



**5705 US-278 | SULLIGENT, AL**



Actual Location



Actual Location

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## Investment Summary

<b>ADDRESS</b>	5705 US-278 Sulligent, AL 35586
<b>PARCEL SIZE:</b>	0.69 Acres
<b>BUILDING SIZE:</b>	8,616 SF
<b>NOI:</b>	\$104,648
<b>PRICE:</b>	\$697,653
<b>CAP RATE:</b>	15.0%

## Investment Overview

CBRE's Net Lease Property Group is pleased to exclusively offer an 8,616-square foot freestanding Fred's Getwell Drug & Dollar situated on 0.69 acres in Sulligent, Alabama. Sulligent is a thriving community with a strong economic climate located in Western Alabama only 6 miles of the Mississippi state line. Sulligent's primary economic drivers include manufacturing, construction and extraction, and transportation. Fred's Getwell Drug & Dollar's 12-year net lease has  $\pm 5.5$  years of primary term remaining with minimal landlord responsibilities and 5% rent increases in each of the three 5-year renewal options. Though its pharmacy will remain open, the Sulligent location's retail operations will discontinue in the upcoming weeks. The Tenant is still responsible for paying full rent and maintaining the building for the remainder of the initial term. The property is ideally located with excellent access and visibility on US-278 (Traffic Count: 4,530 VPD), which is the area's primary thoroughfare and provides direct access to the Mississippi state line. The site is strategically located immediately adjacent to Progressive Insurance and Subway and across US-278 from a Dollar General. Other retailers with a presence in the immediate vicinity include Piggly Wiggly, NAPA Auto Parts, First National Bank, Happy Day's Café, Ford Dealership, and TEXACO among many others.

### DEMOGRAPHICS

1 Mile Pop	1 Mile AHI	3 Mile Pop	3 Mile AHI	5 Mile Pop	5 Mile AHI	Traffic Count
809	\$42,693	2,084	\$42,401	3,157	\$43,028	SR-278: 4,530 VPD

## Investment Highlights

- **National Dollar Brand:** Fred's (NASDAQ: FRED) operates discount general merchandise stores which offer pharmaceuticals, household goods, apparel and linens, food and tobacco products, health and beauty aids, and paper and cleaning products. Fred's will soon operate 244 stores after it's June announcement to shut down a total of 313 underperforming stores. Headquartered in Memphis, Tennessee, the company's history traces back to 1947. As of Feb 2, 2019, Fred's produced FY 2018 revenues of \$1.3B.
- **Get Well Drug & Dollar:** Fred's Inc. owns and operates one additional retail chain. Getwell Drug & Dollar is a convenient pharmacy destination, with 4 locations across Alabama, Tennessee, Kentucky and Mississippi that offers an expanded over-the-counter medication selection, individualized patient care, and more than 1,700 \$1 items.
- **Net Lease:** Fred's Getwell Drug & Dollar's 12-year net lease has  $\pm 5.5$  years of primary term remaining with minimal landlord responsibilities and 5% rent increases in each of the three 5-year renewal options. Though its pharmacy will remain open, the Sulligent location's retail operations will discontinue in the upcoming weeks. The Tenant is still responsible for paying full rent and maintaining the building for the remainder of the initial term.
- **Excellent Access/Visibility:** The site is strategically located with excellent access and visibility along US-278 (Traffic Count: 4,530 VPD), which is the area's primary thoroughfare and provides direct access to the Mississippi state line.
- **Strategic Location:** The site is strategically located immediately adjacent to Progressive Insurance and Subway and across US-278 from a Dollar General. Other retailers with a presence in the immediate vicinity include Piggly Wiggly, NAPA Auto Parts, First National Bank, Happy Day's Café, Ford Dealership, and TEXACO among many others.
- **Sulligent, AL Market:** The city of Sulligent (Population: 1,861) is located in Lamar County, Alabama and expands across 7.8 square miles. Incorporated in 1897, the city was first referred to as "Elliot" to commemorate the chief engineer of the Kansas City-Memphis-Birmingham Railroad. One month later, it was renamed to "Sulligent" in honor of the both the superintendent of the railroad, Sullivan, and the passenger agent of the railroad, Sargeant. Sulligent enjoys being home to Lamar County's only "National Register of Historic Places" structure, the Greer Bankhead House, which predates the city by nearly four decades.





