

DOLLAR GENERAL®

5231 STATE HIGHWAY 198, LOG CABIN, TX 75148



ACTUAL PROPERTY

OFFERING MEMORANDUM

MATTHEWS
REAL ESTATE INVESTMENT SERVICES

EXCLUSIVELY LISTED BY

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MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

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AREA OVERVIEW

INVESTMENT HIGHLIGHTS

LEASE & LOCATION HIGHLIGHTS

- 2013 build-to-suit construction for Dollar General
- Extremely rare rent increase during the base term (will occur on 8/1/2023)
- Absolute NNN Lease – Zero Landlord Responsibilities
- Corporately guaranteed lease
- 5-Mile population of $\pm 12,500$ residents
- Average household income of $\pm \$68,000$ annually (considered to be Dollar General's "sweet-spot")
- Located 65 miles Southeast of Dallas and 40 miles West of Tyler
- Log Cabin is located along the south side of Cedar Creek Reservoir Lake, a popular summer destination for ten of thousands annually
- Texas is one of nine income tax-free states

TENANT HIGHLIGHTS

- Dollar General is an "essential retailer" and has proven to be one of the most profitable companies through the COVID pandemic
- Dollar General has approx. 18,000 locations and plans to continue their expansion for the foreseeable future
- Dollar General has an investment-grade credit rating of BBB (S&P) and has reported 31 consecutive years of same-store sales growth



FINANCIAL OVERVIEW



\$1,504,192

LIST PRICE



±9,026 SF

GLA



5.70%

CAP RATE

BUILDING INFO

| | |
|---------------|--|
| | |
| Address | 5231 State Highway 198, Log Cabin, TX 75148 |
| Year Built | 2013 |
| SF | ±9,026 SF |
| Lot Size (AC) | ±1.49 AC |

TENANT SUMMARY

| | |
|-----------------------------|----------------------------------|
| Tenant Trade Name | Dollar General |
| Type of Ownership | Fee Simple |
| Lease Guarantor | Corporate |
| Lease Type | Absolute NNN |
| Roof/Structure, Parking Lot | Tenant Responsibility |
| Original Lease Term | 15 Years |
| Lease Commencement Date | 7/16/2013 |
| Lease Expiration Date | 7/31/2028 |
| Term Remaining on Lease | ±6 Years |
| Increase | 3% @ Year 11, 10% in each option |
| Options | 3, 5-Year Options |

ANNUALIZED OPERATING DATA

| Date | Monthly Rent | Annual Rent | Increases | Cap Rate |
|-------------------------------------|--------------|--------------|-----------|----------|
| Current - 7/31/2023 | \$7,144.92 | \$85,739.00 | - | 5.70% |
| 8/1/2023 - 7/31/2028 (Base Term) | \$7,359.26 | \$88,311.12 | 3.00% | 5.87% |
| 8/1/2028 - 7/31/2033 (Option 1) | \$8,095.19 | \$97,142.23 | 10.00% | 6.46% |
| 8/1/2033 - 7/31/2038 (Option 2) | \$8,904.71 | \$106,856.52 | 10.00% | 7.10% |
| 8/1/2038 - 7/31/2043 (Option 3) | \$9,795.18 | \$117,542.16 | 10.00% | 7.81% |





AREA OVERVIEW

LOG CABIN, TX

Log Cabin is a city in Henderson County, Texas. Living in Log Cabin offers residents a small-town atmosphere and a suburban rural mix feel. Several retirees are also currently residing in the town. It is bordered to the south by Caney City. Texas State Highway 198 passes through the west side of Log Cabin, leading northwest 14 miles to Mabank and south 4 miles to Malakoff. Log Cabin is a residential community on Farm Road 3054 approximately nine miles west-northwest of Athens in western Henderson County. In the 1980s the town began as a retirement development called Log Cabin Estates, located between the Caney Creek and Clear Creek arms of Cedar Creek Reservoir.

