

TACO CABANA

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



2393 S. Stemmons Fwy, Lewisville, TX 75067

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

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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.

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



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Investment Highlights

PRICE: \$2,186,260 | CAP Rate: 5.00% | RENT: \$109,313



Optimal Lease Structure

- ✓ Original 20-Year Absolute Triple Net (NNN) Lease with 11+ Years Remaining
- ✓ Attractive Rental Increases of One Percent (1.0%) Annually Starting in Year 11
- ✓ Tenant Renewal Options: Four (4) Periods of Five (5) Years, Bringing the Total Possible Lease Term to 31 Years
- ✓ Corporate Guarantee | Fiesta Restaurant Group

Compelling Location Fundamentals

- ✓ Dense Retail Corridor | Target, Best Buy, Costco, Bed Bath & Beyond, Macy's, JCPenney, Dillard's, Marshalls, Hobby Lobby, Barnes & Noble, Cinemark, and Many More
- ✓ Features High Visibility & Ease of Access along South Stemmons Freeway
- ✓ Strong Traffic Counts | Interstate-35 & Texas State 121 | Average 162,000 and 114,000 Vehicles Per Day Respectively
- ✓ Affluent Population | Household Income Exceeds \$100,496 within a 3-Mile Radius
- ✓ Strong Demographics | Population within a 5-Mile Radius is Approximately 233,224

About The Tenant

- ✓ American Fast Casual Restaurant Chain Specializing in Mexican Cuisine
- ✓ Wholly Owned Subsidiary of Fiesta Restaurant Group, Inc, headquartered in San Antonio, Texas
- ✓ As of July 2017, There Are 176 Taco Cabana Restaurants
- ✓ Taco Cabana is Known for its Pink Stores and Semi-Enclosed Patio Dining Areas



Representative Photo



Representative Photo



Financial Analysis

PRICE: \$2,186,260 | CAP Rate: 5.00% | RENT: \$109,313



PROPERTY DESCRIPTION

Property	Taco Cabana
Property Address	2393 S Stemmons Fwy
City, State, ZIP	Lewisville, TX 75076
Building Size	3,235
Lot Size	+/- 0.49 Acres
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$2,186,260
CAP Rate	5.00%
Annual Rent	\$109,313
Price / SF	\$675.81
Rent / SF	\$33.79

LEASE SUMMARY

Property Type	Net Leased Casual Dining Restaurant
Tenant / Guarantor	Texas Taco Cabana, LP /Corporate
Ownership Type	Public
Original Lease Term	20.0 Years
Lease Commencement	5/5/2011
Lease Expiration	5/5/2031
Lease Term Remaining	11.9 Years
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	One Percent (1.0%) Annually Starting Year 11
Options to Renew	Four (4), Five (5) Year Options

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 9	\$109,313	\$9,109	-
Year 10	\$109,313	\$9,109	-
Year 11	\$110,406	\$9,201	1.00%
Year 12	\$111,510	\$9,293	1.00%
Year 13	\$112,625	\$9,385	1.00%
Year 14	\$113,752	\$9,479	1.00%
Year 15	\$114,889	\$9,574	1.00%
Year 16	\$116,038	\$9,670	1.00%
Year 17	\$117,198	\$9,767	1.00%
Year 18	\$118,370	\$9,864	1.00%
Year 19	\$119,554	\$9,963	1.00%
Year 20	\$120,750	\$10,062	1.00%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Taco Cabana located at 2393 S. Stemmons Fwy in Lewisville, TX. The property consists of 3,235 square feet of building space and is situated on roughly 0.49 acres of land. The tenant, Texas Taco Cabana, LP (a subsidiary company of Fiesta Restaurant Group), has approximately 11.9 years remaining on the original 20 year triple-net (NNN) lease. The current annual rent is \$109,313 and is subject to increase by one percent (1.0%) annually starting in Year 11. There are four (4), five (5)-year tenant renewal options, extending the total possible lease term to 31 years.



