



STONE[®]
BREWING CO.

STONE COMPANY STORE *l̥stōn 'kəmpənē stōrl*

noun

1. A satellite retail outlet conveying the character, philosophies and distinctive beers of Stone Brewing Co. to craft beer enthusiasts
2. A friendly place to enjoy tasters and get Stone core and specialty beers in bottles, kegs, and growlers: *He went to the Stone Company Store and sampled the latest Stone Enjoy By IPA*
3. Where you'll find the latest Stone shirts, hats, hoodies, and other specialty merchandise

ORIGIN: Late 20th century in Escondido, California (San Diego County)

A MESSAGE FROM THE CO-FOUNDERS

Stone Brewing Co. has come a long way since we opened in 1996. We have grown from a small microbrewery with just two founders into the tenth-largest craft brewery in the United States, employing nearly 900 amazing men and women. Stone beers are now distributed in 40 states and seven countries.

From the beginning, our goal has been to brew outstanding, unique beers while maintaining an unwavering commitment to sustainability, business ethics, and the art of brewing. We don't just make beer; we make craft beer. That means we're independently owned, are comparatively small, and use traditional brewing methods and ingredients. We focus exclusively on making distinctive, high-quality beers that taste nothing like mass-produced lagers.

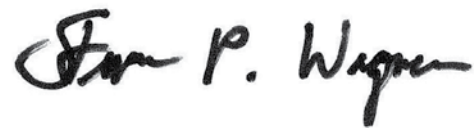
A Stone Company Store answers the demand for Stone beer and the Stone experience in one's own community. Each location is unique, yet all provide the definitive Stone-style environment where neighbors can connect and relax with each other while sipping tasters and picking up their favorite beers and merchandise to take home.

The purpose of this booklet is to acquaint you with our concept and serve as a Request For Proposal for new Stone Company Store locations. If you believe your community or building has the right combination of elements for a Stone Company Store, we invite you to provide a proposal.

We thank you for your time and look forward to hearing from you!



The guy who loves to crank it up.



The guy who sometimes has to say "Turn that *@#! down!"



STONE BREWING CO: EXECUTIVE SUMMARY

Stone Brewing Co. is the tenth-largest craft brewery in the United States, headquartered in Escondido, California (San Diego region). Founded in 1996 by Greg Koch and Steve Wagner, Stone today employs nearly 900 talented men and women. In 2013, the company produced 213,000 barrels of beer and has seen an average of 43 percent growth annually over the past 15 years.

In addition to its core operations, brewing, packaging, and distribution, Stone owns:

- Stone World Bistro & Gardens – Escondido, a farm-to-table restaurant since 2006, winner of awards such as:
 - 2007 People’s Choice Orchid Award at the San Diego Architectural Foundation’s annual Orchids & Onions awards
 - 2009 American Society of Landscape Architects Presidents Award
 - San Diego County Supervisor Pam Slater-Price Sustainability Award in 2009
- Stone World Bistro & Gardens – Liberty Station, a farm-to-table restaurant since May 2013
 - Winner of the 2013 People’s Choice Orchid Award at the San Diego Architectural Foundation’s annual Orchids & Onions awards
 - At 23,500 square feet under one roof, it is the largest restaurant in San Diego County.
- Stone Brewing Co. restaurant at the San Diego International Airport
- Stone Farms
 - A 19-acre organic farm supplying Stone’s Bistros
- Stone Company Stores
 - Local/community retail stores and tasting rooms that are found in Escondido, Oceanside, Pasadena, South Park, Point Loma, and downtown San Diego
- Stone Distribution Co.
 - The largest independent craft beer wholesaler in Southern California, representing 35 craft & specialty brands in the marketplace

Stone has experienced tremendous growth in 17 years, and the following is confirmation of that:

- Annual sales have grown a year-on-year average of 46 percent since the company was founded, making it the fastest-growing brewery in the United States
- In 2013, Stone was recognized by the *San Diego Business Journal* as one of the region’s 100 Fastest-Growing Private Companies for the tenth year in a row (the only San Diego company to ever achieve that distinction)
- Stone was named one of *Inc. Magazine’s* 5,000 Fastest-Growing Private Companies for the seventh year in a row
- In 2011, Ernst & Young named Stone’s CEO, Greg Koch, Ernst & Young San Diego County Entrepreneur of the Year
- In 2012, the *San Diego Business Journal* honored Greg as the 2012 “Most Admired CEO”
- The *San Diego Business Journal* named Stone’s Chief Financial Officer, Craig Spitz as the 2013 Chief Financial Officer of the Year for a medium-sized, privately held company

We are also proud to have grown without compromising our commitment to business ethics. In an industry known for its vigorous – and at times unseemly – competition, we have embraced collaboration, integrity, and quality as the hallmarks of our business. We view fellow craft breweries as compatriots rather than competitors and, indeed, often provide assistance with their business by serving their beer at our restaurants, distributing their beer, assisting in the designs of their breweries, or providing key beer ingredients (e.g., malts, hops) when they are in need.

The craft beer industry in the San Diego region has developed into a vibrant community-based industry with more than 84 active breweries. According to a recent National University report, the San Diego Craft brewing industry generated a \$300,000,000 direct economic impact, creating 2,796 jobs and contributing an enormous amount of tax revenue in a difficult economy. Former San Diego mayor Jerry Sanders stated “Breweries generate one of the highest job multipliers of any of the different industry clusters: 5.7 indirect jobs for each job they create.”

Stone has become one of the most popular tourist destinations in the San Diego region. In 2012, the Stone Brewing World Bistro & Gardens – Escondido hosted more than 600,000 visitors, and more than 60,000 took our informative and entertaining brewery tour. Our bold, flavorful, and often hop-centric beers have made us known throughout the world. Paramount to our brand is that our beer is always available fresh; each bottle is clearly marked with an expiration date.

Our selection of a location will be based upon a number of factors, including completeness of responses, advantageous operational expenses (e.g., labor, utilities, logistics, etc.), development challenges, availability/timing, unique attributes (e.g., redeveloped or historic properties, sustainable sites), and synergies with other businesses.

If there are any questions that we can answer to help inform your response, please do not hesitate to ask via the contact information provided on page 36. In the meantime, we eagerly await your response.

Sincerely,



Pat Tiernan
Chief Operating Officer



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STORES

A Stone Company Store offers a unique retail experience and a reprieve from the hustle and bustle of everyday life. It is at our Company Stores that we provide our fans with the opportunity to explore and enjoy Stone beer in a relaxed, intimate setting framed by our award-winning architecture, which has been described as “industrial-becoming-organic” and embodies our affinity for melding organic features of reclaimed wood, stone, plant life, and fresh air with industrial elements of metal, concrete, and glass.

Each Stone Company Store offers a similar yet distinctive tasting experience, with numerous rotating taps of Stone Brewing Co. beers, including year-round beers, special and one-time releases, and periodic archived vintages. Fans may also purchase growler fills of fresh Stone beer, kegs, bottles, merchandise and gifts ranging from favorite staples like t-shirts and glassware to novelties such as beer soap, candles, dog treats, jewelry, and more. But of course, it’s mostly about the beer.

“The famed Stone Brewing Co. chose Pasadena for its first retail location outside of its native San Diego County, and thirsty Angelenos have happily flocked to the Raymond Avenue location since it opened in October.”

