

PIZZA HUT SALE-LEASEBACK

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



Confidentiality and Disclaimer

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

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.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

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.

CONFIDENTIALITY AND DISCLAIMER

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the

income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

NON-ENDORSEMENT NOTICE

Marcus & Millichap Real Estate Investment Services, Inc. ("M&M") is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of M&M, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of M&M, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.



Table of Contents

Investment Highlights	4
Financial Analysis	5
Concept Overview	6
Surrounding Area	7
Location Overview	8
Property Photo	9
Surrounding Area Photos	10
Local Map	11
Regional Map	12
Demographics / Market Overview	13-14





Investment Highlights

PRICE: \$1,799,564 | CAP: 5.50% | RENT: \$98,976



About the Investment

- ✓ Long-Term, 20-Year Absolute Triple Net (NNN) Sale-Leaseback
- ✓ Lease Commencement Upon Close of Escrow
- ✓ Two Percent (2.00%) Rental Increases Annually Starting Year Six (6)
- ✓ Four (4), Five (5)-Year Tenant Renewal Options, Bringing the Potential Lease Term to 40 Years

About the Location

- ✓ Dense Retail Corridor | Walmart, The Home Depot, Publix, Walgreens, CVS Pharmacy, Taco Bell, Wendy's, Burger King and More
- ✓ Compelling Location Fundamentals | Within a Two Mile Radius of St. Cloud High School | Over 2,400 Students Enrolled
- ✓ Strong Demographics | Population Exceeds 274,500 Individuals Within a Ten-Mile Radius
- ✓ Positive Real Estate Fundamentals | Approximately 17 Miles from Orlando, FL | Orlando International Airport Serves Approximately 44,000,000 Passengers Annually
- ✓ Strong Traffic Counts | Over 40,500 Vehicles Per Day Along 13th Street
- ✓ Florida | Income Tax Free State

About the Tenant / Brand

- ✓ Globally Recognized Brand – Pizza Hut Continues to Be the Top Pizza Brand in the Country in Terms of Unit Count and Revenue
- ✓ Dedicated, Drive and Experienced Operators within the Restaurant Industry and Florida Markets
- ✓ Proven Track Record with Strong Operational History Across its 16,976 Locations Throughout the United States and in 103 Other Countries
- ✓ Celebration Restaurant Group, LLC is One of the Largest Yum! Brands Domestic Franchisees – They Operate Under the Brands of Pizza Hut (132), Taco Bell (37) and KFC (4)
- ✓ CFL Pizza, LLC - Formed in December 2009 With the Acquisition of the Pizza Hut Restaurants in Central Florida – Today They Operate 132 Pizza Huts Throughout Several States



Representative Photo



Financial Analysis

PRICE: \$1,799,564 | CAP: 5.50% | RENT: \$98,976



PROPERTY DESCRIPTION

Property	Pizza Hut
Property Address	2818 13th Street
City, State, ZIP	St. Cloud, FL, 34769
Estimated Building Size	2,810
Estimated Lot Size	+/- 0.79 Acres
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$1,799,564
CAP Rate	5.50%
Annual Rent	\$98,976
Rent / SF	\$35.22

LEASE SUMMARY

Property Type	Net Leased Quick Service Restaurant
Tenant / Guarantor	CFL Pizza, LLC (132-Units)
Original Lease Term	20 Years
Lease Commencement	Close of Escrow
Lease Expiration	20 Years From COE
Lease Term Remaining	20 Years
Lease Type	Absolute Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	2.00% Annually Starting Year Six (6)
Options to Renew	Four (4) Periods of Five (5) Years Each

