

PIZZA HUT 15-YEAR ABSOLUTE NET (NNN)

225 Prairie View Rd, Chippewa Falls, WI 54729

OFFERING MEMORANDUM

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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.

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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.

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OFFERING INCLUDES

PRICING & FINANCIAL ANALYSIS

- Investment Highlights
- Executive Summary

COMPANY OVERVIEW

TENANT OVERVIEW

PROPERTY OVERVIEW

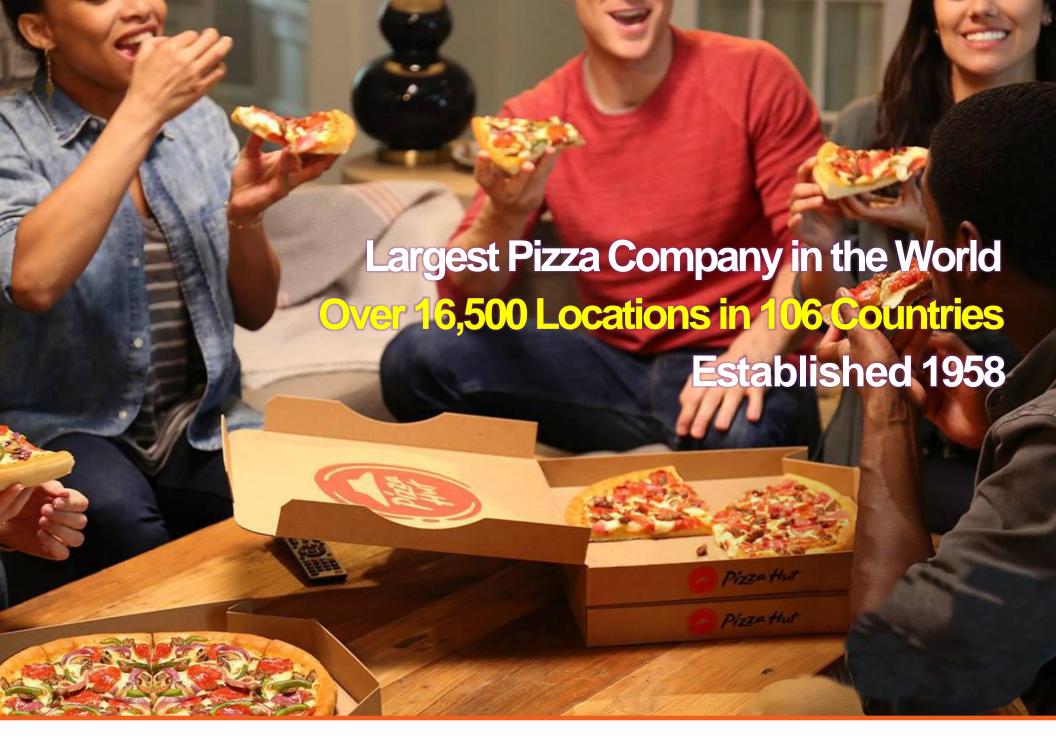
Aerial Maps

LOCATION OVERVIEW

- City Overview
- Economic Overview
- Demographic Analysis







This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Any projections, opinions, assumptions or estimates used herein are for example purposes only and do not represent the current or future performance of the property. Marcus & Millichap Real Estate Investment Services, Inc. © Marcus & Millichap Activity ID ZAA0390826

PRICING & FINANCIAL ANALYSIS

PIZZA HUT 15-YEAR ABSOLUTE NET (NNN)







Investment Highlights

- BRAND New 15-Year Lease
- ABSOLUTE TRIPLE-NET
- Zero Landlord Responsibilities
- FIVE PERCENT BUMPS EVERY FIVE YEARS
- ONE OF PIZZA HUT'S LARGEST OPERATORS.
- AWARD WINNING FRANCHISEE
- PLENTY OF FRONTAGE ON HIGHWAY 124
- DIRECTLY OFF HIGHWAY 124
- ADJACENT TO McDONALD'S.
- Large 0.98 Lot with Plenty of Parking
- SINGLE TENANT NET LEASED ASSET
- GLOBALLY RECOGNIZED BRAND LOCATED IN 106 COUNTRIES.

Marcus & Millichap is pleased to offer this Pizza Hut property paired with an absolute net long term lease with zero landlord responsibilities. Today, Pizza Hut, is the largest pizza company in the world and has more than 16,000 restaurants and 350,000 team members in more than 100 countries.

