

POPEYES

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM

POPEYES

1000 Highway 51 North
Dyersburg, TN 38024

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POPEYES



Investment Highlights

PRICE: \$2,102,540 | CAP: 5.00% | RENT: \$105,127

POPEYES

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 | Walmart, Lowe's, Big Lots, Kroger, Harbor Freight Tools, Hobby Lobby, Marshalls, Old Navy, Five Below, Dollar General, AutoZone, Advance Auto Parts, Cracker Barrel, Wendy's, Subway, Burger King, Applebee's, Taco Bell, Arby's, Domino's, McDonalds, Chick-fil-A and Many More
- ✓ Highly Accommodating Area | Hotels Include Holiday Inn, Sleep Inn & Suites, Econo Lodge, Quality Inn, Motel 6, Economy Inn, Hampton Inn & Suites, Days Inn and More
- ✓ Strong Traffic Counts | Over 26,800 and 26,600 Vehicles Per Day Along US Highway 51 and Lake Rd, Respectively
- ✓ Strong Academic Presence | Dyersburg State Community College and Dyersburg High School | Combined Enrollment of Over 1,900 Students | Located Within Two-Mile Radius of Property
- ✓ 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: \$2,102,540 | CAP: 5.00% | RENT: \$105,127

POPEYES

PROPERTY DESCRIPTION

Concept	Popeyes
Street Address	1000 Highway 51 North
City, State ZIP	Dyersburg, TN 38024
Year Built / Renovated	2007
Building Size Estimated (SF)	2,253
Lot Size Estimated (Acres)	0.99
Type of Ownership	Fee Simple

THE OFFERING

Price	\$2,102,540
CAP Rate	5.00%
Net Operating Income	\$105,127

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	January 30, 2020
Lease Expiration	January 31, 2040
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 - 1/31/2022	\$105,127	\$8,761	-
2/1/2022 - 1/31/2023	\$106,178	\$8,848	1.00%
2/1/2023 - 1/31/2024	\$107,240	\$8,937	1.00%
2/1/2024 - 1/31/2025	\$108,312	\$9,026	1.00%
2/1/2025 - 1/31/2026	\$109,396	\$9,116	1.00%
2/1/2026 - 1/31/2027	\$110,490	\$9,207	1.00%
2/1/2027 - 1/31/2028	\$111,594	\$9,300	1.00%
2/1/2028 - 1/31/2029	\$112,710	\$9,393	1.00%
2/1/2029 - 1/31/2030	\$113,837	\$9,486	1.00%
2/1/2030 - 1/31/2031	\$114,976	\$9,581	1.00%
2/1/2031 - 1/31/2032	\$116,126	\$9,677	1.00%
2/1/2032 - 1/31/2033	\$117,287	\$9,774	1.00%
2/1/2033 - 1/31/2034	\$118,460	\$9,872	1.00%
2/1/2034 - 1/31/2035	\$119,644	\$9,970	1.00%
2/1/2035 - 1/31/2036	\$120,841	\$10,070	1.00%
2/1/2036 - 1/31/2037	\$122,049	\$10,171	1.00%
2/1/2037 - 1/31/2038	\$123,270	\$10,272	1.00%
2/1/2038 - 1/31/2039	\$124,502	\$10,375	1.00%
2/1/2039 - 1/31/2040	\$125,747	\$10,479	1.00%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Popeyes located at 1000 Highway 51 North in Dyersburg, TN. The site consists of roughly 2,253 rentable square feet of building space on estimated 0.99-acre parcel of land. This Popeyes is subject to a 20-year absolute triple-net (NNN) lease, which commenced January 30th, 2020. The current annual rent is \$105,127 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

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*
- *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*



