

POPEYES

Brand New 20-Year Sale Leaseback | Absolute-Net Lease with 10% Increases Every Five Years



OFFERING MEMORANDUM

POPEYES
HENDERSON, NC (DURHAM MSA)

Marcus & Millichap
THE SULO GROUP

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.

Marcus & Millichap 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 Marcus & Millichap, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of Marcus & Millichap, 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.

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.)

Exclusively Listed by

Dominic Sulo

Senior Vice President Investments
CHICAGO OAKBROOK
Tel: (630) 570-2171
DSulo@marcusmillichap.com
License: IL 475.134920

Broker of Record

Ben Yelm

Charleston, SC
License: 303785

Marcus & Millichap

Oakbrook, IL
1 Mid America Plaza #200
Oakbrook Terrace, IL 60181
P: +1 630-570-2200

POPEYES

1207 Dabney Drive
Henderson, NC 27536

FINANCIAL SUMMARY

Price	\$3,080,000
Cap Rate	4.25%
Net Operating Income	\$130,992
Building Sq Ft	2,174 Sq Ft
Year Built	2020
Lot Size	+/- 0.66 Acres

LEASE SUMMARY

Lease Type	Absolute Net
Tenant	Wildor Restaurant Group, LLC
Guarantor	Franchise
Roof and Structure	Tenant Responsible
Primary Term	20 Years
Lease Commencement Date	Close of Escrow
Rent Commencement Date	Close of Escrow
Lease Expiration Date	2042
Term Remaining	20 Years
Rental Increases	Yes
Renewal Options	Two, Five-Year

OPERATING DATA

Lease Years	Annual Rent	Cap Rate
1-5	\$130,992	4.25%
6-10	\$144,091	4.68%
11-15	\$158,500	5.15%
16-20	\$174,350	5.66%
Options	Annual Rent	Cap Rate
21-25 (Option 1)	\$174,350	5.66%
26-30 (Option 2)	\$191,785	6.23%

Base Rent	\$130,992
Net Operating Income	\$130,992
Total Return	4.25% \$130,992

HIGHLIGHTS



Brand New 20-Year Sale Leaseback

At the close of escrow, a brand new 20-year lease will be signed, with attractive 10% increases in rent every five years. In addition to the long-term lease, this will be an absolute-net lease with zero landlord responsibilities.



Lease is Guaranteed by Wildor Restaurant Group, LLC

Wildor Restaurant Group, LLC (WRG) has been a Popeyes franchisee since 2013 and currently has 10 locations open and operating with three others currently under construction. WRG signed a development agreement in 2018 to open 15 (Portfolio Total would be 19) additional restaurants by 2027 which gives them the exclusive development rights to 12 prime counties in North Carolina and Virginia.



Brand New Prototype Building Built in 2020

WRG's Henderson location was successfully built back in 2020 with Popeyes new prototype building. The sale leaseback will be set at an attractive 8.00% rent-to-sales ratio. This location's performance has quickly risen only after being open for just over one year, demonstrating its strength in the marketplace.



Raleigh | Durham | Chapel Hill Metro

The Raleigh-Durham-Chapel Hill metro is located in the north-central portion of North Carolina where the North American Piedmont and Atlantic Coastal Plain regions join. The market is approximately a two-hour drive west of the Atlantic ocean and four-hour commute east of the Appalachian Mountains. The metro is composed of 11 counties: Wake, Durham, Johnston, Chatham, Orange, Franklin, Harnett, Vance, Granville, Lee, and Person. The most highly populated is Wake County with more than 1.1 million residents, almost half of the entire metro's populous. Raleigh, home to the state capitol, has approximately 467,500 citizens, which leads the region. Durham is the second-largest city with 273,000 residents, followed by Cary, where roughly 164,400 people live.



