

INVESTMENT OFFERING

Freddy's Drive-Thru

12380 Pearl Road
Strongsville (Cleveland), OH 44136



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DISCLAIMER

This Marketing Package was prepared by Wertz Real Estate Investment Services and Richard A Herman, Capitol Real Estate Advisors, Inc. ("Broker") solely for the use of prospective buyer considering the purchase of the Property within (the "Property") and is not to be used for any other purpose. Neither the Broker nor the Owner of the Property make any representation or warranty, expressed or implied, as to the completeness or accuracy of the material contained in the Marketing Package.

Prospective purchasers of the Property are advised that changes may have occurred in the physical or financial condition of the Property since the time this Marketing Package or the financial statements herein were prepared. Prospective purchasers acknowledge that this Marketing Package and the financial statements herein were prepared by Broker, and not by Owner, and are based upon assumptions or events beyond the control of both Broker and Owner, and therefore may be subject to variation. Other than current and historical revenue and operating expense figures for the Property, Owner has not, and will not, provide Broker or any prospective purchaser with any projections regarding the Property. Prospective purchasers of the Property are advised and encouraged to conduct their own comprehensive review and analysis of the Property.

The Marketing Package is a solicitation of interest only and is not an offer to sell the Property. The Owner and Broker expressly reserve the right, at their sole discretion, to reject any or all expression of interest or offers to purchase the Property and expressly reserve the right, at their sole discretion, to terminate discussions with any entity at any time with or without notice.

The Owner shall have no legal commitments or obligations to any entity reviewing the Marketing Package or making an offer to purchase the Property unless and until such offer is approved by Owner pursuant to its Governing Authorities and the signature of the Owner or Owner's representative is affixed to a Real Estate Purchase Agreement prepared by Owner.

This Marketing Package is confidential. By accepting the Marketing Package, you agree (i) that you will hold and treat the Marketing Package and its contents in the strictest confidence, (ii) that you will not photocopy or duplicate any part of the Marketing Package, (iii) that you will not disclose the Marketing Package or any of its contents to any entity without the prior authorization of the Owner, and (iv) that you will not use the Marketing Package in any fashion or manner detrimental to the Owner or Broker.

Broker has obtained the information contained in this Marketing Package from sources we believe to be reliable. However, we have not verified its accuracy and make no guarantee, warranty or representation about it. It is submitted subject to the possibility of errors, omissions, changes of price, rental or other conditions, prior sale, lease or financing, or withdrawal without notice. We include projections, opinions, assumptions, or estimates for example only, and they may not represent current or future performance of the Property. You and your tax and legal advisors should conduct your own investigations of the physical condition of the Property and of the financial performance of its future Ownerships.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT BROKER FOR MORE DETAILS.

For more information contact:

John R. Wertz
Tel: (619) 218-6427
jwertz@wertzrealestate.com
CA Lic No. 01448585

Greg LaBarre
Tel: (619) 997-1242
glabarre@wertzrealestate.com
CA Lic. No. 02069301

Listed with Ohio broker
Richard A Herman, Capitol
Real Estate Advisors, Inc.
License REC.2002002352

WERTZ
REAL ESTATE INVESTMENT SERVICES

FINANCIAL OVERVIEW

OFFERING SUMMARY

PRICE	\$2,727,272
DOWN PAYMENT	100% / \$2,727,272
RENTABLE SQUARE FEET	3,145 SF
CAP RATE	5.50%
YEAR BUILT	2022
LOT SIZE	1.07 +/- Acres
TYPE OF OWNERSHIP	Fee Simple

TENANT SUMMARY

TENANT TRADE NAME	Freddy's Frozen Custard & Steakburgers
OWNERSHIP	Private
LEASE GUARANTOR	Franchisee
LEASE TYPE	Absolute NNN
ROOF & STRUCTURE	Tenant Responsible
ORIGINAL LEASE TERM	Twenty (20) Years
RENT COMMENCEMENT DATE	Close of Escrow
LEASE EXPIRATION DATE	20-Years from Close of Escrow
TERM REMAINING ON LEASE	Twenty (20) Years
INCREASES	7.50% Every 5-Years
OPTIONS TO RENEW	(3) 5-Year Options
RIGHT OF FIRST REFUSAL	No



