

↘ NNN Dollar General

5363 Soutel Drive, Jacksonville, FL 32219



For more information:

Zandy Smith
Email: zsmith@capitalpacific.com
Phone: (415) 274.2707

Chris Peters
Email: cpeters@capitalpacific.com
Phone: (415) 274.2703

Chris Kostanecki
Email: ck@capitalpacific.com
Phone: (415) 274.2701

In Association with:
Rick Steinberger, FL Licensed Broker
Phone: (407) 999.2410
Email: rsteinberger@servantinvestments.com

Zeb Ripple
Email: zripple@capitalpacific.com
Phone: (415) 274.2702



NNN Dollar General

5363 Soutel Drive - Jacksonville, FL

➔ Purchase Price:	\$1,390,000
Cap Rate:	8.50%
Total Rentable Area:	8,998 Square Feet
Price Per Square Foot:	\$154.50
Lot Size (approximate):	1.2 Acres
Year Built:	2009



Capital Pacific is pleased to present for sale a newly constructed freestanding NNN Dollar General located on 5363 Soutel Drive in Jacksonville, FL.

This offering presents an investor with an opportunity to acquire a brand new Dollar General in an excellent Florida suburban market with a corporate 15-year, NNN lease. Some additional highlights include:

Dollar General Highlights:

- Dollar General's 2009 fiscal-second-quarter profit more than tripled to reach \$93.6 million, and revenue climbed 11% to \$2.91 billion.
- Dollar General also reported an 8.6% jump in same-store sales

Property Highlights:

- Absolute NNN 15-year lease (no landlord responsibility)
- Recession-proof tenant
- The subject property opened for business on November 1st, 2009 in preparation for Thanksgiving shopping
- Subject property is located in a dense residential market and is part of a mature retail trade area
- Located approximately 5 miles northeast of downtown Jacksonville, FL
- Proven location: Dollar General is located across the street from a Winn Dixie Shopping Center and is located in front of the SA Hull Elementary School
- Retailers nearby include Walgreens, BP Gas Station, Popeyes, Domino's

Lease:

- 15-year primary term with four (4), five-year options
- Rent Commenced on 11/1/2009
- Rental Escalations at the execution of each option period

Income/Expense

Price:	\$1,390,000	
Price Per Square Foot:	\$154.50	
Capitalization Rate:	8.50%	
Total Rentable Area:	8,998	
Lot Size:	1.2 Acres	
Stabilized Income	Per Square Foot	
Scheduled Rent	\$13.13	\$118,173
Effective Gross Income	\$13.13	\$118,173
Less:	Per Square Foot	
Taxes		\$0.00
Insurance		\$0.00
Total Operating Expenses		\$0.00
Equals: Net Operating Income		\$118,173

Rent Roll

Tenant	Sq. Ft.	Term		Current Rent	Monthly Rent	Yearly Rent	Monthly Rent / Ft	Yearly Rent / Ft
Dollar General	8,998	11/1/09	10/31/24	\$118,173	\$9,848	\$118,173	\$1.09	\$13.13
		11/1/24	10/31/29	Option 1	\$10,838	\$130,050	\$1.20	\$14.45
		11/1/29	10/31/34	Option 2	\$11,916	\$142,989	\$1.32	\$15.89
		11/1/34	10/31/39	Option 3	\$13,107	\$157,288	\$1.46	\$17.48
		11/1/39	10/31/44	Option 4	\$14,418	\$173,017	\$1.60	\$19.23
Current Totals:	8,998			\$118,173	\$9,848	\$118,173		

THE WALL STREET JOURNAL.

Dollar General Dresses Up for Its Debut Deal Is One of the Year's Signature IPOs; Focus on More Stores, More Sales

By LYNN COWAN November 10, 2009

The year's most widely anticipated new U.S. stock is scheduled to make its debut this week, with discount retailer Dollar General Corp. trading on the New York Stock Exchange Friday under the symbol DG.

The company, which began in 1955 as one store in Kentucky, has swelled to more than 8,500 locations in the U.S. selling items ranging from groceries to sweatpants at \$10 or less.

Through the worst of the economic downturn through 2008 and 2009, Dollar General did nothing but grow: Its sales, same store sales, total number of stores, and profits all rose.

"It's playing into strong growth fundamentals in a challenging market, and it's in an industry segment that's growing well," says Scott Cutler, who heads NYSE Euronext's listings business in the Americas. "I don't know if they could have chosen a better time to go out."

