



Pegasus Investments

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NN+ LEASED PROPERTY/NATIONAL TENANT



Rite Aid Drugstore Subleased to Goodwill



Keyport, New Jersey

Tenant: The lease was signed by Eckerd Corporation who was acquired in June 2007 by Rite Aid Corporation. Rite Aid Corporation is one of the nation's leading drugstore chains with nearly 4,800 stores in 31 states and the District of Columbia. Rite Aid is the largest drugstore chain on the East Coast and the third largest drugstore chain in the U.S. The company is publicly traded on the New York Stock Exchange Rite Aid Corporation (NYSE: RAD). For the 52-week fiscal year ended February 27, 2010, Rite Aid had revenues of \$25.7 billion. Rite Aid pays the rent directly and is responsible for the property taxes, insurance and maintenance.

This property is subleased by Rite Aid to Goodwill Industries of Southern New Jersey & Philadelphia, Inc. This particular Goodwill operation comprises 18 stores. There are 165 independent, community-based Goodwills in the United States and Canada. Goodwill offers customized job training, employment placement and other services to people who have disabilities, lack education or job experience, or face employment challenges.

Location: 228 State Route 35, Keyport, Aberdeen Township, Monmouth County, New Jersey. The store is located at the northwest corner of State Route 35 and Cliffwood Avenue. There are schools in the immediate vicinity and much student foot traffic as bus service is very expensive. It is located on the main street that runs through the middle class neighborhood of Keyport. Other businesses in the immediate area include the brand new WAWA Convenience Store next door, United States Postal Service, Super A&P Food Market across the street, H&R Block, Baskin-Robbins, Dunkin Donuts, Mobil, 7-Eleven, Wendy's, Goodyear, Enterprise Rent-a-Car, and BP Gas.

FOR FURTHER INFORMATION, PLEASE CONTACT THE WATERMAN TEAM

Information is from sources considered reliable but neither is warranted nor guaranteed. Property is subject to prior sale and to changes in prices and/or lease terms. All of this information should be researched and verified during the contingency/escrow period.

Rite Aid Drugstore - Subleased to Goodwill
228 State Route 35
Keyport, New Jersey

Land and Building: The building has approximately 10,908 square feet and is situated on approximately 72,745 square feet (1.67 acres) of land. This free-standing building was built as a drug store with a drive-thru in 2001.

Rent: Annual rent is \$343,602, paid monthly. The rent is flat for the base term of the lease, with increases in each of the option periods.

Price: **\$3,436,000** **10% Cap Rate**
\$946,000 Down Payment **9.87% Return on Down Payment**

Financing: There is a non-recourse loan on the property that must be assumed at a cost of one point (plus attorneys' fees and miscellaneous closing costs). The approximate loan balance is \$2,490,000. It has a 25-year amortization with an interest rate of 6.29%. The loan is due December 2012 and monthly payments of \$20,804.39 which include a reserve of \$609. There is a lockbox fee of \$50 monthly; therefore, the net annual cash flow after debt service is \$93,349.32.

Lease: The base term is for 20 years, ending on January 31, 2021. There are 4 successive options to extend the term of the lease for additional five-year periods. The lease is double-net plus, meaning that Rite Aid is responsible for all expenses related to the property, EXCEPT for the following landlord's responsibilities: roof, structure, and any conduits permanently embedded in the walls, floor, or ceiling.

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