BULL REALTY
Asset & Occupancy Solutions

OFFERING MEMORANDUM

TACO CABANA NET LEASE INVESTMENT OPPORTUNITY | 5.3% CAP RATE

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BULL REALTY
ASSET & OCCUPANCY SOLUTIONS

Exclusively listed by Bull Realty, Inc.

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EXECUTIVE SUMMARY

6311 GARTH ROAD, BAYTOWN, TX 77521

INVESTMENT OFFERING

This Taco Cabana NNN ground lease is an outparcel to the Kroger Marketplace in Baytown, Texas, in the Houston MSA. Many national credit tenants including Marshall's, PetSmart, ULTA Beauty, T-Mobile, Tractor Supply Company, Panera Bread, Burlington, Academy Sports, Dairy Queen, Planet Fitness, and Kohl's are nearby. The San Jacinto Mall, just off I-10, is also nearby and anchored by Macy's and JCPenny.

This popular Tex-Mex dining concept has a 15-year NNN ground lease with 10 years remaining on the term, through April 2031 and five 5-year options. There are 10% rent increases every five years and in the option periods. As a NNN lease, there are no Landlord responsibilities.

The ± 3,400 SF building, located on an almost 1-acre parcel, was originally built by Fiesta Restaurant Group, the parent company, as their sister brand, Pollo Tropical. The location was rebranded and remodeled in 2016 to the current Taco Cabana concept. Within five miles, there is a population of 109,140 and an average household income of $75,620. Nearby traffic counts are 25,380 VPD on Garth Road.

Taco Cabana is a popular "made-to-order" Tex-Mex restaurant, owned by publicly-traded Fiesta Restaurant Group, which was established over 30 years ago, They currently have 329 locations in 4 states, the Caribbean and Central and South America.

This NNN offering is priced at $2,390,000 at an attractive 5.3% cap rate.

INVESTMENT HIGHLIGHTS

- Nearly 10 years remaining on a 15-year NNN ground lease with no Landlord responsibilities
- Five 5-year options and 10% rent increases every 5 years
- Popular Tex-Mex concept owned by publicly-traded Fiesta Restaurant Group (NASDAQ: FRGI), operating over 329 restaurants in 4 states and abroad
- Outparcel to Kroger Marketplace in Baytown, TX, part of the Houston MSA
- Located just off I-10 in a dense retail corridor with traffic counts of over 25,000 VPD
- Nearby national tenants including Macy's, Marshall's, Tractor Supply, HEB, PetSmart, Academy Sports, and more
- Densely populated with over 109K within five-miles and household income of $75K+
- Priced at $2,390,000 or 5.3% cap

OVERVIEW

County:	Harris
Price:	$2,390,000
Cap Rate:	5.3%
NOI:	$126,500
Price/SF:	$702.94
Rent/SF:	$37.21
Building Size:	± 3,400 SF
Site Size:	± 0.97 Acres
Year Built:	2016
Type of Owership:	Ground Lease
Tenant Name:	Taco Cabana
Lease Commencement:	5/1/2016
Lease Expiration:	4/30/2031
Renewal Options:	Five 5-year
Rent Inceases:	10% every 5 years and in options
Guarantor:	Pollo Operations, Inc., subsidiary of Fiesta Restaurant Group, Inc.
Landlord Responsibilities:	None
Tenant Responsibilities:	All repairs & maintenance, utilities, taxes

RENT SCHEDULE

TERM	DATES	MONTHLY RENT	ANNUAL RENT	INCREASE
Original Years 1-5	5/1/2016 - 4/30/2021	$9,583.33	$115,000	-
Original Years 6-10	5/1/2021 - 4/30/2026	$10,541.67	$126,500	10%
Original Years 11-15	5/1/2026 - 4/30/2031	$11,595.83	$139,150	10%
First Option	5/1/2031 - 4/30/2036	$12,755.42	$153,065	10%
Second Option	5/1/2036 - 4/30/2041	$14,030.92	$168,371	10%
Third Option	5/1/2041 - 4/30/2046	$15,434.00	$185,208	10%
Fourth Option	5/1/2046 - 4/30/2051	$16,977.42	$203,729	10%
Fifth Option	5/1/2051 - 4/30/2056	$18,675.17	$224,102	10%

