Representative Photo

229 Carson Street
Elk River , MN 55330

Retail
Investment Opportunity
Offering Memorandum

MATTHEWS™

Representative Photo

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Property Overview

Sonic
229 Carson Street, Elk River, MN 55330

Investment Highlights

- **Personal Guarantee –** The lease is backed by an absolute, unconditional, and irrevocable personal guarantee providing additional credit support and recourse beyond the tenant entity.
- **Affluent Demographics –** Average household income exceeds $149,836 within a 5-mile radius, supporting a strong, stable, and affluent consumer base.
- **Direct Highway 101 Access –** Excellent visibility and accessibility along Highway 101, which experiences traffic counts exceeding 53,840 vehicles per day.
- **18-Year Operating History –** This established location has operated successfully for approximately 18 years, demonstrating long-term site performance and market viability.
- **Absolute NNN Lease with 2% Annual Rent Increases –** Zero landlord responsibilities. The tenant is responsible for all operating expenses, including real estate taxes, insurance, roof, structure, and parking lot maintenance. The lease features 2% annual rent increases throughout the base term and renewal option periods, providing built-in income growth.
- **Percentage Rent Upside –** The lease includes a 7% percentage rent provision above a defined sales breakpoint, offering potential income upside while providing valuable transparency into unit-level sales performance.

