



DUTCH BROS COFFEE

HOUSTON, TEXAS

YURAS
AICALE
FORSYTH
CROWLE

Leased Investment Team

OFFERING MEMORANDUM

\$2,352,000 | 4.25% CAP RATE

- » 15-Year Absolute NNN Lease with Corporate Guaranty
- » 10% Rental Increases Every Five Years
- » Dutch Bros is the Country's Largest Privately Held Drive-Thru Coffee Chain with A Goal of Adding More Than 500 New Sites by 2023
- » Dutch Bros is on Track to Open More Than 100 Stores in 2021
- » Located in Densely Populated and Extremely Affluent Texas Retail Corridor
- » High-Visibility Location Along Interstate 45 (245,041 AADT)
- » Population of 243,208 Within a Five-Mile Radius of the Site, Providing an Extremely Large Customer Base for the Property
- » Central Location Near Large Employers, Retailers, and Community Hubs
- » Shadow-Anchored by Topgolf
- » Beneficial Proximity to Highly Attended Houston Schools, Including Spring High School and Dekaney High School (Combined 4,983 Students)
- » New 2021 Construction Featuring Dedicated Double Drive-Thru
- » Texas Has No State Income Tax, Estate Tax, or Inheritance Tax



REPRESENTATIVE PHOTO

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Cushman & Wakefield ("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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**YURAS
AICALE
FORSYTH
CROWLE**

Leased Investment Team

www.YAFteam.com

INVESTMENT SUMMARY

ADDRESS	19730 Interstate 45, Spring, Texas 77373		
PRICE	\$2,352,000		
CAP RATE	4.25%		
NOI	\$99,926		
TERM	July 30, 2021 (estimated)		
RENT COMMENCEMENT	July 31, 2036 (estimated)		
LEASE EXPIRATION	15 years from rent commencement date		
RENTAL INCREASES	10% rental increases every five (5) years		
	YEAR	RENT	RETURN
	1-5	\$99,926	4.25%
	6-10	\$109,919	4.68%
	11-15	\$120,910	5.14%
	16-20 (Option 1)	\$133,002	5.66%
	21-25 (Option 2)	\$146,302	6.22%
	26-30 (Option 3)	\$160,932	6.84%
	31-35 (Option 4)	\$177,025	7.53%
YEAR BUILT	2021 (under construction)		
BUILDING SF	920 SF		
PARCEL SIZE	.469 acres (20,430 SF)		
LEASE TYPE	Absolute NNN lease, with tenant responsible for all taxes, insurance, and maintenance, including roof, structure, and parking lot		

NEW 15-YEAR ABSOLUTE NNN LEASE WITH SCHEDULED RENTAL INCREASES TO STRONG RETAIL TENANT

- » New 15-year absolute NNN lease with four (4) five (5) year options, creating a stable, long-term investment
- » 10% rental increases every five years, providing a hedge against inflation
- » Absolute NNN lease requires zero landlord management, ideal for an out-of-area investor
- » Dutch Bros is the country's largest privately held drive-thru coffee chain with a goal of adding more than 500 new sites by 2023

LOCATED IN DENSELY POPULATED AND EXTREMELY AFFLUENT TEXAS RETAIL CORRIDOR

- » High-traffic location along Interstate 45 (245,041 AADT), a major north-south Texas thoroughfare that significantly increases traffic to the site
- » Beneficial proximity to highly trafficked Houston thoroughfares, including Cypresswood Drive (20,821 AADT)
- » Population of 243,208 within a five-mile radius of the site, providing an extremely large customer base for the property
- » Average annual household income of \$118,350 within one mile of the site
- » Projected 12 percent average annual household income increase within a one-mile radius of the site in the next five years, poising Dutch Bros and Houston for significant concurrent growth

