

RITE AID

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM

Subject Property



17072 S Dupont Hwy,
Harrington, DE 19952

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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 rates for the area. Returns are not guaranteed; the tenant and any

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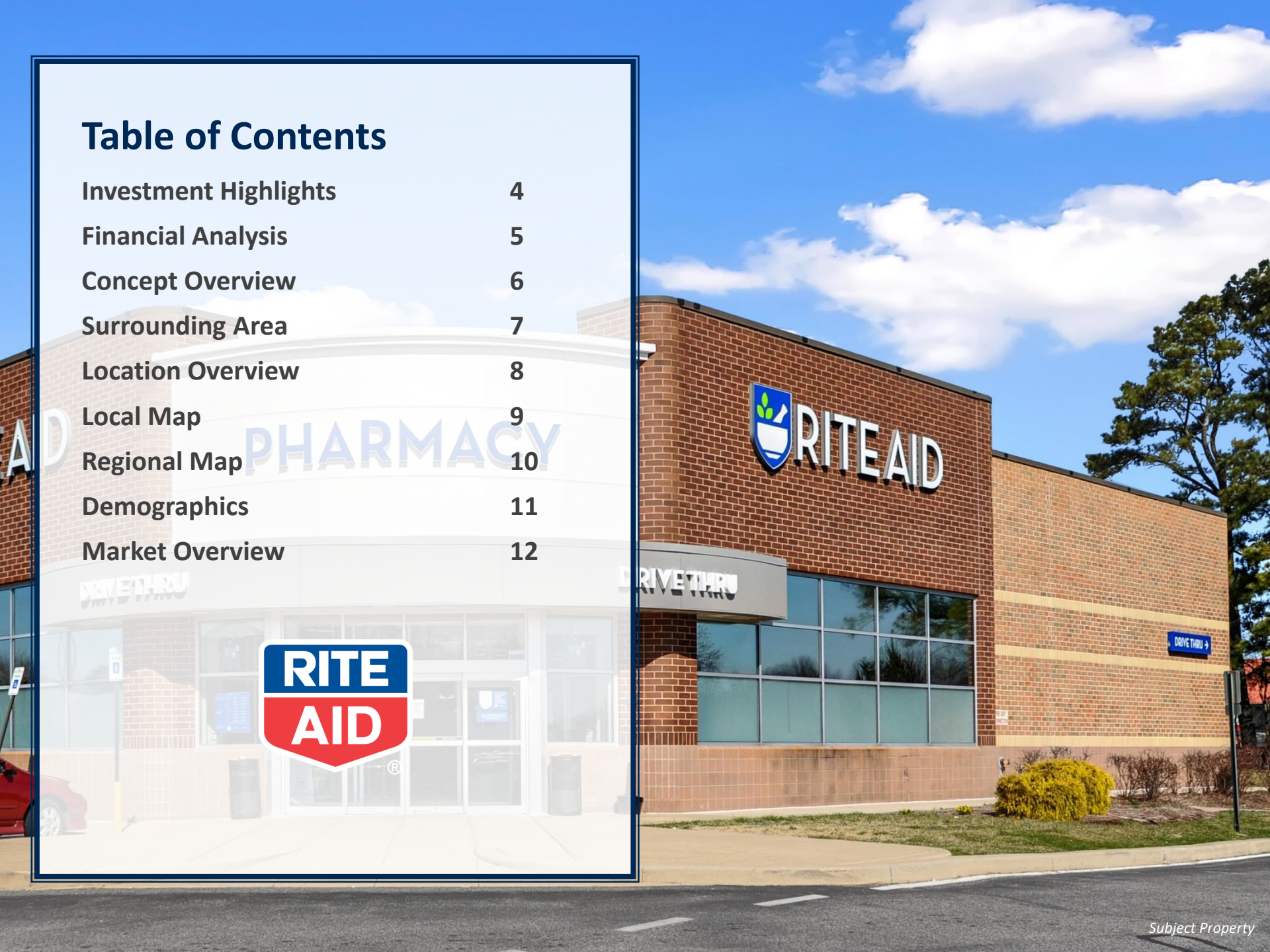
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All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.

