



**WALNUT SQUARE**  
DALTON, GEORGIA

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CONFIDENTIAL OFFERING MEMORANDUM

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**Atlantic**  
CAPITAL PARTNERS™



# PROPERTY OVERVIEW

## EXECUTIVE SUMMARY

Atlantic Capital Partners has been exclusively engaged to market for sale Walnut Square, an institutional quality grocery-anchored power center located in one of Georgia's most distinguished communities due to its prominent role as the carpet capital of the world. Located in the heart of Dalton's prime retail corridor, the asset serves as a fixture for the affluent population base with easy access off the heavily trafficked Interstate 75 capturing nearly 83,000 vehicles per day which feed the 28,000 vehicles per day on Walnut Ave. Walnut Square benefits from a local population of over 35,000 people within a 3-mile radius with 1-mile average household income over \$110,000 per year.

Totalling 127,391 square feet, Walnut Square is presently 99% occupied by twelve market-leading retail tenants. The newly constructed asset is anchored by Food City, a dominant grocery chain with a strong regional presence as well as other national anchors including Ross, Ulta Beauty, and PetSmart. National retailers Bath & Body Works, AT&T, Kay Jewelers and Crumbl Cookies supplement the center with premier shop space tenancy providing long-term stability for the asset. Walnut Square's tenant roster is comprised of 89% national tenancy.

The shopping center benefits from high visibility and accessibility with direct frontage on Walnut Avenue (27,921 VPD) as well as its proximity to Interstate 75 (82,654 VPD). With only one shop space currently available totaling 843 square feet, future ownership will enjoy rent roll stability at a location with proven and established tenants. Walnut Square is being offered for sale without a formal asking price, free-and-clear of existing debt.

## MAJOR TENANT SUMMARY

TENANT NAME	RSF	OCCUPANCY %	REVENUE %	EXP DATE	CURRENT RENT PSF
<b>FOOD CITY</b>	48,074	38%	15%	Jan-2049	\$3.56
<b>ROSS</b>	22,000	17%	16%	Jan-2030	\$12.00
<b>PETSMART</b>	20,572	16%	19%	Jan-2029	\$16.88
<b>ULTA</b>	12,035	9%	13%	Mar-2030	\$19.74
<b>MAJOR TENANTS</b>	<b>102,681</b>	<b>81%</b>	<b>64%</b>	<b>13.8 years</b>	<b>\$9.93</b>
<b>OTHER TENANTS</b>	<b>23,867</b>	<b>19%</b>			
<b>CURRENT VACANT</b>	<b>843</b>	<b>1%</b>			
<b>TOTAL</b>	<b>127,391</b>	<b>100%</b>			





INVESTMENT HIGHLIGHTS

RECENTLY CONSTRUCTED ASSET WITH A NATIONAL TENANT RENT ROLL

Consisting of category leading retailers with a 89% national tenant rent roll combined with a complete redevelopment in 2019, Walnut Square presents a bond-like investment opportunity with minimal capital requirements for years to come.



EXCELLENT EXPOSURE ALONG MAIN ACCESS ROAD

Strategic location with premium exposure on Walnut Avenue with an average of 27,921 vehicles per day funneled from the substantial I-75 traffic totaling 82,654 vehicles per day.



FOOD CITY-ANCHORED SHOPPING CENTER

Food City's brand identity as a strong-regional grocer paired with necessity retail tenants will drive consumer demand for years to come.

OFFERING SNAPSHOT	ANCHORED BY <b>FOOD CITY</b>	YEAR ONE NOI <b>\$1,578,095</b>
	127,391 SQUARE FEET 12 TENANTS	WALT TENURE <b>12.2 YEARS</b>

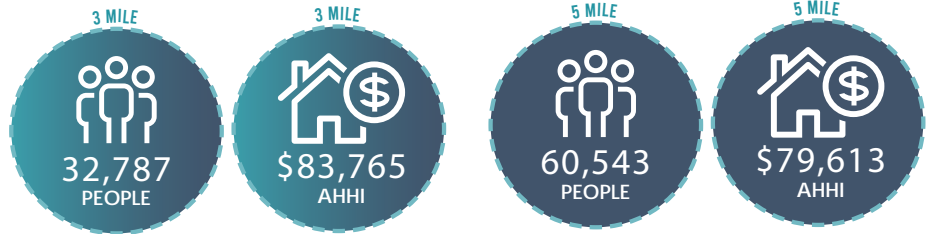




# INVESTMENT HIGHLIGHTS

## AFFLUENT TRADE AREA

Dalton has been known for decades as the carpet and flooring capital of the world. Trade area demographics are strongly reflected with over 32,787 people in a 3-mile radius and an average household income exceeding \$110,000 in a 1-mile radius.



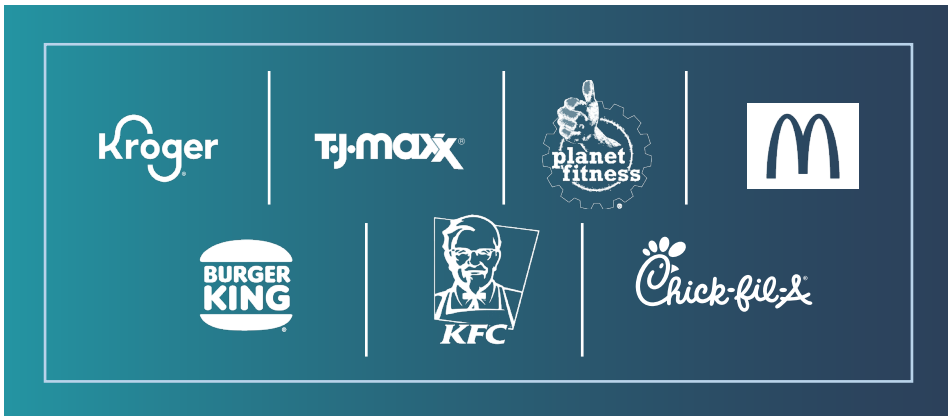
## LONG-TERM TENANT COMMITMENT TO SITE

With a weighted average lease term of 12.2 years this site will benefit from long-term tenant commitment and provides stable cash-flow for many years to come.



