

BURGER KING

Exclusive Net-Lease Offering



OFFERING MEMORANDUM



2309 North Kelly Avenue, Edmond, OK 73003

BURGER KING

Confidentiality and Disclaimer

Table of Contents



Investment Highlights	3
Financial Analysis	4
Concept Overview	5
Surrounding Area	6 - 7
Location Overview	8
Property Photos	9
Surrounding Area Photos	10
Local Map	11
Regional Map	12
Demographics	13
Market Overview	14

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

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 Real Estate Investment Services, Inc. ("M&M") 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 M&M, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of M&M, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

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



Investment Highlights

PRICE: \$2,272,727 | CAP: 5.50% | RENT: \$125,000

BURGER KING

About the Investment

- ✓ Long Term, 20-Year Sale-Leaseback
- ✓ Brand New Construction
- ✓ Triple Net (NNN) Lease with Zero Landlord Responsibilities
- ✓ Attractive Rental Increases of 1.50% Annually Beginning in Year 6
- ✓ Four, Five-Year Tenant Renewal Option Periods

About the Location

- ✓ Extremely Dense Urban Infill | Walmart Supercenter, Lowe's, McDonald's, Walgreens, Dollar General, Taco Bell, Goodwill, Kohl's, Hobby Lobby As Well As Many Others.
- ✓ Great Location Fundamentals | 15-Miles North of Oklahoma City | Edmond is One of the Fastest Growing and Highest Quality Suburbs in the State
- ✓ Quality Demographics | Population Exceeds 63,000 Individuals Within a Three-Mile Radius and 142,000 Individuals Within a Five-Mile Radius
- ✓ Strong Traffic Counts | North Kelly Ave & West Covell Rd | Traffic Counts Exceeding 20,000 & 22,000 Vehicles Per Day, Respectively
- ✓ Prominent Medical Presence | Five Medical Facilities Within a One-Mile Radius of The Property | OU Medical Center Edmond | 82-Bed State-Of-The-Art Medical Facility | Located Less Than Two-Miles From This Location
- ✓ Very Strong Academic Presence | Three Academic Institutions Within a Two-Mile Radius | Most Notably The University of Central Oklahoma | 17,000+ Students
- ✓ Mitch Park Recreation | Located Across the Road From Subject Property | Golf Course, YMCA, Ice Rink, Athletic Fields and More

About the Tenant / Brand

- ✓ Switchgrass Holdings, LLC is a Tulsa-Based Franchisee | 45-Units and Growing | Largest Franchisee in the State of Oklahoma
- ✓ Strong Track Record With Proven Operational Expertise
- ✓ Burger King Brand is One of the World's Most Recognized Consumer Brands





Financial Analysis

PRICE: \$2,272,727 | CAP: 5.50% | RENT: \$125,000

PROPERTY DESCRIPTION

Property	Burger King
Property Address	2309 North Kelly Avenue
City, State, ZIP	Edmond, OK 73003
Year Built	2020
Building Size (Square Feet)	2,866
Lot Size	+/- 0.70 Acres
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$2,272,727
CAP Rate	5.50%
Annual Rent	\$125,000

LEASE SUMMARY

Property Type	Net-Lease Quick-Service Restaurant
Tenant / Guarantor	Switchgrass Holdings, LLC (45-Units)
Ownership Type	Private
Original Lease Term	20 Years
Lease Commencement	Upon Close of Escrow
Lease Expiration	20 Years from Close of Escrow
Lease Term Remaining	20 Years
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	1.50% Annually Starting Year 6
Options to Renew	Four, Five-Year Tenant Renewal Options

*Seller reserves the right to increase/decrease the annual rent by up to \$10,000

