

Dollar General

Exclusive Net-Lease Offering



OFFERING MEMORANDUM

DOLLAR GENERAL®

2319 N Delaware Drive, Mt. Bethel, PA 18343

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Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some

properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

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income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap 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.

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Activity ID: Z0330684

DOLLAR GENERAL®

2319 N Delaware Drive, Mt. Bethel, Pennsylvania

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DOLLAR GENERAL®





Investment Highlights

PRICE: \$1,804,924 | CAP: 6.50% | RENT: \$117,320

DOLLAR GENERAL®

About the Investment

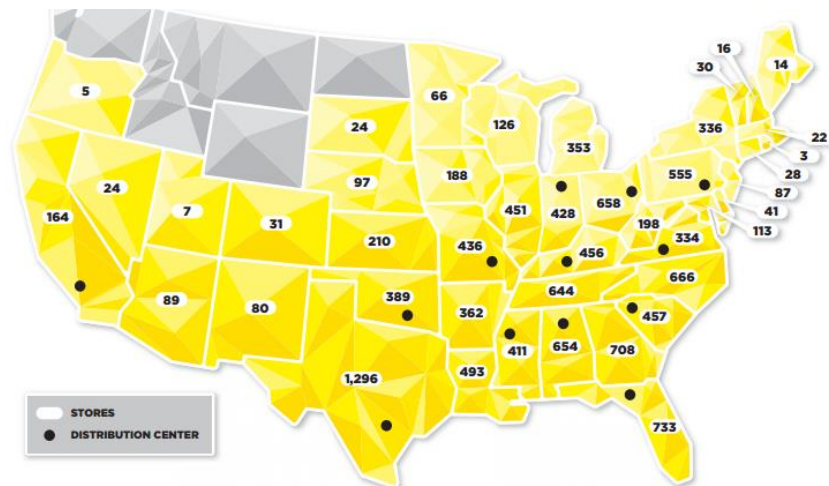
- ✓ Has 12 Years Remaining on an Original 15-Year Absolute Triple Net (NNN); Passive Investment Offering a Long-Term Security of Cash Flow
- ✓ Attractive Rental Increases of 10% In Each Option Period
- ✓ Tenant Renewal Options: Three Periods of Five Years, Each bringing the Potential Lease Term to 30 Years
- ✓ Corporate Location | Corporate Guarantee

About the Location

- ✓ New 2015 Construction | Freestanding Property Featuring High Visibility and Ease of Access
- ✓ Affluent Suburban Community | Average Household Income of Over \$82,000 Within a Three-Mile Radius
- ✓ Close Proximity to Two Major International Airports: Lehigh Valley International Airport (ABE) and Newark Liberty International Airport (EWR)
- ✓ Heavily Trafficked Corridor - Over 49,750 Vehicles Per Day on Christopher Columbus Highway & 10,090 Vehicles Per Day on N Delaware Drive
- ✓ Subject Property is Located 25 Miles North of both Allentown and Bethlehem, Pennsylvania

About the Tenant/Brand

- ✓ Investment Grade Credit (S&P:BBB)
- ✓ Lease Guaranteed by Dollar General Corporate (NYSE: DG)
- ✓ Prime Positioning to Serve its Target Market | Limited to No Competition in the Area
- ✓ Dollar General | Only Dollar Store With Investment Grade Credit
- ✓ As of November 2017, Dollar General Operated Over 14,321 Stores in 44 States





Financial Analysis

PRICE: \$1,804,924 | CAP: 6.50% | RENT: \$117,320

DOLLAR GENERAL®

PROPERTY DESCRIPTION

| | |
|-------------------|----------------------|
| Property | Dollar General |
| Property Address | 2319 Delaware Drive |
| City, State, ZIP | Mt. Bethel, PA 18343 |
| Year Built | 2015 |
| Building Size | 9,026 |
| Lot Size | +/- 1.50 Acres |
| Type of Ownership | Fee Simple |

