

Stonewall Square

84 E. MIDLAND TRAIL LEXINGTON, VA 24450



 **LEGACY**
REALTY GROUP

Transaction Team

JACOB BARUCH

President

(718) 450-2178

jacob@legacyrg.com

DANIEL BARUCH

Vice President

(718) 219-3804

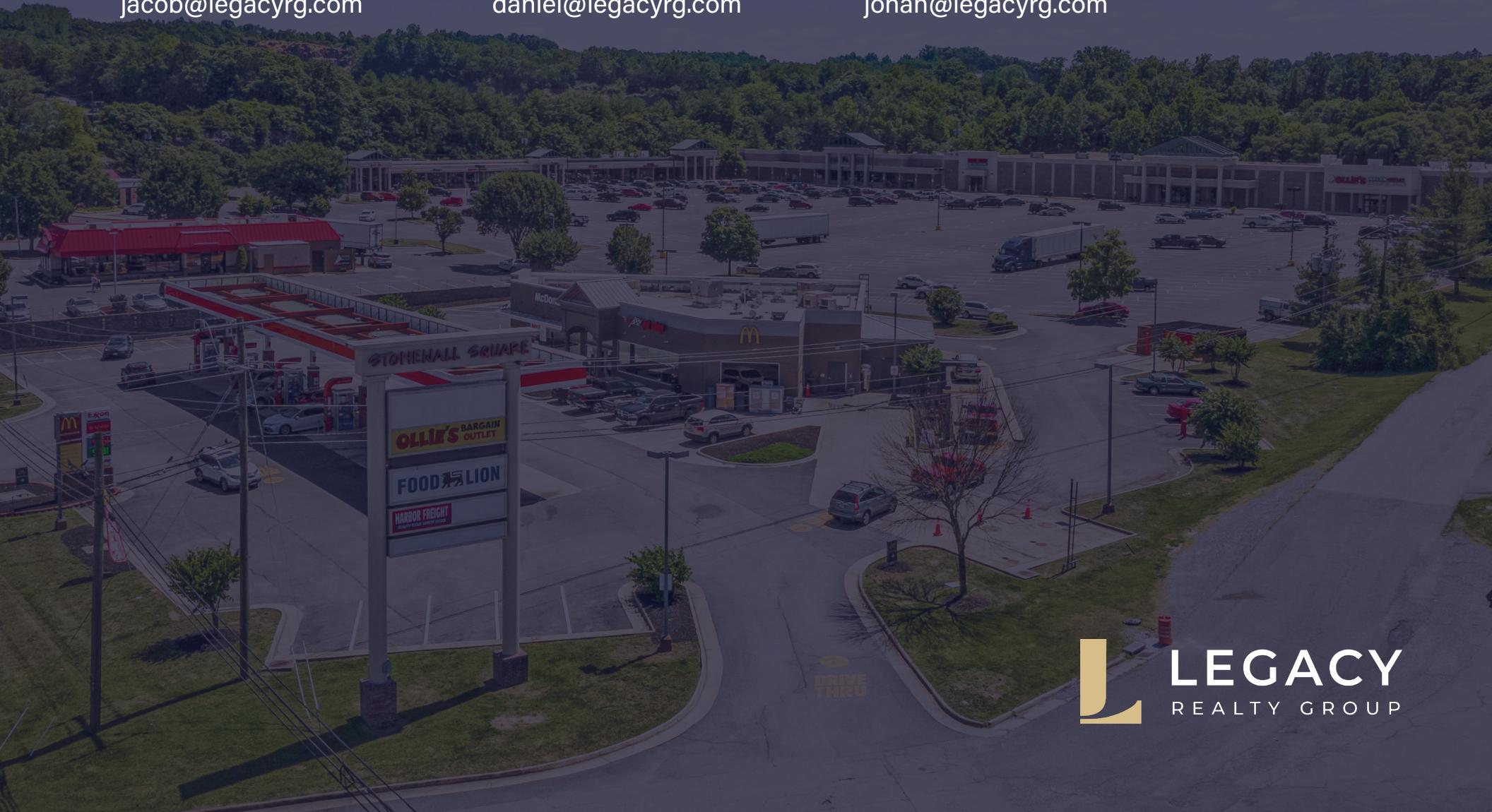
daniel@legacyrg.com

JONAH WARSHAW

Vice President

(347) 652-4874

jonah@legacyrg.com



Property Dashboard

OFFERING SUMMARY

ADDRESS

84 E. Midland Trail
Lexington, VA 24450

DESCRIPTION

Grocery Anchored
Shopping Center

GLA (SF)

