



KRYSTAL – 20-YEAR NNN

1704 Highway 192 West • London, KY 40741

NON-ENDORSEMENT AND DISCLAIMER NOTICE

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. Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2018 Marcus & Millichap. All rights reserved.

SPECIAL COVID-19 NOTICE

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.

Non-Endorsement Notice

Marcus & Millichap 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 or Marcus & Millichap, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of Marcus & Millichap, 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.

KRYSTAL
London, KY
ACT ID ZAA0230467

Marcus & Millichap

NET LEASED 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.

Marcus & Millichap

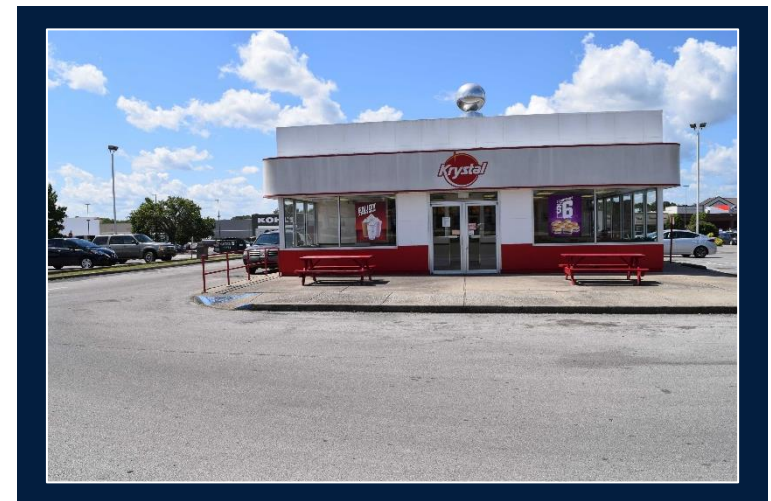
EXECUTIVE SUMMARY

OFFERING SUMMARY		
Property		Krystal
Property Address	1704 Highway 192 West	
	London, KY 40741	
Price		\$957,000
Net Operating Income		\$65,571
Capitalization Rate – Current		6.85%
Price / SF		\$370.93
Rent / SF		\$25.42
Gross Leasable Area		2,580 SF
Year Built		1994
Lot Size		.61 acre(s)

LEASE SUMMARY		
Property Subtype		Net Leased Restaurant
Type of Ownership		Fee Simple
Rent Increases	1.33% Annually Beginning LY6; 1% Annually in Options	
Tenant		WAC Enterprises, Inc.
Guarantor		Franchisee Guarantee
Lease Type		NNN
Lease Commencement		August 26, 2019
Lease Expiration		August 31, 2039
Lease Term		20 Years
Renewal Options		Four, Five-Year Options
Landlord Responsibility		None
Tenant Responsibility		Roof, Structure, Taxes & Insurance
Right of First Refusal		No

ANNUALIZED OPERATING INFORMATION	
INCOME	
Net Operating Income	\$65,571

RENT SCHEDULE				
YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$65,571	\$5,464	\$25.42	6.85%



INVESTMENT OVERVIEW

The subject property is a 2,580 +/- sf freestanding NNN Krystal restaurant located on Highway 192 West in London, KY, which is located about 70 miles south of Lexington, KY and 90 miles north of Knoxville, TN. The Krystal is well positioned in the main retail corridor of London and is an out-parcel to a large Kroger/CATO anchored shopping center. Directly adjacent to the Kroger is Lowe's and approximately ½ mile west is a Walmart Supercenter. In addition, the property is not far off Interstate 75. Other tenants in the immediate area include: Tractor Supply, Regal Cinemas, Walgreens, Starbucks, Taco Bell, Texas Roadhouse, Golden Corral, Steak 'n Shake, a large USPS distribution center, and 5 hotels including Baymont Inn, Country Inn, and Comfort Suites. The tenant will receive \$300,000 at closing for tenant improvements/remodel.