Dollar is betting that it will hang on to the legions of shoppers it has cultivated during the economic slowdown. The company is in its 20th consecutive year of same-store sales growth -- a period of both highs and lows in the economy -- and says its research indicates that the "vast majority" of new and existing customers plan to keep shopping there even after the economy recovers.

Morningstar Inc. analysts have labeled the initial public offering "high interest," a term used sparingly by the research firm this fall.

Not everyone is convinced that Dollar General, which has plenty of discount store competition, can keep up its current growth rate, however. Sales grew 10% in 2008 and 13% in the first half of 2009; same-store sales grew 9% and 11% for each period, respectively.

"The economy is not getting worse, and unemployment has probably peaked. Stability in the economic environment is not going to provide a tailwind for their sales going forward," says Eric Levine, director of retail and apparel research at Research Edge.

What Dollar and other competitors believe, adds Mr. Levine, is that "the middle income customer started to shop at deep discount stores" during the downturn. But "we contend that when consumers have more money in their pockets, they are less likely to shop in those channels" because the experience isn't as pleasant as in more moderate and higher-priced channels.

Still, Mr. Levine and others say Dollar has made great improvements to its business over the last two years, a time that coincided with its ownership under private-equity firm Kohlberg Kravis Roberts & Co. During that period, it has added new private-label items, streamlined its inventory process, and refined its store site selection process, opening 207 new stores and relocating or remodeling 404 existing stores in 2008.

When KKR and co-investors including Goldman Sachs Group Inc. bought Dollar, they put down \$2.8 billion in equity and borrowed the rest, so the company's debt load weighed in at a hefty \$4.1 billion as of July. In September, the investors received a special dividend of \$239 million; no dividends will be paid out to anyone else once the company is public again.

THE WALL STREET JOURNAL.

Dollar General Commands Big Profit as Consumers Get Down to Basics

By MIKE BARRIS and KEVIN KINGSBURY, SEPTEMBER 11, 2009

Dollar General Co.'s fiscal-second-quarter profit more than tripled on higher margins and an 8.6% jump in same-store sales as consumers continue to trade down for basic staples.

The discount retailer also announced plans to increase store openings and remodelings-relocations by 50 each to 500 and 450, respectively. That boosted Dollar General's projected capital spending for the year by \$50 million to as much as \$325 million.

The quarterly results were much better than rivals such as Family Dollar Stores Inc. and Dollar Tree Inc., which have also been benefiting from the economic downturn.

Dollar General, which is owned by buyout firm Kohlberg Kravis Roberts & Co., is poised to return to the public market through what may end up as the largest U.S. initial public offering of stock by an operating company this year.

Chairman and Chief Executive Rick Dreiling said the company's most recent results reflect consumer response to store changes and its ability to grow.

Dollar General, based in Goodlettsville, Tenn., had 8,577 stores when the fiscal second quarter ended July 31.

For the most recent period, the company's profit surged to \$93.6 million, compared with \$27.7 million a year earlier. Revenue climbed 11% to \$2.91 billion.

Gross margin rose to 31.2% from 29.1% amid higher average markups and more sales of private-brand items.

Dollar Tree's earnings rose 51% in the company's fiscal second quarter ended Aug. 2. Family Dollar said last week that net sales for its fiscal fourth quarter ended Aug. 29 rose 2.6%, while comparable-store sales rose 1%.

DOLLAR GENERAL®

Company Type:	Privately held
2008 Sales (bil.)	\$10.5
Locations:	8,400
2008 Employees	72,000
Store Size:	7,000 Square Foot Stores

Dollar General is the largest small-box discount retailer in the U.S. with over 8,300 stores. Dollar General stores offer convenience and value to customers, by offering consumable basic items that are frequently used and replenished, such as food, snacks, health and beauty aids and cleaning supplies, as well as a selection of basic apparel, housewares and seasonal items at everyday low prices.

Dollar General Corporation operated as a public company from 1968 until July 6, 2007. At that time, an investment group consisting of affiliates of Kohlberg Kravis Roberts & Co. L.P. (KKR), GS Capital Partners (an affiliate of Goldman Sachs), Citi Private Equity and other co-investors completed an acquisition of Dollar General Corporation for a total enterprise value of \$7.3 billion.



DOLLAR GENERAL®
Save time. Save money. Every day!®

don't forget mom!

