



KFC Exclusive Net-Lease Offering
Lakewood, New York



OFFERING
MEMORANDUM

Marcus & Millichap

270 East Fairmount Avenue,
Lakewood, NY 14750

Confidentiality and Disclaimer

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

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.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

CONFIDENTIALITY AND DISCLAIMER

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the

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.

NON-ENDORSEMENT NOTICE

Marcus & Millichap Real Estate Investment Services, Inc. ("M&M") is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of M&M, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of M&M, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.





Table of Contents

Investment Highlights	4
Investment Overview	5
Financial Analysis	6
Tenant Overview	7
Surrounding Area	8
Location Overview	9
Maps	10-11
Demographics	12
Market Overview	13





Investment Highlights

PRICE: \$2,056,633 | CAP: 5.50% | RENT: \$113,115



About the Investment

- ✓ 18+ Years Remaining on a Triple-Net (NNN) Lease with Zero Landlord Responsibilities
- ✓ Tenant Displaying Long Term Commitment to the Site | Tenant Recently Extended the Lease to 20 Years and Commenced on a Substantial +/- \$500,000 Remodel
- ✓ Attractive Rental Increases: 10% Every Five Years
- ✓ One (1), Five (5)-Year Option and One (1) Four (4)-Year, Eleven (11)-Month Option
- ✓ Franchisee Guarantee | Charter Foods, Inc. (200+ Unit Operator)

About the Location

- ✓ Extremely Dense Retail Corridor | Walmart, Home Depot, Aldi, OfficeMax, JCPenney, McDonald's, Burger King, Panera Bread, Taco Bell, Wendy's, Dollar Tree, Rite Aid, Starbucks, Arby's, Domino's and Many More
- ✓ Walking Distance from Chautauqua Mall | Regional Shopping Mall with Approximately 45 Stores Consisting of Shopping, Dining, Entertainment and More
- ✓ Affluent Suburban Community | Average Household Income Exceeds \$70,000 for Homes within Three Miles of the Subject Property
- ✓ Strong Academic Artery | Within One Mile of Southwest High School and Southwest Elementary School | Total Combined Enrollment Exceeding 1,000 Students
- ✓ Immediate Access to Healthcare | Less than Four Miles from UPMC Chautauqua | 317 Licensed Beds

About the Tenant/Brand

- ✓ Charter Foods, Inc., Founded in 1998, is a YUM! Brands Franchisee, Headquartered in Morristown, TN
- ✓ Charter Foods, Inc. Operates More than 200 Taco Bell, Long John Silver's, Kentucky Fried Chicken and A&W Restaurants throughout 12 States in the South and Northeast Regions of the United States
- ✓ Charter Foods, Inc. has Annual Revenues in Excess of \$200 Million and is One of the Fastest Growing YUM! Brands Franchisees in the Country



INVESTMENT SUMMARY



Marcus & Millichap is pleased to present the exclusive listing for the KFC located at 270 East Fairmount Avenue in Lakewood, NY. The building consists of approximately 3,295 square feet of building space and is situated on approximately 0.72 acres of land. The tenant is subject to a recently extended triple-net (NNN) lease with over 18 years of lease term remaining. The base rent is \$113,115 with 10 percent rental increases every five years throughout the remainder of the base lease term and each option period.

Based in Louisville, Kentucky, KFC Corporation is the franchisor of the world's most popular chicken restaurant chain. KFC has been serving customers complete, freshly prepared family meals since 1952. KFC serves more than 12 million customers each day in more than 115 countries and territories around the world. KFC operates more than 19,500 restaurants in the United States and internationally.

Charter Foods, Inc. is a YUM! Brands Franchisee that is headquartered in Morristown, Tennessee. The company operates more than 200 locations across 12 states in the south and northeast regions of the United States, consisting of Taco Bell, Long John Silver's, Kentucky Fried Chicken and A&W restaurants. Charter Foods, Inc. is one of the fastest growing YUM! Brands franchisees in the country and has annual revenues in excess of \$200 million.





