

DOLLAR GENERAL

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Birmingham, AL 35224



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Marcus & Millichap

MOLLOY KAYE RETAIL GROUP

Actual Location

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TABLE OF CONTENTS

OFFERING HIGHLIGHTS	4
INVESTMENT OVERVIEW	5
SITE PLAN	6
PROPERTY PHOTOS	7
AERIALS	8-9
REGIONAL MAP	10
DEMOGRAPHICS	11
BIRMINGHAM OVERVIEW	12
LEASE ABSTRACT	13
TENANT SUMMARY	14

OFFERING HIGHLIGHTS

3150 Birmingham Road
Birmingham, AL 35224



\$1,158,075

Price



±9,014 | 1.45

SF | Acres



8.00%

Cap Rate



5+ YEARS

Remaining on
Current Term



NN

Lease



2011

Year Built



BBB/STABLE BOND RATING
Investment Grade

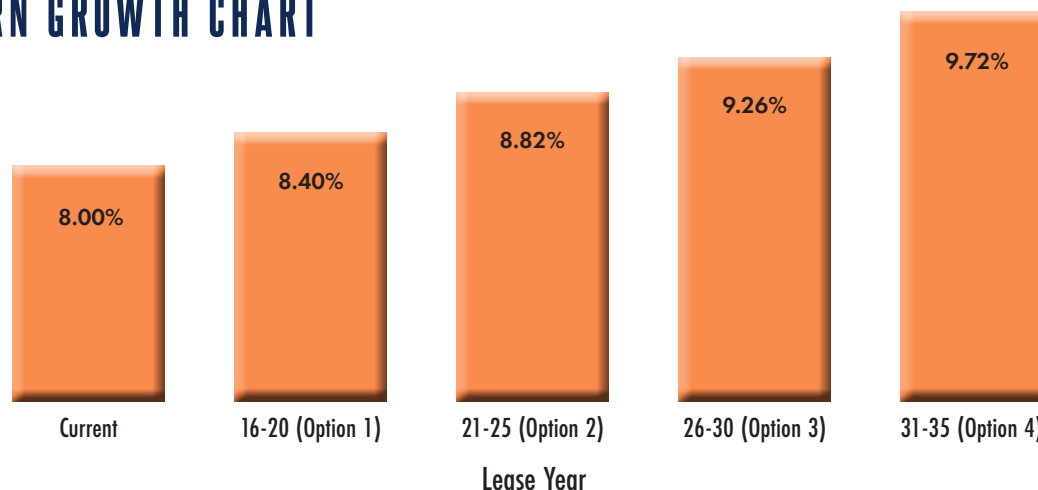
LEASE SUMMARY

Property Subtype:	Net Leased Discount
Tenant:	Dolgencorp, Inc. d/b/a Dollar General
Rent Increases:	5% Each Option
Guarantor:	Corporate
Lease Type:	NN
Lease Commencement:	January 14, 2011
Lease Expiration:	January 31, 2026
Initial Lease Term:	15 Years
Renewal Options:	Four (4), 5-Year

RENT ROLL

TERM	ANNUAL RENT	MONTHLY RENT	RENT/SF
Effective January 1, 2021 * (see below)	\$92,646.00	\$7,720.50	\$10.28
Years 16-20 (Option 1)	\$97,281.00	\$8,106.75	\$10.79
Years 21-25 (Option 2)	\$102,146.04	\$8,512.17	\$11.33
Years 26-30 (Option 3)	\$107,253.00	\$8,937.75	\$11.90
Years 31-35 (Option 4)	\$112,614.96	\$9,384.58	\$12.49

RETURN GROWTH CHART



*The current monthly rent is \$7,495.83. Effective January 1, 2021, the month rent bumps to \$7,720.50. At closing, Seller will credit Buyer the difference in rent.

