

Dollar General

FORTUNA, CA

OFFERING MEMORANDUM



Marcus & Millichap

Dollar General

FORTUNA, CA

CONFIDENTIALITY AND DISCLAIMER

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

NON-ENDORSEMENT NOTICE

Marcus & Millichap is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. 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 Marcus & Millichap, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of Marcus & Millichap, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR
MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

Marcus & Millichap

Dollar General

FORTUNA, CA

NET LEASED DISCLAIMER

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

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.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services 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.

Dollar General

FORTUNA, CA

TABLE OF CONTENTS

Section 1	PRICING AND FINANCIAL ANALYSIS
Section 2	PROPERTY DESCRIPTION
Section 3	DEMOGRAPHIC ANALYSIS

Dollar General

FORTUNA, CA

FINANCIAL OVERVIEW

Location

SWC of 2nd Ave & S Fortuna
Fortuna, CA 95540

Price	\$2,559,067
Down Payment	100% / \$2,559,067
Rentable Square Feet	9,026
Price/SF	\$283.52
CAP Rate	6.00%
Year Built	2014
Lot Size	0.75 Acres +/-
Type of Ownership	Fee Simple

Tenant Summary

Tenant Trade Name	Dollar General
Ownership	Public
Tenant	Dolgen California, LLC
Lease Guarantor	Corporate Guarantee
Lease Type	Absolute Net
Roof and Structure	Tenant Responsible
Lease Term	15 Years
Lease Commencement Date	October 11, 2014
Rent Commencement Date	October 11, 2014
Lease Expiration Date	October 31, 2029
Term Remaining on Lease	15 Years
Increases	10% Between Options
Options	Three 5-Year

Annualized Operating Data

Rent Increases	Annual Rent	Monthly Rent
Years 1-15	\$153,543.96	\$12,795.33
Option 1 (5 Years)	\$168,898.44	\$14,074.87
Option 2 (5 Years)	\$185,788.20	\$15,482.35
Option 3 (5 Years)	\$204,367.08	\$17,030.59
Base Rent (\$17.01/SF)		\$153,544
Net Operating Income		\$153,544
Total Return		6.00% / \$153,544

TENANT OVERVIEW

Property Name	Dollar General
Property Address	SWC of 2nd Ave & S Fortuna Blvd Fortuna, CA 95540
Property Type	Net Leased Discount
Rentable Square Feet	9,026

Tenant Trade Name	Dollar General
Ownership	Public
Tenant	Dolgen California, LLC
Sales Volume	\$16.022 Billion
Net Worth	\$4.985 Billion
Lease Guarantor	Corporate Guarantee
Credit Rating	BBB-
Rating Agency	Standard & Poor's
Stock Symbol	DG
Board	NYSE

Lease Commencement Date	October 11, 2014
Rent Commencement Date	October 11, 2014
Lease Expiration Date	October 31, 2029
Term Remaining on Lease	15 Years
Lease Type	Absolute Net
Roof and Structure	Tenant Responsible
Lease Term	15 Years
Year 1 Net Operating Income	\$153,544
Increases	10% Between Options

Options to Renew	Three 5-Year
------------------	--------------

No. of Locations	10,700+
Headquartered	Goodlettsville, TN
Web Site	www.dollargeneral.com

Dollar General operates a chain of over 10,700 discount stores in about 40 states, primarily in the Southern and Eastern US, the Midwest, and the Southwest. The company offers basic household supplies including cleaning supplies, health and beauty aids, food and apparel. Most of the merchandise which is carried in the Dollar General stores is priced between \$1 and \$35.



