

OFFERING MEMORANDUM



FREDDY'S

FROZEN CUSTARD & STEAKBURGERS

2841 US-45 BYPASS, JACKSON, TN 38305

Marcus & Millichap

NON - ENDORSEMENT & DISCLAIMER NOTICE

CONFIDENTIALITY & DISCLAIMER

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation.

Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Marcus & Millichap is a service mark of Marcus &

Millichap Real Estate Investment Services, Inc.

© 2018 Marcus & Millichap. All rights reserved.

NON - ENDORSEMENT NOTICE

Marcus & Millichap is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Marcus & Millichap, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of Marcus & Millichap, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

SPECIAL COVID 19 NOTICE

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.

Marcus & Millichap

OFFICES THROUGHOUT THE U.S. AND CANADA
www.marcusmillichap.com



Oil Well Road | 15,000+ VPD

US-45-Bypass Frontage Road



SUBJECT PROPERTY
NOW OPEN!!

FREDDY'S

Frozen Custard & Steakburgers



2841 US-45 B Y P, Jackson, TN 38305

Marcus & Millichap is pleased to present the exclusive listing for a Freddy's located at 2841 US-45 B Y P, Jackson, TN. The property consists of approximately 2,800-SF of building space and is situated on approximately 0.72 acres of land.

The Freddy's opened in April 2020 and is subject to a 15-Year absolute (NNN) lease. The rent commences on June 1st, 2020 and expires May 31st, 2035. The initial annual rent is \$140,000 subject to 7.50% increases every five years through term and at the start of each of the five (5), five (5)-year options.

Freddy's is located in Jackson TN. Jackson is the county seat of Madison County, Tennessee. Located 80 miles east of Memphis and 120 miles west of Nashville. Jackson Tennessee is a regional center of trade for West Tennessee. Interstate 40 goes city in an east-west direction with 6 exits, and U.S. Route 45 in a northsouth direction. Madison County offers a wide variety of economic, cultural, and educational benefits. It's the home of University of Memphis at Lambuth, Union University, Lane College, and Jackson State Community College.

Freddy's Frozen Custard & Steakburgers is a leading fast casual restaurant franchise concept with more than 370 locations across 32 states. Co-founded in 2002 by Scott Redler and Bill, Randy and Freddy Simon, Freddy's opened its first location in Wichita, Kansas, offering a unique combination of cooked-to-order steakburgers seasoned with Freddy's Famous Steakburger & Fry Seasoning®, Vienna® Beef hot dogs, shoestring fries paired with Freddy's Famous Fry Sauce® and frozen custard that is freshly churned throughout the day in each restaurant.

.....



Largest Employer in Jackson TN



West Tennessee North Hospital
150-Beds | 1,500 Employees

6th Largest Employer in Jackson TN



UNION
UNIVERSITY

3,170+ Students
820+ Employees
100+ Programs

West Towne Commons
24-Stores



US-45-Bypass
46,000+ VPD

Oil Well Road | 15,000+



SUBJECT PROPERTY
NOW OPEN!!

US-45-Bypass Frontage Road

ROYAL
FURNITURE

TENANT SUMMARY

Tenant:

Franchisee

Guarantor:

MM Custard, LLC

FREDDY'S FROZEN CUSTARD & STEAKBURGERS



Freddy's Frozen Custard & Steakburgers is a leading fast casual restaurant franchise concept with more than 370 locations across 32 states. Co-founded in 2002 by Scott Redler and Bill, Randy and Freddy Simon, Freddy's opened its first location in Wichita,

Kansas, offering a unique combination of cooked-to-order steakburgers seasoned with Freddy's Famous Steakburger & Fry Seasoning®, Vienna® Beef hot dogs, shoestring fries paired with Freddy's Famous Fry Sauce® and frozen custard that is freshly churned throughout the day in each restaurant.

.....

M&M CUSTARD, LLC



M&M Custard, LLC is a franchisee of Freddy's Frzone Custard and Steakburgers. They Currently Operate 18 locations in 4 states and plan for continued growth throughout the midwest Including Paducah, KY expected to open in June 2020. Their

territory stretches from lower wisconsin to a large portion of Missouri to Southen Illinois, Southern Indiana, Kentucky and Tennessee.

