



REPRESENTATIVE PHOTO

ZAXBY'S (FREESTANDING)

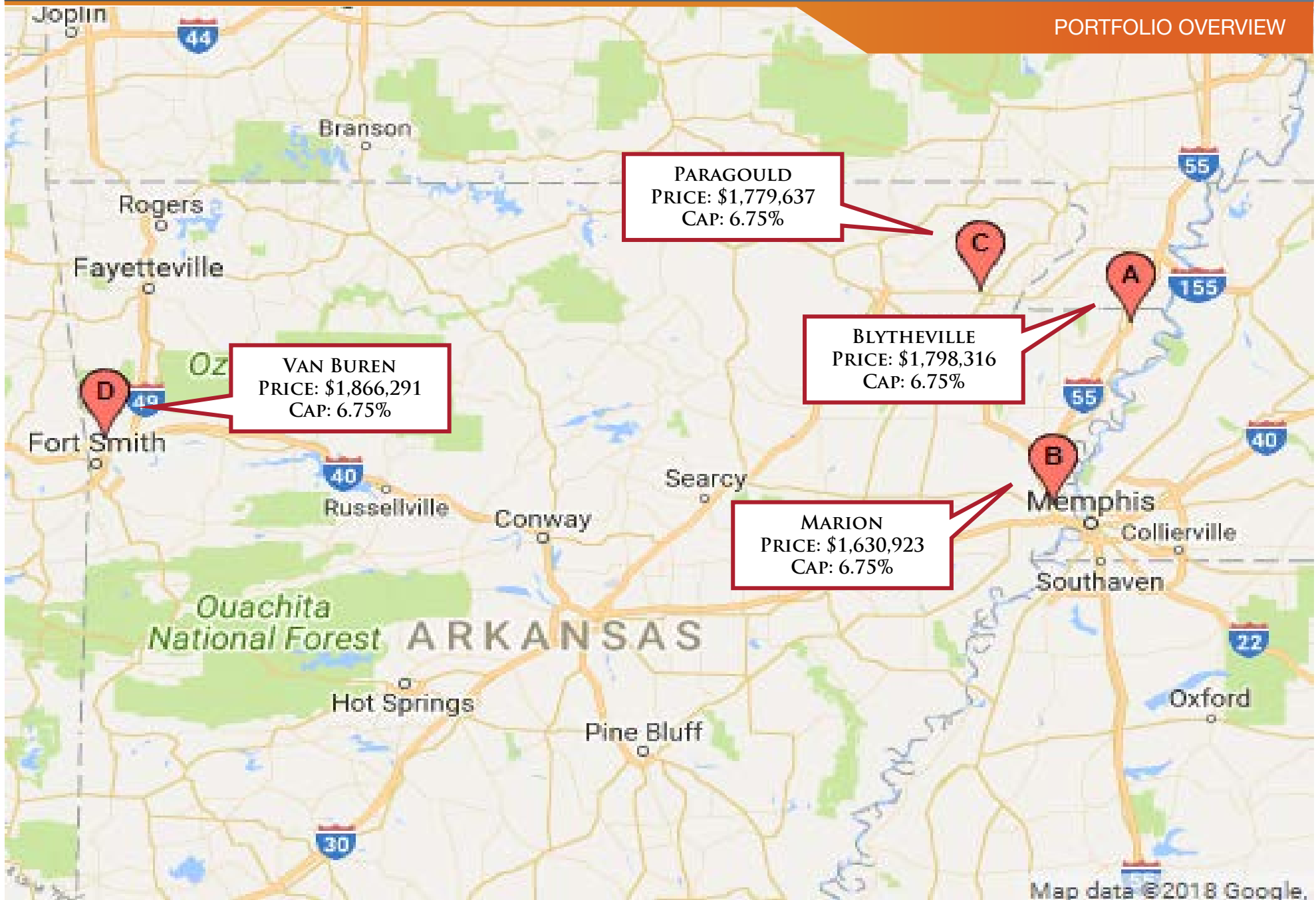
2907 W KINGSHIGHWAY
PARAGOULD, AR 72450
NE SUBURB OF JONESBORO

