



CHILI'S GRILL & BAR | MCALLEN, TX

(CORPORATE LEASE)

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***WARNING: Under no circumstances should any Broker or Principal directly contact Brinker International Inc., Chili's Grill & Bar, Maggiano's, or any related entities. In the event this warning is disregarded, Landlord reserves the right to seek legal redress for any damages that may occur from such interference with Landlord's relationship with Brinker International, Inc., Chili's Grill & Bar, Maggiano's, or related entities ***

CHILI'S GRILL & BAR

521 EAST NOLANA AVENUE, MCALLEN, TX 78504

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CORPORATE LEASE⁽¹⁾

BRINKER INTERNATIONAL, INC. (NYSE: EAT)
1,685 RESTAURANTS WORLDWIDE

\$3.14 BILLION

APPROXIMATELY \$3.14 BILLION IN REVENUES
GENERATED FOR FISCAL 2018⁽²⁾



TENANT OVERVIEW

CHILI'S GRILL & BAR | MCALLEN, TX
(CORPORATE LEASE)

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(1) Lease is guaranteed by Brinker International, Inc.
(2) Source: www.brinker.com

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CHILI'S GRILL & BAR⁽¹⁾



Founded by Larry Lavine in Texas over 40 years ago and currently owned and operated by Dallas-based Brinker International, Inc., Chili's Grill & Bar is Brinker's flagship brand and a recognized leader in casual dining offering fresh, bold and unexpected flavors. With 1,632 independently and corporate-owned and operated locations, Chili's enjoys a global presence with locations in 32 countries and two U.S. territories, more than 100,000 team members and entree selections ranging in menu price from \$6.00 to \$18.99. The Chili's brand has remained competitive by offering consistent, quality products at a compelling every day value, leveraging technology initiatives to create a digital guest experience believed to engage guests more effectively, and loyalty programs and incentives to further enhance sales and drive incremental traffic. In September 2017, the casual dining chain decided to streamline their menu to focus on food quality and customer experience, and reinvested in its best sellers and signature items of burgers, baby back ribs, fajitas and famous margaritas. In the second half of 2018, Chili's will focus on bolstering its to-go and delivery businesses, which account for more than ten percent of its sales. Named as one of "America's Best Employers" on the 2015 Forbes List and Fortune's "100 Best Workplaces for Millennials", Chili's continues to revolutionize the casual dining industry as a technology pioneer and is well known for fostering an energetic culture for team members.

- ▶ 1,632 LOCATIONS WORLDWIDE IN 49 STATES, 32 COUNTRIES AND 2 U.S. TERRITORIES
- ▶ THERE ARE 6-8 NEW CORPORATELY OWNED AND FRANCHISED DOMESTIC RESTAURANTS AND 33-38 NEW INTERNATIONAL LOCATIONS PROJECTED IN FISCAL 2019
- ▶ MORE THAN 50 MILLION AMERICANS VISIT CHILI'S GRILL & BAR EVERY THREE MONTHS
- ▶ CONSTRUCTION OF A NEW CORPORATE HEADQUARTERS OFFICE BUILDING COMPLETED IN LATE 2018 CONSISTING OF A 217,000 SF BUILD-TO-SUIT, FOUR-STORY SPACE DEMONSTRATES BRINKER INTERNATIONAL, INC.'S COMMITMENT TO THE FUTURE
- ▶ 500 EMPLOYEES WILL RELOCATE TO THE NEW HEADQUARTERS AT CYPRESS WATERS IN IRVING, TX. OTHER CURRENT TENANTS OF THE OFFICE PARK INCLUDE TOYOTA FINANCIAL, 7-ELEVEN (HQ), DEL FRISCO'S (HQ), NATIONSTAR MORTGAGE (HQ), CORELOGIC (HQ), CHEDDAR'S RESTAURANT GROUP (HQ), AMN HEALTHCARE & ONESOURCE VIRTUAL (HQ)⁽²⁾.

