

REPRESENTATIVE PHOTO



CERES, CALIFORNIA

15 YEAR ABSOLUTE NNN GROUND LEASE INVESTMENT OFFERING



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INVESTMENT SUMMARY

OFFERING PRICE: **\$1,352,000**

NOI: **\$71,000**
CAP RATE: **5.25%**
NOI (YEARS 6-10): **\$78,100**
CAP RATE (YEARS 6-10): **5.78%**

LOCATION:

1050 E Whitmore Ave, Ceres, CA

EST. RENTABLE SQ FT:

950 SF

LOT SIZE:

0.69 AC (30,056 SF)

PARKING SPACES:

TBA spaces (TBA per 1000 SF)

YEAR BUILT:

2024 (Open Q1 2025)

TENANT NAME:

Dutch Bros. Coffee

OWNERSHIP:

Fee Simple

ZONING:

Per the city of Ceres the location is zoned as Commercial

ACCESS:

There is 1 access point. 1 via E Whitmore Ave

TRAFFIC COUNTS:

Whitmore Ave	±26,400 VPD
Morgan Road	±20,100 VPD
CA-99	±101,200 VPD

PARCEL MAP:

APN: 086-016-079



1050 E WHITMORE AVE, CERES, CA

Faris Lee Investments is pleased to offer for sale a single tenant, corporate guaranteed absolute NNN ground leased property (land ownership) to Dutch Bros Coffee. Dutch Bros has signed a new long term 15-year lease plus 4-5 year options to extend the term. The lease features a growing income stream with fixed 10% rental increases every 5 years which provide a hedge against inflation and increases the return on investment. Dutch Bros is responsible for all property expenses associated with the improvements, including roof, structure, HVAC, landscaping, parking lot lighting, and all common area improvements. The new 2024 building construction is the prototypical Double Drive-Thru store design that increases sales volume and provides intrinsic real estate value. The Grand Opening is scheduled for Q1 2025 (est).

Boersma Bros. LLC, dba Dutch Bros has guaranteed the lease. Dutch Bros Inc. (NYSE: BROS) is a high growth operator and franchisor of drive-thru beverage cafés that focus on serving high QUALITY, hand-crafted beverages with unparalleled SPEED and superior SERVICE. Founded in 1992 by brothers Dane and Travis Boersma, Dutch Bros began with a double-head espresso machine and a pushcart in Grants Pass, Oregon. Dutch Bros currently boasts over 880 locations in 17 states with annual revenue over \$915M and a market cap of \$5.5B (January, 2024).

The subject property is ideally located near the signalized hard corner of Whitmore Avenue and Morgan Road (21,406 VPD), which provides high daytime traffic and access to the on/off ramp of Highway 99 (111,850 VPD). Highway 99 and Whitmore Avenue are highly trafficked arterials in the trade area, which provides tremendous traffic around the property. Dutch Bros is an ideally positioned outparcel in a brand new, prototypical building. In addition, the property is strategically located within the growing logistic developments in the area that include Amazon, WalMart, FedEx and G3 Logistics.

DUTCH BROS – STRONG NATIONAL TENANT - CORPORATELY SIGNED LEASE

- Publicly Traded Company (NYSE: BROS)
- Over 880 locations in 17 states
- Annual revenue over \$915M (2023), a 35% yearly increase from 2022
- Boesma Bros, LLC lease signature (Corporate Credit)
- Operating since 1992, focused on high quality, hand-crafted beverages, unparalleled speed, and superior customer service
- 4th Largest coffee chain in the U.S. with a Market Cap of \$5.5B (January 2024)

NEW LONG TERM 15-YEAR ABSOLUTE NNN GROUND LEASE WITH OPTIONS TO EXTEND

- Long term security & stability for the investor
- Land Ownership for the Owner
- 4-5 Year options to extend lease for a potential 35 total years of term
- Tenant paid for all construction costs associated with the development of the property

