

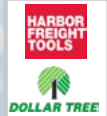
OFFERING MEMORANDUM

BURGER KING

COLLIERVILLE (MEMPHIS MSA), TENNESSEE



CLICK FOR GOOGLE MAP
**SUBJECT
PROPERTY**



Mixed-Use Master-Planned Development on 443-Acres with Class-A Office, Industrial, Commercial, & Residential.
Home to headquarter facilities for Helena Chemical Corporation, BankTennessee, MCR Safety HQ, & Juice Plus HQ.



U.S. HIGHWAY 72 (W. POPLAR AVE.) 26,269 CARS/DAY



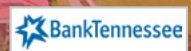
walgreens



verizon



jiffy lube





**THE OAKS
AT SCHILLING
FARMS**
88 UNITS

Mixed-Use Master-Planned Development
on 443-Acres with Class-A Office, Industrial,
Commercial, & Residential.

Home to headquarter facilities for Helena
Chemical Corporation, BankTennessee, MCR
Safety HQ, & Juice Plus HQ.

CARRIAGE CROSSING

Dillard's ★ macy's
BED BATH & BEYOND H&M
BARNES & NOBLE COURTYARD Marriott



FEDEX WORLD TECH CENTER
1 MILLION SF CAMPUS
2,400 EMPLOYEES &
10,000+ VISITORS ANNUALLY

**SIGNATURE AT
SCHILLING
FARMS**
251 UNITS

**LEGACY
FARMS**
368 UNITS

**PROPOSED
MIXED-USE
RETAIL &
OFFICE PARK**

**PROPOSED
MIXED-USE
HOTEL &
75,000 SF
OFFICE**

U.S. HIGHWAY 72 (W. POPLAR AVE.) 26,269 CARS/DAY



CLICK FOR GOOGLE MAP

**SUBJECT
PROPERTY**

Financial Overview

Price	\$1,846,000
Cap Rate	5.85%
Gross Leasable Area	3,706 SF
Year Built/Renovated	1986/2013
Lot Size	1.01 +/- 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	\$107,982	\$8,999
2024 - 2029	\$118,781	\$9,898
2029 - 2034	\$130,659	\$10,888
2034 - 12/31/2035	\$143,725	\$11,977
Option 1	\$158,097	\$13,175
Option 2	\$173,907	\$14,492



ADDRESS

1250 W. Poplar Ave.
Collierville, TN 38017



PRICE

\$1,846,000



CAP RATE

5.85%



NOI

\$107,982

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)
- Strong Unit-Level Sales, Upward Trending
- Renovated in 2013 with a Drive-Thru
- 76,604 Residents in Rapidly Growing Memphis Suburb
- Collierville is the Fastest Growing City in Shelby County and One of the Most Affluent Trade Areas in the Memphis MSA
- Average Household Income Exceeds \$135,000 within 1, 3, and 5 Miles
- Located Along Major Commercial Corridor with 26,269 Cars/Day
- Across from Schilling Farms, a Mixed-Use Master-Planned Development on 443-Acres with Class-A Office, Industrial, Commercial, and Residential
- Primary Retail Corridor Includes Walmart Supercenter, Target, Home Depot, Lowe's, Academy Sports, Hobby Lobby and Kroger
- Strong Daytime Population, Over 33,600 Employees within 5 Miles
- Minutes to FedEx World Tech Center, a 1 Million SF Campus with 2,400 Employees and Over 10,000 Visitors Annually
- Down the Street from Carrier's Corporate Headquarters with 1,400 Employees and Baptist Memorial's 75-Acre Medical Campus
- Close Proximity to New \$94 Million Collierville High School with 3,000 Students and Surrounded by Several K-12 Schools with Approximately 6,000 Students
- Just East of Mike Rose Soccer Complex, Attracts 620,000+ Visitors Annually

