

Popeyes

EXCLUSIVE NET-LEASE OFFERING



Representative Photo

OFFERING MEMORANDUM



823 Nashville Highway - Columbia, TN 38401

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823 Nashville Highway – Columbia, TN 38401

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Investment Highlights

PRICE: \$2,020,688 | CAP: 6.00% | RENT: \$121,241

POPEYES

LOUISIANA KITCHEN

About the Investment

- ✓ Brand New Construction
- ✓ Brand New 20-Year Sale Leaseback to Commence at the Close of Escrow
- ✓ Triple-Net (NNN) Lease with Zero Landlord Responsibilities
- ✓ There are Four Tenant Renewal Options of Five Years Each

About the Location

- ✓ Dense Retail Corridor | CVS Pharmacy, Kroger, O'Reilly Auto Parts, McDonald's, Sonic Drive-In and Dunkin' Donuts
- ✓ Positive Real Estate Fundamentals | Less Than Five Miles from Maury Regional Medical Center | 225-Bed, General Medical and Surgical Facility
- ✓ Strong Academic Presence | Within Ten Miles from Columbia Central High School and Spring Hill High School | Over 2,500 Students Enrolled
- ✓ Strong Traffic Counts | Over 26,100 Vehicles Per Day on Nashville Highway
- ✓ Compelling Location Fundamentals | Within 45 Miles of Nashville, Tennessee

About the Tenant / Brand

- ✓ Cambridge Franchise Holdings ("CFH") is a 200-Unit Operator | 165-Unit Burger King & 40-Unit Popeyes Operator
- ✓ CFH has Significant Growth Plans for this Entity Providing the Future Landlord with the Benefit of Credit Enhancement as Operations Under this Entity Continue to Grow
- ✓ CFH is One of the Largest, Fastest Growing, and Most Profitable Franchises in the United States
- ✓ CFH has an Excellent Track Record With Proven Operational Expertise





Financial Analysis

PRICE: \$2,020,688 | CAP: 6.00% | RENT: \$121,241

POPEYES

LOUISIANA KITCHEN

PROPERTY DESCRIPTION

| | |
|------------------------|--------------------|
| Property | Popeyes |
| Property Address | 823 Nashville Hwy |
| City, State, ZIP | Columbia, TN 38401 |
| Year Built / Renovated | 2018 |
| Building Size | 2,255 |
| Lot Size | +/- 0.97 Acres |
| Type of Ownership | Fee Simple |

THE OFFERING

| | |
|----------------|-------------|
| Purchase Price | \$2,020,688 |
| CAP Rate | 6.00% |
| Annual Rent | \$121,241 |
| Price / SF | \$896 |
| Rent / SF | \$53.77 |

LEASE SUMMARY

| | |
|----------------------|---------------------------------|
| Property Type | Net-Leased Restaurant |
| Tenant/Guarantor | Franchisee |
| Original Lease Term | 20 Years |
| Lease Commencement | Upon Close of Escrow |
| Lease Expiration | 20 Years from COE |
| Lease Term Remaining | 20 Years |
| Lease Type | Triple-Net (NNN) |
| Roof & Structure | Tenant Responsible |
| Options to Renew | Four (4), Five (5) Year Options |
| Rental Increases | 7.5% Every 5 Years |

RENT SCHEDULE

| Lease Year(s) | Annual Rent | Monthly Rent | Rent Escalation (%) |
|---------------|-------------|--------------|---------------------|
| Year 1 | \$121,241 | \$10,103 | - |
| Year 2 | \$121,241 | \$10,103 | - |
| Year 3 | \$121,241 | \$10,103 | - |
| Year 4 | \$121,241 | \$10,103 | - |
| Year 5 | \$121,241 | \$10,103 | - |
| Year 6 | \$130,334 | \$10,861 | 7.50% |
| Year 7 | \$130,334 | \$10,861 | - |
| Year 8 | \$130,334 | \$10,861 | - |
| Year 9 | \$130,334 | \$10,861 | - |
| Year 10 | \$130,334 | \$10,861 | - |
| Year 11 | \$140,109 | \$11,676 | 7.50% |
| Year 12 | \$140,109 | \$11,676 | - |
| Year 13 | \$140,109 | \$11,676 | - |
| Year 14 | \$140,109 | \$11,676 | - |
| Year 15 | \$140,109 | \$11,676 | - |
| Year 16 | \$150,618 | \$12,551 | 7.50% |
| Year 17 | \$150,618 | \$12,551 | - |
| Year 18 | \$150,618 | \$12,551 | - |
| Year 19 | \$150,618 | \$12,551 | - |
| Year 20 | \$150,618 | \$12,551 | - |

