

Carl's Jr.

GLOBE, AZ



OFFERING MEMORANDUM



Marcus & Millichap
Real Estate Investment Services

Carl's Jr.

GLOBE, AZ

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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.

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FINANCIAL OVERVIEW

Location

1680 E Ash St.
Globe, AZ 85501

Price	1,800,000
Down Payment	100% / \$1,800,000
Rentable Square Feet	2,325
Price/SF	\$774.19
CAP Rate	6.00%
Year Built /Renovated	1994/2013
Lot Size	0.82 Acres
Type of Ownership	Fee Simple

Annualized Operating Data

Rent Increases	Annual Rent	Monthly Rent
1/31/13 - 1/30/18	\$108,000.00	\$9,000.00
1/31/18 - 1/30/23	\$116,100.00	\$9,675.00
1/31/23 - 1/30/28	\$124,800.00	\$10,400.00
1/31/28 - 1/30/33	\$134,160.00	\$11,180.00
Base Rent (\$46.45/SF)		\$108,000
Net Operating Income		\$108,000
Total Return		6.00% / \$108,000

Tenant Summary

Tenant Trade Name	Carl's Jr.
Ownership	Private
Tenant	Franchisee
Lease Guarantor	Franchisee Guarantee
Lease Type	Absolute Net
Roof and Structure	Tenant Responsible
Lease Term	20 Years
Lease Commencement Date	January 31, 2013
Rent Commencement Date	January 31, 2013
Lease Expiration Date	January 30, 2033
Term Remaining on Lease	18+ Years
Increases	7.5% Every Five Years
Options	Four 5-Year Options
First Right of Refusal	Yes-Contact Agent for Details

Franchisee Profile

Years in the Business	20+
Other Concepts Owned	Hardee's Restaurants

The franchisee at this location has more than 20 years experience in the Carl's Jr./Hardee's system. The franchisee currently owns and operates more than 100 Carl's Jr. and Hardee's locations in Arizona, Illinois, Indiana, Kentucky, Missouri, and Texas.

INVESTMENT OVERVIEW

Investment Highlights

- Long-Term Absolute NNN Lease
- New 20-Year Lease Commenced in January 2013
- Located Along Highway 60
- Guaranteed By Experienced, 100+ Unit Franchisee
- Newly Renovated Location



This investment offering features a 2,325 sq ft Carl's Jr. located along East Ash Street (Highway 60) in Globe, AZ. Highway 60 is a main thoroughfare that runs east/west throughout Arizona and stops near the New Mexico border. East Ash Street is lined with major national tenants such as Taco Bell, Chevron, Motel 6, McDonald's, Days Inn, Quality Inn, Subway, Pizza Hut and Jack in the Box, all within one-half mile from the subject property. The Gila County Courthouse is also within one-half mile of this Carl's Jr. The site is one block from the intersection where Highway 77 and Highway 70 meet Highway 60. Highway 70 is a major US highway that runs east/west from Globe, AZ all the way to North Carolina. The site previously operated as a KFC, but was renovated in 2013 and converted to Carl's Jr.

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Globe is centrally located in Southern Arizona along the Historic Old West Highway, which takes you from Apache Junction, Arizona to Lordsburg, New Mexico. The city has a quaint downtown area with lots of antique and art shops and is just a short distance from the Pinal Mountains and the Roosevelt Lake. Globe is also within a two hour drive from Phoenix and Tucson. Globe also serves as a main rest stop for tourists driving through to visit Tonto National Forest. Tonot National Forest is the fifth largest forest in the U.S. encompassing almost 3 million acres of beautiful desert, and is a one hour north of Globe.

Silver and copper started the population which led to the growth of the community and helped with infrastructure and commerce. More than 20 percent of the employment in the area is still related to mining and production of copper. Most recently the concentration has been small business and tourism which capitalizes on the historic nature of the community. The local tourism industry has been enhanced by the Globe Downtown Association, Globe Chamber of Commerce and the U.S. Forest Service, which has created \$50 million in campground amenities at Roosevelt Lake.

