

1004 S HIGHWAY 27



SOMERSET, KY 42501



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The Offering Memorandum contains select information pertaining to the business and affairs of Slim Chickens (“property”). It has been prepared by Prime Net Lease. This 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 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 Prime Net Lease. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their offices, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents 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 and conduct their own due diligence.

Owner and Prime Net Lease 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 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 Offer Memorandum.

A prospective purchaser’s sole and exclusive rights with respect to the 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 executive Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Prime Net Lease or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or cause 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.

BY ACCEPTING THIS CONFIDENTIAL OFFERING MEMORANDUM, YOU AGREE TO RELEASE PRIME NET LEASE AND HOLD IT HARMLESS FROM ANY KIND OF CLAIM, COST, EXPENSE, OR LIABILITY ARISING OUT OF YOUR INVESTIGATION AND/OR PURCHASE OF THIS NET LEASED PROPERTY.

EXCLUSIVELY PRESENTED BY



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In association with: Bang Realty - Kentucky Inc. #204982

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PROPERTY DESCRIPTION



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Prime Net Lease is pleased to present this 3,796 SF Slim Chickens restaurant located in Somerset, Kentucky. The property is encumbered with a 15-year absolute NNN lease, leaving the landlord with no responsibilities. There are currently 14.3 years remaining on the current lease with Five, 5-year options left. 2% annual rental increases begin in June 2026 to help hedge against inflation.

The subject property is located off of U.S. Highway 27 adjacent to a Circle K Gas Station on a dense retail corridor joining over 60 strong major, national and local tenants taking advantage of traffic counts nearing 32,000+ vehicles per day through the area. Slim Chickens was one of several new restaurants, including Chili's and Popeye's, that entered the market in early 2020 after seeing the strength and potential of the community and demographics in the area.

This 3,796 square foot Slim Chickens is a full-service location with inside seating for 70 guests available. Renovated to suit Slim Chicken's custom layout in late 2019, this location features a drive-thru, allowing this site to thrive throughout the social distancing requirements of the 2020 COVID-19 Pandemic. The new restaurant's atmosphere was inspired by blues music with a Mississippi vibe. In addition to a full remodel, the site also features new equipment as well as renovations to both the interior and exterior of the building.

This Slim Chickens location is highly visible as it is strategically positioned in Somerset, Kentucky. Somerset is located in Pulaski County, Kentucky's third largest geographical county with an estimated population of 63,000 and home to 2 marinas located on beautiful Lake Cumberland. Somerset has a population of 11,447 and a median household income upwards of \$42,103 making this location ideal for a Slim Chickens. The city is located at the eastern end of Kentucky's Mississippian Plateau; however, the micropolitan area extends eastward into the Appalachian Plateau, and northward to Kentucky's Outer Bluegrass region. Thus, the area shows significant variations in landforms and scenery.

OFFERING SUMMARY

PROPERTY INFORMATION

<i>Property Address</i>	1004 S Highway 27 Somerset, KY 42501
<i>Land Area</i>	0.90 Acres
<i>Year Built</i>	2017
<i>Ownership Type</i>	Fee Simple

PRICING INFORMATION

<i>Offering Price</i>	\$2,400,000
<i>Net Operating Income</i>	\$126,000
<i>Cap Rate</i>	5.25%
<i>Price Per Square Feet</i>	\$632.24
<i>Tenant</i>	Slim Chickens
<i>Guarantor</i>	Franchisee
<i>Term Remaining</i>	14.3 years
<i>Lease Type</i>	NNN
<i>Landlord Responsibilities</i>	None

COMPLETE HIGHLIGHTS



LOCATION INFORMATION	
Building Name	Slim Chickens
Street Address	1004 S Highway 27
City, State, Zip	Somerset, KY 42501
County	Pulaski

BUILDING INFORMATION	
NOI	\$126,000.00
Cap Rate	5.25%
Occupancy %	100.0%
Tenancy	Single
Average Floor Size	3,796 SF
Year Built	2017
Year Last Renovated	2019