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the Popeyes located in Columbia, TN. The property consists of approximately 2,255 rentable square feet and is situated on approximately 0.97 acres of land. The property is subject to a 20-year triple-net (NNN) sale-leaseback. The lease will commence upon the close of escrow. The base annual rent will be \$121,241 and the lease calls for 7.5% rental increases every five years during the base term and continuing through the four, five-year tenant renewal options.



Tenant Overview

About Popeyes

Founded in 1972, Popeyes is the world's second largest quick service chicken concept as measured by total number of restaurants (only behind KFC). As of December 31, 2017, Popeyes owned or franchised a total of 2,892 restaurants. Popeyes restaurants are quick service restaurants that distinguish themselves with a unique "Louisiana" style menu featuring spicy chicken, chicken tenders, fried shrimp and other seafood, red beans and rice and other regional items. Popeyes was acquired on March 27, 2017 for a total consideration of \$1.7 billion by Restaurant Brands International (NYSE: QSR).

Fun Facts:

- Global Leadership in Chicken Segment - One of the largest players with rapidly-growing market share
- Unique, Highly-Differentiated Brand - Internationally-recognized Louisiana heritage since 1972
- Highly-Attractive Unit Economics - >\$1.4mm ARS and strong franchisee EBITDA margins
- Nearly Fully-Franchised Business Model - ~98% franchised, leading to healthy margins and cash flow
- Significant Expansion Opportunity in the U.S. - Consistent track record of successful growth across the country
- International Growth Acceleration - Numerous development agreements signed in last few years



Cambridge Franchise Holdings

Cambridge Franchise Holdings ("CFH") is a 200-Unit Operator. CFH currently operates 165 Burger King restaurants as well as 40 Popeyes locations. CFH acquired Carolina Quality, LLC ("CQL") in 2014 as a platform to execute a growth strategy in the Burger King system. At the time of the acquisition, CQL was a Burger King franchisee operating 22 restaurants across five states. Since the acquisition CFH has grown the business significantly and currently operates in states such as Alabama, Arkansas, Indiana, Kentucky, Louisiana, Mississippi, North Carolina, Tennessee, and Virginia. Today Cambridge Franchise Holdings is among the largest, fastest growing, and most profitable Burger King franchisee in the United States.



