

**DOLLAR
GENERAL®**



DOLLAR GENERAL

**OFFERING
MEMORANDUM**

* Actual Property Photo

37 ROCKY HOLLOW ROAD | BLOUNTSVILLE, AL 35031

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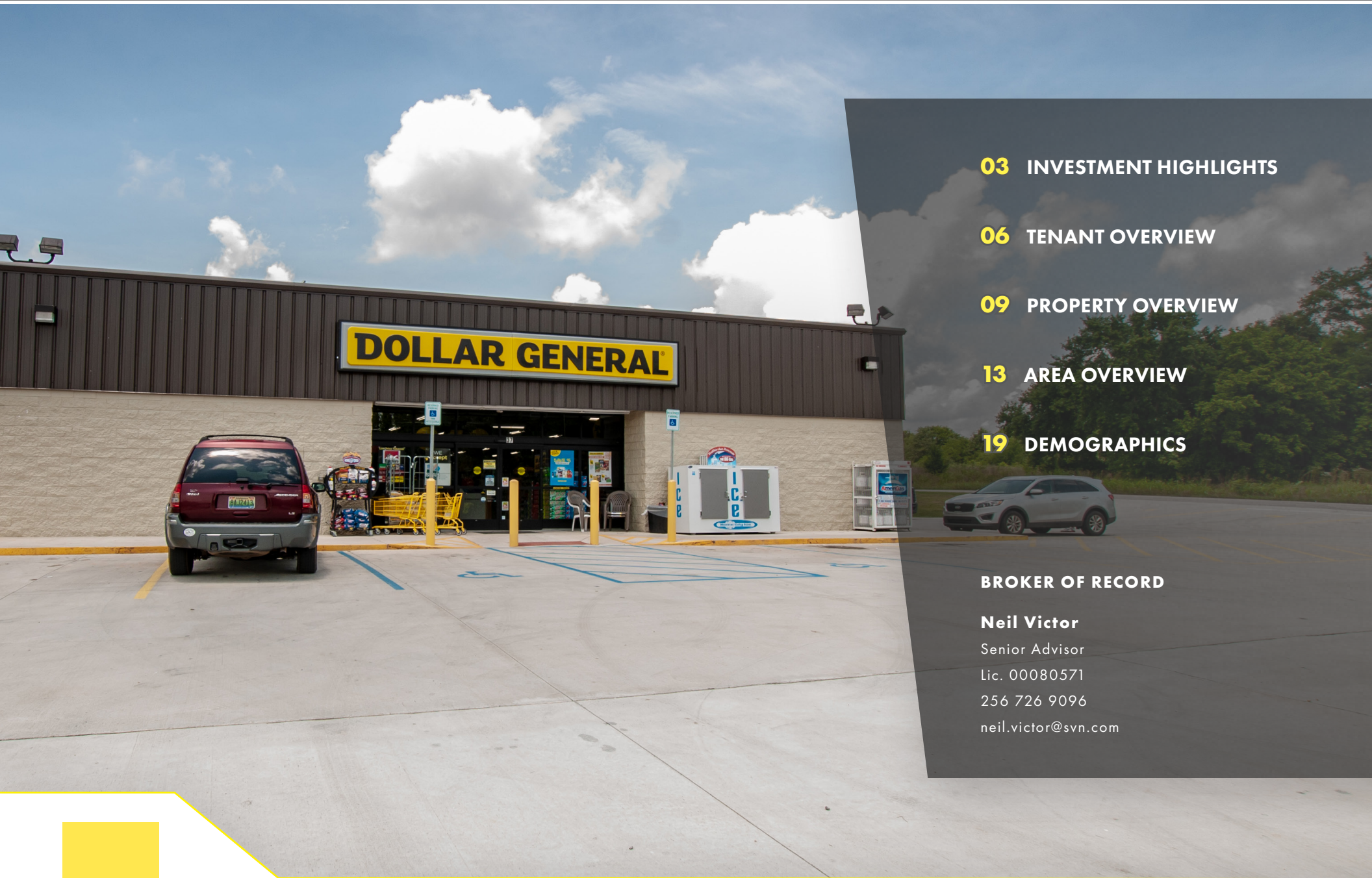
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DOLLAR GENERAL[®]

