



**MERCHANT'S TIRE (TBC Corporation)**  
215 Hillcrest Parkway  
Chesapeake, VA 23322

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**DISCLAIMER  
STATEMENT:**

The information contained in the following Offering Memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from The Boulder Group and should not be made available to any other person or entity without the written consent of The Boulder Group.

This Offering Memorandum has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. The Boulder Group has not made any investigation, and makes no warranty or representation.

The information contained in this Offering Memorandum has been obtained from sources we believe to be reliable; however, The Boulder Group has not verified, and will not verify, any of the information contained herein, nor has The Boulder Group conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

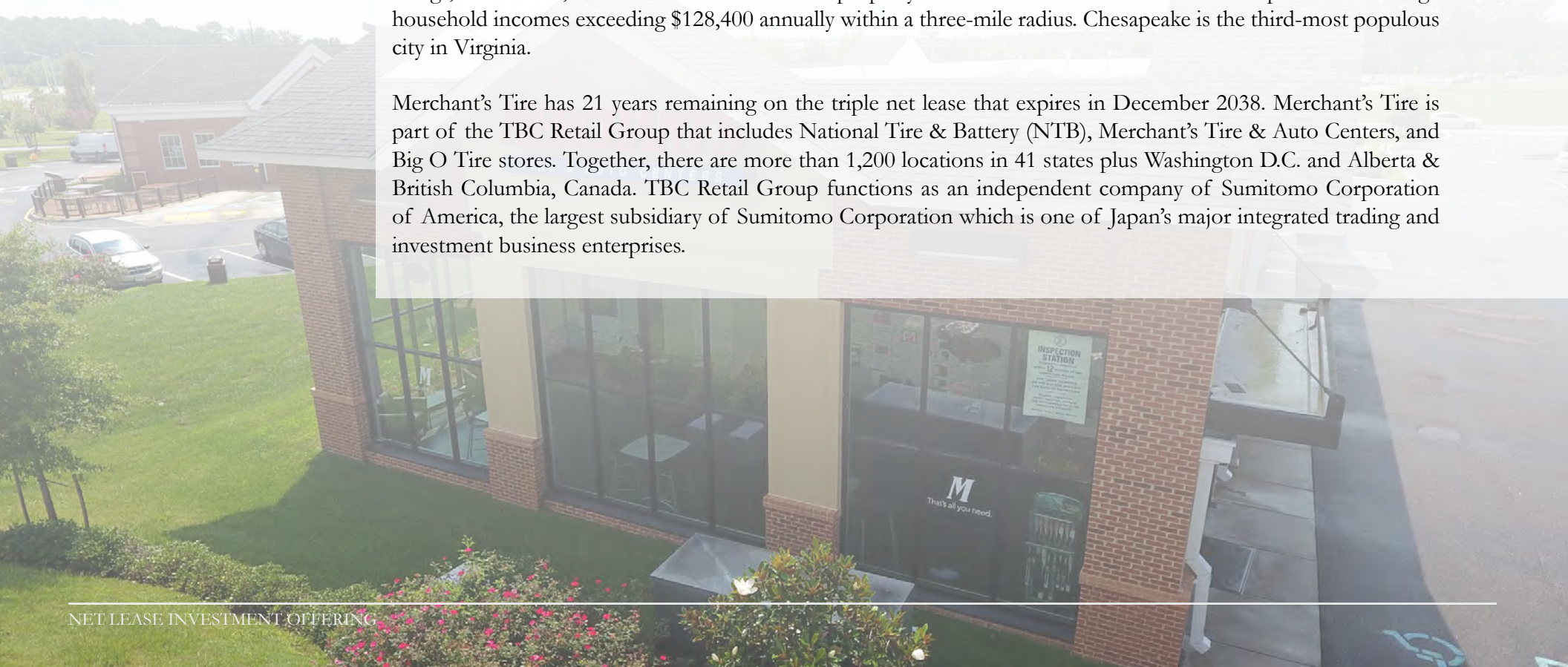


**EXECUTIVE  
SUMMARY:**

The Boulder Group is pleased to exclusively market for sale a single tenant net leased Merchant's Tire property located in Chesapeake, Virginia. The Merchant's Tire property is strategically positioned as an outparcel to a Walmart Supercenter in a retail corridor immediately off of the primary thoroughfare in the area. There are 21 years remaining on the Merchant's Tire lease which expires December 31, 2038. The lease features rental escalations every five years throughout the primary term, the next coming in January 2019. The Merchant's Tire lease is guaranteed by TBC Corporation and is an absolute net lease requiring no landlord responsibilities.

