



Retail Investment Opportunity

Offering Memorandum

1602 Highway 71 | International Falls, MN 56649

±11.25 Year Lease | Upcoming Rent Bump in November 2027 | Second Generation Lower Rent / Price Point | Corporate Guaranty | Rental Increases



MATTHEWS™

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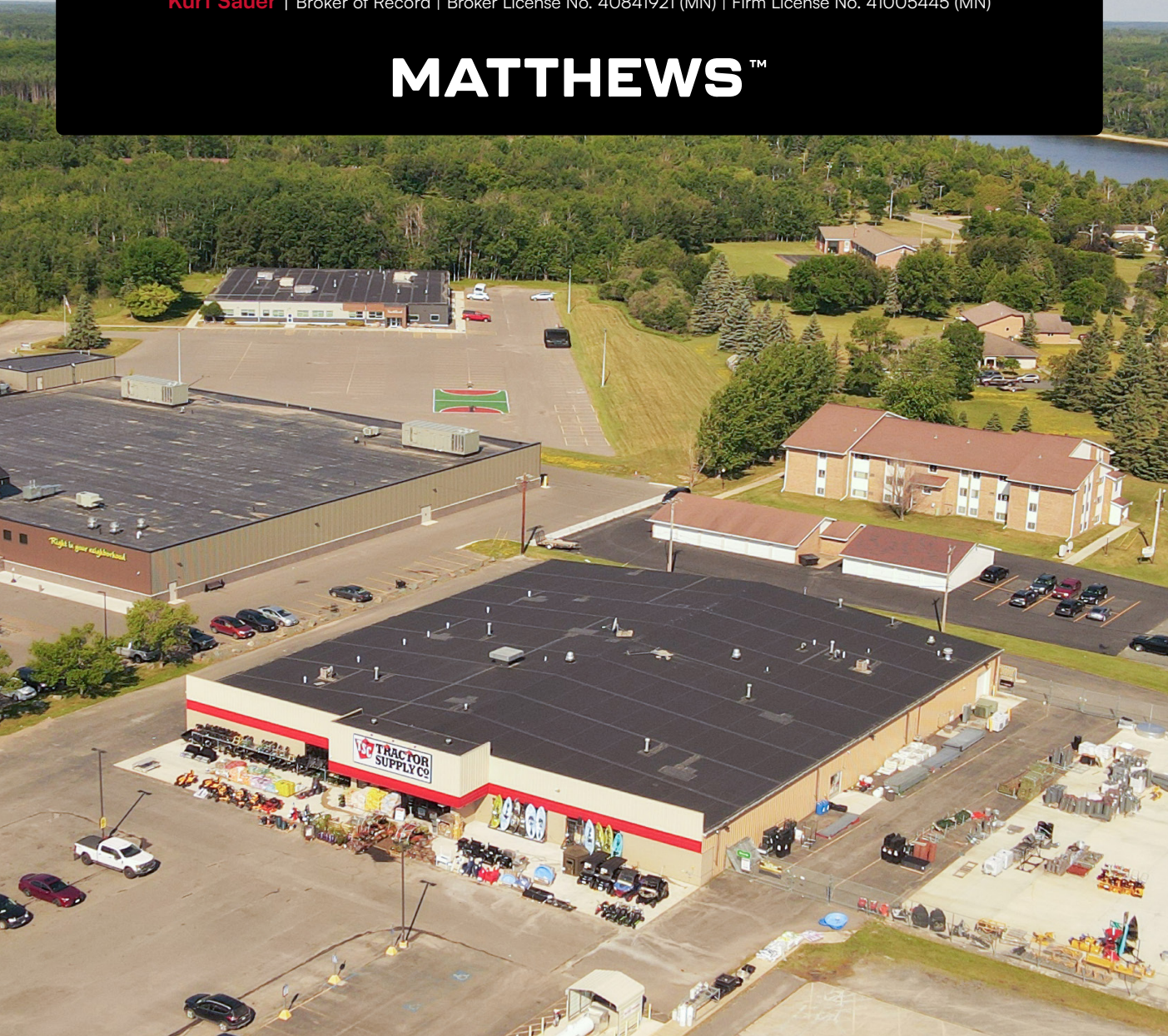
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| Property Overview



\$2,926,829

List Price

±11.25 Years

Term Remaining

NN

Lease Type



±28,733

Total GLA (SF)

±3.16

Lot Size (AC)

6.15%

Cap Rate

Positioned Along the City's Primary Retail Corridor



| Investment Highlights

Nation's Largest Rural Lifestyle Retailer

- Tractor Supply Company is the largest rural lifestyle retailer in the United States, ranking No. 296 on the Fortune 500 and employing more than 52,000 team members, with 2,395 Tractor Supply stores across 49 states plus 206 Petsense by Tractor Supply stores in 23 states.

