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INVESTMENT OVERVIEW

Investment Summary Investment Highlights

LEASE ABSTRACT

Lease Summary Rent Roll PROPERTY OVERVIEW

Property Images Location, Aerial & Retail Maps AREA OVERVIEW

City Overview Demographics

TENANT OVERVIEW

Tenant Profile

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INVESTMENT SUMMARY

Sands Investment Group is Pleased to Present Exclusively For Sale the 1,324 SF Sonic Located at 561 Brazosport Blvd N in Clute, TX. This Deal Includes Over 14 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	\$1,772,960
CAP	5.00%
NOI	\$88,648
PRICE PER SF	\$1,339.09
GUARANTOR	Franchisee

PROPERTY SUMMARY

ADDRESS	561 Brazosport Blvd N	
	Clute, TX 77531	
COUNTY	Brazoria	
BUILDING AREA	1,324 SF	
LAND AREA	0.46 AC	
BUILT	1982	



HIGHLIGHTS

- Over 14 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 (15-Unit Guaranty)
- Pandemic Proof of Concept and Recession Resistant
- Down the Road From Brazosport College With Over 4,300 Students and Faculty Providing Consistent Consumer Base

- Texas is an Income Tax-Free State
- Outstanding Location on the Major North South Artery and Retail Corridor Through Town Which Sees Traffic Counts Exceeding 16,300 Vehicles Per Day
- Strong Demographics With a Population of 33,083 Residents Making an Average Household Income of \$94,427 Within a 3-Mile Radius
- Clute is a Smaller Suburb of East of Lake Jackson; 1
 Hour South of Houston and 1 Hour From Galveston
- Nearby Tenants Include: O'Reilly Auto Parts, Dollar General, Domino's Pizza, First State Bank, Food City, Culligan Water and USPS



LEASE SUMMARY

TENANT

PREMISES

LEASE COMMENCEMENT

LEASE EXPIRATION

LEASE TERM

RENEWAL OPTIONS

RENT INCREASES

LEASE TYPE

PERMITTED USE

PROPERTY TAXES

INSURANCE

COMMON AREA

ROOF & STRUCTURE

REPAIRS & MAINTENANCE

HVAC

UTILITIES

RIGHT OF FIRST REFUSAL

TaterToTexas Master, LLC

A Building of Approximately 1,324 SF

December 3, 2021

December 31, 2036

14+ Years Remaining

3 x 5 Years

10% Every 5 Years

Absolute Triple Net (NNN)

Fast Food

Tenant's Responsibility

Yes (15 Days)

