

2601 AVENUE F | BAY CITY, TX 77414
OFFERING MEMORANDUM



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MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

REPRESENTATIVE PHOTO

EXECUTIVE OVERVIEW



SONIC
2601 Avenue F
BAY CITY, TX 77414



\$1,238,709
LIST PRICE



7.75%
CAP RATE



\$96,000.00
ANNUAL RENT

INVESTMENT HIGHLIGHTS

PROPERTY DETAILS

- Absolute NNN Lease – Tenant takes care of all responsibilities including property tax, insurance and property, and building maintenance in an income tax-free state
- The lease is Guaranteed by an experienced 9 Unit Operator who has plans to continue expanding
- Short term lease being offered at a high cap rate giving a savvy investor a great opportunity to secure a high performing location at an affordable price point

LOCATION

- Strategically located along the main retail strip with other National tenants such as McDonald's, Whataburger, and Subway
- Directly down the road from Bay City High School and is known as a popular hangout spot for tailgates for the games.

TENANT

- Sonic Corporation is the nation's largest drive-in restaurant chain serving approximately 3 million customers every day
- As of August 2017, 3,557 Sonic Drive-Ins were in operation from coast to coast in 45 states
- Sonic Drive-In was ranked in the top 15-most successful QSR companies

PROPERTY OVERVIEW

PARCEL MAP



SONIC
2601 Avenue F
BAY CITY, TX 77414



± 1,360 SF
GLA



±1.03 AC
LOT SIZE



1996
YEAR BUILT

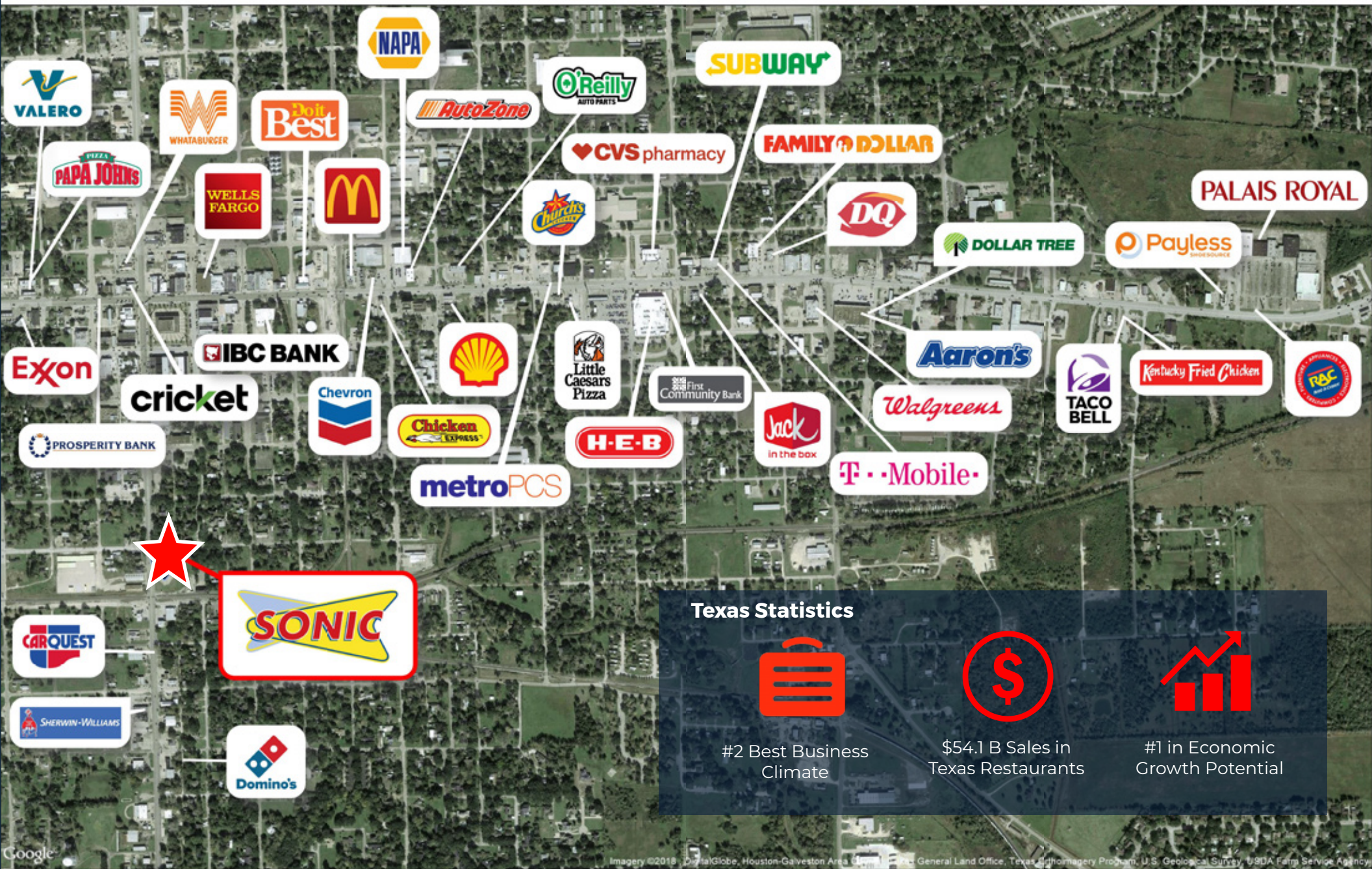
SONIC LEASE SUMMARY

TENANT	Sonic
LEASE TYPE	NNN
ORIGINAL LEASE TERM	15 Years
LEASE COMMENCEMENT DATE	7/17/2006
LEASE EXPIRATION DATE	7/31/2021
TERM REMAINING ON LEASE	2.86 Years
INCREASES	10% Every 5 Years
OPTIONS	Two, 5-Year Options

ANNUALIZED OPERATING DATA

	MONTHLY RENT	ANNUAL RENT
Annual Minimum Rent	\$5,000	\$60,000
2017 Percentage Rate	N/A	\$36,910
2017 Total NOI	\$5,000	\$96,910
<i>* For Comparison</i>		
2015 Percentage Rate	N/A	\$94,651
2016 Percentage Rate	N/A	\$125,171

* Monthly Rent shall be the greater of the sum of \$5,000 (minimum rent) or 6% of Tenant's monthly net Royalty Sales (Percentage rent). Minimum rent shall be due and payable on the first day of each month beginning August 1, 2006.
List price based on 2017 rent.





