

RITE AID (With Drive Thru)

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



1396 W Chestnut St,
Washington, PA 15301

Confidentiality and Disclaimer

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 AND 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 Real Estate Investment Services of Florida, Inc. ("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 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.

SPECIAL COVID-19 NOTICE

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.)

*In addition to all other advisements, notices, and disclaimers set forth in this Marketing Brochure, Marcus & Millichap further advises all prospective purchasers that certain Marcus & Millichap related or affiliated parties, including NNN Properties LLC, and/or its independent contractor salespeople, brokers of record, partners, trustees, beneficiaries, shareholders, members, managers, directors, officers, employees, or agents, along with their respective heirs, successors, personal representatives and/or assigns (collectively, the "Marcus & Millichap Related Parties") may be acting as principals for the Seller or own a direct or indirect beneficial interest in the Property or in its ownership. By accepting this Marketing Brochure, any prospective purchaser shall thereby waive any claim they may have based on a conflict of interest given the Marcus & Millichap Related Parties' role as both agent for the Seller and as the Seller (or as a principal of the Seller).

Table of Contents

Investment Highlights	4
Financial Analysis	5
Market Sales Comparables	6
Concept Overview	7
Surrounding Area	8
Location Overview	9
Property Photos	10-11
Surrounding Area Photos	12
Local Map	13
Regional Map	14
Demographics	15
Market Overview	16





Investment Highlights

PRICE: \$6,417,507 | CAP: 6.50% | RENT: \$417,138

About the Investment

- ✓ Passive Income – ±8.5 years Remaining on an Absolute Triple-Net (NNN) Lease - No Landlord Responsibilities – With Two (2) Five (5) Year Tenant Renewal Option Periods Brining Potential Lease Term up to Over 18 Years
- ✓ Attractive Rental Increases Throughout Option Periods
- ✓ Corporate Guarantee – Lease Corporately Guaranteed by Rite Aid, the 3rd Largest Retail Pharmacy, Health and Daily Living Destination in the U.S.

About the Location

- ✓ Strategic Location- Situated 50-Miles Northwest of Downtown Pittsburgh, 24-Miles from Pittsburgh, and 13 - Miles to the Ohio/Pennsylvania State Border.
- ✓ Highly Visible Hard Corner – Situated near Dwight D. Eisenhower Highway which boasts an average daily traffic count of 39,726
- ✓ National and local tenants, hospitality accommodations, academic institutions and other notable points of interest all nearby.
- ✓ Dense Retail Corridor | Sunoco, Wendy's, Denny's, Bob Evans, Dunkin' Donuts, Burger King, Subway, Taco Bell, Marathon, Marshall and Many More.
- ✓ Average Household Income within a 3-Mile Radius Exceeds \$63,000, 5-Mile \$67,000 and 10-Mile \$77,000
- ✓ Highly Visible Corner – Situated at the Signalized W Chestnut Street and near an intersection with Dwight D. Eisenhower Highway

About the Tenant / Brand

- ✓ Rite Aid Corporation (NYSE: RAD) is the third largest retail drug store chain in the United States based on both revenues and number of stores.
- ✓ Has over 2400 stores in 18 states and the District of Columbia with presence on both the east and west coasts.
- ✓ In early 2020, Rite Aid announced a revolutionary overhaul of the pharmacy giant which includes introduction of new merchandising, implementation of cutting-edge workflow practices, re-engineering of pharmacy team engagement, workspace improvements, and state-of-the-art technological/digital upgrades.
- ✓ Rite Aid had a 2020 revenue of over \$21.93 Billion.



Representative Photo



Representative Photo



Financial Analysis

PRICE: \$6,417,507 | CAP: 6.50% | RENT: \$417,138



PROPERTY DESCRIPTION

Property	Rite Aid
Property Address	1396 West Chestnut Street
City, State, ZIP	Washington, PA 15301
Year Built/Renovated	2003
Building Size	13,813 SF
Lot Size	+/- 3.00 Acres
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$6,417,507
CAP Rate	6.50%
Annual Rent	\$417,138

LEASE SUMMARY

Property Type	Net-Leased Drug Store
Tenant	Rite Aid
Guarantor	Rite Aid Corporate
Original Lease Term	20 Years
Lease Commencement	July 9th, 2003
Lease Expiration	May 31 st , 2030
Lease Term Remaining	±8.5 Years
Lease Type	Absolute Triple-Net (NNN)
Rental Increases	Throughout Options: 12.77% 1.46%
Options to Renew	2 (Two) – 5 (Five) Year Renewal Options

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation
Present – 5/31/2030	\$417,138	\$34,762	-

RENEWAL OPTIONS

Option 1			
6/1/2030 - 5/31/2035	\$470,394	\$39,200	12.77%
Option 2			
6/1/2035 - 5/31/2040	\$477,300	\$39,775	1.47%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Rite Aid located 1396 West Chestnut Street. The site consists of roughly 13,813 rentable square feet of building space on estimated 3.00-acre parcel of land.

