

# OFFERING MEMORANDUM.



## Sprint Anchored Retail Property Waco, TX

TheMaffiaTeam

**\$3,250,000**  
**7.00% CAP Rate**

- ◆ 10-Year Net Leases to National & Regional Tenants
- ◆ Fixed Rental Increases
- ◆ New Construction in 2015
  - ◆ Minimal Landlord Obligations
- ◆ Dense Infill Retail Location
- ◆ Excellent Visibility with Prominent Pylon Signage
- ◆ Ideally Situated in Highly Trafficked Commercial Corridor at Signalized Intersection
  - ◆ North Valley Mills Drive – 29,400 AADT
- ◆ Robust Population of 130,347 in Five Mile Radius



**Newmark  
Cornish & Carey**  
Leased Investment Group

This property is listed in conjunction with Texas-licensed real estate broker Delta Commercial.

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



# Disclaimer

Newmark Cornish & Carey (“Broker”) has been retained on an exclusive basis to market the property described herein (“Property”). Broker has been authorized by the Seller of the Property (“Seller”) to prepare and distribute the enclosed information (“Material”) for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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# Property Information

## The Investment

The Sprint and Mattress 1 One property offers investors the unique opportunity to acquire a newly renovated retail building leased to notable national and regional tenants with long-term leases. The property benefits from being located in a highly trafficked retail corridor, with excellent frontage and visibility along U.S. Highway 281; and only a block south of the U.S. 281 and Interstate 410 interchange, where the collective traffic count exceeds 352,000 vehicles per day. The property is strategically situated within the Concourse Shopping Center, adjacent to national retailers such as T.J. Maxx, Whataburger. Walmart is located directly behind the property, providing further consumer draw to the immediate area. With this asset, investors can capitalize on both stable income, with scheduled increases, and real estate appreciation.



## Location

The property is located at 1107 North Valley Mills Drive in Waco, Texas.

## Lot Size

Approximately 1.04 acres, or 44,867 square feet.

## Improvements

Construction was completed in 2015 of an approximately 4,500 square foot retail building for **Sprint** and an approximately 2,500 square foot retail building for **Mattress 1 One**.

The sum of the two retail buildings being offered amounts to a total of approximately 7,000 square feet.

## Parking

There are approximately 60 parking spaces available on site.

## Ingress/Egress

There is one point of ingress/egress along North Valley Mills Drive and one point of ingress/egress along Lake Air Drive.

## Property Information

### Sprint Lease

Leased to **Sprint Spectrum L.P.** for 10 years from August 1, 2015 to July 31, 2025, at an initial annual rent of \$157,500. The annual rent increases by 10% every five years throughout the initial term and at the beginning of each option period. There are two five-year options to renew the lease. The lease is net, with the tenant responsible for its pro rata share of taxes, insurance, and common area maintenance, excluding the structure, foundation, roof, downspouts and exterior walls. Tenant is also responsible for the repair and maintenance, but not the replacement, of the HVAC, electrical, or plumbing systems.

Tenant is responsible for its pro rata share of management expenses, which such management expense shall not exceed 5% of gross rents from the property. Tenant's share of controllable common area costs shall not increase by more than 5% from the previous calendar year.



### Mattress 1 One Lease

Leased to **Mattress Pal Holding, LLC**, and guaranteed by **SOS Furniture Company, Inc.**, for 10 years from June 1, 2016 to May 31, 2026, at an initial annual rent of \$70,000. The annual rent increases by 10% every five years throughout the initial term and at the beginning of each option period. There are two five-year options to renew the lease. The lease is net, with the tenant responsible for its pro rata share of taxes, insurance, and common area maintenance, excluding the structure, foundation, roof, and building exterior. Tenant is also responsible for the repair and maintenance, but not the replacement, of the HVAC, electrical, or plumbing systems.

Tenant is responsible for its pro rata share of management expenses and an administration fee of 10% on all common area expenses, inclusive of insurance and taxes. Tenant's share of common area maintenance costs (exclusive of non-controllable costs) shall not increase by more than 5% on a non-cumulative basis from the previous calendar year.

