

DUTCH BROS CORPORATE GROUND LEASE

4810 WOODROW BEAN TRANSMOUNTAIN DRIVE, EL PASO, TEXAS



OFFERING MEMORANDUM

Marcus & Millichap



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Executive Summary

4810 Woodrow Bean Transmountain Drive, El Paso, TX 79924

FINANCIAL SUMMARY

Price	\$1,460,000
Cap Rate	5.0%
Building Size	950 SF
Net Cash Flow	5.0% \$73,000
Year Built	2022
Lot Size	0.63 Acres

LEASE SUMMARY

Lease Type	Absolute Triple-Net (NNN) Ground Lease
Tenant	BB Holdings TX, LLC
Guarantor	Corporate (Boersma Bros, LLC)
Lease Commencement Date	November 2022
Lease Expiration Date	November 2037
Lease Term	15 Years
Rental Increases	10% in Every 5 Years
Renewal Options	3, 5 Year Options
Right of First Refusal	None

ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
Current - 11/30/2027	\$73,000.00	5.00%
12/1/2027 - 11/30/2032	\$80,300.00	5.50%
12/1/2032 - 11/30/2037	\$88,330.00	6.05%
Options	Annual Rent	Cap Rate
Option 1	\$97,163.00	6.66%
Option 2	\$106,879.30	7.32%
Option 3	\$117,567.23	8.05%

Base Rent	\$73,000
Net Operating Income	\$73,000
Total Return	5.0% \$73,000





68,500 CPD
TX-54 (PATRIOT FWY)

37,000 CPD
WOODROW BEAN
TRANSMOUNTAIN DR

Property Description



INVESTMENT HIGHLIGHTS

- » **Brand New 15-Year Absolute Triple-Net (NNN) Ground Lease with Corporate Guaranty (NYSE: BROS)**
- » 10 Percent Rental Increases Every Five Years
- » **Densely Populated Location within El Paso, the Largest Metro Area Along the Texas-Mexico Border and a Top 20 Percent U.S. Performing Economy**
- » Excellent Visibility and Access Along Woodrow Bean Transmountain Drive (Over 37,000 Cars per Day)
- » **Surrounded by National Retailers - Walmart, Lowe's, AMC Theaters, Olive Garden, McDonald's, Starbucks, Taco Bell, and More**
- » One Mile North of El Paso Community College's Transmountain Campus
- » **New High-Quality 2022 Construction**
- » Centrally Located within a 20-Minute Drive of El Paso International Airport, Downtown El Paso, and The University of Texas at El Paso



DEMOGRAPHICS

1-mile

3-miles

5-miles

Population

2027 Projection	11,182	88,128	116,114
2022 Estimate	11,221	86,268	113,037

Daytime Population

2027 Projection	10,096	67,488	85,033
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Households

2027 Projection	4,163	30,740	40,419
2022 Estimate	4,138	29,815	38,993

Income

2022 Est. Average Household Income	\$59,165	\$59,993	\$60,663
2022 Est. Median Household Income	\$49,259	\$49,419	\$49,033
2022 Est. Per Capita Income	\$21,827	\$20,763	\$20,950



