



ACTUAL SITE

IHOP

**2502 WEST FERGUSON ROAD
MOUNT PLEASANT, TEXAS 75455**

**OFFERING
MEMORANDUM**

Represented by:
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**COMMERCIAL INVESTMENT ADVISORS, INC.
CIA BROKERAGE COMPANY**

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In Association with Texas Designated Broker:
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CIA
commercial
investment
advisors

INVESTMENT OVERVIEW

IHOP
MOUNT PLEASANT, TEXAS

| | |
|----------------------|--|
| NAME | IHOP |
| LOCATION | 2502 West Ferguson Road Mount Pleasant, Texas 75455 |
| MAJOR CROSS STREETS | On W Ferguson Rd, South of I-30 |
| TENANT | 3232, LLC |
| GUARANTOR | (6-Unit Franchisee Entity) |
| PURCHASE PRICE | \$2,917,000 |
| CAP RATE | 6.00% |
| ANNUAL RENT | \$175,000 |
| GROSS LEASEABLE AREA | 4,149 SF* |
| RENTAL ESCALATIONS | 8% Every 5 Years |
| LEASE TYPE | Absolute NNN |
| OWNERSHIP | (Building & Land) Fee Simple |
| YEAR BUILT | 2009 |
| LOT SIZE | ±0.88 Acre |
| LEASE EXPIRATION | August 31, 2034 |
| OPTIONS | Three 5-Year Renewal Options |

* According to Titus County

POINTS OF INTEREST

RETAIL | SHOPPING: Nearby retailers include Lowe's Home Improvement, Brookshire, Super 1 Foods, Family Dollar, Harbor Freight Tools, Rent-A-Center, Aaron's, Cato, Goodwill, Sally Beauty, True Value Hardware, Walgreens, CVS Pharmacy, T-Mobile, Cricket Wireless, O'Reilly Auto Parts, NAPA Auto Parts, AutoZone, Anytime Fitness; The City of Mt. Pleasant has major retailers such as Walmart Supercenter, The Home Depot, Tractor Supply Co., Dollar Tree, Hibbett Sports, Staples, Bealls, Verizon

HIGHER EDUCATION: 9 miles from Northeast Texas Community College (a public community college offering basic core courses which can lead to Associate of Arts or Science degrees, and/or transfer to 4-year universities with total enrollment of 3,229)

HEALTH CARE: 2 miles from Titus Regional Medical Center (174 beds)

INVESTMENT HIGHLIGHTS

LEASE: Brand New 15-Year Absolute NNN Lease with Attractive 8% Rental Escalations Every 5 Years

TENANT: Experienced Operators with 13 Locations in Texas and Louisiana (6 of These Locations Back the Performance of This Lease)

SEASONED LOCATION | PENDING REMODEL: Successfully Open & Operating Since 2009 – Estimated ±\$200,000 Interior/Exterior Remodel by YE 2019 – Showing Tenant's Commitment to This Location!

TRAFFIC COUNTS: Great Drive-by Visibility on W Ferguson Rd (aka US Rte 271), In Between I-30 (38,755 CPD) & US Rte 67 (5,491 CPD) where Traffic Counts Exceed 15,300 CPD!

2019 DEMOGRAPHICS (5-MI): Total Population: 21,576 | Average Household Income: \$60,630



FINANCIAL ANALYSIS

SUMMARY

| | | | |
|---------------------|----------------------------|-----------------------|--|
| TENANT | 3232, LLC | LOT SIZE | ±0.88 Acre |
| GUARANTOR | (6-Unit Franchisee Entity) | EXPENSE REIMBURSEMENT | This is an Absolute NNN lease . Tenant is responsible for all expenses. |
| PURCHASE PRICE | \$2,917,000 | FINANCING | All Cash or Buyer to obtain new financing at Close of Escrow. |
| CAP RATE | 6.00% | | |
| GROSS LEASABLE AREA | 4,149 SF | | |
| YEAR BUILT | 2009 | | |

