



MICHIGAN INVESTMENT OFFERING

936 EAST LUDINGTON AVENUE | LUDINGTON, MI 49431



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ANNOUNCES PARTNERSHIP WITH



Offering Summary

LIST PRICE	\$2,687,096
CAP RATE	7.75%
PRICE PER SF	\$240.34
LEASE TERM REMAINING	11 Years
OPTIONS	Two (5-year) Options with 15% Increases
LEASE TYPE	Absolute Net Lease
ANNUAL RENT (NOI)	\$208,250
MONTHLY RENT	\$17,354
BUILDING SIZE (SF)	±11,180
LOT SIZE (SF)	±68,825
YEAR BUILT	1999
PARCEL NUMBER	051-292-001-00

Investment Highlights

AMAZON PICK-UP LOCATION

Rite Aid announced the addition of “Counter” by Amazon in June of 2019, which will enable quick and easy pickup of packages in-store at over 1,500 Rite Aid locations across the country.

PREFERRED RITE AID LOCATION WITH 20+ YEARS OF OPERATING HISTORY

Rite Aid retained this location in its sale of 1,900 locations to Walgreens in 2018 showing commitment to the site. The store has a successful operating history of 20+ years at this location.

10 YEAR EXTENSION ON ABSOLUTE NET LEASE WITH RARE 15% INCREASES

Rite Aid recently agreed to extend the lease 10 years which will give the lease approximately eleven (11) years remaining on the primary term with two 5-year options to extend including rare 15% rental increases in the options. This is a true absolute net lease with no landlord responsibilities whatsoever.

STABLE INCOME CORPORATE GUARANTEE

Rental income guaranteed by Rite Aid corporate (S&P B Stable) Fortune 500 Company with over 2,500 locations.

ADJACENT TO MEDICAL COMPLEX

- **Spectrum Health – Ludington Hospital** - Ludington Hospital is a 49-bed acute care hospital offering a full range of services including inpatient medical, surgical, obstetrical and critical care units. Ludington Hospital has a 24-hour emergency department with all-private treatment rooms and a convenient care walk-in clinic.
- **Oakview Medical Care Facility** - Oakview Medical is a county owned and operated 76-bed non-profit skilled nursing facility. In 2009, the addition of a twenty bed Alzheimer’s/Dementia special care unit was completed on site. Available services include twenty-four hour nursing care, physical therapy, occupational therapy, recreational therapy, speech therapy, and routine medical visits by attending physicians.

LIMITED COMPETITION – NO RITE AID FOR 19 MILES

The subject property benefits from limited competition with the next nearest Rite Aid location over 19 miles away. There is only one Walgreens in Ludington located three quarters of a mile to the east along Ludington Avenue making this a strategic location for both Rite Aid and Walgreens.

STRONG NATIONAL RETAIL PRESENCE

East Ludington is the main retail corridor leading to the Downtown District. There are numerous national retailers in the immediate area including Pizza Hut, Jimmy John’s, Fifth Third Bank, Walgreens, AutoZone, McDonald’s, Walmart Supercenter, Lowe’s and Stop-N-Save.

LOCATED IN MICHIGAN DESIGNATED OPPORTUNITY ZONE

The property is located in a qualified IRS designated opportunity zone, providing potential tax benefits to investors.

Lease Summary

ADDRESS	936 East Ludington Avenue Ludington, MI 49431
TENANT	Rite Aid
LEASE COMMENCEMENT	March 1, 1999
LEASE EXPIRATION	February 28, 2031
TERM REMAINING	11 Years
LEASE TYPE	Absolute Net Lease
ANNUAL RENT	\$208,250
MONTHLY RENT	\$17,354
RENT PER SQUARE FOOT	\$18.62
OPTIONS	Two (5-year) Options
INCREASES	15% at Each Option
LANDLORD RESPONSIBILITIES	None

