

STEAK 'N SHAKE, LOCUST GROVE, GA

INVESTMENT OFFERING



NATIONAL SINGLE-TENANT
NET LEASE ADVISORS

PARTNER
XTEAM
RETAIL ADVISORS



700 MARKET PLACE BOULEVARD, LOCUST GROVE, GA 30248

STEAK 'N SHAKE, LOCUST GROVE, GA

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STATEMENT OF CONFIDENTIALITY & DISCLAIMER

Faris Lee Investments ("FLI") has been engaged as the exclusive financial advisor to the Seller in connection with Seller's solicitation of offers for the purchase of the property known as Steak 'n Shake, City of Locust Grove, County of Henry, State of Georgia. Prospective purchasers are advised that as part of the solicitation process, Seller will be evaluating a number of factors including the current financial qualifications of the prospective purchaser. Seller expressly reserves the right in its sole and absolute discretion to evaluate the terms and conditions of any offer and to reject any offer without providing a reason therefore. Further, Seller reserves the right to terminate the solicitation process at any time prior to final execution of the Purchase Agreement.

The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property, and it is not to be used for any other purpose or made available to any other person without the express written consent of Seller or FLI. The material is based in part upon information supplied by the Seller and in part upon financial information obtained by FLI from sources it deems reasonably reliable. Summaries of any documents are not intended to be comprehensive or all-inclusive, but rather only outline some of the provisions contained therein and qualified in their entirety by the actual document to which they relate.

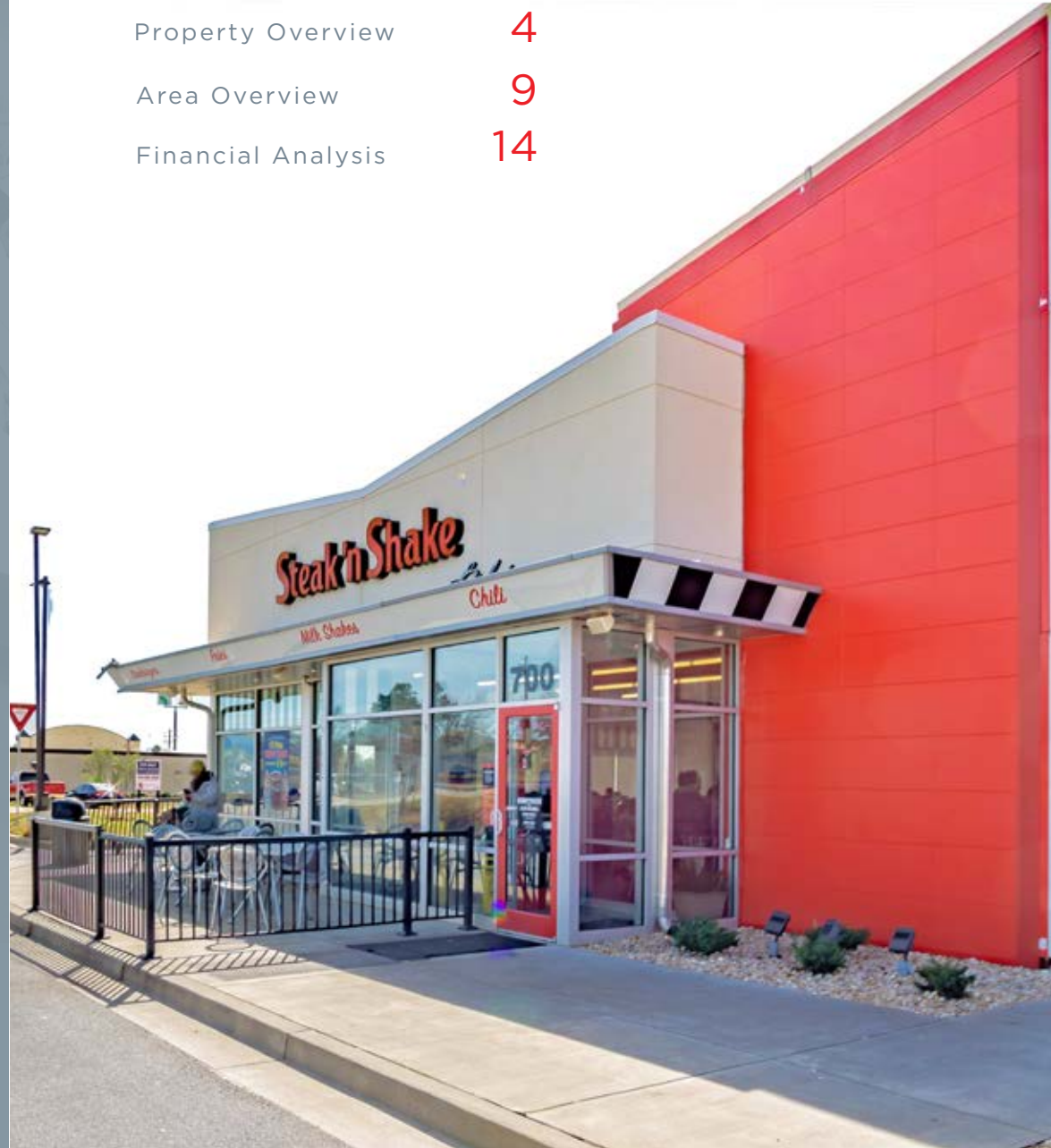
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Prospective purchasers are not to construe the contents of this Offering Memorandum or any prior or subsequent communication from FLI or Seller or their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents as legal, tax, or other advice. Prior to submitting an offer, prospective purchasers should consult with their own legal counsel and personal and tax advisors to determine the consequences of an investment in the Property and arrive at an independent evaluation of such investment.

