



3830 COLLEGE STREET | BEAUMONT, TX

OFFERING MEMORANDUM



MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

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BROKER OF RECORD
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INVESTMENT HIGHLIGHTS

DEAL HIGHLIGHTS

- Low Price Point and Below Market Rent makes for a Very Secure Investment!
- Full Corporate Guarantee from Dine Brands Global, Inc (NYSE: DIN)
- Tenant Recently Extended the Lease for an Addition 10-Years, Showing Strong Commitment to this Market and Location
- Extremely Healthy Rent-to-Sales Ratio of 5.22% Indicates that this is a Very Profitable Store
- Long Term History of over Five Decades of Historical Occupancy at this Location
- Over 5% Increases Every 5-Years and in the Two, 5-Year Option Periods

LOCATION HIGHLIGHTS

- $\pm 106,000$ Vehicles Per Day pass the IHOP sign off Interstate 10 and $\pm 28,000$ Vehicles Per Day Pass the Site Daily on College Street
- $\pm 108,000$ People in a 5-Mile Radius and $\pm 55,000$ in a 3-Mile Radius
- IHOP Neighbors a Brand New Construction BlueWave Car Wash, a 2018 Construction Raising Canes, and a 2014 Construction Chick-Fil-A, 2018 Construction AT&T Store, and a 2015 Construction Starbucks Retail Strip Center – IHOP has Strong Intrinsic Value being in this Location and all of the Top Retailers are investing in this location!
- Texas is an Income Tax Free State
- Along with Port Arthur and Orange, Beaumont forms the Golden Triangle, a major industrial area on the Texas Gulf Coast and Home to the Spindletop Oil Field



Investment Summary

» ADDRESS	3830 College Street Beaumont, TX 77701
» LIST PRICE	\$1,367,673
» NOI	\$73,171
» CAP RATE	5.35%
» GLA	± 2,796 SF
» YEAR BUILT	1970
» NUMBER OF STORIES	One
» GUARANTOR	Corporate
» OWNERSHIP	Fee Simple

Tenant Summary

Tenant Trade Name	IHOP
Type of Ownership	Fee Simple
Lease Type	NNN
Lease Guarantor (Corporate)	Dine Brands Global, Inc. (NYSE: DIN)
Roof and Structure	Tenant Responsible
Term Remaining	± 10 Years
Lease Commencement Date	9/28/1973
Lease Expiration Date	8/31/2029
Increases	Every 5-Years
Options	Two, 5 Year Options



Annualized Operating Data

Lease Years	Lease Dates	Monthly Rent	Annual Rent	Rent Increase	Cap Rate
Years 1-5	9/1/2019 - 8/31/2024	\$6,098	\$73,171	-	5.35%
Years 6-10	9/1/2024 - 8/31/2029	\$6,436	\$77,233	5.26%	5.65%
Option 1	9/1/2029 - 8/31/2034	\$6,809	\$81,702	5.47%	5.97%
Option 2	9/1/2034 - 8/31/2039	\$7,218	\$86,618	5.68%	6.33%

*Percentage Rent - Tenant Pays The Greater of 5% of Store Sales or Base Rental Amount



» Company Name International House of Pancakes	» Year Founded 1958	» No. of Employees 32,300
» # of Locations ±1,822	» Headquarters Glendale, CA	» Website www.ihop.com

Since 1958, IHOP® has been the place where people connect over breakfast, enjoy study breaks, grab a bite before or after sporting events and so much more. The IHOP family restaurant chain continues to serve their world-famous pancakes and a wide variety of breakfast, lunch and dinner items that are loved by people of all ages. The casual dining restaurant offers pancakes, omelets, French toasts and waffles, crepes, burgers, sandwiches, soups, salads, hash brown stacks, desserts and beverages. International House of Pancakes, LLC also provides a line of syrups through retail stores, mass merchandisers and grocery outlets in the United States. Offering an affordable, everyday dining experience with warm and friendly service, IHOP restaurants are franchised and operated by Glendale, California-based International House of Pancakes, LLC, a wholly-owned subsidiary of DineEquity, Inc., and its affiliates. DineEquity, Inc. is one of the largest full-service restaurant companies in the world with more than 400 franchisee partners.

STRATEGY

As the leader in Family Dining, IHOP's 99%-franchised system delivers strong free cash flow results that have been the hallmark of the brand's financial performance for more than half a century. IHOP relies primarily on discounted value pricing and limited-time offers, such as its Free Pancake Giveaway, to drive traffic to its restaurants. The company operates in four segments: franchise operations, company restaurant operations, rental operations, and financing operations. With mostly franchised locations, the IHOP chain includes a dozen corporate-run locations used mostly for testing and training.