#1 Forbes' Best Franchises to Buy
(High Investment category)

#1 HubSpot's Best Franchises to
Open and Own

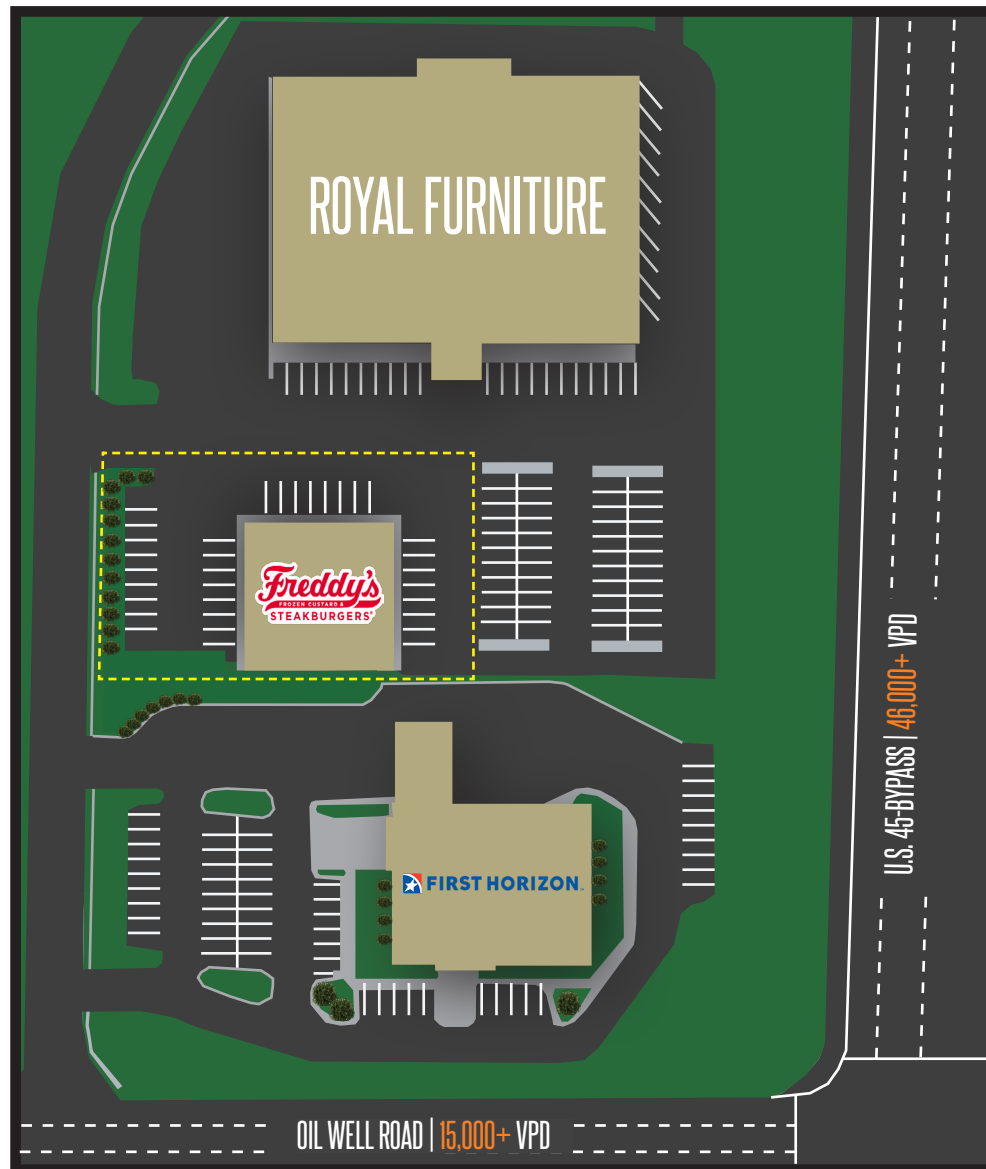
#51 Entrepreneur Magazine's
Franchise 500

Franchise Times® Magazine's 14th
Smartest-Growing Brand in Fast &
Serious 2019

The 2019 Inc. 5000 list

NRN's Top 200 Countdown

Technomic's Top 500 Chain
Restaurant Report 2019



Site Plan SUMMARY



APN

Parcel No. (APN) 057044G A 00103



Build-to-Suit in 2020

GLA

Building Area: 3,000-Sq.Ft.



Land Acres: 0.72 ± Acres



Approximately 30 Parking Spaces



46,100+ VPD on U.S. 45-Bypass & 15,000+ VPD on Oil Well Road

SOLD COMPARABLES // *Freddy's*

PROPERTIES	YEAR BUILT	GLA	GUARANTEE	TERM REMAINING	\$PRICE	% CAP RATE	\$P/SF
★ 2841 US-45 BYP, Jackson, TN	2020	2,800	MM Custard	15	\$2,434,700	5.75%	\$870
1 5009 Cleveland Boulevard, Caldwell, Idaho 83605	2014	3,435	Personal	14.3	\$1,775,000	6.03%	\$517
2 4445 Venetucci Boulevard, Colorado Springs, CO 80906	2019	2,600	10-Unit Franchisee	20	\$2,700,000	5.33%	\$1,038
3 2675 S Beulah Blvd, Flagstaff, AR	1999	3,091	JRI Management	15	\$2,550,000	5.49%	\$825
4 39520 N Daisy Mountain Dr, Anthem, AR	2017	3,232	-	17.8	\$2,800,000	5.71%	\$866
5 1314 S. Broadway St. Pittsburg, KS	1997	2,970	JRI Management	15	\$2,350,000	6.38%	\$791
6 1915 W Marler Ln, Ozark, MO	2017	2,650	11-Unit Franchisee	15	\$2,080,000	6.25%	\$785
7 3040 Justin Road, Highland Village, TX	2008	3,532	JRI Management	15	\$2,200,000	5.50%	\$623
● TOTAL AVERAGES		3,073		16	\$2,350,714	5.81%	\$778

*All Freddy’s comparables closed in 2019 or later.



