

**SECURE**  
NET LEASE

# STARBUCKS & CHIPOTLE

**\$3,305,000 | 5.50%**

**BRAND NEW 10-YEAR CORPORATE NET LEASE**

223 E. US-80, Mesquite, TX 75150 (Dallas)



FILE PHOTO

## CONTACT:

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SECURE NET LEASE ("Agent") has been engaged as an agent for the sale of the property located at 223 E. US-80, Mesquite, TX by the owner of the Property ("Seller"). The Property is being offered for sale in an "as-is, where-is" condition and Seller and Agent make no representations or warranties as to the accuracy of the information contained in this Offering Memorandum. The enclosed materials include highly confidential information and are being furnished solely for the purpose of review by prospective purchasers of the interest described herein. The enclosed materials are being provided solely to facilitate the prospective investor's own due diligence for which it shall be fully and solely responsible. The material contained herein is based on information and sources deemed to be reliable, but no representation or warranty, express or implied, is being made by Agent or Seller or any of their respective representatives, affiliates, officers, employees, shareholders, partners and directors, as to the accuracy or completeness of the information contained herein. Summaries contained herein of any legal or other documents are not intended to be comprehensive statements of the terms of such documents, but rather only outlines of some of the principal provisions contained therein. Neither the Agent nor the Seller shall have any liability whatsoever for the accuracy or completeness of the information contained herein or any other written or oral communication or information transmitted or made available or any action taken or decision made by the recipient with respect to the Property. Interested parties are to make their own investigations, projections and conclusions without reliance upon the material contained herein. Seller reserves the right, at its sole and absolute discretion, to withdraw the Property from being marketed for sale at any time and for any reason. Seller and Agent each expressly reserves the right, at their sole and absolute discretion, to reject any and all expressions of interest or offers regarding the Property and/or to terminate discussions with any entity at any time, with or without notice. This offering is made subject to omissions, correction of errors, change of price or other terms, prior sale or withdrawal from the market without notice. Agent is not authorized to make any representations or agreements on behalf of Seller. Seller shall have no legal commitment or obligation to any interested party reviewing the enclosed materials, performing additional investigation and/or making an offer to purchase the Property unless and until a binding written agreement for the purchase of the Property has been fully executed, delivered, and approved by Seller and any conditions to Seller's obligations hereunder have been satisfied or waived. By taking possession of and reviewing the information contained herein, the recipient agrees that (a) the enclosed materials and their contents are of a highly confidential nature and will be held and treated in the strictest confidence and shall be returned to Agent or Seller promptly upon request; and (b) the recipient shall not contact employees or tenants of the Property directly or indirectly regarding any aspect of the enclosed materials or the Property without the prior written approval of the Seller or Agent; and (c) no portion of the enclosed materials may be copied or otherwise reproduced without the prior written authorization of Seller and Agent.



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# INVESTMENT OVERVIEW

PRICE   CAP:	\$3,305,000   5.50%
NET OPERATING INCOME:	\$181,754
BUILDING AREA:	4,380 +/- Square Feet
LAND AREA:	0.89 +/- Acres
YEAR BUILT:	2019
LANDLORD RESPONSIBILITY:	Roof, Structure & Parking Lot
OCCUPANCY:	100%

