



FORTIS NET LEASE
INVESTMENT REAL ESTATE SERVICES



509 Highway 589, Purvis, MS 39475

OFFERING MEMORANDUM

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Property Map



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Any party contemplating or under contract or in escrow for a transaction is urged to verify all information and to conduct their own inspections and investigations including through appropriate third party independent professionals selected by such party.

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Legal questions should be discussed by the party with an attorney. Tax questions should be discussed by the party with a certified public accountant or tax attorney. Title questions should be discussed by the party with a title officer or attorney. Questions regarding the condition of the property and whether the property complies with applicable governmental requirements should be discussed by the party with appropriate engineers, architects, contractors, other consultants and governmental agencies. All properties and services are marketed by FNL in compliance with all applicable fair housing and equal opportunity laws.

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Fortis Agents Cooperate
Click Here To Meet
The Team



FRED'S SUPER DOLLAR



FRED'S Super Dollar & Pharmacy Portfolio
Available Separately

	<u>Albany</u>	<u>Cherokee</u>	<u>Gautier</u>	<u>Leakesville</u>	<u>Pascagoula</u>	<u>Purvis</u>	<u>Total</u>
Building SF	16,462	16,893	16,528	16,878	16,523	16,944	100,228
Rental Income	\$148,036	\$134,045	\$166,802	\$135,033	\$163,692	\$135,856	\$883,464
CAM Reimbursement	\$5,765	\$5,435	\$5,764	\$5,435	\$5,764	\$5,435	\$33,600
Total Income	\$153,800	\$139,480	\$172,567	\$140,468	\$169,457	\$141,292	\$917,064
Prop Tax	\$2,731	\$0	\$3,896	\$0	\$1,720	\$0	\$8,346
Insurance	\$379	\$0	\$486	\$0	\$493	\$0	\$1,358
CAM (\$1 PSF)	\$16,462	\$16,893	\$16,528	\$16,878	\$16,523	\$16,944	\$100,228
Total Opex	\$19,572	\$16,893	\$20,909	\$16,878	\$18,736	\$16,944	\$109,932
Net Operating	\$134,229	\$122,587	\$151,657	\$123,590	\$150,721	\$124,348	\$807,132
New (Correct)	\$1,451,119	\$1,325,266	\$1,685,079	\$1,336,111	\$1,674,678	\$1,381,643	\$8,853,896
Asking Cap	9.25%	9.25%	9.00%	9.25%	9.00%	9.00%	9.12%

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FRED'S SUPER DOLLAR

INVESTMENT SUMMARY

List Price:	\$1,381,643
Base Rent:	\$1,35,856
CAM Reimbursement:	\$5,435
Total Income:	\$141,292
Landlord Expense:	
Prop Tax:	\$0
Insurance:	\$0
CAM:	\$16,944
Current NOI:	\$124,348

Initial Cap Rate:	9.0%
Land Acreage:	1.77 Acres
Year Built:	2012
Building Size:	16,944 SF
Google Aerial Map:	Click HERE
Google Street View:	Click HERE

LEASE SUMMARY

Lease Type:	Modified NN
Tenant Expenses:	All CAM < \$5,435 80% Replacement Insurance 100% of RE Taxes
Landlord Expenses:	Capital Replacement Costs 20% of Fire Insurance Any CAM > \$5,435

Rent Commencement:	January 1, 2012
Rent Expiration:	December 31, 2023
Rent Increases:	4.6% at Option 1 5.1% at Options 2 & 3
Option Periods:	Three, Five Year Options
Guarantor:	Fred's Stores of Tennessee, Inc
Parent Company:	Fred's Inc (Nasdaq: FRED)

* CAM includes gardening and landscaping, lighting, cleaning, painting, striping, policing, 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.

