

OFFERING MEMORANDUM

Popeyes 20 Year NNN Sale Leaseback | Strong Franchisee Guarantee



ACTUAL PHOTO

 2505 82ND ST, LUBBOCK, TX 79423

Marcus & Millichap

INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present for sale this Popeye's Louisiana kitchen restaurant located at 2505 82nd Street in Lubbock Texas. Lubbock is the 11th most populous city in Texas with a population over 258,862. It's nickname "Hub City" derives from being the economic, educational, and health hub of the multicounty region north of Permian Basement and south of the Texas Panhandle.

Numerous universities surround this Popeye's including Texas Tech University only 11 minutes away with 38,742 enrolled students, Wayland Baptist University with 4,062 students and Lubbock Christian University with 1,664 enrolled students.

Many National Retailers are located close to this property including Walgreens, Sam's Club, United Supermarkets and Prosperity Bank. South Plains Mall is a busy mall located just 11 minutes from Popeye's with 119 stores including Dillard's, JC Penney, H & M, Pandora, and Hollister.

Many new home developments are also springing up in close vicinity including Ventura Homes by Jeff Seal, Roten Homes, Inc., Lubbock Champion Homes, Betenbough Homes, and Southern Homes by Dan Wilson.

Popeye's (Popeye's Louisiana Kitchen, Inc.) is an American multinational chain of fried chicken fast food restaurants founded in 1972 in New Orleans and currently headquartered in Miami, Florida. As of 2020, Popeye's had 3,451 restaurants located in 36 states, the District of Columbia, Puerto Rico and 30 countries worldwide. Annual income for Popeye's Inc. exceeds 268.9 Million Dollars annually.

INVESTMENT HIGHLIGHTS

- 20 Year Absolute NNN Sale Leaseback
- Strong 140+ Unit Franchisee Guarantee
- 7.55% Rent Increases every 5 Years during the Base Term and Options
- Popeye's Louisiana Kitchen Restaurant Located in Lubbock, Texas Population 258,862 & 11th Most Populous City in Texas
- Numerous Retailers in Close Vicinity to Popeye's Include Walgreens, Sam's Club, United Supermarkets and Prosperity Bank
- 11 Minutes From South Plains Mall With 119 Stores Including Dillard's, JC Penney, H & M, Pandora, and Hollister
- Numerous New Home Communities Nearby Ventura homes by Jeff Seal, Roten Homes, Inc., Lubbock Champion Homes, Southern Homes by Dan Wilson, Betenbough Homes
- Numerous Universities Surround Property Including Texas Tech University (38,742 Enrolled Students), Wayland Baptist University (4,062 Students), Lubbock Christian University (1,664 Students)
- Popeye's Louisiana Kitchen has 3,451 Restaurants in 36 States The District of Columbia & Puerto Rico and 30 Countries Worldwide

THE OFFERING



PROPERTY DETAILS

Lot Size	26,136 SF (0.60 Acres)
Rentable Square Feet	1,678 SF
Price/SF	\$1,323.99
Year Built	2002

FINANCIAL OVERVIEW

List Price	\$2,221,649
Down Payment	100% / \$2,221,649
Cap Rate	3.90%
Type of Ownership	Fee Simple

PROPERTY RENT DATA

RENT INCREASES	MONTHLY RENT	ANNUAL RENT
Year 1 - 5 (Current)	\$7,220	\$86,644
Year 6 - 10	\$7,765	\$93,186
Year 11 - 15	\$8,352	\$100,221
Year 16 - 20	\$8,982	\$107,788
Year 21 - 25 (Option 1)	\$9,660	\$115,926
Year 26 - 30 (Option 2)	\$10,390	\$124,678
Year 31 - 35 (Option 3)	\$11,174	\$134,091
Year 36 - 40 (Option 4)	\$12,018	\$144,215
Year 41 - 45 (Option 5)	\$12,925	\$155,104
Base Rent (\$51.64 / SF)		\$86,644
Net Operating Income		\$86,644.00
TOTAL ANNUAL RETURN	CAP 3.90%	\$86,644

LEASE ABSTRACT

Tenant Trade Name	Popeyes
Tenant	Franchisee
Ownership	Private
Guarantor	Franchisee Guarantee (140+ Units)
Lease Type	NNN
Lease Term	20 Years
Lease Commencement Date	COE
Rent Commencement Date	COE
Expiration Date of Base Term	COE
Increases	7.55% every Five Years on Base Term and on Option Periods
Options	Five 5-Year Options
Term Remaining on Lease	N/A
Property Type	Net Leased Restaurant
Landlord Responsibility	None
Tenant Responsibility	All
Right of First Refusal	N/A









NAME	Popeyes
HQ	Miami, Florida
FOUNDED	1972
NUMBER OF LOCATIONS	3,451+ (2020)
NUMBER OF EMPLOYEES	2,130+ (2021)
WEBSITE	www.popeyes.com



QSR Franchise Brands

Starting in the gas and convenience store business in 1976, the Dhanani Group became a Burger King franchisee in 1994 with BK's first co-branded restaurant in Houston, Texas. Today, our Sugar Land, Texas-based company is now ranked one of the county's top QSR franchise owners for Burger King Corporation and Popeyes with a growing presence in casual and fine dining starting with La Madeleine franchise restaurants.

