



SANDS INVESTMENT GROUP



Sonic

3626 Old Spanish Trail
Houston, TX 77021

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INVESTMENT SUMMARY

Sands Investment Group is Pleased to Present Exclusively For Sale the 1,549 SF Sonic Located at 3626 Old Spanish Trail in Houston, TX. This Deal Includes a Brand New 15 Years on an Absolute Triple Net (NNN) Lease, Providing For a Secured Investment.

OFFERING SUMMARY

PRICE	\$2,745,874
CAP	4.75%
NOI	\$130,429
PRICE PER SF	\$1,772.68
GUARANTOR	TatertoTexas LLC

PROPERTY SUMMARY

ADDRESS	3626 Old Spanish Trail Houston, TX 77021
COUNTY	Harris
BUILDING AREA	1,549 SF
LAND AREA	1.35 AC
BUILT	2007



HIGHLIGHTS

- Brand New 15 Year Absolute Triple Net (NNN) Lease
- 10% Rent Increases Every 5 Years Allowing Investors to Hedge Against Inflation
- Strong Sales Performance With Healthy Rent-to-Sales Ratio
- Emerge Inc. is a Growing Operator With 124-Units Across Four Brands (45-Unit Guaranty)
- Essential Use Tenant With Drive-Thru; Pandemic and Recession Resistant
- Strong Demographics Within a 3-Mile Radius: Densely Populated With 157,634 With an Average Household Income of \$72,369
- The Site is Located on Old Spanish Trail Which Sees Over 24,000 VPD
- Next to 118-Acre Michael E DeBakey VA Medical Center With 535 Beds and Over 1.4 Million Outpatients Annually
- Property Located Next to University of Houston With a Current Enrolment of Over 38,000 Undergraduates and Rice University With Nearly 7,000 Students
- Minutes Away From NRG Park, Home of the National Football Team the Houston Texans
- Income Tax-Free State (Texas)
- Centrally Located in a Dense Houston Retail Corridor Surrounded By National Retail Tenants
- Nearby Tenants Include: ALDI, Domino's Pizza, Taco Bell, McDonald's, CVS, Walgreens, Jack in the Box, KFC, Bank of America and More



LEASE SUMMARY

TENANT	Sonic
PREMISES	A Building of Approximately 1,549 SF
LEASE COMMENCEMENT	Close of Escrow
LEASE EXPIRATION	15 Years From Close of Escrow
LEASE TERM	15 Years
RENEWAL OPTIONS	4 x 5 Years
RENT INCREASES	10% Every 5 Years
LEASE TYPE	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

SQUARE FOOTAGE	ANNUAL BASE RENT	RENT PER SF
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1,549 SF	\$130,429	\$84.20
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Houston I.S.D.
Police Department

Missionaries
of St Paul

St Peter the
Apostle Catholic
Church

Original Timmy
Chan Restaurant

Jolla Bella
Beauty Supply

St. Francis
MOTEL

San Jacinto Garden
Apartments

Bayou
Pawn

Ost Dry
Cleaners

O.S.T Food
Store

Catalina Village
Apartments



Old Spanish Trail



Bank of America



Honey Sheep's
Car Wash



FC Bank



Draperie's
Service



La Salette St



CHASE Denny's SUNOCO
stripes ELEVEN iStorage

FAMILY DOLLAR CITI TRENDS
RAC SUNOCO Valero ELEVEN
Bank OZK stripes

Walmart Supercenter McDonald's
SHIPLEY DO-NUTS WOODFOREST NATIONAL BANK

LOWE'S ROSS DRESS FOR LESS H-E-B
BEST BUY Bank of America STARBUCKS PANDA EXPRESS
OLD NAVY
cicis pizza Marshalls CHUCK E. CHEESE'S
Kentucky Fried Chicken Comerica
IBC BANK MOD PIZZA verizon
GNC WINGSTOP CHAMPS SPORTS
menchie's TACO BELL AT&T THE CHILDREN'S PLACE
SUPERCUTS FIRST NATIONAL BANK FIRST CONVENIENCE BANK claire's
Party City SHOE CARNIVAL Marble SLAB CREAMERY
Foot Locker cricket SALLY BEAUTY

Dominos Kentucky Fried Chicken Jack in the box
SUBWAY metro by T-Mobile

CVS pharmacy TAKE 5 OIL CHANGE

WHATABURGER ALDI
PAPA JOHN'S O'Reilly AUTO PARTS

SONIC

288 TEXAS

Advance Auto Parts Walgreens planet fitness
Pizza Hut TACO BELL McDonald's T
Bank of America
DOLLAR TREE TRUIST

McDonald's HARBOR FREIGHT SUBWAY Days Inn & Suites
Little Caesars Rainbow metro by T-Mobile
MELROSE Family Fashions

INTERSTATE 610
FAMILY DOLLAR Chevron
DOLLAR GENERAL
metro by T-Mobile THE SOCIETY OF ST. VINCENT DE PAUL

THE HOME DEPOT Conn's Office DEPOT OfficeMax
WELLS FARGO CHASE WHATABURGER
SUBWAY PAPPAS Bar-B-Q IHOP

Old Spanish Trail

Gulf Fwy

ALT 90

INTERSTATE 45

HOUSTON | HARRIS COUNTY | TEXAS

HOUSTON, TX

Houston is the most populous city in the state of Texas, and it is the fourth most populous city in the United States. The city is the most populous city in the Southern U.S. and on the Gulf Coast of the U.S. Houston is the seat of Harris County and the principal city of the Greater Houston metropolitan area, which is the fifth most populous metropolitan statistical area in the U.S. and the second most populous in Texas. Houston is also the 8th most expansive city in the whole country. The Houston-The Woodlands-Sugar Land Metropolitan Statistical Area (MSA) consists of nine counties: Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery and Waller. Houston's size is 665 square miles. The City of Houston is the largest city in Texas with a population of 2,402,820 as of July 1, 2021.

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. Nicknamed the "Space City", Houston is a global city, with strengths in culture, medicine, and research. 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. Principal employers in the city include: Memorial Hermann Health System, Walmart, HEB, Houston Methodist, The University of Texas MD Anderson Cancer Center and HCA Houston Healthcare among the top.

Houston is home to the Theater District which is a 17-block area in Downtown Houston that is home to the Bayou Place entertainment complex, restaurants, movies and parks. Bayou Place has full-service restaurants, bars, live music, billiards, and Sundance Cinema. The city has the Space Center which is the official visitors' center of NASA and has interactive exhibits including moon rocks and a shuttle simulator. Other tourist attractions include the Galleria, Old Market Square, the Downtown Aquarium, and Sam Houston Race Park. Houston is home to 337 parks, including Hermann Park, Terry Hershey Park, Lake Houston Park, Memorial Park, Tranquility Park, Sesquicentennial Park, Discovery Green, Buffalo Bayou Park and Sam Houston Park. Within Hermann Park are the Houston Zoo and the Houston Museum of Natural Science. Some of Houston's more notable and unique attractions include: Art Car Parade and Festival, Buffalo Bayou Promenade, Houston Livestock Show and Rodeo and San Jacinto Monument and battleground.



NASA SPACE CENTER



MEMORIAL HERMANN HEALTH SYSTEM

	3 MILES	5 MILES	10 MILES
POPULATION	157,634	448,880	1,432,085
AVERAGE HH INCOME	\$72,369	\$92,761	\$90,696



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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