

SECURE
NET LEASE

SUBJECT PROPERTY



TRACTOR SUPPLY, FACTORY CONNECTION, DOLLAR TREE SHOPPING CENTER

\$2,250,000 | 7.06% CAP

7324 Highway 28, Dunlap, TN 37327

- ✓ Tractor Supply - 10 year lease with 5% rent increases in year 5, signed October 2020
- ✓ Located in a Qualified Opportunity Zone
- ✓ Upcoming Rent Increases and Priced Below Replacement Cost
- ✓ Strong Tenant Mix With Tractor Supply, Factory Connection, & Dollar Tree
- ✓ Two Acres of Undeveloped Land Behind The Center
- ✓ Located in High-Traffic Area of Dunlap, 23 Miles from Chattanooga



Tractor Supply Company is an American retail chain of stores, based in Brentwood, Tennessee, that offers products for home improvement, agriculture, lawn and garden maintenance, and livestock, equine and pet care.

Dollar Tree stores offer merchandise at the fixed price of \$1.00. It provides consumable merchandise and healthy and beauty care, as well as everyday household goods.

With over 300 locations in 17 states, **Factory Connection** takes pride in providing top fashions & great brands for much less than boutiques or department stores.

INVESTMENT OVERVIEW

TRACTOR SUPPLY, FACTORY CONNECTION, DOLLAR TREE SHOPPING CENTER | DUNLAP, TENNESSEE

\$2,250,000 | 7.06% CAP



\$161,204

NOI



±28,000 SF

BUILDING AREA



±5.01 ACRES

LAND AREA



1977/2011

YR BUILT / YR RENOVATED



100%

OCCUPANCY



NET LEASE

LEASE TYPE

*Landlord responsibilities include roof, structure, parking and HVAC repairs after Tenant pays the first \$1,500 per occurrence.



Priced below replacement cost and the property offers additional opportunity with two acres of undeveloped land.



Located along Highway 28 and Rankin Avenue (16,413 VPD) with close proximity to national credit retailers including Walmart, AutoZone, Walgreen's, Dollar General, O'Reilly Auto Parts, Taco Bell, McDonald's and Wendy's.



Tractor Supply is the largest national farm and ranch retail store in the nation. **Tractor Supply is a COVID-resistant retailer and considered an essential business** as it sells livestock feed, equine food, pet food, water and propane. Posted 7.5% revenue increase from Q4 2019 to Q1 2020.



Factory Connection specializes in providing the **latest fashion apparel for customers in small to medium size markets at a fraction of the retail price.** The company now operates more than 300 stores in 17 states and is growing rapidly.



Dollar Tree is ranked #133 on the Fortune 500 and is strong, **COVID-19 resistant retailer.**

SECURE

NET LEASE

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TENANT OVERVIEW

TRACTOR SUPPLY, FACTORY CONNECTION, DOLLAR TREE SHOPPING CENTER | DUNLAP, TENNESSEE



TRACTOR SUPPLY COMPANY (tractorsupply.com)

Tractor Supply Company is a retail chain serving farmers and ranchers with more than 1,800 stores in 49 states. It is the largest rural lifestyle retailer in the United States and serves a unique niche, as a one-stop shop for recreational farmers, ranchers and all those who enjoy living the rural lifestyle, for more than 80 years. Tractor Supply offers an extensive mix of products necessary to care for home, land, pets and animals with a focus on product localization, exclusive brands and legendary customer service that addresses the needs of the Out Here lifestyle. With more than 33,000 team members, the Company leverages its physical store assets with digital capabilities to offer customers the convenience of purchasing products they need anytime, anywhere and any way they choose at the everyday low prices they deserve. At March 28, 2020, the Company operated 1,863 Tractor Supply stores in 49 states and an e-commerce website at www.TractorSupply.com. Tractor Supply Company also owns and operates Petsense, a small-box pet specialty supply retailer focused on meeting the needs of pet owners, primarily in small and mid-size communities, and offering a variety of pet products and services. At March 28, 2020, the Company operated 180 Petsense stores in 26 states.

