

POPEYES

EXCLUSIVE NET-LEASE OFFERING

OFFERING MEMORANDUM

A photograph of a Popeyes Louisiana Kitchen restaurant building. The building is a single-story structure with orange-brown walls and a red roof. The Popeyes logo is prominently displayed on the front facade, with "LOUISIANA KITCHEN" written in a smaller font below it. The building has large glass windows and a red awning over the entrance. A paved parking lot is in the foreground, and a line of trees is in the background under a clear blue sky.

POPEYES

2153 Frayser Blvd
Memphis, TN 38127

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POPEYES



Investment Highlights

PRICE: \$2,394,180 | CAP: 5.00% | RENT: \$119,709

POPEYES
LOUISIANA KITCHEN

About the Investment

- ✓ Long-Term, 20-Year Absolute Triple Net (NNN) Lease
- ✓ Approximately 17.5 Years Remaining
- ✓ One Percent (1%) Annual Rental Increases
- ✓ Six (6), Five (5)-Year Tenant Renewal Options, Bringing the Potential Lease Term to 50 Years

About the Location

- ✓ Dense Retail Corridor | Family Dollar, Dollar General, Kroger, AutoZone, O'Reilly Auto Parts, Pep Boys, McDonald's, Wendy's, Taco Bell, Burger King, Church's Chicken, KFC, Pizza Hut, Captain D's, Subway, Little Caesars and Many More
- ✓ Strong Academic Presence | Over 1,000 Students Enrolled Within a One-Mile Radius | Trezevant High School and Cornerstone Prep – Denver Campus
- ✓ Excellent Demographics | Population Exceeds 50,300 Individuals Within a Three-Mile Radius and 140,700 Individuals Within a Five-Mile Radius
- ✓ Strong Traffic Counts | Over 22,700 and 16,300 Vehicles Per Day Along Frayser Blvd and N Watkins St, Respectively
- ✓ Memphis International Airport | Located Approximately 13 Miles Away
- ✓ Compelling Location Fundamentals | NIKE's Largest Distribution Center Worldwide | Within Two Miles of Subject Property
- ✓ Memphis, TN | Second Most Populous City in Tennessee | Income Tax Free State

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).
- ✓ Tenant on the Lease is Frayser Quality, LLC | Operates 60+ Popeyes and Rapidly Growing
- ✓ Lease Guaranteed by New CFH, LLC | 230-Unit Entity | New CFH, LLC is a wholly owned subsidiary of Carrols Restaurant Group, Inc.
- ✓ Strong Track Record With Proven Operational Expertise





Financial Analysis

PRICE: \$2,394,180 | CAP: 5.00% | RENT: \$119,709



PROPERTY DESCRIPTION

Concept	Popeyes
Street Address	2153 Frayser Blvd
City, State ZIP	Memphis, TN 38127
Year Built / Renovated	2022
Building Size Estimated (SF)	2,310
Lot Size Estimated (Acres)	1.16
Type of Ownership	Fee Simple

THE OFFERING

Price	\$2,394,180
CAP Rate	5.00%
Net Operating Income	\$119,709

LEASE SUMMARY

Property Type	Retail
Property Subtype	Restaurant - Quick Service
Credit Type	Franchisee
Tenant	Frayser Quality, LLC
Guarantor	New CFH, LLC
Original Lease Term	20 Years
Lease Commencement	December 23rd, 2019
Lease Expiration	December 31st, 2039
Lease Term Remaining	17.5 + Years
Lease Type	Triple Net (NNN)
Landlord Responsibilities	None
Rental Increases	1% Annually
Renewal Options Remaining	6, 5-Year Option

