

Fort Worth, TX

20 Year Sale-Leaseback



OFFERING
MEMORANDUM

Marcus & Millichap

3620 Altamesa Boulevard
Fort Worth, Texas 76133

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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.

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income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

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Investment Highlights

PRICE: \$909,091 | CAP: 5.50% | RENT: \$50,000



About the Investment

- ✓ Brand New 20-Year Triple-Net (NNN) Sale-Leaseback
- ✓ 1.25% Annual Rental Increases Starting in Year 6
- ✓ Four (4), Five (5)-Year Tenant Renewal Options
- ✓ 45-Unit Franchisee Guarantee from Ampex Brands LLC.

About the Location

- ✓ More Than 250,000 Individuals Within a Five-Mile Radius
- ✓ Southwest High School & South Hills High School – Both In Close Proximity to the Subject Property – 2,890 Total Student Enrollment
- ✓ Major National Tenants in the Surrounding Area Include: LA Fitness, Kroger, Chick-fil-A, McDonald's, CVS Pharmacy, Walgreens, 7-Eleven, Wells Fargo
- ✓ Strategic Positioning on Altamesa Boulevard – ADTC of 21,970 Vehicles
- ✓ Fort Worth – Fifth Largest City in Texas

About the Tenant/Brand

- ✓ Ampex Brands owns and operates around 500 units of KFC, Taco Bell, Tim Hortons, Long John Silver's and A&W in Arkansas, Louisiana, Texas, Oklahoma, Ohio, Pennsylvania, West Virginia, Illinois, New York and Missouri, and employs over 6,000 team members.
- ✓ 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



INVESTMENT SUMMARY



Marcus & Millichap is pleased to exclusively market for sale the subject single-tenant net-leased KFC Sale-Leaseback located at 3620 Altamesa Boulevard in Fort Worth, Texas. The property made up of a 2,887 square feet building and is situated on approximately 0.59 acres of land. This investment opportunity is subject to an absolute triple-net (NNN) lease which will commence upon the close of escrow. Ampex Brands operates this KFC location, as well as over 500 other restaurant units. The lease is guaranteed by Ampex Brands LLC, which is comprised of 45 units. The current rent is \$50,000 and is subject to 1.25% annual rental increases starting in year six. Additionally, there are four, five-year tenant renewal options.

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





Financial Analysis

PRICE: \$909,091 | CAP: 5.50% | RENT: \$50,000



Property Description

Property	KFC
Property Address	3620 Altamesa Boulevard
City, State, ZIP	Fort Worth, Texas 76133
Year Built / Renovated	1984
Building Size	2,887
Lot Size	+/- 0.59 Acres
Type of Ownership	Fee Simple

The Offering

Annual Rent	\$50,000
CAP Rate	5.50%
Purchase Price	\$909,091
Price / SF	\$315
Rent / SF	\$17.32

Lease Summary

Property Type	Net Leased Quick Service Restaurant
Tenant / Guarantor	Franchisee (45 Units)
Ownership Type	Private
Original Lease Term	20.0 Years
Lease Commencement	Upon Close of Escrow
Lease Expiration	20 Years from Close of Escrow
Lease Term Remaining	20.0
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	1.25% Starting in Year 6
Next Rent Increase	2024
Options to Renew	Four (4), Five (5)-Year Options

Rent Schedule

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Years 1 – 5	\$50,000	\$4,167	-
Year 6	\$50,625	\$4,219	1.25%
Year 7	\$51,258	\$4,271	1.25%
Year 8	\$51,899	\$4,325	1.25%
Year 9	\$52,547	\$4,379	1.25%
Year 10	\$53,204	\$4,434	1.25%
Year 11	\$53,869	\$4,489	1.25%
Year 12	\$54,543	\$4,545	1.25%
Year 13	\$55,224	\$4,602	1.25%
Year 14	\$55,915	\$4,660	1.25%
Year 15	\$56,614	\$4,718	1.25%
Year 16	\$57,321	\$4,777	1.25%
Year 17	\$58,038	\$4,836	1.25%
Year 18	\$58,763	\$4,897	1.25%
Year 19	\$59,498	\$4,958	1.25%
Year 20	\$60,241	\$5,020	1.25%



Tenant 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.

