



**Retail
Investment Opportunity**

Offering Memorandum

2201 N US Highway 31 | Petoskey, MI 49770

10 Year Early Extension | Operating Since 2011 | Luxury 4 Season Affluent Market | Investment Grade Credit Company



MATTHEWS™



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| Property Overview



\$4,985,222

List Price

±10.75 Years

Term Remaining

NN+

Lease Type



±19,532

Total GLA (SF)

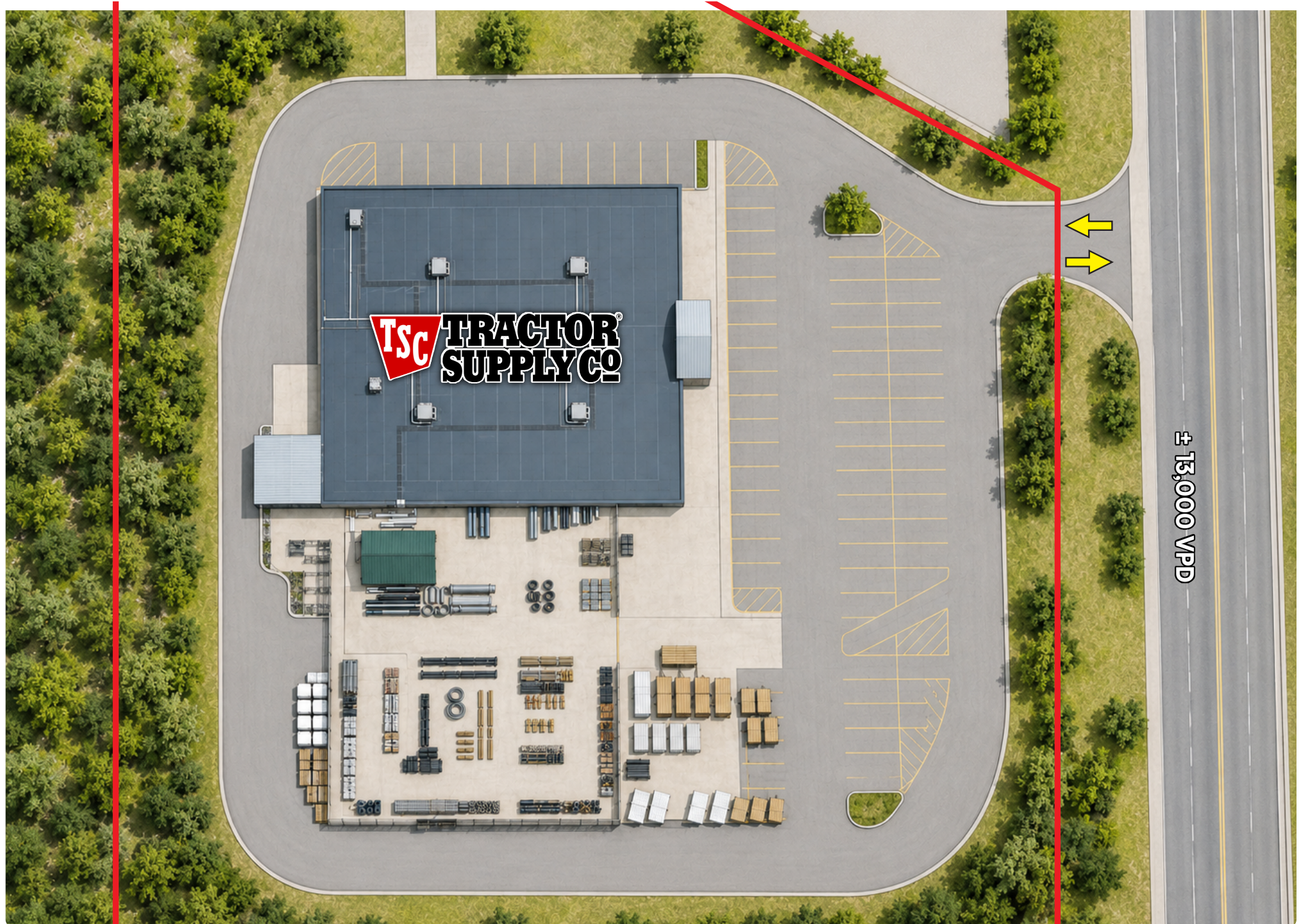
±4.61

Lot Size (AC)

