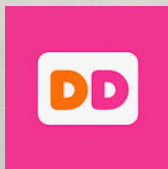


OFFERING MEMORANDUM

EXCLUSIVE NET-LEASE OFFERING

Marcus & Millichap



- Premier Cape Cod Location | Extremely High Barrier to Entry Market
- Drive-Through Dunkin' Donuts | Gas & Drive-Through are Restricted in New Developments
- 4 Apartment Units Located on Second Floor | Ideally Located in Downtown Hyannis
- Located Minutes from Hyannis Yacht Club, Hyannis Marina and the Kennedy Family Compound
- Desirable 12% Increases Every Five Years in Base Term and Renewal Options
- Corporately Guaranteed by Speedway LLC | 2,370 Gas and Convenience Stores in 21 States

149 North Street | Hyannis, Massachusetts 02601

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Population
Income
Employment



149 North Street, Hyannis, Massachusetts

PRICE: \$8,484,000 | 6.00% CAP | NOI: \$509,040

PROPERTY DESCRIPTION

| | |
|--------------------|-----------------------------|
| Property | Speedway Gas/Dunkin' Donuts |
| Property Address | 149 North St |
| City, State, ZIP | Hyannis MA, 02607 |
| Year Built | 2003 |
| Building Size (SF) | 6,396 Square Ft |
| Lot Size (Acres) | 0.48 Acres |
| Type of Ownership | Fee Simple |

THE OFFERING

| | |
|-------------------------------|-------------|
| Price | \$8,484,000 |
| CAP Rate | 6.00% |
| Combined Net Operating Income | \$509,040 |

LEASE SUMMARY – SPEEDWAY

| | |
|-----------------------------|------------------------------------|
| Property Name | Speedway |
| Ownership | Public |
| Tenant / Guarantor | Speedway LLC |
| Stock Symbol | NYSE: MPC (Marathon Petroleum) |
| Original Lease Term | 20 Years |
| Lease Commencement | 06/19/2006 |
| Lease Expiration | 06/18/2026 |
| Lease Term Remaining | 8 Years |
| Lease Type | Triple Net |
| Roof & Structure | Tenant Responsible |
| Options to Renew | Three, Five Year Options Remaining |
| Rental Increases in Options | 12% Every Five Years |

DUNKIN' DONUTS OVERVIEW

| | |
|---------------------|----------------------------------|
| Tenant | Cape Cod Enterprises (Sal Cuoto) |
| Number of Locations | 60+ |
| Years in Business | 66 Years |

HIGHLIGHTS

- Drive-Through and Gas Station Development are Heavily Restricted in Downtown Hyannis
- Established Population Base | Huge Influx of Wealth and Tourism in Summer Months
- Located on a Four Way, Signalized Intersection | Two Modes of Ingress and Egress
- Premier Cape Cod Location | Extremely High Barrier to Entry Market
- Four Apartments on the Second Floor | Ideally Located in Downtown Hyannis
- Cape Cod Medical Center is Less than One Mile from the Speedway Property | Year-Round Demand for Apartment Units from Medical Students/Doctors
- Located Minutes from The Hyannis Yacht Club, Kalmus Beach and the Kennedy Family Compound
- 12% Rental Increases Every Five Years in Base Term and Renewal Options
- Corporately Guaranteed by Speedway LLC | 2,370 Gas and Convenience Stores in 21 States Across the United States



INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Speedway Gas Station and Dunkin' Donuts property located at 149 North Street in Hyannis, MA. The property is situated on a four way, signalized intersection on the corner of North Street and High School Road among national retail tenants such as CVS, McDonalds and Burger King and is located minutes from the Hyannis Yacht Club and Kalmus Beach.

The building at 149 North Street is two full stories and includes a drive-through. Investors should note that both drive-through and gas station development in downtown Hyannis are restricted in new construction projects. These barriers to entry are another indication that it is likely for both Dunkin' Donuts and Speedway to continue operating at this location, beyond their already ideal central location in downtown Hyannis. Furthermore, the net operating income to the landlord is diversified as it is generated by three separate sources; the gas station, the Dunkin' Donuts, and the four apartment tenants.

The original lease commenced in 2006 for a term of twenty years. There are over 8 years remaining on a true triple net lease with Speedway LLC. The lease and option periods call for strong 12% rental increases every five years. Speedway LLC is a wholly owned subsidiary of Marathon Petroleum Corporation and operates over 2,700 gas and convenience stores in 21 states. The lease is structured as triple net, with the landlord's only responsibilities' to include cleaning and maintaining the indoor stairs to the second floor apartment units. For more information on the apartment, please see page 5.

