

OFFERING MEMORANDUM



DOLLAR GENERAL®

MONTROSE
COLORADO

Gold's Gym offering sale leaseback at COE
& Dollar General just extended their lease

NNN
NNN DEAL
THE SINGLE TENANT RESOURCE

Marcus & Millichap



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GOLD'S GYM

DOLLAR GENERAL

MASSAGE SPA AEROBICS CARDIO CINEMA STEAM KIDS CLUB SPINNING TANNING

**DOLLAR GENERAL**

INVESTMENT SUMMARY

1840 E MAIN ST, MONTROSE, CO 81401

PRICE: \$5,545,503**CAP: 7.25%****RENT: \$402,049**

OVERVIEW

| | |
|--|--------------------|
| Price (Combined) | \$5,545,503 |
| Gross Leasable Area (GLA) (Estimate) (32,191 SF Gold's & 9,903 SF DG) | 42,094 SF Combined |
| Lot Size | 3.15 Acres |
| Net Operating Income (Combined) | \$402,049 |
| CAP Rate (Combined) | 7.25% |
| Year Built / Renovated | 1974 / 1988 / 2013 |

| Time Periods* | Lease Years | Dollar General Annual Rent | Gold's Gym Annual Rent | Combined Rents | Combined Rents |
|----------------|-------------|----------------------------|------------------------|----------------|----------------|
| BTG/BTDG | 2019 | \$69,300 | \$332,749 | \$402,049 | 7.25% |
| BTG/BTDG | 2020 | \$69,300 | \$337,740 | \$407,040 | 7.34% |
| BTG/BTDG | 2021 | \$69,300 | \$342,806 | \$412,106 | 7.43% |
| BTG/BTDG | 2022 | \$69,300 | \$347,948 | \$417,248 | 7.52% |
| BTG/BTDG | 2023 | \$69,300 | \$353,168 | \$422,468 | 7.62% |
| BTG/BTDG | 2024 | \$69,300 | \$358,465 | \$427,765 | 7.71% |
| BTG/BT+Opt1DG | 2025 | \$76,585 | \$363,842 | \$440,427 | 7.94% |
| BTG/Opt1DG | 2026 | \$79,014 | \$369,300 | \$448,314 | 8.08% |
| BTG/Opt1DG | 2027 | \$79,014 | \$374,839 | \$453,853 | 8.18% |
| BTG/Opt1DG | 2028 | \$79,014 | \$380,462 | \$459,476 | 8.29% |
| BTG/Opt1DG | 2029 | \$79,014 | \$386,169 | \$465,183 | 8.39% |
| BTG/Opt1+2DG | 2030 | \$84,931 | \$391,961 | \$476,892 | 8.60% |
| BTG/Opt2DG | 2031 | \$86,904 | \$397,841 | \$484,745 | 8.74% |
| BTG/Opt2DG | 2032 | \$86,904 | \$403,808 | \$490,712 | 8.85% |
| BTG/Opt2DG | 2033 | \$86,904 | \$409,865 | \$496,769 | 8.96% |
| Opt1G/Opt2DG | 2034 | \$86,904 | \$416,013 | \$502,917 | 9.07% |
| Opt1G/Opt2+3DG | 2035 | \$93,420 | \$422,254 | \$515,674 | 9.30% |
| Opt1G/Opt3DG | 2036 | \$95,592 | \$428,587 | \$524,179 | 9.45% |
| Opt1G/Opt3DG | 2037 | \$95,592 | \$435,016 | \$530,608 | 9.57% |
| Opt1G/Opt3DG | 2038 | \$95,592 | \$441,542 | \$537,134 | 9.69% |
| Opt1G/Opt3DG | 2039 | \$95,592 | \$448,165 | \$543,757 | 9.81% |
| Opt2G/Opt3DG | 2040 | \$95,592 | \$454,887 | \$550,479 | 9.93% |
| OPT2G | 2041 | \$- | \$461,710 | \$461,710 | 8.33% |
| OPT2G | 2042 | \$- | \$468,636 | \$468,636 | 8.45% |
| OPT2G | 2043 | \$- | \$475,666 | \$475,666 | 8.58% |
| OPT3G | 2044 | \$- | \$482,801 | \$482,801 | 8.71% |
| OPT3G | 2045 | \$- | \$490,043 | \$490,043 | 8.84% |
| OPT3G | 2046 | \$- | \$497,393 | \$497,393 | 8.97% |
| OPT3G | 2047 | \$- | \$504,854 | \$504,854 | 9.10% |
| OPT3G | 2048 | \$- | \$512,427 | \$512,427 | 9.24% |

