



\*ACTUAL SITE PHOTO



OFFERING  
MEMORANDUM

## DAIRY QUEEN ABSOLUTE NNN LEASED OFFERING

24022 E LAKE HOUSTON PKWY HUFFMAN, TX 77336

OFFERING MEMORANDUM  
**PRESENTED BY:**

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## DISCLAIMER & CONFIDENTIALITY

The material contained in this Investment Offering Brochure is furnished solely for the purpose of considering the purchase of the property within and is not to be used for any other purpose. This information should not, under any circumstances, be photocopied or disclosed to any third party without the written consent of The Kase Group or Owner, or used for any purpose whatsoever other than to evaluate the possible purchase of the Property.

The only party authorized to represent the Property Owner ("Owner") in connection with the sale of the Property is The Kase Group Advisor listed in this proposal, and no other person is authorized by the Owner to provide any information or to make any representations other than contained in this Investment Offering Brochure. If the person receiving these materials does not choose to pursue a purchase of the Property, this Offering Brochure must be returned to The Kase Group.

Neither The Kase Group Advisor nor the Owner or its affiliates make any representation or warranty, expressed or implied, as to the accuracy or completeness of the information contained herein, and nothing contained herein is or shall be relied upon as a promise or representation as to the future performance of the Property. This Offering Brochure may include certain statements and estimates by The Kase Group with respect to the projected future performance of the Property. These Assumptions may or may not be proven to be correct, and there can be no assurance that such estimates will be achieved. Further, The Kase Group Advisor and the Owner disclaim any and all liability for representations or warranties, expressed or implied, contained in or omitted from this Investment Offering Brochure, or any other written or oral communication transmitted or made available to the recipient. The recipient shall be entitled to rely solely on those representations and warranties that may be made to it in any final, fully executed and delivered Real Estate Purchase Agreement between it and Owner.

The information contained herein is subject to change without notice and the recipient of these materials shall not look to Owner or The Kase Group Advisor, nor any of their officers, employees, representatives, independent contractors or affiliates, for the accuracy or completeness thereof. Recipients of this Investment Offering Brochure are advised and encouraged to conduct their own comprehensive review and analysis of the Property.

This Investment Offering Brochure is a solicitation of interest only and is not an offer to sell the Property. The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest to purchase the Property and expressly reserves the right, at its sole discretion, to terminate negotiations with any entity, for any reason, at anytime with or without notice. The Owner shall have no legal commitment or obligation to any entity reviewing the Investment Offering Brochure or making an offer to purchase the Property unless and until the Owner executes and delivers a signed Real Estate Purchase Agreement on terms acceptable to Owner, in Owner's sole discretion. By submitting an offer, a prospective purchaser will be deemed to have acknowledged the foregoing and agreed to release the Owner and The Kase Group Advisor from any liability with respect thereto.

To the extent Owner or any agent of Owner corresponds with any prospective purchaser, any prospective purchaser should not rely on any such correspondence or statements as binding Owner. Only a fully executed Real Estate Purchase Agreement shall bind the property and each prospective purchaser proceeds at its own risk.

Recipients of Offering Brochure shall not contact employees or tenants of property directly or indirectly regarding materials without prior written approval.



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# INVESTMENT OVERVIEW



The subject property is a single tenant absolute NNN Dairy Queen operated by Vasari, LLC one of the largest DQ Franchisee in the country. There are 15 years remaining on the original 20 year Absolute NNN lease with 1.5% annual increases. The property is located in Huffman, Texas and is situated just off Highway 1960 which serves as the main artery in Huffman. Property was renovated in 2015 and received new signage, furniture and interior decorations. This site benefits from traffic coming to and from Lake Houston and is neighbored by other fast food restaurants Sonic and Church's Chicken.

