BRAND NEW 15-YEAR ABSOLUTE NNN GROUND LEASE

SOUTH DAKOTA IS AN INCOME TAX-FREE STATE

ACTUAL SITE

BANG REALTY
OFFERING MEMORANDUM

7 BREW

2527 9TH AVENUE SE | WATERTOWN, SOUTH DAKOTA 57201

ADVISORY TEAM

BRIAN BROCKMAN
In-State Broker
LIC # 14075

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BANG
REALTY

Highlights

PRICE	CAP RATE	NOI
$1,282,000	5.85%	$75,000

POINTS OF INTEREST

Retailers | Entertainment: Across the street from Walmart with nearby major retailers such as Target, Menards, Hobby Lobby, Dunham's Sports, Runnings, Famous Footwear, Bath & Body Works, Tractor Supply, Ace Hardware, Harbor Freight, Aldi, Hy-Vee, Verizon, Cricket Wireless, Napa Auto Parts, O'Reilly Auto Parts, AutoZone, Advance Auto Parts, Walgreens, Dollar General, Planet Fitness, Anytime Fitness

Higher Education: Less than 2 miles from **Lake Area Technical College** - a well established public technical college offering over 30 academic & career focused programs, serving 2,387 students (Fall 2026)

Healthcare: 4 miles from **Sanford Watertown Medical Center** - licensed to operate 81 acute care hospital beds, including Labor & Delivery, Telemetry, and Critical Care

BRAND NEW ABSOLUTE NNN GROUND LEASE

Brand new 15-year Absolute NNN Ground lease (conveying ownership - underlying ground only) with attractive 10.0% rental escalations every 5 years!

TENANT

High Plains Brew, LLC owns & operates 15 locations in Nebraska, Iowa and Eastern South Dakota. Tenant has significant expansion plans and has a signed development agreement for 30+ additional locations throughout the High Plains states in the coming years! The operator also became the ***first Freddy's franchisee in 2004*** and continues to grow their footprint ***with 26 current locations*** (3 additional in various stages of development in Kansas, Nebraska, Oklahoma, South Dakota & Texas!

EXTREMELY STRONG SALES | NEW CONSTRUCTION

New, build-to-suit construction of 7 Brew's newest prototype with an impressive 29-car stack double drive-thru (opened in June 2026) - Sales are currently tracking to hit an **attractive 3.0% Rent to Sales Ratio**! (if annualized)

TRAFFIC COUNTS

Positioned on a ±0.72-acre lot, with excellent visibility/access on 9th Ave SE (main east/west corridor) with traffic counts in excess of 15,430 CPD! Less than 1 mile west of I-29 with traffic counts of 9,886 CPD!

2026 DEMOGRAPHICS (5-MI)

Population	22,502
2031 Projected Population	23,598
Households	10,290
Average Household Income	**$90,256**

Financial Analysis

SITE ADDRESS	2527 9th Avenue SE Watertown | South Dakota, 57201
TENANT	**High Plains Brew, LLC**
LESSEE ENTITY TYPE	Franchise
GROSS LEASABLE AREA	±510 SF
LOT SIZE	±31,533 SF | ±0.72 acre
YEAR BUILT	June 2026
OWNERSHIP	Conveying ownership - underlying ground only
EXPENSE REIMBURSEMENT	This is an **Absolute NNN Ground lease**. Tenant is responsible for all expenses.
LEASE TERM	15 years (new)
RENTAL INCREASES	10% every 5 years
RENT COMMENCEMENT DATE	October 1, 2026
EXPIRATION DATE	June 30, 2041
OPTIONS	Four 5-year renewal options
FINANCING	All Cash or Buyer to obtain new Financing at Close of Escrow

ACTUAL SITE

Rent Roll

	TERM	ANNUAL RENT	CAP RATE
Years 1-5	**10/01/26** to 10/31/31	$75,000	5.85%
Years 6-10	11/01/31 to 10/31/36	$82,500	6.44%
Years 11-15	11/01/36 to **10/31/41**	$90,750	7.08%
		AVG ANNUAL RETURN	**6.45%**

