



DUTCH BROS COFFEE

MONT BELVIEU, TEXAS (HOUSTON MSA)

YURAS
AICALE
FORSYTH
CROWLE

Leased Investment Team

OFFERING MEMORANDUM

\$2,549,000 | 4.00% CAP RATE

- » 15-Year Guaranteed Absolute NNN Lease to Iconic Corporate Tenant (NYSE: "BROS")
 - » 10% Rental Increases Every Five Years
 - » Dutch Bros Recently Went Public Valued at Over \$7.9 Billion
 - » Dutch Bros is on Track to Open More Than 120 Stores in 2022
- » High-Traffic Location in Extremely Affluent and Rapidly Growing Area
 - » Signalized Hard-Corner Location at the Intersection of Eagle Drive and Royal Palm Drive (24,035+ AADT)
 - » \$132,190 Average Household Income Within Three-Mile Radius of the Property
- » Prime Location Near Large Schools, Community Hubs, and Retailers
 - » Walking Distance From Mont Belvieu's Most Highly Attended Schools, Including Barbers Hill High School, Middle School North, Middle School South, and Elementary School (Combined 4,028 Students)
- » New 2021 Construction Located in an Income Tax Free State



FILE 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
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CROWLE**

Leased Investment Team

www.YAFteam.com

INVESTMENT OVERVIEW

ADDRESS	Eagle Drive & Royal Palm Drive, Mont Belvieu, TX		
PRICE	\$2,549,000		
CAP RATE	4.00%		
NOI	\$101,929		
TERM	15 years		
RENT COMMENCEMENT	May 2022 (estimated)		
LEASE EXPIRATION	May 2037 (estimated)		
RENTAL INCREASES	10% rental increases every five (5) years		
	YEAR	RENT	RETURN
	1-5	\$101,929	4.00%
	6-10	\$112,122	4.40%
	11-15	\$123,334	4.84%
	16-20 (Option 1)	\$135,667	5.32%
	21-25 (Option 2)	\$149,234	5.86%
	26-30 (Option 3)	\$164,158	6.44%
	31-35 (Option 4)	\$180,573	7.09%
YEAR BUILT	2021		
BUILDING SF	935 SF		
PARCEL SIZE	0.914 acres (39,816 SF)		
LEASE TYPE	Absolute NNN, 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 guaranteed 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 recently went public valued at over \$7.9 billion (NYSE: "BROS")
- » Dutch Bros is a drive-thru coffee chain with a goal of adding more than 500 new sites by 2023
- » Dutch Bros sales are up 51% through the first six (6) months of 2021 after a record performance in 2020

HIGH-TRAFFIC LOCATION IN EXTREMELY AFFLUENT AND RAPIDLY GROWING AREA

- » High-visibility location at the signalized hard corner of Eagle Drive and Royal Palm Drive (24,035+ AADT)
- » \$132,190 average household income within a three-mile radius of the property
- » Population increase of 56% within a five-mile radius of the site since 2010, demonstrating Mont Belvieu's recent rapid growth
- » Projected average annual household income increase of 11 percent within a one-mile radius of the site in next five years, poising Mont Belvieu and Dutch Bros Coffee for steady concurrent growth

PRIME LOCATION NEAR LARGE SCHOOLS, COMMUNITY HUBS, AND RETAILERS

- » Surrounded by a strong mix of local and national retailers, including H-E-B, McDonald's, Taco Bell, Popeyes, Smoothie King, Pizza Hut, and many more
- » Walking distance from Mont Belvieu's most highly attended schools, including Barbers Hill High School (in front of the site), Middle School North, Middle School South, and Elementary School (combined 4,028 students)
- » Location is surrounded by high-density single family housing developments and large townhouse complexes
- » Common gateway to Downtown Houston, the fourth-most populous city in the United States (population 2,320,268)

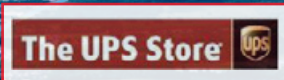
NEW 2021 CONSTRUCTION IN INCOME TAX FREE STATE