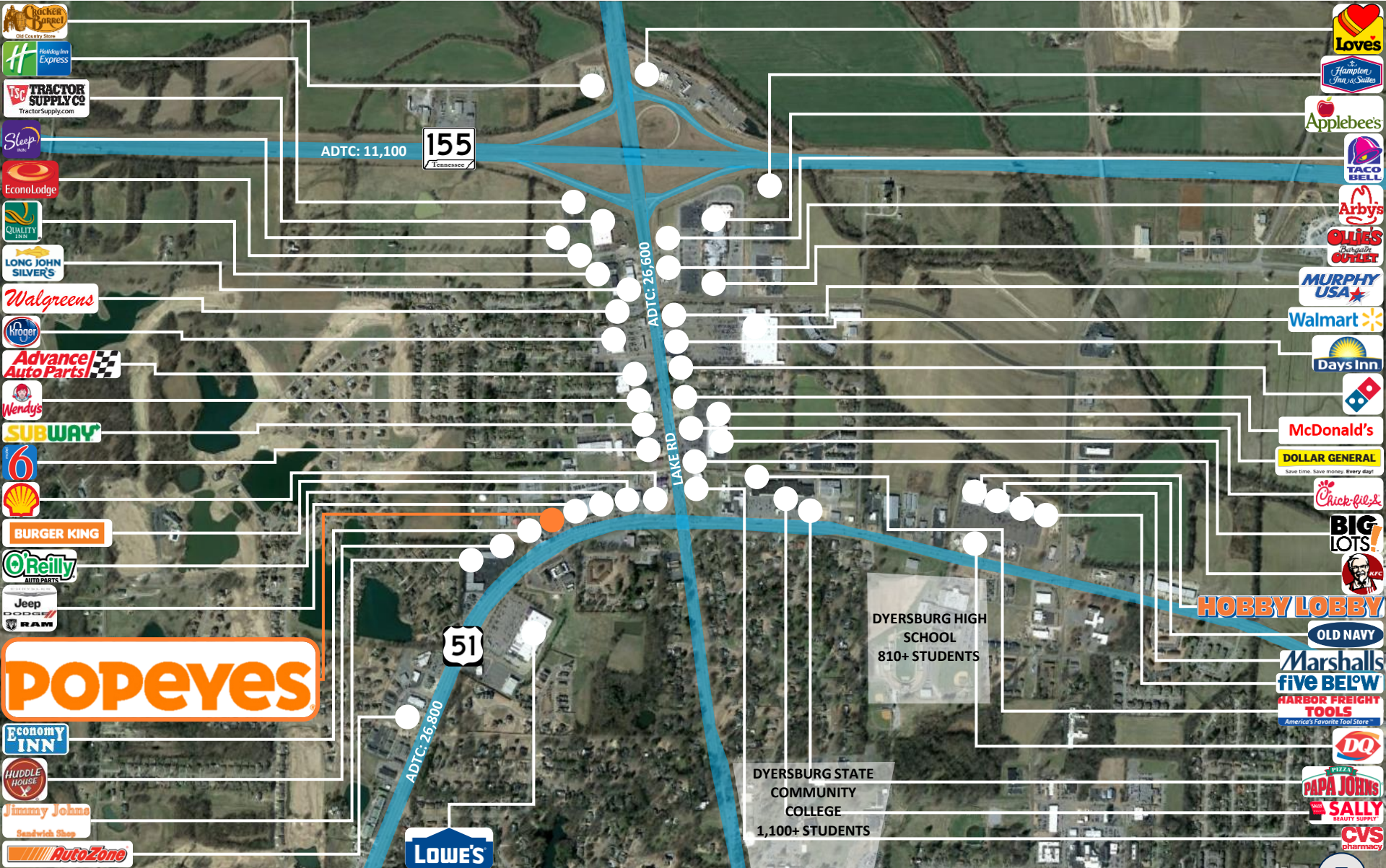
Guarantor - New CFH, LLC

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





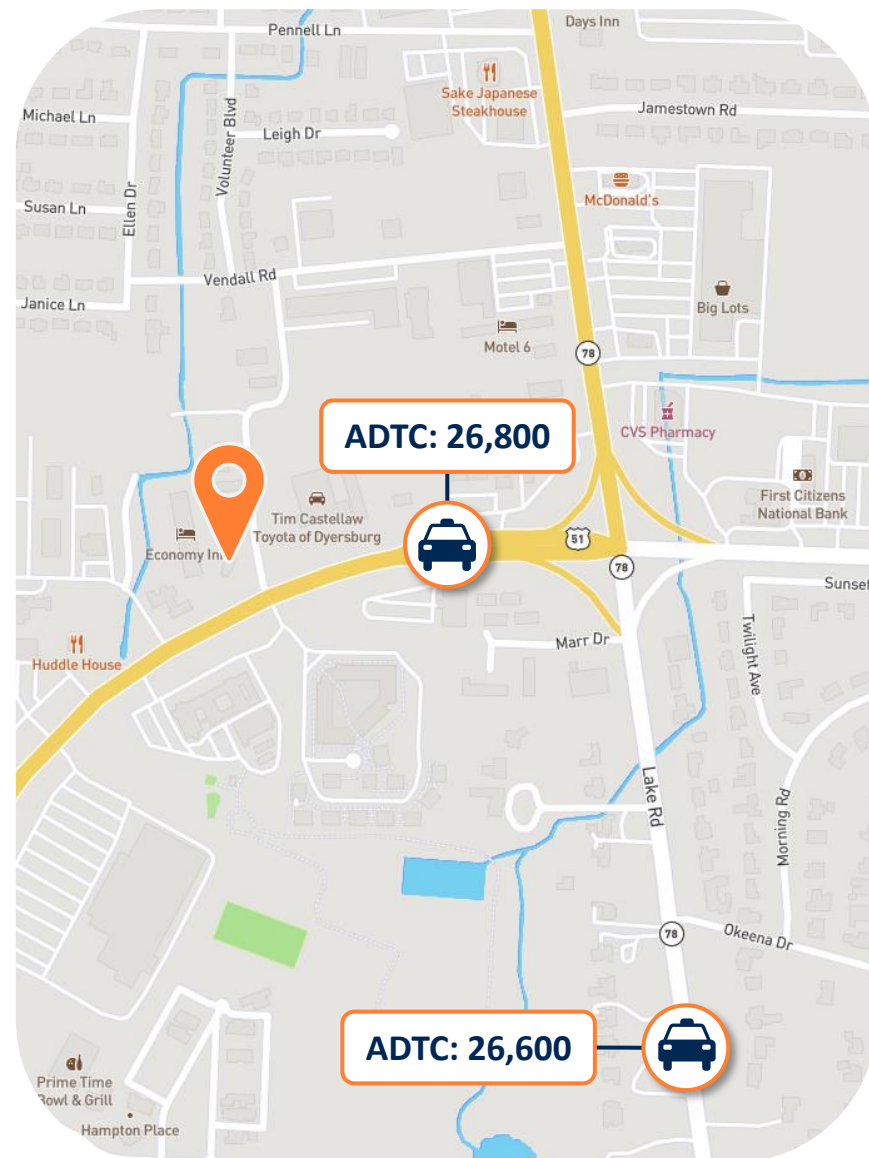
Location Overview

POPEYES

This Popeyes investment property is situated on US Highway 51 North, which experiences average daily traffic counts of approximately 26,800 vehicles. Lake Road and Route 155 intersect with US Highway 51 North, which bring an additional 26,600 and 11,100 vehicles into the immediate area on average daily, respectively. There are more than 22,400 individuals residing within a five-mile radius of the subject property and more than 33,700 individuals within a ten-mile radius.

This property benefits from being well-positioned in a dense retail corridor consisting of national and local tenants, hospitality accommodations, and academic institutions, all of which help drive traffic to the site. Major national tenants within the immediate area include Walmart, Lowe's, Big Lots, Kroger, Harbor Freight Tools, Hobby Lobby, Marshalls, Old Navy, Five Below, Dollar General, AutoZone, Advance Auto Parts, Cracker Barrel, Wendy's, Subway, Burger King, Applebee's, Taco Bell, Arby's, Domino's, McDonalds, Chick-fil-A, as well as many others. The property is also located in a highly accommodating area. Accommodations within the immediate area include Holiday Inn, Sleep Inn & Suites, Econo Lodge, Quality Inn, Motel 6, Economy Inn, Hampton Inn & Suites, Days Inn, and more. The subject property benefits from its proximity to several academic institutions. Most notable being Dyersburg State Community College and Dyersburg High School, which have a combined enrollment of over 1,900 students and are both located within a two-mile radius of the subject property.