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PROPERTY OVERVIEW

PRICING

\$2,600,000

NOI

\$156,000

CAP RATE

6.00%



Faris Lee Investments is pleased to present a rare opportunity to acquire the fee simple interest (land and building) in a Steak 'n Shake with drive-thru that serves the city of Locust Grove, Georgia. Steak 'n Shake, with more than 600 locations across the country, will execute a brand new, absolute NNN, 20-year lease upon sale of the property.

The quick-serve restaurant is located in the heart of the trade area and is surrounded by large crowd generators, namely Walmart, Ingles Market, Tanger Outlets (Nike, Gap, Under Armor, Old Navy), and Locust Grove City Hall. The area has over 141,000 permanent residents with average household incomes well over \$68,000 within a 10 mile radius.

The property boasts a great location in the trade area, near the busy intersection of Bill Gardner Parkway and Interstate 75 (65,802 total VPD). It's located one block from Interstate 75 on- and off-ramps.



SPECIFICATIONS:

GLA: 3,508 SF
Land Area: 1.10 Acres

TENANT:

Steak 'n Shake

LOCATION:

700 Market Place Boulevard
Locust Grove, GA 30248



SALE LEASEBACK OPPORTUNITY

Brand new 20-year lease to be signed at close of escrow



SITUATED IN THE HEART OF LOCUST GROVE

Within blocks of dozens of national retailers and easy access to and from Interstate 75



