CRE HOLDINGS USA

NET LEASE INVESTMENT OFFERING

Ferguson Animal Hospital

316 7th Street, Bristol, Tennessee 37620

4,525 SF | 8-Year NNN Lease | Built 2015

CONFIDENTIAL OFFERING MEMORANDUM

INVESTMENT HIGHLIGHTS

ANNUAL BASE RENT

$89,251 ($19.72 SF)

2026 | ~2% Annual Escalations

LEASE TERM

8 Years

Lease Expiration October 3034 initially signed in 2024

Two 5-Year Renewal Options

BUILDING SIZE

4,525 SF

Purpose-Built Veterinary Facility

TENANT

Vet Evolve

LTM Revenue >$100M | Institutional Backing

KEY INVESTMENT THESIS

Creditworthy tenant backed by institutional capital with LTM revenue exceeding $100 million and 14.9% EBITDA growth

Long-term 8-year NNN lease with contractual 2% annual rent escalations providing predictable income growth

Purpose-built 2015 construction veterinary facility with specialized infrastructure minimizing capital expenditure risk

Bristol, TN market has benefited from $400M Hard Rock Casino development opening in November 2024 and its projected 5,200+ new jobs over seven years

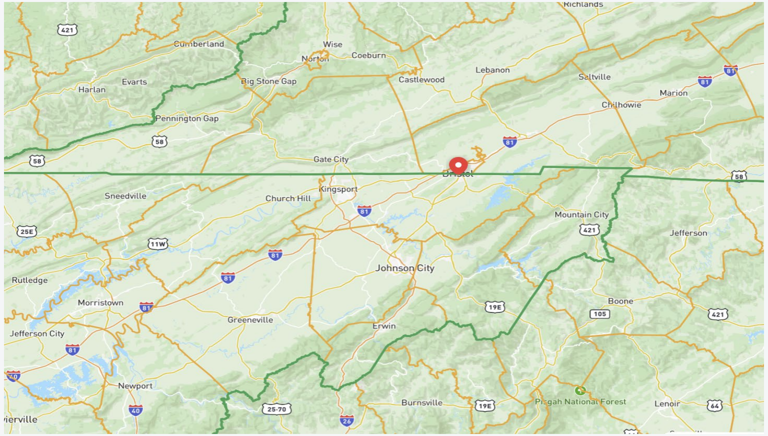
Downtown location with 2.6% vacancy rate and rental rates among the highest in the Bristol market

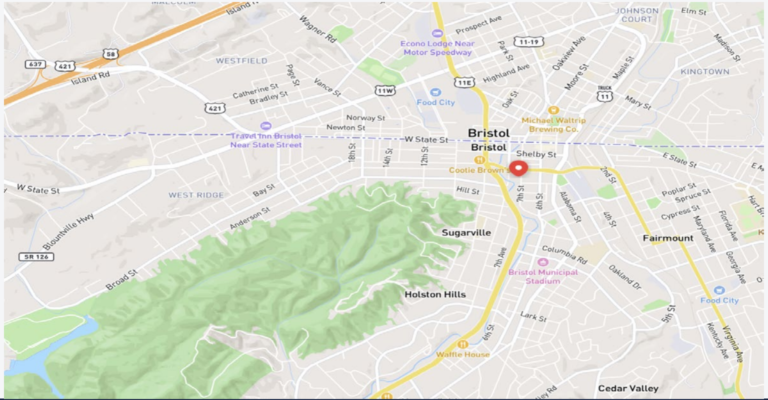
PROPERTY OVERVIEW

BUILDING DETAILS

Address	316 7th Street, Bristol, TN 37620
Building Size	4,525 Rentable SF
Land Area	0.244 Acres (10,640 SF)
Year Built	2015
Construction	Wood Frame, Hardy Plank & Stone Veneer
Zoning	B-1A, Limited Business/Institutional
Parking	10+ Spaces On-Site + Overflow Lot
Building Systems	HVAC, Plumbing, Electrical - All Compliant
Permitted Use	Veterinary Medicine, Daycare, Boarding
Condition	Excellent - No Deferred Maintenance

HVAC Maintenance Records Available Upon Request





TENANT PROFILE

VET EVOLVE TN, LLC

A Portfolio Company of PE firm – Varsity Healthcare Partners

Vet Evolve is a rapidly growing veterinary services platform headquartered in Falls Church, Virginia. The company acquires, operates, and supports veterinary hospitals across the United States, providing centralized business management while preserving each clinic's local identity and medical autonomy.