About Ampex Brands

Ampex Brands was formed in 2005 to acquire 18 Long John Silver's restaurants, and has since grown tremendously, landing as the 21st largest franchisee in the US according to The 2015 Mega 99 Rankings. Currently, Ampex owns and operates around 500 units of KFC, Taco Bell, Tim Hortons, Long John Silver's and A&W in Arkansas, Louisiana, Texas, Oklahoma, Ohio, Pennsylvania, West Virginia, Illinois, New York and Missouri, and employs over 6,000 team members.



Surrounding Area

Property Address: 3620 Altamesa Boulevard, Fort Worth, Texas 76133





Location Overview

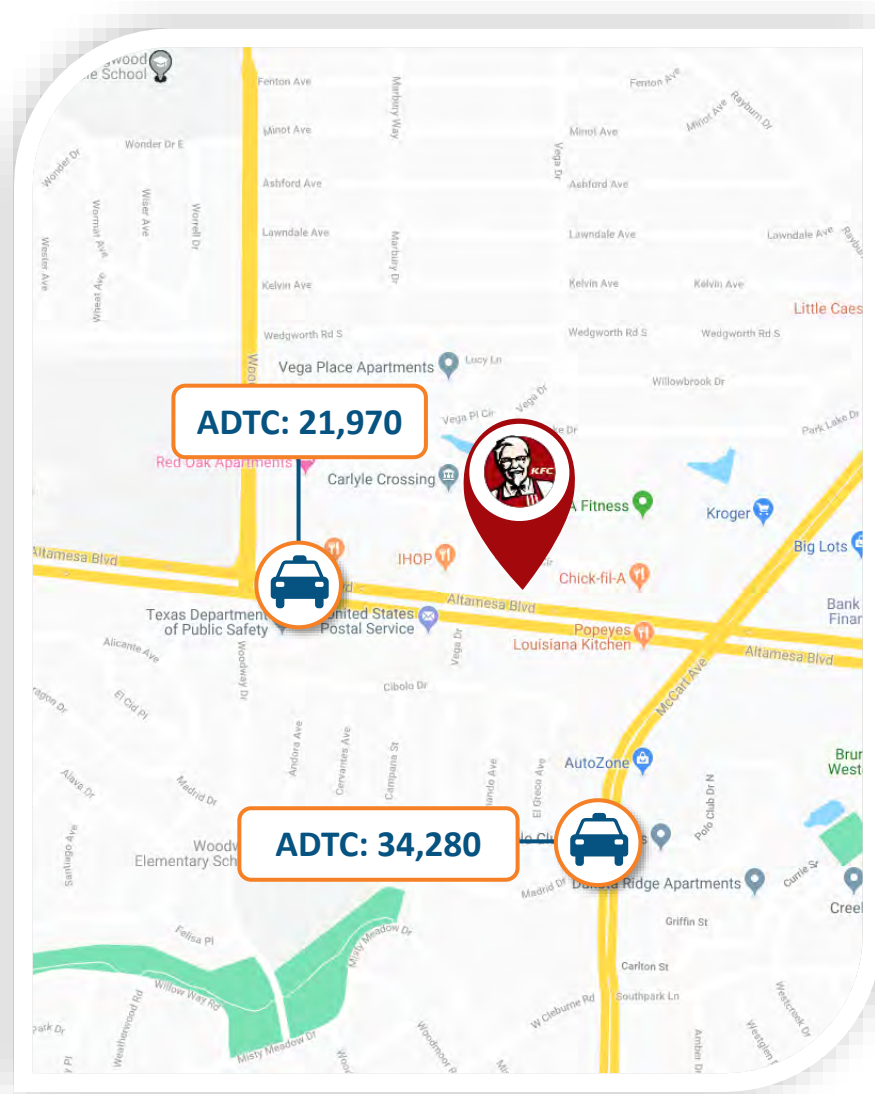


This KFC property is located at 3620 Altamesa Boulevard in Fort Worth, Texas. Fort Worth is the 15th largest city in the United States and the fifth-largest city in the state of Texas. Additionally, it is the county seat of Tarrant County. The city is the second largest in the Dallas-Fort Worth-Arlington metropolitan area, which is the 4th most populous metropolitan area in the United States. The city is stimulated by several university communities: Texas Christian University, Texas Wesleyan, University of North Texas Health Science Center, and Texas A&M University School of Law, and many multinational corporations, including Bell Helicopter, Lockheed Martin, American Airlines, BNSF Railway, Pier 1 Imports, XTO Energy and RadioShack.

