

POPEYES

Exclusive Net-Lease Offering



OFFERING MEMORANDUM

POPEYES

3777 Choctaw Drive, Baton Rouge, LA 70805

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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.

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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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POPEYES

3777 Choctaw Drive
Baton Rouge, LA 70805

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POPEYES





Investment Highlights

PRICE: \$2,160,427 | CAP: 5.15% | RENT: \$111,262

POPEYES

About the Investment

- ✓ Over 24-Years Remaining on an Original 25-Year Absolute Triple Net (NNN) Lease With Zero Landlord Responsibilities
- ✓ Attractive Rental Increases of 1.75% Annually
- ✓ Two (2) Tenant Renewal Period of Five (5) Years
- ✓ Strong Brand Recognition | Experienced Operator

About the Location

- ✓ Dense Retail Corridor | CVS Pharmacy, Burger King, Jack in the Box, Papa John's, Domino's, Family Dollar, AutoZone Auto Parts, Advance Auto Parts, and Many More
- ✓ High Academic Presence | Located Less Than Six Miles from Louisiana State University (LSU) | Enrollment Exceeds 25,000 Students
- ✓ Strong Real Estate Fundamentals | Located Less Than Two-Miles From ExxonMobil's Baton Rouge Refinery | Over 10,000 Workers
- ✓ Strong Traffic Counts | Choctaw Drive & Interstate Highway 110 | Average 13,500 & 85,000 Vehicles Per Day, Respectively
- ✓ Excellent Demographics | Over 167,000 People Reside Within a Five-Mile Radius

About the Tenant / Brand

- ✓ Founded in New Orleans, Louisiana in 1972, Popeyes® Louisiana Kitchen is the world's second largest quick-service chicken restaurant, based on the number of units with approximately 3,100 locations around the world.
- ✓ Popeyes was acquired on March 27, 2017 for a total consideration of \$1.7 billion by Restaurant Brands International (NYSE: QSR).
- ✓ SRG PLK OpCo, LLC, d/b/a High Noon Restaurant Group | Successful Operator | 63-Unit Guarantee
- ✓ The Company's growth strategy is multifaceted and organic growth initiatives are augmented by whitespace for greenfielding new stores and a robust M&A pipeline.





Financial Analysis

PRICE: \$2,160,427 | CAP: 5.15% | RENT: \$111,262

POPEYES

PROPERTY DESCRIPTION

Property	Popeyes
Property Address	3777 Choctaw Drive
City, State ZIP	Baton Rouge, LA 70805
Year Built / Renovated	1997
Building Size	2,344 SF
Lot Size	+/- 0.79 Acres
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$2,160,427
CAP Rate	5.15%
Annual Rent	\$111,262

LEASE SUMMARY

Property Type	Net Leased Quick-Service Restaurant
Tenant / Guarantor	SRG PLK OpCo, LLC (63 Units) d/b/a High Noon Restaurant Group
Franchisor Ownership	Private
Original Lease Term	25 Years
Lease Commencement	August 18, 2020
Lease Expiration	March 1, 2045
Lease Term Remaining	24 Years
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	1.75% Annually
Options to Renew	Two (2) Periods of Five (5) Years

