

20-Year NNN Sale-Leaseback

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



3497 Baker Rd, Acworth, GA 30101

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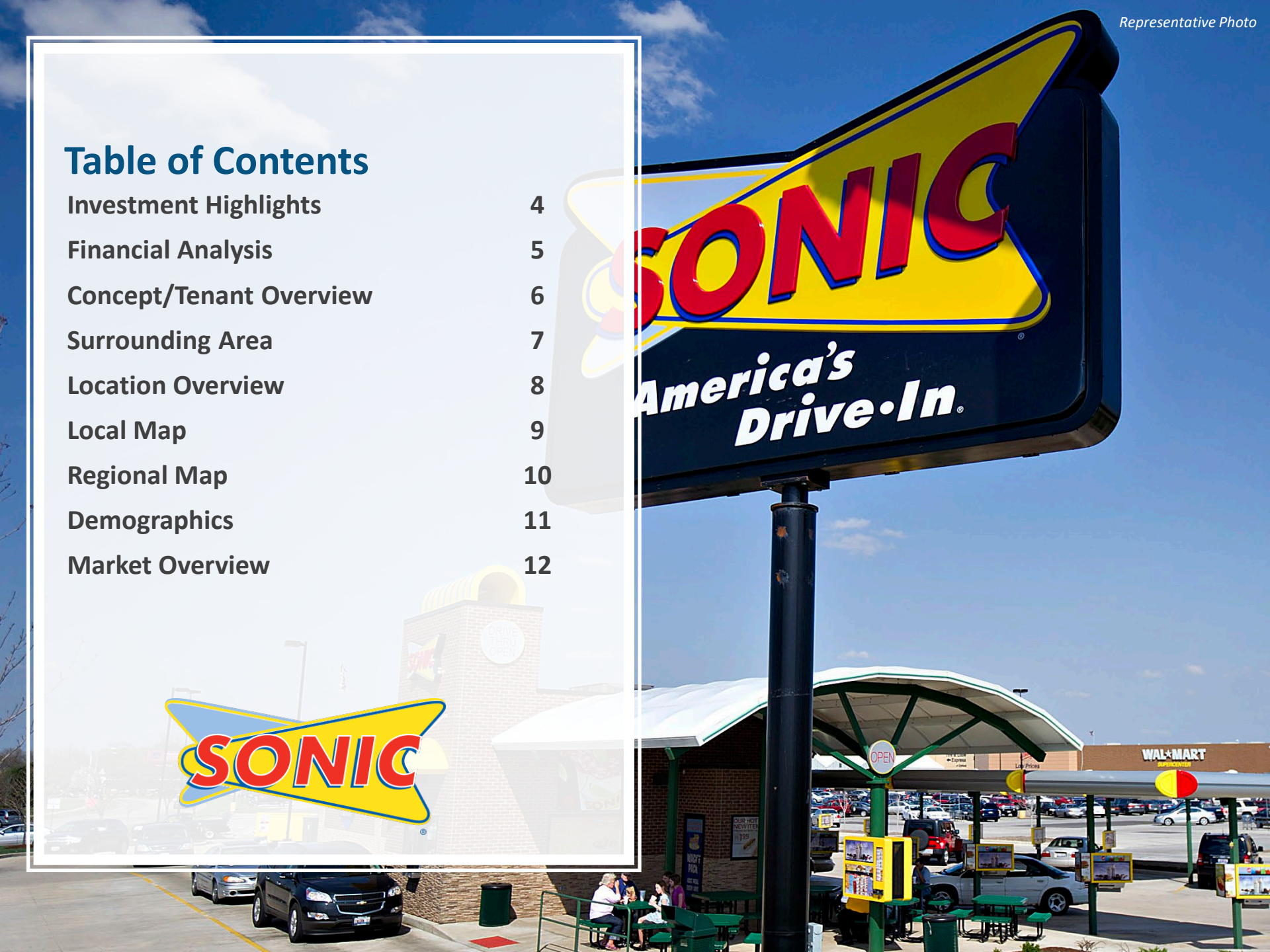


