

CARL'S JR.

EXCLUSIVE NET LEASE OFFERING

Representative Photo



OFFERING MEMORANDUM



1530 East Main Street, Barstow, CA 92311

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Investment Highlights

PRICE: \$4,443,533 | CAP: 4.50% | RENT: \$199,959



About the Investment

- ✓ Long-Term, 20-Year Triple-Net Lease with Nearly 17 Years Remaining
- ✓ Attractive 10 Percent Rental Increases Every Five Years
- ✓ Franchisee Guaranty | Akash Restaurants, LLC
- ✓ Has One, Five-Year or One, Ten-Year Renewal Option – Extending Total Possible Term from 25-30 Years

About the Location

- ✓ Dense Retail Corridor | Walmart, Vons, Aaron's, Dollar Tree, McDonald's, Burger King, Popeyes, Taco Bell, Starbucks, Jack in the Box, Panda Express, Little Caesar's, Del Taco, IHOP, and Many More
- ✓ Heavily Trafficked Area | Property is Positioned on East Main Street, which Intersects with Interstate-15 & Interstate-40 | 15,000, 82,000 and 22,000 Vehicles Per Day, Respectively
- ✓ Strategic Asset Positioning | Located at the Hard Corner of a Four-Way, Signalized Intersection
- ✓ Within Walking Distance of Barstow Station | Serves 20,000 Tour Buses Every Year & is a Popular Stop for Travelers on Interstate-15
- ✓ Highly Accommodating Area | Best Western, Quality Inn, Economy Inn Barstow, California Inn, Ramada by Wyndham, Super 8, Motel 6, Among Others

About the Tenant / Brand

- ✓ Carl's Jr. is a Wholly Owned Subsidiary of CKE Restaurants, Inc. of Franklin, Tennessee
- ✓ Carl's Jr. was Founded in 1941 by Industry Pioneer Carl N. Karcher
- ✓ CKE Restaurants, Inc., through its Subsidiaries, has a Total of Over 3,800 Franchised or Company-Owned Restaurants in 44 States and in 43 Foreign Countries or U.S. Territories, Including 1,079 Carl's Jr. Restaurants and 1,923 Hardee's® Restaurants
- ✓ Carl's Jr.'s® Long History of Industry Innovations have Included Enhancements to the Customer Experience, Including Partial Table Service, the Dual-Branding Concept, and Inventive Restaurant Design





Financial Analysis

PRICE: \$4,443,533 | CAP: 4.50% | RENT: \$199,959



PROPERTY DESCRIPTION

Property	Carl's Jr.
Property Address	1530 East Main Street
City, State, ZIP	Barstow, CA 92311
Year Built/Remodeled	2013
Building Size (Square Feet)	3,619
Lot Size	+/- 1.23 Acres
Type of Ownership	Fee Simple

Purchase Price

Purchase Price	\$4,443,533
CAP Rate	4.50%
Annual Rent	\$199,959

LEASE SUMMARY

Property Type	Net-Leased Restaurant
Tenant/Guarantor	Franchisee
Original Lease Term	20 Years
Lease Commencement	July 25, 2017
Lease Expiration	July 24, 2037
Lease Term Remaining	16.8 Years
Lease Type	Triple-Net (NNN)
Rental Increases	10% Every 5 Years
Options to Renew	One (1), Five (5)-Year or One (1), Ten (10)-Year

Rent Schedule

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation
Year 4	\$199,959	\$16,663	-
Year 5	\$199,959	\$16,663	-
Year 6	\$219,955	\$18,330	10.00%
Year 7	\$219,955	\$18,330	-
Year 8	\$219,955	\$18,330	-
Year 9	\$219,955	\$18,330	-
Year 10	\$219,955	\$18,330	-
Year 11	\$241,951	\$20,163	10.00%
Year 12	\$241,951	\$20,163	-
Year 13	\$241,951	\$20,163	-
Year 14	\$241,951	\$20,163	-
Year 15	\$241,951	\$20,163	-
Year 16	\$266,146	\$22,179	10.00%
Year 17	\$266,146	\$22,179	-
Year 18	\$266,146	\$22,179	-
Year 19	\$266,146	\$22,179	-
Year 20	\$266,146	\$22,179	-

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive net lease offering for the Carl's Jr. located at 1530 East Main Street in Barstow, California. The property consists of roughly 3,619 rentable square feet of building space and is located on an estimated 1.23-acre parcel of land.

