

OFFERING
MEMORANDUM

FAMILY DOLLAR

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DALLAS, TEXAS

ARROYO & COATES

COMMERCIAL REAL ESTATE SERVICES

Lic. # 00995512



Arroyo & Coates is pleased to present the opportunity to acquire a single-tenant, triple net, free-standing Family Dollar in Dallas, Texas.

HIGHLIGHTS

- Recession proof tenant.
- Located in Dallas suburb.
- Established location.
- Low price per SF.
- Constructed in 2004.
- Excellent 1031 exchange opportunity.

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PROPERTY OVERVIEW

Family Dollar is located in southern Dallas, Texas, 1 mile west of Highway 45, and from there, downtown Dallas is only 11 miles to the north. It is also 1.5 miles north of Highway 20.



Constructed in 2004, the building is 102 feet by 90 feet, for a total of 9,180 square feet, and the parcel has 170 feet of frontage on Bonnie View Road, and 250 feet of depth, or 0.98 acres in total.

Family Dollar is responsible for all expenses except the roof, structure, and parking lot. There are 4 five year options that are automatically extended unless written notice is given 60 days in advance.

PROPERTY SUMMARY

Address	6171 Bonnie View Road Dallas, Texas, 75241
County	Dallas
APN	00-6882-000A-0020000
Building Area	9,180 square feet
Acres	0.98 acres
Construction Date	2004

LEASE SUMMARY

Original Lease Term	10 years
Lease Commencement	4/1/04
Lease Expiration	06/30/14
Options	4 five year options
Increases	\$5,000 increase each option
Lease Type	NNN
LL Responsibilities	Roof, structure, & parking lot