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37

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WITH COUPON

DOLLAR GENERAL HOT
DEALS
SUMMER SAVINGS EVENT
\$6
\$10

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INVESTMENT HIGHLIGHTS

PROPERTY SUMMARY

Offering Price \$1,475,227

Cap Rate 6.75%

Price Per SF \$163.44

Address 37 Rocky Hollow Road,
Blountsville, AL 35031

Ownership Fee Simple

Building GLA 9,026 SF

Lot Size 1.34 AC

Parking 30 Spaces

Year Built 2017

Parcel 504180000017000.00



NNN LEASE | The lease is NNN, with no landlord responsibilities. The tenant is responsible for maintaining and repairing all aspects of the subject property including the roof, structure parking lots, HVAC, insurance and property taxes.

LONG TERM LEASE | There are thirteen (13.75) years remaining on the lease term, plus five (5), five (5) year options.

RENT INCREASES | The lease provides for 10% rent increases at each option period. This provides a hedge against potential future inflation.

NEW CONSTRUCTION | The building was built in 2017.

LIMITED COMPETITION | Dollar General is located in a strategic area, with no competitor retailers in the vicinity. There are no big box grocery chains, the closest Dollar General location is over 5 miles away.

STRATEGIC DEMOGRAPHICS | The average household income in the three (3) mile demographic ring is \$54,720, which fits Dollar General's target customer base.

CORPORATE GUARANTEE | The lease is guaranteed by Dollar General Corporation (NYSE: DG), a highly regarded company which has an investment grade credit rating of BBB (S&P) and Baa2 (Moody's). The company operates over 14,600+ Dollar General locations with 130,000 employees throughout the U.S.



A photograph of a Dollar General sign. The sign is rectangular with a yellow background and a black border, mounted on a black pole. It is situated in a grassy field with a dense line of green trees in the background. A wooden fence and a utility pole are visible to the right. A dark grey banner with white text is overlaid at the bottom.

**DOLLAR
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TENANT OVERVIEW

Dollar General

Originally a family-owned business by the name of JL Turner and Son in Kentucky, Dollar General would go on to become a chain of the most profitable variety stores in the rural U.S. As of March 2018, there are 14,609 stores in operation spanning the southern, midwestern, and eastern United States, making Dollar General the country's largest small-box discount retailer. With additional plans to expand in 2018, it is one of the fastest-growing retailers. The stores are typically located in local neighborhoods and small communities deemed "too small" for big-box retailers. Its selection of merchandise ranges from packaged food, perishables, and health and beauty products to houseware, seasonal decorations, and apparel. 75% of its sales are generated from its consumables while 10% stem from its sale of seasonal items. Dollar General's massive store network is supported by 13 distribution centers that are strategically located throughout the United States.

In April 2017, Dollar General acquired all 323 Dollar Express stores contributing to their 28th consecutive year of growth. Net sales increased 6.8% from the year prior, attributed largely to an increase in average transaction amount and increased traffic. According to a report by *The Retail Economist*, dollar stores are far outpacing the broader retail industry. It is no surprise that Dollar General continues to impress, consistently showing growth in all of their key measures year after year and operating more retail locations than any other retailer in the nation. It remains the only dollar store chain with an investment grade rating from S&P and Moody's.

For the 2017 fiscal year, Dollar General saw a 27.1% increase in profit, ending the year ranked 128th within the Fortune 500. There were over 900 new store openings, with an expected additional 1,000 newstores in 2018. With \$23.5 billion in annual sales last year, it was able to generate a profit of \$1.54 billion.



