



Offering Memorandum

Subject Property

Taco Bell

1105 W Gentry Ave | Checotah, OK 74426

15th Largest Restaurant Franchisee in the Country | Newer Construction | Long-Term Lease | Absolute NNN

 **Stan Johnson Co.**

Confidentiality and Restricted Use Agreement

This Confidential Offering Memorandum ("COM") is provided by Stan Johnson Company ("SJC"), solely for your consideration of the opportunity to acquire the commercial property described herein (the "Property"). This COM may be used only as stated herein and shall not be used for any other purpose, or in any other manner, without prior written authorization and consent of SJC.

This COM does not constitute or pertain to an offer of a security or an offer of any investment contract. This COM contains descriptive materials, financial information and other data compiled by SJC for the convenience of parties who may be interested in the Property. Such information is not all inclusive and is not represented to include all information that may be material to an evaluation of the acquisition opportunity presented. SJC has not independently verified any of the information contained herein and makes no representations or warranties of any kind concerning the accuracy or completeness thereof. All summaries and discussions of documentation and/or financial information contained herein are qualified in their entirety by reference to the actual documents and/or financial statements, which upon request may be made available. An interested party must conduct its own independent investigation and verification of any information the party deems material to consideration of the opportunity, or otherwise appropriate, without reliance upon SJC.

The Property may be financed or withdrawn from the market without notice, and its owner(s) reserve(s) the right to negotiate with any number of interested parties at any time. The Property is offered and sold by its owner(s) as is, where is, and with all faults, without representation or warranty of any kind except for any customary warranties of title.

BY ACCEPTING THIS COM, YOU AGREE THAT: (1) all information contained herein, and all other information you have received or may hereafter receive from SJC relating to the Property, whether oral, written or in any other form (collectively, the "Information"), is strictly confidential; (2) you will not copy or reproduce, and claim as your own without attribution to SJC, all or any part of this COM or the Information; (3) upon request by SJC at any time, you will return and/or certify your complete destruction of all copies of this COM and the Information; (4) for yourself and all your affiliates, officers, employees, representatives, agents and principals, you hereby release and agree to indemnify and hold harmless SJC all of its affiliates, officers, employees, representatives, agents and principals, from and with respect to any and all claims and liabilities arising from or related to the receipt or use of this COM and/or any other Information concerning the Property; (5) you will not provide this COM or any of the Information to any other party unless you first obtain such party's acceptance and approval of all terms, conditions, limitations and agreements set forth herein, as being applicable to such party as well as to you; and (6) monetary damages alone will not be an adequate remedy for a violation of these terms and that SJC shall be entitled to equitable relief, including, but not limited to, injunctive relief and specific performance, in connection with such a violation and shall not be required to post a bond when obtaining such relief.

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Section One

Executive Summary



The Offering

Stan Johnson Company ("SJC"), on behalf of ownership as its exclusive advisor, is pleased to offer the opportunity to acquire the fee simple ownership interest in the Taco Bell property located at 1105 W Gentry Rd in Checotah, Oklahoma ("Property"). The Property is subject to a recently executed 20-year lease by K-MAC Enterprises, a leading franchisee operator ranked 15th in the country, operating over 300 restaurants throughout the Midwest. Completed in 2018, the Property comprises a 2,292 square foot building with drive-thru accessibility above 0.7 acres.

The Property is positioned along Gentry Road, with immediate access to Highway 69 (14,700 VPD) and across from the Checotah Walmart Supercenter and the last stop before Lake Eufaula. The Lease is absolute net with zero landlord responsibilities and provides for annual increases in the base term and in each of the five (5), five (5) year renewal options.



Subject Property

Investment Highlights



Long-Term Lease

There are over 16 years remaining on the initial lease term, providing guaranteed income through July 2038.



Last Stop Before Lake Eufaula

The largest lake in Oklahoma, with 800 miles of shoreline, is less than 10 miles south on Highway 69.