SITE PLAN



SITE PLAN KEY

Parcel Outline



Building Sq Ft

2,300 Sq Ft

Lot Size

+/- 0.66 Acres

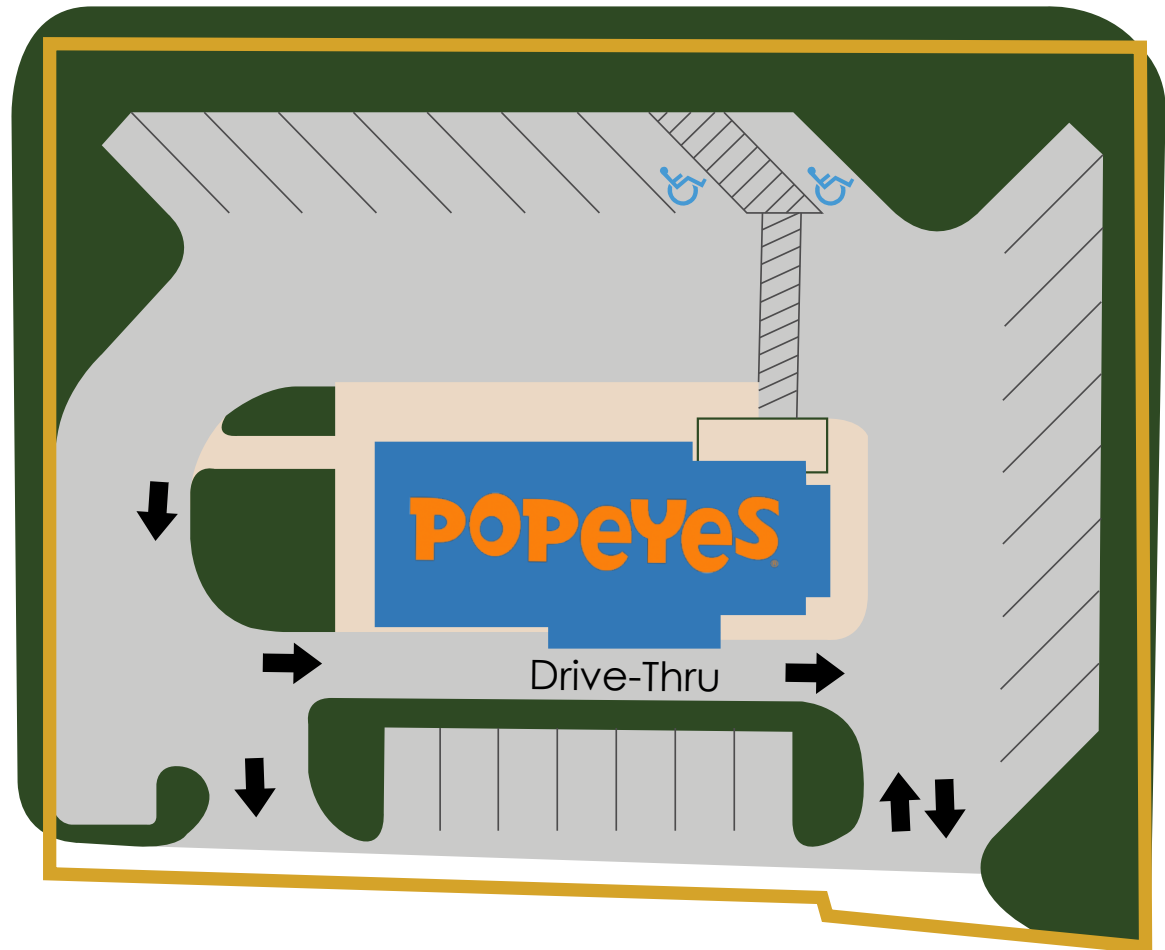
Ingress/Egress



Dabney Dr



19,102 Daily





Founded in 1972, Popeyes® has more than 40 years of history and culinary tradition. Popeyes® owes its beginnings to entrepreneur and culinary innovator, Al Copeland. With one small restaurant and a big idea, Copeland introduced the New Orleans style fried chicken that has now made the brand famous throughout the world.

Popeyes® culinary heritage is built upon the rich Cajun and creole flavor profiles that are unmistakably Louisiana. We continuously draw upon and celebrate this heritage to inspire new, authentic menu creations the world craves. Popeyes distinguishes itself with a unique New Orleans style menu featuring spicy chicken, chicken tenders, fried shrimp and other regional items. This unique and flavorful food has allowed Popeyes to become one of the world's largest chicken quick-service restaurants, with over 2,700 restaurants in the U.S. and around the world.

