

SINGLE TENANT

ABSOLUTE NNN
INVESTMENT
OPPORTUNITY



MALDEN
MISSOURI





EXCLUSIVELY MARKETING BY

MATTHEW MOUSAVI | MANAGING PRINCIPAL SRS NATIONAL NET LEASE GROUP

610 Newport Center Drive, Suite 1500 | Newport Beach, CA 92660
DL: 949.698.1116 | M: 714.404.8849
Matthew.Mousavi@srsre.com | CA License No. 01732226

PATRICK R. LUTHER, CCIM | MANAGING PRINCIPAL SRS NATIONAL NET LEASE GROUP

610 Newport Center Drive, Suite 1500 | Newport Beach, CA 92660
DL: 949.698.1115 | M: 480.221.4221
Patrick.Luther@srsre.com | CA License No. 01912215

MORGAN CREECH | FIRST VICE PRESIDENT SRS NATIONAL NET LEASE GROUP

9850 Von Allmen Court | Louisville, KY 40241
DL: 502.442.7074 | M: 270.748.0132
Morgan.Creech@srsre.com | KY License No. 243177

SARAH SHANKS | FIRST VICE PRESIDENT SRS NATIONAL NET LEASE GROUP

9850 Von Allmen Court | Louisville, KY 40241
DL: 502.442.7079 | M: 502.417.6773
Sarah.Shanks@srsre.com | KY License No. 243176

Broker of Record: Patricia McKelvey - McKelvey Property |
MO License No. 1999022633





TABLE OF CONTENTS

4

INVESTMENT SUMMARY

OFFERING SUMMARY | INVESTMENT HIGHLIGHTS

7

PROPERTY OVERVIEW

AERIALS | SITE PLAN | LOCATION MAP

12

AREA OVERVIEW

DEMOGRAPHICS

14

FINANCIALS

RENT ROLL | BRAND PROFILE

INVESTMENT SUMMARY

SRS National Net Lease Group is pleased to offer the opportunity to acquire the fee simple interest (land & building ownership) in an absolute NNN leased, personal guaranteed, drive-thru equipped, Kentucky Fried Chicken, investment property located in Memphis, TN. The tenant, FB Foods, LLC (6-unit entity), will execute a brand new 20-year sale leaseback at the close of escrow with 4 (5-year) option periods to extend. The lease will feature 8% rental increases every 5 years throughout the initial term and at the beginning of each option period, growing NOI and hedging against inflation. The lease is franchisee guaranteed for the entire lease term, and is personally guaranteed by the operator for 5 years. The lease is absolute NNN with zero landlord responsibilities making it an ideal, management-free investment opportunity for an out-of-state investor.

Kentucky Fried Chicken is strategically located on North Douglass Street, the primary thoroughfare for the city of Malden. The asset has excellent visibility due to its large pylon sign. The building is equipped with a drive-thru lane, providing ease and convenience for consumers. On average, stores with drive-thrus experience higher sales than those without. The site is an outparcel to Northtown Plaza (102,000 SF), a Dollar Tree and Hibbett Sport anchored shopping center, promoting crossover traffic. The asset is ideally located within the primary retail corridor serving the city of Malden, with nearby national/credit tenants including Walmart Supercenter, AutoZone, O'Reilly Auto Parts, Dollar General, and more. The 7-mile trade area is supported by a population of more than 9,000 residents with an average household income of \$46,936.



