

BURGER KING



2015 WEST VERNON AVENUE • KINSTON, NC 28504

NNN INVESTMENT OPPORTUNITY



EXCLUSIVELY LISTED BY:

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SAVILLS INVESTMENT PROPERTIES GROUP LA

CONFIDENTIALITY & DISCLAIMER



Actual Subject Property

Savills Inc., representative of the Seller, is solely authorized to present this investment offering (the “Offering”). This is a confidential Memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of (the “Assets”).

Prior to submitting an offer to purchase the Assets, interested parties should perform and rely upon their own investigations, analyses, estimates and projections and otherwise satisfy any concerns regarding material aspects of the proposed transaction including, but not limited to legal, municipal, environmental, operational, seismic, financial and physical issues, and all other matters affecting or pertaining to the Assets. The Seller will be offering the Assets including all appurtenances and tenant improvements, solely on an “As-Is, With-All-Fault” basis, without any representations or warranties. No person is authorized to make any representations or warranties on behalf of the Seller regarding the Assets. Any and all information regarding the Assets provided to any interested party by the Seller or Savills Inc., including all information contained in the Offering, is provided without any representation or assurance express or implied, regarding the accuracy, completeness or current status of applicability of such information. Each interested party is expected to undertake such reviews and investigations and make such inquiries as such party may believe to be necessary, appropriate or advisable for the purpose of forming a decision to make an offer to acquire the Assets.

The Owner expressly reserves the right, as its sole discretion, to reject any or all expressions of interest or offers to purchase the Assets and/or to terminate discussions with an entity at any time with or without notice which many arise as a result of review of this Memorandum. The Owner shall have no legal commitment or obligation to any entity reviewing this Memorandum or making an offer to purchase the Assets unless and until written agreement(s) for the purchase of the Assets have been fully executed, delivered and approved by the Owner and any conditions to the Owner’s obligations therein have been satisfied or waived.

The material contained herein is confidential and is presented strictly as information for the exclusive use of the prospective purchaser. Receipt and review of this Offering by the prospective purchaser constitutes an agreement not to divulge, share or distribute the information to any other party, except the prospective purchaser’s legal counsel and financial advisors, without the prior specific written authorization of the Seller or Savills Studley, Inc. Each prospective purchaser shall also agree to and comply with the provisions of the confidentiality agreement executed by such prospective purchaser prior to receipt of this Offering.

This Offering is submitted subject to errors, changes, omissions, changes in price, market and other conditions. It contains selected information pertaining to the Assets and does not purport to be all-inclusive or to contain all

of the information that prospective purchasers may desire. It should be noted that any and all market analyses, estimates, and projections contained in this Offering are provided for general reference purposes only and are based on assumptions related to the general economy, competitions, real estate market trends, and other factors beyond the control of the Seller or Savills Inc.

Such analyses, estimates and projections are therefore subject to material variation, and may not be consistent with the views or assumptions held by other professionals.

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EXECUTIVE SUMMARY

Savills Inc., as the exclusive advisor to the seller, is pleased to present the net leased investment opportunity of the fee simple interest in the property subject currently operating as a Burger King restaurant located at 2015 W Vernon Avenue in Kinston, North Carolina.

The Subject Property is subject to an absolute NNN lease with the largest Burger King franchisee in the United States. There are approximately 15 years remaining on the Primary Term and six 5-year Options to Extend.

ADDRESS	2015 West Vernon Avenue • Kinston, NC 28504
TENANT	800 + Unit Operator
OWNERSHIP	Fee Simple
PURCHASE PRICE	\$1,280,000
NOI	\$73,616
CAP RATE	5.75%
PRICE PSF BUILDING	\$363.95
PRICE PSF LAND	\$40.25
BUILDING SIZE	3,517 SF
LOT SIZE	31,799 SF • 0.73 Acres
YEAR BUILT	1988 (Re-Imaged in 2014)
APN	451510468371
ZONING	SC





