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Dollar Geneal

55 KY-801, Morehead, KY 40351

Marcus Millichap

DOLLAR GENERAL

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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.

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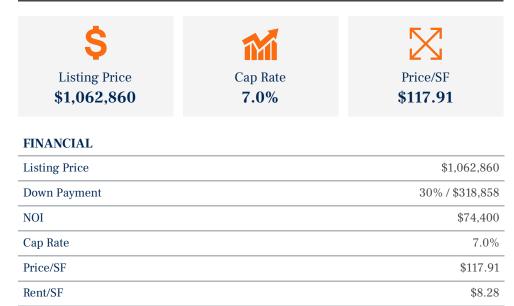
SECTION 1

Executive Summary

OFFERING SUMMARY

INVESTMENT HIGHLIGHTS

OFFERING SUMMARY



OPERATIONAL

| Lease Type | Double Net |
|------------------|---------------------|
| Guarantor | Corporate Guarantee |
| Lease Expiration | 03/31/2030 |
| Gross SF | 9,014 SF |
| Rentable SF | 9,014 SF |
| Year Built | 2010 |
| Occupancy | 100% |
| Lot Size | 1.15 Acres |



DOLLAR GENEAL 55 KY-801, Morehead, KY 40351

INVESTMENT OVERVIEW

The Hurd Net Lease Group of Marcus & Millichap is pleased to exclusively offer for sale the Dollar General located at 55 KY-801 in Morehead, Kentucky. This investment is being offered at \$1,062,860 which represents a 7 percent capitalization rate on current income.

This site was built to suit for Dollar General in 2010 and encumbered by an original 15 year lease agreement. The tenant has demonstrated their continued commitment to this location by extending the lease early through March of 2030. The lease structure allows for minimal landlord responsibilities of roof, structure and parking lot replacement. Dollar General is responsible for the cost of common area maintenance, parking lot repairs, HVAC repairs and replacement, insurance and real estate taxes. The lease agreement is corporately backed by Dolgen. Corp, which boasts a BBB credit rating by the Standard & Poor's.

Morehead, Kentucky is located in Rowan County along I-64 and US-60. The immediate population has experienced 23 percent growth since 2000 and is projected to continue this trend through 2025. Furthermore, the town is home to Morehead State University which currently has 10,654 enrolled students.

INVESTMENT HIGHLIGHTS

Recent lease renewal through March 31, 2030 Double net lease with minimal landlord responsibilities Tenant assumes responsibility for repairs and replacement of HVAC units Direct exposure to KY-801 which see over 8,450VPD Desirable 1.15 acre corner parcel with 2 points of access Ideal dollar store demographics with 6,350+ residents within a 5 mile radius SECTION 2

Market Overview

MARKET OVERVIEW

DEMOGRAPHICS

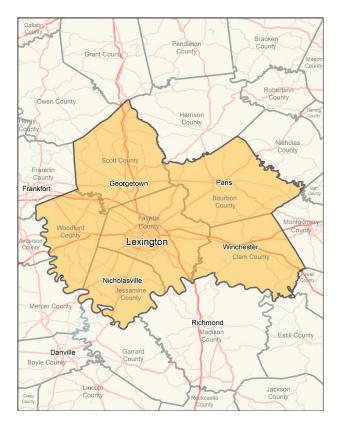
REGIONAL MAP

LOCAL MAP

RETAILER MAP

LEXINGTON

The Lexington area is known as the horse capital of the world and is home to two racetracks and the Kentucky Horse Park. The market is located about 70 miles east of the state capitol in Frankfort and about an hour south of Cincinnati. Louisville and the Kentucky Derby are approximately 80 miles to the west. The metro is composed of Bourbon, Clark, Fayette, Jessamine, Scott and Woodford counties, and over the next five years it is expected to grow at a faster pace than that of the U.S.



METRO HIGHLIGHTS



MANUFACTURING INDUSTRY

Manufacturing serves an important role in the local economy with products ranging from composite material to aromatherapy merchandise.

