

Ackerman & Co.



OFFERING MEMORANDUM

Net Leased The Fresh Market

3285 Robinhood Road
Winston-Salem, North Carolina 27106

CONFIDENTIAL INFORMATION

INFORMATION NOT WARRANTED

This Offering Memorandum and any subsequent evaluation material you may be provided (collectively known as the "Offering Memorandum") is intended solely for your limited use in considering whether to pursue negotiations to acquire The Fresh Market (the "Property") located in Winston-Salem, North Carolina. The Property is being marketed for sale by Ackerman & Co. ("Broker").

The Offering Memorandum contains brief, selected information pertaining to the business and affairs of the Property and has been prepared by Broker. It does not, however, purport to be all-inclusive or to contain all of the information that a prospective purchaser may desire. Broker makes no representation or warranty, express or implied, as to the accuracy or completeness of the Offering Memorandum or any of its contents, and no legal liability is assumed to be implied with respect thereto.

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01

EXECUTIVE SUMMARY

- Investment Summary
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INVESTMENT SUMMARY

The Ackerman & Co.'s retail investment sales team is pleased to exclusively present for sale a unique single tenant net lease The Fresh Market (TFM) property located in Winston Salem, North Carolina. The TFM property was built in 2007 and has approximately ten (10) years remaining on its initial fifteen (15) year lease term. Located within the Mount Tabor Place development, the building totals 21,018 SF and provides investors with a stable investment return.

In addition to the remaining lease term, TFM has five (5), five (5) year renewal options with three percent (3%) rental increases during each option period. This asset is located in western Forsyth County, just west of Wake Forest University and has average household incomes of over \$115,000 in 1-mile. The property is easily accessed from Robinhood Road, Silas Creek Parkway, I-40 and Business 40 within the western Forsyth County submarket.

Investment Highlights:

Stable Cash Flow/Stabilized Market Rate: This asset has approximately ten (10) years remaining on its initial fifteen (15) year lease term. As well, there are three (3), five (5) year renewal options upon the term's expiration. The current \$16.50/SF lease rate for TFM is in-line with the average rental rate in the Winston Salem, NC retail submarket.

Strong Tenant Sales: This investment offers the opportunity to purchase a single tenant Fresh Market in the Mount Tabor Place Development with exceptional historical store sales.

Superior Credit Tenant: The Fresh Market was founded in 1982. The company operates close to 125 stores in 22 states, primarily in the Southeast with plans to expand throughout the nation. According to Ford Equity Research, TFM's market capitalization is \$2.72B (as of 10/2012). According to most analysts, the company has consistently demonstrated positive earnings and growth outpacing the industry average over the past several years.

Mature Retail Submarket/Quality Demographics: The subject property is located at 3285 Robinhood Road, just west of Wake Forest University. The property is surrounded by excellent demographics near Buena Vista and Sherwood Forest neighborhoods, with annual household incomes within one (1) mile of the site over \$115,000. Total population within one (1) mile is 5,657.

INVESTMENT SUMMARY

Square Footage:	21,018 SF
Offering Price:	\$4,675,000 (\$222/SF)
CAP Rate:	7.20%
NOI:	\$336,393*
Debt Structure:	Market (free and clear)
Initial Lease Term:	11/1/2007 - 10/31/2022
Renewal Options	Five (5), five (5) year renewal options with three percent (3%) increases during each option period.

*Includes a 3% Property Management Fee to Mount Tabor Place II, LLC.