INVESTMENT HIGHLIGHTS

- Super Dollar & Pharmacy Single Tenant Net Lease
- Very Low Price Per Square Foot (Only \$81 PSF)
- Pharmacy Offer Drive-Thru Pick Up Lane
- Offered Below Replacement Cost
- Minimal Landlord Responsibilities
- Very Low Rent to Sales Ratio (3.1%)
- Fred's has 650+ Stores in the Southeast
- This Location Does in Excess of \$4.4M in Annual Sales
- Rare Lease Language Requires Annual Sales Reports From Tenant
- Offered Individually and as a Six Store Portfolio

LOCATION HIGHLIGHTS

- Located at the Intersection of Highway 589/Alabama Avenue (5,300+ VPD) and US Highway 11 (9,900+ VPD)
- 10 Mile Population Exceeds 30,800 Residents
- 7.03% Projected Population Growth Within 5 Miles by 2020
- Average Household Income Exceeds \$57,000 Within 10 Miles
- Median Home Value Within 10 Miles Exceeds \$152,000
- Positioned Near National Retail Tenants Including: Dollar General, McDonald's, Pizza Hut, Sonic Drive-in, Napa Auto Parts, AutoZone, Family Dollar, Domino's and More

INVESTMENT OVERVIEW

Fortis Net Lease is pleased to present a Fred's Super Dollar located at 509 Highway 589 in Purvis, MS. This twelve year NN lease has minimal landlord responsibilities and approximately seven years remaining on the initial term. The lease will expire on December 31, 2023.

This investment property is surrounded by many national retailers such as: Dollar General, McDonald's, Pizza Hut, Sonic Drive-in, Napa Auto Parts, AutoZone, Family Dollar and Domino's. The subject property is next to a new Dollar General store and s situated on a local retail corridor. The ten mile population exceeds 30,000 residents and has a 7.03 percent projected growth rate within 5 miles by 2020. The median home value within ten miles exceeds \$152,000 and the average household income exceeds \$71,000.

TENANT OVERVIEW

Tracing its history back to an original store in Coldwater, Mississippi, opened in 1947, today Fred's is headquartered in Memphis, Tennessee, and operates over 650 discount general merchandise stores, including 19 franchised Fred's stores, mainly across the southeastern states.

With a unique store format and strategy that combines the best elements of a discount dollar store, drug store and mass merchant, Fred's stores stock more than 12,000 frequently purchased items that address the everyday needs of its customers. This merchandise includes nationally recognized brand name products, proprietary Fred's label products, and lower-priced, off-brand products. The company has two distribution centers, one in Memphis, Tennessee, and Dublin, Georgia.

In December 2016, Fred's, Inc. announced that it will purchase 865 Rite Aid stores from Walgreens Boots Alliance, Inc. (NASDAQ: WBA) and Rite Aid Corporation (NYSE: RAD) for \$950 million in an all-cash transaction. Once approved, this transaction would result in Fred's being one of the largest drugstore chains in the country, with a significant presence in the South, on the East and West Coasts, in addition to the Southeast.

RENT ROLL

TERMS	ANNUAL RENT	MONTHLY RENT	ANNUAL RENT PSF
1/2012 - 12/2023 (Base Term)	\$135,856	\$11,321	\$8.25
1/2024 - 12/2028 (Option 1)	\$142,083	\$11,840	\$8.63
1/2029 - 12/2033 (Option 2)	\$149,312	\$12,443	\$9.07
1/2034 - 12/2038 (Option 3)	\$156,902	\$13,075	\$9.53

EXPENSE DETAIL

Lease Type	NN
CAM	Tenant to reimburse Landlord annual maximum of \$5,435.43 (base term)
Insurance	Tenant to reimburse Landlord for the cost of insurance (up to 80% of replacement value)
Taxes	Tenant to reimburse Landlord for all Property Taxes

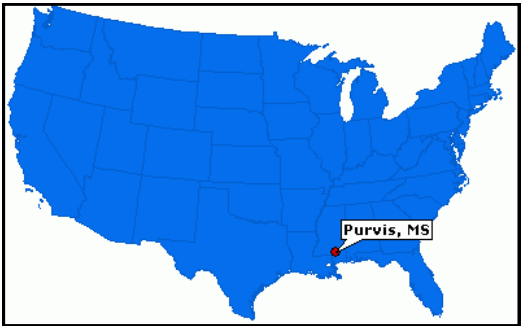
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Purvis, MS

Purvis is a city in Lamar County, Mississippi. It is part of the Hattiesburg, Mississippi Metropolitan Statistical Area. The population was 2,164 at the 2000 census. It is the county seat of Lamar County. The Town of Purvis was incorporated on February 25, 1888 and was founded by and named after Thomas Melville Purves, originally of Marion County, Alabama. Purves, born March 8, 1820, was a second generation Scottish-American; his grandfather emigrated to Charleston, South Carolina in 1765.