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Investment Highlights

PRICE: \$5,112,000 | CAP: 8.00% | RENT: \$408,995



About the Investment

- ✓ Located One Mile North of Harrington Raceway & Casino | 140,000 SF Gaming Space with 1,800 Slot Machines and 70 Days of Live Racing Annually
- ✓ Longstanding Tenancy | Property Has Been A Rite Aid for Sixteen Years
- ✓ High Visibility & Ease of Access off S Dupont Hwy & Strong Traffic Counts | Approximately 28,000 and 12,000 Vehicles Per Day Along S Dupont Hwy and Milford Harrington Hwy, Respectively
- ✓ Five (5) Option Periods of Five (5) Years Each | Potential for Total Lease Term of Nearly 30 Years
- ✓ Ten (10%) Percent Rental Increases Every Five (5) Years Throughout Option Periods
- ✓ Positioned in Dense Retail Corridor | Family Dollar, Dollar General, Food Lion, Royal Farms, McDonald's, Ace Hardware, Subway, Taco Bell and Many More
- ✓ Numerous Hospitality Accommodations Located Within a One-Mile Radius | Holiday Inn, Quality Inn, Super 8 By Wyndham
- ✓ Compelling Location Fundamentals | Located Within a 14-Mile Radius of Dover, DE | Capital and 2nd Largest City in Delaware

About the Tenant / Brand

- ✓ Rite Aid Corporation is One of the Nations Leading Drugstore Chains with More than 2,450 Stores in 18 States and the District of Columbia And has Over 51,000 Associates
- ✓ Rite Aid is the Largest Drugstore Chain on the East Coast and the Third Largest in the U.S
- ✓ Rite Aid is a Fortune 500 Company and Reported Store Sales of \$21.9 Billion in Fiscal Year 2020
- ✓ Rite Aid The Company is Publicly Traded in the New York Stock Exchange Under the Ticker RAD





Financial Analysis

PRICE: \$5,112,000 | CAP: 8.00% | RENT: \$408,995



PROPERTY DESCRIPTION

Property	Rite Aid
Property Address	17072 S Dupont Hwy
City, State ZIP	Harrington, DE 19952
Year Built / Renovated	2005
Building Size (SF)	14,564
Lot Size (Acres)	+/- 1.92 Acres
Type of Ownership	Fee Simple

LEASE SUMMARY

Property Type	Net-Leased Pharmacy
Tenant / Guarantor	Corporate
Lease Commencement	April 20, 2005
Lease Expiration	January 31, 2026
Lease Term Remaining	+/- 4.75 Years
Lease Type	Double Net (NN)
Roof & Structure	Landlord Responsible
Rental Increases	10% Every 5 Years
Options to Renew	Five (5), Five (5)-Year Options

RENT SCHEDULE

Lease Year	Annual Rent	Monthly Rent	Rent Escalation
Year 1	\$371,814	\$30,985	-
Year 2	\$371,814	\$30,985	-
Year 3	\$371,814	\$30,985	-
Year 4	\$371,814	\$30,985	-
Year 5	\$371,814	\$30,985	-
Year 6	\$371,814	\$30,985	-
Year 7	\$371,814	\$30,985	-
Year 8	\$371,814	\$30,985	-
Year 9	\$371,814	\$30,985	-
Year 10	\$371,814	\$30,985	-
Year 11	\$408,995	\$34,083	10.00%
Year 12	\$408,995	\$34,083	-
Year 13	\$408,995	\$34,083	-
Year 14	\$408,995	\$34,083	-
Year 15	\$408,995	\$34,083	-
Current Rent	\$408,995	\$34,083	-
Year 17	\$408,995	\$34,083	-
Year 18	\$408,995	\$34,083	-
Year 19	\$408,995	\$34,083	-
Year 20	\$408,995	\$34,083	-



Concept Overview



About Rite Aid

Rite Aid Corporation is one of the nations leading drugstore chains with more than 2,450 stores in 18 states and the District of Columbia, with a strong presence on both the East and West Coasts, and nearly 51,000 associates. Rite Aid The Company is publicly traded in the New York Stock Exchange under the ticker RAD.

