

POPEYES

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



116 US-231 – Ozark, AL 36360

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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

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Investment Highlights



About the Investment

- ✓ Brand New 20-Year Sale Leaseback to Commence at the Close of Escrow
- ✓ Triple-Net (NNN) Lease with Zero Landlord Responsibilities
- ✓ Strong Hedge Against Inflation | Attractive Annual Rental Increases
- ✓ Four (4) Tenant Renewal Options of Five (5) Years Each

About the Location

- ✓ Main Retail Hub In Ozark | Major Tenants Include: Walmart, Tractor Supply Co, McDonald's, Sonic, Waffle House, Burger King, Hardee's, Zaxby's, Applebee's, Wendy's, and Many More
- ✓ Compelling Real Estate Fundamentals | Just Over Two Miles from Dale Medical Center | Nationally Recognized 89-Bed Acute Care Medical Facility
- ✓ Located Just Down the Street From Ozark Airport | Home to Dyna Flight Training Center, Bell Helicopter, and Alabama Aviation College
- ✓ Excellent Traffic Counts | Approximately 20,000 Vehicles Per Day on US-231

About the Tenant / Brand

- ✓ One of the World's Largest Quick Service Chicken Restaurant Concepts | Nearly 2,900 Units Worldwide | 98% Franchised
- ✓ International Growth Acceleration | Numerous Development Agreements Executed in the Last Few Years
- ✓ Rapidly Growing Franchisee | Currently Operates 16-Units | Aggressive Expansion Plans – Opening Four Units in 2019 With Three Currently Under Construction – Plans to Open a Total of 20 Within the Next Five Years



Representative Photo



Representative Photo



Financial Analysis

PRICE: \$1,745,455 | CAP: 5.50% | RENT: \$96,000

POPEYES

LOUISIANA KITCHEN

PROPERTY DESCRIPTION

Property	Popeyes
Property Address	116 US-231
City, State, ZIP	Ozark, AL 36360
Building Size (SF)	2,336
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$1,745,455
CAP Rate	5.50%
Annual Rent	\$96,000

LEASE SUMMARY

Property Type	Net Leased Restaurant
Tenant/Guarantor	Mabo Investments, LLC
Original Lease Term	20 Years
Lease Commencement	Close of Escrow
Lease Expiration	20 Years From the Close of Escrow
Lease Term Remaining	20 Years
Lease Type	Triple Net (NNN)
Roof & Structure	Tenant Responsible
Options to Renew	Four (4), Five (5)-Year
Rental Increases	1.75% Annually

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 1	\$96,000	\$8,000	-
Year 2	\$97,680	\$8,140	1.75%
Year 3	\$99,389	\$8,282	1.75%
Year 4	\$101,129	\$8,427	1.75%
Year 5	\$102,898	\$8,575	1.75%
Year 6	\$104,699	\$8,725	1.75%
Year 7	\$106,531	\$8,878	1.75%
Year 8	\$108,396	\$9,033	1.75%
Year 9	\$110,293	\$9,191	1.75%
Year 10	\$112,223	\$9,352	1.75%
Year 11	\$114,187	\$9,516	1.75%
Year 12	\$116,185	\$9,682	1.75%
Year 13	\$118,218	\$9,852	1.75%
Year 14	\$120,287	\$10,024	1.75%
Year 15	\$122,392	\$10,199	1.75%
Year 16	\$124,534	\$10,378	1.75%
Year 17	\$126,713	\$10,559	1.75%
Year 18	\$128,931	\$10,744	1.75%
Year 19	\$131,187	\$10,932	1.75%
Year 20	\$133,483	\$11,124	1.75%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the Popeyes located 116 US-231 in Ozark, AL. The property consists of approximately 2,336 rentable square feet and 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 \$96,000 and the lease will call for 1.75% annual rental increases.



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 27th, 2017 for a total consideration of \$1.7 billion by Restaurant Brands International (NYSE: QSR).

Fast Facts:

- *Global Leadership in Quick Service Chicken Segment - One of the largest concepts 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 executed in last few years*



Representative Photo

Mabo Investments, LLC

Mabo Investments, LLC, a growing franchisee within the Popeyes' system, currently operates 16 units with tremendous growth plans for the future. With plans to open 20 more stores in the next five years, they currently are under construction on three units and plan to open a total of four in 2019. By focusing on four key aspects of their business: people, operations, facilities, and technologies, Mabo Investments has made a commitment to responsibly and effectively grow their operational footprint, while staying true to their roots, delivering "food that ignites our desire to serve".



