



OFFERING MEMORANDUM

Covington Shopping Center

975 Hwy 51 S. Covington, TN 38019



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01 PROPERTY
OVERVIEW

975 Hwy 51 S.



EXECUTIVE SUMMARY

Colliers is pleased to present Covington Shopping Center, a +/- 72,000 square-foot, three-tenant shopping center in Covington, TN. Situated along Highway 51 — a high-visibility corridor carrying more than 26,000 vehicles per day — the property is located within the heart of the retail corridor. Surrounding retailers include, but are not limited to, Home Depot, Walmart, Five Below, and many others.

An investor will benefit from a Weighted Average Lease Term of 8.22 years. Furthermore, each tenant has a rental escalation within its current lease term, with Tractor Supply and Goodwill escalating in 2027. Bealls' next escalation is projected to take place in 2029. The average rent in the center equals \$4.89 PSF.

Tractor Supply has been in successful operation at this location since 2012. In 2021, they extended their lease for a period of ten (10) years, demonstrating a strong commitment to the location. Bealls signed a ten (10) year lease in 2023. Goodwill is a brand-new tenant, having backfilled the former Big Lots suite, with rent commencing in January 2026.

The subject property also features value-add components through multiple channels. The shopping center spans +/- 11.44 acres with a robust parking field of 499 stalls. The excess parking and land present an opportunity to develop an additional pad site of approximately +/- 0.67 acres, which could support the construction of an additional 5,100 SF of retail space.

Covington, Tennessee serves as the county seat of Tipton County and is strategically located along the Highway 51 corridor, approximately 35 miles north of downtown Memphis. As part of the greater Memphis MSA, Covington benefits from the region's robust logistics, distribution, and agricultural economy while maintaining a strong small-town commercial core.

PROPERTY DETAILS

Address	975 Highway 51 S, Covington, TN 38019
Year Built/Renovated	1991 / 2005 / 2015
Occupancy	100%
GLA	±72,554
Buildings	1
Suite Sizes	±16,300 - 34,380
Ownership	Fee Simple
Parcel ID	01-025-F-025-F-A-013.000
Land Area	±11.44 acres
Total Parking	±499

NEARBY RETAIL

Walmart	Placer: 2.2 M Visits in 2025, 3 Miles from Subject
Other	Home Depot, Five Below, Landers Ford, Dollar Tree, Jack's

PRICING

Asking Price	\$5,149,928
Price Per SF	\$74.70
NOI	\$360,495
Cap Rate	7.00%

LOCATION & DEMOGRAPHICS

Trade Area	+30 miles
Traffic Count (Hwy 51)	±26,885
Avg. HH Income (10-minute drive time)	\$67,102
Average HH Income Growth (2025-2030)	2% projected
Projected Growth (2025-2030)	+ 7.1% within 3-Mile Radius

KEY TENANTS

Tractor Supply (NASDAQ:TSCO)	2,400 + Locations, 30% of GLA
Goodwill	3,200+ Locations, Largest Thrift Operator in US, 47% of GLA
Bealls	650+ locations, 22% of GLA

INVESTMENT HIGHLIGHTS

100% Occupied, Multi-Tenant Center

Anchored by Three Nationally Recognized Retailers:

Covington Shopping Center is fully occupied by Bealls, Goodwill, and Tractor Supply Company — three national tenants with a combined 6,250+ locations across the United States. The center benefits from a Weighted Average Lease Term of 8.22 years, providing an investor with long-term income stability and minimal near-term rollover risk.

Tractor Supply's 14-Year Operating History

Demonstrates Exceptional Location Commitment:

Tractor Supply (NASDAQ: TSCO) has operated successfully at this location since 2012 — over 14 years. In 2021, they proactively extended their lease for an additional ten years through November 2030, with one 5-year renewal option remaining. Tractor Supply Company has proactively invested in the property through its FUSION renovation program, which includes interior and exterior upgrades such as fresh paint, updated lighting, fixture and signage replacement, and the addition of a Pet Wash station — a strong indicator of tenant commitment and long-term occupancy. As the largest rural lifestyle retailer in the United States with 2,400+ locations and Fortune 500 status, Tractor Supply represents a best-in-class anchor credit in a format purpose-built for markets like Covington.

Brand-New Goodwill Tenancy Backfills Former Vacancy

— Immediate Income:

Goodwill, the largest thrift operator in the United States with 3,200+ locations, executed a new lease and rent commenced in January 2026, fully backfilling the former Big Lots suite. As a mission-driven nonprofit with a decades-long track record of retail success, Goodwill provides a durable, community-embedded tenancy. The brand-new lease eliminates lease-up risk and delivers immediate cash flow to an incoming investor.



INVESTMENT HIGHLIGHTS

Rents Significantly Below Market

— Embedded Upside at Every Rollover:

The average in-place rent is \$4.89 PSF

Proven Pad Site Development Opportunity

— ±0.67 Acres of Excess Land Along Hwy 51 Frontage:

The property's ±11.44-acre site contains a surplus parking field of 499 stalls — well in excess of what the current tenants require. Our OM shows two conceptual development plans for a proposed ±0.67-acre outparcel situated along Highway 51 frontage:

Concept 1: Depicts a ±6,000 SF multi-tenant retail building, utilizing 100 existing parking stalls to create 399 remaining stalls — still providing ample parking coverage for the shopping center.