## INVESTMENT HIGHLIGHTS



**10-YEAR  
CORPORATE NET  
LEASE**










**IN CLOSE  
PROXIMITY TO  
TOWN EAST MALL**

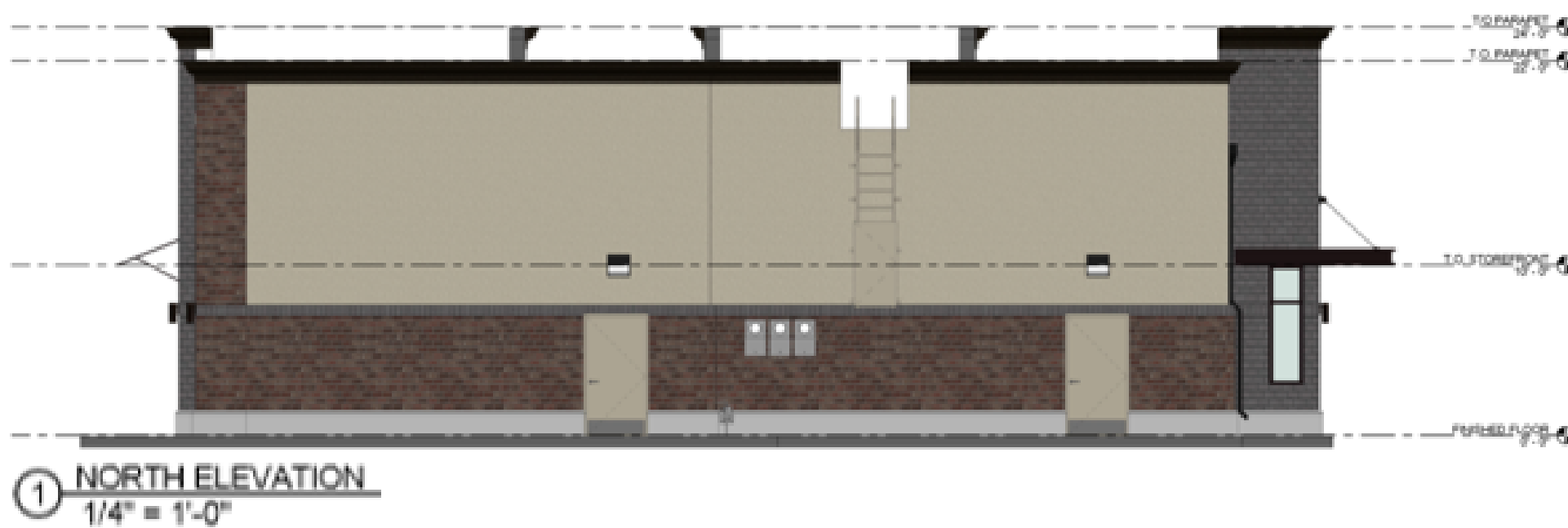


**STRATEGICALLY  
LOCATED OFF OF  
US-80 (74,600 VPD)**



**ACROSS FROM  
WALMART  
TRAINING FACILITY**

-  **Prime positioning off US-80 (74,600 VPD) capturing traffic exiting and merging on.** The two tenant building is located half a mile west of Belt Line Rd. (25,334 VPD) Exit, and 0.1-miles east of the on ramp.
-  **Within the immediate trade area are 6 schools and 14 apartment complexes.** The 6 schools have a total of 5,538 students and the 14 apartment complexes have a total of 3,420 units.
-  **The Walmart Supercenter became the National Training Center for the region 2 years ago, one of nearly 200 nationwide.** The Walmart training academies already trained over 370,000 employees.
-  **The immediate trade area features above average population demographics.** Within a 3-mile radius of the subject property are 81,745 people, and within a 5-mile radius are 247,997 people.
-  **Town East Mall is located within the immediate trade area.** The 1.2 million square foot three story mall is located just 2-miles northwest of the subject site.
-  **Immediate trade area features 2 hospitals.** The hospitals include Mesquite Specialty Hospital with a total of 40 staffed beds and Dallas Regional Medical Center with 202 staffed beds.
-  **Notable national credit tenants in the immediate trade area include:** Walmart, Jiffy Lube, Discount Tire, Pep Boys, Firestone, O'Reilly Auto Parts, Tractor Supply Co., 7-Eleven, Hobby Lobby, Dollar General, McDonald's, Arby's, Wendy's, Taco Cabana, KFC, Carl's Jr., Waffle House, Krispy Kreme and many more.



# TENANT OVERVIEW



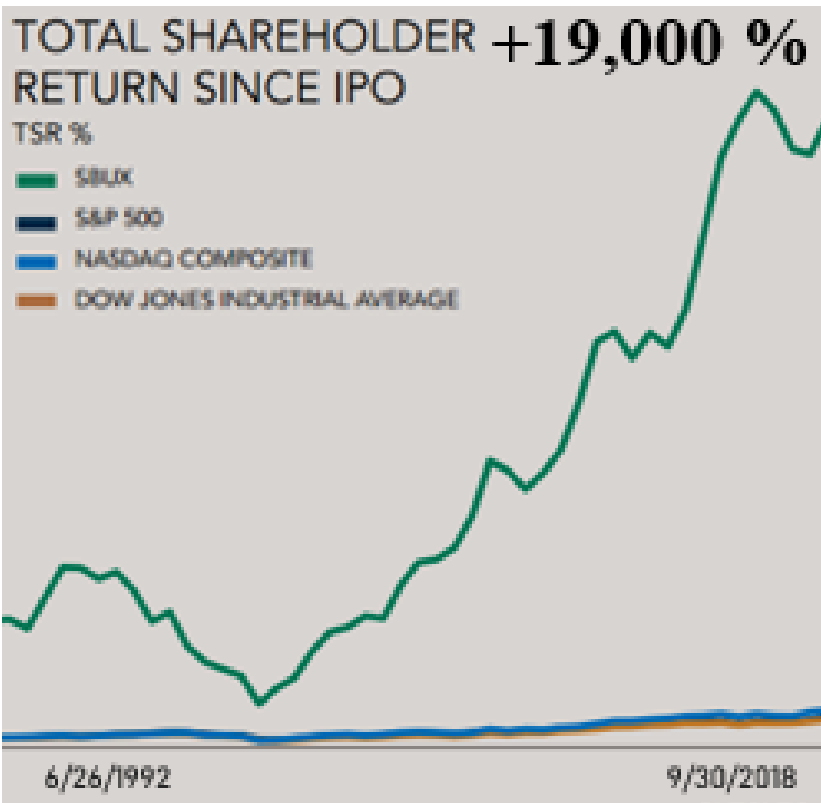
## STARBUCKS

[www.starbucks.com](http://www.starbucks.com)

Starbucks Corporation is an international coffee and coffeehouse chain based in Seattle, Washington. Starbucks is the largest coffeehouse company in the world. Starbucks sells drip brewed coffee, espresso-based hot drinks, other hot and cold drinks, snacks, and items such as mugs and coffee beans. Many of the company's products are seasonal or specific to the locality of the store. Starbucks retail stores are located in high-traffic, high-visibility locations. Its stores are located in or near a variety of settings, including downtown and suburban retail centers, office buildings and university campuses.

