

NEW DOLLAR GENERAL

15 YEAR ABSOLUTE NNN LEASE

RENT INCREASE IN YEAR 11



705 1ST AVE S, ELLENDALE, ND 58436

REPRESENTATIVE STORE - NOT ACTUAL STORE



FORTIS NET LEASE
INVESTMENT REAL ESTATE SERVICES

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| | |
|-------------------|------------------|
| PRICE | \$1,137,943 |
| CAP RATE | 7.00% |
| CURRENT NOI | \$79,656 |
| LEASE TYPE: | 15 YEAR ABS. NNN |
| RESPONSIBILITIES: | NONE |
| TENANT: | DOLLAR GENERAL |
| GUARANTEE: | CORPORATE |
| STRENGTH: | S&P: BBB |
| SQUARE FEET: | 9,026 |

Fortis Net Lease is pleased to present this 9,026 SF Dollar General store located in Ellendale, ND. The property is encumbered with a Fifteen (15) Year Absolute NNN Lease, leaving zero landlord responsibilities. The Lease contains a 3% bump in year of 11 of the term. The lease contains Four (5) Yr. Options to renew, each with a 10% rental rate increase. The lease is corporately guaranteed by Dollar General Corporation which holds a credit rating of “BBB”, which is classified as Investment Grade. The store is open with rent having commenced on 2/20/2017.

This Dollar General is highly visible and is strategically positioned in Ellendale, ND. The ten mile population from the site exceeds 1,800 while the one mile median household income exceeds \$42,500 per year, making this location ideal for a Dollar General. The Subject offering represents an ideal opportunity for a 1031 exchange buyer or a “passive” investor to attain the fee simple ownership of a Dollar General. This investment will offer a new owner continued success due to the financial strength and the proven profitability of the tenant, the nation's top dollar store. List price reflects a 7.00% cap rate based on NOI of \$79,656.



Representative Store - Not Actual Store

- Brand New Absolute NNN Lease
- Rare 3% Bump in Year 11
- Zero Landlord Responsibilities
- 15 Year Term | Four (5 Year) Options
- One Mile Household Income \$42,682
- Ten Mile Population Exceeds 1,800
- Only Investment Grade Dollar Store



| | |
|----------------|--------------------|
| YEAR BUILT | 2017 |
| STORE STYLE | PROTOTYPE |
| ACREAGE | +/- 1.76 ACRES |
| SQUARE FEET | 9,026 |
| FOUNDATION | CONCRETE BLOCK |
| ROOF | STANDING SEAM ROOF |
| HVAC | ROOF MOUNTED |
| PARKING | CONCRETE |
| ZONING | COMMERCIAL |
| STORE STATUS | NEW LOCATION |
| OWNERSHIP TYPE | FEE SIMPLE |

| | |
|----------------|--|
| TENANT | DOLGENCORP, LLC |
| GUARANTOR | DOLLAR GENERAL CORPORATION |
| TRADE NAME | DOLLAR GENERAL |
| STOCK SYMBOL | DG (NYSE) |
| ADDRESS | 705 1ST AVE S, ELLENDALE, ND 58436 |
| LEASE TYPE | ABSOLUTE NNN |
| PRIMARY TERM | FIFTEEN (15) YEARS |
| RENT START | 2/20/2017 |
| RENT END | 2/28/2032 |
| ANNUAL RENT | \$79,656 |
| RENT INCREASES | 3% IN YEAR 11 & 10% AT OPTIONS |
| OPTION PERIODS | FOUR (4) FIVE (5) YEAR OPTIONS |
| WEBSITE | WWW.DOLLARGENERAL.COM |



Representative Store - Not Actual Store

[705 1ST AVE S, ELLENDALE, ND 58436](http://705_1st_Ave_S_Ellendale_ND_58436)

