

## INVESTMENT OFFERING

# Schlotzsky's (Focus Brands Guarantee)

102 Riverview Drive  
Lampasas (Outside Austin), TX 76550



ACTUAL SITE



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**Schlotzsky's**

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## DISCLAIMER

This Marketing Package was prepared by Wertz Real Estate Investment Services and DZ Net Lease Realty, LLC ("Broker") solely for the use of prospective buyer considering the purchase of the Property within (the "Property") and is not to be used for any other purpose. Neither the Broker nor the Owner of the Property make any representation or warranty, expressed or implied, as to the completeness or accuracy of the material contained in the Marketing Package.

Prospective purchasers of the Property are advised that changes may have occurred in the physical or financial condition of the Property since the time this Marketing Package or the financial statements herein were prepared. Prospective purchasers acknowledge that this Marketing Package and the financial statements herein were prepared by Broker, and not by Owner, and are based upon assumptions or events beyond the control of both Broker and Owner, and therefore may be subject to variation. Other than current and historical revenue and operating expense figures for the Property, Owner has not, and will not, provide Broker or any prospective purchaser with any projections regarding the Property. Prospective purchasers of the Property are advised and encouraged to conduct their own comprehensive review and analysis of the Property.

The Marketing Package is a solicitation of interest only and is not an offer to sell the Property. The Owner and Broker expressly reserve the right, at their sole discretion, to reject any or all expression of interest or offers to purchase the Property and expressly reserve the right, at their sole discretion, to terminate discussions with any entity at any time with or without notice.

The Owner shall have no legal commitments or obligations to any entity reviewing the Marketing Package or making an offer to purchase the Property unless and until such offer is approved by Owner pursuant to its Governing Authorities and the signature of the Owner or Owner's representative is affixed to a Real Estate Purchase Agreement prepared by Owner.

This Marketing Package is confidential. By accepting the Marketing Package, you agree (i) that you will hold and treat the Marketing Package and its contents in the strictest confidence, (ii) that you will not photocopy or duplicate any part of the Marketing Package, (iii) that you will not disclose the Marketing Package or any of its contents to any entity without the prior authorization of the Owner, and (iv) that you will not use the Marketing Package in any fashion or manner detrimental to the Owner or Broker.

Broker has obtained the information contained in this Marketing Package from sources we believe to be reliable. However, we have not verified its accuracy and make no guarantee, warranty or representation about it. It is submitted subject to the possibility of errors, omissions, changes of price, rental or other conditions, prior sale, lease or financing, or withdrawal without notice. We include projections, opinions, assumptions, or estimates for example only, and they may not represent current or future performance of the Property. You and your tax and legal advisors should conduct your own investigations of the physical condition of the Property and of the financial performance of its future Ownerships.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT BROKER FOR MORE DETAILS.

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**WERTZ**  
REAL ESTATE INVESTMENT SERVICES

# FINANCIAL OVERVIEW

## OFFERING SUMMARY

PRICE	\$2,000,000
DOWN PAYMENT	100% / \$2,000,000
RENTABLE SQUARE FEET	2,904 SF
CAP RATE	5.00%
YEAR BUILT	2015
LOT SIZE	0.39 +/- Acres
TYPE OF OWNERSHIP	Fee Simple

## TENANT SUMMARY

TENANT TRADE NAME	Schlotzsky's
OWNERSHIP	Private
LEASE GUARANTOR	Corporate (Focus Brands)
LEASE TYPE	Absolute NNN
ROOF & STRUCTURE	Tenant Responsible
ORIGINAL LEASE TERM	Fifteen (15) Years
RENT COMMENCEMENT DATE	09/12/2022
LEASE EXPIRATION DATE	09/11/2037
TERM REMAINING ON LEASE	Fifteen (15) Years
INCREASES	1.75% Annual Increases
OPTIONS TO RENEW	(3) 5-Year Options
RIGHT OF FIRST REFUSAL	No



