

CONFIDENTIAL OFFERING MEMORANDUM

TRACTOR SUPPLY CO.

MADERA, CALIFORNIA

APPROX 130 MILES FROM SAN JOSE AIRPORT



NET LEASE GROUP

EXCLUSIVELY OFFERED BY:

ANDREW BOGARDUS

+1 415 677 0421

andy.bogardus@cushwake.com

CA LIC #00913825

CHRISTOPHER SHELDON

+1 415 677 0441

chris.sheldon@cushwake.com

CA LIC #01806345

SUBJECT PROPERTY

Confidentiality & Disclaimer

Tractor Supply Company (Tenant) requires all terms and conditions of their Lease be held in confidence, except as necessary to obtain financing and potential buyers of the property. Accordingly, the information herein is given with the understanding that those receiving it shall similarly hold it in confidence.

The information contained in this marketing brochure ("Materials") is proprietary and confidential. It is intended to be reviewed only by the person or entity receiving the Materials from Cushman & Wakefield ("Agent"). The Materials are intended to be used for the sole purpose of preliminary evaluation of the subject property/properties ("Property") for potential purchase.

The Materials have been prepared to provide unverified summary financial, property, and market information to a prospective purchaser to enable it to establish a preliminary level of interest in potential purchase of the Property. The Materials are not to be considered fact. The information contained in the Materials is not a substitute for thorough investigation of the financial, physical, and market conditions relating to the Property.

The information contained in the Materials has been obtained by Agent from sources believed to be reliable; however, no representation or warranty is made regarding the accuracy or completeness of the Materials. Agent makes no representation or warranty regarding the Property, including but not limited to income, expenses, or financial performance (past present, or future); size, square footage, condition, or quality of the land and improvements; presence or absence of contaminating substances (PCB's, asbestos, mold, etc.); compliance with laws and regulations (local, state, and federal); or, financial condition or business prospects of any tenant (tenants' intentions regarding continued occupancy, payment of rent, etc). A prospective purchaser must independently investigate and verify all of the information set forth in the Materials. A prospective purchaser is solely responsible for any and all costs and expenses incurred in reviewing the Materials and/or investigating and evaluating the Property.

By receiving the Materials you are agreeing to the Confidentiality and Disclaimer set forth herein.

EXCLUSIVELY OFFERED BY:

ANDREW BOGARDUS

+1 415 677 0421

andy.bogardus@cushwake.com

CA LIC #00913825

CHRISTOPHER SHELDON

+1 415 677 0441

chris.sheldon@cushwake.com

CA LIC #01806345

SUBJECT PROPERTY



CUSHMAN & WAKEFIELD
NET LEASE GROUP

CONFIDENTIAL OFFERING MEMORANDUM

TRACTOR SUPPLY CO.