- ABSOLUTE NNN LEASE :: ZERO LL RESPONSIBILITIES
- ±9 YEARS REMAINING ON BASE TERM W/ TWO (2), 10 YEAR OPTIONS
- LOCATED ON 4-LANE HIGHWAY WITH CENTER TURNING LANE
- ZAXBY'S RANKED #8 OF TOP 100 FASTEST GROWING CHAINS IN US IN 2017 (BY NATIONAL RESTAURANT NEWS)
- PERSONAL GUARANTEES FROM 29 STORE ZAXBY'S FRANCHISEE
- STRONG UNIT SALES W/ HEALTHY RENT-TO-SALES RATIO

ZAXBY'S



Marcus & Millichap



Marcus and Millichap is pleased to offer for purchase a ±3,300 square foot, freestanding Zaxby's, located at 2907 W. Kingshighway, County, Paragould, AR. The segment of Kingshighway which runs across the subject property has 4 traffic lanes along with a center turning lane. Kingshighway, which is also known as U.S 412, is the major corridor crossing the northern half of Arkansas and intersects with Interstate 55 near the Mississippi River and with what will become Interstate 49 along the western edge of Arkansas. Paragould sits at the intersection of U.S. Highways 412 and 49, major north/south and east/west arteries. Zaxby's was constructed in 2007 on a ±0.99 acre parcel. Paragould is the county seat of Greene County, and the 19th-largest city in Arkansas, in the United States. Paragould is located 20 miles northeast of Jonesboro and is considered part of the Jonesboro MSA.

This investment opportunity is accompanied by an absolute net-lease with an initial base term of ten (10) years. There are ±9 years remaining and two (2), 10-year option periods. The lease contains 10 percent scheduled rent escalations every five years throughout the base term of the lease and in each option period. This Zaxby's location is operated by 1788 Chicken, LLC, one of the largest multi-unit franchisees in the Zaxby's system. In addition to operating 29 Zaxby's restaurants, one of the partners operates over 160 Pizza Hut restaurants located throughout the Western US. The lease includes lease guarantees from both the operating entity, 1788 Chicken, LLC, which operates 21 Zaxby's locations, as well as personal guarantees from the principal operators which shall remain in place throughout the base term.

Zaxby's has grown to more than 800 locations in 16 states and is headquartered in Athens, Georgia. Zaxby's rose to No. 8 among Top 10 growth chains, from No. 10 the preceding year, booking an estimated sales increase of 13.3 percent in the latest year. The chain expanded its regional footprint with 10.6-percent unit growth, ending the latest year with 803 units in 16 Southern and Midwestern states.

Some of the nearby traffic generators which makeup the immediate trade area include Aldi, Walmart Supercenter, PetSmart, Belk, Lowe's Home Improvement, Tractor Supply, Dollar Tree, Hibbett Sports, Paragould Cinema 8, Chili's Grill & Bar, AT&T, Verizon, Waffle House, Iberia Bank, Auto Zone, Region's Bank, KFC, and Murphy's Express, Fox Hills Country Club, Paragould Country Club, and Arkansas Methodist Medical Center. Arkansas Methodist Medical Center has been Paragould's main health care provider for more than 60 years, with a full-service hospital, doctors' office campus, and premier assisted living facility. Paragould is home to Arkansas State University Paragould, Arkansas Northeastern College, Black River Technical College, and Crowley's Ridge College. Paragould has two public school districts, the Greene County Tech School District and the Paragould School District, as well as Crowley's Ridge Academy and St. Mary's Catholic School private school systems.

This investment opportunity is offered at a purchase price of \$1,779,637 which reflects a 6.75% cap rate.

INVESTMENT HIGHLIGHTS

- Absolute NNN Lease with ±9 Years Remaining :: Zero LL Responsibilities
- Located on 4-Lane Highway with Center Turning Lane
- Home to Several Colleges Including Arkansas State University Paragould
- Robust Trade Area Anchored by Walmart Supercenter, Lowes Home Improvement, Paragould Cinema 8
- Suburb 20 Miles Northeast of Jonesboro, Arkansas (±163,116 Total Population)
- 10 Percent Rent Escalations Every Five Years in Base Term & Options
- Seasoned Operator with 29 Zaxby's Units
 - Also Operate 160+ Pizza Hut Restaurants
- Personal Guarantees from 29 Store Zaxby's Franchisee :: Healthy Rent-to-Sales Ratio
- Zaxby's is Ranked #8 of Top 100 Fastest Growing Chains in US in 2017 (National Restaurant News)



