

Freddy's®

UNIVERSITY LOCATION
(INCOME-TAX FREE STATE)
NACOGDOCHES, TEXAS

CIA commercial
investment
advisors
OFFERING MEMORANDUM



FILE PHOTO

3720 NORTH STREET | NACOGDOCHES, TEXAS 75965

ADVISORY TEAM

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BROKER OF RECORD

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Blackburn Properties

LIC # 376821



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CIA BROKERAGE COMPANY

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HIGHLIGHTS



Freddy's®

PRICE

\$3,391,000

CAP RATE

5.75%

NOI

\$195,000



POINTS OF INTEREST

Retailers | Entertainment: Nearby retailers include Walmart, Lowe's Home Improvement, Hobby Lobby, Ashley, Ivan Smith Furniture, Atwoods Ranch & Home, Ollie's Bargain Outlet, Dirt Cheap, Aaron's, Buddy's Home Furnishings, Kroger, Brookshire Brothers, Staples, Sally Beauty, Petsense, Maurices, Belk, Cato, CitiTrends, Boot Barn, Hibbett Sports, Dollar General, Dollar Tree, Family Dollar, Tractor Supply Co., Harbor Freight Tools, Walgreens, AutoZone, O'Reilly Auto Parts, Planet Fitness, Anytime Fitness, AMC Theatres

Higher Education: 1 mile from **Stephen F. Austin State University** - a public university offering 120+ majors & areas of study with total enrollment of research university with 11,327 (Fall 2022)

Healthcare: 1 mile from **Nacogdoches Medical Center** - a general medical & surgical hospital with 153 beds; 2 miles from **Nacogdoches Memorial Health Hospital** - a teaching, general medical & surgical hospital with 216 beds



LONG TERM ABSOLUTE NNN LEASE

19 years remaining on initial 20-year Absolute NNN lease with attractive 7.00% rental escalations every 5 years with four 5-year options to renew.



TENANT

Ram-Z Custard, LLC owns & operates **74 locations**, which include **39 Freddy's restaurants**, making it the 6th largest Freddy's franchisee in the U.S., and **35 Schlotzsky's locations**, the largest Schlotzsky's franchisee in the country (including those currently under construction). ****All units back the performance of the lease!****



BRAND NEW CONSTRUCTION | HIGH BARRIERS TO ENTRY UNIVERSITY LOCATION

Constructed to Freddy's latest prototype - opened in October 2023. Located in dominant retail corridor less than one mile from main entrance into Stephen F. Austin University!



LARGE PARCEL | TRAFFIC COUNTS

Situated on a large ±2.17-acre lot (across the street from AMC Theatre Anchored Retail Center) with excellent drive-by visibility/access on North St where traffic counts exceeding 24,890 CPD!



2024 DEMOGRAPHICS (5-MI)

Population	37,196
Households	14,412
Average Household Income	\$78,092

TEXAS IS AN INCOME TAX FREE STATE

PROPERTY OVERVIEW & RENT ROLL

SITE ADDRESS

3720 North Street
Nacogdoches, Texas 75965

LESSEE

Ram-Z Custard, LLC

GUARANTOR

Ram-Z Restaurant Group, LLC

LESSEE ENTITY TYPE

Franchise

GROSS LEASABLE AREA

±3,148 SF

LOT SIZE

±2.17 acres

YEAR BUILT

October 2023

OWNERSHIP

Fee Simple (Building & Land)

EXPENSE REIMBURSEMENT

This is an **Absolute NNN lease**.
Tenant is responsible for all expenses.