COMPANY PROFILE

PARENT COMPANY
(BB+ CREDIT RATING FROM S & P AND BA1 FROM MOODY'S)



CURRENT FAMILY OF BRANDS

SUBJECT PROPERTY
TENANT UNDER THE LEASE



CHILI'S SIGNATURE MENU ITEMS



MAGGIANO'S SIGNATURE MENU ITEMS



(1) Sources: www.brinker.com, www.chilis.com, (2) Source:www.billingsleyco.com

BRINKER INTERNATIONAL, INC. - FINANCIAL HIGHLIGHTS⁽¹⁾

\$3.14 B
TOTAL REVENUE GENERATED
FOR FISCAL 2018



Brinker International, Inc. highlights from the January 29, 2019 financial report include the following:

“Brinker delivered our fifth consecutive quarter of sequential sales improvement, posting positive sales and industry leading traffic,” said Wyman Roberts, Chief Executive Officer and President. “Our sustained momentum is being driven by several key factors including operational execution, takeout, and value.”

- ▶ Chili's company-owned comparable restaurant sales increased 2.9% in the second quarter of fiscal 2019 compared to the second quarter of fiscal 2018
- ▶ Chili's U.S. franchise comparable restaurant sales increased 3.4% in the second quarter of fiscal 2019 compared to the second quarter of fiscal 2018
- ▶ The Company's Board of Directors approved a quarterly dividend of \$0.38 per share on the common stock of the Company. The dividend will be payable March 28, 2019 to shareholders of record as of March 8, 2019
- ▶ Brinker International's Company sales in the second quarter of fiscal 2019 increased 2.5% to \$761.5 million compared to the second quarter of fiscal 2018. Total revenues in the second quarter of fiscal 2019 increased 3.2% to \$790.7 million compared to the second quarter of fiscal 2018.

“Brinker delivered positive sales and traffic for the fourth quarter,” said Wyman Roberts, Chief Executive Officer and President. “We continue to gain momentum and improve overall business performance through effective execution of our traffic driving strategies to elevate food and service, increase convenience, and strengthen our value proposition.”

Fiscal 2019 Outlook

- ▶ Revenues are expected to be up approximately 2.00% to 2.75% ▶ Comparable restaurant sales are expected to be up 1.75% to 2.50%
- ▶ There are 6-8 new corporately owned and franchised domestic restaurants and 33-38 new international locations projected in fiscal 2019

(1) This is a partial summary of the full earnings report. The full report can be viewed at www.brinker.com/mediaroom. Marcus & Millichap and its affiliates has not made any investigation, and makes no warranty or representation, with respect to the information contained herein. This information has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. Individuals are strongly advised to take appropriate measures to verify all of the information set forth herein. Buyer must conduct their own Due Diligence.

CHILI'S GRILL & BAR AT A GLANCE

▶ *“Brinker continued to gain momentum during the third quarter, especially related to our foundational strategy to drive positive traffic at Chili's. Our investments into our food, our value equation and our curbside To Go offering are working and creating a more compelling guest experience. Chili's has the opportunity to become the largest American casual dining brand globally. We opened 30 restaurants in Fiscal 2017, and we're thrilled by our franchise partners' continued enthusiasm to expand the brand.”*

-Wyman Roberts, Brinker International, Inc. Chief Executive Officer and President

▶ *“Chili's culture is fantastic. Very open, very honest, very collaborative. We have an expectation that we need to deliver upon. Chili's is in a space that is completely open for opportunity. From a technology standpoint, and a digital experience standpoint, it's blue sky. We can really modify and change, progress this industry. The organization is committed to it, the industry needs it, they're begging for it, consumers want it. They're all carrying these devices and they want to have that interactivity. After implementation of the new mobile app, online orders experienced a 25%-55% growth when compared to the previous year, resulting in increased sales and enhanced customer experience.”*

- Wade Allen, Brinker International, Inc. Senior Vice President and Chief Digital Officer

▶ *“Chili's will be remodeling 200 to 250 older restaurants in fiscal 2019. We have expectations for the decent mid-single-digit sales lift from that kind of program. Average costs of the remodeling are between \$200,000 and \$250,000 per restaurant. Recent remodels including more focus on the bar are more relevant for today's consumers.”*

- Joe Taylor, Brinker International, Inc. Chief Financial Officer

▶ *“Among a growing generation of diners who prefer touch screens over personal interactions, chains such as Chili's are betting big on various digital platforms to boost brand recognition, off-premise sales and foot traffic. We have to be everywhere our guests are. Chains can't survive without reaching Generations Y and Z, who love mechanization. You've got to play their game. Technology is leveling the playing field. It's expensive to do, but you can't afford not to do it because habits are changing. Delivery sales are making up for restaurant visits during inclement weather. Virtual waitlists, voice-assisted ordering, mobile payments, and controlling the pace of the meal are all reasons to use technology while dining in and delivery. Operators say these fingertip and touchless solutions are crucial to remain relevant in a digital-driven society.”*