$2,390,000
Price

5.3%
Cap rate

10 Years
Term Remaining

Triple Net
Lease Type

Representative Photo

TENANT PROFILE

$554.8 M
AUV

FRGI
NASDAQ ID

THE ORIGINAL TACO CABANA® MEXICAN PATIO CAFE

166+
LOCATIONS

SAN ANTONIO,TX
HEADQUARTERS

FIESTA RESTAURANT GROUP

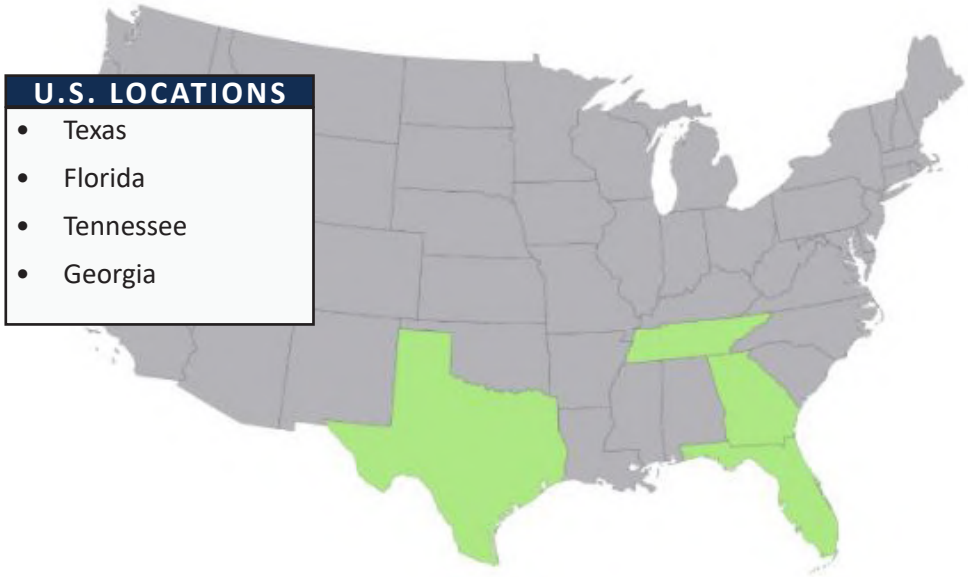
Fiesta Restaurant Group, Inc. is the parent company of the Taco Cabana® and Pollo Tropical® restaurant brands. The brands specialize in the operation of fast-casual, made-to-order restaurants that offer distinct and unique tropical and Mexican inspired flavors with broad appeal at a compelling value. The Taco Cabana concept began in San Antonio, Texas over 30 years ago.

Their brands have a rich history rooted in quality food, hospitality, and service to the communities they are in through the Fiesta Family Foundation. They are committed to serving fresh, authentic ethnic foods that are handmade and served in a contemporary and casual atmosphere of indoor and patio dining at affordable prices. Locations have fresh salsa bars, table service, free Wi-Fi, drive-thru service, online ordering, and catering.