Los Angeles Times

OCEANSIDE



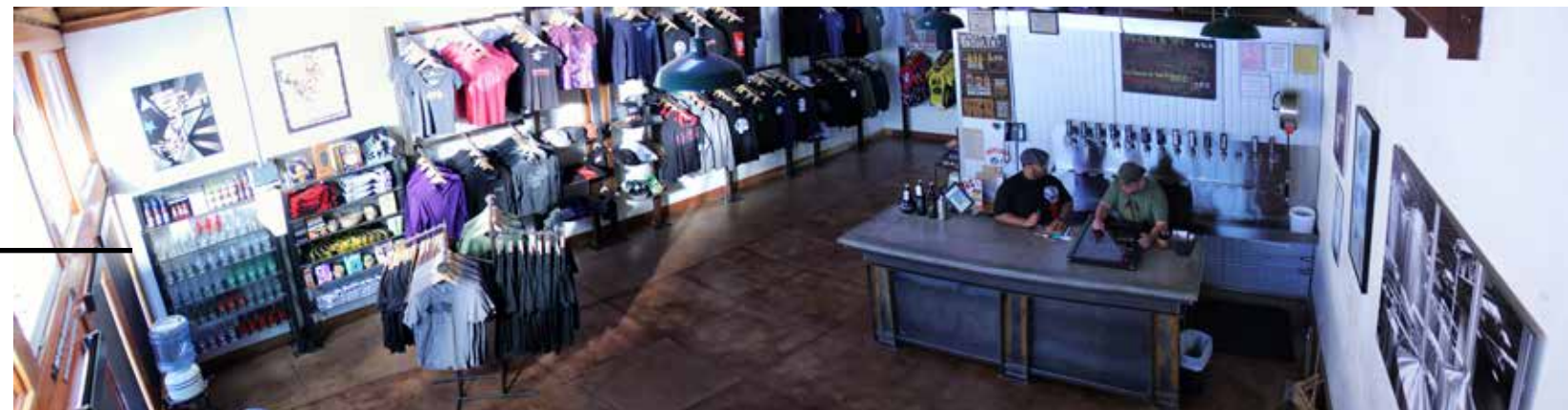
ON KETTNER



PASADENA



SOUTH PARK





STORE TYPES

INLINE RETAIL SPACE



Stone Company Store – South Park is a 1,096-square-foot tasting room and retail store (including a 151-square-foot outdoor patio) on 30th Street, a trendy, high-energy thoroughfare famous as a center for artisanal exploration and appreciation in San Diego. Nestled in the historic 1923 Rose Grocery Store, minor interior improvements were carefully incorporated to enhance the building while maintaining historic exterior aspects, as it was very important to the building owner and City of San Diego to maintain the venerable storefront.