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SONIC
*America's
Drive-In®*





Investment Highlights

PRICE: \$1,823,049 | CAP: 5.15% | RENT: \$93,887



About the Investment

- ✓ 20-Year Absolute Triple-Net (NNN) Sale-leaseback
- ✓ Franchisee Guarantee from AFG SR OP II, LLC (18 Units)
- ✓ 1.50% Annual Rental Increases Starting Year Six (6)
- ✓ Four (4), Five (5)-Year Tenant Renewal Option Periods

About the Location

- ✓ Dense Retail Corridor | Surrounded By Publix, Cabela's, Walgreens, CVS, Dollar General, Advance Auto Parts, and More
- ✓ Strong Traffic Counts | Baker Rd, Cowan Rd, & Interstate-75 | 16,200, 30,200, & 95,500 Vehicles Per Day, Respectively
- ✓ Robust Demographics | More than 133,000 Individuals Reside within a Five-Mile Radius of the Subject Property
- ✓ Affluent Suburban Community | Average Household Income Exceeds \$94,000 within a Three-Miles Radius
- ✓ Located within Direct Proximity to Chattahoochee Technological College | Enrollment Exceeding 13,000 Students
- ✓ Strong Underlying Real Estate | Located Approximately 30-miles Outside of Downtown Atlanta, GA
- ✓ Major Recent and Ongoing Development in Immediate Area | Abbington Manor Apartment Complex | 90+ Units

About the Brand

- ✓ Sonic Drive-In Opened Their First Restaurant in 1953 and Now Maintains More Than 3,600 Drive-In Restaurants
- ✓ Sonic Continues to Thrive | Maintenance of Strong Real Sales Growth, Industry-Leading Customer Frequency, and High Returns for Stockholders
- ✓ Rated Top QSR Restaurant Chain in 14 States Amidst Covid-19 Pandemic





Financial Analysis



PRICE: \$1,823,049 | CAP: 5.15% | RENT: \$93,887

PROPERTY DESCRIPTION

Property	Sonic
Property Address	3497 Baker Rd
City, State, ZIP	Acworth, GA 30101
Estimated Building Size	1,484
Estimated Lot Size	+/- 0.89 Acres
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$1,823,049
CAP Rate	5.15%
Annual Rent	\$93,887

LEASE SUMMARY

Property Type	Net Leased Quick Service Restaurant
Tenant / Guarantor	AFG SR Acworth, LLC / AFG SR OP II, LLC (18 Units)
Original Lease Term	20 Years
Lease Commencement	Close of Escrow
Lease Expiration	20 Years From COE
Lease Term Remaining	20 Years
Lease Type	Absolute Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	1.50% Annually Starting Year Six (6)
Options to Renew	Four (4) Periods of Five (5) Years Each

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 1	\$93,887	\$7,824	-
Year 2	\$93,887	\$7,824	-
Year 3	\$93,887	\$7,824	-
Year 4	\$93,887	\$7,824	-
Year 5	\$93,887	\$7,824	-
Year 6	\$95,295	\$7,941	1.50%
Year 7	\$96,725	\$8,060	1.50%
Year 8	\$98,176	\$8,181	1.50%
Year 9	\$99,648	\$8,304	1.50%
Year 10	\$101,143	\$8,429	1.50%
Year 11	\$102,660	\$8,555	1.50%
Year 12	\$104,200	\$8,683	1.50%
Year 13	\$105,763	\$8,814	1.50%
Year 14	\$107,349	\$8,946	1.50%
Year 15	\$108,960	\$9,080	1.50%
Year 16	\$110,594	\$9,216	1.50%
Year 17	\$112,253	\$9,354	1.50%
Year 18	\$113,937	\$9,495	1.50%
Year 19	\$115,646	\$9,637	1.50%
Year 20	\$117,381	\$9,782	1.50%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the Sonic located at 3497 Baker Road in Acworth, GA. The site will consist of roughly 1,484 rentable square feet of building space on estimated 0.89-acre parcel of land. The Sonic is subject to a 20-year absolute triple-net (NNN) sale-leaseback, which will commence upon close of escrow. The initial annual rent will be \$93,887 and is scheduled to increase by one-and-a-half percent (1.50%) annually starting year six (6) throughout the base term and in each of the four (4), five (5)-year renewal options.