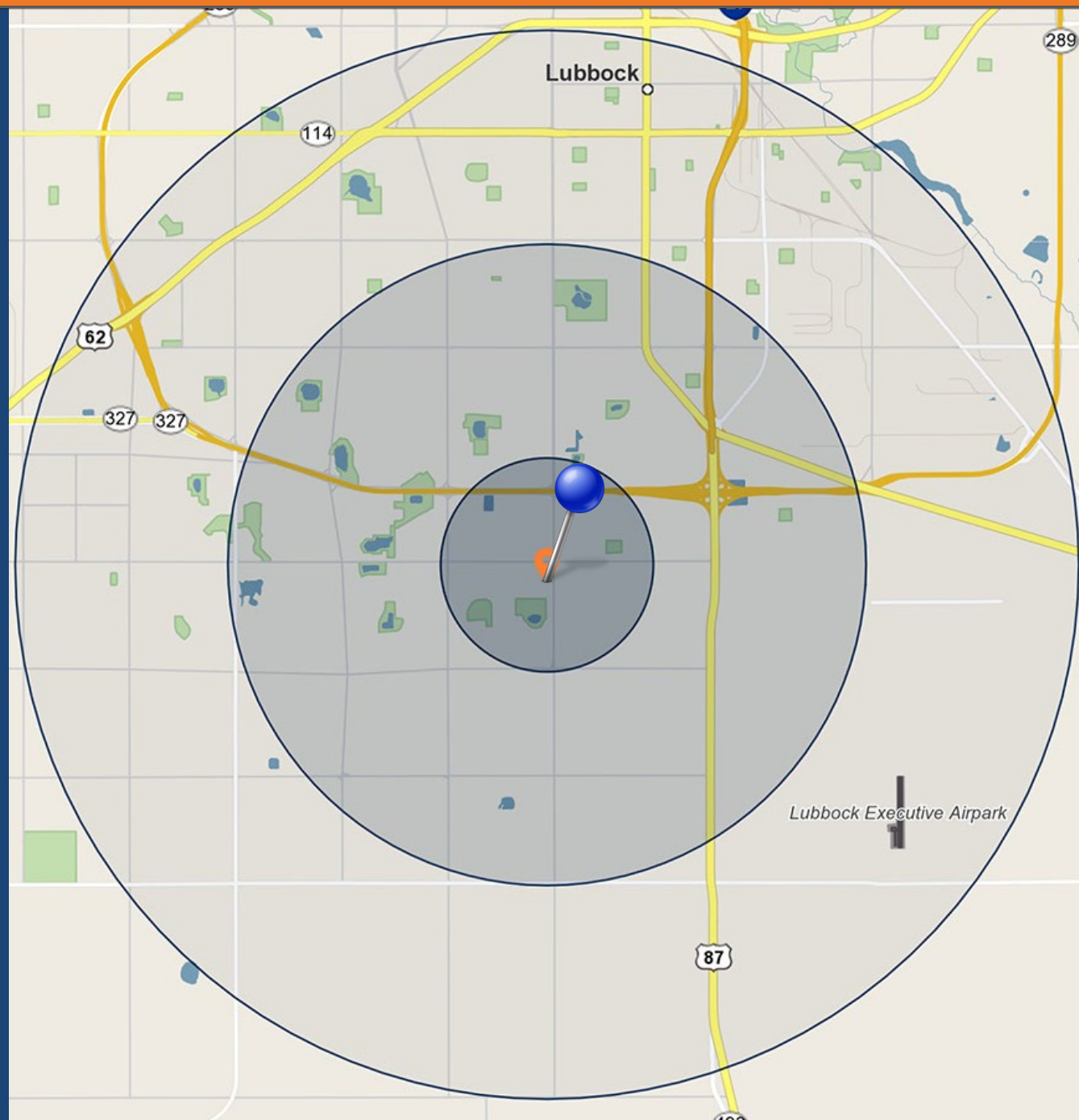
Values and Vision

To create a QSR franchise dynasty that is capable of producing year-after-year sales and profit growth. This is accomplished by operating great restaurants as an employer of choice within an environment that provides career opportunities.



Careers and built
on a solid
foundation of
coaching and
training.





