

Burger King Sale-Leaseback

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM

Representative Photo

BURGER KING

US Highway 64, Oakland, Tennessee 38060

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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.

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BURGER KING

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BURGER KING





Investment Highlights

PRICE: \$2,000,000 | CAP: 6.00% | RENT: \$120,000

BURGER KING

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
- ✓ Four (4) Tenant Renewal Options of Five (5) Years Each

About the Location

- ✓ Dense Retail Corridor | Walmart, Walgreens, Kroger, O'Reilly Auto Parts, Dollar Tree, McDonald's, Sonic Drive-In, Domino's Pizza, Pizza Hut, Subway, Taco Bell
- ✓ Strong Academic Presence | Five Mile Radius of Several Schools in the Area | Total Enrollment Exceeding 1,500 Students
- ✓ Strong Traffic Counts | US-64 | 21,959 Vehicles Per Day
- ✓ Compelling Location Fundamentals | Within 35 Miles of Memphis, Tennessee
- ✓ Affluent Community | Average Income Within a Five-Mile Radius Exceeds \$87,861

About the Tenant / Brand

- ✓ Limited Guarantee from 35 Unit Burger King Entity Operated by Cambridge Franchise Holdings ("CFH")
- ✓ CFH is a 150-Unit Burger King Operator | One of the Largest, Fastest Growing, and Most Profitable Burger King Franchises in the United States
- ✓ CFH has an Excellent Track Record With Proven Operational Expertise
- ✓ Burger King Brand is One of the World's Most Recognized Consumer Brands



Representative Photo



Representative Photo



Financial Analysis

PRICE: \$2,000,000 | CAP: 6.00% | RENT: \$120,000

BURGER KING

PROPERTY DESCRIPTION

Property	Burger King
Property Address	US Highway 64
City, State, ZIP	Oakland, TN 38060
Year Built / Renovated	2018
Building Size	2,974
Lot Size	+/- 0.91 Acres
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$2,000,000
CAP Rate	6.00%
Annual Rent	\$120,000
Price / SF	\$672
Rent / SF	\$40.35

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	\$120,000	\$10,000	-
Year 2	\$120,000	\$10,000	-
Year 3	\$120,000	\$10,000	-
Year 4	\$120,000	\$10,000	-
Year 5	\$120,000	\$10,000	-
Year 6	\$129,000	\$10,750	7.50%
Year 7	\$129,000	\$10,750	-
Year 8	\$129,000	\$10,750	-
Year 9	\$129,000	\$10,750	-
Year 10	\$129,000	\$10,750	-
Year 11	\$138,675	\$11,556	7.50%
Year 12	\$138,675	\$11,556	-
Year 13	\$138,675	\$11,556	-
Year 14	\$138,675	\$11,556	-
Year 15	\$138,675	\$11,556	-
Year 16	\$149,076	\$12,423	7.50%
Year 17	\$149,076	\$12,423	-
Year 18	\$149,076	\$12,423	-
Year 19	\$149,076	\$12,423	-
Year 20	\$149,076	\$12,423	-

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the Burger King located in Oakland, TN. The property consists of approximately 2,974 rentable square feet and is situated on approximately 0.91 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 \$120,000 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.



Concept Overview: Burger King

BURGER KING

GREAT FOOD COMES FIRST

Every day, more than 11 million guests visit BURGER KING® restaurants around the world. And they do so because our restaurants are known for serving high-quality, great-tasting, and affordable food. Founded in 1954, BURGER KING® is the second largest fast food hamburger chain in the world. The original HOME OF THE WHOPPER®, our commitment to premium ingredients, signature recipes, and family-friendly dining experiences is what has defined our brand for more than 50 successful years.

#2 Fast Food Hamburger Chain, Globally

- More than \$16 billion in annual system-wide sales, and nearly 350,000 team members, worldwide. The concept has a market capitalization of roughly \$10 billion.

Global Brand Presence | Fully – Franchised Business Model

- Nearly 14,000 restaurants in 100+ countries. QSR industry-leading EBITDA margins

Rich Heritage | Stable, Reliable Long-Term Ownership

- Founded in 1954 with deep ties to the Miami Community. Burger King has been actively managed by 3G since 2010.

3G Capital

3G Capital is a global investment firm focused on long-term value, with a particular emphasis on maximizing the potential of brands and businesses. The firm and its partners have a strong history of operational excellence, board involvement, deep sector expertise, and an extensive global network. 3G Capital works in close partnership with management teams at its portfolio companies and places a strong emphasis on recruiting, developing and retaining top-tier talent. In October 2010, 3G Capital completed the acquisition of Burger King®, one of the most widely-recognized consumer brands in the world.

