

INVESTMENT OPPORTUNITY



**\$1,825,000 | 5% CAP
NNN GROUND LEASE
CARMEL, IN**



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No warranty or representation is made as to the accuracy of the foregoing information. Terms of sale, lease, and availability are subject to change or withdrawal without notice.



Carmel, IN

OFFERING MEMORANDUM

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DISCLAIMER

Lee & Associates hereby advises all prospective purchasers of Single-Tenant Net-Leased property as follows:

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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 Lee & Associates Investments and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this single-tenant property.

INVESTMENT SUMMARY
Burger King | 9853 N Michigan Rd, Carmel IN 46032



Investment Overview

Lee & Associates & Net Leased Properties is pleased to offer for sale an approximate 2959 square foot free standing Burger King (with drive through) located in the highly sought after community of Carmel, IN. With excellent schools, low taxes, safe neighborhoods and ease of transportation, Carmel has emerged as one of the most coveted places to live, not just in Indiana, but in the United States. The subject property is part of Hamilton County located just north of Indianapolis.

The subject property has a new 20 year ground lease that commenced January 1, 2008. The property is producing an income stream that is well within market equating to just over \$91,000 annually. There are absolutely zero landlord responsibilities with the tenant covering the property taxes, insurance, and 100% of the property maintenance. The initial term of the lease has rental increases of 8% every 5 years with the increases continuing into the four (4) five year renewal options. The building is made up of desirable red brick construction and was completed in 2007.

The property is strategically located on as an outparcel to Home Depot with excellent visibility and access from North Michigan Road. North Michigan Road feeds 31,000 cars per day from the exit on I-465 (95,000 cpd) located less than a mile from the property. The property greatly benefits from the surrounding tenant base which includes Super Target, AutoZone, Walgreens, Marshalls, Office Max, Best Buy, Kohl's, Home Goods, and Petco. The subject property also benefits from its close proximity to Caribbean Cove Indoor Water Park, Champion Chrysler, Dodge, Jeep, and Ram, Bill Estes Chevrolet, and Twin Lakes Golf Club. Located in one of Indiana's most affluent communities, the immediate trade area produces average household incomes in excess of \$120,000 with 123,000 people within a 5 mile radius. From 2000 to 2012 Carmel, Indiana grew 56% while Indianapolis only grew 6.5% during the same time frame.



* Typical interior

Investment Highlights

- **Strong Corporate Guarantee:** Burger King is one of the largest quick serve restaurants in the world. As of December 31, 2012 Burger King had a total of 7476 restaurants in the North America and an additional 2400 restaurants across Europe, Africa, and Asia.
- **Highly Desirable Indianapolis Submarket:** Carmel is one of Indiana's most sought after communities with average household incomes of over \$120,000 within a one mile radius of the subject property. Carmel was also named the Best Place to Live in America by CNN Money Magazine in 2012.
- **Retail Synergy within Trade Area:** The property benefits from a strong surrounding retail tenant base which includes Home Depot, Super Target, AutoZone, Walgreens, Chase Bank, AT&T, PNC Bank, Marshalls, Best Buy, Kohl's, Red Robin, Home Goods, Petco, Office Max, Avis, and Allstate.
- **Outstanding Visibility & Strategic Location:** Located as an outparcel to Home Depot and less than a mile from I-465 (95,000 CPD); the subject property has excellent frontage and visibility along N. Michigan Road which boasts an average of 31,000 cars per day.
- **Affluent Demographics:** Located in one of Carmel's main retail corridors, the trade area produces average household incomes in excess of \$102,000 and 123,000 people within a 5 mile radius. From 2000 to 2012 Carmel, Indiana grew 56% while Indianapolis only grew 6.5% during the same time frame.
- **Ideal 1031 Exchange:** Opportunity for an investor to acquire a rare corporate long term ground lease within one of the most highly sought after submarkets of Indianapolis.



Investment Summary

INVESTMENT HIGHLIGHTS

Price: \$1,825,000
 NOI: \$91,260
 Cap: 5.0%

PROPERTY OVERVIEW

Address: 9853 N Michigan Rd
 Carmel, IN 46032
 Tenant: Burger King
 Guarantor: Corporate
 Building Size: 2,959 Sq. Ft. (Approx.)
 Land Size: 1.9 Acres (Approx.)
 Ownership: Fee Simple
 Year Built: 2007
 APN: 29-13-07-025-002.000-034