ACTUAL SITE

## ANNUALIZED OPERATING DATA

RENT INCREASES	ANNUAL RENT	MONTHLY RENT
Year 1	\$100,000.00	\$8,333.33
Year 2	\$101,750.00	\$8,479.17
Year 3	\$103,530.63	\$8,627.55
Year 4	\$105,342.41	\$8,778.53
Year 5	\$107,185.90	\$8,932.16
Year 6	\$109,061.66	\$9,088.47
Year 7	\$110,970.24	\$9,247.52
Year 8	\$112,912.21	\$9,409.35
Year 9	\$114,888.18	\$9,574.01
Year 10	\$116,898.72	\$9,741.56
Year 11	\$118,944.45	\$9,912.04
Year 12	\$121,025.98	\$10,085.50
Year 13	\$123,143.93	\$10,261.99
Year 14	\$125,298.95	\$10,441.58
Year 15	\$127,491.68	\$10,624.31
BASE RENT		\$100,000.00
NET OPERATING INCOME		\$100,000.00
TOTAL RETURN YR-1	5.00%	\$100,000.00



# TENANT OVERVIEW



## FOCUS BRANDS

Founded in 2004, Atlanta-based Focus Brands is the franchisor and operator of more than 6,300 restaurants, cafes, ice cream shoppes and bakeries in the United States, the District of Columbia, Puerto Rico and over 50 foreign countries under the brand names Carvel, Cinnabon, Schlotzsky's, Moe's Southwest Grill, Auntie Anne's, McAlister's Deli, Jamba, and Seattle's Best Coffee. The parent company of Focus Brands is Roark Capital Group, an Atlanta-based private equity firm that invests in consumer and business service companies. According to a Standard & Poor's report from June 2022, Focus Brands has an investment grade credit rating of BBB.



## SCHLOTZSKY'S

Schlotzsky's® is a fast-casual restaurant franchise that started in 1971 and is home to The Original® oven-baked sandwich. Schlotzsky's spans across 35 states and has expanded their menu to serve up toasted sandwiches, artisan flatbreads, specialty pizzas, sliders, tacos, freshly tossed salads, gourmet soups and more. Headquartered in Atlanta, Georgia, Schlotzsky's has more than 350 locations throughout the United States. Most locations are in the south and southwestern United States, but the company is expanding into areas across the country, particularly the north and southeast. In November 2006, Schlotzsky's was acquired by Focus Brands, an affiliate of private equity firm Roark Capital Group.



PROPERTY NAME	Schlotzsky's (Focus Brands Guarantee)
PROPERTY ADDRESS	102 Riverview Drive Lampasas (Outside Austin), TX 76550
PROPERTY TYPE	Net Lease Quick Service Restaurant
PARENT COMPANY	Focus Brands
OWNERSHIP	Private
LEASE GUARANTOR	Corporate (Focus Brands)
TERM REMAINING ON LEASE	Fifteen (15) Years
OPTIONS TO RENEW	(3) 5-Year Options
LEASE TYPE	Absolute NNN
LANDLORD RESPONSIBILITY	None
INCREASES	1.75% Annually
YEAR 1 NET OPERATING INCOME	\$100,000.00
NO. OF LOCATIONS	6,300+
HEADQUARTERED	Atlanta, GA
WEBSITE	<a href="http://www.focusbrands.com">www.focusbrands.com</a>
YEARS IN THE BUSINESS	Since 2004



# EXECUTIVE SUMMARY

## INVESTMENT OVERVIEW

The subject property is a freestanding Schlotzsky's drive-thru located in Lampasas (Outside Austin), TX. The new 15-year absolute NNN lease includes 1.75% annual rental increases in the primary term and in the (3) five-year option periods. The lease is corporately guaranteed by Focus Brands, an investment grade credit tenant, rated BBB by Standard & Poor's. Focus Brands is the franchisor and operator of more than 6,300 restaurants, cafes, ice cream shoppes and bakeries in the United States, the District of Columbia, Puerto Rico and over 50 foreign countries under the brand names Carvel, Cinnabon, Schlotzsky's, Moe's Southwest Grill, Auntie Anne's, McAlister's Deli, Jamba, and Seattle's Best Coffee.

This location benefits from its excellent visibility and frontage on S Key Ave, the main corridor in Lampasas, and sits directly in between US Hwy 281 and US Hwy 190 with total combined traffic counts of over 48,500 vehicles per day. This Schlotzsky's is just minutes from Downtown Lampasas, only 33 miles to Killeen, and 70 miles to the capital city Austin. There are 4 major apartment complexes within walking distance drawing immense foot traffic. The infamous Hanna Springs Sculpture Garden and Cooper Springs Nature Park are also within walking distance from the site, drawing tourists from all over the world. National retailers in the immediate vicinity include Whataburger, H-E-B, Sonic, Tractor Supply, Dollar Tree, Taco Bell, Dairy Queen, O'Reilly Auto Parts, AT&T, Circle K, Exxon, Domino's and many more. This is an excellent opportunity for an investor to purchase a stable, long term corporately guaranteed investment with zero landlord responsibility.