ANNUALIZED OPERATING DATA

RENT INCREASES	ANNUAL RENT	MONTHLY RENT
Years 1-5	\$150,000.00	\$12,500.00
Years 6-10	\$161,250.00	\$13,437.50
Years 11-15	\$173,343.75	\$14,445.31
Years 16-20 (Option 1)	\$186,344.53	\$15,528.71
Years 21-25 (Option 2)	\$200,320.37	\$16,693.36
Years 26-30 (Option 3)	\$215,344.39	\$17,945.36

BASE RENT		\$150,000.00
NET OPERATING INCOME		\$150,000.00
TOTAL RETURN YR-1	5.50%	\$150,000.00

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TENANT OVERVIEW



FREDDY'S FROZEN CUSTARD & STEAKBURGERS

Co-founded in 2002 by Scott Redler and Bill, Randy and Freddy Simon, Freddy's opened its first location in Wichita, Kansas, offering a unique combination of cooked-to-order Steakburgers, Vienna® Beef hot dogs, shoestring fries and frozen custard that is freshly churned throughout the day. The brand was recently acquired by private equity firm Thompson Street Capital Partners in March of 2021. Today, Freddy's has grown to more than 440 locations that serve 35 states across the nation. Freddy's has been named No. 1 on Forbes Best Franchises to Buy, The 2021 Restaurant Business 10 Fastest Growing Chains in the U.S. List, Entrepreneur's 2021 Franchise 500 top 100, Franchise Times magazine's 2020 Fast & Serious top 40 and many other nationwide and local industry awards.

ABOUT THE OPERATOR

DJ Hospitality Group is a premier hospitality group owning and operating Freddy's locations throughout Ohio. With a franchise agreement in place that includes rights to major markets such as Cleveland, Dayton, and Cincinnati metropolitan areas, DJ Hospitality is one of the strongest franchisees in the Freddy's system and will also become one of the largest in the years to come. Additionally, more locations in the near future will be added to the Columbus and Northern Kentucky markets. "With our goal of bringing Freddy's award-winning made-to-order signature steakburgers, Chicago-Style hot dogs, and custard to a community near you, we strive to do this with exceptional customer service and quality." – DJ Hospitality Group

PROPERTY NAME	Freddy's Frozen Custard & Steakburgers
PROPERTY ADDRESS	12380 Pearl Road Strongsville (Cleveland), OH 44136
PROPERTY TYPE	Net Lease Quick Service Restaurant
PARENT COMPANY	Thompson Street Capital Partners
OWNERSHIP	Private
LEASE GUARANTOR	Franchisee
TERM REMAINING ON LEASE	Twenty (20) Years
OPTIONS TO RENEW	(3) 5-Year Options
LEASE TYPE	Absolute NNN
LANDLORD RESPONSIBILITY	None
INCREASES	7.5% Every 5-Years
YEAR 1 NET OPERATING INCOME	\$150,000.00
NO. OF LOCATIONS	440+
HEADQUARTERED	Wichita, KS
WEBSITE	www.freddysusa.com
YEARS IN THE BUSINESS	Since 2002

EXECUTIVE SUMMARY

INVESTMENT OVERVIEW

The subject property is a newly constructed Freddy's Frozen Custard & Steakburgers drive-thru located in Strongsville (Cleveland), OH. The brand new 20-year absolute NNN lease includes 7.50% rental increases every 5-years in the primary term and in the (3) five-year option periods. The property is located in a dense retail trade area immediately off interstate 71 (94,000 VPD) and Royalton Road (26,000 VPD). The site benefits from its excellent access and visibility along one of the most heavily trafficked thoroughfares in Strongsville (Pearl Road) which boasts over 20,000 vehicles per day. Within 5-miles of the subject property there are 140,000 residents with an average household income exceeding \$102,000 annually.

National retailers in the immediate vicinity include KFC, Jersey Mikes, CVS Pharmacy, GameStop, Dunkin' Donuts, Pizza Hut, Hobby Lobby, ALDI, McDonald's, Rite Aid, Harbor Freight, Big Lots, Five Guys, Kohl's, Longhorn Steakhouse, Macy's, JC Penny, Firestone, Arby's, Wendy's, Taco Bell, US Bank, Raising Canes, Advance Auto Parts, Costco, Petco, Verizon, Target, TJ Maxx, Starbucks, and many more. This is an excellent opportunity for an investor to purchase a stable, long-term investment with zero landlord responsibility.