OFFERING SUMMARY

OFFERING

PRICING:	\$1,226,000
NET OPERATING INCOME:	\$72,356
CAP RATE:	5.90%
GUARANTY:	Personal (5-Year) & Franchisee
TENANT:	FB Foods, LLC (6-Unit Entity)
LEASE TYPE:	Absolute NNN
LANDLORD RESPONSIBILITIES:	None

PROPERTY SPECIFICATIONS

RENTABLE AREA:	1,909 SF
LAND AREA:	TBD
PROPERTY ADDRESS:	1120 N. Douglass Street, Malden, MO 63863
YEAR BUILT:	1970
PARCEL NUMBER:	06-02.0-03-003-01-009.000.000
OWNERSHIP:	Fee Simple (Land and Building Ownership)



INVESTMENT HIGHLIGHTS

BRAND NEW 20-YEAR SALE LEASEBACK | PERSONAL & FRANCHISEE GUARANTY | RENTAL INCREASES

- The tenant will execute a brand new 20-year sale leaseback at the close of escrow with 4 (5-year) options to extend
- 8% rental increases every 5 years throughout the initial term and at the beginning of each option period
- The lease is personally guaranteed by the operator for 5 years and franchisee guaranteed by FB Foods, LLC (6-unit entity)

ABSOLUTE NNN | FEE SIMPLE OWNERSHIP | ZERO LANDLORD RESPONSIBILITIES

- Tenant pays for CAM, taxes, insurance and maintains all aspects of the premises
- No landlord responsibilities
- Ideal, management-free investment for an out-of-state, passive investor

PRIMARY THOROUGHFARE | DRIVE-THRU EQUIPPED | LARGE PYLON SIGN

- Strategically located on North Douglass Street, the primary thoroughfare for the city of Malden
- The asset has excellent visibility due to its large pylon sign
- Equipped with a drive-thru lane, providing ease and convenience for consumers
- On average, stores with drive-thrus experience higher sales than those without

RETAIL CORRIDOR | OUTPARCEL TO NORTHTOWN PLAZA (102,000 SF)

- The site is an outparcel to Northtown Plaza (102,000 SF), a Dollar Tree and Hibbett Sport anchored shopping center
- Located within the primary retail corridor serving the city of Malden, with nearby national/credit tenants including Walmart Supercenter, AutoZone, O'Reilly Auto Parts, Dollar General, and more
- Increases consumer draw to the trade area and promotes crossover shopping

POPULATION IN 7-MILE TRADE AREA

- More than 9,000 residents and nearly 2,500 employees support the trade area
- \$46,936 average household income



PROPERTY OVERVIEW



PARCEL MAP



ACCESS

N. Douglass Street/ State Highway 25:..... 1 Access Point



TRAFFIC COUNTS

N. Douglass Street/ State Highway 25:.....8,200 Cars Per Day



IMPROVEMENTS

There is approximately 1,909 SF of existing building area.



PARKING

There are approximately 37 parking spaces on the owned parcel.
The parking ratio is approximately 19 stalls per 1,000 SF of leasable area.



YEAR BUILT

1970



PARCEL

Parcel Number: 06-02.0-03-003-01-009.000.000 Acres: TBD Square Feet: TBD



ZONING

C-1 Business District





Norman Dr.

AutoZone

8,200
CARS PER DAY



N. Douglass St./ State Highway 25



FACTORY
CONNECTION

HIBBETT
SPORTS

DOLLAR
TREE

sears

PLAZA TIRE SERVICE
THE CAR & TRUCK TIRE CENTER
ESTABLISHED IN 1963

8,200
CARS PER DAY



O'Reilly AUTO PARTS



RotoZone

PLAZA TIRE SERVICE
THE QUICK CHANGE ARTIST
ESTABLISHED IN 1963

sears



Norman Dr.

