



DUTCH BROS GROUND LEASE

LANCASTER, CALIFORNIA

YURAS
AICALE
FORSYTH
CROWLE

Leased Investment Team

OFFERING MEMORANDUM

\$2,360,000 | 3.75% CAP RATE

- » 15-Year Absolute NNN Ground Lease to Iconic Corporate Tenant
 - » 10% Rental Increases Every Five Years
 - » Dutch Bros Recently Went Public Valued at Over \$3.8 Billion
 - » Dutch Bros is on Track to Open More Than 100 Stores in 2021
- » High-Traffic Location in Densely Populated, Growing, and Affluent Area
 - » 30,760 AADT at the Signalized Hard Corner of 20th Street E and East Avenue J
 - » Average Household Income of \$67,256 Within a One-Mile Radius of the Site
 - » 120,985 Residents within a Five-Mile Radius of the Site
- » New 2021 Construction Featuring a Dedicated Dual-Drive Thru



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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INVESTMENT SUMMARY

ADDRESS	SEC 20th Street E. & East Avenue J, Lancaster, CA		
PRICE	\$2,360,000		
CAP RATE	3.75%		
NOI	\$88,500		
TERM	15 years		
RENT COMMENCEMENT	November 9, 2021		
LEASE EXPIRATION	November 30, 2036		
	10% rental increases every five (5) years		
RENTAL INCREASES	YEAR	RENT	RETURN
	1-5	\$88,500	3.75%
	6-10	\$97,350	4.13%
	11-15	\$107,085	4.54%
	16-20 (option 1)	\$117,793	4.99%
	21-25 (option 2)	\$129,572	5.49%
	26-30 (option 3)	\$142,529	6.04%
	31-35 (option 4)	\$156,782	6.64%
YEAR BUILT	2021		
BUILDING SF	950 SF		
PARCEL SIZE	1.57 acres (68,389 SF)		
LEASE TYPE	Absolute NNN Ground Lease, with tenant responsible for all taxes, insurance, and maintenance		

NEW 15-YEAR ABSOLUTE NNN GROUND LEASE WITH SCHEDULED RENTAL INCREASES TO STRONG RETAIL TENANT

- » New 15-year 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 \$3.8 billion (NYSE: "BROS")
- » Dutch Bros sales are up 51% through the first six (6) months of 2021 after a record performance in 2020

HIGH-TRAFFIC LOCATION IN DENSELY POPULATED AND GROWING AREA

- » Located just off the signalized hard corner of 20th Street E and East Avenue J, with excellent visibility and access to 30,760 vehicles per day at the intersection
- » 120,985 residents within a five-mile radius of the property
- » Average household income of \$67,256 within a one-mile radius of the site
- » Projected 20 percent AAHL increase within one mile of the site in the next five years, poising Dutch Bros and the Lancaster location for significant concurrent growth

CENTRAL LOCATION NEAR LARGE EMPLOYERS, RETAILERS, AND COMMUNITY HUBS

- » Central location near Antelope Valley High School, Lancaster Baptist School, and Columbia Elementary School (combined 2,887 students), increasing lunch-time traffic to the site
- » Surrounded by high-density single family housing developments
- » Surrounded by major national retailers including Walmart, Stater Bros., Aldi, Bank of America, Wells Fargo, McDonald's, Taco Bell, Del Taco, Jack in the Box, and many others

NEW 2021 CONSTRUCTION

- » 2021 construction featuring a dedicated dual-lane drive-thru, providing additional customer convenience and boosting sales revenue
- » Features latest store designs and concepts





New Vista Elementary School (947 students)



(1,146 students)



The BLVD (Downtown Lancaster)

Antelope High School (1,821 students)



Park Circle Apartments (184 units)



20th Street East (13,475 AADT)



Casa Bonita Apartments (213 units)



Avenue J (17,285 AADT)





Walgreens



New Vista Elementary School

El Dorado Elementary School (697 students)



20th Street East (13,475 AADT)



Park Circle Apartments (184 units)



Casa Bonita Apartments (213 units)



Avenue J (17,285 AADT)



KB Home Sapphire Dunes- New 98 Single Family Home Development



Walmart
Supercenter

PAPA JOHN'S PIZZA
at&t

GameStop
PANDA EXPRESS
GOURMET CHINESE FOOD

Bank of America

DEL TACO

ALDI

Pollo Loco
Flame-Grilled Mexican Chicken

Avenue J
(17,285 AADT)

McDonald's



DUTCH BROS
(Under Construction)

Carl's Jr.
CHARBROILED BURGERS

KFC

TACO BELL

STATER BROS.
markets.