152,129 SF

LOT SIZE

14.74 (+/-) Acres

ANCHOR TENANTS

Food Lion,
Ollies Bargain Outlet,
Harbor Freight

PARCEL #

75-A-40A, 75-A-41,
75-A-41A

FINANCIAL SUMMARY



MAKE OFFER

OFFERING PRICE



\$923,056

NOI (CURRENT)



Property Dashboard

PROPERTY HIGHLIGHTS

- A 105 Room (5-story) Residence Inn Hotel is in the process of being constructed on-site.
- Food Lion is not required to report sales. However, we were told they perform very well with 2021 sales of \$15,000,000 (\$413 PSF) featuring a healthy rent/sales ratio of 1.39%.
- Ollie's Bargain Outlet took over part of the former Kmart space and the landlord contributed north of \$800,000 for their upfit.
- Harbor Freight signed a 10-year lease in 2020.
- Hardee's and Carter Bank and Trust out-parcels are included in the sale.
- The historic town of Lexington is home to Washington & Lee University and the Virginia Military Institute. The combined two institutions enroll 4,000+ students.
- Located on Route-60 in Lexington, VA approximately 2 miles from I-81 and minutes from Historic Downtown Lexington.
- Over 600 parking spaces and a parking lot that is large enough to support additional development.

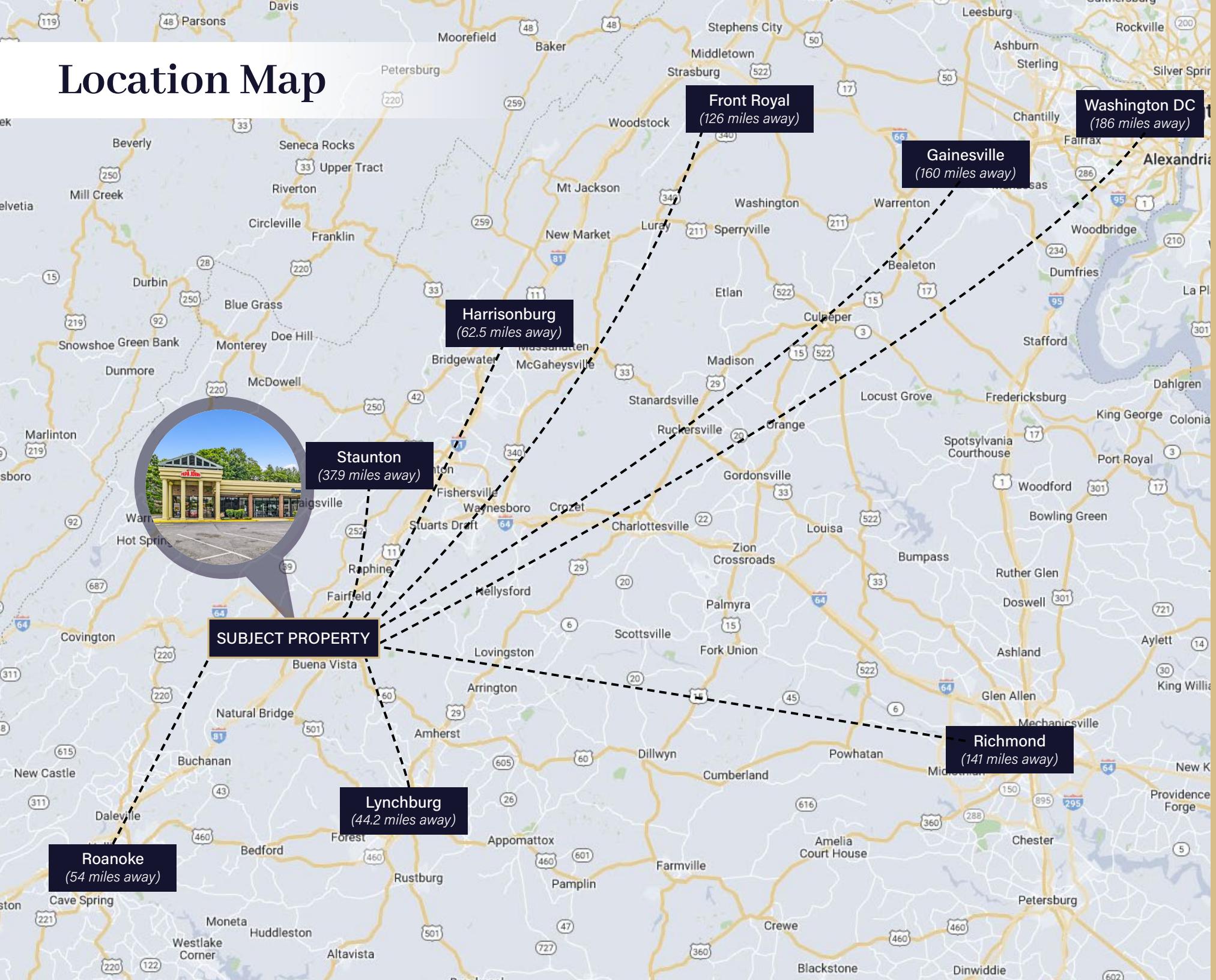
VACANCY

Strong upside potential through leasing up 50,641 SF of vacancy across the following four units:

- 40,753 SF of a former Kmart that is currently being leased on a short-term basis to Modine Manufacturing Company for storage.
