

PIZZA HUT PORTFOLIO

AVAILABLE INDIVIDUALLY OR AS A PORTFOLIO
OFFERING MEMORANDUM

PIZZA HUT

MINNESOTA PORTFOLIO

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MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

EXECUTIVE
SUMMARY

3

PROPERTIES
OVERVIEW

4

TENANT
OVERVIEW

23

EXECUTIVE SUMMARY



INVESTMENT HIGHLIGHTS

- **Absolute NNN 10 Year Lease** - There are zero landlord responsibilities or expenses, providing 100% passive income to the landlord.
- **Rental Increases** - Each lease features 10% rental increases every 5 years to provide an investor with a strong hedge against inflation.
- **Below Market Rents** - The low rent of these sites will maintain profitability and longevity of the tenant.
- **Second Generation Franchisee** - Over 50 years in the Pizza Hut business and organically growing without adding debt.
- **Global Brand** - Pizza Hut is one of the largest pizza companies in the world with over 18,000 locations in over 100 countries.



OFFERING SUMMARY — AVAILABLE INDIVIDUALLY OR AS A PORTFOLIO

#	Address	Lease Type	Purchase Price	Annual Rent	Cap Rate
1	728 38th Ave Amoka, MN	Absolute NNN	\$800,000	\$42,000	5.25%
2	1511 Domes Dr Blue Earth, MN	Absolute NNN	\$666,666	\$36,000	5.40%
3	604 East Hwy 12 Litchfield, MN	Absolute NNN	\$560,747	\$30,000	5.35%
4	1001 North Columbia Morris, MN	Absolute NNN	\$425,532	\$22,766	5.35%
5	1316 Heckman Ct, St James, MN	Absolute NNN	\$342,857	\$18,000	5.25%
6	749 N Jefferson, Wadena, MN	Absolute NNN	\$303,157	\$14,400	4.75%
Portfolio Summary			\$3,098,959.00	\$166,166	5.26%





WADENA, MN

MORRIS, MN

LITCHFIELD, MN

ANOKA, MN

ST JAMES, MN

BLUE EARTH, MN



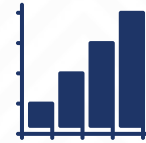
SECTION 2

THE PROPERTIES

728 38TH AVE ANOKA, MN



LIST PRICE:
\$800,000



CAP RATE:
5.25%



ANNUAL RENT:
\$42,000

LEASE SUMMARY

Tenant	Pizza Hut
Address	728 38th Ave, Amoka, MN
Lease Guarantor	FFH LLC (±30 Units)
Rent Commencement Date	Upon Closing
Original Lease Term	10 Years
Lease Term Remaining	10 Years from COE
Rent Increases	10% Every 5 Years
Option Periods	Two, 5-Year Options
Lease Type	Absolute NNN
Type of Ownership	Fee-Simple
Gross Leasable Area	±1,508 SF
Lot Size	±0.41 AC

ANNUALIZED OPERATING DATA

	Monthly Rent	Annual Rent	Rent Increases	Rent Per SF
COE - Year 5	\$3,500.00	\$42,000.00	-	\$27.85
Year 6 - 10	\$3,850.00	\$46,200.00	10.00%	\$30.64
Option 1 (Year 11 - 15)	\$4,235.00	\$50,820.00	10.00%	\$33.70
Option 2 (Year 16 - 20)	\$4,658.50	\$55,902.00	10.00%	\$37.07