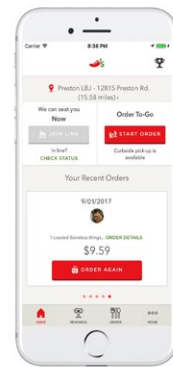
- The NPD Group, market research firm

▶ *“Known as a technology pioneer leading the industry in the creation of the digital guest experience, Chili's was among the first casual-dining brands to adopt tabletop tablets. We currently use virtual waitlists, have rebuilt our online ordering platform and offer a quality loyalty program to say ‘thank you’ to our guests.”*

- Steve Provost, Brinker International, Inc. Chief Marketing and Innovation Officer

CHILI'S: AT THE FOREFRONT OF DIGITIZATION⁽¹⁾

- ▶ *Chili's has more than 45,000 ordering tablets systemwide, where guests can order and pay for their meals from a tabletop device. Chili's has partnered with Ziosk, the restaurant-targeted tablet-maker, who estimates mechanized menus not only enhance the overall dining experience, but also boost impulse orders of appetizers and desserts with programmed images in a rotating display during meal time, increase table turnover during peak hours and automatically suggest a tip of 20 percent to the total bill. Ziosk also offers games for kids and news articles for reading enjoyment. In 2017, Ziosk tablets were used to generate \$8.9 billion in restaurant transactions, up from \$5.64 billion in 2015.*
- ▶ *Wyman Roberts, Brinker's CEO and President, said the company has seen a growing adoption of its smartphone app, which has made "the Chili's takeout experience about as seamless and convenient as it can be."*
- ▶ *"We are going to be leaning more aggressively into delivery as we move throughout the fiscal year," said Joseph Taylor, Brinker International, Inc. Chief Financial Officer.*



- ▶ *The reality is a loyalty program is a way of saying 'thank you' to our guests for being one of their top dining options, and we weren't doing a good job of that until now," said Steve Provost, Chief Marketing and Innovation Officer. Now, anytime a guest visits Chili's, they have choice of FREE chips and salsa or a non-alcoholic beverage. Every visit. Every time.*
- ▶ *Virtual waitlists, voice-assisted ordering technology, mobile wallet programs such as Android Pay, better food imagery, graphics and streamlined delivery service options are all digital platforms to boost brand recognition, off-premise sales and foot traffic among a growing generation of diners who prefer touch screens. Luckily Chili's is at the forefront of digitization and is applying all of these features to their business model. Mobile transactions yield between 11.5 and 12% of total sales.*

(1) Sources: www.NRN.com/casual-dining/brinker-lean-more-aggressively-delivery

CHILI'S SEES 'BEST TRAFFIC GROWTH IN 10 YEARS'⁽²⁾

By Rebekah Schouten | 01.31.2019

DALLAS — Improved operational execution, a 3 for \$10 value platform and increased takeout orders led to "the best traffic growth we've seen in 10 years at Chili's," said Wyman T. Roberts, president and chief executive officer of parent company Brinker International, Inc., during a Jan. 29 earnings call.

Chili's traffic jumped 2.9% from the previous year's second quarter, which saw a 4.1% decrease from the year before that. Maggiano's Little Italy restaurants brought in 1.3% more traffic from the same period a year ago.

Brinker International, Inc. in the second quarter of fiscal 2019 ended Dec. 26, 2018, had net income of \$32 million, equal to 83c per share on the common stock, which was up 26% from \$25.3 million, or 54c per share, in the previous year's second quarter. Total revenues in the second quarter of fiscal 2019 increased 3.2% to \$790.7 million from \$766.4 million.

"Brinker delivered our fifth consecutive quarter of sequential sales improvement, posting positive sales and industry leading traffic," Mr. Roberts said. "Our sustained momentum is being driven by several key factors including operational execution, takeout and value."

Efficiency in operations has been key to Chili's recent resurgence, Mr. Roberts said. In late 2017, Brinker whittled down the Chili's menu by 40% and invested in improving the quality and value of its core menu items, which include burgers, ribs and fajitas. The efforts have streamlined operations and allowed the restaurant chain to deliver faster, hotter foods.

