



STARBUCKS & SUBSTANCE CANNABIS MARKET

MEDFORD, OREGON

OFFERING MEMORANDUM

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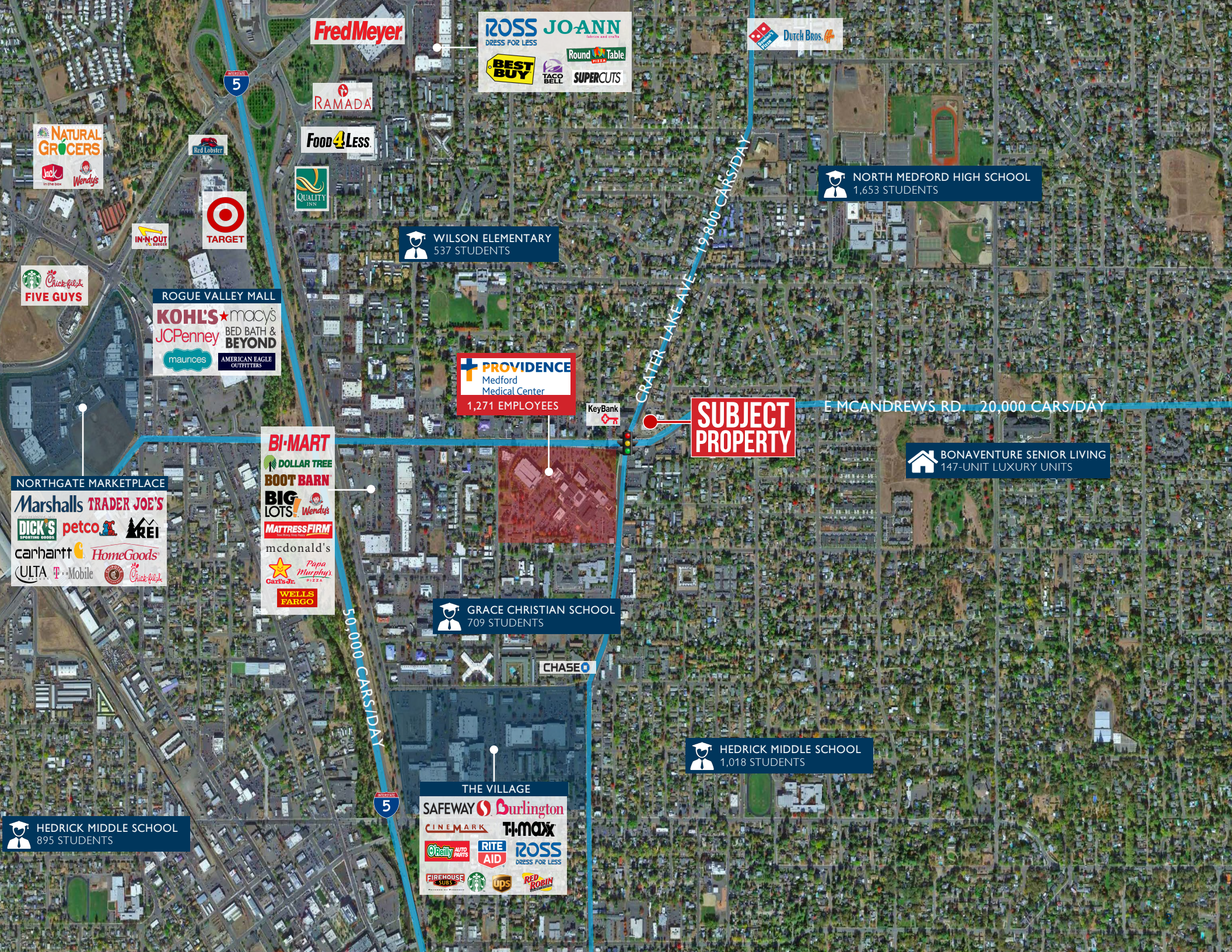
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Fred Meyer

ROSS JO-ANN
DRESS FOR LESS
BEST BUY
Round Table
TACO BELLS
SUPERCUTS

Dutch Bros.

