



Listed in Conjunction with TX Real Estate Broker  
**DZ Net Lease Realty, LLC TX RE Lic. 9002851**

**Sonic Drive-In**  
9846 Interstate 20, Merkel, TX 79536

## INVESTMENT HIGHLIGHTS

### Absolute NNN Lease with Zero Landlord Responsibilities

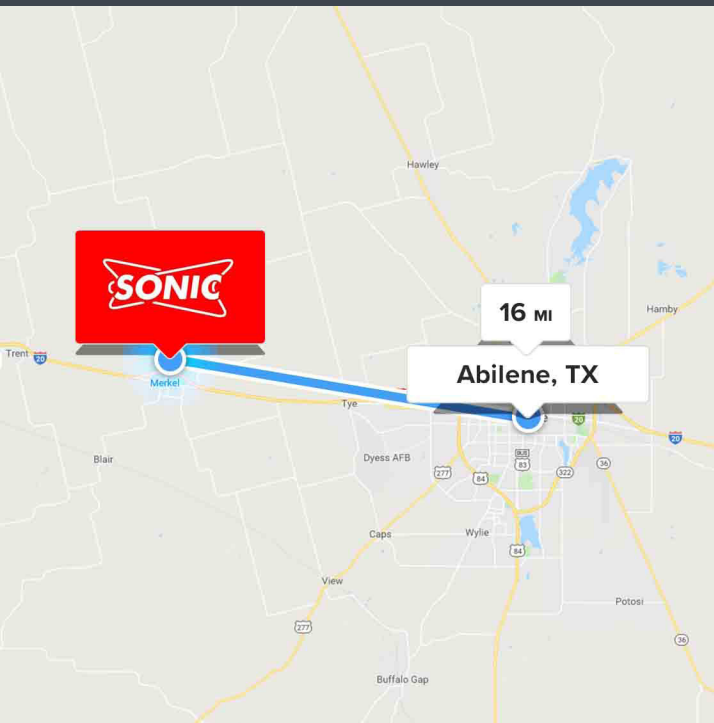
The lease is absolute triple-net, calling for zero landlord responsibilities as the tenant is responsible for all expenses associated with the property, including roof and structural components of the building as well.

### Original 15 Year Lease with 6 Years Remaining

Sonic signed their 15 year lease with their initial rent commencement of November 1, 2009 and expiration of October 31, 2024 leaving 6 years left on the current lease.

### 10% Rental Increases Every 5 Years | Next Increase in Year 2019

The lease features 10% rental increases every five years throughout the base term and three, five year options. The next 10% rental increase will occur in November of 2019, resulting in a pro forma CAP Rate of 7.65% after Year 1.



### Proven Operator with 70+ Locations

Lease is guaranteed by DCW Investments, a 70+ unit operator based out of Oklahoma City, OK.

### Located within the Abilene MSA

The Abilene MSA covers three counties and has a total population of over 165k people. Merkel is just 17 miles west of Abilene, TX, and serves as a critical stop for commuters along TX I-20.

### Excellent Visibility along Interstate 20 with 30k Vehicles Per Day

The property features excellent visibility along Texas I-20, a major east-west highway connecting West Texas to South Carolina. Over 30k VPD travel through Merkel on I-20, solidifying Sonic's strategic location in the market.

### Limited Competition in the Market

Sonic Drive-In faces limited competition as it is 1 of 2 national fast food restaurants in the Merkel market. Its location right off I-20, is central to commuters and Merkel's residents.





Merkel Elementary School

Merkel High School

Texas A&M Forest Service

Merkel Nursing Center

DTA Est. 1981

DOLLAR GENERAL

IGA

7 ELEVEN

Skeet Texas Grill

PHILLIPS 66

29,140 VPD

Subject Property

SONIC

SUBWAY

2,662 VPD

Spring

Spring Market

Property Image

Sonic Drive-In

9846 Interstate 20, Merkel, TX 79536

## FINANCIAL SUMMARY

Purchase Price	\$1,097,500
Cap Rate	7.00%
Net Operating Income	\$76,285
Price / SF	\$713.59
Rent / SF	\$49.60

## LEASE SUMMARY

Lease Type	Absolute Net (NNN)
Lease Commencement	November 1, 2009
Term Remaining	6 Years
Increases	10% Every Five Years
Options	Four, Five-Year Options

## RESPONSIBILITIES

Real Estate Taxes	Tenant Responsible
Insurance	Tenant Responsible
Repairs & Maintenance	Tenant Responsible
Roof & Structure	Tenant Responsible
Right of First Refusal	Yes