Focused on providing strategic, visionary leadership for their franchisees, DineEquity successfully brought Applebee's and IHOP together in 2007 to revitalize the brands. The company's dedicated focus combined with an expertise in brand revitalization and franchising have been the basis of their financial success in recent years.







Area Overview

BEAUMONT, TX

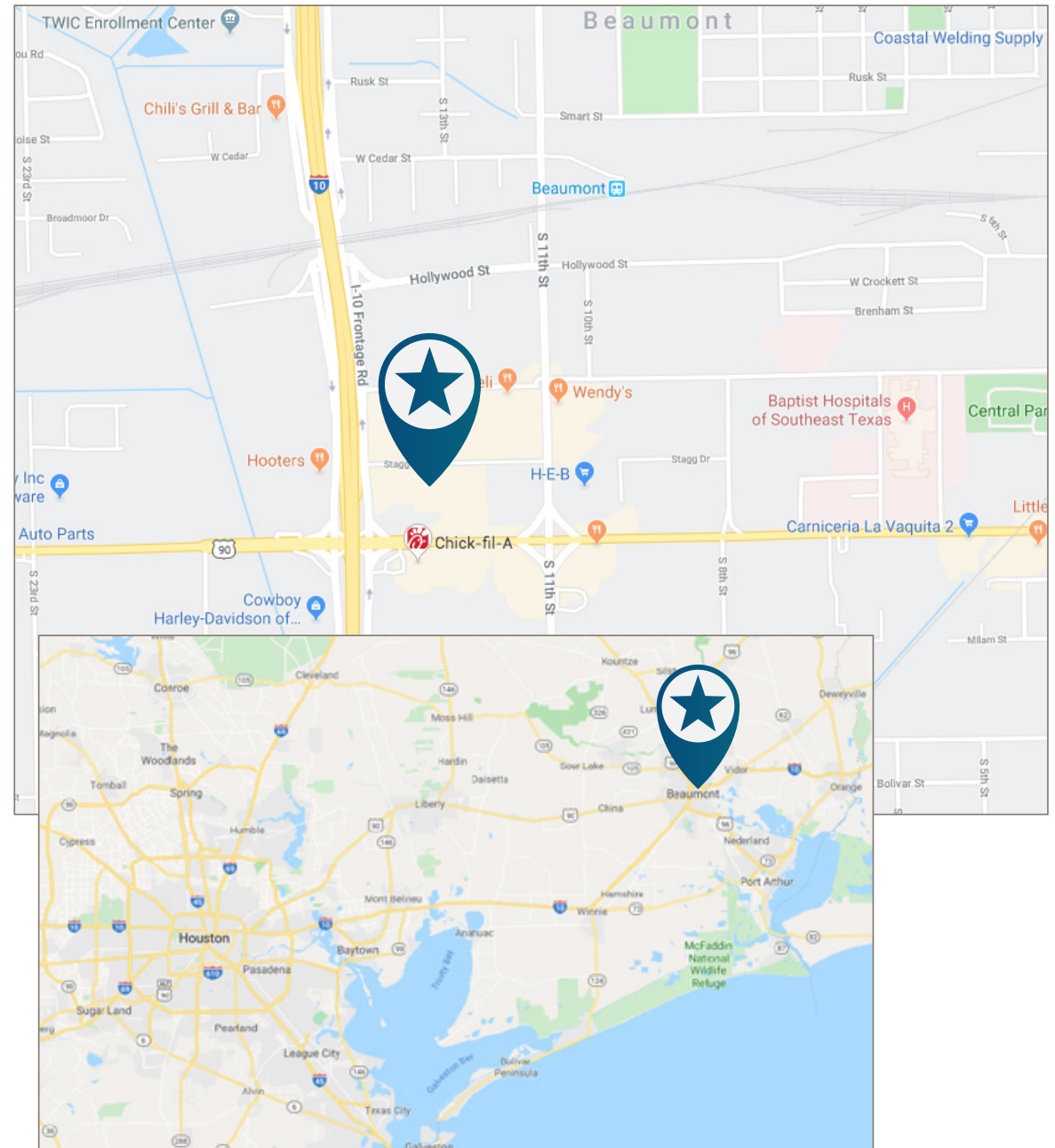
Beaumont, TX is a city that's economy is based around the Port of Beaumont, one of the nation's largest ports when measured by tonnage. The Port of Beaumont, Port Arthur and Orange make up the golden triangle in terms of being a major industrial area on the Gulf Coast. Beaumont is also one of the largest military ports in the world.