The subject property is well-positioned in an active corridor within Fort Worth. Major national tenants in the surrounding area include: LA Fitness, Kroger, CVS Pharmacy, Big Lots, Chick-fil-A, McDonald's, Church's Chicken, GameStop, Sally Beauty Supply, CitiTrends, T-Mobile, Little Caesars, Supercuts, Wells Fargo, Walgreens, Pizza Hut, Dairy Queen, Advance Auto Parts, Taco Bueno, AutoZone, Jack in the Box, 7-Eleven, Whataburger, Popeyes, Long John Silver's, USPS, Valero, Chevron, Arby's, Ihop, as well as many others. Southwest High School and South Hills High School are both in close proximity to the KFC property. The two schools have a combined enrollment of approximately 2,980 students.

There are approximately 141,050 people within a three-mile radius of this property and 254,754 within a five-mile radius. The property is situated on Altamesa Boulevard Street, which has an average daily traffic count of 21,970 vehicles. The subject property also benefits from its close proximity to McCart Avenue, which has an average daily traffic count of 34,280 vehicles.

Dallas is the ninth largest city in the US and the third largest in Texas. Dallas and nearby Fort Worth were developed due to the construction of major railroad lines through the area allowing access to cotton, cattle, and later oil in North and East Texas. The construction of the Interstate Highway System reinforced Dallas's prominence as a transportation hub, with four major interstate highways converging in the city and a fifth interstate loop around it. Dallas developed as a strong industrial and financial center, and a major inland port, due to the convergence of major railroad lines, interstate highways, and the construction of Dallas/Fort Worth International Airport, one of the largest and busiest airports in the world. The economy of Dallas is considered diverse, with dominant sectors including defense, financial services, information technology, telecommunications, and transportation. It serves as the headquarters for nine Fortune 500 companies within the city limits. The Dallas-Fort Worth metroplex hosts additional Fortune 500 companies, including American Airlines, ExxonMobil, and AT&T.