Rite Aid is subject to an ±8.5-year absolute triple-net (NNN) lease, which commenced on July 9th, 2003. The current annual rent is \$417,138, and is scheduled to increase by 12.77% and 1.46% throughout each of the two (2), five (5)-year tenant renewal option periods.





Market Sales Comparables

PRICE: \$6,417,507 | CAP: 6.50% | RENT: \$417,138

Property Address: 1396 West Chestnut Street - Washington, PA 15301

Concept	Address	City	State	Building Size (SF)	Lot Size (Acres)	C.O.E	Rent	Cap	Price	R/SF	P/SF
Rite Aid	501 Water St	Chardon	OH	10,400	1.00	1/13/2022	\$ 207,870	6.15%	\$3,380,000	\$ 19.99	\$ 325.00
Rite Aid	205 W G L Smith St	Morgantown	KY	10,752	1.52	12/28/2021	\$ 151,500	6.06%	\$2,500,000	\$ 14.09	\$ 232.51
Rite Aid	4519 Richfield Rd	Flint	MI	11,180	1.91	12/21/2021	\$ 258,000	6.00%	\$4,300,000	\$ 23.08	\$ 384.62
Totals / Average				10,777	1.48		205,790	6.06%	\$3,393,333	\$ 19.09	\$ 314.86



501 Water St Chardon, OH 44024



205 W G L Smith St Morgantown, KY 42261



4519 Richfield Rd Flint, MI 48506



Concept Overview

About Rite Aid

Rite Aid Corporation is one of the nation's 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 headquarters 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

