



NORTHEAST VIEW



SOUTHEAST VIEW



OFFERING MEMORANDUM
FRED'S PHARMACY
McDonough (Atlanta MSA), GA

Marcus & Millichap

OFFERING SUMMARY

FRED'S PHARMACY

1550 S. Zach Hinton Pkwy., McDonough, GA 30253

Price	\$2,106,000
Cap Rate	7.58%
NOI	\$159,642
Rentable Square Feet	16,471 SF
Price/SF	\$128
Year Built	2016
Lot Size	2.0 +/- AC
Type of Ownership	Fee Simple
Tenant Trade Name	Fred's
Lease Guarantor	Public
Lease Type	NN
Roof & Structure	Landlord Responsible
Lease Term	12 Years
Rent Commencement Date	May 2016
Lease Expiration Date	May 2028
Term Remaining on Lease	10 Years
Increases	5% Increase in Options
Options	Three, 5-Year Options

DEMOGRAPHICS	1-Mile	3-Mile	5-Mile
Population	6,428	31,997	62,311
Avg. Household Income	\$46,256	\$51,297	\$60,702
Projected Growth (5-Year)	20.46%	16.39%	16.91%



INVESTMENT HIGHLIGHTS

- **NEW 2016 CONSTRUCTION | 10+ YEARS REMAINING**
- **ATTRACTIVE UPGRADED CONSTRUCTION | 4-SIDED BRICK**
- **EQUIPPED WITH DRIVE THROUGH PHARMACY**
- **METRO ATLANTA LOCATION | 60,000 5-MILE POPULATION**
- **THRIVING SUBURB OF ATLANTA | 102% GROWTH SINCE 2000 (5-MILE)**
- **LOCATED ON HIGHWAY 155 | 19,200 VPD**
- **WITHIN 1-MILE OF NEW \$80M SCHOOL DEVELOPMENT | OPENING 2019**
- **FRED'S OPERATES 628+ LOCATIONS**
- **COMPANYWIDE SALES OF \$2.1+/- BILLION**

The subject property is a new construction Fred's Pharmacy store located on Highway 155 (S. Zach Hinton Parkway) just south of its intersection with Racetrack Road in McDonough, GA, a thriving suburb of Atlanta. The store, which features an attractive 4-side brick exterior, was built in 2016 and is equipped with a drive-thru pharmacy. Fred's benefits from the 60,000+ residents in a 5-mile radius and the excellent visibility and exposure to Highway 155 which boasts an average daily traffic count of 19,200. The subject property is only about 3/4 mile south of the brand new \$80+/- million dollar development for the new McDonough Middle and High School cluster opening in 2019

Fred's is signed to a 12-year lease that will not expire until May 31, 2028. Tenant has 3, 5-year renewal options thereafter, each accompanied by a 5% rental increase. Tenant contributes a monthly amount for Common Area Maintenance, and they reimburse Landlord for taxes and insurance.

Tracing its history back to an original store in Coldwater, Mississippi, opened in 1947, today Fred's Pharmacy is headquartered in Memphis, Tennessee, and operates 601 pharmacy and general merchandise stores and three specialty pharmacy-only locations. With a unique store format and strategy that combines the best elements of a healthcare-focused drug store with a value-focused retailer, Fred's Pharmacy stores offer more than 12,000 frequently purchased items that address the healthcare and everyday needs of its customers and patients. This includes nationally recognized brands, proprietary Fred's Pharmacy label products, and a full range of value-priced selections. The company has two distribution centers, one in Memphis, Tennessee, and Dublin, Georgia.



TENANT SUMMARY | LEASE ABSTRACT



Fred's offers a unique store format and strategy that combines the best elements of a value-focused retailer with a healthcare-focused drug store. The company operates 628 general merchandise and pharmacy stores, including 14 franchised locations, and three specialty pharmacy-only locations.



