



NEW CONSTRUCTION | 25 YEAR CORPORATE SALE LEASEBACK
716 US Highway 60 East, Morganfield, KY 42437

OFFERING MEMORANDUM

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Property Map



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Legal questions should be discussed by the party with an attorney. Tax questions should be discussed by the party with a certified public accountant or tax attorney. Title questions should be discussed by the party with a title officer or attorney. Questions regarding the condition of the property and whether the property complies with applicable governmental requirements should be discussed by the party with appropriate engineers, architects, contractors, other consultants and governmental agencies. All properties and services are marketed by FNL in compliance with all applicable fair housing and equal opportunity laws.

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The Team



TACO BELL RESTAURANT



INVESTMENT SUMMARY

List Price:	\$1,532,700
Current NOI:	\$82,000
Initial Cap Rate:	5.35 %
Average NOI:	\$92,637
Average Cap Rate:	6.0%
Land Acreage:	< One Acre
Year Built:	2017
Building Size:	2,159 SF
Google Aerial Map:	Click HERE
Google Street View:	Click HERE

LEASE SUMMARY

Lease Type:	Absolute NNN
Taxes/CAM/Insurance:	Tenant Responsibility
Structure/Roof/Parking:	Tenant Responsibility
Parking Lot Replacement:	Tenant Responsibility
Original Lease Term:	25 Years
Rent Commencement:	November 2017
Rent Expiration:	November 2042
Term Remaining:	25 Years
Rent Increases:	1% Annually
Option Periods:	Four 5 Year Options w/Increases
Lease Guarantor:	K-Mac Enterprises, Inc.
Number of Locations:	295 Units

INVESTMENT HIGHLIGHTS

- New 25 Year Absolute NNN Lease Will Commence Upon Close of Escrow
- Brand New Construction | Restaurant Opening in Mid November 2017
- Absolute NNN Lease Requires Zero Landlord Responsibilities
- 1% Annual Increases Including the Option Periods
- Guaranteed By Top Franchisee Nationwide (295 Locations)

LOCATION HIGHLIGHTS

- Located on US Highway 60 | Main Retail Corridor
- The Population Within 10 Miles Exceeds 12,400 Residents
- Average Household Income Exceeds \$57,000 Within 10 Miles
- Median Home Value Within One Mile Exceeds \$101,000
- Positioned Near Major Retail Tenants Including: Walmart, Subway, McDonalds, Tractor Supply Co., Dollar General, Rite Aid, Dairy Queen, O'Reilly Auto Parts and more



TACO BELL RESTAURANT | FORTIS NET LEASE

INVESTMENT OVERVIEW

Fortis Net Lease is pleased to present a brand new free-standing Taco Bell located at 716 US Highway 60 East, Morganfield, KY 42437. When the store opens for business in November 2017, the tenant, K Mac Enterprises will sign a brand new 25 year absolute NNN lease requiring zero landlord responsibilities. The entire 295 unit entity will be responsible for the lease. The lease also features 1 percent annual rent increases to hedge against inflation. These rent escalations are also included in the four, five year option periods.

This investment property is surrounded by many national retailers such as Walmart, Tractor Supply Co., Subway, Dollar General, Rite Aid, McDonalds, Dairy Queen and O'Reilly Auto Parts. The ten mile population exceeds 12,000 residents. The median home value within one mile exceeds \$101,000 and the average household income within ten miles exceeds \$57,000. This is an ideal opportunity for an investor to purchase a passive income real estate asset with absolutely zero management responsibilities. The tenant is responsible for all property taxes, insurance and capital expenditures including the roof, structure & HVAC.

TENANT OVERVIEW

The tenant, K-Mac Enterprises, is a leading quick-service restaurant franchisee founded in 1964 and headquartered in Fort Smith, Arkansas. Over the company's 50 year history, it has grown to become one of the largest franchisee restaurant businesses in the country. K-Mac currently operates nearly 300 restaurants in the Taco Bell, KFC and Golden Corral systems. The company has a regional concentration in the South Central region of the U.S., with restaurants located in Arkansas, Indiana, Illinois, Kentucky, Missouri, Mississippi, Oklahoma, Tennessee and Texas.

K-Mac achieves over \$400 million in annual revenues. K-Mac has continually upgraded its existing asset base, having completed over 30 significant remodels since 2011. Going forward, K-Mac remains focused on continuing to grow through acquisitions and new unit development, as well as improving existing store operations.

