

CONFIDENTIAL OFFERING MEMORANDUM



TROPHY SINGLE-TENANT NNN MECHANICS BANK WITH DRIVE-THRU

Mechanics Bank | 1026 E Grand Avenue, Arroyo Grande, CA



Contents

Investment Summary & Highlights	3
Site Details	5
Lease Abstract	7
Demographics	8

MAIN CONTACTS

Crosby Slaughter
Vice President
805.690.1017
Crosby@investecre.com
DRE Lic. No. 01939629

Isaiah Bolton
Senior Associate
805.690.1021
Isaiah@investecre.com
DRE Lic. No. 02136939



Investment Summary

OFFERING PRICE — \$4,470,000

CAP RATE — 5.50%

CURRENT RENT — \$245,554/YR

LEASE EXPIRATION — APRIL 30, 2035

LEASE TYPE — NNN

**RENEWAL OPTIONS —
TWO (2) - FIVE YEAR OPTIONS**

TOTAL BUILDING AREA — 11,061 SF

TOTAL LAND AREA — 45,647 SF

OWNERSHIP TYPE — FEE SIMPLE

Investment Highlights

Trophy Single-Tenant NNN Lease With Mechanics Bank

- Mechanics Bank has occupied the building since 2019, after merging with Rabobank, who signed a Lease in 2015. Mechanics Bank recently signed a new 10-year extension with two (2) 5-year option periods at 95% of fair market value.
- Huge Branch Deposits - per the Federal Deposit Insurance Corporation (FDIC), Mechanics Bank has over \$181,000,000 in deposits at this location, making it the highest in deposits of 13 Mechanics Bank locations in San Luis Obispo County. It is also #12 of 116 Mechanics Bank locations for deposits in California.

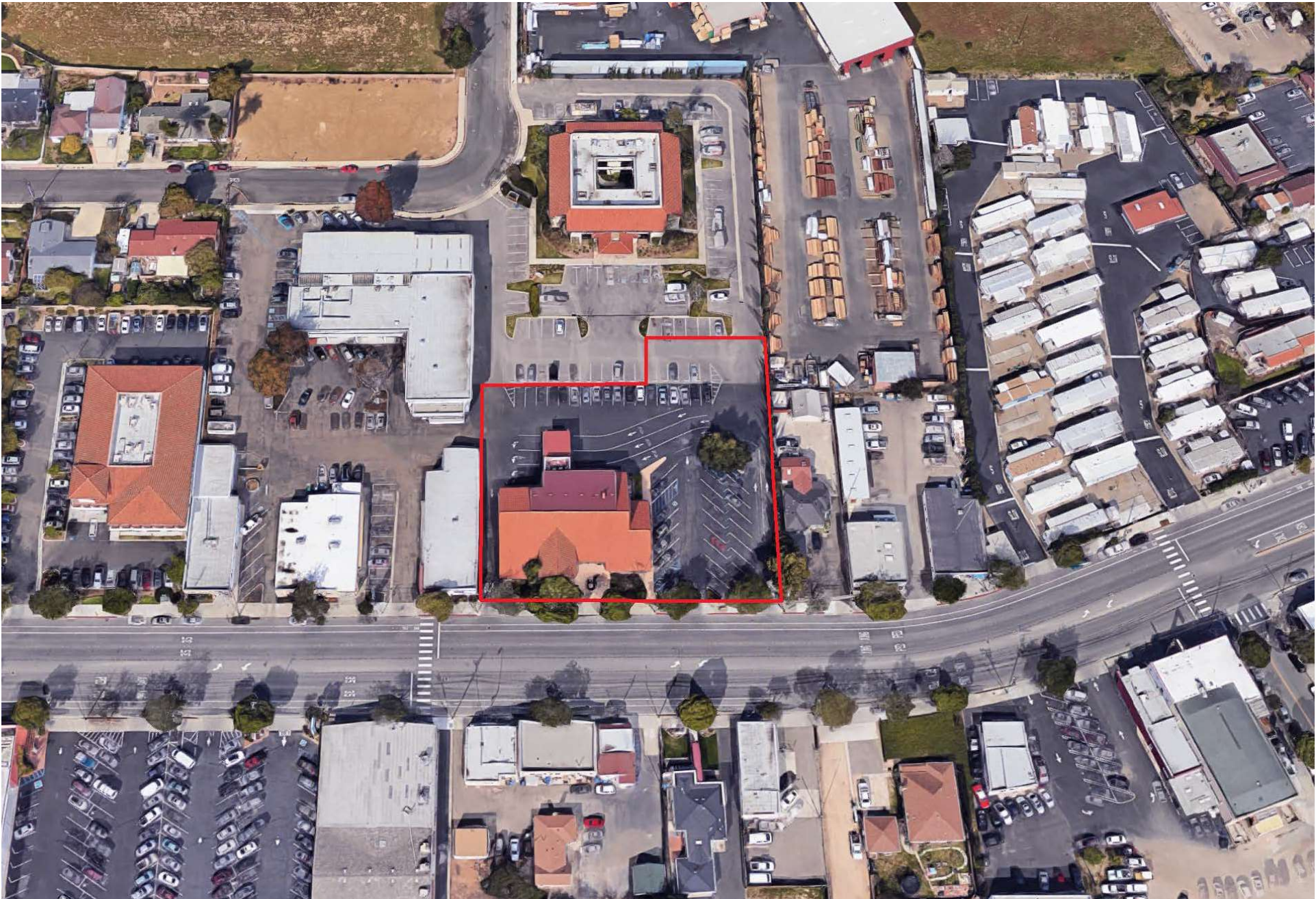
Strong Real Estate Fundamentals and Intrinsic Value