Casa Bonita Apartments
(213 units)

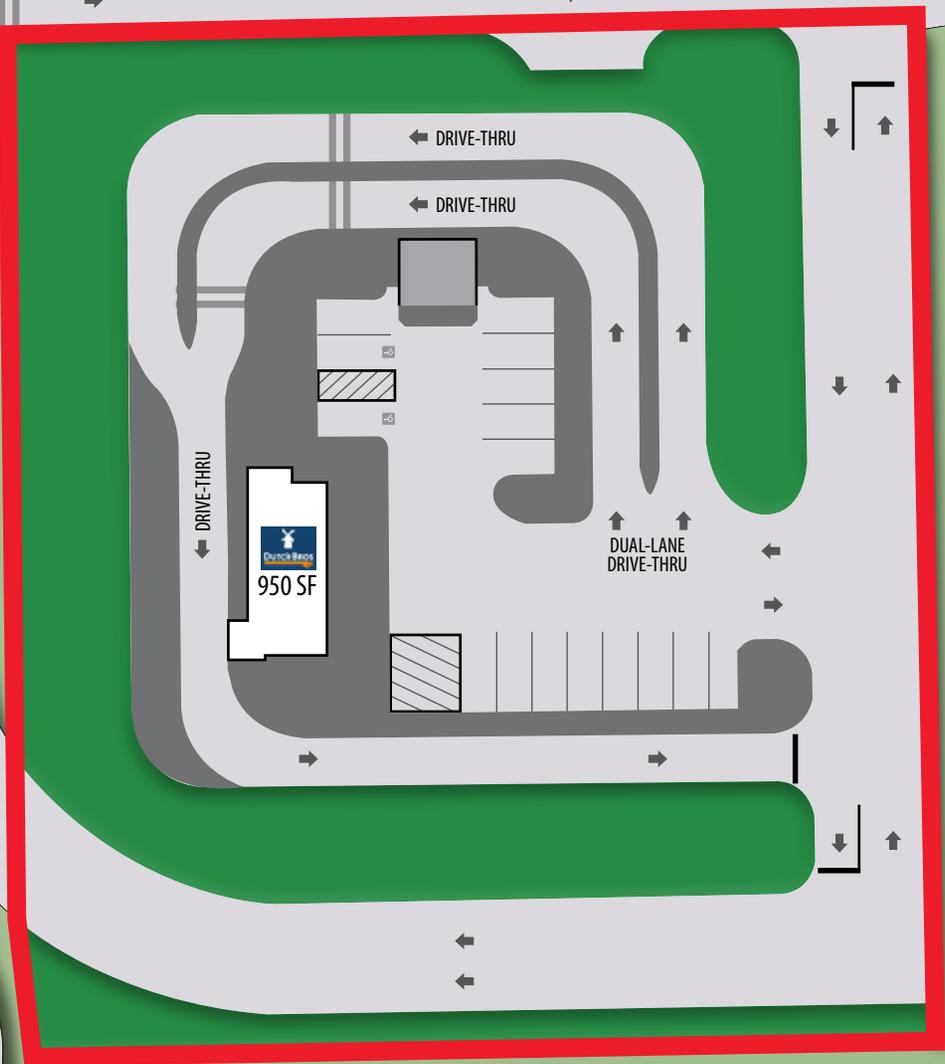
WELLS FARGO

Jack
in the box

20th Street East
(13,475 AADT)