In the 1990s, Starbucks was opening a new store every workday, a pace that continued into the 2000s. In fiscal 2018, the company reported an increase in revenues of 10% from the prior year, and net income of \$4.52 billion (up from \$2.88 billion in 2017)

LESSEE:	Starbucks Corporation, a Washington Corporation
NASDAQ:	SBUX
HEADQUARTERS:	Seattle, WA
COUNTRIES:	78 (including the U.S.)
STATES:	50
EMPLOYEES:	Over 350,000
LOCATIONS:	Over 30,100
REVENUE:	\$24.7 Billion (2018)





# IN THE NEWS

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## THE PURSUIT OF DOING GOOD

Source: - Starbucks (August 12, 2019)

*Each year since 2001, Starbucks has reported on its efforts to make a positive impact in the communities it serves. Here we reflect on our progress and share the company's results for the 2018 fiscal year.*

From the first time Starbucks opened its doors in Seattle's Pike Place Market in 1971, we have been dedicated to exceptional coffee and customer service – and something more.

It started with our early travels to the places where our coffee is grown, understanding that our future is inextricably tied to the futures of farmers and their families. We nurtured personal relationships and built a global network of support to create a new way to produce coffee: one that is sustainable, transparent and good for people and the planet. As the threats of climate change have grown, we have been working to help coffee farms adapt and find innovative solutions in how we build and operate our stores, while reducing the environmental impact of our cups, straws and lids.

Our stores are often the heart of a neighborhood, and we strive to make each one a welcoming and inclusive Third Place. As we have grown, so too has our opportunity to make a positive impact, from alleviating hunger through our food donation program to making investments in local partnerships and coffee- and tea-origin communities through The Starbucks Foundation.

Stitching all these efforts together is a common thread – a green thread – one that is woven in the fabric of our company by the more than 300,000 men and women who proudly wear the green apron. We are dedicated to making our partners proud, providing pay equity and investing in their success. And we are working to hire veterans and military spouses, refugees, Opportunity Youth and those formerly incarcerated, and helping them build their futures once they are with us.

As it has been from the beginning, our purpose goes far beyond profit. We believe in the pursuit of doing good.

This report serves as a transparent acknowledgement of our efforts: where we have achieved and where we have fallen short, and the work still to come. As we look ahead to our centennial anniversary 50 years from now, we hope to build an enduring company by staying true to Our Mission and Values, embracing new ideas and innovating in ways that are meaningful to our customers and inspiring to our partners. We hope you will continue to join us on this journey.

[CLICK HERE TO VIEW MORE](#)

# TENANT OVERVIEW



## CHIPOTLE MEXICAN GRILL

[www.chipotle.com](http://www.chipotle.com)

Chipotle Mexican Grill, Inc. develops and operates fast casual and fresh Mexican food restaurants. Its restaurants primarily offer burritos, tacos, burrito bowls, and salads with fresh ingredients. Chipotle Mexican Grill, Inc. was founded in 1993. Chipotle Mexican Grill, Inc. and its subsidiaries (“Chipotle”, the “Company”), operate Chipotle Mexican Grill restaurants. Chipotle’s vision is to change the way people think about and eat fast food. The company does this by avoiding a formulaic approach when creating our restaurant experience, looking to fine-dining restaurants for inspiration. At end of 2018 (compared to the end of 2017), revenue increased 8.7%, 137 new restaurants were opened, restaurant level operating margin was 18.7% (increase of 16.9%), and net income was \$176.6 million.

LESSEE:	Chipotle Mexican Grill, Inc.
NYSE:	CMG
HEADQUARTERS:	Newport Beach, CA
COUNTRIES:	37 (including the U.S.)
STATES:	48
EMPLOYEES:	Over 73,000
LOCATIONS:	Over 2,490
REVENUE:	\$4.9 Billion (2018)





# IN THE NEWS

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## WHY IS CHIPOTLE SO SUCCESSFUL & POPULAR? (CMG, MCD)

Source: Vanessa Page - Investopedia (June 25, 2019)

Chipotle (CMG) is a Mexican grill restaurant with a limited menu and high degree of meal customization. The restaurant first opened in 1993 and currently has over 1700 stores in the U.S. and abroad. McDonald's (MCD) had a controlling interest in the restaurant in the early 2000s but divested after Chipotle's IPO in 2006. Since the IPO, Chipotle's stock has risen from \$42 to over \$650 and is still considered to be a long-term investment opportunity.

