

Take 5 Oil Change

Exclusive Net Lease Offering

- 20 Year Sale-Leaseback
- Driven Brands | Investment Grade Guarantee (S&P BBB-)
- 4,200+ Locations
- \$3 Billion Annual System Wide Sales

Representative Photo



OFFERING MEMORANDUM

1720 Albert Pike Road
Hot Springs, AR 71913

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Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

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Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

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.

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All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.





Investment Highlights

PRICE: \$1,300,971 | CAP: 5.15% | RENT: \$67,000



About the Investment

- ✓ Long-Term, 20-Year Absolute Triple Net (NNN) Sale-Leaseback
- ✓ Corporate Guarantee from Driven Systems, LLC
- ✓ Attractive Rental Increases | 1.50% Annually Starting Year 2
- ✓ Four (4), Five (5)-Year Tenant Renewal Options

About the Guarantor

- ✓ Investment Grade Guarantee (S&P: BBB-) with Driven Brands
- ✓ Over 4,200 locations throughout the U.S. and Canada
- ✓ Driven Brands is a leader in the automotive aftermarket industry and parent company of Meineke, Maaco, CARSTAR, 1-800 Radiator, Take 5 Oil Change, and many more
- ✓ Over \$3 Billion in Sales System Wide for 2020

About the Location

- ✓ Dense Retail Corridor | Walmart, Walgreens, Advance Auto Parts, O'Reilly Auto Parts, McDonald's, Wendy's, Burger King, Popeye's, Arby's, Sonic, Taco Bell, and more
- ✓ Strong Location Fundamentals | Over 85,300 Individuals Living Within a Five-Mile Radius
- ✓ Ease of Access | Located In Direct Proximity to Dr. Martin Luther King Jr. Expressway
- ✓ Strong Traffic Counts | Albert Pike Road and Airport Road Boast 28,300 and 17,200 Vehicles Per Day, Respectively
- ✓ Positive Real Estate Fundamental | Located Approximately Three-Miles from Downtown Hot Springs
- ✓ Strong Academic Presence | National Park College Community College | Located Approximately Four-Miles from the Property | Over 2,700 Students Enrolled



Representative Photo



Representative Photo



Financial Analysis

PRICE: \$1,300,971 | CAP: 5.15% | RENT: \$67,000



PROPERTY DESCRIPTION

| | |
|-------------------------|-----------------------|
| Property | Take 5 Oil Change |
| Address | 1720 Albert Pike Road |
| City | Hot Springs |
| State | AR |
| Estimated Building Size | 4,754 |
| Estimated Lot Size | +/- 0.63 Acres |
| Type of Ownership | Fee Simple |

THE OFFERING

| | |
|----------------|-------------|
| Purchase Price | \$1,300,971 |
| CAP Rate | 5.15% |
| Annual Rent | \$67,000 |

LEASE SUMMARY

| | |
|---------------------|--|
| Property Type | Net-Leased Automotive Service |
| Tenant | Take 5 Properties SPV, LLC |
| Guarantor | Driven Systems, LLC |
| Original Lease Term | 20 Years |
| Lease Commencement | Close of Escrow |
| Lease Type | Absolute Triple-Net (NNN) |
| Roof & Structure | Tenant Responsible |
| Rental Increases | 1.50% Percent Annually |
| Options to Renew | Four (4), Five (5)-Year Option Periods |

RENT SCHEDULE

| Lease Year(s) | Annual Rent | Monthly Rent | Rent Escalation (%) |
|---------------|-------------|--------------|---------------------|
| Year 1 | \$67,000 | \$5,583 | - |
| Year 2 | \$68,005 | \$5,667 | 1.50% |
| Year 3 | \$69,025 | \$5,752 | 1.50% |
| Year 4 | \$70,060 | \$5,838 | 1.50% |
| Year 5 | \$71,111 | \$5,926 | 1.50% |
| Year 6 | \$72,178 | \$6,015 | 1.50% |
| Year 7 | \$73,261 | \$6,105 | 1.50% |
| Year 8 | \$74,360 | \$6,197 | 1.50% |
| Year 9 | \$75,475 | \$6,290 | 1.50% |
| Year 10 | \$76,607 | \$6,384 | 1.50% |
| Year 11 | \$77,756 | \$6,480 | 1.50% |
| Year 12 | \$78,923 | \$6,577 | 1.50% |
| Year 13 | \$80,106 | \$6,676 | 1.50% |
| Year 14 | \$81,308 | \$6,776 | 1.50% |
| Year 15 | \$82,528 | \$6,877 | 1.50% |
| Year 16 | \$83,766 | \$6,980 | 1.50% |
| Year 17 | \$85,022 | \$7,085 | 1.50% |
| Year 18 | \$86,297 | \$7,191 | 1.50% |
| Year 19 | \$87,592 | \$7,299 | 1.50% |
| Year 20 | \$88,906 | \$7,409 | 1.50% |