HIGHER EDUCATION

Major post-secondary institutions in the area include the University of Kentucky, Transylvania University and Bluegrass Community and Technical College.

CORPORATE PRESENCE

Several headquarters are located in Lexington, including Lexmark International, A&W Restaurants and Temper Sealy International.

ECONOMY

- The metro has a highly educated workforce with more than a third of the population having a bachelor's degree or higher.
- Manufacturing has a strong presence in Lexington. The largest is Toyota Motor, which employs over 8,000 workers in its plant. Other notable manufacturers include Lockheed Martin, Hitachi Automotive Services, Webasto Roof Systems and Trane Lexington.
- Lexington is also home to the JIF manufacturing plant, reportedly the largest peanut butter manufacturing facility in the world. The fast-food chain Fazoli's is also headquartered in the metro.

DEMOGRAPHICS

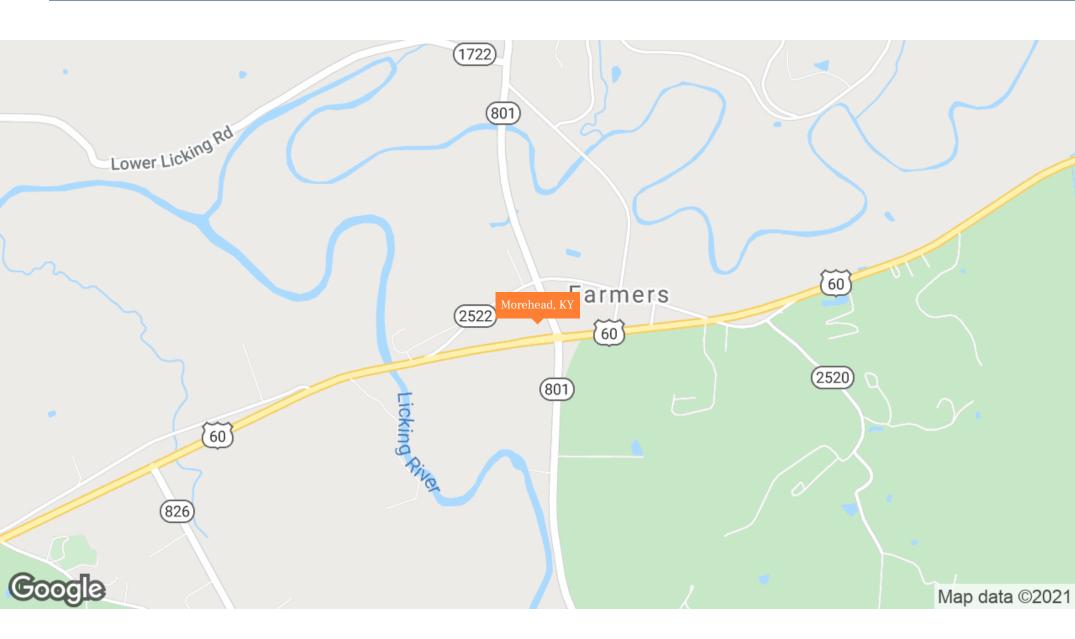


* Forecast Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau

10 | MARKET OVERVIEW

| | | 4.8481- | 0 Miles | |
|-----------------------------------------------|---------------------------------|----------|-----------|-----------|
| | POPULATION | 1 Mile | 3 Miles | 5 Miles |
| | 2025 Projection | 430 | 2,432 | 6,196 |
| | 2020 Estimate | 427 | 2,435 | 6,160 |
| | 2010 Census | 407 | 2,358 | 5,920 |
| | 2000 Census | 358 | 2,043 | 5,133 |