STERLING BANK



FACTORY CONNECTION
HIBBETT SPORTS
DOLLAR TREE

Walmart

SONIC
America's Drive-In

Malden High School



Hardlee's

BARTON'S

Malden School District



DOLLAR GENERAL

N. Douglass St. / State Highway 25

State Highway 25





N. DOUGLASS ST. - 8,200 VPD

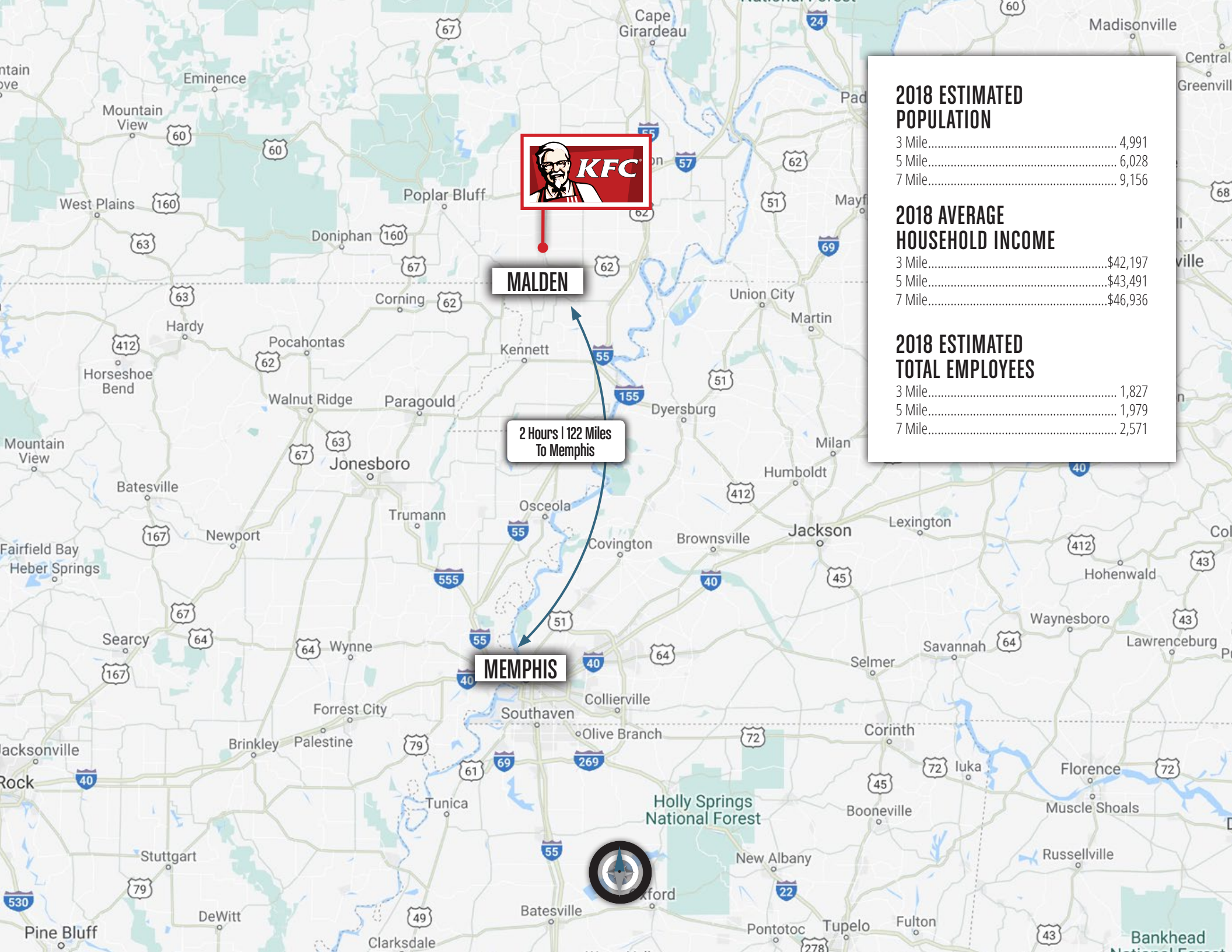


PYLON SIGN



sears





MALDEN

2 Hours | 122 Miles
To Memphis

MEMPHIS

2018 ESTIMATED POPULATION

3 Mile.....	4,991
5 Mile.....	6,028
7 Mile.....	9,156

2018 AVERAGE HOUSEHOLD INCOME

3 Mile.....	\$42,197
5 Mile.....	\$43,491
7 Mile.....	\$46,936

2018 ESTIMATED TOTAL EMPLOYEES

3 Mile.....	1,827
5 Mile.....	1,979
7 Mile.....	2,571

AREA OVERVIEW



Malden, Missouri

Malden is a city in the northeast corner of Dunklin County, Missouri, United States, located near the intersection of Missouri Route 25 and U.S. Route 62. The City of Malden had a population of 3,901 as of July 1, 2018. Malden ranks in the upper quartile for Diversity Index when compared to the other cities, towns and Census Designated Places (CDPs) in Missouri.