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the Take 5 Oil Change located at 1720 Albert Pike Rd, Hot Springs, AR. The subject property totals approximately 4,745 rentable square feet of building space on a total estimated 0.63-acre parcel of land. The investment is subject to a 20-year absolute triple-net (NNN) lease, commencing at the close of escrow. The annual rent will be \$67,000 and is scheduled to increase by 1.50% annually throughout the base term and in each of the four, five-year option periods.



Tenant & Concept Overview



About Take 5 Oil Change

Founded in 1984 and headquartered in Metairie, LA, Take 5 Oil Change currently operates over 370 quick lube centers in 14 states. Take 5's store format promotes a differentiated customer experience driving superior operational and financial performance resulting in industry leading speed of service, car counts and customer satisfaction scores.

Thirty years ago in the mid 1980s the automobile world was quite different, but consumer trends continued to move toward niche services that could be provided quickly and conveniently. Recognizing that the average number of vehicles per household continued to increase, and that females would continue to enter the work force, the opportunity for growth was exciting. Over the years, Take 5 has nurtured a value-added, customer-friendly business model.

In 1996, they designed the first "5 Minute Drive-Thru Oil Change" concept. This reflected a new direction in their business model, all centered on improving customer experience and the speed of our service. Eventually, they converted our Rapid Oil locations to the 5-Minute format. The conversion to Take 5 "Home of the 5 Minute Oil Change" is an advertising agency's dream come true - with emphasis and branding on changing your oil, not your schedule.

Take 5 Oil Change was acquired by Roark Capital portfolio company, Driven Brands in March of 2016 from Trivest Partners, L.P. Driven Brands is the nation's leading franchise automotive company with more than 2,400 locations and more than \$2.5 Billion in System Wide Sales. In addition to Take 5 Oil Change Driven Brands is the parent company of a number of North America's leading automotive brands including: Meineke, Maaco, Merlin, CARSTAR, Drive N Style, Quick Lube, Pro Oil Change and Econo Lube N' Tune.

Guarantor Overview



DrivenBrands™

Driven Brands, Inc. ("Driven"), is a leading franchisor in the automotive aftermarket services industry and a national franchising platform in the United States. In addition to Take 5, Driven Brand's flagship service brands are well known across the Repair & Maintenance, Paint & Collision, and Quick Lube industries. These brands generate \$3 billion in annual system wide sales through their 4,200 locations in the U.S. and Canada.

Facts on Driven:

S&P Global
Ratings

BBB-
(Investment Grade)

4,900
employees

4,200
brand locations

200
years of
service

\$3 Billion
system wide sales
in 2020

Driven Brands Inc. continues to expand its automotive service network with acquisitions throughout the North America. This expansion is a direct result of Driven Brands' world-class technology, synergistic approach to building business, purchasing power and operational support. The Company acquired and successfully integrated 1-800-Radiator in June 2015, CARSTAR U.S. in October 2015, CARSTAR Canada and North Florida Lubes in December 2015 and Take 5 Oil Change and other quick lube locations since 2016. Over the years, the management team has consolidated the Driven Brands' corporate office and restructured shared systems, processes and procedures across brands.

Repair & Maintenance

meineke
car care centers | On with life.