Representative Photo

ZAXBY'S



Company Type:
Private

Website:
www.zaxbys.com

Zaxby's is a franchised/corporate chain of fast food restaurants that operates primarily in the Southern United States with more than 801 locations. The first Zaxby's restaurant opened in Statesboro, Georgia in March 1990. The company's first restaurant outside of Georgia was opened in September 1994 in Bowling Green, Kentucky. Zaxby's now operates in 18 states. The company operates as a casual dining restaurant, offering prepared-at-order chicken fingers, chicken wings, sandwiches, salads, and appetizers. Dining rooms at Zaxby's restaurants are decorated with assorted whimsical objects and signs, which often vary in theme by location and region. There are currently 18 new locations scheduled to open soon across the South.



800+
LOCATIONS



HEADQUARTERED IN
ATHENS, GA



FOUNDED
1990



RANKED #25
IN TOP 50
FAST FOOD
RESTAURANTS
IN AMERICA
(QSR
MAGAZINE)



\$1.58
BILLION

'16 U.S. SYSTEM-WIDE SALES

THE OFFERING	
Property	Zaxby's
Property Address	2907 W. Kingshighway Paragould, Arkansas 72450
Price	\$1,779,637
Cap Rate	6.75%
Price/SF	\$538.79

PROPERTY DESCRIPTION	
Year Built	2007
Gross Leasable Area	3,303 SF
Type of Ownership	Fee Simple

LEASE SUMMARY	
Property Subtype	Net Leased Restaurant
Tenant	Zaxby's
Rent Increases	10% Every 5 Years
Guarantor	Franchisee & Personal Guarantee
Lease Type	NNN
Lease Commencement	9/12/2016
Lease Expiration	9/30/2026
Lease Term	10 Years
Term Remaining	±9 Years
Renewal Options	Two (2), 10 Year
Landlord Responsibility	None
Right of First Refusal/Offer	Yes

ANNUALIZED OPERATING INFORMATION	
INCOME	
Net Operating Income	\$120,125

RENT SCHEDULE			
YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF
Years 1-5	\$120,125	\$10,010	\$36.37
Years 6-10	\$132,138	\$11,012	\$40.01
11-15 (Option 1)	\$145,352	\$12,113	\$44.01
16-20 (Option 1)	\$159,887	\$13,324	\$48.41
21-25 (Option 2)	\$175,876	\$14,656	\$53.25
26-30 (Option 2)	Prevailing Market Rate as determined by Landlord*		

LEASE ABSTRACT	
LEASE RESPONSIBILITY	RESPONSIBLE PARTY
Taxes	Tenant
Utilities	Tenant
Roof & Structure	Tenant
Landscaping	Tenant
HVAC	Tenant
Parking Lot	Tenant
Insurance	Tenant