2011

Year Built

Site Plan



| Investment Highlights

Dominant Northern Michigan Location Serving a Large Regional Trade Area

- Strategically positioned along US-31, the primary commercial corridor serving Petoskey and surrounding Northern Michigan communities, the property benefits from strong year-round consumer demand and regional accessibility. Petoskey serves as the economic, retail, and healthcare hub for much of Northern Michigan, drawing shoppers from Emmet, Charlevoix, Cheboygan, and Otsego Counties.



Affluent Resort Market with Significant Seasonal Population Growth

- Located within one of Michigan's most desirable vacation and second-home destinations, the property benefits from a substantial influx of seasonal residents and tourists throughout the year and includes exclusive luxury enclaves, premier lakefront estates, and high historic home values. The Petoskey market is supported by nearby destinations including Harbor Springs, Bay Harbor, Charlevoix, Walloon Lake, and Boyne Mountain, creating a highly diversified customer base beyond the permanent population.



Investment Highlights



Investment Grade Tenant with Proven Operating History

- Leased to Tractor Supply Company, a publicly traded, investment-grade retailer generating approximately \$15.52 billion in revenue (2025). Tractor Supply has established a strong presence within the Petoskey market and benefits from the area's unique blend of rural, recreational, agricultural, and residential demand drivers.

Recent Early 10 Year Lease Extension

- Tractor Supply has operated at this site since 2011 and recently extended the lease early for an additional 10 years, demonstrating their long term commitment to the location and the demand for its goods and services.

Dominant Fortune 500 Retailer and Industry Leader

- Tractor Supply operates more than 2,500 locations nationwide and remains the clear leader in the rural lifestyle retail sector. The company's focus on essential products including pet supplies, livestock feed, outdoor power equipment, home improvement, and agricultural products has supported consistent growth and long-term operating performance across varying economic cycles.

Strategic Retail Corridor Anchored by National Retailers

- The property is located on US-31, the highly trafficked artery through Downtown and strong retail corridor, serving the broader Northern Michigan trade area.

High Barriers to Entry and Limited New Retail Supply

- Petoskey's desirable location, constrained development opportunities, and limited availability of large commercial sites create significant barriers to entry for new retail development. Combined with the area's strong demographics, tourism-driven economy, and status as the primary retail destination for Northern Michigan, these characteristics support long-term tenant demand and investment stability.



| Proximity to Top National & Regional Retailers



Surrounding Area & Traffic Drivers



Financial Overview

TRACTOR SUPPLY CO
2201 N US Highway 31 | Petoskey, MI



Financial Overview



\$4,985,222

List Price

6.30%

Cap Rate

\$314,069*

Rent

*\$317,469 Starting 4/1/2027 Less \$3,400 In Expense

Executive Summary

Property Address	2201 US 31 N, Petoskey, MI 49770
GLA	±19,532 SF
Lot Size	± 4.61 AC
Year Built	2011

Tenant Summary

Tenant Trade Name	Tractor Supply
Type of Ownership	Fee Simple
Lease Type	NN+
Term Remaining on Lease	±10.75 Years
Increases	5% Every 5 Years In Base Term 7.5% Every 5 Years In The Options
Options	Three, 5-Year Options
ROFR	Yes