STRONG NATIONAL TENANT

Steak 'n Shake is recognized across the country and has over 600 locations total



FIXED INCREASES THROUGHOUT TERM

Healthy 7.5% rent increases every five years, including options



ABSOLUTE NNN LEASE

No landlord responsibilities make this an ideal purchase for an investor



GUARANTY OF LEASE

Multi-unit operator

PROPERTY SPECIFICATIONS

700 Market Place Boulevard, Locust Grove, GA 30248



Land Area

1.10 Acres (47,916 SF)



Rentable Area

3,508 SF



Ownership

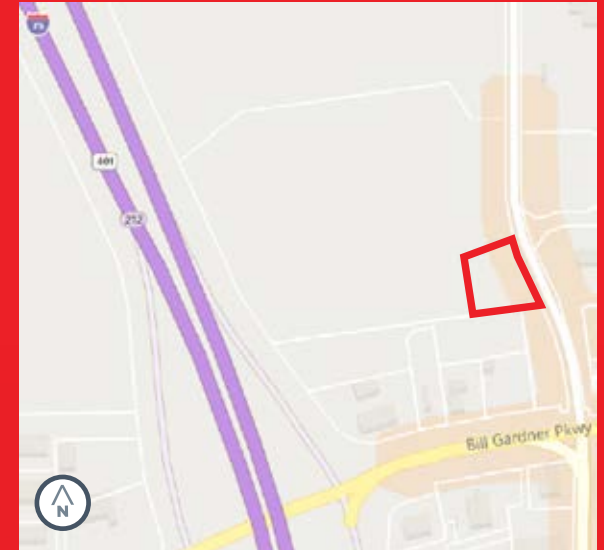
Fee Simple (Land & Building)



Access

There are two (2) total access points, both via easements from adjacent properties that connect to Market Place Boulevard.

Parcel Map



PARCEL NO. 112-01013321



Parking

There are approximately 50 dedicated parking stalls on the owned parcel. The parking ratio is approximately 14.25 parking stalls per 1,000 SF of leasable area.



Traffic Counts (REGis 2019)

Bill Gardner Parkway: 21,302 VPD
Interstate 75: 44,500 VPD



Year Built

2016



ihop

ingles

BURGER KING

Wendy's

smashburger

ZAXBY'S

DUNKIN' DONUTS



AREA OVERVIEW



DEMOGRAPHICS
(REGIS 2019)



Population



Average HHI



Employees

3 Miles

13,295

\$73,530

5,794

5 Miles

37,228

\$74,263

13,368

10 Miles

141,743

\$76,151

43,974

USSSA BASEBALL
HOLDER PARK

RAIL TRACKS

LOCUST GROVE
CITY HALL

LOCUST GROVE
VILLAGE

ingles
SUBWAY



42

23

WAL-MART
SUPERCENTER

BILL GARDNER PARKWAY

MARKET PLACE BOULEVARD

SUBJECT PROPERTY

75

TANGER OUTLETS LOCUST GROVE



STRONG ROCK
CHRISTIAN SCHOOL

DISTANCE FROM SUBJECT:



35 Miles

Atlanta



48 Miles

Macon



72 Miles

Athens



142 Miles

Augusta



158

Properties in Locust Grove that are listed on the National Register of Historic Places