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LIST PRICE	\$1,192,000
CAP RATE	6.25%

5% Every 5 Years
15 Years
Four 5-Year Options
3,949 SF
0.98 Acres
\$301
Fee Simple
95 Unit Operator
14 Unit Entity



Executive Summary

RENT SCHEDULE	MONTHLY RENT	ANNUAL RENT
YEAR 1	\$6,208	\$74,500
YEAR 2	\$6,208	\$74,500
YEAR 3	\$6,208	\$74,500
YEAR 4	\$6,208	\$74,500
Year 5	\$6,208	\$74,500
YEAR 6	\$6,519	\$78,225
YEAR 7	\$6,519	\$78,225
YEAR 8	\$6,519	\$78,225
YEAR 9	\$6,519	\$78,225
YEAR 10	\$6,519	\$78,225
Y EAR 11	\$6,845	\$82,136
YEAR 12	\$6,845	\$82,136
YEAR 13	\$6,845	\$82,136
YEAR 14	\$6,845	\$82,136
YEAR 15	\$6,845	\$82,136
OPTION 1	\$7,187	\$86,243
OPTION 2	\$7,546	\$90,555
OPTION 3	\$7,924	\$95,083
OPTION 4	\$8,320	\$99,837
NET OPERATING INCOME		\$74,500

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COMPANY OVERVIEW

PIZZA HUT 15-YEAR ABSOLUTE NET (NNN)







Pizza Hut is an American restaurant chain and international franchise that offers different styles of pizza along with side dishes including salad, pasta, buffalo wings, breadsticks, garlic bread and desserts. Corporately known as Pizza Hut, Inc., it is a subsidiary of Yum! Brands, Inc., the world's largest restaurant company. As of 2012, there were more than 6,000 Pizza Hut restaurants in the United States, and more than 5,139 store locations in 94 other countries and territories around the world. Pizza Hut was Founded in Wichita, Kansas in 1958.

Yum! Brands, Inc, is an American fast food company. A Fortune 500 corporation, Yum operates the licensed brands Taco Bell, KFC, Pizza Hut, and WingStreet worldwide. Based in Louisville, Kentucky, it is one of the world's largest fast food restaurant companies in terms of system units—with 42,692 restaurants (including 8,927 that are company-owned, 796 that are unconsolidated affiliates, 30,930 that are franchised, and 2,039 that are licensed) around the world in over 130 countries. In 2015, Yum!'s global sales totaled US\$13.105 billion.

OWNERSHIP
SYMBOL
S & P RATING
FOUNDED
NUMBER OF LOCATIONS
HEADQUARTERED
WEBSITE
CEO OF YUM!

SUBSIDIARY OF YUM! BRANDS, INC.

NASDAQ: YUM

BB (YUM! BRANDS)

JUNE 15, 1958 (PIZZA HUT)

13,000+

PLANO, TEXAS

WWW.PIZZAHUT.COM

DAVID W GIBBS

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PROPERTY OVERVIEW

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MARKET OVERVIEW

PIZZA HUT 15-YEAR ABSOLUTE NET (NNN)









Chippewa Falls is a city located on the Chippewa River in Chippewa County in the U.S. state of Wisconsin. The most recent census from 2010 shows that the population is 13,661. Incorporated as a city in 1869, it is the county seat of Chippewa County. The city's name originated from its location on the Chippewa River, which is named after the Ojibwa Native Americans. Chippewa is an alternative rendition of Ojibwa.

Chippewa Falls is the birthplace of Seymour Cray, known as the "father of supercomputing", and the headquarters for the original Cray Research. It is also the home of the Jacob Leinenkugel Brewing Company, the Heyde Center for the Arts, a showcase venue for artists and performers, Irvine Park, and the annual Northern Wisconsin State Fair. Chippewa Falls is 15 miles from the annual four-day music festivals Country Fest and Rock Fest.

Chippewa Falls was originally a lumber town that became a railroad town, though the main railroad line of the 1870s went about 10 miles south of Eau Claire. In 1870, the West Wisconsin Railway built a line from St. Paul, Minnesota, to Milwaukee running right through Eau Claire. Following this, the Eau Claire and Chippewa Falls Railway established a line extending from Eau Claire to Chippewa Falls. In 1880, the CF&W was joined by the Wisconsin and Minnesota Railway pushing its way west from Abbotsford. This was followed in 1881 by the Chippewa Falls & Northern Railroad which built a line north from Chippewa Falls to Bloomer, eventually being extended to Superior.



