

HARDEE'S (CORPORATE LEASE)

COWPENS, SC

Marcus & Millichap
Real Estate Investment Services



OFFERING MEMORANDUM





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*****WARNING: Under no circumstances should any Broker or Principal directly contact the tenant. In the event this warning is disregarded, Seller reserves the right to seek legal redress for any damages that may occur from such interference.*****



Single-Tenant Net-Leased Disclaimer

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

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As the Buyer of a single-tenant 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 single-tenant 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 single-tenant 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 single-tenant property.



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Financial Overview

LOCATION

5420 North Main Street
Cowpens, SC 29330

Price	\$1,211,160
Down Payment	100% \$1,211,160
Rentable Square Feet *	2,390
Price/SF	\$506.76
CAP Rate	7.50%
Lot Size	76,130 SF*
Type of Ownership	Fee Simple

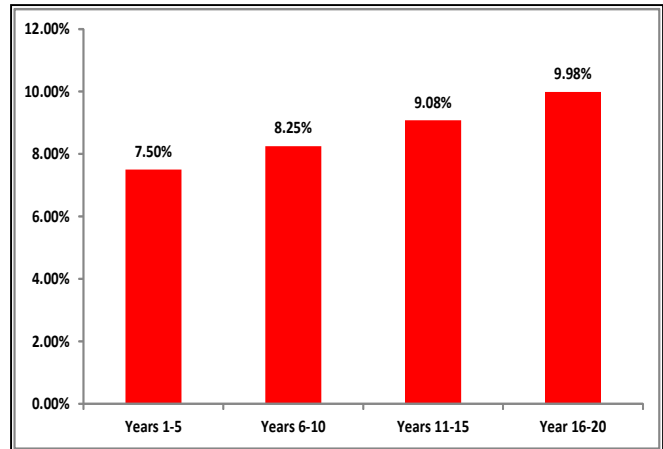
ANNUALIZED OPERATING DATA

<u>Rent Increases</u>	<u>Annual Rent</u>	<u>Monthly Rent</u>
Years 1-5	\$90,837.00	\$7,569.75
Years 6-10	\$99,920.70	\$8,326.73
Years 11-15	\$109,912.77	\$9,159.40
Years 16-20	\$120,904.05	\$10,075.34
Base Rent (\$38.01/SF)		\$90,837
Net Operating Income		\$90,837
Total Return		7.50% \$90,837

TENANT SUMMARY

Tenant Trade Name	Hardee's
Ownership	Private
Tenant	Hardee's
Lease Guarantor	Hardee's Food Systems, Inc.
Lease Type	Absolute Net
Roof and Structure	Tenant Responsible
Lease Term	20 Years
Lease Commencement Date	Upon Close of Escrow
Rent Commencement Date	Upon Close of Escrow
Lease Expiration Date	Est. Sept. 2031
Term Remaining on Lease	20 Years
Increases	10% Every Five-Years
Options	Four, Five-Year Options

PRO FORMA CAP RATE GROWTH CHART**



**Based on 10% rent increases every five years.

*Building Size, and Lot Size information provided by the Seller and RealQuest.com. Buyer will need to verify the accuracy of these estimates during their due diligence period.



Company Information



Hardee's Food Systems, Inc. is a wholly-owned subsidiary of CKE Restaurants, Inc. CKE Restaurants, Inc. is a privately held company founded in 1941 and headquartered in Carpinteria, California. CKE, through its subsidiaries, has a total of 3,159 franchised, licensed or company-operated restaurants in 42 states and 18 countries, including 1,249 Carl's Jr. restaurants and 1,899 Hardee's restaurants. In July 2010, CKE Restaurants, Inc. was acquired by a private equity group.