Rite Aid began in 1962 as a single store opened in Scranton, Pennsylvania. After several years of growth, Rite Aid adopted its current name and debuted as a public company in 1968. Rite Aid headquarter in Camp Hill, Pennsylvania a suburb of Harrisburg. Rite Aid reported store sales of \$21.9 Billion in fiscal year 2020. Rite Aid is a fortune 500 Company and their credit ranking by Standard and Poor's is B.

The company is combining modern store base, strong brand name, modern distribution centers and superior pharmacy technology. Rite Aid stores fill prescription (accounting for about 64% of sales) and sell health and beauty aids, food, and other food items including more than 2,600 private label products. Nearly 45% of Rite Aid stores have drive through pharmacies, and it sells products online through drugstore.com.



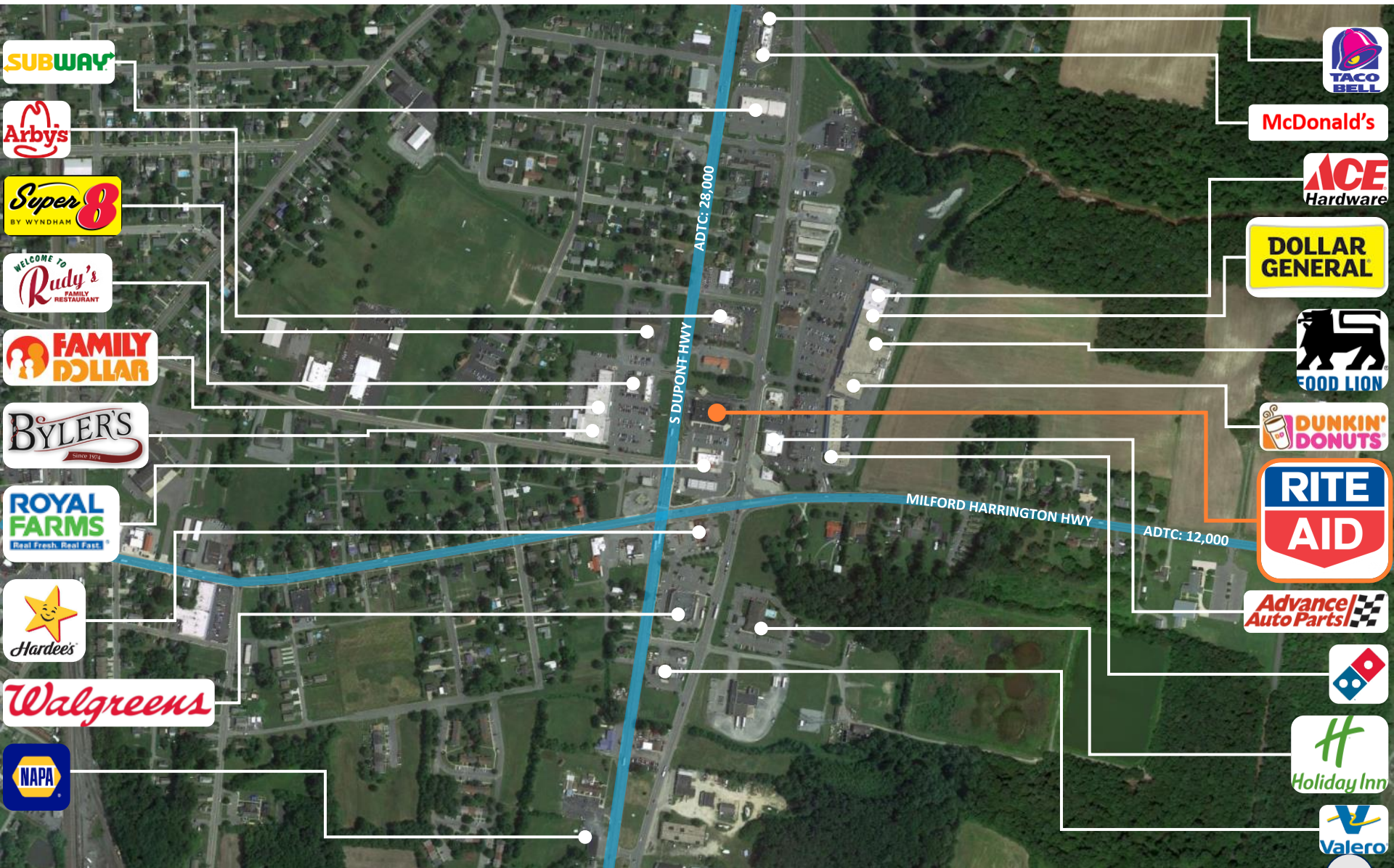
General Information

Head Quarters	Camp Hill, PA
Website	https://www.riteaid.com/
Founded	1962
Locations	2,450
Chairman/CEO	Heyward R. Donigan