*Glen Kunofsky, Nico DePaul, and other members of the selling entity, Exclusive Listing Agents, are minority 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 (%)
4/1/2021 – 3/31/2022	\$111,262	\$9,272	1.75%
4/1/2022 – 3/31/2023	\$113,209	\$9,434	1.75%
4/1/2023 – 3/31/2024	\$115,190	\$9,599	1.75%
4/1/2024 – 3/31/2025	\$117,206	\$9,767	1.75%
4/1/2025 – 3/31/2026	\$119,257	\$9,938	1.75%
4/1/2026 – 3/31/2027	\$121,344	\$10,112	1.75%
4/1/2027 – 3/31/2028	\$123,468	\$10,289	1.75%
4/1/2028 – 3/31/2029	\$125,629	\$10,469	1.75%
4/1/2029 – 3/31/2030	\$127,827	\$10,652	1.75%
4/1/2030 – 3/31/2031	\$130,064	\$10,839	1.75%
4/1/2031 – 3/31/2031	\$132,340	\$11,028	1.75%
4/1/2032 – 3/31/2033	\$134,656	\$11,221	1.75%
4/1/2033 – 3/31/2034	\$137,013	\$11,418	1.75%
4/1/2034 – 3/31/2035	\$139,410	\$11,618	1.75%
4/1/2035 – 3/31/2036	\$141,850	\$11,821	1.75%
4/1/2036 – 3/31/2037	\$144,332	\$12,028	1.75%
4/1/2037 – 3/31/2038	\$146,858	\$12,238	1.75%
4/1/2038 – 3/31/2039	\$149,428	\$12,452	1.75%
4/1/2039 – 3/31/2040	\$152,043	\$12,670	1.75%
4/1/2040 – 3/31/2041	\$154,704	\$12,892	1.75%
4/1/2041 – 3/31/2042	\$157,411	\$13,118	1.75%
4/1/2042 – 3/31/2043	\$160,166	\$13,347	1.75%
4/1/2043 – 3/31/2044	\$162,969	\$13,581	1.75%
4/1/2044 – 3/1/2045	\$165,821	\$13,818	1.75%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for 3777 Choctaw Drive in Baton Rouge, LA. This Popeyes is subject to a 25-year triple-net (NNN) lease, which commenced on August 18th, 2020. The base annual rent will be \$111,262 and is subject to 1.75% annual rental escalations throughout the base term and in each of the two, five-year tenant renewal option periods. The lease will be guaranteed by SRG PLK OpCo, LLC, d/b/a High Noon Restaurant Group, which operates 63 locations throughout Louisiana. The property is roughly 2,344 rentable square feet and is situated on an approximately .79 acre parcel.



Tenant Overview

POPEYES

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
- Introduced the viral Chicken Sandwich product in 2019, which has proven to be one of the most successful QSR product launches ever and introduced the brand to new customer demographics
- This site is located in the birthplace of the Popeyes brand where customer awareness is strong
- Unique, Highly-Differentiated Brand - Internationally-recognized Louisiana heritage since 1972
- Popeyes has seen strong same-store sales growth through the COVID-19 pandemic, driven by a focus on off-premise dining and strong value proposition position
- Highly-Attractive Unit Economics -> \$1.6mm ARS and strong franchisee EBITDA margins
- 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