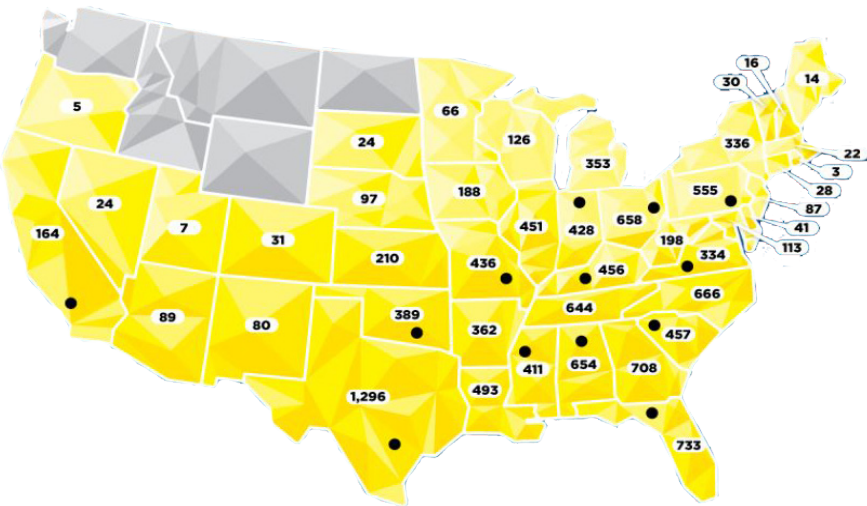
RENT SCHEDULE

| LEASE YEARS | ANNUAL RENT | MONTHLY RENT | BUMP | YIELD |
|------------------|-------------|--------------|------|-------|
| 1-10 | \$79,656 | \$6,638 | - | 7.00% |
| 11-15 | \$82,044 | \$6,837 | 3% | 7.20% |
| 16-20 (OPTION 1) | \$90,240 | \$7,520 | 10% | 7.93% |
| 21-25 (OPTION 2) | \$99,264 | \$8,272 | 10% | 8.72% |
| 26-30 (OPTION 3) | \$109,200 | \$9,100 | 10% | 9.59% |



Dollar General is the largest “small box” discount retailer in the United States. Headquartered in Goodlettsville, TN, the company was established in 1939. As of March 16th, 2017, there are more than 13,320 stores with more than 114,000 employees, located across 43 states. Dollar General has more retail locations than any retailer in America. The Dollar General store format has typically been in rural and suburban markets, now they are expanding into more densely populated areas. Opening over 837 stores in 2016, with an expected 1,000 opening for 2017. The Dollar General strategy is to deliver a hassle-free experience to consumers, by providing a carefully edited assortment of the most popular brands in both retail and consumer products.

The company launched a successful IPO in 2009 (NYSE: DG). In March, 2014 Dollar General reported record sales, operating profit and net income. Most recently the first quarter 2017 sales rose by 6.50%, in comparison to Q1 2016. During the same time period, same store sales continued their growth trend, with an increase of 0.70% Dollar General's net income and diluted earnings per share (EPS) for Q1 2017 was \$279 million and \$1.02, respectively. The Company's earnings, adjusted for non-recurring costs totaled \$1.03 per share, topped Wall Street's expectations of \$0.99 per share.. Dollar General is ranked #128 on the Fortune 500, an 11 spot jump from the previous year ranking.