\$7.9B
REVENUE

B+
CREDIT RATING

TSCO
STOCK TICKER

 **1,863**
TOTAL LOCATIONS



DOLLAR TREE (dollartree.com)

Dollar Tree, Inc., a Fortune 200 company, is a leading operator of discount variety stores that has served North America for more than thirty years. The Company is proudly headquartered in Chesapeake, Virginia and operates 15,000+ stores across the 48 contiguous states and five Canadian provinces, supported by a coast-to-coast logistics network and more than 193,000 associates. Stores operate under the brands of Dollar Tree, Family Dollar, and Dollar Tree Canada.

\$22.8 B
REVENUE

BBB-
CREDIT RATING

DLTR
STOCK TICKER

 **15,000+**
TOTAL LOCATIONS

TENANT OVERVIEW

TRACTOR SUPPLY, FACTORY CONNECTION, DOLLAR TREE SHOPPING CENTER | DUNLAP, TENNESSEE



FACTORY CONNECTION (factory-connection.com)

Factory Connection specializes in providing the latest fashion apparel for customers in small to medium size markets. With more than 300 stores in 17 states and growing rapidly, Factory Connection is a destination shopping experience for many of its customers. Factory Connection offers a wide selection of brand name fashions for Juniors, Misses, Plus, Men's and Young Men's, along with accessories and shoes. Buying from the industry's leading fashion manufacturers allows Factory Connection to offer name brand and specialty store fashions at prices that are 25% to 70% below regular retail. Because they ship new merchandise twice a week every week – sometimes based on special limited-quantity purchases – their customers know that frequent shopping pays big dividends. Factory Connection provides the opportunity to find the latest fashions at the right price, offering a great shopping experience for small to mid-size communities.

\$118 M

REVENUE



300

TOTAL LOCATIONS



SUBJECT PROPERTY

WHY TRACTOR SUPPLY SURGED 20% IN MAY

Royston Yang, June 5, 2020 (*The Motley Fool*)

Tractor Supply reported a strong set of earnings for its first-quarter 2020 report, and the company does not seem to be badly affected by the COVID-19 pandemic. Net sales rose 7.5% year over year to \$1.95 billion, while comparable store sales increased 4.3% year over year. Although the company withdrew its guidance for the fiscal year 2020, it still managed to open 20 new Tractor Supply stores during the quarter, underscoring its steady growth.

Late last month, Tractor Supply provided updated guidance for its second

Tractor Supply is shaping up to be *one of the more resilient consumer companies*, with *consistent demand for its goods even during a crisis*.

quarter. The company registered record sales across its channels, product categories, and geographic regions. Its e-commerce business also experienced good growth, with many customers choosing the new contactless curbside delivery option to minimize person-to-person contact during this pandemic.

Net sales are forecast to grow 24% to 29% year over year, with comparable store sales growth of 20% to 25%. The company is also relaunching its website, which should enable the business to enjoy rapid digital growth by using modern web architecture.



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UNLIKE RETAILERS SEEKING GROWTH IN CITIES, TRACTOR SUPPLY TARGETS CONSUMERS LIVING THE COUNTRY LIFE

Tony Garcia Feb. 26, 2019 (Market Watch)

Chick Days, an event that brings live chickens of various breeds to Tractor Supply Co. US:TSCO stores, starts Monday and lasts through April 28. Shoppers can also buy a coop, feed, incubators, and anything else they need to get their chicken farm up and running.

"We sell everything else but the tractor," said Mary Winn Pilkington, vice president of investor relations and PR at Tractor Supply. "Anything for an authentic rural lifestyle."

Foot Locker's \$275 million investment program will help build business in Asia. Tractor Supply, on the other hand, positions its stores in towns just outside of major metropolitan areas with populations of about 20,000 to 40,000 people, or in rural locations.

While many retailers are flocking to the city, targeting high-spending urban dwellers and young, millennial professionals, 80-year-old Tractor Supply is happy to live the pastoral life, and help others who want to do the same.



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DOLLAR STORES ARE A RETAIL GROWTH STORY EVEN IN A DOWNTURN

Teresa Rivas, July 17, 2020 (*Barrons*)

The economic picture is grim. The number of Covid-19 cases in the U.S. is well over three million, and even with some hopeful signs from the labor market, more than 30 million Americans are still relying on unemployment benefits.

