



SANDS INVESTMENT GROUP



Sonic

4202 FM 1764
Santa Fe, TX 77517

EXCLUSIVELY MARKETED BY:



WILL SCHUHMACHER

Lic. # 629275

512.277.5924 | DIRECT

will@SIGnnn.com



MAX FREEDMAN

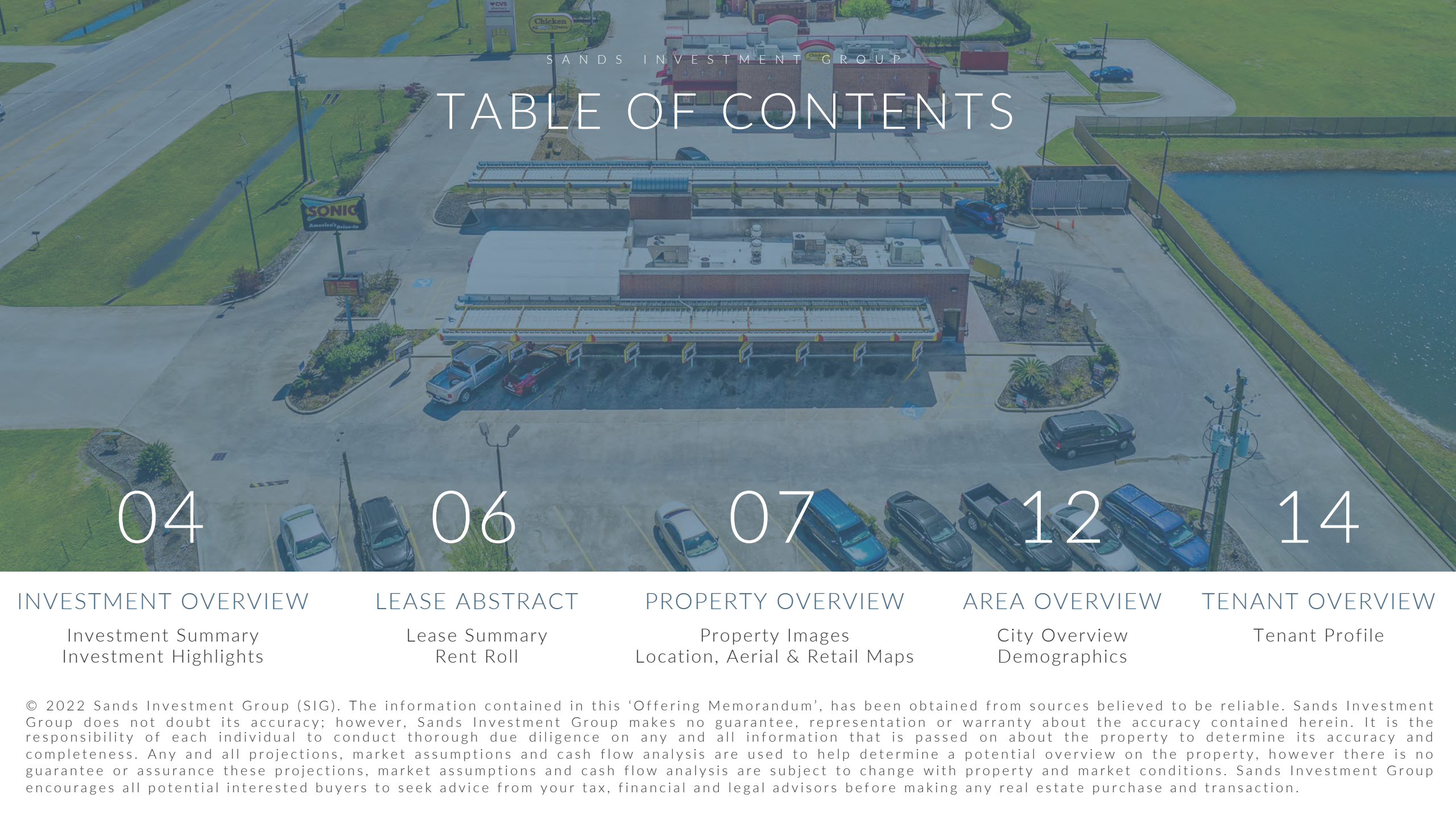
Lic. # 644481

512.766.2711 | DIRECT

max@SIGnnn.com

305 Camp Craft Rd, Suite 550
Westlake Hills, TX 78746
844.4.SIG.NNN

www.SIGnnn.com



SANDS INVESTMENT GROUP

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INVESTMENT SUMMARY

Sands Investment Group is Pleased to Present Exclusively For Sale the 1,845 SF Sonic Located at 4202 FM 1764 in Santa Fe, TX. This Deal Includes Approximately 15 Years Remaining on an Absolute Triple Net (NNN) Lease With 10% Rent Increases Every 5 Years With Additional Bonus Rent (7% of Gross Sales Over Base Rent), Providing For a Secured Investment.

