

**FAMILY DOLLAR - DOLLAR TREE
NET LEASE INVESTMENT OPPORTUNITY
7% CAP RATE | PIKEVILLE, TN**

Actual Store



OFFERING MEMORANDUM

FAMILY DOLLAR - DOLLAR TREE NET LEASE INVESTMENT | 7% CAP RATE

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EXECUTIVE SUMMARY

3499 MAIN STREET, PIKEVILLE, TN 37367

INVESTMENT OFFERING

This Family Dollar - Dollar Tree, located in Pikeville, Tennessee, is one of the first combined prototype concept stores in the U.S. It is a larger store format – a former Fred's discount store that underwent extensive renovation and opened for business in October of 2020. The Tenant invested well over \$350,000 in interior renovation that included painting, new ceiling, new lighting, all new millwork and hardware, replacement of the tile floor with polished concrete, new interior & front entry doors, and new bathrooms. The Landlord invested an additional \$60,000+ in exterior renovations including replacement of 3 of 4 HVAC units, painting, new signage, and resealing and restriping of the parking lot. Since the October 2020 opening, the Landlord has received unofficial reports of well-above average store sales volume.

Pikeville and the surrounding area are known for the beautiful waterfalls and nationally recognized golf courses. It is surrounded by Chattanooga, Knoxville and Nashville. The newly renovated ±16,447 SF store sits on a large ±1.1 acre parcel in Pikeville's central business district. Nearby national retailers include AutoZone, Dollar General, Save-A-Lot, Piggly Wiggly and McDonald's. The population within a 5-mile radius is 4,283 with an average household income of \$52,004.

The combined branding of Family Dollar and Dollar Tree enables customers to purchase the favored merchandise of both concepts, along with wider aisles, providing an enhanced shopping experience. This essential business offers a 7+ year NN lease with 5 five-year renewal periods, each with a \$0.50/SF rent increase. Landlord responsibilities include roof, structure, and parking lot - as well as base year amount for city & county taxes and liability & property insurance. The Tenant is responsible for all other maintenance including HVAC, taxes over base year amount and liability insurance.

This new concept offering is well-positioned for long-term success with a strong corporate guarantee by Dollar Tree. Additionally, this Family Dollar-Dollar Tree offers the investor an attractive 7% cap rate, well above most properties of comparable quality.

INVESTMENT HIGHLIGHTS

- One of first combined Family Dollar-Dollar Tree prototype concept stores in US
- Well over \$400,000 spent to totally renovate this former Fred's discount store
- Essential business located in main retail/business center of Pikeville with unofficial store sales exceeding expectations
- Many national retailers located nearby as well as renown golfing and nature attractions
- Investor security of a newly renovated store with a 7+ years NN lease term and 5 five-year options
- Strong Dollar Tree corporate guarantee and an attractive 7% cap rate

OVERVIEW

County:	Bledsoe
Price:	\$1,064,000
Cap Rate:	7%
NOI:	\$74,517
Price/SF:	\$64.69
Rent/SF:	\$5.25
Building Size:	±16,447 SF
Site Size:	1.10 Acres
Year Built:	2016
Year Rennovated:	2020
Type of Owership:	Fee Simple
Tenant Name:	Family Dollar - Dollar Tree
Lease Commencement:	10/22/2020
Lease Expiration:	02/29/2028
Renewal Options:	Five 5-year
Rent Inceases:	\$0.50/SF in each option
Guarantor:	Family Dollar Stores of Tennessee, Inc.
Landlord Responsibilities:	Maintenance of roof, structure and parking lot, base year taxes and liability & property insurance
Tenant Responsibilities:	All other maintenance including HVAC, taxes over base year amount and liability insurance
Tenant ROFR:	10 business days