Dyersburg, a city in Dyer County, is located approximately 45 miles northwest from Jackson and 79 miles from the bustling city of Memphis. Dyersburg is surrounded by Finley, Fowlkes, Roellen, Lenox, and Newbern. The area is known for being a regional retail, medical, employment and cultural center for more than 300,000 people who live in Tennessee, Arkansas and Missouri. The city also has a strong education system where students' growth through grades three and eight is higher than neighboring school districts. Dyersburg's school district ranks in the 100th percentile of growth in the nation after the five years between grades five and eight. Dyersburg is home to the McIver's Grant Public Library, which has over 35,000 volumes of books. Additionally, Dyersburg also contains several parks such as: Okenna Park, Kiwanis Park, Evansville Park, South Dyersburg Park, Forked Deer River Park, and more.





Property Photos

POPEYES

Subject Property





Surrounding Area Photos

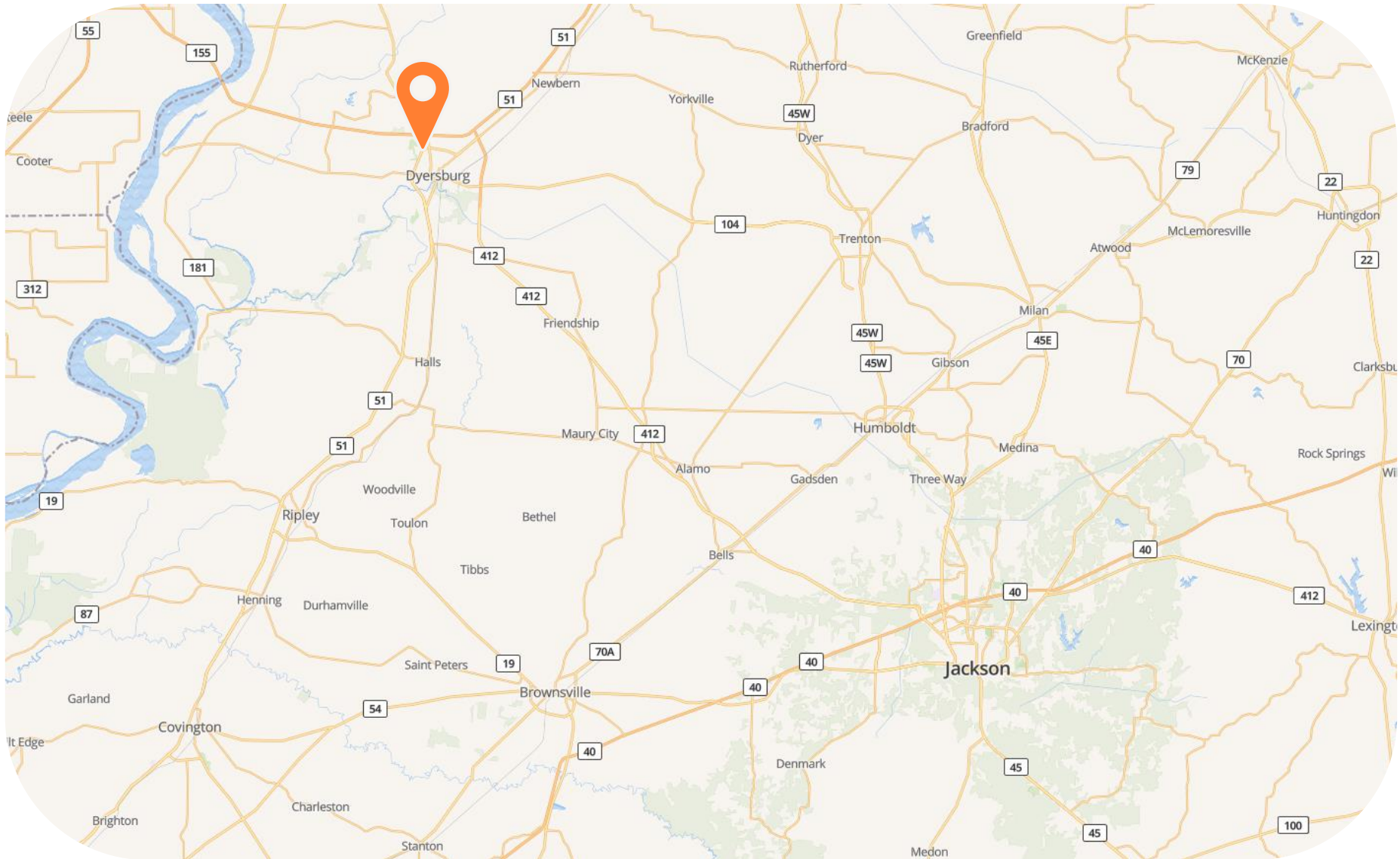
POPEYES





Local Map

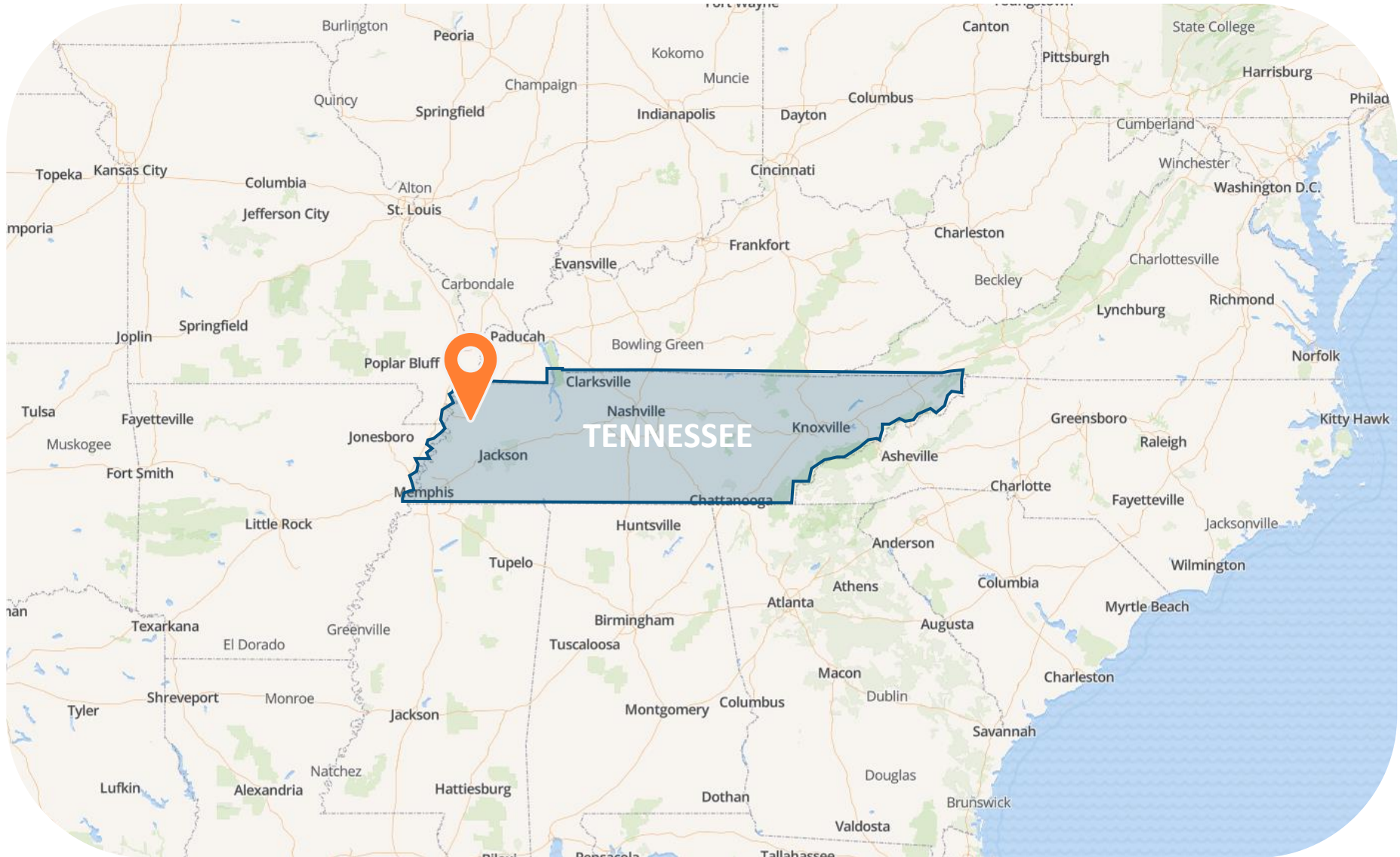
POPEYES





Regional Map

POPEYES





Demographics

POPEYES



	3 Miles	5 Miles	10 Miles
POPULATION TRENDS			
2010 Population	18,168	23,612	35,335
2022 Population	12,213	22,406	33,767
