

OFFERING MEMORANDUM

BURGER KING

PARIS, TENNESSEE



HENRY COUNTY HIGH
1,100 STUDENTS

WG RHEA ELEMENTARY
642 STUDENTS

CIVIC CENTER

burkes
OUTLET
SHOE CARNIVAL

Save
a lot



Walmart
Supercenter



WALGREENS

DOLLAR GENERAL



HIBBETT SPORTS®
CAIO GameStop
Peebles verizon✓



Mcdonalds

MINERAL WELLS AVE. 21,170 CARS/DAY



CLICK FOR GOOGLE MAP

SUBJECT
PROPERTY



HENRY COUNTY MEDICAL CENTER
649 EMPLOYEES



Mcdonalds

MINERAL WELLS AVE.

21,170 CARS/DAY



burkes
OUTLET
SHOE CARNIVAL



CLICK FOR GOOGLE MAP

**SUBJECT
PROPERTY**

Financial Overview

Price	\$1,575,000
Cap Rate	6.25%
Gross Leasable Area	2,579 SF
Year Built	2008
Lot Size	1.10 +/- Acres

Lease Summary

Lease Type	Absolute NNN
Roof & Structure	Tenant Responsible
Lease Term	20 Years
Rent Commencement	1/6/2016
Lease Expiration	12/31/2035
Increases	10% Every Five Years
Options	Two, 5-Year
Option to Terminate	None
Right of First Refusal	Yes, Tenant has 7 Days to Respond

Rent Schedule

TERM	ANNUAL RENT	MONTHLY RENT
Current - 2024	\$98,413	\$8,201
2024 - 2029	\$108,255	\$9,021
2029 - 2034	\$119,080	\$9,923
2034 - 12/31/2035	\$130,988	\$10,916
Option 1	\$144,087	\$12,007
Option 2	\$158,496	\$13,208



ADDRESS

1016 Mineral Wells Ave.
Paris, TN 28242



PRICE

\$1,575,000



CAP RATE

6.25%



NOI

\$98,413

Investment Highlights

- 16.5 Years Remaining with 10% Increases Every 5 Years
- Absolute NNN Lease, No Landlord Responsibilities
- Largest Burger King Franchisee in the World with 1,010 Locations (NASDAQ: TAST)
- 2008 Construction/Rebuild with a Drive-Thru
- Serving 32,420 Residents in Henry County
- Located Along Primary Commercial Corridor with 21,170 Cars/Day
- Neighboring Retailers Include Walmart Supercenter, Lowe's, Kroger, and Many More
- Close Proximity to Henry County's Regional Medical Campus with 649 Employees
- Surrounded by Several K-12 Schools with 4,484 Students
- Strong Daytime Population, 8,467 Employees within 5 Miles
- Just West of Paris Landing State Park with Over 1.5 Million Visitors Annually

Demographics

POPULATION	1-MILE	3-MILES	5-MILES
2010 Population	3,115	12,267	16,470
2018 Population	3,151	12,380	16,563
2023 Population	3,195	12,405	16,782
HOUSEHOLDS			
2010 Households	1,447	5,308	6,918
2018 Households	1,444	5,285	6,867
2023 Households	1,478	5,342	7,011
INCOME			
2018 Average Household Income	\$42,701	\$47,019	\$50,660
EMPLOYEES			
2018 Number of Employees In Area	3,169	6,925	8,467



16,563

Population within
a 5-Mile Radius



\$50,660

Average Household Income
within a 5-Mile Radius



8,467

Number of Employees
within a 5-Mile Radius

Tenant Overview

GUARANTOR:

Tennessee Quality, LLC
(42 Locations)

PARENT COMPANY:

Carrols Restaurant Group, Inc.

WEBSITE:

www.carrols.com

In 2016 Cambridge Franchise Holdings, LLC purchased all of the Burger King restaurants in the Memphis MSA. In April 2019, Carrols Restaurant Group, Inc. (Nasdaq: TAST) completed the acquisition of 165 Burger King and 55 Popeyes restaurants from Cambridge Franchise Holdings, LLC.

