

OFFERING MEMORANDUM

Walmart Plaza Shops

Rohnert Park, CA (Sonoma County)





Disclaimer

Putnam Daily dba Fisher James Corp. ("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

- 100% Leased Multi-Tenant Retail Building Anchored by Dollar Tree
 - Dollar Tree Represents 46.91% of the Income
- Additional Upside from Dollar Tree Percentage Rent
- Top Performing Location for Dollar Tree
 - 94th Percentile Nationwide & 83rd Percentile within California
 - #2 Location within 15 Mile Radius
- Outparcel to Walmart Plaza with 1.9M Annual Visitors
- Prominent Retail Location with Excellent Visibility & Access off Highway 101
 - Major Retail Tenants in Surrounding Area include Walmart, Home Depot, and Sportsman's Warehouse
- Robust Demographics in Highly Desirable Rohnert Park
- 4 Miles from Sonoma State University (Student Enrollment of 9,300), the City's Largest Employer, and Rancho Cotate High School (Student Enrollment of 1,475)
- 11 Miles from Sutter Santa Rosa Regional Hospital, an 84-Bed Acute Care Facility
- Part of the Santa Rosa-Petaluma MSA (Population 485,887)
- Dollar Tree Exercised Their 10-Year Lease Renewal Early Showing Their Long-Term Commitment to the Site



**124,213 TOTAL
DAYTIME POPULATION**
within 5 Miles



**\$124,543 AVERAGE
HOUSEHOLD INCOME**
within a 1 Mile Radius



123,700 AADT
High Visibility Along
Highway 101



6 MILES FROM
City of Santa Rosa
45 MILES NORTH OF
San Francisco



**SAN JOSE-SAN
FRANCISCO-
OAKLAND CSA**
Population of 9,545,921



PROPERTY OVERVIEW



LOCATION

The property is located at 4675 Redwood Drive, Rohnert Park, California.

LOT SIZE

Approximately 1.14 acres, or 49,658 square feet.

IMPROVEMENTS

A 14,550 square foot retail building, demised into five retail suites.

- Dollar Tree** | 9,000 sq ft
- Sally Beauty Supply** | 1,500 sq ft
- GameStop** | 1,802 sq ft
- Barbershop** | 1,060 sq ft
- Good Looks Spa** | 1,188 sq ft

YEAR BUILT

1993

FINANCING

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

FINANCIAL ANALYSIS



PRICE

\$4,569,000

6.50% CAP RATE

PROJECTED GROSS REVENUE

| | Year 1 | Year 10 |
|-------------------------------|-----------|-----------|
| Scheduled Base Rental Revenue | \$300,969 | \$317,965 |
| Expense Reimbursement Revenue | \$105,159 | \$135,936 |
| Total Potential Gross Revenue | \$406,128 | \$453,902 |
| Effective Gross Revenue | \$406,128 | \$453,902 |

ANNUAL EXPENSES

| | | |
|--------------------------|-----------|-----------|
| CAM + Insurance | \$27,791 | \$36,260 |
| Garbage, Water, & Sewer | \$17,460 | \$22,781 |
| Management @ 3% | \$9,029 | \$9,539 |
| Taxes | \$54,834 | \$71,545 |
| Total Operating Expenses | \$109,113 | \$140,126 |

| | Year 1 | Year 10 |
|----------------------|-----------|-----------|
| Net Operating Income | \$297,015 | \$313,776 |
| Return | 6.50% | 6.87% |

Note

The net income is an estimate and does not provide for all potential costs and expenses (i.e. maintenance, repair, etc.) that may be required of the owner. Any reserves set forth herein are merely estimates and not based on any experience, physical inspection, or prior knowledge. All prospective purchasers are strongly advised to make an independent investigation to determine their estimate of costs and expenses prior to entering into an agreement to purchase.