The property is subject to a 20-year triple-net lease which began on July 25th, 2017 and has just under 17 years remaining. The current rent is \$199,959 with rental increases of 10 percent every five years throughout the base term and into either one, five-year tenant renewal option or one, ten-year tenant renewal option.



Tenant Overview



What began as a lone hot dog cart in Los Angeles, Calif. in 1941 is today an international organization that employs nearly 30,000 people worldwide. Carl's Jr. is a wholly owned subsidiary of CKE Restaurants, Inc. (NYSE: CKR) of Franklin, Tennessee. CKE Restaurants, Inc., through its subsidiaries, has a total of more than 3,800 franchised or company-owned restaurants in 44 states and in 43 foreign countries and U.S. territories, including more than 1,600 Carl's Jr. restaurants and more than 2,200 Hardee's® restaurants.

Founded in 1941 by industry pioneer Carl N. Karcher, Carl's Jr.® has consistently stood for quality and innovation. Operating under the essential philosophy that consumers will pay more for quality and taste, the Carl's Jr.® brand is a leader in both average guest check and gross margins. Carl's Jr.'s® long history of industry innovations have included enhancements to the customer experience, including partial table service, the dual-branding concept, and inventive restaurant design - not to mention the numerous industry-defining products that have graced the menu over the years. Carl's Jr.'s® dual-branding program with CKE Restaurants' quick-service Mexican brand, Green Burrito®, provides for increased variety and market share. Carl's Jr.® advertising has been a key part of its success in its ability to connect with the lifestyle and attitude of its target market and encourage sales of its higher-priced, higher-margin premium burgers.



Representative Photo

1940's

Carl Karcher and his wife Margaret invest their entire savings to buy a hot dog cart. Within five years, the Karchers open their first restaurant.

1950's

Business blossoms and Carl opens the first two Carl's Jr.® restaurants in Anaheim, opening two more locations within the decade, and introducing the bright yellow star sign.

1960's

The 60s brought vast expansion for the Karchers, who operated 24 Carl's Jr.'s and became Carl Karcher Enterprises, Inc., as they renovated all dining rooms and streamlined menus.

1970's

By 1977, more than 200 locations served California, and Carl's Jr. became the first quick-serve restaurant to offer salad bars at all 200 locations. In 1979, the company opened its first out-of-state location in Las Vegas.

1980's

The 80s saw more expansion for Carl's Jr., as well as the introduction of the iconic Western Bacon Cheeseburger in 1988. By the end of the decade, there were more than 534 restaurants, and Carl's Jr. opened its first international location in Mexico.

1990's

Now operating under Carl Karcher Enterprises (CKE), Carl's Jr. continued to open more locations throughout the states and internationally. In 1997, CKE acquired Hardee's restaurants, expanding business by ~2,500 locations.

2000's

In the 2000s, Carl's Jr. introduced some of its most iconic menu items, including the Six Dollar Burger, Hand-Scooped Milkshakes, and Charbroiled Turkey Burgers -- An industry first.

2010's

Over the last decade, Carl's Jr. has continued to push boundaries -- From being the first QSR to have a plant-based burger at all restaurants to the introduction of the first-ever CBD infused burger.





Guarantor Overview



Amir Siddiqi, the owner of Akash Restaurants, LLC, is a top franchisee owner controlling 172 restaurants across five brands in four states. His rise to success began with modest origins as a Carl's Jr dishwasher paying his way through college. While educating himself at the California State University, Los Angeles, Amir quickly moved up the ladder within Carl's Jr.