ECONO
LUBE 'N' TUNE & BRAKES

Quick Lube & Distribution



Paint & Collision

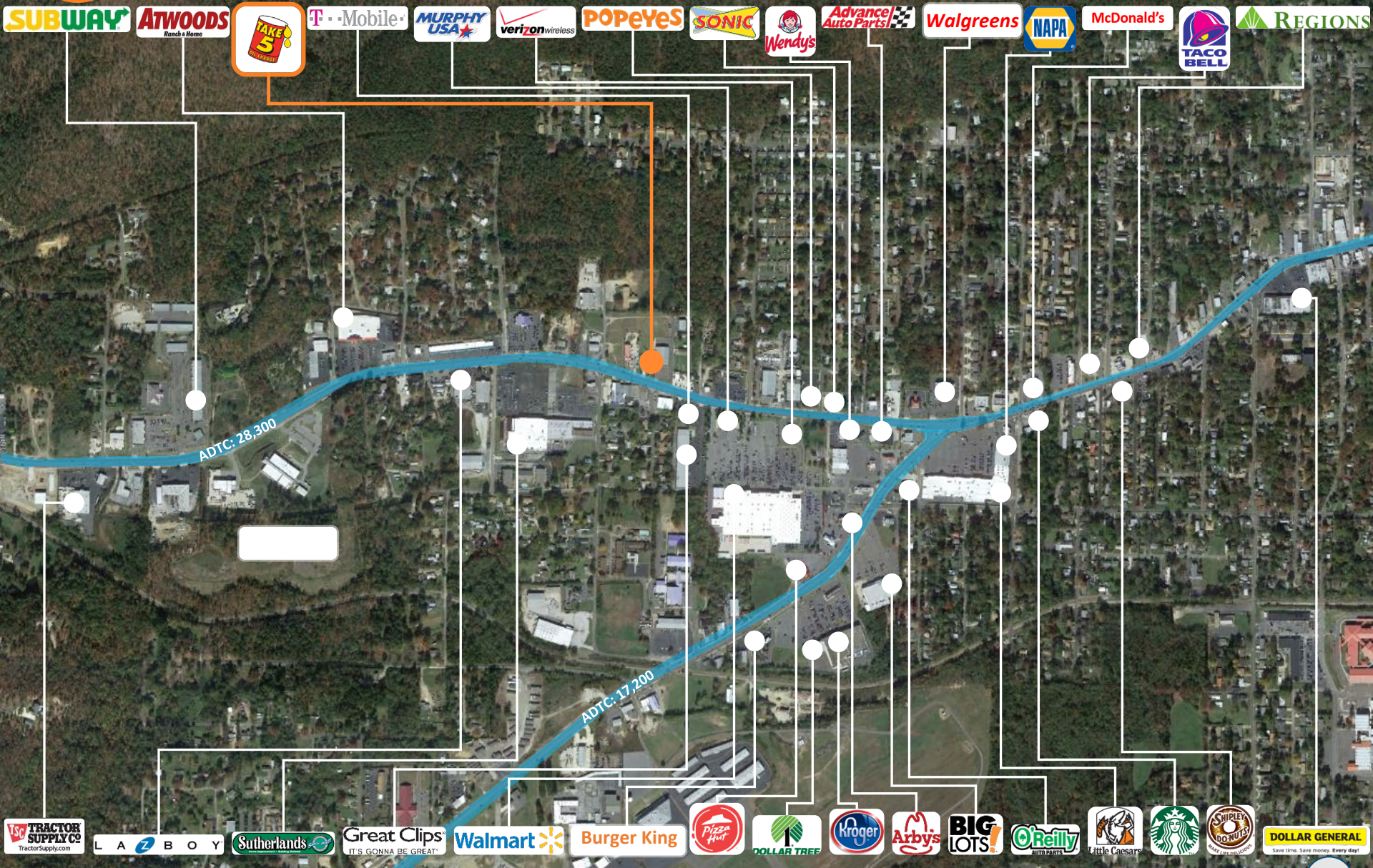


CARSTAR

DRIVENSTYLE



Surrounding Area





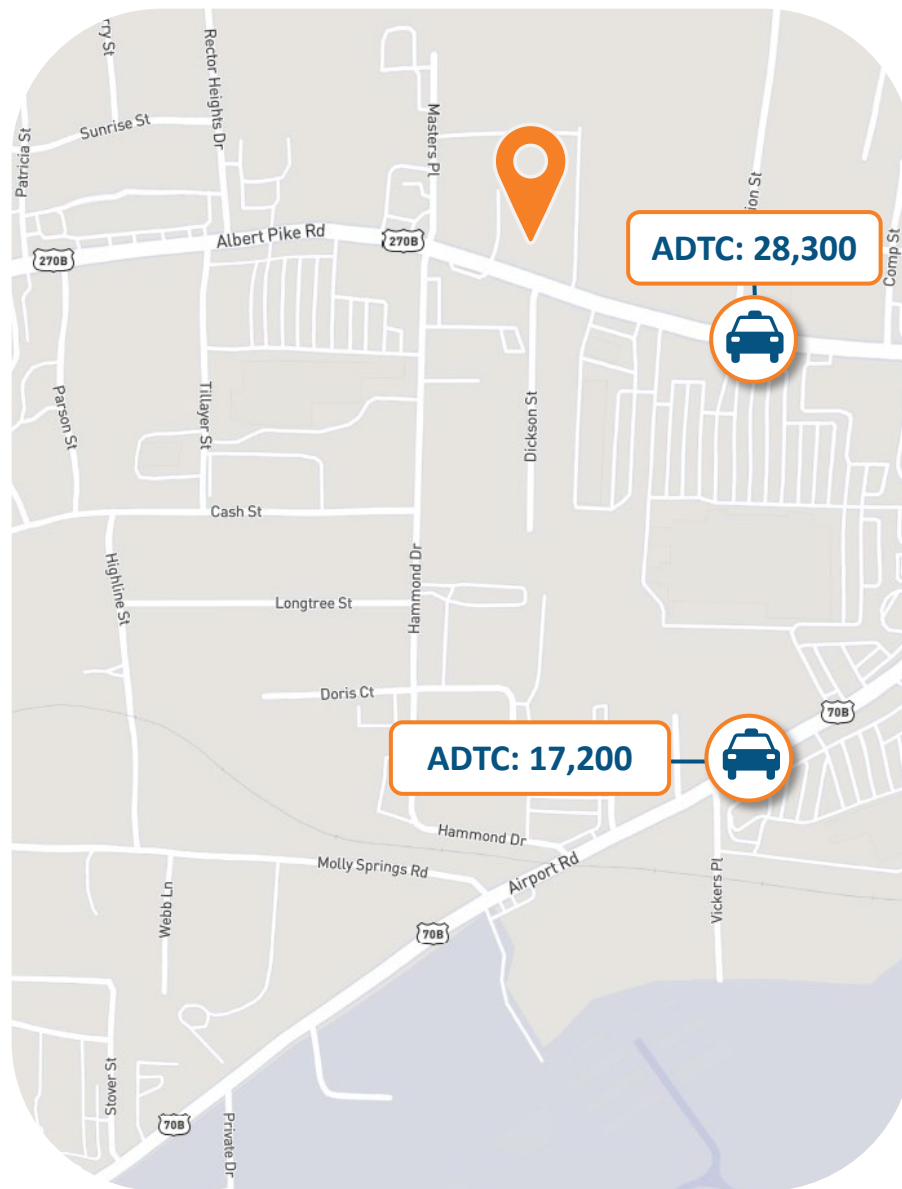
Location Overview



This Take 5 Oil Change is situated along Albert Pike Road which experiences an average daily traffic count of 28,300 vehicles. Albert Pike Road intersects just east of the property with Airport Road which has an average daily traffic count of 17,200 vehicles. Dr. Martin Luther King Jr. Expressway is located just west of the property and brings an additional 20,500 vehicles into the immediate area on average daily. There are more than 58,000 individuals living within a three-mile radius of the property and over 85,300 living within a five-mile radius.

