



Wendy's

**Wendy's Single Tenant Restaurant
Investment Opportunity**

15931 Pomona Rincon Road | Chino Hills, CA 91709

Confidential Offering Memorandum

Summary

Executive Summary



Bristol Community
+/- 31 acre +/- 150 Homes
Home Values \$500,000+
Built 2017

Chino Valley Freeway: 85,000 VPD

Soquel Canyon Pkwy: 12,200 VPD



Opening 2022

Chino Valley Freeway: 85,000 VPD

Wendy's

Pomona Rincon Road

Absolute NNN Wendy's

Brand new 2020 construction, absolute NNN Wendy's with 20 years of lease term remaining located in affluent Chino Hills, CA.

INVESTMENT HIGHLIGHTS

LONG-TERM ABSOLUTE NNN LEASE
WITH NO LANDLORD
RESPONSIBILITIES

NEW WENDY'S PROTOTYPE
CONSTRUCTION

EXCELLENT VISIBILITY AND EASE OF
ACCESS LOCATED IN CLOSE
PROXIMITY TO CHINO VALLEY
FREEWAY

LOCATED AS AN OUTPARCEL IN THE
RINCON DEVELOPMENT

CHINO HILLS, CA IS ONE OF "AMERICA'S
BEST PLACES TO LIVE" AND "SAFEST
CITIES IN AMERICA"

The Offering

JLL is pleased to offer for sale the Fee Simple Ground Lease interest in a freestanding single-tenant Wendy's (the "Property" or "Asset") located in Chino Hills, CA. Continental Foods Management, Inc. (the "Tenant") is a franchisee of Wendy's throughout California, and have been in business for 30 years. The Tenant has an Absolute NNN lease structure with no landlord responsibilities and located within a brand new +/-201,000 SF mixed-use center called The Rincon.

NEW CONSTRUCTION WENDY'S WITH LONG-TERM ABSOLUTE NNN LEASE

- The Tenant operates on an absolute NNN lease with no landlord responsibilities
- There are just under 20 years of lease term remaining with 4, 5-year options to renew and 10% rental escalations every 5 years
- The Asset resembles Wendy's new 2020 "Smart Building" prototype featuring high open ceilings surrounded by glass storefront
- This design features the latest technology and ambiance with High Definition TV's and LED lighting along with Customer Self Ordering (CSO) kiosks for customers to place orders

FRONTAGE AND VISIBILITY LOCATED IN THE RINCON DEVELOPMENT

- The Asset is a part of The Rincon, which is a newly constructed mixed-use development with 2 hotels (Townplace Suites by Marriott and Holiday Inn Express); 2 medical office buildings; 3 retail buildings providing retail, service, and restaurants; and a daycare building (Kiddie Academy)
- The development sits at the intersection of Chino Valley Freeway (85,000 VPD) and in close proximity to Chino Hills High School
- Wendy's is the only national QSR restaurant within this development and the only National name within the immediate vicinity

LOCATED IN GROWING & AFFLUENT CHINO HILLS

- Chino Hills ranks as one of the safest cities in America and #38 on the "#100 Best Places to Live in America" by Money Magazine
- The 3-mile radius of the population has over 64,000 residents with an average household income over \$132,000
- The 1-mile population has grown 162% since the year 2000
- Surrounding neighborhoods have flourished in the immediate vicinity with the newly developed +/- 31 acre Bristol Community with over 150 Homes that sold all of their homes within the first few years of development
- Home Values in the immediate vicinity begin at \$500,000 with the median home values around \$650,000

Property & Lease Overview

Price*	\$3,066,666
Cap Rate	3.75%
NOI* PSF	\$115,000 \$32.86
Rental Increases	10% every 5 years and option periods
Tenant	Continental Food Management, Inc.
Address	15931 Pomona Rincon Road Chino Hills, CA 91709
Building Size*	+/- 2,655 SF
Parcel Size	+/- 18,913 SF (0.434 AC)
Ownership Interest	Fee Simple Ground Lease
Year Built	2020
Original Lease Term	20 Years
Lease Commencement	3/5/2020
Lease Expiration	3/31/2040
Renewal Options	4, 5-year options
Lease Structure	Absolute NNN
Landlord Responsibilities	None

Rental Schedule

Period	Begin Date	End Date	Annual Rent	Monthly	Increases
Years 1-5	3/5/2020	3/31/2025	\$115,000	\$9,583	-
Years 6-10	4/1/2025	3/31/2030	\$126,500	\$10,542	10%
Years 11-16	4/1/2030	3/31/2035	\$139,150	\$11,596	10%
Years 16-20	4/1/2035	3/31/2040	\$153,065	\$12,755	10%
Option 1	1/1/2041	12/31/2045	\$168,372	\$14,031	10%
Option 2	1/1/2046	12/31/2050	\$185,209	\$15,434	10%
Option 3	1/1/2051	12/31/2055	\$203,730	\$16,977	10%
Option 4	1/1/2056	12/31/2060	\$224,102	\$18,675	10%