RENEWAL OPTIONS

1st Option	11/01/41 to 10/31/46	$99,825
2nd Option	11/01/46 to 10/31/51	$109,808
3rd Option	11/01/51 to 10/31/56	$120,788
4th Option	11/01/56 to 10/31/61	$132,867

Tenant Profile

7 Brew Coffee founded its first coffee stand in 2017 in Rogers, Arkansas. The brand was created with the goal of serving premium coffee while providing a fun experience. Every 7 Brew Coffee store is a double drive-thru and serves coffee from beans sourced from Ethiopia, Columbia, and Brazil. From coffee to energy drinks, tea, smoothies, and shakes, 7 Brew has a variety of beverages. The menu at 7 Brew features unique and imaginative drinks, such as the **Blondie** (hazelnut & caramel mocha), **Smooth 7** (white chocolate & Irish cream breve), **Cinnamon Roll** (white chocolate & brown sugar cinnamon), **White Chocolate Mocha** (white & milk chocolate mocha), **German Chocolate** (coconut & caramel mocha) and **Sweet & Salty** (salted caramel & white chocolate breve).

ABOUT THE TENANT

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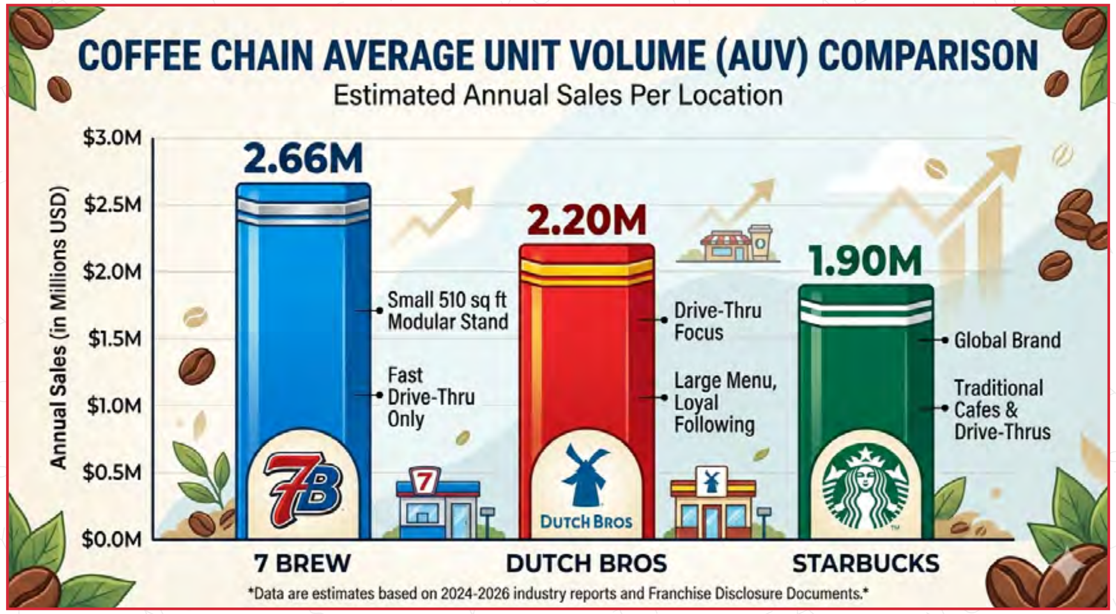
HIGH PLAINS BREW

OUR MISSION

Cultivate Kindness

Cultivating Kindness means choosing connection – serving with heart, uplifting others, and creating small moments that can brighten someone's day.

800+	STANDS AND COUNTING
39	STATES AND COUNTING
45,000+	BREW CREW MEMBERS
20,000+	DRINK COMBINATIONS
5 Million+	TOTAL DRINKS DONATED
$1,300,000+	TOTAL DOLLARS DONATED