RENT SCHEDULE

TERM	DATES	MONTHLY RENT	GROSS NOI	ADJUSTED NOI <small>(Reflects current LL contribution to taxes and insurance)</small>	INCREASE
Initial	10/22/20 - 2/29/28	\$7,195	\$86,346	\$74,517	-
Option 1	3/1/28 - 2/28/33	\$7,880	\$94,570	\$82,741	\$0.50/SF
Option 2	3/1/33 - 2/28/38	\$8,566	\$102,793	\$90,964	\$0.50/SF
Option 3	3/1/38 - 2/29/43	\$9,936	\$111,017	\$99,188	\$0.50/SF
Option 4	3/1/43 - 2/29/48	\$9,936	\$119,240	\$107,411	\$0.50/SF
Option 5	3/1/48 - 2/28/53	\$10,622	\$127,464	\$155,635	\$0.50/SF



\$1,064,000
Price



7%
Cap rate



± 7 Years
Term Remaining



Net Net +
Lease Type



Actual Store



RECENT RENOVATIONS

Family Dollar and Dollar Tree are recognized essential discount retailers with over 15,300 stores, currently in 48 states. They have embarked on a new prototype concept in less suburban locations to bring their most popular items from both concepts to a single store. This format enables them to offer a wider range of merchandise and utilize a larger store format, allowing for wider aisles and an enhanced shopping experience. The Pikeville Family Dollar-Dollar Tree store has undergone extensive renovation to introduce this new concept, one of only a few thus far in the Dollar Tree family, with more planned. A summary of renovations includes:

INTERIOR RENOVATIONS

- Replacement of the ceiling and new lighting
- Removal of tile floors and polishing of concrete floors
- All sheetrock replaced along with new millwork and painting
- All interior and entry doors replaced with new hardware
- Bathrooms gutted and redone
- TOTAL COST PAID BY TENANT: \$350,000+

EXTERIOR RENOVATIONS

- Replacement of 3 HVAC units
- New building signage
- Exterior painting
- Resealing and restriping of parking lot
- TOTAL COST PAID BY LANDLORD: \$60,000+



Signage of Actual Store

AREA OVERVIEW



ABOUT THE AREA

PIKEVILLE, TN

Pikeville, TN, located in Bledsoe county, is strategically located between Chattanooga, Nashville, and Knoxville with easy access because of the multiple highways that connect the cities. Established in 1860, Pikeville is a beautiful and unique place to live and work. The country lifestyle that brought the early pioneers still attracts new residents today. The people of Pikeville honor their past heritage but also has a community who has a vision for their future. Multigenerational farms thrive and have some of the finest horses and cattle in Tennessee.

Residents and visitors come to Pikeville not only for the rural atmosphere but for also the fully-accredited schools, spectacular scenery, fishing, horseback riding and to play at a top 25 golf course in the United States. Fall Creek Falls State Park has the highest waterfall in the eastern United States situated at 265 FT. The park was also named the best state park in Southeastern United States by Southern Living Magazine. Downtown Pikeville was recently revitalized and includes historic buildings, shopping, elegant restaurants and a farmers market. Pikeville, TN is not only a great place to raise children but to also start or relocate a business.



DEMOGRAPHICS (5-MILE)