Hardee's was founded in 1960 by Wilber Hardee when he opened his first restaurant in Greenville, North Carolina. Five months later, he had his first franchisee and the concept soon grew throughout the Midwestern and Southeastern US. In 1997, Hardee's was acquired by CKE Restaurants, Inc. The chain has built its reputation on a unique breakfast menu featuring Hardee's Made from Scratch™ Biscuits. With a renewed emphasis on premium quality, Hardee's has taken the lunch/dinner segment to the next level with its line of 100 percent Black Angus beef Thickburgers™. Other menu favorites include charbroiled and crispy chicken sandwiches and delicious Crispy Curls™ French Fries. In 2002, CKE Restaurants acquired Santa Barbara Restaurant Group which operated the Green Burrito Brand, a key piece of its dual-branding strategy. CKE co-branded the Carl's Jr. and Green Burrito concepts, and in 2005 began co-branding several Hardee's locations with the Red Burrito concept. There are 180 dual-branded Hardee's / Red Burrito units. Today there are 1,899 Hardee's locations in 30 states and internationally in the Middle East.

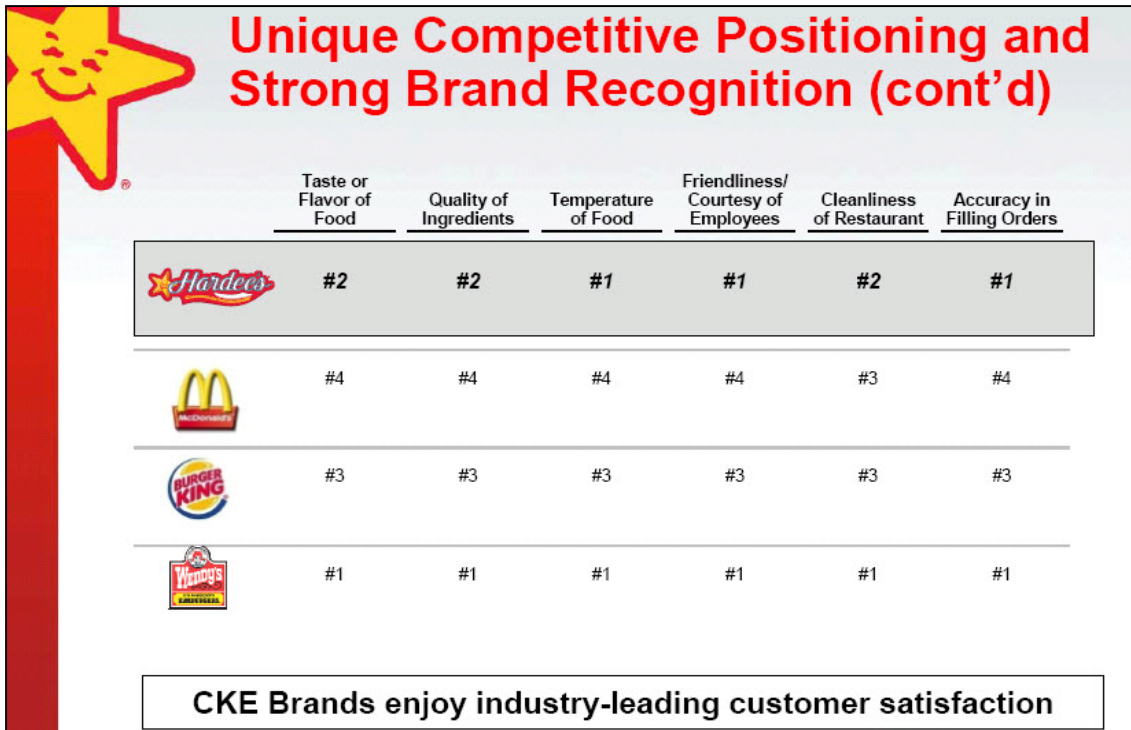


Carl's Jr. has been a well recognized west coast fast food concept for over 65 years. Using \$15 in savings and borrowing \$311 on their Plymouth automobile, Carl N. Karcher and his wife, Margaret, purchased a single hot dog cart in 1941 in Los Angeles. In 1945, the Karchers moved to Anaheim and opened their first full-service restaurant, Carl's Drive-In Barbeque. The Karchers soon grew their small business, eventually focusing their efforts on the Carl's Jr. brand, one of the first in a new breed of restaurants that today make up the quick-service restaurant industry. With more than 1,200 restaurants, Carl's Jr. is regarded as the place to go for premium-quality burgers. Signature menu items include The Six Dollar Burger™ line, the Western Bacon Cheeseburger® and the Super Star® hamburger. Other favorites include charbroiled and crispy chicken sandwiches, entrée salads, low-carb selections and hand-scooped ice cream shakes & malts. In 2002, CKE Restaurants acquired Santa Barbara Restaurant Group which operated the Green Burrito Brand. There are approximately 500 dual-branded Carl's Jr. / Green Burrito units, making Green Burrito the fourth largest Mexican fast food restaurant chain in the US by number of units. Carl's Jr. currently operates in 14 western states, Mexico, Russia, Malaysia and Singapore.

Source: www.ckr.com



Company Info - Brand Recognition



There are several key initiatives and areas of focus at Hardee's. The brand's emphasis on superior customer service coupled with its balanced menu gives Hardee's an ideal opportunity to build sales during all meal occasions. The key driver in improving Hardee's profitability is increasing sales. The average unit volume at company-operated Hardee's restaurants has grown 40% from 2001 to 2010. For fiscal year 2011, Hardee's® same-store sales increased 4.4%. "Hardee's continued to generate strong same-store sales results during the fourth quarter. Including period 13, Hardee's has now had twelve consecutive periods of positive same-store sales.....We are pleased to have generated \$37.1 million of Adjusted EBITDA in the fourth quarter," said Andrew F. Puzder, Chief Executive Officer.*