Property Photo





Property Photo



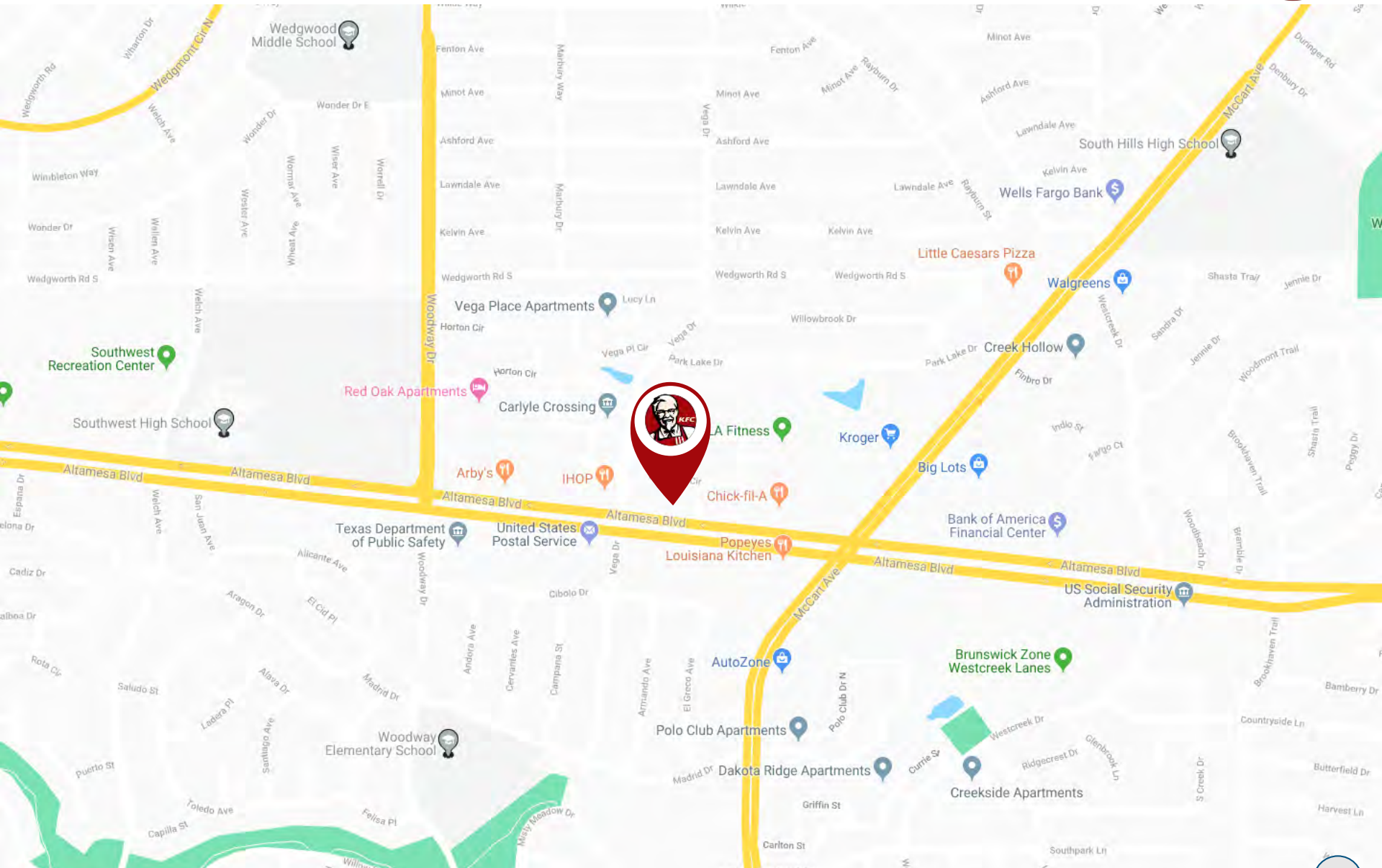


Surrounding Area Photos



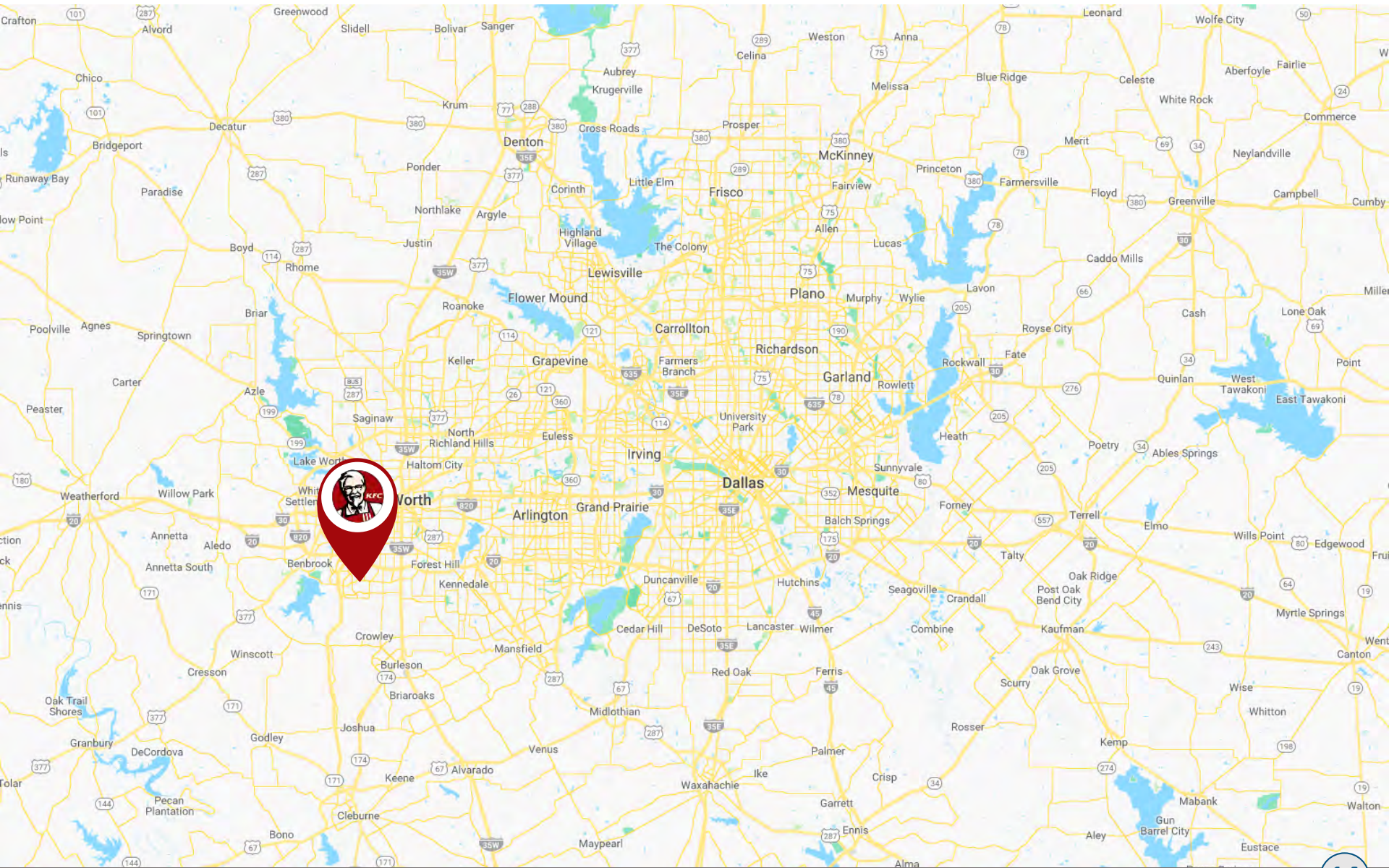


Local Map



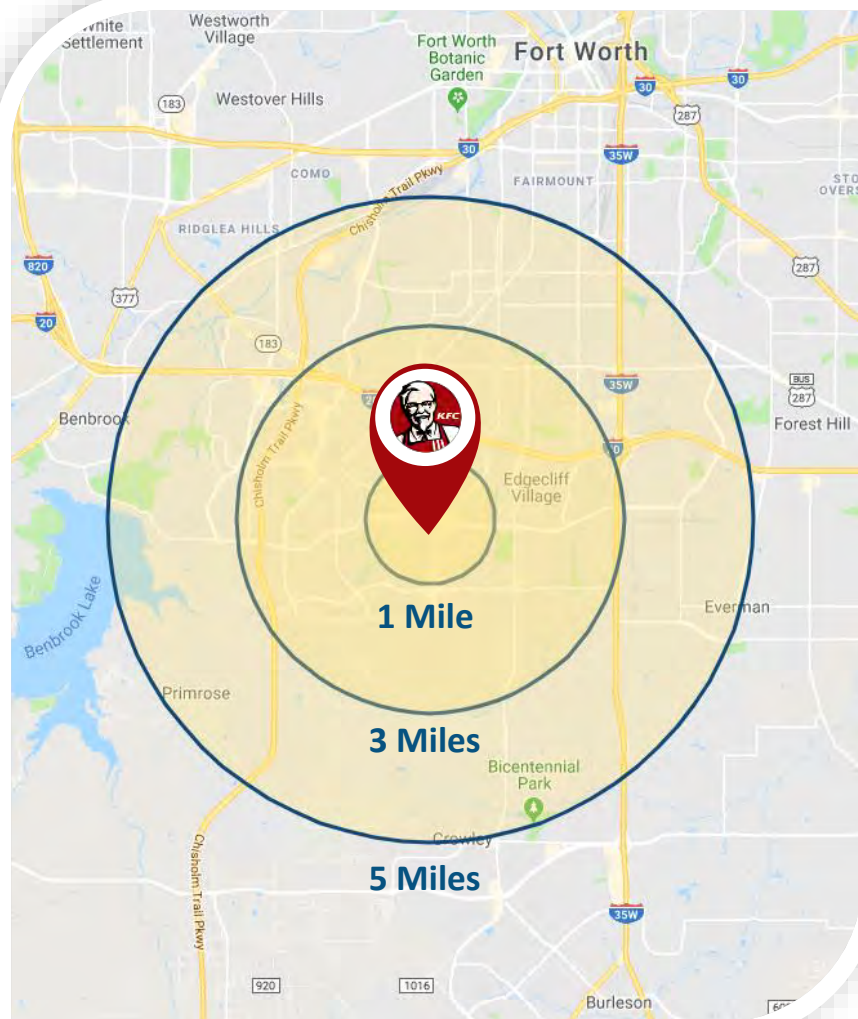


Regional Map





Demographics



Population Trends:

Population:

	1 Mile	3 Miles	5 Miles
2023 Projection	19,484	151,559	274,183
2018 Estimate	18,182	141,050	254,754
2010 Census	16,806	127,997	227,287
Growth 2018-2023	7.16%	7.45%	7.63%
Growth 2010-2018	8.19%	10.20%	12.08%
2018 Population Hispanic Origin	6,029	46,356	89,223

