



OFFERING MEMORANDUM

FIVE GUYS[®] tropical
BURGERS and FRIES SMOOTHIE
CAFE

2401 NW 12TH AVE
ARDMORE, OK 73401



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INVESTMENT HIGHLIGHTS

- **Diversified Investment** - Unlike traditional single-tenant net leases, the asset allows diversification via a more secure income stream from two, separate leases. Both tenants are on long-term leases, providing great stability and passive income.
- **Center of the City, Heart of America** - The subject property is in the heart of Ardmore, OK off a main thoroughfare with strong traffic counts. Ardmore sits halfway between Dallas, TX and Oklahoma City, OK on Interstate 35 which stretches 1,500+ miles through the heart of America.
- **Out-Parcel to Shopping Center** - The property is out-parceled to a larger shopping center with anchor tenants that include Ross, Petco, Dollar Tree and AMC movie theater. The property sits next to a Lowe's Home Improvement store and is nearby to other major, national tenants such as Walmart, Hobby Lobby, TJ Maxx, Buick, GMC, Chevrolet, Nissan, Honda, and numerous hotels.
- **Long-Term, Passive Leases at Market Rent** - The leases were recently signed at market rent with 8 years and 10 years remaining on the base terms. There are minimal landlord responsibilities with multiple, 5-year options to extend.
- **National, E-Commerce Proof Concepts** - Both tenants are e-commerce proof concepts with continued growth. There are over 1,500 Five Guys locations and over 700 Tropical Smoothie locations.
- **Solid Demographics** - There are over 25,000 people in a 3-mile radius with above average household incomes. The property sits about 30 minutes from the Texas / Oklahoma border along a heavily trafficked interstate.



INVESTMENT SUMMARY

» **ASKING PRICE** \$2,001,000

» **CAP RATE** 6.35%

TENANT	SQ.FT.	RENT	ANNUAL RENT	RENT/SF MONTHLY	RENT/SF ANNUALLY	LEASE START	LEASE END	OPTION	RENT INCREASES
TROPICAL SMOOTHIE	1,784	\$4,088.33	\$42,159.96	\$2.29	\$27.50	9/6/19	9/5/29	2 x 5	5.45% in Year 6 10% in Options
FIVE GUYS	2,400	\$6,500.00	\$60,500.04	\$2.71	\$32.50	11/1/17	10/31/27	2 x 5	10% Every 5 Years
TOTAL	4,184	\$10,588.33	\$127,059.96						\$10,588.33



PROJECTED CASH FLOW

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	
FOR THE YEARS ENDING	Aug-2020	Aug-2021	Aug-2022	Aug-2023	Aug-2024	Aug-2025	Aug-2026	Aug-2027	Aug-2028	Aug-2029	TOTAL
Rental Revenue											
Potential Base Rent	127,060	128,598	134,860	134,860	136,443	137,536	139,231	146,128	146,128	136,579	1,367,423
Scheduled Base Rent	127,060	128,598	134,860	134,860	136,443	137,536	139,231	146,128	146,128	136,579	1,367,423
Total Rental Revenue	127,060	128,598	134,860	134,860	136,443	137,536	139,231	146,128	146,128	136,579	1,367,423
Other Tenant Revenue											
Total Expense Recoveries	21,994	22,654	23,333	24,033	24,754	25,497	26,262	27,050	27,861	26,240	249,678
Total Other Tenant Revenue	21,994	22,654	23,333	24,033	24,754	25,497	26,262	27,050	27,861	26,240	249,678
Total Tenant Revenue	149,054	151,252	158,193	158,893	161,197	163,033	165,493	173,178	173,989	162,819	1,617,101
Potential Gross Revenue	149,054	151,252	158,193	158,893	161,197	163,033	165,493	173,178	173,989	162,819	1,617,101
Effective Gross Revenue	149,054	151,252	158,193	158,893	161,197	163,033	165,493	173,178	173,989	162,819	1,617,101
Operating Expenses											
CAM	8,798	9,061	9,333	9,613	9,902	10,199	10,505	10,820	11,144	10,496	99,871
Taxes and Insurance	13,196	13,592	14,000	14,420	14,853	15,298	15,757	16,230	16,717	15,744	149,807
Total Operating Expenses	21,994	22,654	23,333	24,033	24,754	25,497	26,262	27,050	27,861	26,240	249,678
Net Operating Income	127,060	128,598	134,860	134,860	136,443	137,536	139,231	146,128	146,128	136,579	1,367,423
Cash Flow Before Debt Service	127,060	128,598	134,860	134,860	136,443	137,536	139,231	146,128	146,128	136,579	1,367,423
Cash Flow Available for Distribution	127,060	128,598	134,860	134,860	136,443	137,536	139,231	146,128	146,128	136,579	1,367,423