GROWING INCOME STREAM WITH 10% RENTAL INCREASES EVERY 5 YEARS

- Increases the investor's return on investment
- Hedges against inflation

BRAND NEW 2024 CONSTRUCTION – PROTOTYPICAL DOUBLE DRIVE THRU

- No deferred maintenance
- Latest double drive thru prototype facility increases sales volume as well as provides for intrinsic real estate value
- New roof & structure
- Grand opening slated for Q1 2025



NEW PAD BUILDING FRONTING HIGHLY TRAVELLED WHITMORE AVENUE

- Over 13,000 Vehicles per Day
- Main arterial to State Hwy 99
- Close proximity to over 20,000 daytime employees within 3-miles of logistic locations for Amazon, Walmart, and FedEx

2ND LOCATION FOR DUTCH BROS IN TRADE AREA

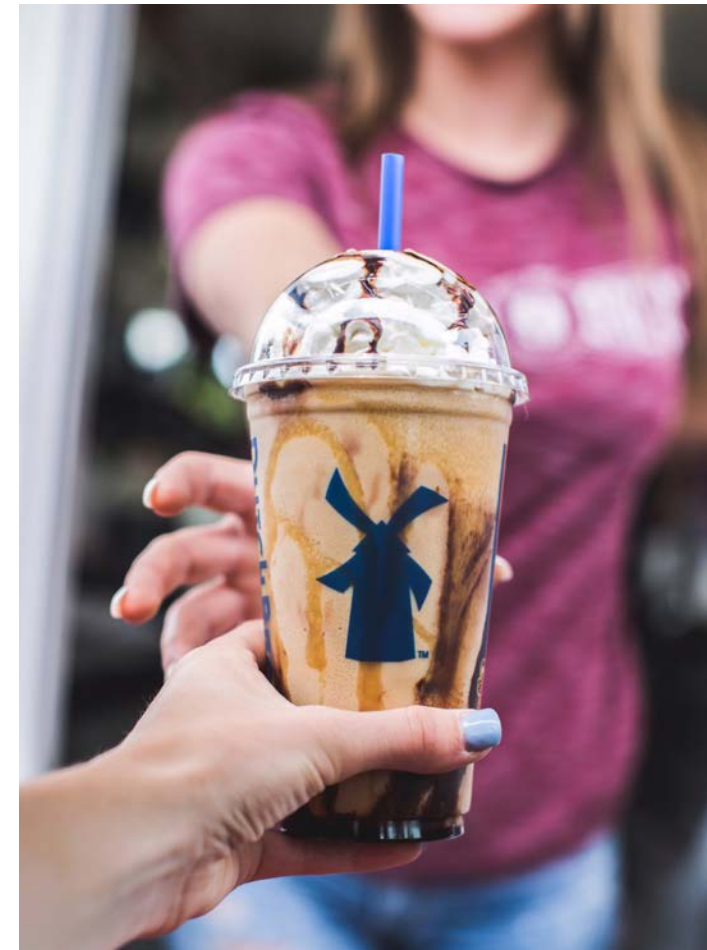
- Shows strong sales projections with desired consumer base
- Long term commitment to trade area

EASE OF MANAGEMENT INVESTMENT – ABSOLUTE NNN GROUND LEASE

- Dutch Bros is responsible for all recurring operating expenses including roof, structure, parking lot, landscaping and common area maintenance
- Ideal ease of management investment for a passive investor looking to secure long term income stream from a highly rated credit tenant who is a category leader in the drive-thru coffee industry
- Eliminates need for a property management service
- Ideal for a 1031 exchange or passive investor



REPRESENTATIVE PHOTO



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DRYDEN PARK GOLF COURSE

TUOLUMNE RIVER REGIONAL PARK

RIVER OAKS GOLF COURSE AND EVENT CENTER

THE HOME DEPOT
GROCERY OUTLET
bargain market
ROSS
DRESS FOR LESS

HARBOR FREIGHT TOOLS

99c only
STORES.
COST LESS
FOOD COMPANY

1 | WHITMORE PLAZA

SAVE MART
SUPERMARKETS

planet fitness

the Habit
BURGER GRILL

boost
mobile

ups

TACO BELL

Bank of America

BURGER KING

★Carl's Jr.

