

DUTCH BROTHERS

BROKEN ARROW (TULSA), OKLAHOMA



A SINGLE TENANT ABSOLUTE NNN LEASE OFFERED EXCLUSIVELY BY

DUWEST
INVESTMENT SERVICES

INVESTMENT SALES

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STATEMENT OF CONFIDENTIALITY AND DISCLAIMER

The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the retail property known as Dutch Brothers, 701 E. Kenosha St. Broken Arrow, OK 74012 being approximately 950 square feet of improvements and situated on .69 acres of land ("the "Property"). It is not to be used for any other purpose or made available to any other person without the express written consent of Seller or DuWest Realty, LLC ("DW"). The material herein is based in part upon information supplied by the Seller and in part upon information obtained by DW from sources it deems reliable. No representation or warranty, expressed or implied, is made by the Seller, DW, or any of their respective affiliates as to the accuracy or completeness of the information contained herein. Prospective purchasers should conduct their own independent investigation, conduct their own due diligence, and form their own conclusions without reliance upon the material contained herein. 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 and Sale Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or DW or any of their affiliates or any of their respective officers, directors, owners, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property. Prospective purchasers are not to construe the contents of this Offering Memorandum or any prior or subsequent communication from DW or Seller or their affiliates or any of their respective officers, directors, owners, or agents as legal, tax, or other advice. Prior to forming their acquisition value of the Property, prospective purchasers should consult with their own legal counsel and tax advisors to determine the consequences of an investment in the Property and arrive at an independent evaluation of such investment.

EXECUTIVE SUMMARY

DuWest Realty Investment Services has been exclusively retained to present the opportunity to acquire Dutch Brothers ("The Property"), a 850 SF single tenant absolute net lease retail property located in Broken Arrow, OK (southeast Tulsa submarket). The Property is located at the intersection E. Kenosha St. And S. 177th E. Ave seeing approximately 47,381 combined vehicles per day.

Dutch Brothers (also known as Dutch Bros) is an American quick service, drive thru coffee chain that started in Oregon and now operates over 500 Stores in 11 states. Founded in 1992 by brothers Dane and Travis Boersma, Dutch Bros is a high growth operator and franchisor of drive-thru shops that focus on serving high quality, hand-crafted beverages with unparalleled speed and superior service.

CLICK HERE FOR:

DUTCH BROTHERS - VIDEOGRAPHY



In order to become an operator of a Dutch Brothers coffee shop, one must follow the Leadership Pathway within the company's standards starting as a "Broista" then a "Shift Leader" followed by "Shop Manager" to eventually a store operator. The operator is then on a corporate lease and operates several locations within the submarket.

This acquisition of Dutch Brothers offers investors a strong, brand new, incremental income stream with **zero landlord responsibility**. This corporate backed lease is an excellent opportunity for any 1031 buyer looking for stable, passive cash flow.

**701 E. KENOSHA ST.
BROKEN ARROW, OK 74012**

ADDRESS

BROKEN ARROW

CITY

TULSA

COUNTY

2022

CONSTRUCTION YR

850 SF

BUILDING SIZE

13 SPACES

PARKING SPACES

0.69 ACRES

SITE SIZE ACRES

30,056

SITE SIZE SF

\$100,000

IN-PLACE NOI

100%

OCCUPANCY

\$2,410,000

PRICE

**E KENOSHA ST: 25,350 VPD
LYNN LN: 22,031 VPD**

TRAFFIC COUNTS

\$1,700,000

AVERAGE AUV

FEE SIMPLE

OWNERSHIP

DUWEST
INVESTMENT SERVICES

INVESTMENT HIGHLIGHTS

ABSOLUTE NNN LEASE

- 15 Years Remaining on a Triple-Net (NNN) Lease with Zero Landlord Responsibilities

STRONG HISTORICAL SALES WITH A CORPORATE GUARANTEE

- Dutch Bros. Coffee is privately held and currently has 443 stores open today. This store will be one of 125 stores they plan on opening this year.
- Their average AUV is \$1.7M, projected to be \$1.8M in 2022. The lease will carry their corporate guarantee with revenue over \$100M.