"Dollar stores have proven to be very resilient through recessions; there's a big portion of the country that is still struggling, whose wallets are being pinched, and they need nondiscretionary goods," says Clay Kirkland, lead portfolio manager at Intrepid Capital Management. "They're not going to drive to the

Dollar Tree stock has quadrupled in that time.

Target [TGT] five miles away, they're going to drive to the dollar store a half mile away."

No wonder that dollar stores are adding to their physical footprint, even as so many of their peers are closing locations.

"At a time when you read about how retail is doomed and there will be thousands of store closures this year, these businesses are growing their store bases," Kirkland says.

The dollar stores have been dependable through good times and bad. Dollar General, for example, has recorded positive comparable sales for the past 30 consecutive years. Its shares are up sixfold in the past decade.

DOLLAR TREE IS READY FOR LIFTOFF

Gina Acosta, May 28, 2020 (*Retail Leader*)

Dollar Tree plans to ride a wave of pandemic-related sales momentum into a second quarter opportunity that the company is uniquely positioned to leverage.

Looking ahead to what is expected to be a deepening economic recession, Dollar Tree also says it plans to do everything it can to attract millions of shoppers in financial distress and looking for a deal.

"We have a resilient business model that has been demonstrated to work in

The deep discounter says it plans to restart renovation projects and other strategic growth initiatives in a bid to capitalize on the *sales boost the company experienced during the first quarter as a result of pandemic shoppers.*

varying economic climates," said CEO Gary Philbin. "With more than 38 million Americans filing unemployment claims in the past nine weeks, we believe that Dollar Tree and Family Dollar are part of the solution to help millions of families stretch their budgets to help make ends meet. Our focus is on meeting customer needs, while growing and improving our business to deliver long-term value to shareholders."

The company announced it has resumed its Family Dollar H2 renovations and its Dollar Tree Snack Zone installation initiatives after pausing those projects as a result of the COVID-19 crisis in March.



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FACTORY CONNECTION BRINGS MORE BRAND-NAME CLOTHING OPTIONS TO PLAINVIEW SHOPPERS

Kaelene Hansen, April 6, 2019 (*MyPlainview*)

The newest local clothing store provides another option for shoppers to find brand-name pieces.

Factory Connection, which opened on Feb. 28, hopes to bring high-end fashion to Plainview at a discounted price.

The Chamber of Commerce led a ribbon cutting on Thursday and presented the store manager, Rena Guerra, with a symbolic First Tax-Free Dollar.

"All those brands that you're going to find in the bigger cities and not in the local, small towns, that's what we're trying to do, bring fashion to small towns and local communities."

Guerra was born and raised in Plainview, so she's excited to bring name brands such as Calvin Klein, Nike, Under Armour, Abercrombie & Fitch and American Eagle to her hometown.

"This company brings high-end fashion to small towns for the people who cannot travel to the big cities to get the name brands that they want," Guerra said.

"We are here to create an emotional connection," Guerra said. "We want every customer to be happy while they're shopping and happy when they leave. We want to leave that everlasting impression on them, and even if they don't find anything to buy, just to come in because they enjoy the environment."

FACTORY CONNECTION IS TEXARKANA'S NEWEST RETAIL STORE

Mario Garcia, April 2, 2018 (*Kicker 102.5*)

Factory Connection is celebrating with their new store located in the Stateline Crossing Shopping Center in Texarkana, Texas.

I just happened to notice the other day while in the area. So I went into the store and looked around, first off they scored some major points with me because they had Kicker 102.5 blasting inside the store. Overall, I was equally impressed by all the name brand merchandise and home decor they had. Brands such as Affliction, American Fighter, Big Star, all at drastically low

With 300 stores nationwide and still growing, Factory Connection is able to offer the shopper with *anywhere from 25% to up to 70% below regular retail prices.*

prices, and that was just on the men's side. Factory Connection specializes in name brand merchandise for both young men and women. The latest styles and fashion that are trendy today including a great selection of women's shoes at a cost that won't break the bank.

You can even save more by becoming a Factory Connection VIP Member with alerts on new arrivals, coupons, and even birthday savings.

I urge you to drop by and see what Factory Connection is all about. Their slogan says it best, "The Look You Love For Less."