Purvis is part of the area known as the Pine Belt (Mississippi) due to overwhelming number of longleaf pine trees that populate the forests. When the town was in its infancy, lumber companies bought large tracts of virgin pine forested land and erected sawmills at sites along the newly developing rail line.

Purvis is located on the highest point on the Southern Railroad between Meridian and New Orleans. The first homesteaders of the area farmed and would only have to make 2-3 trips to "town" for supplies a year. The best route and the trading post most used was the Pass Christian trading post, some ninety miles south of the area which took eleven days in ox-cart to travel.







fred's
Super Dollar

fred's
Pharmacy

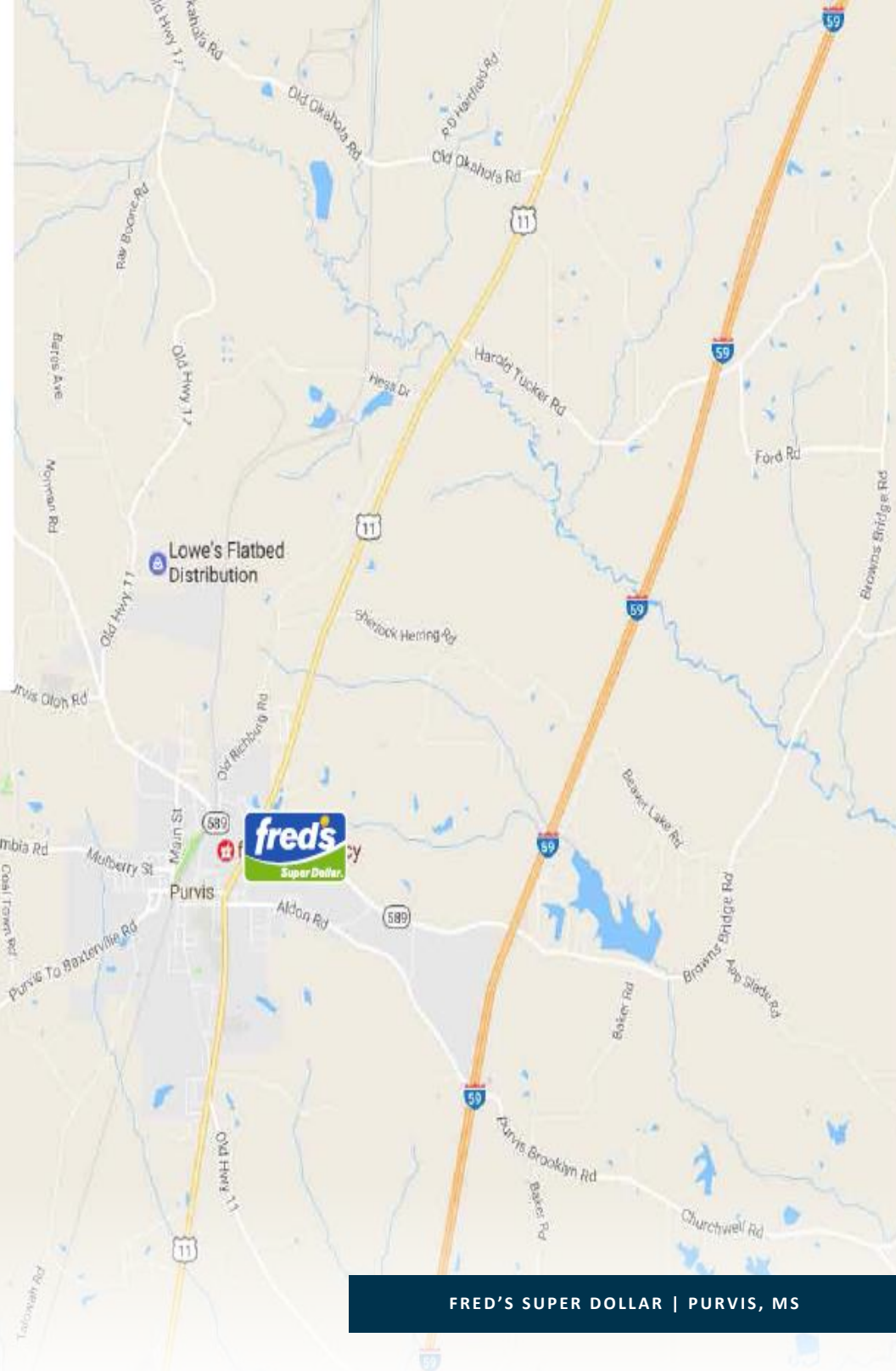
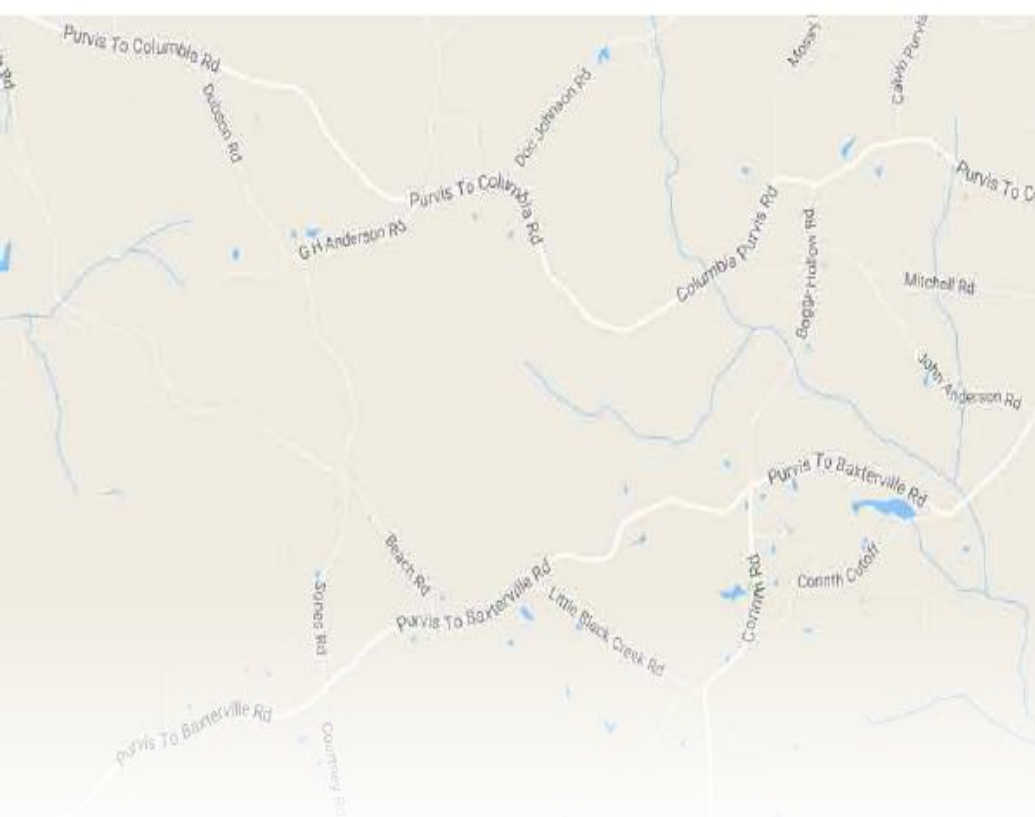
fred's

