



Sleggs, Danzinger & Gill, Co., LPA

May 14, 2025

VIA E-MAIL DELIVERY: TRFrable@ashtabulacounty.us

Ashtabul County Board of Revision
25 W. Jefferson Street
Jefferson, OH 44047-1092

RE: Board of Revision Hearing Date: May 29, 2025 @ 3:00 p.m.
Case Number # 2024-0032
Parcel #s: 26-021-00-062-01 & 26-021-00-063-00
Trisina LLC

Dear Board Members:

For the Board's review and consideration, please find one (1) copy of an appraisal report prepared by Paul D. Provencher, in connection with the above-captioned case.

Please feel free to contact me with any questions, comments, or concerns you may have.

Very truly yours,

SLEGGs, DANZINGER & GILL CO., LPA

Robert K. Danzinger

Robert K. Danzinger, Esq.

RKD:kf
Enclosures

cc: Karrie Kalail, Esq. (via email only kkalail@ohioedlaw.com)
Beth Jonas (via email only bjonas@ohioedlaw.com)
Jennifer Antoon, Esq. (via email only jantoon@ohioedlaw.com)

T13438-24

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing materials was sent by E-Mail
Delivery this 14 day of May 2025 to the following:

VIA E-MAIL Only

kkalail@ohioedlaw.com

jantoon@ohioedlaw.com

bjonas@ohioedlaw.com

Karrie Kalail, Esq.

Beth Jonas

Jennifer Antoon, Esq.

Peters Kalail & Markakis Co., LPA
6480 Rockside Woods Blvd., South
Suite 300
Cleveland, OH 44131

ATTORNEYS FOR JEFFERSON AREA LOCAL
SCHOOL DISTRICT BOARD OF EDUCATION

Robert Danzinger

Robert Danzinger, Esq.

**REAL ESTATE APPRAISAL
OF
Drugstore Retail Property**

**Owner:
Trisina LLC**

Located At

**5 East Ashtabula Street
Jefferson, Ohio 44047**

**Permanent Parcel Numbers
260210006201 and 260210006300**

**Date of Valuation
January 1, 2024**

Ashtabula County Board of Revision

Prepared for

**Trisina LLC
C/O Robert K. Danzinger, Esquire
Sleggs, Danzinger & Gill, Co., LPA
820 West Superior Avenue, Suite 700
Cleveland, Ohio 44113**

**Prepared by: Paul D. Provencher,
Real Estate Appraiser and Consultant**

Paul D. Provencher
Real Estate Appraiser & Consultant Inc.
P.O. Box 81439
Cleveland, Ohio 44181-0439
Phone (440) 230-1260
Email pprovencher2940@breezelineohio.net

April 29, 2025

Trisina LLC
C/O Robert K. Danzinger, Esquire
Sleggs, Danzinger & Gill, Co., LPA
820 West Superior Avenue, Suite 700
Cleveland, Ohio 44113

Re: Real Estate Appraisal of
Drugstore Retail Property
Owner: Trisina LLC
5 East Ashtabula Street
Jefferson, Ohio 44047
PPN 260210006201 and 260210006300
Ashtabula County BOR 2024 Tax Year

Dear Mr. Danzinger:

Per your request, I am submitting the following appraisal for the above captioned property. It is my professional judgment that, retrospectively, as of January 1, 2024 the Fair Market Value of the fee simple interest of real estate only is:

(NINE HUNDRED THOUSAND DOLLARS)
\$900,000

Subject to the following extraordinary assumption:

The subject property was in similar condition on the tax lien date as was viewed on 1/9/2025. Uniform appraisal standards (USPAP) require the statement that use of such an assumption may materially affect the appraisal result.

The subject property consists of drugstore with drive thru window having an overall building area of 11,322 s.f. The building was constructed in 1996. Subject improvements are situated on a parcel comprising 1.13 acres net.

The purpose of the appraisal is to provide a fair market value conclusion of the real estate for ad valorem tax purposes for the client and related parties. This appraisal was prepared by the undersigned with no real property assistance from others and is presented in an Appraisal Report format, fka summary, and is intended to conform with Uniform Standards of Professional Appraisal Practice (USPAP) and Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute

No responsibility has been assumed for matters legal in nature, nor has any opinion on title been rendered and this appraisal assumed marketable title. Liens and encumbrances, if any, have been disregarded and the properties appraised as though free of indebtedness.

Employment in and compensation for making this report are in no way contingent upon the value reported and I certify that I have no present or future interest in the subject properties.

I, the undersigned, do hereby certify that to the best of my knowledge and belief, the statements contained in this appraisal, and upon which the opinions expressed herein are based, are correct, subject to the limiting conditions.

Respectfully submitted,

A handwritten signature in blue ink that reads "Paul D. Provencher". The signature is written in a cursive style with a large, looped initial "P".

Paul D. Provencher
Associate Member, Appraisal Institute
State of Ohio Certified General Appraiser, Certificate # 380391

APPRAISER DISCLOSURE STATEMENT

In compliance with Ohio Revised Code Section 4763.12 (C)

- 1. Name of Appraiser **Paul D. Provencher**

- 2. Class of Certification/Licensure: Certified General
 Licensed Residential
 Temporary General Licensed

- 3. Scope: This Report is within the scope of my Certification or License
 is not within the scope of my Certification or License

- 4. Service Provided By: Disinterested & Unbiased Third Party
 Interested & Biased Third Party
 Interested Third Party on Contingent Fee Basis

- 5. Signature of person preparing and reporting the appraisal

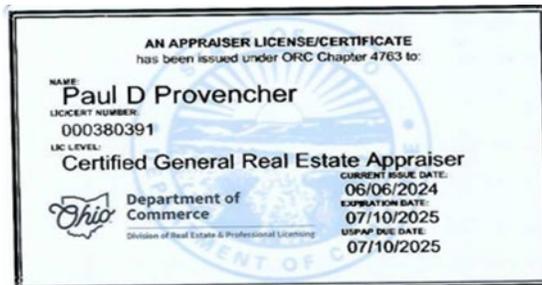


Paul D. Provencher

This form must be included in conjunction with all appraisal assignments or specialized services performed by a state-certified or state-licensed real estate appraiser.

State of Ohio
Department of Commerce
Division of Real Estate
Appraiser Section
Cleveland (216) 787-3100

PROOF OF STATE OF OHIO ISSUED LICENSE IS BELOW:



CERTIFICATION

I certify that, to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct. The reported analyses, opinions and conclusions are limited only by reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.

I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment. My engagement in this assignment was not contingent upon developing or reporting predetermined results. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

I have made a personal inspection of the property that is the subject of this report. No one provided significant real property appraisal assistance to the person signing this certification.

The appraisal assignment has not been based on approval of the loan and/or reporting of a minimum or specific market value conclusion. My engagement was not contingent upon the developing or reporting predetermined results.

The appraiser is state certified in the nonresidential category, in accordance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, and any state laws and regulations of the state in which the appraiser is certified.

I **have not** performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding agreeing to perform this assignment.

As of the date of this report, I have completed the Standards and Ethics Education Requirement of the Appraisal Institute for Associate Members

As of the date of this report, I have completed the continuing education program for Associate Members of the Appraisal Institute.



Paul D. Provencher, Associate Member of the Appraisal Institute

ASSUMPTIONS AND LIMITING CONDITIONS

THIS APPRAISAL IS MADE SUBJECT TO THE FOLLOWING CONDITIONS AND ASSUMPTIONS

1. **LIMIT OF LIABILITY:**
The liability of Paul D. Provencher, Real Estate Appraiser and Consultant ("The Firm") is limited to the client only and to the fee actually received by the appraiser. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all the limiting conditions and assumptions of the assignment and related discussions. Further, notwithstanding, anything herein to the contrary, the client will forever indemnify and hold Paul D. Provencher harmless from any claims by third parties related in any way to the appraisal study and analyses, the subject hereof. The appraiser is in no way to be responsible for any costs incurred to discover or correct deficiencies of any type present in the property; physically, financially, and/or legally.
2. **LIENS AND ENCUMBRANCES:**
All existing liens and encumbrances have been disregarded unless otherwise stated, and the property is appraised as though free and clear under responsible ownership and competent management.
3. **EXHIBITS:**
The sketches, surveys, maps, and/or other exhibits in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Various photographs, if any, are included for the same purpose. Site plans are not surveys unless so designated.
4. **PROPOSED OR INCOMPLETE IMPROVEMENTS:**
On all appraisals subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusion are contingent upon completion of the improvements in a workmanlike manner. If time or other factors do not allow for a bid price on proposed improvements, repairs, replacements, etc. then only an estimate is available and is used to the extent deemed relevant by the appraiser.
5. **INFORMATION USED:**
Information, estimates and opinions furnished to the appraiser and contained in the report were obtained from sources considered reliable and believed to be true and correct. However, no responsibility is assumed for accuracy of such items furnished. The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit or other sources thought reasonable. If verification of data is not made, then either an acknowledgement is stated to that effect or in the absence of a specific verification statement, the reader may assume that verification was not made and that the appraiser, in using said unverified data, is aware of same. The reader is noticed that subsequent verification could possibly require revision, correction and/or merely reconfirmation of its use as valid. All are considered appropriate for inclusion to the best of our factual judgment and knowledge. An impractical and uneconomical expenditure of time would be required in attempting to furnish unimpeachable verification in all instances, particularly as to engineering and market-related information. It is suggested that the client consider independent verification as a prerequisite to any transaction involving sale, lease, or other significant commitment of funds of subject property.
6. **COPIES, PUBLICATION, DISTRIBUTION, USE OF APPRAISAL REPORT, TRADE SECRETS:**
Disclosure of the contents of this appraisal report is governed by Bylaws and Regulations of the Appraisal Institute. Neither all nor any of this appraisal report shall be disseminated to the general public. This appraisal was obtained from Paul D. Provencher, Real Estate Appraiser and Consultant, and consists of "trade secrets" and commercial or financial information which is privileged and confidential and exempted from disclosure under 5 U.S.C. 552(b)(4). The client shall notify the appraiser(s) signing the report of any request from any court, law firm, hearing board, etc. to reproduce this appraisal in whole or in part.
7. **TESTIMONY, CONSULTATION, COMPLETION OF CONTRACT FOR APPRAISAL SERVICES:**
The contract for appraisal, consultation or analytical service is fulfilled and the total fee payable upon completion of the report or as otherwise agreed in writing. The appraiser(s) or those assisting in preparation of the report will not be asked or required to give testimony or appear in court because of having made this appraisal report, with reference to the property in question, unless arrangements thereof have previously been made. In addition, the appraiser(s) will not engage in post appraisal consultation with the client or third parties except under separate and specific arrangement and at an additional fee. If testimony or deposition is required because of a subpoena, the client shall be responsible for any additional time, fees and charges, regardless of the issuing party.

ASSUMPTIONS AND LIMITING CONDITIONS (CONT)

8. LEGALITY OF USE:

The appraisal is based on the premise that there is full compliance with applicable federal, state and local environmental regulations and laws unless otherwise stated in the report; further, that all applicable zoning, building and use regulations, and restrictions of all types have been complied with unless otherwise stated in the report; and, it is assumed that all required licenses, consents, permits, or other legislative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value estimate.

9. LEGAL, ENGINEERING, FINANCIAL, STRUCTURAL OR MECHANICAL NATURE, HIDDEN COMPONENTS, HAZARDOUS MATERIALS:

No responsibility is assumed for matters legal in character or nature nor matter of survey, nor of any architectural, structural, mechanical, or engineering nature. No opinion is rendered as to the title, which is presumed to be good and marketable. The property is appraised as if free and clear, unless otherwise stated in the report. The legal description is assumed to be correct as used in this report as furnished by the client, his designee, or as derived by the appraiser. The appraiser has inspected, as far as possible,

by observation, the land and the improvements; however, it was not possible to personally observe the conditions beneath the soil, or hidden structural, mechanical, or other components and the appraiser(s) shall not be responsible for defects in the property related thereto.

The appraisal is based on there being no hidden, unapparent or apparent conditions of the property site, subsoil or structure or toxic materials which would render it more or less valuable. All mechanical components are assumed to be in operable condition and status standard for properties of the subject type. Condition of heating, cooling, ventilation, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated.

The appraiser(s) assumes no responsibility for any costs of consequences arising due to the need for, or the lack of need for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for flood hazard insurance.

Unless otherwise stated in this report, the existence of any hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property and is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.

10. COMPONENT VALUES AND INCLUSIONS:

The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used. Furnishings and equipment or personal property, except as specifically indicated and typically considered as part of the real estate, have been disregarded with only the real estate being considered in the value estimate, unless otherwise stated. In some property types, business and real estate interests and values are combined.

11. AUXILIARY AND RELATED STUDIES:

No environmental impact studies, special market study or analysis, highest and best use analysis study or feasibility study has been required or made unless otherwise specified in the agreement for services or in the report.

ASSUMPTIONS AND LIMITING CONDITIONS (CONT)

12. **DOLLAR VALUES, PURCHASING POWER:**
The market value estimated and the costs used are as of the date of the estimate of value. All dollar amounts are based on the purchasing power of the dollar as of the date of the value estimate.
13. **VALUE CHANGE, DYNAMIC MARKET, INFLUENCES, ALTERATION OF ESTIMATE BY APPRAISER(S):**
The estimated market value, which is defined in the report, is subject to change with market changes over time; value is highly related to exposure, time, promotional effort, terms, motivation and condition surrounding the offering. The value estimate considers the productivity and relative attractiveness of the property physically and economically in the marketplace.

In cases of appraisal involving the capitalization of income benefits, the estimate of market value or investment value or value in use is a reflection of such benefits and the appraiser's interpretation of income yields and other factors derived from general and specific client and market information. Such estimates are as of the date of the estimate of value; and are subject to change as the market and value is naturally dynamic.
14. **APPRAISAL REPORT AND VALUE ESTIMATE:**
The appraisal report and value estimate are subject to change if the physical or legal entity or financing is different than that reported.
15. **MANAGEMENT OF THE PROPERTY:**
It is assumed that the property which is the subject of this report will be under prudent and competent ownership and management. The Firm assumes no responsibility for any adverse effects of property values caused by incompetent management.
16. **WETLANDS:**
The estimate of value in this report has been made assuming no impact on value because of "Section 404 Wetlands" as defined by the U.S. Army Corps of Engineers. We have found no evidence of "wetlands" but are not experts in this field and urge the client to seek the advice of an expert to determine any potential impact of "wetlands" on the property.
17. **THE "AMERICANS WITH DISABILITIES ACT" (ADA):**
The Firm has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. Lack of conformity could have a negative effect upon the value of the property. The estimate of market value in the appraisal report is not based in whole or in part upon the race, color, or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.

