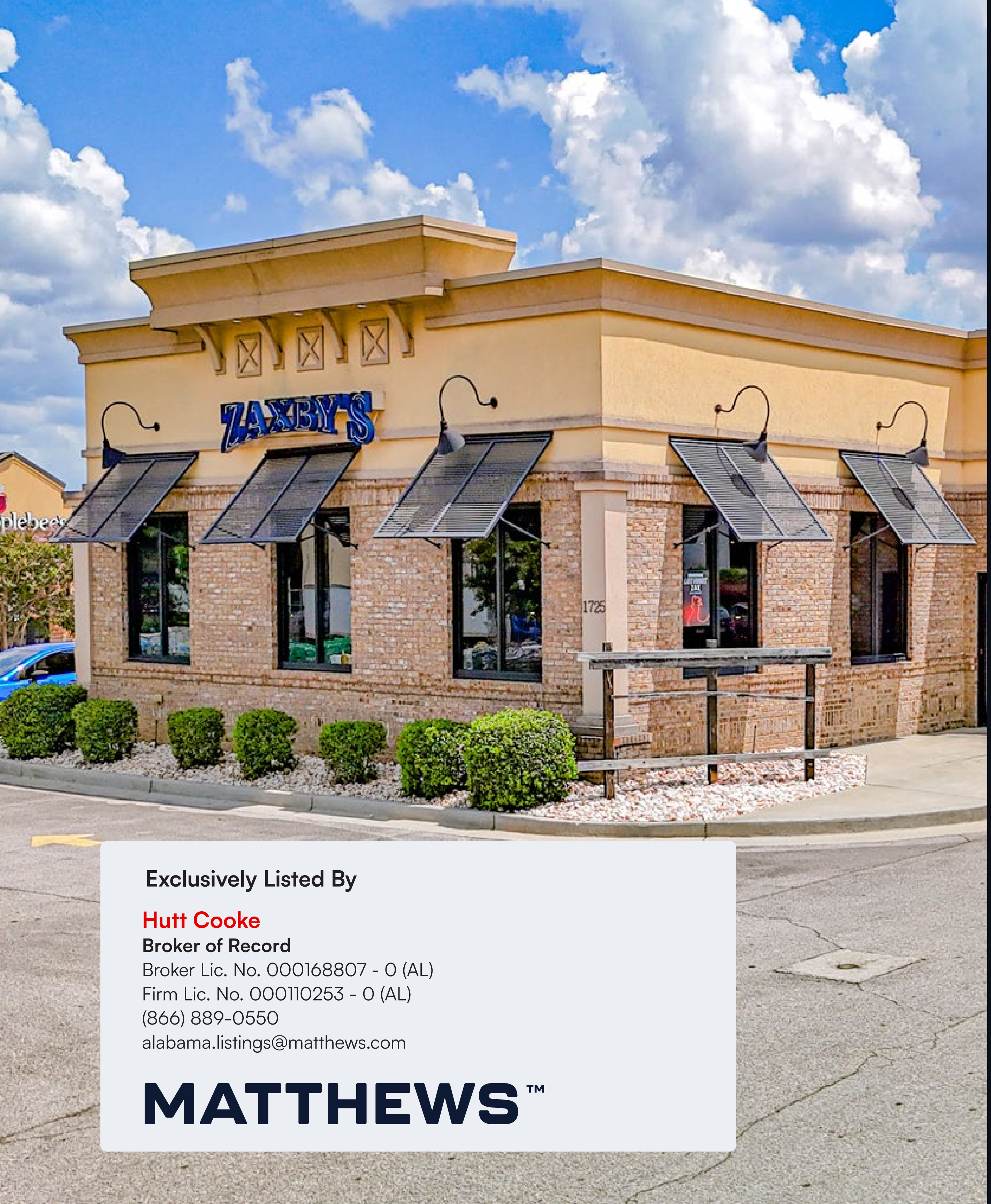
ZAXBY'S®

Retail Investment Opportunity

Offering Memorandum

1725 Morris Ave, Fultondale (Birmingham), AL 35068

Brand New 20 Year Absolute NNN Lease w Increases | Near 20 Year Operating History as Zaxby's | Birmingham, AL MSA