## LOCATED IN A PROMINENT RETAIL NODE

West Walnut Ave (GA-52) operates as the main retail node in the Greater Dalton area. Walnut Square benefits from an array of national big-box market co-tenants such as Kroger, TJMaxx, and Planet Fitness that provide extensive consumer traffic on a regular basis. QSR Tenants also facilitate a well-rounded mix in the immediate area with Chick-fil-A, McDonald's, Burger King, KFC, and more within a half-mile radius.





# MARKET OVERVIEW

## PROMINENT LOCATION ALONG THE TRADE AREA'S PRIMARY RETAIL CORRIDOR

Walnut Square is ideally positioned along the highly traveled West Walnut Ave (28K VPD) corridor which has established itself as the retail destination of choice for Greater Dalton.



ONLY FOOD CITY LOCATION IN DALTON, GA. NEXT CLOSEST LOCATION IS **13.5** MILES



**333.7K** VISITORS OVER THE LAST 12 MONTHS



EXTENSIVE TERM THROUGH 2029 WITH FOUR EXTENSION OPTIONS THEREAFTER



**#8/39** LOCATION RANKED IN THE STATE (TOP 80%)



SYNERGISTIC SHOPPING CENTER AND MARKET CO-TENANT



**#1** LOCATION IN THE STATE  
**#21** NATIONWIDE

# PROPERTY SPECIFICATIONS

## SITE DESCRIPTION

<b>PROPERTY ADDRESS</b>	1308 W Walnut Ave   Dalton, GA
<b>TOTAL LAND AREA</b>	10.6 Acres
<b>PARKING</b>	400 Spaces (3.1 spaces per 1,000 SF)
<b>ZONING</b>	General Commercial (C-2)
<b>PARCEL ID</b>	12-260-31-000

## IMPROVEMENTS

<b>BUILDING PROFILE</b>	Single-floor power shopping center divided across four individual buildings:	
	Building 1 (Food City)	108,681
	Building 2 (AT&T)	6,260
	Building 3 (Kay Jewelers)	4,500
	Building 4 (Crumbl Cookies)	7,950
	<b>Total</b>	<b>127,391</b>
<b>YEAR BUILT</b>	2019	
<b>GROSS SQUARE FEET</b>	127,391	
<b>SIGNAGE</b>	Pylon Sign along West Walnut Ave	
<b>FRONTAGE</b>	306 Feet along West Walnut Ave	
<b>PARKING LOT</b>	Paved in 2019	

## CONSTRUCTION DETAILS

<b>FOUNDATION</b>	Poured concrete slab with reinforced
<b>EXTERIOR/STRUCTURE</b>	Concrete slab on grade, concrete masonry unit (CMU), a steel frame structure to support the metal decking and roof system and aluminum grade/glass storefronts.
<b>ROOF</b>	Constructed in 2019
<b>ROOF WARRANTY</b>	2019 Warranty / Expires 6/30/2034

## BUILDING SYSTEMS

<b>HVAC</b>	Gas-fired
<b>ELECTRICAL</b>	Pad--mounted transformers
<b>FIRE SUPPRESSION</b>	100% wet-pipe sprinkler system, portable fire extinguishers and hard-wired smoke detectors located throughout the tenant areas. Tenant areas are equipped with battery backup exit lights, illuminated exit signs, pull stations, alarm horns, and strobe light alarms.
<b>UTILITY PROVIDERS</b>	
<b>ELECTRICITY</b>	Southern Company
<b>WATER/SEWER</b>	City of Dalton

