

ACTUAL PROPERTY

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES



6677 Pearl Rd | Parma Heights, OH 44130

OFFERING MEMORANDUM



LISTED BY

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EXECUTIVE OVERVIEW

INVESTMENT HIGHLIGHTS

- **Absolute NNN Lease** – The lease is absolute NNN with the Tenant being responsible for all expenses and maintenance related to the property.
- **Corporate Guarantee** – The lease is guaranteed by Arby's corporate entity, providing a substantial net worth backing the rent and lease obligations.
- **Rent Increases** – The lease includes fixed 10% rent increases every 5-years.
- **Strategically Positioned** – The property is ideally situated adjacent to a shopping center and in close proximity to national retailers. Additionally, Pearl Road sees over 18,000 vehicles per day.
- **Updated Building Model** – Arby's remodeled the building to the most current model used by the franchise.
- **Cleveland, OH MSA** – Parma Heights is a suburb of Cleveland, OH, and home to approximately 750,000 people in a 10-mile radius of the property.
- **Essential Business & E-Commerce Proof Concept** – The US government and the CDC identified quick-service restaurants as essential businesses and remained open throughout the Covid-19 pandemic. Quick service restaurants have also proven to be e-commerce proof, adopting new business strategies for online ordering.
- **Recession & Pandemic Resistant Tenant** – Historically, quick service restaurants maintain success in an economic recession and have seen an increase in sales growth throughout the Covid-19 pandemic.



FINANCIAL OVERVIEW



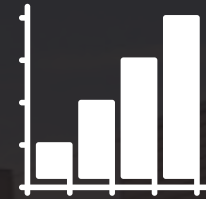
\$1,621,052

LIST PRICE



\$77,000

ANNUAL RENT



4.75%

CAP RATE

BUILDING INFO

| Address | 6677 Pearl Rd Parma Heights, OH 44130 |
|---------------|--|
| Building Area | ±2,899 SF |
| Land Area | ±0.97 Acres |

TENANT SUMMARY

| | |
|---------------------------|---|
| Tenant | Arby's |
| Lease Guarantor | Corporate (Arby's Restaurant Group, Inc.) |
| Property Address | 6677 Pearl Rd, Parma Heights, OH 44130 |
| Lease Commencement Date | 4/1/2015 |
| Rent Commencement Date | 4/1/2015 |
| Lease Expiration Date | 3/31/2030 |
| Original Lease Term | ±15 Years |
| Lease Term Remaining | ±8.5 Years |
| Rent Increases | 10% Every 5 Years |
| Option Periods | Two, 5-Year Options |
| Lease Type | NNN Ground Lease |
| Landlord Responsibilities | None |
| Tenant Responsibilities | All |
| ROFR | None |

DEBT QUOTE

Please contact a Matthews™ Capital Markets Agent for financing options:

Patrick Flanagan
patrick.flanagan@matthews.com

ANNUALIZED OPERATING DATA

| | Years | Monthly Rent | Annual Rent | Rent Increases |
|----------------------|----------------------|--------------|--------------|----------------|
| Base Term | Current - 3/31/2022 | \$6,416.67 | \$77,000.00 | |
| | 4/1/2022 - 3/31/2023 | \$6,416.67 | \$77,000.00 | |
| | 4/1/2023 - 3/31/2024 | \$6,416.67 | \$77,000.00 | |
| | 4/1/2024 - 3/31/2025 | \$6,416.67 | \$77,000.00 | |
| | 4/1/2025 - 3/31/2026 | \$7,058.33 | \$84,700.00 | 10% |
| | 4/1/2026 - 3/31/2027 | \$7,058.33 | \$84,700.00 | |
| | 4/1/2027 - 3/31/2028 | \$7,058.33 | \$84,700.00 | |
| | 4/1/2028 - 3/31/2029 | \$7,058.33 | \$84,700.00 | |
| | 4/1/2029 - 3/31/2030 | \$7,058.33 | \$84,700.00 | |
| | 4/1/2030 - 3/31/2031 | \$7,764.17 | \$93,170.00 | 10% |
| First 5-Year Option | 4/1/2031 - 3/31/2032 | \$7,764.17 | \$93,170.00 | |
| | 4/1/2032 - 3/31/2033 | \$7,764.17 | \$93,170.00 | |
| | 4/1/2033 - 3/31/2034 | \$7,764.17 | \$93,170.00 | |
| | 4/1/2034 - 3/31/2035 | \$7,764.17 | \$93,170.00 | |
| | 4/1/2035 - 3/31/2036 | \$8,540.58 | \$102,487.00 | 10% |
| Second 5-Year Option | 4/1/2036 - 3/31/2037 | \$8,540.58 | \$102,487.00 | |
| | 4/1/2037 - 3/31/2038 | \$8,540.58 | \$102,487.00 | |
| | 4/1/2038 - 3/31/2039 | \$8,540.58 | \$102,487.00 | |
| | 4/1/2039 - 3/31/2040 | \$8,540.58 | \$102,487.00 | |
| | | | | |