Record Scale and Continued Growth

- Fiscal year 2025 net sales increased 4.3% to a record \$15.52 billion, and the company added 99 net new stores during the year, underscoring continued expansion and operating strength.



Investment-Grade Credit Profile

- Tractor Supply holds a 'BBB' rating from S&P Global Ratings (affirmed March 2026) and a Baa1 rating from Moody's, placing it among a select group of investment-grade net lease retail tenants alongside Kroger and AutoZone.

Internet-Resistant Business Model

- Tractor Supply's focus on livestock feed, fencing, farm and ranch supplies, pet products, propane and outdoor equipment generates frequent customer visits and supports long-term occupancy.

Essential-Use, Recession-Resilient Category

- Tractor Supply's core categories — pet, livestock, agriculture, and home maintenance products — serve non-discretionary rural and hobby-farm spending patterns that have proven durable across economic cycles.



| Investment Highlights



Newer, Long Term Lease with Upcoming Rent Bump in November 2027

- Four, 5-Year Renewal Options, representing up to ± 31 years of total potential lease commitment.
- ± 11.25 Years of term remaining on the initial term as of the current listing date.

Fee Simple Ownership

- The investor acquires full ownership of the land and building, providing maximum flexibility and long-term value retention.

Passive Investment Opportunity

- The NN lease structure minimizes landlord responsibilities by shifting the majority of operating expenses to Tractor Supply, allowing investors to benefit from a reliable, low-management.

5% Rent Increases Every 5 Years

- Throughout the base term and option periods, annual rent grows from \$180,000 in Years 1-5 to \$198,450 in Years 11-15, and continues escalating through each 5-year option period to \$241,217 by the Fourth Extension Term (Years 31-35), pushing the cap rate from 6.15% at closing to approximately 8.24% by the final option.

Second Generation Location

- Tractor Supply has committed to the market through the adaptive reuse of an existing retail building, reinforcing the strength of the corridor and validating the site's long-term retail fundamentals. Rather than incurring the higher costs associated with new construction, Tractor Supply selected an established site with existing infrastructure, allowing for lower occupancy costs, faster delivery, and improved store-level economics. This decision reinforces the strength of the corridor while positioning the location for sustainable long-term operations.

Sole Regional Big-Box Presence

- International Falls functions as the primary retail hub for a vast trade area in Northern Minnesota. Nearby retailers include Menard's, Super One Foods, Hardees, Dollar Tree, and Snap Fitness, among others.

International Border Location

- The property sits along Highway 71 near the Fort Frances—International Falls International Bridge, the busiest land port of entry in Minnesota, supporting roughly \$12 billion in annual cross-border trade and generating consistent commercial and consumer traffic from Fort Frances, Ontario.

Outdoor Recreation Gateway

- Voyageurs National Park is located 11 miles east of International Falls, supporting a built-in base of hunters, anglers, boaters, and outdoor recreation customers directly aligned with Tractor Supply's core product categories.