TERMS, BASE RENT & OPTIONS

Lease Commencement: January 1, 2008
 Lease Expiration: December 31, 2027
 Lease Term: 20 Years
 Lease Type: Absolute Triple Net (NNN) Ground Lease
 Landlord Responsibilities: None
 Rent Escalations: 8% Every 5 Years (Includes Option Periods)
 Base Rent Schedule:
 1/1/08 - 12/31/12: \$84,500
 1/1/13 - 12/31/17: \$91,260
 1/1/18 - 12/31/22: \$98,560
 1/1/23 - 12/31/27: \$106,444
 Options:
 Four (4) 5-Year options to renew
 Option 1 - \$114,959
 Option 2 - \$124,155
 Option 3 - \$134,088
 Option 4 - \$144,815



DEMOGRAPHICS (2013)

Category	1 Mile	3 Miles	5 Miles
Population	3,013	40,691	123,632
Daytime Population	9,669	62,002	117,581
Households	1,262	17,663	49,509
Avg HH Income	\$120,196	\$93,676	\$102,227

Traffic Counts	Vehicles Per Day
I-465 (@ N. Michigan Rd)	95,000
N. Michigan Rd	31,000
W. 96th Ave	17,000



TENANT SUMMARY
Burger King | 9853 N Michigan Rd, Carmel IN 46032





Burger King, often abbreviated as BK, is a global chain of hamburger fast food restaurants headquartered in unincorporated Miami-Dade County, Florida, United States. The company began in 1953 as Insta-Burger King, a Jacksonville, Florida-based restaurant chain. After Insta-Burger King ran into financial difficulties in 1954, its two Miami-based franchisees, David Edgerton and James McLamore, purchased the company and renamed it Burger King. Over the next half century, the company would change hands four times, with its third set of owners, a partnership of TPG Capital,

Bain Capital, and Goldman Sachs Capital Partners, taking it public in 2002. In late 2010, 3G Capital of Brazil acquired a majority stake in BK in a deal valued at US\$3.26 billion. The new owners promptly initiated a restructuring of the company to reverse its fortunes.

At the end of fiscal year 2013, Burger King reported it had over 13,000 outlets in 79 countries; of these, 66 percent are in the United States and 99 percent are privately owned and operated with its new owners moving to an entirely franchised model by the end of 2013. BK has historically used several variations of franchising to expand its operations. The manner in which the company licenses its franchisees varies depending on the region, with some regional franchises, known as master franchises, responsible for selling franchise sub-licenses on the company's behalf. Burger King's relationship with its franchisees has not always been harmonious. Occasional spats between the two have caused numerous issues, and in several instances the company's and its licensees' relations have degenerated into precedent-setting court cases.

The Burger King menu has expanded from a basic offering of burgers, French fries, sodas, and milkshakes in 1954, to a larger, more diverse set of product offerings. In 1957, the Whopper was the first major addition to the menu; it has since become Burger King's signature product. Conversely, BK has introduced many products which failed to catch hold in the marketplace. Some of these failures in the United States have seen success in foreign markets, where BK has also tailored its menu for regional tastes. From 2002 to 2010, Burger King aggressively targeted the 18–34 male demographic with larger products that often carried correspondingly large amounts of unhealthy fats and trans-fats. This tactic would eventually come to hurt the company's financial underpinnings and cast a negative pall on its earnings. Beginning in 2011, the company began to move away from the previous male-oriented menu and introduce new menu items, product reformulations, and packaging as part of 3G Capital's restructuring plans of the company.

Burger King (NYSE: BKW)

- Founded: 1953
- Headquarters: Miami, FL
- Areas Served: Worldwide
- Locations: 13,000+
- Employees: 34,250+
- Industry: Restaurants
- Genre: Fast Food
- Website: www.bk.com

AREA OVERVIEW
Burger King | 9853 N Michigan Rd, Carmel IN 46032





Area Overview

Carmel, IN

Carmel is a fast-growing, economically-thriving suburban edge city on the North Side of Indianapolis. Home to about 83,000 residents (2012), the once sleepy suburban community has been transformed over the past 20 years by ambitious redevelopment projects that have led to the making of a vibrant city that is no longer simply a place to sleep at night.

The City of Carmel spans 47 square miles across Clay Township in Hamilton County. The City is bordered by the White River to the east; Michigan Road (U.S. 421) and the county line to the west; 96th Street to the south and 146th Street to the north. Known for its highly educated and affluent population, Carmel households have average median income levels of \$107,505 and the median average price of a home is \$293,600, according to the U.S. Census Bureau.

With excellent schools, low taxes, safe neighborhoods and ease of transportation, Carmel has emerged as one of the most coveted places to live, not just in Indiana, but in the United States. In 2012, CNN Money Magazine named Carmel the No. 1 place to live in America (for cities ranging from 50,000 to 300,000 in population).