Concept 2: Depicts a split pad with ±3,300 SF of retail and ±1,800 SF QSR (quick service restaurant), with 40 total stalls (31 existing + 9 new, including 2 ADA). The site is zoned B-2 Highway Oriented Business (City of Covington) and is located in Flood Zone X (minimal flood hazard). Setbacks are 25' front, 5' side, and 20' rear.

*Please see pages 9 and 10 for concepts.

This outparcel would generate additional NOI through ground lease or sale, enhance the overall value of the shopping center, and further activate the Hwy 51 frontage — contingent upon approval.



Dominant Location on Covington's Primary Retail Corridor

The property is situated on US Highway 51, the primary commercial artery serving Covington, Tipton County seat, and the surrounding communities of Atoka and Munford. The corridor carries 26,885+ vehicles per day and is flanked by a deep lineup of national co-tenants including Walmart, Home Depot, Five Below, Dollar Tree, Taco Bell, McDonald's, Walgreens, AutoZone, O'Reilly, and many others — drawing consumers from a trade area exceeding 30 miles.

Covington / Tipton County Growth Story

Tipton County is projected to experience population growth approaching 30% over the next decade, driven in part by residential migration northward from Memphis and the economic catalyst of the nearby BlueOval City Ford EV manufacturing campus — which is expected to grow from 80 current employees to approximately 2,300 and bring thousands of additional jobs to the corridor. The property sits at the center of this growth trajectory, positioned to benefit from accelerating retail demand and new household formation throughout the trade area. O'Reilly, and many others — drawing consumers from a trade area exceeding 30 miles.





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PROJECT NAME:
COMMERCIAL DEVELOPMENT
IN COVINGTON, TN

DRAWING DATA
DATE: 3/25/2026
PROJECT NO.: 26.1197 / CONCEPT 1

DISCLAIMER: THE CONCEPT REPRESENTED
HEREIN IS FOR CONCEPTUAL PURPOSES ONLY.
INFORMATION SHOWN HEREIN WAS BASED ON
PROVIDED INFORMATION BY THE CLIENT AND
PRELIMINARY CODE RESEARCH WITH THE
SUBJECT JURISDICTION. INFORMATION SHOWN
HEREIN SHALL BE CONFIRMED BY SUBJECT
JURISDICTION AND MAY BE SUBJECT TO
CHANGE. A SURVEY IS RECOMMENDED TO
DETERMINE THE PROPERTY BOUNDARIES AND
RESTRICTIONS.

PROPERTY BOUNDARY GENERATED
REFERENCING PROVIDED PDF.

LEGEND

- BOUNDARY LINE
- BSL BUILDING SETBACK
- LSB LANDSCAPE BUFFER
- PROPOSED PAVEMENT

SCALE: 1" = 100'



PROPERTY BOUNDARY GENERATED
REFERENCING PROVIDED PDF.



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PROJECT NAME:
COMMERCIAL DEVELOPMENT
IN COVINGTON, TN

ADDRESS: 975 HWY 51 S
COVINGTON, TN 38019

JURISDICTION:
CITY OF COVINGTON

PARCEL ID #:
025F A 013.00

PARCEL AREA:
±0.67 AC (OUT OF ±11.37 AC)

ZONE: B-2
HIGHWAY ORIENTED BUSINESS

EXISTING USE:
EXISTING PARKING LOT

PROPOSED USE:
RETAIL / RESTAURANT
(PERMITTED)

PARKING CALCULATION: 38 REQ.
RETAIL: 6 PER 1,000 SF
REST: 1 PER 100 SF

PROVIDED PARKING:
2 ADA STALL
38 STALLS (9' x 19') (31 EXISTING)
40 TOTAL STALLS

DRIVE AISLE:
24' TWO-WAY (MIN.)*

SETBACKS
FRONT: 25'
SIDE: 5'
REAR: 20'
BUFFERS: 10' RESIDENTIAL L.S.

FLOOD ZONE: X
FEMA MAP: 47167C0160F
DATED: 12/19/2006

SITE SPECIFIC NOTES:
* DRIVE AISLE DIMENSIONS ARE
ASSUMED AND TO BE DETERMINED
BY THE JURISDICTION.

QSR ASSUMES 6 EMPs TO BE
CONFIRMED.

PLATTING REQUIREMENTS TO BE
DETERMINED BY THE JURISDICTION.

DRAWING DATA
DATE: 3/25/2026
PROJECT NO.: 26.1197 / CONCEPT 2

DISCLAIMER: THE CONCEPT REPRESENTED
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RESTRICTIONS.

LEGEND

- BOUNDARY LINE
- BSL BUILDING SETBACK
- LSB LANDSCAPE BUFFER
- PROPOSED PAVEMENT

N

40 0 40

SCALE : 1" = 40'



975 Hwy 51 S.
TRACTOR SUPPLY CO **bealls**
Goodwill

DOLLAR TREE
FIVE BELOW **TACO BELL**

Landers Ford North
Ford

FedEx

DOLLAR GENERAL

Walgreens

Jack's

AutoZone

BlueOval™ City
Ford
20 mi. from subject property

Quality INN
McDonald's

EXXON

save a Lot
MAPCO

bp

O'Reilly AUTO PARTS
TENNESSEE TITLE LOANS

CADENCE Bank
POPEYES

SUBWAY

Wendy's

FAMILY DOLLAR

CAPTAIN D'S
SCOOTER'S COFFEE
SONIC
America's Drive-In.

bp

Valero

milano's PIZZA
PASTA & SUBS
476-1499
Edward Jones

Buff City Soap

Downtown Covington

Walmart
3 mi. from subject property

USPS.COM

State Farm

Local Aerial



* Parcel outlines not drawn to scale.

