Offering Memorandum

5068 Murfreesboro, LaVergne (Nashville Suburb) , TN 37086

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Marcus & Millichap

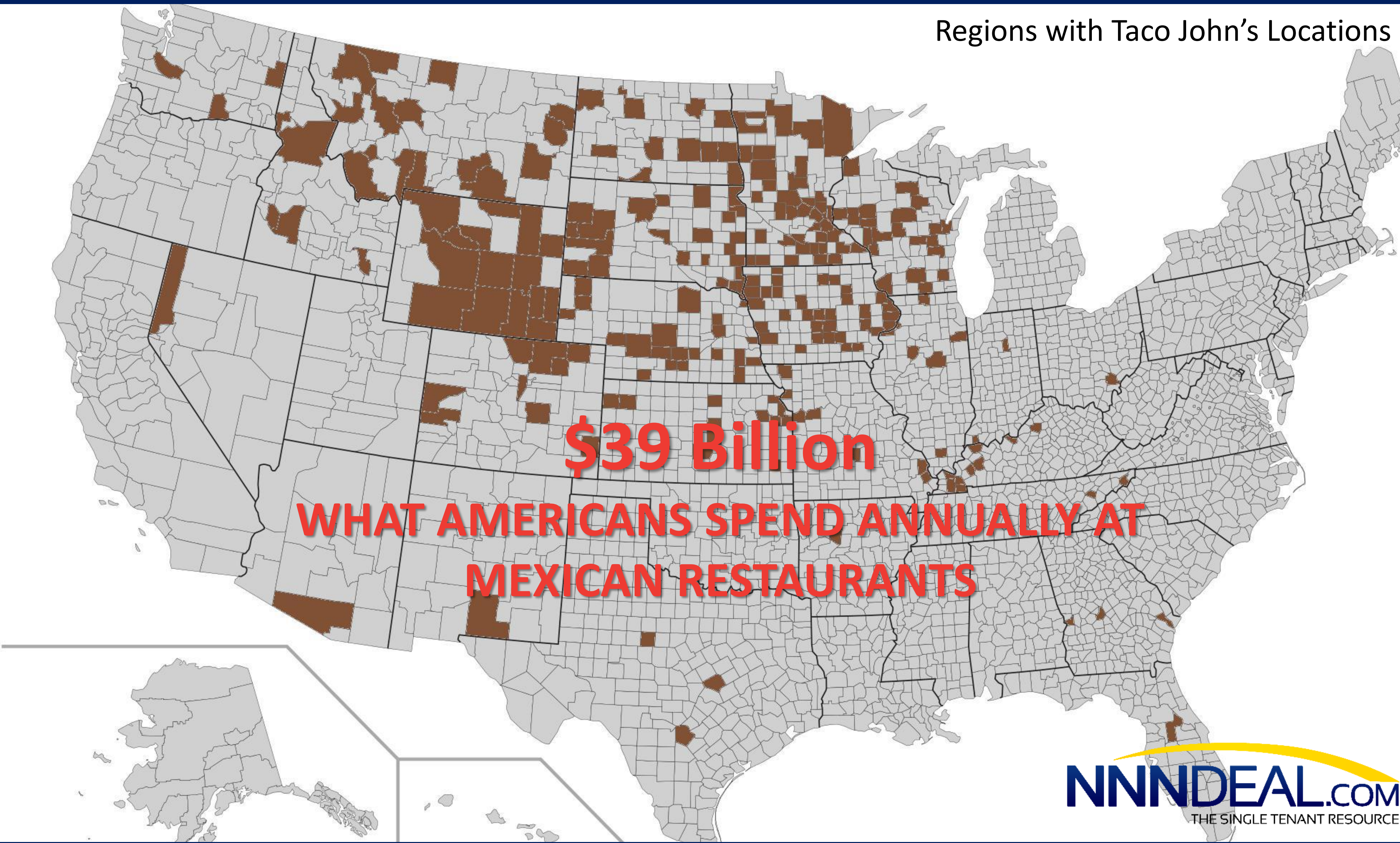
$2,393,000 | Investment Details

- Absolute Net-Lease – Zero Landlord Responsibilities
- 20 Year NNN Lease on New Construction (2017)
- 2% Annual Bumps in Rent
- Strong Population Density (126,419 +/- Population)
- Franchisee Offering Personal and Corporate Guarantees
- Dense national retail presence in the immediate area

Tenant Coverage (Nationally)

TACO JOHN'S
The Fresh Taste of West-Mex®

Regions with Taco John's Locations



TENANT SUMMARY

TACO JOHN'S
The Fresh Taste of West-Mex

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Taco John's is a Cheyenne, Wyoming based QSR restaurant that features Mexican inspired food. The chain was founded in 1969 and now there are 380+/- restaurants in 27 states. The majority of the locations are franchised. Their original platform was geared around military service personnel and although they have expanded beyond being on-base or near base locations to throughout the country, they continue to operate several outlets through the U.S. Armed Forces. In 2004 Taco John's partnered with Good Times Burgers & Frozen Custard and Steak Escape and now operate those as co-branded restaurants.

