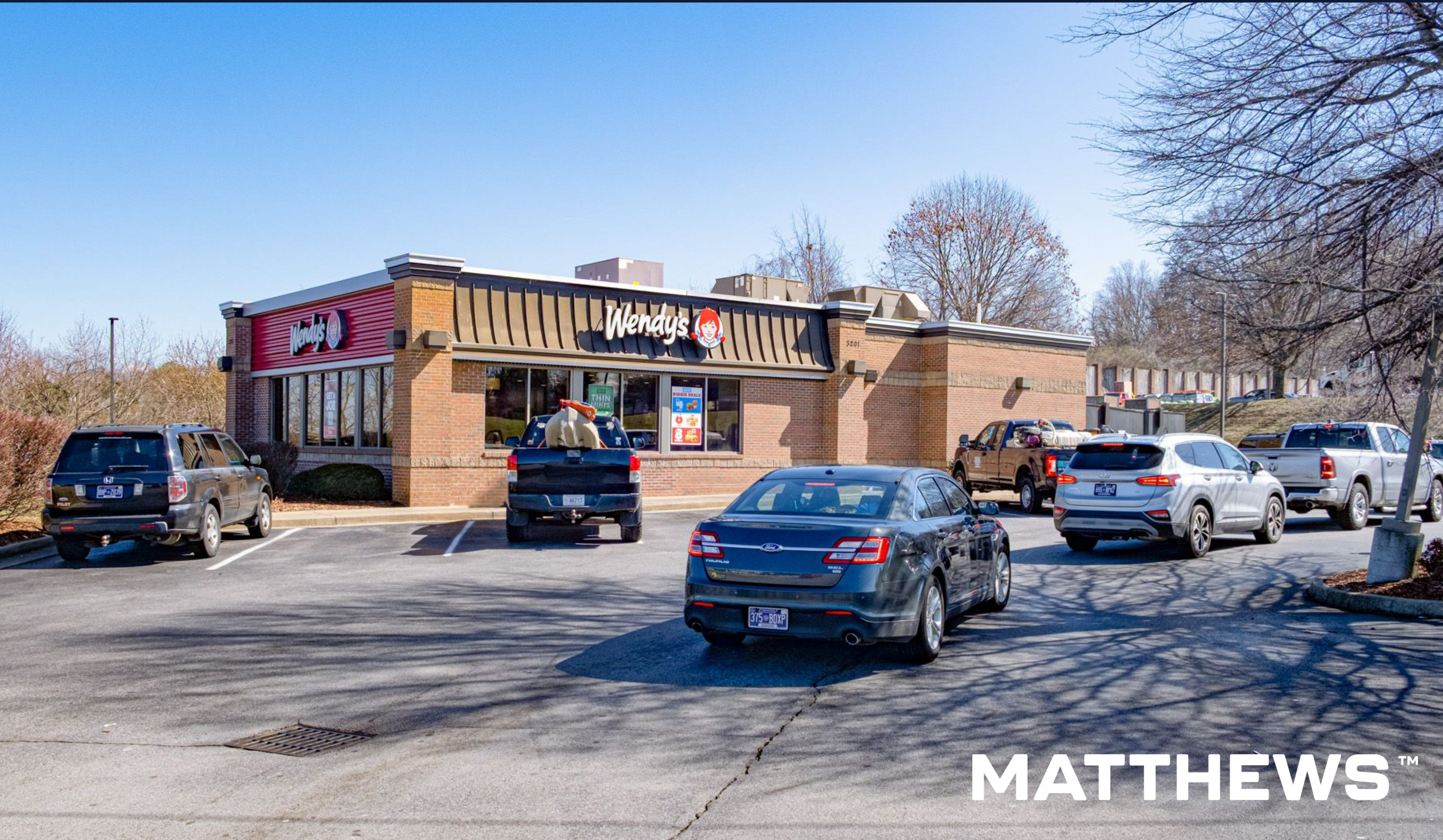
Wendy's

3201 PEOPLES ST

Johnson City, TN 37604

Prime Retail Corridor
Minutes from University
Offering Memorandum



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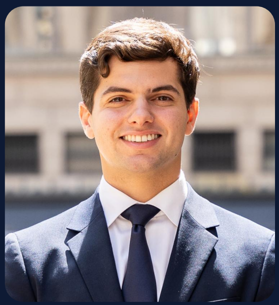