Corporate Overview

Type	Public (NYSE: DG)
Industry	Retail
Corporate HQ	Goodlettsville, TN
Employees	130,000+
Locations	14,600+
Net Revenue	\$23.5 Billion (2017)
Credit	S&P: BBB/Moody's: Baa2
Website	www.dollargeneral.com

How Dollar General Became Rural America's Store of Choice

Evensville, Tennessee - The local Dollar General store, built on a rural highway and surrounded by farmland, sells no fresh meat, greens or fruit. Yet the 7,400 square foot steel-sided store has most of what Eddie Watson needs.

The selection echoes a suburban drugstore chain, from shower curtains to breakfast cereal, toilet paper, plastic toys and camouflage-patterned socks. Refrigerators and freezers on one wall hold milk, eggs and frozen pizza.

Many items are sold in mini bottles or small bags, keeping costs lower than a trip to the Wal-Mart Supercenter down the road. The two registers are staffed by one cashier, except during rush hours after school and after work.

"It's just closer," said Mr. Watson, a 53-year-old construction worker who filled his cart with cans of chicken soup, crackers, cold cuts and toilet paper. "We call this the Evensville Wal-Mart."

The store, 10 miles from the nearest small town, is one of three locations in Rhea County where Dollar General plans to open stores by next year. More than one in five people there receive government food assistance, higher than the U.S. average, and the county has Tennessee's highest unemployment rate.

Dollar General is expanding because rural America is struggling. With its convenient locations for frugal shoppers, it has become one of the most profitable retailers in the U.S. and a lifeline for lower-income customers bypassed by other major chains.

Dollar General Corp's 14,000 stores yielded more than double the profit of Macy's Inc. on less revenue during its most recent fiscal year. And its \$22 billion market value eclipses the largest U.S. grocery chain, Kroger Co., which has five times the revenue.

The retailer relies on rapid store openings to keep revenue climbing and investors happy; 2016 marked its 27th consecutive year of sales growth in stores open at least a year.



While many large retailers are closing locations, Dollar General executives said they planned to build thousands more stores, mostly in small communities that have otherwise shown few signs of the U.S. economic recovery.

The more the rural U.S. struggles, company officials said, the more places Dollar Generals has found to prosper. "The economy is continuing to create more of our core customer," Chief Executive Todd Vasos said...

[CLICK HERE TO READ THE FULL ARTICLE](#)

* Reprinted from the Wall Street Journal, originally published in December 2017;
Written by Sarah Nassauer



