

WENDY'S

EXCLUSIVE NET LEASED OFFERING



OFFERING MEMORANDUM



26751 E University Dr
Aubrey, TX 76227

Confidentiality and Disclaimer

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.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

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.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

CONFIDENTIALITY AND DISCLAIMER

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a

thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

NON-ENDORSEMENT NOTICE

Marcus & Millichap Real Estate Investment Services, Inc. ("M&M") is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. 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 M&M, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of M&M, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

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Investment Highlights



Optimal Lease Structure

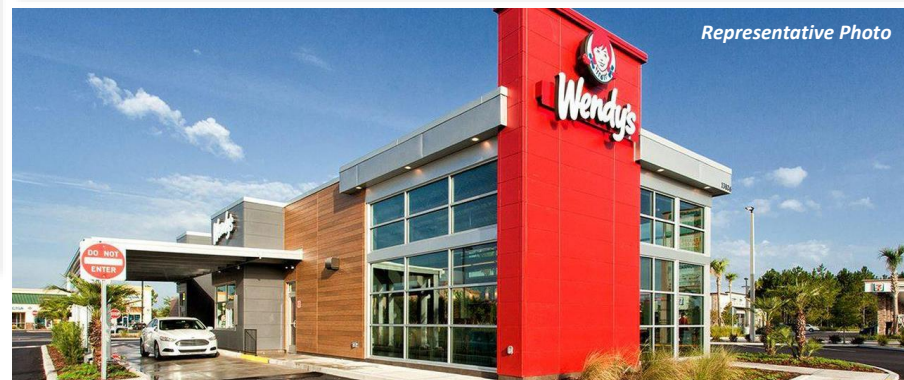
- ✓ 20-Year Triple Net (NNN) Lease with Zero Landlord Responsibilities
- ✓ Attractive Rental Increases | 10.00% Every Five (5) Years
- ✓ Four (4) Tenant Renewal Periods of Five (5) Years Each

Compelling Location Fundamentals

- ✓ No Personal Income Tax in Texas
- ✓ Brand New Construction
- ✓ Affluent Suburb of Dallas-Fort Worth MSA | Average Household Income of Nearly \$115,000 Within a Three-Mile Radius
- ✓ High Growth Area | Population within a Three-Mile Radius has Increased by Nearly 1800% from 2000 to 2019 (Per 2019 Estimate)
- ✓ Located off Major Intersection Directly Across From Brand New 1,700+ Student High School
- ✓ Features High Visibility and Ease of Access on Heavily Trafficked Thoroughfare | Average Daily Traffic Count of Approximately 43,000 Vehicles Per Day Along East University Drive

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
- ✓ Stonewall Road Restaurant Group ("SRRG") is a Singularly Focused Restaurant Operations Firm, and One of Wendy's Fastest-Growing and Most-Respected Franchisee Groups
- ✓ SRRG Currently Operates 45 Wendy's Restaurants with Significant Plans for Expansion through a Robust M&A and Development Pipeline





Financial Analysis & Investment Summary *Wendy's*

PRICE: \$2,952,381 | CAP RATE: 5.25% | RENT: \$155,000

PROPERTY DESCRIPTION	
Property	Wendy's
Property Address	26751 E University Dr
City, State, ZIP	Aubrey, TX 76227
Year Built	2019
Estimated Building Size (SF)	2,456
Lot Size	0.61
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price ¹	\$2,952,381
CAP Rate	5.25%
Annual Rent ¹	\$155,000

LEASE SUMMARY

Property Type	Net-Leased Restaurant
Lessee / Guarantor	SRRG NBL LLC / SRRG Holdings LLC
Initial Term	20 Years
Rent Commencement	December 2019
Initial Term Expiration	December 2039
Initial Lease Term Remaining	19+ Years
Lease Type	Triple-Net (NNN)
Rental Increases	10% Every 5 Years
Options to Renew	Four, Five-Year Options

¹ Final pricing is subject to change. Seller has the option to increase/decrease the Annual Rent by \$10,000.