### "Food with integrity"

Chipotle's motto of "food with integrity" was inspired by what founder Steve Ells learned about American food production. Ells became committed to serving food that was ethically and naturally produced, which Chipotle claims results in meat that is tastier than what other restaurants serve. In 2013, Chipotle instituted a no-GMO policy for its ingredients.

Consumers agreed. Despite higher food costs that caused Chipotle to raise its prices in 2014, same-store sales grew by 16.8 percent, store margins rose to 27.2 percent and net income increased by 36 percent. Chipotle opened 192 new stores in 2014 and hopes to open another 200 in 2015.

Why? As books and documentaries exposing the negative sides of the fast food industry became popular, Chipotle's sales and profits grew. Consumers who wanted healthy food weren't ordering salads at McDonald's and Wendy's (WEN), looking instead for naturally-raised or organically-produced food. (For more, see: *Feed Your Appetite For Chipotle Stock with Options.*)

### Small Menu, Big Choice

One of the keys to Chipotle's success is its small menu. A smaller menu has three benefits. First, since Chipotle only stocks fresh ingredients, there is always a chance of food spoilage. The small menu reduces the number of ingredients needed on-hand, thus reducing the likelihood of waste.

Second, small menus mean quick service. At other fast food restaurants, the kitchen can get overwhelmed by the orders and can make mistakes. At Chipotle, mistakes are almost impossible: order a soft taco, choose the fillings and pay. If the employee forgets to add beans, the consumer is watching and can point out the omission. It's easy and fast and consumers love it.

Finally, a small menu also means that customers know exactly what's for sale each time they visit the restaurant. Chipotle doesn't need to develop new products or create flashy advertisements to let consumers know its offerings, and consumers aren't disappointed by the disappearance of a product after a trial or promotion period.

It may be thought that small menus are bad: why would consumers want to have their choices limited? Chipotle has thought of that, and its policy is to make anything the consumer wants if the materials are available. This policy has led to the creation of the Quesarito, Chipotle Nachos and many more secret menu items...

[CLICK HERE TO VIEW MORE](#)

# STARBUCKS LEASE SUMMARY

Primary Lease Term:	10-Years
Options:	Four, Five Year Periods
Projected Rent Commencement:	November 2019
Projected Lease Expiration:	November 2029
Lease Type:	Corporate Net Lease
Square Feet:	2,195 +/-
Ownership:	Fee Simple Interest
Taxes:	Tenant Responsibility
Insurance:	Tenant Responsibility
Common Area Maintenance:	Tenant Responsibility
Roof *, Structure, Parking Lot:	Landlord Responsibility
Primary Term Rent Increases:	10% Every 5-Years
Option Periods Rent Increases:	10% Every 5-Years
Rent Increase Commencement:	Beginning Year 6 in Primary & Year 11 in Options
Annual Rent Years 1-5:	\$87,800
Annual Rent Years 6-10:	\$96,580
Option 1   Years 11-15:	\$106,238
Option 2   Years 16-20:	\$116,861
Option 3   Years 21-25:	\$128,547
Option 4   Years 26-30:	\$141,402
Total Current Rent for Starbucks & Chipotle:	\$181,754

\* Roof features a 20-Year warranty



Texas Regional  
Women's  
Health Center

Mesquite  
Specialty Hospital  
(40 beds)

Dallas Regional  
Medical Center  
(202 beds)

Heather Creek  
Apartments  
(200 units)

Pine Oak  
Apartments  
(240 units)

LifeStorage

CITY HOSPITAL  
EMERGENCY CARE CENTER

Walmart  
Supercenter

LAQUINTA  
INN & SUITES

TRACTOR  
SUPPLY CO.



Denny's



MURPHY  
USA



Walmart  
National  
Training Center

Waffle  
House

80



US-80  
(±74,600 VPD)

80

BELT LINE RD.  
(±25,334 VPD)



SONIC

COSMETO  
NAILS & SPA

JET WASH



Mesquite  
Independent  
School District  
Warehouse

AERIAL PHOTO

# CHIPOTLE LEASE SUMMARY

Primary Lease Term:	10-Years
Options:	Four, Five Year Periods
Projected Rent Commencement:	September 2019
Projected Lease Expiration:	September 2029
Lease Type:	Corporate Net Lease
Square Feet:	2,185 +/-
Ownership:	Fee Simple Interest
Taxes:	Tenant Responsibility
Insurance:	Tenant Responsibility
Common Area Maintenance:	Tenant Responsibility
Roof, Structure, Parking Lot:	Landlord Responsibility
Primary Term Rent Increases:	10% Every 5-Years
Option Periods Rent Increases:	10% Every 5-Years
Rent Increase Commencement:	Beginning Year 6 in Primary & Year 11 in Options
Annual Rent Years 1-5:	\$93,954
Annual Rent Years 6-10:	\$103,350
Option 1   Years 11-15:	\$113,685
Option 2   Years 16-20:	\$125,047
Option 3   Years 21-25:	\$137,545
Option 4   Years 26-30:	\$151,311
Total Current Rent for Starbucks & Chipotle:	\$181,754



