

OFFERING MEMORANDUM.

Hardee's

Petal, MS | Hattiesburg MSA



The Maffia Team



Actual Site



\$1,056,000
7.50% CAP Rate

- ◆ 10+ Years Remaining on NNN Lease
- ◆ Corporate Hardee's Restaurant
- ◆ "Main & Main" Location
- ◆ One Block from Petal High School and Petal Middle School
- ◆ Within Close Proximity of Walgreens, Rite Aid, Family Dollar, and Others

Newmark Knight Frank
Cornish & Carey Commercial
Leased Investment Group

This property is listed in conjunction with Mississippi-licensed real estate broker John A. Sanders.

www.maffiateam.com



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Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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Property Information

Location	The property is located at 106 West Central Avenue in Petal, Mississippi.																				
Lot Size	Approximately 1.225 acres, or 53,347 square feet.																				
Improvements	Construction was completed in 1993 of an approximately 3,550 square foot quick-service restaurant with drive-thru lane for Hardee's . The restaurant's interior was completely remodeled in 2011.																				
Lease	Originally leased to Flagstar Enterprises, Inc. , for 20 years from September 27, 1993, to September 26, 2013. In 2011, the lease was amended and extended by the first two of three five-year options to renew the lease, extending the expiration date to September 26, 2023. One five-year option remains. The current annual net rent of \$72,000 increases by 10% on September 27, 2013, and by 10% every five year thereafter, including during the remaining option period. The lease is triple net, with the tenant responsible for taxes, insurance, and all maintenance.																				
Right of First Refusal	The tenant has a right of first refusal to purchase, which it must exercise within 20 days after receipt of notice.																				
Option to Purchase	The tenant has an option to purchase the premises within the 90-day period following the expiration of the tenth lease year and every fifth lease year thereafter. The purchase price is the greater of the fair market value of the premises or \$805,817.																				
Net Operating Income	<table><tr><th><u>Period</u></th><th><u>Annual Rent</u></th><th><u>Return</u></th></tr><tr><td>09/27/93 - 01/25/11</td><td>n/a</td><td>n/a</td></tr><tr><td>01/26/11 - 09/26/13</td><td>\$72,000</td><td>n/a</td></tr><tr><td>09/27/13 - 09/26/18 (Capitalized Income)</td><td>\$79,200</td><td>7.50%</td></tr><tr><td>09/27/18 - 09/26/23</td><td>\$87,120</td><td>8.25%</td></tr><tr><td>09/27/23 - 09/26/28 (Option)</td><td>\$95,832</td><td>9.08%</td></tr></table>	<u>Period</u>	<u>Annual Rent</u>	<u>Return</u>	09/27/93 - 01/25/11	n/a	n/a	01/26/11 - 09/26/13	\$72,000	n/a	09/27/13 - 09/26/18 (Capitalized Income)	\$79,200	7.50%	09/27/18 - 09/26/23	\$87,120	8.25%	09/27/23 - 09/26/28 (Option)	\$95,832	9.08%		
<u>Period</u>	<u>Annual Rent</u>	<u>Return</u>																			
09/27/93 - 01/25/11	n/a	n/a																			
01/26/11 - 09/26/13	\$72,000	n/a																			
09/27/13 - 09/26/18 (Capitalized Income)	\$79,200	7.50%																			
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09/27/23 - 09/26/28 (Option)	\$95,832	9.08%																			
Price	\$1,056,000 (7.50% Return)⁽¹⁾																				
Financing	The property will be delivered free and clear of permanent financing.																				

⁽¹⁾ The price is calculated by capitalizing the income in year three. The seller will credit any difference in rent at close of escrow.

Tenant Information



CKE Restaurants, Inc., through its subsidiaries, franchisees and licensees, operates some of the most popular U.S. regional brands in quick service and fast casual dining, including the Carl's Jr., Hardee's, Green Burrito, and Red Burrito restaurant brands. The CKE system includes more than 3,000 locations in 43 states and in 13 countries. In 1999, CKE Restaurants purchased one of its largest franchisees, tenant **Flagstar Enterprises, Inc.**

In July 2010, CKE Restaurants, Inc., was taken private by investment firm **Apollo Global Management** (Nasdaq: "APO"), which is a publicly owned investment manager. The firm primarily provides its services to pension and endowment funds, institutional investors, individual investors, pooled investment vehicles, and corporations.