- 6,888 SF space that was fully built out for Label Shopper who vacated in 2020.
- 2,000 SF space (garden center) on the end-cap with its own outdoor space.
- 1,400 SF space that was part of a 2,600 SF space that is currently being subdivided for T-Mobile.



Location Map



Market Overview

LEXINGTON, VA



Retail Map



Competitor Map



Economic Drivers

VIRGINIA MILITARY INSTITUTE

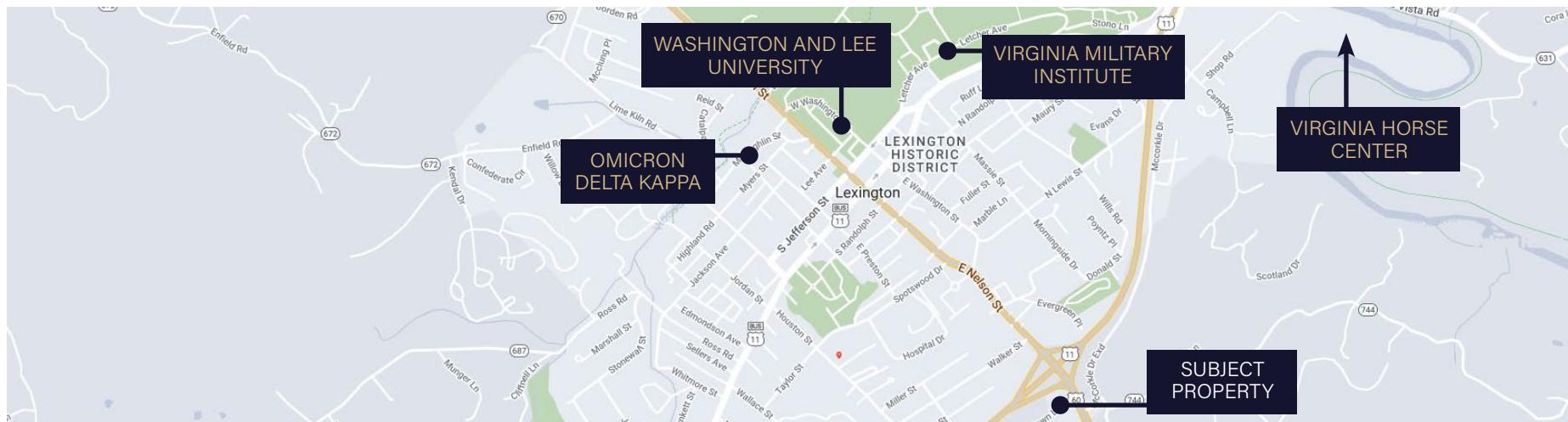
VMI is a military college that develops character, engenders a sense of responsibility, and cultivates the ability to master adversity.

Virginia Military Institute is a medium education organization with 753 employees, an annual revenue of \$49.5M and is headquartered in Virginia.

VIRGINIA HORSE CENTER

The Virginia Horse Center has been the crown jewel of the Commonwealth's \$2 billion equine industry for more than 35 years. The expansive venue hosts more than 100 events annually including local, national, and internationally rated horse shows, educational clinics, rodeos, receptions, and fundraisers in addition to a variety of community-centric events.

Source: www.vahorsecenter.org



OMICRON DELTA KAPPA

Omicron Delta Kappa, also known as The Circle and ODK, is a national leadership honor society in the United States, with chapters, known as circles, at more than three hundred college campuses.

Omicron Delta Kappa is a small non-profit organization based in Virginia with only 116 employees and an annual revenue of \$15M.

