Back Yard Burgers

436 Perkins Ext
Memphis, TN

INVESTMENT ANALYSIS

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FranklinStreet
Real Estate

Confidentiality Agreement

Back Yard Burgers

This is a confidential Memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest into the acquisition of the Subject Property.

This Memorandum contains selected information pertaining to the Property and does not purport to be a representation of state of affairs of the Owner or the Property, to be all-inclusive or to contain all or part of the information which prospective investors may require to evaluate a purchase of real property. All financial projections and information are provided for general reference purposes only and are based on assumptions relating to the general economy, market conditions, competition, and other factors beyond the control of the Owner or Franklin Street Real Estate Services, LLC. Therefore, all projections, assumptions, and other information provided and made herein are subject to material variation. All references to acreages, square footages, and other measurements are approximations. Additional information and an opportunity to inspect the Property will be made available to all interested and qualified prospective purchasers. Neither the Owner or Franklin Street Real Estate Services, LLC. , nor any of their respective directors, officers, affiliates or representatives are making any representation or warranty, expressed or implied, as to the accuracy or completeness of this Memorandum or any of its contents, and no legal commitment or obligation shall arise by reason of your receipt of this Memorandum or use of its contents; and you are to rely solely on your own investigations and inspections of the Property in evaluating a possible purchase of the real property.

The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase Property, and/or to terminate discussions with any entity at any time with or without notice which may arise as a result of review of this Memorandum. The Owner shall have no legal commitment or obligation to any entity reviewing this Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered, and approved by the Owner and any obligations therein have been satisfied or waived.

By receipt of the Memorandum, you agree that this Memorandum and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose this Memorandum or any of its contents to any other entity without the prior written authorization of the Owner or the Franklin Street Real Estate Services, LLC. Furthermore, you agree not to use this Memorandum or any of its contents in a manner detrimental to the interest of the Owner or Franklin Street Real Estate Services, LLC.

In this Memorandum, certain documents, including leases and other materials, are described in summary form. These summaries do not purport to be complete nor necessarily accurate descriptions of the full agreements referenced. Interested parties are so advised and expected to review all such summaries and other documents of whatever nature independently and not to rely on the contents of this Memorandum in any manner.

If, after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this memorandum to Franklin Street Real Estate Services, LLC.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR FRANKLIN STREET REAL ESTATE SERVICES, LLC AGENT FOR MORE DETAILS.

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PRICING & FINANCIAL ANALYSIS

Financial Overview

Back Yard Burgers

ACTUAL INCOME PRICING SUMMARY

Price	$1,178,201
Rentable Square Feet (GLA)	2,714
CAP RATE	8.00%
Price/PSF on GLA	$434.12
Year Built	1999
Lot Size	0.75 +/- Acres
Type of Ownership	Fee Simple

PROPOSED FINANCING

Loan Type		Proposed New
Down Payment	30.00%	$353,460
Loan Amount	70.00%	$824,741
Interest Rate		6.00%
Loan Term		5 Years
Amortization Period		30 Years
Loan to Value (LTV)		70.00%
Index		Bank

ANNUALIZED OPERATING DATA

Base Rent		
Occupied Space	100.00%	$94,256
Vacancy/Collection Allowance	0.00%	$0
Effective Gross Income		$94,256
Net Operating Income		$94,256
Annual Debt Service		$59,337
Cash On Cash (ROI)	9.88%	$34,919
Principal Reduction		$10,128
Total Return	12.74%	$45,047

Tenant & Lease Overview

Back Yard Burgers

GLA	2,714
Lease Commencement	11/16/2007
Lease Expiration	11/30/2027
Lease Term	20 years
Options	(2) 10-Year
Lease Guarantor	Corporate
Rent Increase	CPI Annually
Website	backyardburgers.com
Headquarters	Nashville, TN
# of Locations	170+

Back Yard Burgers was founded in 1987 in Cleveland, Mississippi. Today, they have over 170 locations and can be found in 20 states, including: Alabama, Arkansas, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Missouri, Mississippi, Nebraska, North Carolina, Ohio, Oklahoma, Pennsylvania, South Carolina, Tennessee, Texas and Virginia.