OFFERING SUMMARY

PRICE	\$3,652,480
CAP	5.00%
NOI	\$182,624
PRICE PER SF	\$1,979.66
GUARANTOR	Franchisee

PROPERTY SUMMARY

ADDRESS	4202 FM 1764 Santa Fe, TX 77517
COUNTY	Galveston
BUILDING AREA	1,845 SF
LAND AREA	1 AC
BUILT	2006



SONIC

HIGHLIGHTS

- Approximately 15 Years Remaining on an Absolute Triple Net (NNN) Lease
- 10% Rent Increases Every 5 Years With Additional Bonus Rent (7% of Gross Sales Over Base Rent)
- Strong Sales Performance With Healthy Rent-to-Sales Ratio
- Emerge! Inc. is a Growing Operator With 124-Units Across Four Brands (45-Unit Guaranty)
- Pandemic Proof of Concept
- Strong Demographics With a Population of 17,697 Residents Making an Above Average Household Income of \$95,361 Within a 3-Mile Radius
- Texas is an Income Tax-Free State
- Outstanding Location With Long Term Viability; Just 6 Minutes From the High School and Adjacent to the Junior High and Kubacak Elementary
- Main Attractions in Nearby Galveston (Less Than 30 Minutes): Moody Gardens, Galveston Beach and the Historic Pleasure Pier Which Includes a Ferris Wheel and Other Amusement Park Type Rides and Games; and Schlitterbahn Waterpark
- Houston is Just 45 Minutes North While the NASA Space Center is Just 30 Minutes Away
- Nearby Tenants Include: HEB, Tractor Supply, McDonald's, CVS, Jack in the Box, USPS and More



ACTUAL PROPERTY IMAGE

LEASE SUMMARY

TENANT	TaterToTexas Master, LLC
PREMISES	A Building of Approximately 1,845 SF
LEASE COMMENCEMENT	December 3, 2021
LEASE EXPIRATION	December 31, 2036
LEASE TERM	~15 Years Remaining
RENEWAL OPTIONS	3 x 5 Years
RENT INCREASES	10% Every 5 Years
LEASE TYPE	Absolute Triple Net (NNN)
PERMITTED USE	Fast Food
PROPERTY TAXES	Tenant's Responsibility
INSURANCE	Tenant's Responsibility
COMMON AREA	Tenant's Responsibility
ROOF & STRUCTURE	Tenant's Responsibility
REPAIRS & MAINTENANCE	Tenant's Responsibility
HVAC	Tenant's Responsibility
UTILITIES	Tenant's Responsibility
RIGHT OF FIRST REFUSAL	Yes (15 Days)

SQUARE FOOTAGE	ANNUAL BASE RENT	RENT PER SF
1,845 SF	\$182,624	\$98.98





HOUSTON

SPACE CENTER
HOUSTON



GALVESTON BEACH

Santa Fe Softball Fields



Scope Management



Santa Fe Supply Complete Mobile



Old School Museum



Mortgage Lender Santa Fe TX

Kubacak Elementary

Quandale dingle track

Santa Fe Independent School District

Santa Fe Junior High School

Quandale Dingle™ Gym



Frontier Communications



World Finance



Santa Fe Seafood & Grill



3rd St





Arcadia Christian Church "The Oaks"

H. I. S Ministries Food Pantry

Amigo Mart

THE LIST

Hometown Equipment Rentals

Santa Fe Senior Citizens Council

FAMILY DOLLAR

Prestige Granite & Floors

Santa Fe Fire & Rescue Station #2

Mike's Auto Repair

Rockview Church

Edward Jones

Classic rose tattoo

6 TEXAS

SONIC
America's Drive-In

Larry's Trim Shop

SANTA FE TIRES

Poverty Point Nursery

CVS
pharmacy

Chicken
EXPRESS

FARM
1764
ROAD

AMOCO
FEDERAL CREDIT UNION
"A Member Owned Cooperative Organization"

3rd St

O'Reilly AUTO PARTS H-E-B
AutoZone FAMILY DOLLAR
DOLLAR GENERAL Walgreens
Jack in the box NAPA PAPA JOHN'S
Kentucky Fried Chicken

THE HOME DEPOT Office DEPOT
OfficeMax NTB

Kroger FAMILY DOLLAR
BOOT BARN
Days Inn
Taco Bell

CINEMARK Jack in the box
WORLD GYM
Holiday Inn Express BW Best Western
Hotels & Resorts
Comfort INN QUALITY Olive Garden

