15.7 billion in Retail Pharmacy Revenues and \$6.1 billion in PBM Revenues for the LTM period ended December 1, 2018

Fill approximately 215 million scripts per year in retail pharmacy (30-day equivalent basis)

Adjusted EBITDA guidance for Fiscal 2019 is \$545 -\$570 million





TENANT OVERVIEW

STRONG PRESENCE IN KEY STATES

	Stores	Position in CBSA's:		
		1 st	2 nd	3 rd
California	564	35%	32%	18%
Pennsylvania	525	62%	24%	7%
Michigan	266	72%	3%	10%
Ohio	213	59%	18%	3%
New York	320	30%	10%	25%
Washington	137	42%	37%	16%
Oregon	73	55%	15%	20%

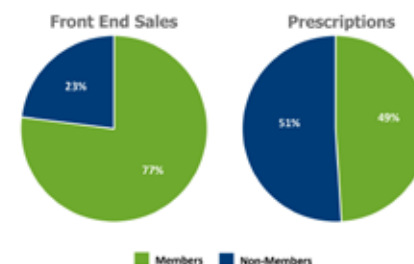
Represents our position in CBSA's where we have a presence, based on store count as of December 1, 2018.

BUILDING STRONG RELATIONSHIPS WITH OUR CUSTOMERS THROUGH ENGAGING INTERACTIONS & OMNICHANNEL OFFERINGS

Omnichannel Interactions

- Pharmacy Drive Through
- Pharmacy Delivery
- Flu Clinics
- Front End Delivery
- EnvisionRx
- Mobile App
- E-Commerce

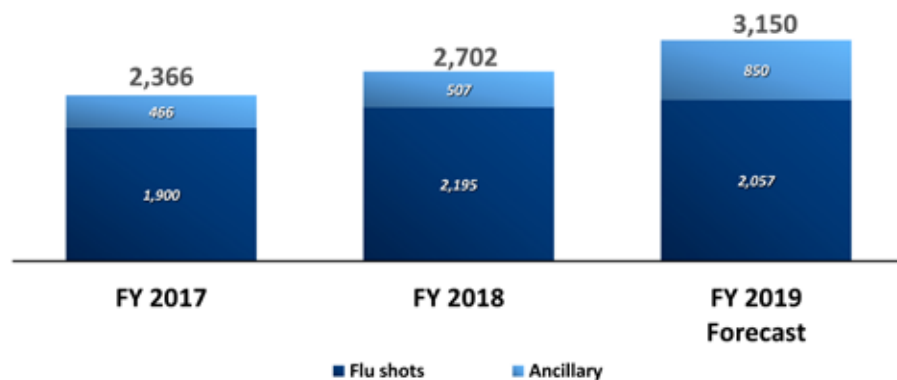
wellness+ Penetration⁽¹⁾



13 million Active wellness+ Members

IMMUNIZATIONS BY FISCAL YEAR

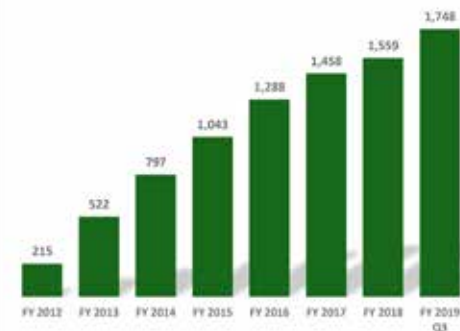
(in thousands)



MERCHANDISING INITIATIVES

- Prioritize health, beauty, vitamins and consumables
- Key Beauty Initiatives
 - Kokie Cosmetics
 - e.l.f.
 - Cake Beauty
- Consumables
 - Introduced 150 better-for-you snack and grocery items
 - Testing new innovative grocery concepts
- Continue to convert stores to wellness format