PROPERTY OVERVIEW

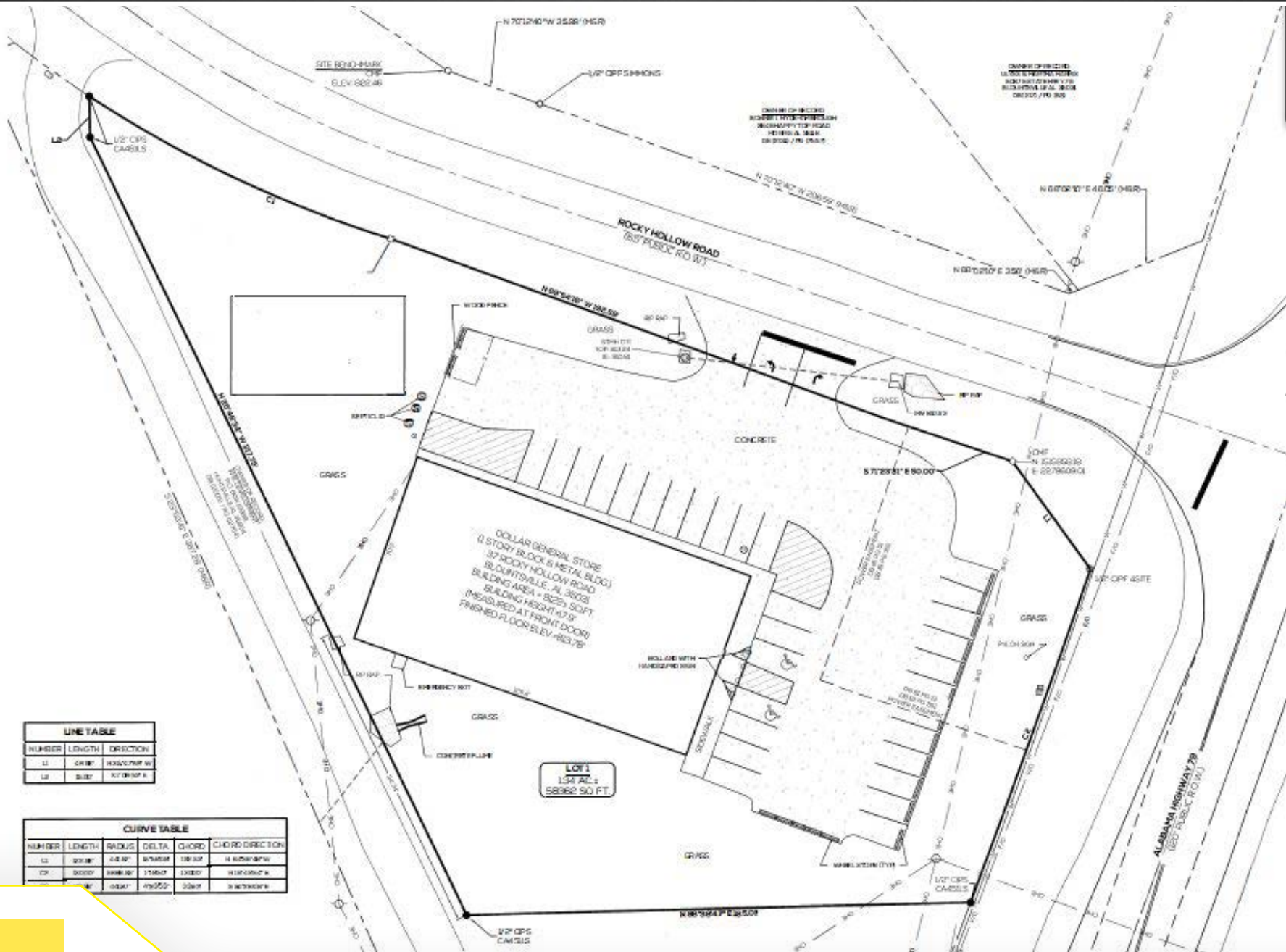


LEASE SUMMARY

Tenant:	Dollar General
Guarantor:	Dollar General Corporation
Rent Commencement:	4/19/2017
Lease Expiration:	4/30/2032
Lease Term:	15 Years Plus Options
Renewal Options:	Five (5) - Five (5) Year Options
Current Annual Rent:	\$99,577.80
Rental Increases:	10% Every Option Period
Percentage Rent:	None
Sales Reporting:	Tenant Does Not Report Sales
Lease Structure:	NNN
Roof & Structure:	Tenant Responsible
HVAC:	Tenant Responsible
Common Area:	Tenant Responsible
Parking:	Tenant Responsible
Property Taxes:	Tenant - Tenant to Reimburse Landlord
Utilities:	Tenant Responsible
Insurance:	Tenant Responsible
Permitted Use:	Any Lawful Retail Purpose
Assignment & Subletting:	No Assignment or Sublet Shall Relieve Tenant of its Obligations Under the Lease
ROFR:	Tenant Does Not Have a ROFR

RENT SCHEDULE

Lease Term	Monthly Rent	Annual Rent	Rent/SF	Rental Increase
4/19/2017 - 4/30/2032	\$8,298.15	\$99,577.80	\$11.03	
OPTION 1: 5/1/2032 - 4/30/2037	\$9,127.97	\$109,535.64	\$12.14	10.00%
OPTION 2: 5/1/2037 - 4/30/2042	\$1,040.77	\$12,489.24	\$1.38	10.00%
OPTION 3: 5/1/2042 - 4/30/2047	\$11,044.84	\$132,538.08	\$14.68	10.00%
OPTION 4: 5/1/2047 - 4/30/2052	\$12,149.33	\$145,791.96	\$16.15	10.00%
OPTION 5: 5/1/2052 - 4/30/2057	\$13,364.26	\$160,371.12	\$17.77	10.00%



AREA OVERVIEW



Blountsville, Alabama

The Town of Blountsville is exceptionally well located along Hwy 231 in Blount County, Alabama. It is within an hour's drive from Birmingham, Huntsville, and the Quad Cities of North Central Alabama. Originally created from land ceded to the federal government by the Creek Nation in 1814, the town spans almost six square miles. 2017 Population Estimates place the town at approximately 1,676 residents.

