

SINGLE TENANT ABSOLUTE NNN LEASE INVESTMENT

RARE URBAN INFILL SITE - LONG TERM LEASE

4530 N 5th St, Philadelphia, PA 19140



PHILADELPHIA IS THE 2ND LARGEST CITY ON THE EAST COAST



PROPERTY OVERVIEW

We are pleased to offer to qualified investors an opportunity to purchase an absolute NNN leased investment that is fully occupied by Rite Aid (strong store sales) with approximately 11.5 years fixed remaining on the base term. Located in Philadelphia, PA the subject property comprises a 14,564 square feet building positioned on a rare 2.03 acre corner lot for Philadelphia, PA. Surrounded by dense residential, retail, medical, industrial/warehouse, and educational uses; the subject property benefits from a diverse set of surrounding use types providing long term stability and low downside risk. This is a rare opportunity to purchase an absolute NNN leased investment, with strong store sales, located on 2.03 acres just 4.5 miles from downtown Philadelphia, PA, with 11.5 years remaining and zero landlord responsibilities.



PRICING DETAILS

List Price	\$5,800,000
CAP Rate	6.25%
Annual Rent	\$362,500
Taxes	NNN
Insurance	NNN
CAM	NNN

LEASE ABSTRACT

Tenant Trade Name	Rite Aid
Lease Start	September 16, 2005
Lease Expiration	September 30, 2030
Term Remaining On Lease	11.5 Years
Base Rent	\$362,500
Rental Adjustments	None
Option Periods	5 - 5 Year Options ~4% Increases Each Option 10/1/2030: \$369,025 10/1/2035: \$384,250 10/1/2040: \$400,000 10/1/2045: \$416,875 10/1/2050: \$434,275
Lease Type	NNN Lease
Roof & Structure	Tenant Responsible

PARCEL DETAILS

APN	88-2-7567-10
Building Size	14,564 SF
Land Size	2.03 Acres

INVESTMENT HIGHLIGHTS

- Rite Aid (NYSE: RAD) Absolute NNN Leased Investment - Zero Landlord Obligations
- 11.5 Years Fixed Lease Years Remaining with 5, 5 Year Options
- **Strong Store Sales** – Recent Store Renovation – Showing Commitment to the Site
- Rare 2.03 Acre Lot in Philadelphia, PA - 4.5 Miles from Downtown Philadelphia
- **Diverse Surrounding Use Types** - Residential, Retail, Medical, Industrial/Warehouse, & Education
- Close Proximity to La Salle University - Over 3,800 Students
- **Extremely High Barriers to Entry** - Limited Availability of Comparable Properties
- Excellent Access & Visibility - 5 Separate Points of Ingress/Egress
- Access Available from all 3 Streets Surrounding the Subject Property
- **Strong Demographics** - 474,800 Residents within 3 Mile Radius
- AHHI of Approximately \$44,700 within 3 Mile Radius
- **Deliverable Free and Clear** of Existing Debt