Financial Analysis

PRICE: \$2,056,633 | CAP: 5.50% | RENT: \$113,115



PROPERTY DESCRIPTION

Property	KFC
Property Address	270 E Fairmount Ave
City, State, ZIP	Lakewood, NY 14750
Year Built / Renovated	2000
Building Size	3,295 SF
Lot Size	+/- 0.72 Acres
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$2,056,633
CAP Rate	5.50%
Annual Rent	\$113,115
Price / SF	\$624.17
Rent / SF	\$34.33

LEASE SUMMARY

Property Type	Net Leased Quick Service Restaurant
Tenant / Guarantor	Charter Central, LLC / Charter Foods Inc.
Franchisor Ownership	Private
Original Lease Term	26.0 Years
Lease Commencement	6/28/2012
Lease Expiration	6/30/2038
Lease Term Remaining	18.5 Years
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	10% Every 5 Years
Options to Renew	One (1), Five (5)-Year & One (1) Four (4)-Year and Eleven (11) Months

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
1/1/2020 - 12/31/2020	\$113,115	\$9,426	-
1/1/2021 - 12/31/2021	\$113,115	\$9,426	-
1/1/2022 - 12/31/2022	\$124,426	\$10,369	10.00%
1/1/2023 - 12/31/2023	\$124,426	\$10,369	-
1/1/2024 - 12/31/2024	\$124,426	\$10,369	-
1/1/2025 - 12/31/2025	\$124,426	\$10,369	-
1/1/2026 - 12/31/2026	\$124,426	\$10,369	-
1/1/2027 - 12/31/2027	\$136,869	\$11,406	10.00%
1/1/2028 - 12/31/2028	\$136,869	\$11,406	-
1/1/2029 - 12/31/2029	\$136,869	\$11,406	-
1/1/2030 - 12/31/2030	\$136,869	\$11,406	-
1/1/2031 - 12/31/2031	\$136,869	\$11,406	-
1/1/2032 - 12/31/2032	\$150,556	\$12,546	10.00%
1/1/2033 - 12/31/2033	\$150,556	\$12,546	-
1/1/2034 - 12/31/2034	\$150,556	\$12,546	-
1/1/2035 - 12/31/2035	\$150,556	\$12,546	-
1/1/2036 - 12/31/2036	\$150,556	\$12,546	-
1/1/2037 - 12/31/2037	\$165,611	\$13,801	10.00%
1/1/2038 - 6/30/2038	\$165,611	\$13,801	-



Tenant Overview



About KFC

Kentucky Fried Chicken (KFC) is a fast food restaurant chain that specializes in fried chicken and is headquartered in Louisville, Kentucky, United States. It is the world's second largest restaurant chain (as measured by sales) after McDonald's, with almost 20,000 locations globally in 123 countries and territories as of December 2015. The company is a subsidiary of Yum! Brands, a restaurant company that also owns the Pizza Hut and Taco Bell chains.

KFC was founded by Harland Sanders, an entrepreneur who began selling fried chicken from his roadside restaurant in Corbin, Kentucky, during the Great Depression. Sanders identified the potential of the restaurant franchising concept, and the first "Kentucky Fried Chicken" franchise opened in Utah in 1952. KFC popularized chicken in the fast food industry, diversifying the market by challenging the established dominance of the hamburger. By branding himself as "Colonel Sanders", Harland became a prominent figure of American cultural history, and his image remains widely used in KFC advertising.

KFC was one of the first fast food chains to expand internationally, opening outlets in Canada, the United Kingdom, Mexico, and Jamaica by the mid-1960s. The chain continued to expand overseas and in 1987 KFC became the first Western restaurant chain to open in China. The chain has since expanded rapidly in China, which is now the company's single largest market.

KFC's original product is pressure fried chicken pieces, seasoned with Sanders' recipe of 11 herbs and spices. The constituents of the recipe represent a notable trade secret. Larger portions of fried chicken are served in a cardboard "bucket", which has become a well known feature of the chain since it was first introduced by franchisee Pete Harman in 1957. Since the early 1990s, KFC has expanded its menu to offer other chicken products such as chicken fillet burgers and wraps, as well as salads and side dishes, such as French fries and coleslaw, desserts, and soft drinks.

About Charter Foods, Inc.