Hardee's is currently focusing on remodeling its existing franchised and licensed restaurants in order to continue this success.**

*For a full copy of the earnings release go to: <http://investor.ckr.com/press-release/cke/cke-restaurants-inc-reports-results-fourth-quarter-and-full-year-fiscal-2011>.

**Redacted portion from CKE Prospectus dated March 11, 2011.

Source: www.ckr.com



Investment Overview



INVESTMENT HIGHLIGHTS

Corporate Guarantee by Hardee's Food Systems, Inc. (1,899 locations across the Midwest and Southeastern US)

New Absolute NNN Lease - No landlord maintenance responsibilities

10% rent increases every five years during the initial lease term

Four, five-year renewal options

The subject property is a single tenant, freestanding Hardee's restaurant absolute net-leased to Hardee's Food Systems, Inc. The property fronts Highway 29, the main artery through Cowpens which connects directly to downtown Spartanburg. The Hardee's has a new 20-year lease with four, five-year renewal options. There are 10 percent rent increases every five years during the initial lease term. There are no landlord maintenance responsibilities under the lease.

Hardee's Food Systems, Inc. and Carl Karcher Enterprises, Inc. are wholly-owned subsidiaries of CKE Restaurants, Inc. CKE Restaurants, Inc. is a privately held company founded in 1941 and headquartered in Carpinteria, California. CKE, through its subsidiaries, has a total of 3,159 restaurant locations in 42 states and 18 countries. There are currently about 1,899 Hardee's and 1,249 Carl's Jr. restaurant locations. In July 2010, CKE Restaurants, Inc. was acquired by a private equity group.

Since Wilber Hardee opened his first namesake restaurant in North Carolina in 1960, Hardee's has grown to become a leader in the quick service restaurant industry. Hardee's is recognized as the best choice for breakfast in the QSR industry. This reputation was built around a unique breakfast menu featuring Hardee's Made from Scratch™ Biscuits. For fiscal years 2010 and 2011 approximately 48% of the company-operated restaurant revenue came from breakfast sales. Hardee's has taken the lunch/dinner segment to the next level as well with its line of 100 percent Black Angus beef Thickburgers™. In 2005, CKE began co-branding Hardee's locations with the Red Burrito concept. Today there are over 180 dual-branded locations. There are 1,899 Hardee's restaurants operating throughout the Southeast and Midwestern United States. Hardee's sponsors a number of professional sports teams in its major markets, including the NBA's Indiana Pacers and MLB's St. Louis Cardinals.