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INCOME & EXPENSE PROFORMA

TRACTOR SUPPLY, FACTORY CONNECTION, DOLLAR TREE SHOPPING CENTER | DUNLAP, TENNESSEE

SALE PRICE	\$2,250,000
CAPITALIZATION RATE	7.06%
TOTAL RENTABLE (SQUARE FEET)	± 29,290
SCHEDULE BASED RENTAL REVENUE	\$181,758
CAM REIMBURSEMENT REVENUE	\$30,905
REAL ESTATE TAX REIMBURSEMENT REVENUE	\$9,100
INSURANCE REIMBURSEMENT REVENUE	\$6,048
EFFECTIVE GROSS REVENUE	\$227,811
OPERATING EXPENSES	
CAM EXPENSES	28,052
REAL ESTATE TAXES	34,237
INSURANCE	6,610
Equals: Net Operating Income	\$158,912

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SUBJECT PROPERTY



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RENT ROLL

TRACTOR SUPPLY, FACTORY CONNECTION, DOLLAR TREE SHOPPING CENTER | DUNLAP, TENNESSEE

TENANT	SF	GLA	LEASE TERM		TERM	BEGIN	RENT MONTHLY	PSF	RENT ANNUALLY	PSF	LEASE TYPE	OPTIONS / NOTES
			BEGIN	END								
Tractor Supply Company	17,000	61%	JAN 2012	DEC 2021	Yr 1-5	JAN 2012	\$8,146	\$0.48	\$97,750	\$5.75	Net*	New 10 year lease with 5% rent increases in year 5, signed October 2020
					Yr 6-10	JAN 2017	\$8,968	\$0.53	\$107,610	\$6.33		
Dollar Tree Stores, Inc.	8,000	29%	APR 2013	MAR 2023	Yr 1-5	APR 2013	\$3,667	\$0.46	\$44,000	\$5.50	Net*	Two (2) Five (5) Year Options with 8% increases
					Yr 6-10	APR 2018	\$4,000	\$0.50	\$48,000	\$6.00		
Factory Connection, LLC	2,615	10%	APR 2013	MAR 2023	Yr 1-5	APR 2013	\$1,998	\$0.76	\$23,980	\$9.17	Net*	\$1.50 per foot NNN expense included in rent
					Yr 6-10	APR 2018	\$2,179	\$0.83	\$26,150	\$10.00		
TOTALS	27,615	100%				Current	\$15,147		\$181,764			

*Landlord responsibilities include roof, structure, parking and HVAC repairs after Tenant pays the first \$1,500 per occurrence.

*Tenant reimburses Landlord for taxes, insurance, CAM (based on proportionate share of building)



DUNLAP RESTAURANT
Mountain Inn & Suites
DUNLAP, TN



111

± 8,739 VPD

Mountain Valley Bank

Hardee's

Walmart
Supercenter



MURPHY USA
Wendy's

DOLLAR GENERAL
ACE
The helpful place.
goodwill

AutoZone

RANKIN AVENUE
± 15,401 VPD

State Farm

CITIZENS
TRI-COUNTY BANK

8

28

SUBWAY
Little Caesars
SEQUATCHIE VALLEY INSURANCE LLC

O'Reilly
AUTO PARTS
SONIC
UNITED STATES POSTAL SERVICE

verizon
authorized retailer
McDonald's
TACO BELL

Walgreens

GRIFFITH ELEMENTARY SCHOOL
(814 STUDENTS)

CITIZENS
TRI-COUNTY BANK
CITGO

SEQUATCHIE COUNTY HIGH SCHOOL
(710 STUDENTS)

SEQ COUNTY MIDDLE SCHOOL
(706 STUDENTS)

DOLLAR TREE
TSC TRACTOR SUPPLY CO
FACTORY CONNECTION
SUBJECT PROPERTY
7324 TN-28

DUNLAP SEVENTH-DAY ADVENTIST SCHOOL
(18 STUDENTS)

Mountain Valley Bank

VALLEY VIEW GARDENS
(64 UNITS)

