

Dairy Queen

483 SOUTHEAST 5TH STREET
MADRAS, OREGON 97741

Absolute-Net Lease:

No Landlord Responsibilities, New 20-Year Lease with 7.5% Increases Every 5-Years. Dairy Queen will have Four, 5-Year Options to Extend

Very Strong Franchisee Guaranty:

11-Unit Guaranty by DND Groups, Inc. with a total of 29 Units Across 5 States with 15-Years of Operating Experience

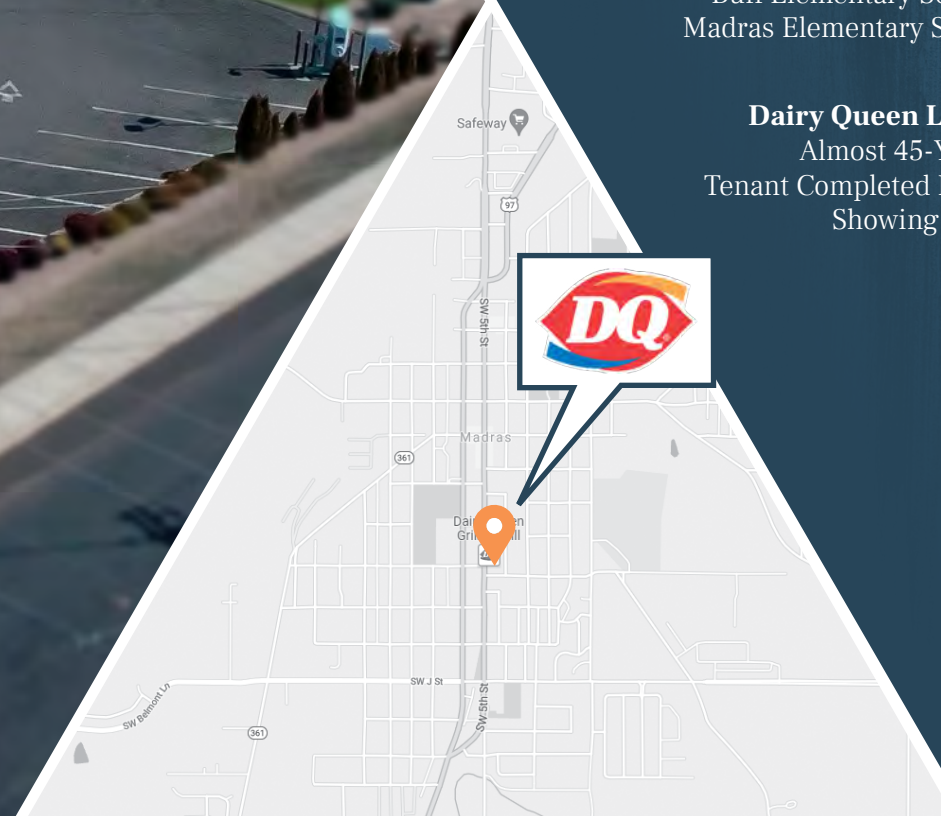
Within 1/2 Mile from Madras Schools:

Madras High School (682 Students);
Buff Elementary School (320 Students);
Madras Elementary School (417 Students)

Dairy Queen Long Term Tenancy:

Almost 45-Years at this Location
Tenant Completed Full Remodel in 2018
Showing Strength of Location

Marcus & Millichap
THE DELTONDO GROUP



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INVESTMENT HIGHLIGHTS

- ✓ **Absolute-Net Lease:** No Landlord Responsibilities, New 20-Year Lease with 7.5% Increases Every 5-Years. Dairy Queen will have Four, 5-Year Options to Extend
- ✓ **Very Strong Franchisee Guaranty:** 11-Unit Guaranty by DND Groups, Inc. with a total of 29 Units Across 5 States with 15-Years of Operating Experience
- ✓ **Nearby National Tenants:** AutoZone, Columbia Bank, Wells Fargo, O'Reilly Auto Parts, A&W Restaurant, Black Bear Diner, Taco Bell, Sonic Drive-in, McDonald's, Subway, Safeway & Dollar Tree

- ✓ **Within 1/2 Mile from Madras Schools:** Madras High School (682 Students); Buff Elementary School (320 Students); Madras Elementary School (417 Students)
- ✓ **Strategic Retail Location:** Frontage on Southeast 5th Street which Oversees ±12,400 Vehicles Per Day; Almost 45-Years of Operation at this Site Showing Strengh of Location
- ✓ **Less Than 1 Mile from St. Charles Madras Hospital:** St. Charles Madras Serves all of Jefferson County with 36 Licensed Beds and ±240 Employees.



