



9175 LEBANON RD | FRISCO, TX 75035

\$1.7M
PRICE

+200
LOCATIONS

±8 YRS
TERM REMAINING

6.31%
CAP RATE

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LISTED BY:

THOR ST JOHN

Associate

D: (310) 955-1774

M: (510) 684-0574

E: thor.stjohn@matthews.com

License No. 02051284 (CA)

RAHUL CHHAJED

Senior Associate

D: (949) 432-4513

M: (818) 434-1106

E: rahul.chhajed@matthews.com

License No. 01986299 (CA)

MICHAEL MORENO

Associate Vice President & Director

D: (949) 432-4511

M: (818) 522-4497

E: michael.moreno@matthews.com

License No. 01982943 (CA)

BROKER OF RECORD

KYLE MATTHEWS

License No. 9005919 (TX)



EXECUTIVE OVERVIEW

SECTION 01

PROPERTY HIGHLIGHTS

- **Successful Operating History** — the property has been an orthodontic office since it was constructed in 2006. Smile Doctors acquired the practice and signed a 10 year lease in 2017, showing their long-term commitment to the location
- **Healthcare Real Estate** — Healthcare properties are extremely sought-after investments for their resistance to recessions and e-commerce
- **Student Proximity** — The property is within walking distance of Lebanon Trail High School, Hunt Middle School, Clark Middle School, and Smith Middle School. Students are one of Smile Doctors’ largest patient groups, and this location is the closest clinic for over 4,000 students.

FRISCO, TX

- **Frisco is the fastest growing city in the U.S. (2017 Census)**
- **Frisco’s population has grown by over 300% since 2000**, and is projected to jump another 13% by 2024
- **Extremely Wealthy Dallas Suburb** — The average income is over **\$130,000** in a 1, 3 and 5-mile radius of the property
- **Preston Road** — the property is located right off of Preston Road, which runs through all of Dallas and is one of the most sought after retail areas in the entire city
- **Texas is an income tax free state**

SMILE DOCTORS

- Corporately guaranteed location (Smile Doctors, LLC)
- **Rapid Tenant Growth Since 2017** – Smile Doctors has rapidly grown from 90 locations in 2017 to over **200 locations in 15 states in 2019**, making it the fastest growing DSO
- **Streamlined Expansion** — Smile Doctors acquires existing orthodontic practices that are already successful and established within the community. This allows them to quickly grow their footprint across new markets and states
- **Growing Sector in Healthcare** — The global orthodontic support market is expected to grow at a CAGR of 11.7% over the next 4 years alone



LIST PRICE

\$1,700,000



PROPERTY ADDRESS

9175 LEBANON RD
FRISCO, TX 75035



GROSS LEASABLE AREA

± 3,221 SF



CAP RATE

6.31%



YEAR 1 NOI

\$107,286



LEASE TERM REMAINING

± 8 YEARS

SURROUNDING TENANTS



SURROUNDING TENANTS



SURROUNDING TENANTS



FINANCIAL OVERVIEW

SECTION
02



PROPERTY SUMMARY

Tenant Trade Name	Smile Doctors
Property Address	9175 Lebanon Rd
City	Frisco
State	TX
Zip	75035
Lot Size	0.92 Acres (39,901 SF)
GLA	± 3,221 SF

LEASE SUMMARY

Tenant Name	Smile Doctors
Type of Ownership	Fee Simple
Guarantor	Smile Doctors, LLC (Corporate)
Lease Type	NN+
Taxes/Maintenance/Insurance	Tenant Responsible
Roof/Structure	Landlord Responsible
Lease Commencement Date	8/2/17
Lease Expiration Date	8/2/27
Lease Term Remaining	± 8 Years
Options	None

ANNUALIZED OPERATING DATA

	MONTHLY RENT	ANNUAL RENT
Current	\$8,760.50	\$105,126
June 1, 2020	\$8,940.50	\$107,286
June 1, 2021	\$9,120.00	\$109,440
June 1, 2022	\$9,200.00	\$110,400



TENANT OVERVIEW

SECTION 03



SMILE DOCTORS



» COMPANY NAME
SMILE DOCTORS



» INDUSTRY
ORTHODONTICS



» HEADQUARTERS
GEORGETOWN, TX

TENANT OVERVIEW

Smile Doctors is the largest orthodontic dental support organization in the country with more than +200 locations in 15 states. Founded by Dr. Scott Law, Scotte Hudsmith, Dr. Dana Fender and Dr. Greg Goggans in 2015, the company is headquartered in Georgetown, Texas and focuses exclusively on developing and growing existing orthodontic practices. Smile Doctors locations are operated by licensed orthodontists and committed to providing affordable, all-inclusive orthodontic treatment to patients across the country. Smile Doctors’ patient-centric approach and team collaboration result in beautiful, confident smiles and the highest standard of patient care.