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 1	\$98,976	\$8,248	-
Year 2	\$98,976	\$8,248	-
Year 3	\$98,976	\$8,248	-
Year 4	\$98,976	\$8,248	-
Year 5	\$98,976	\$8,248	-
Year 6	\$100,955	\$8,413	2.00%
Year 7	\$102,974	\$8,581	2.00%
Year 8	\$105,034	\$8,753	2.00%
Year 9	\$107,134	\$8,928	2.00%
Year 10	\$109,277	\$9,106	2.00%
Year 11	\$111,463	\$9,289	2.00%
Year 12	\$113,692	\$9,474	2.00%
Year 13	\$115,966	\$9,664	2.00%
Year 14	\$118,285	\$9,857	2.00%
Year 15	\$120,651	\$10,054	2.00%
Year 16	\$123,064	\$10,255	2.00%
Year 17	\$125,525	\$10,460	2.00%
Year 18	\$128,036	\$10,670	2.00%
Year 19	\$130,596	\$10,883	2.00%
Year 20	\$133,208	\$11,101	2.00%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Pizza Hut located at 2818 13th Street in St. Cloud, FL. The site will consist of roughly 2,810 rentable square feet of building space on estimated 0.79-acre parcel of land. The Pizza Hut is subject to a 20-year absolute triple-net (NNN) sale-leaseback, which will commence upon close of escrow. The initial annual rent will be \$98,976 and is scheduled to increase by two percent (2.00%) annually starting year six (6) throughout the base term and in each of the four (4), five (5)-year renewal options.



Concept Overview



About Pizza Hut

Pizza Hut is an American restaurant chain and international franchise, known for pizza and side dishes. It is now corporately known as Pizza Hut, Inc. and is a subsidiary of Yum! Brands, Inc., the world's largest restaurant company.

The first Pizza Hut restaurant was opened in 1958 in Wichita, Kansas, and within a year, the first franchise unit was opened. Today, Pizza Hut is the largest restaurant chain in the world specializing in the sale of ready-to-eat pizza products. Pizza Hut operates in 103 countries and territories throughout the world. As of year end 2018, Pizza Hut had 16,796 units. 97 percent of the Pizza Hut units are franchised.

Pizza Hut operates in the delivery, carryout and casual dining segments around the world. Outside of the U.S., Pizza Hut often uses unique branding to differentiate these segments. Additionally, a growing percentage of Pizza Hut's customer orders are being generated digitally.

As of November, 2014 Pizza Hut revamped their menu, adding five new toppings, six sauces, 10 crust flavors (like "honey Sriracha" and "ginger boom boom"), and even health-conscious "Skinny Slice" pizzas.

About Celebration Restaurant Group

Celebration Restaurant Group, LLC is one of the largest Yum! Brands domestic franchisees. They proudly own and operate 171 restaurants in the southeastern and midwestern US and employ approximately 4,000 team members. They own 132 dine-in and delivery Pizza Huts in central Florida, including metro Orlando, Ocala, Gainesville, and Brevard and Volusia counties; as well as in metro Cincinnati, including nearby Indiana and Kentucky. These Pizza Huts operate under the CFL Pizza, LLC subsidiary. Their 37 Taco Bells are located in metro Orlando and Savannah. The Taco Bells operate under our Bravo Foods, LLC subsidiary. Their four KFC restaurants are all located in central Florida and operate under our FLG Chicken, LLC subsidiary.

CFL Pizza, LLC was formed in December 2009 with the acquisition of the Pizza Hut restaurants in central Florida, including metro Orlando, Ocala, and Brevard and Volusia counties. In March 2012, the company acquired the Pizza Hut restaurants in and around Gainesville, FL. In January 2015, they purchased the majority of the Pizza Huts in metro Cincinnati, including nearby Indiana and Kentucky. Today they operate 132 Pizza Huts offering dine-in, carry out and delivery service.