Proximity to Top National & Regional Retailers



Surrounding Area & Traffic Drivers



Financial Overview

TRACTOR SUPPLY CO

1602 Highway 71 | International Falls, MN 56649



Financial Overview



\$2,926,829

List Price

6.15%

Cap Rate

\$180,000

Rent

Executive Summary

Property Address

1602 Highway 71,
International Falls, MN 56649

GLA

±28,733 SF

Lot Size

±3.16 AC



Tenant Summary

Tenant Trade Name

Tractor Supply Company

Type of Ownership

Fee Simple

Lease Guarantor

Corporate

Lease Type

NN

Original Lease Term

15 Years

Rent Commencement Date

10/8/2022

Lease Expiration Date

10/31/2037

Term Remaining on Lease

±11.25 Years

Increase

5% Every 5 Years

Options

Four, 5-Year Options

ROFR

Yes

Financial Overview



Annualized Operating Data

Period	Dates	Annual Rent	Monthly Rent	Rent PSF	Increases
Year 1-5	10/08/2022 - 10/31/2027	\$180,000.00	\$15,000.00	\$6.55	-
Year 6-10	11/01/2027 - 10/31/2032	\$189,000.00	\$15,750.00	\$6.88	5.0%
Year 11-15	11/01/2032 - 10/31/2037	\$198,450.00	\$16,537.50	\$7.22	5.0%
Option Year 16-20 (First Extension)	11/01/2037 - 10/31/2042	\$208,373.00	\$17,364.42	\$7.58	5.0%
Option Year 21-25 (Second Extension)	11/01/2042 - 10/31/2047	\$218,791.00	\$18,232.58	\$7.96	5.0%
Option Year 26-30 (Third Extension)	11/01/2047 - 10/31/2052	\$229,731.00	\$19,144.25	\$8.36	5.0%
Option Year 31-35 (Fourth Extension)	11/01/2052 - 10/31/2057	\$241,217.00	\$20,101.42	\$8.78	5.0%

| 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. As of September 27, 2025, the Company operated 2,395 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 credit rating from S&P Global Ratings 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 99 new TSC stores + 10 new Petsense stores.
- **Strong Financial Performance & Cash Flow Generation:** Generated approximately \$15.52 Billion in annual revenue in 2025, supported by a resilient business model, consistent same-store sales, and disciplined financial management.
- **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

1602 Highway 71 | International Falls, MN 56649



International Falls, MN

Demographics

8,386

Population

\$87,019

Average HH Income

45.6 Years

Median Age

3,923

of Households

Local Market Overview

International Falls, Minnesota, serves as the commercial, governmental, and healthcare hub for Koochiching County, supporting a regional population across northern Minnesota and neighboring Ontario, Canada. Positioned along the Rainy River at the U.S.-Canada border, the community benefits from cross-border commerce, outdoor recreation, and a long-established industrial base anchored by forest products, manufacturing, transportation, and public services. The city's strategic location provides direct access to Canadian markets while also serving as a gateway to Voyageurs National Park and the Boundary Waters region, attracting year-round tourism and supporting hospitality, retail, and service-sector businesses. Residents benefit from a close-knit community, access to quality healthcare, educational institutions, and recreational amenities that contribute to a stable quality of life.