ANNUALIZED OPERATING DATA

| | |
|---------------------|----------------------|
| Initial Annual Rent | \$350,000 |
| Rental Escalations | 12% Every Five Years |

| Lease Year | RENT SCHEDULE | |
|---------------------------------|---------------|--------------|
| | Annual Rent | Monthly Rent |
| 2007 | \$350,000 | \$29,167 |
| 2008 | \$350,000 | \$29,167 |
| 2009 | \$350,000 | \$29,167 |
| 2010 | \$350,000 | \$29,167 |
| 2011 | \$350,000 | \$29,167 |
| 2012 | \$392,000 | \$32,667 |
| 2013 | \$392,000 | \$32,667 |
| 2014 | \$392,000 | \$32,667 |
| 2015 | \$392,000 | \$32,667 |
| 2016 | \$392,000 | \$32,667 |
| 2017 | \$439,040 | \$36,587 |
| 2018 | \$439,040 | \$36,587 |
| 2019 | \$439,040 | \$36,587 |
| 2020 | \$439,040 | \$36,587 |
| 2021 | \$439,040 | \$36,587 |
| 2022 | \$491,725 | \$40,977 |
| 2023 | \$491,725 | \$40,977 |
| 2024 | \$491,725 | \$40,977 |
| 2025 | \$491,725 | \$40,977 |
| 2026 | \$491,725 | \$40,977 |
| Three, Five Year Option Periods | | |
| 2026 - 2031 | \$550,732 | \$45,894 |
| 2031 - 2036 | \$616,819 | \$51,402 |
| 2036 - 2041 | \$690,838 | \$57,570 |
| Current Annual Rent | | \$439,040 |



APARTMENT OVERVIEW

| Apartment Overview | | | | | |
|----------------------------|-------------------|----------------------|-----------------|-------------|----------|
| Full Apartments | | | | | |
| Apartment 1 | Two Bed, One Bath | View Towards Ocean | Year Long Lease | Annual Rent | \$30,000 |
| Apartment 2 | Two Bed, One Bath | View Towards Ocean | Year Long Lease | Annual Rent | \$30,000 |
| Studio Apartments | | | | | |
| Studio 1 | Studio Apartment | View Towards Station | Year Long Lease | Annual Rent | \$15,000 |
| Studio 2 | Studio Apartment | View Towards Station | Year Long Lease | Annual Rent | \$15,000 |
| Total Rent | | | | | \$90,000 |
| 10% Vacancy | | | | | \$9,000 |
| 5% Management | | | | | \$4,500 |
| 5% Repairs and Maintenance | | | | | \$4,500 |
| Utilities/Expenses | | | | | \$2,000 |
| Net Operating Income | | | | | \$70,000 |

The four apartment units on the second floor provide investors with an added level of diversification as well as upside in the immediate future. The four apartment units consist of two, two bedroom and one bath apartments as well as two studio apartments. These apartments were typically rented on an annual basis as there is constant demand from medical professionals who are on rotation at Cape Cod Hospital (less than one mile away) who are seeking out fully furnished apartments. Just recently the owner decided to rent one of the apartments on a short term stay basis in order to capitalize on the extreme demand in the summer months. Tourists and vacationers flock to the beaches that are within walking distance of the subject property from May to September. This has allowed the owner to significantly increase the rental rate at the subject property, and can add immediate upside to any new owner who wishes to take a more active approach and apply this strategy to all four of the rental units. In our analysis, we did not include the upside in Air B&B/short term rental rates, but the current owner has been able to increase the annual income by 60% over the current annual rent figures included above.