*\*The guarantee shall terminate upon the earlier of (i) the 60th full calendar month after the commencement date, or (ii) the date tenant has opened and is then operating at least 150 stores under the trade name "Mattress 1 One".*





# Financial Analysis

## Projected Gross Revenue

	Year 1	Year 6	Year 10
Scheduled Base Rental Revenue	\$227,500	\$250,250	\$271,425
Expense Reimbursement Revenue	\$100,850	\$112,312	\$122,490
Total Potential Gross Revenue	\$328,350	\$362,562	\$393,915
Effective Gross Revenue	\$328,350	\$362,562	\$393,915

## Annual Expenses

Property Taxes	\$73,500	\$81,150	\$87,839
Property Insurance	\$3,500	\$4,057	\$4,567
Common Area Maintenance	\$14,000	\$16,230	\$18,267
Management Fee	\$9,850	\$10,877	\$11,817
Total Operating Expenses	\$100,850	\$112,314	\$122,490

## Net Operating Income

	\$227,500	\$250,248	\$271,425
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## CAP Rate

	7.00%	7.70%	8.35%
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## General & Market Leasing Assumptions

### General Assumptions

Analysis Date	Jan-17
Total Rentable Area	7,000 SF
Total Area for CAM Reimbursement Calculations	7,000SF
General Inflation per Annum	3.00%
General Expense Growth per Annum	3.00%
Real Estate Tax Growth per Annum	2.00%
Management Fee	3% of Effective Gross Revenue

**Price: \$3,250,000 (7.00% Return)**

## Financing

This property will be delivered free and clear of permanent financing.

## Notes

The above net income is an estimate and does not provide for all potential costs and expenses (i.e. maintenance, repair, etc.) that may be required of the owner. Any reserves set forth herein are merely estimates and not based on any experience, physical inspection, or prior knowledge. All prospective purchasers are strongly advised to make an independent investigation to determine their estimate of costs and expenses prior to entering into an agreement to purchase.



## Financial Analysis | Cash Flow Projection

	Year:	1	2	3	4	5	6	7	8	9	10
	Begins:	Jan-2017	Jan-2018	Jan-2019	Jan-2020	Jan-2021	Jan-2022	Jan-2023	Jan-2024	Jan-2025	Jan-2026
	Ends:	Dec-2017	Dec-2018	Dec-2019	Dec-2020	Dec-2021	Dec-2022	Dec-2023	Dec-2024	Dec-2025	Dec-2026
<b>STATISTICS</b>											
Net Rentable Area in SF		7,000	-	-	-	-	-	-	-	-	-
Avg Base Rental Revenue PSF/mo.		\$2.71	\$2.71	\$2.71	\$2.79	\$2.94	\$2.98	\$2.98	\$2.98	\$3.07	\$3.23
Total Operating Expenses PSF/yr.		\$14.41	\$14.70	\$15.00	\$15.34	\$15.71	\$16.04	\$16.37	\$16.71	\$17.09	\$17.50
<b>Potential Gross Revenue</b>											
Base Rental Revenue		\$227,500	\$227,500	\$227,500	\$234,063	\$246,750	\$250,250	\$250,250	\$250,250	\$257,469	\$271,425
Scheduled Base Rental Revenue		227,500	227,500	227,500	234,063	246,750	250,250	250,250	250,250	257,469	271,425
Expense Reimbursement Revenue		100,850	102,906	105,010	107,366	109,957	112,312	114,614	116,966	119,598	122,490
Total Potential Gross Revenue		328,350	330,406	332,510	341,429	356,707	362,562	364,864	367,216	377,067	393,915
Effective Gross Revenue		328,350	330,406	332,510	341,429	356,707	362,562	364,864	367,216	377,067	393,915
<b>Operating Expenses</b>											
Property Taxes - \$10.50/sf		73,500	74,970	76,469	77,999	79,559	81,150	82,773	84,428	86,117	87,839
Property Insurance - \$0.50/sf		3,500	3,605	3,713	3,825	3,939	4,057	4,179	4,305	4,434	4,567
Common Area Maintenance - \$2.00/sf		14,000	14,420	14,853	15,298	15,757	16,230	16,717	17,218	17,735	18,267
Management Fee @ 3% of EGR		9,850	9,912	9,975	10,243	10,701	10,877	10,946	11,016	11,312	11,817
Total Operating Expenses		100,850	102,907	105,010	107,365	109,956	112,314	114,615	116,967	119,598	122,490
<b>NET OPERATING INCOME</b>		227,500	227,499	227,500	234,064	246,751	250,248	250,249	250,249	257,469	271,425
<b>CASH FLOW BEFORE DEBT SERVICE &amp; TAXES</b>		\$227,500	\$227,499	\$227,500	\$234,064	\$246,751	\$250,248	\$250,249	\$250,249	\$257,469	\$271,425



