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DOLLAR TREE

2450 E Highway 7 • Montevideo, MN 56265

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ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY.
PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

DOLLAR TREE
Montevideo, MN
ACT ID Z0300269

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Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

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Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

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.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

Marcus & Millichap

EXECUTIVE SUMMARY

OFFERING SUMMARY

Price	\$1,100,000
Net Operating Income	\$78,000
Capitalization Rate – Current	7.09%
Price / SF	\$137.50
Rent / SF	\$9.75
Lease Type	NN
Gross Leasable Area	8,000 SF
Year Built / Renovated	2015
Lot Size	1.27 acre(s)

FINANCING

Loan Amount	\$715,000
Loan Type	Financed - New Loan
Loan to Value	65.00%
Down Payment	35% / \$385,000
Interest Rate / Amortization	4.90% / 25 Years
Annual Loan Payment	\$49,659
Net Cash Flow After Debt Service	7.36% / \$28,341
Cash on Cash Return	7.36%
Total Return	0.00% / \$43,298



MAJOR EMPLOYERS

EMPLOYER	# OF EMPLOYEES *
Veterans Affairs US Dept	1,633
Ccmh	300
Jennie-O Turkey	270
Avicenna Technology Inc	265
Friendship Homes	244
SI-MTI	160
LUTHER HAVEN NURSING HOME	150
County of Chippewa	136
Logic Pd Inc	80
Specialty Systems Engineering	79
Chippewa Cnty Conciliation Crt	63
Chippewa County District Court	63

DEMOGRAPHICS

	3-Miles	5-Miles	7-Miles
2017 Estimate Pop	6,063	6,576	7,254
2010 Census Pop	6,228	6,765	7,476
2017 Estimate HH	2,576	2,771	3,034
2010 Census HH	2,646	2,851	3,130
Median HH Income	\$48,837	\$49,332	\$50,027
Per Capita Income	\$28,410	\$28,204	\$28,098
Average HH Income	\$66,028	\$66,139	\$66,446

* # of Employees based on 7 mile radius

INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present the fee simple Dollar Tree in Montevideo, MN with about 8 years in term on a 10 year lease. The 8,000 sqft building on 1.27+/- acres is located on 2405 E Highway 7, Montevideo, MN 56265. The subject property opened at this location in 2016 and signed a 10-year lease with scheduled rental increases every 5 years and in the renewal options. The lease is double net, which means minimal Landlord Responsibility, while the tenant is responsible for all expenses associated with the building. The lease does come with a construction warranty on the roof and the mechanicals of the building.

The lease is corporately guaranteed by Dollar Tree, which has an investment grade BBB- Credit Rating by Standard & Poors. Dollar Tree reported annual revenues of \$7.39 billion during the 2012 fiscal year.

The property is located by many national retailers which includes, O'Reilly Auto Parts, Firestone Tires, Subway and McDonald's and a 156,000Sqft. Super Walmart. Montevideo is a city in Chippewa County, Minnesota, United States. The population was 5,383 at the 2010 census. Montevideo is located in a double river valley where the Minnesota and Chippewa rivers converge, approximately 140 miles (230 km) west of Minneapolis, at the junction of U.S. Highways 59 and 212 with Minnesota State Highways 7 and 29. In addition, it is the county seat of Chippewa County,

