

SINGLE TENANT

ABSOLUTE NNN
INVESTMENT
OPPORTUNITY



WITH DRIVE-THRU

HOPE ARKANSAS





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: T.J. Lefler - Sage Partners | AR License No. SA00062336





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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 Hope, AR. The tenant, Southwest Arkansas Foods, Inc., 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.

The KFC is strategically positioned at the signalized, hard corner intersection of North Hazel Street and Bill Clinton Drive with a combined 16,700 vehicles passing by daily. The asset is also just south of the Interstate 30 on/off ramps (30,000 VPD), a major east/west thoroughfare serving both Texas and Arkansas. The subject property has easy access and excellent visibility due to its large pylon sign. The building is also equipped with a drive-thru, providing ease and convenience for consumers. Nearby national/credit tenants include a 24-hr Walmart Supercenter, Walgreens, Anytime Fitness, Super 1 Foods, and more, increasing consumer draw to the trade area. Moreover, the property is in close proximity to multiple hotels/motels including America's Best Value Inn, Holiday Inn Express, Best Western, Super 8, and more, providing a direct consumer base from which to draw. The 5-mile trade area is supported by a population of over 12,500 residents with an average household income of \$47,853.



OFFERING SUMMARY

OFFERING

PRICING:	\$1,833,000
NET OPERATING INCOME:	\$108,175
CAP RATE:	5.90%
GUARANTY:	Franchisee & Personal (5-Year)
TENANT:	Southwest Arkansas Foods, Inc.
LEASE TYPE:	Absolute NNN
LANDLORD RESPONSIBILITIES:	None

PROPERTY SPECIFICATIONS

RENTABLE AREA:	2,960 SF
LAND AREA:	1.16 Acres
PROPERTY ADDRESS:	2017 N. Hazel Street, Hope, AR 71801
YEAR BUILT:	1995
PARCEL NUMBER:	700-04769-004-C
OWNERSHIP:	Fee Simple (Land and Building)



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 Southwest Arkansas Foods, Inc.

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

SIGNALIZED, HARD CORNER INTERSECTION | DRIVE-THRU EQUIPPED | EXCELLENT VISIBILITY & ACCESS

- Strategically positioned at the signalized, hard corner intersection of North Hazel Street and Bill Clinton Drive with a combined 16,700 vehicles passing by daily
- Just south of the Interstate 30 on/off ramps (30,000 VPD), a major east/west thoroughfare serving both Texas and Arkansas
- The building is equipped with a drive-thru, providing ease and convenience for customers
- Excellent visibility due to large pylon sign

NEARBY NATIONAL/CREDIT TENANTS | CLOSE PROXIMITY TO HOTELS

- Nearby national/credit tenants include a 24-hr Walmart Supercenter, Walgreens, Anytime Fitness, Super 1 Foods, and more
- Increases consumer draw to the trade area and promotes crossover shopping
- In close proximity to multiple hotels/motels including America's Best Value Inn, Holiday Inn Express, Best Western, Super 8, and more
- Provides a direct consumer base from which to draw

LOCAL DEMOGRAPHICS IN 5-MILE TRADE AREA

- More than 12,500 residents and over 7,500 employees support the trade area
- \$47,853 average household income



PROPERTY OVERVIEW



PARCEL MAP



ACCESS

N. Hazel Street/ State Highway 29: 1 Access Point
Bill Clinton Drive/ State Highway 29 & 32/ U.S. Highway 278..... 1 Access Point



TRAFFIC COUNTS

N. Hazel Street/ State Highway 29:9,600 Cars Per Day
Interstate 30: 30,000 Cars Per Day



IMPROVEMENTS

There is approximately 2,960 SF of existing building area.



PARKING

There are approximately 56 parking spaces on the owned parcel.
The parking ratio is approximately 18.92 stalls per 1,000 SF of leasable area.



YEAR BUILT

1995



PARCEL

Parcel Number: 700-04769-004-C Acres: 1.16 Square Feet: 50,530 SF



ZONING

Commercial



30,000
CARS PER DAY



BRENTWOOD

Airgas
an Air Liquide company

ABSORBINE

State Highway 29 & 32

Interstate 30

9,600
CARS PER DAY



AMERICAS
BEST VALUE RENT & SUITES

EXXON

7,100
CARS PER DAY



Bill Clinton Dr.

