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ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY.
PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

MCDONALD'S GROUND LEASE
North Richland Hills, TX
ACT ID ZAA0240157

Marcus & Millichap

NET LEASED DISCLAIMER

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

Marcus & Millichap



INFORMATION ABOUT BROKERAGE SERVICES

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

11-2-2015

TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

Marcus & Millichap Real Estate Investment Services	9002994	tim.speck@marcusmillichap.com	972-755-5200
Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
Tim Speck	0432723	tim.speck@marcusmillichap.com	972-755-5200
Designated Broker of Firm	License No.	Email	Phone
Licensed Supervisor of Sales Agent/Associate	License No.	Email	Phone
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date

EXECUTIVE SUMMARY

OFFERING SUMMARY

Price	\$1,863,500
Net Operating Income	\$79,200
Capitalization Rate – Current	4.25%
Price / SF	\$465.88
Rent / SF	\$19.80
Lease Type	NNN Ground Lease
Gross Leasable Area	4,000 SF
Year Built / Renovated	2015
Lot Size	0.96 acre(s)

FINANCING

Down Payment	All Cash
Net Cash Flow	4.25% / \$79,200
Cash on Cash Return	4.25%
Total Return	4.25% / \$79,200

MAJOR EMPLOYERS

EMPLOYER	# OF EMPLOYEES *
Solera LLC	5,442
Emsi Holding Company	1,218
St Elizabeth Ann Seton Sch	1,005
Kelly Capital Group Inc	821
Walmart	821
BJs Restaurants Inc	784
Premier Turbines	732
Corelogic Inc	700
Tarrant County College Dst	662
McAlisters Deli	629
Dallas Baptist University	557
Del Friscos Grille Texas LLC	538

DEMOGRAPHICS

	1-Miles	3-Miles	5-Miles
2018 Estimate Pop	6,630	73,523	223,711
2010 Census Pop	5,704	66,321	200,224
2018 Estimate HH	2,221	25,305	79,641
2010 Census HH	1,898	22,642	70,888
Median HH Income	\$153,669	\$127,187	\$102,351
Per Capita Income	\$71,824	\$61,964	\$52,501
Average HH Income	\$213,823	\$179,875	\$147,351

* # of Employees based on 5 mile radius



INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present for sale a McDonald's ground lease (NYSE:MCD) located in North Richland Hills, Texas. This is a rare opportunity to own a ground lease guaranteed by the world's largest and most successful fast food chain, McDonald's Corporation. McDonald's has operated in this market at a location down the street from its current location since 1995. In 2014, the tenant elected to relocate to a stronger location and build their new prototype in front of the Walmart Supercenter and Target. The relocation is a clear indication of the tenants long-term commitment to this market.

The subject is an approximate 4,000-square foot, single-tenant retail building built in 2015 on approximately .96 acres of land. The existing lease is a 20-year, with 16.3 +/- years remaining, NNN corporate ground lease with McDonald's USA, LLC. The lease contains eight, five-year renewal options with a 10 percent rent increase every five years. The 4.25 percent Cap Rate is based on the next rent increase in May, 2020. The Seller will credit the Buyer at closing, on a pro-rated basis, the spread between the current monthly rent (\$6,000) and the rent at the May, 2020 rent increase (\$6,600).

McDonald's is the world's leading global food service retailer with over 37,000 locations serving approximately 69 million customers, in over 120 countries each day. McDonald's Corporation franchises and operates McDonald's restaurants in the United States, Europe, Asia/Pacific, the Middle East, Africa, Canada and Latin America. Its restaurants offer various food items, soft drinks, coffee and other beverages, as well as breakfast menus. McDonald's Corporation was founded in 1940 and is based in Oak Brook, Illinois.

