

FOR SALE

RITE AID PHARMACY | 101 W MAIN ST, ENON OHIO 45323



REPRESENTATIVE IMAGE

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 **TIBURON**
REALTY ADVISORS

A photograph of a Rite Aid Pharmacy storefront. The building has a red brick facade. The sign "RITE AID PHARMACY" is mounted on the wall in large, white, 3D letters. Below the sign is a large window with a "THANK YOU" sign. In front of the entrance, there is a sign that says "FLU SHOTS TODAY" and "Covered by most insurance plans".

RITE AID
PHARMACY

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DISCLAIMER

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This Offering Memorandum 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.

The information contained in this Offering Memorandum has been obtained from sources we believe to be reliable; however, Tiburon Realty Advisors has not verified, and will not verify, any of the information contained herein, nor has Tiburon Realty Advisors 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.





EXECUTIVE SUMMARY

Tiburon Realty Advisors is pleased to exclusively offer for sale a Rite Aid pharmacy with about eight years remaining on the base term of the lease. The property is located in Enon, Ohio.

The subject property is leased to Rite Aid through an absolute NNN lease which is 100% guaranteed by Rite Aid. There are no Landlord responsibilities whatsoever. The lease expires November 7th, 2025 and has eight, 5-year options to renew. The tenant's first option to terminate is November 7, 2025. Rent increases by 10% at the beginning of year 21 (first option) and year 31 (3rd option). There are further rent increases every 10 years thereafter pursuant to a fair market value formula.



The price of the property is \$3,396,867



This is a cap rate of 7.25% on current NOI of \$246,275



The property will be delivered free & clear at closing



Rent increases every 10 years beginning in 2025



INVESTMENT HIGHLIGHTS



ABSOLUTE NET LEASE

The lease is absolute net with no landlord responsibilities whatsoever. The tenant is responsible for all taxes, insurance, maintenance, repair and operating costs associated with the property.



NATIONAL TENANT

Rite Aid Corporation (NYSE: RAD) is the third largest retail drugstore chain in the United States based on both revenues and number of stores. With approximately 4,523 stores in 31 states and the District of Columbia, Rite Aid has a strong presence on both the East and West Coasts.



LONG-TERM OCCUPANCY

The subject property was built for Rite Aid and they have occupied it since 2005. Rite Aid's first termination right isn't until November 7, 2025. Rite Aid has eight 5-year options to extend the lease.



EXCELLENT SITE LOCATION

The property is located on the main street of Enon, OH, a community located about eight miles southwest of Springfield and 20 miles northeast of Dayton. Rite Aid is the only national pharmacy in Enon and there is only one other drug store in town. Enon is about 10 miles from Wright-Patterson Air Force Base, which has over 27,000 personnel.



ABOUT THE PROPERTY

Price:	\$3,396,867
Cap Rate:	7.25%
Address:	101 W. Main Street, Enon, OH 45323
County:	Clark County, OH
Rentable Area:	11,215 SF
Land Area:	1.69 ac.
Year Built:	2005
Parking:	There are approximately 54 parking spaces (48 regular & 6 handicapped-accessible)
Access:	There are three access points, two along W. Main Street and another from S. Xenia Drive
Zoning:	D-Downtown
Ownership:	Fee simple (Land & Building)
Guaranty:	Rite Aid
Tenant:	Rite Aid of Ohio
Credit Rating:	S&P "B"