INVESTMENT OVERVIEW

FUNDAMENTAL INVESTMENT & LEASE STRUCTURE

- Corporately guaranteed by Dollar General
- Built-to-suit construction completed in 2011
- Located at hard corner of signalized intersection
- Large ± 1.45 -acre parcel
- Low rent/SF of \$10.28
- 5% rental increase each option
- 5+ years remaining on base term with four, 5-year renewal options
- Highly dense market: 2,084 (1-mile), 14,749 (3-mile) & 80,464 (5-mile)

BEST-IN-CLASS TENANT

- Investment-grade credit rating of BBB/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

DOLLAR GENERAL'S COVID RESILIENCE

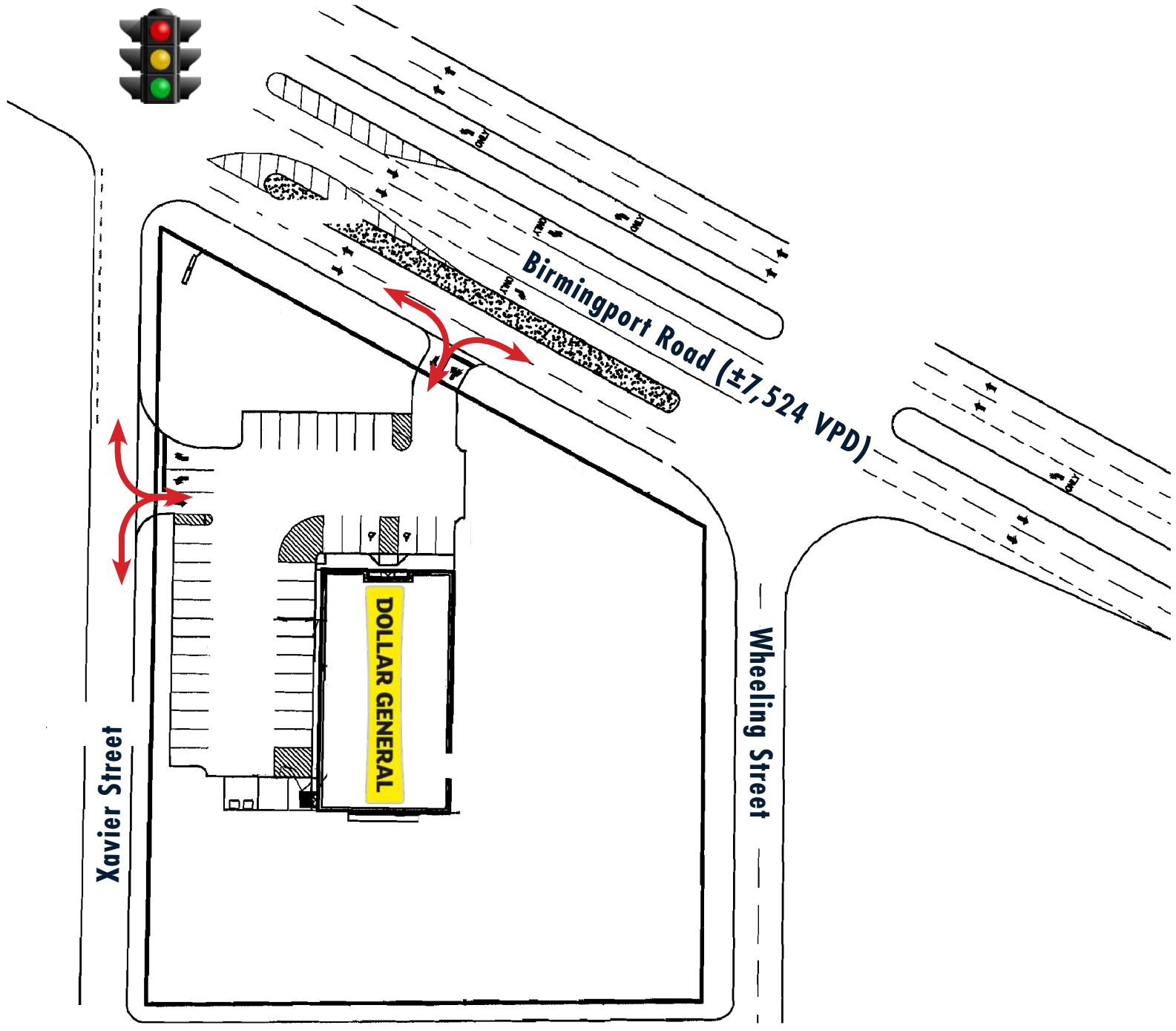
- Recession-resistant tenant
- Dollar General is considered one of the top "all weather" investment opportunities per Raymond James
- Q2 financial results:
 - › Continued growth on top and bottom lines
 - › Overall Q2 monthly comp sales increased 24.4% to \$8.7B
 - › Gross profit as a percentage of sales was 32.5%, an increase of 167 bps