General Information

Address	Oakville, ON
Website	http://www.rbi.com
Stock Ticker	QSR (NYSE)
Current Price*	\$61.22
52 Week High/Low	\$68.89 / \$47.75

*As of January 12, 2018

Cambridge Franchise Holdings

Cambridge Franchise Holdings (“CFH”) is a 150-unit Burger King Franchisee. 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 150 Burger King locations. Today Cambridge Franchise Holdings is among the largest, fastest growing, and most profitable Burger King franchisee in the United States.

Burger King Worldwide, Inc.

Founded in 1954, Burger King® is the second largest fast food hamburger chain in the world. The original Home of the Whopper, the Burger King® system operates in approximately 14,000 locations serving more than 11 million guests daily in 100 countries and territories worldwide. Approximately 100 percent of Burger King® restaurants are owned and operated by independent franchisees, many of them family-owned operations that have been in business for decades.

Restaurant Brands International

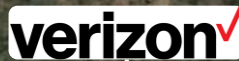
Restaurant Brands International is one of the world's largest quick service restaurant companies with approximately \$23 billion in system sales and over 18,000 restaurants in 100 countries. Restaurant Brands International owns two of the world's most prominent and iconic quick service restaurant brands – Tim Hortons® and Burger King®. These independently operated brands have been serving their respective guests, franchisees, and communities for over 50 years.



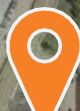
Surrounding Area

Property Address: US Highway 64, Oakland, TN 38060

BURGER KING



HIGHWAY 64



BURGER KING



McDonald's



Location Overview

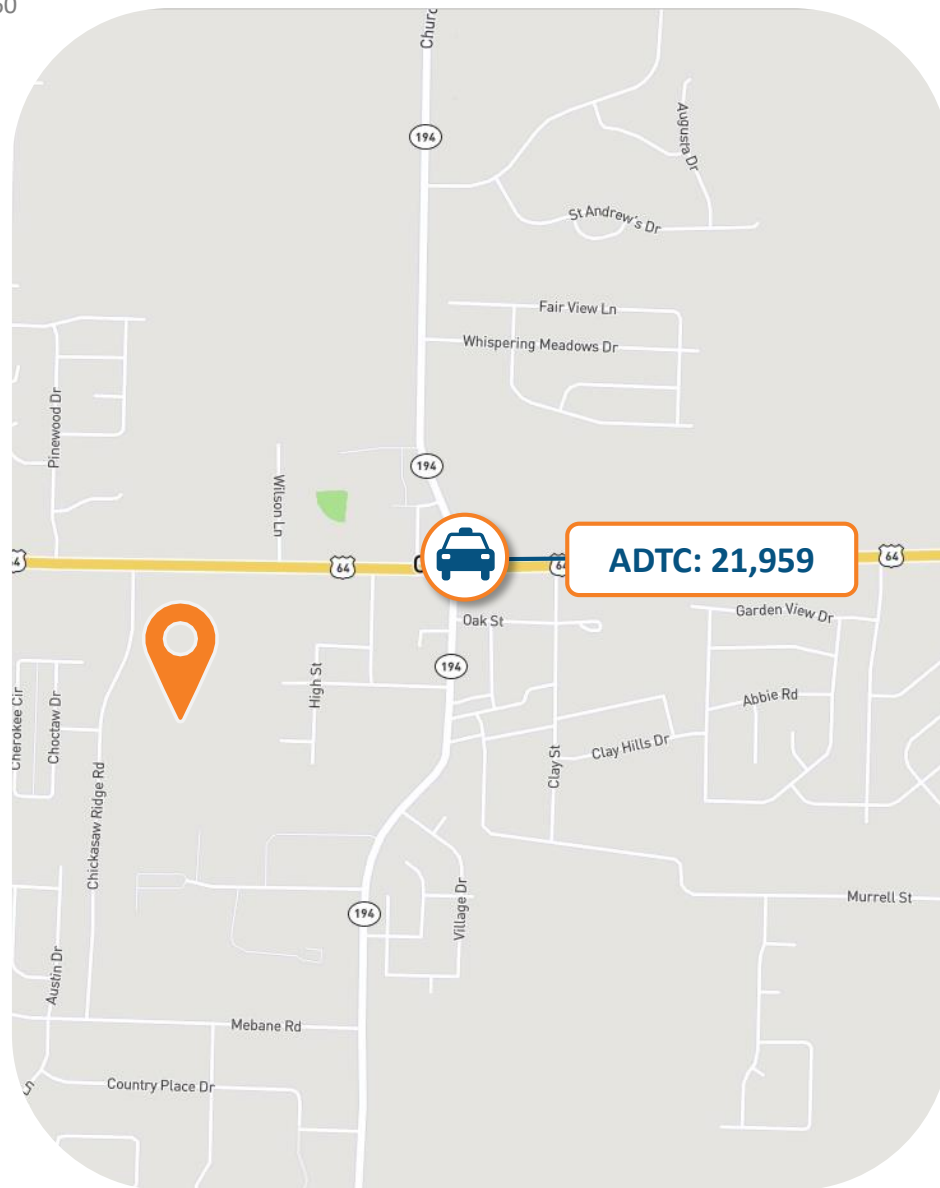
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BURGER KING