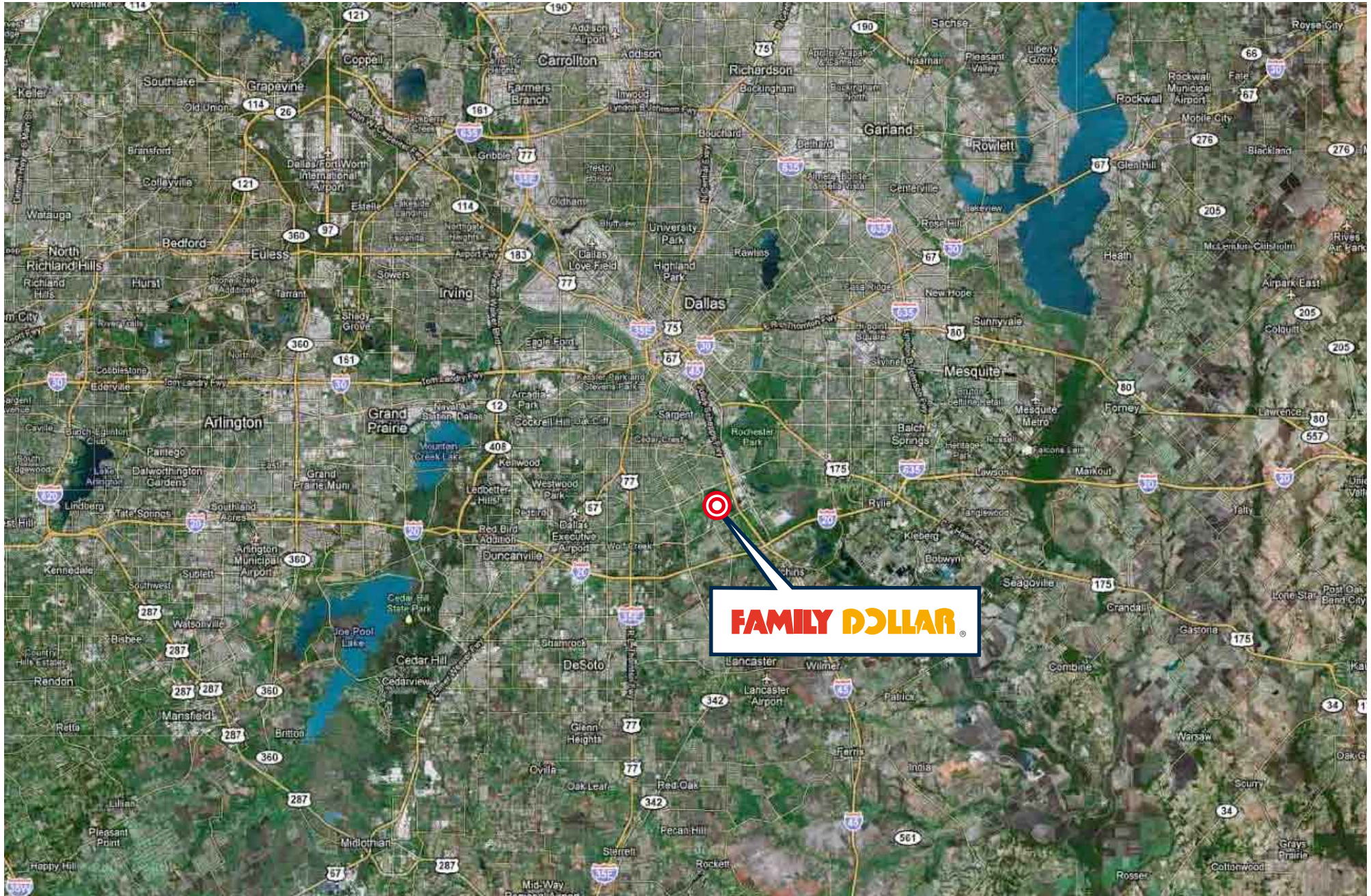
OFFERING SUMMARY

Price	\$662,000
per SF	\$72.11
NOI	\$62,900
per Month	\$5,242
per SF per Month	\$0.57
Cap Rate	9.50%

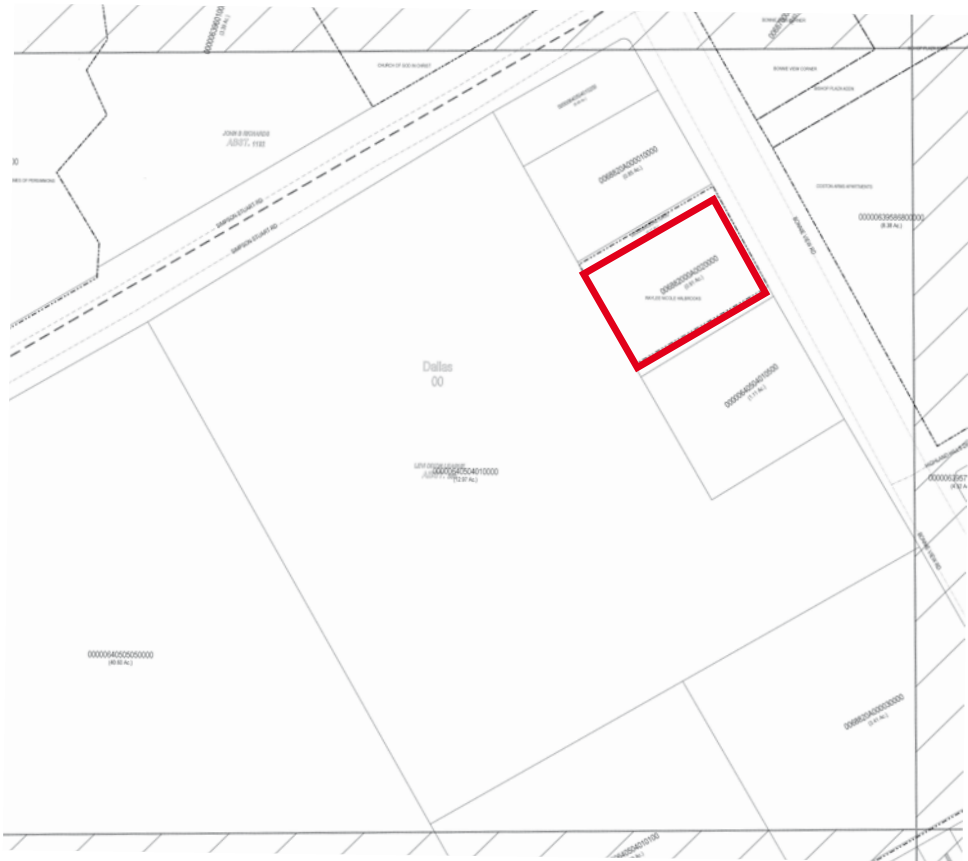
VALUATION	
NOI	\$62,900
Debt Service	(\$34,011)
Cash Flow	\$28,889
Principal Reduction	\$10,665
Total Return	\$39,554
Cap Rate	9.50%
Cash on Cash	10.91%
Total Return %	14.94%

