

KFC Sale-Leaseback

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



300 S Jefferson Avenue
Lebanon, MO 65536

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Table of Contents

Investment Highlights	4
Financial Analysis	5
Concept Overview	6
Surrounding Area	7
Location Overview	8
Property Photos	9
Surrounding Area Photos	10
Local Map	11
Regional Map	12
Demographics	13
Market Overview	14





Investment Highlights

PRICE: \$1,833,333 | CAP: 6.00% | RENT: \$110,000



About the Investment

- ✓ New 20-Year Absolute Triple Net (NNN) Lease Extension to be Signed at Closing
- ✓ One and One-Half Percent (1.5%) Annual Rental Increases
- ✓ Three (3), Five (5)-Year Tenant Renewal Options, Bringing the Potential Lease Term to 35 Years
- ✓ Fee Simple Ownership

About the Location

- ✓ Dense Retail Corridor | Lowe's Home Improvement, Walmart Supercenter, ALDI, McDonald's, Wendy's, Applebee's, Subway, Sonic Drive-In, Arby's, Burger King, Denny's, and Many More
- ✓ Strong Traffic Counts | Nearly 22,000 and 40,000 Vehicles Per Day Along S Jefferson Ave and Interstate-44
- ✓ Local Academic Presence | Five Elementary Schools, One Middle School, and One High School in the School District | Serves over 5,500 Students
- ✓ Mercy Hospital Lebanon | Located Approximately Two-Miles from the Subject Property | 58-Bed State-of-the-Art Facility with Over 400 Employees
- ✓ Floyd W. Jones Airport | Two-Miles from the Subject Property | City-Owned Public-Use Airport | Averages 50 Aircraft Operations Per Day

About the Tenant / Brand

- ✓ KFC operates more than 17,000 restaurants in the United States and internationally.
- ✓ KFC's parent company is Yum! Brands, Inc., the world's largest restaurant company in terms of system restaurants, with more than 40,000 locations in more than 130 countries and territories and employing more than one million associates
- ✓ Yum! is ranked number 201 on the Fortune 500 list, with revenues exceeding \$13 billion in 2012.



Representative Photo



Representative Photo



Financial Analysis

PRICE: \$1,833,333 | CAP: 6.00% | RENT: \$110,000



PROPERTY DESCRIPTION

Concept	KFC
Street Address	300 S Jefferson Ave
City, State ZIP	Lebanon, MO 65536
Year Built / Renovated	1994 / 2019
Estimated Building Size (SF)	3,454
Estimated Lot Size (Acres)	0.59
Type of Ownership	Fee Simple

THE OFFERING

Price	\$1,833,333
CAP Rate	6.00%
Net Operating Income	\$110,000

LEASE SUMMARY

Property Type	Retail
Property Subtype	Restaurant – Quick Service
Credit Type	Franchisee
Tenant	Mitra Midwest Operations, LLC (50+ Units)
Original Lease Term	20 Years
Lease Commencement	Close of Escrow
Lease Expiration	20 Years from Close of Escrow
Lease Term Remaining	20 Years
Lease Type	Absolute Triple-Net (NNN)
Landlord Responsibilities	None
Rental Increases	1.5% Annually
Renewal Options Remaining	3, 5-Year Options

RENT SCHEDULE

Lease Year	Annual Rent	Monthly Rent	Rent Escalation
Year 1	\$110,000	\$9,167	-
Year 2	\$111,650	\$9,304	1.50%
Year 3	\$113,325	\$9,444	1.50%
Year 4	\$115,025	\$9,585	1.50%
Year 5	\$116,750	\$9,729	1.50%
Year 6	\$118,501	\$9,875	1.50%
Year 7	\$120,279	\$10,023	1.50%
Year 8	\$122,083	\$10,174	1.50%
Year 9	\$123,914	\$10,326	1.50%
Year 10	\$125,773	\$10,481	1.50%
Year 11	\$127,659	\$10,638	1.50%
Year 12	\$129,574	\$10,798	1.50%
Year 13	\$131,518	\$10,960	1.50%
Year 14	\$133,491	\$11,124	1.50%
Year 15	\$135,493	\$11,291	1.50%
Year 16	\$137,526	\$11,460	1.50%
Year 17	\$139,588	\$11,632	1.50%
Year 18	\$141,682	\$11,807	1.50%
Year 19	\$143,807	\$11,984	1.50%
Year 20	\$145,965	\$12,164	1.50%

INVESTMENT SUMMARY

NNN Pro Group is pleased to present the exclusive listing for a KFC located at 300 S Jefferson Avenue in Lebanon, Missouri. The site consists of roughly 3,454 rentable square feet of building space on estimated 0.59-acre parcel of land. This KFC is subject to a 20-year absolute triple-net (NNN) lease, which commences at the close of escrow. The current annual rent is \$110,000 and is scheduled to increase by 1.50% annually starting in year 6, throughout the base term and 10% every 5 years in each of the 3, 5-year renewal options.



