



The ESS Group, Inc.



NET LEASE INVESTMENT PROPERTY | OFFERING MEMORANDUM

RELOCATION "PLUS" DOLLAR GENERAL – DOTHAN, ALABAMA MSA

55 DECATUR ROAD | COTTONWOOD, ALABAMA 36320

**ASSUMABLE NON RECOURSE FINANCING -
10/30 3.99% INTEREST ONLY FOR 3 YEARS**

DISCALIMER

DOLLAR GENERAL

55 DECATUR ROAD, COTTONWOOD, ALABAMA 36320

The Offering Memorandum contains select information pertaining to the business and affairs of Dollar General ("Property"). It has been prepared by The ESS Group, Inc. We have obtained the information from sources we believe to be reliable. However, we have not verified its accuracy and make no guarantee, warranty or representation about it. It is submitted subject to the possibility of errors, omissions, change of price, rental or other conditions, prior sale, lease or financing, or withdrawal without notice. You and your tax and legal advisors should conduct your own investigation of the Property and transaction. This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

Owner and The ESS Group, Inc. expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to the prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executive Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or The ESS Group, Inc. or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or cause of action relating to this solicitation process or the marketing or sale of the Property.

BY ACCEPTING THIS CONFIDENTIAL OFFERING MEMORANDUM, YOU AGREE TO RELEASE THE ESS GROUP, INC. AND HOLD IT HARMLESS FROM ANY KIND OF CLAIM, COST, EXPENSE, OR LIABILITY ARISING OUT OF YOUR INVESTIGATION AND/OR PURCHASE OF THIS NET LEASED PROPERTY. EACH PARTY SHALL CONDUCT ITS OWN INDEPENDENT INVESTIGATION AND DUE DILIGENCE.

EXECUTIVE SUMMARY

DOLLAR GENERAL

55 DECATUR ROAD, COTTONWOOD, ALABAMA 36320

The ESS Group is pleased to exclusively market for sale a single tenant net leased Dollar General PLUS investment located in Cottonwood, Alabama. The investment features a brand new 2021 construction building leased to Dollar General with a corporate guarantee. The initial lease term is for 15 years with rent commencement in December 2021. There are 5 options to extend, each is 5 years long and each triggers a 10% rent increase. There are no termination rights and the lease is an absolute NNN with no landlord responsibilities, being a completely passive real estate investment. This is a rare 10,640 SF Relocation PLUS store, which replaces an older store with high sales volume in a proven market. The additional space is used for more frozen foods and a larger grocery section.

Cottonwood, Alabama is a city within Houston County, which includes the Dothan, AL Metropolitan Statistical Area (MSA), situated in southeastern Alabama. According to a 2020 census by the U.S. Census Bureau, the population of the metropolitan area was 151,007. The Dothan, AL MSA is the main commercial and transportation hub for a portion of southeastern Alabama, southwest Georgia, and northern portions of the Florida Panhandle. The region produces approximately one fourth of the U.S. peanut crop, with a large portion of its being produced in the city of Dothan, which is located 10 miles north of Cottonwood. Cottonwood has a strategic location near notable economic hubs, with convenient connections to well-traveled transportation networks. The region's economic development has a direct influence on the town's employment base. Cottonwood has a stable economy supported by ongoing residential development and the retail sector.

Dollar General is an essential business and a recession-proof investment. It delivers everyday low prices on items including food, snacks, health and beauty aids, cleaning supplies, basic apparel, housewares, seasonal items, paper products and much more from America's most-trusted brands and products, along with Dollar General's high-quality private brands. Dollar General is an investment grade rated company and is publicly traded on the New York Stock Exchange (Symbol: DG) with a market capitalization in excess of \$54 billion. Dollar General operates over 17,000 stores in 46 states and was ranked 91 on the 2021 Fortune 500 list.

