

DOLLAR GENERAL

2461 Hawkins Avenue
Sanford, NC (Raleigh MSA) 27330



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Marcus & Millichap

MOLLOY KAYE RETAIL GROUP

Actual Location

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OFFERING HIGHLIGHTS

2461 Hawkins Avenue
Sanford, NC 27330
Raleigh, NC MSA



\$840,000

Price



±9,100

SF

1.09

Acres



7.60%

Cap Rate



8+ YEARS

Remaining on
Current Term



NN

Lease



2003/2018

Year Built/
Renovated

LEASE SUMMARY

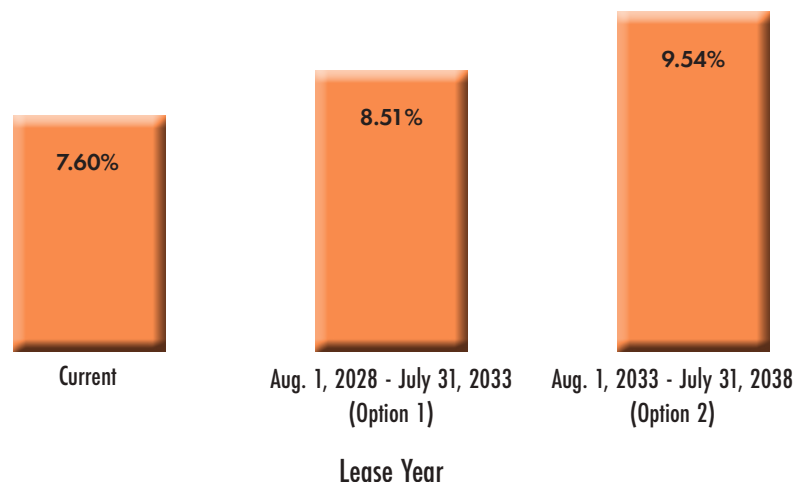
| | |
|---------------------|---------------------------------------|
| Property Subtype: | Net Leased Discount |
| Tenant: | Dolgencorp, Inc. d/b/a Dollar General |
| Rent Increases: | 12% In Each Option Period |
| Guarantor: | Corporate |
| Lease Type: | NN |
| Lease Commencement: | August 1, 2003 |
| Initial Lease Term: | 10 Years |
| Renewal Options: | Two (2), 5-Year |

RENT ROLL

| TERM | ANNUAL RENT | MONTHLY RENT | RENT/SF |
|---|-------------|--------------|---------|
| Current | \$63,840 | \$5,320 | \$7.02 |
| Aug. 1, 2028 - July 31, 2033 (Option 1) | \$71,520 | \$5,960 | \$7.86 |
| Aug. 1, 2033 - July 31, 2038 (Option 2) | \$80,100 | \$6,675 | \$8.80 |

*Tenant exercised two (2) 5-year options in 2018.