Popeyes has set up several restaurants which are located on military installations throughout the world. They're making sure that our service men and women have good access to this American favorite when they're away from the comforts of home.

Source: <https://www.popeyes.com/company>

TENANT OVERVIEW

No. of Locations:	2,700+
Year Founded:	1972
Headquarters:	Miami, FL
Website:	https://www.popeyes.com/

WILDOR RESTAURANT GROUP LLC

Founded by Chuck Bright and Pankaj Parmar in 2013. WRG has the exclusive development rights to 12 prime counties in North Carolina (Durham, Wake, Franklin, Warren, Vance, Granville, Person, Orange, Wilson, Nash, Alamance) and Virginia (Mecklenberg). These counties were strategically chosen by WRG based on their high sales potential.

Ownership Group and Operational Hierarchy

Chuck Bright: Owner and President of Operations

- More than 15 years of experience as a multi-unit retail owner
- Grew a chain of convenience stores from six locations to 20 locations with gross revenues of more than \$75 million per year from 2004-2015
- Sold the chain in 2015 to focus on developing Popeyes

Anthony Harris: Director of Operations

- 20 years of experience in multi-unit operations with Bojangles and another Popeyes franchisee
- Employed with Wildor Restaurant Group since 2016

TENANT OVERVIEW

No. of Locations:	10 Current, Three Under Construction (19-Unit Development Agreement)
Year Founded:	2013

Thanks to Chicken Sandwich, Popeyes is Making \$400K More per Restaurant

Can the fast-food chain keep it up in 2021? There's no reason to bet against it.

There was a statistic early on in Popeyes' chicken sandwich saga that felt better suited for fiction. As social buzz rampaged throughout the sector, Apex Marketing Group estimated Popeyes reaped \$65 million in equivalent media value, nearly triple the \$23 million media value the sandwich generated in its first few days of sale.

While it feels ages ago, Popeyes ran out of chicken sandwiches by the end of that August, just two weeks after launch. It sold as many in 14 days as it expected to through September. Individual restaurants reported serving 1,000 chicken sandwiches per day. A June report in Ad Age said Popeyes' tweet (the now-infamous Chick-fil-A challenge) earned more than 20 billion impressions worth some \$220 million. By the time 2019 closed, Popeyes had more than doubled its Twitter following and had so much word-of-mouth momentum it canceled an ad campaign scheduled for Labor Day.

Source: <https://www.qsrmagazine.com/fast-food/thanks-chicken-sandwich-popeyes-making-400k-more-restaurant>

CATEGORY RANK	QSR 50 RANK	COMPANY	2020 US SYSTEMWIDE SALES MILLIONS	2020 AVERAGE SALES PER UNIT THOUSANDS	2020 FRANCHISED LICENSED UNITS	2020 COMPANY UNITS	2020 TOTAL UNITS	TOTAL CHANGE IN UNITS FROM 2019
1	3	Chick-fil-A*	12,800	5,013	2,589	18	2,607	105
2	14	KFC	4,700	1,305	3,896	47	3,943	-122
3	15	Popeyes Louisiana Kitchen	4,587	1,920	2,593	41	2,634	135
4	23	Wingstop	2,000	1,489	1,506	32	1,538	153
5	24	Zaxby's	2,000	2,200	760	145	905	10
6	28	Raising Cane's	1,722	3,850	92	417	509	52
7	32	Bojangles	1,374	1,861	432	326	758	12
8	34	El Pollo Loco	880	1,837	283	199	482	0
9	43	Church's Chicken	741	820	753	160	913	-27