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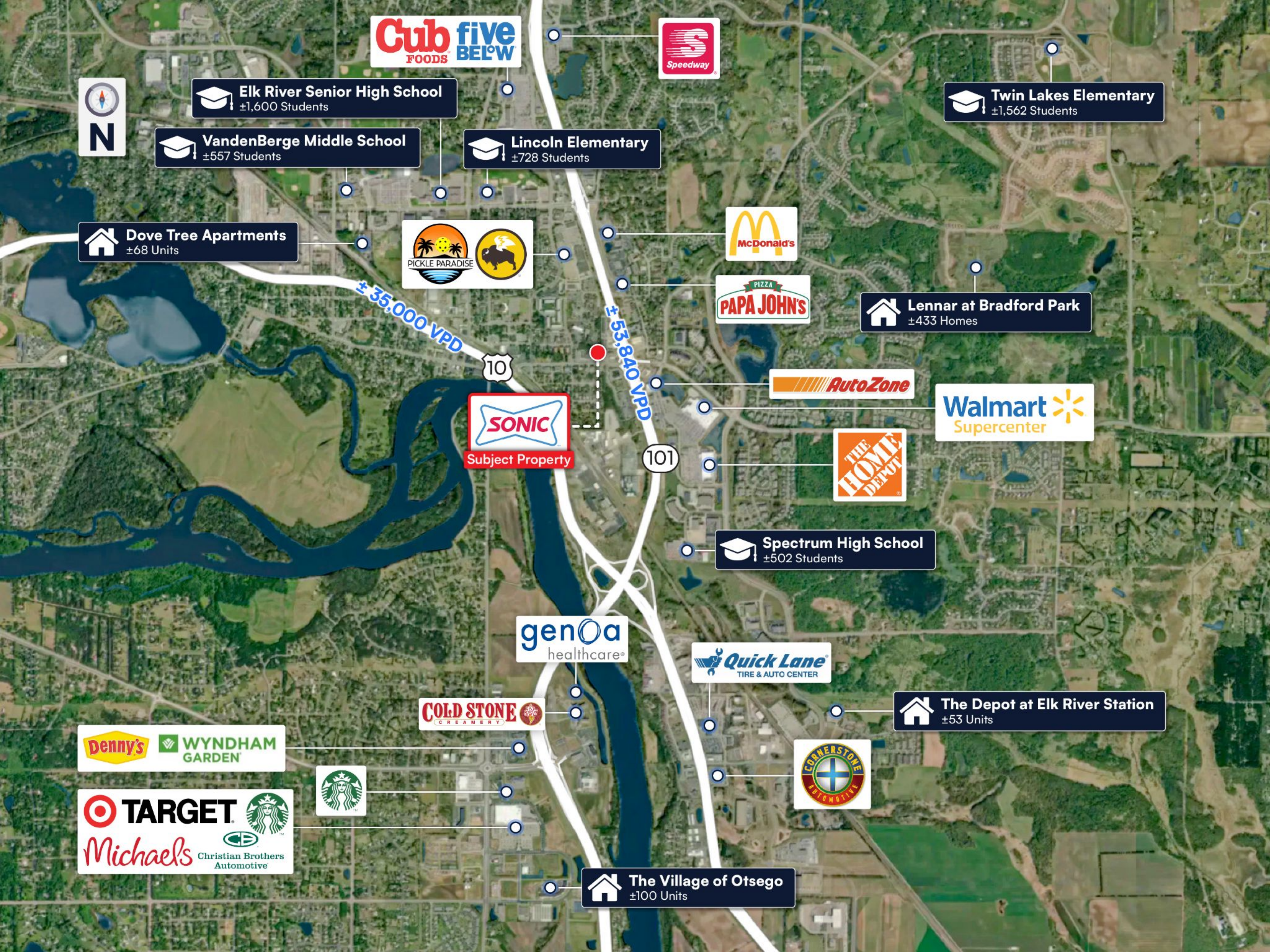
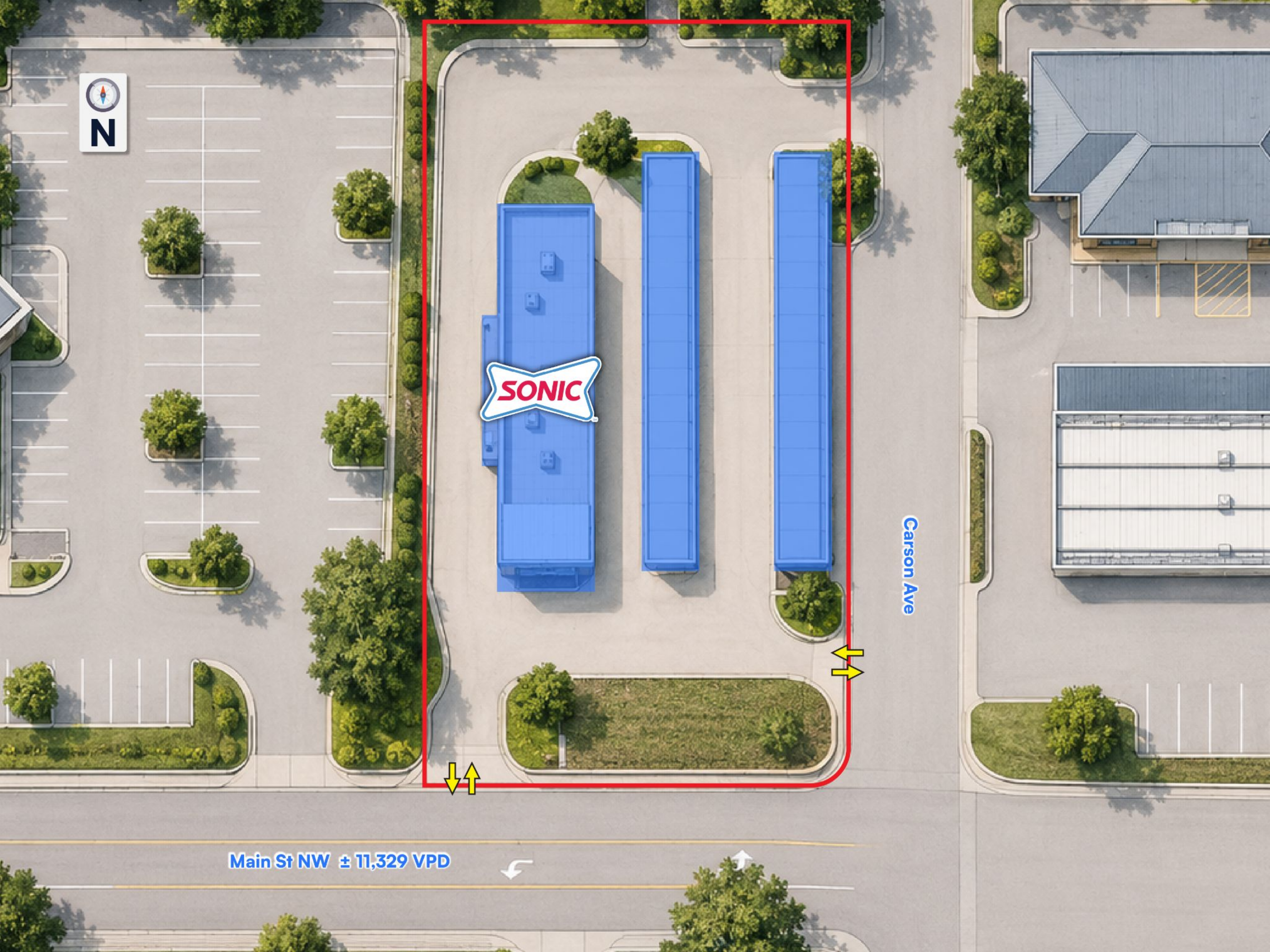