Wellness Remodels

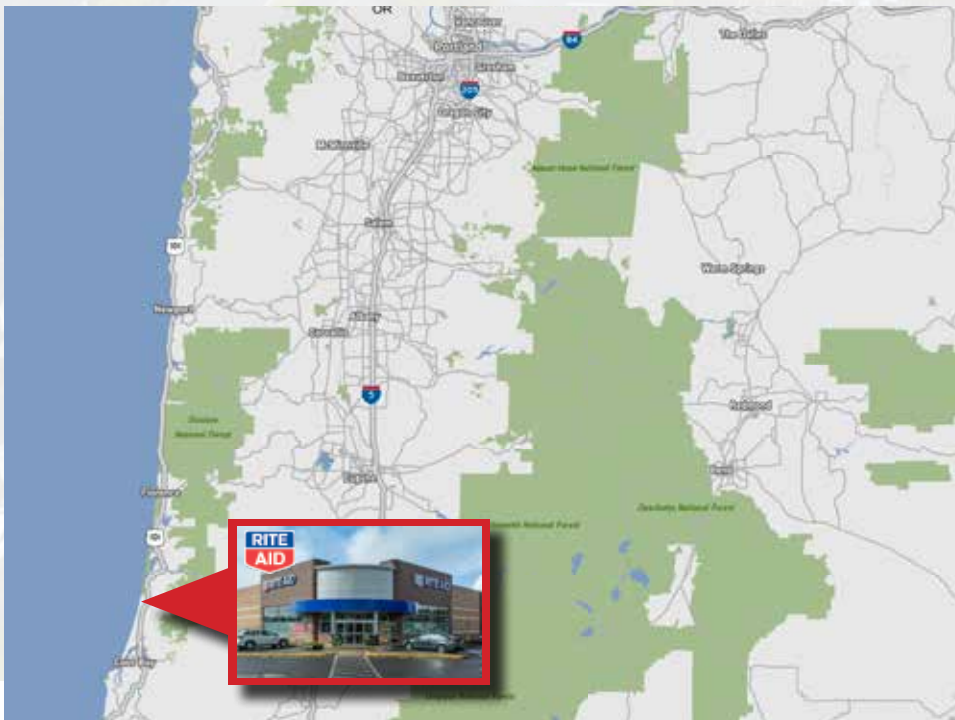


CITY OF FLORENCE

Florence is located on the Oregon Coast at the mouth of the Siuslaw River immediately north of Oregon Dunes National Recreation Area. It is approximately midway between the other major central Oregon coastal cities of Newport and Coos Bay. The former mainstays of Florence's economy were logging, commercial fishing, and agriculture, but today tourism is increasingly significant. A major draw to Florence is the Rees Jones designed Florence Golf Links which received Golf Digest's award for "Best New Public Course in America" in 1993. Some local businesses include Sand Master Park, Mo's Restaurants and Three Rivers Casino Resort, which is run by the Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians. The Port of Siuslaw promotes commercial fishing, shipping and tourism. About one-third of Florence's population consists of retirees.