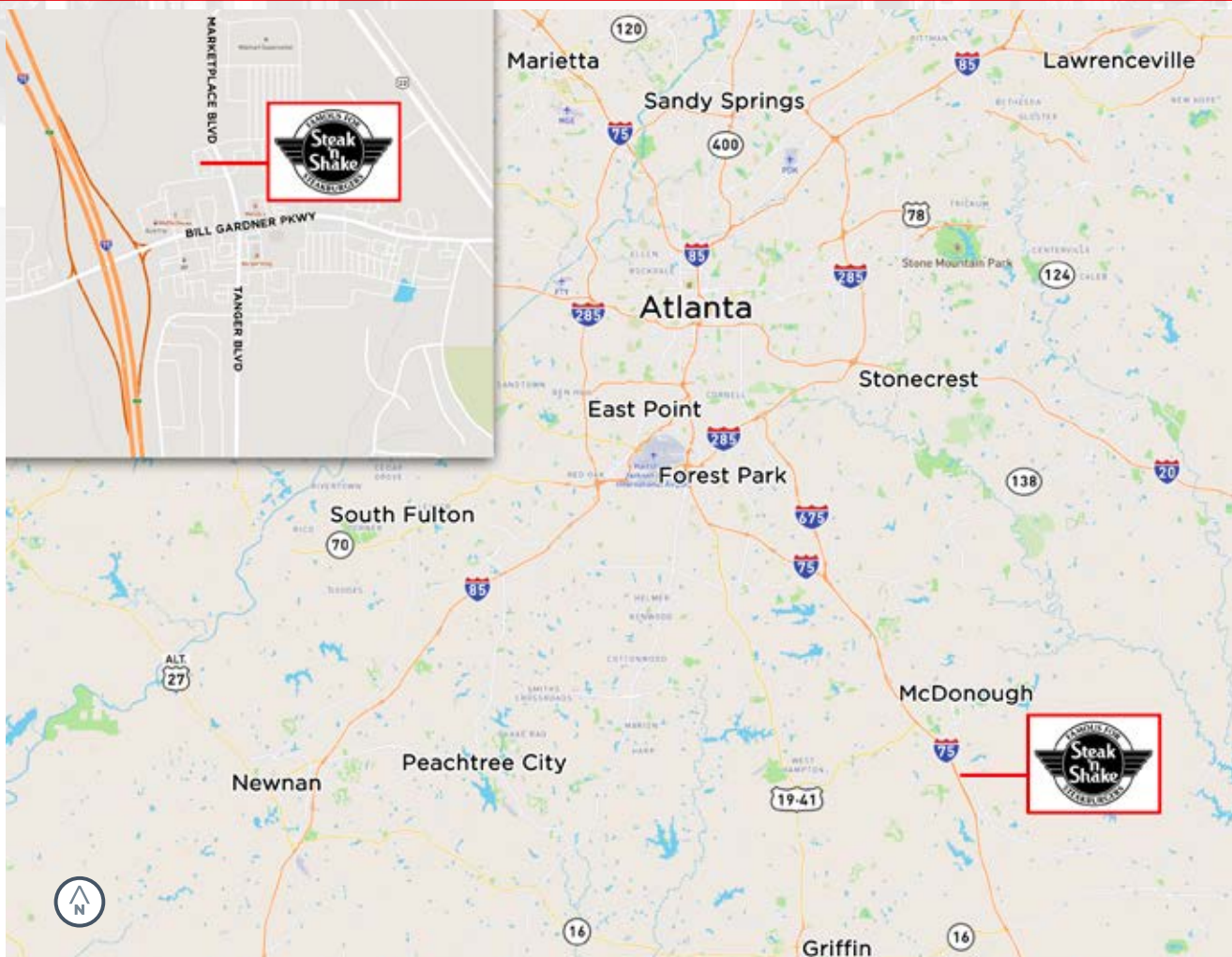
4 Million +

Annual visitors to Tanger Outlets



35%

Population growth in Locust Grove since 2010



AREA OVERVIEW

The City of Locust Grove

The primary sectors of the local economy are industrial, warehousing, retail, medical and government services. The bulk of residents commute into the greater Atlanta region for work. As the area continues to grow, however, the city will likely become a job-rich area for retail and service industries. Tanger Outlets receives 4M+ annual visitors and is the main attraction of the city. Future developments include a QuikTrip travel center and a South Campus of Piedmont-Henry Medical Center.

Henry County

Located 30 minutes south of downtown Atlanta on I-75, Henry County is home to unforgettable attractions – helicopter rides in military aircraft, inspiring animal encounters, one of Georgia's few remaining Civil War battlefields – and plenty of homegrown fun. Southern Belle Farms, Atlanta Motor Speedway, Noah's Ark Animal Sanctuary, and the Army Aviation Heritage Foundation and Flying Museum are the main highlights.