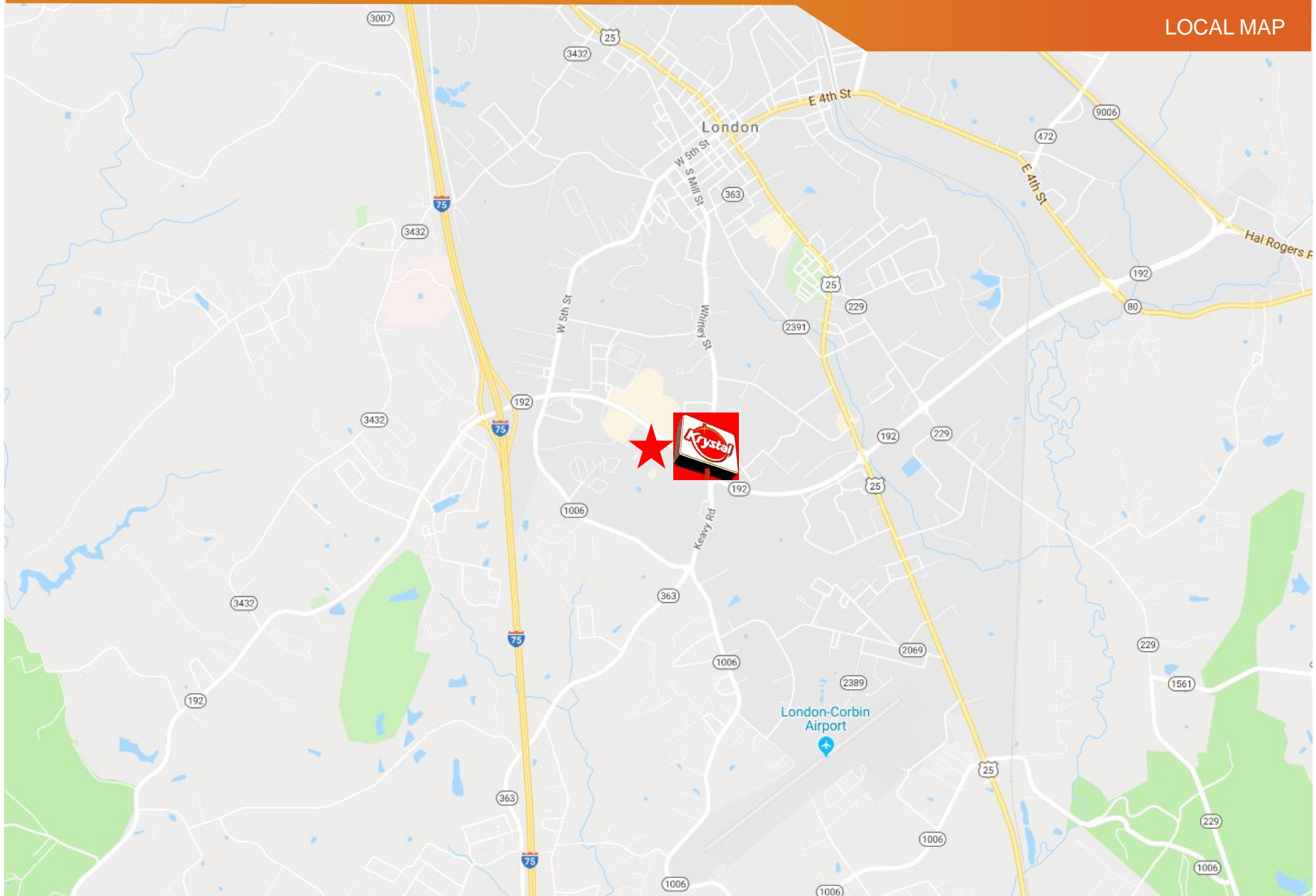
London, KY is the county seat of Laurel County and is part of the London micropolitan area. Of the seventeen micropolitan areas in Kentucky, London is the largest with over 128,000 residents and the 6th largest population center in the state when including metropolitan areas.