Linden Capital made an undisclosed investment in Smile Doctors in 2017. As a result of the transaction, Linden will become the majority shareholder in Smile Doctors while previous backer Sheridan Capital will have a minority stake. William Blair served as financial adviser to Smile Doctors and Houlihan Lokey did likewise for Linden. Twin Brook Capital Partners provided \$325 million in financing to support Linden’s acquisition of Smile Doctors.



FRISCO, TX

Frisco, Texas is centrally located in the United States. Just 25 miles northeast of the Dallas-Fort Worth International Airport, planners, economists and site selectors have identified Frisco as one of the nation’s brightest spots for development. Strategically located in the development hotbed of the North Texas Platinum Corridor, Frisco means business when it comes to corporate relocation opportunities. Frisco is one of the most desirable locations in the United States to live, work, educate and innovate.

Destination retail, entertainment, professional sports teams, and recreation activities make Frisco a fun and diverse place to put down roots.

Since its establishment in 1991, the Frisco Economic Development Corporation has facilitated 350 projects that have the potential to occupy more than 450 million square feet of commercial space, generate new capital investment over \$8 billion, and create/retain more than 78,000 potential direct jobs in the City of Frisco.

NO. 1 BEST PLACE TO LIVE IN AMERICA – 2018, MONEY MAGAZINE

FASTEST-GROWING CITY IN THE U.S. – 2016-17, U.S. CENSUS BUREAU

NO. 2 BEST PLACE IN U.S. FOR FIRST-TIME HOMEBUYERS – JULY 2018, WALLETHUB

NO. 1 BEST PLACE TO LIVE IN TEXAS – JUNE 2018, WALLETHUB

NO. 9 OF THE TOP 10 RISING HOUSING MARKETS IN THE U.S. – APRIL 2018, SMARTASSET

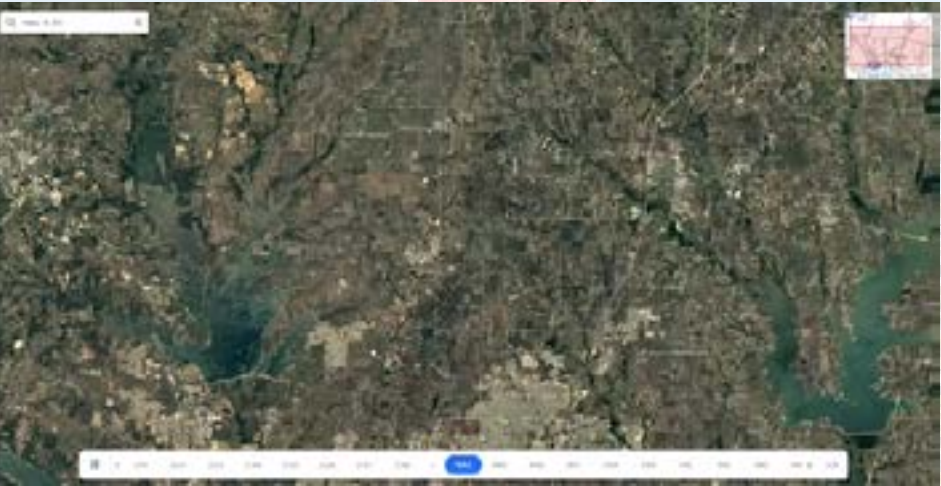
NO. 6 SAFEST CITY IN AMERICA – JANUARY 2019, SMARTASSET