PROPERTY HIGHLIGHTS

- **Long Term Lease** - 14.3 years remaining on the initial term of the lease, 2% annual increases beginning year 6 through end of term to help hedge against inflation, followed by five, 5-year options.
- **Strong Location** - Located conveniently right off Highway 27, 32,000+ Vehicles Per Day, surrounded by over 60+ major national and local tenants including McDonald's, Hardee's, Subway, Dairy Queen, Sonic, AutoZone, O'Reilly Auto Parts, CVS, Walgreens, Big Lots, Dollar Tree, Lowes, Walmart, Kroger, and many many more.
- **Newer Construction** - Newly constructed site built in 2017, formerly a Bojangle's and converted in 2019 into a Slim Chickens.
- **Zero Landlord Responsibilities** - Absolute NNN Lease. Ideal for Investors not Local to the Market or looking for a "hands off" investment.
- **Successful Operator** - 10+ year experienced operator, operates 2 other Slim Chickens with plans to expand, 2 Fatburgers, and is the master franchisee of Fatburger in Arkansas.
- **Pandemic Proof** - features a drive-thru, allowing this site to thrive throughout the social distancing requirements of the 2020 COVID-19 Pandemic. Drive-thrus are open to continue providing fresh, hot, delicious chicken to the communities we serve, and make it as easy as possible to place, pay for, and pick up your order.
- **Expanding Tenant** - Slim Chickens made brand history in 2021 by closing out the year with more signed development deals and openings than ever before. The brand celebrated a number of milestones including its 150th store opening, entered 65 new markets with their development deals and had close to 40 openings. It also inked 350 signed agreements, bringing the total units in development to 750.

FINANCIALS

TENANT	SQUARE FOOTAGE	TERM REMAINING	TERM		RENTAL INCREASE	MONTHLY RENT	MONTHLY RENT PER SF	ANNUAL RENT	ANNUAL RENT PER SF
Slim Chickens	3,796	14.3 years	Current	05/31/2026		\$10,500	\$2.77	\$126,000	\$33.19
			06/01/2026	05/31/2027	2%	\$10,710	\$2.82	\$128,520	\$33.86
			06/01/2027	05/31/2028	2%	\$10,924	\$2.88	\$131,090	\$34.53
			06/01/2028	05/31/2029	2%	\$11,142	\$2.94	\$133,711	\$35.22
			06/01/2029	05/31/2030	2%	\$11,365	\$2.99	\$136,385	\$35.93
			06/01/2030	05/31/2031	2%	\$11,592	\$3.05	\$139,112	\$36.65
			06/01/2031	05/31/2032	2%	\$11,824	\$3.11	\$141,894	\$37.38
			06/01/2032	05/31/2033	2%	\$12,060	\$3.18	\$144,731	\$38.13
			06/01/2033	05/31/2034	2%	\$12,302	\$3.24	\$147,625	\$38.89
			06/01/2034	05/31/2035	2%	\$12,548	\$3.31	\$150,587	\$39.67
			06/01/2035	05/31/2036	2%	\$12,799	\$3.37	\$153,588	\$40.46

TERM COMMENCEMENT	TERM EXPIRATION	RENEWAL OPTIONS	RENTAL INCREASES	LANDLORD RESPONSIBILITIES	TENANT RESPONSIBILITIES	GUARANTEE	RIGHT OF FIRST REFUSAL
06/1/2021	05/31/2036	Five, 5-year options	Yes	None	Absolute NNN	Franchisee	Yes

TENANT SUMMARY

Revenues: \$96.6 million in systemwide sales in 2018
Rank: QSR's Breakout Brand of the Year for 2021
Rank: No. 244 on the Franchise Times Top 400

Our roots run deep in the Delta where the food is honest, meals are social, and the door is always open. We started with a mission to bring a dose of that southern hospitality to a fast, casual setting—serving Fresh Delicious Chicken® to the communities we serve. By focusing on providing only 100% fresh, all-natural chicken tenders that are buttermilk-marinated, hand-breaded and always cooked fresh-to-order, the brand has committed to providing a “better chicken” experience that can’t be found anywhere else. In addition, a choice of 17 housemade sauces adds exceptional flavor and has earned admiration from both guests and critics alike. Slim Chickens also offers fresh sandwiches, salads, wraps and its signature chicken and waffles. To offset the savory side of the menu, rotating desserts served in Mason jars are also available.