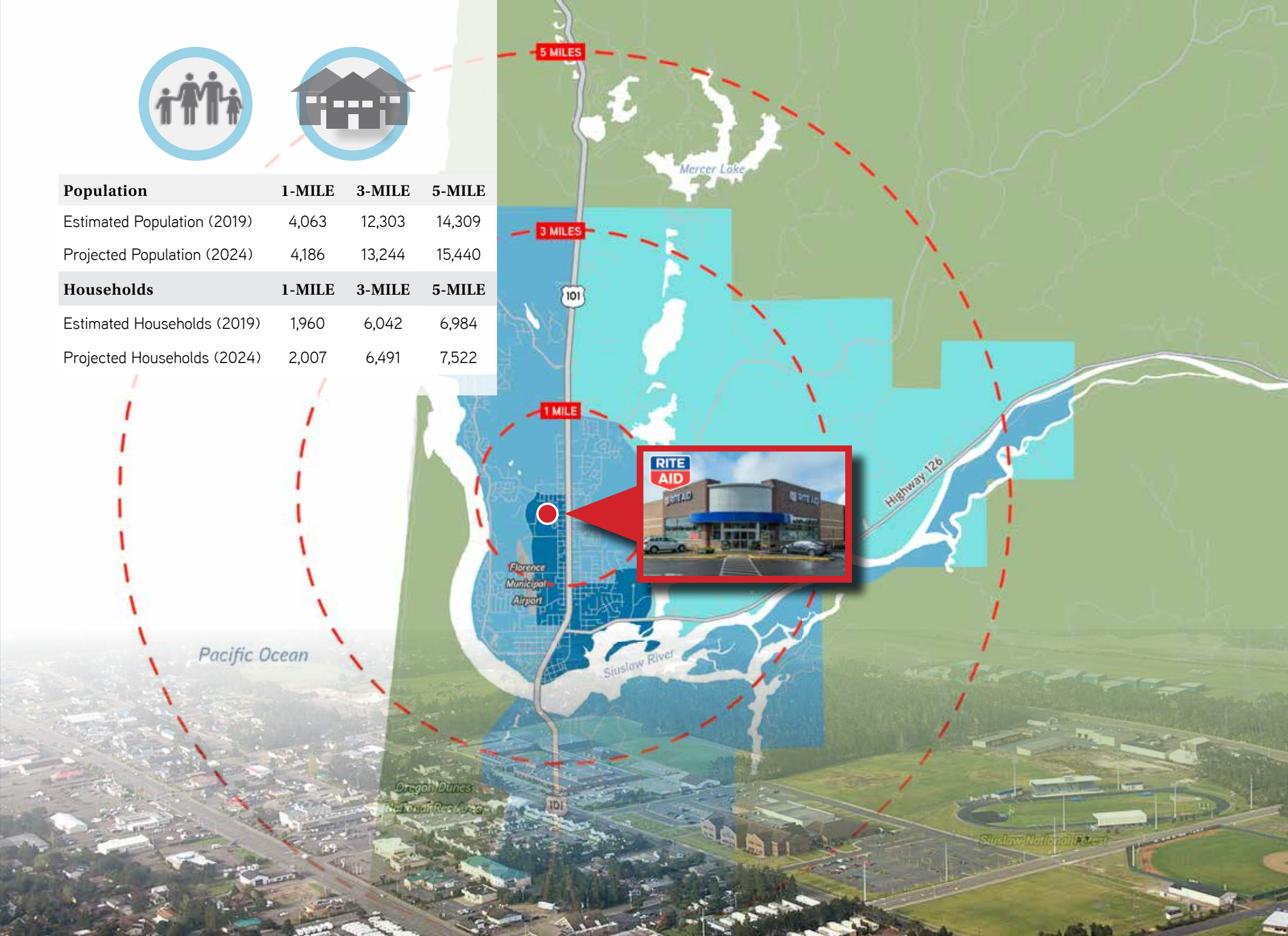


Nestled in the plush Oregon coast dunes, Three Rivers Casino Resort offers relaxation with over 90 hotel rooms, plush comfort and distinctive amenities such as free high speed internet access, 42" flat screen TV, sumptuous beds fit for royalty, all complemented by a captivating view.