*Includes figures estimated by QSR

Source: <https://www.qsrmagazine.com/content/qs50-2021-chicken-segment>



AERIAL - NORTHWEST



enterprise

Dabney Dr
19,102 CPD

Subject Property

POPEYES

FOOD LION
HARBOR FREIGHT
QUALITY TOOLS LOWEST PRICES

First Citizens Bank

AERIAL - SOUTHWEST

Badcock & more
HOME FURNITURE

ROSES

HARBOR FREIGHT
QUALITY TOOLS LOWEST PRICES

FOOD LION

UnionBank

First Citizens Bank

Subject Property

POPEYES

Dabney Dr
19,102 CPD



Walmart Supercenter
 GameStop
 burkes OUTLET
 SHOE DEPT.
 TSC TRACTOR SUPPLY CO
 DOLLAR TREE
 Bath & Body Works
 Pizza Hut
 Red Roof Plus+
 belk
 BAYMONT INN & SUITES
 TACO BELL
 MEZCALITO

ALDI

LOWE'S

St. Charles Place Apartments

Maria Parham Health

the Y

verizon
 Advance Auto Parts
 Chick-fil-e
 Ruby Tuesday
 WALGREENS
 Aaron's
 Smithfield's
 U.S. Cellular

40,016 CPD

BURGER KING

INTERSTATE 85

Racker Barrel
 Old Country Store

Sterling Park Apartments
 80 Units

MCDONALD'S

Denny's
 OLLIE'S OUTLET
 Starbucks
 petsense
 PAPA JOHN'S
 Wendy's
 Bojangles
 schewels home
 SUBWAY

TOYOTA

RIBEYES STEAKHOUSE

Quail Ridge Apartments

KFC

Biscuitville
 FRESH SOUTHERN

Waffle House

Subject Property
 POPEYES

FAST MED URGENT CARE
 planet fitness
 RAC Rent-A-Center
 Domino's
 FAMILY DOLLAR
 boostmobile
 SHERWIN WILLIAMS

INTERSTATE 85

ROSES
 HARBOR FREIGHT
 QUALITY TOOLS. LOWEST PRICES.
 First Citizens Bank
 FOOD LION
 UnionBank
 Badcock & more

Dabney Dr
 19,102 CPD

Vance Commons Apartments
 40 Units

LOCATION OVERVIEW

HENDERSON

Located 40 minutes northeast of Durham and an hour north of the capital city of Raleigh, Henderson, North Carolina is a city rich with history. Dairying, livestock raising, and feed are important to the economy, and tobacco is the major crop in the area. The city's diversified manufactures include textiles, home furnishings, glass containers, and mobile homes.

DURHAM

Durham is a historical haven, a sanctuary for the spectacular, and a rough-cut gem waiting to be unearthed. Durham's been a destination on the move for more than 150 years. Perhaps it's time you discovered it too.

Maybe you've heard about our celebrated food scene, top-notch universities, or buzzing startup culture. There's just something about this place. It transcends categories. Durham has something intangible, inspiring, and absolutely alluring.

Over the last 150-plus years, the bull city has cultivated a strong community of locally-grown and internationally-acclaimed artistic performers, creators, athletes, and restaurateurs, and we've got over 5,000 events where they're showcased.

Since the year 2000, there has been more than \$1.8 billion of investment in downtown Durham. That's an impressive number for an area that comprises less than one square mile. With more than \$250 million in projects currently under construction, an office occupancy rate of 95% and amenities like world-class restaurants and entertainment venues, the momentum continues to grow.

Source: <https://www.britannica.com/place/Henderson-North-Carolina>, <https://www.discoverdurham.com/>, <https://downtowndurham.com/>