Walmart Supercenter McDonald's
Great Clips

OLD NAVY rue21
FAMOUS footwear
MICHAEL KORS TORRID

ALDI planet fitness
burkes OUTLET

TSC TRACTOR SUPPLY CO

Walmart Supercenter McDonald's
sam's club
WING STONE WAFFLE HOUSE
Pizza hut

Dirt Cheap
FAMILY DOLLAR
SUBWAY

6 TEXAS

FARM
1764
ROAD

SONIC
America's Drive-In

Kroger TSC TRACTOR SUPPLY CO
ANYTIME FITNESS PET SMART
HARBOR FREIGHT Aaron's
Advance Auto Parts CATO

ANYTIME FITNESS DOLLAR GENERAL
CVS pharmacy metro by T-Mobile

O'Reilly AUTO PARTS AutoZone
SHIPLEY DO-NUTS cricket
McDonald's corner store Little Caesars

Super 8 DOLLAR TREE
AMERICAS BEST VALUE INN & SUITES

Santa Fe is centrally located between Houston and Galveston, and it's just a short drive to either city, with Houston only 30 miles northwest and Galveston 20 miles southeast. Santa Fe is part of Galveston County and encompasses a land area of 17 square miles. It is named for the Santa Fe Railroad (now part of BNSF Railway) which runs through the town alongside State Highway 6. The cities of Alvin, Dickinson, Hitchcock, League City, La Marque and Texas City are all within 10 miles of Santa Fe. Santa Fe is situated in a beautiful portion of Texas, with the coast just a short drive away. Located on the Gulf Coast Santa Fe has all the conveniences of big city life with the charms of a smaller community. The City of Santa Fe had a population of 13,810 as of July 1, 2021.

Santa Fe is changing from a small community content with existing businesses to one that is actively working to attract new businesses to the area. A prime location between Houston and Galveston is just one of the many benefits Santa Fe has to offer large companies and smaller franchises. Major employers in the city include: Santa Fe ISD, HEB, City of Santa Fe, McDonalds and Southern Valve. Proximity to Houston is beneficial for the city's economy. Houston's employment base has become increasingly diverse. Today nearly half of all jobs are in non-energy fields, such as business services, technology, aerospace, medicine and manufacturing. Houston's economy has a broad industrial base in energy, manufacturing, aeronautics, and transportation. Houston's economy diversified as it became home to the Texas Medical Center—the world's largest concentration of healthcare and research institutions—and NASA's Johnson Space Center, where the Mission Control Center is located. Leading in healthcare sectors and building oilfield equipment, Houston has the second most Fortune 500 headquarters of any U.S. municipality within its city limits.

Some of the parks near Santa Fe are Runge Park and Galveston Island State Park. Sheldon Lake State Park, which is also nearby, has an environmental education center and also provides opportunities for canoeing and fishing. Armand Bayou Nature Center, which offers opportunities for hiking and bird watching, also has live animal displays. Several museums not far from the city are Moody Mansion and Museum and the Texas Seaport Museum. Galveston County Fair is another popular event that people enjoy attending. Main attractions in nearby Galveston (less than 30 minutes) include: Moody Gardens, Galveston Beach and the Historic Pleasure Pier which includes a ferris wheel and other amusement park type rides and games; and Schlitterbahn Waterpark.



SANTA FE, TX



NASA'S JOHNSON SPACE CENTER





(12,883 VPD)



(18,189 VPD)

	3 MILES	5 MILES	10 MILES
POPULATION	17,697	41,271	236,641
AVERAGE HH INCOME	\$95,361	\$106,552	\$104,634

SONIC

TENANT PROFILE

SONIC, America's Drive-In, is the nation's largest chain of drive-in restaurants. Founded in 1953 in Oklahoma City, Oklahoma, SONIC has delighted guests with signature menu items, more than 1.3 million drink combinations, friendly service by iconic Carhops. SONIC is part of the Inspire Brands family of restaurants and Inspire Brands is the Subsidiary company of Roark Capital Group.

As the largest national chain of drive-in restaurants the iconic SONIC style is hard to duplicate, but SONIC's distinct brand differentiation goes far beyond the drive-in format. SONIC's one-of-a-kind menu offers a variety of options unavailable from other brands, including Real Ice Cream desserts, TOASTER® sandwiches, Molten Cake Sundaes, breakfast all day, tasty Tots, premium hot dogs and more than 1 million unique drink combinations.