REPRESENTATIVE PHOTO



TENANT OVERVIEW

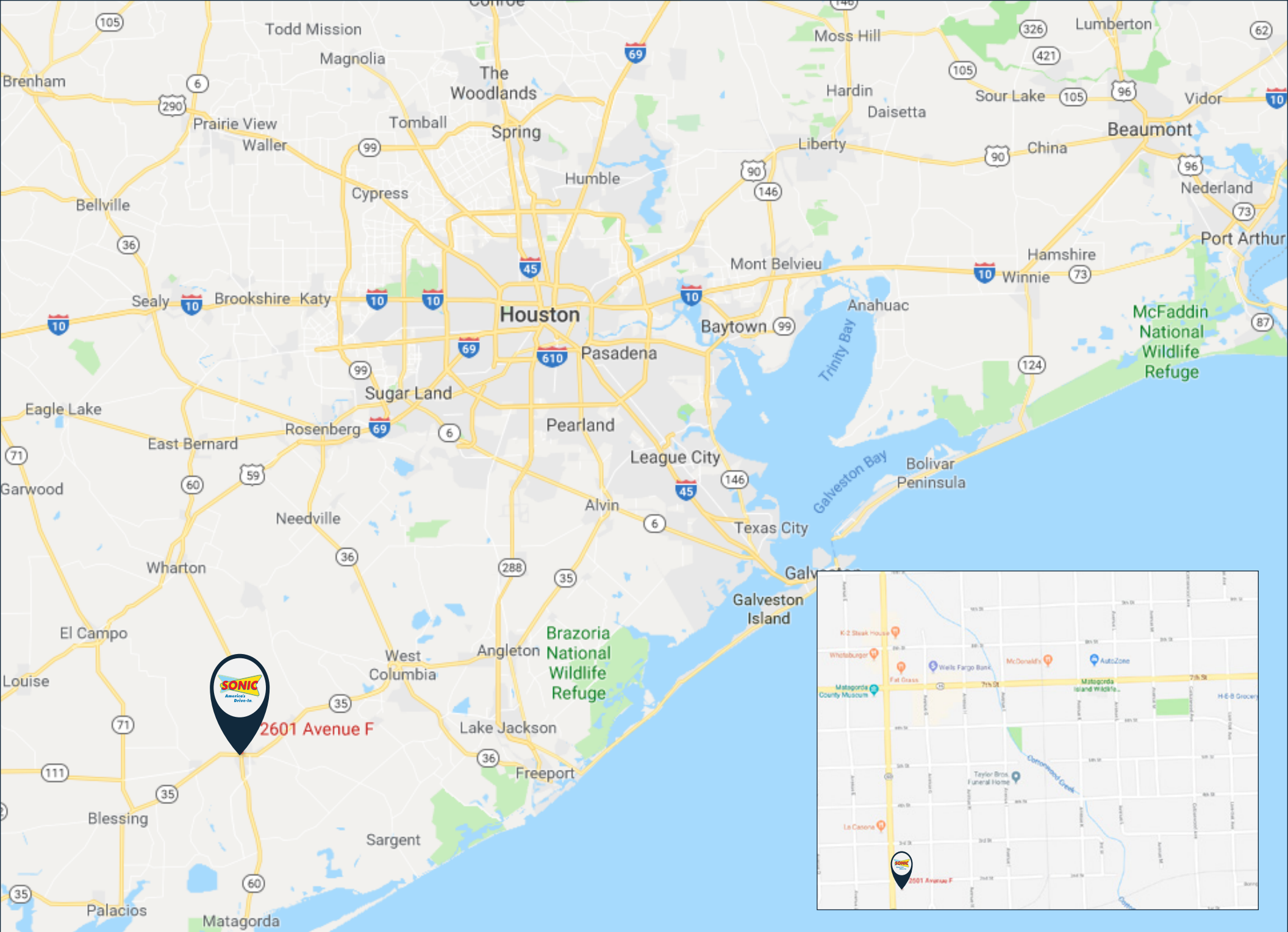
For more than 60 years, SONIC, America's Drive-In has built a dominant position in the drive-in restaurant business. They did so by sticking to what made drive-ins so popular in the first place: made-to-order American classics, signature menu items, speedy service from friendly Carhops and heaping helpings of fun and personality. The company operates 3,557 restaurants in 45 US states. With a dynamic history, SONIC surges forward while specializing in fresh, made-to-order meals that you can't get anywhere else. Today, SONIC is the largest chain of drive-in restaurants in America. As a business, they continue to thrive, maintaining strong real sales growth, industry-leading customer frequency and high returns for stockholders.

WWW.SONICDRIVEIN.COM

±3,557
LOCATIONS

±9,620
EMPLOYEES

±\$606.3 Billion
REVENUE



AREA OVERVIEW



BAY CITY, TX

Bay City, Texas, located in Matagorda county neighbors the populous cities of Sugar Land and Houston. Founded in 1894, Bay City was named for its location on Bay Prairie, between the abundant waters of the Colorado River and Caney Creek. Bay City has now become the largest rice-producing area in the nation. Among the 500 full time residents of Bay City, the rates of ethnic backgrounds continues to grow. One of Bay City's top attractions is the Matagorda County Birding Nature Center. This center is a 35-acre property of gardens and wildlife lining the coast of the Colorado River of Texas. Visitors of Bay City are also attracted by the Matagorda County Museum, Market Days every 3rd Saturday, and a variety of boutiques downtown. Bay City considers itself the pulse of the County as it celebrates...