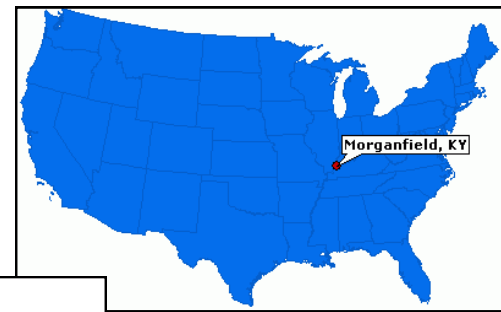


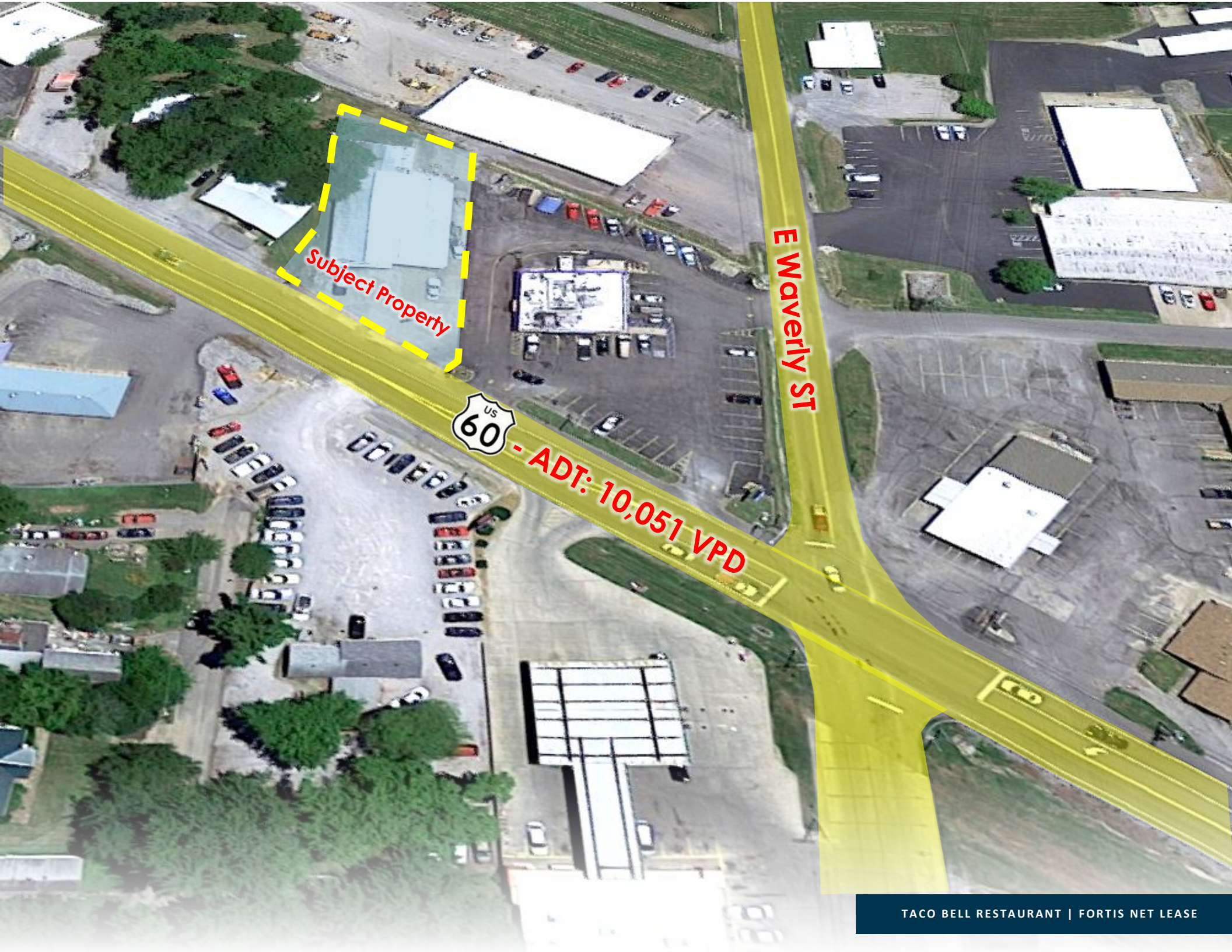
Morganfield, KY

Morganfield is a city in Union County, Kentucky, United States. The population was 3,285 at the 2010 census. It is the county seat of Union County. The city is named for Revolutionary War General Daniel Morgan, who received the land the city sits on in return for his military service.

Morganfield, KY is a unique town in Western Kentucky in that it is the site of Abraham Lincoln's only political speech in the Bluegrass State. Beyond history, Morganfield also offers shopping, golf and natural attractions including the Higginson-Henry Wildlife Management Area, Mauzy Lake, Moffitt Lake Recreation Area, birding trails and more. Several restaurants available with varied offerings that will please all appetites.

Also, Morganfield is located near Camp Breckinridge, a World War II prisoner of war camp. During the Korean War, Camp Breckinridge was the headquarters of the 506th Regiment of the 101st Airborne Division and was used for the conduct of basic training of newly inducted U.S. Army recruits. About 40,000 soldiers preparing for the war stayed at the camp. The camp also held about 3,000 German prisoners of war before being deactivated in 1949.