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SUMMARY OF SALIENT FACTS

Property Address	5 East Ashtabula Street, Jefferson, Ohio 44047
Property Type	Retail store with drive-thru window
Interest Appraised	Fee Simple
Primary Site Size	1.13 acres net
Excess Site Size	none
Building Size	11,322 s.f. net rentable area
Zoning	B-2 Business District
Primary Year of Construction	1996
Highest and Best Use And as Vacant/Improved	Commercial/Retail use
Date of Valuation/Report	January 1, 2024/April 29, 2025
Cost Approach	N/A
Sale Comparison Approach	\$1,020,000
Income Approach	\$875,000
Fair Market Value Conclusion	\$900,000
Exposure Time	9-12 months
Extraordinary Assumptions	Condition similar on 1/1/2024 as viewed 1/9/2025
Hypothetical Condition	None
Flood Plain Status	Zone X
Parcel Number	260210006201 and 260210006300
Auditor's Market Value & Year	\$1,403,400 2024

DEFINITION OF MARKET VALUE AND EXPOSURE TIME

The Market Value definition relied upon in the appraisal is as follows:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

The buyer and seller are typically motivated. Both parties are well informed or well advised, and acting in what they consider their own best interests. A reasonable time is allowed for exposure in the open market.

Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."

Source: Office of the Comptroller of the Currency,
12CFR, Part 34 et al.

The above Market Value definition references a reasonable exposure time which is defined by USPAP Statement of Appraisal Standards No. 6 as:

"The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of the sale at market value on the effective date of the appraisal; a retrospective opinion based upon an analysis of past events assuming a competitive and open market."

The opinion of the exposure time, stated elsewhere in the appraisal, is based upon an analysis including one or more of the following: statistical information about days on market, information gathered through the verification of comparable sales, and interviews of market participants.

Property Rights Appraised

The subject is valued Fee Simple. This is defined by the *Dictionary of Real Estate Appraisal*, 7th Edition, as "absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

INTENDED USERS/FUNCTION AND SCOPE OF THE APPRAISAL

Intended Users/Function

The intended user of the appraisal report is for the property owner and their legal representatives for ad valorem tax purposes.

Scope

The scope of the appraisal involves compilation of all data necessary for a summary appraisal report in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP) and the Standards of Professional Practice of The Appraisal Institute. The subject real estate is appraised without the consideration or inclusion of any fixtures, furniture and equipment. The competency of the appraiser has been demonstrated by performing these types of assignments in this market for over 30 years.

An interior viewing of the building areas was conducted on 1/9/2025 with the owner. The owner provided confirmation of the past sale and rentals received. County records were also used for description of site and building improvements. Comparable sale data is obtained from various sources including Appraiser's data base, Realquest, Costar, and Loopnet services, as well as broker offerings from various web sites. A personal viewing of the surrounding subject neighborhood was made.

RECORD DATA

History of Ownership

The current owner of record is Trisina LLC. The subject was purchased at an amount of \$2,150,685 based on the lease flow being provided by Rite Aid as the long-standing tenant since the 1996 construction. In October of 2023, Rite Aid declared chapter 11 bankruptcy. In January of 2024 they closed the store and in February stopped lease payments. The subject was initially exposed for lease in early 2024 at \$8.00/s.f. which was reduced to \$6.00/s.f. in May of 2024 with no bona fide offers received.

Real Estate Taxes and Assessed Valuation

Following are the taxes and assessed valuation for the subject property for the tax year 2024 for both parcels combined

Land:	\$159,220
Building:	<u>331,980</u>
Total:	\$491,200

The auditor's opinion of value is \$1,403,400. Taxes applicable to commercial properties in Jefferson are assessed at \$65.10 per \$1,000 of assessed valuation. Taxes represent 2.28% of fair market value. Taxes in the state of Ohio are assessed at 35% of the Auditor's opinion of value.

Permanent Parcel Number

260210006201 and 260210006300

Hazardous Waste and Underground Contaminants

Based upon my viewing of the subject property, I did not locate any areas that would suggest the existence of hazardous substance or materials. The client accepts per the standard assumptions and limiting conditions that the appraiser is not an expert in the area of environmental contaminants.

Easements and Encroachments

There are no known easements, other than standard utility, if any and encroachments that would have an empirical effect upon the value of the subject site.

Flood Zone

The subject is located in a zone X an area of minimal flood hazards. Refer to the floodmap exhibit in the addendum.

DESCRIPTIVE DATA

Site Description

Location

The subject property is located at the northeast corner of East Ashtabula Street and N Chestnut Street at the address of 5 East Ashtabula Street, Jefferson, Ohio, Ashtabula County. Refer to the Regional, Local Location Maps and Aerial Plat in the Addendum section.

Size, Shape and Topography

The subject site is rectangular in shape with level topography at both street grades. The subject site comprises 1.13 acres net. Refer to the Plat Map, Survey Plat and Aerial Photograph in the Addendum section.

Road and Access

The subject has access points onto both East Ashtabula Street and N Chestnut Street. N Chestnut Street (Rt 46) is a major north/south artery for Jefferson and traverses the county. See the traffic count map in the addendum.

Utilities

The subject has all utilities available.

Zoning

Subject property is zoned B-2 Business District. Subject improvements are viewed a legal conforming use with the zoning ordinances, though this is a legal interpretation that cannot be independently made by the appraiser. Reference should be made to the Zoning Map in the Addendum section.

DESCRIPTIVE DATA (CONT)

Description of Improvements

General Property Description

Subject property is a one story, masonry veneer, slab, single tenant retail building used as a drugstore with drive thru window. Building built in 1996.

Building Area

Gross Building Area: (First floor) 11,322 s.f.

Exterior Description

The exterior walls are a combination of brick and dry-vit. The front entrance has insulated glass windows that are fixed panel in aluminum frames. The roof is flat with a composition covering. Entrance doors are automatic and typical aluminum clad with glass. The entrance vestibule has double doors. This area has a roll-down aluminum security door. The north side of the building has a drive-up window area with canopy. There is a small roll-up metal door on the rear for receiving.

Interior Description

The building is mostly open for most spaces with some office enclosures that have painted gypsum board walls with drop in acoustic tile ceilings. There are restroom areas for men and women with average quality fixtures. The ceilings throughout have drop in ceiling tiles with 4' stick, mounted fluorescent fixtures. The retail area has mostly vinyl tile. The HVAC units are rooftop mounted, gas, FHA with A/C including overhead ductwork. This receiving area is unfinished with sealed concrete floors and open ceilings and suspended unit heater and includes 2 restrooms.

Site Improvements

The majority of the site is asphalt covered and striped for 48 parking spaces which indicate a parking ratio of 4.24 spaces per 1,000 s.f. of building area. Concrete curbs front the parking spaces and walks are at the building entrance. There is a fenced area for a dumpster and secure storage. There is a grass strip along the street frontage of the property and a typical monument sign along the street.

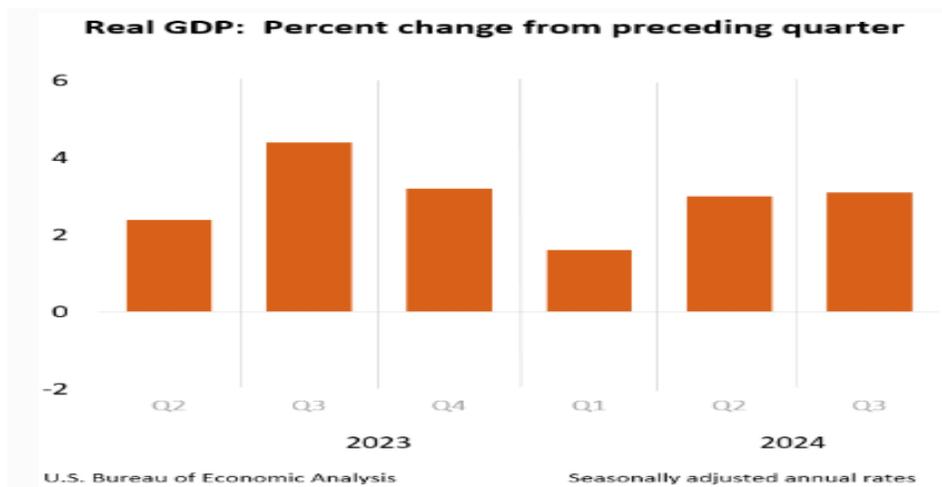
DESCRIPTIVE DATA (CONT)

Condition & Comments

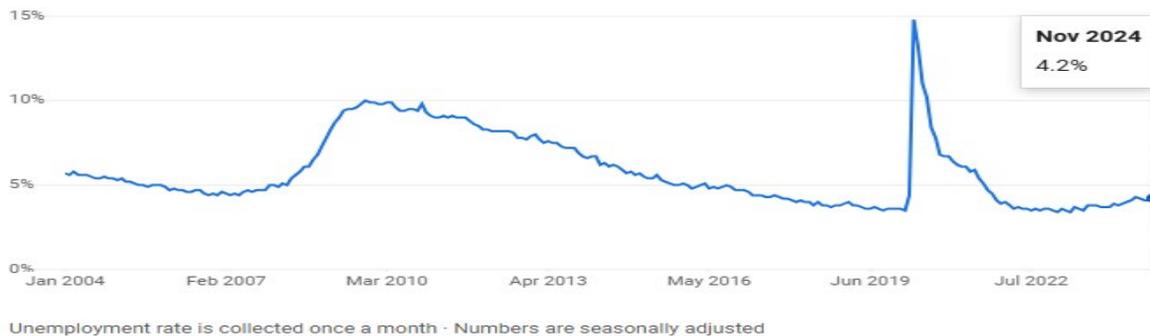
Reference should be made to the Addendum section for photographs taken at the time of the walkthrough on 1/9/2025 with snow cover obscuring the lot area. Overall condition of the subject improvements is rated as average. The quality is also judged average. The subject is viewed to be in similar condition as of the tax lien date. No significant deferred maintenance items were observed during the inspection. The property was occupied by the Rite Aid as of the tax lien date but vacated shortly thereafter with the lease rejected in February of 2024. The vacant building was offered for lease with no bona fide offers received. The owner intends to use the space.

AREA AND REGIONAL DATA

The subject property is located in the village of Jefferson in Ashtabula County which is at the NEC of the state. Ashtabula County is part of the Cleveland MSA which has Cuyahoga County which contains Cleveland as the area of dominant county throughout Northeast Ohio. When one assesses the general health of the U.S. economy, considerations are first given to the expansion of the economy as a whole through a measure of Gross Domestic Product (GDP) and a measure of inflation through the Consumer Price Index (CPI). Past GDP measurements were at record levels after the retraction caused by the pandemic but remained positive despite shutdowns and slowdowns either local, regional and or worldwide which affected supply chains of goods and services. 2023 was a year that saw speculation of a slowdown and a pending recession which failed to emerge or a “soft landing” but the economy continued to expand through 2023 and 2024, albeit at a lower level of growth as indicated by the exhibit that follows.

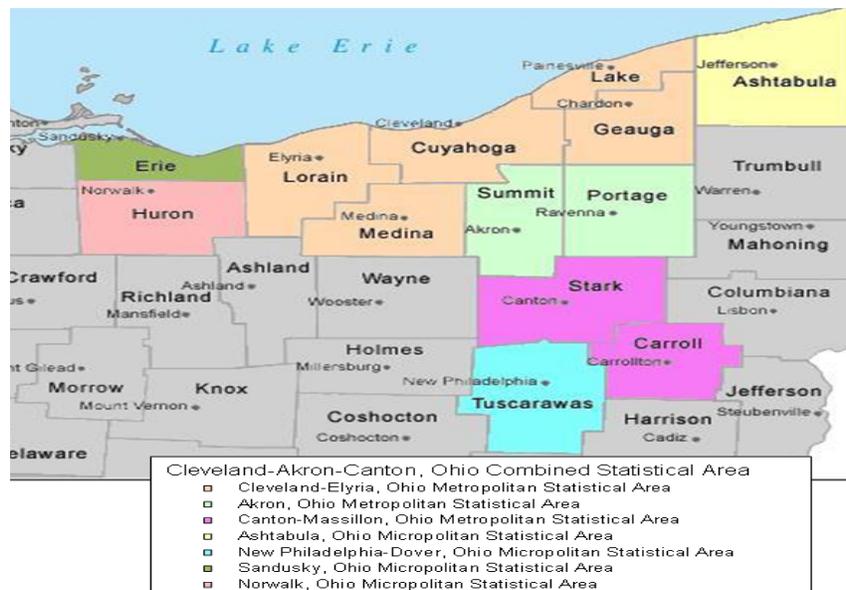


Prior to the pandemic, expansion of the economy with unemployment at historic lows was occurring. The pandemic spiked unemployment up to the 15% rate for a short period of time with gradual reduction back to prepandemic levels as exhibited by the chart that follows with levels in 2023 running between 3.5% to 3.8%. In 2024, a slight rise was seen with the year-end number at just over 4.0% despite strong new job creation.



AREA AND REGIONAL DATA (CONT)

The Cleveland-Elyria Metropolitan Statistical Area (MSA) includes Cuyahoga’s surrounding counties of Lake, Geauga, Medina and Lorain and the recent addition of Ashtabula County. This six-county area has 2.1 million residents (2,158,932 per 2023 census), and approximately 20% of the state's population (11,756,058 in 2022). Generally, the area's economy is diverse, with its share of manufacturing and non-manufacturing work bases. Cleveland itself has favorable locational attributes, being recognized as a major port on the Great Lakes, and is approximately equidistant between New York and Chicago. It also benefits from an extensive interstate highway system, which provides good access to the downtown central business district as well as surrounding suburbs.



Source: Wikipedia (Note Ashtabula has now been merged into the Cle MSA.)

Core-based statistical area ^[1]	2023 population (est.) ^[3]	County	2023 population (est.) ^[3]
Cleveland, OH MSA	2,158,932	Cuyahoga County, Ohio	1,233,088
		Lorain County, Ohio	317,910
		Lake County, Ohio	231,640
		Medina County, Ohio	184,042
		Ashtabula County, Ohio	96,845
		Geauga County, Ohio	95,407

AREA AND REGIONAL DATA (CONT)

In contrast, Ashtabula County is far more rural in character as compared to Cuyahoga County with a 2023 population of 96,845 persons which has declined from 99,779 from 10 years ago. The decline is basically due to an erosion in household size and typical population declines found throughout the Midwest. When looking at employment trends, one anticipates that a similar pattern will occur in employment as for population. The rate of new job formations for the region has lagged national trends but is improving. Unemployment is relatively low.

Financial Climate

The cost of funds has increased through actions of the Federal Reserve Bank (Fed). The Fed had cut the Fed funds rates in response to the pandemic and purchased securities (quantitative easing, QE) to support the markets. Early 2022 was the first increase in the Fed funds rate for several years. In 2023, the Fed started an aggressive hike in rates coupled with quantitative tightening (QT). The effects were being felt in the housing market and have been affecting commercial real estate in to 2024. The first easing occurred in the Fall of 2024 with 3 cuts by the end of the year. The long-term graph below shows the recent, rapid increase in residential mortgage rates since 2021.