MADERA, CALIFORNIA

4 Investment Offering & Highlights

5 Investment Offering

6 Site Plan

7 About the Tenant

8 Aerial

9 Local Map

10 Regional Map

11 Madera, CA

13 Fresno, CA

14 Demographics

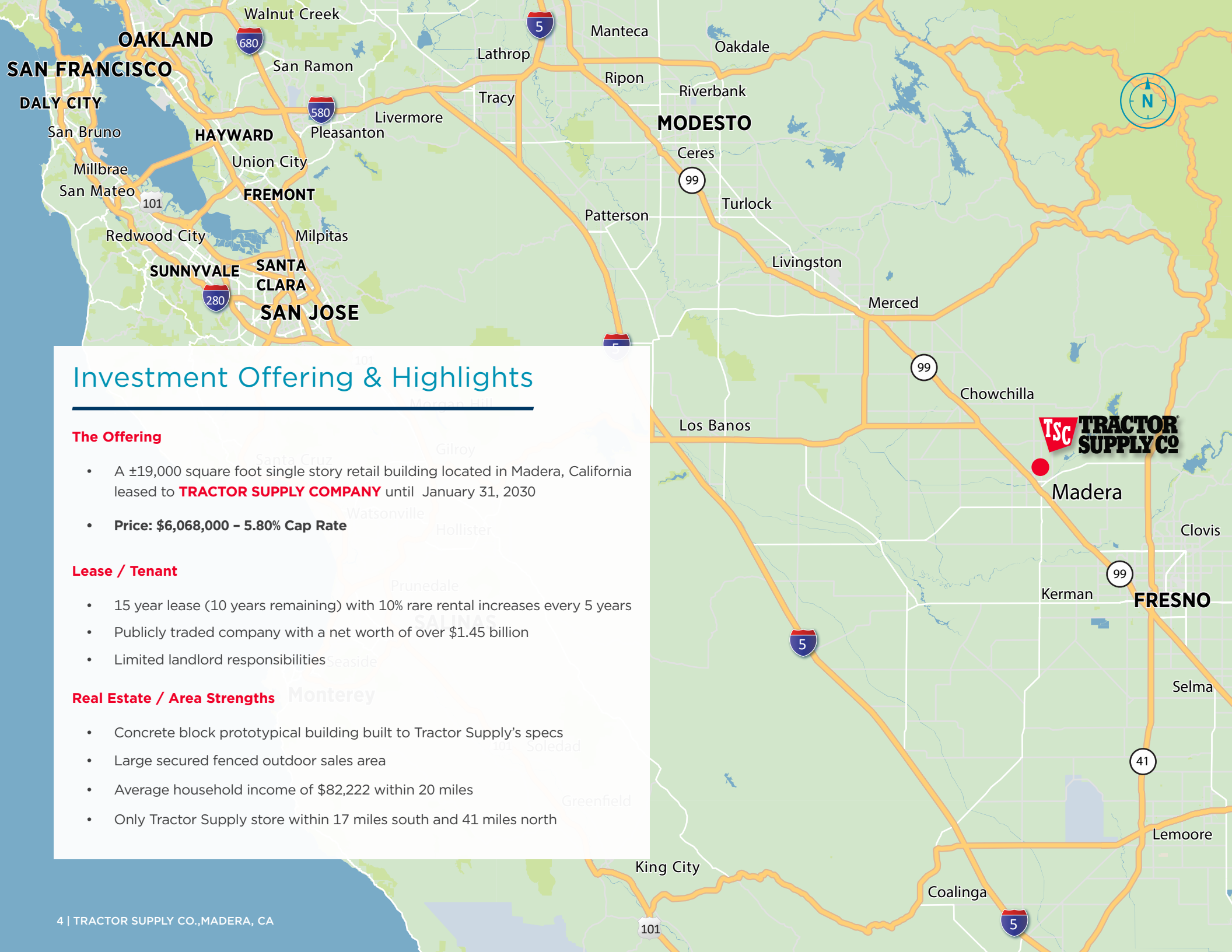
NET LEASE GROUP



**CUSHMAN &
WAKEFIELD**



SUBJECT PROPERTY



Investment Offering & Highlights

The Offering

- A ±19,000 square foot single story retail building located in Madera, California leased to **TRACTOR SUPPLY COMPANY** until January 31, 2030
- **Price: \$6,068,000 – 5.80% Cap Rate**

Lease / Tenant

- 15 year lease (10 years remaining) with 10% rare rental increases every 5 years
- Publicly traded company with a net worth of over \$1.45 billion
- Limited landlord responsibilities

Real Estate / Area Strengths

- Concrete block prototypical building built to Tractor Supply's specs
- Large secured fenced outdoor sales area
- Average household income of \$82,222 within 20 miles
- Only Tractor Supply store within 17 miles south and 41 miles north

Investment Offering

Location

1565 Country Club Dr, Madera, California 93638

Lot Size

Approximately 2.77 acres – 120,661 square feet

Improvements

Opened in January 2015, a 19,000± square foot single story retail building constructed for **TRACTOR SUPPLY COMPANY** with a 14,920± square foot fenced outdoor display area and ample onsite parking. The construction is pre-engineered prototypical concrete block.

Lease

Leased to **TRACTOR SUPPLY COMPANY** for 15 years from January 2015 through January 2030 (10 years remaining). The annual rent of \$351,999 increases by 10% every five years throughout the primary lease term and options. The lease is net with the tenant responsible for taxes, insurance and maintenance. The landlord is responsible for the roof (15 year initial warranty), foundation and structure, parking lot surface, pilon/monument sign base, and exterior utility lines. Landlord must carry commercial general liability insurance. There are four 5-year options to renew under the same terms and conditions as the primary lease. Tractor Supply has the right of first refusal (See “Right of First Refusal”).

Right of First Refusal

All offers are subject to a right of first refusal that Tractor Supply must exercise within 30 days of receipt.