RENT SCHEDULE

Lease Year	Annual Rent	Monthly Rent	Rent Escalation
Current – 12/31/2022	\$119,709	\$9,976	-
1/1/2023 - 12/31/2023	\$120,906	\$10,076	1.00%
1/1/2024 - 12/31/2024	\$122,115	\$10,176	1.00%
1/1/2025 - 12/31/2025	\$123,336	\$10,278	1.00%
1/1/2026 - 12/31/2026	\$124,570	\$10,381	1.00%
1/1/2027 - 12/31/2027	\$125,815	\$10,485	1.00%
1/1/2028 - 12/31/2028	\$127,074	\$10,589	1.00%
1/1/2029 - 12/31/2029	\$128,344	\$10,695	1.00%
1/1/2030 - 12/31/2030	\$129,628	\$10,802	1.00%
1/1/2031 - 12/31/2031	\$130,924	\$10,910	1.00%
1/1/2032 - 12/31/2032	\$132,233	\$11,019	1.00%
1/1/2033 - 12/31/2033	\$133,556	\$11,130	1.00%
1/1/2034 - 12/31/2034	\$134,891	\$11,241	1.00%
1/1/2035 - 12/31/2035	\$136,240	\$11,353	1.00%
1/1/2036 - 12/31/2036	\$137,602	\$11,467	1.00%
1/1/2037 - 12/31/2037	\$138,978	\$11,582	1.00%
1/1/2038 - 12/31/2038	\$140,368	\$11,697	1.00%
1/1/2039 - 12/31/2039	\$141,772	\$11,814	1.00%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Popeyes located at 2153 Frayser Blvd in Memphis, TN. The site consists of roughly 2,310 rentable square feet of building space on estimated 1.16-acre parcel of land. This Popeyes is subject to a 20-year absolute triple-net (NNN) lease, which commenced December 23rd, 2019. The current annual rent is \$119,709 and is scheduled to increase by 1.00% annually throughout the base term and in each of the 6, 5-year renewal options.



Concept Overview

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*
- *Unique, Highly-Differentiated Brand - Internationally-recognized Louisiana heritage since 1972*
- *Highly-Attractive Unit Economics - >\$1.4mm ARS and strong franchisee EBITDA margins*
- *Nearly Fully-Franchised Business Model - 98% franchised, leading to healthy margins and cash flow*
- *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