THE
MAGNUM
ICE CREAM  COMPANY


EXECUTIVE
INN & SUITES

975 Hwy 51 S.
TRACTOR SUPPLY CO.  **bealls**
Goodwill

HWY 51 / 26,885+ VPD

 **DOLLAR TREE**
five BELOW

 **TACO BELL**

* Parcel outlines not drawn to scale.

Area Map





02 FINANCIAL
ANALYSIS

975 Hwy 51 S.

IN-PLACE INCOME

SUITE	TENANT	SQUARE FEET	PRO RATA SHARE	START DATE	LEASE EXPIRATION	BASE RENT PSF	CAM REC PSF	INS REC PSF	TAX REC PSF	RECOVERIES PSF	BASE RENT	OPEX RECOVERIES	GROSS RENT	RECOVERY STRUCTURE
A	Tractor Supply	21,863	30.13%	5/3/12	6/30/32	\$3.85	\$0.86	\$0.29	\$0.37	\$1.53	\$84,168	\$33,344	\$117,512	NNN + Mgmt & Admin (not to exceed 5% of cost)
B	Balls	16,311	22.48%	5/8/23	1/31/34	\$5.67	\$0.85	\$0.29	\$0.36	\$1.50	\$92,500	\$24,497	\$116,997	NNN + Mgmt: 4% (non-cumulative) Cap on Controllable CAM
C	Goodwill	34,380	47.39%	1/1/26	12/31/35	\$5.50	\$0.68	\$0.29	\$0.36	\$1.33	\$189,090	\$45,864	\$234,954	NNN + Mgmt (Mgmt not to exceed 4% of CAM)

		EFFECTIVE GROSS INCOME		\$469,463	\$6.47	
		Expenses				
TOTAL OCCUPIED	72,554	100%	CAM	(\$47,606)	(\$0.66)	
TOTAL VACANCY	0	0%	Insurance	(\$20,837)	(\$0.29)	
TOTAL SF	72,554	100%	Real Estate Tax	(\$26,442)	(\$0.36)	
			Management Fee	3%	(\$14,084)	(\$0.19)
		TOTAL EXPENSES		(\$108,968)	(\$1.50)	
		NET OPERATING INCOME		\$360,495	\$4.97	

Financial Assumptions:

[1] 3% Management fee assumed

[2] Tipton County does not reassess following a sale. They are on 6 year reassessment cycle with next reassessment occurring in 2029

[3] Goodwill base rent modeled to reflect the bump to \$5.50 PSF, scheduled to occur 1/1/2027; tenant is currently paying \$5.25/SF



CASH FLOW PROJECTIONS

975 HWY 51 S		
	TOTAL	PSF
Base Rental Revenue	\$365,758	\$5.04
Expense Recovery Revenue		
CAM Recovery	\$47,828	\$0.66
Management Fee Recovery	\$8,378	\$0.12
Insurance Recovery	\$20,934	\$0.29
Real Estate Tax Recovery	\$26,565	\$0.37
Total Expense Recovery Revenue	\$103,705	\$1.43
TOTAL POTENTIAL GROSS REVENUE	\$469,463	\$6.47
EFFECTIVE GROSS REVENUE	\$469,463	\$6.47
Operating Expenses		
CAM		
Utilities	\$15,587	\$0.21
Landscaping	\$4,944	\$0.07
Parking lot repair	\$4,491	\$0.06
HVAC	\$5,820	\$0.08
Lights	\$7,655	\$0.11
Fire Protection	\$4,852	\$0.07
Legal/Accounting	\$4,257	\$0.06
CAM	\$47,606	\$0.66
Taxes	\$26,442	\$0.36
Insurance	\$20,837	\$0.29
Management Fee 3%	\$14,084	\$0.19
TOTAL OPERATING EXPENSES	\$108,968	\$1.50
NET OPERATING INCOME	\$360,495	\$4.97

RENT ROLL

TENANT NAME	TENANT INFORMATION					RENTAL RATES					RECOVERY STRUCTURE
	STATUS	LEASE START	LEASE END	SF	ESCALATION DATE	\$/SF/YR	CURRENT RENT/YR	CURRENT REC/YR	CURRENT REC/SF/YR	GROSS RENT	
Tractor Supply	Contract	5/3/12	6/30/32	21,863		\$3.85	\$84,168	\$33,344	\$1.53	\$117,512	NNN + Mgmt & Admin (not to exceed 5% of cost)
					7/1/27	\$4.04	\$88,380				
					OPTION 1	7/1/32	\$4.35	\$95,004			
					OPTION 2	7/1/37	\$4.67	\$102,132			
Bealls	Contract	5/8/23	1/31/34	16,311		\$5.67	\$92,500	\$24,497	\$1.50	\$116,997	NNN + Mgmt: 4% (non-cumulative) Cap on Controllable CAM
					2/1/29	\$6.20	\$101,200				
					OPTION 1	2/1/34	\$6.51	\$106,260			
					OPTION 2	2/1/39	\$6.84	\$111,573			
					OPTION 3	2/1/44	\$7.18	\$117,152			
					OPTION 4	2/1/49	\$7.54	\$123,009			
					OPTION 5	2/1/54	\$7.92	\$129,160			
Goodwill	Contract	1/1/2026	12/31/35	34,380		\$5.50	\$189,090	\$45,864	\$1.33	\$234,954	NNN + Mgmt (Mgmt not to exceed 4% of CAM)
					1/1/32	\$6.00	\$206,280				
					OPTION 1	1/1/37	\$6.50	\$223,470			
					OPTION 2	1/1/42	\$7.00	\$240,660			
					OPTION 3	1/1/47	\$7.50	\$257,850			
					OPTION 4	1/1/52	\$8.00	\$275,040			