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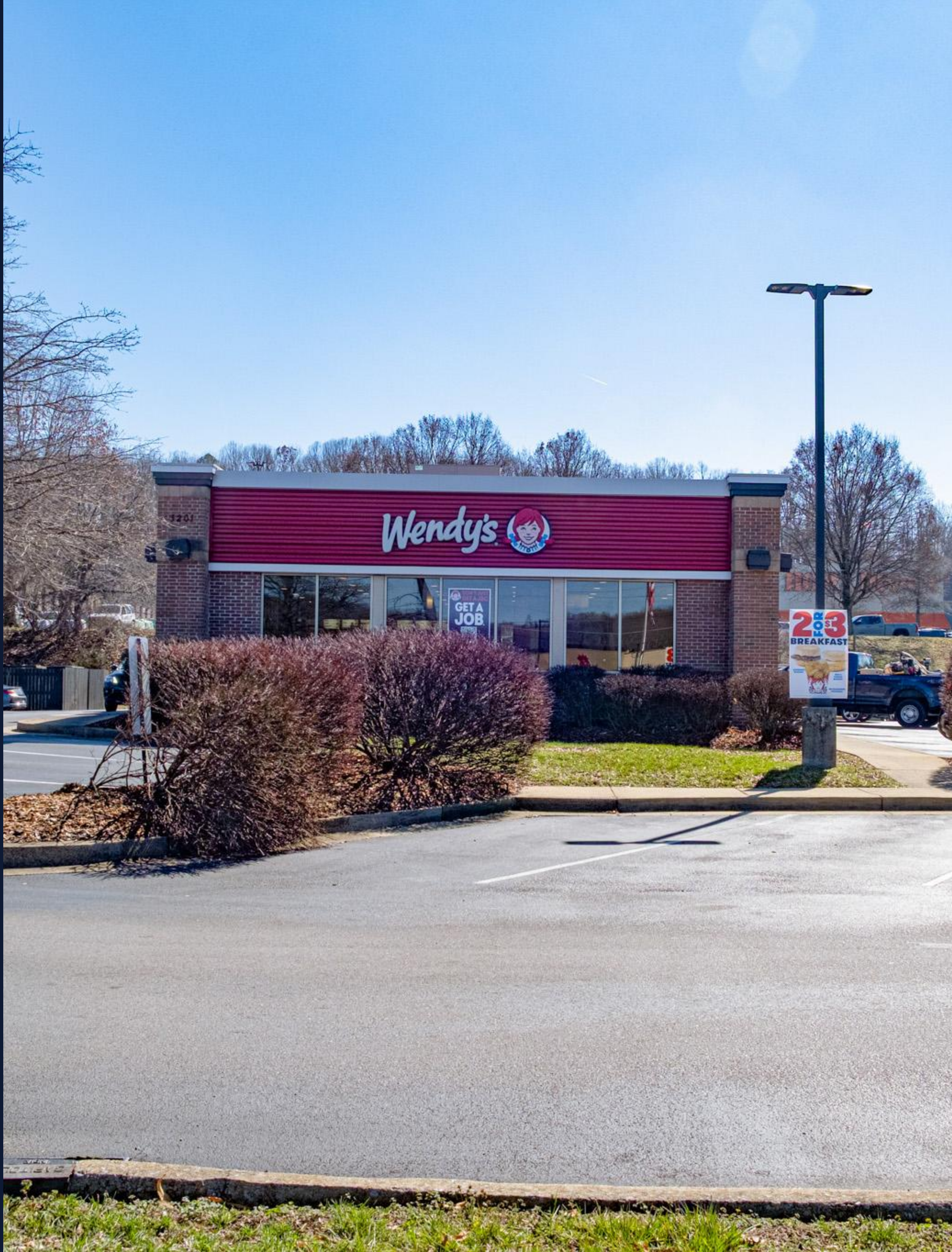