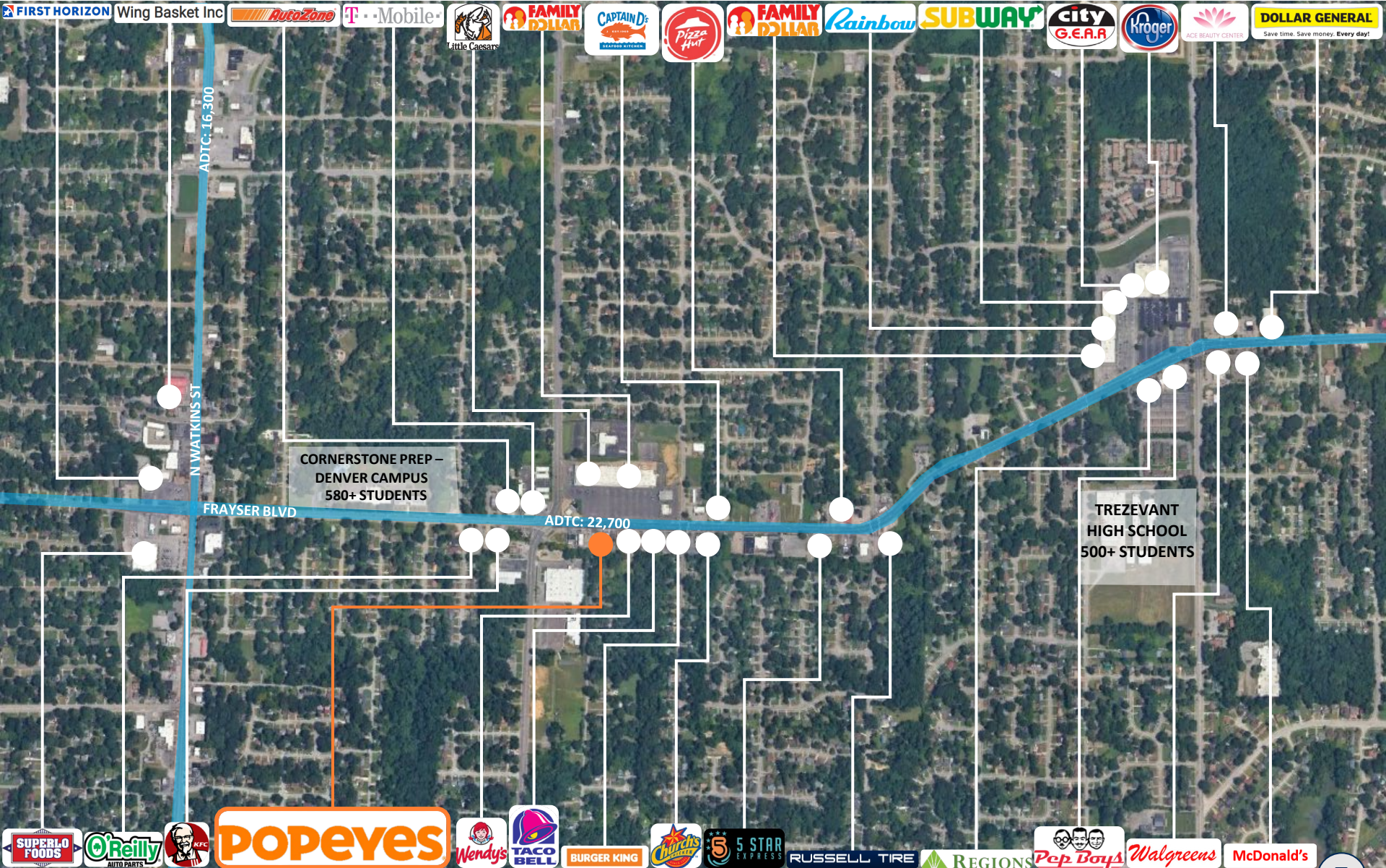
Guarantor - New CFH, LLC

New CFH, LLC ("NCFH") is a 230-Unit entity, and wholly owned subsidiary of Carrols Restaurant Group, Inc. NCFH currently operates 165 Burger King restaurants under Nashville Quality, LLC as well as 58 Popeyes locations under Frayser Quality, LLC. NCFH acquired Carolina Quality, LLC ("CQL") in 2014 as a platform to execute a growth strategy in the Burger King system. At the time of the acquisition, CQL was a Burger King franchisee operating 22 restaurants across five states. Since the acquisition NCFH has grown the business significantly and currently operates in states such as Alabama, Arkansas, Indiana, Kentucky, Louisiana, Mississippi, North Carolina, Tennessee, and Virginia.



