

WENDY'S

EXCLUSIVE NET LEASED OFFERING



OFFERING MEMORANDUM



411 Wilson Ave
Tullahoma, TN 37388

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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.

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Table of Contents

| | |
|---|----|
| Investment Highlights | 4 |
| Financial Analysis & Investment Summary | 5 |
| Concept & Tenant Overview | 6 |
| Surrounding Area | 7 |
| Location Overview | 8 |
| Property Photos | 9 |
| Surrounding Area Photos | 10 |
| Local Map | 11 |
| Regional Map | 12 |
| Demographics | 13 |
| Market Overview | 14 |





Investment Highlights



Optimal Lease Structure

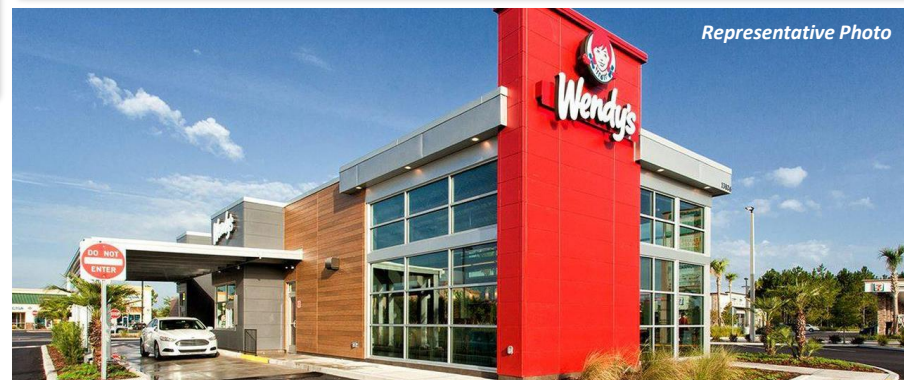
- ✓ 20-Year Triple Net (NNN) Lease with Zero Landlord Responsibilities
- ✓ Attractive Rental Increases | 10.00% Every Five (5) Years
- ✓ Four (4) Tenant Renewal Periods of Five (5) Years Each

Compelling Location Fundamentals

- ✓ Dense Retail Area | Walgreens, CVS, Aaron's, Food Lion, McDonald's, Pizza Hut, Arby's, Domino's and Many More
- ✓ Features High Visibility & Ease of Access along Interstate N Wilson Avenue
- ✓ Strong Traffic Counts | Wilson Ave and North Jackson Street Average 22,300 and 12,900 Vehicles Per Day Respectively
- ✓ Located Less than Two-Miles Away From Tullahoma Regional Airport

Strong Brand, Exceptional Operator

- ✓ Wendy's is the World's Number Three Hamburger Chain in Terms of Locations
- ✓ There are Approximately 6,600 Franchise and Company-Operated Wendy's Restaurants in the United States and 30 Countries and U.S. Territories Worldwide
- ✓ Wendy's of Bowling Green ("WBG") is a Premier Franchisee of the Wendy's Family with 101 Locations Spread Across Kentucky, Indiana, Tennessee and Alabama
- ✓ WBG is Currently Among the Top 15 Franchisees within the Wendy's System in Terms of Locations





Financial Analysis & Investment Summary *Wendy's*

PRICE: \$2,131,408 | CAP RATE: 5.35% | RENT: \$114,030

PROPERTY DESCRIPTION

| | |
|--------------------|---------------------|
| Property | Wendy's |
| Property Address | 411 Wilson Ave |
| City, State ZIP | Tullahoma, TN 37388 |
| Year Built | 1978 |
| Building Size (SF) | 2,348 |
| Lot Size (Acres) | 0.62 |
| Type of Ownership | Fee Simple |

THE OFFERING

| | |
|----------------|-------------|
| Purchase Price | \$2,131,408 |
| CAP Rate | 5.35% |
| Annual Rent | \$114,030 |

LEASE SUMMARY

| | |
|----------------------|--------------------------------|
| Tenant / Guarantor | Wendy's of Bowling Green, Inc. |
| Original Lease Term | 20 Years |
| Lease Commencement | June 17, 2019 |
| Lease Expiration | June 16, 2039 |
| Lease Term Remaining | 19.8 Years |
| Lease Type | Triple Net (NNN) |
| Roof & Structure | Tenant Responsible |
| Options to Renew | Four, Five-Year Option Periods |
| Rental Increases | 10% Every Five Years |