Tenant Overview



About Taco Cabana

Taco Cabana was founded by Felix Stehling in September 1978 with its first restaurant at the corner of San Pedro and Hildebrand Avenue in Midtown San Antonio. Taco Cabana originally started as a taco stand with an open-air design which led to the “patio café” concept that defined the chain’s subsequent locations. All restaurants feature open-display cooking, convenient drive-thrus, and open-air patio dining.

Taco Cabana specializes in Mexican-inspired food made fresh by hand from unique authentic recipes and ingredients that reflect their rich Mexican heritage. The restaurant focuses on fresh foods, rather than pre-packaged or pre-prepared foods making them the industry leader in quality and taste. The TC menu includes a delicious variety of loaded tacos, flame-grilled fajitas, quesadillas, flautas, enchiladas, burritos, bowls, freshly-made flour tortillas and a selection of made-from-scratch salsas and sauces.

Taco Cabana is owned by Fiesta Restaurant Group, Inc, a subsidiary of Carrols Restaurant Group. Fiesta Group, Inc went public on NASDAQ under the symbol FRGI on May 8, 2012.

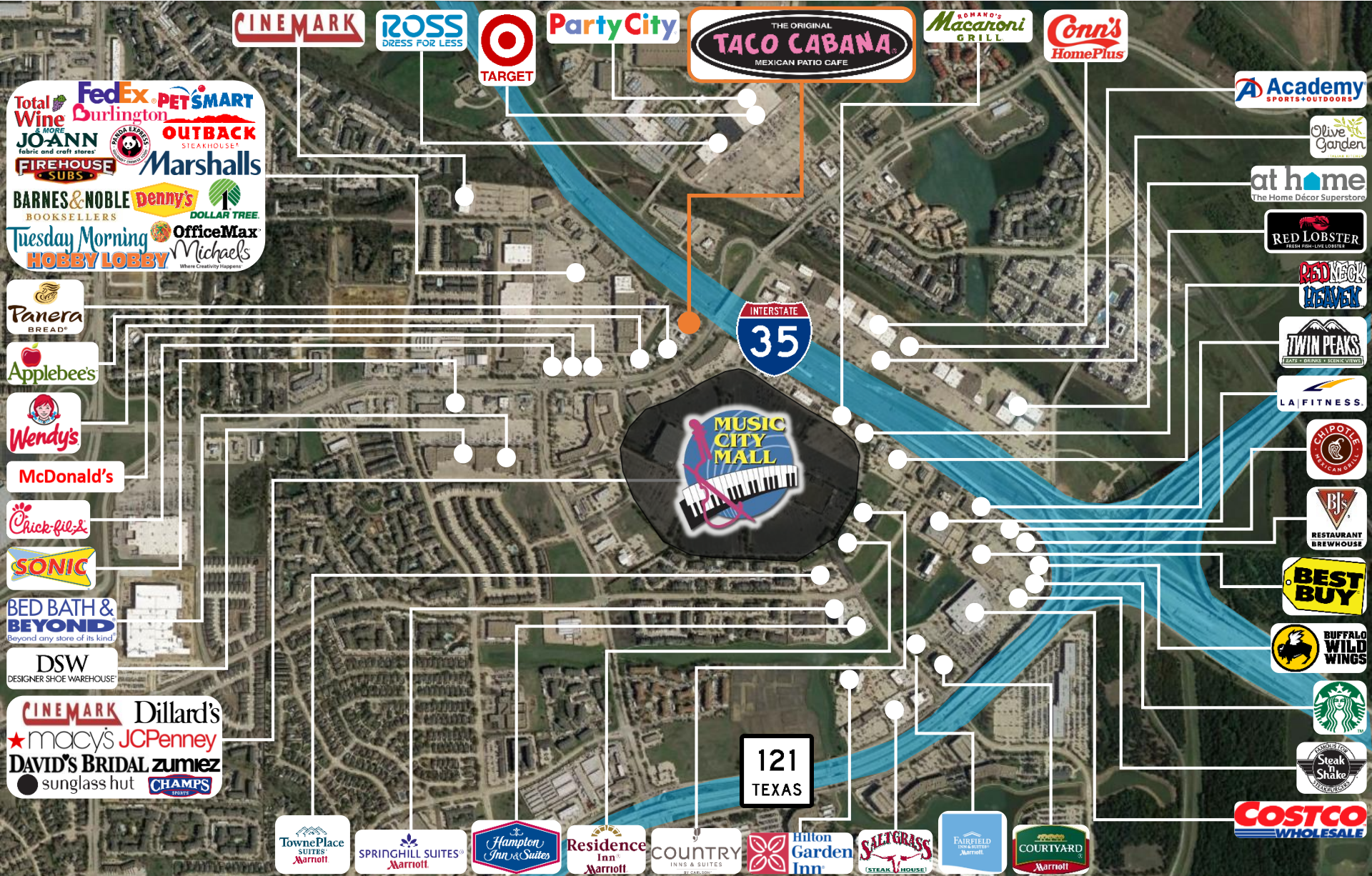
General Information

Founded	1978
Website	www.tacocabana.com
Number of Locations	176
Taco Cabana 2018 Revenue	\$688.60 Million



Surrounding Area

Property Address: 2393 S. Stemmons Fwy, Lewisville, TX 75067





Location Overview

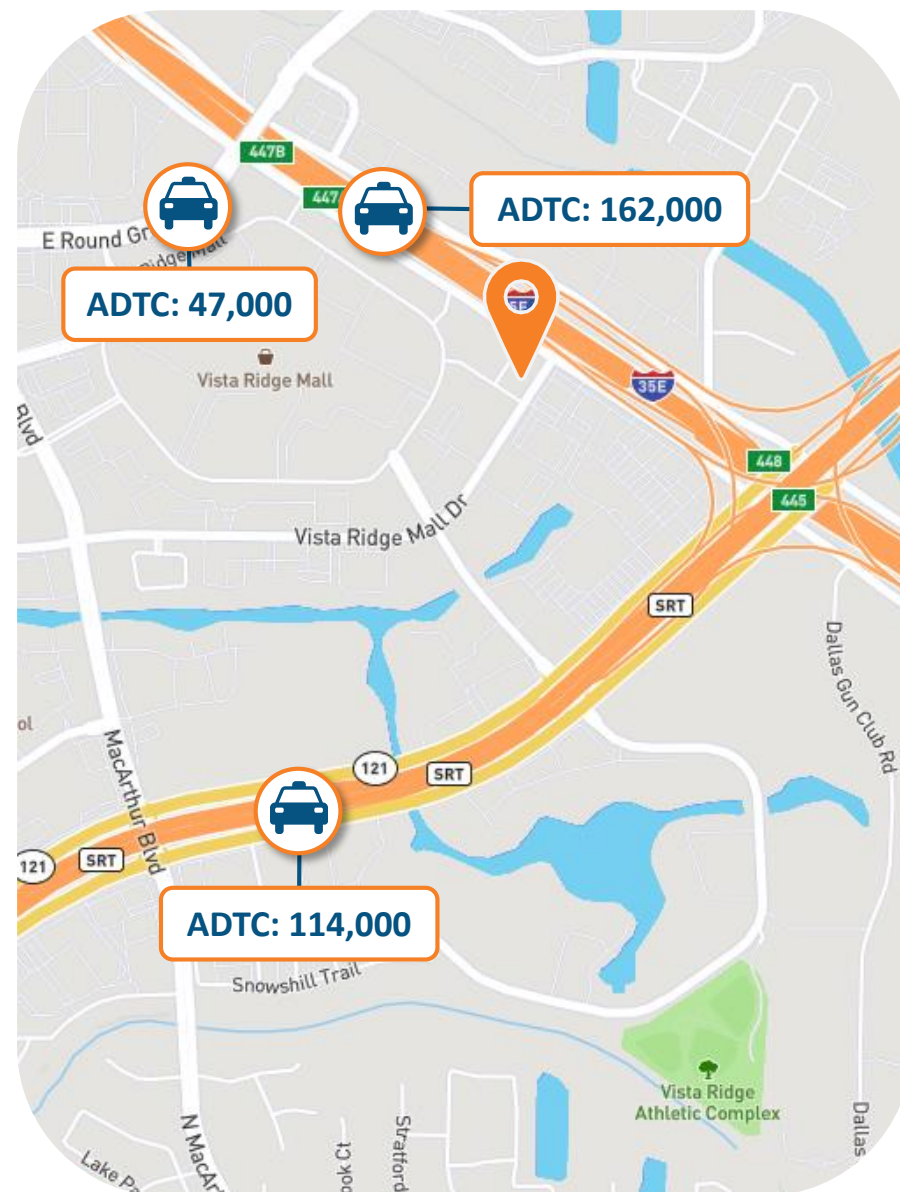
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The subject investment property is situated on South Stemmons Freeway, which lies along Interstate-35. Interstate-35 boasts average daily traffic counts exceeding 162,000 vehicles respectively. Interstate-35 intersects with Texas State 121 and East Round Grove Rd, which brings an additional 114,000 and 47,000 vehicles into the immediate area on average daily. There are more than 91,775 individuals residing within a three-mile radius of the property and more than 239,850 individuals within a five-mile radius.