SITE PLAN

20TH STREET EAST



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 valued at \$3.3 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 are 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	Dutch Bros		
ADDRESS	SEC 20th Street E. & East Avenue J, Lancaster, CA		
RENT COMMENCEMENT	November 9, 2021		
LEASE EXPIRATION	November 30, 2036		
RENEWAL OPTIONS	Four (4) five (5) year option periods		
RENTAL INCREASES	YEAR	RENT	RETURN
	1-5	\$88,500	3.75%
	6-10	\$97,350	4.13%
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	31-35 (option 4)	\$156,782	6.64%
REAL ESTATE TAXES	Tenant shall pay all real estate taxes directly		
INSURANCE	Tenant shall pay all insurance costs		
REPAIR & MAINTENANCE	Tenant shall be solely responsible for the repair and maintenance, at its own cost, of the Premises		
UTILITIES	Tenant shall pay all charges for gas, electricity, telephone, sewer, water, and any other utilities used by Tenant on the Leased Premises		
MAINTENANCE BY LANDLORD	None		
RIGHT OF FIRST REFUSAL	None		

PROPERTY OVERVIEW

LOCATION

The property is strategically located just off the signalized hard corner of 20th Street E and East Avenue J with 30,760 vehicles per day at the intersection. The subject property is located next to a brand new Aldi and just cross from a Walmart and a Stater Bros.-anchored shopping center, promoting crossover shopping. The surrounding area is densely populated with 120,985 residents and an average household income over \$64,000 within five miles of the property. The immediate area is poised for strong growth, with a projected average household income increase of over 20 percent over the next five years within one mile of the property.

The subject property is centrally located in a growing retail corridor in a brand new development with Aldi and El Pollo Loco among the tenants. The surrounding area is being rapidly developed with many high-density single family housing developments under construction. There are many schools within a two mile radius including Antelope Valley High School, Lancaster Baptist School, and Columbia Elementary School with a combined 2,887 students. Lancaster is just 70 miles from downtown Los Angeles, the second largest city in the United States behind only New York City.

ACCESS

Access from 20th Street E

TRAFFIC COUNTS

20th Street E: 13,475 AADT
East Avenue J: 17,285 AADT

PARKING

16 parking stalls, including two (2) handicap stalls

YEAR BUILT

2021

NEAREST AIRPORT

Palmdale Regional Airport (PMD | 11 miles)



