

OFFERING MEMORANDUM

ACTUAL SITE

\$10,076,000 | 6.00% CAP RATE

- » Long-Term Absolute NNN Lease to Investment-Grade Credit Tenant | NYSE: "KSS"
 - » Kohl's is Rated "BBB-" by S&P and "Baa2" by Moody's
 - » Over 1,100 Stores in 49 States | Annual Revenue \$15.96 Billion
 - » This Kohl's Selected for the New Sephora In-Store Concept
- » Prominent High-Traffic Location in Major Knoxville Retail Corridor
 - » Located Near the Signalized Intersection of Washington Pike and North Mall Road (50,490 AADT)
 - » Projected Population and Income Increase Within 5-, 10-, and 15-Mile Radii Over the Next Five Years
- » Central Location Near Large Knoxville Employers and Community Hubs
 - » Across From Harvest Park Shopping Center, the Most Dominant Power Center on Knoxville's East Side
 - » Walking Distance From New Amazon Delivery Station (Opening 2022, 1,500 Projected New Jobs)

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DISCLAIMER

Cushman & Wakefield ("Broker") has been retained on an exclusive basis to market the property described herein ("Property"). Broker has been authorized by the Seller of the Property ("Seller") to prepare and distribute the enclosed information ("Material") for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

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Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

INVESTMENT SUMMARY

ADDRESS	5312 Washington Pike, Knoxville, TN 37918		
PRICE	10,076,000		
CAP RATE	6.00%		
NOI	\$604,504		
TERM	10+ years		
RENT COMMENCEMENT	March 16, 1998		
LEASE EXPIRATION	January 31, 2033		
RENTAL INCREASES	Rental increases every five (5) years		
	YEAR	RENT*	RETURN
	2/1/23 - 1/31/28	\$604,504	6.00%
	2/1/28 - 1/31/33	\$637,953	6.33%
	2/1/33 - 1/31/38 (option 1)	\$758,298	7.53%
	2/1/38 - 1/31/43 (option 2)	\$764,613	7.59%
	2/1/43 - 1/31/48 (option 3)	\$771,935	7.66%
	2/1/48 - 1/31/53 (option 4)	\$780,422	7.75%
YEAR BUILT	1997		
BUILDING SF	86,900 SF		
PARCEL SIZE	32.655 acres (1,422,444 SF)		
LEASE TYPE	Absolute NNN, with tenant responsible for all taxes, insurance, and maintenance, including roof, structural maintenance, and parking lot		

* Includes cell tower base rent of \$29,504/year with 3% annual rental increases.

LONG-TERM ABSOLUTE NNN LEASE TO INVESTMENT GRADE TENANT

- » Long-term absolute NNN lease to Kohl's (NYSE: "KSS"), a leading omni-channel retailer with more than 1,100 stores in 49 states
- » Listed on both the S&P 500 and the Fortune 500
- » Investment grade tenant, rated "BBB-" by S&P and "Baa2" by Moody's
- » Sephora will be opening stores inside of Kohl's in over 400 locations nationwide including the subject property
- » Among the largest department store chains in the U.S. (annual revenue of \$15.96 billion)
- » Absolute NNN lease requires no landlord management, ideal for an out-of-area investor
- » Recent lease extension, demonstrating tenant's commitment to the location
- » Large 32.655-acre parcel with ample parking

PROMINENT HIGH-TRAFFIC LOCATION IN MAJOR KNOXVILLE RETAIL CORRIDOR

- » Located near the signalized intersection of Washington Pike and North Mall Road, with access to 50,490 vehicles per day at the intersection
- » Convenient access to Interstate 640 (72,948 AADT), significantly increasing traffic in the area
- » Population of 107,775 within a five-mile radius of the property (eight percent increase since 2010)
- » Projected population and income increase within 5-, 10-, and 15-mile radii over the next five years, poising Kohl's and Knoxville for steady concurrent growth
- » Only Kohl's within a 20-minute drive of the site, providing limited competition and excellent market share potential

CENTRAL LOCATION NEAR LARGE KNOXVILLE EMPLOYERS AND COMMUNITY HUBS

- » Across from Harvest Park Shopping Center, the most dominant power center on Knoxville's east side (160,000 SF), which features national tenants such as Target, Ross, Marshalls, and many others
- » Walking distance from new Amazon Delivery Station (opening 2022, 1,500 projected new jobs)
- » 3.5 miles from the Knoxville Zoo (585,000+ visitors in 2021)
- » Eight miles from Downtown Knoxville, the city's central business district (population 190,740)
- » Nine miles from the University of Tennessee (31,701 students, \$1.52 billion annual economic impact)

ACTUAL SITE





amazon.com
DELIVERY STATION
(1,500 employees)



Interstate 640
(72,948 AADT)