"Our operational momentum is bringing guests back into our restaurants," he said. "Our guests are telling us our execution and quality are significantly better even with the higher volumes. Today, we're seeing some of the best guest metrics we've ever seen. We believe our ongoing commitment to keeping operations simple and getting it right for every guest will have long-term impact on bringing guests back."

The company's focus on operations led to Chili's 3 for \$10 value platform, which is simple for operators to execute consistently, Mr. Roberts said. The platform — which allows customers to choose a non-alcoholic beverage, an appetizer and an entree for \$10 — has contributed significantly to Chili's success.

"3 for \$10 is a relevant and compelling offer that's sustainable into the foreseeable future," Mr. Roberts said. "The platform is highly motivating from a consumer's perspective. It's at the right level of preference, and it's driving traffic because it meets the needs of our lunch, our dinner as well as our takeout guests. The offerings are full portion and high-quality products, and the platform is flexible enough to keep it fresh, so guest satisfaction and intent to return are very strong."

Another sales and traffic driver for Chili's during the quarter was its takeout business. To-go sales surged 20% in the second quarter, Mr. Roberts said, reflecting a rise in e-commerce, packaging improvements and better takeout experience execution.

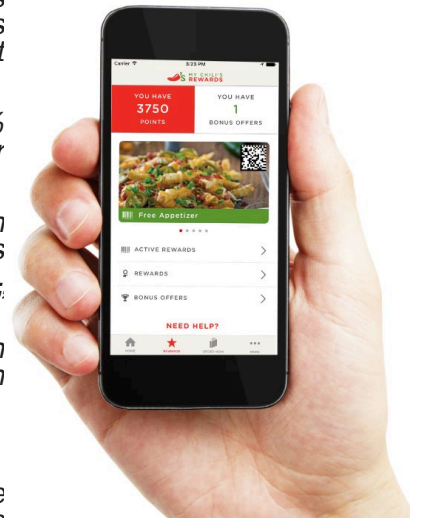
"Consumers love the variety in our menu — couple that with the seamless experience we give them from order to checkout to pay to takeout, and you can't get takeout any easier or more affordable than with Chili's Curbside," Mr. Roberts said, "We're meeting our guests' needs, and we're delivering a great guest experience. So at 12% of our business today, we believe takeout still has plenty of upside, and we plan to leverage that."

Additionally, Brinker has grown its My Chili's Rewards loyalty members database to more than 6 million members, and Mr. Roberts said the company sees "significant opportunity" to leverage those connections in the future.

Brinker's foremost future focus is continuing the upward trajectory of its traffic.

"This has been the best traffic growth that we've seen in the brand in quite some time," Mr. Roberts said. "The potential for us to continue it, we're optimistic about. We want to continue to move traffic forward. When we think about what the drivers are to future growth, it's not just the viability of the value platform. It's that, coupled with, where does your takeout strategy go from here, how does your operational momentum build to the future with regard to consistency and winning guests back from that perspective. So there's multiple elements to the Chili's growth story that we're counting on, and we're confident it will allow us to continue to grow the business."

(2) Sources: www.foodbusinessnews.net/articles/13235-chilis-sees-best-traffic-growth-in-10-years



NNN ABSOLUTE NNN LEASE

NO LANDLORD MAINTENANCE
RESPONSIBILITIES

1.5% ANNUAL RENT INCREASES

RARE ANNUAL PRIMARY TERM
RENT ESCALATIONS OF 1.5%



INVESTMENT OVERVIEW

CHILI'S GRILL & BAR | MCALLEN, TX
(CORPORATE LEASE)

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INVESTMENT OVERVIEW

NEW 15-YEAR ABSOLUTE NNN LEASE

The subject property operates under an Absolute NNN Lease, with 15-years remaining and no Landlord management or maintenance responsibilities whatsoever.

CORPORATELY GUARANTEED LEASE WITH ANNUAL RENT INCREASES

The Corporate Lease provides 1.5% fixed annual rent increases during the primary term and is corporately guaranteed by Brinker International, Inc. (NYSE: EAT).

LEASE GUARANTOR IS ONE OF THE WORLD'S LEADING CASUAL DINING RESTAURANT COMPANIES

Brinker International, Inc., the Guarantor under the Lease, has a credit rating of "BB+" from Standard & Poor's and "Ba1" from Moody's.

