

WENDY'S | ABSOLUTE NNN LEASED OFFERING

1217 S JACKSON ST JACKSONVILLE, TX



*ACTUAL SITE PHOTO



OFFERING
MEMORANDUM



OFFERING MEMORANDUM
PRESENTED BY:

ROBERT WALKER

SENIOR VICE PRESIDENT OF
INVESTMENT SALES

PHONE **415.513.0465**

EMAIL **rwalker@thekasegroup.com**

BRE **#01954360**

KASE ABUSHARKH

FOUNDING PRINCIPAL

PHONE **925.348.1844**

EMAIL **kase@thekasegroup.com**

TX LICENSE **#708586**



DISCLAIMER & CONFIDENTIALITY

The material contained in this Investment Offering Brochure is furnished solely for the purpose of considering the purchase of the property within and is not to be used for any other purpose. This information should not, under any circumstances, be photocopied or disclosed to any third party without the written consent of The Kase Group or Owner, or used for any purpose whatsoever other than to evaluate the possible purchase of the Property.

The only party authorized to represent the Property Owner ("Owner") in connection with the sale of the Property is The Kase Group Advisor listed in this proposal, and no other person is authorized by the Owner to provide any information or to make any representations other than contained in this Investment Offering Brochure. If the person receiving these materials does not choose to pursue a purchase of the Property, this Offering Brochure must be returned to The Kase Group.

Neither The Kase Group Advisor nor the Owner or its affiliates make any representation or warranty, expressed or implied, as to the accuracy or completeness of the information contained herein, and nothing contained herein is or shall be relied upon as a promise or representation as to the future performance of the Property. This Offering Brochure may include certain statements and estimates by The Kase Group with respect to the projected future performance of the Property. These Assumptions may or may not be proven to be correct, and there can be no assurance that such estimates will be achieved. Further, The Kase Group Advisor and the Owner disclaim any and all liability for representations or warranties, expressed or implied, contained in or omitted from this Investment Offering Brochure, or any other written or oral communication transmitted or made available to the recipient. The recipient shall be entitled to rely solely on those representations and warranties that may be made to it in any final, fully executed and delivered Real Estate Purchase Agreement between it and Owner.

The information contained herein is subject to change without notice and the recipient of these materials shall not look to Owner or The Kase Group Advisor, nor any of their officers, employees, representatives, independent contractors or affiliates, for the accuracy or completeness thereof. Recipients of this Investment Offering Brochure are advised and encouraged to conduct their own comprehensive review and analysis of the Property.

This Investment Offering Brochure is a solicitation of interest only and is not an offer to sell the Property. The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest to purchase the Property and expressly reserves the right, at its sole discretion, to terminate negotiations with any entity, for any reason, at anytime with or without notice. The Owner shall have no legal commitment or obligation to any entity reviewing the Investment Offering Brochure or making an offer to purchase the Property unless and until the Owner executes and delivers a signed Real Estate Purchase Agreement on terms acceptable to Owner, in Owner's sole discretion. By submitting an offer, a prospective purchaser will be deemed to have acknowledged the foregoing and agreed to release the Owner and The Kase Group Advisor from any liability with respect thereto.

To the extent Owner or any agent of Owner corresponds with any prospective purchaser, any prospective purchaser should not rely on any such correspondence or statements as binding Owner. Only a fully executed Real Estate Purchase Agreement shall bind the property and each prospective purchaser proceeds at its own risk.

Recipients of Offering Brochure shall not contact employees or tenants of property directly or indirectly regarding materials without prior written approval.



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INVESTMENT OVERVIEW



The subject property is a 2,276 square foot Wendy's located in Jacksonville, TX. The new construction site is operating on a new 20 year lease with 10% increases every 5 years. This is an absolute NNN lease with zero landlord responsibilities. The site is ideally positioned and sees over 24,000 combined vehicles per day, surrounding major retailers include: Walmart, Chili's, Autozone, Denny's, Dairy Queen, Sonic, Subway, Dominos and many more.

INVESTMENT HIGHLIGHTS

LONG TERM ABSOLUTE NNN LEASE
NEW CONSTRUCTION
ZERO LANDLORD OBLIGATIONS
EXCELLENT LOCATION
LOCATED IN A MAJOR RETAIL TRADE AREA
STRONG OPERATOR
TAX FREE STATE

OFFERING SPECIFICATIONS

PRICE	\$2,624,673
CAP RATE	5.35%
NET OPERATING INCOME	\$140,420
SQUARE FOOTAGE	2,276
YEAR BUILT	2019

FINANCIAL SUMMARY

WENDY'S • ABSOLUTE NNN LEASE OFFERING

1217 S JACKSON ST JACKSONVILLE, TX

\$2,624,673 • 5.35%

SUMMARY

TENANT NAME	SRRG Holdings LLC
SQUARE FOOTAGE	2,276
LEASE BEGINS	April 2, 2019
LEASE ENDS	April 30, 2039
ANNUAL RENT	\$140,420
OPTIONS	Four, 5-Year
INCREASES	10% Every 5 Years

OFFERING SUMMARY

	MONTHLY RENT	ANNUAL RENT
YEARS 1-5	\$11,701	\$140,420
YEARS 6-10	\$12,871	\$154,462
YEARS 11-15	\$14,159	\$169,908
YEARS 16-20	\$15,574	\$186,899
OPTION 1	\$17,132	\$205,588
OPTION 2	\$18,845	\$226,147
OPTION 3	\$20,730	\$248,762
OPTION 4	\$22,803	\$273,638

CONCEPT OVERVIEW



WENDY'S

Wendy's is an American international fast food restaurant chain founded by Dave Thomas on November 15, 1969, in Columbus, Ohio. The company moved its headquarters to Dublin, Ohio, on January 29, 2006. As of 2016, Wendy's was the world's third largest hamburger fast food chain with 6,500+ locations, following Burger King and McDonald's. On April 24, 2008, the company announced a merger with Triarc Companies Inc., a publicly traded company and the parent company of Arby's. Despite the new ownership, Wendy's headquarters remained in Dublin.