General Information

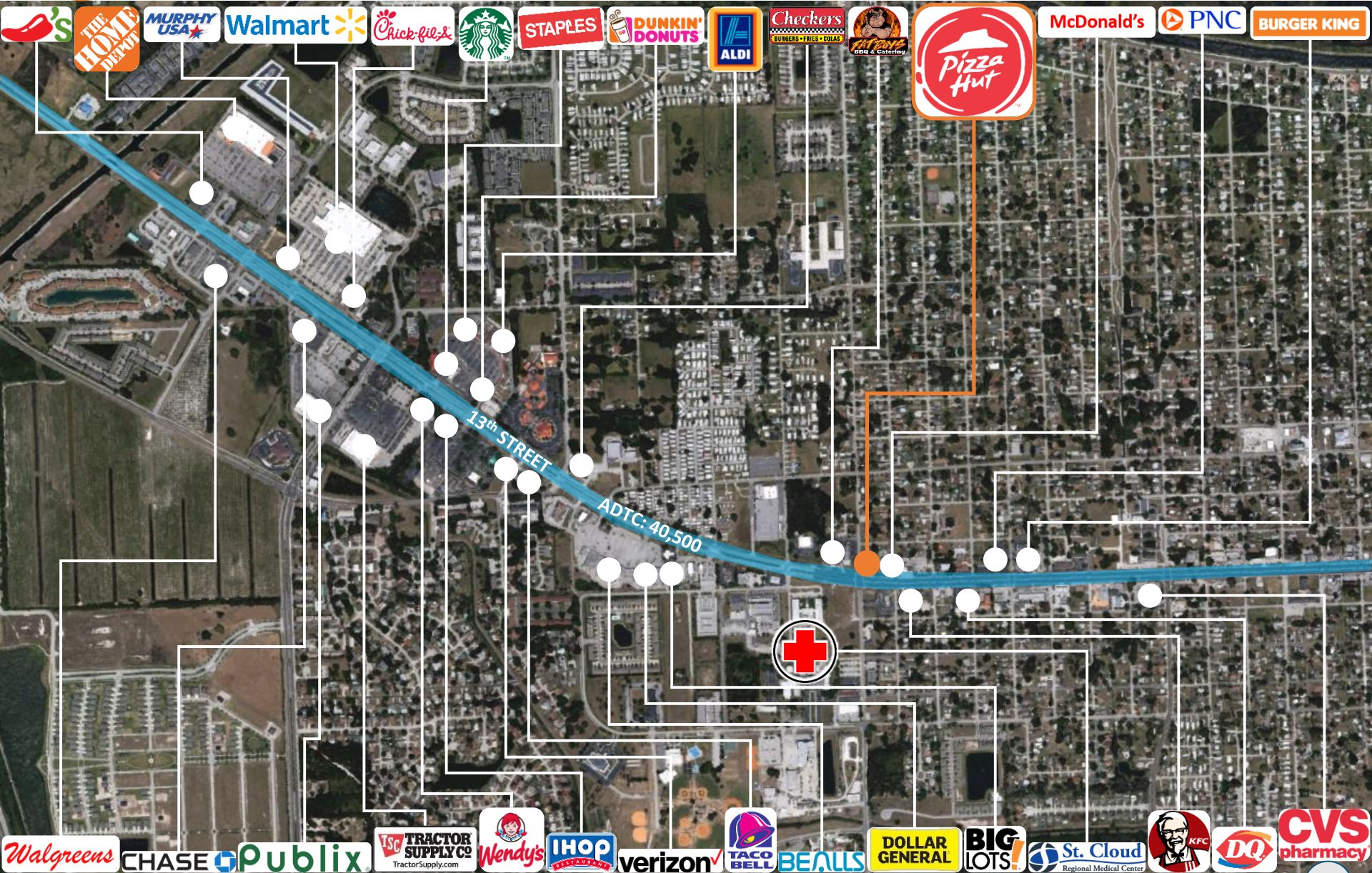
Founded	1958
Website	www.pizzahut.com
Number of Locations	16,796