- Highly visible location on East Grand Avenue with direct 101 Freeway access off of South Halcyon Drive.
- Only Mechanics Bank location serving the City of Arroyo Grande, serving as the primary location for locals and tourists alike.

Promising Corporate Merger

- Mechanics Bank (OTC: MCHB) & HomeStreet, Inc. (NASDAQ: HMST), the holding company of HomeStreet Bank, have a definitive merger agreement scheduled for Q3 2025.
- Mechanics Bank had a pre-transaction equity valuation of \$3.3 billion, with the goal of becoming the premier, publicly traded West Coast bank.

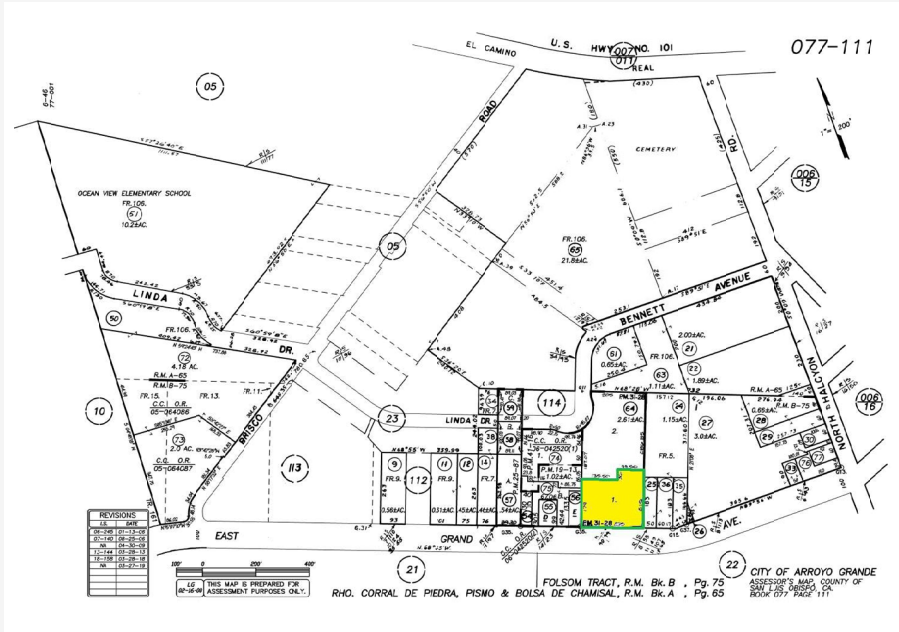
SITE PLAN



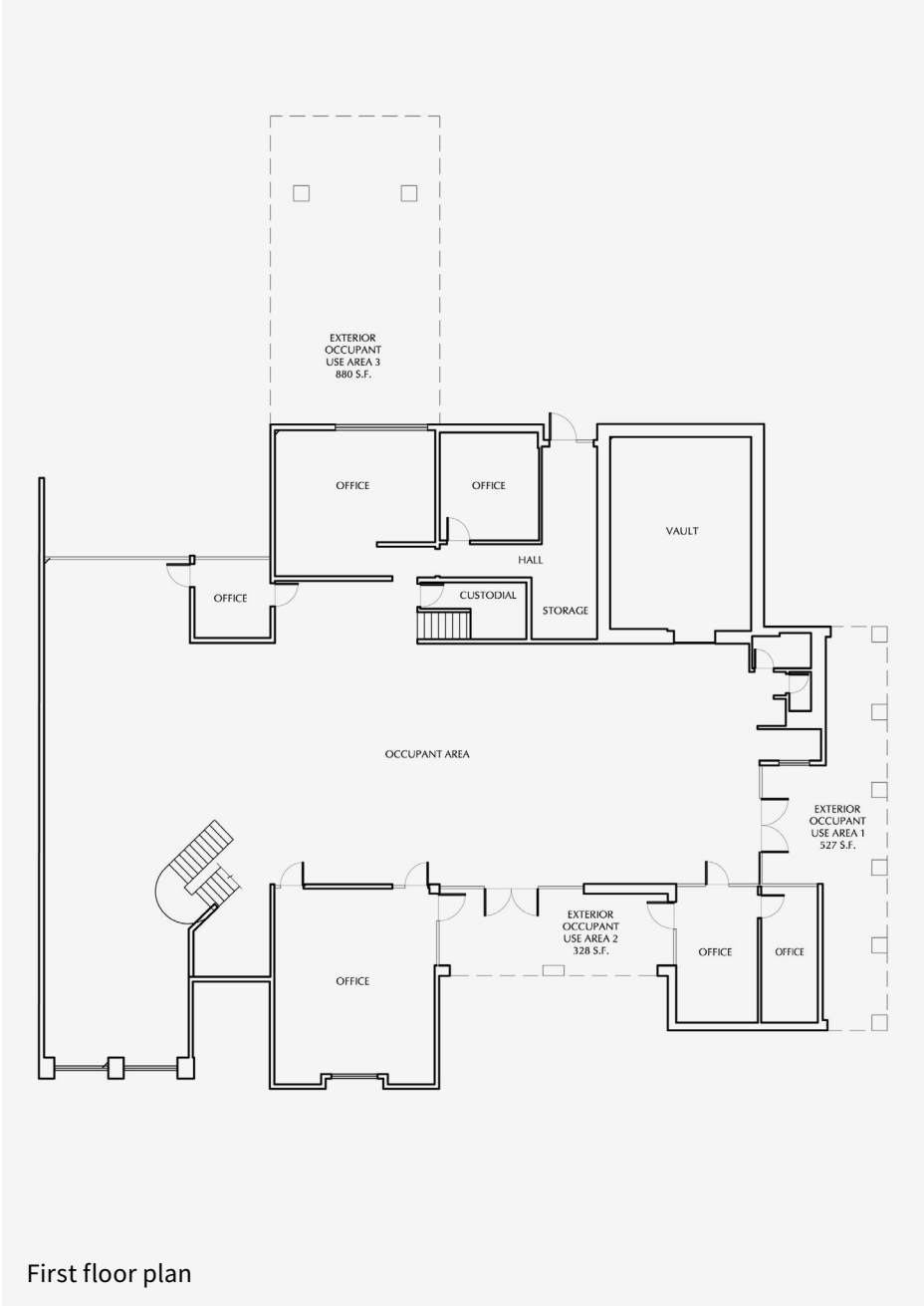
Site Details

LOCATION: 1026 E GRAND AVENUE ARROYO GRANDE, CA	
Improvements	One freestanding retail building containing 11,061 SF of leasable space
Land Area	45,647 SF (1.05 acres)
APN	077-111-064
Zoning	FOMU - Fair Oaks Mixed-Use. Permitted uses include office, retail and restaurants
Year Built	1970
Parking Ratio	5.51 per 1,000 SF
Signage	Building sign, monument, and directional signs along East Grand Avenue
Frontage	This property benefits from 115 feet of frontage along East Grand Avenue
Access	The subject property has a mid-block location with parking access off of East Grand Avenue
Topography	The property sits at grade level with adequate drainage with runoff to street gutters and drains