LEASE ABSTRACT

| | |
|---|--|
| TENANT | Arby's |
| ADDRESS | 6677 Pearl Rd, Parma Heights, OH 44130 |
| LEASE GUARANTOR | Arby's Restaurant Group, Inc. |
| SIZE | 2,899 SF |
| RENT COMMENCEMENT | 4/1/2015 |
| LEASE EXPIRATION | 3/31/2030 |
| LEASE TERM | ±8.5 Years |
| RENEWAL OPTIONS | Two (2), Five (5) Year |
| CURRENT ANNUAL RENT | \$77,000.00 |
| PERCENTAGE RENT | None |
| RENT INCREASES | 10% increases in rent every 5 years throughout the base term and in the option periods |
| REAL ESTATE TAXES | Tenant pays all taxes related to the property, assessments and improvements. |
| MAINTENANCE AND REPAIRS | Tenant shall, during the term of the Lease and any renewals thereof, maintain the Premises and all buildings and improvements thereon (interior and exterior, structural and otherwise) in good order and repair. |
| INSURANCE | Tenant, at its expense, shall throughout the term of the lease shall keep in full force and affect both liability insurance and property insurance for which landlord shall be named additional insured. |
| UTILITIES | Tenant pays directly. |
| TENANT ASSIGNMENT AND SUBLETTING | Tenant may at any time during the lease assign or sublet to majority owned subsidiary or affiliate of ARG, Inc., a franchisee or any parent or operating subsidiary of the Tenant, a corporation or other entity with which Tenant may merge or consolidate or to which Tenant may sell all or a substantial portion of its assets or stock; provided that the Premises shall be used only as it was used prior to such transfer. Tenant does not have the right to assign or sublet for any other purposes without Landlord's written consent. In the event of any assignment of the lease or subletting of the premises, the tenant remains liable for its original obligations under the lease. |
| RIGHT OF FIRST REFUSAL | None |

TENANT OVERVIEW



ARBY'S

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.

Roark Capital Group acquired 81.5% of Arby's Restaurant Group in July 2011 and now wholly owns Inspire Brands. The Wendy's Company held a minority stake of 18.5% in Arby's after the acquisition by Roark Capital; that share was reduced to 12.3% upon the purchase of Buffalo Wild Wings and was sold back to Inspire Brands on August 16, 2018, for 450 million dollars, a 38 percent premium.

Its headquarters are in Sandy Springs, Georgia, a suburb of Atlanta which uses Atlanta mailing addresses. In 2019, there were 3,472 restaurants. There are locations in six countries outside the United States: Canada, Turkey, Qatar, Kuwait, Egypt, and South Korea.