BIRMINGHAM, AL MSA ADVANTAGE

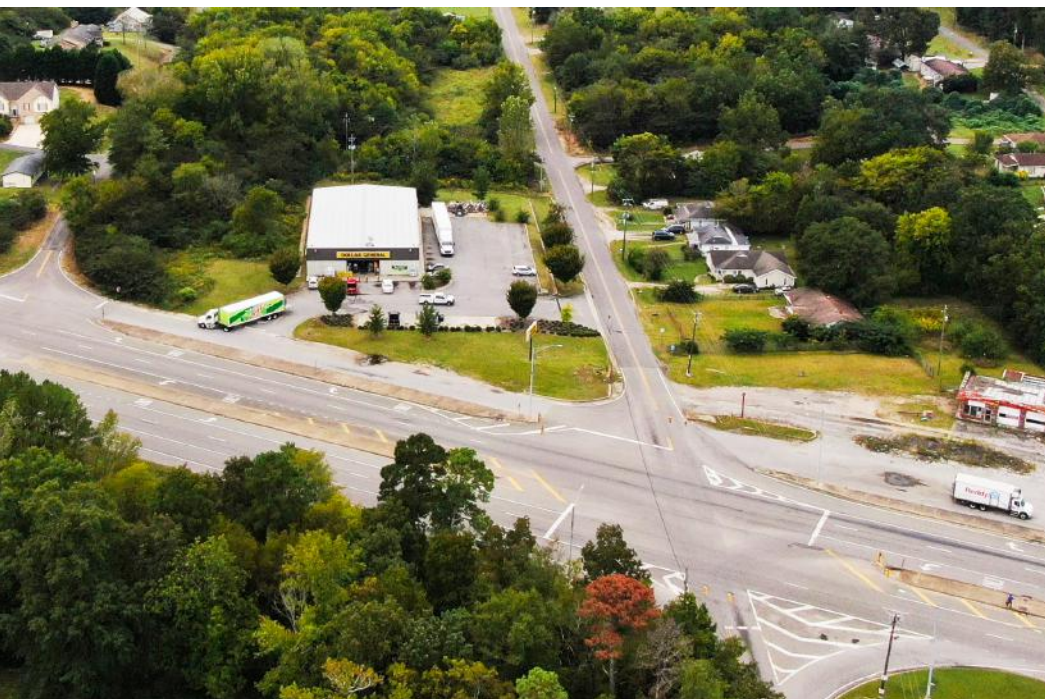
- Alabama has the #1 business climate in the nation (Business Facilities)
- Total population in the MSA exceeds 1.2 MM
- Five interstates (I-20, 22, 59, 65, and 459) provide access to over 250 million consumers, nearly 80 percent of the U.S., within a two-day drive
- Home to Fortune 500 Region's Bank and BBVA Compass Bank headquarters, employing a combined 13,000 workers in downtown Birmingham
- 26 accredited universities and colleges graduating a pipeline of over 20,000 prospective employees annually
- Major industries highlighted are steel, financial services, and telecommunication



