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A D V I S O R S



SONIC DRIVE-IN

45 LAKEVIEW CIR, ATMORE, AL 36502

MARKETING PACKAGE

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INVESTMENT SUMMARY

| | |
|----------------|-----------------|
| Tenant | Sonic Drive-In |
| Street Address | 45 Lakeview Cir |
| City | Atmore |
| State | AL |
| Zip | 36502 |
| GLA | 1,500 SF |
| Lot Size | 1.00 AC |
| Year Built | 2017 |

\$2,090,909
LIST PRICE

5.50%
CAP RATE

\$115,000
NET OPERATING INCOME

Rent / SF \$76.67



Absolute Triple-Net (NNN) Sale Leaseback - At closing, this property will be operating under a brand new, 20-year Absolute Triple-Net (NNN) lease, under which the Tenant is responsible for all real estate taxes, insurance and property maintenance.

Ample Rent Growth with 1.5% Annual Increases - The lease will feature 1.5% annual rental increases , providing the landlord the benefit of compounding rent growth, and a strong hedge against inflation.

Lease Backed by 62-Unit Operator - The lease is fully backed by Quality Drive-In I, LLC, a 62-unit subsidiary of Quality Restaurant Group with locations across the states of Alabama and Florida.

Strong Tenant Commitment - The lease features an initial term of 20 Years with an additional four (4) 5-year options to extend the lease until 2060, indicating strong commitment to the site.

Pandemic Proof Business Model - While the COVID-19 pandemic has had a negative impact on most restaurant businesses, Sonic Drive-In has seen a surge in demand as customers enjoy their meals from the safety of their car with minimal exposure via the convenient drive-in and mobile order services using the Sonic app.

SONIC DRIVE-IN
RETAIL AERIAL



SONIC DRIVE-IN
LEASE SUMMARY

| | |
|---------------------|--------------------|
| Lease Type | Absolute Net (NNN) |
| Type of Ownership | Fee Simple |
| Original Lease Term | 20 Years |
| Commencement Date | COE |
| Lease Expiration | 20 Years After COE |
| Term Remaining | 20 Years |
| Increases | 1.5% Annually |
| Options | Four (4), 5-year |

| | |
|---------------------|-------------------------|
| Real Estate Taxes | Tenant Responsible |
| Insurance | Tenant Responsible |
| Roof & Structure | Tenant Responsible |
| Lease Guarantor | Quality Drive-In I, LLC |
| Company Name | Sonic Drive-In |
| Ownership | Private |
| Years in Business | 67 |
| Number of Locations | 3,500 |



Excellent Site-Level Visibility - Ideally positioned off of Hwy 21, this property has visibility from a substantial amount of vehicles passing daily.

Advantageous Demographics - There is an estimated 7,079 people within five miles of the subject property with an average annual income of \$46,228, which serves as the ideal target market for this tenant and further support sales.

Nationally Recognized Brand - Sonic was founded 1953 in Shawnee, OK and is today comprised of over 3,500 restaurants located in 46 of the 50 states. As of 2019 Sonic ranked #3 on Entrepreneur Magazine's Franchise 500 list, up from #6 in 2018, a trend which is expected to continue through 2020.

Located within City's Inn and Hotel Hub - This site serves the benefit of being located in the middle of the city's Inn and Hotel Hub. National lodging providers within the immediate area includes Fairfield Inn and Suites by Marriott, the Wind Creek Atmore Hotel, Holiday Inn Express, Hampton Inn and Royal Oaks B&B.