POPULATION	1 Mile	3 Miles	5 Miles
2026 Projection			
Total Population	16,185	87,028	191,482
2021 Estimate			
Total Population	15,605	83,208	180,285
2010 Census			
Total Population	14,950	78,301	163,227
2000 Census			
Total Population	12,916	67,732	147,046
Daytime Population			
2021 Estimate	12,511	86,947	244,566
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2026 Projection			
Total Households	6,715	35,148	74,805
2021 Estimate			
Total Households	6,441	33,482	70,082
Average (Mean) Household Size	2.4	2.5	2.4
2010 Census			
Total Households	6,076	31,095	62,910
2000 Census			
Total Households	5,165	27,353	57,521
HOUSING UNITS	1 Mile	3 Miles	5 Miles
Occupied Units			
2026 Projection	7,204	38,154	82,207
2021 Estimate	6,908	36,279	76,936

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
2021 Estimate			
\$200,000 or More	1.4%	5.0%	4.5%
\$150,000-\$199,999	4.2%	5.0%	4.9%
\$100,000-\$149,999	12.9%	14.7%	13.9%
\$75,000-\$99,999	14.3%	13.6%	12.9%
\$50,000-\$74,999	23.4%	20.0%	18.0%
\$35,000-\$49,999	16.2%	13.9%	13.4%
\$25,000-\$34,999	11.3%	9.6%	9.8%
\$15,000-\$24,999	8.1%	8.9%	10.3%
Under \$15,000	8.2%	9.2%	12.4%
Average Household Income	\$67,501	\$82,769	\$78,130
Median Household Income	\$55,922	\$59,850	\$55,176
Per Capita Income	\$27,860	\$33,464	\$31,043

GEOGRAPHY: 5 MILE



POPULATION

In 2021, the population in your selected geography is 180,285. The population has changed by 22.6 percent since 2000. It is estimated that the population in your area will be 191,482 five years from now, which represents a change of 6.2 percent from the current year. The current population is 49.2 percent male and 50.8 percent female. The median age of the population in your area is 31.2, compared with the U.S. average, which is 38.4. The population density in your area is 2,295 people per square mile.



HOUSEHOLDS

There are currently 70,082 households in your selected geography. The number of households has changed by 21.8 percent since 2000. It is estimated that the number of households in your area will be 74,805 five years from now, which represents a change of 6.7 percent from the current year. The average household size in your area is 2.4 people.



INCOME

In 2021, the median household income for your selected geography is \$55,176, compared with the U.S. average, which is currently \$65,694. The median household income for your area has changed by 61.1 percent since 2000. It is estimated that the median household income in your area will be \$56,619 five years from now, which represents a change of 2.6 percent from the current year.

The current year per capita income in your area is \$31,043, compared with the U.S. average, which is \$36,445. The current year's average household income in your area is \$78,130, compared with the U.S. average, which is \$94,822.



EMPLOYMENT

In 2021, 93,689 people in your selected area were employed. The 2000 Census revealed that 67.5 percent of employees are in white-collar occupations in this geography, and 32.5 percent are in blue-collar occupations. In 2021, unemployment in this area was 5.0 percent. In 2000, the average time traveled to work was 15.3 minutes.



HOUSING

The median housing value in your area was \$148,482 in 2021, compared with the U.S. median of \$227,827. In 2000, there were 32,862 owner-occupied housing units and 24,659 renter-occupied housing units in your area. The median rent at the time was \$452.



EDUCATION

The selected area in 2021 had a higher level of educational attainment when compared with the U.S. averages. 12.6 percent of the selected area's residents had earned a graduate degree compared with the national average of only 12.0 percent, and 20.7 percent completed a bachelor's degree, compared with the national average of 19.5 percent.

The number of area residents with an associate degree was lower than the nation's at 6.1 percent vs. 8.3 percent, respectively.

The area had fewer high-school graduates, 24.3 percent vs. 27.2 percent for the nation, but the percentage of residents who completed some college is higher than the average for the nation, at 24.3 percent in the selected area compared with the 20.5 percent in the U.S.

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 Real Estate Investment Services. 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.

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

NET LEASE DISCLAIMER

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.

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INFORMATION ABOUT BROKERAGE SERVICES

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

11-2-2015

TYPES OF REAL ESTATE LICENSE HOLDERS:

- A BROKER is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- A SALES AGENT must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

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Licensed Broker/Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
Tim A. Speck	432723	tim.speck@marcusmillichap.com	972-755-5200
Designated Broker of Firm	License No.	Email	Phone
Licensed Supervisor of Sales Agent/Associate	License No.	Email	Phone
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date

SPECIAL COVID-19 NOTICE

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.)

Marcus & Millichap



ISSENBERG & BRITTI

The Retail Real Estate Investment Leader
Marcus & Millichap

EXCLUSIVELY LISTED

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