RETURN GROWTH CHART



INVESTMENT OVERVIEW

RALEIGH, NC MSA ADVANTAGE

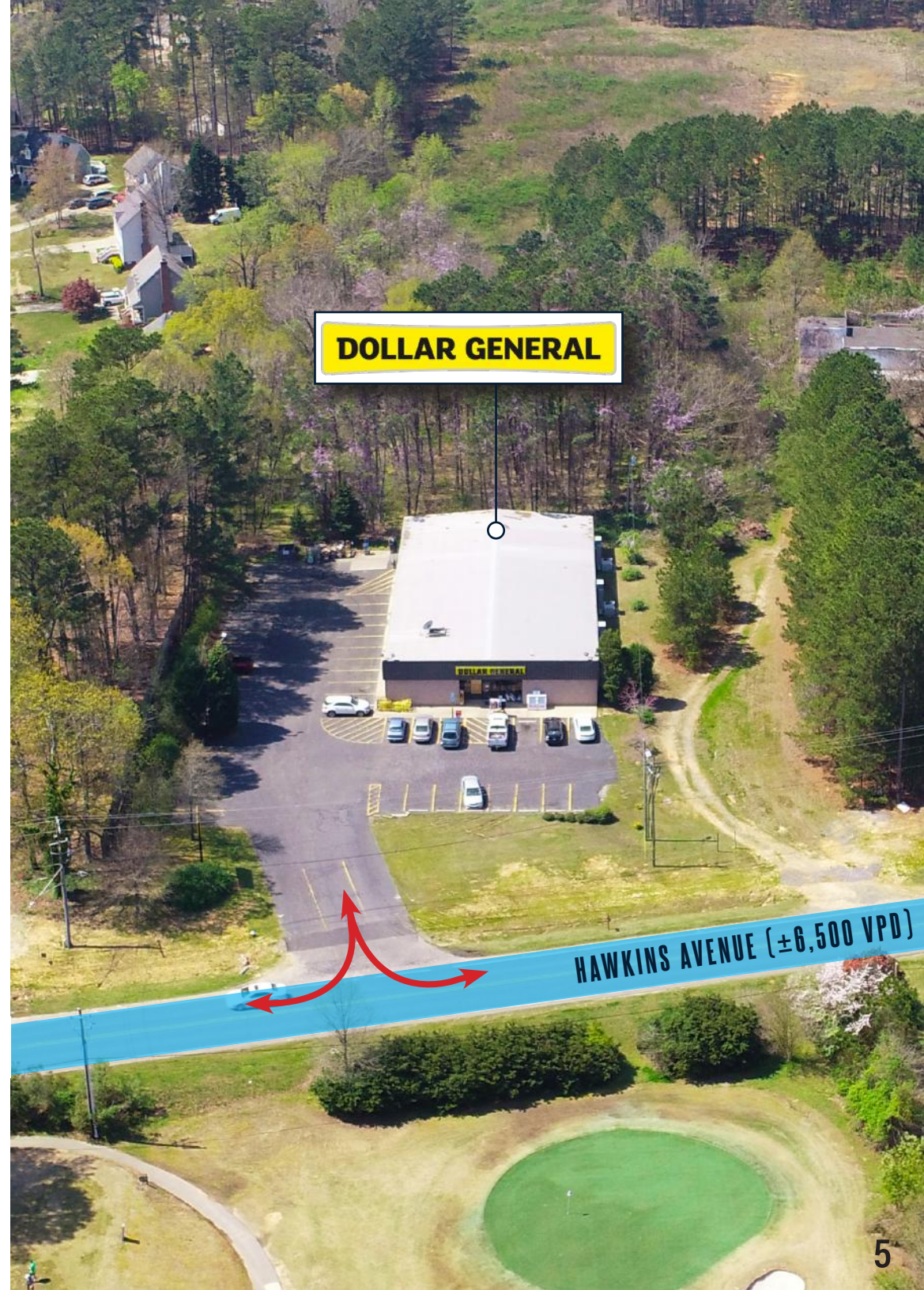
- Ranked as #2 on the list of Best-Performing Cities (*Milken Institute*, 2017)
 - › Measures growth in terms of jobs, wages, salaries and tech output
- Total population in the MSA exceeds 2 MM
- Forbes List: #3 Best Places for Business and Careers, #32 Cost of Doing Business, #22 Job Growth, #13 Education (2019)
- Major industries highlighted technology, health care and education

BEST-IN-CLASS TENANT

- Investment grade credit rating of BB/Stable (S&P)
- 2019 financials: \$27.75 B in revenue & net worth of \$6.7 B
- Revenue and net income growth year-over-year since 2013
- DG operates 15,500+ stores across 44 states
- Ranked #119 on the Fortune 500 list for 2019
- Included on Fortune's 2020 World's Most Admired Companies List
- Proven success at this location since 2003
 - › Tenant exercised two (2) 5-year renewals in 2018
- Recent property improvements include parking lot resealed & striped (2018), exterior building painted (2018) & HVAC repairs & replacements (2019)

OPTIMAL MARKET DEMOGRAPHICS

- High growth metro of Raleigh, NC
- Population exceeds 30,000 people within a 5-mile radius
- Explosive population growth since 2000
 - › 39.27% (1-mi), 16.82% (3-mi), 24.48% (5-mi)
- Average household incomes within a 1-, 3- & 5-mile radius range from \$65k - \$73k



AERIAL

CENTRAL CAROLINA
HOSPITAL
A Duke LifePoint Hospital
±137-Bed Hospital

Auto
Zone Advance
Auto Parts
FAMILY DOLLAR

belk ROSES PETSMART Lowes
maurices Bath & Body Works Applebee's
DOLLAR TREE SUBWAY GRILL + BAR

421 US-421 (±28,500 VPD)

501 US-501 (±43,000 VPD)

DOLLAR GENERAL

SANFORD GOLF COURSE

HAWKINS AVENUE (±6,500 VPD)