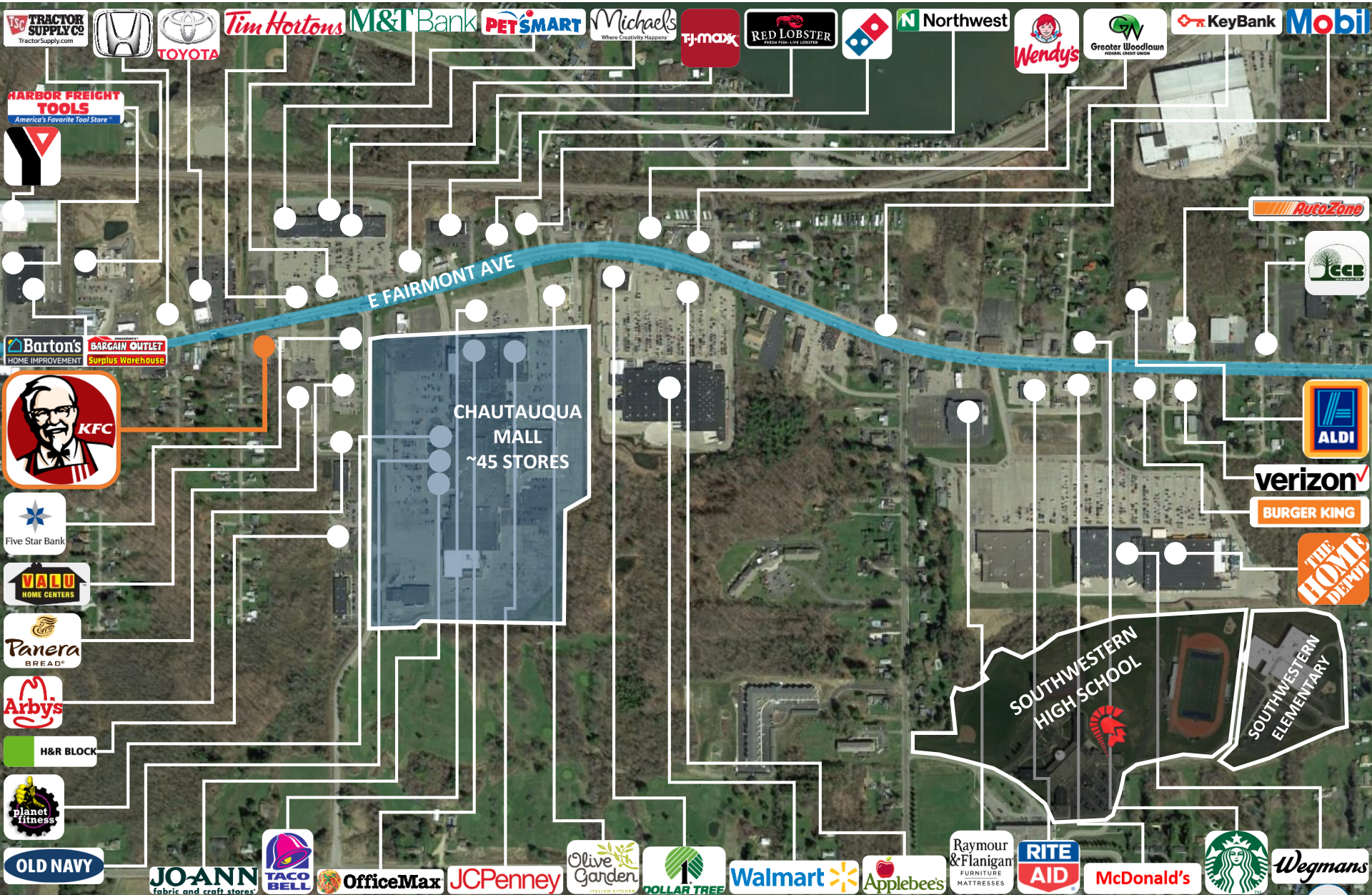
Charter Foods, Inc. is a YUM! Brands Franchisee that is headquartered in Morristown, Tennessee. The company operates more than 200 locations across 12 states in the south and northeast regions of the United States, consisting of Taco Bell, Long John Silver's, Kentucky Fried Chicken and A&W restaurants. Charter Foods, Inc. is one of the fastest growing YUM! Brands franchisees in the country and has annual revenues in excess of \$200 million.