High Noon Restaurant Group

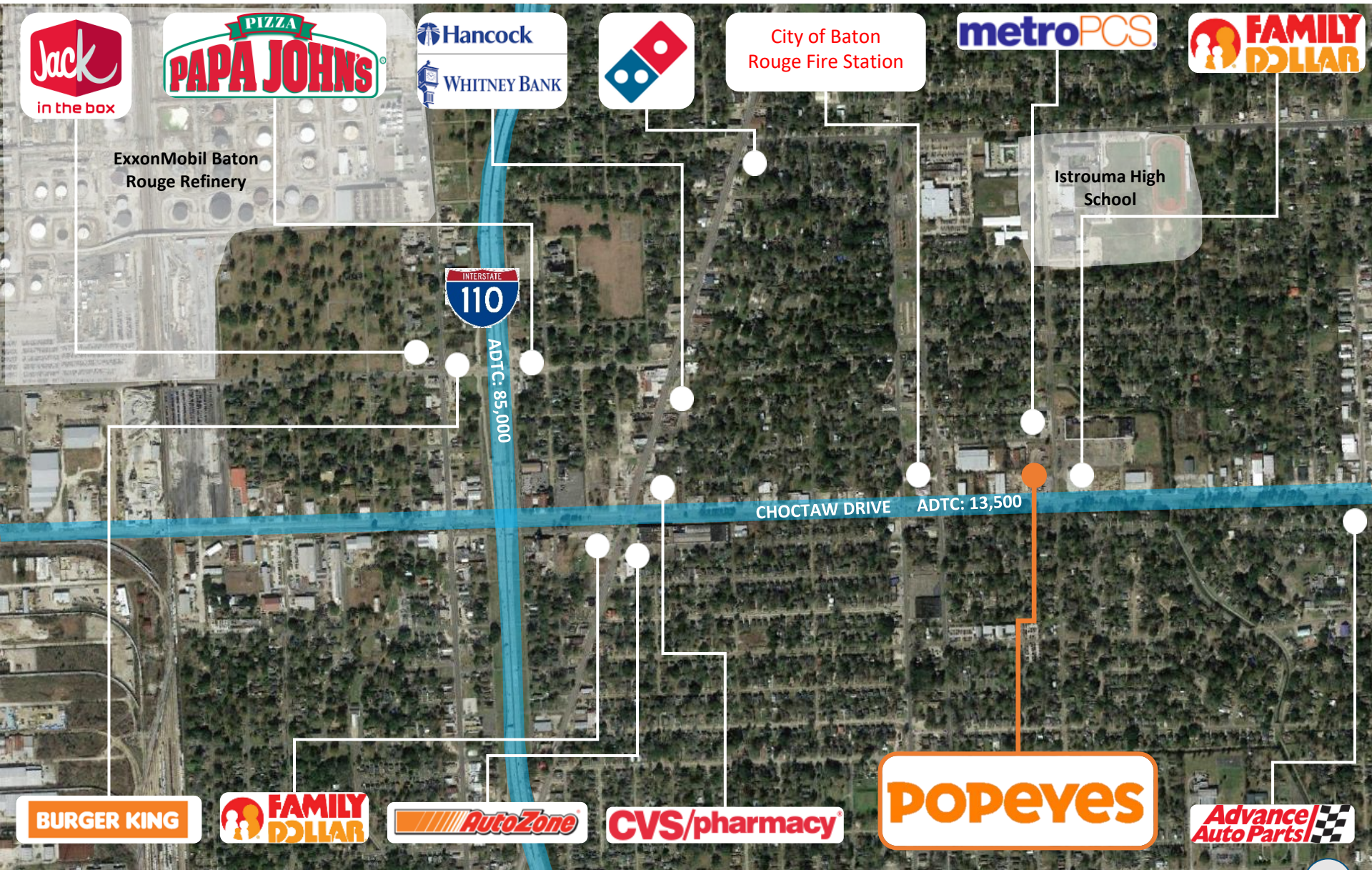
- Led by highly successful restaurateur David Damato
- Currently VP of Operations of an organization with 175 QSR locations which includes 142 Popeyes, 28 Arby's, 5 Taco Bells across 14 states
- Rapidly expanding group that acquired an additional 10 Popeyes sites in 2020 with plans for continued growth
- Current portfolio is upwards of \$240M in annual revenue, on pace to break \$300M in 2020
- David has a long and accomplished history as a successful operations manager
 - 2017 Franchisee of the Year, Runner Up
 - Two-Time Silver Plate Award Winner
 - Two-Time Bronze Plate Award Winner
 - Two-Time Developer of the Year
- Four consecutive years of positive same store sales, outperforming the Popeyes system by 2% or more each year



