



KFC Sale-Leaseback

Danville, West Virginia



OFFERING MEMORANDUM

Smoot Avenue & Cissy Drive
Danville, West Virginia 25053

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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: \$804,324 | CAP: 6.25% | RENT: \$50,270



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
- ✓ 13-Unit Franchisee Guarantee from Ampex Brands of West Virginia, LLC

About the Location

- ✓ Major National Tenants in the Surrounding Area Include: McDonald's, Wendy's, Family Dollar, Save-A-Lot, Rite Aid and Kroger
- ✓ Strategically Located Directly on Smoot Avenue – Main Thoroughfare in Danville
- ✓ Scott High School & Madison Middle School – In Close Proximity to the Subject Property With 1,000 Students Enrolled
- ✓ Danville – 29 Miles Southwest of Charleston, WV

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 Smoot Avenue and Cissy Drive in Danville, West Virginia. The property made up of a 1,777 square feet building and is situated on approximately 0.34 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 of West Virginia, LLC, which is comprised of 13 units. The current rent is \$50,270 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: \$804,324 | CAP: 6.25% | RENT: \$50,270



Property Description

Property	KFC
Property Address	Smoot Avenue & Cissy Drive
City, State, ZIP	Danville, West Virginia 25053
Building Size	1,777
Lot Size	+/- 0.34 Acres
Type of Ownership	Fee Simple

The Offering

Annual Rent	\$50,270
CAP Rate	6.25%
Purchase Price	\$804,324
Price / SF	\$452
Rent / SF	\$28.29

Lease Summary

Property Type	Net Leased Quick Service Restaurant
Tenant / Guarantor	Franchisee (13 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	\$50,270	\$4,189	-
Year 6	\$50,898	\$4,242	1.25%
Year 7	\$51,535	\$4,295	1.25%
Year 8	\$52,179	\$4,348	1.25%
Year 9	\$52,831	\$4,403	1.25%
Year 10	\$53,491	\$4,458	1.25%
Year 11	\$54,160	\$4,513	1.25%
Year 12	\$54,837	\$4,570	1.25%
Year 13	\$55,523	\$4,627	1.25%
Year 14	\$56,217	\$4,685	1.25%
Year 15	\$56,919	\$4,743	1.25%
Year 16	\$57,631	\$4,803	1.25%
Year 17	\$58,351	\$4,863	1.25%
Year 18	\$59,081	\$4,923	1.25%
Year 19	\$59,819	\$4,985	1.25%
Year 20	\$60,567	\$5,047	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