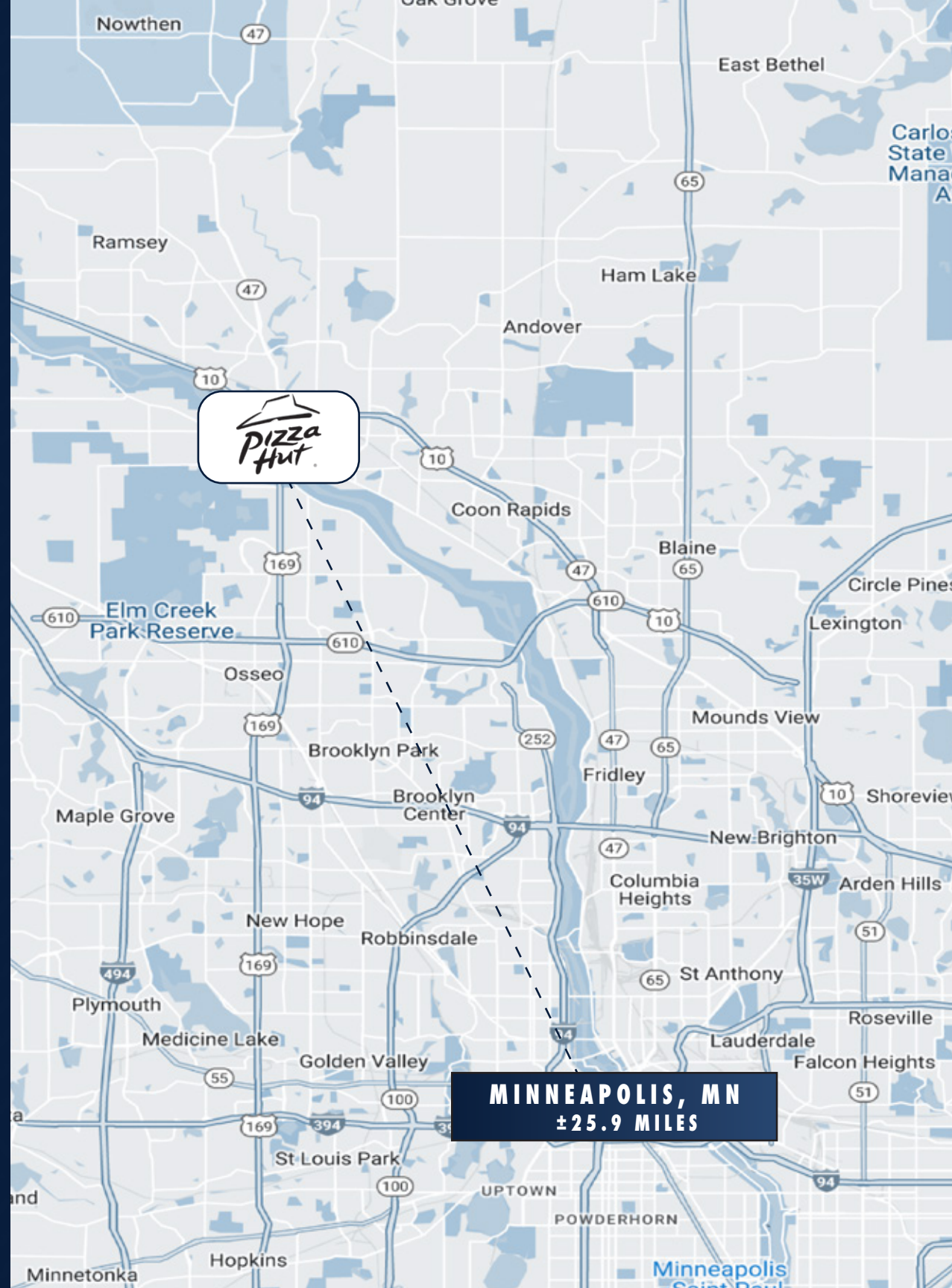
ANOKA, MN

Anoka is a city along the eastern banks of the Mississippi River roughly 30 minutes north of Minneapolis. Anoka is known for all things spooky, as it's coined the "Halloween Capital of the World." The city held one of the first Halloween parades in the country, and it continues to pay homage to the holiday with several parades happening throughout the month of October. During the other months, Anoka is characterized as a delightful Twin Cities suburb. A resort-like golf course, tree-lined streets, and an exciting downtown corridor all complement the peaceful residential sections of the city. Head to East Main Street for an array of family-friendly dining and shopping spots. On the edge of downtown, Rum River features parks, trails, and the historic Rum River Dam. Of course, more outdoor recreation lies along the Mississippi River.