Surrounding Area

POPEYES

LOUISIANA KITCHEN





Location Overview

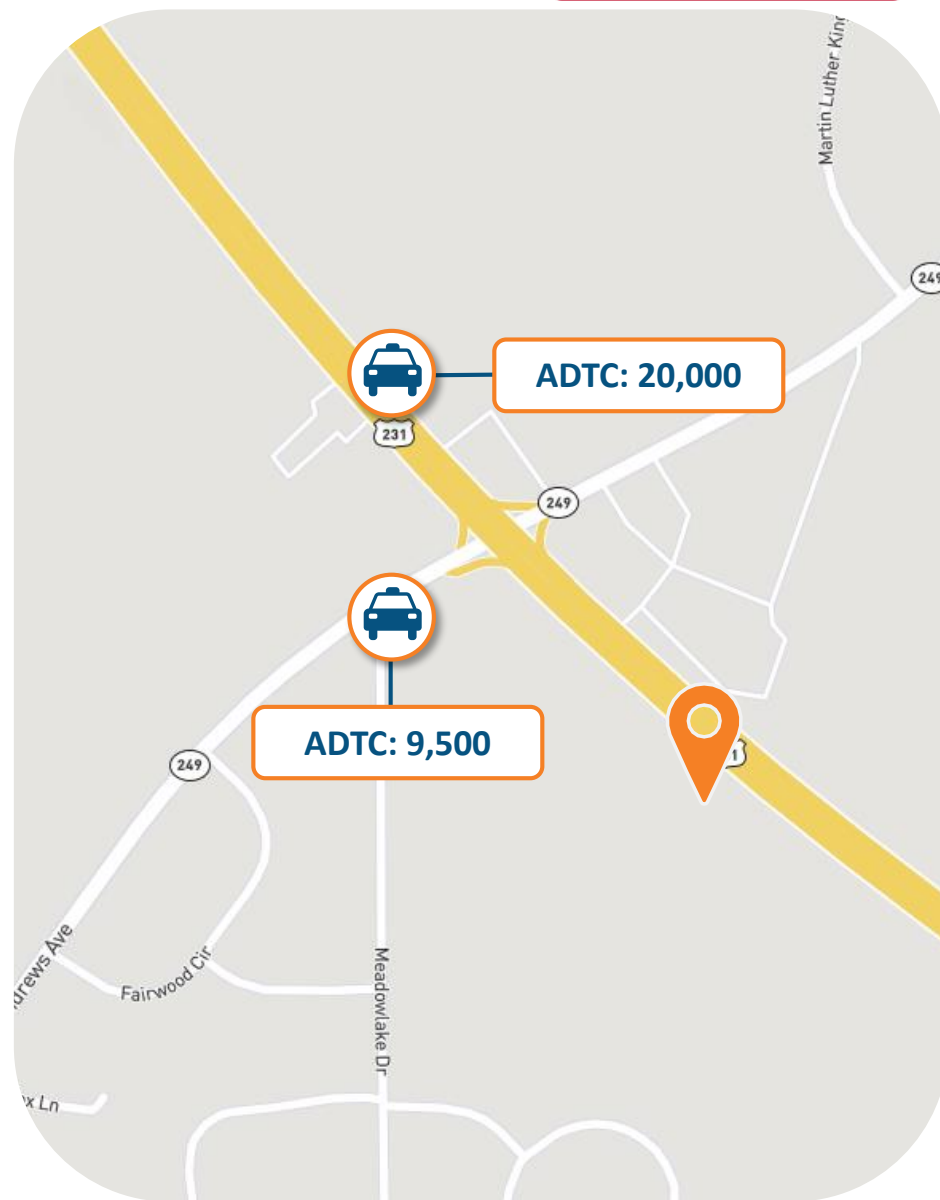
POPEYES

LOUISIANA KITCHEN

The subject investment property is located at 116 US-231 in Ozark, AL. US-231 has an average daily traffic count of 20,000 vehicles. The subject property also benefits from its close proximity to East Andrews Avenue, which brings an average of 9,500 vehicles into the immediate area each day.