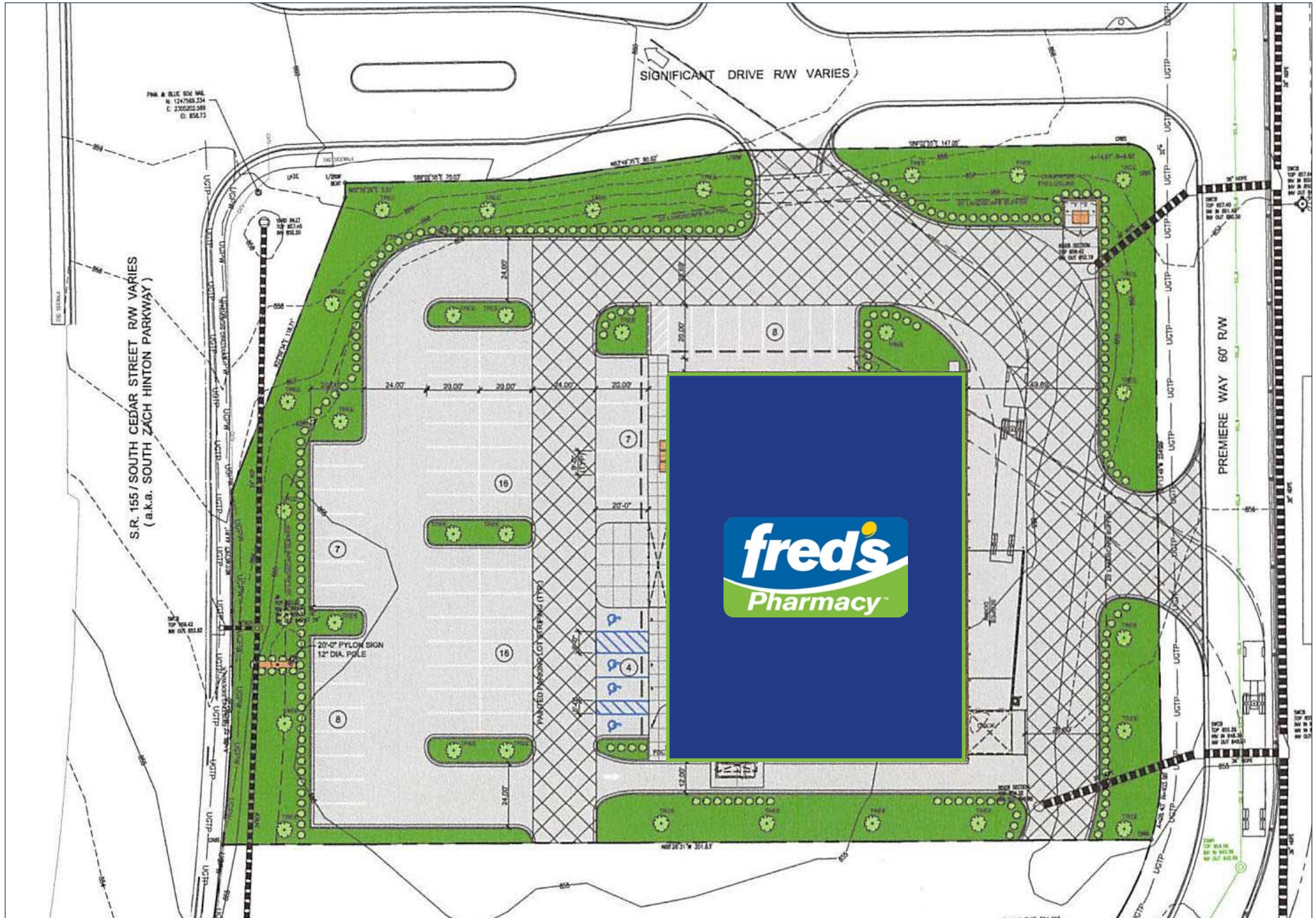
Company	Fred's
Number of Stores	628+
Ownership	Public NASDAQ (FRED)
Founded	1947
Headquartered	Memphis, TN
Revenue	\$2.13 Billion
Website	www.fredsinc.com

LEASE ABSTRACT

Lease Commencement	May 1, 2016	
Lease Expiration	May 31, 2028	
Term Remaining	10+ Years	
Lease Type	NN	
Base Rent	Lease Years 1-12	\$159,642
Option Rent	Option 1	\$167,611
	Option 2	\$175,992
	Option 3	\$184,791
Options	Three, 5-Year Options	
Tenant Responsibilities	Taxes, Insurance, CAM, Parking Lot & HVAC	
Landlord Responsibilities	Roof & Structure	



SITE PLAN





Dated:

Don McMinn
Marcus & Millichap
1100 Abernathy Road, NE, Suite 600
Atlanta, GA 30328

Phone: 678-808-2762
Fax: 815-550-1286
Email: don.mcminn@marcusmillichap.com

Re: 1550 S. Zach Hinton Pkwy., McDonough, GA 30253 (Fred's Pharmacy)

Dear Don:

Please accept this offer to purchase the above referenced Property. This letter expresses Purchaser's interest in purchasing the Property under the following terms and conditions:

Purchaser: _____

**Purchaser's
Address:** _____

**Purchaser's
Phone/Fax:** _____

**Purchaser's
Email Address:** _____

Offer Price: _____

Earnest Money: \$25,000 earnest money deposit due within forty-eight (48) hours of the Effective Date of the Contract for Sale and Purchase. The Earnest Money shall be increased to \$50,000 at the expiration of the Inspection Period and shall become non-refundable barring any other listed contingencies.