In April 2016, the Mexican quick-service restaurant chain experienced 9.6% growth while the QSR industry averaged a 1.9% increase. In May, Taco John's® saw sales jump nearly seven times faster than the national industry averages… 7.3% versus 1.1%

Taco John's served 49.1 Million Tacos and 10.5 Million Burritos in 2014 to uncompromising patrons.

TENANT SUMMARY

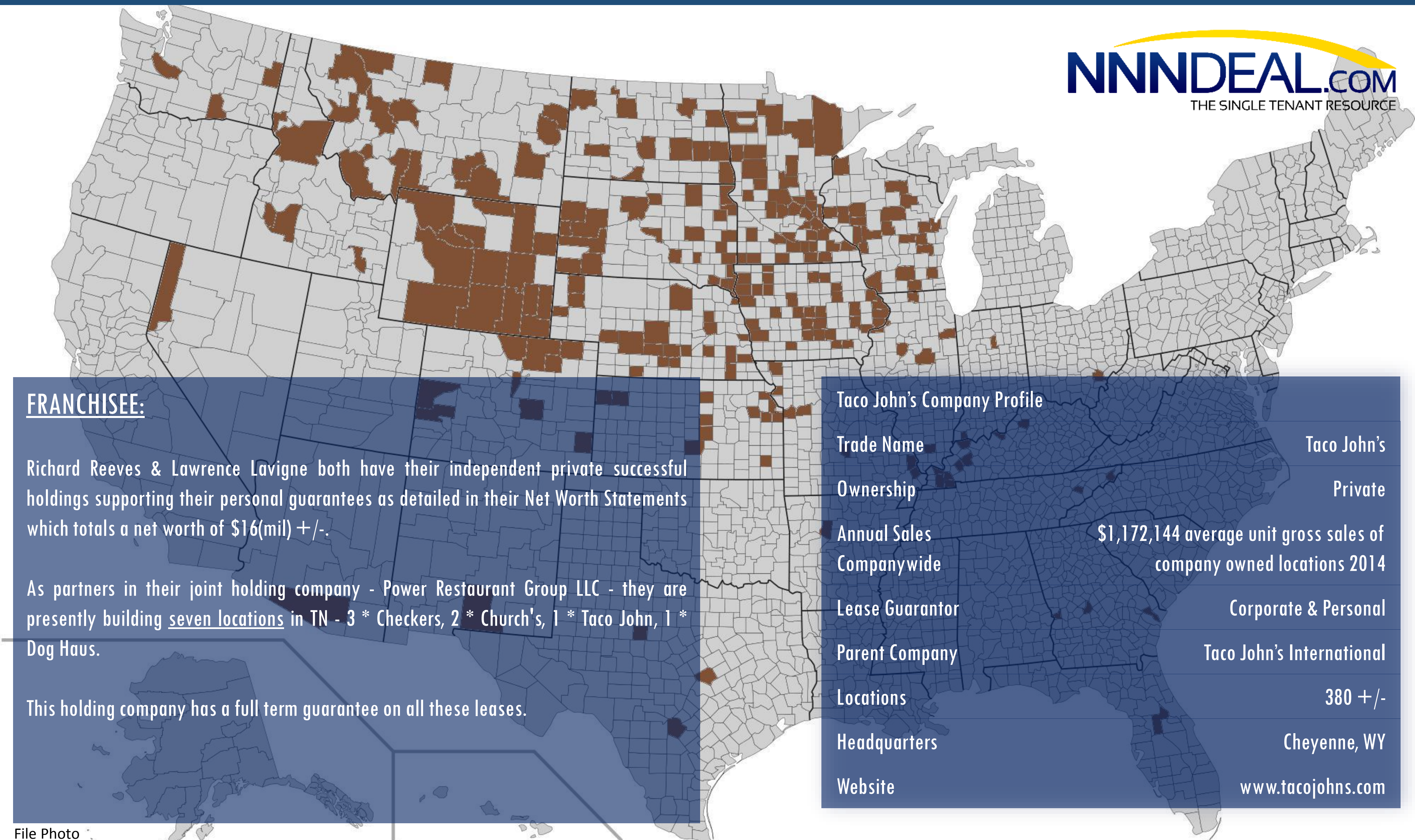
TACO JOHN'S
The Fresh Taste of West-Mex

https://www.tacojohns.com/taco-johns-outpaces-qsr-sales-growth/
2016 / Year-over-year same-store sales are running hot at Taco John's®. In April, the Mexican quick-service restaurant chain experienced **9.6% growth** while the QSR industry averaged a 1.9% increase. In May, Taco John's® saw sales jump nearly seven times faster than the national industry averages… 7.3% versus 1.1%. Strong sales for Taco John's® are part of the growth the chain has experienced during its "Summer of Tacos" campaign. From April to August, the restaurant chain is launching a series of limited time offer (LTO) menu items under one promotional theme.

https://www.tacojohns.com/taco-johns-honors-top-performing-restaurants/
2015 / The best of the best restaurants at Taco John's® are receiving special recognition for their performance during the past year. The Mexican quick-service chain is honoring nearly 60 locations across the country that generated sales of **$1 million** or more in 2015. "We're seeing tremendous growth in the number of Taco John's restaurants achieving the top performance levels. The number of franchisees reaching new sales categories nearly doubled this past year," says Jeff Linville, CEO for Taco John's®. "There are several reasons so many of our restaurants are doing so well. Comp sales have increased 5.4% this past year. Our focus on menu innovation has lead to very popular items like the street tacos. And new, as well as existing, franchisees are investing in our brand like never before." Taco John's presented the performance awards to those achieving a new sales category during its annual convention in Hilton Head Island, SC:

- 28 restaurants received the Diamond Circle award for sales of $1 million to $1.25 million.
- 17 restaurants reached the Double Diamond Circle with sales of $1.25 to $1.5 million.
- 5 locations qualified for the Triple Diamond award by selling $1.5 to $1.75 million.
- 3 restaurants reached the Quad Diamond Circle with sales of $1.75 to $2 million.
- 2 locations earned the Diamond Jubilee award with sales of $2 to $2.5 million.
- The Founder's Cup award, given to the restaurant with the highest sales across the country, went to the Taco John's of Williston, ND.

TENANT OVERVIEW



File Photo

FRANCHISEE:

Richard Reeves & Lawrence Lavigne both have their independent private successful holdings supporting their personal guarantees as detailed in their Net Worth Statements which totals a net worth of $16(mil) +/-.

As partners in their joint holding company - Power Restaurant Group LLC - they are presently building seven locations in TN - 3 * Checkers, 2 * Church's, 1 * Taco John, 1 * Dog Haus.

This holding company has a full term guarantee on all these leases.

Taco John's Company Profile	
Trade Name	Taco John's
Ownership	Private
Annual Sales Companywide	$1,172,144 average unit gross sales of company owned locations 2014
Lease Guarantor	Corporate & Personal
Parent Company	Taco John's International
Locations	380 +/-
Headquarters	Cheyenne, WY
Website	www.tacojohns.com

Available together or separately

Checker's construction scheduled to commence.

380+/-
Locations

One of the largest Mexican QSR brands in U.S.

>$16(mil)
Franchisee's Personal Net Worth

THE OFFERING

Marcus & Millichap is pleased to present a Taco John's located in La Vergne, Tennessee. This absolute NNN 20 year lease with no landlord responsibilities is scheduled to open third quarter 2017 upon completion of construction. The franchisee is offering both a franchise as well as a personal guarantee to the lease, where the personal net worth of the guarantor exceeds $16,000,000.