Brand New Freestanding Drive-Thru Building

The Property was built-to-suit in 2018 and features the modern Taco Bell floorplan and exterior design, including the wood façade and contemporary signage.



Absolute NNN Lease

Zero landlord responsibility.



Top 15 Operator

K-MAC Enterprises is ranked 15th largest franchisee operator in the country. With over 300 restaurants in 9 states, K-MAC is a leading Taco Bell franchisee.



Built-in Inflation Hedge

The Lease structure includes 1% annual increases through base lease term and all five option periods, offering a healthy hedge against inflation.



Favorable Market

Located just 70 miles south of Tulsa, Checotah is in a central position between Tulsa, Oklahoma City, and Fort Smith. Checotah's Walmart Supercenter, which neighbors the Property, is a hotspot for local consumers, making the Property an essential part of the local community.

Section Two

Property Overview



Purchase Price: \$1,900,000

Cap Rate: 5.00% **NOI:** \$94,788

Rent Schedule

Property Summary	
Tenant	K-Mac Enterprises
Guarantor	K-MAC Enterprises Inc.
DBA	Taco Bell
Ownership Interest	Fee Simple
Address	1105 W. Gentry Road, Checotah, OK 74426
Building Size	2,292 SF
Land	0.7 AC
Year Built Renovated	2018
Lease Expiration	7/15/2038
Base Lease Term Remaining	16.9 Years
Current Rent	\$94,788 (\$41.36/SF)
Rent Increases	1.00% Annually
Renewal Options	Five (5), Five (5) Year Options
Lease Type	Abs. NNN
Landlord Obligations	None
Insurance	Tenant Responsible
Taxes	Tenant Responsible
CAM	Tenant Responsible for all CAM
Utilities	Tenant Responsible
ROFR/ROFO	Yes
Financial Reporting	Yes

Lease Year	Annual	Monthly	RPSF	% Increase
Year 1	\$92,000	\$7,667	\$40.14	-
Year 2	\$92,920	\$7,743	\$40.54	1.00%
Year 3	\$93,849	\$7,821	\$40.95	1.00%
Year 4	\$94,788	\$7,899	\$41.36	1.00%
Year 5	\$95,736	\$7,978	\$41.77	1.00%
Year 6	\$96,693	\$8,058	\$42.19	1.00%
Year 7	\$97,660	\$8,138	\$42.61	1.00%
Year 8	\$98,636	\$8,220	\$43.04	1.00%
Year 9	\$99,623	\$8,302	\$43.47	1.00%
Year 10	\$100,619	\$8,385	\$43.90	1.00%
Year 11	\$101,625	\$8,469	\$44.34	1.00%
Year 12	\$102,641	\$8,553	\$44.78	1.00%
Year 13	\$103,668	\$8,639	\$45.23	1.00%
Year 14	\$104,705	\$8,725	\$45.68	1.00%
Year 15	\$105,752	\$8,813	\$46.14	1.00%
Year 16	\$106,809	\$8,901	\$46.60	1.00%
Year 17	\$107,877	\$8,990	\$47.07	1.00%
Year 18	\$108,956	\$9,080	\$47.54	1.00%
Year 19	\$110,046	\$9,170	\$48.01	1.00%
Year 20	\$111,146	\$9,262	\$48.49	1.00%