# Lease Summary

TENANT:	Fred's Stores of Tennessee, Inc.
YEAR BUILT:	2013
LEASE COMMENCEMENT:	January 1, 2013
LEASE EXPIRATION:	December 31, 2024
ORIGNIAL LEASE TERM:	12 Years
LEASE TERM REMAINING:	±5.5 Years
LEASE TYPE:	NN
INITIAL TERM RENT:	\$104,648
RENEWAL OPTIONS:	Three 5-year options
OPTION RENT:	Option 1: \$109,880 Option 2: \$115,374 Option 3: \$121,143
TAXES:	Lessee shall reimburse Lessor for all Property Taxes which may be levied or assessed by any lawful authority against the land and improvements of the Demised Premises.
INSURANCE:	<p>Lessor shall have and maintain a fire and extended casualty insurance policy insuring against all risks on the Demised Premises with coverage in an amount of at least 80% of replacement value of said Demised Premises.</p> <p>Lessee Shall reimburse Lessor for the cost of casualty insurance related to the Demised Premises with the stated limits of 80% of replacement value.</p> <p>Lessee shall maintain insurance against public liability for injury to person (including death) or damage to property occurring within the Demised Premises arising out of the negligence, acts or omissions of lessee of the Demised Premises. Such insurance shall be with minimum aggregate limit of \$2,000,000 for personal injury, death or property damage and Lessor shall be named as additional insured under the policy.</p> <p>Lessor shall maintain insurance against public liability for injury to person (including death) or damage to property arising out of the acts or omissions of Lessor, the failure of lessor to perform its obligations hereunder, or arising out of any matter occurring on the exterior of the property. Such insurance shall be with minimum aggregate limit of \$2,000,000 for personal injury, death or property damage, and Lessee shall be named as additional insured under the policy.</p>

REPAIRS & MAINTENANCE:	<p>Lessor shall and will keep, repair, replace and maintain, at all times, in good, safe order and condition, the exterior of the Demised Premises, including, without limitation, the parking lot, parking lot lights, entrance and exits, sidewalks, ramps, curbs, roof, including gutters and downspouts, awnings and canopies, walls, foundation, foundation floors and/or sub-floors, exterior freight doors, exterior plumbing (underground pipes) and including sprinkler systems, pipes, existing electrical distribution panels, wiring, and conduits and interior plumbing pipes within the floors, walls and above the ceiling and all structural portions of the Demised Premises. Lessor specifically agrees to repair any and all damage caused by settling, expansion or contraction, of the building and/or the land underneath the building or the parking area. Lessor shall also be responsible for, by way of illustration and not limitation, any damage to the building, windows, roof, ceiling and/or walls caused by, without limitation, theft, burglary or break-ins. If there is a sprinkler system, it is the Lessor's responsibility to cause and pay for an annual certification by a licensed certifying agency and provide Lessee with a copy of said certification.</p> <p>Lessee will keep and repair the interior of the Demised Premises, including, without limitation, all plate glass windows and aluminum doors, bathroom fixtures, all fluorescent light fixtures including fluorescent light tubes and ballast within the Demised Premises, after first accepting all in good working order.</p> <p>Lessee will repair all HVAC units located on or used on the Demised Premises (up to a maximum Lease Year amount of \$500 per HVAC unit (excluding changing of filters).</p> <p>Landlord is required to operate and maintain the Common Areas including, but not limited to, the following: gardening and landscaping, lighting, cleaning, painting, striping, securing, policing, monitoring, removing snow, repairing and maintaining equipment, paving and maintaining the parking area and walkways, cutting and caring for the lawns and garden areas and cleaning ditches.</p> <p>CAM:</p> <p>Management and administrative fees, roof repair and/or replacement and any costs of any capitalizable improvements or additions to the Common Areas shall not be considered a common area maintenance cost or expense.</p> <p>*Lessee shall pay the CAM charge to Lessor in equal monthly installments subject to a maximum charge.</p>
CAM MAXIMUM CHANGE:	\$5,544





Max Tool, Inc.