FINANCIAL ANALYSIS

FINANCIAL SUMMARY

Purchase Price	\$1,280,000
NOI	\$73,616
CAP Rate	5.75%



Actual Subject Property

RENT SCHEDULE

PRIMARY TERM	BASE RENT	INCREASE %	CAP RATE
5/16/2018 - 5/15/2019	\$73,616	-	5.75%
5/16/2019 - 5/15/2020	\$73,616	-	5.75%
5/16/2020 - 5/15/2021	\$73,616	-	5.75%
5/16/2021 - 5/15/2022	\$73,616	-	5.75%
5/16/2022 - 5/15/2023	\$73,616	-	5.75%
5/16/2023 - 5/15/2024	\$73,616	-	5.75%
5/16/2024 - 5/15/2025	\$74,352	1.00%	5.81%
5/16/2025 - 5/16/2026	\$75,095	1.00%	5.87%
5/16/2026 - 5/15/2027	\$75,846	1.00%	5.93%
5/16/2027 - 5/15/2028	\$76,605	1.00%	5.98%
5/16/2028 - 5/15/2029	\$77,371	1.00%	6.04%
5/16/2029 - 5/15/2030	\$78,144	1.00%	6.11%
5/16/2030 - 5/15/2031	\$78,926	1.00%	6.17%
5/16/2031 - 5/15/2032	\$79,715	1.00%	6.23%
5/16/2032 - 5/15/2033	\$80,512	1.00%	6.29%
5/16/2033 - 5/15/2034	\$81,317	1.00%	6.35%
TOTAL	\$1,219,576	AVERAGE	5.95%
Option 1 Total	\$416,426	Option 1 Average	6.51%
Option 2 Total	\$429,044	Option 2 Average	6.70%
Option 3 Total	\$442,045	Option 3 Average	6.91%
Option 4 Total	\$455,439	Option 4 Average	7.12%
Option 5 Total	\$469,239	Option 5 Average	7.33%
Option 6 Total	\$483,458	Option 6 Average	7.55%
CUMULATIVE TOTAL	\$3,915,228	AVERAGE	6.87%



LEASE ABSTRACT

TENANT	800+ Unit Burger King Operator
LEASE STRUCTURE	NNN
ANNUAL RENT	\$73,616
RENTAL INCREASES	1% annually beginning in 2024 and 1% annually in the first 3 years of each 5-year Option Period
COMMENCEMENT DATE	May 16 th , 2014
EXPIRATION DATE	May 15 th , 2034
REMAINING PRIMARY TERM	± 15 Years
OPTIONS TO EXTEND	Six 5-Year Options
TAXES	Tenant Responsibility
MAINTENANCE & REPAIRS	Tenant Responsibility
UTILITIES	Tenant Responsibility
INSURANCE	Tenant Responsibility
LANDLORD RESPONSIBILITIES	None
GUARANTOR	800+ Unit Burger King Operator
RIGHT OF FIRST REFUSAL	Yes
ASSIGNMENT	Without Landlord's consent if to Burger King Corporation or approved Burger King franchisee, or to an operator of a national restaurant chain with a minimum of 15 locations and either a Net Worth, Market Capitalization or EBITDA of at least \$5,000,000





BRAND & TENANT INFORMATION

RESTAURANT BRANDS INTERNATIONAL, INC.

Restaurant Brands International, Inc. (often referred to as RBI), is a Canadian corporation founded in August of 2014. The company operates franchises across three major quick-service restaurant concepts: Burger King, Tim Horton's and Popeyes. The company was originally formed for its Burger King and Tim Horton's brands and their respective subsidiaries, but acquired Popeyes in 2017 for a reported \$1.65B. RBI is traded on the NYSE as QSR.

As one of the world's largest QSR companies, RBI reported an impressive \$30B in system-wide sales as of December 31, 2017. The company currently has over 24,000 restaurant locations in 100 countries and US territories around the world. RBI attributes its success to the franchising of their three internationally recognized brands, which all have similar business models and complementary product platforms.

In 2017, RBI reported system-wide sales increases and positive net restaurant growth for all three of its brands. The company generated \$1.235B of net income in fiscal year 2017, as 29.23% increase from reported net income of \$955.9M in fiscal year 2016.

BURGER KING



Burger King's origins date back to the 1950s when a Florida man created "Insta-Burger King" after being inspired by the original McDonald's restaurant in San Bernardino, California. After being sold in 1959, the restaurant brand was re-named Burger King and had begun spreading throughout the United States.