Our startup story is pretty simple. It all started with a craving for a quick, quality meal — fresh chicken cooked to order. The founders, Greg Smart and Tom Gordon, discovered there was a niche to fill and rallied where lots of great startups begin, from their garage! Tireless testing and a laser-focused vision launched the first Slim Chickens restaurant in Fayetteville, Arkansas, 2003. Now over 15 years and tens of thousands of happy customers later, we know that there’s something special about our hand-breaded chicken tenders, fresh hot chicken sandwiches, made-to-order wings and our house-made dipping sauces that keep our loyal fans coming back... over and over again.

Our service model sets us apart from quick service restaurants. Whether you’re dining in, driving through, or carrying out, our people will greet you with a warm smile and a desire to please. When dining in, we bring your food to your table and provide you with that extra touch of hospitality. We strive to return that enthusiasm by giving back to the communities we serve—helping local non-profits with fundraisers, donating food to community events, and doing everything we can to improve the lives of people in the communities where we live and work.

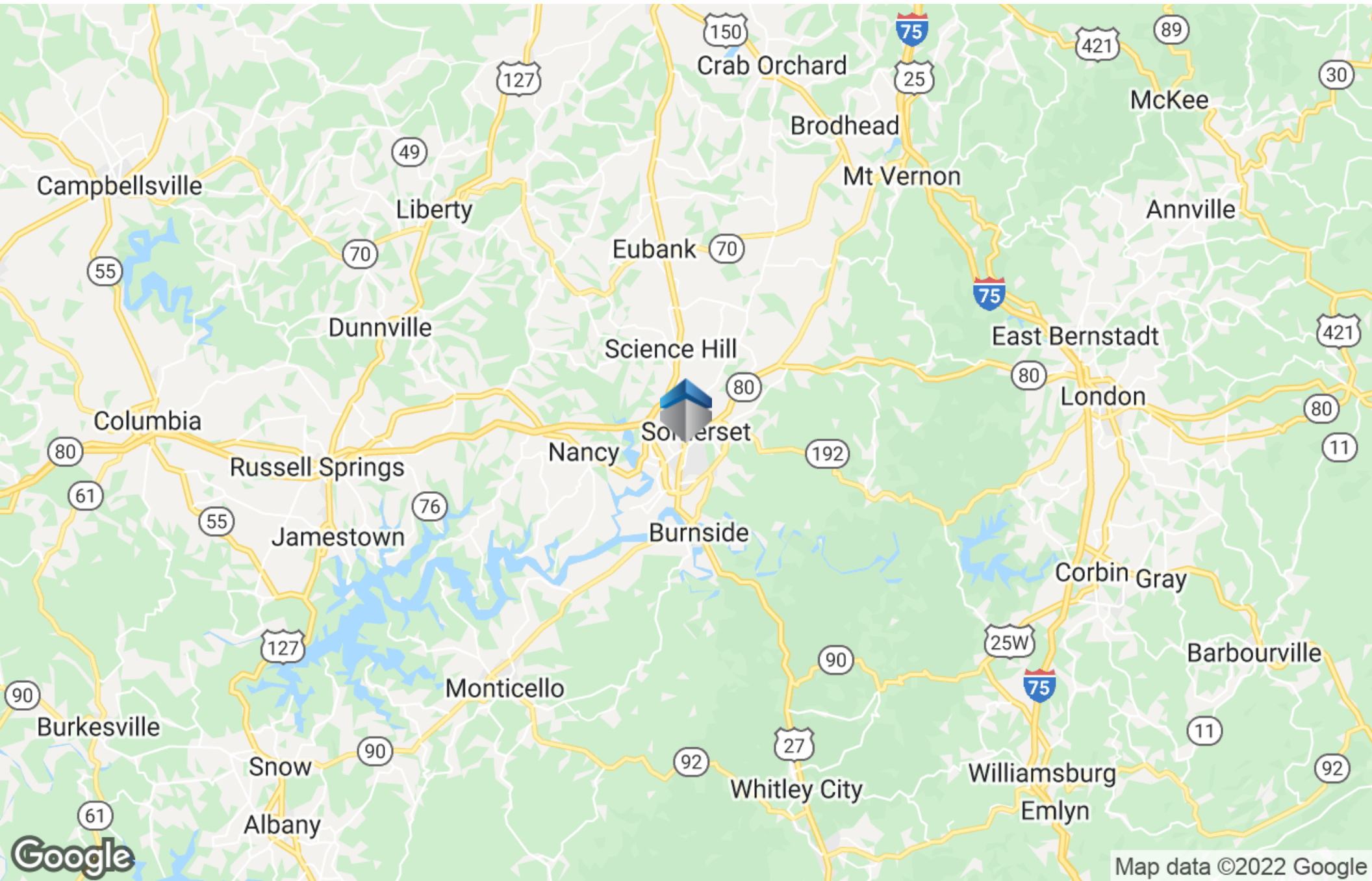


WEBSITE	www.slimchickens.com
FOUNDED	2003
HEADQUARTERS	Fayetteville, Arkansas
NUMBER OF LOCATIONS	120 ±
NUMBER OF EMPLOYEES	1000 ±