INVESTMENT HIGHLIGHTS

- Absolute NNN McDonald's Ground Lease - 16.3 Years Remaining
- 10 Percent Rent Increase every Five Years
- Relocation Store
- Located Across from Target and Walmart Supercenter
- One Mile Average Household Income - \$213,823
- Income Tax Free State





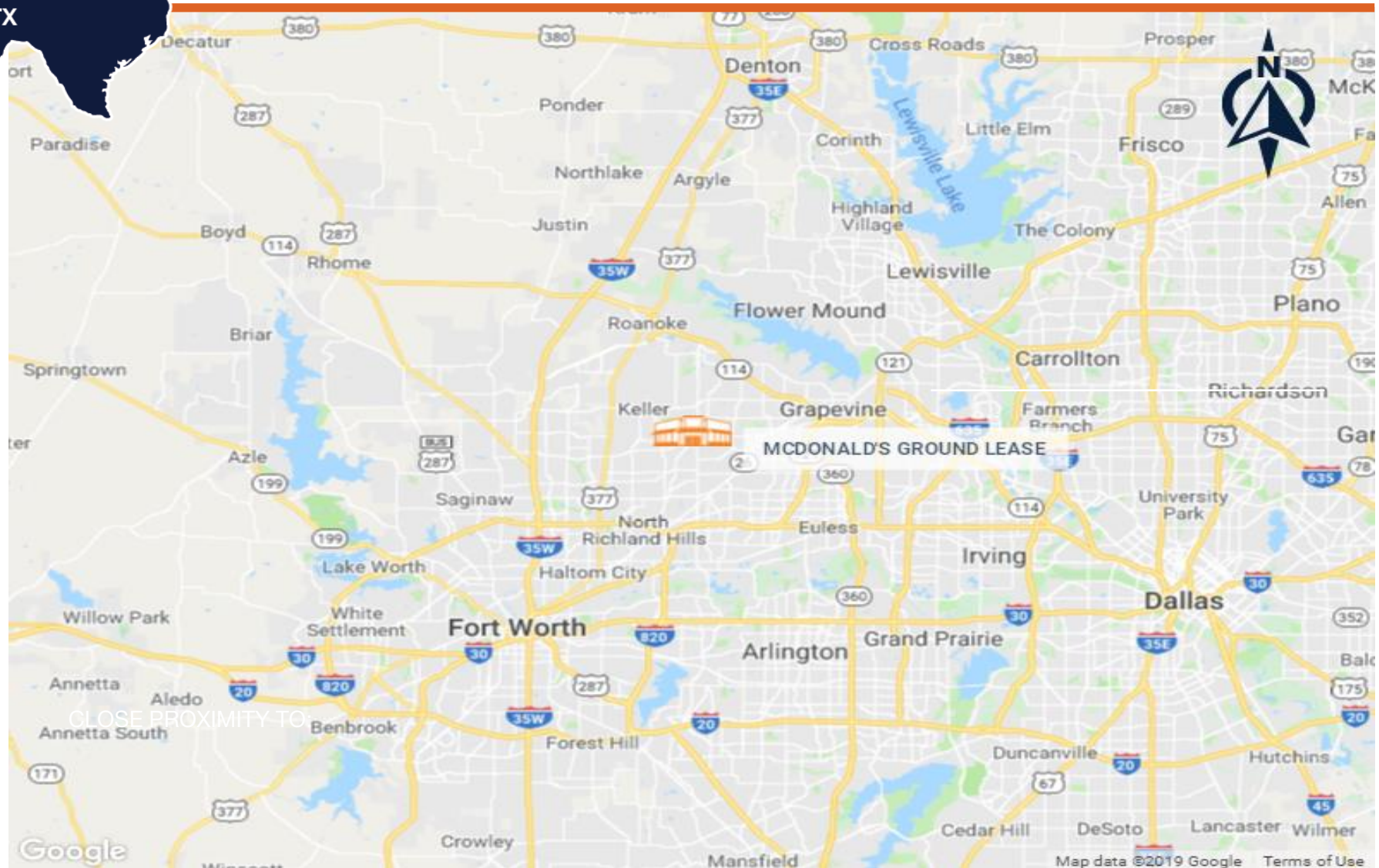
McDonald's USA, LLC

McDonald's is the world's leading global food service retailer with over 37,000 locations serving approximately 69 million customers, in over 120 countries each day. McDonald's Corporation franchises and operates McDonald's restaurants in the United States, Europe, Asia/Pacific, the Middle East, Africa, Canada and Latin America. Its restaurants offer various food items, soft drinks, coffee and other beverages, as well as breakfast menus.

