

CARL'S JR

2053 LOOP 11, WICHITA FALLS, TEXAS 76306

Marcus & Millichap

OFFERING MEMORANDUM



Representative Photo



INVESTMENT HIGHLIGHTS

- Absolute NNN Lease | 15 Years Remaining
- 14% increase in restaurant sales from 2019 to 2020 | Healthy Rent to Sales Ratio
- 10% Rental Increases Every 5 Years
- Irreplaceable Off-ramp Location | 69,000+ Vehicles Per Day at Interstate 44
- Carl's Jr. has been operating successfully at this location for over 40 Years
- OK Restaurant Holdings 37-Unit Franchisee Guarantee and Personal Guaranteed Lease by Aslam Khan, CEO of Falcon Holdings
- Fee Simple Ownership

INVESTMENT OVERVIEW

Marcus and Millichap is pleased to represent this 3,080 sq ft Carl's Jr. located in Wichita Falls, TX. Carl's Jr. is operating under a 20-Year Absolute NNN Lease. The tenant has been operating successfully at this location since 1980 and the property was remodeled in 2015. The property benefits from its visibility, strategically located on Loop 11 off Two Major Highways (287 & 44), seeing over 69,000 Cars Per Day. Store Sales have improved 14% over the last 12 Months.

The property is easily accessible off Freeways I-44 & TX-287 being very popular with travelers circulating between Amarillo, Tulsa, Oklahoma City, and Dallas-Ft. Worth. There are numerous national retailers and service oriented retailers that are clustered in the immediate area. A Walmart Supercenter anchors the Loop 11 retail trade area which includes Taco Bell/KFC, Jack In The Box, What-a-Burger, Denny's, Starbucks, the YMCA, and Cracker Barrel restaurant.

OFFERING SUMMARY

PRICE	\$1,569,733
NOI	\$82,411
CAP RATE	5.25%
PRICE/SF	\$509.65
LEASE TYPE	NNN
GROSS LEASABLE AREA	3,080 SF
YEAR BUILT	1980
YEAR RENOVATED / COST	2015 / \$150,000
LOT SIZE	0.96 ACRES

LEASE SUMMARY

PROPERTY ADDRESS	2053 Loop 11 Wichita Falls, TX 76306
PROPERTY SUBTYPE	Net Leased Restaurant
TENANT	OK Restaurants Holding LLC
LEASE COMMENCEMENT	April 1, 2016
LEASE EXPIRATION	July 25, 2036
RENEWAL OPTIONS	Four 5-Year Options
TERM REMAINING	15+ Years
RENTAL INCREASES	10% Every Five Years
LANDLORD RESPONSIBILITY	None
TENANT RESPONSIBILITY	Property Taxes, Insurance, and CAM



LEASE YEARS

ANNUAL RENT

MONTHLY RENT

CAP RATE

05/01/2021 – 04/30/2026

\$82,411

\$6,868

5.25%

05/01/2026 – 04/30/2031

\$90,652

\$7,554

5.77%

05/01/2031 – 04/30/2036

\$99,717

\$8,310

6.35%

1st Option Period

\$109,689

\$9,141

6.99%

2nd Option Period

\$120,657

\$10,055

7.69%

3rd Option Period

\$132,724

\$11,060

8.46%

4th Option Period

\$145,996

\$12,166

9.30%



ABOUT CARL'S JR

Carl's Jr. is an American fast food restaurant chain operated by CKE Restaurant Holdings, Inc. with franchise locations in United States, Australia, Canada, and Latin America. Headquartered in Franklin, Tennessee with 1,490 stores as of 2019, Carl's Jr. employees nearly 30,000 people worldwide. Carl Kracher founded the company with the first location in Anaheim, California in 1941. The Kracher family is current a franchisee of Carl's Jr with it's headquarter in Palm Desert, California where they operate 15 units and 70+ Other Restaurant Brands.

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.