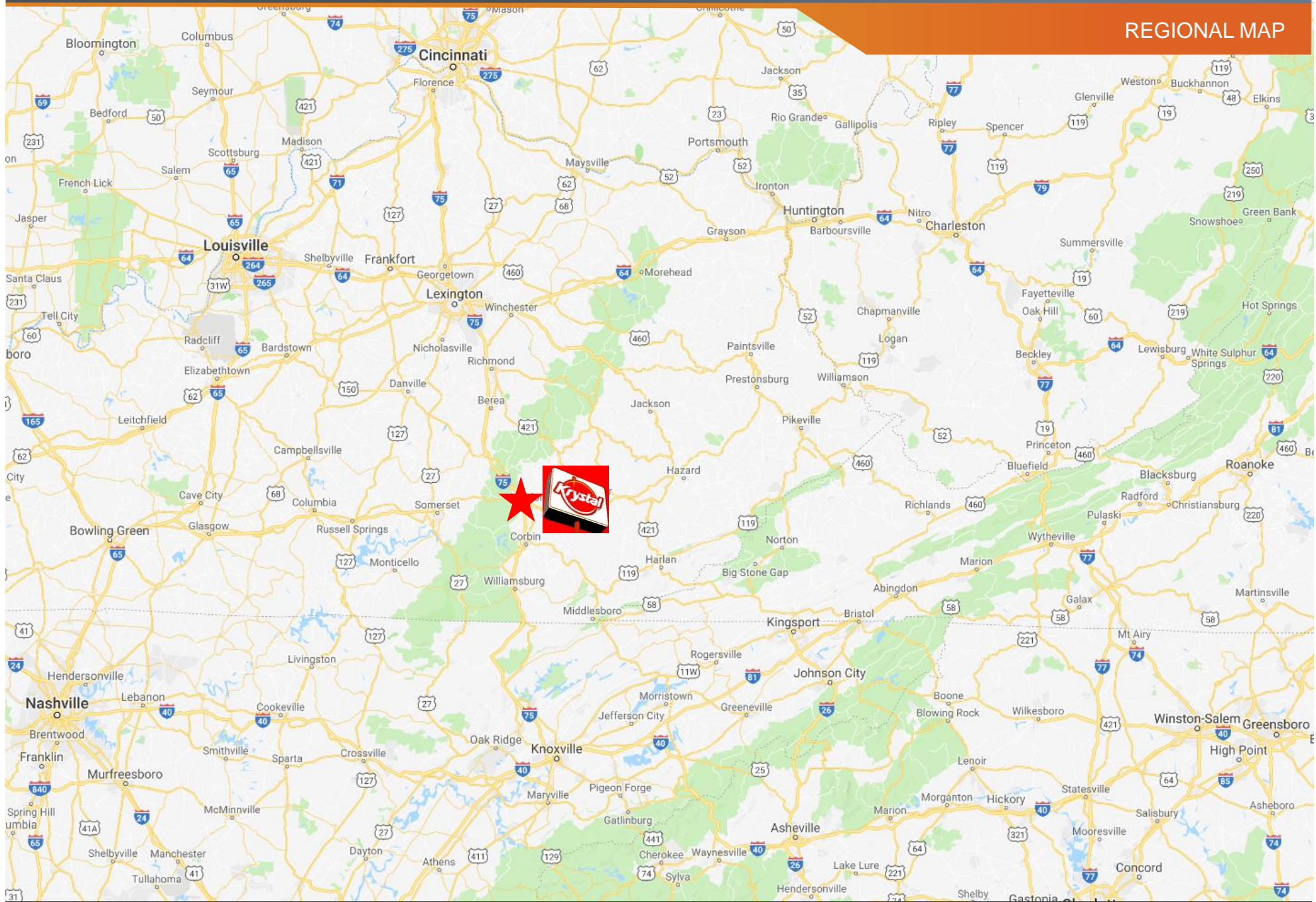
The tenant, WAC Enterprises, Inc., signed a new 20-year NNN Lease on August 26, 2019 which includes 1.33% annual escalations during the initial term starting LY6 and 1.0% annual escalations during the four (4), five (5) year option periods. WAC Enterprises currently operates 49 locations throughout six (6) southeastern states after recently adding 16 locations. They are the largest Krystal franchisee in the system and are headquartered in Chattanooga, TN.

