

POPEYES SALE-LEASEBACK

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM

Subject Property



119 S. North Service Road, Blytheville, AR 72315

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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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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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Investment Highlights

PRICE: \$2,097,859 | CAP: 6.00% | RENT: \$125,872



About the Investment

- ✓ Brand New 20-Year Sale-Leaseback
- ✓ Triple Net (NNN) Lease with Zero Landlord Responsibilities
- ✓ Attractive Rental Increases of One Percent (1.0%) Annually Beginning in Year 11
- ✓ Six (6) Tenant Renewal Periods of Five (5) Years Each

About the Location

- ✓ Dense Retail Corridor | Walmart, Lowe's, Ashley Furniture, Family Dollar, Dollar Tree, McDonald's, Wendy's, Burger King, Sonic Drive-In, Zaxby's, Nissan and Many More
- ✓ Large Academic Presence | Arkansas Northeastern College Currently Enrolls Over 1,500 Students | Located Within a Five-Mile Radius
- ✓ Strong Traffic Counts | East Main Street and Interstate- 55| Average Daily Traffic Counts of 18,054 and 14,446 Vehicles Per Day, Respectively

About the Tenant / Brand

- ✓ Tenant on the Lease is Frayser Quality, LLC | Operates 60+ Popeyes and Rapidly Growing
- ✓ Lease Guaranteed by New CFH, LLC | 230-Unit Entity | New CFH, LLC is a wholly owned subsidiary of Carrols Restaurant Group, Inc.
- ✓ Carrols Restaurant Group is One of the Largest Restaurant Companies and Franchisee's in the United States | 1,000+-Unit Operator
- ✓ Strong Track Record With Proven Operational Expertise
- ✓ In May 2019, Carrols Merged With Cambridge Franchise Holdings LLC, Acquiring 165 Burger Kings and 58 Popeyes Restaurants in 10 Southeastern and Southern States



Representative Photo



Representative Photo



Financial Analysis

PRICE: \$2,097,859 | CAP: 6.00% | RENT: \$125,872

PROPERTY DESCRIPTION

Property	Popeyes
Property Address	119 S. North Service Road
City, State, ZIP	Blytheville, AR 72315
Year Built / Renovated	2019
Estimated Building Size	2,905 SF
Lot Size	+/- 1.12 Acres
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$2,097,859
CAP Rate	6.00%
Annual Rent	\$125,872

LEASE SUMMARY

Property Type	Net-Lease Quick-Service Restaurant
Tenant / Guarantor	Frayser Quality, LLC / New CFH, LLC
Ownership Type	Public (NYSE: TAST)
Original Lease Term	20 Years from COE
Lease Commencement	Upon Close of Escrow
Lease Expiration	20 Years from COE
Lease Term Remaining	20.0 Years
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	1.0% Annually Starting Year 11
Options to Renew	Six (6), Five (5)-Year Options

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 1-10	\$125,872	\$10,489	-
Year 11	\$127,130	\$10,594	1.00%
Year 12	\$128,402	\$10,700	1.00%
Year 13	\$129,686	\$10,807	1.00%
Year 14	\$130,982	\$10,915	1.00%
Year 15	\$132,292	\$11,024	1.00%
Year 16	\$133,615	\$11,135	1.00%
Year 17	\$134,951	\$11,246	1.00%
Year 18	\$136,301	\$11,358	1.00%
Year 19	\$137,664	\$11,472	1.00%
Year 20	\$139,041	\$11,587	1.00%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present this exclusive listing for a Popeyes located at 119 S. North Service Road in Blytheville, AR. The subject property opened in June 2019 and consists of roughly 2,905 square feet of building space on approximately a 1.12 acre parcel. This investment opportunity is subject to a brand new 20-year Triple-Net (NNN) sale-leaseback with zero landlord responsibilities. The lease will commence upon the close of escrow and will be subject to six (6), five (5) year tenant renewal options. The initial annual rent will be \$125,872 and is scheduled to increase by one percent (1.00%) annually starting in year 11 and continuing throughout the base term and option periods. In each option period the rent will increase by one percent (1.00%) annually in years 1 through 3 and the rent will remain flat in years 4 and 5. The lease will be guaranteed by New CFH, LLC, a wholly owned subsidiary of Carrols Restaurant Group, Inc. New CFH, LLC is currently a 230-unit entity.