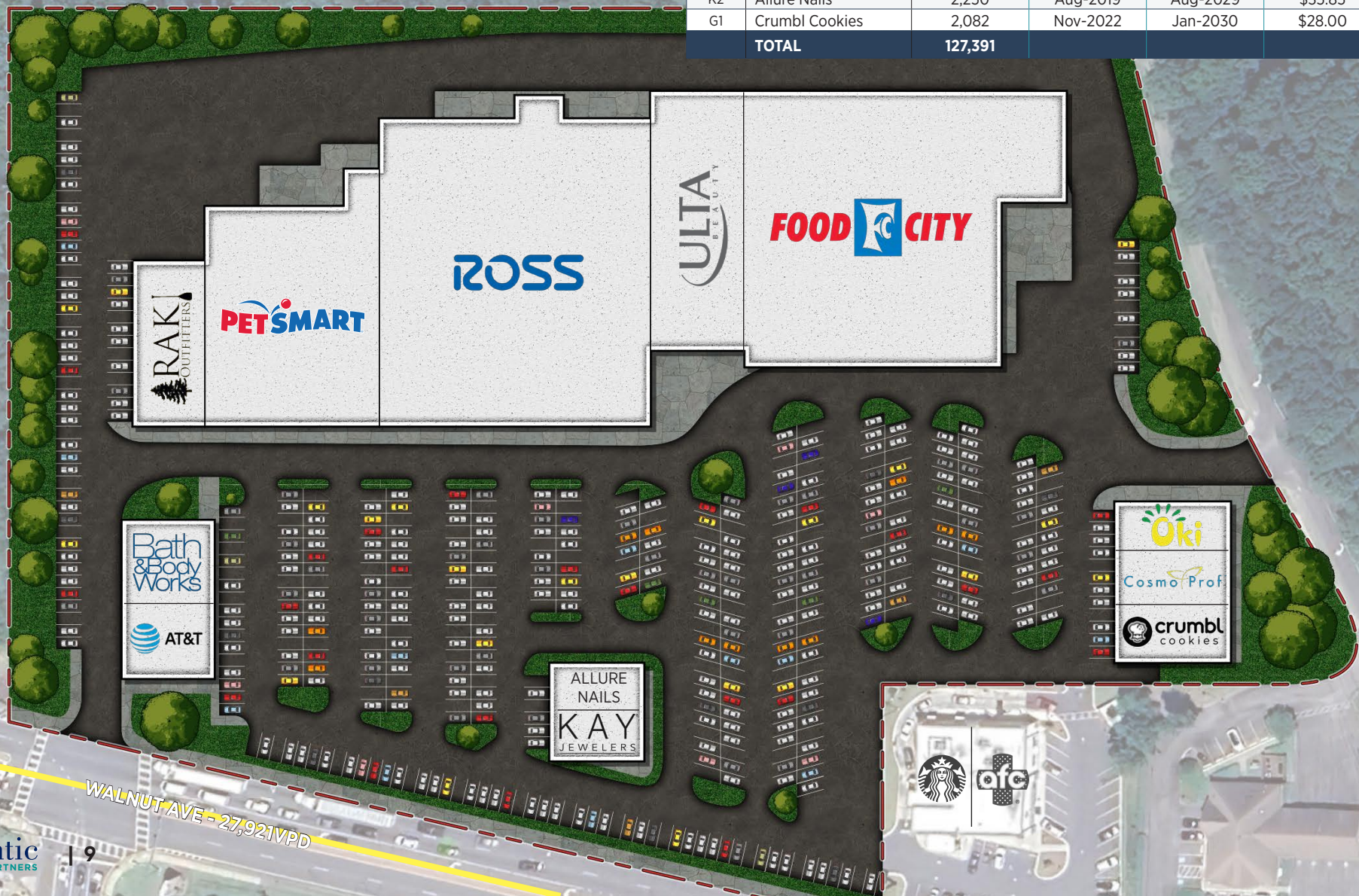






# SITE PLAN

SUITE	TENANT	RSF	START DATE	EXP DATE	CURRENT RENT PSF
E	Food City	48,074	Jan-2019	Jan-2049	\$3.56
C	Ross	22,000	Mar-2019	Jan-2030	\$12.00
B	PetSmart	20,572	Jan-2019	Jan-2029	\$16.88
D	Ulta	12,035	Mar-2019	Mar-2030	\$19.74
A	RAK Outfitters	6,000	Mar-2019	Jun-2034	\$18.00
F2	Bath & Body Works	3,260	Sep-2021	Jan-2032	\$27.50
F1	AT&T	3,000	Apr-2019	Apr-2029	\$36.30
G2	Cosmo Prof	2,525	Jul-2023	Jul-2028	\$28.60
G3	Okiplus Habachi	2,500	Feb-2020	Feb-2030	\$33.00
K1	Kay Jewelry	2,250	Mar-2019	Dec-2029	\$35.20
K2	Allure Nails	2,250	Aug-2019	Aug-2029	\$35.85
G1	Crumb! Cookies	2,082	Nov-2022	Jan-2030	\$28.00
<b>TOTAL</b>		<b>127,391</b>			



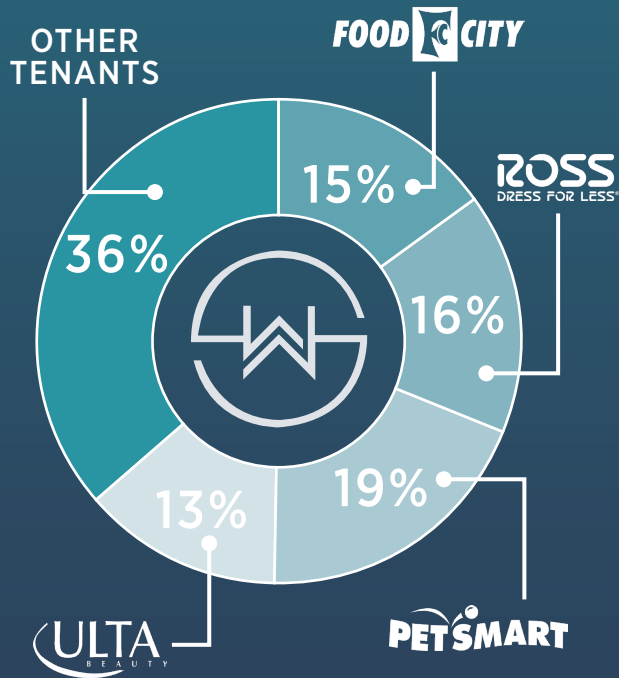
WALNUT AVE - 27,921VPD

# NEW COMMITTED TENANCY

As the Dalton submarket has matured and the retail corridor has emerged as the dominant shopping destination, ownership has been able to overhaul the newly constructed Walnut Square with category-leading Tenancy. New Tenants have executed long-term leases within the center to spearhead even further retail growth in the area. Many of these new leases provide first locations in the Dalton market, making Walnut Square a leader in retailer tenant mix.



