



OFFERING MEMORANDUM

PRESERVE
WEST
CAPITAL



Umpqua Bank
Valley Springs, CA

www.preservewestcapital.com



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Disclaimer

MGM Capital Corp dba Preserve West Capital ("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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PROPERTY HIGHLIGHTS



- Long-Term NNN Lease to Umpqua Bank (NASDAQ: UMPQ)
 - No Landlord Maintenance Responsibilities
 - Rare 1% Annual Rental Escalations
- Corporate Guarantee from Investment Grade Tenant Rated BBB+ by Fitch
 - \$29.2 Billion in Assets
 - Umpqua Holds 26.7% of Deposit Market Share in Calaveras County
 - \$61.6 Million in Deposits at this Location
- Excellent Access and Visibility at Junction of Highway 26 and Highway 12
 - Combined AADT of 19,700
- Nearby Anchor Tenants Include Mar-Val Foods, CVS, Grocery Outlet, & More
- Robust Demographics in Surrounding Area
 - Average Household Income of \$95,195 within 1 Mile of Site
 - Population of 9,820 within 5 Mile Radius
- The Region Benefits from a Robust Tourism Economy
 - Serves as the Retail Hub for a Three-County Trade Area with a Total Population of more than 140,000
 - Annual Tourism Spending in Calaveras County Exceeds \$150.5 Million
 - Close Proximity to New Lake Hogan Recreational Areas
- Approximately 58 Miles from Sacramento & 100 Miles from San Francisco Bay Area
- The Bank has Approximately \$61.6 Million in Deposits and is Umpqua's Second-Largest Branch by Deposits County-wide



PRICE

\$2,642,000

5.25% CAP Rate

Location

The property is located at 87 Highway 26 in Valley Springs, California.

Lot Size

Approximately 0.166 acres or 7,225 square feet.

Improvements

A 2,723 square foot bank building for **Umpqua Bank**.

Parking

There are 10 parking spaces available on site.

Lease

Leased to **Umpqua Bank** for 10 years and 3 months from December 1, 2017 through March 31, 2028 at a current annual rent of \$133,350 which shall increase to \$134,683 on December 1, 2021. There are two (2) five-year options to renew the lease. Rent is to increase by 1% annually on December 1 of each year throughout the primary term; rent is to increase by the cumulative change in CPI over the preceding lease term at the start of each option period, and by 1% annually during the option period thereafter. The lease is net with tenant responsible for all taxes, insurance, maintenance, including roof and structure, and a management fee equal to 3% of base rent.

Financing

This property will be delivered free and clear of permanent financing.

Annual Rent

Years	Base Rent	Property Management Fee Income	Total	Return
Year 1	\$125,659	\$3,770	\$129,428	
Year 2	\$128,172	\$3,845	\$132,017	
Year 3	\$130,735	\$3,922	\$134,657	
Year 4 (Current Rent)	\$133,350	\$4,000	\$137,350	
Year 5 (Capitalized Rent)	\$134,683	\$4,041	\$138,724	5.25%
Year 6	\$136,030	\$4,081	\$140,111	5.30%
Year 7	\$138,751	\$4,163	\$142,913	5.41%
Year 8	\$141,526	\$4,246	\$145,772	5.52%
Year 9	\$144,356	\$4,331	\$148,687	5.63%
Year 10	\$147,244	\$4,417	\$151,661	5.74%
Year 11 Option 1	\$150,188	\$4,506	\$154,694	5.85%
Year 12 Option 1	\$153,192	\$4,596	\$157,788	5.97%
Year 13 Option 1	\$156,256	\$4,688	\$160,944	6.09%
Year 14 Option 1	\$159,381	\$4,781	\$164,163	6.21%
Year 15 Option 1	\$162,569	\$4,877	\$167,446	6.34%
Year 16 Option 2	\$165,820	\$4,975	\$170,795	6.46%
Year 17 Option 2	\$169,137	\$5,074	\$174,211	6.59%
Year 18 Option 2	\$172,519	\$5,176	\$177,695	6.72%
Year 19 Option 2	\$175,970	\$5,279	\$181,249	6.86%
Year 20 Option 2	\$179,489	\$5,385	\$184,874	7.00%