SITE PLAN



PROPERTY PHOTOS



AERIAL

DOWNTOWN BIRMINGHAM

SUBJECT PROPERTY

DOLLAR GENERAL

DENSE
RESIDENTIAL
AREA

DENSE
RESIDENTIAL
AREA

BIRMINGPORT ROAD ($\pm 7,524$ VPD)



AERIAL



SUBJECT PROPERTY

DOLLAR GENERAL

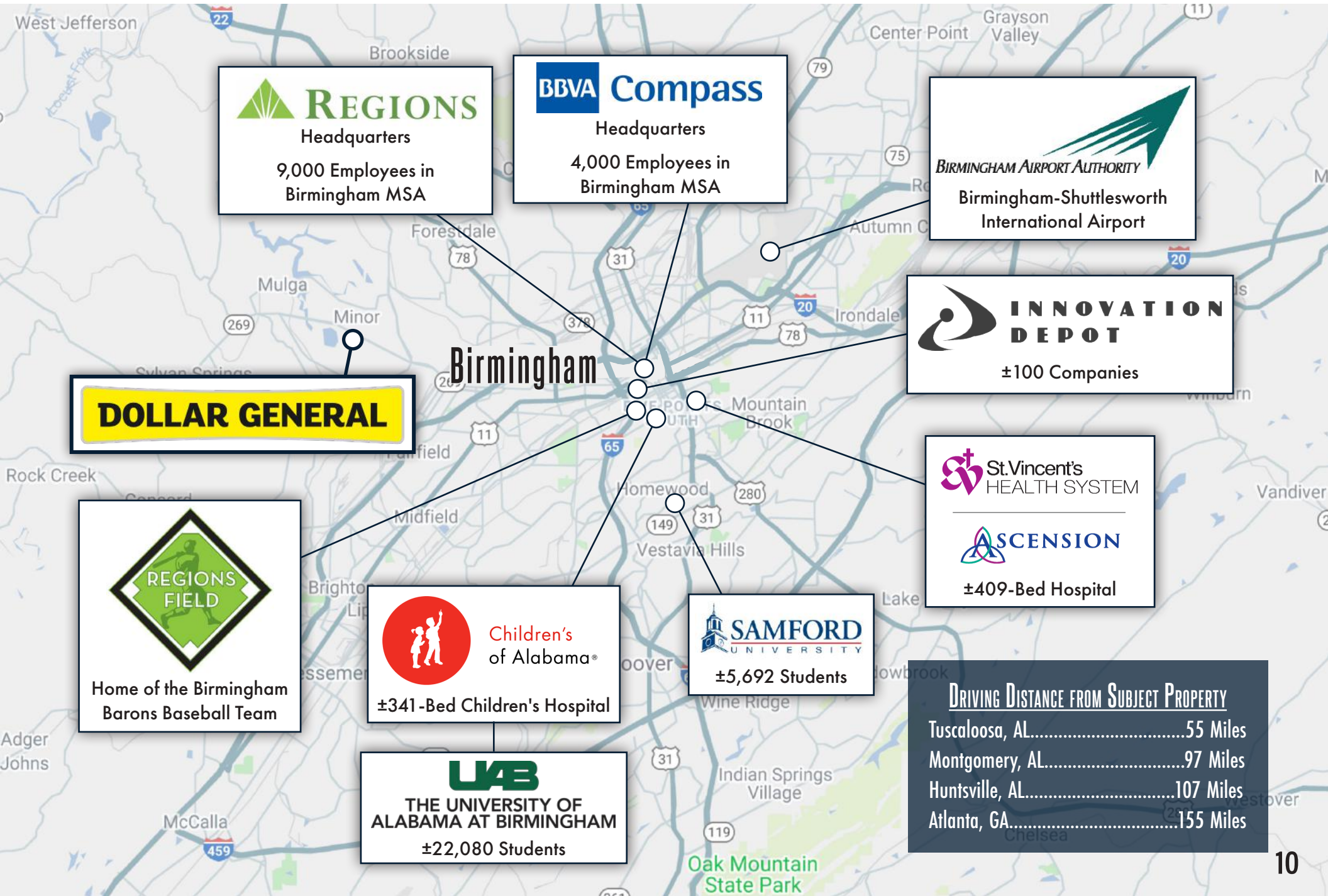
DENSE
RESIDENTIAL
AREA

DENSE
RESIDENTIAL
AREA

BIRMINGPORT ROAD ($\pm 7,524$ VPD)