RENT SCHEDULE			
Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation
Year 1	\$155,000	\$12,917	-
Year 2	\$155,000	\$12,917	-
Year 3	\$155,000	\$12,917	-
Year 4	\$155,000	\$12,917	-
Year 5	\$155,000	\$12,917	-
Year 6	\$170,500	\$14,208	10.00%
Year 7	\$170,500	\$14,208	-
Year 8	\$170,500	\$14,208	-
Year 9	\$170,500	\$14,208	-
Year 10	\$170,500	\$14,208	-
Year 11	\$187,550	\$15,629	10.00%
Year 12	\$187,550	\$15,629	-
Year 13	\$187,550	\$15,629	-
Year 14	\$187,550	\$15,629	-
Year 15	\$187,550	\$15,629	-
Year 16	\$206,305	\$17,192	10.00%
Year 17	\$206,305	\$17,192	-
Year 18	\$206,305	\$17,192	-
Year 19	\$206,305	\$17,192	-
Year 20	\$206,305	\$17,192	-

*Glen Kunofsky and other members of the selling entity, Exclusive Listing Agents, are part fee owners of this property. They are licensed real estate salespeople for Marcus and Millichap in the State of New York.





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.



Wendy's®

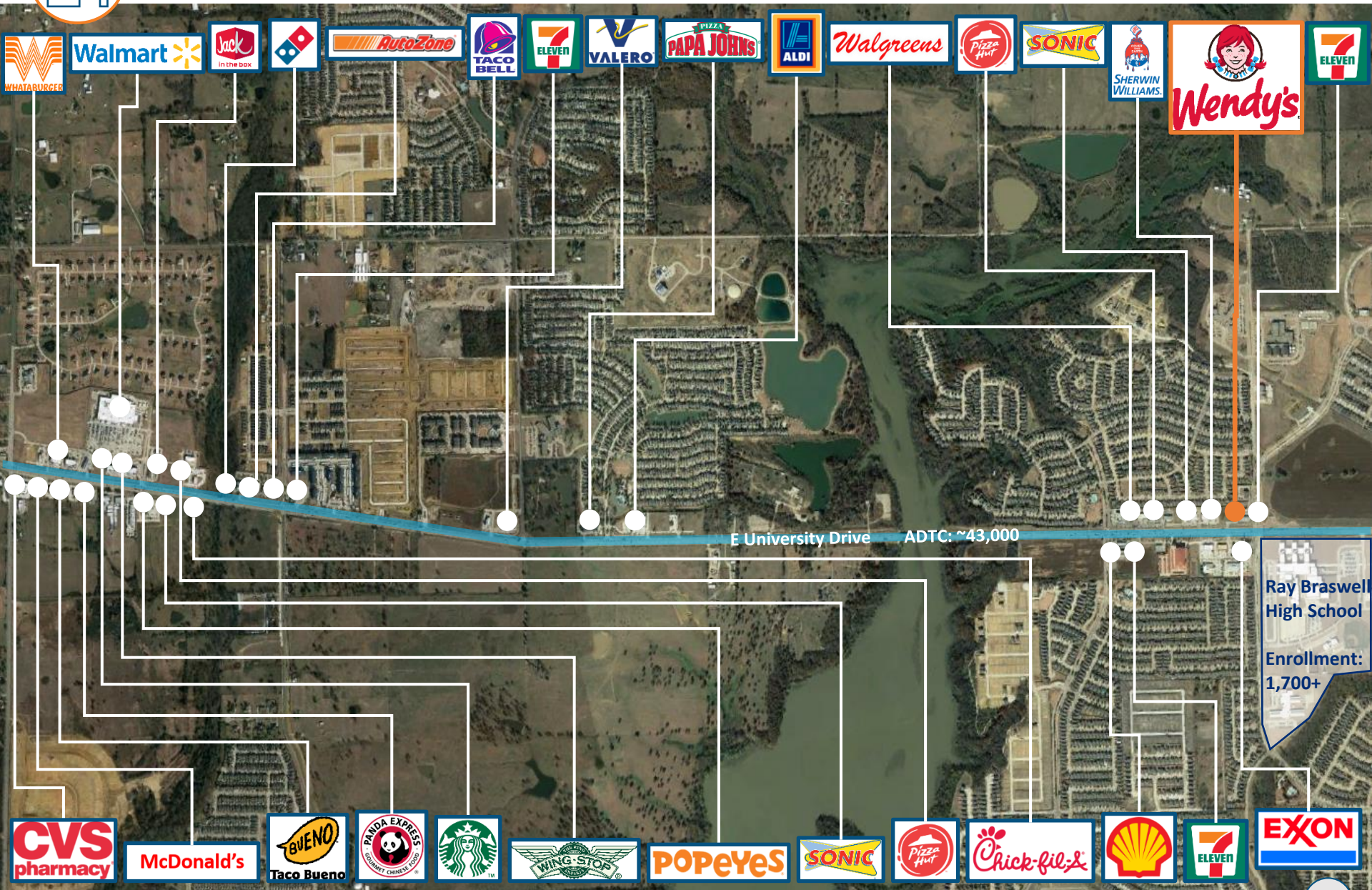
About Stonewall Road Restaurant Group

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 45 Wendy's restaurants with significant plans for expansion through a robust M&A and development pipeline. SRRG's headquarters is located in Dallas, TX.



