



CHICK-FIL-A GROUND LEASE

FRANKLIN, NORTH CAROLINA

YURAS
AICALE
FORSYTH
CROWLE

Leased Investment Team

OFFERING MEMORANDUM

ACTUAL SITE

\$3,521,000 | 3.25% CAP RATE

- » New 15-Year Absolute NNN Ground Lease with 10% Rental Increases Every Five Years
- » Chick-fil-A is the Largest Chicken Chain and the Third-Largest American Fast Food Restaurant Chain
- » High-Visibility Location in North Carolina Submarket
- » Strategic Location on Siler Road Along U.S. Route 23 / U.S. Route 441 (27,000 AADT)
- » Only Chick-fil-A Location Within 20 Miles of the Site, Greatly Increasing Local Traffic to the Property
- » 57,040 Residents Within a 15-Mile Radius of the Site with an Average Annual Household Income of \$67,347
- » Two Miles from Angel Medical Center (47 Beds, 172 Employees)
- » Near Franklin High School (900 Students), Mountain View Intermediate School (645 Students), and Macon County Middle School (625 Students)
- » 2021 Construction with Drive-Thru for Added Customer Convenience

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Cushman & Wakefield ("Broker") has been retained on an exclusive basis to market the property described herein ("Property"). Broker has been authorized by the Seller of the Property ("Seller") to prepare and distribute the enclosed information ("Material") for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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INVESTMENT SUMMARY

ADDRESS	1410 Siler Road, Franklin, North Carolina		
PRICE	\$3,521,000		
CAP RATE	3.25%		
NOI	\$114,425		
TERM	15 years		
RENT COMMENCEMENT	January 13, 2022		
LEASE EXPIRATION	January 31, 2037		
RENTAL INCREASES	10% rental increases every five (5) years		
	YEAR	RENT	RETURN
	1-5	\$114,425	3.25%
	6-10	\$125,868	3.58%
	11-15	\$138,454	3.93%
	16-20 (option 1)	\$152,300	4.33%
	21-25 (option 2)	\$167,530	4.76%
	26-30 (option 3)	\$184,283	5.23%
	31-35 (option 4)	\$202,711	5.76%
	36-40 (option 5)	\$222,982	6.33%
	41-45 (option 6)	\$245,280	6.97%
	46-50 (option 7)	\$269,808	7.66%
	51-55 (option 8)	\$296,789	8.43%
YEAR BUILT	2021		
BUILDING SF	4,971 SF		
PARCEL SIZE	2.5 acres (108,900 SF)		
LEASE TYPE	Absolute NNN ground lease, with tenant responsible for all taxes, insurance, and maintenance, including roof, structure and parking lot		

15-YEAR ABSOLUTE NNN GROUND LEASE WITH SCHEDULED RENTAL INCREASES AND DRIVE-THRU

- » Chick-fil-A is the largest chicken chain and the third-largest American fast food restaurant chain
- » 15-year absolute NNN ground lease with 10% fixed rental increases every five years, providing a hedge against inflation
- » No landlord management, making this an ideal opportunity for an out-of-area investor
- » Includes drive-thru for added customer convenience

HIGH-VISIBILITY LOCATION IN NORTH CAROLINA SUBMARKET

- » Strategic, high-visibility location on Siler Road with immediate access to U.S. Route 23 / U.S. Route 441 (27,000 AADT)
- » Outparcel to an ALDI-anchored shopping center currently under development
- » Shadow-anchored by Walmart Supercenter with nearby local and national tenants such as Walgreens, Big Lots, Dunkin', Wendy's, McDonald's, and more
- » Only Chick-fil-A location within 20 miles of the site, greatly increasing local traffic to the property
- » 57,040 residents living within a 15-mile radius of the location, providing a large customer base for the site
- » Average annual household income of \$67,347 within 15 miles of the site and projected to increase 11 percent by 2026, poising Chick-fil-A and Franklin for concurrent growth