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 1	\$125,000	\$10,417	-
Year 2	\$125,000	\$10,417	-
Year 3	\$125,000	\$10,417	-
Year 4	\$125,000	\$10,417	-
Year 5	\$125,000	\$10,417	-
Year 6	\$126,875	\$10,573	1.50%
Year 7	\$128,778	\$10,732	1.50%
Year 8	\$130,710	\$10,892	1.50%
Year 9	\$132,670	\$11,056	1.50%
Year 10	\$134,661	\$11,222	1.50%
Year 11	\$136,680	\$11,390	1.50%
Year 12	\$138,731	\$11,561	1.50%
Year 13	\$140,812	\$11,734	1.50%
Year 14	\$142,924	\$11,910	1.50%
Year 15	\$145,068	\$12,089	1.50%
Year 16	\$147,244	\$12,270	1.50%
Year 17	\$149,452	\$12,454	1.50%
Year 18	\$151,694	\$12,641	1.50%
Year 19	\$153,969	\$12,831	1.50%
Year 20	\$156,279	\$13,023	1.50%



Concept Overview: Burger King

BURGER KING

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.

Restaurant Brands International

Restaurant Brands International is one of the world's largest quick service restaurant companies with approximately \$30 billion in system sales and over 25,000 restaurants in 100 countries. Restaurant Brands International owns three of the world's most prominent and iconic quick service restaurant brands – Tim