



KFC Sale-Leaseback

Plainview, Texas



OFFERING MEMORANDUM

1900 West 5th Street
Plainview, TX 79072

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Investment Highlights

PRICE: \$1,241,951 | CAP: 5.85% | RENT: \$72,654



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

- ✓ In Close Proximity to Wayland Baptist University – 5,000+ Students Enrolled
- ✓ Strategically Located Directly on 5th Street– Attractive Traffic Counts of 17,400 Vehicles Per Day
- ✓ Over 26,700 Individuals Within a Five Mile Radius
- ✓ Lubbock – Forty Five Miles North of Lubbock, 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 1900 West 5th Street in Plainview, Texas. The property made up of a 2,720 square feet building and is situated on approximately 0.45 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 \$72,654 and is subject to 1.25% annual rental increases starting in year six. Additionally, there are four, five-year tenant renewal options.

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Financial Analysis

PRICE: \$1,241,951 | CAP: 5.85% | RENT: \$72,654



Property Description

Property	KFC
Property Address	1900 West 5 th Street
City, State, ZIP	Plainview, Texas 79072
Building Size	2,720
Lot Size	+/- 0.45 Acres
Type of Ownership	Fee Simple

The Offering

Annual Rent	\$72,654
CAP Rate	5.85%
Purchase Price	\$1,241,951
Price / SF	\$457
Rent / SF	\$26.71

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	\$72,654	\$6,055	-
Year 6	\$73,562	\$6,130	1.25%
Year 7	\$74,482	\$6,207	1.25%
Year 8	\$75,413	\$6,284	1.25%
Year 9	\$76,355	\$6,363	1.25%
Year 10	\$77,310	\$6,442	1.25%
Year 11	\$78,276	\$6,523	1.25%
Year 12	\$79,255	\$6,605	1.25%
Year 13	\$80,245	\$6,687	1.25%
Year 14	\$81,248	\$6,771	1.25%
Year 15	\$82,264	\$6,855	1.25%
Year 16	\$83,292	\$6,941	1.25%
Year 17	\$84,333	\$7,028	1.25%
Year 18	\$85,388	\$7,116	1.25%
Year 19	\$86,455	\$7,205	1.25%
Year 20	\$87,536	\$7,295	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.