PROPOSED FINANCING	
Loan Amount	\$397,200
Equity Required	\$264,800
Debt Service	(\$34,011)
LTV	60%
DSCR	1.85
Rate	5.95%
Term	3 years
Amortization	20 years





PLAT MAP



AERIAL



FAMILY DOLLAR[®]




Founded in 1959, Family Dollar Stores, Inc. is one of the fastest growing discount store chains in the United States. There are currently more than 6,600 stores operating in 44 states. During the last ten years, more than 4,000 new stores have been added to the chain.

Family Dollar stores offer self-service retail discount products for lower to mid-income consumers. Most merchandise is priced below \$10.00. The typical store offers household chemicals, paper products, candy, snacks and other food, health and beauty aids, hardware and automotive supplies, pet food and supplies, home products, toys, stationery, school supplies, seasonal goods, and electronics. It also provides apparel and accessories for both sexes and all ages.

Family Dollar's headquarters are located in Matthews, North Carolina. The company has been a publicly held corporation since 1970 and its Common Stock is listed on the NYSE under the ticker symbol FDO.





	Radius: 1 Miles	Radius: 3 Miles	Radius: 5 Miles
 2000 Total Population	10,968	40,129	135,250
2000 Group Quarters	252	822	3,787
2009 Total Population	13,048	46,345	153,290
2014 Total Population	13,992	49,442	161,203
2009 - 2014 Annual Rate	1.41%	1.3%	1.01%
 2000 Households	3,533	13,394	43,768
2000 Average Household Size	3.03	2.93	3
2009 Households	4,140	15,205	48,686
2009 Average Household Size	3.08	2.99	3.06
2014 Households	4,415	16,105	50,858
2014 Average Household Size	3.11	3.02	3.09
2009 - 2014 Annual Rate	1.29%	1.16%	0.88%
2000 Families	2,810	10,142	33,127
2000 Average Family Size	3.42	3.4	3.47
2009 Families	3,259	11,333	36,192
2009 Average Family Size	3.5	3.5	3.57
2014 Families	3,446	11,885	37,384
2014 Average Family Size	3.53	3.54	3.61
2009 - 2014 Annual Rate	1.12%	0.96%	0.65%
 2000 Housing Units	3,693	14,932	47,526
Owner Occupied Housing Units	59.3%	59.0%	57.7%
Renter Occupied Housing Units	36.1%	30.8%	34.4%
Vacant Housing Units	4.6%	10.2%	7.9%
2009 Housing Units	4,471	17,609	54,906
Owner Occupied Housing Units	54.2%	54.5%	54.1%
Renter Occupied Housing Units	38.4%	31.8%	34.6%
Vacant Housing Units	7.4%	13.7%	11.3%
2014 Housing Units	4,705	18,332	56,770
Owner Occupied Housing Units	55.4%	56.8%	56.3%
Renter Occupied Housing Units	38.4%	31.0%	33.3%
Vacant Housing Units	6.2%	12.1%	10.4%
Median Household Income			
2000	\$26,150	\$26,695	\$29,796
2009	\$32,258	\$33,723	\$37,900
2014	\$33,847	\$35,802	\$41,270
Median Home Value			
2000	\$50,599	\$50,845	\$54,393
2009	\$60,414	\$61,079	\$66,194
2014	\$66,523	\$67,134	\$72,887
Per Capita Income			
2000	\$12,025	\$12,764	\$13,248
2009	\$14,352	\$15,186	\$15,780
2014	\$14,960	\$15,883	\$16,378
Median Age			
2000	30.8	34.2	31.7
2009	32.4	35.7	32.8
2014	32.9	35.8	33.1