Super Dollar

PHARMACY



Immediate vicinity





fred's pharmacy
Source for discounted
home goods & food

fred's store

DOLLAR GENERAL

Big Boys BBQ

Shack

AutoZone



FRED'S SUPER DOLLAR | PURVIS, MS

Highway 589 (Alabama Ave.)

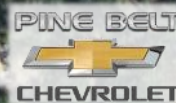
Lamar County
Center for
Technical Education



DOLLAR GENERAL



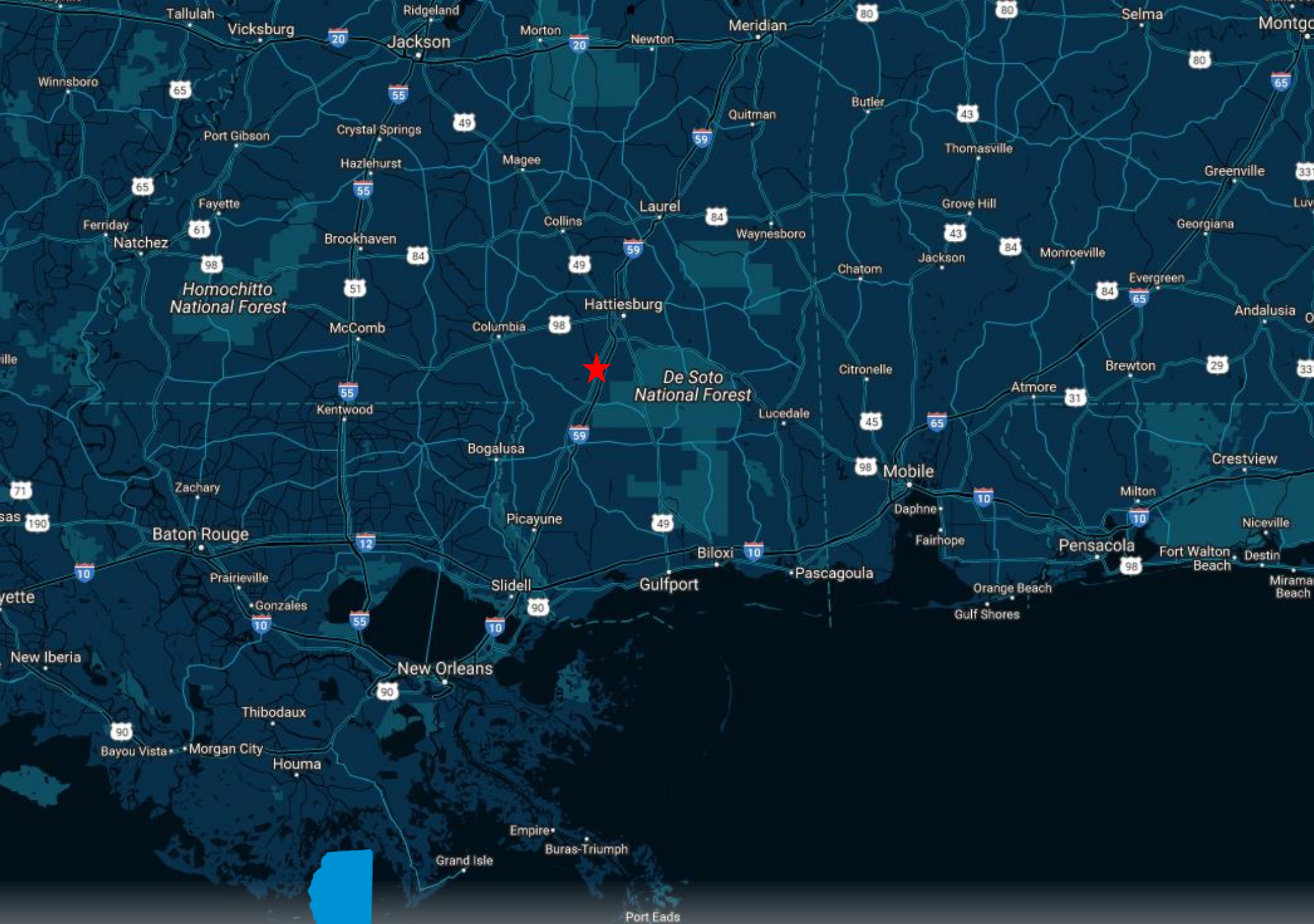
5,300+ VPD



9,900+ VPD

Purvis High
School

Jefferson Todd
Alternative School



Click Image For Online
Property Map





Pearl River
30,817 People Live
Within 10 Miles



Average
Household
Income
Exceeds
\$71,000
Within 10
Miles

**NOW
HIRING**

Top Industries
in Lamar County

- ◆ Healthcare & Social Assistance
- ◆ Education
- ◆ Retail
- ◆ Manufacturing
- ◆ Construction
- ◆ Food Service
- ◆ Finance & Insurance
- ◆ Transportation & Warehousing