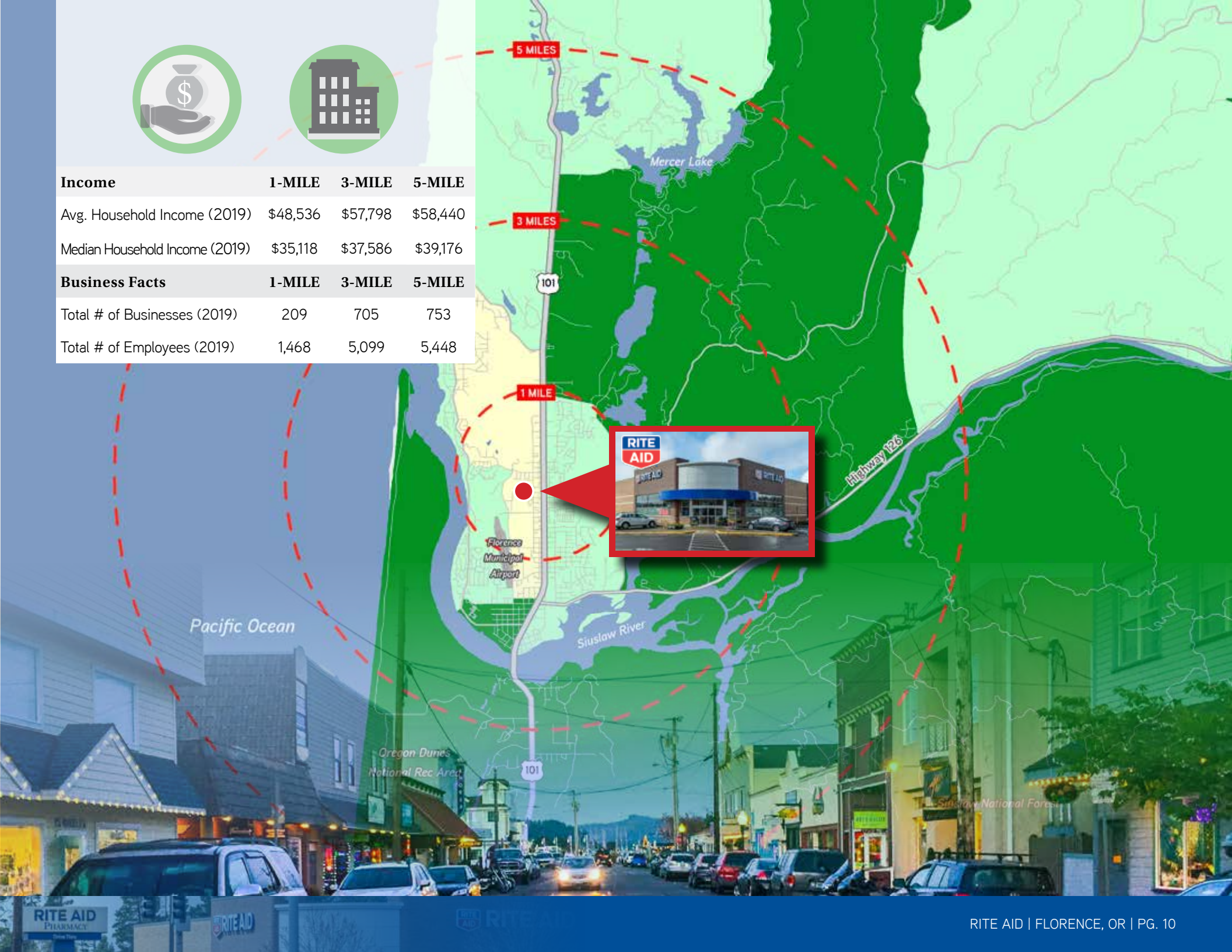


Population	1-MILE	3-MILE	5-MILE
Estimated Population (2019)	4,063	12,303	14,309
Projected Population (2024)	4,186	13,244	15,440
Households	1-MILE	3-MILE	5-MILE
Estimated Households (2019)	1,960	6,042	6,984
Projected Households (2024)	2,007	6,491	7,522





Income	1-MILE	3-MILE	5-MILE
Avg. Household Income (2019)	\$48,536	\$57,798	\$58,440
Median Household Income (2019)	\$35,118	\$37,586	\$39,176
Business Facts	1-MILE	3-MILE	5-MILE
Total # of Businesses (2019)	209	705	753
Total # of Employees (2019)	1,468	5,099	5,448





This Offering Memorandum contains select information pertaining to the business and affairs of Rite Aid - Florence, OR. It has been prepared by Colliers International. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Colliers International. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum from Colliers, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Colliers International expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of Rite Aid - Florence, OR or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Colliers International or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

Colliers International | 3 Park Plaza, Suite 1200 | Irvine, CA 92614 | Snyder/Carlton Team

Colliers International makes no guarantees, representations or warranties of any kind, expressed or implied, regarding the information including, but not limited to, warranties of content, accuracy and reliability. This publication is the copyrighted property of Colliers International and /or its licensor(s) 2015. All rights reserved

INVESTMENT CONTACTS:

Eric Carlton

Executive Vice President

License No. 01809955

949.724.5561

Eric.Carlton@colliers.com

Jereme Snyder

Executive Vice President

License No. 01360233

949.724.5552

Jereme.Snyder@colliers.com

Colliers
INTERNATIONAL