| | HOUSEHOLD INCOME | | | |
| | Average | \$57,209 | \$65,357 | \$62,099 |
| | Median | \$40,839 | \$46,809 | \$44,549 |
| | Per Capita | \$24,974 | \$27,381 | \$25,984 |
| | HOUSEHOLDS | | | |
| 122 | 2025 Projection | 190 | 1,030 | 2,617 |
| | 2020 Estimate | 186 | 1,020 | 2,576 |
| 252 | 2010 Census | 177 | 985 | 2,467 |
| 2520 | 2000 Census | 151 | 839 | 2,109 |
| | HOUSING | | | |
| | Median Home Value | \$94,679 | \$110,131 | \$111,633 |
| | EMPLOYMENT | | | |
| | 2020 Daytime Population | 228 | 1,238 | 4,004 |
| Daniel/Boone National/Forest | 2020 Unemployment | 5.64% | 4.21% | 4.58% |
| | Average Time Traveled (Minutes) | 25 | 27 | 26 |
| | RACE & ETHNICITY | | | |
| | White | 96.67% | 96.78% | 96.55% |
| | Native American | 0.17% | 0.13% | 0.12% |
| Pioneer Weapons Wildlik Management Area | African American | 0.61% | 0.75% | 0.73% |
| | Asian/Pacific Islander | 0.39% | 0.28% | 0.44% |

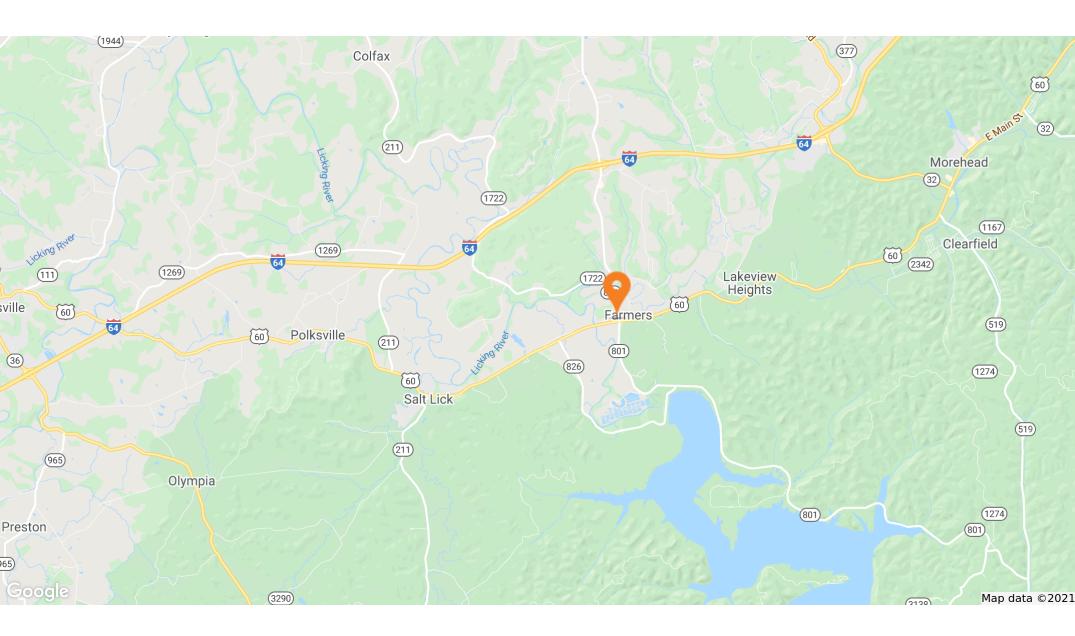
REGIONAL MAP // Dollar Geneal





MARKET OVERVIEW | 13

RETAILER MAP // Dollar Geneal



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Financial Analysis

FINANCIAL DETAILS

BROKER OF RECORD

FINANCIAL DETAILS // Dollar Geneal

THE OFFERING

| Price/SF | \$117.91 |
|------------------------|------------|
| Year Built / Renovated | 2010 |
| Gross Leasable Area | 9,014 SF |
| Type of Ownership | Fee Simple |
| Lot Size | 1.15 Acres |