Carrols is the largest Burger King franchisee in the United States and has operated Burger King restaurants since 1976. Following the Cambridge merger, Carrols operates 1,010 Burger King and 55 Popeyes restaurants in 23 states.



1,010
LOCATIONS



HEADQUARTERED IN
Syracuse, NY

STOCK SYMBOL
**NASDAQ:
TAST**

FOUNDED IN
1976



Carrols Restaurant Group, Inc. Completes Acquisition of 220 Restaurants Through Merger with Cambridge Franchise Holdings, LLC

SYRACUSE, N.Y.--(BUSINESS WIRE)--May 1, 2019-- Carrols Restaurant Group, Inc. ("Carrols" or the "Company") (Nasdaq: TAST) announced that on April 30, 2019 it completed the acquisition of 165 Burger King® and 55 Popeyes® restaurants from Cambridge Franchise Holdings, LLC ("Cambridge") in 10 Southern and Southeastern states. Carrols, which operates 1,010 Burger King® and 55 Popeyes® restaurants in 23 states following the acquisition, is the largest franchisee of Restaurant Brands International, Inc. (the franchisor of Burger King®, Popeyes® and Tim Hortons®).

As previously announced, Carrols has also entered into an Area Development and Remodeling Agreement with Burger King Corporation ("BKC") that pre-approves the Company for continued growth through both acquisitions and new restaurant development. Under the terms of the agreement, Carrols' right of first refusal ("ROFR") assigned to it by BKC has been expanded to allow for the acquisition of 500 additional Burger King® restaurants. Carrols has also assumed Cambridge's existing Popeyes® Development Agreement and its ROFR for Popeyes® restaurant acquisitions in Tennessee and Kentucky. As part of these agreements, Carrols has agreed to develop 200 new Burger King® and 70 Popeyes® restaurants over the next six years, and to remodel or upgrade a number of its Burger King® restaurants (or restaurants to be acquired) to the Burger King of Tomorrow image over the same period. Carrols believes these development agreements provide it with a significant expansion runway for both brands.

Dan Accordino, Chairman and CEO of Carrols, commented, "This transaction is an exciting growth catalyst for Carrols. We believe it strengthens our position in the Burger King system by providing us the opportunity to continue executing our acquisition and expansion strategy, and adds Popeyes®, a growing brand that further enhances our expansion alternatives. We also believe that we have the potential to improve the performance of the Cambridge restaurants and to leverage their footprint and development team as we launch the next phase of growth for the benefit of Carrols' shareholders."

Concurrent with the transaction, Carrols refinanced all of Carrols and Cambridge's indebtedness and entered into a \$550 million secured senior credit facility which includes a \$425 million Term Loan B facility due 2026 that bears interest at LIBOR + 3.25% and was issued at an OID of 99.5. Use of proceeds included (i) refinancing Carrols' existing 8% notes, (ii) paying off Cambridge's indebtedness, and (iii) paying certain fees and expenses related to the financing and the Cambridge transaction. The secured senior credit facility also included a \$125 million, undrawn five-year revolving credit facility that will be used to execute Carrols' growth initiatives as needed.

Total consideration to Cambridge included (i) approximately 7.36 million shares of Carrols common stock (a 16.6% equity interest) and (ii) shares of 9% PIK Series C Convertible Preferred Stock that will be convertible into approximately 7.45 million shares of Carrols

common stock. The conversion of the preferred stock will be subject to a vote of Carrols' stockholders to occur at the Company's 2019 Annual Meeting of Stockholders and will automatically convert into common stock upon stockholder approval of such conversion. All shares issued to Cambridge are subject to a two-year restriction on sale or transfer subject to certain limited exceptions. On a fully-diluted, as-if converted basis after giving effect to both the conversion of the Cambridge and BKC convertible preferred stocks to common stock, Cambridge would hold an approximate 24% equity interest in the Company. There was no cash consideration as part of the transaction. In conjunction with the merger, Alex Sloane and Matt Perelman, the Co-Founders of Cambridge, have joined the Carrols Board of Directors.