Surrounding Area

17072 S Dupont Hwy, Harrington, DE 19952





Property Photos

17072 S Dupont Hwy, Harrington, DE 19952



Subject Property





Property Photos

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Subject Property





Surrounding Area Photos

17072 S Dupont Hwy, Harrington, DE 19952





Location Overview

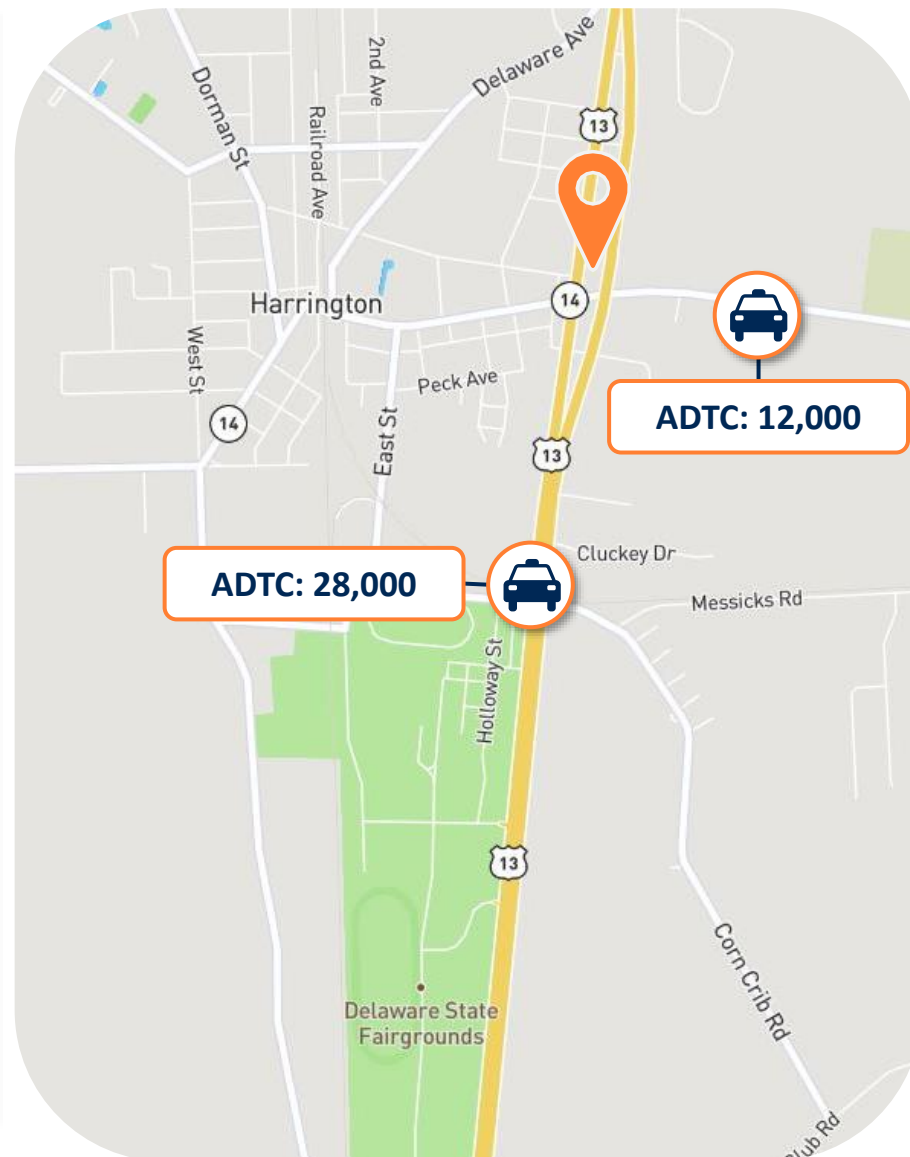
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This Rite Aid property is strategically located just north of Harrington Raceway & Casino on South Dupont Highway, which boasts an average daily traffic count of 28,000 vehicles. South Dupont Highway intersects with the Milford Harrington Highway which brings an additional 12,000 vehicles into the immediate area daily. There are approximately 14,000 individuals residing within a five-mile radius of the subject property and nearly 66,000 individuals within a ten-mile radius. The average household income within a three-mile radius is approximately \$62,000.