LEASE TERM

19 years remaining

RENTAL INCREASES

7.00% every 5 years

RENT COMMENCEMENT DATE

October 3, 2023

EXPIRATION DATE

October 31, 2043

OPTIONS

Four 5-Year Renewal Options



Freddy's®



RENT ROLL

TERM	ANNUAL RENT	CAP RATE
Years 1-5	10/03/23 to 10/31/28	\$195,000
Years 6-10	11/01/28 to 10/31/33	\$208,650
Years 11-15	11/01/33 to 10/31/38	\$223,256
Years 16-20	11/01/38 to 10/31/43	\$238,883

6.41% AVG ANNUAL RETURN

RENEWAL OPTIONS

1st Option	11/01/43 to 10/31/48	\$255,605
2nd Option	11/01/48 to 10/31/53	\$273,498
3rd Option	11/01/53 to 10/31/58	\$292,642
4th Option	11/01/58 to 10/31/63	\$313,127

TENANT PROFILE



Freddy's Frozen Custard & Steakburgers, a fast-casual restaurant concept, is known for its cooked-to-order steakburgers made with lean 100 percent ground beef, all-beef hot dogs, crispy shoestring fries & frozen custard treats made with freshly churned chocolate or vanilla frozen custard.

Freddy's has become one of the fastest growing franchises in the U.S. starting in 2002 with a single restaurant in Wichita, Kansas to **521 locations today in 37 states.**

ABOUT THE TENANT

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ABOUT PARENT COMPANY



On March 3, 2021, **Thompson Street Capital Partners ("TSCP")** acquired Freddy's.

TSCP is a middle-market private equity firm that helps transform already-exceptional businesses into market leaders. Based in St. Louis, Missouri, they invest globally in the Life Sciences & Healthcare, Software & Technology, and Business & Consumer Services and Products sectors. They partner with management teams to increase value by accelerating growth, both organically and via complementary acquisitions.