VetEvolve's model focuses on operational excellence, staff retention, and revenue growth through a combination of same-store improvements and strategic acquisitions. The company has demonstrated consistent financial performance with strong revenue and EBITDA growth trajectories.

>$100M
LTM Revenue

+5.3% YoY
Revenue Growth

+14.9% YoY
EBITDA Growth

+9.9% YoY
SSS Growth

5 acquisitions closed since Oct 2023 | Industry revenue growth: +3.7% YTD

LEASE SUMMARY

KEY LEASE TERMS

Tenant	VetEvolve TN, LLC
Landlord	Daryl B. & Robynne M. Ferguson
Commencement Date	October 31, 2024
Initial Term	10 Years (Expiration: October 2034 – Eight Years Remaining)
Renewal Options	Two (2) Periods of Five (5) Years Each
Year 1 Monthly Rent	$7,148.83 ($85,786 Annual | $18.96/SF)
Rent Escalations	~2% Annual Increases Throughout Term
Lease Type	NNN - Tenant Pays RE Taxes + Insurance
Tenant Maintenance	Interior, HVAC Contract, Landscaping, Parking
Landlord Maintenance	Structural, Roof, Foundation, Building Systems
Assignment/Subletting	Permitted to Affiliates Without Consent
Right of First Offer	Tenant Has Ongoing ROFO to Purchase
Permitted Use	Veterinary Medicine, Boarding, Daycare, Retail

RENT SCHEDULE

Lease Year	Monthly Rent	Annual Rent	Rent/SF	Period
1	$7,148.83	$85,785.96	$18.96	Initial Term
2	$7,291.81	$87,501.72	$19.34	Initial Term
2026	$7,437.65	$89,251.80	$19.72	Initial Term
4	$7,586.40	$91,036.80	$20.12	Initial Term
5	$7,738.13	$92,857.56	$20.52	Initial Term
6	$7,892.89	$94,714.68	$20.93	Initial Term
7	$8,050.75	$96,609.00	$21.35	Initial Term
8	$8,211.76	$98,541.12	$21.78	Initial Term
9	$8,376.00	$100,512.00	$22.21	Initial Term
10	$8,543.52	$102,522.24	$22.66	Initial Term
11-15	*$8,714 - $9,433*	*$104,573 - $113,193*	*$23.11 - $25.01*	*Renewal 1*
16-20	*$9,621 - $10,415*	*$115,457 - $124,974*	*$25.51 - $27.62*	*Renewal 2*

Total Initial Term Base Rent: **$939,333** | Total 20-Year Base Rent (All Periods): **$2,057,000+**

MARKET OVERVIEW | BRISTOL, TENNESSEE

MARKET FUNDAMENTALS

Bristol, Tennessee, known as the birthplace of country music, is strategically positioned in the northeast corner of Tennessee along the Virginia border within the Kingsport-Bristol metropolitan area. The city offers an attractive cost of living with two-bedroom rents averaging $840 compared to the national average of $1,430.

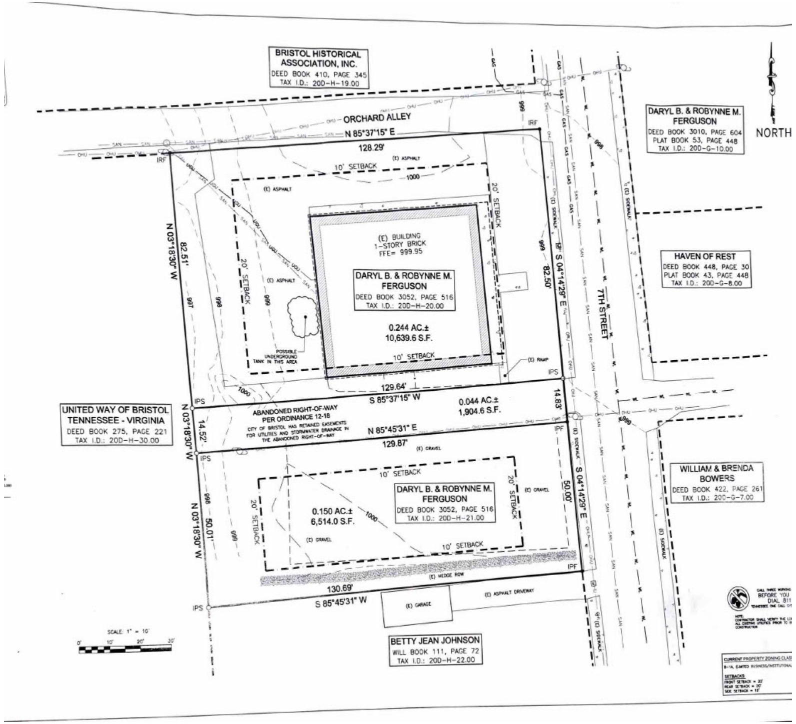
Bristol is home to Eastman Chemical Company, Alpha Natural Resources, and the transformative $400 million Hard Rock Hotel & Casino development. The casino project is projected to attract up to four million visitors annually and generate over 5,200 jobs over a seven-year build-up period, fundamentally reshaping the local economy.