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PROPERTY DESCRIPTION

Investment Overview

Back Yard Burgers

- 15+ Years Remaining on NNN Lease

- Corporate Guarantee

- Annual Rent Increases

- (2) 10-Year Options to Renew with Increases

- Surrounded by National Retailers

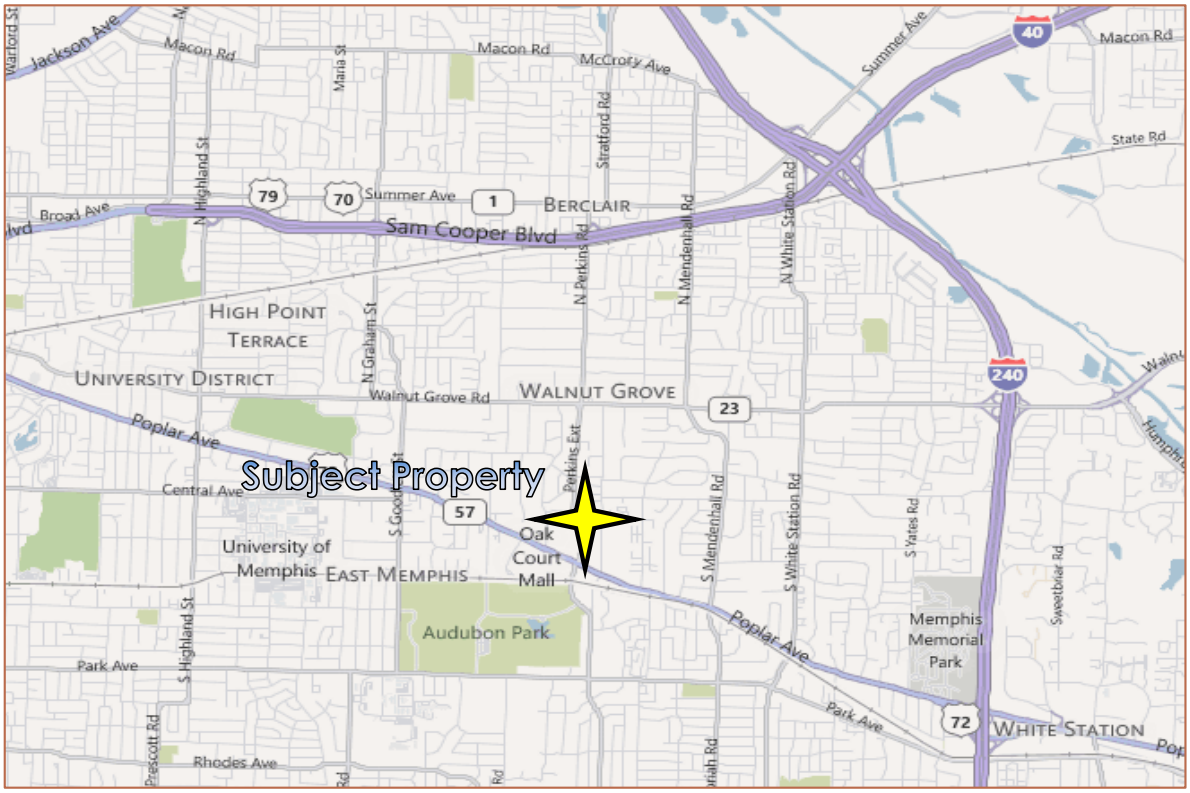
- High Traffic Count: 18,747+/- ADT

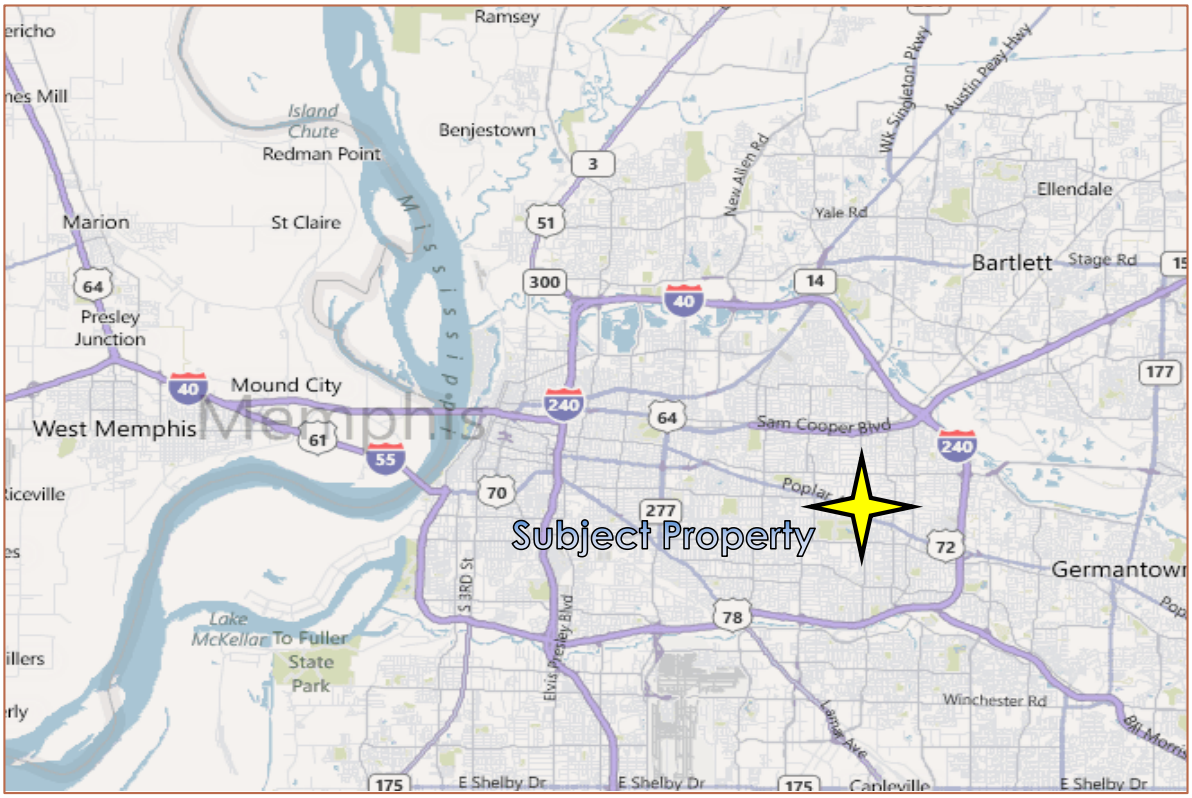
Franklin Street Real Estate Services is pleased to present this freestanding Back Yard Burgers restaurant located in Memphis, TN. Memphis is located in southwest Tennessee and is the largest city in the state and third largest in the Southeast. The subject property is located in east Memphis on Perkins Extension near the intersection of Poplar Avenue, which has a high traffic count of 45,201+/- ADT. Other retailers surrounding the property include Sears, Walgreens, Macy's, Dillards, Talbots, Panera Bread and On the Border. The building was constructed in 1999 and sits on .75+/- acres.

Back Yard Burgers signed a new 20 year NNN corporately guaranteed lease that commenced in November 2007. The lease offers annual rent increases based on the CPI (Consumer Price Index) as well as two, ten-year options to renew with rental increases. Under the lease, the tenant pays their taxes, insurance, and common area maintenance charges, including the roof and structure.

