OFFERING MEMORANDUM Marcus & Millichap Bank ्रेर

CRANBERRY TWP, PA PITTSBURGH MŚA

EXECUTIVE SUMMARY



THE OFFERING

Price	\$2,900,000
Сар	5.00%
GLA	2,545
Lot Size	0.80 Acres
Year Built	2023
Lease Type	NNN Ground Lease
Rent Commencement	Summer 2023
Lease Expiration	Summer 2038
Increases	10% Every Five Years
Options	Two; Five-Year Terms
Credit	BBB

ANNUALIZED OPERATING DATA	ANNUAL RENT	% INCREASE
Years 1-5	\$145,000	
Years 6-10	\$159,500	10.00%
Years 11-15	\$175,450	10.00%
Option 1	\$193,000	10.00%
Option 2	\$212,300	10.00%

INVESTMENT HIGHLIGHTS

15-YEAR GROUND LEASE WITH 10% INCREASES EVERY FIVE YEARS

RELOCATION OF EXISTING BRANCH TWO MILES AWAY REGIONAL RETAIL LOCATION ANCHORED BY TARGET AND WALMART SUPERCENTER RAPIDLY GROWING PITTSBURGH MSA WITH AN AVERAGE HOUSEHOLD INCOME OF \$170,408 WITHIN 5-MILES

"BBB" INVESTMENT GRADE CREDIT

NEW 15-YEAR INVESTMENT GRADE GROUND LEASE – The Tenant, S&T Bank, is subject to a new 15-year NNN ground lease with 10 percent (10%) rental increases every five years, providing a hedge against inflation. S&T Bank has a credit rating of "BBB" by Standard & Poor's, and is publicly traded on the NASDAQ under the ticker "STBA." It is based in nearby Indiana, Pennsylvania, about 60 miles east of Pittsburgh. S&T is the 10th-largest bank by deposit market share in the 10-county metro where it operates 35 branches, almost half its footprint-wide total. It has \$9.2 billion in total assets and operates in approximately 75 locations across Pennsylvania and Ohio.

BRANCH RELOCATION – S&T Bank is relocating from two-miles west along Commonwealth Drive. The prior location had steady, upward trending deposits of \$32 Million in 2022. The branch has an established customer base, and will likely benefit from this new, more visible, and accessible location. **Neighboring branches, Northwest Bank, Dollar Bank and First National Bank, report healthy, upward trending deposits ranging between \$79 Million and \$136 Million.**

HIGHLY VISIBLE 0.80-ACRE ALONG ROUTE 228 – S&T Bank will occupy a 0.8+/- acre pad with prominent frontage and exposure along Route 228 (45,730 VPD), the main thoroughfare across southern Butler County. The pad will accommodate a newly constructed 2,545-square-foot branch with drive-thru. S&T Bank is immediately adjacent to a newly constructed Sheetz that is also available for sale. Both parcels are part of the proposed 5-acre Village at Cranberry Woods retail development.

REGIONAL RETAIL CORRIDOR WITH NATIONAL BRANDS – S&T Bank is positioned along the heavily traveled Route 228 retail corridor anchored by high-performing locations for Walmart Supercenter, Costco, Target, Lowe's and The Home Depot. According to geofencing data from Placer.ai, these tenants average 7.4 million annual customer visits and drive significant daytime traffic to the market. The property is immediately across Route 228 from the Target, Kohl's, Lowe's, TJ Maxx and Fresh Thyme Market anchored Cranberry Commons, featuring 570,064 SF, and 1.5 miles east of Cranberry Mall, Walmart Supercenter and Costco, among many other retailers.

INTERCHANGE LOCATION WITH REGIONAL ACCESSIBILITY – The property is located minutes from Interstate-79 and the Pennsylvania Turnpike providing convenient access around region. Interstate-79 serves as a primary route connecting Charleston, West Virginia with Pittsburgh, and Erie, while the turnpike travels east-west across the state. Another key economic driver is Westinghouse Electric's global headquarters, located one-mile from the property. The company, with a presence in 19 countries and \$5 Billion in revenue, has more than 5,000 employees at this location.