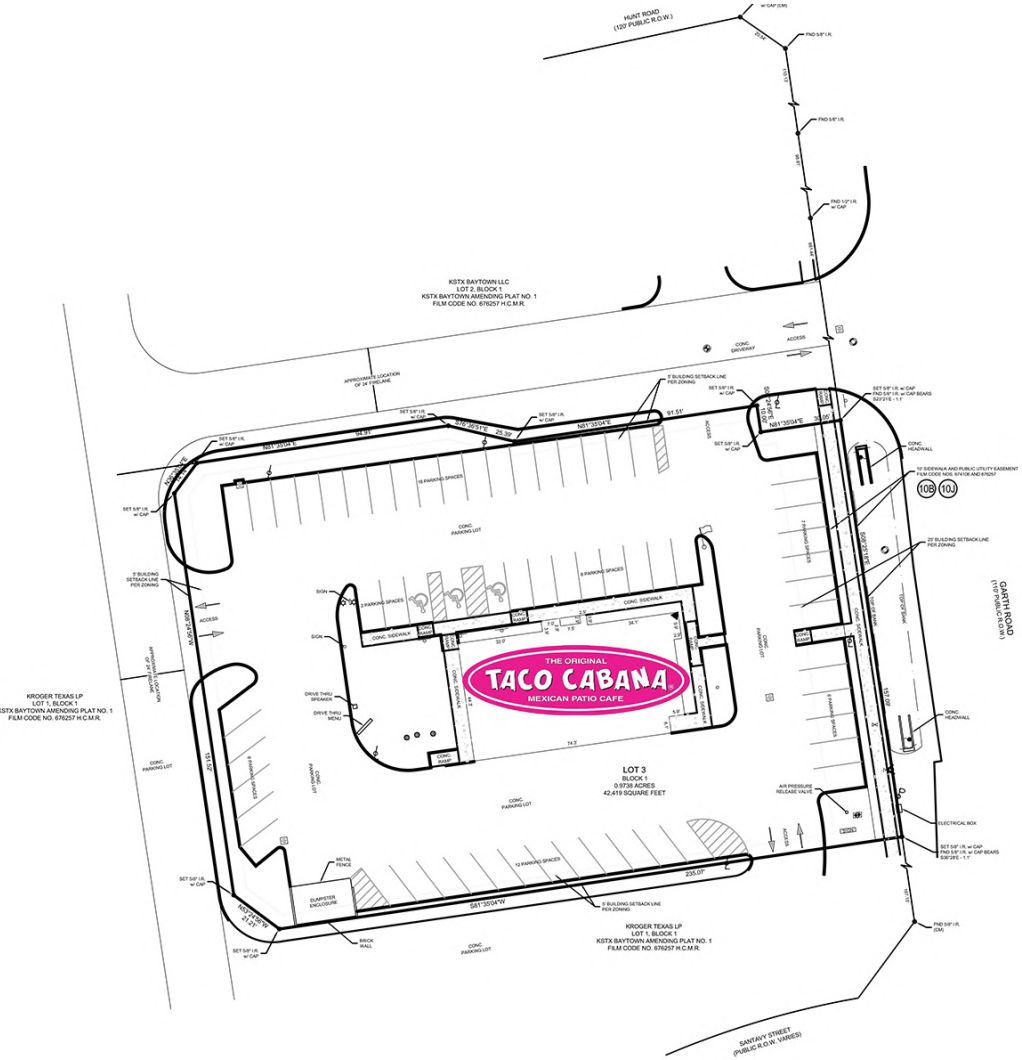
Fiesta Restaurant Group, Inc. became public in May of 2012 through a spin-off of Carrols Restaurant Group. Today, there are 329 restaurants operated by Fiesta in 4 states, the Caribbean and Central and South America.