The subject investment property is situated on Chickasaw Ridge. Chickasaw Ridge intersects with US-64 which boasts daily traffic counts exceeding 21,959 vehicles. The subject property benefits from being in an affluent community. The average household income within a five-mile radius is \$87,681. There are approximately 16,573 individuals residing within a five-mile radius and 48,330 individuals within a ten-mile radius.

The subject property benefits from being an out pad to a Walmart and being situated on the main retail corridor. Major national tenants include: Walmart, Walgreens, Kroger, O'Reilly Auto Parts, Dollar Tree, McDonald's, Sonic Drive-In, Domino's Pizza, Pizza Hut, Subway, Taco Bell, as well as many others. This Burger King property benefits from being within a five mile radius of several schools in the area with a student population exceeding 1,500 students. The subject property benefits from being situated on U.S. Route 64. US 64 is an east-west highway that runs from the Outer Banks in North Carolina to the southwest corner in Arizona.

Oakland is a town in the Fayette County, Tennessee. Oakland is located in west-central Fayette County and is just 32 miles west of the bustling city of Memphis. Memphis is a city located along the Mississippi River in the southwestern corner of Tennessee. Memphis is the cultural and economic center of West Tennessee and the greater Mid-South region that includes portions of neighboring Arkansas and Mississippi. Memphis is the seat of Shelby County, the most populous county in Tennessee. Approximately 315 square miles in area, Memphis is one of the most expansive cities in the United States and features a wide variety of landscapes and distinct neighborhoods. Memphis is a regional center for commerce, education, media, art and entertainment. This city has a prominent music scene, with historic blues clubs and Beale Street originating the unique Memphis blues. Memphis barbecue has achieved international prominence due to the World Championship Barbecue Cooking Contest, which attracts over 100,000 visitors to the city annually.