DOLLAR GENERAL®

PROPERTY DESCRIPTION

Dollar General

FORTUNA, CA

INVESTMENT OVERVIEW

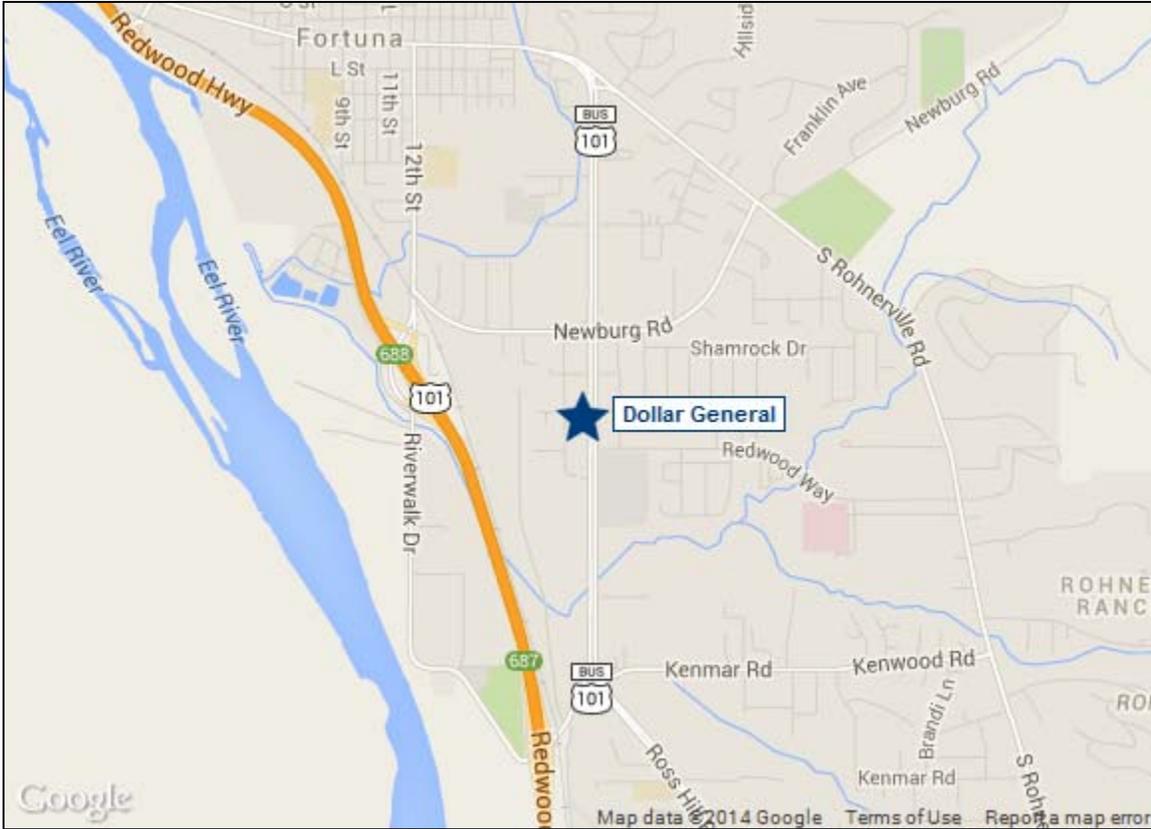
Investment Highlights

- New Construction - 15 Year Lease
- Absolute Net - No Landlord Responsibilities
- Investment Grade Credit - "BBB-" Rating by Standard & Poor's
- Excellent Visibility and Easy Access Along the City's Main Traffic Artery
- Adjacent to The Redwood Village Shopping Center - 133,000-Square Foot Neighborhood Center Anchored by Safeway and Rite Aid
- Fortuna - AKA "The Friendly City" - Has Seen Population Growth of Over 14% Since 2000



The subject property is a new 9,026-square foot Dollar General store located in Fortuna, California. Dollar General has signed a fifteen year absolute net lease which commenced in October of 2014. The lease provides for ten percent rent increases between each of the three, five-year renewal options. Dollar General, which is publicly traded on the New York Stock Exchange under the ticker symbol "DG," has a current "BBB-" credit rating by Standard & Poors.