NNNDEAL.COM THE SINGLE TENANT RESOURCE

Overview

Price	$2,393,000
Gross Leasable Area	1,600 SF
Lot Size	.85 Acres
Year Built	2017
Net Operating Income	$150,605
CAP Rate	6.29%

Lease Abstract

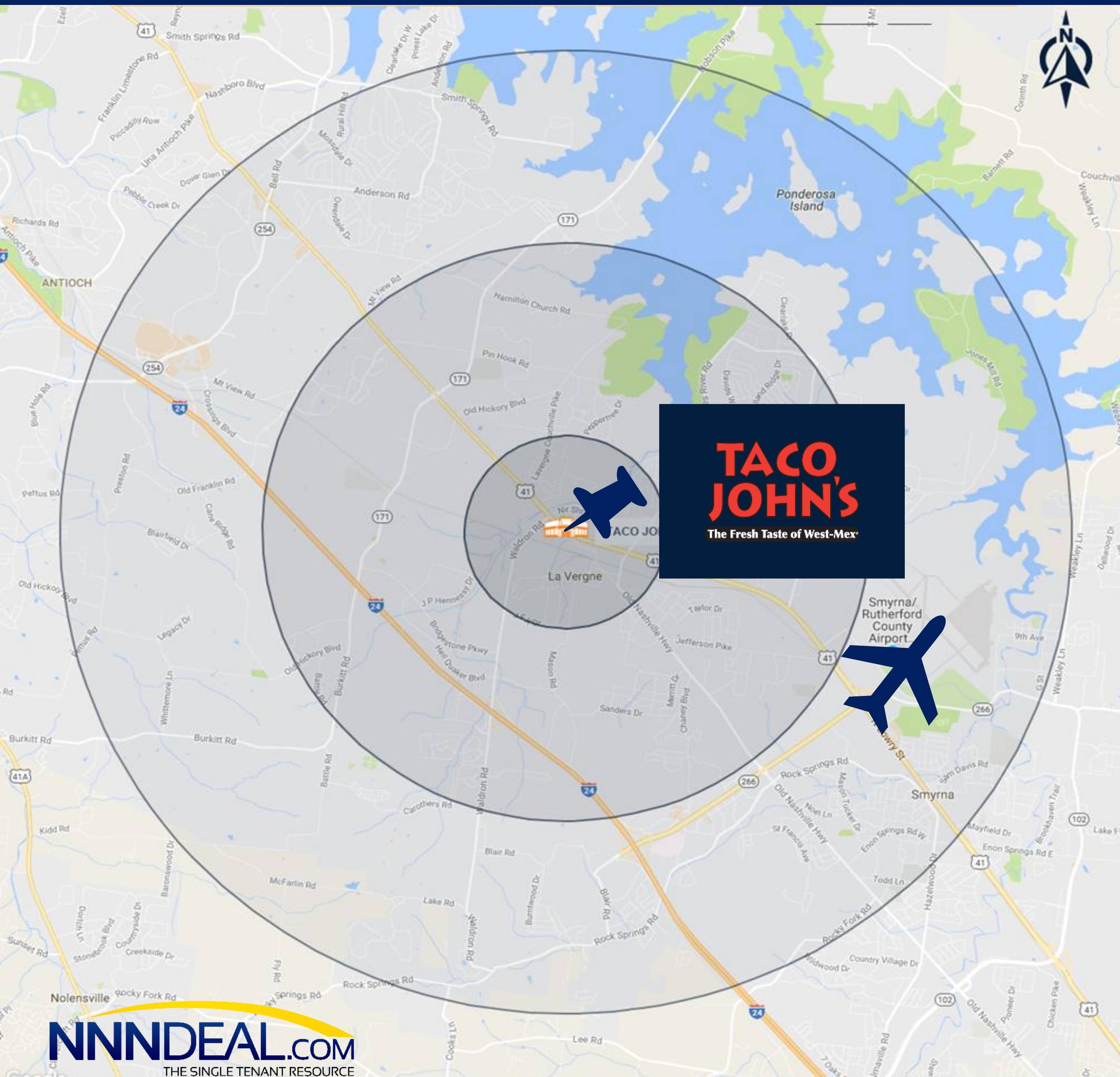
Lease Type	Absolute Net Lease
Lease Term	20 years
Lease Start	TBD – Est delivery date Sept 2017
Lease Expiration	TBD
Renewal Options	3x5
Increases	2% Annually
Roof and Structure	Tenant Responsible

Annualized Operating Data

Lease Term	Annual Rent
2017	$150,605
2018	$153,617
2019	$156,689
2020	$159,823
2021	$163,020
2022	$166,280
2023	$169,606
2024	$172,998
2025	$176,458
2026	$179,987
2027	$183,587
2028	$187,258
2029	$191,004
2030	$194,824
2031	$198,720
2032	$202,695
2033	$206,748
2034	$210,883
2035	$215,101
2036	$219,403