ZAXBY'S

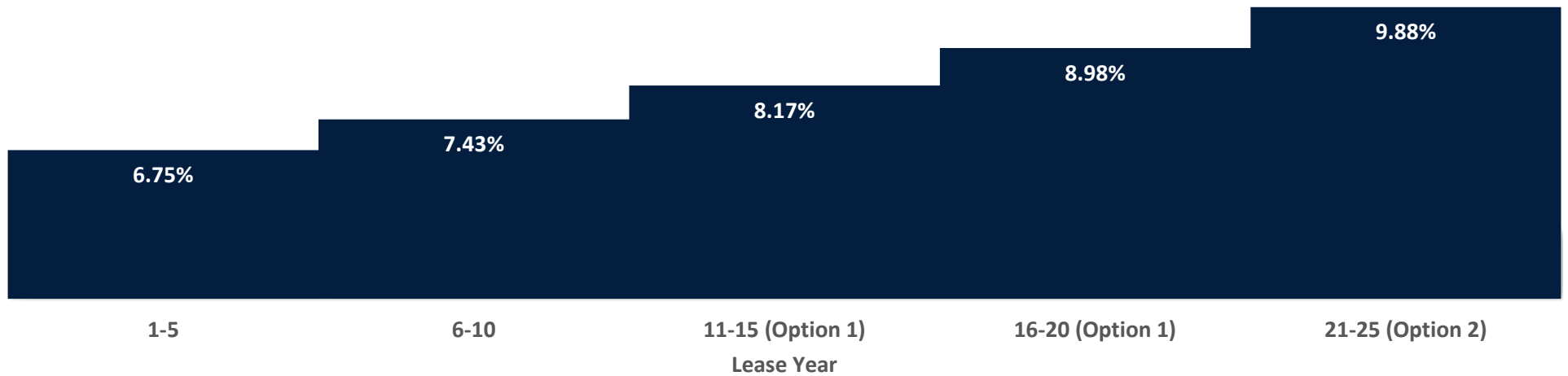


*In the event Tenant exercises its options to enter into a second Extension Term, then the Base Rent during Lease Years 26-30 in the second Extension Term shall be the then prevailing annual market rental rate (including all market concessions). Within 10 days after receipt of Landlord's determination of the Prevailing Rental Rate, Tenant shall notify Landlord in writing whether Tenant accepts or rejects Landlord's determination of Prevailing Rental Rate.

SUBJECT PROPERTY PHOTOS



RETURN GROWTH CHART





Paragould

OVERVIEW

Paragould is located in the heart of the USA and the corner of Northeast Arkansas, only 88 miles from Memphis, 153 miles from Little Rock, and 208 miles from St. Louis. Paragould is the principal city of the Paragould, Arkansas Micropolitan Statistical Area and is also a part of the Jonesboro-Paragould Combined Statistical Area. The Paragould micropolitan area's population was 42,090 at the 2010 census, and the **Jonesboro-Paragould Combined Statistical Area's population was 163,116.**

The community of Paragould has enjoyed the restoration of historic landmarks, the construction of new facilities, and numerous commercial and industrial investments. Paragould's investment in its future represents a long-term belief in the future of the community. Results from the 2010 Census show **the population has increased 18.6% over the past decade.** The community of Paragould offers a healthy blend of longtime residents as well as newcomers from various parts of the country. Our schools are rich in their curriculum and have access to cutting edge technology.

Throughout the early 1900s, industry and development began to flourish in Paragould. Industry in Paragould grew continually throughout the 20th Century, beginning with the relocation of Dr. Pepper Bottling, Inc., to Paragould in the 1920s. Ely's Employee Store (a shirt manufacturer), Ed White Shoe Factory and Foremost Dairy soon thereafter called Paragould home. In the early 1940s, the new Arkansas Methodist Hospital (now known as Arkansas Methodist Medical Center) was constructed on the site where the present facility exists today. Throughout the 1950s and 1960s, Paragould grew exponentially. **Emerson Electric, one of Paragould's first Fortune 500 companies, built a plant in Paragould. Thanks to the new presence of Emerson, Paragould received a growth spurt that propelled the town through more than five decades of significant growth.**

MAJOR EMPLOYERS IN GREENE COUNTY

Company	Product
Monroe Auto Equipment Company	Automotive Parts
American Railcar, Inc.	Rail Car Manufacturing
Arkansas Methodist Hospital	Health Care
Utility Trailer Manufacturing Company	Trailer Manufacturing
Anchor Packaging	Plastic Food Containers
Greene County Technical School	Education
Wal-Mart	Retail

