

DOLLAR GENERAL

31672 FM 306, SPRING BRANCH, TEXAS



OFFERING MEMORANDUM

Marcus & Millichap



DOWNTOWN
AUSTIN

DOLLAR GENERAL

TEXAS  STATE
UNIVERSITY
38,000 STUDENTS

DOWNTOWN
SAN ANTONIO

The information in this package has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Any projections, opinions, assumptions or estimates used herein are for example purposes only and do not represent the current or future performance of the property. Marcus & Millichap Real Estate Investment Services is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2013 Marcus Millichap. ACT ID ZAA0070307

Executive Summary

FINANCIAL SUMMARY

Price	\$675,000
Down Payment	100% \$675,000
Cap Rate	8.0%
Building Size	9,014 SF
Net Cash Flow	8.0% \$54,000
Year Built	2005
Land/Lot Size	1 Acre

LEASE SUMMARY

Lease Type	Double-Net (NN) Lease
Tenant	Dollar General
Roof & Structure	Landlord Responsible
Lease Commencement Date	July 1, 2005
Lease Expiration Date	June 30, 2027
Lease Term Remaining	7+ Years
Rental Increases	10% Every 5 Years
Renewal Options	3, 5 Year Options

ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
Current - 6/30/2027	\$54,000	8.00%
Lease Years	Annual Rent	Cap Rate
Option 1	\$59,400	8.80%
Option 2	\$65,340	9.68%
Option 3	\$71,874	10.65%

Base Rent	\$54,000
Net Operating Income	\$54,000
Total Return	8.0% \$54,000



ANGELA'S
designs in furniture

DOLLAR GENERAL

7,000 CPD
FM 306

10,070 CPD
US-281



Property Description



INVESTMENT HIGHLIGHTS

- » **7+ Years Remaining on Lease Term with Dollar General**
- » Tenant is in Their Third Extension Period, Showing Commitment to the Site
- » 10% Rental Increases Every 5 Years
- » **32,042 Residents within a 10-Mile Radius - Households Projected to Increase 14%+ by 2023**
- » More Than 17,000 Cars/Day at the Intersection of FM 306 and US-281
- » **Average Household Income Exceeds \$98K within a 10-Mile Radius**
- » Centrally Located Between Austin and San Antonio, and Only 30 Miles West of Texas State University (38,000 Students)
- » **Situated in the San Antonio MSA, 39 Miles from Downtown San Antonio**



DEMOGRAPHICS

3-miles

5-miles

10-miles

Population

2023 Projection	4,207	7,807	36,309
2018 Estimate	3,805	6,960	32,042
Growth 2018 – 2023	10.56%	12.17%	13.32%

Households

2023 Projection	1,606	3,013	14,218
2018 Estimate	1,428	2,646	12,446
Growth 2018 – 2023	12.44%	13.85%	14.23%

Income

2018 Est. Average Household Income	\$80,188	\$85,772	\$98,026
2018 Est. Median Household Income	\$63,002	\$64,730	\$69,588
2018 Est. Per Capita Income	\$30,102	\$32,612	\$38,081



Tenant Overview



DOLLAR GENERAL

Goodlettsville, Tennessee

NYSE: DG

1939

15,470+

www.dollargeneral.com

Headquarters

Stock Symbol

Founded

Locations

Website

Dollar General Corporation has been delivering value to shoppers for over 75 years. Dollar General helps shoppers save money and time every day by offering products that are frequently used and replenished, such as food, snacks, health and beauty aids, cleaning supplies, basic apparel, housewares and seasonal items at low everyday prices in convenient neighborhood locations.