Property Address: 1396 West Chestnut Street - Washington, PA 15301





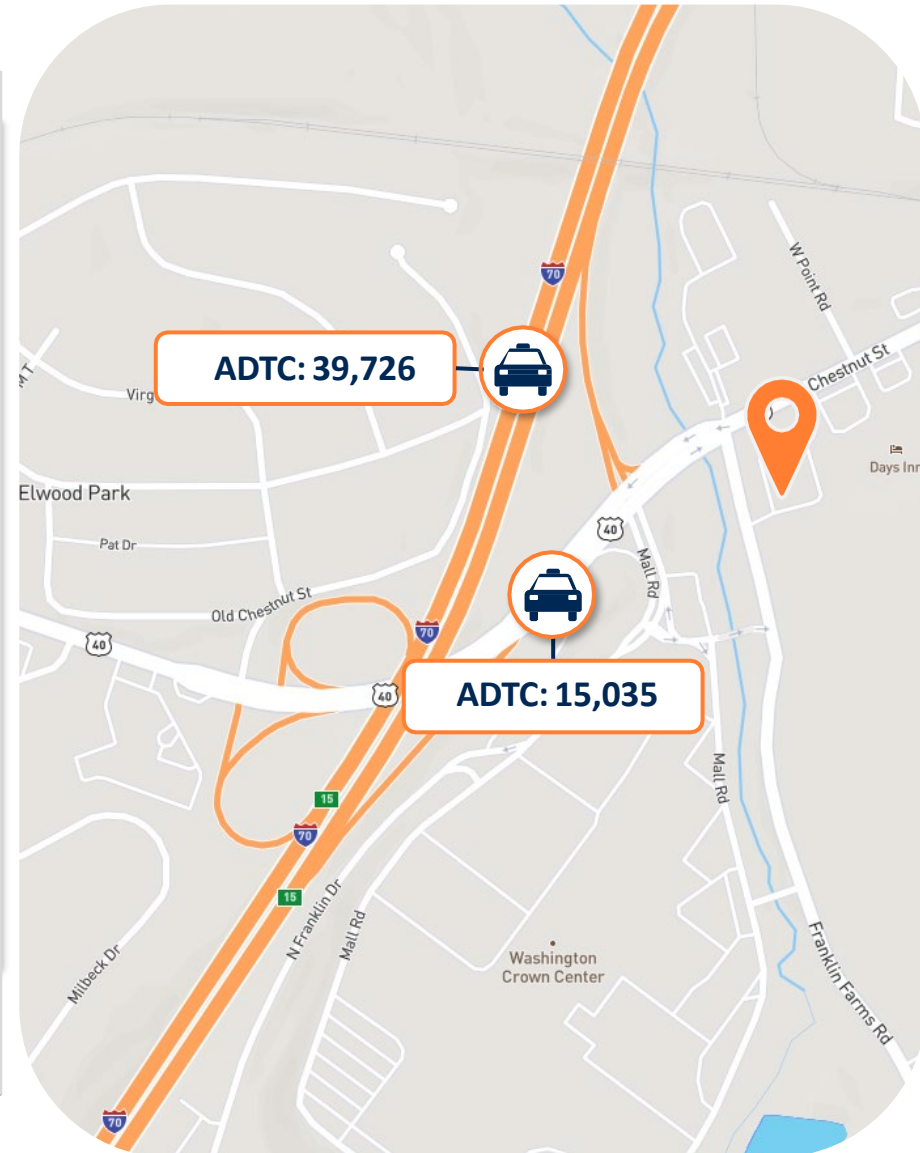
Location Overview

Property Address: 1396 West Chestnut Street - Washington, PA 15301

This Rite Aid property is strategically located on West Chestnut Street which boasts an average daily traffic count of 15,035 vehicles per day. The subject property is also near the intersection of West Chestnut Street and Dwight D. Eisenhower Highway which boasts an average daily traffic count of 39,726 vehicles per day. There are over 32,000 individuals residing within a three-mile radius of the subject property and over 90,000 individuals within a ten-mile radius. The average household income within a five-mile radius is approximately \$78,000.

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 Marshalls, McDonald's, Burger King, Wendy's, Dunkin' Donuts, 7-Eleven, Sunoco, and Red Roof Inn as well as many more. This Rite Aid subject property also benefits from being near the Washington Crown Center Shopping Mall which is less than a quarter mile from the property.

Washington is just under fourteen-miles Southwest of the second largest city in Pennsylvania, Pittsburgh. Pittsburgh is a relatively affordable place to live compared with many other major East Coast metros. In addition, the market has one of the lowest crime rates in the country. There are more than 500 organizations serving southwestern Pennsylvania, such as the Pittsburgh Cultural Trust, which has revitalized downtown. Regional amenities also include three professional sports teams: the Steelers (NFL), Pirates (MLB) and Penguins (NHL). The Pittsburgh Penguins and the University of Pittsburgh Medical Center (UPMC) built a \$72 million sports medical center and practice rinks. UPMC is one of the busiest transplant centers in the world. In addition, Children's Hospital of Pittsburgh is one of the highest-ranked children's hospitals in the nation.