The subject property benefits from being well-positioned in a dense retail corridor consisting of national and local tenants, hospitality accommodations, academic institutions and other notable points of interest all within close proximity of this property. Major national tenants in the area include Walgreens, Family Dollar, Food Lion, Dollar General, Royal Farms, McDonald's, Ace Hardware, Subway, Taco Bell as well as many more. This Rite Aid subject property benefits from being located just north of Harrington Raceway & Casino. Harrington Raceway and Casino consists of a 140,000 square foot gaming facility with over 1,800 slot machines and hosts annually on average 70 days of live racing. Additionally, there are numerous surrounding hospitality accommodations. There are three located within a one-mile radius, Super 8, Holiday Inn, and Quality Inn. There are also two academic institutions located within a one-mile radius with a total combined enrollment that exceeds 1,500 students.

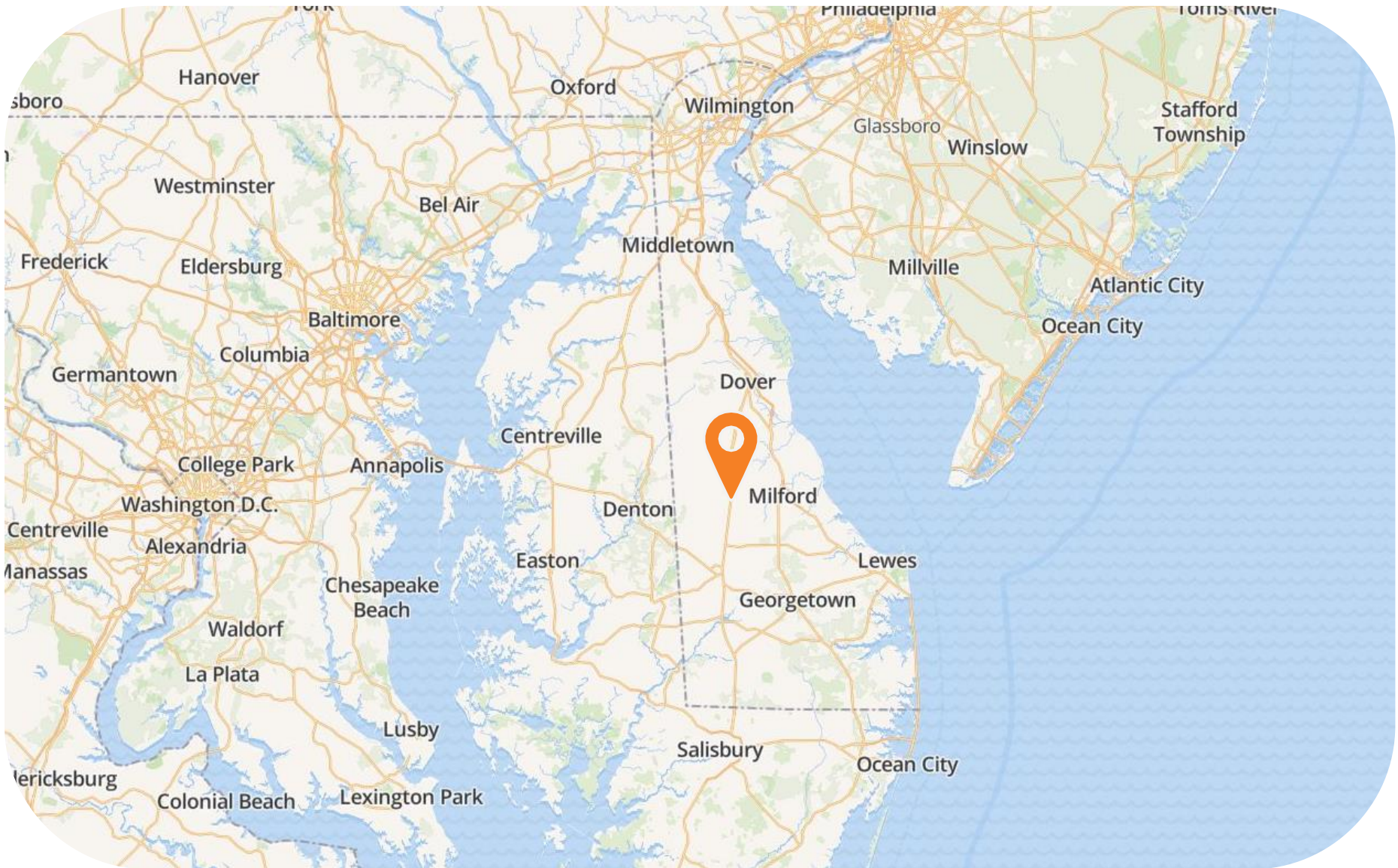
Harrington is a city in Kent County, Delaware, United States. It is part of the Dover, Delaware Metropolitan Statistical Area and is within a 14-mile radius of the state's capital Dover, Delaware. Dover is the second-largest city in the Delaware. Dover is one of the fast-growing areas in the state of Delaware, due in large part to the relatively low cost of living. The setting in a flat, mostly agricultural area is idyllic without being too far removed from larger northeastern cities. The nearby Delaware Bay and its beaches and wildlife areas provide ample recreational opportunities. The Dover International Speedway (NASCAR) and the Dover Downs harness racecourse add to entertainment options.