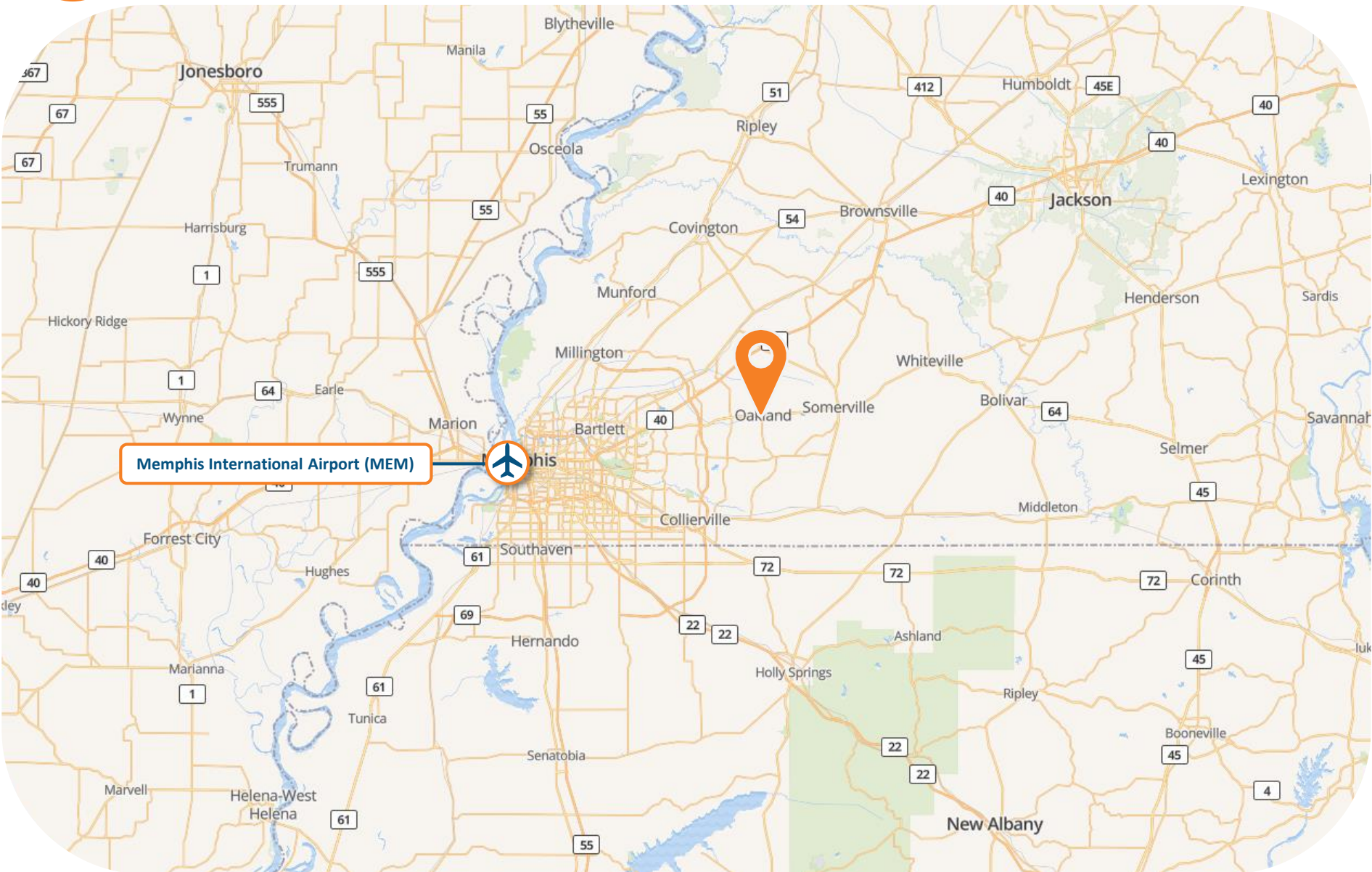




Local Map

BURGER KING