Hortons®, Burger King®, and Popeyes®. These independently operated brands have been serving their respective guests, franchisees, and communities for over 50 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.

General Information

Address	Oakville, ON
Website	http://www.rbi.com
Stock Ticker	QSR (NYSE)
Current Price*	\$54.37
Market Cap	\$20.098B

*As of May 29, 2020

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.

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.

Switchgrass Holdings, LLC

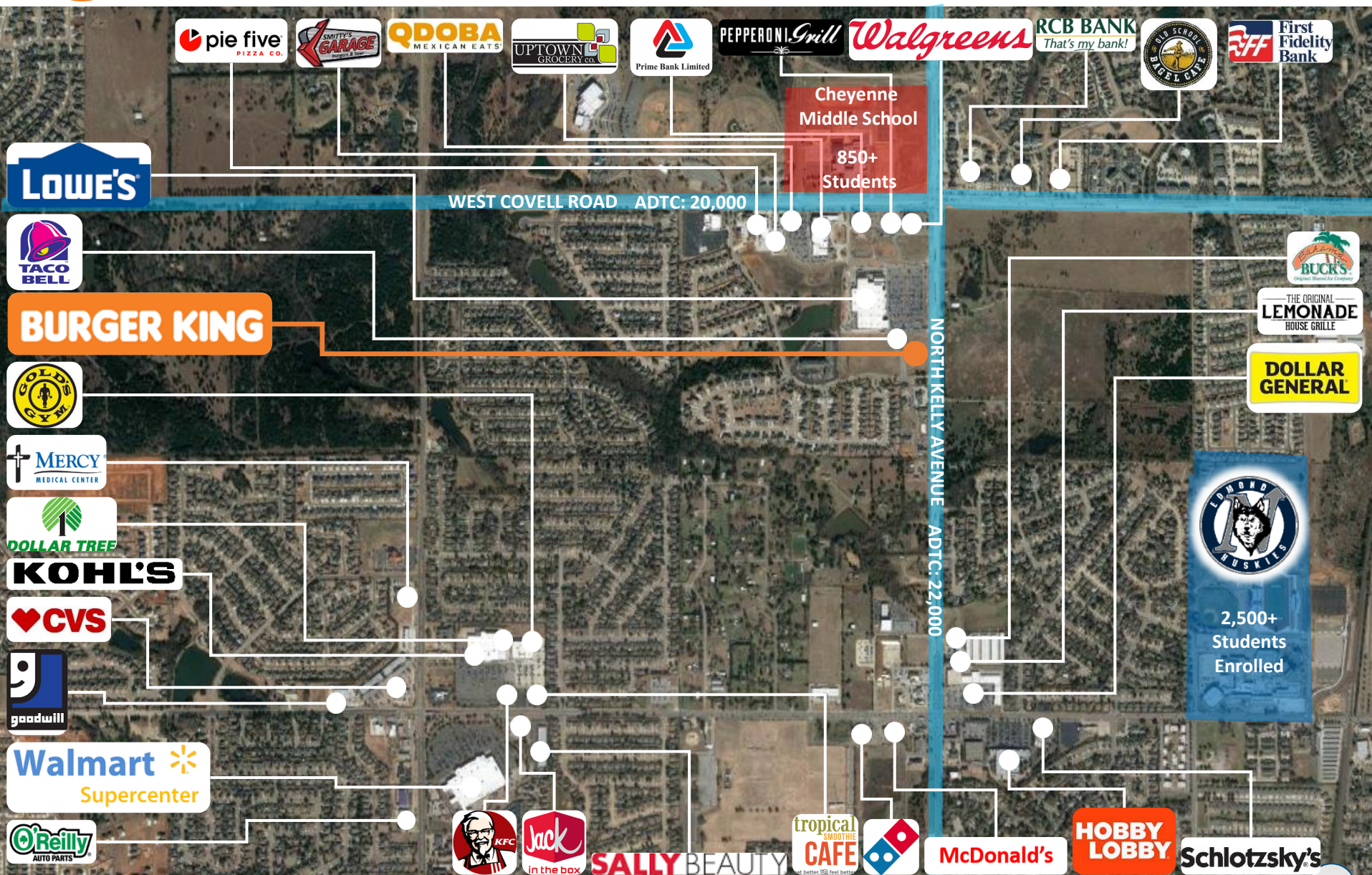
Switchgrass Holdings, LLC is a Tulsa-based franchisee of Burger King restaurants. Switchgrass Holdings, LLC currently has 45 locations with plans for further new restaurant development. Switchgrass is the largest franchisee in the state of Oklahoma. They are embarking on a multi-year expansion and reinvestment campaign with plans to open several brand-new Burger King restaurants across Oklahoma. Switchgrass is updating their facilities with new deluxe dining layouts, state-of-the art technology and double drive-through lanes to enhance their customers' dining experience.