RAPIDLY GROWING PITTSBURGH METRO – Prominently located in one of the fastest growing submarkets in Pennsylvania. Since 2000, population within five-miles of the property has increased 50 percent, and is projected to increase eight percent by 2027. This is due to the Township's strategic location, high quality of life, and business-friendly operating environment. Presently, there are 75,216 residents within five-miles with an Average Household Income of \$170,408.

A HIGHLY ACCESSIBLE LOCATION!

The Haven at Cranberry Woods 302 Units

HER

79 36,363 VPD



LOCATION OVERVIEW

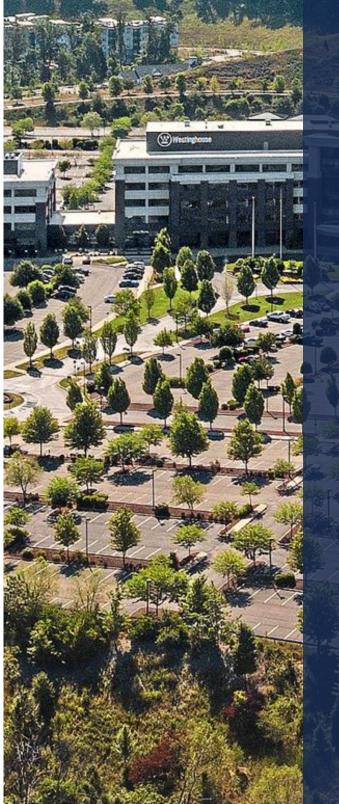
Cranberry Township is one of the fastest-growing areas of the Pittsburgh metropolitan area. The township is about 23-square-miles in size and since 1990, population has more than doubled from just under 15,000 to now over 30,000 residents. One major reason for this growth is its prime location between two major Interstate Highways in I-79 and the PA Turnpike, making it easily accessible from anywhere in the western Pennsylvania region.

Cranberry is viewed as a regional retail center with an easy commute from Pittsburgh. Today, more and more people are commuting to the area for jobs than the other way around. This is due in part to the fact that the township has become the region's emerging center for technology, engineering, and customer service. Cranberry is home to major operations of UPMC Lemieux Center, McKesson, Kawneer, an Alcoa Company, Mine Safety Appliance and others. It is also the base for a growing number of leading-edge startups as well as for manufacturing, finance, retail, and hospitality businesses. Easy Interstate connections, low taxes, and a highly-educated workforce make Cranberry Township a great place to do business.

Cranberry is situated in Butler County, where tax rates for businesses, individuals, and property owners are among the most competitive in the region. Additionally, Cranberry itself boasts some of the lowest municipal tax rates in western Pennsylvania. Despite this, Moody's Investor Service has awarded Cranberry Township a remarkably high financial rating of "AAA" as of December 2022.

Cranberry Township's demographic profile reveals a vibrant community characterized by youth, good health, high education levels, and prosperity. The percentage of households with young children, both in preschool and school-age, exceeds the regional average for Southwestern Pennsylvania. Furthermore, as a burgeoning global technology hub, the Township is attracting an increasingly diverse population.

One of Cranberry's most enticing features is the exceptional quality of life it offers its residents. This encompasses a wide range of housing options, low crime rates, outstanding recreational facilities, top-notch healthcare services, an exceptional public library, convenient access to regional cultural attractions, a robust voluntary sector, a highly regarded public school system, and the presence of branch campuses from numerous higher education institutions. In addition, Pittsburgh's great universities, namely University of Pittsburgh, Carnegie-Mellon, Duquesne, are just a short drive away.