- **Kentucky Fried Chicken is headquartered in Louisville, Kentucky. KFC has over 19,500 locations in more than 115 countries and territories.**
- **KFC is the world's second largest restaurant chain after McDonald's measured by sales, and the world's most popular chicken brand.**
- **KFC Corp. is a subsidiary of Yum! Brands, which also owns Pizza Hut and Taco Bell. Yum! Brands has almost 42,000 restaurants in more than 125 countries and territories, making it one of the world's largest restaurant companies.**

Surrounding Area

Property Address: 270 East Fairmount Avenue, Lakewood, NY 14750



KFC – Lakewood, NY

Marcus & Millichap

8



Location Overview

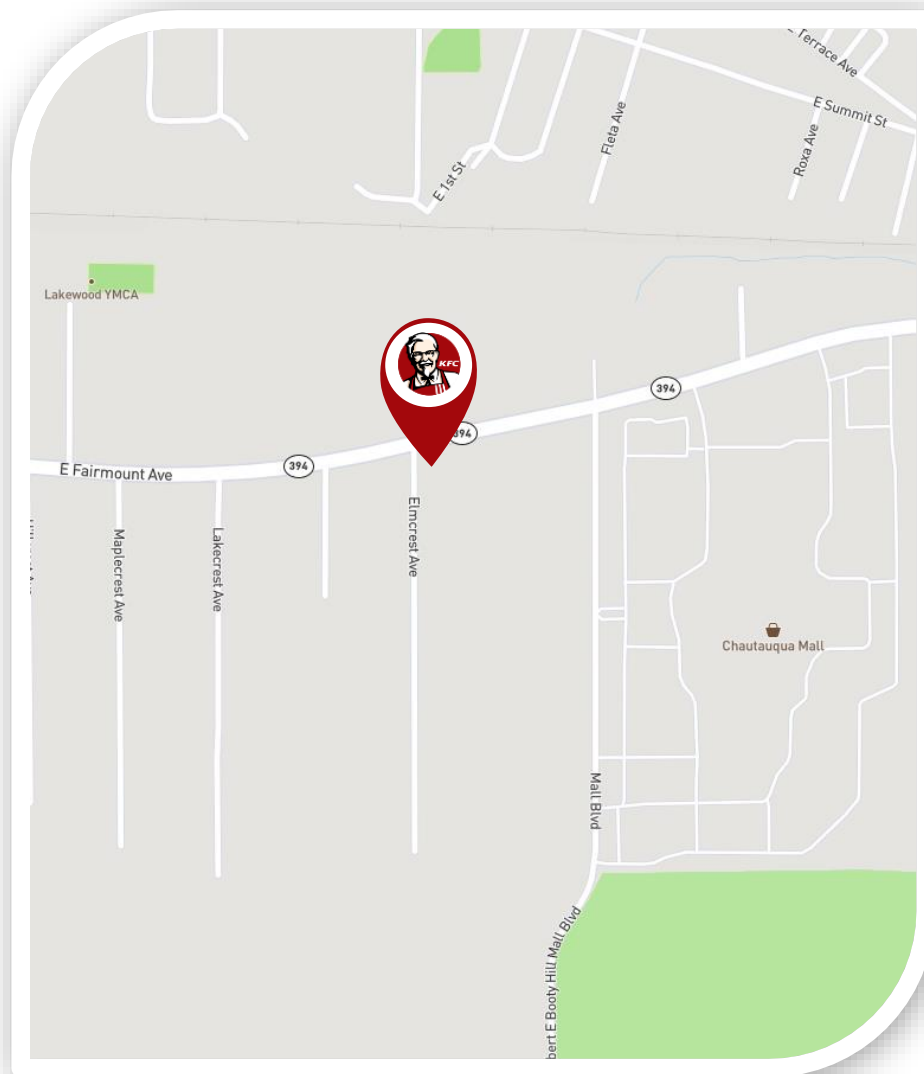


This KFC property is located at 270 East Fairmount Avenue in Lakewood, New York. The property benefits from excellent frontage along East Fairmount Avenue (NY-394), which provides direct access into downtown Jamestown, the largest city in Chautauqua County, New York.