DEMOGRAPHIC ANALYSIS

PIZZA HUT 15-YEAR ABSOLUTE NET (NNN)





Demographic Analysis

POPULATION	3 Miles	4 Miles	5 Miles
 2023 Projection 			
Total Population	20,578	24,290	29,380
2018 Estimate			
Total Population	19,714	23,169	27,942
■ 2010 Census			
Total Population	18,969	22,280	26,866
 2000 Census 			
Total Population	17,165	20,005	24,041
 Current Daytime Population 			
2018 Estimate	25,828	29,059	33,363
HOUSEHOLDS	3 Miles	4 Miles	5 Miles
2023 Projection			
Total Households	8,609	10,068	12,026
2018 Estimate			
Total Households	8,195	9,536	11,346
Average (Mean) Household Size	2.33	2.35	2.39
■ 2010 Census			
Total Households	7,902	9,189	10,926
■ 2000 Census			
Total Households	7,095	8,141	9,566
Occupied Units			
2023 Projection	8,609	10,068	12,026
2018 Estimate	8,748	10,164	12,103
HOUSEHOLDS BY INCOME	3 Miles	4 Miles	5 Miles
2018 Estimate			
\$150,000 or More	4.04%	4.16%	4.34%
\$100,000 - \$149,000	11.24%	11.65%	12.10%
\$75,000 - \$99,999	12.41%	13.03%	13.49%
\$50,000 - \$74,999	21.45%	21.67%	22.05%
\$35,000 - \$49,999	15.40%	15.33%	15.19%
Under \$35,000	35.45%	34.16%	32.82%
Average Household Income	\$61,465	\$62,439	\$63,477
Median Household Income	\$48,801	\$50,608	\$52,269
Per Capita Income	\$26,079	\$26,170	\$26,189

HOUSEHOLDS BY EXPENDITURE	O M:1	4 Mila	C Miles
HOUSEHOLDS BY EXPENDITURE Total Average Household Retail	3 Miles	4 Miles	5 Miles
Expenditure	\$59,038	\$60,180	\$61,399
Consumer Expenditure Top 10			
Categories Housing	\$14,718	\$14,944	\$15,165
Transportation	\$9,970	\$14,944	\$10,333
Shelter	\$8,567	\$8,692	
Food		. ,	\$8,812
	\$6,206	\$6,338	\$6,487
Personal Insurance and Pensions	\$5,170	\$5,338	\$5,538
Health Care	\$4,340	\$4,438	\$4,549
Utilities	\$3,389	\$3,440	\$3,492
Entertainment	\$2,482	\$2,546	\$2,615
Cash Contributions	\$2,043	\$2,112	\$2,199
Apparel	\$1,682	\$1,707	\$1,734
POPULATION PROFILE	3 Miles	4 Miles	5 Miles
Population By Age			
2018 Estimate Total Population	19,714	23,169	27,942
Under 20	25.02%	25.08%	25.05%
20 to 34 Years	20.54%	20.08%	19.48%
35 to 39 Years	6.68%	6.68%	6.65%
40 to 49 Years	11.79%	11.86%	11.89%
50 to 64 Years	19.74%	20.01%	20.37%
Age 65+	16.24%	16.29%	16.56%
Median Age	38.25	38.57	39.07
Population 25+ by Education Level			
2018 Estimate Population Age 25+	13,602	16,003	19,353
Elementary (0-8)	1.26%	1.26%	1.22%
Some High School (9-11)	5.37%	5.32%	5.23%
High School Graduate (12)	32.60%	32.53%	32.23%
Some College (13-15)	21.37%	21.35%	21.47%
Associate Degree Only	15.59%	15.67%	15.83%
Bachelors Degree Only	15.72%	15.84%	15.94%
Graduate Degree	6.52%	6.52%	6.56%





Demographic Analysis



Population

In 2018, the population in your selected geography is 19,714. The population has changed by 14.85% since 2000. It is estimated that the population in your area will be 20,578.00 five years from now, which represents a change of 4.38% from the current year. The current population is 50.68% male and 49.32% female. The median age of the population in your area is 38.25, compare this to the US average which is 37.95. The population density in your area is 695.40 people per square mile.



• • • Race and Ethnicity

The current year racial makeup of your selected area is as follows: 94.59% White, 1.23% Black, 0.02% Native American and 1.31% 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 2.15% of the current year population in your selected area. Compare this to the US average of 18.01%.



Households

There are currently 8,195 households in your selected geography. The number of households has changed by 15.50% since 2000. It is estimated that the number of households in your area will be 8,609 five years from now, which represents a change of 5.05% from the current year. The average household size in your area is 2.33 persons.



Housing

The median housing value in your area was \$157,642 in 2018, compare this to the US average of \$201,842. In 2000, there were 4,636 owner occupied housing units in your area and there were 2,459 renter occupied housing units in your area. The median rent at the time was \$383.



Income

In 2018, the median household income for your selected geography is \$48,801, compare this to the US average which is currently \$58,754. The median household income for your area has changed by 32.86% since 2000. It is estimated that the median household income in your area will be \$57,999 five years from now, which represents a change of 18.85% from the current year.

The current year per capita income in your area is \$26,079, compare this to the US average, which is \$32,356. The current year average household income in your area is \$61,465, compare this to the US average which is \$84,609.



Employment

In 2018, there are 13,936 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 53.10% of employees are employed in white-collar occupations in this geography, and 46.85% are employed in blue-collar occupations. In 2018, unemployment in this area is 4.46%. In 2000, the average time traveled to work was 21.00 minutes.