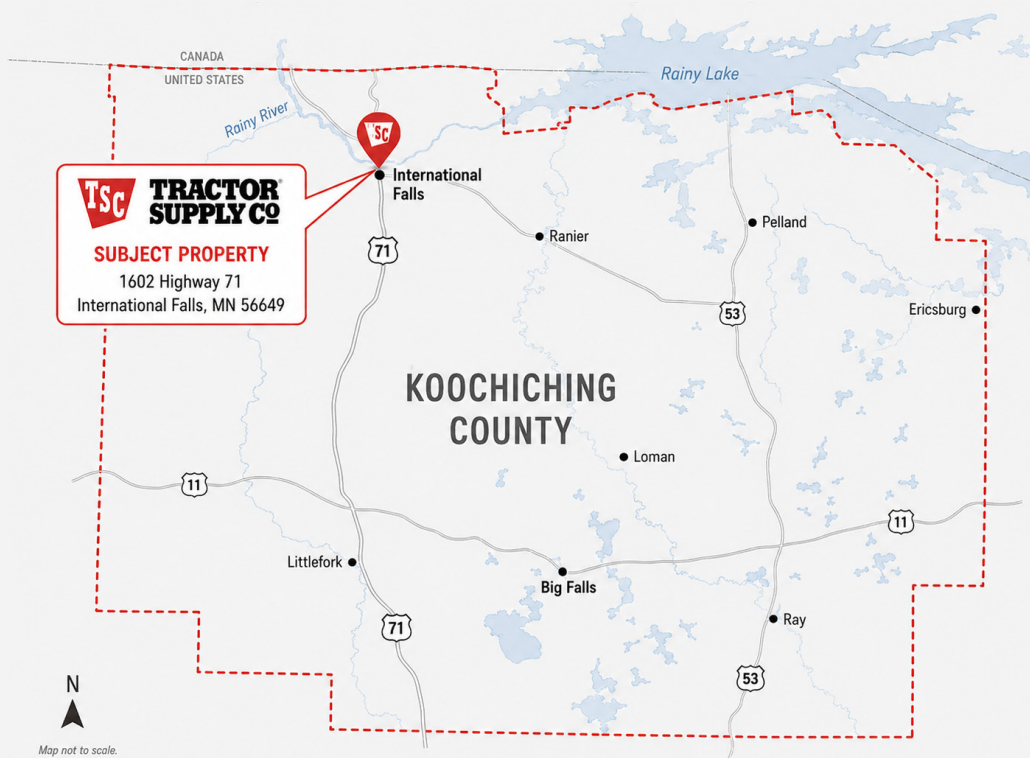
Property Demographics

POPULATION	3-MILE	5-MILE	10-MILE
2025 Population	6,045	6,876	8,386
HOUSEHOLDS	3-MILE	5-MILE	10-MILE
2025 Households	2,837	3,228	3,923
INCOME	3-MILE	5-MILE	10-MILE
Avg Household Income	\$83,354	\$83,842	\$87,019



Supporting the Northwoods Lifestyle

Serving the Greater Koochiching County Trade Area



190+

Farms Operating Countywide

60,900+

Acres of Farmland

\$10M+

Annual Agriculture Sales

80.4%+

Homeownership Rate

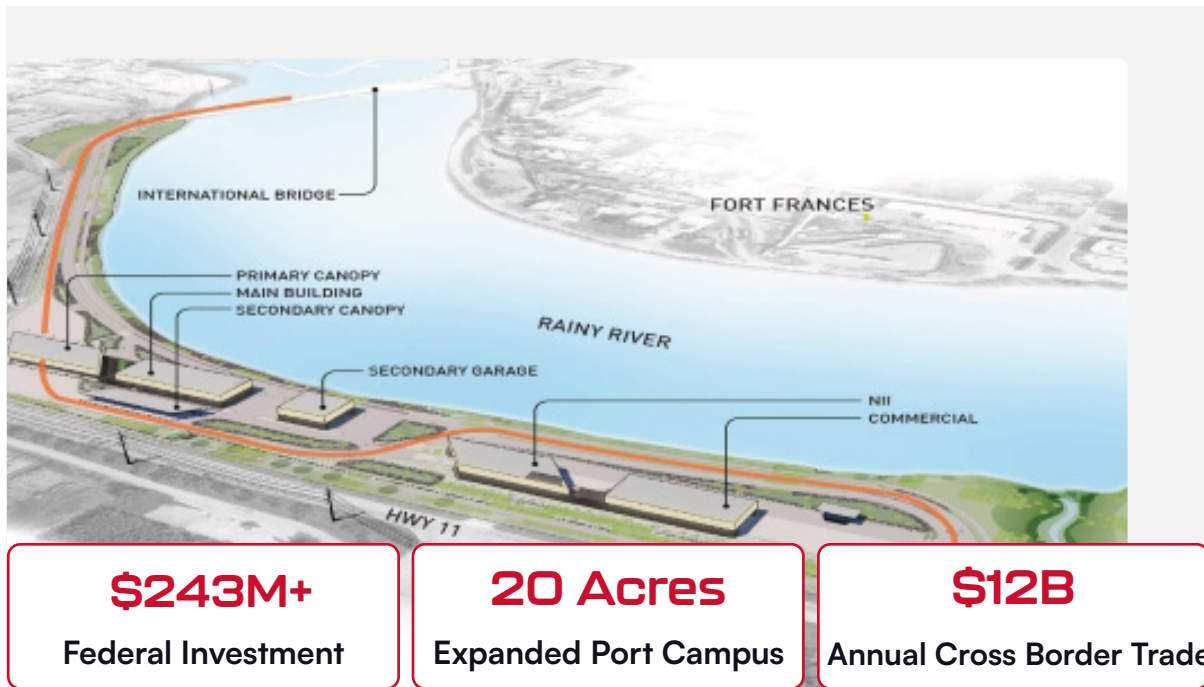
Gateway to Minnesota's Northwoods Economy

International Falls is located in Koochiching County, a region shaped by its longstanding forestry, manufacturing, tourism, and outdoor recreation industries. Home to vast timber resources, paper production, and one of Minnesota's busiest ports of entry into Canada, the county supports a diverse economy that generates consistent demand for workwear, tools, hardware, outdoor equipment, pet supplies, and rural lifestyle products. Its strategic location along U.S. Highway 71 and the U.S.-Canada border further strengthens regional commerce and year-round consumer activity.