INVESTMENT HIGHLIGHTS

- Brand New 2022 Construction w/ Latest Drive-Thru Prototype
- 20-Year Abs NNN Lease w/ 7.50% Increases Every 5-Years
- 140,000 Residents within 5-Miles of Subject Property
- Located in Dense Retail Trade Area Immediately off Interstate-71 & Royalton Road (Over 120,000 Vehicles Per Day)
- Traffic Counts Exceed 20,000 Vehicles Per Day on Pearl Road
- Average Household Income Exceeds \$102,000 (5-Mile Radius)



AERIAL PHOTO



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SUBJECT PROPERTY



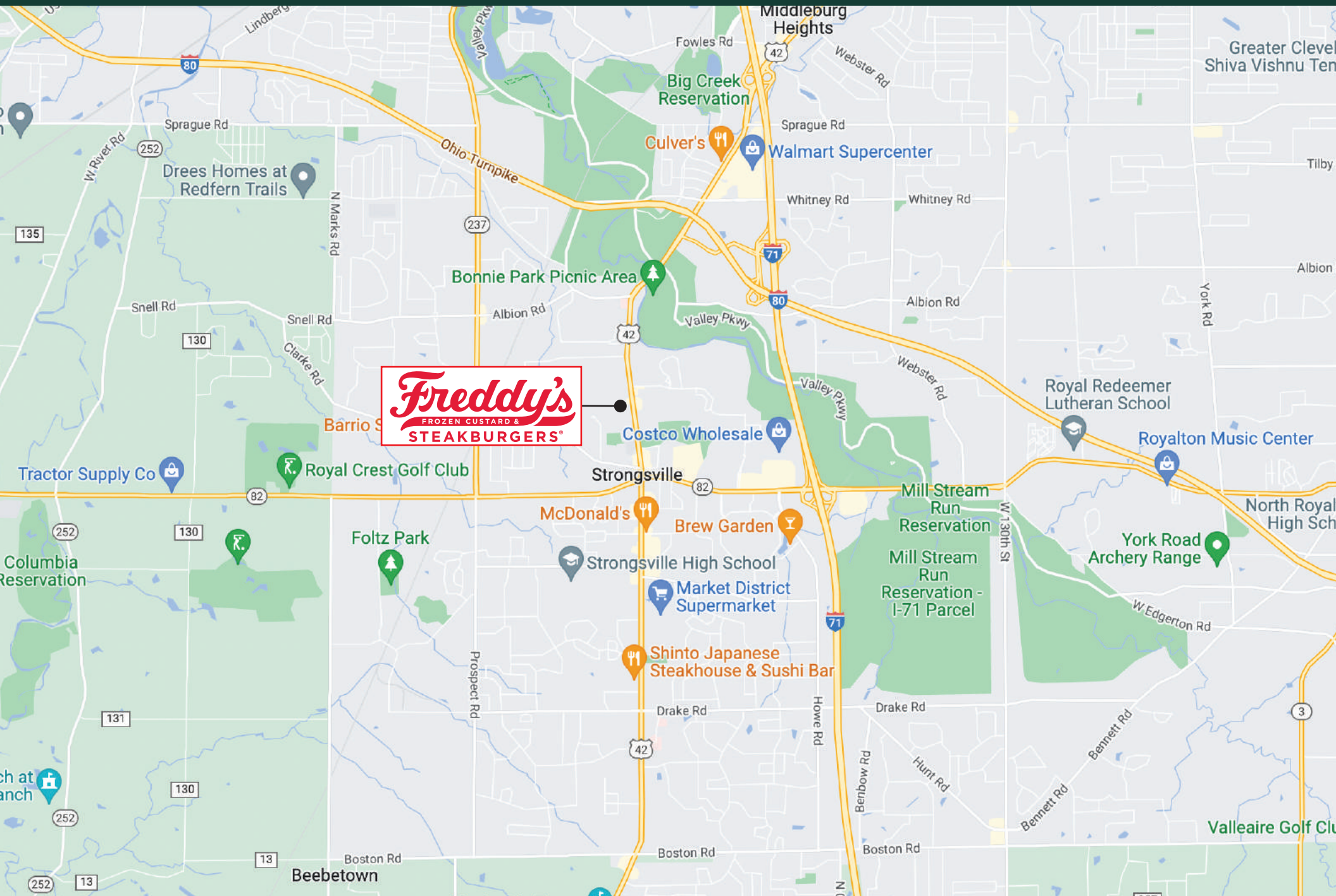
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LOCATION MAP



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AREA MAP



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MARKET OVERVIEW

CLEVELAND, OHIO

The Cleveland-Elyria, OH Metropolitan Statistical Area, or Greater Cleveland as it is more commonly known, surrounds the city of Cleveland in Northeast Ohio and has a population of 2,077,240. Greater Cleveland is ranked as the 29th most populous MSA in the U.S. and largest metro entirely in Ohio.