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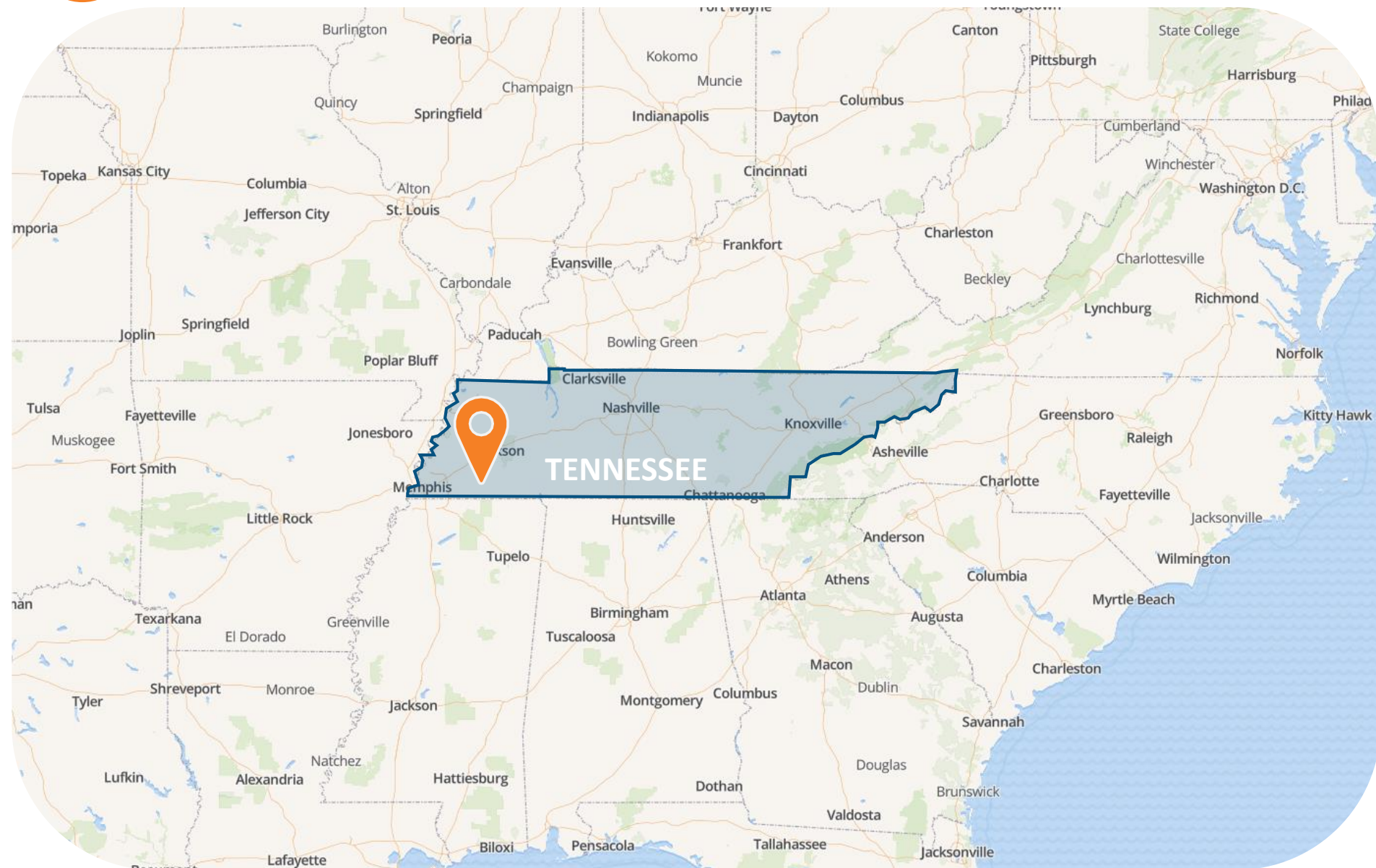




