



Culver's

4635 Hoffman Boulevard
Hoffman Estates, IL 60192



OFFERING MEMORANDUM

Marcus & Millichap

www.deltondoadvisorygroup.com

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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 net leased property.

BRAND NEW CONSTRUCTION CULVER'S DRIVE-THRU

- * 2016 Construction in High Barriers to Entry Hoffman Estates (30 Miles Northwest of Chicago, IL)

- * **New 15 Year Culver's Lease & New 10 Year BP Lease with No Early Kick-Outs** - Culvers Franchise Guaranteed Lease with Over 12 Years Remaining. BP Franchise Guaranteed Lease with 9 Years Remaining

- * **Limited Landlord Responsibilities** - Culver's / BP are Responsible for All Expenses and Maintenance Except Roof. The Landlord's Responsibilities is Mitigated by a Roof Warranty

- * **Strong Inflation Hedge** - The Initial Term for the Culver's has an 8% Increase in 2021 and the BP has 7.7% Increase in 2024

- * **Desirable Drive-Thru Permit** - Quick Serve Restaurants Drive the Majority of Their Sales Through Drive-Thrus.



HIGHLY STRATEGIC AND DESIRABLE REAL ESTATE LOCATION RIGHT OUTSIDE OF CHICAGO, IL

- * **Visibility from High Traffic Interstate and Major Thoroughfare** - Directly off I-90 which oversees 120,000+ Vehicles Per Day and Frontage Along Hoffman Boulevard which Oversees 41,000+ Vehicles Per Day

- * **High Barriers of Entry** - Nearest Culver's is 8 Miles from Subject Property and Nearest BP is 7 Miles Away

- * **Across the Street from Poplar Prairie Stone Crossing** - a 311,967 Square Foot Shopping Center Shadow Anchored by a Target and Features National Retails like Ross, TJ Maxx, Petsmart and Michaels

- * Across the Street from Marriott Hotel & Liberty Mutual which has 400 Employees

- * **Near The Arboretum of South Barrington** - a 600,000 SF Center Comprised of a Mix of Apparel and Furniture Retailers, Restaurants and Movie Theatre

- * **Next to Sears Holdings Headquarters** - A 2.4 Million Square Foot Headquarters

- * All but about 100 of Prairie Stone's 786 Acres have been sold Off. Most of the interest has been from Residential Developers

- * **Strong Demographics in Immediate Area** - Average Household Income of \$156,000+ in a 1-Mile Radius



For over 30 years, Culver's guests have been treated to cooked-to-order food made with farm-fresh ingredients and served with a smile. The ever-expanding franchise system now numbers more than 650 family-owned and operated restaurants in 24 states. The restaurants' nationally recognized customer service is based on small-town, Midwestern values, genuine friendliness and an unwavering commitment to quality. Signature items include the award-winning ButterBurger, made from fresh, never frozen beef, and Fresh Frozen Custard, including the famous Flavor of the Day program.

COMPANY SUMMARY

Number of Locations:	696
Year Founded:	1984
Headquartered:	Prairie du Sac, WI
Franchisee	SREVLUC, LLC
Franchisee No. of Locations:	3
Franchisee Headquarters:	Buffalo Grove, IL



BP plc is a British multinational oil and gas company headquartered in London, United Kingdom. It is one of the world's seven oil and gas "supermajors", whose performance in 2012 made it the world's sixth-largest oil and gas company, the sixth-largest energy company by market capitalization and the company with the world's 12th-largest revenue. It is a vertically integrated company operating in all areas of the oil and gas industry, including exploration and production, refining, distribution and marketing, petrochemicals, power generation and trading. It also has renewable energy interests in biofuels and wind power.