Jack
in the box

POST FOODS
THRIVE FOODS
DOT FOODS
FEDEX WAREHOUSE
OLAM
SOVENA
SADDLE CREEK
G3 WAREHOUSE 7

INDUSTRIAL PARK

CERES HIGH SCHOOL

★Carl's Jr.

ups

FIRST TACTICAL
G3 ENTERPRISES

E WHITMORE AVE (±14,000 VPD)

1

BLAKER-KINSEY JR
HIGH SCHOOL

DOLLAR TREE

G3 ENTERPRISES
G3 ENTERPRISES
CHEP SERVICES

Dutch Bros
Coffee

McDonald's

HWY 99 (±105,100 VPD)

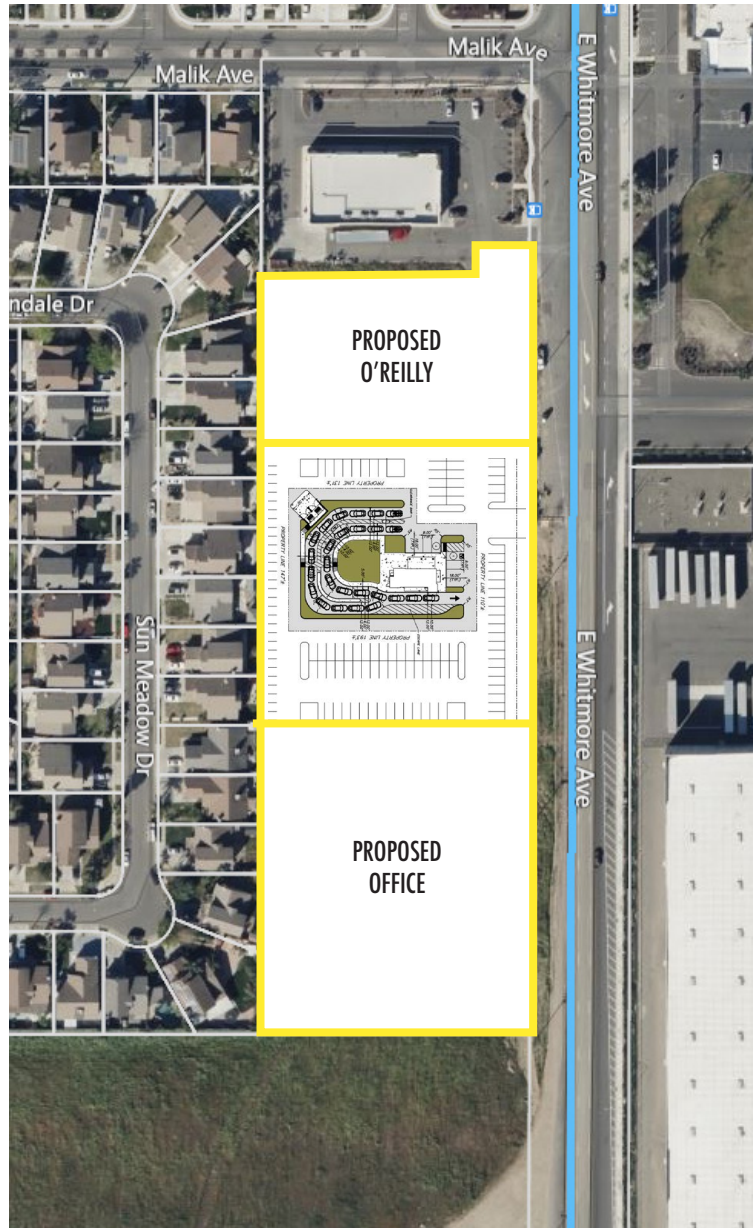
Walmart
Supercenter

CENTRAL VALLEY
HIGH SCHOOL

IN-N-OUT
BURGER

PARCEL MAP

APN: 086-016-079



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INDUSTRIAL PARK

CERES HIGH SCHOOL

BLAKER-KINSEY JR HIGH SCHOOL

HWY 99 (±105,100 VPD)

SADDLE CREEK

THRIVE FOODS

FEDEX WAREHOUSE

G3 WAREHOUSE 7

POST FOODS

MORGAN RD (±12,200 VPD)