From border to border, Carmel is known for its distinct residential neighborhoods, rich in architectural diversity, including many beautiful estates that have attracted many of Indiana’s noteworthy citizens, including the owners of professional sports franchises, corporate CEO’s, professional athletes and at one point the Vice President of the United States. In addition, a progressive city government has adopted a new-urbanism approach to planning, welcoming in certain city areas a high-density approach to development. This has attracted a growing number of apartments and condominium developments designed to cater to a younger population just starting out in their careers and a place for our seasoned citizens who are seeking empty-nester living. Such developments are also benefitting from the City’s approach to walkability, where a system of trails and bike-lanes have made Carmel one of the most bike-friendly communities in Indiana. Many residents can live, work, shop and enjoy entertainment without using their cars.

Hamilton County

Hamilton County is located in the state of Indiana and is included in the Indianapolis-Carmel-Anderson, IN Metropolitan Statistical Area. This thriving, exceptional county is the largest suburban employment and residential hub in Central Indiana. The county’s seven-county labor shed totaled 733,900 workers in March 2011. The unemployment rate has remained lower than state and national rates throughout the recession. Current at-place employment in Hamilton County is approximately 112,000. The county boasts a diversified and growing base of employers headed by Sallie Mae (2,500) and CNO Financial (1,800).

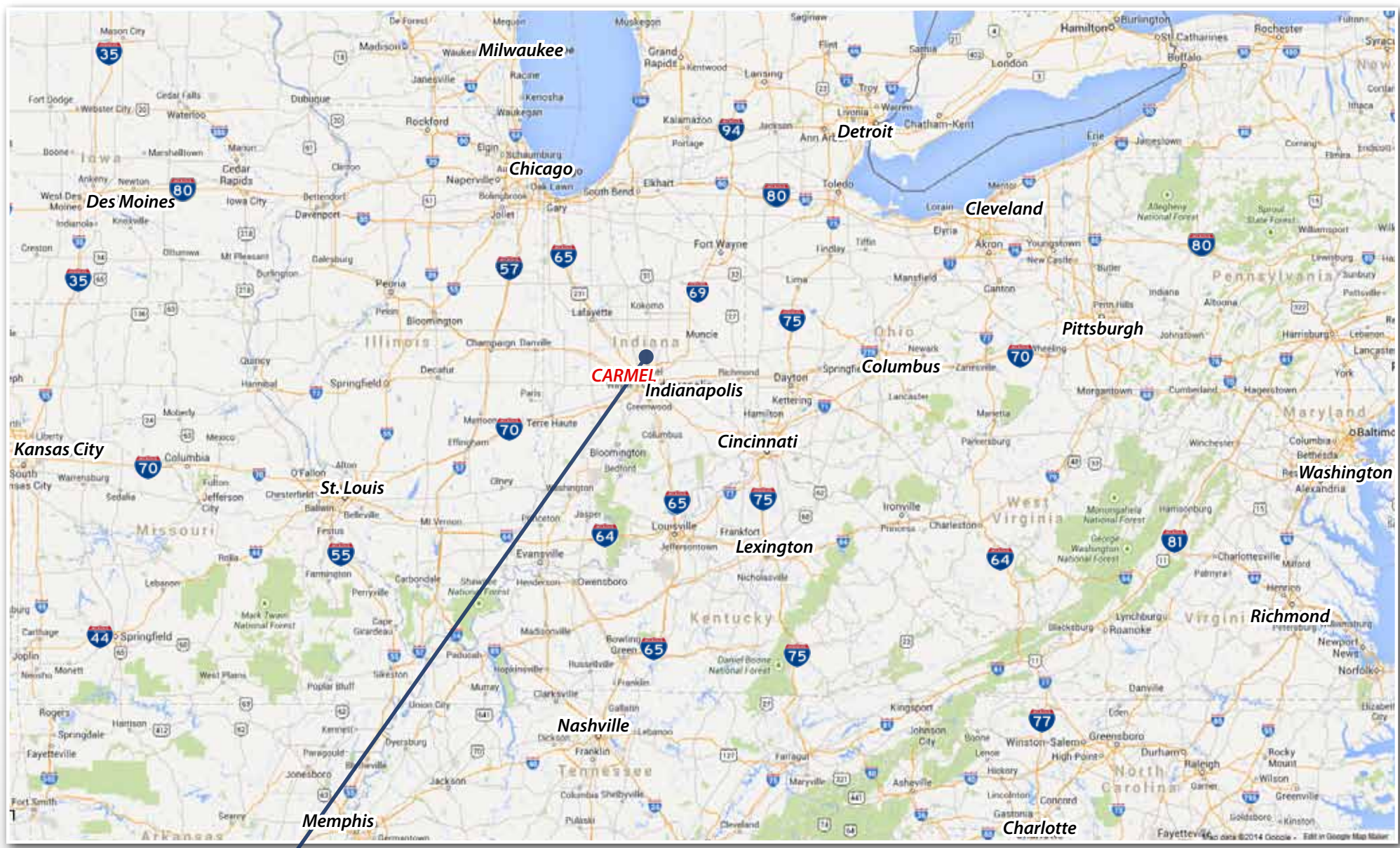
The population increased 55.4% from 2000-2010, rising from 182,470 to a U.S. Census-estimated 283,472. Nearly 10,000 single-family building permits were issued from 2006-2010.