SOURCE: CITY OF LOCUST GROVE, HENRY COUNTY



MAJOR AREA EMPLOYERS

Tanger Outlets

Walmart

Smead Manufacturing

Sims Superior Seating

Southern Pine Flooring

Strong Rock Christian Schools

Henry County Board of Education

City of Locust Grove

Ingles Grocery Store



DEMOGRAPHICS



Population

Locust Grove, GA (REGis 2019)	3 Miles	5 Miles	10 Miles
2019 Estimated Population	13,295	37,228	141,743
2024 Projected Population	14,528	40,699	154,933
2010 Census Population	10,607	31,307	123,716
2000 Census Population	5,207	14,189	71,068
Projected Annual Growth 2019 to 2024	1.9%	1.9%	1.9%
Historical Annual Growth 2000 to 2019	8.2%	8.5%	5.2%
2019 Median Age	35.1	35.0	36.1
2019 Estimated Households	4,554	12,744	49,471
2024 Projected Households	4,786	13,405	52,056
2010 Census Households	3,539	10,445	41,863
2000 Census Households	1,759	4,747	24,097
Projected Annual Growth 2019 to 2024	1.0%	1.0%	1.0%
Historical Annual Growth 2000 to 2019	8.4%	8.9%	5.5%
2019 Estimated Average Household Income	\$73,530	\$74,263	\$76,151
2019 Estimated White	48.5%	48.4%	53.0%
2019 Estimated Black or African American	44.1%	44.5%	39.8%
2019 Estimated Asian or Pacific Islander	2.0%	1.9%	2.3%
2019 Estimated American Indian or Native Alaskan	0.2%	0.3%	0.3%
2019 Estimated Other Races	5.2%	4.8%	4.6%
2019 Estimated Hispanic	7.4%	6.9%	6.6%
2019 Estimated Total Businesses	545	1,221	4,105
2019 Estimated Total Employees	5,794	13,368	43,974