SINCLEAR ELEMENTARY SCHOOL

DOT FOODS

OLAM

SOVENA

DOLLAR GENERAL

EWINGMORE AVE (±14,000 VPD)

G3 ENTERPRISES

G3 ENTERPRISES

FIRST TACTICAL

G3 ENTERPRISES

CHEP SERVICES

Ceres, CA

Named after the Roman goddess of agriculture, Ceres is a city located in one of the richest and most diverse agricultural areas in Central California. The city is positioned in the heart of Stanislaus County where it is 72 miles away from Sacramento and 77 miles away from San Francisco. Ceres' roots stretch back to 1867 when the Whitmore family built the first home in 1870. Since then, the population has continued to grow to where it now stands today at 49,276 per the 2020 Census.

Ceres is committed to maintaining its small neighborhood personality that fosters collaboration and a tight-knit community with the city's motto being "Together We Achieve". Organizations, nonprofit community groups, and businesses within the community will often come together for various activities throughout the year such as the annual Downtown Street Fair, the Summertime Concerts, the Halloween Fun Festival, and more.

In an affordable housing index recently performed by the National Association of Home Builders and Wells Fargo, Modesto received a rating of 92.5%, placing the city at 4th in the index. The average home list price in Modesto is \$450,000, 77% less expensive than the California average of \$797,000. Because of its convenient location and affordable housing, Modesto's economy and population have steadily increased over the past decade where the population now sits at 218,771 per the 2020 Census with their agricultural economy generating close to \$3B per year.

The city is served by Modesto City-County Airport (IATA: MOD, ICAO: KMOD, FAA LID: MOD), the nation's first municipally owned airport which is located just two miles from the center of the city. Oakland International Airport (IATA: OAK, ICAO: KOAK, FAA LID: OAK) is the closest international airport located 67 miles away from Modesto. The city is served by three highways, California State Route 108, California State Route 132, and California State Route 99. The city is located 60 miles from Silicon Valley, a global hub for advanced technology and innovation, and 80 miles from San Francisco, a cultural, commercial, and financial center of the United States.



1050 E WHITMORE AVE, CERES, CA	1 MILE	3 MILES	5 MILES
POPULATION			
2022 Estimated Population	14,304	95,406	171,815
Population 5 Years Forecast	14,816	99,510	180,331
Population 10 Years Forecast	15,540	104,855	190,562
Average Age	34	35	36
HOUSEHOLDS			
2022 Estimated Households	3,471	25,249	51,628
Households 5 Years Forecast	3,603	26,353	54,247
Households 10 Years Forecast	3,785	27,786	57,378
INCOME			
Household Average Income	\$78,247	\$68,176	\$75,333
BUSINESS			
Total Businesses	296	1,211	3,554
Total Employees	5,166	20,714	58,754
ETHNICITY			
Hispanic	10,238 (72%)	64,325 (67%)	97,351 (57%)
White	2,687 (19%)	20,918 (22%)	53,613 (31%)
Asian	568 (4%)	4,969 (5%)	9,039 (5%)
Black	424 (3%)	2,355 (2%)	5,432 (3%)
Other	387 (3%)	2,839 (3%)	6,380 (4%)

REGION

San Joaquin Valley



COUNTY

Stanislaus County



METRO

Modesto

DISTANCE TO

3 miles to Modesto, CA



30 miles to Stockton, CA



53 miles to San Jose, CA



82 miles to Sacramento, CA



TOP EMPLOYERS



E&J Gallo Winery



IN THE NEWS

NICHE[®]

1st

Most Diverse Place to Live in Stanislaus County

NICHE[®]