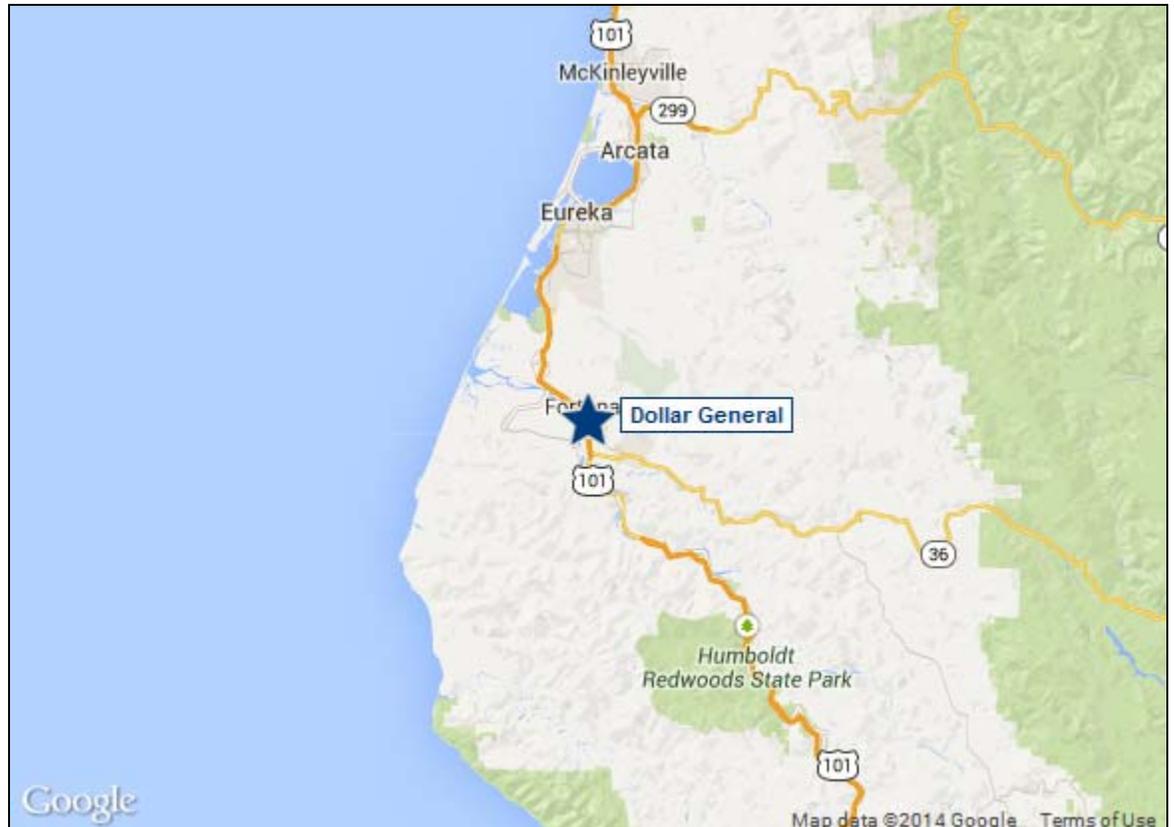
The subject property features excellent visibility and easy access along South Fortuna Boulevard, the city's main traffic artery. Adjacent to the property along the same road is The Redwood Village Shopping Center, a 133,000-square foot neighborhood center anchored by Safeway and Rite Aid. Other retailers in the immediate area include McDonald's, Shell, Papa Murphy's, KFC, Dollar Tree, O'Reilly's and many others. Also nearby is the Redwood Memorial Hospital, a 25 bed Critical Care Access Hospital and a full-service, acute care facility. Centrally located in Humboldt County, Fortuna, aka The Friendly City, is just minutes away from magnificent redwood parks, pristine beaches and historic points of interest. The City has a large number of events and festivals including the Daffodil Festival, Art & Wine in the Park, the Annual Fortuna Rodeo, the Redwood AutoXpo, the Logging Competition, Civil War Days, and Apple Harvest, the Hops in Humboldt festival, the Fortuna Concert Series and holiday events. The city has seen population growth of 14% since 2000.



Local Map



Regional Map



AERIAL PHOTO



This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2014 Marcus & Millichap. All rights reserved.