2018 Population by Race:

	1 Mile	3 Miles	5 Miles
White	11,923	92,104	179,759
Black	4,989	37,888	55,878
Am. Indian & Alaskan	206	1,227	2,276
Asian	646	6,385	11,111
Hawaiian & Pacific Island	13	189	330
Other	406	3,257	5,400

U.S. Armed Forces:

Households:

	1 Mile	3 Miles	5 Miles
2023 Projection	7,398	54,989	99,008
2018 Estimate	6,919	51,278	92,091
2010 Census	6,456	46,913	82,782
Growth 2018 - 2023	6.92%	7.24%	7.51%
Growth 2010 - 2018	7.17%	9.30%	11.25%
Owner Occupied	4,094	31,422	53,087
Renter Occupied	2,825	19,856	39,004

2018 Avg Household Income

2018 Med Household Income

2018 Households by Household Inc:

	1 Mile	3 Miles	5 Miles
< \$25,000	1,536	9,574	17,866
\$25,000 - \$50,000	1,850	12,203	22,108
\$50,000 - \$75,000	1,617	11,072	18,774
\$75,000 - \$100,000	842	7,218	11,360
\$100,000 - \$125,000	421	4,503	8,018
\$125,000 - \$150,000	281	2,534	4,223
\$150,000 - \$200,000	200	2,463	4,182
\$200,000+	171	1,710	5,562



Market Overview

DALLAS-FORT WORTH OVERVIEW

The Dallas/Fort Worth Metroplex is the fourth-most populous metro in the nation with an aggregate of more than 7.1 million residents. It is composed of 13 counties stretching nearly 10,000 square miles. The city of Dallas houses 1.3 million people, followed by Fort Worth with 800,000 residents. Strong job growth continually draws new residents to the region. To accommodate the additional traffic, the region's transportation network is evolving. Traffic flow is improved as freeways are expanded and miles are being added to tollways and turnpikes. The growth of the transportation network is vital to supporting commuters to the metro's numerous corporations and growing industries.

METRO HIGHLIGHTS



SUBSTANTIAL POPULATION GAINS

Dallas/Fort Worth's population growth in recent years ranks among the highest in the U.S. for a major metro.



LARGE CORPORATE BASE

The Metroplex is home to 21 Fortune 500 companies and many regional headquarters, drawing workers and residents.



MAJOR DISTRIBUTION CENTER

The area's extensive network of rail and highways along with the International Inland Port of Dallas ensure its status as a distribution hub.