INVESTMENT HIGHLIGHTS

- New 20-year NNN Lease with the largest Krystal franchisee, WAC Enterprises, Inc. (49 units)
- 1.33% annual increases commencing Lease year 6 - 1.00% annual increases in option periods
- Conservative rent/sales ratio
- The Krystal Company is the 2nd oldest QSR chain in the U.S. - oldest in the southeast
- Out-parcel to a Kroger/CATO anchored shopping center approximately 2 miles off Interstate 75
- Close proximity to Walmart Supercenter and Lowe's
- Tenant will receive \$300,000 at closing for tenant improvements/remodel













Tenant will receive \$300,000 at closing for tenant improvements/remodel.



London is a home rule-class city in Laurel County, Kentucky. It is the seat of its county. London is part of the London, Kentucky micropolitan area. Of the seventeen micropolitan areas in Kentucky, London is the largest; the London micropolitan area's 2010 Census population was 126,369. As of 2018 the Micropolitan area had a population of 128,215 making it the largest micropolitan area in the state and the 6th largest population center, in the state when including metropolitan areas. London is also home to the annual World Chicken Festival that celebrates the life of Colonel Sanders and features the world's largest skillet.

Somerset Community and Technical College (SCC) offers classes at two main campuses and four centers—main campuses in Somerset and London — and at four centers in Casey, Clinton, McCreary and Russell Counties. SCC is one of 16 two-year colleges in the Kentucky Community and Technical College System (KCTCS).

Major employers in London include:

- ABC Group
- Aisin
- Bimbo Bakeries USA
- Flowers Foods
- General Dynamics Information Technology
- Hearthside Food Solutions
- Highlands Diversified Services
- Springleaf Financial
- Sensure
- SourceHOV
- Walmart
- Xerox
- Serco



Aisin Automotive Casting, LLC, has an overall production system that includes the turn key process from die-cast to assembly of components, a process required to meet the increasing number of vehicles and engines produced by automobile manufacturers in the United States.



Bimbo Bakeries USA is a leader in the baking industry, known for its category leading brands, innovative products, freshness and quality.



Flowers Foods produces and markets a wide variety of fresh and frozen bakery foods-from breads, buns and rolls to snack cakes and pastries.

POPULATION	1 Miles	3 Miles	5 Miles
■ 2023 Projection			
Total Population	2,586	17,061	28,505
■ 2018 Estimate			
Total Population	2,509	16,319	27,123
■ 2010 Census			
Total Population	2,425	15,792	26,333
■ 2000 Census			
Total Population	2,269	13,935	22,805
■ Current Daytime Population			
2018 Estimate	4,854	27,089	36,356
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2023 Projection			
Total Households	1,096	7,093	11,415
■ 2018 Estimate			
Total Households	1,055	6,696	10,718
Average (Mean) Household Size	2.37	2.38	2.47
■ 2010 Census			
Total Households	1,023	6,527	10,474
■ 2000 Census			
Total Households	959	5,703	8,970
■ Occupied Units			
2023 Projection	1,096	7,093	11,415
2018 Estimate	1,118	7,128	11,475
HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2018 Estimate			
\$150,000 or More	3.88%	3.51%	4.05%
\$100,000 - \$149,000	11.73%	11.34%	10.21%
\$75,000 - \$99,999	10.72%	9.89%	10.01%
\$50,000 - \$74,999	15.66%	17.35%	18.60%
\$35,000 - \$49,999	13.64%	15.21%	15.40%
Under \$35,000	44.38%	42.71%	41.73%
Average Household Income	\$56,835	\$57,128	\$58,681
Median Household Income	\$41,385	\$41,847	\$42,773
Per Capita Income	\$24,352	\$23,793	\$23,402