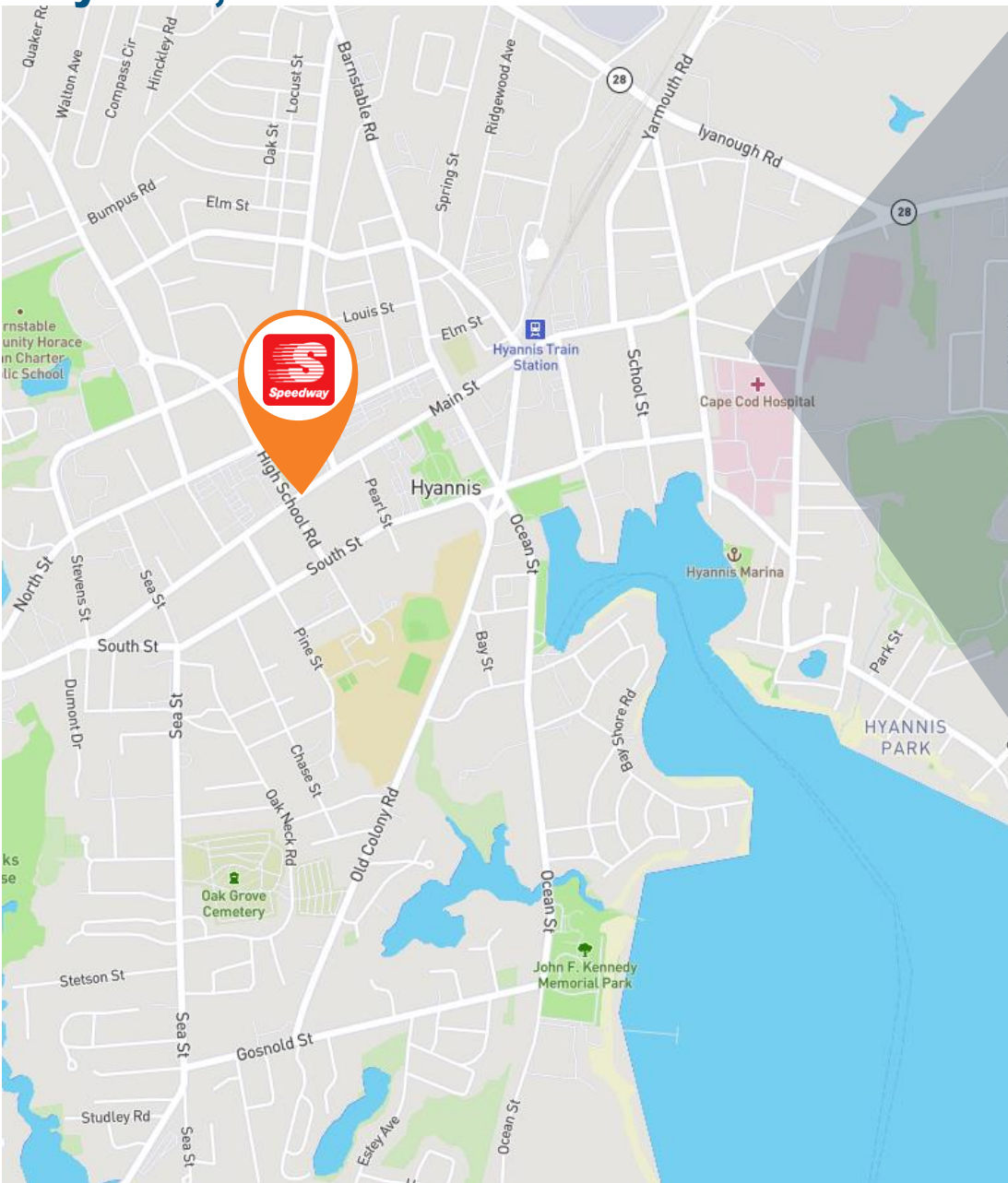




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HIGHLIGHTS

- Located Minutes from the Dominant Retail Center Across All of Cape Cod | Cape Cod Mall
- Tenants Including Trader Joes, Christmas Tree Shops, Barnes and Noble, CVS, Marshall's, Best Buy | All in the Immediate Area
- Located on a Four Way, Signalized Intersection | Two Modes of Ingress and Egress
- Premier Cape Cod Location | Extremely High Barrier to Entry Market
- Cape Cod Medical Center is Less than One Mile from the Speedway Property | Year-round Demand for Apartment Units from Medical Students/Doctors
- Located Minutes from The Hyannis Yacht Club, Hyannis Marina, Kalmus Beach and the Kennedy Family Compound
- Minimal Competition in Surrounding Area in a Restricted Product Type

TOP EMPLOYERS IN CAPE COD

EMPLOYER

Cape Cod Hospital
Steamship Authority
Air National Guard
Arris Group Inc.
Falmouth Hospital
Nantucket Airlines
Barnstable High School
Cape Cod Child Development

Surrounding Retail and Points of Interest

This Speedway and Dunkin' Donuts is located at 149 North Street in Hyannis, Massachusetts. Hyannis is a village on the Cape Cod peninsula and is widely known for its Kalmus Park Beach and the private Kennedy Compound at nearby Hyannis Port. It is the commercial and transportation hub of Cape Cod and was designated an urban area, because of this, many refer to Hyannis as the "Capital of the Cape". It contains a majority of the Barnstable Town offices and two important shopping districts: the historic downtown Main Street and the Route 132 Commercial District, including Cape Cod Mall and Independence Park, headquarters of Cape Cod Potato Chips. The Speedway and Dunkin' Donuts Property is located just minutes from the Cape Cod Mall. Tenants including Trader Joes, Marshalls, Best Buy, Christmas Tree Shops and Barnes and Noble are all located in these centers. The Speedway property is located on a signalized, hard corner intersection across from a newly remodeled McDonald's and Burger King. On the opposite corner a single tenant CVS is located next to the newly constructed fire station. Located less than a mile from the Speedway property is the Cape Cod Hospital. This is the largest medical center in the whole of Cape Cod.