Subject Property



Subject Property Photos



Section Three

Tenant Overview



Tenant Overview

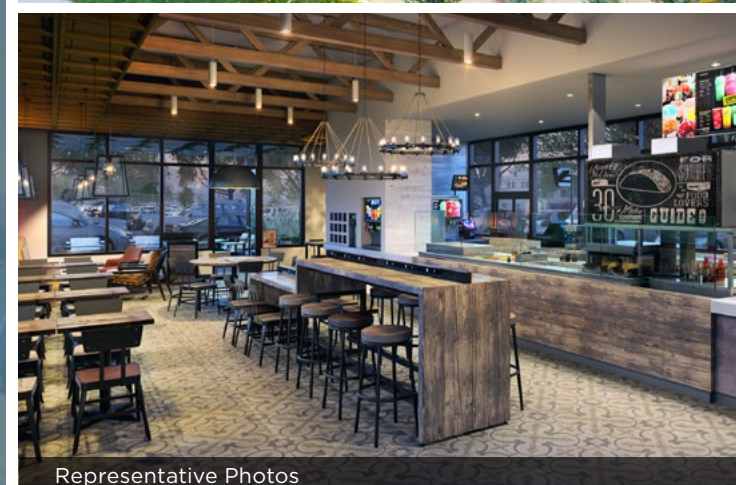
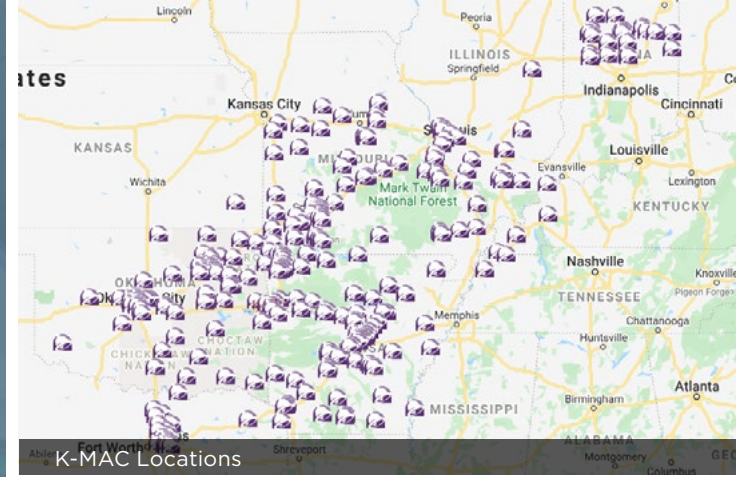


K-MAC Enterprises began business in 1964 when its founder Ken McGruder opened his first KFC. Shortly thereafter, Ken entered the Taco Bell side of Quick-Service. Through a combination of organic growth and strategic acquisitions K-MAC Enterprises has grown to be one of the leading Taco Bell operators in the country, and K-MAC is continuing to expand and enter new markets with success. Ranked 15th of all franchisees in the country, K-MAC now has locations in eight states other than Arkansas, where it was founded. K-MAC also has operations in Illinois, Indiana, Kentucky, Mississippi, Missouri, Oklahoma, Tennessee, and Texas, with its store count exceeding 300.

Taco Bell Corporation is a subsidiary of Yum! Brands, Inc (NYSE: YUM) and is the world’s leading Mexican-inspired quick service restaurant. The food conglomerate has more than 350 franchisees worldwide that together operate over 7,000 Taco Bell locations, serving more than two billion customers every year. 86% of the company’s locations are run by franchisees.



Yum! Brands, Inc., based in Louisville, Kentucky, is one of the World’s largest fast food companies, with over 50,000 restaurants and 1.5 million employees in more than 150 countries and territories. Brand names include Taco Bell, KFC, Pizza Hut, and the Habit Burger Grill. Yum! Brands is ranked #422 on the FORTUNE 500 list with Total Revenue of approximately \$5.6 billion. In 2019, the company was named to the Dow Jones Sustainability North America Index and in 2020, it ranked among the top 100 “Best Corporate Citizens” by 3BL Media.



Representative Photos

Public Company Profile	
Tenant	Taco Bell
Industry	Food Service - QSR
No. of Locations	7,000+
Stock Ticker	NASDAQ: YUM
Total Revenue*	\$1.74 Billion
Total Net Income*	\$0.9 Billion
Total Net Worth	\$32.39 Billion
Headquarters	Irvine, CA
Website	www.tacobell.com

*Source: According to public filings

Section Four

Market Overview



Location Overview

Checotah, OK

The city of **Checotah** is nestled atop the intersection of I-40 and Highway 69. Home to many antique malls and a historic Civil War battle site, downtown Checotah was inducted into the National Registry of Historic places in 1982. In the late 19th century, workers for the MK&T Railway established a railhead at present day Checotah, right through the Creek Nation - It is from the Creek chief Samuel Checote that this once wild region received its name. Throughout the 19th and early 20th centuries, Checotah flourished as both an agricultural and industrial depot along the train tracks that first brought growth to the city.