After a series of company sales, 3G Capital purchased Burger King from TPG Capital in 2010 for \$3.2B. In 2014, the Burger King brand merged with Tim Horton's upon creation of Restaurant Brands International, Inc.

The Burger King brand has experienced consistent growth over the past few years. In 2017, system-wide sales for Burger King totaled \$20B, a 10.1% increase from 2016. The BK system restaurant count also increased by 6.5% in the same time period, with total stores reaching 16,767. Of those stores, 50 are owned by the company, making the brand nearly 100% franchised.

TENANT

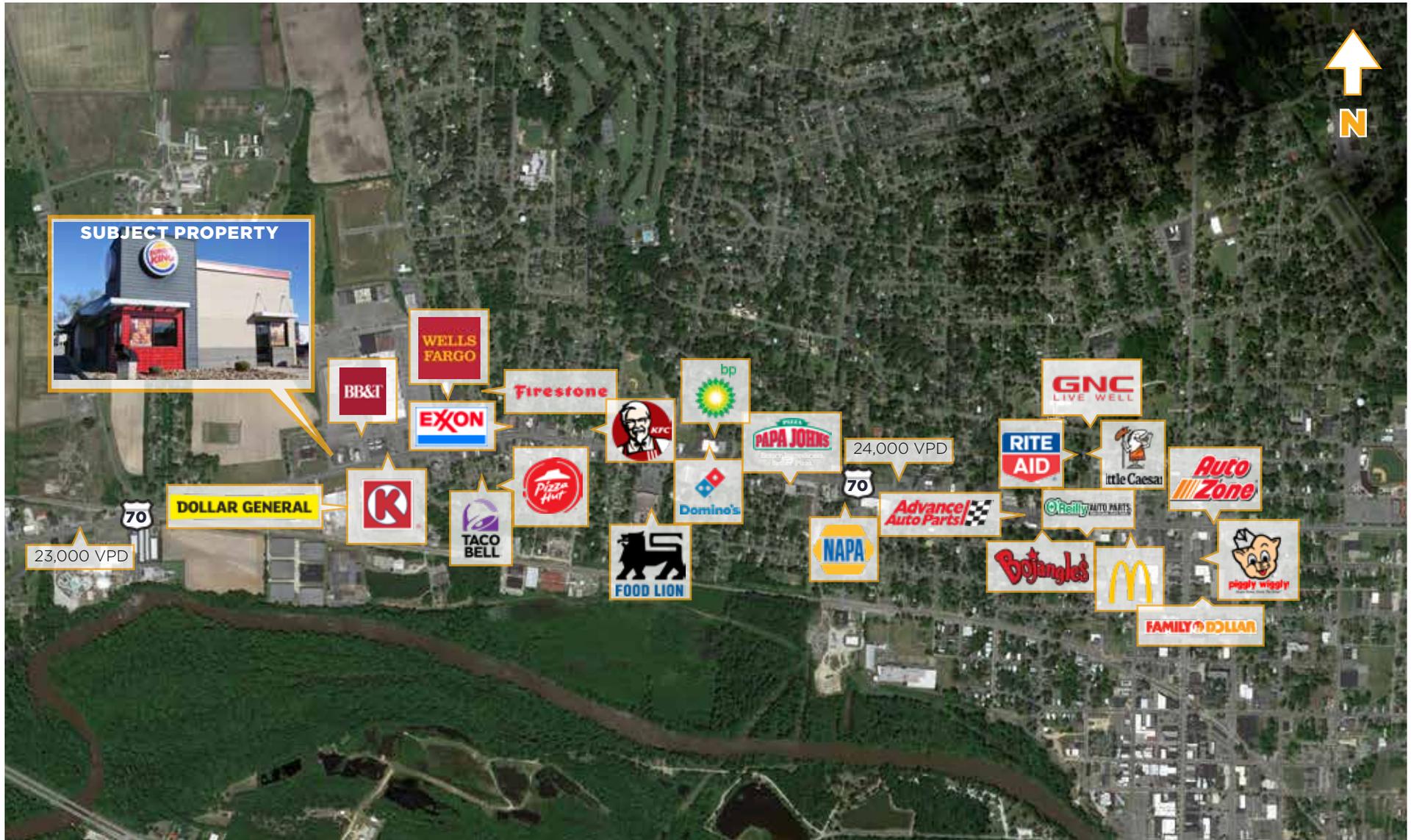
The subject property is subject to an absolute NNN lease with a Burger King franchisee. As of October 5th, 2018, the tenant operated 848 Burger King restaurants throughout the United States.