VALERO



N. Hazel St.

H
Holiday Inn
Express
& Suites

Best Western

Super 8

verizon

24-HR LOCATION

Walmart
Supercenter

U.S. Highway 278

Wendy's

Pizza Hut

ANYTIME FITNESS

Waffle House

at&t

6

Walgreens

Super 1 Foods
1 Discount Pharmacy

THE DENIM
SHOP

Martin's
SOPHISTICATION.COM
FACTORY
CONNECTION



278

29

32

BILL CLINTON DR. - 7,100 VPD



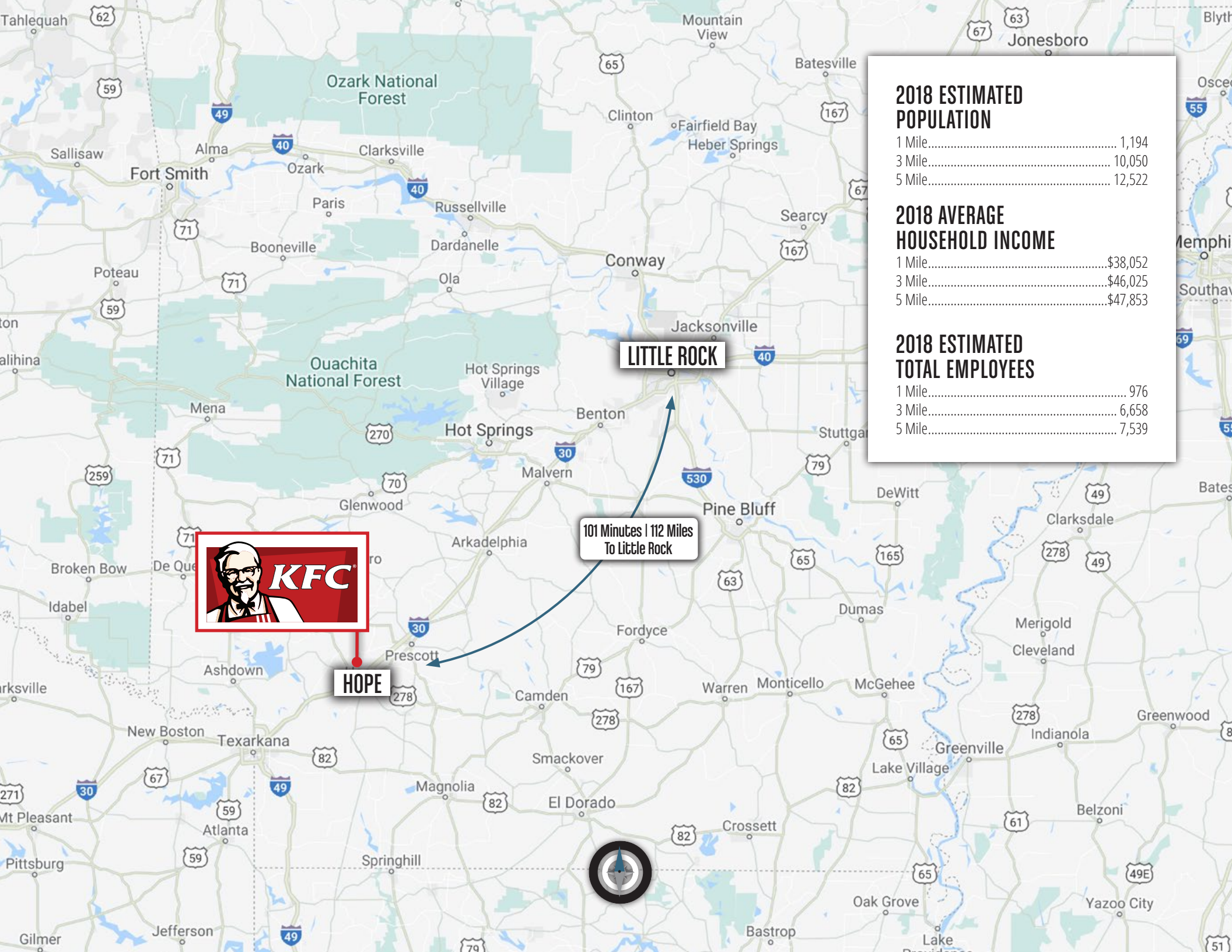
PLYLON SIGN



29

N. HAZEL ST. - 4,400 VPD





2018 ESTIMATED POPULATION

1 Mile.....	1,194
3 Mile.....	10,050
5 Mile.....	12,522

2018 AVERAGE HOUSEHOLD INCOME

1 Mile.....	\$38,052
3 Mile.....	\$46,025
5 Mile.....	\$47,853

2018 ESTIMATED TOTAL EMPLOYEES

1 Mile.....	976
3 Mile.....	6,658
5 Mile.....	7,539



101 Minutes | 112 Miles
To Little Rock

AREA DEMOGRAPHICS



Hope, Arkansas

Hope is a city in Hempstead County in southwestern Arkansas, United States. Hope is the county seat of Hempstead County and the principal city of the Hope Micropolitan Statistical Area, which includes all of Hempstead and Nevada counties. The City of Hope had a population of 9,675 as of July 1, 2018.