RENT ROLL

| TENANT INFO | | LEASE TERMS | RENT SUMMARY | | |
|-----------------|-------|--|--------------|-----------|-------------------------|
| TENANT NAME | SQ FT | TERM | INCREASE | RENT | ANNUAL INVESTOR RETURN |
| 3232, LLC | 4,149 | Years 1 to 5: 09/01/19 to 08/31/24 | Current | \$175,000 | 6.00% |
| | | Years 6 to 10: 09/01/24 to 08/31/29 | 8% | \$189,000 | 6.48% |
| | | Years 11 to 15: 09/01/29 to 08/31/34 | 8% | \$204,120 | 7.00% |
| | | | | | 6.49% AVG ANNUAL RETURN |
| RENEWAL OPTIONS | | 1 st Option: 09/01/34 to 08/31/39 | 8% | \$220,450 | |
| | | 2 nd Option: 09/01/39 to 08/31/44 | 8% | \$238,086 | |
| | | 3 rd Option: 09/01/44 to 08/31/49 | 8% | \$257,132 | |

TENANT OVERVIEW

IHOP
MOUNT PLEASANT, TEXAS



For over 60 years, **IHOP** (a subsidiary of Dine Brands Global (NYSE: DIN), has been a leader, innovator and expert in all things breakfast, any time of day. The chain offers 65 different signature, fresh, made-to-order breakfast options, a wide selection of popular lunch and dinner items as well as meals under 600 calories. IHOP restaurants offer guests an affordable, everyday dining experience with warm and friendly service. **As of September 30, 2018, there are 1,805 IHOP restaurants around the world, including restaurants in all 50 states and the District of Columbia, Puerto Rico and Guam as well as Canada, Mexico, Guatemala, Panama, Lebanon, the Kingdom of Saudi Arabia, Kuwait, the United Arab Emirates, Bahrain, Qatar, Thailand, and India.**

IHOP is headquartered in Glendale, California

<https://www.ihop.com/en>

TENANT

Two experienced operators with 13 locations in Texas and Louisiana (6 of these locations back the performance of this lease).

The 2 operating partners are recipients of in excess of 25 awards presented by IHOP Corp. Including: breaking the \$2 Million Annual Sales; breaking \$2.5 Million Annual Sales; Best Operations in the region; Best Operations in the district; Best Quality Assessment Awards; Best Service awards; and their most prized award is the National Operations Assessment award won by IHOP #1471 in Bossier City receiving the first place award and IHOP # 4470 in Alexandria winning 2nd place the same year.

PARENT COMPANY



| | |
|----------------|------------------------------------|
| TYPE | PUBLIC |
| TRADED AS | NYSE: DIN |
| INDUSTRY | RESTAURANTS – CASUAL DINING |
| MARKET CAP | \$1.59 BILLION (AS OF 23-JUL-2019) |
| # OF LOCATIONS | 3,700 LOCATIONS IN 18 COUNTRIES |

<https://www.dinebrands.com/en>

Dine Brands Global (NYSE: DIN) is one of the world's largest full-service dining companies and franchisor of Applebee's Grill + Bar and IHOP, two of America's most iconic and enduring brands. With **approximately 3,700 locations in 18 countries**, DINE empowers, supports and grows the world's most-loved restaurant brands because they believe community happens when people eat together.

A 100% franchised organization, they collaborate with some of the best franchisees across three strategic pillars—People, Brands, and Growth—to remain a franchisor of choice within their industry.

The company was formerly known as DineEquity, Inc. and changed its name to Dine Brands, Inc. in February 2018.

Dine Brands, Inc. was founded in 1958 and is headquartered in Glendale, California.