DEMOGRAPHICS

Population	1 Mile	3 Mile	5 Mile
2027 Projection	6,896	61,595	141,519
2022 Estimate	6,589	59,058	135,337
2010 Census	5,860	55,424	122,508
Households	1 Mile	3 Mile	5 Mile
2027 Projection	2,397	22,728	50,641
2022 Estimate	2,324	22,130	49,084
2010 Census	2,059	20,633	44,313
Income	1 Mile	3 Mile	5 Mile
Avg HH Income	\$97,169	\$102,980	\$108,654





N 7TH AVE

BUNKER LAKE BLVD NW



ROUND LAKE BLVD



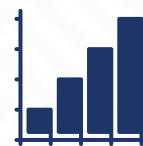
CROOKED LAKE



1511 DOMES DR BLUE EARTH, MN



LIST PRICE:
\$666,666



CAP RATE:
5.40%



ANNUAL RENT:
\$36,000

LEASE SUMMARY

Tenant	Pizza Hut
Address	1511 Domes Dr, Blue Earth, MN
Lease Guarantor	FFH LLC (±30 Units)
Rent Commencement Date	Upon Closing
Original Lease Term	10 Years
Lease Term Remaining	10 Years from COE
Rent Increases	10% Every 5 Years
Option Periods	Two, 5-year Options
Lease Type	Absolute NNN
Type of Ownership	Fee-Simple
Gross Leasable Area	±3,228 SF
Lot Size	±1.5 AC

ANNUALIZED OPERATING DATA

	Monthly Rent	Annual Rent	Rent Increases	Rent Per SF
COE - Year 5	\$3,000.00	\$36,000.00	-	\$11.15
Year 6 - 10	\$3,300.00	\$39,600.00	10.00%	\$12.27
Option 1 (Year 11 - 15)	\$3,630.00	\$43,560.00	10.00%	\$13.49
Option 2 (Year 16 - 20)	\$3,993.00	\$47,916.00	10.00%	\$14.84



