

Investment Offering Brochure



Food Lion Center
5185 Murfreesboro Road
La Vergne (Nashville), TN



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Food Lion Center

La Vergne (Nashville), TN

Investment Overview

The subject offering is a 7 Tenant, 90% occupied retail center anchored by Food Lion (NYSE: DEG, Market CAP: \$7.1 Billion) and Dollar Tree (Nasdaq: DLTR, Market CAP: \$11.1 Billion). In addition to the anchors, other national tenants include Subway (over 41,980 locations worldwide) and H&R Block (NYSE: HRB, Market CAP: \$8.8 Billion). In total 85% of the shopping center is leased to credit tenants. The property is located in La Vergne, TN, a suburb of Nashville. The location is approximately 2.5 miles north of Interstate 24, on Murfreesboro Rd, one of the main north-south arteries in the area with over 25,000 cars per day. With only 7 tenants, this center should provide ease of management and excellent returns to investors, with additional upside obtained through leasing the 1 vacant suite of 4,800 SF. The only completion in the area is a Kroger anchored center, and then a free standing Sav-A-Lot across the street. The Food Lion Center benefits from being on a signaled corner, with the road going to the largest subdivision in the city, and also a huge recreational lake, that is popular with boaters and fishermen. **The property was built in 1996**, and is 4.99 acres.

Current NOI	\$324,690	GLA	47,037
Price	\$3,000,000	Occupied	42,237
CAP	10.82%	Vacant	4,800

Highlights

- Anchored by Food Lion (NYSE: DEG, Market CAP: \$7.1 Billion)
- Co-Anchor - Dollar Tree (Nasdaq: DLTR, Market CAP: \$11.1 Billion)
- 85% of space leased to credit tenants including Subway and H&R Block
- **7 Tenants** = Ease of Management
- Limited grocery competition in the City - Kroger & Sav-A-Lot
- Strong Demographics - Nearly 100,000 people living within 5 miles
- Located on the signaled corner leading to the largest subdivision in the City, and a huge lake
- Located in south of Nashville, the state capitol

Tenants

Food Lion	Delhaize Company; over 1,100 stores in 10 states; 62,000 associates
Dollar Tree	Over 5,000 stores with estimated 2014 sales over \$8 Billion
Subway	Privately held company with almost 42,000 locations worldwide
H&R Block	Over 12,000 locations; Fiscal 2014 Revenues over \$3 Billion
Fortune Express	Local Chinese Restaurant; one of the original tenants; here for 18 Years
A+ Hair Braiding	Just signed a 5 year lease - Rent started September 1, 2014



Area Information

This Food Lion / Dollar Tree center is located in La Vergne, TN, approximately 15 minutes south east of Nashville, the Country Music Capitol of the World, and the state Capitol of Tennessee. The center is located on Murfreesboro Rd (25,828 cars per day) and approximately 2.5 miles north of Interstate 24. There are over 99,000 people within 5 miles of this location with an average household income over \$60,000. Retailers in the immediate area include CVS, Rite Aid, Kroger, McDonald's, Sav-a-Lot and many others. Rutherford County, consistently one of the nation's fastest growing areas, and La Vergne's population has grown at the exponential rate of 350% in the past 20 years. Please see the Area Overview on the next page for more information about La Vergne.

Food Lion Center

La Vergne (Nashville), TN



Area Overview



Nearby 14,000 acre
Percy Priest Lake

Most Affordable
Suburb in TN

One day's drive of
75% of major markets

350% growth past 20 yrs

Nearby to major colleges

Home to many major
company headquarters

La Vergne, TN is the gateway to Rutherford County and neighbor to Nashville, the Country Music Capitol of the World. La Vergne is nestled next to the 14,000-acre Percy Priest Lake, offering outdoor recreation opportunities including fishing, boating, and more. The city is ranked sixth in the state for being business-friendly and as the fourth best place in the state of Tennessee for job seekers. In addition, La Vergne was named as the most affordable suburb of a major metropolitan area in the state (and 21st in the nation) by movoto.com, as well as emerging as fourth in the nation for low utilities and 17th for low property tax rates. There is a lot going for La Vergne, including high marks for schools, numerous top-quality colleges and universities nearby, great shopping throughout the area, and easy access to three major interstates.