Concept & Guarantor Overview

POPEYES
LOUISIANA KITCHEN

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, 2018, Popeyes owned or franchised a total of 3,102 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 27, 2017 for a total consideration of \$1.7 billion by Restaurant Brands International (NYSE: QSR).

Fun Facts:

- *Global Leadership in Chicken Segment - One of the largest players 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 signed in last few years*



New CFH, LLC

New CFH, LLC ("NCFH") is a 230-Unit entity, and wholly owned subsidiary of Carrols Restaurant Group, Inc. NCFH currently operates 165 Burger King restaurants under Nashville Quality, LLC as well as 58 Popeyes locations under Frayser Quality, LLC. NCFH acquired Carolina Quality, LLC ("CQL") in 2014 as a platform to execute a growth strategy in the Burger King system. At the time of the acquisition, CQL was a Burger King franchisee operating 22 restaurants across five states. Since the acquisition NCFH has grown the business significantly and currently operates in states such as Alabama, Arkansas, Indiana, Kentucky, Louisiana, Mississippi, North Carolina, Tennessee, and Virginia.



Parent Company Overview: Carrols, LLC



GREAT FOOD COMES FIRST

Every day, more than 11 million guests visit BURGER KING® restaurants around the world. And they do so because our restaurants are known for serving high-quality, great-tasting, and affordable food. Founded in 1954, BURGER KING® is the second largest fast food hamburger chain in the world. The original HOME OF THE WHOPPER®, our commitment to premium ingredients, signature recipes, and family-friendly dining experiences is what has defined our brand for more than 50 successful years.

#2 Fast Food Hamburger Chain, Globally

- More than \$16 billion in annual system-wide sales, and nearly 350,000 team members, worldwide. The concept has a market capitalization of roughly \$10 billion.

Global Brand Presence | Fully – Franchised Business Model

- Nearly 14,000 restaurants in 100+ countries. QSR industry-leading EBITDA margins

Rich Heritage | Stable, Reliable Long-Term Ownership

- Founded in 1954 with deep ties to the Miami Community. Burger King has been actively managed by 3G since 2010.

3G Capital

3G Capital is a global investment firm focused on long-term value, with a particular emphasis on maximizing the potential of brands and businesses. The firm and its partners have a strong history of operational excellence, board involvement, deep sector expertise, and an extensive global network. 3G Capital works in close partnership with management teams at its portfolio companies and places a strong emphasis on recruiting, developing and retaining top-tier talent. In October 2010, 3G Capital completed the acquisition of Burger King®, one of the most widely-recognized consumer brands in the world.

General Information

Address	Oakville, ON
Website	http://www.rbi.com
Stock Ticker	QSR (NYSE)
Current Price*	\$75.46
52 Week High/Low	\$78.26/ \$50.20

*As of August 20, 2019

Carrols, LLC

Carrols, LLC is Burger King's largest franchisee and has operated BURGER KING® restaurants since 1976. As of April 30, 2019, the Company completed the acquisition of 221 additional BURGER KING® and Popeyes restaurants 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. Carrols LLC's direct parent company, Carrols Restaurant Group, INC. (Nasdaq: TAST), is one of the only publicly traded companies solely controlling Burger King Franchises and one of the largest restaurant companies and franchisee's in the United States.

Burger King Worldwide, Inc.

Founded in 1954, Burger King® is the second largest fast food hamburger chain in the world. The original Home of the Whopper, the Burger King® system operates in approximately 14,000 locations serving more than 11 million guests daily in 100 countries and territories worldwide. Approximately 100 percent of Burger King® restaurants are owned and operated by independent franchisees, many of them family-owned operations that have been in business for decades.

Restaurant Brands International

Restaurant Brands International is one of the world's largest quick service restaurant companies with approximately \$23 billion in system sales and over 18,000 restaurants in 100 countries. Restaurant Brands International owns two of the world's most prominent and iconic quick service restaurant brands – Tim Hortons® and Burger King®. These independently operated brands have been serving their respective guests, franchisees, and communities for over 50 years.



