

SINGLE-TENANT CHECKERS DRIVE-THRU

ABSOLUTE 100% NNN WITH OVER 15 YEARS REMAINING

1720 Walton Way, Augusta, GA 30904



ACTUAL PROPERTY SHOWN



NEWS: CHECKERS ACQUIRED BY OAK HILL CAPITAL PARTNERS FOR \$525M



PEGASUS
INVESTMENTS



The information contained in the following Offering Memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Pegasus Investments and should not be made available to any other person or entity without the written consent of Pegasus Investments. This Offering Memorandum 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. Pegasus Investments 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 of the business prospects of any tenants, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Offering Memorandum has been obtained from sources we believe to be reliable; however, Pegasus Investments has not verified, and will not verify, any of the information contained herein, nor has Pegasus Investments conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. Some or all of the photographs contained within may have been altered from their original format. All potential buyers must take appropriate measures to verify all of the information set forth herein.

– Lead Advisors –

David B. Chasin

Managing Director

P (310) 691-1350 x101

david@pegasusinvestments.com

Daylin Ackerman

Associate

P (310) 691-1350 x114

dackerman@pegasusinvestments.com

Tony Veiller

Senior Analyst

P (310) 691-1350 x113

tveiller@pegasusinvestments.com

AERIAL VIEW EAST



ADJACENT TO THE AUGUSTA MEDICAL DISTRICT



Downtown Augusta

South Carolina
Georgia



Bank of America



John C. Calhoun Expressway



15th Street



Walton Way



Druid Park Ave



Checkers Drive-In Highlights

Investment Highlights

- **Relocation Store.** Checkers successfully operated mid-block across the street for over a decade before seizing the opportunity to upgrade to the subject site at the signalized intersection.
- **100% Absolute Triple Net.** Rare, true absolute net lease. Tenant is solely responsible for all aspects of maintaining the property, including roof & structure.
- **Rare CPI Based Increases.** Beginning in the 11th lease year (2022), the rent increases annually by CPI, with a maximum of 3%.
- **Brand New Construction.** The property was scraped and built brand new in 2011 specifically for Checker's.
- **Coveted Fast Food Drive-Thru.** Single tenant fast food buildings with drive-thru capability are the most highly sought after properties in the tripe net leased market.

Location Highlights

- **Adjacent to Augusta University.** Augusta University, located less than 1-mile from the subject property, is a research university and medical center with 135 academic programs, 9 colleges and schools and 8,300 students.
- **Situated on Walton Way.** Walton Way is one of the most highly trafficked commercial thoroughfares in Augusta and experiences traffic counts of nearly 30,000 cars per day.
- **Signalized Intersection.** Located at one of the few signalized intersections along Walton Way between Augusta University and the Augusta Medical District.
- **Coveted Augusta Market.** Surrounded by several universities, colleges, Augusta National Golf Course – home of the Master's Tournament, and the 1800-acre Augusta Corporate Park – one of the "Top Ten SuperSites in the South."

Tenant Highlights

- **Industry Leader.** With more than 800 locations nationwide, Checkers Drive-In Restaurants is the largest double drive-thru restaurant chain in the country.
- **Expanding Operators.** Star Chain, Inc. recently acquired a portfolio of 6 Checkers franchise locations to add their operation of Which Wich, Dunkin' Donuts, and Yogli Mogli units.
- **Recently Acquired for over half of a billion dollars.** Oak Hill Capital Partners recently acquired Checkers Drive-In Restaurants, Inc. for ~\$525M.





**RELOCATION STORE FROM ACROSS THE STREET, MID-BLOCK
SURROUNDED BY COLLEGES, UNIVERSITIES & HOSPITALS**



Druid Park

Walton Way 27,534 VPD



Pricing Summary

Price [CAP Rate]

\$1,807,000 [6.50%]

Annual NOI (2017)

\$117,466 + NNN / year

Term Remaining

15 years (Exp. 5/2032)

Increases

Annual CPI capped at 3%*

*starting in the 11th lease year

Options

(3) 5-year options

Lease Type

100% Absolute NNN

(zero landlord obligations)

Building / Lot Size

+/- 818 SF / 0.34 acres

Property Address

1720 Walton Way
Augusta, GA 30904

[\[Google Map Link\]](#)