# Rent Roll

Tenant	% of GLA	Monthly Rent PSF	Annual Rent PSF	Annual Rent	Term	Rent Commence. Date	Lease Expiration Date	Rental Increase Date(s)	Rental Increase Amount	Options	End-of-Term Assumption
<b>Sprint</b>	64.29%	\$2.92	\$35.00	\$157,500	10 yrs.	8/1/2015	7/31/2025	8/1/2020	\$173,250	2 @ 5 yrs. Opt. 1: \$190,575 Opt. 2: \$209,655	Option
<b>Mattress 1 One</b>	35.71%	\$2.33	\$28.00	\$70,000	10 yrs.	6/15/2016	6/30/2026	7/1/2021	\$77,000	2 @ 5 yrs. Opt. 1: \$84,700 Opt. 2: \$93,170	Option
<b>Leased</b>	<b>7,000</b>	<b>100.00%</b>									
<b>Vacant</b>	<b>0</b>	<b>0.00%</b>									
<b>TOTAL</b>	<b>7,000</b>	<b>100.00%</b>									



## Tenant Profiles



**Tenant Name:** Sprint  
**Lessee:** Sprint Spectrum L.P.  
**No. of Locations:** 4,790+  
**Stock Symbol:** NYSE: "S"  
**Website:** www.sprint.com

**About:** **Sprint Spectrum L.P.**, the entity behind the lease, operates as a subsidiary of Sprint Spectrum Holding Company, L.P, which is a subsidiary of the parent company - Sprint Corporation. Sprint Spectrum L.P. doing business as Sprint, offers wireless telecommunications, voice, messaging, and data services. It also offers broadband personal communications services and sells various smartphone devices. The company was founded in 1995 and is based in Overland Park, Kansas.

**Sprint Corporation** is an American Telecommunications holding company that provides wireless services and is a major global internet carrier. As of July 2016, the company serves 59.5 million customers, making it the fourth largest mobile network operator in the United States. The company offers various voice, messaging, and broadband services through its subsidiaries, such as the Boost Mobile, Virgin Mobile, and Assurance Wireless brands. Sprint continues to be one of the largest long distance providers in the United States.

In 2013, a majority (80%) of the company was purchased by Japanese telecommunications company **SoftBank Group Corp.**, while the remaining shares of the company continue to trade on the New York Stock Exchange. SoftBank states that Sprint will remain a separate entity, will remain a CDMA carrier and will continue executing Sprint's plan to become an all-LTE carrier by 2017. Marcelo Claure took the helm of CEO effective August 11, 2014. Marcelo is the founder and former CEO of wireless supplier Brightstar.

For the recent quarter ended June 30, 2016, Sprint Corporation reported revenue of \$8.012 billion and total stockholder equity of \$19.502 billion.



**Tenant Name:** Mattress 1 One  
**Lessee:** Mattress Pal Holding, LLC  
**Guarantor:** SOS Furniture Company, Inc.  
**No. of Locations:** 296+  
**Website:** www.mattress1.com

**About:** **Mattress Pal Holding, LLC**, the entity behind the lease, is an owner and operator of Mattress 1 One locations. **Mattress 1 One** is a privately owned, family run company with nearly 300 locations in Florida, Texas, and Georgia. It is the second largest mattress retailer in the Southeast and has distribution facilities in both Orlando and Miami. As a quality mattress retailer, the company's inventory features top name brands such as TempurPedic, Serta, Sealy, and iComfort among others. Their employees are highly knowledgeable about their products and are better able to inform customers as to which mattresses would best fit their needs. Customers leave Mattress 1 One stores knowing they have made the right decision and are on their way to a better night's sleep.