In Recent News: Merger Details

Carrols Restaurant Group (TAST) Acquires 221 Restaurants and Expand into Popeyes Brand Through Merger with Cambridge Franchise Holdings

"This is a transformational transaction for our Company," said Dan Accordino, Chairman and CEO of Carrols. "It further strengthens our position in the Burger King system and provides us the opportunity to continue executing our Burger King acquisition and expansion strategy. Cambridge also brings a strong, growing second brand in Popeyes to Carrols' portfolio, and they have demonstrated strong returns on new restaurant development in their geographies. We look forward to partnering with them as we work to improve returns for our stockholders through additional, diversified alternatives for future growth and effective capital allocation."



Carrols Restaurant Group, Inc. announced that on April 30, 2019 it completed the acquisition of 165 Burger King and 55 Popeyes restaurants from Cambridge Franchise Holdings, LLC 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 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 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, says, "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 percent and was issued at an OID of 99.5. Use of proceeds included (i) refinancing Carrols' existing 8 percent 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 percent equity interest) and (ii) shares of

9 percent 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 percent 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," says Alex Sloane, co-founder of Cambridge Franchise Holdings.

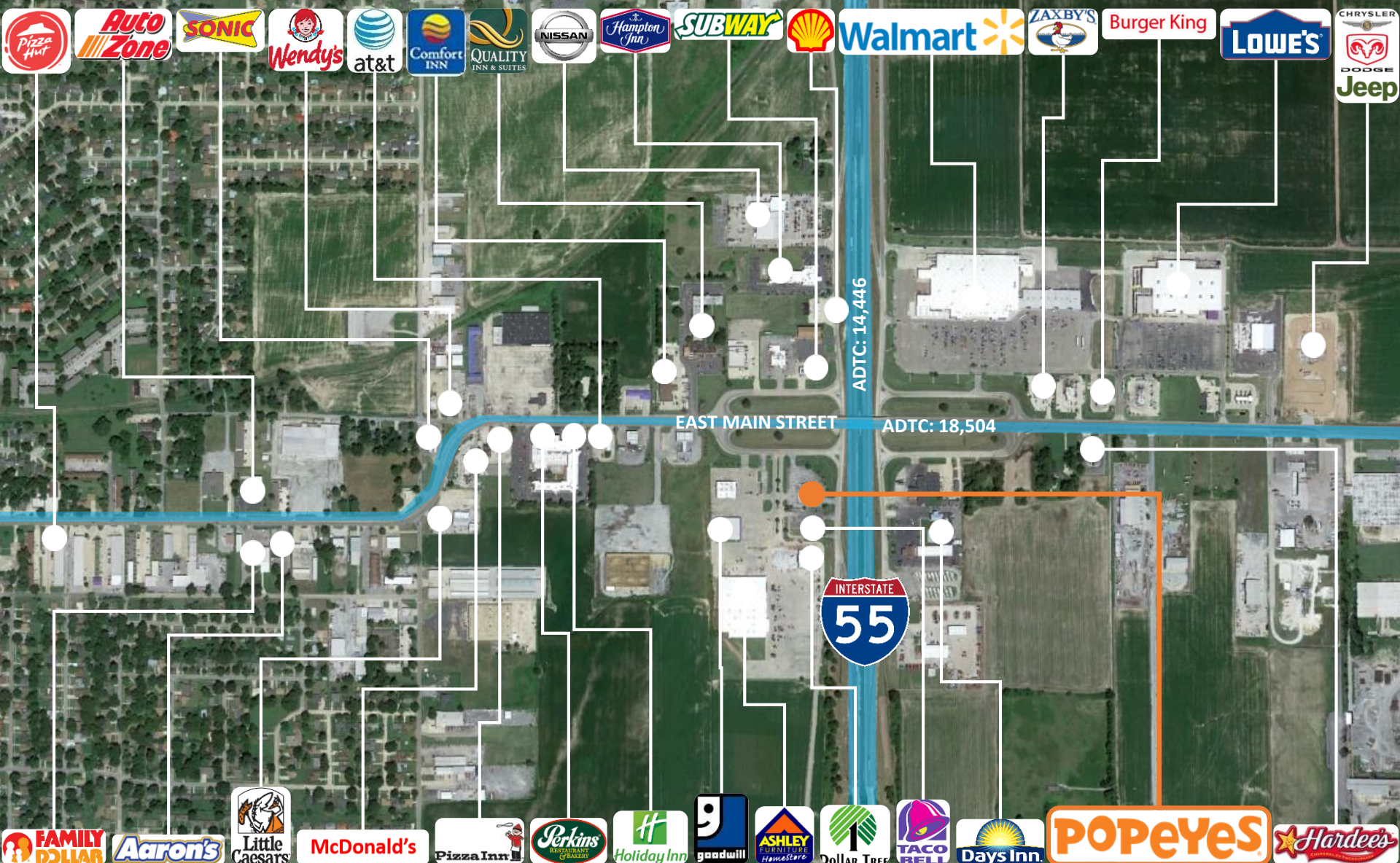




Surrounding Area

Property Address: 119 S. North Service Road, Blytheville, AR 72315

POPEYES
LOUISIANA KITCHEN





Property Photo

POPEYES
LOUISIANA KITCHEN



Subject Property



Property Photo

POPeYes
LOUISIANA KITCHEN



Subject Property



Surrounding Area Photos





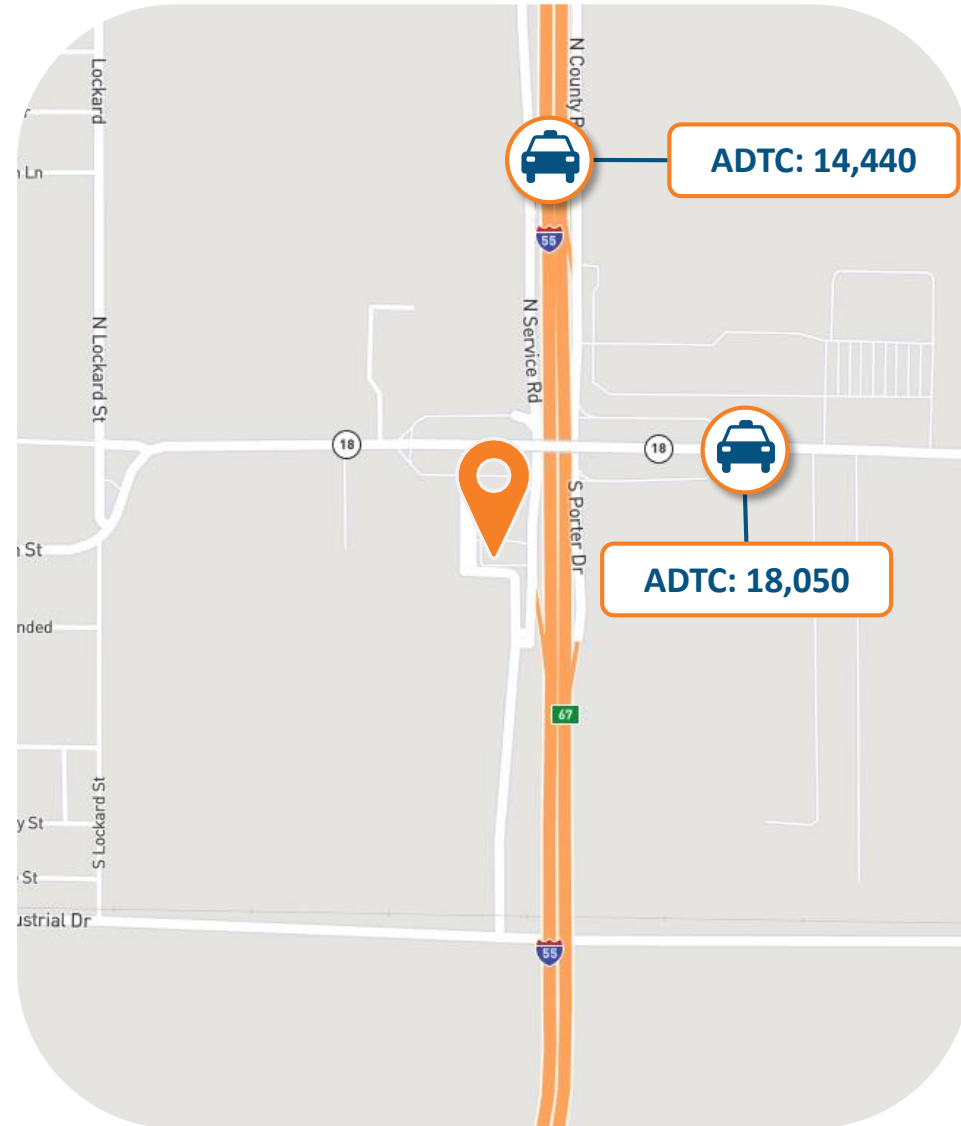
Location Overview

Property Address: 119 S. North Service Road, Blytheville, AR 72315