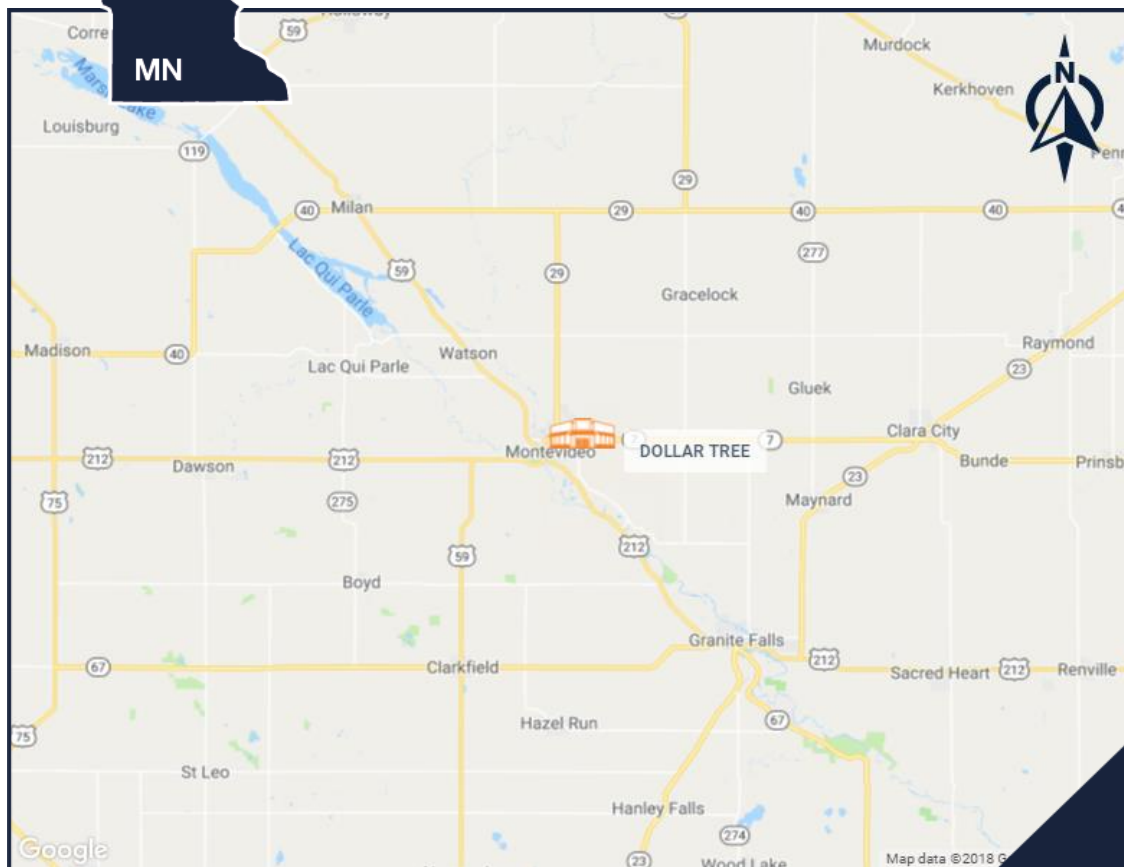
INVESTMENT HIGHLIGHTS

- Newly Constructed Build-to-Suit Dollar Tree(2016)
- Corporate Guaranteed by Dollar Tree | BBB- Credit Rating (S&P)
- 5 Percent Rental Increases at Each Option Period
- Double Net Lease | Minimal Landlord Responsibility
- Two, Five Year Renewal Options
- Adjacent to a 156,000 sqft Walmart Center





2450 E Highway 7, Montevideo, MN 56265



- Corporate Guarantee Dollar Tree Lease
- 8 Years of term on Original 10 Year Leas
- Double Net Lease | Minimal Responsibility
- Rent Increases Every 5 Years
- Investment Grade Tenant BBB- Credit Rati
- Excellent Location Next to Super Walmart

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CLOSE PROXIMITY TO:



Shopping Center



Schools



Major Highway

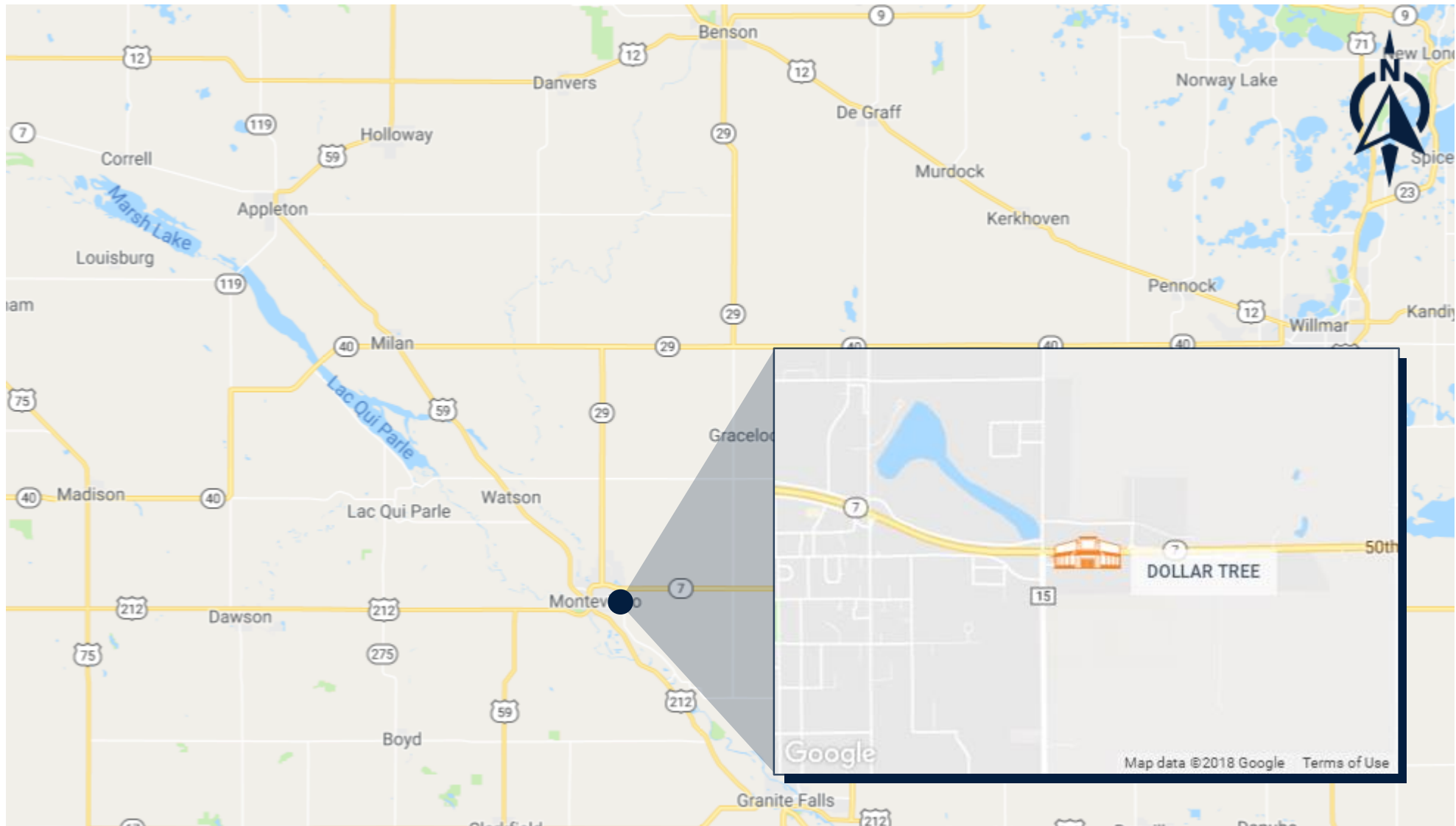


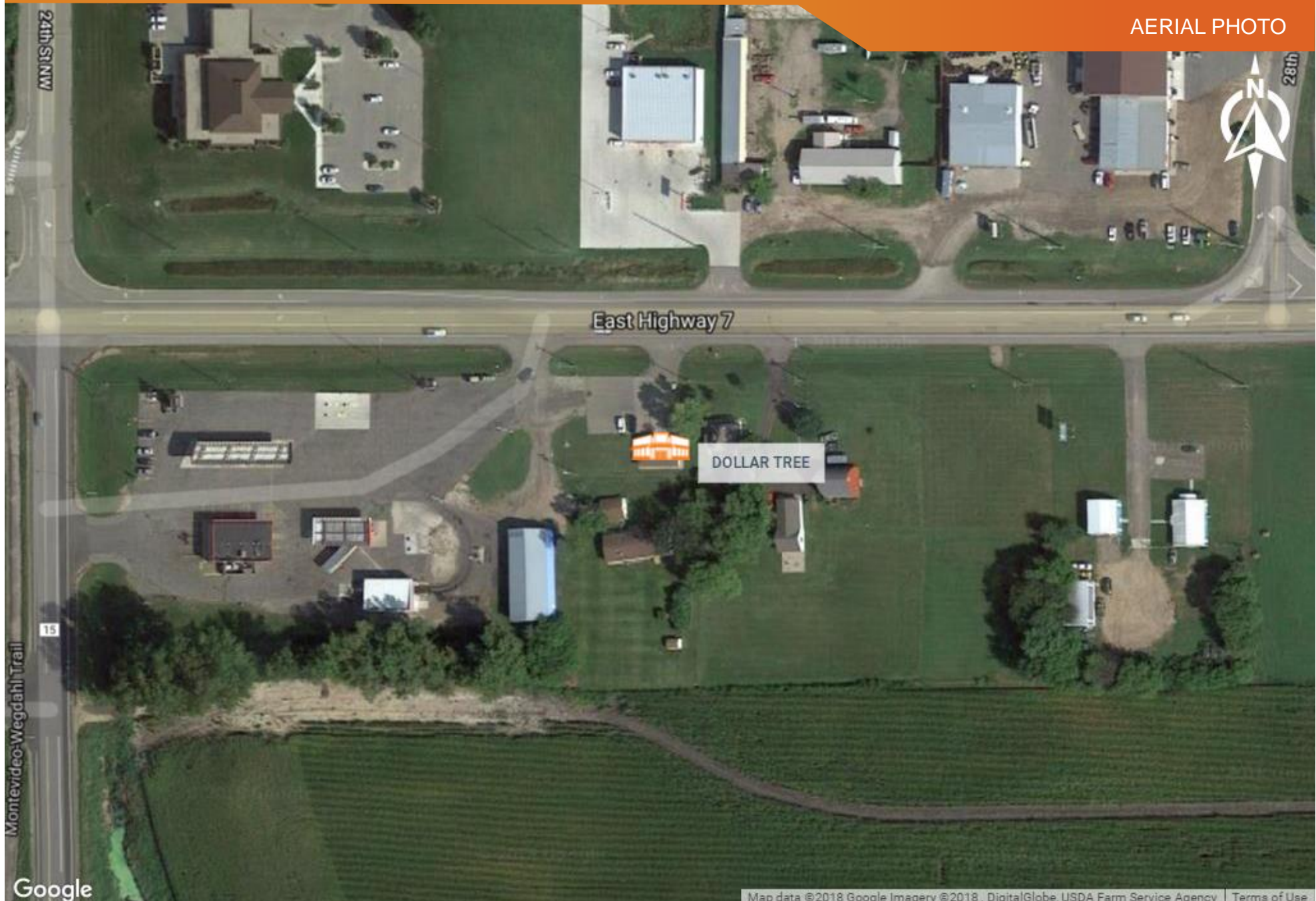
Hotel



Airport

2450 E Highway 7, Montevideo, MN 56265





PROPERTY SUMMARY

THE OFFERING	
Property	Dollar Tree
Property Address	2450 East Highway 7 Montevideo, MN 56265
Price	\$1,100,000
Capitalization Rate	7.09%
Price/SF	\$137.50

PROPERTY DESCRIPTION	
Year Built / Renovated	2015
Gross Leasable Area	8,000 SF
Zoning	MSC
Type of Ownership	Fee Simple
Lot Size	1.27 Acres

LEASE SUMMARY	
Property Subtype	Net Leased Discount
Tenant	Dollar Tree
Rent Increases	5% Increases Every Five Years
Guarantor	Corporate Guarantee
Lease Type	NN
Lease Commencement	June 7, 2016
Lease Expiration	June 30, 2026
Lease Term	10
Term Remaining on Lease (Years)	8.1
Renewal Options	(2) Five Year Options
Landlord Responsibility	Roof & Structure...
Tenant Responsibility	Taxes, Insurance, Utilities, CAM...
Right of First Refusal/Offer	No

ANNUALIZED OPERATING INFORMATION

INCOME	
Net Operating Income	\$78,000

RENT SCHEDULE				
YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$78,000	\$6,500	\$9.75	7.09%
Year 2	\$78,000	\$6,500	\$9.75	7.09%
Year 3	\$78,000	\$6,500	\$9.75	7.09%
Year 4	\$78,000	\$6,500	\$9.75	7.09%
Year 5	\$78,000	\$6,500	\$9.75	7.09%
Year 6	\$82,000	\$6,833	\$10.25	7.45%
Year 7	\$82,000	\$6,833	\$10.25	7.45%
Year 8	\$82,000	\$6,833	\$10.25	7.45%
Year 9	\$82,000	\$6,833	\$10.25	7.45%
Year 10	\$82,000	\$6,833	\$10.25	7.45%