NATURAL GROCERS
Jack in the Box
Wendy's

Red Lobster

RAMADA

Food 4 Less

QUALITY INN

TARGET

IN-N-OUT

Starbucks
Chick-fil-A
FIVE GUYS

ROGUE VALLEY MALL
KOHLS
JCPenney
maurices
BED BATH & BEYOND
AMERICAN EAGLE
OUTITTERS

WILSON ELEMENTARY
537 STUDENTS

PROVIDENCE
Medford Medical Center
1,271 EMPLOYEES

KeyBank

SUBJECT PROPERTY

NORTH MEDFORD HIGH SCHOOL
1,653 STUDENTS

CRATER LAKE AVE 19,800 CARS/DAY

E MCANDREWS RD. 20,000 CARS/DAY

BONAVENTURE SENIOR LIVING
147-UNIT LUXURY UNITS

NORTHGATE MARKETPLACE

Marshalls TRADER JOE'S
DICK'S SPORTING GOODS
petco
KREI
carhartt
HomeGoods
ULTA
T-Mobile
Chick-fil-A

BI-MART
DOLLAR TREE
BOOT BARN
BIG LOTS
Wendy's
MATTRESS FIRM
mcdonald's
Papa Murphy's
WELLS FARGO

GRACE CHRISTIAN SCHOOL
709 STUDENTS

CHASE

HEDRICK MIDDLE SCHOOL
1,018 STUDENTS

THE VILLAGE
SAFEWAY
Burlington
CINEMARK
T-maxx
O'Reilly AUTO PARTS
RITE AID
ROSS
FIREHOUSE SUBS
Starbucks
ups
RED ROBIN

HEDRICK MIDDLE SCHOOL
895 STUDENTS

50,000 CARS/DAY

INTERSTATE 5

FINANCIAL OVERVIEW

Address

1741 & 1749 E. MCANDREWS ROAD, MEDFORD, OR 97504

PRICE	\$3,382,000
CAP RATE	5.50%
NOI	\$186,000
GROSS LEASABLE AREA	4,250 SF
YEAR BUILT	2021
LOT SIZE	0.76 +/- Acres



Rent Roll

TENANT	GLA	% OF GLA	ANNUAL RENT	RENT/SF	RENT COMMENCEMENT	LEASE TERM	OPTIONS	INCREASES	CHANGES ON	CHANGES TO
Starbucks	2,000 SF	47%	\$96,000	\$48.00	4/4/2021	10 Years	Four, 5-Year	10% Every Five Years	Year 6	\$105,600
									Option 1	\$116,160
									Option 2	\$127,776
									Option 3	\$140,554
									Option 4	\$154,609
Substance Cannabis Market	2,250 SF	53%	\$90,000	\$40.00	4/1/2021	10 Years	One, 10-Year	3% Annually	Year 2	\$92,700
									Year 3	\$95,481
									Year 4	\$98,345
									Year 5	\$101,296
									Year 6	\$104,335
									Year 7	\$107,465
									Year 8	\$110,689
									Year 9	\$114,009
									Year 10	\$117,430
TOTAL	4,250 SF	100%	\$186,000							

***Substance Cannabis Market Special Termination Rights:** Notwithstanding anything to the contrary in this Lease, either Landlord or Tenant shall have the right to terminate this Lease upon thirty (30) days' written notice to the other party in the event that any of the following shall occur (each, a "Termination Event"): (a) the Permitted Use becomes illegal due to any revocation of any applicable state or local law; or (b) the federal government materially changes its enforcement priorities and reasonably sufficient funding is available to the Department of Justice under the then-applicable federal budget to implement any such materially changed enforcement priorities in a way that is reasonably likely to have a materially adverse effect on Landlord or the real property on which the Premises is located. Upon any termination pursuant to this paragraph, (i) Tenant shall immediately vacate and surrender the Premises and pay all outstanding Rent and other charges due hereunder and (ii) this Lease shall terminate and the Parties shall be released hereunder, except for such obligations that expressly survive the expiration or earlier termination of this Lease. Furthermore, in addition to the above, in the event that the termination right set forth herein is exercised by Tenant, Tenant shall pay to Landlord an additional amount equal to six (6) months of Rent (calculated as of the date of termination) and reimburse Landlord the entire Tenant Improvement Allowance within fifteen (15) days of Tenant's election to so terminate (and as a condition of the termination being effective).

INVESTMENT *HIGHLIGHTS*

- 10-Year Corporate Leases with Increases
- Brand New High-Quality Construction with a Drive-Thru
- Cannabis Industry Considered an Essential Business in Oregon
- Oregon's Cannabis Sales Increased 40% Year-Over-Year and Topped \$1.1 Billion
- One of the Top Ranked Counties in Oregon with the Highest Cannabis Sales Per Capita
- Serving Over 116,000 Residents in Established Trade Area
- Adjacent to New Ground-Up Rebuild of High-Performing 7-Eleven with a 40+ Year Operating History at this Location
- Across from Providence Medford Medical Center with 1,271 Employees, an Award-Winning Hospital
- Surrounded by a Target, Trader Joe's, Safeway, Fred Meyer, Macy's, REI, Dicks, HomeGoods, and More
- Situated at a Signalized Intersection with 39,800 Cars/Day
- Just Off I-5 with 50,000 Cars/Day, the Main North/South Highway on the West Coast with Direct Access to Seattle and San Diego
- Strong Daytime Population, Over 48,000 Employees with a 5-Mile Radius
- Close Proximity to Several K-12 Schools with 14,000 Students in the School District
- Minutes to 15-Field Sports Complex and Fields with Over 226,000 Annual Visitors
- Southwest of Crater Lake National Park with Over 800,000 Annual Visitors