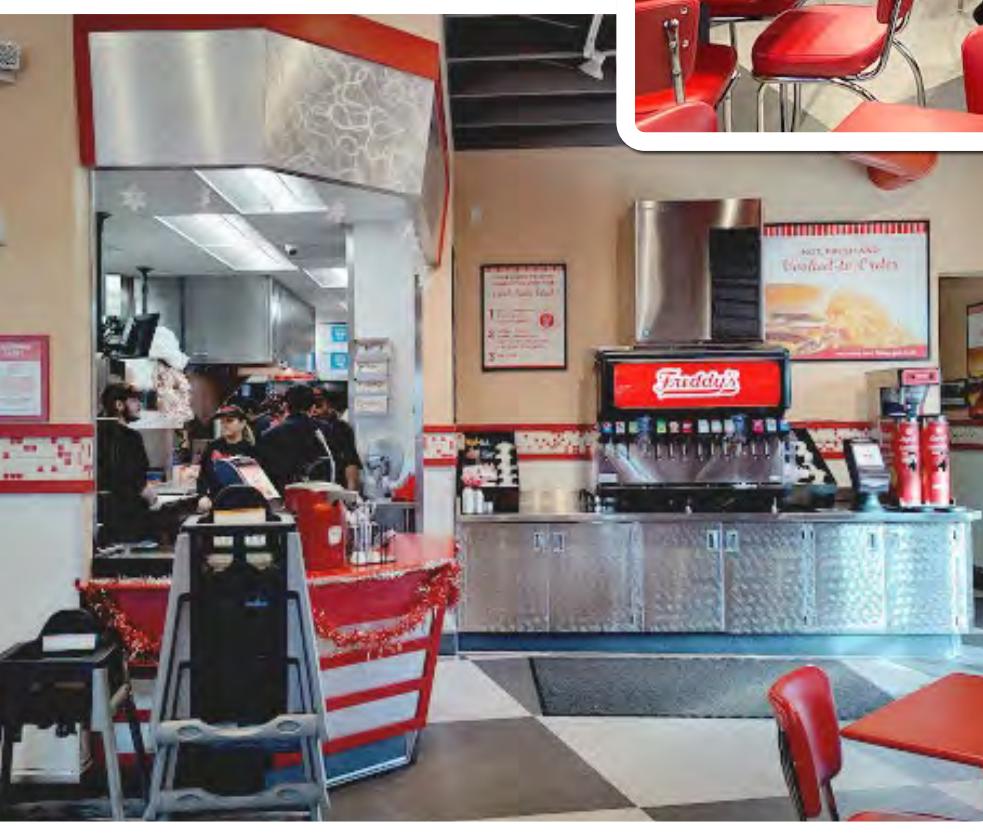
20+ Years

250+ Investments

7 Funds

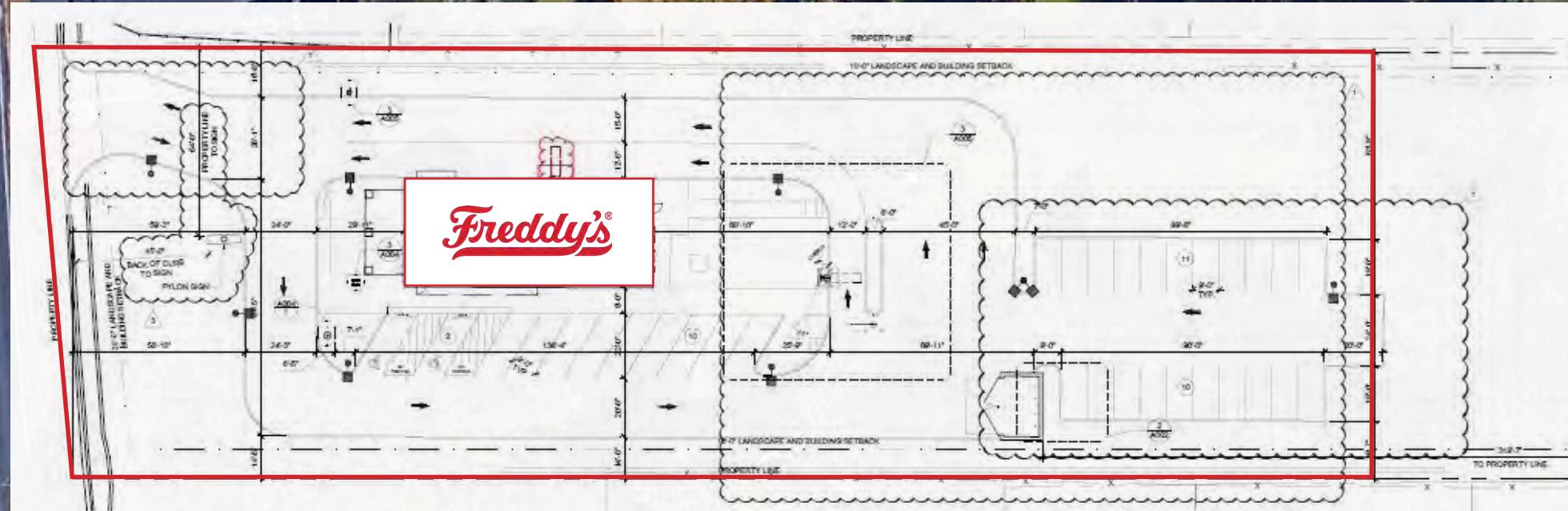
\$4.5 Billion Assets Under Management

ACTUAL SITE PHOTOS



SITE PLAN

North St | 24,896 CPD



LOT SIZE

± 2.17 Acres

GLA

$\pm 3,148$ SF

NORTH



SOUTH



SOCIAL HOUSE
72 UNITS

Walgreens

AUSTIN BANK

VICTORIAN
INN & SUITES

CADENCE
Bank

COOK
TIRE PROS

North St / 24,896 CPD

Freddy's®

BOOT BARN

WEST



Nacogdoches
Livestock
Exchange, Inc.