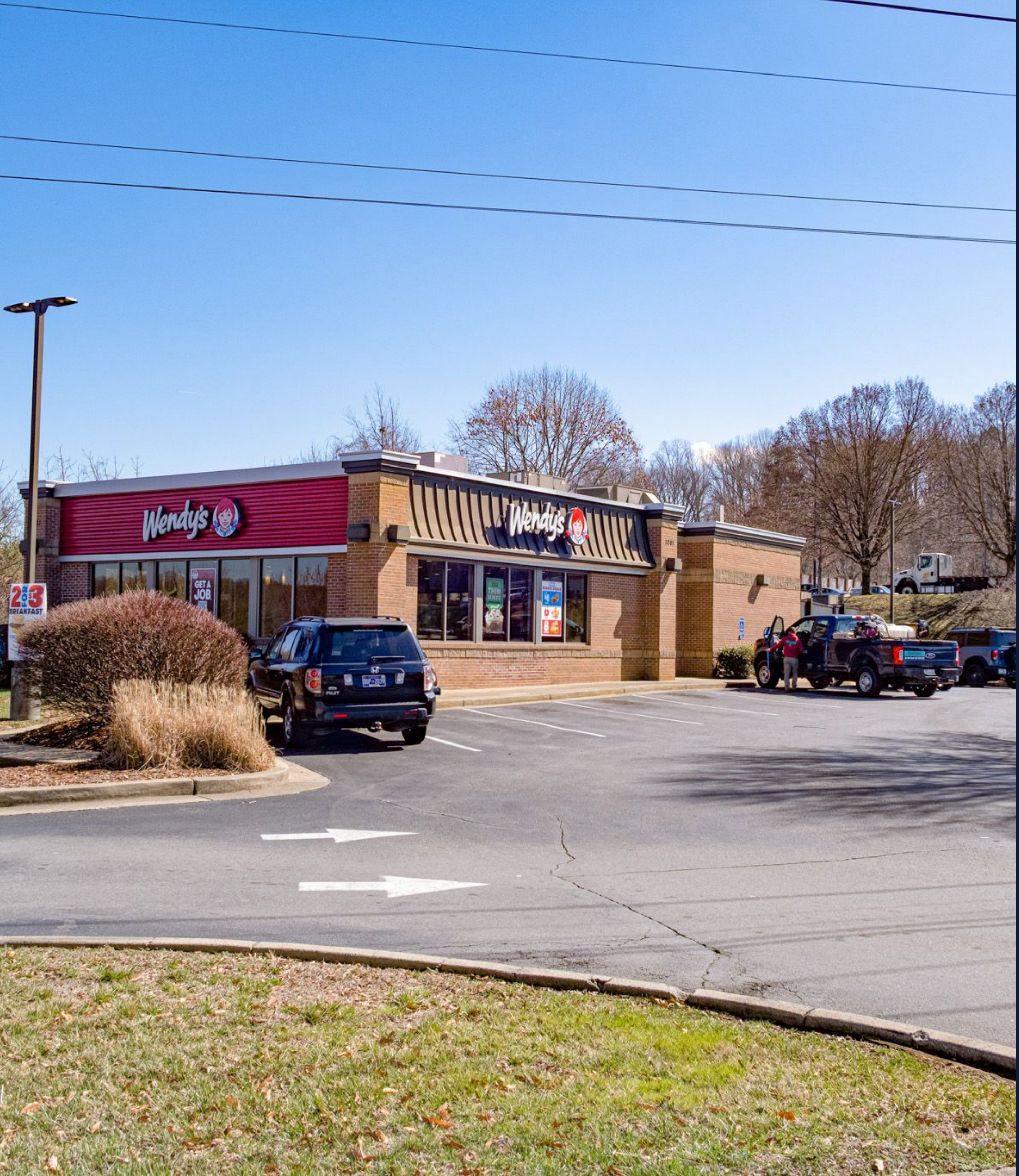

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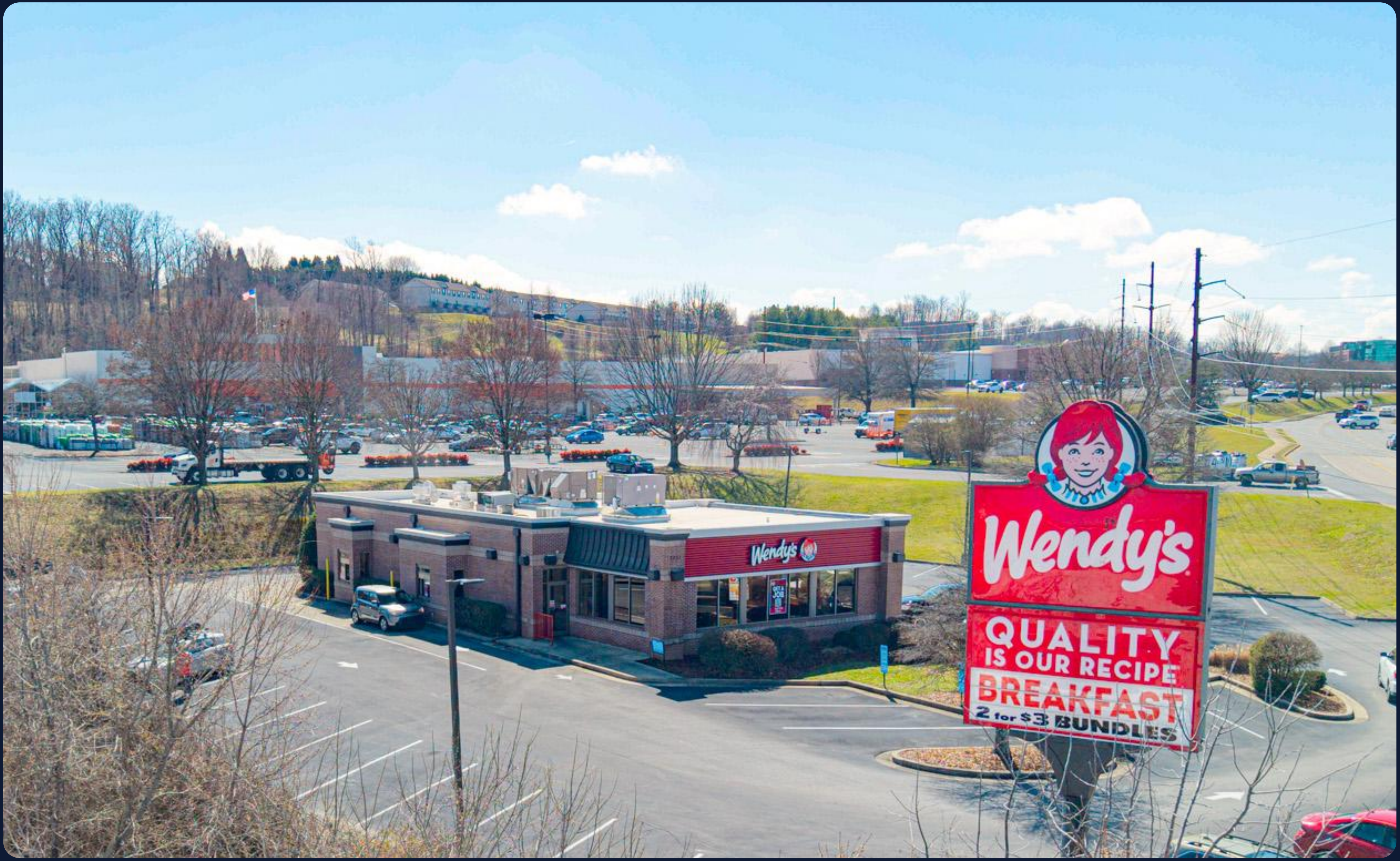
PROPERTY OVERVIEW

