





1013 W. ST. JAMES ST

Tarboro, NC 27886





INVESTMENT HIGHLIGHTS



INVESTMENT OVERVIEW

» PRICE	\$1,363,600
» CAP RATE	5.50%
» NOI	\$75,000
» YEARS REMAINING	20
» LOT SIZE	±27,878 SF (0.64 AC)
» YEAR BUILT	2019

Adots

INVESTMENT HIGHLIGHTS

- **Brand new prototype** store scheduled to be completed in 2019.
- Absolute NNN ground lease with zero landlord responsibilities.
- New 20-year lease with annual rent increases
- One of the largest Arby's operators in the country
- The tenant has exclusivity throughout the Tampa MSA and Raleigh MSA
- Great operator with increasing store sales and EBITDA year over year
- Located along Western Blvd, the main thoroughfare in Tarboro
- Property is located near Walmart and Lowe's

FINANCIAL OVERVIEW



ANNUALIZED OPERATING DATA

1			
Lease Commencement	Monthly Rent	Annual Rent	Cap Rate
Year 1	\$6,250.00	\$75,000	5.50%
Year 2	\$6,312.50	\$75,750	5.56%
Year 3	\$6,375.63	\$76,508	5.61%
Year 4	\$6,439.38	\$77,273	5.67%
Year 5	\$6,503.78	\$78,045	5.72%
Year 6	\$6,568.81	\$78,826	5.78%
Year 7	\$6,634.50	\$79,614	5.84%
Year 8	\$6,700.85	\$80,410	5.90%
Year 9	\$6,767.85	\$81,214	5.96%
Year 10	\$6,835.53	\$82,026	6.02%
Year 11	\$6,903.89	\$82,847	6.08%
Year 12	\$6,972.93	\$83,675	6.14%
Year 13	\$7,042.66	\$84,512	6.20%
Year 14	\$7,113.08	\$85,357	6.26%
Year 15	\$7,184.21	\$86,211	6.32%
Year 16	\$7,256.06	\$87,073	6.39%
Year 17	\$7,328.62	\$87,943	6.45%
Year 18	\$7,401.90	\$88,823	6.51%
Year 19	\$7,475.92	\$89,711	6.58%
Year 20	\$7,550.68	\$90,608	6.64%
Option 1 (Avg)	\$7,780.24	\$93,363	6.85%
Option 2 (Avg)	\$8,177.12	\$98,125	7.20%
Option 3 (Avg)	\$8,594.23	\$103,131	7.56%
Option 4 (Avg)	\$9,032.62	\$108,391	7.95%
Option 5 (Avg)	\$9,493.38	\$113,921	8.35%
Option 6 (Avg)	\$9,977.63	\$119,732	8.78%

EXECUTIVE SUMMARY

List Price	\$1,363,600
Cap Rate	5.50%
GLA	TBD
Lot Size	±27,878 SF (0.64 Acres)
Year Built	2019

TENANT SUMMARY

Tenant Trade Name	Mosaic Red Hat Inc.
Type of Ownership	Ground Lease
Lease Guarantor	Franchisee
Lease Type	NNN
Roof and Structure	Tenant Responsible
Original Lease Term	20 Years
Rent Commencement	TBD
Lease Expiration Date	20 Years from Rent Commencement
Term Remaining	20 Years
Increases	1% Annually
Options	Six (6), Five (5) Year Options

TENANT OVERVIEW





TENANT OVERVIEW

Arby's Fast Crafted restaurant services feature a unique blend of quick-serve speed combined with the quality and made-for- you care of fast casual. Arby's Restaurant Group, Inc. is the franchisor of the Arby's Brand and is headquartered in Atlanta, GA. Arby's Restaurant Group (ARG) operates the Arby's fast food chain popular for its hot roast beef sandwiches. 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.