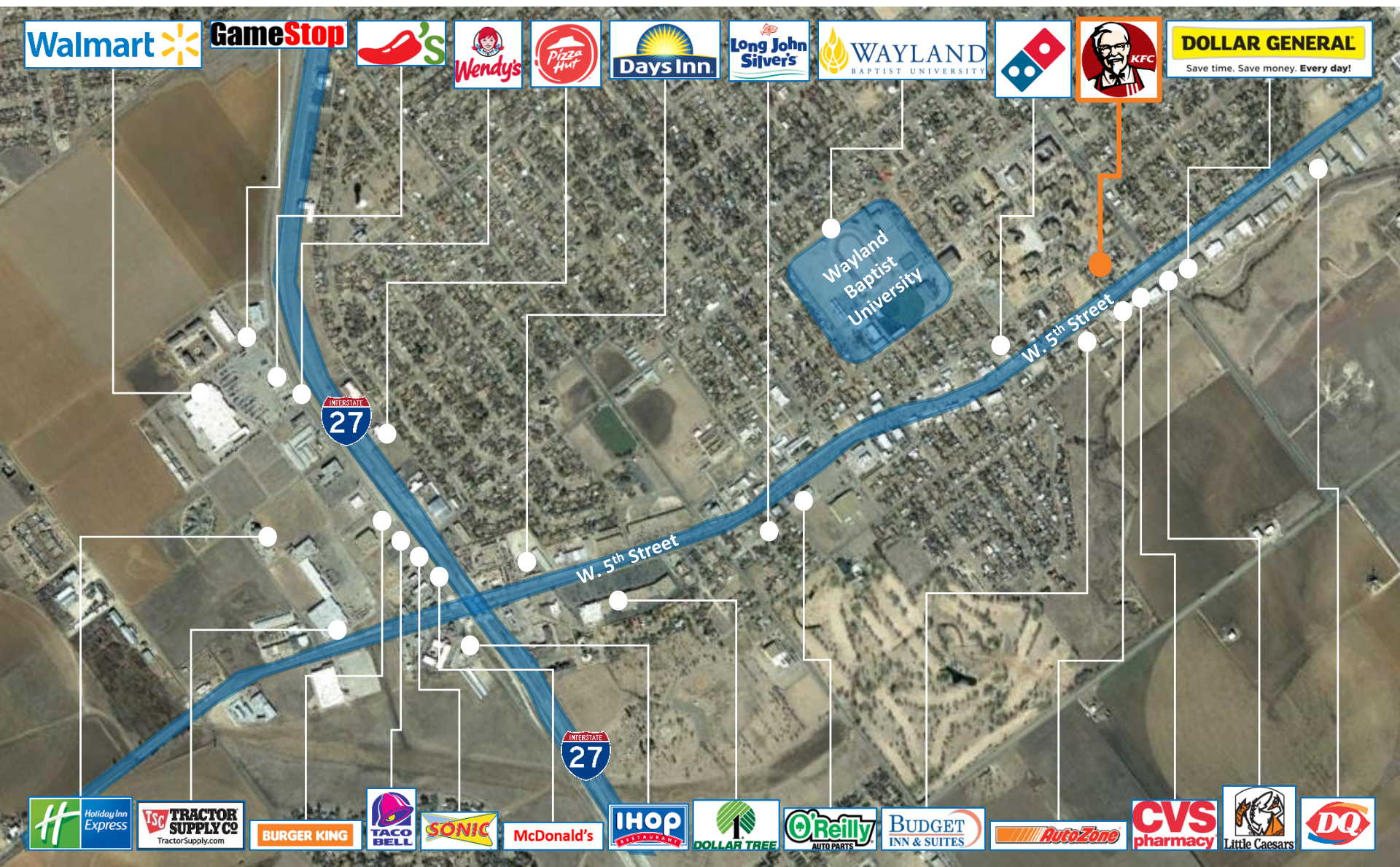
It is estimated that, on average, more than 185 million people see a KFC commercial at least once a week—that's more than half the U.S. population. The KFC system serves more than 12 million customers each day in more than 115 countries and territories around the world. KFC operates more than 17,000 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