## REVENUE BREAKDOWN BY TENANT



 <b>2049</b> LX D	 <b>2030</b> LX D	 <b>2029</b> LX D	 <b>2030</b> LX D	 <b>2034</b> LX D	 <b>2029</b> LX D
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### SURETY OF CASH FLOW VIA A NATIONAL TENANT ROSTER

A testament to the desirability of Walnut Square’s positioning within the submarket, the asset features ten national retailers. These strong national credits are augmented by an ideal mix of regional and local operators, which combine to generate exceptionally resilient cash flow stream. Combined with the extensive remaining lease term, Walnut Square provides confidence in a future income stream with minimal to no leasing work required.

### TRADE AREA FEATURES

Walnut square benefits from frontage on walnut ave (27,921 vpd) as well as its proximity to interstate 75 (82,654 vpd). This strategically positioned retail center enjoys a cohesive tenant mix featuring both well-established national brands and thriving local businesses. In addition to being grocer-anchored by a credit tenant, walnut square benefits from strong synergies with the surrounding community, ensuring consistent foot traffic and robust consumer demand.

**WALNUT SQUARE**  
DALTON, GEORGIA

**PETSMART** **ULTA** **AT&T**  
*BEAUTY*

**ROSS** **FOOD CITY** **RAKI**  
DRESS FOR LESS® *OUTFITTERS*

**RED LOBSTER**  
FRESH FISH - LIVE LOBSTER

**Dalton!**  
Convention Center

**Cracker Barrel**  
OLD COUNTRY STORE

**Hampton Inn & Suites**  
BY HILTON

**COURTYARD** **HOME 2**  
Marriott SUITES BY HILTON

**Super 8** **Hilton**  
BY WYNDHAM Garden Inn

**McDonald's** **Chick-fil-A**  
**Waffle House** **KFC**

**Red Roof Inn**

**ihop** **Applebee's**  
**Krispy Kreme** **BURGER KING**  
DOUGHNUTS

**Olive Garden** **Days Inn**

**Just Jump** **planet fitness**  
Trampoline Park

**MARKET STREET SHOPS**  
**DOLLAR TREE**  
**HARLEY-DAVIDSON COMPANY** **RACK ROOM SHOES** **Hanes**

**Walgreens**

**Steak 'n Shake**

**Starbucks**  
**REGIONS**

**DALTON SHOPPING CENTER**  
**Schlottsky's** **Kroger** **BIG LOTS!**  
**FIVE GUYS** **LONGHORN STEAKHOUSE** **WELLS FARGO**  
BURGERS and FRIES

**T.J. MAXX**

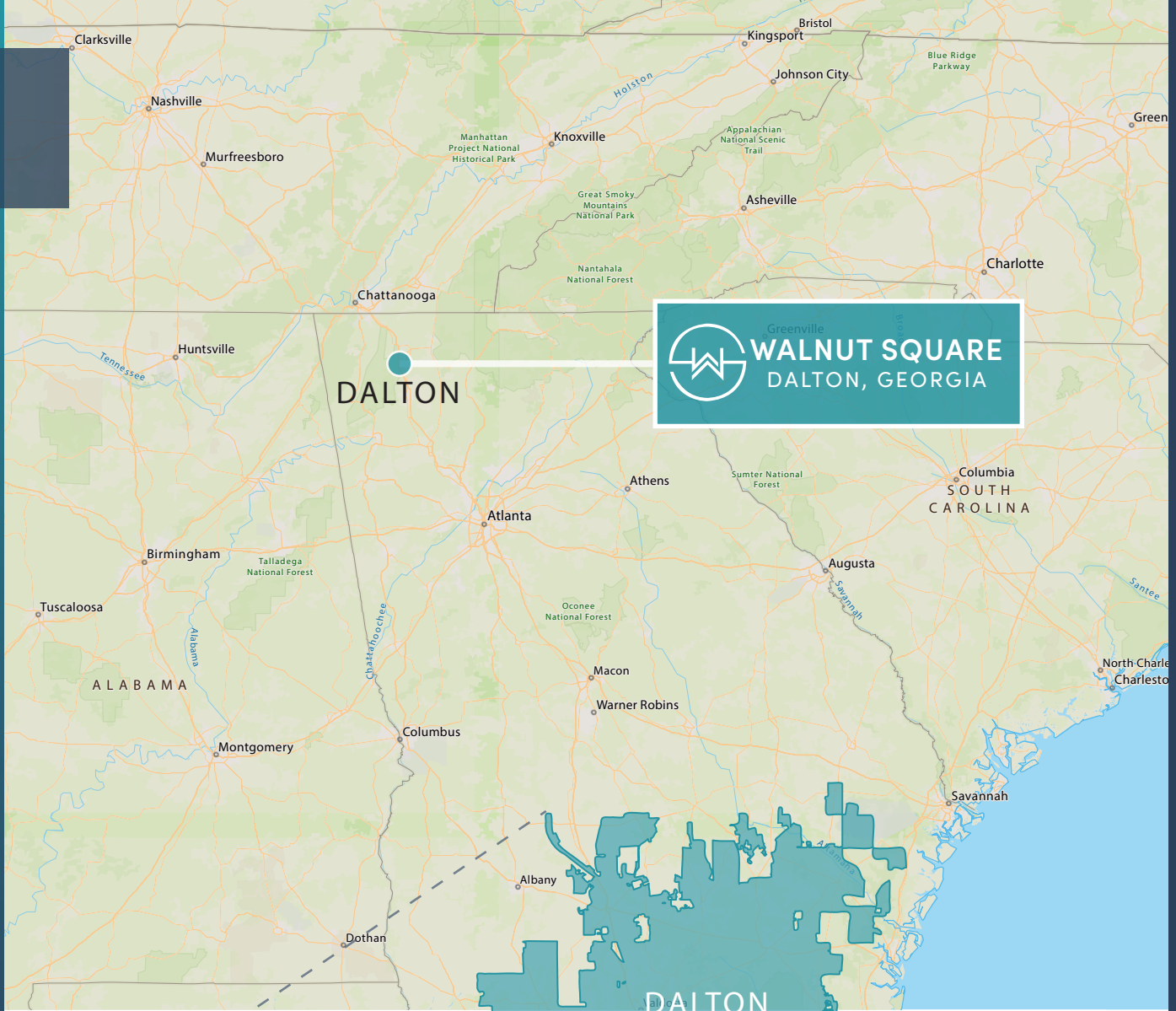
INTERSTATE 75 - 82,654 VPD  
WALNUT AVE - 27,921 VPD