As of January 2, 2017, there were a total of 6,537 locations, including 330 that are company-owned. 6,207 restaurants are franchised, and 77% of them are located in North America. While Wendy's sets standards for exterior store appearance, food quality, and menu, individual owners have control over hours of operations, interior decor, pricing, staff uniforms, and wages.

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. Wendy's menu consists primarily of hamburgers, chicken sandwiches, French fries, and beverages, including the signature Frosty, which is a soft-serve frozen dairy dessert. Since phasing out their famous "Big Classic", the company does not have a signature sandwich, such as the Burger King Whopper or the McDonald's Big Mac - although, by default, the "signature sandwich" spot seems to have been filled by Dave's 1/4 lb Single (introduced in 2011 as Dave's Hot 'N Juicy as a reworking of the longstanding Wendy's Single, shortened to simply Dave's in 2016), a square-pattied burger made with fresh ground beef rather than round frozen patties. Wendy's uses square hamburger patties - which hang over the edge of a circular bun - as its signature item.



\$1.2B REVENUE



6,656+ LOCATIONS



12,100+ EMPLOYEES

TENANT OVERVIEW



STONEWALL ROAD RESTAURANT GROUP

Stonewall Road Restaurant Group ("SRRG") is a singularly focused restaurant operations firm, and one of Wendy's fastest-growing and most-respected franchisee groups. Founded in 2017 by two friends and partners with deep personal roots in franchising and experience building and growing businesses, SRRG represents 'the next generation' of Wendy's franchisees. SRRG is led by Glen Brandeburg, a former Wendy's operations executive (SVP & DVP) with ~25 years of experience in the quick-service-restaurant space. Operational expertise is further buoyed by >200 years of collective experience in the Wendy's system via SRRG's experienced multi-unit operations managers. The Company currently operates 52 Wendy's restaurants with significant plans for expansion through a robust M&A and development.

PROPERTY PHOTOS



PROPERTY PHOTOS



LOCATION AERIAL



LOCATION AERIAL



REGIONAL OVERVIEW



DEMOGRAPHICS



	3 MILES	5 MILES	10 MILES
TOTAL POPULATION	16,588	21,232	32,128
TOTAL HOUSEHOLDS	5,712	7,434	11,430
AVERAGE HOUSEHOLD INCOME	\$50,618	\$54,923	\$58,445
AVERAGE AGE	35.50	36.40	37.30

AREA OVERVIEW

DEMOGRAPHICS	3 MILES	5 MILES	10 MILES
TOTAL POPULATION	16,588	21,232	32,128
TOTAL HOUSEHOLDS	5,712	7,434	11,430
PERSONS PER HOUSEHOLD	2.80	2.80	2.70
AVERAGE HOUSEHOLD INCOME	\$50,618	\$54,923	\$58,445
AVERAGE HOUSE VALUE	\$85,931	\$92,132	\$96,640
AVERAGE AGE	35.50	36.40	37.30
WHITE	12,229	16,261	25,876
BLACK	3,493	3,896	4,730
AM. INDIAN & ALASKAN	390	483	660
ASIAN	147	178	221
HAWAIIAN & PACIFIC ISLAND	21	24	26
OTHER	308	390	613

JACKSONVILLE, TX

Jacksonville is a city located in Cherokee County, Texas, United States. The population was 14,544 at the 2010 census. It is the principal city of the Jacksonville Micropolitan Statistical Area, which includes all of Cherokee County, and part of the larger Tyler–Jacksonville combined statistical area.

Jacksonville is located in an area of rolling hills in East Texas, north of the county seat, Rusk, and south of Tyler, in neighboring Smith County, on U.S. Highway 69. The north-south Highway 69 intersects the east-west U.S. Highway 79 adjacent to the city’s downtown area.

Area production and shipping of tomatoes gained the town the title “Tomato Capital of the World”. The impressive red iron ore rock Tomato Bowl, built by Works Progress Administration workers during the Great Depression, is home to the Jacksonville High School “Fightin’ Indians” football and soccer teams. Annual events include the “Tops in Texas Rodeo” held in May and the “Tomato Fest” celebration in June.



Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.



TYPES OF REAL ESTATE LICENSE HOLDERS:

- A **BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- A **SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of each party to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

TKG Net Lease Inc.	9006301	kevin@thekasegroup.com	512.636.9613
Licensed Broker/Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
Kevin Cordova	485683	kevin@thekasegroup.com	512.636.9613
Designated Broker of Firm	License No.	Email	Phone
Kevin Cordova	485683	kevin@thekasegroup.com	512.636.9613
Licensed Supervisor of Sales Agent/Associate	License No.	Email	Phone
Kevin Cordova	485683	kevin@thekasegroup.com	512.636.9613
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date



JACKSONVILLE, TEXAS



The Kase Group

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EMAIL kase@thekasegroup.com

BRE #708586