ROBUST LOCATION NEAR LARGE SCHOOLS, ESTABLISHED EMPLOYERS, AND COMMUNITY HUBS

- » Beneficial proximity to several high-density, single family developments
- » Near large schools including, Franklin High School (900 students), Mountain View Intermediate School (645 students), and Macon County Middle School (625 students)
- » Less than a mile from Southwestern Community College - Macon Campus (20-acre site with over 9,000 student's system-wide)
- » Two miles from Angel Medical Center (47 beds, 172 employees), one of the largest employers in the area
- » Beneficial proximity to Macon County Airport and Jackson County Airport



MICROTEL
BY WYNDHAM
(61 rooms)

DUNKIN'
Shell
Pizza Hut

First Citizens Bank

Bartram Trail: Wallace Branch to William's Pulpit

Angel Medical Center
(2 miles, 47 beds)

MACON COUNTY AIRPORT
(6 miles)

AutoZone

HARBOR FREIGHT TOOLS
Quality Tools at Ridiculously Low Prices

The UPS Store
LOWE'S **BIG LOTS!**

Wendy's

Arby's

McDonald's

Walgreens
Huddle House
SONIC
America's Drive-In

Franklin High School
(900 students)

KAVOD

Under Development

23 / Sylva Road
(27,000 AADT)

Chick-fil-A

Siler Road

verizon

Mobil

Dowdle Mountain Road

State Road 1701

CAPTAIN D'S
SEAFOOD KITCHEN



DuPoint State
Recreational Forest

Macon County
Middle School
(625 students)

Mountain View
Intermediate School
(645 students)

State Road 1701
(20 miles to Georgia)



23 / Sylva Road
(27,000 AADT)

Dowdle
Mountain
Road



Siler Road

Under
Development



Bartram Trailhead -
Hickory Knoll Road



Macon County
Public Library



Under
Development



State Road
1701

Siler Road

Dowdle
Mountain
Road



23 | Sylva Road
(27,000 AADT)



23 | Sylva Road
(27,000 AADT)



State Road
1701

Siler Road

Under
Development

SITE PLAN



TENANT SUMMARY



Atlanta-based Chick-fil-A, Inc. is a family owned and privately held restaurant company founded in 1967 by S. Truett Cathy. Chick-fil-A is known for its original chicken sandwich, and serves freshly prepared food in more than 2,600 restaurants in 47 states, Washington, D.C., and Canada.

Chick-fil-A, Inc. reported record revenue and earnings in 2020, despite the COVID-19 pandemic. The Atlanta-based quick-serve operator, ranked by Franchise Times Magazine as the 9th largest franchise company in the United States, and reported record free-standing franchised restaurant sales as it added drive-thru lanes, dispatched outdoor order-takers with tablets, and expanded both curbside pickup and third-party delivery. Total system-wide sales generated from franchised and company-operated restaurants were \$13.7 billion in 2020 compared to \$12.2 billion in 2019, an increase of 12.7%.

A leader in customer service satisfaction, Chick-fil-A was named top fast food restaurant in Newsweek's 2019 America's Best Customer Service report and received several honors in QSR's 2019 Reader's Choice Awards, including "The Most Respected Quick-Service Brand" and "Best Brand for Overall Experience". Additionally, Glassdoor named Chick-fil-A one of the top 100 best places to work in 2020.

For more information, please visit www.chick-fil-a.com.

# OF LOCATIONS	2,600+	OWNERSHIP	Private
REVENUE	\$13.7B	HEADQUARTERS	Atlanta, GA

LEASE ABSTRACT

TENANT	Chick-fil-A, Inc.		
ADDRESS	1410 Siler Road, Franklin, North Carolina		
RENT COMMENCEMENT	January 13, 2022		
LEASE EXPIRATION	January 31, 2037		
RENEWAL OPTIONS	Eight (8) extension periods of five (5) years each		
RENTAL INCREASES	YEAR	RENT	RETURN
	1-5	\$114,425	3.25%
	6-10	\$125,868	3.58%
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	16-20 (option 1)	\$152,300	4.33%
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	51-55 (option 8)	\$296,789	8.43%
REAL ESTATE TAXES	Tenant shall pay for all real estate taxes.		
INSURANCE	Tenant is responsible for all insurance costs.		
REPAIR & MAINTENANCE	Tenant is responsible for all maintenance, including roof, structure, and parking lot.		
MAINTENANCE BY LANDLORD	None		
RIGHT OF FIRST REFUSAL	Tenant will have thirty (30) days after receipt of the notice to exercise its right to purchase by providing written notice to Landlord.		