North Mall Road
(36,440 AADT)

Washington Pike
(14,050 AADT)



Harvest Park Shopping Center



Triple-S Steel Supply

JOANN

TARGET

Marshalls

ROSS
DRESS FOR LESS

OLD NAVY

DOLLAR TREE

at&t

MATTRESSFIRM

Washington Pike
(14,050 AADT)

Washington Pike
(14,050 AADT)

HONEYBAKED
The world's best ham

North Mall Road
(36,440 AADT)

KOHL'S

Interstate 640
(72,948 AADT)



DOWNTOWN KNOXVILLE
(8 miles)

Zoo Knoxville
(585,000+ visitors in 2021)

PEP BOYS

Little Caesars

THE HOME DEPOT

640

Interstate 640
(72,948 AADT)

North Mall Road
(36,440 AADT)

HONEYBAKED
.....
The world's best ham

MATTRESS FIRM

Harvest Park Shopping Center

 **DOLLAR TREE**

OLD NAVY

ROSS
DRESS FOR LESS
Marshalls

 **TARGET**

JOANN

 **at&t**

SHOE CARNIVAL

Washington Pike
(14,050 AADT)

JOANN

TARGET

Marshalls

ROSS
DRESS FOR LESS

OLD NAVY



at&t

DOLLAR TREE

Washington Pike
(14,050 AADT)

North Mall Road
(36,440 AADT)

HONEYBAKED
The world's best ham

KOHL'S

SITE PLAN



TENANT SUMMARY



Kohl's (NYSE: "KSS") is a leading omnichannel retailer with more than 1,100 stores in 49 states. The company operates specialty department stores in the United States, selling apparel, footwear, accessories, and home products. In addition to the company's strong portfolio of proprietary brands, Kohl's stores offer a deep assortment of top national brands, including Nike, Levis, Under Armour, Carter's, Dockers, KitchenAid, FitBit, NutriBullet, and more.

With a commitment to inspiring and empowering families to lead fulfilled lives, Kohl's offers amazing national and exclusive brands, incredible savings, and an easy shopping experience in stores, online at Kohls.com, and on the Kohl's mobile app. Since its founding, Kohl's has given more than \$750 million to support communities nationwide, with a focus on family health and wellness. The company is listed on both the S&P 500 and the Fortune 500. Kohl's is rated "BBB-" by Standard and Poor's and "Baa2" by Moody's.

For more information, please visit www.kohls.com.

TICKER	NYSE: "KSS"	# OF LOCATIONS	1,100+
REVENUE	\$15.96B	EMPLOYEES	110,000+

LEASE ABSTRACT

TENANT	Kohl's Department Stores, Inc.	
ADDRESS	5312 Washington Pike, Knoxville, TN 37918	
RENT COMMENCEMENT	March 16, 1998	
LEASE EXPIRATION	January 31, 2033	
RENEWAL OPTIONS	Four (4) options of five (5) years each	
RENTAL INCREASES	YEAR 2/1/23 - 1/31/28 2/1/28 - 1/31/33 2/1/33 - 1/31/38 (option 1) 2/1/38 - 1/31/43 (option 2) 2/1/43 - 1/31/48 (option 3) 2/1/48 - 1/31/53 (option 4)	RENT \$575,000 \$603,750 \$718,647 \$718,647 \$718,647 \$718,647
REAL ESTATE TAXES	Tenant shall pay all real estate taxes directly.	
INSURANCE	Tenant is responsible for all insurance costs for the premises.	
REPAIR & MAINTENANCE	Tenant shall, at its sole expense, keep the Building in good condition and repair and shall be responsible for all maintenance and repairs.	
MAINTENANCE BY LANDLORD	None	
RIGHT OF FIRST REFUSAL	None	

PROPERTY OVERVIEW

LOCATION

This Kohl's is located near the signalized intersection of Washington Pike and North Mall Road, with access to 50,490 vehicles per day at the intersection. The site offers convenient access to Interstate 640 (72,948 AADT), significantly increasing traffic in the area. The property is located in a populous area with 217,468 residents living within a five-mile radius (13 percent increase since 2010), and with projected population and income increases within 5-, 10-, and 15-mile radii over the next five years, Kohl's and Knoxville are poised for steady concurrent growth. The location also serves as the only Kohl's within a 20-minute drive of the site, providing limited competition and excellent market share potential.

The property is centrally located near large Knoxville employers and community hubs. The site is across from Harvest Park Shopping Center, the most dominant power center on Knoxville's east side (160,000 SF), and which is anchored by Target and Ross. The location is walking distance from a new Amazon Delivery Station (opening 2022, 1,500 projected new jobs) and 3.5 miles from the Knoxville Zoo (585,000+ visitors in 2021). This Kohl's is also just eight miles from Downtown Knoxville, the city's central business district (population 190,740) and nine miles from the University of Tennessee, which features 31,701 students and generates approximately \$1.5 billion in annual economic impact.