PROPERTY PHOTOS



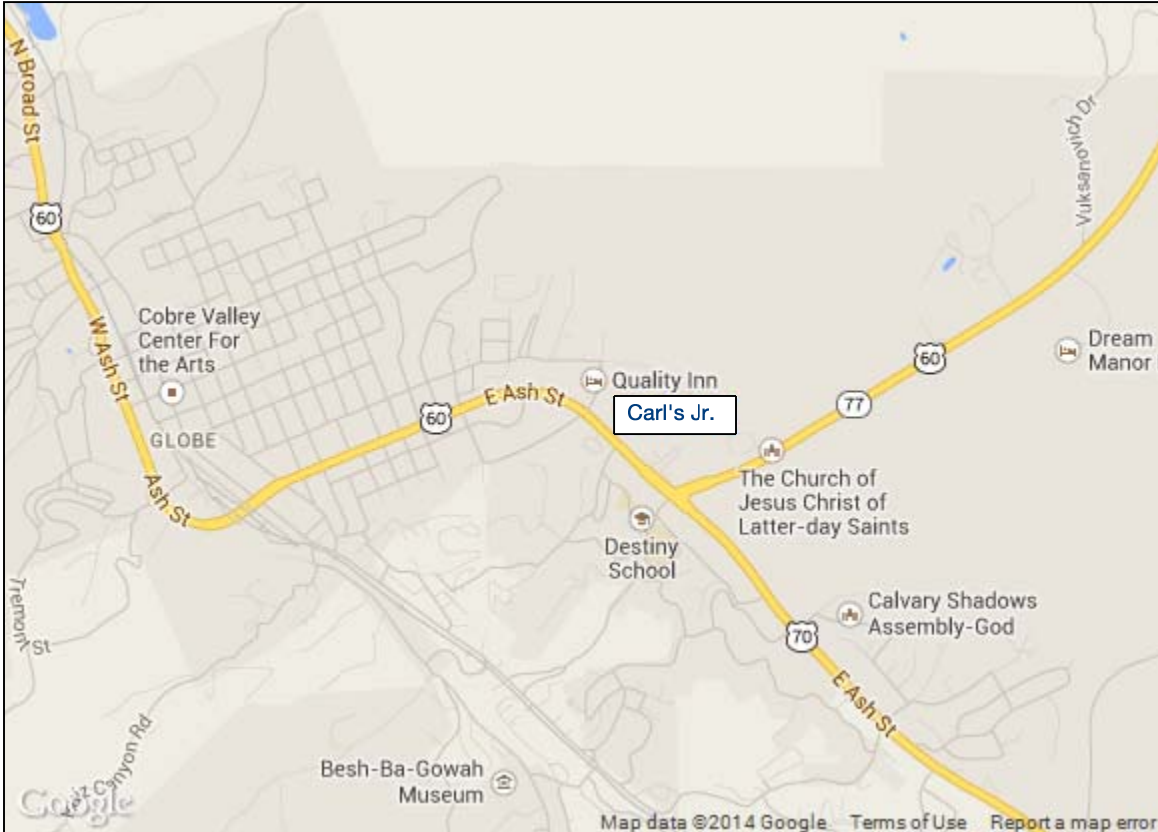
AREA PHOTOS



AERIAL PHOTO



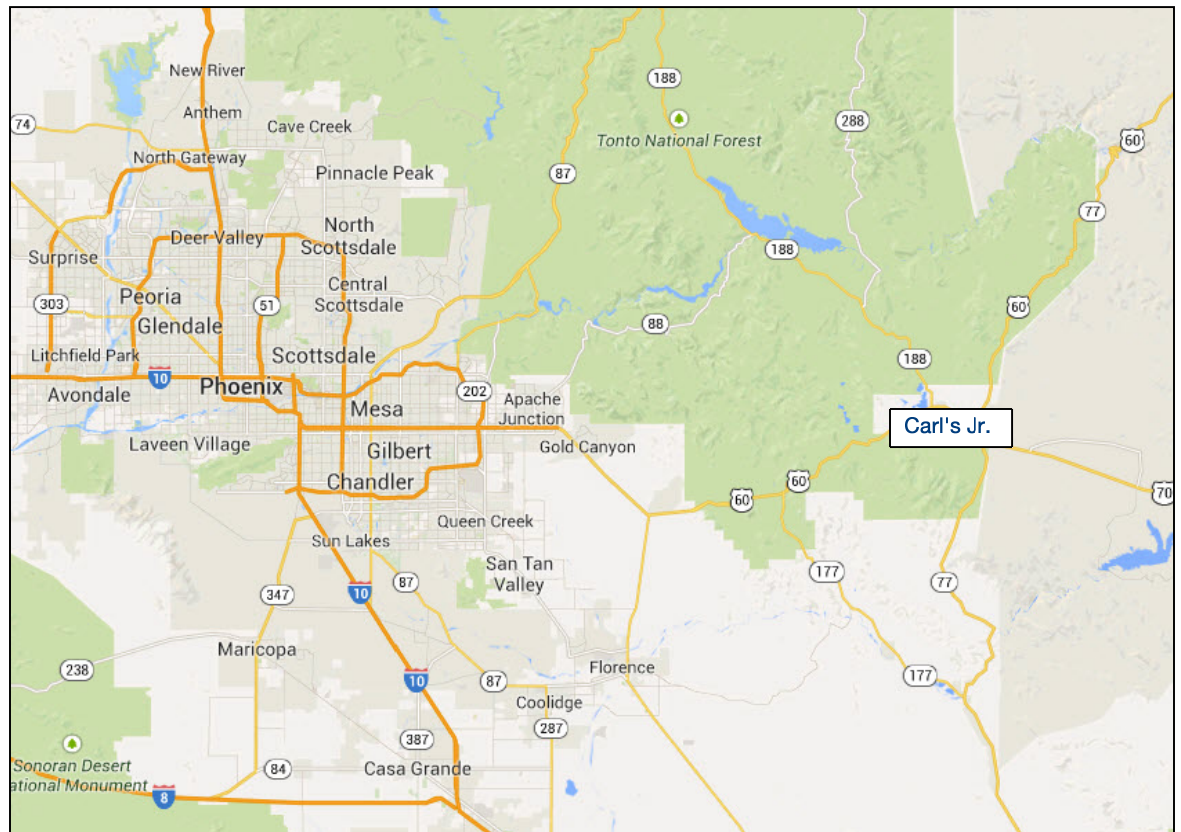
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Local Map



