

BRAND NEW CONSTRUCTION DRIVE-THRU QSR

Single Tenant Ground Lease Investment Opportunity
Opened for Business November 15, 2021



(NYSE: BROS)



699 N Golden State Blvd | Turlock, California

MODESTO MSA

ACTUAL SITE



EXCLUSIVELY MARKETING BY



PAT WEIBEL

Senior Vice President
SRS National Net Lease Group

pat.weibel@srsre.com
D: 760.932.0141 | M: 310.913.1510
3131 Camino Del Rio N, Suite 310
San Diego, California 92108
IL License No. 47108266

MATTHEW MOUSAVI

Managing Principal
SRS National Net Lease Group

matthew.mousavi@srsre.com
D: 949.698.1116 | M: 714.404.8849
610 Newport Center Drive, Suite 1500
Newport Beach, CA 92660
CA License No. 01732226

PATRICK R. LUTHER, CCIM

Managing Principal
SRS National Net Lease Group

patrick.luther@srsre.com
D: 949.698.1115 | M: 480.221.4221
610 Newport Center Drive, Suite 1500
Newport Beach, CA 92660
CA License No. 01912215



Broker/Designated Officer: Garrett Colburn, SRS Real Estate Partners-Northwest, LP | CA License No. #01416734

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PROPERTY PHOTO



INVESTMENT SUMMARY



SRS National Net Lease Group is pleased to offer the opportunity to acquire the leased fee interest (land ownership) in an absolute NNN, corporate signed, drive-thru equipped, Dutch Bros. investment property located in Turlock, California (Modesto MSA). The tenant, BB Holdings CA, LLC, recently signed a brand new 15-year lease with 4 (5-year) options to extend, demonstrating their commitment to the site. The lease features a 10% rental increase in year 11 of the initial term and at the beginning of each option period, growing NOI and hedging against inflation. The lease is signed by the corporate entity and is absolute NNN with zero landlord responsibilities, making it an ideal, management-free investment opportunity for a passive investor. The brand new state-of-the-art property held its grand opening on November 15, 2021, featuring Dutch Bros' most recent prototype. In September 2021, Dutch Bros launched its initial public offering raising over \$484 million and valuing the company at \$3.8 billion.

Dutch Bros is strategically located at the signalized, hard corner intersection of North Golden State Boulevard and West Canal Drive, averaging a combined 31,100 vehicles passing by daily. The site is equipped with a dual lane drive-thru, providing ease and convenience for customers. On average, stores with drive-thrus experience higher sales than those without. The asset is ideally situated as an outparcel to Turlock Town Center, a 138,742 SF neighborhood center anchored by 99 Cents Only, Smart & Final Extra, and Rite Aid. Located within a strong retail corridor, the site is within close proximity to a variety of national/credit tenants including Walmart, Target, The Home Depot, Costco Wholesale, Ross Dress for Less, Staples, Dollar Tree, and more. Strong tenant synergy increases consumer draw to the immediate trade area and promotes crossover store exposure for the site. In addition, California State University - Stanislaus (10,000 students) is located just 2 miles north of the subject property, providing a direct consumer base from which to draw. The 5-mile trade area is supported by nearly 88,000 residents and 31,000 daytime employees with a healthy average household income of \$81,500.

PROPERTY PHOTOS



OFFERING SUMMARY



OFFERING

Pricing	\$1,623,000
Net Operating Income	\$64,900
Cap Rate	4.00%
Guaranty	The Lease Signature is Corporate
Tenant	BB Holdings CA, LLC
Lease Type	Absolute NNN - Ground Lease
Landlord Responsibilities	None
Sales Reporting	No

PROPERTY SPECIFICATIONS

Rentable Area	950 SF
Land Area	0.29 Acres
Property Address	699 N. Golden State Boulevard Turlock, California 95380
Year Built	2021 (Opened 11/15/2021)
Parcel Number	61041015
Ownership	Leased Fee (Land Ownership)

INVESTMENT HIGHLIGHTS



Brand New 15-Year Lease | Corporate Signed | Scheduled Rental Increases | Latest Prototype

- The tenant recently signed a brand new 15-year lease with 4 (5-year) options to extend, demonstrating their commitment to the site
- 10% rental increase in year 11 of the initial term and at the beginning of each option period, growing NOI and hedging against inflation
- The brand new state-of-the-art property held its grand opening on November 15, 2021, featuring Dutch Bros' most recent prototype
- In September 2021, Dutch Bros launched its initial public offering raising over \$484 million and valuing the company at \$3.8 billion

