



FAMILY DOLLAR

Offering Memorandum

9179 San Marcos Highway
Fentress, TX 78644



REPRESENTATIVE PHOTO

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INVESTMENT HIGHLIGHTS



- New Construction 2019 Built-to-Suit
- Located just 47 miles from downtown Austin, 60 miles from downtown San Antonio and 14 miles from San Marcos, TX
- No caps for tenant reimbursements of real estate taxes and property insurance
- Excellent visibility off of San Marcos Highway with over 8,251 vehicles per day
- Brand new 10-year NN Lease with minimal LL responsibilities
- (6) 5-year renewal options with 5% rental increases in each
- Investment grade tenant (NASDAQ: DLTR | BBB-, Stable outlook)
- 27,820 people within a 10-mile radius of the property



REPRESENTATIVE PHOTO

INVESTMENT OVERVIEW



PRICE
\$1,244,000



CAP RATE
7.15%



NOI
\$88,920

9179 San Marcos Highway, Fentress, TX 78644

Original Lease Commencement: November 9, 2018

Current Lease Expiration: March 31, 2030

Rent Commencement: October 15, 2019 (estimated)

Guaranteed Lease Term: 10+ Years

Renewal Options: (6) 5-year renewal options w/ 5% rental increases

Lease Structure: NN

Landlord Responsibility: Roof & Structure (roof comes w/ 20-year warranty)

Tenant Responsibility: Taxes (no caps), insurance (no caps), CAM, HVAC repair/replacement, utilities, parking lot (lighting, striping, sweeping, trash removal)

Lease Guarantor: Family Dollar Stores, Inc., a Delaware Corporation

Ownership: Fee Simple (Land & Building)

Building Size: 8,320 square feet

Land Size: 44,100 square feet

Parking Spaces: 28

Year Built: 2019

RENT/YIELD SCHEDULE

NOI	CAP RATE	YEAR
\$88,920	7.15%	1-10
\$93,366	7.50%	Option 1
\$98,034	7.88%	Option 2
\$102,936	8.28%	Option 3
\$108,083	8.70%	Option 4
\$113,487	9.13%	Option 5
\$119,161	9.58%	Option 6

REPRESENTATIVE PHOTO



PROPERTY & LOCATION OVERVIEW



The subject property consists of a new construction, 8,320 square foot, freestanding Family Dollar Store situated on a 1.01 acre parcel and located in Fentress, TX. This new build-to-suit has in place a 10-year NN lease with minimal landlord responsibilities (roof and structure – roof comes with a 20-year transferrable “weatherproof” warranty). The city of Fentress is located just 47 miles southeast of downtown Austin, TX, just 60 miles northeast of San Antonio, TX and just 14 miles east of San Marcos, TX (Texas State University).