\$1 Fisher's Ice Cream
The #1 American Ice Cream Brand

\$6 Refreshing Soft Drinks
Includes: Diet Coke, Diet Pepsi, Diet Mountain Dew, Diet Sprite, Diet 7UP

sale 2 for \$4 Lay's® Classic
Cheetos®

sale 4 for \$4 Pepsi®
Diet Pepsi®
Mountain Dew®
Sprite®

sale \$6.50 Brawny®
Paper Towels

sale \$5.50 Angel Soft®
Soft Paper Towels

sale 2 for \$6 All-in-One®
All-in-One®
All-in-One®

sale \$6 Maxwell House®
Flavor Blend Coffee

sale \$2.25 Windex®
Windex®
Windex®

sale \$6 Windex®
Windex®
Windex®

sale \$5 Huggies®
Baby Wipes

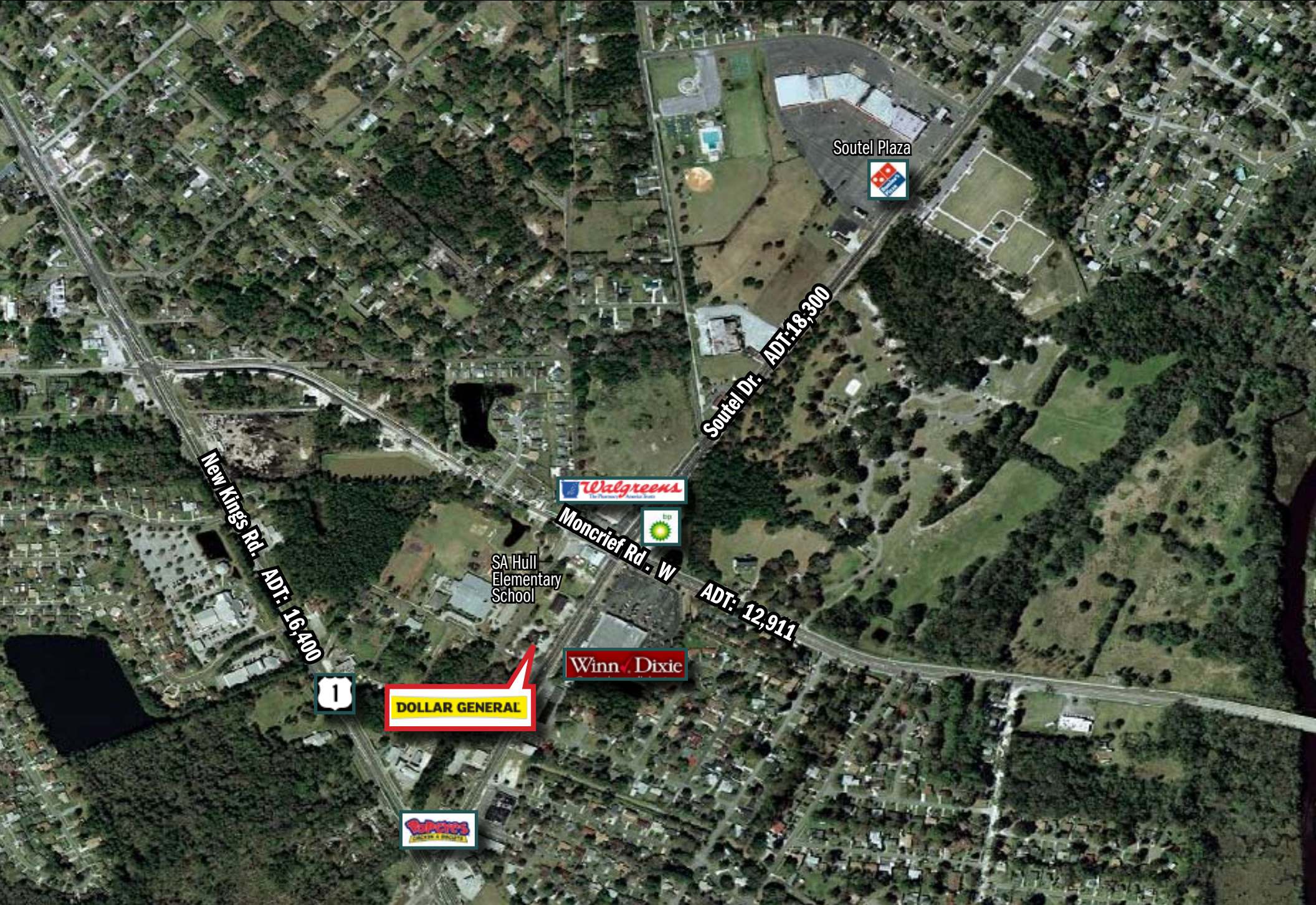
buy 1 get 1 free! Lysol®
Lysol®
Lysol®

May 3rd thru May 10th

dollargeneral.com

DOLLAR GENERAL
See inside for Summer deals that sizzle!
dollargeneral.com

Dollar General - Aerial



New Kings Rd. ADT: 16,400



DOLLAR GENERAL



SA Hull Elementary School

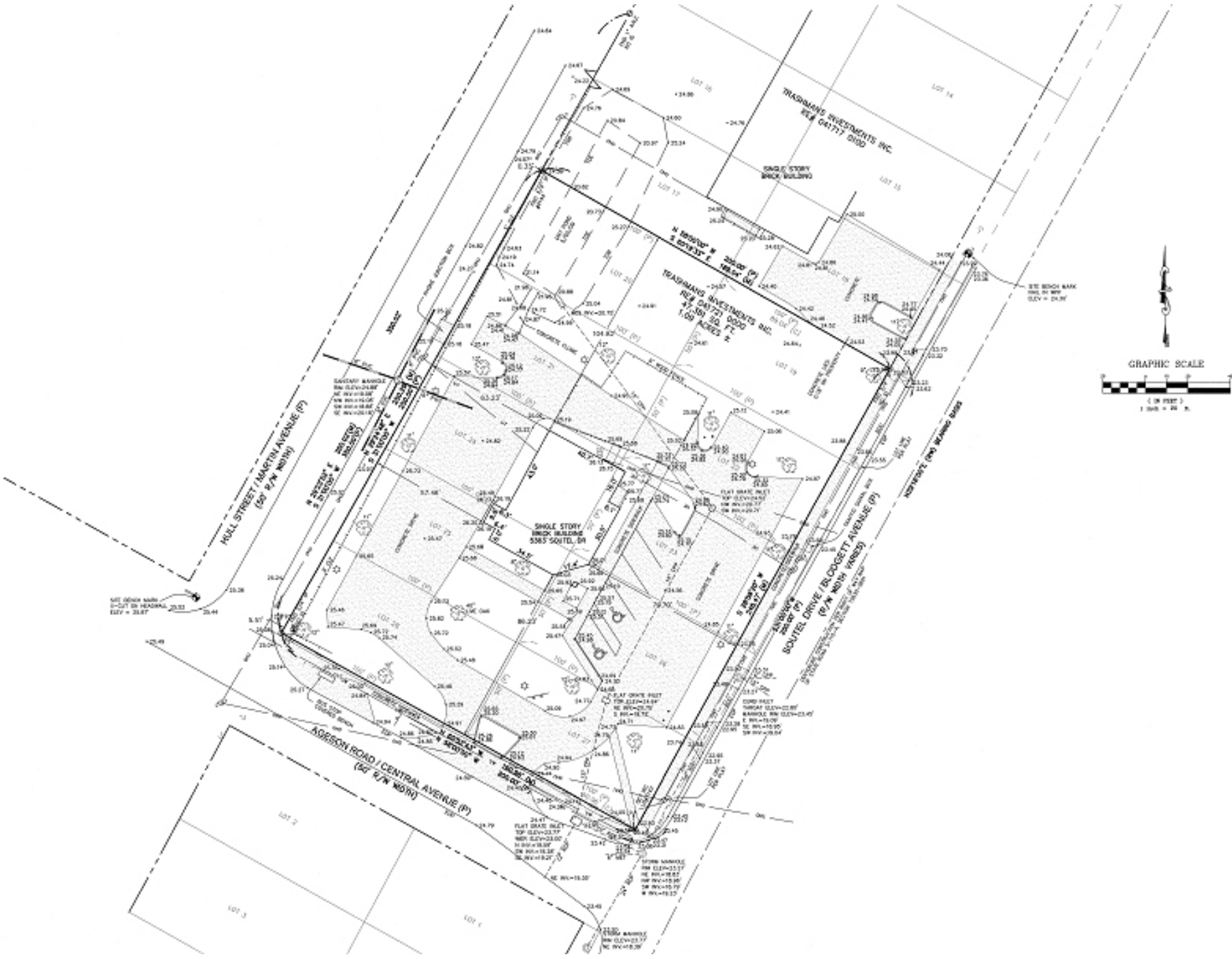


Soutel Plaza



Soutel Dr. ADT: 18,300

Moncrief Rd. W ADT: 12,911



Dollar General - Location Overview

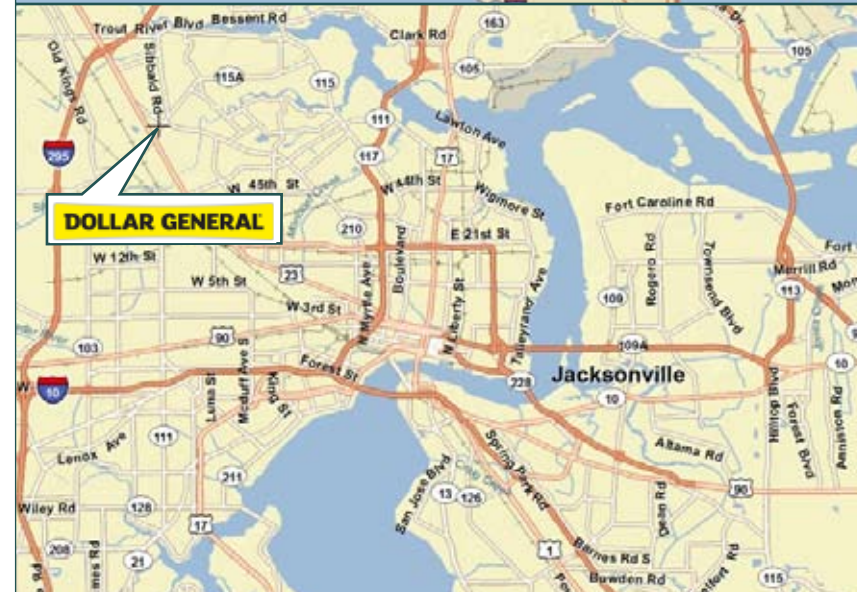


Jacksonville, FL