Year Built

2011



LEASE SUMMARY



| | |
|---------------------------|---|
| TENANT: | Star Chain, Inc. |
| GUARANTOR: | Personally Guaranteed |
| LEASE TYPE: | 100% Absolute Triple Net |
| COMMENCEMENT DATE: | May 21, 2012 |
| EXPIRATION DATE: | May 30, 2032 |
| RENTABLE SF: | +/- 818 SF |
| BASE RENT: | \$117,466 + NNN / year |
| OPTIONS: | (3) 5-year options |
| INCREASES: | 6% in year 6, annual CPI increases years 11-20 not to exceed 3% |
| LANDLORD REPAIRS: | None |

NEWS: OAK HILL CAPITAL PARTNERS ACQUIRES CHECKERS FOR \$525M



Oak Hill Capital Partners to Acquire Checkers & Rally's Restaurants for \$525 Million; Iconic Quick Service Restaurant Chain Positioned for Continued Growth



NEW YORK, March 23, 2017 /PRNewswire/ -- Oak Hill Capital Partners ("Oak Hill") announced today that it has entered into a definitive agreement to acquire Checkers Drive-In Restaurants, Inc. ("Checkers" or "the Company") from Sentinel Capital Partners ("Sentinel"). Operating under the Checkers and Rally's banners, the Company is one of the nation's leading operators and franchisors of drive-thru hamburger quick-service restaurants ("QSR"). Consistent with Oak Hill's philosophy of alignment of interests, Oak Hill is investing in partnership with Checkers management. The aggregate value of the transaction is approximately \$525 million.

Kevin Mailender, Partner at Oak Hill, said, "Checkers is a unique concept that is outpacing the growing QSR industry. The Company has been able to win share in this large, stable industry through its differentiated value proposition and attractive franchised business model. With a proven brand, a loyal customer following, and strong unit-level economics, we are confident that the business will capitalize on its large whitespace opportunity for new units. We are excited to partner with CEO Rick Silva and his talented management team to support the Company through its next phase of accelerated growth."

Tyler Wolfram, Managing Partner at Oak Hill, added, "We believe Checkers is well-positioned to continue its long history of consistent growth. We have tremendous respect for Checkers' heritage, its iconic brand, and its fine leadership team. This transaction is consistent with Oak Hill's longstanding theme-based investment philosophy and systematized approach to value creation, and it builds upon our thirty year history of investing behind leading businesses and management teams."

To read the full press release: [CLICK HERE](#)

Sentinel sells restaurant chain Checkers & Rally's for \$525 mln

NEW YORK, April 25, 2017 – Sentinel Capital Partners, a private equity firm that invests in promising, lower middle market companies, today announced the closing of its sale of Checkers and Rally's Restaurants, Inc. in an all-cash transaction valued at \$525 million.

Rick Silva, President and CEO of Checkers, commented, "We are delivering record growth at Checkers and Rally's, and our franchisees, operators, and employees are more excited than ever about our future."

To read the full press release: [CLICK HERE](#)

SURROUNDING RETAIL



SURROUNDING RETAIL



Checkers Drive In Restaurants Inc. is one of the largest chains of double drive-thru restaurants in the United States operating under the Checkers Drive In and Rally's chain. Checkers Drive-In was founded in 1986 in Mobile, AL by Jim Mattei while the first Rally's was founded in 1985 in Louisville, KY. Checkers and Rally's merged in August of 1999 and currently houses its headquarters in Tampa, FL. The company operates over 840 Checkers and Rally's restaurants in 29 states and the District of Columbia. They specialize in hamburgers, hot dogs, French fries and milkshakes and thrive as a "late night" spot. **In April of 2017 Oak Hill Capital Partners announced that it had acquired Checkers from Sentinel Capital Partners for approximately \$525 million.**

Star Chain, Inc. is an experienced and expanding **franchisee of Checkers**, Which Wich, Dunkin' Donuts, and Yogli Mogli. They currently operate approximately **15 locations** across the franchises and focus their business primarily located in the Southeast.