WASHINGTON AND LEE UNIVERSITY

One of the oldest colleges in the United States, Washington and Lee University (W&L) traces its history back to 1749, when it was first established as the Augusta Academy. Since then, it has developed a tremendous reputation for excellence based on honor, tradition and strong academics.

A key player in the education industry with 1,303 employees and an annual revenue of \$194M.

Source: www.zippia.com

Nearby Developments



Market Overview - Lexington, VA

Lexington is an independent city in the Commonwealth of Virginia. At the 2020 census, the population was 7,320. It is the county seat of Rockbridge County and the two are considered separate jurisdictions. The Bureau of Economic Analysis combines the city of Lexington (along with nearby Buena Vista) with Rockbridge County for statistical purposes. Lexington is about 57 miles east of the West Virginia border and is about 50 miles north of Roanoke, Virginia. It was first settled in 1778.

COLLEGES



Washington and Lee University
1,850 undergrads | 400 law students



Virginia Military Institute
1,900 students



Southern Virginia University
1,100 students

POINT OF INTEREST

George C. Marshall Foundation

Stonewall Jackson House

George C. Marshall Museum

Devils Backbone Outpost Brewery

Cyrus McCormick Museum

Virginia Horse Center

Natural Bridge State Park - 300,000 - 400,000 visitors per year

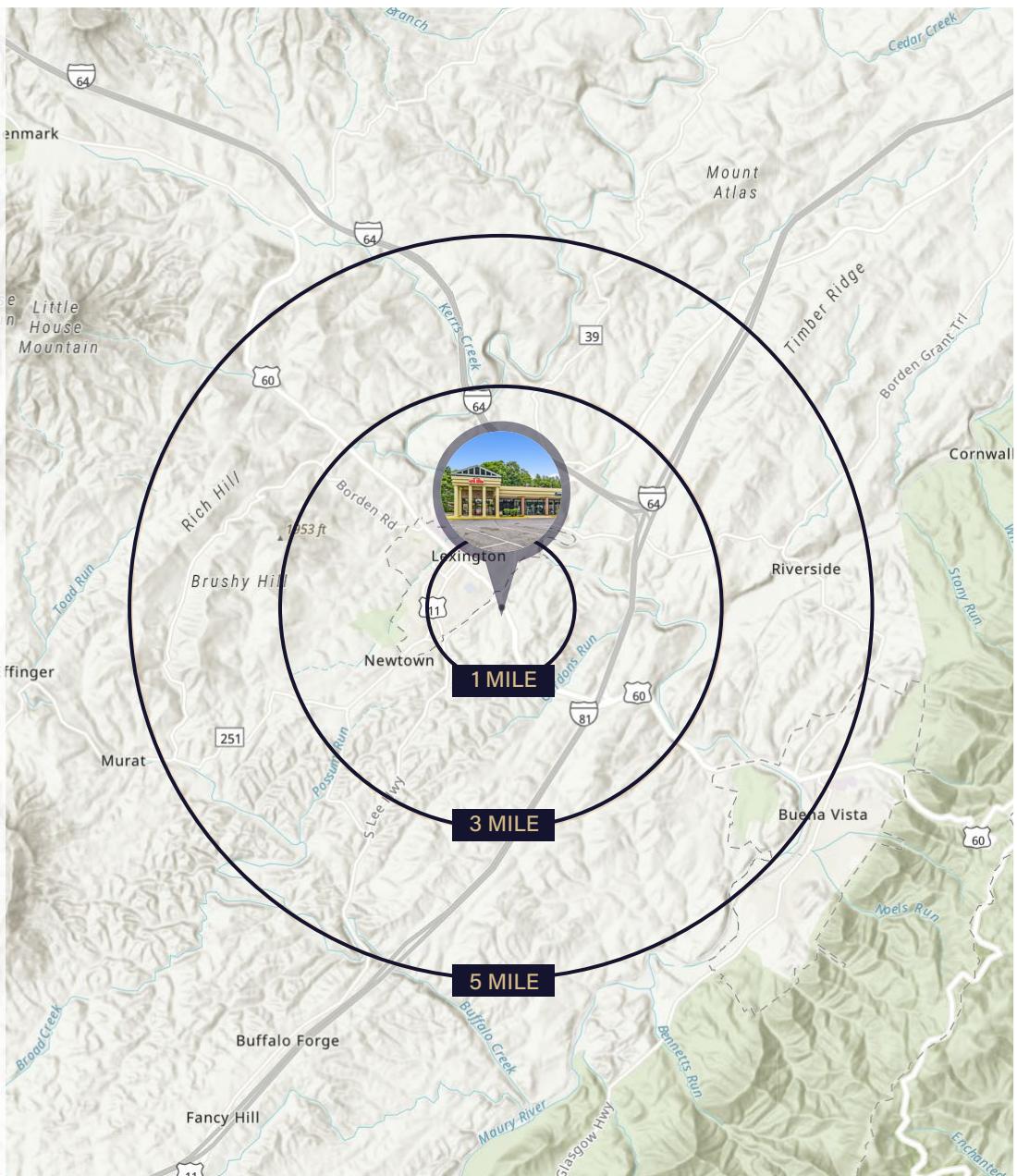
Virginia Safari Park



Demographics

| 2022 SUMMARY | | 1 MILE | 3 MILE | 5 MILE |
|-------------------------------|----------|----------|----------|--------|
| Population | 3,421 | 11,738 | 16,779 | |
| Households | 1,565 | 4,040 | 6,173 | |
| Families | 685 | 2,099 | 3,513 | |
| Average Household Size | 1.94 | 2.18 | 2.20 | |
| Owner Occupied Housing Units | 841 | 2,464 | 4,109 | |
| Renter Occupied Housing Units | 724 | 1,576 | 2,065 | |
| Median Age | 39.4 | 33.1 | 37.0 | |
| Median Household Income | \$47,111 | \$57,521 | \$57,264 | |
| Average Household Income | \$67,489 | \$81,718 | \$82,655 | |

| TRENDS: 2022-2027 ANNUAL RATE | | 1 MILE | 3 MILE | 5 MILE |
|-------------------------------|-------|--------|--------|--------|
| Population | 0.31% | 0.12% | 0.03% | |
| Households | 0.23% | 0.13% | 0.04% | |
| Families | 0.09% | -0.04% | -0.13% | |
| Owner Households | 0.54% | 0.39% | 0.21% | |