AERIAL OVERVIEW



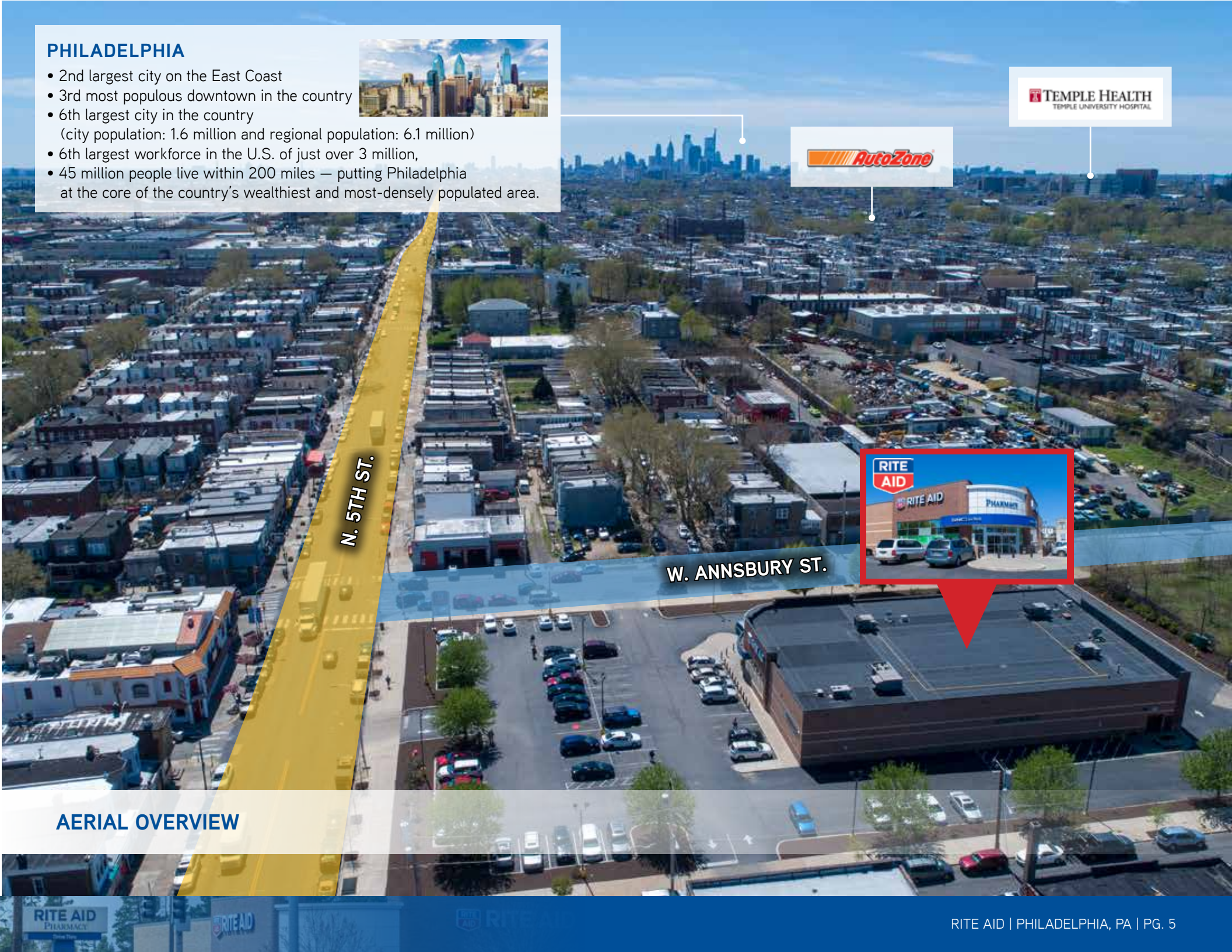
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**PHILADELPHIA
 INTERNATIONAL AIRPORT**

Lincoln Financial Field



PHILADELPHIA

- 2nd largest city on the East Coast
- 3rd most populous downtown in the country
- 6th largest city in the country
(city population: 1.6 million and regional population: 6.1 million)
- 6th largest workforce in the U.S. of just over 3 million,
- 45 million people live within 200 miles — putting Philadelphia at the core of the country's wealthiest and most-densely populated area.