Concept Overview



About KFC

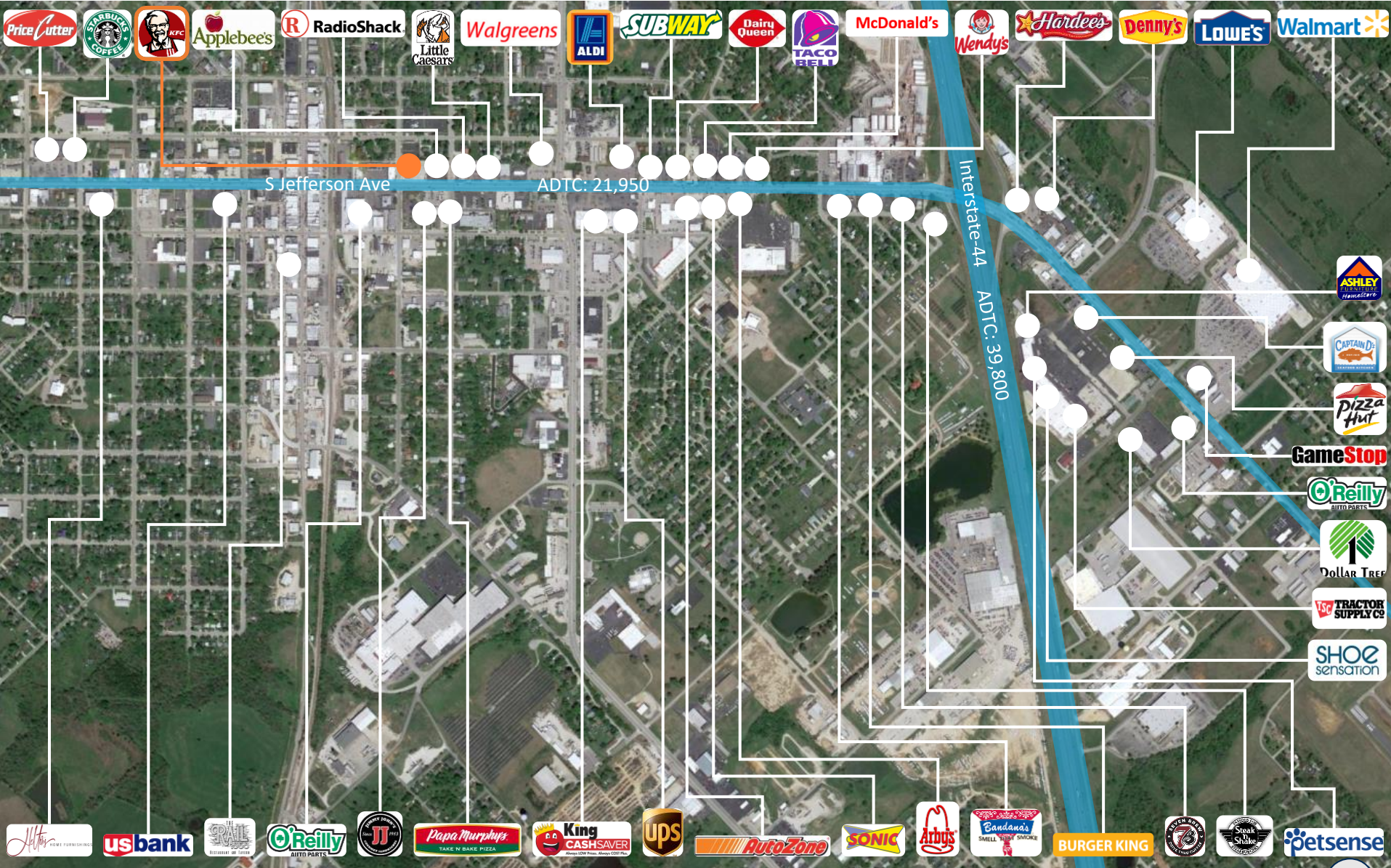
KFC Corporation, based in Louisville, Kentucky, is one of the few brands in America that can boast a rich, decades-long history of success and innovation. It all started with one cook who created a soon-to-be world-famous recipe more than 70 years ago, a list of secret herbs and spices scratched out on the back of the door to his kitchen. That cook was Colonel Harland Sanders, of course, and now KFC is the world's most popular chicken restaurant chain, specializing in that same Original Recipe® along with Extra Crispy™ chicken, home-style sides and buttermilk biscuits. There are over 20,500 KFC outlets in more than 125 countries and territories around the world. There's still a cook in a kitchen in every last one of them, freshly preparing delicious, complete family meals at affordable prices.