7 BREW LOCATIONS GENERATE AN IMPRESSIVE AVERAGE UNIT VOLUME (AUV) OF $2,660,000!

Site Plan

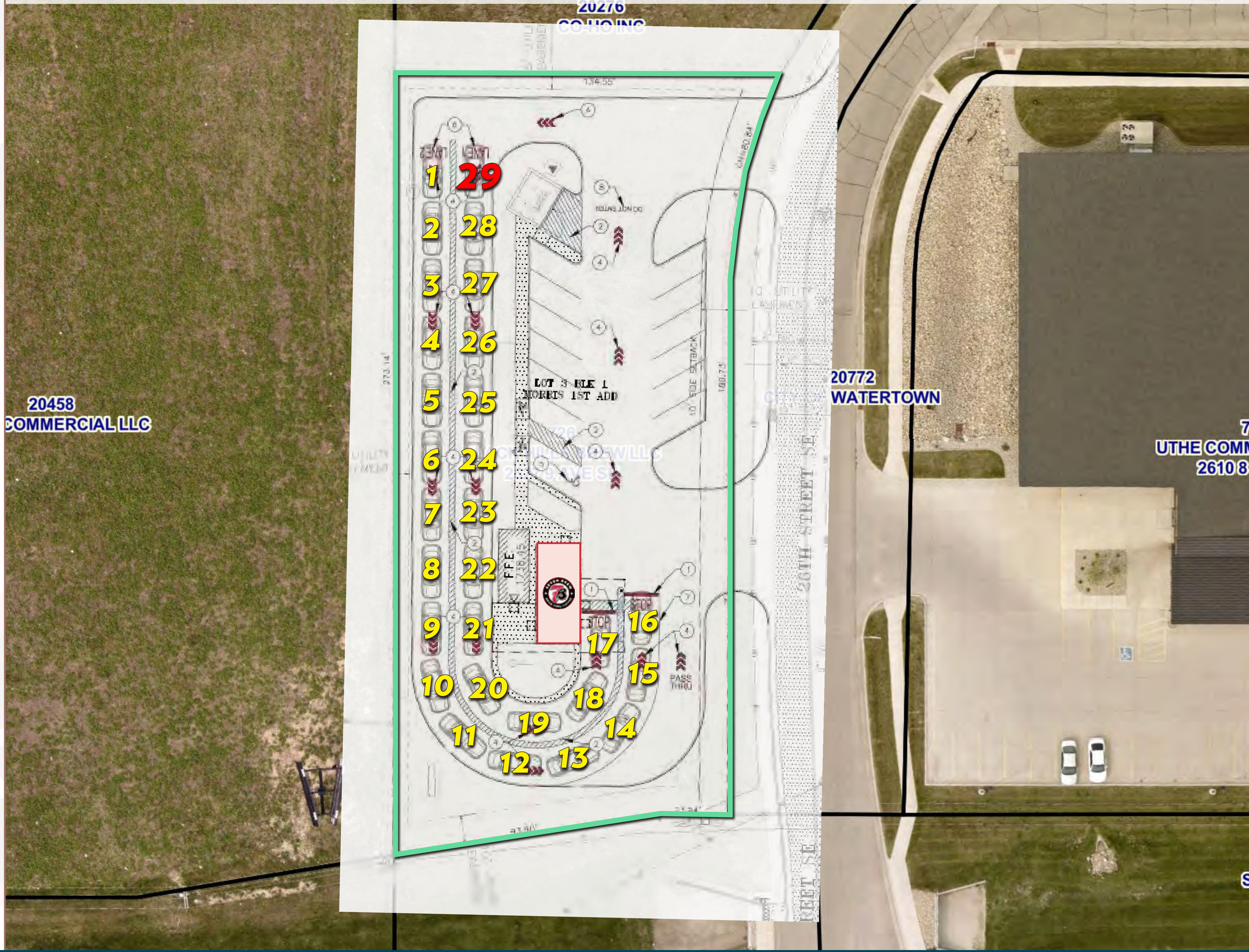
Featuring a ***high capacity 29-car stack double drive-thru*** designed for efficient vehicle flow and convenience