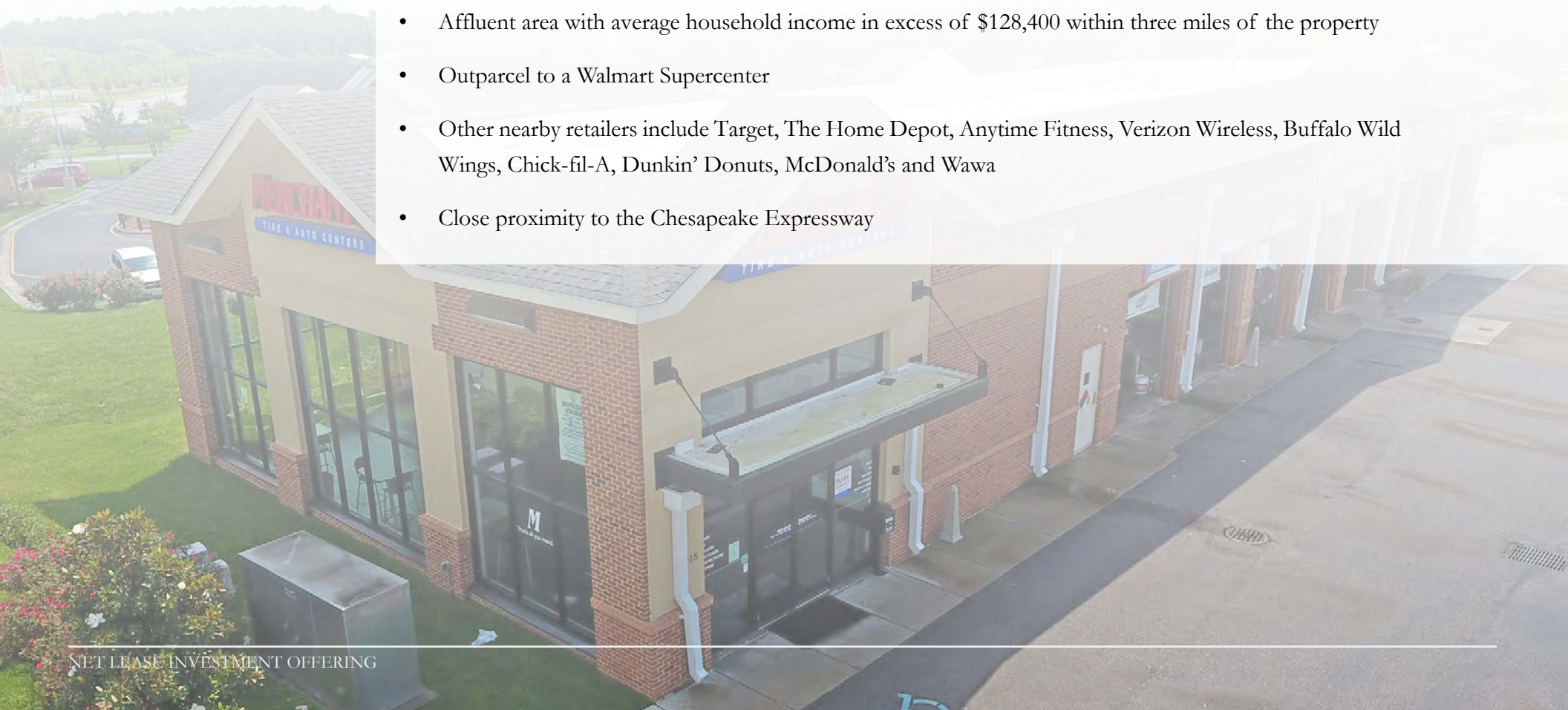
Merchant's Tire is the sole occupant of the 6,922 square foot retail building that was developed in 2013. The property is located along the Chesapeake Expressway, the primary thoroughfare in the area and a dominant retail corridor. The Merchant's Tire is positioned as an outparcel to a Walmart Supercenter anchored development surrounded by a number of national retailers such as Target, The Home Depot, Anytime Fitness, Verizon Wireless, Buffalo Wild Wings, Chick-fil-A, McDonald's and Wawa. The property is located in an affluent area of Chesapeake with average household incomes exceeding \$128,400 annually within a three-mile radius. Chesapeake is the third-most populous city in Virginia.