It is estimated that, on average, more than 185 million people see a KFC commercial at least once a week—that's more than half the U.S. population. The KFC system serves more than 12 million customers each day in more than 115 countries and territories around the world. KFC operates more than 17,000 restaurants in the United States and internationally. KFC's parent company is Yum! Brands, Inc., the world's largest restaurant company in terms of system restaurants, with more than 40,000 locations in more than 130 countries and territories and employing more than one million associates. Yum! is ranked number 201 on the Fortune 500 list, with revenues exceeding \$13 billion in 2012.





Surrounding Area





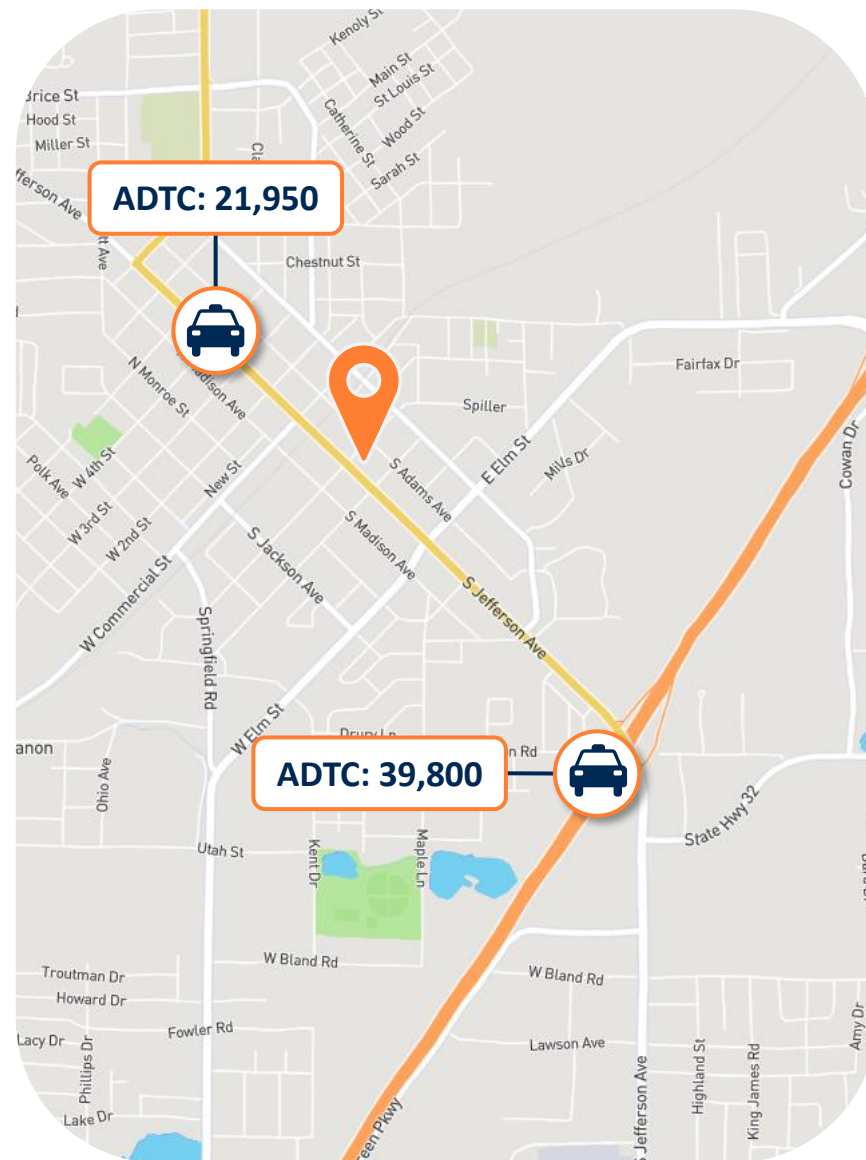
Location Overview



The subject investment property is a KFC situated on S Jefferson Ave, which experiences an average daily traffic count of approximately 21,950 vehicles. S Jefferson Ave serves as an access route to Interstate-44, which brings an additional 39,800 vehicles into the immediate area. There are more than 5,000 individuals residing within a one-mile radius of the property, more than 15,000 individuals within a three-mile radius, and 20,000 individuals within a five-mile radius. This KFC also benefits from a target community as the average household income is nearly \$60,000 within a five-mile radius.

This KFC property benefits from being well-positioned in a dense retail corridor consisting of national and local tenants, academic institutions and shopping centers. Major national tenants in the area include: Walmart, Lowe's, Walgreens, McDonald's, Taco Bell, Burger King, ALDI, Applebee's, Sonic Drive-In, and many more. The subject property benefits from a local academic presence. The Lebanon R-III School District has five elementary schools, one middle school, and one high school which serves over 5,500 students. Similarly, there is a medical presence, as Mercy Hospital Lebanon is located only two-miles from the subject property. Mercy Hospital Lebanon is a 58-bed state-of-the-art facility that employs over 400 individuals and provides medical and surgical hospital services. Floyd W. Jones is a city-owned public-use airport located roughly two-miles this KFC, which operates roughly 50 aircraft operations per day.

Lebanon is a city in and the county seat of Laclede County in Missouri. The population was 14,474 at the time of the 2010 census. Lebanon was founded in 1849 and was known for its many motels for travelers along Route 66. Today, Interstate-44 follows roughly the same path as the old road. There are many properties listed on the National Register of Historic Places, including the Ralph E. Burley House, Joe Knight Building, Laclede County Jail, Ploger-Moneymaker Place, and Wallace House. Laclede County comprises the Lebanon, MO micropolitan statistical area. The city of Lebanon offers eight parks encompassing over 100 acres. The Cowan Civic Center is the areas crown jewel in indoor facilities. The Heartland Antique Mall is the largest between Joplin and St. Louis, with more than 250 dealers. Lebanon has thrived as a small community, catering to the travelers along the edge of the Ozarks. A number of these travelers come to the area because of Lebanon's proximity to Bennett Spring State Park, and its approximate one million visitors per year.