37.9 MILES
NORTHEAST OF
DURHAM, NC



47.6 MILES
RALEIGH-DURHAM
INTERNATIONAL AIRPORT



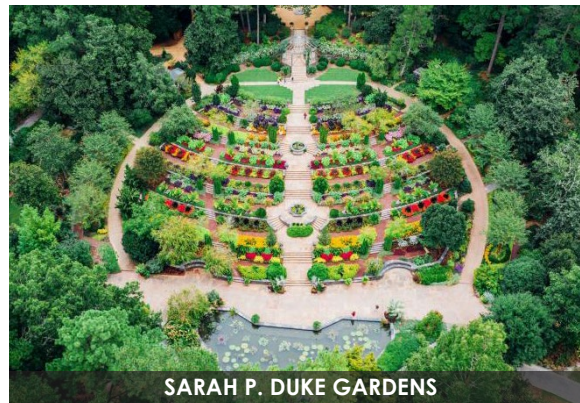
59.1 MILES
TANGER OUTLETS
MEBANE



42.4 MILES
DUKE
UNIVERSITY



DUKE UNIVERSITY



SARAH P. DUKE GARDENS



KERR LAKE STATE RECREATION AREA

RALEIGH - DURHAM - CHAPEL HILL

The Raleigh-Durham-Chapel Hill metro is located in the north-central portion of North Carolina where the North American Piedmont and Atlantic Coastal Plain regions join. The market is approximately a two-hour drive west of the Atlantic ocean and four-hour commute east of the Appalachian Mountains. The metro is composed of 11 counties: Wake, Durham, Johnston, Chatham, Orange, Franklin, Harnett, Vance, Granville, Lee, and Person. The most highly populated is Wake County with more than 1.1 million residents, almost half of the entire metro's populous. Raleigh, home to the state capitol, has approximately 467,500 citizens, which leads the region. Durham is the second-largest city with 273,000 residents, followed by Cary, where roughly 164,400 people live.



Highly Skilled Workforce

Numerous world-renowned colleges and universities are located in the metro and contribute to an educated labor pool.



Affordable Cost of Living

A metro median home price of roughly \$350,000 is lower than many other East Coast communities and the annual median household income is well above that of the U.S.



High-Tech Employment

The Research Triangle Park attracts and fosters high-tech and biotechnology firms.



QUALITY OF LIFE

Situated on rolling hills between the Atlantic coast beaches and the Appalachian Mountains, the Raleigh-Durham-Chapel Hill region provides a wide variety of outdoor activities. Sports enthusiasts follow the Atlantic Coast Conference rivalry among the University of North Carolina, Chapel Hill, North Carolina State, and Duke. Also, the NHL's Carolina Hurricanes play in Raleigh and minor league baseball is represented by the Durham Bulls and the Carolina Mudcats.

The region also provides many cultural opportunities, such as the Carolina Theater, Carolina Ballet, North Carolina Symphony, and NC Opera. Venues include the Durham Performing Arts Center, the Time Warner Cable Music Pavilion at Walnut Creek, and the Raleigh Amphitheatre and Festival Site.

LOCATION OVERVIEW



ECONOMY

A pillar of the Raleigh-Durham-Chapel Hill economy is the Research Triangle Park (RTP), spanning 7,000 acres and home to more than 300 global companies that employ roughly 50,000 salaried employees.

In addition to a thriving life-sciences sector, the metro is home to one of the fastest-growing CleanTech clusters, with a host of companies focused on smart grid technologies, electric vehicles, and renewable energy.

The metro ranks high in tech jobs, partially attributed to three Tier 1 universities: Duke University, North Carolina State University, and University of North Carolina at Chapel Hill.



DEMOGRAPHICS

The metro is projected to add nearly 228,800 people over the next five years, which will result in the formation of 93,600 households.

A median home price of \$350,000 allows 64% of households to own their homes, on par with the national level.

Roughly 42% of people age 25 and older hold a bachelor's degree; among these residents, 16% have also earned a graduate or professional degree.