N
Elk River Senior High School
±1,600 Students
VandenBerge Middle School
±557 Students
Lincoln Elementary
±728 Students
Twin Lakes Elementary
±1,562 Students
Dove Tree Apartments
±68 Units
Pickle Paradise
McDonald's
Pizza Papa John's
Lennar at Bradford Park
±433 Homes
± 35,000 VPD
± 53,840 VPD
10
101
Speedway
Cub Foods
five BELOW
AutoZone
Walmart Supercenter
The Home Depot
Sonic
Subject Property
Spectrum High School
±502 Students
genoa healthcare
Quick Lane Tire & Auto Center
The Depot at Elk River Station
±53 Units
Cold Stone Creamery
Denny's
Wyndham Garden
Cornerstone Automotive
Target
Michaels
Christian Brothers Automotive
The Village of Otsego
±100 Units


N
SONIC
Carson Ave
Main St NW ± 11,329 VPD

229 Carson Street
Elk River, MN 55330

±1,728 SF
GLA*

±0.88 AC
Lot Size*

±11,329 VPD
W Main ST

2008
Year Built

*GLA and Lot Size to be verified by Buyer with a new survey

Representative Photo

Financial Overview

Sonic
229 Carson Street, Elk River, MN 55330

Representative Photo

Financial Summary

$1,950,391
List Price

6.00%
Cap Rate

Lease Details

Tenant Trade Name	Sonic Drive-In
Guarantor	Franchisee and Personal Guaranty
Type of Ownership	Fee Simple
Lease Type	Absolute NNN
Lease Commencement Date	1/23/2015
Lease Expiration Date	3/1/2037
Lease Term Remaining	10.7 Years
Rent Increases	2.00% Annually
Percentage Rent	7% of sales over Breakpoint
Renewal Options	Three, 5-Year

Annualized Operating Data

Term	Monthly Rent	Annual Rent	Rent Increases
Current - 1/31/2027	**$9,751.96**	**$117,023.46**	**-**
2/1/2027 – 1/31/2028	$9,946.99	$119,363.93	2.00%
2/1/2028 – 1/31/2029	$10,145.93	$121,751.21	2.00%
2/1/2029 – 1/31/2030	$10,348.85	$124,186.23	2.00%
2/1/2030 – 1/31/2031	$10,555.83	$126,669.96	2.00%
2/1/2031 – 1/31/2032	$10,766.95	$129,203.36	2.00%
2/1/2032 – 1/31/2033	$10,982.29	$131,787.42	2.00%
2/1/2033 – 1/31/2034	$11,201.93	$134,423.17	2.00%
2/1/2034 – 1/31/2035	$11,425.97	$137,111.63	2.00%
2/1/2035 – 1/31/2036	$11,654.49	$139,853.87	2.00%
2/1/2036 – 3/1/2037	$11,887.58	$142,650.94	2.00%