For more information, please visit: https://www.frgi.com/

Click Here to View Taco Cabana Video



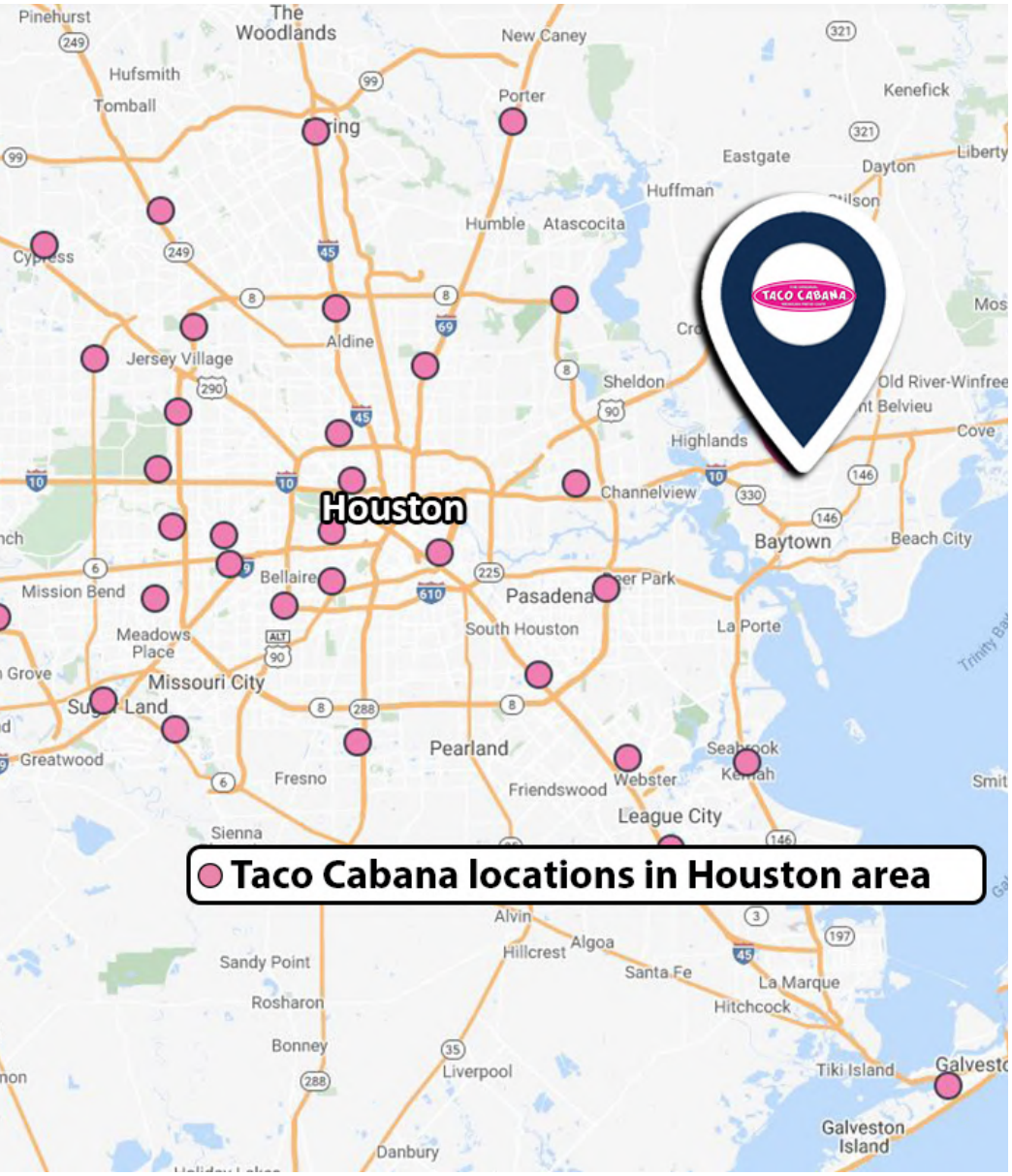
AERIAL & SITE PLAN

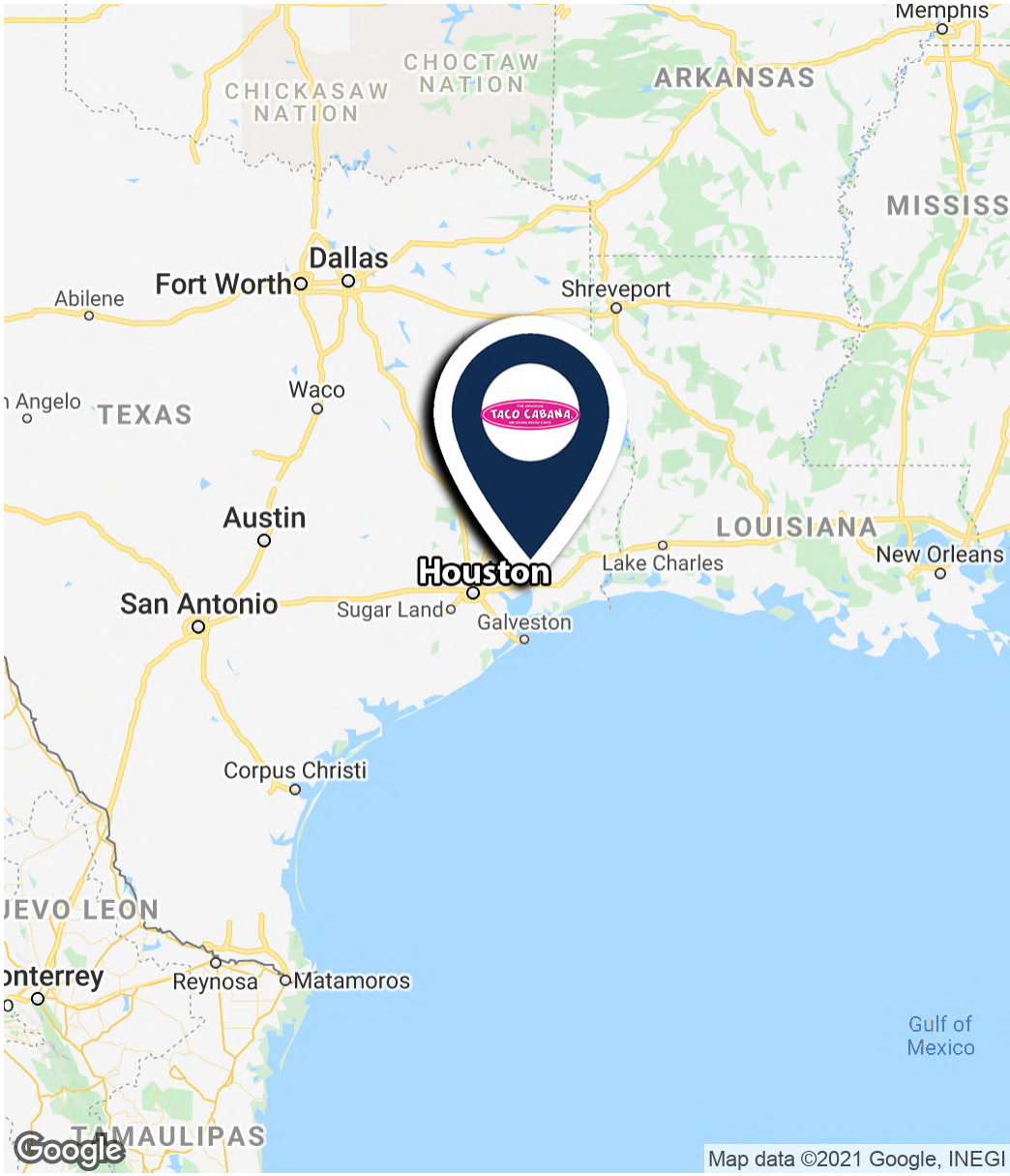


IN THE AREA

Red Lobster
Cracker Barrel
Starbucks Coffee
Waffle House
Nissan
10
Honda
Buick
Toyota
Hwy-10 - 97,116 VPD
Buc-ee's
Ford
Chevrolet
Best Western
Mambo Seafood
Saltgrass Steak House
Sears
San Jacinto Mall
jcpenney
macy's
Hooters
Panda Express
Outback Steakhouse
Michael's
Subway
Wendy's
Popeyes
Taco Bell
Texas Roadhouse
Buffalo Wild Wings
Olive Garden
Burlington
Kohl's
H-E-B
Planet Fitness
ups
TSC Tractor Supply Co
PetSmart
Comcast Xfinity
Marshalls
Smoothie King
Panera Bread
FirstWatch
Kay Jewelers
T-Mobile
Pizza Hut
Kroger
The Original Taco Cabana
Mexican Patio Cafe

AREA MAPS


Taco Cabana locations in Houston area
Houston
The Woodlands
New Caney
Porter
Kenefick
Eastgate
Dayton
Liberty
Huffman
Humble
Atascocita
Aldine
Jersey Village
Sheldon
Highlands
Channelview
Baytown
Beach City
Bellaire
Pasadena
South Houston
La Porte
Mission Bend
Meadows Place
Missouri City
Pearland
Fresno
Friendswood
Webster
League City
Sienna
Alvin
Algoa
Hillcrest
Santa Fe
La Marque
Hitchcock
Sandy Point
Rosharon
Bonney
Liverpool
Tiki Island
Galveston Island