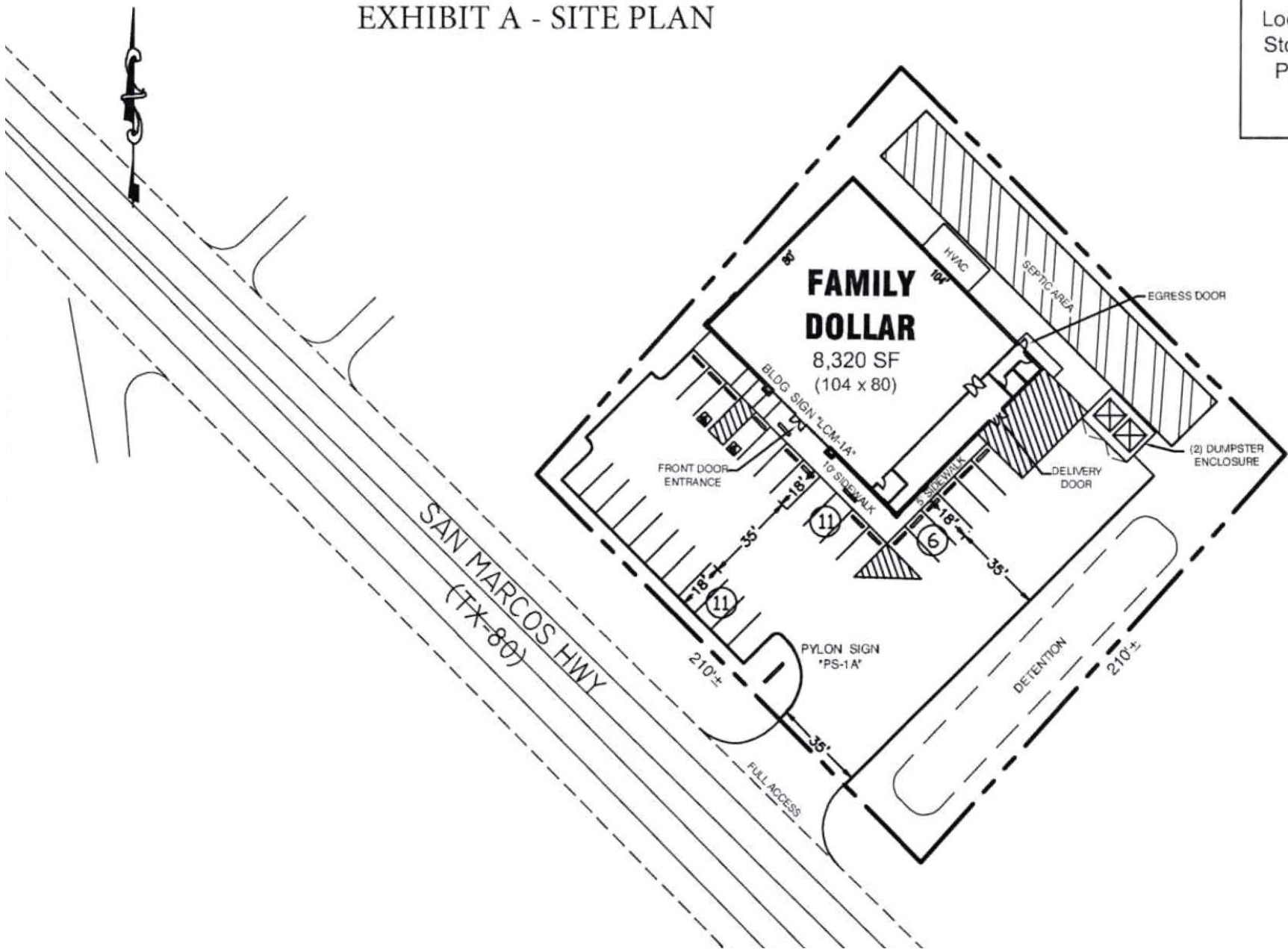
This location fits into the well-established strategic store expansion program of Family Dollar, providing convenience goods (including food, refrigerated products and non-perishable items) to customers in largely underserved retail areas.

Demographics indicate a population of 27,820 within a 10-mile radius of the subject property with average HH incomes of \$80,904.



EXHIBIT A - SITE PLAN

#785934
Lockhart (Fentress), TX
Store Design Approved
Preliminary Site Plan
FRT
9/27/2018



ABOUT FENTRESS, TEXAS AREA

Fentress is on the San Marcos River at the southwestern edge of Caldwell County. A settlement, first called Riverside, began developing there in the vicinity of a Cumberland Presbyterian church established in 1869. A horse-powered cotton gin was built in the vicinity about 1870 by the partnership of Cullen R. Smith and Joseph D. Smith. The enterprise was moved to the riverfront and converted to waterpower in 1879; it was operated by family members until it closed in 1968. In 1892 the community was renamed Fentress in honor of James Fentress, its first doctor; he was also a large landholder and a participant in the battle of Plum Creek. A year later a post office was established in W. A. Wilson's general store, with Wilson as postmaster. The community was then on the daily mail route between Luling and San Marcos. A one-room school, which operated for three months each year, opened in 1895. An 1896 business directory lists a doctor, a blacksmith, and a population of 150 in Fentress. The Fentress Waterworks was established in 1898 and a lighting system in 1902. The Fentress Telephone Company was formed soon after 1900, and around 1904 the community had its own newspaper, the Fentress Indicator. In 1905 a Methodist congregation was organized, and four years later they built their own church. In 1907 the one-room school was replaced with a two-room structure that served until 1922, when a two-story, five-room facility with an auditorium was completed. A 1915 business directory lists Fentress with 300 residents, three general stores, a mercantile company, a meat market, a confectionery, a pharmacy, a gin, and a blacksmith shop.