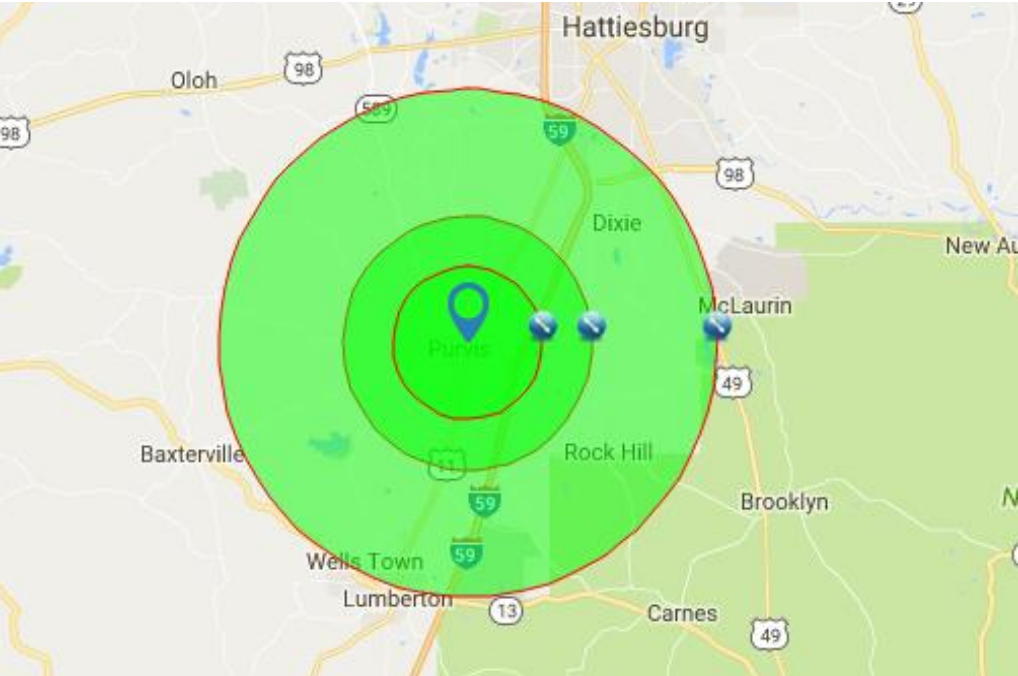
fred's store

Click Image For Online
Property Map

First Baptist
Church of Purvis

FRED'S SUPER DOLLAR | PURVIS, MS

Population	3 Mile	5 Mile	10 Mile
2016 Total Population:	4,764	7,934	30,817
2021 Population:	5,094	8,492	32,927
Pop Growth 2016-2021:	6.93%	7.03%	6.85%
Average Age:	38.90	38.60	37.10
Households			
2016 Total Households:	1,773	2,972	11,635
HH Growth 2016-2021:	7.16%	7.23%	6.90%
Median Household Inc:	\$45,723	\$49,361	\$58,103
Avg Household Size:	2.60	2.60	2.60
2016 Avg HH Vehicles:	2.00	2.00	2.00
Housing			
Median Home Value:	\$128,327	\$130,645	\$152,979
Median Year Built:	1980	1984	1993



Population:	3 Mile	5 Mile	10 Mile
2021 Projection	5,094	8,492	32,927
2016 Estimate	4,764	7,934	30,817
2010 Census	4,505	7,413	27,841
Growth 2016-2021	6.93%	7.03%	6.85%
Growth 2010-2016	5.75%	7.03%	10.69%
2016 Population Hispanic Origin	117	175	622
2016 Population by Race:			
White	4,039	6,877	25,896
Black	629	896	4,112
Am. Indian & Alaskan	23	36	93
Asian	13	26	328
Hawaiian & Pacific Island	2	3	14
Other	58	96	374
U.S. Armed Forces:	11	23	272
Households:			
2021 Projection	1,900	3,187	12,438
2016 Estimate	1,773	2,972	11,635
2010 Census	1,661	2,753	10,460
Growth 2016 - 2021	7.16%	7.23%	6.90%
Growth 2010 - 2016	6.74%	7.95%	11.23%
Owner Occupied	1,337	2,304	9,062
Renter Occupied	437	669	2,573
2016 Avg Household Income	\$55,979	\$59,316	\$71,183
2016 Med Household Income	\$45,723	\$49,361	\$58,103
2016 Households by Household Inc:			
<\$25,000	402	632	2,414
\$25,000 - \$50,000	556	872	2,605
\$50,000 - \$75,000	356	619	2,242
\$75,000 - \$100,000	171	346	1,880
\$100,000 - \$125,000	190	308	1,158
\$125,000 - \$150,000	50	82	495
\$150,000 - \$200,000	49	100	491
\$200,000+	0	12	351





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