



HIGH PERFORMING STORE

SONIC DRIVE-IN

1361 South Highway 27
Somerset, Kentucky 42501

- » **Absolute-Net (Zero Landlord Responsibilities):** New 20 Year Lease with Attractive 1.5% Rental Increases Annually to Hedge Against Inflation.
- » **Strong Existing Operating Entity:** SOAR Restaurants II, LLC Operates 95 Units and Will Continue to Grow Over Time.
- » **High Performing Store:** Existing above National Average Store Sales with Continued Upside Through New Operator Ownership.
- » **Strong Location & Excellent Visibility:** Sonic Drive-In is Located Along South Highway 27 Which Oversees 32,581 Vehicles Per Day.
- » **Near Somerset Community College:** 1.5 Miles from Sonic Somerset Community College Enrolls 6,500+ Students.



Marcus & Millichap
THE DELTONDO GROUP

**19800 MacArthur Boulevard, Suite 150
Irvine, California 92612**

www.deltondoadvisorygroup.com

Lead Listing Broker:

PETER DELTONDO

Senior Managing Director
P. (949) 698-2609
E. pdeltondo@marcusmillichap.com
License CA 01797033

ANDRE THOMPSON

Senior Associate
P. (949) 419-3217
E. athompson2@marcusmillichap.com
License CA 02086459

SHEILA ALIMADADIAN

First Vice President
P. (949) 419-3265
E. salimadadian1@marcusmillichap.com
License CA 01266188

MANUEL SLEEM

Associate
P. (949) 419-3251
E. msleem@marcusmillichap.com
License CA 02109537

ETHAN ELLIOTT

Associate
P. (949) 419-3294
E. eelliott1@marcusmillichap.com
License CA 02101801

BRYCE DUNKS

Director of Operations
The Deltondo Group
P. (949) 419-3225
E. bdunks@marcusmillichap.com

BROKER OF RECORD

Josh Caruana
License 0265350



Kroger
Wendy's
TACO BELL
McDonald's
Burger King

Hardee's

DUNKIN' DONUTS

KFC

CAPTAIN D'S
SEAFOOD KITCHEN

SLIM CHICKENS

Subject Property
SONIC

AutoZone

SOMERSET
COMMUNITY COLLEGE
Somerset Community College

Chick-fil-A

taco john's
SINCE 1969

A&W

BR
baskin
robbins

FAZOLI'S

Bob Evans
RESTAURANT

Lake Cumberland
Regional Airport

S Hwy 27 (32,581 VPD)

Hal Rogers Pkwy

NAPA AUTO PARTS

Starbucks

LOUISIANA
KITCHEN
POPEYES

Pizza Hut

Culver's

DQ

LOWE'S
GameStop
White Castle
Visionworks
Walmart
DOLLAR TREE
Cracker Barrel
ZAXBY'S

TEXAS ROADHOUSE
Kroger
COOK OUT

Grand Central Place
HOBBY LOBBY
Dunham's SPORTS
OLLIE'S
planet fitness
TJ-maxx
AspenDental
Frisch's BIG BOY

SONIC DRIVE-IN

Address:	1361 South Highway 27 Somerset, Kentucky 42501
Price:	\$2,888,653
CAP:	4.85%
NOI:	\$140,100

INVESTMENT SUMMARY

Lease Type:	Absolute-Net
Landlord Responsibility:	None
Year Built:	2016
Building Area:	1,518 SF
Land Area:	26,640 SF
Vehicles Per Day:	32,581 (US Hwy 27)
10 Mile Radius Population:	53,604



HIGHLIGHTS

- » **Absolute-Net (Zero Landlord Responsibilities):** New 20 Year Lease with Attractive 1.5% Rental Increases Annually to Hedge Against Inflation.
- » **Strong Existing Operating Entity:** SOAR Restaurants II, LLC Operates 95 Units and Will Continue to Grow Over Time.
- » **High Performing Store:** Existing above National Average Store Sales with Continued Upside Through New Operator Ownership.
- » **Strong Location & Excellent Visibility:** Sonic Drive-In is Located Along South Highway 27 Which Oversees 32,581 Vehicles Per Day.
- » **Near Somerset Community College:** 1.5 Miles from Sonic Somerset Community College Enrolls 6,500+ Students.
- » **Excellent Demographics:** Within a 10 Mile Radius Population is 53,604, Households 21,836, and the Average Household Income is \$63,327.
- » **Nearby National Tenants:** Walmart, Lowes, Kroger, Hobby Lobby, Cracker Barrel, Planet Fitness, T.J. Maxx, Chick-fil-A, Slim Chickens, Culver's, Captain D's, Dunkin' Donuts, Starbucks, Popeyes, Hardee's, Taco John's, Zaxby's, Fazoli's, Taco Bell, McDonald's, KFC, Burger King, Texas Roadhouse, and More.