ECONOMY | Manufacturing, construction, and retail and wholesale trade dominate Blountsville's economy. Future job growth is predicted to be at 34.21% over the next ten years.

EDUCATION | Wallace State Community College: Wallace State Community College opened its doors in 1966 and is now one of the largest colleges in the Alabama Community College System an enrollment of more than 7,000 students each semester. The college provides seamless educational opportunities from early high school to the graduate level at its main campus in Hanceville (13 miles from Blountsville).

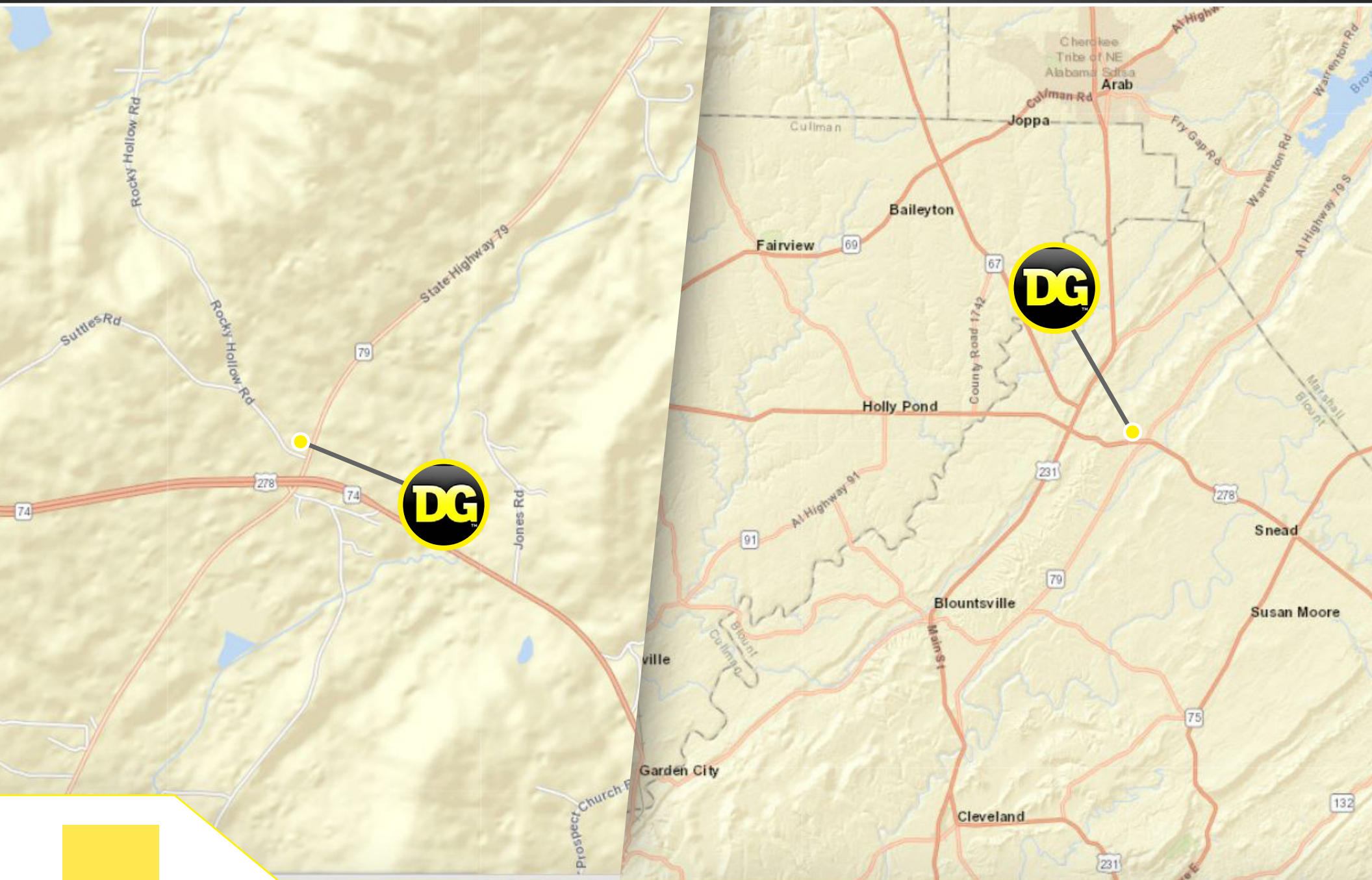
Snead State Community College: Located about 31 miles from Blountsville in Boaz, Alabama, Snead originally began as a private seminary in 1898. It was officially incorporated into the Alabama Community College System in 1967. The school boasts one of the largest distance education programs in the State, awarding associate's degrees in over 75 programs and certificates in 24 programs.