± 10,888 VPD

DOLLAR GENERAL

127

SEQUATCHIE RIVER

SITE OVERVIEW

TRACTOR SUPPLY, FACTORY CONNECTION



1977/2011

YR BUILT/RENOVATED



±28,000 SF

BUILDING AREA



±5.01 ACRES

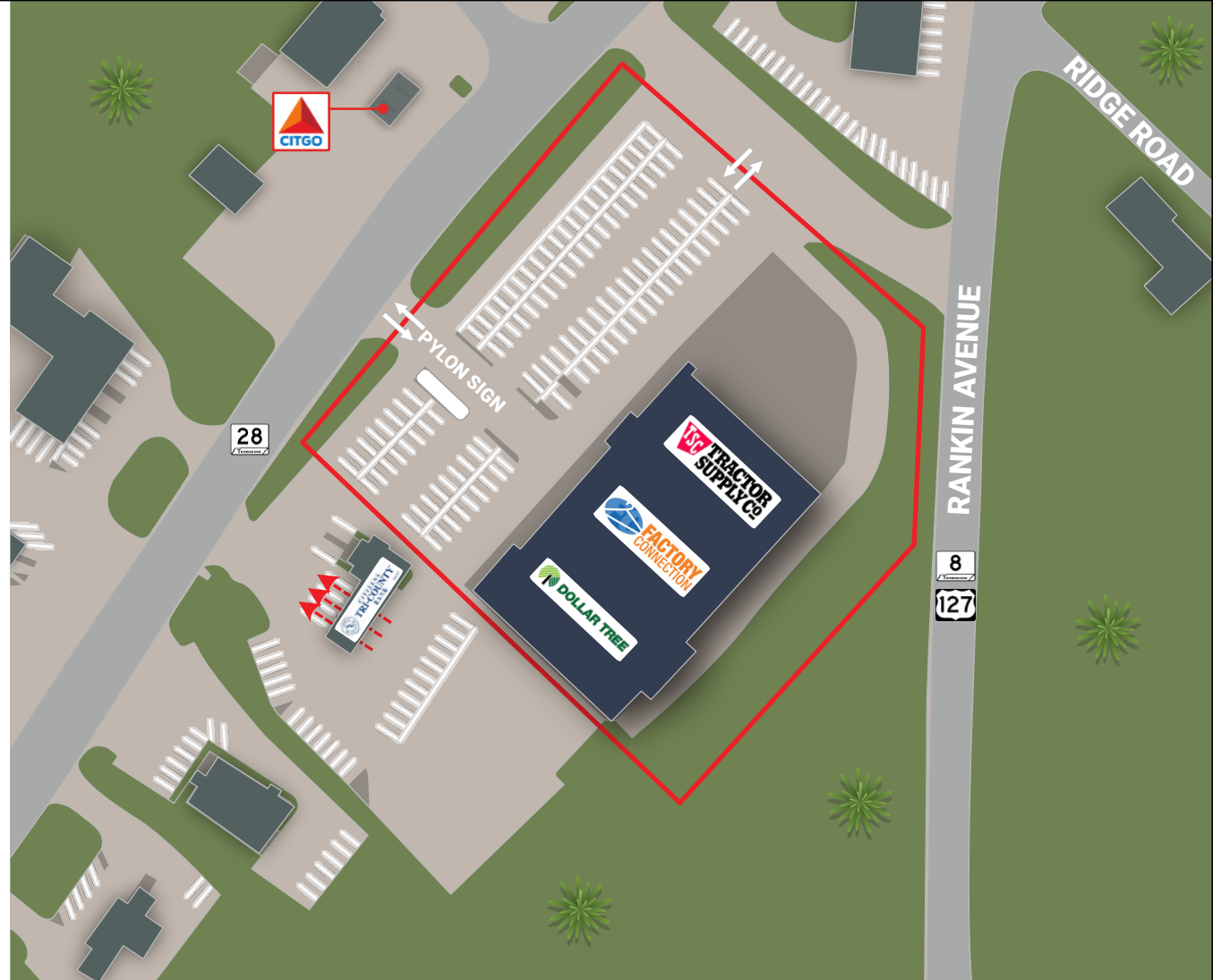
LAND AREA

NEIGHBORING RETAILERS

Citgo	Subway
Walgreens	Rent-A-Center
McDonald's	Little Caesars Pizza
Taco Bell	Sonic Drive-In
O'Reilly Auto Parts	AutoZone Auto Parts
Dollar General	Wendy's
Murphy USA	Walmart Supercenter
Hardee's	bp