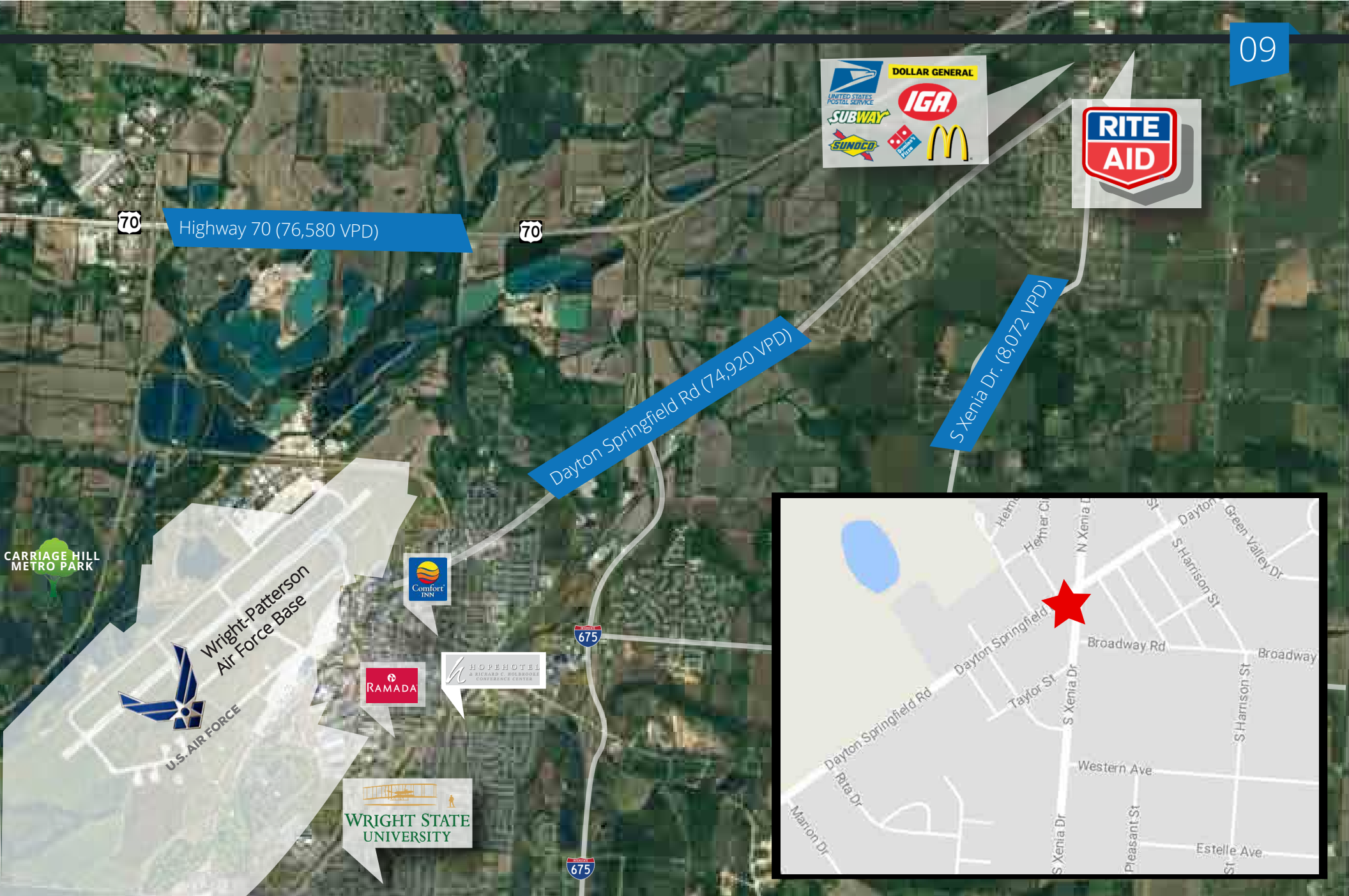
THE RITE AID is located at 101 W. Main Street in Enon. This is the main retail corridor in town. The site is across the street from Enon Elementary School (east) and the U.S. Post Office and Speedway convenience store (north). To the west of the subject is Enon Knob Prairie United Church. Speedway's corporate office is about a mile further north of the pharmacy. Other major retailers around the property include Subway, Security National Bank, Sunoco, Domino's, McDonald's, IGA Grocery and Dollar General. Much of the other parts of town consist of residential neighborhoods.



Dayton Springfield Rd / Main St. (16,133 VPD)

S Xenia Dr. (8,072 VPD)





70

Highway 70 (76,580 VPD)

70

Dayton Springfield Rd (74,920 VPD)

S Xenia Dr. (8,072 VPD)