The subject property is strategically positioned in a highly dense retail corridor that features a healthy mix of local and national retailers, shopping centers and academic institutions, all within close proximity of the site. Major national tenants in the immediate area include: Walmart, Home Depot, Aldi, OfficeMax, JCPenney, McDonald's, Burger King, Panera Bread, Taco Bell, Wendy's, Dollar Tree, Rite Aid, Starbucks, Arby's, Domino's and many more. This KFC is within walking distance of Chautauqua Mall, a regional shopping mall with approximately 45 stores consisting of shopping options, dining, entertainment and more. Multiple academic institutions are located within a one-mile radius of the subject property, including Southwest Elementary School and Southwest High School. Together these schools boast a total combined enrollment exceeding 1,000 students. The subject property additionally benefits from its immediate access to healthcare, being located within four miles of UPMC Chautauqua, a 317-licensed bed medical facility that serves Lakewood and the surrounding areas.

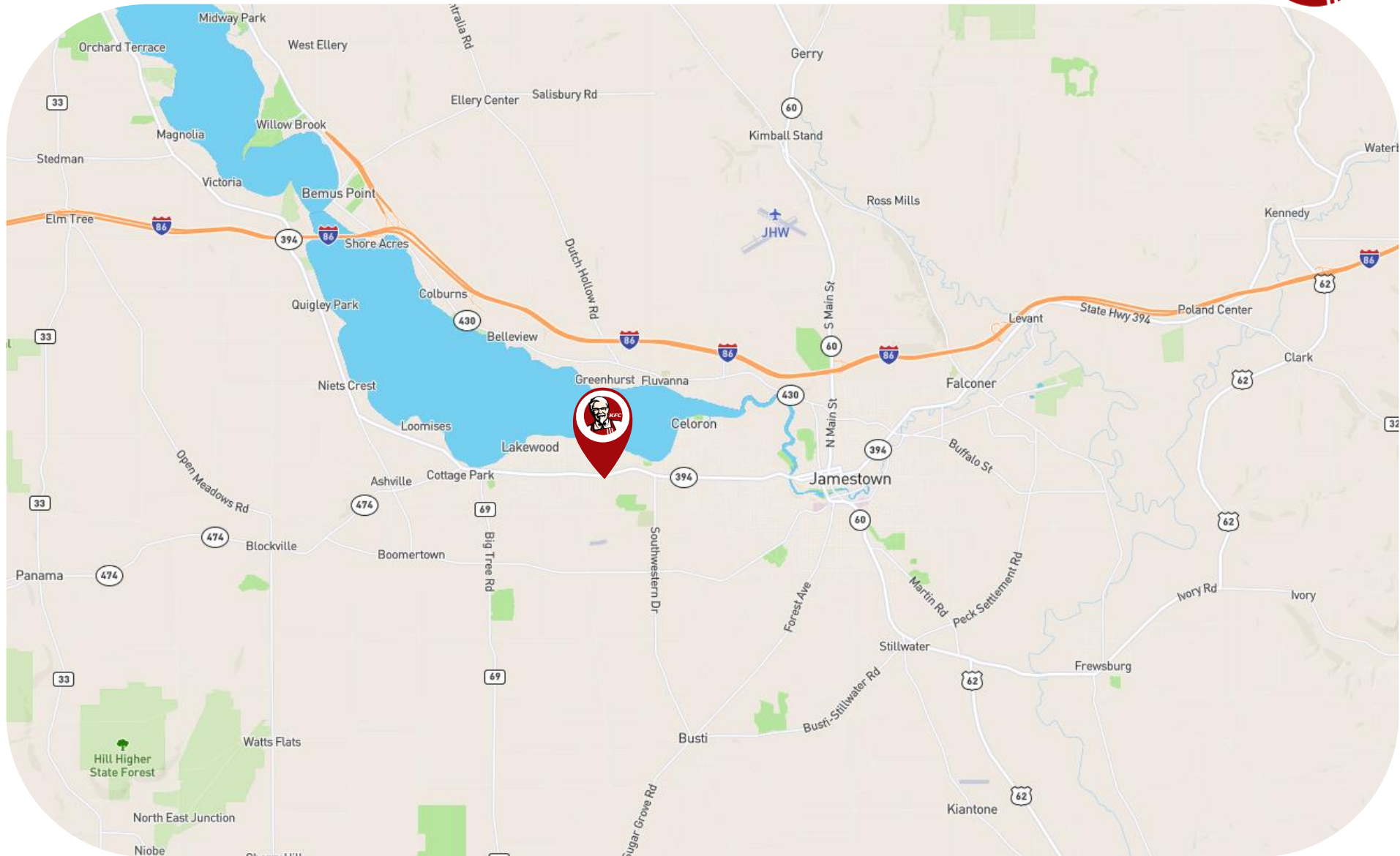
There are more than 14,000 individuals that reside within a three-mile radius of the subject property and more than 43,000 individuals that reside within a five-mile radius. Average household income exceeds \$70,000 for homes within three miles of the subject property.