MCCOY'S
BUILDING SUPPLY

BIG TEX
AGRIPLEX



North St | 24,896 CPD



Freddy's®



NACOGDOCHES



LOOP
224

ASHLEY

LOWE'S

CATO

DOLLAR
TREE

NMC
Health Network
NACOGDOCHES
MEDICAL CTR
153 BEDS

HOBBY
LOBBY

TRACTOR
SUPPLY CO

ATWOODS
RANCH & HOME GOODS

IHOP

NORTHVIEW
72 UNITS

FAMILY
DOLLAR

HIBBETT

HARBOR FREIGHT
QUALITY TOOLS LOWEST PRICES

MURPHY
USA

Walmart

DGI
Dialysis Clinic, Inc.
A Non-Profit Corporation

North St | 24,896 CPD

Stallings Dr N | 15,960 CPD

W

HTeoO
Texas
Department
of
Transportation

BUS
59

T

SOCIAL
HOUSE
72 UNITS

 **Freddy's®**

AMC
THEATRES
cicis
PIZZA
I'M BUY
IT'S That Easy!
TIMBERCREEK
CHURCH
ANYTIME
FITNESS.
BOOT BARN

Newk's
EATERY



AT&T

GameStop

COMMONWEALTH
APARTMENTS
54 UNITS

DOGWOOD
VILLAGE
36 UNITS

CITY VIEW



Best Western



Best Western



FREDONIA
ELEMENTARY
337 STUDENTS



BROOKS-QUINN-JONES
ELEMENTARY
690 STUDENTS



self storage



Parker



THOMAS J RUSK
ELEMENTARY
537 STUDENTS



216 BEDS



MIKE MOSES
ELEMENTARY
679 STUDENTS



SFA CHARTER
SCHOOL
255 STUDENTS

STEPHEN F. AUSTIN
STATE UNIVERSITY
11,327 STUDENTS



NACOGDOCHES
HIGH SCHOOL
1,739 STUDENTS



ASHLEY HOBBY LOBBY
by Tractor Supply



Lowe's HIBBETT
SALLY. CAFE



GAME X CHANGE
IHOP SHOE DEPT.



HARBOR FREIGHT
QUALITY TOOLS LOWEST PRICES



WING-STOP
GameStop



DOLLAR
GENERAL

EMELINE CARPENTER
ELEMENTARY
364 STUDENTS

MCMICHAEL
MIDDLE SCHOOL
729 STUDENTS



MIKE MOSES
ELEMENTARY
679 STUDENTS

NACOGDOCHES SYNOPSIS

Nacogdoches is a small city in East Texas and the county seat of Nacogdoches County. The city has a total area of 25.3 square miles. It's located in the heart of Deep East Texas almost equidistant between Dallas/Fort Worth, Houston and Shreveport, Louisiana. Nestled between three national forests and only a short drive from two of the largest lakes in Texas. The economy of Nacogdoches is heavily dependent on **Stephen F. Austin State University**. Like many college towns, Nacogdoches businesses heavily depend on university students as customers and regularly employ them.

Other large sectors of the local economy is healthcare, manufacturing, agriculture, and lumber.

