

DOLLAR GENERAL



Offering Memorandum

DOLLAR GENERAL NET LEASE
INVESTMENT | 9.1% CAP RATE



BULL REALTY
ASSET & OCCUPANCY SOLUTIONS

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EXECUTIVE SUMMARY

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OFFER HIGHLIGHTS

This Dollar General, built in 2003, is a proven and value priced net lease offering. This NN lease is currently in its first 5-year option period. Dollar General exercised their second renewal option early, thereby extending the lease term through April 2023 with one 5-year option remaining. The lease contains a percentage rent clause, and stores sales have consistently exceeded the threshold level required to pay percentage rent. Percentage rent payments have averaged almost \$9,000 annually for the past 5 years. Base rent for 2018 will be \$36,776. Coupled with a conservative estimate of \$8,000 for annual percentage rent, the projected cap rate is over 9.1%!

Landlord responsibilities under the NN lease include roof, structure, parking lot, and repairs over \$750 per occurrence. The parking lot was re-striped in July 2017. The store is on Dollar General's National Insurance Program and Dollar General fully reimburses the Landlord for property taxes. Dollar General contributes \$200 per month towards parking lot maintenance.

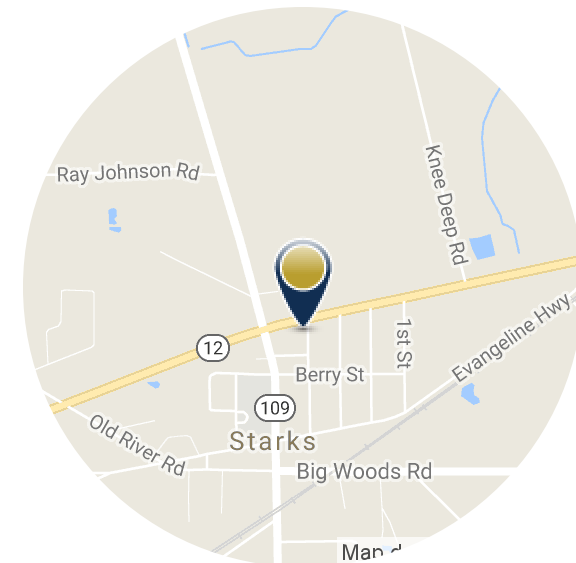
- Low entry price for strong performing store, consistently achieving percentage rent
- 2018 average cap rate with conservative percentage rent included is over 9.1%*
- NN lease through April 2023
- 7.77% rent increase in May 2018 and an 8% rent increase in May 2023, the next option period
- No dollar store competition within 16 miles
- Well located corner location between Lake Charles LA and Beaumont TX
- 50%* Projected cash on cash return, based upon conservative percentage rent estimates through the extended term
- Offered for sale at \$490,000 or a 7.5% cap rate (2018 base rent without percentage rent)
- **Percentage rent paid to landlord in 2017 is \$12,909. The percentage rent estimates used to calculate the projected cash on cash return above were based on \$8,000 in annual percentage rent for the remaining term. Prior to 2017, percentage rent averaged for the four prior years \$8,194 per year.*

DEMOGRAPHICS

	3 Miles	5 Miles	10 Miles
Total Households:	557	902	3,923
Total Population:	1,360	2,236	10,064
Average HH Income:	\$64,908	\$68,872	\$66,379

AREA OVERVIEW - ACTUAL LOCATION

Starks is an unincorporated community and census-designated place in Calcasieu Parish, Louisiana, and is part of the Lake Charles MSA. The subject property is located on a corner lot on LA Highway 12, and approximately 30 miles northwest of Lake Charles and about 5 miles from the Texas and Louisiana border. Beaumont, TX is located about 35 miles west of Starks. Starks is known for its annual Mayhaw Festival to celebrate the fruit that grows in the bayous along the Texas/Louisiana border.



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FINANCIAL OVERVIEW

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PROPERTY & LEASE INFORMATION

Subject Property:	Single Tenant
Property Location:	4249 Hwy 12, Starks, LA 70661
Parish:	Calcasieu
Price:	\$490,000
Rentable SF:	8,125 SF
Price/SF:	\$60.31
2018 Rent:	\$36,776 <i>(With rent increase)</i>
2018 Rent:	\$44,776 <i>(With estimated percentage rent of \$8,000)</i>
Cap Rate:	9.1% <i>(Includes \$8,000 percentage rent projection. Without percentage rent, cap rate is 7.5%)</i>
Rent/SF:	\$4.53 <i>(Without percentage rent)</i>
Year Built:	2003
Parcel Size:	0.58 Acre
Type Of Ownership:	Fee Simple