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ZAXBY'S

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Property Overview

Investment Highlights

- **20-YEAR ABSOLUTE NNN LEASE:** Providing a long-term, reliable, passive and growing stream of income.
- **RENTAL INCREASES:** The lease features 10% rental increases every five years throughout the initial term and four, 5-year renewal options, providing contractual income growth and a meaningful hedge against inflation.
- **PROVEN LOCATION — ZAXBY'S FOR NEARLY TWO DECADES:** The Property has continuously operated as a Zaxby's for nearly 20 years, proving the concept and demonstrating the demand for its goods and services at this location.
- **ESTABLISHED FULTONDALE RETAIL CORRIDOR:** The Property is strategically positioned within Fultondale's established retail corridor anchored by Lowe's, benefiting from a strong concentration of other national retailers like ALDI, Target, Five Below, Ross, Bath & Body, Whataburger, Chick-fil-A, Walgreens, Applebee's, Chili's, Taco Bell, Bojangle's, all with convenient access to Interstate 65 and U.S. Highway 31.
- **NATIONAL FAST-CASUAL CHICKEN BRAND:** Founded in 1990, Zaxby's has grown into one of the nation's largest chicken-focused restaurant concepts, with more than 1,000 locations across 22 states.
- **STRATEGIC INVESTMENT FROM GOLDMAN SACHS:** In 2020, investment funds managed by Goldman Sachs' Merchant Banking Division acquired a significant stake in Zaxby's, providing long-term institutional capital and resources to support the brand's continued growth and national expansion.
- **ESTABLISHED 22-UNIT ZAXBY'S TENANT/OPERATOR:** The location is operated by Credit to CTC AL, LLC a multi-unit Zaxby's franchisee operating 22 locations, demonstrating significant credit worthy operating experience, and an established presence within the Zaxby's system.
- **DENSE, ESTABLISHED TRADE AREA:** The Property serves a substantial surrounding consumer base of approximately 53,000 residents within five miles, further supported by Fultondale's established concentration of national retailers, restaurants and daily-needs destinations.
- **RECESSION-RESILIENT QSR CATEGORY:** Zaxby's operates within the value-oriented quick-service restaurant sector, benefiting from convenient drive-thru service, broad consumer appeal, and an established chicken-focused menu.

Property Overview

Investment Highlights

LOCATION & RETAIL CORRIDOR

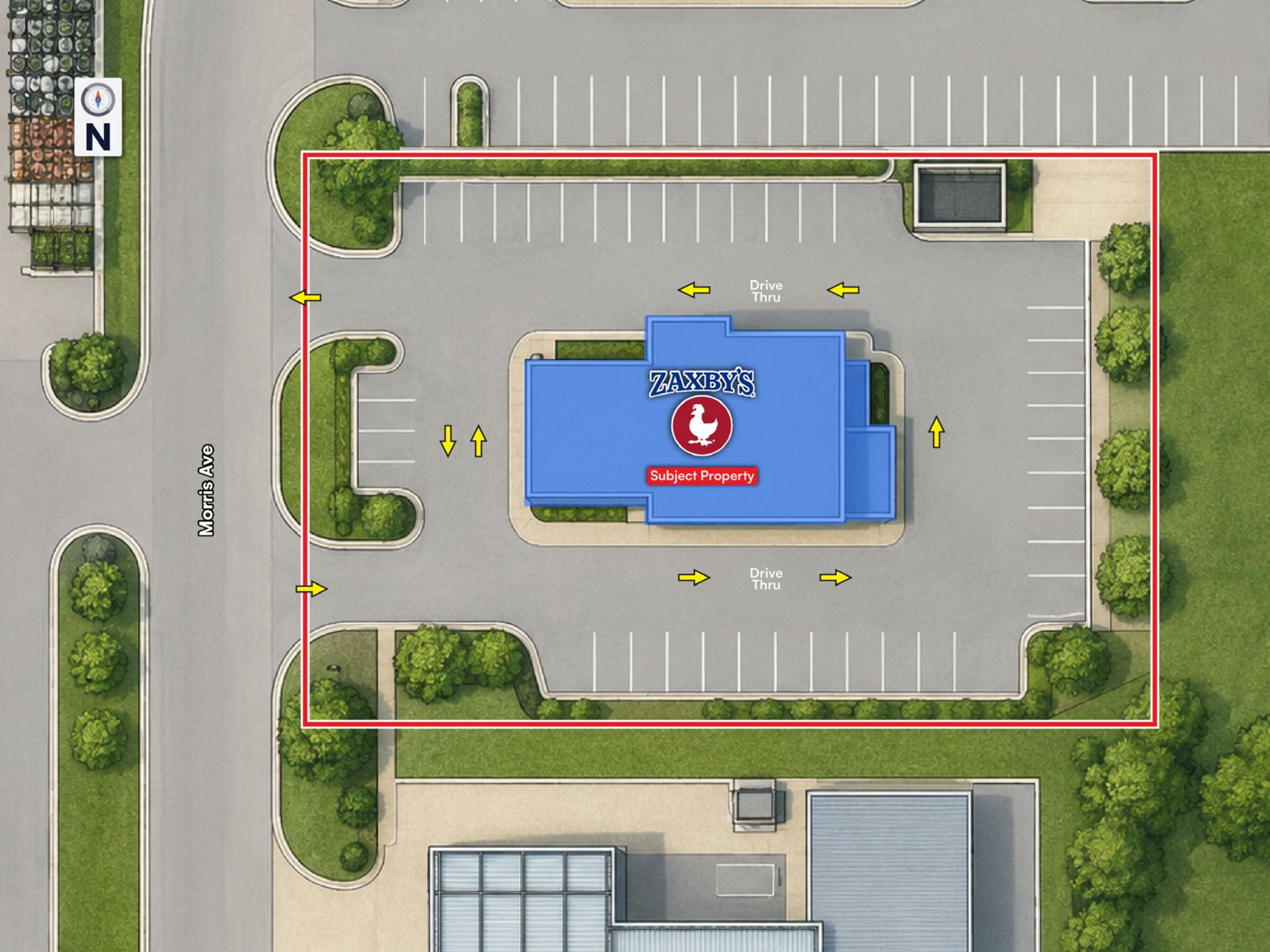
- **I-65 Exit 267 Interchange:** The property fronts Morris Ave (U.S. Highway 31) near the Walker Chapel Road interchange at I-65 Exit 267, an interchange with I-65 traffic counts reported at approximately ±97,580 vehicles per day.
- **Immediate Corridor Co-Tenancy:** This Zaxby's location sits right across Walker Chapel Rd from Aldi, Seven Brew, Whataburger, Taco Bell, Bojangles, and is within walking distance of multiple hotels.
- **Broader Interchange Retail Node:** Lowery Parkway, which connects directly to Morris Ave at the same interchange, anchors a wider retail cluster including Target, Lowe's, JCPenney, Ross Dress for Less, Five Below, Outback Steakhouse, and Chick-fil-A, along with two interstate hotels — reinforcing the I-65/Walker Chapel Road interchange as a significant regional retail and hospitality destination.