16
PARKING
STALLS



2021
YEAR BUILT



**NEAREST
AIRPORTS**
PALMDALE
REGIONAL AIRPORT

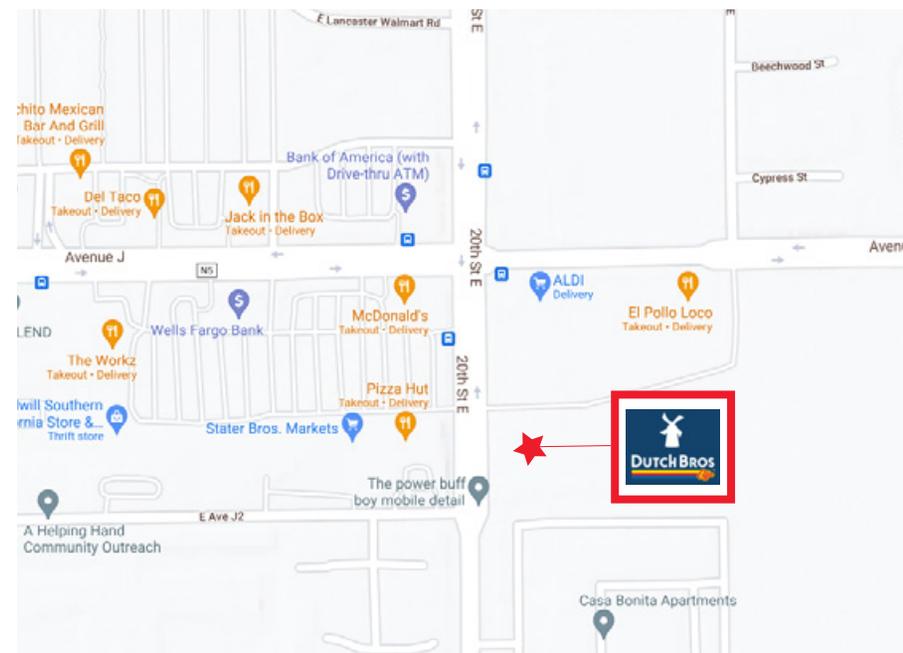
AREA OVERVIEW

Lancaster, population 168,049, is the 31st largest city in California and the fifth largest city in Los Angeles County. Lancaster and Palmdale, its twin city, are the principal cities within the Antelope Valley Region and California's High Desert. The Lancaster/Palmdale urban area has an estimated population of 513,547. Lancaster is well-known for its large and prosperous technology-driven subculture. Located in "Aerospace Valley", it has always been on the cutting edge of technology, and is now aiming to become the nation's first net-zero city by greatly reducing energy needs through the efficient use of renewable energy. To achieve this goal, Lancaster has created strategic partnerships with sustainable businesses and is quickly becoming a renewable energy capital. In May 2013, BYD Auto announced not one, but two manufacturing facilities to be located in Lancaster. These include a 120,000-square-foot BYD electric bus manufacturing facility, as well as a separate 44,000-square-foot energy storage system (large scale battery) manufacturing facility. Businesses flock to Lancaster due to its abundant commercial and industrial property at very affordable prices and close proximity to important Southern California markets; Downtown Los Angeles is located just 45 miles south of Lancaster. The well-respected Kosmont-Rose Institute survey consistently ranks Lancaster among Los Angeles County's low-cost leaders.

Los Angeles County, with a population of more than 10 million people, is the most populous county in the United States. It has 88 incorporated cities and many unincorporated areas. At 4,083 square miles, it is larger than the combined areas of the states of Delaware and Rhode Island. The county contains more than one-quarter of all California residents and is one of the most ethnically diverse counties in the U.S. Many major companies have headquarters in Los Angeles County including Walt Disney Co, Warner Bros, Universal Pictures, Trader Joe's, Panda Express, Hulu, Dole Food Company, Farmers Insurance, and many others.

- » In 2007 and 2013, the City of Lancaster was honored with the Eddy Award for Most Business-Friendly City in L.A. County from the Los Angeles County Economic Development Corporation. Lancaster is the first city in the program's history to win the award twice.
- » Lancaster's SOAR High School ranks in the top 10 of all high schools in California, with an API score of 936. This early college immersion program integrates college courses into the high school curriculum, allowing students to graduate with both a high school diploma and an associate's degree within five years.
- » Each spring, the California Poppy Festival draws upward of 60,000 guests to Lancaster City Park to celebrate springtime. The California Poppy Reserve, 20 miles west of Lancaster, boasts one of California's most abundant crops of the state flower, and the Poppy Festival has become a popular event not only for Lancaster residents, but also for visitors from around the world.
- » In October 2009, the City launched the first annual Streets of Lancaster Grand Prix, a professional go-kart racing event, in downtown Lancaster. In October 2010, the event was held along the newly revitalized BLVD and expanded to three days of festivities, boasting an attendance of 35,000. The event is accompanied by a street festival, live music, and a car show.

LARGEST EMPLOYERS IN LANCASTER, CA	# OF EMPLOYEES
EDWARDS AIR FORCE BASE	10,647
CHINA LAKE NAVAL WEAPONS BASE	6,690
COUNTY OF LOS ANGELES	3,743
LOCKHEED MARTIN	3,700
MOJAVE AIR & SPACEPORT	2,500
ANTELOPE VALLEY HOSPITAL MEDICAL CENTER	2,300
NORTHROP GRUMMAN	2,100
WAL-MART	1,922
CA CORRECTIONAL INSITUTE	1,915
ANTELOPE VALLEY MALL	1,800