**Schlotzsky's**

## INVESTMENT HIGHLIGHTS

- Rare Corporately Guaranteed Lease by Focus Brands, an Investment Grade Credit Tenant, Rated BBB by Standard & Poor's
- Brand New 15-Year Absolute NNN Lease
- 1.75% Annual Rent Increases in Primary Term & Options
- Combined Traffic Counts Exceed 48,500 Vehicles Per Day on S Key Ave, US Hwy 281 & US Hwy 190
- Average Household Income Exceeds \$85,000 (5-Mile Radius)
- 4.0% Expected Population Growth Over the Next 5-Years





## AERIAL PHOTO



The information contained herein has been obtained from the owners or from other sources deemed reliable. We have no reason to doubt its accuracy but regret we cannot guarantee it. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. All properties subject to change or withdrawal without notice. Wertz Real Estate Investment Services, Inc.



# SUBJECT PROPERTY



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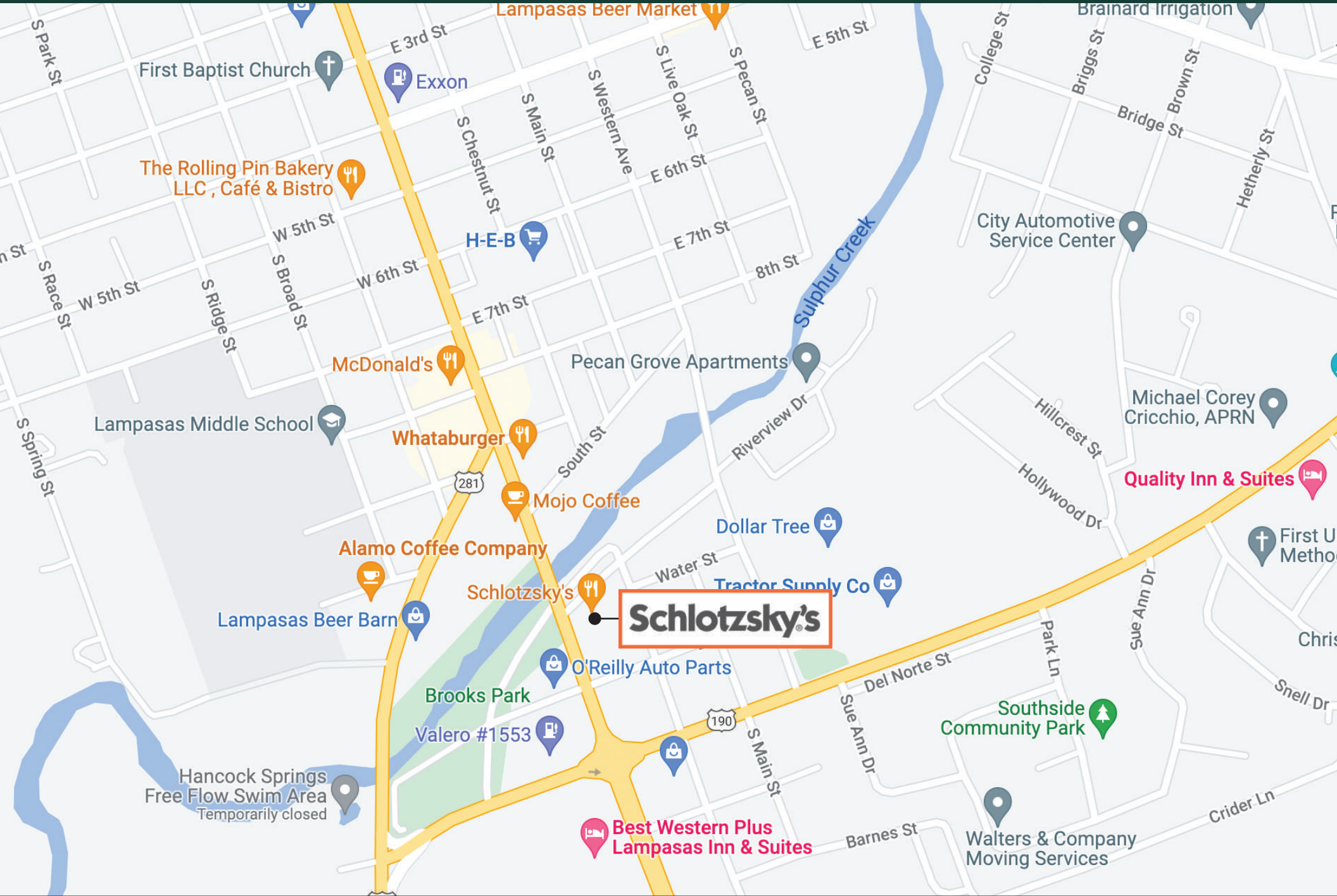
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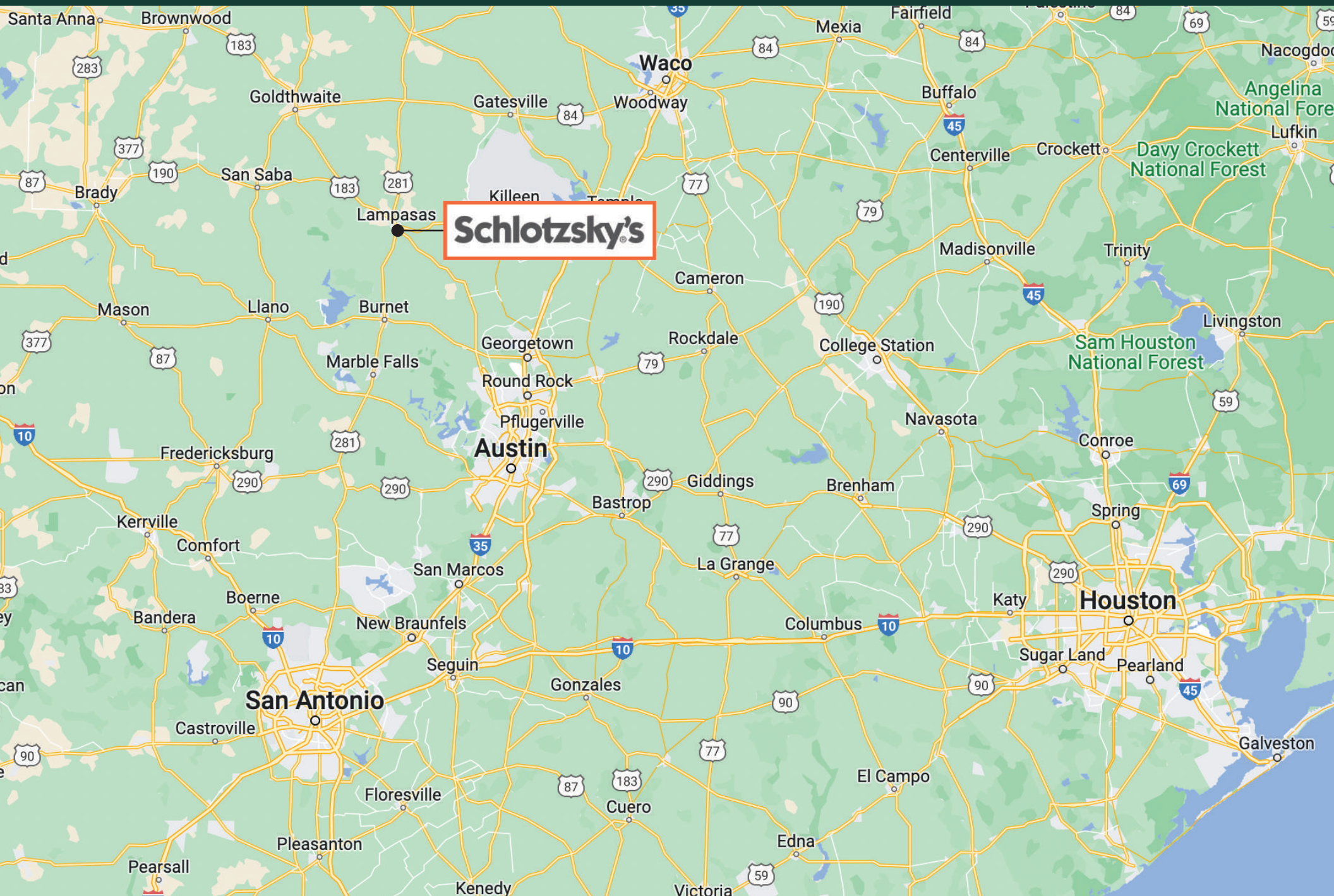
# LOCATION MAP