# DALTON SUBMARKET

Dalton, Georgia, known for its dynamic economy and strategic location along the major north-south corridor of Interstate 75, connects the city to key metropolitan areas like Atlanta, Chattanooga, and Nashville. The city's economy is characterized by resilience and growth, supported by a diverse manufacturing base with a significant presence in the carpet and flooring industry. Often referred to as the "Carpet Capital of the World," with more than 80% of tufted carpet in the United States is made within 100 miles of the city, Dalton benefits from a robust manufacturing sector, which contributes to its economic stability and growth potential.

Dalton offers a blend of small-town charm with the amenities of a larger city. The presence of established retail centers, coupled with ongoing investments in the local community, indicates a positive outlook for retailers looking to enter or expand in Dalton. Its community-focused lifestyle, coupled with local events and cultural attractions, creates a welcoming environment for both residents and visitors. This quality-of-life factor enhances the attractiveness of retail locations, as businesses can benefit from high foot traffic and community engagement.



Greenville  
**WALNUT SQUARE**  
DALTON, GEORGIA

## NEW TO MARKET TENANCY NEXT CLOSEST LOCATION

	→ NONE
	→ 21 MILES
	→ 28 MILES
Bath & Body Works	→ 28 MILES
	→ 28 MILES
	→ 21 MILES
	→ 64 MILES
	→ 21 MILES
	→ 15 MILES





# FINANCIAL SUMMARY



# RENT ROLL

TENANT NAME	RSF	%	START DATE	EXP DATE	CURRENT RENT	EXPENSE LOAD	INCREASING		NEXT OPTION		REMAINING		
					PSF	PSF	ON	TO	ON	TO	OPTIONS		
<b>FOOD CITY</b>	48,074	38%	Jan-2019	Jan-2049	\$3.56	\$3.13	Feb-2039	\$3.81	Feb-2049	\$4.31	5 x 5 Yrs		
									Feb-2044	\$4.06			
									Feb-2054	\$4.56			
									Feb-2059	\$4.81			
									Feb-2064	\$5.06			
Feb-2069	\$5.31												
<b>ROSS</b>	22,000	17%	Mar-2019	Jan-2030	\$12.00	\$3.10	Feb-2025	\$12.50	Feb-30	\$13.00	4 x 5 Yrs		
									Feb-35	\$13.50			
									Feb-40	\$14.00			
									Feb-45	\$14.50			
									Feb-29	\$17.96			
<b>PETSMART</b>	20,572	16%	Jan-2019	Jan-2029	\$16.88	\$2.59	--	--	Feb-29	\$17.96	4 x 5 Yrs		
									Feb-34	\$19.05			
									Feb-39	\$20.15			
									Feb-44	\$21.26			
									Feb-44	\$21.26			
<b>ULTA</b>	12,035	9%	Mar-2019	Mar-2030	\$19.74	\$2.65	--	--	Apr-30	\$20.82	3 x 5 Yrs		
									Apr-35	\$21.91			
									Apr-40	\$23.00			
									Jul-2034	\$23.06			
									Jul-2039	\$26.09			
<b>RAK OUTFITTERS</b>	6,000	5%	Mar-2019	Jun-2034	\$18.00	\$2.69	Jul-2025	\$18.45	Jul-2034	\$23.06	2 x 5 Yrs		
									2.5% Annual Increases			2.5% Annual Increases	
									2.5% Annual Increases			2.5% Annual Increases	
									2.5% Annual Increases			2.5% Annual Increases	
									2.5% Annual Increases			2.5% Annual Increases	
<b>BATH &amp; BODY WORKS</b>	3,260	3%	Sep-2021	Jan-2032	\$27.50	\$3.38	Feb-2027	\$30.25	Feb-2032	\$33.28	2 x 5 Yrs		
									Feb-2037	\$36.60			
<b>AT&amp;T</b>	3,000	2%	Apr-2019	Apr-2029	\$36.30	\$2.63	--	--	May-2029	\$39.93	2 x 5 Yrs		
									May-2034	\$43.92			
<b>COSMO PROF</b>	2,525	2%	Jul-2023	Jul-2028	\$28.60	\$2.69	--	--	Aug-2028	\$31.46	2 x 5 Yrs		
									Aug-2033	\$34.60			
<b>OKIPLUS HABACHI</b>	2,500	2%	Feb-2020	Feb-2030	\$33.00	\$2.69	Mar-2025	\$35.31	Mar-2030	\$37.78	2 x 5 Yrs		
									Mar-2035	\$40.43			
<b>KAY JEWELRY</b>	2,250	2%	Mar-2019	Dec-2029	\$35.20	\$2.69	--	--	Jan-2030	\$38.72	2 x 5 Yrs		
									Jan-2035	\$42.59			
<b>ALLURE NAILS</b>	2,250	2%	Aug-2019	Aug-2029	\$35.85	\$2.69	--	--	Sep-2029	\$36.93	1 x 5 Yrs		
									3% Annual Increases			3% Annual Increases	
<b>CRUMBL COOKIES</b>	2,082	2%	Nov-2022	Jan-2030	\$28.00	\$3.38	Feb-2028	\$30.80	Feb-2030	\$30.80	2 x 5 Yrs		
									Feb-2033	\$33.88			
									Feb-2025	\$33.88			
									Feb-2038	\$37.27			
<b>Subtotal / WALT</b>	<b>126,548</b>	<b>99%</b>			<b>\$13.43</b>								
Current Vacant	843	1%											
<b>Total</b>	<b>127,391</b>	<b>100%</b>											