Downtown Bristol maintains a healthy commercial environment with a vacancy rate of just 2.6% for actively marketed space, with average rental rates of $13.11/SF representing the highest in the Bristol market outside of the Pinnacle development.

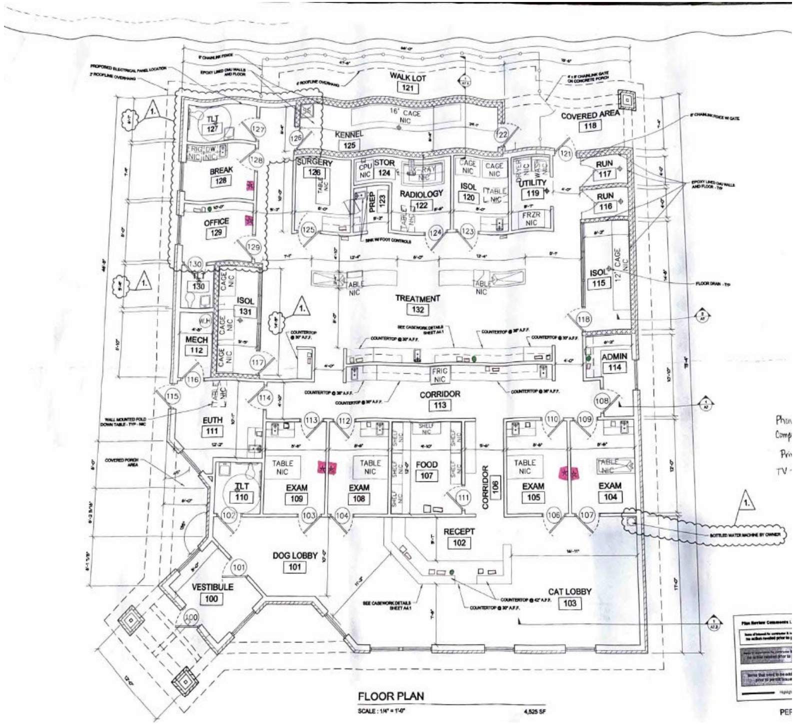
2.6%	37.8%	$54,420	$400M
Downtown Vacancy	Job Growth Forecast	Median HH Income	Casino Investment

SITE PLAN & FLOOR PLAN

LANDSCAPING & SITE PLAN



FLOOR PLAN | 4,525 SF



PROPERTY PHOTOS

Front Entrance

Front Elevation

Rear Elevation

Reception / Lobby

Front Desk

Treatment Area

LEASE ANALYSIS | KEY CONSIDERATIONS

FAVORABLE LEASE PROVISIONS

- Long-term 10-year initial term with built-in 2% annual escalations providing inflation protection
- NNN structure: Tenant pays real estate taxes and insurance premiums as Additional Rent
- Tenant responsible for interior maintenance, HVAC contract, landscaping, and parking upkeep
- Landlord retains structural responsibility (roof, foundation, systems) protecting asset value
- 24-hour written notice required for landlord entry; strong tenant protections
- Tenant self-cure rights for landlord defaults with rent offset, ensuring property maintenance
- Waiver of landlord's lien on tenant personal property facilitating tenant financing

ITEMS TO NOTE FOR INVESTORS

- Tenant holds ROFO on property purchase - any sale triggers 15-day tenant offer period
- Assignment to VetEvolve affiliates permitted without landlord consent
- Parking lot repaving limited to once during Term at landlord's expense
- Tenant maintenance cap of $5,000/year on Building Systems before landlord responsibility
- Holdover rent at 150% of last monthly rate - market standard protection
- No CAM charges - simplified NNN with taxes and insurance only as pass-throughs

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CONTACT INFORMATION

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