Smith's Body Shop

New Southern Belle  
Happy Day's Cafe  
B&P Hardware



Sulligent Eye Care

City Hall &  
Sulligent Police  
Department



Family Health Pharmacy

Priddy's Tire & Muffler

DOLLAR  
GENERAL



US-278: 4,530 VPD

Christian Life Center

SUBWAY  
Sulligent Medical Center





W FRONT ST



Sulligent Eye Care  
Family Health Pharmacy

ALABAMA HWY 17



RESCUE ALLEY



US-278: 4,530 VPD

DOLLAR  
GENERAL

Christian Life Center

SUBWAY  
Sulligent Medical Center

WALNUT ST



piggly wiggly®



## SURROUNDING USES





## Tenant Overview

Fred's (NASDAQ: FRED) operates discount general merchandise stores which offer pharmaceuticals, household goods, apparel and linens, food and tobacco products, health and beauty aids, and paper and cleaning products. Fred's will soon operate 244 stores after it's June announcement to shut down a total of 313 underperforming stores. Headquartered in Memphis, Tennessee, the company's history traces back to 1947. As of Feb 2, 2019, Fred's produced FY 2018 revenue of \$1.3B.

With a unique store format and strategy that combines the best elements of a value-focused retailer with a healthcare-focused drug store, Fred's stores offer more than 12,000 frequently purchased items that address the everyday needs of its customers and patients. This includes nationally recognized brands, proprietary Fred's label products, and a full range of value-priced selections.



Fred's Inc. also owns and operates one additional retail chain. Getwell Drug & Dollar is a convenient pharmacy destination, with 4 locations across Alabama, Tennessee, Kentucky and Mississippi that offers an expanded over-the-counter medication selection, individualized patient care, and more than 1,700 \$1 items.

## Fred's Company Overview

FY 2018 Revenues:	\$1.3B (as of February 2, 2019)
Number of Locations	244 (by end of July 2019)
Headquarters	Memphis, TN





## Sulligent, Alabama Area Overview

- The city of Sulligent (Population: 1,861) is located in Lamar County, Alabama and expands across 7.8 square miles.
- Incorporated in 1897, the city was first referred to as "Elliot" to commemorate the chief engineer of the Kansas City-Memphis-Birmingham Railroad. One month later, it was renamed to "Sulligent" in honor of the both the superintendent of the railroad, Sullivan, and the passenger agent of the railroad, Sargeant.
- Sulligent enjoys being home to Lamar County's only "National Register of Historic Places" structure, the Greer Bankhead House, which predates the city by nearly four decades.
- Sulligent's primary economic drivers include manufacturing, construction, extractions and transportation.
- US Route 278 passes through the city and intersects with State Highway 17.
- BNSF Railway provides rail service east-west throughout the city.
- Sulligent is a 1.5 hour drive from The University of Alabama.



# Affiliated Business Disclosure & Confidentiality Agreement

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## CONFIDENTIALITY AGREEMENT

This is a confidential Memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property.

This Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the Property or the owner of the Property (the "Owner"), to be all-inclusive or to contain all or part of the information which prospective investors may require to evaluate a purchase of real property. All financial projections and information are provided for general reference purposes only and are based on assumptions

relating to the general economy, market conditions, competition and other factors beyond the control of the Owner and CBRE, Inc. Therefore, all projections, assumptions and other information provided and made herein are subject to material variation. All references to acreages, square footages, and other measurements are approximations. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective purchasers. In this Memorandum, certain documents, including leases and other materials, are described in summary form. These summaries do not purport to be complete nor necessarily accurate descriptions of the full agreements referenced. Interested parties are expected to review all such summaries and other documents of whatever nature independently and not rely on the contents of this Memorandum in any manner.

Neither the Owner or CBRE, Inc. nor any of their respective directors, officers, Affiliates or representatives make any representation or warranty, expressed or implied, as to the accuracy or completeness of this Memorandum or any of its contents, and no legal commitment or obligation shall arise by reason of your receipt of this Memorandum or use of its contents; and you are to rely solely on your investigations and inspections of the Property in evaluating a possible purchase of the real property.

The Owner expressly reserved the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions with any entity at any time with or without notice which may arise as a result of review of this Memorandum. The Owner shall have no legal commitment or obligation to any entity reviewing this Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered and approved by the Owner and any conditions to the Owner's obligations therein have been satisfied or waived.

By receipt of this Memorandum, you agree that this Memorandum and its contents are of a confidential nature, that you will hold and

treat it in the strictest confidence and that you will not disclose this Memorandum or any of its contents to any other entity without the prior written authorization of the Owner or CBRE, Inc. You also agree that you will not use this Memorandum or any of its contents in any manner detrimental to the interest of the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this Memorandum to CBRE, Inc.

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