



Arby's & Phillips 66

LA PAZ, INDIANA



Commercial Real Estate Investments

confidentiality agreement

This Offering Memorandum contains select information pertaining to the business and affairs of the property located at **795 Michigan Street, La Paz, IN 46537** ("Property"). It has been owned and prepared by HCG. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Owner. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

CONTACT US

STEVEN KOUTSANTONIS

Director of Acquisitions

O +1 516 926 3325

F +1 516 708 9682

C +1 646 481 3711

steve@hakimicapgroup.com



Commercial Real Estate Investments

property overview

Property Name	Arby's & Phillips 66
Property Address	795 Michigan Street, La Paz, IN 46537
Assessor's Parcel Number	50-52-95-404-424.000-010
Zoning	C-2

Site Description	
Number of Stories	One
Year Built	1994
Gross Leasable Area	Approx. 5,314 SF
Lot Size	Approx. 2.17 Acres (94,525)
Type of Ownership	Fee Simple
Parking	43 Surface Spaces
Parking Ratio	8.09 : 1,000 SF

Construction	
Foundation	Concrete Slab
Framing	Metal
Exterior	Masonry
Parking Surface	Asphalt
Roof	Flat

ARBY'S & PHILLIPS 66 RETAIL
LA PAZ, INDIANA



OFFERING MEMORANDUM
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investment summary

HCG is proud to present the sale of Arby's and Phillips 66 located at **795 Michigan Street, La Paz, IN 46537**.

The subject property is a freestanding co-branded Arby's/Phillips 66 located off of U.S. 31 in La Paz, Indiana. Built in 1994, the subject property totals 5,269 square feet and sits on 2.17 acres. The Arby's is operated by the Arby's Restaurant Group (ARG) with a 20 year lease that commenced in December 2005. The Arby's Restaurant Group is a combination of Triarc Companies (Arby's franchisor and parent company) and the RTM Restaurant Group (Arby's largest franchisee) and currently owns and operates over 1,000 Arby's throughout the United States. In 2009, Arby's joined forces with Wendy's and ARG is now a wholly owned subsidiary of the publicly traded Wendy's/Arby's group (WEN).

The Phillips 66 is operated B&R Oil with a 20 year lease that commenced in December 2005. B&R owns and rents out 21 retail gas stations and distributes more than 100 million gallons of fuel to 73 Phillips 66 and CITGO retail stations. Their parent company is Simon Holdings whose related companies have revenues in excess of \$750 million.

La Paz is located in north central Indiana approximately 15 miles south of the South Bend/Mishawaka area. The subject property is located at the intersection of U.S. 31 and U.S. 6 which are two of the most heavily traveled thoroughfares in Northern Indiana. Interstate 31 extends from the northern tip of Indiana all the way to the heart of Indianapolis.

OFFERING TERMS

OFFERING PRICE	\$2,040,000
ADDRESS	795 Michigan Street, La Paz, IN 46537
NET OPERATING INCOME	\$178,507.80
CAP RATE	8.75%
BUILDING SIZE	5,314
LAND SIZE	2.17 Acres
NUMBER OF STORIES	One
OWNERSHIP OFFERED	Fee-Simple, Free & Clear
LEASE TYPE	NNN
COUNTY	Marshall

investment highlights



Arby's Lease is Corporate Backed and Guaranteed by Arby's Restaurant Group, Which is a Wholly Owned Subsidiary of Wendy's/Arby's Group (WEN)



Arby's Restaurant Group Accounts for Two-Thirds of the Total Income



Located on a Hard Corner of Two Busy Highways with Traffic Counts Exceeding 29,000 Vehicles per Day



Proven Location Has Been in Business for 16 Years



Double Pylon Signage with Strong Hard Corner Intersection Visibility



Absolute NNN Lease with 7.5 years remaining (Arby's) / 8 years remaining (Phillips 66)



rent roll



Arby's Annualized Operating Data

	Monthly Rent	Annual Rent	Rent/SF
Current - 12/22/2022	\$9,914.40	\$118,972.80	\$44.78
12/23/2020 - 12/22/2025	\$10,707.55	\$128,490.60	\$48.36
Option 1 (5 Years)	\$11,564.15	\$138,769.80	\$52.23
Option 2 (5 Years)	\$12,489.28	\$149,871.36	\$56.41