- » 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



FILE PHOTO

DUTTON
LAKE



Houston
Raceway



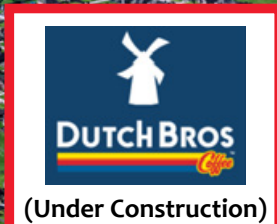
INDUSTRIAL REGION



10 / East Freeway
(47,000 AADT)

99
TEXAS State Highway 99

Hackberry Gully
Regional Park



Royal Palm Drive



Barbers Hill
Middle School North
(668 students)



Barbers Hill
High School
(1,619 students)

Eagle Drive
(24,035 AADT)



TABBAS BAY

Houston
Raceway



DOWNTOWN HOUSTON
(33.8 miles)



INDUSTRIAL REGION

10 | East Freeway
(47,000 AADT)

99 State Highway 99
TEXAS



Hackberry Gully
Regional Park

Royal Palm Drive



Eagle Drive
(24,035 AADT)

Barbers Hill
Middle School North
(668 students)

Barbers Hill
High School
(1,619 students)



LOST LAKE

OLD RIVER LAKE



 / East Freeway
(47,000 AADT)



Wisner
Distributing Company
(95 employees)

Barbers Hill
Elementary School North
(987 students)

Barbers Hill
Middle School South
(754 students)

Barbers Hill
Middle School North
(668 students)



Barbers Hill
High School
(1,619 students)



Eagle Drive
(24,035 AADT)



Royal Palm Drive





OLD RIVER LAKE

M.Q. Bradford Park

Barbers Hill
Elementary School North
(987 students)

Lennar at Lakes
of Champions

Mont Belvieu
City Park

Barbers Hill
High School
(1,619 students)

Barbers Hill
Middle School North
(668 students)

Barbers Hill
Middle School South
(754 students)



Eagle Drive
(24,035 AADT)



Royal Palm Drive

TENANT SUMMARY



Dutch Bros Coffee, founded in 1992 and headquartered in Grants Pass, Oregon, is a drive-thru coffee chain with company-owned and franchise locations throughout the Western United States. On September 15, 2021, Dutch Bros launched their IPO on the New York Stock Exchange currently valued at \$7.9 billion. Dutch Bros has over 480 locations throughout seven states and over 12,000 team members, with plans to grow to 4,000 locations nationwide. Dutch Bros sales were up 51% through the first six months of 2021 after a record performance in 2020. 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

TICKER	NYSE: "BROS"	HEADQUARTERS	Grants Pass, OR
LOCATIONS	480+	SALES	\$567M

LEASE ABSTRACT

TENANT	BB Holdings TX, LLC		
GUARANTOR	Boersma Bros. LLC		
ADDRESS	Eagle Drive & Royal Palm Drive, Mont Belvieu, TX 77532		
RENT COMMENCEMENT	May 2022 (estimated)		
LEASE EXPIRATION	May 2037 (estimated)		
RENEWAL OPTIONS	Three (3) five (5) year options		
RENT PER YEAR	YEAR	RENT	RETURN
	1-5	\$101,929	4.00%
	6-10	\$112,122	4.40%
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	26-30 (Option 3)	\$164,158	6.44%
	31-35 (Option 4)	\$180,573	7.09%
REAL ESTATE TAXES	Tenant shall pay all real estate taxes.		
INSURANCE	Tenant is responsible for all insurance costs.		
REPAIR & MAINTENANCE	Tenant is responsible for all repair and maintenance, including roof, structure, and parking lot.		
MAINTENANCE BY LANDLORD	None		
RIGHT OF FIRST REFUSAL	None		

PROPERTY OVERVIEW

LOCATION

The property is conveniently located at the signalized hard-corner of Eagle Drive and Royal Palm Drive (24,035+ AADT). The location resides in a populous area with affluent demographics, with an average household income of \$132,190 within a three-mile radius of the property. The site resides in an area that has experienced recent rapid growth, with a population increase of 56 percent since 2010 within a five-mile radius of the site. With a projected average annual household income increase of 11 percent within a one-mile radius of the site in next five years, Mont Belvieu and Dutch Bros Coffee are poised for steady concurrent growth.