Note: Goodwill is currently paying \$5.25, Colliers UW factored the escalation, slated to take place in Jan 1, 2027

Permitted Use	Bealls Outlet Store — sale of men's, women's and children's apparel, general merchandise, gifts, domestics, housewares, and related items Note: After satisfying the Opening Covenant (operating at least one day as Bealls Outlet), Tenant may operate for any other lawful purpose subject to Exhibit "L" restrictions.
CAM Cap — Years 2+ (Controllable Costs)	Beginning Year 2, CONTROLLABLE Maintenance Expenses shall not increase by more than 4% per year over the prior year, computed NON-CUMULATIVELY. "Controllable" = all CAM except: utilities, security, and snow removal.
Real Estate Taxes	PRS
Insurance	PRS
Kick-Out / Sales Termination Right	If Tenant's Gross Receipts during the Measurement Period (months 73–84 of Lease Term) do not exceed \$1,750,000, Tenant has a ONE-TIME right to terminate the Lease. Termination notice due within 120 days following expiration of the 87th month. Effective 60 days after Landlord receives notice. Upon termination, Tenant must reimburse unamortized Construction Contribution + brokerage fees at 6% amortization.
Co-Tenancy Inducement Tenants	Tractor Supply and Big Lots are named inducement tenants. Landlord covenants these tenants are open for business at signing.
Co-Tenancy Trigger	If either or both inducement tenants (or comparable replacement tenants) fail to open or cease operations for a period of 90 CONTINUOUS DAYS for any reason other than fire, disaster, peril, or remodeling ("Co-Tenancy Violation"): ALL amounts due from Tenant (Fixed Rent + CAM + Taxes + Insurance) are reduced by 50% until inducement tenant(s) reopen.
Co-Tenancy Replacement Tenant Standard	Comparable replacement tenant"" means: (i) a person operating minimum 50 retail stores in the USA under the same name, OR (ii) a franchisee under a name used by 50+ stores in USA, OR (iii) a regional occupant satisfactory to Tenant occupying the entire inducement space.
Co-Tenancy Termination Right	If either or both inducement tenants cease operations for 12 CONSECUTIVE MONTHS (during initial term or any extension), Tenant may: (a) Continue at 50% reduced rent, OR (b) Terminate the Lease with 60 days written notice — each party released from further liability.
Prohibited Uses in Shopping Center	Extensive list in Paragraph 29 and Exhibit "L" — including no auctions/liquidations, no army surplus/used apparel, no self-storage, no medical >25% GLA, no industrial use, no automotive service (except national chains), no adult entertainment, no health clubs/gyms, no hotels, no funeral parlors, no laundromats, no day care, no veterinary (except Petco/PetSmart), no gambling, no marijuana dispensaries, no off-track betting.
HVAC — Ongoing Landlord Obligations	Landlord is responsible for ALL HVAC repairs in excess of \$1,500.00 per year (unless need arises from Tenant's negligence or casualty). Exclusion: HVAC units replaced by Landlord after Lease date — after replacement, Tenant responsible for subsequent replacement of those specific replaced units (except casualty). Landlord acknowledges it OWNS the HVAC system. Bealls HVAC units have recently been replaced.
HVAC — Tenant Obligations	Tenant responsible for: (a) repairs under \$1,500/year threshold, (b) replacement of any unit previously replaced by Landlord, (c) maintaining a preventive maintenance/service contract throughout the term.