BRAND NEW 15 - YEAR LEASE

- Lease Commences February 2022
- Incremental 10% rental bumps taking place every five years
- Lease also includes Four, 5-year Options

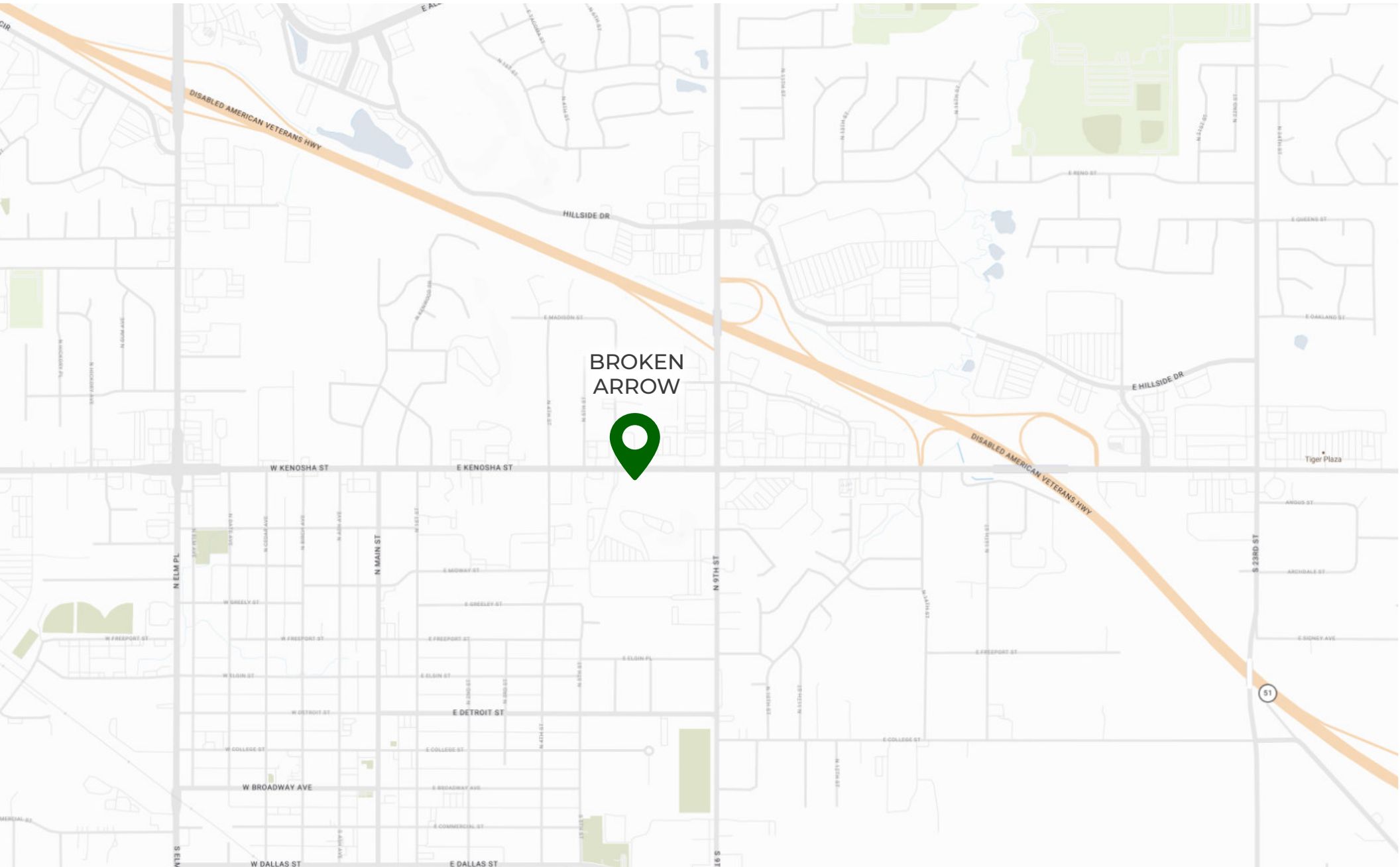
REGIONAL RETAIL HUB

- This is the main retail corridor of Broken Arrow featuring such retailers as: Chick-Fil-A, Walgreens, Raising Cane's, Reasor's, Target, Starbucks, Sprouts, and many more.
- Located in Tulsa's largest suburb and Oklahoma's largest school district, the site is has strong density, great incomes and good traffic.
- Dutch Bros. has selected this site for their first store in the market given the strong demos, great morning traffic, and great neighboring QSR Volumes.



