

3225 ST. STEPHENS ROAD, PRICHARD, AL

PRICE CAP RATE:	\$1,981,000 6%
NET OPERATING INCOME:	\$118,842
BUILDING AREA:	2,476± Square Feet
LAND AREA:	0.95± Acres
YEAR BUILT:	2015
LANDLORD RESPONSIBILITY:	None
OWNERSHIP:	Fee Simple Interest
OCCUPANCY:	100%

LEASE OVERVIEW

Initial Lease Term:	20 Years with (4), 5-year options to extend		
Rent Commencement:	11/9/15		
Lease Expiration:	11/30/35		
Lease Type:	Absolute NNN		
Rent Increases:	7.5% Every 5-Years In Primary Term & Options		
Annual Rent Yrs 1-5:	\$118,842	Option 1 Yrs 21-25:	\$158,710
Annual Rent Yrs 6-10:	\$127,755	Option 2 Yrs 26-30:	\$170,614
Annual Rent Yrs 11-15:	\$137,337	Option 3 Yrs 31-35:	\$183,410
Annual Rent Yrs 16-20:	\$147,637	Option 4 Yrs 36-40:	\$197,165

TENANT OVERVIEW

LESSEE: Paradigm Investment Group, LLC

PARADIGM INVESTMENT GROUP, LLC.

Paradigm Investment Group, L.L.C. was formed in 1999 to own and operate Hardee's Restaurants. This venture began with the purchase of 14 units in Springfield, IL. Shortly thereafter, they acquired another 42 units in Mobile-Pensacola-Biloxi followed by a third major acquisition 8 months later in Huntsville and Montgomery, AL (65 units). Paradigm now owns and operates 110 Hardee's restaurants in 5 southeast states. In July 2003 the brand experienced a massive makeover of marketing, products and type of service. The brand changed ad agencies to the one used by Carl's Jr. for 10 years in 2002, dropped upwards of 40 items from the menu, and moved to a "cook-to order" platform at lunch. The franchisor, Hardee's Food Systems, Inc. has had the same leadership since the changes were implemented back in 2002. As a result, Paradigm has experienced positive same store sales comps 61 out of the last 69 months running with the average unit volume increasing from \$750k in 2002 to over \$1.1 million today.

HARDEE'S | www.hardees.com

Hardee's is an American restaurant chain, which predominantly operates in the South and Midwest states. It has evolved through several corporate ownerships since its establishment in 1960. It is currently owned and operated by CKE Restaurants. Along with its sibling restaurant chain, Carl's Jr., Hardee's is the 5th largest fast-food restaurant chain in the United States after Subway, McDonald's, Burger King, and Wendy's. As of November 2013, there are 1,977 Hardee's locations in 30 states.

CARL KARCHER ENTERPRISES, INC. | www.ckr.com

Founded by Carl's Jr. entrepreneur Carl Karcher in 1964, Carl Karcher Enterprises (CKE) today owns, operates, franchises and/or licenses 3,500+ quick-service restaurants (QSR) in 43 states, primarily under the brand names Carl's Jr. and Hardee's, both of which offer innovative, premium products intended to appeal to a target audience of young, hungry guys. CKE Restaurants is the parent company of Carl's Jr., Hardee's, Green Burrito, and Red Burrito restaurant chains. The company employs a dual branding technique for Carl's Jr. with Green Burrito. Similarly Hardee's has a dual branding strategy with Red Burrito. Carl's Jr. primarily operates in Western US and West Coast regions. In 2013, CKE Restaurants, Inc. was purchased by the private equity firm Roark Capital Group, based out of Atlanta. Roark's franchise and multi-unit portfolio includes 29 brands that collectively have more than 15,000 locations and \$15 billion in system-wide revenues across 50 states and 68 countries. Roark's total locations include nearly 13,000 domestic locations and more than 2,300 international locations. They also include nearly 13,000 franchise locations (operated by 4,200 franchisees) & 2,300 company-owned locations. The firm has \$3 billion of equity capital under management.