RENT SCHEDULE

| Lease Year(s) | Annual Rent | Monthly Rent | Rent Escalation |
|---------------|-------------|--------------|-----------------|
| Year 1 | \$114,030 | \$9,503 | - |
| Year 2 | \$114,030 | \$9,503 | - |
| Year 3 | \$114,030 | \$9,503 | - |
| Year 4 | \$114,030 | \$9,503 | - |
| Year 5 | \$114,030 | \$9,503 | - |
| Year 6 | \$125,433 | \$10,453 | 10.00% |
| Year 7 | \$125,433 | \$10,453 | - |
| Year 8 | \$125,433 | \$10,453 | - |
| Year 9 | \$125,433 | \$10,453 | - |
| Year 10 | \$125,433 | \$10,453 | - |
| Year 11 | \$137,977 | \$11,498 | 10.00% |
| Year 12 | \$137,977 | \$11,498 | - |
| Year 13 | \$137,977 | \$11,498 | - |
| Year 14 | \$137,977 | \$11,498 | - |
| Year 15 | \$137,977 | \$11,498 | - |
| Year 16 | \$151,774 | \$12,648 | 10.00% |
| Year 17 | \$151,774 | \$12,648 | - |
| Year 18 | \$151,774 | \$12,648 | - |
| Year 19 | \$151,774 | \$12,648 | - |
| Year 20 | \$151,774 | \$12,648 | - |



Concept & Tenant Overview

Wendy's

About Wendy's

Wendy's is an American international fast food chain restaurant founded by Dave Thomas on November 15, 1969, in Columbus, Ohio. The company moved its headquarters to Dublin, Ohio on January 29, 2006. The Wendy's chain offers made-to-order burgers and fries as well as such alternative menu items as baked potatoes, chili, and salads. The chain is known for its square hamburgers, sea salt fries and the Frosty, a form of soft serve ice cream mixed with frozen starches. As of 2018, Wendy's is the world's number three hamburger chain in terms of locations (only behind McDonald's and Burger King), with approximately 6,600 franchise and Company-operated restaurants in the United States and 30 countries and U.S. territories worldwide.



