

BURGER KING SALE-LEASEBACK



Subject Property

OFFERING MEMORANDUM

BURGER KING



891 US-31, Whiteland, IN 46184

Confidentiality and Disclaimer

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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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891 US-31, Whiteland, IN 46184



INVESTMENT SUMMARY



Marcus & Millichap is pleased to present this exclusive listing for a Burger King located at 891 US Highway 31 in Whiteland, IN. Remodeled in 2018, the subject property consists of roughly 3,464 square feet of building space on approximately a 0.92 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 \$75,000 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.

The subject property benefits from being well-positioned in a dense retail corridor consisting of national and local tenants, and academic institutions all within close proximity of this property. Major national tenants include: CVS Pharmacy, Dollar General, Advance Auto Parts, Taco Bell, Hardee's, Subway, Dairy Queen, Marathon Gas, Circle K, as well as many others. This Burger King also benefits from its close proximity to several academic institutions. The most notable are Whiteland Community High School and Whiteland Elementary School, which boasts a combined total enrollment exceeding 2,275 students, and are situated less than a quarter mile from the subject property. Additionally, this Burger King property is located less than 20 miles from downtown Indianapolis. Indiana University – Purdue University Indianapolis (IUPUI), has a total enrollment exceeding 30,000 students.

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.



Investment Highlights

PRICE: \$1,250,000 | CAP: 6.00% | RENT: \$75,000

BURGER KING

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 | CVS Pharmacy, Dollar General, Advance Auto Parts, Taco Bell, Hardee's, Subway, Dairy Queen, and Many More
- ✓ Strong Academic Presence | Combined Total Enrollment Exceeding 2,275 Students Within a Quarter Mile of the Subject Property
- ✓ Strong Traffic Counts | Average Daily Traffic Counts Exceeding 32,000 Along US-31, Respectively
- ✓ Excellent Location Fundamentals | Less than 20 Miles From Downtown Indianapolis

About the Tenant / Brand

- ✓ Tenant on the Lease is Nashville Quality, LLC | Operates 165 Burger Kings 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





Financial Analysis



PRICE: \$1,250,000 | CAP: 6.00% | RENT: \$75,000

PROPERTY DESCRIPTION

Property	Burger King
Property Address	891 US Highway 31
City, State, ZIP	Whiteland, IN 46131
Year Built / Renovated	2018
Building Size	3,464 SF
Lot Size	+/- 0.92 Acres
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$1,250,000
CAP Rate	6.00%
Annual Rent	\$75,000

LEASE SUMMARY

Property Type	Net-Lease Quick-Service Restaurant
Tenant / Guarantor	Nashville 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	\$75,000	\$6,250	-
Year 11	\$75,750	\$6,313	1.00%
Year 12	\$76,508	\$6,376	1.00%
Year 13	\$77,273	\$6,439	1.00%
Year 14	\$78,045	\$6,504	1.00%
Year 15	\$78,826	\$6,569	1.00%
Year 16	\$79,614	\$6,635	1.00%
Year 17	\$80,410	\$6,701	1.00%
Year 18	\$81,214	\$6,768	1.00%
Year 19	\$82,026	\$6,836	1.00%
Year 20	\$82,847	\$6,904	1.00%





Concept & Guarantor Overview

BURGER KING

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.

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.

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.