Absolute NNN | Leased Fee Ownership | Limited Landlord Responsibilities

- Tenant pays for CAM, taxes, and insurance
- No landlord responsibilities - ground lease
- Ideal, management-free investment for a passive investor

Signalized, Hard Corner Intersection | Drive-Thru Equipped | Excellent Visibility & Access

- Located at the signalized, hard corner intersection of North Golden State Blvd and West Canal Drive, averaging a combined 31,100 vehicles passing by daily
- Dual lane drive-thru, providing ease and convenience for customers
- On average, stores with drive-thrus generate higher sales than those without
- Excellent visibility and multiple points of ingress/egress throughout the center

Northern California Retail Opportunity | High Barriers to Entry

- Newly constructed and desirable asset in a highly competitive Northern California retail market
- This offering represents a rare opportunity to acquire real estate within a dense, infill trade area with high barriers to new development

Outparcel to Turlock Town Center | Recent Improvements | Dense Retail Corridor | CSU - Stanislaus (10,000 Students)

- Situated as an outparcel to Turlock Town Center, a 138,742 SF neighborhood center anchored by 99 Cents Only, Smart & Final Extra, and Rite Aid
- In 2019 and 2020, improvements totaling \$7 million had been invested into the center to accommodate the new Smart & Final and the new pad for Rite Aid
- The site is within close proximity to a variety of national/credit tenants including Walmart, Target, The Home Depot, Costco Wholesale, Ross Dress for Less, Staples, Dollar Tree, and more
- Strong tenant synergy increases consumer draw to the immediate trade area and promotes crossover store exposure for the site
- California State University - Stanislaus (10,000 students) is located 2 miles north of the subject property, providing a direct consumer base to draw from

Strong Demographics in 5-Mile Trade Area

- Nearly 88,000 residents and 31,000 employees support the trade area
- Healthy average household income of \$81,500

PROPERTY OVERVIEW



Location



Turlock, California
Stanislaus County
Modesto MSA

Parking



Dutch Bros benefits from cross-access/cross-parking easements throughout the shopping center

Access



N. Golden St Blvd: 1 Access Points

Parcel



Parcel Number: 61041015
Acres: 0.29
Square Feet: 12,680

Traffic Counts



N. Golden St Blvd: 21,100 Vehicles Per Day
W. Canal Dr: 10,000 Vehicles Per Day
Golden St Hwy/St Hwy 99: 83,000 Vehicles Per Day

Construction



Year Built: 2021
Grand Opening: November 15, 2021

Improvements



There is approximately 950 SF of existing building area

Zoning



C-C: Community Commercial



CALIFORNIA STATE UNIVERSITY -
STANISLAUS (10,000 STUDENTS)