| RENT SCHEDULE | | | | |
|---------------|-------------|--------------|---------|----------|
| Term | ANNUAL RENT | MONTHLY RENT | RENT/SF | CAP RATE |
| Current | \$74,400 | \$6,200 | \$8.25 | 7.00% |
| Option 1 | \$81,840 | \$6,820 | \$9.08 | 7.70% |
| Option 2 | \$90,024 | \$7,502 | \$9.99 | 8.47% |
| Option 3 | \$99,026 | \$8,252 | \$10.99 | 9.32% |
| Option 4 | \$108,929 | \$9,077 | \$12.08 | 10.25% |
| Option 5 | \$119,822 | \$9,985 | \$13.29 | 11.27% |

LEASE SUMMARY

| Tenant | Dolgen Corp. |
|-------------------------------|---------------------------------|
| Rent Increases | In options |
| Guarantor | Corporate Guarantee |
| Lease Type | Double Net |
| Lease Commencement | 3/1/2010 |
| Lease Expiration | 03/31/2030 |
| Renewal Options | Five, five year renewal options |
| Term Remaining on Lease (Yrs) | 8.9 |
| Landlord Responsibility | Roof/Structure/Parking Lot |
| Tenant Responsibility | Taxes/Insurance/CAM/HVAC |

| ANNUALIZED OPERATING INFORMATION | |
|--------------------------------------------------------------------------------|-------------------------|
| INCOME | |
| Base Rental Income | \$74,400 |
| Operating Expense Reimbursement | \$3,696 |
| Gross Income | \$78,096 |
| Operating Expenses | \$3,696 |
| Net Operating Income | \$74,400 |
| OPERATING EXPENSES | |
| Taxes | \$(|
| Insurance | \$0 |
| CAM | \$3,696 |
| Notes: Dollar General pays \$308/month as an estimated CAM contribution wh | ich is reconciled |
| annually. Tenant reimburses landlord for real estate taxes. Insurance is cover | ed under Dollar General |
| National Insurance Program. Landlord will be reimbursed for the actual, reas | obable cost of repairs |
| and maintenance on the property. HVAC repairs, maintenance and replaceme | ent will be at the cost |
| of the tenant. | |
| Total Expenses | \$3,696 |
| Total Expenses/SF | \$0.41 |

1: Assumes Total Expenses remain constant. Please see agent for details.

| CAP RATE | PRICE | PRICE/SF | CASH-ON-CASH | LEASE SUMMARY | |
|----------------------------------|-------------|----------|--------------|--------------------|-----------------------|
| 7.00% | \$1,062,860 | \$117.91 | 10.39% | Tenant: | Dolgen Corp. |
| | | | | Guarantor: | Corporate Guarantee |
| OPERATING INFORMATION | | | | Credit Rating: | BBB |
| Year 1 Net Operating Income | | | \$74,400 | Rent Commencement: | 3/1/2010 |
| Rent/SF | | | \$8.25 /SF | Lease Expiration: | 3/31/2030 |
| Gross Leasable Area | | | 9,014 SF | | |
| | | | | | 2030-2035 @ \$81,840 |
| FINANCING | | | | | 2035-2040 @ \$90,024 |
| New Acquisition Financing | | | \$744,002 | Options: | 2040-2045 @ \$99,026 |
| Loan To Value | | | 70.00% | | 2045-2050 @ \$108,929 |
| Interest Rate | | | 4.00% | | 2050-2055 @ \$119,822 |
| Amortization Period | | | 25 | Lease Type: | Double Net |
| Loan Constant | | | 6.33% | Base Rent: | \$8.25 /SF |
| Annual Debt Service Payment | | | (\$47,125) | | \$751.17 /SF/Month |
| Debt Yield | | | 10.00% | | \$74,366 Annual Rent |
| Net Cash Flow After Debt Service | | | \$31,719 | Rent Increases: | In options |

BROKER OF RECORD

Colby Haugness Kentucky #242197

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