CARRIAGE HILL METRO PARK

Wright-Patterson Air Force Base



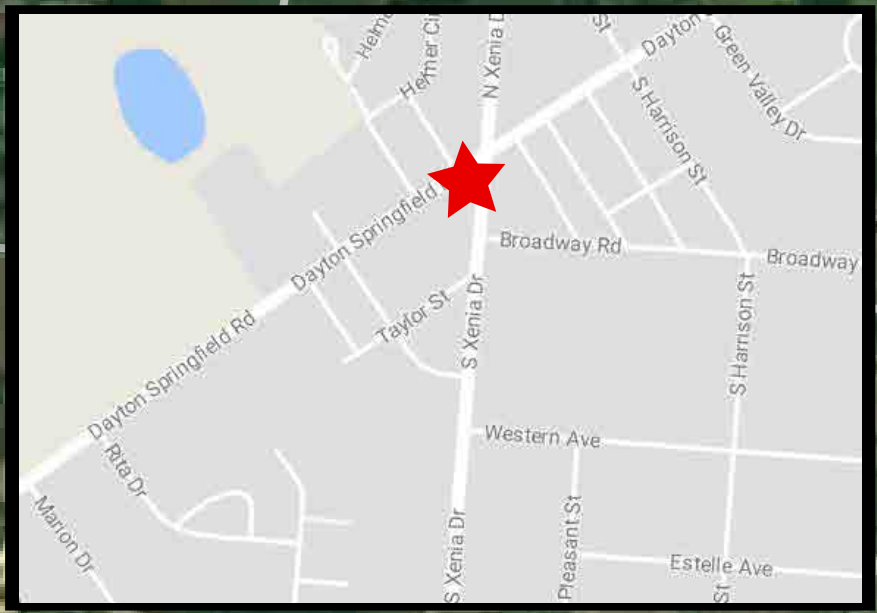
U.S. AIR FORCE



WRIGHT STATE UNIVERSITY

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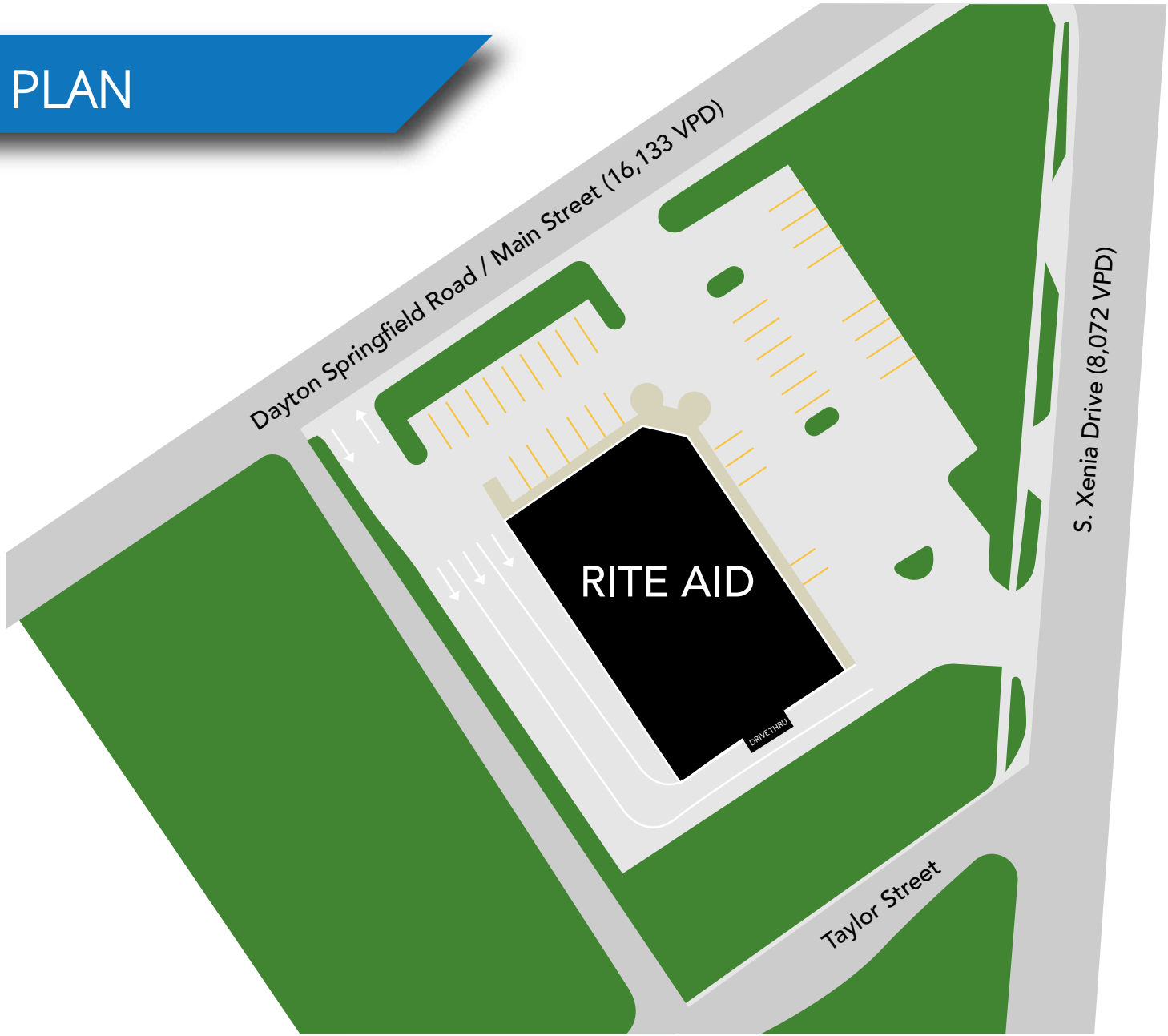




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ENON

SITE PLAN



LEASE SUMMARY

Tenant:	Rite Aid
Annual Rent:	\$246,275
Rent Commencement:	November 8, 2005
Lease Expiration:	November 7, 2025
Base Lease Term:	20 years
Lease Type:	Absolute NNN
Landlord Responsibilities:	None
Renewal Options:	Eight 5-year options
Rent Increases:	Rent increases every 10 years beginning in 2025
Building Size:	11,215 SF
Lot Size:	1.69 ac.
Financing:	Offered free & clear



TENANT OVERVIEW

Rite Aid Corporation (NYSE: RAD) is one of the nation's leading drugstore chains with over 4,600 stores in 31 states and the District of Columbia, with a strong presence on both the East and West coasts, and 89,000 associates. Rite Aid is the largest drugstore chain on the East Coast and the third largest drugstore chain in the U.S.