NOW OPEN!!

OFFERING SUMMARY



FREDDY'S FROZEN CUSTARD & STEAKBURGERS

	Purchase Price \$2,434,700	Cap Rate 5.75%	Net Operating Income \$140,000
---	---	---------------------------------	---

Property Address:	2841 US-45 BYP, Jackson, TN 38305
Year Built:	2020
Gross Leasable Area:	2,800-Sq.Ft.
Lot Size:	0.72 ± Acres

LEASE SUMMARY

Guarantor:	MM Custard, LLC (18-Unit Operator)
Lease Type:	Absolute Net (NNN)
Lease Term:	15-Years
Rent Commencement	6/1/2020
Renewal Options:	Five(5), Five (5)-Year Options
Increases:	7.50% Increase Every Five (5)-Years

INVESTMENT HIGHLIGHTS

- ▶ Fifteen (15)-Year Absolute NNN Lease | 7.50% Rental Increases Every Five (5)-Years & During Options.
- ▶ Operated by M&M Custard, LLC | Experienced & Growing Operator with Eighteen (18)-Total Units in Four (4)-States.
- ▶ Freddy's is One of the Fastest Growing Restaurants in the U.S. | Increasing Total Units by about 30% Per Year Since 2013.
- ▶ Build-to-Suit | 2020 Construction with Drive-Thru.
- ▶ Positioned along Area's Major Retail & Traffic Corridor | Daily Traffic Counts Exceed 46,000 Vehicles.
- ▶ Less Than One (1)-Mile from Union University with More Than 3,400 Students and Staff.
- ▶ Growing Demographics | 18% Population & Household Growth since 2000. Approximately 3% Growth Over the Next Five (5)-Years.

REGIONAL AERIAL

Subject Property is located in Jackson, TN. Approximately 80-Miles East of Memphis and 120-Miles West of Nashville



6th Largest Employer in Jackson TN

Within 5-Miles North of Property



800+
Employees



300+
Employees

Largest Employer in Jackson TN



West Tennessee North Hospital
150-Beds | 1,500+ Employees



US-45-Bypass | 46,000+ VPD



West Towne Commons
24-Stores



UNION
UNIVERSITY

3,170+ Students
820+ Employees
100+ Programs

The Columns
41-Stores



Jackson Hotel &
Convention Center

Old Hickory Inn





JACKSON TENNESSEE

POPULATION
18% Growth Since 2000

City Of JACKSON

The City of Jackson, county seat of Madison County is located in the heart of western Tennessee, approximately 80 miles east of Memphis and approximately 120 miles west of Nashville. During the last several years, west Tennessee has been one of the growth areas within the state. Jackson-Madison County, TN, has emerged as one of the state's leading industrial and distribution centers. The area serves as the hub for medical, retail and service jobs in West Tennessee.

The City enjoys a diverse economy based on retail trade, manufacturing, agriculture and service-related businesses. The unemployment rate is consistently below the state average. Major corporations currently operating manufacturing or distribution facilities in the City include Kellogg's, Carlisle Transportation Products, TBDN, Pinnacle Foods, Stanley Black and Decker, and Delta Faucet. Retail sales in the City were \$1.9 billion in 2010.

The Jackson and Madison County school systems were consolidated in 1990. The system currently consists of twelve elementary schools, two intermediate schools, four middle schools, five high schools, and two alternative schools. There are also six private schools. The City is home to six institutions of higher learning, including Jackson State Community College, University of Memphis, Lane College, Union University, West Tennessee Business College, and Tennessee Technology Center.

