

Wendy's®

NEW 20-YEAR LEASE
SINGLE TENANT NNN INVESTMENT

LEVELLAND, TX



REPRESENTATIVE PHOTO - SUBJECT PROPERTY UNDER CONSTRUCTION

Marcus & Millichap
DUONG INVESTMENT GROUP

OFFERING MEMORANDUM



NEW 20-YEAR LEASE SINGLE TENANT NNN INVESTMENT

LEVELLAND, TX

Offering Memorandum Disclaimer

This Confidential Offering Memorandum ("Memorandum") is being delivered subject to the terms of the Confidentiality Agreement (the "Confidentiality Agreement") signed by you and constitutes part of the Confidential Information (as defined in the Confidentiality Agreement). It is being given to you for the sole purpose of evaluating the possible investment in the subject property mentioned herein ("the "Project"), and is not to be used for any other purpose or made available to any other party without the prior written consent of the Seller of Record ("Managing Member"), or its exclusive broker, Marcus & Millichap ("Exclusive Broker"). This Memorandum was prepared by Exclusive Broker based primarily on information supplied by Managing Member. It contains select information about the Project and the real estate market but does not contain all the information necessary to evaluate the Project. The financial projections contained herein (or in any other Confidential Information) are for general reference only. They are based on assumptions relating to the overall economy and local competition, among other factors. Accordingly, actual results may vary materially from such projections. Various documents have been summarized herein to facilitate your review; these summaries are not intended to be a comprehensive statement of the terms or a legal analysis of such documents. While the information contained in this Memorandum and any other Confidential Information is believed to be reliable, neither Exclusive Broker nor Managing Member guarantees its accuracy or completeness. Because of the foregoing and since the investment in the Project is being offered on an "As Is, Where Is" basis, a prospective investor or other party authorized by the prospective investor to use such material solely to facilitate the prospective purchaser's investigation, must make its independent investigations, projections and conclusions regarding the investment in the Project without reliance on this Memorandum or any other Confidential Information. Although additional Confidential Information, which may include engineering, environmental or other reports, may be provided to qualified parties as the marketing period proceeds, prospective purchasers should seek advice from their own attorneys, accountants, engineers and environmental experts. Neither Exclusive Broker nor Managing Member guarantees the accuracy or completeness of the information contained in this Memorandum or any other Confidential Information provided by Exclusive Broker and Managing Member. Managing Member expressly reserves the right, at its sole discretion, to reject any offer to invest in the Project or to terminate any negotiations with any party at any time with or without written notice. Managing Member shall have no legal commitment or obligations to any prospective investor unless and until a written sale agreement has been fully executed, delivered and approved by Managing Member and any conditions to Managing Member's obligations thereunder have been satisfied or waived. Managing Member has retained Exclusive Broker as its exclusive broker and will be responsible for any commission due to Exclusive Broker in connection with a transaction relating to the Project pursuant to a separate agreement. Exclusive Broker is not authorized to make any representation or agreement on behalf of Managing Member. Each prospective investor will be responsible for any claims for commissions by any other broker in connection with an investment in the Project if such claims arise from acts of such prospective investor or its broker. This Memorandum is the property of Managing Member and all parties approved by Managing Member and may be used only by parties approved by Managing Member. No portion of this Memorandum may be copied or otherwise reproduced or disclosed to anyone except as permitted under the Confidentiality Agreement.

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INVESTMENT HIGHLIGHTS



Wendy's New Global Next Gen Prototype Scheduled to Open January 2025



Brand New, 20-Year Wendy's Sale-Leaseback



Texas is a Tax-Free State

Prime Retail Location

- ▶ Highly-Trafficked Location at the Intersection of College Ave and Walnut St **(Traffic Counts Exceed 15,000 Cars Per Day)**
- ▶ Located up the Street from **South Plains College with Over 10,000 Students**
- ▶ Close Proximity to a Shopping Center Anchored by United Supermarkets
- ▶ Located on Main Retail Corridor in Close Proximity to Several Major Retailers such as Walmart, Starbucks, Pizza Hut, AT&T, HTeaO, O'Reilly Auto Parts, Stripes, Subway, Taco Bell, Tractor Supply, ACE Hardware, and Many More