POPULATION HAS MORE THAN

DOUBLED SINCE 1990

REGIONAL ACCESSIBILITY, SITUATED BETWEEN



 INTERSTATE

 76

REGIONAL RETAIL CENTER 20 MILES NORTH OF PITTSBURGH



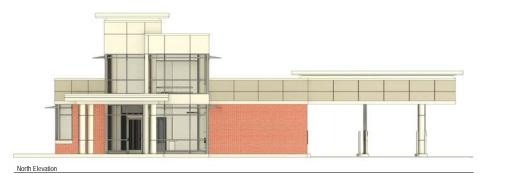
HOME TO WESTINGHOUSE HEADQUARTERS WITH

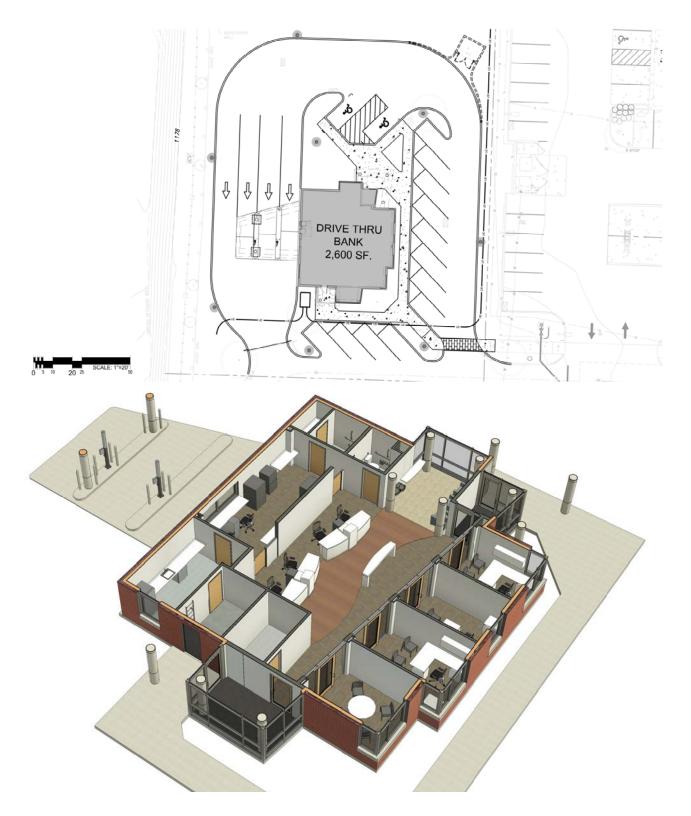
5,000 EMPLOYEES











LITTLE CHANGE REPORTED IN NET OUARTERLY INCOME BY S&T BANK



S&T Bancorp Inc., holding company for Indiana-based S&T Bank, announced net income of \$39.8 million, or \$1.02 per diluted share, for the first quarter of 2023.

That's compared to the bank's net income of \$40.3 million, or \$1.03 per diluted share, for the fourth quarter of 2022. It also is up from the net income of \$29.1 million, or \$0.74 per diluted share, for the first quarter of 2022.360p

"OUR BALANCE SHEET IS A SOURCE OF STRENGTH WITH A STABLE, WELL-DIVERSIFIED DEPOSIT BASE AND A STRONG CAPITAL POSITION", S&T CEO CHRIS MCCORNISH SAID.

Highlights include a net recovery of \$5.1 million, or 0.29 percent of average loans (annualized), primarily related to a \$9.3 million recovery from a customer fraud in 2020. Also, there were solid return metrics with return on average assets of 1.77 percent, return on average equity of 13.38 percent and return on average tangible equity of 19.61 percent compared to ROA of 1.78 percent, ROE of 13.68 percent and ROTE of 20.36 percent for the fourth quarter of 2022.