Surrounding Area

Property Address: 2818 13th Street – St. Cloud, FL 34769





Location Overview

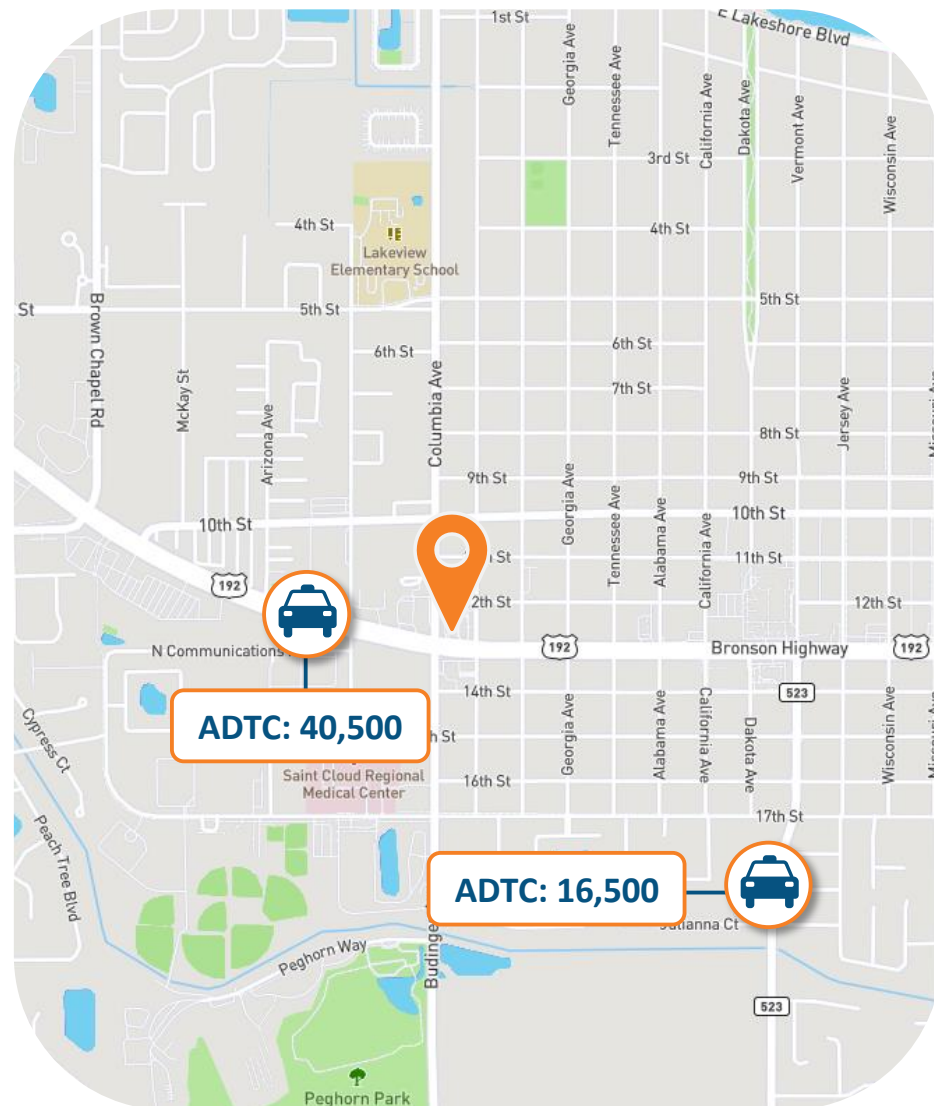
Property Address: 2818 13th Street – St. Cloud, FL 34769



The Pizza Hut property is situated on 13th Street, which boasts average daily traffic counts of 40,500 vehicles respectively. 13th Street intersects with Vermont Avenue, which brings an additional 16,500 vehicles into the immediate area on average daily. There are more than 78,200 individuals residing within a five-mile radius of the property and more than 274,500 individuals within a ten-mile radius.

The subject property benefits from being well-positioned in a dense retail corridor consisting of national and local tenants, academic institutions and medical centers all within close proximity of this property. Major national tenants in the area include: Walmart, The Home Depot, Publix, Walgreens, CVS Pharmacy, Taco Bell, Wendy's, Burger King, as well as many others. This Pizza Hut also benefits from its close proximity to several academic institutions. Most notable is St. Cloud High School, which has a total enrollment exceeding 2,400 students and is located within two miles of the subject property. St. Cloud Regional Medical Center, a 84 bed, general medical and surgical facility, is located within a one mile radius of the Pizza Hut property. Orlando International Airport, the 13th busiest airport in the United States, serves approximately 44,000,000 passengers annually and is located approximately 17 miles north from the subject property.