10,000
VEHICLES PER DAY

21,100
VEHICLES PER DAY



STATE HIGHWAY 99

TURLOCK CINEMA PLAZA



83,000
VEHICLES PER DAY



TURLOCK TOWN CENTER

N. GOLDEN STATE BLVD.

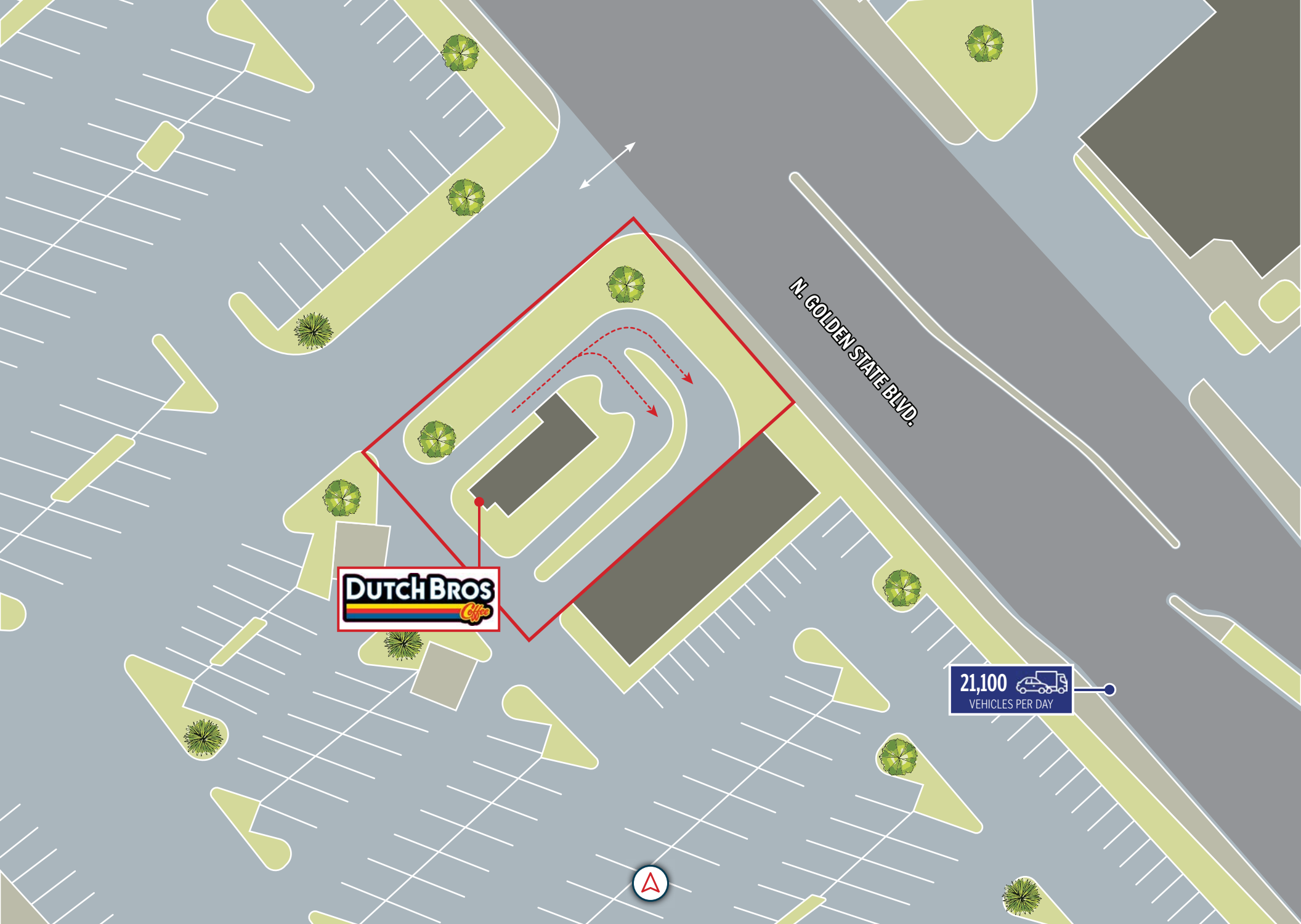
GEER RD.