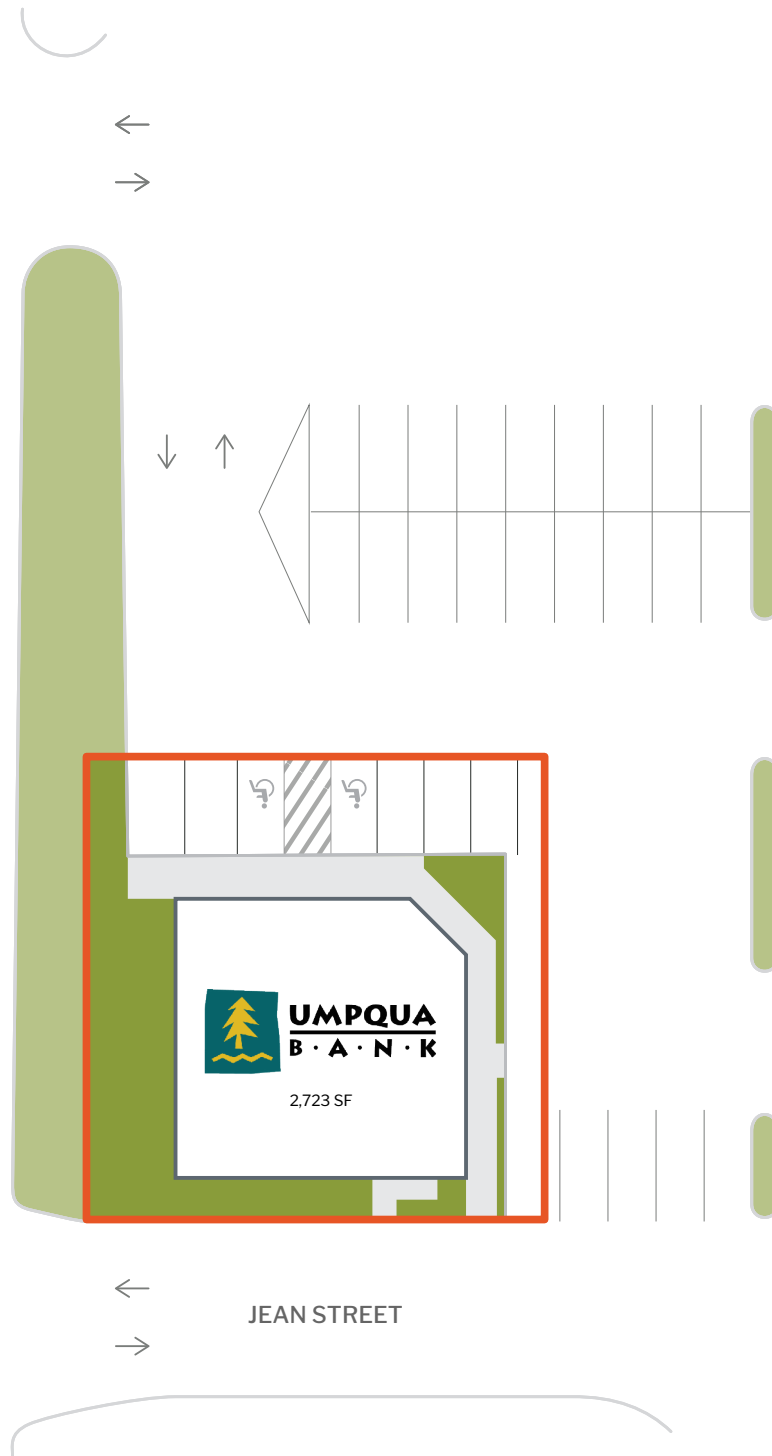
UMPQUA
B · A · N · K

Umpqua Holdings Corporation (NASDAQ: UMPQ)

is the parent company of Umpqua Bank, the largest bank headquartered in the Pacific Northwest, with 229 branches across Oregon, California, Washington, Idaho, and Nevada. Umpqua Bank has been recognized for its innovative customer experience and banking strategy by national publications including The Wall Street Journal, The New York Times, BusinessWeek, Fast Company and CNBC. The bank provides a wide array of banking services and financial products, including deposit accounts, commercial loans, commercial leases, treasury management, wealth management, mortgage loans, consumer loans, equipment financing, credit cards, and more.