Time Periods*

BTG = Base Term Gold's Gym (estimated on new lease)

BTDG = Base Tterm Dollar General

Opt = Option Periods

**DOLLAR GENERAL**

LEASE ABSTRACTS



LEASE ABSTRACT: GOLD'S GYM

| | |
|------------------------------------|--------------------|
| Lease Type | NNN* |
| Lease Term | New 15 Year |
| Lease Start | COE |
| Lease Expiration (Estimate) | COE + 15 Years |
| Renewal Options (Estimate) | 3x5 |
| Increases | 1.50% Annually |
| Roof and Structure | Tenant Responsible |

* CAM reconciliation report to be provided to Buyer during due diligence.
 8+ unit operator: subject site has 2,700 +/- members as of Feb 2019

DOLLAR GENERAL®

LEASE ABSTRACT: DOLLAR GENERAL

| | |
|----------------------------------|--------------------|
| Lease Type | NNN Fee Simple |
| Lease Term | 10 Year |
| Original Lease Start | 10/30/2006 |
| Lease Extended | 4/1/2019 |
| New Lease Expiration Date | 3/31/2025 |
| Renewal Options | 3x5 |
| Increases | In Option Periods |
| Roof and Structure | Tenant Responsible |



DOLLAR GENERAL

INVESTMENT HIGHLIGHTS

- ◆ Located in the Heart of Montrose, Colorado
- ◆ Two Tenant Center – 100% Occupied
- ◆ Gold's Gym to sign a New 15 Year Lease upon COE
- ◆ Gold's has occupied the site for 10 Years and wishes to extend their presence thru 2025 by executing a New Lease, showing dedication to the region
- ◆ Gold's Gym has 2800+ Members at this location with Sales exceeding \$1,517,942 Annually
- ◆ Site was Remodeled in 2013
- ◆ NNN Leases – All CAM's pass through to Tenants
- ◆ Strong Growth Area – Local Population increased by over 33% since 2000
- ◆ Traffic Count exceeds 17,000 Vehicles Passing in Front of Site Daily
- ◆ Dollar General extended lease for 6-years come April 2019, leaving options in place, Shows Tenant's desire to stay at location



27,166

TOTAL
POPULATION
WITHIN 5-MILE
RADIUS



\$61,867

AVERAGE
HOUSEHOLD
INCOME WITHIN
5-MILE RADIUS



17,900 VPD - E MAIN ST



INVESTMENT HIGHLIGHTS

This Amazon resistant two tenant passive investment opportunity offers a purchaser two nationally recognized household name tenancies.

The Gold's Gym is a 8-unit operator offering a new 15 year NNN lease with 1.50% annual rent bumps including option periods to commence upon close of escrow. All CAMs pass thru to the Tenant making this acquisition a true sleep-at-night opportunity.

The corporate guaranteed Dollar General extended their lease in 2019, showing their commitment for being at this location having occupied the site since 2006.

The location was completely renovated in 2013, and the Gold's Gym expanded their presence by taking over the remaining adjacent vacant space in 2017 due to the locations popularity.



New 15 year Gold's Gym lease to commence at close of escrow.



1.50% annual rent bumps hedge against inflation.



Completely renovated in 2013.



Dollar General extended their lease come April 2019 for an additional 6-years, showing commitment to the region and its success.



Average age of a Montrose resident is 43 years old, representing the target market of gym members.

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MAIN ST - 10,700 VPD



SAN JUAN CINEMA



Ted Nelson's Steakhouse

Fairmont Furniture

BAYMONT
BY WYNDHAM



Montrose County Fairgrounds

McDonald's



Alpine Bank



Centennial Middle School

Star Drive-In Theatre

Black Canyon Golf Course





TENANT SUMMARY

GOLD'S GYM

TENANT SNAPSHOT

Gold's Gym started moderately 52+ years ago when they opened their first fitness center in Venice Beach, CA and began a tradition of passion and dedication to physical fitness at more than 700 +/- locations across the globe.

Located in 30 countries and 40 states, Gold's Gym has assisted patrons in achieving their personal physical fitness goals in strength and endurance. Gold's Gym's mantra is "Know Your Own Strength".

Gold's Gym is an American chain of international co-ed fitness centers. Each location features an array of exercise equipment, group exercise classes and personal trainers.