About the Area

Site Information

Hardee's is located on the hard corner of North Main Street and West Central Avenue / State Highway 42 in central Petal. It is adjacent to O'Reilly Auto Parts and shares the intersection with Walgreens, Rite Aid, and Texaco. National tenants within a quarter mile of the property include Family Dollar, Ace Hardware, AutoZone, State Farm, Trustmark, Domino's Pizza, the United States Postal Service, Roto-Rooter, and McDonald's. Petal's middle and high schools are located a block east of the property, providing significant before- and after-school foot traffic.

General Overview

Petal is a city in Forrest County, Mississippi, along the Leaf River. It is part of the Hattiesburg, Mississippi Metropolitan Statistical Area (MSA), the third-largest MSA in the state. The 2010 U.S. Census placed the population at 10,454. Located in the gentle rolling piney woods of Southeast Mississippi, Petal is centrally positioned between Jackson (89 miles), Mobile (95 miles), New Orleans (98 miles), and the Mississippi Gulf Coast (70 miles). Dallas, Atlanta, St. Louis, Memphis, and Charlotte are within a day's drive. The city is served by U.S. Highway 11 and State Highway 42.

Petal's retail trade area is separated from the larger Hattiesburg trade area by the Leaf River on the west and south, and extends north into Jones County and east into Perry County. A recent survey showed that 85% of shoppers in Petal were from Forrest, Jones, and Perry counties. The 2000 estimated population of Petal's trade area is twice as large as the city of Petal and has a higher average family income.

The Hattiesburg Metropolitan Statistical Area (MSA) is a metropolitan area that covers three counties: Forrest, Lamar, and Perry. As of the 2000 U.S. Census, the MSA had a population of 123,812 (although a July 1, 2009, estimate placed the population at 143,093).