Corporate Structure: Private

Store Count: 840+

Footprint: National

www.checkerscompany.com



MENU

EXIT

LOCATIONS



FRANCHISING



CAREERS

Free Fry? Get the Deal

Email Address

SUBMIT



CHILDREN'S HOSPITAL, AUGUSTA UNIVERSITY, UNIVERSITY HOSPITAL, GEORGIA REGENTS UNIVERSITY, MEDICAL COLLEGE OF GEORGIA



AUGUSTA UNIVERSITY
COLLEGE OF EDUCATION

Health Care
Specialties

Find a
Doctor

Patient & Family
Information

Hospitals
& Clinics

How We
Compare

Healthy
Living



#1 in the nation for
quality and safety
in pediatric care.

by UHC Quality and Safety Management Report

Based in Augusta, Georgia, Augusta University Health is a world-class health care network, offering the most comprehensive primary, specialty and subspecialty care in the region. Augusta University Health provides skilled, compassionate care to its patients, conducts leading-edge clinical research and fosters the medical education and training of tomorrow's health care practitioners. Augusta University Health is a not-for-profit corporation that manages the clinical operations associated with Augusta University. www.AugustaHealth.org

The health system in numbers

- 478-bed Augusta University Medical Center at Augusta University
- 154-bed Children's Hospital of Georgia including the region's only Level IV NICU
- More than 80 outpatient practice sites in one convenient setting (Medical Office Building)
- Critical Care Center, housing a 13-county regional Level I trauma center



Virtually Informed
Patient





Augusta National
Golf Club



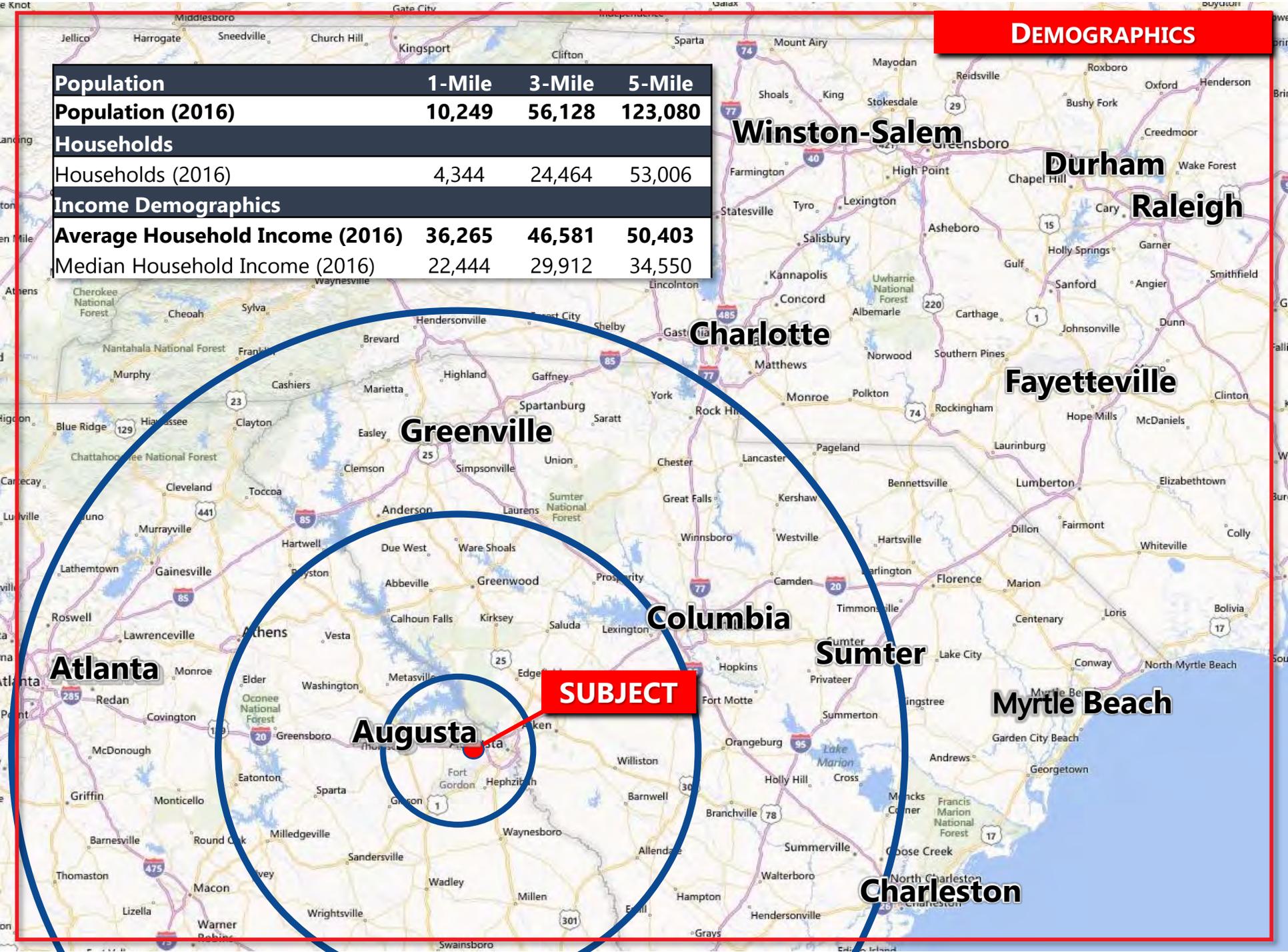
Home to Augusta National Golf Course, the annual site of the Masters Golf Tournament, Augusta is the second oldest and largest city in the state of Georgia. Augusta has long been an attractive location for companies thanks in large part to its low cost of living and ready labor force. Augusta was named by BizJournals.com as "The Most Affordable Place in the United States to Own a Home" and one of the "Top Ten Places in the South With Plenty of Talented Labor" by *Southern Business & Development Magazine*. Additionally, the 1800-acre Augusta Corporate Park was named by *SB&D Mag* as one of the "Top Ten SuperSites in the South." [Augusta Economic Development](#)