AERIAL



The Lodge
Assisted Living & Memory Care
66 BEDS

QUALITY CHOICE

INTERSTATE 30

TOYOTA

LAQUINTA BY WYNDHAM

FARMERS INSURANCE

TEXACO

271

N

Exxon

goodwill

JALAPENO TREE Mexican Restaurant

LOWE'S

271

TEXTRAIL TRAILER PARTS

Shell

6

Hampton by HILTON

I-30 38,755 CPD

McCOY'S BUILDING SUPPLY
Go Build Something

67

ihop

PLEASANT SPRINGS HEALTHCARE CENTER
A NURSING FACILITY OFFERING SKILLED NURSING, REHABILITATION & LONG-TERM CARE WITH 83 BEDS

MOUNT PLEASANT JUNIOR HIGH SCHOOL
696 STUDENTS

OAK PARK APARTMENTS
48 UNITS

MOUNT PLEASANT HIGH SCHOOL
1,459 STUDENTS

THE LANDING EVENT CENTER

N EDWARDS AVE

OLD PARIS RD

HERITAGE PARK

IHOP | MOUNT PLEASANT, TEXAS

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The information contained herein has been obtained from sources we deem reliable. We cannot assume responsibility for its accuracy.



AERIAL CITY VIEW



IHOP | MOUNT PLEASANT, TEXAS

LOCATION OVERVIEW



Mount Pleasant is the county seat of and largest city in Titus County. As of the 2010 census, Mount Pleasant's population was 15,564; it is situated in Northeast Texas. The city has a total area of 12.7 square miles. Mount Pleasant gets its name from the Mount Pleasant peak, the shortest mountain in Texas.

Mount Pleasant Independent School District is an award-winning, fully accredited K-12 school district. Home of the Tiger Dolls, a high school dance team. They are one of the largest employers in the area, with over 1,000 employees!

Titus Regional Medical Center is a 174-bed Joint Commission accredited hospital located in Mount Pleasant. TRMC is the premier healthcare facility of the rural Northeast Texas Community. At present, there are approximately 50 active members on the medical staff and the hospital staff consists of approximately 700 employees.

Pilgrim's Pride Corporation, is a Brazilian-owned, multi-national food company, currently one of the largest chicken producers in the United States and Puerto Rico and the second-largest chicken producer in Mexico. As a leading global poultry and prepared foods company, Pilgrim's has 36 production facilities and 16 prepared foods facilities across the U.S., Puerto Rico, Mexico and the U.K. and Continental Europe. Pilgrim's has the capacity to process 45.2 million birds per week and produce 13.3 billion pounds of live chicken annually. The Mount Pleasant campus employs 3,197 local residents, and is considered one of the largest employers in the area!

Big Tex Trailer Manufacturing, Inc. manufactures and distributes commercial grade trailers, parts, and supplies. It offers auto/motorcycle, dump, equipment/tilt, gooseneck, heavy equipment, landscape, single axle, and tandem axle trailers. The company offers its products through dealers in the United States, Canada, and internationally. Big Tex Trailer Manufacturing, Inc. was founded in 1982 and is based in Mt Pleasant, Texas with manufacturing and assembly facilities in Texas, Oklahoma, Georgia, and Idaho. It is considered one of the largest trailer manufacturers in the U.S. Locally, they employ 650 residents.

| 2019 DEMOGRAPHICS | | | |
|--------------------------|----------|----------|----------|
| | 1-MI | 3-MI | 5-MI |
| TOTAL POPULATION | 1,341 | 16,064 | 21,576 |
| DAYTIME POPULATION | 1,029 | 13,152 | 17,708 |
| AVERAGE HOUSEHOLD INCOME | \$46,709 | \$58,769 | \$60,630 |

CONFIDENTIALITY AGREEMENT

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BY ACCEPTING THIS MARKETING BROCHURE YOU AGREE TO RELEASE COMMERCIAL INVESTMENT ADVISORS, INC. | CIA BROKERAGE COMPANY HOLD IT HARMLESS FROM ANY KIND OF CLAIM, COST, EXPENSE, OR LIABILITY ARISING OUT OF YOUR INVESTIGATION AND/OR PURCHASE OF ANY PROPERTY.

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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.

11-2-2015



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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|---|-------------|-----------------------------|--------------|
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Buyer/Tenant/Seller/Landlord Initials

Date