CONSTRUCTION PROGRESS AS OF NOVEMBER 2024



REPRESENTATIVE PHOTO WENDY'S NEXT GEN PROTOTYPE STORE



Experienced Franchisee

- ▶ **Absolute NNN Property with Zero Landlord Responsibilities** - Ideal for Investors Not Local to the Market
- ▶ **Meritage Hospitality Group is One of the Largest Wendy's Franchisee's in the Country with Over 12,000 Employees and 380 Locations in 16 States**
- ▶ Scheduled 1.5% Annual Rental Increases Throughout the Initial Term Provide for an Excellent Hedge Against Inflation

CONSTRUCTION PROGRESS AS OF NOVEMBER 2024



REPRESENTATIVE PHOTO WENDY'S NEXT GEN PROTOTYPE STORE



TENANT OVERVIEW

Wendy's®

Wendy's® is a globally recognized fast-food restaurant chain known for its square hamburgers, fresh ingredients, and innovative menu offerings. Founded by Dave Thomas in 1969 in Columbus, Ohio, Wendy's quickly grew from a single location to become one of the largest and most beloved fast-food chains in the world.



Today, Wendy's operates thousands of restaurants worldwide, offering a diverse menu that caters to a wide range of tastes and preferences. With a focus on innovation, quality, and customer satisfaction, Wendy's continues to be a leader in the fast-food industry, providing delicious meals and memorable dining experiences for millions of people every day.

Website:	www.wendys.com
# of Locations:	7,000+ (6,500+ U.S. Locations)
Ticker:	NASDAQ: WEN
Revenue:	\$2.181 Billion (2023 / +4.10% YoY)



Meritage Hospitality Group

Frosty, Burgers, and Fries—what is not to love? On November 15, 1969, Dave Thomas opened his very first Wendy's® restaurant in Columbus, Ohio.



In no time, the quick-service chain became known for its square beef patties, made from fresh beef, and iconic Frosty® desserts. There are now more than 6,500 Wendy's® restaurants currently in operation in the United States and 29 countries and U.S. territories worldwide.

Meritage is proud to have recently opened one of the first Global Next Gen Wendy's restaurants in Edmond, OK. Click here to learn more.

The Company is the nation's only publicly traded Wendy's restaurant franchisee and their public filings can be viewed at www.otcmkt.com, under the stock symbol MHGU, or the Company's website.

Website:	www.meritagehospitality.com
Headquarters:	Grand Rapids, MI
Employees:	12,000+
Ticker:	OTCMKTS: MHGU
Revenue:	\$672.49 Million (2023 / +7.42% YoY)

FINANCIAL ANALYSIS

Offering Summary

Property Name	Wendy's
Property Address	301 College Avenue Levelland, TX 79336
Assessor's Parcel Number	TBD (New Construction)
Year Built	2024
Gross Leasable Area (GLA)	±2,385 Square Feet
Lot Size	±0.58 Acres (±25,625 Square Feet)

Pricing

Price	\$2,857,142
Cap Rate	5.25%

Annualized Operating Data

Gross Potential Rent	\$150,000
Total Expenses	Absolute NNN
Net Operating Income	\$150,000

Lease Information


Initial Lease Term	±20 Years
Lease Commencement Date	Close of Escrow
Lease Expiration Date	±20 Years From Close of Escrow
Increases	Annual CPI (1.50% Maximum)
Options	Six, Five-Year
Guarantee	Franchisee (380+ Units)
Lease Type	Absolute NNN
Lease Type Details	Zero Landlord Responsibilities



MARKET OVERVIEW

Aerial Photo - Facing Northwest

±30 Miles via TX-114
to Lubbock, TX

 TX Highway 114
±16,000 Cars Per Day

114
TEXAS

O'Reilly
AUTO PARTS

DOLLAR
GENERAL

SONIC

VALERO

PALMER'S
BEST INN
TEXAS

College Avenue
±15,000 Cars Per Day

Walmart
Save money. Live better.

PIZZA HUT

T-Mobile

Domino's

BRAUM'S

JOHN DEERE

SOUTH PLAINS
IMPLEMENT

Jeep

RAM

DODGE

BUICK

CHEVROLET



Wendy's



 South Plains College
(1 Mile From Subject)
±10,000 Students

PROSPERITY BANK

United
supermarkets

NOTE: Subject property boundaries are estimated and must be independently verified by potential buyers.