INVESTMENT SUMMARY

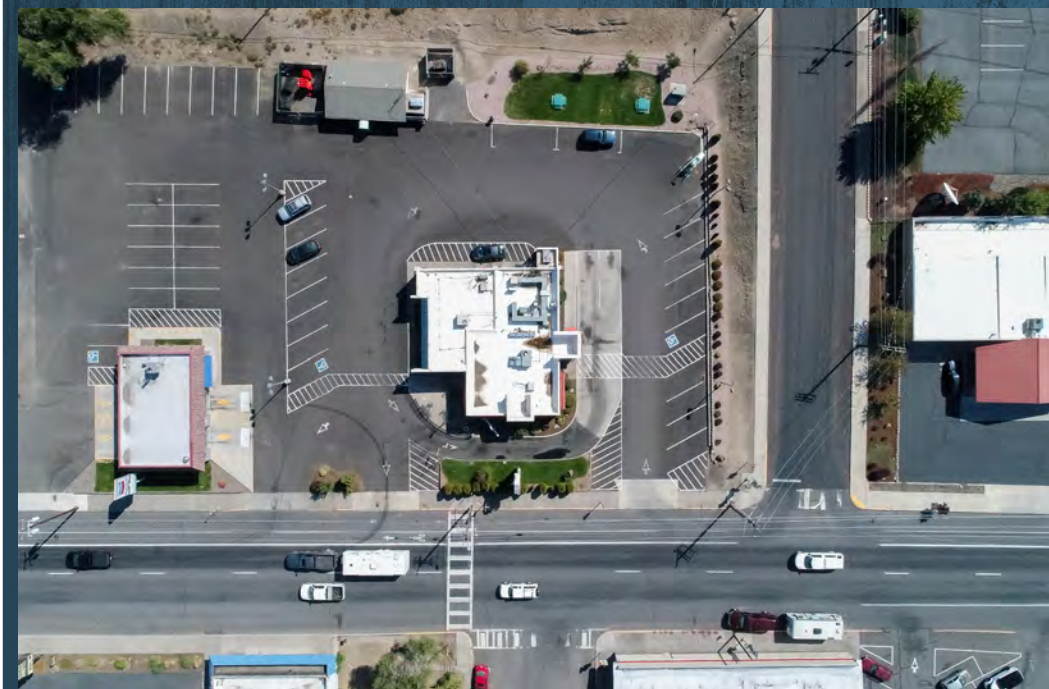
| | |
|----------|--|
| ADDRESS: | 483 Southeast 5th Street Madras, Oregon 97741 |
| PRICE: | \$2,657,142 |
| CAP: | 5.25% |
| NOI: | \$139,500 |

DEMOGRAPHICS

| | 3-MILE | 5-MILE | 10-MILE |
|-------------|----------|----------|----------|
| POPULATION: | 3,024 | 12,057 | 15,361 |
| HOUSEHOLDS: | 1,135 | 4,480 | 5,470 |
| HH INCOME: | \$64,483 | \$63,878 | \$65,358 |



BIRDS EYE VIEW



PROPERTY DESCRIPTION

PROPERTY ADDRESS:

483 Southeast 5th Street
Madras, Oregon 97741

LEASE TYPE:

Absolute-Net

BUILDING SIZE:

3,192 SF

YEAR BUILT / REMODEL:

1977 / 2018

LOT SIZE:

30,056 SF

ACCESS & FRONTAGE

SE 5th St. (±12,400 VPD)

TENANT PROFILE



COMPANY NAME
DND Groups, Inc.