Surrounding Area

POPEYES
* LOUISIANA KITCHEN *



Marcus & Millichap

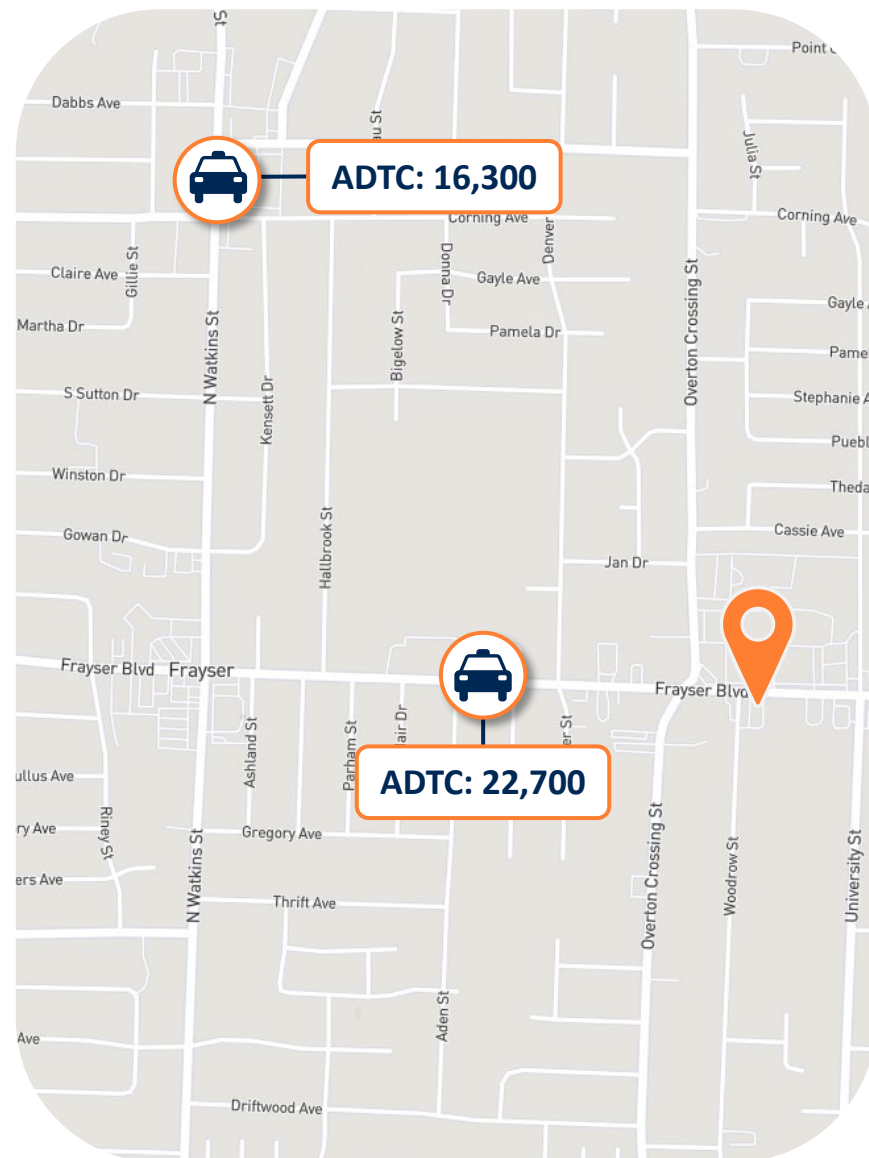


Location Overview

The subject investment property is situated on Frayser Boulevard, which experiences average daily traffic counts exceeding 22,700 vehicles. Intersecting Frayser Boulevard is North Watkins Street, which brings an additional 16,300 vehicles into the immediate area on average daily. There are more than 50,300 individuals residing within a three-mile radius of the property and more than 140,700 individuals within a five-mile radius.

This Popeyes benefits from being well-positioned in a dense retail corridor consisting of national and local tenants, academic institutions and shopping centers all of which help drive traffic to the site. Major national tenants in the immediate area include Family Dollar, Dollar General, Kroger, AutoZone, O'Reilly Auto Parts, Pep Boys, McDonald's, Wendy's, Taco Bell, Burger King, Church's Chicken, KFC, Pizza Hut, Captain D's, Subway, Little Caesars, as well as many more. The subject property benefits from its proximity to several academic institutions. Most notable being Trezevant High School and Cornerstone Prep – Denver Campus, which are both located within a one-mile radius of the property and have a combined enrollment of over 1,000 students. Additionally, NIKE's North America Logistics Campus, a twenty-four-hour operational distribution center that generates over 600 jobs is situated within two miles of the subject property. This is NIKE's largest distribution center worldwide. The property is also 13 miles from the Memphis International Airport.

Memphis is the birthplace of Rock n' Roll and the home of the Blues. It's also home to the National Civil Rights Museum, Beale Street, the Memphis Rock and Soul Museum, the National Ornamental Metal Museum and Graceland, the second most visited residence in the United States. Memphis still has a vibrant music scene to this day, with live music each night on Beale Street and in most areas of the city. But music is not Memphis' only export; these days, most goods come through Memphis and its transportation and logistics infrastructure. Not only is the airport the second largest cargo airport in the world – a fact attributable to FedEx's "Super Hub" – but Memphis sits at a crossroads of what is called the four R's: Railroads, Runways, Roads, and the Mississippi River. The city is also home to several Fortune 500 companies, including AutoZone, International Paper, and FedEx, as well as St. Jude Children's Research Hospital and the Memphis Grizzlies. Every year, Beale Street and Downtown's Tome Lee Park are transformed into a sea of music, pork, and people during the Memphis in May International Festival. This month-long celebration draws tens of thousands of visitors every spring and features the world-famous Beale Street Music Festival, World Championship Barbecue Cooking Contest, and several other international events honoring a different foreign country every year.