Income



Business

Households



Ethnicity

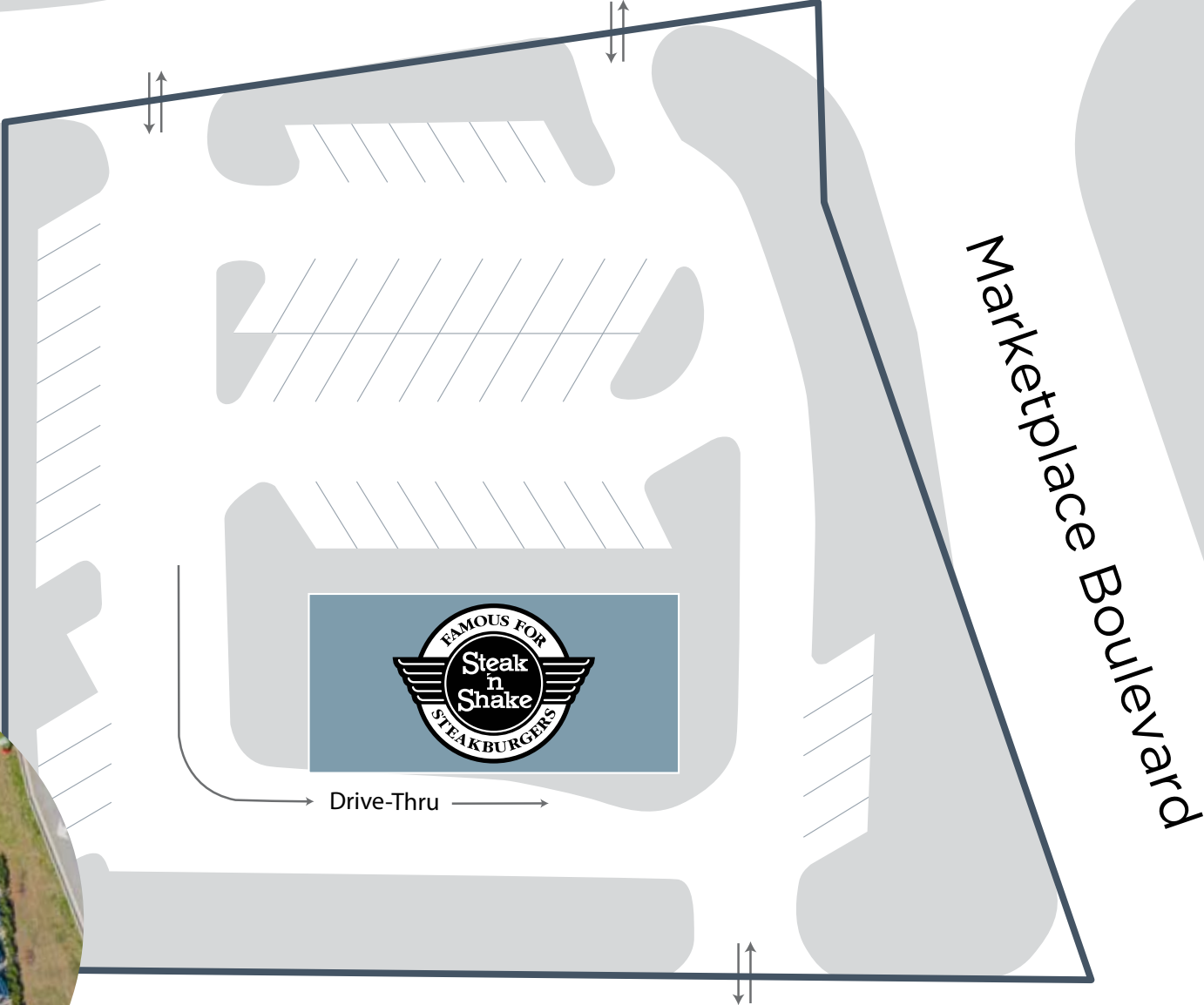




FINANCIAL ANALYSIS



SITE PLAN NOT TO SCALE



RENT ROLL & TRANSACTION SUMMARY

Tenant	Size (SF)	Current Monthly Rent	Monthly Rent \$/SF	Current Annual Rent	Annual Rent \$/SF	Increase Date	Increase	Rental Increases Monthly Rent	Monthly \$/SF	Annual Rent	Annual \$/SF	Recovery Type	Lease Start	Lease Expires	Lease Options
Steak 'n Shake	3,508	\$13,000	\$3.71	\$156,000	\$44.47	Year 6	7.5%	\$13,975	\$3.98	\$167,700	\$47.81	Absolute NNN	Year 1	Year 20	3 (5-Year) 7.5% increase at each option
						Year 11	7.5%	\$15,023	\$4.28	\$180,278	\$51.39				
						Year 16	7.5%	\$16,150	\$4.60	\$193,798	\$55.24				

Financial Information

Price:	\$2,600,000
Price/SF:	\$741

Lease Type: Absolute NNN

Tenant is responsible for taxes, insurance, CAM, roof and structure. Landlord has zero responsibilities.

Property Specifications

Rentable Area:	3,508 SF
Land Area:	1.1 Acres
Year Built:	2016
Address:	700 Market Place Boulevard Locust Grove, GA 30248
Parcel Number:	112-01013321
Ownership:	Fee Simple (Land & Building)
Tenant:	Steak 'n Shake

Operating Information

	<u>Year 1</u>	<u>Year 6</u>
Gross Potential Rent	\$156,000	\$167,700
Plus Recapture	NNN	NNN
Effective Gross Income	\$156,000	\$167,700
Less Expenses	(NNN)	(NNN)
Net Operating Income	\$156,000	\$167,700
Cap Rate:	6.00%	6.45%



STEAK 'N SHAKE

www.steaknshake.com

Steak 'n Shake was founded in February, 1934 in Normal, Illinois. Gus Belt, Steak 'n Shake's founder, pioneered the concept of premium burgers and milk shakes.

For over 85 years, the company's name has been symbolic of its heritage. The word "steak" stood for steakburger. The term "shake" stood for hand-dipped milk shakes. Gus was determined to serve his customers the finest burgers and shakes in the business. To prove his point that his burgers were exceptionally prime, he would wheel in a barrel of steaks (including round, sirloin, and T-bones) and grind the meat into burgers right in front of the guests. Hence arose the origin of their famous slogan, "In Sight It Must Be Right."

After 85 years, the company is continuing Steak n Shake's tradition of serving the country's best, freshest, and tastiest burgers and shakes.

Steak 'n Shake Operations, Inc. is a wholly owned subsidiary of Biglari Holdings, Inc. Below is the financial information for the parent company.

Company Type:	Public (NYSE: BH)
Locations:	685+ (more than 600 are Steak 'n Shake locations)
Full Time Employees:	18,684
Fiscal 2018 Net Income:	\$19.39 Million
Fiscal 2018 Revenue:	\$809.89 Million
Fiscal 2018 Assets:	\$1.03 Billion
Fiscal 2018 Equity:	\$570.46 Million
S&P Ranking:	CCC- (Steak 'n Shake Inc.)



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