“Investment Grade” S&P Rating of BBB



\$20.4 Billion in Sales in Fiscal 2016



1st Quarter 2017 Net Sales Increased 6.50%



Same-Store Sales Increased 0.7% Q1 16-17

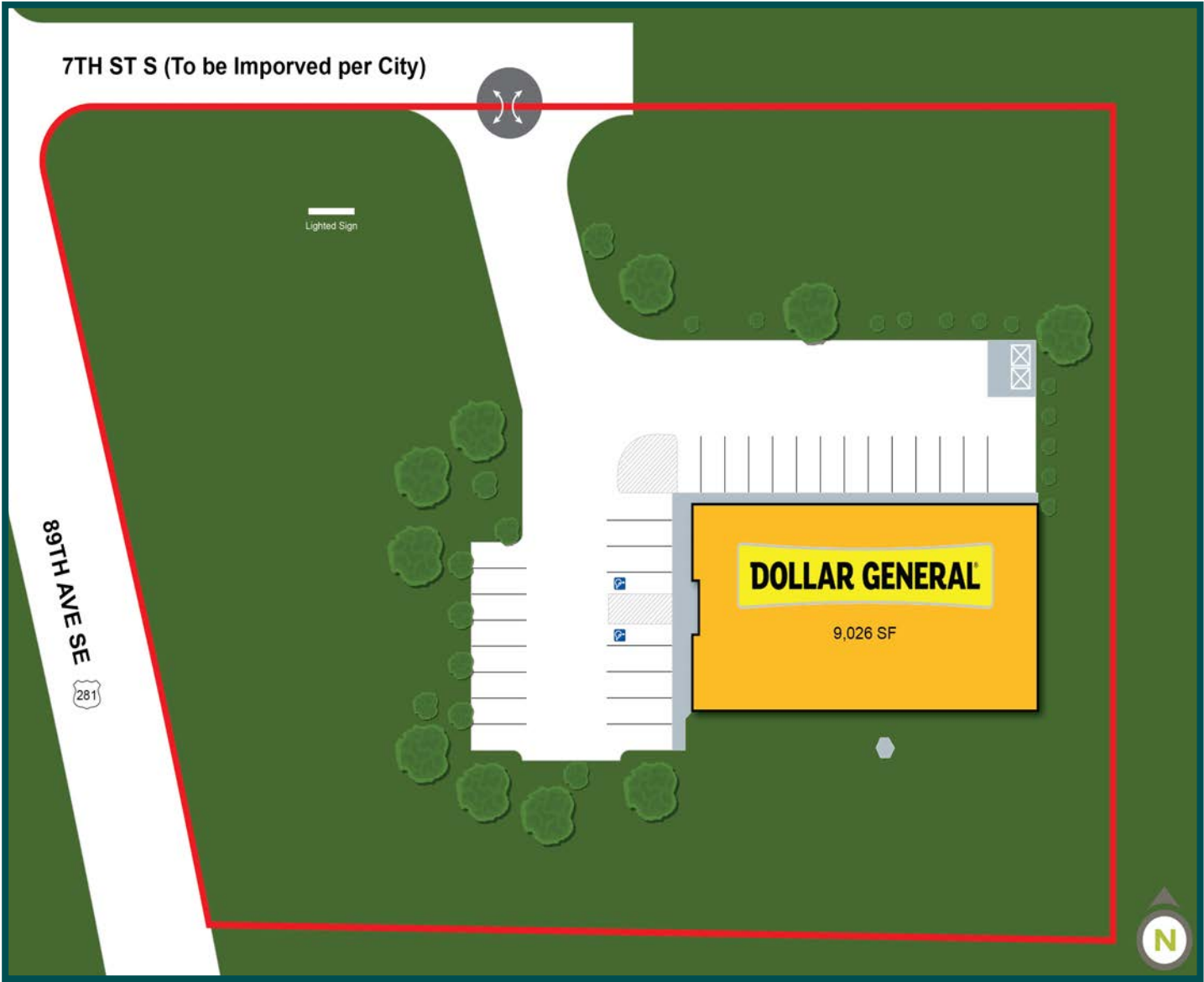


Gross Profit Rate was 30.3% in Q1 2017

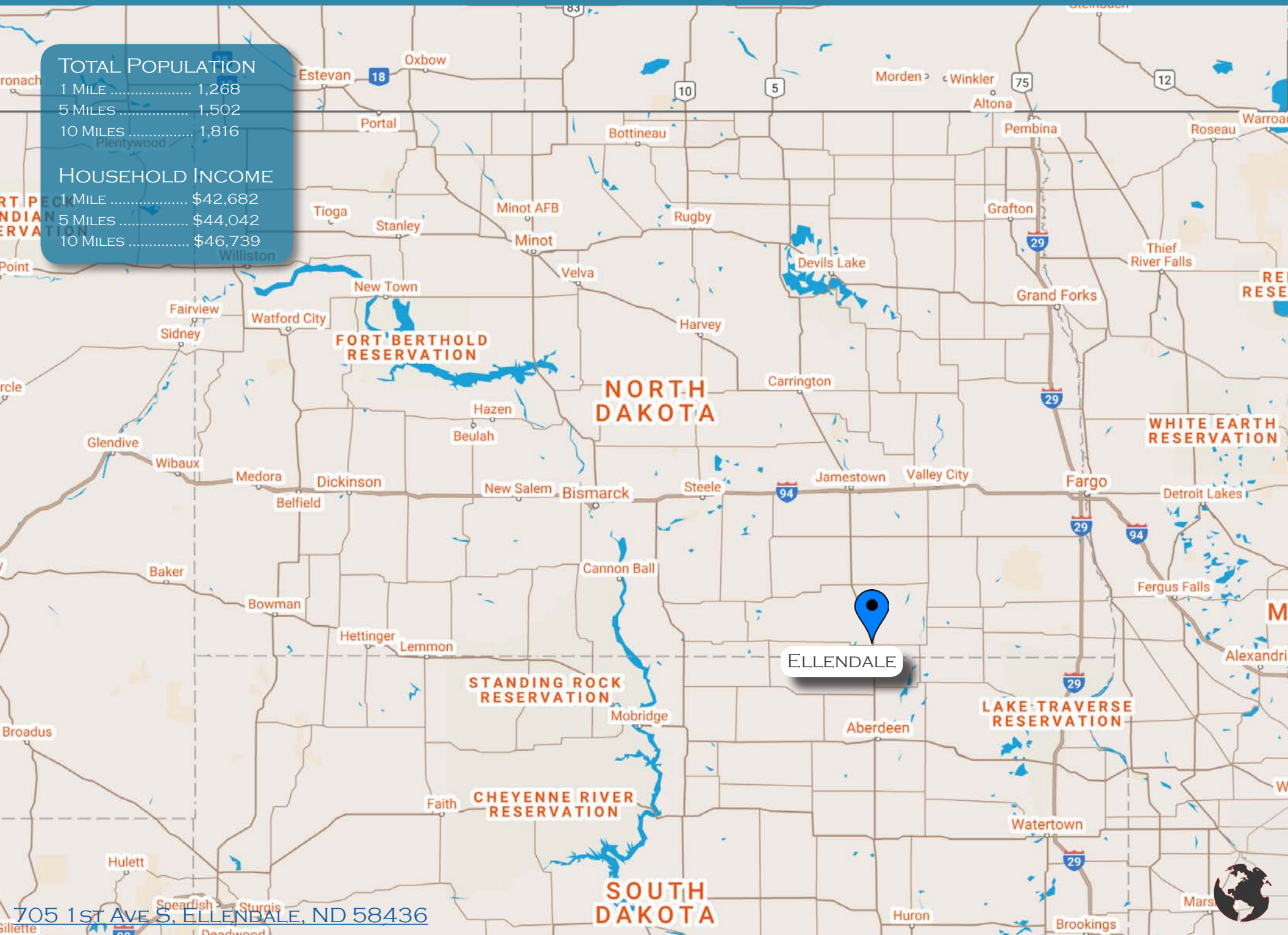


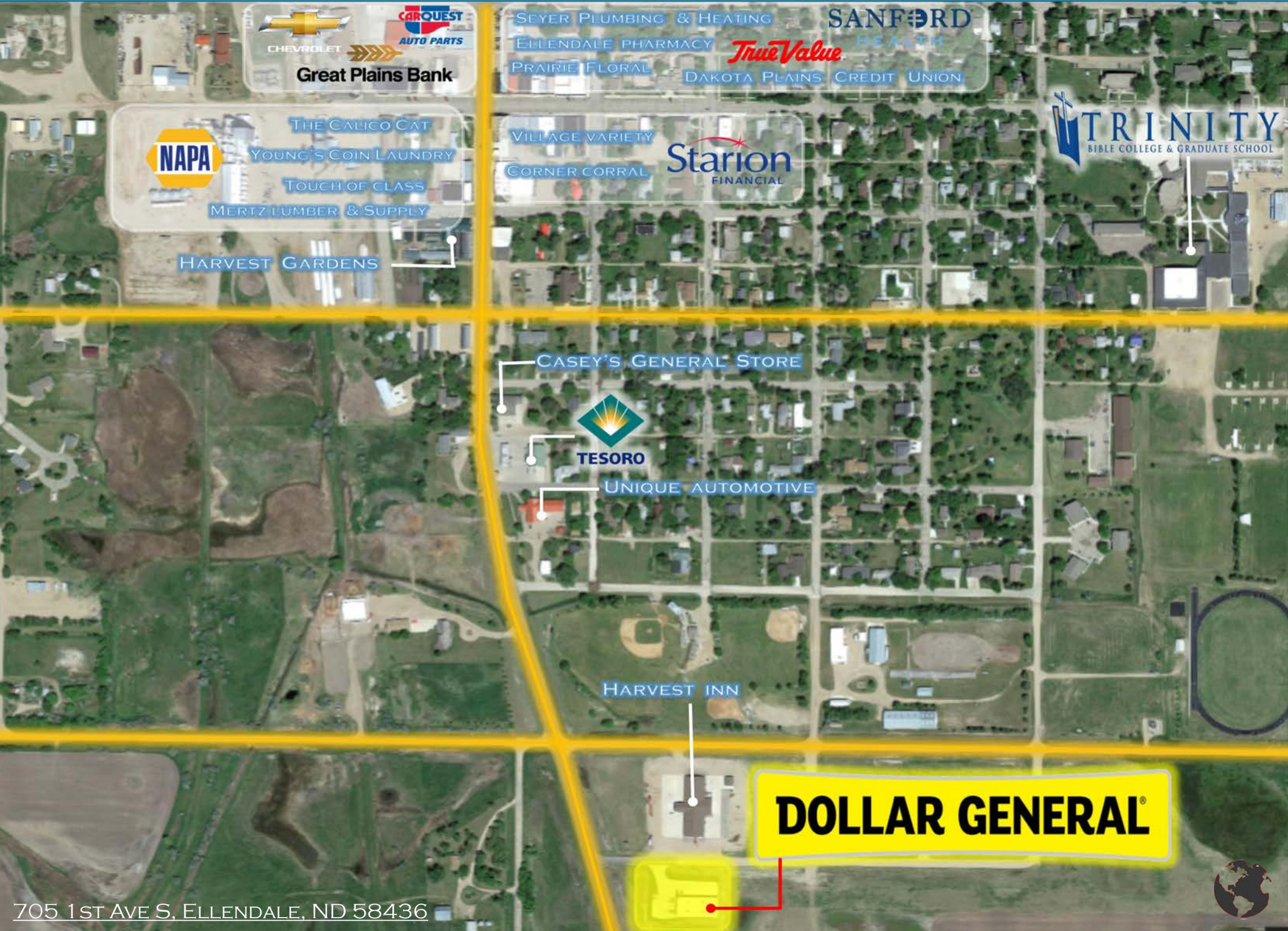
Ranked #128 on Fortune 500

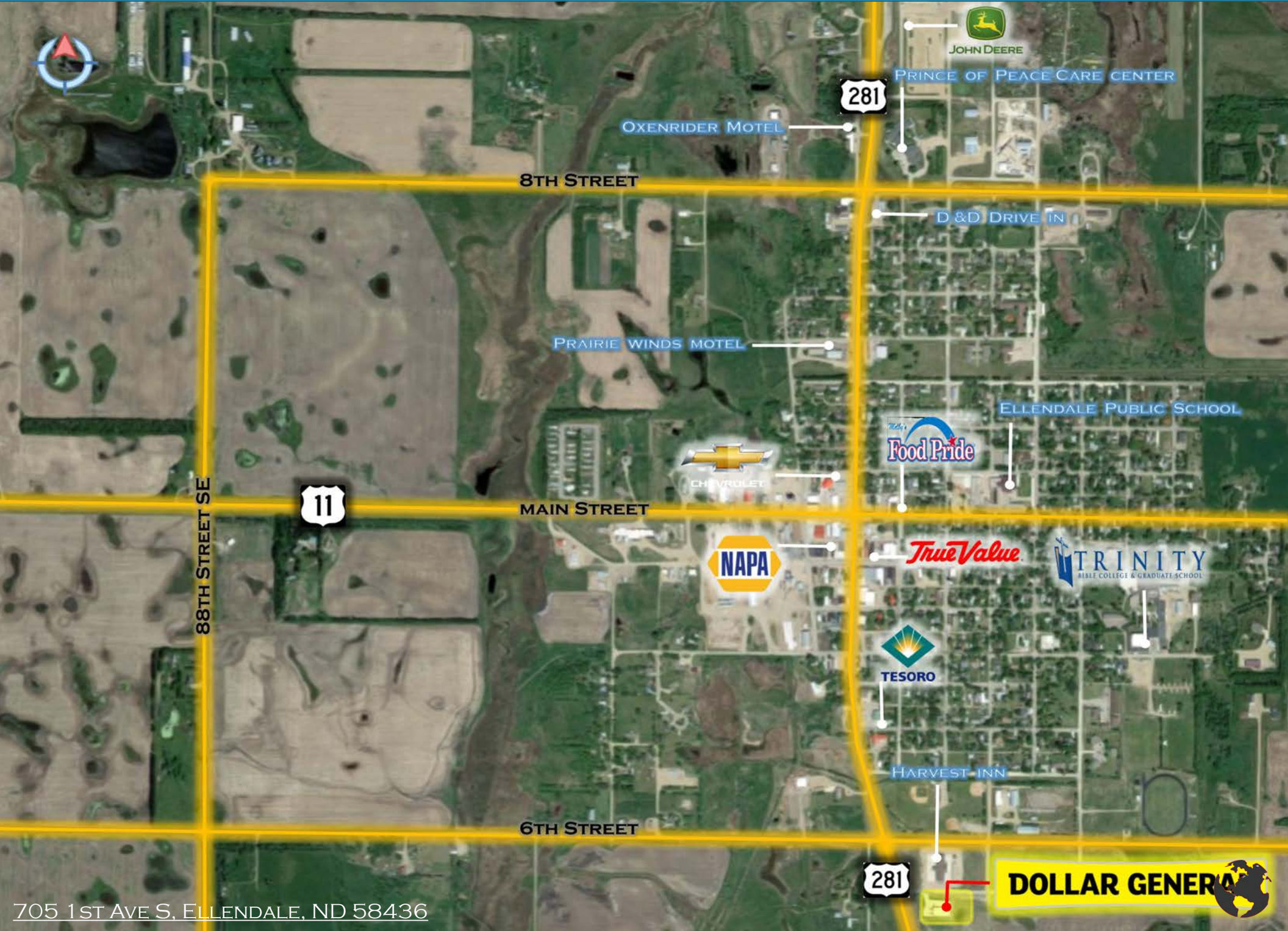




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|----------------|----------|
| 1 MILE | \$42,682 |
| 5 MILES | \$44,042 |
| 10 MILES | \$46,739 |







Ellendale, ND

In the heart of pheasant country near the South Dakota border is the flourishing community of Ellendale, North