

WENDY'S

EXCLUSIVE NET LEASED OFFERING

Representative Photo



OFFERING MEMORANDUM



5101 Preston Hwy
Louisville, KY 40213

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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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Investment Highlights



Optimal Lease Structure

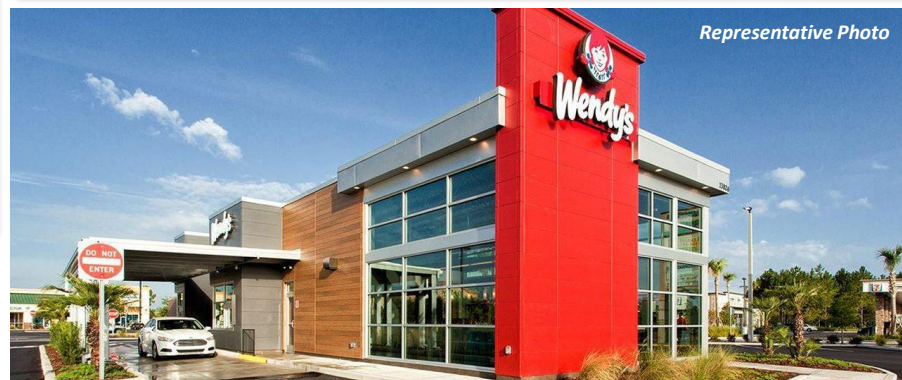
- ✓ 20-Year Triple Net (NNN) Lease with Zero Landlord Responsibilities
- ✓ Attractive Rental Increases | 10.00% Every Five (5) Years
- ✓ Four (4) Tenant Renewal Periods of Five (5) Years Each

Compelling Location Fundamentals

- ✓ Dense Retail Corridor | Sam's Club, Dollar General, Dollar Tree, Walgreens, Marathon, Popeyes, Waffle House, Dunkin Donuts, McDonald's, and More
- ✓ Features High Visibility & Ease of Access | Preston Highway | Averages 33,700 Vehicles Per Day
- ✓ Strong Location Fundamentals | Located Within Three-Mile Radius of Louisville International Airport | Serves Over 3.8 Million Passengers Annually
- ✓ Excellent Demographics | Population Residing Within a Five-Mile Radius is More Than 242,000 Individuals

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: \$827,220 | CAP RATE: 5.00% | RENT: \$41,361

PROPERTY DESCRIPTION

| | |
|--------------------|----------------------|
| Property | Wendy's |
| Property Address | 5101 Preston Hwy |
| City, State ZIP | Louisville, KY 40213 |
| Year Built | 1974 |
| Building Size (SF) | 2,744 |
| Lot Size (Acres) | 0.60 |
| Type of Ownership | Fee Simple |

THE OFFERING

| | |
|----------------|-----------|
| Purchase Price | \$827,220 |
| CAP Rate | 5.00% |
| Annual Rent | \$41,361 |

LEASE SUMMARY

| | |
|----------------------|---|
| Tenant / Guarantor | SRRG Kentucky LLC / SRRG Holdings LLC & Stonewall Road Partners LLC |
| Original Lease Term | 20 Years |
| Lease Commencement | March 18, 2019 |
| Lease Expiration | March 18, 2039 |
| Lease Term Remaining | 19.5 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 | \$41,361 | \$3,447 | - |
| Year 2 | \$41,361 | \$3,447 | - |
| Year 3 | \$41,361 | \$3,447 | - |
| Year 4 | \$41,361 | \$3,447 | - |
| Year 5 | \$41,361 | \$3,447 | - |
| Year 6 | \$45,497 | \$3,791 | 10.00% |
| Year 7 | \$45,497 | \$3,791 | - |
| Year 8 | \$45,497 | \$3,791 | - |
| Year 9 | \$45,497 | \$3,791 | - |
| Year 10 | \$45,497 | \$3,791 | - |
| Year 11 | \$50,047 | \$4,171 | 10.00% |
| Year 12 | \$50,047 | \$4,171 | - |
| Year 13 | \$50,047 | \$4,171 | - |
| Year 14 | \$50,047 | \$4,171 | - |
| Year 15 | \$50,047 | \$4,171 | - |
| Year 16 | \$55,051 | \$4,588 | 10.00% |
| Year 17 | \$55,051 | \$4,588 | - |
| Year 18 | \$55,051 | \$4,588 | - |
| Year 19 | \$55,051 | \$4,588 | - |
| Year 20 | \$55,051 | \$4,588 | - |