Concept Overview



SONIC DRIVE-IN OVERVIEW

Sonic Corporation operates and finances the largest chain of drive-in restaurants in the United States. The first Sonic Drive-In restaurant was opened in 1953, and as of September 2020, there are approximately 3,600 Sonic's nationwide. The typical Sonic Drive-In has 16 to 24 parking space, each having its own payment terminal, intercom speaker system and menu board. Sonic offers a highly diverse menu. The menu is built around the finest quality items available, offering conveniently priced items as well as healthy alternatives. Signature food items include specialty drinks (such as cherry limeades and slushes), ice cream desserts, made-to-order chicken sandwiches and hamburgers, a variety of hot dogs including six-inch premium beef hot dogs and foot long quarter-pound cones, hand-made onion rings and tater tots.

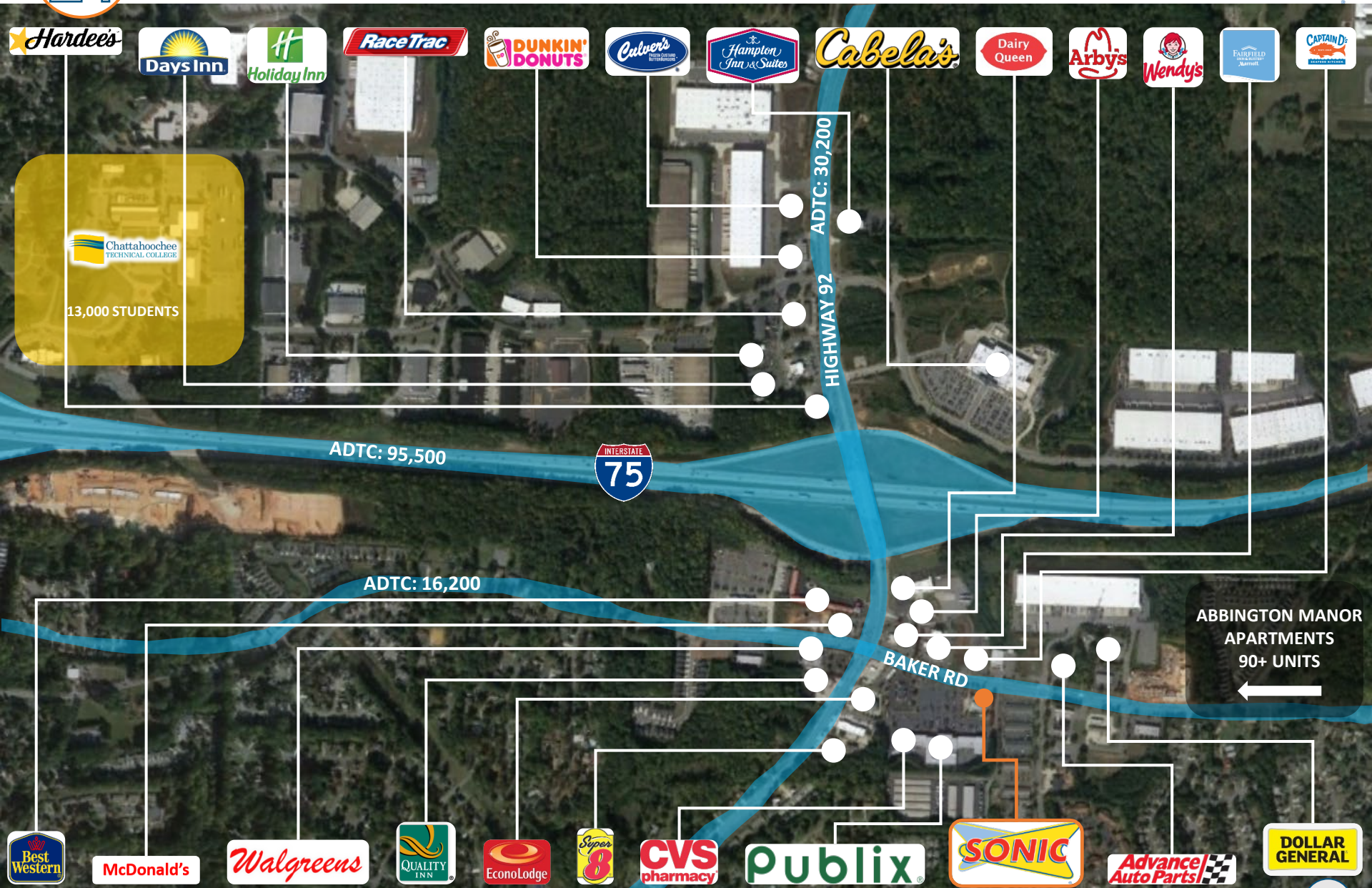


Highly Popular Amidst Covid-19 Pandemic Map of Top QSR Chain in Each State





Surrounding Area





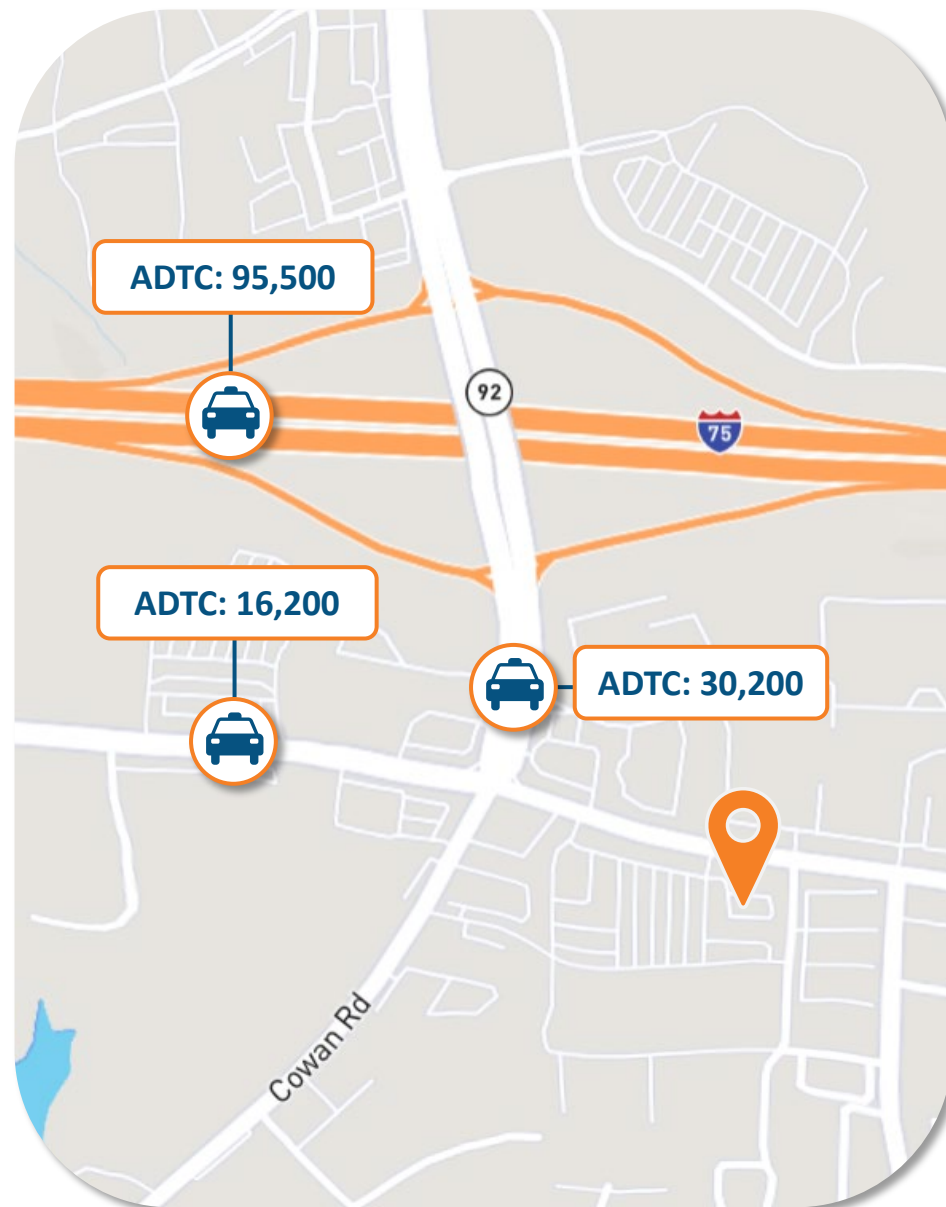
Location Overview



This Sonic Drive-In property is located at 3497 Baker Rd in Acworth, Georgia. Acworth is an affluent community roughly 30-miles outside of downtown Atlanta, boasting an average household income exceeding \$107,000 for homes within a 10-mile radius of the subject property. This Sonic Drive-In property is located on Baker Rd, which experiences an average daily traffic count of 16,200 vehicles. Intersecting with Baker Rd is Cowan Rd, which experiences 30,200 vehicles per day. Additionally, just north of the property is Interstate-75, which brings an additional 95,500 vehicles to the area on average daily.