Phillips 66 Annualized Operating Data

	Monthly Rent	Annual Rent	Rent/SF
Current - 4/30/2021	\$4,961.25	\$59,535.00	\$22.41
5/1/2021 - 4/30/2026	\$5,209.33	\$62,512.00	\$23.53
Option 1 (5 Years)	\$5,469.78	\$65,637.34	\$24.70

Combined Annualized Operating Data

	Monthly Rent	Annual Rent	Type
Current Combined Rents	\$14,875.65	\$178,507.80	NNN

tenant overview



Sandwich fans hungry for beef that's not in the form of a patty can turn to this company. Arby's Restaurant Group (ARG) operates the Arby's fast food chain popular for its hot roast beef sandwiches. Arby's ranks as the #3 sandwich chain with more than 3,300 locations across the US and in a handful of other countries. In addition to roast beef sandwiches, its menu features chicken sandwiches, salads, and some dessert items. More than 1,100 Arby's locations are company-owned, while the rest are franchised. The chain was started in 1964 by brothers Forrest and Leroy Raffel. In mid 2011, the Wendy's Company sold a majority stake in Arby's to Roark Capital Group.

Lease Summary	
Tenant Name	Arby's
Type of Ownership	Fee Simple
Lease Guarantor	RTM Indianapolis, Inc.
Lease Type	NNN
Roof and Structure	None
Original Lease Term	20 Years
Lease Commencement Date	12/22/2005
Rent Commencement Date	12/22/2005
Lease Expiration Date	12/22/2025
Term Remaining on Lease	Aprox. 9.16
Increases	8%, every five (5) years
Options	Two (2), Five (5) Years

Tenant Summary	
Property Name	Arby's
Property Type	Net Leased Quick Service Restaurant
Parent Company Trade Name	Arby's Restaurant Group, Inc.
Ownership	Private
No. of Locations	3,500
No. of Employees	130,000
Headquartered	Sandy Springs, GA
Website	www.arby's.com
Year Founded	1964

lease abstract

Landlord Obligations

Per the operating agreement, the Tenants do all the common area maintenance. There is no Landlord obligation to do snow plowing, sweeping, landscaping, etc.

The following is subject to and handled by the Phillips 66 Tenant: Landlord to maintain the Premises and all improvements, equipment and furnishings including underground storage tank system located on the Premises, the entire Common Building and the HVAC system(s) servicing the Convenience Store, in safe, good condition and repair. If HVAC serves both the Convenience Store and Restaurant -- then maintenance / repair shall be considered CAM subject to reimbursement.

Tenant Obligations

Tenant agrees that it will at all times maintain the Tenant's Premises and all improvements, equipment and furnishings, owned and or leased, together with any HVAC system located on the Premises and solely servicing the Restaurant in safe, good condition and repair, subject to wear and tear and to Company's obligations under this Agreement, if any. All repairs and any replacement of improvements shall be at least equal to the original work in class and quality. Tenant will keep all surfaces in the Tenant's Premises free of accumulation of dirt and debris, including the regular cleaning of the inside and outside of the improvements, equipment and furnishings on the Tenant's Premises. Tenant will also maintain the Premises in a clean, orderly and sanitary condition, free of insects, rodents, vermin and other pests.

Operating Expense Reimbursement

Tenant shall reimburse Landlord for Tenant's Proportionate Share (50%) of the costs and expenses of maintaining, operating, replacing and repairing the Common Area. Any costs associated with repairing the roof of the Common Building will be charged as Common Area Costs.