±3,472
LOCATIONS

1964
YEAR FOUNDED

ATLANTA, GA
HEADQUARTERS

PEARL ROAD SHOPPING MALL



± 17,000 VPD

BIG LOTS! Walgreens New York Community Bank
DUNKIN' **MARCO'S PIZZA** HARBOR FREIGHT TOOLS
EAST COAST SUBS save a lot VALERO

SHERWIN-WILLIAMS PAPA JOHN'S BURGER KING
SUBWAY TACO BELL

Pizza Hut McDonald's
Domino's Exxon

AutoZone MONRO
TIRE CHOICE Citizens Bank Wendy's



SOUTHLAND SOUTH SHOPPING MALL

CUYAHOGA COMMUNITY COLLEGE
WESTERN CAMPUS



± 17,000 VPD

NTB Firestone
Quick Lane DISCOUNT TIRE
PNC FIFTH THIRD BANK
KeyBank Huntington
JOANN CATO Speedway
DOLLAR TREE Marshalls
Tuesday Morning GIANT EAGLE
Bath & Body Works Great Clips
SALLY BEAUTY COST CUTTERS
Bakery BROS. Krispy Kreme Applebee's
petco OfficeMax
goodwill Party City BJ's
T-Mobile bakers square SUNCOR

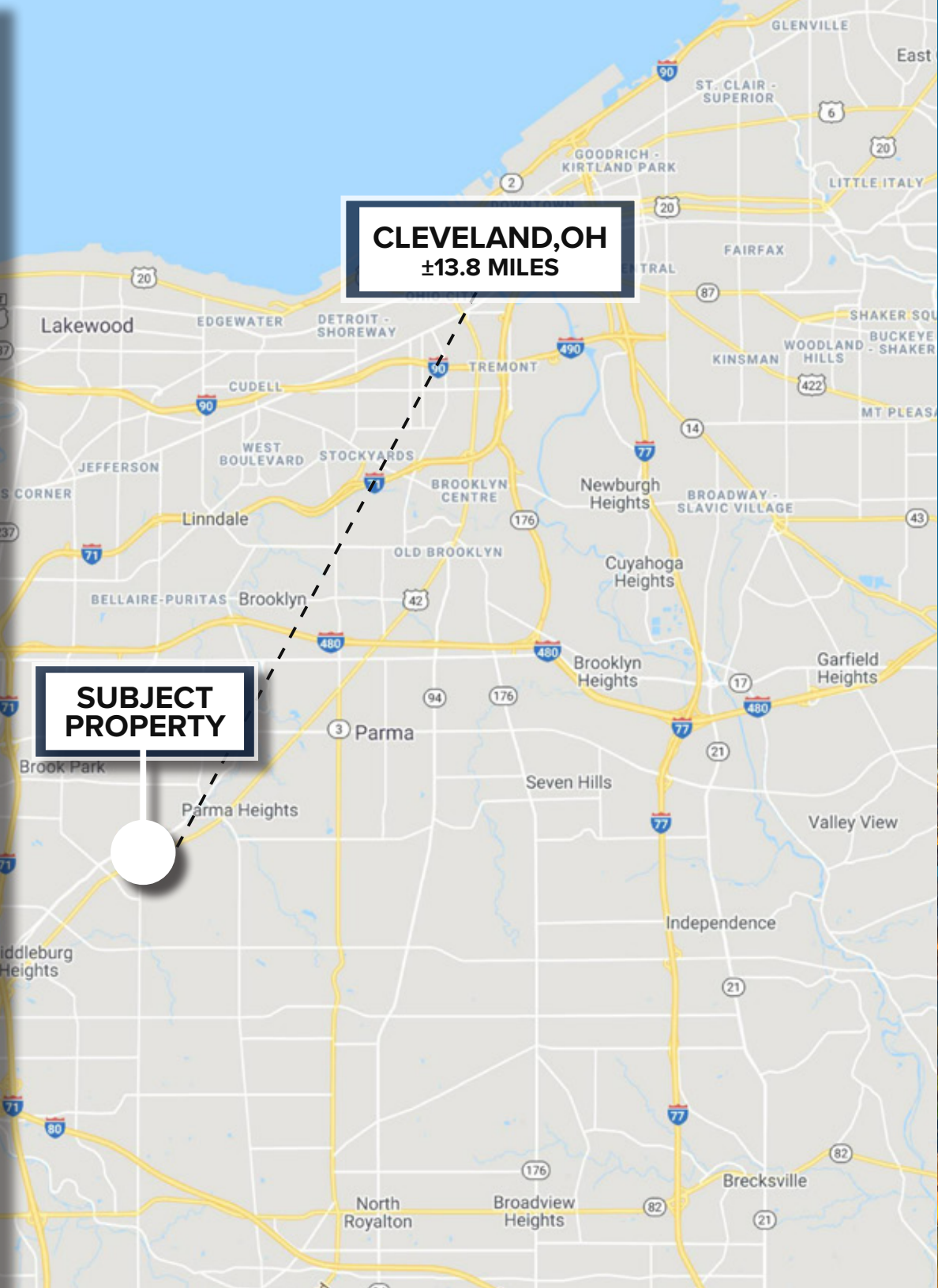
Walgreens CVS pharmacy heinen's
Wendy's SUBWAY Citizens Bank
Speedway McDonald's Domino's Gulf