ACCESS

Access from Washington Pike and North Mall Road

TRAFFIC COUNTS

Washington Pike:	14,050 AADT
North Mall Road:	36,440 AADT
Interstate 640	72,948 AADT

PARKING

506 parking stalls, including 12 handicap stalls

YEAR BUILT

1997

NEAREST AIRPORT

McGhee Tyson Airport (TYS | 20 miles)

ACTUAL SITE



506
PARKING
STALLS



50K
TRAFFIC
COUNT (AADT)



**NEAREST
AIRPORT**
MCGHEE TYSON
AIRPORT

AREA OVERVIEW

Knoxville is a city in, and the county seat of, Knox County, Tennessee located approximately 50 miles west of the North Carolina state line. Knoxville's 2020 population was 190,740 according to the official United States Census Bureau. Knox County is in Eastern Tennessee at the headwaters of the Tennessee River and is the third-most populous county in the State of Tennessee with 478,971 people. Knox County has a history of being a regional leader in economic activity. Knox County is home to the U.S. Department of Energy and Covenant Health, which are major employers in the area. The County's primary occupations are in educational services, health care, hospitality, and retail trade sectors. The University of Tennessee, Tennessee Valley Authority, and the Oak Ridge National Laboratory help to provide a stable, secure employment base. The County is served by 250 trucking companies, three railroads, five airlines, and three local river terminals that provide direct links to the Great Lakes and the Gulf of Mexico.

Knox County is part of the Knoxville Metropolitan Statistical Area (MSA). Due to its central location in eastern United States, the County metropolitan area serves thousands of industrial and commercial customers in a concentrated eight-state area. Nearly half of the nation's population is within a day's drive of Knoxville. Four regional shopping malls and over 200 shopping centers and factory outlets meet the retail needs of Knox County citizens and visitors. The 2020 retail sales in the MSA grossed over \$16.6 billion, with approximately 65% of that total generated in Knox County. For many years Knox County has been known as one of the South's leading wholesale markets. The area is the trade center for a 42-county region, located in East Tennessee, Kentucky, Virginia, and North Carolina, serving over two million people. It also is the cultural, tourist, and professional center for this region. The MSA includes more than 909 manufacturing firms, which produce a large variety of items including, medical devices, electronic components, chemicals, manufactured housing, apparel, and automobile parts. The Knoxville area is also home to many medium-sized manufacturing and distribution operations as well as customer service centers. The Knoxville area boasts a strong and reliable workforce combined with an excellent location at the intersections of Interstates 40, 75, and 81, which makes Knox County a great location for most businesses. The area is also gaining a reputation as a prime location for corporate headquarters. High-profile companies headquartered in the MSA include the Tennessee Valley Authority, Jewelry Television, AC Entertainment, DeRoyal Industries, PetSafe/Radio Systems Corporation, and Regal Entertainment.

- » Knoxville ranks among the nation's best places to live, raise a family, and own a business. It was ranked 14th "Least Expensive City" by *Yahoo Finance* in 2019, second in *Yahoo's* "10 Coolest Cities with the Lowest Cost of Living" in 2021, and seventh in U-Haul's "Top 25 Growth Cities" for 2020.
- » Four two-year colleges and 10 four-year universities are located in Knox County and the surrounding area. The University of Tennessee was ranked 52nd among the nation's top public schools in 2021 by *U.S. News and World Report*.
- » The Knoxville MSA ranks as one of the top southeastern urban areas with an index of 83.7 compared to the average of all participating cities of 100.
- » In 2021, the Knoxville MSA ranked 64 amongst the top MSAs nationally. The Knoxville MSA ranks comparably to the Nashville MSA which ranked number 4 in the country.

LARGEST EMPLOYERS IN KNOX COUNTY, TN

OF EMPLOYEES

U.S. DEPARTMENT OF ENERGY, OAK RIDGE OPERATIONS	17,079
COVENANT HEALTH	11,060
KNOX COUNTY PUBLIC SCHOOLS	9,519
THE UNIVERSITY OF TENNESSEE	8,959
WALMART STORES	6,863
UNIVERSITY HEALTH SYSTEM	5,137
K-V-A-T FOOD STORES	4,634
THE DOLLYWOOD COMPANY	4,500
CLAYTON HOMES	4,262
DENSO MANUFACTURING	4,200