Rent Schedule

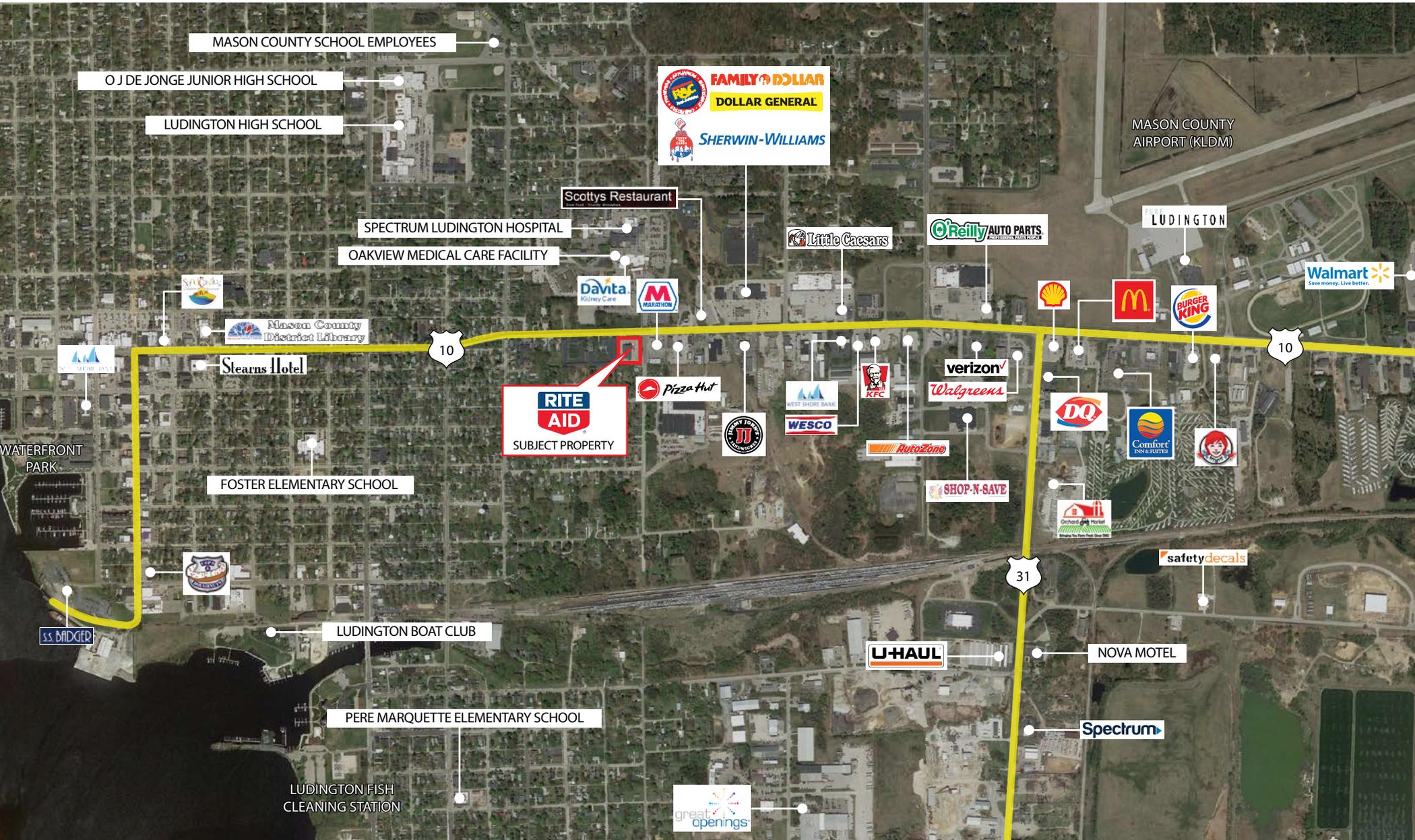
TERM	DATES	MONTHLY RENT	ANNUAL RENT
Current	Present - 2/28/2031	\$17,354	\$208,250
Option 1	3/1/2031 - 2/28/2036	\$19,957	\$239,487
Options 2	3/1/2036 - 2/28/2041	\$22,950	\$275,410



Building Photos



Location Aerial



Location Overview and Demographics

Ludington is a city in and the county seat of Mason County in Western Michigan. Located at the mouth of the Pere Marquette River on Lake Michigan, Ludington Harbor is about 51 nautical miles north of Muskegon and about 86 nautical miles northeast of Milwaukee, Wisconsin. With several inland lakes in addition to Lake Michigan, Ludington is a popular vacation destination throughout the year. Ludington is the fifth most popular tourist city in Michigan with approximately one million visitors annually.



