

*Pioneer Franchisee | New 25-Year Absolute NNN
Sale-Leaseback*

*2115 US-431,
Boaz, AL. 35957*

Marcus & Millichap

REPRESENTATIVE PHOTO



OFFERING
MEMORANDUM

Krystal®

NON-ENDORSEMENT AND DISCLAIMER NOTICE

Non-Endorsements

Marcus & Millichap Real Estate Investment Services of Florida, Inc. ("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 corporation's 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.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY.
PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

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 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.

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.

Krystal Sale-Leaseback | Pioneer Franchisee
Boaz, AL
ACT ID ZAC0310418

AL BROKER OF RECORD:
Eddie Greenhalgh
License: #000088298-0

Table of Contents

1. Investment Highlights.....	P. 4
2. Investment Summary.....	P. 5
3. About the Tenant.....	P. 6
4. Property Summary.....	P. 7
5. Property Photos.....	P. 8
6. Regional Map.....	P. 9
7. Aerial Map.....	P. 10
8. Demographics.....	P. 11
9. About Boaz, AL.....	P. 12

INVESTMENT HIGHLIGHTS

PRICE: \$1,675,000 | CAP: 5.64% | RENT: \$94,500

- *New 25-Year Absolute NNN Lease To Be Executed at Close of Escrow*
- *25-Year Absolute (NNN) Lease - Zero Landlord Responsibilities*
- *3.5% Rent Escalations Every Five-Years*
- *Tenant Renewal Options: Three (3), Five-Year Options*
- *Located on a Major Thoroughfare*

ABOUT THE BRAND

- *Krystal is the Southeast's longest-standing QSR chain*
- *A Simple, One-of-a-Kind Menu Anchored by the Original, Craveable "Krystal Burger"*
- *Krystal is the Southeast's longest-standing QSR chain that has been in business for over 89 years.*
- *Krystal has over 305 stores in 10 states with over 6,500+ employees and does over \$306 Million in sales volume.*
- *Krystal was recently acquired by Fortress Investment Group & Golden Child Holdings in May of 2020*
- *Fortress manages assets on behalf of approximately 1,800 institutional clients and private investors worldwide totaling approximately \$52.7 billion.*
- *Golden Child is an active investor and manager in the restaurant sector that has extensive turnaround experience.*

Investment Summary

Marcus & Millichap is pleased to present this exclusive listing of a freestanding Krystal Restaurant located at 2115 US-431, in Boaz, AL. The site constructed in 1990 consists of 690 rentable square feet of building space and sits on an approximately 0.60 acre parcel of land. Krystal is subject to a brand new, 25-year Absolute NNN lease, the starting base rent shall be \$94,500 with 3.5% escalations each five-year period. There will be three five-year tenant renewal options with 3.5% rental increases in each of the Five-year option periods, extending the total possible lease term to 40 years. The subject property has displayed strong performance throughout its history in Boaz, as a result WAC Enterprises will execute a new 25-Year Absolute NNN Lease at Close of Escrow.

A History Of Great Taste

Things have changed a lot in the last 87 years or so, but at Krystal, not so much. Even during the Great Depression, founders Rody Davenport Jr. and Glenn Sherrill believed that a good meal at a great price—served with a smile at a clean restaurant—would attract customers and keep them coming back. Krystal has proven them right ever since. Sure, we stick to the classics, but over the years, we’ve never been afraid to innovate, adding a breakfast menu, chicken sandwiches, hot dogs, milkshakes (and more) to our enduring selection of delicious, iconic, little square burgers.

Today, as we expand into new markets with new restaurant designs and our unique and tasty menu items, we still deliver a one-of-a-kind taste and experience—one we like to think would make Rody and Glenn proud.

General Information

Founded: 1932

Website: <https://krystal.com/>

Headquarters: Dunwoody, GA

Number of Locations: 305+



About the Tenant-WAC Enterprises

The Hale Group story is truly one of family, growth, wisdom, support, and evolution. Wayne and Carolyn Hale established their company as WAC Enterprises in 1989 when they became the first franchisees of The Krystal Company and opened the first franchise restaurant in Crossville, Tennessee, in 1990. Growing to three units by 1998, the Hales soon acquired another franchisee and thereby connected with operator John Jones, who would become a vital part of the company's success and growth as COO.