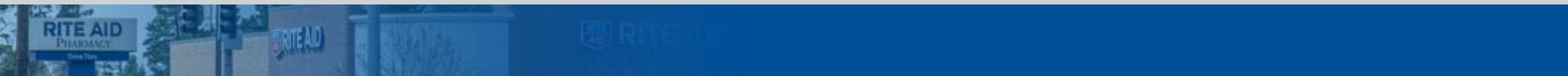
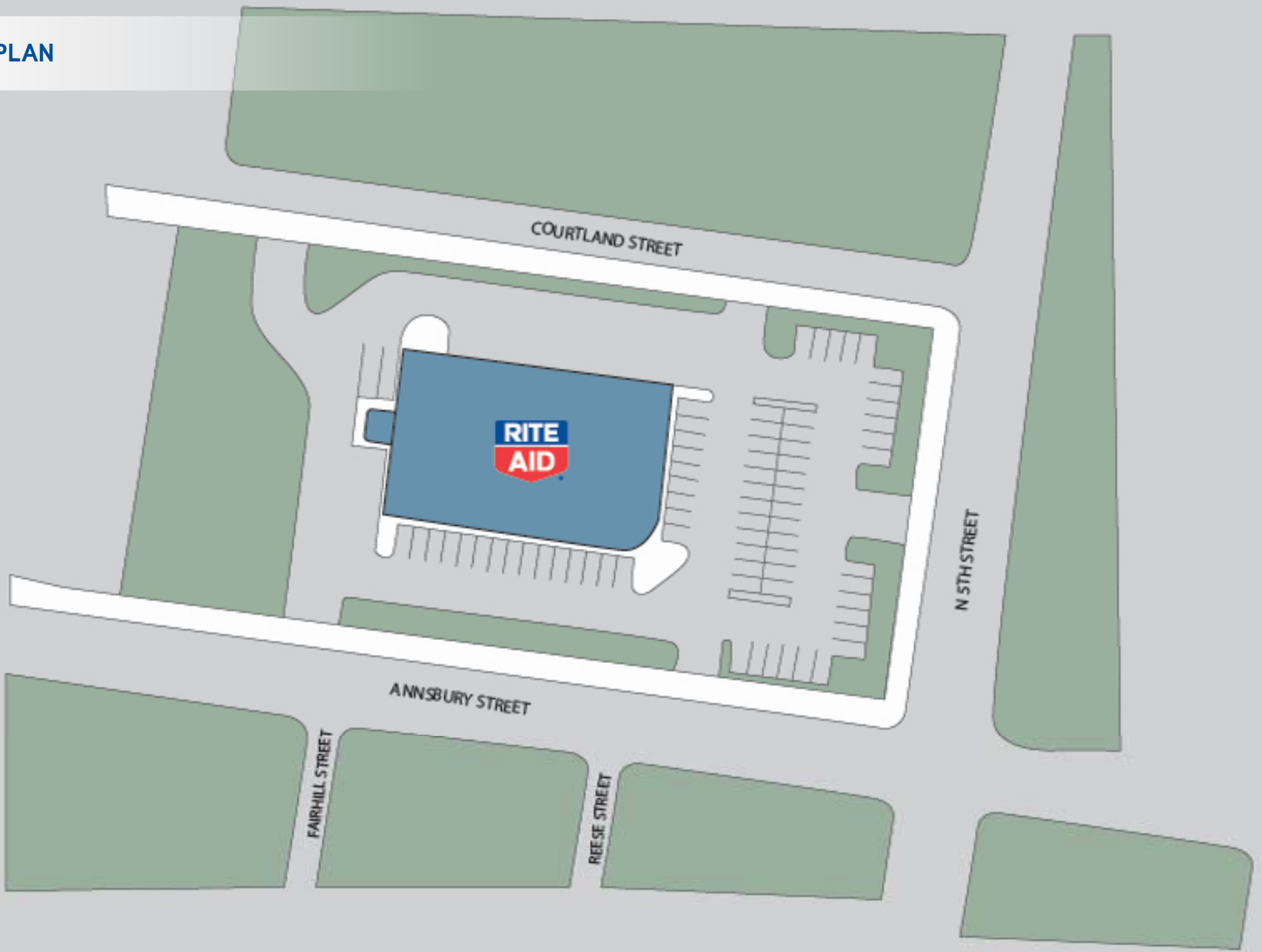
N. 5TH ST.

W. ANNSBURY ST.



AERIAL OVERVIEW

SITE PLAN



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.