Beaumont, TX is also home to Lamar University. Various museums including, Art Museum of Southeast Texas, the Dishman Art Museum, Spindletop-Gladys City Boomtown Museum, the Edison Museum, the Fireman Museum of Texas, the McFaddin-Ward House and Beaumont Botanical Gardens bring culture to the area.

DEMOGRAPHICS

POPULATION	1 MILE	3 MILE	5 MILE
2010 Census	4,267	54,855	104,980
2020 Estimate	4,129	52,769	103,411
2025 Projection	4,188	53,384	105,475
Growth 2020-2025	1.43%	1.17%	2.00%
HOUSEHOLDS	1 MILE	3 MILE	5 MILE
2010 Census	1,570	21,762	40,863
2020 Estimate	1,515	20,950	40,243
2025 Projection	1,537	21,208	41,075
Growth 2020-2025	1.45%	1.23%	2.07%
INCOME	1 MILE	3 MILE	5 MILE
Average Household Income	\$49,275	\$68,248	\$71,256
Median Household Income	\$33,727	\$45,371	\$48,818

LOCATION MAP





HOUSTON, TEXAS

The city of Houston, Texas is located in southeastern part of the state near the Gulf of Mexico. It is the most populous city in Texas and the fourth most populous city in the United States. Known as the Bayou City for its waterway system, Houston thrives because it is a great place to work and a great place to live. Alive with energy and rich in diversity, Houston is a dynamic mix of imagination, talent and first-class attractions that makes it a world-class city. It exudes a cosmopolitan and down-home vibe while being nicknamed the “Space City”. With more than 2.2 million residents, Houston attracts visitors and transplants with a wonderful mix of world-class arts, booming business, pro sports and award-winning cuisine.

Houston is a city of endless possibilities: Its history has been marked with achievements from the first word heard from the moon to the first artificial heart transplant. A distinctly favorable business climate promotes trade, commerce, industry and economic growth in the Houston region. Many businesses recognize the allure of all Houston has to offer; There are twenty-five Fortune 500 companies that call the Energy Capital of the World home. Once dominated by oil-related jobs, Houston’s economy has diversified as new, core industries join energy in the regional employment mix.

With a strong infrastructure and a highly-trained workforce, Houston has the resources to support its growing industries, namely energy, health care, nanotechnology, aerospace, and information technology. The Port of Houston, one of the region’s greatest assets, ranks as the nation’s largest port in international tonnage and second in total tonnage. It is an economic engine that produces jobs and economic prosperity for the local Houston and state economy. Throughout its history, whenever the port has grown, Houston has also grown, showing that it has been instrumental in the city’s development as a center of international trade.



MUSEUM OF FINE ARTS

The Museum of Fine Arts located within the Houston Museum District is one of the largest museums in the United States. The permanent collection of the museum spans more than 6,000 years of history with approximately 64,000 works from six continents. Each year, 1.25 million people benefit from the museum's programs, workshops, and resource centers.



DOWNTOWN AQUARIUM

Houston's Downtown Aquarium is a public aquarium and restaurant located that was developed from two Houston landmarks: Fire Station No. 1 and the Central Waterworks Building. It houses over 200 species of aquatic animals in 500,000 gallons of aquariums. The complex includes two restaurants, a bar, and banquet facilities.



THE GALLERIA

As the largest mall in Texas and ninth largest in the country, the Galleria is an upscale mixed-use urban development centrally located in the Uptown District of Houston. With 35 million annual visitors, The Galleria has been named the most visited attraction in Houston. On top of an ice skating rink, the mall holds over 375 stores and is currently anchored by Neiman Marcus, Nordstrom, Saks Fifth Avenue and Macy's.



SPACE CENTER HOUSTON

Space Center Houston is the official visitor center of the Lyndon B. Johnson Space Center—the National Aeronautics and Space Administration's (NASA) center for human spaceflight activities. Along with the Northrop Grumman Theater and special tours the center is also home to many space artifacts and hardware including the Apollo 17 command module, the Saturn V and more.

Confidentiality Agreement and Disclaimer

This Offering Memorandum contains select information pertaining to the business and affairs of **IHOP** located at **3830 College Street, Beaumont, TX 77701** (“Property”). It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser’s sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.



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Information About Brokerage Services

11-2-2015

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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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