The subject property benefits from being well-positioned in a highly dense retail corridor consisting of national and local tenants, shopping centers, and hotels all within close proximity of this property. Major national tenants include: Target, Best Buy, Costco, Bed Bath & Beyond, Macy's, JCPenney, Dillard's, Marshalls, Hobby Lobby, Barnes & Noble, Cinemark, as well as many more. This Taco Cabana also benefits from being situated near many national hotels such as Courtyard by Marriott, Fairfield Inn & Suites, Hilton Garden Inn, Country Inn & Suites, Residence Inn, Hampton Inn & Suites, Springhill Suites, TownePlace Suites, and Homewood Suites. The subject property is also conveniently located less than 9 miles away from Dallas/Fort Worth International Airport (DFW), the fourth busiest airport in the world, serving over 67,000,000 passengers annually.

Lewisville is a city in Denton County, Texas, and a suburb within the Dallas-Fort Worth Metroplex. Lewisville incorporated in 1925, and when construction of Lewisville Lake was completed in the 1950s, the city began to expand rapidly. Lewisville's consistently warm climate and proximity to Lewisville Lake have made it a recreational hub of the Dallas-Fort Worth metroplex. The area's transportation infrastructure has evolved around the I-35 Corridor along Interstate 35 and the diversity of its population and industry has created a stable economic climate. Lewisville's diverse commercial tax base has led to a strong economic development in the area. The area has allowed automobile dealerships to flourish and its close proximity to Lewisville Lake and the city's location in the Dallas-Fort Worth Metroplex has contributed to the largest boat sales market in the state by volume in a state and it is second in the nation in overall boat sales. Due to the city's proximity to Dallas and Fort Worth, a number of food distribution companies have branches in Lewisville, including Sysco and Meadowbrook Meat Company (MBM). Lewisville Independent School District operates the area's public school system, including Lewisville High School. Four of the district's middle schools feed into two high school feeder campuses and the district has a total enrollment of approximately 53,200 students. The mission of the City of Lewisville is to enhance the quality of life for its community and to provide effective municipal service. The values of the city are customer satisfaction, integrity, teamwork, and innovation.