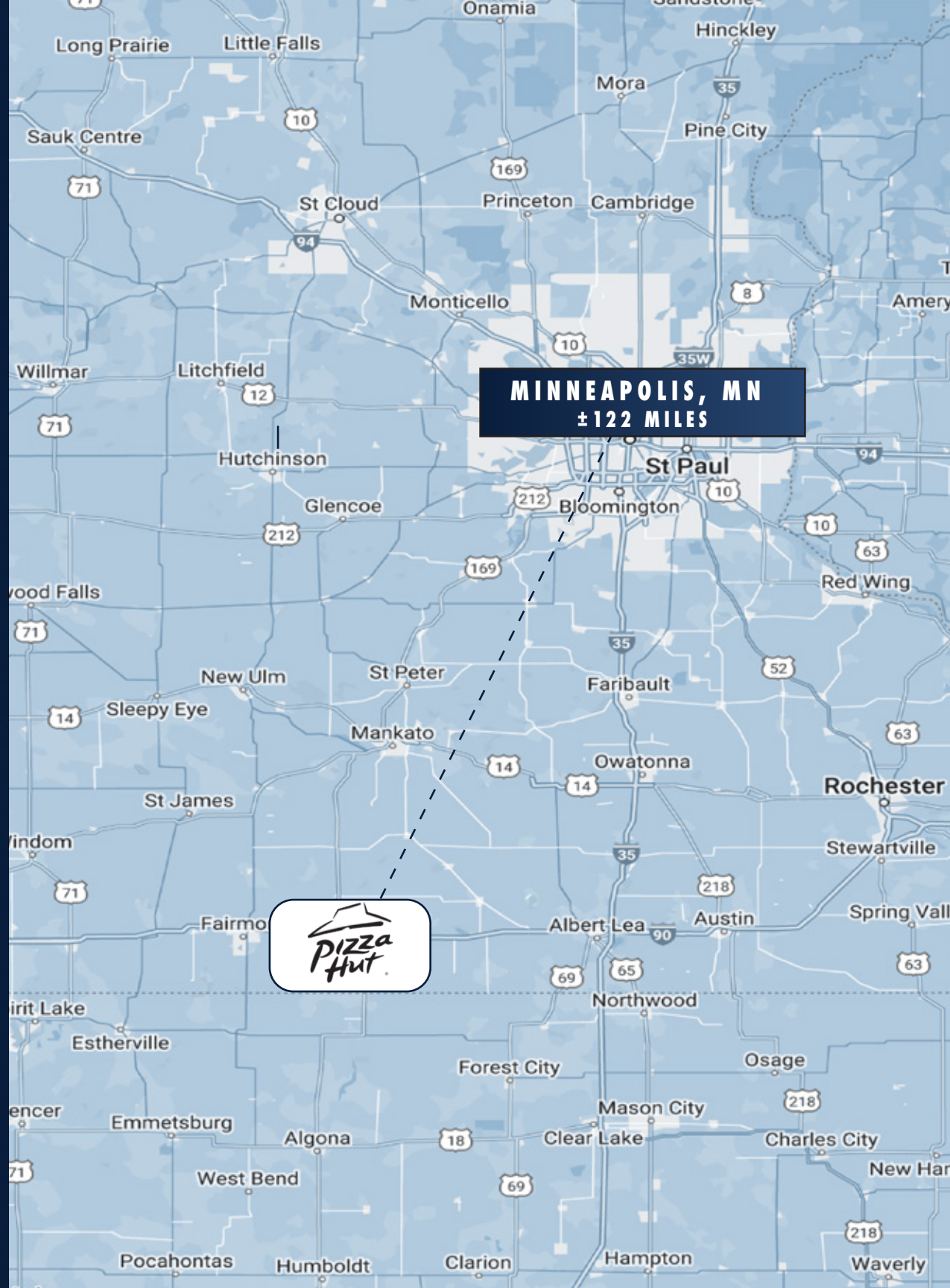
BLUE EARTH, MN

Located in southern Minnesota, Blue Earth is a quaint suburb with plenty of Midwest small-town charm. Blue Earth is great for people searching for a place with a strong sense of community. Surrounded by fertile farmlands and filled with verdant woods, this secluded community is filled with unexpected quirks that capture the hearts of renters. Blue Earth is best known for being home to the world's largest statue of the Jolly Green Giant and the Jolly Green Giant Museum, which features memorabilia from across the ages. The ice cream sandwich was also invented in Blue Earth! Along with these quirky facts, Blue Earth has everything a renter could ask for: riverfront parks, a community pool, a fitness center, an ice rink, and local eateries. When residents aren't taking advantage of these amenities, you'll find them at a bake sale, city-wide garage sale, or other community events.



DEMOGRAPHICS

Population	1 Mile	3 Mile	5 Mile
2027 Projection	400	3,340	3,672
2022 Estimate	412	3,462	3,806
2010 Census	438	3,632	3,995
Households	1 Mile	3 Mile	5 Mile
2027 Projection	168	1,563	1,711
2022 Estimate	164	1,532	1,678
2010 Census	172	1,573	1,726
Income	1 Mile	3 Mile	5 Mile
Avg HH Income	\$60,921	\$69,684	\$72,746





90



SUBJECT PROPERTY



90

169



DOLLAR GENERAL

SUBWAY

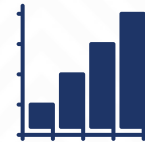
169



604 EAST HWY 12 LITCHFIELD, MN



LIST PRICE:
\$560,747



CAP RATE:
5.35%



ANNUAL RENT:
\$30,000

LEASE SUMMARY

Tenant	Pizza Hut
Address	604 East Hwy 12, Litchfield, MN
Lease Guarantor	FFH LLC (±30 Units)
Rent Commencement Date	Upon Closing
Original Lease Term	10 Years
Lease Term Remaining	10 Years from COE
Rent Increases	10% Every 5 Years
Option Periods	Two, 5-year Options
Lease Type	Absolute NNN
Type of Ownership	Fee-Simple
Gross Leasable Area	±2,350 SF
Lot Size	±0.44 AC