# KEY VALUATIONS ASSUMPTIONS

## KEY VALUATION ASSUMPTIONS

- 1) Underwriting assumes a sale and analysis start date of 1/1/2025
- 2) Tenants exercise all future contractual rent options throughout analysis unless otherwise noted
- 3) Expenses are based on 2024 budget values inflated 3%
- 4) Tenant expense recoveries reflect 2023 CAM & Tax reimbursement letters
- 5) Food City and Ross reimburse for Ground Rent Expense based on 2023 CAM & Tax reimbursements
- 6) Ground Rent Expense is assumed to increase per Ground Lease (10% every 5 years).

## SPECULATIVE MARKET LEASING ASSUMPTIONS

	ANCHOR	JR ANCHOR	INLINE > 3K SF	INLINE < 3K SF
MARKET RENT	\$3.50	\$18.00	\$25.00	\$30.00
REIMBURSEMENTS	NNN	NNN	NNN	NNN
TERM	10 years	10 years	5 years	5 years
LEASE ESCALATIONS	10% Year 6	10% Year 6	2.5% Annual Inc.	2.5% Annual Inc.
FREE RENT	None	None	None	None
TIS (NEW)	\$25 PSF	\$22 PSF	\$20 PSF	\$20 PSF
TIS (RENEW)	\$0 PSF	\$0 PSF	\$0 PSF	\$0 PSF
LCS (NEW)	\$4 PSF	\$4 PSF	6.0%	6.0%
LCS (RENEW)	None	None	None	None
RENEWAL PROBABILITY	75%	75%	75%	75%
DOWNTIME	12 months	12 months	9 months	9 months

SPACE TYPE	RSF	% OF TOTAL SF	LEASED SF	% LEASED SF	VACANT SF
ANCHOR	48,074	37.7%	48,074	100.0%	0
JUNIOR ANCHOR	54,607	42.9%	54,607	100.0%	0
INLINE > 3K SF	12,260	9.6%	12,260	100.0%	0
INLINE < 3K SF	12,450	9.8%	11,607	93.2%	843
<b>TOTAL</b>	<b>127,391</b>	<b>100.0%</b>	<b>126,548</b>	<b>99.3%</b>	<b>843</b>

## VACANT LEASE UP

SPACE TYPE	UNIT #	RSF	START	TERM	RENT	RENT BUMPS	TI PSF	LC	RECOVERIES
INLINE < 5K SF	G	843	Jan-26	5 years	\$30.90	2.5% Annual Inc.	\$20	6%	NNN

