CENTURY PARTNERS

In Association with Scott Reid & ParaSell, Inc.
A Licensed Texas Broker #9009637

Freddy's
FROZEN CUSTARD &
STEAKBURGERS®

Freddy's 20 Year Absolute NNN Sale-Leaseback

Laredo, Texas

- 20-Year Absolute NNN Sale-Leaseback
- Prime Retail Corridor
- Strong Store Sales
- Second-Largest Freddy's Operator

Offering Memorandum

2604 Bob Bullock Loop 20, Laredo, TX 78045

View Map

Advisory Team

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20-Year Absolute NNN Sale-Leaseback

Price	Cap Rate	NOI
$3,043,478	5.75%	$175,000

Investment Highlights

- New 20-Year Absolute NNN Lease
- Strong store sales of $2,524,000 (34% above Freddy's AUV)
- Sub 7% rent to sales ratio
- 2023 construction adjacent to a signalized hard corner in one of Laredo's primary commercial corridors
- Corporate Guaranty from the second-largest operator in the Freddy's system (47 units)

Location Highlights

- Bob Bullock and International Blvd retail corridor (20,000 VPD on the corner), across the street from Walmart Supercenter with proximity to other national retailers such as H-E-B, T.J. Maxx, Burlington, and Academy Sports + Outdoors.
- Located along the primary access route to and from United High School.
- Laredo is the #1 inland port in the United States: $353.9B in two-way trade in 2025, with 6M+ trucks crossing annually via the World Trade Bridge, driving sustained logistics employment and population growth
- Strong, growing trade area: $115,907 1-mile average household income with +2.55% projected 3-mile annual population growth
- Texas A&M International University (7,000+ students) within the trade area

Tenant Highlights

- Lone Star Custard Holdings, LLC: the Second-largest operator in the Freddy's system, with 47 restaurants across San Antonio, Austin, the Rio Grande Valley, and Houston
- Brand-new 20-year absolute NNN sale-leaseback with 10% increases every 5 years and (4) 5-year options
- Established brand: Freddy's boasts over 580 locations across 37 states

Aerial

Walmart
Smoothie King
AutoZone
Murphy USA
Discount Tire
verizon
Panda Express Chinese Kitchen
Applebee's
International Blvd (19,000 VPD)
Chick-fil-A
H-E-B
Ross Dress for Less
Taco Bell
Hobby Lobby
T.J.maxx
P.F. Chang's
McAlister's Deli
Papa Johns
Arby's
Bob Bullock Loop (20,000 VPD)
stripes
Subject Property
Spec's Wines · Spirits · Finer Foods
Whataburger
Bush's Chicken!

Freddy's FROZEN CUSTARD & STEAKBURGERS®

Lease Summary

Tenant	Lone Star Custard #23, LLC
Guaranty	Lone Star Custard Holdings, LLC (47-Unit Freddy's Operator)
Increases	10% every 5 years
Options	(4), 5-year
Lease Type	Absolute NNN (Sale-Leaseback)
Landlord Responsibilities	None
Lease Start	7/1/2026
Lease End	6/30/2046

Physical Description

Address	2604 Bob Bullock Loop 20, Laredo, TX 78045
Building Size	3,000
Land Size	1.30 AC (56,628 SF)
Parking Spaces	30
Parking Ratio	10.0
Year Built / Renovated:	2023
Zoning	B-4

Price	Cap Rate	NOI
$3,043,478	5.75%	$175,000

Period	Rent/Year	Rent/Month	Rent/SF	Cap Rate
Years 1 - 5	$175,000	$14,583	$4.86	5.75%
Years 6 - 10	$192,500	$16,042	$5.35	6.33%
Years 11 - 15	$211,750	$17,646	$5.88	6.96%
Years 16 - 20	$232,925	$19,410	$6.47	7.65%
Option 1	$256,218	$21,351	$7.12	8.42%
Option 2	$281,839	$23,487	$7.83	9.26%
Option 3	$310,023	$25,835	$8.61	10.19%
Option 4	$341,025	$28,419	$9.47	11.21%

About The Operator

The lease is guaranteed by Lone Star Custard Holdings, LLC, the second-largest operator in the Freddy's Frozen Custard & Steakburgers system. Built by Dallas-raised brothers John, Nick, and Joe DePinto, Lone Star Custard entered the Freddy's system in 2022 and has scaled to 47 restaurants across Texas, spanning the Dallas-Fort Worth, San Antonio, Austin, Houston, Rio Grande Valley, and Corpus Christi markets. With a corporate guaranty from the parent company standing behind the lease, the tenant offers credit depth backed by one of the largest and most established operating bases in the brand.

About Freddy’s Frozen Custard & Steakburgers

Co-founded in 2002 by brothers Bill and Randy Simon, along with their friend and business partner, Scott Redler, the three men named the restaurant after Bill and Randy’s father, Freddy Simon, a World War II veteran.

Today, Freddy’s restaurants from coast-to-coast serve a menu reminiscent of the all-American meals Freddy prepared for his family. Freddy’s offers a full menu of longtime favorites from steakburgers to sundaes, as well as hot dogs and chicken. Their kitchens prepare all food only after it is ordered to ensure high quality and freshness. Freddy’s locations pride themselves on being bright, clean, and efficient, with quick service and ample room for families to gather and enjoy their time together.

The Freddy’s concept is rapidly expanding, with the brand now having a presence of over 550 locations across 36 states, and it is slated to continue expanding its footprint with a strong pipeline fueled by continued franchise development success.

Market Overview

About Laredo, Texas

Laredo is the largest city on the Texas-Mexico border and the busiest inland port in the United States. Sitting on the Rio Grande across from Nuevo Laredo, it is the primary commercial gateway between the two countries: the Laredo land port, anchored by the World Trade Bridge, handled $353.9 billion in two-way trade in 2025 and processes more than six million northbound trucks per year, more than any other crossing in the country. That trade engine sustains a deep, expanding base of logistics, warehousing, customs-brokerage, and transportation employment.

The city is home to roughly 270,000 residents and continues to grow, with a young population and large household sizes that drive steady consumer demand. Laredo's retail base is unusually strong for a market its size: it remains under-stored relative to its population, draws substantial cross-border spending from Mexican nationals, and carries Texas's maximum 8.25% sales tax, all of which support high per-store sales. Texas A&M International University adds more than 7,000 students and ranks among the city's largest employers. As an income-tax-free market positioned at the center of North American trade, Laredo offers investors a durable, demand-driven economy.

Demographic Highlights

92,264

5-Mile Population

$115,902

1-Mile Average Income

Radius	1-Mile	3-Mile	5-Mile
Population (2024)	11,199	43,812	92,264
Average Income	115,902	107,494	99,518
Households	3,229	13,786	28,492

Major Employers in Laredo

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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.

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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