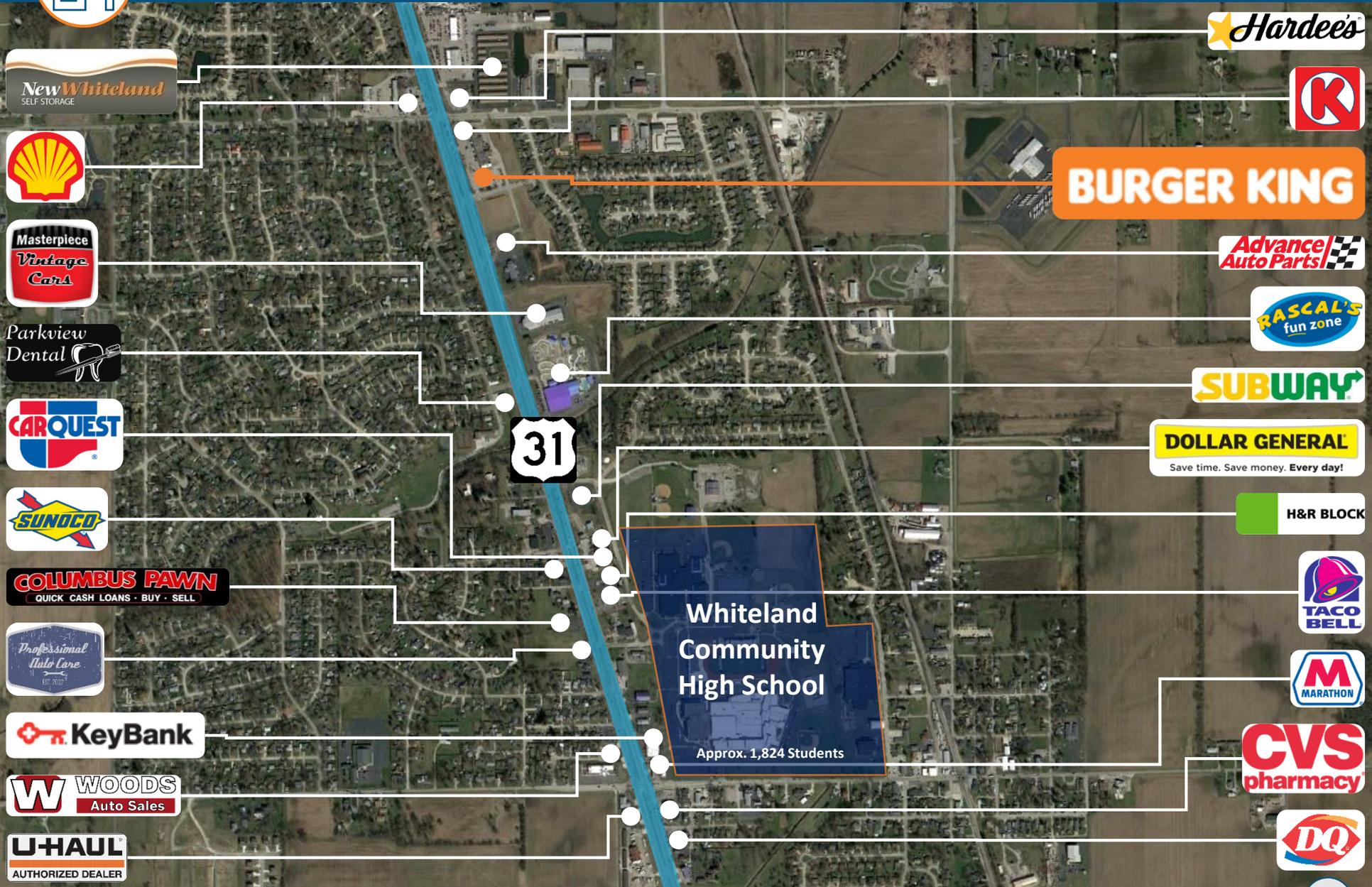
“Matt and I are excited to join the Carrols Board and support the next phase of the Company’s growth. We believe that Carrols’ strong management team, efficient financing structure, partnership with RBI and compelling capital allocation plan provide for a long runway to enhance shareholder value,” says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





Surrounding Area

BURGER KING



BURGER KING



DOLLAR GENERAL
Save time. Save money. Every day!