Property Photo



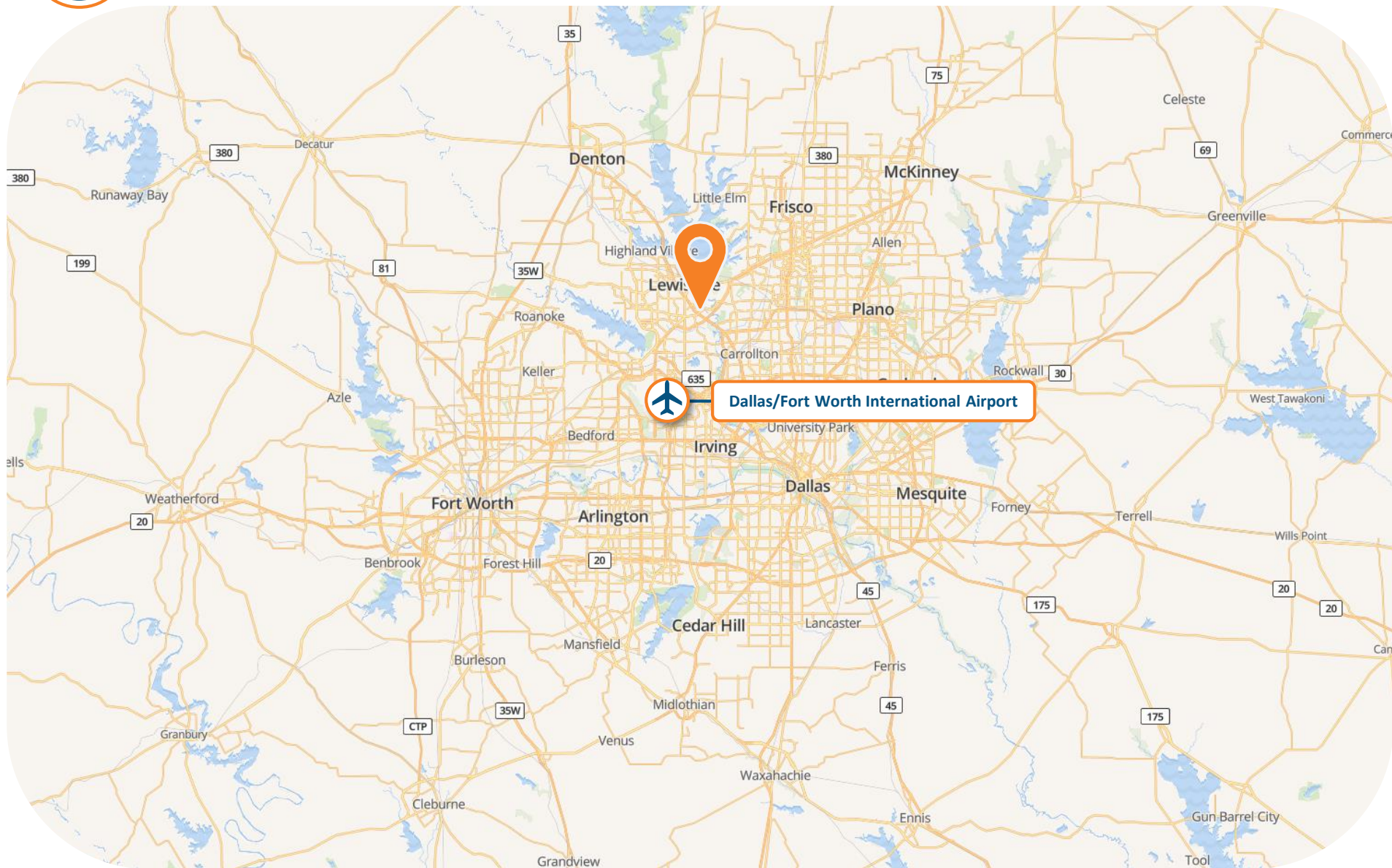


Surrounding Area Photos





Property Address: 2393 S. Stemmons Fwy, Lewisville, TX 75067