Property Photos



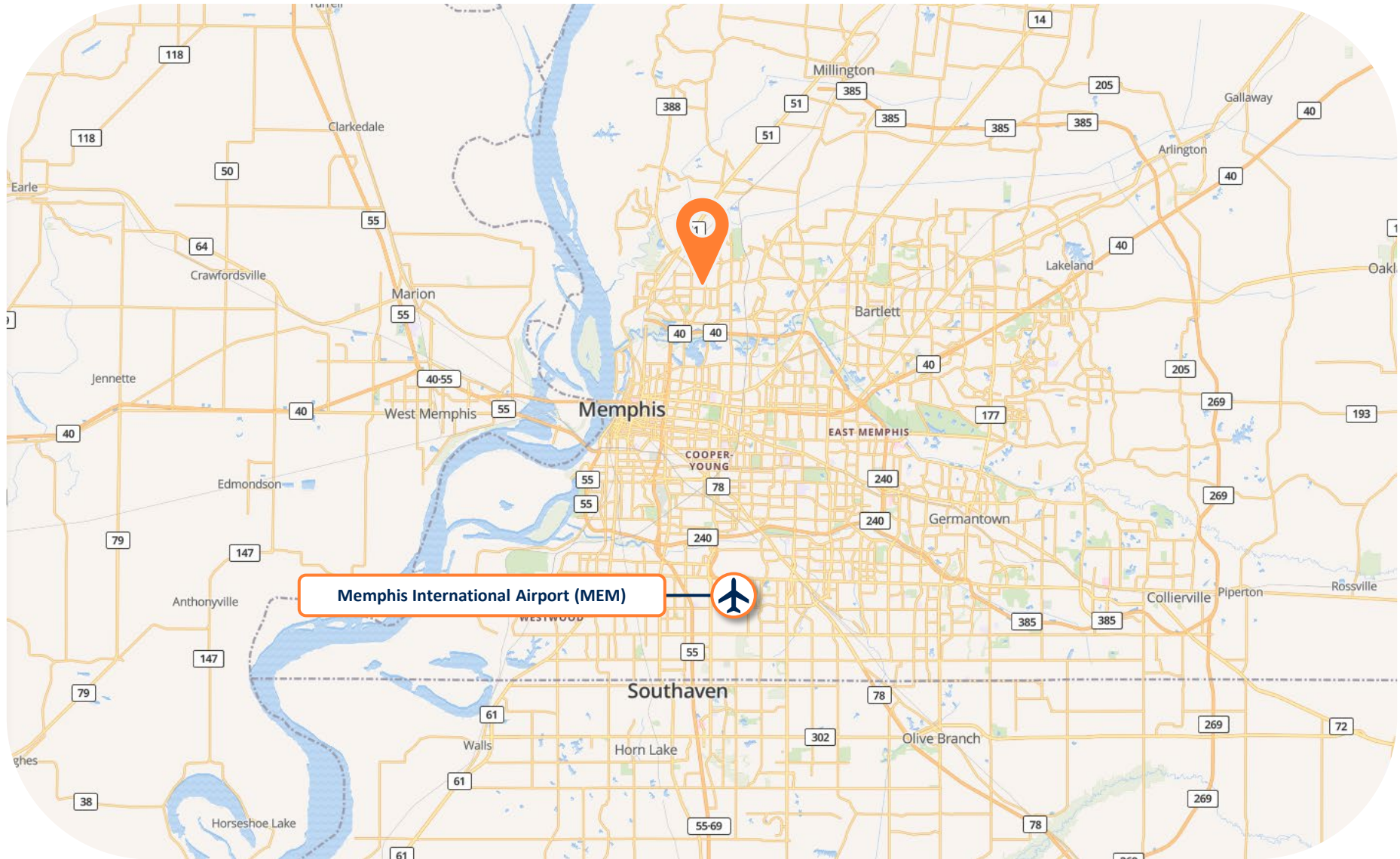


Surrounding Area Photos



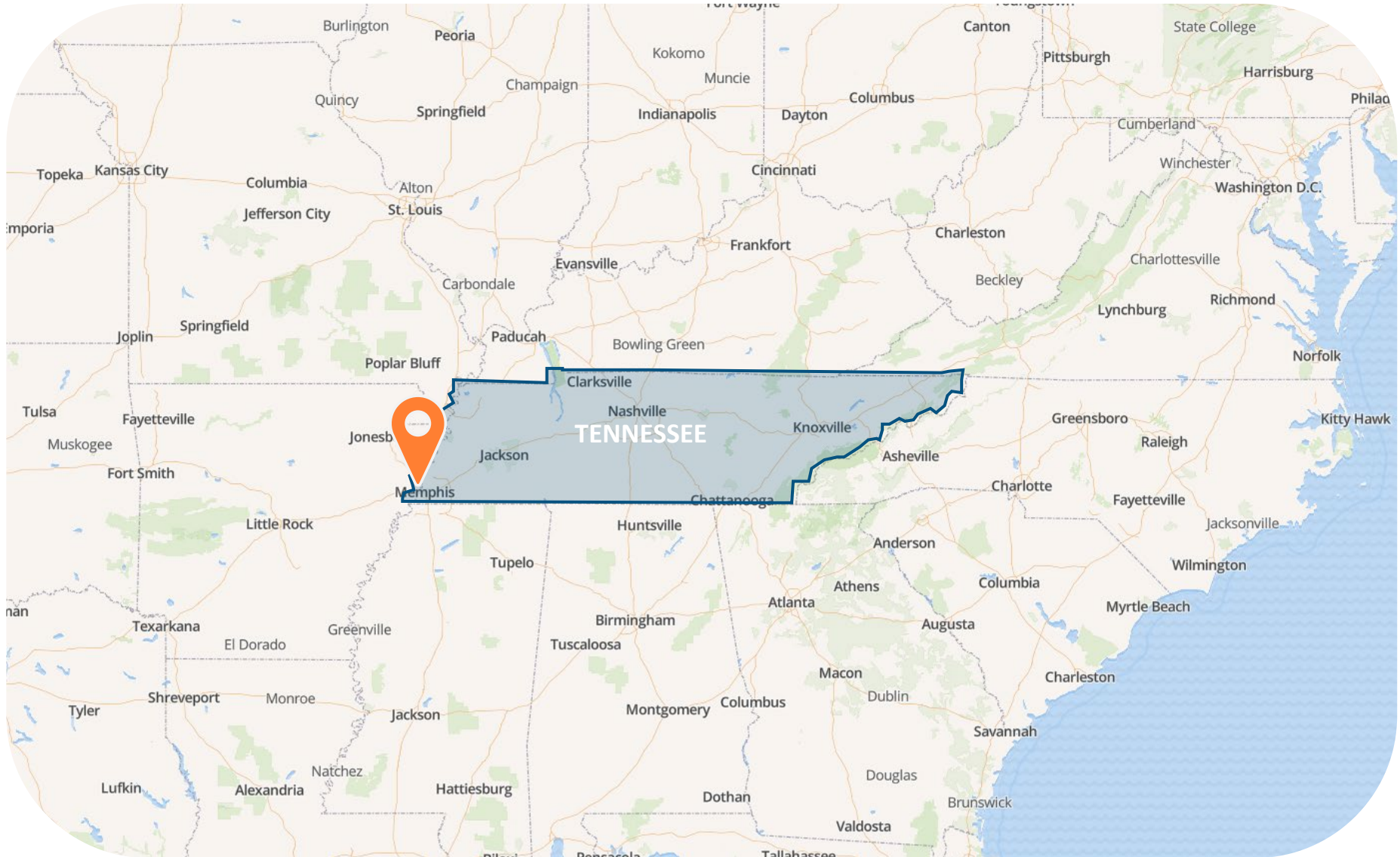


Local Map



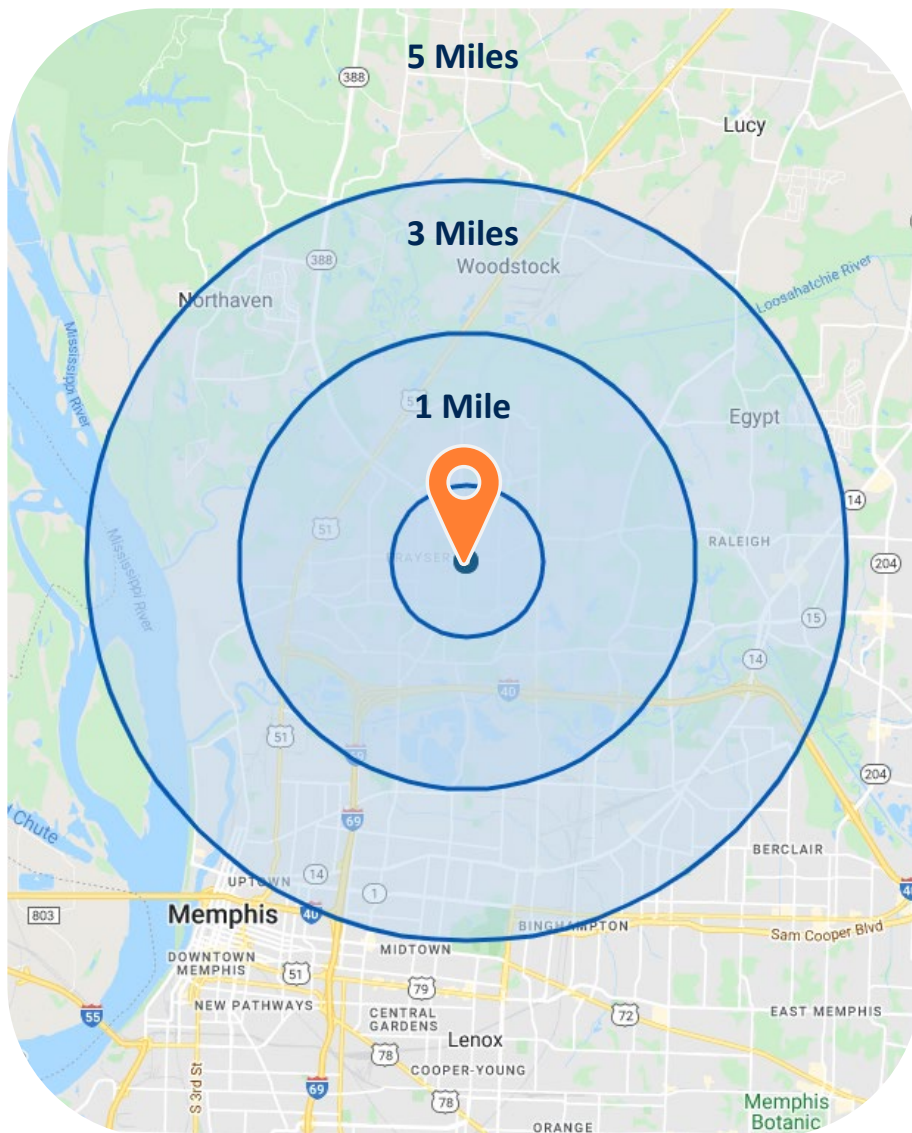


Regional Map





Demographics



	1 Mile	3 Miles	5 Miles
POPULATION TRENDS			
2010 Population	11,268	50,495	139,023
2022 Population	11,392	50,323	140,717
2027 Population Projection	11,395	50,198	140,779
Annual Growth 2010-2022	0.10%	0.00%	0.10%
HOUSEHOLD TRENDS			
2010 Households	3,738	17,396	50,562
2022 Households	3,778	17,310	51,142
2026 Household Projection	3,779	17,258	51,145
AVERAGE HOUSEHOLD INCOME (2022)	\$48,023	\$43,890	\$49,593
MEDIAN HOUSEHOLD INCOME (2022)	\$34,869	\$31,217	\$34,228
HOUSEHOLDS BY HOUSEHOLD INCOME (2022)			
<\$25,000	1,449	7,274	19,533
\$25,000 - \$50,000	952	4,526	13,748
\$50,000 - \$75,000	672	2,852	8,066
\$75,000 - \$100,000	371	1,237	4,350
\$100,000 - \$125,000	184	800	2,248
\$125,000 - \$150,000	38	241	1,225