PARMA HEIGHTS, OH

Home to more than 20,000 residents, Parma Heights is a city in Cuyahoga County, Ohio. As a western suburb of Cleveland, Parma Heights is just around 12 miles away from the bustling Downtown Cleveland. It is also mostly surrounded by the larger city of Parma, the second-largest city in Cuyahoga County just after Cleveland. Parma Heights is comprised of homes on quiet, tree-lined streets and parks and green spaces where residents can engage in recreational activities. The city is also near the Cuyahoga Community College Western Campus, where over 12,000 students are currently enrolled. Parma Heights is an ideal place to live due to its proximity to larger metropolitan areas, allowing it to preserve its small-town charm while having access to big-city amenities.

DEMOGRAPHICS

| POPULATION | 1 - MILE | 3 - MILE | 5 - MILE |
|-----------------|----------|----------|----------|
| 2026 Projection | 10,732 | 85,507 | 224,476 |
| 2021 Estimate | 10,885 | 86,558 | 118,111 |
| 2010 Census | 11,407 | 89,622 | 237,496 |
| HOUSEHOLDS | 1 - MILE | 3 - MILE | 5 - MILE |
| 2026 Projection | 4,667 | 38,111 | 98,651 |
| 2021 Estimate | 4,675 | 38,118 | 99,010 |
| 2010 Census | 4,834 | 38,891 | 101,685 |
| INCOME | 1 - MILE | 3 - MILE | 5 - MILE |
| Avg HH Income | \$77,256 | \$72,225 | \$72,452 |



AREA OVERVIEW

CLEVELAND

OHIO

The Greater Cleveland area, located on the southern shore of Lake Erie, continues to be one of the preferred locations in the State of Ohio. Greater Cleveland's population encompasses a five-county area, which is home to 3.1 million residents. Located in Cuyahoga County, the largest in Ohio with a population of 1,280,122, Cleveland is the 29th largest Metropolitan area in the United States. The average per capita income (according to recent data from Moody's Economy.com) is estimated to be \$48,468 and total employment stands at 1.39 million workers.



3.1M
CLEVELAND MSA
POPULATION



175,066+
CITY LABOR
FORCE



\$430 Million
IN BUSINESSES &
REAL ESTATE VENTURES



\$134B
GROSS METRO
PRODUCT



Five Fortune 500
COMPANY CORPORATE
HEADQUARTERS



14.05M
CONVENTION AND
LEISURE VISITORS



CLEVELAND CULTURE

Round out the perfect Saturday night by catching a show at the second-largest theater district outside of Broadway, strolling the Rock & Roll Hall of Fame, or marveling at the masterpieces housed at The Cleveland Museum of Art. From Broadway productions at Playhouse Square to the sounds of one of the “Big Five” orchestras of the United States, the pulse of arts and culture in Cleveland is strong enough to rival any city.