JACKSON TOP TEN EMPLOYERS

EMPLOYER	# EMP.	TYPE
1. West Tennessee Healthcare	7,000	Hospital
2. Jackson-Madison County School System	1,806	School System
3. Delta Faucet Company	1,149	Manufacturing
4. Kellogg Company	900	Manufacturing
5. City of Jackson	850	Government
6. Stanley Black and Decker	825	Manufacturing
7. Union University	824	Education
8. Madison County	755	Government
9. The Jackson Clinic	715	Healthcare
10. Kirkland's, Inc.	572	Distribution

JACKSON TOP TEN MANUFACTURERS/DISTRIBUTERS

EMPLOYER	# EMP.	TYPE
1. Delta Faucet Company	1,149	Commercial and Residential Faucets
2. The Kellogg Company	900	Snack products
3. Stanley Black and Decker	825	Professional Power Tools
4. Kirkland's, Inc.	572	Home Interior distribution
5. TBDN Tennessee Company	540	Automotive air induction systems
6. Toyota Boshoku Tennessee	450	Automotive products
7. Carlstar Group	400	Agricultural and construction tires and wheels
8. Gerdau	382	Reinforced Steel and Merchant Bar Products
9. UGN, Inc.	370	Automotive products
10. Berry Plastics	335	Plastic Injection Molding

POPULATION	1 Mile	3 Miles	5 Miles
2024 Projection			
Total Population	6,505	36,911	58,499
2019 Estimate			
Total Population	6,321	35,538	56,921
2010 Census			
Total Population	6,185	34,321	55,717
2000 Census			
Total Population	5,039	27,585	48,216
Daytime Population			
2019 Estimate	9,056	43,272	69,823
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2024 Projection			
Total Households	2,500	14,697	23,100
2019 Estimate			
Total Households	2,396	14,064	22,345
Average (Mean) Household Size	2.3	2.45	2.44
2010 Census			
Total Households	2,307	13,514	21,751
2000 Census			
Total Households	1,828	10,586	18,860
HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
2019 Estimate			
\$150,000 or More	10.04%	11.53%	8.95%
\$100,000 - \$149,000	11.05%	12.76%	11.00%
\$75,000 - \$99,999	12.49%	12.81%	11.60%
\$50,000 - \$74,999	22.12%	19.44%	18.44%
\$35,000 - \$49,999	16.74%	14.65%	14.61%
Under \$35,000	27.57%	28.81%	35.43%
Average Household Income	\$78,672	\$84,412	\$73,907
Median Household Income	\$55,201	\$57,178	\$49,963
Per Capita Income	\$30,833	\$33,840	\$29,482

HOUSEHOLDS BY EXP.	1 Mile	3 Miles	5 Miles
Total AHH Retail Expenditure	\$68,935	\$72,606	\$66,744
Consumer Expenditure Categories			
Housing	\$16,172	\$16,359	\$15,344
Transportation	\$14,531	\$15,899	\$14,235
Shelter	\$8,880	\$8,794	\$8,296
Personal Insurance and Pensions	\$6,889	\$7,504	\$6,551
Food	\$6,608	\$6,773	\$6,314
Health Care	\$4,886	\$5,223	\$4,731
Utilities	\$3,994	\$4,151	\$3,910
Entertainment	\$2,970	\$3,180	\$2,856
Cash Contributions	\$2,352	\$2,733	\$2,418
Household Furnishings and Equipment	\$1,423	\$1,465	\$1,347
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
Population By Age			
2019 Estimate Total Population	6,321	35,538	56,921
Under 20	25.36%	25.95%	26.22%
20 to 34 Years	27.01%	20.26%	20.19%
35 to 39 Years	5.49%	5.91%	6.01%
40 to 49 Years	10.73%	12.14%	11.96%
50 to 64 Years	17.66%	20.01%	19.71%
Age 65+	13.76%	15.74%	15.88%
Median Age	32.97	38.21	37.97
Population 25+ by Education Level			
2019 Estimate Population Age 25+	3,987	23,697	37,926
Elementary (0-8)	0.95%	1.32%	1.66%
Some High School (9-11)	5.00%	4.84%	5.74%
High School Graduate (12)	25.16%	26.79%	29.94%
Some College (13-15)	21.00%	22.08%	22.36%
Associate Degree Only	7.08%	6.77%	6.87%
Bachelors Degree Only	24.44%	22.04%	19.43%
Graduate Degree	14.55%	14.65%	12.71%



Marcus & Millichap

EXCLUSIVELY LISTED BY

Darpan Patel

First Vice President
Tampa Office

Direct: (513) 878-7723 // Fax: (513) 878-7710
Darpan.Patel@marcusmillichap.com
License: OH Sal 2012000748

Mark Ruble

Senior Managing Director
Phoenix Office

Direct: (602) 687-6766 // Fax: (602) 687-6710
Mark.Ruble@marcusmillichap.com
License: AZ SA550593000

Jamie Medress

Executive Managing Director
Phoenix Office

Direct: (602) 687-6778 // Fax: (602) 687-6717
Jamie.Medress@marcusmillichap.com
License: AZ SA108228000

Chris Lind

First Vice President
Phoenix Office

Direct: (602) 687-6780 // Fax: (602) 687-6710
Chris.Lind@marcusmillichap.com
License: AZ SA627823000

Jody McKibben

Broker of Record
Lic.# 307629