TENANT	Starbucks Corporation
GUARANTOR	Corporate
LOCATIONS	33,000+
COMPANY INFORMATION	Since 1971, Starbucks Corporation (NASDAQ: SBUX) has been committed to ethically sourcing and roasting high-quality arabica coffee. Today, with nearly 33,000 stores worldwide, the company is the premier roaster and retailer of specialty coffee in the world.
GLA	2,000 SF
LEASE TERM	10 Years
ANNUAL RENT	\$96,000
OPTIONS	Four, 5-Year
LANDLORD RESPONSIBILITIES	Roof & Structure
CAM	Tenant shall pay its pro rata share, including a 10% admin fee. Annual increases in CAM shall not exceed 5%.
TAXES	Tenant shall pay its pro rata share.
INSURANCE	Tenant shall pay its pro rata share.
ASSIGNMENT & SUBLETTING	Tenant may assign or sublet without Landlord's consent, but shall remain liable under the terms of the lease.
TERMINATION OPTION	None
ESTOPPEL	Tenant shall have 30 Days to provide.



TENANT	Bloom Well Inc.
GUARANTOR	Personal - Jeremy Kwit
LOCATIONS	4
COMPANY INFORMATION	Substance Cannabis Market is a community dispensary that provides safe access to recreational and medical marijuana in a judgement-free environment. The facility is a comfortable, safe, consultative place to access medicine that has been stigmatized and criminalized for ages. Substance operates in strict compliance with the letter and the spirit of Oregon's medical cannabis laws.
GLA	2,250 SF
LEASE TERM	10 Years
ANNUAL RENT	\$90,000
OPTIONS	One, 10-Year
LANDLORD RESPONSIBILITIES	Roof & Structure
CAM	Tenant shall pay its pro rata share,
TAXES	Tenant shall pay its pro rata share.
INSURANCE	Tenant shall pay its pro rata share.
ASSIGNMENT & SUBLETTING	Tenant may assign or sublet the lease with written consent of Landlord but Guarantor shall remain liable under the lease.
TERMINATION OPTION	See special termination rights on Page 3.
ESTOPPEL	Tenant has 10 Business Days to provide.

Oregon's Maturing Cannabis Market Attracts Big Business and Unusual Deals

By: Kristian Foden-Vencil (OPB)
January 8, 2021

As Oregon's cannabis market matures, and a push to federally legalize the product gains momentum, an industry that got its start in basements, backyards and forests is taking its ambitions global, at the same time as local consumption drives breakneck growth.

Small shops are consolidating into chains. Brands are growing in clout. Small-scale consumers are getting more comfortable with the idea of stopping by the dispensary for a joint or edible, driving sales up 40% last year to over \$1 billion.

Russian oligarchs and African monarchs have even taken note. In short, as Oregon State University marketing professor Aimee Dinnin Huff put it: "The market is becoming more mature."

A Surging Market

Behind all of the cannabis business deals in Oregon is the fact that, after years of falling prices, the market has rebounded.

Sales were up 40% in 2020 to more than \$1 billion. Wholesale and retail prices have also increased more than 150%. The price of a pound of flower grown outdoors went from \$300 to \$800 in 2020.

Dinnin Huff said there are several reasons for the increase., "Part of the reason we've seen prices increase is because of the wildfire as farms and testing facilities ... are impacted or destroyed," she said.

Another reason is the pandemic. Cannabis consumption is a popular

form of recreation amid widespread COVID-19 restrictions. The Oregon Liquor Control Commission, which regulates the state's recreational cannabis program, said sales are 30% higher than it forecast before the pandemic.