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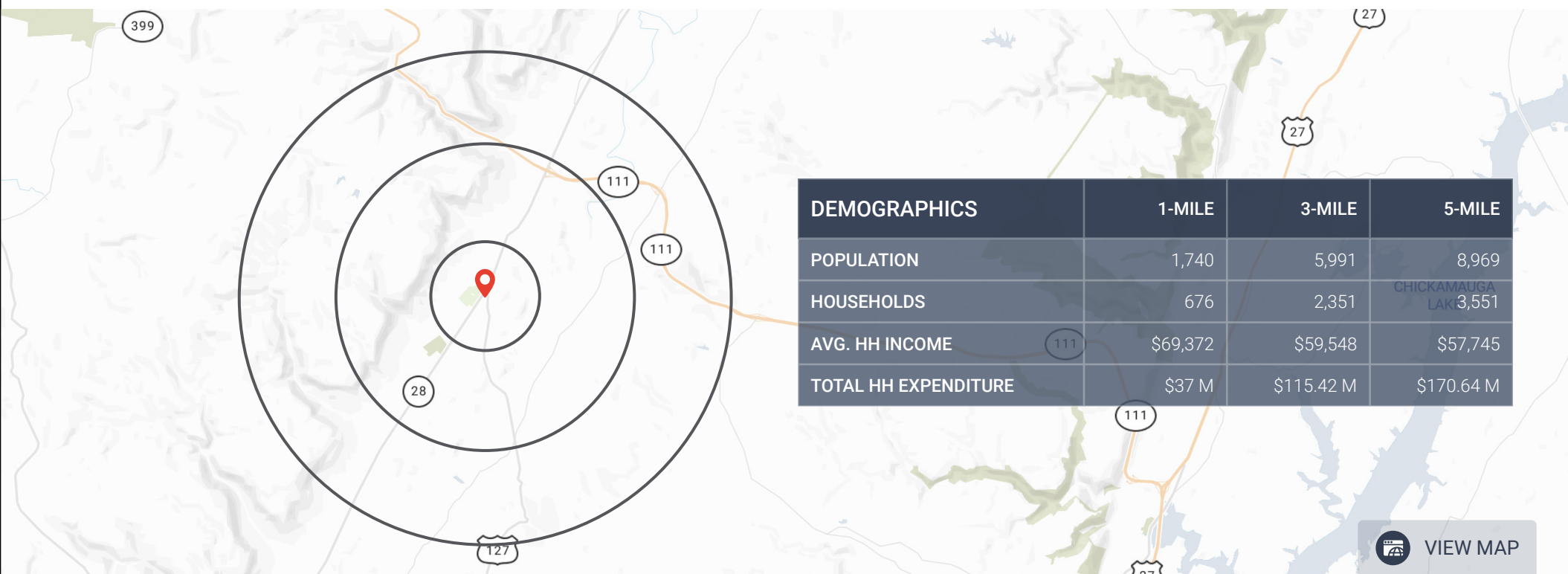
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LOCATION OVERVIEW

TRACTOR SUPPLY, FACTORY CONNECTION, DOLLAR TREE SHOPPING CENTER | DUNLAP, TENNESSEE



ECONOMIC DRIVER'S (# of Employees)

Erlanger Health System (7,013)	McKee Foods Corporation (2,935)	Hamilton County Government (2,000)
Hamilton County Schools (6,578)	City of Chattanooga (2,925)	Cigna Healthcare (1,853)
BlueCross BlueShield of Tennessee (6,048)	Unum Group (2,800)	Amazon.com Services LLC (2,186)
Tennessee Valley Authority (3,404)	Volkswagen Group of America Chattanooga Operations, LLC (2,564)	Raper Corporation (2,000)
CHI Memorial (3,314)	Amazon.com Services LLC (2,186)	Hamilton County Government (2,000)

LOCATION OVERVIEW

TRACTOR SUPPLY, FACTORY CONNECTION, DOLLAR TREE SHOPPING CENTER | DUNLAP, TENNESSEE

DUNLAP TENNESSEE



5,120
POPULATION



\$48,208
MEDIAN HOUSEHOLD INCOME

Dunlap is a city in and the county seat of Sequatchie County, Tennessee. Dunlap is part of the Chattanooga, TN–GA Metropolitan Statistical Area and is located in southeast Tennessee at the Georgia border, along I-75 and 110 miles north of