MARKET OVERVIEW — BIRMINGHAM-HOOVER MSA

- **Alabama's Largest Metro:** The Birmingham-Hoover MSA is Alabama's largest metropolitan area, spanning seven counties with a population of approximately 1.18—1.19 million residents.
- **Diversified, Anchor-Driven Economy:** The MSA economy is anchored by the University of Alabama at Birmingham (UAB) — the state's largest employer and a nationally recognized medical research institution — alongside strength in finance (headquarters for Regions Bank and Protective Life Corporation), advanced manufacturing/automotive (Mercedes-Benz, Honda, Autocar supply chain), and logistics.

DEMOGRAPHICS

- **Established Jefferson County Suburb:** Fultondale is a northern Birmingham suburb in Jefferson County with a 2026 population of approximately 9,264 and a median household income of approximately $73,575 — above the city of Birmingham ($46,051), reflecting a stable, moderate-income residential base.
- **Mature, Built-Out Community:** Fultondale's population has held largely flat in recent years, consistent with a well-established suburb rather than a high-growth corridor — supporting steady, need-based retail demand without the volatility of a newer development area.


N
Morris Ave
Drive Thru
ZAXBY'S
Subject Property
Drive Thru


SW
Promenade Fultondale
TARGET
Bath & Body Works
five BELOW
FIVE GUYS
FIREHOUSE SUBS
JCPenney
ROSS DRESS FOR LESS
SALLY BEAUTY
HIBBETT SPORTS
GNC LIVE WELL
Chapel Creek Apartments
±248 Units
Stoneybrook Apartments
±390 Units
Ashley HOMESTORE
Logan's ROADHOUSE
STIX
verizon
± 97,580 VPD
65
OUTBACK STEAKHOUSE
new day CAR WASH
Hampton
Chick-fil-A
Comfort
WHATABURGER
SEVEN BREW DRIVE THRU COFFEE
ALDI
TACO BELL
Bojangles
WAFFLE HOUSE
McDonald's
Arby's
MURPHY USA
LOWE'S
Top 9% of National Locations
Source: AlphaMap
ZAXBY'S
bp
Subject Property
Walker Chapel Rd ± 23,850 VPD
Morris Ave
Applebee's GRILL + BAR
Fairfield BY MARRIOTT
Boots Blvd