Town East Mall  
(+1.2 mill SF)  
(2-miles northwest)

Town East  
Golf Center

Sunnyvale  
First Baptist  
Church

Pediatric  
Clinic of  
Sunnyvale

Landmark at Courtyard  
Villas Apartments  
(256 units)



BELT LINE RD.  
(+25,334 VPD)

**Kwik Kar.**  
LUBE & TUNE

**Sure Hotel.**  
PLUS  
By BEST WESTERN

**JET WASH**  
CARWASH

**COSMO**  
NAILS & SPA

**SONIC**



**SUBWAY**

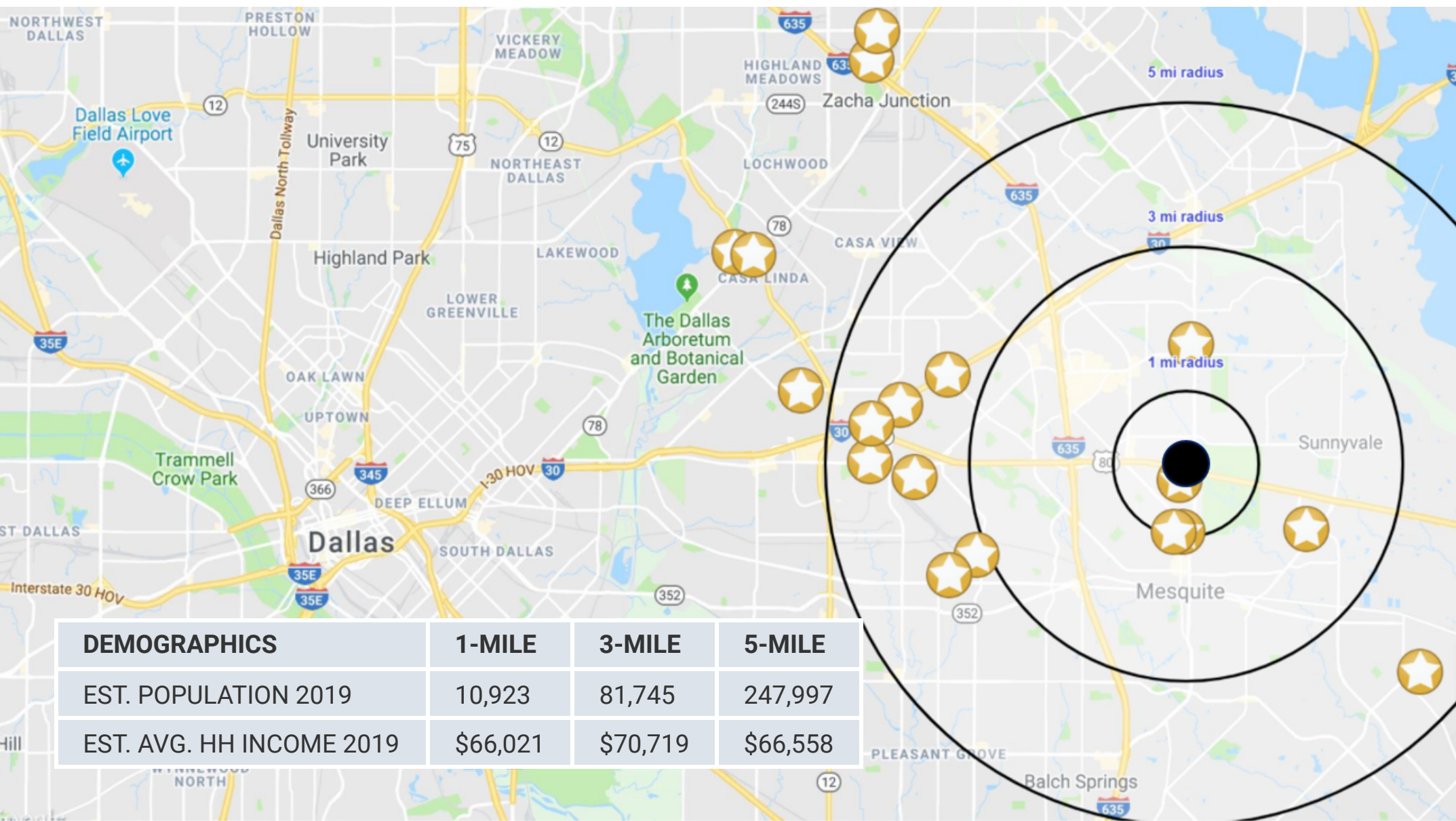
**BANK OF AMERICA**



US-80  
(+74,600 VPD)