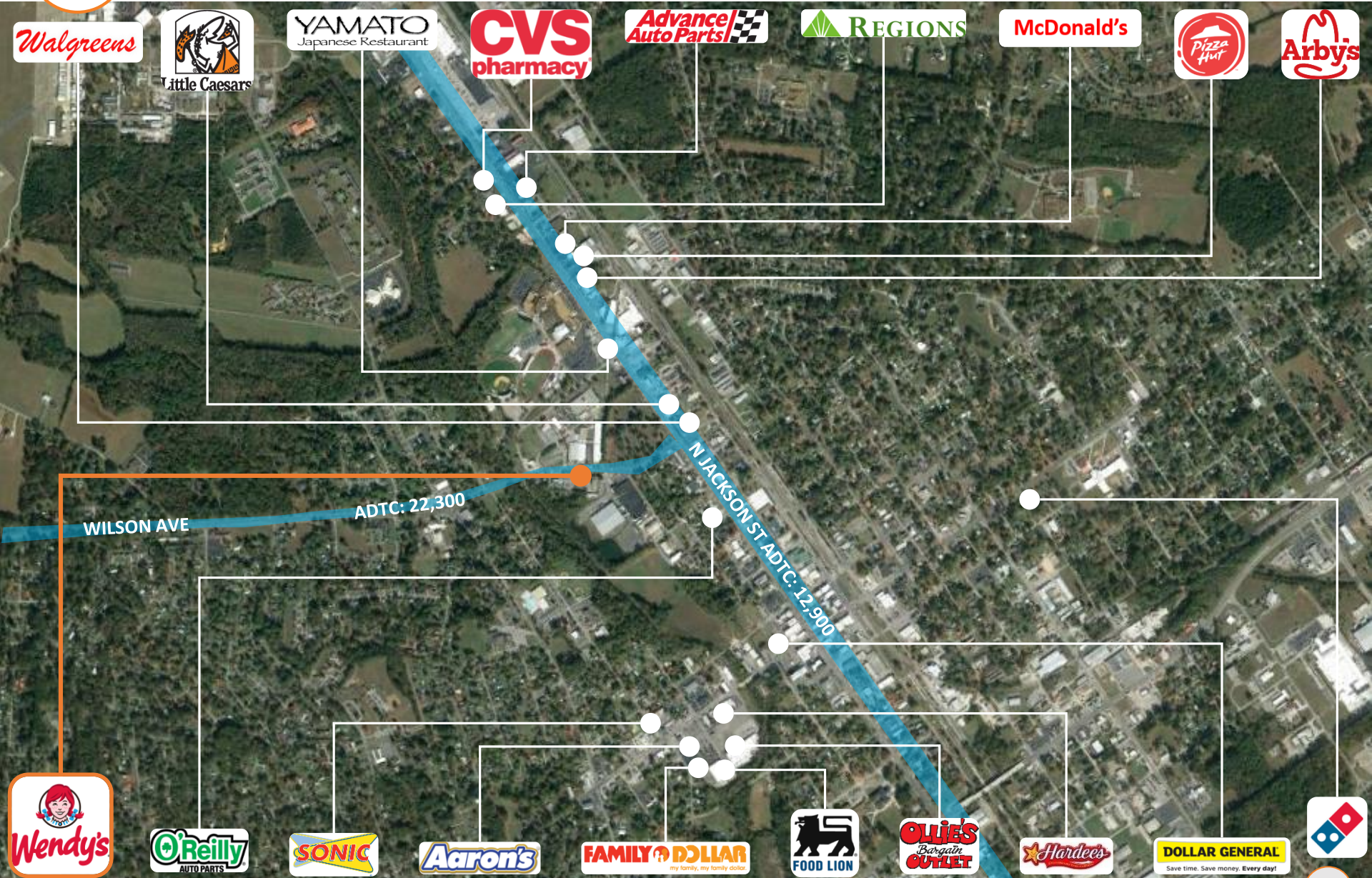
About Wendy's of Bowling Green

Wendy's of Bowling Green ("WBG") is a premier franchisee of the Wendy's family. WBG currently operates 101 restaurants in four different states: Kentucky, Indiana, Tennessee and Alabama. In June of 2019, WBG almost doubled the number of stores under its umbrella with the acquisition of 44 Wendy's restaurants in the Nashville market from Manna Inc. These stores are well positioned within WBG's footprint as they are located comfortably between the Bowling Green market, where the franchise is based, and its interests in the Huntsville, Alabama, market. With the acquisition, WBG has solidified itself as a top 15 franchisee within the Wendy's system. The Company started in 1975 and is owned by Mike O'Malley of Clarksville, Tennessee and John Hughes of Bowling Green, Kentucky. WBG has been and continues to be a leader in the Hospitality Industry within the Wendy's International Organization.