Property Specifications

County	Codington
Record #	726
Lot Size	±31,533 SF (±0.72 acre)
GLA	±510 SF

Parking Stalls

Regular	12
Handicap	1




North
The Suites Salon
Self Center
SEVEN BREW
7B
DRIVE THRU COFFEE
ACTUAL SITE

Watertown

Lake Kampeska
Cattail Crossing Golf Course
Watertown Regional Airport
Pelican Lake
2026 AVERAGE HOUSEHOLD INCOME (5-MI)
$90,256
9TH AVE SE | 15,433 CPD
US-81 | 11,145 CPD
I-29 | 9,886 CPD
212
81
INTERSTATE 29
N
JEFFERSON ELEMENTARY 333 STUDENTS
SANFORD HEALTH WATERTOWN 81 BEDS
MELLETTE ELEMENTARY 267 STUDENTS
LINCOLN ELEMENTARY 361 STUDENTS
WATERTOWN INTERMEDIATE 532 STUDENTS
WATERTOWN HIGH SCHOOL 1,222 STUDENTS
LAKE AREA TECHNICAL COLLEGE 2,387 STUDENTS
BOYS & GIRLS CLUB OF WATERTOWN
ADVANCE AUTO PARTS
O'Reilly AUTO PARTS
AutoZone
Valvoline Instant Oil Change
BURGER KING
tropical SMOOTHIE CAFE
PAPA MURPHY'S TAKE 'N' BAKE PIZZA
verizon
DG market
Pizza Ranch
Elks usa
CITY OF WATERTOWN SOUTH DAKOTA
Pomp's TIRE SERVICE, INC.
NAPA
DSG
THE SALVATION ARMY
Runnings
SEVEN BREW
FleetPride HEAVY DUTY PARTS & SERVICE
MAC'S
DQ Grill & Chill
taco john's
SCOOTER'S COFFEE
DOLLAR GENERAL
Airgas an Air Liquide company
McDonald's
Wendy's
Walgreens
TACO BELL
Domino's
Caribou COFFEE
Perkins RESTAURANT & BAKERY
MATTRESS FIRM
ACE Hardware
Dunham's SPORTS
Hallmark
HARBOR FREIGHT
planet fitness
FAMOUS footwear
Arby's
Bath & Body Works
HyVee
MENARDS
TRACTOR SUPPLY CO
Walmart
ALDI
HOBBY LOBBY
FedEx Ground

Watertown Synopsis

Watertown, the county seat of Codington County, is a vibrant regional hub located along the Big Sioux River between Pelican Lake and Lake Kampeska. The community offers a strong mix of recreation, culture, and family-oriented attractions, including the renowned **Redlin Art Center** and **Bramble Park Zoo**, enhancing its appeal to residents and visitors throughout the region.

Watertown also benefits from a strong educational presence, highlighted by **Lake Area Technical College**, a public technical college offering programs in high-demand fields such as agriculture, nursing, and welding. A satellite campus of **Mount Marty University** provides additional higher-education opportunities, helping develop and retain a skilled local workforce.

The community has a diverse and established employment base, anchored by major manufacturers and industrial employers including **Terex Utilities, Crenlo, Persona, Spartronics**, and **Dakota Bodies**, which collectively employ more than 1,700 people. Additional companies such as **Engineered Cabs, Dakota Bodies, Dynamic Engineering** and **Wurth Elektronik** further strengthen Watertown's manufacturing sector, supporting economic stability and reinforcing the community's position as an important employment and commercial center in northeastern South Dakota.

2026 Demographics

	1-MI	3-MI	5-MI
Population	1,765	17,818	22,502
2031 Projected Population	1,757	18,625	23,598
Households	860	8,230	10,290
Daytime Demographics Age 16+	2,294	17,921	22,296
Median Age	34.9	37.4	38.0
Average Household Income	**$78,411**	**$84,628**	**$90,256**

Press Release

7 BREW IS ON A GROWTH RUN FOR THE RECORD BOOKS

May 15, 2026

QSR

The 700-unit chain posted expansion north of 4,000 percent between 2022 and 2025.

7 Brew didn't merely outpace its own rapid growth from a year ago—it opened as many locations in 2025 as it did the previous two years combined.

The chain expanded by a net of 281 restaurants, according its just-released FDD. That after lifting by 141 net in 2024 and 140 in 2023.

For some perspective on the pace of 7 Brew's ascension, the Rogers, Arkansas-born chain had only 14 stores at the start of 2022 (it was founded in 2017). 7 Brew would climb to 40 by the end of that year and then erupt across 2023 to reach 180. That number rose to 321 year-end 2024 before getting to 602 as 2026 rolled around.