PROPERTY OVERVIEW

LOCATION

Chick-fil-A is strategically located on Siler Road with immediate access to U.S. Route 23 / U.S. Route 441, which experiences 27,000 vehicles per day near the site. The property is shadow-anchored by Walmart Supercenter, promoting crossover traffic to the location. Additionally, the property is surrounded by local and national tenants such as Walgreens, Big Lots, Dunkin', Wendy's, McDonald's, and more. This is the only Chick-fil-A location within a 20-mile radius, greatly increasing local traffic to the area. The property benefits from its central location in a growing area. 57,040 residents live within a 15-mile radius with an average household income of \$67,347, providing a stable customer base for the site. The average annual household income is projected to increase 11 percent by 2026, poising Chick-fil-A and Franklin for concurrent growth.

The property maintains an excellent location in a major North Carolina commuter corridor, with proximity to several high-density, single and multi-family developments. The site is located near large schools including, Franklin High School (900 students), Mountain View Intermediate School (645 students), and Macon County Middle School (625 students). Southwestern Community College - Macon Campus (a 20-acre site with over 9,000 student's system-wide) is located less than a mile from the site. Franklin High School (900 students), Mountain View Intermediate School (645 students), and Macon County Middle School (625 students) are located near the property. The site is two miles from Angel Medical Center (47 beds, 172 employees), one of the largest employers in the area, and maintains beneficial proximity to Macon County Airport and Jackson County Airport.

ACCESS

Access from Siler Road

TRAFFIC COUNTS

U.S. Route 23 / U.S. Route 441: 27,000 AADT

PARKING

57 parking stalls, including three (3) handicap stalls

YEAR BUILT

2021

NEAREST AIRPORT

Macon County Airport (1A5 | 5.8 miles)



ACTUAL SITE



57

PARKING
STALLS



2021

YEAR BUILT



27K

TRAFFIC
COUNT (AADT)



NEAREST
AIRPORT

MACON COUNTY
AIRPORT

AREA OVERVIEW

Franklin is a town in and the county seat of Macon County, North Carolina. Franklin is nestled in the Nantahala National Forest, the largest National Forest in North Carolina encompassing more than 500,000 acres. Its location affords residents and visitors an extraordinary outdoor experience from white water rafting to camping, hunting, and fishing. Franklin is a classic slice of Small Town America considered the trade center of far Western North Carolina and is home to national technology providers. During the Spring and Summer months, the Town sponsors and hosts many festivals and events each year including Pickin' on the Square.