POPULATION



4,283

AVERAGE INCOME



\$52,004

MEDIAN AGE



40.1

EMPLOYMENT RATE



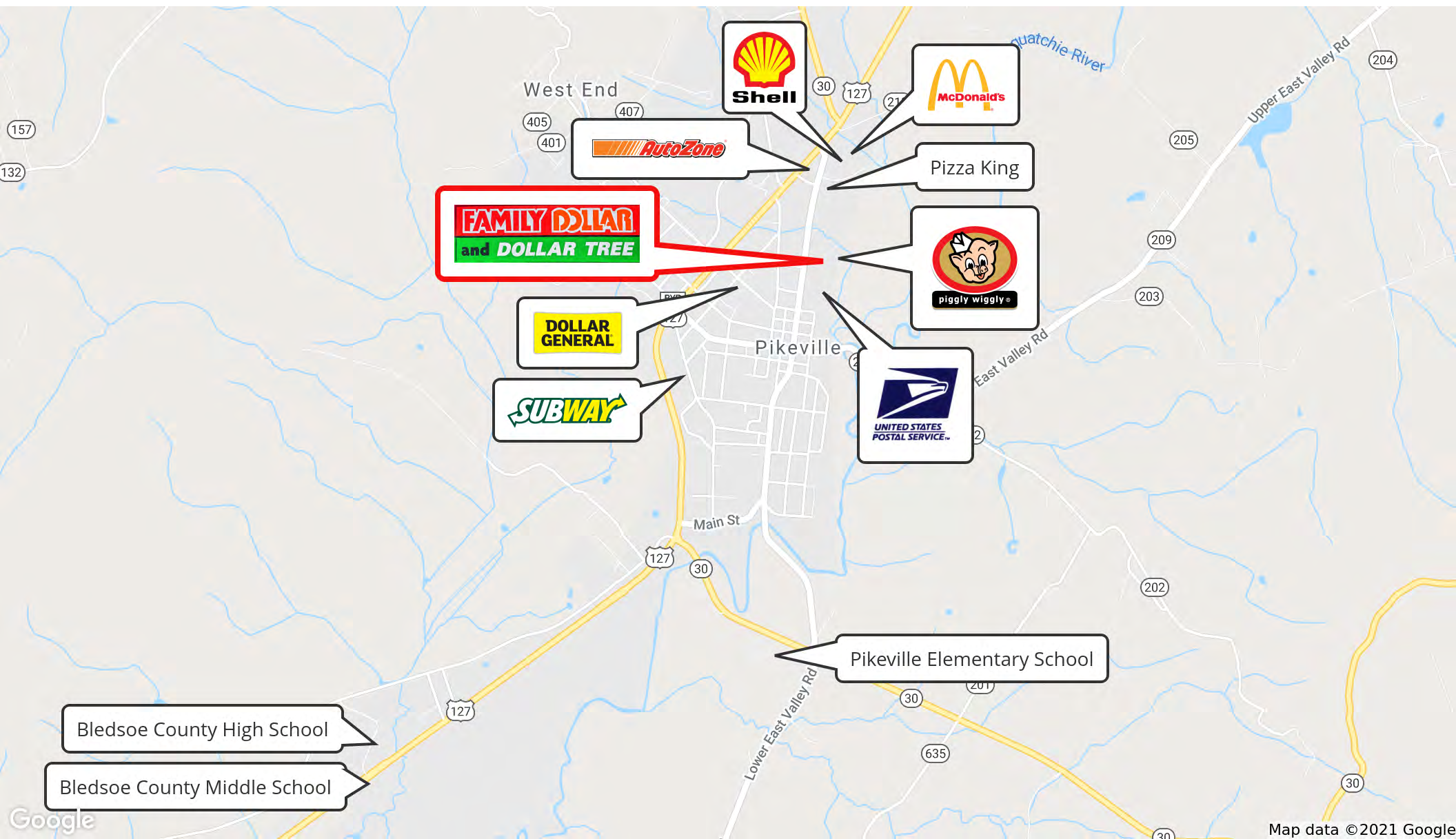
93.3%

MED. HOME PRICE



\$120,787

RETAILER MAP



AREA LOCATION



TENANT PROFILE



Dollar Tree, Inc., which has a BBB- rating with Standard and Poor's, caters to a "soccer mom" demographic in primarily urban and suburban areas. They operate the Dollar Tree brand separately from Family Dollar, which they acquired in July 2015, and offer items for \$1. They carry many similar items as Family Dollar, but tend to focus more on gift, party and other non-essential, convenience items.

Dollar Tree, a Fortune 200 Company operates over 15,300 stores across 48 states and five Canadian provinces and employs over 193,100 employees. Stores operate under the brands of Dollar Tree, Family Dollar, and Dollar Tree Canada. The combination of Family Dollar and Dollar Tree creates the largest dollar store chain in North America and generates significant efficiencies in sourcing and procurement, SG&A leverage, distribution and logistics efficiency and through format optimization.