Local Map

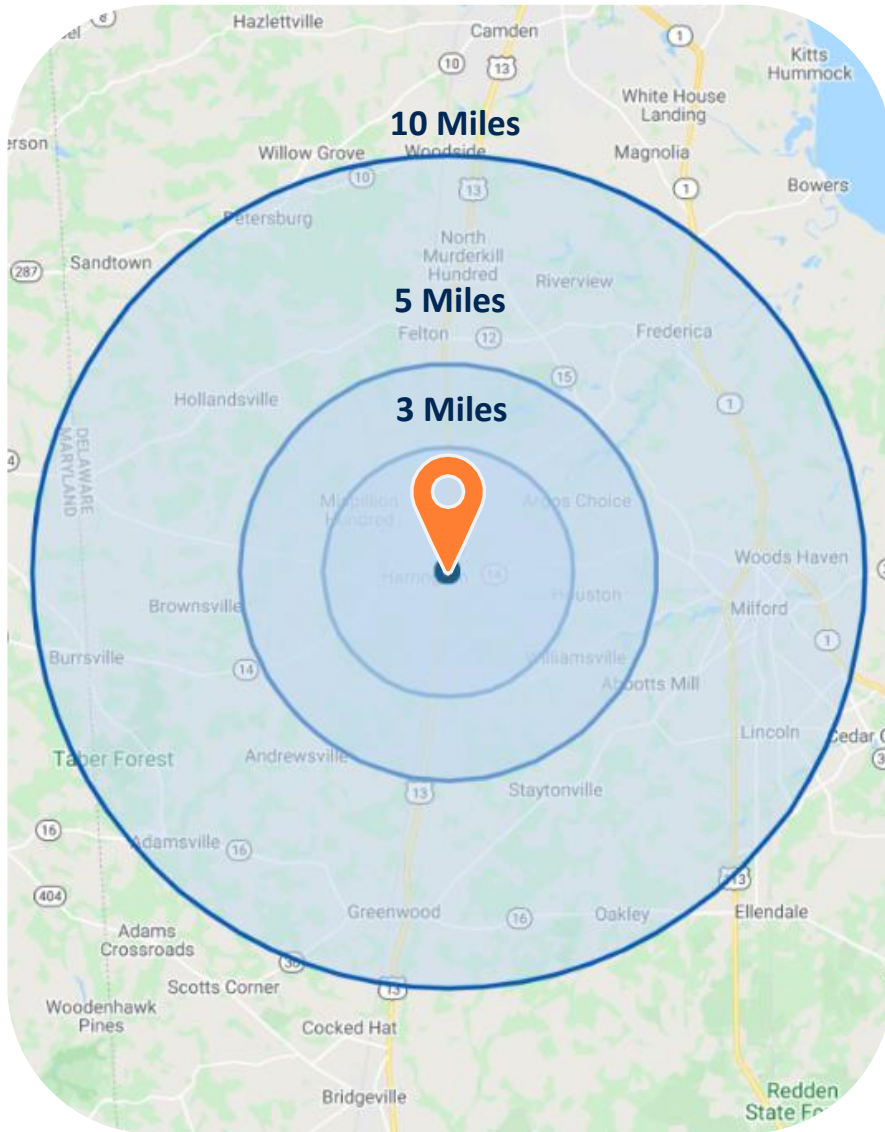
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Demographics