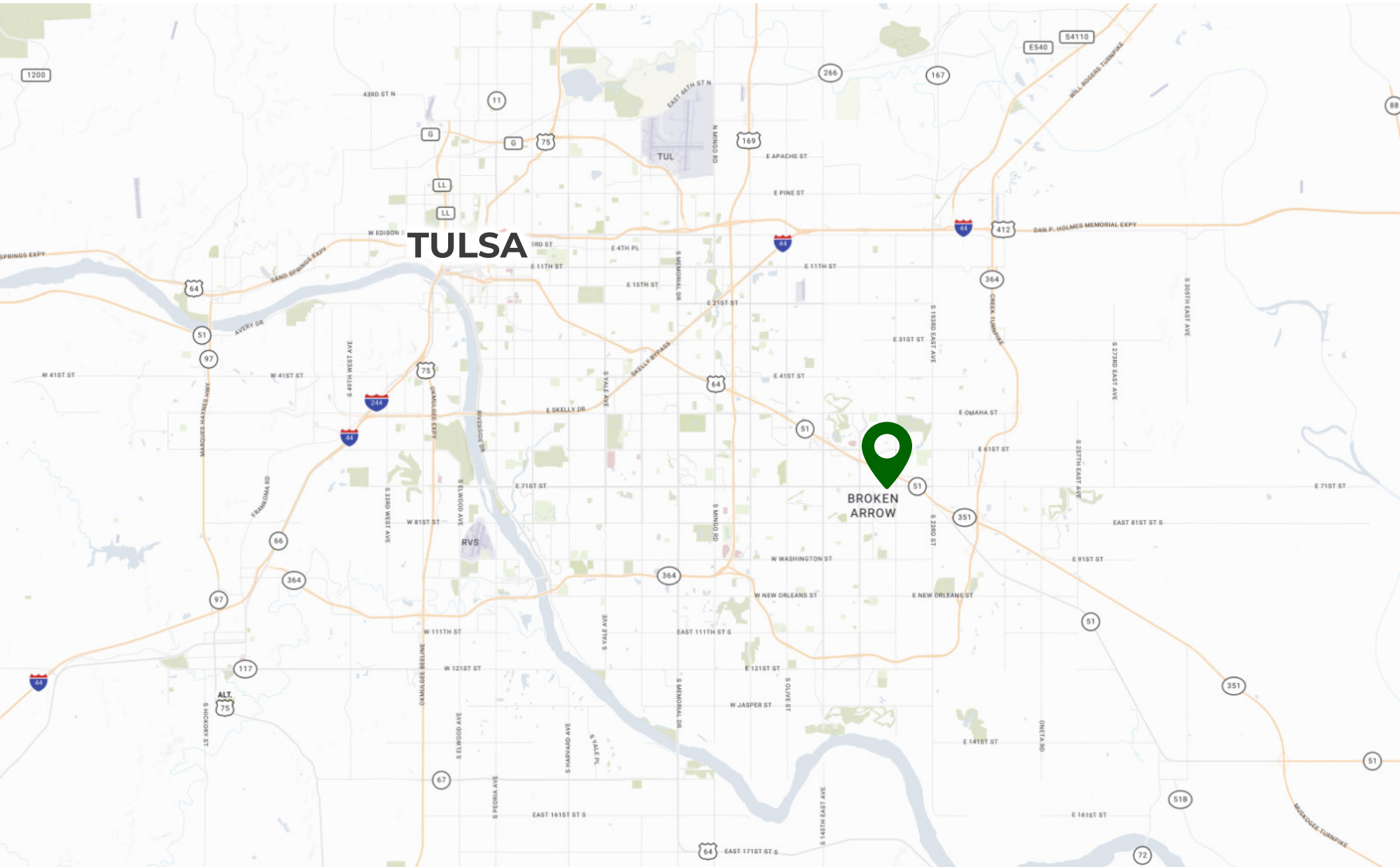
LOCATION MAP

701 E. KENOSHA ST. BROKEN ARROW, OK 74012



REGIONAL MAP

701 E. KENOSHA ST. BROKEN ARROW, OK 74012



AERIAL VIEW

LOOKING EAST



LOOKING NORTHWEST



AERIAL VIEW

LOOKING NORTH



AERIAL VIEW

LOOKING SOUTH





BILL KNIGHT
COLLEGE BASKETBALL



Walgreens

E KENOSHA STREET | 25,350 VPD



Pylon Sign

DUTCH BROS
Coffee



KEO

LUSH
NAIL BAR



TACOS 4 LIFE

N 6TH STREET

S 17TH E AVENUE | 22,031 VPD



TENANT PROFILE



dutchbros.com

Dutch Brothers started in 1992 as a pushcart by the railroad tracks in downtown Grants Pass, Oregon. The founders Dane and Travis Boersma left the dairy business to serve up espresso, rock their favorite music and make connections with their community. Dutch Bros started in Oregon with their first franchise expansion opening in 2000. Today, Dutch Bros continues to grow and serves customers in 11 states and counting.

It's Dutch Bros mission to make a massive difference, one cup at a time. In 2006, the company started hosting company-wide givebacks. They are able to help support their communities through Dutch Luv, Drink One for Dane and Buck Kids.

SOCIAL IMPACT

DUCTCH LUV: Dutch Bros held their annual Dutch Luv Day where \$1 from each drink sold went to local nonprofits working to help provide meals in our community. In 2021, they provided more than 1.6 million meals in the communities they served with the support of our customers.

Drink One For Dane: We cheered to the wise man with our 15th annual "Drink one for Dane" as of this year, we hit a total of 10 million dollars donated to Muscular Dystrophy Association (MDA), the leading non-profit organization in ALS research, care, advocacy, educational and professional programming.