The subject investment property is situated on S. North Service Road, which experiences an average daily traffic count exceeding 18,050 vehicles. Intersecting with S. North Service Road is Interstate-55, which brings an additional 14,440 vehicles into the immediate area daily. There are more than 16,670 individuals residing within a five-mile radius of the property and more than 24,295 individuals within a ten-mile radius.

This Popeyes property benefits from being well-positioned in a dense retail corridor consisting of national and local tenants, academic institutions and shopping centers. Major national tenants in the area include: Walmart, Lowe's, Ashley Furniture, Family Dollar, Dollar Tree, McDonald's, Wendy's, Burger King, Sonic Drive-In, Zaxby's, Nissan, Chrysler Dodge Jeep Ram, Comfort Inn & Suites, Days Inn and many more. Great River Medical Center, a 309-bed, acute care facility, is situated just three miles from the subject property. This Popeyes also benefits from its close proximity to several academic institutions. Most notable is Arkansas Northeastern College, which has an enrollment exceeding 1,500 students. Arkansas International Airport, located approximately three miles from the subject property, is used for both military and general aviation.

Blytheville, established as lumber mill town in the 1880s, has also served as a center for the cotton-growing industry, a Strategic Air Command (SAC) airbase and a gateway city for the Natural State. The airbase was phased out years ago, but Blytheville has emerged as a steel production center and agri-business is strong. Places to visit include the Ritz Civic Center, a restored opera house on Main Street that stages live shows throughout the year, and the Delta Gateway Museum, which explores the past with exhibits and photos. The downtown area is alive with interesting shops, including "That Book Store," a favorite stop of Arkansas native and award-winning novelist John Grisham. Arkansas Northeastern College (formerly Mississippi County Community College) schedules cultural events throughout the year. Blytheville is also the site of an Arkansas Welcome Center (I-55).