CENTRAL LOCATION NEAR LARGE EMPLOYERS, RETAILERS, AND COMMUNITY HUBS

- » Shadow-anchored by Topgolf, greatly increasing traffic to the location
- » Surrounded by a strong mix of local and national retailers, including Target, Best Buy, Conn's HomePlus, McAlister's Deli, American Freight, The Home Depot, Office Depot, Taco Bell, Starbucks, and many more
- » Beneficial proximity to highly attended Houston schools, including Spring High School and Dekaney High School (combined 4,983 students)
- » Surrounded by high-density single-family housing developments and large apartment and townhouse complexes
- » Common gateway to Houston, the fourth-largest city in the U.S. (pop. of 2.3 million)

NEW 2021 CONSTRUCTION IN INCOME TAX FREE STATE

- » 2021 construction featuring a dedicated dual-lane drive-thru, providing additional customer convenience and boosting sales revenue
- » Features latest store designs and concepts
- » Texas has no state income tax, estate tax, or inheritance tax



REPRESENTATIVE PHOTO



EXXON
(10,000 employees)



AutoNation
Chrysler Dodge Jeep Ram
Houston



Walgreens
POPEYES
+LOUISIANA KITCHEN+
Denny's
Office DEPOT
Pizza Hut
THE HOME DEPOT

AMC
THEATRES
urbanAir
ADVENTURE PARK

smashburger
smash. sizzle. savor.



FIREHOUSE
SUBS
FOUNDED BY FIREMEN



STAPLES

BEST BUY

DeMontrond RV Spring

Northland Center
Academy
goodwill
McDonald's
SUBWAY
EXXON

Bank of America



golden corral

Lowe's

SONIC
America's Drive-In.

Jack
in the box

TACO BELL

Freddy's
STEAKBURGERS

Spring High School
(2,842 students)



at&t

AMERICAN FREIGHT
FURNITURE - MATTRESS
Conn's
HomePlus

McALISTER'S
DELI
BOOT BARN



DUTCH BROS
(Under Construction)

45
Interstate 45
(245,041 AADT)
North Freeway Service Road

Cypresswood Drive
(20,821 AADT)

McNabb Elementary School
(716 students)

Gulf States Toyota
Vehicle Processing Center



Dekaney High School
(2,141 students)

Meyer Elementary School
(736 students)



Miner Material
Handling



Cypresswood Drive
(20,821 AADT)



Interstate 45
(245,041 AADT)



DeMontrond RV Spring

Spring High School
(2,842 students)

North
Freeway
Service
Road



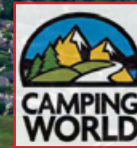
GEORGE BUSH INTERCONTINENTAL/
HOUSTON AIRPORT



Gulf States Toyota
Vehicle Processing Center

Cypress Creek
Park at Timberlane

Miner Material
Handling



Cypresswood Drive
(20,821 AADT)



Spring High School
(2,842 students)



North Freeway Service Road



DeMontrond RV Spring

Interstate 45
(245,041 AADT)





Haude Elementary School
(721 students)



DeMontrond RV Spring



Interstate 45
(245,041 AADT)

North Freeway Service Road



Spring High School
(2,842 students)



Cypresswood Drive
(20,821 AADT)

SITE PLAN



Dutch Bros
920 SF

Freddy's
STEAKBURGERS

McALISTER'S
DELI
BOOT BARN

NORTH FREEWAY SERVICE ROAD

INTERSTATE 45 NORTH

DRIVE-THRU

DRIVE-THRU

DRIVE-THRU

DRIVE-THRU

TENANT SUMMARY



Dutch Bros Coffee, founded in 1992 and headquartered in Grants Pass, Oregon, is the country's largest privately held drive-thru coffee chain with company-owned and franchise locations throughout the Western United States. Dutch Bros has over 400 locations throughout seven states and over 12,000 team members. In 2017, Forbes named Dutch Bros one of its Small Giants: Best Small Companies. Dutch Bros, its owner/operators and the Love Abounds Foundation remain committed to the community, donating millions of dollars annually to nonprofit organizations and local causes.

For more information, please visit www.dutchbros.com.

