

OFFERING
MEMORANDUM



FLIX BREWHOUSE
FRISCO, TEXAS

Marcus & Millichap

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Brent Elementary School

Four Corners Apartments

Subject Property



TEXAS FAMILY FITNESS

INDIA BAZAAR

The Bar Method
GLO Nail Bar
Godfather's Pizza



Overlook by the Park

CALLOWAY'S NURSERY

Jack in the box

King Road

17,430 VPD

FM 423

29,344 VPD





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Marcus & Millichap

Downtown Frisco

Downtown Dallas

Logos for businesses in the Downtown Frisco area:

- Woody's Sports Restaurant
- State Farm
- Bank of America
- CareNow
- KUMON
- VALERO
- SONIC
- BDVA
- Compass

Logos for businesses in the Downtown Dallas area:

- Caliber Collision Centers
- enterprise
- Pizza Hut

Logos for businesses in the Downtown Dallas area:

- tropical CAFE
- CVS
- Chick-fil-A
- Sherwin Williams
- Walmart
- Jersey Mike's
- H&R Block
- Whataburger

Logos for businesses in the Downtown Dallas area:

- Papa John's
- EXXON
- 7-ELEVEN

190 Homes Meadow Creek (Coming Soon)

King Road 17,430 VPD

FM 423 29,344 VPD

Subject Property

FLIX BREWHOUSE

The Bar Method
GLO Nail Bar
Godfather's Pizza

TEXAS FAMILY FITNESS

INDIA BAZAAR

Four Corners Apartments

FLIX BREWHOUSE

1660 FM 423, Frisco, Texas 75034

Marcus & Millichap is pleased to present the opportunity to acquire a double-net leased Flix Brewhouse in Frisco, Texas. The property consists of a 34,950-square foot, freestanding building that sits on approximately 4.43 acres of land. There are approximately 8.5 years remaining on the current lease term, with 13 percent rental escalation scheduled every five years.

The property is the anchor tenant at Main Marketplace, a 142,000 square foot mixed-use development. Main Marketplace is located at the signalized hard corner of Farm to Market 423 and King Road, where combined traffic counts exceed 46,774 vehicles per day. The area is extremely dense with more than 178,193 residents within a five-mile radius and an average household income of \$136,507 within a five-mile radius. Surrounding retailers in the immediate area include Walmart, Kroger, ALDI, QuikTrip, Jack in the Box, RaceTrac, Arby's, 7-Eleven, Sonic Drive-In, Chick-fil-A, Whataburger and many more.

INVESTMENT HIGHLIGHTS

Main Anchor Tenant at Main Marketplace, a 142,000 Square Foot Mixed-Use Development

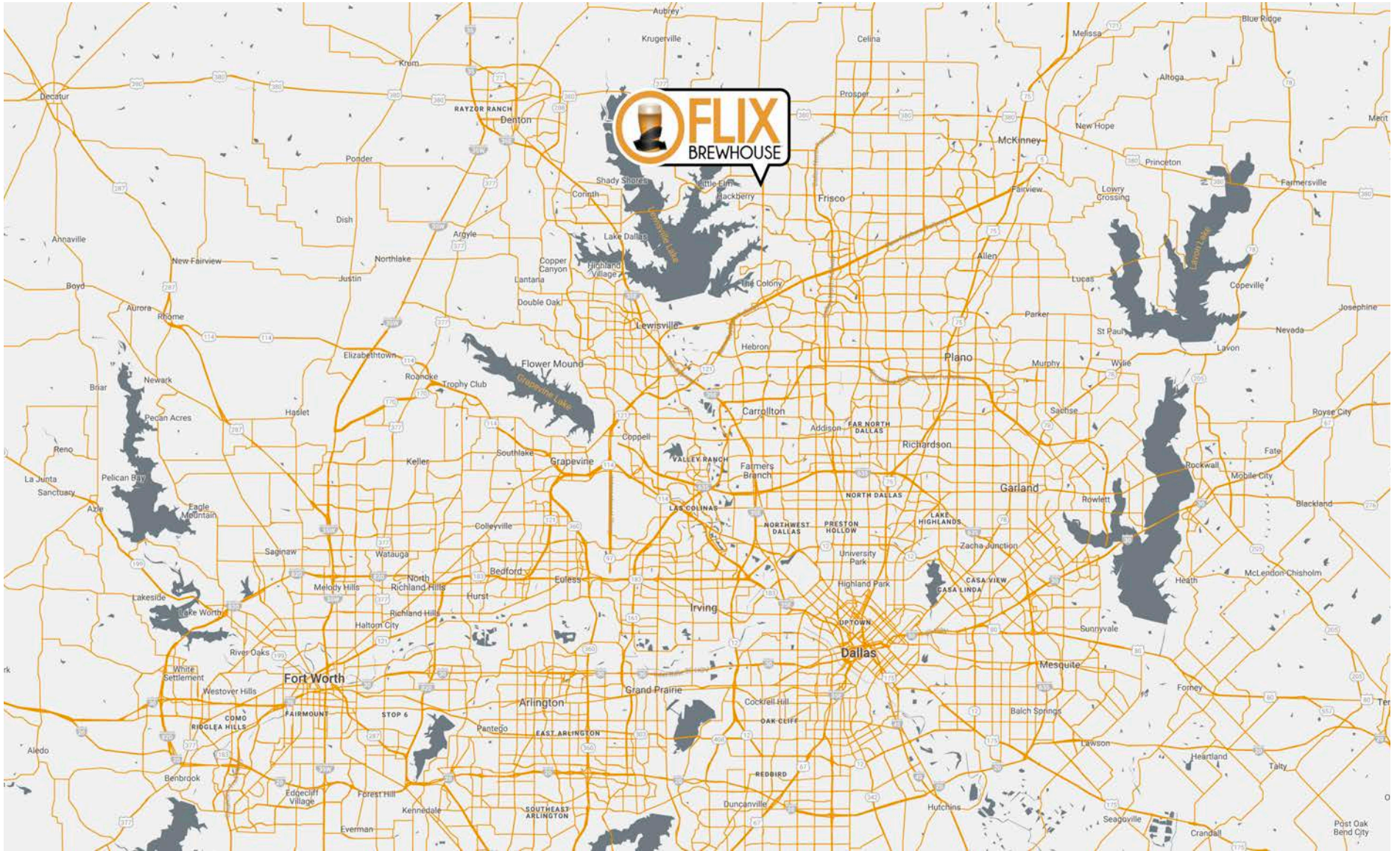
Signalized Hard Corner Location on Farm to Market 423 and King Road; Combined Traffic Counts Exceed 46,774 VPD