# LOCATION OVERVIEW



## ECONOMIC DRIVERS

### COMPANY (EMPLOYEES)

- UPS Customer Center (2,300)

Dallas Medical Center, LLC (1,600)

Mexico Foods LLC (1,500)

Mesquite Specialty Hospital (1,200)

Bulk Solutions LLC (842)

FedEx Ground (650)

PepsiCo Bottling Plant (650)

Ashley Furniture Fulfillment/Distribution Center (650)

Mesquite HMA General, LLC (600)
- Texas Department of Transportation (600)

Lone Star HMA, L.P. (597)

Lakeland Hills Assisted Living (593)

Walmart Inc. (500)

Texas Regional Medical Center, LLC (500)

Orora Visual (450)

Stevens Transport, Inc. (450)

Varo LLC (412)

Onin Staffing, LLC (402)



# IMMEDIATE TRADE AREA

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## MESQUITE, TEXAS

The subject property is strategically located at the northwest quadrant of US-80 (74,600 VPD) service road, just west of its signalized intersection with Belt Line Rd. (25,334 VPD) in Mesquite, TX. The subject site stands to gain from its prime positioning, capturing traffic exiting and merging onto US-80, a major east-west highway that services Dallas and the surrounding areas by connecting neighboring communities. Directly south across US-80 is a Walmart Supercenter, which became the National Training Center for the region 2 years ago, one of nearly 200 nationwide. The academies have already trained over 370,000 employees, and pledged to train over a million more. The property is located approximately 13-miles from downtown Dallas, TX. Mesquite is a suburban city located east of Dallas, TX, located in Dallas and Kaufman Counties. The 2017 population was 139,949. Mesquite is at the crossroads of 4 major highways (Interstates 30, 635, 20, and U.S. 80), making locations such as downtown Dallas, Lake Ray Hubbard, Dallas Love Field, and DFW International Airport accessible. Unique to suburbs of DFW, Mesquite is served by its own local airport, Mesquite Metro Airport. UPS' Customer Center is Mesquite's largest private-sector employer with 2,300 employees. The shipping giant, FedEx Ground, opened a hub strategically along US-80 and I-30 in Mesquite. PepsiCo's largest North American bottling plant is in the city. Ashley Furniture's Southwest regional fulfillment and distribution center (1 of 15 globally) is in Mesquite. Orora Visual, one of the largest printing companies in North America, has its U.S. headquarters in Mesquite, TX.



Town East Mall - Mesquite, TX





# DALLAS/FORT WORTH AREA



## DFW MSA

The Dallas – Fort Worth – Arlington Metropolitan Statistical Area (MSA) encompasses 13 counties within the state of Texas. It is the economic and cultural hub of the region commonly called North Texas, the Metroplex, or DFW. It is the largest land-locked metropolitan area in the U.S. The DFW population for 2018 was 7,539,711. In 2016, DFW ascended to the number one spot in the nation in year-over-year population growth. The DFW MSA is, by population and economy, the largest metropolitan area in Texas, the largest in the South, and the 4th largest in the U.S. As of 2019, DFW GDP is just over \$613.4 billion, which is 1st in the state, 4th in the U.S., and 10th in the world.



## DALLAS/FORT WORTH

Dallas is the 3rd-largest city in Texas and the 9th-largest in the U.S. with a population of over 1,318,000. Dallas is recognized as a leader internationally within industrial and financial sectors. The DFW International Airport is one of the largest and busiest airports in the world. Dallas has more shopping centers per capita than any other city in the U.S. and is home to two super regional center malls, the Dallas Galleria and North Park Center (2nd largest mall in Texas). Dallas is home to the 3rd-largest concentration of Fortune 500 companies in the U.S. and is the largest economic center in the DFW Metroplex. Dallas is the only city in the South Central and Southwest regions of the U.S. to be rated as a “beta plus” world city by the Globalization and World Cities Study Group & Network. Dallas is also ranked 6th in the US and 14th in world rankings of GDP by the Organization for Economic Co-operation and Development.

The Metroplex has one of the highest concentrations of corporate headquarters in the United States. 20 Fortune 500 companies are headquartered in the area. ExxonMobil is headquartered in Irving, Texas. The Metroplex also contains the largest Information Technology industry base in the state (often referred to as Silicon Prairie or the Telecom Corridor), due to the large number of corporate IT projects and the presence of numerous related firms. The Telecom Corridor located just north of Dallas in Richardson is home to more than 5,700 companies including Texas Instruments which employs over 10,000 people at its HQ. The region benefits from more than 60 colleges and universities, such as TCU, SMU, UNT, UTD, UTA, DBU, Texas Wesleyan, Texas A&M University School of Law, and many others.

Fort Worth is the 16th-largest city in the U.S. and 5th largest in Texas with a population of 874,168. Fort Worth was the fastest-growing large city in the U.S. and was voted one of “America’s Most Livable Communities.”