FINANCIAL ANALYSIS

| For the Years Ending | Year 1 Dec-2026 | Year 2 Dec-2027 | Year 3 Dec-2028 | Year 4 Dec-2029 | Year 5 Dec-2030 | Year 6 Dec-2031 | Year 7 Dec-2032 | Year 8 Dec-2033 | Year 9 Dec-2034 | Year 10 Dec-2035 |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Rental Revenue | | | | | | | | | | |
| Potential Base Rent | 300,969 | 305,556 | 306,455 | 307,772 | 311,111 | 313,446 | 314,526 | 315,639 | 316,785 | 317,965 |
| Scheduled Base Rent | 300,969 | 305,556 | 306,455 | 307,772 | 311,111 | 313,446 | 314,526 | 315,639 | 316,785 | 317,965 |
| Total Rental Revenue | 300,969 | 305,556 | 306,455 | 307,772 | 311,111 | 313,446 | 314,526 | 315,639 | 316,785 | 317,965 |
| Other Tenant Revenue | | | | | | | | | | |
| Total Expense Recoveries | 105,159 | 108,254 | 111,348 | 114,593 | 117,944 | 121,366 | 124,810 | 128,404 | 132,114 | 135,936 |
| Total Other Tenant Revenue | 105,159 | 108,254 | 111,348 | 114,593 | 117,944 | 121,366 | 124,810 | 128,404 | 132,114 | 135,936 |
| Total Tenant Revenue | 406,128 | 413,809 | 417,803 | 422,365 | 429,055 | 434,812 | 439,336 | 444,043 | 448,899 | 453,902 |
| Potential Gross Revenue | 406,128 | 413,809 | 417,803 | 422,365 | 429,055 | 434,812 | 439,336 | 444,043 | 448,899 | 453,902 |
| Effective Gross Revenue | 406,128 | 413,809 | 417,803 | 422,365 | 429,055 | 434,812 | 439,336 | 444,043 | 448,899 | 453,902 |
| Operating Expenses | | | | | | | | | | |
| Garbage, Water, & Sewer | 17,460 | 17,984 | 18,523 | 19,079 | 19,651 | 20,241 | 20,848 | 21,474 | 22,118 | 22,781 |
| CAM & Insurance | 27,791 | 28,624 | 29,483 | 30,367 | 31,278 | 32,217 | 33,183 | 34,179 | 35,204 | 36,260 |
| Taxes | 54,834 | 56,479 | 58,173 | 59,918 | 61,716 | 63,567 | 65,474 | 67,438 | 69,461 | 71,545 |
| Management | 9,029 | 9,167 | 9,194 | 9,233 | 9,333 | 9,403 | 9,436 | 9,469 | 9,504 | 9,539 |
| Total Operating Expenses | 109,113 | 112,253 | 115,373 | 118,598 | 121,979 | 125,428 | 128,941 | 132,560 | 136,287 | 140,126 |
| Net Operating Income | 297,015 | 301,556 | 302,431 | 303,767 | 307,076 | 309,384 | 310,394 | 311,483 | 312,611 | 313,776 |

GENERAL ASSUMPTIONS

| | |
|----------------------------------|-----------|
| Analysis Date | Jan. 2026 |
| Total Rentable Area | 14,550 SF |
| General Inflation per Annum | 3% |
| General Expense Growth per Annum | 3% |
| Real Estate Tax Growth per Annum | Prop 13 |
| Management Fee | 3% |

RENT ROLL

| Suite | Tenant | Sq. Ft. | Monthly Rent PSF | Annual Rent PSF | Current Annual Rent | Rent Commence. Date | Lease Expiration Date | Rental Increase Date(s) | Rental Increase Amount(s) | Options |
|---------------|---|----------|------------------|-----------------|---------------------|---------------------|-----------------------|--|--|------------------------------|
| A-1 | Dollar Tree* | 9,000 | \$1.22 | \$14.58 | \$131,220 | 3/15/2001 | 3/31/2036 | 4/1/2026 | \$144,270 | One, 5-yr Option @ \$158,670 |
| A-2 | Sally Beauty Supply | 1,500 | \$2.00 | \$24.00 | \$37,500 | 6/22/2009 | 6/30/2029 | N/A | N/A | One, 5-yr Option @ \$39,375 |
| A-3 | Gamestop | 1,802 | \$2.42 | \$29.00 | \$52,260 | 10/25/2012 | 1/31/2026 | N/A | N/A | One, 3-yr Option @ \$57,660 |
| A-4 | Barbershop | 1,060 | \$2.25 | \$27.00 | \$28,620 | 4/1/2023 | 5/31/2030 | 6/1/2026 6/1/2027 6/1/2028 6/1/2029 | \$29,478.60 \$30,363.00 \$31,273.92 \$32,212.20 | None |
| A-5 | Good Looks Spa (formerly Scruples Salon) | 1,188 | \$2.39 | \$28.66 | \$36,132 | 6/22/2010 | 6/30/2029 | N/A | N/A | None |
| Leased | | 14,550 | 100% | | | | | | | |
| <u>Vacant</u> | | <u>0</u> | <u>0%</u> | | | | | | | |
| TOTAL | | 14,550 | 100% | | | | | | | |

*Tenant shall pay Percentage Rent equal to four percent (4.00%) of Gross Sales above an initial artificial breakpoint of \$3,280,500 (\$3,606,750 starting 4/1/2026) ("Breakpoint"). The Percentage Rent for each Lease Year shall be due and payable monthly on or before the tenth (10th) day of each calendar month for the preceding month once the Gross Sales exceed the Percentage Rent Breakpoint for such Lease Year, subject to any adjustment in the Annual Breakpoint specified.