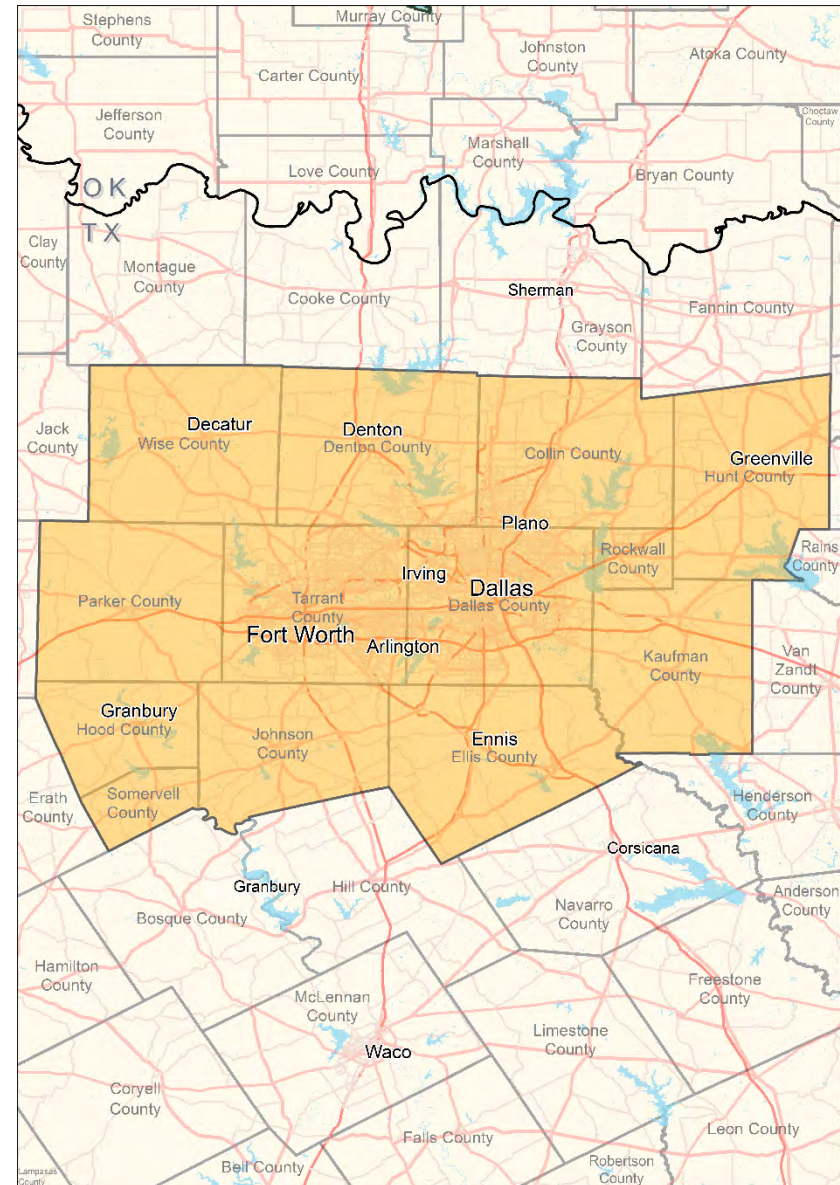
TRANSPORTATION

- The area is connected to the rest of the nation by way of Interstates 20, 30, 35, 45, 635 and 820.
- Freight serving lines in the region include Union Pacific, BNSF and Kansas City Southern. BNSF is headquartered in Fort Worth.
- Trinity Railway Express and Amtrak provide passenger rail service.
- Via rail to Houston Port, and Highways 20 and 45, the International Inland Port of Dallas (IIPOD) connects the region to global markets and trade.
- Airports include Dallas/Fort Worth International, Dallas Love Field, Fort Worth Alliance and 13 smaller airports.



MORE THAN
80

MILES OF A LIGHT-RAIL SYSTEM
SERVING DALLAS AND
SURROUNDING CITIES



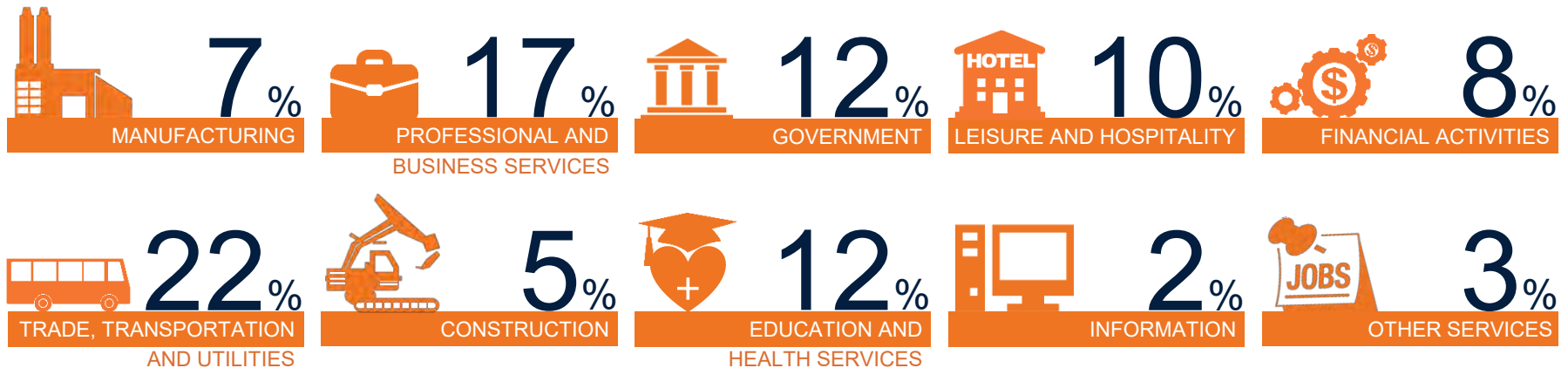
ECONOMY

- The Metroplex's temperate climate, no state income tax and a right-to-work labor policy attract employers.
- Dallas/Fort Worth is one of the nation's largest employment markets, with nearly 3.6 million jobs.
- The region is home to 21 Fortune 500 companies in a variety of sectors, including ExxonMobil, American Airlines Group, Southwest Airlines, Fluor, AT&T, Tenet Healthcare, Kimberly-Clark and J.C. Penney.
- The area is forecast to add jobs at an annual rate of 1.5 percent through 2021, well above the U.S. level.
- Economic expansion will be further fueled by a rise in financial services and high-tech companies.