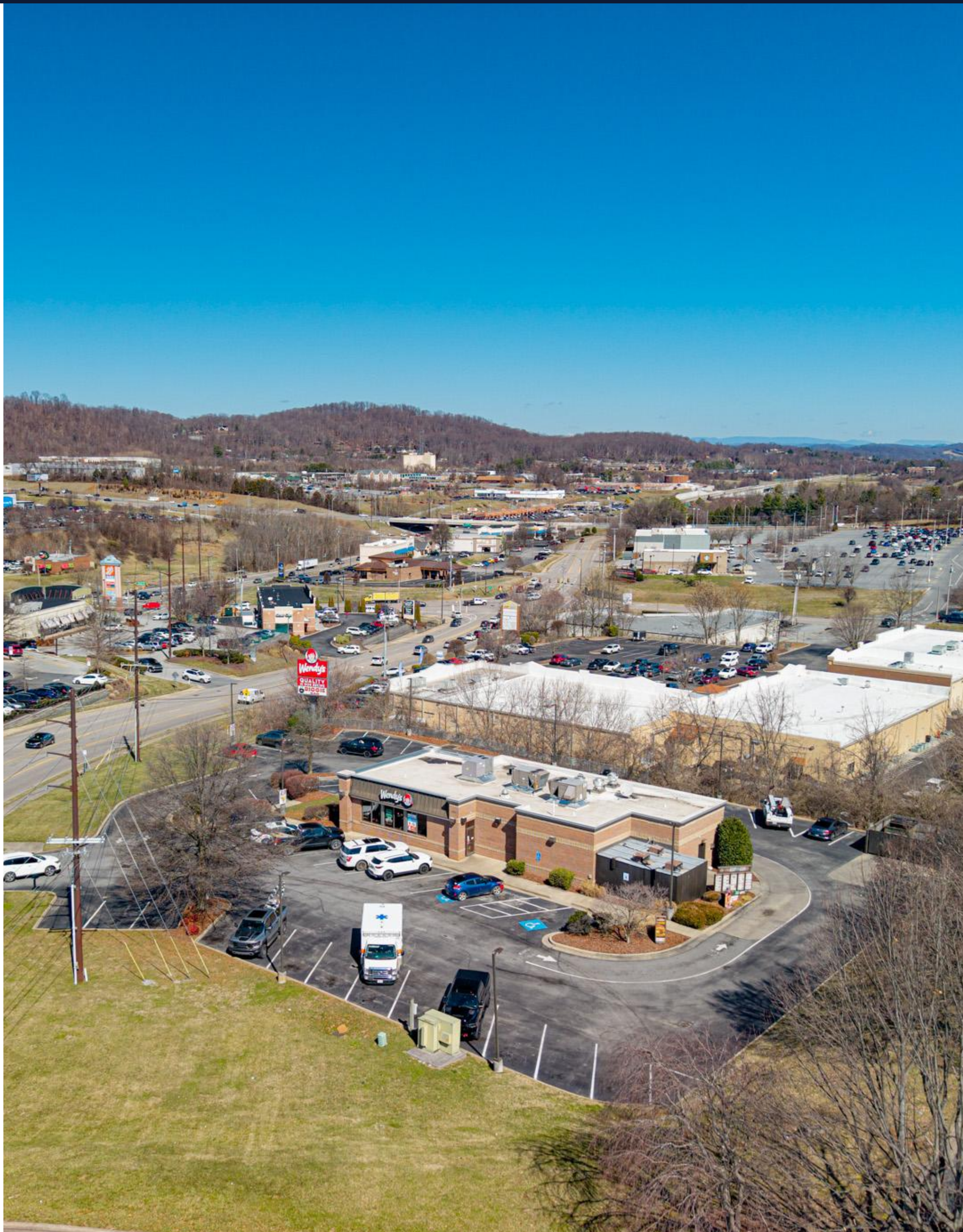
Wendy's
3201 Peoples St, Johnson City, TN 37604