Surrounding Area

Property Address: 2309 North Kelly Avenue, Edmond, OK 73003

BURGER KING





Surrounding Area

Property Address: 2309 North Kelly Avenue, Edmond, OK 73003

BURGER KING

Mitch Park:
YMCA, Golf Course,
Athletic Fields, and Ice Rink

Cheyenne
Middle School
850+
Students

NORTH KELLY AVENUE
ADTC: 22,000



RCB BANK
That's my bank!

Walgreens

PEPPERONI Grill

LOWE'S

BURGER KING

WEST COVELL ROAD ADTC: 20,000





Location Overview

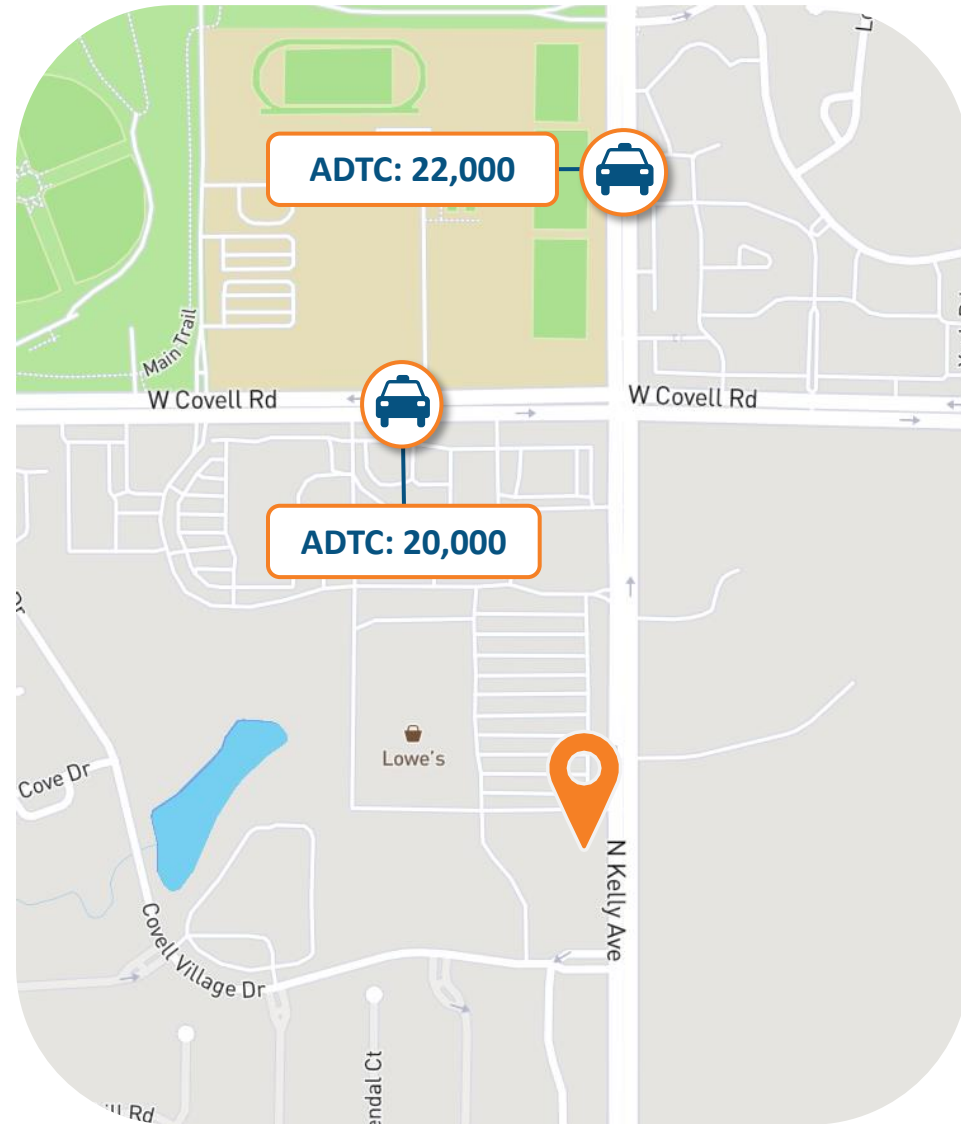
Property Address: 2309 North Kelly Avenue, Edmond, OK 73003

BURGER KING

The subject investment property is a Burger King situated as an outparcel to a Lowe's, on North Kelly Avenue in Edmond, Oklahoma. North Kelly Avenue intersects with West Covell Road, experiencing average daily traffic counts exceeding 22,000 and 20,000 vehicles, respectively. There are more than 63,000 individuals residing within a three-mile radius of the property and approximately 142,000 individuals within a five-mile radius. The surrounding area is also very affluent, with an average household income exceeding \$103,000 within a three-mile radius.

This Burger King benefits from being well-positioned as an outparcel to a Lowe's in an urban infill consisting of other national and local tenants, academic institutions and medical facilities. Major national tenants within the area include: Walmart, McDonald's, Walgreens, Dollar General, Uptown Grocery, The Hobby Lobby, Goodwill, Kohl's as well as many others. The Burger King site is part of a planned unit development (PUD) area where all buildings are required to have brick aesthetic (see pages 9 & 10) requiring a higher quality of construction and strong inherent real estate value. There are various academic institutions within close proximity of the investment property, the most notable being The University of Central Oklahoma, which has a total enrollment exceeding 17,000 students and is located within a two-mile radius of the subject property. Mitch Park, a recreation and activity complex located across the road from this Burger King, includes a YMCA, a golf course, an ice rink, athletic fields as well as many more.