Lakewood is located directly west of Jamestown, New York, an economically sound and vibrant community serving as the industrial, commercial, financial and recreational hub of Southwestern New York. As the center of a metropolitan area of more than 70,000 residents and a market area of nearly 175,000 people, Jamestown supports a broad diversity of industry, modern commercial establishments and financial institutions, and provides a myriad of cultural and recreational opportunities for the city's residents. Jamestown's "balanced community living" reflects the commitment of both public and private sector forces to provide the highest quality of life possible.



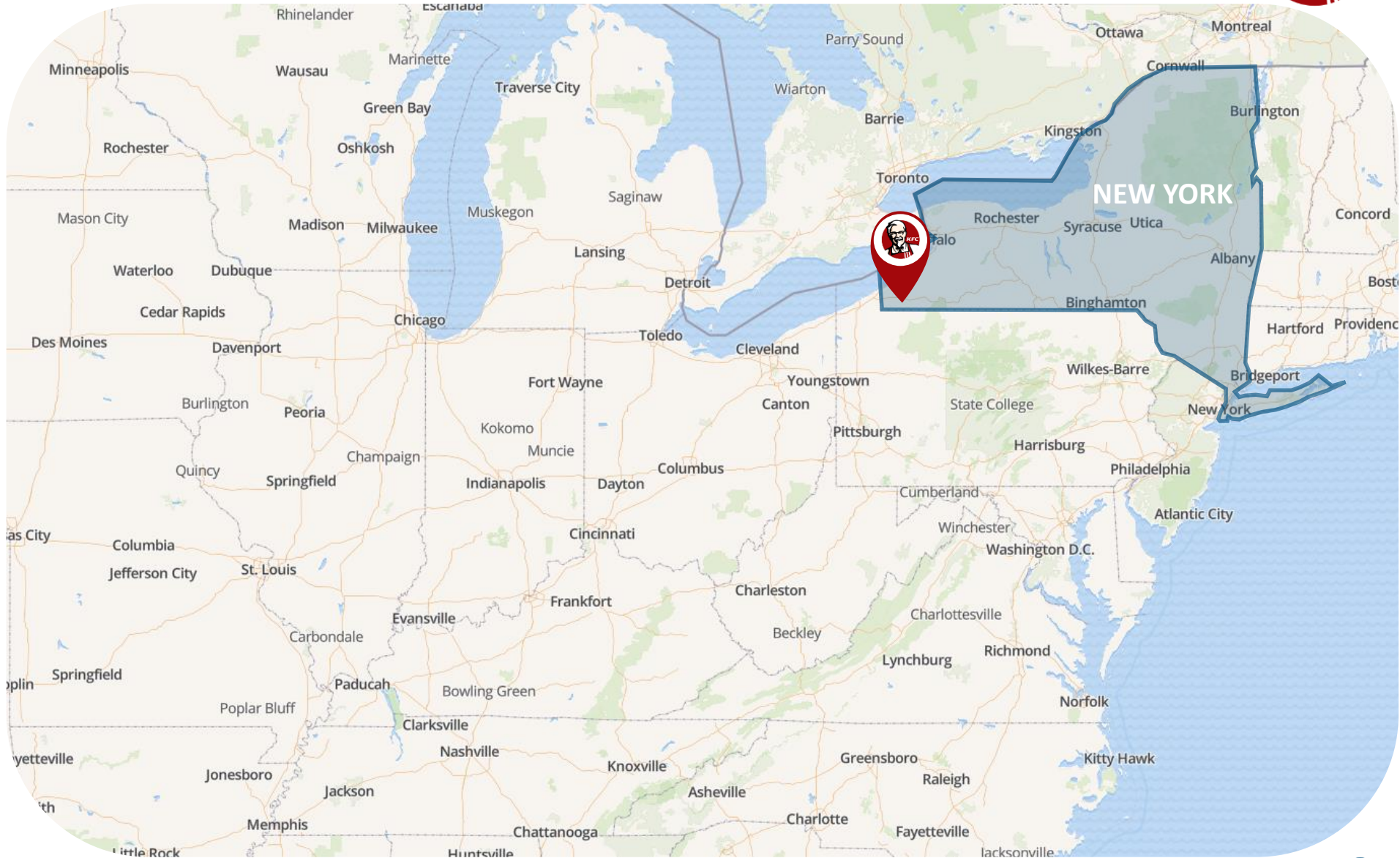


Local Map



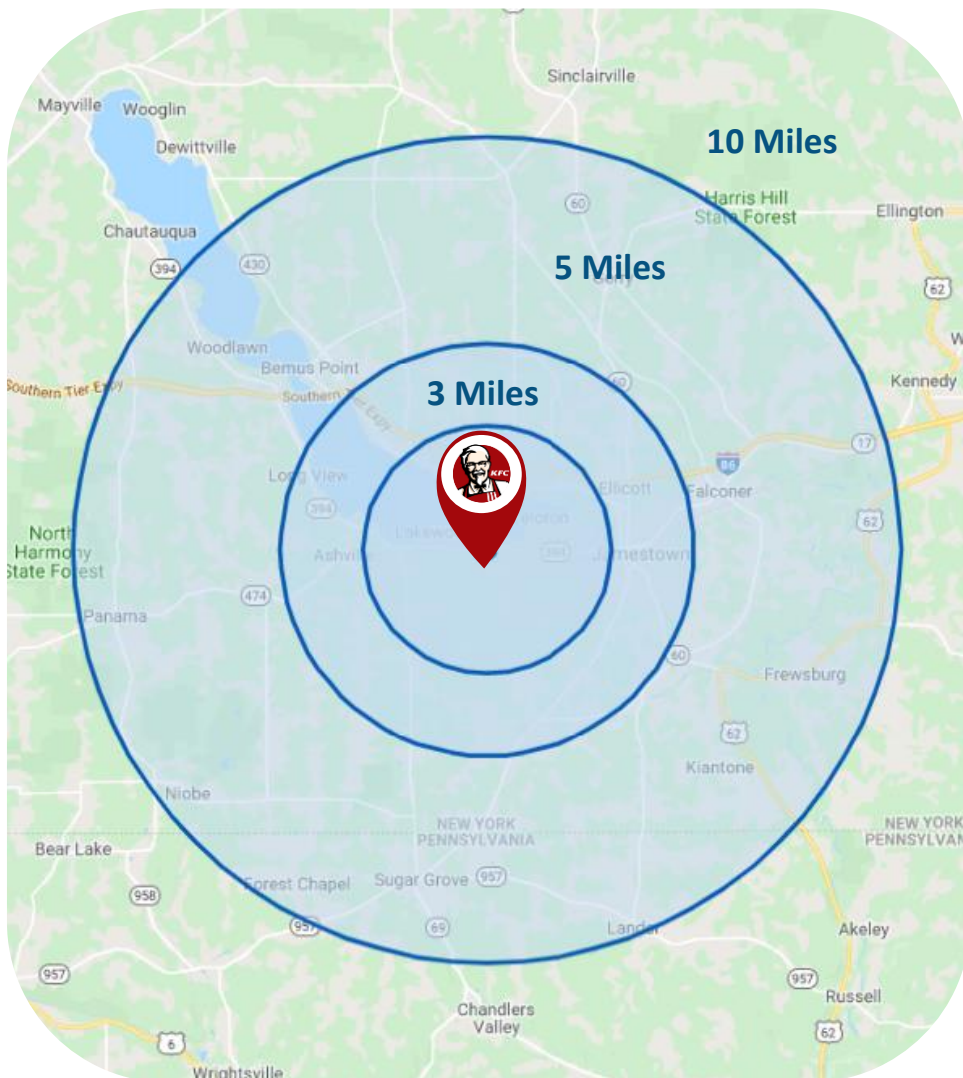


Regional Map





Demographics



3 Miles 5 Miles 10 Miles

Population Trends:

2023 Projection	14,624	42,774	62,037
2018 Estimate	14,769	43,465	62,606
2010 Census	14,985	44,478	64,166
2018 Population Hispanic Origin	368	3,473	3,778

Population by Race (2018):

White	13,494	39,641	58,484
Black	177	1,465	1,570
American Indian & Alaskan	39	292	357
Asian	183	375	451
Hawaiian & Pacific Island	4	26	29
Other	218	1,365	1,572

Household Trends:

2023 Projection	6,130	18,058	25,643
2018 Estimate	6,202	18,346	26,118
2010 Census	6,243	18,838	27,152
Owner Occupied	4,402	10,582	16,670
Renter Occupied	1,800	7,765	9,448