Cleveland's economy relies on diversified sectors such as manufacturing, financial services, healthcare, and biomedical. Greater Cleveland is home to a number of corporate headquarters including Progressive Insurance, Sherwin-Williams, Parker-Hannifin, and Key Corp. It is also home to professional franchises for three major team sports: the Cleveland Indians of Major League Baseball, the Cleveland Cavaliers of the National Basketball Association, and the Cleveland Browns of the National Football League.

Five miles east of downtown Cleveland is University Circle, a 550-acre concentration of cultural, educational, and medical institutions, including the Cleveland Botanical Garden, Case Western Reserve University, University Hospitals, Severance Hall, the Cleveland Museum of Art, the Cleveland Museum of Natural History, and the Western Reserve Historical Society. Cleveland is home to the I. M. Pei-designed Rock and Roll Hall of Fame on the Lake Erie waterfront at North Coast Harbor downtown. Neighboring attractions include Cleveland Browns Stadium, the Great Lakes Science Center, the Steamship Mather Museum, and the USS Cod, a World War II submarine.



29th Most Populous Metropolitan

in the United States with over
2 million people



Cleveland Clinic

recorded over 7.6 million visitors in 2018
and employs over 50,000 people



Home to the Rock & Roll Hall of Fame

which has over 550,000 visitors each year with
an annual economic impact of \$199 million



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DEMOGRAPHIC REPORT

ACTUAL SITE



POPULATION	1 MILE	3 MILES	5 MILES
2027 Projection	5,401	49,717	141,584
2022 Estimate	5,366	49,320	140,170
2010 Census	5,348	49,046	138,987
Percent Change 2010-2022	0.34%	0.56%	0.85%
Percent Change 2022-2027	0.65%	0.81%	1.01%
Median Age	51.79	44.30	43.73

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2022 Est. Avg. HH Income	\$108,980	\$115,497	\$102,489
2027 Projection	2,667	20,912	58,761
2022 Est. Households	2,622	20,665	57,943
2010 Census	2,512	20,238	56,572
Percent Change 2010-2022	4.38%	2.11%	2.42%
Percent Change 2022-2027	1.72%	1.20%	1.41%

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WERTZ

REAL ESTATE INVESTMENT SERVICES

Wertz Real Estate Investment Services
3138 Roosevelt Street, Suite L
Carlsbad, CA 92008
Tel: (619) 218-6427
Fax: (858) 408-1830
www.wertzrealestate.com

Listed with OH broker
Richard A Herman,
Capitol Real Estate Advisors, Inc.
License REC.2002002352



AGENCY DISCLOSURE STATEMENT

The real estate agent who is providing you with this form is required to do so by Ohio law. You will not be bound to pay the agent or the agent's brokerage by merely signing this form. Instead, the purpose of this form is to confirm that you have been advised of the role of the agent(s) in the transaction proposed below. (For purposes of this form, the term "seller" includes a landlord and the term "buyer" includes a tenant.)

Property Address: _____

Buyer(s): _____

Seller(s): _____

I. TRANSACTION INVOLVING TWO AGENTS IN TWO DIFFERENT BROKERAGES

The buyer will be represented by _____, and _____
AGENT(S) BROKERAGE

The seller will be represented by _____, and _____
AGENT(S) BROKERAGE

II. TRANSACTION INVOLVING TWO AGENTS IN THE SAME BROKERAGE

If two agents in the real estate brokerage _____ represent both the buyer and the seller, check the following relationship that will apply:

- ☐ Agent(s) _____ work(s) for the buyer and Agent(s) _____ work(s) for the seller. Unless personally involved in the transaction, the principal broker and managers will be "dual agents," which is further explained on the back of this form. As dual agents they will maintain a neutral position in the transaction and they will protect all parties' confidential information.
- ☐ Every agent in the brokerage represents every "client" of the brokerage. Therefore, agents _____ and _____ will be working for both the buyer and seller as "dual agents." Dual agency is explained on the back of this form. As dual agents they will maintain a neutral position in the transaction and they will protect all parties' confidential information. Unless indicated below, neither the agent(s) nor the brokerage acting as a dual agent in this transaction has a personal, family or business relationship with either the buyer or seller. *If such a relationship does exist, explain:* _____