Ground Photos



Walgreens
FAMILY DOLLAR
ACE Hardware

W Central Ave

Aerial | Close-Up View



S Main St



©TheMafiaTeam

42

E Central Ave



©TheMafiaTeam

N Main St



Aerial | West View

CORNER MARKET

Walgreens
FAMILY DOLLAR ACE Hardware

42

O'Reilly AUTO PARTS
PROFESSIONAL PARTS PEOPLE

REGIONS

Hardee's
CHARBROILED THICKBURGERS

W Central Ave



N Main St

AutoZone

S Main St

Trustmark

ROTO-ROOTER
PLUMBING & DRAIN SERVICE

RITE AID

E Central Ave



Buddy's Alignment

Ruthie's Attic

Buckos Cleaners

Morris St

McDonald's

STATE FARM
INSURANCE

42

PETAL MIDDLE SCHOOL

N Main St

3rd Ave

STORAGE FACILITY

PETAL HIGH SCHOOL



Soap n' Suds Laundry



PETAL MIDDLE SCHOOL



42



W Central Ave

E Central Ave

Buddy's Alignment
Ruthie's Attic

42



Peter's Po Boy
Buckos Cleaners



CORNER MARKET

Smokey's Discount Tobacco

S Main St



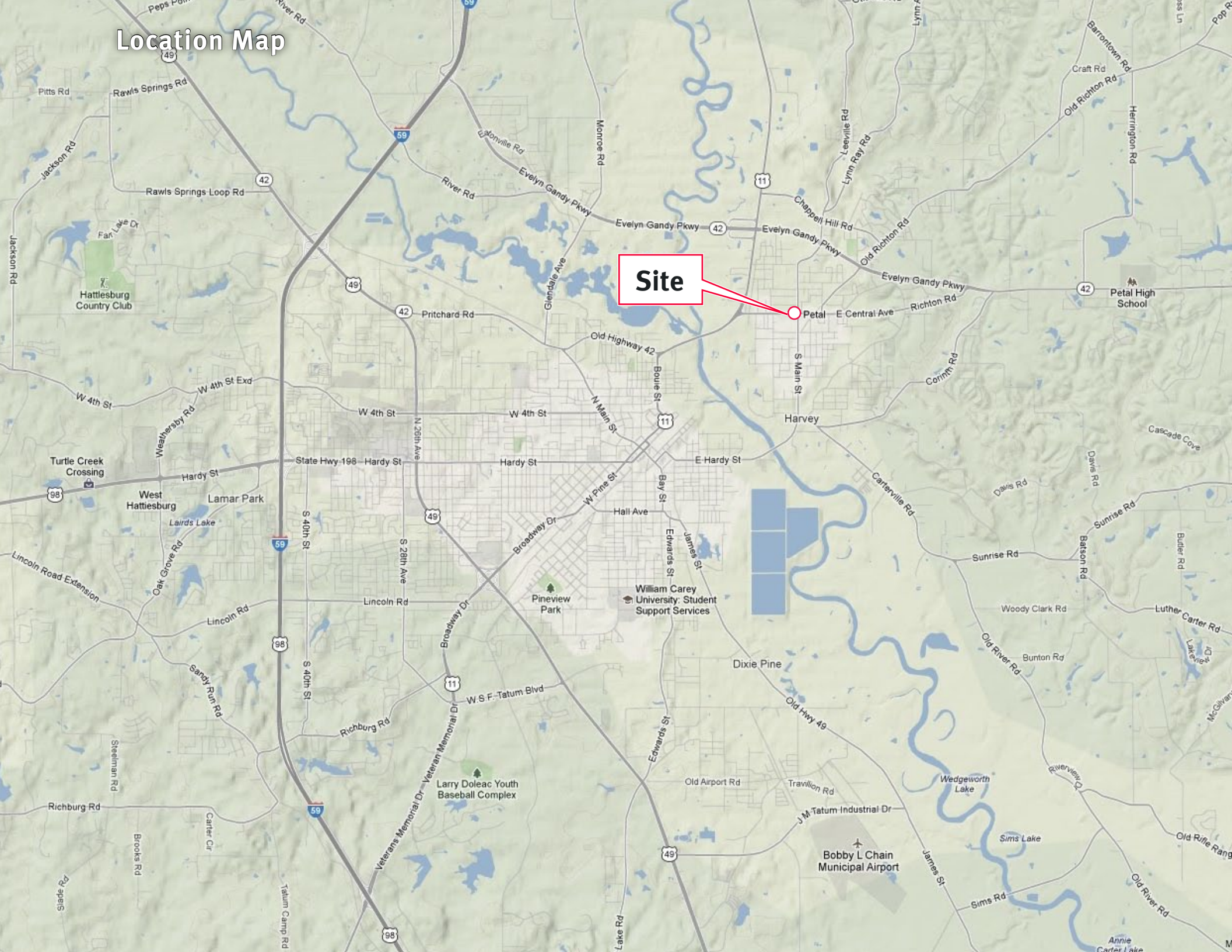
King Freeman Properties
Petal Florist

Morris St

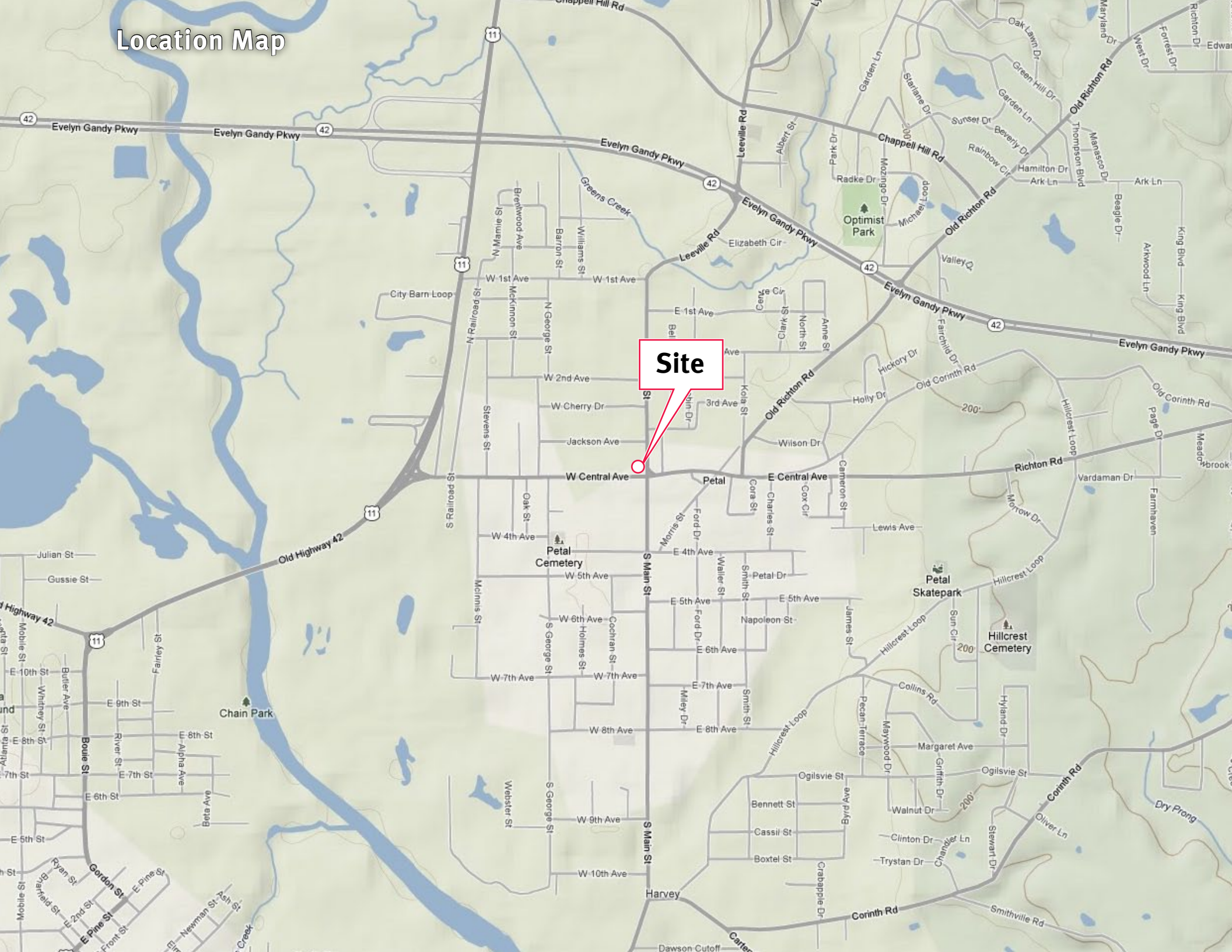
Ford Dr



Location Map



Location Map





Demographics

106 W Central Ave
Petal, MS 39465

	1 mile	3 miles	5 miles
Population Summary			
2000 Total Population	4,426	19,321	51,080
2010 Total Population	4,296	18,173	50,645
2012 Total Population	4,456	18,632	51,695
2012 Group Quarters	56	679	3,439
2017 Total Population	4,753	19,550	53,890
2012-2017 Annual Rate	1.30%	0.97%	0.84%
Household Summary			
2000 Households	1,737	6,999	18,988
2000 Average Household Size	2.51	2.64	2.42
2010 Households	1,674	6,696	19,242
2010 Average Household Size	2.53	2.61	2.45
2012 Households	1,740	6,898	19,699
2012 Average Household Size	2.53	2.60	2.45
2017 Households	1,854	7,251	20,522