OWNERSHIP	Private	HEADQUARTERS	Grants Pass, OR
LOCATIONS	400+	SALES	\$494M

LEASE ABSTRACT

TENANT	Dutch Bros		
ADDRESS	19730 Interstate 45, Spring, Texas 77373		
RENT COMMENCEMENT	July 30, 2021 (estimated)		
LEASE EXPIRATION	July 31, 2036 (estimated)		
RENEWAL OPTIONS	Four (4) options of five (5) years each		
RENTAL INCREASES	YEAR	RENT	RETURN
	1-5	\$99,926	4.25%
	6-10	\$109,919	4.68%
	11-15	\$120,910	5.14%
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	26-30 (Option 3)	\$160,932	6.84%
	31-35 (Option 4)	\$177,025	7.53%
REAL ESTATE TAXES	Tenant is responsible for all real estate taxes.		
INSURANCE	Tenant is responsible for all insurance costs.		
REPAIR & MAINTENANCE	Tenant is responsible for all maintenance including roof, structure and parking lot.		
MAINTENANCE BY LANDLORD	None		
RIGHT OF FIRST REFUSAL	None		

PROPERTY OVERVIEW

LOCATION

The property is conveniently located along Interstate 45 (245,041 AADT), a major north-south Texas thoroughfare that significantly increases traffic to the site. The location is strategically placed near highly trafficked Houston thoroughfares, including Cypresswood Drive (20,821 AADT). The site is also located in a densely populated area, with a population of 243,208 within a five-mile radius of the property. This is an extremely affluent area as well, with an average annual household income of \$118,350 within one mile of the site. With a projected 12 percent average annual household income increase within a one-mile radius of the site in the next five years, Dutch Bros and Houston are poised for significant concurrent growth.

Visibility to the property is increased by the site's centralized location near large employers, retailers, and community hubs. The property is shadow-anchored by Topgolf, greatly increasing traffic to the site. The location is surrounded by many major national retailers, including Target, Best Buy, Conn's HomePlus, McAlister's Deli, American Freight, The Home Depot, Office Depot, Taco Bell, Starbucks, and many others. The site also maintains a beneficial proximity to highly attended Houston schools, including Spring High School and Dekaney High School, which have a combined 4,983 students. The property is surrounded by high-density single-family housing developments and serves as a common gateway to Houston, the fourth-largest city in the U.S. (population of 2.3 million people).

ACCESS

Access from North Freeway Service Road

TRAFFIC COUNTS

Interstate 45: 245,041 AADT
Cypresswood Drive: 20,821 AADT

YEAR BUILT

2021 (under construction)