PARCEL MAP



FLOOR PLAN



Lease Abstract

TENANT: MECHANICS BANK	
Lease Date	July 30th, 1999
Current Term Commencement	May 1, 2025
Current Lease Expiration	April 30, 2035
Lease Term	10 years
Renewal Options	Two (2), Five (5) year options
Current Annual Rent	\$245,554
Rental Increases	12% increase in May 2030
Early Termination Option	Tenant shall have the right to cancel & terminate the Lease effective April 30, 2033 with notice on or before April 30, 2032
Roof & Structure	Landlord responsible for repair and maintenance of the foundation, exterior walls, and structural portions of the roof
HVAC	TENANT - Tenant shall be responsible for quarterly repair and maintenance
Common Area & Parking	TENANT - Tenant shall be responsible for repair and maintenance
Property Taxes	TENANT - Tenant to reimburse Landlord, as Additional Rent, for all real Property Taxes
Utilities	TENANT - Tenant may use the Premises for general retail and office financial services
Insurance	Tenant to reimburse Landlord, as Additional Rent, for Insurance Premiums

Demographics

	1 MILE	2 MILES	3 MILES
Population			
2024 Pop. - Current Year Est.	14,471	22,090	38,242
Education			
College Degree	4,662 44.1%	6,887 42.3%	12,040 43.2%
Households			
2024 Households - Current Year Est.	5,712	8,784	14,903
2024 Avg Household Size	2.44	2.4	2.46
Household Income			
Avg Household Income	\$103,536	\$89,869	\$95,799