17072 S Dupont Hwy, Harrington, DE 19952



	3 Miles	5 Miles	10 Miles
POPULATION			
2025 Projection	7,609	14,871	71,417
2020 Estimate	7,306	13,971	65,836
2010 Census	6,862	12,653	57,448
2000 Census	5,715	10,071	44,775
INCOME			
Average	\$61,844	\$66,633	\$72,079
Median	\$50,140	\$55,869	\$59,747
Per Capita	\$24,387	\$25,942	\$27,686
HOUSEHOLDS			
2025 Projection	3,026	5,824	27,494
2020 Estimate	2,880	5,436	25,228
2010 Census	2,683	4,886	21,743
2000 Census	2,191	3,810	16,912
HOUSING			
2020	\$184,460	\$201,445	\$215,664
EMPLOYMENT			
2020 Daytime Population	6,917	10,822	52,002
2020 Unemployment	3.95%	3.01%	3.65%
2020 Median Time Traveled	28 Mins	28 Mins	27 Mins
RACE & ETHNICITY			
White	73.04%	77.00%	74.58%
Native American	0.11%	0.07%	0.11%
African American	19.63%	16.70%	16.76%
Asian/Pacific Islander	1.09%	0.98%	1.07%



Market Overview

17072 S Dupont Hwy, Harrington, DE 19952



Dover, DE



Dover is the capital and second-largest city in the U.S. state of Delaware. It is also the county seat of Kent County, and the principal city of the Dover, DE Metropolitan Statistical area, which encompasses all of Kent County and is part of the Philadelphia-Wilmington-Camden, PA-NJ-DE-MD Combined Statistical Area. It is located on the St. Jones River in the Delaware River coastal plain. It was named by William Penn for Dover in Kent, England.

Dover is one of the fast-growing areas in the state of Delaware, due in large part to the relatively low cost of living. As a consequence, the Kent County government is a major employer in the area as well. Apart from the state and county governments, Dover's significant employers include Dover Air Force Base, located within the southeast corporate limits of the city. The base houses two airlift wings as well as the U.S. military's only mortuary in the continental United States, which accepts and processes the remains of soldiers killed in battle. In addition, Kraft Foods and Procter & Gamble have manufacturing facilities in Dover. The Kraft Foods plant in Dover has been the plant that manufactures Jell-O since 1964 when it relocated from Bloomfield, New York.

Two weekends a year, NASCAR races are held at Dover International Speedway, attracting about 65,000 spectators. The races bring in increased patronage for local businesses, and hotels and motels sell out weeks in advance. These races, and in recent years adjacent slot machine gambling at Dover Downs Hotel & Casino, contribute millions of dollars to Dover's economy. Additionally, Firefly Music Festival, a three-day music festival with over 100 artists, is hosted in the Woodlands of Dover Internationally Speedy annually since 2012. Firefly attracts over 50,000 individuals to the immediate area annually.



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