Premises	Approximately 21,863 square feet of interior building space (the "Building"), PLUS: Fenced Outdoor Display Area: approximately 15,000 SF, Permanent Sidewalk Display Area, Permanent Trailer and Equipment Display Area, and Loading docks. As shown outlined in red on Site Plan (Exhibit "B")(Section 1). Note: First Amendment also adds propane tank area and approves FUSION/SIDE-LOT improvements.
Lease Background / History	<p>COMPLEX HISTORY — Three-tier structure:</p> <ol style="list-style-type: none"> 1. ORIGINAL: Landlord (Blume SPE) owned Shopping Center; leased to Wal-Mart (Prime Lease, dated June 13, 1991, expired Jan 31, 2017). 2. WAL-MART sublease: Wal-Mart subleased TSC's space to Tractor Supply Company under a Sublease (expired Jan 31, 2017). 3. THIS LEASE (May 2012): A forward-starting direct lease between Blume SPE and TSC, activated upon expiration of the Prime Lease and Sublease on February 1, 2017. 4. FIRST AMENDMENT (2021): Extended term to June 30, 2032; modified rent; expanded exclusive use covenant; added propane, FUSION, and SIDE-LOT improvements.
CAM Cap (restricted to mgmt + admin)	NNN - Common Area Expense EXCLUDES management and administrative fees in excess of FIVE PERCENT (5%) of total costs.
Real Estate Taxes	PRS
Insurance	PRS
Exclusive Use — Amended Covenant	<p>Landlord covenants NOT to sell, lease, rent, occupy, or transfer any portion of the Restricted Property for the purpose of selling items supporting a farm/ranch/rural/do-it-yourself lifestyle including:</p> <ol style="list-style-type: none"> (a) Tractor and equipment repair/maintenance supplies (b) Farm fencing (c) Livestock gates (d) Livestock feeding systems (e) Animal and pet feed and health/maintenance products (dogs, cats, birds, horses, cattle, goats, pigs, fowl, rabbits, equine and livestock) (f) Western wear and boots (g) Outdoor work wear (including Carhartt) and boots (h) Horse and rider tack and equipment (i) Bird feed, housing, and related products (j) Lawn and garden equipment (mowers, snowblowers, chippers, wheelbarrows, log splitters) (k) Hardware (l) Power tools (m) Welders and welding supplies (n) Open and closed trailers (o) 3-point equipment (p) TRACTORS (added in Amendment — not in original) (q) Truck and trailer accessories (r) HAY AND FORAGE (added in Amendment) (s) BULK PROPANE AND WELDING GAS (added in Amendment) (t) PEDAL BOATS AND MOTORIZED VEHICLES — ATVs, mini-bikes, dirt bikes, scooters, UTVs (added in Amendment) (u) PET GROOMING AND WASHING SERVICES (added in Amendment) (v) A PET VETERINARY CARE CLINIC (added in Amendment) <p>(First Amendment Section 3)"</p>
De Minimis Sales Exception	Other tenants may sell Restricted Products as incidental to their principal business, as long as the total square footage devoted to Restricted Products display does NOT exceed FIVE PERCENT (5%) of the tenant's total merchandise display area. Note: Original lease allowed 10% — Amendment tightened this to 5%.
Co-Tenancy	N/A
HVAC — Tenant's Responsibility (Ongoing)	Tenant is responsible for ALL maintenance and replacement of HVAC systems and equipment serving the Demised Premises throughout the Term.
OP Development	Must obtain Tractor Supply Approval
Section 13 — Entrances / Access	Landlord shall not permit or allow any changes to the entrances, easements, passways, curb cuts and delivery lanes on or benefiting the Shopping Center and/or the Demised Premises without the prior written consent of Tenant, which consent shall not be unreasonably withheld, conditioned or delayed.

	Operation of a Retail Store, Attended Donation Center, and general office use.
Permitted Use	Trade name: "Goodwill" (unless otherwise approved by Landlord, approval not unreasonably withheld) Note: Tenant also installing a Donation Drive-Thru on the front left corner of the Premises as part of Tenant's Work.
CAM Cap — Year 1 (All NNN Combined)	All Additional Rent combined (CAM + Taxes + Insurance + 4% management fee) capped at \$1.46 PSF for Lease Year 1.
CAM Cap — Years 2+	NO CAP stated on CAM increases, MGT fee not to exceed 4% of CAM cost
Real Estate Taxes	PRS
Insurance	PRS
Exclusive Use — Goodwill	Section 6.04: So long as Tenant is open and continuously operating as a Goodwill discount retail store and drop-off/donation center (except for temporary closures for repairs or remodeling), Landlord covenants that NO OTHER charitable donation center or facility — including unattended donation drop boxes — will be permitted in the Shopping Center during the Term.
Co-Tenancy	N/A
Outparcel Rights of Landlord	Landlord may add up to TWO (2) outparcel buildings not exceeding 12,000 total SF (as shown on Exhibit "B"). Tenant retains right to review site plans and elevations of proposed outparcels to ensure no negative impact on: visibility, traffic flow, parking, access to Premises, and signage. Landlord expressly prohibited from taking any action that materially impairs: (i) visibility of Premises/signage, (ii) vehicular/pedestrian access, (iii) traffic flow, (iv) parking availability, or (v) Tenant's signage rights. (Section 1.04)
HVAC — Landlord's Ongoing Obligation	Landlord is responsible for ALL HVAC repairs after Tenant has expended a maximum of \$5,000 per Lease Year in HVAC repairs. Landlord obligation includes repair AND REPLACEMENT of HVAC.
HVAC — Tenant's Obligation	Tenant is responsible for: (a) HVAC repairs up to \$5,000 per Lease Year, AND (b) maintaining an annual HVAC service/maintenance contract with a qualified contractor — proof required prior to opening and at the beginning of each Lease Year thereafter.

The logo for Bealls, featuring the word "bealls" in a bold, lowercase, red sans-serif font.

Bealls is a long-standing, family-owned retail corporation founded in 1915 and headquartered in Bradenton, Florida. The company has evolved from a small dry-goods store into a major off-price retail operator with a nationwide footprint. Operating under banners such as Bealls, Bealls Florida, and Home Centric, the retailer continues its legacy through a fourth-generation leadership team focused on value-driven assortments, operational discipline, and guest experience. Bealls has demonstrated resilience over more than a century of economic cycles, expanding its store presence and maintaining strong financial principles while leaning into off-price merchandising to meet shifting consumer preferences

Tenant Entity: Bealls, Inc. | No. of Locations: 650+ | www.beallsinc.com/

The logo for Tractor Supply Company, featuring the letters "TSC" in white on a red trapezoidal background, followed by the words "TRACTOR SUPPLY CO." in a bold, black, uppercase sans-serif font.