Regional Map

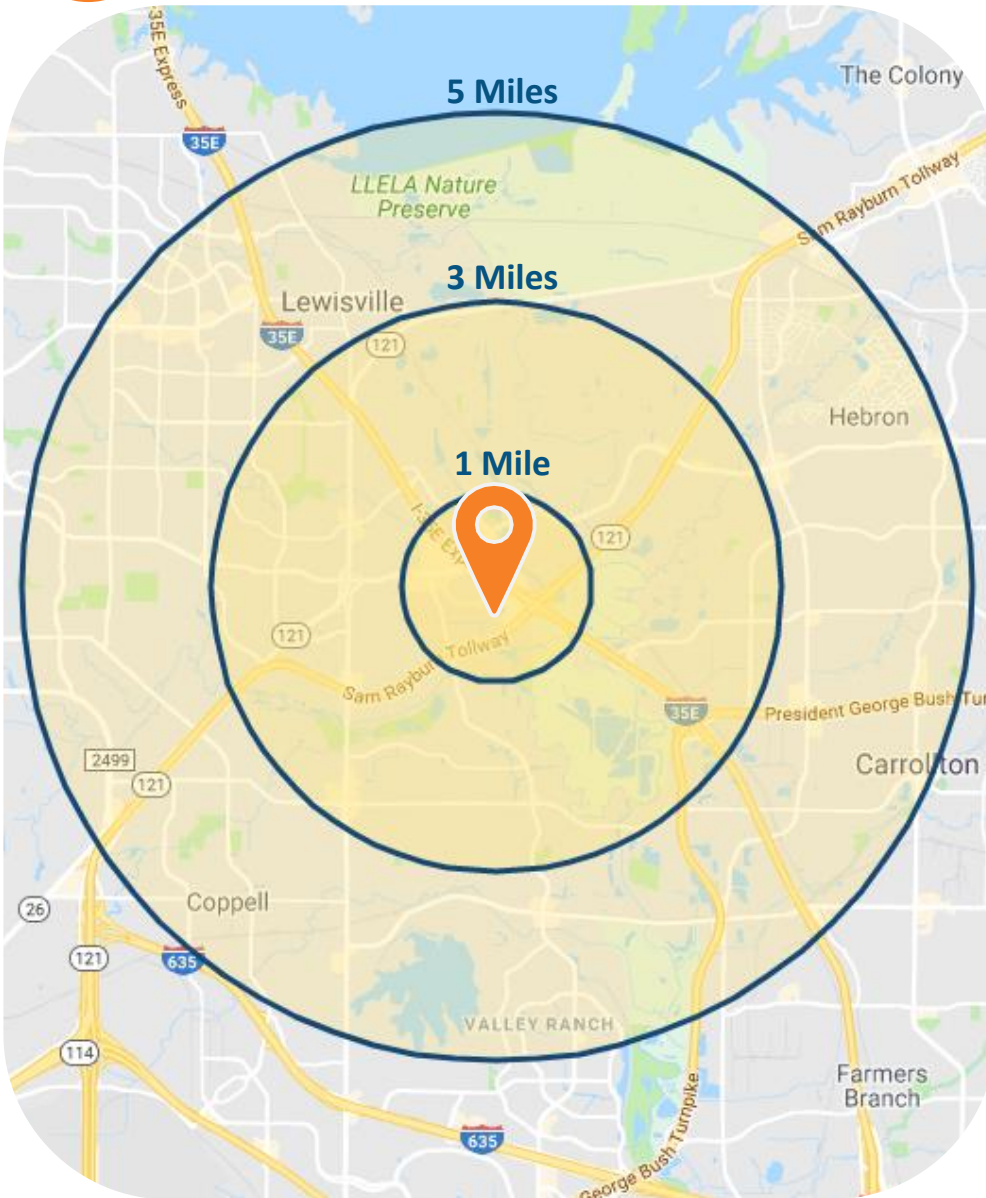
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Demographics