Annual Rent

Lease Years	Annual Rent	Return
1 - 5	\$320,001	
6 - 10 Current	\$351,999	5.80%
11 - 15	\$387,201	6.38%
16 - 20 (Option 1)	\$425,919	7.02%
21 - 25 (Option 2)	\$468,513	7.72%
26 - 30 (Option 3)	\$515,364	8.49%
31 - 35 (Option 4)	\$566,898	9.34%

Price: \$6,068,000 – 5.80% Cap Rate

Rent Per Square Foot

\$18.53 net per year –\$1.54 net per month

Possible Financing

The property has existing debt but can be delivered free and clear for permanent new financing. Possible financing is available in the amount of \$3,640,000 (60% LTV) at 3.75% interest with 30 year amortization, 5 year loan, and annual debt service of \$202,289.

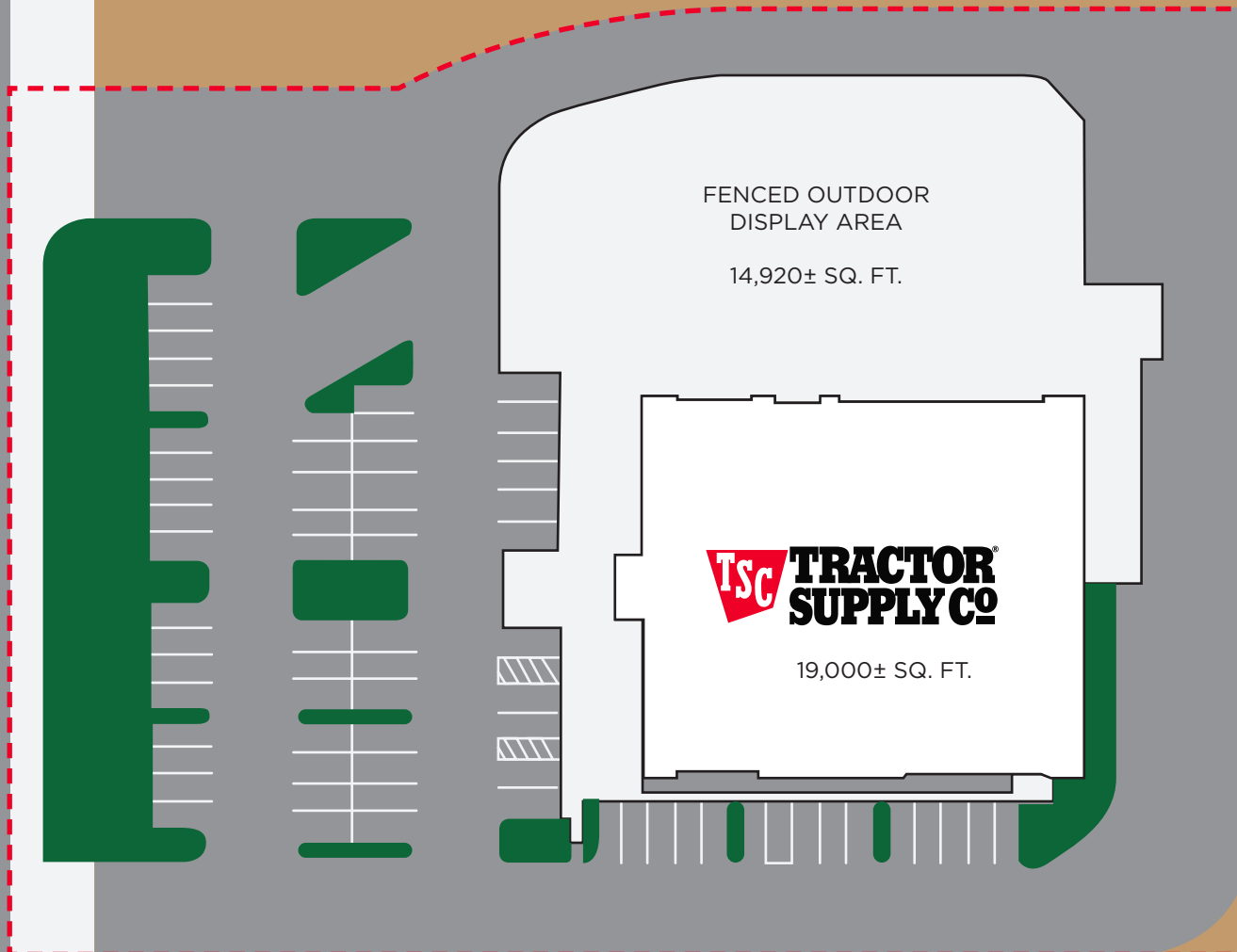
			<u>Years 6 - 10</u>	<u>YRS 11 - 15 (1)</u>
Price :	\$6,068,000	Net Income:	\$351,999	\$378,199
Loan:	<u>\$3,640,000</u>	Debt Service:	<u>\$202,289</u>	<u>\$202,289</u>
Cash Required:	\$2,428,000	Cash Flow:	\$149,710	\$175,910
Cash on Cash Return:			6.17%	7.25%