OK Restaurant Holdings LLC

TENANT PROFILE

Franchisee Name	OK Restaurant Holdings LLC
Lease Guarantor	Personal Guarantee from Aslam Khan
Ownership	Private
Number of Locations	38 Locations
Headquarters	Oklahoma City

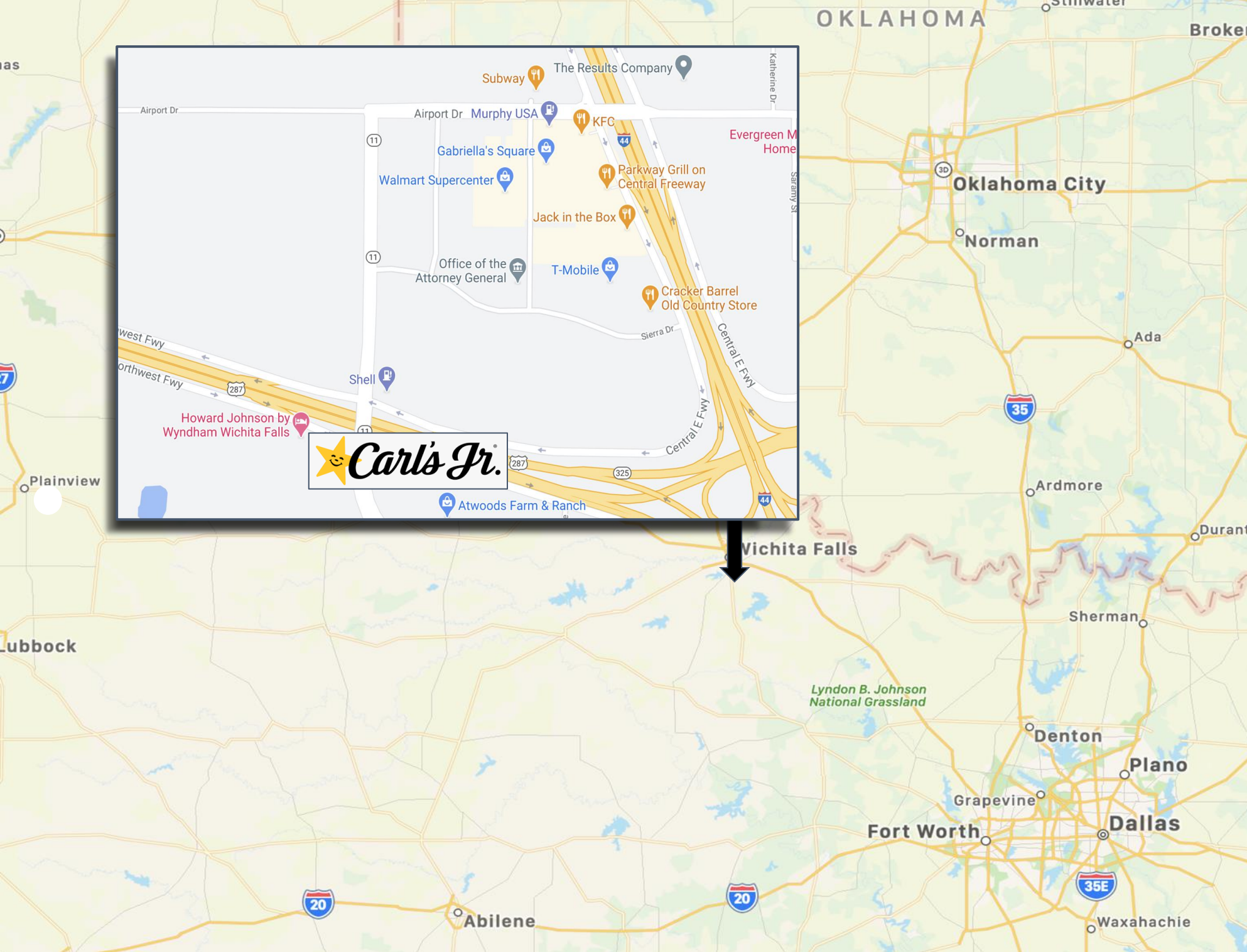


ABOUT THE FRANCHISEE & GUARANTOR

OK Restaurant Holdings LLC is an Oklahoma Limited Liability company established by Aslam Khan in April, 2015. Aslam Khan is the CEO of Falcon Holdings Management, a holding company of multiple franchise brands including, Church's Chicken, Long John Silver's, and A&W.