Data Note: Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by total population. Detail may not sum to totals due to rounding.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2009 and 2014.



FAMILY DOLLAR BUCKS THE SKEPTICS

By Teresa Rivas

Wednesday, January 6, 2010

FAMILY DOLLAR STORES (TICKER: FDO) sells inexpensive goods. Its stock also happens to be inexpensive.

This morning, the discount retailer announced better-than-expected fiscal first-quarter earnings of \$67.6 million, or 49 cents a share, up from 42 cents a share last year and ahead of the 47-cent consensus estimate.

The results were helped by same-stores sales, which grew 4% in December, and fewer holiday-related markdowns. The company also said it expects second-quarter profit of 65 cents a share, one cent above expectations.

The shares jumped 10% on the news, to a recent \$30.25. If you're scared off by today's rally, don't be.

Despite today's gains, Family Dollar remains the cheapest in its sector, trading at 12.5 times the consensus estimate for 2010 earnings per share and at about a 20% discount to its median five-year price/earnings multiple of 16. That's cheaper than competitors 99 Cents Only Stores (NDN), Dollar General (DG) and Dollar Tree (DLTR).

Moreover, Family Dollar is the only one of the group to pay a dividend, currently at 2%. It has the most cash on its balance sheet of the four, and aside from 99 Cents Only, has the least amount of debt. Family Dollar also has the best returns on equity and assets of the group.

Dollar stores in general did extremely well throughout the recession for obvious reasons. But while others saw close to (or more than) triple-digit gains in the last two

years, Family Dollar rose a much more modest 61% in that time, and has fallen out of favor recently, dropping 2.6% in the last three months.

However, concerns about Family Dollar topping last year's results appear overblown. Pali Research analyst Stacey Widlitz notes that while Family Dollar may struggle to top results achieved at the height of the recession, those results do not appear to be "driven by loss of customers or trade down disappearing."

Thus, despite signs of a grudging economic recovery, fundamentals are not abandoning Family Dollar, particularly with consumers -- especially in lower-income brackets -- still under pressure from a number of factors, including a high unemployment rate.

Longer term, Family Dollar seems the best positioned in the group. Only about one-third of Family Dollar's offerings actually carry a \$1 price tag, leaving it less exposed to inflationary pressures than others, like 99 Cents Only that sticks strictly to the \$1 model for all inventory.

Another part of the Family Dollar story is gross margins, which grew to 36.1% in the quarter, also topping expectations, on well controlled lower inventories and theft expenses. Even Wedbush Morgan analyst Joan Storms, who has an Underperform rating on the stock, noted that "longer-term, we see positive growth prospects for the company, which has a strong management team and execution record."

The dollar-store sector may not see as much of a knockout performance as in the past, as the economy slowly recovers and competition from other discounters, like Wal-Mart Stores (WMT), intensifies. However, many of the industry's core consumers remain under pressure in this environment, and savvy bargain hunting continues to be a widespread shopping tactic.

Family Dollar, which has gained far less than its peers and sports a healthy balance sheet, is therefore likely the best play in the space.

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