01 Executive Summary

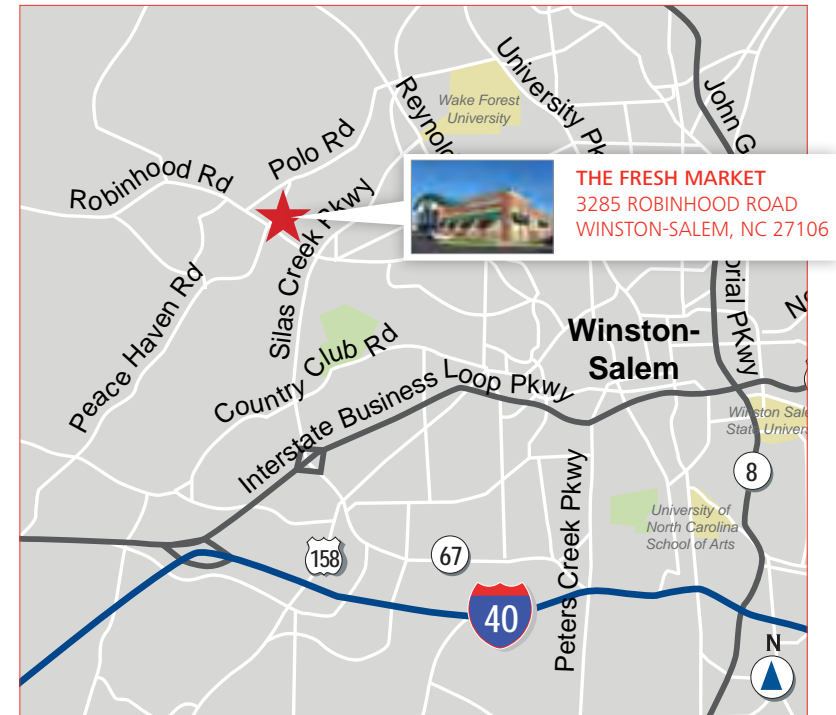
LOCATION AND DEMOGRAPHICS

The subject property, located in Winston-Salem, North Carolina was built in 2007 and is in excellent physical condition. The store fronts on Robinhood Road and has two points of ingress/egress on the site. The site offers ample parking.

In 2012, total population within five miles is 148,435 and average household income within the five miles is \$62,611.

DEMOGRAPHIC SUMMARY

	1-MILE	3-MILES	5-MILES
Population 2012	5,657	57,094	148,435
Total Households	2,510	24,734	62,895
Average Household Income	\$115,871	\$83,559	\$62,611



TRAFFIC COUNTS

27,000 VEHICLES PER DAY ON ROBINHOOD ROAD

Source: 2011 MPSI Systems Inc. d.b.a. DataMetrix®

01 Executive Summary

AERIAL VIEW CAPTURING THE SITE AND SURROUNDING RETAIL



01 Executive Summary

PROPERTY OVERVIEW



Address:	3285 Robinhood Road Winston-Salem, North Carolina 27106
County:	Forsyth
Municipality:	City of Winston-Salem
Building Size:	21,018 square feet/one-story building
Land Area:	0.53 acres (just includes building pad)
Year Built:	2007
Construction:	Concrete block and stucco
Parking:	147 total shared parking spaces west, south and north of the building
Signage:	Pylon sign along Robinhood Road
Access:	There are three points of right-in/right-out, ingress/egress via Robinhood Road with the primary point located at a traffic signal
Store Hours:	Monday - Saturday, 9 AM - 9 PM Sunday 10 AM - 8 PM
Phone Number:	336.760.2519

02

TENANT OVERVIEW

- Tenant Overview
- Rent Roll
- Site Plan

TENANT SUMMARY



SIZE
One-Story Building

SQUARE FOOTAGE
21,018

LEASE EXPIRATION
2022

THE FRESH MARKET

Founded in 1982, The Fresh Market, Inc. (NASDAQ: TFM) is a publicly traded specialty grocery retailer focused on providing high-quality perishable and non-perishable food products in a unique and inviting atmosphere with a high level of customer service. The Fresh Market delivers a wide array of premium foods and products. The typical store carries fresh meat, seafood, produce, deli & cheese, bakery goods, coffee/tea, beer and wine, and floral and gift. The store also carries a wide range of conveniently prepared high-quality meals and gourmet cooking ingredients. With recently announced expansion into California, the company currently operates 125 stores in 24 states, primarily located in the Southeast, Midwest, West, Mid-Atlantic, and Northeast, with plans for continued expansion throughout the country. According to the Buxton Company, a customer analytics research firm, the United States market can currently support at least 500 Fresh Market Stores under the current Fresh Market Format. For more information, please visit www.thefreshmarket.com.