HOUSEHOLDS BY EXPENDITURE	1 Miles	3 Miles	5 Miles
Total Average Household Retail Expenditure	\$52,908	\$52,416	\$52,759
■ Consumer Expenditure Top 10 Categories			
Housing	\$11,792	\$11,619	\$11,609
Transportation	\$10,848	\$10,874	\$11,015
Shelter	\$6,029	\$5,890	\$5,852
Food	\$5,600	\$5,563	\$5,616
Health Care	\$3,595	\$3,631	\$3,649
Personal Insurance and Pensions	\$3,385	\$3,290	\$3,319
Utilities	\$3,311	\$3,307	\$3,342
Entertainment	\$2,014	\$1,979	\$1,992
Cash Contributions	\$1,545	\$1,575	\$1,591
Household Furnishings and Equipment	\$1,147	\$1,148	\$1,155
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2018 Estimate Total Population	2,509	16,319	27,123
Under 20	23.65%	23.63%	24.44%
20 to 34 Years	23.44%	20.26%	18.99%
35 to 39 Years	5.78%	6.23%	6.49%
40 to 49 Years	11.86%	12.53%	13.15%
50 to 64 Years	19.03%	19.74%	20.30%
Age 65+	16.24%	17.60%	16.61%
Median Age	37.47	39.88	40.06
■ Population 25+ by Education Level			
2018 Estimate Population Age 25+	1,725	11,427	18,899
Elementary (0-8)	6.77%	7.61%	8.02%
Some High School (9-11)	9.61%	9.13%	9.57%
High School Graduate (12)	33.91%	34.80%	35.87%
Some College (13-15)	22.21%	23.27%	22.65%
Associate Degree Only	9.66%	7.19%	6.98%
Bachelors Degree Only	10.36%	9.82%	9.27%
Graduate Degree	6.68%	6.84%	6.45%

Source: © 2018 Experian



Population

In 2018, the population in your selected geography is 2,509. The population has changed by 10.58% since 2000. It is estimated that the population in your area will be 2,586.00 five years from now, which represents a change of 3.07% from the current year. The current population is 48.94% male and 51.06% female. The median age of the population in your area is 37.47, compare this to the US average which is 37.95. The population density in your area is 798.03 people per square mile.



Households

There are currently 1,055 households in your selected geography. The number of households has changed by 10.01% since 2000. It is estimated that the number of households in your area will be 1,096 five years from now, which represents a change of 3.89% from the current year. The average household size in your area is 2.37 persons.



Income

In 2018, the median household income for your selected geography is \$41,385, compare this to the US average which is currently \$58,754. The median household income for your area has changed by 28.49% since 2000. It is estimated that the median household income in your area will be \$49,245 five years from now, which represents a change of 18.99% from the current year.

The current year per capita income in your area is \$24,352, compare this to the US average, which is \$32,356. The current year average household income in your area is \$56,835, compare this to the US average which is \$84,609.



Race and Ethnicity

The current year racial makeup of your selected area is as follows: 94.88% White, 1.36% Black, 0.00% Native American and 0.66% Asian/Pacific Islander. Compare these to US averages which are: 70.20% White, 12.89% Black, 0.19% Native American and 5.59% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 2.56% of the current year population in your selected area. Compare this to the US average of 18.01%.



Housing

The median housing value in your area was \$129,142 in 2018, compare this to the US average of \$201,842. In 2000, there were 569 owner occupied housing units in your area and there were 390 renter occupied housing units in your area. The median rent at the time was \$341.



Employment

In 2018, there are 3,027 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 53.86% of employees are employed in white-collar occupations in this geography, and 45.94% are employed in blue-collar occupations. In 2018, unemployment in this area is 8.85%. In 2000, the average time traveled to work was 19.00 minutes.

Marcus & Millichap

Broker of Record

Colby Haugness

600 Vine Street

10th Floor

Cincinnati, OH 45202

Phone: (513) 878-7733

License #: 242197