2017 Average Household Size	2.53	2.60	2.46
2012-2017 Annual Rate	1.28%	1.00%	0.82%
2010 Families	1,122	4,327	11,237
2010 Average Family Size	3.10	3.22	3.11
2012 Families	1,155	4,415	11,405
2012 Average Family Size	3.09	3.20	3.09
2017 Families	1,217	4,596	11,782
2017 Average Family Size	3.12	3.23	3.13
2012-2017 Annual Rate	1.06%	0.81%	0.65%
Housing Unit Summary			
2000 Housing Units	1,910	7,974	21,118
Owner Occupied Housing Units	57.5%	53.4%	47.8%
Renter Occupied Housing Units	33.4%	34.3%	42.1%
Vacant Housing Units	9.1%	12.2%	10.1%
2010 Housing Units	1,900	7,704	21,859
Owner Occupied Housing Units	52.6%	51.2%	44.0%
Renter Occupied Housing Units	35.5%	35.7%	44.1%
Vacant Housing Units	11.9%	13.1%	12.0%
2012 Housing Units	1,953	7,851	22,278
Owner Occupied Housing Units	53.5%	52.0%	44.5%
Renter Occupied Housing Units	35.6%	35.8%	44.0%
Vacant Housing Units	10.9%	12.1%	11.6%
2017 Housing Units	2,057	8,163	23,123
Owner Occupied Housing Units	54.8%	53.1%	45.1%
Renter Occupied Housing Units	35.3%	35.7%	43.7%
Vacant Housing Units	9.9%	11.2%	11.2%
Median Household Income			
2012	\$28,474	\$25,633	\$28,517
2017	\$32,997	\$29,942	\$34,684
Median Home Value			
2012	\$116,592	\$114,781	\$132,416
2017	\$128,232	\$130,824	\$146,373
Per Capita Income			
2012	\$15,363	\$14,998	\$17,351
2017	\$16,794	\$16,587	\$19,008
Median Age			
2010	34.1	34.3	29.3
2012	34.2	34.5	29.5
2017	34.7	35.0	30.0



Demographics

106 W Central Ave
Petal, MS 39465

	1 mile	3 miles	5 miles
2012 Households by Income			
Household Income Base	1,740	6,898	19,699
<\$15,000	17.8%	25.2%	24.3%
\$15,000 - \$24,999	26.7%	23.7%	20.2%
\$25,000 - \$34,999	13.1%	12.4%	13.0%
\$35,000 - \$49,999	17.5%	14.2%	14.9%