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MARKET OVERVIEW

Aerial Photo - Facing Southeast



South Plains College
(1 Mile From Subject)
±10,000 Students



REPRESENTATIVE PHOTO



McDonald's

United
supermarkets

DICKEY'S
BARBECUE PIT

Quick Lane
TIRE & AUTO CENTER

United
EXPRESS

CVS
pharmacy

PROSPERITY BANK



College Avenue
±15,000 Cars Per Day

HOMETOWN
TIRE PROS

PALMER'S
BEST INN
TEXAS

NOTE: Subject property boundaries are estimated and must be independently verified by potential buyers.

MARKET OVERVIEW

Regional Map



±15,000

CARS PER DAY ON COLLEGE AVENUE



±36 MILES

TO LUBBOCK PRESTON SMITH INTERNATIONAL AIRPORT (LBB)



±0.5 MILES

TO TX HIGHWAY 114 (ROUTE TO LUBBOCK, TX)



±25 MILES

VIA TX-114 TO LUBBOCK, TX

MARKET OVERVIEW

The City Of Levelland, TX

Levelland, TX is a growing city located 30 miles west of Lubbock in the South Plains region of Texas. As the county seat of Hockley County, it serves as an important economic and educational hub, anchored by South Plains College which enrolls over 9,000 students annually.



The city benefits from its strategic location within the Lubbock Metropolitan Statistical Area (MSA), which has shown consistent growth with a population over 320,000. Major retailers in the area include Walmart Supercenter, United Supermarkets, and various national fast-food chains, indicating the market's ability to support national tenants. The local economy is diversified through education, agriculture, and energy sectors (particularly oil and wind energy).

Recent developments in the renewable energy sector and ongoing oil/gas operations suggest continued economic stability. The city's Economic Development Corporation actively works to attract new businesses through various incentive programs, with retail as a target sector for development. The stable student population, diverse economic base, and strategic location within the Lubbock MSA present opportunities for retail investment.

Source - The Richmond, MI Website: <https://www.cityofrichmond.net/182/City-History>

City Highlights

- ▶ **South Plains College:** A major driver of local activity, attracting students, faculty, and visitors, which supports retail and service industries in the area.
- ▶ **Proximity to Lubbock:** Located just 30 miles west of Lubbock, a regional economic hub with cultural attractions such as the Buddy Holly Center, Texas Tech University, and a dynamic downtown scene.
- ▶ **Outdoor Activities:** The South Plains region offers opportunities for hunting, fishing, hiking, and other recreational pursuits, appealing to both locals and visitors.
- ▶ **State Highway 114 Corridor:** Levelland benefits from its location on a key regional thoroughfare, connecting it to Lubbock and surrounding communities, driving consistent traffic and economic activity.
- ▶ **Agriculture and Energy Economy:** A strong foundation in cotton farming and oil production supports the local economy and creates demand for related businesses.
- ▶ **"City of Mosaics":** Levelland is known for its public art installations, enhancing its charm and appeal for residents and visitors alike.
- ▶ **Lubbock MSA Growth:** Spillover from the rapidly growing Lubbock metro area contributes to Levelland's potential as a retail and service destination for the region.

Mallet Events & Rodeo Center



Levelland, TX Water Tower



South Plains College - Levelland



MARKET OVERVIEW

Demographic Summary

Population	1-Mile	3-Miles	5-Miles
2028 Population	6,078	13,741	14,166
2023 Population	6,067	13,717	14,441
2020 Population	6,036	13,849	14,575
2010 Population	6,637	14,870	15,605
2023 Daytime Population	8,789	18,292	18,835