DEMOGRAPHIC PROFILE

2021 SUMMARY

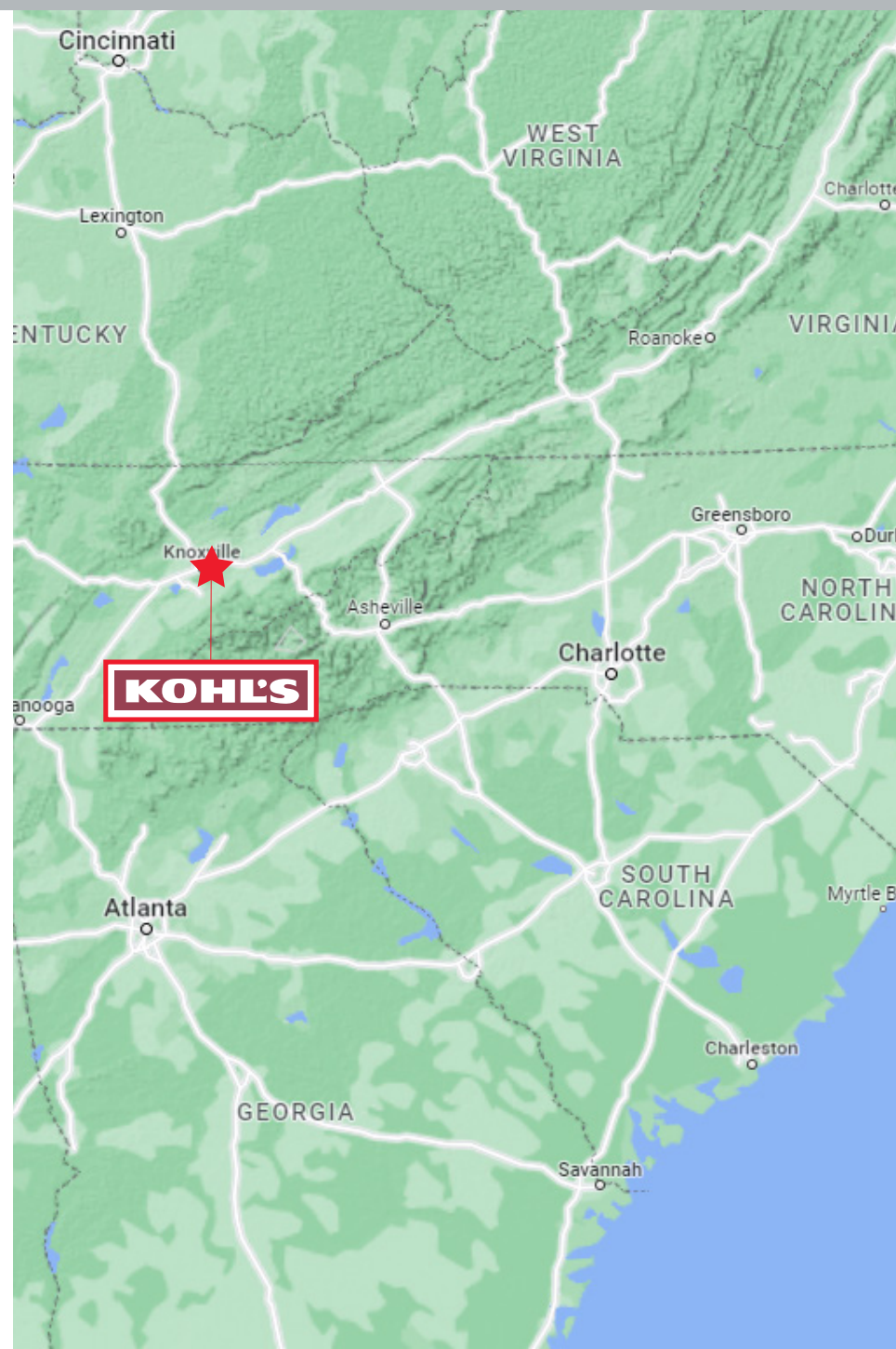
	1 Mile	3 Miles	5 Miles
Population	3,126	39,851	107,775
Households	1,476	17,580	46,738
Families	776	10,151	26,202
Average Household Size	2.12	2.24	2.26
Owner Occupied Housing Units	709	11,687	28,138
Renter Occupied Housing Units	767	5,893	18,599
Median Age	38.9	42.2	41.1
Average Household Income	\$53,243	\$65,571	\$60,908

2026 ESTIMATE

	1 Mile	3 Miles	5 Miles
Population	3,421	41,501	111,744
Households	1,613	18,304	48,515
Families	843	10,498	26,951
Average Household Size	2.12	2.24	2.25
Owner Occupied Housing Units	783	12,389	29,768
Renter Occupied Housing Units	831	5,915	18,747
Median Age	39.6	42.9	42.0
Average Household Income	\$59,595	\$74,204	\$69,373



**POPULATION OF 107,775
WITHIN FIVE MILES**



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