

OFFERING MEMORANDUM



**737 W HIGHWAY 50
O'FALLON, IL 62269**

LISTED BY

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EXECUTIVE OVERVIEW

INVESTMENT HIGHLIGHTS

- New 10-year lease extension providing for generational cash flow for passive investors
- Absolute NNN ownership ideal for hands off landlords while still capitalizing on depreciation with ownership of the building
- Strong hedge against inflation with 1.50% annual increases
- Located adjacent to St. Elizabeth's Hospital which is the premier hospital in IL with over 140 beds
- Recently remodeled showing a strong commitment to the location
- Very strong guaranty backed by Sunrise Restaurants LLC which is a subsidiary of WKS Corporation, the largest Denny's franchisee in the nation



FINANCIAL OVERVIEW



\$2,000,000

LIST PRICE



\$120,000

NOI



6.00%

CAP RATE

BUILDING INFO

Address	737 W Highway 50 O'Fallon, IL 87105
Total Building Area	±5,254 SF
Total Lot Size	±44,867 SF
Year Built	2000
APN #	04-30-0-323-003

DEBT QUOTE

Jesse Lillard
(956) 564-2922
jesse.lillard@matthews.com

LTV: 65% RATE: 3.95% AMORTIZATION: 25 Years

Loan quote provided by Matthews Real Estate Investment Services based on market conditions at this time. Actual rates and terms will vary based on market conditions at closing.

TENANT SUMMARY

Tenant Name	Denny's
Lease Guarantor	Sunrise Restaurants LLC
Lease Type	Absolute NNN
Roof & Structure	Tenant Responsible
Rent Commencement Date	11/1/20
Lease Expiration Date	8/16/30
Lease Term	10 Years
Rental Increases	1.50% Annual
Renewal Options	Three (3) Five (5) Year

ANNUALIZED OPERATING DATA

Date	Annual Rent	Cap Rate
Year 1	\$120,000.00	6.00%
Year 2**	\$158,775.36	7.94%
Year 3**	\$160,602.42	8.03%
Year 4	\$125,481.41	6.27%
Year 5	\$127,363.63	6.37%
Year 6	\$129,274.09	6.46%
Year 7	\$131,213.20	6.56%
Year 8	\$133,181.39	6.66%
Year 9	\$135,179.12	6.76%
Year 10	\$137,206.80	6.86%

* **Rent includes loan payment made by LL for TI improvements



TENANT OVERVIEW

» Company Name Denny's	» Year Founded 1953	» Headquarters Spartanburg, SC
» Ownership Public	» Industry Restaurant	» Website www.Denny's.com

Denny's is one of the leading full-service, family-style restaurant chains in the US, with more than 1,710 of its signature eateries located across the country. Typically open 24 hours a day, the chain is best known for its menu of breakfast items, including eggs, pancakes, and combination plates carrying such names as All-American Slam, Lumberjack Slam, and the aforementioned Grand Slam Breakfast.

Denny's also serves standard American fare (burgers, sandwiches, steak) for lunch and dinner. The company owns and operates about 165 of its restaurants, while the rest are franchised or operate under licensing agreements.