Property Address: 2393 S. Stemmons Fwy, Lewisville, TX 75067



POPULATION

	1 Mile	3 Miles	5 Miles
2023 Projection	16,587	106,121	249,458
2018 Estimate	15,261	97,711	233,224
2010 Census	12,514	82,255	200,310
2000 Census	5,734	64,893	165,646

INCOME

	1 Mile	3 Miles	5 Miles
Average	\$67,579	\$100,496	\$107,686
Median	\$50,862	\$68,844	\$77,140
Per Capita	\$36,378	\$39,552	\$41,007

HOUSEHOLDS

	1 Mile	3 Miles	5 Miles
2023 Projection	8,944	42,265	96,259
2018 Estimate	8,189	38,419	88,763
2010 Census	6,523	31,923	75,422
2000 Census	2,910	25,036	61,217

HOUSING

	1 Mile	3 Miles	5 Miles
2018	\$247,695	\$248,722	\$236,895

EMPLOYMENT

	1 Mile	3 Miles	5 Miles
2018 Daytime Population	25,256	93,979	243,377
2018 Unemployment	4.24%	3.65%	3.44%
2018 Median Time Traveled	25 Mins	27 Mins	28 Mins

RACE & ETHNICITY

	1 Mile	3 Miles	5 Miles
White	49.19%	56.40%	58.03%
Native American	0.19%	0.08%	0.07%
African American	23.62%	11.95%	10.39%
Asian/Pacific Islander	14.54%	17.48%	19.09%



Market Overview

City: Lewisville | County: Denton | State: Texas

Dallas, Texas

Lewisville is located less than 18 miles outside the bustling city of Dallas. As the ninth-largest city and part of the fourth-largest metropolitan area in the nation, Dallas covers approximately 343 square miles and has a population exceeding 1,240,000. The ultra modern and sophisticated city attracts worldwide travelers, making the area the No. 1 visitor and leisure destination in Texas. Dallas will remain a top destination for corporate relocations due to its business-friendly environment. Twenty-two Fortune 500 companies are headquartered in the metro, making it the third-largest concentration in the nation, including companies such as Southwest Airlines, A T&T, Texas Instruments and Exxon Mobil. Dallas has a lower cost of living than many major metros, no state income tax and a median home price below the national level. Over 45 post-secondary educational institutions are located in the metro. Nearly 31 percent of residents have attained a bachelor's degree, with 10 percent also holding a graduate or professional degree.

Outdoor activities abound in Dallas as a result of the city's favorable location and climate. With seven major league sport teams, rodeo, NASCAR and marathons, the adrenaline is year round. Dallas has been named the #3 Sports Town in the nation by Sports Illustrated. The Dallas-Fort Worth MSA has one of the largest concentrations of corporate headquarters for publicly traded companies in the United States. In addition to its large number of businesses, Dallas has more shopping centers per capita than any other city in the United States. Dallas is the third most popular destination for business travel in the United States, and the Kay Bailey Hutchison Convention Center is one of the largest and busiest convention centers in the country, at over 1,000,000 square feet and the world's single-largest column-free exhibit hall.

Major Employers

Employer	Estimated # of Employees
BJs Restaurant and Brewery	3,138
Xome Inc	2,933
Walmart	1,502
Shred-It	1,500
IBM	1,483
US Post Office	1,415
Gulfstream Aerospace Corp	1,303
Menlo Worldwide Logistics	1,200
Autonation Honda Lewisville	1,154
Coppell Independent School Dst	1,052
EMC Mortgage LLC	1,000
Childrens Health	906

Information About Brokerage Services



Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

TYPES OF REAL ESTATE LICENSE HOLDERS:

- A **BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- A **SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - o that the owner will accept a price less than the written asking price;
 - o that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - o any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

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Designated Broker of Firm	License No.	Email	Phone
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date

Regulated by the Texas Real Estate Commission

Information available at www.trec.texas.gov

IABS 1-0



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Marcus & Millichap

NNN
PRO GROUP

OFFERING MEMORANDUM



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