Surrounding Area

Wendy's



Wendy's

Marcus & Millichap

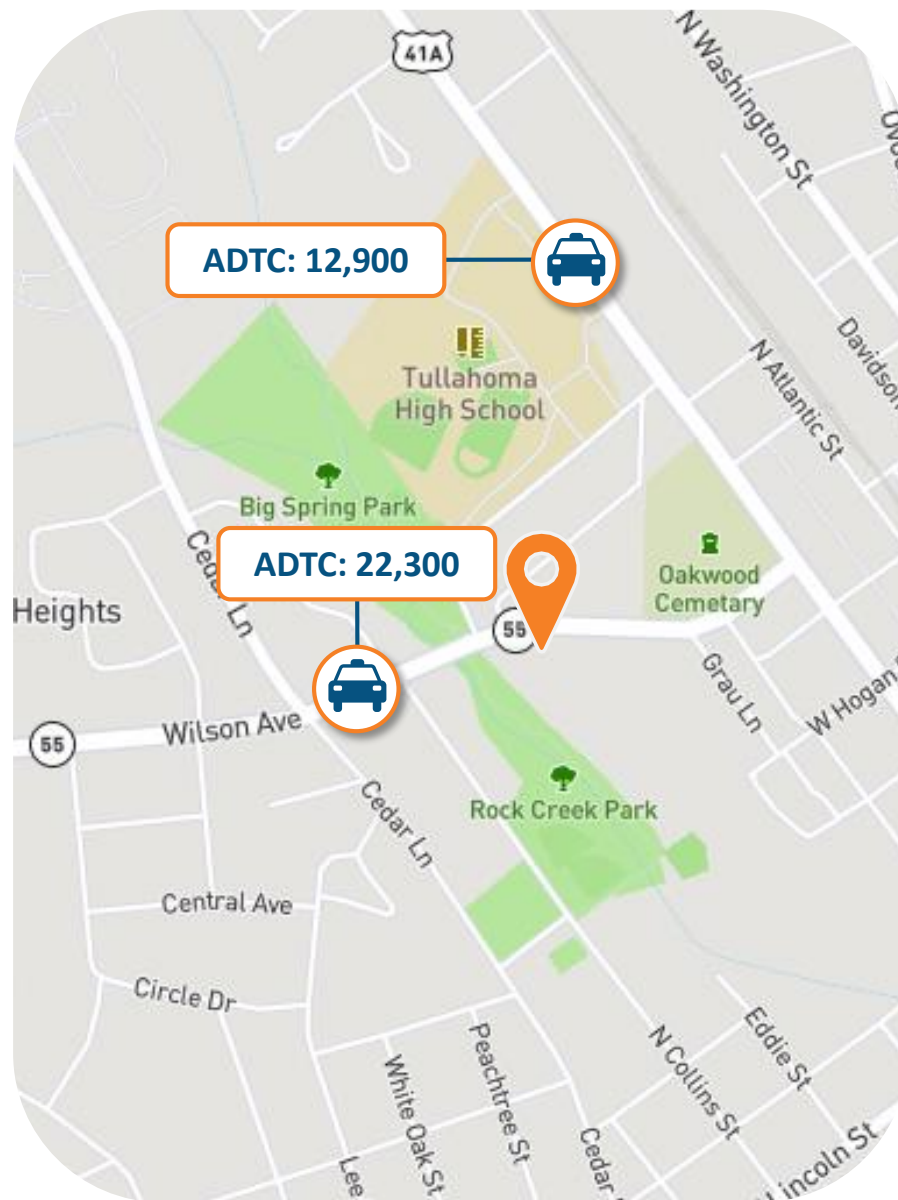


Location Overview

This Wendy's property is situated along Wilson Ave, which has an average daily traffic count of 22,300 vehicles. The subject property also benefits from its close proximity to North Jackson St, which brings a total of 12,900 vehicles into the immediate area on average daily. There are 24,123 individuals residing within a five-mile radius of the property and 41,610 individuals within a ten-mile radius.

The subject property benefits from being well-positioned in a highly dense retail corridor consisting of national and local tenants, shopping centers, and hospitality accommodations all within close proximity of this property. Major national tenants include Walgreens, CVS, Aaron's, Food Lion, McDonald's, Pizza Hut, Arby's, Domino's and several other quick service restaurants. There are several hospitality accommodations within the immediate area, including Holiday Inn Express & Suites, Baymont by Wyndham, Executive Inn, The Grand Lux Inn, and more. This Wendy's property is located less than two miles away from the Tullahoma Regional airport, which was originally constructed for the U.S. Army Air Corps. There are also several medical facilities within the immediate area, including Tennova Healthcare – Harton, which is a general hospital. This 135-bed state-of-the-art medical facility features a wide range of medical services, attracting patients from the greater surrounding area. This property also benefits from being situated within less than a mile away from Tullahoma High School which has more than 1,000 student enrolled. This Wendy's property also benefits from its proximity to several universities such as, The University of the South and Middle Tennessee State University, which together have a total enrollment of over 23,700 students.

Tullahoma is a city in Coffee and Franklin counties in southern Middle Tennessee. It is the principal city of the Tullahoma micropolitan area, which consists of Coffee, Franklin, and Moore counties and is the second largest micropolitan area in Tennessee. Tullahoma was founded in 1852 as a work camp along the new Nashville and Chattanooga Railroad. Its name is derived from the Choctaw language, and means "red rock". Tullahoma is renowned for its diverse performing arts groups. Tullahoma High School supports instrumental, vocal, theatrical, and visual arts and as a result, the THS Band program has received recognition for its excellence across the state and country. The city is also home to the Tullahoma Regional Airport, which was originally constructed in 1942 for the U.S. Army Air Corps. It features wide heavy-duty runways, a large ramp, taxiways and large hangars. Over 100 aircraft are presently based at the airport, with additional capacity available. Over 2,000 transient aircraft visit the airport annually.