Surrounding Area

Property Address: 823 Nashville Highway – Columbia, TN 38401

POPEYES

LOUISIANA KITCHEN

BURGER KING



Waffle House



Walgreens



DOLLAR GENERAL



McDonald's



POPEYES





Location Overview

Property Address: 823 Nashville Highway – Columbia, TN 38401

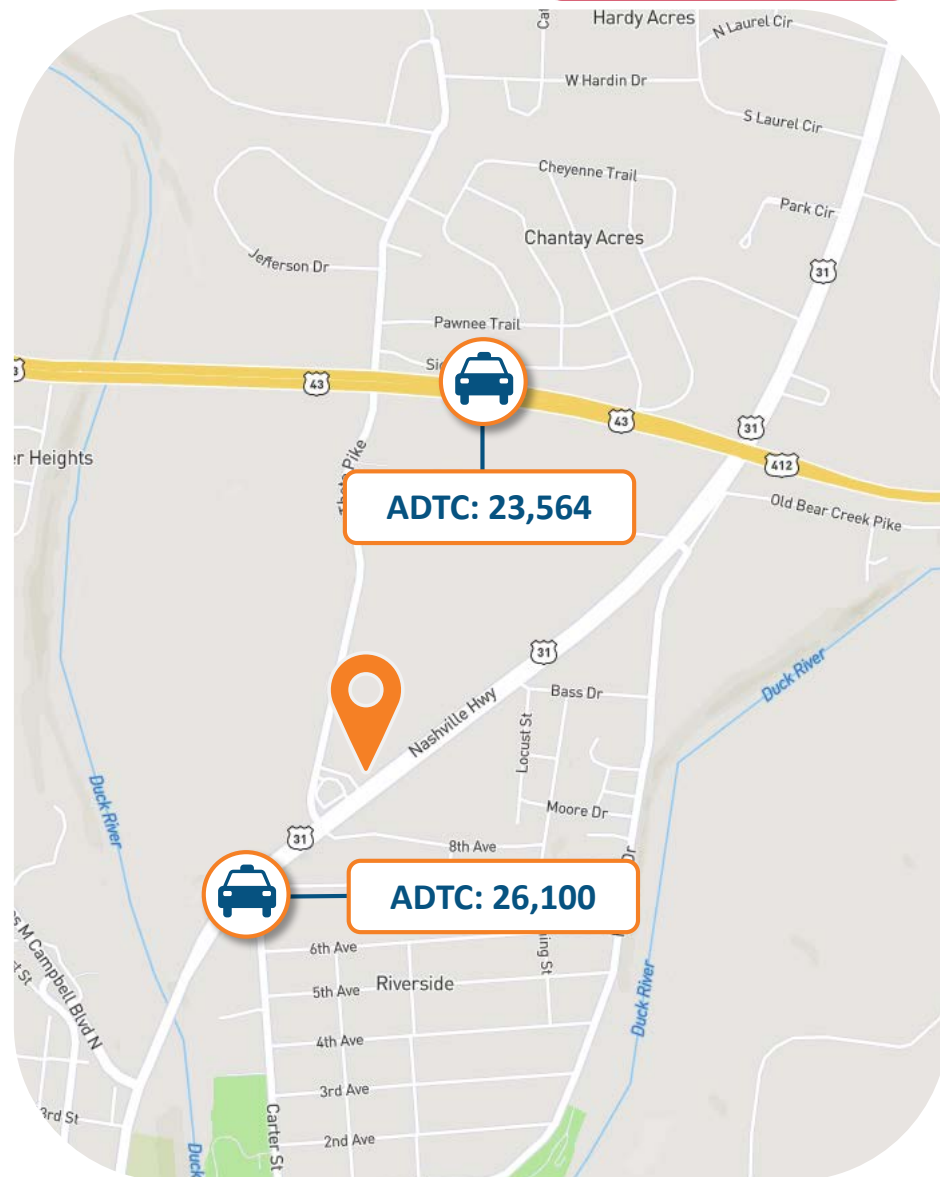
POPEYES

LOUISIANA KITCHEN

The subject investment property is situated on Nashville Highway, which boasts average daily traffic counts exceeding 26,100 vehicles respectively. Nashville Highway intersects with U.S. Highway 412, which brings an additional 23,564 vehicles into the immediate area on average daily. There are more than 22,744 individuals residing within a three-mile radius of the property and more than 39,114 individuals within a five-mile radius.

The subject property benefits from being well-positioned in a dense retail corridor benefitting from its close proximity to several national and local tenants. Major national tenants include: CVS Pharmacy, Kroger, O'Reilly Auto Parts, McDonald's, Sonic Drive-In, Dunkin' Donuts, as well as many others. This Popeye's property also benefits from being situated within a ten-mile radius of several academic institutions. The most notable are Columbia Central High School and Spring Hill High School, which have a combined total enrollment exceeding 2,800 students. Located within a three-mile radius is Maury Regional Medical Center, a 255-bed facility, which has a medical staff of more than 200 physicians and 2,000 employees who serve a region consisting of more than a quarter-million people in southern Middle Tennessee. Maury Regional Medical Center offers a wide range of advanced services and has garnered numerous recognitions for its commitment to outstanding clinical outcomes.