Whiteland Community High School
Approx. 1,824 Students





Property Photo

BURGER KING



Subject Property



Property Photo

BURGER KING



Subject Property



Surrounding Area Photos

BURGER KING





Location Overview

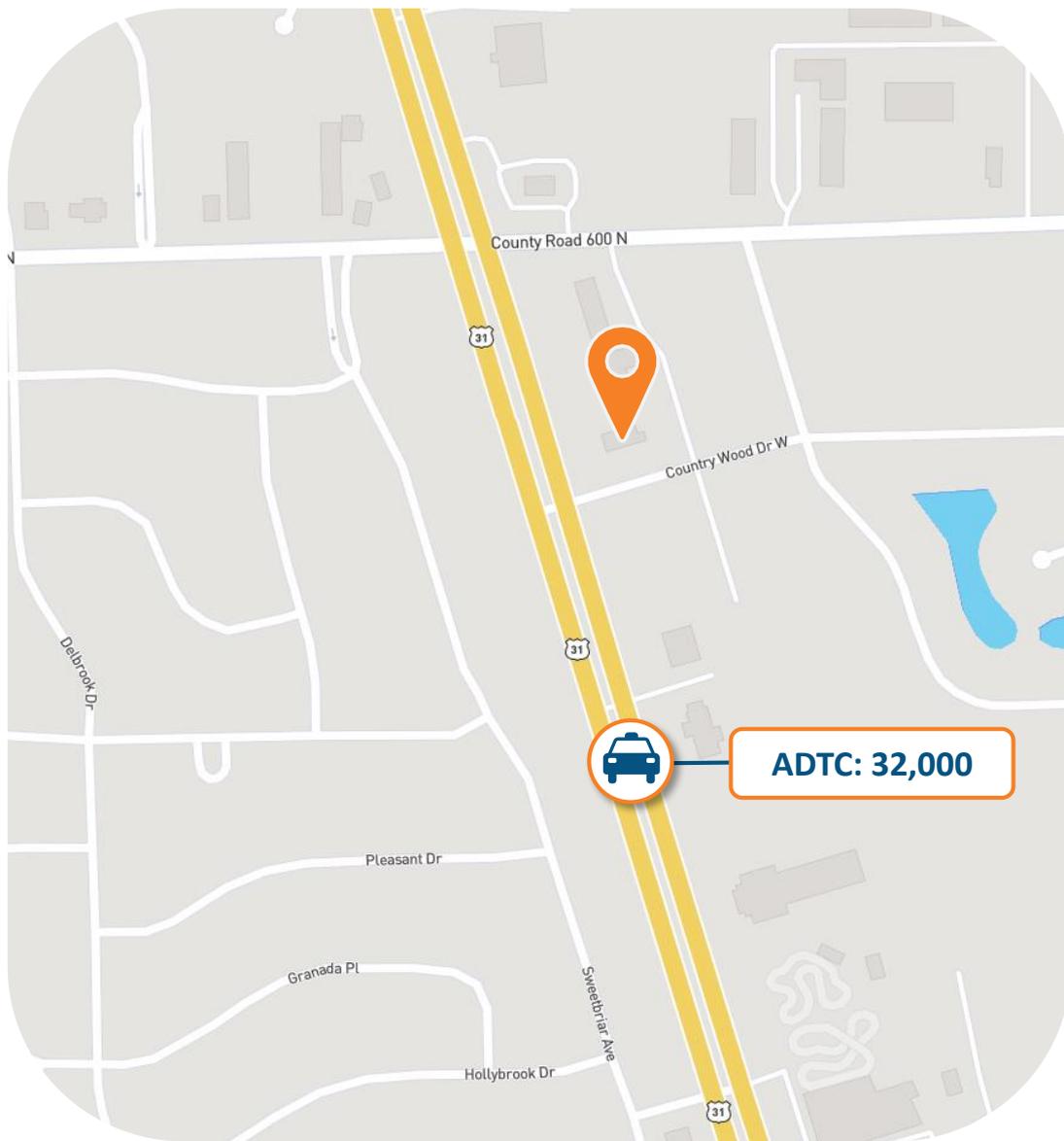
Property Address: 891 US-31, Whiteland, Indiana

BURGER KING

The subject property benefits from being well-positioned in a dense retail corridor consisting of national and local tenants, and academic institutions all within close proximity of this property. Major national tenants include: CVS Pharmacy, Dollar General, Advance Auto Parts, Taco Bell, Hardee's, Subway, Dairy Queen, Marathon Gas, Circle K, as well as many others. This Burger King also benefits from its close proximity to several academic institutions. The most notable are Whiteland Community High School and Whiteland Elementary School, which boasts a combined enrollment exceeding 2,275 students, and are situated less than a quarter mile from the subject property. Additionally, this Burger King property is located less than 20 miles from downtown Indianapolis. Indiana University – Purdue University Indianapolis (IUPUI), has a total enrollment exceeding 30,000 students.

The Burger King is positioned on US-31 in Whiteland, Indiana. US-31 experiences average daily traffic counts of 32,000, respectively. There are approximately 90,740 individuals within a five-mile radius of the subject property and more than 272,040 individuals within a ten-mile radius.