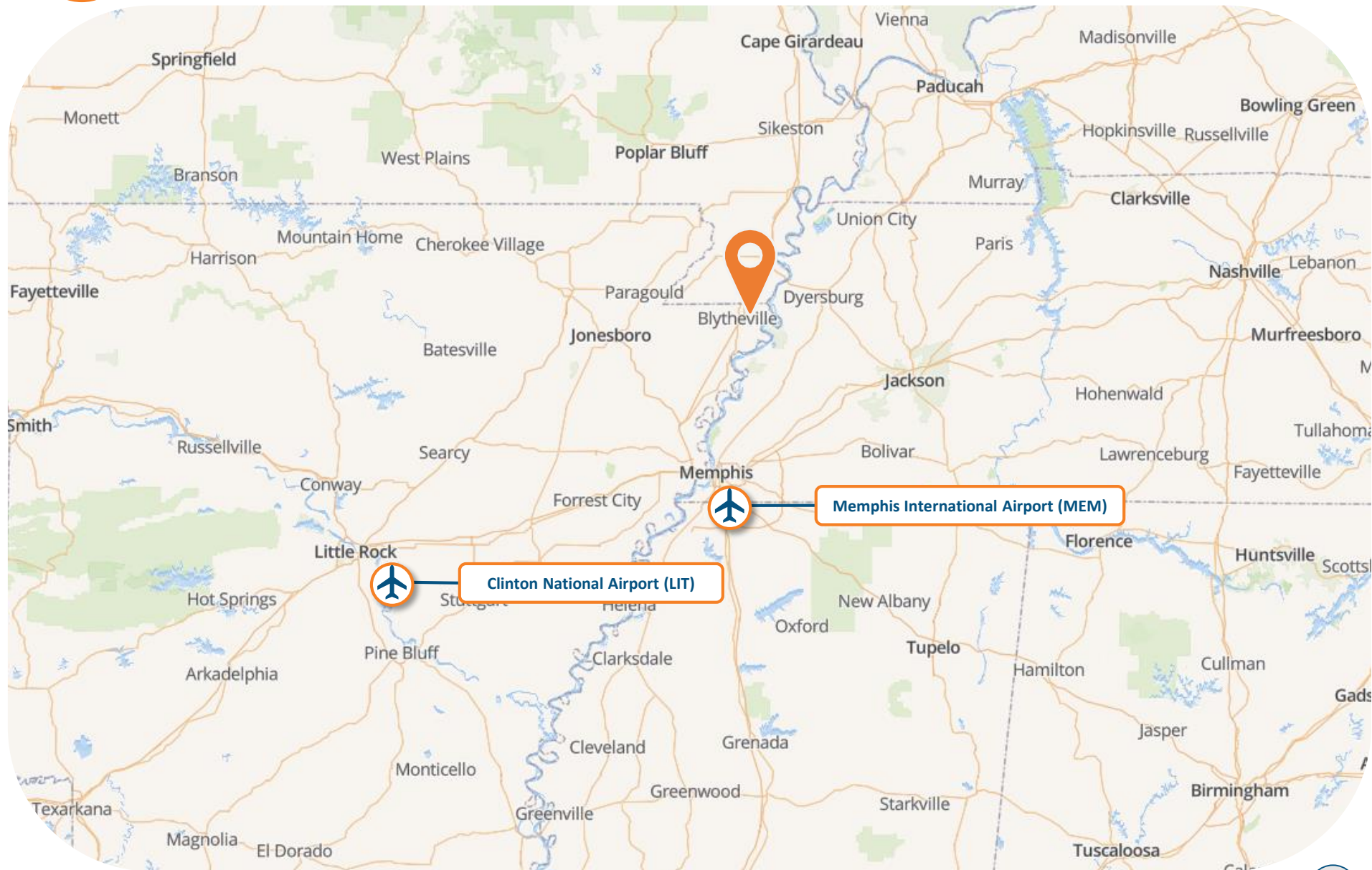




Local Map

Property Address: 119 S. North Service Road, Blytheville, AR 