Demographics

POPULATION	1-MILE	3-MILES	5-MILES
2010 Population	5,314	37,860	72,254
2018 Population	5,821	40,686	76,604
2023 Population	6,923	45,063	85,363
HOUSEHOLDS			
2010 Households	2,181	13,205	25,427
2018 Households	2,384	14,155	26,862
2023 Households	2,920	15,915	30,308
INCOME			
2018 Average Household Income	\$144,889	\$135,256	\$143,886
EMPLOYEES			
2018 Number of Employees In Area	5,584	18,947	33,673



76,604

Population within
a 5-Mile Radius



\$143,886

Average Household Income
within a 5-Mile Radius



33,673

Number of Employees
within a 5-Mile Radius

GUARANTOR:

Tennessee Quality, LLC
(42 Locations)

PARENT COMPANY:

Carrols Restaurant Group, Inc.

WEBSITE:

www.carrols.com

Tenant Overview

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.

RIDGEWAY COUNTRY CLUB

FARMS AT BAILEY STATION
NEW \$200 MILLION COMMUNITY



BAILEY STATION ELEMENTARY
792 STUDENTS

BAPTIST MEMORIAL HOSPITAL



CLICK FOR GOOGLE MAP
SUBJECT PROPERTY

COLLIERVILLE ELEMENTARY
839 STUDENTS



Walmart
Supercenter



26,269 CARS/DAY

11,005 CARS/DAY



FEDEX WORLD TECH CENTER
1 MILLION SF CAMPUS
2,400 EMPLOYEES &
10,000+ VISITORS ANNUALLY

CLICK FOR MORE INFORMATION
SCHILLING FARMS

CARRIER CORPORATION
1,400 EMPLOYEES



PEPSI PLANT



72

15,511 CARS/DAY

385

Mixed-Use Master-Planned Development on 443-Acres with Class-A Office, Industrial, Commercial, & Residential.

Home to headquarter facilities for Helena Chemical Corporation, BankTennessee, MCR Safety HQ, & Juice Plus HQ.

COLLIERVILLE MIDDLE
923 STUDENTS



49,279 CARS/DAY



CARRIAGE CROSSING
Dillard's ★ macy's
BED BATH & BEYOND H.M.
BARNES & NOBLE COURTYARD Marriott



COLLIERVILLE HIGH SCHOOL
NEW \$94 MILLION CAMPUS
3,000 STUDENTS

CARRIAGE CROSSING MARKET PLACE
petco ROSS DRESS FOR LESS burkes
SHOE CARNIVAL OLD NAVY OUTLET

SYCAMORE ELEMENTARY
833 STUDENTS



Property Photos



Site Plan



BRAY STATION RD.



U.S. HIGHWAY 72 (W. POPLAR AVE.) 26,269 CARS/DAY

Collierville, TN

Collierville is located in the southeast growth corridor of Memphis, 30 miles southeast of downtown Memphis, in one of the most thriving metro areas in the South. The city serves as a trade center to surrounding counties and is part of the Memphis metropolitan area which has a population of over 1 million.

Additionally, Collierville is one of the fastest growing cities in Shelby County, with 48% growth since 2000. The city is home to several prestigious headquarters, including FedEx World Tech Center, Pepsi, Helena Chemical, Carrier Corporation and Orgill, Inc. The city is also home to the Mike Rose Soccer Complex with over 620,000 Visitors Annually.



CONFIDENTIALITY & 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 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 Marcus & Millichap, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of Marcus & Millichap, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

NET-LEASED 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.

EXCLUSIVELY LISTED BY

PHIL SAMBAZIS

Senior Managing Director

SAN DIEGO

Tel: (858) 373-3174

phil.sambazis@marcusmillichap.com

License: CA 01474991

JODY MCKIBBEN

Broker of Record

TENNESSEE

License: 307629



SAMBAZIS
RETAIL GROUP

BURGER KING

COLLIERVILLE (MEMPHIS MSA), TENNESSEE