ANNUALIZED OPERATING DATA

	Monthly Rent	Annual Rent	Rent Increases	Rent Per SF
COE - Year 5	\$2,500.00	\$30,000.00	-	\$12.77
Year 6 - 10	\$2,750.00	\$33,000.00	10.00%	\$14.04
Option 1 (Year 11 - 15)	\$3,025.00	\$36,300.00	10.00%	\$15.45
Option 2 (Year 16 - 20)	\$3,327.50	\$39,930.00	10.00%	\$16.99



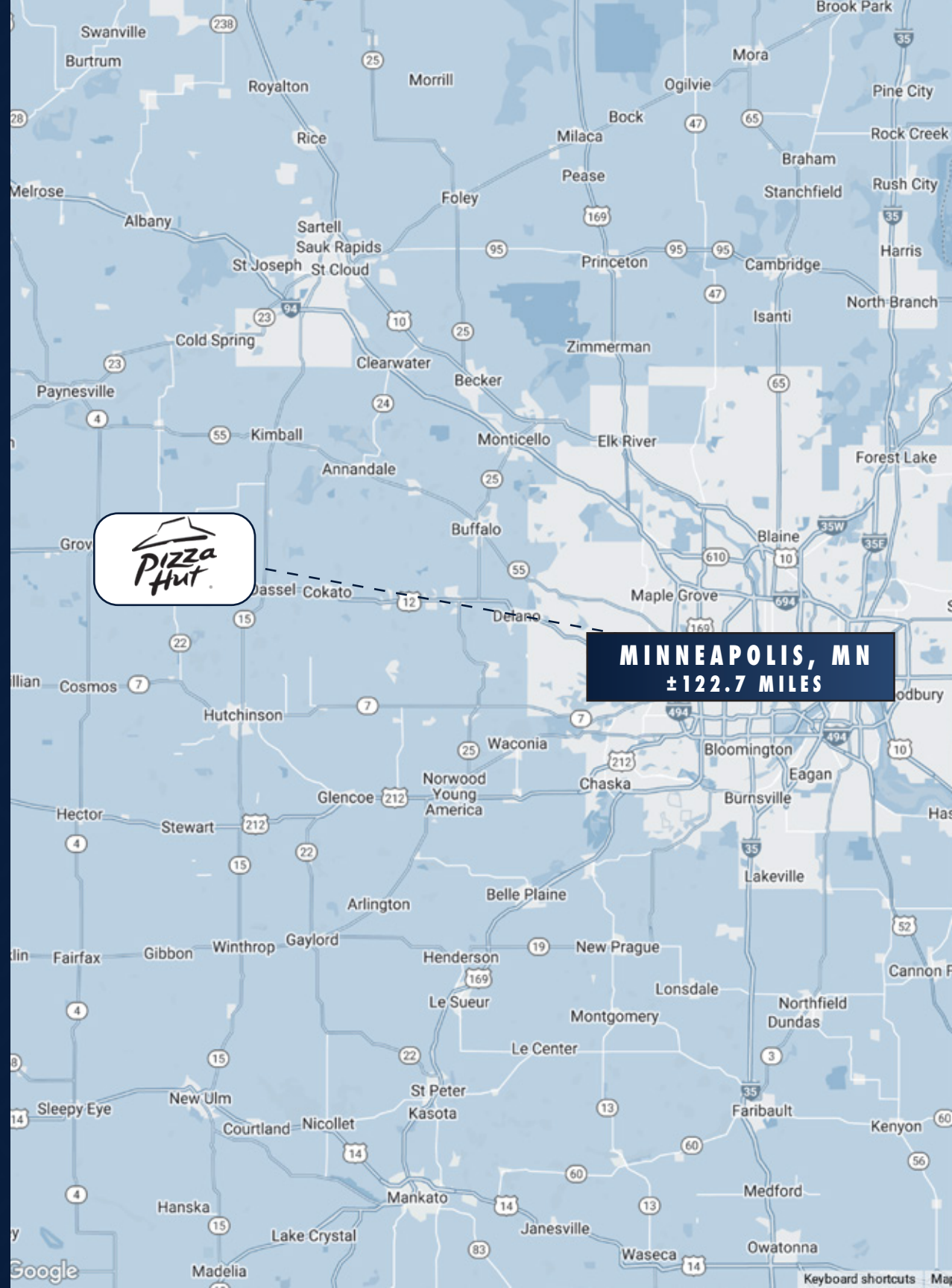
LITCHFIELD, MN

Located just 60 miles west of the Twin Cities metro area on US Hwy 12, Litchfield is the county seat and a regional center. The community boasts strong schools, excellent healthcare, and economic opportunity. The City of Litchfield supports its residents and businesses with numerous recreational possibilities, beautiful surroundings, and state-of-the-art infrastructure.



DEMOGRAPHICS

Population	1 Mile	3 Mile	5 Mile
2027 Projection	5,963	7,489	8,177
2022 Estimate	5,949	7,488	8,153
2010 Census	5,910	7,452	8,121
Households	1 Mile	3 Mile	5 Mile
2027 Projection	2,581	3,253	3,554
2022 Estimate	2,412	3,044	3,315
2010 Census	2,419	3,041	3,309
Income	1 Mile	3 Mile	5 Mile
Avg HH Income	\$92,729	\$91,180	\$91,310





Pizza Ranch

WELLS
FARGO



FANTASTIC SAM'S
SpartanNash

snap fitness 24/7

SUBJECT PROPERTY

taco
john's



BW | Best Western
Hotels & Resorts

Do it
Best



sears

US-12

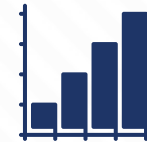


SUBWAY

1001 NORTH COLUMBIA MORRIS, MN



LIST PRICE:
\$425,532



CAP RATE:
5.35%



ANNUAL RENT:
\$22,766

LEASE SUMMARY

Tenant	Pizza Hut
Address	1001 North Columbia, Morris, MN
Lease Guarantor	FFH LLC (±30 Units)