The public school system of the Malden R-1 School District is a 3A designated school for athletics (2A for football). The mascot is the Green Wave, and its last state championship was 2007, when the school won its second consecutive Boys Track championship. The Malden Green Wave Football program competed in the state playoffs in 2010 and the boys baseball team were conference regular season champions and won a district title for the first time in 31 years in 2011. The Malden school system has been named one of the top 10% of American High Schools for 3 years running and ranked as the best school in southeast Missouri based on 2009-2010 Missouri Assessment Program test scores. The Malden School Board was recognized by the Missouri School Board's Association as its Outstanding Board of the Year in 2011. Malden has two satellite college campuses, one from Three Rivers Community College and another from Southeast Missouri State University.

Malden is the home of the Bootheel Youth Museum. This is a hands-on activity-based museum for children. It has grown over the past few years and has had over 140,000 visitors. It is a resource for Malden school district as well as surround districts. The most recent addition is the Lewis and Clark site. The Museum was a National Award winner in 2012 and was named a top youth attraction in America.

The Malden Municipal Airport was an Army airfield and then an Air Force base from 1942 to 1960, as operated by the military and then under civilian contracts.[12] The airfield was used to train pilots to fight in World War II and the Korean War. The Malden Army Airfield Preservation Society (MAAPS) is an organization that works to preserve the past of the Malden Army Airfield. The MAAPS Military Museum is located in the airport's terminal building and MAAPS also maintains a Veterans Wall of Honor.



AREA DEMOGRAPHICS



DEMOGRAPHICS

	3 MILES	5 MILES	7 MILES
2018 Estimated Population	4,991	6,028	9,156
2023 Projected Population	4,753	5,787	8,906
2010 Census Population	5,403	6,365	9,386
2018 Estimated Households	2,049	2,483	3,801
2023 Projected Households	1,942	2,373	3,685
2010 Census Households	2,243	2,650	3,928
2018 Estimated White	76.00%	78.35%	82.90%
2018 Estimated Black or African American	20.76%	18.46%	12.90%
2018 Estimated Asian or Pacific Islander	0.30%	0.27%	0.20%
2018 Estimated American Indian or Native Alaskan	0.30%	0.28%	0.40%
2018 Estimated Other Races	1.00%	1.24%	1.30%
2018 Estimated Hispanic	2.16%	2.41%	2.40%
2018 Estimated Average Household Income	\$42,197	\$43,491	\$46,936
2018 Estimated Median Household Income	\$31,813	\$32,215	\$35,393
2018 Estimated Per Capita Income	\$17,609	\$18,068	\$19,431
2018 Estimated Total Businesses	243	263	347
2018 Estimated Total Employees	1,827	1,979	2,571



RENT ROLL

TENANT NAME	SQUARE FEET	LEASE TERM		RENTAL RATES		MONTHLY	PSF	ANNUALLY	PSF	RECOVERY TYPE	OPTIONS
		LEASE START	LEASE END	BEGIN	INCREASE						
FB Foods, LLC d.b.a. KFC (Personal Guaranty - 5 Years) (Franchisee Guaranty)	3,325	COE	20 Years	Year 1	-	\$6,030	\$1.81	\$72,356	\$21.76	Absolute NNN	4 (5-Year) 8% Incr. at beg. of each option
				Year 6	8%	\$6,512	\$1.96	\$78,144	\$23.50		
				Year 11	8%	\$7,033	\$2.12	\$84,396	\$25.38		
				Year 16	8%	\$7,596	\$2.28	\$91,148	\$27.41		

FINANCIAL INFORMATION

Price:\$1,226,000
 Net Operating Income:\$72,356
 Cap Rate:5.90%
 Lease Type:Absolute NNN

For financing options and loan quotes, please contact our SRS Debt & Equity team at debtequity-npb@srsre.com.