Danbury


Memphis
CHOCTAW NATION
CHICKASAW NATION
ARKANSAS
MISSISS
Dallas
Fort Worth
Abilene
Shreveport
Waco
TEXAS
Austin
Houston
LOUISIANA
Lake Charles
New Orleans
San Antonio
Sugar Land
Galveston
Corpus Christi
Reynosa
Matamoros
Gulf of Mexico
Google
Map data ©2021 Google, INEGI

ABOUT THE AREA

BAYTOWN, TX

Baytown, located in the Houston MSA is less than a mile south of I-10. Baytown is located in the Gulf Coast region of Texas along scenic bays and just 25 miles east of Houston and 60 miles north of Galveston. The community is centered on the oil, rubber and gas industry and home to petrochemical companies such as Shell Oil, Exxon-Mobile, Chevron, Halliburton, and Schlumberger.

Stroll Baytown's historic downtown and up-and-coming art scene located in the Downtown Arts District. Catch a show at the Baytown Little Theater, a concert at the Lee College Performing Arts Center, or an art exhibit at the Art Gallery of Baytown. Visitors can enjoy an art walk up Texas Avenue that includes murals and unique art installations. Download the Adventure Lab app and take your art walk to the next level with our Art-Venture Lab! In the heart of the Downtown Arts District the Town Square hosts free, family-friendly festivals year round.

