



*REPRESENTATIVE PHOTO



OFFERING
MEMORANDUM

CHURCH'S CHICKEN

ABSOLUTE NNN LEASED OFFERING

2401 S. SHAVER STREET PASADENA, TX 77502

OFFERING MEMORANDUM
PRESENTED BY:

KASE ABUSHARKH

FOUNDING PRINCIPAL

PHONE **925.348.1844**

EMAIL **kase@thekasegroup.com**

TX LICENSE **#708586**

JACOB ABUSHARKH

MANAGING PRINCIPAL

PHONE **415.269.2474**

EMAIL **jacob@thekasegroup.com**

BRE **#01385529**



DISCLAIMER & CONFIDENTIALITY

The material contained in this Investment Offering Brochure is furnished solely for the purpose of considering the purchase of the property within and is not to be used for any other purpose. This information should not, under any circumstances, be photocopied or disclosed to any third party without the written consent of The Kase Group or Owner, or used for any purpose whatsoever other than to evaluate the possible purchase of the Property.

The only party authorized to represent the Property Owner ("Owner") in connection with the sale of the Property is The Kase Group Advisor listed in this proposal, and no other person is authorized by the Owner to provide any information or to make any representations other than contained in this Investment Offering Brochure. If the person receiving these materials does not choose to pursue a purchase of the Property, this Offering Brochure must be returned to The Kase Group.

Neither The Kase Group Advisor nor the Owner or its affiliates make any representation or warranty, expressed or implied, as to the accuracy or completeness of the information contained herein, and nothing contained herein is or shall be relied upon as a promise or representation as to the future performance of the Property. This Offering Brochure may include certain statements and estimates by The Kase Group with respect to the projected future performance of the Property. These Assumptions may or may not be proven to be correct, and there can be no assurance that such estimates will be achieved. Further, The Kase Group Advisor and the Owner disclaim any and all liability for representations or warranties, expressed or implied, contained in or omitted from this Investment Offering Brochure, or any other written or oral communication transmitted or made available to the recipient. The recipient shall be entitled to rely solely on those representations and warranties that may be made to it in any final, fully executed and delivered Real Estate Purchase Agreement between it and Owner.

The information contained herein is subject to change without notice and the recipient of these materials shall not look to Owner or The Kase Group Advisor, nor any of their officers, employees, representatives, independent contractors or affiliates, for the accuracy or completeness thereof. Recipients of this Investment Offering Brochure are advised and encouraged to conduct their own comprehensive review and analysis of the Property.

This Investment Offering Brochure is a solicitation of interest only and is not an offer to sell the Property. The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest to purchase the Property and expressly reserves the right, at its sole discretion, to terminate negotiations with any entity, for any reason, at anytime with or without notice. The Owner shall have no legal commitment or obligation to any entity reviewing the Investment Offering Brochure or making an offer to purchase the Property unless and until the Owner executes and delivers a signed Real Estate Purchase Agreement on terms acceptable to Owner, in Owner's sole discretion. By submitting an offer, a prospective purchaser will be deemed to have acknowledged the foregoing and agreed to release the Owner and The Kase Group Advisor from any liability with respect thereto.

To the extent Owner or any agent of Owner corresponds with any prospective purchaser, any prospective purchaser should not rely on any such correspondence or statements as binding Owner. Only a fully executed Real Estate Purchase Agreement shall bind the property and each prospective purchaser proceeds at its own risk.

Recipients of Offering Brochure shall not contact employees or tenants of property directly or indirectly regarding materials without prior written approval.



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INVESTMENT OVERVIEW



This is the rare opportunity to purchase a new 16 year absolute NNN leased Church's Chicken in Pasadena, Texas. The NNN lease provides for zero landlord obligations and calls for 1.5% annual increases in rent. The operator is Royal Texas, a strong and experienced franchisee with 110 units. The lease is guaranteed by a 56 unit entity.

INVESTMENT HIGHLIGHTS

ABSOLUTE NNN LEASE

LANDLORD FAVORABLE LEASE WITH ONGOING FINANCIAL REPORTING

SCHEDULED INCREASES IN RENT

STRONG AND EXPERIENCED 110 UNIT OPERATOR

LOW PRICE POINT AND RENT

TEXAS - TAX FREE STATE

OFFERING SPECIFICATIONS

PRICE \$792,256

CAP RATE 6.34%

NET OPERATING INCOME \$50,258

SQUARE FOOTAGE 1,162

LOT SIZE 0.42 AC

MARKET HOUSTON

FINANCIAL SUMMARY

CHURCH'S CHICKEN • ABSOLUTE NNN LEASE OFFERING

2401 S. SHAVER STREET PASADENA, TX 77502

\$792,256 • 6.34%

SUMMARY

TENANT NAME	Royal Texas, LLC
SQUARE FOOTAGE	1,162
LEASE BEGINS	4/26/2016
LEASE ENDS	6/13/2032
ANNUAL RENT	\$50,258
OPTIONS	Four, 5-Year
INCREASES	Annually lesser of 1.5% or 1.25 X CPI

