

DUTCH BROS

2633 NACOGDOCHES ROAD, SAN ANTONIO, TEXAS



PHOTO AS OF 4/4/2023

OFFERING MEMORANDUM

Marcus & Millichap



DOWNTOWN
SAN ANTONIO

The information in this package has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Any projections, opinions, assumptions or estimates used herein are for example purposes only and do not represent the current or future performance of the property. Marcus & Millichap Real Estate Investment Services is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2023 Marcus Millichap

Executive Summary

2633 Nacogdoches Road, San Antonio, TX 78217

FINANCIAL SUMMARY

Price	\$2,271,800
Cap Rate	5.15%
Building Size	950 SF
Net Cash Flow	5.15% \$117,000
Year Built	2023
Lot Size	.61 Acres

LEASE SUMMARY

Lease Type	Absolute Triple-Net (NNN) Lease
Tenant	BB Holdings TX, LLC
Guarantor	Corporate
Lease Commencement Date	April 21, 2023
Lease Expiration Date	April 30, 2038
Lease Term	15 Years
Rental Increases	10% Every 5 Years
Renewal Options	3, 5 Year Options
Right of First Refusal	None

ANNUALIZED OPERATING DATA

Lease Term	Annual Rent	Cap Rate
1 - 5	\$117,000.00	5.15%
6 - 10	\$128,700.00	5.67%
11 - 15	\$141,570.00	6.23%
Options	Annual Rent	Cap Rate
Option 1	\$155,727.00	6.85%
Option 2	\$171,299.70	7.54%
Option 3	\$188,429.67	8.29%

Base Rent	\$117,000
Net Operating Income	\$117,000
Total Return	5.15% \$117,000





INDUSTRIAL

MACARTHUR
HIGH SCHOOL

SAINT MARY'S HALL
HIGH SCHOOL

REGENCY PLACE
ELEMENTARY
SCHOOL



OFFICES



NORTHWOOD
ELEMENTARY
SCHOOL

GARNER
MIDDLE SCHOOL





NORTH FROST CENTER



192,650 CPD
INTERSTATE 410



PETROLEUM TOWERS

Hertz



Taqueria Vallarta



FUTURE DEVELOPMENT



BELLA CLAIRE APARTMENTS



17,000 CPD
NACOGDOCHES RD



Property Description



INVESTMENT HIGHLIGHTS

- » **Brand New 15-Year Absolute Triple-Net (NNN) with Corporate Dutch Bros Guaranty (NYSE: BROS)**
- » 10 Percent Rental Increases Every Five Years
- » **New High-Quality 2023 Construction with a Double Drive-Thru**
- » 265,087 Residents and 385,867 Daytime Employees within a Five-Mile Radius - Dense San Antonio Infill
- » **Excellent Visibility Along Nacogdoches Road (17,000 Cars per Day) with Immediate Access to the I-410 Freeway (192,650 Cars per Day)**
- » Surrounded by National Tenants - Planet Fitness, Pizza Hut, Smoothie King, and More
- » **Average Household Income Exceeds \$94,000 within a One-Mile Radius**
- » Two Miles from San Antonio International Airport (\$2.5 Billion Redevelopment and Expansion Planned)



DEMOGRAPHICS

1-mile

3-miles

5-miles

Population

2027 Projection	10,402	85,105	264,231
2022 Estimate	10,433	85,471	265,087

Daytime Population

2022 Estimate	25,115	150,750	385,867
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Households

2027 Projection	4,579	38,112	110,371
2022 Estimate	4,572	38,086	110,112

Income

2022 Est. Average Household Income	\$94,208	\$90,071	\$84,598
2022 Est. Median Household Income	\$62,800	\$57,521	\$56,333

Tenant Overview



670+
Locations



NYSE: BROS
Stock Symbol



1992
Founded



DUTCHBROS.COM
Website



GRANTS PASS, OREGON
Headquarters

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 one of the largest publicly-traded drive-thru coffee companies with approximately 671 stores open in 14 states. The company's total revenue for FY 2022 grew 48.4 percent to \$739.0 million as compared to \$497.9 million in 2021.

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.

Construction Photos | 4/4/2023



Location Overview

DUTCH BROS
Coffee

2 Miles
to San Antonio
International Airport

6 Miles
to San Antonio Zoo

9 Miles
to Downtown San
Antonio

13 Miles
to The University of
Texas at San Antonio

As a diverse, progressive, and globally competitive city with a solid vision for national and international economic development, San Antonio won the distinction of All-America City by the National Civic League in 2012. The Milken Institute has also ranked San Antonio No. 1 on its Best Performing Cities list. San Antonio is experiencing solid economic growth in industries such as bioscience and health-

Home to a confluence of various cultures, San Antonio is rich in history and heritage. The city contains five 18th-century Spanish frontier missions, including The Alamo and San Antonio Missions National Historical Park, which together were designated UNESCO World Heritage sites in 2015. Other notable attractions include the River Walk, the Tower of the Americas, SeaWorld, the Alamo Bowl, Marriage Island, and Six Flags Fiesta Texas.



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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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
Regulated by the Texas Real Estate Commission		Buyer/Tenant/Seller/Landlord's Initials	Date

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NET LEASED DISCLAIMER

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

By accepting this Marketing Brochure, you agree to treat the information contained herein regarding the lease terms as confidential and proprietary and to only use such information to evaluate a potential purchase of this net leased property.

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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