

POPEYES

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



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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.

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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: \$1,714,286 | CAP: 5.25% | RENT: \$90,000

POPeYes

LOUISIANA KITCHEN

About the Investment

- ✓ Brand New 20-Year Lease Term
- ✓ Triple-Net (NNN) Lease with Zero Landlord Responsibilities
- ✓ Attractive Rental Increases of 1.75% Annually
- ✓ Four Tenant Renewal Options of Five Years Each

About the Location

- ✓ Dense Retail Corridor | Walgreens, Family Dollar, Burger King, KFC, Wells Fargo, McDonald's, as Well as Many More
- ✓ Heavily Trafficked Area | N. Main Street, Martin Luther King Jr Pkwy, I-95 | Average Daily Traffic Counts of Approximately 13,000, 40,500, and 88,000, Respectively
- ✓ Very Robust Demographics | More than 73,500 Individuals within Three Miles of the Subject Property
- ✓ Immediate Access to Healthcare | Less than One Mile from UF Health Jacksonville | 695-Bed Facility
- ✓ Excellent Florida Real Estate | Located in Jacksonville, Florida | The Most Populous City in Florida
- ✓ Compelling Business Incentives | Florida has No State-Level Income Tax

About the Tenant / Brand

- ✓ Headquartered in Miami, FL | Sailormen, Inc. is One of the Largest Domestic Franchisees of Popeyes
- ✓ Strong Track Record With Proven Operational Expertise
- ✓ Operates 111 Locations throughout Seven States
- ✓ Popeyes is One of the World's Largest Quick Service Restaurant Concepts | More than 3,100 Units Worldwide | 99% Franchised





Financial Analysis

PRICE: \$1,714,286 | CAP: 5.25% | RENT: \$90,000

POPEYES

LOUISIANA KITCHEN

PROPERTY DESCRIPTION

Property	Popeyes Louisiana Kitchen
Property Address	1902 North Main Street
City, State ZIP	Jacksonville, FL 32206
Year Built/Remodeled	1980 / 2006
Building Size	1,526 SF
Lot Size	+/- 0.41 Acres
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$1,714,286
CAP Rate	5.25%
Annual Rent	\$90,000

LEASE SUMMARY

Property Type	Net Leased Quick Service Restaurant
Tenant / Guarantor	Sailormen, Inc. (111 Units)
Ownership	Private
Original Lease Term	20.0 Years
Lease Commencement	September 20, 2019
Lease Expiration	September 30, 2039
Lease Term Remaining	20.0 Years
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	1.75% Annually
Options to Renew	Four (4), Five (5) Year Options

*Glen Kunofsky and other members of the selling entity, Exclusive Listing Agents, are part fee owners of this property. They are licensed real estate salespeople for Marcus and Millichap in the State of New York.

Rent Schedule

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 1	\$90,000	\$7,500	-
Year 2	\$91,575	\$7,631	1.75%
Year 3	\$93,178	\$7,765	1.75%
Year 4	\$94,808	\$7,901	1.75%
Year 5	\$96,467	\$8,039	1.75%
Year 6	\$98,155	\$8,180	1.75%
Year 7	\$99,873	\$8,323	1.75%
Year 8	\$101,621	\$8,468	1.75%
Year 9	\$103,399	\$8,617	1.75%
Year 10	\$105,209	\$8,767	1.75%
Year 11	\$107,050	\$8,921	1.75%
Year 12	\$108,923	\$9,077	1.75%
Year 13	\$110,830	\$9,236	1.75%
Year 14	\$112,769	\$9,397	1.75%
Year 15	\$114,743	\$9,562	1.75%
Year 16	\$116,751	\$9,729	1.75%
Year 17	\$118,794	\$9,899	1.75%
Year 18	\$120,873	\$10,073	1.75%
Year 19	\$122,988	\$10,249	1.75%
Year 20	\$125,140	\$10,428	1.75%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the Popeyes located at 1902 North Main Street in Jacksonville, Florida. Built in 1980 and remodeled in 2006, the subject property consists of approximately 1,526 rentable square feet and is situated on approximately 0.41 acres of land. The property is subject to a brand-new, 20-year lease that will commence on September 20, 2019. The base rent will be \$90,000 and is scheduled to increase by One- and Three-Quarter percent (1.75%) annually, continuing throughout the remainder of the base term and each of the four (4), five (5)-year tenant renewal options.