Financial Overview



Annualized Operating Data

Lease Year	Monthly Rent	Annual Rent	Rent Less \$3,400 Expense	Increases	Cap Rate
Current - 3/31/2027	\$25,196.00	\$302,352.00	\$282,026.36	-	-
4/1/2027 - 3/31/2032	\$26,455.80	\$317,469.60	\$314,069.60	5.00%	6.30%
4/1/2032 - 3/31/2037	\$27,778.59	\$333,343.08	\$329,943.08	5.00%	6.62%
Option 1	\$29,861.98	\$358,343.76	\$354,943.76	7.50%	7.11%
Option 2	\$32,101.63	\$385,219.56	\$381,819.56	7.50%	7.64%
Option 3	\$34,509.25	\$414,111.00	\$410,711.00	7.50%	8.22%

| Tenant Overview



Year Founded
1938

Headquarters
Brentwood, TN

Ownership Status
Public

Employees
52,000+

Locations
2,500+

Credit Rating
**Moody's Baa1
BBB S&P**

Annual Revenue
\$15.52B+

Tenant Overview

Tractor Supply Company is the largest rural lifestyle retailer in the United States, serving the needs of farmers, ranchers, homeowners, and hobbyists with a broad assortment of products for home improvement, agriculture, livestock, and pets. Founded in 1938 and headquartered in Brentwood, Tennessee, the company has built a highly loyal customer base across small towns and rural communities nationwide. TAs as of September 27, 2025, the Company operated 2,364 Tractor Supply stores across 49 states and 206 Petsense by Tractor Supply locations in 23 states. Tractor Supply is publicly traded on Nasdaq under the ticker TSCO. Supported by strong store-level economics and resilient demand in its core categories, the company continues to execute a disciplined expansion strategy, opening new stores annually and investing heavily in supply chain efficiency, omnichannel capabilities, and its “Life Out Here” customer experience initiatives, including its Neighbor’s Club loyalty program. Tractor Supply maintains an investment-grade credit profile, holding a Baa1 rating from Moody’s and BBB S&P Rating with a stable outlook, reflecting its consistent cash flow, conservative financial policies, and robust profitability, driving total revenues of approximately \$15.52 billion in 2025. The retailer’s dominant market position, essential product mix, stable customer demand, and proven growth strategy make Tractor Supply an exceptional and highly attractive tenant within the net lease retail sector.

Why Invest in Tractor Supply?

- **Dominant Niche in Rural Lifestyle Retail:** TSC is the largest U.S. rural-lifestyle retailer, focused on customers who live “out here” — farmers, ranchers, hobby-farmers, pet owners, landowners.
- **Strong Growth Footprint & Disciplined Store Expansion:** In 2025, the Company opened 90 new TSC stores + 10 new Petsense stores.
- **Robust Financial Discipline & Shareholder Return:** About \$15.52 billion in capital returned to shareholders in 2025 via dividends and share repurchases.
- **Investment-Grade Credit Profile and Stable Outlook:** Maintains Baa1 rating with stable outlook, indicative of solid balance sheet and cash flows.
- **Tailwinds in Underserved Markets:** Focus on rural, small-town locations where competition is less intense and customer loyalty may be higher.