(1) Assumes refinance at same rate

ADELL ST

Site Plan

COUNTRY CLUB DR



About the Tenant

Based in Nashville, Tennessee, **TRACTOR SUPPLY COMPANY (NASDAQ: "TSCO")** is the largest retail farm and ranch store chains in the U.S. Tractor Supply Company operates over 1,940 stores in 49 states, focused on supplying the lifestyle needs of recreational farmers and ranchers. It also serves the maintenance needs of those who enjoy the rural lifestyle as well as tradesmen and small businesses. Located in towns outlying major metropolitan markets and rural communities, Tractor Supply stores offer a comprehensive selection of merchandise:

- Equine, pet and small animal products including everything necessary for their health, care, growth, and containment
- Maintenance products for agricultural and rural use
- Hardware and seasonal products including lawn and garden power equipment
- Truck, towing and tool products
- Work/recreational clothing and footwear for the entire family
- Maintenance products for agricultural and rural use
- Home décor, candy, snack food and toys

Over the past ten years Tractor Supply has experienced considerable growth in stores, growing from 930 stores at the end of 2009 to 1,940 stores at the end of 2018.

For the nine months ended September 30, 2019, TSCO reported net sales of \$6.16 billion with a net income of \$418 million and total stockholders' equity of \$1.49 billion.

For the fiscal year ended on December 31, 2018, reported sales were \$7.91 billion (up 8.95% from 2017) with a net income of \$532 million (up 25% from 2017).

The Company opened 80 new stores and 18 Petsense locations in fiscal 2018.

For additional information, see www.tractorsupply.com.