AREA MAPPING

DEMOGRAPHICS



CREATED ON MARCH 30, 2017

	1 Miles	3 Miles	5 Miles
POPULATION			
2021 Projection	6,051	54,026	127,448
2016 Estimate	5,158	46,920	112,482
2010 Census	4,581	41,637	100,077
2000 Census	2,290	21,354	62,234
INCOME			
Average	$63,307	$65,214	$64,078
Median	$55,563	$57,214	$54,558
Per Capita	$23,381	$22,322	$24,090
HOUSEHOLDS			
2021 Projection	2,299	18,616	47,924
2016 Estimate	1,905	16,058	42,244
2010 Census	1,695	14,309	37,648
2000 Census	809	7,926	24,483
HOUSING			
2016	$144,088	$149,792	$157,060
EMPLOYMENT			
2016 Daytime Population	5,612	47,322	89,923
2016 Unemployment	4.23%	4.23%	4.14%
2016 Median Time Traveled	32	31	30
RACE & ETHNICITY			
White	47.28%	54.06%	53.46%
Native American	0.14%	0.17%	0.12%
African American	36.88%	30.50%	31.94%
Asian/Pacific Islander	4.74%	3.68%	3.70%

La Vergne's Largest Employers

NNNDEAL.COM
THE SINGLE TENANT RESOURCE

MAJOR EMPLOYERS

EMPLOYER	# OF EMPLOYEES *
Quanta Service Nashville LLC	5,011
Quanta	5,006
Ingram Book Company (Lightning Source)	2,048
Technicolor Home Entertainment	1,300
Cinram Group Inc	1,200
Kimberland Swan Holdings Inc	825
MI Windows and Doors Inc	500
Kroger	447
Rush Truck Center Nashville	351
Ammed Homecare Pharmacy	350
Tristar Health Systems	348
Ingram Entrmt Holdings Inc	300


GRIFFIN
SINOMAX
FedEx Freight
Coca-Cola
Parthenon Metal Works
TACO JOHN'S
The Fresh Taste of West-Mex
Checkers
CRAZY GOOD FOOD
O'Reilly AUTO PARTS
Pizza Hut
KFC
Domino's Pizza
Little Caesars
TACO BELL
BURGER KING
Advance Auto Parts
Kroger
DOLLAR GENERAL
PIZZA PAPA JOHN'S
RITE AID
MURFREESBORO
DOLLAR TREE
CVS/pharmacy
SONIC
SUBWAY
Waldron Roy Elementary School
NNNDEAL.COM
THE SINGLE TENANT RESOURCE


NASHVILLE
TENNESSEE
20 minutes north
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W
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MURFREESBORO
TACO
JOHN'S
The Fresh Taste of West-Mex
WEEKLY
RENTALS
793-4999
AUTOMOTIVE

La Vergne, Tennessee

La Vergne is a city in Rutherford County, Tennessee, which lies within the Nashville Metropolitan Statistical Area (MSA). The largest subdivision of homes in the state of Tennessee, Lake Forest Estates, is located in La Vergne, encompassing more than 3,100 homes. La Vergne hosts one of two United States printing plants for the multinational publishing company Lightning Source and serves as the company's headquarters. Taco John's is located on the main thoroughfare that heads straight into Nashville just 20 minutes northwest of the subject site. Traffic is exceptionally high (32,000 vehicles pass in front of the site daily). The subject site is also located in between two large housing subdivisions. In addition to a peppering of national retailers in the immediate area including: Walgreens, Krogers, SunTrust Bank, KFC, Burger King, McDonalds, Little Cesar's, Taco Bell, Advance Auto, Sav-A-Lot, Rite Aid, Dollar Tree, Subway, CVS, Bank of America, Hardee's, Waffle House, and Quality Inn & Suites, there are also many national companies who have their distribution and/or warehousing centers in the immediate area, including: Parthenon Metal Works, FedEx Freight Distribution Center, CinoMax, US Cold Storage, Hennessy Industries Bottling Plant, Tennessee Book Distribution Center, Bridgestone Firestone Plant, Saks Fifth Ave Distribution Warehouse, Beacon Transport Center, and a Coca-Cola Bottling Plant just to name a few.

Population	1-Mile	3-Mile	5-Mile
2011	5,309	40,840	98,666
2016	5,615	53,538	126,419
2021	5,979	53,538	126,419

2016 Household Incomes	1-Mile	3-Mile	5-Mile
Average	$64,491	$66,00	$64,823
Median	$48,953	$53,957	$50,697

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$64,491
1-mile radius average Household Income

126,419
5-mile radius population

54,964
5-mile radius number of households

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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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