OFFERING SUMMARY

	NET OPERATING INCOME	CAP RATE
2019	\$50,258.00	6.34%
2020	\$51,012.00	6.44%
2021	\$51,777.00	6.54%

TENANT OVERVIEW



PRIVATELY HELD



56 LOCATIONS

CHURCH'S CHICKEN

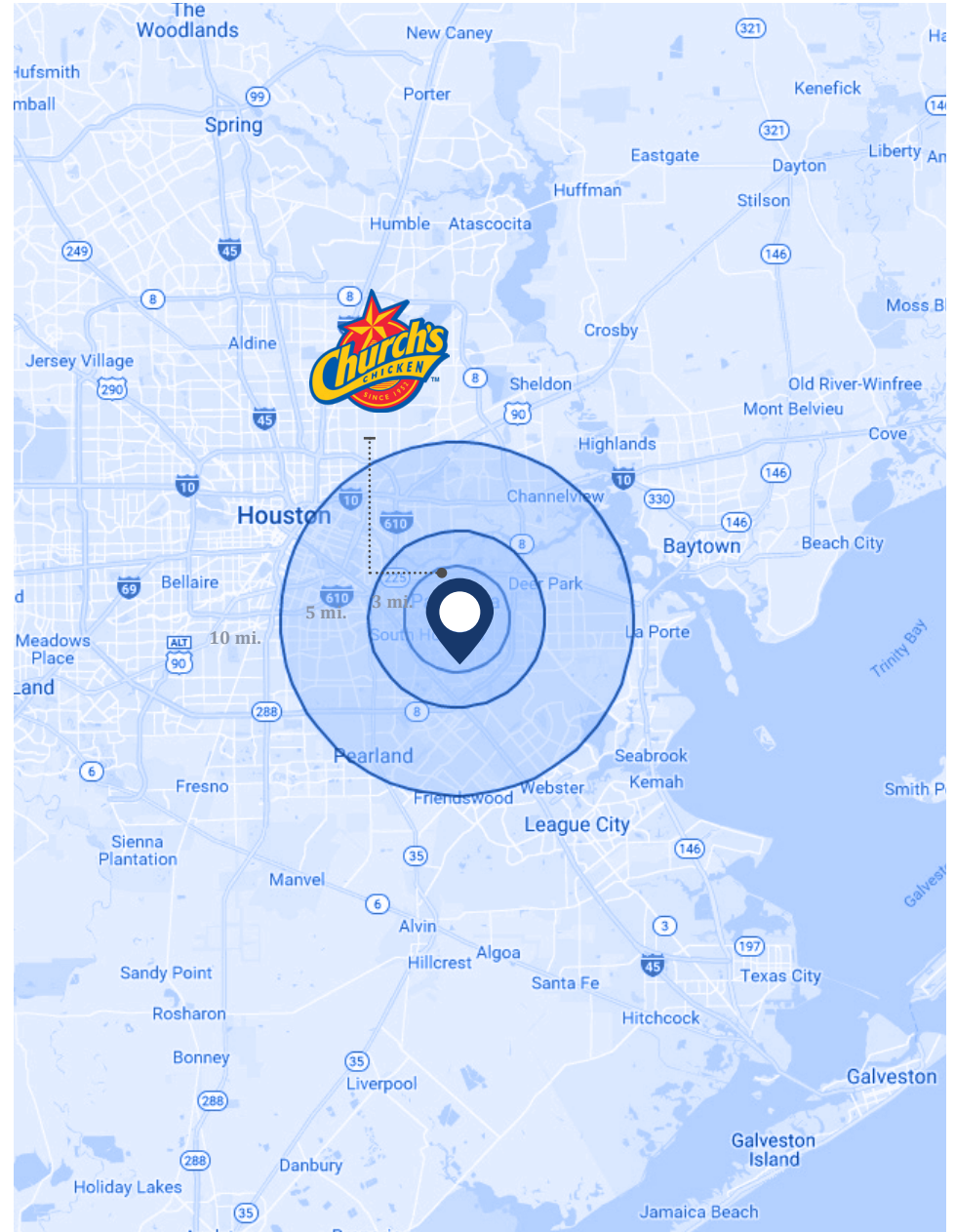
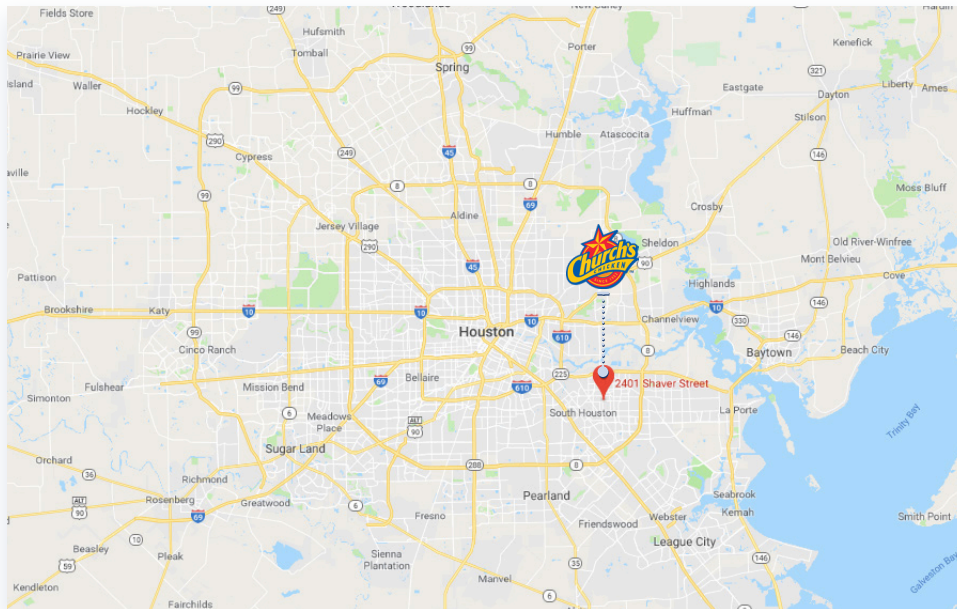
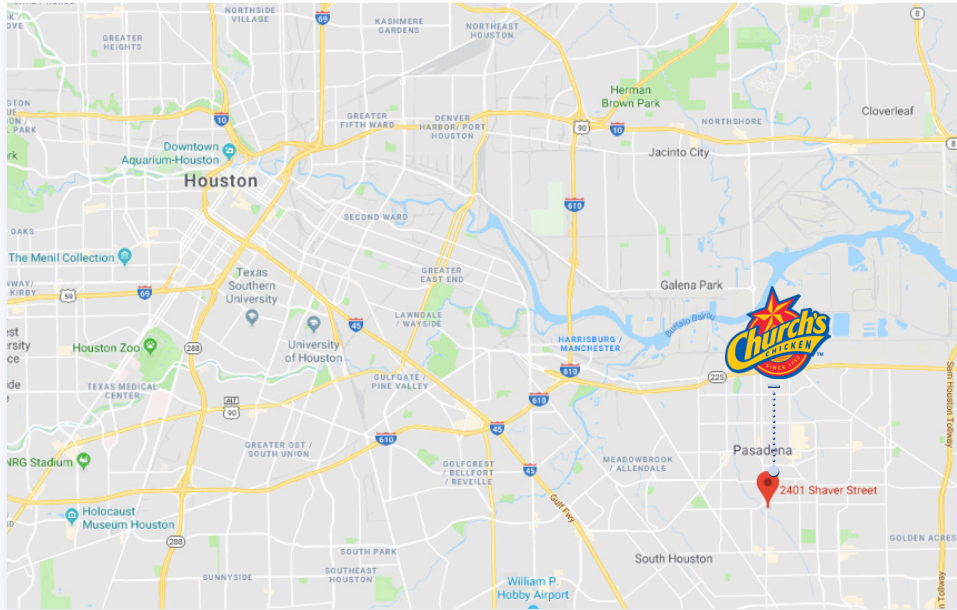
Royal Texas, LLC, is a prominent Church's Chicken franchisee ("Royal" or the "Company") dispersed throughout the greater Houston, TX market. Royal is led by CEO David Davoudpour; Mr. Davoudpour has been a Church's Chicken franchisee since 1997 and currently leads 110 restaurants under various operating entities. The management team collectively has over 100 years of combined operating experience under the Church's brand. In 2002, Royal Texas, LLC acquired business operations at fifty-six (56) Church's Chicken units throughout Texas. The lease is guaranteed by a 56 unit entity.