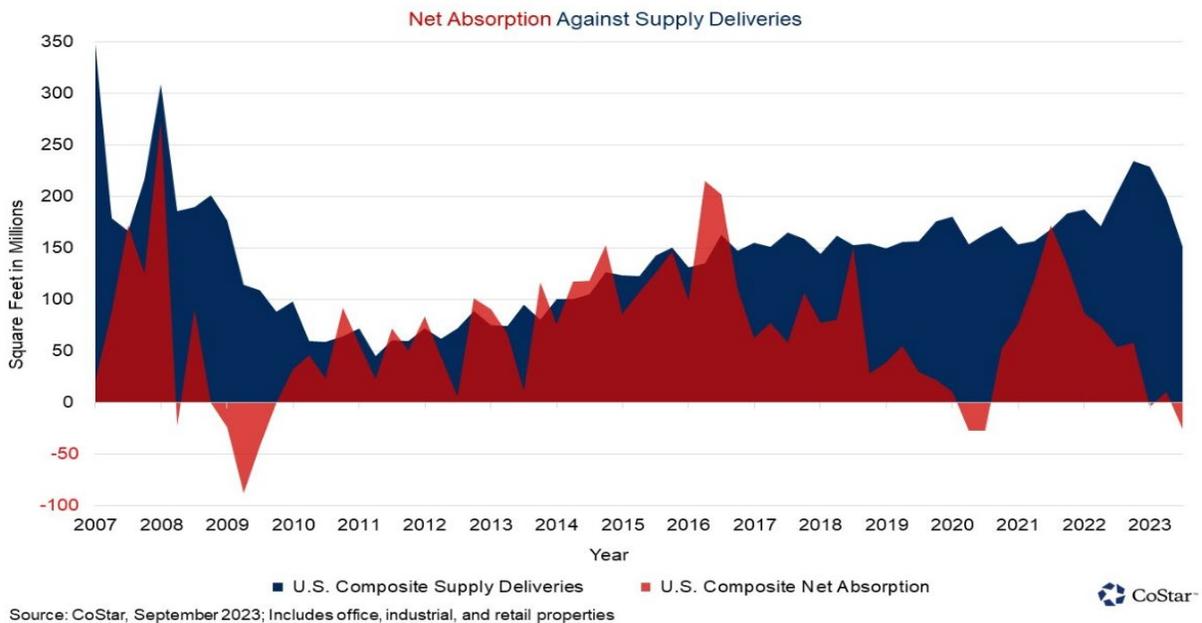


Personal income factors are also significant indicators of demand for real estate. Not surprising a recovery in household income has been occurring. Ashtabula County has a lower median household income (US Census Data 2023) of \$55,577 as compared to the state of Ohio's \$69,680. Overall, the US Median household income is \$80,610 (2023).

AREA AND REGIONAL DATA (CONT)

The impact of the Fed's actions has affected the mortgage markets and stressed the consumer, particularly those at the lower end of the income spectrum. There has been distress seen in commercial real estate which varies according to sector. The exhibit below indicates the decline in overall demand in commercial real estate setting the stage at the beginning of 2024. The factors to consider are the length of time rates remain elevated and local conditions with respect to demand.

Negative Net Absorption Pointing To Weaker Demand

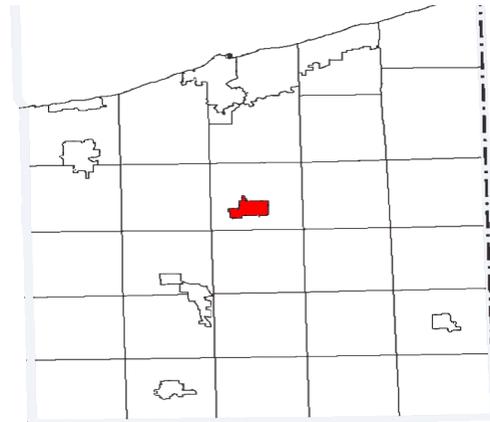


Conclusion

One may conclude that the Cleveland MSA area is stable although it is experiencing a slight decrease in population. On the employment front, the sectors are diverse, which helps protect against cyclical downturns. The economic base of the Cleveland MSA has not shown substantial decline despite the uptick in rates and provides reasonable support for the subject property. The COVID pandemic had an immediate effect on employment with a spike in unemployment which affected many commercial sectors. The restricted housing market contributed to substantial uptick in rents for the multifamily sector. The financial changes will impact interest rate sensitive sectors primarily which include commercial retail uses.

NEIGHBORHOOD DESCRIPTION AND TREND ANALYSIS

The subject property is located in the village of Jefferson in Ashtabula County. Jefferson is in the middle of county. The outline of the city boundary is shown in red on the maps below. Jefferson is also the county seat for Ashtabula County. Jefferson has a 2023 population of 3,184 persons which is an increase from 3,062 persons 10 years ago.



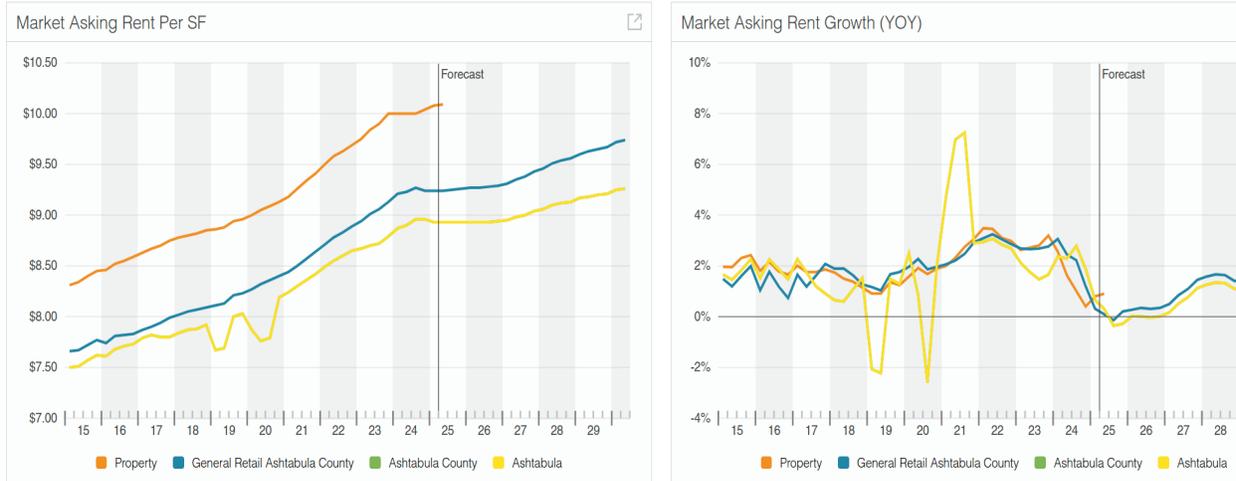
Location of Jefferson in Ashtabula County

Exhibit from Wikipedia

The subjects near neighborhood would be defined as those areas along Chestnut Street within the village limits. Commercial density increases as one proceeds toward the village core which is near to the subject. This area is mature commercial with few examples of national type properties. There are no nearby examples of newer development in the immediate area.

When looking at the retail market and corresponding vacancy rates, one observes a reversal of the decidedly upward trend in the market asking rental rates which flattens out from 2022 into 2023 which is tied to the increase of rates by the Federal Reserve Bank during this period. The chart that follows shows positive rent rate growth stalling in 2023 and declining in 2024.

Neighborhood Description (CONT)



Source: Costar analytics

Conclusion

The subject neighborhood is a local commercial corridor which is small with few national tenants. The subject is in a local commercial location which caters to residents mainly in the immediate area. In short, the subject is in a historically low demand area. The village population is just over 3,000 persons and the surrounding area is sparse. The market has a demonstrated reversal in uptrend from late 2022 and through 2023 with flattening out in 24. No substantial upside would be anticipated.

HIGHEST AND BEST USE ANALYSIS

Introduction

The purpose of the Highest and Best Use Analysis is to provide a Highest and Best Use Conclusion from which assumptions relative to the valuation analysis can be based. The Highest and Best Use functions as the framework from which the appraiser assesses particular situations unique to the subject property as well as those parameters outside the subject property that affect value. The analysis itself usually provides for a Highest and Best Use Conclusion of the underlying site as vacant, as well as comparing and contrasting an ideal improvement with the subject property. The Highest and Best Use is defined as follows:

"The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financially feasible, and maximal productivity."

The Dictionary of Real Estate Appraisal, 7th Edition, 2022

Highest and Best Use of Site As Vacant

The assumption is made the subject site is vacant and available for development. From a physical standpoint, the subject's size is viewed as typical in size for the neighborhood. The near area does not indicate high demand. The commercial zoning indicates a commercial use is legally permissible. The surrounding area infers that a speculative hold might be needed and immediate development might not be feasible at this time. The highest and best use is commercial consistent with zoning with a potential speculative hold.

Highest and Best Use of the Improvements

Physically Possible: The subject improvements are viewed to fully improve the site with a land to building ratio of 4.34:1 and benefits from corner situs. The overall size at just over 11,000 s.f. is slightly larger versus current, single tenant builds which have sizes that are getting smaller across various subtypes.

Legally permissibility: The drugstore use (current use as of tax lien date) is permitted per the B-2 zoning along with various other retail commercial uses such as discount stores. The building shell can accommodate other retail commercial uses in conformance with zoning. No zoning changes are anticipated.

Highest and Best Use (CONT)

Highest and Best Use of Improvements (CONT)

Financially feasibility: In general, a retail use within the confines of the building shell is feasible based on the rent levels being achieved in the market and general market conditions. With respect to the specific drugstore use market evidence does not point to feasibility. There is little current data that demonstrates 2nd generation drugstores can attract an alternate, national type tenant as branding stipulates very specific build requirements. New concepts are smaller in size, for example, versus 1990's builds. In high value land areas, 2nd gen buildings can be razed but that is not the case for the subject location. The decline of national drug stores chains has been well documented in the media with an example of the Rite Aid bankruptcy article in the addendum. Most drug store chains had dealt with litigation from the opioid crisis. In the case of Rite Aid, they were operating at a loss for 6 years prior to their bankruptcy in October of 2023. Scores of drug stores were being closed prior to this time including the other national chains. For example, in October of 2024, CVS announced the closing of 900 stores while Walgreens announced the closing of 1,200 stores. There have been media accounts of "pharmacy deserts" as many areas no longer have pharmacies.

There is ample evidence indicating that feasible demand exists for an alternate use instead of a drug store. The rent levels being achieved is far below what typically contract rents are from older leases that exist for 1990's builds which are typically in the renewal option stage of their leases. Dollar stores are typical occupants of older drugstores. Non-national potential tenant uses abound from local daycares to other retail options to non-profits and sometimes medical uses though only with substantial retrofitting of spaces.

Maximal Productivity: The maximal use corresponds with obtaining the highest rental possible with the least amount of expense to build out the space from an owner perspective. Typically, tenants take the spaces "white box" but may insist on some type of build out from the Landlord.

Conclusion:

The maximally productive use which is supported by the 3 other criteria is to retain the current improvements for a retail use but likely not a continuation of the drug store use. This is supported by recent leasing activity of similar drug store properties.

METHODS OF VALUATION

In appraising any property, the Appraiser has at his disposal three approaches to value, those being Cost, Sales Comparison and Income Capitalization. Sales and Income approaches apply and are provided in this assignment. One needs to be aware that many transactions for drugstore properties involve the going concern business operation comingled with the real estate and or net lease, corporate guaranteed transactions. In most cases, long term leases can skew the purchase price. Great care is needed to distinguish from the two and provide a real estate value only applicable to the fee simple interest.

The Cost Approach to value involves a summation of the value of the underlying site with the estimate of replacement cost of the existing improvements, inclusive of the building and additional site improvements. This approach is not provided given the age of the improvements.

The Sales Comparison Approach involves analysis of comparable sales of similar Highest and Best Use. Single -tenant, former drug store properties are used for the comparables along with other retail uses.

The Income Approach has been applied as the subject is typically an investment property. As required, consideration must be given to the current economic rent level obtainable.

The fee simple interest of real estate only is provided on an As Is basis. The value conclusion is fair market value, per the definition contained within this report.

SALES COMPARISON APPROACH

Introduction

The Sales Comparison Approach consists of an analysis of available comparable sales for direct comparison to the subject property. The available sales data is on the written-up forms within this section. The comparable sales are summarized on the map exhibit that follows.

The comparables are analyzed on an overall basis with the price per square foot of building area unit of comparison considered the strongest market determinant. The analysis involves a comparison adjusting for differences for property rights, financing and condition of sale as well as market conditions, and physical differences including site size, building size, age and quality and condition. The process is quantitative but also involves ranking of the comparables based on locational attributes.

The scope of research was drug store properties with the use discontinued in keeping with the HBU. As noted in the HBU statement, drug store properties were considered that had the discontinuance of the drugstore use. It is noted that the remaining lease length tends to be the main value determinant along with the particular drugstore chain because of tenant credit rating. Both of these items are irrelevant to a fee simple, real estate only valuation as required. Sales with long term leases, typically require substantial adjusting. The drugstore data in the addendum provides the basis for lease length and particular chain being significant and substantial value determinants.

The sales that are directly compared to the subject are summarized on the following map exhibit and are detailed on the write-ups that follow.

SALES COMPARISON APPROACH (CONT)



SALES COMPARISON APPROACH (CONT)

Comparable Sales

Sale RT-1

Address: 180 N State Street, Painesville, Lake County, Ohio 44077

PP#: 15-A-007-0-00-055

Grantor: Rite Aid of Ohio

Grantee: La Candelaria Mexican Store Inc

Sale Price: \$750,000

Date of Sale: 10/10/2024

Site Description:

Corner site at Erie and State Street. Site comprises 1.9237 acres. Land to building ratio: 5.65 to 1. Vehicle count is 11,500 VPD on both main streets total.

Improvements:

One-story, slab, former Rite Aid drugstore with drive thru-lane and canopy. The building comprises 14,830 s.f. Built 2007. Drugstore use discontinued for general retail. Parking lot area for 58 cars or 3.91 spaces per 1,000 s.f. of area. Average condition at time of sale.

Analysis:

OVERALL: $\$750,000 \div 14,830 \text{ s.f.} = \50.57 per s.f.

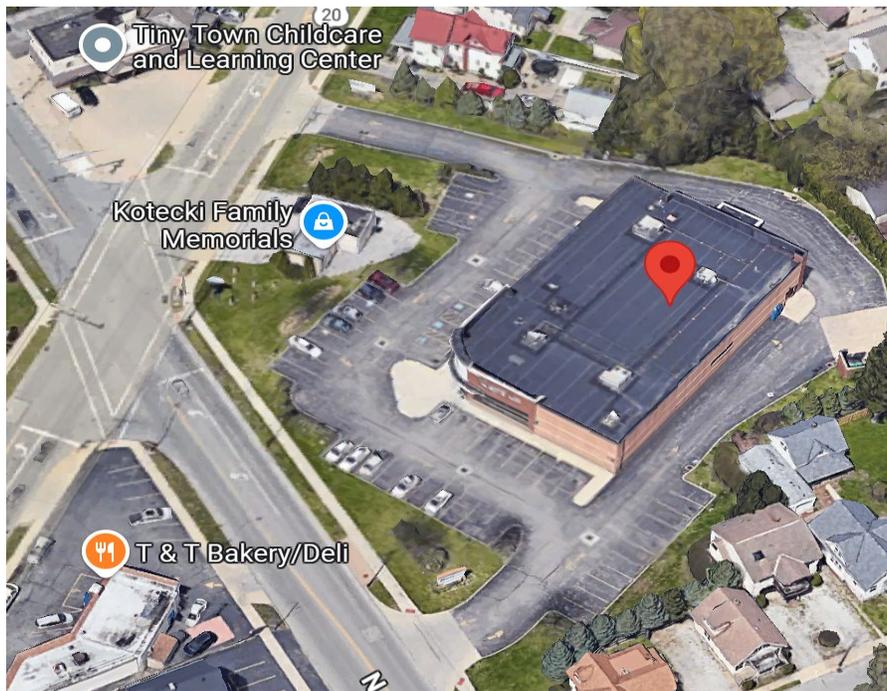
Comments:

Property vacated by Rite Aid and market exposed for sale 80 days via an auction by AG Realty Partners a liquidation broker handling scores of vacant Rite Aid stores on behalf of Rite Aid in a dozen states. Broker Mike Matlat and A and G Realty press release.