| Median Household Income | 2.33% | 1.53% | 1.39% | |



Property Overview

STONEWALL SQUARE

76 E MIDLAND TRAIL, LEXINGTON, VA 24450



 **LEGACY**
REALTY GROUP





Site Plan

| SUITE | TENANT | SF |
|----------|---|--------|
| 78A | VACANT | 2,000 |
| 78 | Ollie's Bargain Outlet | 29,920 |
| 80 | Modine's | 40,753 |
| 82 | Harbor Freight | 15,806 |
| 84 | Food Lion | 36,528 |
| 88 | Rockylake Massage, LLC | 1,200 |
| 90-92 | VACANT | 6,888 |
| 94 | Fashion Floors & Cabon B&G Design Associates, Inc. | 2,000 |
| 96A | Metro by T-Mobile | 1,200 |
| 96B | VACANT | 1,400 |
| 98 & 100 | Italian Restaurant Ischia, LLC | 3,200 |
| 102 | One Main Financial | 1,600 |
| 104 | Valley Trust Insurance | 1,600 |
| 106 | Hong Kong Restaurant | 2,409 |
| 110 | Department of Motor Vehicles | 4,200 |
| 114 | Papa John's Pizza | 1,425 |
| OP1 | Carter Bank and Trust | |
| OP2 | Hardee's | |



Tenant Overview

FOOD LION

Food Lion is an American grocery store chain headquartered in Salisbury, North Carolina, that operates over 1,100 supermarkets in 10 states of the Mid-Atlantic and Southeastern United States (Delaware, Georgia, Kentucky, Maryland, North Carolina, Pennsylvania, South Carolina, Tennessee, Virginia and West Virginia). The chain employs over 63,000 people. It was founded in 1957 as Food Town, a single grocery store in Salisbury. It later expanded to many locations across North Carolina. It was independently operated until it was acquired by the Belgium-based conglomerate Delhaize Group in 1974. In 1983, the company changed its name and branding to Food Lion to allow it to expand into regions where Food Town was already in use by unrelated stores. Following further mergers and acquisitions, Food Lion, LLC is currently owned by Ahold Delhaize. The mascot's name has been George the Food Lion since January 17, 1997.

Delhaize America stores use common private brands called Home 360, Nature's Place, CHA-CHING, and Taste of Inspirations. Sister supermarkets Hannaford and Sweetbay were the last two stores to make the switch, doing so in 2010 and 2011. The move is designed to simplify the company's store-brand products line. Food Lion stores have the My Essentials brand, as well as the Hannaford brand. At the end of 2014, the My Essentials, as well as the Home 360 names, were retired and the more traditional Food Lion brand name was used as a replacement.