Concept Overview



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 September 3, 2019, 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 - ~99% 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*



Representative Photo

Sailormen, Inc.

Sailormen, Inc. was founded in 1987 when Robert Berg and Steve Wemple purchased 10 Popeye's restaurants in Miami, Florida. Since, the company has grown both organically and through acquisitions. Today, the company operates 111 stores throughout Florida, Georgia, Mississippi, Alabama, Illinois, Missouri and Louisiana, and has over \$185 million in revenue. Sailormen, Inc. operates as a subsidiary of Interfoods of America, Inc.



Surrounding Area

Property Address: 1902 North Main Street, Jacksonville, FL 32206

POPEYES

LOUISIANA KITCHEN



BURGER KING



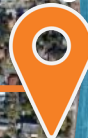
WELLS FARGO

7

MARTIN LUTHER KING JR PKWY ADTC: 40,500

N. MAIN ST ADTC: 13,000

ADTC: 88,000



Walgreens

McDonald's



Department of Veterans Affairs

POPEYES

Popeyes – Jacksonville, FL

Marcus & Millichap



Location Overview

Property Address: 1902 North Main Street, Jacksonville, FL 32206

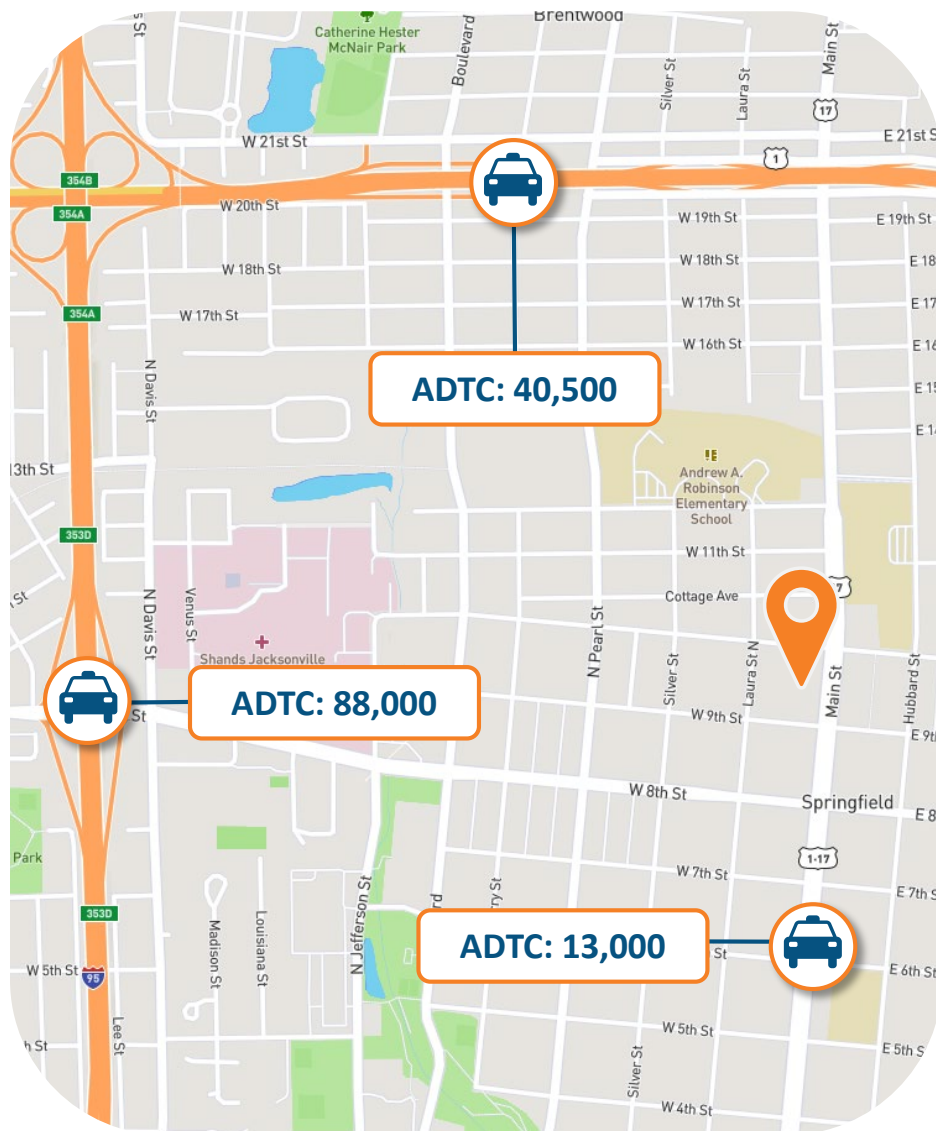
POPEYES

LOUISIANA KITCHEN

This Popeyes property is situated on North Main Street, which boasts average daily traffic counts of approximately 13,000 vehicles. North Main Street intersects with Martin Luther King Jr Parkway and runs parallel to I-95, which bring an additional average of 40,500 and 88,000 vehicles into the immediate area each day, respectively. There are more than 73,500 individuals residing within a three-mile radius of the property and more than 197,000 individuals within a five-mile radius.

This Popeyes property benefits from being well-positioned in a residential neighborhood with close proximity to several academic institutions, hospitals, and other major retailers. Major national tenants in the area include: Walgreens, Family Dollar, Subway, Burger King, Krystal, Captain D's, KFC, Wells Fargo, as