SALES COMPARISON APPROACH (CONT)

Comparable Sales

Sale RT-1



SALES COMPARISON APPROACH (CONT)

Comparable Sales

Sale RT-2

Address: 15105 St Clair Avenue, Cleveland, Cuyahoga County, Ohio 44110

PP#: 115-11-009

Grantor: Daniel A. Damon, Trustee, etal

Grantee: JMCG Corporate Buildings, LLC

Sale Price: \$850,000

Date of Sale: 2/7/2020

Site Description:

Corner site with 3 street access comprising 1.02 acres. Land to building ratio: 3.89 to 1. Major intersection and across street from neighborhood retail strip center. Vehicle count is 11,170 VPD on E. 152nd and 10,023 VPD on St. Clair.

Improvements:

One-story, slab, former drugstore with drive thru-lane. The building comprises 11,425 s.f. Built 1995. Average condition at sale. Parking lot area 27,000 s.f. with 35 spaces for a ratio of 3.06 spaces per 1,000 s.f. Rite Aid drugstore vacated prior to sale and purchased for a medical clinic use.

Analysis:

OVERALL: $\$850,000 \div 11,425 \text{ s.f.} = \74.40 per s.f.

Comments:

Property offered by Hanna Commercial (Randy Markowitz) for 5 months. Property resold as an improved medical clinic 10/24.



SALES COMPARISON APPROACH (CONT)

Comparable Sales

Sale RT-2



SALES COMPARISON APPROACH (CONT)

Comparable Sales

Sale RT-3

Address: 30500 Lake Shore Blvd, Willowick, Lake County, Ohio 44095

PP#: 28-A-043-O-00-018

Grantor: Realty Income Corporation

Grantee: Carrington Capital Investments LLC

Sale Price: \$1,050,000

Date of Sale: 3/31/2025

Site Description:

Corner, triangular site with 2 street access comprising 1.11 acres. Land to building ratio: 4.37 to 1. Vehicle count is 11,000 VPD on both streets combined.

Improvements:

One-story, slab, drugstore with drive thru-lane built in 1997. The building comprises 11,108 s.f. Parking lot area 24,000 s.f. with 45 parking spaces for ratio of 4.05 spaces per 1,000 s.f. Average condition at time of sale.

Analysis:

OVERALL: $\$1,050,000 \div 11,108 \text{ s.f.} = \94.53 per s.f.

Comments:

Property exposed for 12 months by Colliers (Chris Seelig) and was vacated early 2024 by Rite Aid. Property purchased by developer and being offered for lease and or redevelopment.

SALES COMPARISON APPROACH (CONT)

Comparable Sales

Sale RT-3



SALES COMPARISON APPROACH (CONT)

Comparable Sales

Sale RT-4

Address: 15609 Lakeshore Blvd., Cleveland, Cuyahoga County, Ohio 44110

PP#: 113-01-007

Grantor: VEREIT Real Estate LP

Grantee: 15609 Lakeshore Blvd LLC (Jadian Capital)

Sale Price: \$1,200,000

Date of Sale: 8/16/2021

Site Description:

Corner site at Lakeshore and East 156th with 2 street access comprising 1.4573 acres. Land to building ratio: 4.73 to 1. Vehicle count is 8,000 VPD on Lakeshore.

Improvements:

One-story, slab, former Walgreens drugstore with drive thru-lane and canopy. The building comprises 13,422 s.f. Built 1994 and renovated in 1999. Drugstore use ended and sold off and renovated as a Plasma donation center by national operator. Parking lot area 40,000 s.f. and in average condition for 64 cars or 4.77 spaces per 1,000 s.f. of area. Average condition at time of sale.

Analysis:

OVERALL: $\$1,200,000 \div 13,422 \text{ s.f.} = \89.41 per s.f.

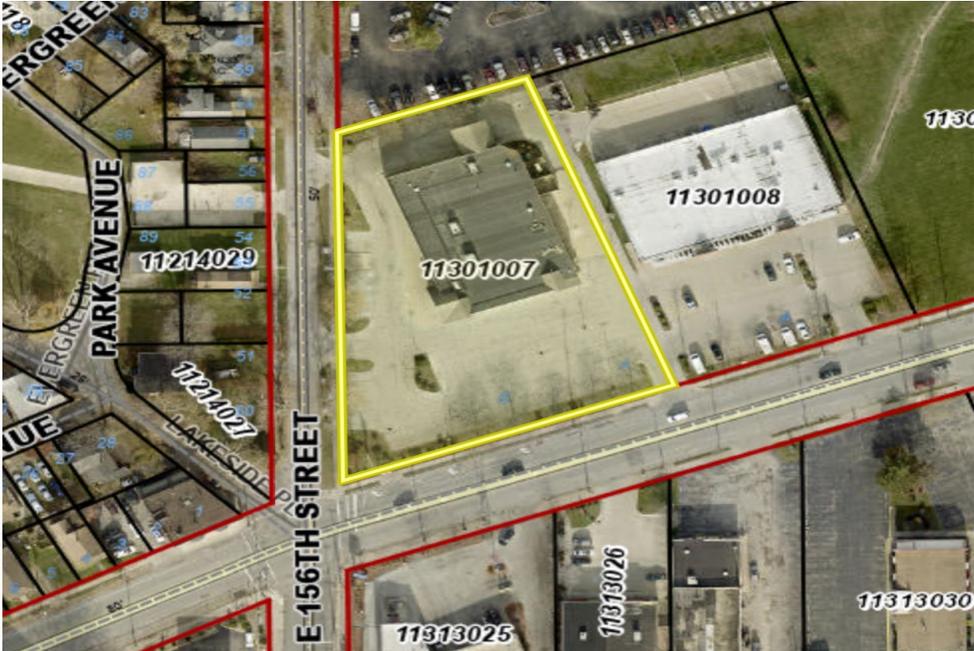
Comments:

Property divested by REIT after vacated by Walgreens. Purchaser developed for national tenant Freedom Plasma as a blood plasma clinic. Property was substantially renovated for the use.

SALES COMPARISON APPROACH (CONT)

Comparable Sales

Sale RT-4



SALES COMPARISON APPROACH (CONT)

Comparable Sales

Sale RT-5

Address: 2154 Elm Road, Howland Township, Trumbull County, Ohio 44483

PP#: 28-481700

Grantor: Realty Income Corporation

Grantee: LBSW LLC

Sale Price: \$1,450,000

Date of Sale: 7/29/2024

Site Description:

Inside, irregular site comprising 1.58 acres. Land to building ratio: 6.10 to 1. Vehicle count is 14,000 VPD on Elm. Reeves is minor street that connects nearby to Elm. Mature commercial area outside of Warren.

Improvements:

One-story, slab, drugstore with drive thru-lane built in 1999. The building comprises 11,317 s.f. Parking lot area has 54 parking spaces for ratio of 4.77 spaces per 1,000 s.f. Average condition at time of sale.

Analysis:

OVERALL: $\$1,450,000 \div 11,317 \text{ s.f.} = \128.13 per s.f.

Comments:

Property exposed for 3 months by CBRE (Kevin Moss) and was vacated early 2024 by Rite Aid and REIT owned. Property purchased by Pittsburgh based developer.

SALES COMPARISON APPROACH (CONT)

Comparable Sales

Sale RT-5



SALES COMPARISON APPROACH (CONT)

ADJUSTMENT GRID

SUBJECT	CATEGORY	RT-1	\$50.57	RT-2	\$74.70	RT-3	\$94.53	RT-4	\$89.41
1/2024	Property Rights	FS	0	FS	0	FS	0	FS	0
	Financing		0		0		0		0
	Condition of Sale	Auction	+20%		0		0		0
	Market Conditions	10/24	0	2/20	+9%	3/25	0	8/21	+6%
	SUBTOTAL		\$60.68		\$81.42		\$94.53		\$94.77
1.13 Acres 4.34:1 Pkg ratio 4.24/1,000.	Site Area Land to Building Pkg Ratio	1.47 Acres 5.65:1 3.9/1,000	-10%	1.02 Acres 3.89:1 3.09/1,000	+4%	1.1143 Acres 4.37:1 4.05/1,000	0	1.45 Acres 4.73:1 4.77/1,000	-3%
11,322 s.f.	Building Size	14,830 s.f.	+10%	11,425 s.f.	0	11,108 s.f.	0	13,422 s.f.	+5%
Blt 1996	Age and Condition	2007	-10%	Blt 1995	0	Blt 1997	0	Blt 1994	0
	Indicated Unit	-10%	\$54.61	+4%	\$84.68	0	\$94.53	+2%	\$96.67
8k VPD ¹ Local Comm	Location	11.5k VPD Urban Area		21k VPD Urban Area		14k VPD Urban Area		8K VPD Urban Area	

¹ VPD Denotes Vehicles per Day

SALES COMPARISON APPROACH (CONT)

ADJUSTMENT GRID

SUBJECT	CATEGORY	RT-5	\$128.13
1/2024	Property Rights	FS	0
	Financing		0
	Condition of Sale		0
	Market Conditions	7/24	0
	SUBTOTAL		\$128.13
1.13 Acres 4.34:1 Pkg ratio 4.24/1,000.	Site Area Land to Building Pkg Ratio	1.58 Acres 6.10:1 4.77/1,000	-7%
11,322 s.f.	Building Size	11,317 s.f.	0
Blt 1996	Age and Condition	Blt 1999	-2%
	Indicated Unit	-9%	\$116.60
8k VPD ¹ Local Comm	Location	14k VPD Mature Comm area	

CONCLUSION: 11,322 s.f. x \$90.00/s.f. = \$1,020,000 (rounded)

¹ VPD Denotes Vehicles per Day

SALES COMPARISON APPROACH (CONT)

Basis for the Adjustments

The preceding sales are directly compared to the subject. Before the adjustment process, they ranged from \$50.57/s.f. to \$128.13/s.f. No sales needed adjustments for property rights or financing. Sale 1 had a condition of sale adjustment of 20% being a market exposed auction transaction. Market conditions were made to sales 2 and 4 while the balance of sales is viewed similar as they were close to the effective date.

The adjustments to the sales for physical differences are provided on the preceding adjustment grid. Slight adjustments were made with few market-driven variances noted. Primarily, land to building ratio and building age and condition required adjustments as needed.

Generally, the locations were viewed to bracket the subject location given the traffic counts. All sales are fee simple transactions with a discontinuation of the drug store use, consistent with the HBU conclusion. Sales 2,3 and 4 are given approximate equal weight. Sale 1 which is adjusted most and was at the bottom of the range is given least weight. After adjusting the sales averaged \$89.42/s.f.

The conclusion is \$90.00/s.f. which translates to \$1,020,000 (rounded) on a whole dollar basis.

Analysis of Prior Sale

The subject property sold as a leased fee as recorded in auditor records 5/23/22. The price paid was \$2,150,685. The subject was subject to a longterm lease from Rite Aid which was in the renewal options phase and dated to the original construction in 1996. Rite Aid slid into bankruptcy 10/23 and defaulted on the lease agreement 2/24 and vacated the property.

Clearly, the purchase motivation was to secure the property in anticipation of future lease payments being received. The rental received was based on a non-current (amended 2021), non-market level lease for an older property which was at \$157,024 or \$13.87/s.f. The HBU conclusion finds very little market evidence that a mature drug store could attract a national tenant for a continuation of a drugstore use. There is ample evidence to support the property would attract a rental at market levels which would be far below the old contract rent from the specific drugstore use. As such, the price paid for the leased fee from the 5/22 transaction is not reflective of the fee simple value as is demonstrated by the comparable sales, including similar vintage, national tenant drugstores.

INCOME APPROACH

Introduction

The Income Approach utilizes direct capitalization which consists of taking a single estimate of annual Net Operating Income and capitalizing it into a value conclusion. The Net Operating Income is estimated by first projecting gross income based on the current economic levels through comparable analysis. Expenses are minimal due to the triple net nature of typical lease arrangements. A summary of the entire approach is located at the end of this section.

Gross Rent Projection

In establishing an economic rent level for the subject comparable data was drawn on. Lease offerings are considered as well as the recent signings. Little consideration is given to the subject lease because it dates to the original construction and was in the options phase. The 2021 amended lease put the rental at \$13.87/s.f. In November of 2023 Rite Aid, while in bankruptcy negotiated the lease down to \$9.71/s.f. which never materialized as the subject was vacated by Rite Aid. The selected rentals below are vacant drugstores, some leased. The addendum contains a near area survey of comparable rentals which was also considered which includes some drugstore properties. The subject had an initial asking \$8.00/s.f. lease rate 3/24 which was reduced to \$6.00/s.f. 5/24 with no interest and rescinded as owner is choosing to occupy building due to lack of interest.

Drugstores:

Former Rite Aid, 1115 W Prospect Rd, Ashtabula Ohio, Ashtabula County, 11,325 s.f. Built 1996. Site is 1.30 acres, 20K VPD \$15.00/s.f. asking 2024 and current in 2025.

Former Rite Aid, 2709 Broadway Ave., Lorain, Ohio, Lorain County, 11,304 s.f. Built 1997. Site is 1.06 acres, 22K VPD \$12.00/s.f. Asking

Former Rite Aid, 15596 W High Street, Middlefield, Ohio, Geauga County, Ohio, 11,204 s.f. Built 1996, Site is 1.52 acres. Vehicle Count is 9K VPD. Signed lease 6/24 at \$7.93/s.f. with bump to \$9.75 for Yrs 2-5 with 5-year option. Net/Net with insurance by landlord. General retail tenant. Space offered "as is"

Former Rite Aid, 15149 Snow Road, Brookpark, Cuyahoga County, Ohio, 10,884 s.f. Built 1998, Site is .52 acres. Signed lease at \$18.00/s.f. with Landlord paying \$400K (\$36.75/s.f.) for build out amounts to an effective rent of \$16.26/s.f. Signed in 2024

Former Rite Aid 100 S Leavitt, Amherst, Lorain County 11,100 s.f. Built 1992. Dual concept Dollar Tree and Family Dollar at \$13.00/s.f. with \$10.00/s.f. (\$110,000) Landlord build out/work letter. With buildout, the effective rate is \$12.50. Terms are double net with cap on real estate taxes at \$2.70/s.f. with LL responsible for overage. Landlord also responsible for roof, exterior walls, sewer, electrical and CAPEX on the exterior. 20-year term, 3.8% rent increase for year 6-10 after initial 5-year term. LOI 11/24.