TENANT OVERVIEW

For more than 60 years, SONIC, America’s Drive-In has built a dominant position in the drive-in restaurant business. They did it 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.

SONIC is the nation’s largest drive-in restaurant chain serving more than 3 million customers every day. Nearly 90 percent of SONIC’s 3,500 drive-in locations are owned and operated by local business men and women. SONIC has delighted guests with signature menu items, more than 1.3 million drink combinations and friendly service by iconic Carhops.

Company Name:	Headquarters:
Sonic Drive-In	Oklahoma City, OK
Number of Stores:	Customers Per Day:
3,500+	3+ Million
Year Founded:	Number of Employees:
1953	9,200+

OPERATOR OVERVIEW

Based out of Dallas, Texas - CMG Companies is a Franchise Times top 25 multi-unit franchise operator of restaurants, retail, and hotels. CMG operates in 30+ states with approximately 350+ restaurants, 110+ retail units and hotels, along with interests in real estate and other commercial investments. Their humble backgrounds and roots are centered in the hospitality space, operating restaurants since 2001 and hotels since 2010. Brands that CMG are currently involved with are KFC, Taco Bell, Marriott, Hilton, IHG, Genghis Grill, Sonic, Little Caesars, Rent-A-Center and Ace Hardware to name a few.

TENANT SUMMARY

Tenant Name:	Sonic Drive-In
Operating Entity:	SOAR Restaurants II, LLC (95 Units)
Type of Ownership:	Fee Simple
Lease Type:	Absolute-Net
Landlord Responsibilities:	None
Rent Commencement:	Close of Escrow
Lease Expiration:	20 Years From COE
Term Remaining:	20 Years
Increases:	1.5% Annually
Options:	Four, 5 Year




ANNUALIZED OPERATING DATA

Base Rent	Annually	Monthly
Year 1	\$140,100.00	\$11,675.00
Year 2	\$142,201.50	\$11,850.13
Year 3	\$144,334.52	\$12,027.88
Year 4	\$146,499.54	\$12,208.30
Year 5	\$148,697.03	\$12,391.42
Year 6	\$150,927.49	\$12,577.29
Year 7	\$153,191.40	\$12,765.95
Year 8	\$155,489.27	\$12,957.44
Year 9	\$157,821.61	\$13,151.80
Year 10	\$160,188.94	\$13,349.08

Year 11	\$162,591.77	\$13,549.31
Year 12	\$165,030.65	\$13,752.55
Year 13	\$167,506.11	\$13,958.84
Year 14	\$170,018.70	\$14,168.22
Year 15	\$172,568.98	\$14,380.75
Year 16	\$175,157.51	\$14,596.46
Year 17	\$177,784.88	\$14,815.41
Year 18	\$180,451.65	\$15,037.64
Year 19	\$183,158.42	\$15,263.20
Year 20	\$185,905.80	\$15,492.15