Buck For Kids: As part of our efforts to help create brighter futures for kids in our communities, Dutch Bros partnered with its customer to raise more than \$695,000 for local youth organizations.

Stock Information (as of 2/8/22)

Tenant	Dutch Brothers
Stock Symbol	NYSE: BROS
Price	\$58.50
Market Cap	2.92 B

LEASE ABSTRACT

DUTCH BROTHERS

Address	701 E. Kenosha St., Broken Arrow, OK 74012			Renewal Option(s)	Four, 5-Year Renewal Options, with at least 6 months notice to Landlord: Option 1: \$133,100 annually Option 2: \$146,410 annually Option 3: \$161,051 annually Option 4: \$177,156 annually
Demised Premises	+/- 30,125 square feet, 950 SF Improvements				
Specific Use	Drive-through coffee shop, for the sale of coffee, blended drinks, smoothies, or energy drinks, and other activities related thereto				
Documentation	Commercial Build-to-Suit Lease dated April 19, 2021				
Tenant	BB Holdings OK Group, LLC			Tenant Maintenance	Tenant will repair and maintain in good order and repair, at its own cost, the entirety of the Premises, including the building's interior, HVAC system, fixtures, roof, equipment, furnishings, parking and access ways.
Guarantor	Boersma Bros. LLC (Corporate)				
Rent Commencement Date	February 27, 2022			Insurance	Tenant will, at it's sole cost, maintain property, liability, worker's compensation and employer liability coverage during the term of the lease and will name Landlord as additional insured.
Lease Expiration Date	February 28, 2037				
Security Deposit	None				
Base Rent	Period	Annually	Monthly	Tax Payments	Tenant shall pay the real estate taxes directly during the term of the lease.
	2/27/2022 – 2/28/2027	\$100,000	\$8,333.33		
	2/27/2027 – 2/28/2032	\$110,000	\$9,166.67		
	2/27/2032 – 2/28/2037	\$121,000	\$10,083.33	Estoppel	Tenant to provide estoppel within 20 business days of request from Landlord