INVESTMENT HIGHLIGHTS

DOLLAR GENERAL

55 DECATUR ROAD, COTTONWOOD, ALABAMA 36320

BRAND NEW 2021 DEVELOPMENT

This is a brand new 2021 construction

CORPORATELY GUARANTEED

The lease is corporately guaranteed by Dollar General, a Fortune 100 Company (ranked 91 in 2021)

LONG TERM LEASE

The lease features a full 15 years lease with multiple options to renew

ZERO LANDLORD RESPONSIBILITIES

This is an absolute NNN lease with zero landlord responsibilities or expenses

RARE RELOCATION PLUS PROTOTYPE

This is a Relocation PLUS store, with proven market sales and a higher store size to accommodate high demand for fresh and frozen foods

CORNER ENTRY FEATURING HIGH TRAFFIC COUNTS

This Dollar General is ideally located on the corner of Highway 231, which is considered to be one of the primary thoroughfares in the area, with traffic counts of 13,576 VPD

DOTHAN MSA

The subject property is located in Dothan MSA, which is the center of commerce, education, industry, health care, and entertainment for the region

INVESTMENT SUMMARY

DOLLAR GENERAL

55 DECATUR ROAD, COTTONWOOD, ALABAMA 36320

| | |
|---------------------------|--------------------|
| PRICE | \$2,044,219.20 |
| CAP RATE | 5.00% |
| NET OPERATING INCOME | \$102,210.96 |
| BUILDING SIZE | 10,640 SF |
| LOT SIZE | 1.75 Acres |
| LEASE TYPE | NNN |
| LANDLORD RESPONSIBILITIES | None |
| YEAR BUILT | 2021 |
| LEASE TERM | 15 Years |
| RENT COMMENCEMENT DATE | December 7, 2021 |
| RENT EXPIRATION DATE | December 31, 2036 |
| RENT EXTENSION OPTIONS | 5 x 5 |
| RENT INCREASES | 10% During Options |
| OWNERSHIP TYPE | Fee Simple |
| TENANT | Dollar General |
| LEASE GUARANTOR | Corporate |



FINANCIAL ANALYSIS

DOLLAR GENERAL

55 DECATUR ROAD, COTTONWOOD, ALABAMA 36320

ASSUMABLE FINANCING

| | |
|---|--|
| LOAN AMOUNT | \$1,393,791 |
| LOAN TO VALUE (LTV) | 68% |
| LOAN TERM | 10 Years Fixed Term/ Maturity February 2032 |
| AMORTIZATION | 30 Years |
| FIXED INTEREST RATE | 3.99% |
| INTEREST ONLY | First 3 Years |
| LOAN ASSUMPTION FEE | 1%/\$13,937 |
| RECOURSE | NON RECOURSE/No Personal Guarantee |
| ANNUAL CASH FLOW (FIRST 3 YEARS) | \$46,696 |
| CASH ON CASH RETURN (FIRST 3 YEARS) | 7.15% |
| ANNUAL CASH FLOW WITH PRINCIPAL REDUCTION (AFTER FIRST 3 YEARS) | \$22,597 |
| CASH ON CASH RETURN WITH PRINCIPAL REDUCTION (AFTER FIRST 3 YEARS) | 3.46% |