COMPANY TYPE
Subsidiary



FOUNDED
1953



OF LOCATIONS
3,552



HEADQUARTERS
Oklahoma City, OK



WEBSITE
sonicdrivein.com

OPERATOR PROFILE

In 2009, the Operator gained approval to be a franchisee of Lenny's Sub shop and purchased his first unit. He was a multi-unit operator in 2010 with the purchase of 2 additional Lenny's Sub Shops and 1 Bullritos restaurant in the Houston DMA. By 2012 he diversified into Auntie Anne's, Nestle and Baskin Robbins, taking him to 7 units. In 2015 he ventured with Yum Brands to expand his portfolio to 23 units, including Kentucky Fried Chicken and Taco Bell.

In 2017 he made a major move with Sonic Restaurants and purchased and successfully transitioned the corporate Houston market, which included 34 units. In 2019, he added a 3rd major brand to the portfolio and entered the Taco Bell system through the purchase of 6 units. The next 2 years were full of New Builds and Remodels, and then in 2020, in the middle of a pandemic, he expanded to Arizona by adding another major brand through the purchase of 30 Pizza Hut stores. In 2021, Emerge continued with strategic new builds, relocations, and remodels and forecasts ending the year with 131 units.

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 Sands Investment Group and should not be made available to any other person or entity without the written consent of Sands Investment Group.

This Offering Memorandum has been prepared to provide summary, unverified 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, 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, PCB's or asbestos, the compliance with 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, Sands Investment Group has not verified, and will not verify, any of the information contained herein, nor has Sands Investment Group 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.

By receipt of this Memorandum, you agree that this Memorandum and its contents are of confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose its contents in any manner detrimental to the interest of the Owner. You also agree that by accepting this Memorandum you agree to release Sands Investment Group and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this property.



ABOUT BROKERAGE SERVICES

Before working with a real estate broker, you should know that the duties of a Broker depend on whom the broker represents. If you are a prospective seller or landlord (owner) or a prospective buyer or tenant (buyer), you should know that the broker who lists the property for sale or lease is the owner's agent. A broker who acts as a subagent represents the owner in cooperation with the listing broker. A broker who acts as a buyer's agent represents the buyer. A broker may act as an intermediary between the parties if the parties consent in writing. A broker can assist you in locating a property, preparing a contract or lease, or obtaining financing without representing you. A broker is obligated by law to treat you honestly.

IF THE BROKER REPRESENTS THE OWNER:

The broker becomes the owner's agent by entering into an agreement with the owner, usually through a written listing agreement, or by agreeing to act as a subagent by accepting an offer of sub agency from the listing broker. A subagent may work in a different real estate office. A listing broker or subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first. The buyer should not tell the owner's agent anything the buyer would not want the owner to know because an owner's agent must disclose to the owner any material information known to the agent.

IF THE BROKER REPRESENTS THE BUYER:

The broker becomes the buyer's agent by entering into an agreement to represent the buyer, usually through a written buyer representation agreement. A buyer's agent can assist the owner but does not represent the owner and must place the interests of the buyer first. The owner should not tell a buyer's agent anything the owner would not want the buyer to know because a buyer's agent must disclose to the buyer any material information known to the agent.

IF THE BROKER ACTS AS AN INTERMEDIARY:

A broker may act as an intermediary between the parties if the broker complies with the Texas Real Estate License Act. The broker must obtain the written consent of each party to the transaction to act as an intermediary. The written consent must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary.

The broker is required to treat each party honestly and fairly and to comply with The Texas Real Estate License Act. A broker who acts as an intermediary in a transaction:

- (1) Shall treat all parties honestly;
- (2) May not disclose that the owner will accept a price less than the asking price unless authorized in writing to do so by the owner;
- (3) May not disclose that the buyer will pay a price greater than the price submitted in a written offer unless authorized in writing to do so by the buyer; and
- (4) May not disclose any confidential information or any information that a party specifically instructs the broker in writing not to disclose unless authorized in writing to disclose the information or required to do so by The Texas Real Estate License act or a court order or if the information materially relates to the condition of the property.

With the parties' consent, a broker acting as an intermediary between the parties may appoint a person who is licensed under The Texas Real Estate License Act and associated with the broker to communicate with and carry out instructions of one party and another person who is licensed under the Act and associated with the broker to communicate with and carry out instructions of the other party.

If you choose to have a broker represent you, you should enter into a written agreement with the broker that clearly establishes the broker's obligations and your obligations. The agreement should state how and by whom the broker will be paid. You have the right to choose the type of representation, if any, you wish to receive. Your payment of a fee to a broker does not necessarily establish that the broker represents you. If you have any questions regarding the duties and responsibilities of the broker, you should resolve those questions before proceeding.



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In Cooperation With
Sands Investment Group Austin, LLC
Lic. #9004706 BoR: Max Freedman Lic. # 644481

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