REGIONAL MAP



Headquarters

9,000 Employees in
Birmingham MSA



Headquarters

4,000 Employees in
Birmingham MSA



BIRMINGHAM AIRPORT AUTHORITY

Birmingham-Shuttlesworth
International Airport



**INNOVATION
DEPOT**

±100 Companies

DOLLAR GENERAL



Home of the Birmingham
Barons Baseball Team



Children's
of Alabama®

±341-Bed Children's Hospital



SAMFORD
UNIVERSITY

±5,692 Students



**THE UNIVERSITY OF
ALABAMA AT BIRMINGHAM**

±22,080 Students



St. Vincent's
HEALTH SYSTEM



ASCENSION

±409-Bed Hospital

DRIVING DISTANCE FROM SUBJECT PROPERTY

Tuscaloosa, AL.....	55 Miles
Montgomery, AL.....	97 Miles
Huntsville, AL.....	107 Miles
Atlanta, GA.....	155 Miles

DEMOGRAPHICS

POPULATION

2020 Population

Daytime Population

HOUSEHOLDS

2020 Households

HOUSEHOLDS BY INCOME

\$200,000 or More

\$150,000 - \$199,999

\$100,000 - \$149,999

\$75,000 - \$99,999

\$50,000 - \$74,999

\$35,000 - \$49,999

\$25,000 - \$34,999

\$15,000 - \$24,999

\$10,000 - \$14,999

Under \$9,999

Average HH Income

1-MILE

2,084

1,147

800

0.78%

1.42%

5.17%

12.43%

25.28%

18.92%

9.38%

11.81%

6.37%

8.45%

\$52,788

3-MILE

14,749

10,542

5,643

0.95%

1.91%

7.18%

9.08%

21.68%

14.67%

12.43%

14.34%

7.63%

10.13%

\$51,137

5-MILE

80,464

60,805

30,663

0.84%

2.07%

8.45%

10.30%

20.02%

14.52%

11.69%

13.82%

8.16%

10.12%

\$52,264

POPULATION BY RACE

% White Population

% Black Population

% Asian

% American Indian,
Eskimo, Aleut Population

% Hawaiian or Pacific
Islander Population

% Multi-Race Population

% Other Population

2019 POPULATION 25+ BY EDUCATION LEVEL

Elementary (0-8)

Some High School (9-11)

High School Graduate (12)

Some College (13-15)

Associates Degree Only

Bachelors Degree Only

Graduate Degree

1-MILE

50.58%

46.14%

0.31%

0.19%

0.00%

1.63%

1.15%

1,480

4.63%

14.52%

38.71%

21.39%

6.03%

7.65%

2.11%

3-MILE

32.71%

64.89%

0.17%

0.31%

0.01%

1.23%

0.68%

9,897

3.03%

11.76%

36.61%

23.91%

10.96%

8.72%

2.88%

5-MILE

19.36%

78.48%

0.17%

0.20%

0.01%

0.94%

0.83%

54,179

2.53%

10.57%

33.10%

25.68%

10.25%

11.51%

5.13%

BIRMINGHAM, AL

Iron ore, coal, and limestone defined Birmingham more than 140 years ago. Today, the Magic City is a vibrant place of outstanding communities. Birmingham is home to world-class medical research, a celebrated food and arts scene, and the Birmingham Civil Rights National Monument. It is a community dedicated to fostering growth through a progressive business climate and a devotion to social justice. The city of Birmingham has a population of 209,880 (U.S. Census Bureau estimate, 2019) and is the central hub of the Birmingham-Hoover Metropolitan Area with a population of 1.1 million.