NO. 2 BEST PLACE TO RAISE A FAMILY IN TEXAS – APRIL 2018, SMARTASSET

NO. 1 MOST SUCCESSFUL CITY IN AMERICA – 2016, ZIPPJA.COM

NO. 1 BEST REAL ESTATE MARKET IN THE U.S. – AUGUST 2017, WALLETHUB

FRISCO TIMELAPSE - 1984 TO 2018



DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2024 PROJECTION	13,063	105,537	241,310
2019 ESTIMATE	11,608	95,190	217,573
2010 CENSUS	5,141	62,059	144,605
GROWTH: 2019 - 2024	12.53%	10.87%	10.91%
GROWTH: 2010 - 2019	125.79%	53.39%	50.46%
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2024 PROJECTION	3,983	34,213	82,788
2019 ESTIMATE	3,540	31,014	75,012
2010 CENSUS	1,540	20,511	50,581
GROWTH: 2019 - 2024	12.51%	10.31%	10.37%
GROWTH: 2010 - 2019	129.87%	51.21%	48.30%
INCOME	1-MILE	3-MILE	5-MILE
AVERAGE HOUSEHOLD INCOME	\$185,581	\$161,516	\$143,477
MEDIAN HOUSEHOLD INCOME	\$150,547	\$120,526	\$108,605



ENTERTAINMENT

Frisco is located 25 miles north of downtown Dallas, and 25 miles from both Dallas Fort Worth International Airport and Love Field. Frisco offers a wide variety of award-winning hotels, shopping, concerts and events, professional sporting events, and more than 150 pieces of art on public display.

Over nine million square feet of retail and dining in Frisco include IKEA, Stonebriar Centre mall, Sam Moon Trading Company, and much more.

With seven professional sports organizations headquartered in Frisco, the city is a sports enthusiast’s dream. The Dallas Cowboys (and the Dallas Cowboy Cheerleaders) opened their corporate headquarters and practice facility at The Ford Center at The Star in 2017. The Dallas Stars also call Frisco home, with their official corporate and official practice ice located adjacent to the mall. FC Dallas major league soccer play at Toyota Stadium, where a variety of concerts, football games, and national and international soccer games also take place. The Frisco RoughRiders AA Affiliate of the Texas Rangers play at Dr. Pepper Ballpark, and the NBA Development League team Texas Legends (NBA G-League) play at Comerica Center, and the Dallas Rattlers (MLL) also make Frisco their home.

Frisco provides exceptional hotels and meeting space to accommodate a wide variety of meetings, corporate retreats, and trade shows.

Art abounds in Frisco with over 100 pieces in HALL Park, including the Texas Sculpture Garden, and over 50 publicly owned sculptures throughout the City of Frisco as well.

RETAIL

With over 9 million square feet of retail, Frisco stands out as retail hub. Due to the strong diversified local economy, retail activity continues to expand providing Frisco residents and visitors a growing choice of quality of life amenities.





STONEBRIAR CENTRE

Stonebriar Centre mall is one of the premier shopping centers in the Southwest! Featuring major stores such as Nordstrom, Macy's and Dillard's, the mall also offers a family-friendly setting with activities such as a lively carousel, western-themed kids play area, a Dave & Buster's restaurant/entertainment venue, and a 24-screen AMC Theatre movie complex complete with a new IMAX theatre experience.



FRISCO SQUARE & MAIN STREET SHOPPING

Located along Main Street from the Dallas Tollway to Preston Road, you'll find unique shopping and dining experiences that begin at Frisco Square and continue along Main Street. From Tex-Mex to cupcakes and coffee, Main Street in Frisco has a taste of it all. Frisco Square is also home to a Cinemark NextGen state-of-the-art movie theater.



THE NEW FURNITURE ROW

America's top furniture and home decor retailers have opened their doors in Frisco. A broad spectrum of style and price are represented in this easily accessible furniture row. Shop your heart out all day long and explore retailers like IKEA, Ethan Allen, Anderson's, Haverty's, Rooms to Go, Ashley Furniture, Zuri, and much more.

FRISCO'S 2,500-ACRE FIELDS DEVELOPMENT

After months of planning, developers gave Frisco city council and zoning commission conceptual plans for the project, which is expected to cost as much as \$12.7 billion. The property stretches from Preston Road across the tollway and all the way north to U.S. Highway 380. The massive development will have more than 10,000 homes and up to 18 million square feet of commercial space. A 480-acre section of the project has already been sold for the PGA of America's new headquarters, two golf courses, and an Omni resort hotel.

Preliminary plans for the Fields development show three new residential communities that would be built on the east and west sides of the property on Legacy Drive and Preston Road. At the heart of the development along the tollway, the developers plan to build a large commercial district. Another commercial complex would be built on U.S. 380. The high-rise "city center" along the tollway would have a mixed-use commercial, retail and residential complex similar to Legacy West. There will also be property for corporate office campuses.