Surrounding Area

POPEYES

Property Address: 3777 Choctaw Dr, Baton Rouge, LA 70805





Location Overview

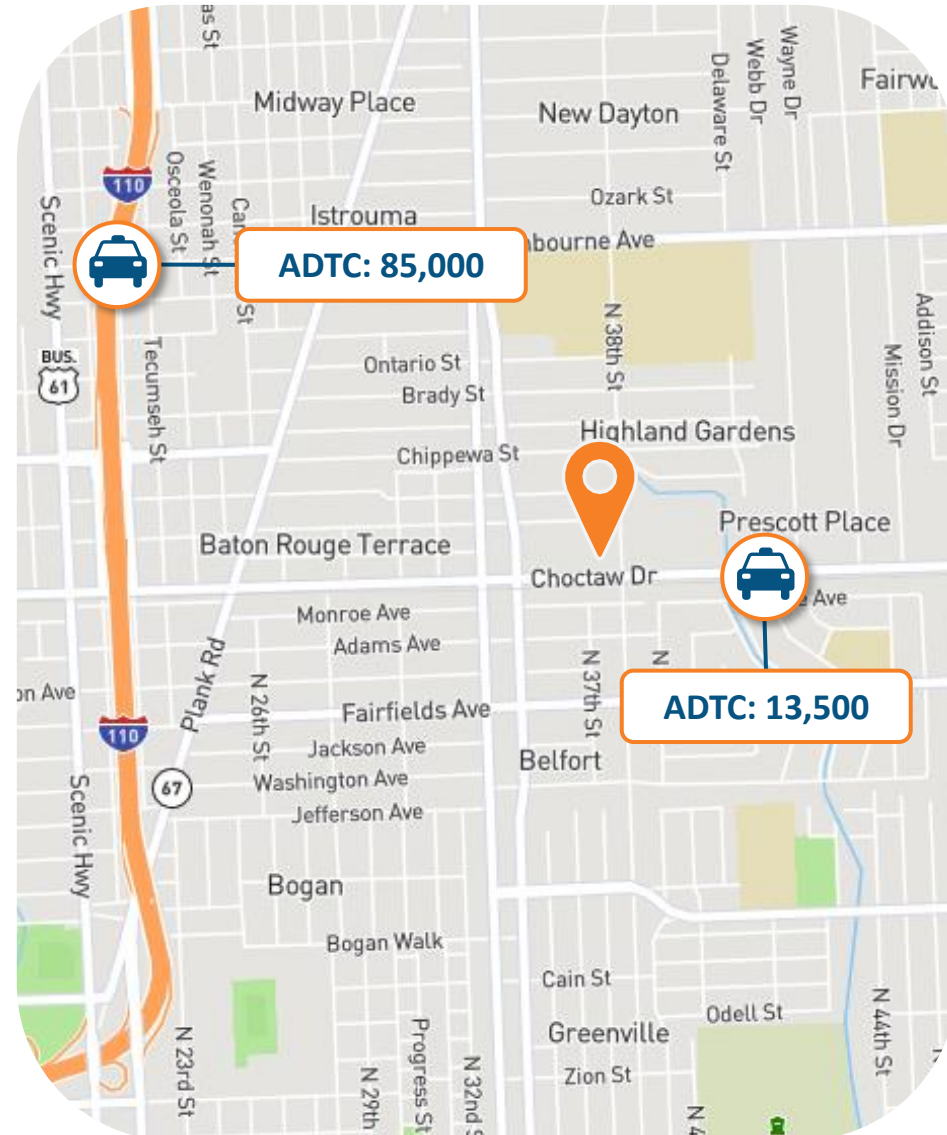
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POPEYES

The subject investment property is a Popeyes situated on Choctaw Drive, which experiences an average daily traffic count of 13,500 vehicles. Choctaw Drive serves as an access road to Interstate Highway 110, which brings an additional 85,000 vehicles into the immediate area everyday. There are more than 81,000 individuals residing within a three-mile radius of the property and more than 167,500 individuals within a five-mile radius.

This Popeyes property benefits from being well-positioned in a dense urban infill consisting of national and local tenants, academic institutions and shopping centers. Major national tenants in the area include: CVS Pharmacy, Burger King, Jack in the Box, Papa John's, Domino's, Family Dollar, AutoZone Auto Parts, Advance Auto Parts, and many more. The subject investment property benefits from being located less than two miles from ExxonMobil's Baton Rouge Refinery. ExxonMobil Baton Rouge has been essential to the economic, political and social landscapes of the community. The refinery is the fifth-largest oil refinery in the United States and thirteenth-largest in the world, with an input capacity of 502,500 barrels per day. The facility employs over 10,000 people. The subject investment property is located less than six miles from Baton Rouge Metropolitan Airport. The airport has a \$1.1 billion impact on the local economy, provides 4,500 jobs, and has plans for expansion, to help with high demand during the college football season. The subject property greatly benefits from being located less than six miles from Louisiana State University. Louisiana State University—Baton Rouge, better known as LSU, is a public school near the Mississippi River, in the southeastern part of the state. The University is home to over 25,000 students and has an extremely popular football program that is known throughout the nation.