In 1994, he was promoted to District Manager. A short five years later, Amir was recognized as the top District Manager of the Year. His subsequent promotion to Regional Vice President of Green Burrito Operations eventually paved the way for a career of esteemed leadership. By 2005, Amir had been anointed the President of La Salsa, a CKE Holdings brand boasting over 100 restaurants. Throughout his tenure, Amir emphasized site selection for future dual brand locations, as well as development of detailed employee training systems.

It was only a couple of years afterwards that Amir was ready to branch out on his own as a franchise owner. In 2007, he made the bold move to invest his entire savings into buying four Carl's Jr locations in Southern California. His risk yielded high rewards for himself, his employees, and his investors. Determined to move forward, Amir developed an acquisition plan in 2014 that enabled purchasing restaurants with little to no resulting debt and fast-tracked perpetual expansion.

As of March 2019, Amir's company owns 158 Carl's Jr restaurants within California and Washington, as well as twelve Pieology Pizzerias spanning California and Arizona. Additionally, he owns one Arby's restaurant and one Kentucky Fried Chicken restaurant, both also in California. Recently Amir welcomed legacy juice concept, Jamba Juice by acquiring 14 premier locations within the Northern California market. Rounding out a busy 2019, a 21-store acquisition from Pieology Corp designated him the largest franchisee in the system with 35 units combined.

When asked, Amir owes his success to his insatiable appetite to grow and diversify, high standards for performance, and a company culture that fosters mutual support. His company mission statement reads, "Great Food. Happy Employees. Satisfied Guests. Profitable Shareholders. One Awesome Company." A simple, but bold statement built on four pillars of Operations, Talent, Sales and Financials. Amir has built a company in which the only expectation is to have a relentless hunger to win. His vigilant demand for success has resulted numerous awards such as the Founders Awards and an Operations Excellence award.

Amir has surrounded himself with an incredibly competent and competitive team that meets his high standards of integrity. At the same time, this competitiveness is paired with a deeply rooted family culture. Across the various departments in his growing team, there is innate cooperation and fellowship. In 2018, his team found a new home in Pomona, California which is aptly called the Akash Management Restaurant Support Center.