WELL-ESTABLISHED LOCATION IN A RAPIDLY GROWING MARKET

The subject property has over a 16-year operational history at this location situated along East Nolana Avenue in McAllen, Texas, part of the McAllen-Edinburg-Mission MSA. The MSA has grown rapidly with a population increase of 36.05% from 2000 to 2010, which places it as the 11th fastest growing MSA in the U.S. over the same period and providing Chili's with a sizable customer base.

CHILI'S GRILL & BAR AND BRINKER INTERNATIONAL, INC. HIGHLIGHTS⁽¹⁾

- Founded over 40 years ago and currently owned and operated by Dallas-based Brinker International, Inc.
- Brinker International, Inc. has a credit rating of "BB+" by Standard & Poor's and "Ba1" by Moody's
- Generated revenue of approximately \$3.14 billion in Fiscal 2018
- 1,632 Chili's Grill & Bar locations worldwide in 49 states, 32 countries and 2 U.S. territories with more than 100,000 team members worldwide
- As of January 29, 2019, Brinker International, Inc. owned, operated or franchised 1,685 restaurants worldwide, consisting of 995 company-owned restaurants and 690 franchised restaurants across both Chili's Grill & Bar & Maggiano's Little Italy brands
- Approximately 50 million Americans visit Chili's Grill & Bar every three months
- Recognized as one of "America's Best Employers" on the 2015 Forbes List and Fortune's "100 Best Workplaces for Millenials"

(1) Chili's Grill & Bar is the Tenant under the Lease. Brinker International, Inc. is the Guarantor.



OFFERING HIGHLIGHTS

CHILI'S GRILL & BAR - MCALLEN, TX

521 EAST NOLANA AVENUE, MCALLEN, TX 78504

OFFERING PRICE

\$3,923,309

CAP RATE

5.85%

Net Operating Income	\$229,514 ⁽¹⁾
Lease Type	Absolute NNN
Lease Commencement	8/6/2018
Lease Expiration Date	8/31/2033
Year Built	2001 ⁽²⁾
Rentable Area	5,842 SF ⁽²⁾
Lot Size	1.45 Acres ⁽²⁾
Primary Term Escalations	1.5% Annually ⁽³⁾
Options	(6) Five-Year Options
Guarantor	Brinker International, Inc. ⁽²⁾
Right of First Refusal	Yes, Beginning in Year 2 of Lease