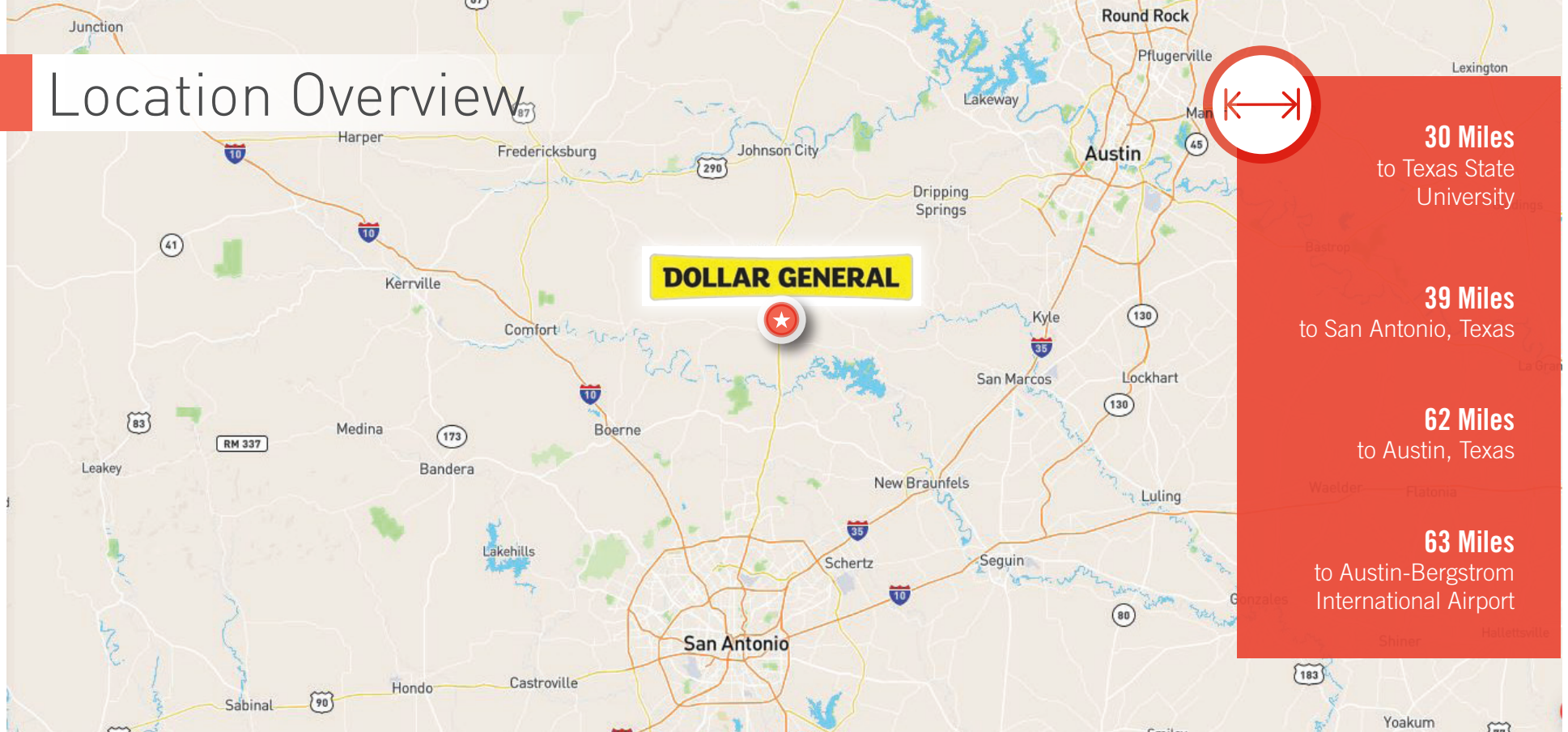
Dollar General operates 15,015 stores in 44 states as of August 2018, making it currently the nation's largest small-box discount retailer in the U.S. Dollar General opened 510 new stores in the first half of 2018 and plans to push that number to

900 by year's end. In addition to high quality private brands, Dollar General sells products from America's most-trusted manufacturers such as Clorox, Energizer, Procter & Gamble, Hanes, Coca-Cola, Mars, Unilever, Nestle, Kimberly-Clark, Kellogg's, General Mills, and PepsiCo.

- » Based in Goodlettsville, Tennessee, the company was founded in 1939 and has weathered 12 technical recessions.
- » Dollar General was ranked #123 in the Fortune 500 in 2017, with over \$23 billion in sales.



Location Overview



Spring Branch is a city located in Comal County, Texas, part of the San Antonio-New Braunfels metropolitan area. On November 19, 2015, Spring Branch officially became a city. Originally settled by Germans in the 19th century, Spring Branch is named for a spring fed creek that flows into the Guadalupe River.

San Antonio-New Braunfels (or Greater San Antonio) is an eight-county metropolitan area in the state of Texas. The region straddles South Texas and Central Texas and is on the southwestern corner of the Texas Triangle, a mega-region formed by the state's four main cities: Houston, Dallas-Fort Worth, San Antonio, and Austin. In 2018, the metropolitan area's population was estimated at 2,518,036, making it the third-largest metro area in Texas, after Dallas-Fort Worth-Arlington and Houston-The Woodlands-Sugar Land.

Greater San Antonio is home to five Fortune 100 companies: Valero Energy Corp, iHeartMedia, USAA, NuStar Energy, and Rush Enterprises. The city has a strong military presence and is home to eight four-year colleges, including the University of Texas at San Antonio and Texas A&M University - San Antonio.

San Antonio offers a unique blend of metropolitan energy and small-town charm. Rich in culture and history, home to delicious food and friendly people, San Antonio is a popular tourist destination. Visitors come for the beautiful and historic San Antonio Missions, including the Alamo, which were recently named a World Heritage Site by the United National Educational, Scientific, and Cultural Organization (UNESCO). Along with the San Antonio Zoo and museums, the city is home to Six Flags Fiesta Texas and Sea World San Antonio.



11-2-2015

Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

[exclusively listed by]

Jamie A. Medress

Senior Managing Director
602 687 6778

jmedress@marcusmillichap.com

Mark J. Ruble

Senior Managing Director
602 687 6766

mruble@marcusmillichap.com

Chris N. Lind

First Vice President
602 687 6780

chris.lind@marcusmillichap.com

Tim Speck

Broker of Record
972 755 5200

License #: 9002994

Offices Nationwide
www.marcusmillichap.com

NET LEASED DISCLAIMER

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

By accepting this Marketing Brochure, you agree to treat the information contained herein regarding the lease terms as confidential and proprietary and to only use such information to evaluate a potential purchase of this net leased property.

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.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

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.

CONFIDENTIALITY AGREEMENT

The information contained in the following offering memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and it should not be made available to any other person or entity without the written consent of Marcus & Millichap. By taking possession of and reviewing the information contained herein the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum. If you have no interest in the subject property at this time, please return this offering memorandum to Marcus & Millichap.

This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation with respect to the 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, PCBs or asbestos, the compliance with local, 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 offering memorandum 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. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

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

Marcus & Millichap