Through Falcon Holdings Management, Aslam Khan, has 30+ years management experience in the Quick Service Restaurant industry owning and operating over 258 restaurants including 140 Church's Chickens. Mr. Khan is a personal guarantor to the lease and operates the business under the name OK Restaurant Holdings LLC. Please contact broker for additional organizational and financial information on the tenant & guarantor. Please also visit their company website at <http://falconholdings.com> for additional information.





CARL'S JR | 2053 LOOP 11, WICHITA FALLS, TEXAS 76306

POPULATION	1 Miles	3 Miles	5 Miles
■ 2025 Projection			
Total Population	4,997	26,586	63,773
■ 2020 Estimate			
Total Population	4,990	26,586	63,885
■ 2010 Census			
Total Population	4,947	26,194	63,151
■ 2000 Census			
Total Population	5,733	26,236	64,461
■ Current Daytime Population			
2020 Estimate	5,062	29,738	75,439
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2025 Projection			
Total Households	1,920	7,959	21,503
■ 2020 Estimate			
Total Households	1,903	7,916	21,435
Average (Mean) Household Size	2.66	2.60	2.46
■ 2010 Census			
Total Households	1,888	7,906	21,500
■ 2000 Census			
Total Households	2,068	8,519	22,555
■ Occupied Units			
2025 Projection	1,920	7,959	21,503
2020 Estimate	2,204	9,265	25,316
HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2020 Estimate			
\$150,000 or More	1.07%	2.74%	4.73%
\$100,000 - \$149,000	3.52%	8.57%	9.00%
\$75,000 - \$99,999	9.40%	10.07%	9.28%
\$50,000 - \$74,999	25.51%	20.99%	18.17%
\$35,000 - \$49,999	18.32%	16.74%	15.68%
Under \$35,000	42.19%	40.88%	43.14%
Average Household Income	\$46,125	\$53,016	\$57,168
Median Household Income	\$41,005	\$42,646	\$41,279
Per Capita Income	\$17,590	\$18,287	\$21,334

HOUSEHOLDS BY EXPENDITURE	1 Miles	3 Miles	5 Miles
Total Average Household Retail Expenditure	\$50,793	\$53,809	\$53,196
■ Consumer Expenditure Top 10 Categories			
Housing	\$12,915	\$13,699	\$13,640
Transportation	\$9,234	\$10,142	\$9,707
Shelter	\$6,763	\$7,270	\$7,246
Food	\$5,281	\$5,358	\$5,403
Personal Insurance and Pensions	\$4,873	\$5,372	\$5,237
Health Care	\$3,700	\$3,778	\$3,822
Utilities	\$3,327	\$3,461	\$3,459
Cash Contributions	\$1,900	\$1,806	\$1,869
Entertainment	\$1,825	\$2,103	\$2,060
Household Furnishings and Equipment	\$1,349	\$1,435	\$1,389
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2020 Estimate Total Population	4,990	26,586	63,885
Under 20	29.44%	31.15%	27.16%
20 to 34 Years	22.54%	31.14%	27.33%
35 to 39 Years	6.28%	5.54%	6.30%
40 to 49 Years	10.27%	8.23%	10.36%
50 to 64 Years	18.07%	13.33%	16.22%
Age 65+	13.40%	10.59%	12.63%
Median Age	33.65	26.41	31.79
■ Population 25+ by Education Level			
2020 Estimate Population Age 25+	3,182	14,034	39,094
Elementary (0-8)	4.98%	4.98%	5.67%
Some High School (9-11)	12.69%	10.61%	11.61%
High School Graduate (12)	43.16%	33.68%	32.22%
Some College (13-15)	20.73%	23.20%	23.33%
Associate Degree Only	6.29%	8.63%	6.72%
Bachelors Degree Only	8.42%	11.72%	12.61%
Graduate Degree	2.32%	5.44%	6.46%



