

BURGER KING

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM

BURGER KING

3900 State Road 7, Lake Worth, FL 33449

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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.

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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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The Burger King logo, featuring the words "BURGER KING" in white, bold, sans-serif capital letters on an orange rectangular background.

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BURGER KING



Representative Photo



Investment Highlights

PRICE: \$2,900,000 | CAP: 5.00% | RENT: \$145,000

BURGER KING

About the Investment

- ✓ Brand New Triple Net (NNN) 20-Year Sale-Leaseback
- ✓ 52-Unit Franchisee Exceptional Unit-Level Performance | Sales Well Above The National Average
- ✓ Recently Remodeled Store
- ✓ 1.25% Annual Rental Increases Starting in Year 3

About the Location

- ✓ Very Affluent Community | Average Income of Over \$121,000 Within One-Mile Radius
- ✓ Outparcel to Publix | Dense Retail Corridor | Other Tenants Include: Walgreens, Walmart, Subway, CVS, Goodyear Auto, SunTrust, Wendy's and Several Other Quick Service Restaurants
- ✓ Strong Traffic Counts | Lake Worth Rd & US-441 | 64,270 and 34,985 Vehicles Per Day Respectively
- ✓ Compelling Location Fundamentals | Within 10 Miles of Downtown West Palm Beach

About the Tenant / Brand

- ✓ Seven Restaurants ("7Restaurant") is a 52-Unit Burger King Operator
- ✓ 7Restaurants has Significant Growth Plans for this Entity | 10-15 New Sites in 2019 | Providing the Future Landlord with the Benefit of Credit Enhancement as Operations Continue to Grow
- ✓ 7Restaurant has an Excellent Track Record With Proven Operational Expertise
- ✓ The 7 Restaurant Management Team has a Combined 70+ Years of Experience in The Burger King System
- ✓ Burger King Brand is One of the World's Most Recognized Consumer Brands



Representative Photo



Representative Photo



Financial Analysis

PRICE: \$2,900,000 | CAP: 5.00% | RENT: \$145,000

BURGER KING

PROPERTY DESCRIPTION

Property	Burger King
Property Address	3900 State Road 7
City, State, ZIP	Lake Worth, FL, 33449
Year Built / Renovated	1997
Building Size	2,888
Lot Size	+/- 0.97 Acres
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$2,900,000
CAP Rate	5.00%
Annual Rent	\$145,00

LEASE SUMMARY

Property Type	Net-Leased Restaurant
Tenant/Guarantor	Franchisee(52-Unit Operator)
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	1.25% Every Year, Starting Year 3

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 1	\$145,000	\$12,083	-
Year 2	\$145,000	\$12,083	-
Year 3	\$146,813	\$12,234	1.25%
Year 4	\$148,648	\$12,387	1.25%
Year 5	\$150,506	\$12,542	1.25%
Year 6	\$152,387	\$12,699	1.25%
Year 7	\$154,292	\$12,858	1.25%
Year 8	\$156,221	\$13,018	1.25%
Year 9	\$158,173	\$13,181	1.25%
Year 10	\$160,150	\$13,346	1.25%
Year 11	\$162,152	\$13,513	1.25%
Year 12	\$164,179	\$13,682	1.25%
Year 13	\$166,232	\$13,853	1.25%
Year 14	\$168,309	\$14,026	1.25%
Year 15	\$170,413	\$14,201	1.25%
Year 16	\$172,543	\$14,379	1.25%
Year 17	\$174,700	\$14,558	1.25%
Year 18	\$176,884	\$14,740	1.25%
Year 19	\$179,095	\$14,925	1.25%
Year 20	\$181,334	\$15,111	1.25%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the Burger King located in Lake Worth, FL. The property consists of approximately 2,888 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 \$145,000 and the lease calls for 1.25% rental increases every year starting year 3 during the base term and continuing through the four, five-year tenant renewal options.



Concept Overview

BURGER KING

About Burger King

Burger King – founded in 1954 – 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. Almost 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. In 2010, 3G Capital, a global multi-million-dollar investment firm focused on long term value creation, purchased Burger King Corporation, making it a privately-held company. 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.