Exceptional Demographics - 325.39% Population Growth Since 2000

More than 178,193 Residents Within a Five-Mile Radius

Large 4.43 Acre Parcel with Ample Parking and Multiple Access Points

REGIONAL MAP // *Flix Brewhouse*



AERIAL // Flix Brewhouse



PRICING DETAILS // *Flix Brewhouse*

LOCATION	1660 FM 423, Frisco, TX 75033
Price	\$11,406,870
Rentable SF	34,950
Price/SF	\$326.38
CAP Rate	6.90%
Year Built	2018
Lot Size	4.43 Acres
Type of Ownership	Fee Simple
LEASE SUMMARY	
Tenant Name	Flix Brewhouse
Ownership	Private
Tenant	Corporate Store
Lease Guarantor	Corporate & Personal
Lease Type	Double-Net
Roof and Structure	Landlord
Lease Term	10 Years
Lease Commencement Date	2/12/2016
Rent Commencement Date	05/23/2018
Lease Expiration Date	4/30/2028
Term Remaining on Lease	8.5 Years
Options	Four, 5-Year
Increases	13% Every Five Years

ANNUALIZED OPERATING INFORMATION		
YEAR	ANNUAL RENT	MONTHLY RENT
Years 1-5	\$787,074.00	\$65,589.50
Years 6-10	\$889,478.00	\$74,123.17
Years 11-15 (Option 1)	\$1,005,110.14	\$83,759.18
Years 16-20 (Option 2)	\$1,135,774.46	\$94,647.87
Years 21-25 (Option 3)	\$1,283,425.14	\$106,952.09
Years 26-30 (Option 4)	\$1,450,270.41	\$120,855.87
Base Rent (\$22.52/SF)		\$787,074.00
Net Operating Income		\$787,074.00
Total Return		6.90% / \$787,074.00

Per the Lease, Tenant Pays Percentage Rent (6%) on Sales



TENANT OVERVIEW // *Flix Brewhouse*



Flix Brewhouse is the only first run movie theater in the world to incorporate a fully functioning microbrewery. The concept features stadium seating “dining rooms” that are outfitted with the latest high-definition digital cinema projection and sound technologies, wall-to-wall curved screens and high back chairs. Flix Brewhouse currently has 11 locations with four more theatres planned by 2020.

LEASE SUMMARY

Tenant Name	Flix Brewhouse
Ownership	Private
Options to Terminate	No
Options to Purchase	No
First Right of Refusal	No
No. of Locations	11
Headquartered	Round Rock, TX
Web Site	www.flixbrewhouse.com
Years in the Business	8+

A photograph of the Dallas skyline at dusk, featuring the Reunion Tower on the left and a tall skyscraper on the right. A large, semi-transparent white circle with a dark blue border is centered over the image. Inside the circle, the text 'DALLAS / FORT WORTH TEXAS' is written in a dark blue, sans-serif font. Below the text is a short orange horizontal line, followed by the population '7,539,711' in the same dark blue font. The background shows a bridge with arches in the foreground and a river below it.