POPULATION

In 2020, the population in your selected geography is 4,990. The population has changed by -12.96% since 2000. It is estimated that the population in your area will be 4,997.00 five years from now, which represents a change of 0.14% from the current year. The current population is 47.87% male and 52.13% female. The median age of the population in your area is 33.65, compare this to the US average which is 38.21. The population density in your area is 1,588.32 people per square mile.



HOUSING

The median housing value in your area was \$66,811 in 2020, compare this to the US average of \$221,068. In 2000, there were 1,286 owner occupied housing units in your area and there were 782 renter occupied housing units in your area. The median rent at the time was \$419.



INCOME

In 2020, the median household income for your selected geography is \$41,005, compare this to the US average which is currently \$62,990. The median household income for your area has changed by 31.78% since 2000. It is estimated that the median household income in your area will be \$45,790 five years from now, which represents a change of 11.67% from the current year.

The current year per capita income in your area is \$17,590, compare this to the US average, which is \$34,935. The current year average household income in your area is \$46,125, compare this to the US average which is \$90,941.



RACE AND ETHNICITY

The current year racial makeup of your selected area is as follows: 53.16% White, 27.39% Black, 0.30% Native American and 2.61% Asian/Pacific Islander. Compare these to US averages which are: 69.84% White, 12.88% Black, 0.20% Native American and 5.75% Asian/Pacific Islander. People of Hispanic origin are counted independently of race. People of Hispanic origin make up 21.60% of the current year population in your selected area. Compare this to the US average of 18.38%.



HOUSEHOLDS

There are currently 1,903 households in your selected geography. The number of households has changed by -7.98% since 2000. It is estimated that the number of households in your area will be 1,920 five years from now, which represents a change of 0.89% from the current year. The average household size in your area is 2.66 persons.



EMPLOYMENT

In 2020, there are 1,008 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 45.99% of employees are employed in white-collar occupations in this geography, and 52.43% are employed in blue-collar occupations. In 2020, unemployment in this area is 2.88%. In 2000, the average time traveled to work was 16.00 minutes.

WICHITA FALLS, TX | Boasting a diverse economic base of manufacturing, aircraft, healthcare and professional services, the Wichita market is composed of five counties and supports a population of roughly 656,000 people. Through 2024, the metro is forecast to add almost 51,000 people. Over three-quarters of all residents live in the city of Wichita. Wichita State University also lies within the metro, enrolling a student body of nearly 16,000 in both graduate and undergraduate programs. The metro is home to several other smaller liberal arts colleges.

MAJOR EMPLOYERS

EMPLOYER	# OF EMPLOYEES *
Air Force 82nd Training Wing	9,852
US Dept of Air Force	1,973
UNITED REGIONAL	1,654
Allred Unit	960
Midwestern State University	800
Sheppard Tcc Hospital	730
AT&T Mobility LLC	700
Walmart	600
Air Force US Dept of	593
82nd Civil Engrg Squadron	400
Police Training Center The	400
WICHITA COUNTY COURT	362

DEMOGRAPHICS

	1-Miles	3-Miles	5-Miles
2020 Estimate Pop	4,990	26,586	63,885
2010 Census Pop	4,947	26,194	63,151
2020 Estimate HH	1,903	7,916	21,435
2010 Census HH	1,888	7,906	21,500
Median HH Income	\$41,005	\$42,646	\$41,279
Per Capita Income	\$17,590	\$18,287	\$21,334
Average HH Income	\$46,125	\$53,016	\$57,168

* # of Employees based on 5 mile radius

DIVERSE MANUFACTURING BASE

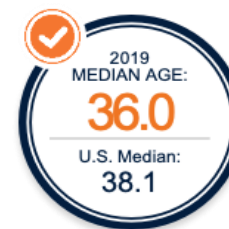
Manufacturers of aviation, air-conditioners, turf equipment, food products and telecommunications are active in the metro.