REGIONAL MAP

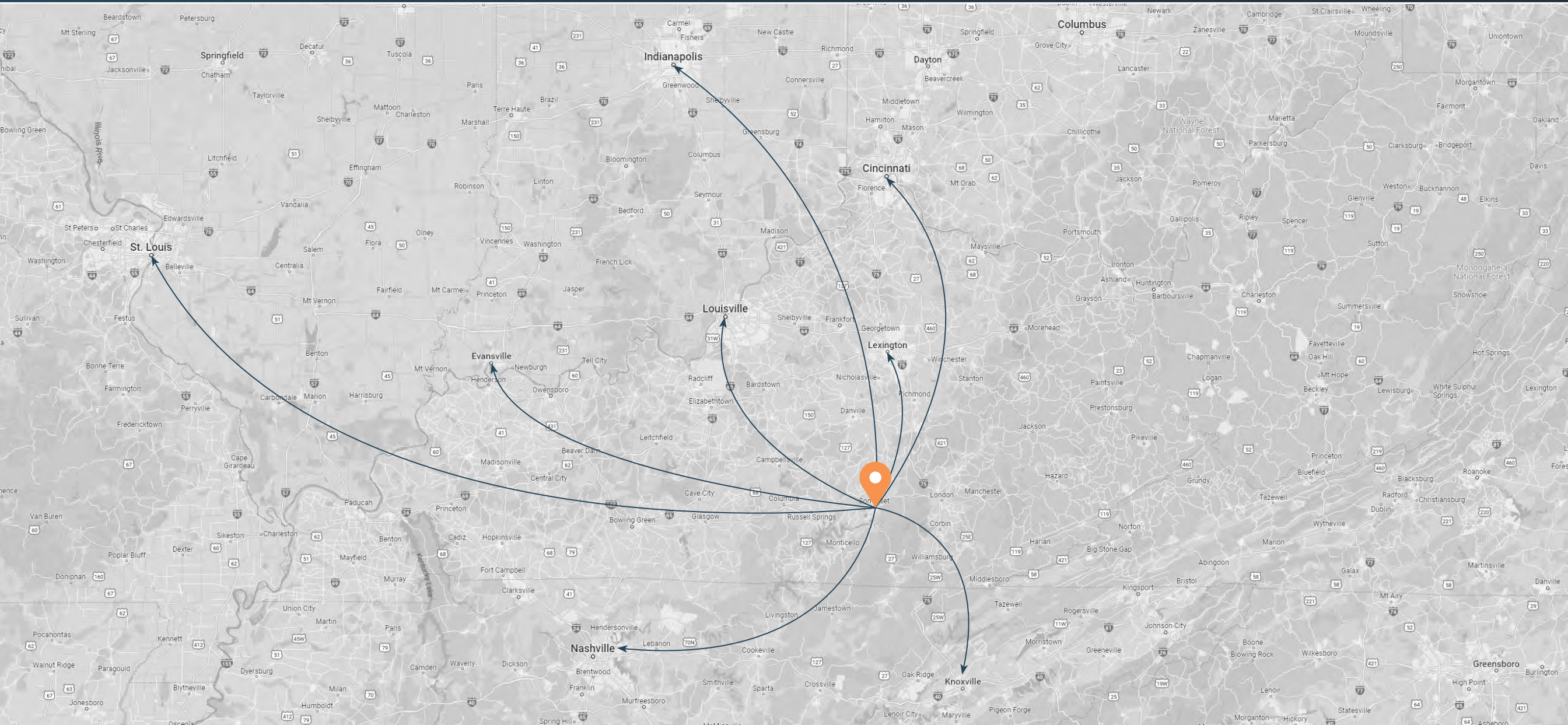
	Subject Property
	Somerset, KY

75 Miles	Lexington, KY
109 Miles	Knoxville, TN

129 Miles	Louisville, KY
165 Miles	Nashville, TN

227 Miles	Evansville, IN
158 Miles	Cincinnati, OH

239 Miles	Indianapolis, MN
388 Miles	St. Louis, MO



SOMERSET, KENTUCKY

Somerset was originally settled by Thomas Hansford and many Jasper family members in 1798. Somerset derived its named from the Somerset County in New Jersey. The city became the county seat of Pulaski County and was incorporated in 1887.

Visitors of Somerset can visit the Mountain Life Museum. General Burnside Island State Park comes with a number of recreational facilities. One can also visit the Mount Olive Church. Every year, the city of Somerset hosts various festivals such as the Archery Festival, Pulaski County Fair, and Sheltowee Art Fair.

Somerset Community College and Somerset Technical College are located in the city of Somerset. There are other higher education institutes that can be attended from the city including Eastern Kentucky University, Lexington Community College, and University of Kentucky.



DEMOGRAPHICS

	3 Mile	5 Mile	10 Mile
Population:	19,239	32,463	53,604
Households:	8,138	13,326	21,836
Household Income:	\$59,129	\$62,856	\$63,327

CONFIDENTIALITY AGREEMENT

The information contained in the following offering memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and it should not be made available to any other person or entity without the written consent of Marcus & Millichap. By taking possession of and reviewing the information contained herein the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum. If you have no interest in the subject property at this time, please return this offering memorandum to Marcus & Millichap.

This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this offering memorandum has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONTACT THE MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

Marcus & Millichap
THE DELTONDO GROUP

19800 MacArthur Boulevard, Suite 150
Irvine, California 92612

www.deltondoadvisorygroup.com

NET LEASED DISCLAIMER

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows: The information contained in this marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided. As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer. Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors. Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property. By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

COVID-19 NOTICE

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.)

Lead Listing Broker:

PETER DELTONDO

Senior Managing Director
P. (949) 698-2609
E. pdeltondo@marcusmillichap.com
License CA 01797033

ANDRE THOMPSON

Senior Associate
P. (949) 419-3217
E. athompson2@marcusmillichap.com
License CA 02086459

SHEILA ALIMADADIAN

First Vice President
P. (949) 419-3265
E. salimadadian1@marcusmillichap.com
License CA 01266188

MANUEL SLEEM

Associate
P. (949) 419-3251
E. msleem@marcusmillichap.com
License CA 02109537

ETHAN ELLIOTT

Associate
P. (949) 419-3294
E. eelliott1@marcusmillichap.com
License CA 02101801

BRYCE DUNKS

Director of Operations
The Deltondo Group
P. (949) 419-3225
E. bdunks@marcusmillichap.com

BROKER OF RECORD

Josh Caruana
License 0265350