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

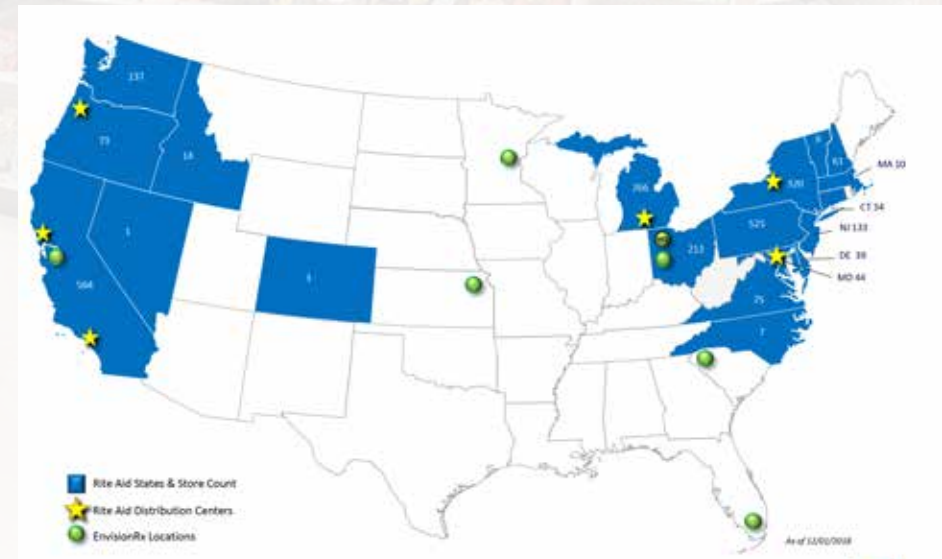
Fill approximately 215 million scripts per year in retail pharmacy (30-day equivalent basis)

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

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

Rite Aid (NYSE: RAD)





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%

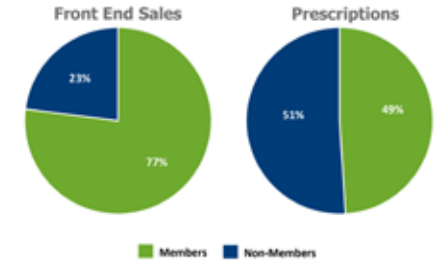
Represents our position in CBSA's where we have a presence, based on store count as of December 1, 2018.

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

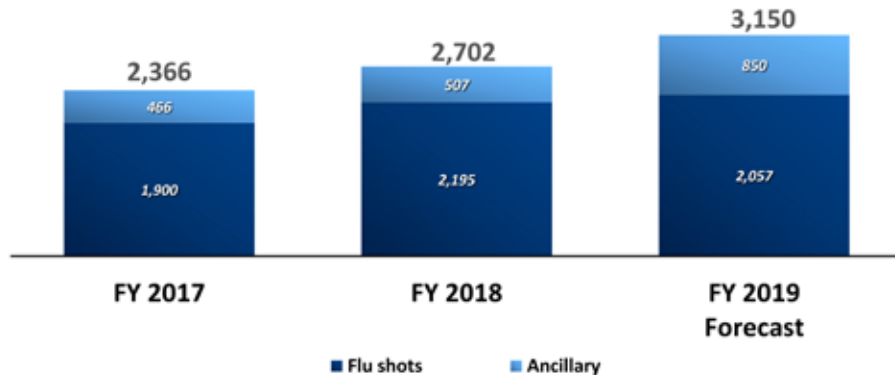
wellness+ Penetration⁽¹⁾



13 million Active wellness+ Members

IMMUNIZATIONS BY FISCAL YEAR

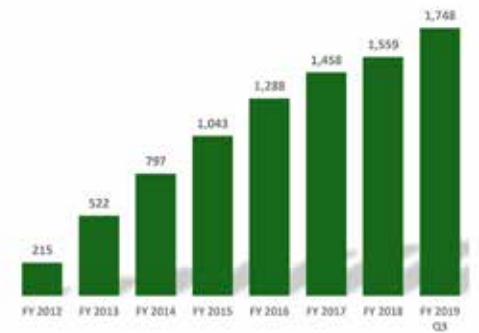
(in thousands)