In 1915 Josh Merritt and his partner C. E. Tolhurst created a resort with a swimming and camping facility that offered bathhouses, a water slide, and screened tents with wooden floors. Two years later Merritt and Tolhurst sold the resort to the partnership of J. C. Dauchy, W. R. Smith, and J. M. Dauchy. The new owners added a maple-floored skating rink, where, on alternating nights, dancing was permitted. This move aroused controversy among church members in surrounding communities. In 1918 the six-year-old Fentress water tower collapsed onto the town's only bank; cashier J. W. Lipscomb saved his life by dashing into the vault. This high water mark in Fentress history was viewed by some as divine judgment. For four decades, beginning in the 1920s, nearby oilfield activity was significant in the local economy, and Fentress grew to a peak of 500 residents in 1929. By 1940, however, the population had slipped to 250. The local school was closed in a merger with the Prairie Lea school district in the 1940s. By the early 1990s most of the businesses had disappeared. Even the Fentress Hog Farm, once noted for supplying the performing pigs at Aquarena Center, no longer existed. In 1990 another riverside recreation facility attracted campers and tubers. A nearby landing strip provided an operating base for area skydivers. Otherwise, two businesses, two churches, and a post office were all that remained. Fentress reported a population of eighty-five in 1990. In 2000 the population was 291. The town of Fentress served as the setting of *The Evolution of Calpurnia Tate*, which won the 2010 Newberry Honor Award.



TENANT INFO



Family Dollar Stores, Inc. operates a chain of general merchandise retail discount stores primarily for low- and middle-income consumers in the United States. Its merchandise assortment includes consumables, such as batteries, diapers, food products, hardware and automotive supplies, health and beauty aids, household chemicals, paper products, pet food and supplies, and tobacco; and home products, including blankets, sheets, towels, giftware home décor products, and housewares.

The company also offers apparel and accessories comprising boys' and girls', infants', men's, and women's clothing, as well as fashion accessories and shoes; and seasonal and electronic products, such as toys, stationery and school supplies, and seasonal goods, as well as personal electronics, including pre-paid cellular phones and services. As of April 8, 2015, it operated approximately 8,100 stores in 46 states. The company was founded in 1959 and is headquartered in Matthews, North Carolina. As of July 6, 2015, Family Dollar Stores Inc. operates as a subsidiary of Dollar Tree, Inc.



Website:

www.familydollar.com

Credit Rating:

**Moody's
(Baa3)**

Stock Symbol:

NYSE: FDO

Year Founded:

1959

Headquarters:

Charlotte, NC

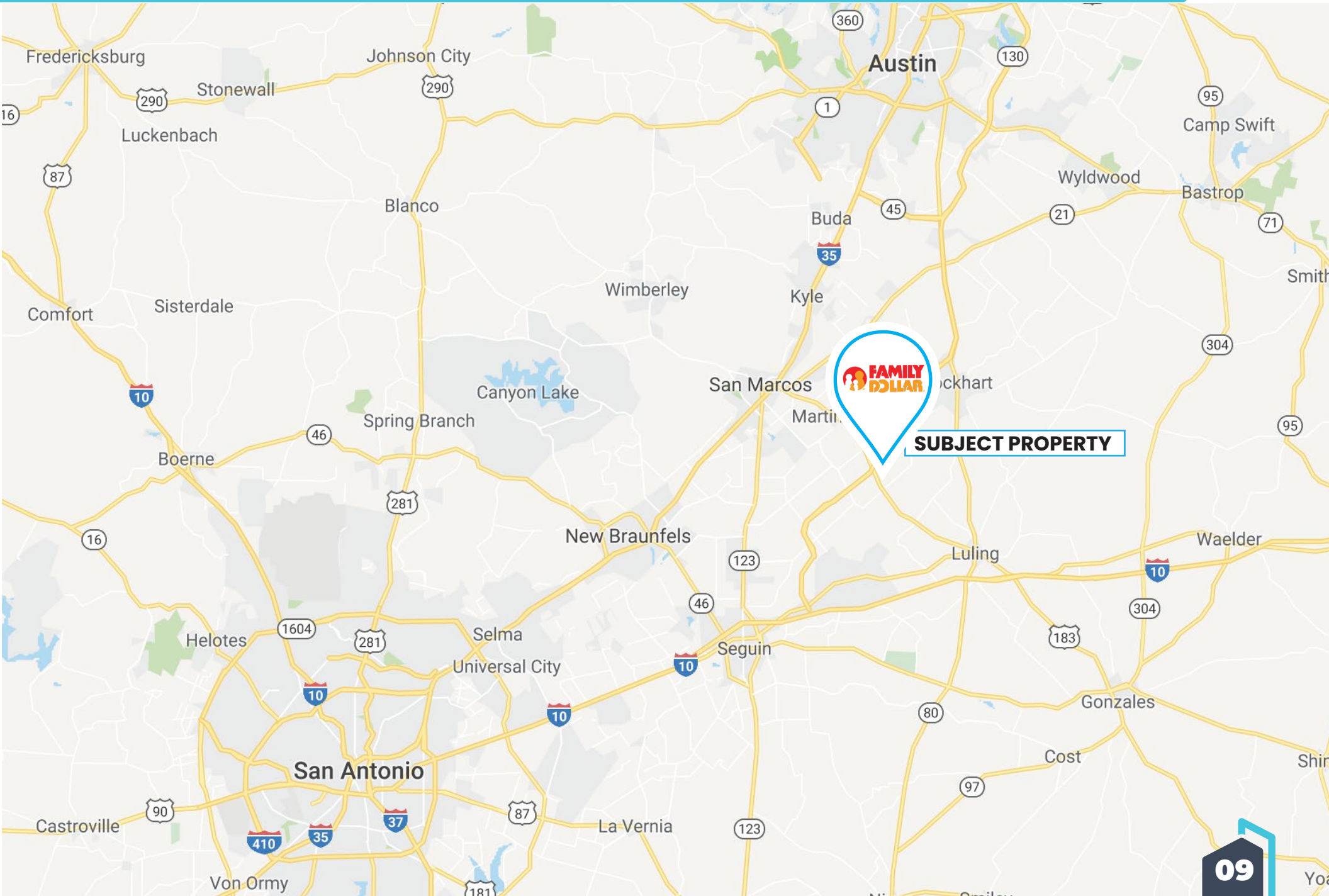
Number of Locations:

8,000+

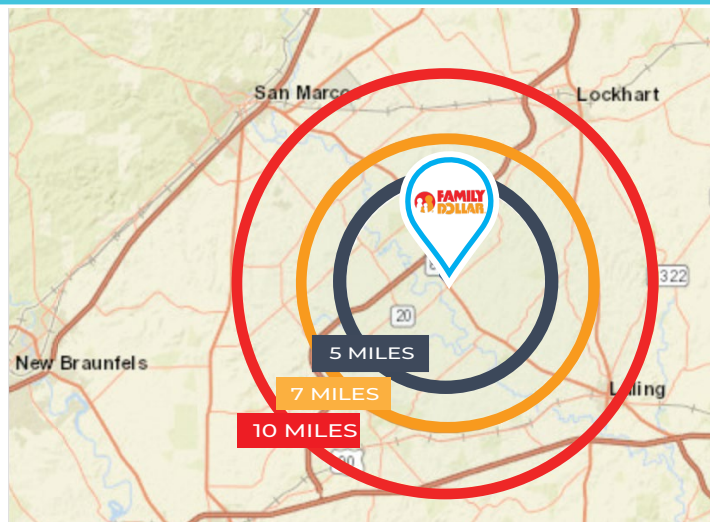
Market Capitalization:

\$9.09 Billion

REGIONAL MAP



DEMOGRAPHICS



5 miles

7 miles

10 miles

2,542

Population

40.3

Median Age



Average Household Size

\$80,904

Average Household Income

BUSINESS



40

Total Businesses



271

Total Employees

INCOME



\$147,609

Median Net Worth



\$55,400

Median Household Income



\$28,605

Per Capital Income

5,296

Population

40.8

Median Age



Average Household Size

\$79,585

Average Household Income

BUSINESS



85

Total Businesses



494

Total Employees

INCOME



\$142,911

Median Net Worth



\$55,835

Median Household Income



\$28,377

Per Capital Income

27,820

Population

36.4

Median Age



Average Household Size

\$68,164

Average Household Income

BUSINESS



644

Total Businesses



5,068

Total Employees

INCOME



\$87,852

Median Net Worth



\$51,551

Median Household Income



\$23,066

Per Capital Income



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