



Dairy Queen

1102 W US Hwy 60 | Friona, TX 79035

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES



Dairy Queen

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PROPERTY OVERVIEW



INVESTMENT HIGHLIGHTS

- **Low Rent** – The low rent at the offered location allows this site to currently operate approximately a 4.5% rent to sales ratio. Increasing the security and long term stability of this investment.
- **Strong Guarantee** – Project Lonestar Inc., one of the largest operators in the Dairy Queen System, currently operates over 40 Dairy Queen restaurants.
- **Absolute NNN** – No landlord responsibilities, providing a great investment for passive investors.
- **Tenant Commitment** – Tenant has recently invested roughly \$150,000 into the modernization and capital improvements of this location, which demonstrates a strong commitment to continued occupancy at this location.
- **Income Tax Free State** – Texas is an income tax free state.
- **Attractive Rent Increases** – This investment provides 10% rental increases at the beginning of each option period, enabling this asset to perform as a strong hedge against inflation.
- **Low Area Competition** – Located along the main corridor of Friona, the offered Dairy Queen's performance benefits from being one of two nationally operated Quick Services Restaurants in town. With this location being further bolstered by neighboring 23 Key Friona Inn and adjacent grocers Lowe's Market & Dollar General.
- **Recession Resistant** – Dairy Queen's value-driven menu and affordability align with budget-conscious consumers allowing steady performance through economic downturns.

PROPERTY PHOTOS



FINANCIAL OVERVIEW



\$535,000
LIST PRICE



\$38,865
NOI



7.26%
CAP RATE



±2,560 SF
GLA



±0.77 AC
LOT SIZE



TENANT SUMMARY

Tenant Trade Name	Dairy Queen
Type of Ownership	Fee Simple
Lease Guarantor	Project Lonestar inc.
Lease Type	Absolute NNN
Landlords Responsibilities	None
Original Lease Term	20 Years
Rent Commencement Date	09/08/2005
Lease Expiration Date	08/31/2025
Term Remaining on Lease	±1.8 Years
Increases	10% at Beginning of Each Option Period
Options	Four, 5-Year Periods
Drive Thru	Yes

FINANCIAL OVERVIEW

ANNUALIZED OPERATING DATA				
	MONTHLY RENT	ANNUAL RENT	RENT PSF	CAP RATE
Current	\$3,238.76	\$38,865.12	\$15.18	7.26%
Option 1	\$3,562.64	\$42,751.68	\$16.70	7.99%
Option 2	\$3,918.90	\$47,026.80	\$18.37	8.79%
Option 3	\$4,310.87	\$51,729.53	\$20.21	9.67%
Option 4	\$4,741.87	\$56,902.44	\$22.23	10.64%



TENANT PROFILE



Stepping into a Dairy Queen establishment, you're greeted with a friendly and vibrant atmosphere that appeals to people of all ages. The iconic logo featuring a smiling ice cream cone and the distinct pastel color scheme set the tone for a cheerful and inviting experience.

At the heart of Dairy Queen's offerings is their renowned soft-serve ice cream, which serves as the canvas for a plethora of delightful creations. The menu boasts an array of options, from classic cones and sundaes to inventive Blizzard treats. A Blizzard is a signature creation where a generous portion of creamy soft-serve ice cream is blended with various mix-ins, resulting in a delectable and indulgent dessert experience. The mix-ins range from candies and cookies to fruits and nuts, allowing customers to personalize their treat to their liking.

Dairy Queen's charm lies not only in its delicious offerings but also in its sense of nostalgia and community. Many locations maintain a classic design reminiscent of the brand's early days, evoking a sense of Americana and simpler times. The familiar image of families, friends, and individuals gathering at Dairy Queen to enjoy their treats underlines its role as a cherished destination for creating lasting memories.

HEADQUARTERS

Bloomington, MN

WEBSITE

dairyqueen.com

OF LOCATIONS

6,000+

YEAR FOUNDED

1940



AREA OVERVIEW



FRIONA, TX

Friona, Texas, is a charming community situated in Parmer County, known for its welcoming atmosphere and strong agricultural roots. With a population that values close-knit relationships, Friona embodies the warmth of small-town living. The town thrives on its agricultural economy, primarily driven by ranching and farming activities, including the production of crops like corn, wheat, and sorghum.

Friona is often referred to as the "Cheeseburger Capital of Texas" due to the presence of a major beef processing plant in the area. Residents enjoy a range of community events and activities, fostering a sense of unity. The town's educational system is a focal point, providing quality schooling options. Friona's rural charm, coupled with its economic vitality and community spirit, makes it a distinctive and appealing place to call home.

DEMOGRAPHICS			
POPULATION	1-MILE	3-MILE	5-MILE
Current Year Estimate	2,889	4,294	4,405
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
Current Year Estimate	966	1,425	1,467
2020 Census	958	1,402	1,442
Growth 2020-Current Year	0.81%	1.63%	1.73%
INCOME	1-MILE	3-MILE	5-MILE
Average Household Income	\$109,126	\$100,813	\$104,132

FRIONA HIGH SCHOOL
285 STUDENTS



**DOLLAR
GENERAL**



FRIONA
TEXAS FEDERAL CREDIT UNION

4 WAY PUMP SERVICES INC
WELL DRILLING CONTRACTOR

AMERICAN CANVAS
FABRIC STORE

**FRIONA
INN**



DQ
SUBJECT PROPERTY

MOTION



CARNICERIA HERNANDEZ
RESTAURANT



FRIONA HIGH SCHOOL
285 STUDENTS



AMERICAN CANVAS
FABRIC STORE



SUBJECT PROPERTY



4 WAY PUMP SERVICES INC
WELL DRILLING CONTRACTOR

CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at **1102 W US Hwy 60, Friona, TX, 79035** ("Property"). The 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 and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, 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.

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.

Matthews Real Estate Investment Services is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any entity's name or logo, including any commercial tenant's name or logo, is informational only and does not indicate or suggest any affiliation and/or endorsement of Matthews Real Estate Investment Services, the property, or the seller by such entity.

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 Owner 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 of this Offering Memorandum.

Net Lease Disclaimer – There are many different types of leases, including gross, net, single net ("N"), double net ("NN"), and triple net ("NNN") leases. The distinctions between different types of leases or within the same type of leases, such as "Bondable NNN," "Absolute NNN," "True NNN," or other NNN leases, are not always clear. Labels given to different leases may mean different things to different people and are not defined legal terms. Buyers cannot rely on the labels or marketing descriptions given to any lease when making their purchasing decisions. Buyers must closely review all lease terms and are advised to seek legal counsel to determine the landlord and tenant's respective rights and duties under the lease to ensure the lease, regardless of how labeled or described, meets the buyers' particular needs.



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REAL ESTATE INVESTMENT SERVICES



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.

11-2-2015



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 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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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