Regional Map



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DEMOGRAPHIC REPORT

	1 Mile	3 Miles	5 Miles
2000 Population	4,122	10,945	15,407
2010 Population	3,864	10,479	14,764
2013 Population	3,818	10,303	14,505
2018 Population	3,747	10,171	14,318
2000 Households	1,575	4,236	5,819
2010 Households	1,515	4,163	5,728
2013 Households	1,490	4,083	5,612
2018 Households	1,483	4,090	5,624
2013 Average Household Size	2.39	2.46	2.47
2013 Daytime Population	3,278	4,873	5,537
2000 Median Housing Value	\$79,664	\$77,637	\$72,429
2000 Owner Occupied Housing Units	64.87%	67.98%	68.59%
2000 Renter Occupied Housing Units	23.20%	21.02%	19.95%
2000 Vacant	11.25%	11.21%	11.52%
2013 Owner Occupied Housing Units	65.41%	68.78%	70.04%
2013 Renter Occupied Housing Units	34.59%	31.22%	29.96%
2013 Vacant	17.31%	16.25%	16.46%
2018 Owner Occupied Housing Units	64.93%	68.35%	69.59%
2018 Renter Occupied Housing Units	35.07%	31.65%	30.41%
2018 Vacant	18.17%	16.93%	17.13%
\$ 0 - \$14,999	12.9%	14.8%	15.6%
\$ 15,000 - \$24,999	13.3%	12.6%	12.5%
\$ 25,000 - \$34,999	9.8%	10.9%	12.6%
\$ 35,000 - \$49,999	19.9%	18.5%	17.2%
\$ 50,000 - \$74,999	23.1%	21.1%	21.0%
\$ 75,000 - \$99,999	11.6%	12.8%	12.0%
\$100,000 - \$124,999	4.9%	4.8%	5.0%
\$125,000 - \$149,999	1.9%	1.9%	1.7%
\$150,000 - \$199,999	1.1%	1.6%	1.3%
\$200,000 - \$249,999	0.8%	0.4%	0.4%
\$250,000 +	0.8%	0.7%	0.6%
2013 Median Household Income	\$46,871	\$45,256	\$43,903
2013 Per Capita Income	\$22,469	\$22,051	\$20,679
2013 Average Household Income	\$55,146	\$53,691	\$52,002

Demographic data © 2012 by Experian.

SUMMARY REPORT

Geography: 5 Miles

Population

In 2013, the population in your selected geography was 14,505 . The population has changed by -5.85% since 2000. It is estimated that the population in your area will be 14,318 five years from now, which represents a change of -1.28% from the current year. The current population is 49.9% male and 50.0% female. The median age of the population in your area is 41.9 , compare this to the U.S. average which is 37. The population density in your area is 80.28 people per square mile.

Households

There are currently 5,612 households in your selected geography. The number of households has changed by -3.54% since 2000. It is estimated that the number of households in your area will be 5,624 five years from now, which represents a change of 0.20% from the current year. The average household size in your area is 2.46 persons.

Income

In 2013, the median household income for your selected geography is \$43,903 , compare this to the U.S. average which is currently \$53,535. The median household income for your area has changed by 35.32% since 2000. It is estimated that the median household income in your area will be \$50,640 five years from now, which represents a change of 15.34% from the current year.

The current year per capita income in your area is \$20,679 , compare this to the U.S. average, which is \$28,888. The current year average household income in your area is \$52,002 , compare this to the U.S. average which is \$75,373.

Race & Ethnicity

The current year racial makeup of your selected area is as follows: 77.90% White, 1.56% African American, 7.08% Native American and 1.12% Asian/Pacific Islander. Compare these to U.S. averages which are: 72.20% White, 12.65% African American, 0.96% Native American and 5.01% Asian/Pacific Islander.

People of Hispanic origin are counted independently of race. People of Hispanic origin make up 35.15% of the current year population in your selected area. Compare this to the U.S. average of 16.55%.

Housing

The median housing value in your area was \$72,429 in 2000, compare this to the U.S. average of \$110,781 for the same year. In 2000, there were 4,512 owner occupied housing units in your area and there were 1,312 renter occupied housing units in your area. The median rent at the time was \$373 .

Employment

In 2013, there are 5,537 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 48.1% of employees are employed in white-collar occupations in this geography, and 51.8% are employed in blue-collar occupations. In 2013, unemployment in this area is 4.37% . In 2000, the median time traveled to work was 13.5 minutes.

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