ADDITIONAL PHOTOS

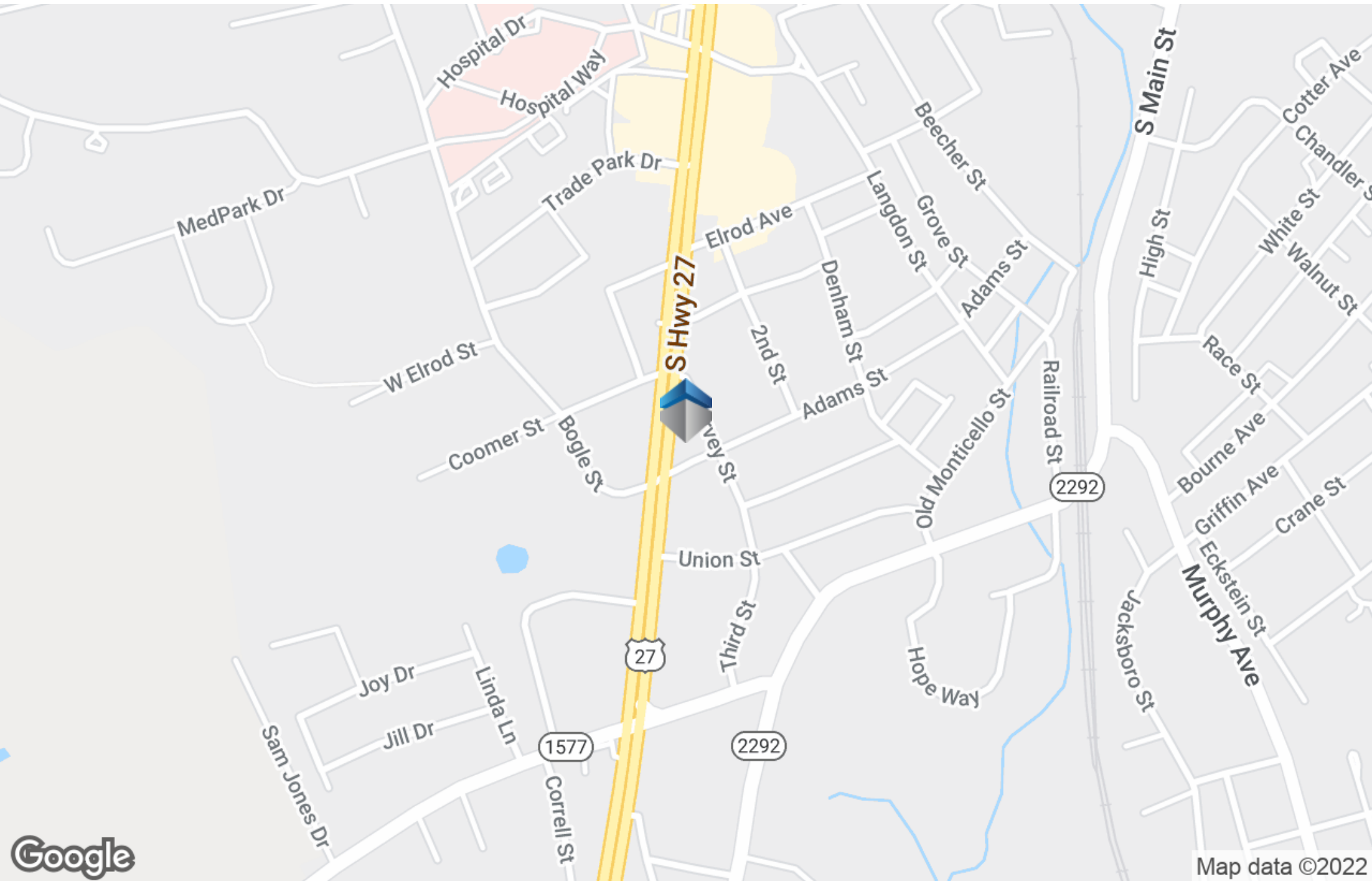


REGIONAL MAP



Map data ©2022 Google

LOCATION MAP



AERIAL MAP



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MARKET OVERVIEW

Somerset, KY is situated on the northeastern edge of Lake Cumberland just west of the Daniel Boone National Forest, and as you can imagine, is known for its abundance of outdoor recreation including boating, hiking and even a local vineyard offering a different taste of Kentucky. Somerset's primary tourist attraction is Lake Cumberland, the largest man-made lake by volume east of the Mississippi River. The lake is very popular among boaters, especially houseboat enthusiasts. Several rental services are offered in the area including speedboat, pontoon, jetski, and houseboat rentals. Fishing is also very popular. There are several private and public boat docks located throughout the area. These include: General Burnside Island State Park (in Burnside, just south of Somerset on Highway 27), Burnside Marina, Lee's Ford Marina (located off Highway 80 to the west of Somerset), Waitsboro (southern Somerset) and Pulaski County Park (located off west 80). General Burnside Island State Park is located on a small island in Burnside. It has campgrounds, hiking trails, picnic areas, a boat dock, playgrounds, and a golf course. The area is home to other golf courses, including Eagle's Nest, Waitsboro Hills, and Woodson Bend. The Master Musicians Festival is a three-day music festival held every summer is features a mix of nationally-famous and local bands. The Center, a local venue often has theater productions and hosts concerts.

Tourism is important to Somerset, due to its proximity to Lake Cumberland and other events. Lake Cumberland alone generates approximately \$150 million in revenue each year, though the industry has been greatly impacted in recent years by the U.S. Army Corps of Engineers' work on the Wolf Creek Dam. Since 2007, Lake Cumberland has been at low levels to facilitate the Corps work. The city holds the annual Master Musicians Festival. The Civil War Battle of Mill Springs took place in nearby Nancy and the reenactments held there often draw large crowds. In November 2006, the Mill Springs Battlefield Visitor Center and Museum opened. Their efforts focus on the preservation of the battlefield while providing educational resources to visitors.

Commerce, driven in part by the area's tourism, thrives in Somerset. The city is home to a small mall and several shopping centers. Most of these stores, as well as many restaurants and hotels are located along U.S. Route 27, making up the state's longest stretch of businesses outside of Louisville and Lexington.