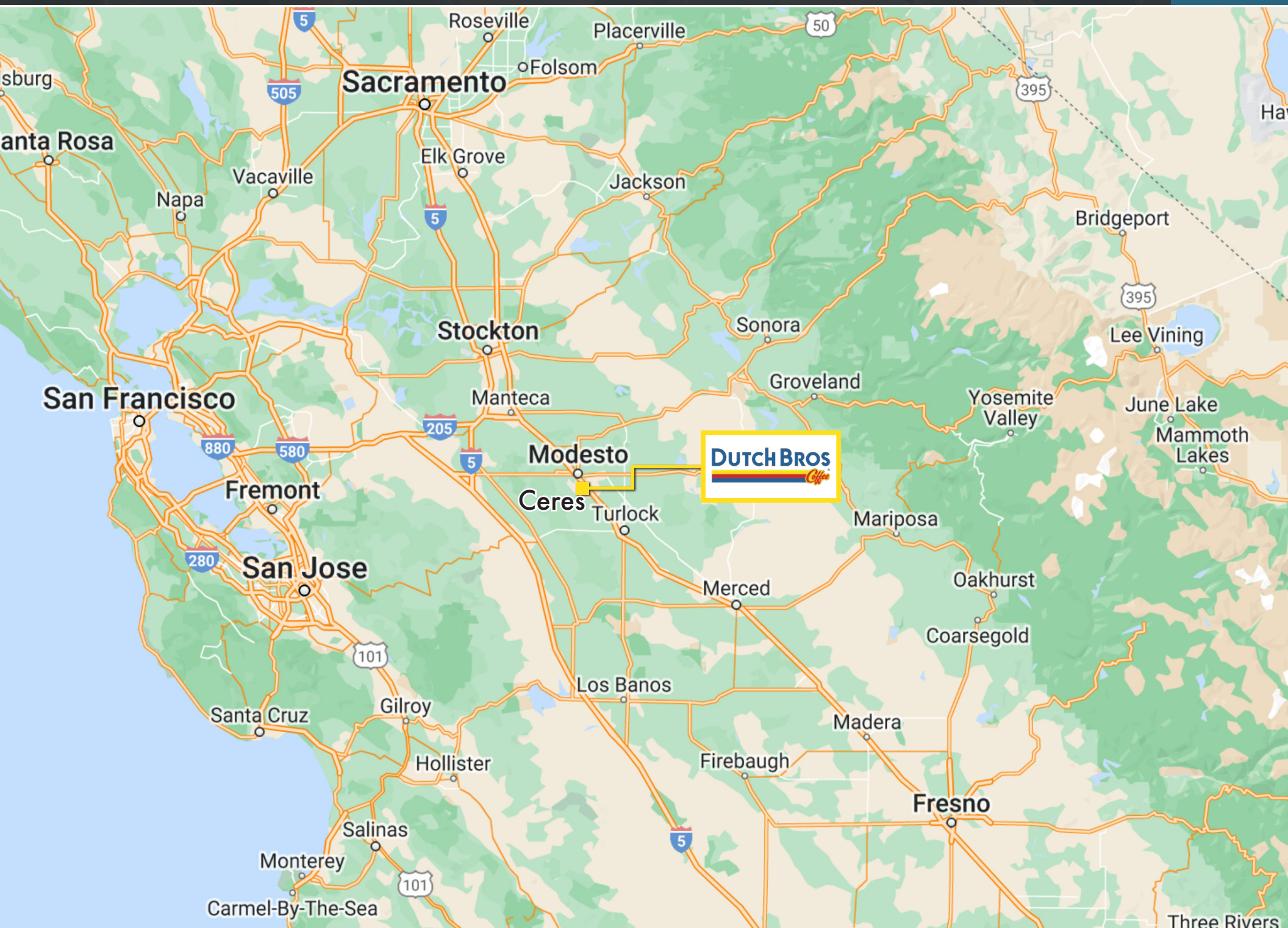
2nd

Best Places for Young Professionals in Stanislaus County

NICHE[®]

7th

Places with the Best Public Schools in Stanislaus County



SINCLEAR ELEMENTARY
SCHOOL

CHEP SERVICES

G3 LOGISTICS

MORGAN RD (±12,200 VPD)