About 7Restaurants

Seven Restaurants, LLC ("7Restaurants") is among the most sophisticated multi-unit franchisee operators in the Burger King system. 7Restaurants owns and operates Burger King restaurants in the Broward County and Treasure Coast areas of south Florida. They currently have 52+ units and with significant reinvestment in the business, 7Restaurants is well positioned for exponential growth with the support of a highly seasoned senior management team. The group has a combined 70 years of experience in the Burger King system and expertise in fields such as M&A, franchising, and development.



SEVEN 7 RESTAURANTS
a franchisee of Burger King Corporation

#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

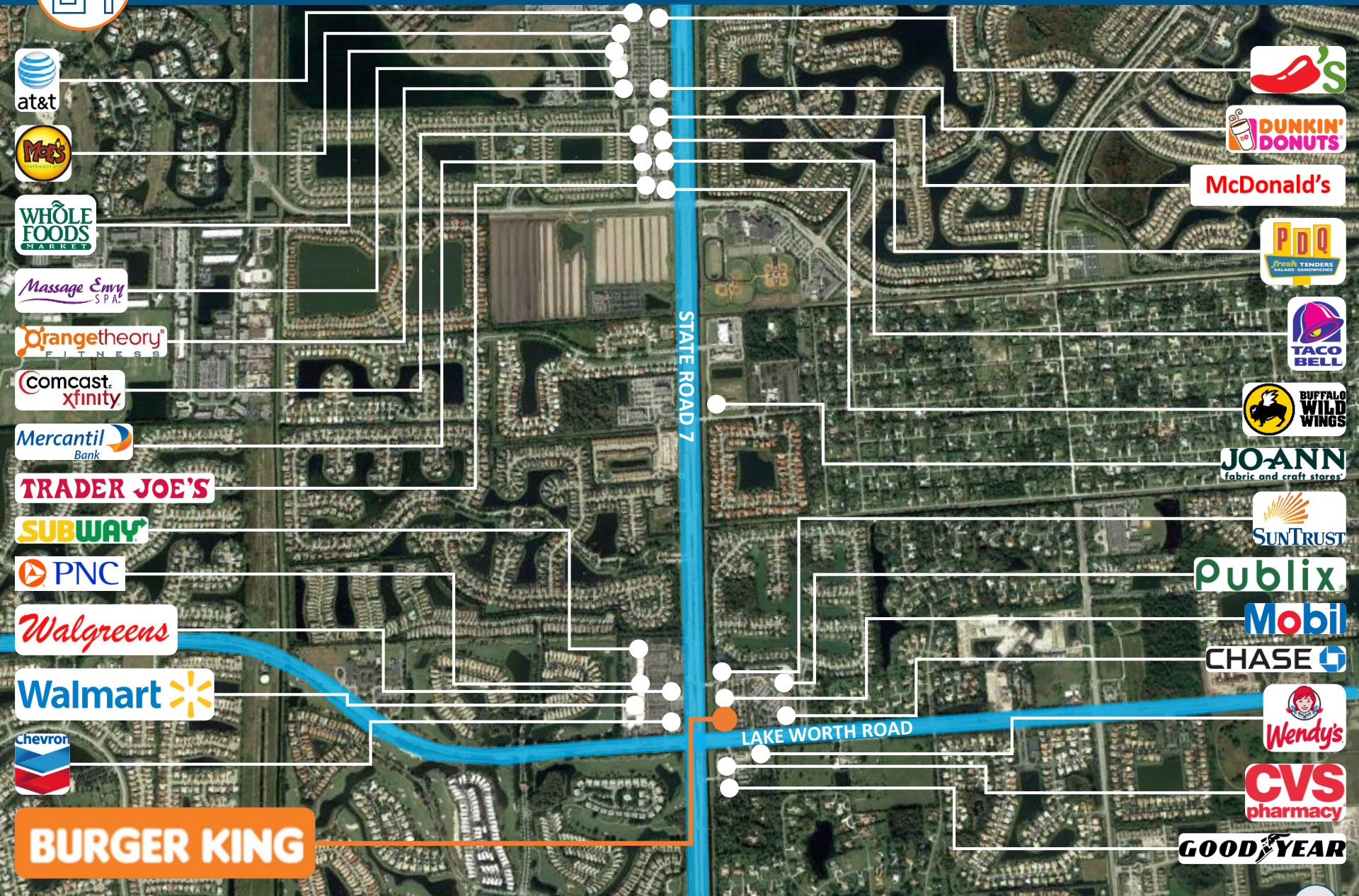
- Nearly 14,000 restaurants in 100+ countries. QSR industry-leading EBITDA margins