*Photo: Downtown Fort Worth*

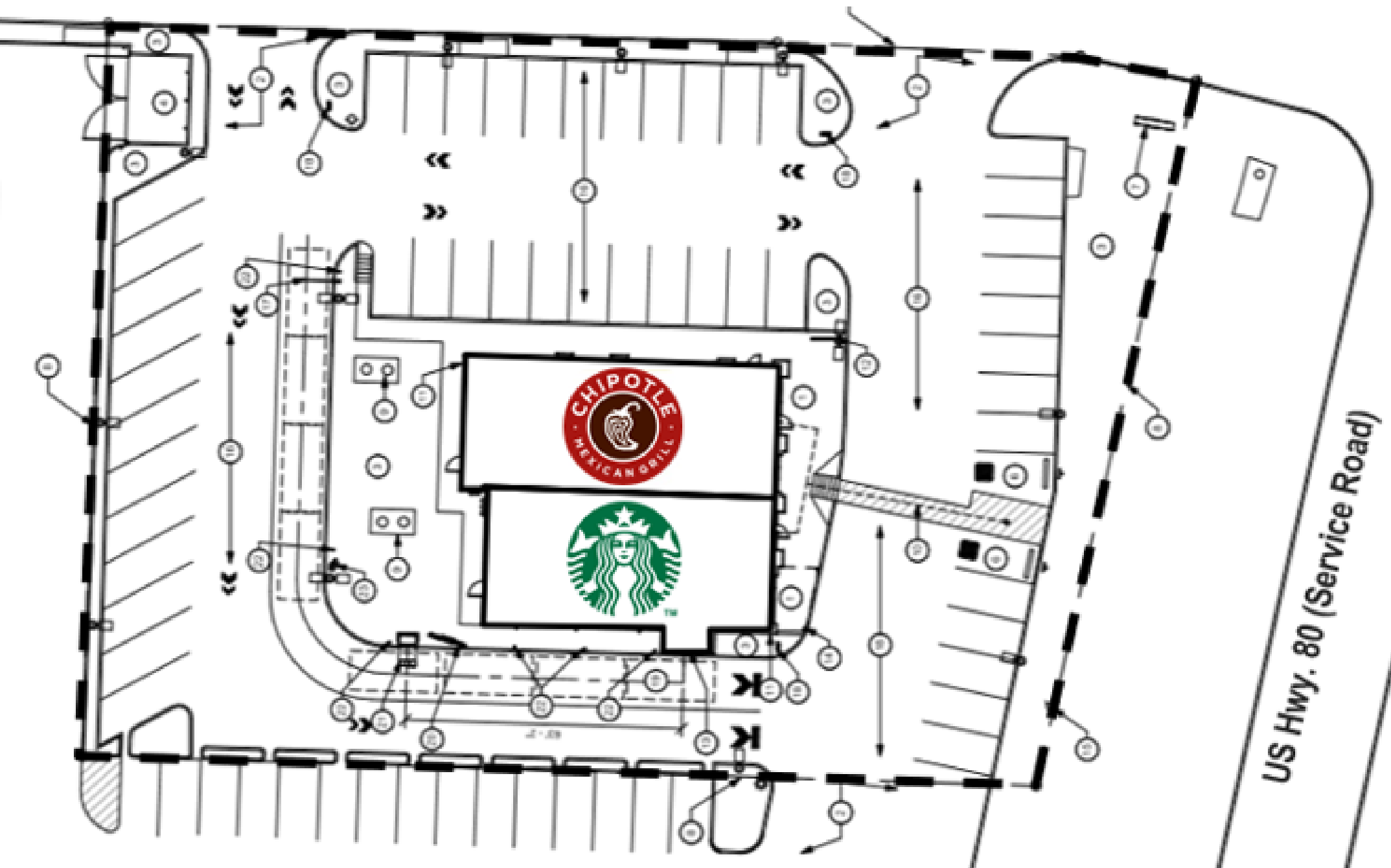


With over 1,000 gas wells in the city of Fort Worth, the city had a recent economic boom. This formation is the second largest natural gas source in the U.S. Drilling industry advocacy groups claim that this could be responsible for more than 108,000 jobs.

In addition to the energy driven economic growth, Fort Worth has traditionally been a diverse center of manufacturing. Fort Worth is a major center for industrial, technology, distribution, and transportation. Tourism is also a major contribution to the economy bringing in approximately 7.5 million visitors and contributing over \$900 million to Fort Worth’s economy. In 2013, Fort Worth-Arlington ranked No. 15 on Forbes’ list for best places for business and careers. The city has shown strong economic growth since the 1980s. Companies with corporate headquarters in Fort Worth include American Airlines, BNSF, Pier One Imports, and Ensco.