OLLIE'S BARGAIN OUTLET

Ollie's Bargain Outlet is an American chain of discount closeout retailers. It was founded in Mechanicsburg, Pennsylvania in 1982 by Morton Bernstein and Mark L. Butler with backing from Harry Coverman and Oliver E. "Ollie" Rosenberg; the latter of whom is the namesake of the company. As of July 2022, the chain has 449 locations in 29 states. Its selection of merchandise comprises a variety of discounted household goods, apparel, pet supplies, kitchen pantry staples, and seasonal products (holiday, gardening, patio, pool and beach supplies); a majority of these items are unsold or overstocked merchandise that is purchased in bulk from other retailers and sold at discounted prices.

Ollie's stores feature its namesake co-founder Ollie Rosenberg, in the form of humorous caricatures throughout its stores' interiors, merchandising displays and on its logo and exterior signage.



Tenant Overview

HARBOR FREIGHT

Harbor Freight Tools, commonly referred to as Harbor Freight, is a privately held tool and equipment retailer, headquartered in Calabasas, California, which operates a chain of retail stores, as well as a mail-order and e-commerce business. The company employs over 25,000 people in the United States and has over 1,300 locations in 48 states.

In 1980, Harbor Freight Tools opened its first retail store in Lexington, Kentucky, to sell returned merchandise from its mail order business. The original location was at 1387 East New Circle Road. It later moved to 1301 Winchester Road, Suite 213.

On April 4, 2013, Harbor Freight Tools announced a \$75 million expansion project for the Dillon distribution center, which opened on November 22, 2015, adding 1 million square feet to the facility and 200 new jobs.

MODINE MANUFACTURING

Modine Manufacturing is a thermal management company established in 1916. The company started as Modine Manufacturing Company by Arthur B. Modine who patented the Spirex radiator for tractors. The company built the world's first vehicular wind tunnel in Racine, Wisconsin in 1941. The company expanded with a European operation, Modine Schnapping Europe, in 1990 and in 1993 acquired Längerer & Reich, a German heat transfer company founded in 1913. Today, the company employs around 11,000 people.

Modine Mfg. Co. is a superfund site located at 2047 Ireland Grove Rd, Bloomington, IL 61701 by the US The Environmental Protection Agency (EPA). This Modine location manufactured tractor radiators and oil coolers and is now closed. Modine Mfg. Co. is currently registered as an Archived superfund site by the EPA and does not require any clean-up action or further investigation at this time. Modine is a publicly traded company.



Rent Roll

| TENANT | SUITE | SQUARE FEET | % SF | LEASE START | LEASE END | RENT PSF | ANNUAL RENT | RENT ESCALATIONS | | | RENEWAL OPTIONS | RENT PSF |
|--|-------|-------------|--------|--|------------|----------|-------------|------------------|---------|------------------------|-------------------------|----------|
| Vacant | 78A | 2,000 | 1.31% | | | | | | | | | |
| Ollie's Bargain Outlet | 78 | 29,920 | 19.67% | 10/31/2015 | 08/19/2023 | \$4.50 | \$134,640 | None | None | Gross Lease | (3) 5 Year | |
| | | | | | | | | | | | Option 1 | \$4.85 |
| | | | | | | | | | | | Option 2 | \$5.20 |
| | | | | | | | | | | | Option 3 | \$5.55 |
| Modine Manufacturing | 80 | 40,753 | 26.79% | 03/01/2022 | 03/31/2023 | \$4.00 | \$163,012 | None | None | Fixed CAM @ \$0.45 PSF | | |
| *One-Year term, then goes month-to-month | | | | | | | | | | | | |
| **Renting the former K-Mart for Storage | | | | | | | | | | | | |
| ***6.00% monthly commission to broker | | | | | | | | | | | | |
| Harbor Freight | 82 | 15,806 | 10.39% | 09/01/2020 | 08/31/2030 | \$8.30 | \$131,190 | 09/01/2026 | \$9.13 | Gross Lease | (5) 5 Year | |
| | | | | | | | | | | | Option 1 | \$10.04 |
| | | | | | | | | | | | Option 2 | \$11.04 |
| | | | | | | | | | | | Option 3 | \$12.14 |
| | | | | | | | | | | | Option 4 | \$13.35 |
| *Early Termination option on 3/1/26 | | | | | | | | | | | | |
| Food Lion #774 | 84 | 36,528 | 24.01% | 03/01/1989 | 05/25/2025 | \$5.75 | \$210,000 | None | None | Fixed CAM @ \$0.35 PSF | | |
| | | | | | | | | | | | Base Year INS (\$7,530) | |
| | | | | | | | | | | | PRS Taxes | |
| Rockylake Massage LLC | 88 | 1,200 | 0.79% | 06/01/2021 | 05/31/2026 | \$8.00 | \$9,600 | 06/01/2025 | \$9.00 | PRS TICAM | (1) 5 Year | FMV |
| | | | | | | | | | | | + Mgmt | |
| | | | | | | | | | | | +15% Admin | |
| VACANT | 90-92 | 6,888 | 4.53% | (Former Label Shopper - All built out) | | | | | | | | |
| Fashion Floors & Cabin | 94 | 2,000 | 1.31% | 01/01/2002 | 12/31/2024 | \$13.66 | \$27,314 | 01/01/2023 | \$14.07 | PRS TICAM | | None |
| B&G Design Associates, Inc. | | | | | | | | 01/01/2024 | \$14.49 | | + Mgmt | |
| | | | | | | | | | | | +15% Admin | |
| VACANT | 96A | 1,400 | 0.92% | | | | | | | | | |
| Metro-by-T-Mobile | 96B | 1,200 | 0.79% | 08/01/2022 | 07/31/2027 | \$18.00 | \$21,600 | 08/01/2023 | \$18.54 | PRS TICAM | | |
| | | | | | | | | 08/01/2024 | \$19.10 | | + Mgmt | |
| | | | | | | | | 08/01/2025 | \$19.67 | | +15% Admin | |
| | | | | | | | | 08/01/2026 | \$20.26 | | | |