Surrounding Area

BURGER KING





Property Photos

BURGER KING





Surrounding Area Photos

BURGER KING





Location Overview

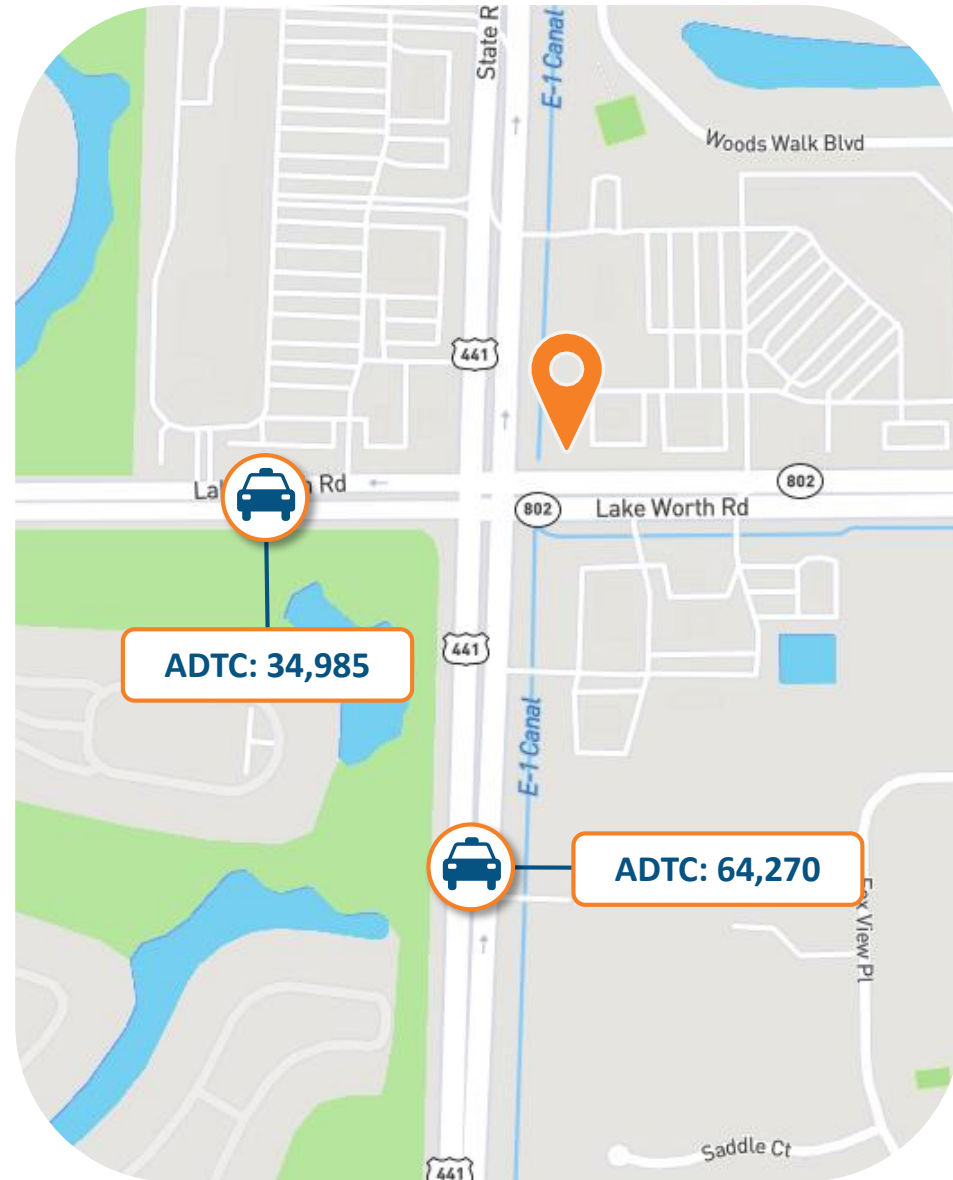
Property Address: 3900 State Road 7, Lake Worth, FL 33449

BURGER KING

The subject investment property is located on the North East intersection of Lake Worth Road and State Road 7 in Lake Worth, Florida. State Road 7 sees over 64,000 vehicles on average per day. Additionally, Lake Worth Road brings an 35,000 vehicles into the immediate surrounding area. There are more than 50,000 individuals within a three-mile radius of the subject property and more than 185,000 individuals within a five-mile radius. This Burger King is also positioned in a very wealthy suburban area, with an average income of \$121,000 within a one-mile radius.