Merchant's Tire has 21 years remaining on the triple net lease that expires in December 2038. Merchant's Tire is part of the TBC Retail Group that includes National Tire & Battery (NTB), Merchant's Tire & Auto Centers, and Big O Tire stores. Together, there are more than 1,200 locations in 41 states plus Washington D.C. and Alberta & British Columbia, Canada. TBC Retail Group functions as an independent company of Sumitomo Corporation of America, the largest subsidiary of Sumitomo Corporation which is one of Japan's major integrated trading and investment business enterprises.



**INVESTMENT  
HIGHLIGHTS:**

- Located within the Norfolk MSA
- Long term lease with 21 years remaining in primary term
- No landlord responsibilities – Absolute NNN lease
- Corporate guarantee
- Rental escalations every five years throughout the primary term and renewal option periods (Next escalation is in January 2019)
- Affluent area with average household income in excess of \$128,400 within three miles of the property
- Outparcel to a Walmart Supercenter
- Other nearby retailers include Target, The Home Depot, Anytime Fitness, Verizon Wireless, Buffalo Wild Wings, Chick-fil-A, Dunkin’ Donuts, McDonald’s and Wawa
- Close proximity to the Chesapeake Expressway



**PROPERTY OVERVIEW:**

Price:	\$3,214,944
Cap Rate:	5.40%
Net Operating Income:	\$173,607
Rental Escalations:	Cumulative CPI Every 5 Years* (Next Escalation – January 2019)
Renewal Options:	Three 5-Year
Lease Commencement Date:	December 11, 2013
Lease Expiration Date:	December 31, 2038
Tenant:	Merchant's Tire
Guarantor:	TBC Corporation
Year Built:	2013
Lease Type:	NNN - No Landlord Responsibilities
Parking:	30 Spaces
Building Size:	6,922 SF
Land Size:	0.78 Acres
Property Address:	215 Hillcrest Parkway, Chesapeake, VA 23322