Dakota. Well-positioned at the junction of US Hwy 281 and Hwy 11, Ellendale is both the Dickey County seat and home to Trinity Bible College. Ellendale's progressive attitude and family orientation is evidenced by a modernized K-12 public school system, including up to date classroom technology and state of the art gymnasium.

Enhancing the growing business community are two medical clinics and a dental clinic, three hotels and two retirement homes; three banks and a regional telecommunications company. In addition Ellendale boasts a modern swimming pool and park facilities, an ambulance service, police department and volunteer Fire Department, a Chamber of Commerce, senior citizens' center, historical society, public library, and museum. Nearby, hunting and fishing opportunities abound.

Setting the tone for Ellendale's cultural life is its active arts community, which is well on the way to restoring the old opera house to its original splendor. Art shows featuring local and regional artists and national shows, such as Smithsonian exhibits along with musical concerts, dramatic plays, and workshops of all kinds challenge and engage the community.

There are over 177 businesses within 10 miles of the site, with three top industries being Health Care, Retail and Public Administration. Residents living within a 10 mile radius are expected to spend over \$17.5 Million on consumer products this year. Given that this Dollar General has very little competition, the site is expected to continue to be a very profitable location for Dollar General.



705 1ST AVE S, ELLENDALE, ND 58436

| POPULATION | 1 MILE | 5 MILE | 10 MILE |
|-----------------------|----------|----------|----------|
| 2017 TOTAL POPULATION | 1,268 | 1,502 | 1,816 |
| TOTAL BUSINESSES | 77 | 137 | 177 |
| AVERAGE AGE | 39.10 | 39.60 | 40.30 |
| HOUSEHOLDS | | | |
| 2017 TOTAL HOUSEHOLDS | 533 | 633 | 762 |
| HOUSEHOLD INCOME | \$42,682 | \$44,042 | \$46,739 |
| AVERAGE HH VEHICLES | 2.00 | 2.00 | 2.00 |
| AVERAGE HH SIZE | 2.10 | 2.10 | 2.20 |
| HOUSING | | | |
| MEDIAN HOME VALUE | \$79,908 | \$81,608 | \$84,493 |