Market Overview

TRACTOR SUPPLY CO
2201 N US Highway 31 | Petoskey, MI



Petoskey, MI

Demographics

\$123,304

Average HH Income

61.1%

Homeownership Rate

3.7%

10-Year Population Growth

2,648

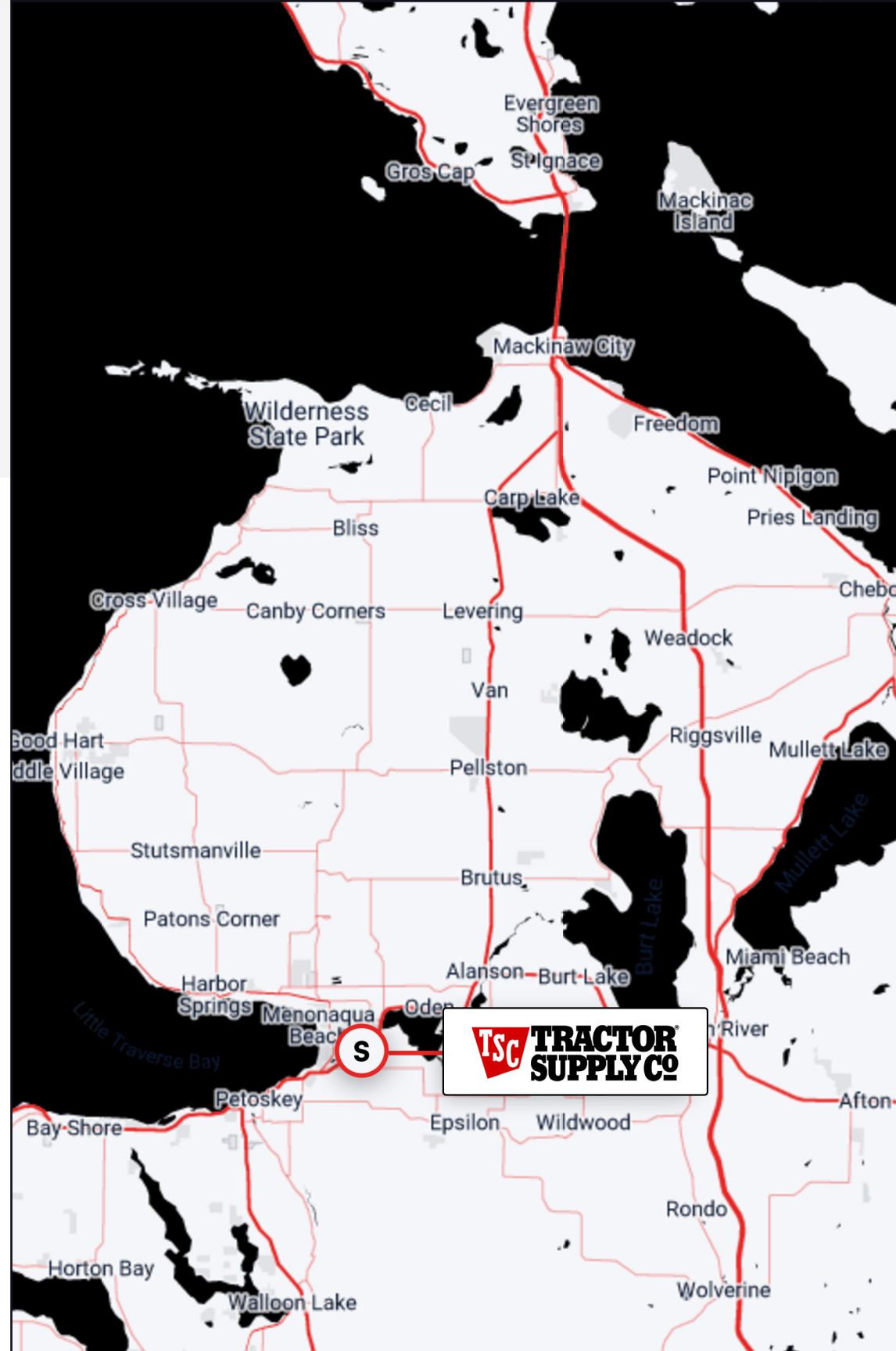
of Households

Local Market Overview

Situated along the shores of Little Traverse Bay in northern Michigan, Petoskey is known for its scenic waterfront, historic charm, and strong tourism-driven economy. The city offers a blend of small-town character and year-round recreational appeal, attracting visitors and seasonal residents from across the Midwest. During the summer months, Petoskey's population increases an estimated 9x, while the area also experiences substantial tourism and day-trip traffic. The city's downtown district features a walkable collection of boutique shops, restaurants, galleries, and preserved Victorian architecture, while the surrounding region provides access to boating, golf, hiking, and renowned ski destinations.