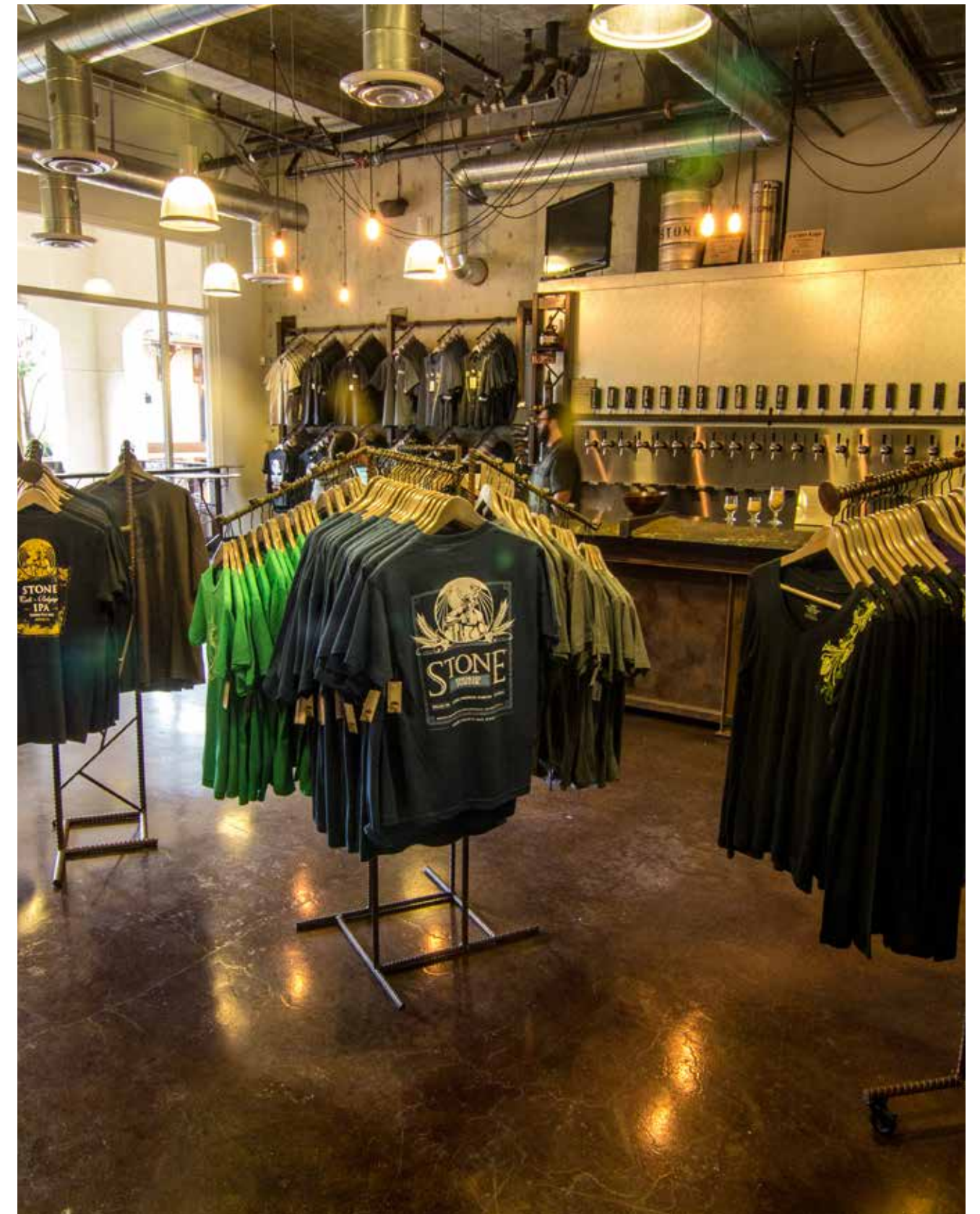
STORE SIZE: 1,096 sq. ft. | **OUTDOOR SPACE:** 151 sq. ft.



INLINE RETAIL SPACE WITH SIDEWALK PATIO

Stone Company Store – Pasadena is a 1,626-square-foot tasting room and retail store with a 478-square-foot patio space in the Del Mar Metro Station complex (formerly the historic Santa Fe train depot). This store is right next to the Los Angeles Metro Rail Gold Line on the ground level of a 347-unit apartment complex in the heart of Downtown Pasadena, within easy walking distance of Old Town Pasadena.

STORE SIZE: 1,626 sq. ft. | **OUTDOOR SPACE:** 478 sq. ft.



STAND-ALONE RETAIL SPACE WITH LARGE OUTDOOR PATIO

Stone Company Store – Oceanside is a 944-square-foot tasting room and retail store with a 4,155-square-foot outdoor patio in a former pottery shop in the newly revitalized Oceanside community. At this location, we retrofitted the existing building into the tasting room with a retail store and converted the asphalt patio area that once acted as a storage yard for landscape materials into a lush garden that is now filled with native trees and plants that incorporate our signature fire-rock communal table.



STORE SIZE: 944 sq. ft.

OUTDOOR PATIO SIZE: 4,155 sq. ft.





END CAP RETAIL SPACE WITH LARGE OUTDOOR PATIO

Stone Company Store – On Kettner is a 1,750-square-foot tasting room and retail store with a 4,000-square-foot patio garden in the nationally registered historic McClintock Warehouse building, less than a block from the landmark Santa Fe Depot train station. Working with the City of San Diego Historic Department, we helped maintain the historic storefront façade while integrating the historic interior building elements into our overall design. One such historic element meant incorporating the old storage unit's numbers and signage into the store's design. Stone planned the exterior landscaping to complement the building's architecture and created a scheme that blends the interior space into the landscaped patio area.