72315

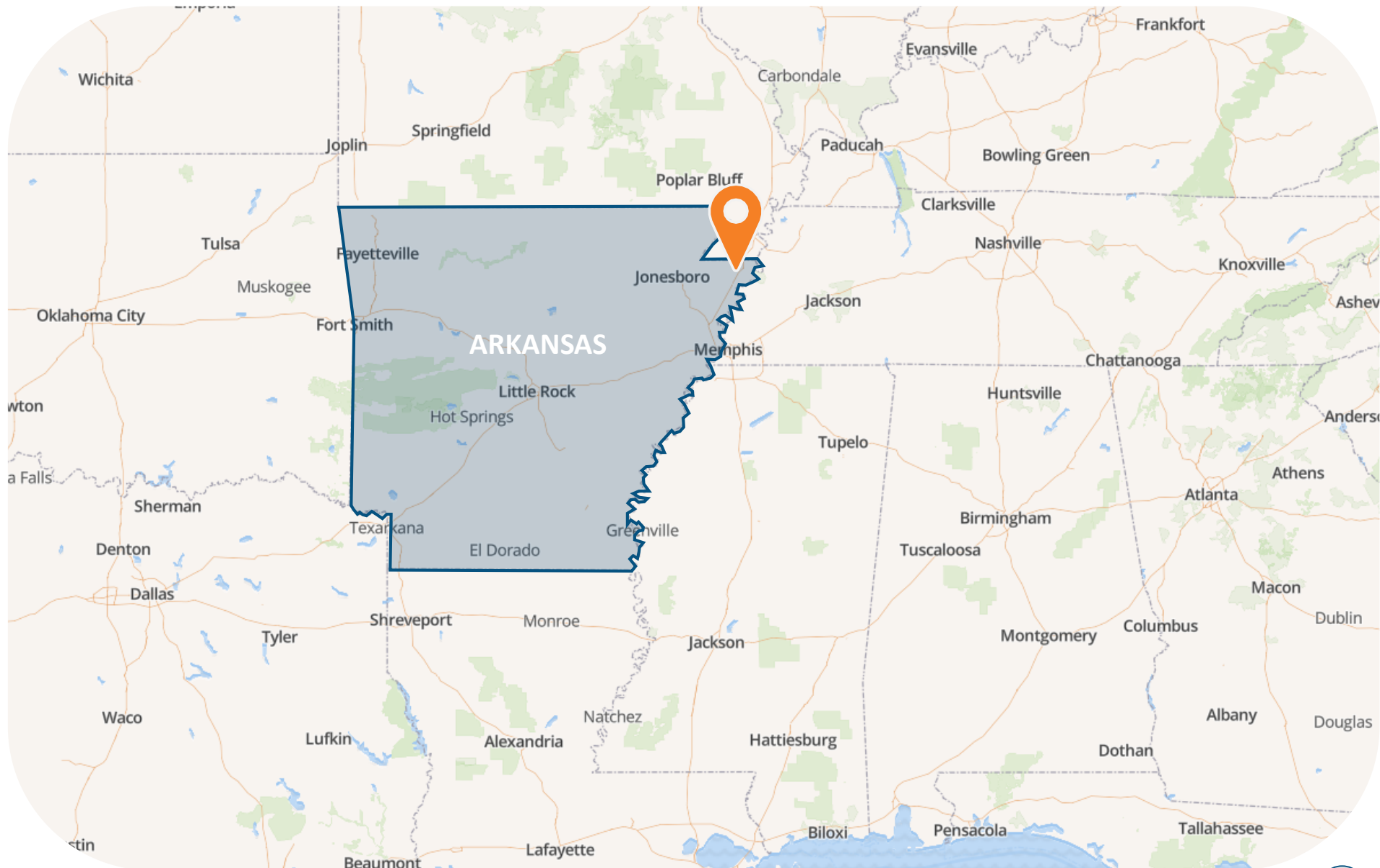
POPEYES
LOUISIANA KITCHEN





Regional Map