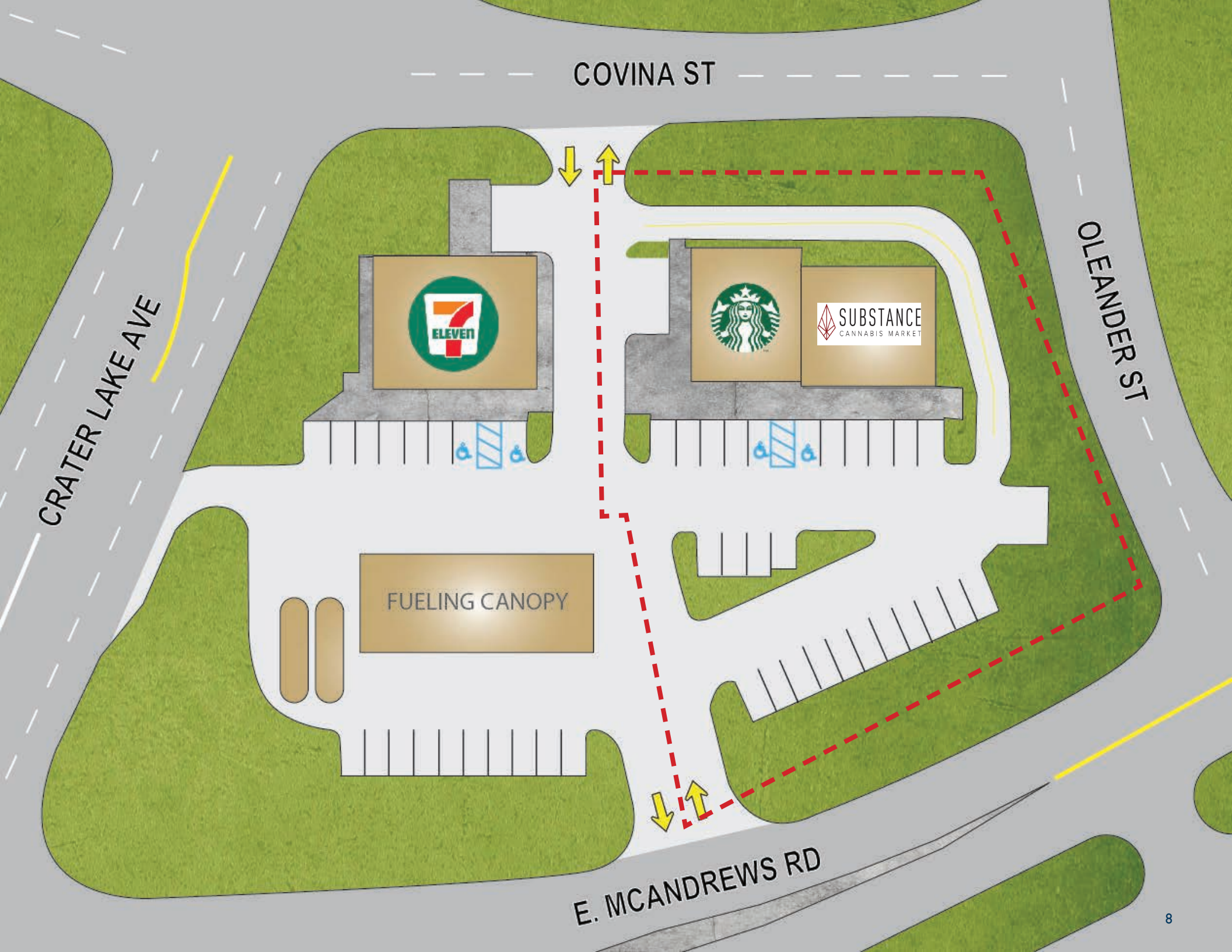
Also pushing prices higher: Some cannabis growers have left the recreational THC business, choosing to grow hemp or focus on sales of CBD, which are federally legal, instead. That reduces supply and increases prices.

And as chains grow, sellers may have more clout on the marketplace. Nectar, for example, has more than 20 stores in Oregon now and has added several more since the summer — all painted in its black and gold brand livery.

It's yet another sign of a maturing market, Dinnin Huff said.

She predicts that consumers will see a handful of brands emerge as mainstream businesses. They'll have the size to deliver large amounts of consistent quality cannabis, so consumers can expect the same experience every time.

The market is also likely to become more comfortable, not only for frequent consumers but also for people who've never used cannabis before. So the packaging will be more conventional, the qualities of each product will be clearer, and shopping will feel more like buying gourmet food or alcohol. Much like other consumer goods.