Dutch Bros
Coffee

FLYERS
Energy

PROPOSED
OFFICE



PROPOSED
O'REILLY

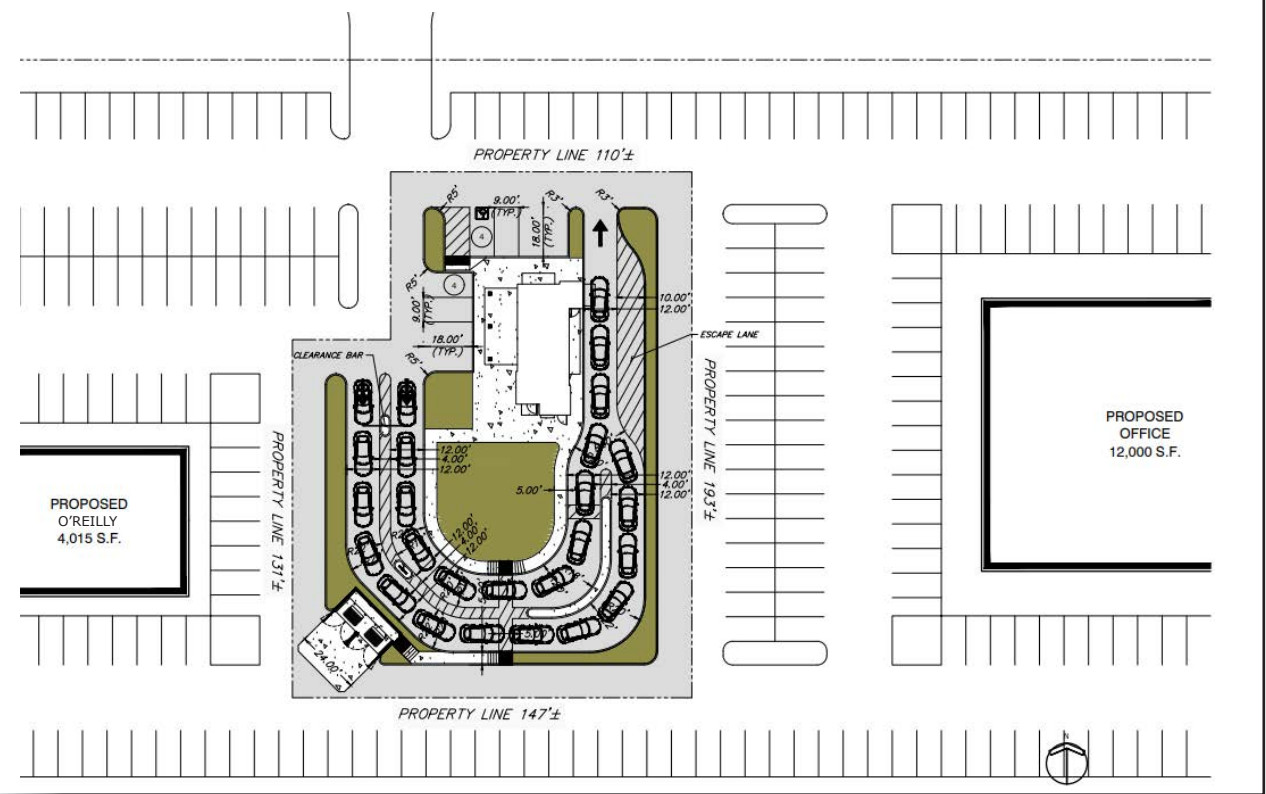
DOLLAR GENERAL

E WHITMORE AVE (±14,000 VPD)

G3 LOGISTICS
700 EMPLOYEES

REPRESENTATIVE PHOTO

SITE PLAN OF PREMISES



TENANT NAME	SF	DATE	INCREASE	MONTHLY RENTAL RATES		ANNUAL RENTAL RATES		RECOVERY TYPE	LEASE START	LEASE EXPIRATION	LEASE OPTIONS
				RENT	PSF	RENT	PSF				
BB Holdings CA, LLC dba Dutch Bros	950	Current		\$5,917	\$6.23	\$71,000	\$75	Absolute NNN	2/1/2025 (est.)	2/1/2040 (est.)	4 (5-Year) Options
		Feb-2030	10%	\$6,508	\$6.85	\$78,100	\$82				1st Option: \$7,875/mo
		Feb-2035	10%	\$7,159	\$7.54	\$85,910	\$90				2nd Option: \$8,663/mo
											3rd Option: \$9,529/mo
											4th Option: \$10,482/mo