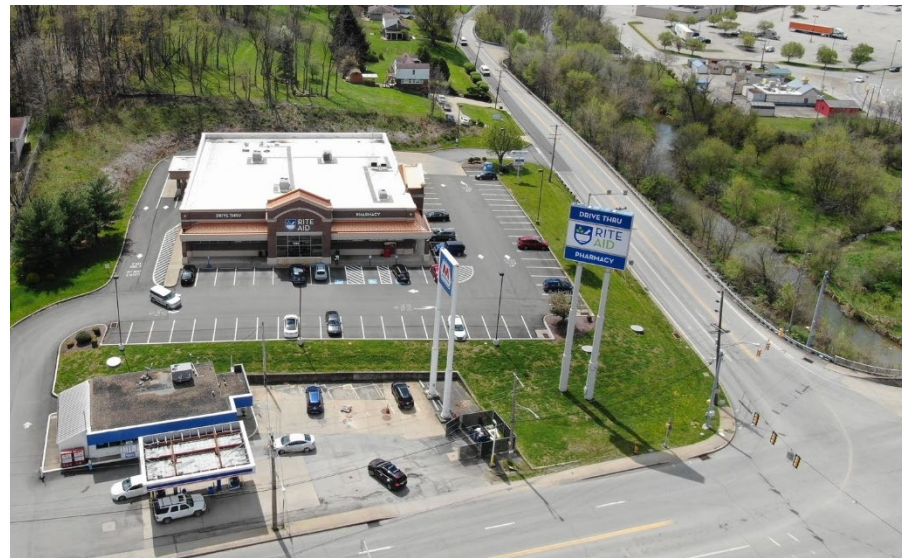


Property Photos





Property Photos





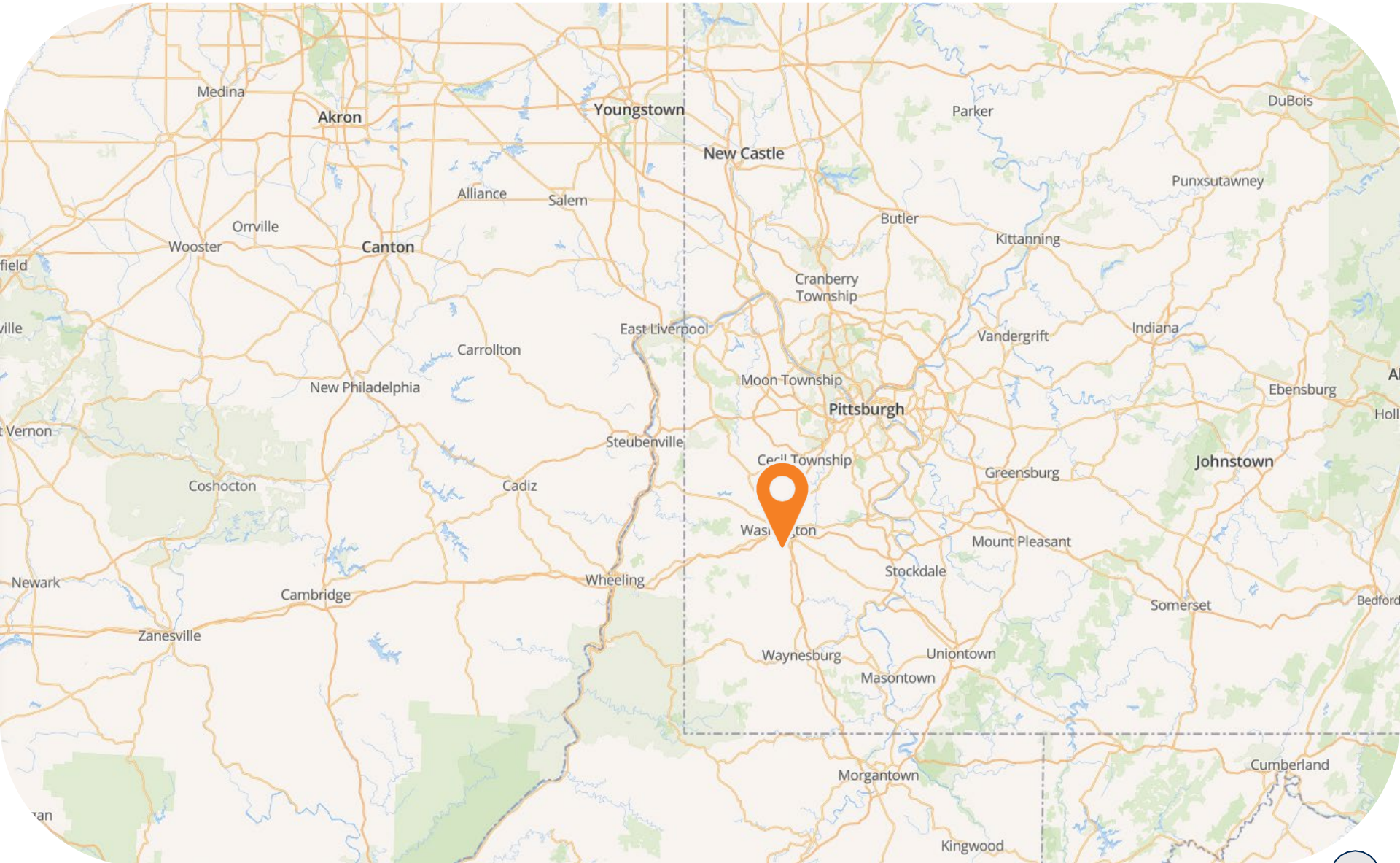