Hope is the birthplace of two long-serving Arkansas governors: Bill Clinton (who went on to become the 42nd President of the United States after the 1992 election) and Mike Huckabee (who ran for the Republican presidential nomination in 2008 and 2016). It is also the birthplace of White House Press Secretary Sarah Huckabee Sanders.

Hope is also known for growing watermelons and continues to produce records for the largest specimens in the world. The last record was set by Lloyd Bright in 2005 with a 268.8 pound watermelon. The Watermelon Festival is celebrated annually from Thursday-Saturday during the second week of August. The watermelon is used in the municipal logo and the Hope slogan: A Slice of the Good Life.

Hope is home to Northside Park, Fair Park, and several baseball, softball, and soccer fields. The city also has several houses of worship such as the Bebe Memorial Christian Methodist Episcopal Church, East Side Church of Christ, and Lonoke Baptist Church. Shopping can be enjoyed at the North Hervey Street Shopping Center and Hope Village Shopping Center. Hope also organizes several recreational events and festivals throughout the year including the Watermelon Festival and Bluegrass Festival.

Hempstead County is a county located in the U.S. state of Arkansas. As of July 1, 2018, the population was 21,741. The county seat is Hope. Hempstead County is Arkansas's fourth county, formed on December 15, 1818, alongside Clark and Pulaski counties. The county is named for Edward Hempstead, a delegate to the U.S. Congress from the Missouri Territory, which included present-day Arkansas at the time. It is an alcohol prohibition or dry county.

Historic Washington State Park is located in Hempstead County some nine miles northwest of Hope in the historic village of Washington, Arkansas. The state park opened in 1973 as "Old Washington Historic State Park", but the "Old" was dropped from the name in 2006. The park offers walking tours of the historic village, which contains more than a dozen historic structures from the 19th and early 20th centuries.



AREA DEMOGRAPHICS



DEMOGRAPHICS

	1 MILE	3 MILES	5 MILES
2018 Estimated Population	1,194	10,050	12,522
2023 Projected Population	1,133	9,764	12,190
2010 Census Population	1,374	10,480	12,954
2018 Estimated Households	484	3,774	4,801
2023 Projected Households	460	3,672	4,682
2010 Census Households	553	3,920	4,938
2018 Estimated White	12.88%	43.37%	50.58%
2018 Estimated Black or African American	73.20%	41.98%	37.49%
2018 Estimated Asian or Pacific Islander	0.08%	0.31%	0.33%
2018 Estimated American Indian or Native Alaskan	0.34%	0.36%	0.42%
2018 Estimated Other Races	9.55%	15.08%	13.06%
2018 Estimated Hispanic	14.15%	21.21%	18.51%
2018 Estimated Average Household Income	\$38,052	\$46,025	\$47,853
2018 Estimated Median Household Income	\$31,215	\$34,521	\$35,559
2018 Estimated Per Capita Income	\$14,772	\$17,793	\$18,684
2018 Estimated Total Businesses	101	565	619
2018 Estimated Total Employees	976	6,658	7,539



RENT ROLL

TENANT NAME	SQUARE FEET	LEASE TERM				RENTAL RATES				RECOVERY TYPE	OPTIONS
		LEASE START	LEASE END	BEGIN	INCREASE	MONTHLY	PSF	ANNUALLY	PSF		
Southwest Arkansas Foods, Inc (dba KFC) (Personal Guaranty) (Franchisee Guaranty)	2,960	COE	20 Years	Year 1	-	\$9,015	\$3.05	\$108,175	\$36.55	Absolute NNN	4 (5-Year)
				Year 6	8%	\$9,736	\$3.29	\$116,829	\$39.47		8% Incr. at beg.
				Year 11	8%	\$10,515	\$3.55	\$126,175	\$42.63		of each option
				Year 16	8%	\$11,356	\$3.84	\$136,269	\$46.04		

FINANCIAL INFORMATION

Price:\$1,833,000
 Net Operating Income:\$108,175
 Cap Rate:5.90%
 Lease Type:Absolute NNN

PROPERTY SPECIFICATIONS

Year Built:1995
 Rentable Area:2,960 SF
 Land Area:1.16 Acres
 Address:2017 N. Hazel Street, Hope, AR 71801

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



BRAND PROFILE

KFC CORPORATION

KFC Corporation, also known as Kentucky Fried Chicken, operates a chain of chicken restaurants in the United States and internationally. The company provides sandwiches, sides, desserts, drinks, sauces, fill ups, buttermilk biscuits, and other products; big box meals, popcorn nuggets, and kid's meals; and chicken products, including chicken hot wings, chicken sandwiches, and fried chicken products. There are over 22,000 KFC outlets in more than 135 countries and territories around the world. The company also franchises its restaurants. KFC Corporation was founded in 1952 and is based in Louisville, Kentucky. KFC Corporation operates as a subsidiary of Yum! Brands.

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





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.