THE OFFERING

| | |
|----------------|-------------|
| Purchase Price | \$1,804,924 |
| CAP Rate | 6.50% |
| Annual Rent | \$117,320 |
| Price / SF | \$199.97 |
| Rent / SF | \$13.00 |

LEASE SUMMARY

| | |
|----------------------|--------------------------|
| Property Type | Net-Lease Dollar Store |
| Original Lease Term | 15.0 Years |
| Lease Commencement | July 12, 2015 |
| Lease Expiration | July 31, 2030 |
| Lease Term Remaining | 12.4 Years |
| Lease Type | Triple-Net (NNN) |
| Roof & Structure | Tenant Responsible |
| Rental Increases | 10% Each Option Period |
| Options to Renew | Three (3), Five (5)-Year |

RENT SCHEDULE

| Lease Year(s) | Annual Rent | Monthly Rent | Rent Escalation (%) |
|----------------|-------------|--------------|---------------------|
| Initial Term | \$117,320 | \$9,777 | - |
| Option Periods | | | |
| Option 1 | \$129,052 | \$10,754 | 10.00% |
| Option 2 | \$141,957 | \$11,830 | 10.00% |
| Option 3 | \$156,153 | \$13,013 | 10.00% |

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Dollar General located at 2319 North Delaware Drive in Mount Bethel, Pennsylvania. The property consists of 9,026 square feet of building space and is situated on roughly 1.50 acres of land.

The Dollar General has over 12 years remaining on an original 15-year absolute triple-net (NNN) lease. This lease commenced on July 12th, 2015 and expires on July 31st, 2030. The initial annual rent is \$117,320 is scheduled to increase 10 percent in each of the three, five-year renewal options.

Founded in Goodlettsville, Tennessee, Dollar General Corporation has been delivering value to shoppers for over 75 years. Dollar General helps shoppers Save time. Save money. Every day!® by offering products that are frequently used and replenished, such as food, snacks, health and beauty aids, cleaning supplies, clothing for the family, housewares and seasonal items at low everyday prices in convenient neighborhood locations. With over 14,321 stores in 44 states Dollar General is among the largest discount retailer.

Tenant Overview

About Dollar General

Dollar General Corporation has been delivering value to shoppers for over 75 years. Dollar General helps shoppers Save time. Save money. Every day!® by offering products that are frequently used and replenished, such as food, snacks, health and beauty aids, cleaning supplies, clothing for the family, housewares and seasonal items at low everyday prices in convenient neighborhood locations. With over 14,000 stores in 44 states Dollar General is among the largest discount retailers.

The company acquired the 280 stores of the P.N. Hirsh Division of Interco, Inc. (now Heritage Home Group) in 1983, and in 1985 added 206 stores and a warehouse from Eagle Family Discount Stores, also from Interco, Inc. In recent years, the chain has started constructing more stand-alone stores, typically in areas not served by another general-merchandise retailer. In some cases, stores are within a few city blocks of each other.

Dollar General offers both name brand and generic merchandise — including off-brand goods and closeouts of name-brand items — in the same store, often on the same shelf. Although it has the word "dollar" in the name, Dollar General is not a dollar store. Most of its products are priced at more than \$1.00. However, goods are usually sold at set price points the range of .50 to 60 dollars, not counting phone cards and loadable store gift cards. In the United States. In addition to high quality private brands, Dollar General sells products from America's most-trusted manufacturers such as Procter & Gamble, Kimberly-Clark, Unilever, Kellogg's, General Mills, Nabisco, Hanes, PepsiCo and Coca-Cola.