III. TRANSACTION INVOLVING ONLY ONE REAL ESTATE AGENT

Agent(s) _____ and real estate brokerage _____ will

- ☐ be "dual agents" representing both parties in this transaction in a neutral capacity. Dual agency is further explained on the back of this form. As dual agents they will maintain a neutral position in the transaction and they will protect all parties' confidential information. Unless indicated below, neither the agent(s) nor the brokerage acting as a dual agent in this transaction has a personal, family or business relationship with either the buyer or seller. *If such a relationship does exist, explain:* _____
- ☐ represent only the (check one) ☐ seller or ☐ buyer in this transaction as a client. The other party is not represented and agrees to represent his/her own best interest. Any information provided the agent may be disclosed to the agent's client.

CONSENT

I (we) consent to the above relationships as we enter into this real estate transaction. If there is a dual agency in this transaction, I (we) acknowledge reading the information regarding dual agency explained on the back of this form.

BUYER/TENANT _____ DATE _____

SELLER/LANDLORD _____ DATE _____

BUYER/TENANT _____ DATE _____

SELLER/LANDLORD _____ DATE _____

DUAL AGENCY

Ohio law permits a real estate agent and brokerage to represent both the seller and buyer in a real estate transaction as long as this is disclosed to both parties and they both agree. This is known as dual agency. As a dual agent, a real estate agent and brokerage represent two clients whose interests are, or at times could be, different or adverse. For this reason, the dual agent(s) may not be able to advocate on behalf of the client to the same extent the agent may have if the agent represented only one client.

As a dual agent, the agent(s) and brokerage shall:

- Treat both clients honestly;
- Disclose latent (not readily observable) material defects to the purchaser, if known by the agent(s) or brokerage;
- Provide information regarding lenders, inspectors and other professionals, if requested;
- Provide market information available from a property listing service or public records, if requested;
- Prepare and present all offers and counteroffers at the direction of the parties;
- Assist both parties in completing the steps necessary to fulfill the terms of any contract, if requested.

As a dual agent, the agent(s) and brokerage shall not:

- Disclose information that is confidential, or that would have an adverse effect on one party's position in the transaction, unless such disclosure is authorized by the client or required by law;
- Advocate or negotiate on behalf of either the buyer or seller;
- Suggest or recommend specific terms, including price, or disclose the terms or price a buyer is willing to offer or that a seller is willing to accept;
- Engage in conduct that is contrary to the instructions of either party and may not act in a biased manner on behalf of one party.

Compensation: Unless agreed otherwise, the brokerage will be compensated per the agency agreement.

Management Level Licensees: Generally, the principal broker and managers in a brokerage also represent the interests of any buyer or seller represented by an agent affiliated with that brokerage. Therefore, if both buyer and seller are represented by agents in the same brokerage, the principal broker and manager are dual agents. There are two exceptions to this. The first is where the principal broker or manager is personally representing one of the parties. The second is where the principal broker or manager is selling or buying his own real estate. These exceptions only apply if there is another principal broker or manager to supervise the other agent involved in the transaction.

Responsibilities of the Parties: The duties of the agent and brokerage in a real estate transaction do not relieve the buyer and seller from the responsibility to protect their own interests. The buyer and seller are advised to carefully read all agreements to assure that they adequately express their understanding of the transaction. The agent and brokerage are qualified to advise on real estate matters. IF LEGAL OR TAX ADVICE IS DESIRED, YOU SHOULD CONSULT THE APPROPRIATE PROFESSIONAL.

Consent: By signing on the reverse side, you acknowledge that you have read and understand this form and are giving your voluntary, informed consent to the agency relationship disclosed. If you do not agree to the agent(s) and/or brokerage acting as a dual agent, you are not required to consent to this agreement and you may either request a separate agent in the brokerage to be appointed to represent your interests or you may terminate your agency relationship and obtain representation from another brokerage.

Any questions regarding the role or responsibilities of the brokerage or its agents should be directed to: attorney or to:



**Department
of Commerce**

Division of Real Estate
& Professional Licensing

Ohio Department of Commerce
Division of Real Estate & Professional Licensing
77 S. High Street, 20th Floor
Columbus, OH 43215-6133
(614) 466-4100

