

KENTUCKY PORTFOLIO
OFFERING MEMORANDUM



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MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

EXECUTIVE OVERVIEW



SONIC KENTUCKY PORTFOLIO



\$3,733,333

LIST PRICE



6.75%

CAP RATE



\$252,000

ANNUAL RENT

INVESTMENT HIGHLIGHTS

LEASE

- » Long Term Absolute NNN Lease – There are 16 years remaining on the Absolute NNN Lease - Tenant takes care of all maintenance, taxes, insurance, roof and structure.
- » Price Calculated on Base Rent Only - The list price is calculated based on a base combined NOI of \$252,000, however, Landlord has collected Bonus rent the past 3 years.
- » Lease Guaranteed by an experienced operator with significant net worth - Details available upon request.

PROPERTY DETAILS

- » Three Sonic Drive-in portfolio deal in great locations off of major highways and interstates, between major cities including Nashville, Louisville, Bowling Green and Evansville.
- » Priced to Sell - List price below recent Appraisal conducted this year - Available upon request.
- » Above Average Store Sales have been increasing year over year.

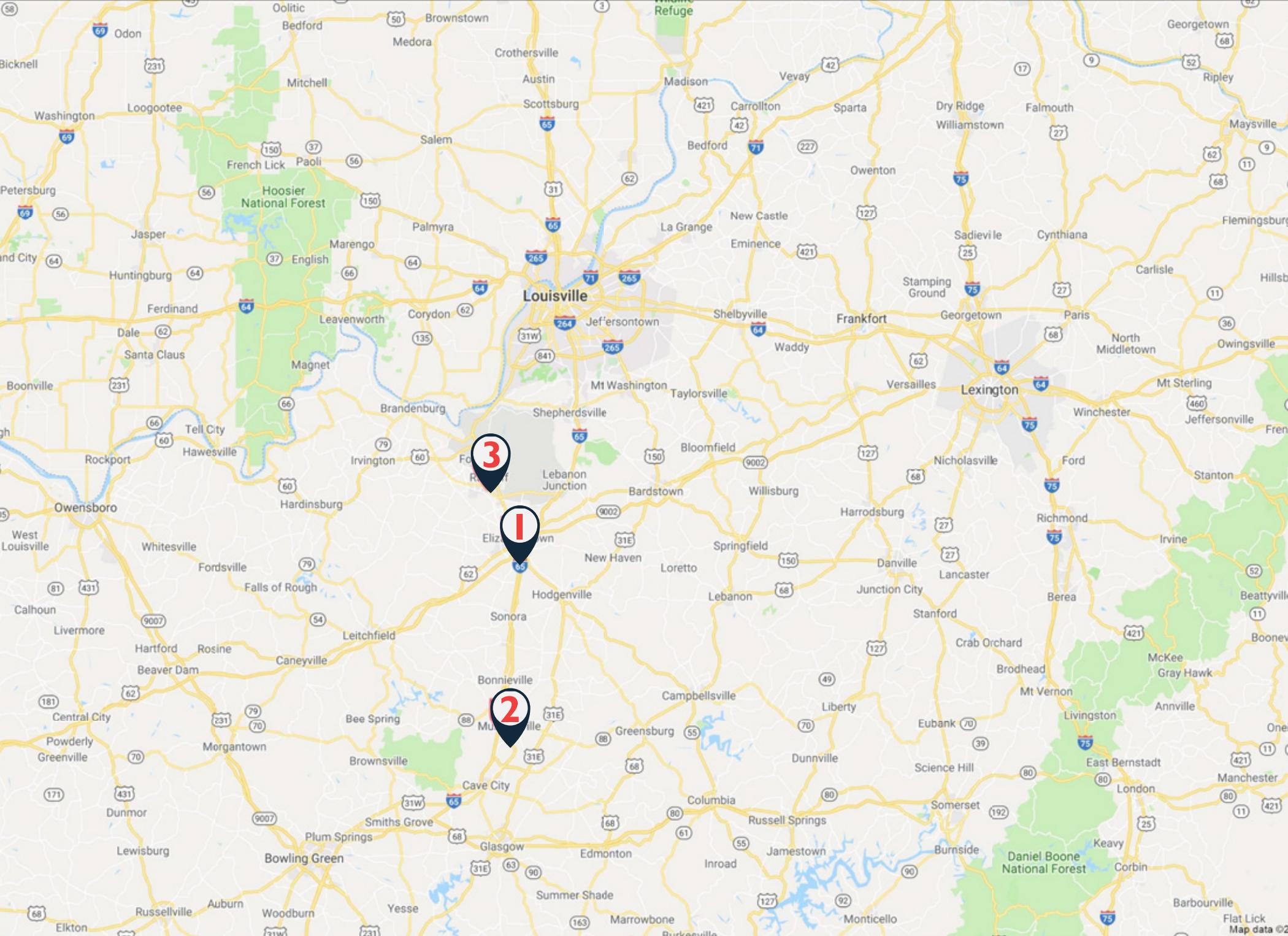
TENANT

- » Sonic Drive-in is poised for massive growth after the recent acquisition by Inspire Brands. With intentions to take Sonic private, Corporate can now put more focus on expanding the brand



[SEE ARTICLE WRITTEN BY MY PARTNER AND I FOR FURTHER DETAILS](#)

- » 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



SONIC
537 W Dixie Avenue
 ELIZABETHTOWN, KY 42701



±1,093 SF
 GLA



±0.80 AC
 LOT SIZE



202-40-04-019
 PARCEL

ELIZABETHTOWN, KY

Located in the heartland of Kentucky, Elizabethtown is a hub for several major roads including Interstate 65, U.S. 31W, U.S. 62, Wendell Ford-Western Kentucky Parkway and the Martha Layne Collins-Bluegrass Parkway.

Abundant housing in a variety of settings is available for singles, couples and families. Medical and professional services of every type are available within the city, including a 300+ bed regional hospital. Several different shopping areas, including small shops, large department stores, “superstores”, and a fully enclosed mall are all within the city limits.

Elizabethtown has a strong industrial base with 75 industries located within the city. Joining the current existing industries are Flexfilms and Lentus, LLC.

DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2023 Projection	8,827	29,521	44,801
2018 Estimate	8,534	28,493	43,341
2010 Census	8,586	27,891	42,049
Growth 2018-2023	3.44%	3.61%	3.37%

HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2023 Projection	4,267	13,258	19,169
2018 Estimate	4,059	12,595	18,232
2010 Census	3,868	11,711	16,777
Growth 2018-2023	5.11%	5.26%	5.14%

INCOME	1-MILE	3-MILE	5-MILE
2018 Average HH Income	\$64,738	\$70,921	\$74,95

PROPERTY OVERVIEW



SONIC
1199 Main Street
 MUNFORDVILLE, KY 42765



±1,400 SF
 GLA



±0.58 AC
 LOT SIZE



204-00-04-004
 PARCEL

MUNFORDVILLE, KY

Conveniently located just off Interstate 65 at Exit 65, Munfordville is halfway between Louisville, KY and Nashville, TN. Located in Hart County and on the banks of the beautiful and historic Green River, Munfordville is rich in history. Adventures in Munfordville include the Green River, Big Buffalo Crossing Canoe and Kayak, camping and hiking at Green River Park and Arboretum, the Mammoth Cave Loop of the TransAmerica Cycling Route and several other locally designated cycling routes. It also hosts the Big Buffalo Crossing BBQ Cook-Off and are home to Kentucky's Stonehenge.

Munfordville joins Dawson Springs, Livingston, Morehead, Olive Hill, London, Stearns, Elkhorn City, Jamestown, Manchester, Berea, Columbia, Royalton, the Harlan County Tri-Cities of Cumberland, Benham & Lynch, McKee and Slade as Kentucky Trail Towns.

DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2023 Projection	1,072	2,772	5,507
2018 Estimate	1,017	2,650	5,286
2010 Census	982	2,562	5,131
Growth 2018-2023	5.41%	4.62%	4.19%
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2023 Projection	474	1,212	2,275
2018 Estimate	446	1,148	2,166
2010 Census	417	1,073	2,031
Growth 2018-2023	6.30%	5.51%	5.01%
INCOME	1-MILE	3-MILE	5-MILE
2018 Average HH Income	\$42,512	\$48,820	\$56,461

PROPERTY OVERVIEW



SONIC
1299 North Dixie Boulevard
 RADCLIFF, KY 40160



±1,437 SF
 GLA



±0.71 AC
 LOT SIZE



138-40-03-041
 PARCEL

RADCLIFF, KY

Centrally located in the heart of the Bluegrass State, Radcliff, Kentucky is a diverse community with abundant natural and cultural resources. Thousands of people visit the area each year to appreciate its rich military history and southern charm.