So, 7 Brew has expanded by 4,200 percent since 2022 began.

All the chain's 2025 development took place on the franchised side. Its corporate footprint stood flat at 24 after expanding by five in 2024 and three the year prior.

7 Brew began 2025 with 297 franchised restaurants and exited at 578—a number that hiked by 136 and 137 in 2024 and 2023, respectively. There, it's added 554 restaurants over a three-year span.

7 Brew actually had 604 total units at 2025 close, but didn't count two non-traditional locations that didn't have at least one drive-thru window (opened in Arkansas and Ohio last year).

The company had 283 openings, zero terminations or other closures, and reacquired two stores from franchisees. It hasn't closed a restaurant in at least the past three years.

7 Brew has also sold nine restaurants to franchisees in the last two calendars, including seven in 2025.

As for 2026, 7 Brew has an eye-opening 437 projected new franchised outlets planned (gross development). That includes 41 in Texas, 35 in Florida, and 30 apiece in Illinois and Georgia. It's also plotting 10 corporate openings and claims to have 18 franchise agreements signed without a store opened yet.

If 7 Brew does indeed open 447 venues without a closure, it would put the brand at the very top of net U.S. development in the sector, going off QSR 50 2026 figures (full data to be released in August).

The brand currently has more than 700 stands across 38 states.

7 Brew's store-level performance was equally robust. For 320 locations open and operating during the entire year (23 corporate and 297 franchised), average annual total sales came in at $2.658 million. Median sales were $2.569 million. The highest-earning 7 Brew collected $6.366 million and the lowest $836,418.

This compares to about $1.9 million for Starbucks (a much larger system at 16,944 domestic stores as of Q2), $2.16 million for Dutch Bros, which has climbed above 1,117 units, and $1.3 million for emerging Black Rock Coffee (190 restaurants).

7 Brew is generating these volumes on stores averaging 510 square feet.

Of its 320 locations, 147 exceeded the average sales figure.

For franchised restaurants (297), average annual total sales were $2.646 million. About 45 percent (134) topped that. Median total sales were $2.550 million. The highest-earning franchised restaurant was the $6.366 million performer. The lowest ($836,418) was also a franchise.

Company restaurants (23) averaged $2.82 million. Ten beat that result. Median sales were $2.763 million.

The top-earning corporate venue made $4.303 million. The lowest, $1.605 million.

Total revenues for the company came in at $112.5 million, well above the 2024 result of $43.5 million and 2023's $15.4 million.

Press Release

7 BREW DOUBLES FOOTPRINT TO 600 UNITS IN 2025

December 30, 2025

FastCasual.com

Drive-thru beverage brand 7 Brew has reached 600 locations nationwide following a year of rapid expansion and strategic leadership changes.

The Arkansas-based company nearly doubled its footprint in 2025, opening over 280 stands to grow from 321 locations at the start of the year to more than 600 across 38 states. The brand, which launched in 2019 with just 14 stands, attributes the growth to its franchisee-powered model and focus on high-speed service.

"This has been a monumental year of growth for 7 Brew and it's a true testament to the one-of-a-kind experience that our customers love," Chris Dawson, president of 7 Brew, said in a company press release.

The year also marked a shift in physical strategy as the brand moved beyond its traditional drive-thru model. 7 Brew debuted its first walk-thru locations, including a site inside a Walmart Supercenter in Springdale and another in the university district of The Ohio State University.

To support the scaling effort, the company added three members to its executive team: Chief People Officer Stephanie Quillen, Chief Supply Chain Officer Chris Held and Chief Financial Officer Matt Dunnigan.

The brand reported record-setting traffic during its "7 Days of 7 Brew" promotion in December, which became the most successful sales period in the company's history.

As part of its "Hero of the Year" program, 7 Brew awarded $10,000 to Stephanie Brown of Buford, Georgia. Brown leads the Friends Ü Need Club, an organization that supports adults with special needs.

7 Brew offers more than 20,000 drink variations, including coffee, infused energy drinks, sodas and teas.

FAQ: 7 Brew 2025 Growth

How many 7 Brew locations are there in 2025?

7 Brew officially surpassed 600 locations across 38 states in 2025. This follows an aggressive expansion year where the brand opened over 280 new stands, nearly doubling its count from the previous year.