21,100
VEHICLES PER DAY

18,300
VEHICLES PER DAY

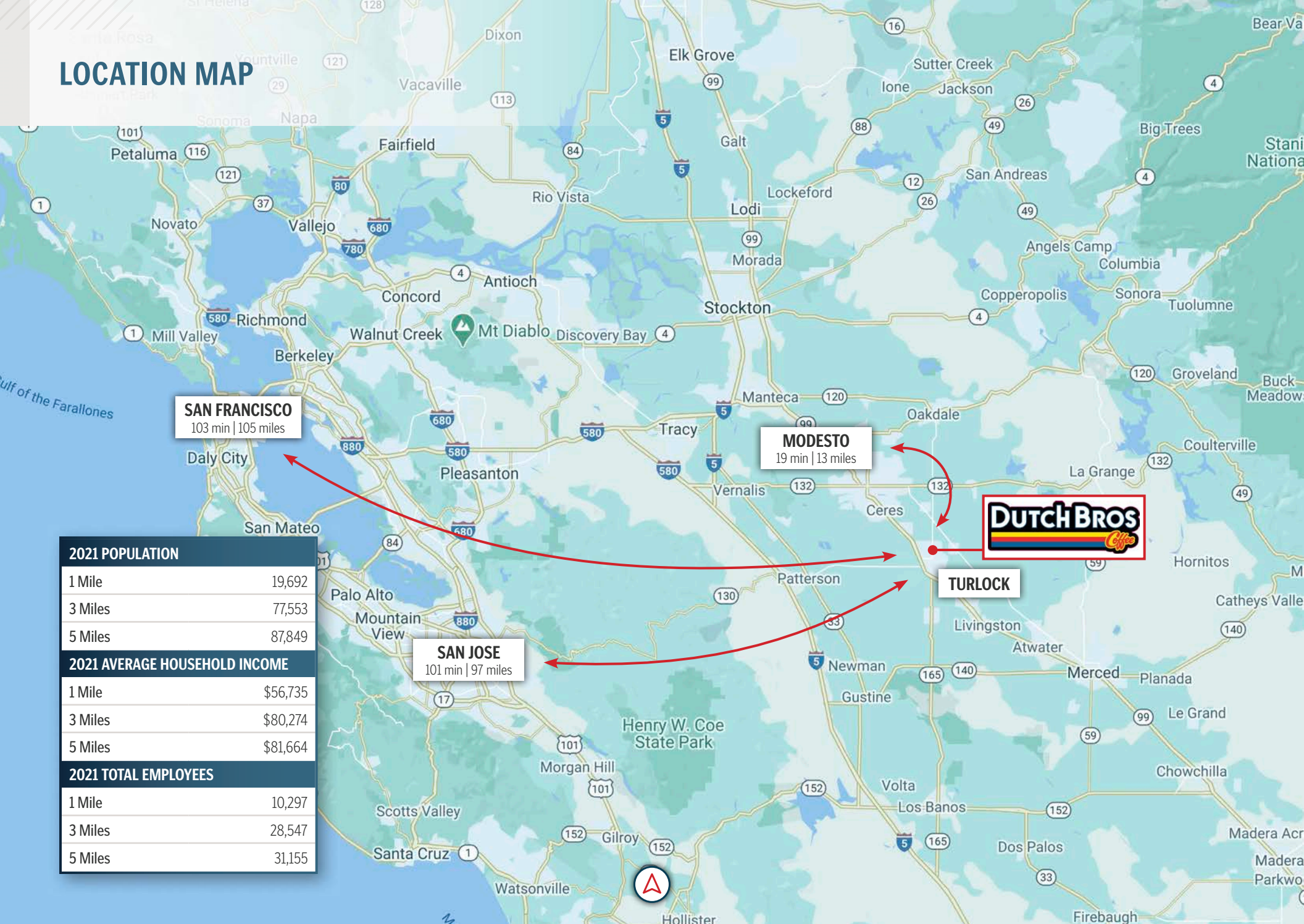




PROPERTY PHOTO



LOCATION MAP





TURLOCK, CALIFORNIA

The city of Turlock, located in Stanislaus County, is nestled in the heart of California's Central Valley. Situated about 93 miles south of the state capital of Sacramento at the intersection of California State Highways 99 and 165, Turlock affords close proximity to Interstate I-5 and State Highways 33, 132 and 140. Nearest communities are Modesto (to the northwest) and Merced (to the southeast). Turlock is the home of California State University Stanislaus (CSUS).

The largest industries in Turlock, CA are Health Care & Social Assistance, Manufacturing, and Educational Services, and the highest paying industries are Utilities, Professional, Scientific, & Technical Services, and Finance & Insurance.

The Turlock Historical Museum is located in the heart of the city's historical downtown district. The Lawton Doll Company is a unique venue where visitors can view first-hand the porcelain doll making process. The Hilmar Cheese Company offers tours, cheese tasting, and insight into the intricacies of the cheese-making process. One of Turlock's hidden treasures is the Great Impressions Art and Antiques Gallery, home to over 2,000 original works of art in a large variety of styles. Theatrical and musical performances can be found at the Turlock Community Theatre and on the CSUS campus. Art gallery displays are available at the Carnegie Center and West Main Art Gallery.

Turlock is the home of California State University, Stanislaus, a liberal arts university, and part of the 23-campus California State University system. The number rises to 8,917 when considering all students, including graduate students. Turlock is home to two public high schools: Turlock High School and John H. Pitman High School as well as a continuation high school, Roselawn High School, which are part of the Turlock Unified School District.





MODESTO, CALIFORNIA

Modesto (Spanish for “modest”), officially the City of Modesto, is the county seat and largest city of Stanislaus County, California, United States. With a population of approximately 201,165 at the 2010 census, it is the 18th largest city in the state of California and forms part of the San Jose-San Francisco-Oakland Combined Statistical Area.

Modesto is located in the Central Valley, 68 miles south of Sacramento and 90 miles north of Fresno. Its distance from other places include 40 miles north of Merced, California, 92 miles east of San Francisco, 66 miles west of Yosemite National Park, and 24 miles south of Stockton.

It is surrounded by rich farmland; Stanislaus County ranks sixth among California counties in farm production, and is home to Gallo Family Winery the largest family-owned winery in the United States. Led by milk, almonds, chickens, walnuts, and corn silage, the county grossed nearly \$3.1 billion in agricultural production in 2011.

