



3639 US ROUTE 5
DERBY, VT 05829

Offering Memorandum

Industrial Investment Opportunity



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INVESTMENT HIGHLIGHTS

VERMONT HEADQUARTERS FOR POULIN BUILDING MATERIALS / US LBM

Derby serves as the headquarters and primary operating hub for Poulin Building Materials, one of Vermont's leading building supply distributors and a subsidiary of US LBM Holdings, LLC. As the flagship Vermont location, the property supports administrative functions, inventory management, contractor sales, and regional distribution operations throughout Northern Vermont and surrounding markets. The strategic importance of the facility within US LBM's statewide network reinforces its mission-critical nature and long-term occupancy prospects.

FUNCTIONAL LOW-COVERAGE INDUSTRIAL FACILITY

The property consists of approximately 64,992 square feet situated on ± 7.06 acres and serves as a highly functional building materials distribution facility. The site features multiple warehouse buildings, covered storage areas, contractor sales facilities, and outdoor storage space designed specifically for lumber and building material distribution. Decades of successful operation have established the property as one of the region's premier building supply facilities.

RECENTLY RENOVATED FACILITY WITH SIGNIFICANT TENANT INVESTMENT

The property has benefited from substantial capital improvements completed by both ownership and US LBM. Recent upgrades include roof replacements, spray foam insulation improvements, storefront renovations, and a comprehensive retail modernization completed in 2024. Tenant-funded improvements included a new entrance, storefront windows, bathroom and break room upgrades, and reconfiguration of retail, contractor, and paint sales areas. Additionally, US LBM completed approximately \$156,000 of paving improvements in 2024, demonstrating a significant commitment to the long-term operation of the facility.

STRONG CORPORATE GUARANTEE WITH RECENT LEASE RENEWAL

The property is leased to US LBM Holdings, LLC, the largest privately held building materials distributor in the United States. Operating more than 450 locations nationwide and generating approximately \$6.8 billion in annual revenue, US LBM recently renewed its lease through October 2030, reaffirming its commitment to the location after decades of successful operation. The lease includes two five-year renewal options, providing investors with long-term income visibility.

INDUSTRIAL NNN LEASE WITH LIMITED LANDLORD RESPONSIBILITIES

The lease is structured as an Industrial NNN lease with US LBM responsible for taxes, insurance, CAM, paving, HVAC, electrical, mechanical systems, and day-to-day operating expenses. Landlord responsibilities are limited primarily to roof and structure, creating a passive ownership opportunity supported by a long-standing corporate tenant. Scheduled rent increases during the option periods provide additional long-term income growth potential.





± 64,992 SF
Total Building Area

± 307,534 SF
Total Lot Square Feet

21.13%
Building/Lot Coverage

±7.06 AC
Lot Size

PROPERTY SUMMARY

\$2,947,000

List Price

\$45.34

Price Per SF

8.00%

Cap Rate

\$9.58

Price Per SF Land



Property Summary	
Tenant/Guarantor	US LBM Holdings, LLC
Address	3639 US Route 5 Derby, VT 05829
Building Square Feet	±64,992
Acres	±7.06
Lot Square Feet	±307,534
Building/Lot Coverage	21.13%
Year Built / Renovated	1985 / 2024

Lease Summary	
Lease Commencement	10/19/15
Lease Expiration	10/18/30
Lease Term Remaining	4.25-Years
Options	Two, 5-Year Options
Monthly Rent	\$19,644
Current Annual Rent	\$235,728
Rent/SF	\$3.63
Rent/AC/Month	\$2,782.44
Rental Increases	Flat Base Term 1/2 Cumulative CPI% or Max 10% Increases in Options
Lease Type	Industrial NNN
Tenant Responsibilities	Taxes, Insurance, CAM, Parking Lot, HVAC, Electrical, Mechanical
Landlord Responsibilities	Roof & Structure

INCOME TABLE

YEAR	ANNUAL RENT	MONTHLY RENT	RENT / SF	RENT / AC / MONTH	CAP RATE	% INCREASE
10/19/2025-10/18/2026	\$235,728.00	\$19,644.00	\$3.63	\$2,782.44	8.00%	-
10/19/2026-10/18/2027	\$235,728.00	\$19,644.00	\$3.63	\$2,782.44	8.00%	
10/19/2027-10/18/2028	\$235,728.00	\$19,644.00	\$3.63	\$2,782.44	8.00%	
10/19/2028-10/18/2029	\$235,728.00	\$19,644.00	\$3.63	\$2,782.44	8.00%	
10/19/2029-10/18/2030	\$235,728.00	\$19,644.00	\$3.63	\$2,782.44	8.00%	
(1) 5-Year Option @ 1/2 Cumulative CPI% or Max 10%						
10/19/2030-10/18/2031	\$259,300.80	\$21,608.40	\$3.99	\$3,060.68	8.80%	10.00%
10/19/2031-10/18/2032	\$259,300.80	\$21,608.40	\$3.99	\$3,060.68	8.80%	
10/19/2032-10/18/2033	\$259,300.80	\$21,608.40	\$3.99	\$3,060.68	8.80%	
10/19/2033-10/18/2034	\$259,300.80	\$21,608.40	\$3.99	\$3,060.68	8.80%	
10/19/2034-10/18/2035	\$259,300.80	\$21,608.40	\$3.99	\$3,060.68	8.80%	
(1) 5-Year Option @ 1/2 Cumulative CPI% or Max 10%						
10/19/2035-10/18/2036	\$285,230.88	\$23,769.24	\$4.39	\$3,366.75	9.68%	10.00%
10/19/2036-10/18/2037	\$285,230.88	\$23,769.24	\$4.39	\$3,366.75	9.68%	
10/19/2037-10/18/2038	\$285,230.88	\$23,769.24	\$4.39	\$3,366.75	9.68%	
10/19/2038-10/18/2039	\$285,230.88	\$23,769.24	\$4.39	\$3,366.75	9.68%	
10/19/2039-10/18/2040	\$285,230.88	\$23,769.24	\$4.39	\$3,366.75	9.68%	