Edmond is a city in Oklahoma County, Oklahoma and part of the Oklahoma City metropolitan statistical area in the central portion of the state. Edmond is also the sixth largest city in the state of Oklahoma. The city is located on the northern boundaries of Oklahoma City but only 15-miles on Route-77 from downtown Oklahoma City. Edmond is well known for its beautiful, family-oriented neighborhoods and low commute times to Oklahoma City. Oklahoma City, the capital of Oklahoma, is located approximately 15 miles south of the subject property. Oklahoma City is the epicenter of the oil and natural gas exploration industry and also has a well-established aerospace industry that supports Tinker AFB and FAA Mike Monroney Aeronautical Center. Other major companies based in Oklahoma City include Hobby Lobby Stores, Love's Travel Stops, INTEGRIS Health, and the University of Oklahoma.





Property Photos





Surrounding Area Photos

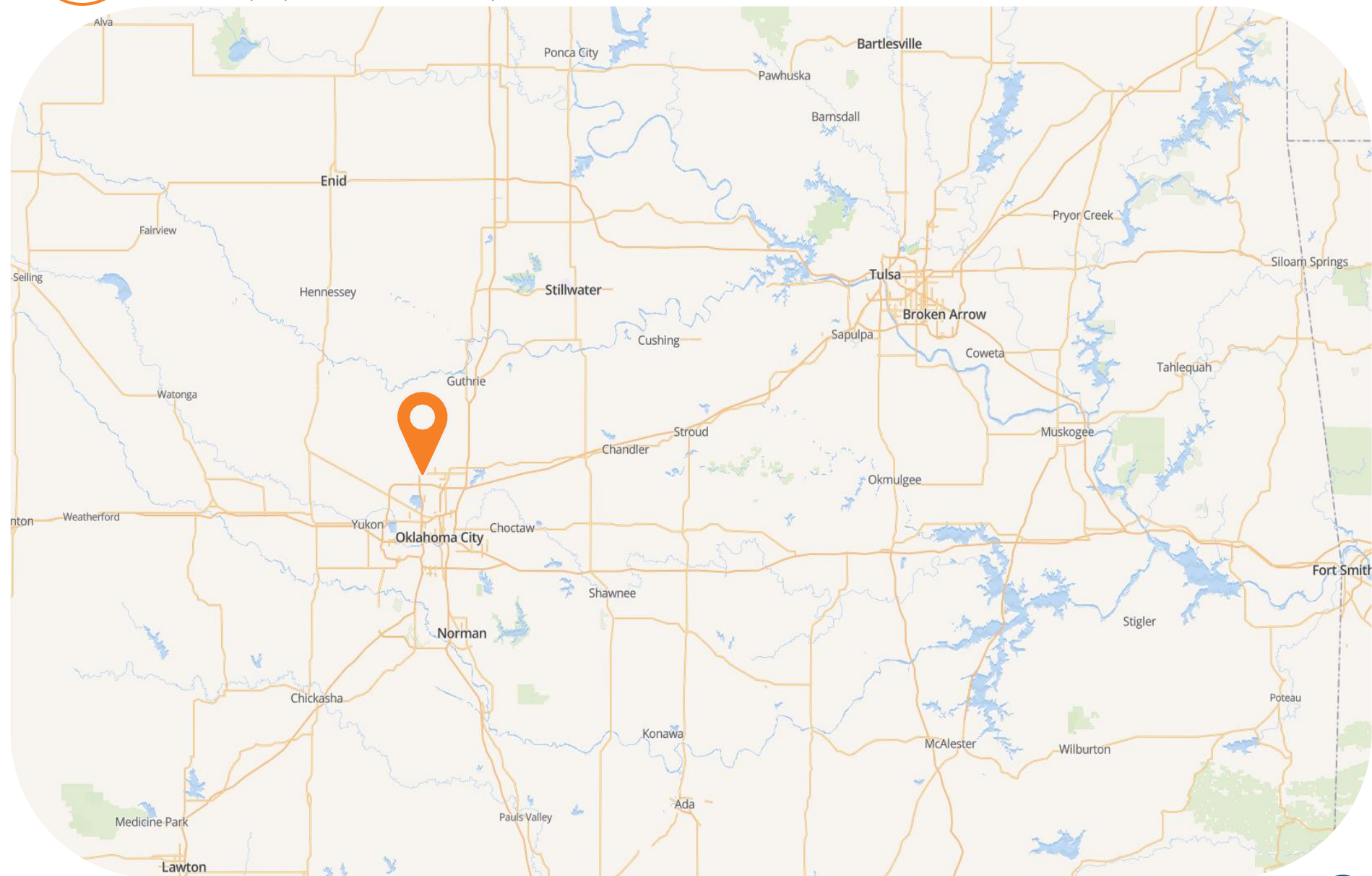




Local Map

BURGER KING

Property Address: 2309 North Kelly Avenue, Edmond, OK 73003





BURGER KING



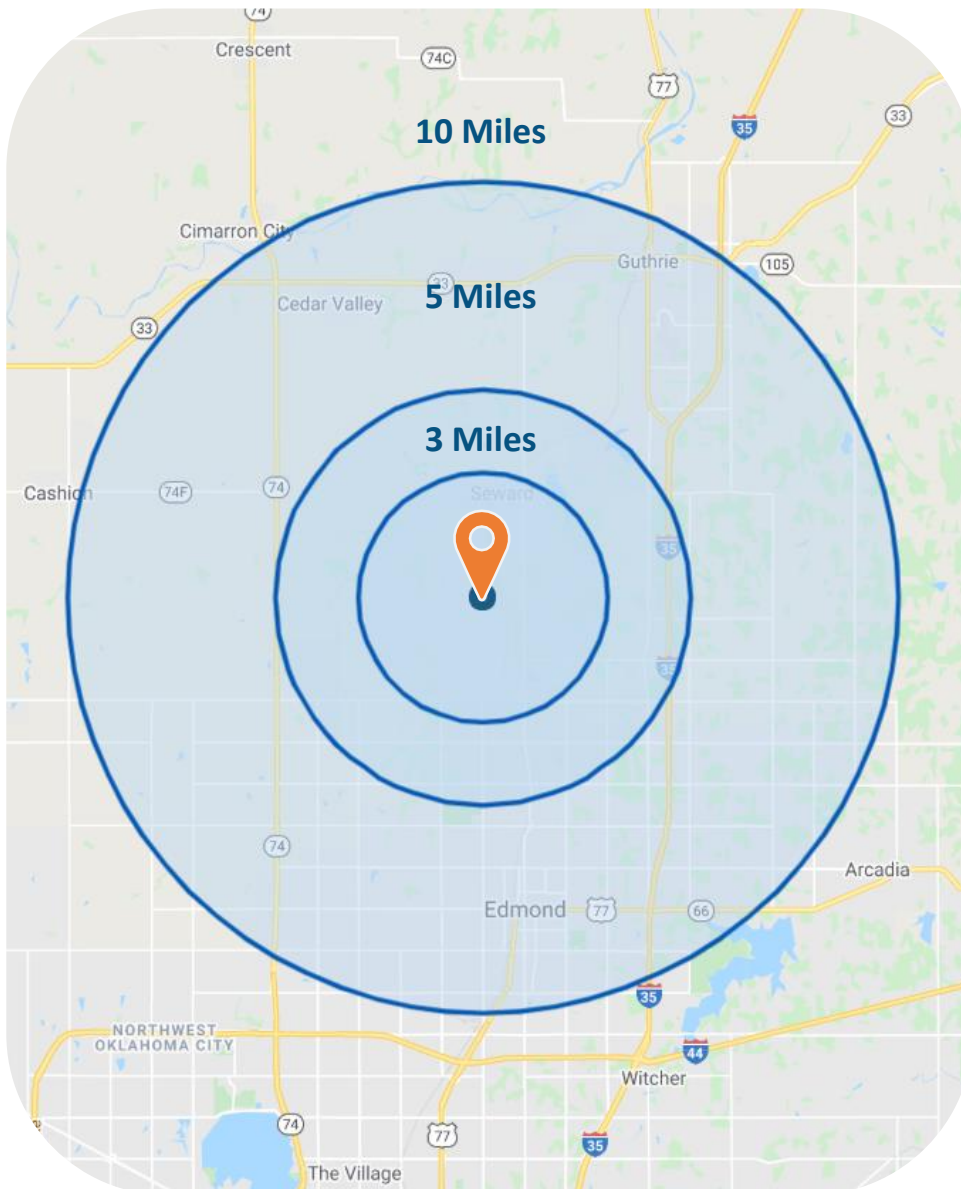
12



Demographics

Property Address: 2309 North Kelly Avenue, Edmond, OK 73003

BURGER KING



Population Trends:

	3 Mile	5 Miles	10 Miles
2024 Projection	68,860	144,100	286,265
2019 Estimate	66,236	138,450	275,051
2010 Census	54,520	113,876	228,204
Growth 2017 - 2024	3.96%	4.08%	4.08%