Surrounding Area Photos





Local Map

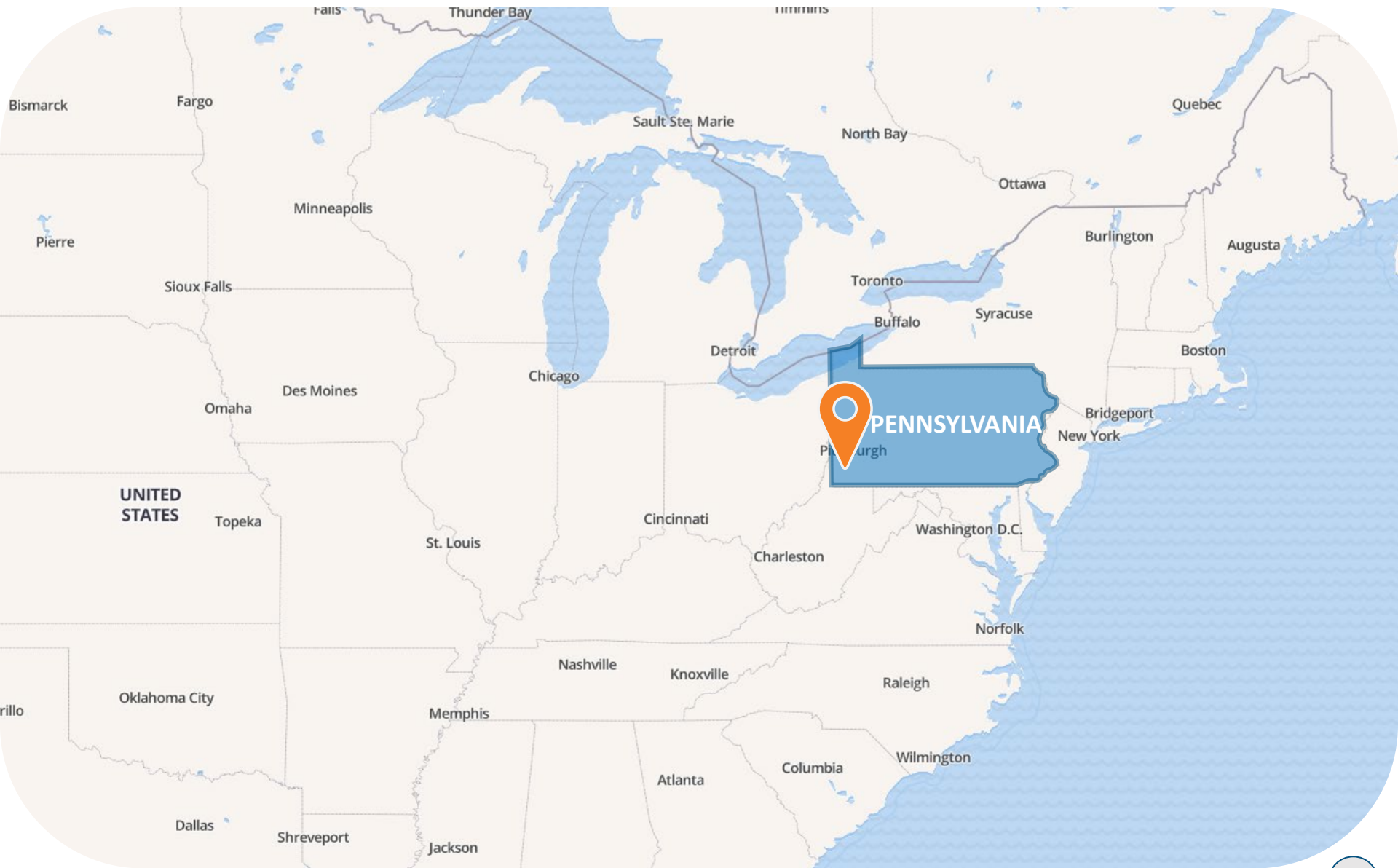
Property Address: 1396 West Chestnut Street - Washington, PA 15301