TENANT INFORMATION



DOLLAR TREE

Dollar Tree, Inc. (NASDAQ: DLTR) operates discount variety retail stores. It operates through two segments, Dollar Tree and Family Dollar. The Dollar Tree segment offers merchandise at the fixed price of \$1.25. It provides consumable merchandise, including candy and food, health and beauty care, as well as everyday consumables, such as household paper and chemicals, frozen and refrigerated food, variety merchandise comprising toys, durable housewares, gifts, stationery, party goods, greeting cards, and seasonal goods. The Family Dollar segment operates general merchandise discount retail stores that offer consumable merchandise, which comprise food and beverages, tobacco, health and beauty aids, household chemicals, paper products, hardware and automotive supplies, diapers, batteries, and pet food and supplies; home products, home décor, and giftware, as well as domestics such as comforters, sheets, and towels. Its stores also provide apparel and accessories merchandise; seasonal merchandise, as well as personal electronics, stationery and school supplies, and toys. The company was founded in 1986 and is headquartered in Chesapeake, Virginia.

As of January 31, 2023, Dollar Tree had an annual revenue of \$28.331 billion and market capitalization of \$35.2 Billion.

Lessee: Dollar Tree Stores, Inc
No. of Locations: 16,000+
Website: dollartree.com



BARBERSHOP

Fade Lounge is a privately owned, upscale barber shop that caters to gentlemen's haircuts & hot towel razor shaves. Their licensed barbers are experienced and enjoy the craft of barbering.

GOOD LOOKS SPA

GOOD LOOKS SPA

Good Looks Spa (formerly Scruples Salon) is a nail salon that has been operating at this location since 2010.

Lessee: Tan Duy Nguyen,
Dung Thi Thuy Nguyen
& Christine Hone Van
Bui, Individuals



SALLY BEAUTY SUPPLY

Sally Beauty Holdings, Inc. (NYSE: SBH) is the largest distributor of professional beauty products in the U.S. based on store count. The Company operates primarily through two business segments, Sally Beauty Supply and Beauty Systems Group (BSG). It operates stores and franchised units in the United States, Puerto Rico, Canada, Mexico, Chile, Peru, the United Kingdom, Ireland, Belgium, France, the Netherlands, Spain, and Germany. It also distributes its products through full-service/exclusive distributors, open-line distributors, direct sales, and mega-salon stores. Sally Beauty Holdings, Inc. was founded in 1964 and is headquartered in Denton, Texas. Sally Beauty Supply has over 3,700 stores that offer more than 8,000 products through proprietary brands such as Ion®, Generic Value Products®, Beyond the Zone® and Silk Elements® as well as professional lines such as Wella®, Clairol®, OPI®, Conair® and Hot Shot Tools®.

As of September 30, 2022, Sally Beauty had an annual revenue of \$3.815 billion and market capitalization of \$1.34 Billion.

Lessee: Sally Beauty Supply, LLC
No. of Locations: 3,700+
Website: sallybeauty.com



GAMESTOP

GameStop Corp. (NYSE: GME) provides games and entertainment products through its stores and ecommerce platforms in the United States, Canada, Australia, and Europe. The company sells new/pre-owned gaming platforms; accessories; new/pre-owned gaming software; and in-game digital currency and digital downloadable content. It also sells collectibles comprising apparel, toys, trading cards, gadgets, and other retail products for pop culture and technology enthusiasts, as well as engages in the digital asset wallet and NFT marketplace activities. The company operates stores and ecommerce sites under the GameStop, EB Games, and Micromania brands; and pop culture themed stores. GameStop Corp. was founded in 1996 and is headquartered in Grapevine, Texas.

As of January 31, 2023, GameStop had an annual revenue of \$5.927 billion and market capitalization of \$6.66 Billion.