Founded on a culture of entrepreneurship and resiliency, Birmingham is home to a diverse and dynamic range of companies and communities. From multi-national corporations manufacturing next-generation vehicles to start-ups developing ground-breaking technologies, today's Birmingham continues to boast a diverse community of innovators. **Since 2011, the Birmingham region has announced over 19,400 new jobs and \$3.9 billion in capital investment. The Birmingham metropolitan area has more than 550 technology companies employing more than 6,300 skilled workers. The city is home to Innovation Depot, in which 112 startups are located throughout a sprawling 140,000-square-foot complex — the largest in the Southeast.** Birmingham is also seventh among the 150 largest US metros for percent increase in millennial residents (ages 25-34). The city's transportation network assists in drawing businesses to the area. Five interstates (I-20, 22, 59, 65, and 459) provide access to over 250 million consumers, nearly 80 percent of the U.S., within a two-day drive. The Port of Birmingham, a 184-acre inland port with 100-ton crane rivaling that of any inland port, connects companies to the Port of Mobile via the Black Warrior River and offers unique, central access to CSX, Norfolk Southern and BNSF railroad systems.

Birmingham is home to The University of Alabama at Birmingham (UAB), an internationally renowned research university and academic medical center known for its innovative and interdisciplinary approach to education. UAB ranks 15th in federally funded research among public universities. Birmingham is also home to Birmingham Southern College and two-year colleges Jefferson State and Lawson State.

TOP BIRMINGHAM MSA EMPLOYERS

University of Alabama at Birmingham (23,000)

Regions Financial Corporation (9,000)

St. Vincent's Health System (5,100)

Children's of Alabama (5,000)

AT&T (4,517)

Honda Manufacturing of Alabama (4,500)

Brookwood Baptist Health (4,459)

Jefferson County Board of Education (4,400)

City of Birmingham (4,200)

Mercedes-Benz U.S. International, Inc. (3,600)



Birmingham, AL



Regions Field



12
University of Alabama at Birmingham

LEASE ABSTRACT

DOLLAR GENERAL

TENANT'S PARKING AREA MAINTENANCE PAYMENT:

From the Commencement Date through the end of the calendar year of the year in which the Tenant opens for business in the Demised Premises, Tenant shall pay three hundred and 00/100 (\$300.00) dollars per month as the estimated "Parking Area Maintenance Contribution". The Parking Area Maintenance Contribution shall include only "Permitted Costs" as defined in Section 3. Commencing with the calendar year next following the calendar year in which the Commencement Date occurs, Landlord will furnish to Tenant an estimate of the amount that will be payable by Tenant for such calendar year for the Parking Area Maintenance Contribution.

PARKING AREA MAINTENANCE:

Tenant will reimburse Landlord for the actual, reasonable costs of the maintenance and repair (but not replacement) of certain aspects of the Parking Areas; excluding, however, all replacement costs or costs that constitute a capital expenditure and expressly excluding any costs which would have been reimbursed or paid for by insurance proceeds had Landlord maintained the insurance required under this Lease or any cost or expense relating to the administration or management of Landlord's maintenance, repair and replacement obligations hereunder. Tenant will reimburse Landlord for the following maintenance and repair costs: maintenance of grassed and landscaped areas including irrigation systems, if any; maintenance of any fencing required to be erected pursuant to the Scope of Work, if any; illuminating the Parking Areas; cleaning, snow removal, repair (excluding capital expenditures), maintenance and striping of Parking Areas; and light pole repairs (collectively, the "Permitted Costs").

LANDLORD MAINTENANCE OBLIGATIONS:

Landlord shall maintain, repair and replace, at its sole cost and expense, all structural and exterior aspects of the Demised Premises; the roof, gutters and downspouts; the building walls, storefront, facade and canopy; all exterior utility lines and facilities; and all electrical lines serving the pylon sign. Landlord shall further maintain, repair and replace all aspects of the Parking Areas including, without limitation, all paved and grassed or landscaped areas (including regular mowing and replacement of dead landscaping) and irrigation systems. Without limiting the foregoing, Landlord agrees to keep the Parking Areas in good condition, order and repair; to promptly remove snow and ice from the Parking Areas; and to keep all lighting standards in good operating order, all in order to keep the Parking Areas lighted during hours of darkness; and to keep the Parking Areas properly paved and striped to assist in the orderly parking of cars. Notwithstanding the foregoing, repairs necessitated by the negligence or willful act of Tenant, its employees, agents or contractors shall be the responsibility of the Tenant.