** Source: https://www.visitbaytown.com/*

DEMOGRAPHICS (5-MILE)

POPULATION

147,892

MEDIAN INCOME

$63,161

MEDIAN AGE

32.0

EMPLOYMENT RATE

91.8%

MED. HOME PRICE

$123,702

BROKER PROFILE

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PROFESSIONAL BACKGROUND

Nancy Miller joined Bull Realty in 2001. Her brokerage practice focuses on single tenant net lease and multi-tenant retail investment properties. Nancy is a partner with the firm and heads the National Net Lease Investment Group. Her focus includes working with investors, 1031 exchange transactions and developers throughout the US. She is an industry recognized savvy and knowledgeable investment expert. In the last 5+ years, she has brokered over 125 single tenant transactions. Nancy also publishes an electronic investor newsletter, and participates in a quarterly national retail industry survey done by Morgan Stanley. Periodically, Nancy contributes to Bull Realty's retail blogs appears on the Commercial Real Estate Show, a national weekly commercial real estate radio show hosted and produced in Atlanta by Michael Bull, Bull Realty's founder and President.

Nancy has held a real estate license for over 25 years and is licensed in several states. She is a Life Member of the Atlanta Commercial Board of Realtors and a member of the International Council of Shopping Centers (ICSC). She also holds the prestigious CCIM designation and has a Bachelor of Arts degree from Tulane University and an MBA from Emory University's Goizueta Business School, where she is a guest lecturer.

ABOUT BULL REALTY

Bull Realty is a commercial real estate sales, leasing, and advisory firm licensed in nine Southeast states headquartered in Atlanta. The firm was founded in 1998 on two primary missions: to provide a company of advisors known for integrity and to provide the best disposition marketing in the nation. Still guided by these philosophies, the firm's services have expanded to include disposition, acquisition, project leasing, tenant representation and consulting services. To add additional value and efficiency for clients, advisors focus on specific sectors and services in the office, retail, industrial, multifamily, land, healthcare, senior housing, self-storage, hospitality and single tenant net lease sectors.

DISCLAIMER

Bull Realty has been retained as the exclusive listing broker to arrange the sale of the Subject Property.

This Offering Memorandum contains selected information pertaining to the Property but does not purport to be all-inclusive or to contain all of the information that a prospective purchaser may require. All financial projections are provided for general reference purposes only and are based upon assumptions relating to the general economy, competition and other factors, which therefore, are subject to material change or variation. Prospective purchasers may not rely upon the financial projections, as they are illustrative only. An opportunity to inspect the Property will be made available to qualified prospective purchasers.

In this Offering Memorandum, certain documents, including financial information, are described in summary form and do not purport to be complete or accurate descriptions of the full agreements involved, nor do they constitute a legal analysis of such documents. Interested parties are expected to review independently all documents.

This Offering Memorandum is subject to prior placement, errors, omissions, changes or withdrawal without notice and does not constitute a recommendation, endorsement, suitability or advice as to the value of the Property by Bull Realty Inc. or the current Owner/Seller. Each prospective purchaser is to rely upon its own investigation, evaluation and judgment as to the advisability of purchasing the Property described herein.

Owner/Seller expressly reserve the right, at its sole discretion, to reject any or all expressions of interest or offers and/or to terminate discussions with any party at any time with or without notice. Owner/Seller shall have no legal commitment or obligation to any purchaser reviewing this Offering Memorandum or making an offer on the Property unless a written agreement for the purchase of the Property has been fully executed, delivered and approved by the Owner/Seller and any conditions to the purchaser's obligations therein have been satisfied or waived. The Owner/Seller reserves the right to move forward with an acceptable offer prior to the call for offers deadline.

This Offering Memorandum may be used only by parties approved by the Broker. The Property is privately offered, and by accepting this Offering Memorandum, the party in possession hereof agrees (i) to return it if requested and (ii) that this Offering Memorandum and its contents are of a confidential nature and will be held and treated in the strictest confidence. No portion of this Offering Memorandum may be copied or otherwise reproduced or disclosed to anyone without the prior written authorization of Bull Realty, Inc. The terms and conditions set forth above apply to this Offering Memorandum in its entirety and all documents and other information provided in connection therewith.

TREC
TEXAS REAL ESTATE COMMISSION

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.

EQUAL HOUSING OPPORTUNITY

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.

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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 _____