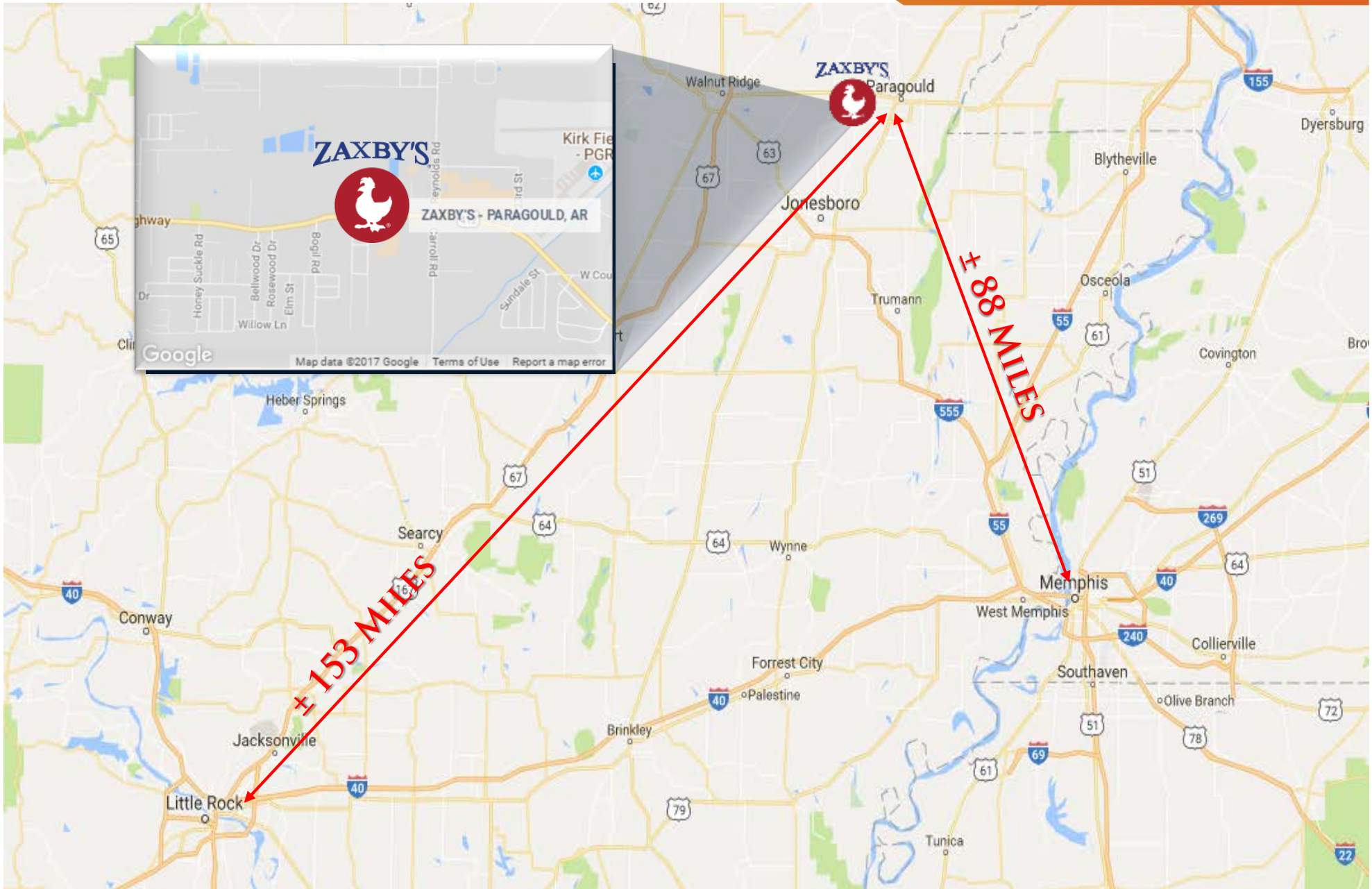


AMERICAN RAILCAR INDUSTRIES, INC.



