



ERI Fayetteville DST

A Wal-Mart Neighborhood Market

**3421 Murchison Road, Fayetteville,
North Carolina 28311**





INVESTMENT KEY DATA POINTS

Investor Purchase Price

\$11,528,900

Equity Raise

\$5,284,973

Starting Projected
Cash Flow

5.05%

Offering Loan
to Value

54.2%

Financing

**10 Year, Fixed Rate,
Non Recourse Loan**

Minimum Investment

\$100,000

**Cash and 1031
Exchange Investors**

The lease associated with this investment opportunity contains an unconditional guaranty by Wal-Mart Store, Inc. which is the parent company of Wal-Mart. WMT is publicly traded on the NYSE under the ticker symbol 'WMT.' The company currently has a market cap of \$211.96 billion making it one of the largest companies in the US. WMT also maintains of the strongest investment grade credit ratings of 'AA' from Standard & Poor's.

INVESTMENT HIGHLIGHTS

- ▶ Brand New Wal-Mart Neighborhood Market - 2015 Construction
- ▶ DST Offering Structure Available for 1031 Exchange and Cash Investors
- ▶ Leased Through November 1, 2035 with Eight (8), 5 Year Renewal Options
- ▶ Unconditional Corporate Guaranty by Wal-Mart Stores, Inc. | \$81.3 Billion Net Worth
- ▶ Guarantor Holds an Investment Grade Credit Rating by S&P ('AA'/Stable)
- ▶ 100% Occupied Net Leased Investment
- ▶ Located in Fayetteville, NC | Home to Fort Bragg/Pope Field (Infuses approximately \$4.5 Billion Per Year into Region's Economy)
- ▶ Dense Surrounding Populations: ± 50,000 People (3-Mile Radius) & ± 115,000 People (5-Mile Radius)

Investments in DST properties carry numerous risks including, but not limited to, the risk of loss of your entire principal invested, adverse tax consequences and that potential cash flows/returns/appreciation are not guaranteed and could be lower than anticipated. Investors must carefully read the entire Private Placement Memorandum paying close attention to the "Risk Factors" section for a full disclosure of investment risks. Please note this material does not constitute tax or legal advice. Please speak with your tax and legal professionals for guidance as to your particular situation prior to considering an investment.

TENANT OVERVIEW

Headquartered
Bentonville, AK

Locations
**11,527 Under
72 Banners**

Stock Symbol
NYSE: WMT

Website
www.walmart.com

Wal-Mart, is an American multinational retail corporation that operates a chain of hypermarkets, discount department stores and grocery stores. Headquartered in Bentonville, Arkansas, the company was founded by Sam Walton in 1962 and incorporated on October 31, 1969. As of March 31, 2016, Wal-Mart has 11,527 stores and clubs in 27 countries, under a total of 72 banners. The company operates under the Wal-Mart name in the United States and Canada.

Wal-Mart is the world's largest company by revenue, according to the Fortune Global 500 list in 2014, as well as the biggest private employer in the world with 2.2 million employees. Wal-Mart is a family-owned business, as the company is controlled by the Walton family. Sam Walton's heirs own over 50 percent of Wal-Mart through their holding company, Walton Enterprises, and through their individual holdings. It is also one of the world's most valuable companies by market

value, and is also the largest grocery retailer in the U.S. In 2015, it generated 59.8 percent of its US\$288 billion sales in the U.S. from its grocery business.

The company was listed on the New York Stock Exchange in 1972. In the late 1980s and early 1990s, the company rose from a regional to a national giant. By 1988, Wal-Mart was the most profitable retailer in the U.S. and by October 1989, it had become the largest in terms of revenue. Geographically limited to the South and lower Midwest up to the mid 1980's, by the early 1990s the company's presence spanned from coast to coast—Sam's Club opened in New Jersey in November 1989 and the first California outlet opened in Lancaster in July 1990. A Wal-Mart in York, Pennsylvania opened in October 1990, bringing the main store to the Northeast.