Columbia, a city in and the county seat of Maury County, is situated just 45 miles south of Nashville and 75 miles north of Huntsville. As the Mule Capitol of the World, the annual Mule Day Parade and week-long festival attracts over 100,000 visitors from throughout the United States and abroad. Mule Day (or Week) is one of several major events that the city hosts annually and among the many cultural and recreational amenities available to citizens and visitors. Columbia's natural scenic beauty is second to none and extends from the Duck River to the ridges of the Highland Rim. The Duck River is the longest river that flows entirely in the state of Tennessee. The ancestral home of the 11th President of the United States, President James K. Polk, the James K. Polk Ancestral Home and Museum is located just two blocks from the city's Courthouse Square. The Polk Presidential Hall, next door to the Polk Home, hosts activities and cultural treasures that range from state and local exhibits to exhibits from the Smithsonian Institute. The City's historic downtown commercial district includes shopping, dining and entertainment that makes the city a destination whether you come to see Columbia's Courthouse Square, surrounding by a bustling business district which brings the city's motto to life: Something good around every corner.





POPeYES®

LOUISIANA KITCHEN



Marcus & Millichap

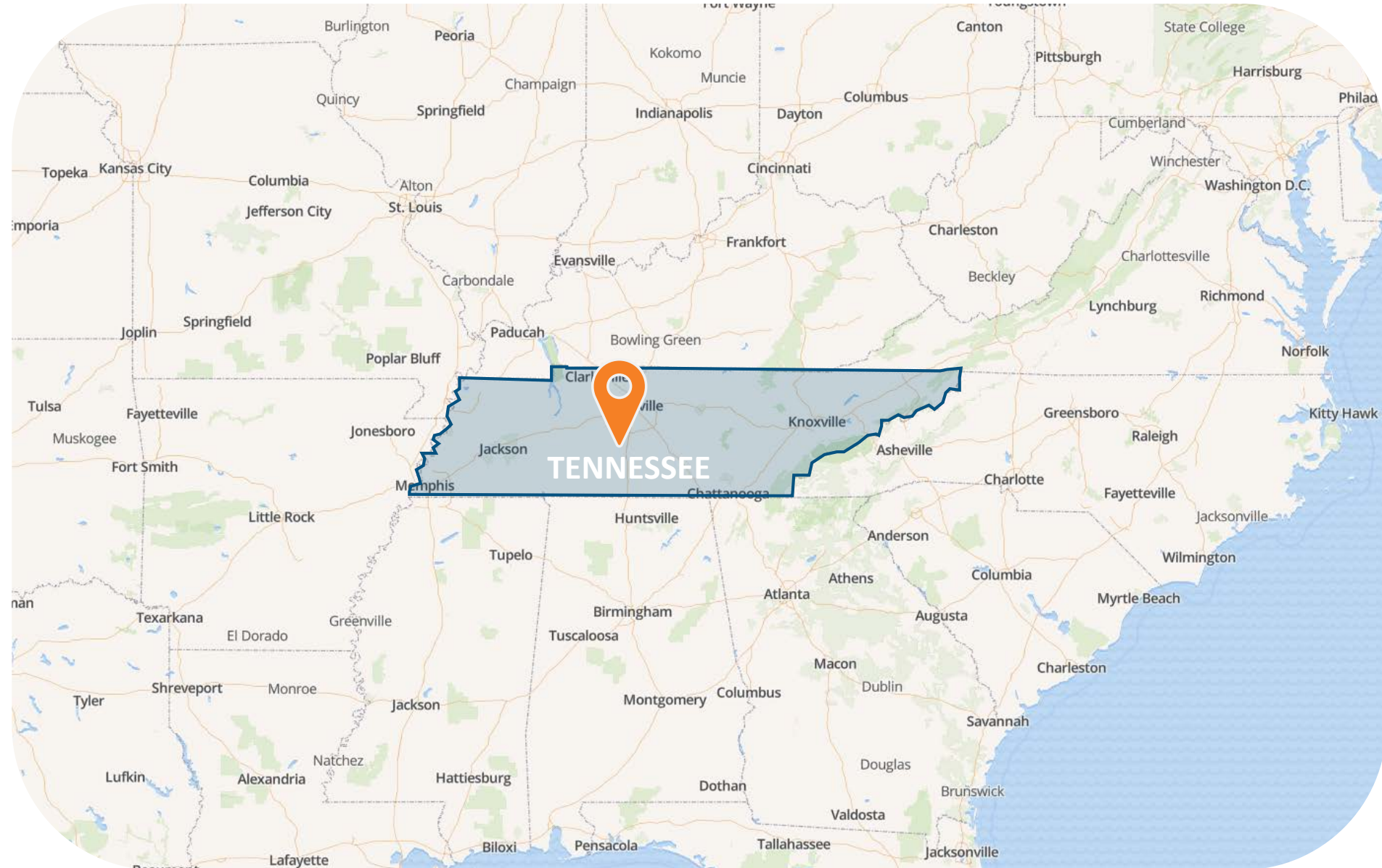


Regional Map

Property Address: 823 Nashville Highway – Columbia, TN 38401

POPEYES

LOUISIANA KITCHEN





Demographics

Property Address: 823 Nashville Highway – Columbia, TN 38401

POPEYES

LOUISIANA KITCHEN

1 Mile 3 Miles 5 Miles

POPULATION

| | | | |
|-----------------|-------|--------|--------|
| 2022 Projection | 4,385 | 22,757 | 40,010 |
| 2017 Estimate | 4,418 | 22,744 | 39,114 |
| 2010 Census | 4,166 | 21,897 | 37,424 |
| 2000 Census | 4,271 | 22,422 | 36,569 |

INCOME

| | | | |
|------------|----------|----------|----------|
| Average | \$52,480 | \$51,804 | \$61,340 |
| Median | \$40,781 | \$38,699 | \$48,987 |
| Per Capita | \$22,176 | \$21,239 | \$24,892 |

HOUSEHOLDS

| | | | |
|-----------------|-------|-------|--------|
| 2022 Projection | 1,875 | 9,433 | 16,385 |
| 2017 Estimate | 1,861 | 9,243 | 15,713 |
| 2010 Census | 1,752 | 8,898 | 15,027 |
| 2000 Census | 1,811 | 9,015 | 14,302 |

HOUSING

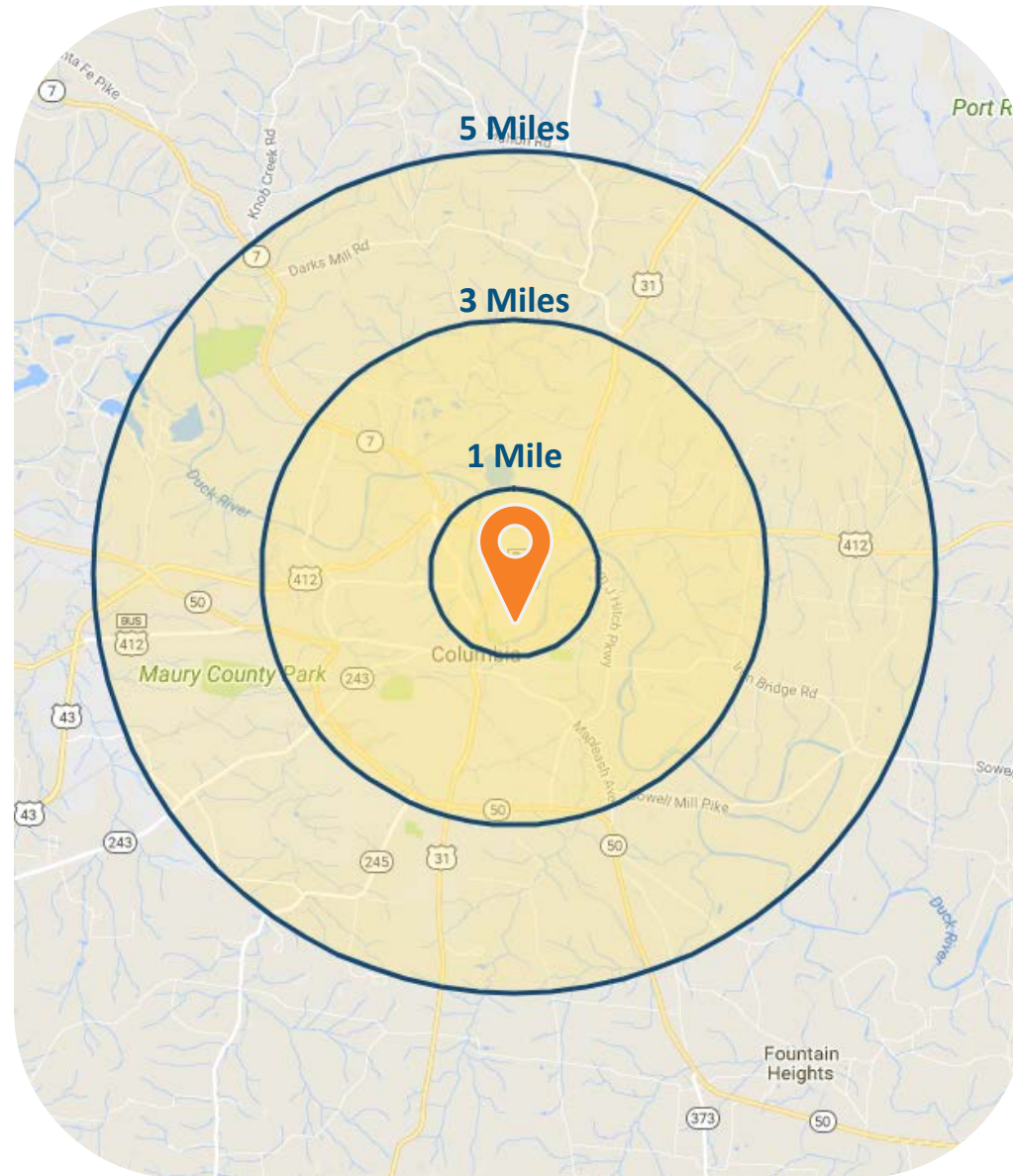
| | | | |
|------|-----------|-----------|-----------|
| 2017 | \$105,928 | \$111,711 | \$144,774 |
|------|-----------|-----------|-----------|