More than 30,000 people could ultimately work on the Fields site. One of the goals is to prepare an office campus site in the Fields project that will be ready for the next State Farm Insurance or Toyota that's looking to build a major office center.



SHOPS AT STARWOOD

The Shops at Starwood is a recognized and award-winning vibrant collection of specialty retail boutiques, services, and one-of-a-kind restaurants located on the Dallas North Tollway at Lebanon Road. Awarded by the Frisco Chamber of Commerce as the Development of the Year in 2008, this Mediterranean-inspired center invites a leisurely stroll to experience the sights and sounds of unique restaurant concepts and boutiques.



STONEBRIAR COMMONS AT LEGACY

Located in front of The Westin Stonebriar Hotel & Golf Club, this new development includes unique and upscale restaurants, spa, retail, and the contemporary Sheraton Stonebriar Hotel. The center currently features Cantina Laredo, Stonebriar Spa, Silver Fox Steakhouse, and Kenny's Burger Joint, among other exciting shopping and dining options.



LEGACY WEST

Legacy West is a business and cultural district in Plano, Texas, bordered on the south by the curving Legacy Drive and Headquarters Drive, on the north by the Sam Rayburn Tollway. It includes 415,000 square feet of retail, restaurant and office space, a 55,000 square-foot food hall, over 1,300 residential units, and a 303-room Renaissance Hotel.



\$12.7 BILLION
EXPECTED COST



±10,000 HOMES
TO BE BUILT



<18 MILLION
SF OF COMM. SPACE



±30,000 PEOPLE
TO WORK ON SITE

PGA HEADQUARTERS

PGA of America headquarters now under construction in Frisco. The headquarters will stand alongside two brand new championship golf courses, a short course, practices areas, a clubhouse, an Omni resort, among other features. **INITIAL ESTIMATES SUGGEST IT IS A \$520 MILLION INVESTMENT.** It will also host several PGA Championships.

The PGA of America is **COMPRISED OF NEARLY 29,000 PGA PROFESSIONALS** and hosts several spectator events including the PGA Championship, Ryder Cup, KitchenAid Senior PGA Championship and KPMG Women’s PGA Championship.

UNT FRISCO CAMPUS

The master plan for the University of North Texas’ Frisco campus aims to connect to the adjacent Fields development and a future city park. The campus could also have a **STUDENT POPULATION OF 3,000.** The master plan indicates that further build-out will include two additional mall areas, which contain walkable spaces and natural surroundings, an event plaza, a trail system, preserved natural areas, and a central amphitheater.

AROUND 1,600 UNT STUDENTS ARE CURRENTLY MAKING THEIR MARK in Frisco at UNT’s Hall Park and Inspire Park campuses as well as at the Collin College Higher Education Center in McKinney. UNT Frisco currently has its first cohort of 25 freshmen looking to complete a degree in project design and analysis out of the Hall Park campus

When students begin classes at the upcoming UNT Frisco campus in the spring 2023 semester, the first part of the campus will be ready. It will contain the campus entrance, a surface parking lot, the first building structure, a bell tower, a prairie amphitheater, and a pavilion. **THE CAMPUS COULD BE AS LARGE AS 150,000 SQUARE FEET.**