EDUCATIONAL CENTER

With Wichita State University located here, education is a key economic driver. Public school districts and the university provide more than 11,600 jobs.

LARGE GOVERNMENT PRESENCE

More than 5,900 workers are employed by the state of Kansas and the U.S. government, providing a large contingent of employment to the metro. McConnell Air Force Base has nearly 6,000 personnel.



§ Aviation is an integral part of the economy, with Spirit AeroSystems, Bombardier and Textron Aviation providing roughly 24,000 jobs.

§ The large healthcare sector is represented by Ascension Via Christi, Wesley Healthcare and Robert J. Dole VA Medical Center together employing nearly 7,500 workers.

§ Numerous other active distribution and manufacturing companies in the metro include Cargill Meat Solutions, Koch Industries Inc., Johnson Controls and AGCO Corp.

§ Several telecommunications firms have established bases of operations in the market. Combined T-Mobile and Cox Communications employ over 1,800 residents.

NON-ENDORSEMENT & NET LEASED DISCLAIMER NOTICE

Confidentiality and Disclaimer

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap Real Estate Investment Services, Inc. ("Marcus & Millichap") and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2018 Marcus & Millichap. All rights reserved.

THE TEXAS REAL ESTATE COMMISSION (TREC) REGULATES REAL ESTATE BROKERS AND SALES AGENTS, REAL ESTATE INSPECTORS, HOME WARRANTY COMPANIES, EASEMENT AND RIGHT-OF-WAY AGENTS AND TIMESHARE INTEREST PROVIDERS. YOU CAN FIND MORE INFORMATION AND CHECK THE STATUS OF A LICENSE HOLDER AT WWW.TREC.TEXAS.GOV. YOU CAN SEND A COMPLAINT AGAINST A LICENSE HOLDER TO TREC. A COMPLAINT FORM IS AVAILABLE ON THE TREC WEBSITE. TREC ADMINISTERS TWO RECOVERY FUNDS WHICH MAY BE USED TO SATISFY A CIVIL COURT JUDGMENT AGAINST A BROKER, SALES AGENT, REAL ESTATE INSPECTOR, OR EASEMENT OR RIGHT-OF-WAY AGENT, IF CERTAIN REQUIREMENTS ARE MET. IF YOU HAVE QUESTIONS OR ISSUES ABOUT THE ACTIVITIES OF A LICENSE HOLDER, THE COMPLAINT PROCESS OR THE RECOVERY FUNDS, PLEASE VISIT THE WEBSITE OR CONTACT TREC AT: TEXAS REAL ESTATE COMMISSION: P.O. BOX 12188, AUSTIN, TEXAS 78711-2188 - (512) 936-3000

SPECIAL COVID-19 NOTICE: All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.

Non-Endorsement Notice

Marcus & Millichap is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporations logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Marcus & Millichap, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of Marcus & Millichap, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

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 Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.



INFORMATION ABOUT BROKERAGE SERVICES

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

11-2-2015

TYPES OF REAL ESTATE LICENSE HOLDERS:

- A **BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- A **SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

Licensed Broker /Broker Firm Name or Primary Assumed Business Name

License No.

Email

Phone

Designated Broker of Firm

License No.

Email

Phone

Licensed Supervisor of Sales Agent/Associate

License No.

Email

Phone

Sales Agent/Associate's Name

License No.

Email

Phone

Buyer/Tenant/Seller/Landlord Initials

Date