STORE SIZE: 1,750 sq. ft. | **OUTDOOR SPACE SIZE:** 4,000 sq. ft.



STONE COMPANY STORE MERCHANDISE



BEER

We pride ourselves in brewing beers that we like to drink. They are unique, big-character brews featuring bold flavors that defy traditional style guidelines and expectations. Our brewing decisions do not take into account cost or focus-group preferences. We reject lowest-common-denominator flavor profiles and mediocrity, and treat beer as an art form rather than a commodity. As such, our beers reflect our passion for brewing.

“Stone Brewing Co. has mentored brewmasters and created demand for some seriously offbeat ales.”

— *The New York Times*

YEAR-ROUND RELEASES

	ratebeer SCORES	ABV
STONE LEVITATION ALE	94	4.4%
STONE PALE ALE	96	5.4%
STONE SMOKED PORTER	99	5.9%
STONE IPA	100	6.9%
STONE CALI-BELGIQUE IPA	98	6.9%
STONE RUINATION IPA	100	8.2%
STONE SUBLIMELY SELF-RIGHTEOUS BLACK IPA	100	8.7%
ARROGANT BASTARD ALE	99	7.2%
OAKED ARROGANT BASTARD ALE	99	7.2%
STONE GO TO IPA	N/A	4.5%

SPECIAL RELEASES

STONE ANNIVERSARY ALE	VARIES	VARIES
STONE OLD GUARDIAN BARLEY WINE	99	11.0%
STONE IMPERIAL RUSSIAN STOUT	100	10.5%
DOUBLE BASTARD ALE	100	10.5%
STONE ENJOY BY IPA	100	9.4%



COMPANY GROWTH

Since our founding in 1996, Stone Brewing Co. has been the fastest-growing brewery in America. From producing 2,100 barrels in our first full year of operation to 213,000 barrels in 2013, we have had to work diligently to keep up with the strong demand for our beers. Our company has experienced an average of 43% growth year over year for the past 15 years. In addition to the brewery, we also operate Stone Distributing Co., a beer wholesaler in Southern California, delivering beer in 46 refrigerated trucks to more than 5,500 pubs, restaurants, hotels, markets, and grocery stores.

“Stone Brewing Co. [is] considered one of the industry leaders...”

— THE WALL STREET JOURNAL.

MILESTONES

HITTING THE SCENE



In 1996, Steve and Greg opened Stone's doors with a small but tenacious four-deep employee base and an unflagging determination to brew beers they personally believed in.

STONE DISTRIBUTING



In 2000, to further our goal to deliver exceptional beer, we established Stone Distributing. Today, that business gets over two million cases annually to market at the peak of freshness.

EXPANSION CONTINUES



Stone is currently sold in 40 states, six countries and one U.S. territory, and continues to expand, quenching the thirst of numerous markets with new, innovative, high-quality beers.

NEW DIGS



After pushing beyond the limits of our original brewhouse, we built a brand-new, state-of-the-art facility in Escondido, Calif. in 2005, greatly increasing our capacity and brewing abilities.

FARM-TO-TABLE EATERIES



In 2006, we set out to elevate the dining world through beer, opening Stone Brewing World Bistro & Gardens. Seven years later, we opened a second, larger restaurant near San Diego's bay front.

STONE FARMS



In 2011, we took over a North San Diego County farm, from which we now supply our brewery restaurants with local, sustainable, über-fresh fruits, vegetables, and herbs.

BEYOND THE BREWHOUSE DECADE OF DECADENCE



In 2012, we added a second brewhouse, doubling our production capacity, and built an immense Stone Packaging Hall directly south of our brewery, upping our bottling and QA capabilities.



Amongst titans of biochemistry, tourism, engineering, and construction, Stone has consistently ranked among San Diego's 100 fastest-growing businesses and is the first to do so for 10 straight years.