well as many others. This Popeye's benefits from being located less than one mile from UF Health Jacksonville. UF Health Jacksonville is a private, not-for-profit hospital with 695-beds and 3,300 employees. Located just under 2.5 miles from the subject property is Jacksonville Port Authority. "JaxPort" is one of the largest commercial cargo ports on the Atlantic Coast offering competitive transit times to 140 ports in more than 70 countries. This Popeye's benefits from being situated within a three-mile radius of several academic institutions. Most notable of these are Kirby-Smith Middle School and Darnel Cookman Middle/High School which have a combined total enrollment exceeding 1,800 students.

Home to Fortune 500 headquarters, thriving businesses and startups, Jacksonville is growing twice as fast as the rest of the nation and is ranked #7 Best City for Job Seekers by Money Magazine. Jacksonville's global reputation helps the city to attract major companies, including France-based Saft, German-based Deutsche Bank and Brazilian-based Embraer. Jacksonville's regional population of 1.6 million people and labor force comprised of more than 830,000 skilled workers creates a strong talent base. JAX has the fourth-most diverse industry base in the state and the city's westernmost location on the East Coast uniquely positions them with same-day access to the entire Southeastern consumer market. Jacksonville is also considered to be America's Logistics Center - as one of the only regions offerings a logistics infrastructure that includes rail, air, maritime and highway, it is easy to see why Jacksonville is consistently selected as a top U.S. logistics hub. The Jacksonville region exports more than \$5.4 billion in goods and services annually, and the city's modern transportation infrastructure includes 10 airports, an FAA-licensed horizontal spaceport, two deep-water ports with four marine terminals, a strong network of railways and direct access to major roadways and interstates.