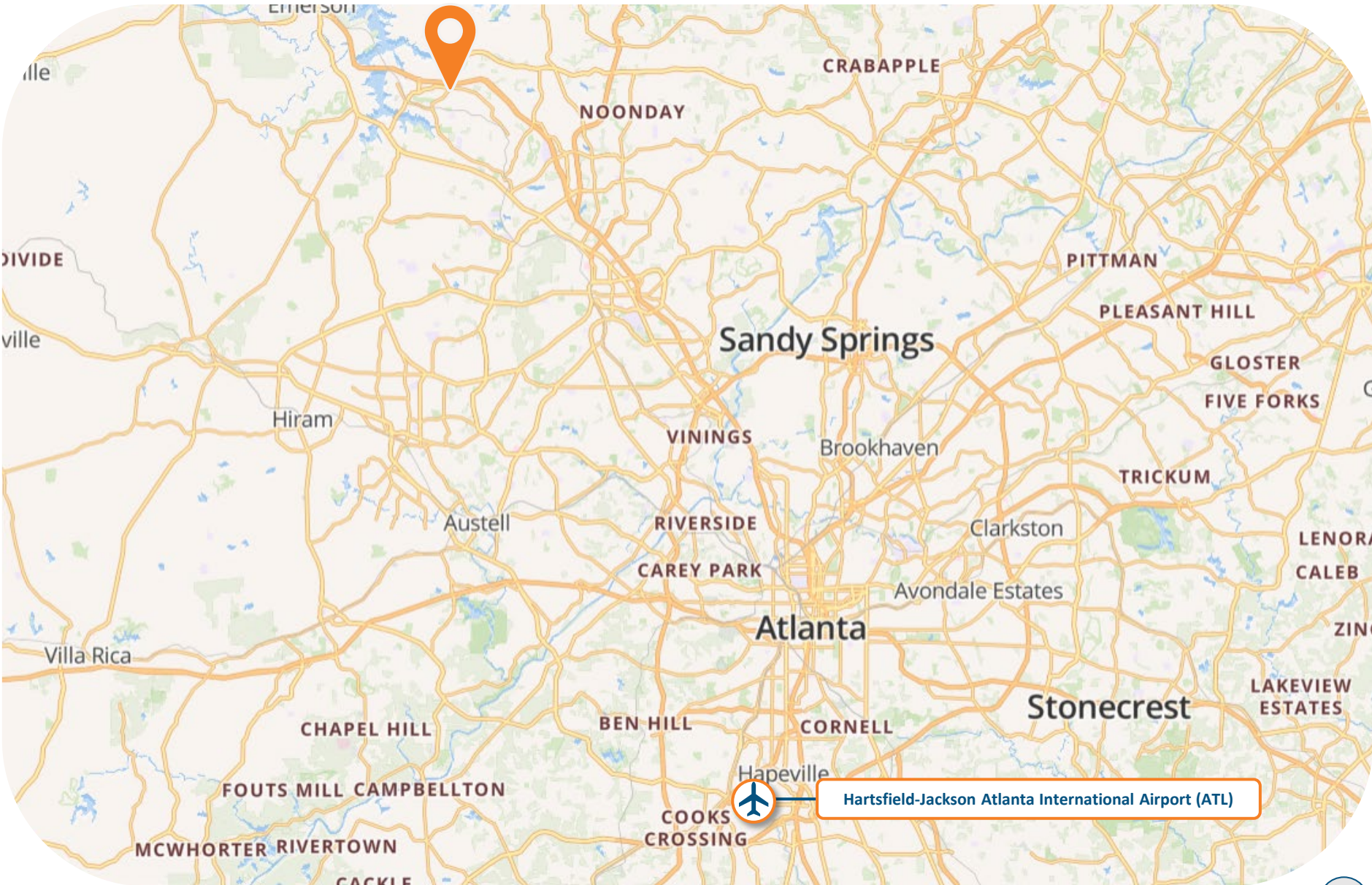
The subject property benefits from its strategic location in a dense a dense retail corridor, directly located off an interstate and within a community undergoing extensive development. Major retail tenants in the surrounding area include Publix, Cabela's, Walgreens, CVS, Dollar General, Advance Auto Parts, in addition to numerous others. There are several hotel accommodations within the immediate area, with tenants such as Hampton Inn, Fairfield Inn, Holiday Inn, Days Inn, Best Western, Quality Inn, and EconoLodge. Chattahoochee Technological College is located within direct proximity of the subject property and features a total enrollment exceeding 13,000 students. The Abbington Manor Apartment complex is also under development directly near the subject property and will feature over 90 apartment units when completed.