The site features a prime location near large schools, community hubs, and retailers. The property is surrounded by a strong mix of local and national retailers, including H-E-B, McDonald's, Taco Bell, Popeyes, Smoothie King, Pizza Hut, and many more. The site greatly benefits from its setting within walking distance of Mont Belvieu's most highly attended schools, including Barbers Hill High School (directly in front of the site), Middle School North, Middle School South, and Elementary School (combined 4,028 students). Traffic to the property is increased by the site's proximity to several large housing developments and townhouse complexes. The property also serves as a common gateway to Downtown Houston, the fourth-most populous city in the U.S. (population 2,320,268).

ACCESS

Access from Royal Palm Drive

TRAFFIC COUNTS

Eagle Drive: 24,035 AADT
Interstate 10/East Freeway: 47,000 AADT

PARKING

14 parking stalls, including two (2) handicap stalls

YEAR BUILT

2021

NEAREST AIRPORT

William P. Hobby Airport (HOU | 40 miles)



14
PARKING
STALLS



2021
YEAR BUILT



**NEAREST
AIRPORTS**
WILLIAM P. HOBBY
AIRPORT

AREA OVERVIEW

Mont Belvieu is a city in Chambers and Liberty counties in Texas. It resides just north of Interstate 10 along State Highway 146. The city has prepared for growth by having infrastructure in place for support from surrounding cities and counties. To accomplish this, Mont Belvieu is spending \$47 million on new capital projects, including a new city hall, a fire station, and expansion of the city's wastewater treatment plant. 11 miles of new roadways are currently being constructed in Mont Belvieu, greatly increasing access to and from the city. Residential growth is taking place as well, with master-planned communities coming to Mont Belvieu that will feature 700 lots and 34 subdivisions.

Mont Belvieu resides in the Houston MSA, the fifth largest metropolitan area in the United States, 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.