Property Photos

Property Address: 1902 North Main Street, Jacksonville, FL 32206

POPEYES

LOUISIANA KITCHEN





Surrounding Area Photos

Property Address: 1902 North Main Street, Jacksonville, FL 32206

POPEYES

LOUISIANA KITCHEN





POPeYES

LOUISIANA KITCHEN



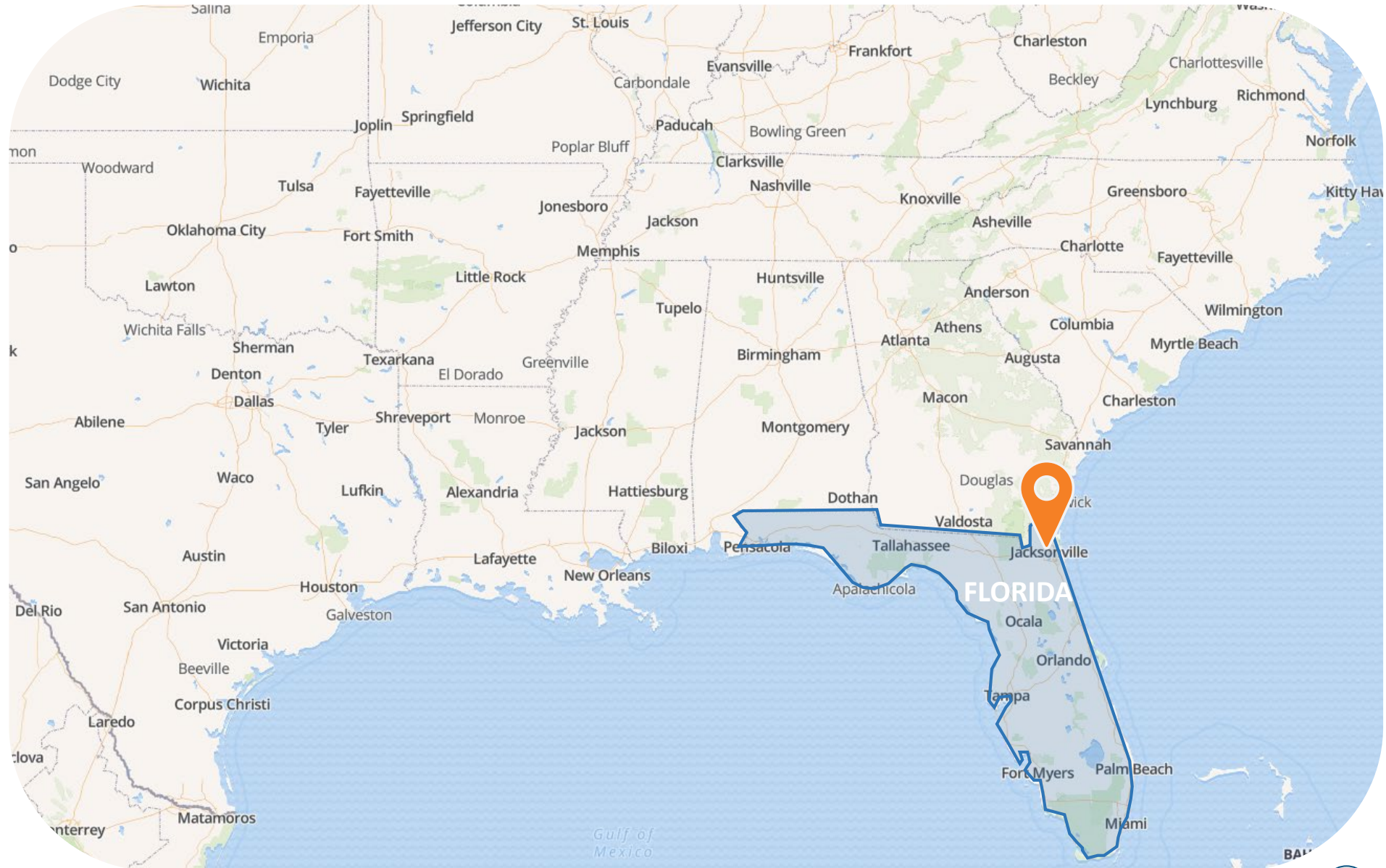


Regional Map

Property Address: 1902 North Main Street, Jacksonville, FL 32206

POPEYES

LOUISIANA KITCHEN





Demographics

Property Address: 1902 North Main Street, Jacksonville, FL 32206

POPEYES

LOUISIANA KITCHEN

1 Mile 3 Miles 5 Miles