The Fresh Market, Inc. (NASDAQ: TFM)
 S&P Rating: N/A
 Headquarters: Greensboro, NC
 Store Locations: 125

Year Founded: 1982
 Employees: 10,000+
 2011 Revenue: \$1.108 Billion
 Market Capitalization: \$2.72 Billion (10/2012)

Five Year Revenue Growth History (dollars in thousands):

2007.....	\$797,805	2010.....	\$980,403
2008.....	\$861,931	2011.....	\$1,108,035
2009.....	\$974,213		

Store Operating History – Five Years

FISCAL YEAR (Beginning February 1)	2012	2011	2010	2009	2008
Stores at Beginning of Fiscal Year	100	100	92	86	77
Stores Opened	13	-	8	7	9
Stores Closed	-	-	-	(1)	-
Stores at the End of Fiscal Year	113	100	100	92	86
Relocations and Remodels	4	-	1	2	4
Year-over-Year Change	12%	-	9%	8%	14%

02 Tenant Overview

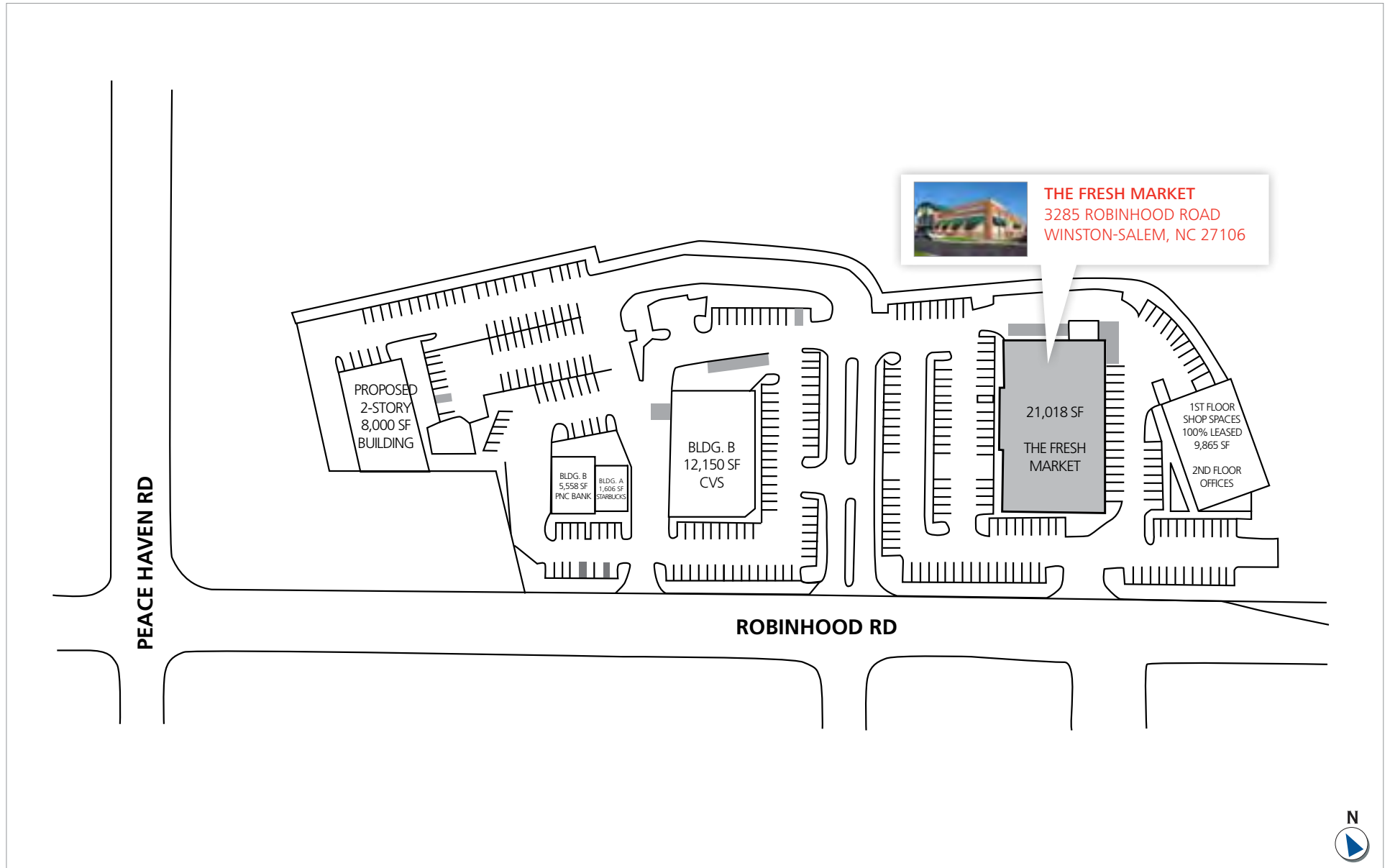
RENT ROLL

SUITE	TENANT	START DATE	EXPIRATION DATE	RSF	ANNUALIZED RENT	MONTHLY RENT	PSF	RENEWAL TERM	RENEWAL INCREASE	COMMENTS
1	The Fresh Market	11/1/2007	10/31/2022	21,018	\$346,797	\$28,899.75	\$16.50	Five (5) years	Three percent (3%) rent increase during each option period	Tenant retains five (5) x five (5) year options after the initial 15 year lease term.

RENEWAL INCREASES ▲		
Option 1	\$357,306	\$17.00
Option 2	\$367,815	\$17.50
Option 3	\$383,579	\$18.25
Option 4	\$394,088	\$18.75
Option 5	\$404,597	\$19.25

02 Tenant Overview

SITE PLAN



03

MARKET OVERVIEW

- Winston-Salem, North Carolina
- Competitive Property Survey
- Detailed Demographics

WINSTON-SALEM, NORTH CAROLINA

Winston Salem, North Carolina (Forsyth County) is the fifth largest city in North Carolina. Winston Salem MSA, the anchor of Northwest North Carolina, has over 477,717 residents and grew by 13.2% since 2000. Home to six colleges and universities; including the prestigious Wake Forest University and Salem College, the longest continuously running women’s college in the United States.