Major corporations with facilities in Augusta:

- Unisys
- Covidien
- Olin
- AT&T
- Electrolux
- Automatic Data Processing
- Merrill Lynch
- Elanco
- Coca-Cola
- Bank of America
- Sprint
- Delta Airlines
- Southern Company
- Wells Fargo
- ConAgra
- Starbucks, Soluble Plant
- Georgia Bank & Trust
- T-Mobile
- Textron
- FedEx
- Kellogg

DEMOGRAPHICS

| Population | 1-Mile | 3-Mile | 5-Mile |
|---------------------------------|--------|--------|---------|
| Population (2016) | 10,249 | 56,128 | 123,080 |
| Households | | | |
| Households (2016) | 4,344 | 24,464 | 53,006 |
| Income Demographics | | | |
| Average Household Income (2016) | 36,265 | 46,581 | 50,403 |
| Median Household Income (2016) | 22,444 | 29,912 | 34,550 |



About Pegasus Investments

Pegasus Investments is a boutique commercial real estate investment and advisory firm based in Los Angeles, CA. Specializing in retail shopping centers, single tenant net leased and multifamily properties throughout the United States, Pegasus has consistently delivered on its 27 year reputation of providing high quality, white glove service throughout all stages of the investment sales process. Pegasus provides its clients, which include high net worth private investors, family trusts, private & public REIT's, local and regional developers and syndicators with advisory services encompassing underwriting, market research, investment sales and asset management. Pegasus continues to set the bar for high quality, boutique investment sales brokerage and advisory by relying on its industry-leading talent which include experienced institutional and private sector investors.

David Chasin

Managing Director

P (310) 691-1350 x101

david@pegasusinvestments.com

Aaron Aszkenazy

Associate Vice President

P (310) 691-1350 x103

aaron@pegasusinvestments.com

Ken Chasin

Founder

P (310) 691-1350 x100

ken@pegasusinvestments.com

Brian Wolfman

Senior Associate

P (310) 691-1350 x107

bwolfman@pegasusinvestments.com

Trevor Nelson

Managing Director

P (310) 691-1350 x104

tnelson@pegasusinvestments.com

Michael Spector

Associate

P (310) 691-1350 x108

mspector@pegasusinvestments.com

Brad Kritzer

Executive Vice President

P (310) 691-1350 x106

bkritzer@pegasusinvestments.com

Daylin Ackerman

Associate

P (310) 691-1350 x114

dackerman@pegasusinvestments.com

Kevin Shelburn

Vice President

P (310) 691-1350 x105

kshelburn@pegasusinvestments.com

Tony Veiller

Senior Analyst

P (310) 691-1350 x113

tveiller@pegasusinvestments.com

Katherine Weaver

Senior Analyst

P (310) 691-1350 x115

kweaver@pegasusinvestments.com

Talia Tonti

Office Manager

P (310) 691-1350 x108

ttonti@pegasusinvestments.com



Pegasus Investments

1901 Avenue of the Stars, Suite 630
Los Angeles, CA 90067

www.pegasusinvestments.com

(310) 691-1350

DRE# 00776468