REBRANDING AND REMODELING STRATEGY

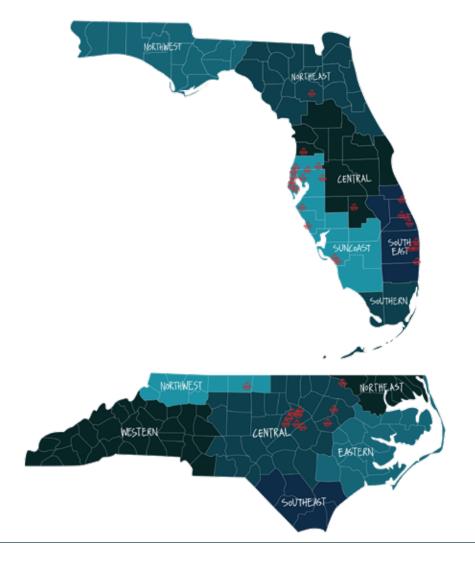
Arby's is looking to revitalize its guest experience by remodeling 229 restaurants systemwide in the Inspire design. Arby's has re-engineered its restaurants to reduce development costs, expand site selection options, and deliver an upgraded guest experience. Arby's has improved ROI by stripping out some of the costs of opening or remodeling a restaurant. The Inspire design reduces development and remodeling costs, increases restaurant efficiency, and is highly adaptable to a wide range of site opportunities.



MOSAIC RED HAT

Mosaic Red Hat is one of the largest Arby's operators in the country, operating over 40 Arby's stores throughout the Southeast with 750 employees. Mosaic began it's operations with Moe's Southwest Grill earning New Franchise Partner of the Year. More recently, they have earned High Franchisee Sales Growth in Florida for Arby's.

Over the last several years, revenue and EBITDA has seen significant increase. In addition, they continue to expand operations and open new stores. Currently, they have the exclusive territory for the 9-County Tampa MSA with exclusive rights to develop in this market. Overall, they have 18 new restaurant development agreements in North Carolina and Florida.





Currently operates 39 Arby's stores primarily in Florida and North Carolina.



Highest franchisee sales growth in Florida for Arby's



One of the 15 largest Arby's Franchisees in the country.



Mosaic Red Hat Group has territorial exclusivity in the 9-county Tampa MSA with exclusive rights to develop 13 new stores.



There are currently 18 new restaurant development agreements in North Carolina and Florida.



Strong same store sales growth and EBITDA growth



±750 employees

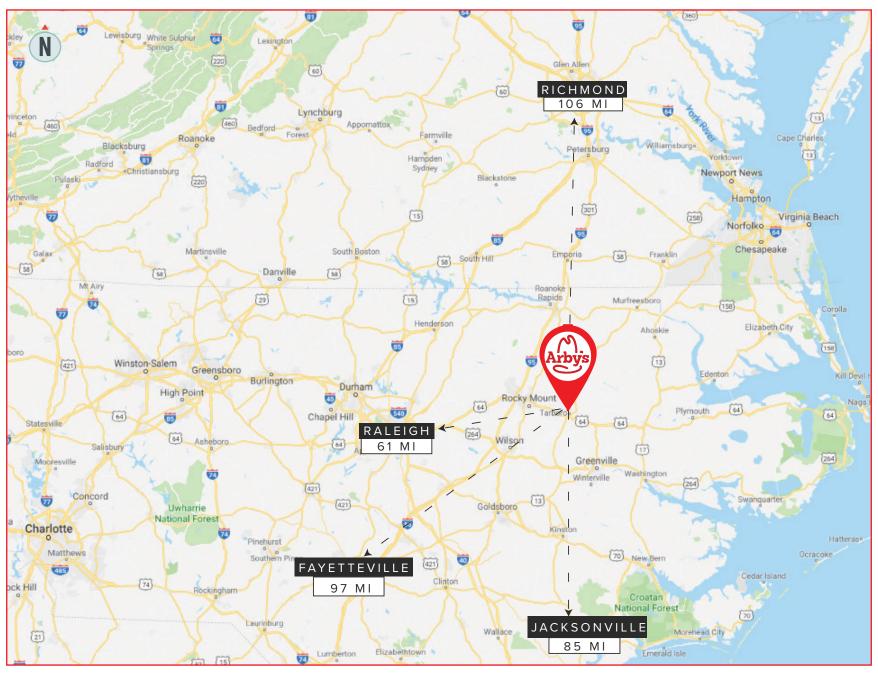
TENANT MAP





REGIONAL MAP





AREA OVERVIEW

2024 PROJECTION

2019 ESTIMATE

TARBORO, NORTH CAROLINA

Tarboro is a town located in Edgecombe County, North Carolina, United States. It is part of the Rocky Mount Metropolitan Statistical Area. Tarboro is located near the western edge of North Carolina's coastal plain. It has many historical churches, some dating from the early 19th century.