MAJOR AREA EMPLOYERS
Wal-Mart
American Airlines
Texas Health Resources
Baylor Health Care System
Bank of America
Lockheed Martin
Texas Instruments
JPMorgan Chase
HCA North Texas Division
Southwest Airlines



SHARE OF 2016 TOTAL EMPLOYMENT

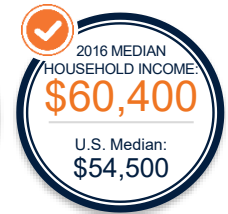
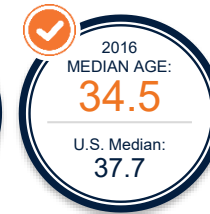




DEMOGRAPHICS

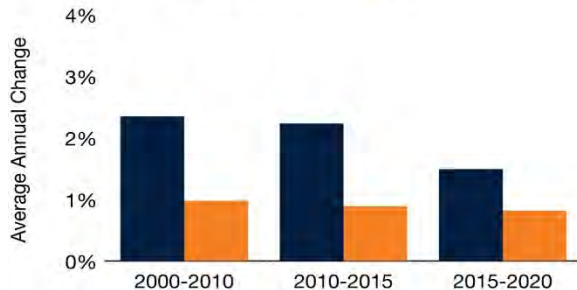
- Roughly 530,700 new people are expected through 2021, fueled by natural increases and north-to-south migration.
- The Metroplex is projected to add 200,000 households during the same period, generating the need for additional housing options.
- An educated population provides a skilled labor pool. Nearly 32 percent of residents age 25 and older have at least a bachelor's degree, compared with 29 percent for the nation.
- The 2016 metro homeownership rate is approximately 61 percent; this compares with 64 percent for the U.S.

QUICK FACTS



Population Growth

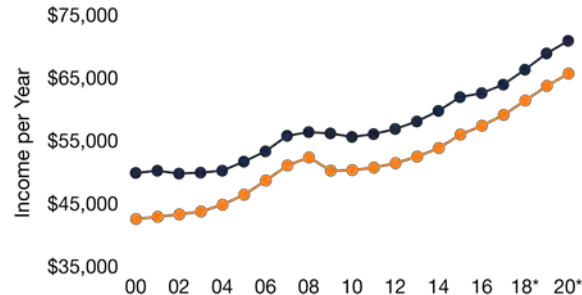
■ Dallas/Fort Worth ■ U.S.



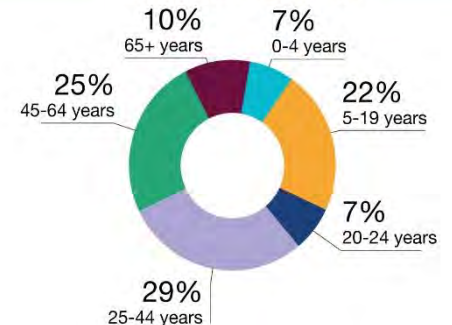
* Forecast

Median Household Income

— Dallas/Fort Worth — U.S.



2016 Population by Age





QUALITY OF LIFE

The Metroplex provides residents with an unparalleled lifestyle at a reasonable cost. The region continually ranks high for its affordability when compared with other large metros. A temperate climate provides ample opportunities for outdoor enthusiasts to enjoy. The region has many golf courses and activities at the metro's several reservoirs. Dallas/Fort Worth hosts professional teams in baseball, football, hockey and basketball.

Numerous educational institutions contribute to an educated workforce. The University of Texas at Dallas, University of North Texas, Texas Woman's University-Denton, Southern Methodist University, Texas Christian University and the University of Texas at Arlington are among the 19 higher-education institutions in the region. Metroplex residents are proximate to nationally recognized health centers: Parkland Memorial Hospital, Baylor University Medical Center and Texas Health Harris Methodist Hospital Fort Worth. Four medical schools also contribute to Dallas/Fort Worth's excellent healthcare providers.

\$235,200

MEDIAN HOME PRICE



150+

MUSEUMS AND
ART GALLERIES



150

PUBLIC & PRIVATE
GOLF COURSES



Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau



SPORTS



EDUCATION



ARTS & ENTERTAINMENT



exclusive net lease offering