Wal-Mart Neighborhood Market is a chain of grocery stores with sizes varying from 28,000 to 66,000 square feet (2,600 to 6,100 square meters), with an average size of 42,000 square feet (3,900 square meters). They are used to fill the gap between supercenters and discount stores, offering a variety of products including full lines of groceries, pharmaceuticals, health and beauty aids, photo developing services, and a limited selection of general merchandise. The first store opened in 1998, in Bentonville, Arkansas. As of July 31, 2016, there were 668 Wal-Mart Neighborhood Markets. Neighborhood Markets and other small formats operate in 31 states and Puerto Rico (under the Amigo banner).

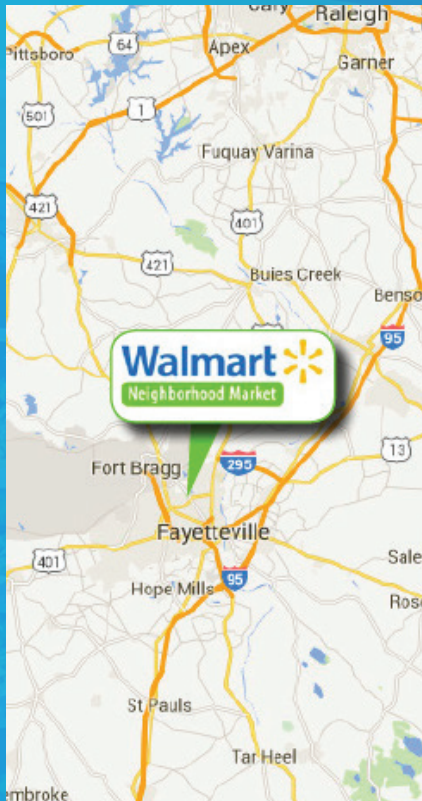
EXIT STRATEGY

It is the sponsors objective to aggregate a portfolio of high quality net leased real estate in an effort to potentially create diversification and value for investors through a sale to a large institutional investor such as a Real Estate Investment Trust (REIT) through a section 721 tax deferred exchange.



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LOCATION OVERVIEW



Fayetteville is a city in Cumberland County, North Carolina, United States. Fayetteville's tourism slogan is, "Welcome to America's Hometown" The city in south-central North Carolina takes pride in being the home of the U.S. Army's Fort Bragg, a major U.S. Army installation northwest of the city. Fayetteville sits two hours north of the Wilmington beach area and about an hour southwest of Raleigh, the state capital.

The Fayetteville metropolitan area is the largest in southeastern North Carolina and the fifth largest in the state. Other suburban areas of metro Fayetteville include Fort Bragg, Spring Lake, Raeford, Pope Air Force Base, Rockfish, Stedman, and Eastover. The current population of the Fayetteville MSA is just over 300,000 ranking it among the fastest growing areas in the state.

Fort Bragg is the largest Army installation by population covering about 161,000 acres, stretching into six counties. Fort Bragg is located in Fayetteville, North Carolina and is home of the Airborne and Special Operations. Fort Bragg is the largest US Army base by population, serving a population of 52,280 active duty Soldiers, 12,624 Reserve Components and Temporary Duty students, 8,757 civilian employees, 3,516 Contractors, and 62,962 active duty family members. There are 98,507 Army retirees and family members in the area. Two military installations are the backbone of the county's economy. Fort Bragg and Pope Field pump about \$4.5 billion a year into the region's economy, making it one of the best retail markets in the country. The area's largest employers include Fort Bragg, Cumberland County Schools, Goodyear Tire Company, Cap Fear Valley Health System, Cumberland County Government, Purolator, and Fayetteville Technical Community College. Fayetteville boasts a low unemployment rate of 4.5 percent with a large labor pool of trained professionals.

Fort Bragg was established in 1918, as an artillery training ground. It is the home of the US Army airborne forces and Special Forces, as well as U.S. Army Forces Command and U.S. Army Reserve Command. A year after the establishment of Fort Bragg, an aviation landing field, Pope Field, was added, and it ranks as one of the oldest installations in the Air Force.