Lessee: GameStop, Inc.
Website: gamestop.com

SITE PLAN



SOUTH AERIAL VIEW

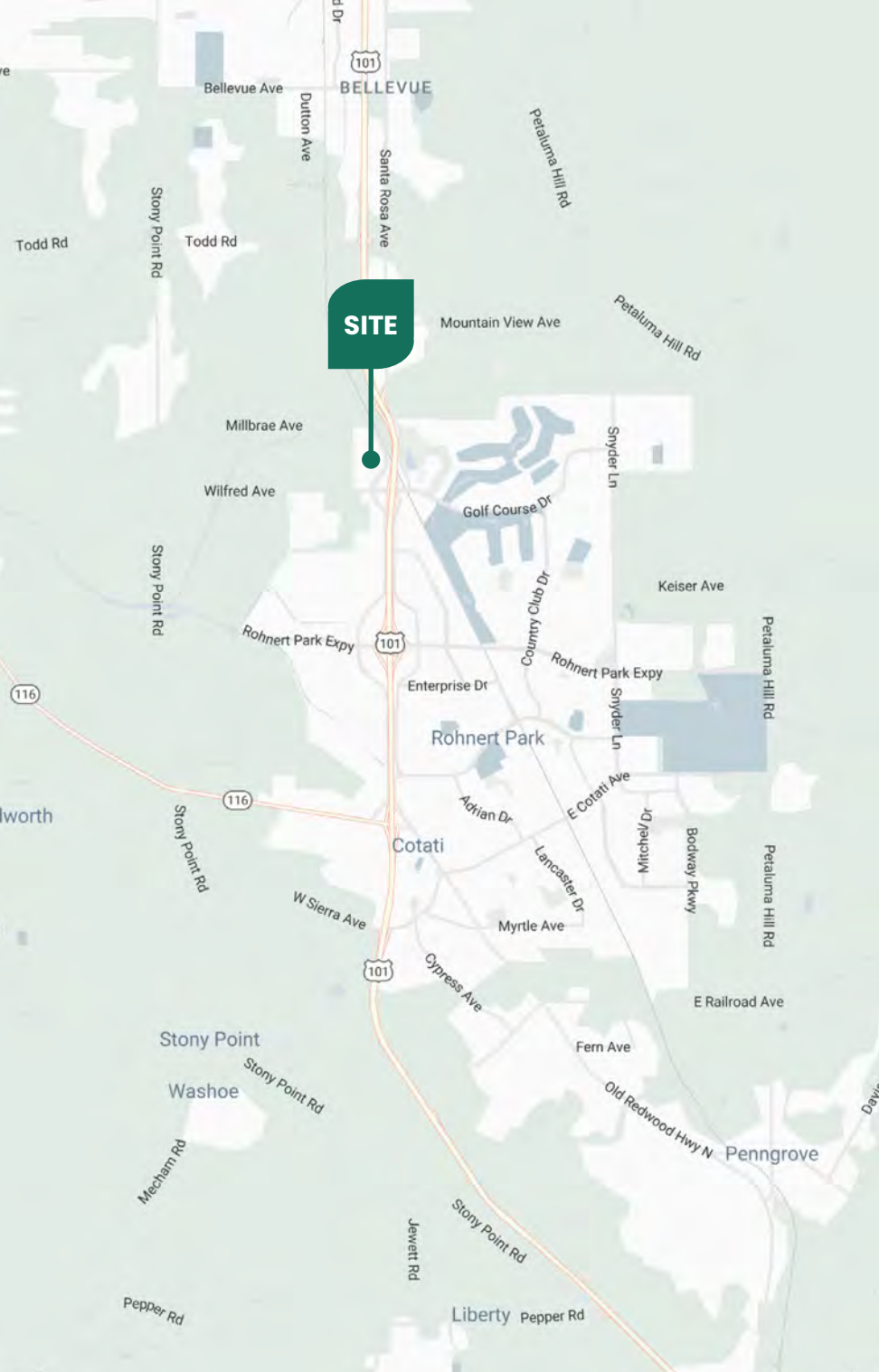




The City of Rohnert Park (population 45,107) is located in central Sonoma County, approximately 45 miles north of San Francisco on US Highway 101, with sweeping views of Sonoma and Taylor Mountains in the heart of Wine Country. Nicknamed “The Friendly City,” it is one of the first planned communities in the U.S. with each neighborhood designed around a park and elementary school. Popular tourism venues, including hundreds of local wineries, the Pacific Ocean, and giant redwoods, are just minutes away. Top industries in the City by employment include Accommodation and Food, comprising 17.7%, Retail Trade with 17.1%, Manufacturing 8.8%, Healthcare 7.2%, and Construction 6.9%. It is part of the Santa Rosa-Petaluma MSA (population 485,887), which is comprised of Sonoma County, part of the San Jose – San Francisco – Oakland combined statistical area (population 9,545,921), the second largest in California after Greater Los Angeles, the fifth-largest CSA in the U.S., and the 42nd largest urban area in the world.