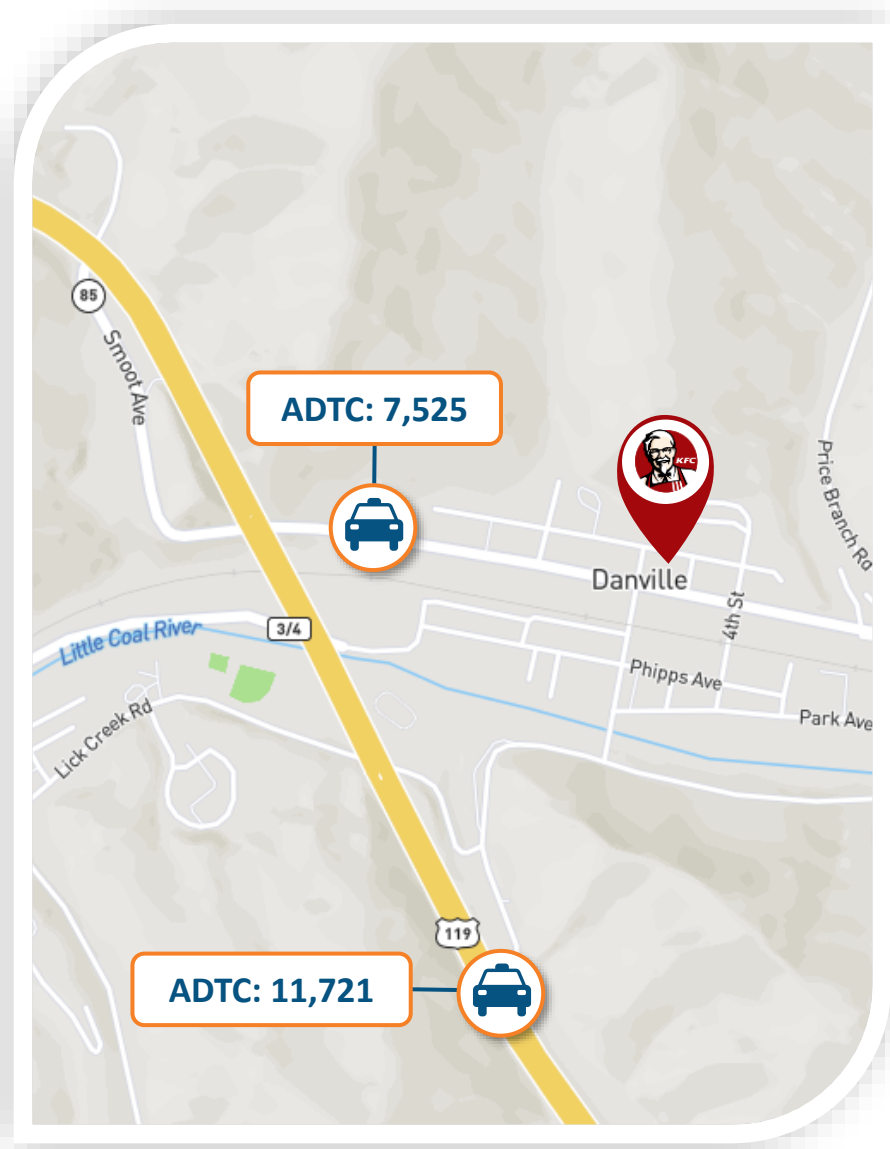


This KFC property is located at the corner of Smoot Ave and Cissy Drive in Danville, West Virginia. Danville is small city situated along the Little Coal River. Further down the Little Coal River is the former coal town of Madison, the County Seat of Boone County. Madison is a listed site on the National Register of Historic Places as the Boone County Courthouse, in Madison, was burned down during the American Civil War.

The subject KFC is well-positioned directly off Highway 119, a major thoroughfare in the area. The property benefits from being situated in a dense retail corridor surrounded by several nationally recognized tenants as well as local restaurants, bars, and small businesses. Major retailers in the area include: McDonald's, Wendy's, Family Dollar, Save-A-Lot, Rite Aid and Kroger, while other local restaurants and small businesses include, Byrnside Hardware, Gino's Pizza, E&D Auto Parts, and K-Bo's Ice Cream. Scott High School as well as Madison Middle School are both located within a mile of the subject property and enroll over 1,000 students in total.

There are approximately 8,630 people within a five-mile radius of this property and 19,650 within a ten-mile radius. The property is situated on Smoot Ave directly off Highway 119. These two roads have an average daily traffic count of 7,500 and 11,700 vehicles, respectively.

Danville is located approximately 20 miles from the most populous city and state capital, Charleston, West Virginia. The entire city of Charleston has a population of 50,000+, while its metropolitan area has a population of over 300,000 people. Charleston is located where the Elk River and Kanawha River meet. Charleston is the center of government, commerce, and industry for Kanawha County, of which it is the county seat. Though Charleston's economic roots began with salt, coal, and natural gas, today trade, utilities, medicine, and education are the backbone of its economy. Academic Institutions include University of Charleston, West Virginia University, Marshal University, and West Virginia State University. Noteworthy companies headquartered in the area include Appalachian Power, Mountaineer Gas Company, Charleston Newspapers, Gestamp Automocion, United Bank of West Virginia and West Virginia-American Water Company.