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



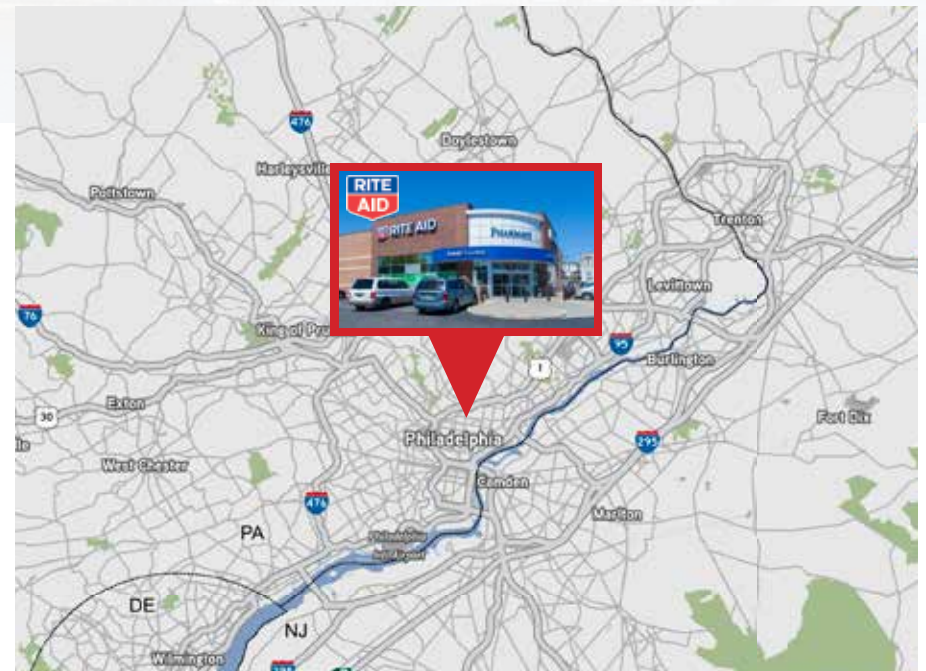


CITY OF PHILADELPHIA

About Philadelphia

Philadelphia, known colloquially as Philly, is the largest city in the state of Pennsylvania, and the sixth-most populous U.S. city, with a 2018 census-estimated population of 1,584,138. Philadelphia is also the economic and cultural anchor of the greater Delaware Valley, located along the lower Delaware and Schuylkill Rivers, within the Northeast megalopolis. The Delaware Valley's population of 7.2 million ranks it as the eighth-largest combined statistical area in the United States.

The Philadelphia area's many universities and colleges make it a top study destination, as the city has evolved into an educational and economic hub. According to the Bureau of Economic Analysis, the Philadelphia area had a gross domestic product of US\$445 billion in 2017, the eighth-largest metropolitan economy in the United States. Philadelphia is the center of economic activity in Pennsylvania and is home to five Fortune 1000 companies.



6TH LARGEST CITY IN THE COUNTRY
(CITY POPULATION: 1.6 MILLION)

CITY OF PHILADELPHIA

MSA Overview

Continued job gains appear almost assured for the Philadelphia metro in 2019. Over the most recent four quarters, many of the largest publicly traded firms headquartered in Philadelphia (including, AmerisourceBergen, Aramark, Comcast, and FMC) reported net operating income that more than doubled the income collected during the preceding four quarters. This windfall in profits comes largely thanks to congress cutting the U.S. corporate tax rate almost in half heading into 2018. Lower taxes also mean that many of Philadelphia's top employers are currently flush with cash and ready to hire more workers.



According to data from the world's third-largest staffing firm Manpower, the percentage of companies in the Philadelphia-Camden-Wilmington metro area planning to increase staffing is at the highest levels recorded during this economic cycle. Meanwhile, the percentage of firms planning to decrease their staffing levels is near rock bottom.



18 FORTUNE 500 COMPANIES WITHIN AN HOUR'S DRIVE OF PHILADELPHIA



CITY OF PHILADELPHIA

Economy

Philadelphia's economic sectors include financial services, health care, biotechnology, information technology, trade and transportation, manufacturing, oil refining, food processing, and tourism. Financial activities account for the largest economic sector of the metropolitan area, which is also one of the largest health education and research centers in the United States. Philadelphia's largest private employer is the University of Pennsylvania followed by the Children's Hospital of Philadelphia.