As of December 31, 2020, Umpqua Bank reported \$29.2 billion in assets and \$24.76 billion in deposits. For 2020, the bank reported revenue of \$1.29 billion and total stockholder equity of \$2.7 billion. Umpqua Bank is rated BBB+ by Fitch and BBB- by S&P.

SITE PLAN



AERIAL

NORTHWEST VIEW



Valley Springs
Take and Bake
Pizza

The Parlour Pub

GOOD FRIENDS
Chinese Restaurant

Century 21



MAR-VAL

Small Enough to Appreciate You - Big Enough to Serve You



ACE
Hardware



UMPQUA
B · A · N · K

**Valley Oaks
Center**

Round Table
PIZZA
The Last Honest Pizza
Mexico Lindo

CVS
pharmacy



SUBWAY

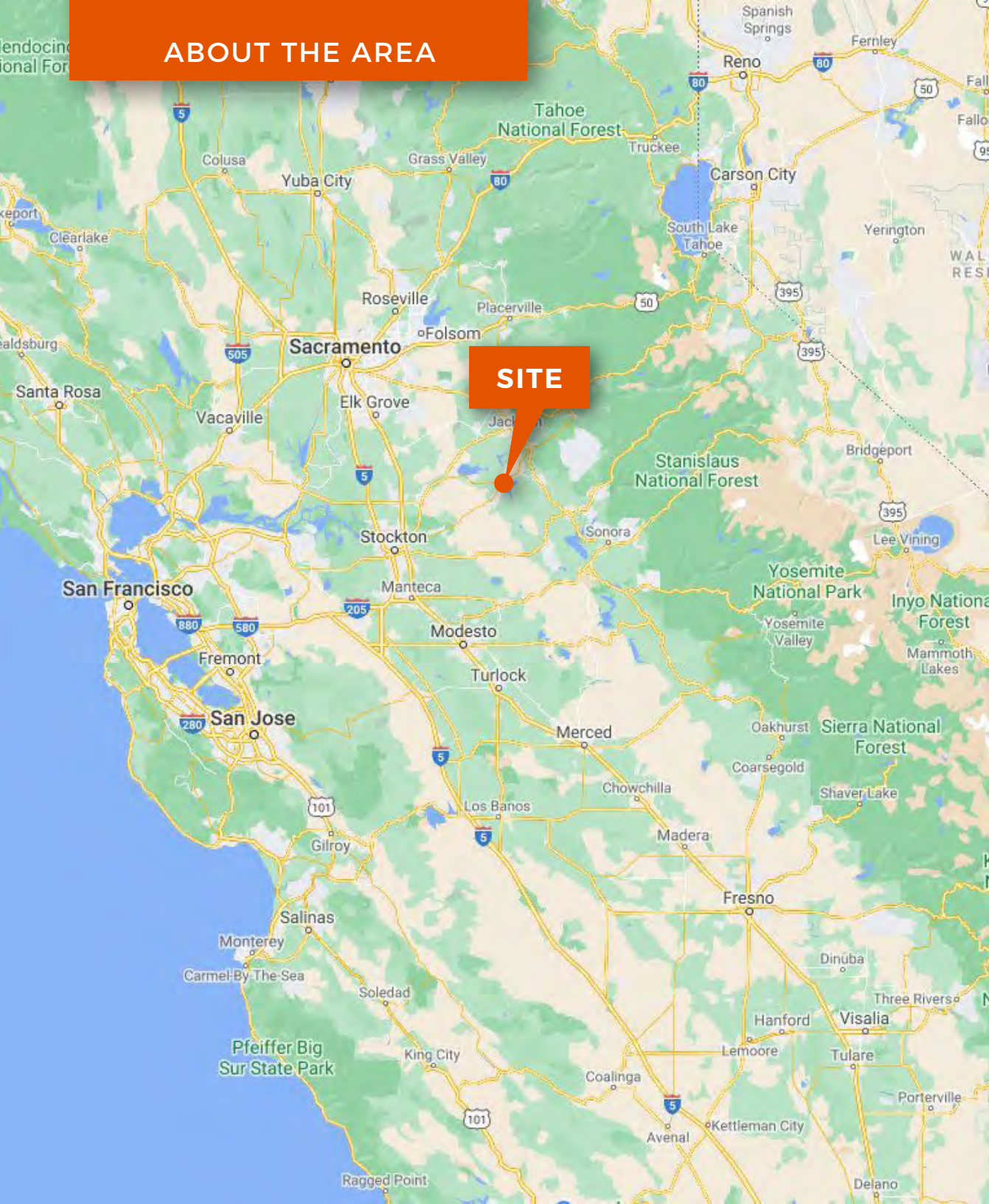


AutoZone

CALIFORNIA
12
CALIFORNIA
26

(10,900 AADT)

ABOUT THE AREA



General Overview

Valley Springs (population 3,502) is a census designated place in Calaveras County in the foothills of the Sierra Nevada Mountain Range. The area is a registered California Historical Landmark. The town is within the Gold Country and High Sierra regions of the state approximately 83 miles from Yosemite National Park, 113 miles from Lake Tahoe, 58 miles from Sacramento, and 100 miles from the San Francisco Bay Area.

The region benefits from a robust tourism economy and serves as the retail hub for a three-county trade area with a total population of more than 140,000. Tourist spending within the region contributes approximately \$150.5 million to the regional economy each year. Calaveras County as a whole is known for being featured in Mark Twain's short story "The Celebrated Jumping Frog of Calaveras County," and holds an annual Jumping Frog Jubilee and frog-jumping contest during the Calaveras County Fair, which draws more than 45,000 attendees and has an economic impact of approximately \$25.5 million in the region.

ABOUT THE AREA



Site Information