INCOME CAPITALIZATION APPROACH (CONT)

Given the condition and age of the subject, second generation space must be considered for a rental rate. The preceding drugstore data ranges from \$6.00 to \$16.26/s.f. on a triple net basis with the subject being the low end of the range. The costar analysis of peer properties for the Ashtabula County area yielded a conclusion of an average rate at \$9.36/s.f. with a range of \$8.21/s.f. to \$15.00/s.f. Costar addendum data indicates a very modest upward increase in asking lease rates from late 2022 through 2024. Many Ashtabula County properties listed have an unadvertised lease rate which is normally associated with slack market conditions. It is noted that terms have tightened and that triple net terms are more difficult to come by for second generation/mature retail properties, especially those in secondary and tertiary locations. One notes the terms of the former Rite Aid comp in Amherst. The subject most recent asking rate was only \$6.00/s.f. and was for a short duration but no interest was received

Given the 1/1/24 effective date, an agreement more amenable to the Landlord would be the market norm (triple net). A \$8.00/s.f. rate is supported after analysis of the market data. In total, the Projected Gross Income (PGI) is estimated at \$90,576.

Vacancy and Credit Loss

As discussed, vacancy is in the range of 5% overall but increasing for retail properties in general depending on location. A vacancy and credit loss provision of 5% percent is appropriate and utilized which considers longer term market conditions and the parameters within the subject market and amounts to an Effective Gross Income (EGI) of \$86,048.

Expenses

Expenses are projected on triple net basis which is typical for retail properties. In this scenario literally all expenses are passed onto the tenant. The landlord would incur a modest management expense and a structural reserve account. Expenses are projected at \$4,485 resulting in a Net Operating Income (NOI) conclusion of \$81,203.

INCOME CAPITALIZATION APPROACH (CONT)

Capitalization

To capitalize the subject's net income to value, I have used three methods for conclusion to an overall capitalization rate. The first method references a band of investment based upon current available financing. The second is deriving from sales data. Third national data for single tenant triple net properties is examined.

The following band of investment method is based upon actual financing as available for a property of this type. The interest rate component assumes inflation to remain stable for the next 3 to 5 year period. Interest rates are typically indexed to the 10-year T-bill plus add on with a rate of about 5.25% and an amortization period of 15 years and a loan to value ratio of 75%. Private equity participation is noted and expected requirements would indicate even lower rates below conventionally financed deals.

Band of Investment

Equity Portion	25%
Required Return	8.0%
Loan Portion	75%

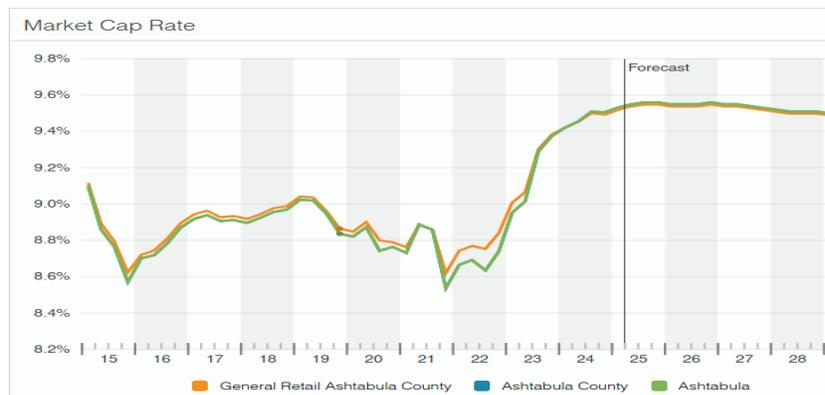
Terms: 15 years Amortization
5.25% Average Rate

Loan Constant = .09647

Equity	.25 x .08	=	.0200
Loan	.75 x .09647	=	<u>.0723</u>
			<u>.0923</u>

Conclusion: 9.2%

The data below is taken from Costar compiled data for neighborhood retail uses. One observes the decline in rates from 2010 with a pronounced reversal occurring in 2016. A rapid decrease is seen from 2020 until a low point in 2022. General Retail and county data are very similar. Note the 2024 data was at 9.4 to 9.5% for the 2 categories.



Source: Costar analytics

INCOME CAPITALIZATION APPROACH (CONT)

Capitalization (CONT)

Abstracted rates from retail sales are as follows:

<u>Sale</u>	<u>Sale Price/Date</u>	<u>Overall Rate</u>
General Retail		
Dual \$ 28 Hyde St, Wakeman	\$1,468,000 06/23	7.15%
\$ Gen 1651 Cooper Fstr, Amherst	\$1,212,500 1/24	7.15%
Fam Dollar 11511 Kinsman, Cleve	\$1,375,000 10/23	7.42%
10519-73 St. Clair, Cleveland	\$5,150,000 9/21	8.27%
Advance Auto 10200 Sprague	\$865,000 12/20	8.90%
Strip 511 Abbe Rd, Elyria	\$2,200,000 9/22	9.00%
Family Dollar/Fmr D store, Cle	\$1,125,000 5/23	9.07%
Strip 39245 Center Ridge N. Ridgeville	\$1,300,000 11/23	9.11%
Drug Stores		
Rite Aid 11718 Lorain, Cle	\$1,913,000 7/21	8.15%
Rite Aid Portfolio (5 NEO properties)	\$11,501,000 10/22	9.31%
Rite Aid 3402 Clark Ave, Cle	\$2,300,000 3/20	10.07%
Rite Aid Greenville, PA	\$1,350,000 2/25	14.57%

Given the subject's characteristics and based on the three methods of derivation, a rate range of 9.00% to 9.50% is indicated.

The conclusion is \$875,000 and summarized on the following page.

INCOME APPROACH (CONT)

Income Approach Summary

Gross Rent Projection:

Retail store with drive thru window
11,322 s.f. at \$8.00/s.f.

\$90,576

Projected Gross Income (PGI)

\$90,576

Less 5% Vacancy & Credit Loss

(4,528)

Effective Gross Income (EGI)

\$86,048

Expenses: (triple net)

Structural reserves at \$.20/s.f.

\$2,264

Management, Acct., Legal, 3%

2,581

Total Expenses

(4,845)

NET OPERATING INCOME (NOI)

\$81,203

NET OPERATING INCOME CAPITALIZED TO VALUE:

\$93,260 @ 9.00% = \$902,000

\$93,260 @ 9.50% = \$855,000

CONCLUSION

\$875,000

ESTIMATED VALUE VIA INCOME APPROACH- \$875,000

RECONCILIATION OF VALUE ESTIMATES

Estimated Value via Cost Approach:	N/A
Estimated Value via Sales Comparison Approach:	\$1,020,000
Estimated Value via Income Approach:	\$875,000
Fair Market Value Conclusion:	\$900,000

Subject to the following extraordinary assumption:

The subject property was in similar condition on the tax lien date as was viewed on 1/9/2025. Uniform appraisal standards (USPAP) require the statement that use of such an assumption may materially affect the appraisal result.

The market value estimate provided is based on the prescribed marketing period estimated to be nine to twelve months in length. The exposure time relevant to the market value conclusion is assumed to precede the effective dates of the appraisal.

The Sales Comparison Approach adequately correlates with the Income Approach. Both approaches are weighted similarly

ADDENDUM

Subject Photographs



Figure 1 Subject front elevation and main entrance



Figure 2 Rear Ashtabula entrance drive and rear of building

Subject Photographs



Figure 3 West building elevation and parking lot along N. Chestnut Street



Figure 4 Dumpster and storage enclosure

Subject Photographs



Figure 5 Drive-through window and canopy



Figure 6 Subject frontage on Chestnut looking south toward E. Ashtabula St.

Subject Photographs



Figure 7 Pharmacy area



Figure 8 Storage area at rear of building

Subject Photographs



Figure 9 Restroom in rear storage area



Figure 10 Manager's office

Subject Photographs



Figure 11 Front entrance with roll up security doors



Figure 12 Cooler cabinets in retail area

Subject Photographs

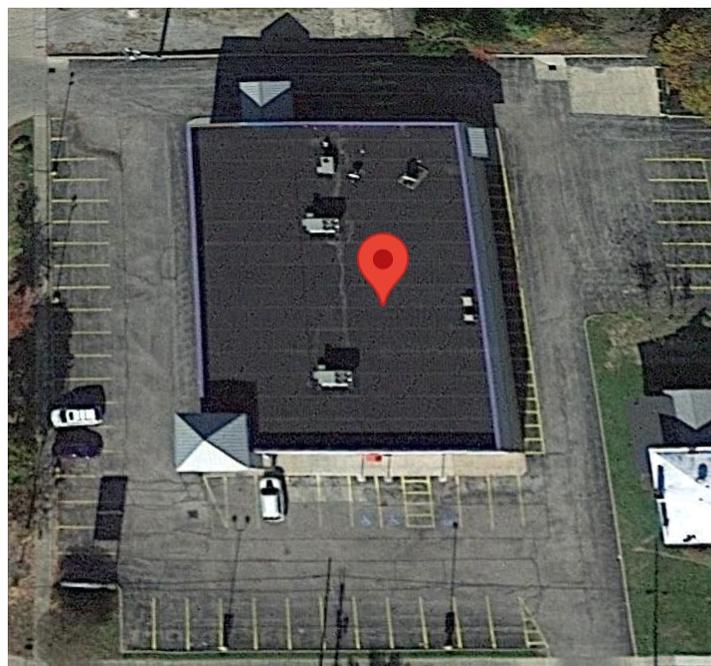
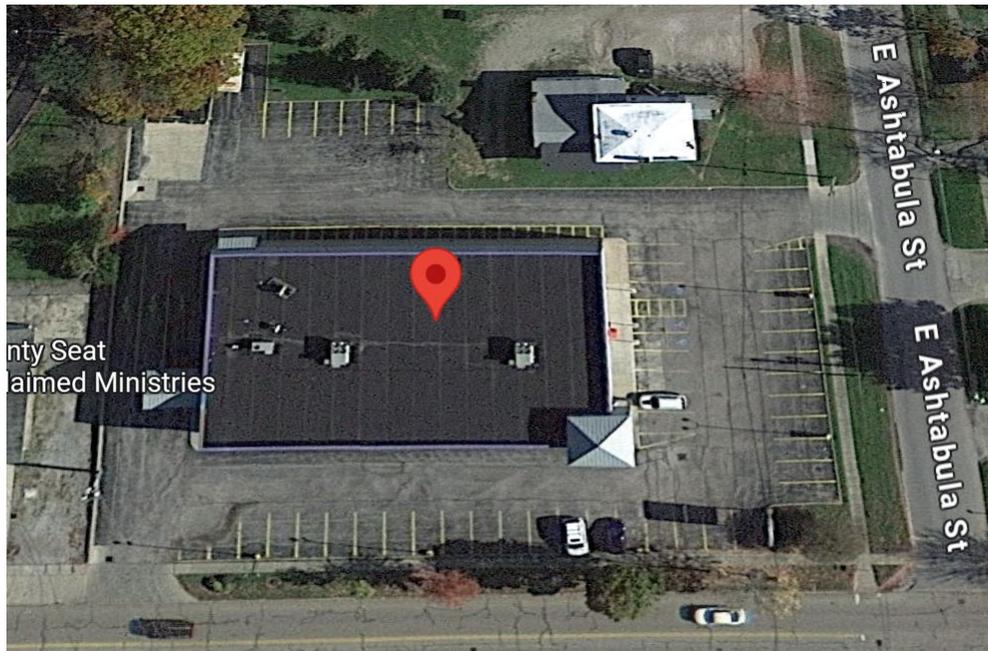


Figure 13 Retail area



Figure 14 Alternate view looking toward front of store

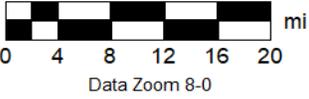
AERIAL PHOTOGRAPHS



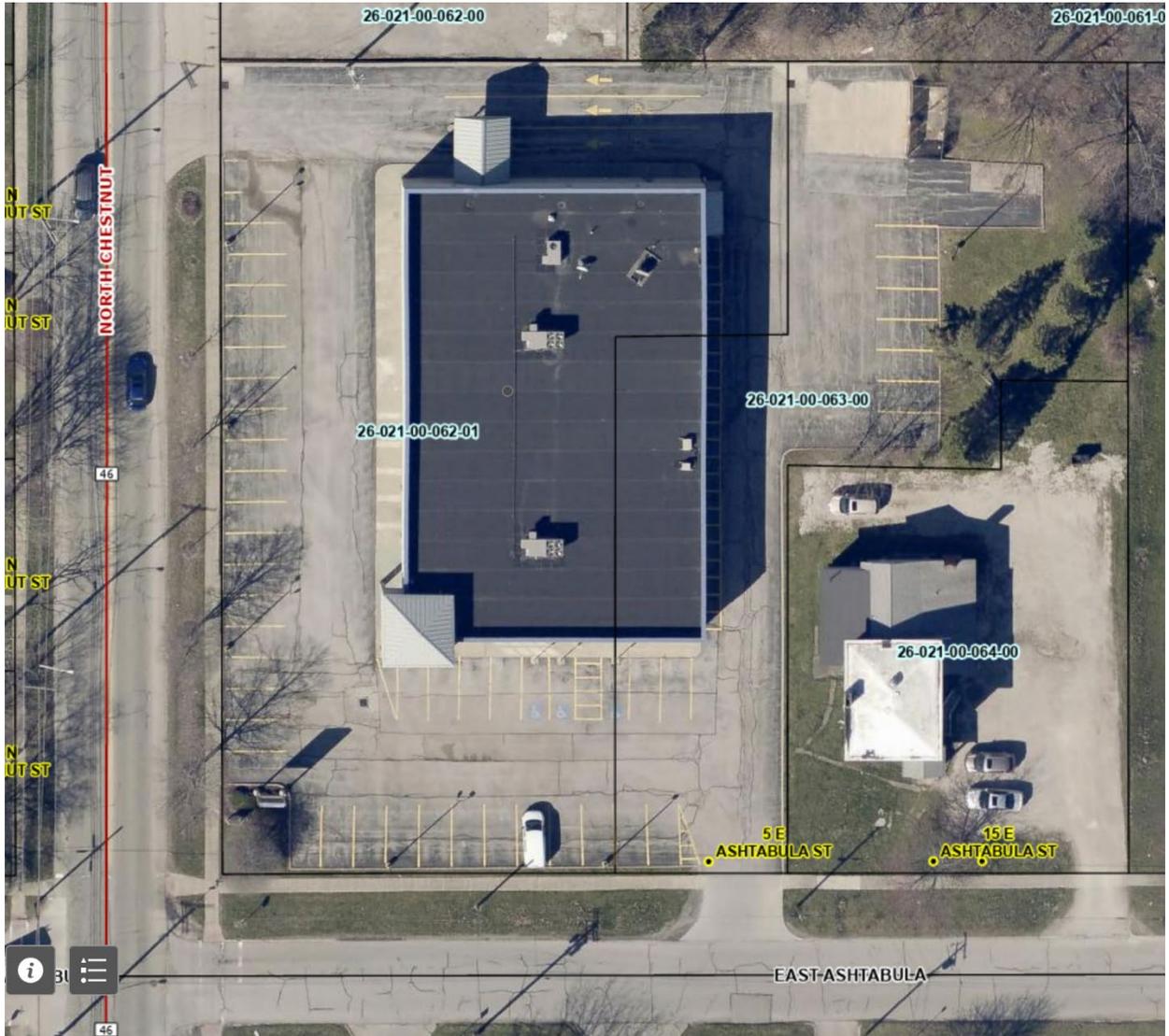
Location Map Regional



Data use subject to license.
© DeLorme. DeLorme Street Atlas USA© 2011.
www.delorme.com



PLAT MAP



ZONING MAP



B-2 BUSINESS

FLOOD ZONE MAP

5 east ashtabula street, jefferson, ohio

Search



Whether you are in a high risk zone or not, you may need [flood insurance](#) because most homeowners insurance doesn't cover flood damage. If you live in an area with low or moderate flood risk, you are 5 times more likely to experience flood than a fire in your home over the next 30 years. For many, a National Flood Insurance Program's flood insurance policy could cost less than \$400 per year. Call your insurance agent today and protect what you've built.