TENANT SUMMARY

Year Founded
1953

Headquarters
Oklahoma City, OK

Ownership Status
Subsidiary

Employees
5,000+

Locations
3,400+

Annual Revenue
$5 Billion

Tenant Overview

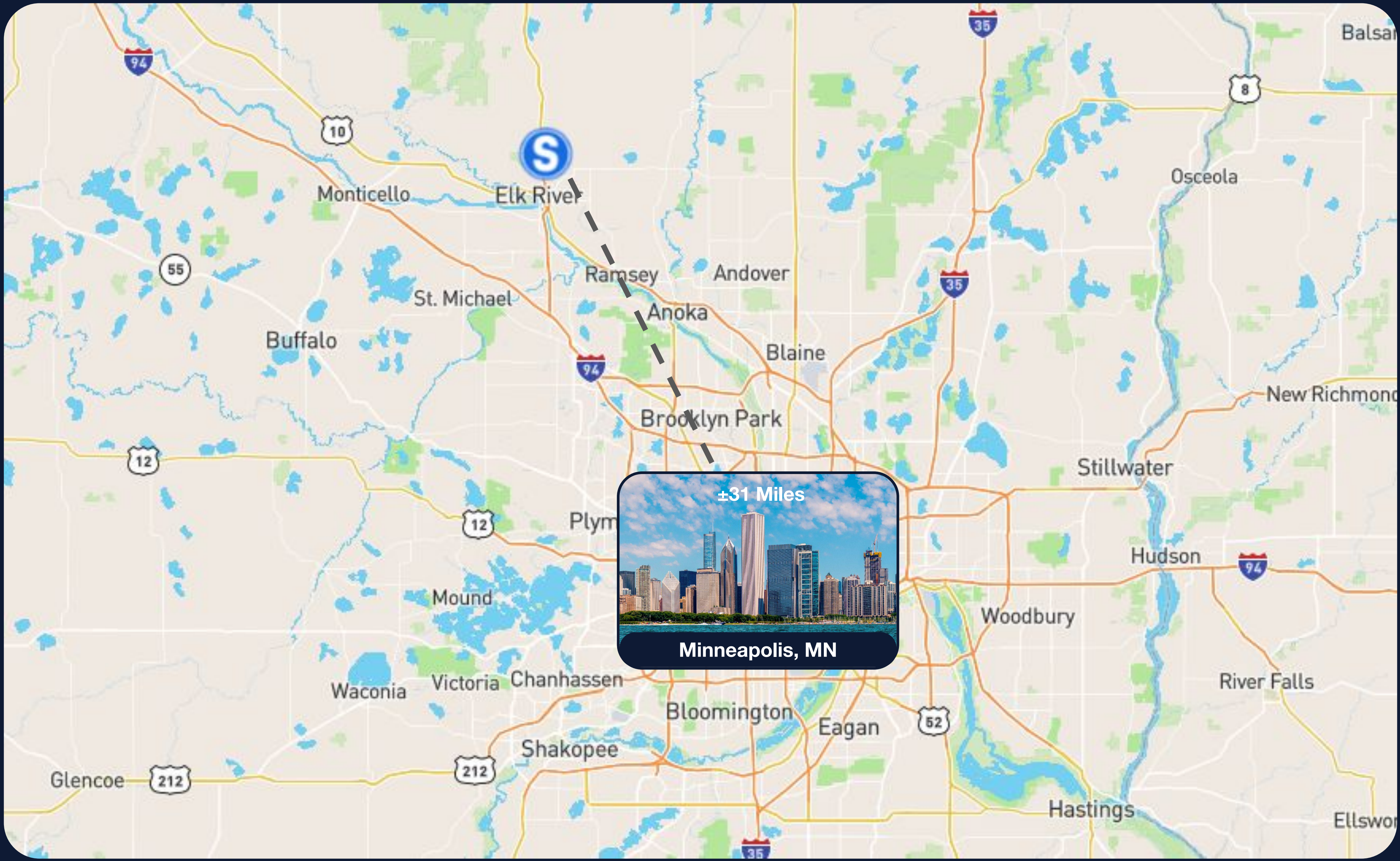
Sonic Drive-In is a nationally recognized quick-service restaurant (QSR) brand known for its distinctive drive-in format, extensive drink menu, and all-American fare. Headquartered in Oklahoma City, Oklahoma, Sonic operates as a subsidiary of Inspire Brands, one of the largest restaurant companies in the U.S. With a footprint of over 3,400 locations across 46 states, Sonic combines nostalgic appeal with modern operational systems to serve millions of guests annually. The brand continues to evolve through digital innovation, dynamic marketing, and product diversification, maintaining its position as a leading player in the drive-in and QSR segments.

Why Invest in Sonic?

- **Established Brand with National Recognition:** Sonic is one of America's most iconic quick-service restaurant brands, known for its distinctive drive-in format, customizable menu, and nostalgic appeal. Its strong brand equity and customer loyalty help drive consistent foot traffic and systemwide performance.
- **Operational Scale and Franchise Network:** With over 3,400 locations in 46 states, Sonic maintains a significant national presence supported by a robust franchise model. This scale enables broad market penetration, localized service, and operational efficiencies across diverse demographic profiles.
- **Parent Company Backing (Inspire Brands):** As a wholly owned subsidiary of Inspire Brands—a leading multi-brand restaurant platform—Sonic benefits from centralized innovation, shared resources, and strategic capital investment. This enhances long-term stability and growth potential.
- **Marketing Innovation and Consumer Engagement:** Sonic has continually adapted to shifting consumer preferences through digital ordering, targeted advertising, and strong social media presence. High-impact marketing campaigns and mobile app integration reinforce brand visibility and guest frequency.