Founded in San Antonio, TX in 1952 by George W. Church, Church's Chicken is one of the largest quick service restaurant chicken chains in the world. Church's specializes in Original and Spicy Chicken, freshly prepared throughout the day in small batches that are hand-battered and double-breaded, Tender Strips®, sandwiches, honey-butter biscuits made from scratch and freshly baked, and classic, home-style sides all for a great value. Church's (along with its sister brand Texas Chicken® outside the Americas) has more than 1,650 locations in 25 countries and international territories and system-wide sales of more than \$1 billion.

LOCATION AERIAL



REGIONAL OVERVIEW



DEMOGRAPHICS



	3 MILES	5 MILES	10 MILES
TOTAL POPULATION	165,178	311,444	949,901
TOTAL HOUSEHOLDS	50,759	98,828	308,162
AVERAGE HOUSEHOLD INCOME	\$53,270	\$57,537	\$66,075
AVERAGE AGE	32.70	32.90	34.30

AREA OVERVIEW

DEMOGRAPHICS	3 MILES	5 MILES	10 MILES
TOTAL HOUSEHOLDS	50,759	98,828	308,162
TOTAL POPULATION	165,178	311,444	949,901
PERSONS PER HOUSEHOLD	3.20	3.10	3.00
AVERAGE HOUSEHOLD INCOME	\$53,270	\$57,537	\$66,075
AVERAGE HOUSE VALUE	\$91,078	\$111,164	\$132,424
AVERAGE AGE	32.70	32.90	34.30
POPULATION WHITE	151,745	270,245	708,560
POPULATION BLACK	6,307	22,745	173,586
POPULATION AM. INDIAN & ALASKAN	1,992	3,772	10,488
POPULATION ASIAN	2,838	10,096	42,198
POPULATION HAWAIIAN & PACIFIC ISLAND	176	396	1,060
POPULATION OTHER	2,120	4,190	14,008

PASADENA, TEXAS

The city of Pasadena Texas is located within the Houston–The Woodlands–Sugar Land metropolitan area. As of the 2010 U.S. Census, the city’s population is 149,043, making it the seventeenth most populous city in the state of Texas, as well as the second-largest city in Harris County. The area was founded in 1893 by John H. Burnett of Galveston, who named the area after Pasadena, California, because of the perceived lush vegetation.

AREA OVERVIEW

HOUSTON ECONOMY

The economy of Houston is based primarily on the energy industry, particularly oil. However, health care, biomedical research, and aerospace also constitute large sectors. In 2012, the gross domestic product (GDP) of the Houston–The Woodlands–Sugar Land metropolitan statistical area (MSA) was \$449 billion, the fourth-largest of any metro area in the United States. The Houston metropolitan area comprises the largest concentration of petrochemical manufacturing in the world, including for synthetic rubber, insecticides, and fertilizers. It is the world's leading center for oilfield equipment construction, with the city of Houston home to more than 3,000 energy-related businesses, including many of the top oil and gas exploration and production firms and petroleum pipeline operators. As of 2011, 23 companies on the Fortune 500 list have their headquarters in, or around, Houston.

The Houston–Sugar Land–Baytown metropolitan area ranked 33rd among the nation's 361 MSAs on per capita personal income at US\$36,852 - 11.5 percent higher than the national figure of US\$33,050. In 2012, Houston was ranked #1 by Forbes for paycheck worth, and, in late May 2013, it was identified as America's top city for job creation. Houston is a major corporate center.

The city and surrounding metropolitan region is home to 23 Fortune 500 companies, as well as other multinationals and domestic companies. Of the world's 100 largest non-U.S.-based corporations, more than half have operations in Houston.[6] In 2006, the Houston metropolitan area ranked first in Texas and third in the U.S. within the category of "Best Places for Business and Careers" by Forbes.[7] The 2011 Fortune 500 list shows 23 firms headquartered in the 10-county Houston–Sugar Land–Baytown Metropolitan Statistical Area. Only New York City has more Fortune 500 headquarters within city limits.





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.

TKG Net Lease Inc.	9006301	kevin@thekasegroup.com	512.636.9613
Licensed Broker/Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
Kevin Cordova	485683	kevin@thekasegroup.com	512.636.9613
Designated Broker of Firm	License No.	Email	Phone
Kevin Cordova	485683	kevin@thekasegroup.com	512.636.9613
Licensed Supervisor of Sales Agent/Associate	License No.	Email	Phone
Kevin Cordova	485683	kevin@thekasegroup.com	512.636.9613
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date

Regulated by the Texas Real Estate Commission

Information available at www.trec.texas.gov



PASADENA, TEXAS



The Kase Group

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