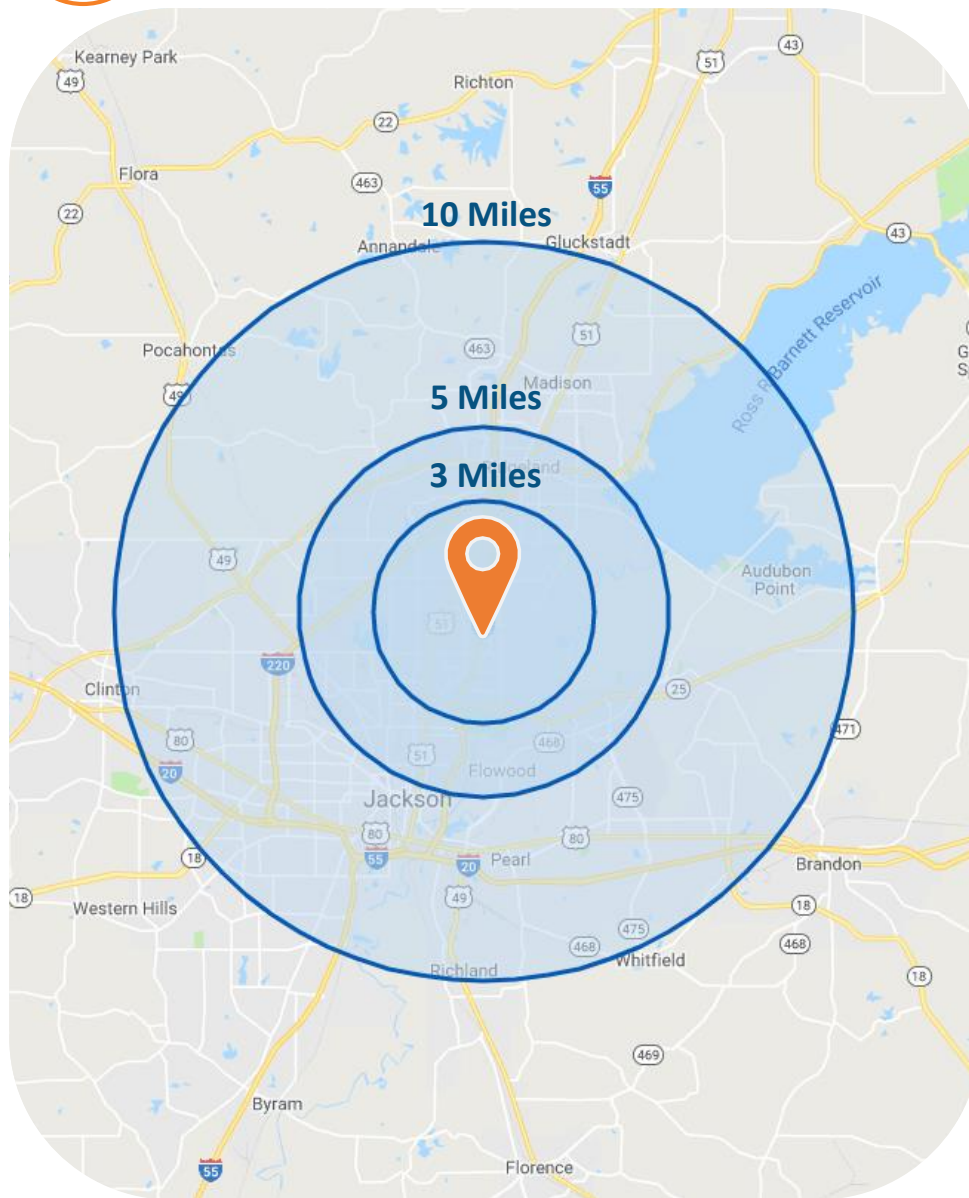
Property Address: 119 S. North Service Road, Blytheville, AR 72315