W
Walker Chapel Plaza
O'Reilly AUTO PARTS
Jack's
Exxon
Black Creek Station
±300 Nieghborhood Homes
FOOD CITY
CVS pharmacy
Hardee's
Walgreens
Domino's Pizza
Birmingham
±8.1 Miles Away
Holiday Inn
WHATABURGER
LA QUINTA INNS & SUITES
UNITED STATES POSTAL SERVICE
SEVEN BREW
ALDI
Walker Chapel Rd ± 23,850 VPD
ZAXBY'S
Fairfield BY MARRIOTT
bp
Applebee's GRILL + BAR
Subject Property
Boots Blvd
Morris Ave
LOWE'S
Top 9% of National Locations
Source: AlphaMap

Property Photos

Tenant Overview

Year Founded
1990

Headquarters
Athens, GA

Ownership Status
Private Equity

Employees
10,000+

Locations
1,000+

Annual Revenue
±$2.75B

Tenant Overview

Zaxby's is a fast-casual restaurant chain specializing in premium chicken-centric fare, including its signature Chicken Fingerz™, wings, sandwiches, salads ("Zalads®") and proprietary sauces. Renowned for its strong brand loyalty in the Southern United States and an expanding national footprint, Zaxby's has positioned itself as a differentiated competitor in the chicken segment of the quick-service and fast-casual dining industry. The brand's growth trajectory, modernized restaurant design strategies, and evolving menu offerings underscore its relevance to contemporary consumers and franchise investors alike.

Why Invest in Zaxby's?

- **Established Regional Brand with National Growth Trajectory:** Zaxby's commands strong brand loyalty across the Southeastern U.S. and is actively expanding into new markets, offering investors a combination of stable market share and growth potential.
- **Attractive Franchise-Based Model:** With the majority of its ~1,000 units operated by franchisees, Zaxby's leverages a capital-light structure that supports scalability, strong unit economics, and recurring royalty income.
- **Modernization and Expansion Strategy:** The company is rolling out new restaurant prototypes with enhanced drive-thrus and streamlined kitchen operations, increasing throughput and appealing to next-generation consumers and franchise partners.
- **Privately Held with Institutional Backing:** Backed by private equity investment, including former involvement from Goldman Sachs Merchant Banking, Zaxby's benefits from strategic capital and professionalized leadership under CEO Bernard Acoca.
- **Resilient Sector Demand:** Positioned in the growing fast-casual chicken segment, Zaxby's continues to benefit from consumer demand for high-quality, affordable dining options—particularly protein-centric offerings with differentiated flavor profiles.
- **Loyal Customer Base and Digital Engagement:** Zaxby's leverages a strong loyalty program, robust social media presence, and menu innovation (including sauce retail products) to deepen customer engagement and drive repeat traffic.

Zaxby's®: A Bold Brand Built for Scalable Growth

ZAXBY'S

A TRANSFORMATIONAL FRANCHISE BRAND

Named QSR's Transformational Brand of 2025, Zaxby's continues to distinguish itself through craveable flavors, disciplined brand execution, and franchisee-focused growth. With a bold identity rooted in Southern hospitality and differentiated sauces, the brand has evolved into a modern, scalable system designed for long-term success.
Source: QSR Magazine

PROVEN GROWTH AT SCALE

Zaxby's generated $2.754 billion in U.S. systemwide sales for year-end 2025, ranking sixth among chicken chains and among the top 50 highest-grossing QSR brands overall. The brand crossed the 1,000-unit threshold in early 2026, becoming the newest member of the industry's 1,000-unit chicken club alongside Chick-fil-A, KFC, Wingstop, and Popeyes. This sustained sales and unit growth reflects strong unit economics, disciplined expansion, and increasing brand relevance nationwide.
Source: QSR Magazine

STRATEGIC EXPANSION ACROSS THE U.S.

Zaxby's is rapidly expanding beyond its Southeastern roots, targeting new and high-potential markets as it surpasses the 1,000-unit milestone.

Recent growth highlights include:

- 10-store development agreement in Ohio, signaling continued Midwest expansion
- First restaurants in Arizona (Phoenix), featuring dine-in and dual drive-thru formats
- Initial multi-unit development agreement in the Chicagoland area
- New locations in Las Vegas and three planned restaurants on Maryland's Eastern Shore

These developments demonstrate strong franchise demand and a carefully executed national growth strategy.
Sources: Franchising.com, QSR Magazine, Restaurant Dive, PR Newswire

BUILT FOR FRANCHISEE SUCCESS

Zaxby's growth is powered by operational consistency and a bold brand identity. The rollout of its Modern Farmhouse prototype, flexible real estate formats, and a growing development pipeline across 19 states (including six new markets) position franchisees for scalable success.