Nacogdoches County Top Employers

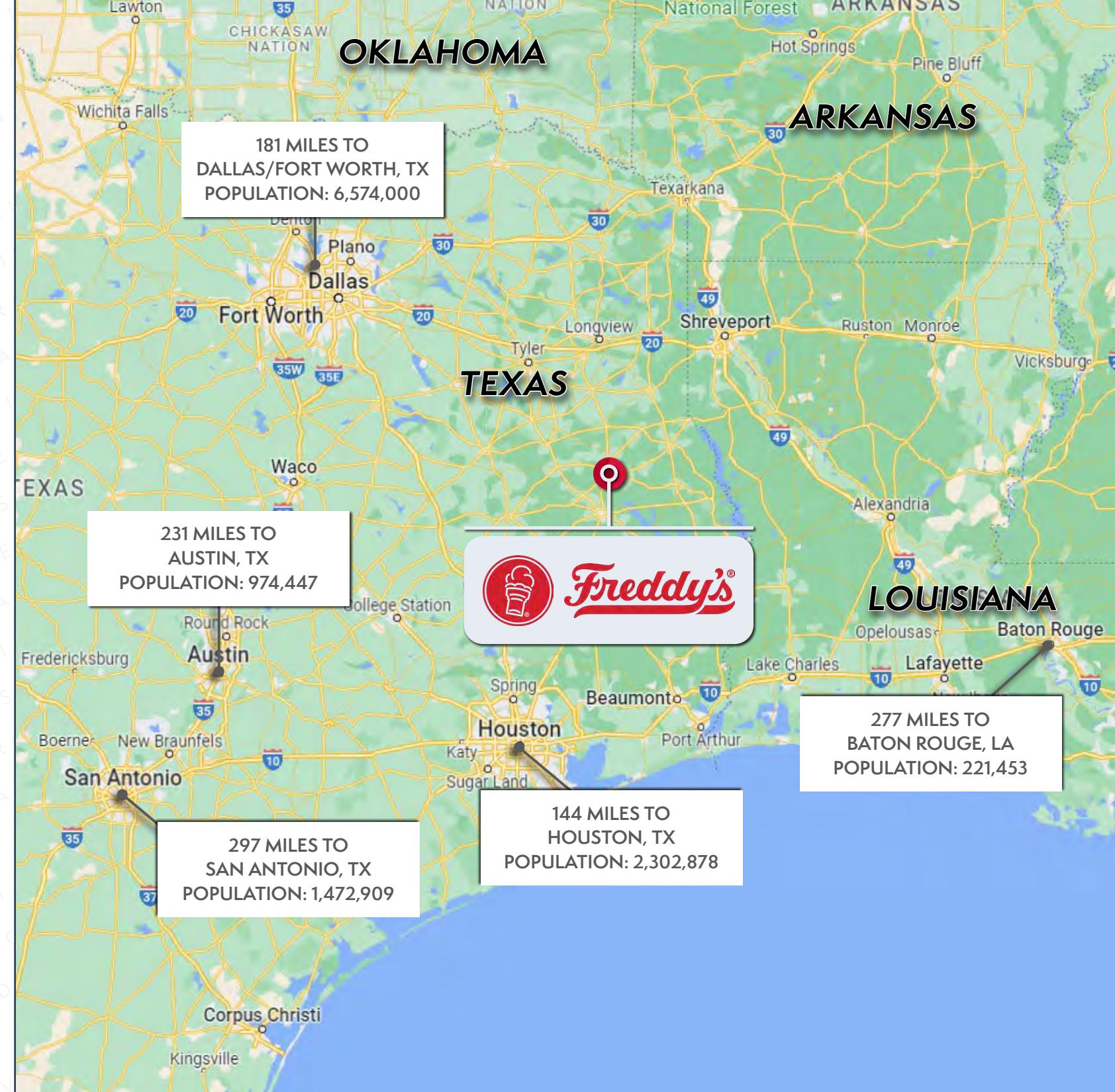
	# of Employees
1 Stephen F. Austin State University	1,571
2 Pilgrim's Pride	1,477
3 Nacogdoches Independent School District	1,047
4 Nacogdoches Memorial Hospital	616
5 Etech, Inc.	550

Nacogdoches Facts

- > Dubbed the #1 Small City in Texas by Cities Journal
- > The first official town in Texas, earning the nickname of "The Oldest Town in Texas"
- > Named one of the 100 Best Communities for Young People by Americas Promise Alliance
- > Largest Producer of blueberries in Texas
- > Nacogdoches County is ranked 9th in Texas Agricultural Production
- > Nacogdoches "Butcher Boys" has the #1 spot in Wide Open Eats "10 Best Burger Joints in Texas" list

2024 DEMOGRAPHICS

	1-MI	3-MI	5-MI
Population	4,529	24,754	37,196
Households	1,955	9,714	14,412
Daytime Demographics Age 16+	4,720	27,470	34,472
Median Age	27.5	29.2	30.6
Average Household Income	\$52,153	\$65,664	\$78,092



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By accepting this Marketing Brochure you agree to release Commercial Investment Advisors, Inc. | CIA Brokerage Company hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of any property.

FOR MORE INFORMATION:

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PAUL BLACKBURN
Designated Broker
Blackburn Properties
LIC # 376821

CIA commercial
investment
advisors



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:
 - 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 ESTABLISHED.

- 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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Sales Agent/Associate's Name	License No.	Email	Phone
Buyer/Tenant/Seller/Landlord Initials		Date	