TENANT OVERVIEW

US LBM is the largest privately-owned, full-line distributor of specialty building materials in the United States, serving professional builders, contractors, and remodelers through a national network of locations. With a unique operating model that combines the scale and purchasing power of a national platform with local market responsiveness, US LBM has established itself as a dominant force in building materials distribution, offering an extensive portfolio of lumber and specialty products critical to residential and commercial construction.

YEAR FOUNDED
2009

HEADQUARTERS
Atlanta, Georgia

INSTITUTIONAL SPONSORS
Platinum Equity & Bain Capital

LOCATIONS
±460



Market Leadership & Core Business

US LBM is the largest privately owned specialty building materials distributor in the United States, serving professional builders, contractors, and remodelers through a nationwide network of distribution locations. The company offers a broad portfolio of essential construction products, positioning itself as a critical supply-chain partner within the residential and commercial building industries.

Growth Strategy & Operating Model

Founded in 2009, US LBM has scaled rapidly through a disciplined growth strategy that combines acquisitions with organic expansion. Its operating model preserves strong local brands and market expertise while leveraging the purchasing power, systems, and capital strength of a national platform, enabling consistent service and competitive pricing across regions.

National Footprint & Product Offering

Headquartered in Atlanta, Georgia, US LBM operates more than 460 locations across the country and employs approximately 14,000 professionals. The company's product mix includes lumber, windows, doors, roofing, siding, millwork, engineered components, cabinetry, and other specialty building materials that are integral to construction activity.

Ownership Structure & Financial Positioning

US LBM is privately held and backed by leading institutional investors, Platinum Equity and Bain Capital. This ownership structure provides long-term capital support and strategic flexibility, reinforcing the company's position as a stable, well-capitalized tenant with strong relevance to the construction and housing sectors.

DERBY, VT

An aerial photograph of Derby, Vermont, showing a mix of industrial and residential areas. In the foreground, there are several large industrial buildings, including long warehouse-like structures and a larger complex with multiple roofs. The middle ground is dominated by dense green forests and rolling hills. In the background, a large body of water (Lake Champlain) is visible, followed by more forested land and distant mountain ranges under a clear sky.

LOCAL MARKET OVERVIEW

Derby, Vermont is a key commercial and industrial center within the Northeast Kingdom, benefiting from its strategic location along the U.S.-Canada border and its accessibility via Interstate 91. The town serves as a regional hub for retail, warehousing, distribution, and light industrial activity, with commercial development concentrated along major transportation corridors connecting Derby and Newport. Industrial and storage-related properties benefit from strong regional accessibility, ample land availability, and relatively low occupancy costs compared to larger Vermont markets. Demand for warehouse, contractor, and flex-industrial space is supported by local businesses, agricultural operations, cross-border commerce, and service providers serving the broader Northeast Kingdom.

ECONOMIC DRIVERS

Derby's economy is supported by a diverse base of manufacturing, transportation, warehousing, retail trade, healthcare, education, and agriculture. Its location near the Canadian border and direct access to Interstate 91 make the area attractive for logistics, distribution, and storage-related uses serving both regional and cross-border markets. Manufacturing and industrial employers provide a stable employment base, while agricultural enterprises generate ongoing demand for equipment storage, warehousing, and support services. The Newport-Derby area's healthcare and educational institutions further contribute to economic stability. These factors, combined with affordable land costs and a business-friendly environment, support continued demand for industrial, warehouse, and self-storage facilities throughout the local market.

| DISCLAIMER & CONFIDENTIALITY AGREEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at **3639 US Route 5, Derby, VT 05829** ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews™. The material and information in the Offering Memorandum is unverified. Matthews™ has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
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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Owner and Matthews™ expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Owner or Matthews™ or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date of this Offering Memorandum.

Net Lease Disclaimer: There are many different types of leases, including gross, net, single net ("N"), double net ("NN"), and triple net ("NNN") leases. The distinctions between different types of leases or within the same type of leases, such as "Bondable NNN," "Absolute NNN," "True NNN," or other NNN leases, are not always clear. Labels given to different leases may mean different things to different people and are not defined legal terms. Buyers cannot rely on the labels or marketing descriptions given to any lease when making their purchasing decisions. Buyers must closely review all lease terms and are advised to seek legal counsel to determine the landlord and tenant's respective rights and duties under the lease to ensure the lease, regardless of how labeled or described, meets the buyers' particular needs.

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