What is the new 7 Brew walk-thru format?

In 2025, 7 Brew introduced walk-thru locations as an alternative to its traditional double drive-thru stands. The first walk-thru opened inside a Walmart Supercenter in Springdale, Arkansas, followed by a high-traffic location at The Ohio State University.

Who are the new executives at 7 Brew?

The company strengthened its C-suite in 2025 with the addition of Stephanie Quillen as Chief People Officer, Chris Held as Chief Supply Chain Officer and Matt Dunnigan as Chief Financial Officer.

What was the most successful 7 Brew promotion this year?

The "7 Days of 7 Brew" event held from Dec. 7 to Dec. 13 was the brand's most successful sales period to date. The promotion featured daily deals, holiday merchandise and specialized drink offers to drive record-setting traffic.

Press Release

BLACKSTONE ANNOUNCES GROWTH INVESTMENT IN 7 BREW

February 14, 2024

Blackstone

New York & Fayetteville, Ark. – Blackstone (NYSE:BX) today announced that Blackstone Growth and affiliated funds (collectively "Blackstone") have made a growth equity investment in 7 Brew Coffee, the next generation drive-thru beverage business. Blackstone's investment seeks to help enable 7 Brew to accelerate its already-rapid expansion across the U.S., in collaboration with its premier franchise partners.

Since 7 Brew began operating its first coffee "stand" in Rogers, Arkansas in 2017, the company has been committed to serving custom drinks (more than 20,000 different combinations) while cultivating kindness and joy with every drink. Today, 7 Brew is a leading franchisor recognized as QSR Magazine's "Breakout Brand of 2023."

John Davidson, CEO of 7 Brew, said, "We are on a strong growth trajectory thanks to our outstanding team, the Brew Crew, and are so excited to have found in Blackstone a true partner who understands our culture and whose global reach and incredible resources will enable us to reach this next stage of growth. Blackstone brings everything we are looking for to help serve our customers and support our franchisees – industry and market knowledge, franchisee relationships, data science, operations and real estate expertise."

Todd Hirsch and Katie Storer of Blackstone said, "7 Brew's impressive growth to date is a testament to its strong team and franchisee partnerships. We are excited to partner with this business that is redefining the out-of-home coffee experience, by marrying a personal, human-centric customer service experience with premium products and exceptional efficiency."

Brian Cornyn of Blackstone said, "This investment illustrates Blackstone's thematic focus on investing in strong franchise businesses alongside highly skilled operators. We are proud to bring Blackstone's experience and global resources to fuel 7 Brew's next stage of growth."

Jimmy John Liautaud, Founder of Jimmy John's Sandwiches, a selling shareholder in this transaction, said "I am truly honored to have had my mentor, the legendary Jamie Coulter, ask me to help launch franchising for this exceptional brand. I am confident that the Brew Crew, management and Blackstone will continue to drive exponential growth."

Terms of the transaction were not disclosed. Friday, Eldredge & Clark, LLP served as legal counsel to 7 Brew. Simpson Thacher & Bartlett LLP served as legal counsel to Blackstone.

About 7 Brew

7 Brew is a rapidly growing coffee brand that is revolutionizing how customers experience drive-thru coffee service and think about their morning energy boost. 7 Brew serves espresso-based coffee, chillers, teas, infused energy, sodas, and more, all with an extra boost of kindness from their team. The dream of 7 Brew came alive with the first "stand" in Rogers, AR, and its seven original coffees. Now, more than 190 7 Brew stands operate across the country. For more information, visit www.7brew.com and follow 7 Brew on Instagram (@7brewcoffee), TikTok (@7brewcoffee), Facebook (facebook.com/7brewcoffee) and Twitter (@7BrewCoffee).

About Blackstone

Blackstone is the world's largest alternative asset manager. We seek to deliver compelling returns for institutional and individual investors by strengthening the companies in which we invest. Our more than $1 trillion in assets under management include global investment strategies focused on real estate, private equity, infrastructure, life sciences, growth equity, credit, real assets, secondaries and hedge funds. Further information is available at www.blackstone.com. Follow @blackstone on LinkedIn, X (Twitter), and Instagram.

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