NEAREST AIRPORT

George Bush Intercontinental Houston Airport (IAH) | 12 miles



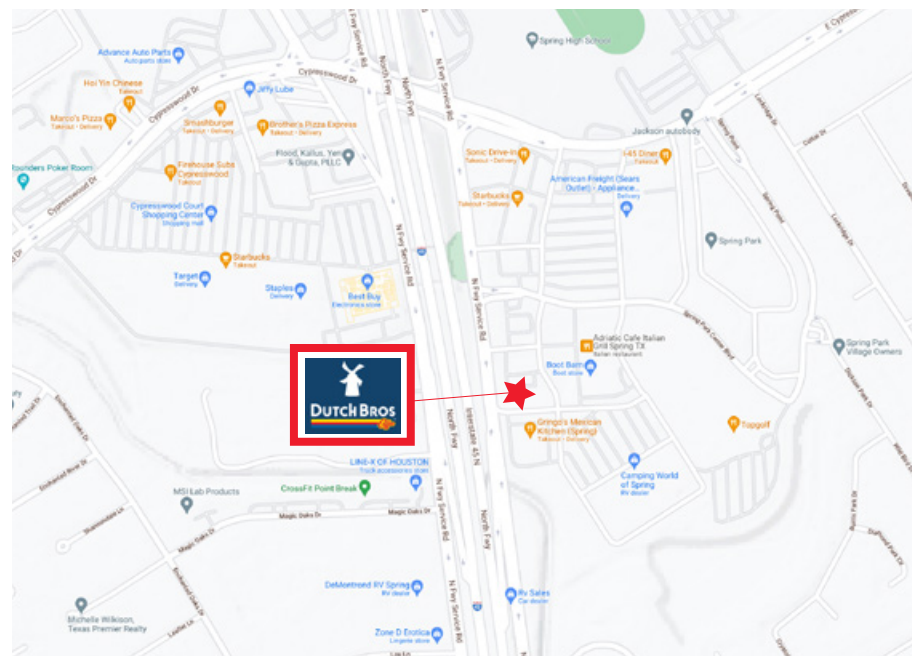
AREA OVERVIEW

Houston is the fourth largest city in the United States and the largest city in Texas, with a population of 2.3 million people. Houston has a diverse and broad economic base in the healthcare, energy, aeronautics, and technology industries, and is home to the second most Fortune 500 company headquarters in the U.S. Houston also has a strong international presence; the Port of Houston ranks first in the United States in international commerce and is the 16th busiest port in the world. More than 90 foreign governments have consular representation in Houston, and there are 35 active foreign chambers of commerce and trade associations in the city. Additionally, 19 foreign banks representing nine nations operate in Houston, providing financial assistance to the international community.

Houston is the seat of Harris County and the economic center of the Houston–Sugar Land–Baytown Metropolitan Statistical Area (MSA), the fifth largest metropolitan area in the U.S., with 6.8 million residents. The Houston MSA is growing rapidly; from 2000 to 2030, the metropolitan area is projected to rank fifth in the nation in population growth—adding 2.66 million people. The metro area is the largest economic and cultural center of the American South and is included in the Texas Triangle megapolitan area, anchored by the metro areas of Houston, Dallas–Fort Worth, and San Antonio. The Texas Triangle is home to more than 70 percent of all Texans. In the next 40 years, the population of the Texas Triangle has been projected to grow more than 65 percent, or an additional 10 million people, leading to 78 percent of Texans living and working within the Texas Triangle.

- » Metro Houston added nearly 92,000 residents in 2018, boosting the region's population to nearly 7 million. Since the April 2010 census, Houston has added nearly 1.1 million residents, a gain comparable to what the region saw in the 2000s. Houston's population should exceed 7.1 million by the end of the decade.
- » Every county in the Houston metro area gained population in 2018, with Harris County capturing the most residents.
- » Houston-area realtors sold 7,072 single-family homes in March 2019, a 4.9 percent increase from last year and a record for the month of March, according to data from the Houston Association of Realtors (HAR). The single-family home median price increased 2.1 percent to \$240,000.
- » Houston is home to the Texas Medical Center, the largest medical center in the world, with more than 106,000 employees, 58 institutions, thousands of volunteers, and 10 million patient visits per year.