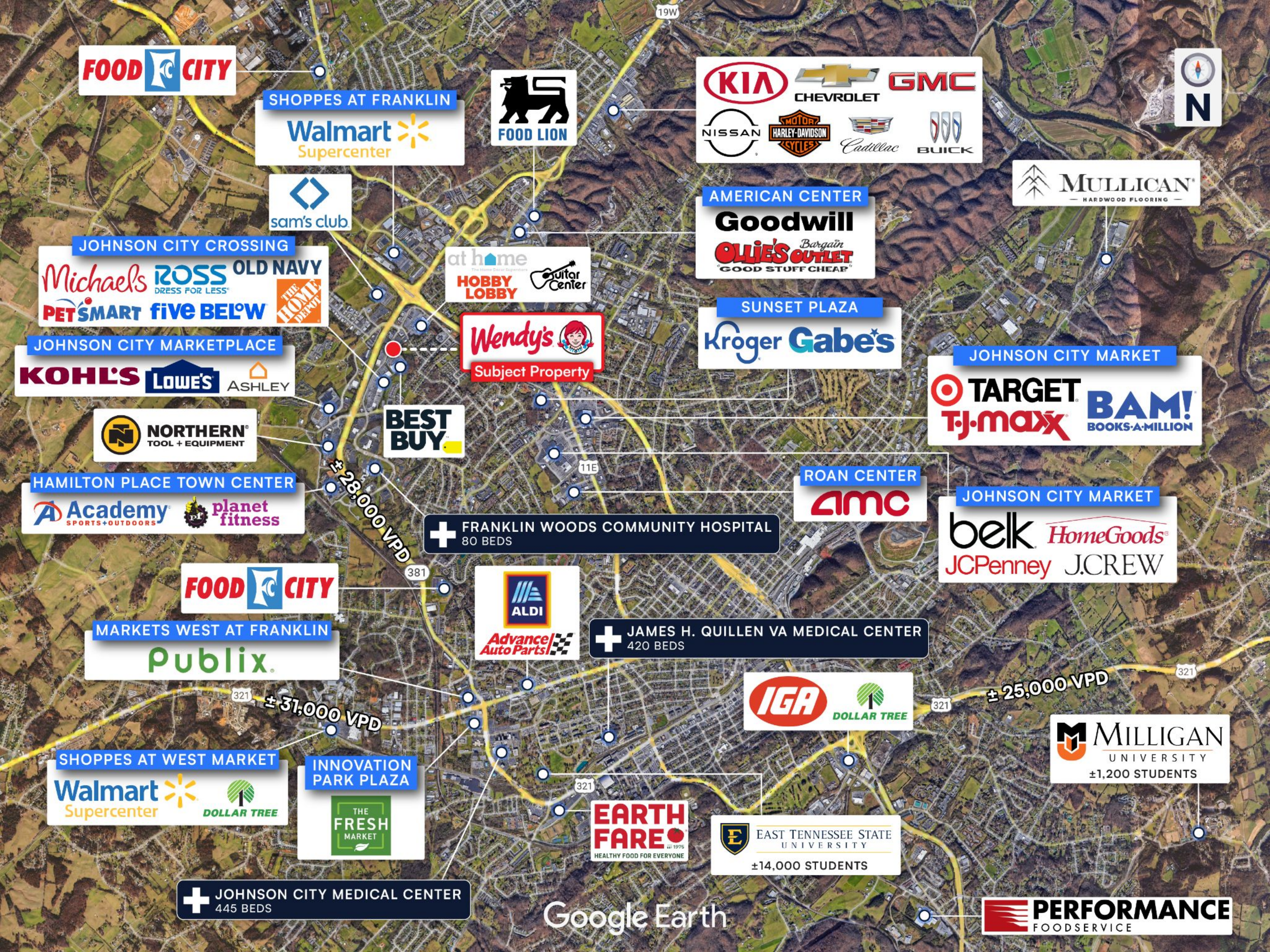
INVESTMENT HIGHLIGHTS

Property Highlights

- **Long-Term Absolute NNN Lease** – The property is secured by an Absolute Triple-Net (NNN) lease, providing passive ownership.
- **24+ Years of Remaining Term** – The lease extends through December 31, 2050, delivering durable, long-term income stability.
- **Institutional Scale Franchisee** – Recently assigned to a 140+ unit Wendy’s operator with over $300M in system-wide revenue, representing a significant upgrade in tenant credit and operational scale.
- **High Foot Traffic -** Ranks in the top 13% in terms of foot traffic when compared to all Wendy's nationally, according to Alpha Maps.
- **Structured Rental Increases** – Base rent increases 7.5% every five years throughout the initial term and across all four 5-year renewal options, ensuring consistent income growth and inflation protection.
- **Attractive In-Place Yield with Upside** – Offered at a 5.50% cap rate on $139,750 NOI, the investment benefits from contractual rent escalations that drive yield above 7% during the initial term.
- **High-Traffic Retail Corridor** – Strategically positioned just off I-26 / U.S. Route 23, the site benefits from more than 184,000 combined vehicles per day along surrounding roadways.
- **Prime Retail Location** – Located 2 miles from The Mall at Johnson City, 4 miles from East Tennessee State University, and 3.5 miles from Johnson City Medical Center, the property is surrounded by strong retail, education, and healthcare drivers.
- **Strong Area Demographics** – Average household income exceeds $104,801 within a 1-mile radius, supported by steady projected population growth.
- **Experienced Regional Operator** – Operated by Tri-Cities Restaurant Group, LLC, an established franchisee with approximately 17 Wendy’s locations, serving as lease guarantor and providing seasoned operational expertise.
- **Modern Construction & Recent Renovation** – Originally built in 2010 and renovated in 2020, the property offers modern improvements and limited near-term capital expenditure requirements.



N
sam's club
Walmart
Supercenter
THE HONEY BAKED Ham CO
EST 1957
OUTBACK
STEAKHOUSE
McDonald's
at home
The Home Décor Superstore
HOBBY LOBBY
CHUCK E. CHEESE
BARNES & NOBLE
26
INTERSTATE
± 64,200 VPD
Cheddar's
SCRATCH KITCHEN
Panera
BREAD
THE VITAMIN SHOPPE
Great Clips
DAVID'S BRIDAL
381
Chick-fil-A
menchie's
frozen yogurt
± 28,000 VPD
Peoples St
CLUB PILATES
IHOP
Wendy's
Subject Property
THE HOME DEPOT



19W
FOOD CITY
SHOPPES AT FRANKLIN
Walmart Supercenter
FOOD LION
KIA
CHEVROLET
GMC
NISSAN
HARLEY-DAVIDSON MOTOR CYCLES
Cadillac
BUICK
N
MULLICAN HARDWOOD FLOORING
sam's club
AMERICAN CENTER
Goodwill
Ollie's Bargain Outlet "GOOD STUFF CHEAP"
JOHNSON CITY CROSSING
Michaels
ROSS DRESS FOR LESS
OLD NAVY
PETSMART
five BELOW
THE HOME DEPOT
at home
HOBBY LOBBY
Guitar Center
Wendy's
Subject Property
SUNSET PLAZA
Kroger
Gabe's
JOHNSON CITY MARKETPLACE
KOHL'S
LOWE'S
ASHLEY
JOHNSON CITY MARKET
TARGET
T·J·maxx
BAM! BOOKS-A-MILLION
BEST BUY
NORTHERN TOOL + EQUIPMENT
11E
± 28,000 VPD
ROAN CENTER
amc
HAMILTON PLACE TOWN CENTER
Academy SPORTS+OUTDOORS
planet fitness
FRANKLIN WOODS COMMUNITY HOSPITAL
80 BEDS
JOHNSON CITY MARKET
belk
HomeGoods
JCPenney
J.CREW
381
FOOD CITY
ALDI
Advance Auto Parts
JAMES H. QUILLEN VA MEDICAL CENTER
420 BEDS
MARKETS WEST AT FRANKLIN
Publix
321
± 31,000 VPD
IGA
DOLLAR TREE
± 25,000 VPD
321
321
MILLIGAN UNIVERSITY
±1,200 STUDENTS
SHOPPES AT WEST MARKET
Walmart Supercenter
DOLLAR TREE
INNOVATION PARK PLAZA
THE FRESH MARKET
321
EARTH FARE
HEALTHY FOOD FOR EVERYONE
EAST TENNESSEE STATE UNIVERSITY
±14,000 STUDENTS
JOHNSON CITY MEDICAL CENTER
445 BEDS
Google Earth
PERFORMANCE FOODSERVICE