The Gallup-Healthways Well-Being Index for 2011, which interviews 1,000 participants about their jobs, finances, physical health, emotional state of mind and communities, ranked Modesto 126 out of the 190 cities surveyed. In December 2009, Forbes ranked Modesto 48th out of 100 among “Best Bang-for-the-Buck Cities”.

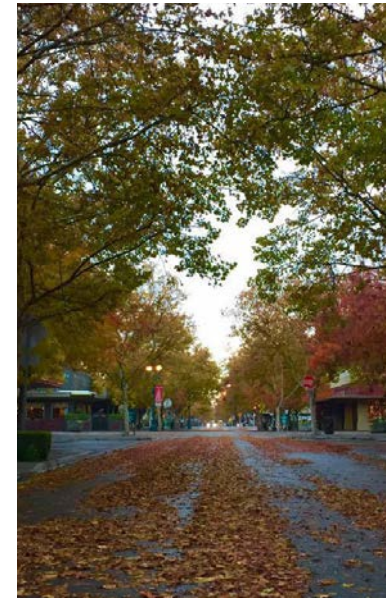
Modesto has a large agricultural industry which is based on the fertile farmland surrounding the city. Modesto is home to the largest winery in the world: E & J Gallo Winery. The Gallo Glass Company, a company of Gallo Winery, is the largest wine bottle manufacturing company in the world. The company provides thousands of office and manufacturing jobs to Stanislaus County residents. Other major privately owned companies based in Modesto include Foster Farms Dairy, Royal Robbins, international award winner Fiscalini Cheese, Sciabica Olive Oil, Acme Construction, Aderholt Specialty, and 5.11 Tactical (formerly a part of Royal Robbins, a United States brand of clothing consisting of uniforms and tactical equipment for military).



AREA DEMOGRAPHICS



	1 MILE	3 MILES	5 MILES
POPULATION			
2021 Estimated Population	19,692	77,553	87,849
2026 Projected Population	20,021	79,558	90,192
2010 Census Population	19,087	73,253	82,731
Projected Annual Growth 2021 to 2026	0.33%	0.51%	0.53%
Historical Annual Growth 2010 to 2021	0.29%	0.53%	0.53%
HOUSEHOLDS & GROWTH			
2021 Estimated Households	6,624	25,675	28,933
2026 Projected Households	6,742	26,328	29,684
2010 Census Households	6,390	24,283	27,300
Projected Annual Growth 2021 to 2026	0.35%	0.50%	0.51%
Historical Annual Growth 2010 to 2021	0.34%	0.52%	0.52%
RACE & ETHNICITY			
2021 Estimated White	81.03%	79.39%	80.54%
2021 Estimated Black or African American	2.27%	1.79%	1.66%
2021 Estimated Asian or Pacific Islander	2.77%	6.20%	5.79%
2021 Estimated American Indian or Native Alaskan	1.15%	0.91%	0.95%
2021 Estimated Other Races	28.79%	20.03%	20.34%
2021 Estimated Hispanic	56.83%	43.78%	43.85%
INCOME			
2021 Estimated Average Household Income	\$56,735	\$80,274	\$81,664
2021 Estimated Median Household Income	\$40,776	\$61,771	\$63,018
2021 Estimated Per Capita Income	\$19,344	\$26,583	\$26,958
BUSINESSES & EMPLOYEES			
2021 Estimated Total Businesses	975	2,457	2,714
2021 Estimated Total Employees	10,297	28,547	31,155