For more information, please visit www.DollarTree.com



Family Dollar Stores, Inc., acquired by Dollar Tree (NASDAQ:DLTR) in 2015, operates over 8,200 "small box" discount retail stores throughout the United States. The company was founded in 1959 in Matthews, North Carolina. When Family Dollar was acquired by Dollar Tree in 2015, its headquarters was relocated to Chesapeake, VA. It is one of the fastest growing retailers in the country today.

Their mission is to be a compelling, convenient, value driven store for customers. Family Dollar offers a variety of household consumables, health and beauty aids, automotive supplies, pet food, home products, clothing, electronics, toys, school supplies, and food items at everyday low prices, supplemented by seasonal merchandise at the same low prices.

Family Dollar emphasizes small-format, neighborhood stores near low to middle-income customers in rural and urban areas with stores ranging from 6,000 to 10,000 SF. Most of its merchandise costs less than \$10 and consists of national brands, private labels and unbranded product lines.

For more information, please visit www.FamilyDollar.com



CONTACT INFORMATION



Fall Creek Falls State Park

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BROKER PROFILE

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PROFESSIONAL BACKGROUND

Nancy Miller joined Bull Realty in 2001. Her brokerage practice focuses on single tenant net lease and multi-tenant retail investment properties. Nancy is a partner with the firm and heads the National Net Lease Investment Group. Her focus includes working with investors, 1031 exchange transactions and developers throughout the US. She is an industry recognized savvy and knowledgeable investment expert. In the last 5+ years, she has brokered over 125 single tenant transactions. Nancy also publishes an electronic investor newsletter, and participates in a quarterly national retail industry survey done by Morgan Stanley. Periodically, Nancy contributes to Bull Realty's retail blogs appears on the Commercial Real Estate Show, a national weekly commercial real estate radio show hosted and produced in Atlanta by Michael Bull, Bull Realty's founder and President.

Nancy has held a real estate license for over 25 years and is licensed in several states. She is a Life Member of the Atlanta Commercial Board of Realtors and a member of the International Council of Shopping Centers (ICSC). She also holds the prestigious CCIM designation and has a Bachelor of Arts degree from Tulane University and an MBA from Emory University's Goizueta Business School, where she is a guest lecturer.

Bull Realty is a commercial real estate sales, leasing, and advisory firm licensed in nine Southeast states headquartered in Atlanta. The firm was founded in 1998 on two primary missions: to provide a company of advisors known for integrity and to provide the best disposition marketing in the nation. Still guided by these philosophies, the firm's services have expanded to include disposition, acquisition, project leasing, tenant representation and consulting services. To add additional value and efficiency for clients, advisors focus on specific sectors and services in the office, retail, industrial, multifamily, land, healthcare, senior housing, self-storage, hospitality and single tenant net lease sectors.

The firm produces America's Commercial Real Estate Show, a national video show and podcast enjoyed by millions of people around the country. Industry analysts, leading market participants and the firm's founder Michael Bull share market intelligence, forecasts and success strategies. The show has aired every week since 2010 on Apple Podcast, all major podcast sites, YouTube and www.CREshow.com.



DISCLAIMER

Bull Realty has been retained as the exclusive listing broker to arrange the sale of the Subject Property.

This Offering Memorandum contains selected information pertaining to the Property but does not purport to be all-inclusive or to contain all of the information that a prospective purchaser may require. All financial projections are provided for general reference purposes only and are based upon assumptions relating to the general economy, competition and other factors, which therefore, are subject to material change or variation. Prospective purchasers may not rely upon the financial projections, as they are illustrative only. An opportunity to inspect the Property will be made available to qualified prospective purchasers.

In this Offering Memorandum, certain documents, including financial information, are described in summary form and do not purport to be complete or accurate descriptions of the full agreements involved, nor do they constitute a legal analysis of such documents. Interested parties are expected to review independently all documents.

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