Surrounding Area

Wendy's



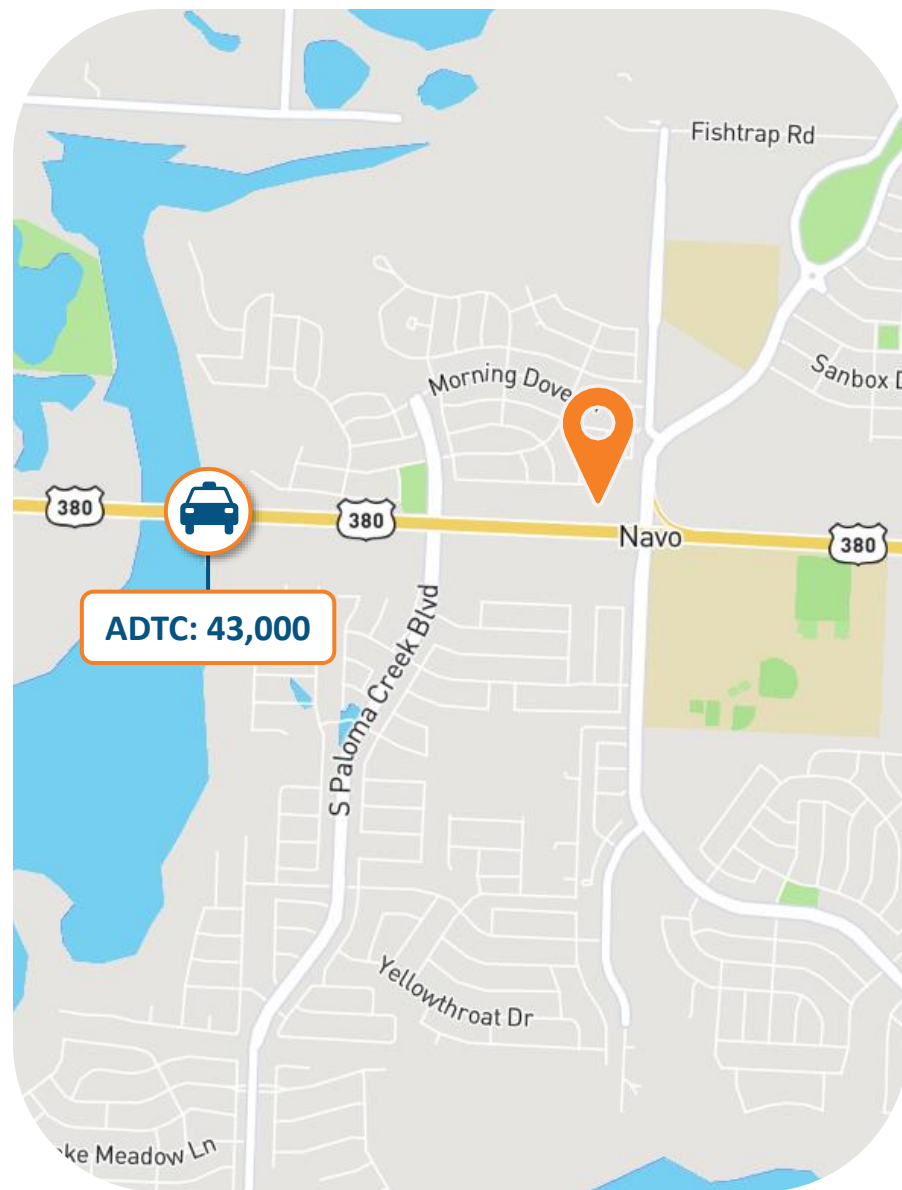


Location Overview

The subject investment property is situated along East University Drive, which experiences average daily traffic counts of approximately 43,000 vehicles. There are more than 102,000 individuals residing within a five-mile radius of the property and more than 335,000 individuals within a ten-mile radius, with the population projected to increase in the next five years. Additionally, this Wendy's benefits from its location in an affluent residential and commercial corridor with over \$114,000 of average household income in a three-mile radius.

The subject property benefits from premium frontage on E University Drive and is directly across the street from a newly-developed academic institution, Dr. Ray Braswell High School, which has an enrollment of over 1,700 students. Major national tenants within the immediate area include Walmart, Walgreens, CVS Pharmacy, Aldi, AutoZone, Sherwin Williams, 7-Eleven, McDonald's, Pizza Hut, Papa Johns, Starbucks, Chick-Fil-A and many more. The area also benefits from a strong upscale residential presence with Paloma Creek, a luxurious residential community that features over 5,500 homes, sitting directly north of the subject property. Less than two-miles down E University Drive is Baylor Emergency Medical Center, which has over 32 staffed beds and services the surrounding towns.

Aubrey is located in Denton County approximately 30 miles north of downtown Dallas. Dallas is the part of the Dallas-Fort Worth metroplex, which is the fourth most populous metropolitan area in the United States. The city's population ranks ninth in the U.S. and third in Texas after Houston and San Antonio. The city's prominence arose from its historical importance as a center for the oil and cotton industries, as well as its positioning along numerous railroad lines, which were the initial reason for the development of the city. Dallas has always had an economic background that is closely related to transportation, starting with the transportation of cotton and cattle, and later oil. It remains a major transportation hub with a convergence of major railroad lines, interstate highways, and the construction of Dallas/Fort Worth International Airport, one of the largest and busiest airports in the world all located in the greater Dallas area. The economy of Dallas is considered diverse, with dominant sectors including defense, financial services, information technology, telecommunications, and transportation. The area within the city limits of Dallas serve as the headquarters to 9 Fortune 500 companies, and the greater Dallas-Fort Worth metroplex is home to the headquarters of three additional Fortune 500 Companies.