**RENT SCHEDULE**

Period	Term	Annual Rent
11/1/2009 - 10/31/2014	Base Term	\$69,350.00
11/1/2014 - 10/31/2019	Base Term	\$76,285.00
11/1/2019 - 10/31/2024	Base Term	\$83,913.50
11/1/2024 - 10/31/2029	1st Option	\$92,304.85
11/1/2029 - 10/31/2034	2nd Option	\$101,535.54
11/1/2034 - 10/31/2039	3rd Option	\$111,688.87
11/1/2039 - 10/31/2044	4th Option	\$122,857.75

**VITAL DATA**

<b>GLA</b>	1,538 SF
<b>Lot Size</b>	0.57 AC
<b>Year Built</b>	2009

**TENANT**

<b>Tenant Trade Name</b>	Sonic Drive-In
<b>Lease Guarantor</b>	DCW Investments, LLC
<b>Ownership</b>	Private
<b>Number of Locations</b>	70+
<b>Headquarters</b>	Oklahoma City





MCELROY METAL

Merkel Fire Department

UNITED STATES POSTAL SERVICE

Windmill City BBQ

FAMILY DOLLAR

PIZZA PRO

DOLL GENERAL

IGA

Merkel Middle School

Merkel Elementary School

Merkel High School

Taylor Telephone Cooperative

Subject Property

SONIC

PHILLIPS 66

Spring Market

SUBWAY

Skeet Texas Grill

7 ELEVEN

Texas A&M Forest Service

Merkel Nursing Center

29,140 VPD

DTA Est. 1981





Merkel High School

Merkel Elementary School

Merkel Middle School