Baton Rouge is a major industrial, petrochemical, medical, research, motion picture, and growing technology center of the American South. The Port of Greater Baton Rouge is the tenth largest in the United States in terms of tonnage shipped and is the farthest upstream Mississippi River port capable of handling Panamax ships. These ships transfer their cargo at Baton Rouge onto rails and pipelines or barges. Baton Rouge's largest industry is petrochemical production and manufacturing. ExxonMobil's Baton Rouge Refinery complex is the fifth-largest oil refinery in the country, and the world's tenth largest. As well as being the state capital and parish seat.





Property Photos

Property Address: 3777 Choctaw Dr, Baton Rouge, LA 70805

POPEYES

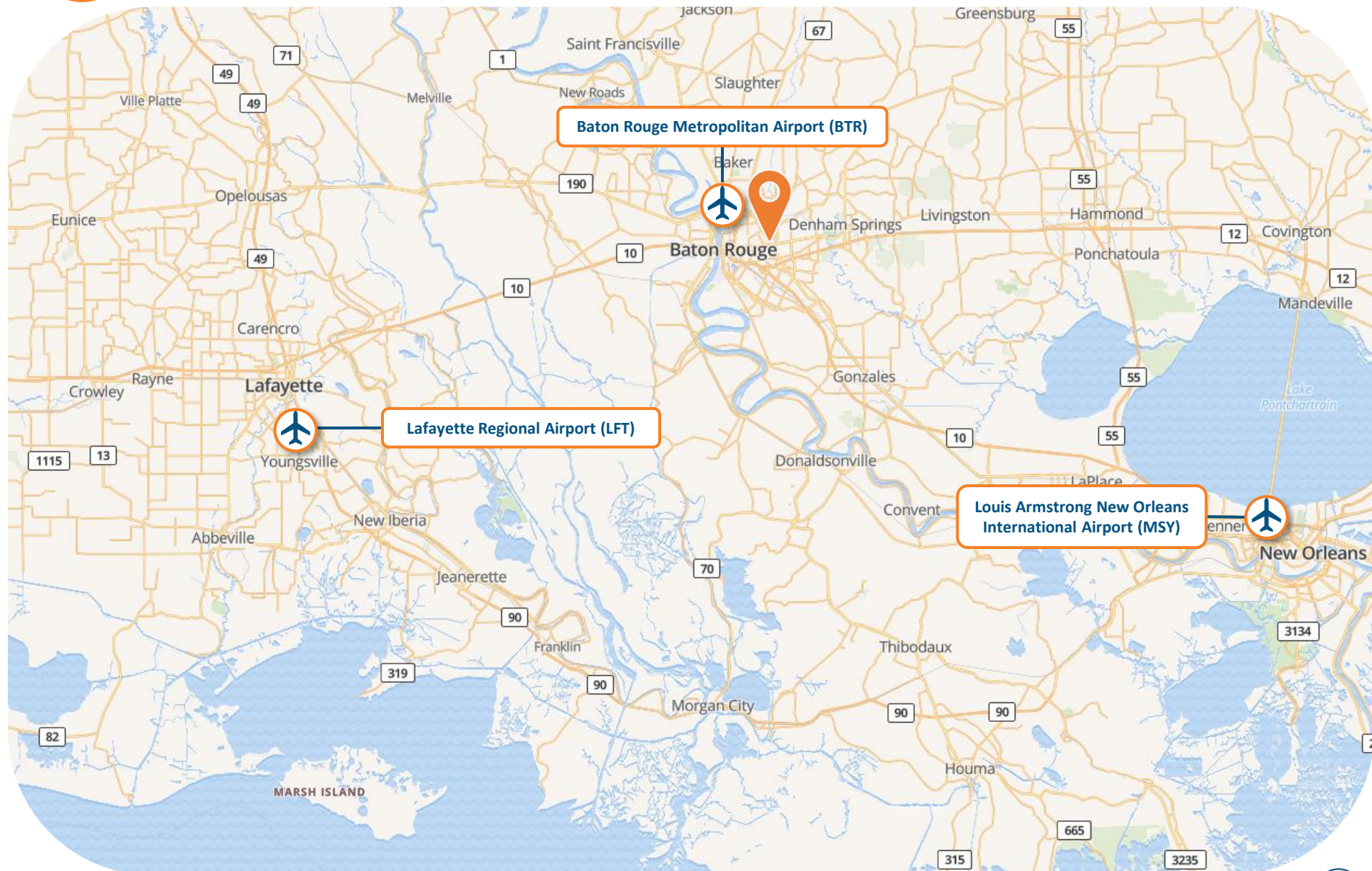




Local Map

Property Address: 3777 Choctaw Dr, Baton Rouge, LA 70805

POPEYES





Regional Map

POPEYES

Property Address: 3777 Choctaw Dr, Baton Rouge, LA 70805





Demographics

Property Address: 3777 Choctaw Dr, Baton Rouge, LA 70805

POPEYES



3 Miles 5 Miles 10 Miles

Population Trends:

2025 Projection	81,073	168,071	391,408
2020 Estimate	81,353	167,619	390,291
2010 Census	82,193	165,493	385,832
2020 Population Hispanic Origin	1,714	5,096	17,313

Population by Race (2020):

White	16,550	52,027	173,634
Black	63,126	108,716	196,097
American Indian & Alaskan	149	321	1,027
Asian	618	4,440	13,710
Hawaiian & Pacific Island	44	71	142
Other	865	2,045	5,680

Household Trends:

2025 Projection	32,243	66,060	154,386
2020 Estimate	32,282	65,838	153,958
2010 Census	32,234	64,778	152,219
Owner Occupied	14,014	32,174	86,257
Renter Occupied	18,268	33,664	67,701

Average Household Income (2020):

\$52,198	\$59,332	\$70,908
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Households by Household Income (2020):

<\$25,000	13,475	23,789	42,628
\$25,000 - \$50,000	8,244	16,426	36,413
\$50,000 - \$75,000	4,409	10,372	26,003
\$75,000 - \$100,000	2,225	4,975	15,531
\$100,000 - \$125,000	1,253	3,329	11,139
\$125,000 - \$150,000	815	1,781	6,286
\$150,000 - \$200,000	668	2,201	7,641

Median Household Income (2020):

\$31,563	\$36,426	\$48,285