COMPANY SUMMARY

NYSE Symbol:	BP
Market CAP:	\$139.64 Billion
Number of Locations:	19,000+
Year Founded:	1908
Headquartered:	London, United Kingdom
Franchisee:	Oasis by 59, LLC DBA BP
Guaranty:	Personally Guaranteed by Tenant

FINANCIAL SUMMARY

Price:	\$4,271,000
CAP Rate:	6.50%
Gross Leasable Area (GLA)	6,700 SF
Lot Size:	1.38 Acres
Year Built:	2016
Ownership:	Fee Simple

LEASE SUMMARY - CULVER'S

Tenant:	SREVLUC, LLC
Guaranty:	Personal Guaranty by Tenant Expires November 1, 2021
Lease Term:	15 Years
Lease Type:	Triple-Net
Lease Commencement:	November 1, 2016
Lease Expiration:	November 1, 2031
Increases:	8% / Every 5-Years
Term Remaining:	12.5 Years
Options to Extend:	Six, 5-Year Options
Annual Rent:	\$121,650

LEASE SUMMARY - BP

Tenant:	Oasis By 59, LLC DBA BP
Guaranty:	Personally Guaranteed Tenant
Lease Term:	10 Years
Lease Type:	Triple-Net
Lease Commencement:	May 1, 2018
Lease Expiration:	April 30, 2028
Increases:	7.7% on May 1, 2024
Term Remaining:	9 Years
Options to Extend:	None
Annual Rent:	\$156,000