With its scenic beauty, stable population and economy, civic vitality and cross-sector partnerships, fiscal integrity, and strategic location, Chattanooga is known as *one of the most progressive and livable mid-size cities in the U.S.*

Atlanta. Dunlap is located 23 miles from **Chattanooga**, the 4th largest city in Tennessee. The colorfully named Chattanooga is a transportation and historic gateway to the Deep South. An ambitious downtown redevelopment initiative, just completed with public and private support, has brought a lot of life back into the downtown area, both as a commercial and recreation destination. Attractions such as the Tennessee Aquarium, Lookout Mountain, Civil War battlefield sites, the

African American Museum, and the Appalachian Trail bring thousands of people to the area, as do events like the Riverbend Festival, Bessie Smith Strut, Fall Color Cruise, the Creative Discovery Museum for children, and the Southern Writers Conference. Chattanooga is the home of NCAA Division I-AA national football championships and hosts the national softball championships every year. The local economy includes a diversified mix of manufacturing and service industries, four colleges, and several preparatory schools known throughout the South. With its scenic beauty, stable population and economy, civic vitality and cross-sector partnerships, fiscal integrity, and strategic location, Chattanooga is known as one of the most progressive and livable mid-size cities in the U.S.

SCENIC CITY

CHATTANOOGA'S OFFICIAL NICKNAME IS "SCENIC CITY", ALLUDING TO THE SURROUNDING BY MOUNTAINS AND RIDGES.

HOME

CHATTANOOGA IS HOME TO THE UNIVERSITY OF TENNESSEE AT CHATTANOOGA AND CHATTANOOGA STATE COMMUNITY COLLEGE.

CHATTANOOGA RANKED AMONG THE BEST 100 PLACES TO LIVE IN AMERICA

Dave Flessner, March 5, 2019 (Chattanooga Times Free Press)

"Gig City's got it going on," the editors of Livability said about Chattanooga. "The city ranks high in infrastructure and housing, thanks in part to its easy access to other cities (under two hours you can be in Atlanta, Nashville and Knoxville) and affordability."

Affordability ranked highest in the survey of 1,000 millennials across the country when Livability.com asked what mattered most in deciding where to

"The city is also quickly becoming a destination for tech companies and entrepreneurs — truly, the sense of opportunity and growth in Chattanooga right now is palpable,"

live.

As a result, Livability didn't include any city on the top 100 Best Places to Live list with a median home value of more than \$250,000. Chattanooga's median home price among single-family homes sold last year by Chattanooga Realtors was \$187,000, up 6.9 percent from the previous year.

Chattanooga also ranked favorably for its economy, although it got poorer ranks for health and education. Metro Chattanooga ended 2018 with an unemployment rate of 3.1 percent, well below the U.S. rate of 3.9 percent. The city is also trying to promote more business startups with the biggest business incubator in Tennessee on the North Shore and the biggest Innovation District in the downtown area for any U.S. mid-size city.



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15 THINGS WE LOVE ABOUT CHATTANOOGA

Michelle Darrisaw (Southern Living)

When the wanderlust kicks in, an outdoor oasis awaits you in the South's Scenic City.

One glimpse of the skyline and natural wonder enveloping Chattanooga, Tennessee, and it's almost hard to believe this was the city broadcast journalist Walter Cronkite once famously observed as the "dirtiest city in America" in 1969. Well, thanks to a major renaissance in 1992 and the popularity of the historic hotel and hit song, "Chattanooga Choo-Choo," the burgeoning Scenic City is

Strategically nestled between the excitement of city life and outdoor recreation, *Chattanooga is perfectly positioned on the Georgia-Tennessee border for both residents and transients alike to enjoy.*

anything but besmirched today.