St. Cloud, a city in Osceola County, is located on the southern shore of East Lake Tohopekaliga in Central Florida. St. Cloud is part of the Orlando-Kissimmee-Sanford metropolitan area and is located less than 20 miles south from the bustling city of Orlando. Located in Central Florida, Orlando is the center of the Orlando metropolitan area, which has a population of 2,509,800. These figures make it the 23rd-largest metropolitan area in the United States, the sixth-largest metropolitan area in the Southern United States, and the third-largest metropolitan area in Florida. Orlando is the 73rd-largest city in the United States, the fourth-largest city in Florida, and the state's largest inland city. As one of the world's most visited tourist destinations, Orlando's famous attractions form the backbone of its tourism industry. Today, Orlando is a global leader in the 21st century innovation economy.





Property Photo





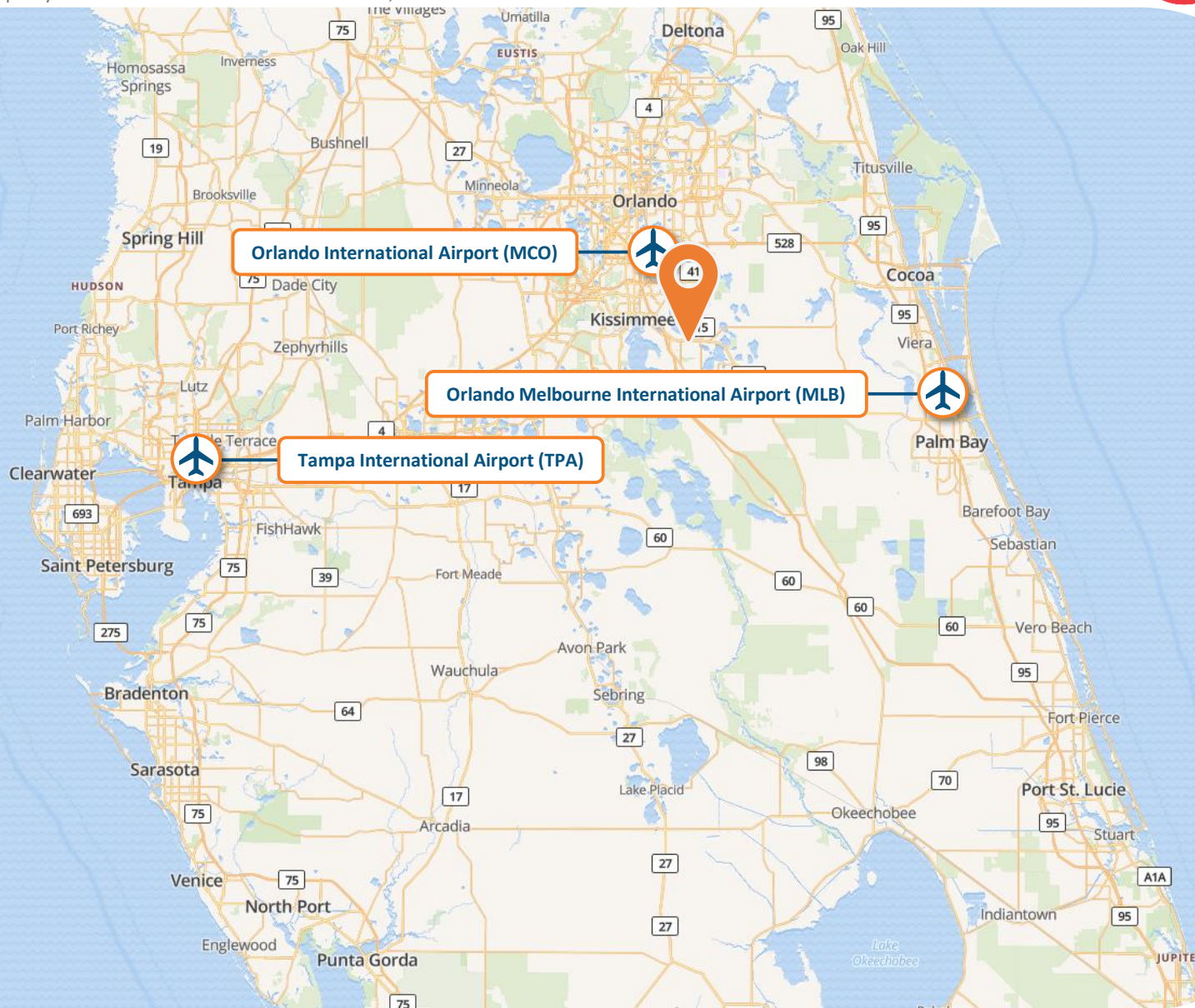
Surrounding Area Photos





Local Map

Property Address: 2818 13th Street – St. Cloud, FL 34769

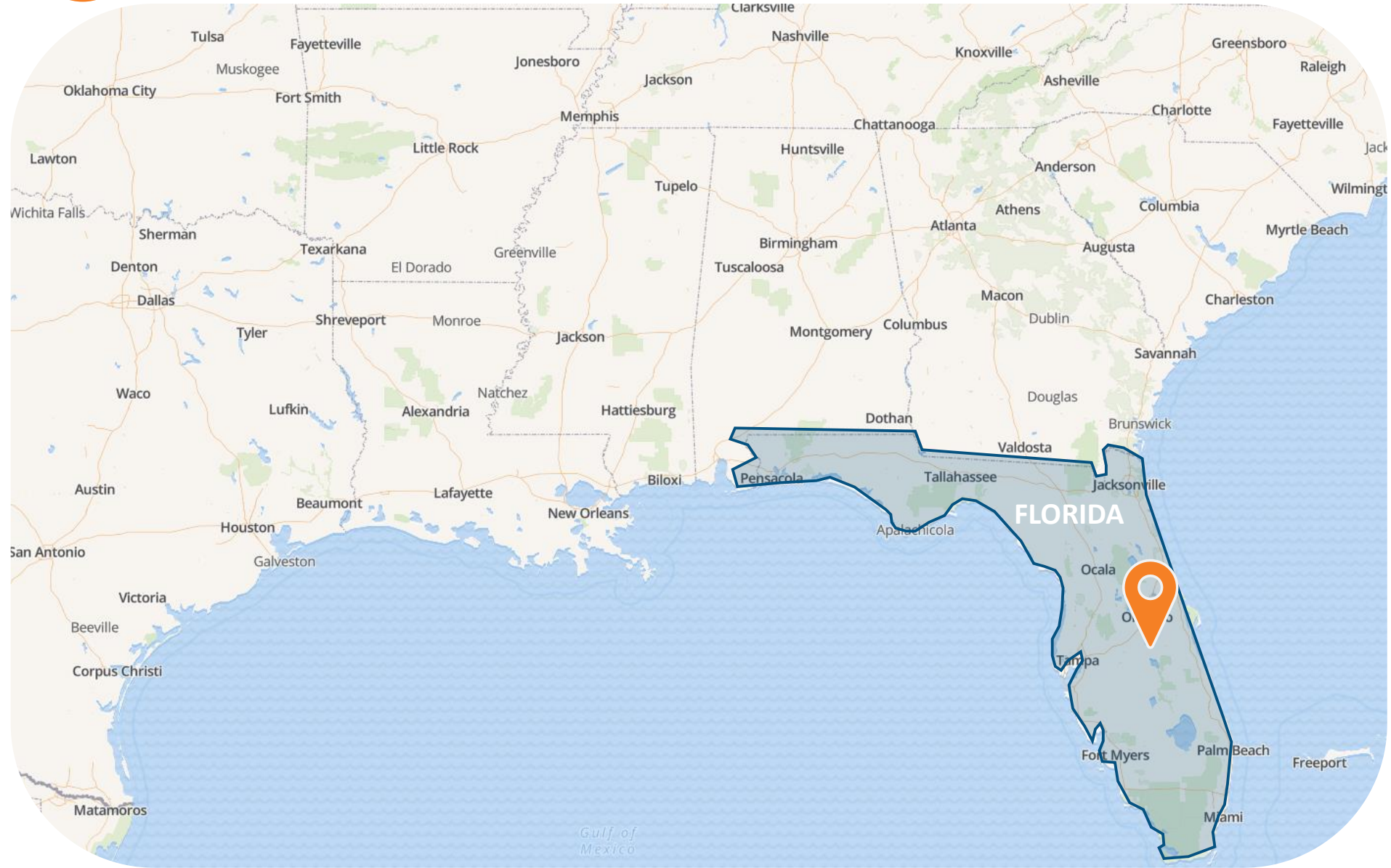




Regional Map



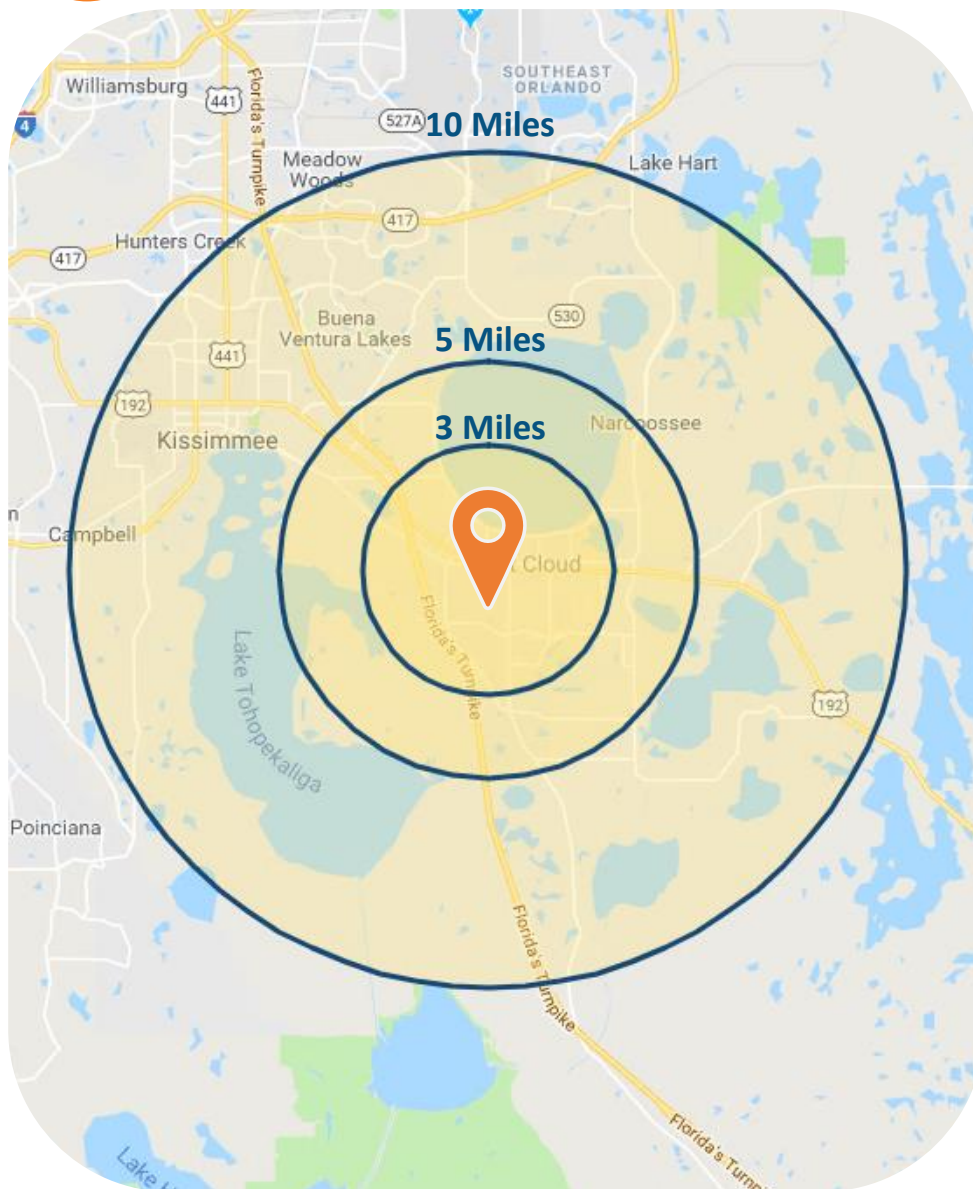
Property Address: 2818 13th Street – St. Cloud, FL 34769