\$541 M

2019 Sales

\$19.4 M

2019 Net Income

1,700 +

Locations Worldwide



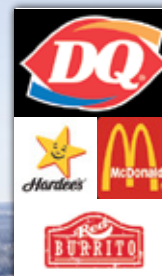
GREEN MOUNT
PROFESSIONAL PARK

N GREEN MOUNTAIN RD
± 12,000 VPD



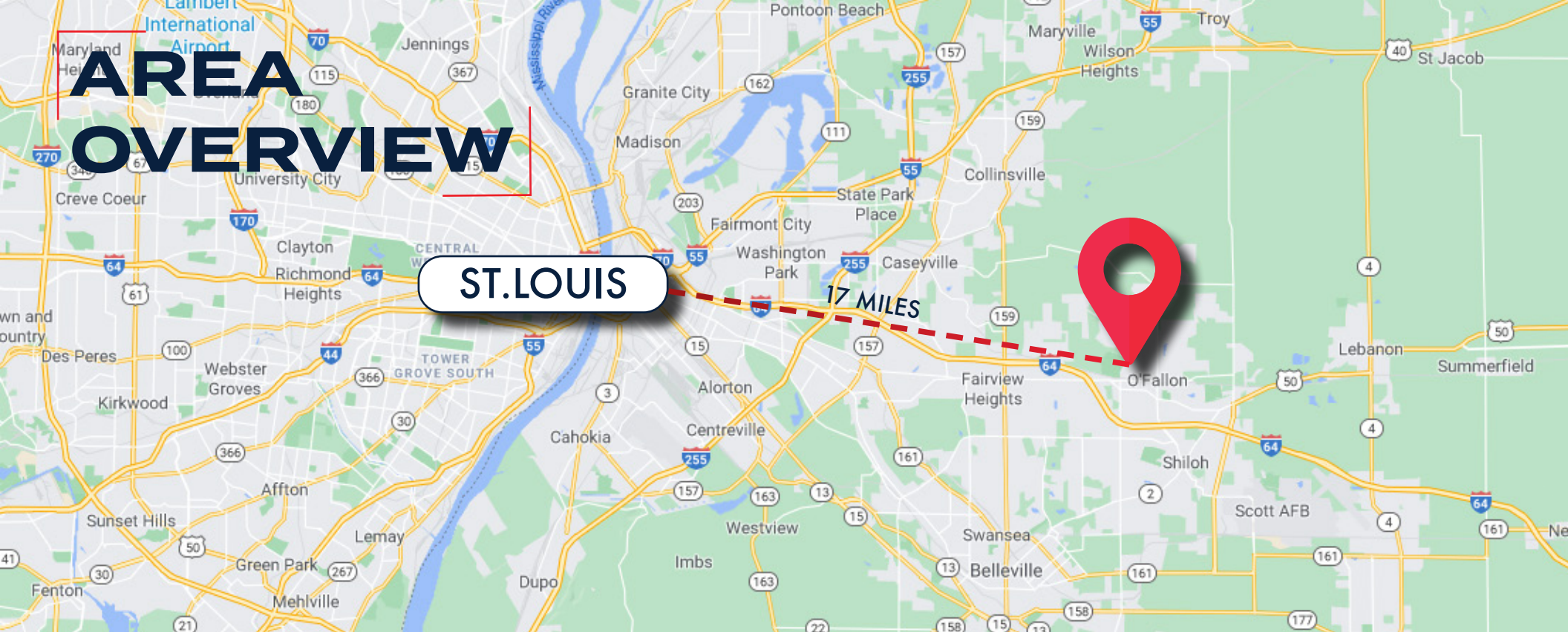
SUBJECT
PROPERTY

HIGHWAY 50 (E&W)
± 15,000 VPD



**SUBJECT
PROPERTY**

HIGHWAY 50 (E&W)
± 15,000 VPD



O'FALLON, IL

O'Fallon is a city in St. Clair County, Illinois. The city is the third largest city in the Metro-East region and Southern Illinois. It sits 5 miles from Scott Air Force Base and 18 miles from Downtown St. Louis. Like its namesake in St. Charles County, Missouri, O'Fallon is part of the St. Louis Metropolitan Statistical Area. This makes O'Fallon one of the few pairs of like-named municipalities to be part of the same MSA. O'Fallon's history of trade and industry, and its solid foundation for continued growth and prosperity make it one of the area's most popular communities in which to live and work. Today, O'Fallon is known as one of the fastest growing communities in the Metropolitan St. Louis area.

PROPERTY DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2025 Projection	6,644	41,959	80,224
2020 Estimate	7,091	44,874	85,515
2010 Census	6,902	43,277	84,001
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2025 Projection	3,168	17,798	34,429
2020 Estimate	3,248	18,251	35,252
2010 Census	2,976	16,823	33,090
INCOME	1-MILE	3-MILE	5-MILE
2020 Avg. Household Income	\$78,189	\$108,610	\$102,250



ST. LOUIS, MO

St. Louis lies beside the confluence of Missouri and the Mississippi Rivers where the city's most recognizable feature is perched. The Gateway Arch, the centerpiece of the Jefferson National Expansion Memorial, is the tallest man-made monument in the United States. St. Louis is occupied by nearly 40 colleges, universities, and technical schools some of the largest being Washington University in St. Louis, Saint Louis University, and University of Missouri–St. Louis. In addition to its importance as a biotech and business center, the rivers and Port of St. Louis play a large role in moving goods throughout the country. The city has numerous museums and attractions within the city including the St. Louis Art Museum, the Missouri History Museum, and the Zoo. St. Louis is the home of the world-renowned Saint Louis Symphony Orchestra which was founded in St. Louis in 1880 and is the second-oldest orchestra in the nation. St. Louis is the cultural and economic center of the Greater St. Louis Metropolitan area (home to nearly 3,000,000 people), which is the largest metropolitan area in Missouri and the 19th-largest in the United States.

MAJOR EMPLOYERS



ST. LOUIS ECONOMY

The economy of metropolitan St. Louis relies on service, manufacturing, trade, transportation of goods, and tourism. Its metro area is home to major corporations, including **Anheuser-Busch, Express Scripts, Centene, Boeing Defense, Emerson, Energizer, Panera, Enterprise, Peabody Energy, Ameren, Post Holdings, Monsanto, Edward Jones, Go Jet, Purina, and Sigma-Aldrich, World Wide Technology.** Nine of the ten Fortune 500 companies based in Missouri have located within the St. Louis metropolitan area. This city has also become known for its growing medical, pharmaceutical, and research presence. St. Louis has two professional sports teams: the **St. Louis Cardinals of Major League Baseball and the St. Louis Blues of the National Hockey League.** The city is commonly identified with the 630-foot (192 m) tall Gateway Arch in the city's downtown. St. Louis is a current front runner for the 28th or 29th Major League Soccer Expansion Team. It is no secret that **MLS has long viewed St. Louis as an important market due to the historical significance of one of the country's longest-serving soccer hotbeds.**

ST. LOUIS TOURISM

- St. Louis welcomes 25.9 million annual visitors for leisure, conventions, meetings, and business travel
- Visitors spend \$5.38 billion in St. Louis and tourism provides jobs for more than 85,000 area residents
- St. Louis area tourism workers earn \$3.17 billion in wages yearly and the industry generates \$925 million in local, state, and federal taxes each year
- Travel and tourism ranks among the top 6 industries in St. Louis City and County
- Each household in St. Louis City and County receives \$1,121 a year in tax savings as a result of travel and tourism



CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Denny's** located at **737 W Highway 50 | O'Fallon, IL 62269** ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Matthews Real Estate Investment Services is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. 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 Matthews Real Estate Investment Services.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.



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