Property Photos

Wendy's





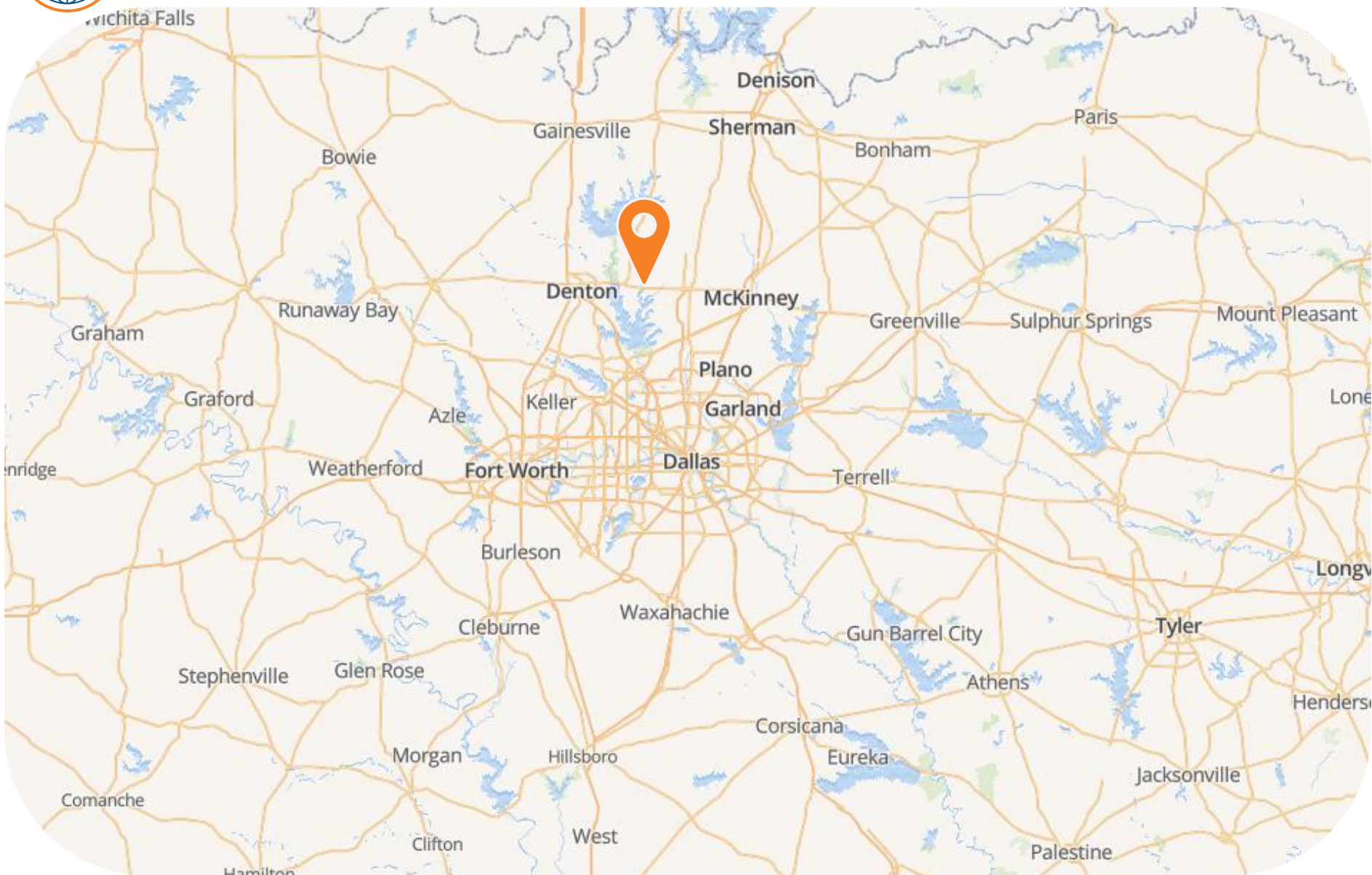
Surrounding Area Photos





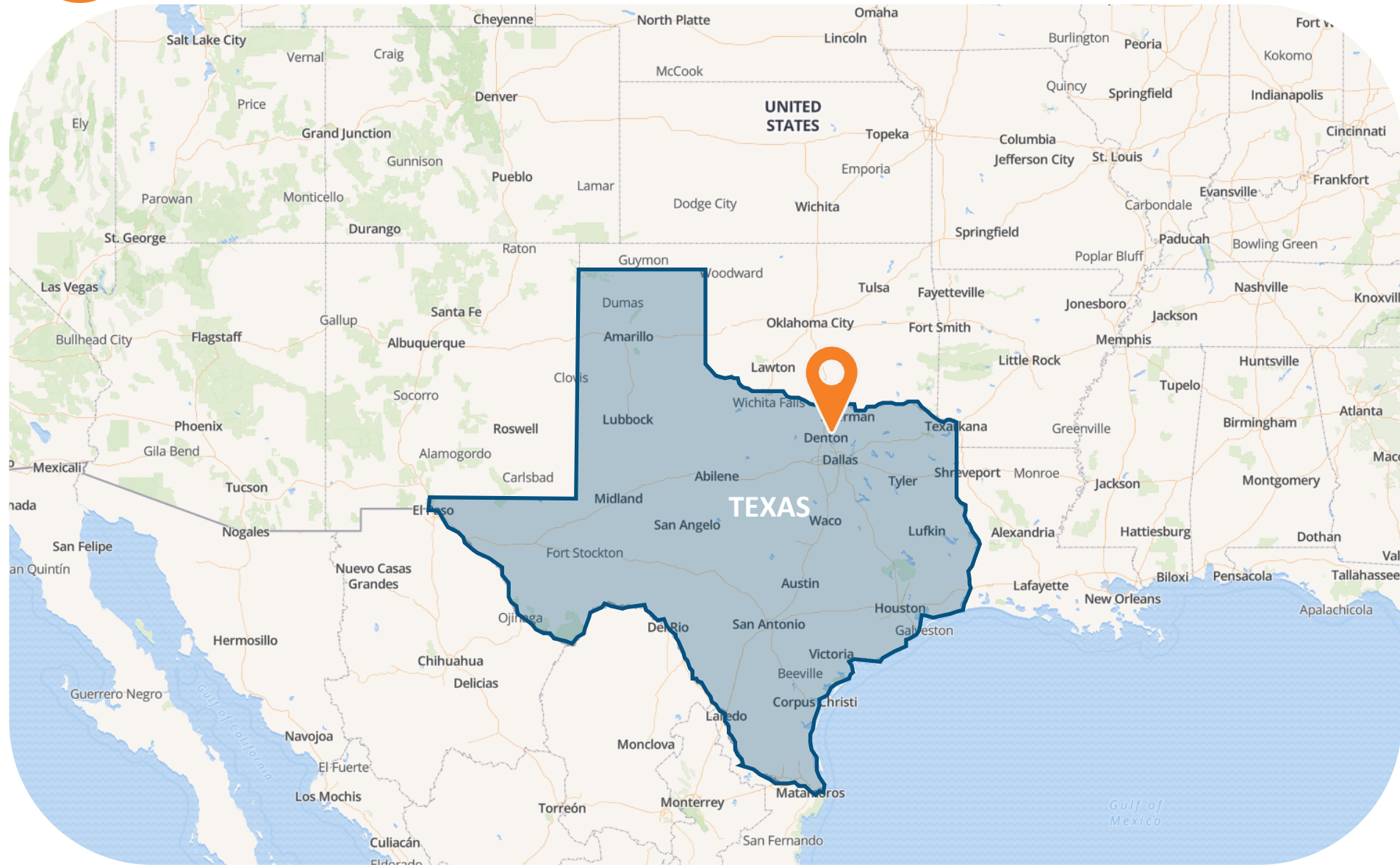
Local Map

Wendy's





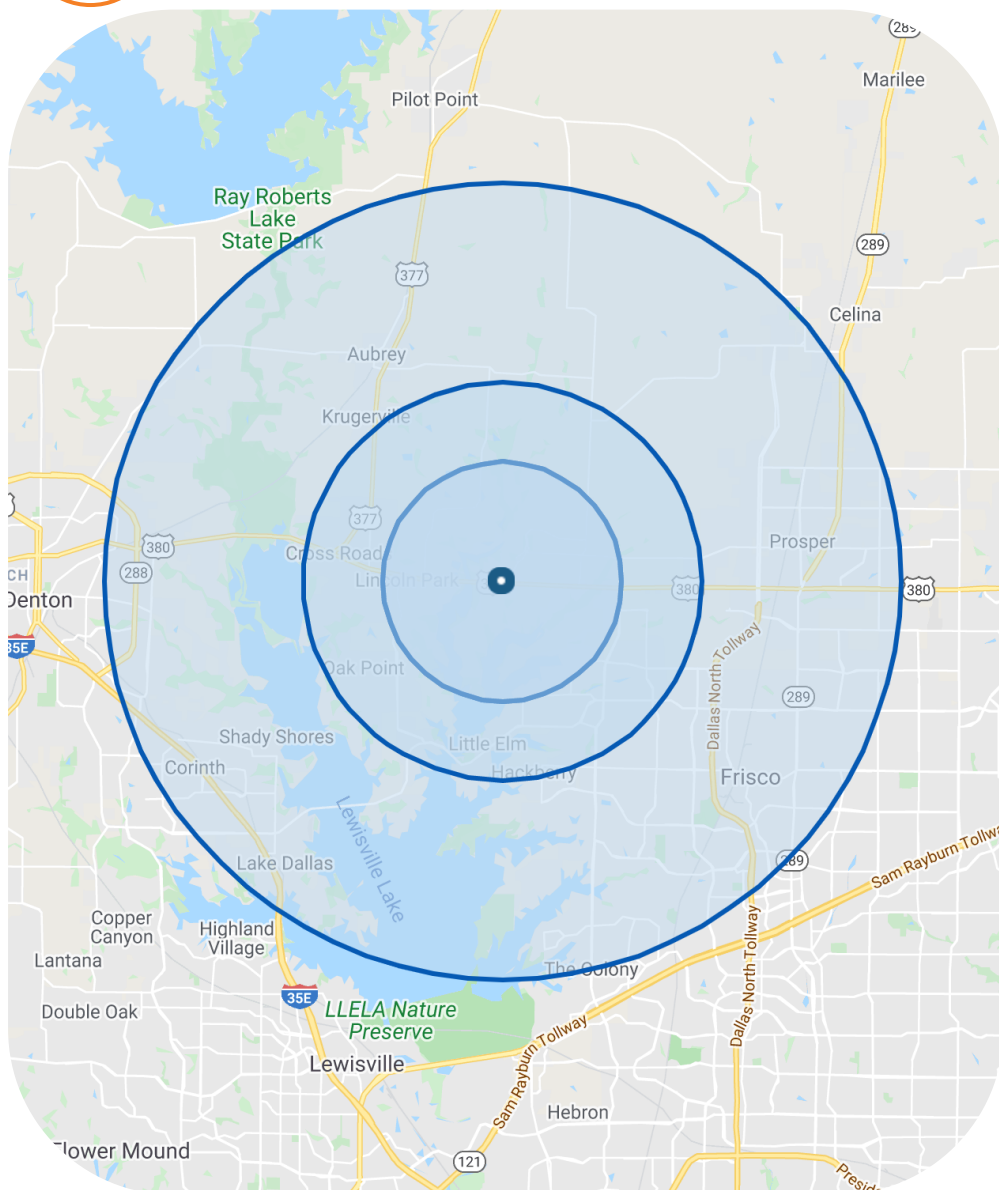
Regional Map





Demographics

Wendy's



POPULATION

	3 Miles	5 Miles	10 Miles
2024 Projection	54,727	134,330	417,409
2019 Estimate	39,255	102,062	335,594
2010 Census	19,631	60,701	226,365
2000 Census	2,072	10,127	94,535

INCOME

Average	\$114,624	\$119,918	\$132,198
Median	\$92,069	\$92,900	\$99,798
Per Capita	\$39,181	\$39,367	\$45,240

HOUSEHOLDS

2024 Projection	18,670	44,069	142,983
2019 Estimate	13,418	33,505	114,816
2010 Census	6,539	19,411	76,375
2000 Census	748	3,466	32,603

HOUSING

2019	\$241,419	\$253,208	\$279,721