Lease Responsibilities

Utilities	Tenant
Prop. Taxes	Tenant
Insurance	Tenant
Gaurantor	RTM Indianapolis, Inc.
Financial Reporting	Not Required To Report Sales



tenant overview



Phillips 66 is one of the largest independent refiners in the US and the world by sales. The company has global refining and marketing, midstream, and chemical operations. It has crude processing capacity of more than 3.6 million barrels per day, and it sells fuel at about 8,350 retail outlets in the US and Europe under such brands as 76, Conoco, JET, and Phillips 66. Its midstream business handles natural gas gathering and processing partly through DCP Midstream, a joint venture with Spectra Energy. Phillips 66's chemicals business is conducted through CPChem, a joint venture with Chevron.

Lease Summary	
Tenant Name	Phillips 66
Type of Ownership	Fee Simple
Lease Guarantor	B & R Oil Company, Inc
Lease Type	NNN
Roof and Structure	None
Original Lease Term	20 Years
Lease Commencement Date	5/1/2006
Rent Commencement Date	5/1/2016
Lease Expiration Date	5/1/2026
Term Remaining on Lease	Aprox. 9.66
Increases	5%, every Five (5) years
Options	One (1), Five (5) Years

Tenant Summary	
Property Name	Phillips 66
Property Type	Net Leased Convenience Store
Parent Company Trade Name	Phillips 66 Company
Ownership	Public
Credit Rating	Standard & Poor's
Rating Agency	A
Revenue	\$100.95 B
Net Income	\$4.23B
Stock Symbol	PSX
Board	NYSE
No. of Employees	14,000
Headquartered	Houston, TX
Website	www.philips66.com
Year Founded	2012

lease abstract

Landlord Obligations

Per the operating agreement, the Tenants do all the common area maintenance. Landlord and Tenant expressly agree that this Lease shall be construed as a net-net-net Lease to Landlord and that Tenant's responsibility and liability hereunder shall be limited. The term "net-net-net Lease" shall be interpreted as meaning that the Landlord shall have no responsibility for the payment of any costs, expenses, taxes or other charges of any kind of nature whatsoever relating to the Demised Premises of the maintenance of repair hereof, all taxes imposed upon the rental payments required by this Lease to be paid by the Tenant to the Landlord, and the Tenant's responsibility and liability hereunder shall include, but shall not be limited to, the prompt payment of all such costs, expenses, taxes and other charges.

Tenant Obligations

The Tenant shall, during the term of this Lease and any extension thereof, at its sole expense, keep in good and substantial order and repair the Demised Premises, whether interior, exterior, structural or nonstructural, including but not limited to snow removal lawn care and landscape, walls, partitions, entrance ways, floors, stairways, walks, drives, curbs, parking areas, plate glass, windows, doors, frame, electrical, plumbing, heating, air conditioning and ventilating systems and equipment, all fixtures and other appliances and appurtenances belonging thereto, and all other equipment of the Landlord used in connection with the Demised Premises, in like condition as when taken as of the Commencement Date of this Lease, damage by accidental fire, enemy action, other avoidable casualty or ordinary wear and tear excepted, keeping the Demised Premises in a clean, sanitary and safe condition, and in accordance with all directions, rules and regulations of the health officers, fire marshal, building inspector and/or other appropriate officers of the governmental agencies having jurisdiction of the Demised Premises, and shall comply with all requirements of law, ordinances and other governmental regulations affecting the Demised Premises.

Lease Responsibilities

Utilities	Tenant
Prop. Taxes	Tenant
Insurance	Tenant
Gaurantor	B&R O I L COMPANY





ARBY'S & PHILLIPS 66 RETAIL
LA PAZ, INDIANA

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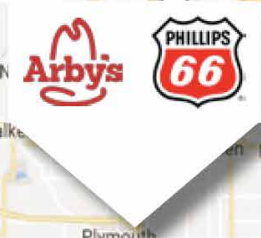


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CONTACT US

STEVEN KOUTSANTONIS

Director of Acquisitions

O +1 516 926 3325

F +1 516 708 9682

C +1 646 481 3711

steve@hakimicapgroup.com