EMPLOYMENT

| | | | |
|---------------------------|---------|---------|---------|
| 2017 Daytime Population | 4,011 | 25,536 | 43,212 |
| 2017 Unemployment | 4.66% | 6.20% | 5.21% |
| 2017 Median Time Traveled | 29 Mins | 28 Mins | 28 Mins |

RACE & ETHNICITY

| | | | |
|------------------------|--------|--------|--------|
| White | 68.23% | 66.23% | 73.20% |
| Native American | 0.00% | 0.00% | 0.01% |
| African American | 22.23% | 23.58% | 18.21% |
| Asian/Pacific Islander | 0.45% | 0.67% | 1.08% |





Market Overview

City: Columbia | County: Maury | State: Tennessee



Columbia is a city located just 45 miles outside of Nashville, Tennessee.

Nashville is the largest metropolitan area in the state of Tennessee and also its capital. The city is a center for the music, healthcare, publishing, banking and transportation industries, and home to numerous colleges and universities. It is known as a center of the country music industry, earning it the nickname "Music City, U.S.A." As the "home of country music", Nashville has become a major music recording and production center. The Big Four record labels, as well as numerous independent labels, have offices in Nashville, mostly in the Music Row area. Nashville has been the headquarters of guitar company Gibson since 1984. Since the 1960s, Nashville has been the second-largest music production center (after New York) in the U.S. Although Nashville is renowned as a music recording center and tourist destination, its largest industry is health care.

The Nashville metro, with a population of nearly 2 million, spans 14 counties: Davidson, Smith, Macon, Williamson, Cheatham, Sumner, Dickson, Robertson, Cannon, Rutherford, Hickman, Trousdale, Maury and Wilson. Davidson is the most populous county with 686,200 people and is home to Nashville, the capital city, which has 658,400 residents. The metro is located in the north-central portion of the state of Tennessee in what is known as the Central Basin. The Cumberland River, which snakes through the region, adds to the local economic base and enhances Nashville's quality of life. The metro has a strong multimodal infrastructure network linking the metro to markets around the world.

Major Employers

| Employer | Estimated # of Employees |
|--------------------------------|--------------------------|
| MAURY REGIONAL MEDICAL CENTER | 2,000 |
| County of Maury | 1,837 |
| Addus Homecare Corporation | 1,112 |
| Passport Acceptance Facility | 644 |
| Swarco Mobility LLC | 600 |
| Walmart | 550 |
| Property and Casualty Insur Co | 440 |
| City of Columbia | 331 |
| Columbia State Cmnty College | 328 |
| Robby Products Inc | 250 |
| Tennessee Farmers Assurance Co | 250 |



Marcus & Millichap

EXCLUSIVE NET LEASE OFFERING

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