Santa Maria Dental Office



VALLARTA SUPERMARKET
COMING SOON



79,000
CARS PER DAY

COUNTRY CLUB DR

17,400
CARS PER DAY



AERIAL

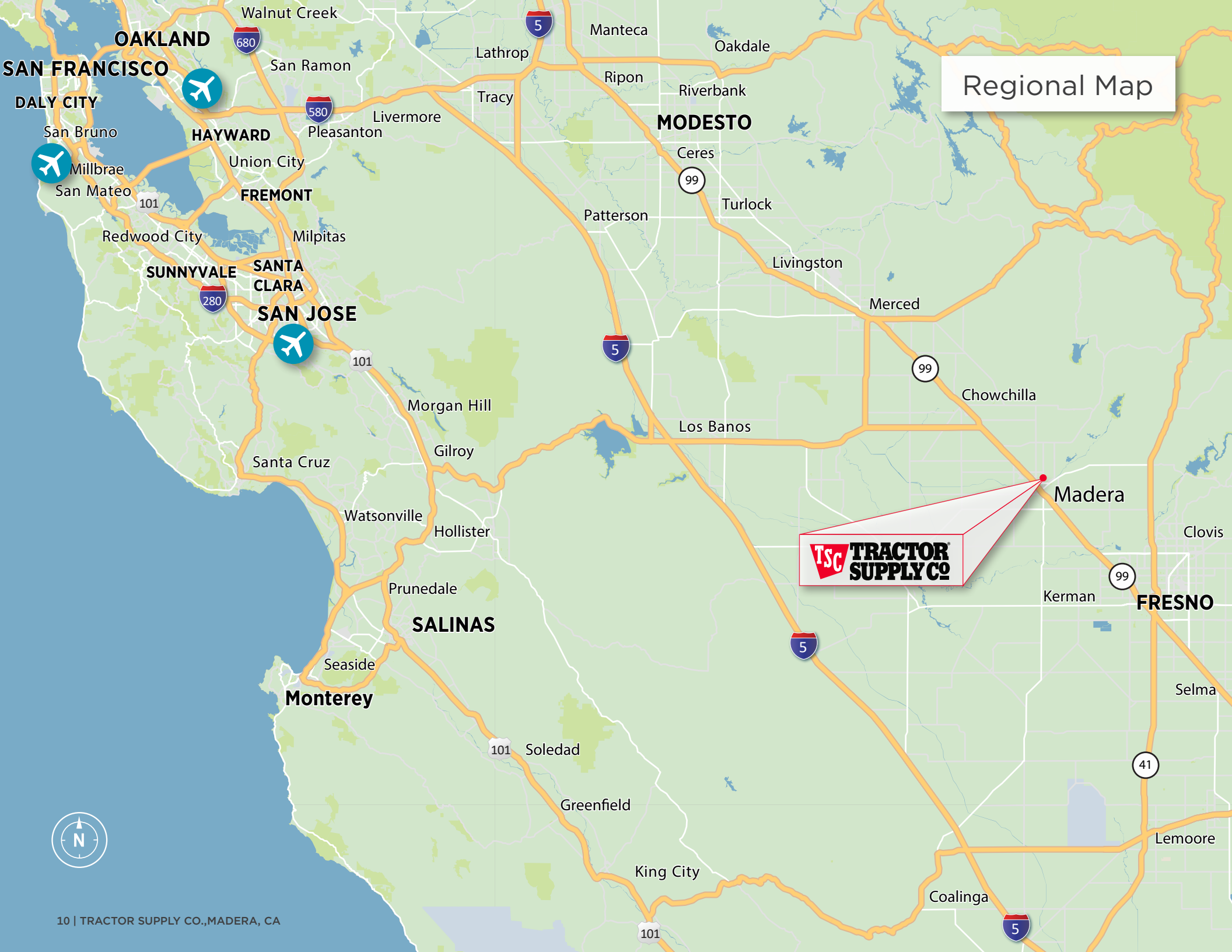
Local Map

Madera
Municipal
Airport

MADERA

TSC TRACTOR
SUPPLY CO.





Regional Map





Madera, California

Madera is the county seat of Madera County in the state of California. As of the 2019 estimate census, the city's population was 66,189 people. The city is located in the San Joaquin Valley, Madera is a principal city of the Madera-Chowchilla Metropolitan Statistical Area, which encompasses all of Madera County, and Metropolitan Fresno. Considered by many residents as being situated in the perfect location, Madera is in the "heart" of California and serves as the "Passageway to the Sierras" and is located in the exact center of California. Madera residents find they have easy access to Yosemite, Kings Canyon and Sequoia National Parks along with access to the Pacific Coast, Bay Area and Southern California.

Madera, California (cont)

During the past 20 years, Madera has experienced significant residential and economic growth. The community has become economically self-sufficient with a strong and diverse industrial base, and vital retail areas. It has recently more than doubled its geographical size and has started incorporating neighborhoods and commercial areas. A consequence of this growth and change in community character has been an emerging need to redefine the City's identity and help set a course for the future that reflects the values of its citizens. In July 2005, Madera engaged in a community process to develop a plan to guide the city to a preferred future. This community-wide effort, the Vision Madera 2025 program, was conducted over two years (2005-2007) and involved hundreds of citizens representing dozens of community interests including business, environment, neighborhood, social service, healthcare, education, government and many others. The product of this endeavor was a Vision Statement describing Madera in 2025, and an Action Plan identifying the programs and projects necessary to achieve that vision. With the help

of hundreds of inputs from community volunteers and City of Madera sponsorship, the community now has a Vision and Action Plan.

The Action Plan listed 55 strategies and 167 actions to bring the Vision to life. The plan outlines opportunities to enhance community identity, connections and livability. Many of these actions have required the formation of public-private partnerships. Implementation of the Vision Madera 2025 continues to be a community-wide effort. To date of the 167 action items, 165 actions are either underway or implemented, or said differently over 98% of the action items identified have either been implemented or have made significant progress in implementation

Madera is a thriving central valley community that offers residents access to some of California's most iconic natural attractions while also operating a successful economy, piggybacking off the economy of Fresno.



Fresno, California

Fresno is the economic hub of the Fresno Metropolitan Statistical Area (MSA) and the San Joaquin Valley, with much of the surrounding areas in the Fresno metropolitan region predominately tied to large-scale agricultural production. Fresno County is the largest agricultural county in the United States. Fresno is the larger principal city of the Fresno-Madera Combined Statistical Area (CSA), which had a population of approximately 1.2 million people as of 2018. The Fresno CSA is the third largest metropolitan region in Northern California, behind the San Francisco Bay Area and the Greater Sacramento Area. Fresno serves as a transportation hub for California's Central Valley due to the city's location roughly equidistant from the Greater Los Angeles, San Francisco Bay Area, and Greater Sacramento regions. The Fresno metropolitan region is served by a large number of highways and freeways that are vital in linking the rest of Northern California with Southern California.