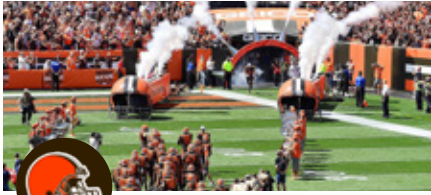
Travel and eat your way around the world without ever stepping foot outside of Cleveland. With dozens of ethnic, arts, and street festivals taking place year-round, locals and visitors alike can experience enough music, food, and culture to feel like a seasoned traveler. The 11-day Cleveland International Film Festival screens more than 200 new independent films while the Cleveland Asian Festival features free performances, demonstrations, vendors, and restaurants.



CLEVELAND INDIANS

(Major League Baseball)

24,083 Avg. Attendance



CLEVELAND BROWNS

(National Football League)

67,431 Avg. Attendance



CLEVELAND CAVALIERS

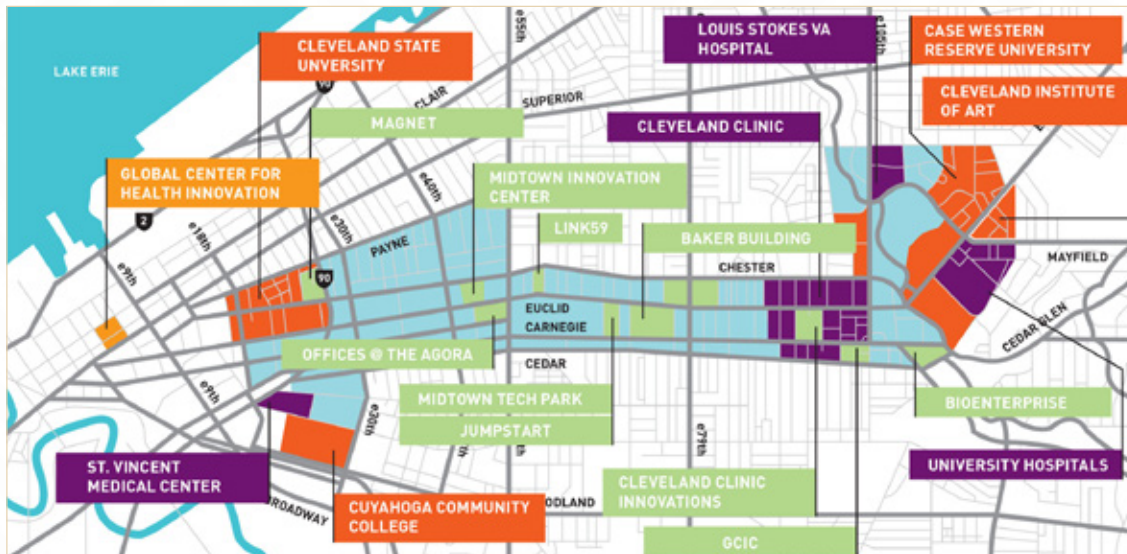
(National Basketball Association)

17,816 Avg. Attendance

HEALTHCARE SECTOR

Healthcare is one of the strongest sectors in Northeast Ohio's economy.

Not only is Cleveland a hotspot for medical innovation, but is also home to the Cleveland Clinic, ranked as one of the nation's top hospitals by U.S. News & World Report. Here you'll also find one of the nation's top research and teaching medical schools, Case Western Reserve University School of Medicine. Case Western was recently listed as a Best Medical School in the Research and Primary Care categories by US News Rankings, providing a foundation of expert health care professionals. Cleveland's Health-Tech Corridor (commonly referred to as HTC), is a prime location for biomedical, healthcare and technology companies looking to take advantage of close proximity to four world-class healthcare institutions including the Cleveland Clinic and University Hospitals, six business incubators, four academic centers, and more than 170 high-tech and health-tech companies engaged in the business of innovation.



CLUSTERS

The strength of Cleveland's biomedical industry can be seen in its clusters:

- **Cardiovascular** – Cleveland provides businesses with unique access to and collaboration with key cardiovascular leaders.
- **Imaging** – Over 55 companies make Cleveland a global leader in medical imaging.
- **Neuro Device** – Cleveland is ranked #5 in neurotech healthcare and #6 for neuro device companies per NeuroInsights Industry Report.
- **Orthopedic** – With more than 50 companies, Cleveland has long been a center for orthopedic technologies.