AERIAL



FOOD LION
ANYTIME FITNESS

501
US-501 (±43,000 VPD)



Pfizer
Pfizer Pharmaceutical
Manufacturing Plant
\$500 MM Expansion Announced



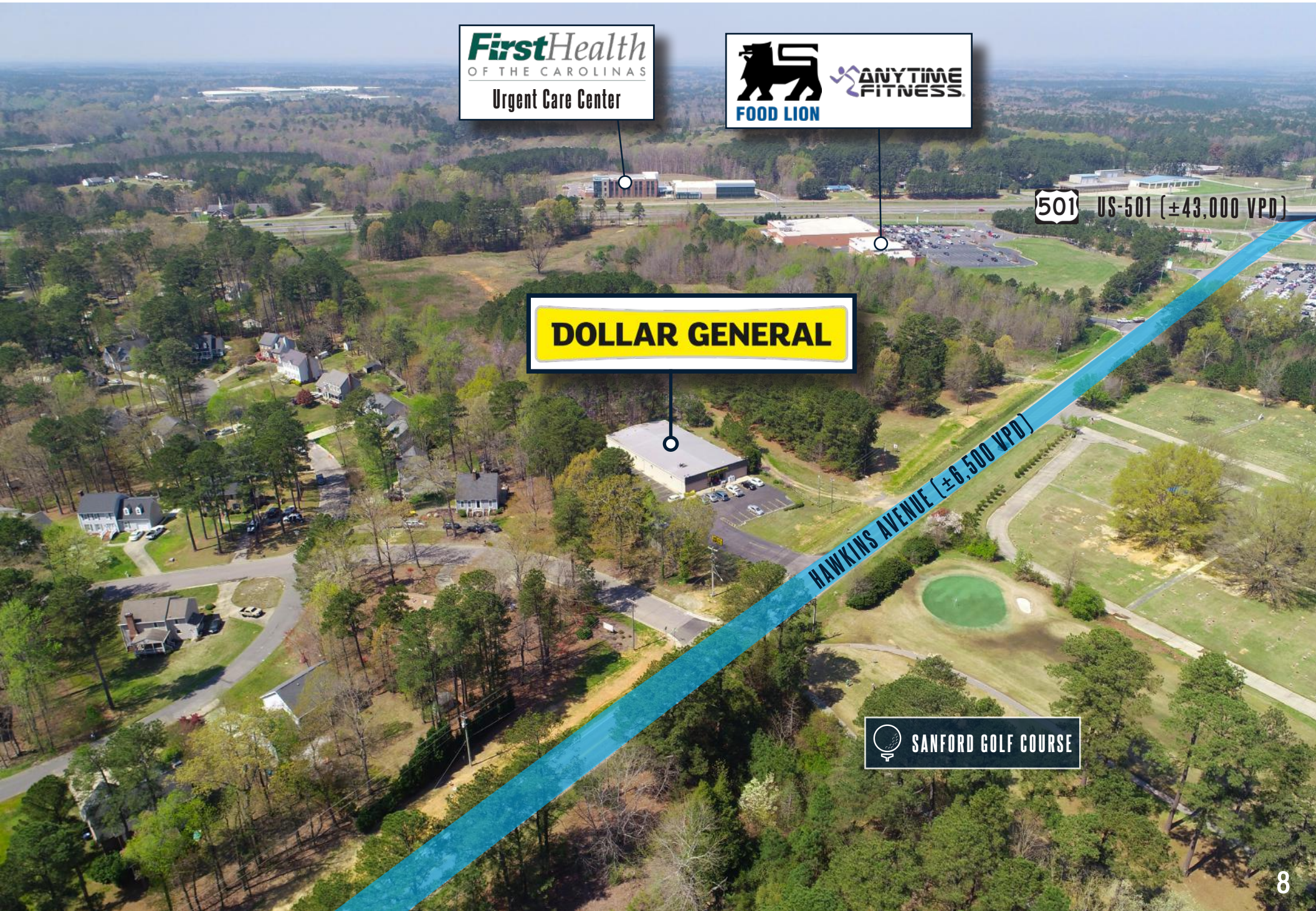
CATERPILLAR®
\$15 MM Expansion Announced

DOLLAR GENERAL



SANFORD GOLF COURSE

HAWKINS AVENUE (±6,500 VPD)