First Option	\$86,000	\$7,167	\$10.75	7.82%
Second Option	\$90,000	\$7,500	\$11.25	8.18%

NOTES

MARCUS & MILLICHAP CAPITAL CORPORATION CAPABILITIES

MMCC—our fully integrated, dedicated financing arm—is committed to providing superior capital market expertise, precisely managed execution, and unparalleled access to capital sources providing the most competitive rates and terms.

We leverage our prominent capital market relationships with commercial banks, life insurance companies, CMBS, private and public debt/equity funds, Fannie Mae, Freddie Mac and HUD to provide our clients with the greatest range of financing options.

Our dedicated, knowledgeable experts understand the challenges of financing and work tirelessly to resolve all potential issues to the benefit of our clients.



Closed 1,707
debt and equity
financings
in 2017



National platform
operating
within the firm's
brokerage offices



\$5.63 billion
total national
volume in 2017



Access to more
capital sources
than any other
firm in the
industry

WHY MMCC?

Optimum financing solutions to enhance value

Our ability to enhance buyer pool by expanding finance options

Our ability to enhance seller control

- Through buyer qualification support
- Our ability to manage buyers finance expectations
- Ability to monitor and manage buyer/lender progress, insuring timely, predictable closings
- By relying on a world class set of debt/equity sources and presenting a tightly underwritten credit file