S&T officials said pre-provision net revenue to average assets totaled 2.23 percent, compared to 2.36 percent for the fourth quarter of 2022. The net interest margin was relatively unchanged at 4.32 percent compared to 4.33 percent in the fourth quarter of 2022. Total portfolio loans in the quarter ending March 31, 2023, increased \$67.1 million, or 3.8 percent annualized, compared to Dec. 31, 2022. Deposits decreased \$66.9 million, or 3.8 percent annualized, compared to Dec. 31, 2022 with a decline in January, stability in February and growth in March. Total assets were \$9.2 billion at March 31, 2023 compared to \$9.1 billion at December 31, 2022. Total portfolio loans increased by \$67.1 million, or 3.8 percent annualized, compared to Dec. 31, 2022. Total portfolio loans increased by \$67.1 million, or 3.8 percent annualized, compared to Dec. 31, 2022. Total portfolio loans increased by \$67.1 million, or 3.8 percent annualized, compared to Dec. 31, 2022. Total portfolio loans increased by \$67.1 million, or 3.8 percent annualized, compared to Dec. 31, 2022. Total portfolio loans increased by \$67.1 million, or 3.8 percent annualized, compared to Dec. 31, 2022. The consumer loan portfolio increased \$65.3 million with growth in residential mortgages of \$72.7 million compared to December 31, 2022.

S&T officials said the bank continues to maintain a strong regulatory capital position with all capital ratios above the well-capitalized thresholds of federal bank regulatory agencies. It is the 10th-largest bank by deposit market share in the 10-county metro where it operates 35 branches, almost half its footprintwide total.

S&T BANK IS THE

10TH-LARGEST

BANK BY DEPOSIT MARKET SHARE IN THE 10-COUNTY METRO WHERE IT OPERATES 35 BRANCHES, ALMOST HALF ITS FOOTPRINTWIDE TOTAL.