The Reynolds and Hanes families settled in Winston Salem after the Civil War, and emerged as the national leaders in tobacco and textile manufacturing. Today, Winston-Salem has a diverse economy, including health care, nanotechnology research, finance and manufacturing. Forty years ago, manufacturing accounted for almost 40% of total employment in Winston Salem. Today, that figure is just over 10%. Healthcare is the largest industry, accounting for 18.7% of their total employment. By 2030, Forsyth County is projected to have nearly 440,000 people – an almost 25% increase from today.

Winston Salem’s early success as an industrial center brought wealth to the community that fueled the start-up of other successful businesses, among them, Piedmont Airlines (now US Airways), Krispy Kreme Doughnut Corporation, T.W. Garner Food Company (makers of Texas Pete hot sauce) and Goody’s headache powders. And, their strong connection to creativity in all its forms bears fruit in the history of artistic “firsts.” As home to the first Arts Council in the United States, Winston-Salem paved the way for public-private support of the Arts, and created the model for Arts Councils nationwide. Before that, the city of Salem was the first city in the United States where classical music was composed. Winston-Salem is also the site of the first state-supported arts conservatory in the country, the internationally regarded University of North Carolina School of the Arts. Winston Salem has numerous galleries, performing arts groups, theaters, collectives and collections continue to attract and appeal to arts lovers worldwide.