\$50,000 - \$74,999	14.7%	13.2%	14.1%
\$75,000 - \$99,999	5.9%	6.3%	7.0%
\$100,000 - \$149,999	3.0%	3.7%	4.5%
\$150,000 - \$199,999	1.3%	1.0%	1.4%
\$200,000+	0.2%	0.3%	0.6%
Average Household Income	\$38,632	\$37,274	\$40,698
2017 Households by Income			
Household Income Base	1,854	7,251	20,522
<\$15,000	19.3%	26.1%	24.9%
\$15,000 - \$24,999	21.3%	18.1%	15.1%
\$25,000 - \$34,999	11.3%	10.3%	10.2%
\$35,000 - \$49,999	16.1%	13.8%	14.8%
\$50,000 - \$74,999	18.9%	17.4%	18.6%
\$75,000 - \$99,999	7.8%	8.4%	8.9%
\$100,000 - \$149,999	3.5%	4.3%	5.1%
\$150,000 - \$199,999	1.7%	1.3%	1.8%
\$200,000+	0.2%	0.3%	0.6%
Average Household Income	\$42,385	\$41,476	\$45,118
2012 Owner Occupied Housing Units by Value			
Total	1,044	4,086	9,905
<\$50,000	3.4%	10.3%	7.2%
\$50,000 - \$99,999	36.0%	32.7%	27.2%
\$100,000 - \$149,999	31.5%	23.9%	24.1%
\$150,000 - \$199,999	15.7%	14.6%	16.6%
\$200,000 - \$249,999	6.8%	7.9%	9.3%
\$250,000 - \$299,999	4.2%	5.9%	6.6%
\$300,000 - \$399,999	1.5%	2.9%	5.0%
\$400,000 - \$499,999	0.6%	1.2%	2.3%
\$500,000 - \$749,999	0.1%	0.7%	1.5%
\$750,000 - \$999,999	0.0%	0.0%	0.1%
\$1,000,000 +	0.0%	0.0%	0.1%
Average Home Value	\$130,316	\$136,665	\$159,786
2017 Owner Occupied Housing Units by Value			
Total	1,128	4,338	10,420
<\$50,000	2.0%	6.6%	4.5%
\$50,000 - \$99,999	28.5%	27.3%	21.9%
\$100,000 - \$149,999	34.6%	26.1%	25.5%
\$150,000 - \$199,999	19.4%	18.1%	19.7%
\$200,000 - \$249,999	8.1%	9.4%	10.7%
\$250,000 - \$299,999	4.8%	6.7%	7.2%
\$300,000 - \$399,999	1.7%	3.2%	5.3%
\$400,000 - \$499,999	0.7%	1.7%	3.0%
\$500,000 - \$749,999	0.2%	1.0%	1.9%
\$750,000 - \$999,999	0.0%	0.0%	0.1%
\$1,000,000 +	0.0%	0.0%	0.1%
Average Home Value	\$140,818	\$150,886	\$174,517