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EMPLOYMENT

2019 Daytime Population	19,656	53,481	238,175
2019 Unemployment	3.49%	3.51%	3.10%
2019 Median Time Traveled	41 Mins	40 Mins	35 Mins

RACE & ETHNICITY

White	70.20%	68.84%	72.02%
Native American	0.10%	0.10%	0.08%
African American	17.26%	15.48%	10.63%
Asian/Pacific Islander	3.37%	4.83%	7.05%



Market Overview

Dallas, TX

The Fort Worth/Dallas MSA

Dallas is the ninth-largest city and part of the fourth-largest metropolitan area in the nation, which covers approximately 343 square miles and has a population exceeding 6,800,000. The ultra modern and sophisticated city attracts worldwide travelers, making the area a top visitor and leisure destination in Texas. Outdoor activities abound in Dallas as a result of the city's favorable location and climate. With seven major league sport teams, rodeo, NASCAR and marathons, the adrenaline is year round. Dallas has been named the #3 Sports Town in the nation by Sports Illustrated. The Dallas-Fort Worth MSA has one of the largest concentrations of corporate headquarters for publicly traded companies in the United States. In addition to its large number of businesses, Dallas has more shopping centers per capita than any other city in the United States. Dallas is the third most popular destination for business travel in the United States, and the Kay Bailey Hutchison Convention Center is one of the largest and busiest convention centers in the country, at over 1,000,000 square feet and the world's single-largest column-free exhibit hall. Additionally, Dallas has a lower cost of living than many major metros, no state income tax and a median home price below the national level and over 45 post-secondary educational institutions are located in the metro.

INFORMATION ABOUT BROKERAGE SERVICES



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:
 - o that the owner will accept a price less than the written asking price;
 - o that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - o 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.

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Marcus & Millichap



EXCLUSIVE NET LEASE OFFERING



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