Gold's Gym was purchased by Robert Rowling's TRT Holdings in 2004 for approximately \$158(Mil). TRT also owns the Omni Hotel chain. TRT Holdings net worth is approximately \$6.7(Bil) as of May 2017.

ABOUT THE FRANCHISE

Utah Limited Liability Company based out of Sandy, Utah. Cascade Fitness was formed for the ownership and operation of Gold's Gym locations in south eastern Washington State. They currently own and operate 8 Gold's Gym's. They have also developed and constructed over 21 Gym's for other operators throughout the US. It is a joint venture of Bingham Family Alaska LLC.

CORPORATE SNAPSHOT

Gold's Gym International, Inc. operates a chain of fitness gyms in the United States and internationally. It offers group exercise programs, including Zumba, yoga, group cycling, mixed martial arts, muscle endurance training, and Pilates.

The company also provides services in the areas of strength training/ cardio, diet and nutrition, fitness related medical information, celebrity training, sports training, senior fitness, youth fitness, pre- and post-natal, motivation, diabetes, obesity, sports psychology, and stretching exercises.

In addition, it engages in franchising gyms. Gold's Gym International, Inc. was formerly known as Gold's Gym Enterprises, Inc. The company was founded in 1965 and is based in Dallas, Texas.

As of July 21, 2004, Gold's Gym International, Inc. operates as a subsidiary of TRT Holdings, Inc.

Today, Gold's Gym serves more than 3 million members through over 720 gyms in 38 states and 26 countries around the world.

Franchise opportunities for gyms – estimated investment level ranges between \$1.1-\$3.9 million depending on size amenities and location. 30% of all franchisees own more than one unit.



TENANT SUMMARY

PRNewsWire

Gold's Gym Announces Strongest Quarter of Worldwide Growth in Company History (3Q2018).

October 23, 2018

DALLAS, Oct. 23, 2018 /PRNewswire/ -- Gold's Gym, the world's trusted fitness authority, has announced a record-setting third quarter, the largest for franchise development in company history. The global franchise celebrated nine international openings, renewed master franchise agreements for Saudi Arabia and United Arab Emirates, and signed a new master franchise agreement to enter Turkey. In addition, Gold's Gym celebrated one domestic grand opening and signed franchise agreements for multiple locations across three states in the U.S.

"Gold's Gym continues to distinguish itself as the fitness industry leader, which is exemplified by our biggest quarter of worldwide growth in company history," said Ken Phipps, director of global franchising development for Gold's Gym. "Our franchise network continues to expand and thrive as we extend our proven business model across the globe with the support of additional sophisticated investors. We anticipate further development in the fourth quarter and look forward to our International Summit in Dubai this November."

For a copy of the entire article, please click here.

GOLD'S GYM



DALLAS, TEXAS

HEADQUARTERS

30,000+

EMPLOYEES

700+

LOCATIONS

PRIVATE - TRT HOLDINGS IS PARENT COMPANY

OWNERSHIP

GOLD'S GYM

TENANT TRADE NAME

\$6.7 MILLION

PARENT CO NET WORTH

\$147 MILLION

REVENUE

CORPORATE

LEASE GUARANTOR

FRANCHISED 3 UNIT OPERATOR

SITE OPERATOR

WWW.GOLDSGYM.COM

WEBSITE



TENANT SUMMARY

DOLLAR GENERAL

With 15,015 discount stores in more than 44 states, primarily in the south, eastern, Midwest, and southwest US, this number 1 ranked retailer thrives off of the crumbs of mega discounter Walmart. They offer mostly basic household products, food and discounted products. Most products sell for less than \$1. Ranked 164th in Fortune 500, Standard & Poor's BBB – rated, and does approximately \$20.368(bil) in annual sales with an average annual growth of 8.03 percent.

The first Dollar General store opened in Springfield, KY. on June 1, 1955, and the concept was simple - no item in the store would cost more than one dollar. The idea became a huge success and other stores owned by J.L. Turner and his son Cal Turner Sr. were quickly converted. By 1957, annual sales of Dollar General's 29 stores were \$5 million.

The company remains true to the humble ethic of hard work and friendly customer service embodied by the founding family. The yellow Dollar General store sign is a popular symbol of value. Their convenient, everyday low prices model has survived and thrived through the decades. The company remains true to the humble ethic of hard work and friendly customer service embodied by the founding family. About a quarter of Dollar General's merchandise still sells for a dollar or less. The simplicity that defined their past is the engine that drives their success today.