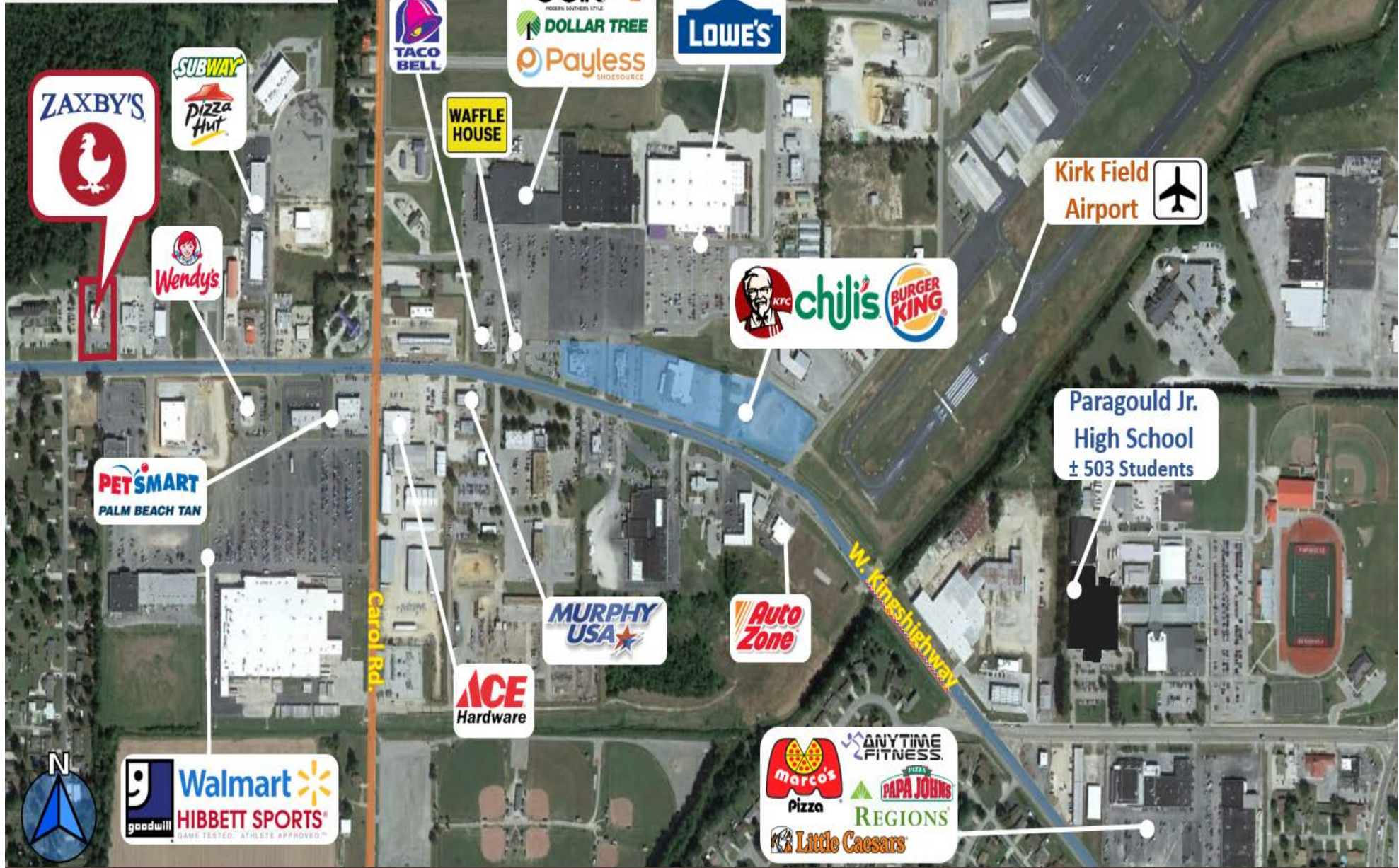
Arkansas Methodist Medical Center
It's all about you.
PARAGOULD