Property Photos

Wendy's





Surrounding Area Photos

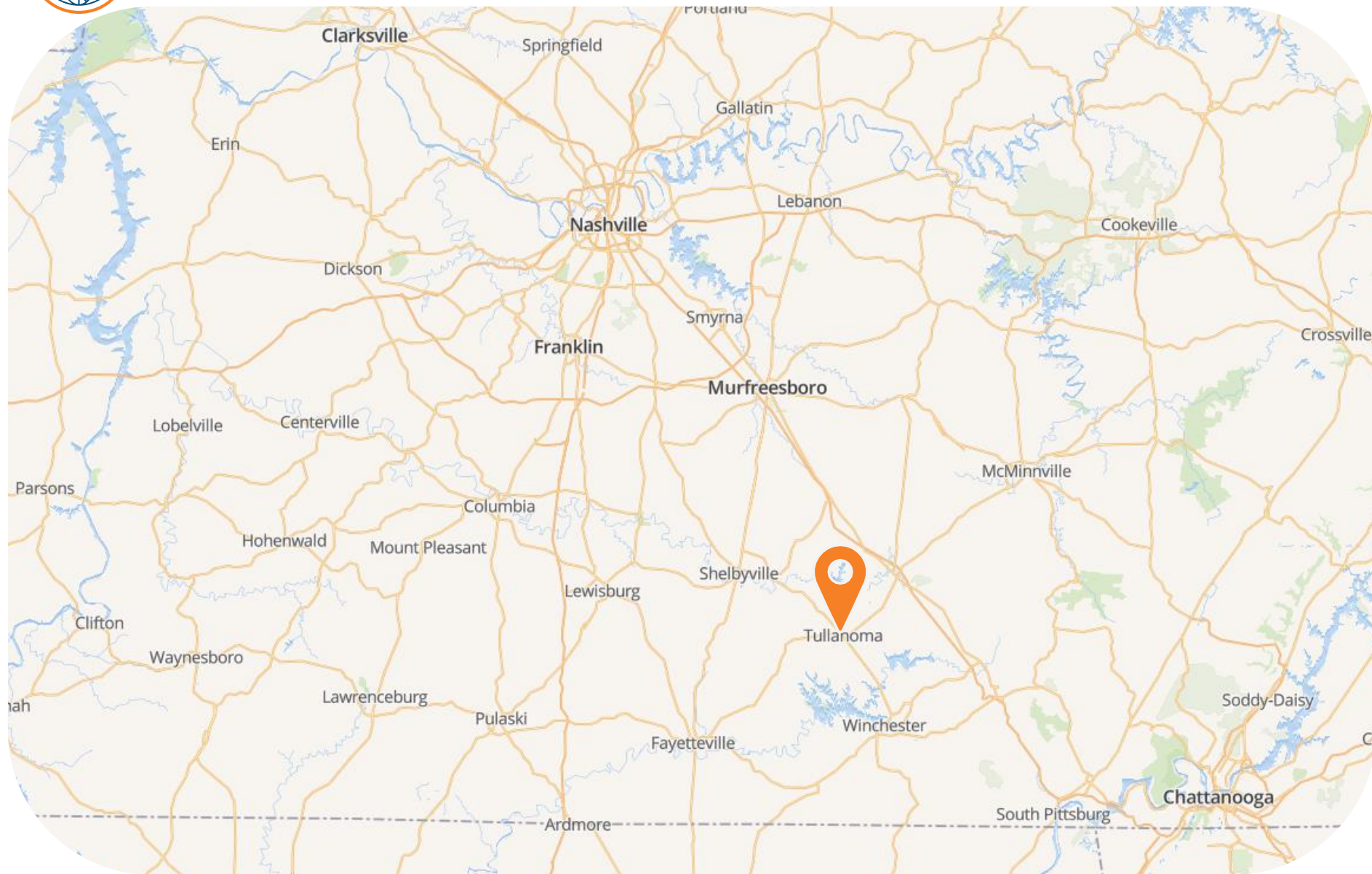
Wendy's





Local Map

Wendy's

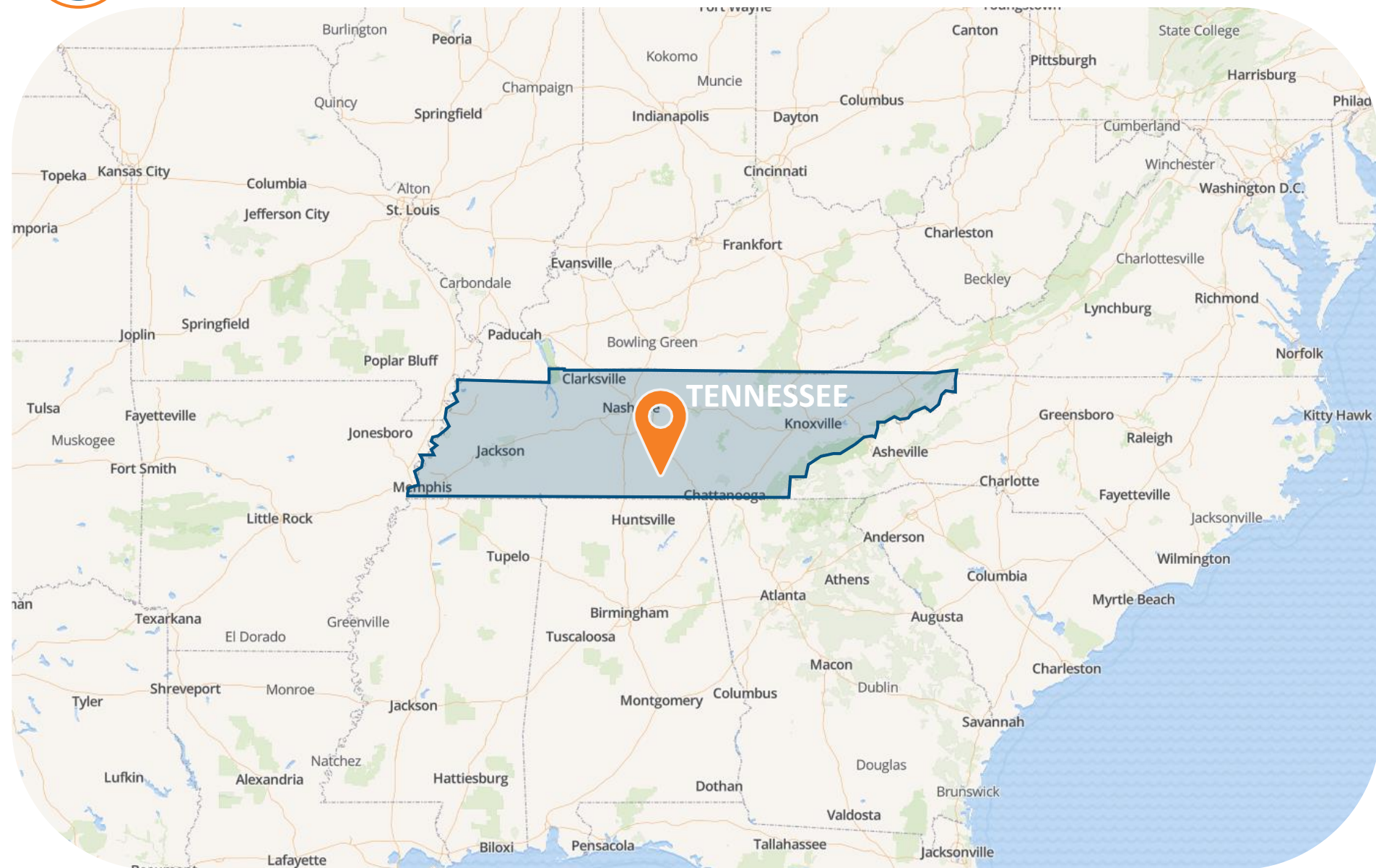




Regional Map