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Location Overview



LOCATION HIGHLIGHTS

Fronts Highway 29, Cowpens' main thoroughfare

Two Blocks from Cowpens Middle School

National Tenants in the immediate area include Rite Aid, Valero, Piggly Wiggly and Subway

Spartanburg MSA

The Subject Property fronts North Main Street (Highway 29), the main artery through Cowpens which continues directly to downtown Spartanburg. Directly across the street from Hardee's is Rite Aid. Other national tenants in the area include Valero, Piggly Wiggly, True Value Hardware and Subway. Cowpens Middle School is two blocks from the site. Interstate 85 is 2.4 miles northwest.

Cowpens is a suburban community located less than ten miles northeast of Spartanburg. Spartanburg is located in the northwest part of South Carolina near the North Carolina border about 1.5 hours northwest of Columbia, South Carolina and 1 hour southwest of Charlotte, North Carolina. The cities of Spartanburg, Greenville and Anderson anchor the northwest region of South Carolina with an overall population of 1.3 million people. Spartanburg is home to six institutions of higher learning, three are located within the City limits, Converse College, Spartanburg Methodist College and Wofford College. The City has the highest per capita college student population of any major city in the State. Spartanburg was rated the top city in South Carolina to live and 48th nationally, by "Cities Ranked and Rated" 2007 and was recognized in SmartMoney magazine as one of the five best real estate buys in the country.