HEADQUARTERS Indiana, PA



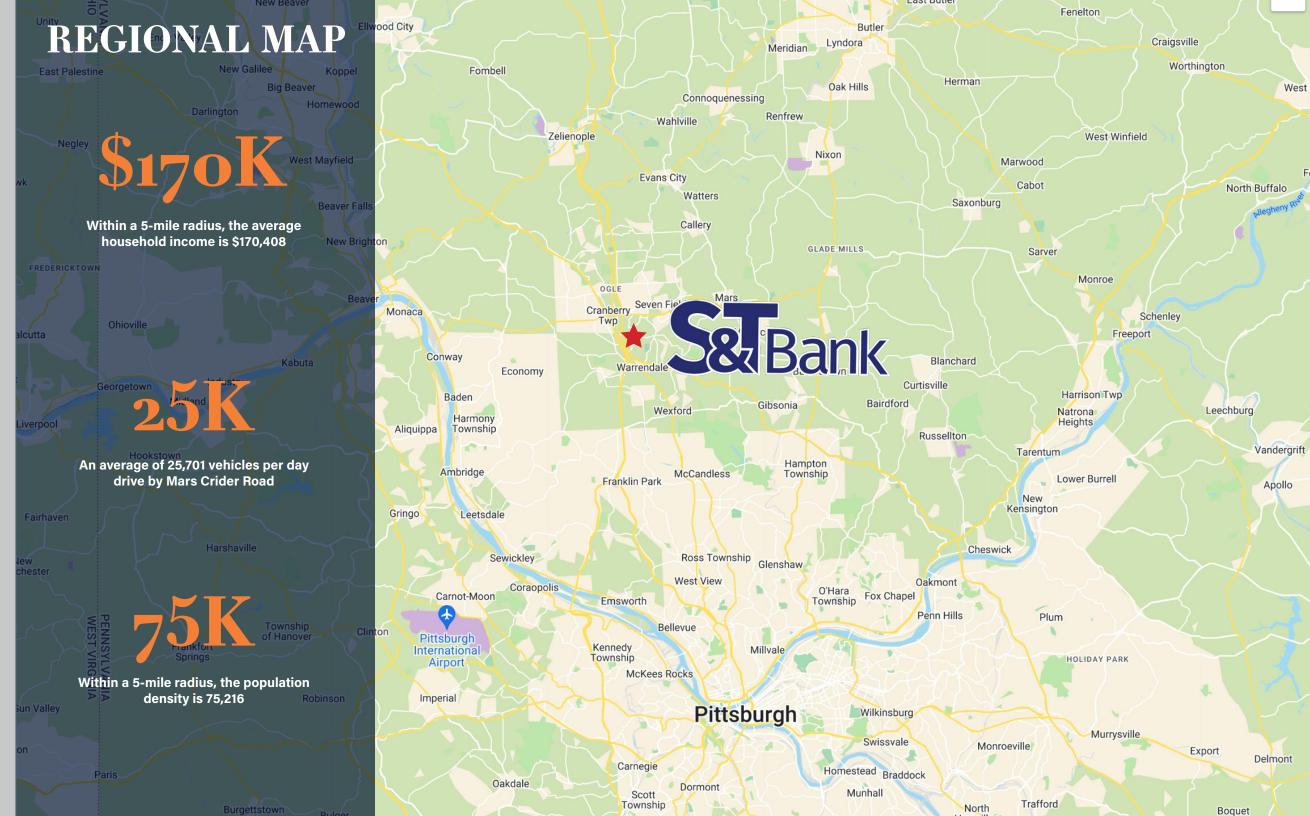
CREDIT RATING "STBA" - "BBB" by S&P



NO. OF LOCATIONS 75



YEAR FOUNDED 1902





LEASE ABSTRACT

Legal Tenant Name	S&T Bank
Notification Period to Exercise Options	360 Days
Landlord Obligations	The Association created pursuant to the Declaration shall maintain the Common Areas in accordance with the Declaration.
Tenant Obligations	Tenant, its employees, contractors, or agents shall take all commercially reasonable means to complete all repairs, alterations, additions or improvements in or to the Property, any structure(s)/building(s) Tenant installs, and on or about any exterior parking areas, driveways, signage, lighting, landscaped areas/green spaces or to any appurtenances or equipment therein in a timely fashion. Tenant shall maintain in good condition, the roof, gutters, downspouts, foundation and exterior walks of any structure(s)/building(s) on the Property, and shall keep in good order, condition and repair the sewer, water, electric and gas lines servicing the Property up to common or main lines ordinary wear and tear excepted. Tenant shall also, at its expense, maintain in good order, condition and repair the central heating, ventilating and air conditioning systems servicing the Property. HVAC systems that are specific to the Property shall be considered a permanent fixture to the Property and shall be maintained and repaired by Tenant at Tenant's sole expense, throughout the term of this Lease and any extension thereof under a quarterly maintenance contract with a reputable HVAC contractor. Tenant shall at its sole expense maintain and keep in good order at all reasonable times, condition and repair the areas directly surrounding and serving the Building, including the parking lot surfaces, sidewalks service areas and courts, including cleaning, sweeping, painting, striping and repaving; maintenance, repair and replacement of parking lot surfaces, sidewalks, guardrails, bumpers, fences, screens, directional signs, traffic signals, and other traffic markers and signs. Tenant at its sole expense shall be responsible for the removal of all snow, ice and refuse, and all exterior lighting for the Property.
CAM	Per the Declaration, the Tenant shall pay its portion of the Common Area maintenance. Tenant's portion of Common Area Maintenance shall be based on the Tenant's site area divided by the overall site area of the Shopping Center.
Assignment & Subletting	Tenant may not sublease or assign this Lease or its rights under this Lease without the Landlord's prior written consent, which consent shall not to be unreasonably withheld, conditioned or delayed. In such event of Landlord's consent, Tenant shall remain liable for the payment of all rent required to be paid under this Lease and for the performance of all terms, covenants, and conditions undertaken by Tenant.
DECLARATION OF COVENANTS	SABSTRACT
Service Area	A Service Area is hereby created for Lots 1 (Sheetz), Lot 2 (S&T Bank), and Lot 3 (as shown on Revision I to the Village of Cranberry Woods - Phase I Plan (the "CWRA Service Area"). All costs and expenses for the management, operation, maintenance, repair, reconstruction, and replacement of all streets and roadways within the CWRA Service Area shall be assessed solely to the Units within the CWRA Service Area as a Service Area Assessment. Additionally, the Units within the CWRA Service Area shall be solely responsible for all costs and expenses for the management, operation, maintenance, repair, reconstruction, and replacement of all streets and roadways as may hereafter be constructed over the northerly portion of Parcel A (as shown on The Village of Cranberry Woods - Phase I Plan) to connect the streets and roadways within the CWRA Service Area to Franklin Road, including, without limitation, the Easement Area.
Use Restriction	So long as a hotel or other business providing temporary lodging is operated on the Hotel Parcel, no other portion of the Property shall be occupied or used as a hotel, motel, rooming house, boarding house or other establishment providing temporary lodging.