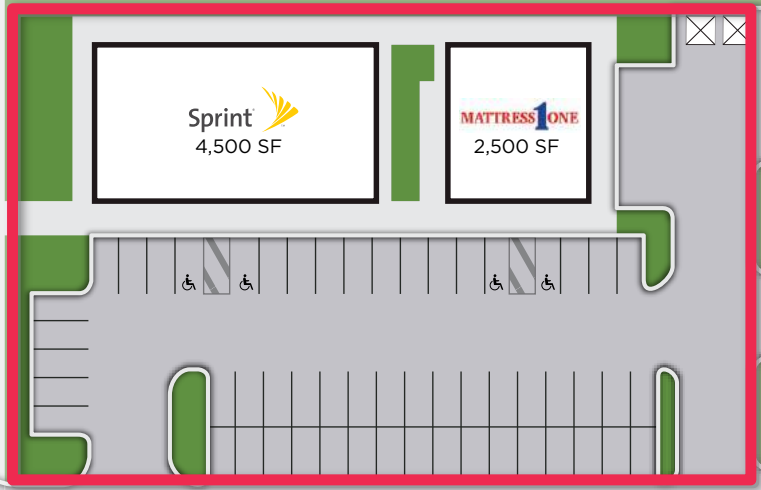


# Site Plan

N VALLEY MILLS DRIVE

**Sprint**  
4,500 SF

**MATTRESS ONE**  
2,500 SF



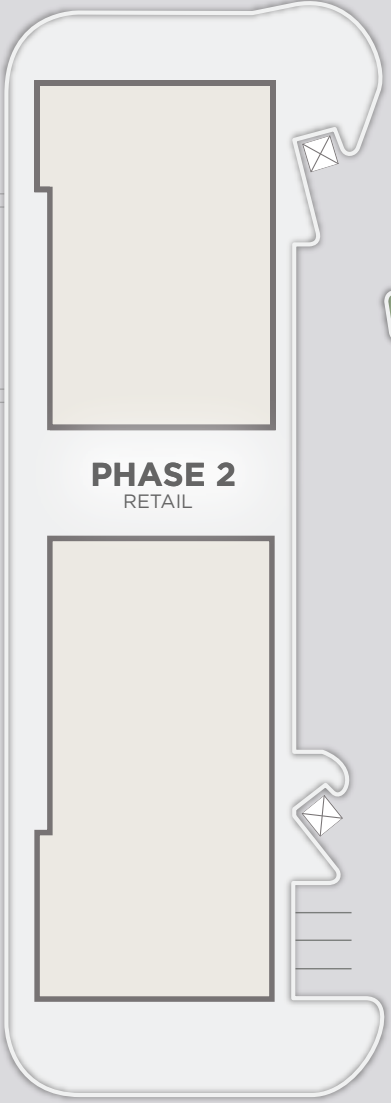
**WHATABURGER**

← DRIVE THRU

↑ DRIVE THRU



**PHASE 2**  
RETAIL



LAKE AIR DRIVE



# Aerial | East View

Baylor University

DOWNTOWN WACO

INTERSTATE 35 / (111,000 AADT)

Bell's Hill Elementary

Crestview Elementary

Bosque Blvd

Lake Air Dr (13,530 AADT)

N Valley Mills Dr (29,400 AADT)

**Sprint**  
**MATTRESS ONE**



GANDER + YTC  
chili's  
ZOB'S KITCHEN  
Starbucks  
Bubb's

LOWE'S Home Improvement Warehouse  
TACO BELL  
planet fitness  
TSC TRACTOR SUPPLY CO  
PREMIERE'S CINEMAS  
Americas Best Value Inn  
FIREHOUSE SUBS

Walmart Supercenter  
McDonald's  
Chick-fil-A  
LONGHORN STEAKHOUSE  
Peter Piper  
MCCOY'S BUILDING SUPPLY  
Cane's  
Cheddar's

OfficeMax  
GNC  
at&t  
Guitar Center  
Jason's deli  
PEI WEI  
Jamba Juice  
ON THE BORDER  
RadioShack  
metroPCS