3201 Peoples St
Johnson City, TN 37604

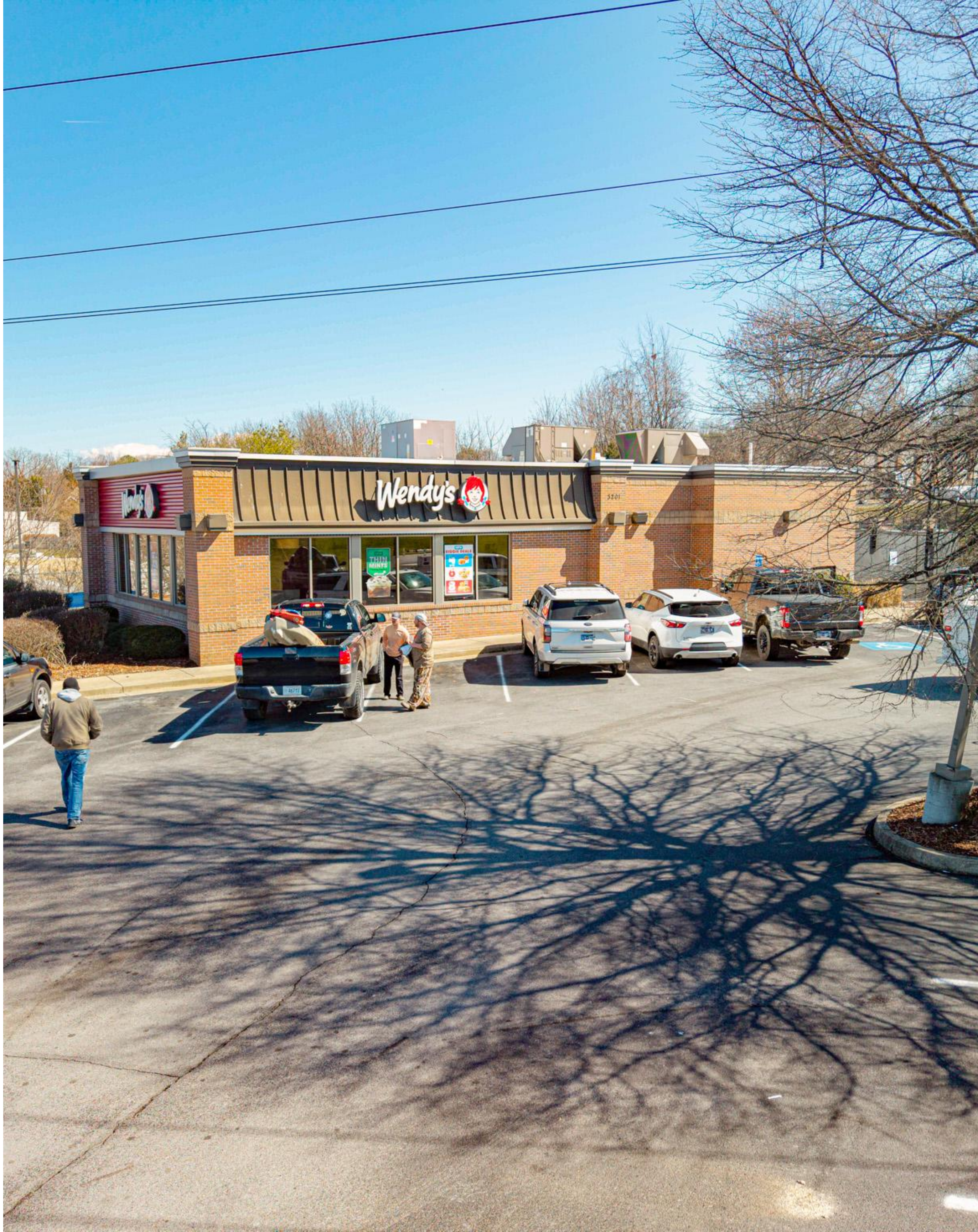
±3,120 SF
GLA

2010
Year Built

±28,000
Vehicles Per Day

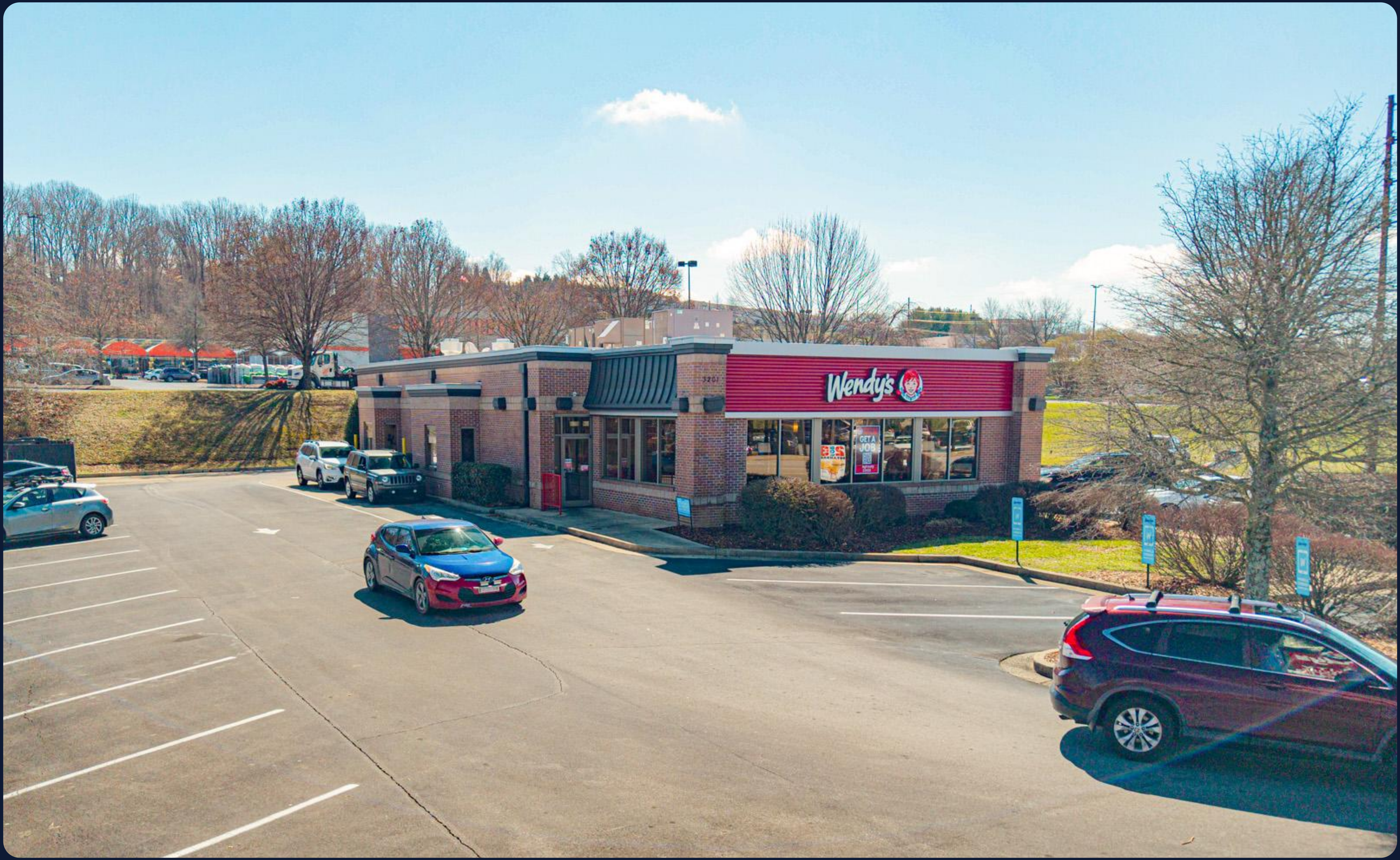
NNN
Lease Type

24 Years
Term Remaining



FINANCIAL OVERVIEW

Wendy's
3201 Peoples St, Johnson City, TN 37604



FINANCIAL SUMMARY

$2,540,909	5.50%	24 Years	±1.85 AC
List Price	Cap Rate	Term Remaining	Lot Size

Property Details

Tenant Name	Wendy's
Lease Guarantor	M&J Restaurants, Inc
Lease Type	NNN
Original Lease Term	31
Lease Commencement Date	11/1/2019
Lease Expiration Date	12/31/2050
Term Remaining on Lease	±24 Years
Options	Four, 5-Year Options
Increases	7.5% Every 5 Years

Monthly Rent	Annual Rent	Cap Rate
$11,646	$139,750	5.50%

Scheduled Rent Growth

Current Rent (2026–2030): $139,750 (5.50% Cap)