DEMOGRAPHICS

1741 & 1749 E. MCANDREWS ROAD
MEDFORD, OR 97504

POPULATION

	1-MILE	3-MILES	5-MILES
2010 Population	15,382	74,233	106,195
2020 Population	16,412	60,611	116,383
2025 Population	16,807	83,412	121,102

HOUSEHOLDS

	1-MILE	3-MILES	5-MILES
2010 Households	6,540	29,903	42,379
2020 Households	7,085	32,941	47,105
2025 Households	7,321	34,368	49,412

INCOME

	1-MILE	3-MILES	5-MILES
2020 Average Household Income	\$56,306	\$67,707	\$70,425

EMPLOYEES

	1-MILE	3-MILES	5-MILES
2020 Number of Employees In Area	9,403	37,240	48,153



**0.5
MILES**

PROVIDENCE
MEDFORD MEDICAL
CENTER



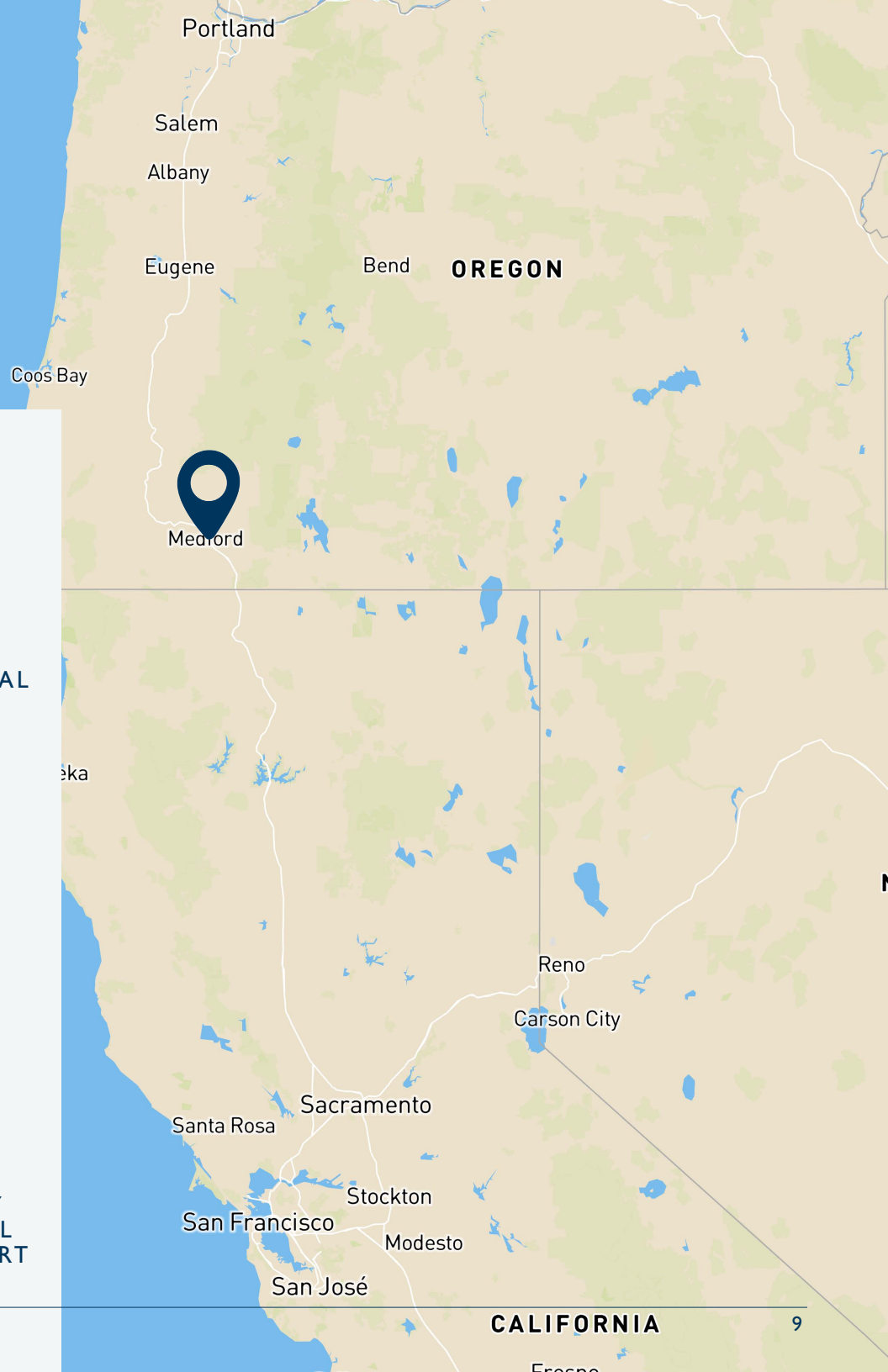
**2.5
MILES**

ROGUE VALLEY
MALL



**2.5
MILES**

ROGUE VALLEY
INTERNATIONAL
MEDFORD AIRPORT



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O F F E R I N G M E M O R A N D U M

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MEDFORD, OREGON

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Executive Managing Director

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