The company was founded in 1976 and is based in Syracuse, New York. In August of 2018 the company released its Financial Results for the second quarter of the year, which included highlights such as:

- Restaurant sales increased by 8.4% to \$303M versus \$279.5M in the second quarter of 2017;
- Same-store sales increased by 5.0% versus second quarter 2017; and
- Net Income was \$7.8M compared to \$6M in the prior year quarter.



SURROUNDING RETAILERS





PROPERTY PHOTOS





PROPERTY PHOTOS



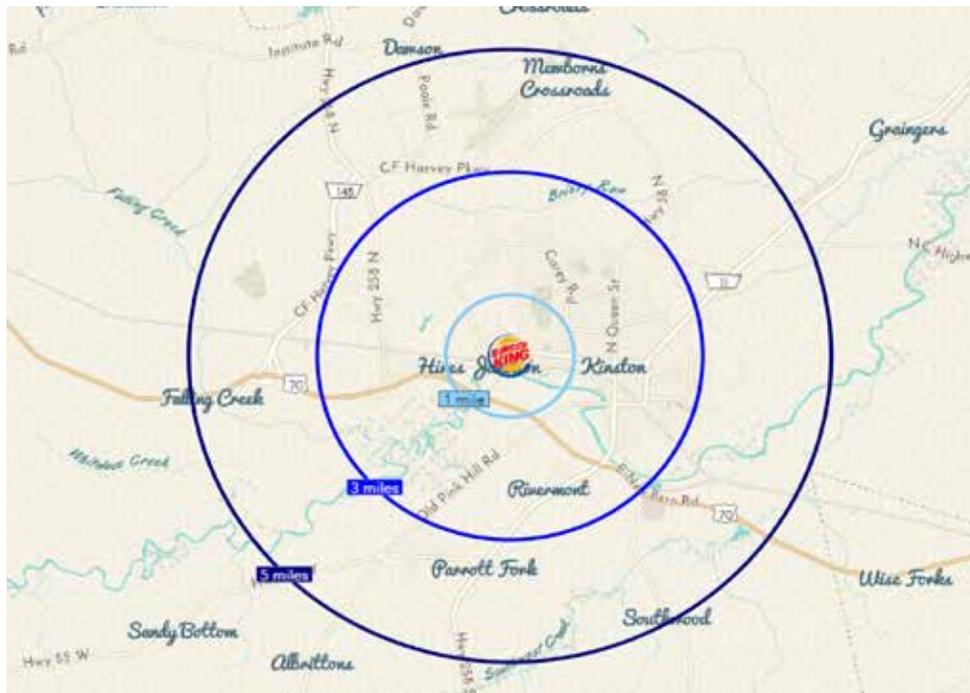
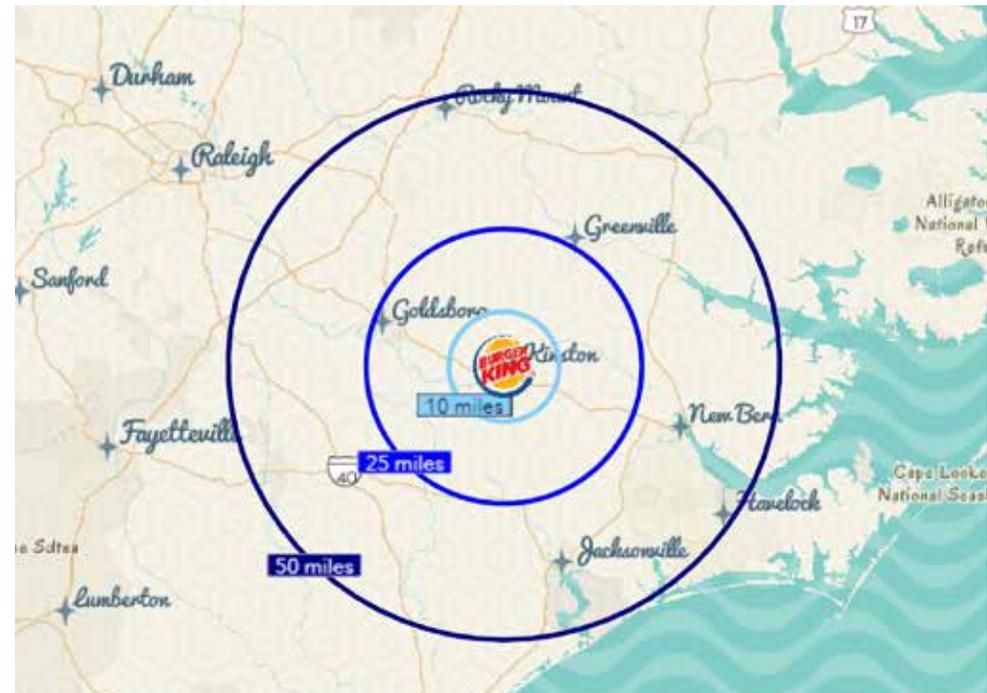