Rent Commencement Date	Upon Closing
Original Lease Term	10 Years
Lease Term Remaining	10 Years from COE
Rent Increases	10% Every 5 Years
Option Periods	Two, 5-year Options
Lease Type	Absolute NNN
Type of Ownership	Fee-Simple
Gross Leasable Area	±3,000 SF
Lot Size	±1.15 AC

ANNUALIZED OPERATING DATA

	Monthly Rent	Annual Rent	Rent Increases	Rent Per SF
COE - Year 5	\$1,897.16	\$22,766.00	-	\$7.59
Year 6 - 10	\$2,086.88	\$25,042.60	10.00%	\$8.35
Option 1 (Year 11 - 15)	\$2,295.57	\$27,546.86	10.00%	\$9.18
Option 2 (Year 16 - 20)	\$2,525.12	\$30,301.50	10.00%	\$10.10



MORRIS, MN

Situated in West Central Minnesota, Morris is a town with an agricultural feel and numerous cultural amenities. Home to the historic campus of the University of Minnesota Morris, Morris benefits from a broad range of educational, recreational, and social opportunities provided by the university. Morris fosters a strong sense of community through a bevy of special events, such as the Stevens County Fair, Prairie Pioneer Days, and the Parade of Lights. Morris residents also gather at the many shops, restaurants, markets, and cafes located around Atlantic Avenue and 5th Street. Outdoor fun abounds along the Pomme de Terre River, where there are abundant options for canoeing, fishing, hiking, and biking. Morris is near larger cities, Minneapolis, Saint Paul, and Fargo, North Dakota. They are all about a two-hour drive away from Morris. Convenience to U.S. 59 and Route 9 makes getting around from Morris simple.