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 Brandenburg, 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



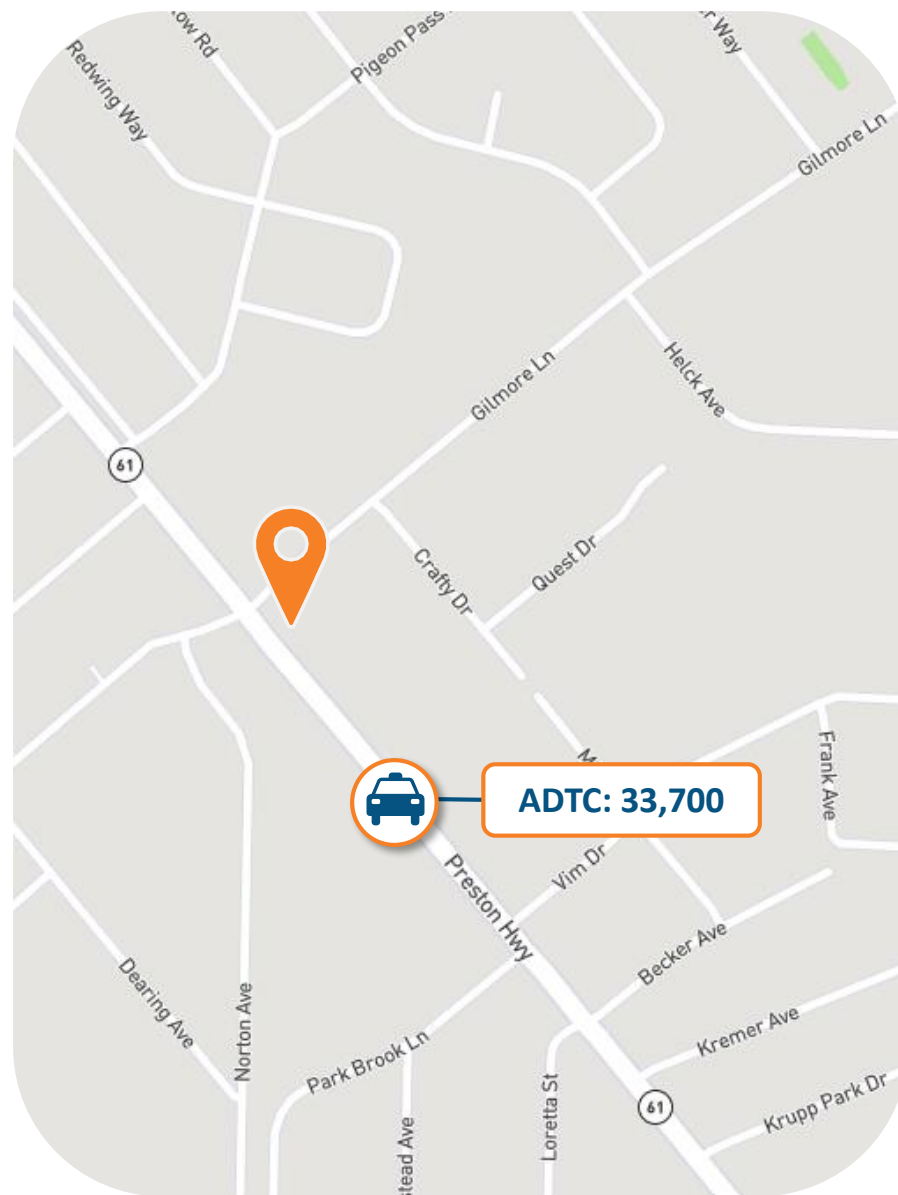


Location Overview

This Wendy's investment property is situated along Preston Highway. Preston Highway boasts an average daily traffic count of approximately 33,700 vehicles. There are more than 242,000 individuals residing within a five-mile radius of the property and more than 723,600 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: Sam's Club, Dollar General, Dollar Tree, Walgreens, Marathon, Popeyes, Waffle House, Dunkin' Donuts, McDonald's, and more. Additionally, there are several hotel accommodations within immediate proximity to the subject investment property. These include: Days Inn, Baymont, Super 8, InTown Suites, and several others. This property also benefits from being situated within a three-mile radius of Louisville International Airport, which serves an average of 3,800,000 passengers annually. Norton Audubon Hospital, a general hospital and surgical center with 432-staffed beds, is approximately four miles away from the subject property.