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FINANCIAL INFORMATION

Price:	\$1,352,000
Address	1050 East Whitmore Avenue Ceres, CA
Rentable Area	950 SF
Land Area:	0.69 Acres

OPERATING INFORMATION

	In-Place	Feb-2030	Feb-2035
Gross Potential Rent	\$71,000	\$78,100	\$85,910
Plus Recapture	NNN	NNN	NNN
Effective Gross Income	\$71,000	\$78,100	\$85,910
Less Expenses	(NNN)	(NNN)	(NNN)
Net Operating Income	\$71,000	\$78,100	\$85,910
Cap Rate	5.25%	5.78%	6.35%



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OWNERSHIP INTEREST:	Land												
LEASE TYPE:	Absolute NNN Ground Lease												
TENANT (SIGNING ENTITY):	BB Holdings CA, LLC, an Oregon limited liability company												
DOING BUSINESS AS (BUSINESS NAME):	Dutch Bros												
GUARANTOR:	Boersma Bros, LLC, an Oregon limited liability company												
LANDLORD:	Ceres 18, LLC, a California limited liability company												
ADDRESS/SUITE #:	1050 East Whitmore Ave., Ceres, CA 95307												
LEASE EXECUTION DATE:	8/6/2023												
LEASE COMMENCEMENT DATE:	February 2025 (est)												
RENT COMMENCEMENT DATE:	February 2025 (est)												
ORIGINAL TERM:	15 years												
EXPIRATION DATE:	TBD												
PREMISES RSF:	\$6.23												
PREMISES SF:	30,000												
PRO RATA SHARE:	100%												
RENT:	<table> <tr> <td>Years 1-5:</td><td>\$5,916.67/mo</td></tr> <tr> <td>Years 6-10:</td><td>\$6,508.33/mo</td></tr> <tr> <td>Years 11-15:</td><td>\$7,159.17/mo</td></tr> <tr> <td>Years 16-20:</td><td>\$7,875.08/mo</td></tr> <tr> <td>Years 21-25:</td><td>\$8,662.59/mo</td></tr> <tr> <td>Years 26-30:</td><td>\$9,528.85/mo</td></tr> </table>	Years 1-5:	\$5,916.67/mo	Years 6-10:	\$6,508.33/mo	Years 11-15:	\$7,159.17/mo	Years 16-20:	\$7,875.08/mo	Years 21-25:	\$8,662.59/mo	Years 26-30:	\$9,528.85/mo
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OPTIONS AND TERMS:	4-5's with 10% increases every 5 years												
PROPERTY TAXES:	Tenant responsible												
INSURANCE:	Tenant responsible												
CAM:	Tenant responsible												
TENANT MAINTENANCE RESPONSIBILITIES:	Building and Improvements												
ROOF & STRUCTURE:	Tenant responsible												
HVAC:	Tenant responsible												
PARKING LOT:	Tenant responsible												
ESTOPPEL:	15 business days												



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Tenant:	Dutch Bros. Coffee
Website:	www.dutchbros.com
Company Type:	Public (NYSE: BROS)
Locations:	880
Employees:	22,000+
2023 Revenue:	\$913M
Market Cap:	\$5.5B (January 2024)

Dutch Bros Inc. is an operator and franchisor of drive-thru coffee shops that are focused on serving hand-crafted beverages. The company's hand-crafted beverage-focused lineup features hot and cold espresso-based beverages, cold brew coffee products, proprietary energy drinks, tea, lemonade, smoothies and other beverages. From starting in a barn in 1992 the company has now grown to 880 locations and their annual growth rate has outpaced the coffee sector and all of its competitors. In 2018, Dutch Bros received a minority investment from private-equity firm TSG Consumer partners and will use the investment to expand to over 900 locations by 2024. In September 2021, Dutch Bros become a public stock on The New York Stock Exchange under the symbol "BROS"

#2

Guest Service
(Technomic 2021)

Top 10

Best Coffee Chains in the US
(Insider 2021)



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