Surrounding Area



Property Address: 1530 East Main Street, Barstow, CA 92311





Location Overview

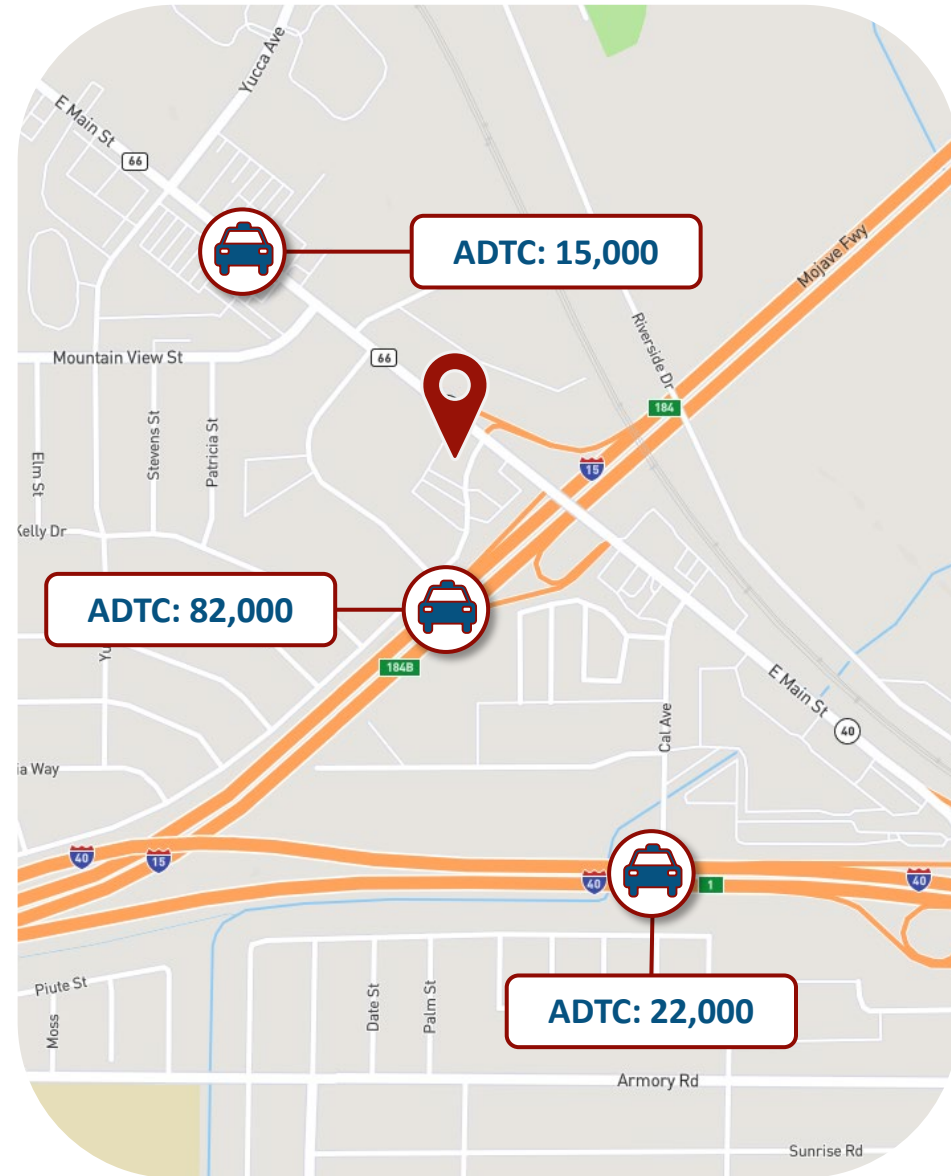


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The subject Carl's Jr. property is well-situated on East Main Street in Barstow, California, which boasts an average traffic count of approximately 15,000 vehicles per day. East Main Street intersects with Interstate-15 and Interstate-40, which bring an additional 82,000 and 22,000 vehicles into the immediate surrounding area each day, respectively. There are more than 25,000 individuals residing within a three-mile radius of the subject property and more than 28,000 individuals residing within a five-mile radius.

This Carl's Jr. is strategically positioned at the hard corner of a four-way, signalized intersection in a dense retail corridor that consists of a healthy mix of local, regional and national retailers, shopping centers, and hospitality accommodations, all within immediate proximity of the site. Major national tenants in the immediate area include: Walmart, Vons, Aaron's, Dollar Tree, McDonald's, Burger King, Popeyes, Taco Bell, Starbucks, Jack in the Box, Panda Express, Little Caesar's, Del Taco, IHOP, in addition to numerous others. This Carl's Jr. benefits from being located in a highly accommodating area, with numerous hotels in the immediate area, including: Best Western, Quality Inn, Economy Inn Barstow, California Inn, Ramada by Wyndham, Super 8, Motel 6, among others. The subject property additionally benefits from being located within walking distance of Barstow Station, a popular stop for travelers along Interstate-15 that serves 20,000 tour buses every year.

Barstow is nestled alongside the Calico Mountains and Mojave River, rich in history and posed to be at the center of regional economic growth. Located at the crossroads of two major interstates, midway between Los Angeles, CA and Las Vegas, NV, Barstow serves as a major transportation center for the Inland Empire. Major highways including Interstates 15, 40 and CA Highways 58 and 247 converge in the City serving more than 60 million travelers and 19 million vehicles visiting each year. Barstow is home to the Marine Corps Logistics Base and is in proximity to the Fort Irwin Military Reservation. Barstow has roughly 245,250 square-feet of retail space available; is home to the Outlets at Barstow providing shopping usually only found in metropolitan areas; has an ultra-modern 82,500 square-foot new Community Hospital, is the site of a proposed Casino & Resort and has several new residential development in the planning process. Public education is provided by Barstow Unified School District and has eight elementary schools, one intermediate school, one middle school, one junior high school, two high schools and one adult evening school. There are two private elementary schools within the community as well. Barstow Community College offers community college courses for those seeking to go onto a four-year degree program as well as those seeking further education in trade-specific fields.