Inspection Period: 21 Calendar Days from Effective Date, which shall mean the date on which the latter of the parties executes a Contract for Sale and Purchase. Any and all available Due Diligence Documents ("Documents") will be forwarded immediately upon Effective Date of the Contract for Sale and Purchase Agreement.

Purchaser's Initials _____ Seller's Initials _____

Financing Period: All Cash (No Financing Period)
(Please Check One) Purchaser shall have ten (10) days from the Effective Date of the Contract for Sale and Purchase Agreement to apply for and obtain a financing commitment. In addition, Purchaser shall have 30 days from the expiration of the effective date of the contract to complete loan processing. Purchaser shall use its best efforts to secure and obtain a new first mortgage loan in the amount of \$ __ on terms which are acceptable to Purchaser.

Closing Date: 10 Calendar Days after the expiration of the Inspection Period (or Financing Period if applicable).

Closing Costs: Seller shall pay for the transfer tax. Buyer shall pay for Title. Purchaser and Seller shall each bear its own attorneys expenses. All other Closing Costs shall be split 50-50 between Buyer and Seller.

Property Condition: Property is being sold "AS IS" with Seller making no representations or warranties concerning the property.

Contract within 10 days: Within Ten (10) Calendar Days of the Effective Date of this Letter of Intent, Purchaser and Seller shall enter into a binding Contract for Purchase and Sale (the "Contract"). Seller will Draft the Contract and Failure to reach an agreement will allow the Seller to consider this agreement void and accept offers from other parties.

Broker Commission: Purchaser acknowledges that Purchaser has employed _____, ("Purchaser's Brokers") to represent them in this transaction. Any commissions due the Purchaser's broker (if applicable) shall be paid by the Seller directly.

1031 Exchange: Purchaser is/is not (check one) completing an IRS 1031 Tax Deferred Exchange, to which the Seller agrees to cooperate providing there is no cost or expense to Seller. Purchaser has \$ _____ in an exchange account from a transaction which closed escrow on _____. Purchaser will provide Seller, upon request, proof of such funds.

Confidentiality: Purchaser and Purchaser's agents and representatives hereby covenant with Seller that Purchaser and Purchaser's agents and representatives shall not, without the prior written consent of Seller (which consent may be withheld in Seller's sole and absolute discretion), disclose to any other person (other than Purchaser's accountants and attorneys) or entity by any means whatsoever: (i)
Purchaser's Initials _____ Seller's Initials _____

any information pertaining to the Documents; (ii) any information pertaining to the Contract; or (iii) any information or documentation (written or oral) provided by Seller or Seller's agents and representatives concerning Seller, Seller's business, Tenant, Tenant's business or the Property.

This Letter of Intent is contingent upon the prospective Purchaser's willingness to execute Seller's standard Purchase Agreement as well as review and approval of the details of the transaction proposed above by the appropriate principal parties of the Seller.

Please note that this Letter of Intent will be withdrawn if Purchaser has not received your acknowledgement by _____ at 5:00 p.m. EST.

It is understood and agreed that the foregoing constitutes a *Letter of Intent* setting forth the major business points from our discussions. It is further understood that neither party intends to create any contractual rights or obligations as a result of entering into this *Letter of Intent*. No binding agreement or rights or obligations shall arise as the result of executing this letter or with respect to the proposed transactions, unless and until we execute definitive documentation incorporating the above provisions and other appropriate terms.

If the foregoing accurately reflects our discussions, please acknowledge same by returning a signed copy of this letter. Execution of this Letter of Intent by the undersigned agent in no way binds or obligates the Seller or any of its principals.

Agreed and Accepted: Purchaser

By: _____

Printed: _____

Dated: _____

Agreed and Accepted: Seller

By: _____

Printed: _____

Dated: _____

Purchaser's Initials _____ Seller's Initials _____