2031–2035: **$150,231 (5.91% Cap)**

2036–2040: **$161,499 (6.36% Cap)**

2041–2045: **$173,611 (6.83% Cap)**

2046–2050: **$186,632 (7.35% Cap)**

MARKET OVERVIEW

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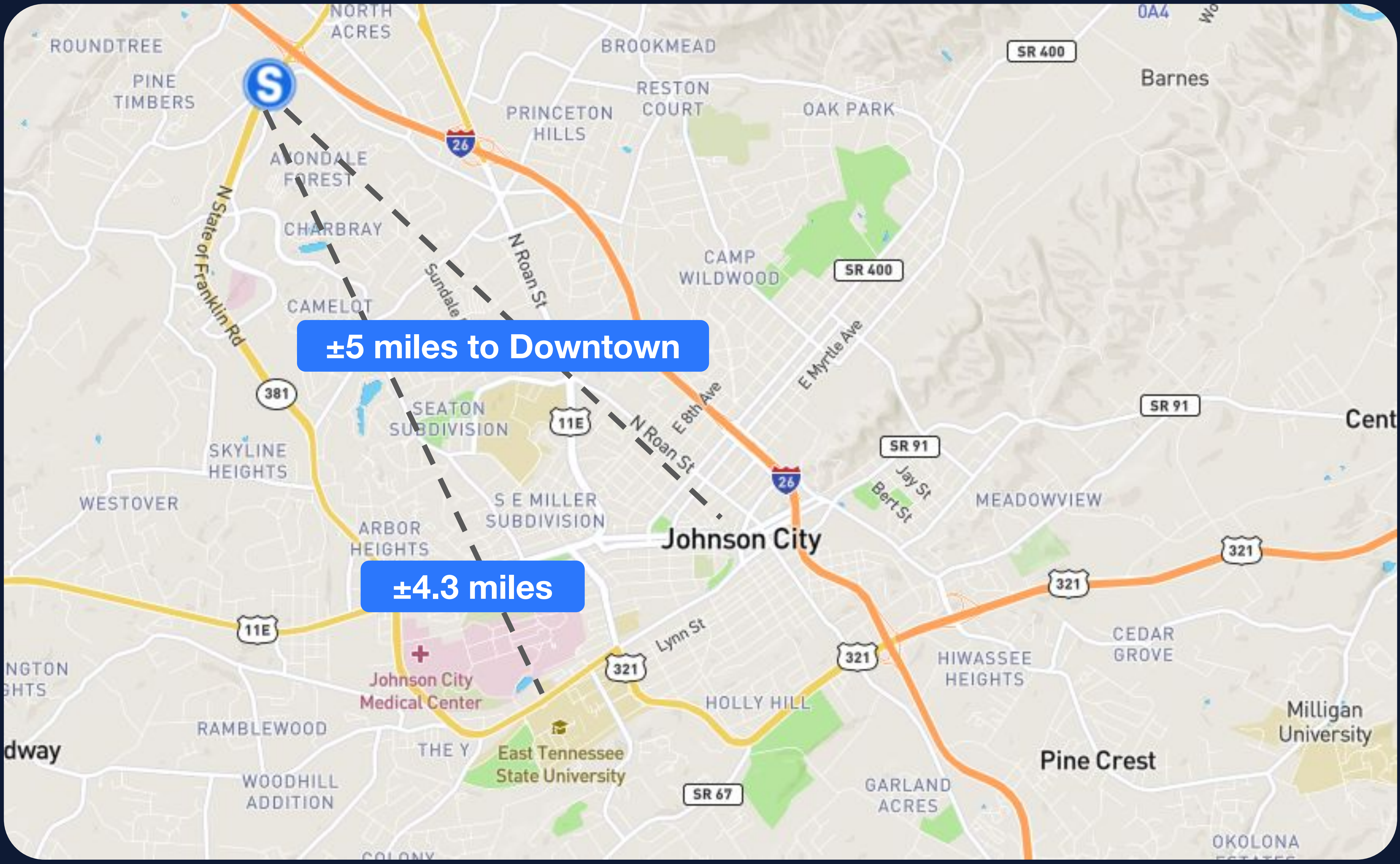

JOHNSON CITY , TN

Local Market Overview

Johnson City, Tennessee continues to demonstrate steady growth and resilience, supported by a diverse economic base, expanding healthcare and education sectors, and sustained residential development. Positioned in the heart of the Tri-Cities region, Johnson City benefits from strong regional connectivity, quality-of-life appeal, and a business-friendly environment that attracts both new residents and employers.

The local economy is anchored by major institutions including East Tennessee State University and Ballad Health, which provide employment stability and consistent demand for housing, retail, and services. Ongoing infrastructure improvements and commercial development projects are further strengthening the area's long-term outlook. Retail corridors along North Roan Street and the revitalized downtown district continue to experience investment and increased consumer activity.

Population	3-Mile	5-Mile	10-Mile
Five-Year Projection	35,588	84,826	171,715
Current Year Estimate	34,599	83,036	167,300
2020 Census	33,019	79,282	159,852
Growth Current Year-Five-Year	2.86%	2.16%	2.64%
Growth 2020-Current Year	4.79%	4.74%	4.66%
Households	**3-Mile**	**5-Mile**	**10-Mile**
Five-Year Projection	16,601	37,234	74,687
Current Year Estimate	15,798	35,684	71,669
2020 Census	14,652	33,425	67,172
Growth Current Year-Five-Year	5.08%	4.34%	4.21%
Growth 2020-Current Year	7.82%	6.76%	6.69%
Income	**3-Mile**	**5-Mile**	**10-Mile**
Average Household Income	$104,801	$95,185	$94,522

TENANT OVERVIEW

Year Founded
1969

Headquarters
Dublin, Ohio

Ownership Status
Public

Employees
200,000

Locations
7,000

Credit Rating
BB+ (S&P)

Annual Revenue
$2.2 Billion

Tenant Overview

Wendy's is one of the largest quick-service restaurant chains in the world, known for its made-to-order square hamburgers, fresh ingredients, and signature Frosty desserts. Headquartered in Dublin, Ohio, the company operates and franchises thousands of restaurants across the United States and internationally.

Wendy's focuses on quality, innovation, and customer satisfaction, maintaining a strong and consistent brand presence in the fast-food industry.

Why Invest in Wendy's?

- **Financial Resilience:** Steady revenue growth and strong profitability across company-owned and franchised restaurants, with annual systemwide sales exceeding $12 billion.
- **Extensive Operational Scale:** Over 7,000 restaurants worldwide, supported by a proven franchise model that drives efficiency and expansion.
- **Credit Stability:** Solid BB+ S&P rating, reflecting consistent cash flow and improving leverage metrics.
- **Growth Through Innovation:** Expanding with new "Global Next Gen" restaurant designs focused on drive-thru and digital ordering efficiency.
- **Strong Brand Position:** A trusted quick-service leader known for quality, innovation, and value, strengthened by digital and delivery partnerships.

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This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at 3201 Peoples St, Johnson City, TN, 37604 ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews™. The material and information in the Offering Memorandum is unverified. Matthews™. has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

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2. You will hold it and treat it in the strictest of confidence; and

3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

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If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Owner or Matthews™. or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date of this Offering Memorandum.

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