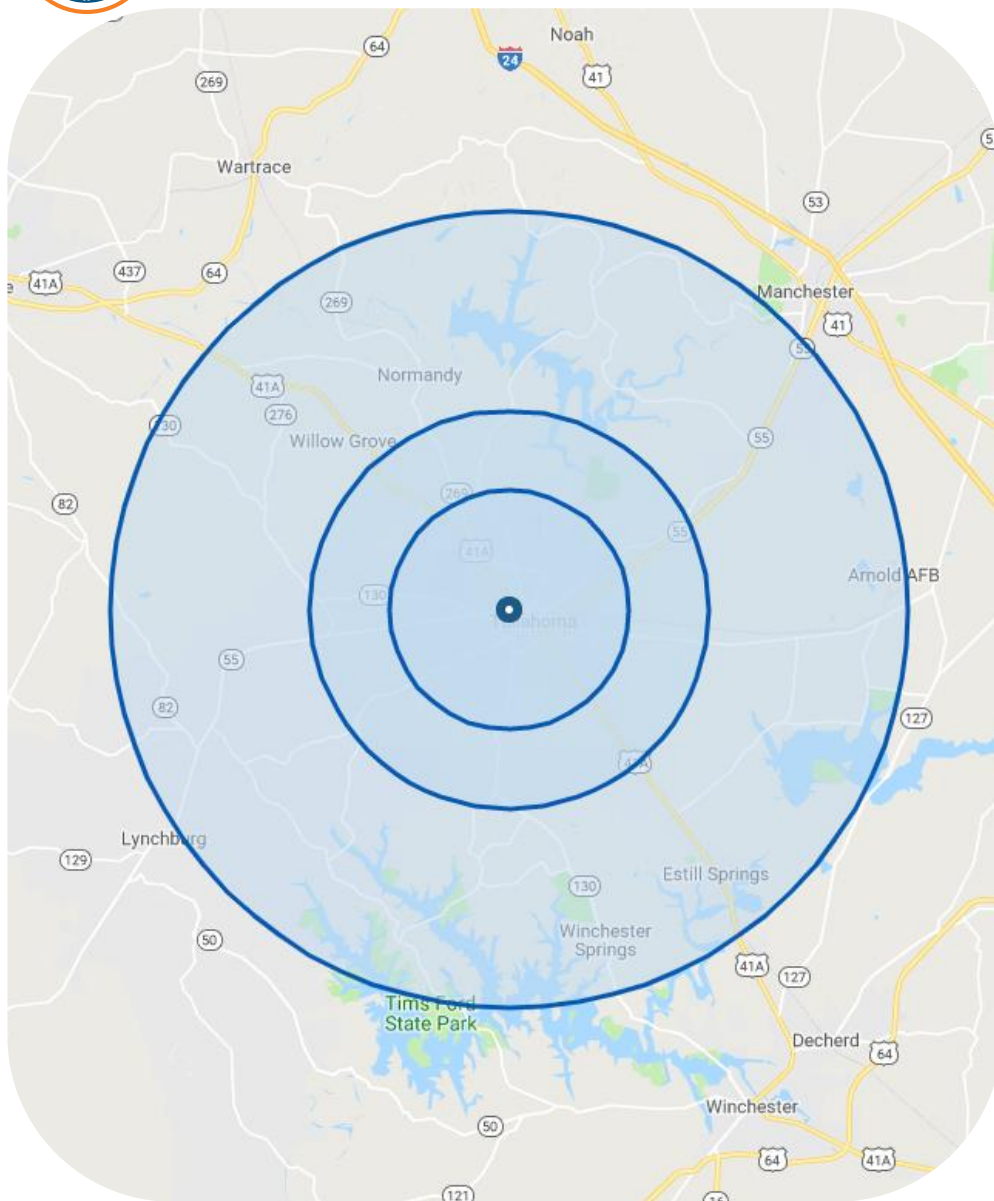
411 Wilson Ave, Tullahoma, TN 37388

Wendy's





Demographics



POPULATION

| | 3 Miles | 5 Miles | 10 Miles |
|-----------------|---------|---------|----------|
| 2023 Projection | 19,687 | 24,643 | 42,794 |
| 2018 Estimate | 19,406 | 24,123 | 41,610 |
| 2010 Census | 18,715 | 23,311 | 40,248 |
| 2000 Census | 18,501 | 22,754 | 38,946 |