Tractor Supply Company is the largest rural lifestyle retailer in the United States, serving recreational farmers, ranchers, homeowners, pet owners, and DIY consumers with a wide range of agricultural, pet, hardware, and home-maintenance products. Founded in 1938, the company has grown into a Fortune 500 brand with more than 52,000 team members delivering its signature “Life Out Here” service in stores, online, and through its mobile platforms. Tractor Supply continues to expand its footprint through both its core stores and its Petsense by Tractor Supply brand, offering comprehensive solutions for pets, livestock, and land management. The retailer’s format focuses on outlying metropolitan and rural markets, leveraging a multichannel approach and strong brand loyalty to maintain leadership in a niche but growing category.

Tenant Entity: Tractor Supply Company (NASDAQ: TSCO) | No. of Locations: 2,400+ | www.tractorsupply.com

The logo for Goodwill Industries International, featuring a stylized lowercase "g" inside a blue square, with the word "goodwill" in a small, lowercase, black sans-serif font below it, and the word "Goodwill" in a large, bold, black, uppercase sans-serif font below that.

Goodwill Industries International is a nonprofit organization and one of the largest and most recognized thrift retail networks in North America. Founded in 1902, Goodwill operates through 154 autonomous regional organizations that collectively run thousands of retail stores dedicated to selling donated goods and funding job training, employment placement services, and community-based programs. As a major force in the resale and recycling ecosystem, Goodwill diverts billions of pounds of goods from landfills annually, supporting both environmental and workforce development missions. Its network structure enables strong local engagement while maintaining national scale, allowing Goodwill to remain a dominant and innovative player in the growing secondhand and circular-economy retail sector.

Tenant Entity: Goodwill Industries International, Inc. | No. of Locations: 3,200+ | www.goodwill.org



03 MARKET OVERVIEW

975 Hwy 51 S.



Covington, TN

Covington serves as the county seat of Tipton County and the dominant retail hub along US Highway 51, approximately 35 miles north of downtown Memphis. The corridor carries 26,885+ VPD and serves a consolidated trade area of 30+ miles encompassing Covington, Atoka, Munford, and Brighton. The subject property anchors the northern entry of this corridor — the first major national retail center for consumers traveling south from Atoka and Munford.

Despite dense national co-tenancy — Walmart, Home Depot, Five Below, Dollar Tree, Taco Bell, McDonald's, Walgreens, AutoZone, O'Reilly, and many others — the corridor remains undersupplied relative to its growth trajectory. A retail gap analysis estimates demand for 3.6M+ SF of additional retail over the next decade, with in-place rents materially below comparable suburban Memphis product, creating embedded mark-to-market upside at every rollover.

FORD BLUEOVAL CITY

The transformative economic catalyst for this trade area is Ford's BlueOval City campus in Stanton, TN — 20 miles from the subject — the single largest investment in Tennessee history at \$5.6B across 4,100 acres. Ford pivoted from EV to gas-powered 'Built Ford Tough' truck production in December 2025, with production now expected to begin in 2029.

Jobs: ~2,300 committed at the Tennessee Truck Plant; SK On battery plant (same campus) targeting 2028 production start.

State Incentives: ~\$900M committed by Tennessee — Ford's obligations to the state remain intact following the EV-to-truck pivot.

Retail Impact: 2,300+ new manufacturing jobs 20 miles away will drive meaningful household formation, consumer spending, and daytime population growth throughout the Highway 51 corridor.

RESIDENTIAL GROWTH

Tipton County has adopted its first-ever Tax Increment Financing Policy and a county-wide Future Land Use Plan to manage anticipated growth. New residential product — including Covington Court Square Townhomes (delivered 2025) — is entering the market in response to job creation demand. The county has actively streamlined development approvals to accelerate housing supply across all municipalities.

NATIONAL RECOGNITION (2025)

Covington's national visibility is rising. These 2025 recognitions have driven increased interest from retailers, restaurateurs, and lodging operators — reinforcing the corridor's long-term demand story.

MAJOR MSA EMPLOYERS

Unilever / Magnum Ice Cream	World-scale ice cream mfg. since 1970s; \$23M capacity expansion underway (2025–2027).
Charms LLC (Tootsie Roll)	Blow Pops mfg. since 1973; \$97.7M expansion announced Feb. 2025 — ~500 total employees.
Mueller Industries	Industrial manufacturer; part of 17+ established Tipton County industrial brands.
Baptist Memorial Hospital	Primary healthcare employer; major services and jobs anchor for the region.
Ford / TN Truck Plant	\$5.6B campus, Stanton (~20 mi.). Gas-powered truck production 2029; ~2,300 jobs committed.
The Fischer Group	HQ relocation to downtown Covington; up to 350 jobs (2025 Impact Report).
Marfo FMA	First U.S. production facility in Covington; \$37M+ investment, ~100 jobs expected.
Tipton County Schools	Major public employer; TCAT partnership feeds skilled workers to area manufacturers.

- \$97.7M** Charms LLC expansion (Feb. 2025); ~500 total jobs at completion.
- \$37M+** Marfo FMA first U.S. facility in Covington; ~100 new jobs.
- \$23M** Unilever/Magnum Ice Cream capacity expansion; +35% production.
- \$92.2M** Total capital investment across City of Covington in 2025 alone (1,000+ jobs created/retained).
- \$1B+** Local businesses surpassed \$1B in combined annual payroll in 2025 (U.S. Economic Census).