The subject property benefits from being well-positioned as outparcel to a Publix and from its proximity to several national and local tenants. Major surrounding tenants include: McDonald's, Walmart, Whole Foods, Walgreens, Taco Bell, Wendy's, Publix, Chase Bank, Dunkin' Donuts, Subway, Goodyear, Chevron, Trader Joe's, and numerous others. This Burger King is also conveniently located within 2.5 miles of both the International Polo Club of Palm Beach and the Polo Hall of Fame. The stadium at International Polo Club has a capacity of over 2,000 and is just one portion of the 300-acre, world-class facility. Both professional and amateur sporting events take place here on a weekly basis all throughout the year.

Lake Worth is a city in Palm Beach County, Florida, United States, which takes its name from the body of water along its eastern border known as the Lake Worth Lagoon. The lake itself was named for General William J. Worth, who led U.S. forces during the last part of the Second Seminole War. Lake Worth is located less than 10 miles south of West Palm Beach, Florida. West Palm Beach is a city in and the county seat of Palm Beach County, Florida, United States. It is the oldest incorporated municipality in Greater Miami, having been incorporated as a city two years before Miami in November 1894. West Palm Beach is located approximately 68 miles north of Downtown Miami. The City and its surrounding area offer a relaxed, genteel atmosphere offering superb arts and culture, a dizzying array of events and thrilling opportunities for dining, entertainment and nightlife. The area offers a broad range of private and public schools, with some ranked among the best in the country. The city is home to sunny palm-lined streets, breathtaking waterfront views, quaint shopping districts, historic and scenic neighborhoods, and exciting year-round outdoor festivals. West Palm Beach has several world class shopping and entertainment districts including CityPlace, Clematis Street, Antique Row, Northwood Village and more.