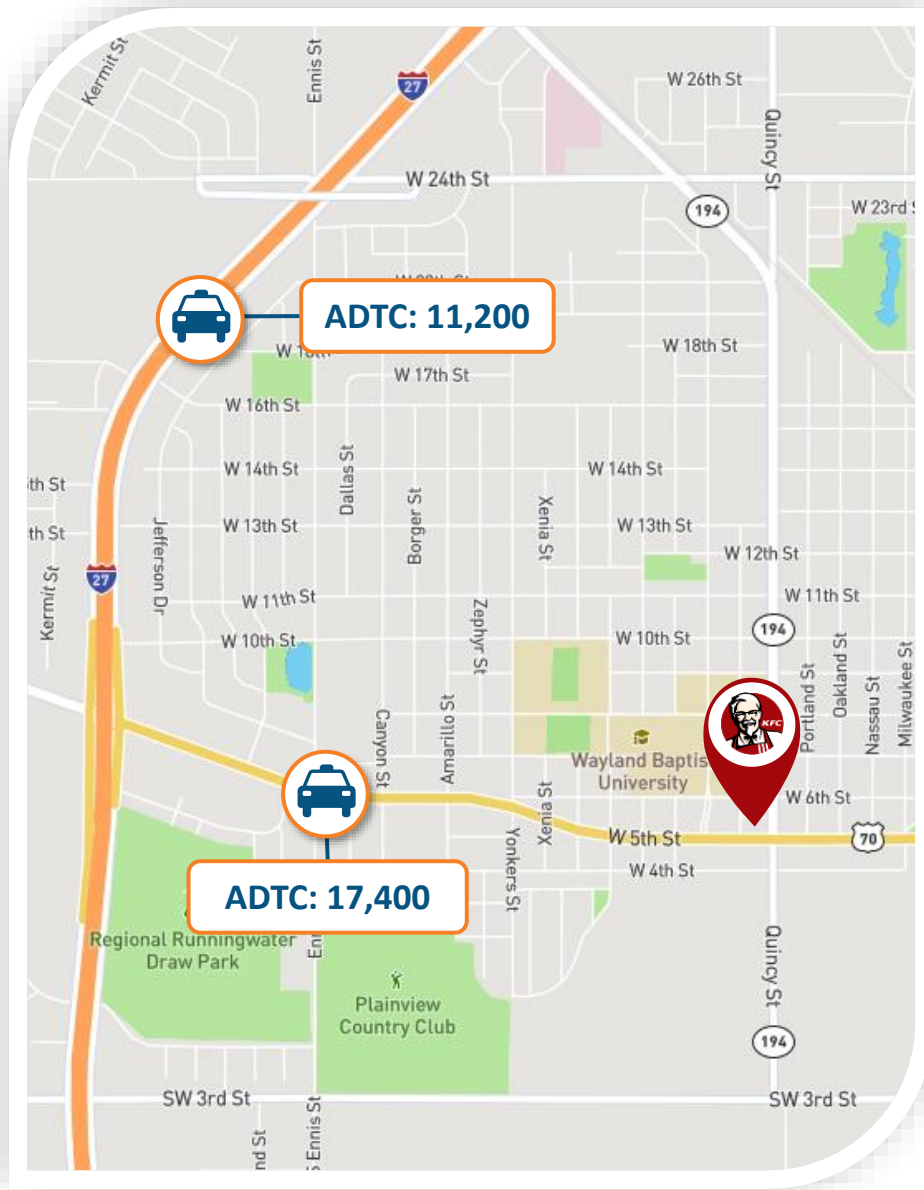


Location Overview

This KFC property is located at 1900 West 5th Street in Plainview, Texas. The property is in a densely populated area surrounded by local schools, country clubs, and the County Airport. There are approximately 23,600 people within a three-mile radius of this property and 26,700 within a five-mile radius. This is also a very busy area in which KFC will benefit from excellent traffic counts on West 5th Street and Interstate 27, a major thoroughfare less than two miles from the subject property. These two roads have an average daily traffic count of 17,400 and 11,200 vehicles, respectively.

The subject KFC is situated in a dense retail corridor surrounded by various local and nationally recognized tenants. Major national retailers in the area include: McDonald's, Taco Bell, Little Caesars, Domino's, Walmart, IHOP, CVS Pharmacy, Walgreens, and several others. Hotels in the area include Comfort Suites, Super 8, Days Inn, and Holiday Inn Express, each accommodating interstate 27 travelers. Local schools in the area include Plainview High School, College Hill Elementary School and Highland Elementary School, both of which are located within a mile of the subject property. Additionally, Wayland Baptist University is less than a half-mile from the subject property and enrolls over a thousand undergraduate students.

Plainview is a city in and the county seat of Hale County, Texas. Plainview is located 40 miles north of Lubbock, Texas. Lubbock is in the northwestern part of the state. It is the 85th most populous city in the US and the 11th most populous city in Texas. The city is the economic center of the Lubbock Metropolitan Area. Lubbock's nickname, "Hub City", derives from it being the economic, education, and health care hub of the multicounty region, north of the Permian Basin and south of the Texas Panhandle, commonly called the South Plains. The area is the largest contiguous cotton-growing region in the world and is heavily dependent on water drawn from the Ogallala Aquifer for irrigation. Lubbock was selected as the 12th best place to start a small business by CNNMoney.com. The 10 largest employers in terms of the number of employees are Texas Tech University, Covenant Health System, Lubbock Independent School District, University Medical Center, United Supermarkets, City of Lubbock, Texas Tech University Health Sciences Center, AT&T, Convergys, and Lubbock County. A study conducted by a professor at the Rawls College of Business determined that Texas Tech Students, faculty and staff generate about \$1.5 billion, with about \$297.5 million from student shopping alone.