CVS pharmacy  
AMC THEATRES

Academy SPORTS+OUTDOORS  
CHASE  
BOOT BARN  
FREEBIRDS  
CHASE  
u-swirl  
DOUBLEDAVE'S

FAMILY DOLLAR  
DOLLAR GENERAL  
HARBOR FREIGHT TOOLS  
DUBOIS FURNITURE

Michaels  
PEPBOYS

FAMILY DOLLAR

CVS pharmacy

Applebee's

AMF

THE SALVATION ARMY

DQ

Schlotzsky's

Arby's

Pizza Hut

O'Reilly

goodwill

SHERWIN WILLIAMS

Walgreens

Firestone

WHATBURGER

Wendy's

KFC

Uncle Don's

CAPTAIN JACK'S HAMBURGERS

Chevron

Extraco Events Center

WELLS FARGO

McDonald's

McDonald's

Bank of America

BURGER KING

ALDI

H-E-B

DOLLAR TREE  
GameStop  
Starbucks  
at&t

BBVA Compass

Mama Piz's

SONIC Drive-In

LAKE AIR MALL  
Target  
Aaron's  
Payless  
verizon  
CATHERINES  
Jack in the box  
COTTON PATCH

FOODCOURTERS

Little Caesars  
Schlotzsky's

# Aerial | West View

McGregor Executive Airport

WILLOW GROVE

Lake Waco

Ridgewood Country Club

Mountainview Elementary

6 TEXAS / (58,000 AADT)

Parkdale Elementary

SCOTT & WHITE

HOBBY LOBBY  
99c ONLY  
Drug Emporium  
PAPA JOHN'S  
boost  
FedEx Office  
DICKY'S BAR-B-QUE

CHEVROLET  
Mercedes-Benz

Office DEPOT  
Hastings  
SUBWAY  
TACO BELL

LAKE AIR MALL  
Target  
Aaron's  
Payless  
verizon  
CATHERINES  
PAPA JOHN'S  
SALLY'S  
Tuesdays Morning  
BUCK'S  
COTTON PATCH

Latice Cassano pizza  
Schmitt's

DOLLAR TREE  
GameStop  
Starbucks  
WALCH'S  
at&t

baskin B Robbins  
Jack in the box

SONIC  
America's Drive-In

ANDRUCKERS

Mama Fu's

BBVA Compass

H-E-B

Gemini Village Apartments

ALDI

BURGER KING

McDonald's

WELLS FARGO

Sprint  
MATTRESS ONE

Bank of America

CHIPOTLE

WHATABURGER

Lake Air Dr (13,530 AADT)

CAPTAIN DOLLY WHIZBANG'S  
OLD FASHION HAMBURGERS

Uncle Don's

KFC

Firestone

FARMERS INSURANCE

Tennyson Arms Apartments

Wendy's

Valley Terrace Apartments

# Aerial | South View

RICHLAND MALL

BEALL'S Dillard's sears  
jcpenny CHAMPS FOREVER 21  
HIBBETT SPORTS GAME TESTED, ATHLETE APPROVED. T-Mobile  
Chick-fil-A Foot Locker Olive Garden Bath & Body Works  
Red Lobster FUJITSU RESTAURANT

Burlington coat factory  
Toys R Us  
FAST SIGNS SUBWAY at&t

Army & Air Force Exchange Services



6 TEXAS / (58,000 AADT)

MRI Center at Providence

INTERSTATE 35 / (111,000 AADT)

Landmark Apartments

Baxter Crossing Apartments

Fleetwood Square Apartments

Tennyson Middle School

BIG LOTS!  
BARNES & NOBLE.com  
www.bn.com

DISCOUNT TIRE FAZOUS

THE HOME DEPOT

W Waco Dr

SHERWIN WILLIAMS

Shell

Chevron

Ashton Oaks

Sandstones Apartments

Jeffrey Place Healthcare Center

CAPTAIN JACK'S HAMBURGERS

Towne Oaks Apartments

Tennyson Arms Apartments

Uncle Don's

KFC

Bank of America

Gemini Village Apartments

ALDI

Mama Fu's

BURGER KING

N Valley Mills Dr (29,400 AADT)