Money-saving performance-based incentives are available to qualifying businesses. The county and its communities offer an incentive program in the form of real and personal property tax abatements. Hamilton County was home to three of the state’s 20 largest cities and towns: Carmel (8th), Fishers (9th), and Noblesville (14th). The new Hamilton County economic development partnership is a catalyst for increasing corporate investment resulting in quality job growth throughout the County. The communities of Carmel, Fishers, Noblesville and Westfield are home to headquarters, back office operations, high tech manufacturing, and distribution operations.





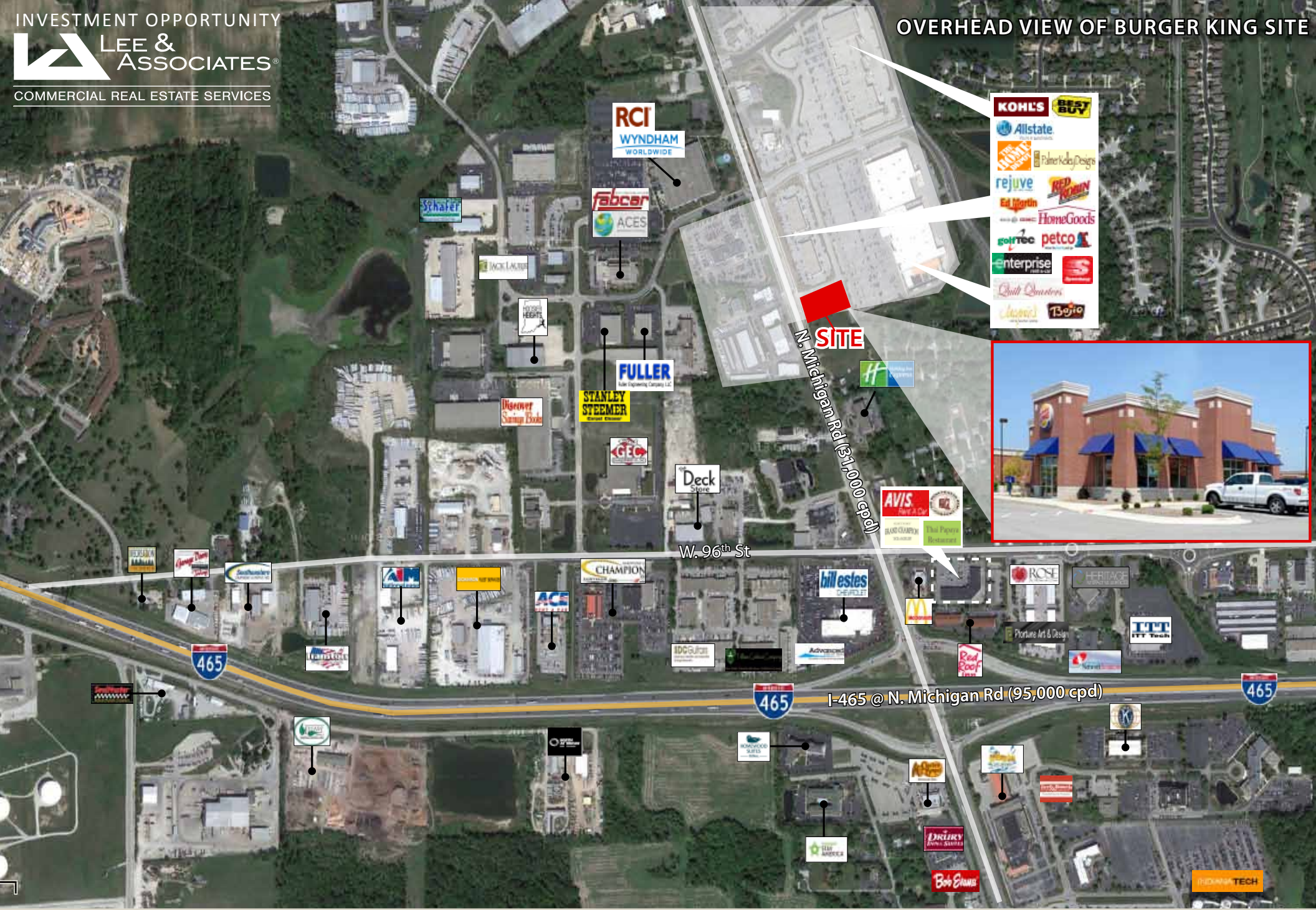
Location Map



Burger King
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