Tech and Biotech

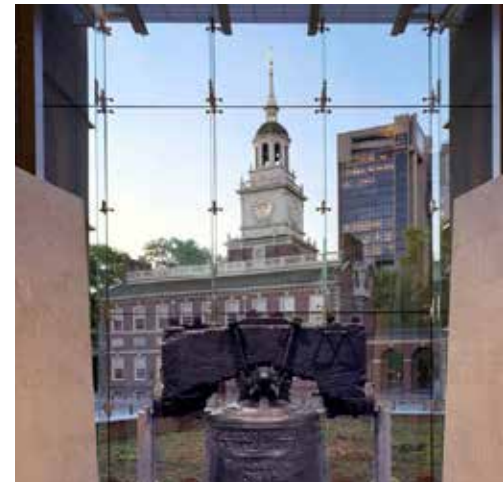
Philadelphia has emerged as a hub for information technology and biotechnology. Philadelphia and Pennsylvania are attracting new life sciences ventures. The Philadelphia metropolitan area, comprising the Delaware Valley, has also become a growing hub for venture capital funding.

Tourism

Philadelphia's history attracts many tourists, with the Independence National Historical Park (which includes the Liberty Bell, Independence Hall, and other historic sites) receiving over 5 million visitors in 2016. The city welcomed 42 million domestic tourists in 2016 who spent \$6.8 billion, generating an estimated \$11 billion in total economic impact in the city and surrounding four counties of Pennsylvania.

Trade and transportation

Philadelphia International Airport is undergoing a \$900 million infrastructural expansion to increase passenger capacity and augment passenger experience; while the Port of Philadelphia, having experienced the highest percentage growth by tonnage loaded in 2017 among major U.S. seaports, was in the process of doubling its capacity in order to accommodate super-sized post-Panamax shipping vessels in 2018.