Whiteland is a town in Pleasant, Franklin and Clark townships, within Johnson County, Indiana. Whiteland is in north/central Johnson County approximately 19 miles south of Indianapolis. Whiteland is considered a part of the Indianapolis metropolitan area because of its seat inside of Johnson County. Major access roads to get to Whiteland are I-65 and U.S. 31, which runs directly in front of the subject property. Whiteland was formally incorporated as a town on May 3, 1886; however, the town was beginning to blossom as early as 1853. Three businesses formed the center of that early Whiteland; today, many times that number are located in the town. When the first plat was laid out in 1863, it consisted of 40 lots. Today, Whiteland has approximately 1,600 lots. Whiteland is also known for its Clark-Pleasant Community School Corporation, which provides elementary, middle school, and high school education for its residents. Whiteland is also known as tight-knit community with many parks and a great place for couples to raise a family.





Regional Map



Property Address: 891 US-31, Whiteland, Indiana

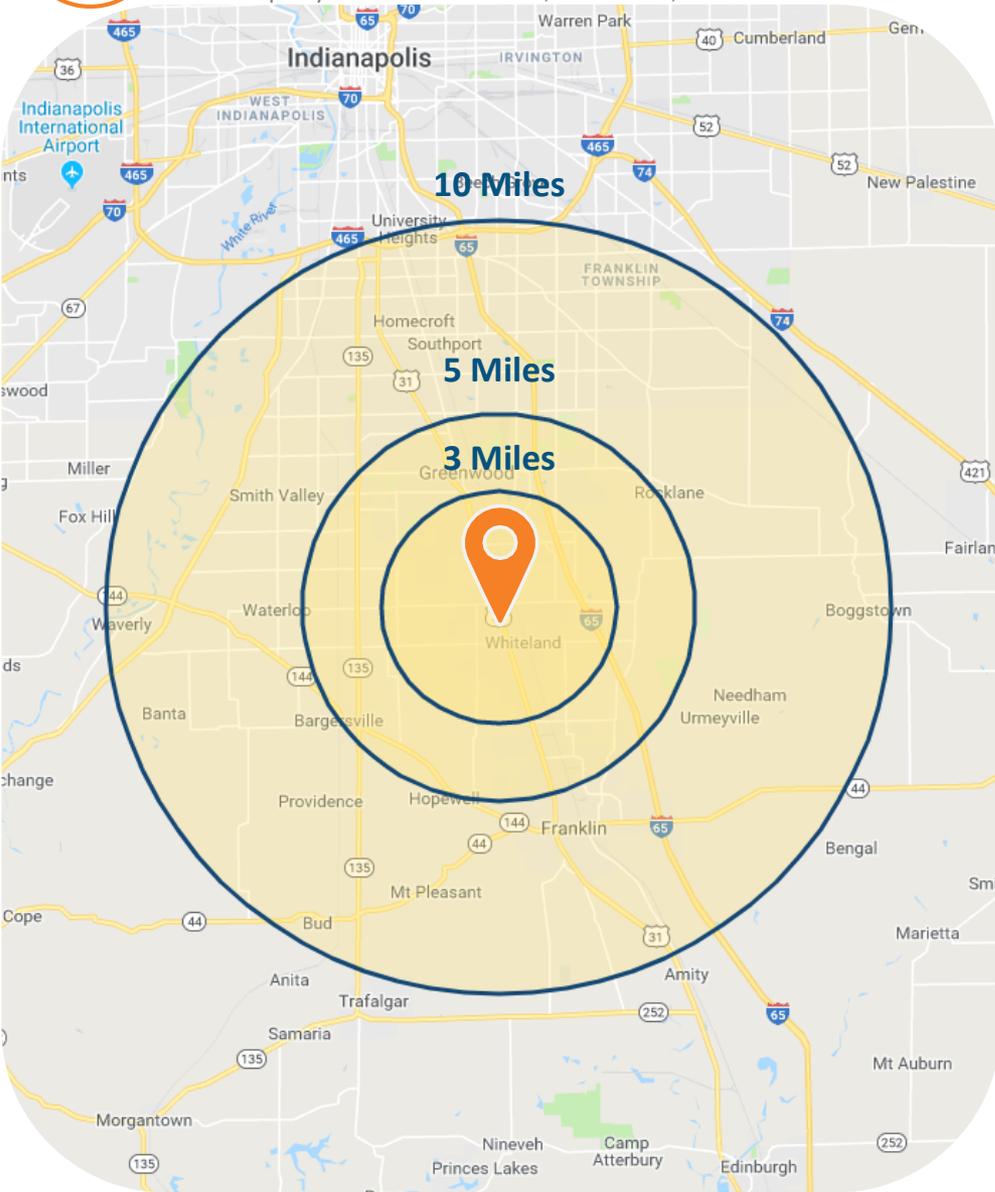




Demographics



Property Address: 891 US-31, Whiteland, Indiana



3 Miles 5 Miles 10 Miles

Population Trends:

2024 Projection	39,399	100,161	280,271
2019 Estimate	36,689	93,209	269,958
2010 Census	31,198	78,871	258,564
Growth 2019 - 2024	7.39%	7.46%	3.82%
Growth 2010 - 2019	17.60%	18.18%	4.41%
2019 Population Hispanic Origin	1,492	3,536	12,983

Population by Race (2019):

White	33,530	84,889	242,457
Black	1,046	2,390	7,410
Am. Indian & Alaskan	125	288	750
Asian	1,180	3,725	13,694
Hawaiian & Pacific Island	38	76	195
Other	770	1,841	5,452

Household Trends:

2023 Projection	14,256	37,824	107,156
2018 Estimate	13,279	35,229	103,355
2010 Census	11,304	29,980	99,547
Owner Occupied	10,225	24,965	72,267
Renter Occupied	3,054	10,264	31,088

Average Household Income (2019)

\$70,032	\$78,894	\$79,591
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Households by Household Income (2019):

<\$25,000	1,588	4,973	15,277
\$25,000 - \$50,000	3,356	8,048	24,060
\$50,000 - \$75,000	3,352	7,729	20,846
\$75,000 - \$100,000	2,392	5,796	16,654
\$100,000 - \$125,000	1,439	3,594	10,750
\$125,000 - \$150,000	592	1,813	5,746
\$150,000 - \$200,000	410	1,905	5,706

Median Household Income (2019):

\$62,646	\$64,602	\$64,427
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Market Overview

City: Whiteland | County: Johnson | State: Indiana

Indianapolis, Indiana

Whiteland

is a town located less than 20 miles south of downtown Indianapolis. Indianapolis is the capital city of Indiana and has a population of 2,028, 614 distributed within its metropolitan statistical area. Indianapolis is the most populous city in the state of Indiana and the seat of Marion County. As of 2017, Indianapolis is the third most populous city in the American Midwest and the 16th most populous city in the U.S. Indianapolis anchors the 25th largest economic region in the U.S., based primarily on the sectors of finance and insurance, manufacturing, professional and business services, education and healthcare, government, and wholesale trade. Indianapolis has developed niche markets in amateur sports and auto racing. The city is best known for hosting perhaps the world's largest single-day sporting event, the Indianapolis 500. Indianapolis is home to two major sports clubs, the Indiana Pacers of the National Basketball Association and the Indianapolis Colts of the National Football League. The city's philanthropic community has helped develop its cultural institutions and collections, including the world's largest children's museum, one of the nation's largest privately funded zoos, historic buildings and sites, and public art. Indianapolis is home to a significant collection of monuments dedicated to veterans and war casualties, the most in the U.S. outside of Washington, D.C. The city is conserved a "high sufficiency" world city.

In 2015, the Indianapolis metropolitan area had a gross domestic product of \$134 billion. The top five industries were finance, insurance, real estate, rental, and leasing, manufacturing, professional, scientific, and technical services, and transportation and warehousing. The city's major exports include pharmaceuticals, motor vehicle parts, medical equipment and supplies, engine and power equipment, and aircraft products and parts. The city's central location and extensive highway and rail infrastructure have positioned Indianapolis as an important logistics center, home to 1,500 distribution firms employing some 100,000 workers. As home to the second largest FedEx Express hub in the world, Indianapolis International Airport ranks as the sixth busiest U.S. airport in terms of air cargo transport, handling over 1 million tons and employing 6,600 in 2015.

Major Employers

Employer	Estimated # of Employees
Endress + Hauser Inc.	8,500
National Guard-Camp Atterbury	1,000
Cag Holdings LLC	901
KYB Americas Corporation	492
Johnson Memorial Hospital Guild Inc	417
Franklin United Methodist Community	400
Greenwood Village South	375
David R Webb Company Inc.	365
Caterpillar Remain Powertrain Indiana	298
Direct Shot Distribution	297

BURGER KING

Marcus & Millichap

EXCLUSIVE NET LEASE OFFERING

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