The subject property benefits from being well-positioned in a main retail corridor in Ozark, benefitting from its close proximity to numerous national and local tenants. Major national tenants include: Walmart, Burger King, Sonic, Waffle House, McDonald's, Hardee's, Chevron, O'Reilly, Checkers, Pizza Hut, Farmers Home Furniture, Applebee's, Zaxby's, Wendy's, Church's Chicken, and Tractor Supply Co. In addition to these numerous retail and restaurant tenants, the subject property benefits from its close proximity to Dale Medical Center, which is located roughly two miles east of the subject property. The medical center features an 89-bed acute-care facility with a highly skilled staff specializing in a number of different practices. The hospital also features an emergency room, which has received national recognition, including being one of the few hospitals in the nation to receive the Women's Choice Award for America's Best Emergency Care. The subject property also benefits from being located just down the street from the Ozark Airport, which is home to the Alabama Aviation College, Bell Helicopter, ALA Aviation & Tech School, and Dyna Flight Training Center.

Ozark is a city in, as well as the county seat of, Dale County, Alabama. The city has been incorporated for nearly 150 years, and continues to be known throughout the region of southeastern Alabama, as a great place to live, raise a family, and build a business. The city has focused on creating an inviting business climate by offering both tax incentives and a work force equipped with career training from Ozark's educational institutions and those within commuting distance. Ozark is strategically located just 20 miles northwest of Dothan, which is a city located in Dale, Henry, and Houston counties in the state of Alabama. The city is the largest in, and serves as the county seat of, Houston County, which sits in the southeast corner of the state roughly 20 miles west of Georgia and 15 miles north of Florida. The city serves as the main transportation and commercial hub for a significant portion of southeastern Alabama, southwest Georgia, and nearby portions of the Florida panhandle. Since approximately one-fourth of the U.S. peanut crop is produced nearby, much of which is processed in the city, Dothan is sometimes referred to as "The Peanut Capital of the World." It also is the host of the National Peanut Festival at the dedicated "Peanut Festival Fairgrounds". The city is known for being a regional transportation hub, and a large reason for this is Dothan Regional Airport (DHN), which is served by Delta Airlines and Aero-One Aviation.