PROPERTY DEMOGRAPHICS

| POPULATION | 3-MILE | 5-MILE | 10-MILE |
|----------------------------|----------|----------|----------|
| 2022 Estimate | 5,131 | 9,304 | 34,016 |
| HOUSEHOLDS | 3-MILE | 5-MILE | 10-MILE |
| 2022 Estimate | 2,200 | 3,928 | 13,435 |
| INCOME | 3-MILE | 5-MILE | 10-MILE |
| 2022 Avg. Household Income | \$84,788 | \$80,909 | \$70,961 |



TYLER, TX

With a growing population of over 104,000 residents, the city of Tyler sits about halfway between Dallas and Shreveport in Smith County. Tyler's local economy is supported by its thriving rose-growing industry, its health care industry, its manufacturing industry, and three institutions of higher education: University of Texas at Tyler, Tyler Junior College, and Texas College. According to Forbes, Tyler has a \$13.6 billion gross metro product. As the Rose Capital of America, Tyler visitors and locals can explore the Tyler Rose Garden, the nation's largest municipal rose garden. Other attractions in the city include Tyler State Park and Goodman-LeGrand House & Museum. As the largest community in Northeast Texas, the prosperous city of Tyler offers people and businesses big city amenities while maintaining its small-town charm.

ECONOMY

The city is the health care hub of East Texas. It is home to four hospitals including a Level I trauma center. Support services offered by the city's health care industry include medical equipment providers, nursing agencies, support groups, and many more. Tyler is home to several manufacturing operations including Tyler Pipe, Trane Technologies, Delek Refining, and Vesuvius USA. In addition, Tyler is also the location of the Brookshire Grocery Company headquarters and distribution center. The city is home to three colleges: University of Texas at Tyler, Tyler Junior College, and Texas College. All three institutions offer degrees that are in high demand and prepares their students to become talented workers that will one day join the workforce.



TENANT OVERVIEW

COMPANY NAME

Dollar General Corporation

OWNERSHIP

Public

INDUSTRY

Dollar Stores

HEADQUARTERS

Goodlettsville, TX

NO. OF EMPLOYEES

±157,000

DOLLAR GENERAL

DOLLAR GENERAL

Dollar General is the fastest-growing retailer which currently boasts roughly 18,190 neighborhood general stores in 46 US states, primarily in the South, East, Midwest, and the Southwest. Roughly 75% of Dollar General's sales are derived from consumables (including refrigerated, shelf-stable, and perishable foods,) in addition to everyday household items such as paper towels, bath tissues, paper dinnerware, laundry, and home cleaning supplies. Dollar General offers some of America's most trusted name brands such as Clorox, Energizer, Proctor & Gamble, Hanes, Coca-Cola, Mars, Nestlé, Kimberly-Clark, Kellogg's, General Mills, Pepsi, and many others. Over the past few years, Dollar General has started to introduce alcohol and tobacco products such as cigarettes into their product mix, which has further driven revenue and increased profitability.

With its small-box store model typically measuring ± 9,100 sq. ft, Dollar General targets cost-conscious consumers that prefer easier and quicker access to items than super-sized competitors such as Wal-Mart and Costco (which are also often much farther away). Indeed, Dollar General's strategy of catering to the value-conscious has paid off big, both during and after the recession. The discount retailer boosted its expectation of 32 consecutive years of same-store sales growth in December 2021, attributable to its value and convenience proposition, along with strong consumables and seasonal goods sales.



18,190+

LOCATIONS



\$33.7B

2021 REVENUE



1939

FOUNDED

CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Dollar General** located at **5231 State Highway 198, Log Cabin, TX 75148** ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, 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.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Matthews Real Estate Investment Services is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Matthews Real Estate Investment Services.

Owner and Matthews Real Estate Investment Services 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 a 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 this 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 executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

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.

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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.

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|---|----------------------|-----------------------------------|-----------------------|
| Kyle Matthews/Matthews Retail Group Inc. | <u>678067</u> | <u>kyle.matthews@matthews.com</u> | <u>(310) 919-5757</u> |
| Licensed Broker /Broker Firm Name or Primary Assumed Business Name | License No. | Email | Phone |
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| Designated Broker of Firm | License No. | Email | Phone |
| _____ Licensed Supervisor of Sales Agent/ Associate | _____ License No. | _____ Email | _____ Phone |
| _____ Sales Agent/Associate's Name | _____ License No. | _____ Email | _____ Phone |

Buyer/Tenant/Seller/Landlord Initials

Date