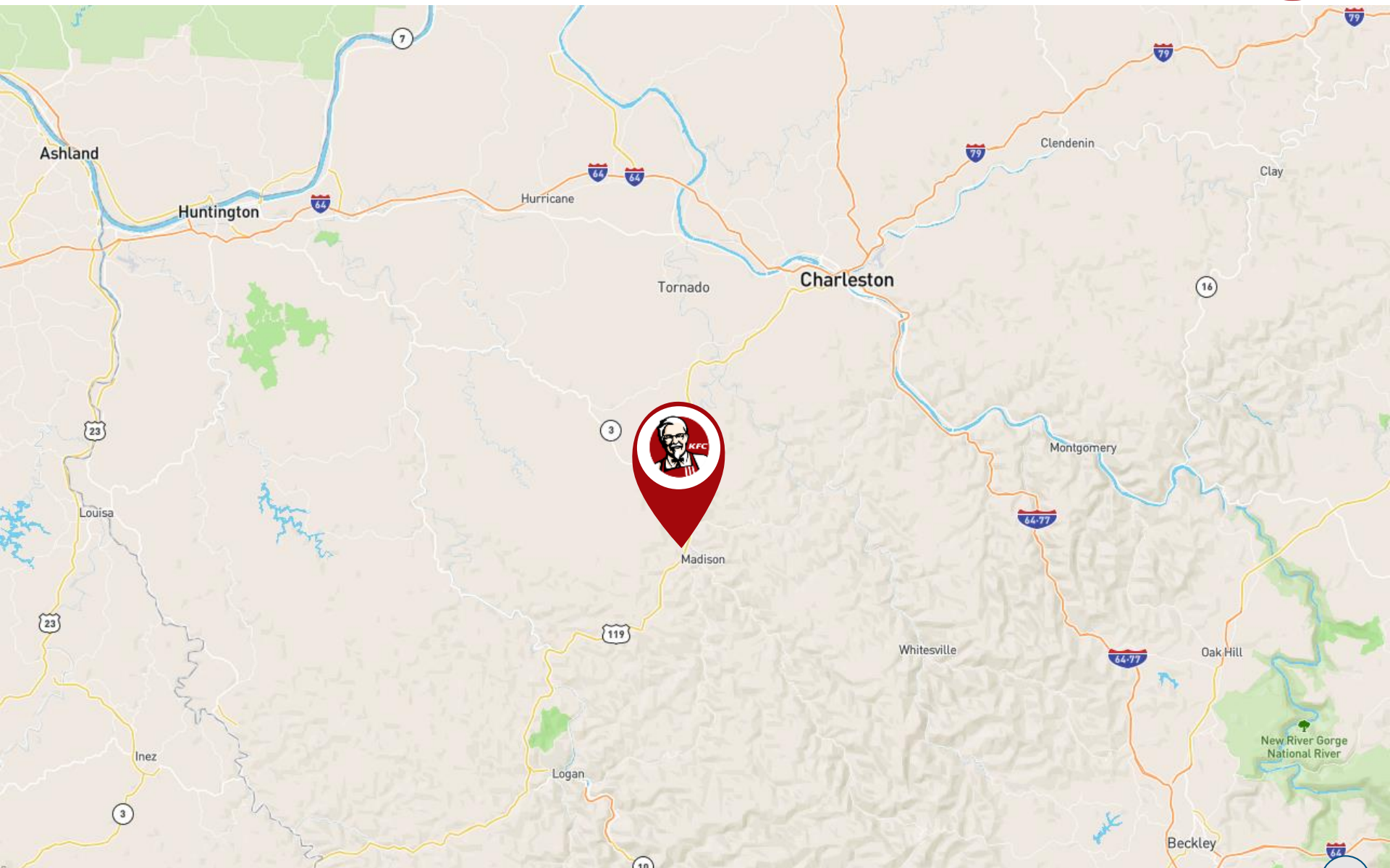


Surrounding Area Photos



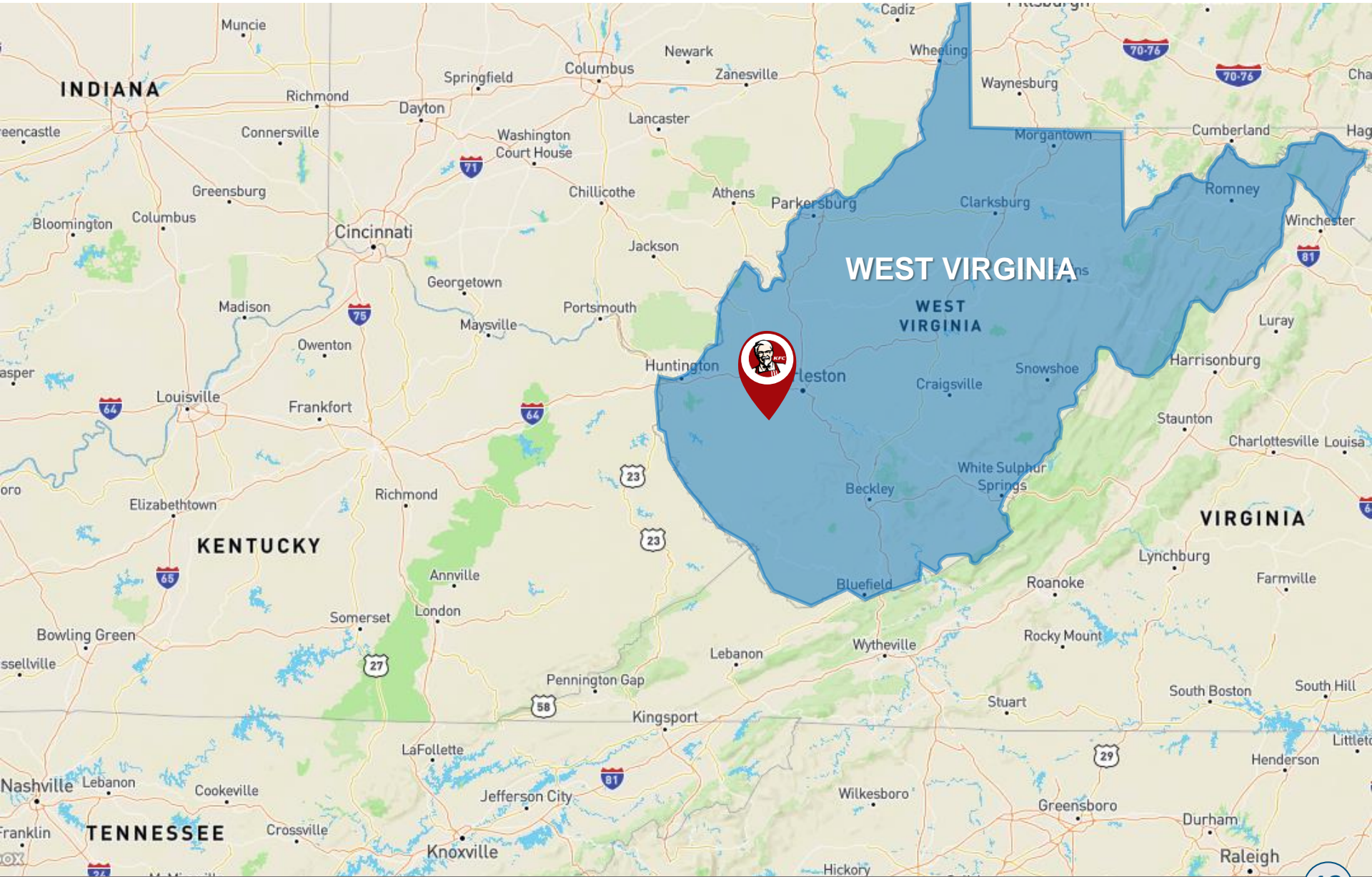


Local Map



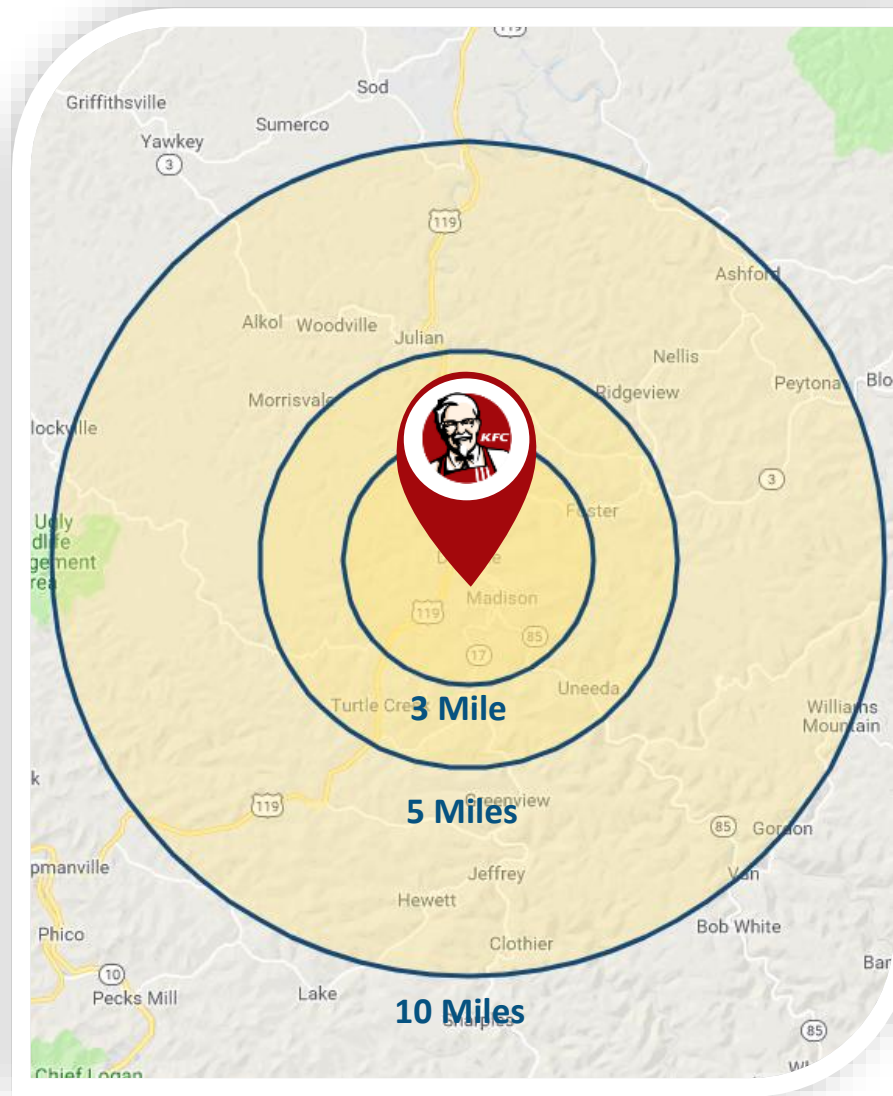


Regional Map





Demographics



POPULATION

2022 Projection
2017 Estimate
2010 Census
2000 Census

3 Mile 5 Miles 10Miles

4,970	8,623	19,433
4,979	8,630	19,650
5,200	8,977	20,068
5,131	8,896	20,389

INCOME

Average
Median
Per Capita

\$51,190	\$51,195	\$50,018
\$34,741	\$34,608	\$34,477
\$21,233	\$20,589	\$19,885

HOUSEHOLDS

2022 Projection
2017 Estimate
2010 Census
2000 Census

2,053	3,457	7,753
2,054	3,453	7,790
2,171	3,639	8,051
2,162	3,618	8,032

HOUSING

2017

\$85,715	\$85,010	\$81,317
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EMPLOYMENT

2017 Daytime Population
2017 Unemployment