Property Photos



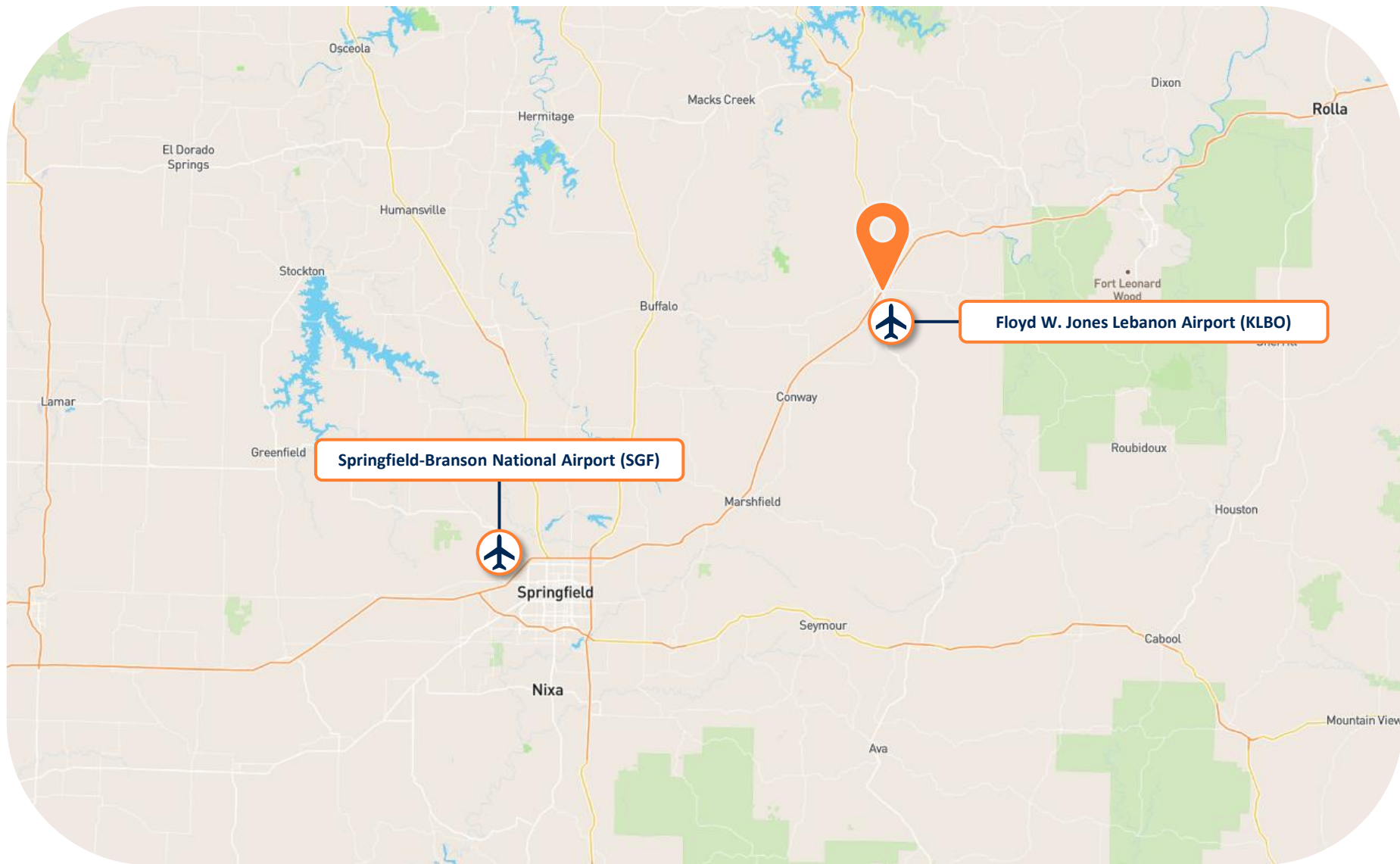


Surrounding Area Photos





Local Map



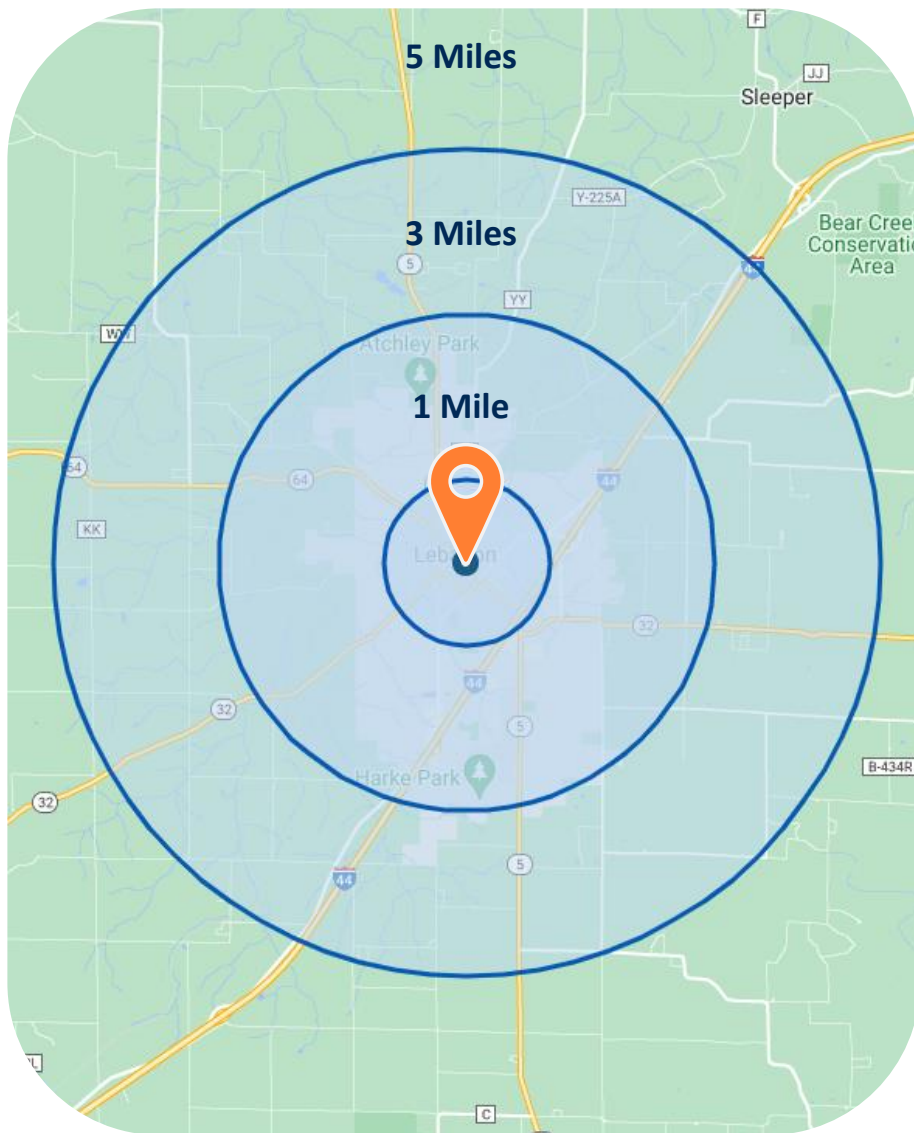


Regional Map





Demographics



POPULATION TRENDS

	1 Mile	3 Miles	5 Miles
2010 Population	5,449	16,187	20,311
2022 Population	5,730	16,632	20,749
2027 Population Projection	5,918	17,107	21,319
Annual Growth 2010-2022	0.40%	0.20%	0.20%
Annual Growth 2022-2027	0.70%	0.60%	0.60%

HOUSEHOLD TRENDS

	1 Mile	3 Miles	5 Miles
2010 Households	2,366	6,660	8,220
2022 Households	2,489	6,838	8,394
2027 Household Projection	2,572	7,033	8,625
Annual Growth 2010-2022	0.40%	0.30%	0.30%
Annual Growth 2022-2027	0.70%	0.60%	0.60%

AVERAGE HOUSEHOLD INCOME (2022)

	1 Mile	3 Miles	5 Miles
Average Household Income (2022)	\$45,989	\$55,889	\$59,019

MEDIAN HOUSEHOLD INCOME (2022)

	1 Mile	3 Miles	5 Miles
Median Household Income (2022)	\$35,399	\$45,675	\$47,409

HOUSEHOLDS BY HOUSEHOLD INCOME (2022)

	1 Mile	3 Miles	5 Miles
< \$25,000	925	1,979	2,168
\$25,000 - 50,000	760	1,818	2,300
\$50,000 - 75,000	409	1,324	1,755
\$75,000 - 100,000	237	1,033	1,179
\$100,000 - 125,000	66	305	438
\$125,000 - 150,000	36	145	176