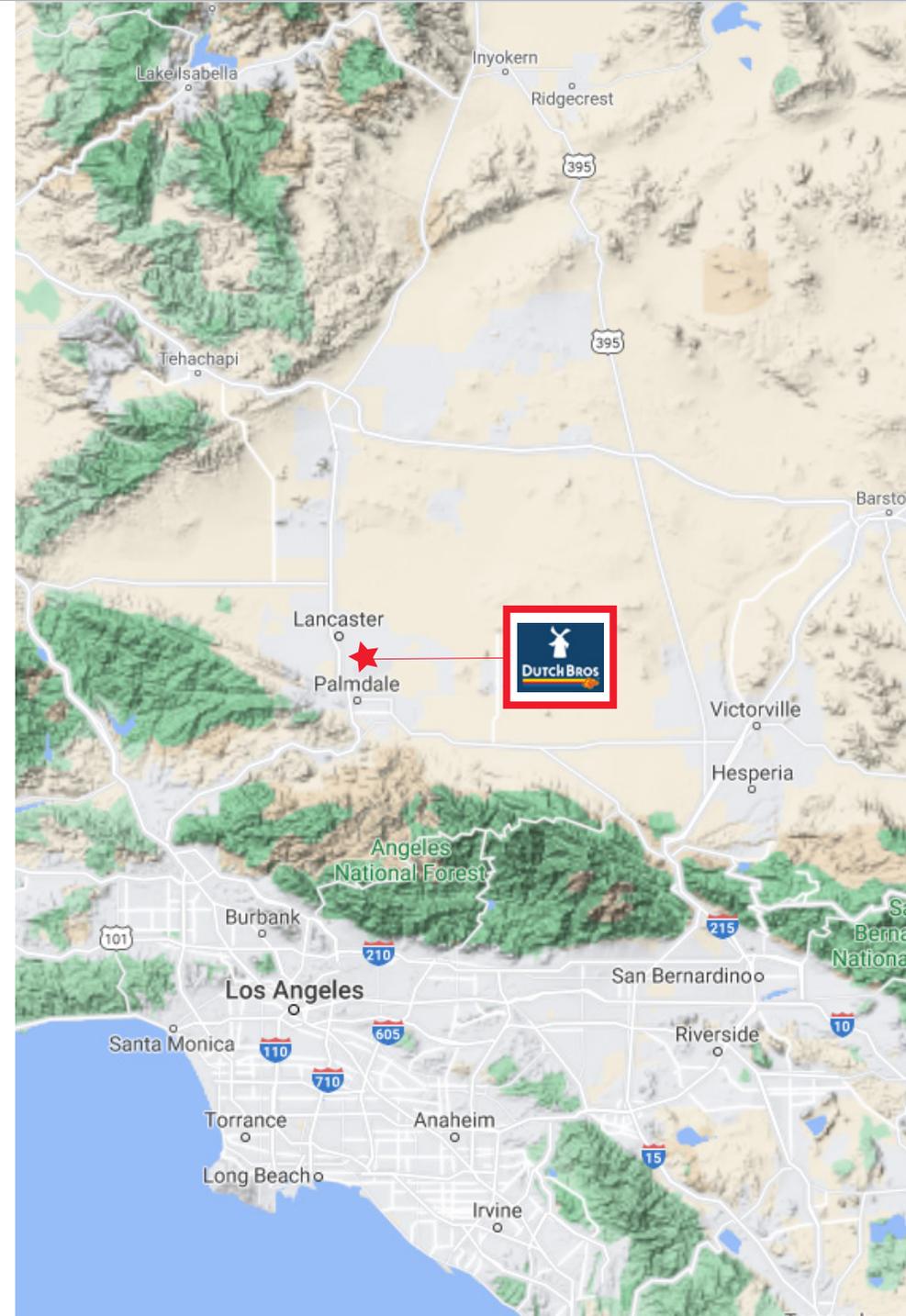
DEMOGRAPHIC PROFILE

2021 SUMMARY	1 Mile	3 Miles	5 Miles
Population	22,061	78,913	121,671
Households	6,122	22,657	37,149
Families	4,895	17,265	26,950
Average Household Size	3.60	3.43	3.22
Owner Occupied Housing Units	3,708	13,030	20,032
Renter Occupied Housing Units	2,414	9,627	17,117
Median Age	29.9	29.7	31.1
Average Household Income	\$67,959	\$61,473	\$65,093

2026 ESTIMATE	1 Mile	3 Miles	5 Miles
Population	22,140	79,965	122,959
Households	6,097	22,780	37,265
Families	4,888	17,417	27,134
Average Household Size	3.62	3.46	3.25
Owner Occupied Housing Units	3,714	13,273	20,303
Renter Occupied Housing Units	2,384	9,507	16,962
Median Age	31.3	30.9	32.1
Average Household Income	\$81,628	\$72,958	\$76,246



**POPULATION OF 121,671
WITHIN FIVE MILES**





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