Tarboro is a walking town. A front-porch-sitting place. A place where you know your neighbors. Established in 1760, Tarboro has a rich history: of wars and floods, renewal and preservation. From Calvary Episcopal Church, consecrated in 1868, to the carefully restored homes and architecture in its 45-block historic district, one of the largest in the state, Tarboro embodies the spirit of its past. But it isn't stuck there. There's a youthful energy on its charming downtown streets, the murals, and the shop.

POPULATION	1-MILE	3-MILE	5-MILE
2024 PROJECTION	2,256	13,279	16,027
2019 ESTIMATE	2,272	13,435	16,243
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HOUSEHOLDS	1-MILE	3-MILE	5-MILE

5,423

5,456

6,452

6,500

INCOME	1-MILE	3-MILE	5-MILE
AVERAGE HOUSEHOLD INCOME	\$49,954	\$53,230	\$53,585

989

984



RALEIGH, NORTH CAROLINA

Raleigh is the capital of the state of North Carolina and the seat of Wake County in the United States. Raleigh is the second-largest city in the state of North Carolina, after Charlotte. Raleigh is known as the "City of Oaks" for its many oak trees, which line the streets in the heart of the city.

Raleigh is home to North Carolina State University (NCSU) and is part of the Research Triangle Park (RTP) area, together with Durham (home of Duke University) and Chapel Hill (home of the University of North Carolina at Chapel Hill). The "Triangle" nickname originated after the 1959 creation of the Research Triangle Park, located in Durham and Wake counties, among the three cities and their universities.

Following the establishment of the Research Triangle Park (RTP), several tens of thousands of jobs were created in the fields of science and technology. The region and city have attracted a large influx of population, making it one of the fastest-growing communities in the United States by the early 21st century. It is a model for other nations, states and small governments around the world.

Raleigh is home to numerous cultural, educational, and historic sites. The Duke Energy Center for the Performing Arts features three theater venues and serves as the home for the North Carolina Symphony and the Carolina Ballet. Coastal Credit Union Music Park at Walnut Creek is a large music amphitheater. Museums include the state museums of art, history and natural sciences, two in downtown. Major universities and colleges, in addition to those above, include Shaw University, the first historically black university in the American South. In the 1960s, the Student Nonviolent Coordinating Committee, an important civil rights organization, was founded here.



Confidentiality Agreement & Disclaimer

This Offering Memorandum contains select information pertaining to the business and affairs of Arby's located at 1013 W. St. James Street, Tarboro, NC 27886 ("Property"). It has been prepared by Matthews Real Estate Investment Services. 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 Seller or Matthews Real Estate Investment Services. 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 and Matthews Real Estate Investment Services 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 Matthews Real Estate Investment Services 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.



LISTING AGENTS

ROSS URBAHNS

ASSOCIATE

214.692.2283

317.670.0732

LIC # 710683 (TX)

CHAD KURZ

SVP & NATIONAL DIRECTOR

214.692.2927

562.480.2937

ROSS.URBAHNS@MATTHEWS.COM CHAD.KURZ@MATTHEWS.COM

LIC # 01911198 (CA)

JOSH BISHOP

VP & DIRECTOR LIC # 688810 (TX)

ARON CLINE

SVP & SENIOR DIRECTOR LIC # 01904371 (CA)

CALVIN SHORT

SVP & SENIOR DIRECTOR LIC # 01927216 (CA)

KYLE MATTHEWS

BROKER OF RECORD LIC # C27092 (NC)