"Matt and I are excited to join the Carrols Board and support the next phase of the Company's growth. We believe that Carrols' strong management team, efficient financing structure, partnership with RBI and compelling capital allocation plan provide for a long runway to enhance shareholder value," said Alex Sloane, Co-Founder of Cambridge Franchise Holdings.

About Cambridge Franchise Holdings and Garnett Station Partners

Cambridge Franchise Holdings, controlled by Garnett Station Partners, was founded in 2014 when Matt Perelman and Alex Sloane partnered with Ray Meeks to grow his 23-unit Burger King® business. Since 2014, Meeks, Perelman and Sloane have grown Cambridge to include 165 Burger King® and 55 Popeyes® restaurants throughout the Southeast. Garnett Station Partners, founded by Co-Managing Partners Alex Sloane and Matt Perelman, is an investment firm focused on retail and consumer companies.

About Carrols Restaurant Group, Inc.

Carrols is the largest Burger King® franchisee in the United States and has operated Burger King® restaurants since 1976. Following the Cambridge merger, Carrols operates 1,010 Burger King® and 55 Popeyes® restaurants in 23 states. For more information on Carrols, please visit the company's website at www.carrols.com.

Forward-Looking Statements

Any statements in this communication about the Company's beliefs, plans or forecasts, including statements regarding the proposed transaction, the expected timetable for completing the transaction, benefits and synergies of the transaction and future opportunities for the combined company, that are not historical facts are forward-looking statements. Forward-looking statements, written, oral or otherwise made, represent Carrols' expectation or belief concerning future events. Without limiting the foregoing, these statements are often identified by the words "may", "might", "believes", "thinks", "anticipates", "plans", "expects", "intends" or similar expressions. In addition, expressions of our strategies, intentions, plans or guidance are also forward-looking statements. Such statements reflect management's current views with respect to future events and are subject to risks and uncertainties, both known and unknown. You are cautioned not to place undue reliance on these forward-looking statements as there are important factors that could cause actual results to differ materially from those in forward-looking statements, many of which are beyond our control. Investors are referred to the full discussion of risks and uncertainties as included in Carrols' filings with the Securities and Exchange Commission.

INDUSTRIAL

356

79

WG RHEA ELEMENTARY
642 STUDENTS



 HENRY COUNTY MEDICAL CENTER
649 EMPLOYEES

HENRY COUNTY HIGH
1,100 STUDENTS



BARTON
FIELD

 E W GROVE JUNIOR HIGH
927 STUDENTS

 WO INMAN MIDDLE
521 STUDENTS

INDUSTRIAL

CIVIC
CENTER

CLICK FOR GOOGLE MAP
**SUBJECT
PROPERTY**

21,170 CARS/DAY

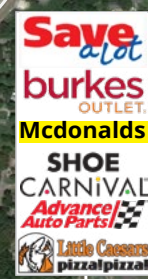
79

77

INDUSTRIAL

INDUSTRIAL

TRACTOR
SUPPLY CO.