INCOME

| | | | |
|------------|----------|----------|----------|
| Average | \$63,694 | \$64,854 | \$66,132 |
| Median | \$45,529 | \$47,903 | \$51,886 |
| Per Capita | \$26,155 | \$26,473 | \$26,557 |

HOUSEHOLDS

| | | | |
|-----------------|-------|--------|--------|
| 2023 Projection | 8,161 | 10,143 | 17,335 |
| 2018 Estimate | 7,944 | 9,815 | 16,664 |
| 2010 Census | 7,737 | 9,573 | 16,231 |
| 2000 Census | 7,500 | 9,154 | 15,275 |

HOUSING

| | | | |
|------|-----------|-----------|-----------|
| 2018 | \$137,588 | \$139,387 | \$139,741 |
|------|-----------|-----------|-----------|

EMPLOYMENT

| | | | |
|---------------------------|---------|---------|---------|
| 2018 Daytime Population | 25,591 | 30,501 | 42,709 |
| 2018 Unemployment | 4.61% | 4.47% | 4.10% |
| 2018 Median Time Traveled | 22 Mins | 22 Mins | 24 Mins |

RACE & ETHNICITY

| | | | |
|------------------------|--------|--------|--------|
| White | 86.68% | 88.10% | 90.84% |
| Native American | 0.06% | 0.06% | 0.05% |
| African American | 7.08% | 6.02% | 4.22% |
| Asian/Pacific Islander | 1.55% | 1.53% | 1.19% |



Market Overview

Chattanooga, Tennessee

Chattanooga

Chattanooga is a city located along the Tennessee River near the southeastern corner of Tennessee. It is the fourth-largest city in Tennessee and one of the two principal cities of East Tennessee, along with Knoxville. Served by multiple railroads and Interstate highways, Chattanooga is a transit hub. Chattanooga lies 120 miles northwest of Atlanta, GA, 120 miles southwest of Knoxville, TN, 135 miles southeast of Nashville, TN, 120 miles northeast of Huntsville, AL, and 148 miles northeast of Birmingham, AL. Efforts to improve the city include the "21st Century Waterfront Plan" – a \$120 million redevelopment of the Chattanooga waterfront area, which was completed in 2005. The Tennessee Aquarium, which opened in 1992, has become a major waterfront attraction that has helped to spur neighborhood development. Since the opening of the Aquarium, Downtown Chattanooga has experienced over \$5 billion dollars of private investment. Nearly \$1 billion of those private dollars have been invested in Downtown Chattanooga since 2014. Chattanooga's economy includes a diversified and growing mix of manufacturing and service industries. Notable Chattanooga businesses include Access America Transport, BlueCross BlueShield of Tennessee, CBL & Associates, The Chattanooga Bakery, Chattem, the world's first Coca-Cola bottling plant, Coker Tire, U.S. Xpress Inc., Covenant Transport, Double Cola, CraftWorks Restaurants & Breweries, Luken Communications, Miller & Martin, the National Model Railroad Association, Reliance Partners, Republic Parking System, Rock/Creek, Tricycle Inc., and Unum. The city also hosts large branch offices of Cigna, AT&T, T-Mobile USA, and UBS. In downtown Chattanooga are the Creative Discovery Museum, a hands-on children's museum dedicated to science, art, and music; an IMAX 3D Theatre, The Chattanooga Zoo at Warner Park and the newly expanded Hunter Museum of American Art. The Tennessee Riverwalk, an approximately 13-mile-long trail running alongside the river, is another attraction for both tourists and residents alike.

Major Employers

| Employer | Estimated # of Employees |
|---------------------------------------|--------------------------|
| Aerospace Testing Alliance | 2,800 |
| Arnold Engineering Development Center | 2,254 |
| NAS | 1,500 |
| Tennova Healthcare – Harton | 500 |
| TN Department of Children's Services | 467 |
| Space Institute | 387 |
| Industrial Products Division | 350 |
| Jacobs Technology Inc | 348 |
| Coffee County School District | 316 |
| Lynchburg Nursing Center | 302 |
| Cubic Defense Applications Inc | 300 |
| Jack Daniels Whiskey | 300 |

of Employees based on 10-mile radius

Marcus & Millichap

NNN
PRO GROUP

EXCLUSIVE NET LEASE OFFERING



TN BROKER OF RECORD:

Jody McKibben
Marcus & Millichap
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