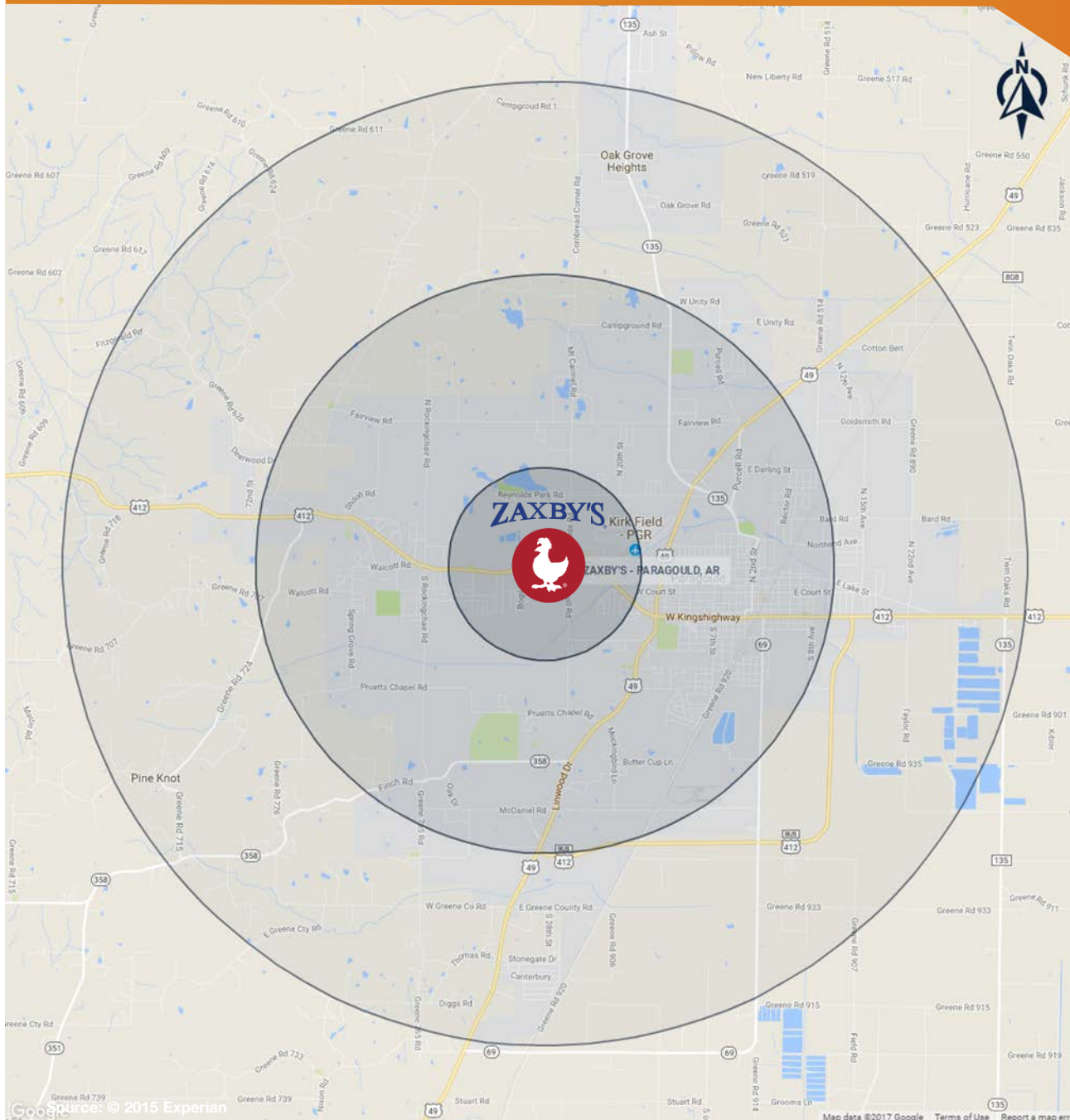


2907 W KINGS HWY.
PARAGOULD, AR 72450

AERIAL PHOTO



DEMOGRAPHICS



POPULATION

	1 Miles	3 Miles	5 Miles
2021 Projection	3,539	24,107	32,615
2016 Estimate	3,423	23,371	31,403
2010 Census	3,125	22,058	29,802
2000 Census	2,514	19,440	25,831

INCOME

	1 Miles	3 Miles	5 Miles
Average	\$60,164	\$52,346	\$51,391
Median	\$50,437	\$43,112	\$42,814
Per Capita	\$24,298	\$21,159	\$20,261

HOUSEHOLDS

	1 Miles	3 Miles	5 Miles
2021 Projection	1,428	9,718	12,816
2016 Estimate	1,366	9,377	12,293
2010 Census	1,235	8,823	11,635
2000 Census	948	7,946	10,315

HOUSING

	1 Miles	3 Miles	5 Miles
2016	\$125,960	\$113,440	\$110,524

EMPLOYMENT

	1 Miles	3 Miles	5 Miles
2016 Daytime Population	3,683	29,662	36,128
2016 Unemployment	3.42%	6.35%	6.74%
2016 Median Time Traveled	20	19	20

RACE & ETHNICITY

	1 Miles	3 Miles	5 Miles
White	96.47%	94.80%	94.80%
Native American	0.08%	0.03%	0.03%
African American	0.54%	1.19%	1.11%
Asian/Pacific Islander	0.45%	0.42%	0.36%

Source: © 2015 Experian

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Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services 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.

OFFERING MEMORANDUM

ZAXBY'S

PARAGOULD, AR



REPRESENTATIVE PHOTO



Marcus & Millichap

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