AREA MAP

DOLLAR GENERAL

55 DECATUR ROAD, COTTONWOOD, ALABAMA 36320

DOTHAN, ALABAMA
10 MILES AWAY

**NATIONAL PEANUT
FESTIVAL ASSOCIATION –
OVER 200,000 VISITORS
PER YEAR**

DOLLAR GENERAL

13,576 VPD



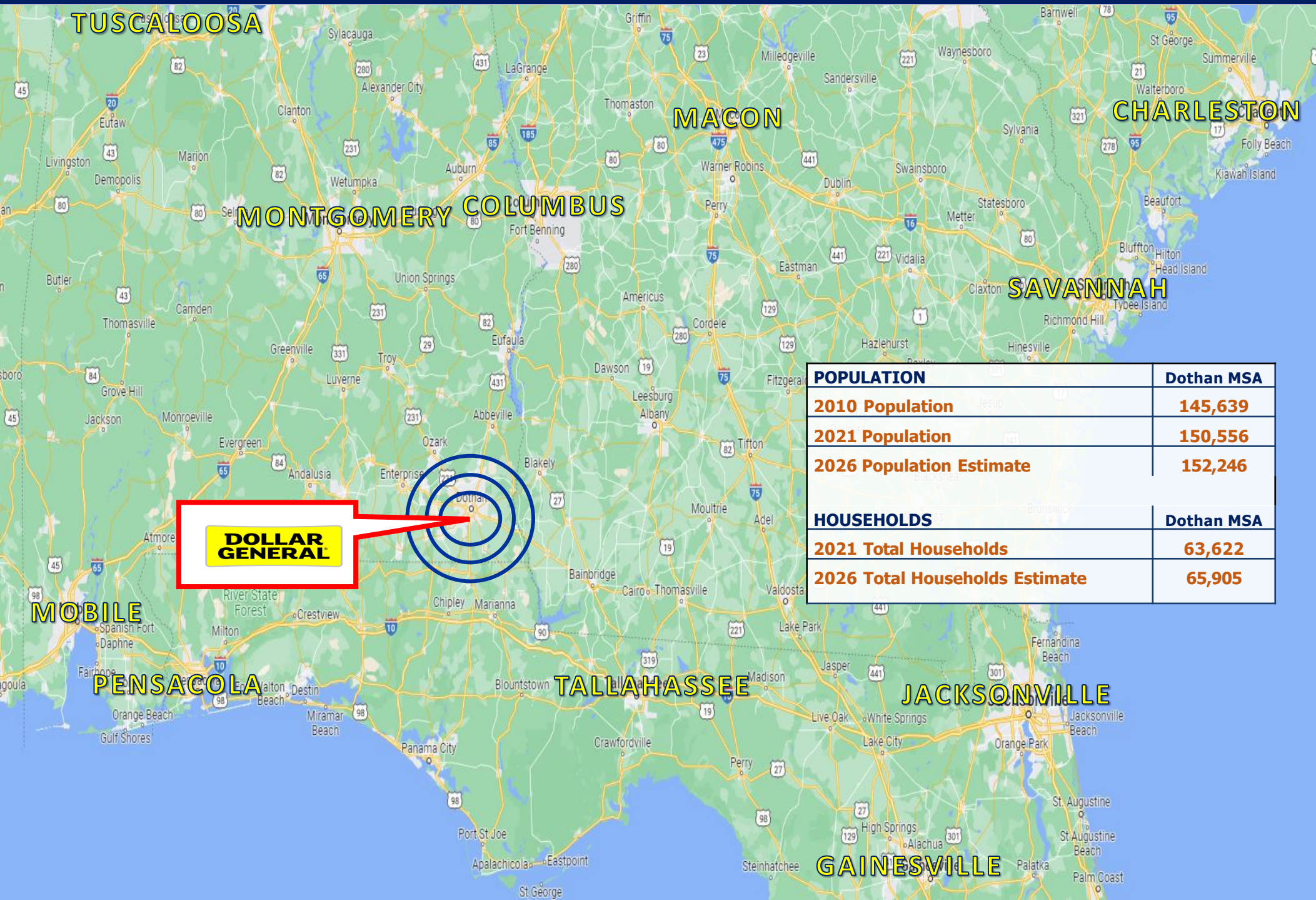
**ALABAMA/FLORIDA
STATE LINE
2 MILES AWAY**



DEMOGRAPHICS

DOLLAR GENERAL

55 DECATUR ROAD, COTTONWOOD, ALABAMA 36320



| POPULATION | Dothan MSA |
|--------------------------------|------------|
| 2010 Population | 145,639 |
| 2021 Population | 150,556 |
| 2026 Population Estimate | 152,246 |
| HOUSEHOLDS | Dothan MSA |
| 2021 Total Households | 63,622 |
| 2026 Total Households Estimate | 65,905 |

LOCATION OVERVIEW

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Cottonwood has a strategic location near notable economic hubs, with convenient connections to well-traveled transportation networks. The region's economic development has a direct influence on the town's employment base. Cottonwood has a stable economy supported by ongoing residential development and the retail sector.