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Property Photos

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Area Photos

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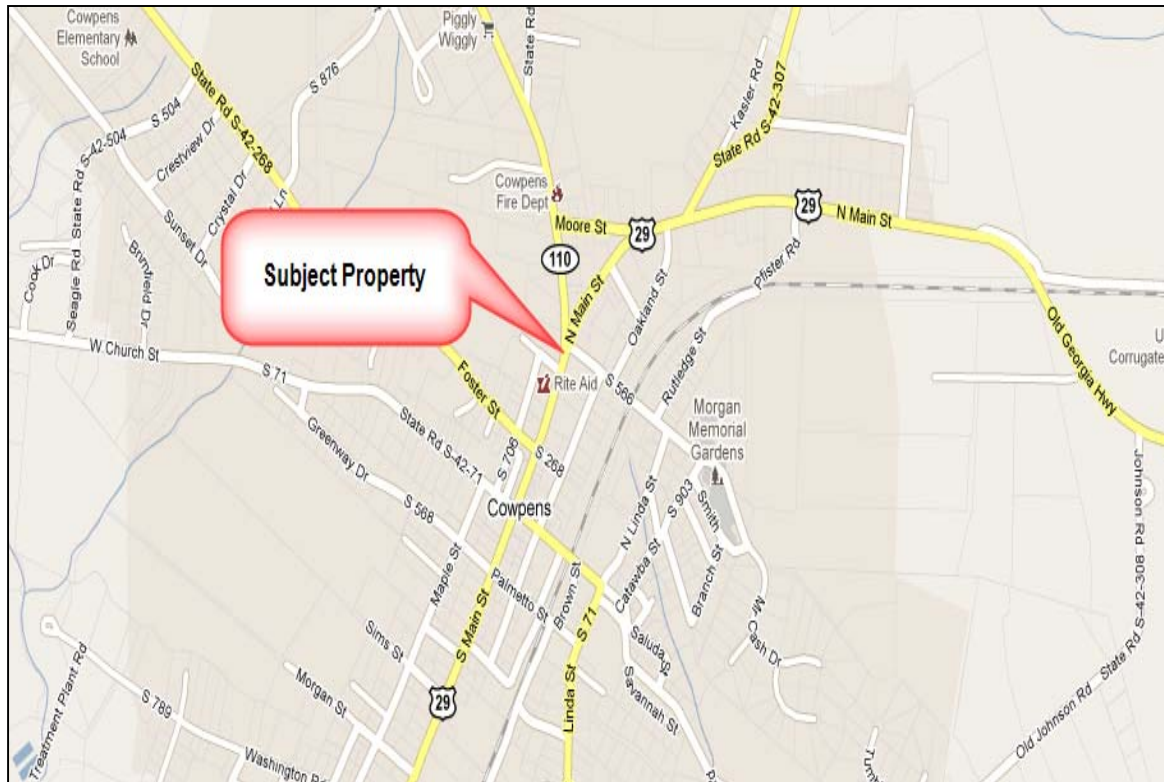
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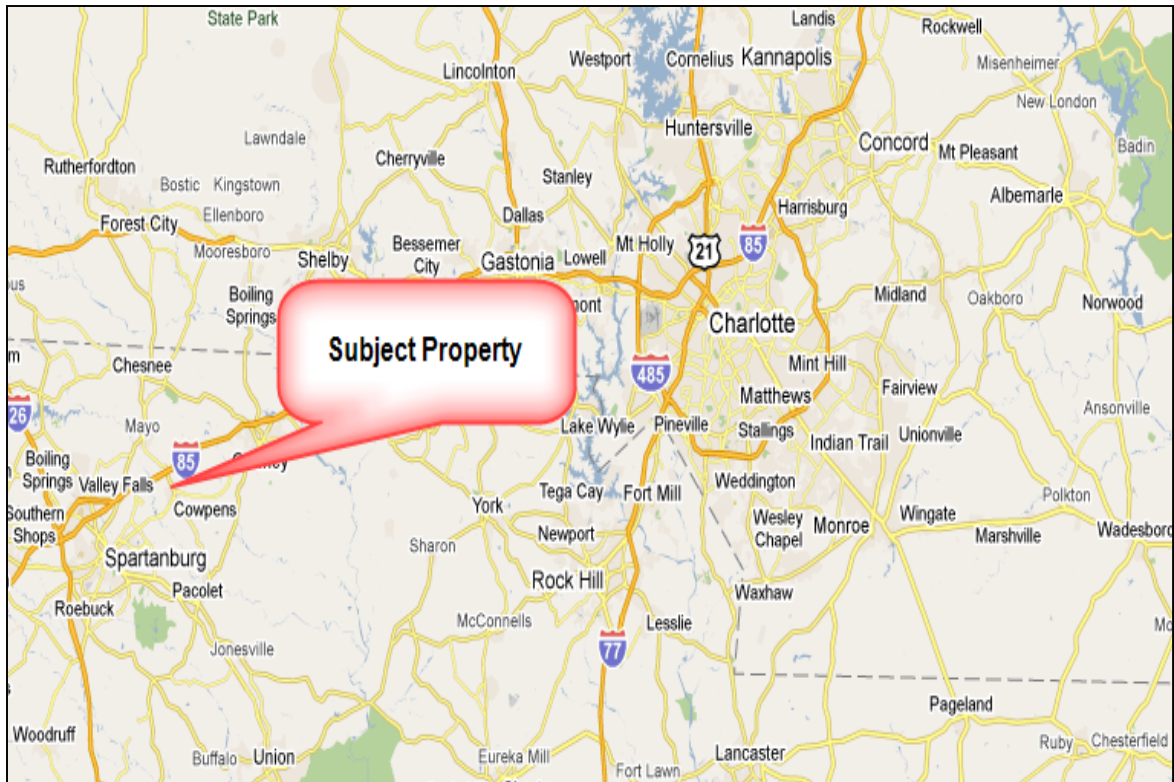