Louisville, Kentucky's largest city, sits on the Ohio River along the Indiana Border. Louisville is the county seat of Jefferson County and has a metro population of roughly 1,284,848. Louisville, since its origin, has been heavily linked to the shipping and cargo industries, due to its location at the crossroads of three major interstate highways (I-64, I-65, and I-71). However, in the recent past, Louisville has expanded its economy across several industries, emerging as a major center for health care and medical sciences. It has been central to advancements in heart and hand surgery, as well as cancer treatment. In fact, some of the earliest artificial heart and hand transplants were conducted in Louisville. In addition to a growing economy, Louisville is home to a very diverse cultural scene that includes international cuisine, fine and performing arts, and music. Today, the city is known as the home of the Kentucky Derby, Kentucky Fried Chicken, the University of Louisville and its Louisville Cardinals athletic teams, Louisville Slugger baseball bats, and three of Kentucky's six Fortune 500 companies. Its main airport, Louisville International Airport, is also the site of United Parcel Service's (UPS) worldwide air hub.





Property Photos

Wendy's





Surrounding Area Photos

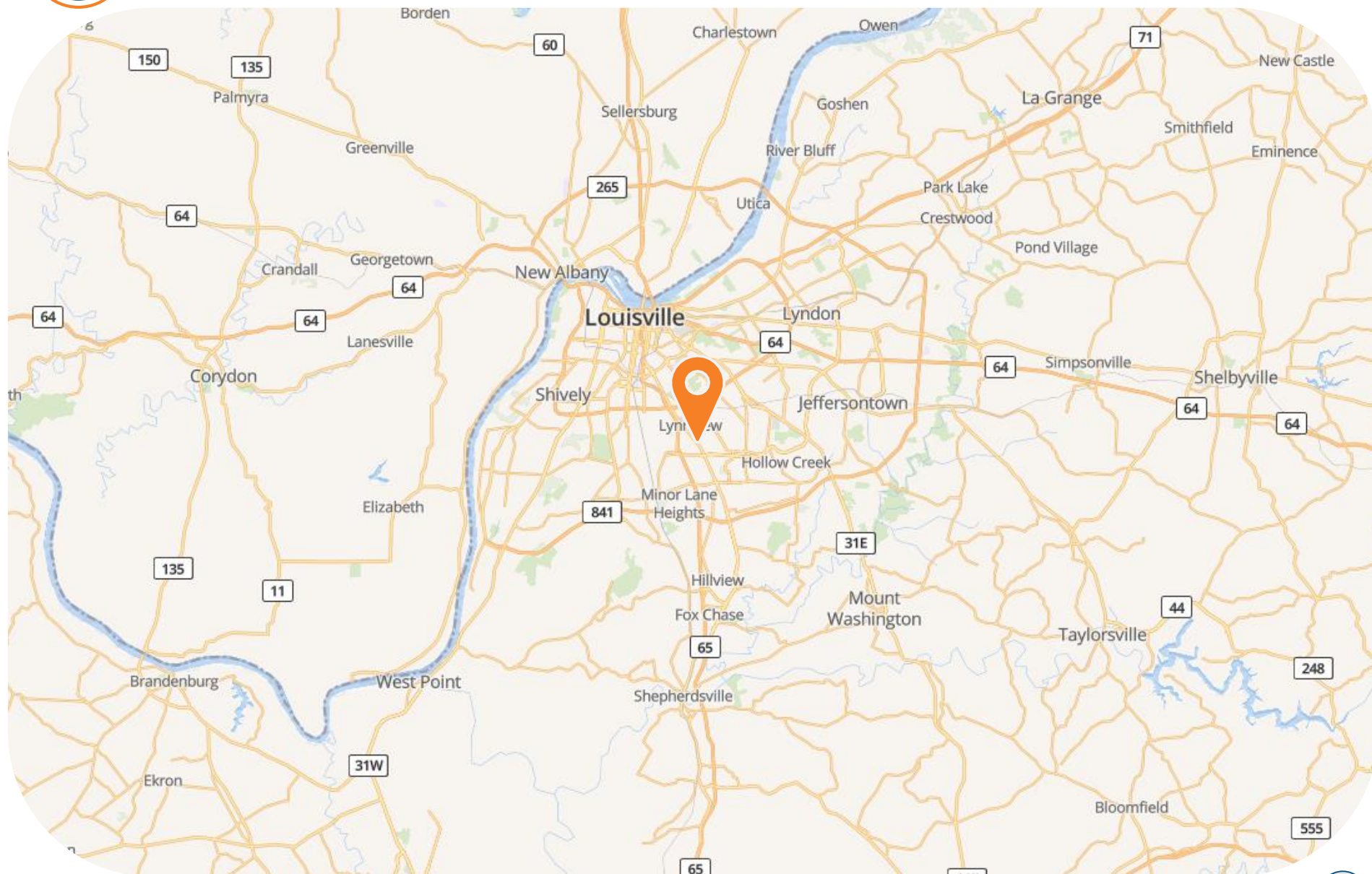
Wendy's





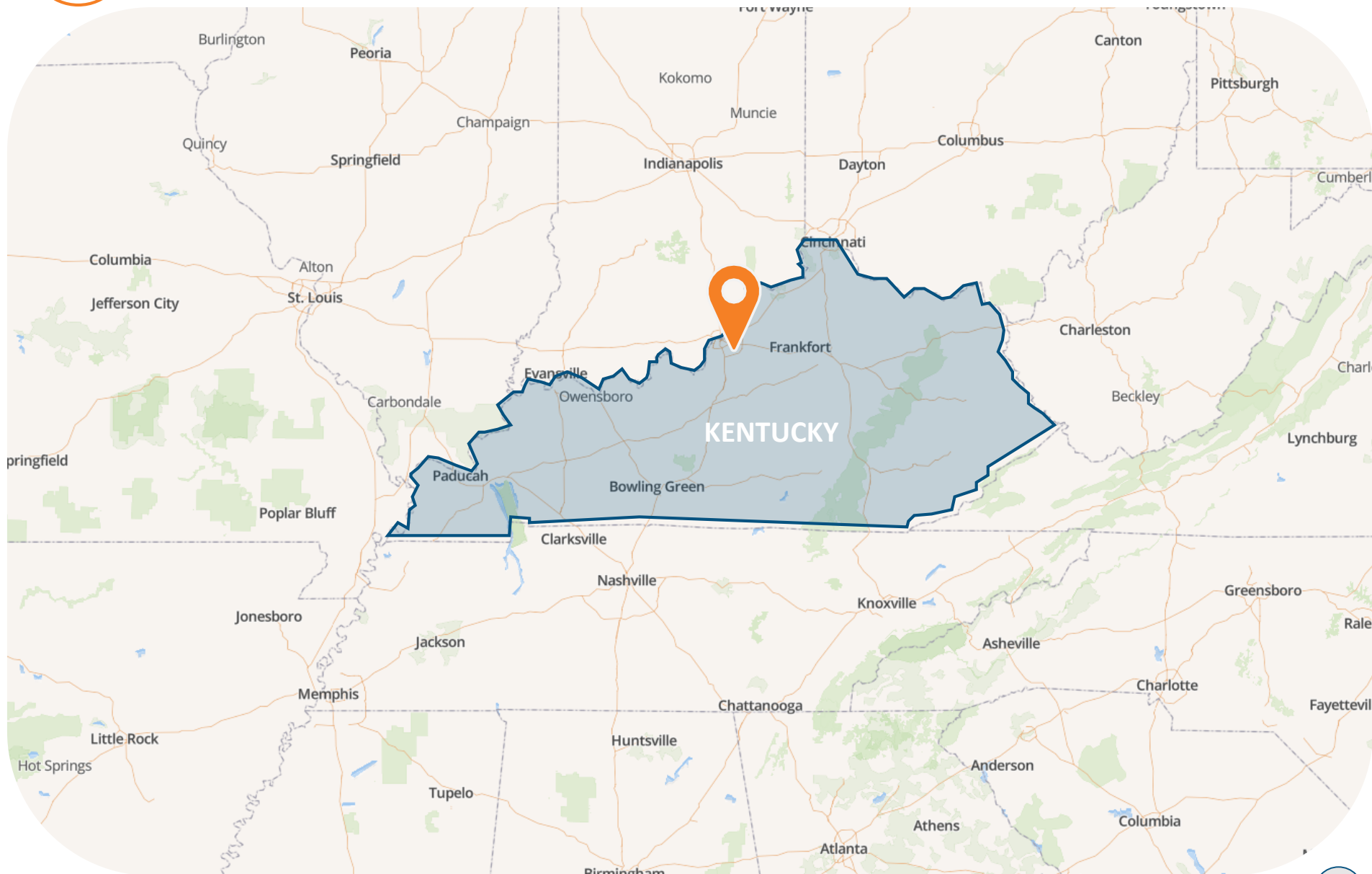
Local Map

Wendy's





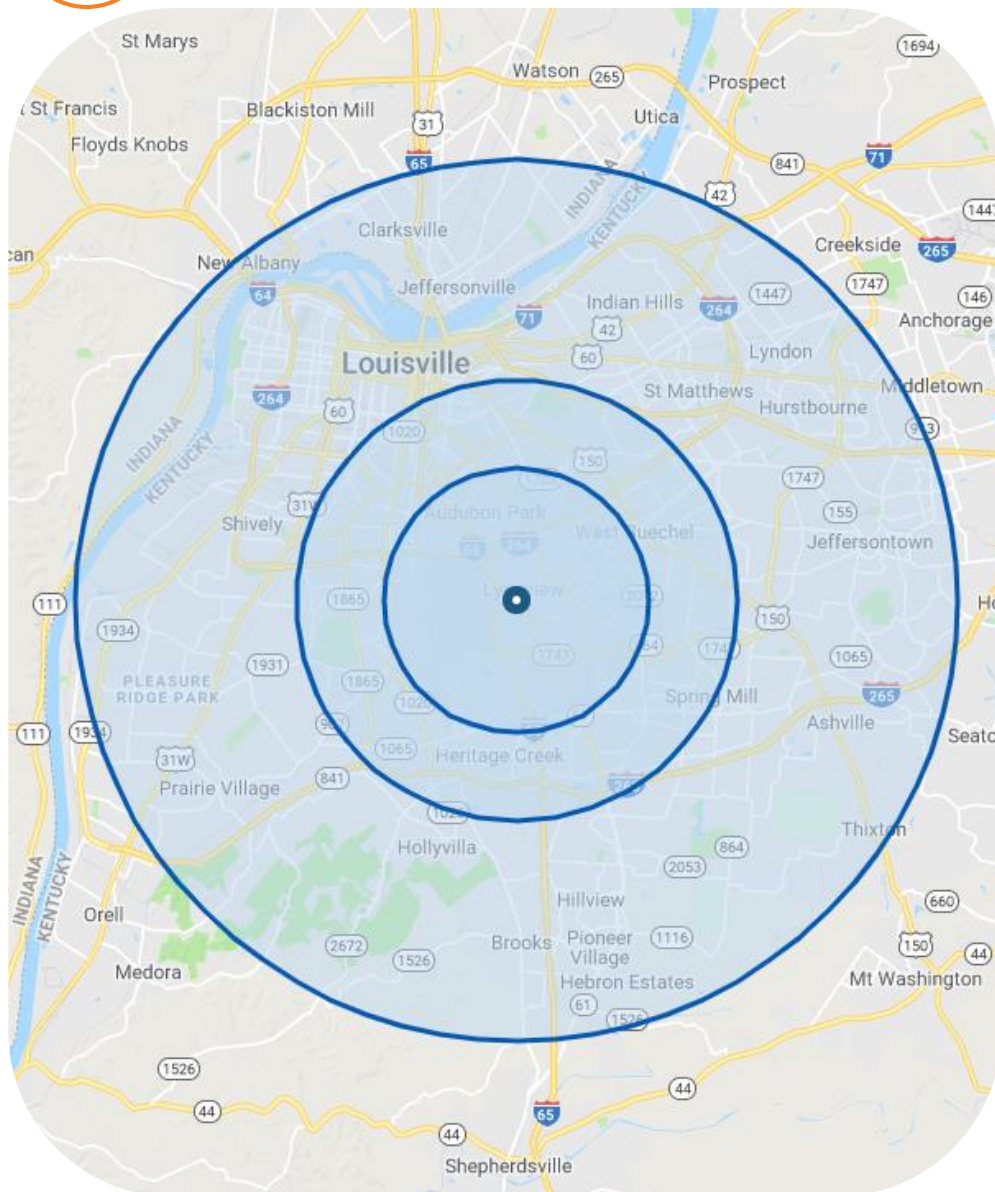
Regional Map





Demographics

Wendy's



POPULATION

| | 3 Miles | 5 Miles | 10 Miles |
|-----------------|---------|---------|----------|
| 2023 Projection | 59,200 | 242,371 | 739,646 |
| 2018 Estimate | 59,680 | 242,143 | 723,614 |
| 2010 Census | 58,592 | 235,044 | 697,440 |
| 2000 Census | 59,018 | 237,183 | 675,168 |

INCOME

| | | | |
|------------|----------|----------|----------|
| Average | \$56,791 | \$59,610 | \$67,396 |
| Median | \$41,311 | \$43,059 | \$49,424 |
| Per Capita | \$23,551 | \$25,694 | \$28,522 |

HOUSEHOLDS

| | | | |
|-----------------|--------|---------|---------|
| 2023 Projection | 24,743 | 104,224 | 313,290 |
| 2018 Estimate | 24,620 | 103,207 | 303,676 |
| 2010 Census | 24,213 | 100,485 | 293,423 |
| 2000 Census | 24,544 | 102,305 | 281,928 |

HOUSING

| | | | |
|------|-----------|-----------|-----------|
| 2018 | \$129,063 | \$143,898 | \$158,150 |
|------|-----------|-----------|-----------|

EMPLOYMENT

| | | | |
|---------------------------|---------|---------|---------|
| 2018 Daytime Population | 110,604 | 301,454 | 848,743 |
| 2018 Unemployment | 6.13% | 5.90% | 5.35% |