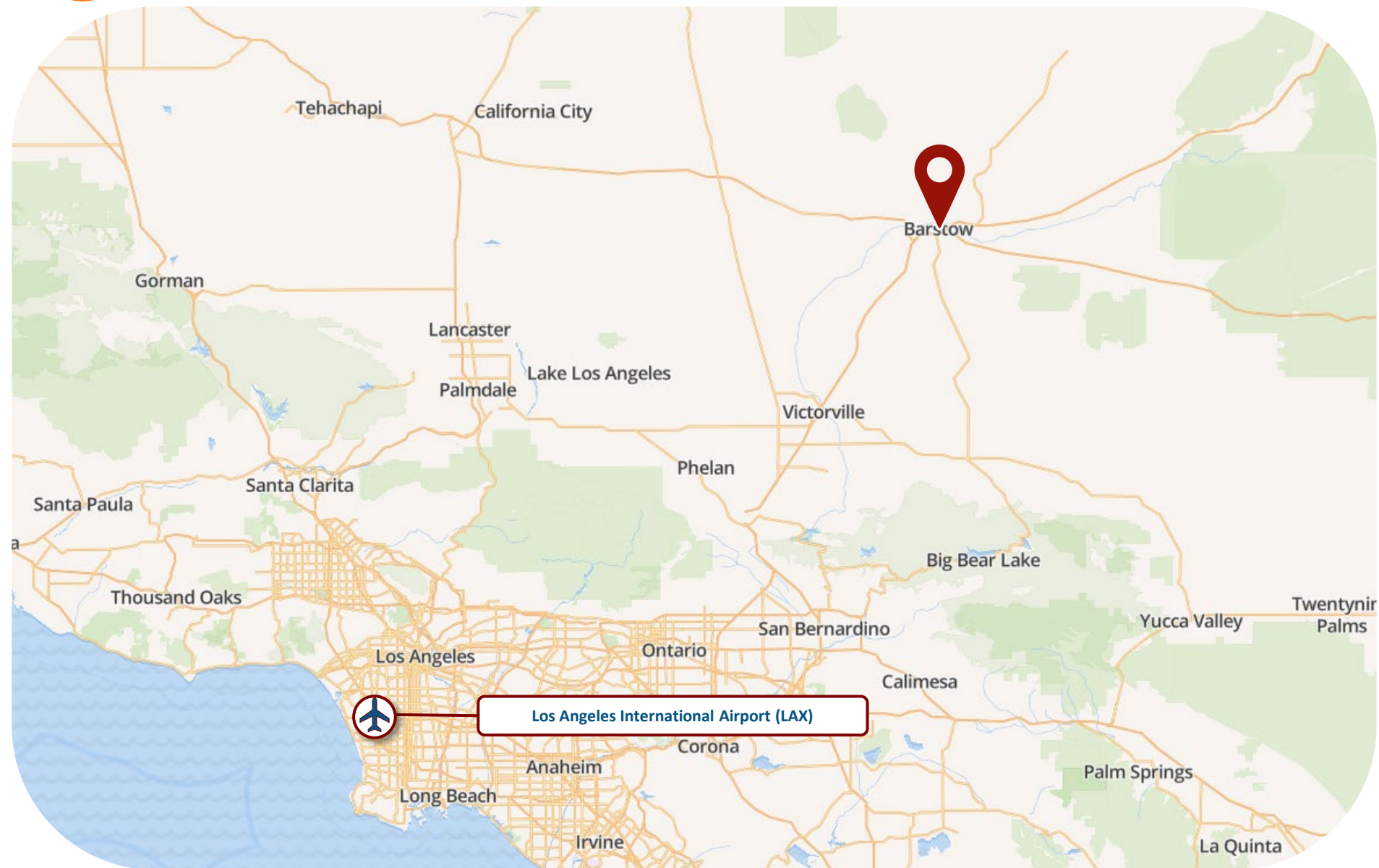




Local Map



Property Address: 1530 East Main Street, Barstow, CA 92311

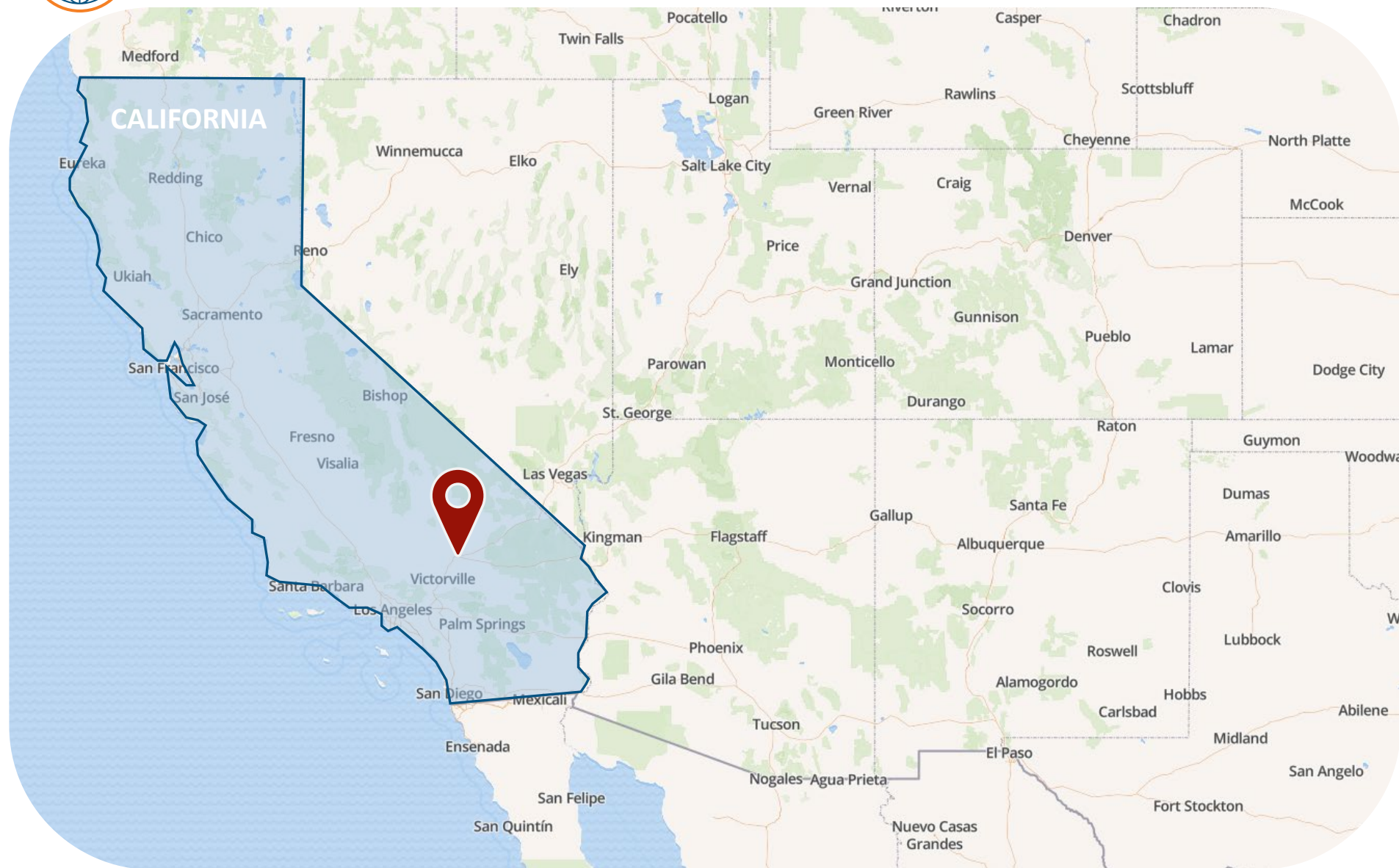




Regional Map



Property Address: 1530 East Main Street, Barstow, CA 92311

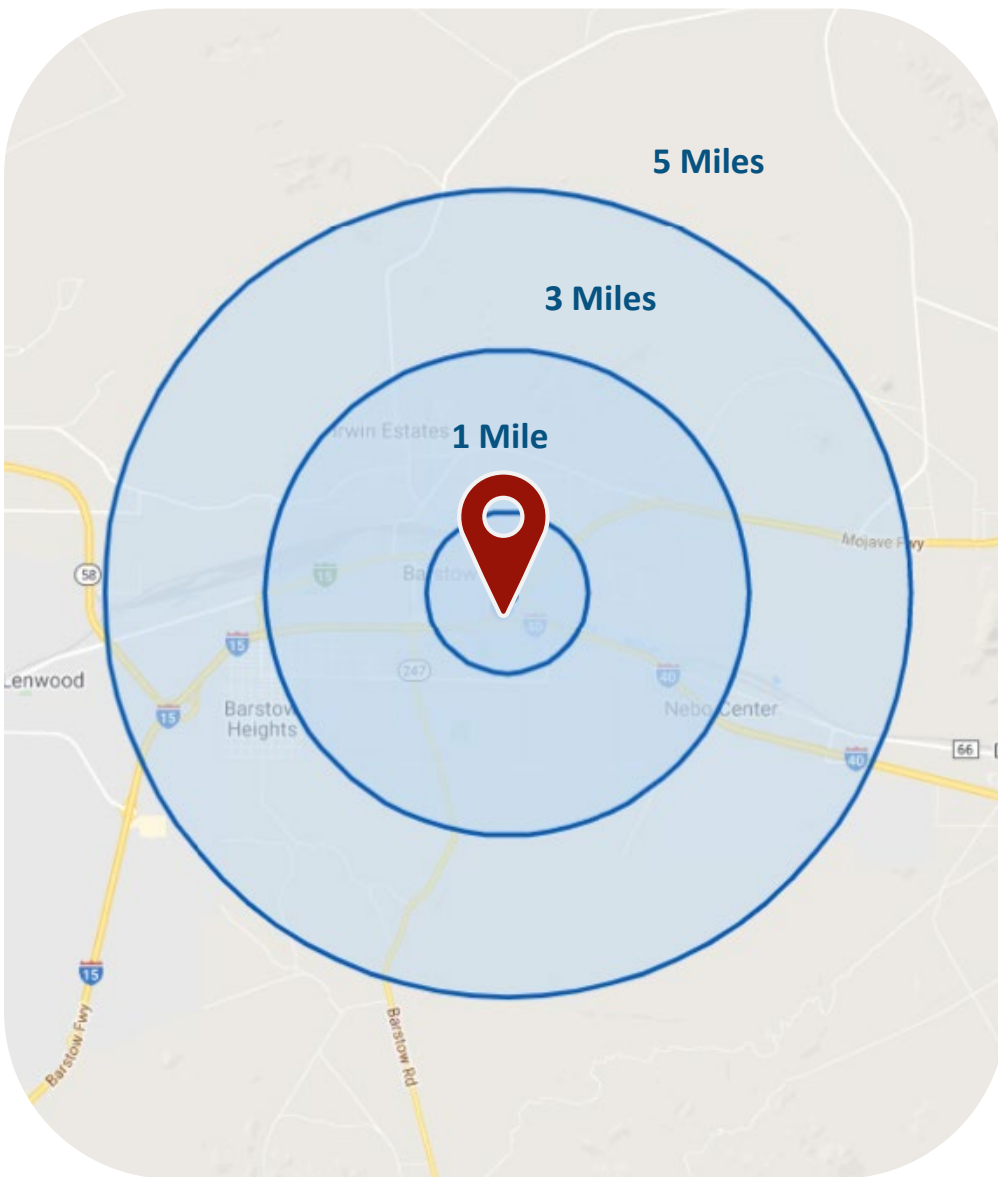




Demographics



Property Address: 1530 East Main Street, Barstow, CA 92311



POPULATION

	1 Miles	3 Miles	5 Miles
2025 Projection	9,394	26,128	28,502
2020 Estimate	9,407	25,929	28,264
2010 Census	9,167	24,891	27,120
2000 Census	8,966	24,621	26,556

INCOME

Average	\$57,889	\$63,292	\$64,925
Median	\$47,523	\$50,248	\$51,711
Per Capita	\$20,158	\$23,185	\$23,782

HOUSEHOLDS

2025 Projection	3,269	9,518	10,383
2020 Estimate	3,262	9,394	10,242
2010 Census	3,113	8,828	9,622
2000 Census	3,145	8,837	9,504

HOUSING

2020	\$117,754	\$133,444	\$141,544
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EMPLOYMENT

2020 Daytime Population	9,421	25,337	27,566