Acworth is a city in Cobb County, Georgia and is part of the Atlanta metropolitan area. Acworth is often referred to as "the Lake City" because of its proximity to Lake Allatoona and Lake Acworth, which promote swimming, fishing, boating and sailing opportunities. Shoppers enjoy Acworth's historical downtown, which offers a variety of cuisines, from classic Italian to spicy Cajun. Acworth has many community parks, as well as the 42-acre Acworth Sports Complex. Acworth has become one of the north Georgia region's coolest, trendiest venues, inviting both visitors from Atlanta and travelers passing through on I-75 to a splendid variety of cuisines, unique shops and live music.



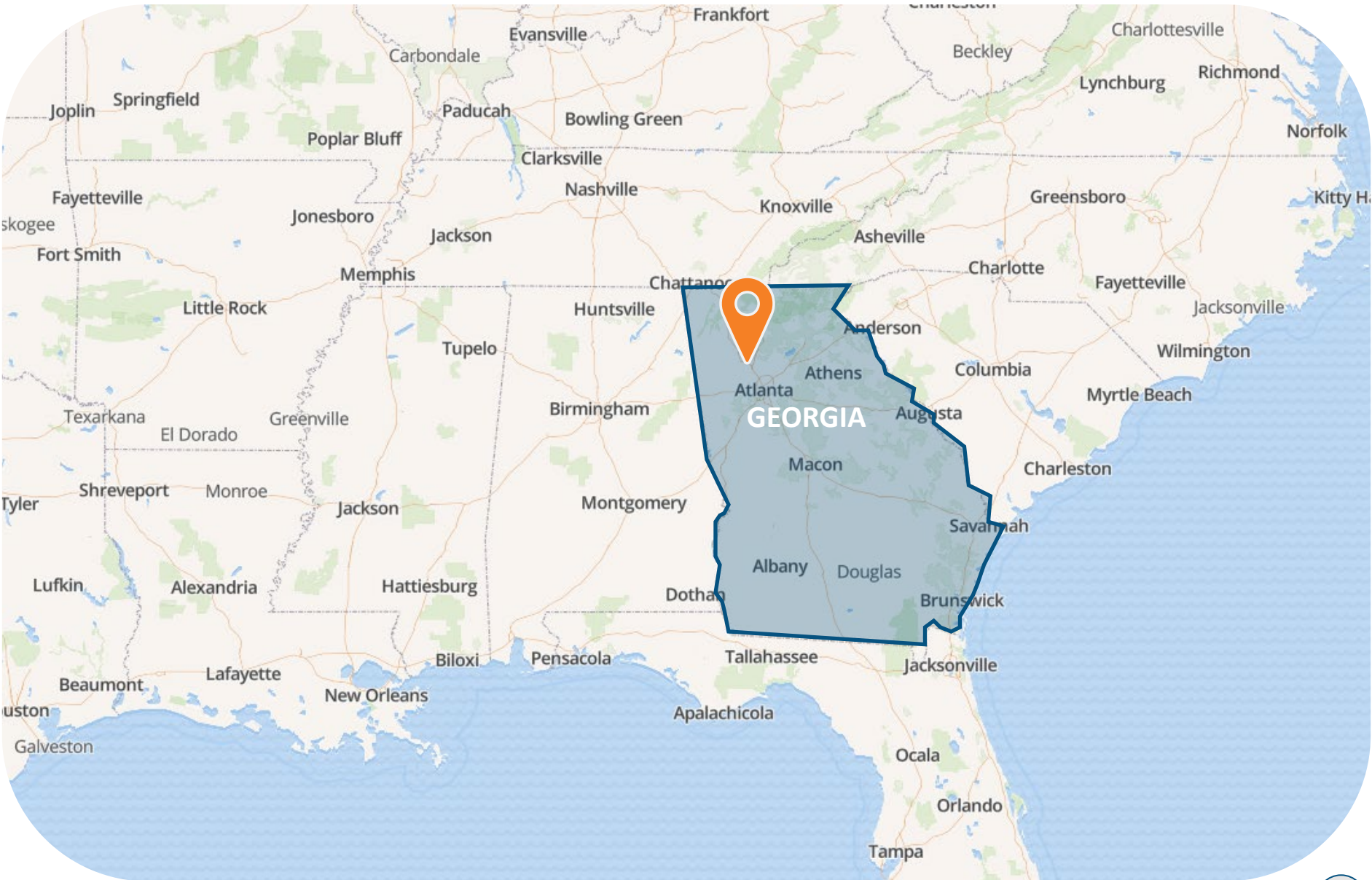


Local Map



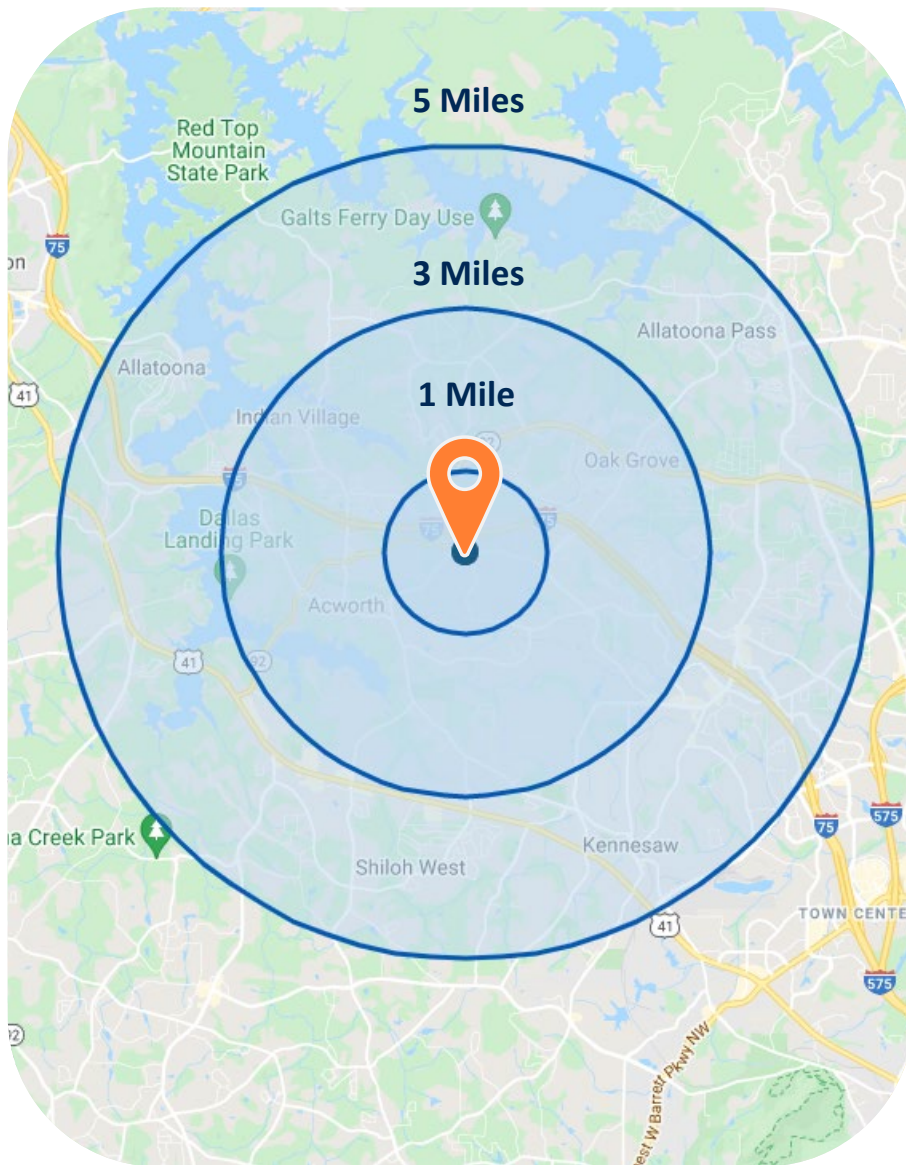


Regional Map





Demographics



POPULATION TRENDS

	1 Mile	3 Miles	5 Miles
2010 Population	7,711	53,198	120,360
2021 Population	8,166	59,301	133,714
2026 Population Projection	8,279	61,307	138,415
Annual Growth 2010-2021	0.50%	1.00%	1.00%
Annual Growth 2021-2026	0.30%	0.70%	0.70%

POPULATION BY RACE (2021)

	1 Mile	3 Miles	5 Miles
White	4,814	40,190	96,667
Black	2,733	14,132	26,747
American Indian/Alaskan Native	43	256	646
Asian	318	3,003	5,951
Hawaiian & Pacific Islander	9	32	107
Two or More Races	250	1,688	3,596
Hispanic Origin	1,265	6,607	16,732

HOUSEHOLD TRENDS

	1 Mile	3 Miles	5 Miles
2010 Households	2,944	18,912	42,233