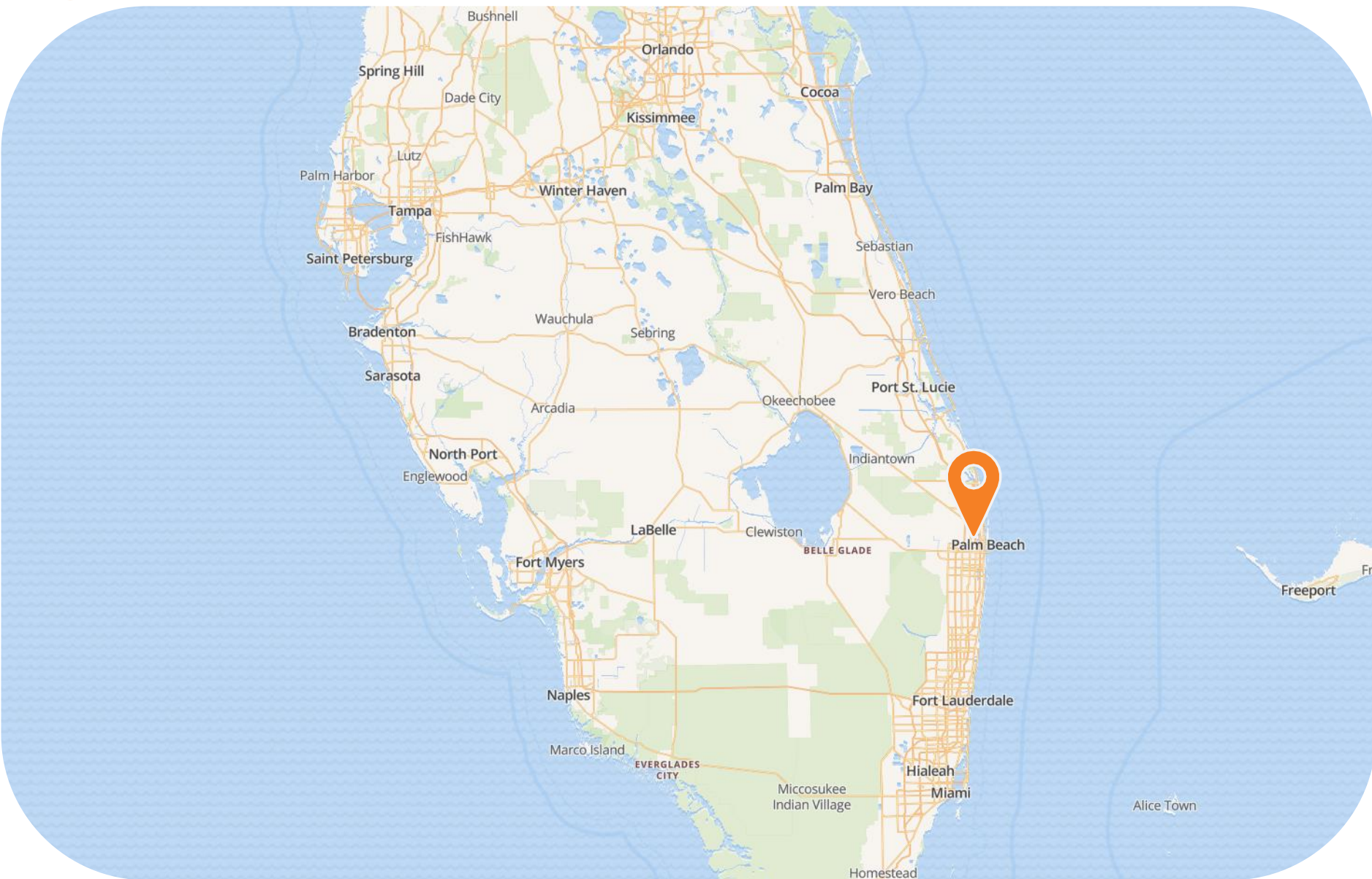




Local Map

BURGER KING

Property Address: 3900 State Road 7, Lake Worth, FL 33449

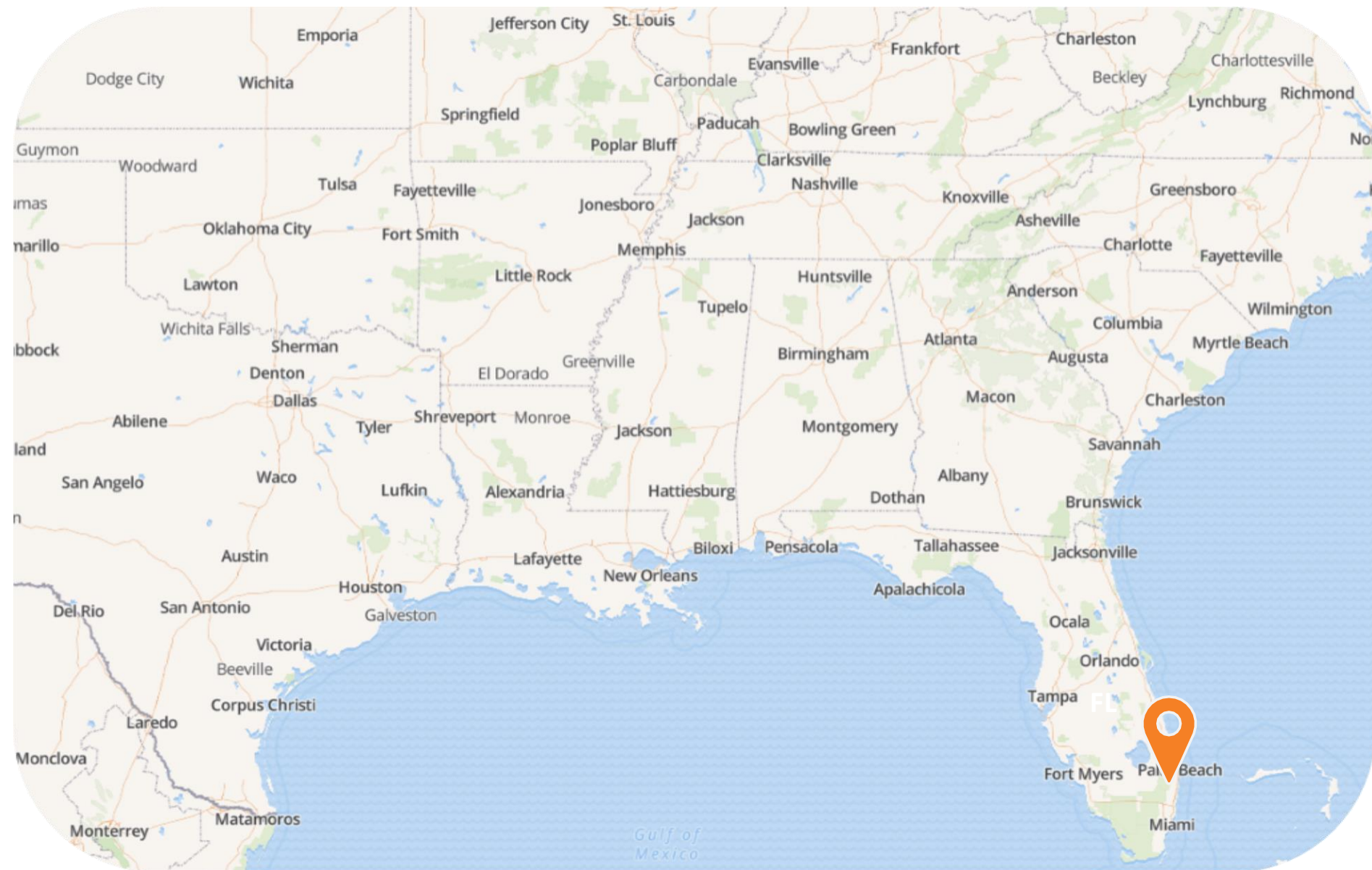




Regional Map

BURGER KING

Property Address: 3900 State Road 7, Lake Worth, FL 33449

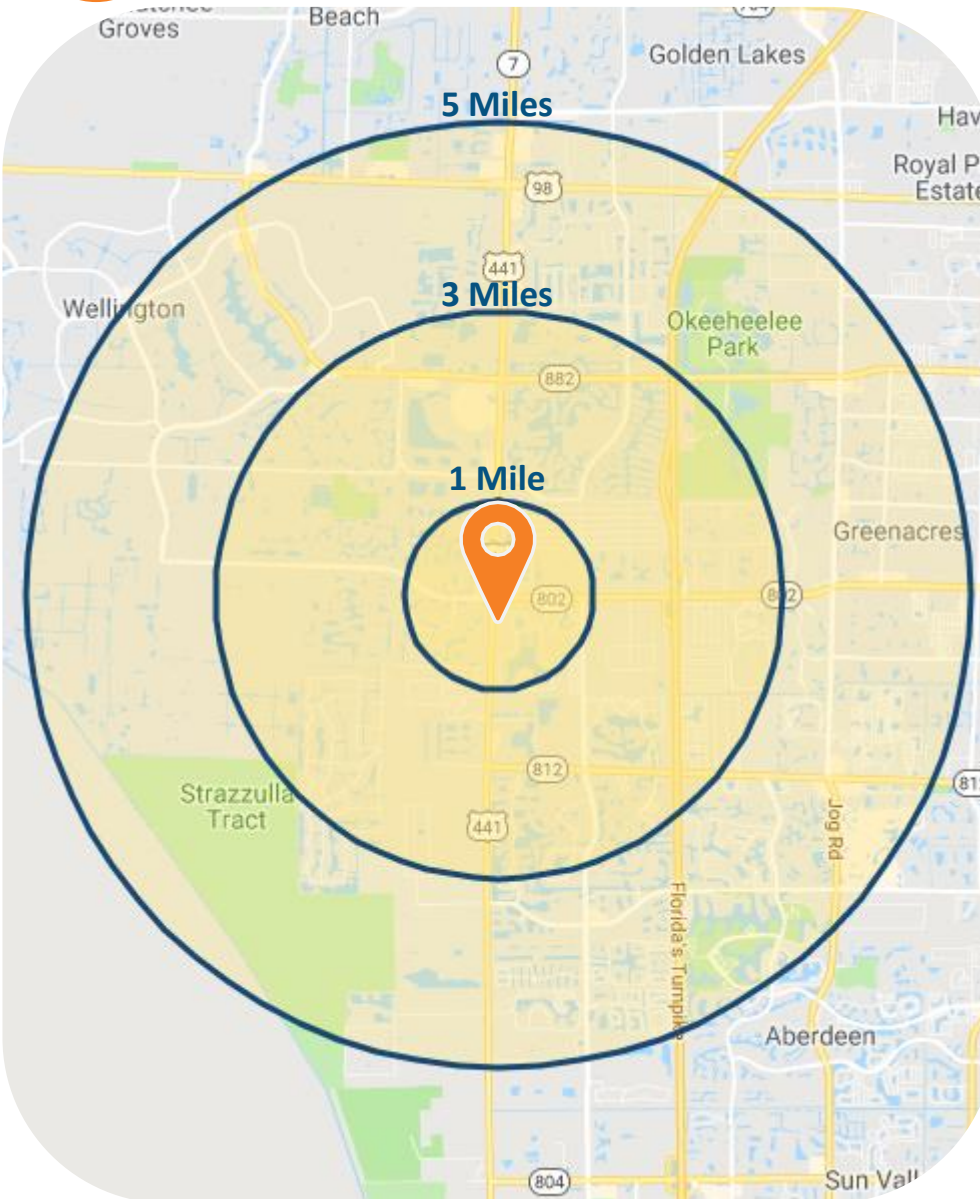




Demographics

Property Address: 3900 State Road 7, Lake Worth, FL 33449

BURGER KING



POPULATION

	1 Mile	3 Miles	5 Miles
2022 Projection	8,399	61,076	207,999
2017 Estimate	7,440	50,719	185,460
2010 Census	6,521	46,099	170,261
2000 Census	4,179	24,983	114,012

INCOME

	1 Mile	3 Miles	5 Miles
Average	\$121,036	\$102,892	\$87,116
Median	\$87,560	\$73,175	\$60,315
Per Capita	\$46,570	\$39,357	\$31,971

HOUSEHOLDS

	1 Mile	3 Miles	5 Miles
2022 Projection	3,355	23,427	77,258
2017 Estimate	2,863	19,398	68,036
2010 Census	2,525	17,721	63,099
2000 Census	1,556	10,122	45,440

HOUSING

	1 Mile	3 Miles	5 Miles
2017	\$337,985	\$289,837	\$237,758

EMPLOYMENT

	1 Mile	3 Miles	5 Miles
2017 Daytime Population	6,835	43,650	134,357
2017 Unemployment	3.03%	4.27%	4.67%
2017 Median Time Traveled	32 Mins	31 Mins	30 Mins

RACE & ETHNICITY

	1 Mile	3 Miles	5 Miles