FirstHealth
OF THE CAROLINAS
Urgent Care Center

FOOD LION **ANYTIME FITNESS**

501 US-501 (±43,000 VPD)

DOLLAR GENERAL

HAWKINGS AVENUE (±6,500 VPD)

 **SANFORD GOLF COURSE**

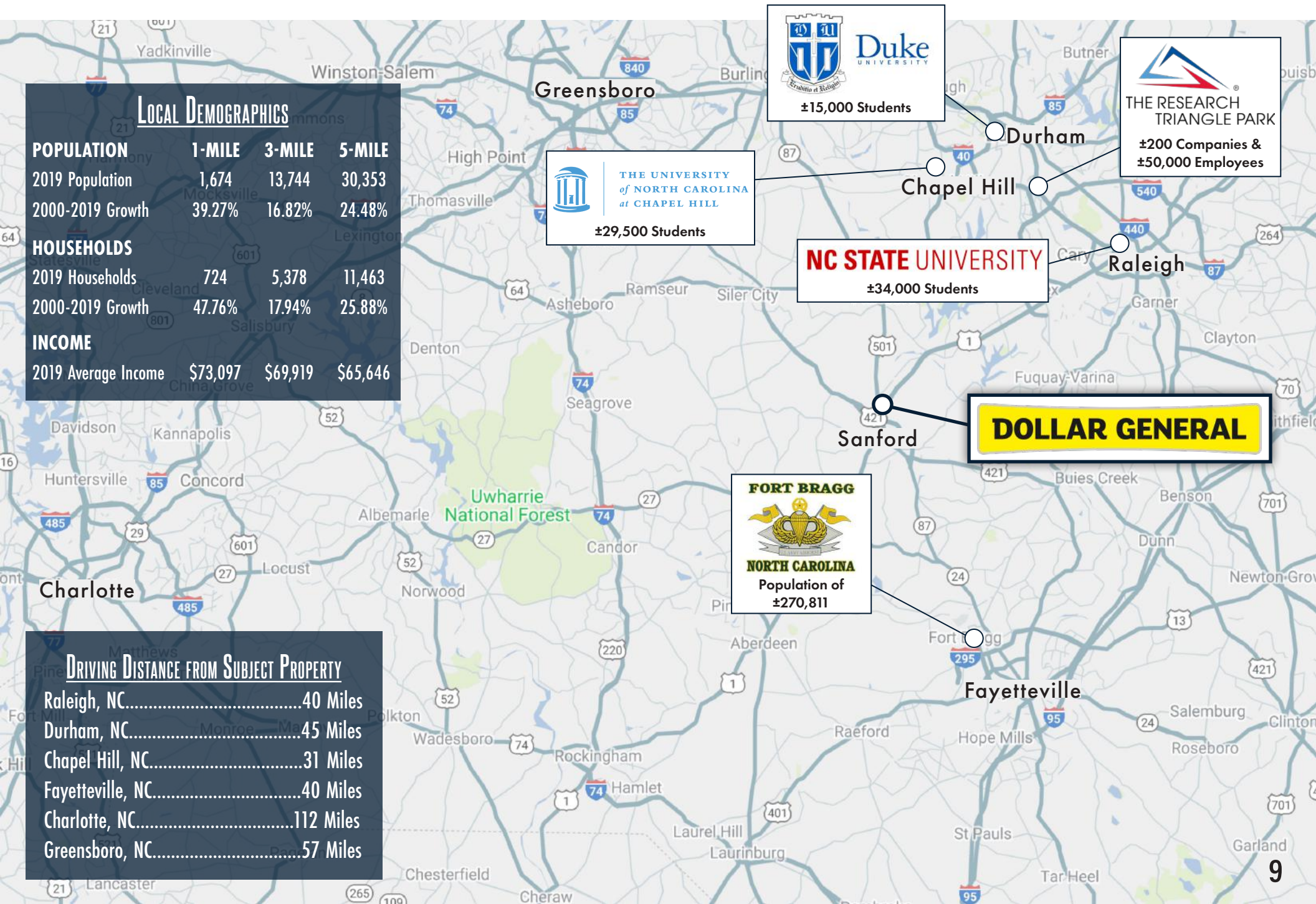
REGIONAL MAP

LOCAL DEMOGRAPHICS

| POPULATION | 1-MILE | 3-MILE | 5-MILE |
|---------------------|----------|----------|----------|
| 2019 Population | 1,674 | 13,744 | 30,353 |
| 2000-2019 Growth | 39.27% | 16.82% | 24.48% |
| HOUSEHOLDS | 1-MILE | 3-MILE | 5-MILE |
| 2019 Households | 724 | 5,378 | 11,463 |
| 2000-2019 Growth | 47.76% | 17.94% | 25.88% |
| INCOME | 1-MILE | 3-MILE | 5-MILE |
| 2019 Average Income | \$73,097 | \$69,919 | \$65,646 |