Area Maps

Back Yard Burgers



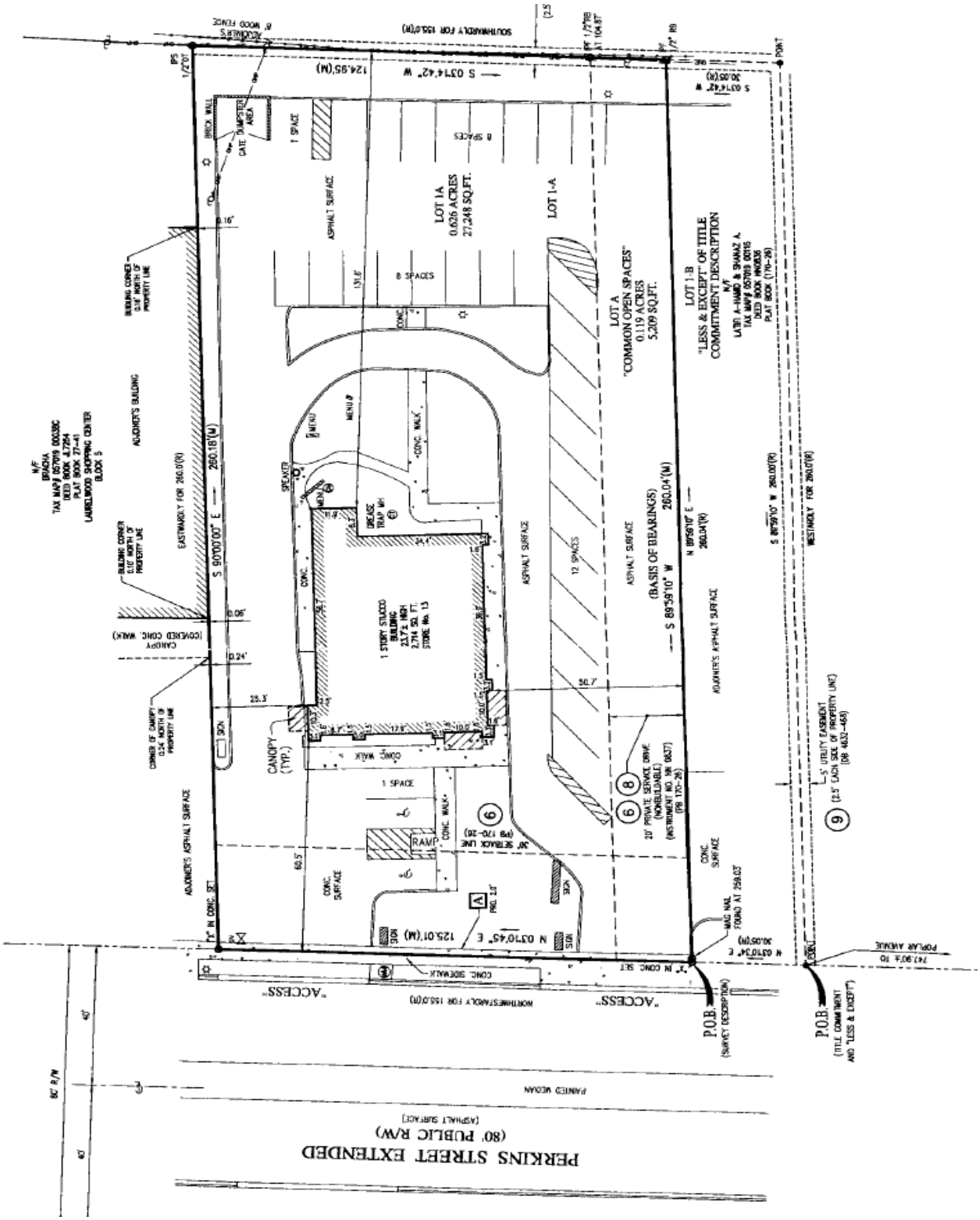


Aerial Photo

Aerial Photo

Survey

Back Yard Burgers



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DEMOGRAPHIC ANALYSIS

Demographics

Back Yard Burgers

	1 Mile	3 miles	5 miles
2010 Population			
Total Population	5,754	84,618	245,084
Male Population	45.4%	47.5%	48.4%
Female Population	54.6%	52.5%	51.6%
Median Age	50.3	39.9	35.2
2010 Income			
Median HH Income	$63,559	$50,444	$45,715
Per Capita Income	$48,589	$31,667	$25,417
Average HH Income	$99,750	$69,568	$61,716
2010 Households			
Total Households	2,837	38,018	99,023
Average Household Size	2.02	2.16	2.38
2010 Housing			
Owner Occupied Housing Units	72.7%	61.7%	49.5%
Renter Occupied Housing Units	20.2%	29.4%	37.7%
Vacant Housing Units	7.1%	8.9%	12.8%
Population			
1990 Population	5,964	83,910	251,939
2000 Population	5,898	85,489	250,451
2010 Population	5,754	84,618	245,084
2015 Population	5,697	84,321	242,964
1990-2000 Annual Rate	-0.11%	0.19%	-0.06%
2000-2010 Annual Rate	-0.24%	-0.1%	-0.21%
2010-2015 Annual Rate	-0.2%	-0.07%	-0.17%
Households			
1990 Households	2,862	37,599	101,750
2000 Households	2,872	37,780	100,574
2010 Households	2,837	38,018	99,023
2015 Households	2,817	38,035	98,462
1990-2000 Annual Rate	0.03%	0.05%	-0.12%
2000-2010 Annual Rate	-0.12%	0.06%	-0.15%
2010-2015 Annual Rate	-0.14%	0.01%	-0.11%

Demographics

Back Yard Burgers

	1 mile	3 miles	5 miles
Median Household Income			
1990 Median HH Income	$43,538	$31,130	$26,699
2000 Median HH Income	$58,077	$39,481	$35,408
2010 Median HH Income	$63,559	$50,444	$45,715
2015 Median HH Income	$73,965	$57,225	$52,659