Lease Abstract

Lessee "Tenant"	Continental Food Management, Inc. a California Corporation
Property Address	15931 Pomona Rincon Rd, Chino Hills, CA
City, State	Chino Hills, CA
Premises Size (SF)	18,913 SF
Building Size (SF)	2,655 SF
Tenant's PRS of CAM Expenses	2.00%
Year Built	2020
Lease Type	NNN Ground Lease
Lease Execution Date	3/14/2019
Rent Commencement Date	3/5/2020
Current Term Expiration Date	3/31/2040
Remaining Lease Term (Years)	20.0 Years
In-Place Annual Rent	\$115,000
Rental Increases	10% Every 5 Years and Option Periods
Renewal Options	4 x 5-Year Options
Taxes	Tenant reimburses as a part of CAM expenses.
Insurance	Tenant reimburses as a part of CAM expenses.
Utilities	Tenant reimburses as a part of CAM expenses.
Maintenance & Repair & CAM	Tenant shall pay Tenant's Share of Operating Expenses as Additional Rent.
Operating Expense Costs	Operating Expenses shall mean all costs and expenses of every kind and nature reasonably incurred during any Expense Year in connection with the management, maintenance, repair, replacement, restoration or operation of the Common Areas or any portions thereof.
Tenant's Obligation	Tenant, at Tenant's expense, shall keep in good order, condition and repair the Premises and every part thereof including electrical and lighting facilities and equipment within the Premises, fixtures, interior walls, and interior surfaces of exterior walls, ceilings, windows, doors, plate glass and skylights. Tenant shall keep the Premises and sidewalks (not apart of Common Areas) loading areas in neat clean and fashion.