Begun in 2001, Somernites Cruise is a monthly classic car show held the fourth weekend of the months April through October. It has now become one of the largest monthly classic car events in the southeastern United States averaging over 1,100 cars each month. As a result of this event, the Kentucky State Legislature has named Somerset as "The Car Cruise Capital of Kentucky."

Somerset has also increasingly been taking on the functions of a major medical center. In 2006, a new 58-acre (230,000 m²) medical park, called MedPark West, was finished near the Lake Cumberland Regional Hospital (LCRH). Since completion, several new medical practices have opened there. LCRH is one of the largest in the state and is surrounded by many doctors' offices and pharmacies. LCRH is regional hub for the region's only advanced medical services. LCRH is a JCAHO-accredited hospital with 304 beds. A virtual online tour of the hospital is available. An advanced ventilator care facility, Rockcastle Regional Hospital and Respiratory Care Center, is in adjoining Rockcastle County. Nearby Somerset, located off Highway 461, is the Valley Oak Technology Complex, a key industrial center in the region. Housed there are such companies as SafeAuto and others. Somerset's location along Lake Cumberland has caused it to become a major houseboat manufacturing center. The city also has auto-associated, flooring, wood-associated, and other industries.



DEMOGRAPHICS

KEY FACTS



33,374

POPULATION



39.1

AVERAGE AGE



\$132,057

MEDIAN HOUSEHOLD VALUE

BUSINESSES



2,508

BUSINESSES



20,670

EMPLOYEES

INCOME



\$42,103

MEDIAN HH INCOME



\$56,682

AVERAGE HH INCOME

	1 MILE	5 MILES	10 MILES
Total Population	4,135	33,374	54,749
2010 Population	4,039	31,319	51,715
2026 Population	4,274	34,081	57,493
Employees	7,756	20,670	24,069
Total Businesses	959	2,508	2,974
Average Household Income	\$45,909	\$56,682	\$57,704
Median Household Income	\$27,115	\$42,103	\$42,798
Average Age	39.1	39.9	40.5
Households	821	12,292	22,807
Average Housing Unit Value	\$127,903	\$132,057	\$122,480

ABOUT PRIME NET LEASE

Prime Net Lease is a commercial investment real estate service firm specializing in single tenant net leased properties. Headquartered in Palm Desert, California, the firm provides a full range of brokerage services nationwide to a substantial and diversified client base, which includes high net worth individuals, family trusts, developers, REITs, partnerships and institutional investment funds.

Our primary focus is on net leased retail, which are on a long term leases to well-established national or regional brands. Many of these are publicly traded or have credit rated debt. They are located across the United States in major metropolitan areas, as well as strategic secondary and tertiary markets. Compared to other types of real estate investments, these assets provide investors with the greatest potential to generate consistent and predictable income and the opportunity for appreciation.

Over the last 20 years, Prime Net Lease advisors have been involved in nationwide transactions with the most recognizable brands in the industry. Our past transactions include fast food national brands such as Arby's, KFC, Pizza Hut, Dairy Queen, Burger King, Wendy's; sit down restaurants such as TGI Fridays, Marie Callender's, Applebee's; Gas/Convenience marts such as 7-Eleven, Kum & Go, Quiktrip, Circle-K and larger retail stores such as CVS Pharmacy, Walgreens and Shopko. Additionally we have been involved in a multitude of transaction with local and regional brands.

Whether buying or selling, Prime Net Lease is a trusted and experienced partner in commercial and Net Leased real estate transactions.



15 Kum & Go's Sold in Last 12 Months

Michael Matusik, PNL's Gas/Convenience Specialist, has the highest market share of resale Kum & Go's. In addition, to currently listed locations, Michael has plenty of off market location available.



Dollar Stores Sold at Market Setting CAP Rate

Filip Hernas, PNL's Dollar Store Specialist, recently listed and sold half a dozen Dollar General's at market setting CAP rates.



Drive-Thru Demand Increases as Sit-downs Stumble

Paul Matusik, PNL's President and QSR specialist, has seen a significant increase in interest and suppression of CAP rates on nationally recognized tenants such as KFC, Burger King, and Arby's.

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