Rent Roll

| TENANT | SUITE | SQUARE FEET | % SF | LEASE START | LEASE END | RENT PSF | ANNUAL RENT | RENT ESCALATIONS | | RECOVERY TYPE | RENEWAL OPTIONS | RENT PSF |
|------------------------------|-------|-------------|-------|-------------|------------|----------|-------------|------------------|---------|-------------------------|-----------------------------------|----------|
| | | | | | | | | DATE | PSF | | | |
| Ischia Italian Restaurant | 98 | 1,600 | 1.05% | 05/01/2021 | 07/31/2026 | \$14.00 | \$23,076 | 05/01/2023 | \$14.86 | PRS TICAM | (1) 5-Year 3.00% Annual Inc | |
| | | | | | | | | 05/01/2024 | \$15.30 | + Mgmt | | |
| | | | | | | | | 05/01/2025 | \$15.76 | +15% Admin | | |
| Italian Restaurant Expansion | 100 | 1,600 | 1.05% | 06/01/2022 | 07/31/2026 | \$12.00 | \$19,200 | 08/01/2023 | \$13.00 | PRS TICAM | (1) 5 Year 3.00% Annual Inc | |
| | | | | | | | | 08/01/2024 | \$15.30 | + Mgmt | | |
| | | | | | | | | 08/01/2025 | \$15.76 | +15% Admin | | |
| One Main Financial | 102 | 1,600 | 1.05% | 04/01/2012 | 05/31/2027 | \$18.45 | \$29,520 | 06/01/2023 | \$18.82 | PRS TICAM | | |
| | | | | | | | | 06/01/2024 | \$19.20 | + Mgmt | | |
| | | | | | | | | 06/01/2025 | \$19.58 | +15% Admin | | |
| | | | | | | | | 06/01/2026 | \$19.97 | | | |
| Valley Trust Insurance | 104 | 1,600 | 1.05% | 12/01/2019 | 11/30/2029 | \$13.65 | \$21,836 | None | None | PRS TICAM | None | |
| | | | | | | | | | | + Mgmt | | |
| | | | | | | | | | | +15% Admin | | |
| Hong Kong Restaurant | 106 | 2,409 | 1.58% | 02/01/1993 | 01/18/2031 | \$19.93 | \$48,000 | 01/18/2026 | \$20.32 | PRS TICAM | None | |
| | | | | | | | | 01/18/2027 | \$20.73 | + Mgmt | | |
| | | | | | | | | 01/18/2028 | \$21.14 | +15% Admin | | |
| | | | | | | | | 01/18/2029 | \$21.57 | | | |
| | | | | | | | | 01/18/2030 | \$22.00 | | | |
| Department of Motor Vehicles | 110 | 4,200 | 2.76% | 02/01/2021 | 05/31/2031 | \$16.75 | \$70,350 | None | None | PRS Over 2020 Base Year | (4) 5 Year | |
| | | | | | | | | | | Option 1 | | |
| | | | | | | | | | | Option 2 | | |
| | | | | | | | | | | Option 3 | | |
| | | | | | | | | | | Option 4 | | |
| Papa John's Pizza | 114 | 1,425 | 0.94% | 07/12/2007 | 05/31/2027 | \$18.24 | \$25,992.00 | 06/01/2023 | \$18.79 | PRS TICAM | None | |
| | | | | | | | | 06/01/2024 | \$19.33 | + Mgmt | | |
| | | | | | | | | 06/01/2025 | \$19.93 | +15% Admin | | |
| | | | | | | | | 06/01/2026 | \$20.53 | | | |