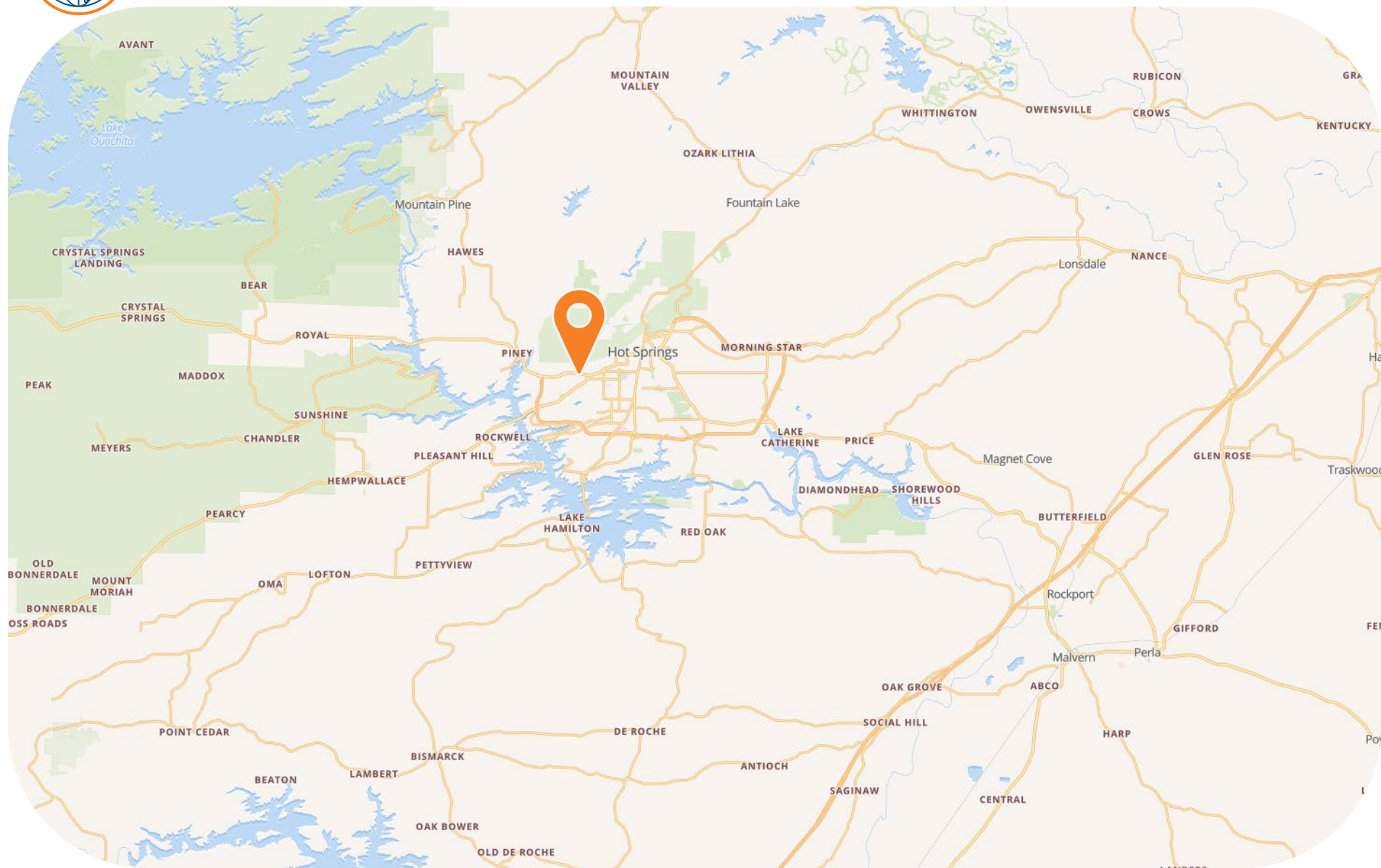
The property is well positioned in a dense retail corridor with many national and local tenants, shopping centers, hospitality providers, and auto dealerships. Major national tenants within the immediate area include Walmart, Walgreens, Advance Auto Parts, O'Reilly Auto Parts, McDonald's, Wendy's, Burger King, Popeye's, Arby's, Sonic, Taco Bell, and many more. The property additionally benefits from its proximity to several academic institutions, the most notable of which is National Park College community college which has a total enrollment exceeding 2,700 students.