Valley Terrace Apartments

Wendy's

Firestone

WHATABURGER

CHIPOTLE

McDonald's

BBVA Compass

Lake Air Dr (13,530 AADT)

Sprint  
MATTRESS ONE

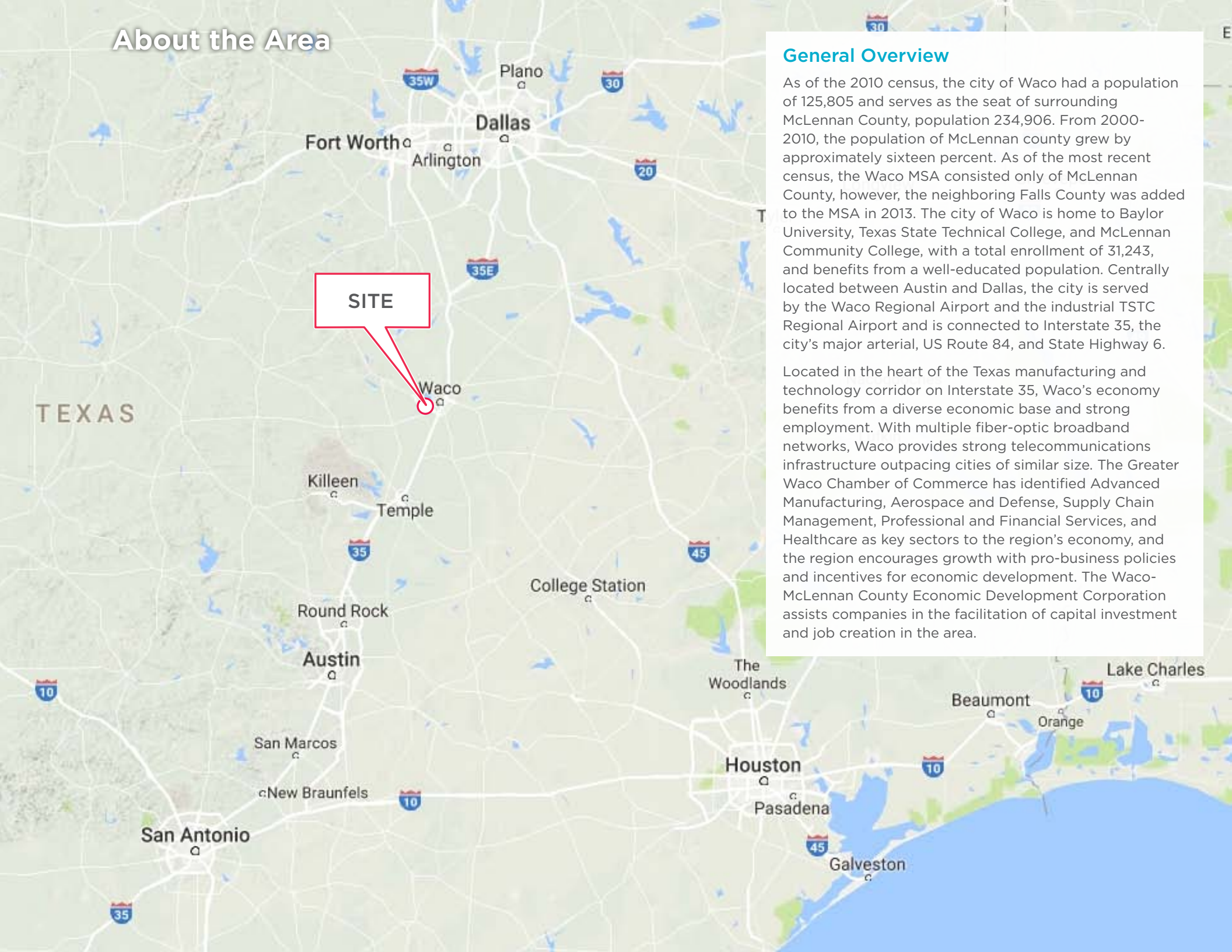
WELLS FARGO

H-E-B

FARMERS INSURANCE

NOTE: Updated aerials are currently being drafted.