DOLLAR GENERAL



GOODLETTSVILLE, TN

HEADQUARTERS

129,000+

EMPLOYEES

15,015

LOCATIONS

NYSE:DG

OWNERSHIP

DOLLAR GENERAL

TENANT TRADE NAME

CORPORATE

LEASE GUARANTOR

\$20.368(BIL)

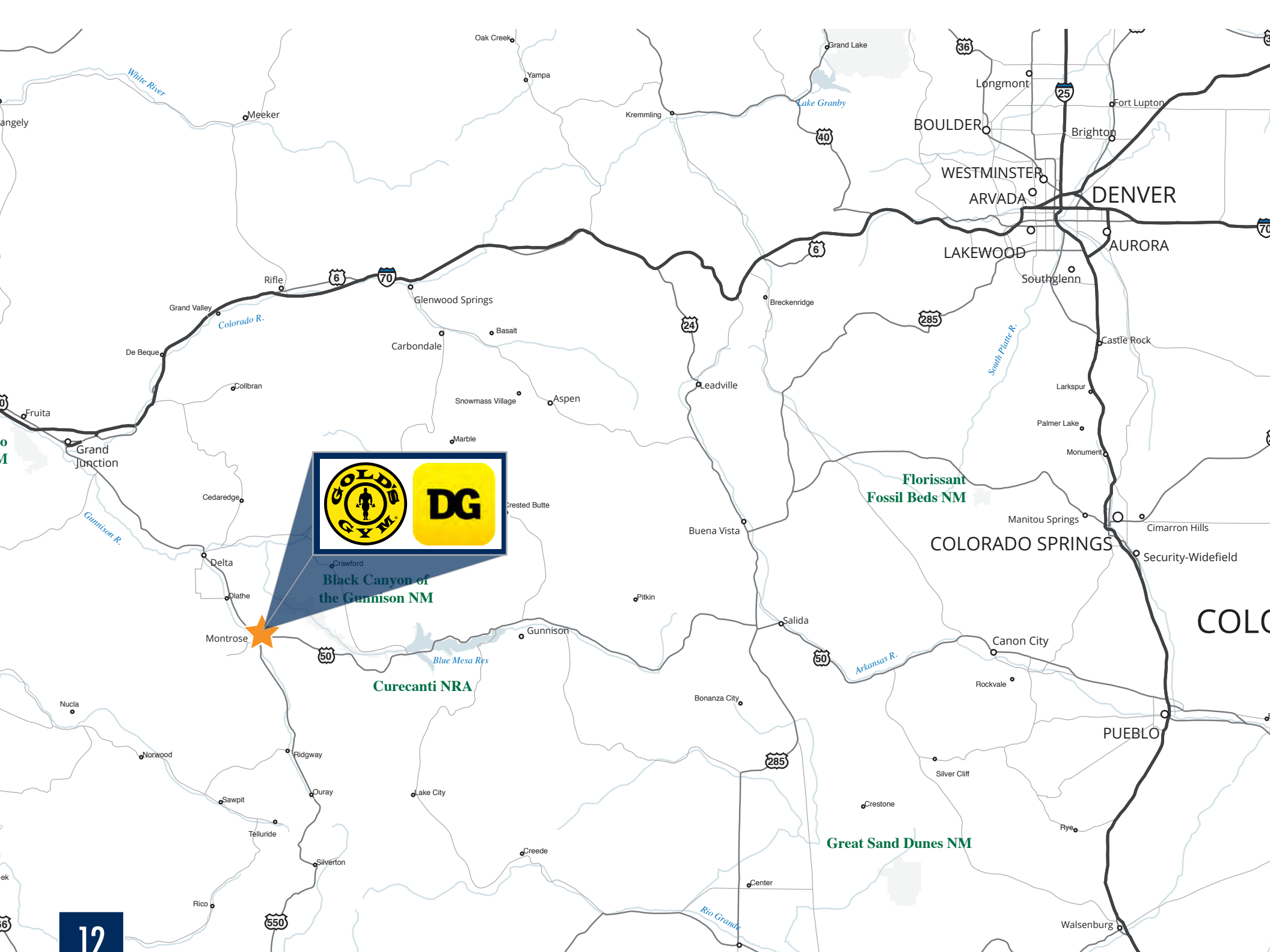
REVENUE

WWW.DOLLARGENERAL.COM

WEBSITE

DOLLAR GENERAL

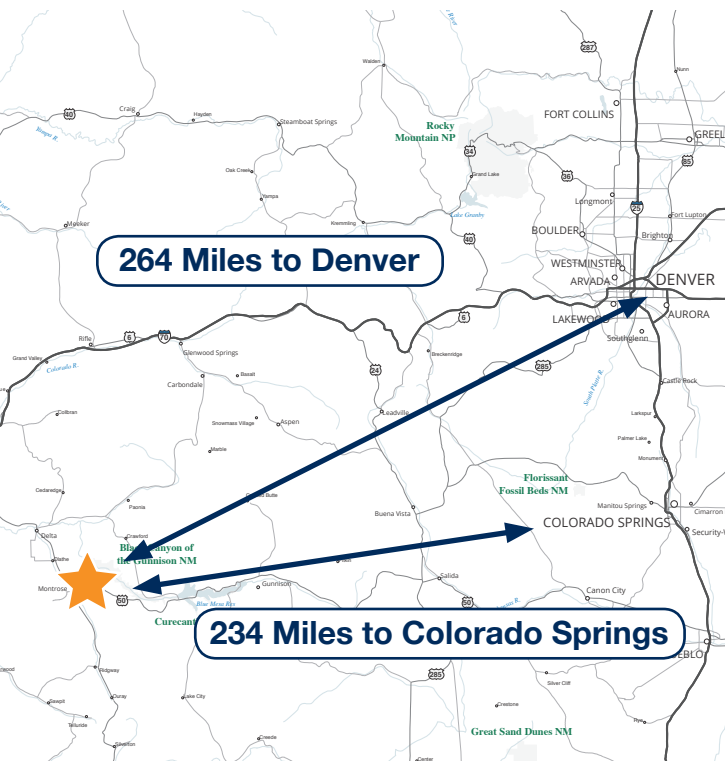




Black Canyon of the Gunnison NM

Curecanti NRA





MAJOR EMPLOYERS: MONTROSE COUNTY, CO

| | |
|---------------------------------------|-----|
| Montrose Memorial Hospital, Inc. | 107 |
| Montrose County School District Re-1j | 92 |
| City of Montrose | 27 |
| Walmart Stores, Inc. | 20 |
| Monroe County Service Company, Inc. | 18 |
| Delta Memorial Hospital | 17 |
| Volunteers of America, Inc. | 17 |
| Delta-Montrose Electric Association | 15 |
| Keller Williams Realty, Inc. | 15 |
| San Juan Construction, Inc. | 15 |

LOCATION HIGHLIGHTS

MONTROSE, COLORADO
KNOWN AS THE CAPITAL OF FLY-FISHING



**Located quite literally
on MAIN Street**



**Meets the Tenant
Target Market
for Average
Household Income**



**Nearest national
competitor located
4-miles to the west**



**Exclusive presence.
No nationally known
gyms in immediate area**

Marcus & Millichap

MONTROSE, COLORADO

Montrose, Colorado, sitting at the base of the picturesque Gunnison Gorge National Park, is named after Sir Walter. Scott's novel A Legend of Montrose.

Montrose has been an agricultural hub for generations since its founding in 1882. Today, the Black Canyon canal which winds its way thru Montrose is used for recreation and kayaking. Montrose located along Route 50 is just south of Grand Junction, and south west of Denver, Colorado off the I-70, situated just north of the New Mexico border.

The Montrose Center is home to two tenants: Dollar General and Gold's Gym. Newly renovated in 2013 and centrally located these two tenants are some of the only few nationally known retailers in the County as the region tries to preserve its "old" town community feel. Directly adjacent to the site and sharing ingress/egress are a Driver's Education School, a Mexican restaurant, and Ted Nelson's Steakhouse.

The leases are modified NNN in nature with all expenses being passed through to the tenants. Retailers in the area include: a Kawasaki, Suzuki, Yamaha, Buick, GMC and Toyota dealerships, Blair's truck stop, a Cinema, Best Western, Super 8, Motel 6, Arby's, Days Inn, Goodyear, Country Lodge, a Bowling Alley, Alpine Bank a Shell Station and the Montrose

Memorial Hospital. The fairgrounds and the Chamber of Commerce are also in the immediate area.