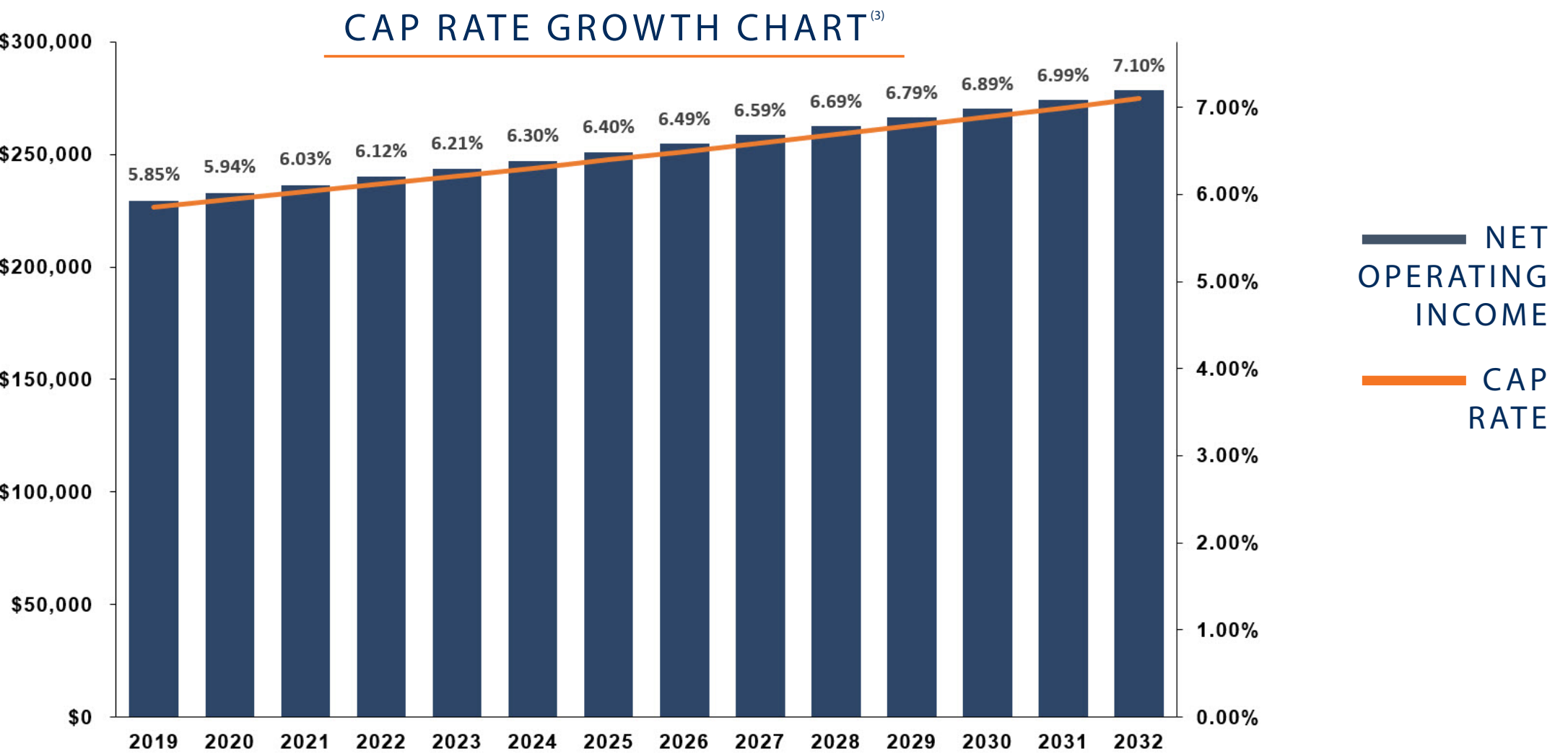
(1) Seller will guarantee Buyer the difference between the current rent and the next rent increase scheduled for August 1, 2019. Income shown reflects proforma rent as of August 1, 2019. The difference in rent will be credited at closing.

(2) Year Built, Rentable Area, Lot Size, Lease Terms, and Guarantor are approximate. Buyer will need to verify the accuray of these estimates during their Due Diligence process.

(3) Rent Escalations shown and CAP Rate Growth Chart reflect the scheduled 1.5% rent increases during the Primary Lease Term. Pro forma returns shown in the chart are not guaranteed and do not take into consideration any unforeseen expenses. Buyer must conduct their own due diligence to confirm these estimates.

RENT ROLL

NEW 15-YEAR ABSOLUTE NNN CORPORATE LEASE								
GUARANTOR	RENTABLE AREA	COMMENCEMENT	EXPIRATION	NOI	PRIMARY TERM RENT ESCALATIONS	OPTIONS	NEXT ESCALATION	LEASE TYPE
BRINKER INTERNATIONAL, INC. (NYSE: EAT)	5,842 SF ⁽²⁾	8/6/2018	8/31/2033	\$229,514 ⁽¹⁾	1.5% ANNUALLY ⁽³⁾	6, 5-YEAR OPTIONS ⁽²⁾	8/1/2020	ABSOLUTE NNN



\$87,442

AVERAGE HOUSEHOLD INCOME WITHIN A
ONE-MILE RADIUS OF THE PROPERTY

36.05%

POPULATION GROWTH FROM 2000 - 2010
IN THE MCALLEN-EDINBURG-MISSION MSA



LOCATION OVERVIEW

CHILI'S GRILL & BAR | MCALLEN, TX
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LOCATION OVERVIEW

The subject property is located at East Nolana Avenue in McAllen, Texas. The property has excellent visibility from East Nolana Avenue with average daily traffic counts of 30,722 VPD. Chili's joins a diverse mix of tenants centered around East Nolana Avenue including Walmart, Starbucks, Walgreens, Popeye's, Stripes, O'Reilly Auto Parts, Whataburger, Cinemark, Wells Fargo, Denny's, Fudruckers, and Jack in the Box.