Merkel Nursing Center

Texas A&M Forest Service

IGA  
DOLLAR GENERAL

WDTA  
Est. 1981

29,140 VPD

PIZZA PR  
FAMILY DOLLAR  
Windmill City PBO

Merkel Fire Department

UNITED STATES POSTAL SERVICE

7-ELEVEN

Skeet Texas Grill

PHILLIPS 66

Subject Property

SONIC

DAVE'S  
THE BUCKING HORSE

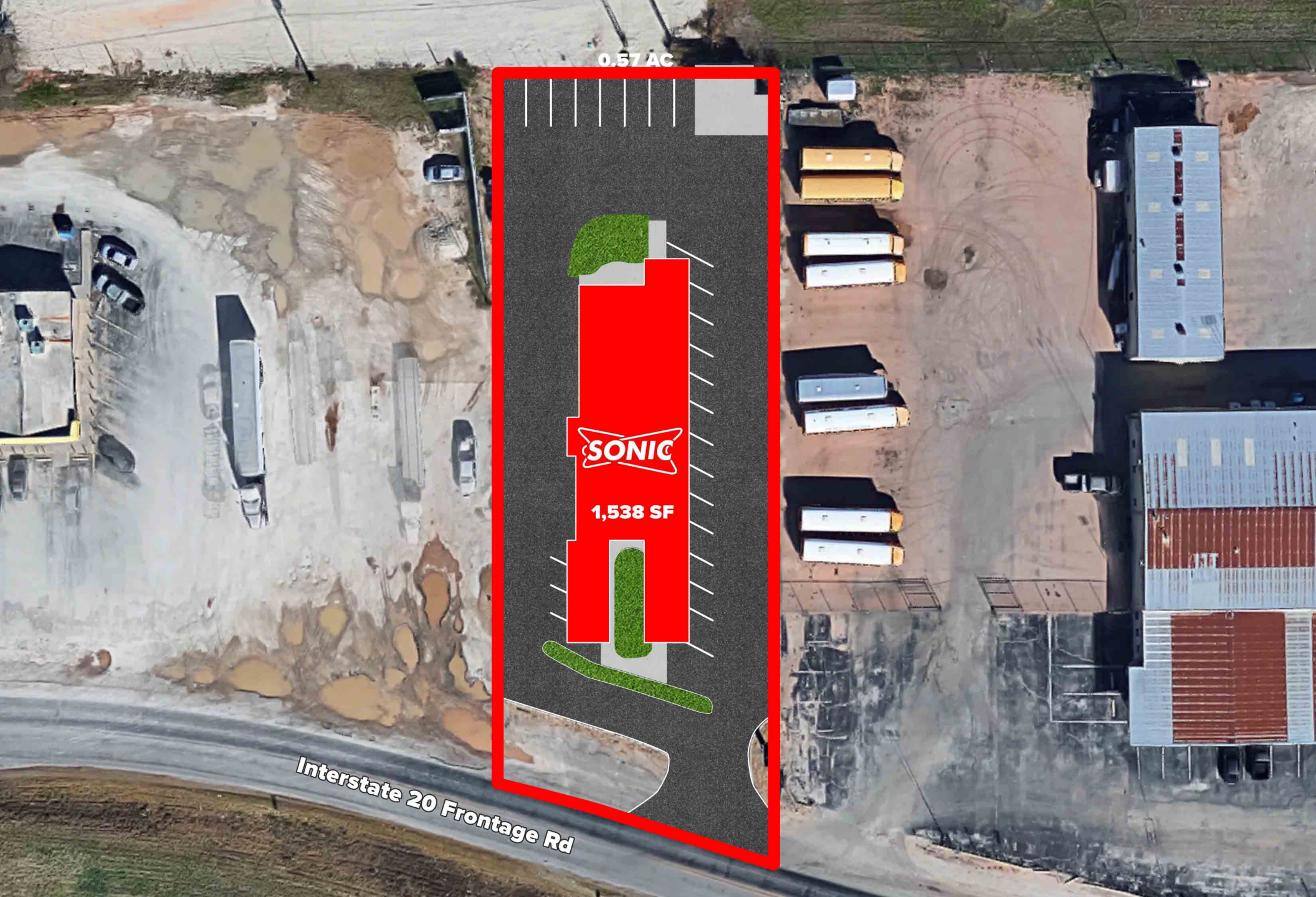
Merkel Veterinary Clinic

Spring Market

The Verandas of Texas Restaurant #1

Taylor Telephone Cooperative

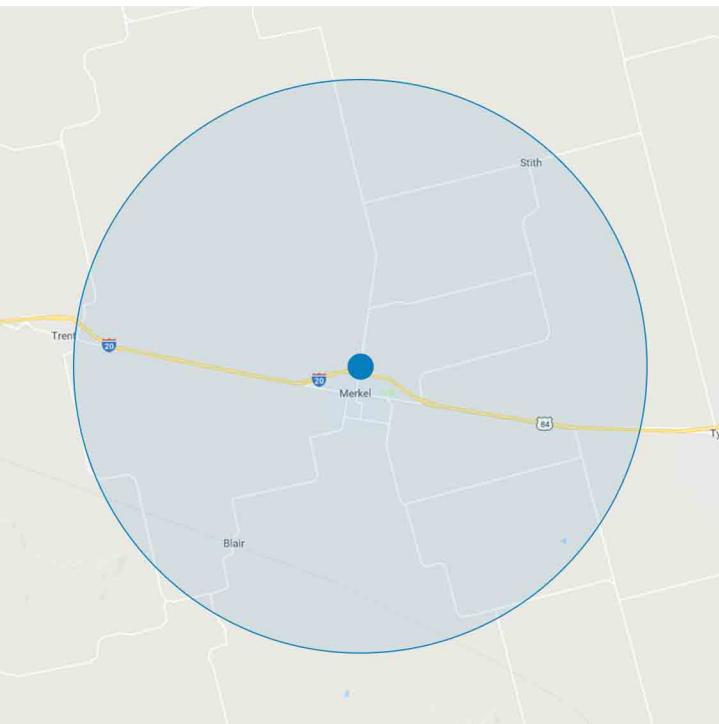






# 9846 Interstate 20, Merkel, TX 79536

POPULATION	1-MILE	3-MILE	5-MILE	10-MILE
<b>2023 Projection</b>	1,783	3,334	3,950	6,967
<b>2018 Estimate</b>	1,740	3,265	3,877	6,856
<b>2010 Census</b>	1,703	3,270	3,906	6,964
<b>Growth 2018 - 2023</b>	2.47%	2.11%	1.88%	1.62%



HOUSEHOLDS	1-MILE	3-MILE	5-MILE	10-MILE
<b>2023 Projection</b>	693	1,309	1,553	2,713
<b>2018 Estimate</b>	676	1,281	1,524	2,669
<b>2010 Census</b>	660	1,280	1,532	2,709
<b>Growth 2018 - 2023</b>	2.51%	2.19%	1.90%	1.65%
<b>2018 Avg HH Income</b>	\$49,386	\$51,664	\$55,516	\$60,151
<b>2018 Med HH Income</b>	\$35,300	\$37,937	\$41,444	\$47,629