## INVESTMENT HIGHLIGHTS

LONG TERM ABSOLUTE NNN LEASE

ZERO LANDLORD OBLIGATIONS

100% FEE SIMPLE INTEREST

1.5% ANNUAL RENT INCREASES

45+ UNIT FRANCHISEE

INCOME TAX FREE STATE

## OFFERING SPECIFICATIONS

PRICE \$975,000

CAP RATE 6.41%

NET OPERATING INCOME \$62,539

SQUARE FOOTAGE 3,305

LOT SIZE 0.52 AC

MARKET Houston

# FINANCIAL SUMMARY

## DAIRY QUEEN • ABSOLUTE NNN LEASED OFFERING

24022 E LAKE HOUSTON PKWY HUFFMAN, TX 77336

**\$975,000 • 6.41%**

### SUMMARY

TENANT NAME	Dairy Queen
SQUARE FOOTAGE	3,305
LEASE START	12/23/2014
LEASE END	12/31/2034
ANNUAL RENT	\$62,539
OPTIONS	Four, 5 Year
INCREASES	1.5% Annual increases

### OFFERING SUMMARY

	NET OPERATING INCOME	CAP RATE
2019	\$62,539	6.41%
2020	\$63,477	6.51%
2021	\$64,429	6.61%
2022	\$65,395	6.71%
2023	\$66,376	6.81%
2024	\$67,372	6.91%
2025	\$68,383	7.01%
2026	\$69,408	7.12%
2027	\$70,449	7.23%
2028	\$71,506	7.33%



# LEASE ABSTRACT

## BASIC TERMS

TENANT	Dairy Queen
TENANT NAME	Vasari, LLC
BUILDING SIZE	3,305 SF
YEAR BUILT	1973/2015
ADDRESS	24022 E Lake Houston Pkwy Huffman, TX 77336
LEASE START	December 23, 2014
LEASE END	December 31, 2034
OPTIONS	Four, 5-Year
INCREASES	1.5% Annual Increases

## OBLIGATIONS

LANDLORD OBLIGATIONS	NO LANDLORD OBLIGATIONS
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## RENT SCHEDULE

PERIOD (YEARS)	MONTHLY RENT	ANNUAL RENT	RENT/SF
2019	\$5,211.58	\$62,539.00	\$18.92
2020	\$5,289.76	\$63,477.09	\$19.21
2021	\$5,369.10	\$64,429.24	\$19.49
2022	\$5,449.64	\$65,395.68	\$19.79
2023	\$5,531.38	\$66,376.62	\$20.08
2024	\$5,614.36	\$67,372.26	\$20.38
2025	\$5,698.57	\$68,382.85	\$20.69
2026	\$5,784.05	\$69,408.59	\$21.00
2027	\$5,870.81	\$70,449.72	\$21.32
2028	\$5,958.87	\$71,506.47	\$21.64
2029	\$6,048.26	\$72,579.06	\$21.96
2030	\$6,138.98	\$73,667.75	\$22.29
2031	\$6,231.06	\$74,772.76	\$22.62
2032	\$6,324.53	\$75,894.36	\$22.96
2033	\$6,419.40	\$77,032.78	\$23.31
2034	\$6,515.69	\$78,188.27	\$23.66

# CONCEPT OVERVIEW

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**\$3.64 BILLION**  
IN REVENUE



**6,800+** LOCATIONS



**GLOBAL** LOCATIONS

## DAIRY QUEEN

Dairy Queen (DQ) is an American chain of soft serve ice cream and fast-food restaurants owned by International Dairy Queen, Inc., a subsidiary of Berkshire Hathaway. International Dairy Queen, Inc., also owns Orange Julius and Karmelkorn.

The first DQ restaurant was located in Joliet, Illinois. It was operated by Sherb Noble and opened for business on June 22, 1940. It served a variety of frozen products, such as soft serve ice cream. The company's corporate offices are located in the Minneapolis suburb of Edina, Minnesota.

The company's stores are operated under several brands, all bearing the distinctive Dairy Queen logo and carrying the company's signature soft-serve ice cream (along with the trademark "curl"). In the 1970s, most restaurants were "Brazier" locations with a second floor for storage, recognizable for their red mansard roofs.

As of the end of 2014, Dairy Queen had more than 6,400 stores in 27 countries, including more than 1,400 locations outside the United States and Canada.