Demographics

106 W Central Ave
Petal, MS 39465

	1 mile	3 miles	5 miles
2010 Population by Age			
Total	4,295	18,173	50,644
0 - 4	7.4%	7.5%	7.3%
5 - 9	7.5%	6.9%	6.2%
10 - 14	7.3%	6.8%	6.0%
15 - 24	14.0%	14.6%	22.5%
25 - 34	15.2%	15.3%	16.1%
35 - 44	12.6%	12.4%	10.9%
45 - 54	12.5%	13.7%	11.4%
55 - 64	9.4%	10.4%	8.8%
65 - 74	7.0%	6.7%	5.6%
75 - 84	5.0%	4.0%	3.6%
85 +	2.3%	1.9%	1.7%
18 +	73.4%	74.4%	76.8%
2012 Population by Age			
Total	4,455	18,632	51,692
0 - 4	7.3%	7.4%	7.3%
5 - 9	7.4%	6.8%	6.2%
10 - 14	7.3%	6.7%	5.9%
15 - 24	13.8%	14.4%	22.3%
25 - 34	15.4%	15.5%	16.3%
35 - 44	12.2%	12.1%	10.6%
45 - 54	12.1%	13.3%	11.1%
55 - 64	9.8%	10.8%	9.2%
65 - 74	7.4%	7.1%	5.9%
75 - 84	4.9%	4.0%	3.6%
85 +	2.4%	1.9%	1.8%
18 +	73.8%	74.9%	77.1%
2017 Population by Age			
Total	4,755	19,550	53,890
0 - 4	7.3%	7.4%	7.3%
5 - 9	7.4%	6.8%	6.2%
10 - 14	7.3%	6.7%	6.0%
15 - 24	12.8%	13.4%	21.0%
25 - 34	15.6%	15.6%	16.5%
35 - 44	11.9%	11.8%	10.4%
45 - 54	11.1%	12.3%	10.3%
55 - 64	10.2%	11.3%	9.6%
65 - 74	8.8%	8.4%	7.1%
75 - 84	5.1%	4.2%	3.7%
85 +	2.4%	2.0%	1.8%
18 +	73.9%	75.0%	77.1%
2010 Population by Sex			
Males	2,006	8,884	23,972
Females	2,290	9,289	26,673
2012 Population by Sex			
Males	2,086	9,115	24,513
Females	2,371	9,517	27,183
2017 Population by Sex			
Males	2,219	9,537	25,533
Females	2,535	10,014	28,357