Property Photo





Property Photo



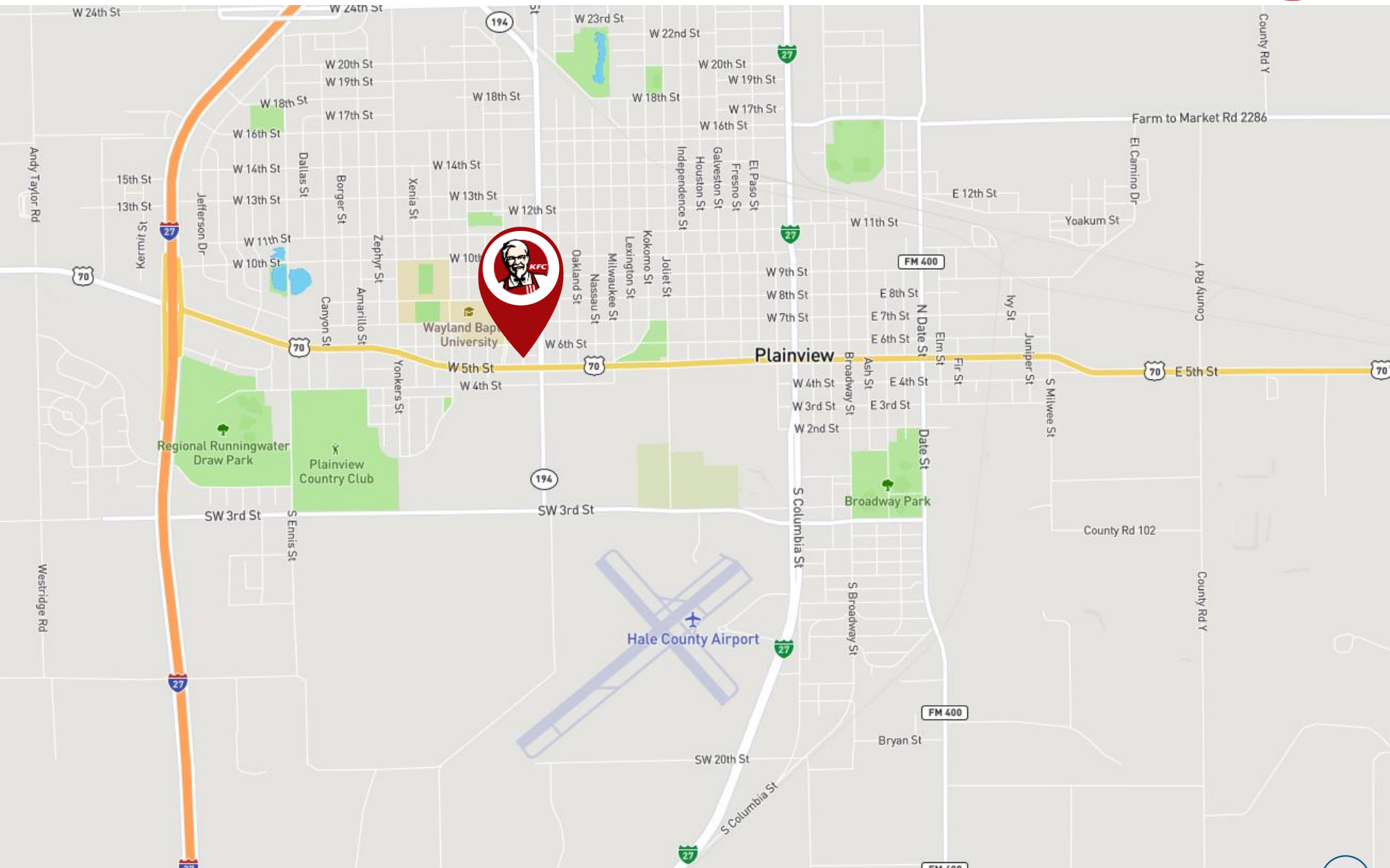


Surrounding Area Photos



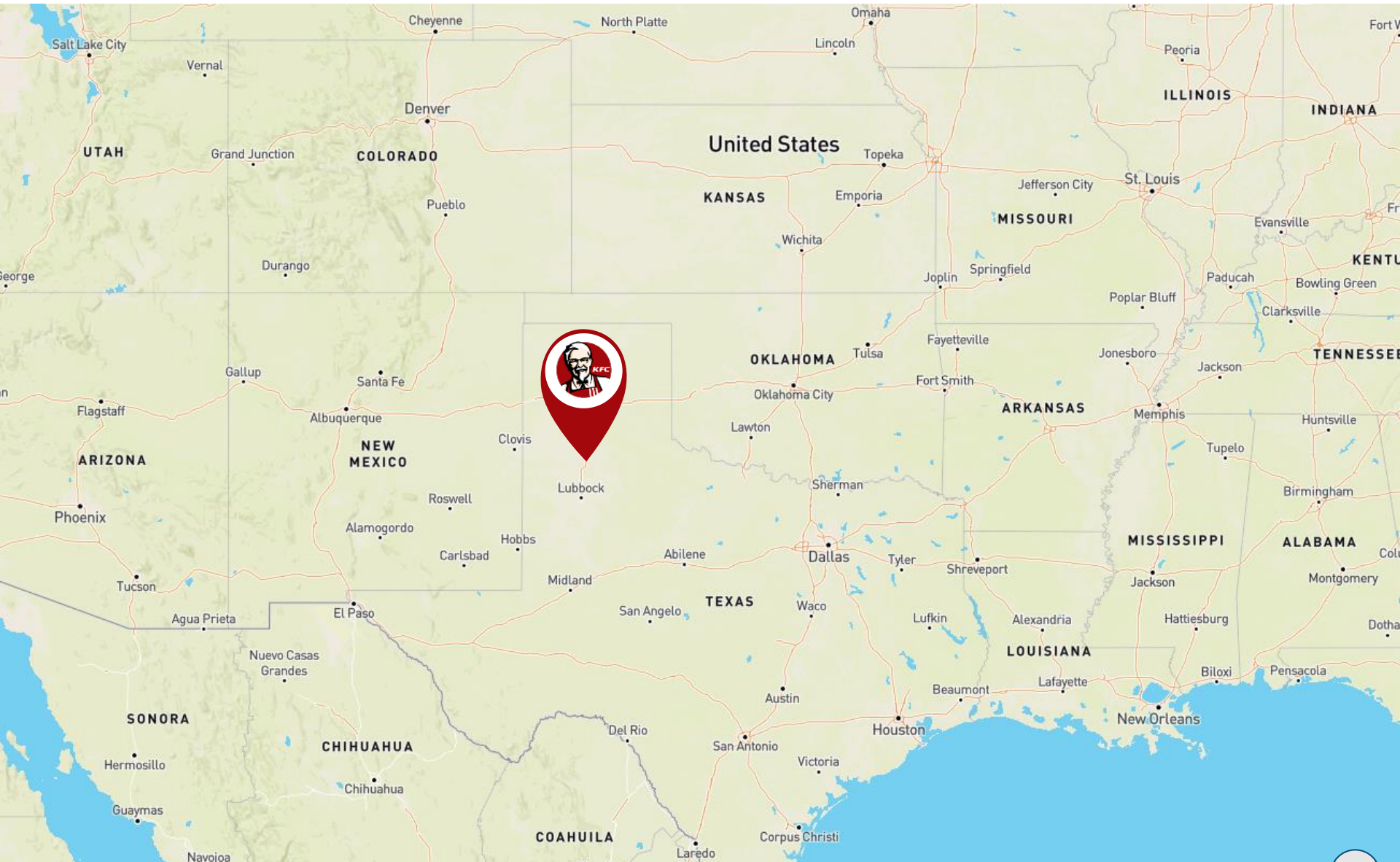


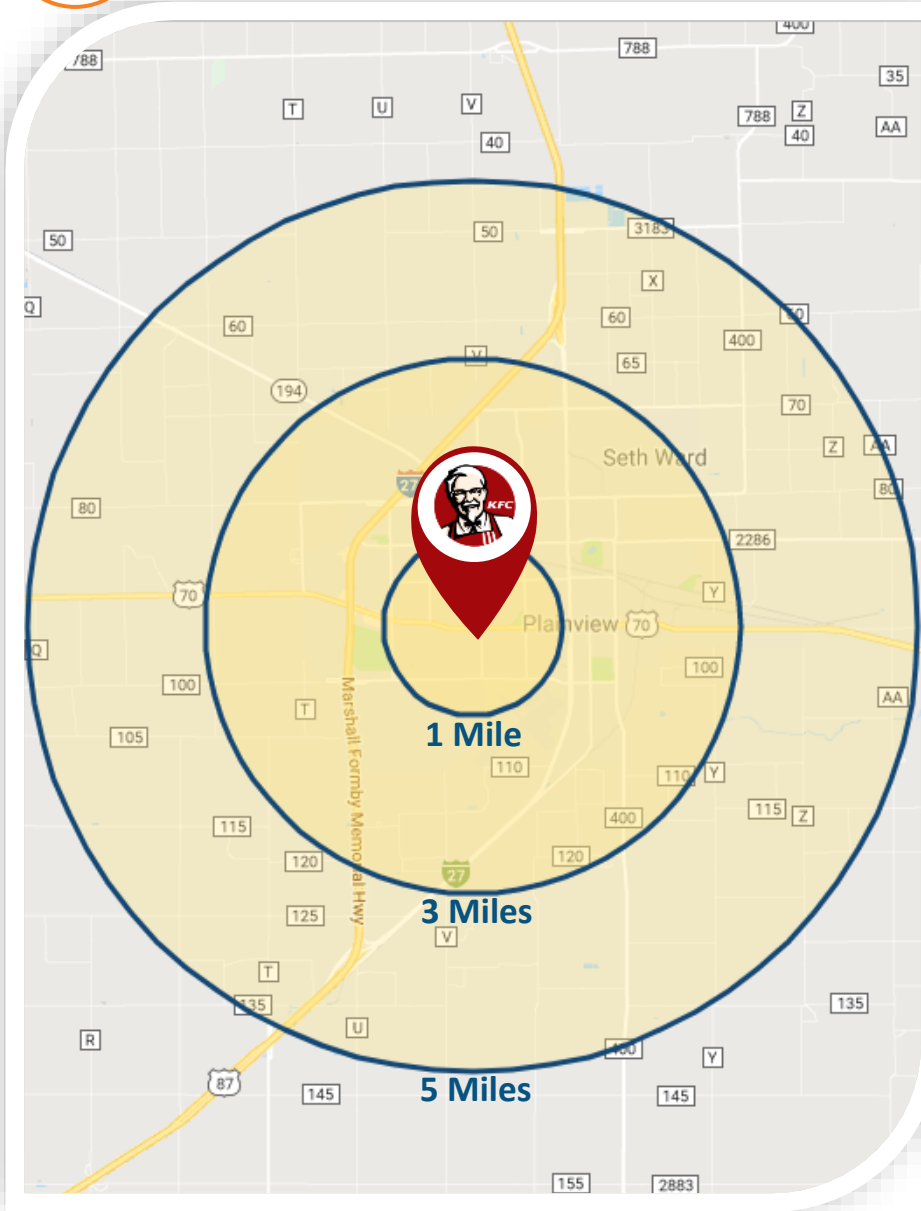
Local Map





Regional Map





POPULATION

INCOME

HOUSEHOLDS

HOUSING

EMPLOYMENT

RACE & ETHNICITY

White	67.43%	66.31%	67.06%
Native American	0.05%	0.10%	0.09%
African American	4.67%	4.90%	5.80%
Asian/Pacific Islander	0.44%	0.67%	0.68%



Market Overview



Lubbock is the 83rd most populous city in the nation and the 11th most populous city in Texas. The area is the largest contiguous cotton-growing region in the world and is heavily dependent on water drawn from the Ogallala Aquifer for irrigation. Lubbock was selected as the 12th best place to start a small business by CNNMoney.com, as the city's traditional business atmosphere, low rent for commercial space, central location, and cooperative government were all cited as reasons for the ranking. While Lubbock serves as an economic hub in Texas, the city also offers a variety of cultural events such as the annual Independence Day festival and the National Cowboy Symposium and Celebration. Lubbock also has a rich musical history and current day scene. It is home to the West Texas Walk of Fame, as well as classic venues like the Cactus Theater and The Blue Light Live. Lubbock is home to the 17 varsity teams of the Texas Tech University Red Raiders, which compete in the Big 12 Conference. The most popular team is the football team, which has won 11 conference titles and neem to 31 bowl games since the programs founding in 1925.

Major Employers

Employer	Estimated # of Employees
Walmart	652
Formby State Jail	415
Outpatient Diabetes Education	270
Azteca Milling LP	260
Hospital Aux of Plainview	260
Plainview Independent Schl Dst	174
Dorothy C Long Poison Control	170
Wayland University Store	170
Plainview High School	150
Prairie House	150
Sears	113
Spc Plainview Center	106

Marcus & Millichap

EXCLUSIVE NET LEASE OFFERING