Proposed Site Plans

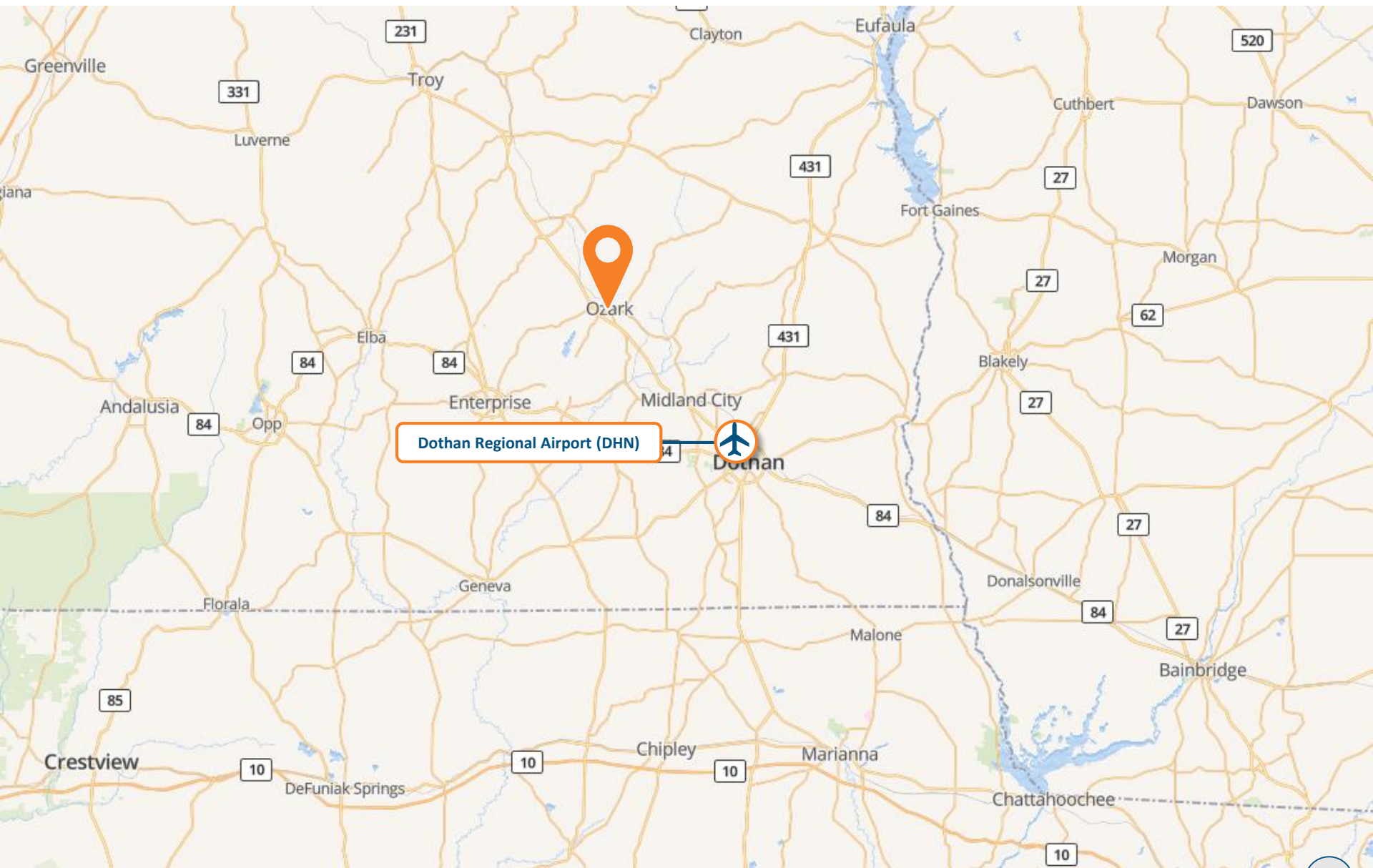




Local Map

POPEYES

LOUISIANA KITCHEN

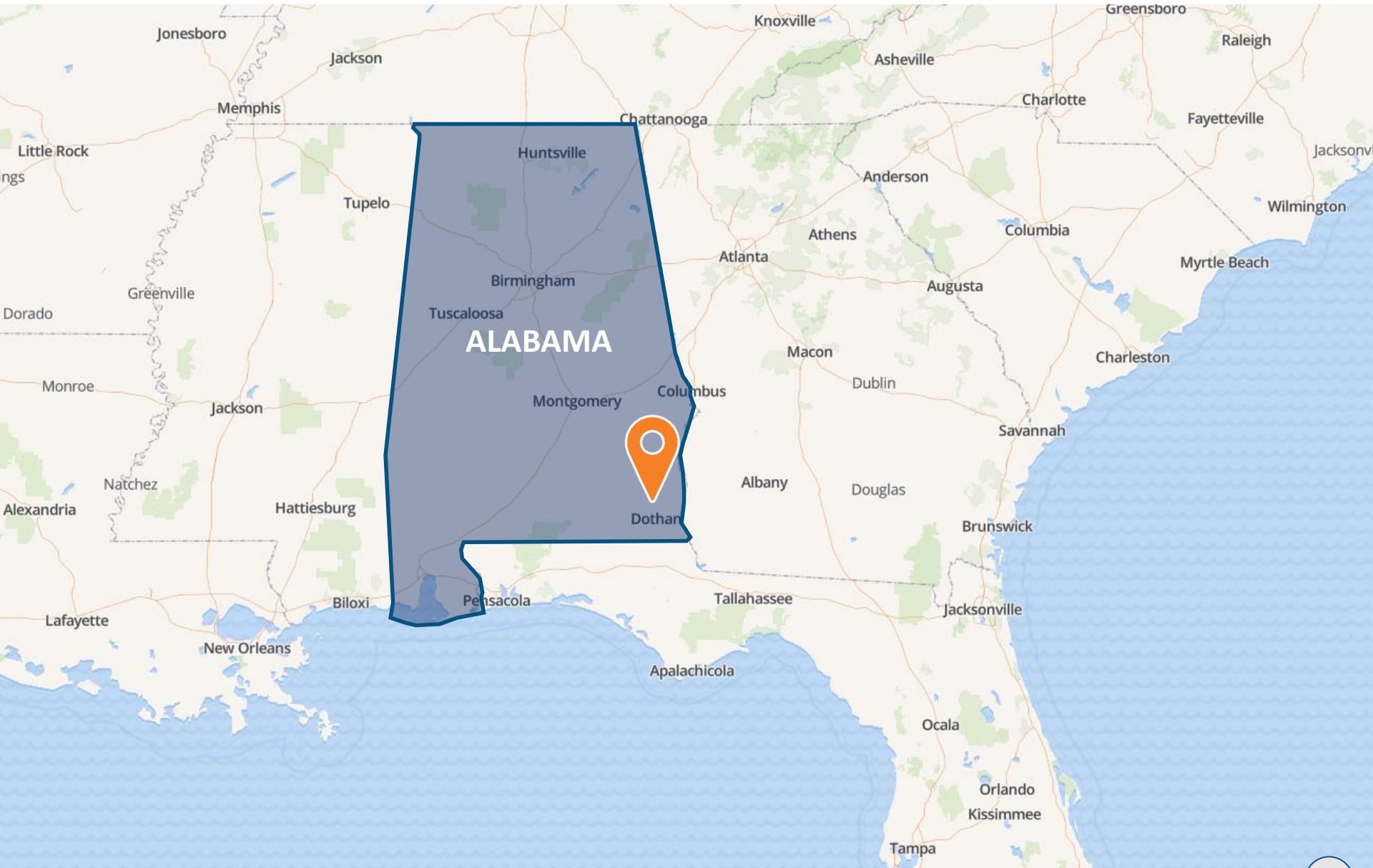


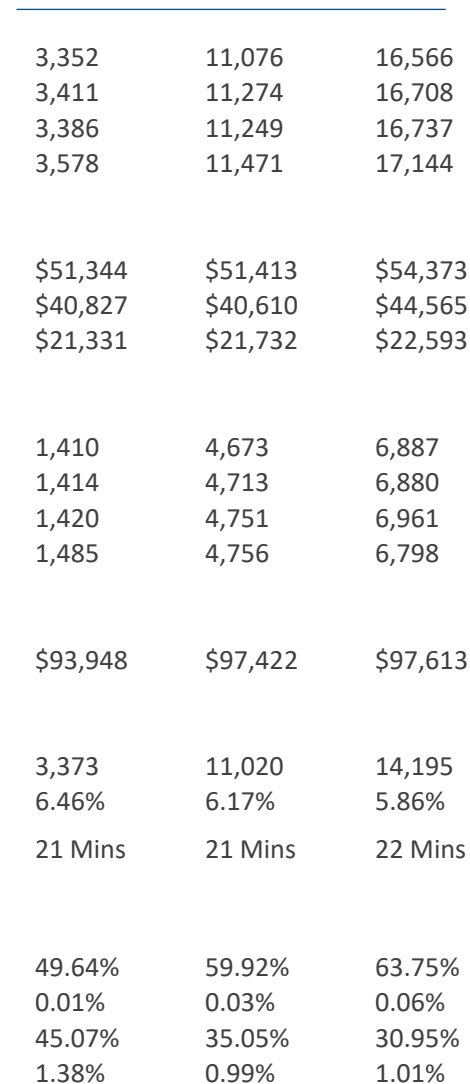


Regional Map

POPEYES

LOUISIANA KITCHEN







Market Overview

POPEYES

LOUISIANA KITCHEN

Dothan, AL



Dothan is a city located in Dale, Henry, and Houston counties in the state of Alabama. The city is the largest in, and serves as the county seat of, Houston County, which sits in the southeast corner of the state roughly 20 miles west of Georgia and 15 miles north of Florida. The city serves as the main transportation and commercial hub for a significant portion of southeastern Alabama, southwest Georgia, and nearby portions of the Florida panhandle. Since approximately one-fourth of the U.S. peanut crop is produced nearby, much of processed in the city, Dothan is sometimes referred to as “The Peanut Capital of the World.” It also is the host of the National Peanut Festival at the dedicated “Peanut Festival Fairgrounds”. The city is known for being a regional transportation hub, and a large reason for this is Dothan Regional Airport (DHN), which is served by Delta Airlines and Aero-One Aviation. The airport was originally established at the former Army airbase at Napier Field in 1965, and has been a key economic generator for the region ever since. Rail transportation also plays