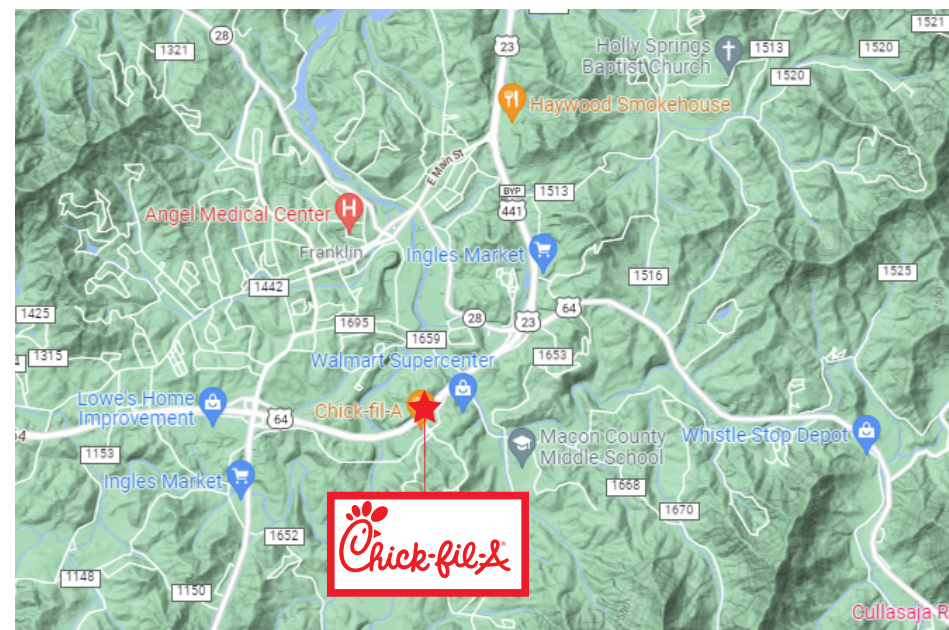
Macon County is in the Southwestern area of North Carolina. Macon County has a land area of 516 square miles and a population of 37,014 as of the 2020 U.S. Census. Macon County is truly in the "center of it all", just a short distance from major markets such as Atlanta, Georgia, Greenville, South Carolina, Knoxville, Tennessee, Chattanooga, Tennessee, Columbia, South Carolina, and Asheville, North Carolina. With four-lane connectivity to Interstate 40, Interstate 26, and Interstate 85, Macon County is easily accessible to all points in the Southeast, Midwest, and along the Eastern Seaboard. Macon County's natural resources, beauty, and proximity to major population centers have made it a major destination for both green tourism (hiking, whitewater rafting, camping, hunting, fishing, etc.), as well as more traditional activities such as golf and gem mining. Macon County has a diverse economy that includes major components such as manufacturing, healthcare, tourism, agriculture, finance, retail, and real estate/construction. While the COVID-19 pandemic was a major factor in the 2020-2021 local economy, Macon County fared well when compared to other economies nationally. Going forward, the economic outlook looks positive. Population estimates indicate a continued growth, with the county's location and natural beauty continuing to attract both year-round and part-time residents. There is significant retail development occurring along the 64/441 corridor in Franklin. The Macon County Economic Development Commission continues to create a climate for business and industry investment, innovative entrepreneurship, and quality job creation. Macon County has an area workforce draw of over 125,000. On Demand Customized Workforce Training (including advanced manufacturing) is provided by Southwestern Community College and NCWorks Career Centers provide employers a single place to address employment and training needs. In addition, Macon County Public Schools offer a variety of STEM initiatives to prepare the workforce of the future. Macon County has a modern airport facility with a 5,000 feet runway enabling business jet access, a new terminal, hangar space with room for expansion, and plans for an additional 1,000 feet runway extension.

- » North Carolina consistently ranks among the best business climates in the U.S. and has ranked as one of *Forbes'* top 5 Best States for Business for 10 consecutive years. This success is fueled by a competitive tax climate, low business costs, competitive utility costs, and a favorable legal and regulatory environment.
- » Franklin was recently named the 25th Best City to Live in North Carolina by the U.S. Chamber of Commerce.
- » In December 2020, North Carolina Commerce designated Macon County a Tier 3 county, one of the 20 least distressed counties in the state.

LARGEST EMPLOYERS IN LEXINGTON, NC

OF EMPLOYEES

MACON COUNTY PUBLIC SCHOOLS	675
MACON COUNTY	652
DRAKE SOFTWARE, INC.	377
INGLES MARKETS, INC.	322
WAL-MART ASSOCIATES INC.	239
MISSION HEALTH (FORMERLY ANGEL MEDICAL CENTER)	172
DRAKE ENTERPRISES LTD (A CORP)	152
LOWE'S HOME CENTERS INC.	130
MADISON'S	113
BEASLEY FLOORING	98



DEMOGRAPHIC PROFILE

2021 SUMMARY	5 Mile	10 Miles	15 Miles
Population	20,120	33,181	57,040
Households	8,548	14,269	23,512
Families	5,527	9,383	14,630
Average Household Size	2.34	2.31	2.26
Owner Occupied Housing Units	6,069	10,581	16,598
Renter Occupied Housing Units	2,480	3,688	6,913
Median Age	48.0	49.3	45.6
Average Household Income	\$58,421	\$63,739	\$67,347

2026 ESTIMATE	1 Mile	3 Miles	5 Miles
Population	20,443	33,876	58,439
Households	8,683	14,573	24,149
Families	5,587	9,537	14,942
Average Household Size	2.34	2.31	2.26
Owner Occupied Housing Units	6,242	10,931	17,248
Renter Occupied Housing Units	2,441	3,641	6,901
Median Age	49.1	50.3	46.7
Average Household Income	\$64,119	\$70,566	\$74,666



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