"40 Most Charming Small-Town Downtowns in America"

HGTV | 2025

"Top Small U.S. Cities for Food & Drink"

Food & Wine Magazine | 2025



Memphis, TN

The Memphis, TN-MS-AR Metropolitan Statistical Area is Tennessee's largest MSA by geography and second-largest by population, spanning 9 counties across three states — Tennessee, Mississippi, and Arkansas. With a 2024 population of 1.34 million and a Gross Regional Product that has surpassed \$102.9 billion, Memphis is the dominant economic engine of the Mid-South. The MSA supports over 660,000 nonfarm jobs and has achieved record employment, reflecting 5% average annual job growth over the past five years.

Critically for this investment, Tipton County — where the subject property is located — is one of the nine counties formally included in the Memphis MSA, meaning Covington benefits directly from Memphis's infrastructure, institutional presence, workforce pipeline, and consumer spending base while offering investors a significantly lower-cost entry point than comparable suburban Shelby County product.

MEMPHIS, TN-MS-AR
METROPOLITAN STATISTICAL AREA

1.34M
MSA Population
(2024)

\$102.9B
Gross Regional Product

660,600+
Total Nonfarm Jobs
(Nov. 2025)

5%
Avg. Annual Job Growth
— 5 Years

AMERICA'S AEROTROPOLIS — THE LOGISTICS ADVANTAGE

Memphis is globally recognized as one of the world's premier logistics and distribution hubs — nicknamed "America's Aerotropolis" for its unmatched convergence of air, rail, road, and river infrastructure. This logistics foundation anchors the MSA's economic stability and creates a permanent, diversified employment base that sustains retail demand across the entire region.

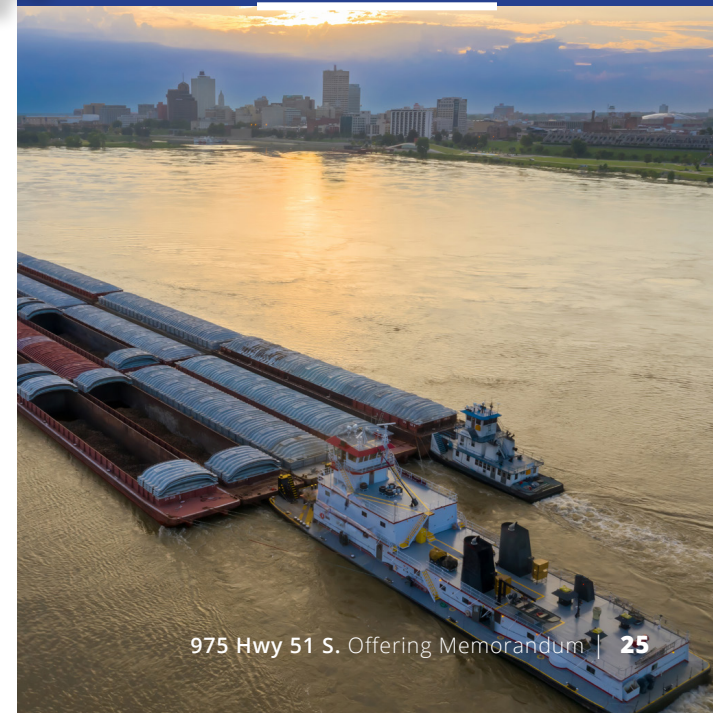
#1 U.S. Cargo Airport: Memphis International Airport is the busiest cargo airport in North America and 3rd-largest globally, handling 3.7M+ metric tons annually — driven by FedEx's World Hub, which sorts 450,000+ packages per hour.

3rd-Largest Trucking Corridor: 400+ trucking companies operate from Memphis; 45% of the U.S. population is reachable in one day, 75% in two days.

5 Class I Railroads: One of only four U.S. cities served by all five Class I railroads — Norfolk Southern, BNSF, Canadian National, Union Pacific, and CSX — with 9 rail yards and 2M+ annual container lifts.

5th-Largest Inland Port: Mississippi River access supports barge freight, adding a fourth multimodal leg that few U.S. markets can match.

\$50B Economic Impact: The air cargo industry alone generates approximately \$50 billion in regional economic impact and supports 40,000+ direct and indirect jobs.





Memphis, TN *CONT.*

SUBURBAN GROWTH STORY — WHY TIPTON COUNTY BENEFITS

Population growth in the Memphis MSA is increasingly concentrated in the suburban counties surrounding Shelby County, as families and workers migrate outward seeking affordability, space, and quality of life. Fayette County grew 6.24% from 2020–2024, the fastest of any MSA county. Tipton County's strong Memphis commute flows are the basis for its formal MSA inclusion — and its proximity to BlueOval City/Ford's Tennessee Truck Plant (20 miles from subject) positions it as the next major suburban growth node in the region.

Suburban MSA submarkets consistently outperform the urban core on retail demand metrics. In-place retail rents in Tipton County remain materially below comparable suburban Memphis product (DeSoto County, Germantown corridor), while the fundamental growth drivers — job creation, household formation, and northward migration — are accelerating. This creates a compelling buy-low, ride-the-growth dynamic for retail investors entering the Covington/Tipton market today.