LEASE SUMMARY

Tenant Trade Name:	Dollar General
Lease Type:	NN
Lease Commencement:	5/1/2003 <i>(See RENT SCHEDULE above)</i>
Landlord Responsibilities:	Roof, structure, parking lot, & expenses over \$750 per incident.
Tenant Responsibilities:	Taxes, insurance, & interior repairs, including HVAC, up to \$750 per incident. Monthly payment of \$210 for CAM to landlord.
Percentage Rent:	Yes

RENT SCHEDULE

Term	Dates	Monthly Rent	Annual Rent	Increase %
First Option (Exercised)	5/1/13-4/30/18	\$2,915	\$34,980	-
Second Option (Exercised)	5/1/18-4/30/23	\$3,140	\$37,680	7.7%
Third Option	5/1/23-4/30/28	\$3,390	\$40,680	8%

REPRESENTATIVE PHOTO

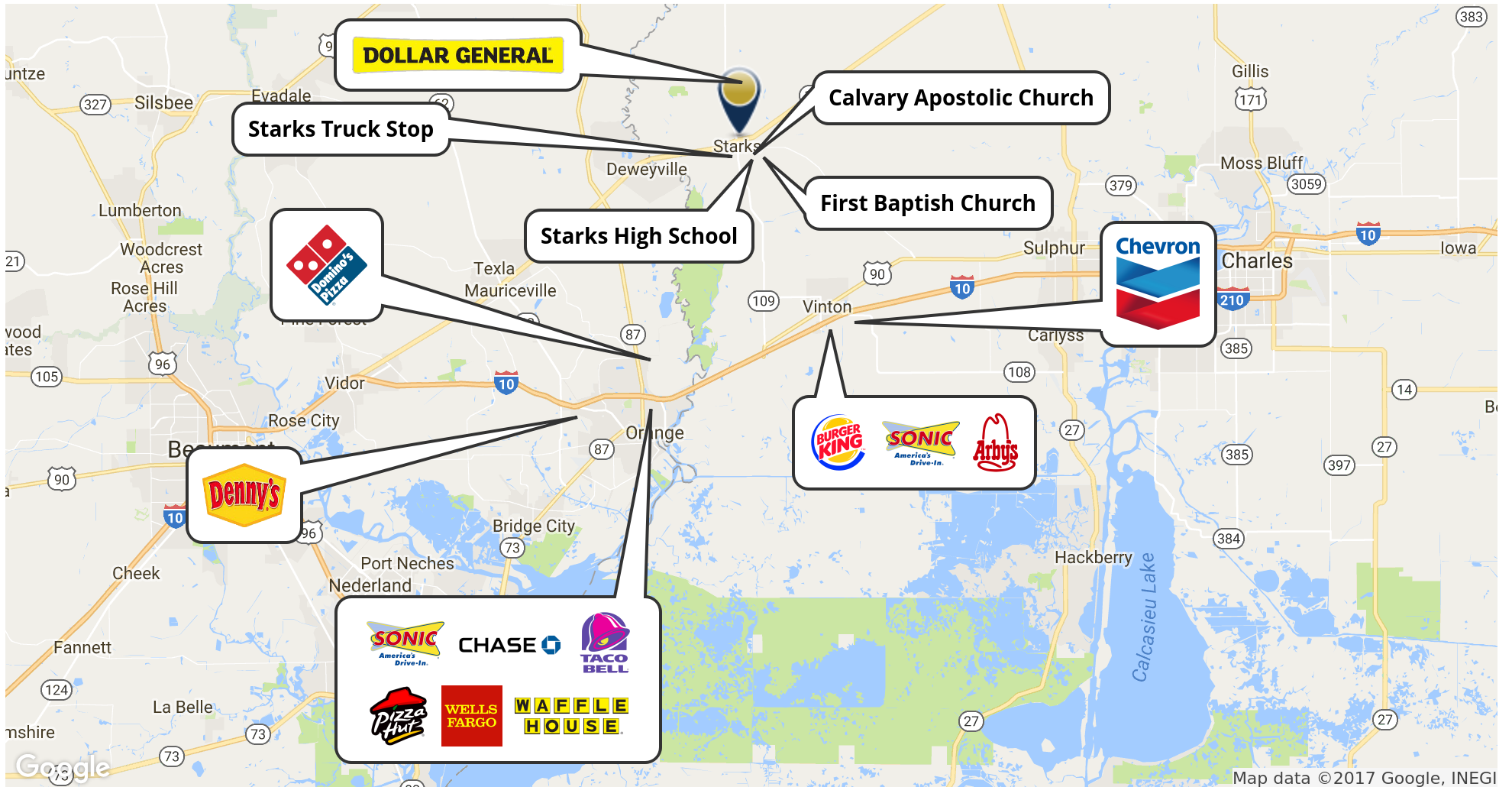


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AREA BUSINESSES

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PARCEL MAP

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TENANT OVERVIEW

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Dollar General Corporation is the largest "small box" discount retailer in the U.S. by sales and number of locations. The Goodlettsville (Nashville), TN based chain operates 14,000 stores in 44 U.S. states. For fiscal 2017, Dollar General plans to open approximately 1,000 new stores.