DEMOGRAPHICS

Population	1 Mile	3 Mile	5 Mile
2027 Projection	1,922	5,889	6,465
2022 Estimate	1,813	5,649	6,212
2010 Census	1,778	5,600	6,122
Households	1 Mile	3 Mile	5 Mile
2027 Projection	788	2,217	2,439
2022 Estimate	740	2,111	2,328
2010 Census	732	2,059	2,266
Income	1 Mile	3 Mile	5 Mile
Avg HH Income	\$92,391	\$88,049	\$91,828



O'Reilly
AUTO PARTS

SUBWAY



SUBJECT PROPERTY



OLD U.S. HWY 59

9

28



DOLLAR TREE

True Value

ACE



OLD U.S. HWY 59



E 2ND ST

Casey's

FAMILY DOLLAR



BANK OF THE WEST
BNP PARIBAS

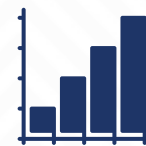


UNIVERSITY OF MINNESOTA - MORRIS
± 0.2 MILES

1316 HECKMAN CT ST JAMES, MN



LIST PRICE:
\$342,857



CAP RATE:
5.25%



ANNUAL RENT:
\$18,000

LEASE SUMMARY

Tenant	Pizza Hut
Address	1316 Heckman Ct, St James, MN
Lease Guarantor	FFH LLC (±30 Units)
Rent Commencement Date	Upon Closing
Original Lease Term	10 Years
Lease Term Remaining	10 Years from COE
Rent Increases	10% Every 5 Years
Option Periods	Two, 5-year Options
Lease Type	Absolute NNN
Type of Ownership	Fee-Simple
Gross Leasable Area	±3,036 SF
Lot Size	±1.07 AC

ANNUALIZED OPERATING DATA

	Monthly Rent	Annual Rent	Rent Increases	Rent Per SF
COE - Year 5	\$1,500.00	\$18,000.00	-	\$5.93
Year 6 - 10	\$1,650.00	\$19,800.00	10.00%	\$6.52
Option 1 (Year 11 - 15)	\$1,815.00	\$21,780.00	10.00%	\$7.17
Option 2 (Year 16 - 20)	\$1,996.50	\$23,958.00	10.00%	\$7.89



ST JAMES, MN

St. James is a close-knit community located just 38 miles from Mankato on Highway 60. St. James has seen a significant rise in large-scale investments over recent years, from healthcare and City infrastructure, to business expansions and a successful school district referendum. Many of the residents live here for the outdoor recreation opportunities that are provided from the Parks and Trails system. St. James Area Bike Trail circles St. James Lake, offering a 4 mile paved trail. Connecting to this trail is the WatLine Trail, which opened in 2017 and heads South to Long Lake for five miles.



DEMOGRAPHICS

Population	1 Mile	3 Mile	5 Mile
2027 Projection	1,824	4,735	5,049
2022 Estimate	1,883	4,913	5,248
2010 Census	1,813	4,872	5,214
Households	1 Mile	3 Mile	5 Mile
2027 Projection	767	2,048	2,188
2022 Estimate	725	1,938	2,075
2010 Census	721	1,951	2,092
Income	1 Mile	3 Mile	5 Mile
Avg HH Income	\$61,018	\$62,948	\$66,360





SAINT JAMES LAKE

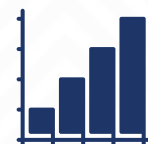
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30