\$150,000 - 200,000	26	128	207
\$200,000+	29	106	170



Market Overview



Springfield, Missouri



Springfield is the third largest city in the U.S. state of Missouri and the county seat of Greene County. It is the principal city of the Springfield metropolitan area, which has an estimated population of 481,483 in 2021 and is the fastest growing metropolitan area in the state of Missouri. Springfield's nicknames are "Queen City of the Ozarks", "Birthplace of Route 66", as well as "The 417."

It is home to several universities and colleges, including Missouri State University, Drury University, and Evangel University. The city is an important center of education and medical care, with two of the largest hospital in the area, CoxHealth and Mercy, employing over 20,000 people combined, and being the largest employer in the region. It has been called "Buckle of the Bible Belt" due to its association with evangelical Christianity.

The city sits on the Springfield Plateau of the Ozarks. Due to its proximity to the mountainous area, the city is known for its outdoor recreation activities. The city holds nearly 100 city parks and 140 miles of outdoor bike trails. The city is the headquarters for Bass Pro Shops, which is the number one tourist attraction in the state of Missouri, and the adjoining Wonders of Wildlife Museum & Aquarium is the world's largest wildlife attraction. Springfield is within close distance to Wilson's Creek National Battlefield and sits along the Trail of Tears, now a historic trail.

Springfield's economy is based on health care, manufacturing, retail, education, and tourism. With a Gross Metropolitan Product of \$18.6 in 2016, the city's economy makes up 6.7% of the Gross State Product of Missouri. Total retail sales exceed \$4.1 billion annually in Springfield and \$5.8 billion in the Springfield MSA. Its largest mall is Battlefield Mall, which features more than 150 stores. Notable companies that have national headquarters in Springfield include Bass Pro Shops, Andy's Frozen Custards, O'Reilly Auto Parts, Positronic, and others. Springfield-Branson National Airport (SGF) serves the city with direct flights to 14 cities and is the principal air gateway to the Springfield region.

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