Rutherford County, consistently one of the nation's fastest growing areas, is strategically situated within a one-day's drive of 75% of America's major markets. And with the city of La Vergne having the double distinction of being both the gateway to Rutherford County and a mere 15 miles southeast of super-hip Nashville, it is no surprise that La Vergne's population has grown at the exponential rate of 350% in the past 20 years alone. This phenomenal growth is due in part to the accessibility of La Vergne via major interstates. I-24 runs directly through La Vergne, and I-65, I-40, and SR840 are all within 15 miles of the city limits.

A number of colleges and universities are also located within close proximity to La Vergne. This includes Middle Tennessee State University (26,000+ enrollment), Motlow State Community College, Tennessee Technology Center, Vanderbilt University, and other prestigious schools. The community's location, low city property tax and La Vergne's booming industrial activity make it a popular place for international companies. Home to the region's largest industrial park, La Vergne boasts over 50 million square feet of industrial space and is home to company headquarters, large manufacturing companies, and major distribution centers, including:

Largest Employers

<u>Company Name</u>	<u>Number of Employees</u>
Ingram Content Group	1,500
Bridgestone	900
Venture Express	500
Schneider Electric	426
Saks Fifth Avenue	360
Cardinal Health, Inc.	300
Ajax Turner Co.	260
Quality Industries	240
SVP Worldwide	240
Sims Recycling Solutions	200
Parthenon Metal Works	190
Chromalox	150
Trinidad Benham Corp.	126



Food Lion Center

La Vergne (Nashville), TN

Please Note: Lot Lines are approximate



25,828 Cars Per Day

11,385 Cars Per Day



Hair Braiding

Fortune Express

Murfreesboro Rd

Murfreesboro Rd

Storrs Rd

Food Lion Center

La Vergne (Nashville), TN



Food Lion Center

La Vergne (Nashville), TN



Photographs



Food Lion & Dollar Tree - Left Side



Right Side - Movie Gallery Is The Only Vacant Space (4,800 SF)

Food Lion Center

La Vergne (Nashville), TN



Photographs



Food Lion Center

La Vergne (Nashville), TN



Photographs



View Of Stones River Road



Rear Of The Center - Well Maintained

Food Lion Center

La Vergne (Nashville), TN



Photographs



Food Lion Interior



Food Lion Interior

Food Lion Center

La Vergne (Nashville), TN



Photographs



Food Lion Interior



The Only Vacant Space - Was Movie Gallery

Food Lion Center

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Photographs



CVS Across The Street



Rite Aid Across The Street - New Prototype

Photographs



Kangaroo Gas Station - In Front Of The Food Lion Center



J Percy Priest Lake - Located Approximatel 1 Mile Behind The Food Lion

Food Lion Center

La Vergne (Nashville), TN



Photographs

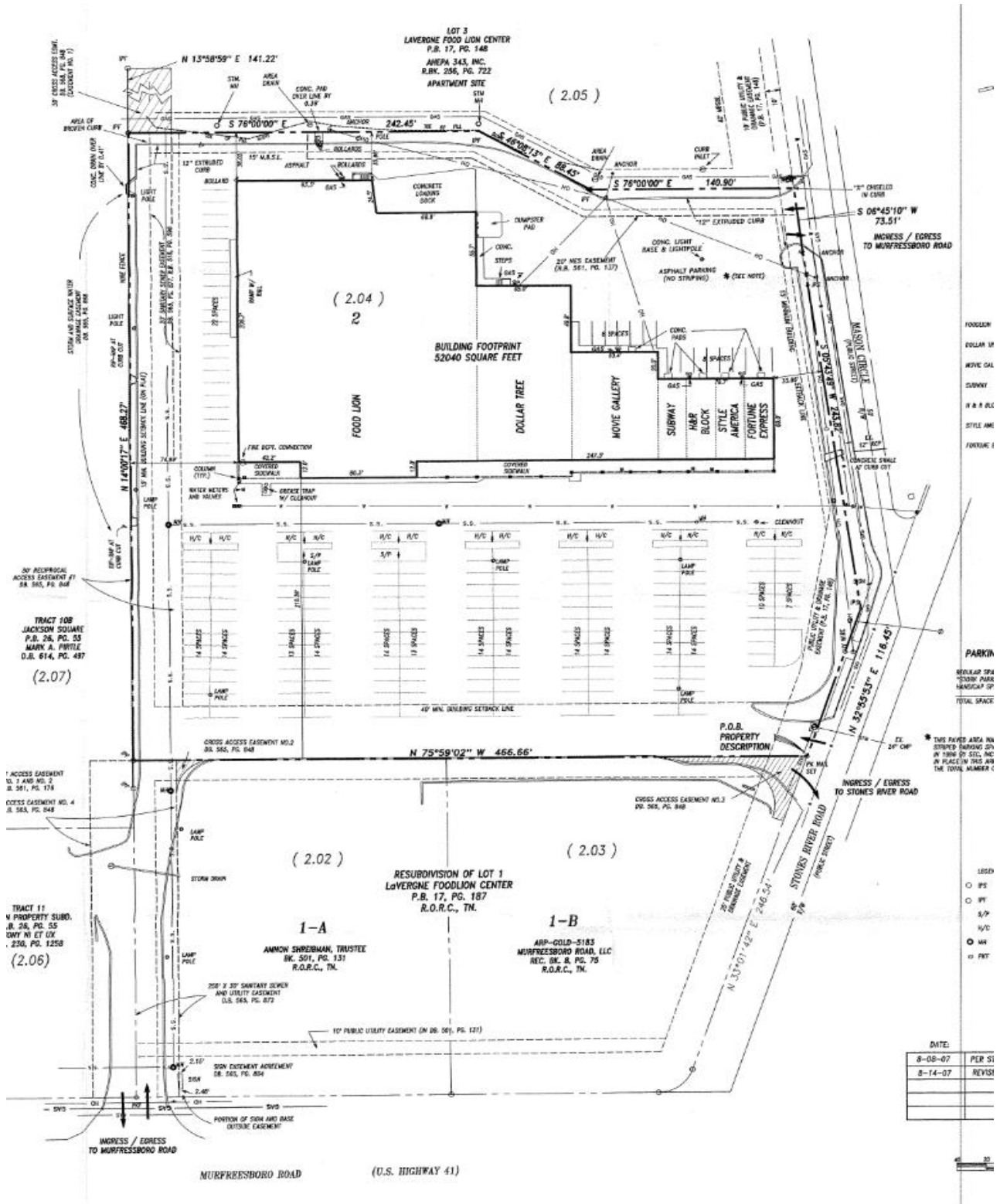


Save-A-Lot Located Across The Street



Kroger Anchored Center - Located Nearby

Site Plan



Food Lion Center

La Vergne (Nashville), TN



Rent Roll Summary

Suite	Tenant	Square Footage	% of Center	Lease Term		Current Annual Base Rent	Annual Rent/ Sq.Ft.	Estimated Recapture
				Start	Expiration			
5185	Food Lion	29,000	61.65%	Aug-96	Aug-16	\$230,550	\$7.95	\$42,068
5187	Dollar Tree	8,437	17.94%	Mar-02	Feb-17	\$73,402	\$8.70	\$13,921
5189	Vacant	4,800	10.20%			\$48,000	\$10.00	\$10,040
5191	Subway	1,200	2.55%	Jul-96	Jun-16	\$17,080	\$14.23	\$2,510
5193	H&R Block	1,200	2.55%	Nov-02	Apr-17	\$14,400	\$12.00	\$2,510
5195	A+ Hair Braiding	1,200	2.55%	Aug-14	Sep-19	\$14,400	\$12.00	\$2,856
5197	Fortune Express	1,200	2.55%	Aug-96	Aug-16	\$14,976	\$12.48	\$2,510

Notes

- * Food Lion - Delhaize Company; over 1,100 stores in 10 states; 62,000 associates
- * Dollar Tree - Over 5,000 stores with estimated 2014 sales over \$8 Billion
- * Vacant - Former Movie Gallery
- * Subway - Privately held company with almost 42,000 locations worldwide
- * H&R Block - Over 12,000 locations; Fiscal 2014 Revenues over \$3 Billion
- * A+ Hair Braiding - Just signed a 5 year lease - Rent started September 1, 2014
- * Fortune Express - Local Chinese Restaurant; one of the original tenants; here for 18 Years

TOTALS		47,037				\$412,808	\$	76,415.08
Occupied	89.80%	42,237		88.37%		\$364,808	\$8.64	\$ 66,375.08
Vacant	10.20%	4,800		11.63%		\$48,000	\$10.00	\$10,040

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Food Lion Center

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Net Operating Income

	<u>ACTUAL</u>	
SCHEDULED LEASED INCOME	\$412,808	
Add Scheduled Tenant Reimbursements:		
CAM/Tax/Insurance	76,415	
Plus Admin Fees*	<u>1,287</u>	
TOTAL SCHEDULED INCOME	\$490,510	
VACANCY RESERVE (Suite 5189 - 4,800 SF)	<u>58,040</u>	12%
GROSS OPERATING INCOME	\$432,470	
<u>EXPENSES (based on 2014 Budget)</u>		
Taxes	43,697	
Insurance	13,646	
CAM		
• Repairs / Maintenance	8,400	
• Landscape / Sweeping	12,644	
• Utilities	7,200	
Reserves (\$.15/SF)	7,056	
Management (3.5%)	<u>15,136</u>	
	<u>\$107,779</u>	
NET OPERATING INCOME	<u>\$324,690</u>	

NOTES

- Dollar Tree and H&R Block pay 15% Admin Fees per their Leases

Supplemental Information:

Annual Expenses per Square Foot \$4.34

Food Lion Center

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Lease Abstract



Tenant **Food Lion, Inc.**

About Food Lion (NYSE: DEG, Market CAP: \$7.1 Billion) is owned by the Delhaize Company; over 1,100 stores in 10 states; 62,000 associates.

Square Feet 29,000 **Annual Base Rent** \$230,550

Commencement Date August 7, 1996 **Annual Rent PSF** \$7.95

Termination Date August 6, 2016 **Security Deposit** None

Increases / Renewals No rent increases. Tenant has 4 options of 5 years each.

Landlord Responsibility Landlord responsibilities include roof, gutters, downspouts, exterior painting, exterior lighting, masonry walls, sprinkler equipment, interior fire protection system, foundation and structural members.

Tenant Responsibility Tenant pays its own utilities, plus pro-rata share of Taxes, Increases over Base Year for Insurance, HVAC repair & replacement and fixed CAM of

Tenant **Dollar Tree Stores, Inc.**

Website <http://www.dollartree.com>

About Dollar Tree (Nasdaq: DLTR, Market CAP: \$11.1 Billion) has over 5,000 stores with estimated 2014 sales over \$8 Billion.



Square Feet 8,437 **Annual Base Rent** \$73,402

Commencement Date March 18, 2002 **Annual Rent PSF** \$8.70

Termination Date February 28, 2017 **Security Deposit** None

Increases / Renewals No rent increases and no renewals.

Co-Tenancy If Food Lion vacates, base rent goes to 50%, but still pay 100% of NNN fees.

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Lease Abstract

Tenant Subway Real Estate Corp.
Website <http://www.subway.com>



About Subway is a privately held company with almost 42,000 locations worldwide

Square Feet 1,200 **Annual Base Rent** \$17,080

Commencement Date December 6, 1995 **Annual Rent PSF** \$14.23

Termination Date June 30, 2016 **Security Deposit** None

Increases / Renewals 4% Rent Increase at next Option. One 2 Year Option remaining.

Landlord Responsibility Landlord responsibilities include roof, roof structure, gutters, downspouts, exterior masonry walls and foundation walls.

Tenant Responsibility Tenant pays its own utilities, plus pro-rata share of Taxes, Insurance and CAM, plus HVAC repair & replacement.

Option to Cancel Less than 75% occupancy - Tenant has option to cancel with 6 months

Tenant H&R Block Eastern Enterprises, Inc.
Website <http://www.hrblock.com>



About H&R Block (NYSE: HRB, Market CAP: \$8.8 Billion) has over 12,000 locations; Fiscal 2014 Revenues over \$3 Billion.

Square Feet 1,200 **Annual Base Rent** \$14,400

Commencement Date November 18, 2002 **Annual Rent PSF** \$12.00

Termination Date April 30, 2017 **Security Deposit** None

Increases / Renewals 1.5% annual rent increases and one option of three years.

Landlord Responsibility Landlord responsibilities include structural repairs, roof, foundations, exterior walls and sprinkler system, plus any annual HVAC expense over

Tenant Responsibility Tenant pays its own utilities, plus pro-rata share of Taxes, Insurance, CAM (limited to 6% annual increases), plus a 15% Admin fee.

Food Lion Center

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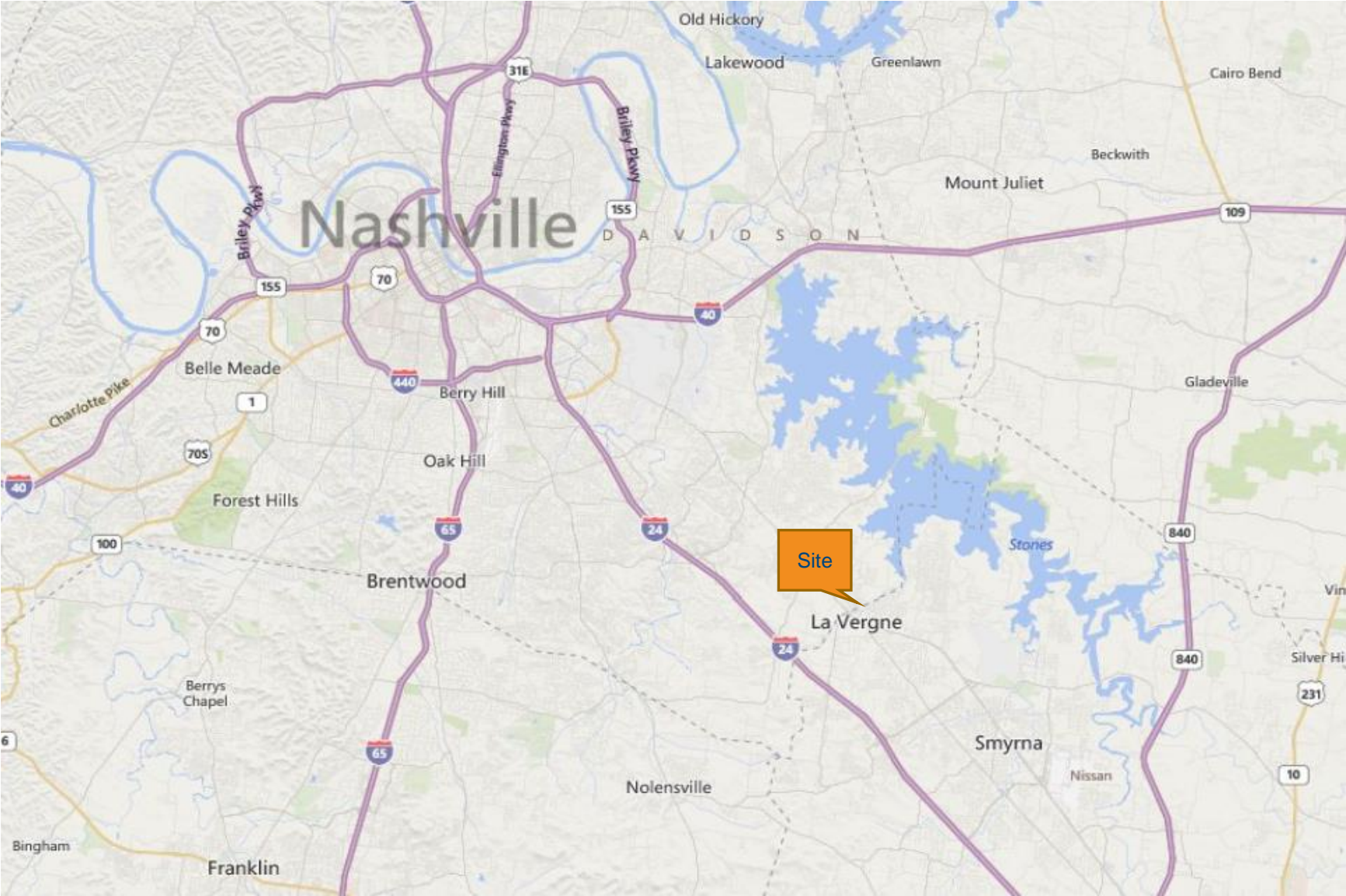


Lease Abstract

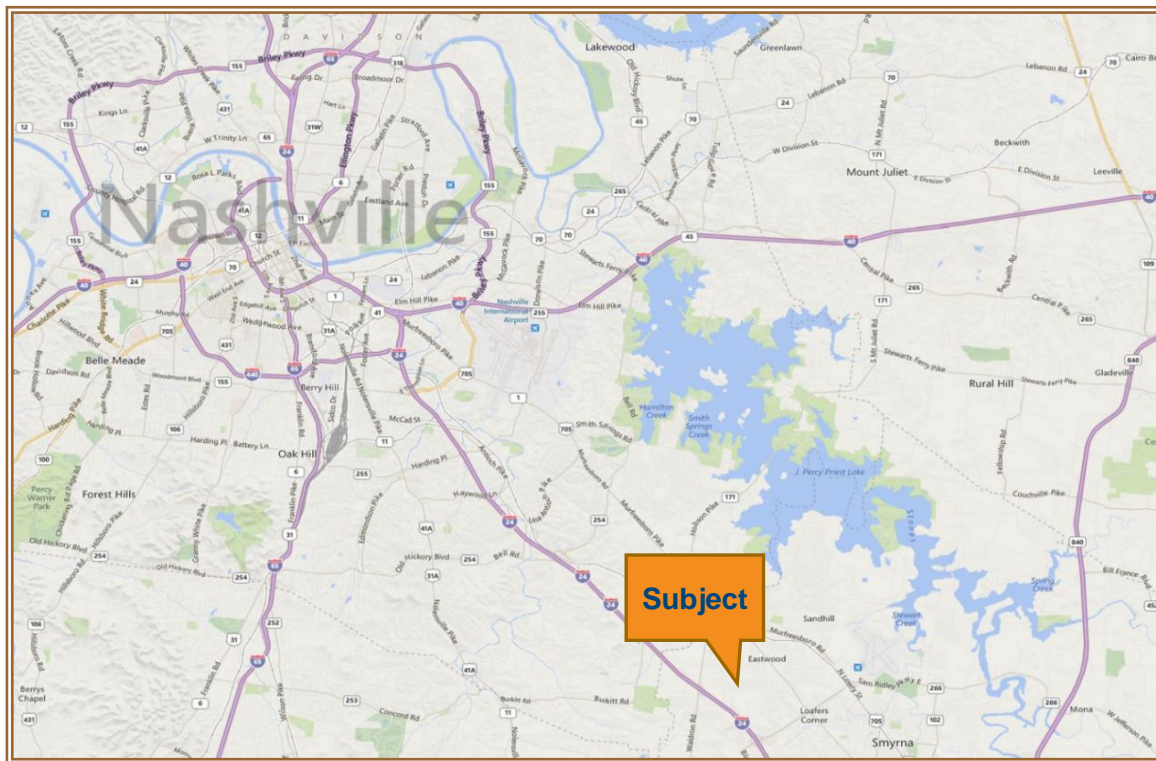
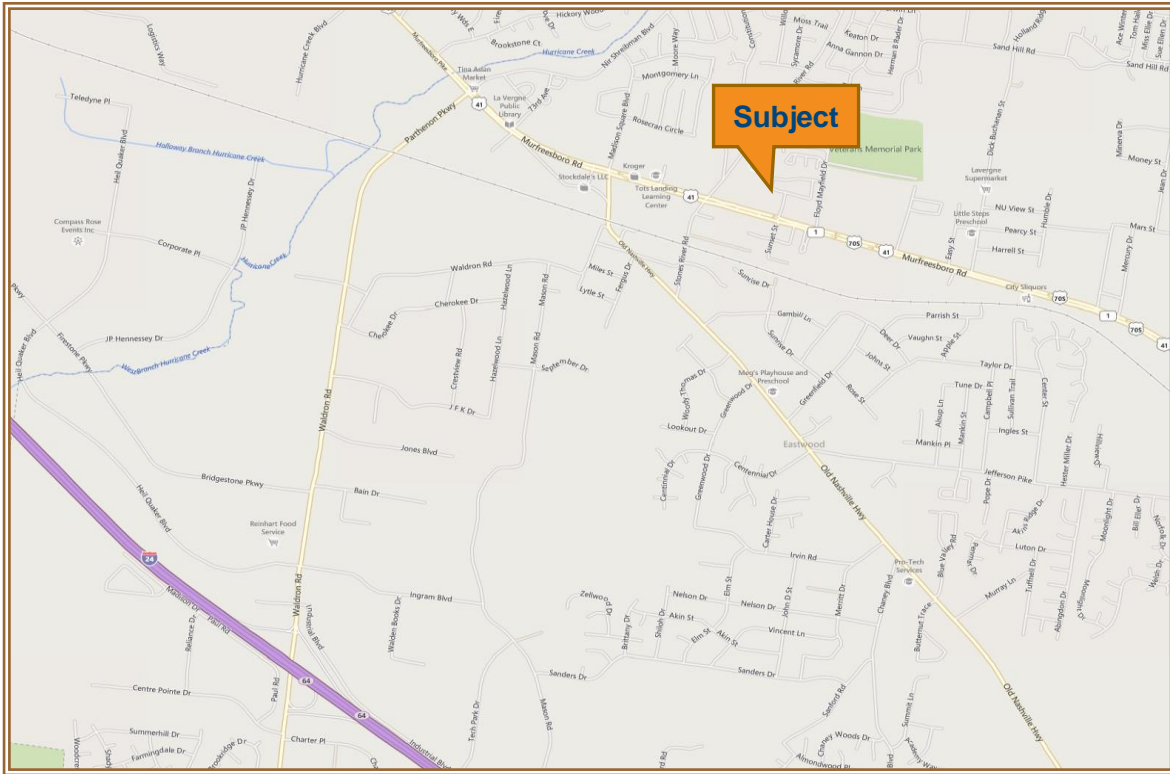
Tenant	Neng Da Zhang and Zhi Fang Liang d/b/a Fortune Express		
Website	None Known		
About	Fortune Express is a local Chinese Restaurant; one of the original tenants; here for 18 Years!		
Square Feet	1,200	Annual Base Rent	\$14,976
Commencement Date	August 7, 1996	Annual Rent PSF	\$12.48
Termination Date	August 6, 2016	Security Deposit	None
Increases / Renewals	CPI Rent Increases. No Options to renew.		
Landlord Responsibility	Landlord responsibilities include roof, roof structure, gutters, downspouts, exterior masonry walls and foundation walls.		
Tenant Responsibility	Tenant pays its own utilities, plus pro-rata share of Taxes, Insurance and CAM, plus HVAC repair & replacement.		
<hr/>			
Tenant	A+ African Hair Braiding - Guarantor: Amelevi Folliui & Xavier Akakpo		
Website	None Known		
About	Just signed a 5 year lease, with the rent starting in September		
Square Feet	1,200	Annual Base Rent	\$14,400
Commencement Date	August 1, 2014	Annual Rent PSF	\$12.00
Termination Date	Sept 1, 2019	Security Deposit	None
Increases / Renewals	\$1,200+\$238 (CAM)/month thru month 14, then 3% increases each year.		
Landlord Responsibility	Landlord responsibilities include roof, foundation, exterior walls (exclusive of glass or glass door), underground utilities and sewer pipe.		
Tenant Responsibility	Tenant pays its own utilities, plus pro-rata share of Taxes, Insurance and CAM, plus HVAC repair & replacement. They maintain internal and external electrical and plumbing fixtures, electrical switches and receptacles, commodes and basins, heating and air conditioning units including controls and filters, and keep the premises from pest. Tenant pays their own utilities, and placed in the Lessee's name.		

Food Lion Center

La Vergne (Nashville), TN



Location Maps



Food Lion Center

La Vergne (Nashville), TN



Demographics

	<u>One Mile</u>	<u>Three Miles</u>	<u>Five Miles</u>
Population			
2013 Population	5,808	42,878	99,988
2000 Population	2,666	2,337	61,561
5 Year Projected	6,311	46,665	108,323
Growth 2000 to 2013	117.85%	1734.75%	62.42%
Projected Growth 2013 to 2018	8.66%	8.83%	8.34%
Households			
2013 Households	2,257	14,949	36,703
% Owner Occupied	68.5%	73.4%	67.5%
% Renter Occupied	31.5%	26.6%	32.5%
2000 Households	1,018	8,442	23,825
5 Year Projected	2,459	16,264	39,707
Growth 2000 to 2013	121.71%	77.08%	54.05%
Projected Growth 2013 to 2018	8.95%	8.80%	8.18%
Income			
2013 Average Household Income	\$56,647	\$60,844	\$60,429
5 Year Projected	\$62,569	\$67,309	\$67,012
Projected Growth 2013 to 2018	10.45%	10.63%	10.89%
Employment & Establishments			
2013 Employees/Daytime Population	2,504	16,211	30,305
2013 Total Establishments	356	2,074	4,567
Race			
White	54.7%	59.3%	58.6%
Black	30.3%	25.2%	26.7%
American Indian/Eskimo	0.4%	0.4%	0.3%
Asian/Pacific Islander	3.6%	3.4%	3.4%
Other Race	7.8%	8.4%	7.7%
Hispanic Ethnicity	15.2%	15.7%	14.5%

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