## CASH FLOW

YEAR ENDED		DEC-2025	DEC-2026	DEC-2027	DEC-2028	DEC-2029	DEC-2030	DEC-2031	DEC-2032	DEC-2033	DEC-2034	DEC-2035
<b>Average Occupancy</b>		<b>99%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Average In-Place Rent</b>		<b>\$13.47</b>	<b>\$13.69</b>	<b>\$13.78</b>	<b>\$13.88</b>	<b>\$14.17</b>	<b>\$14.51</b>	<b>\$14.57</b>	<b>\$14.73</b>	<b>\$14.86</b>	<b>\$15.03</b>	<b>\$15.41</b>
<b>REVENUES:</b>	<b>Year 1 PSF</b>											
Scheduled Base Rental Revenue	\$13.47	\$1,715,639	\$1,743,692	\$1,755,286	\$1,767,867	\$1,804,587	\$1,849,048	\$1,856,622	\$1,876,545	\$1,893,215	\$1,914,863	\$1,963,058
Expense Reimbursement Revenue	\$2.92	\$371,497	\$386,489	\$396,665	\$406,809	\$417,257	\$428,019	\$442,692	\$454,834	\$466,594	\$477,141	\$489,639
<b>TOTAL GROSS POTENTIAL RENTAL INCOME</b>	<b>\$16.38</b>	<b>\$2,087,136</b>	<b>\$2,130,181</b>	<b>\$2,151,951</b>	<b>\$2,174,675</b>	<b>\$2,221,844</b>	<b>\$2,277,067</b>	<b>\$2,299,313</b>	<b>\$2,331,379</b>	<b>\$2,359,809</b>	<b>\$2,392,004</b>	<b>\$2,452,696</b>
<b>TOTAL GROSS POTENTIAL INCOME</b>	<b>\$16.38</b>	<b>\$2,087,136</b>	<b>\$2,130,181</b>	<b>\$2,151,951</b>	<b>\$2,174,675</b>	<b>\$2,221,844</b>	<b>\$2,277,067</b>	<b>\$2,299,313</b>	<b>\$2,331,379</b>	<b>\$2,359,809</b>	<b>\$2,392,004</b>	<b>\$2,452,696</b>
Less Collection Loss	\$0.00	\$0	-\$25,824	-\$26,476	-\$26,911	-\$27,417	-\$28,057	-\$28,301	-\$29,399	-\$30,024	-\$29,662	-\$30,439
<b>EFFECTIVE GROSS INCOME</b>	<b>\$16.38</b>	<b>\$2,087,136</b>	<b>\$2,104,357</b>	<b>\$2,125,475</b>	<b>\$2,147,764</b>	<b>\$2,194,427</b>	<b>\$2,249,011</b>	<b>\$2,271,012</b>	<b>\$2,301,980</b>	<b>\$2,329,785</b>	<b>\$2,362,341</b>	<b>\$2,422,257</b>
<i>EFFECTIVE GROSS INCOME \$ PSF</i>		\$16.38	\$16.52	\$16.68	\$16.86	\$17.23	\$17.65	\$17.83	\$18.07	\$18.29	\$18.54	\$19.01
<b>EXPENSES:</b>												
Recoverable Expenses												
CAM	\$0.97	\$123,901	\$127,618	\$131,446	\$135,390	\$139,451	\$143,635	\$147,944	\$152,382	\$156,954	\$161,662	\$166,512
Real Estate Taxes	\$1.26	\$161,025	\$165,856	\$170,831	\$175,956	\$181,235	\$186,672	\$192,272	\$198,040	\$203,982	\$210,101	\$216,404
Insurance	\$0.26	\$33,235	\$34,232	\$35,259	\$36,317	\$37,406	\$38,528	\$39,684	\$40,875	\$42,101	\$43,364	\$44,665
Management Fee (3%)	\$0.49	\$62,614	\$63,131	\$63,764	\$64,433	\$65,833	\$67,470	\$68,130	\$69,059	\$69,894	\$70,870	\$72,668
Ground Rent Expense	<u>\$0.73</u>	<u>\$93,500</u>	<u>\$102,071</u>	<u>\$102,850</u>	<u>\$102,850</u>	<u>\$102,850</u>	<u>\$102,850</u>	<u>\$112,278</u>	<u>\$113,135</u>	<u>\$113,135</u>	<u>\$113,135</u>	<u>\$113,135</u>
Sub-Total Recoverable Expenses	\$3.72	\$474,275	\$492,907	\$504,151	\$514,946	\$526,776	\$539,156	\$560,309	\$573,492	\$586,065	\$599,133	\$613,384
Non-Recoverable Expenses												
Non-Recoverable (\$0.10 PSF)	\$0.10	\$12,739	\$13,121	\$13,515	\$13,920	\$14,338	\$14,768	\$15,211	\$15,667	\$16,138	\$16,622	\$17,120
Sub-Total Non-Recoverable Expenses	\$0.10	\$12,739	\$13,121	\$13,515	\$13,920	\$14,338	\$14,768	\$15,211	\$15,667	\$16,138	\$16,622	\$17,120
<b>TOTAL OPERATING EXPENSES</b>	<b>\$3.82</b>	<b>\$487,014</b>	<b>\$506,028</b>	<b>\$517,666</b>	<b>\$528,866</b>	<b>\$541,114</b>	<b>\$553,924</b>	<b>\$575,520</b>	<b>\$589,160</b>	<b>\$602,203</b>	<b>\$615,755</b>	<b>\$630,504</b>
<i>OPERATING EXPENSES \$ PSF</i>		\$3.82	\$3.97	\$4.06	\$4.15	\$4.25	\$4.35	\$4.52	\$4.62	\$4.73	\$4.83	\$4.95
<b>NET OPERATING INCOME</b>	<b>\$12.56</b>	<b>\$1,600,122</b>	<b>\$1,598,329</b>	<b>\$1,607,809</b>	<b>\$1,618,898</b>	<b>\$1,653,313</b>	<b>\$1,695,087</b>	<b>\$1,695,492</b>	<b>\$1,712,820</b>	<b>\$1,727,582</b>	<b>\$1,746,587</b>	<b>\$1,791,753</b>
<i>NET OPERATING INCOME \$ PSF</i>		\$12.56	\$12.55	\$12.62	\$12.71	\$12.98	\$13.31	\$13.31	\$13.45	\$13.56	\$13.71	\$14.06
<b>CAPITAL:</b>												
Tenant Improvements	\$0	\$17,366	\$0	\$0	\$0	\$0	\$0	\$5,033	\$0	\$0	\$14,679	
Leasing Commissions	\$0	\$7,394	\$0	\$0	\$0	\$0	\$0	\$2,143	\$0	\$0	\$6,250	
Capital Reserve (\$0.15 PSF)	<u>\$19,109</u>	<u>\$19,682</u>	<u>\$20,272</u>	<u>\$20,881</u>	<u>\$21,507</u>	<u>\$22,152</u>	<u>\$22,817</u>	<u>\$23,501</u>	<u>\$24,206</u>	<u>\$24,206</u>	<u>\$24,932</u>	
<b>TOTAL CAPITAL EXPENSES</b>	<b>\$19,109</b>	<b>\$44,441</b>	<b>\$20,272</b>	<b>\$20,881</b>	<b>\$21,507</b>	<b>\$22,152</b>	<b>\$22,992</b>	<b>\$23,501</b>	<b>\$24,206</b>	<b>\$24,206</b>	<b>\$45,861</b>	
<i>TOTAL CAPITAL EXPENSES PSF</i>		\$1.53	\$3.57	\$1.63	\$1.68	\$1.73	\$1.78	\$2.41	\$1.89	\$1.94	\$3.68	
<b>CASH FLOW BEFORE DEBT SERVICE</b>	<b>\$126.99</b>	<b>\$1,581,013</b>	<b>\$1,553,887</b>	<b>\$1,587,536</b>	<b>\$1,598,017</b>	<b>\$1,631,806</b>	<b>\$1,672,935</b>	<b>\$1,665,500</b>	<b>\$1,689,319</b>	<b>\$1,703,376</b>	<b>\$1,700,726</b>	
<i>CASH FLOW BEFORE DEBT SERVICE PSF</i>		\$126.99	\$124.81	\$127.51	\$128.35	\$131.07	\$134.37	\$133.78	\$135.69	\$136.82	\$136.60	