a significant role in the economy of the city, as numerous rail lines pass directly through it. Another large economic generator for the city is the healthcare sector. Dothan is home to two hospitals: Southeast Alabama Medical Center, the city’s only public hospital, and Flowers Hospital, a private medical facility on the city’s west side. Recently, Southeast Alabama Medical Center announced that it would construct Alabama’s first college of osteopathic medicine with the goal to help fill the state’s shortage of more than 400 primary care physicians. The Alabama College of Osteopathic Medicine, ACOM, graduated its first class in 2017, and is expected to have an economic impact of \$100 Million by 2027. Agriculture also plays a significant role in the greater Dothan area, products such as peanuts, cotton, and tomatoes are all grown in the nearby area, including the nearby town of Slocumb, which styles itself “the Tomato Capital of the World”.

Major Employers

Employer	Estimated # of Employees
110th Aviation Brigade	600
Dale Medical Center	350
Dale County Board Education	320
Restore Therapy Services Ltd	240
Georgia-Pacific	183
Walmart	150
Bell Helicopter Textron Inc	131
Jeld-Wen Interior Doors	120
Oakview Manor	120
Supervalu Inc	98
Shiloh Seventh Day Adventist Church	84



Marcus & Millichap

EXCLUSIVE NET LEASE OFFERING

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