Housing Value			
Median House Value	\$853,493	\$936,009	\$996,894

ARROYO GRANDE DEMOGRAPHICS

Arroyo Grande, CA is a 5.8 square mile city in San Luis Obispo County, California. A coastal town with historic, suburban, and rural elements, it is the largest of the cities on the Central Coast known as the Five Cities, including Arroyo Grande, Grover Beach, Oceano, Pismo Beach, and Shell Beach. The city's climate allows for a thriving agricultural and tourism-based economy. The City of Arroyo Grande welcomes roughly 1.7 million out of market visitors annually and 13.1 million total annual visits.



SAN LUIS OBISPO COUNTY

San Luis Obispo County is located along the Pacific Ocean in the Central Coast of California, in between Los Angeles and San Francisco. It was established in 1850 as one of the original 27 counties in the state. The county's distance from the large metro areas of San Francisco and Los Angeles has helped it to retain its rural character and, thus, reminders of old California abound. The foundations of its economy lie with tourism, agriculture, and California Polytechnic State University.



Downtown San Luis Obispo



MAIN CONTACTS

Crosby Slaughter

Vice President

805.690.1017

Crosby@investecre.com

DRE Lic. No. 01939629

Isaiah Bolton

Senior Associate

805.690.1021

Isaiah@investecre.com

DRE Lic. No. 02136939