Jacksonville is the largest city in the U.S. state of Florida. The majority of Jacksonville's metropolitan population resides within the city limits, making it the most populous city proper in Florida and the twelfth most populous in the United States. Jacksonville is the principal city in the Greater Jacksonville Metropolitan Area, a region with a population of more than 1,300,823.

Jacksonville is the largest deepwater port in the south (as well as the second-largest port on the U.S. East coast) and a leading port in the U.S. for automobile imports, as well as the leading transportation and distribution hub in the state. However, the strength of the city's economy lies in its broad diversification. The area's economy is balanced among distribution, financial services, biomedical technology, consumer goods, information services, manufacturing, insurance and other industries.

Jacksonville is a rail, air, and highway focal point and a busy port of entry, with Jacksonville International Airport, ship repair yards and extensive freight-handling facilities. Lumber, phosphate, paper, cigars and wood pulp are the principal exports; automobiles and coffee are among imports. The city also has a large and diverse manufacturing base. According to Forbes in 2007, Jacksonville, Florida ranked 3rd in the top ten U.S. cities to relocate to find a job. Jacksonville was also the 10th fastest growing city in the U.S.



Demographics

Population	1 Mile:	3 Miles:	5 Miles:
2000 Population	8,693	43,365	117,799
2009 Population	8,744	45,736	126,854
2014 Population (Projection)	8,838	47,134	132,160
2009 Income			
2009 Average Household Income	\$56,091	\$50,791	\$45,433
2009 Median Household Income	\$44,655	\$39,861	\$35,461

For more information:

Zandy Smith
 EMAIL: ZMITH@CAPITALPACIFIC.COM
 PHONE: (415) 274.2707

Zeb Ripple
 EMAIL: ZRIPPLE@CAPITALPACIFIC.COM
 PHONE: (415) 274.2702

Chris Kostanecki
 EMAIL: CKOSTANECKI@CAPITALPACIFIC.COM
 PHONE: (415) 274.2701

Chris Peters
 EMAIL: CPETERS@CAPITALPACIFIC.COM
 PHONE: (415) 274.2703

In Association with:
 Rick Steinberger, FL Licensed Broker
 Phone: (407) 999.2410
 EMAIL: RSTEINBERGER@SERVANTINVESTMENTS.COM

CAPITAL PACIFIC IS NOT LICENSED BY THE FL DEPARTMENT OF REAL ESTATE