2027 Population Projection	16,914	22,023	33,237
HOUSEHOLD TRENDS			
2010 Households	7,340	9,465	14,006
2022 Households	6,947	8,973	13,366
2026 Household Projection	6,823	8,816	13,150
Growth 2010 - 2022	0.10%	0.10%	0.20%
AVERAGE HOUSEHOLD INCOME (2022)	\$63,279	\$64,680	\$64,273
MEDIAN HOUSEHOLD INCOME (2022)	\$42,192	\$44,123	\$47,113
HOUSEHOLDS BY HOUSEHOLD INCOME (2022)			
<\$25,000	2,017	2,464	3,482
\$25,000 - \$50,000	1,889	2,447	3,477
\$50,000 - \$75,000	1,153	1,529	2,593
\$75,000 - \$100,000	520	725	1,266
\$100,000 - \$125,000	606	835	1,263
\$125,000 - \$150,000	183	259	344
\$150,000 - \$200,000	321	368	485
\$200,000+	256	345	455



Market Overview

POPEYES

Jackson, TN



Jackson is a city located 70 miles east of Memphis. Jackson is included in the Jackson-Humboldt Tennessee Combined Statistical Area. The city of Jackson has a rich history of railroads dating back all the way to the Civil War era. Jackson developed rapidly during this time frame as a railroad junction and maintenance shop for several early railroads. This railroad history played a major role in the city's economy for many years until the railroad industry restructured, causing the economy to adjust to new businesses. The Jackson area has attracted such major manufacturing companies such as Proctor & Gamble and Stanley/Black and Becker, in order to diversify its economy away from railroad infrastructure. Jackson has attracted Japanese manufacturers including TBDN and ARJ [Toyota Boshoku] and Pacific Industries, and Bodine Aluminum – a 100% Toyota owned high volume die casting plant. Jackson has invested in a large fiber optic network, and in 2015 was named “Gig City” for the upgrades to its fiber optic network that offers internet speeds up to one gigabyte per second to households. The city is also home to recreation, sports, and entertainment opportunities. The city is the site of the International Rock-A-Billy Hall of Fame Museum, as well as the West Tennessee Healthcare Sportsplex. The West Tennessee Healthcare Sportsplex is a travel baseball and softball complex completed in 2007, which hosts numerous tournaments throughout the year and has contributed to the growth explosion in the northeast corridor of the city. The city of Jackson also offers several educational opportunities with Jackson State Community College, Lane College, Union University, and more. Additionally, Jackson has numerous parks and recreational parks that many people many enjoy.

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