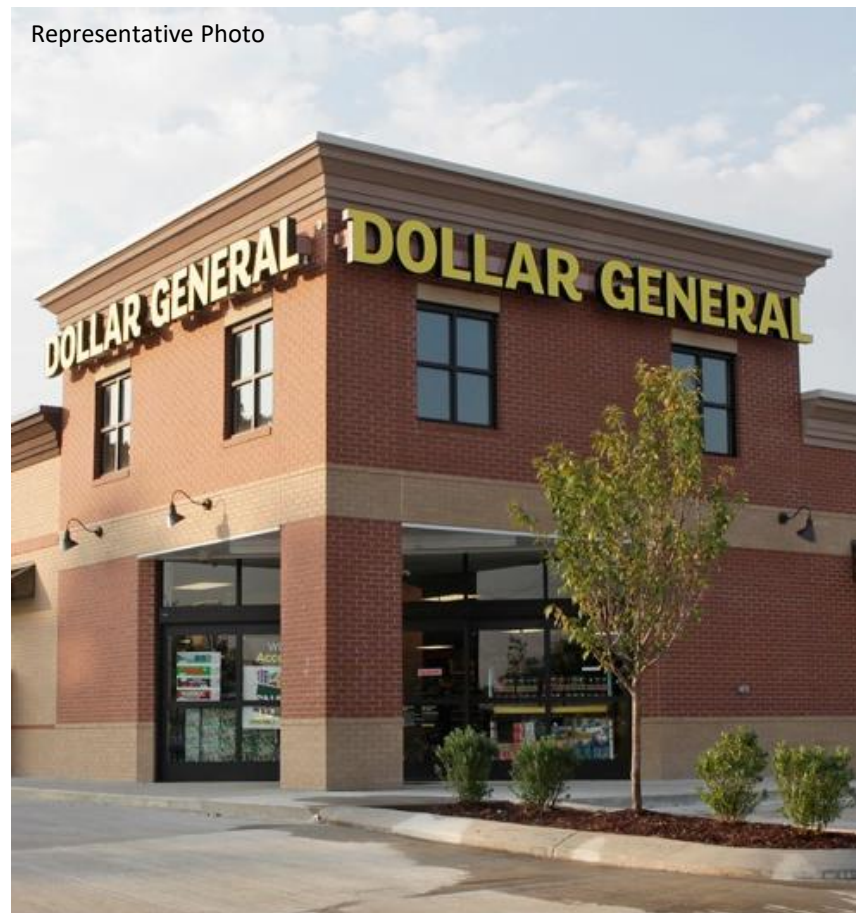
Dollar General often serves communities that are too small for Walmart stores (although many locations are in relatively close driving distance to a Walmart store or in the same communities that Walmart is located). It competes in the dollar store format with national chains Family Dollar and Dollar Tree, regional chains such as Fred's in the southeast, and numerous independently owned stores.

DOLLAR GENERAL®

General Information

| | |
|---------------|---|
| Address | Goodlettsville, TN |
| Website | https://www.dollargeneral.com |
| Concentration | 44 States |

Representative Photo





Surrounding Area

Property Address: 2319 N Delaware Drive, Mt. Bethel, PA 18343

DOLLAR GENERAL®



Slate Belt
Museum



Mt. Bethel
Diner

North Delaware Drive

ADTC: 10,090



MOUNT BETHEL ANIMAL HOSPITAL

DOLLAR GENERAL®

Save time. Save money. Every day!