View of Winston-Salem’s skyline

► FORSYTH’S COUNTY’S LARGEST EMPLOYERS

Company	Description of Services	# Employees
Wake Forest Baptist Medical Center	Academic Medical Center	12,837
Novant Health	Medical Center and Health Services	8,145
Winston-Salem/Forsyth County Schools	Educational System	6,692
Reynolds American	Manufacturing HQ	3,000
Hanesbrands, Inc.	Manufacturing HQ	2,800
Wells Fargo	Financial Services	2,800
City of Winston-Salem	Government	2,660
BB&T	Financial HQ	2,200
Forsyth County	Government	2,029
Wake Forest University	Education	1,680

Source: Updated in November 2011. Employment estimates can vary widely depending on the source and those listed here are provided to the best of our knowledge. Estimates were developed using a variety of sources, including the Winston-Salem Chamber, Forsyth County, the Winston-Salem Journal, and the Triad Business Journal.

03 Market Overview

COMPETITIVE PROPERTY SURVEY (WITHIN A 4-MILE RADIUS)



03 Market Overview

DETAILED DEMOGRAPHICS

DEMOGRAPHICS	1-MILE	3-MILES	5-MILES
2012 Estimated Population	5,657	57,094	148,435
2017 Projected Population	5,748	58,279	153,308
2000 Census Population	5,650	53,839	135,839
1990 Census Population	5,225	48,914	122,610
Growth 2000 - 2012	0.12%	6.05%	9.27%
Growth 2012 - 2017	1.61%	2.08%	3.28%
Growth 1990 - 2000	8.13%	10.07%	10.79%
2012 Estimated Median Age	51.34	45.97	45.95
Total Employees	45.10	39.20	37.13
2012 Estimated Households	2,510	24,734	62,895
2017 Projected Households	2,588	25,383	65,313
2000 Census Households	2,441	23,418	57,407
1990 Census Households	2,235	21,112	52,287
Growth 2012 - 2017	3.11%	2.62%	3.84%
Growth 2000 - 2012	2.83%	5.62%	9.56%
2012 Estimated Average Household Size	2.25	2.15	2.26
2012 Estimated Average Household Income	\$115,871	\$83,559	\$62,611
2012 Estimated Median Household Income	\$80,071	\$52,028	\$42,250
2012 Estimated Per Capita Income	\$51,412	\$36,540	\$26,899
2012 Estimated Owner Occupied Units	1,999	15,092	34,803
2012 Estimated Renter Units	511	9,642	28,092
2012 Estimated Median Housing Value	\$261,005	\$217,521	\$163,573

WINSTON-SALEM & FORSYTH COUNTY POPULATION ▲

Winston Salem MSA, the anchor of Northwest North Carolina, has over 477,717 residents and grew by 13.2% since 2000. By 2030, Forsyth County is projected to have nearly 440,000 people – an almost 25% increase from today.

04

FINANCIAL OVERVIEW

- Cash Flow Projections

04 Financial Overview

CASH FLOW PROJECTIONS (Beginning 1/1/2013)

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Gross Rental Income	\$346,797	\$346,797	\$346,797	\$346,797	\$346,797	\$346,797	\$346,797	\$346,797	\$346,797	\$346,797
Expenses (3% Mgmt fee)	\$10,404	\$10,404	\$10,404	\$10,404	\$10,404	\$10,404	\$10,404	\$10,404	\$10,404	\$10,404
Net Operating Income	\$336,393	\$336,393	\$336,393	\$336,393	\$336,393	\$336,393	\$336,393	\$336,393	\$336,393	\$336,393
Net Cash Flow b/t*	\$336,393	\$336,393	\$336,393	\$336,393	\$336,393	\$336,393	\$336,393	\$336,393	\$336,393	\$336,393
Unleveraged (cash-on-cash return) b/t	7.20%	7.20%	7.20%	7.20%	7.20%	7.20%	7.20%	7.20%	7.20%	7.20%

INVESTMENT DETAILS

Purchase Price	\$4,675,000 (\$222/SF)
In-Place Cap Rate	7.20%
Building Square Footage	21,018
Acreage	0.53
Debt Structure	Market (offered free & clear)
Initial Lease Term	11/1/2007 - 10/31/2022
Renewal Options	Five (5), five (5) year options with three percent (3%) rental increase during each option.

General Property Notes

[*] Landlord is responsible for roof & structure but the roof is under a 20-year warranty. The cash on cash return is based on NOI.

Ackerman & Co.



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