# About the Area



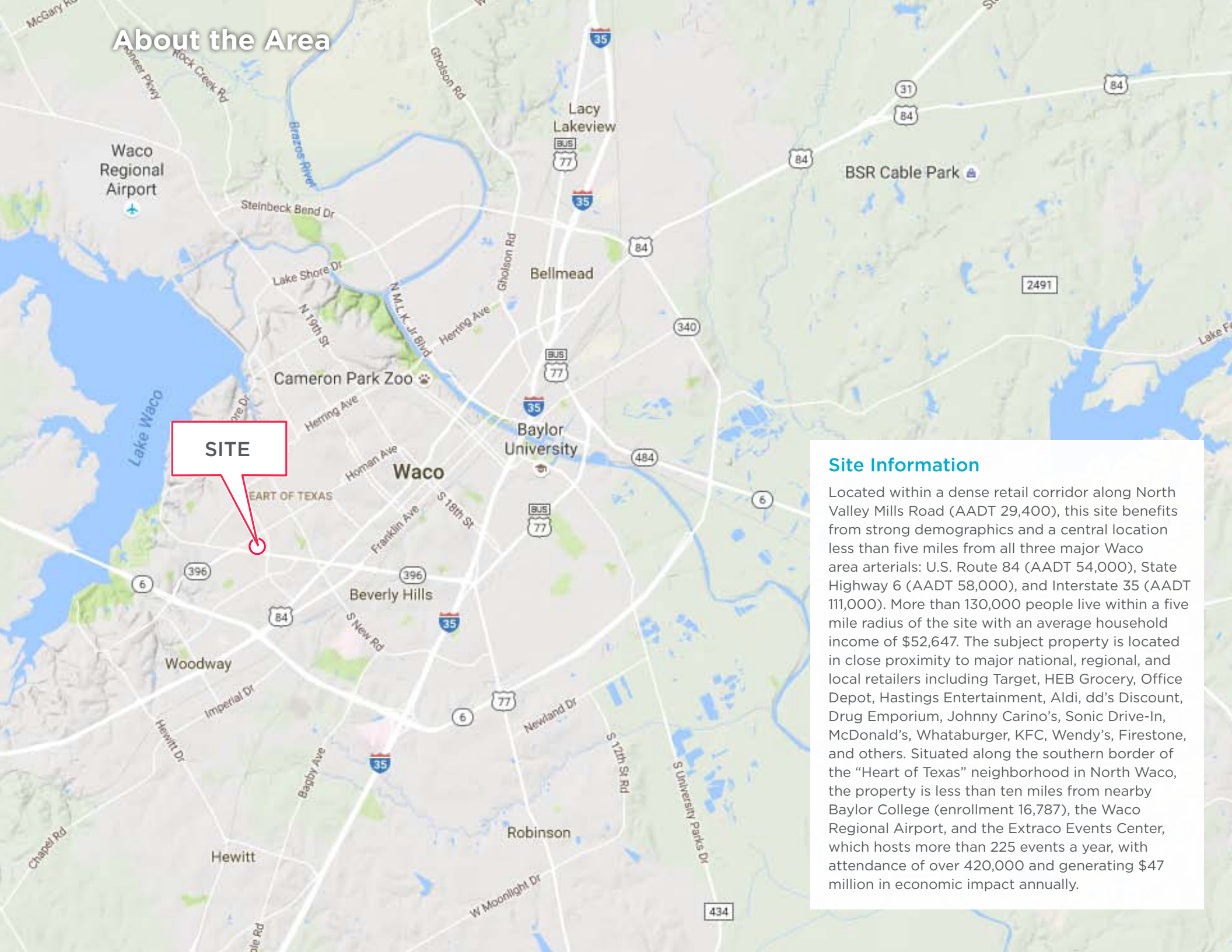
**SITE**

## General Overview

As of the 2010 census, the city of Waco had a population of 125,805 and serves as the seat of surrounding McLennan County, population 234,906. From 2000-2010, the population of McLennan county grew by approximately sixteen percent. As of the most recent census, the Waco MSA consisted only of McLennan County, however, the neighboring Falls County was added to the MSA in 2013. The city of Waco is home to Baylor University, Texas State Technical College, and McLennan Community College, with a total enrollment of 31,243, and benefits from a well-educated population. Centrally located between Austin and Dallas, the city is served by the Waco Regional Airport and the industrial TSTC Regional Airport and is connected to Interstate 35, the city's major arterial, US Route 84, and State Highway 6.

