

***** ONE MILE FROM SAM HOUSTON STATE UNIVERSITY *****



ACTUAL SITE

SCHLOTZSKY'S
118 INTERSTATE 45 SOUTH
HUNTSVILLE, TEXAS 77340

**OFFERING
MEMORANDUM**

Represented By:

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COMMERCIAL INVESTMENT ADVISORS, INC.
CIA BROKERAGE COMPANY

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In Association with Texas Designated Broker:
Paul Blackburn | Blackburn Properties | TX License # 376821

CIA
commercial
investment
advisors

INVESTMENT OVERVIEW

SCHLOTZSKY'S
HUNTSVILLE, TEXAS

SCHLOTZSKY'S

LOCATION	118 Interstate 45 South Huntsville, Texas 77340
MAJOR CROSS STREETS	On I-45, South of TX-30
TENANT	DMFH RESTAURANT ENTERPRISES, LLC
GUARANTOR	LOTZ OF BUNZ, LLC
PURCHASE PRICE	\$2,144,000
CAP RATE	4.85%
ANNUAL RENT	\$104,000
GROSS LEASEABLE AREA	±3,429 SF
RENTAL ESCALATIONS	7.50% Every 5 Years
LEASE TYPE	Absolute NNN
OWNERSHIP	(Building & Land) Fee Simple
YEAR BUILT REMODELED	1981 2018
LOT SIZE	±0.65 Acre
LEASE EXPIRATION	January 31, 2042
OPTIONS	Four 5-Year Renewal Options

POINTS OF INTEREST

RETAIL | ENTERTAINMENT: Nearby major retailers include Walmart, Target, Home Depot, Hobby Lobby, Academy Sports + Outdoors, Marshalls, Maurices, Cato, Rue 21, Cavender's Boot City, Dollar Tree, Family Dollar, Dollar General, Office Depot, Petco, ALDI, Kroger, H-E-B, Goodwill, Tractor Supply Co., Harbor Freight Tools, Aaron's, Rent-A-Center, AutoZone, O'Reilly Auto Parts, Walgreens, CVS, Verizon, AT&T, Cricket Wireless, Boost Mobile, T-Mobile, Metro by T-Mobile, Cinestar, etc.

HIGHER EDUCATION: 1 mile from Sam Houston State University - a public university offering various degree programs with 21,612 students

HEALTHCARE: 2 miles from Huntsville Memorial Hospital - a 123-bed hospital offering a wide range of inpatient and outpatient services

INVESTMENT HIGHLIGHTS

LEASE: Brand New 20-Year Absolute NNN Lease with Attractive 7.50% Rental Escalations Every 5 Years!

TENANT | OPERATOR: DMFH Restaurant Enterprises, LLC/Lotz of Bunz, LLC (the 3rd Largest Franchisee in the Schlotzsky's System) **Owns & Operates 23 Locations in 3 States!**

SEASONED SALES LOCATION: Successfully Open & Operating with an Attractive 8.29% Rent to Sales Ratio!

TRAFFIC COUNTS: Positioned West of I-45 with Great Drive-By Visibility where Traffic Counts Exceed 39,000 CPD!

2021 DEMOGRAPHICS: Total Population (5-MI): 49,940 | Average Household Income (1-MI): \$56,491

**** INCOME TAX FREE STATE ****



SUMMARY

TENANT	DMFH Restaurant Enterprises, LLC	YEAR BUILT REMODELED	1981 2018
GUARANTOR	Lotz of Bunz, LLC	LOT SIZE	±0.65 Acre
PURCHASE PRICE	\$2,144,000	EXPENSE REIMBURSEMENT	This is an Absolute NNN lease . Tenant is responsible for all expenses.
CAP RATE	4.85%	FINANCING	All Cash or Buyer to obtain new financing at Close of Escrow.
GROSS LEASABLE AREA	±3,429 SF		