Dollar General offers over 10,000 items of name brand and generic merchandise. Their goal is to provide quality brands at low prices. The majority of products are below \$10 with approximately 25% of them below \$1. They offer a range of everyday convenience, food, gift, household, clothing and other items that offer consumers an easier and more accessible shopping solution in towns, large and small with the average customer in-store trip of less than 10 minutes!

Dollar General often serves communities that are too small for larger discount retailers. Approximately 70% of their stores serve communities of 20,000 or less population. They compete in the discount dollar store arena with national chains such as Family Dollar, Dollar Tree, regional chains such as Fred's in the southeast and numerous independent owned stores. They are generally part of the retail fabric of the communities they are in.

The company, founded in 1939, celebrated its 75th anniversary in 2014. In 1955, the first branded Dollar General opened in Springfield, KY. In 1968, Dollar General first went public. At the time, if an investor purchased 100 shares of Dollar General stock, it would be worth \$655,534 when the company went private in 2007! Through the next several years, Dollar General continued growth of more stand alone locations. In 2009, the company, again went public and is traded on the NYSE under the symbol DG. The company is proud of its BBB- Standard & Poors rating. In 2014, Dollar General attempted an unsuccessful takeover of sector rival, Family Dollar. As a result, they have re-directed efforts to continue their growth into new retail trade areas that meet their targeted profile demographics.

As of Jan 14, 2017, the consensus forecast amongst 31 polled investment analysts covering Dollar General Corp. advises that the company will outperform the market. Year over year Dollar General Corp. grew revenues 7.72% from \$18.91B to \$20.37B while net income improved 9.36% from \$1.07B to \$1.17B. Over the last three months and the previous one year, Dollar General's shares have advanced 7.29% and 4.11%, respectively.

For more information, visit Dollar General's website: <https://www.dollargeneral.com/>.

Dollar General Historical Growth Chart (DG)
Stock Growth Trajectory - Aug 2017 to Nov 2017



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BROKER PROFILES

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Nancy Miller joined Bull Realty in 2001 after being a client of the firm. Her brokerage practice focuses on income producing single tenant net lease properties. Nancy leads Bull Realty's National Net Lease Investment Group and works with investors, developers and sellers throughout the US. She is recognized as a savvy and knowledgeable retail net lease expert. In the last 3 years, she has brokered over \$109M in single tenant net lease transactions. Nancy publishes a quarterly investor newsletter, a monthly electronic newsletter, participates in quarterly national retail industry surveys done by Morgan Stanley, and contributes to Bull Realty's retail blogs. In addition, Nancy appears periodically on the Commercial Real Estate Show, a national weekly commercial real estate radio show hosted and produced in Atlanta by broker, Michael Bull.

Nancy has held a real estate license for over 25 years and is licensed in several states. She is a Life Member of the Atlanta Commercial Board of Realtors and a member of the International Council of Shopping Centers (ICSC). She also holds the prestigious CCIM designation. She also holds a Bachelor of Arts degree from Tulane University and an MBA from Emory University's Goizueta Business School, where she is a guest lecturer.



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Rob Taylor purchased his first commercial investment property through Michael Bull in 1998 and has been investing with Bull Realty since. He is now a CRE investment broker, focusing on acquisition and disposition of single tenant net lease investment properties, sale-leaseback transactions and 1031 exchanges throughout the US. Rob has over 30 years of real estate experience in land development, new construction management and the related financial acumen necessary to counsel his clients. He also works with developers and general contractors with the delivery of new single tenant products and properties to the market.

Prior to his real estate focus, Rob had a successful career of over 14 years in software applications development while consulting with corporations, large and small. His success was due in great part to his education at George Tech where he honed his analytical skills which he continues to utilize in his role as a commercial real estate investment advisor. His mission is to add value resulting in a positive experience for his buyer and seller clients. Rob selected Bull Realty due to the shared values of delivering quality customer service with integrity and also the state of the art marketing tools and research systems employed.



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