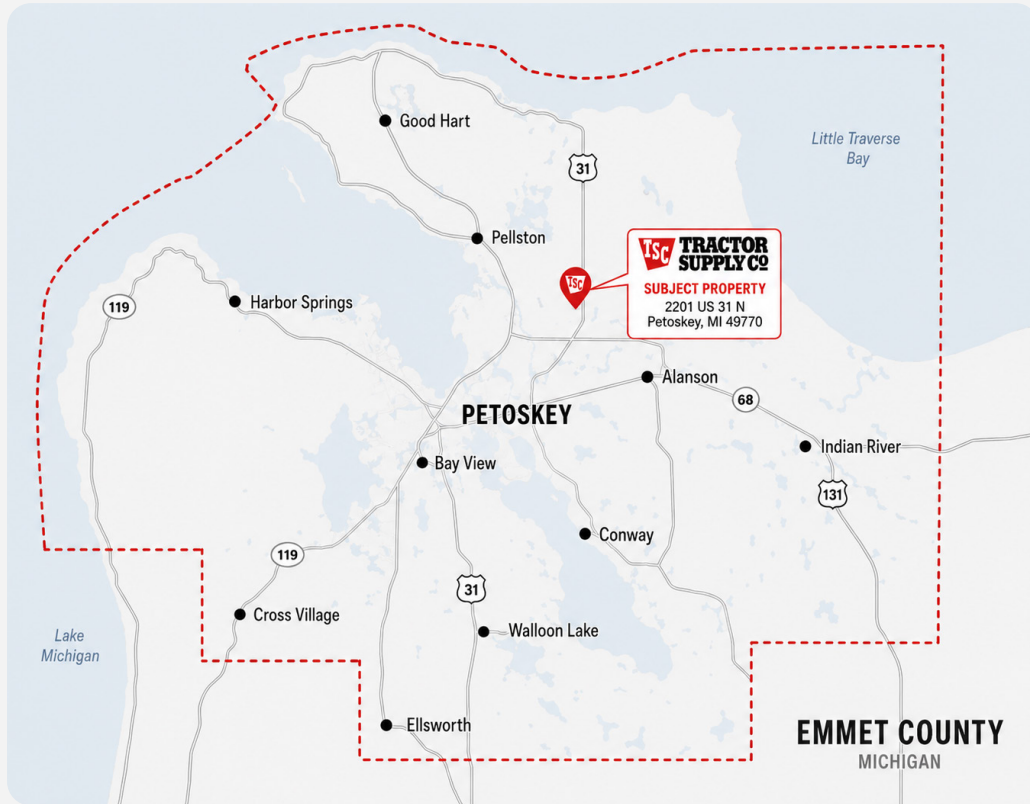
Property Demographics

POPULATION	1-MILE	3-MILE	5-MILE
2020 Population	624	4,266	12,795
2025 Population	1,093	5,300	12,920
2030 Population	1,192	5,494	12,849
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2020 Households	263	1,785	5,455
2025 Households	478	2,304	5,572
2030 Households	524	2,405	5,555
INCOME	1-MILE	3-MILE	5-MILE
Avg Household Income	\$123,304	\$110,329	\$104,856



Agriculture & Opportunity

Serving the Greater Emmet County Trade Area



376+

Farms Operating Countywide

34,900+

Acres of Farmland

\$14M+

Annual Agriculture Sales

61%+

Homeownership Rate

Agricultural Heritage & Regional Production

Agriculture remains an important part of Emmet County's economy and identity, with nearly 35,000 acres of farmland supporting a diverse mix of specialty crops, livestock operations, and family-owned farms. The region's fertile soils, favorable growing conditions, and proximity to Lake Michigan have helped sustain generations of agricultural production, while local farms continue to supply fresh products to northern Michigan communities, restaurants, and seasonal visitors.



Growth Opportunities in Northern Michigan

Emmet County's strategic location along the US-31 corridor, combined with its strong tourism economy and expanding regional population, creates opportunities for businesses serving agricultural producers, rural landowners, and outdoor enthusiasts. Petoskey serves as the commercial hub for the surrounding area, drawing consumers from across northern Michigan year-round.