In fiscal 2016, as Rite Aid continued its transformation into a retail healthcare company, the company began reporting its business in two distinct segments. Rite Aid's Retail Pharmacy Segment consists of Rite Aid stores, RediClinic and Health Dialog. Their Pharmacy Services Segment consists of EnvisionRx, a pharmacy benefit management (PBM) provider that they acquired in June 2015. In their Rite Aid retail stores, the company sells prescription drugs and a wide assortment of other merchandise. In fiscal 2016, prescription drug sales accounted for 69.1% of total drugstore sales. Rite Aid carries a full assortment of front-end products, which accounted for the remaining 30.9% of their total drug store sales in fiscal 2016. Front-end products include over-the-counter medications, health and beauty aids, personal care items, cosmetics, food and beverages and numerous other everyday and convenience products.

On October 27, 2015 Rite Aid Corporation announced a plan to merge with Walgreens Boots Alliance, Inc. The merger was terminated, Walgreens paid a \$325 million termination fee and the deal became an asset purchase agreement in late June 2017. Under the new deal Walgreens will pay \$5.175 billion to buy 2,186 Rite Aid stores. A press release by Rite Aid mentions that this "asset sale repositions Rite Aid as an independent, multi-regional drugstore chain and pharmacy benefits manager with compelling footprint in key markets" and that the "proceeds to be used to significantly reduce debt and strengthen the balance sheet."



RITE AID CORPORATE SUMMARY

Type:	Public (NYSE: RAD)
Industry:	Drug, Health & Beauty Stores
Locations:	4,523+
Employees:	89,000+
Revenue:	\$30.74 Billion (FY 2016)
Corporate Headquarters:	Camp Hill, PA
Credit Rating:	S&P: B, Moody's: B2



ABOUT ENON

Enon is located about 20 miles northeast of Dayton and eight miles southwest of Springfield. It's the principal village of Mad River Township, Clark County, Ohio. This area is rich in history. Three distinct groups of Indians made their homes in the Enon area prior to the coming of the first white settlers. First to make their homes here were the Adena. Second were the Hopewells, as evidenced by excavations of the Campbell mounds. Last were the Shawnees who lived at Old Piqua, where George Rogers Clark Park is now located.

The first settlers in Mad River Township settled sometime prior to 1798. The name Enon means "abundance of springs" and from 1817 to 1838 the area was a flourishing agricultural center. On May 19, 1838, the site of Enon was platted by Ezra Baker and Elnathan Corey and lots one through 60 were approved June 18, 1838. The town of Enon was dedicated at the time the Springfield and Dayton Road was laid out. Finally on March 15, 1850, Enon was incorporated.

Today Enon is headquarters of the Speedway LLC gas station chain. This business has about 2,730 stores in 21 states. The company is the second largest company-owned and operated convenience store chain in the U.S. Enon is located 10 minutes from the Wright-Patterson AFB, a major military installation with over 27,000 personnel. The town is also proximate to the 178th Wing of the Ohio Air National Guard, which has 900 personnel and 320 other affiliated service members.

DEMOGRAPHICS

2017 SUMMARY	5 MILES	7 MILES	10 MILES
Population	25,641	70,800	182,346
Households	10,370	28,743	72,728
Families	7,401	19,052	46,295
Average Household Size	2.45	2.43	2.43
Owner Occupied Housing Units	8,328	19,558	44,482
Renter Occupied Housing Units	2,042	9,185	28,246
Median Age	47.3	43.0	38.2
Median Household Income	\$59,387	\$50,547	\$49,741
Average Household Income	\$74,429	\$65,004	\$65,071

2022 SUMMARY	5 MILES	7 MILES	10 MILES
Population	25,447	70,220	182,102
Households	10,323	28,603	72,808
Families	7,317	18,809	45,991
Average Household Size	2.44	2.42	2.42
Owner Occupied Housing Units	8,267	19,417	44,380
Renter Occupied Housing Units	2,057	9,186	28,428
Median Age	48.4	43.7	38.9
Median Household Income	\$68,645	\$55,981	\$55,339
Average Household Income	\$85,082	\$74,422	\$74,803