Location Overview

Property Address: 2319 N Delaware Drive, Mt. Bethel, PA 18343

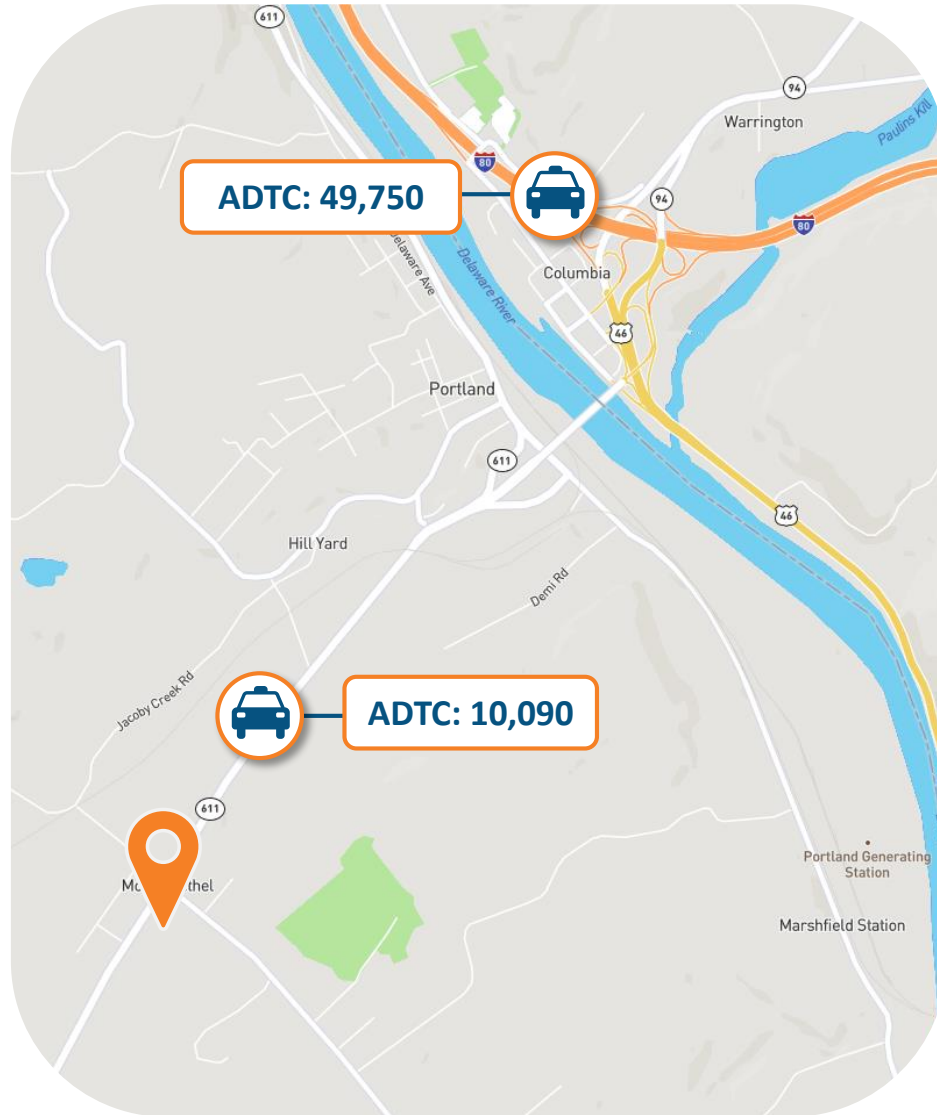
This subject investment property is situated on North Delaware Drive, a north-south thoroughfare, that experiences an average traffic count of over 10,090 vehicles per day. Intersecting with North Delaware Drive, approximately two miles to the north, is Christopher Columbus Highway, which brings in an additional 49,750 vehicles to the area. There are approximately 11,825 people within a five-mile radius and 88,972 people within a 10-mile radius.

The subject property is well-positioned in a suburban thoroughway consisting of national and local tenants, medical centers, and local banks all within one and a half miles. National and local tenants in the area include: Subway, United States Postal Service, Sunoco, Merchants Bank, First Northern Bank and many more. The subject property benefits from its ability to serve local residents as it is the only dollar store within an 8-mile radius.

This Dollar General also benefits from being two miles south of four major corporations: GenOn Energy Holdings, Ultra-Poly Corporation, Lamtec Corporation & Custom Laminating Corporation. Additionally, this Dollar General benefits from its close proximity to two major international airports: Lehigh Valley International Airport (ABE) & Newark Liberty International Airport (EWR). Lehigh Valley International Airport is less than 30 miles from the subject property, while Newark Liberty International Airport is less than one-hour away. This Dollar General is located on the eastern border of Pennsylvania across the Delaware River from New Jersey.

Mount Bethel is located 25 miles north of both Allentown and Bethlehem, Pennsylvania. Allentown & Bethlehem are located in Lehigh County and serve as the third and seventh largest cities in Pennsylvania respectively. Allentown's economy has historically been manufacturing-based, but has now transcended towards a more service orientated economy. As for Bethlehem, in December 2006, Las Vegas Sands Corp was awarded a Category 2 Slot Machine License by the PA Gaming Control Board, which ultimately resulted in the largest brownfield redevelopment project in the nation and the largest casino development investment made to date in the Commonwealth.