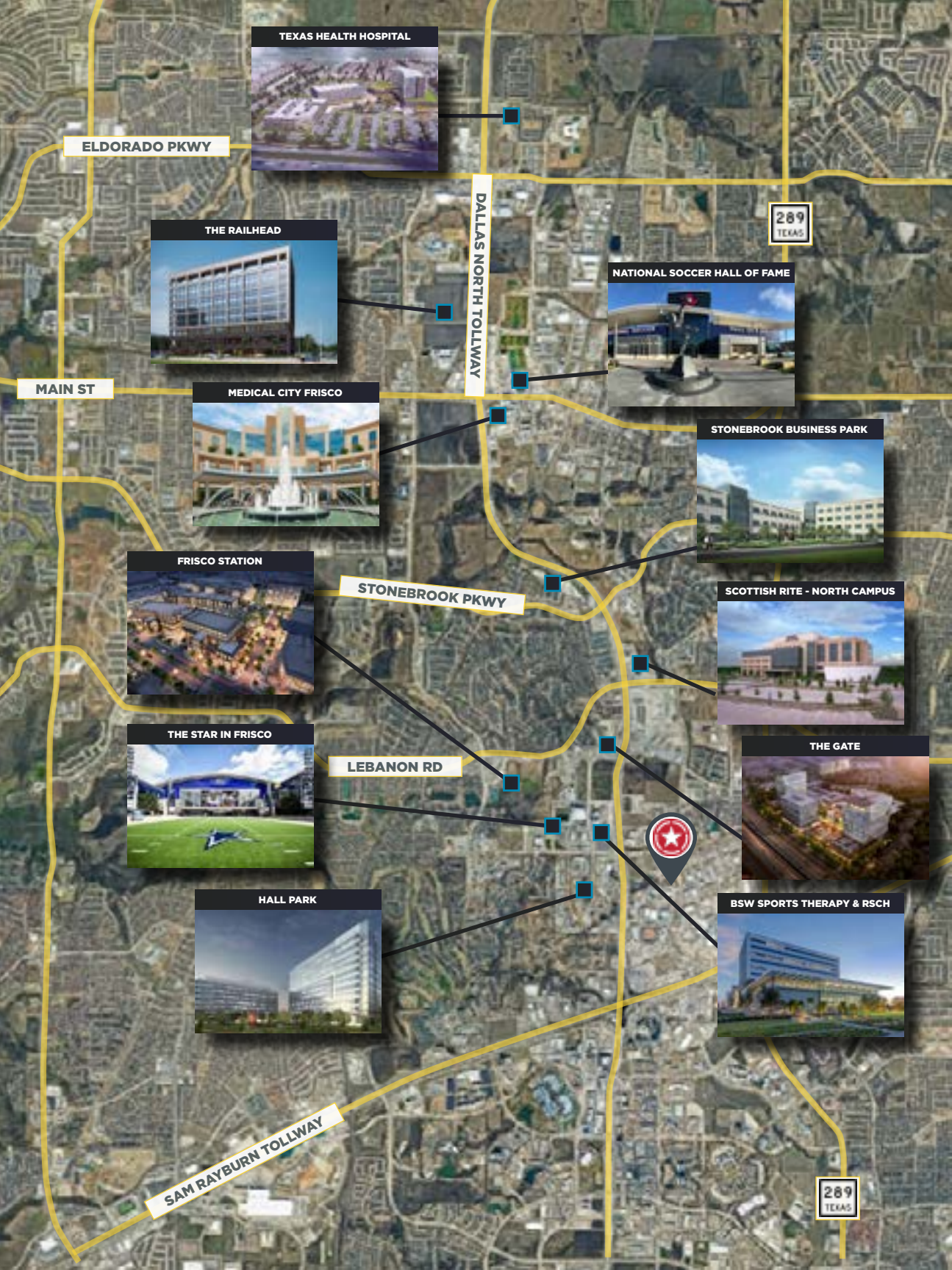
NORTH PLATINUM CORRIDOR

Frisco, Texas is known for exemplary schools, pristine parks and destination dining, retail, sports, and entertainment. The city is also a magnet for a skilled workforce who are contributing to Frisco’s rapid annual residential growth-rate of more than five percent.

The next chapter in Frisco’s success story is the Frisco North Platinum Corridor, which includes developments either announced or under construction along the Dallas North Tollway (DNT) stretching from the Sam Rayburn Tollway/SH 121 to US Highway 380. Frisco now claims one of the most dynamic development concentrations in America.

CORPORATE PRESENCE

Frisco boasts an impressive list of companies that call it home. Business and residents alike enjoy a high quality of life thanks to outstanding real estate, an impressively educated workforce, proximity to transportation hubs, award-winning schools, and easy access to recreation, cultural, and entertainment venues.



CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Smile Doctors** located in **9175 Lebanon Rd , Frisco, TX 75035** (“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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LISTED BY:

THOR ST JOHN

Associate

D: (310) 955-1774

M: (510) 684-0574

E: thor.stjohn@matthews.com

License No. 02051284 (CA)

RAHUL CHHAJED

Senior Associate

D: (949) 432-4513

M: (818) 434-1106

E: rahul.chhajed@matthews.com

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MICHAEL MORENO

Associate Vice President & Director

D: (949) 432-4511

M: (818) 522-4497

E: michael.moreno@matthews.com

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License No. 9005919 (TX)



11-2-2015

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.

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 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.

Kyle Matthews/Matthews Retail Group Inc.	678067	kyle.matthews@matthews.com	(310) 919-5757
Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
Kyle Matthews	678067	kyle.matthews@matthews.com	(310) 919-5757
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

Regulated by the Texas Real Estate Commission

Information available at www.trec.texas.gov

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