The subject property is prominently located with excellent access and visibility along Highway 26 (10,900 AADT) adjacent to its junction with East Highway 12 (8,800 AADT). Total population within 5 miles of the site is 9,820; average household income within a 1 mile radius is \$95,195, with more than a third of households earning more than \$100,000 annually.

The property benefits from a central location neighboring retail tenants, schools, and more. The property is adjacent to Valley Oaks Retail Center, anchored by Mar-Val Foods and CVS. Other retail tenants in the surrounding area include Grocery Outlet, Ace Hardware, O'Reilly Auto Parts, Autozone, Dollar General, and more. The site additionally neighbors Valley Springs Elementary School, drawing additional traffic from parents and teachers to the surrounding area. In addition, the property benefits from close proximity to numerous popular recreational areas on the shore of New Hogan Lake, including Wrinkle Cove Day Use Area, Fiddleneck Day Use Area, Acorn Recreation Area, and Oak Knoll Recreation Area.

Only 6 banks are active in the Calaveras County Market, with a total of 10 branch office locations. Of these, Umpqua Bank holds approximately 26.7% market share of deposits. This branch location holds approximately \$61.6 million in deposits and is Umpqua's second-largest branch by deposits county-wide.

DEMOGRAPHICS



87 S Hwy 26 | Valley Springs, CA 95252



TOTAL POPULATION

22,406



AVG. HOME VALUE

\$345,488



AVG. HOUSEHOLD INCOME

\$93,206

Population Summary

	3 Miles	5 Miles	10 Miles
2010 Total Population	5,848	9,135	20,770
2020 Total Population	6,332	9,902	22,406
2025 Total Population	6,538	10,228	23,127
2020-2025 Annual Rate	0.64%	0.65%	0.64%

Average Household Income

2020	\$93,206	\$88,310	\$85,683
2025	\$105,356	\$99,266	\$94,776

Average Home Value

2020	\$338,814	\$336,933	\$345,488
2025	\$355,408	\$353,457	\$364,318



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