DOLLAR GENERAL®





Property Photo

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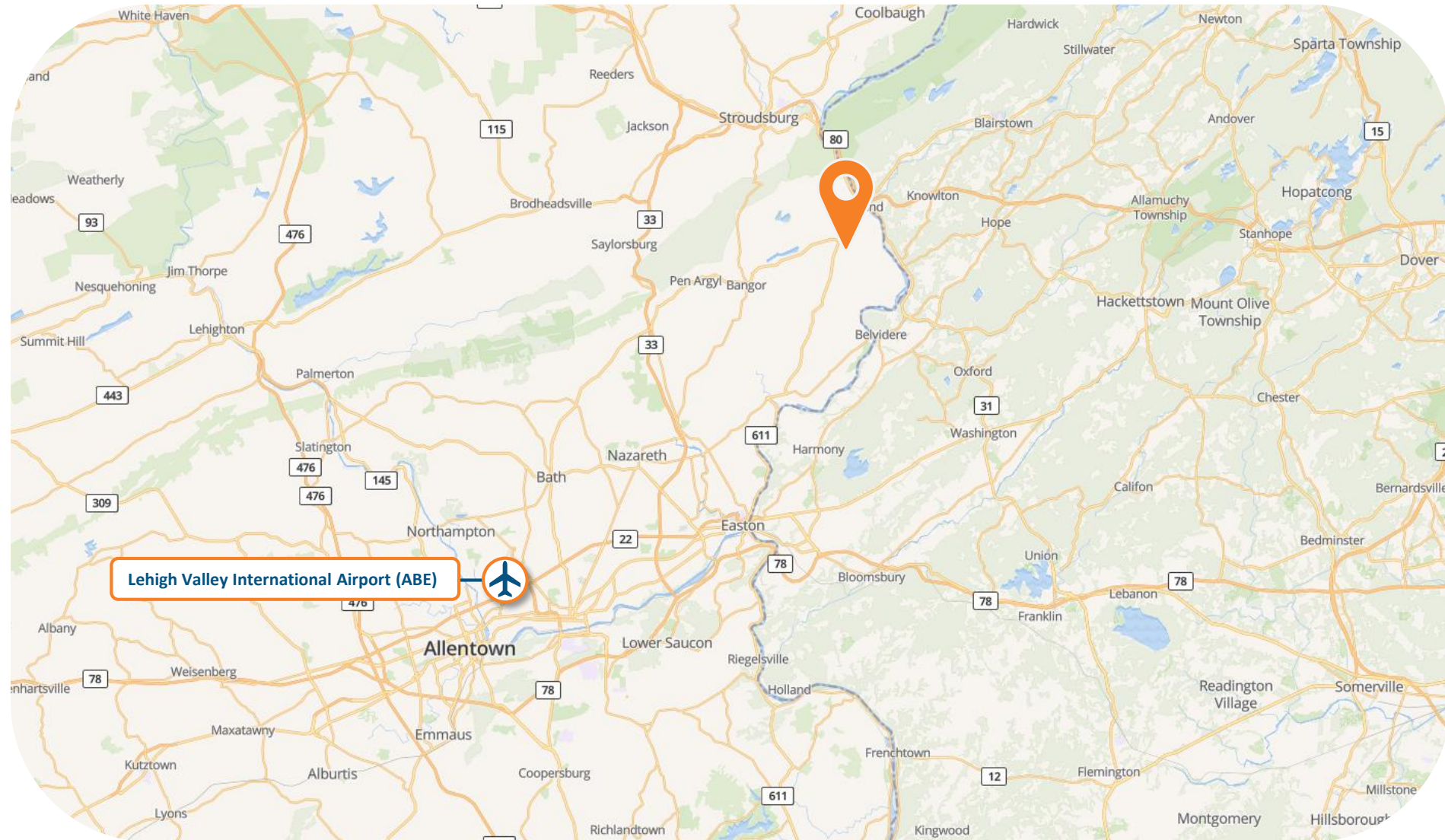