749 N JEFFERSON WADENA, MN



LIST PRICE:
\$303,157



CAP RATE:
4.75%



ANNUAL RENT:
\$14,400

LEASE SUMMARY

Tenant	Pizza Hut
Address	749 N Jefferson, Wadena, MN
Lease Guarantor	FFH LLC (±30 Units)
Rent Commencement Date	Upon Closing
Original Lease Term	10 Years
Lease Term Remaining	10 Years from COE
Rent Increases	10% Every 5 Years
Option Periods	Two, 5-year Options
Lease Type	Absolute NNN
Type of Ownership	Fee-Simple
Gross Leasable Area	±3,504 SF
Lot Size	±1.28 AC

ANNUALIZED OPERATING DATA

	Monthly Rent	Annual Rent	Rent Increases	Rent Per SF
COE - Year 5	\$1,200.00	\$14,400.00	-	\$4.11
Year 6 - 10	\$1,320.00	\$15,840.00	10.00%	\$4.52
Option 1 (Year 11 - 15)	\$1,452.00	\$17,424.00	10.00%	\$4.97
Option 2 (Year 16 - 20)	\$1,597.20	\$19,166.40	10.00%	\$5.47



WADENA, MN

Wadena, Minnesota has a lot going on from its art deco downtown with great shopping to many historic storefronts, to its many acres of public parks and campground. Residents enjoy the city parks that have a network of walking trails. Wadena is home to the Art Deco Memorial Auditorium. Wadena is conveniently located at the intersection of three major highways: 71, 10, and 29. Wadena is also home to over 200 businesses such as Homecrest Industries, Mason Brothers, Wensman Seed, and Russ Davis Wholesale.



DEMOGRAPHICS

Population	1 Mile	3 Mile	5 Mile
2027 Projection	3,571	5,442	6,393
2022 Estimate	3,658	5,433	6,400
2010 Census	3,568	5,001	5,967
Households	1 Mile	3 Mile	5 Mile
2027 Projection	1,741	2,558	2,930
2022 Estimate	1,653	2,370	2,732
2010 Census	1,610	2,193	2,556
Income	1 Mile	3 Mile	5 Mile
Avg HH Income	\$55,422	\$55,980	\$59,391





 **DOLLAR TREE**

Walmart
Supercenter

BURGER KING

SUBWAY

ACE

AmericInn

SUBJECT PROPERTY

Builders FirstSource

DQ

Casey's

O'Reilly
AUTO PARTS

NAPA

McDonald's

Pizza Ranch

Do it Best

Sinclair



SECTION 3

TENANT OVERVIEW



TENANT OVERVIEW

»	COMPANY NAME PIZZA HUT	»	EMPLOYEES ±300,000	»	LOCATIONS ±18,703	»	INDUSTRY RESTAURANT	»	HEADQUARTERS LOUISVILLE, KY	»	REVENUE ±11.9B
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Pizza Hut, Inc. operates a chain of pizza restaurants in the United States and internationally. Pizza Hut offers pizzas, pastas, wings, and drinks, as well as sides and desserts, such as stuffed pizza rollers, breadsticks, cheese sticks, baked desserts, and cinnamon sticks. The company also offers catering services. In addition, Pizza Hut franchises its restaurants. Further, it provides online ordering. The company was founded in 1979 and is based in Plano, Texas. Pizza Hut, Inc. operates as a subsidiary of Yum! Brands, Inc. Pizza Hut is split into several different restaurant formats; the original family-style dine-in locations; storefront delivery and carry-out locations; and hybrid locations that offer carry-out, delivery, and dine-in options. Many full-size Pizza Hut locations offer a lunch buffet, with “all-you-can-eat” pizza, salad, breadsticks, and pasta. Additionally, Pizza Hut has a number of other business concepts that are different from the store type; Pizza Hut “Bistro” locations are “Red Roofs” which offer an expanded menu and slightly more upscale options.

CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Pizza Hut Portfolio** located at **728 38th Ave Amoka, MN & 1511 Domes Dr Blue Earth, MN & 604 East Hwy 12 Litchfield, MN & 1001 North Columbia Morris, MN & 1316 Heckman Ct, St James, MN & 749 N Jefferson, Wadena, MN** ("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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BROKER OF RECORD

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