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OFFERING PRICE

\$4,271,000



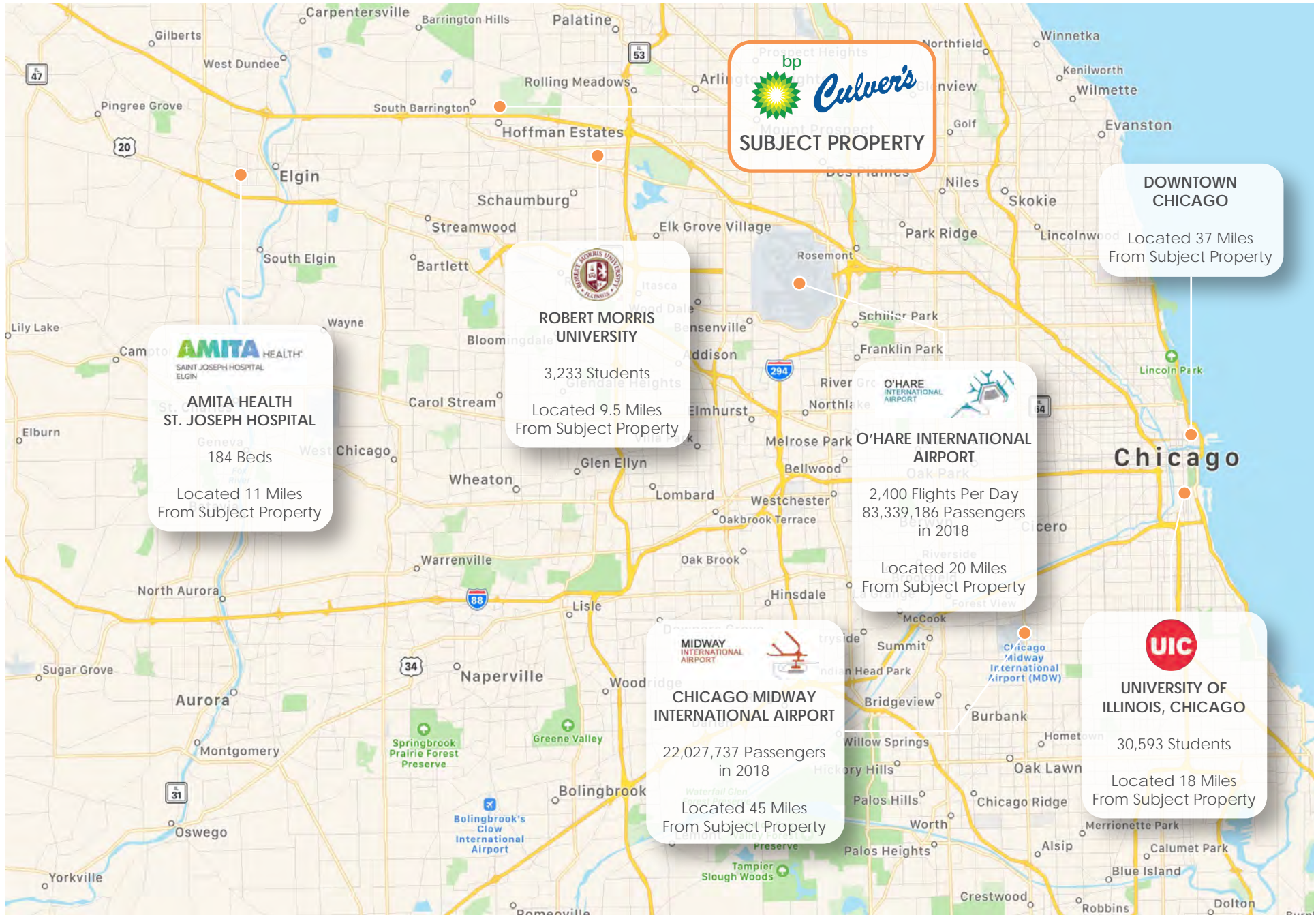
CAP RATE

6.50%



NET OPERATING INCOME

\$277,650





HOFFMAN ESTATES, ILLINOIS

Hoffman Estates is a town in Illinois with a population of 51,631. Hoffman Estates is in Cook County and is one of the best places to live in Illinois. Living in Hoffman Estates offers residents a suburban feel and most residents own their homes. In Hoffman Estates there are a lot of restaurants, coffee shops, and parks. Many families and young professionals live in Hoffman Estates and residents tend to lean liberal. The public schools in Hoffman Estates are highly rated.

The village now serves as the headquarters for the Sears Holdings Corporation, the Midwest headquarters for AT&T and the American headquarters for Mori Seiki. The village owns the Sears Centre, home of the Chicago Bliss of the Legends Football League, and the Windy City Bulls of the NBA G League.



DEMOGRAPHICS SUMMARY

HOUSEHOLDS BY INCOME

	1 Mile	3 Miles	5 Miles
Average Household Income	\$156,522	\$144,061	\$101,024
Median Household Income	\$118,140	\$97,907	\$76,341
Per Capita Income	\$42,248	\$47,430	\$33,488

Current Daytime Population

	1 Mile	3 Miles	5 Miles
2018 Estimate	1,196	22,919	154,051

POPULATION



In 2018, the population in your selected geography is 1,089. The population has changed by 13.91% since 2000. It is estimated that the population in your area will be 1,238.00 five years from now, which represents a change of 13.68% from the current year. The current population is 50.77% male and 49.23% female. The median age of the population in your area is 42.79, compare this to the US average which is 37.95. The population density in your area is 346.04 people per square mile.

HOUSEHOLDS



There are currently 294 households in your selected geography. The number of households has changed by -2.65% since 2000. It is estimated that the number of households in your area will be 331 five years from now, which represents a change of 12.59% from the current year. The average household size in your area is 3.44 persons.

INCOME



In 2018, the median household income for your selected geography is \$118,140, compare this to the US average which is currently \$58,754. The median household income for your area has changed by 39.77% since 2000. It is estimated that the median household income in your area will be \$128,294 five years from now, which represents a change of 8.59% from the current year.

RACE AND ETHNICITY



The current year racial makeup of your selected area is as follows: 54.82% White, 1.26% Black, 0.00% Native American and 39.91% Asian/Pacific Islander. Compare these to US averages which are: 70.20% White, 12.89% Black, 0.19% Native American and 5.59% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 5.07% of the current year population in your selected area. Compare this to the US average of 18.01%.

HOUSING



The median housing value in your area was \$337,604 in 2018, compare this to the US average of \$201,842. In 2000, there were 288 owner occupied housing units in your area and there were 13 renter occupied housing units in your area. The median rent at the time was \$1,128.

EMPLOYMENT



In 2018, there are 3,042 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 72.74% of employees are employed in white-collar occupations in this geography, and 26.49% are employed in blue-collar occupations. In 2018, unemployment in this area is 3.33%. In 2000, the average time traveled to work was 37.00 minutes.



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