SONIC DRIVE-IN
RETAIL AERIAL



SONIC DRIVE-IN
RENT SCHEDULE

| Period | Term | Annual Rent | Monthly Rent | Increase | CAP Rate |
|---------------|------------------|---------------------|-------------------|----------|--------------|
| Year 1 | Base Term | \$115,000.00 | \$9,583.33 | - | 5.50% |
| Year 2 | Base Term | \$116,725.00 | \$9,727.08 | 1.50% | 5.58% |
| Year 3 | Base Term | \$118,475.88 | \$9,872.99 | 1.50% | 5.67% |
| Year 4 | Base Term | \$120,253.01 | \$10,021.08 | 1.50% | 5.75% |
| Year 5 | Base Term | \$122,056.81 | \$10,171.40 | 1.50% | 5.84% |
| Year 6 | Base Term | \$123,887.66 | \$10,323.97 | 1.50% | 5.93% |
| Year 7 | Base Term | \$125,745.98 | \$10,478.83 | 1.50% | 6.01% |
| Year 8 | Base Term | \$127,632.16 | \$10,636.01 | 1.50% | 6.10% |
| Year 9 | Base Term | \$129,546.65 | \$10,795.55 | 1.50% | 6.20% |
| Year 10 | Base Term | \$131,489.85 | \$10,957.49 | 1.50% | 6.29% |
| Year 11 | Base Term | \$133,462.19 | \$11,121.85 | 1.50% | 6.38% |
| Year 12 | Base Term | \$135,464.13 | \$11,288.68 | 1.50% | 6.48% |
| Year 13 | Base Term | \$137,496.09 | \$11,458.01 | 1.50% | 6.58% |
| Year 14 | Base Term | \$139,558.53 | \$11,629.88 | 1.50% | 6.67% |
| Year 15 | Base Term | \$141,651.91 | \$11,804.33 | 1.50% | 6.77% |
| Year 16 | Base Term | \$143,776.69 | \$11,981.39 | 1.50% | 6.88% |
| Year 17 | Base Term | \$145,933.34 | \$12,161.11 | 1.50% | 6.98% |
| Year 18 | Base Term | \$148,122.34 | \$12,343.53 | 1.50% | 7.08% |
| Year 19 | Base Term | \$150,344.17 | \$12,528.68 | 1.50% | 7.19% |

SONIC DRIVE-IN
SITE PLAN



ABOUT THE BRAND

Sonic Drive-In

SONIC® is an American success story that continues to flourish with every new chapter. Founded in 1953, SONIC franchises have risen from humble origins to one of the most instantly recognizable brands in the nation, with over 3,500 locations across 46 states with over 9,200 employees. SONIC is the largest chain of drive-in franchises in America owned by Inspire Brands, a global multi-brand restaurant company.



3,500
Number of Locations



9,200+
Employees



\$423 Million
Annual Revenue



46 States
Geographical Footprint



SONIC Unveils Bold New Look

SONIC recently unveiled the first drive-in of the brand's new restaurant design.
[Read More](#)



SONIC Aims for Further Growth

SONIC aims to open 1,000 new restaurants over the next ten years.
[Read More](#)



Pandemic Impact on SONIC

SONIC's same-store sales perform in the area of 20-30 percent increases.
[Read More](#)



Inspire Brands Named #2

With the acquisition of Dunkin', Inspire Brands becomes 2nd largest restaurant co.
[Read More](#)

ABOUT THE OPERATOR

Quality Drive-In I, LLC

Quality Drive-In I, LLC is a 62-unit subsidiary of Quality Restaurant Group (QRG), one of the fastest growing and largest quick service restaurant and fast casual restaurant groups in the country. QRG owns and operates 350 quick service restaurants with over 9,000 employees across 14 states. QRG currently owns and operates Pizza Huts (Quality Huts ; Arby's (Quality Meats); and Moe's Southwest Grills (Quality Fresca) restaurants.

 **350**
Unit Count

 **4**
Major Chains

 **9,000+**
Employees

 **14 States**
Geographical Footprint



QRG Acquires 62 SONIC Locations

QRG announced the acquisition of 62 SONIC locations in Florida & Alabama.
[Read More](#)



QRG Acquires 67 MOE'S Locations

QRG becomes the largest MOE'S Franchisee after acquiring 67 locations.
[Read More](#)



New HQ Means QRG Growth

CEO Matt Slain believes it's time to build his company's infrastructure.
[Read More](#)