**HISTORIC
PRIDE**



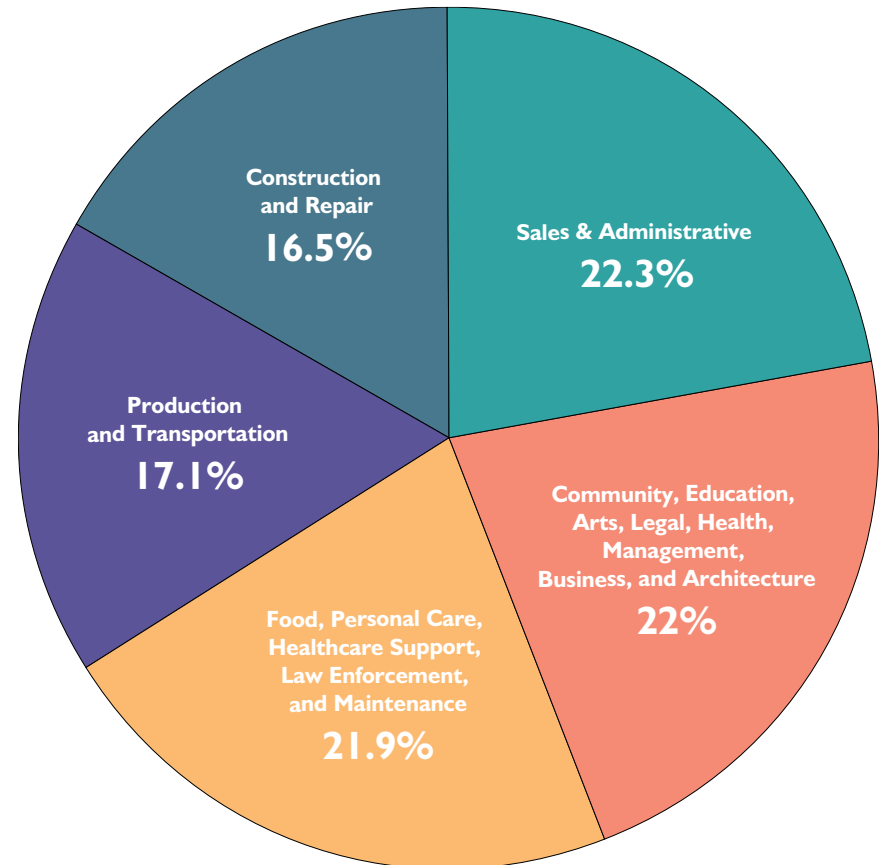
**ECONOMIC
VITALITY**



**TEXAS
HOSPITALITY**

DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2023 Projection	7,035	20,023	20,343
2018 Estimate	6,861	19,269	19,581
2010 Census	7,000	19,217	19,524
Growth 2018-2023	2.54 %	3.91 %	3.89 %
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2023 Projection	2,654	7,575	7,698
2018 Estimate	2,662	7,517	7,642
2010 Census	2,622	7,237	7,356
INCOME	1-MILE	3-MILE	5-MILE
Average Household Income	\$62,716	\$66,861	\$67,149



DOWNTOWN BAY CITY, TX

MATAGORDA COUNTY MUSEUM

- » The Matagorda County Museum is found inside of the old Federal Post Office that was constructed in 1918. The museum collects and preserves the county's heritage as it relates to Texas exploration, regional ranching, and farming. The museum even showcases the artifacts of a shipwreck La Belle, a 17-century vessel of French explorer Robert Cavelier, Sieur de La Salle.

MATAGORDA COUNTY BIRD NATURING CENTER

- » The Matagorda County Bird Naturing Center expands over 34 acres along the Colorado River. Visitors are able to explore their love for nature as they visit the six botanical gardens and three major ecosystems. Additionally, visitors can paddle board, kayak, canoe and raft along the waters.

MARKET DAY ON THE SQUARE

- » On Saturday afternoons every other month, more than 100 vendors from across Texas gather on the lawn of the County Courthouse and sell arts, crafts, and other unique products.

» DOWNTOWN

- » Downtown Bay City offers a unique shopping experience with retailers specializing in furniture, gardens, auto dealers, as well as locally-owned boutiques. Locals and visitors also take advantage of the numerous restaurants for dining.



CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Sonic | 2601 Avenue F, Bay City, TX 77414** ("Property"). It has been prepared by Matthews Real Estate Investment Services. This 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 Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents 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 and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
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 detrimental to the interest of the Seller.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

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 Seller or Matthews Real Estate Investment Services 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 this Offering Memorandum.



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MATTHEWS[™]
REAL ESTATE INVESTMENT SERVICES



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:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - 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.

Kyle Matthews/Matthews Retail Group Inc.	678067	kyle.matthews@matthews.com	(310) 919-5757
Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
Kyle Matthews	678067	kyle.matthews@matthews.com	(310) 919-5757
Designated Broker of Firm	License No.	Email	Phone
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date