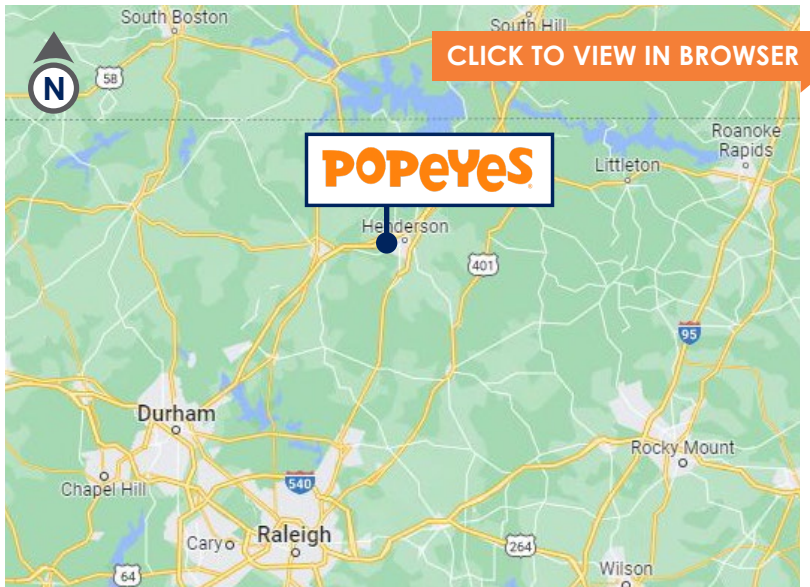
TOP EMPLOYERS

EMPLOYER	EMPLOYEES	INDUSTRY
Duke University and Health System	43,108	Higher Education
IBM Corp.	400,000 (Worldwide)	Technology Company
WakeMed Health and Hospitals	8,000	Healthcare
Cisco Systems Inc.	71,000+ (Worldwide)	Communications and Information Technology
UNC Rex Healthcare	5,500	Healthcare
SAS Institute Inc.	13,946	Software
Walmart Inc.	56,000+	Retail and Wholesale
Harris Teeter	30,000	Supermarket
Food Lion	65,250	Grocery Retail
Target Corp.	350,000 (Worldwide)	Retail

POPULATION	3-MILE	5-MILE	10-MILE
2010 Population	11,335	25,533	58,302
2021 Population	11,327	25,399	58,232
2026 Population	11,288	25,298	58,351

HOUSEHOLDS	3-MILE	5-MILE	10-MILE
2010 Households	4,664	10,010	22,325
2021 Households	4,594	9,830	22,244
2026 Households	4,621	9,855	22,468

INCOME	3-MILE	5-MILE	10-MILE
Median Household Income	\$45,982	\$41,174	\$45,409
Per Capita Income	\$27,844	\$22,510	\$24,386
Average Household Income	\$67,624	\$57,452	\$63,260



POPULATION

In 2021, the population in your selected geography is 58,232. The population has changed by 5.41% since 2000. It is estimated that the population in your area will be 58,351 five years from now, which represents a change of 0.21% from the current year. The current population is 46.47% male and 53.53% female. The median age of the population in your area is 41.7, compare this to the Entire US average which is 38.4. The population density in your area is 185.24 people per square mile.

HOUSEHOLDS

There are currently 22,244 households in your selected geography. The number of households has changed by 7.10% since 2000. It is estimated that the number of households in your area will be 22,468 five years from now, which represents a change of 1.01% from the current year. The average household size in your area is 2.55 persons.

INCOME

In 2021, the median household income for your selected geography is \$45,409, compare this to the Entire US average which is currently \$65,694. The median household income for your area has changed by 42.43% since 2000. It is estimated that the median household income in your area will be \$45,595 five years from now, which represents a change of 0.41% from the current year.

The current year per capita income in your area is \$24,386, compare this to the Entire US average, which is \$36,445. The current year average household income in your area is \$63,260, compare this to the Entire US average which is \$94,822.

EDUCATION

The highest level of 2021 educational attainment in your selected area is as follows: 4.93% percent graduate degree, 11.91% percent bachelor's degree, 7.97% percent associate degree, 21.22% percent some college, 34.84% percent high-school graduate, 12.03% percent some high school and 7.10% percent elementary.

The U.S. averages are 12.05% percent graduate degree, 19.52% percent bachelor's degree, 8.35% percent associate degree, 20.53% percent some college, 27.23% percent high-school graduate, 7.09% percent some high school and 5.24% percent elementary.

HOUSING

In 2000, there were 13,642 owner occupied housing units in your area and there were 7,128 renter occupied housing units in your area. The median rent at the time was \$316.

EMPLOYMENT

In 2021, there are 20,751 employees in your selected area, this is also known as the day-time population. The 2000 Census revealed that 48.35% of employees are employed in white-collar occupations in this geography, and 51.19% are employed in blue-collar occupations. In 2021, unemployment in this area is 7.73%. In 2000, the average time traveled to work was 25.9 minutes.