SQUARE	ANNUAL	RENT
FOOTAGE	BASE RENT	PER SF
1,324 SF	\$88,648	





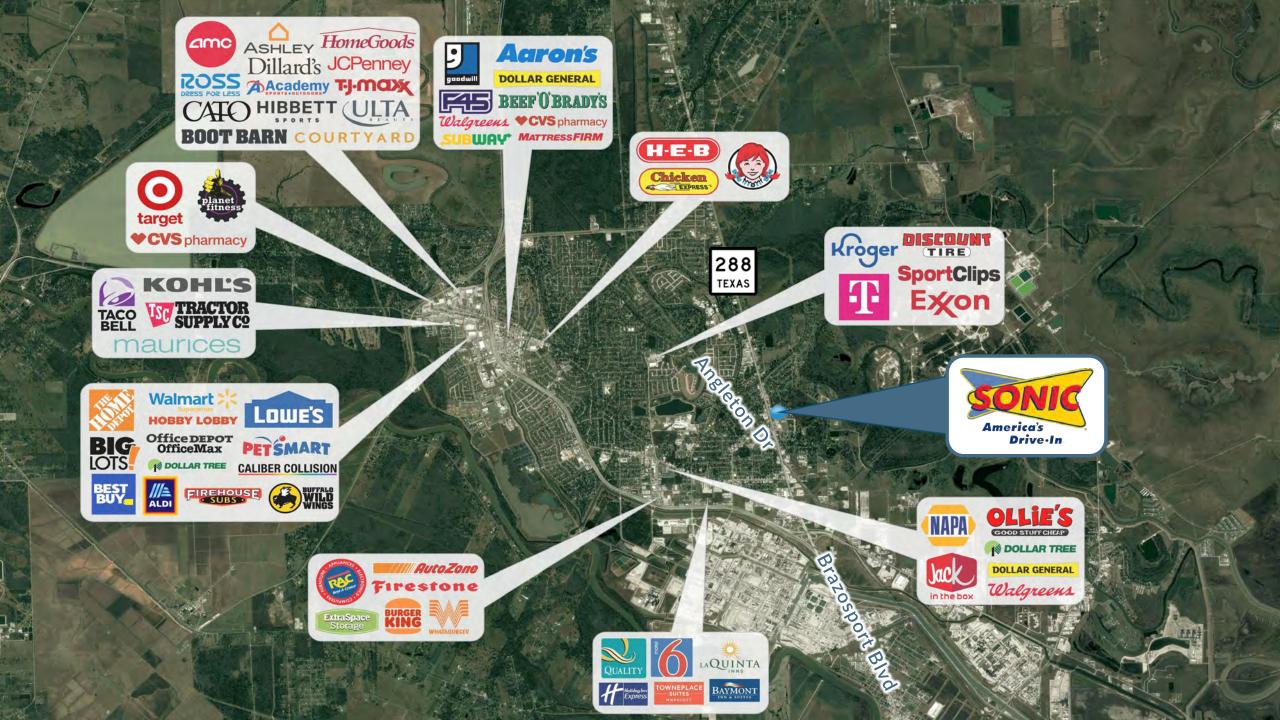












CLUTE | BRAZORIA COUNTY | TEXAS

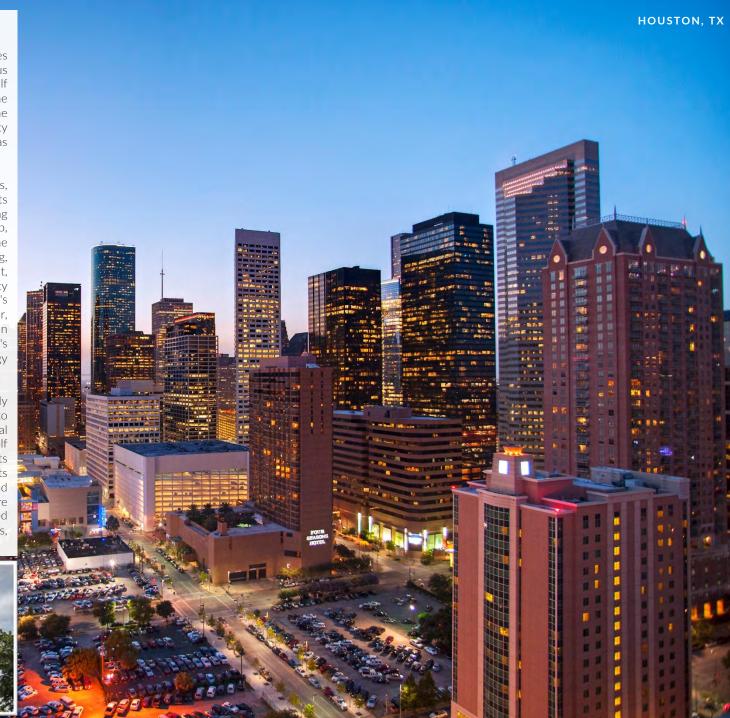
Clute is a city in Brazoria County, Texas, within the Houston metropolitan area. Clute is 41 miles SW of Galveston, Texas and 51 miles S of Houston, Texas. According to the United States Census Bureau, the city has a total area of 5.6 square miles. Nestled in the intersection of the Texas Gulf Coast's sandy shores, wetlands, and forests on the north bank of the Brazos River, Clute sits in the middle of it all. Clute today is a modern city combining the new with the old, the planned with the random, the striking and the picturesque in a blend that is all its own. Today's Clute is a city involved with living, growing and improving itself. The City of Clute had a population of 12,765 as of July 1, 2021.