Over subsequent years, WAC Enterprises built or acquired several more stores in their demographic footprint of rural East Tennessee, Northeast Alabama, and Northwest Georgia. The company was nine units strong by 2011 when joined by Jimmy Swansbrough, who assisted Mr. Jones in what became an unparalleled growth strategy. Nine units became thirteen, then seventeen, twenty-four, thirty-four, thirty-eight—until by 2020, the Hales found themselves atop a forty-four unit enterprise spanning six states, along with a maintenance company founded in 2015 to service and supply commercial restaurants across the Southeast.

Now known as The Hale Group, this company is the most decorated and respected franchisee of The Krystal Company, having become the cultural backbone of quality and dedication to the Krystal brand for over thirty years. Epitomizing a genuine understanding of growth, success, and consistency, The Hale Group has become the benchmark for establishing a company brand within a historic franchise.

As a result of the recent growth of The Krystal Company, the influence of Golden Child Holdings, and the evolution of leadership within the organization, Wayne, John, and Jimmy—along with their team—are looking to build for the first time in several years, providing a testament to the loyalty present throughout the Southeast to the traditional Krystal brand.

Krystal Signs First Franchisee

The first franchised Krystal unit will open in Crossville, Tennessee, early in September. Carolyn and Wayne Hale will be the owners of a brand-new Krystal Kwik, which will be built on the pad of Genesis Square shopping center in Crossville.

"I'm glad the Hales are going to be long-term partners for us," said Phil McNeely, vice president of franchising. "We feel the people we award our franchise to are very special. We want to make sure we have a quality program and good people in it. It takes a while to get there, but we're on the move now."

The Hales went through a lengthy selection process, including an application, interview, and a 1½ day "test drive" working in the restaurant, to see if it was really something they wanted to do. After a final interview with the franchise committee, they were awarded the franchise.



Wayne and Carolyn Hale, Krystal's first franchisees, with Phil McNeely, vice president of franchising, and Susan Helton, Roddy Sherrill, and Amanda Wills of Real Estate.

"It's a big step for Krystal, and for the Hales," Phil said. "We're going to be holding each other's hands to be sure we're both successful in this." When they're open for business, the Hales will receive ongoing operations support from Krystal, and their restaurant will be shopped by a mystery shopper.

"The Crossville site was chosen because it meets the profile of the kind of city Krystal can be successful in," Phil said. Crossville is a county seat, with a population of more than 30,000, and a number of shops, restaurants and other retail activity.

Property Summary

THE OFFERING

Property	Krystal Sale-Leaseback
Property Address	2115 US-431 , Boaz, Alabama 35957
Price	\$1,675,000
Capitalization Rate	5.64%
Price/SF	\$2,427.54

PROPERTY DESCRIPTION

Year Built / Renovated	1990
Gross Leasable Area	690 SF
Zoning	Commercial
Type of Ownership	Fee Simple
Lot Size	0.60 Acres

LEASE SUMMARY

Property Subtype	Net Leased Restaurant
Tenant	WAC Enterprises
Rent Increases	3.5% Each Five-Year Period
Guarantor	Franchisee Guarantee
Lease Type	Absolute Net
Lease Commencement	At Close of Escrow
Initial Lease Term	25 Years
Renewable Options	Three Five-Year Options
Landlord Responsibility	None
Tenant Responsibility	Taxes, Insurance and Maintenance
Right of First Refusal/Offer	Yes

ANNUALIZED OPERATING INFORMATION

INCOME

Net Operating Income	\$94,500
----------------------	----------

Year 1	\$94,500
Year 2	\$94,500
Year 3	\$94,500
Year 4	\$94,500
Year 5	\$94,500
Year 6	\$97,807
Year 7	\$97,807
Year 8	\$97,807
Year 9	\$97,807
Year 10	\$97,807
Year 11	\$101,230
Year 12	\$101,230
Year 13	\$101,230
Year 14	\$101,230
Year 15	\$101,230
Year 16	\$104,773
Year 17	\$104,773
Year 18	\$104,773
Year 19	\$104,773
Year 20	\$104,773
Year 21	\$108,440
Year 22	\$108,440
Year 23	\$108,440
Year 24	\$108,440
Year 25	\$108,440