Broker of Record: Todd Lindblom Milwaukee License #56163-90 P:0171964

exclusive offering

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225 Prairie View Rd, Chippewa Falls, WI 54729

Effective July 1, 2016

DISCLOSURE TO NON-RESIDENTIAL CUSTOMERS

1 Prior to negotiating on your behalf the brokerage firm, or an agent associated with the firm, must provide you the 2 following disclosure statement:

3 DISCLOSURE TO CUSTOMERS You are a customer of the brokerage firm (hereinafter Firm). The Firm is either an agent 4 of another party in the transaction or a subagent of another firm that is the agent of another party in the transaction. A 5 broker or a salesperson acting on behalf of the Firm may provide brokerage services to you. Whenever the Firm is 6 providing brokerage services to you, the Firm and its brokers and salespersons (hereinafter Agents) owe you, the 7 customer, the following duties:

- 8 (a) The duty to provide brokerage services to you fairly and honestly.
- 9 (b) The duty to exercise reasonable skill and care in providing brokerage services to you.
- 10 (c) The duty to provide you with accurate information about market conditions within a reasonable time if you request it, unless disclosure of the information is prohibited by law.
- 12 (d) The duty to disclose to you in writing certain Material Adverse Facts about a property, unless disclosure of the information is prohibited by law (see lines 42-51).
- 14 (e) The duty to protect your confidentiality. Unless the law requires it, the Firm and its Agents will not disclose your confidential information or the confidential information of other parties (see lines 23-41).
- 16 (f) The duty to safeguard trust funds and other property held by the Firm or its Agents.
- 17 (g) The duty, when negotiating, to present contract proposals in an objective and unbiased manner and disclose the advantages and disadvantages of the proposals.

19 Please review this information carefully. An Agent of the Firm can answer your questions about brokerage services, 20 but if you need legal advice, tax advice, or a professional home inspection, contact an attorney, tax advisor, or home 21 inspector. This disclosure is required by section 452.135 of the Wisconsin statutes and is for information only. It is a 22 plain-language summary of the duties owed to a customer under section 452.133(1) of the Wisconsin statutes.

23 CONFIDENTIALITY NOTICE TO CUSTOMERS The Firm and its Agents will keep confidential any information given to the 24 Firm or its Agents in confidence, or any information obtained by the Firm and its Agents that a reasonable person 25 would want to be kept confidential, unless the information must be disclosed by law or you authorize the Firm to 26 disclose particular information. The Firm and its Agents shall continue to keep the information confidential after the 27 Firm is no longer providing brokerage services to you.

28 The following information is required to be disclosed by law:

- Material Adverse Facts, as defined in Wis. Stat. § 452.01(5g) (see lines 42-51).
- Any facts known by the Firm or its Agents that contradict any information included in a written inspection report on the property or real estate that is the subject of the transaction.

32 To ensure that the Firm and its Agents are aware of what specific information you consider confidential, you may 33 list that information below (see lines 35-41) or provide that information to the Firm or its Agents by other means. At a 34 later time, you may also provide the Firm or its Agents with other Information you consider to be confidential.

34	later time, you may also provide the Firm or its Agents with other Information you consider to be confidential.
35	CONFIDENTIAL INFORMATION:
36	
	NON-CONFIDENTIAL INFORMATION (the following information may be disclosed by the Firm and its Agents):
39	
10	
11	(Insert information you authorize to be disclosed, such as financial qualification information.)
12	DEFINITION OF MATERIAL ADVERGE FACTO

42 DEFINITION OF MATERIAL ADVERSE FACTS

29

30

31

A "Material Adverse Fact" is defined in Wis. Stat. § 452.01(5g) as an Adverse Fact that a party indicates is of such 44 significance, or that is generally recognized by a competent licensee as being of such significance to a reasonable 45 party, that it affects or would affect the party's decision to enter into a contract or agreement concerning a transaction 46 or affects or would affect the party's decision about the terms of such a contract or agreement.

An "Adverse Fact" is defined in Wis. Stat. § 452.01(1e) as a condition or occurrence that a competent licensee 48 generally recognizes will significantly and adversely affect the value of the property, significantly reduce the structural 49 integrity of improvements to real estate, or present a significant health risk to occupants of the property; or information 50 that indicates that a party to a transaction is not able to or does not intend to meet his or her obligations under a 51 contract or agreement made concerning the transaction.

52 NOTICE ABOUT SEX OFFENDER REGISTRY You may obtain information about the sex offender registry and persons registered with the registry by contacting the Wisconsin Department of Corrections on the Internet at 64 http://www.doc.wi.gov or by telephone at 608-240-5830.

No representation is made as to the legal validity of any provision or the adequacy of any provision in any specific transaction.

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Drafted by Attorney Debra Peterson Conrad.