Regional Map

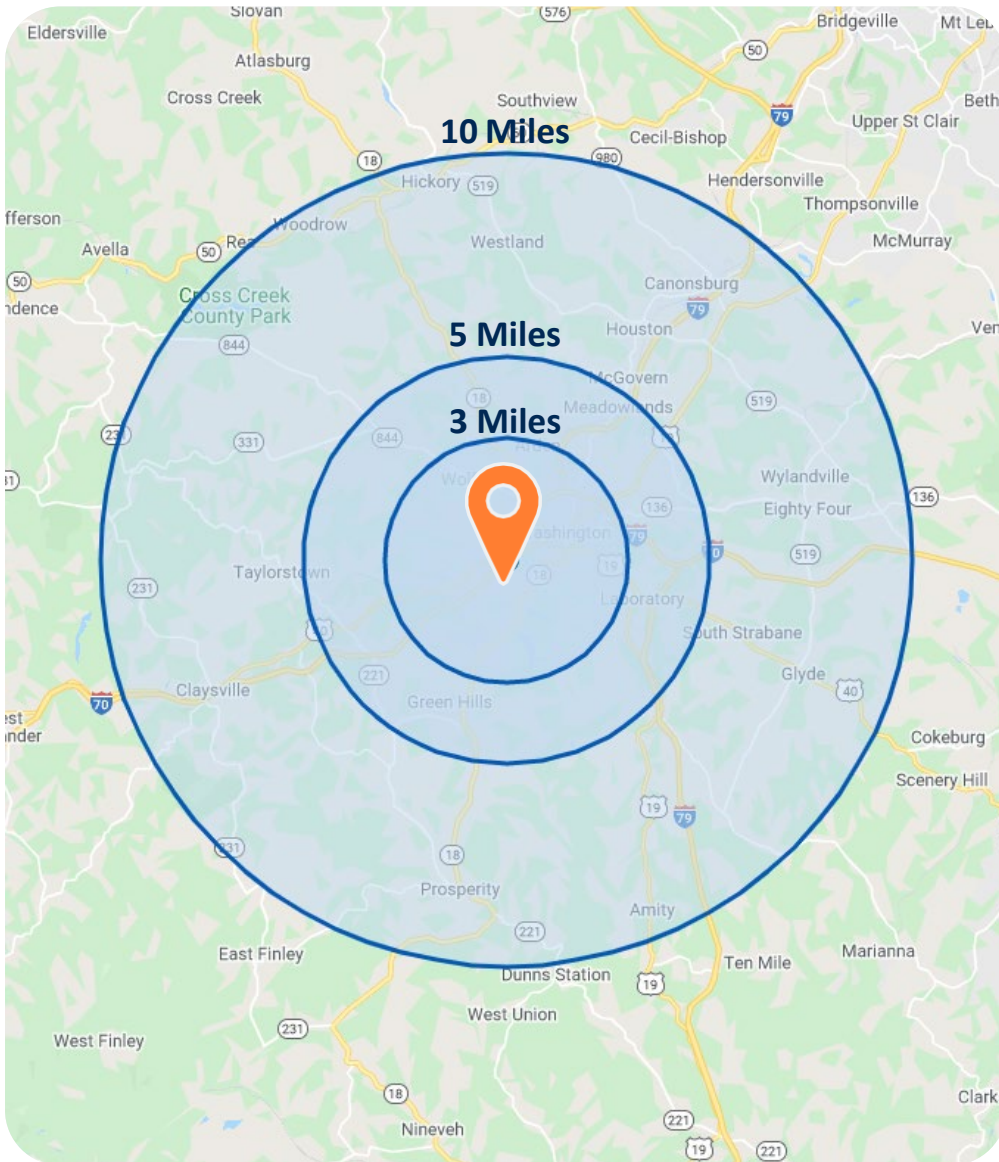
Property Address: 1396 West Chestnut Street - Washington, PA 15301





Demographics

Property Address: 1396 West Chestnut Street - Washington, PA 15301



POPULATION TRENDS

	3 Mile	5 Miles	10 Miles
2010 Population	32,763	45,379	89,708
2021 Population	32,259	44,925	90,721
2026 Population Projection	32,129	44,791	90,819

POPULATION BY RACE (2021)

	3 Mile	5 Miles	10 Miles
White	28,035	40,181	83,117
Black	2,723	2,873	4,205
American Indian/Alaskan Native	80	105	203
Asian	286	457	1,043
Hawaiian & Pacific Islander	17	20	31
Two or More Races	1,118	1,289	2,121
Hispanic Origin	703	884	1,688

HOUSEHOLD TRENDS

	3 Mile	5 Miles	10 Miles
2010 Households	13,841	19,075	37,365
2021 Households	13,723	19,020	37,984
2026 Household Projection	13,680	18,980	38,046
Annual Growth 2010-2021	0.20%	0.20%	0.40%

AVERAGE HOUSEHOLD INCOME (2021)