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Market Overview

City: Baton Rouge | County: Robertson and Sumner | State: Louisiana

POPEYES



Baton Rouge, LA

Baton Rouge is the capital of the U.S. state of Louisiana and its second-largest city. Located on the eastern bank of the Mississippi River, it is the parish seat of East Baton Rouge Parish. As its capital city, Baton Rouge is the political hub of Louisiana. It is the second-largest city in the state, with an estimated population of 227,715 in 2016. The metropolitan area surrounding the city, known as Greater Baton Rouge, is also the second-largest in Louisiana, with a population of 830,480 people as of 2015. The urban area has around 594,309 inhabitants. Baton Rouge is a major industrial, petrochemical, medical, research, motion picture, and growing technology center of the American South. It is also the location of Southern University, the flagship institution of the Southern University System, the only historically black college system in the nation. The Port of Greater Baton Rouge is the 10th-largest in the United States in terms of tonnage shipped, and is the farthest upstream Mississippi River port capable of handling Panamax ships. The Baton Rouge area owes its historical importance to its strategic site upon the Istrouma Bluff, the first natural bluff upriver from the Mississippi River Delta. This allowed development of a business quarter safe from seasonal flooding. In addition, the city built a levee system stretching from the bluff southward to protect the riverfront and low-lying agricultural areas. The city is a culturally rich center, with settlement by immigrants from numerous European nations and African peoples brought to North America as slaves or indentured servants. It was ruled by seven different governments: French, British, and Spanish in the colonial era, West Floridian, United States territory and state, Confederate, and United States again.

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Marcus & Millichap

EXCLUSIVE NET LEASE OFFERING



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