DALLAS / FORT WORTH TEXAS

POPULATION
7,539,711

City Of FRISCO

Frisco lies within both Collin and Denton counties, part of the greater Dallas-Fort Worth Metroplex, and is approximately 25 miles from both Dallas Love Field and D/FW airports. An extended suburb of Dallas, Frisco's population was 116,989 at the 2010 census, and in 2018 the population grew to 188,170, making it the fastest-growing city in the United States in 2017. The city is also home to local major sports teams' headquarters, such as the Dallas Cowboys (NFL), Dallas Stars (NHL), Texas Tornado (NAHL), and FC Dallas (MLS), as well as the National Soccer Hall of Fame.

FRISCO RANKS #1 ON MONEY'S 2018 BEST PLACES TO LIVE

Frisco was ranked #1 on Money Magazine's Best Places to Live in 2018. The city was selected due to its population growth, quality of life and public schools.

DFW NAMED GLOBAL AIRPORT OF THE YEAR

The recognition puts DFW in a class with other global hubs, including recent award winners such as Hong Kong International Airport, London's Heathrow and Singapore's Changi Airport. Dallas Fort Worth (DFW) International Airport is the world's fourth busiest airport, offering nearly 1,850 flights per day and serving 64 million passengers a year. Located halfway between the cities of Dallas and Fort Worth, Texas, DFW provides nonstop flights to 149 domestic and 58 international destinations, with service from 27 passenger airlines (including 10 international carriers) and 21 cargo carriers. DFW is one of the highest capacity commercial airports in the world, with seven runways and 165 gates. DFW also serves as the home and largest hub for American Airlines, the world's largest carrier, and airlines at DFW serve customers with nonstop flights to five continents.



DEMOGRAPHIC SUMMARY

POPULATION	1 Mile	3 Miles	5 Miles
2000 Population	1,257	6,429	41,890
2010 Population	8,047	60,882	123,412
2018 Population	12,069	93,338	178,193
2023 Population	15,196	118,451	214,616
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2000 Households	415	2,091	13,885
2010 Households	2,507	18,846	40,351
2018 Households	3,805	29,557	59,170
2023 Households	4,854	37,592	71,495
2018 Average HH Size	3.082200	3.135900	2.993000
2018 Daytime Population	7,466	54,396	116,426
HOUSING UNITS	1 Mile	3 Miles	5 Miles
Median HH Income	\$111,835	\$101,757	\$99,074
Per Capita Income	\$46,753	\$43,552	\$45,339
Average HH Income	\$147,753	\$137,459	\$136,507

POPULATION

In 2018, the population in your selected geography is 178,193. The population has changed by 325.39% since 2000. It is estimated that the population in your area will be 214,616 five years from now, which represents a change of 20.44% from the current year. The current population is 49.16% male and 50.84% female. The median age of the population in your area is 35.1, compare this to the entire US average which is 38.0. The population density in your area is 2,268.92 people per square mile.

HOUSEHOLDS

There are currently 59,170 households in your selected geography. The number of households has changed by 326.13% since 2000. It is estimated that the number of households in your area will be 71,495 five years from now, which represents a change of 20.83% from the current year. The average household size in your area is 2.99 persons.

INCOME

In 2018, the median household income for your selected geography is \$99,074, compare this to the entire US average which is currently \$58,754. The median household income for your area has changed by 56.96% since 2000. It is estimated that the median household income in your area will be \$114,986 five years from now, which represents a change of 16.06% from the current year.

The current year per capita income in your area is \$45,339, compare this to the entire US average, which is \$32,356. The current year average household income in your area is \$136,507, compare this to the entire US average which is \$84,609 .

RACE AND ETHNICITY

The current year racial makeup of your selected area is as follows: 68.70% White, 11.97% Black, 0.07% Native American and 8.55% Asian/Pacific Islander. Compare these to entire US averages which are: 70.20% White, 12.89% Black, 0.19% Native American and 5.59% Asian/Pacific Islander.

People of Hispanic origin are counted independently of race. People of Hispanic origin make up 19.15% of the current year population in your selected area. Compare this to the entire US average of 18.01%.

HOUSING

In 2000, there were 11,077 owner occupied housing units in your area and there were 2,808 renter occupied housing units in your area. The median rent at the time was \$678.

EMPLOYMENT

In 2018, there are 40,633 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 69.69% of employees are employed in white-collar occupations in this geography, and 29.89% are employed in blue-collar occupations. In 2018, unemployment in this area is 3.49% . In 2000, the average time traveled to work was 35.5 minutes.



FLIXBREWHOUSE

AMERICA'S
CINEMA
Brewery

U-BREW & CREAMERY

2 for \$22
2 LARGE STOPPING PIZZAS
SOLUTIONS FOR BUSINESSES



INFORMATION ABOUT BROKERAGE SERVICES

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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FLIXBREWHOUSE

AMERICA'S
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