



411 STATE HIGHWAY 35 | PORT LAVACA, TX 77979

OFFERING MEMORANDUM

LISTED BY

Kyle Matthews

Broker of Record

Direct +1 (886) 889-0550

License No. 9005919 (TX)

841 Apollo St Suite 150,

El Segundo, CA 90245

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES



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EXECUTIVE OVERVIEW

INVESTMENT HIGHLIGHTS

High Sales Quick Service Restaurant in the Heart of Texas

- Incredibly high annual store sales with 2020 figures over \$2,600,000
- Long term lease in place with over 11 years remaining on base term

Proven Pandemic Proof Concept

- Sonic Drive-In's performed very well through the pandemic
- This location has an existing drive-through and experience-driven parking stalls
- Reputable franchise operator

Ideal Quick Service Restaurant Location

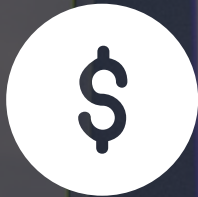
- Directly off of State Highway 35
- Close proximity to Calhoun High School, Travis Middle School, HJM Elementary School
- Local football stadium across the street from subject property







FINANCIAL OVERVIEW



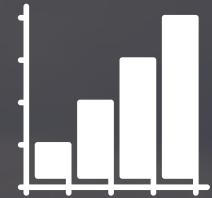
\$2,700,000

LIST PRICE



\$156,311

2020 ANNUAL
RENT



5.79%

CAP RATE

BUILDING INFO

Address	411 State Highway 35 Port Lavaca, TX 77979
Year Built	1998
GLA of Building	± 1,494 SF
Lot Size	± 1.68 acres



\$139,069

3 YEAR AVG
AVG RENT



5.15%

3 YEAR AVG
CAP RATE

TENANT SUMMARY

Tenant Trade Name	Sonic Drive-In
Type of Ownership	Fee Simple
Lease Guarantor	Franchisee
Lease Type	NNN
Roof, Structure & Parking Lot	LL Responsible for Replacement; Tenant Responsible for Maintenance
Original Lease Term	15 years
Lease Commencement Date	4/1/18
Rent Commencement Date	4/1/18
Lease Expiration Date	3/31/33
Term Remaining on Lease	12 years
Increase	None
Options	Two, 5 Year Options

ANNUALIZED OPERATING DATA

Lease Term	Base Rent	Percentage Rent	Total Annual Rent
1/1/2018 - 12/31/2018	\$66,000.00	\$59,283.00	\$125,283.00
1/1/2019 - 12/31/2019	\$66,000.00	\$69,612.00	\$135,612.00
1/1/2020 - 12/31/2020	\$66,000.00	\$90,311.00	\$156,311.00

Monthly Rent shall be the greater of the sum of \$5,500 or Six Percent (6%) of Tenant's monthly Gross Receipts

DEBT QUOTE

Please contact a Matthews™ Capital Markets Agent for financing options:

Patrick Flanagan
patrick.flanagan@matthews.com



± 20,000 VPD



TRAVIS
MIDDLE

United
Rentals



± 20,000 VPD



TENANT OVERVIEW

SONIC



» **Company Name**
SONIC



» **Ownership**
PUBLIC



» **Year Founded**
1953



» **Industry**
RESTAURANT



» **Headquarters**
OKLAHOMA CITY, OK



» **Website**
WWW.SONICDRIVEIN.COM

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 3,585 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.



PORT LAVACA, TX

Situated along the Gulf of Mexico, Port Lavaca is a coastal city and the county seat of Calhoun County, Texas. Located just 30 minutes away from Victoria, Port Lavaca is part of the Victoria Metropolitan Statistical Area. Port Lavaca offers a growing local economy and a variety of tourist attractions for everyone to enjoy. With a total area of 14 square miles and a population of over 12,000 residents, Port Lavaca is the perfect place to go to get away from the fast-paced life of major Texas cities and enjoy the small-town charm of Port Lavaca.

ECONOMY

Port Lavaca's local economy is supported by crop & animal production, mining/quarrying/oil/gas extraction, utilities, construction, and manufacturing. Major businesses with operations in the city include Formosa Plastics, Dow Chemical, and Orion Marine Group Inc., these are where many of the city's residents work. Tourism also has a major impact on the local economy of Port Lavaca as people from colder states and Canada stay in the city's many RV and camping parks between October and April.

DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2026 Projection	4,475	11,883	13,763
2021 Estimate	4,724	12,529	14,437
2010 Census	4,858	13,186	15,031
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2026 Projection	1,617	4,248	4,970
2021 Estimate	1,724	4,520	5,259
2010 Census	1,685	1,685	5,111
INCOME	1-MILE	3-MILE	5-MILE
2021 Avg HH Income	\$76,578	\$78,293	\$78,967





ATTRACTIONS

Lighthouse Beach: Located along the Lavaca Bay, Lighthouse Beach is a popular destination for visitors and residents alike for its sandy beach. The shallow water is ideal for families with lots of young children. It is also a great spot for bird watching as it is home to a bird sanctuary. Other amenities include a playground and picnic areas.

Calhoun County Museum: features historical exhibits and artifacts that tell the story of Robert La Salle, an explorer, the Karankawa Indians, the Civil War, and local history. Some notable artifacts in the museum include items from La Salle's ship, the lens from the 1852 Matagorda Island Lighthouse, an eight-foot diorama of the once-thriving town of Indianola, and many others.

Halfmoon Reef Lighthouse: Built in 1858, the Halfmoon Reef Lighthouse guided mariners using its 12-mile beacon during its heyday. Today, visitors can visit the lighthouse, now located closer to shore, and learn about its history.



CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Sonic** located in **Port Lavaca, TX** ("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 and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner Seller and in part upon financial information obtained from sources the Owner it deems reliable. Owner, nor their officers, employees, or real estate 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.

Matthews Real Estate Investment Services is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Matthews Real Estate Investment Services.

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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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