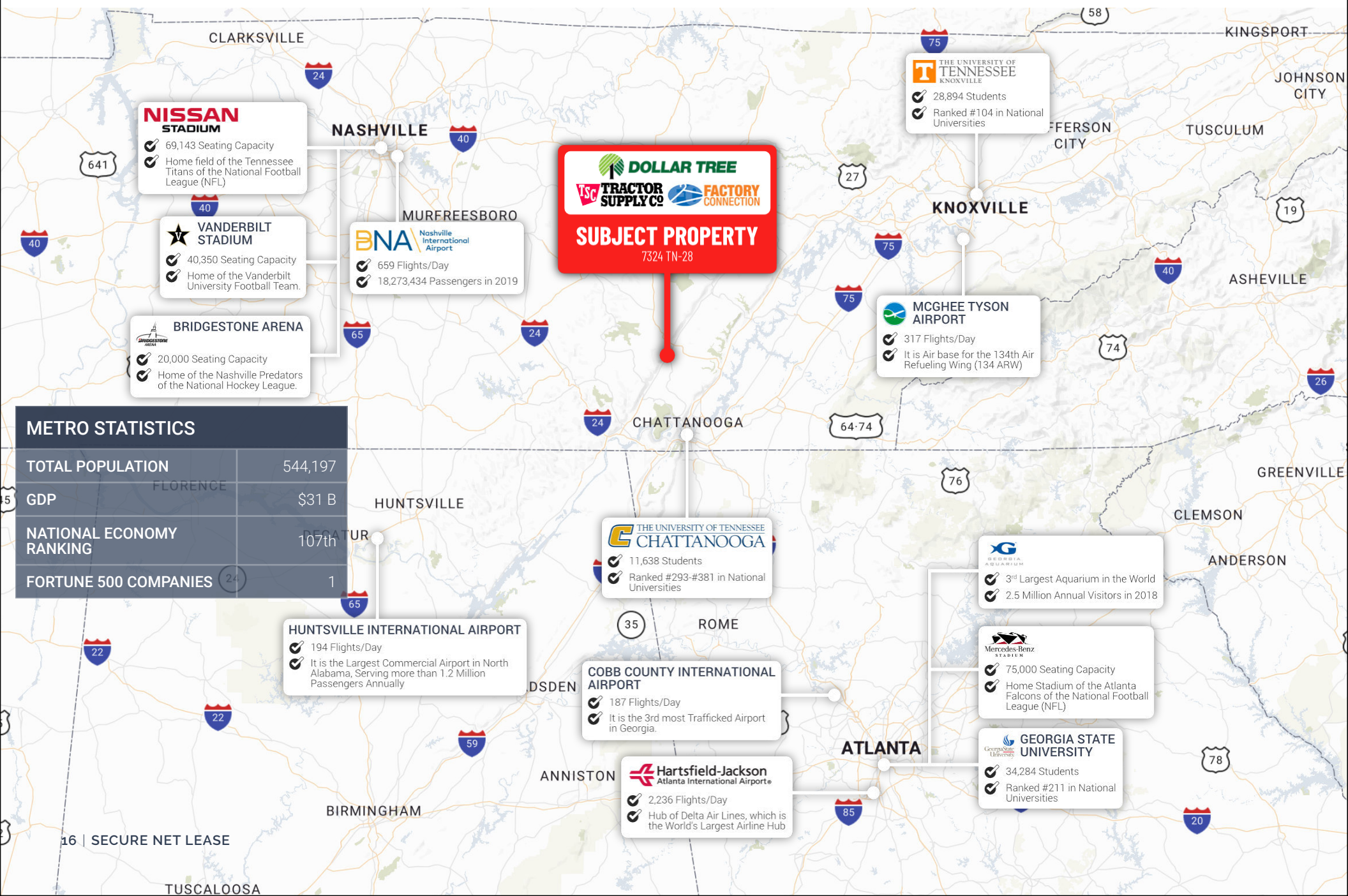
Yet even with a flourishing arts, dining, and active scene, somehow the twin music cities of Memphis and Nashville are still the top two places that come to mind when most people think of Tennessee. Hopefully, this definitive list of everything we've come to love about Chattanooga (and you will, too!) will shine a necessary spotlight on the unsung hero of the southeast.



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CHATTANOOGA, TN-GA METROPOLITAN STATISTICAL AREA

TRACTOR SUPPLY, FACTORY CONNECTION, DOLLAR TREE SHOPPING CENTER | DUNLAP, TENNESSEE



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