General Information	
Tenant Name	McDonald's USA, LLC
Website	www.mcdonalds.com
Parent Company	McDonald's Corporation
Headquartered	Oak Brook, IL
Rentable Square Feet	4,000 SF
Percentage of RBA	100.00%
Lease Commencement	5/29/2015
Lease Expiration	5/28/2035
No. of Locations	37,000 +



8549 Davis Blvd, North Richland Hills, TX 76182













PROPERTY SUMMARY

THE OFFERING	
Property	McDonald's Ground Lease
Property Address	8549 Davis Boulevard North Richland Hills, Texas 76182
Price	\$1,863,500
Capitalization Rate	4.25%
Price/SF	\$465.88

PROPERTY DESCRIPTION	
Year Built / Renovated	2015
Gross Leasable Area	4,000 SF
Zoning	Commercial
Type of Ownership	Leased Fee/Ground Lease
Lot Size	0.96 Acres

LEASE SUMMARY	
Property Subtype	Net Leased Restaurant
Tenant	McDonald's USA, LLC
Rent Increases	10% Every Five Years
Guarantor	Corporate Guarantee
Lease Type	NNN Ground Lease
Lease Commencement	May 29, 2015
Lease Expiration	May 28, 2035
Lease Term	20
Term Remaining on Lease (Years)	16.3
Renewal Options	Eight Five-Year Options
Landlord Responsibility	None
Tenant Responsibility	NNN Ground Lease
Right of First Refusal/Offer	No

ANNUALIZED OPERATING INFORMATION

INCOME	
Net Operating Income	\$79,200

RENT SCHEDULE				
YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$79,200	\$6,600	\$19.80	4.25%
2025-2030	\$87,120	\$7,260	\$21.78	4.68%
2030-2035	\$95,832	\$7,986	\$23.96	5.14%
Option 1	\$105,415	\$8,785	\$26.35	5.66%
Option 2	\$115,957	\$9,663	\$28.99	6.22%
Option 3	\$127,552	\$10,629	\$31.89	6.84%
Option 4	\$140,308	\$11,692	\$35.08	7.53%
Option 5	\$154,338	\$12,862	\$38.58	8.28%
Option 6	\$169,772	\$14,148	\$42.44	9.11%
Option 7	\$186,750	\$15,563	\$46.69	10.02%
Option 8	\$205,426	\$17,119	\$51.36	11.02%

NOTES

The 4.25% Cap Rate is based on the next rent increase in May, 2020. The Seller will credit the Buyer at closing, on a pro-rated basis, the spread between the current rent and the rent at the May, 2020 rent increase.

Created on March 2019

POPULATION	1 Miles	3 Miles	5 Miles
■ 2023 Projection			
Total Population	7,973	80,752	244,141
■ 2018 Estimate			
Total Population	6,630	73,523	223,711
■ 2010 Census			
Total Population	5,704	66,321	200,224
■ 2000 Census			
Total Population	2,792	51,536	162,908
■ Current Daytime Population			
2018 Estimate	3,400	55,768	210,159
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2023 Projection			
Total Households	2,689	28,152	87,830
■ 2018 Estimate			
Total Households	2,221	25,305	79,641
Average (Mean) Household Size	3.04	2.89	2.79
■ 2010 Census			
Total Households	1,898	22,642	70,888
■ 2000 Census			
Total Households	946	16,542	55,265
■ Occupied Units			
2023 Projection	2,689	28,152	87,830
2018 Estimate	2,223	25,447	80,414
HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2018 Estimate			
\$150,000 or More	51.51%	40.24%	29.67%
\$100,000 - \$149,000	24.23%	24.15%	21.60%
\$75,000 - \$99,999	7.79%	11.99%	13.38%
\$50,000 - \$74,999	7.68%	10.54%	14.56%
\$35,000 - \$49,999	4.57%	5.12%	8.08%
Under \$35,000	4.23%	7.97%	12.74%
Average Household Income	\$213,823	\$179,875	\$147,351
Median Household Income	\$153,669	\$127,187	\$102,351
Per Capita Income	\$71,824	\$61,964	\$52,501