- LAKE MICHIGAN** - Ludington is nestled upon the eastern coast of Lake Michigan with miles of clean, sandy beaches for swimming, skiing, tubing boating and fishing.
- HURON-MANISTEE NATIONAL FOREST** - Lying between the shores of Lake Michigan and Lake Huron in the northern half of the Lower Peninsula of Michigan, are the nearly one-million-acre Huron-Manistee National Forests. Each year the forests receive nearly 4 million recreational visits.
- S.S. BADGER CARFERRY** - Ludington is home port of the largest carferry to sail the Great Lakes. The S.S. Badger carferry makes its voyage from Ludington to Manitowoc, Wisconsin carrying up to 620 passengers and 180 vehicles per trip.
- LUDINGTON NORTH BREAKWATER LIGHTHOUSE** - The North Breakwater Light is Ludington's focal point and is ranked as the #1 lighthouse to visit in Michigan and is one of the top 10 lighthouses to see in the United States.



Total Population

3 MILE	12,046
5 MILES	14,639
10 MILES	22,047



Average Household Income

3 MILE	\$59,153
5 MILES	\$60,784
10 MILES	\$61,255



Total Households

3 MILE	5,125
5 MILES	6,252
10 MILES	9,215



Average Age

3 MILE	42.20
5 MILES	43.00
10 MILES	43.20



Traffic Counts Vehicles/Day

E LUDINGTON	23,300
BS RTE 31	8,107
RTE 31	7,385

Disclaimer: This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage, age, distances, lot size, store opening dates, demographic information, aerial information, tenant information & store operating information are approximate. By accepting this package, buyer and their representatives must verify the information and bears all risk for any inaccuracies.



Company Summary*

Rite Aid is the third largest national pharmacy chain behind Walgreens and CVS, operating 2,464 stores in 19 states across the United States. The company's growth is due to development of new stores, aggressive acquisitions and strategic mergers. The chain sells both brand name and generic prescription drugs in addition to a variety of front-end products including health and beauty merchandise, personal care products, cosmetics and numerous other convenience items.

In 1995, Rite Aid completed its largest acquisition to date by purchasing Perry Drugstores which ran 224 stores primarily throughout Michigan. One year later, Rite Aid purchased the 1,000 unit west coast chain of Thrifty PayLess followed by another large acquisition 10 years later in 2006 as Rite Aid announced they would purchase both the Eckerd and Brooks Pharmacy chains for \$3.4 billion. This move would make Rite Aid the dominant retail chain on the east coast.

Rite Aid and GNC have had an exclusive partnership in the chain drug channel since December 1998 and recently extended this partnership through 2021. There are approximately 2,200 GNC store-within-a-store locations operating in Rite Aid bannered stores nationwide, including a majority of Rite Aid's wellness stores. Rite Aid acquired RediClinic in April of 2014 to provide a broad range of preventive services, including screenings, medical tests, immunizations and physical exams and is a key component of Rite Aid's plans to offer an all-encompassing retail healthcare offering. As of 2018 Rite Aid operates 75 RediClinics across Philadelphia, Washington, New Jersey and Texas.

In February of 2015 Rite Aid purchased Envision Pharmaceutical Services (EnvisionRX), a multifaceted healthcare and pharmacy benefit management company for approximately \$2 billion. The acquisition bolstered the retail healthcare platform allowing the delivery of cost-effective solutions to both health plans and employers.

On September 19, 2017 the Federal Trade Commission approved an agreement between Rite Aid and Walgreens for the purchase of 1,932 Rite Aid stores, three distribution centers and related inventory for \$4.38 Billion. The properties were primarily located in the Northeast and Southern regions of the United States and the transfer of all stores was completed in the spring of 2018.

Rite Aid announced the addition of "Counter" by Amazon in June of 2019, which will enable quick and easy pickup of packages in-store at over 1,500 Rite Aid locations across the country.

**Rite Aid company information received from Rite Aid investor relations.*

Tenant Profile

GUARANTOR	Rite Aid Corporation
OWNERSHIP	Public
STOCK SYMBOL (NASDAQ)	RAD
CREDIT RATING (S&P)	B Rated
BUSINESS	Retail Pharmacy
LOCATIONS	2,464 (as of March 2019)
ANNUAL REVENUE	\$21.6 billion (2019)
MARKET CAPITALIZATION	\$0.48 billion (2019)
HEADQUARTERS	Camp Hill, PA
WEBSITE	www.riteaid.com

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