TENANT MAINTENANCE OBLIGATIONS:

Tenant shall be responsible for damage to plate glass windows and doors

except when caused by latent defects or by Landlord, its agents, employees or contractors. Tenant is responsible for light bulb replacement in the Parking Areas. Tenant shall maintain and repair the non-structural aspects of the interior of the building during the term of this Lease and shall return the non-structural aspects of the interior of the building to Landlord at the end of the term in good condition, ordinary wear and tear expected. Tenant will also maintain and replace (if necessary) Tenant's sign panels and maintain the pylon sign foundation, sign base and sign pole.

HVAC MAINTENANCE:

Landlord shall install the HVAC equipment specified in the Tenant's Criteria and deliver warranty required with respect to the HVAC. Tenant will maintain, repair and replace the HVAC equipment at its expense; provided; however, in the event of a replacement of the HVAC equipment within the last two (2) years of the term of this Lease, the replacement cost will be amortized over ten (10) years and Tenant shall be responsible for an amount equal to (i) the number of months remaining in the term divided by 120, multiplied by (ii) the cost of the replacement of the HVAC equipment. Recognizing that, at the time of such replacement of the HVAC equipment, Tenant may not have determined if it will exercise any available extension option hereunder, Landlord and Tenant agree as follows: (a) if Tenant advises Landlord at the time of such replacement that Tenant waives its extension right, Landlord will pay its share at the time of replacement; (b) if Tenant does not waive its extension right, Tenant will initially pay the costs of the replacements. If Tenant later exercises an extension option, Tenant will be responsible for all costs. If Tenant later declines to extend this Lease, Landlord will pay its share to Tenant within thirty (30) days of request from Tenant.

INSURANCE:

Tenant has designated a national insurance provider (the "Insurance Provider") for the purpose of providing consistency in the coverage required herein. Accordingly, without exception, Landlord must obtain the insurance coverage required in this section 4(i) through the insurance provider. Tenant shall, at its sole cost and expense, pay the Insurance Provider directly for Landlord's Liability Insurance and Property Insurance.

At all times during the Lease term, Tenant shall, at its sole cost, carry and maintain commercial general liability insurance in a commercially reasonable amount insuring Tenant (and Landlord as an additional insured) against claims for injury, wrongful death or property damage occurring within Tenant's building located in the Demised Premises. Tenant may provide the insurance herein required, including any election by Tenant to carry the "special cause of loss" policy as provided in Section 4 above, in any blanket policy or policies which it carries.

REAL ESTATE TAXES:

Tenant shall reimburse Landlord for the ad valorem taxes payable with respect to the Demised Premises within forty-five (45) days after receipt of Landlord's paid receipt for such taxes.

UTILITIES:

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

ASSIGNMENT & SUBLETTING:

Tenant may assign, sublet and mortgage its interest in the Demised Premises at any time without the consent of Landlord; provided, however, Tenant shall give written notice to Landlord within ten (10) business days after any assignment or subletting and in all events Tenant shall remain liable hereunder notwithstanding such assignment or subletting. Landlord shall have no rights to assign any or all of Landlord's obligations or interest in this Lease prior to the Commencement Date to any entity not controlled by Landlord.

ESTOPPEL:

Upon the reasonable request of either party, Landlord and Tenant agree to execute and deliver to the other, within twenty (20) days after the receipt of the request, a written instrument in the form of Exhibit H.

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)

DOLLAR GENERAL

3150 Birmingham Road
Birmingham, AL 35224



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