Serving a Stable Regional Trade Area

As the county seat and primary commercial center of Koochiching County, International Falls serves residents across a large rural trade area extending throughout northern Minnesota and neighboring Ontario. The community benefits from steady demand generated by local employers, cross-border commerce, tourism, hunting and fishing destinations, and outdoor recreation. This established customer base continues to support retailers offering home improvement products, farm and ranch supplies, pet care, lawn and garden equipment, and seasonal outdoor merchandise.



International Falls Land Port of Entry Modernization

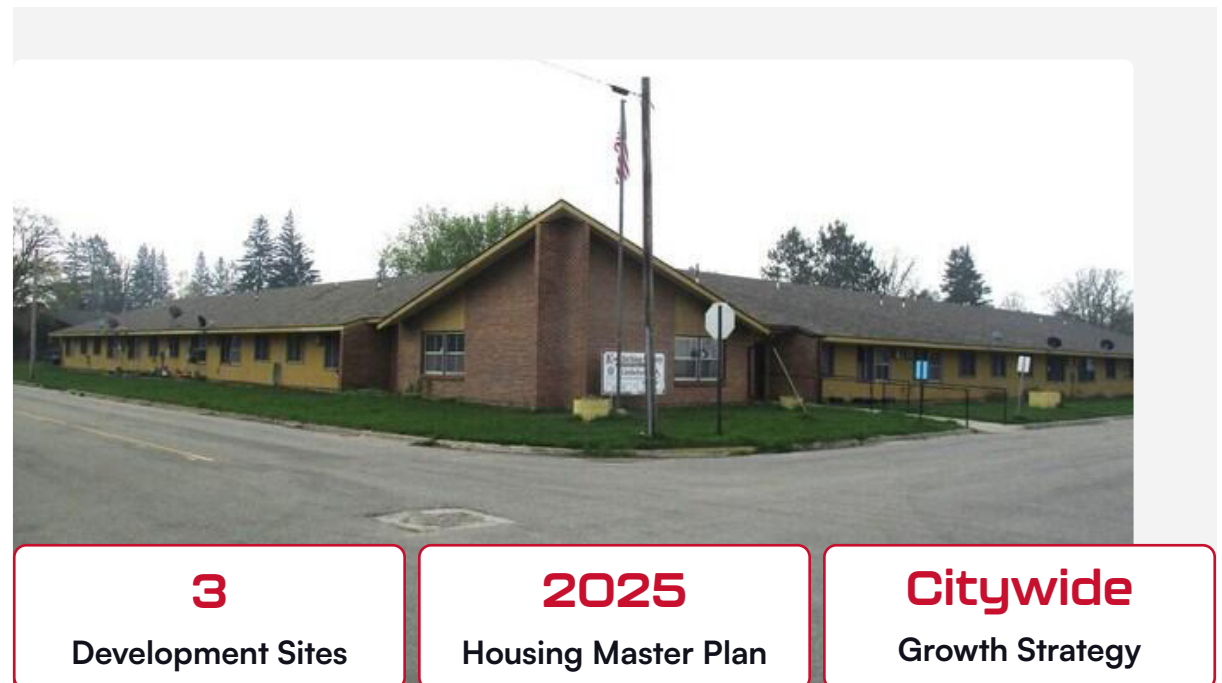
- **Economic Driver:** The U.S. General Services Administration is modernizing and expanding the International Falls Land Port of Entry, the busiest land port in Minnesota by trade volume.
- **Regional Impact:** The expansion is expected to increase commercial traffic efficiency, strengthen supply chain connectivity, and support local businesses that rely on cross-border trade with Canada.
- **Infrastructure Investment:** The expanded facility will increase the port campus from approximately 1.6 acres to 20 acres, providing additional inspection capacity, modern security infrastructure, and improved processing for commercial and passenger vehicles.

Sources: [gsa.gov](https://www.gsa.gov)

International Falls Housing Development Initiative

- **Community Investment:** The City of International Falls completed a comprehensive housing development plan identifying multiple priority sites for future residential growth to address workforce housing demand and attract new residents.
- **Strategic Impact:** The study was developed in partnership with major employers, financial institutions, local developers, and economic development organizations to encourage private investment and strengthen the community's long-term growth prospects.
- **Workforce Growth:** Expanding housing opportunities will help support regional employers, improve workforce retention, and provide additional residential options for employees working in manufacturing, healthcare, forestry, government, and cross-border commerce.

Sources: *City of International Falls*



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This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at **1602 Highway 71, International Falls, MN 56649** ("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.

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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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