*\* After the 11th lease year, cumulative CPI is not to exceed 12%*









**MERCHANT'S**  
TIRE & AUTO CENTERS

THE HOME DEPOT

RED KNOT  
336 Apartments

Medical Office

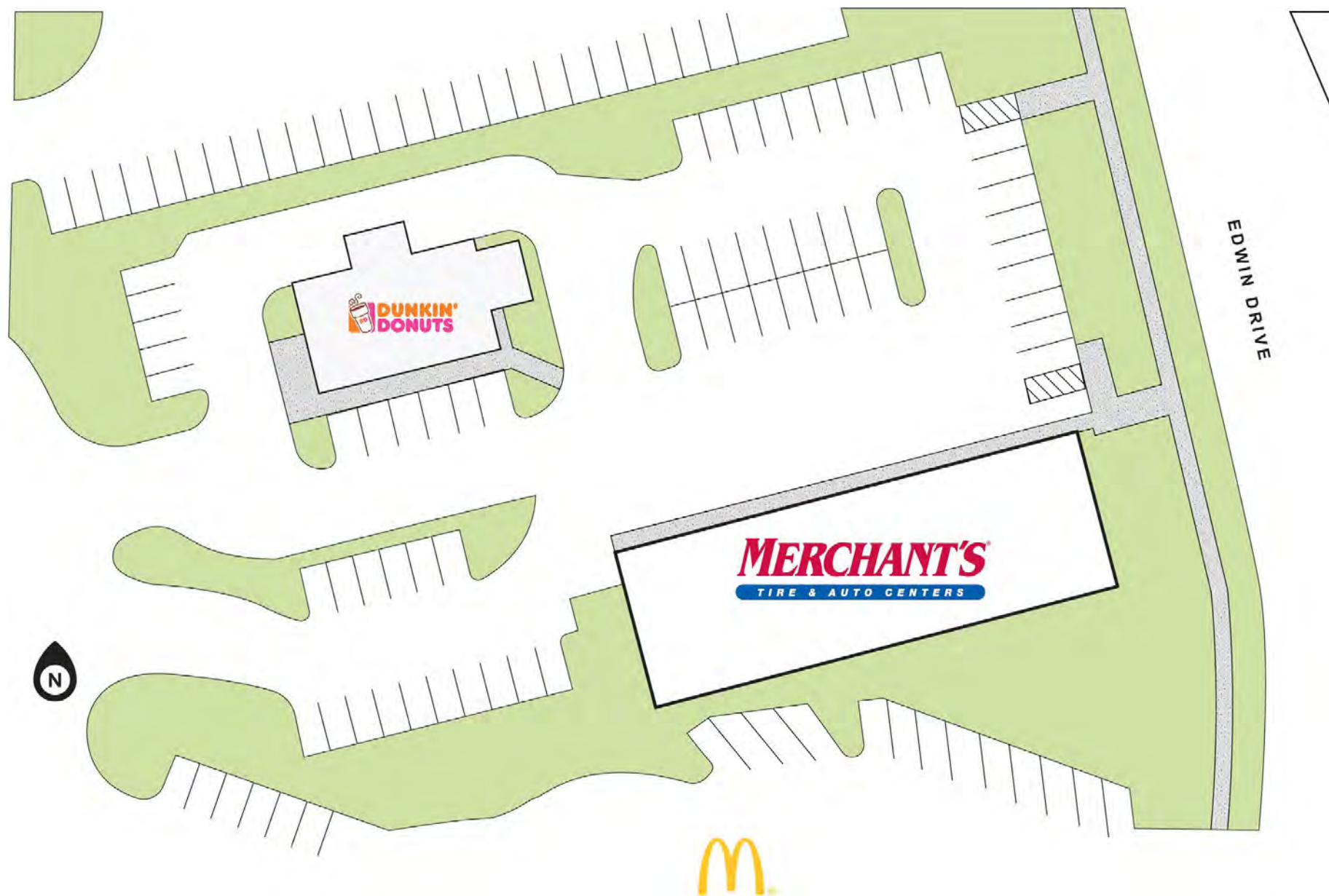
CINEMA Cafe

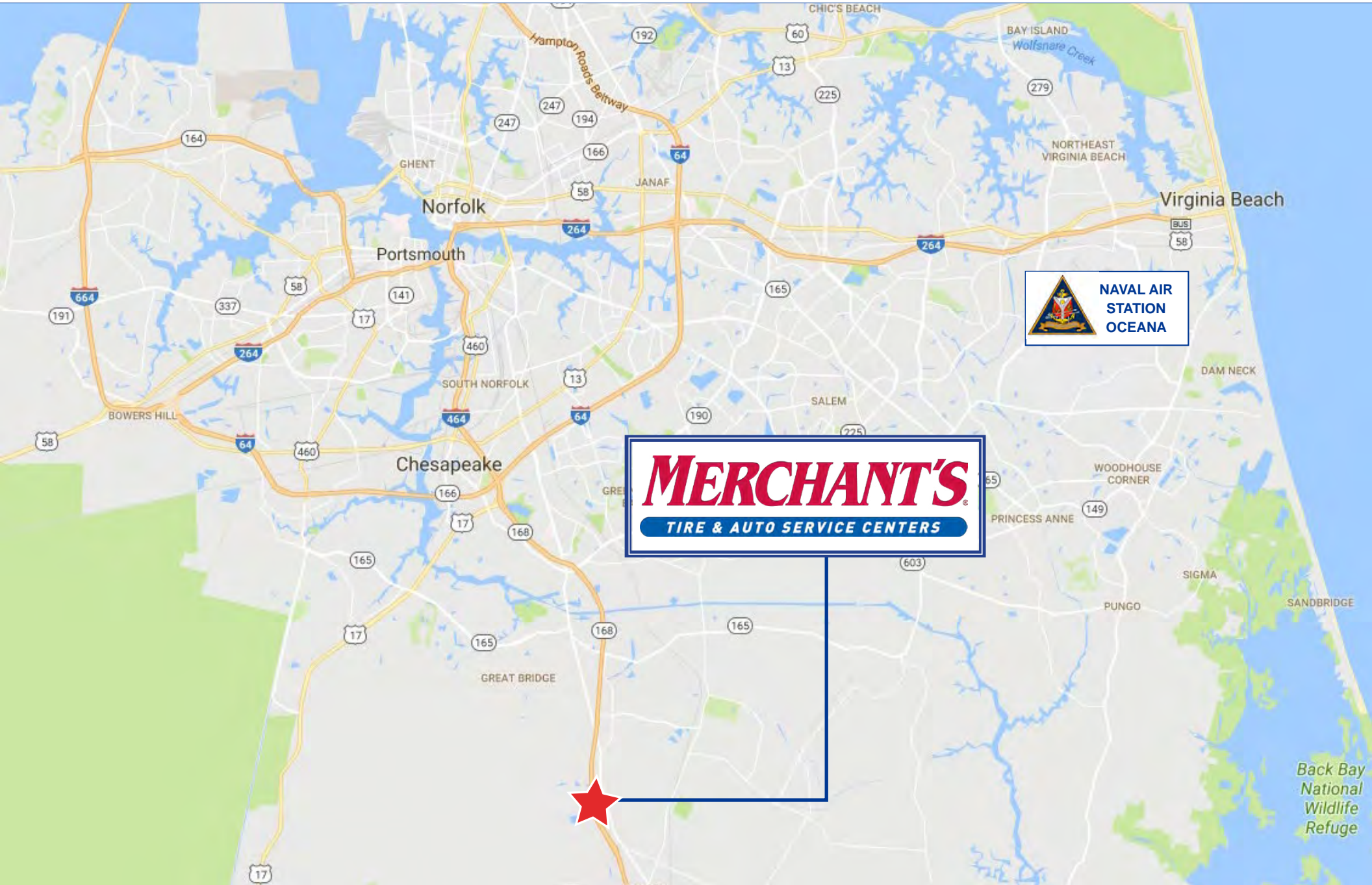
McDonald's

MURPHY USA

DUNKIN' DONUTS  
AMERICA RUNS ON DUNKIN'







**DEMOGRAPHIC REPORT:**

Population	3-Mile	5-Mile	7-Mile
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Total Population	18,183	56,812	96,860
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Total Households	5,850	18,013	32,643
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Income	3-Mile	5-Mile	7-Mile