White	79.02%	79.85%	71.69%
Native American	0.20%	0.07%	0.08%
African American	11.96%	10.36%	15.21%
Asian/Pacific Islander	3.75%	4.65%	3.90%



Market Overview

City: Lake Worth | County: Palm Beach | State: Florida

West Palm Beach, Florida

Lake Worth is a city located less than seven miles from West Palm Beach, FL. West Palm Beach is a city in and the county seat of Palm Beach County, Florida, United States. It is located immediately to the west of the adjacent Palm Beach, which is situated on a barrier island across the Lake Worth Lagoon. West Palm Beach is a principal city of the Miami metropolitan area, which was home to an estimated 6,158,824 people in 2017. The city is home to sunny palm-lined streets, breathtaking waterfront views, quaint shopping districts, historic and scenic neighborhoods, and exciting year-round outdoor festivals. West Palm Beach has several world class shopping and entertainment districts including CityPlace, Clematis Street, Antique Row, Northwood Village and more. Its government, business community and citizenry unite to build a positive, progressive business environment that is supportive and cooperative, which combined with its outstanding lifestyle and easy workability, creates Florida's best metropolitan location where professional and personal lives both flourish, and where dreams still come true. West Palm Beach offers an incredible business infrastructure that cuts costs, improves efficiencies and makes business easier to do than other areas of the country. Several industries such as Marine Services, Investment and Financial Services, Healthcare, Biotech, and Professional Services have long enjoyed supportive, thriving concentrations of similar businesses. Although today part of the largest metropolitan statistical area in the Southeast, its gentle pace, relaxed atmosphere, and fulfilling amenities separate it drastically from others in the area.

Major Employers

Employer	Estimated # of Employees
Board of Governors State University	939
Walmart	652
National Assemblers	500
Highlight Realty Network	450
Home Depot	447
Target	377
Dillard's	350
Stonewood Grill & Tavern	302
NuVista Living At Wellington Green	300
Ranger Construction Industries Inc.	300
County of Palm Beach	282

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