DEMOGRAPHIC SUMMARY

POPULATION	1 MILE	3 MILES	5 MILES	HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2026 Projection	6,447	35,124	81,048	2026 Projection	2,464	13,792	30,779
2021 Estimate	5,949	32,475	75,216	2021 Estimate	2,273	12,626	28,329
2010 Census	5,168	27,837	64,763	2010 Census	1,960	10,629	24,089
2000 Census	3,927	21,910	50,138	2000 Census	1,413	8,019	17,604
Current Daytime Population	8,470	43,361	83,898				
7% GROWTH							

POPULATION PROFILE	1 MILE	3 MILES	5 MILES	INCOME	1 MILE	3 MILES	5 MILES
Population By Age				2021 Housing Income			
2021 Estimate Total Population	5,949	32,475	75,216	\$150,000 or More	33.35%	35.33%	37.24%
Under 20	25.40%	25.25%	25.17%	\$100,000 - \$149,000	28.09%	25.46%	25.09%
20 to 34 Years	16.18%	15.83%	14.98%	\$75,000 - \$99,999	15.61%	13.79%	12.40%
35 to 39 Years	7.91%	7.50%	7.09%	\$50,000 - \$74,999	12.32%	11.79%	11.09%
40 to 49 Years	15.43%	14.54%	14.36%	\$35,000 - \$49,999	4.94%	5.92%	5.68%
50 to 64 Years	21.71%	21.76%	22.57%	Under \$35,000	5.68%	7.71%	8.49%
Age 65+	13.39%	15.12%	15.81%	Average Household Income	\$164,883	\$166,945	\$170,408
Median Age	40.32	40.95	41.93	Median Household Income	\$116,956	\$119,687	\$123,722
Population 25+ by Education Level				Per Capita Income	\$63,011	\$64,979	\$64,264
2021 Estimate Population Age 25+	4,241	23,084	53,467				
Elementary (0-8)	0.08%	0.18%	0.32%				
Some High School (9-11)	1.03%	1.28%	1.50%				
High School Graduate (12)	13.31%	16.11%	16.30%				
Some College (13-15)	11.69%	12.43%	12.46%				
Associate Degree Only	8.51%	7.77%	7.49%				
Bachelors Degree Only	44.36%	37.62%	36.55%				
Graduate Degree	20.88%	24.45%	25.19%				

PITTSBURGH OVERVIEW

The Pittsburgh metro rests at the foothills of the Allegheny Mountains in the southeastern corner of Pennsylvania, outside the congested East Coast corridor. Consisting of Armstrong, Butler, Fayette, Westmoreland, Washington, Allegheny and Beaver counties, the metro contains 2.4 million residents, with more than half concentrated in Allegheny County. 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, which provide a steady flow of educated personnel. The city limits of Pittsburgh are 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, with approximately 310,900 residents.