Property Photos



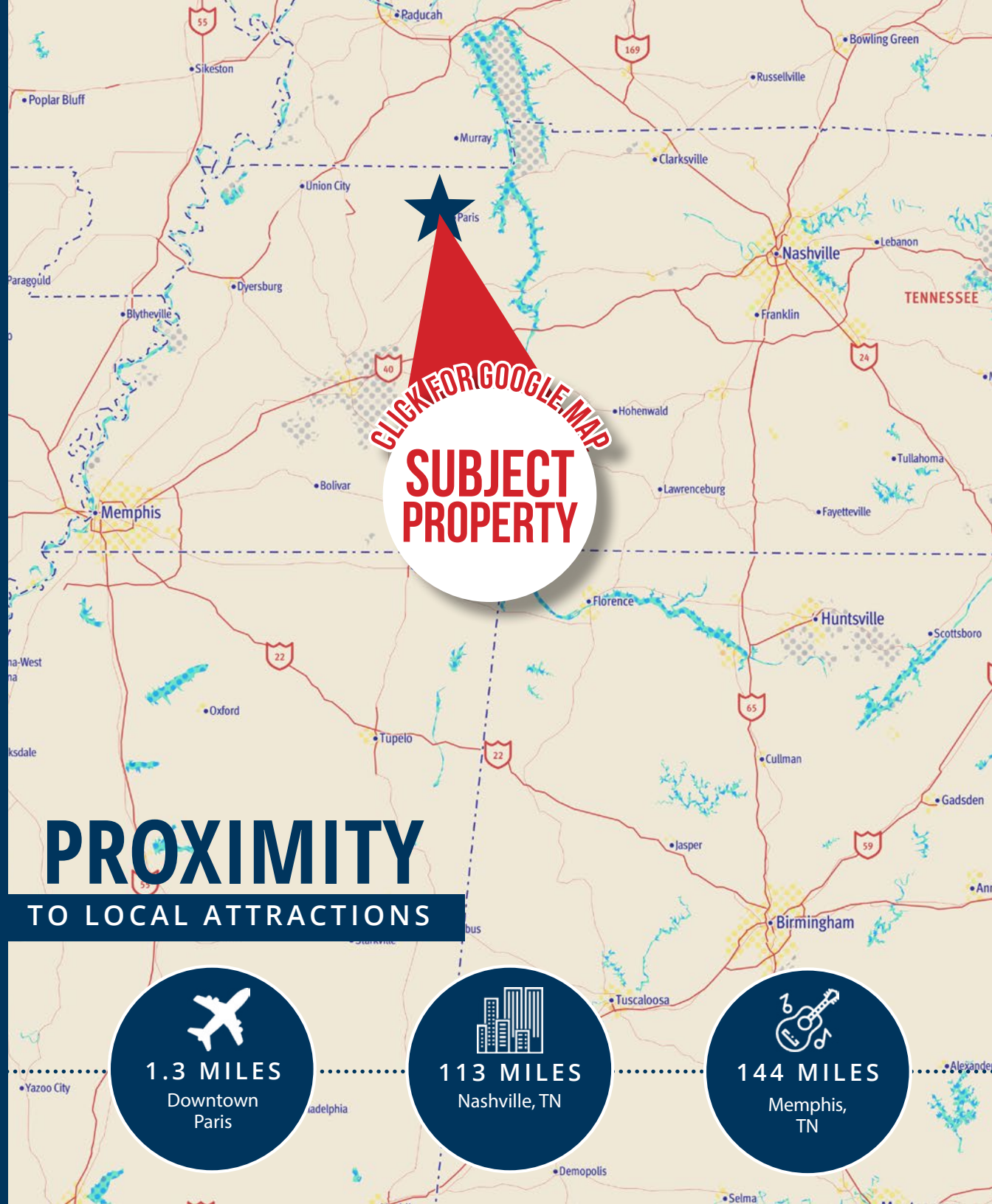
Site Plan



Paris, TN

Paris, Tennessee is located approximately 60 miles northeast of Jackson and 60 miles west of Clarksville. It is located in Henry County. The trade area attracts people from four Tennessee counties and borders the Kentucky state line. Paris / Henry County has a large tourist base with Historic Downtown Paris, Paris Landing State Park and Land Between the Lakes National Recreation Center on Kentucky Lake drawing 1.25 million visitors a year.

Paris/Henry County offers one of the largest medical communities in West Tennessee with people coming from the surrounding trade area. Henry County Medical Center employs 649 people and has 142 beds. Henry County Healthcare Center has 172 beds. Henry County School System and Paris Special School District have a combined student enrollment of approximately 4,700. The economic base is diversified with a mix of manufacturing, retail, transportation and recreation. Industrial payroll totals more than \$160 million annually in Henry County and employs over 11,000 people.



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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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