±60 ACRES

Community Size

128

Planned Homes

2025-2026

Development Timeline

Pine Pond Residential Community

- **Residential Growth Driver:** Pine Pond is one of the largest housing developments currently underway in Emmet County, bringing 128 new manufactured homes to the Petoskey market.
- **Economic Impact:** The project helps address northern Michigan's housing shortage while supporting workforce retention, population growth, and long-term household formation.
- **Market Significance:** As new residents move into the community, the development is expected to increase demand for retail, home improvement, agricultural, and rural lifestyle goods throughout the trade area.

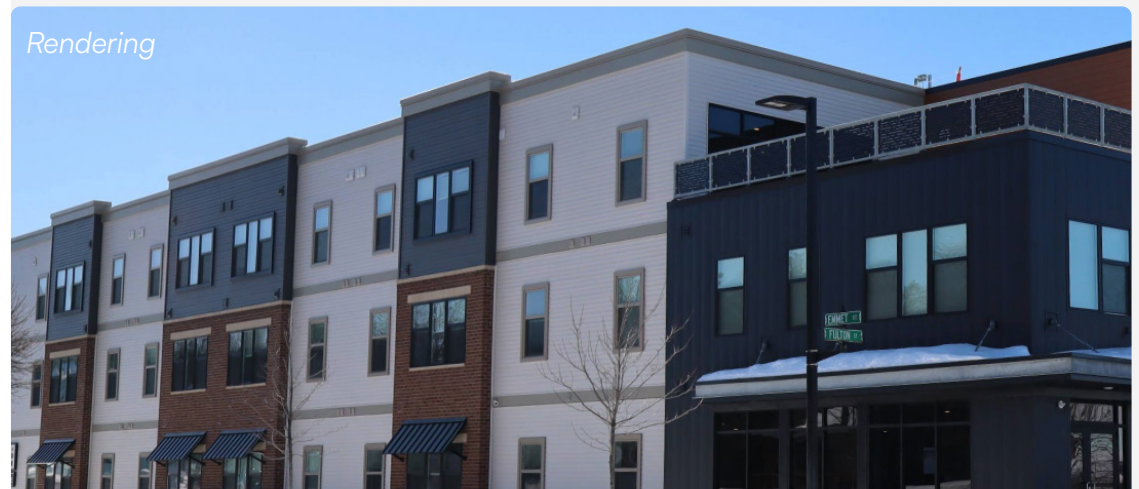
Sources: pinepondhomes.com, upnorthlive.com

Lofts at Lumber Square

- **Workforce Housing Initiative:** Lofts at Lumber Square is a major mixed-use residential development delivering 60 new apartments in the heart of downtown Petoskey.
- **Economic Impact:** The project expands housing availability for local workers and professionals while supporting continued business growth throughout the region.
- **Strategic Importance:** Located within Petoskey's commercial core, the development reinforces the city's role as the primary employment, retail, and service center for northern Michigan.

Sources: lumbersquare.com, phsacf.org

Rendering



\$20M+

Estimated Revenue

60+

Apartment Units

1,000+

of Residential Units

EMMET COUNTY, MI

Northern Michigan Living, Tourism & Economic Opportunity

Emmet County's economy is supported by a diverse mix of tourism, healthcare, retail, hospitality, and luxury second-home ownership, anchored by the communities of Petoskey, Harbor Springs, and Mackinaw City. The region benefits from *year-round visitation, a growing retiree population, and affluent seasonal residents* drawn to Northern Michigan's waterfront lifestyle, golf resorts, ski destinations, and outdoor recreation amenities.

The county's strong consumer base is further supported by a healthy retail environment that serves both local residents and *millions of annual visitors traveling throughout Northern Michigan*. Petoskey functions as the region's primary commercial center, drawing shoppers from neighboring communities across Emmet, Charlevoix, Cheboygan, and Mackinac counties. The area's mix of permanent residents, retirees, and affluent second-home owners creates a *diverse customer base with consistent purchasing power, while limited large-scale retail competition* reinforces the importance of established national retailers.

34,000+

Total Population

1.2M+

Annual Visitors

\$2.5B

Gross Domestic Product

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3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

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