2020 Unemployment	4.77%	4.59%	4.53%
2020 Median Time Traveled	21 Mins	22 Mins	23 Mins

RACE & ETHNICITY

White	46.71%	50.27%	51.51%
Native American	0.96%	1.37%	1.31%
African American	14.87%	13.14%	12.42%
Asian/Pacific Islander	2.66%	3.40%	3.36%



Market Overview

City: Barstow | County: San Bernardino | State: California



Los Angeles, CA



Los Angeles is home to one of the most dynamic economies in the world, with a fast-growing and immense high-tech industry, world leading creative economy, tremendous strength in aerospace and advanced transportation, the nation's largest manufacturing base, the nation's largest international trade industry, and a rapidly increasing amount of venture capital investment in startups.

With over a dozen major industries, the L.A. region is also known for innovation as creative collisions occur where industries overlap, driving new business concepts and entirely new sectors, making L.A. County the creative capital of the nation. All this success can be traced to the area's highly diverse, skilled workforce and visionaries who are reinventing everything from transit to translational medicine.

Create:

As the world's creative hub, LA County's creative economy includes Entertainment (Movie and Television production), Fashion, Furniture & Decorative Arts, Visual & Performing Arts, Communication Arts, Architecture & Interior Design, Digital Media & Gaming, Printing & Publishing, and Toys.

Design:

From car design with 22 auto design centers including the world's leading brands, to leading architecture firms, to design colleges like ArtCenter and Otis College, all the way to apparel in L.A. County's fashion sector, L.A. County is the world's innovative design capital.

Manufacture:

From salsa to satellites, furniture to fashion, and helicopters to hot tubs, well over 300,000 people work in L.A. County's manufacturing sector.

Trade

L.A. County is simply the best place to conduct international trade, with the two largest sea ports in the Western hemisphere handling over 40% of the inbound US containerized freight; a world hub airport (LAX), and massive logistics infrastructure, with freight rail lines and logistics and warehousing serving the entire western United States, as well as the 10 million residents of LA County.

Education & Research:

L.A. County is a leading center for 4-year colleges and universities, being home to three of the world's leading research universities, Caltech, UCLA, USC, plus 118 other colleges and universities.



Marcus & Millichap

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CA BROKER OF RECORD:

Matthew Luchs
Marcus & Millichap
1530 E Main St
Ontario, CA
Tel: (909) 456-3460
License: 01948233



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