Philadelphia Facts and Figures: By the Numbers

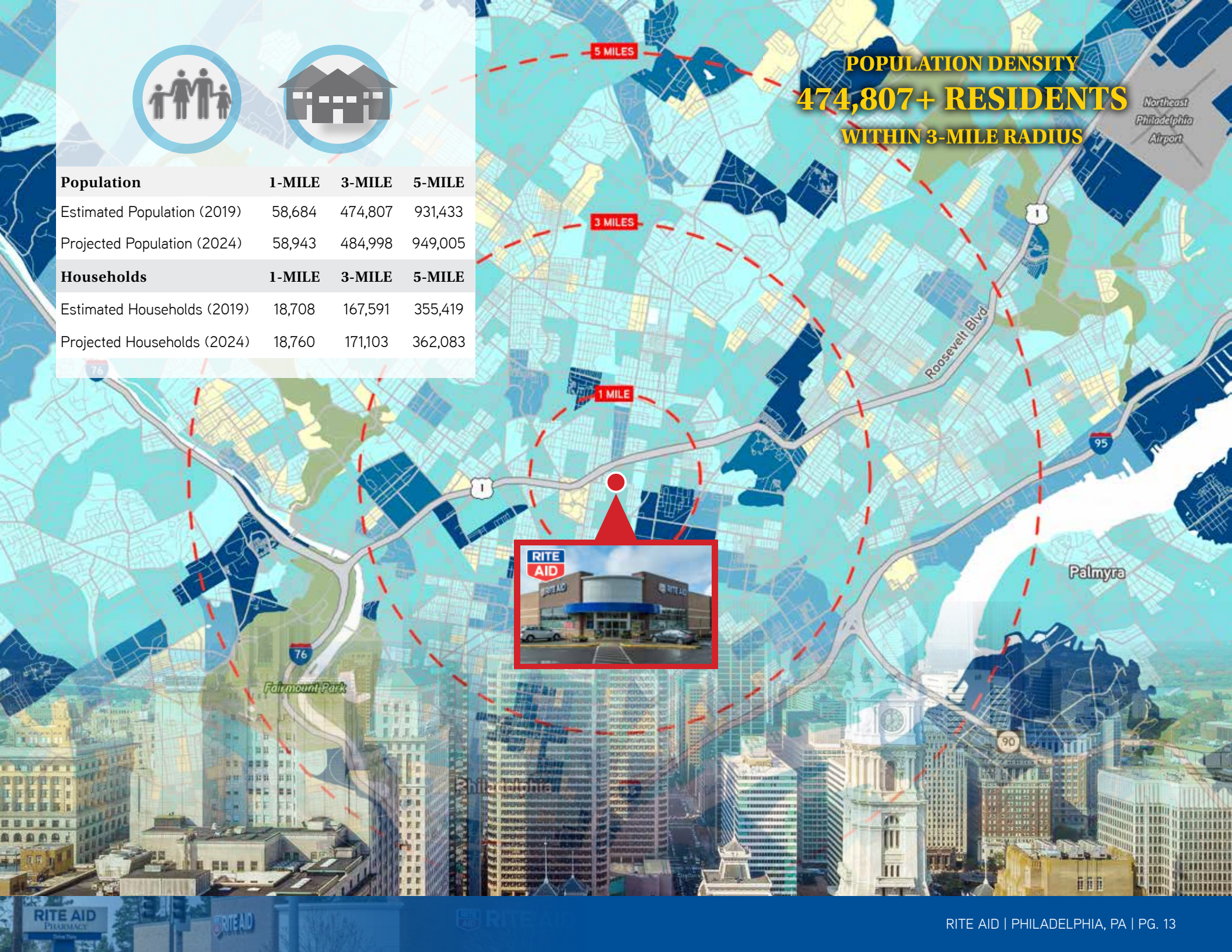
- 2nd largest city on the East Coast
- 3rd most populous downtown in the country
- 4th largest media market in the nation
- **6th largest city in the country** (city population: 1.6 million and regional population: 6.1 million)
- 6th largest workforce in the U.S. of just over 3 million, including highly skilled talent in key industries: life sciences, energy and manufacturing, technology, financial services, and more.
- **45 million people live within 200 miles** — putting Philadelphia at the core of the country's wealthiest and most-densely populated area.
- \$432 B Gross Regional Product (MSA)
- **18 Fortune 500 companies within an hour's drive of Philadelphia**
- 39 hotel brands in Center City
- 2nd largest Chinatown on the East Coast.
- 6,109 hotel rooms within a four-minute walk of the Pennsylvania Convention Center
- Over 16,000 hotel rooms in Philadelphia County
- Over 37,000 hotel rooms in the region
- 1,049 retailers in Center City
- Over 1,000 food establishments with 428 outdoor seating locations in Center City
- **29 airlines offering 500 departures** to 130 non-stop destinations in the U.S. and around the world (36 international destinations)
- 16th largest city in the nation for international visitors from overseas
- **60% of the U.S. population lives within a two-hour flight of Philadelphia**
- Strategically located between New York (1 hour 20 minutes) and Washington DC. (1 hour 45 minutes) on Amtrak's Acela Express





Population	1-MILE	3-MILE	5-MILE
Estimated Population (2019)	58,684	474,807	931,433
Projected Population (2024)	58,943	484,998	949,005
Households	1-MILE	3-MILE	5-MILE
Estimated Households (2019)	18,708	167,591	355,419
Projected Households (2024)	18,760	171,103	362,083