DRIVING DISTANCE FROM SUBJECT PROPERTY

| | |
|-----------------------|-----------|
| Raleigh, NC..... | 40 Miles |
| Durham, NC..... | 45 Miles |
| Chapel Hill, NC..... | 31 Miles |
| Fayetteville, NC..... | 40 Miles |
| Charlotte, NC..... | 112 Miles |
| Greensboro, NC..... | 57 Miles |



PROPERTY PHOTOS



SANFORD, NC (RALEIGH-DURHAM-CHAPEL HILL, NC CSA)

Situated nearly equidistant from the Greensboro, Raleigh/Durham/RTP, and Fayetteville metro areas, Sanford is well positioned to provide manufacturing, services, and housing throughout the region for business and industry. Because Sanford sits where white beach sand from the coast meets the Piedmont clay, the city has the right ingredients to be a large producer of clay bricks. In 1959, Sanford produced 10% of the bricks in the United States and was named "Brick Capital of the USA". Today large brick production continues via manufacturers such as General Shale and Lee Brick & Tile.

Just 40 miles northeast of Sanford, Raleigh is the capital of the state of North Carolina and the seat of Wake County. Raleigh is the second-largest city in the state, after Charlotte. Raleigh is known as the "City of Oaks" for its many oak trees which line the streets in the heart of the city. The city is named after Sir Walter Raleigh, who established the lost Roanoke Colony in present-day Dare County. Raleigh is home to North Carolina State University (NC State) and is part of Research Triangle Park (RTP), together with Durham (home of Duke University and North Carolina Central University) and Chapel Hill (home of the University of North Carolina at Chapel Hill). The "Triangle" nickname originated after the 1959 creation of the Research Triangle Park, located in Durham and Wake counties, among the three cities and their universities. The Research Triangle region encompasses the U.S. Census Bureau's Raleigh-Durham-Chapel Hill Combined Statistical Area.

Raleigh's industrial base includes financial services, electrical, medical, electronic and telecommunications equipment, clothing and apparel, food processing, paper products, and pharmaceuticals. Raleigh is part of North Carolina's Research Triangle, one of the country's largest and most successful research parks, and a major center in the United States for high-tech and biotech research, as well as advanced textile development. The city is a major retail shipping point for eastern North Carolina and a wholesale distributing point for the grocery industry. **Raleigh was number two on the 2018 Forbes list of the best place for businesses and careers.** Companies based in Raleigh include BB&T Insurance Services, Capitol Broadcasting Company, Carquest, First Citizens BancShares, Golden Corral, Martin Marietta Materials, Red Hat, Waste Industries, and Lulu. **The region is home to more than 700 foreign-owned companies encompassing every industry from healthcare to banking, IT and manufacturing. In the last year, nearly 8,000 jobs and \$271 million in investments have been announced in Wake County.**

TOP RALEIGH, NC MSA EMPLOYERS

Duke University & Duke Health Systems

State of North Carolina

Wake County Public School System

Wal-Mart

University of North Carolina at Chapel Hill

WakeMed Health & Hospitals

North Carolina State University

Food Lion

Target Stores

IBM



Downtown Raleigh



Downtown Raleigh

LEASE ABSTRACT

TENANT:

Dolgencorp, LLC

LEASE GUARANTOR:

Corporate

LEASE COMMENCEMENT:

August 1, 2003

LEASE EXPIRATION:

July 31, 2028

*Tenant exercised two (2) 5-year options in 2018.