## GROUND LEASE ABSTRACT

<b>START DATE</b>	February 17, 1975
<b>EXPIRATION DATE</b>	February 29, 2076
<b>SIZE OF SITE</b>	10.60 Acres
<b>LEASE AMENDMENT</b>	Amended and Restated Ground Lease executed August 31st, 2016
<b>REMAINING TERM</b>	51 Years, 6 Months (as of 9/1/2024)
<b>LESSOR (LANDLORD)</b>	HHI Properties, LLLP & Homer J Longley, Jr Marital Trust
<b>LESSEE (TENANT)</b>	The Otis Company
<b>CURRENT LEASE RENT {TENANTS COVENANTS   ARTICLE 1}</b>	\$93,500
<b>ANNUAL RENT ESCALATION {TENANTS COVENANTS   ARTICLE 1}</b>	10% increases every five (5) years throughout the term. Next rent increase is scheduled for 3/1/2026
<b>PROJECTED FUTURE RENT INCREASES {TENANTS COVENANTS   ARTICLE 1}</b>	<p>Current   \$93,500</p> <p>Base Rent:  March 1, 2019 -- February 28, 2022   \$85,000.00  March 1, 2022 -- February 28, 2026   \$93,500.00  March 1, 2026 -- February 28, 2031   \$102,850.00  March 1, 2031 -- February 29, 2036   \$113,135.00  March 1, 2036 -- February 28, 2041   \$124,448.50  March 1, 2041 -- February 28, 2046   \$136,893.35  March 1, 2046 -- February 28, 2051   \$150,582.69  March 1, 2051 -- February 29, 2056   \$165,640.95  March 1, 2056 -- February 28, 2061   \$182,205.05  March 1, 2061 -- February 28, 2066   \$200,425.55  March 1, 2066 -- February 28, 2071   \$220,468.11  March 1, 2071 -- February 29, 2076   \$242,514.92</p> <p>*Option Periods:  Option 1: March 1, 2076 -- February 28, 2081   \$266,766.41  Option 2: March 1, 2081 -- February 28, 2086   \$293,443.05  Option 3: March 1, 2091 -- February 28, 2096   \$322,787.36  Option 4: March 1, 2096 -- February 29, 2101   \$355,066.09  Option 5: March 1, 2101 -- February 28, 2105   \$390,572.70</p> <p>*Option period rents are assumed to carry 10% increases every 5 years</p>

<b>REAL ESTATE TAXES {TENANTS COVENANTS   ARTICLE 2}</b>	Lessee responsible for all property taxes
<b>INSURANCE {TENANTS COVENANTS   ARTICLE 6}</b>	Lessee is responsible for maintaining fire and extended coverage insurance on all improvements on the Leased Premises in an amount equal to the full insurable value thereof
<b>MORTGAGES {TENANTS COVENANTS   ARTICLE 8}</b>	Landlord acknowledges that Lessee or its sublessees will require financing to construct improvements. Landlord agrees that Lessee shall have the right during the term of the Lease to place a mortgage, or mortgages, on all or any portion of the Lessee's leasehold interest in the Leased Premises as security for a loan or loans in favor of a bank, insurance company, real estate investment trust, savings and loan association or other bona fide lending institution.
<b>ASSIGNMENT {TENANTS COVENANTS   ARTICLE 12}</b>	Lessee has the right to assign its interest in the Lease. If such assignment is made to a purchaser having a net worth in excess of Five Million Dollars (\$5,000,000) Lessee shall be relieved of its obligations.
<b>TERMINATION {TENANTS COVENANTS   ARTICLE 17}</b>	Upon termination of the Lease, Lessee will deliver to Landlord a quitclaim deed to the Leased Premises, and Lessee shall have the right to remove all personal property which belongs to it. Permanent buildings and improvements located on the Leased Premises at the termination of the Lease shall remain on the Leased Premises and become the property of Landlord
<b>RENEWAL OPTION {TENANTS COVENANTS   ARTICLE 21}</b>	Tenant shall have the right to extend the term of the Ground Lease for five (5) successive periods of five (5) years each. Option notice is to be ninety (90) days
<b>REMAINING OPTIONS {TENANTS COVENANTS   ARTICLE 21}</b>	Five (5) Five (5) year options upon expiration
<b>OPTION TO PURCHASE {TENANTS COVENANTS   ARTICLE 24}</b>	<p>Landlord has granted Lessee an option to purchase the Leased Premises for the time period beginning March 1, 2017 to and including February 28, 2047 that may be exercised at any time by Lessee providing Landlord written notice.</p> <p>Purchase of Leased Premises will be in ""as-is"" condition with confirmation that Landlord has good, valid, marketable title free and clear of all liens, encumbrances and covenants or unacceptable easements</p> <p>The option price for the entire Leased Premises shall be \$5,000,000</p>



 **WALNUT SQUARE**  
DALTON, GEORGIA

Exclusively Offered By



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