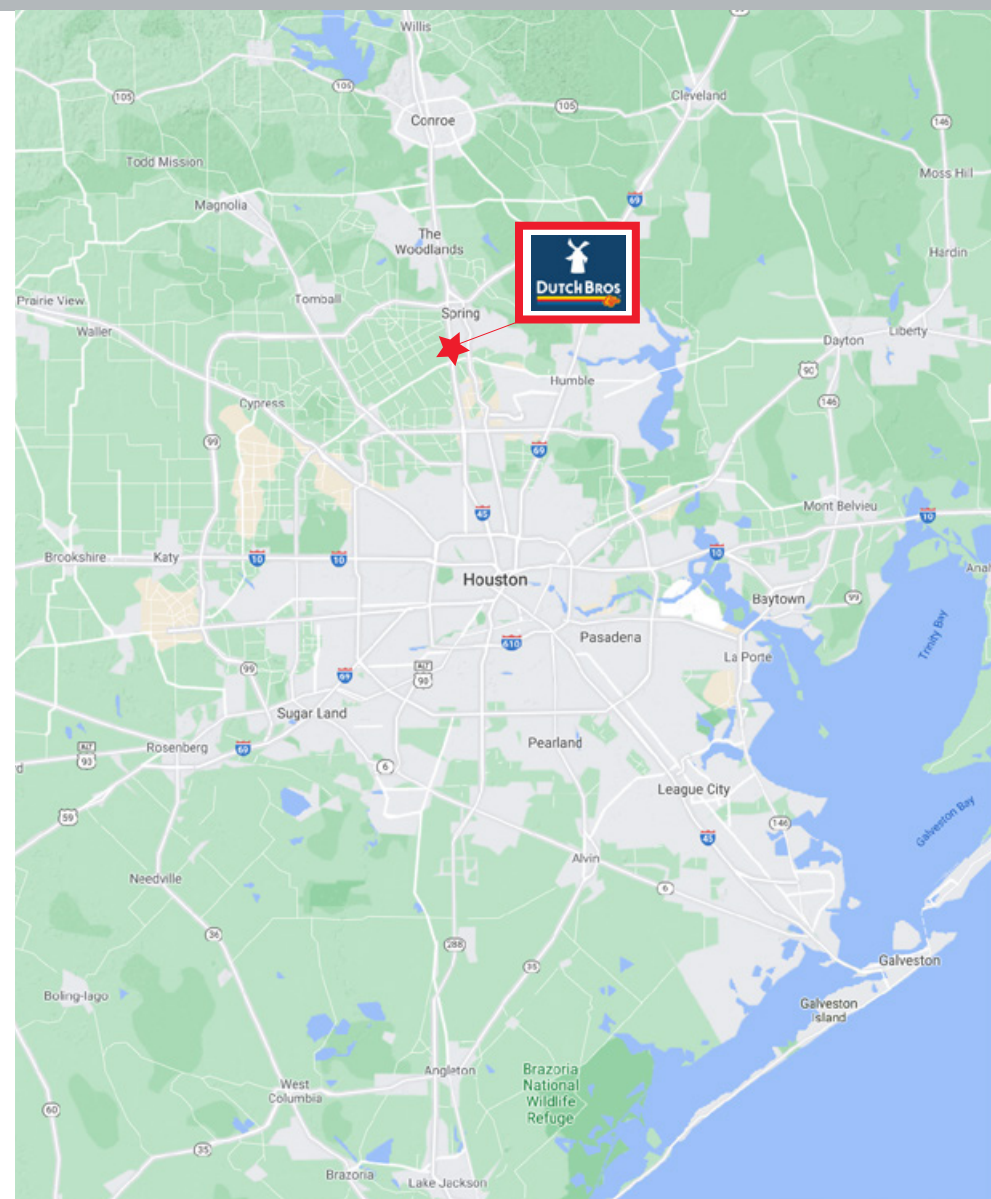
LARGEST EMPLOYERS IN HOUSTON MSA, TEXAS	# OF EMPLOYEES
WALMART	34,000
H-E-B	26,956
MEMORIAL HERMANN HEALTH SYSTEM	26,011
HOUSTON METHODIST	22,247
THE UNIVERSITY OF TEXAS MD ANDERSON	20,189
KROGER	17,188
MCDONALD'S	16,100
JOHNSON SPACE CENTER	14,200
UNITED AIRLINES	14,084
TEXAS CHILDREN'S HOSPITAL	13,445



DEMOGRAPHIC PROFILE

2020 SUMMARY	1 Mile	3 Miles	5 Miles
Population	9,857	101,506	243,208
Households	3,550	35,694	82,911
Families	2,701	25,734	61,152
Average Household Size	2.78	2.84	2.93
Owner Occupied Housing Units	2,752	20,791	50,835
Renter Occupied Housing Units	798	14,904	32,076
Median Age	38.4	33.8	33.3
Average Household Income	\$118,350	\$88,218	\$91,249

2025 ESTIMATE	1 Mile	3 Miles	5 Miles
Population	10,631	110,052	263,700
Households	3,805	38,414	89,173
Families	2,898	27,713	65,851
Average Household Size	2.79	2.89	2.95
Owner Occupied Housing Units	2,952	22,256	54,841
Renter Occupied Housing Units	854	16,158	34,333
Median Age	38.7	34.1	33.4
Average Household Income	\$131,988	\$97,100	\$100,831



AVERAGE HOUSEHOLD INCOME OF \$118,350
WITHIN FIVE MILES



POPULATION OF 243,208
WITHIN FIVE MILES

INFORMATION ABOUT BROKERAGE 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:
 - 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.

Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
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	



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