RENT ROLL



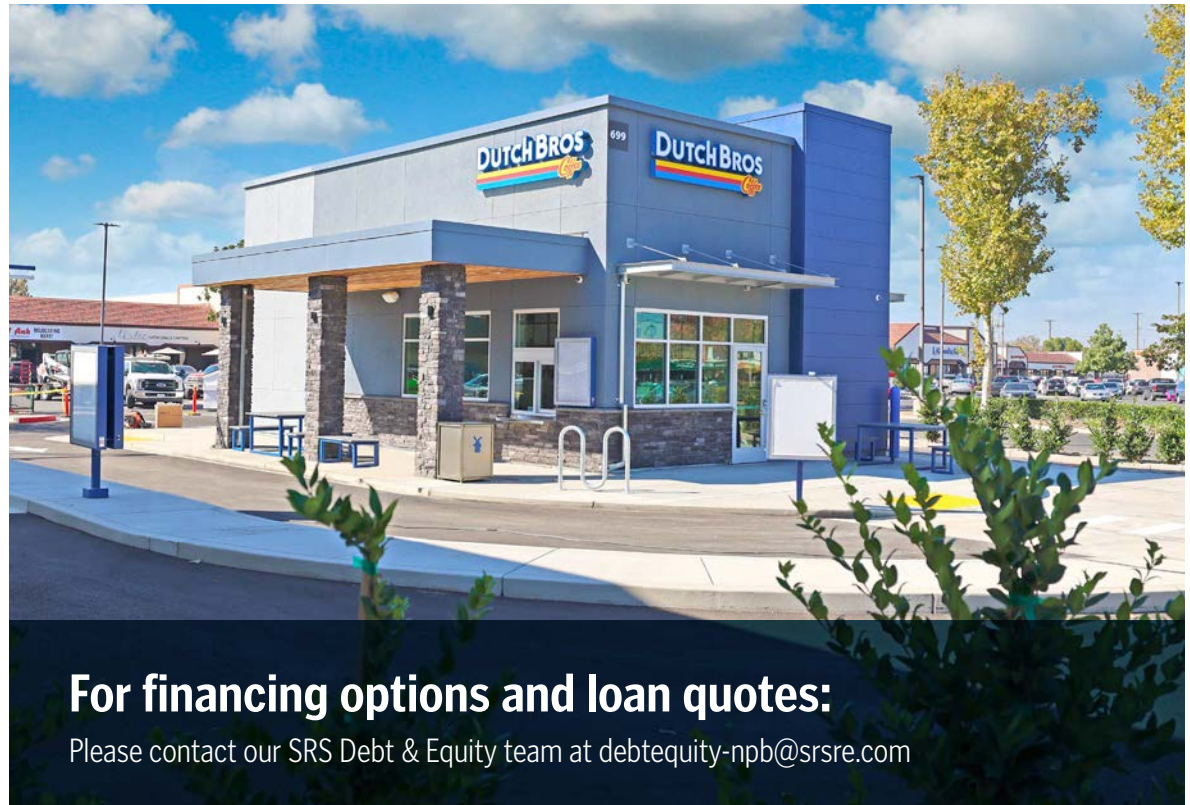
LEASE TERM						RENTAL RATES					
TENANT NAME	SQUARE FEET	LEASE START	LEASE END	BEGIN	INCREASE	MONTHLY	PSF	ANNUALLY	PSF	RECOVERY TYPE	OPTIONS
BB Holdings CA, LLC	950	11/15/2021	11/30/2036	Current	-	\$5,408	\$5.69	\$64,900	\$68.32	Absolute NNN	4 (5-Year)
(Corporate Signed)				Year 11	10%	\$5,949	\$6.26	\$71,390	\$75.15		10% Increase at Beg. of Each Option

FINANCIAL INFORMATION

Price	\$1,623,000
Net Operating Income	\$64,900
Cap Rate	4.00%
Lease Type	Absolute NNN - Ground Lease

PROPERTY SPECIFICATIONS

Year Built	2021 (Opened 11/15/2021)
Rentable Area	950 SF
Land Area	0.29 Acres
Address	699 N. Golden State Boulevard Turlock, California 95380



For financing options and loan quotes:

Please contact our SRS Debt & Equity team at debtequity-npb@srsre.com

BRAND PROFILE



DUTCH BROS

dutchbros.com

Company Type: Public (NYSE: BROS)

Locations: 470+

2020 Employees: 7,876

2020 Revenue: \$327.41 Million

2020 Net Income: \$5.73 Million

2020 Assets: \$259.66 Million

Dutch Bros Coffee is a drive-thru coffee company dedicated to making a massive difference one cup at a time. Headquartered in Grants Pass, Oregon, where it was founded in 1992 by Dane and Travis Boersma, it's now sharing the Dutch Luv with more than 470 locations in 11 states. Dutch Bros serves specialty coffee, smoothies, freezes, teas, a private-label Dutch Bros Blue Rebel energy drink and nitrogen-infused cold brew coffee. Its rich, proprietary coffee blend is handcrafted from start to finish. The company was founded in 1992 and is based in Grants Pass, Oregon.



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TRANSACTIONS
company-wide
in 2020

500+

NET LEASE
PROPERTIES SOLD
in 2020

\$1.9B

NET LEASE
TRANSACTION VALUE
in 2020

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