It was in 1964 that the city of Checotah took a turn away from the past and became a recreational hotspot for fishers, boaters, hunters, campers, and wildlife enthusiasts all over Oklahoma. Lake Eufaula, the largest man-made lake in the United States at the time, was dedicated in 1964 and became a premier fishing destination. Forever claiming the title of the largest lake in Oklahoma, Lake Eufaula encompasses 105,500 acres and 800 miles of shoreline. Fishers come from across the state to enter tournaments on the lake, and the competitions aren't limited to the summer - many marinas maintain heated docks to facilitate year-round fishing. Checotah is the last stop for Oklahomans coming to Lake Eufaula from both Tulsa and Oklahoma City. After lake devotees fill up their tanks at the many gas stations around the Property, they stop at Taco Bell to fill their bellies before hitting the water.



LOCATED
70 MILES FROM
TULSA



LOCATED
115 MILES FROM
OKLAHOMA CITY



THE LAST
STOP TO LAKE
EUFAULA

Economy



The highest paying industries in Checotah, OK, by median earnings, are Construction, Agriculture, Forestry, Fishing & Hunting, and Mining



The most common industries in Checotah, OK, by number of employees, are Accommodation & Food Services, Retail Trade, and Manufacturing



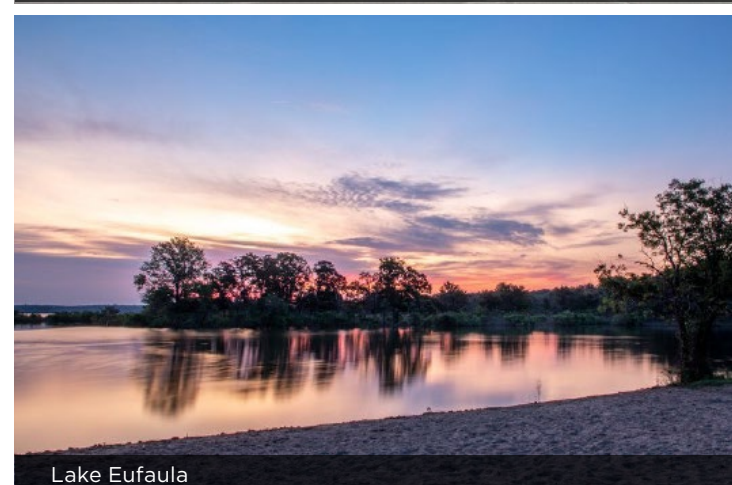
Subject Property is 1.4 miles from Creek Nation Casino Checotah, a newly remodeled 12,000 SF casino with 300 electronic games and Wildcat Cafe.



Checotah, OK



Checotah, OK



Lake Eufaula



Lake Eufala
105,000 surface acres & 800 miles of shoreline

Checotah Intermediate School
311 Students

Marshall Elementary School
409 Students

Checotah High School
377 Students

Hwy 69 (14,700 VPD)