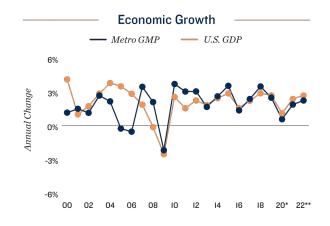
THE PITTSBURGH ECONOMY

Once centered on the steel industry, Pittsburgh's economy has become much more diversified over the past 20 years and continues to evolve.

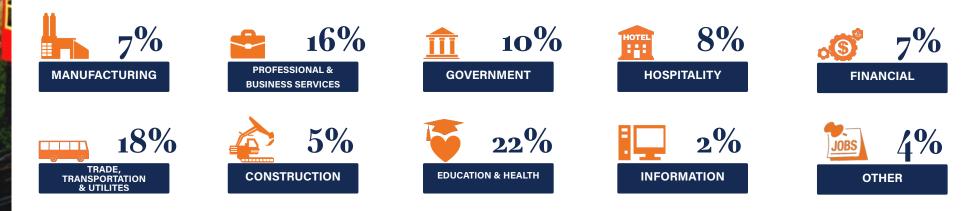
A multitude of international firms have headquarters or regional offices in the metro. Additionally, nine Fortune 500 companies call Pittsburgh home including Kraft Heinz Co., PNC Financial, Howmet Aerospace, U.S. Steel, Alcoa, PPG Industries and Dick's Sporting Goods.

High-tech is expanding, particularly in automation and manufacturing equipment, software, biotechnology, environmental services and pharmaceuticals.

MAJOR AREA EMPLOYERSUPMCAllegheny Health NetworkUniversity of PittsburghBNY Mellon Corp.PNC Financial ServicesGiant EagleCarnegie Mellon UniversityWalmart Inc.U.S. SteelChildren's Hospital of Pittsburgh



SHARE OF 2021 TOTAL EMPLOYMENT



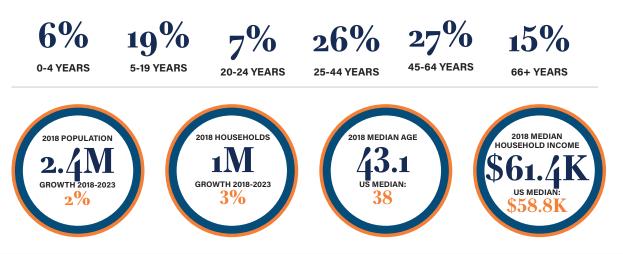
PITTSBURGH DEMOGRAPHICS

The metro is expected to add nearly 22,500 people through 2025, which will result in the formation of almost 18,200 households.

A median home price below the national level allows 70 percent of households to own their home, which is above the national rate of 64 percent.

Roughly 33 percent of people age 25 and older hold bachelor's degrees; among those residents, 13 percent also have earned a graduate or professional degree.

2021 POPULATION BY AGE



QUALITY OF LIFE

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.

* Forecast Sources: Marcus & Millichap Research Services; BLS; Bureau of Econom ic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau

SPORTS



EDUCATION



ARTS & ENTERTAINMENT





CARNEGIE MUSEUM OF **ART**

the warhol:

CONFIDENTIALITY AGREEMENT

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 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. Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2022 Marcus & Millichap. All rights reserved.

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 Marcus & Millichap, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of Marcus & Millichap, 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 CONTACT THE MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

NET LEASED 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.

Marcus & Millichap EXCLUSIVELY LISTED BY:

DEAN ZANG

EXECUTIVE MANAGING DIRECTOR NATIONAL RETAIL GROUP

WASHINGTON, D.C.

Tel: (202) 536-3754 Fax: (202) 536-3710 dean.zang@marcusmillichap.com

> LICENSES: MD 665335 VA 0225239201

DAVID CROTTS

DIRECTOR NATIONAL RETAIL GROUP

WASHINGTON, D.C.

Tel: (202) 536-3757 Fax: (202) 536-3710 david.crotts@marcusmillichap.com

> LICENSES: DC SP8374073 VA 0225208906 MD 652010

MD BOR: -Activity ID: