

SINGLE TENANT ABSOLUTE NNN

Investment Opportunity



13+ Years Remaining | Qualifies for Bonus Depreciation | Off I-26 (56,000 VPD)



607 Twin Oaks Drive

JOHNSON CITY TENNESSEE

ACTUAL SITE



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NATIONAL NET LEASE

Principal Broker: Sarah Shanks, SRS National Net Lease Group, LP | TN License No. 378371

SITE OVERVIEW



PROPERTY PHOTOS



PROPERTY PHOTOS





OFFERING

| | |
|-----------------------------|-------------|
| Pricing | \$4,797,000 |
| Net Operating Income | \$287,804 |
| Cap Rate | 6.00% |

PROPERTY SPECIFICATIONS

| | |
|----------------------------------|--|
| Property Address | 607 Twin Oaks Dr, Johnson City, TN 37601 |
| Rentable Area | 7,491 SF |
| Land Area | 2.02 AC |
| Year Built | 1998 |
| Tenant | GPM Investments (dba Roadrunner) |
| Lease Signature | Corporate |
| Lease Type | Absolute NNN |
| Landlord Responsibilities | None |
| Ownership Interest | Fee Simple |
| Lease Term | 13+ Years |
| Options | 4 (5-Year) |
| Increases | 10% Every 5 Years |
| Rent Commencement | May 1, 2022 |
| Lease Expiration | April 30, 2037 |

| Tenant Name | Square Feet | LEASE TERM | | RENTAL RATES | | | |
|------------------|-------------|-------------|-----------|--------------|----------|----------|-----------|
| | | Lease Start | Lease End | Begin | Increase | Monthly | Annually |
| GPM Investments | 7,491 | 5/1/2022 | 4/30/2037 | Current | - | \$23,984 | \$287,804 |
| (dba Roadrunner) | | | | May 2027 | 10% | \$26,382 | \$316,584 |
| | | | | May 2032 | 10% | \$29,020 | \$348,243 |

13+ Years Remaining | GPM Investments | 10% Rental Increases

- There are 13+ years remaining on this original 15-year lease
- The lease is signed by GPM Investments dba Roadrunner, the nation's sixth-largest convenience store chain, boasting an expansive network of approximately 3,200 locations. This network is comprised of diverse components, including around 1,400 company-operated stores, roughly 121 proprietary cardlock locations, and an additional 1,660 dealer sites, all of which are supplied with fuel
- There are 10% rental increases every 5 years throughout the initial term, steadily growing the NOI while providing a proper hedge against inflation

Absolute NNN | Fee Simple Ownership | Zero Landlord Responsibilities | No State Income Tax

- Tenant pays for CAM, taxes, insurance and maintains all aspects of the premises
- No landlord responsibilities
- Ideal, management-free investment for a passive investor in a state with no state income tax

SEC Milligan Hwy & Twin Oaks Dr | East Tennessee State University | Directly Off I-26 | Surrounding Retailers | Dunkin' Drive-Thru

- The site is strategically located at the SEC of Milligan Hwy & Twin Oaks Dr averaging 12,800 VPD
- Less than 2.5 miles from East Tennessee State University (10,000 students), providing a direct consumer base from which to draw
- Right off I-26 (56,000 VPD), allowing users to benefit from direct on/off ramp access
- The immediate trade area is supported by retailers such as Burger King, Arby's, Food City, Walgreens, and more
- The asset is equipped with a Dunkin' drive-thru, boosting sales and increasing productivity

Local Demographics In 5-Mile Trade Area

- More than 73,000 residents and 64,000 employees support the trade area
- \$71,927 average household income

GPM INVESTMENTS, LLC (ARKO CORP.)

Ownership: Subsidiary to ARKO CORP. (NASDAQ: ARKO)

Website: gpminvestments.com

Credit Rating: B+ (S&P)

Headquarters: Richmond, VA

Units: 3,200+

GPM Investments, LLC, operates as a wholly-owned subsidiary under the umbrella of ARKO Corp., which is part of the Family of Community Brands. Our corporate headquarters is based in Richmond, Virginia, and our extensive presence extends across 33 states as well as Washington D.C. In the retail landscape, we proudly rank as the nation's sixth-largest convenience store chain, boasting an expansive network of approximately 3,200 locations. This network is comprised of diverse components, including around 1,400 company-operated stores, roughly 121 proprietary cardlock locations, and an additional 1,660 dealer sites, all of which we supply with fuel.

Our multifaceted operations can be categorized into four key segments: first, the retail segment, where we focus on fuel and merchandise sales to retail consumers; second, the wholesale segment, where we serve as a primary fuel supplier to third-party dealers and consignment agents; third, GPM Petroleum, our arm dedicated to fuel supply services, catering to both our retail and wholesale segments; and finally, the fleet fueling segment, which manages proprietary cardlock locations, oversees third-party fueling sites, and offers specialized fuel cards that grant access to a nationwide network of fueling locations. This comprehensive structure positions us as a dynamic force in the convenience store and fuel supply industry.

ARKO OVERVIEW

6th Largest Convenience Store Chain in the United States

Company Operated Stores: 1,547

Employees: 14,000 (+/-)

States: 30+

ARKO Corp. (Nasdaq: ARKO) stands as a Fortune 500 powerhouse, holding full ownership of GPM Investments, LLC. It ranks among the largest players in the convenience store and fuel wholesale sectors within the United States. Headquartered in the vibrant city of Richmond, VA, our distinguished Family of Community Brands is renowned for its delectable prepared foods, an array of beverages (both hot and cold), snacks, candy, and a portfolio of beloved quick-serve restaurant brands.

A Family of Community Brands



ARKO
A Family of Community Brands

6TH LARGEST CONVENIENCE STORE CHAIN IN U.S.

\$301.1 MILLION

2022 ADJUSTED EBITDA¹

1,400+

COMPANY OPERATED STORES

\$1.65B

RETAIL IN
STORE SALES

2B

FUEL GALLONS
SOLD

OPERATING IN
**OVER 30
STATES**

OVER 12K

EMPLOYEES

1.3M

ENROLLED AS REWARDS
LOYALTY MEMBERS

24 ACQUISITIONS

22 CLOSED SINCE 2013;
2 ADDITIONAL PENDING

HIGHLY EXPERIENCED

IN-HOUSE M&A TEAM

WHOLESALE DISTRIBUTION TO
1,674 INDEPENDENT DEALER

LOCATIONS & OPERATION OF
183 CARDLOCK LOCATIONS

¹ Adjusted EBITDA is a non-GAAP financial measure. See Appendix for a reconciliation to the most comparable GAAP measures.

CONTINUED GROWTH THROUGH ACQUISITIONS

ARKO has consistently acquired quality assets at attractive multiples. The Company has demonstrable price discipline and creative approaches to transaction structuring, which has historically resulted in attractive returns over time.

24 ACQUISITIONS SINCE 2013

22 CLOSED AND 2 ANNOUNCED, PENDING CLOSING

IN-HOUSE M&A TEAM

WITH EXTENSIVE EXPERIENCE

20X ADJ. EBITDA GROWTH SINCE 2013

\$15MM 2013 ADJ. EBITDA ---->
\$301.1MM 2022 ADJ. EBITDA ⁵

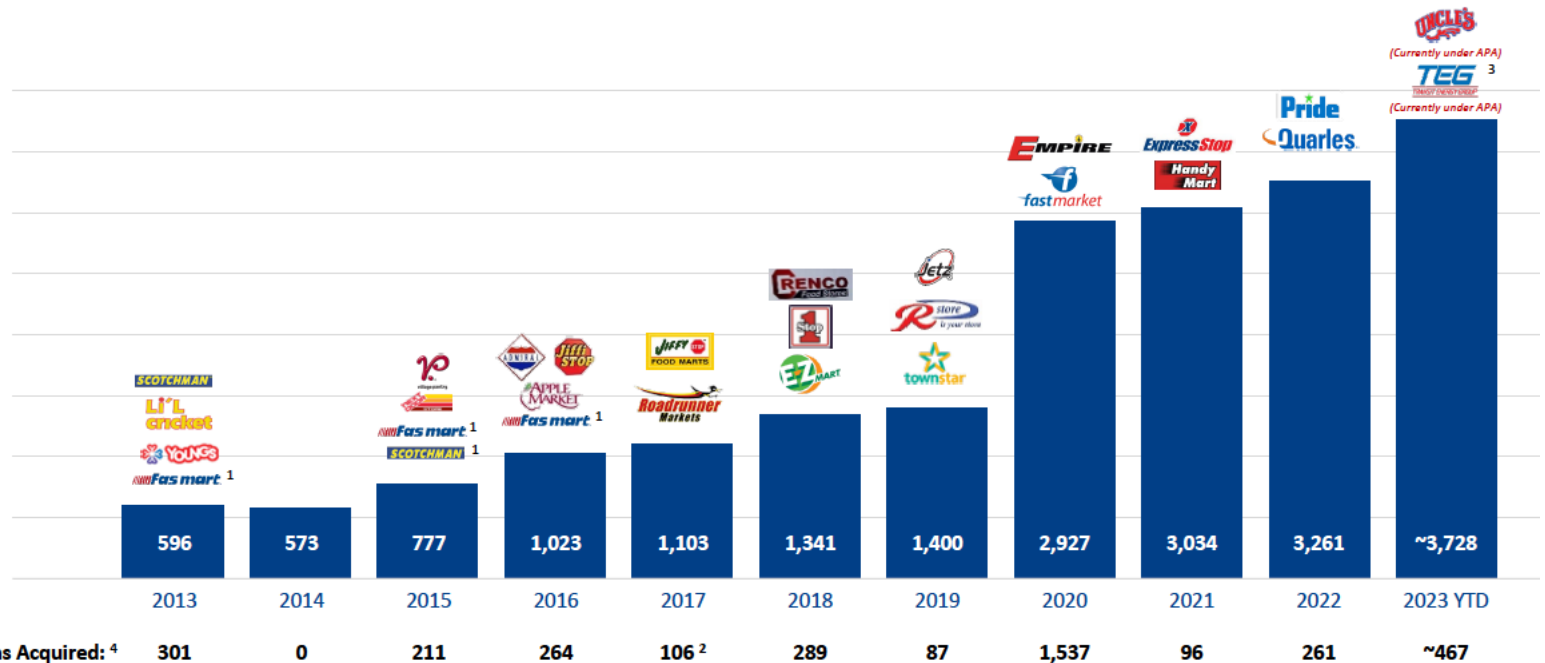
¹ Adjusted EBITDA is a non-GAAP financial measure. See Appendix for a reconciliation to the most comparable GAAP measures.

² Includes Broyles Hospitality locations as of the acquisition date, a seven unit Dunkin' franchisee in Tennessee and Virginia.

³ Includes TEG and WTG transactions anticipated to close in Q1 and Q2 2023.

⁴ Includes wholesale and cardlocks.

⁵ Adjusted EBITDA is a non-GAAP financial measure. See Appendix for a reconciliation to the most comparable GAAP measures.



ARKO's Retail Brand Footprint

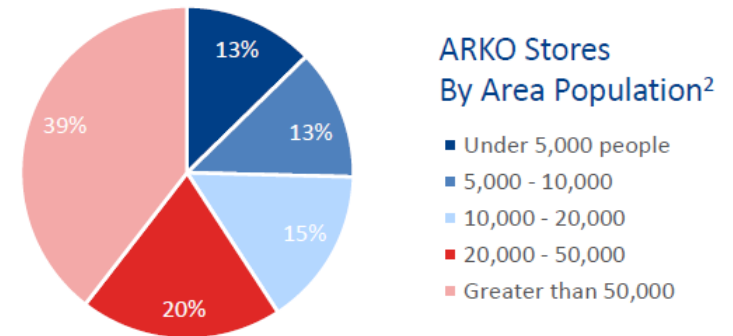
- Highly successful strategy embracing well known regional convenience store brands with brand equity and long histories in their communities.
- We operate 1,547 retail convenience stores in more than 30 states under more than 25 regional store brands that have been in existence for an average of approximately 50 years.¹

Added 159 company operated stores year-to-date in 2023 through closed acquisitions.

Overview:

- **~40%** of our retail stores are in areas with populations of fewer than 20,000 people.
- **~20%** of our retail stores are in areas with populations between 20,000 and 50,000 people.

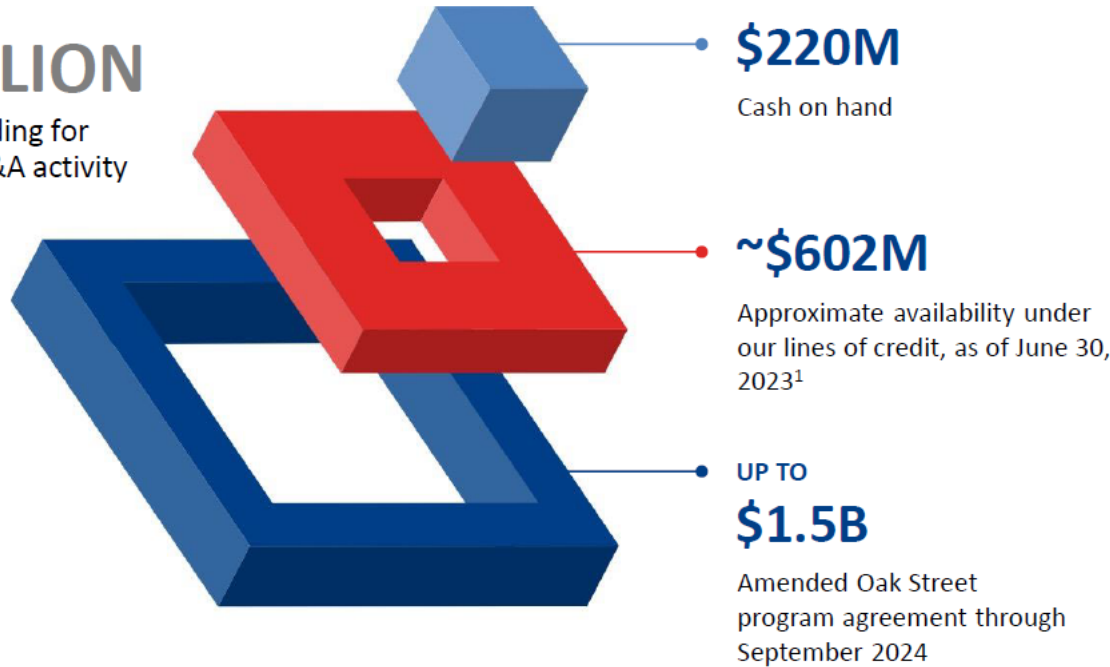
Our focus on secondary and tertiary markets allows us to preserve “local” brand name recognition and align local market needs with capital investment.



1. As of June 30, 2023.
 2. Source: Demographics by SimpleMaps, data as of 12/2022

Key Financial Highlights – Strong Liquidity

OVER
\$2 BILLION
Available funding for
continued M&A activity



Quarterly dividend
announced for Q3 2023
\$0.03/SHARE

**AUTHORIZED UP TO
\$100 MILLION**
Share repurchase program²



1. On May 5, 2023, GPM Petroleum renewed and extended its revolving credit facility. The credit line was increased by \$300 million to \$800 million, and its maturity was extended to May 2028. | 11
2. Remaining amount as of June 30, 2023 - ~\$49M.

SOURCE: ARKO'S Q2 EARNING PRESENTATIONS

ACCELERATED DEPRECIATION FOR CONVENIENCE STORE PROPERTIES

The Tax Cuts and Jobs Act signed into law in 2017 provided real estate investors with new tax benefits associated with owning gas station properties. The primary benefit is the allowance of accelerated depreciation. The construction and equipment associated with these properties can now be reclassified and depreciated over shorter time periods than the traditional 39 year life for commercial property. Due to the fee simple ownership of this property, an investor can receive greater deductions in the earlier years of the asset, thus minimizing taxable income. This enables anyone investing in these properties to lower their taxes and reduce their exposure in the earlier years of ownership while enjoying the benefits of a passive income stream that comes with owning a single tenant property. Currently, the bonus depreciation of fueling/convenience store equipment allows investors to qualify for a 60% depreciation deduction under the 2024 code. The bonus depreciation deduction will decrease by 20% every year until fully phased out by 2027.

SRS NNL recommends that the prospective purchaser(s) consult with their tax professional for advice related to your specific situation and how you can take advantage of accelerated bonus depreciation.



TWO METHODS FOR C-STORE DEPRECIATION

| COST SEGREGATION ANALYSIS | 15-YEAR STRAIGHT LINE SCHEDULE |
|---|---|
| Cost segregation studies take into account each individual component of a property and place each piece on its own appropriate depreciation schedule (ex. gas pumps, HVACs, roof, etc). This process generally front-loads the depreciation of the property into the first few years of ownership, which can result in notable tax savings and may be ideal depending on the tax payer's yearly tax liability outside of this investment. | For some investors, it may make more sense to have the entire asset's depreciation spread out evenly using the 15-year straight line method. Qualified c-store equipment and property placed in service after Dec. 31, 2017 generally is depreciable using the straight line method over 15 years (shorter recovery period than the traditional 39 year life for commercial buildings). |

LOCATION



Johnson City, Tennessee
Washington County
Kingsport MSA

PARKING



There are approximately 69 parking spaces on the owned parcel.
The parking ratio is approximately 9.2 stalls per 1,000 SF of leasable area.

ACCESS



Twin Oaks Drive: 3 Access Points

PARCEL



Parcel Number: 090055A H 00300
Acres: 2.02
Square Feet: 87,991

TRAFFIC COUNTS



Milligan Highway: 12,800 VPD
State Highway 67 & 381/U.S. Highway 321: 35,100 VPD
Interstate 26: 56,000 VPD

CONSTRUCTION



Year Built: 1998

IMPROVEMENTS



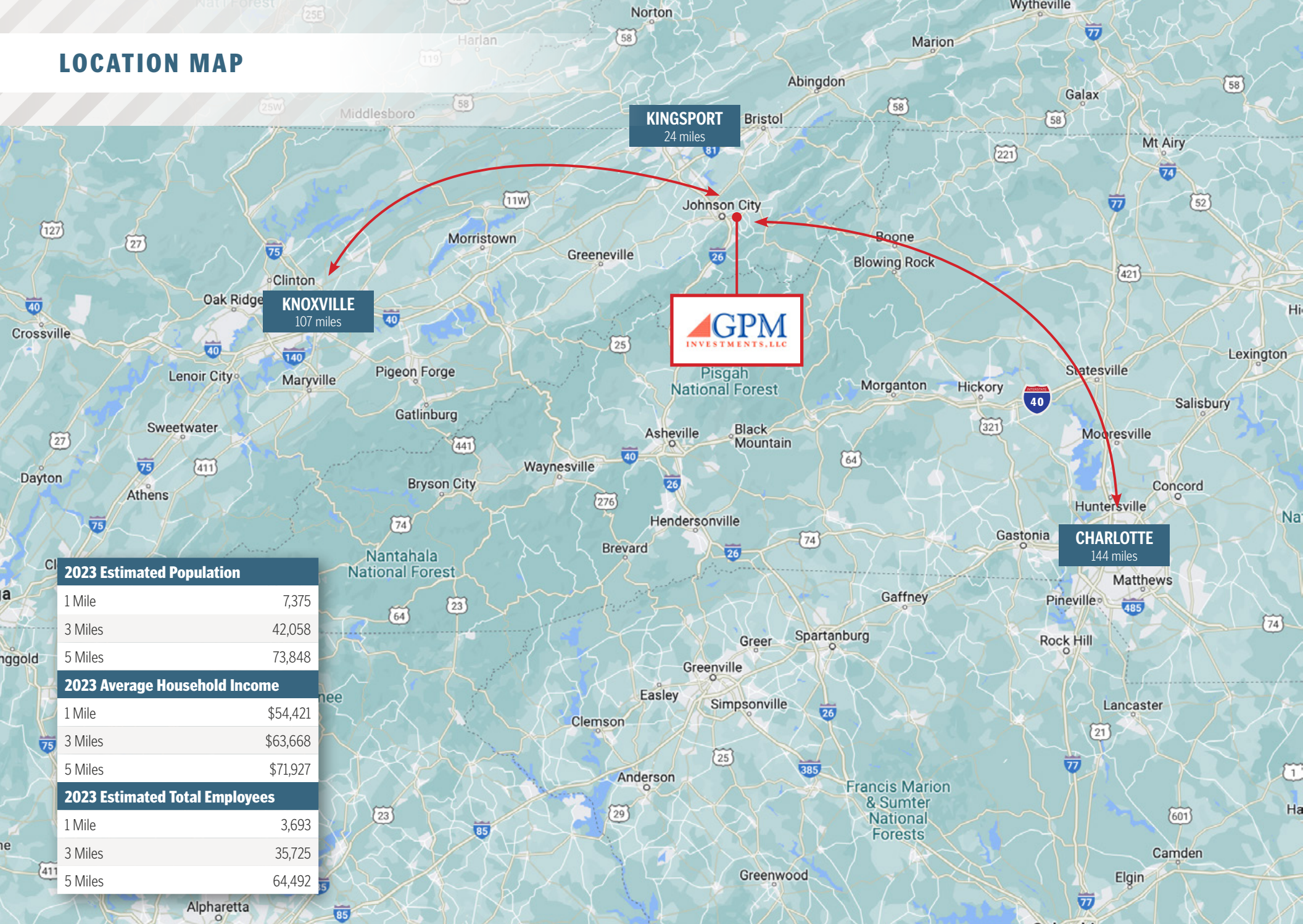
There is approximately 7,491 SF of existing building area

ZONING



Commercial

LOCATION MAP



2023 Estimated Population

| | |
|---------|--------|
| 1 Mile | 7,375 |
| 3 Miles | 42,058 |
| 5 Miles | 73,848 |

2023 Average Household Income

| | |
|---------|----------|
| 1 Mile | \$54,421 |
| 3 Miles | \$63,668 |
| 5 Miles | \$71,927 |

2023 Estimated Total Employees

| | |
|---------|--------|
| 1 Mile | 3,693 |
| 3 Miles | 35,725 |
| 5 Miles | 64,492 |



35,100 
VEHICLES PER DAY

U.S. HIGHWAY 321

AIR PRODUCTS 


INVESTMENTS, LLC

TWIN OAKS DR.

AQUA LIVING 
FACTORY OUTLETS







35,100
VEHICLES PER DAY

12,800
VEHICLES PER DAY

56,000
VEHICLES PER DAY

2.2 Miles to East Tennessee State University





AREA DEMOGRAPHICS

| | 1 Mile | 3 Miles | 5 Miles |
|--|----------|----------|----------|
| Population | | | |
| 2023 Estimated Population | 7,375 | 42,058 | 73,848 |
| 2028 Projected Population | 7,353 | 42,121 | 74,299 |
| Projected Annual Growth 2023 to 2028 | -0.06% | 0.03% | 0.12% |
| 2023 Median Age | 34.1 | 35.1 | 38.9 |
| Households & Growth | | | |
| 2023 Estimated Households | 3,189 | 16,630 | 31,357 |
| 2028 Projected Households | 3,198 | 16,731 | 31,756 |
| Projected Annual Growth 2023 to 2028 | 0.06% | 0.12% | 0.25% |
| Race & Ethnicity | | | |
| 2023 Estimated White | 78.70% | 82.84% | 85.30% |
| 2023 Estimated Black or African American | 11.05% | 8.46% | 6.48% |
| 2023 Estimated Asian or Pacific Islander | 0.71% | 1.34% | 1.53% |
| 2023 Estimated American Indian or Native Alaskan | 0.46% | 0.44% | 0.42% |
| 2023 Estimated Other Races | 4.26% | 3.69% | 3.11% |
| 2023 Estimated Hispanic | 8.57% | 7.34% | 6.66% |
| Income | | | |
| 2023 Estimated Average Household Income | \$54,421 | \$63,668 | \$71,927 |
| 2023 Estimated Median Household Income | \$35,964 | \$42,662 | \$46,288 |
| Businesses & Employees | | | |
| 2023 Estimated Total Businesses | 141 | 1,318 | 2,946 |
| 2023 Estimated Total Employees | 3,693 | 35,725 | 64,492 |





JOHNSON CITY, TENNESSEE

Johnson City is located in Washington County. It hosts the popular Blue Plum Festival and the region offers majestic scenery. The City of Johnson City is the 8th largest city in Tennessee with a population of 72,918 as of July 1, 2023.

Johnson City has a diverse economy led by healthcare, education and an entrepreneurial spirit that lives on from the City's founder, Henry Johnson. Business and industry in Johnson City are diverse and include retail, utilities, manufacturing, financial and medical services, as well as other services. The City's economic base is still firmly rooted in institutional services. As a regional hub for a four-state area, Johnson City is home to a large variety of retail business, from well-known national chains to local boutiques and galleries. Johnson City is an economic hub largely fueled by East Tennessee State University and the medical "Med-Tech" corridor, anchored by the Johnson City Medical Center, Franklin Woods Community Hospital, ETSU's Gatton College of Pharmacy and ETSU's Quillen College of Medicine. The three largest employers are Mountain States Health Alliance, East Tennessee State University and the Veteran's Administration Medical Center

Boone Lake is available for water skiing and hiking. Buffalo Mountain Park offers scenic hiking trails and places for mountain biking and bird watching. Roan Mountain State Park features beautiful views of the Appalachian Mountains and superb hiking areas. Tourists follow the Quilt Trail which showcases the tradition of quilting in the region. The trail features quilts situated on the walls of historic barns. Visitors walking along the trail also have opportunities to see historic sites and visit shops, galleries and other interesting locations. Excellent opportunities for trout fishing are located in the region. Strategically located at the economic center of the Tri-Cities region, Washington County is a hub for new development. Home to the region's largest city, Johnson City, it has led Northeast Tennessee in population growth, retail sales, and employment over the past decade.

Johnson City prides itself on a school system striving for excellence and many higher education opportunities. The city is home to East Tennessee State University, which includes the James H. Quillen College of Medicine. Johnson City is served by Tri-Cities Regional Airport and Johnson City Airport in Watauga.



SRS

CAPITAL
MARKETS

THE EXCLUSIVE NATIONAL NET LEASE TEAM

of SRS Real Estate Partners

300+

TEAM
MEMBERS

25+

OFFICES

2K+

RETAIL
TRANSACTIONS

company-wide
in 2023

510+

CAPITAL MARKETS
PROPERTIES

SOLD
in 2023

\$2.2B+

CAPITAL MARKETS
TRANSACTION

VALUE
in 2023

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