RENT ROLL

TENANT INFO		LEASE TERMS	RENT SUMMARY		
TENANT NAME	SQ FT	TERM	INCREASE	RENT	ANNUAL INVESTOR RETURN
DMFH Restaurant Enterprises, LLC	3,429	Years 1-5: 01/24/22 to 01/31/27	Current	\$104,000	4.85%
		Years 6-10: 02/01/27 to 01/31/32	7.50%	\$111,800	5.21%
		Years 11-15: 02/01/32 to 01/31/37	7.50%	\$120,185	5.61%
		Years 16-20: 02/01/37 to 01/31/42	7.50%	\$129,199	6.03%
RENEWAL OPTIONS		1st Option: 02/01/42 to 01/31/47	7.50%	\$138,889	
		2nd Option: 02/01/47 to 01/31/52	7.50%	\$149,305	
		3rd Option: 02/01/52 to 01/31/57	7.50%	\$160,503	
		4th Option: 02/01/57 to 01/31/62	7.50%	\$172,541	

TENANT OVERVIEW

SCHLOTZSKY'S
HUNTSVILLE, TEXAS



TYPE	PRIVATELY HELD	PARENT	FOCUS BRANDS
# OF LOCATIONS	332	INDUSTRY	RESTAURANTS - FAST FOOD
https://www.schlotzskys.com/		https://www.focusbrands.com/	



Schlotzsky's is a privately held franchise chain of restaurants, specializing in sandwiches. The company is headquartered in Atlanta, Georgia. **Schlotzsky's has more than 330 franchised and company-owned locations worldwide.** Most locations are in the south and southwestern United States, but the company is expanding into areas across the country, particularly the north and southeast.

FOCUS Brands® is a leading developer of global foodservice franchise systems and the indirect parent company of Schlotzsky's®, as well as six other iconic foodservice brands. They are the franchisor and operator of over 6,300 ice cream shops, bakeries, restaurants, and cafes in 60 countries.

ABOUT THE TENANT

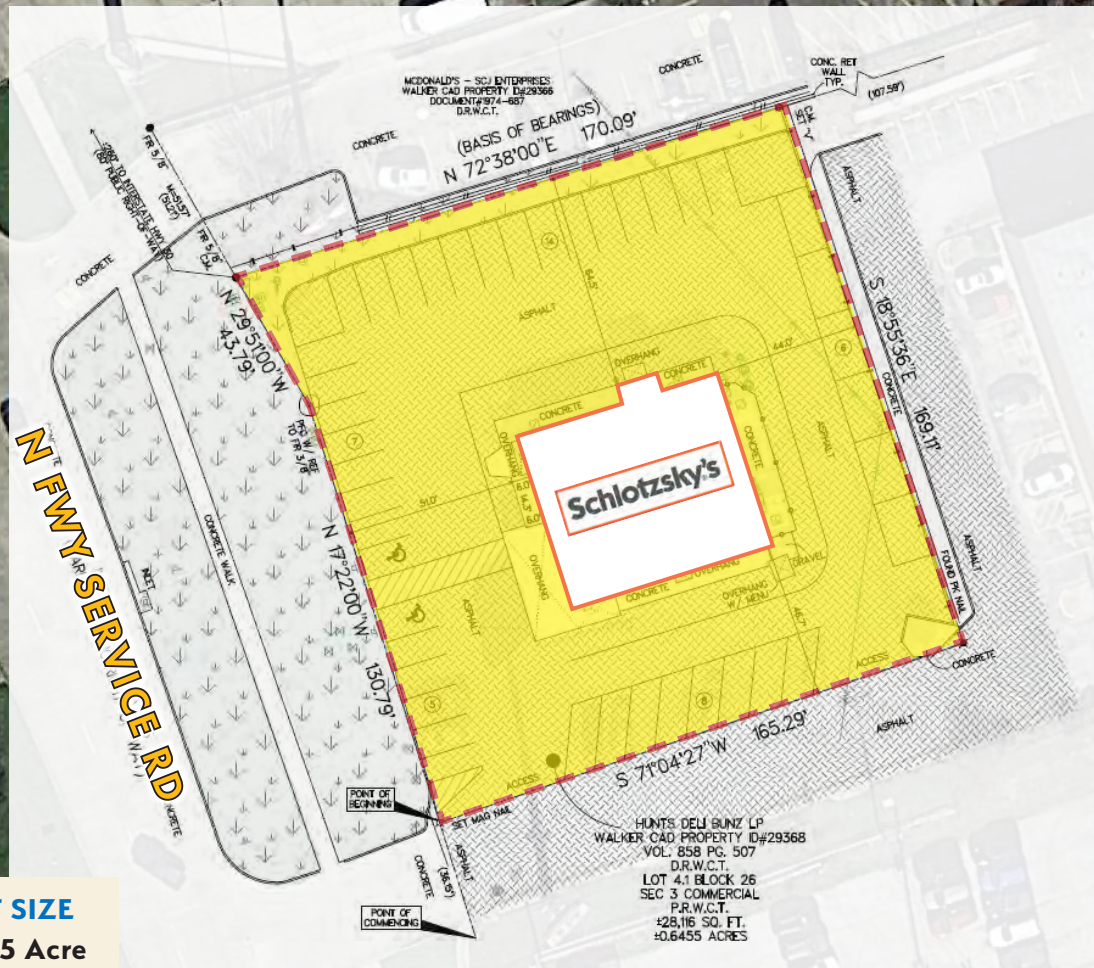
JJ Ramsey is a seasoned/successful operator whose story with the Schlotzsky's brand started when he was 14 years old working (every position) alongside his parents in the mid 90's. After college, Ramsey worked his way up the ladder and became team leader, assistant manager, general manager and eventually went onto a district manager overseeing 7 locations in Tulsa and Oklahoma City overseeing 30 plus managers, 150 employees and 8.5 million in annual sales.