SURROUNDING RETAIL



FIVE GUYS



LOCATIONS
1,500



REVENUE
\$832 M



EMPLOYEES
15,000

Five Guys Enterprises LLC is an American fast casual restaurant chain focused on hamburgers, hot dogs, and French fries, and headquartered in Lorton, Virginia, an unincorporated part of Fairfax County. The first Five Guys restaurant opened in 1986 in Arlington County, Virginia, and by 2001, the chain had expanded to five locations throughout the Washington, D.C. metro area.

In early 2003, the chain began franchising, beginning a period of rapid expansion. In a year and a half, permits had been sold for over 300 franchised locations. As of 2012, Five Guys had over 1,000 locations open throughout the United States and Canada, with over 1,500 locations under development. At that time, the company was the fastest-growing fast food chain in the United States, with a 32.8% sales increase from 2010 to 2011.

TROPICAL SMOOTHIE CAFE



LOCATIONS
700



REVENUE
\$50 M



EMPLOYEES
2,000

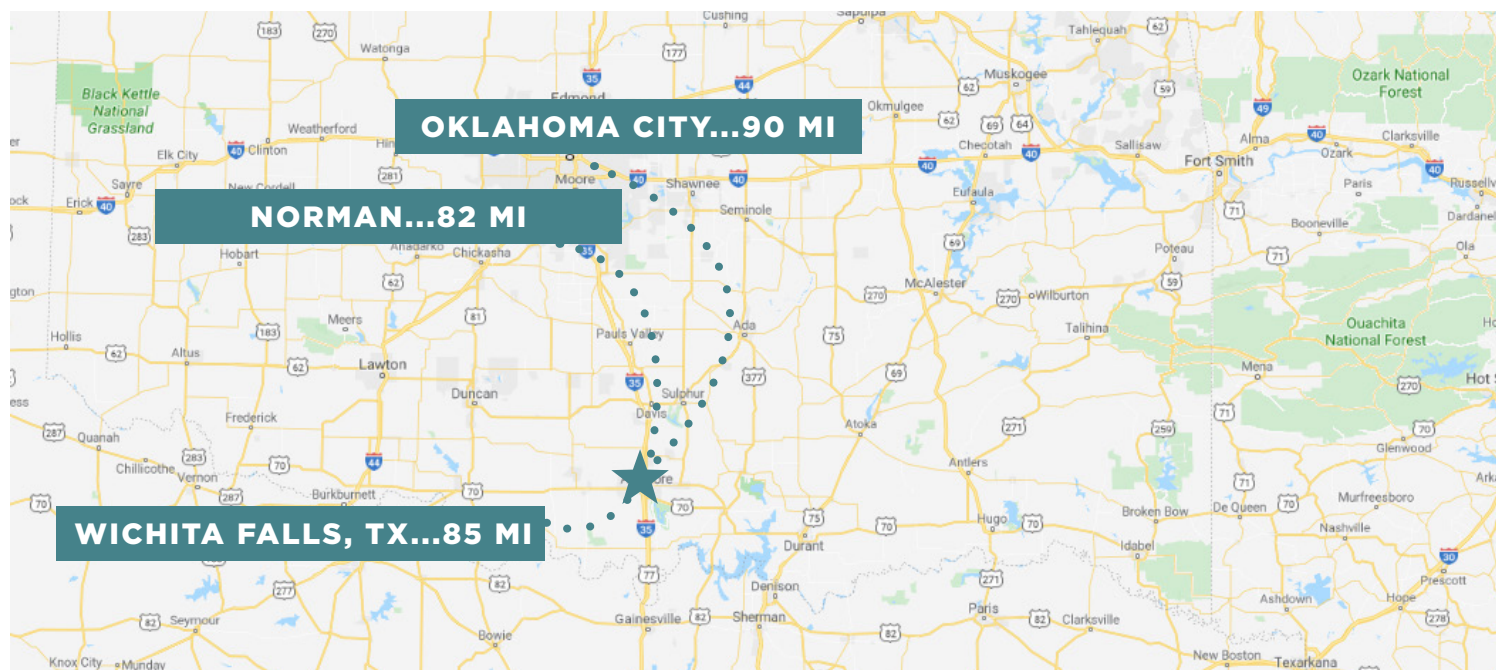
Tropical Smoothie Cafe, sometimes referred to as TSC, is a restaurant franchise in the United States. In addition to smoothies, the cafes offer sandwiches, wraps, salads, flat breads, and introduced bowls to their food line in 2017. Tropical Smoothie Cafe operates more than 650 locations nationwide with 2,000 projected openings across the United States by 2024.