McAllen is the largest city in Hidalgo County in the Rio Grande Valley region of Southeastern Texas. IAs of 2017, the population in McAllen is 142,696 while Hidalgo County has 774,769 residents making it the 8th most populous county in Texas. McAllen is also part of the McAllen-Edinburg-Mission MSA, the fifth most populous MSA in the state of Texas. There are two major highways that connect McAllen to nearby cities. Interstate 69C which shares alignment with US Route 281 connects McAllen with San Antonio to the north. Interstate 2 is the other major highway that runs east to west along the Mexico-US border.

The McAllen-Edinburg-Mission MSA, which has a population of 774,773, has grown rapidly with a population increase of 36.05% from 2000 to 2010, which places it as the 11th fastest growing MSA in the U.S. over the same period. The MSA has also seen tremendous business development, and economic growth in recent years. WalletHub recently ranked the area as the 4th fastest growing economy in the US between the years 2008 and 2014.



Maps and property lines are approximate. Buyer will need to verify during their Due Diligence period.

AERIAL VIEW



OUTSTANDING
DEMOGRAPHICS WITH
AN AVERAGE HOUSEHOLD
INCOME OF \$87,442
WITHIN A ONE-MILE
RADIUS

THE MCALLEN FOREIGN
TRADE ZONE UNDER
NAFTA IS TRANSFORMING
MCALLEN INTO A MAJOR
INTERNATIONAL TRADE
AREA

TARRANT COUNTY IS THE
5TH-MOST POPULOUS
COUNTY IN TEXAS

Marcus & Millichap



Maps are approximate . Buyer will need to verify during their Due Diligence period.

\$3.14 BILLION

BRINKER INTERNATIONAL, INC. GENERATED
TOTAL REVENUES OF \$3.14 B FOR FISCAL 2018⁽¹⁾



MARKET OVERVIEW

CHILI'S GRILL & BAR | MCALLEN, TX
(CORPORATE LEASE)

Marcus & Millichap

(1) Source: www.brinker.com

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HOUSEHOLD INCOME

YEAR 2016	1 MILE	3 MILES	5 MILES
AVERAGE	\$87,442	\$67,434	\$64,494
MEDIAN	\$55,420	\$45,217	\$43,004

POPULATION

YEAR	1 MILE	3 MILES	5 MILES
2021 Projection Total Population	12,415	111,343	276,659
2016 Census Total Population	11,777	104,980	257,193
2010 Census Total Population	10,700	97,392	234,303



MCALLEN / RIO GRANDE VALLEY

McAllen is the largest city in Hidalgo County in the Rio Grande Valley region of Southeastern Texas. IAs of 2017, the population in McAllen is 142,696 while Hidalgo County has 774,769 residents making it the 8th most populous county in Texas. McAllen is also part of the McAllen-Edinburg-Mission MSA, the fifth most populous MSA in the state of Texas. There are two major highways that connect McAllen to nearby cities. Interstate 69C which shares alignment with US Route 281 connects McAllen with San Antonio to the north. Interstate 2 is the other major highway that runs east to west along the Mexico-US border.

The McAllen-Edinburg-Mission MSA, which has a population of 774,773, has grown rapidly with a population increase of 36.05% from 2000 to 2010, which places it as the 11th fastest growing MSA in the U.S. over the same period. The MSA has also seen tremendous business development, and economic growth in recent years. WalletHub recently ranked the area as the 4th fastest growing economy in the US between the years 2008 and 2014.

McAllen is just minutes north of the 2 million residents of Reynosa and Matamoros, both popular manufacturing centers in Northern Mexico. America's newest International Bridge, the Anzalduas Bridge crosses from Reynosa Mexico into Mission Texas. The city is developing first rate commercial, retail, industrial, medical, retirement, and educational facilities. The McAllen Foreign Trade Zone (FTZ) is a pivotal foreign trade zone, as is the McAllen Miller International Airport, which facilitates air cargo needs. Under U.S. and Mexican laws and NAFTA provisions, the FTZ designation offers specific cost-saving opportunities to manufacturers. Products can be brought into the FTZ duty-free. Services have expanded to include full logistic support services, including public warehouse services such as pick and pack, order processing, inventory control, incoming/outgoing quality inspection and kitting. As well as being major trade center there are various industry clusters in the town. These include auto assembly, consumer products, distribution & logistics, and medical manufacturing.





Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about Brokerage services to prospective buyers, tenants, seller 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 interest 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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