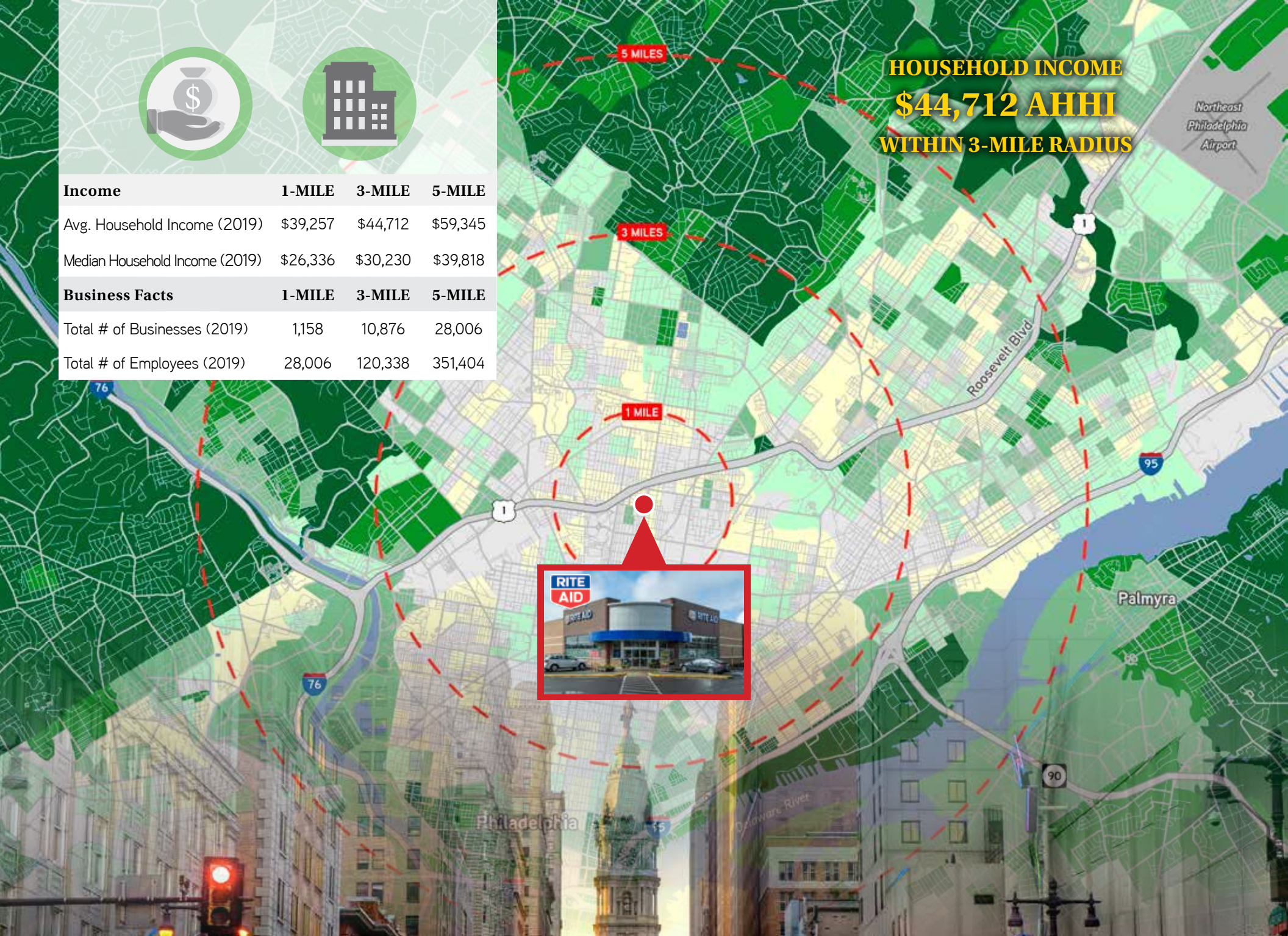
POPULATION DENSITY
474,807+ RESIDENTS
WITHIN 3-MILE RADIUS





Income	1-MILE	3-MILE	5-MILE
Avg. Household Income (2019)	\$39,257	\$44,712	\$59,345
Median Household Income (2019)	\$26,336	\$30,230	\$39,818
Business Facts	1-MILE	3-MILE	5-MILE
Total # of Businesses (2019)	1,158	10,876	28,006
Total # of Employees (2019)	28,006	120,338	351,404

HOUSEHOLD INCOME
\$44,712 AHHI
WITHIN 3-MILE RADIUS





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