#2

HOSPITAL IN THE COUNTRY

#4

IN MIDWEST FOR ATTRACTING
BIOMEDICAL INVESTMENTS

+700

BIOMEDICAL COMPANIES IN
THE AREA

+5,000

POSITIONS IN BIOTECH
COMPANIES

\$243M

IN NEW CAPITAL EXPENDITURES
SINCE 2012

CRITICAL MASS & TALENT

- Medical device companies makeup half of the total and include firms such as Philips, Hitachi, Steris, Invacare, Integra, Greatbatch, and GE.
- Biopharmaceutical companies including Ricerca, WIL Laboratories, and Affymetrix are all located in the region.
- Health IT companies such as Hyland Software, Radisphere, and LexiComp complete the picture.



WORLD-CLASS CLINICAL & RESEARCH INSTITUTIONS

Internationally recognized clinical and research institutions provide the platform for Cleveland's biomedical industry. These institutions conduct over \$700 million in annual research and are nationally ranked by US News and World Report in all medical specialty areas.

- Cleveland Clinic - Nationally ranked in 24 specialties, including #1 heart and heart surgery for 21 years in a row; #2 in gastroenterology & GI surgery, rheumatology, urology, and nephrology.
- University Hospitals - Nationally ranked in 17 specialties, including cancer, ear, nose and throat, gastroenterology and GI surgery, and orthopedics.
- Akron Children's Hospital - Nationally Ranked in 7 specialties, including neonatology, neurology & neurosurgery, and urology.
- Case Western Reserve University - Nationally, School of Nursing ranked 17th, School of Medicine ranked 24th, and School of Engineering ranked 47th.

These institutions have been awarded over \$500 million in targeted funds for innovation in cardiovascular therapies, biomaterials, neurostimulation, medical imaging, and regenerative medicine.





CLEVELAND STATE UNIVERSITY



CLEVELAND STATE UNIVERSITY

Founded in 1964, Cleveland State University is a public research institution with over 17,000 students, 10 colleges and schools, and more than 175 academic programs.

According to the Brookings Institution, CSU is No. 18 in the U.S. among public universities that fulfill a critical dual mission: providing upward mobility and conducting impactful research. CSU is the only Ohio university in the top tier of the Brookings list.



ENROLLMENT

- ±17,000 Students & ±511 Academic Staff
- ±1,000 Administrative Staff
- 120,000+ Graduates



QUICK FACTS

- Established in 1964
- The 17-18 academic year welcomed the largest freshman class in its history, with 2,000 first-year students on campus



RANKINGS

- One of America's best colleges and universities
- #1 in the nation for increases in research expenditures



ENROLLMENT

- ±5,150 Undergraduate Students
- ±6,674 Graduate and Professional Students
- ±3,098 Full and Part-Time Staff



QUICK FACTS

- Accredited since 1913 by the Higher Learning Commission
- More than 110,000 Alumni
- The campus has 267 acres located in Cleveland's University Circle, and a 400-acre farm



RANKINGS

- 1st in Ohio
- 13th for commercialization of Research
- 32nd Most Innovative
- 40th Among National Universities



CASE WESTERN RESERVE
UNIVERSITY EST. 1826

CASE WESTERN RESERVE UNIVERSITY

“Case,” a private research university established in 1826 and based in Cleveland’s University Circle neighborhood, serves over 5,000 undergraduate students and over 6,500 graduate and professional students. Case has 16 Nobel Laureates among current and former faculty and alumni and is ranked the 1st overall university in Ohio. The medical school, affiliated with the Cleveland Clinic, is ranked 24th nationally.



CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Arby's** located at **6677 Pearl Rd, Parma Heights, OH 44130** ("Property"). The 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 and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, 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.

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.

Matthews Real Estate Investment Services is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Matthews Real Estate Investment Services.

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.



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