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DEMOGRAPHICS / MONTROSE, CO



27,166

Total Population Within 5-Mile Radius



\$61,867

Average Household Income
Within 5-Mile Radius



\$49,084

Median Household Income
Within 5-Mile Radius



11,021

Total Households Within
5-Mile Radius



36.42%

From 2000



| POPULATION | 1 MILE | 3 MILES | 5 MILES |
|-------------------------------|----------|----------|----------|
| 2022 Projection | | | |
| Total Population | 6,428 | 23,170 | 29,850 |
| 2017 Estimate | | | |
| Total Population | 5,875 | 21,501 | 27,166 |
| 2010 Census | | | |
| Total Population | 5,992 | 21,726 | 27,405 |
| 2000 Census | | | |
| Total Population | 4,588 | 15,254 | 20,071 |
| Current Daytime Population | | | |
| 2017 Estimate | 7,713 | 24,810 | 29,579 |
| HOUSEHOLDS | 1 MILE | 3 MILES | 5 MILES |
| 2022 Projection | | | |
| Total Households | 2,626 | 9,521 | 12,294 |
| 2017 Estimate | | | |
| Total Households | 2,385 | 8,699 | 11,021 |
| Average (Mean) Household Size | 2.41 | 2.42 | 2.42 |
| 2010 Census | | | |
| Total Households | 2,425 | 8,778 | 11,084 |
| 2000 Census | | | |
| Total Households | 1,963 | 6,299 | 8,079 |
| Occupied Units | | | |
| 2022 Projection | 2,626 | 9,521 | 12,294 |
| 2017 Estimate | 2,698 | 9,628 | 12,163 |
| HOUSEHOLDS BY INCOME | 1 MILE | 3 MILES | 5 MILES |
| 2017 Estimate | | | |
| \$150,000 or More | 4.17% | 4.47% | 4.67% |
| \$100,000 - \$149,000 | 5.37% | 8.39% | 9.40% |
| \$75,000 - \$99,999 | 11.93% | 12.99% | 13.41% |
| \$50,000 - \$74,999 | 23.04% | 21.75% | 21.72% |
| \$35,000 - \$49,999 | 15.41% | 14.34% | 14.41% |
| Under \$35,000 | 40.06% | 38.07% | 36.41% |
| Average Household Income | \$55,957 | \$59,985 | \$61,867 |
| Median Household Income | \$44,087 | \$47,360 | \$49,084 |
| Per Capita Income | \$23,033 | \$24,592 | \$25,355 |

| HOUSEHOLDS BY EXPENDITURE | 1 MILE | 3 MILES | 5 MILES |
|--|----------|----------|----------|
| Total Average Household Retail Expenditure | \$63,832 | \$68,199 | \$69,986 |
| Consumer Expenditure Top 10 Categories | | | |
| Housing | \$16,932 | \$17,768 | \$18,182 |
| Shelter | \$10,943 | \$11,742 | \$12,080 |
| Transportation | \$10,679 | \$11,147 | \$11,361 |
| Food | \$6,378 | \$6,669 | \$6,818 |
| Personal Insurance and Pensions | \$4,840 | \$5,223 | \$5,426 |
| Health Care | \$4,075 | \$4,370 | \$4,586 |
| Utilities | \$3,043 | \$3,183 | \$3,276 |
| Entertainment | \$2,656 | \$2,853 | \$2,979 |
| Apparel | \$2,447 | \$2,851 | \$3,100 |
| Household Furnishings and Equipment | \$1,578 | \$1,679 | \$1,734 |

| POPULATION PROFILE | 1 MILE | 3 MILES | 5 MILES |
|-----------------------------------|--------|---------|---------|
| Population By Age | | | |
| 2017 Estimate Total Population | 5,875 | 21,501 | 27,166 |
| Under 20 | 24.57% | 25.16% | 24.59% |
| 20 to 34 Years | 19.89% | 17.52% | 16.06% |
| 35 to 39 Years | 5.80% | 5.94% | 5.65% |
| 40 to 49 Years | 10.53% | 11.13% | 11.15% |
| 50 to 64 Years | 17.94% | 18.91% | 20.46% |
| Age 65+ | 21.26% | 21.34% | 22.10% |
| Median Age | 39.75 | 41.21 | 43.35 |
| Population 25+ by Education Level | | | |
| 2017 Estimate Population Age 25+ | 4,074 | 14,896 | 19,088 |
| Elementary (0-8) | 4.83% | 4.43% | 4.03% |
| Some High School (9-11) | 6.77% | 6.67% | 6.23% |
| High School Graduate (12) | 33.90% | 32.38% | 32.29% |
| Some College (13-15) | 23.79% | 23.96% | 23.75% |
| Associate Degree Only | 7.20% | 7.15% | 7.43% |
| Bachelors Degree Only | 14.40% | 14.96% | 15.65% |
| Graduate Degree | 7.76% | 9.10% | 9.46% |



DOLLAR GENERAL®

**MONTROSE
COLORADO**

LIOR REGENSTREIF

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