Learn more about [steps you can take](#) to reduce flood risk damage.

Search Results—Products for JEFFERSON, VILLAGE OF

Show ALL Products »

The flood map for the selected area is number **39007C0282D**, effective on **12/18/2007**

DYNAMIC MAP



PRINT MAP/
FIRMette

MAP IMAGE



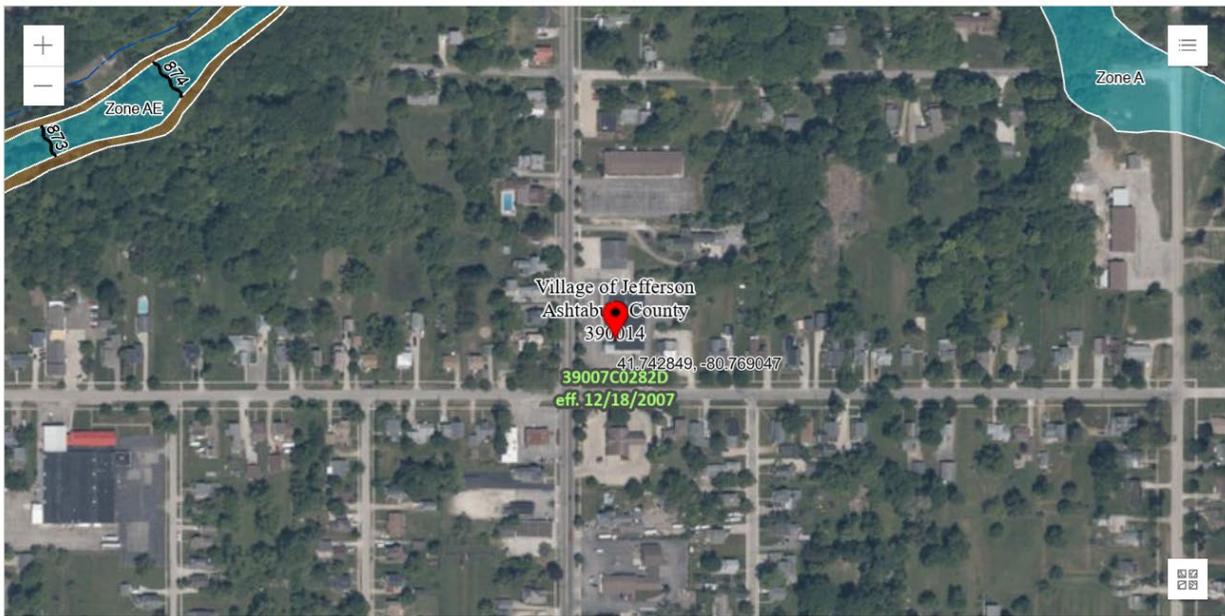
DOWNLOAD
FIRM PANEL

Changes to this FIRM ?

- Revisions (0)
- Amendments (1)
- Revalidations (0)

You can choose a new flood map or move the location pin by selecting a different location on the locator map below or by entering a new location in the search field above. It may take a minute or more during peak hours to generate a dynamic FIRMette.

Go To NFHL Viewer »



USGS, USDA, The National Map: Orthoimagery. January 09, 2025.

Powered by Esri

<p>PIN</p> <ul style="list-style-type: none"> Approximate location based on user input and does not represent an authoritative property location <p>MAP PANELS</p> <ul style="list-style-type: none"> Selected FloodMap Boundary Digital Data Available No Digital Data Available Unmapped <p>OTHER AREAS</p> <ul style="list-style-type: none"> NO SCREEN Area of Minimal Flood Hazard Zone X Effective LOMRs Area of Undetermined Flood Hazard Zone D Otherwise Protected Area Coastal Barrier Resource System Area 	<p>SPECIAL FLOOD HAZARD AREAS</p> <ul style="list-style-type: none"> Without Base Flood Elevation (BFE) Zone A, V, A99 With BFE or Depth Regulatory Floodway Zone AE, AO, AH, VE, AR <p>OTHER AREAS OF FLOOD HAZARD</p> <ul style="list-style-type: none"> 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X Future Conditions 1% Annual Chance Flood Hazard Zone X Area with Reduced Flood Risk due to Levee. See Notes, Zone X Area with Flood Risk due to Levee Zone D 	<p>OTHER FEATURES</p> <ul style="list-style-type: none"> 20.2 Cross Sections with 1% Annual Chance Water Surface Elevation 17.5 Coastal Transect Base Flood Elevation Line (BFE) Limit of Study Jurisdiction Boundary Coastal Transect Baseline Profile Baseline Hydrographic Feature <p>GENERAL STRUCTURES</p> <ul style="list-style-type: none"> Channel, Culvert, or Storm Sewer Levee, Dike, or Floodwall
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BUILDING SKETCH

PARID: 260210006201
 NBHD: 5400C
 TRISINA LLC

JUR: 04
 ROLL: RP
 5 EAST ASHTABULA ST

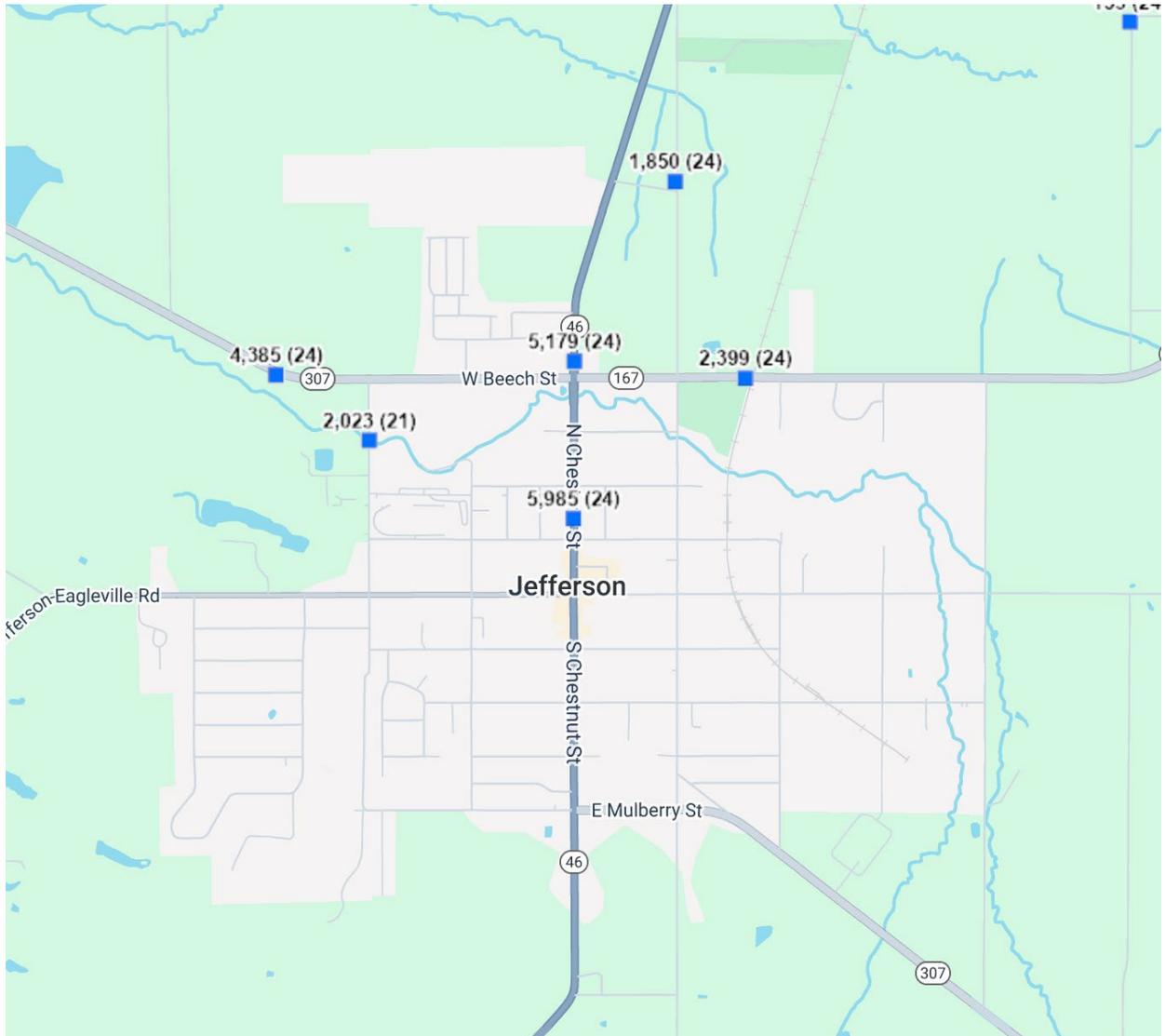


Options

Type	Line #	Item	Area
Commercial	1	DRUG STORE - 029:CHAIN DRUG STORE	10,400
Commercial Feature	1	CANPY RF/SLB - CP6:CANOPY ROOF/SLAB	228
Commercial Feature	2	CANPY RF/SLB - CP6:CANOPY ROOF/SLAB	280
Outbuilding	1	ASPH PAVE - CI1:ASPHALT OR BLACKTOP PAVING	20,000
Commercial Feature	3	SPRKLR WET - SS1:SPRINKLER SYS WET	10,400

Note: Auditor recently modified the building area to 11,322 s.f. which is consistent with the site plan

TRAFFIC COUNT MAP



Source: ODOT

Subject Lease Amendment 2021

THIRD AMENDMENT TO LEASE

THIS THIRD AMENDMENT TO LEASE (“Amendment”) is made this 18th day of June, 2021 by and between **RAX OHPA OWNER LLC**, having an address of 850 Oak Grove Avenue, Menlo Park, California 94025 (“Landlord”) and **RITE AID OF OHIO, INC.**, having an address of Post Office Box 3165, Harrisburg, Pennsylvania 17105, Attention: Secretary (“Tenant”).

WHEREAS, Landlord’s predecessor-in-interest and Tenant entered into a Lease dated August 23, 1995, as amended by Amendment to Lease dated October 16, 2014 and Second Amendment to Lease dated December 29, 2015 (collectively and as amended, the “Lease”), for premises located at 5 East Ashtabula Street, Jefferson, Ohio (the “Premises”); and

WHEREAS, by its present terms, the Lease will expire on August 10, 2023; with five (5) five (5) year options to renew the term of the Lease; and

WHEREAS, the parties hereto have agreed to exercise the next option to extend the term of the Lease, and to otherwise modify and amend certain terms and conditions of the Lease as set forth herein.

NOW, THEREFORE, WITNESSETH, intending to be legally bound hereby, and in consideration of the promises and mutual covenants herein contained the parties do hereby agree as follows:

1. Tenant hereby exercises its next available renewal option commencing August 11, 2023 and expiring August 10, 2028.

2. Notwithstanding anything to the contrary set forth in the Lease, commencing June 1, 2021 and expiring August 10, 2028, Tenant shall pay annual minimum rent in the amount of One Hundred Fifty-Seven Thousand and 00/100 Dollars (\$157,000.00) payable in equal monthly installments of Thirteen Thousand Eighty-Three and 33/100 Dollars (\$13,083.33), each in advance on the first day of each month.

3. Notwithstanding anything to the contrary set forth in the Lease, Tenant shall retain its four (4) remaining renewal options of five (5) years each, except if Tenant elects such renewal options, Tenant shall pay minimum rent as follows:

	Period	Annual Rent	Monthly Installment
First Renewal Option:	8/11/28 – 8/10/33	\$168,289.50	\$14,024.13
Second Renewal Option:	8/11/33 – 8/10/38	\$179,614.50	\$14,967.88
Third Renewal Option:	8/11/38 – 8/10/43	\$190,939.50	\$15,911.63
Fourth Renewal Option:	8/11/43 – 8/10/48	\$202,264.50	\$16,855.38

Subject Offering

FORMER RITE AID AVAILABLE!

5 EAST ASHTABULA STREET, JEFFERSON, OHIO 44047



FOR SALE & FOR LEASE
11,332 SF | 1.13 AC

Kevin Moss
 First Vice President
 216 363 6453
 kevin.moss@cbre.com

Connor Ambrose
 Associate
 216 535 4730
 connor.ambrose@cbre.com

CBRE

THE OPPORTUNITY

- Freestanding 11,332 SF former Rite Aid on 1.12 AC available For Sale or For Lease
 - Price Reduced! \$1,500,000 \$1,200,000
- The property has 233' of frontage along N Chestnut St and 164' of frontage along E Ashtabula St
- Zoning: B-2 Business
- Average household incomes of \$80,743 within a 5-mile radius
- Traffic counts of 7,011 VPD (Source: ODOT TIMS) along N Chestnut St
- Ample parking available with 45+ spaces available



QUICK STATS – 30 MINUTE DRIVE RADIUS

 DAYTIME POPULATION 108,068	 POPULATION 121,652	 HOUSEHOLDS 50,389	 POPULATION 25 & OVER 88,036	 AVG. HOUSEHOLD INCOME \$74,897
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Subject Offering

FORMER RITE AID AVAILABLE!
5 EAST ASHTABULA STREET, JEFFERSON, OHIO 44047



- Freestanding 11,332 sq. ft. former Rite Aid on 1.12 AC available For Sale or For Lease
- For Lease at \$8 PSF
- Sale Price: \$1.5M
- The property has 233' of frontage along N Chestnut St. and 164' of frontage along E Ashtabula St.
- Zoning: B-2 Business
- Average household incomes of \$80,743 within a 5-mile radius
- Traffic counts of 7,011 VPD (Source: ODOT TIMS) along N. Chestnut St.
- Ample parking available with 45+ spaces available

FOR SALE & FOR LEASE 11,332 SF | 113 AR

Kevin Moss
First Vice President
216 363 6453
kevin.moss@cbre.com

Connor Ambrose
Associate
216 535 4730
connor.ambrose@cbre.com

CBRE

Subject Amended Lease

Rite Aid Store No. 712

AMENDMENT TO LEASE

THIS AMENDMENT TO LEASE (this "*Amendment*") is made effective November 1, 2023 (the "*Effective Date*") by and between _____, a(n) _____ ("*Landlord*"), and RITE AID OF OHIO, INC., a _____ ("*Tenant*," and together with the Landlord, the "*Parties*" and each, a "*Party*").