DEMOGRAPHIC ANALYSIS

Dollar General

FORTUNA, CA

Marcus & Millichap

DEMOGRAPHIC REPORT

	3 Miles	5 Miles	7 Miles
2000 Population	12,098	14,191	20,683
2010 Population	13,530	15,646	22,503
2013 Population	13,535	15,642	22,602
2018 Population	13,923	16,015	23,077
2000 Households	4,767	5,538	8,101
2010 Households	5,289	6,108	8,885
2013 Households	5,286	6,101	8,920
2018 Households	5,498	6,316	9,206
2013 Average Household Size	2.50	2.51	2.48
2013 Daytime Population	3,965	4,342	5,301
2000 Median Housing Value	\$125,979	\$128,642	\$123,840
2000 Owner Occupied Housing Units	59.71%	61.10%	58.25%
2000 Renter Occupied Housing Units	35.05%	33.67%	33.93%
2000 Vacant	5.85%	6.45%	8.50%
2013 Owner Occupied Housing Units	59.55%	60.88%	60.38%
2013 Renter Occupied Housing Units	40.45%	39.12%	39.62%
2013 Vacant	7.09%	7.23%	8.11%
2018 Owner Occupied Housing Units	59.35%	60.60%	60.20%
2018 Renter Occupied Housing Units	40.65%	39.40%	39.80%
2018 Vacant	7.35%	7.47%	8.20%
\$ 0 - \$14,999	14.9%	14.6%	15.0%
\$ 15,000 - \$24,999	13.9%	13.1%	12.5%
\$ 25,000 - \$34,999	11.2%	11.2%	11.8%
\$ 35,000 - \$49,999	17.3%	17.0%	17.2%
\$ 50,000 - \$74,999	17.4%	17.7%	17.9%
\$ 75,000 - \$99,999	9.7%	10.4%	10.6%
\$100,000 - \$124,999	7.6%	7.6%	6.9%
\$125,000 - \$149,999	3.6%	3.8%	3.4%
\$150,000 - \$199,999	2.2%	2.2%	2.0%
\$200,000 - \$249,999	0.9%	0.9%	1.1%
\$250,000 +	1.3%	1.4%	1.7%
2013 Median Household Income	\$44,573	\$45,649	\$45,124
2013 Per Capita Income	\$24,044	\$24,515	\$25,161
2013 Average Household Income	\$60,689	\$61,998	\$62,958

Demographic data © 2012 by Experian.

SUMMARY REPORT

Geography: 7 miles

Population

In 2013, the population in your selected geography was 22,602. The population has changed by 9.28% since 2000. It is estimated that the population in your area will be 23,077 five years from now, which represents a change of 2.09% from the current year. The current population is 49.1% male and 50.8% female. The median age of the population in your area is 39.7, compare this to the U.S. average which is 37. The population density in your area is 65.57 people per square mile.

Households

There are currently 8,920 households in your selected geography. The number of households has changed by 10.11% since 2000. It is estimated that the number of households in your area will be 9,206 five years from now, which represents a change of 3.20% from the current year. The average household size in your area is 2.48 persons.

Income

In 2013, the median household income for your selected geography is \$45,124, compare this to the U.S. average which is currently \$53,535. The median household income for your area has changed by 39.09% since 2000. It is estimated that the median household income in your area will be \$51,973 five years from now, which represents a change of 15.17% from the current year.

The current year per capita income in your area is \$25,161, compare this to the U.S. average, which is \$28,888. The current year average household income in your area is \$62,958, compare this to the U.S. average which is \$75,373.

Race & Ethnicity

The current year racial makeup of your selected area is as follows: 83.23% White, 0.71% African American, 3.58% Native American and 1.15% Asian/Pacific Islander. Compare these to U.S. averages which are: 72.20% White, 12.65% African American, 0.96% Native American and 5.01% Asian/Pacific Islander.

People of Hispanic origin are counted independently of race. People of Hispanic origin make up 14.71% of the current year population in your selected area. Compare this to the U.S. average of 16.55%.

Housing

The median housing value in your area was \$123,840 in 2000, compare this to the U.S. average of \$110,781 for the same year. In 2000, there were 5,150 owner occupied housing units in your area and there were 3,000 renter occupied housing units in your area. The median rent at the time was \$458.

Employment

In 2013, there are 5,301 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 49.7% of employees are employed in white-collar occupations in this geography, and 50.2% are employed in blue-collar occupations. In 2013, unemployment in this area is 4.68%. In 2000, the median time traveled to work was 17.0 minutes.

Demographic data © 2012 by Experian.

Dollar General

FORTUNA, CA

OFFERING MEMORANDUM