In 2011, Ramsey moved to Austin Texas and worked as a franchise business consultant overseeing 30 franchisees and 55 of their Schlotzsky's stores.

In June of 2015, Ramsey bought their first 3 Schlotzsky's in NW Arkansas and formed their company "DMFH Restaurant Enterprises, LLC and Lotz of Bunz, LLC". In April of 2018, purchased their 4th location in Springfield. In February of 2019, Ramsey bought 6 additional locations in Arkansas and Kansas. In 2020, opened their first new location in Wichita Kansas, acquired 2 locations in Terrell and Forney, Texas and acquired 5 additional locations in East Texas. Most recently, they opened a Schlotzsky's in Mountain Home Arkansas and Derby Kansas in July 2021!

DMFH Restaurant Enterprises, LLC/Lotz of Bunz, LLC is the 3rd largest franchisee in the Schlotzsky's system with 23 locations in Kansas, Texas & Arkansas. JJ Ramsey is also on the Franchise Advisory Board & engaged daily in his restaurant operations.

SITE PLAN



LOT SIZE

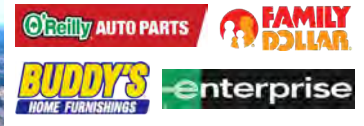
±0.65 Acre

GLA

±3,429 SF

SCHLOTZSKY'S | HUNTSVILLE, TEXAS

FACING EAST



SCHLOTZSKY'S | HUNTSVILLE, TEXAS

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The information contained herein has been obtained from sources we deem reliable. We cannot assume responsibility for its accuracy.