RECITALS

WHEREAS, Landlord and Tenant are parties to that certain lease agreement dated _____ (as amended from time to time thereafter, the "*Lease*"), with respect to that certain premises located at 5 East Ashtabula Street Jefferson, Ohio 44047-1162, which premises is defined and more particularly described in the Lease (the "*Premises*");

WHEREAS, on October 15, 2023, Tenant and certain of its debtor affiliates (collectively, the "*Debtors*") commenced a case (the "*Chapter 11 Cases*") under chapter 11 of title 11 of the United States Code, 11 U.S.C. § 101 *et seq.* (as amended, the "*Bankruptcy Code*") which is now pending in the United States Bankruptcy Court for the District of New Jersey (the "*Bankruptcy Court*"). The Chapter 11 Cases are being jointly administered under Case Number 23-18993; and

WHEREAS, Landlord and Tenant desire to modify certain terms and conditions of the Lease, effective as of the Restructuring Effective Date (as hereinafter defined), as amended by this Amendment.

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed, Landlord and Tenant hereby agree as follows:

AGREEMENT

1. **Capitalized Terms.** Capitalized terms used and not otherwise defined herein shall have the respective meaning assigned to such terms in the Lease.

2. **Effective Date.** This Amendment, and each of its amendments, modifications, and waivers with respect to the Lease as set forth herein, shall be effective on the date that the Lease is assumed or assigned in the Chapter 11 Cases, whether pursuant to (a) procedures approved by the Bankruptcy Court or (b) entry of an order by the Bankruptcy Court approving the assumption or assignment of the Lease, including pursuant to or in connection with a sale of Tenant's assets pursuant to Section 363 of the Bankruptcy Code, confirmation of Tenant's chapter 11 plan of reorganization in the Chapter 11 Cases, or a stand-alone motion for assumption or assignment of the Lease (in each case, the "*Restructuring Effective Date*"); *provided, however*, that Tenant shall obtain the benefit of this Amendment, and this Amendment shall be binding on Landlord, beginning on the Effective Date hereof. In the event the Restructuring Effective Date does not occur, or the Lease is rejected in accordance with the Bankruptcy Code, this Amendment shall be null and void in all respects, and nothing in this Amendment shall give rise to any claim, causes of action, or damages (compensatory or consequential) against either Party. Nothing contained in this Amendment is intended to be or shall be construed as or deemed an assumption or an assignment of the Lease, as amended hereby, or any contract or document related thereto under section 365 of the Bankruptcy Code. Prior to the Restructuring Effective Date, Tenant expressly reserves its right, in its sole and absolute discretion, to assume, reject, or assign the Lease pursuant to section 365 of the Bankruptcy Code.

Subject Amended Lease

Rite Aid Store No. 712

3. Lease Modification.

(a) Rent. In lieu of any and all other provisions in the Lease providing for the payment of monies to the Landlord, Landlord and Tenant acknowledge and agree that, from and after the Effective Date and through the remainder of the Revised Term, Tenant shall only be obligated to pay rent (inclusive of any percentage rent, common area maintenance charges, taxes, and insurance premiums and all other additional rent payable directly to the Landlord) in the amount of \$109,917.47 per annum (“**Gross Rent**”), payable on the first (1st) day of each month in equal installment of \$9,159.79. In the event that, upon the Effective Date, Tenant has paid rent in excess of the amount herein specified for the period specified above, then Tenant shall be entitled to offset such excess amounts against the next installment(s) of Gross Rent coming due under the Lease until such time as such excess amounts have been recouped in full by Tenant.

(b) Abatement. Landlord hereby acknowledges and agrees that Gross Rent, which includes base rent, percentage rent, and additional rent otherwise payable under the Lease (including, without limitation, common area maintenance charges, taxes and insurance premiums) with respect to the Abatement Period (as defined below) is hereby abated and forgiven (the “**Abated Rent**”) in full. Landlord hereby waives any remedy under, or with respect to, the Lease or at law and/or equity arising in connection with, or otherwise related to, the Abated Rent. As used herein, “**Abatement Period**” shall mean the period beginning on the date the Tenant emerges from its Chapter 11 Cases (the “**Initial Date**”) and ending on the last calendar day of the third full calendar month after the calendar month in which the Initial Date occurs.

(c) Waiver of Claims. Landlord hereby waives, releases, and discharges Tenant and all of its affiliated companies, the Debtors (as defined in the Chapter 11 Cases), and their bankruptcy estates, and their respective successors and assigns, from any and all claims, damages, obligations, liabilities, actions, and causes of action of every kind and nature whatsoever it may have for any cure payments or other amounts due and owing under the Lease, or that otherwise arose under or in connection with the Lease, through and including the date hereof, including but not limited to claims for so-called “stub rent,” (whether or not asserted as administrative priority claims pursuant to Section 503(b) of the Bankruptcy Code) whether known or unknown, liquidated or unliquidated, fixed or contingent, matured or unmatured, now existing or hereafter arising, including any claims and causes of action for damages, payments, or amounts owing or that may become owing pursuant to section 365(b) of the Bankruptcy Code.

(d) Attorneys’ Fees. Landlord further acknowledges and agrees that, notwithstanding anything to the contrary in the Lease, Landlord shall not be entitled to receive from Tenant or its affiliates (or charge as rent due from Tenant or its affiliates) any attorneys’ fees incurred by Landlord in connection with this Amendment.

4. No Default and Waiver of Charges. Landlord acknowledges and affirms that as of the Effective Date, Tenant is not in default under any of the terms, conditions, or provisions of the Lease, and that there exist no events or circumstances which, with the passage of time or the giving of notice or both, constitutes a default under the Lease (including, without limitation, any failure of Tenant to meet its obligations to continuously operate in the Premises). Landlord further acknowledges and agrees that it has no offsets, claims, or defenses against Tenant with respect to any obligation or duty of Tenant arising pursuant to the Lease. To the extent that any notices of default or non-payment have been delivered to Tenant, all such notices are hereby waived and of no further force or effect. No default interest, late fees, charges, surcharges, or other fees shall be due, and all such interest, late fees, charges, surcharges, or other fees are waived and shall not apply.

5. Force Majeure. Notwithstanding anything to the contrary contained in the Lease, it is understood and agreed by the Parties that in the event Tenant shall be prevented from operating its business

Costar Peer Data/Rental Rate Analysis

5 E Ashtabula St - Former Rite Aid Available!

★★★★☆

Drug Store - Ashtabula County Submarket
Jefferson, OH 44047

11,332 SF GLA **1.13** AC Lot **1996** Built **Single** Tenancy

Summary | Lease | Lease Analysis | **Peers** | Sale | Tenant | Analytics | Loan | Financials | Changes | Demographics | Public Record | Contacts | Images | Map | My Data | News

Modify Peers



Peers		Market Rent/SF				Availability Rate				Vacancy Rate				
17		\$9.36				17.5%				5.3%				
Available Space Attribu...	Low	Average	Median	High	Property Attributes	Low	Average	Median	High	Property Attributes	Low	Average	Median	High
Available Spaces	1	1	1	1	Building SF	5,828	10,383	9,349	21,138	Year Built	1890	1980	1995	2022
Available SF	9,316	10,300	10,258	11,325	Location Score	3	12	11	26	Median Income (5 mi)	\$46,086	\$48,106	\$47,379	\$52,470
Max Contiguous SF	9,316	10,300	10,258	11,325	Vacancy Rate	0%	5.3%	0%	100%	Availability Rate	100%	17.5%	100%	100%
Months On Market	5.22	10.96	9.33	18.33	Star Rating	☆☆☆☆	★★★★☆2.7	★★★★☆	★★★★☆					
Parking Ratio	1.82	3.21	3.97	11.12										
Market Rent/SF	\$8.21	\$9.36	\$8.21	\$15.00										

Peer Properties

Hide Stats

Map #	Address	Building Name	Rating	LoopNet Ad Level	NNN Rent Per SF	Building Size SF	Property Type
	5 E Ashtabula St	Former Rite Aid Available!	★★★★☆	-	\$9.48 - 11.58 (Est.)	11,332	Retail
1	1115 W Prospect Rd	Rite Aid	★★★★☆	Silver	\$15.00	11,325	Retail
2	633 S Broadway		★★★★☆	Silver	\$9.78 - 11.95 (Est.)	10,258	Retail
3	318 W Prospect Rd	Walgreens	★★★★☆	-	\$9.60 - 11.73 (Est.)	11,924	Retail
4	2920 Gh Drive		★★★★☆	-	\$9.06 - 11.07 (Est.)	21,138	Retail
5	1819 E Prospect Rd		★★★★☆	-	\$8.96 - 10.95 (Est.)	10,125	Retail
6	2692 Sidley Ct	Save-A-Lot	★★★★☆	-	\$8.83 - 10.92 (Est.)	13,200	Retail
7	2689 Sidley Ct		★★★★☆	-	\$8.56 - 10.47 (Est.)	13,622	Retail
8	2701 State Route 307		★★★★☆	-	\$8.45 - 10.33 (Est.)	15,840	Retail
9	2138 Route 45 Hwy	Family Dollar	★★★★☆	-	\$8.00 - 9.77 (Est.)	9,316	Retail
10	3915 Jefferson Rd		★★★☆☆	-	\$7.81 - 9.54 (Est.)	8,700	Retail
11	2773 State Route 307		★★★★☆	-	\$7.55 - 9.23 (Est.)	8,160	Retail
12	244 S Chestnut St	Montrose Chevrolet	★★★★☆	-	\$7.54 - 9.22 (Est.)	9,349	Retail
13	140 E Erie St		★★★★☆	-	\$7.52 - 9.19 (Est.)	6,500	Retail
14	310 S Chestnut St	Montrose Chevrolet	★★★☆☆	-	\$7.51 - 9.18 (Est.)	6,148	Retail
15	36 W Jefferson St	Huntington National Bank	★★★☆☆	-	\$7.50 - 9.17 (Est.)	5,828	Retail
16	1591 OH-45		★★★★☆	-	\$7.47 - 9.13 (Est.)	7,450	Retail
17	70 S Chestnut St		★★★☆☆	-	\$7.29 - 8.92 (Est.)	7,632	Retail

NATIONAL ASKING CAP RATES

Sector	Q1 2024 (Previous)	Q2 2024 (Current)	Basis Point Change
Retail	6.42%	6.47%	+5
Office	7.60%	7.67%	+7
Industrial	7.02%	7.10%	+8
Overall	6.64%	6.70%	+6

NUMBER OF PROPERTIES ON THE MARKET

Sector	Q1 2024 (Previous)	Q2 2024 (Current)	Percentage Change
Retail	3,403	3,677	8.1%
Office	590	657	11.4%
Industrial	472	517	9.5%
Overall	4,465	4,851	8.7%

MEDIAN NATIONAL ASKING VS. CLOSED CAP RATE SPREAD

Sector	Q1 2024 (Previous)	2 2024 (Current)	Basis Point Change
Retail	34	34	0
Office	65	70	+5
Industrial	32	34	+2

“Cap Rates in the single tenant net lease sector increased for the ninth consecutive quarter.”

Market Overview

Cap rates in the single tenant net lease sector increased for the ninth consecutive quarter within all three sectors in the second quarter of 2024. Single tenant cap rates increased to 6.47% (+5 bps) for retail, 7.67% (+7 bps) for office and 7.10% (+8 bps) for industrial. Elevated interest rates and limited 1031 exchange and institutional buyer activity is the cause of the consistent upward trend in cap rates. Furthermore, the lack of transactions when compared to recent years is causing property supply to rise without a path to clear the market inventory.

Property supply in the single tenant sector increased by more than 8% when compared to the prior quarter. Additionally, the second quarter of 2024 experienced the highest number of properties on the market since the fourth quarter of 2021. With a significant number of properties on the market, the dynamic of who the market favors changed. Most investors believe that the current market strongly favors buyers over sellers in terms of compromising on asset pricing. This is especially true of assets that are more highly commoditized like dollar stores.

With limited competition, buyers are targeting assets in either income tax free states or areas with strong demographic drivers. Secondary buyer motivations include strong real estate fundamentals with credit tenants. This is most evident in the casual dining sector where cap rate changes were less consistent across the board and varied by tenant. While cap rates for the overall casual dining sector increased by eight basis points, stronger brands including Olive Garden and Texas Roadhouse saw no changes in cap rates compared to prior quarters.

In the second half of 2024, the expectation is that the pace of cap rate expansion should slow. However, cap rates are still expected to rise given the increase in the supply of net lease properties. It remains to be seen if the market will receive much-needed interest rate relief via a rate cut from the Federal Reserve. Investors will continue to carefully monitor the capital markets and its potential impact on net lease valuations. As the market remains inconsistent, investors will remain selective, focusing on properties with strong tenants and underlying real estate fundamentals at pricing that is advantageous.

SELECTED SINGLE TENANT SALES COMPARABLES

Sale Date	Sector	Tenant	City	State	Price	Price Per SF	Cap Rate	Lease Term Remaining
Apr-24	Industrial	FedEx	Hermitage	PA	\$43,447,000	\$173	6.76%	12
May-24	Industrial	FedEx	Portland	OR	\$32,500,000	\$153	5.74%	6
Apr-24	Industrial	Lear Corporation	McCalla	AL	\$32,260,000	\$106	5.79%	9
May-24	Industrial	Golden West Packaging	Madera	CA	\$14,300,000	\$102	6.93%	6
May-24	Retail	Jewel-Osco	Oswego	IL	\$12,250,000	\$197	5.51%	13
Apr-24	Industrial	Advanced Coverting Works	Green Bay	WI	\$11,750,000	\$63	7.31%	16
May-24	Industrial	BSN Medical	Conover	NC	\$10,300,000	\$69	6.93%	5
Apr-24	Retail	7-Eleven	Nashville	TN	\$9,745,000	\$1,784	5.65%	15
May-24	Retail	7-Eleven	Davenport	FL	\$9,127,000	\$1,962	5.00%	15
Jun-24	Retail	Walgreens	Portland	ME	\$6,250,000	\$456	7.00%	11
May-24	Retail	Guidepost Montessori	Grand Rapids	MI	\$5,700,000	\$501	7.13%	18
Apr-24	Retail	Natural Grocers	Rio Rancho	NM	\$5,361,000	\$387	6.20%	11
May-24	Retail	Caliber Collision	Middleton	WI	\$5,300,000	\$293	6.70%	10
May-24	Retail	Hawaiian Bros	Saint Joseph	MO	\$5,100,000	\$1,275	7.00%	14
Jun-24	Retail	Wawa	Franklinville	NJ	\$5,000,000	\$1,280	5.00%	18

NET LEASE CAP RATE TRENDS



3. Net Lease Dollar Store Sector

NATIONAL ASKING CAP RATES

Tenant	Q1 2024 (Previous)	Q2 2024 (Current)	Basis Point Change
Dollar General	6.75%	6.75%	0
Family Dollar	7.70%	7.80%	+10
Dollar Tree	7.30%	7.35%	+5
Dollar Store Sector	6.99%	7.08%	+9



MEDIAN ASKING CAP RATE BY LEASE TERM REMAINING

Years Remaining	Dollar General	Family Dollar	Dollar Tree
12-15 Years	6.65%	N/A	N/A
9-11 Years	7.00%	7.50%	7.00%
6-8 Years	7.65%	8.00%	7.50%
3-5 Years	8.00%	8.65%	7.95%
Under 3 Years	9.00%	9.15%	8.60%

4. Net Lease Drug Store Sector

NATIONAL ASKING CAP RATES

Tenant	Q1 2024 (Previous)	Q2 2024 (Current)	Basis Point Change
Walgreens	6.65%	6.75%	+10
CVS	6.15%	6.20%	+5
Rite Aid	9.00%	9.00%	0
Drug Store Sector	6.56%	6.67%	+11



MEDIAN ASKING CAP RATE BY LEASE TERM REMAINING

Years Remaining	Walgreens	CVS	Rite Aid
20+ Years	N/A	5.33%	N/A
15-19 Years	6.15%	5.50%	N/A
10-14 Years	6.60%	6.13%	8.00%
6-9 Years	7.40%	7.05%	8.50%
Under 5 Years	8.00%	7.90%	9.07%



TENANT OVERVIEW	
Tenant Name:	Rite Aid
Ownership Type:	Public
Credit Rating:	S&P: CCC+
Typical Building Size:	14,500 SF
Number of Locations:	2,288

CAP RATE OVERVIEW	
5 Year Term:	8.10% - 8.40%
10 Year Term:	7.60% - 7.90%
15 Year Term:	7.10% - 7.40%



LEASE OVERVIEW	
Typical Lease Type:	Varies
Typical Lease Term:	15 Years
Typical Lease Escalations:	Varies
Average Rent:	\$333,970
Average Sale Price:	\$4,532,718

Excerpt from Boulder report May, 2024

Rite Aid Files for Bankruptcy Protection, Plans Store Closings

Pharmacy Chain Looks To Reject Leases



Rite Aid said it will accelerate the optimization of its physical footprint, namely closing some stores. (CoStar)

By [Linda Moss](#)
CoStar News



October 16, 2023 | 1:06 AM

Pharmacy chain Rite Aid, facing significant debt and plagued by litigation related to filling prescriptions for opioids, filed for Chapter 11 bankruptcy protection in a move that's expected to lead to the closing of hundreds of its stores.