## **DISCLAIMER**

The information contained in this Marketing Brochure has been obtained from sources believed to be reliable. However, James Capital Advisors, Inc. & DZ Net Lease Realty, LLC (“Broker”) has not, and will not, verify any of this information, nor has Broker conducted, nor will it conduct, any investigation regarding these matters. Broker makes no representations, guarantees or warranties of any nature about the accuracy or completeness of any information provided. The information provided in this brochure is in no way a substitute for a thorough due diligence investigation by Buyer. Broker has made no investigation of, and has made no representations, guarantees, or warranties of any nature, with regard to income and expenses for this property nor the future financial performance of the property. In addition, Broker has made no investigation of, and has made no representations, guarantees or warranties as to the size and square footage of the property, the presence of any contaminating substances at the property, the physical condition of the property or compliance with any State, Local or Federal regulations. In addition, Broker has made no investigation of, and has made no representations, guarantees or warranties of any nature, with regard to the financial condition or future financial condition of any tenants, nor any future plans or intentions of tenants with regard to the continued occupancy of the property. All parties are aware that Broker has no affirmative obligation to conduct a due diligence examination of the property for any Buyer. Any and all projections 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 the property to any Buyer depends on numerous factors that must be evaluated by Buyer and Buyer’s legal, tax, construction and financial advisors. Buyer and Buyer’s advisors should conduct a thorough, independent investigation of the property to determine its suitability for Buyer’s intended usage. This investment, as with all real estate investments, carries a substantial risk. As such, Buyer and Buyer’s legal and financial advisors are strongly advised to request and review all legal and financial documentations related to the property and tenants.

A tenant’s past performance is not a guarantee of future performance. The lease rate stated for some properties may be based on a tenant’s projected sales with little or no record of actual performance or comparable rents for the area in question. Returns are in no way guaranteed. Tenants may fail to pay the rent or property taxes or any other tenant obligations under the terms of the lease. Regardless of tenant’s history of performance, and/or any lease guarantors and/or guarantees, Buyer is responsible for conducting Buyer’s own investigation of all matters related to any and all tenants and lease agreements. Broker is not, in any way, responsible for the performance of any tenant or for any breach or default by any tenant of any terms of any lease agreement related to the property. Further, Buyer is responsible for conducting Buyer’s own independent investigation of all matters related to the value of the property, including, but not limited to, the value of any long term leases. Buyer must carefully evaluate the possibility of tenants vacating the property or breaching their leases and the likelihood and financial impact of being required to find a replacement tenant if the current tenant should default and/or abandon the property. Buyer must also evaluate Buyer’s legal ability to make alternate use of the property in the event of a tenant abandonment of the property.

## **CONFIDENTIALITY**

This Marketing Brochure and the information contained within, is propriety and strictly confidential. It is intended to be used only by the party receiving it from Broker. It should not be made available to any other person or entity without the express written consent of Broker.

## **RELEASE**

This Marketing Brochure has been prepared to provide basic, unverified information for prospective purchasers. By accepting this Marketing Brochure, the recipient agrees to release and hold harmless Broker. from any claim, demand, liability or loss arising out, or relating in any way, to the information contained in this Marketing Brochure and from Buyer’s investigation of the property.

## **NON-ENDORSEMENT**

Broker is not affiliated with, endorsed by or sponsored in any way by any tenant or lessee identified in this Marketing Brochure. The presence of any entity’s logo or name is not intended in any way to indicate affiliation, sponsorship or endorsement by said entity of Broker.



**LEAD AGENT:**

**Ty Barbo**

Associate

**(424) 325-2607**

Ty@JamesCapitalAdvisors.com

CA RE Lic. 01981739

**LISTED IN CONJUNCTION WITH:**

**DZ Net Lease Realty, LLC**

Listed in Conjunction with TX Real Estate Broker

TX RE Lic. 9002851



**Contact Information**

**Sonic Drive-In**

9846 Interstate 20, Merkel, TX 79536





# 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.

**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:
  - o that the owner will accept a price less than the written asking price;
  - o that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
  - o 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.

<u>DZ Net Lease Realty, LLC</u>	<u>9002851</u>	<u>david@dznetlease.com</u>	<u>702.304.9900</u>
Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone

<u>David B Zacharia</u>	<u>634656</u>	<u>david@dznetlease.com</u>	<u>702.304.9900</u>
Designated Broker of Firm	License No.	Email	Phone

_____	_____	_____	_____
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone

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

\_\_\_\_\_ Buyer/Tenant/Seller/Landlord Initials \_\_\_\_\_ Date