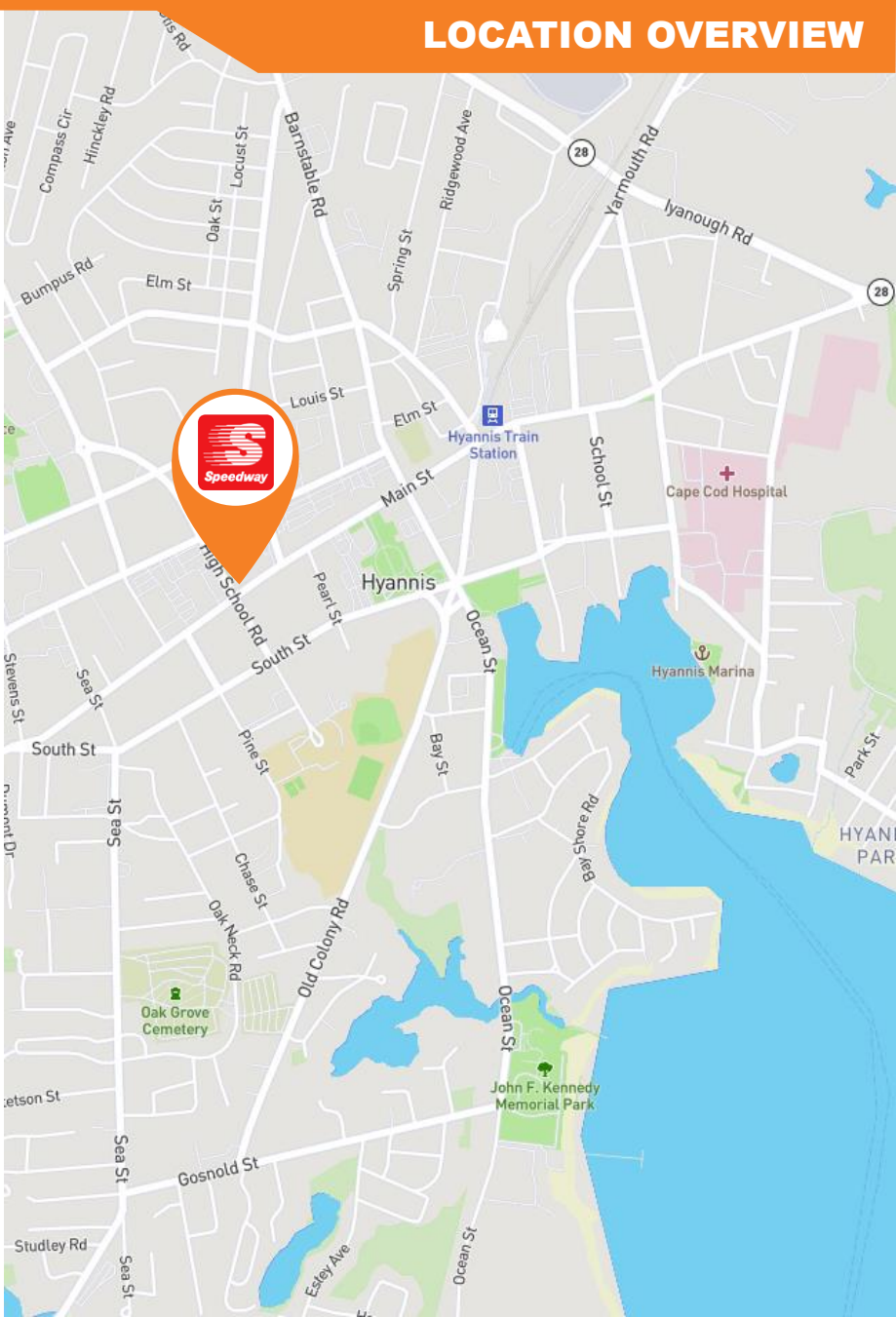
Traffic Counts and Demographics

Hyannis is the largest of seven villages that make up the town of Barnstable. Hyannis is a major tourist destination which causes the population as well as demographic figures to fluctuate based upon the season. Hyannis has a base population of 8,105 people within a mile of the property earning nearly \$54,000 per year. In the summer months these numbers increase dramatically due to the influx of the wealthy tourist base that flock to the local beaches, hotels, and yacht clubs located walking distance from the property.

Cape Cod, MA

Cape Cod is an arm-shaped peninsula located on the Easternmost portion of Massachusetts. It is a well-traveled tourist and vacation area, featuring miles of beaches, natural attractions, historic sites, art galleries and many four star restaurants. The area is also very popular amongst antique enthusiasts and people who enjoy bed and breakfasts. With over six million visitors each year, Cape Cod is home to numerous opportunities including golfing, fishing, biking, relaxing, hiking, and many other outdoor activities.

LOCATION OVERVIEW





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