National marketing campaigns like "Who's Got the Sauce?", combined with menu innovation and strong unit-level support, continue to drive traffic and brand loyalty.
Source: Franchising.com

Award-Winning, Differentiated Brand

Proven Unit Economics and System-Wide Growth

Expanding Footprint in High-Demand Markets

Past 1,000 units and climbing — Zaxby's is expanding flavor nationwide

FINANCIAL OVERVIEW

ZAXBY'S
1725 Morris Ave, Fultondale, AL 35068

Financial Summary

$3,083,333	6.00%	20 YEARS	±0.85 AC
List Price	Cap Rate	Term Remaining on Lease	Lot Size

Investment Summary

Tenant Trade Name	Zaxby's
Tenant	Credit to CTC AL, LLC (22 Units)
Type of Ownership	Fee Simple
Lease Type	Absolute NNN
Original Lease Term	20 Years
Rent Commencement Date	COE
Term Remaining on Lease	±20 Years
Increases	10% Every 5 Years
Options	Four, 5 Year Options

Financial Summary

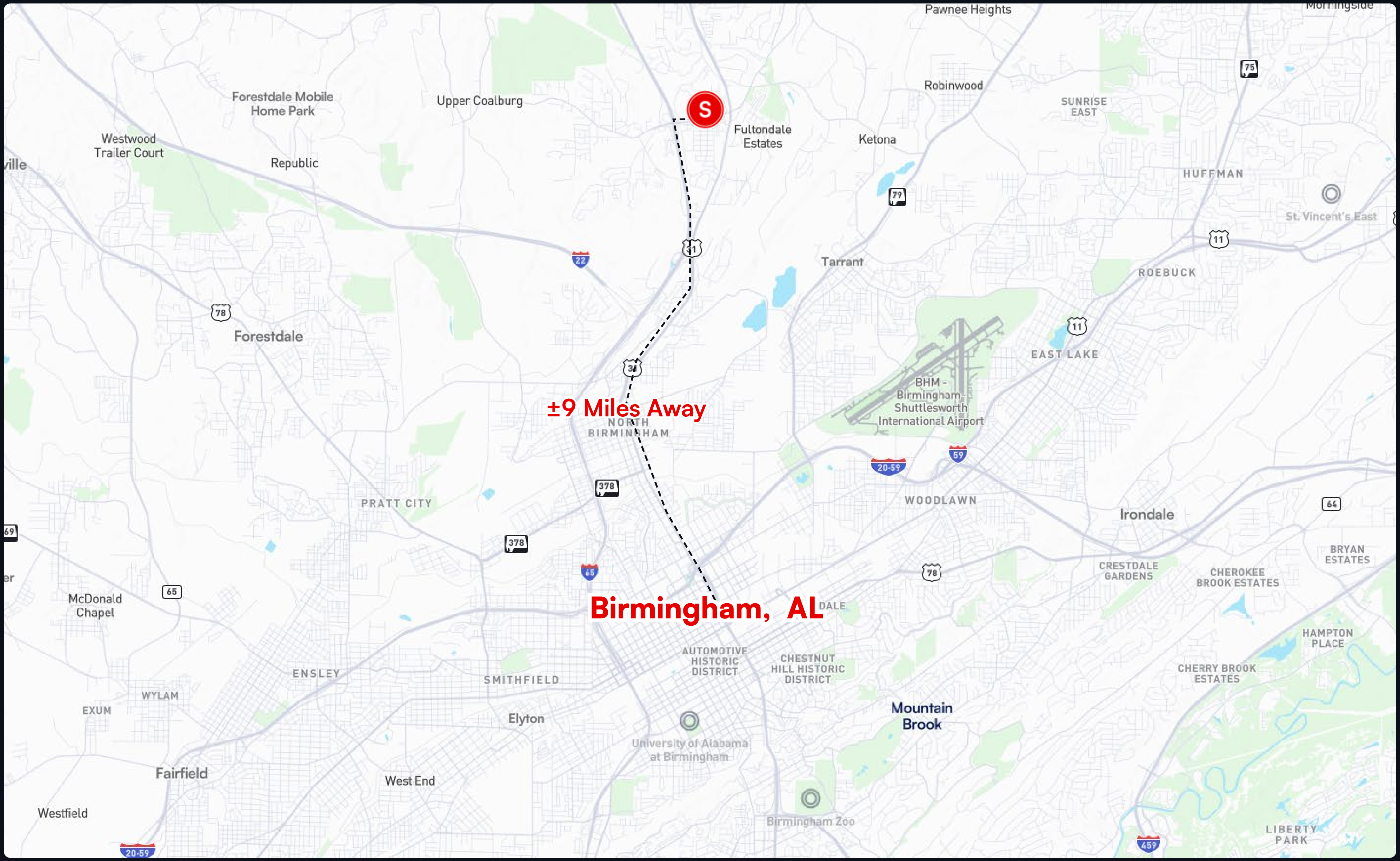
Annualized Operating Data

Lease Year	Monthly Rent	Annual Rent	Increases	Cap Rate
Year 1 - 5	**$15,416.67**	**$185,000.00**	-	**6.00%**
Year 6 - 10	$16,958.33	$203,500.00	10.00%	6.60%
Year 11 - 15	$18,654.17	$223,850.00	10.00%	7.26%
Year 16 - 20	$20,519.58	$246,235.00	10.00%	7.99%
Option 1: Year 21 - 25	$22,571.54	$270,858.50	10.00%	8.78%
Option 2: Year 26 - 30	$24,828.70	$297,944.35	10.00%	9.66%
Option 3: Year 31 - 35	$27,311.57	$327,738.79	10.00%	10.63%
Option 4: Year 36 - 40	$30,042.72	$360,512.66	10.00%	11.69%

MARKET OVERVIEW

ZAXBY'S

1725 Morris Ave, Fultondale, AL 35068



Local Market Overview