Economy

Agriculture is the backbone of the Fresno area, employing nearly 20 percent of the workforce and providing more than \$3.5 billion for the local economy. More jobs are tied into the agricultural industry than any other industry in the Fresno area; estimates are that one in three jobs in all are related to agriculture. A majority of America's produce is grown in California's Central Valley, and Fresno County is the number one agricultural county in the United States. By 2005 more than 7,500 farmers were growing 250 types of crops on 1 million acres of some of the world's most productive farmland. Major crops are grapes, cotton, cattle, tomatoes, milk, plums, turkeys, oranges, peaches, and nectarines. A large food processing industry has developed around the agricultural activity; a number of canning, curing, drying, and freezing plants are located in the area. An Ernst and Young study also tapped Fresno as an ideal location for manufacturing and distribution, due to its proximity within one day's drive of 35 million people. Manufacturing in this Port of Entry region produce farm machinery, metal products, transportation equipment, stone, clay, and glass products, lumber and wood products, furniture and fixtures, and electrical equipment. Government, services, and trade are also important economic sectors.

Education

California State University, Fresno (Fresno State) is a public comprehensive university and one of 23 campuses within the California State University system. Fresno State 60 undergraduate fields of study, 45 master's degrees, 3 doctoral

degrees, 12 certificates of advanced study, and 2 different teaching credentials. The university's unique facilities include an on-campus planetarium, on-campus raisin and wine grape vineyards, and a commercial winery, where student-made wines have won over 300 awards since 1997.

Transportation

Highways

Fresno is served by State Route 99, the main north/south freeway that connects the major population centers of the California Central Valley. State Route 168, the Sierra Freeway, heads east to the city of Clovis and Huntington Lake. State Route 41 (Yosemite Freeway/Eisenhower Freeway) comes into Fresno from Atascadero in the south, and then heads north to Yosemite National Park. State Route 180 (Kings Canyon Freeway) comes from the west via Mendota, and then east through the city of Reedley to Kings Canyon National Park.

Airport

Fresno Yosemite International Airport (FAT) provides regular commercial airline service. Approximately 1.3 million passengers annually fly to and from domestic and two international destinations.

Rail

Passenger rail service is provided by Amtrak. The main passenger rail station is the recently renovated historic Santa Fe Railroad Depot in Downtown Fresno. The Bakersfield-Stockton mainlines of the Burlington Northern Santa Fe Railway and Union Pacific Railroad railroads cross in Fresno, and both railroads maintain railyards within the city; the San Joaquin Valley Railroad also operates former Southern Pacific branch lines heading west and south out of the city.

Public Transportation

Public transit is provided by the Fresno Area Express (FAX). It consists entirely of buses serving the greater Fresno metropolitan area. Intercity and long-distance bus service is provided by Greyhound and Orange Belt Stages. Beginning May 2015, Fresno has also been served by the Yosemite Area Regional Transportation System, with connecting routes available in the Yosemite Valley.

Area Demographics

2019 Summary	1 miles	10 miles	20 miles
Population	12,520	102,611	396,424
Households	3,009	24,668	125,612
Families	2,515	20,227	92,822
Average Household Size	4.15	3.86	3.09
Owner Occupied Housing Units	1,705	16,346	77,239
Renter Occupied Housing Units	1,304	8,323	48,372
Median Age	27.8	29.9	33.3
Median Household Income	\$44,305	\$48,806	\$58,364
Average Household Income	\$58,119	\$63,238	\$82,222

Projected 2024 Summary	1 miles	10 miles	20 miles
Population	12,771	105,599	410,293
Households	3,063	25,317	129,665
Families	2,560	20,762	95,795
Average Household Size	4.16	3.88	3.10
Owner Occupied Housing Units	1,747	16,963	80,536
Renter Occupied Housing Units	1,316	8,354	49,129
Median Age	28.7	31.0	34.1
Median Household Income	\$49,150	\$53,440	\$67,994
Average Household Income	\$65,532	\$72,107	\$95,579





**CUSHMAN &
WAKEFIELD**

NET LEASE GROUP

EXCLUSIVELY OFFERED BY:

ANDREW BOGARDUS

+1 415 677 0421

andy.bogardus@cushwake.com

CA LIC #00913825

CHRISTOPHER SHELDON

+1 415 677 0441

chris.sheldon@cushwake.com

CA LIC #01806345

SUBJECT PROPERTY