Local Map

Property Address: 2319 N Delaware Drive, Mt. Bethel, PA 18343

DOLLAR GENERAL®

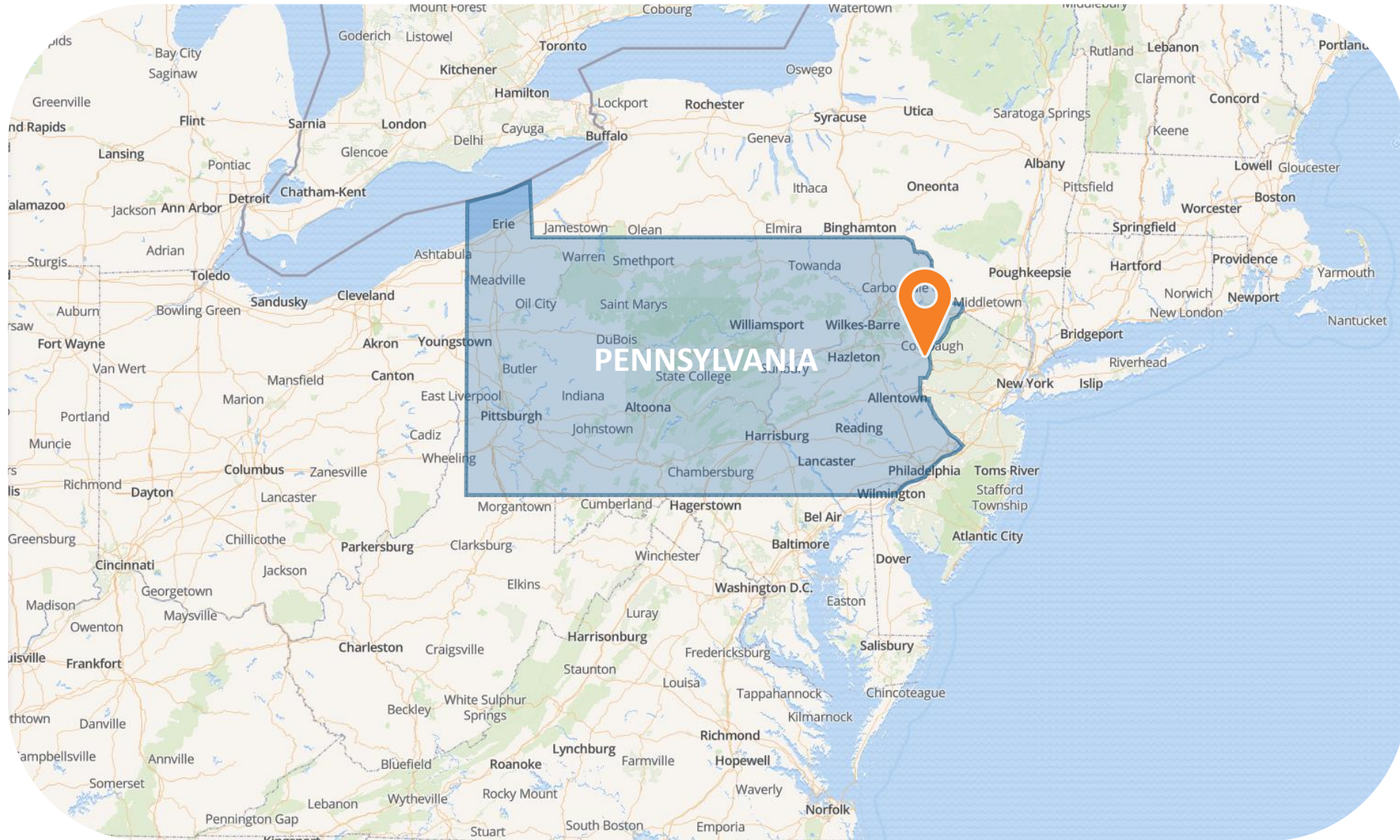




Regional Map

Property Address: 2319 N Delaware Drive, Mt. Bethel, PA 18343

DOLLAR GENERAL®





Demographics

Property Address: 2319 N Delaware Drive, Mt. Bethel, PA 18343

DOLLAR GENERAL®



3 Miles 5 Miles 10 Miles

Population Trends:

| | | | |
|---------------------------------|--------|--------|--------|
| 2022 Projection | 5,094 | 11,839 | 88,283 |
| 2017 Estimate | 5,112 | 11,826 | 88,972 |
| 2010 Census | 5,329 | 12,004 | 91,353 |
| Growth 2017 - 2022 | -0.35% | 0.11% | -0.77% |
| Growth 2010 - 2017 | -4.07% | -1.48% | -2.61% |
| 2017 Population Hispanic Origin | 249 | 573 | 7133 |

Population by Race (2017):

| | | | |
|---------------------------|-------|--------|--------|
| White | 4,779 | 11,252 | 80,041 |
| Black | 166 | 264 | 5356 |
| American Indian & Alaskan | 19 | 35 | 262 |
| Asian | 75 | 134 | 1697 |
| Hawaiian & Pacific Island | 0 | 1 | 40 |
| Other | 73 | 141 | 1577 |

Household Trends:

| | | | |
|--------------------|--------|--------|--------|
| 2022 Projection | 1,983 | 4,480 | 33,024 |
| 2017 Estimate | 1,987 | 4,470 | 33,287 |
| 2010 Census | 2,068 | 4,523 | 34,319 |
| Growth 2017 - 2022 | -0.20% | 0.22% | -0.79% |
| Growth 2010 - 2017 | -3.92% | -1.17% | -3.01% |
| Owner Occupied | 1614 | 3609 | 23936 |
| Renter Occupied | 374 | 860 | 9350 |

Average Household Income (2017):

\$82,039 \$85,030 \$76,639

Households by Household Income (2017):