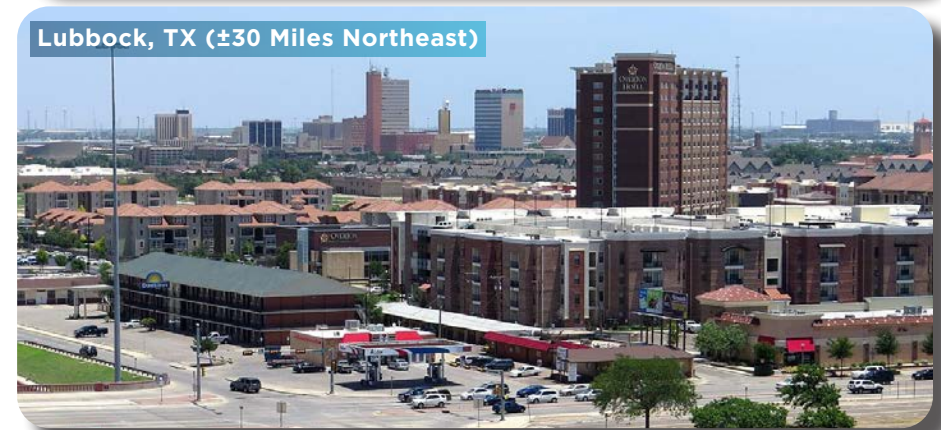
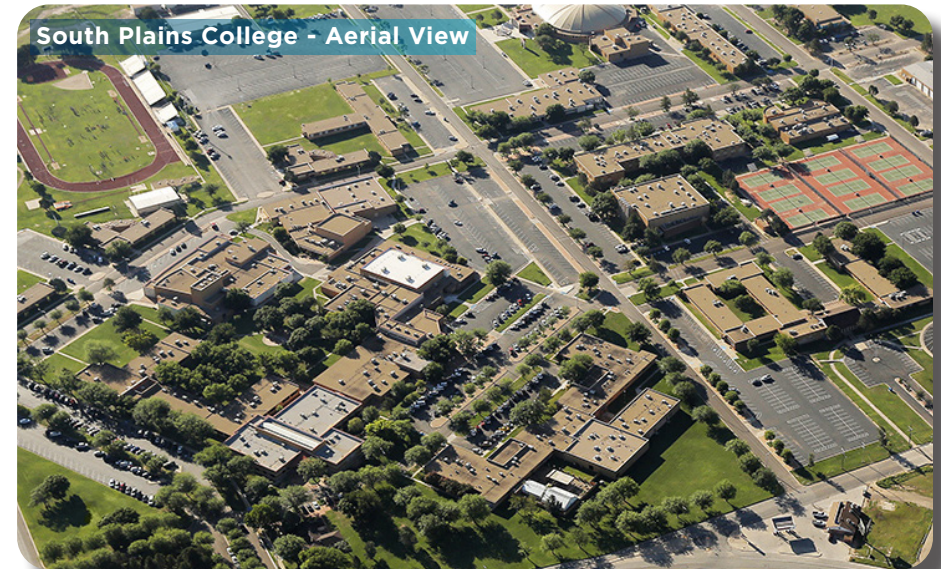
Households/Educational Attainment	1-Mile	3-Miles	5-Miles
2028 Households	2,286	5,179	5,501
2023 Households	2,275	5,152	5,473
2020 Households	2,260	5,118	5,437
2010 Households	2,330	5,331	5,648
High School Graduate (12)	27.19%	26.02%	26.15%
Some College (13-15)	25.22%	25.07%	25.02%
Associate Degree	10.23%	10.41%	10.44%
Bachelor's Degree	9.00%	11.94%	11.94%
Graduate Degree	3.40%	4.77%	4.70%



\$67,669

2023 AVERAGE HOUSEHOLD INCOME
(5-MILE RADIUS)

Household Income	1-Mile	3-Miles	5-Miles
Average Household Income	\$60,150	\$67,079	\$67,669
Median Household Income	\$46,769	\$53,570	\$53,928





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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Licensed Broker/Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
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Designated Broker of Firm	License No.	Email	Phone
<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Licensed Supervisor of Sales Agent/Associate	License No.	Email	Phone
<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Sales Agent/Associate’s Name	License No.	Email	Phone

Regulated by the Texas Real Estate Commission

Buyer/Tenant/Seller/Landlord’s Initials _____ Date _____

Information available at www.trec.texas.gov
IABS 1-0



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SINGLE TENANT NNN INVESTMENT
LEVELLAND, TX**

EXCLUSIVELY LISTED BY

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REPRESENTATIVE PHOTO

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