COMMUNITY INVOLVEMENT

We are dedicated to supporting our community and promoting a culture of social responsibility. Since Stone's founding in 1996, we have contributed more than \$3 million to charity, and in 2013 alone, we made contributions exceeding \$650,000 in value to more than 400 charitable organizations!

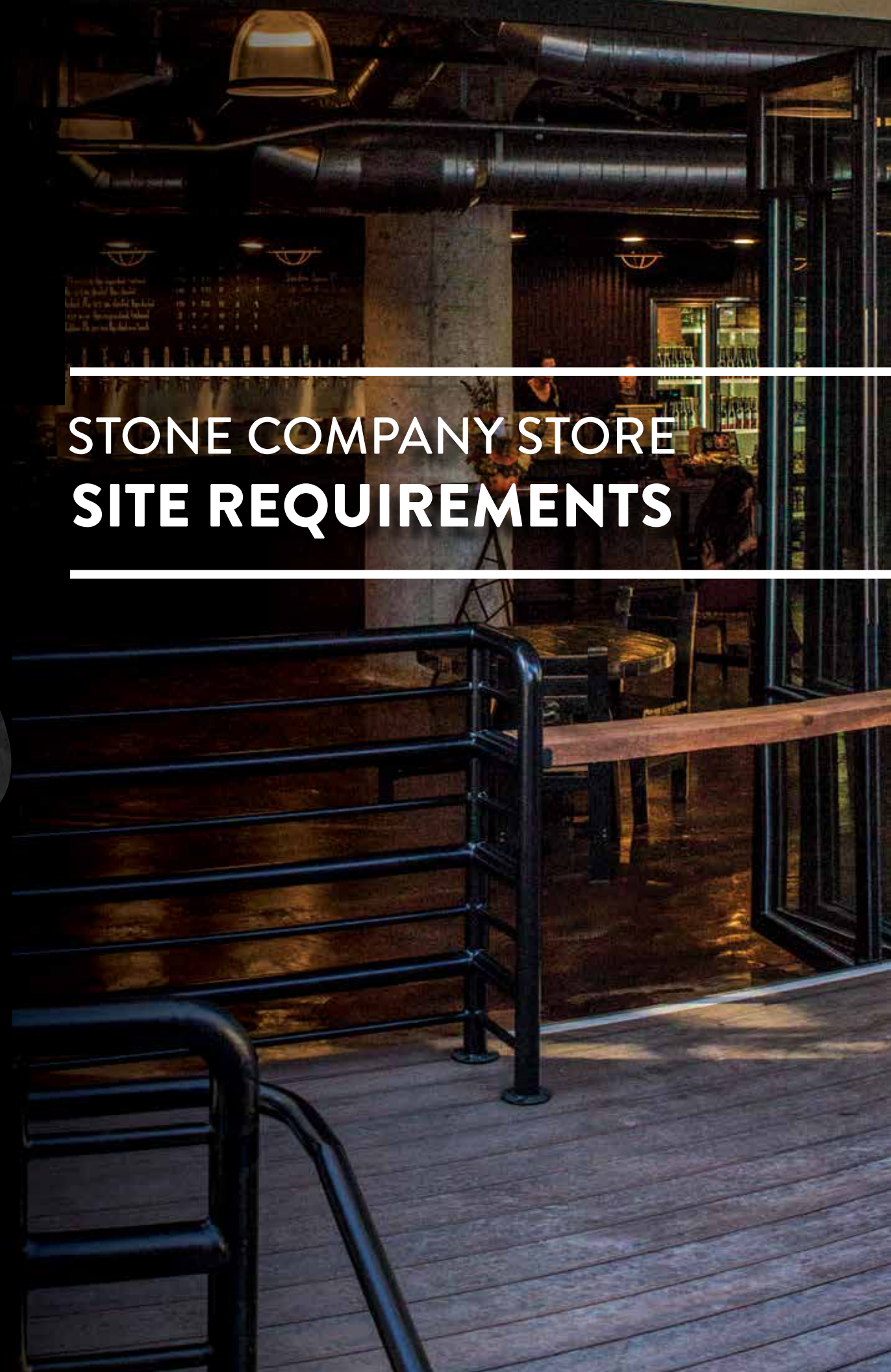
Over the years, we have raised more than \$1,750,000 on behalf of local charitable organizations just through our annual Stone Anniversary Celebration & Invitational Beer Festival. We support national and regional charities, but the majority of our philanthropic efforts are focused on local groups, so that our money goes back to the community where we live and work.