PRICING

\$2,410,000

PRICE

4.15%

CAP RATE

CORPORATE

LEASE

505

OPERATING STORES

\$100,000

NOI

ABSOLUTE NNN

LEASE STRUCTURE

\$1,700,000

AVERAGE AUV

125

PROJECTED 2022 OPENINGS



DUTCH BROS
Coffee



SUBMARKET OVERVIEW

Tulsa is the second-largest city in the state of Oklahoma and 47th-most populous city in the United States. The population was 413,066 as of the 2020 census. It is the principal municipality of the Tulsa Metropolitan Area, a region with 1,015,331 residents. The city serves as the county seat of Tulsa County, the most densely populated county in Oklahoma.

Historically, a robust energy sector fueled Tulsa's economy. For most of the 20th century, the city held the nickname "Oil Capital of the World" and played a major role as one of the most important hubs for the American oil industry. Today the city has diversified and leading sectors include finance, aviation, telecommunications and technology.

Broken Arrow is the largest suburb of Tulsa. Although Broken Arrow was originally an agricultural community, its current economy is diverse. The city has the third-largest concentration of manufacturers in the state.

Broken Arrow Accolades:

- » Yelp named Broken Arrow the 9th Most Customer Friendly U.S. City in 2016
- » Top 10 happiest mid-size city, according to Zippia
- » CQ Press found Broken Arrow to be the 22nd-safest city in the nation and the safest city in Oklahoma.
- » Broken Arrow was listed as one of the "Top 25 Affordable Suburbs in the South" by Business Week Magazine
- » Broken Arrow has been listed as a "Tree City USA" for over six years in a row.
- » Family Circle Magazine featured Broken Arrow as one of the 10 best towns for families.



DEMOGRAPHICS

	1 MILE	3 MILE	5 MILE
POPULATION			
2021 Population	7,106	61,107	142,759
2010 Population	6,223	50,314	122,704
% Proj Growth 2021 - 2026	1.3%	1.48%	1.26%
HOUSEHOLDS			
2021 Households	2,698	22,690	52,805
Family Households w Children	1,833	16,141	37,822
Persons Per Household	3.1	3.2	3.2
DAYTIME POPULATION			
Total Daytime Population	8,943	60,070	139,790
Workers	5,423	30,309	71,318
Residents	3,520	29,761	68,472
RACE			
% White	70.8%	73.3%	68.8%
% Black	5.9%	5.3%	6.3%
% Asian	5.6%	5.3%	6.8%
% Other	17.7%	16.1%	18.1%
AGE			
Median Age	37.0	36.2	36.0

	1 MILE	3 MILE	5 MILE
INCOME			
2021 Average Household Income	\$71,984	\$86,506	\$86,806
HIGHEST EDUCATIONAL ATTAINMENT			
Education Base - Age 25+			
Less than 9th Grade	2.6%	2.4%	3.2%
Some High School	6.7%	4.0%	4.1%
High School or GED	27.9%	24.7%	24.6%
Some College	26.7%	26.3%	25.4%
Associates Degree	9.6%	10.7%	10.2%
Bachelors Degree or Higher	26.5%	31.9%	32.3%
POPULATION BY EMPLOYMENT TYPE			
% White Collar	58.1%	68.3%	66.9%
% Blue Collar	25.6%	19.3%	20.5%
% Services	16.2%	12.4%	12.6%
HOUSING			
% Renter Occupied Housing Units	35.7%	31.7%	30.7%
% Owner Occupied Housing	55.9%	62.3%	63.3%
HOUSING VALUES (OWNER OCCUPIED)			
Median Home Value	\$187,438	\$209,876	\$211,796

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The background of the slide features a photograph of a Dutch Bros Coffee storefront, which is a single-story brick building with large windows and a sign that reads "DUTCH BROS Coffee". To the left of the building is a large, dark-colored sign with "DUTCH BROS" in large, outlined letters and "Coffee" in a script font below it. The entire image is overlaid with a semi-transparent green filter.

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