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Median Household Income	\$107,095	\$101,069	\$89,460
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Average Household Income	\$128,431	\$116,114	\$104,690
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**MARKET  
OVERVIEW:**



**Chesapeake, Virginia**

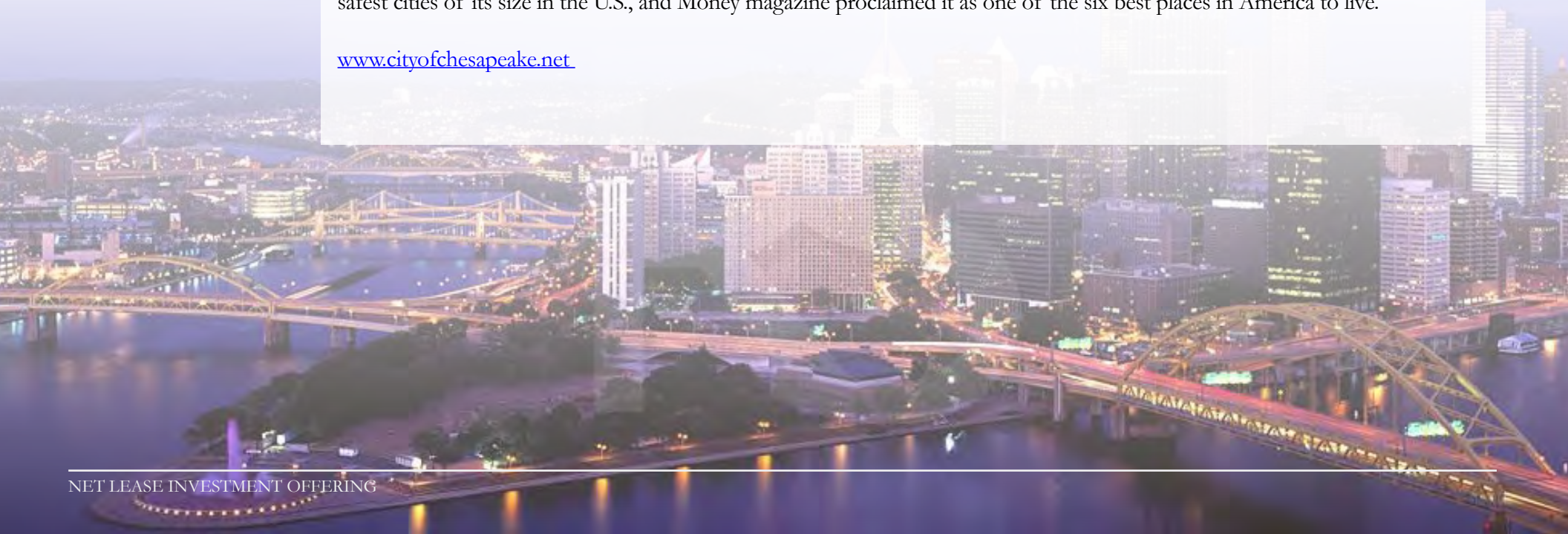
Chesapeake is a city in Virginia with a population over 233,000 people making it the third-most populous city in Virginia. Because of its location and highway network, Chesapeake provides easy access to several cities in the Tidewater region including Virginia Beach, Norfolk and Williamsburg, all of which are less than an hour away.