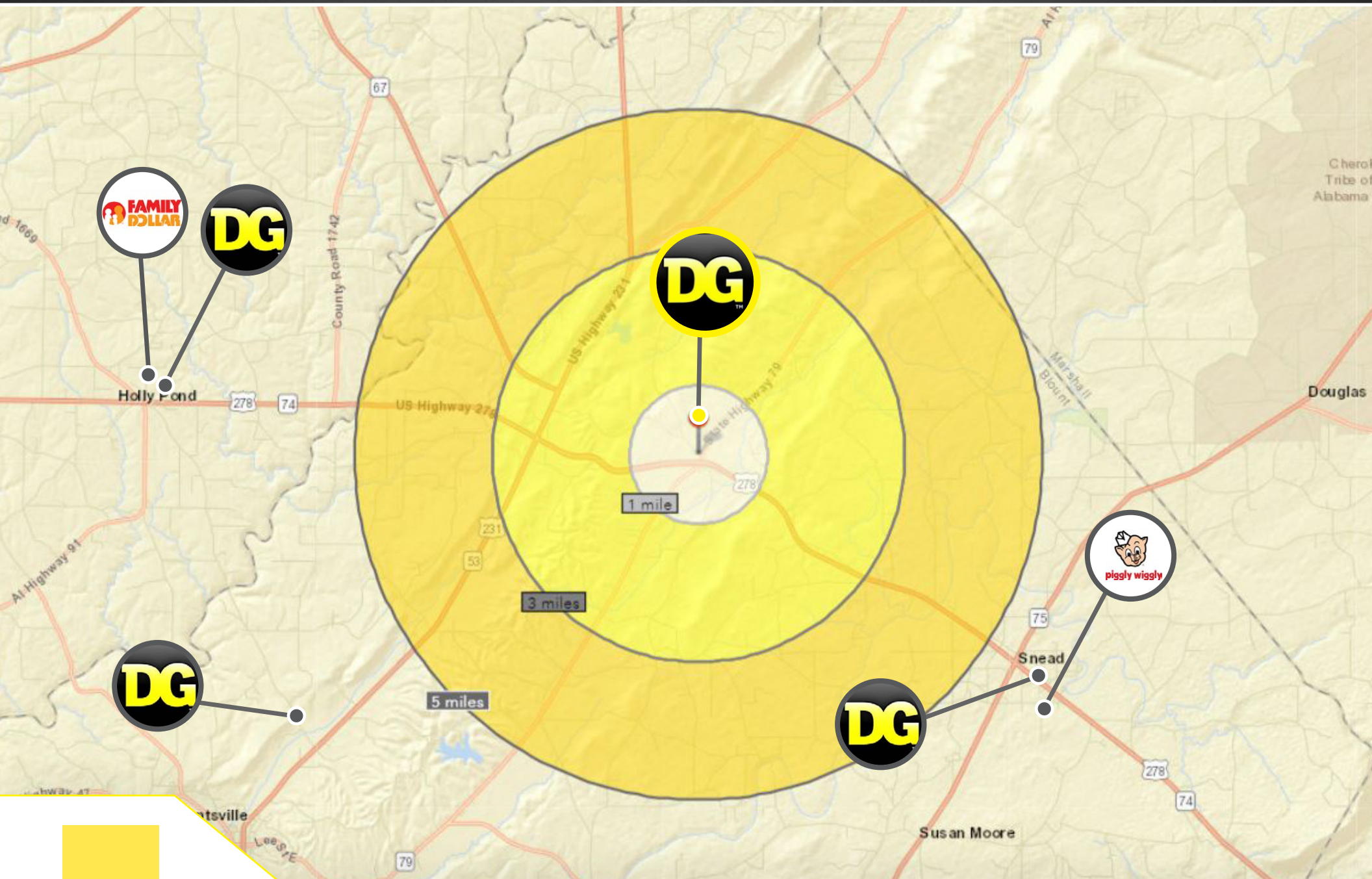


AIRPORTS | Albertville Regional Airport: Also known as Thomas J. Brumlik Field, it is a city-owned, public-use airport found 26 miles from Blountsville in central Albertville. The airport is home to the Alabama Aviation College, BAE Systems, RainAir Aviation, and Mid-South Aviation. An average of 70 aircraft operations occur daily.

TOURISM | Spring Valley Beach: A family-owned and operated waterpark in Blountsville. Spring Beach is hidden away on 25 acres making for a perfect getaway adventure. It has been recognized as a "Driving Destination," and "absolutely Alabama attraction", and a "Tennessee Valley Treasure" by local newspapers and magazines.

Blount County Palisades Park: Locally referred to as "Blount County's Best Kept Secret", Palisades Park offers a relaxing atmosphere with scenic views atop of Ebell Mountain. The 100-acre park is located in the foothills of the Southern Appalachians and has been enjoyed by visitors since November 1973. In addition to hiking and walking, Palisades Park is an outstanding bird-watching destination throughout the year. Its altitude – the highest point for miles in any direction – makes it a good place to see migrant songbirds in spring and fall.