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ECONOMY

- ▶ The area's largest employers are: Fort Bragg, Cumberland County Schools, and Goodyear Tire Company, Cape Fear Valley Health System, Cumberland County Government, Purolator, and Fayetteville Technical Community College.
- ▶ Two military installations are the backbone of the county's economy. Fort Bragg and Pope Field infuse about \$4.5 billion a year into the region's economy, making it one of the best retail markets in the country.
- ▶ Fayetteville serves as the region's hub for shops, restaurants, services, lodging, health care and entertainment.
- ▶ Fayetteville boasts a low unemployment rate of 4.5 percent with a large labor pool of trained professionals.
- ▶ The population of the Fayetteville area, which includes Fort Bragg and Pope Field, is just over 300,000. Fayetteville, with over 203,000 residents, is Cumberland County's county seat and its largest municipality.
- ▶ Fayetteville is the 6th largest city and the 5th largest metropolitan area in North Carolina. It is among the fastest-growing areas in the state.
- ▶ About 50,000 military personnel are stationed at Fort Bragg and Pope Field. In addition to active-duty personnel, the military employs approximately 10,000 civilians.

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ABOUT THE SPONSORS



Essex Realty Investments LLC

Essex Realty Investments LLC is a private real estate investment firm focused on the acquisition and investment management of net lease and multi-tenanted properties throughout the United States. The principals of Essex Realty Investments LLC have decades of experience in negotiating, structuring and closing real property acquisitions, credit tenant lease financings, public-private finance transactions, real property securitizations, and 1031 exchange transactions. The principals directly oversee all investment functions, including acquisition due diligence, financing, asset management and dispositions. Essex Realty Investments LLC has engaged Jones Lang LaSalle Americas to advise it on the acquisition and financing of assets that Essex Realty Investments LLC believes are suitable for 1031 exchangers. The principals of Essex Realty Investments LLC are Harry J. Hutton and Jonathan C. Black.

www.essexrealtyinvestmentsllc.com

(978) 223-4105



Kay Properties and Investments LLC

Kay Properties and Investments, LLC was founded by Dwight Kay to offer solutions to 1031 Exchange and cash investors in real estate in all 50 states.

Headquartered in Los Angeles, CA with offices in New York, N.Y. and Washington D.C.

Specialists in the Delaware Statutory Trust (DST) 1031 Exchange Marketplace

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Offering client exclusive DST properties solely available to Kay Properties Clients

Over \$127,000,000 of DST properties purchased by our clients in 2015

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info@kpi1031.com

(855) 466-5927

Risks and Disclosures

- The ERI Fayetteville DST is a Regulation D, Rule 506(c) offering.
- Delaware Statutory Trust (DST) properties are available to Accredited Investors only (generally defined as individuals having a net worth of over \$1million dollars exclusive of primary residence, and certain accredited entities). If you are unsure if you are an accredited investor or an accredited entity, please verify with your CPA and Attorney prior to considering an investment.
- The information herein has been prepared for informational purposes only and does not constitute an offer to sell or solicitation to purchase securities. Such offers are only made through the Private Placement Memorandum (PPM) describing the investment which is solely available to accredited investors and accredited entities.
- The Internal Revenue Code of 1986, as amended, including IRC Section 1031, IRC Section 1033 and IRC Section 721 contains complex tax concepts. You should consult your legal or tax professional regarding the specifics of your particular situation prior to considering an investment.
- This material is not to be interpreted as tax or legal advice. Please consult with your own tax and legal advisors for advice/guidance regarding your particular situation.
- There are risks associated with investing in Delaware Statutory Trusts (DST) including, but not limited to, loss of entire investment principal, declining market values, tenant vacancies and illiquidity.
- Potential cash flows/returns/appreciation are not guaranteed and could be lower than anticipated.
- Investors should read the entire PPM carefully, including the "Risk Factors" section of the PPM before investing.
- Expected cash flows and returns may not be realized and a complete loss of invested capital is possible.
- Please do not invest if you cannot afford a complete loss of your invested capital.
- Past performance is not indicative of future returns.