Over the past decade, Tropical Smoothie Café has raised over \$5.4 million to support Camp Sunshine's mission to provide an authentic camp experience for children with life threatening illnesses and their entire families.

ARDMORE, OK

Ardmore is a business, cultural, and tourism city in and the county seat of Carter County, Oklahoma. Ardmore is 90 miles from both Oklahoma City and Dallas/Fort Worth, Texas, at the junction of Interstate 35 and U.S. Highway 70, and is generally considered the hub of the 10-county region of South Central Oklahoma.

Ardmore is the principal center of trade for a ten-county region in South Central Oklahoma. Ardmore's major employers are Michelin North America, with 1,900 employees, and Mercy Hospital Ardmore, with 900 employees. Several hundred employees work for regional distribution centers for Best Buy, Dollar Tree (Marietta) and Dollar General Stores, among others. Until early 2009, Ardmore was also home to a large regional distribution center for the now-defunct retail electronics chain Circuit City and was also home to a 1-800-flowers call center.



Being home to many pioneers in the dawn of the American oil industry, Ardmore has been blessed with riches far beyond most cities of its size, as well as the colorful past that often accompanies such “instant” wealth. The wealth has been channeled into many philanthropical endeavors, as well as reinvested into the area in various art and infrastructure endowments.

NORMAN, OK

Norman is a city in the U.S. state of Oklahoma located 20 miles south of downtown Oklahoma City. Economically the city has prominent higher education and related research industries, as it is home to the University of Oklahoma, the largest university in the state, with nearly 32,000 students enrolled. The university is well known for its sporting events by teams under the banner of the nickname “Sooners,” with over 85,000 people routinely attending football games. The university is home to several museums, including the Fred Jones Jr. Museum of Art, which contains the largest collection of French Impressionist art ever given to an American university, as well as the Sam Noble Oklahoma Museum of Natural History.