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# AREA MAP



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# MARKET OVERVIEW

## KILLEEN-TEMPLE, TX MSA

Lampasas is a city in Lampasas County, Texas and is part of the Killeen-Temple MSA which has a growing population of 486,101, according to the 2021 U.S. Census. Lampasas is 30 miles from Killeen, Texas and approximately 70 miles or 1 hour drive from the state capital, Austin, Texas. The Killeen-Temple MSA is the 35th fastest growing MSA in the United States and similar to how the Dallas–Fort Worth metropolitan area is often called the Metroplex, locals refer to this area as the “Centroplex”. The location of Lampasas is ideal for business, manufacturing, distribution, shopping or raising a family. The top industry in the area is agribusiness, followed by construction and the manufacture of food products and plastics.

The City of Lampasas is the site for leading manufacturer companies such as Oil States Industries, and Windsor Foods, which is the leading manufacturer and marketer of frozen ethnic foods and appetizers. The Lampasas Business Park offers 165 acres for new manufacturing facilities and office buildings just one mile from 3 major highway arteries: 183, 190, and 281. The Courtyard Square in Downtown Lampasas is anchored by the historic, recently refurbished Lampasas County Courthouse. The Courthouse and area surrounding it are a Nationally Registered Historic District. Lampasas is most famous for Hancock Springs, the oldest spring-fed pool in Texas. The springs are now part of 109-acre Hancock Park. Another popular attraction is Cooper Spring Nature Park is a highly rated series of trails on approximately 25-acres dedicated to the preservation and encouragement of wildlife. A large tourist attraction in Lampasas is the world’s largest spur, located outside of Hancock Park Golf Course. Throughout Hill Country and all within a brief drive of Lampasas lies approximately 70 wineries.

Major business clusters in the Killeen-Temple area include aerospace and aviation, materials manufacturing and financial services. Major employers in Killeen-Temple include Advanced Electrical Systems, Blackhawk Management Corporation, EG&G Technical Services, McLane Southwest, Pactiv, Pepsi Cola South, Raytheon, Teleperformance and Wilsonart. The largest universities in Killeen-Temple, TX are Central Texas College (16,719 students), University of Mary Hardin-Baylor (3,224



**35th Fastest Growing**  
MSA in the United States



### Major Employers Include

Advanced Electrical Systems, Blackhawk Management Corp, EG&G Technical Services, Pactiv, Pepsi Cola South, Raytheon, Teleperformance & Wilsonart



### Home to Central Texas College

(16,719 students), University of Mary Hardin-Baylor (3,224 students), & Texas A&M University-Central Texas (2,400 students)



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# DEMOGRAPHIC REPORT

ACTUAL SITE



POPULATION	1 MILE	5 MILE	10 MILE
2027 Projection	3,965	9,378	13,488
2022 Estimate	3,864	9,039	12,952
2010 Census	3,712	8,384	11,832
Percent Change 2010-2022	4.09%	7.81%	9.47%
Percent Change 2022-2027	2.61%	3.75%	4.14%
Median Age	40.36	41.07	42.80

HOUSEHOLDS	1 MILE	5 MILE	10 MILE
2022 Est. Avg. HH Income	\$79,619	\$85,902	\$90,168
2027 Projection	1,646	3,824	5,452
2022 Est. Households	1,588	3,647	5,186
2010 Census	1,469	3,249	4,567
Percent Change 2010-2022	8.10%	12.25%	13.55%
Percent Change 2022-2027	3.65%	4.85%	5.13%

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# WERTZ

REAL ESTATE INVESTMENT SERVICES

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DZ Net Lease Realty, LLC license 9002851





## 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:
  - that the owner will accept a price less than the written asking price;
  - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
  - 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
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Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
<u></u>	<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>	<u></u>
Sales Agent/Associate's Name	License No.	Email	Phone

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

\_\_\_\_\_  
Date