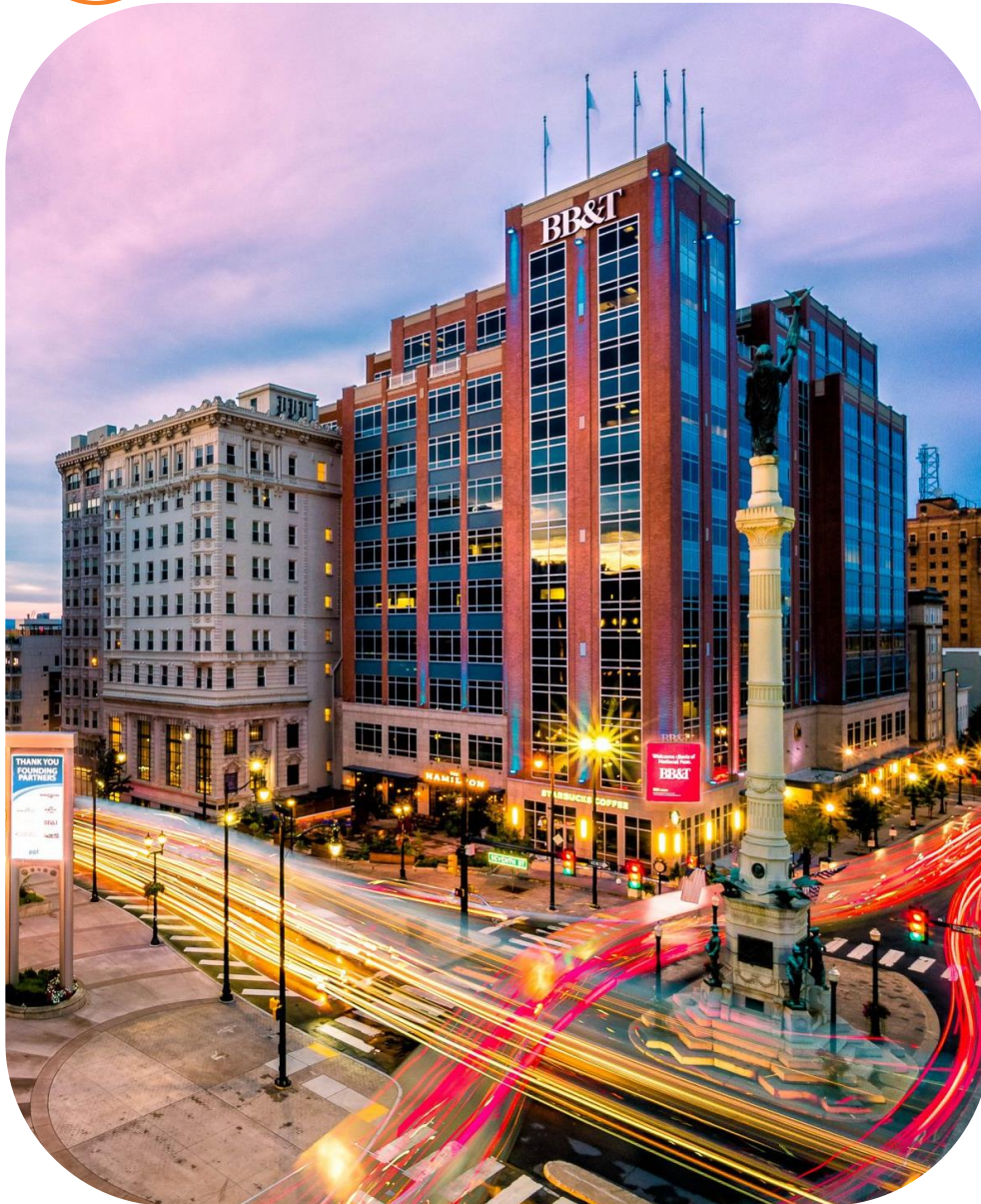
| | | | |
|-----------------------|-----|------|------|
| <\$25,000 | 252 | 534 | 6659 |
| \$25,000 - \$50,000 | 446 | 1017 | 7182 |
| \$50,000 - \$75,000 | 519 | 1080 | 6692 |
| \$75,000 - \$100,000 | 229 | 553 | 4318 |
| \$100,000 - \$125,000 | 231 | 499 | 3465 |
| \$125,000 - \$150,000 | 89 | 269 | 1855 |
| \$150,000 - \$200,000 | 129 | 265 | 1626 |

Median Household Income (2017):

\$63,451 \$65,526 \$59,426



Market Overview



Allentown is a city located in Lehigh County, Pennsylvania. Allentown is currently Pennsylvania's fastest growing city with a total population of over 118,000 residents making it the third largest city in the state. Located on the Lehigh River, Allentown is the largest of three adjacent cities, in Northampton and Lehigh Counties, that make up a region of eastern Pennsylvania known as Lehigh Valley. Allentown was cited as a "national success story" in April 2016 by the Urban Land Institute for its downtown redevelopment and transformation, one of only six communities in the country to have been named as such.

Allentown's economy has historically been manufacturing-based, but with a more recent turn to a more service oriented economy due to general rust belt decline in heavy industry. The city serves as the location of corporate headquarters for several large, global companies, including Air Products & Chemicals, PPL, and several others. The largest employer in Allentown is Lehigh Valley Hospital and Health Network, with more than 7,800 employees. Several shopping centers have also been constructed around the city of Allentown: South Mall, Lehigh Valley Mall & Whitehall Mall. As well as the city of Allentown being a downtown shopping mecca, the city is also home to a center-city campus for county government workers and numerous office buildings.

Major Employers

| Employer | Estimated # of Employees |
|-------------------------------|--------------------------|
| DSM Nutritional Products LLC | 392 |
| Lamtec Corporation | 135 |
| Truckstops of America | 135 |
| Bangor Area High School | 120 |
| Columcille Inc | 90 |
| Defranco Elementary School | 90 |
| Colonial Intermediate Unit 20 | 85 |
| Portland Power Plant | 80 |
| Bangor Area Middle School | 70 |
| Five Points Elementary School | 65 |
| Formica Surell | 60 |

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