LOCATION OVERVIEW

KINSTON, NORTH CAROLINA

Kinston is located in the coastal plains region of Eastern North Carolina and has served as Lenoir County's county seat since its formation in 1791. The city is situated approximately 70 miles southeast of Raleigh, 27 miles southwest of Greenville and 35 miles north of Jacksonville, North Carolina. The city is a two-time recipient of the prestigious All-America City Award, which is presented yearly to 10 communities as recognition for their work in using inclusive civic engagement.

The region is home to the North Carolina Global Transpark, a 2,500-acre multi-modal industrial/airport site that offers a variety of local and statewide economic incentives to businesses. Spirit AeroSystems - the world's largest independent supplier of commercial airplane assemblies and components - also calls Kinston home.





DEMOGRAPHICS

POPULATION

	1 Mile	3 Miles	5 Miles
Estimated Population 2018	3,092	21,196	31,306
Projected Population 2023	3,069	20,640	30,374
Median Age 2018	48.7	44.5	44.2

HOUSEHOLDS

	1 Mile	3 Miles	5 Miles
Estimated Households 2018	1,158	8,977	13,065
Projected Households 2023	1,142	8,691	12,609
Estimated Average Household Size 2018	2.46	2.26	2.32

RACE & ETHNICITY

	1 Mile	3 Miles	5 Miles
White Alone	52.8%	32.2%	39.4%
Black Alone	42.0%	62.9%	54.9%
Native American Alone	0.2%	0.3%	0.4%
Asian Alone	1.2%	1.1%	0.1%
Pacific Islander Alone	0.0%	0.1%	0.1%
Other Race	1.7%	1.7%	2.6%
Two or More Races	2.2%	1.8%	1.8%
Hispanic Origin	3.9%	3.7%	5.2%

INCOME

	1 Mile	3 Miles	5 Miles
Average 2018 Household Income	\$61,069	\$46,499	\$49,795
Projected 2023 Household Income	\$64,945	\$49,773	\$53,608
Growth Projection 2018 - 2023	1.24%	1.37%	1.49%

KEY FACTS - 5 MILE RADIUS



31,306
Population



\$49,795
Average HH Income



13,065
Households



48.7
Median Age

TOP COUNTY EMPLOYERS # OF EMPLOYEES

Sanderson's Farms, Inc.	1,000 +
NC Dept. of Health	1,000 +
Lenoir County Schools	1,000 +
Smithfield Foods, Inc.	500 +
Lenoir Memorial Hospital	500 +
Spirit Aerosystems	500 +
Electrolux Home Products	500 +
City of Kinston Public	250 +
Lenoir Community College	250 +
Crown Equipment	250 +
West Pharmaceutical Services	250 +
RHA Health Services LLC	250 +
Wal-Mart Stores, Inc.	250 +
Bojangles Famous Chicken	250 +



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