Average Household Income (2018):

\$70,535	\$57,497	\$59,137
-----------------	-----------------	-----------------

Households by Household Income (2018):

<\$25,000	1,495	6,502	8,023
\$25,000 - \$50,000	1,538	4,875	7,199
\$50,000 - \$75,000	1,199	2,684	4,128
\$75,000 - \$100,000	875	2,072	3,014
\$100,000 - \$125,000	554	1,172	1,914
\$125,000 - \$150,000	274	496	921
\$150,000 - \$200,000	117	291	525

Median Household Income (2018):

\$53,179	\$42,699	\$45,558
-----------------	-----------------	-----------------



Market Overview

City: Lakewood | County: Chautauqua | State: New York

Jamestown, New York

Jamestown is an economically sound and vibrant community serving as the industrial, commercial, financial and recreational hub of Southwestern New York. As the center of a metropolitan area of more than 70,000 residents and a market area of nearly 175,000 people, Jamestown supports a broad diversity of industry, modern commercial establishments and financial institutions, and provides a myriad of cultural and recreational opportunities for the city's residents. Jamestown's "balanced community living" reflects the commitment of both public and private sector forces to provide the highest quality of life possible.

Jamestown is highly accessible via multiple transportation options. The Chautauqua County-Jamestown Airport is north of the city and provides scheduled and charter air service. Bus service is provided by Coach USA of Erie. Connections are available to the Greyhound service in Buffalo. There is also a county-wide bus service (CARTS) and taxi service through various companies including Rainbow Cab and Uber. Present day Jamestown is on the mainline of the Western New York and Pennsylvania Railroad, which provides freight service. The Southern Tier Expressway (Interstate 86/Route 17) passes to the north and east of Jamestown, with direct access to the city from Exit 12. New York State Routes 60 (Foote Avenue) and 394 (Fairmount Avenue on the west side, Second Street on the east) pass through the city north-to-south and east-to-west, respectively; Route 430 (Fluvanna Avenue) begins in Jamestown and follows a westward path. U.S. Route 62 passes by Jamestown to the southeast.

Major Employers

Employer	Estimated # of Employees
UPMC Chautauqua WCA	1,200
Cummins, Inc.	1,119
Heritage Ministries	800
City of Jamestown	573
Lutheran Social Services	475
Environmental Services	350
Titanx Engine Cooling, Inc.	320
UPS	316
S Chautauqua Co Hd St-Ashville	300
Wegmans 88	300
Southwestern Elementary School	290
Truck-Lite Co, LLC	268

Marcus & Millichap

EXCLUSIVE NET LEASE OFFERING



John Krueger
Marcus & Millichap
260 Madison Avenue – 5th Floor
New York, NY 10016
Tel: (212) 430-5100
Fax: (212) 430-5110
License: 10311205789