Located in the heart of the Texas manufacturing and technology corridor on Interstate 35, Waco's economy benefits from a diverse economic base and strong employment. With multiple fiber-optic broadband networks, Waco provides strong telecommunications infrastructure outpacing cities of similar size. The Greater Waco Chamber of Commerce has identified Advanced Manufacturing, Aerospace and Defense, Supply Chain Management, Professional and Financial Services, and Healthcare as key sectors to the region's economy, and the region encourages growth with pro-business policies and incentives for economic development. The Waco-McLennan County Economic Development Corporation assists companies in the facilitation of capital investment and job creation in the area.

# About the Area



**SITE**

## Site Information

Located within a dense retail corridor along North Valley Mills Road (AADT 29,400), this site benefits from strong demographics and a central location less than five miles from all three major Waco area arterials: U.S. Route 84 (AADT 54,000), State Highway 6 (AADT 58,000), and Interstate 35 (AADT 111,000). More than 130,000 people live within a five mile radius of the site with an average household income of \$52,647. The subject property is located in close proximity to major national, regional, and local retailers including Target, HEB Grocery, Office Depot, Hastings Entertainment, Aldi, dd's Discount, Drug Emporium, Johnny Carino's, Sonic Drive-In, McDonald's, Whataburger, KFC, Wendy's, Firestone, and others. Situated along the southern border of the "Heart of Texas" neighborhood in North Waco, the property is less than ten miles from nearby Baylor College (enrollment 16,787), the Waco Regional Airport, and the Extraco Events Center, which hosts more than 225 events a year, with attendance of over 420,000 and generating \$47 million in economic impact annually.



# Demographics



1107 N Valley Mills Drive, Waco, TX 76710

	1 Mile	3 Miles	5 Miles
<b>Population Summary</b>			
2010 Total Population	10,829	64,225	124,513
2016 Total Population	11,383	66,403	130,347
2021 Total Population	11,837	68,216	134,755
2016-2021 Annual Rate	0.79%	0.54%	0.67%
<b>Average Household Income</b>			
2016	\$44,936	\$55,540	\$52,649
2021	\$46,220	\$58,947	\$56,185
<b>Median Home Value</b>			
2016	\$93,383	\$93,773	\$105,211
2021	\$95,452	\$103,017	\$127,863

Major Employers in Waco, TX	# of Employees
Providence Healthcare Network	2,618
Baylor University	2,583
Wal-Mart	2,561
Waco ISD	2,276
L-3 Communications	2,079
Hillcrest Baptist Medical Center	1,793
City of Waco	1,506
H-E-B	1,500
Midway ISD	1,067
Sanderson Farms Inc.	1,041

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

**B**efore 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:

- (1) shall treat all parties honestly;
- (2) may not disclose that the owner will accept a price less than the asking price unless authorized in writing to do so by the owner;
- (3) 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
- (4) may not disclose any confidential information or any information that a party 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.

### **If you choose to have a broker represent you,**

you should enter into a written agreement with the broker that clearly establishes the broker's obligations and your obligations. The agreement should state how and by whom the broker will be paid. You have the right to choose the type of representation, if any, you wish to receive. Your payment of a fee to a broker does not necessarily establish that the broker represents you. If you have any questions regarding the duties and responsibilities of the broker, you should resolve those questions before proceeding.

Real estate licensee asks that you acknowledge receipt of this information about brokerage services for the licensee's records.

Buyer, Seller, Landlord or Tenant

Date

Texas Real Estate Brokers and Salespersons are licensed and regulated by the Texas Real Estate Commission (TREC). If you have a question or complaint regarding a real estate licensee, you should contact TREC at P.O. Box 12188, Austin, Texas 78711-2188 or 512-465-3960.







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