Site Plan of The Rincon



Market

Location and Market Overview



Chino Hills High School
+/- 3,100 Students

Sundance Multifamily Homes
Home Values \$579,000+

Santa Barbara Apartment Homes
324 Units
Built in 2018

néktər
JUICE BAR



LUCHADOR
— BREWING COMPANY —

Wendy's

THE LOOP
HAND-CRAFTED CHURROS

LEMONGRASS
RESTAURANT

7 LEAVES
CAFE
Naturally Delicious



OMNIA DENTAL

Pomona Rincon Road: 6,630 VPD

Soquel Canyon Pkwy: 12,200 VPD

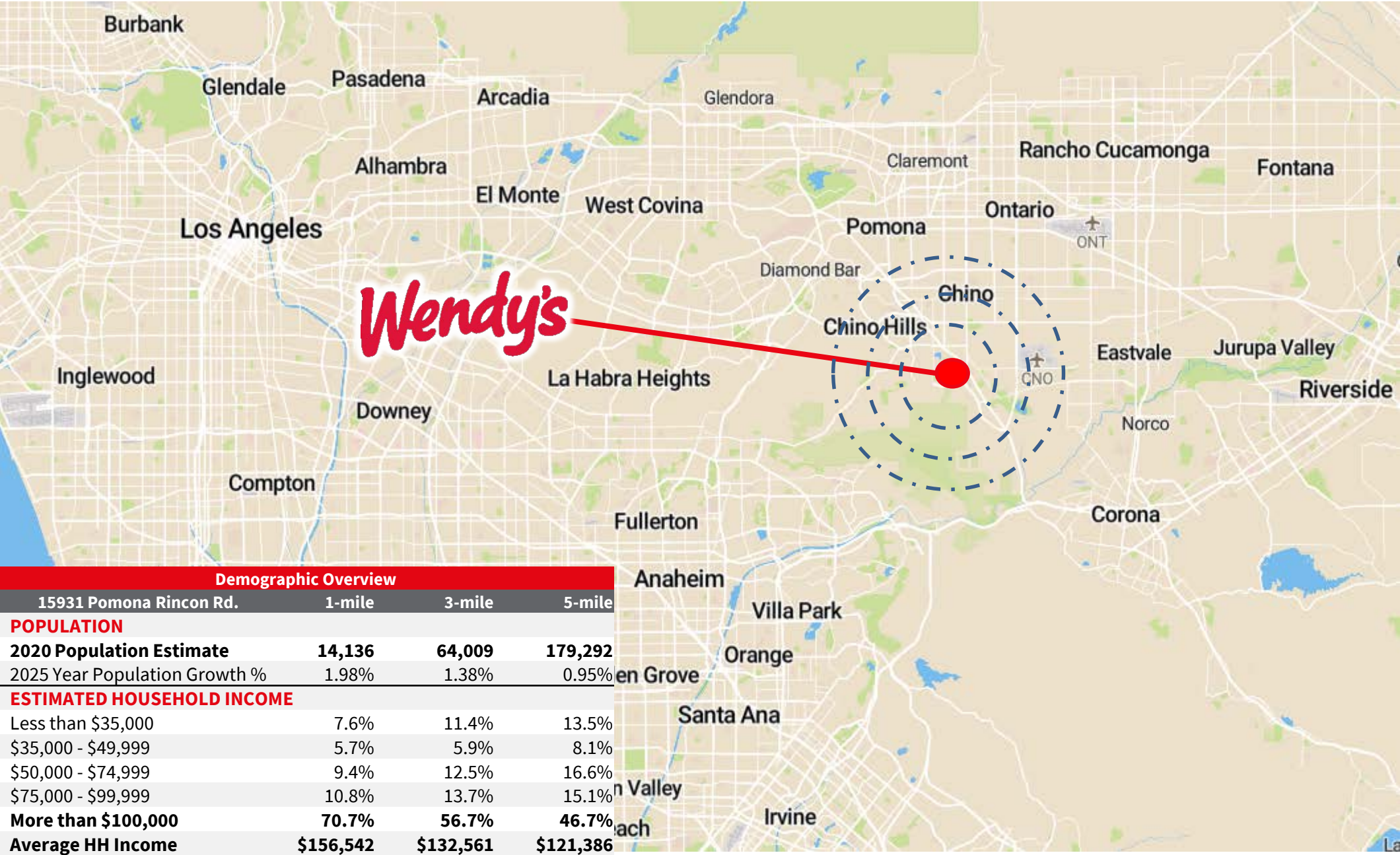
Southeast Aerial



West Aerial



Aerial



Tenant

Tenant Overview



Wendy's

The Wendy's Company

- 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, in 2006. As of year-end 2018, Wendy's is the **world's third-largest quick-service restaurant company in the hamburger sandwich segment**, with approximately 6,700 locations. This footprint trails only Burger King (~18,000) and McDonald's (36,000+).
- On April 24, 2008, the company announced a merger with Triarc, the parent company of Arby's. Following the merger, Triarc became known as Wendy's/Arby's Group (now The Wendy's Company), a publicly traded company. In **July 2011, Wendy's divested Arby's to focus on their core brand.**
- **± 95 percent of Wendy's restaurants are franchised**, all of which are located in North America. To run their global operations, Wendy's employs approximately 12,500. While Wendy's sets standards for exterior store appearances, food quality and menu, individual franchise owners have control over hours of operations, interior décor, pricing and staff uniforms and wages.
- **Wendy's & COVID-19** – The Company signaled a sales recovery since the original shut-down amid the COVID-19 pandemic. Wendy's sales rose 5% in June and 8% in July signaling a turn around from the decreasing sales numbers in late spring from COVID.

Continental Food Management

- Continental Food Management (the "Tenant") has become a premier Wendy's franchise operator in Southern California. With over 25 years of operating experience and 28 restaurant locations, the company's track record, scale, and diversified investment profile demonstrate an excellent credit background that investors can be comfortable with.



Wendy's®

Company Overview

Company	The Wendy's Company
Year Founded	1969
Sector	Consumer Cyclical
Industry	Quick Service Restaurant
Stock Ticker	NASDAQ: WEN
Global Headquarters	Dublin, OH
Employees	13,300
Company Website	www.Wendys.com
FY 2019 Revenue	\$1.7 billion
FY 2019 Net Income	\$137 million
Year-End 2019 Total Assets	\$5.0 billion
Year-End 2019 Total Liabilities	\$4.5 billion

Chino Hills, CA

Located at the convergence of Orange, Riverside, Los Angeles, and San Bernardino counties, Chino Hills has a strong demographic profile and is attractive to real estate developers that is knows for its high quality of live and abundance of public spaces and parks.



Highly Exclusive, Rapidly Expanding Communities

- Diversified mix of new residences and communities
- It is a highly affluent region, with both strong customers and employees. With a median household income in excess of \$100,000, the city ranks 5th highest earning across the nation. Over 40% of the population has a bachelor's degree and the Chino Valley Unified School District leads the county in API results.



Plentiful Local Amenities & Attractions

PARKS & PUBLIC FACILITIES

Over 3,000- acres of publicly-owned open space, 44 parks and 48 miles of trails.

ATTRACTIONS

Chino Hills and Big League Dreams Chino Hills Sports Park – 33 acre multi-use sports facility
McCoy Equestrian & Recreation Center – 20 acre facility
Chino Hills State Park
Library – James S. Thalman Chino Hills Branch

#38 on the “100 Best Places to Live” – Money Magazine

- The list includes 100 terrific cites that offer what American families care about most – strong job opportunities, great schools, low crime, quality health care, plenty to do and true sense of community.

Superior Market Driving Strong Retail Presence

82,000+

Total Population

\$103,000+

Median Household Income

\$650,000

Median Home Prices

278

Clear Days Per Year



FOREVER 21

JARED[®]
The Galleria Of Jewelry



OLD NAVY J.CREW

BARNES & NOBLE

Property Photography

North Elevation



East Elevation



South Elevation



Northwest Elevation



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