Growth 2010 - 2019	21.49%	21.58%	20.53%
2019 Population Hispanic Origin	4,560	9,295	20,058

Population by Race (2019):

	3 Mile	5 Miles	10 Miles
White	53,896	112,142	209,153
Black	4,617	9,329	33,794
American Indian & Alaskan	1,852	3,693	7,410
Asian	2,767	6,875	11,635
Hawaiian & Pacific Island	75	150	223
Other	3,029	6,262	12,836

Household Trends:

	3 Mile	5 Miles	10 Miles
2024 Projection	25,962	54,428	114,722
2019 Estimate	24,987	52,327	110,413
2010 Census	20,631	43,150	92,463
Growth 2019 - 2024	3.90%	4.02%	3.90%
Growth 2010 - 2019	21.11%	21.27%	19.41%
Owner Occupied	17,947	38,757	76,234
Renter Occupied	7,039	13,570	34,179

Average Household Income (2019): **\$107,701** **\$110,856** **\$102,073**

Households by Household Income (2019):

	3 Mile	5 Miles	10 Miles
<\$25,000	3,551	6,240	16,099
\$25,000 - \$50,000	4,259	8,512	20,960
\$50,000 - \$75,000	4,126	8,448	18,920
\$75,000 - \$100,000	3,277	7,143	14,229
\$100,000 - \$125,000	2,382	5,957	10,770
\$125,000 - \$150,000	1,965	4,319	7,554
\$150,000 - \$200,000	2,101	4,876	8,995

Median Household Income (2019): **\$79,253** **\$85,372** **\$73,902**



Market Overview

City: Edmond | County: Oklahoma | State: Oklahoma

BURGER KING

Oklahoma City, Oklahoma



Oklahoma City is the capital and largest city in the state of Oklahoma. Often shortened to OKC, Oklahoma City is the county of seat of Oklahoma County and ranked 27th amongst the most populated cities in the United States. Lying in the Great Plains region, Oklahoma City has one of the world's largest livestock markets. Oil, natural gas, petroleum products and related industries are the largest sector for the local economy. The city is in the middle of an active oil field and oil derricks dot the capitol grounds. The federal government employs large numbers of works at Tinker Airforce Base and the United States Department of Transportation's Mike Monroney Aeronautical Center.

The economy of Oklahoma City, once just a regional power center of government and energy exploration, has since diversified to include the sectors of information technology, services, health services and administration. The city is headquarters to two Fortune 500 companies: Chesapeake Energy and Devon Energy, as well as being home to Love's Travel Stops and Country Stores, which is ranked thirteenth on Forbes' list of private companies. Other major corporations with a large presence in the city of Oklahoma include: Dell, The Hertz Corporation, United Parcel Service, Farmers Insurance Group, Great Plains Coca-Cola Bottling Company, The Boeing Company as well as many others. Whilst not in the city limits, other large employers within the Oklahoma City Metropolitan Statistical Area include: the United States Airforce (27,000 Employees) and the University of Oklahoma (11,900 Employees).

BURGER KING

BURGER KING

Marcus & Millichap

Exclusive Net-Lease Offering