Regional Map

BURGER KING

Property Address: US Highway 64, Oakland, Tennessee 38060

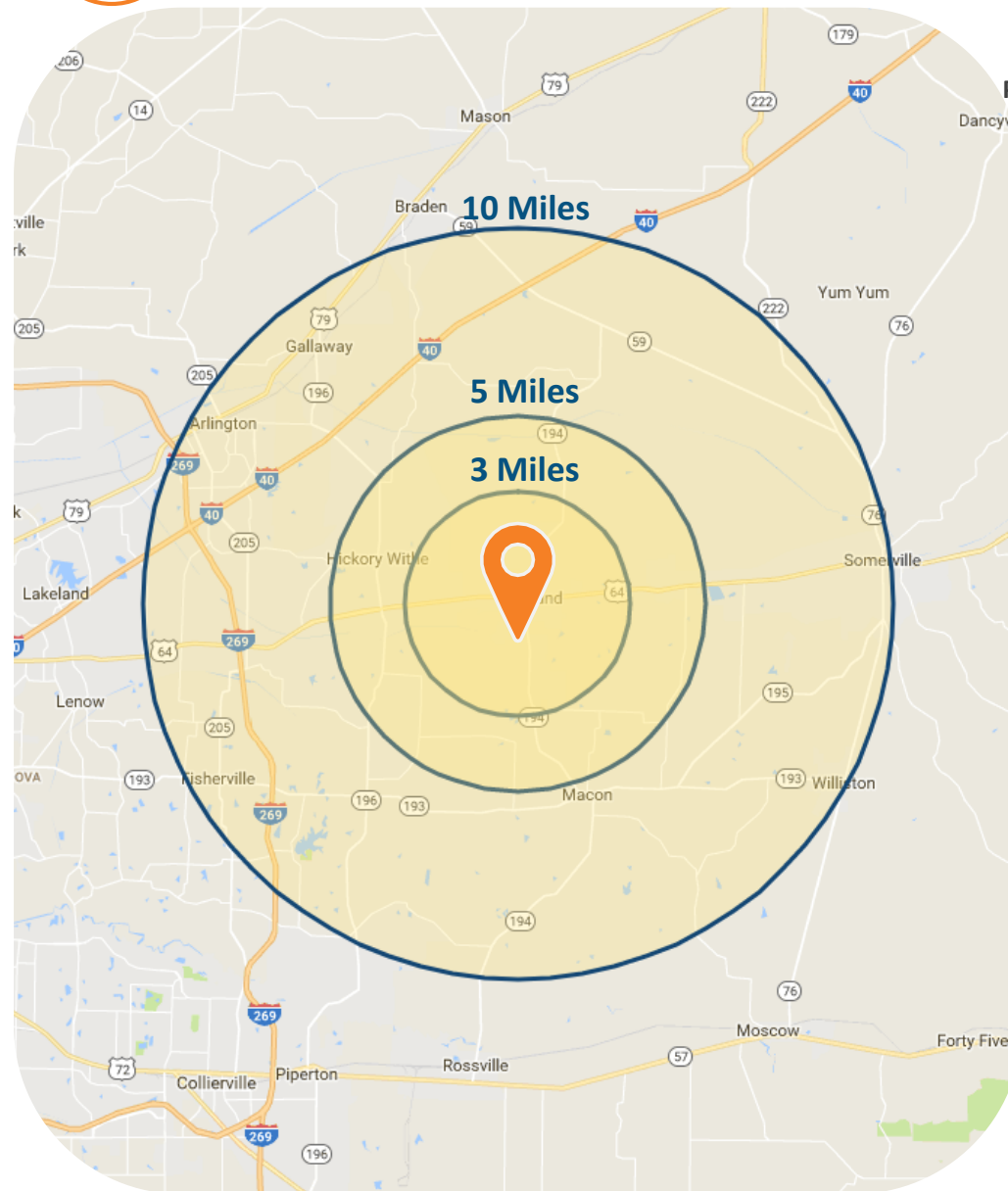




Demographics

Property Address: US Highway 64, Oakland, Tennessee 38060

BURGER KING



POPULATION

	3 Miles	5 Miles	10 Miles
2022 Projection	11,342	16,573	48,330
2017 Estimate	9,264	13,808	40,389
2010 Census	8,570	12,901	37,873
2000 Census	3,466	6,448	20,371

INCOME

	3 Miles	5 Miles	10 Miles
Average	\$83,680	\$87,681	\$89,824
Median	\$65,690	\$66,156	\$68,564
Per Capita	\$31,263	\$32,572	\$31,906

HOUSEHOLDS

	3 Miles	5 Miles	10 Miles
2022 Projection	4,267	6,187	17,137
2017 Estimate	3,461	5,124	14,297
2010 Census	3,186	4,759	13,379
2000 Census	1,279	2,349	7,219

HOUSING

	3 Miles	5 Miles	10 Miles
2017	\$182,261	\$197,354	\$204,341

EMPLOYMENT

	3 Miles	5 Miles	10 Miles
2017 Daytime Population	4,457	6,360	26,532
2017 Unemployment	5.08%	5.33%	5.19%
2017 Median Time Traveled	37 Mins	37 Mins	34 Mins

RACE & ETHNICITY

	3 Miles	5 Miles	10 Miles
White	80.66%	79.73%	73.06%
Native American	0.01%	0.01%	0.04%
African American	15.35%	16.46%	22.20%
Asian/Pacific Islander	1.20%	1.01%	1.31%



Market Overview

City: Oakland | County: Fayette | State: Tennessee

Oakland is a city located just 35 miles outside of Memphis, Tennessee. Memphis's central geographic location has been strategic to its business development. Located on the Mississippi River and intersected by five major freight railroads and two Interstate Highways, I-40 and I-55, Memphis is ideally located for commerce in the transportation and shipping industry. Its access by water was key to its initial development, with steamboats plying the Mississippi river. Railroad construction strengthened its connection to other markets to the east and west.

The city is home to Memphis International Airport, the world's second busiest cargo airport. Memphis serves as a primary hub for the FedEx Express shipping. Memphis is home to three Fortune 500 companies: FedEx, International Paper, and AutoZone, as well as St. Jude Children's Research Hospital and the Memphis Grizzlies. Every year, Beale Street and Downtown's Tom Lee Park are transformed into a sea of music and people during the Memphis in May International Festival. This month long celebration draws tens of thousands of visitors every spring and features the world-famous Beale Street Music Festival, World Championship Barbecue Cooking Contest and several international events honoring a different foreign country every year.

Major Employers

Employer	Estimated # of Employees
Arlington Developmental Center	1,298
Fayette County Board Education	500
Public Works/ Highway Dept	228
Kroger	210
Fayette County	206
John S Wilder Youth Dev Center	182
Gator Freightways	150
Microport Orthopedics Inc	131
McDonalds	129
Rich Products Corporation	125
Maines Paper & Food Svc Inc	120

Memphis, Tennessee

BURGER KING

Marcus & Millichap

EXCLUSIVE NET LEASE OFFERING

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