Rent Roll

| TENANT | SUITE | SQUARE FEET | % SF | LEASE START | LEASE END | RENT PSF | ANNUAL RENT | RENT ESCALATIONS | | RENEWAL OPTIONS | RENT PSF |
|-----------------------|-------|----------------|-------------|-------------|------------|----------|-----------------------|------------------|------|---|--|
| | | | | | | | | DATE | PSF | | |
| Carter Bank and Trust | OP1 | - | 0.00% | 01/29/1990 | 10/31/2026 | | \$49,668.36 | None | None | PRS CAM + Mgmt + Pay 100% of Their Tax Bill | (2) 5-Year Option 1 \$54,635 Option 2 \$60,099 |
| Hardee's | OP2 | - | 0.00% | 02/01/1989 | 02/04/2026 | | \$47,832.12 | None | None | Pay 100% of Their Tax Bill | (1) 5-Year Option 1 \$52,615 |
| Totals: | | 152,129 | 100% | | | | \$1,032,830.08 | | | | |

Income & Expense

| REVENUE | TOTAL | PSF |
|---------------------------------|-----------------------|---------------|
| Base Rent | \$1,032,830.08 | \$6.79 |
| Pass-thrus-CAM | \$37,267.64 | \$0.23 |
| Pass-thrus-Ins. | \$7,371.11 | \$0.05 |
| Pass-thrus-Tax: Shopping Center | \$13,981.84 | \$0.09 |
| Pass-thrus-Tax: Carter Bank | \$6,325.52 | \$0.04 |
| Pass-thrus-Tax: Hardee's | \$5,935.54 | \$0.04 |
| Pass-thrus-Mgmt. | \$3,914.76 | \$0.03 |
| Pass-thrus-Admin | \$1,007.51 | \$0.01 |
| TOTAL INCOME | \$1,108,634.00 | \$7.28 |



| OPERATING EXPENSES | TOTAL | PSF |
|-------------------------|--------------------|---------------|
| CAM: | | |
| Electricity | \$10,830.49 | \$0.07 |
| Fire Monitor | \$801.00 | \$0.01 |
| Gas | \$548.54 | \$0.00 |
| Grounds Maintenance | \$13,880.00 | \$0.09 |
| Parking Lot Maintenance | \$1,872.00 | \$0.01 |
| Repairs & Maintenance | \$11,025.00 | \$0.07 |
| Roof Repair | \$322.22 | \$0.00 |
| Security | \$1,627.40 | \$0.01 |
| Sprinkler Expense | \$695.00 | \$0.00 |
| Trash Removal | \$11,138.84 | \$0.07 |
| Total CAM: | \$52,740.49 | \$0.35 |

| | | |
|----------------------------------|---------------------|---------------|
| Management Fees | \$33,604.60 | \$0.22 |
| Insurance | \$27,294.00 | \$0.18 |
| Real Estate Tax: Shopping Center | \$41,574.68 | \$0.27 |
| Real Estate Tax: Hardee's | \$5,935.54 | \$0.04 |
| Real Estate Tax: Carter Bank | \$6,325.52 | \$0.04 |
| Gas | \$34.18 | \$0.00 |
| Water / Sewer | \$2,855.45 | \$0.02 |
| R&M Reserves (\$.10 PSF) | \$15,212.90 | \$0.10 |
| Total Expenses | \$185,577.36 | \$1.22 |
| NOI | \$923,056.64 | \$6.06 |

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Please consult your own advisor to fully understand the investment being made.



JACOB BARUCH
President
(718) 450-2178
jacob@legacyrg.com

DANIEL BARUCH
Vice President
(718) 219-3804
daniel@legacyrg.com

JONAH WARSHAW
Vice President
(347) 652-4874
jonah@legacyrg.com