REMAINING TERM:

8+ years

CURRENT BASE RENT:

\$5,320 per month/\$63,840 annually

OPTIONS:

Two (2), 5-year

OPTION RENT:

Option 1: \$5,960 per month/\$71,520 annually (8/1/28 - 7/31/33)

Option 2: \$6,675 per month/\$80,100 annually (8/1/33 - 7/31/38)

PARKING LOT MAINTENANCE:

Tenant agrees to pay Landlord \$379.17 per month during the [Current] Term, \$417.08 per month during the first option (if exercises), and \$455.00 per month during the second option (if exercised) as Tenant's sole contribution to Landlord for its cost of care and maintenance for the Parking Lot. Tenant shall be responsible for no other reimburse to Landlord relative to the Parking Lot other than the fixed Parking Lot Costs. Care and Maintenance shall include lighting, cleaning (defined as monthly cleaning), snow removal, striping, and repairs.

LANDLORD MAINTENANCE OBLIGATIONS:

Lessor shall maintain at its cost and expense in good condition and shall perform all necessary maintenance, repair, and replacement to the exterior of the premises including, but not limited to, the roof, all paved areas, foundation, structural floors, exterior and load bearing walls, exterior utility lines and pipes,

and all other structural portions of the building during the term of this Lease and any renewal periods.

TENANT MAINTENANCE OBLIGATIONS:

Lessee shall maintain and repair all plate glass windows and doors except when caused by latent defects, or Lessor, its agents, employees, or contractors. Lessee shall maintain and repair the interior of the Demised Premises during the term of this Lease and any renewal periods including, but not limited to all floor coverings, interior walls, and the ceiling system and shall return the building to Lessor thereafter in its same condition, ordinary wear and tear excepted.

FIXTURES & EQUIPMENT:

Lessor shall at all times furnish heating, lighting, plumbing and air condition equipment in the premises and shall be responsible for the cost of major repairs and replacement of all such equipment in the premises and shall be responsible for the cost of major repairs and replacement of all such equipment. Lessee shall be responsible for the entire cost of minor repairs (those less than \$1,000 per occurrence), routine maintenance and the first \$1,000 of major repairs (those more than \$1,000 per occurrence). Should Lessee fail to keep in place a preventive maintenance contract as required in Section 40 hereof, Lessee shall be responsible for any repairs necessitated by such failure.

UTILITIES:

Lessee shall pay for all utilities used by it in the Demised Premises during the term of this Lease and any renewal periods thereof.

ESTOPPEL CERTIFICATE:

Lessee to provide within ten (10) days after receipt of the request.

REAL ESTATE TAXES:

Lessee shall reimburse Lessor for general real estate taxes paid by Lessor for the Demised Premises.

INSURANCE:

Lessor agrees to carry comprehensive general liability insurance on the premises with a combined single limited for bodily injury, personal injury, and property damage of not less than \$2,000,000 per occurrence. Lessor further agrees to maintain fire, casualty and extended coverage insurance on the building in an amount equal to at least 80% of the insurable value of the property.

Lessee shall, at its sole cost and expense, pay the Insurance Provider directly for Lessor's Liability Insurance and Property Insurance.

HVAC PREVENTATIVE MAINTENANCE:

Lessee shall keep in force during the term hereof and any renewal periods a maintenance contract covering the HVAC system. The contract shall provide for quarterly servicing of all such equipment and annual cleaning of all coils.

TENANT SUMMARY

Dollar General Corporation is an American chain of variety stores headquartered in Goodlettsville, Tennessee. As of May 2019, Dollar General operated over 15,590 stores in 44 of the 48 contiguous United States. The company first began in 1939 as a family-owned business called J.L. Turner and Son in Scottsville, Kentucky by James Luther Turner and Cal Turner. In 1968 the name changed to Dollar General Corporation and the company went public on the New York Stock Exchange. Fortune 500 recognized Dollar General in 1999 and in 2019, they reached #119. Dollar General has grown to become one of the most profitable stores in the rural United States with revenue reaching around \$25.62 billion in 2019. The stores offer a wide variety of items, such as foods, snacks, health and beauty products, cleaning supplies, family apparel, housewares, seasonal items, and paper products.

DOLLAR GENERAL

| | |
|------------------------------|--------------------|
| Tenant Trade Name | Dollar General |
| Tenant | Dolgencorp, LLC |
| Lease Guarantor | Corporate |
| S&P Credit Rating | BBB/Stable |
| Moody's Credit Rating | Baa2 |
| Headquarters | Goodlettsville, TN |



15,590+
Locations



130,000+
Employees



\$40.23 BILLION
Market Capitalization
as of Q1 2020



#1 DISCOUNT STORE
In terms of revenue (2019)

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