PROPERTY SPECIFICATIONS

Year Built:1970
 Rentable Area:1,909 SF
 Land Area:TBD
 Address:1120 N. Douglass Street, Malden, MO 63863



BRAND PROFILE

KFC

KFC, a subsidiary of Yum! Brands, Inc. (NYSE: YUM), is a global quick service restaurant brand with a rich, decades-long history of success and innovation. It all started with one cook, Colonel Harland Sanders, who created a finger lickin' good recipe more than 75 years ago, a list of secret herbs and spices scratched out on the back of the door to his kitchen. Today we still follow his formula for success, with real cooks breading and freshly preparing our delicious chicken by hand in more than 22,000 restaurants in over 135 countries and territories around the world.

Company Type:	Subsidiary
Parent:	Yum! Brands
2018 Employees:	34,000
2018 Revenue:	\$5.69 Billion
2018 Net Income:	\$1.54 Billion
2018 Assets:	\$4.13 Billion
Credit Rating:	S&P: BB



A Part of Many Sides

The Original



OPERATOR PROFILE



FOWLER FOODS, INC.

Fowler Foods, Inc. started out as a single KFC store in 1965. Today it operates 73 KFC's, 1 Taco Bell, and 15 dual concept KFC/Taco Bell locations across 7 seven states. The company plans to build another 9 locations to their portfolio by the end of 2021.

Of their current portfolio, 86 locations are in the newest American Showman design, which modernizes KFC stores with a cleaner and bolder look that emphasizes its signature red and white stripes. The majority of these locations were remodeled by the operator in 2017. Since KFC U.S. rolled out the remodeling program or 're-colonization' in 2015, the brand has experienced same-store sales growth.

7
STATES

89
LOCATIONS

1,800
EMPLOYEES

73
LOCATIONS



15
DUAL CONCEPT
LOCATIONS



1
LOCATION





SRS

NATIONAL NET LEASE GROUP

SRS GLOBAL STATS



1000+
PROPERTIES CURRENTLY
REPRESENTED



600+
CLIENTS REPRESENTED
IN 2016



\$2.6B*
TRANSACTION VALUE



20+
OFFICES



250+
BROKERS,
PROFESSIONALS,
AND STAFF



#1
LARGEST REAL ESTATE FIRM
EXCLUSIVELY DEDICATED TO
RETAIL SERVICES IN NORTH AMERICA

*STATISTICS ARE FOR 2017.

This Offering Memorandum has been prepared by SRS National Net Lease Group (SRS) and has been approved for distribution by the owner. Although effort has been made to provide accurate information, neither the owner nor SRS can warrant or represent accuracy or completeness of the materials presented herein or in any other written or oral communications transmitted or made available to the purchaser. Many documents have been referred to in summary form and these summaries do not purport to represent or constitute a legal analysis of the contents of the applicable documents. Neither owner nor SRS represents that this offering summary is all inclusive or contains all of the information a purchaser may require. All of the financial projections and/or conclusions presented herein are provided strictly for reference purposes and have been developed based upon assumptions and conditions in effect at the time the evaluations were undertaken. They do not purport to reflect changes in the economic performance of the property or the business activities of the owner since the date of preparation of this Offering Memorandum. The projected economic performance of the property, competitive submarket conditions, and selected economic and demographic statistics may have changed subsequent to the preparation of the package. Qualified purchasers are urged to inspect the property and undertake their own independent evaluation of the property, the market and the surrounding competitive environment.