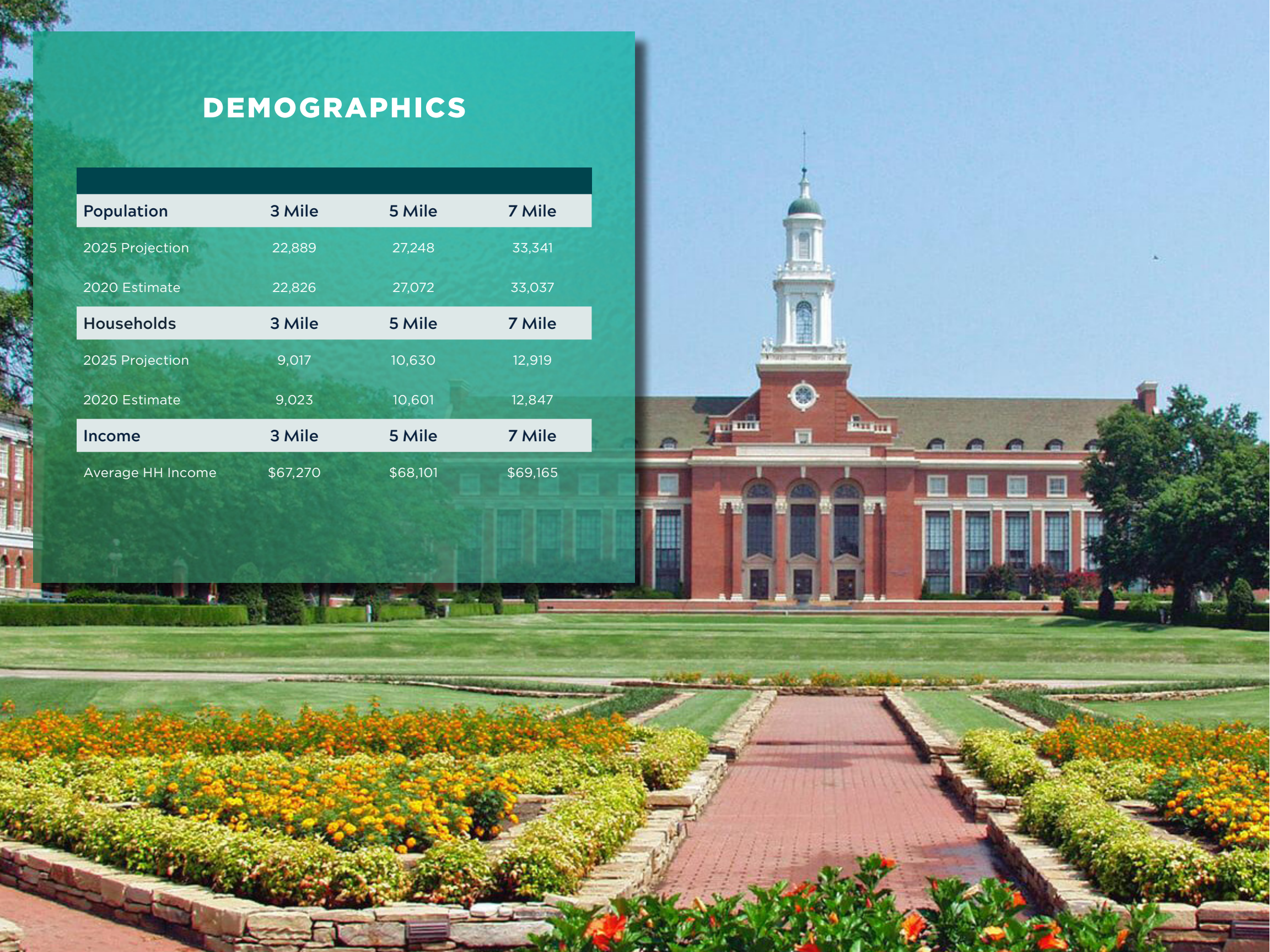
UNIVERSITY OF OKLAHOMA

The University of Oklahoma is a public research university in Norman, Oklahoma. Founded in 1890, it had existed in Oklahoma Territory near Indian Territory for 17 years before the two became the state of Oklahoma. Employing nearly 3,000 faculty members, the school offers 152 baccalaureate programs, 160 master's programs, 75 doctorate programs, and 20 majors at the first professional level. The university has won multiple national championships in multiple sports, including seven football national championships and two NCAA Division I baseball championships.



DEMOGRAPHICS

Population	3 Mile	5 Mile	7 Mile
2025 Projection	22,889	27,248	33,341
2020 Estimate	22,826	27,072	33,037
Households	3 Mile	5 Mile	7 Mile
2025 Projection	9,017	10,630	12,919
2020 Estimate	9,023	10,601	12,847
Income	3 Mile	5 Mile	7 Mile
Average HH Income	\$67,270	\$68,101	\$69,165



CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Five Guys and Tropical Smoothie Cafe** located at **2401 NW 12th Ave Ardmore, OK 73401** (“Property”). It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser’s sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the MS of affairs of the Property or constitute an indication that there has been no change in the MS of affairs of the Property since the date this Offering Memorandum.

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