HOUSEHOLDS BY EXPENDITURE	1 Miles	3 Miles	5 Miles
Total Average Household Retail Expenditure	\$111,928	\$105,602	\$96,013
■ Consumer Expenditure Top 10 Categories			
Housing	\$28,502	\$26,959	\$24,534
Transportation	\$23,805	\$22,198	\$19,954
Shelter	\$15,330	\$14,530	\$13,266
Personal Insurance and Pensions	\$14,035	\$12,902	\$11,039
Food	\$11,173	\$10,453	\$9,545
Health Care	\$6,816	\$6,628	\$5,946
Utilities	\$6,199	\$5,970	\$5,503
Entertainment	\$5,343	\$4,913	\$4,334
Household Furnishings and Equipment	\$3,633	\$3,313	\$2,910
Cash Contributions	\$3,242	\$3,122	\$2,754
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2018 Estimate Total Population	6,630	73,523	223,711
Under 20	31.77%	28.96%	28.61%
20 to 34 Years	8.01%	10.89%	14.47%
35 to 39 Years	5.24%	4.62%	5.36%
40 to 49 Years	17.75%	15.88%	14.80%
50 to 64 Years	24.62%	26.37%	23.75%
Age 65+	12.62%	13.27%	13.01%
Median Age	43.16	44.17	41.27
■ Population 25+ by Education Level			
2018 Estimate Population Age 25+	4,296	48,685	147,604
Elementary (0-8)	0.37%	0.72%	1.75%
Some High School (9-11)	1.19%	2.04%	3.22%
High School Graduate (12)	12.11%	14.69%	17.07%
Some College (13-15)	18.61%	20.96%	23.06%
Associate Degree Only	4.71%	6.53%	7.44%
Bachelors Degree Only	39.35%	35.37%	31.27%
Graduate Degree	23.27%	19.32%	15.56%

Source: © 2018 Experian



Population

In 2018, the population in your selected geography is 6,630. The population has changed by 137.46% since 2000. It is estimated that the population in your area will be 7,973.00 five years from now, which represents a change of 20.26% from the current year. The current population is 49.64% male and 50.36% female. The median age of the population in your area is 43.16, compare this to the US average which is 37.95. The population density in your area is 2,110.67 people per square mile.



Households

There are currently 2,221 households in your selected geography. The number of households has changed by 134.78% since 2000. It is estimated that the number of households in your area will be 2,689 five years from now, which represents a change of 21.07% from the current year. The average household size in your area is 3.04 persons.



Income

In 2018, the median household income for your selected geography is \$153,669, compare this to the US average which is currently \$58,754. The median household income for your area has changed by 53.63% since 2000. It is estimated that the median household income in your area will be \$164,497 five years from now, which represents a change of 7.05% from the current year.

The current year per capita income in your area is \$71,824, compare this to the US average, which is \$32,356. The current year average household income in your area is \$213,823, compare this to the US average which is \$84,609.



Race and Ethnicity

The current year racial makeup of your selected area is as follows: 86.75% White, 2.98% Black, 0.03% Native American and 5.21% Asian/Pacific Islander. Compare these to US averages which are: 70.20% White, 12.89% Black, 0.19% Native American and 5.59% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 7.34% of the current year population in your selected area. Compare this to the US average of 18.01%.



Housing

The median housing value in your area was \$425,736 in 2018, compare this to the US average of \$201,842. In 2000, there were 927 owner occupied housing units in your area and there were 19 renter occupied housing units in your area. The median rent at the time was \$1,685.



Employment

In 2018, there are 1,789 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 76.03% of employees are employed in white-collar occupations in this geography, and 22.49% are employed in blue-collar occupations. In 2018, unemployment in this area is 3.43%. In 2000, the average time traveled to work was 31.00 minutes.