\$150,000 - \$200,000	47	154	869
\$200,000+	65	226	1,103



Market Overview



Memphis is a city on the Mississippi River in southwest Tennessee, famous for the influential strains of blues, soul and rock 'n' roll that originated there. Elvis, Presley, B.B. King and Johnny Cash recorded albums at the legendary Sun Studio, and Presley's Graceland mansion is a popular attraction. Other music landmarks include the Rock 'n' Soul Museum, Blues Hall of Fame and Stax Museum of American Soul Music.

Memphis is the second-most populous city in Tennessee, after Nashville. It is the fifth-most populous city in the Southeast, the nation's 28th-largest overall, and the largest city bordering the Mississippi River. The Memphis metropolitan area includes West Tennessee and the greater Mid-South region, which includes portions of neighboring Arkansas, Mississippi, and the Missouri Bootheel.

The city's central geographic location has aided its business development. On the Mississippi River and intersected by five major freight railroads and two Interstate Highways, I-40 and I-55, Memphis is well positioned for commerce in the transportation and shipping industry. Its access by water was key to its initial development, with steamboats plying the Mississippi river. Memphis is home of three Fortune 500 companies: FedEx, International Paper, and AutoZone. Other major corporations based in Memphis include Allenberg Cotton, American Residential Services, Baker, Donelson, Bearman, Caldwell & Berkowitz, Cargill Cotton, City Gear, First Horizon National Corporation, Fred's, GTx, Lenny's Sub Shop, Med-America Apartments, Perkins Restaurant and Bakery, ServiceMaster, Varsity Brands, and Verso Paper. Corporations with major operations based in Memphis include Gibson guitars, and Smith & Nephew.

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