2021 Households	3,119	21,058	47,044
2026 Household Projection	3,163	21,768	48,721
Growth 2010-2021	0.30%	0.90%	0.90%
Growth 2021-2026	0.30%	0.70%	0.70%

AVERAGE HOUSEHOLD INCOME (2021)

1 Mile	3 Miles	5 Miles
\$73,986	\$94,486	\$93,457

MEDIAN HOUSEHOLD INCOME (2021)

1 Mile	3 Miles	5 Miles
\$61,808	\$79,727	\$74,142

HOUSEHOLDS BY HOUSEHOLD INCOME (2021)

	1 Mile	3 Miles	5 Miles
< \$25,000	440	2,484	5,814
\$25,000 - 50,000	872	3,664	8,706
\$50,000 - 75,000	590	3,716	9,341
\$75,000 - 100,000	405	3,517	6,888
\$100,000 - 125,000	381	2,509	4,951
\$125,000 - 150,000	133	1,857	3,778
\$150,000 - 200,000	245	2,145	4,618
\$200,000+	52	1,166	2,952



Market Overview



Atlanta, GA

Atlanta has a metropolitan area that encompasses 29 counties in northwestern Georgia. With few natural barriers to limit development, tremendous population growth over the past decade expanded the metro's borders and the region now has a population of roughly 5.7 million people. Over the next five years the region is expected to add nearly 500,000 residents. Meanwhile, new redevelopment projects in the downtown and midtown sections of Atlanta present a vast array of housing, entertainment and retail opportunities that are enticing residents back into the city and providing options for people moving to the metro. Encompassing \$304 billion, the Atlanta metropolitan area is the eighth largest economy in this country and 17th-largest in the world. Over 75 percent of Fortune 1000 companies conduct business in Atlanta. Many corporations are drawn to Atlanta on account of the city's educated workforce. As of 2010 43 percent of adults in the city have college degrees, compared to 27 percent in the nation as a whole. Atlanta is home to the headquarters of many different corporations such as The Coca-Cola Company, The Home Depot, Delta Air Lines, AT&T Mobility, Chick-fil-A, UPS, and Newell Rubbermaid among others. Atlanta has a dynamic, distinctly Southern culture. This is due to a large population of migrants from other parts of the U.S., in addition to many recent immigrants to the U.S. who have made the metropolitan area their home, establishing Atlanta as the cultural and economic hub of an increasingly multi-cultural metropolitan area. Thus, although traditional Southern culture is part of Atlanta's cultural fabric, it is mostly the backdrop to one of the nation's most cosmopolitan cities. This unique cultural combination reveals itself in the arts district of Midtown, the quirky neighborhoods on the city's eastside, and the multi-ethnic enclaves found along Buford Highway. Atlanta is home to four professional sports teams: the Atlanta Braves (MLB), the Atlanta Hawks (NBA), the Atlanta Falcons (NFL), and Atlanta United FC (MLS).

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