Area Maps

PROPERTY DESCRIPTION



LOCAL MAP



REGIONAL MAP

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Aerial Photo



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Demographic Report

	1 Mile:	3 Miles:	5 Miles:
1990 Population	2,027	7,047	15,535
2000 Population	2,143	7,824	17,280
2010 Population	2,315	8,508	18,579
2015 Population	2,433	8,893	19,404
1990 Households	812	2,689	5,864
2000 Households	871	3,060	6,751
2010 Households	920	3,264	7,107
2015 Households	932	3,307	7,208
2010 Average Household Size	2.50	2.60	2.60
2010 Daytime Population	668	1,741	4,172
1990 Median Housing Value	\$44,437	\$44,222	\$52,361
2000 Median Housing Value	\$76,187	\$74,864	\$87,109
2000 Owner Occupied Housing Units	67.90%	71.27%	72.35%
2000 Renter Occupied Housing Units	24.71%	20.71%	20.23%
2000 Vacant	7.39%	8.02%	7.41%
2010 Owner Occupied Housing Units	63.22%	66.00%	67.09%
2010 Renter Occupied Housing Units	25.66%	22.35%	21.87%
2010 Vacant	11.12%	11.64%	11.03%
2015 Owner Occupied Housing Units	63.14%	65.79%	66.90%
2015 Renter Occupied Housing Units	25.75%	22.53%	22.03%
2015 Vacant	11.11%	11.68%	11.06%
\$ 0 - \$14,999	24.2%	21.1%	16.3%
\$ 15,000 - \$24,999	13.9%	13.2%	13.0%
\$ 25,000 - \$34,999	11.3%	12.4%	12.5%
\$ 35,000 - \$49,999	15.7%	14.9%	13.6%
\$ 50,000 - \$74,999	16.2%	18.6%	19.1%
\$ 75,000 - \$99,999	8.2%	10.5%	12.1%
\$100,000 - \$124,999	6.1%	5.0%	6.3%
\$125,000 - \$149,999	2.8%	2.7%	3.3%
\$150,000 - \$199,999	1.2%	1.2%	2.5%
\$200,000 - \$249,999	0.3%	0.2%	0.5%
\$250,000 +	0.4%	0.2%	0.7%
2010 Median Household Income	\$35,638	\$37,772	\$42,829
2010 Per Capita Income	\$18,607	\$18,466	\$21,630
2010 Average Household Income	\$47,449	\$47,944	\$56,459

Demographic data © 2010 by Experian/ Applied Geographic Solutions.

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Summary Report

Geography: 5 Miles

Population

In 2010, the population in your selected geography was 18,579. The population has changed by 7.52% since 2000. It is estimated that the population in your area will be 19,404 five years from now, which represents a change of 4.44% from the current year. The current population is 48.7% male and 51.3% female. The median age of the population in your area is 40.2, compare this to the US average which is 37.1. The population density in your area is 236.47 people per square mile.

Households

There are currently 7,107 households in your selected geography. The number of households has changed by 5.28% since 2000. It is estimated that the number of households in your area will be 7,208 five years from now, which represents a change of 1.41% from the current year. The average household size in your area is 2.60 persons.

Income

In 2010, the median household income for your selected geography is \$42,829, compare this to the US average which is currently \$51,517. The median household income for your area has changed by 14.01% since 2000. It is estimated that the median household income in your area will be \$45,481 five years from now, which represents a change of 6.19% from the current year.

The current year per capita income in your area is \$21,630, compare this to the US average, which is \$27,867. The current year average household income in your area is \$56,459, compare this to the US average which is \$72,148.

Housing

The median housing value in your area was \$87,109 in 2000, compare this to the \$US average of \$115,194 for the same year. In 2000, there were 5,276 owner occupied housing units in your area and there were 1,475 renter occupied housing units in your area. The median rent at the time was \$384.

Employment

In 2010, there are 4,172 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 50.2% of employees are employed in white-collar occupations in this geography, and 49.9% are employed in blue-collar occupations. In 2010, unemployment in this area is 13.20%. In 2000, the median time traveled to work was 19.5 minutes.

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