FRONT OF BUILDING



STORE FRONT



AERIAL OF FRONT OF BUILDING



AERIAL OF BUILDING

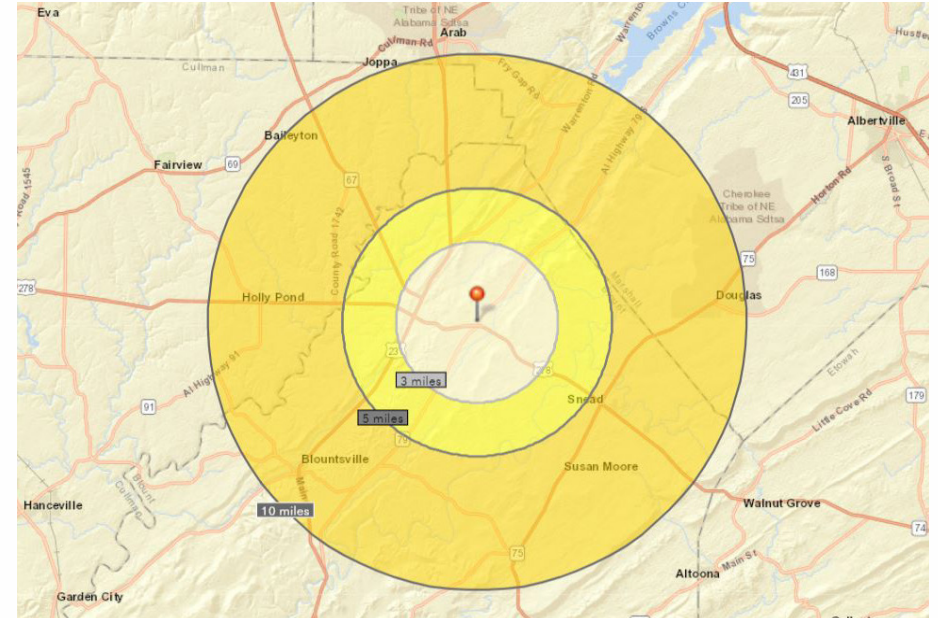


DEMOGRAPHICS

POPULATION	3 Miles	5 Miles	10 Miles
Estimated Population (2018)	1,162	2,875	20,484
Census Population (2010)	1,074	2,745	20,034
Projected Population (2023)	1,185	2,906	20,736
PROJECTED ANNUAL GROWTH			
2018-2023	1.97%	1.08%	1.23%

HOUSEHOLDS	3 Miles	5 Miles	10 Miles
Estimated Households (2018)	467	1,110	7,831
Census Households (2010)	432	1,057	7,665
Projected Households (2023)	476	1,124	7,922
PROJECTED ANNUAL GROWTH			
2018-2023	1.93%	1.26%	1.16%

HOUSEHOLD INCOME	3 Miles	5 Miles	10 Miles
2017 Average	\$54,720	\$52,168	\$53,647
2017 Median	\$40,840	\$38,777	\$38,846



POPULATION BY RACE	Census 2010	2018	2023
White	95.8%	94.7%	94.7%
Black	0.4%	0.3%	0.3%
American Indian	0.4%	0.3%	0.3%
Asian	0.1%	0.1%	0.1%
Pacific Islander	0.0%	0.0%	0.0%
Other Race	1.8%	2.2%	2.2%
Two or More Races	1.6%	2.3%	2.4%
Hispanic	4.0%	4.6%	4.7%

Savills Inc., representative of the Seller, is solely authorized to present this property investment offering (the "Offering"). This is a confidential Memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of (the "Property").

Prior to submitting an offer to purchase the Property, interested parties should perform and rely upon their own investigations, analyses, estimates and projections and otherwise satisfy any concerns regarding material aspects of the proposed transaction including, but not limited to legal, municipal, environmental, operational, seismic, financial and physical issues, and all other matters affecting or pertaining to the Property. The Seller will be offering the Property including all appurtenances and tenant improvements, solely on an "As-Is, With-All-Fault" basis, without any representations or warranties. No person is authorized to make any representations or warranties on behalf of the Seller regarding the Property. Any and all information regarding the Property provided to any interested party by the Seller or Savills Inc., including all information contained in the Offering, is provided without any representation or assurance express or implied, regarding the accuracy, completeness or current status of applicability of such information. Each interested party is expected to undertake such reviews and investigations and make such inquiries as such party may believe to be necessary, appropriate or advisable for the purpose of forming a decision to make an offer to acquire the Property.

The Owner expressly reserves the right, as its sole discretion, to reject any or all expressions of interest or offers to purchase the Property and/or to terminate discussions with an entity at any time with or without notice which may arise as a result of review of this Memorandum. The Owner shall have no legal commitment or obligation to any entity reviewing this Memorandum or making an offer to

purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered and approved by the Owner and any conditions to the Owner's obligations therein have been satisfied or waived.

The material contained herein is confidential and is presented strictly as information for the exclusive use of the prospective purchaser. Receipt and review of this Offering by the prospective purchaser constitutes an agreement not to divulge, share or distribute the information to any other party, except the prospective purchaser's legal counsel and financial advisors, without the prior specific written authorization of the Seller or Savills Inc. Each prospective purchaser shall also agree to and comply with the provisions of the confidentiality agreement executed by such prospective purchaser prior to receipt of this Offering.

This Offering is submitted subject to errors, changes, omissions, changes in price, market and other conditions. It contains selected information pertaining to the Property and does not purport to be all-inclusive or to contain all of the information that prospective purchasers may desire. It should be noted that any and all market analyses, estimates, and projections contained in this Offering are provided for general reference purposes only and are based on assumptions related to the general economy, competitions, real estate market trends, and other factors beyond the control of the Seller or Savills Inc.

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