2017 Median Time Traveled

3,565	6,129	11,639
9.76%	9.52%	10.59%
31	32	34

RACE & ETHNICITY

White
Native American
African American
Asian/Pacific Islander

97.28%	97.45%	98.11%
0.00%	0.00%	0.00%
1.14%	1.00%	0.76%
0.29%	0.27%	0.16%



Market Overview



Charleston is the capital and largest city in West Virginia. The entire city of Charleston has a population of 50,000+, while its metropolitan area has a population of over 300,000 people. Charleston is located where the Elk River and Kanawha River meet.

Charleston is the center of government, commerce, and industry for Kanawha County, of which it is the county seat. Though Charleston's economic roots began with salt, coal, and natural gas, today trade, utilities, medicine, and education are the backbone of its economy. Academic Institutions include University of Charleston, West Virginia University, Marshal University, and West Virginia State University. Noteworthy companies headquartered in the area include Appalachian Power, Mountaineer Gas Company, Charleston Newspapers, Gestamp Automocion, United Bank of West Virginia and West Virginia-American Water Company.

Major Employers

Employer	Estimated # of Employees
Seneca North American Coal LLC	788
Boone County Board Education	780
Wharton Elementary School	700
Grass Family Practice	500
Verizon Business	450
Independence Coal Company Inc	385
Alpha Natural Resources Inc	266
Boone Memorial Hospital	175
Courthouse	136
Boone County Commission	120
Raven Crest Contracting LLC	120
Boone Nursing and Rehabilitati	86

Marcus & Millichap

EXCLUSIVE NET LEASE OFFERING