Hot Springs is a resort city in the state of Arkansas and the county seat of Garland County. The city is located in the Ouachita Mountains among the U.S. Interior Highlands and is set among several natural hot springs for which the city is named. The center of Hot Springs is the oldest federal reserve in the United States, today preserved as Hot Springs National Park. The hot spring water has been popularly believed for centuries to possess healing properties and was a subject of legend among several Native American tribes. Following federal protection in 1832, the city developed into a successful spa town. Incorporated January 10, 1851, the city has been home to Major League Baseball spring training, illegal gambling, speakeasies and gangsters such as Al Capone, horse racing at Oaklawn Park, the Army and Navy Hospital, and 42nd President Bill Clinton. Today, much of Hot Springs's history is preserved by various government entities. Hot Springs National Park is maintained by the National Park Service, including Bathhouse Row, which preserves the eight historic bathhouse buildings and gardens along Central Avenue. Downtown Hot Springs is preserved as the Central Avenue Historic District, listed on the National Register of Historic Places.



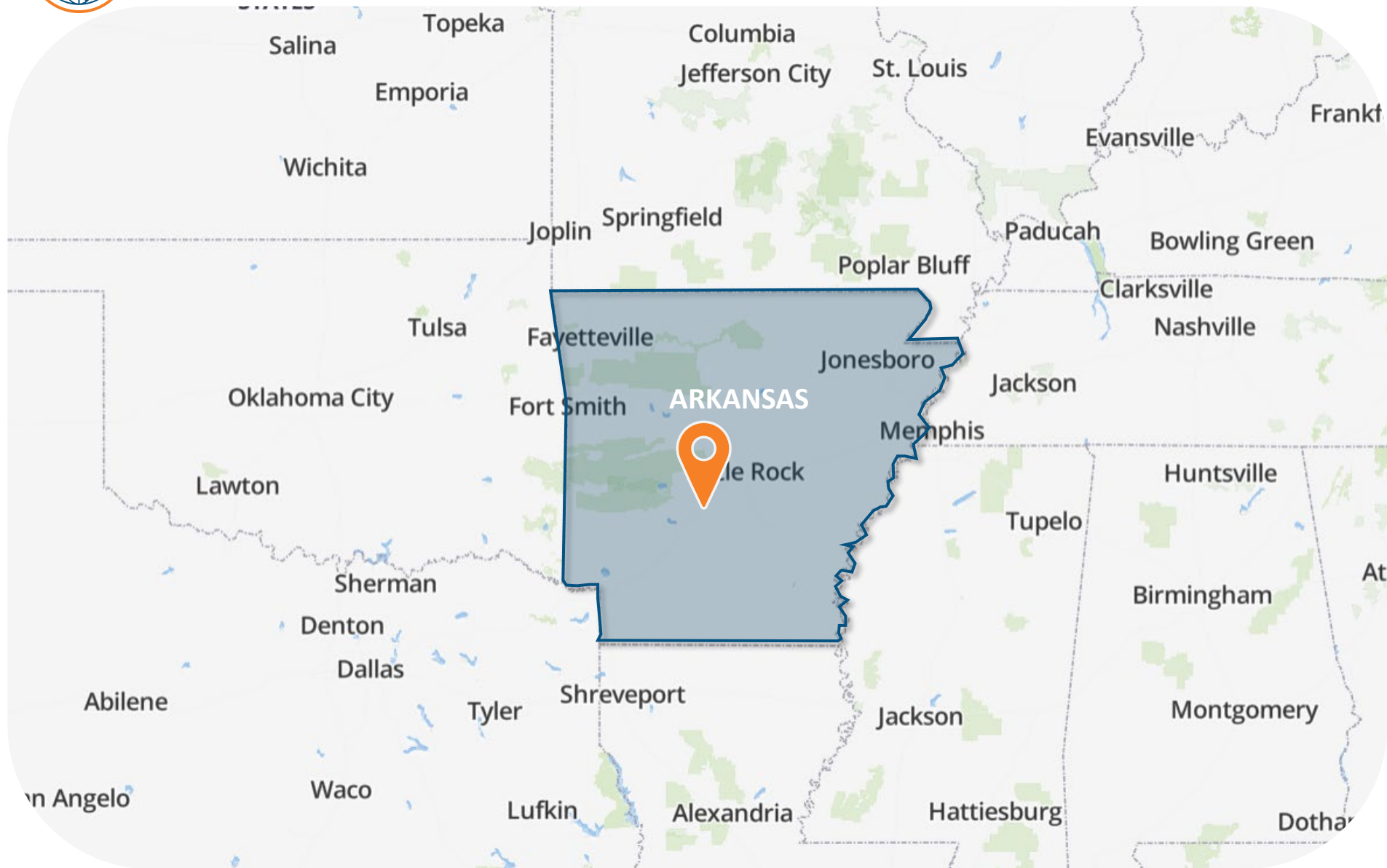


Local Map



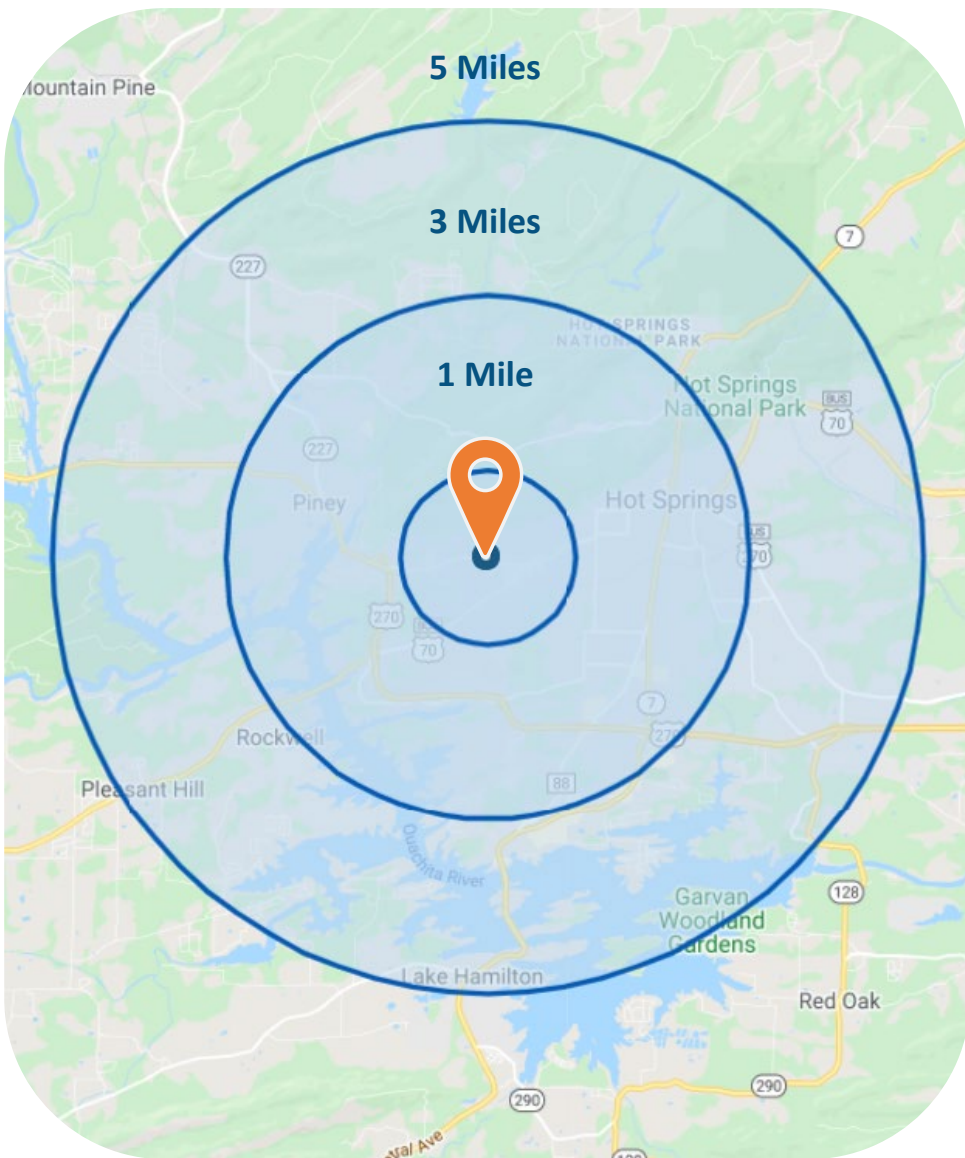


Regional Map





Demographics



1 Mile 3 Miles 5 Miles

Population Trends:

| | | | |
|----------------------------|-------|--------|--------|
| 2010 Population | 2,974 | 53,514 | 80,993 |
| 2021 Population | 3,128 | 58,029 | 85,322 |
| 2026 Population Projection | 3,183 | 59,347 | 86,828 |
| Growth 2010-2021 | 0.50% | 0.80% | 0.50% |
| Growth 2021-2026 | 0.40% | 0.50% | 0.40% |