Tenant Overview



Grants Pass, Oregon

NYSE: BROS

600+

1992

www.dutchbros.com

Headquarters

Stock Symbol

Locations

Founded

Website

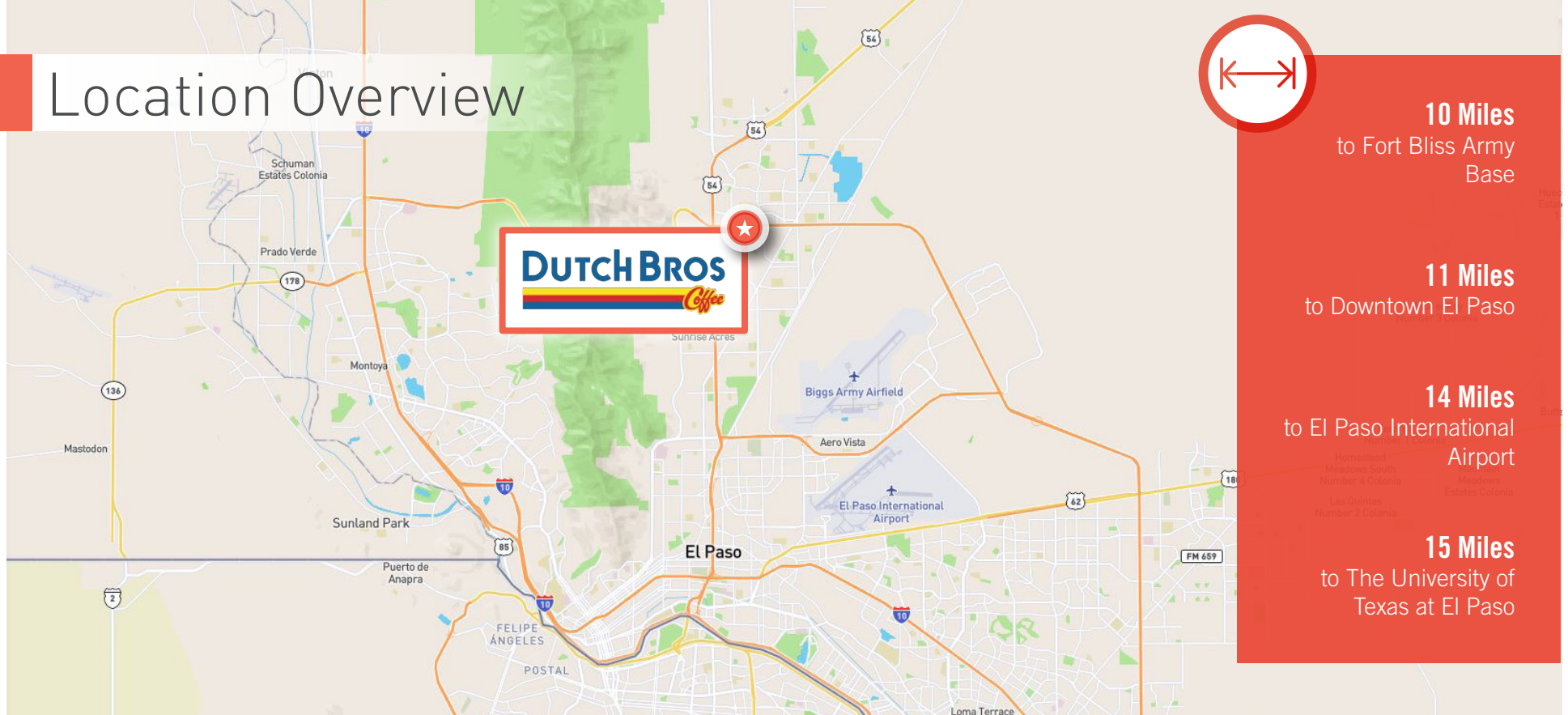
Dutch Bros. Coffee was founded in 1992 in Grants Pass, Oregon by Dane and Travis Boersma, brothers of Dutch descent. Today, Dutch Bros. Coffee is the country's largest, privately held drive-thru coffee company. Dutch Bros. now has approximately 603 stores open in 14 states and is planning on heavy growth.

Dutch Bros. Coffee roasts all its own coffee, a three-bean blend sourced from direct relationships with Salvadorian, Brazilian, and Colombian coffee plantations. In October 2014, the company announced the release of Dutch Bros. Single-Serve Cups compatible with Keurig-style brewers. In 2012, the Company

launched its own energy drink, Blue Rebel, and in May 2016 introduced Cold Brew Coffee.

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. Dutch Bros stock is traded on the NYSE under the symbol BROS. Dutch Bros is taking meaningful and measurable action in philanthropy; sustainability; and diversity, equity and inclusion to drive the company toward making a massive difference, one cup at a time.

Location Overview



El Paso, the county seat of El Paso County, is the second-largest city in the Southwest United States. The city of El Paso is home to the largest metro area that runs along the Texas-Mexico border and is a top 20% U.S. performing economy. As one of the most expansive manufacturing centers in North America and home to the greatest bilingual and bi-cultural workforce of the Western Hemisphere, El Paso is a recognized global economic competitor.

Located within the El Paso market, the subject property is situated in the Northeast El Paso Retail Submarket. This submarket has consistently demonstrated strong performance due to its strong accessibility, dense consumer base, and excellent surrounding demand drivers. Over the last 20 years, the submarket has proved its stability, with occupancy remaining above 93%.

Fort Bliss, spanning 1.1 million acres, is the U.S. Army's second-largest base

and has an economic impact of over \$24 billion annually supporting more than 48,000 jobs. The base is home to more than 38,500 active duty military personnel and 39,000 military family members. Fort Bliss recently completed construction on a new \$670 million, 270-acre medical center.

El Paso is located directly beside the state border of Texas and New Mexico, and across the United States – Mexico border from Ciudad Juárez. Together with Chihuahua and Las Cruces City in New Mexico, the three cities form a combined international metropolitan area referred to as Paso del Norte, or the Borderplex – a region with a population of over 2.5 million.

The publicly traded company, Helen of Troy (NASDAQ: HELE), is headquartered in El Paso, which also houses The University of Texas at El Paso (UTEP), a public research university with over 25,000 students.

Property Photos





Information About Brokerage Services

11-2-2015

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

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: othat the owner will accept a price less than the written asking price; othat the buyer/tenant will pay a price greater than the price submitted in a written offer; and oany 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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Sales Agent/Associate's Name	License No.	Email	Phone
Regulated by the Texas Real Estate Commission		Buyer/Tenant/Seller/Landlord's Initials	Date

Information available at www.trec.texas.gov
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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.

CONFIDENTIALITY AGREEMENT

The information contained in the following offering memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and it should not be made available to any other person or

entity without the written consent of Marcus & Millichap. By taking possession of and reviewing the information contained herein the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum. If you have no interest in the subject property at this time, please return this offering memorandum to Marcus & Millichap.

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.

SPECIAL 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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