The Philadelphia-based company in a statement Sunday said it had received a commitment of \$3.45 billion from some creditors and lenders to support its business operations and to financially restructure. The retailer, which had already been shutting stores, has more than 2,100 retail pharmacy locations across 17 states. Its voluntary Chapter 11 petition was filed in New Jersey, and The Wall Street Journal reported the chain is looking to reject 168 leases in connection with the filing.

"Rite Aid regularly evaluates its store portfolio to ensure it is operating efficiently while meeting the needs of its customers, communities and associates," the company said. "In connection with the court-supervised process, the company will continue assessing its footprint and close additional under-performing stores. These efforts will further reduce the Company's rent expense and are expected to strengthen its overall financial performance."

The filing will address at least one of Rite Aid's major problems, the federal, state and private lawsuits charging that it oversupplied prescription painkillers, suits it said will be held in abeyance. Rite Aid said the Chapter 11 filing will allow it to "resolve litigation claims in an equitable manner," accelerate the company's store-footprint optimization plan, and "finalize and build consensus for the agreement in principle the company has reached with

In September the Journal reported that Rite Aid was in talks with its creditors, and that the pharmacy chain had proposed closing 400 to 500 of its stores, and either selling or allowing its creditors to take over its remaining operations.

Rite Aid didn't respond to an email from CoStar News asking how many stores it now plans to close.

Top Executive Change

On Sunday Rite Aid also announced that it had appointed Jeffrey Stein as CEO, chief restructuring officer and a member of the company's board, effective immediately. He succeeds Elizabeth Burr, who has served as Interim CEO since January.

"The court-supervised process provides Rite Aid with legal tools to accelerate our footprint optimization in an efficient and orderly manner," Stein said in a statement. "We look forward to working closely with our landlords to determine the best path forward for each of our stores."

Rite Aid said A&G Realty Partners is assisting its store closing and lease restructuring program, and it suggested that its landlords reach out to the firm.

"The company is making every effort to ensure customers of impacted stores have access to health services, whether at another Rite Aid or a nearby pharmacy, and will work to transfer prescriptions accordingly so that there is no disruption of services," Rite Aid said. "The company will also transfer associates at impacted stores to other Rite Aid locations where possible."

Neal Saunders, a managing director at GlobalData, in a note said Rite Aid had "been deep in the red for the past six years, notching up combined net losses of \$2.9 billion," as well as having \$3.3 billion of long-term debt sitting on the balance sheet.

"Its assets exceed its liabilities by \$947 million — a figure that seems to constantly widen," Saunders wrote. "Against this financial backdrop, Rite Aid simply isn't a viable entity: it is basically running on the fumes of cash it generates in the day-to-day business. The pending lawsuits for opioid settlements, which by our estimates could end up costing the company around \$1 billion, are simply the coup de grâce. Rightly or wrongly, Rite Aid cannot afford either the cost of the suits nor any settlement."

Saunders also discussed the looming retail closings.

"Unfortunately, bankruptcy may see more shop closures which, unless other chains step in to acquire store assets, will leave some holes in the pharmacy landscape and potentially runs the risk of pharmacy deserts opening up in some locations," he said.

Rite Aid didn't respond to a request to comment on his remarks.

For the Record

Kirkland & Ellis LLP is serving as legal adviser, Guggenheim Securities is serving as investment banker and Alvarez & Marsal is serving as transformation officer and financial adviser to Rite Aid.

Costar Oct 16 article Rite Aid bankruptcy

SUBJECT COSTAR DATA

5 E Ashtabula St - Former Rite Aid Available!

Drug Store - Ashtabula County Submarket
Jefferson, OH 44047

11,332
SF GLA

1.13
AC Lot

1996
Built

Single
Tenancy

Summary Lease Lease Analysis Peers Sale Tenant **Analytics** Loan Financials Changes Demographics Public Record Contacts Images Map My Data News

Summary Vacancy Rent Sales Data Charts Property Submarket

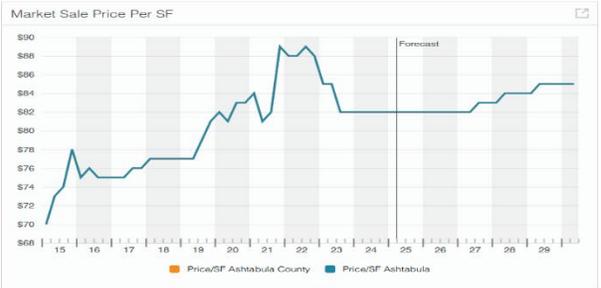
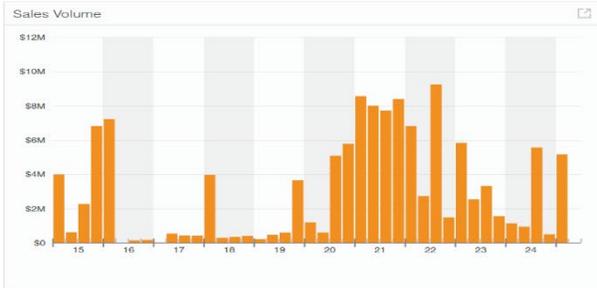
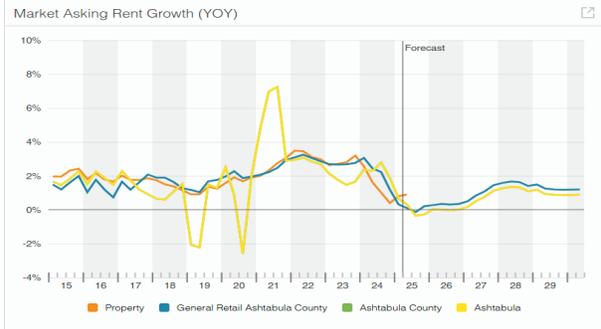
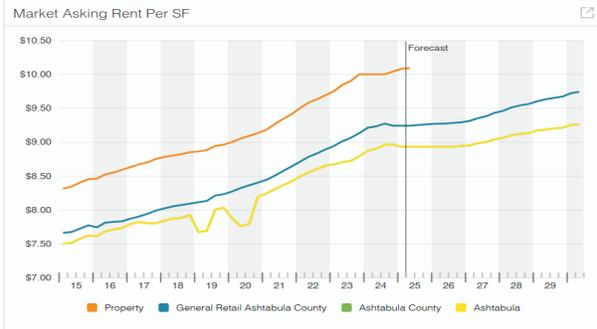
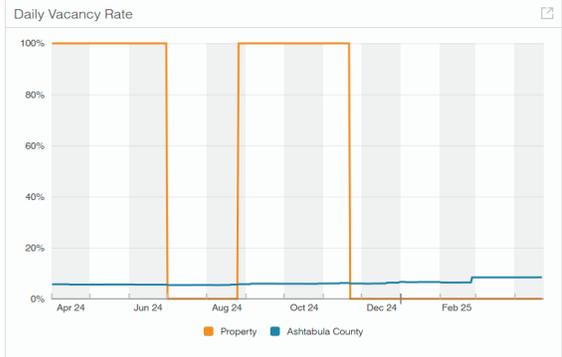
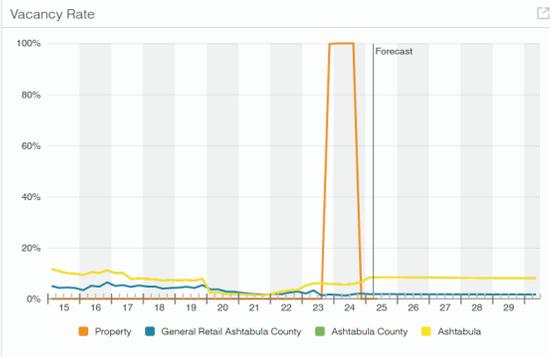
Key Metrics

AVAILABILITY	PROPERTY	SUBMARKET 2-4 STAR	SUBMARKET
Market Asking Rent/SF	\$10.09	\$9.00	\$8.93
Vacancy Rate	0%	9.5%	8.4%
Vacant SF	0	542K	552K
Availability Rate	-	8.8%	7.8%
Available SF Direct	-	488K	497K
Available SF Sublet	-	12.3K	12.3K
Available SF Total	-	500K	510K
Months on Market	-	10.1	10.1

DEMAND	PROPERTY	SUBMARKET 2-4 STAR	SUBMARKET
12 Mo Net Absorption SF	11.3K	(189K)	(182K)
12 Mo Leased SF	0	24K	24K
6 Mo Leasing Probability	-	21.1%	22.2%

INVENTORY	PROPERTY	SUBMARKET 2-4 STAR	SUBMARKET
Existing Buildings	1	503	667
Inventory SF	11.3K	5.7M	6.6M
Average Building SF	-	11.4K	9.8K
Under Construction SF	-	0	0
12 Mo Delivered SF	-	0	0

SALES	PROPERTY	SUBMARKET 2-4 STAR	SUBMARKET
12 Mo Transactions	-	17	20
Market Sale Price/SF	-	\$82	\$82
Average Market Sale Price	-	\$937K	\$811K
12 Mo Sales Volume	-	\$11.7M	\$11.7M
Market Cap Rate	-	9.5%	9.5%



SUBJECT COSTAR DATA

5 E Ashtabula St - Former Rite Aid Available!

Drug Store - Ashtabula County Submarket
Jefferson, OH 44047

11,332
SF GLA

1.13
AC Lot

1996
Built

Single
Tenancy

- Summary
- Lease
- Lease Analysis
- Peers
- Sale
- Tenant
- Analytics
- Loan
- Financials
- Changes**
- Demographics

Change Since

Change Date ↓	Change Type	New Value	Previous Value	Notes
11/22/2024	Space Removals	11,332 SF		Withdrawn
11/22/2024	Sale Status Change	Withdrawn	Active	
10/23/2024	Sale Status Change	Active	Active - \$1,200,000.00	
8/26/2024	Space Additions	11,332 SF		
8/26/2024	Sale Status Change	Active - \$1,200,000.00	Under Contract - \$1,200,000.00	
7/1/2024	Space Removals	11,332 SF		Withdrawn
7/1/2024	Sale Status Change	Under Contract - \$1,200,000.00	Active - \$1,200,000.00	
5/30/2024	Sale Status Change	Active - \$1,200,000.00	Active - \$1,500,000.00	
3/5/2024	Sale Status Change	Active - \$1,500,000.00		
2/1/2024	RBA Changes	11,332 SF	11,300 SF	
11/6/2023	Space Additions	11,300 SF		
11/6/2023	RBA Changes	11,300 SF	11,325 SF	
5/18/2022	Sale Status Change	Sold - \$2,165,517.00	Active - \$2,165,517.00	
11/2/2021	Sale Status Change	Active - \$17,964,931.00		
9/17/2021	Sale Status Change	Active - \$2,165,517.00	Active - \$2,093,333.00	
4/2/2021	Sale Status Change	Active - \$2,093,333.00	Active - \$2,146,632.00	
7/22/2019	RBA Changes	11,325 SF	11,000 SF	
6/5/2019	Sale Status Change	Active - \$2,146,632.00		
8/5/2008	Properties Added			

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PROFESSIONAL QUALIFICATIONS

EDUCATION

Bachelor of Science Degree, Northern Michigan University, 1987
Major: Business Management

Appraisal Institute Courses Completed:
Business Practices and Ethics
SPP - Standards of Professional Practice, Parts A & B
Report Writing
Case Studies
Capitalization Theory & Techniques, Part B
Capitalization Theory & Techniques, Part A
Real Estate Appraisal Principles
Basic Valuation Procedures

PROFESSIONAL AFFILIATIONS

Associate Member of the Appraisal Institute

LICENSURE

Certified General Real Estate Appraiser State of Ohio (Certificate #380391)

EMPLOYMENT

January 1991: Launched own firm
February 1988: Associate Appraiser, Chester S. Giltz & Associates

EXPERIENCE

Preparation of Appraisals of Proposed, New and Existing Improved Properties as well as Vacant Land. Qualified as an expert witness in Ohio Board of Tax Appeals, Northern Ohio District Court, Cuyahoga County Common Pleas Court. Allen, Butler, Clark, Clinton, Cuyahoga, Erie, Fairfield, Fayette, Franklin, Greene, Geauga, Jefferson, Hamilton, Hancock, Huron, Lake, Lorain, Lucas, Medina, Mahoning, Madison, Montgomery, Summit, Stark, Warren, Wayne Counties Board of Revision.

Types of Property Appraised:

Residential: Single Family Residences, Duplexes, Condominiums, Apartments.
Commercial: Retail Stores, Strip Shopping Centers, Gas Stations, Fast Food Restaurants
Office Buildings, Medical Clinics/Offices, Daycares/Schools.
Industrial Properties: Warehouse, Flex Space, Manufacturing, Cold Storage, Hangars,
Vacant Land: Easements, Rights-of-Way, Subdivisions.
Health Care Facilities: ICF/MR Group Homes, Nursing Facilities, Assisted and Independent Living Properties, Continuum of Care Retirement Communities.

CLIENTS OF THE FIRM

Government Agencies including Federal, State and Local.
Area Lending Institutions, Law Firms, Corporations and Private Individuals.

APPRAISAL SERVICES:

Appraisals for New Construction, Permanent Financing and Refinancing.
Appraisal Preparation for Court Proceedings including Ad Valorem Tax Matters, Bankruptcy, Divorce, Estate and Condemnation. Consultation for Proposed Construction, Feasibility Studies and Market Evaluations

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