The City's economic development plans include Sonoma County Tourism to attract visitors to Sonoma county including key attractions such as Green Music Center, the Graton Resort and Casino, and numerous family-friendly entertainment options; supporting additional hotels, with two opening in the last couple of years and others in the planning stages; a highly responsive permitting system to expedite appropriate development and new business formation and attraction; recruiting retail businesses, providing infrastructure to support future downtown development, and adding single and multi-family housing, including a 218-unit affordable apartment complex, to address the regional shortage. Production of single-family homes continues at both the University District and in the Southeast Specific Plan.

The city itself is surrounded by farms and grazing land where nationally sought-after organic and boutique vegetables, fruits and cheeses are grown and produced. Sonoma County's agriculture is a leading sector with a total production value of \$1.1 billion. Almost 71% of the gross value of agricultural commodities is attributed to wine grapes, while other prominent crops include milk, poultry, cattle, nursery products and vegetables.



SITE INFORMATION

The premises is a part of the Walmart Plaza Shopping Center with over 1.9 million visitors annually, on the north side of Rohnert Park, just 1/4 mile south of Santa Rosa. It sits on the corner of Redwood Drive and Millbrae Avenue (16,240 AADT) just off Highway 101 (123,700 AADT). The site benefits from robust demographics with a total daytime population of 124,213 within a 5-mile radius and average household income of \$124,543 within 1 mile of the site.

The property benefits from a prominent retail location with excellent access and visibility off Highway 101 in close proximity to major retailers Walmart, Sally Beauty Supply, The Home Depot Garden Center and Home Improvement Store, GameStop, Dollar Tree, and Sportsman's Warehouse. Neighboring restaurants include Arby's, Burger King, Chili's Grill & Bar, Taco Bell, In-N-Out Burger, Bear Republic Brewing Co., Chick-fil-A, Krispy Kreme, and Vinoma Tapas Argentinas. Renowned Graton Resort and Casino, Scandia Family Fun Center, and Foftail Golf Club are all close by and drive additional traffic to the area.

Rancho Cotate High School (Student Enrollment 1,475) is the main comprehensive high school for both Rohnert Park and Cotati, and the city's largest employer Sonoma State University (Student Enrollment 9,300), part of the California State University system, are both under four miles southeast of the KI Speed site. Sutter Santa Rosa Regional Hospital, 11 miles north, is an 84-bed acute care facility which provides surgical and maternal care, cardiovascular, ortho, diagnostic and lab services and is recognized as a primary stroke center.

The Charles M. Schultz – Sonoma County Airport, Santa Rosa, is 14 miles north of KI Speed. The sixth fastest growing airport in the nation, the airport began construction in late 2020 of a \$40 million terminal improvement and modernization project to handle an anticipated record 700,000 passengers this year alone. Project completion is expected in 2023. Sonoma County Airport Express buses also connect Rohnert Park with Oakland International Airport and San Francisco International Airport, each about 65 miles south.

DEMOGRAPHICS



2022 POPULATION
133,901



AVG. HOME VALUE
\$655,682



AVG. HOUSEHOLD INCOME
\$121,058

4675 Redwood Dr | Rohnert Park, CA 94928

| Population Summary | 1 Mile | 3 Miles | 5 Miles |
|--------------------------|-----------|-----------|-----------|
| 2010 Total Population | 3,865 | 60,347 | 132,149 |
| 2022 Total Population | 3,983 | 60,747 | 133,901 |
| 2027 Total Population | 4,042 | 60,832 | 134,321 |
| 2022-2027 Annual Rate | 0.29% | 0.03% | 0.06% |
| Average Household Income | | | |
| 2022 | \$121,058 | \$101,543 | \$106,777 |
| 2027 | \$139,825 | \$119,435 | \$125,907 |
| Average Home Value | | | |
| 2022 | \$589,884 | \$571,369 | \$655,682 |
| 2027 | \$647,003 | \$685,581 | \$768,214 |

Top Employers in Rohnert Park

of Employees

| | |
|------------------------------|-------|
| Sonoma State University | 1,410 |
| Cotati-Rohnert Park USD | 573 |
| City of Rohnert Park | 349 |
| Comcast Cable Communications | 210 |
| Costco Wholesale | 189 |
| Ilex Health Services | 185 |
| Walmart | 183 |
| Home Depot | 136 |
| Target | 130 |
| Rieke Corporation | 128 |



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