Walmart **Supercenter**

ATWOODS
Ranch ★ Home

Checotah Quick Lube & Tire

Checotah Medical Dispensary



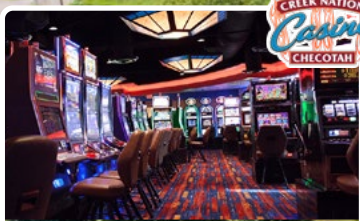
Tire One

Armstrong Bank

Checotah Middle School
301 Students



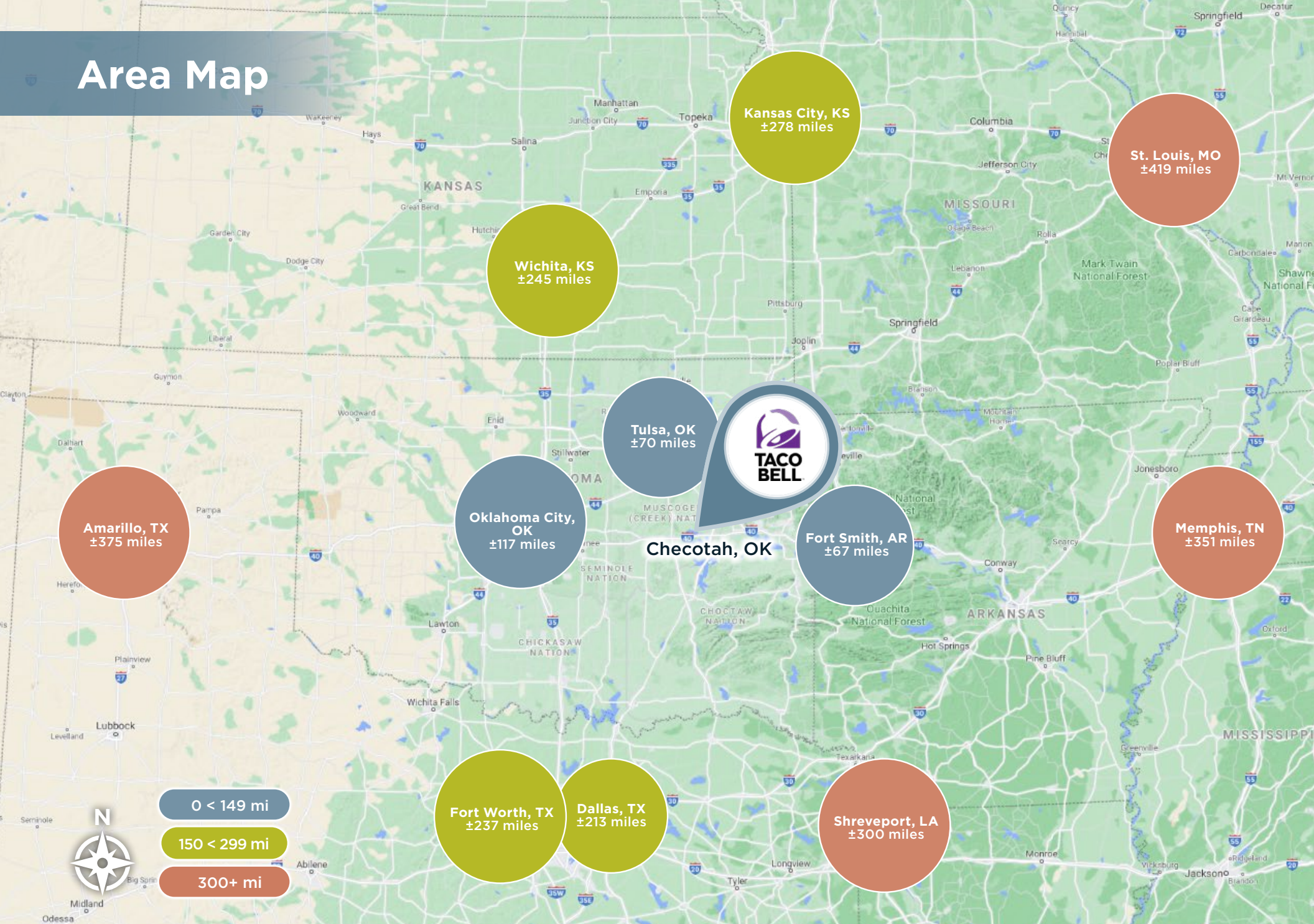
W Gentry Ave



Creek Nation Casino Checotah
12,000 SF • 300 Electronic Games
± 1.2 Miles from Subject Property



Area Map



- 0 < 149 mi
- 150 < 299 mi
- 300+ mi

going beyond

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