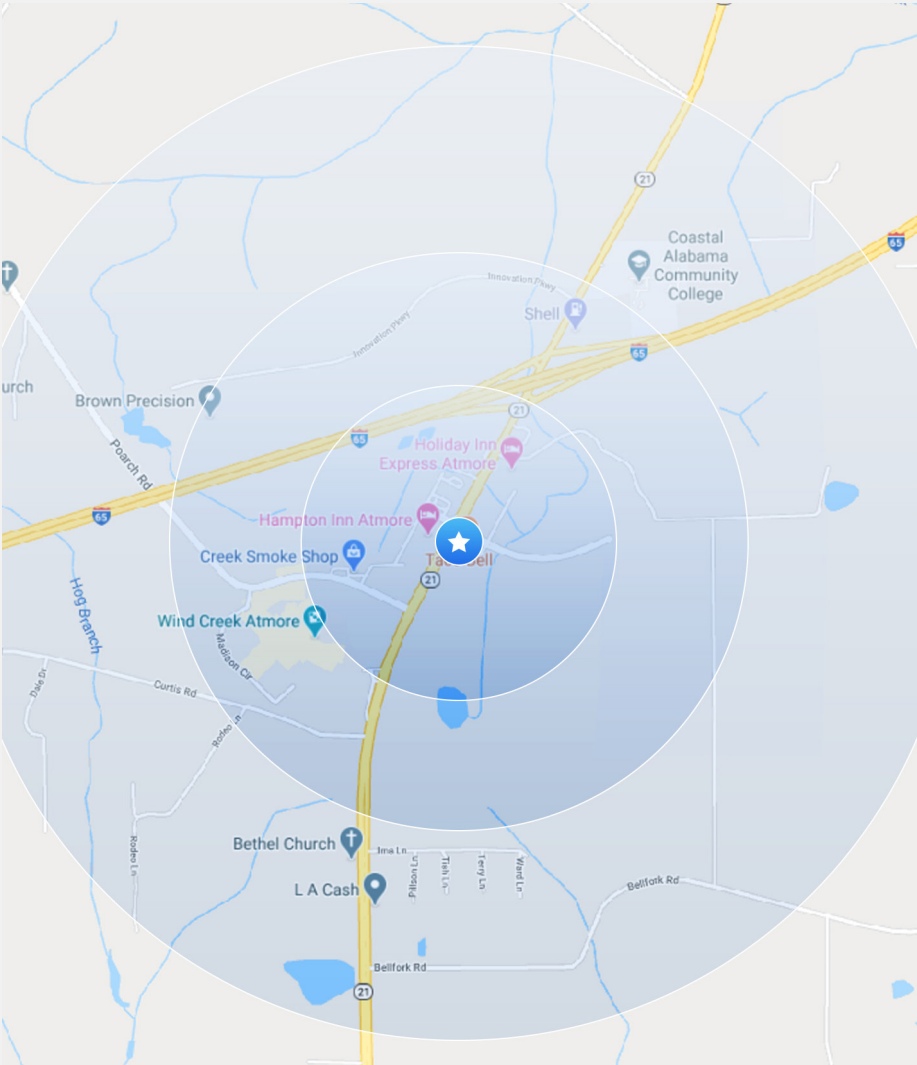


QRG Featured in Franchisee Magazine

QRG leadership dives into how they grew to nearly 350 units in 2 years.
[Read More](#)

SONIC DRIVE-IN

DEMOGRAPHICS



| POPULATION | 1-Mile | 3-Mile | 5-Mile |
|-----------------|--------|--------|--------|
| 2025 Projection | 104 | 2,066 | 7,079 |
| 2020 Estimate | 105 | 2,063 | 7,078 |
| 2010 Census | 104 | 2,169 | 7,441 |

| HOUSEHOLDS | 1-Mile | 3-Mile | 5-Mile |
|-----------------|----------|----------|----------|
| 2025 Projection | 40 | 537 | 1,896 |
| 2020 Estimate | 40 | 537 | 1,901 |
| 2010 Census | 40 | 529 | 1,883 |
| Average Income | \$48,300 | \$50,993 | \$46,228 |
| Median Income | \$32,500 | \$34,699 | \$31,420 |

Atmore, AL

Located between the metropolitan areas of Mobile and Pensacola, Fla., historic Atmore offers all the charm of small-city living, limitless recreational opportunities at Claude D. Kelley State Park, and close proximity to the beautiful Alabama and Florida Gulf beaches. The nearby Poarch Creek Reservation is home to a segment of the original Creek Nation and the only tribe in Alabama to currently hold federal recognition. Atmore is in the planning stages to increase its economic base with additions in its new Rivercane development along the I-65 corridor.

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