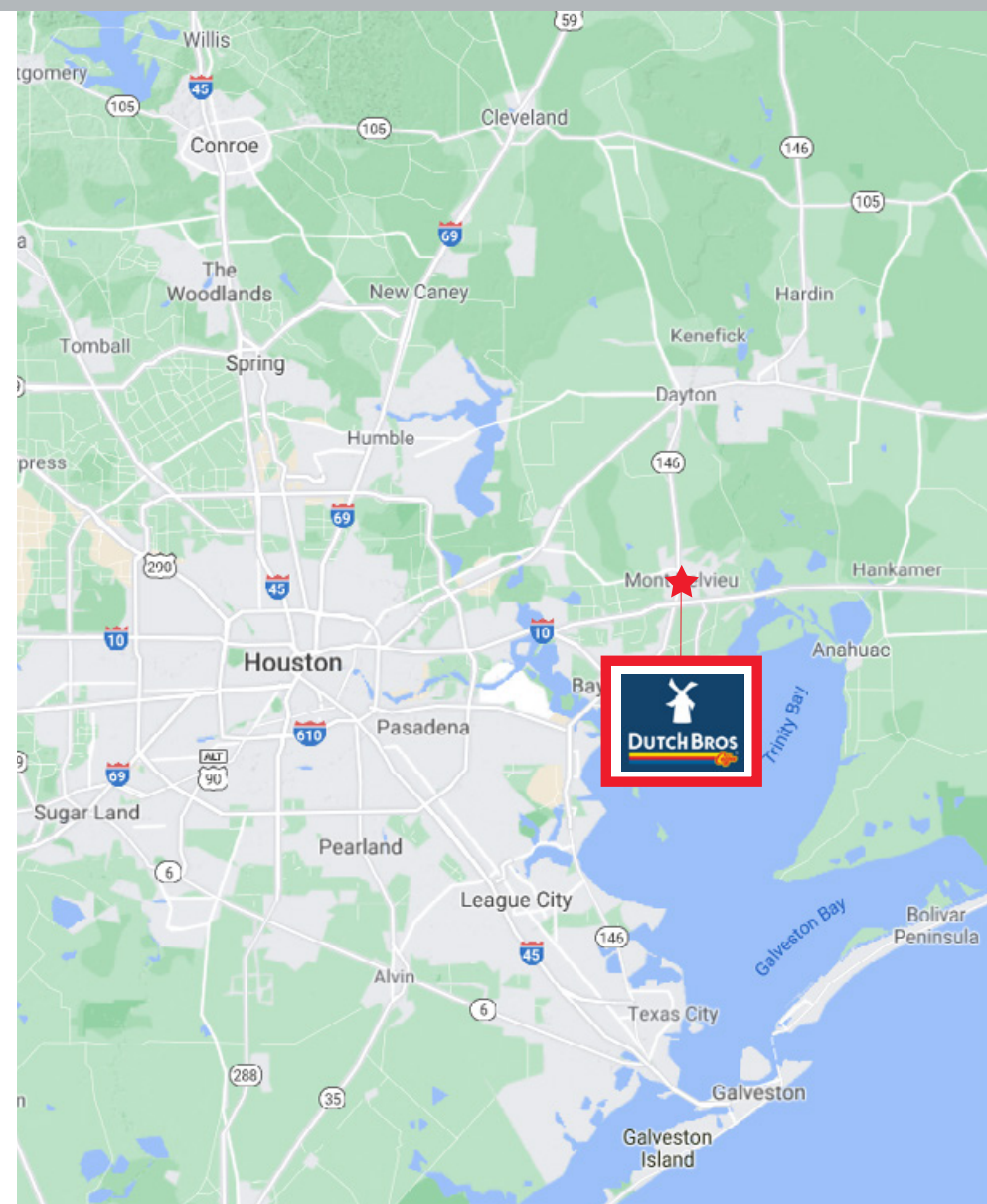
- » Mont Belvieu is the site of the largest underground storage facility for liquefied petroleum gas in the United States. The United States' LPG market pricing indicator is driven primarily by the Mont Belvieu market, and reported daily by the United States' Energy Administration.
- » The new Grand Parkway is on schedule to open in 2022 in Mont Belvieu. That will put the city within a 40-minute drive to the Woodlands and finish the loop around Houston.
- » Houston is home to the second most Fortune 500 companies in the United States, with a diverse and broad economic base in the healthcare, energy, aeronautics, and technology industries. It is also home to the Texas Medical Center, the largest medical center in the world.

LARGEST EMPLOYERS IN HOUSTON MSA, TEXAS	# OF EMPLOYEES
MEMORIAL HERMANN HEALTH SYSTEM	24,000
THE UNIVERSITY OF TEXAS MD ANDERSON	21,086
UNITED AIRLINES	15,000
HOUSTON METHODIST	14,985
EXXON MOBIL	13,000
UTMB HEALTH	12,448
KROGER	12,000
SHELL OIL COMPANY	11,892
NATIONAL OILWELL VARCO	11,563
SCHLUMBERGER LIMITED	10,000



DEMOGRAPHIC PROFILE

2021 SUMMARY	1 Mile	3 Miles	5 Miles
Population	2,607	15,654	31,587
Households	827	5,076	10,315
Families	669	4,235	8,551
Average Household Size	3.15	3.08	3.06
Owner Occupied Housing Units	660	4,483	9,223
Renter Occupied Housing Units	167	593	1,092
Median Age	35.9	37.0	36.7
Average Household Income	\$115,850	\$132,190	\$121,288
2026 ESTIMATE	1 Mile	3 Miles	5 Miles
Population	2,755	17,591	36,050
Households	871	5,679	11,712
Families	702	4,730	9,694
Average Household Size	3.16	3.10	3.08
Owner Occupied Housing Units	704	5,011	10,286
Renter Occupied Housing Units	167	668	1,426
Median Age	35.9	37.2	36.5
Average Household Income	\$128,717	\$144,478	\$133,152



AVERAGE HOUSEHOLD INCOME OF \$132,190
WITHIN THREE 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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