Demographics

Property Address: 119 S. North Service Road, Blytheville, AR 72315



3 Miles 5 Miles 10 Miles

Population Trends:

2024 Projection	11,590	14,893	22,127
2019 Estimate	12,152	15,592	23,178
2010 Census	13,759	17,544	26,148
2019 Population Hispanic Origin	361	496	853

Population by Race (2019):

White	4,788	6,748	13,043
Black	7,046	8,436	9,492
Am. Indian & Alaskan	50	59	94
Asian	79	108	172
Other	189	241	370

Household Trends:

2023 Projection	4,576	5,804	8,521
2018 Estimate	4,799	6,079	8,935
2010 Census	5,432	6,844	10,108
Owner Occupied	2,628	3,426	5,094
Renter Occupied	2,172	2,652	3,840

Average Household Income (2019)

\$51,370	\$50,854	\$52,862
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Households by Household Income (2019):

<\$25,000	1,667	2,178	2,811
\$25,000 - \$50,000	1,340	1,643	2,581
\$50,000 - \$75,000	704	881	1,423
\$75,000 - \$100,000	468	576	913
\$100,000 - \$125,000	365	440	589
\$125,000 - \$150,000	94	168	314
\$150,000 - \$200,000	82	107	211

Median Household Income (2019):

\$36,930	\$36,382	\$39,771
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Market Overview

City: Blytheville | County: Mississippi | State: Arkansas

Memphis, TN



Memphis, TN is the birthplace of Rock n' Roll and the home of the Blues. It's also home to the National Civil Rights Museum, Beale Street, the Memphis Rock and Soul Museum, the National Ornamental Metal Museum and Graceland, the second most visited residence in the United States. Memphis still has a vibrant music scene to this day, with live music each night on Beale Street and in most areas of the city. But music is not Memphis' only export; these days, most goods come through Memphis and its transportation and logistics infrastructure. Not only is the airport the second largest cargo airport in the world – a fact attributable to FedEx's "Super Hub" – but Memphis sits at a crossroads of what is called the four R's: Railroads, Runways, Roads, and the Mississippi River. The city is also home to several Fortune 500 companies, including AutoZone, International Paper, and FedEx, as well as St. Jude Children's Research Hospital and the Memphis Grizzlies. Every year, Beale Street and Downtown's Tom Lee Park are transformed into a sea of music, pork and people during the Memphis in May International Festival. This month long celebration draws tens of thousands of visitors every spring and features the world-famous Beale Street Music Festival, World Championship Barbecue Cooking Contest and several international events honoring a different foreign country every year.

Major Employers

Employer	Estimated # of Employees
Nucor-Yamato Steel	800
Maverick Tube Corporation	732
Great River Medical Center	435
Walmart	365
GREAT RIVER MEDICAL CENTER	325
Arkansas Northeastern College	205
Butterfly Division	201
Schuck Steel	180
Ipsco Rubber	150
Lowes	150
Magnatronics Division	140
Kroger	135



Marcus & Millichap

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