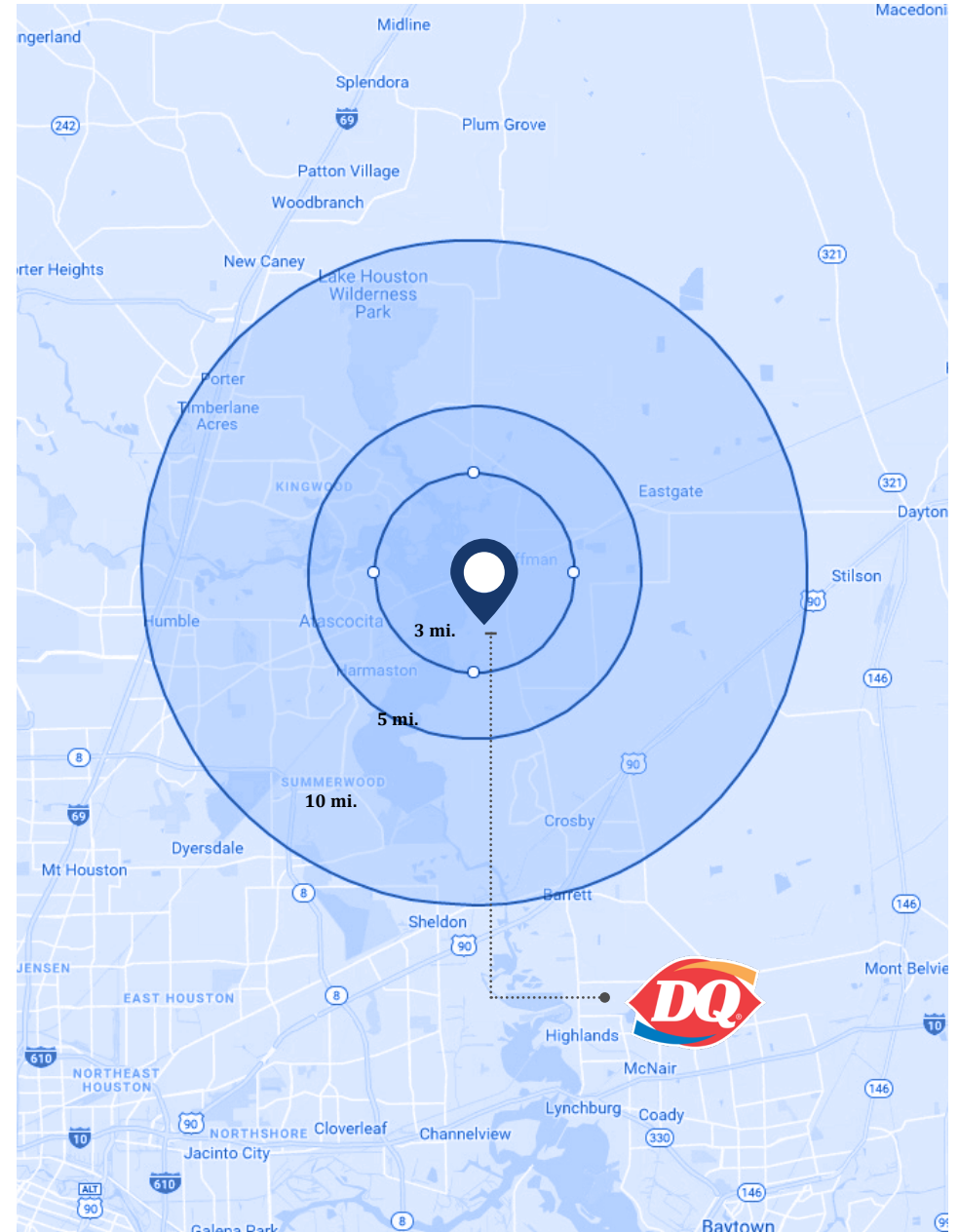
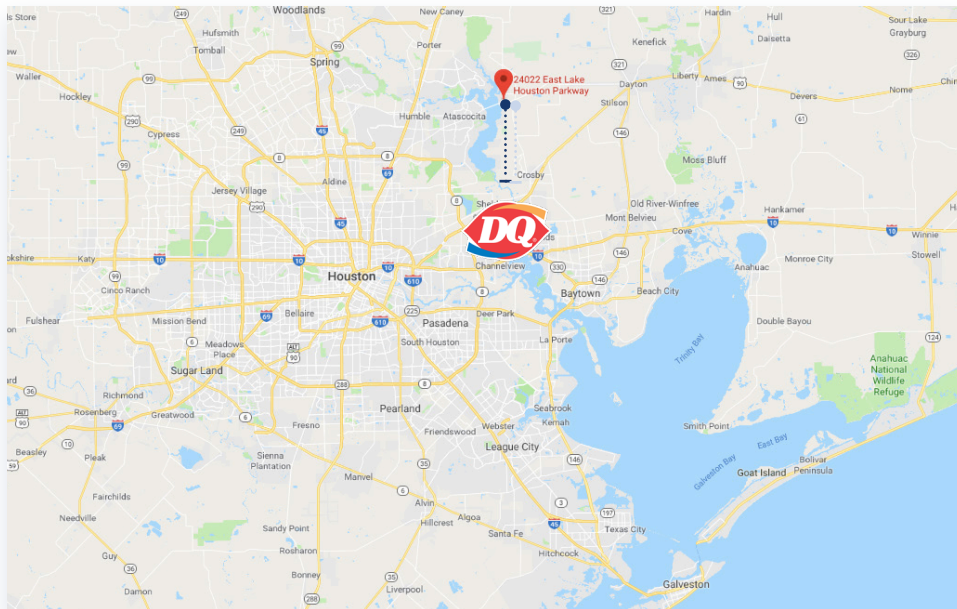
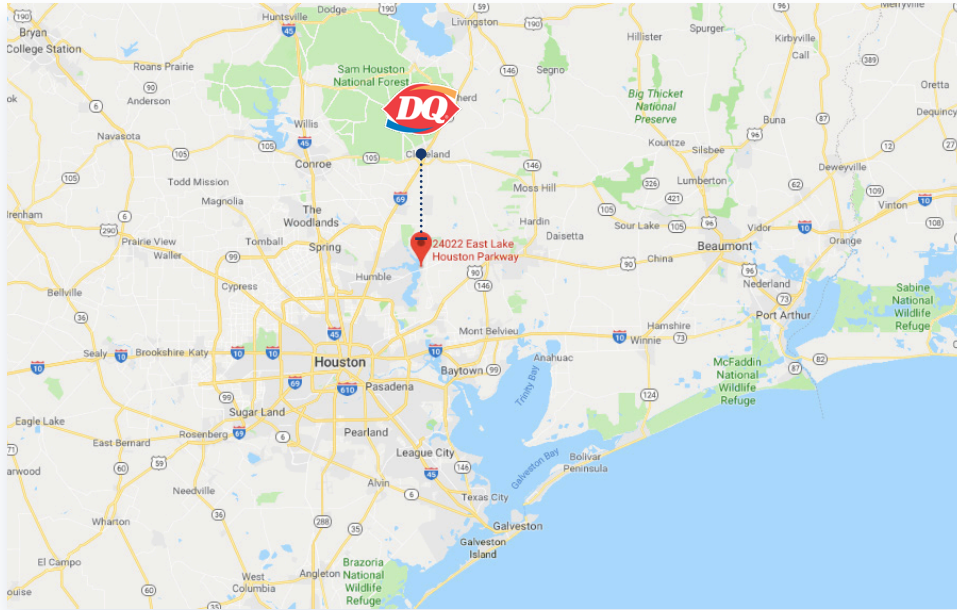
The largest Dairy Queen in the United States is located in Bloomington, Illinois.[20] The largest store in the world was built in Riyadh, Saudi Arabia. The busiest store in the world is located in Charlottetown, Prince Edward Island.