Fultondale, AL serves as an established northern retail node within the Birmingham metropolitan area, combining ***direct Interstate 65 access with proximity to downtown Birmingham***. The city is approximately nine driving miles north of Birmingham and is positioned along I-65 and U.S. Highway 31, two corridors that support regional commuting and commercial activity. Fultondale's household fundamentals are favorable for neighborhood-serving retail, with ***median household income of approximately $73,600*** and a ***homeownership rate approaching 69%***. The city also recorded approximately ***$251.5 million in retail sales,*** illustrating a meaningful concentration of consumer spending relative to its population.

The surrounding trade area benefits from access to Birmingham's much larger employment base while retaining a suburban residential profile. Health care, retail trade, and manufacturing are among the largest employment sectors for Fultondale residents, while the broader Birmingham economy adds major concentrations in health care, financial services, education, manufacturing, and professional services. For retailers, the combination of interstate visibility, established residential neighborhoods, and convenient access to metropolitan employment centers supports daily-needs, restaurant, service, and destination-oriented concepts.

Market Demographics

POPULATION	1-MILE	3-MILE	5-MILE
Current Population	3,488	19,277	52,995
HOUSEHOLDS	**1-MILE**	**3-MILE**	**5-MILE**
Current Households	1,561	7,882	21,510
INCOME	**1-MILE**	**3-MILE**	**5-MILE**
Avg Household Income	$79,542	$79,970	$73,109