Market Overview

Sonic
229 Carson Street, Elk River, MN 55330



Elk River , MN

Local Market Overview

Elk River, Minnesota is a growing northwest Twin Cities suburban market that continues to attract families, professionals, and businesses seeking a balance of affordability, accessibility, and quality of life. The community benefits from strong household incomes, a well-educated workforce, and a relatively young population, creating a solid consumer base for retail, healthcare, restaurants, and service-oriented businesses. Its location along major transportation corridors

provides convenient access to the Minneapolis–St. Paul metropolitan area while also serving as a regional hub for surrounding communities. Ongoing residential development, expanding commercial investment, and a diverse employment base support continued economic growth. With a combination of population gains, strong spending power, and available opportunities for future development, Elk River remains an attractive market for businesses looking to expand within the northern Twin Cities region.

Property Demographics

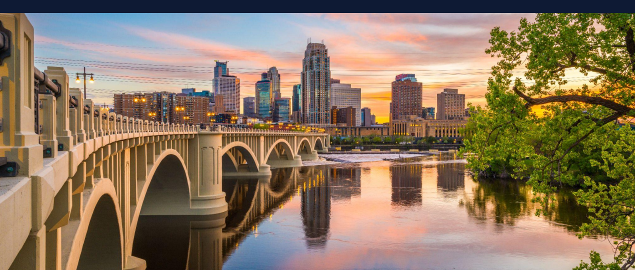
Population	1-Mile	3-Mile	5-Mile
Five-Year Projection	6,519	32,474	52,571
Current Year Estimate	6,313	30,546	48,493
2020 Census	6,192	28,878	44,175
Growth Current Year-Five-Year	3.26%	6.31%	8.41%
Growth 2020-Current Year	1.95%	5.77%	9.78%
Households	**1-Mile**	**3-Mile**	**5-Mile**
Five-Year Projection	2,825	12,275	19,369
Current Year Estimate	2,692	11,352	17,620
2020 Census	2,480	10,127	15,401
Growth Current Year-Five-Year	4.93%	8.13%	9.93%
Growth 2020-Current Year	8.56%	12.10%	14.41%
Income	**1-Mile**	**3-Mile**	**5-Mile**
Average Household Income	$99,040	$137,264	$149,836

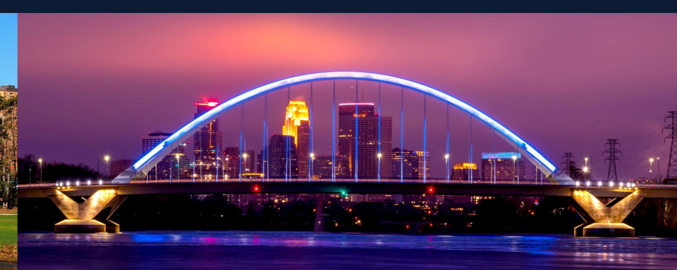
Minneapolis, MN MSA

Minneapolis, together with Saint Paul as the “Twin Cities,” is a thriving metropolitan area known for its strong economy, cultural diversity, and high quality of life. As a key Midwest hub, it offers a blend of Fortune 500 headquarters, world-class healthcare systems, renowned universities, and a robust arts and music scene. Its central U.S. location provides exceptional connectivity for commerce, while its mix of highly educated residents and strong household incomes supports vibrant retail and investment activity.

Retailers in Minneapolis benefit from a loyal and diverse consumer base, a strong tourism market, and significant year-round pedestrian and commuter traffic across the metro. The region’s extensive highway network and highly ranked public transit system enhance accessibility, while development-friendly policies and steady economic growth support long-term retail and real estate value. Known for resilience and innovation, Minneapolis consistently outperforms broader Midwest trends, fueled by its strong economic fundamentals and high standard of living.

Total Population	Annual Visitors	Tourism Economic Impact	GDP
3.7 Million	**33 Million**	**$10.0 Billion**	**$282 Billion**





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This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located a**t 229 Carson Street, Elk River, MN, 55330** ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews™. The material and information in the Offering Memorandum is unverified. Matthews™. has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;

2. You will hold it and treat it in the strictest of confidence; and

3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

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If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Owner or Matthews™. or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date of this Offering Memorandum.

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