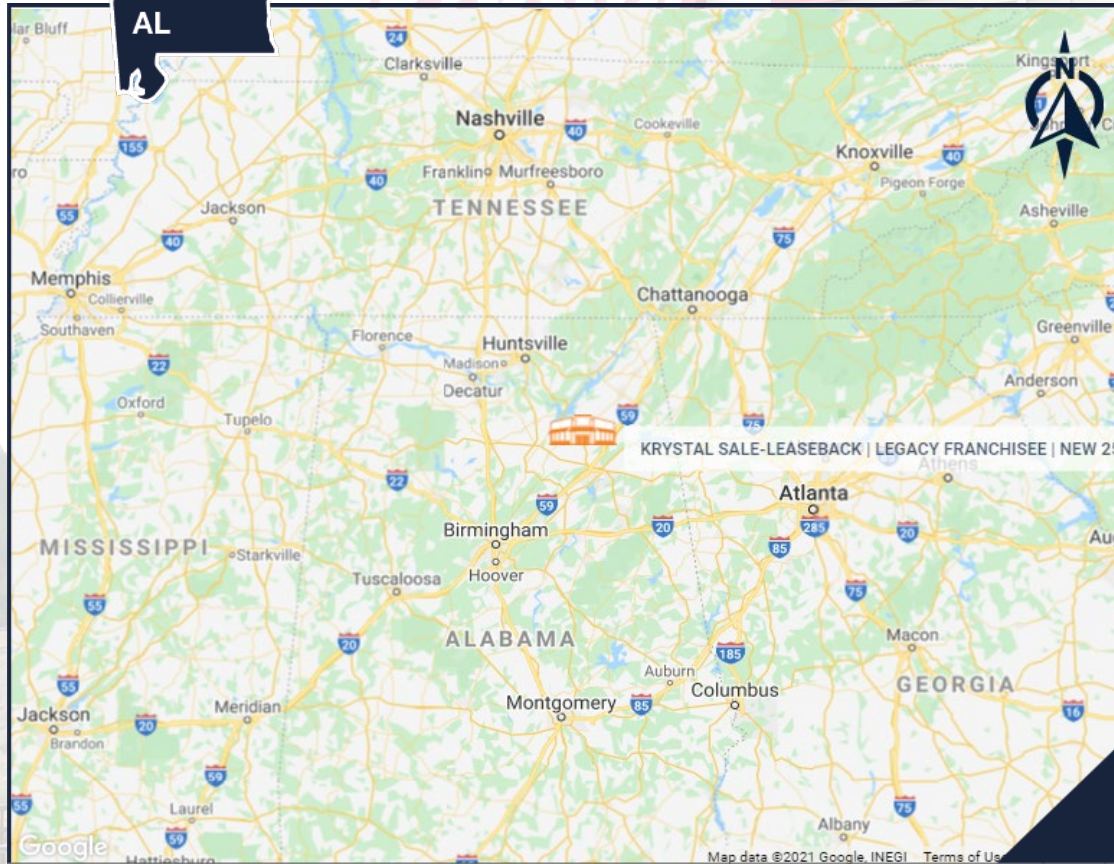


Property Photos



Regional Map

2115 US-431, Boaz, AL 35957



- Strong Demographics
- Proximity to Major Retailers
- Excellent Access and Visibility
- Strategic Location on Major Arterial Hwy
- Within Walking Distance of Area Hotels
- Strong Residential, Industrial and Trade

Krystal®



Airport



Hospital



Downtown



Major Highway



Shopping Center

Aerial Map



Demographics

Created on July 2021

POPULATION	1 Miles	3 Miles	5 Miles
■ 2025 Projection			
Total Population	3,376	14,938	31,271
■ 2020 Estimate			
Total Population	3,322	14,751	30,856
■ 2010 Census			
Total Population	3,178	14,294	29,937
■ 2000 Census			
Total Population	2,591	12,097	25,313
■ Current Daytime Population			
2020 Estimate	5,975	17,012	33,592
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2025 Projection			
Total Households	1,335	5,600	11,504
■ 2020 Estimate			
Total Households	1,302	5,502	11,312
Average (Mean) Household Size	2.47	2.64	2.68
■ 2010 Census			
Total Households	1,234	5,277	10,876
■ 2000 Census			
Total Households	1,062	4,821	9,892
■ Occupied Units			
2025 Projection	1,335	5,600	11,504
2020 Estimate	1,378	5,832	12,175
HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2020 Estimate			
\$150,000 or More	4.75%	3.86%	3.81%
\$100,000 - \$149,000	8.03%	9.50%	8.90%
\$75,000 - \$99,999	9.75%	11.07%	11.50%
\$50,000 - \$74,999	16.58%	16.70%	18.67%
\$35,000 - \$49,999	17.89%	15.35%	14.53%
Under \$35,000	42.99%	43.52%	42.60%
Average Household Income	\$56,504	\$56,515	\$57,200
Median Household Income	\$41,922	\$41,454	\$42,426
Per Capita Income	\$22,488	\$21,228	\$21,068