$251.5M
Annual Retail Sales

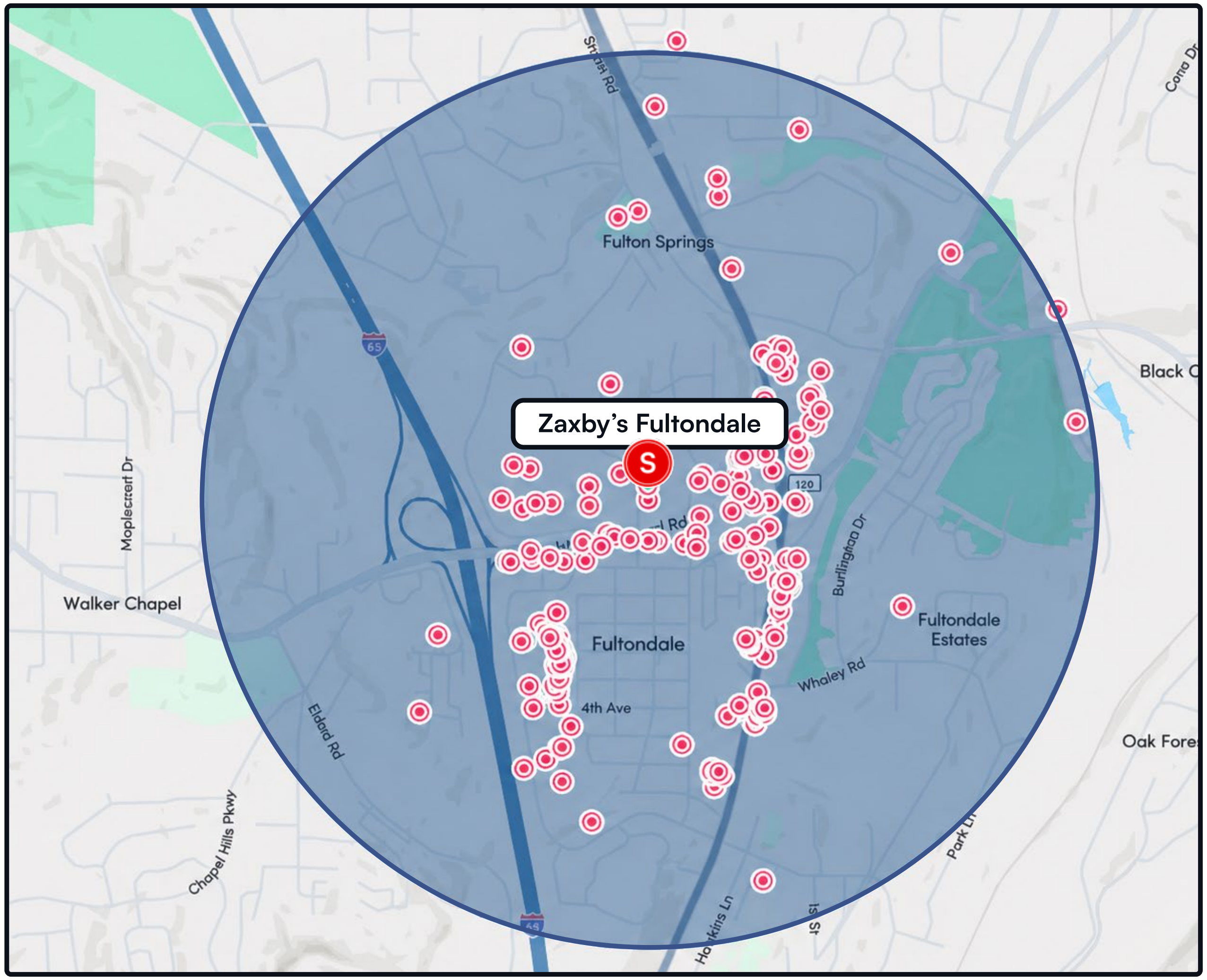
69%
Homeownership Rate

38.5
Median Age

Dense Trade Area in Fultondale Drives Traffic

The trade area surrounding ***1725 Morris Avenue in Fultondale, Alabama*** is driven primarily by its strategic location near ***Interstate 65 and U.S. Highway 31,*** providing convenient access to both local residents and regional travelers. The area captures steady traffic from commuters ***traveling between Fultondale and Downtown Birmingham***, approximately 9 miles south, while benefiting from ***strong interstate exposure and connectivity*** to surrounding northern Jefferson County communities.

Area Visits in a One Mile Radius of Subject Property



Source: AlphaMap

227
Active Locations within Trade Area

15,507
Average Monthly Visits Per Location

42.24M
Total Visits in Last 12 Months

Birmingham MSA

Birmingham is one of the Southeast's most established regional markets, supported by a diversified economy anchored by healthcare, higher education, manufacturing, logistics, financial services, and a growing consumer base. The Birmingham MSA benefits from a strategic location at the convergence of major interstate corridors, including I-20, I-59, I-65, and I-459, providing strong connectivity throughout Central Alabama and supporting significant commuter and retail traffic. The metro is home to major employment and institutional anchors including UAB, the region's extensive healthcare network, Birmingham-Shuttlesworth International Airport, and numerous corporate and industrial employers. A broad mix of residential communities, regional shopping destinations, restaurants, and neighborhood-serving retail supports consistent consumer demand across the market.

Top Employers

University of Alabama at Birmingham (UAB) — 35,000+ Employees

Regions Financial — 9,000+ Employees

Walmart — 7,600+ Employees

Mercedes-Benz — 6,000+ Employees

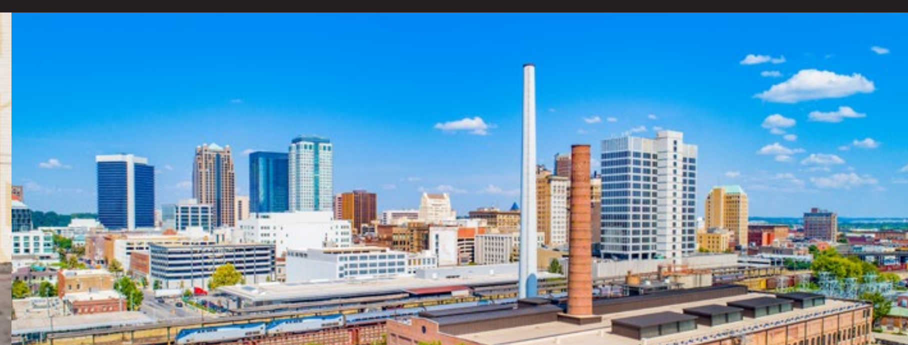
Children's Health System — 5,635+ Employees