MSA RECOGNITION & CREDENTIALS

Tennessee's Largest MSA by Geography 9-county tri-state footprint: TN, MS, AR	Tennessee's #1 Logistics & Distribution Hub Greater Memphis Chamber / Supply Chain Dive
#1 Cargo Airport in North America Memphis International Airport — 3.7M metric tons (2024)	3 Fortune 500 HQs FedEx, AutoZone, International Paper — all headquartered in Memphis
Record Employment: 660,600+ Jobs BLS — Nonfarm Payrolls, Nov. 2025	GRP Surpassed \$100 Billion Gross Regional Product — \$102.9B milestone (BEA)

1 in 9 Jobs in Healthcare 19 hospitals, 4,100+ beds, anchored by St. Jude & UT Health Science Center

MAJOR MSA EMPLOYERS

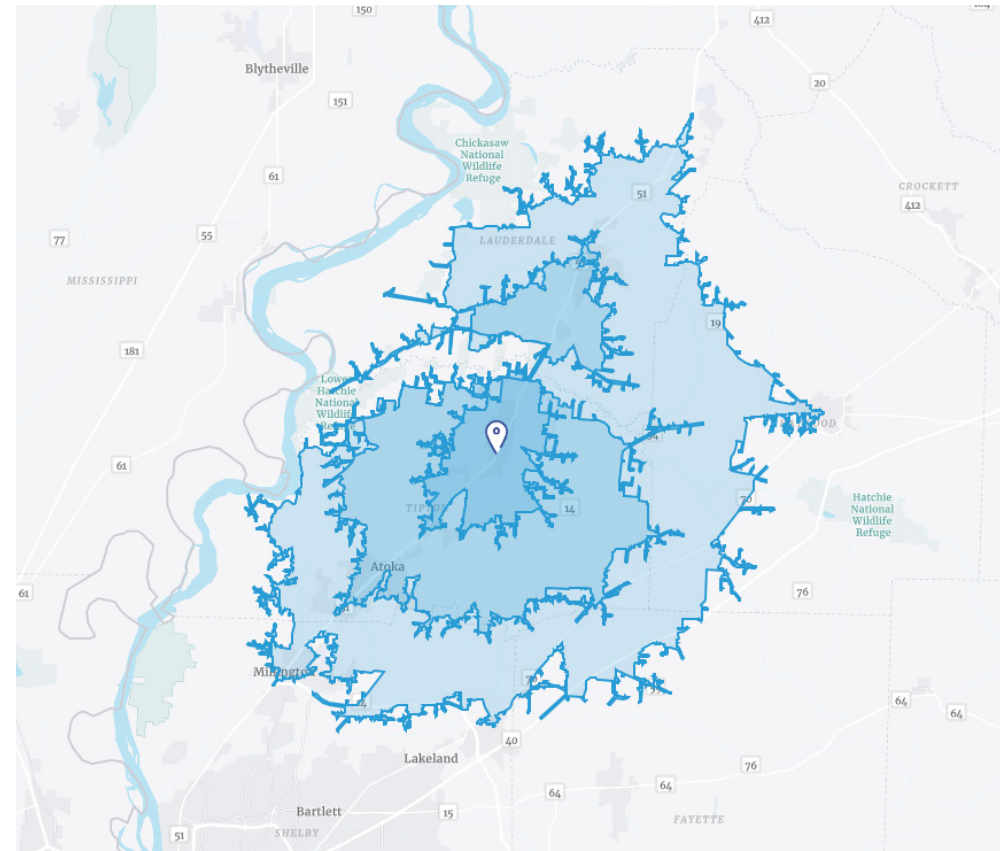
FedEx Corp.	Global HQ in Memphis; 30,000+ regional employees; \$1B+ invested in hub expansion.
AutoZone	Fortune 500 HQ in Memphis; 100+ years of auto parts retail dominance.
International Paper	Global paper/packaging HQ in Memphis; major manufacturing and corporate employer.
St. Jude Children's Research Hospital	World-renowned pediatric cancer research; 5,000+ employees; growing campus.
Methodist Le Bonheur Healthcare	Largest health system in the region; 9,250+ employees.
Baptist Memorial Health Care	Major regional hospital system; 7,286+ MSA employees.
University of Memphis	Largest university in Memphis; 20,276 enrolled; major employer and talent pipeline.
Smith & Nephew	U.S. HQ in Memphis; global medical device manufacturer.
Nike / Walmart / Kroger	Major distribution and retail operations throughout the MSA.
Ford / TN Truck Plant	~20 mi. from subject; \$5.6B campus; ~2,300 jobs committed; production 2029.



MARKET DEMOGRAPHICS OVERVIEW

975 Hwy 51 S. Covington, TN 38019

Drive Times	10 Minutes	20 Minutes	30 Minutes
Population			
2025 Est. Population	13,049	47,400	92,352
2030 Proj. Population	12,982	47,360	91,964
2025 Daytime Population	14,292	41,224	79,041
2025 Median Age	39.6	40.3	40.9
Households			
2025 Est. Households	5,333	18,511	36,361
2030 Proj. Households	5,418	18,823	36,749
Change 2025 - 2030	1.6%	1.7%	1.1%
2025 Income			
Average HH Income	\$74,858	\$88,494	\$88,816
Median HH Income	\$60,511	\$72,724	\$68,843
Per Capita Income	\$30,710	\$34,555	\$34,921
2025 Housing Units			
Total Housing Units	5,743	19,664	38,939
Owner Occupied Units	58.6%	72.4%	71.1%
Renter Occupied Units	41.4%	27.6%	28.9%
Vacant Units	7.1%	5.9%	6.6%
2025 Employment			
# of Employees	641	1,378	2,502
# of Businesses	6,060	13,102	24,557





Covington Shopping Center

975 Hwy 51 S. Covington, TN 38019



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