HOUSEHOLDS BY EXPENDITURE	1 Miles	3 Miles	5 Miles
Total Average Household Retail Expenditure	\$62,430	\$63,411	\$63,864
■ Consumer Expenditure Top 10 Categories			
Housing	\$15,977	\$16,337	\$16,499
Transportation	\$10,973	\$11,191	\$11,340
Shelter	\$8,484	\$8,708	\$8,791
Food	\$6,903	\$7,070	\$7,128
Personal Insurance and Pensions	\$5,087	\$5,265	\$5,330
Health Care	\$4,641	\$4,596	\$4,637
Utilities	\$3,702	\$3,741	\$3,768
Entertainment	\$2,689	\$2,791	\$2,782
Household Furnishings and Equipment	\$1,792	\$1,849	\$1,880
Cash Contributions	\$1,517	\$1,449	\$1,455
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2020 Estimate Total Population	3,322	14,751	30,856
Under 20	26.22%	29.82%	29.82%
20 to 34 Years	18.48%	20.72%	20.61%
35 to 39 Years	6.51%	6.73%	6.58%
40 to 49 Years	11.35%	11.71%	11.94%
50 to 64 Years	17.27%	15.97%	16.03%
Age 65+	20.16%	15.02%	14.99%
Median Age	39.04	34.59	34.66
■ Population 25+ by Education Level			
2020 Estimate Population Age 25+	2,260	9,419	19,735
Elementary (0-8)	6.60%	7.04%	7.57%
Some High School (9-11)	9.86%	10.93%	10.97%
High School Graduate (12)	33.33%	32.35%	32.79%
Some College (13-15)	24.51%	23.69%	22.63%
Associate Degree Only	7.71%	8.42%	8.20%
Bachelors Degree Only	9.17%	8.75%	9.60%
Graduate Degree	5.10%	5.66%	5.44%

About Boaz, AL

Located between Gadsden and Huntersville in Alabama, Boaz is known for its multitude of retail stores, outlets and locally owned unique shops. However, it is also popular with outdoor enthusiasts given its proximity to areas of natural beauty, lakes, vineyards and outdoor adventures. It has a range of activities on offer for different interests and age groups. These range from dining and entertainment choices to fulfilling relaxation and spirituality needs.

Whether you wish to take a tasting tour, book a celebratory event, or enjoy the beautiful landscape, Jules J. Berta Vineyards is a family-owned winery established in 1987 that has won Alabama Winery of the Year numerous times. They continue to hand pick their grapes to produce stunning wines that are completely unique to Boaz.



Held on the beautiful shores of peaceful lake Guntersville, Art on the Lake is an exhibition that features over 130 artists from the south eastern states. The colorful two-day event is usually held towards the end of April each year, and with food stalls, fun games and fairground rides it offers a unique, cultural day out in a spectacular location for all the family.

Boaz is located in the northeast part of Alabama in Marshall County sat atop the Sand Mountain Plateau, which is labeled for its sandy soil. Ideal farm land with mild climate and being the nearest shopping center for many communities atop the mountain, the Boaz economy grew throughout the 19th and 20th century. Although Boaz was primarily a town built upon the agriculture sector, it now possesses a diverse industry base

Today, the rural area surrounding Boaz is known as the most densely populated rural area in the United States. From this vast labor market, industries from a 50-mile radius draw on the abundant supply of high quality, easily trained workers. This city is now a thriving city blessed with good leadership and an energetic citizenry. Boaz possesses a tradition rich in beauty and tranquility, of hospitality and southern delight.

Marcus & Millichap

EXCLUSIVE NET LEASE OFFERING

Krystal®