Demographics

106 W Central Ave
Petal, MS 39465

	1 mile	3 miles	5 miles
2010 Population by Race/Ethnicity			
Total	4,295	18,173	50,645
White Alone	81.4%	54.0%	50.5%
Black Alone	14.6%	40.7%	44.8%
American Indian Alone	0.2%	0.3%	0.3%
Asian Alone	0.4%	0.3%	0.7%
Pacific Islander Alone	0.0%	0.0%	0.0%
Some Other Race Alone	1.8%	3.0%	2.3%
Two or More Races	1.6%	1.6%	1.5%
Hispanic Origin	4.3%	5.7%	4.3%
Diversity Index	37.2	59.2	58.2
2012 Population by Race/Ethnicity			
Total	4,456	18,632	51,695
White Alone	80.8%	54.2%	50.4%
Black Alone	14.6%	40.0%	44.3%
American Indian Alone	0.3%	0.3%	0.3%
Asian Alone	0.6%	0.5%	0.9%
Pacific Islander Alone	0.0%	0.0%	0.1%
Some Other Race Alone	2.0%	3.2%	2.5%
Two or More Races	1.7%	1.7%	1.6%
Hispanic Origin	4.7%	6.1%	4.7%
Diversity Index	38.6	59.7	59.0
2017 Population by Race/Ethnicity			
Total	4,754	19,549	53,891
White Alone	78.9%	53.7%	49.6%
Black Alone	15.0%	38.8%	43.5%
American Indian Alone	0.3%	0.3%	0.3%
Asian Alone	0.9%	0.7%	1.3%
Pacific Islander Alone	0.0%	0.1%	0.1%
Some Other Race Alone	2.9%	4.3%	3.3%
Two or More Races	2.1%	2.1%	1.9%
Hispanic Origin	6.4%	7.8%	6.1%
Diversity Index	43.3	62.4	61.4
2010 Population by Relationship and Household Type			
Total	4,296	18,173	50,645
In Households	98.7%	96.3%	93.2%
In Family Households	83.2%	79.7%	71.8%
Householder	26.0%	24.0%	22.2%
Spouse	16.3%	13.6%	12.1%
Child	34.3%	33.8%	30.1%
Other relative	4.2%	5.3%	4.5%
Nonrelative	2.4%	3.0%	2.8%
In Nonfamily Households	15.5%	16.5%	21.5%
In Group Quarters	1.3%	3.7%	6.8%
Institutionalized Population	1.3%	3.1%	1.7%
Noninstitutionalized Population	0.0%	0.6%	5.1%



Demographics

106 W Central Ave
Petal, MS 39465

	1 mile	3 miles	5 miles
2010 Households by Type			
Total	1,673	6,697	19,242
Households with 1 Person	27.6%	29.2%	31.5%
Households with 2+ People	72.4%	70.8%	68.5%
Family Households	67.1%	64.6%	58.4%
Husband-wife Families	42.3%	36.9%	32.0%
With Related Children	20.2%	17.8%	14.5%
Other Family (No Spouse Present)	24.8%	27.7%	26.4%
Other Family with Male Householder	6.4%	6.3%	5.4%
With Related Children	3.8%	3.3%	2.7%
Other Family with Female Householder	18.4%	21.4%	21.1%
With Related Children	12.7%	14.4%	14.9%
Nonfamily Households	5.3%	6.2%	10.1%
All Households with Children	37.0%	35.9%	32.5%
Multigenerational Households	6.3%	6.8%	5.2%
Unmarried Partner Households	6.4%	7.2%	7.5%
Male-female	5.7%	6.5%	6.8%
Same-sex	0.7%	0.6%	0.7%
2010 Households by Size			
Total	1,674	6,697	19,243
1 Person Household	27.6%	29.2%	31.5%
2 Person Household	31.2%	28.9%	29.9%
3 Person Household	17.6%	17.1%	17.0%
4 Person Household	13.6%	13.2%	12.2%
5 Person Household	6.3%	6.8%	5.6%
6 Person Household	2.3%	2.7%	2.2%
7 + Person Household	1.4%	2.1%	1.6%
2010 Households by Tenure and Mortgage Status			
Total	1,674	6,696	19,242
Owner Occupied	59.7%	58.9%	49.9%
Owned with a Mortgage/Loan	36.9%	34.9%	30.5%
Owned Free and Clear	22.8%	24.0%	19.5%
Renter Occupied	40.3%	41.1%	50.1%