The City of Chesapeake is home to several stops along the Civil War Trail and its Great Dismal Swamp is nationally recognized as a stop on the historical Underground Railroad. In addition to rich history, Chesapeake is home to the Great Dismal Swamp National Wildlife Refuge and hosts a thriving outdoor community with thousands of unspoiled acres for kayaking, birding and fishing. Extending from the rural border with North Carolina to the harbor area of Hampton Roads adjacent to the cities of Norfolk, Portsmouth, Suffolk, and Virginia Beach, Chesapeake is located on the Atlantic Intracoastal Waterway. It has miles of waterfront industrial, commercial and residential property.

Chesapeake was organized in 1963 by voter referendums approving the political consolidation of the city of South Norfolk with the remnants of the former Norfolk County, which dated to 1691. Chesapeake is rated by the FBI as one of the top five safest cities of its size in the U.S., and Money magazine proclaimed it as one of the six best places in America to live.

[www.cityofchesapeake.net](http://www.cityofchesapeake.net)



**TENANT  
OVERVIEW:**

**Merchant's Tire**

Merchant's Tire and Auto Center, is an American brand of auto service centers. Merchant's Tire specializes in Fluid Services (Oil Changes, Brake Fluid Exchange, Coolant Exchange, and Transmission Fluid Exchange), Battery Services, Wiper Blades, Brake Services, Steering & Suspension Services, and Vehicle Inspections. Founded in 1943, the Merchant family from Manassas, VA owned and operated the first retail stores for Merchant's Tire and Auto. Over the next decades, the company expanded along the East Coast. Merchant's Tire was purchased by TBC Corporation in 2003. Merchant's Tire provided TBC Corporation with a broad range of automotive maintenance and tire services in more than 90 retail locations.

TBC Corporation is one of the nation's largest vertically integrated marketers of tires for the automotive replacement market. The Company's retail operations include Company-operated tire and automotive service centers under the Tire Kingdom, Merchant's Tire & Auto Centers, and National Tire & Battery (NTB) brands, and franchised stores under the Big O Tires brand. TBC markets on a wholesale basis to regional tire chains and distributors serving independent tire dealers. Together, there are more than 1,200 locations in 41 states, plus Washington DC, Alberta & British Columbia, Canada. Store agreements and warranties are accepted at all TBC retailers.

In 2005, TBC Corporation was purchased by Sumitomo Corporation of America (SCOA). SCOA is the largest subsidiary of Sumitomo Corporation (SC), one of Japan's major integrated trading and investment business enterprises. TBC Corporation still functions as an independent company of SCOA providing the same services and products it has for many years, but has ended its 22-year stint as a publicly traded company on the NASDAQ.

Website:	<a href="http://www.merchantstire.com">www.merchantstire.com</a>
Founded:	1943
Number of Locations:	90 +/-
Parent Company:	TBC Corporation
Parent Website:	<a href="http://www.tbccorp.com">www.tbccorp.com</a>
Parent Founded:	1956
Parent Locations:	1,200 +/-
Headquarters:	Palm Beach Gardens, Florida





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