NUMBER OF STORES
29

HEADQUARTERS
Lake Forest, CA

YEAR FOUNDED
2007

WEBSITE
www.dndgroups.com

Dairy Queen, often abbreviated DQ, is a chain of soft serve ice cream and fast-food restaurants owned by International Dairy Queen, Inc., A Subsidiary of Berkshire Hathaway. International Dairy Queen, Inc., Also owns Orange Julius and Karmelkorn. DQ operators have been providing consumers with treats and food since 1940 and is headquartered in Edina, Minnesota.

DQ Grill & Chill locations feature hot food, treats, table delivery and self-serve soft drinks. In most cases, they offer an expanded menu including breakfast, GrillBurgers, and grilled sandwiches, as well as limited table service (customers still place orders at the counter). They also contain self-serve soft drink fountains allowing free refills.

The franchisee at this location currently operates 24 Dairy Queen units & 5 Taco John's in Colorado, Washington, Wyoming, Oklahoma and Oregon. They have 15 years of operating experience with multiple concepts. Founded in 1995 they are headquartered in Laguna Hills, California.



TENANT SUMMARY

| | |
|----------------------------|-------------------------------|
| TENANT NAME: | Dairy Queen |
| OPERATOR: | DND Groups, Inc. |
| GUARANTY: | 11-Units |
| TYPE OF OWNERSHIP: | Fee Simple |
| LEASE TYPE: | Absolute-Net |
| LANDLORD RESPONSIBILITIES: | None |
| LEASE COMMENCEMENT: | Close of Escrow |
| LEASE EXPIRATION: | 20 Years from Close of Escrow |
| TERM REMAINING: | 20-Years |
| INCREASES: | 7.5% Every 5-Years |
| OPTIONS: | Four, 5-Year |

Seller is in a contract position on the real estate and business and is therefore not the current holder of title. Seller will obtain title on both the business and the property no later than the closing date of this subsequent transaction being marketed

ANNUALIZED OPERATING DATA

| Base Rent | ANNUALLY | MONTHLY |
|--------------------------|--------------|-------------|
| Close of Escrow - Year 5 | \$139,500.00 | \$10,462.50 |
| Year 6 - Year 10 | \$149,962.50 | \$11,247.19 |
| Year 11 - Year 15 | \$161,209.69 | \$12,090.73 |
| Year 16 - Year 20 | \$173,300.41 | \$12,997.53 |
| Options to Renew | | |
| Year 20 - Year 25 | \$186,297.95 | \$13,972.35 |
| Year 26 - Year 30 | \$200,270.29 | \$15,020.27 |
| Year 30 - Year 35 | \$215,290.56 | \$16,146.79 |
| Year 35 - Year 40 | \$231,437.36 | \$17,357.80 |