| 2018 Median Time Traveled | 22 Mins | 22 Mins | 23 Mins |

RACE & ETHNICITY

| | | | |
|------------------------|--------|--------|--------|
| White | 57.31% | 67.72% | 69.90% |
| Native American | 0.08% | 0.06% | 0.05% |
| African American | 29.50% | 22.28% | 22.68% |
| Asian/Pacific Islander | 4.20% | 2.94% | 2.26% |



Market Overview

Louisville, KY

Louisville

Louisville is a city that combines heritage with innovation, authenticity with originality, and quirkiness with friendliness, in a way that's completely unique to the region. The city is an entirely different type of Southern. From boundary pushing twists on Southern cuisine that has made the city one of the "10 Best New Food Cities" in America to the one and only Urban Bourbon Experience, featuring the world's only, city-wide trail filled with award-winning micro-distilleries, exhibits and craft cocktail destinations. Then discover one-of-a-kind attractions like the legendary Churchill Downs, Louisville Slugger Museum & Factory, and the Muhammed Ali Center. Louisville today is home to dozens of companies and organizations across several industrial classifications. However, the underpinning of the city's economy since its earliest days has been the shipping and cargo industries. Its strategic location at the Falls of the Ohio, and its unique position in the central United States (within one day's road travel to 60 percent of the cities in the continental United States) make it a very practical location for the transfer of cargo along its route to other destinations. Additionally, the Louisville and Portland Canal and the Louisville and Nashville Railroad have been important links in water and rail transportation. Louisville is also a significant center of manufacturing, with two major Ford plants, and the headquarters of major home appliance factory, GE Appliances. The city is also a major center of the American whiskey industry, with about one-third of all bourbon in the nation coming from Louisville.

Major Employers

| Employer | Estimated # of Employees |
|--------------------------------|--------------------------|
| UPS | 7,906 |
| University of Louisville | 4,425 |
| Ford | 3,824 |
| KFC | 2,645 |
| Jefferson County Public School | 1,600 |
| NPC Sales | 1,387 |
| BA Merchant Services LLC | 1,350 |
| Covance Inc | 1,300 |
| Norton Audubon Hospital | 1,242 |
| AT&T Corp | 1,101 |
| Family Roots USA Inc | 1,099 |
| BellSouth | 1,096 |

of Employees based on 10-mile radius

Marcus & Millichap

NNN
PRO GROUP

EXCLUSIVE NET LEASE OFFERING



KY BROKER OF RECORD:

Colby Haugness

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