1990-2000 Annual Rate	2.92%	2.4%	2.86%
2000-2010 Annual Rate	0.88%	2.42%	2.52%
2010-2015 Annual Rate	3.08%	2.55%	2.87%
Per Capita Income			
1990 Per Capita Income	$36,457	$19,733	$15,103
2000 Per Capita Income	$48,263	$27,140	$21,365
2010 Per Capita Income	$48,589	$31,667	$25,417
2015 Per Capita Income	$53,702	$35,172	$28,318
1990-2000 Annual Rate	2.85%	3.24%	3.53%
2000-2010 Annual Rate	0.07%	1.52%	1.71%
2010-2015 Annual Rate	2.02%	2.12%	2.19%
Average Household Income			
1990 Average Household Income	$76,620	$43,969	$37,126
2000 Average Household Income	$102,630	$60,784	$51,981
2010 Average HH Income	$99,750	$69,568	$61,716
2015 Average HH Income	$109,768	$76,900	$68,516
1990-2000 Annual Rate	2.97%	3.29%	3.42%
2000-2010 Annual Rate	-0.28%	1.33%	1.69%
2010-2015 Annual Rate	1.93%	2.02%	2.11%

Households by Income

Current median household income is $45,715 in the market area, compared to $54,442 for all U.S. households. Median household income is projected to be $52,659 in five years. In 2000, median household income was $35,408, compared to $26,699 in 1990.

Current average household income is $61,716 in this market area, compared to $70,173 for all U.S. households. Average household income is projected to be $68,516 in five years. In 2000, average household income was $51,981, compared to $37,126 in 1990.

Current per capita income is $25,417 in the market area, compared to the U.S. per capita income of $26,739. The per capita income is projected to be $28,318 in five years. In 2000, the per capita income was $21,365, compared to $15,103 in 1990.

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