FACING SOUTH



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FACING WEST



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HUNTSVILLE



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HUNTSVILLE CITY VIEW



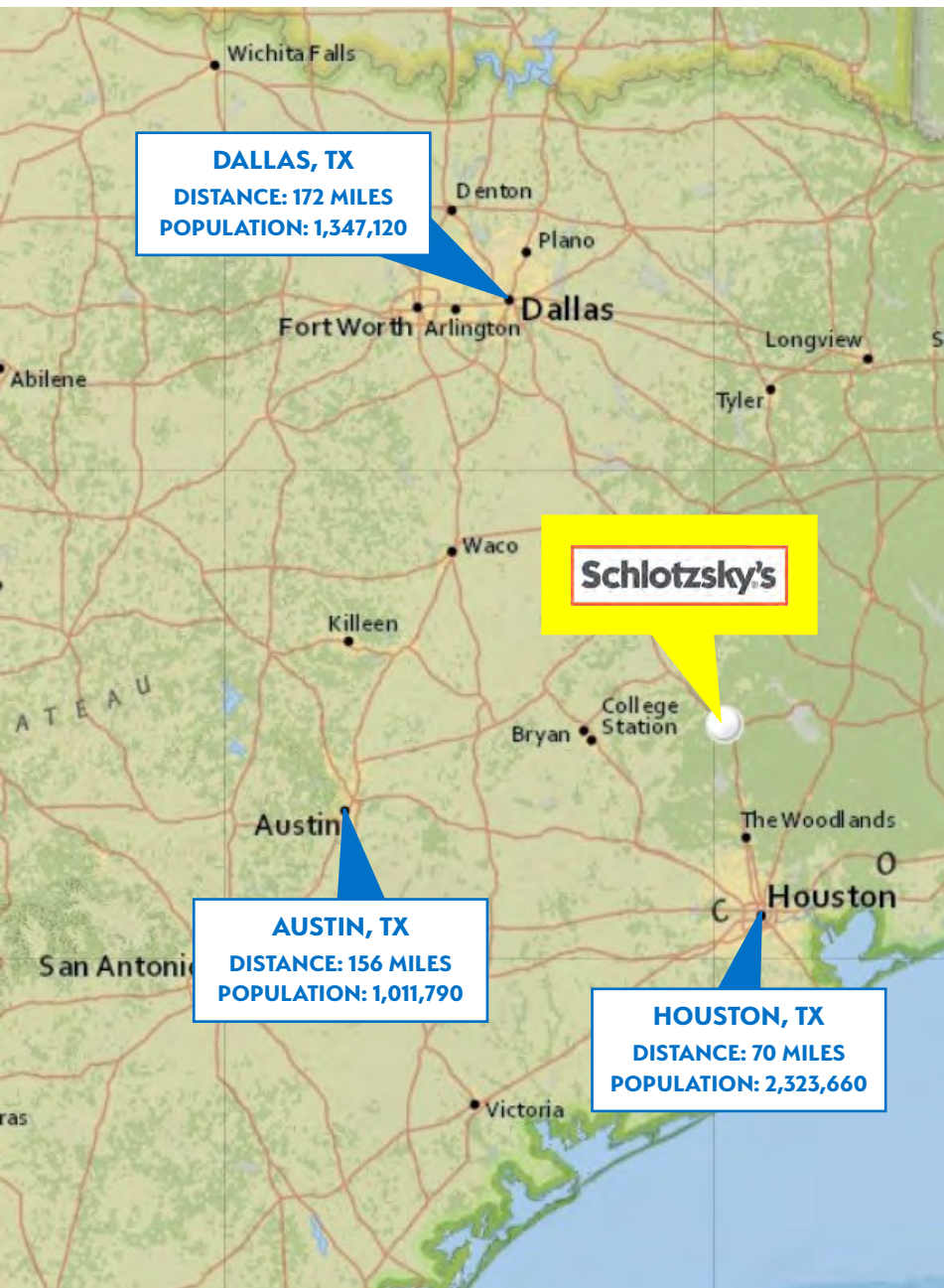
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LOCATION OVERVIEW



Huntsville is the county seat of Walker County, Texas. Huntsville is located in a prime area of the Interstate 45 corridor. The anticipated growth from the Houston and Dallas metropolises offers many opportunities for businesses and industries. Huntsville sits within the Texas Triangle, the area of Texas outlined by the metropolitan areas of Austin, Dallas-Fort Worth and Houston. This location provides convenient access to the largest cities in the state all while maintaining a charming sense of community for citizens. As one of the oldest cities in Texas, Huntsville retains many natural and historic resources that offer the community a higher quality of life.

HUNTSVILLE TOP EMPLOYERS

1. **Texas Department of Criminal Justice** (state prison) - 4,372
2. **Sam Houston State University** (higher education) - 2,417
3. **Huntsville ISD** (public education) - 980
4. **Huntsville Memorial Hospital** (medical) - 552
5. **Walmart** (retailer) - 485
6. **Walker County** (government) - 400
7. **H-E-B** (retailer) - 393

Huntsville is home to **HEARTS Veterans Museum of Texas** - a non-profit history museum since 1993 with military artifacts & memorabilia, equipment & guided tours.

2021 DEMOGRAPHICS

	1-MI	3-MI	5-MI
Total Population	7,020	40,516	49,940
Projected Population (2026)	7,050	41,192	50,712
Daytime Demographics Age 16+	9,710	36,861	45,217
Population Median Age	29.4	29.8	32.8
Average Household Income	\$56,491	\$40,721	\$45,923

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By accepting this Marketing Brochure you agree to release Commercial Investment Advisors, Inc. | CIA Brokerage Company hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of any property.

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PAUL BLACKBURN

Texas Designated Broker

License # 376821





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.

11-2-2015



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.

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Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date