POPULATION

2023 Projection	11,104	72,120	194,857
2018 Estimate	11,665	73,572	197,389
2010 Census	11,356	70,935	189,550
2000 Census	13,433	77,564	202,748

INCOME

Average	\$39,804	\$44,379	\$54,946
Median	\$23,940	\$26,805	\$35,794
Per Capita	\$17,585	\$18,651	\$22,846

HOUSEHOLDS

2023 Projection	4,463	28,870	80,135
2018 Estimate	4,701	28,852	79,839
2010 Census	4,605	27,986	77,223
2000 Census	5,594	30,207	80,983

HOUSING

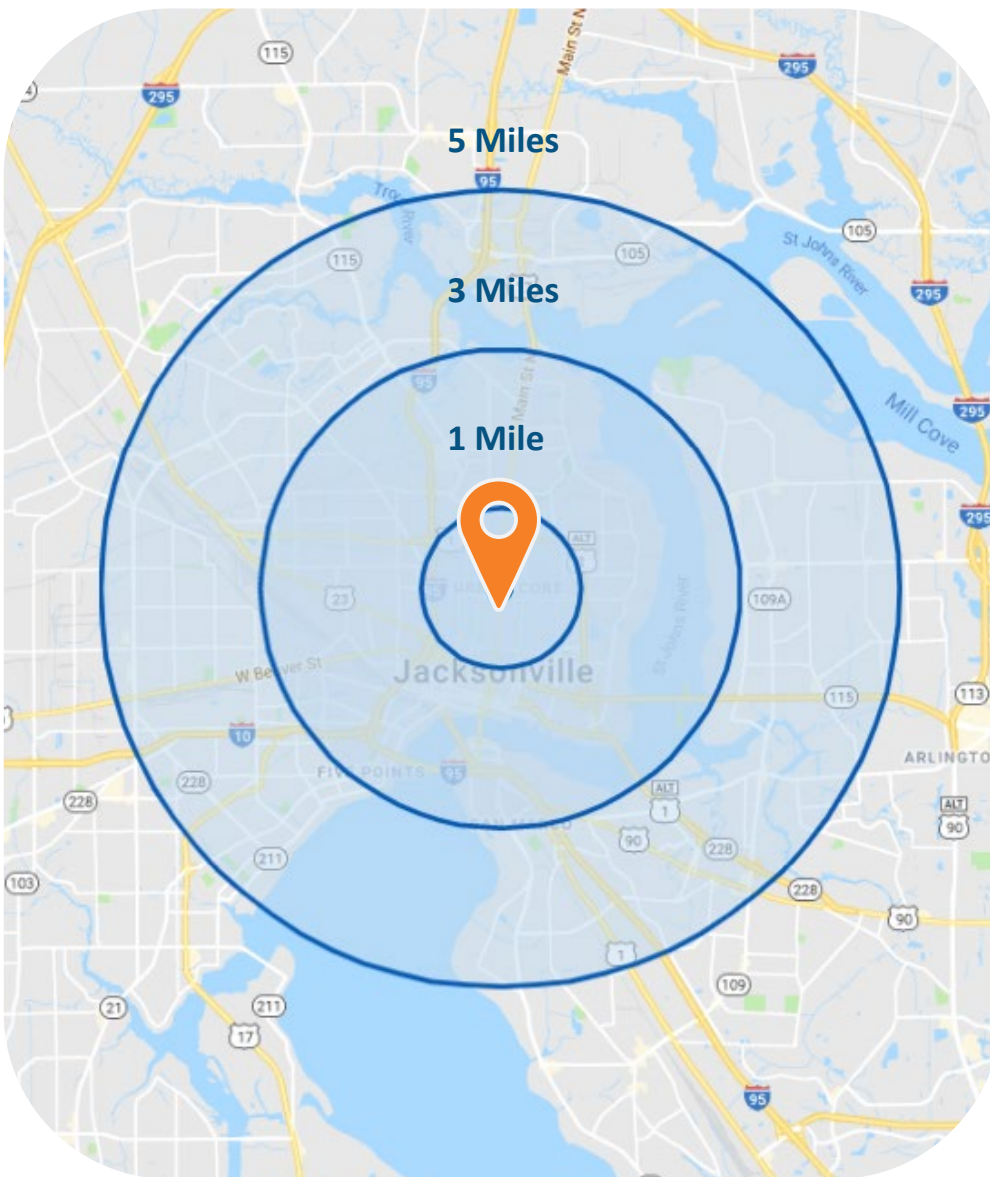
2018	\$99,542	\$84,090	\$117,431
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EMPLOYMENT