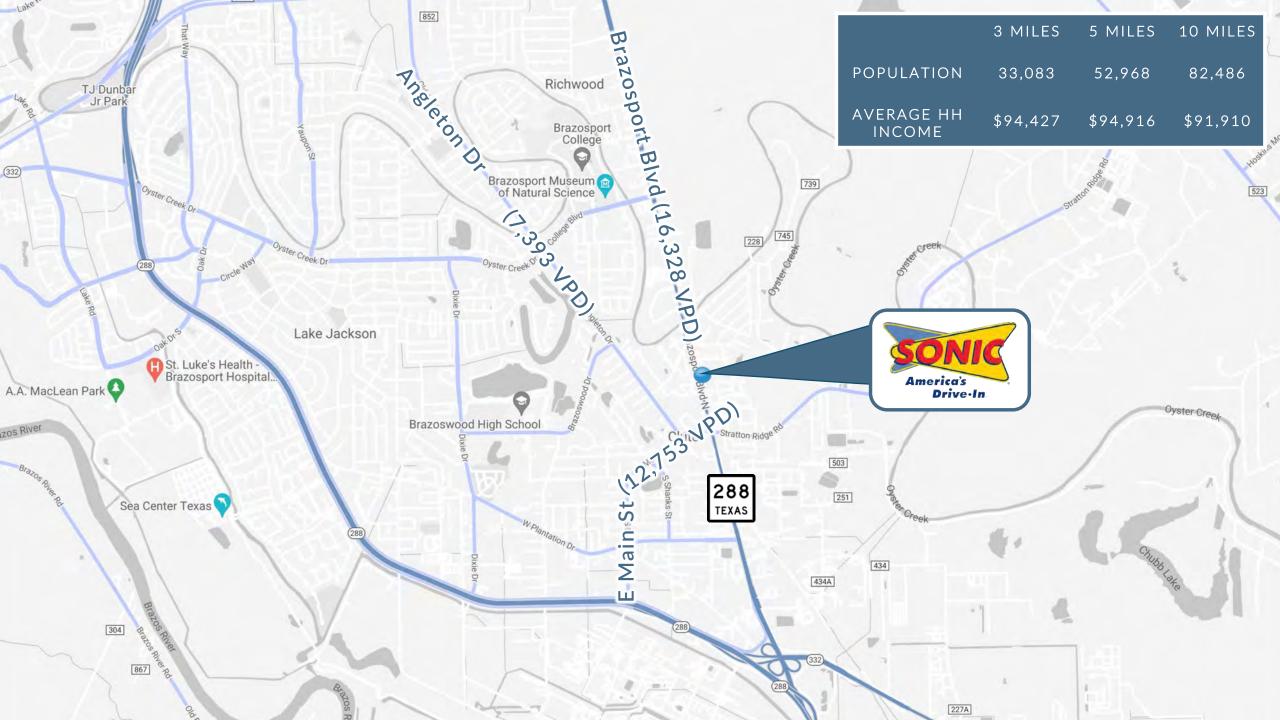
Clute is home to a thriving economy and a broad scope of activities and amenities to residents, businesses and visitors. Clute is served by the Brazosport Regional Health System, which with its various facilities and offices serves as the major medical center for Brazosport and surrounding communities. Major Employers in Clute include The Infinity Group, Brazosport I.S.D., Brock Group, ICS and Marquis Construction Services to name a few. Proximity to Houston is beneficial to the city's economy. Houston's economy has a broad industrial base in energy, manufacturing, aeronautics, and transportation. 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. 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. The Port of Houston ranks first in the United States in international waterborne tonnage handled and second in total cargo tonnage handled. 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.

Clute hosts "The Great Texas Mosquito Festival" every July. The festival has been held annually since 1981. The three-day festival attracts some 18,000 visitors. Clute offers easy access to numerous museums, including the Brazoria County Museum and the Lake Jackson Historical Museum. Fishing and boating can be enjoyed on Clute Lake, Eagle Lake and Lake Bend. Golf enthusiasts can enjoy the facilities offered by the Wilderness Golf Course. The Center for the Arts and Sciences is located on College Boulevard in Clute and is home to the Brazosport Fine Arts Council, Brazosport Art League, Center Stages, Brazosport Museum of Natural Science, and Brazosport Nature Center and Planetarium. Community Concerts, Museums and Historical Sites are within a short distance of the city. Sea Center Texas showcases the region's many varied environments, the museum provides an immersive way to explore the Gulf Coast coastal bays, saltwater marshes, and wetlands.









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.











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.