	3 Mile	5 Miles	10 Miles
AVERAGE HOUSEHOLD INCOME (2021)	\$69,483	\$78,481	\$88,186

MEDIAN HOUSEHOLD INCOME (2021)

	3 Mile	5 Miles	10 Miles
MEDIAN HOUSEHOLD INCOME (2021)	\$52,115	\$57,349	\$66,837
HOUSEHOLDS BY HOUSEHOLD INCOME (2021)			
< \$25,000	3,350	3,867	6,310
\$25,000 - 50,000	3,251	4,332	8,067
\$50,000 - 75,000	2,500	3,399	6,444
\$75,000 - 100,000	1,572	2,465	5,221
\$100,000 - 125,000	1,174	1,652	3,834
\$125,000 - 150,000	660	1,006	2,230
\$150,000 - 200,000	756	1,336	3,347
\$200,000+	458	962	2,530



Market Overview

Pittsburgh, Pennsylvania



Pittsburgh, rests at the foothills of the Allegheny Mountains in the southeastern corner of Pennsylvania, outside the congested East Coast corridor. The region's economy, which was once dominated by the steel industry, has diversified with the help of the area's many colleges and universities. The city of Pittsburgh is located where the Allegheny and Monongahela rivers join to form the Ohio River. Pittsburgh is the most populous city in the metro and the second-largest in Pennsylvania.

Education is a major economic driver in the region. The largest single employer in education is the University of Pittsburgh, with 10,700 employees. Six Fortune 500 companies call the Pittsburgh area home. These include downtown's PNC Financial Services, PPG Industries, U.S. Steel, The Kraft Heinz Company, WESCO International, and the Findlay Township, Pennsylvania based Dick's Sporting Goods. In 2006, Expansion Magazine ranked Pittsburgh among the top 10 metropolitan areas in the nation for climates favorable to business expansion.

The region is home to Allegheny Technologies, American Eagle Outfitters, CONSOL Energy, Kennametal, Mylan Bayer USA, and Alcoa Corporation headquarters. Other major employers include BNY Mellon, GlaxoSmithKline, Thermo Fisher Scientific, and Lanxess. The Northeast U.S. regional headquarters for Chevron Corporation, Nova Chemicals, Deloitte Touche Tohmatsu, FedEx Ground, Ariba, and the RAND Corporation call the area home. 84 Lumber, Giant Eagle, Highmark, Rue 21, General Nutrition Center (GNC), CNX Gas (CXG), and Genco Supply Chain Solutions are major non-public companies headquartered in the region. Area retail is anchored by over 35 shopping malls and a healthy downtown retail sector, as well as boutique shops along Walnut Street, in Squirrel Hill, Lawrenceville and Station Square.

Pittsburgh is a relatively affordable place to live compared with many other major East Coast metros. In addition, the market has one of the lowest crime rates in the country. There are more than 500 organizations serving southwestern Pennsylvania, such as the Pittsburgh Cultural Trust, which has revitalized downtown. Regional amenities also include three professional sports teams: the Steelers (NFL), Pirates (MLB) and Penguins (NHL). The Pittsburgh Penguins and the University of Pittsburgh Medical Center (UPMC) built a \$72 million sports medical center and practice rinks. UPMC is one of the busiest transplant centers in the world. In addition, Children's Hospital of Pittsburgh is one of the highest-ranked children's hospitals in the nation.

Marcus & Millichap

EXCLUSIVE NET-LEASE OFFERING



Sean Beuche
Broker of Record
2005 Market St., Ste. 1510
Philadelphia, PA 19103
P: (215) 531-7000
Lic #: RM424190
Firm Lic #: RB062197C

In addition to all other advisements, notices, and disclaimers set forth in this Marketing Brochure, Marcus & Millichap further advises all prospective purchasers that certain Marcus & Millichap related or affiliated parties, including NNN Properties LLC, and/or its independent contractor salespeople, brokers of record, partners, trustees, beneficiaries, shareholders, members, managers, directors, officers, employees, or agents, along with their respective heirs, successors, personal representatives and/or assigns (collectively, the "Marcus & Millichap Related Parties") may be acting as principals for the Seller or own a direct or indirect beneficial interest in the Property or in its ownership. By accepting this Marketing Brochure, any prospective purchaser shall thereby waive any claim they may have based on a conflict of interest given the Marcus & Millichap Related Parties' role as both agent for the Seller and as the Seller (or as a principal of the Seller).