With its mild climate and four distinct seasons, Radcliff is home to people from around the world because of its strong connection to neighboring Fort Knox, the U.S. Army base where a large portion of the country's official gold reserves are stored.

Radcliff's population is 22,756, making it the second most populated city in Hardin County, which is the sixth most populated county in Kentucky. U.S. 31W runs through the east side of Radcliff, leading north 34 miles to Louisville and south 11 miles to the county seat of Elizabethtown.

DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2023 Projection	5,210	24,677	44,306
2018 Estimate	5,000	23,767	42,086
2010 Census	5,069	22,885	40,404
Growth 2018-2023	4.20%	3.83%	5.28%
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2023 Projection	2,297	10,147	16,848
2018 Estimate	2,166	9,599	15,716
2010 Census	2,082	8,764	14,213
Growth 2018-2023	6.06%	5.71%	7.20%
INCOME	1-MILE	3-MILE	5-MILE
2018 Average HH Income	\$41,817	\$58,828	\$66,783

SONIC LEASE SUMMARY

Tenant:	Sluggar Enterprises and Kingston Farms, LLC
Tenant Trade Name:	Sonic Drive-in
Guarantor:	Sluggar Enterprises, LLC (50%) & Kingston Farms, LLC (50%)
Tenant Notice Address:	c/o Kingston Farms, LLC 4007 Hillsboro Rd, Nashville, TN, 37215
Building Size:	Elizabethtown: 1,093 SF Munfordville: 1,400 SF Radcliff: 1,437
Date of Lease:	February 4th, 2015
Rent Commencement:	February 1st, 2015
Lease Commencement:	1-Feb-15
Lease Expiration:	30-Nov-34
Original Lease Term:	20 Years
Current Rent:	\$252,000
Renewal Options:	Intentionally Omitted
Required Advance Notice of Exercise of Renewal Options:	N/A
Repairs and Maintenance (Landlord):	Landlord shall not have any liability to Tenant or to any other person for any damage to any person or property caused by or attributable to (a) the presence, use or installation of any equipment, fixtures, systems, improvements or structures of any kind on the property during the lease term, or (b) Tenant's failure to keep the property in proper repair.
Repairs and Maintenance (Tenant):	The Tenant shall keep the Property in a good state of repair, normal wear and tear expected, and shall not commit or permit waste. All repairs and replacements to the property shall be and become the property of the Landlord. If Tenant does not perform such maintenance and repairs, then Landlord may pay for such services and such payment shall be added to the Monthly Base Rent immediately due to the Landlord from the Tenant. No liability of Landlord.
Real Estate Taxes:	Tenant shall timely pay all taxes and assessments assessed or levied upon the property during the lease term or accrued during the lease term, including all taxes and assessments on the improvements, buildings and personal property located on the property. Upon Landlord's written request, Tenant shall provide Landlord with proof of payment of the foregoing taxes and assessments.
Insurance (Tenant):	Tenant shall obtain and maintain at Tenant's cost and expense (a) extended coverage insurance covering all buildings and other improvements on the property and their contents for full replacement cost, insuring against all risks of direct physical loss and damage, including direct physical loss and damage from flooding, but excluding unusual perils like earth movement, and war.
Insurance (Landlord):	Landlord and any mortgagee of Landlord on the Property shall be named as additional insured on such binder or certificate of i
Utilities:	Tenant to pay for all utilities consumed by it in the Premises
Tenant Assignment and Subletting:	Tenant shall not have the right to transfer or assign this Agreement without the consent of the Landlord, which shall not be unreasonably withheld. No Attempted assignment or subletting shall release Tenant from its obligations under this agreement.
Estoppel Certificate:	Fifteen (15) days from receipt of notice
Right of First Refusal:	Tenant has the right of first refusal and must respond in thirty (30) days from receipt of notice



[CLICK HERE TO READ ABOUT INSPIRE BRANDS RECENT ACQUISITION OF SONIC DRIVE-IN](#)



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

CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Sonic Portfolio** located in **Kentucky** (“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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