In addition to direct donations, we also host numerous fundraisers and charitable events at our two restaurants, and provide meeting space for local environmental, social, and community groups. Members of our ownership and management teams also take social responsibility personally and sit on the boards of several local charitable and philanthropic organizations.

“As a philanthropic leader in the community, Stone Brewing Co. has raised the bar for other local businesses to get involved in making an impact on the lives of others.”

—Shelly Anguiano Figueroa, CEO





**STONE COMPANY STORE
SITE REQUIREMENTS**



SITES MUST POSSESS THE FOLLOWING SET OF CHARACTERISTICS

- Within, or in close proximity to, major metropolitan areas and/or areas favored by sophisticated and discerning travelers and craft beer enthusiasts
- Abundant architectural character, especially due to age and/or historic value
- 900 s.f. or larger (with 10 ft. ceiling heights), with outdoor patio spaces that are a minimum of 150-square-foot, must create an indoor/outdoor feeling
- Can be easily and inexpensively renovated and/or expanded to prepare for modern industrial retail use
- Near public transportation
- Strongly supported by local/regional stakeholders as a site for Stone Brewing Co.





OPERATIONAL REQUIREMENTS

Existing Site Improvements – When the site improvements are existing, they should meet the following minimum standards:

- **On-site Parking Lot:** Must have the minimum number of spaces per code. Parking area paving and striping must be in good shape, current with ADA standards, and there must be adequate lighting, proper drainage, well-maintained landscape and irrigation, and an adequate number of spaces for Stone Brewing Co. employees and guests
- **ADA Pathway:** The site shall have a code-compliant ADA pathway from the public right-of-way to the front door of Stone's premises
- **On-site Landscape and Hardscape:** The on-site landscape and hardscape that is controlled by the Owner shall appear well maintained. Hardscape surfaces shall not have any trip hazards
- **On-site Lighting:** The parking lot and building perimeter shall have sufficient night lighting to satisfy California Title 24 requirements
- **Utilities:** The existing building should have all separate utility services for the Stone Store—for water (1" min. mainline), sewer (4" min.), separate electric meter/meter socket (200 amps 120/208v), and phone service with sufficient capacity for Stone's use. If gas is available to the premises, there should be a separate gas meter
- **Mechanical Equipment Enclosures:** Ideally, mechanical equipment enclosures would be located far enough away from the building entry or any outdoor seating areas as to not interfere with the quiet enjoyment of the premises
- **Trash Enclosure:** A screened trash enclosure area should be located reasonably close to the premises with a separate bin for Stone's exclusive use
- **Bicycle Racks:** Ideally, bike racks would be provided, or at minimum, an area for bike racks should be provided.





OPERATIONAL REQUIREMENTS (CONTINUED)

Existing Building Shell – The existing building shell should have the following minimum standards:

- **Building Construction Type:** The building shall meet the state's building code construction type as to allow Stone to operate its store.
- **Building Exterior Shell:** The existing building shell shall be structurally sound without defects and in accordance with current building codes without the requirement to be seismically upgraded for Stone's use or tenant improvements. The perimeter building walls, roof and floor shall be well maintained, free of defects, and watertight.
- **Building Interior Shell:** Subject to previous uses and existing improvements, the interior shell improvements shall allow Stone to construct FF&E improvements, including but not limited to: retail beer tasting bar, retail racks both affixed to the walls and free standing, restrooms, and storage room. The underside of the interior roof or ceiling structure should be 10' minimum.
- **Building Entry:** The main entry for a Stone Company Store shall be reasonably free from obstructions with secure functioning door(s).
- **Restrooms:** Separate men's and women's restrooms should be provided for the Stone Company Store premises, and both should be in compliance with ADA standards.
- **Gas, Electric & Phone:** The existing building should have electrical and phone rooms with sufficient capacity to serve Stone's premises. Electrical shall be 120/208 volt 3 phase, with separate 200 amp meter. Gas shall be separately metered for Stone's use with a 1" gas service. The phone room shall have existing dial-tone service and internet service capability.
- **Automatic Fire Sprinklers:** The building should be equipped with an automatic fire sprinkler system designed to provide coverage for the shell building with provisions for Stone's tenant improvements.
- **Heating, Ventilating and Air Conditioning System (HVAC):** The building shell shall be provided with separate HVAC for the Stone Store premises capable of cooling and heating between 68 and 72 degrees all year. The HVAC system must provide, at a minimum, 1 ton per 300 sq. ft.
- **Access Control/Security System:** If the existing building has access control and/or security provisions, they shall be separate for the Stone Company Store.



PLEASE PROVIDE THE FOLLOWING INFORMATION IN YOUR PROPOSAL

- Specific location (exact address)
- Proximity to city center and/or points of interest
- Description of the area
- Proximity to public transportation
- Site description, including all existing buildings and structures
 - Year built
 - Current and historical use
 - Basic features and any unique/distinguishing characteristics
 - Construction materials and type, including roof
 - Area (square feet) and dimensions (length, width, and height)
 - Potential for growth (availability of adjacent areas)
 - Existing drawings – floor plan, site plan, section
- Approximate (or exact) asking rent price or availability under another arrangement. What are the lease terms?
- Your relationship to the site and why you are in a position to propose it
- Availability and reason for its availability
- Why Stone Brewing Co. would be a good fit for this location and community
- If entitlements are not in place for this type of use, what would the timing and estimated cost be for the approval process?
- Provide property information: land use/zoning, any planning group oversight, community groups, property tax information, master plan, setbacks, rights of way, historical review requirements, CC&Rs, and any other relevant information
- Known/available development incentives – private, local, state, federal, or other
- Known hazardous materials or contamination caused by current or past use and potential required remediation. If any remediation is required, how will it be financed and executed? Provide existing Phase I, Phase II, soils report, title report (and copies of Schedule B documents), ALTA survey, civil survey, and any relevant closure documents if available
- Historical and environmental regulations applicable to the site and its buildings and structures
- Is bicycle parking available?
- Are there any electric vehicle charging stations onsite or within walking distance from your site?
- Cost of utilities (gas, water, sewage, electricity) for the area
- Cost of common area maintenance for this space
- Provide an overlay map of the area showing existing businesses with each business noted on the map, and provide a general description and attributes of each business
- Seismic issues, if any
- Proximity to nearest breweries, tasting rooms, and bars
- Is the space free-standing or attached?
- What is the median household income, given in 1 mile, 3 mile, and 5 mile increments
- How many people or households live near this location, given in 1 mile, 3 mile, and 5 mile increments
- What is the average age of the population that lives near this location, given in 1 mile, 3 mile and 5 mile increments
- What is the education level of the residents surrounding the site?
- Amount of available on-site parking?
- What is the site's location in regard to visibility and accessibility?
- What is the amount of foot traffic that goes by the site?

Stone Brewing Co. will evaluate all proposals and prioritize based on the strengths of their features and feasibility for development. We will then reach out to owners of the leading proposals to request additional information and/or arrange site visits.

Thank you, and we look forward to receiving your proposal!

If you have any questions, please e-mail:
CompanyStoreRFP@stonebrewing.com

Proposals can be sent via e-mail to the address above, or to:
Stone Brewing Co.
Company Store RFP
1999 Citracado Parkway
Escondido, CA 92029