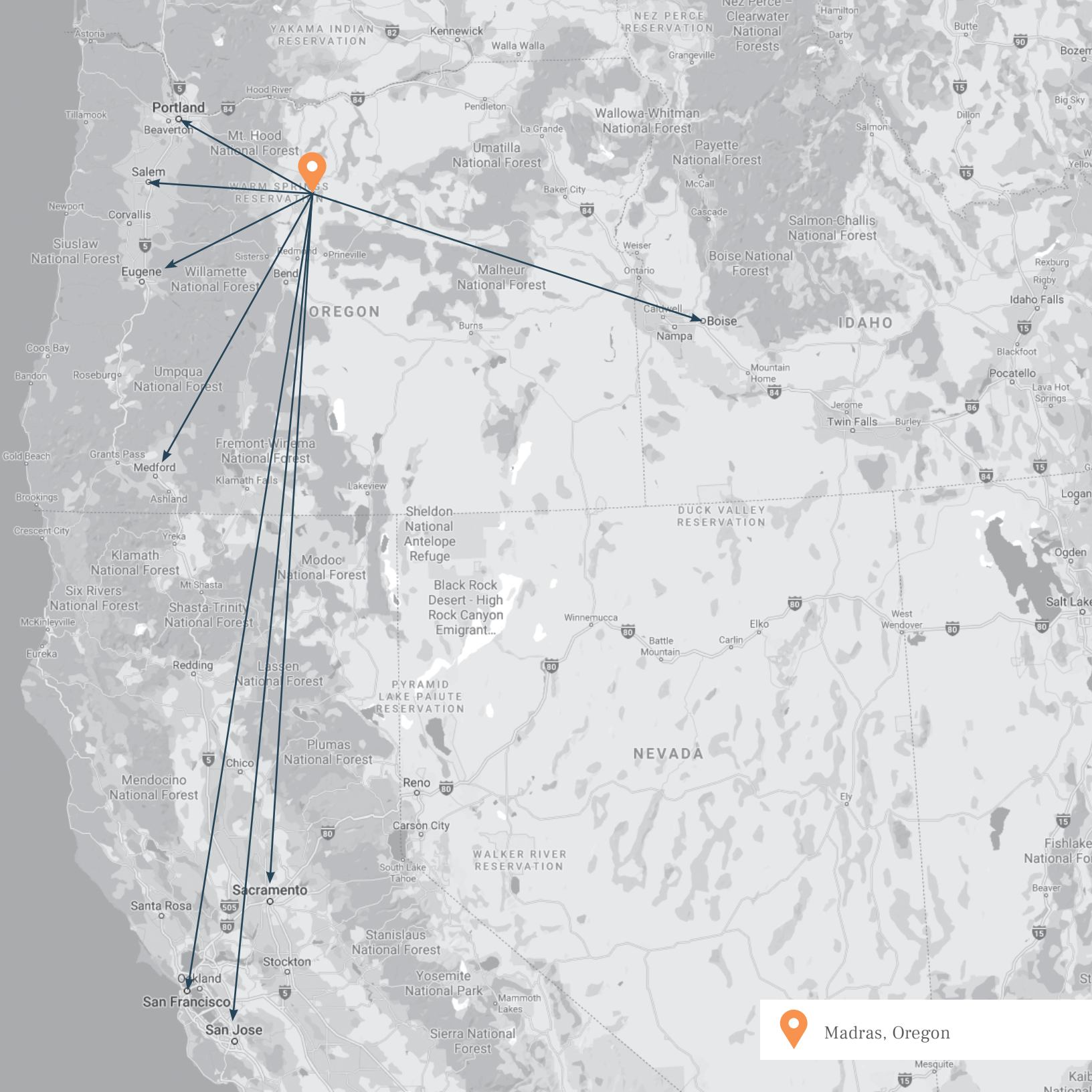
Southeast 5th Street (±12,400 VPD)

Southeast 5th Street (±12,400 VPD)



DISTANCE FROM SUBJECT PROPERTY

| | |
|-------------|-------------------|
| 119 - Miles | Portland, OR |
| 152 - Miles | Eugene, OR |
| 153 - Miles | Salem, OR |
| 284 - Miles | Seattle, OR |
| 334 - Miles | Boise, ID |
| 478 - Miles | Sacramento, CA |
| 533 - Miles | San Fransisco, CA |
| 566 - Miles | San Jose, CA |



Madras, Oregon

MADRAS, OREGON

Located in Central Oregon, Madras offers high desert scenery and panoramic views of the magnificent Cascade Mountain Range with many outdoor recreation opportunities including cycling, fishing, golf, hiking, rockhounding, and water sports with winter sports just a short drive away.

The city has an exceptional aquatic center, Performing Arts Center, extensive green spaces, skate park, trail system and a kids' fishing pond. Nearby attractions include Indian Head Casino, Erickson Aircraft Collection, the Palisades at Lake Billy Chinook, the Metolius Wild & Scenic River, Lake Simtustus, Mt. Jefferson Wilderness area, and so much more. Madras was one of the premier viewing locations for the August 21, 2017 Total Solar Eclipse where approximately 100,000 visitors converged for the experience of a lifetime!

Our community is a blend of industry, agriculture and recreation. Our residents enjoy a variety of employment opportunities, including manufacturing, aviation, agriculture, retail, education, tourism and health care.

Madras is a caring community with significant collaboration between residents, businesses, government, service organizations and churches to provide a top-notch quality of life for all ages.



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This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this offering memorandum has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONTACT THE MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

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NET LEASED DISCLAIMER

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows: The information contained in this marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided. As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer. Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors. Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property. By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

COVID-19 NOTICE

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.)

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