Hillwood’s development of the 26,000-acre master plan community, “AllianceTexas” is an unparalleled regional success story that transformed the North Texas economy and connected it to global industry, technology, employment, and business opportunity. The community has over 500 companies, which have built over 45 million SF and created over 61,600 jobs. AllianceTexas features nearly 4 million SF of shopping, dining, health, medical and entertainment options integrated with a variety of living and community options. Since its inception, AllianceTexas has generated an estimated \$74 billion in economic impact for the region.

# SITE PLAN



64 +/- PARKING SPOTS



0.89 +/- ACRES



4,380 +/- SQ. FT.



2,195 +/- SQ. FT.



2,185 +/- SQ. FT.

Town East Mall  
(+1.2 mill SF)

4 Apartment  
Complexes  
(882 units)

Cannaday  
Elementary  
(509 students)

Poteet High  
School  
(1,791 students)

JC Austin  
Elementary  
(521 students)

Town East  
Golf Center

Sunnyvale  
FBC

Pediatric  
Clinic of  
Sunnyvale



TRIPP RD.

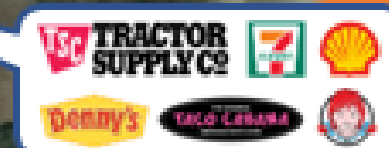
Landmark at  
Courtyard Villas  
(256 units)



US-80  
(+74,600 VPD)



Wilkinson  
Middle School  
(899 students)



Tisinger  
Elementary  
(841 students)

3 Apartment  
Complexes  
(792 units)



BELT LINE RD.  
(+25,334 VPD)

GALLOWAY AVE.  
(+8,700 VPD)



LifeStorage

4 Apartment  
Complexes  
(822 units)

Dallas Regional  
Medical Center  
(202 beds)

Texas Regional  
Women's  
Health Center

Spanish Court  
Apartments  
(373 units)

Mesquite  
Specialty Hospital  
(40 beds)

Hanby  
Elementary  
(977 students)

# SECURE

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## NET LEASE

***WE LOOK FORWARD TO HEARING FROM YOU!***

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**DALLAS OFFICE**

3100 Monticello Avenue  
Suite 220  
Dallas, TX 75205  
(214) 522-7200

**LOS ANGELES OFFICE**

123 Nevada Street  
El Segundo, CA 90254  
(424) 220-6430



# TEXAS DISCLAIMER

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## **Approved by the Texas Real Estate Commission for Voluntary Use**

*Texas law requires all real estate licensees to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.*

### **Information About Brokerage Services**

Before working with a real estate broker, you should know that the duties of a broker depend on whom the broker represents. If you are a prospective seller or landlord (owner) or a prospective buyer or tenant (buyer), you should know that the broker who lists the property for sale or lease is the owner's agent. A broker who acts as a subagent represents the owner in cooperation with the listing broker. A broker who acts as a buyer's agent represents the buyer. A broker may act as an intermediary between the parties if the parties' consent in writing. A broker can assist you in locating a property, preparing a contract or lease, or obtaining financing without representing you. A broker is obligated by law to treat you honestly.

### **IF THE BROKER REPRESENTS THE OWNER:**

The broker becomes the owner's agent by entering into an agreement with the owner, usually through a written – listing agreement, or by agreeing to act as a subagent by accepting an offer of subagency from the listing broker. A subagent may work in a different real estate office. A listing broker or subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first. The buyer should not tell the owner's agent anything the buyer would not want the owner to know because an owner's agent must disclose to the owner any material information known to the agent.

### **IF THE BROKER REPRESENTS THE BUYER:**

The broker becomes the buyer's agent by entering into an agreement to represent the buyer, usually through a written buyer representation agreement. A buyer's agent can assist the owner but does not represent the owner and must place the interests of the buyer first. The owner should not tell a buyer's agent anything the owner would not want the buyer to know because a buyer's agent must disclose to the buyer any material information known to the agent.

### **IF THE BROKER ACTS AS AN INTERMEDIARY:**

A broker may act as an intermediary between the parties if the broker complies with The Texas Real Estate License Act. The broker must obtain the written consent of each party to the transaction to act as an intermediary. The written consent must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. The broker is required to treat each party honestly and fairly and to comply with The Texas Real Estate License Act. A broker who acts as an intermediary in a transaction:

- shall treat all parties honestly;
- may not disclose that the owner will accept a price less than the asking price submitted in a written offer unless authorized in writing to do so by the owner;
- may not disclose that the buyer will pay a price greater than the price submitted in a written offer unless authorized in writing to do so by the buyer; and
- may not disclose any confidential information or any information that a part specifically instructs the broker in writing not to disclose unless authorized in writing to disclose the information or required to do so by The Texas Real Estate License Act or a court order or if the information materially relates to the condition of the property.

With the parties' consent, a broker acting as an intermediary between the parties may appoint a person who is licensed under The Texas Real Estate License Act and associated with the broker to communicate with and carry out instructions of one party and another person who is licensed under that Act and associated with the broker to communicate with and carry out instructions of the other party.