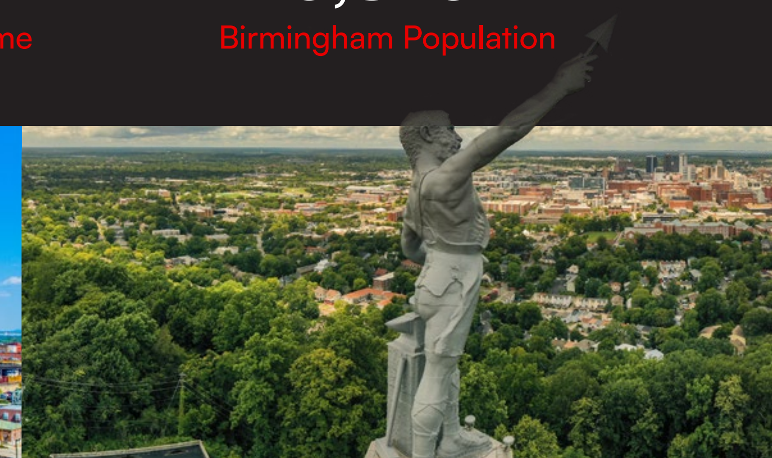
573,500
Nonfarm Employment

±1.2M
Birmingham Metro Population

$70K+
Median HH Income

195,893
Birmingham Population



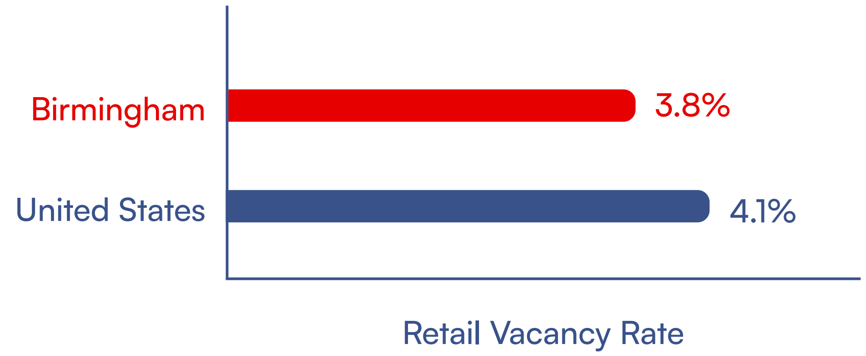


Tight Birmingham Retail Fundamentals Support Fultondale

Birmingham's retail market continues to demonstrate constrained availability, with market vacancy ending 2025 at approximately ***3.8%,*** compared with roughly ***4.1% nationally***. Quality retail space remains limited, supported by restrained new construction and steady tenant demand. Importantly for the property, ***Fultondale was specifically identified as one of the Birmingham submarkets recording positive retail absorption***, even as trailing 12-month absorption for the broader market remained negative.

Fultondale's retail position is reinforced by its ***direct access to Interstate 65 and U.S. Highway 31***, which the City identifies as a key advantage for commercial development. The city's comprehensive plan also designates commercial areas along these corridors for retail, restaurants, hospitality, medical, automotive, and other uses serving both local and regional customers.

Birmingham Retail Market Snapshot



Strategic Retail Positioning

Fultondale occupies a strategic position within Birmingham's northern retail corridor, benefiting from direct connectivity to Interstate 65 and U.S. Highway 31 and convenient access to the broader metropolitan area. The surrounding commercial district serves both local households and consumers traveling through northern Jefferson County, supporting a concentration of restaurants, service businesses, and neighborhood-oriented retailers. With Birmingham retail vacancy remaining historically tight and Fultondale recording positive absorption, the location offers retailers access to an established commercial node with limited competing availability and strong regional connectivity.

POSITIVE

Fultondale Retail Absorption

Birmingham retail is historically tight, and Fultondale is one of the submarkets showing positive demand.

Disclaimer & Confidentiality Agreement

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at **1725 Morris Ave, Fultondale, AL 35068** ("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™. The material and information in the Offering Memorandum is unverified. Matthews™ 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. Neither 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.

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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.

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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 Owner or Matthews™ 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.

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Net Lease Disclaimer: There are many different types of leases, including gross, net, single net ("N"), double net ("NN"), and triple net ("NNN") leases. The distinctions between different types of leases or within the same type of leases, such as "Bondable NNN," "Absolute NNN," "True NNN," or other NNN leases, are not always clear. Labels given to different leases may mean different things to different people and are not defined legal terms. Buyers cannot rely on the labels or marketing descriptions given to any lease when making their purchasing decisions. Buyers must closely review all lease terms and are advised to seek legal counsel to determine the landlord and tenant's respective rights and duties under the lease to ensure the lease, regardless of how labeled or described, meets the buyers' particular needs.

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