2018 Daytime Population	40,273	192,155	333,350
2018 Unemployment	11.21%	9.51%	6.65%
2018 Median Time Traveled	24 Mins	25 Mins	25 Mins

RACE & ETHNICITY

White	19.58%	23.74%	38.00%
Native American	0.06%	0.04%	0.07%
African American	75.79%	72.48%	55.56%
Asian/Pacific Islander	0.66%	0.93%	1.84%





Market Overview

City: Jacksonville | County: Duval | State: Florida

Jacksonville, Florida

Jacksonville has a young population and a strong, diversified economy. In 2017, Jacksonville had an estimated population of 892,062, ranking them as the twelfth largest city in the United States. Historically, military operations, sea trade, and paper manufacturing drove Jacksonville's expansion. Growing technical, manufacturing, service, and tourism industries have supplemented this foundation. The metro is home to three Fortune 500 companies: Fidelity National Information Services, Fidelity National Financial, and CSX. The city has developed a large financial services sector, led by Bank of America, Fidelity National, and Citibank. Jacksonville's emerging industrial base is centered largely around medical product research and manufacturing. More than 8 million tons of cargo pass through Jacksonville's port each year, and the development of cruise ship service will promote further expansion. Jacksonville's riverine location facilitates Naval Station Mayport, Naval Air Station Jacksonville, and the U.S. Marine Corps Blount Island Command. Jacksonville's military bases and the nearby Naval Submarine Base, Kings Bay, form the third largest military presence in the United States.

Warm weather and sunshine attract many to communities such as Atlantic Beach, Neptune Beach and Jacksonville Beach. Sport fishing, golf, and tennis are among the most popular recreational activities. Others take advantage of attractions like the Museum of Science & History, the Cummer Museum of Art, the Mandarin Museum & Historical Society, and the Museum of Contemporary Art Jacksonville. Additional sites of interest include the home of the Jacksonville Jaguars, TIAA Bank Field, and the Jacksonville Zoo, as well as the Jacksonville Landings, a mix of retail and restaurants along the St. Johns River. For those visiting Jacksonville, the Jacksonville International Airport is one option of arrival. The airport served approximately 6 million passengers in 2017.

Major Employers

Employer	Estimated # of Employees
Baptist Health System Foundation, Inc.	7,200
Fis	5,200
Black Knight Financial Services, LLC	4,233
Servicelink	3,796
Wolfson Children's Hospital	3,578
Baptist Medical Center	3,007
Jacksonville Sheriff's Office	3,000
University Health Groups	2,999
Black Knight Financial Services	2,920
Alfa Smartparks, Inc.	2,500
Jacksonville Electric Authority	2,317



Marcus & Millichap

EXCLUSIVE NET LEASE OFFERING

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