Population by Race (2021):

| | | | |
|--------------------------------|-------|--------|--------|
| White | 2,434 | 47,469 | 72,918 |
| Black | 543 | 7,755 | 8,531 |
| American Indian/Alaskan Native | 17 | 487 | 725 |
| Asian | 28 | 558 | 760 |
| Hawaiian & Pacific Islander | 0 | 37 | 62 |
| Two or More Races | 106 | 1,723 | 2,327 |
| Hispanic Origin | 245 | 4,521 | 5,563 |

Household Trends:

| | | | |
|---------------------------|-------|--------|--------|
| 2010 Households | 1,427 | 23,403 | 34,250 |
| 2021 Households | 1,495 | 25,340 | 36,091 |
| 2026 Household Projection | 1,519 | 25,908 | 36,728 |
| Annual Growth 2010-2021 | 0.40% | 0.30% | 0.20% |
| Annual Growth 2021-2026 | 0.30% | 0.40% | 0.40% |
| Owner Occupied | 828 | 15,278 | 23,958 |
| Renter Occupied | 691 | 10,630 | 12,770 |

Average Household Income (2021):

\$45,206 \$56,894 \$60,744

Households by Household Income (2021):

| | | | |
|---------------------|-----|-------|--------|
| < \$25,000 | 525 | 8,174 | 10,548 |
| \$25,000 - 50,000 | 563 | 6,914 | 9,539 |
| \$50,000 - 75,000 | 203 | 4,436 | 6,849 |
| \$75,000 - 100,000 | 88 | 2,305 | 3,473 |
| \$100,000 - 125,000 | 38 | 1,035 | 1,777 |
| \$125,000 - 150,000 | 4 | 673 | 1,145 |
| \$150,000 - 200,000 | 67 | 1,233 | 1,804 |
| \$200,000+ | 6 | 570 | 955 |

Median Household Income (2021):

\$36,159 \$40,592 \$44,106



Market Overview



Little Rock, AR

Little Rock is the capital and most populous city of the U.S. state of Arkansas. The city's population was 202,591 in 2020 according to the United States Census Bureau. As the county seat of Pulaski County, the city was incorporated on November 7, 1831, on the south bank of the Arkansas River close to the state's geographic center.

The city derived its name from a rock formation along the river, named the "Little Rock" by the French explorer Jean-Baptiste Bénard de la Harpe in the 1720s. The capital of the Arkansas Territory was moved to Little Rock from Arkansas Post in 1821. The six-county Little Rock–North Little Rock–Conway, AR Metropolitan Statistical Area is ranked 78th in terms of population in the United States with 738,344 residents according to the 2017 estimate by the United States Census Bureau.

Little Rock is a cultural, economic, government, and transportation center within Arkansas and the South. Several cultural institutions are in Little Rock, such as the Arkansas Museum of Fine Arts, the Arkansas Repertory Theatre, the Arkansas Symphony Orchestra, and the Mosaic Templars Cultural Center, in addition to hiking, boating, and other outdoor recreational opportunities. Little Rock's history is available through history museums, historic districts or neighborhoods of Little Rock like the Quapaw Quarter, and historic sites such as Little Rock Central High School. The city is the headquarters of Dillard's, Windstream Communications, Acxiom, Stephens Inc., University of Arkansas for Medical Sciences, Heifer International, Winrock International, the Clinton Foundation, and the Rose Law Firm. Other corporations, such as Amazon, Dassault Falcon Jet, LM Wind Power, Simmons Bank, Euronet Worldwide, AT&T, and Entergy have large operations in the city. State government is a large employer, with many offices downtown. Two major Interstate highways, Interstate 30 and Interstate 40, meet in Little Rock, with the Port of Little Rock serving as a shipping hub.



Marcus & Millichap

EXCLUSIVE NET-LEASE OFFERING

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