Subject Property

E Waverly St



- ADT: 10,051 VPD



TSC TRACTOR
SUPPLY CO

Walmart

US
60

SUBWAY

TACO
BELL

LONG
JOHN
SILVERS

O'Reilly

RITE
AID

DOLLAR GENERAL

McDonald's

Dairy
Queen



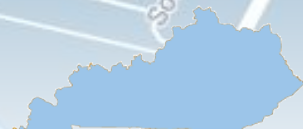
12,405 People Live
Within 10 Miles



Average
Household
Income
Exceeds
\$57,000
Within 10
Miles



Click Image For Online
Property Map



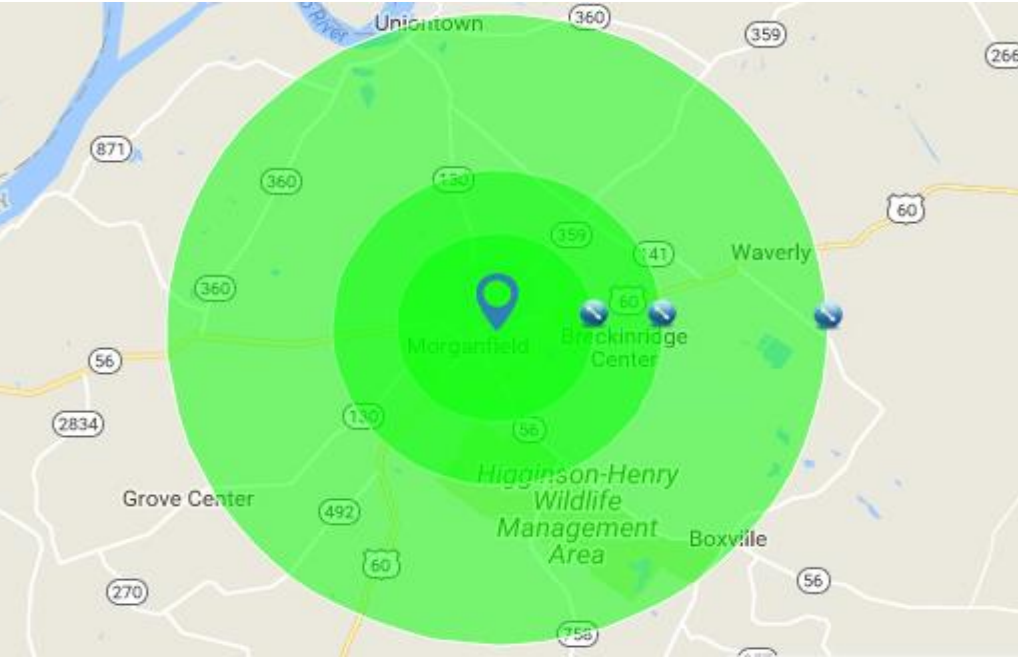
**NOW
HIRING**

Top Employers in White County

- ◆ Union County Schools
- ◆ Tyson Farms Inc.
- ◆ ATI
- ◆ Harris Teeter
- ◆ County of Union
- ◆ Wal-Mart Associates Inc.
- ◆ Pilgrim's Pride Corporation



Population	3 Mile	5 Mile	10 Mile
2017 Total Population:	6,584	7,761	12,405
2022 Population:	6,645	7,812	12,384
Pop Growth 2017-2022:	0.93%	0.66%	-0.17%
Average Age:	36.9	37	38.4
Households			
2017 Total Households:	2,105	2,500	4,339
HH Growth 2017-2022:	0.71%	0.44%	-0.32%
Median Household Inc:	\$32,029	\$34,038	\$42,252
Avg Household Size:	2.4	2.5	2.5
2017 Avg HH Vehicles:	2	2	2
Housing			
Median Home Value:	\$101,453	\$97,731	\$94,999
Median Year Built:	1973	1973	1973



Population:	3 Mile	5 Mile	10 Mile
2022 Projection	6,645	7,812	12,384
2017 Estimate	6,584	7,761	12,405
2010 Census	6,113	7,313	12,216
Growth 2017-2022	0.93%	0.66%	-0.17%
Growth 2010-2017	7.70%	6.13%	1.55%
2017 Population Hispanic Origin	164	184	232
2017 Population by Race:			
White	4,864	5,853	10,282
Black	1,504	1,662	1,793
Am. Indian & Alaskan	15	18	25
Asian	76	85	100
Hawaiian & Pacific Island	6	7	7
Other	118	135	197
U.S. Armed Forces:	0	0	0
Households:			
2022 Projection	2,120	2,511	4,325
2017 Estimate	2,105	2,500	4,339
2010 Census	2,015	2,432	4,377
Growth 2017 - 2022	0.71%	0.44%	-0.32%
Growth 2010 - 2017	4.47%	2.80%	-0.87%
Owner Occupied	1,412	1,725	3,250
Renter Occupied	692	776	1,089
2017 Avg Household Income	\$47,540	\$49,425	\$57,224
2017 Med Household Income	\$32,029	\$34,038	\$42,252
2017 Households by Household Inc:			
<\$25,000	914	1,035	1,423
\$25,000 - \$50,000	542	641	1,100
\$50,000 - \$75,000	226	290	638
\$75,000 - \$100,000	152	210	538
\$100,000 - \$125,000	151	171	309
\$125,000 - \$150,000	72	78	118
\$150,000 - \$200,000	24	41	127
\$200,000+	23	33	85





FORTIS NET LEASE
INVESTMENT REAL ESTATE SERVICES



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