TENANT PROFILE

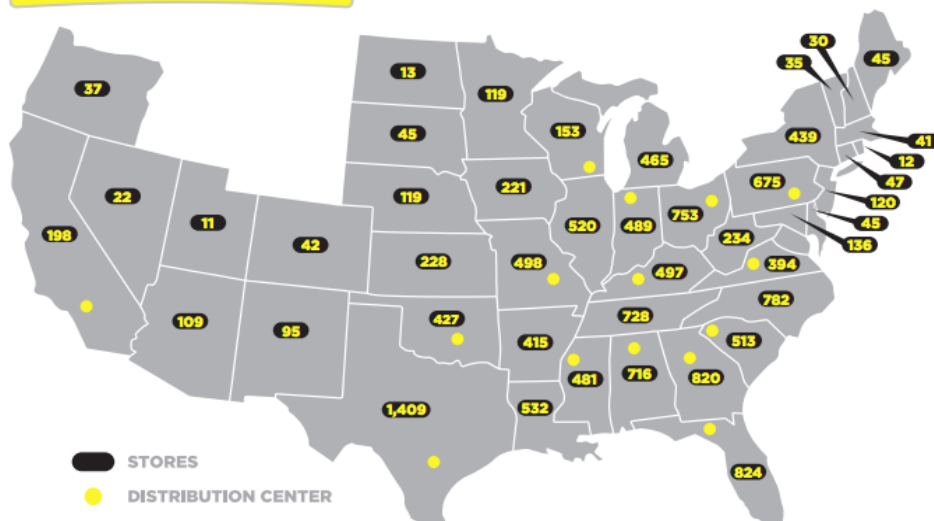
DOLLAR GENERAL

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| | |
|-------------------|----------------|
| TENANT TRADE NAME | Dollar General |
| TENANT OWNERSHIP | Public |
| STOCK SYMBOL | NYSE: DG |
| NUMBER OF STORES | 17,000+ |
| CREDIT RATING | BBB |
| REVENUE | \$33B+ |
| MARKET CAP | \$54B |
| FORTUNE 500 | 91 |

Dollar General (NYSE: DG) is an American chain of variety stores headquartered in Goodlettsville, Tennessee. As of December 2020, Dollar General operated 17,177 stores in 46 states. Dollar General offers products that are frequently used on a day by day basis, such as food, household items, cleaning supplies, clothing for the family and housewares low prices. Dollar General sells high quality private brands and products from America's most trusted and well-known manufacturers. Dollar General is the largest dollar store chain retailer. Fortune 500 recognized Dollar General in 1999 and in 2021 it was ranked 91. Dollar General has grown to become one of the most profitable stores in the rural United States with revenue reaching \$33 billion in 2021. Fiscal year 2018 represented Dollar General's 29th consecutive year of same-store sales growth. Dollar General believes that this growth, regardless of economic conditions, suggests that Dollar General has a less cyclical model than most retailers and is a result of their compelling value and convenience proposition. Dollar General's ability to effectively deliver both value and convenience allows them to succeed in small markets with limited shopping alternatives, as well as to profitably coexist alongside retailers in more competitive markets, making Dollar General an attractive option for investors and financial institutions, as an essential business and especially in recession times.

DOLLAR GENERAL IN 44 STATES



EXCLUSIVELY MARKETED BY:

THE ESS GROUP, INC.

NNN SINGLE TENANT INVESTMENTS



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