Demographics

Property Address: 2818 13th Street – St. Cloud, FL 34769



POPULATION

	3 Miles	5 Miles	10 Miles
2022 Projection	51,115	90,974	309,525
2017 Estimate	44,535	78,227	274,586
2010 Census	35,345	62,734	223,856
2000 Census	22,871	37,191	149,307

INCOME

	3 Miles	5 Miles	10 Miles
Average	\$56,286	\$58,747	\$57,483
Median	\$45,833	\$46,399	\$44,489
Per Capita	\$20,649	\$20,665	\$19,391

HOUSEHOLDS

	3 Miles	5 Miles	10 Miles
2022 Projection	18,599	31,725	104,779
2017 Estimate	16,127	27,040	91,828
2010 Census	12,775	21,635	75,160
2000 Census	8,686	13,416	52,365

HOUSING

	3 Miles	5 Miles	10 Miles
2017	\$162,160	\$172,089	\$172,201

EMPLOYMENT

	3 Miles	5 Miles	10 Miles
2017 Daytime Population	34,099	63,339	217,547
2017 Unemployment	5.36%	5.90%	5.28%
2017 Median Time Traveled	33 Mins	33 Mins	32 Mins

RACE & ETHNICITY

	3 Miles	5 Miles	10 Miles
White	80.47%	77.99%	68.50%
Native American	0.07%	0.08%	0.10%



Market Overview

City: St. Cloud | County: Osceola | State: Florida

Orlando, FL



Orlando

is a city in the state of Florida and is the county seat of Orange County.

It is also the center of the Orlando metropolitan area, which had a population of 2,387,138, according to U.S. Census Bureau figures released in 2016. Orlando is one of the world's most visited tourist destinations, with over 68 million visitors in 2016. The two most significant tourist attractions include Walt Disney World and Universal Orlando Resort. Walt Disney World is the area's largest attraction with its many facets such as the Magic Kingdom, Epcot, Disney's Hollywood Studios, Disney's Animal Kingdom, Typhoon Lagoon, Blizzard Beach and Disney Springs. There are also many more tourist attractions located along International Drive, with one of these being the famous Orlando Eye. The city is also one of the busiest American cities for conferences and conventions, containing the Orange County Convention Center, the second-largest convention facility in the United States. According to a 2009 Pew Research Center study, Orlando ranks as the fourth-most popular American city based on where people want to live.

Orlando is also a prominent location for film, television and electronic gaming industries, aided by the presence of Universal Studios, Disney's Hollywood Studios, Full Sail University, UCF College of Arts and Humanities, the Florida Interactive Entertainment Academy, and other entertainment companies and schools. The U.S. modeling, simulation and training industry is also centered on the Orlando region, with a particularly strong presence in the Central Florida Research Park adjacent to University of Central Florida. There are also many golf courses that can be found throughout Orlando, including the Bay Hill Club and Lodge, which is home to the Arnold Palmer Invitational. Two major league professional sports teams reside in Orlando as well, including the Orlando Magic of the National Basketball Association, and the Orlando City Soccer Club of Major League Soccer. Orlando is home to two non-profit hospital systems including Orlando Health and Florida Hospital. Orlando Health's Orlando Regional Medical Center is home to Central Florida's only Level 1 trauma center, and Winnie Palmer Hospital for Women and Babies and Florida Hospital Orlando have the area's only Level III neonatal intensive care units.

Major Employers

Employer	Estimated # of Employees
Project Future Building 1-Epcot	6,012
Board of Governors State University	1,503
Walmart	1,254
Adventist Health System/Sunbel	1,026
Florida Hospital Kissimmee	981
Osceola Regional Medical Center	900
School Dst of Osceola Cnty FL	636
Orlando VA Medical Center	625
Osceola Sheriffs Office	497
Lockheed Martin Corporation	473
County of Osceola	440



Marcus & Millichap



EXCLUSIVE NET LEASE OFFERING



Ryan Nee
Marcus & Millichap
5900 North Andrews Ave., Suite 100
Fort Lauderdale, FL 33309
Tel: (954) 245-3400
Fax: (954) 245-3410
License: BK3154667