# LOCATION AERIAL

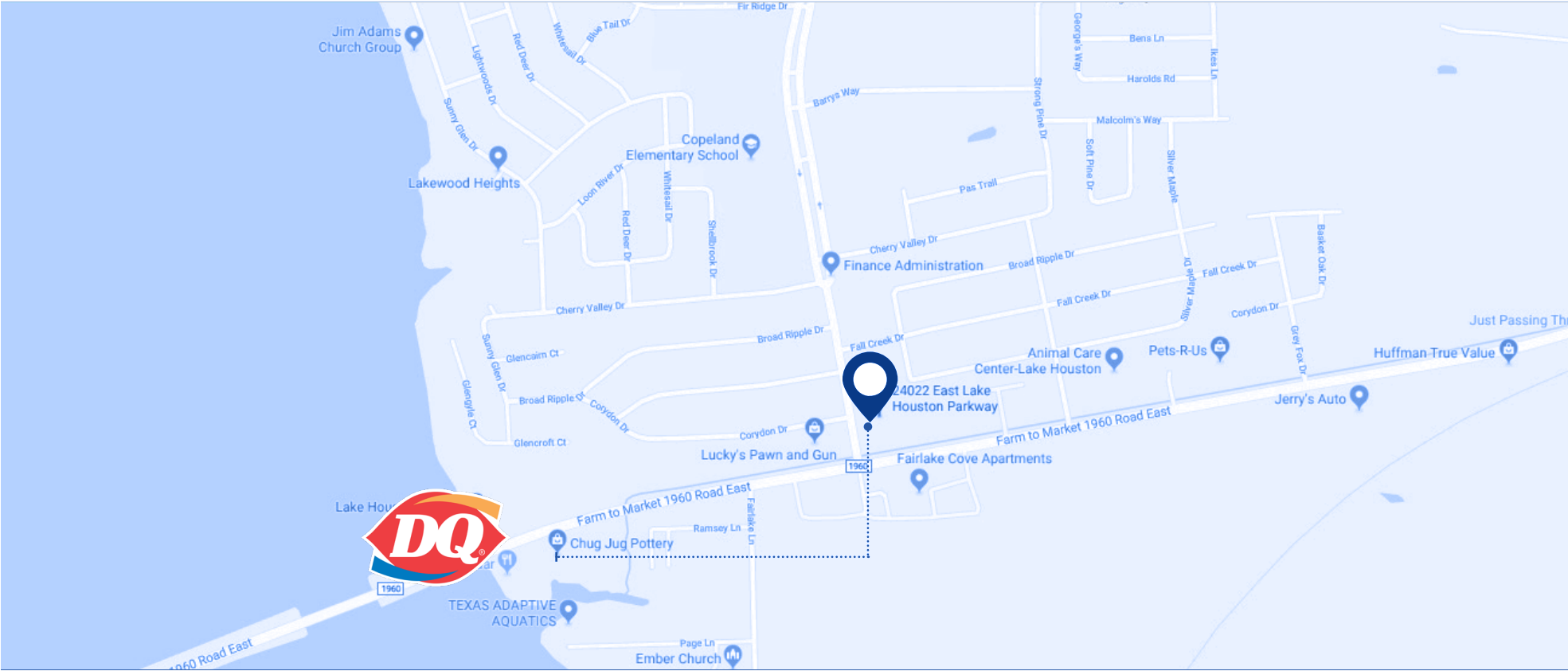




# REGIONAL OVERVIEW



# DEMOGRAPHICS



	3 MILES	5 MILES	10 MILES
TOTAL POPULATION	20,603	76,199	253,739
TOTAL HOUSEHOLDS	7,503	26,818	87,980
AVERAGE HOUSEHOLD INCOME	\$106,859	\$121,536	\$105,430
AVERAGE AGE	37.80	37.50	36.30

# AREA OVERVIEW

DEMOGRAPHICS	3 MILES	5 MILES	10 MILES
TOTAL HOUSEHOLDS	7,503	26,818	87,980
TOTAL POPULATION	20,603	76,199	253,739
PERSONS PER HOUSEHOLD	2.70	2.80	2.80
AVERAGE HOUSEHOLD INCOME	\$106,859	\$121,536	\$105,430
AVERAGE HOUSE VALUE	\$241,149	\$234,428	\$198,508
AVERAGE AGE	37.80	37.50	36.30
POPULATION WHITE	18,170	64,588	204,664
POPULATION BLACK	1,341	6,922	33,003
POPULATION AM. INDIAN & ALASKAN	147	479	1,938
POPULATION ASIAN	538	2,575	8,558
POPULATION HAWAIIAN & PACIFIC ISLAND	31	150	581
POPULATION OTHER	375	1,485	4,995

## HUFFMAN, TX

Huffman is an unincorporated community of northeastern Harris County, Texas within the Houston, Baytown metropolitan area.

Among the ten most populous metropolitan areas in the U.S., Houston ranked first in employment growth rate and second in nominal employment growth. In 2006, the Houston metropolitan area ranked first in Texas and third in the U.S. within the category of “Best Places for Business and Careers” by Forbes.



## 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.

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Licensed Broker/Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
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Kevin Cordova	485683	kevin@thekasegroup.com	512.636.9613
Sales Agent/Associate's Name	License No.	Email	Phone

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

\_\_\_\_\_  
Date





**HUFFMAN, TEXAS**



**The Kase Group**

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MEMORANDUM**

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**DAIRY QUEEN**

**ABSOLUTE NNN LEASED OFFERING**

24022 E LAKE HOUSTON PKWY HUFFMAN, TX 77336

**MICHAEL PAEZ**

VICE PRESIDENT OF  
INVESTMENT SALES

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