

CORPORATE MCDONALD'S GROUND LEASE

3101 Alamo Drive, Vacaville, California 95687



Exclusively Offered By:

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This Offering and the contents, except such information which is a matter of public record or is provided in sources available to the public (such contents as so

limited herein are called the "Contents"), are of a confidential nature.

By accepting the package, you agree (i) to hold and treat it in the strictest confidence, (ii) not to photocopy or duplicate it, (iii) not to disclose the package or any of the contents to any other entity (except to outside advisors retained by you, if necessary, for your determination of whether or not to make a proposal and from whom you have obtained an agreement of confidentiality) without the prior written authorization of Owner or InvestCore Commercial, (iv) not use the package or any of the contents in any fashion or manner detrimental to the interest of Owner or InvestCore Commercial, and (v) to return it to InvestCore Commercial immediately upon request of InvestCore Commercial or Owner.

If you have no further interest in the Property, please return this Investment Offering forthwith.

InvestCore Commercial, Inc.

315 S. Coast Highway 101, Suite U240
Encinitas, CA 92024

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INVESTMENT SUMMARY

Executive Summary
Investment Highlights





Property Information

| | |
|----------------------------------|---|
| TENANT | McDonald's USA, LLC (Corporate) (NYSE: MCD; Investment Grade - S&P Rated "BBB+") |
| ADDRESS | 3101 Alamo Drive, Vacaville, CA 95687 |
| BUILDING SIZE | ~3,802 SF |
| LAND SIZE | ~27,878 SF (0.64 AC) |
| YEAR BUILT | 2019 |
| PARKING SPACES | 15 |
| DRIVE THRU | Yes, double drive thru lanes |
| RENT COMMENCEMENT | June 25, 2019 |
| LEASE EXPIRATION | June 24, 2039 |
| REMAINING LEASE TERM | ~17.5 Years |
| OPTIONS | Two (2) 5-year options |
| LEASE TYPE | Absolute NNN Ground Lease |
| LANDLORD RESPONSIBILITIES | None |
| RENT INCREASES | See Rent Schedule |

Rent Schedule

| Term | Years | Date of Increase | Annual Rent | Monthly Rent | % Increase |
|----------------|------------|------------------|------------------|--------------------|------------|
| Primary | 1-5 | | \$125,000 | \$10,416.67 | |
| Primary | 6-10 | 6/2024 | \$137,500 | \$11,458.33 | 10% |
| Primary | 11-15 | 6/2029 | \$151,250 | \$12,604.17 | 10% |
| Primary | 16-20 | 6/2034 | \$166,375 | \$13,864.58 | 10% |
| Option 1 | 21-25 | 6/2039 | \$183,013 | \$15,251.08 | 10% |
| Option 2 | 26-30 | 6/2044 | \$201,314 | \$16,776.16 | 10% |

Asking Terms

PRICE \$3,846,000

CAP RATE 3.25%

NET OPERATING INCOME \$125,000



Attractive Long Term Absolute NNN Ground Lease Agreement

- Approximately 17.5 years remaining on the 20-year absolute NNN ground lease with McDonalds Corp.
- Completely passive NNN investment – ZERO landlord responsibilities.
- 10% increase in just over two years and every 5 years thereafter.

Investment Grade Tenant – World's Largest Fast-Food Restaurant

- McDonald's is an investment grade tenant, rated "BBB+" by Standard & Poor's.
- Largest restaurant owner in the world with 2020 systemwide sales of \$93 billion across 39,000 stores and 119 countries.
- Number 1 for 2021 QSR Top 50 in Burger Segment and Overall, in QSR Magazine (2021).

Ideally Located Pad In Grocery Anchored Center at Signalized Intersection

- Well located freestanding pad in front of a Raley's Supermarket anchored shopping center.
- Surrounding my numerous national tenants including Wells Fargo Bank, Round Table Pizza, H&R Block, 7-Eleven, AutoZone and ARCO AM/PM, Dutch Bros Coffee and many others.
- High traffic with 29,900 cars per day at the signalized intersection.

Newest McDonald's Prototype Format with Double Drive Thru

- Maximizing the amount of customer traffic with 70% of sales coming through its drive thru, a key to their explosive revenues through the pandemic.





COVID-19 and Ecommerce Resistant Tenant

- McDonald's provides an Essential Service and has remained open for business and paying rent throughout the pandemic.
- McDonald's is doubling down on digital and delivery app identifying them as growth strategies and key in the year ahead.

Densely Populated Trade Area with Exceptional Demographics

- 124,397 people in the 5-mile radius
- 41,488 households in 5-mile radius.
- \$113,180 average household incomes in 1-mile radius.

Well Located Central California Location

- Oakland International Airport – approx. 1 hour
- Downtown San Francisco – approx. 1 hour
- Napa Wine Country – approx. 39 minutes
- Sacramento – approx. 40 minutes



PROPERTY DESCRIPTION

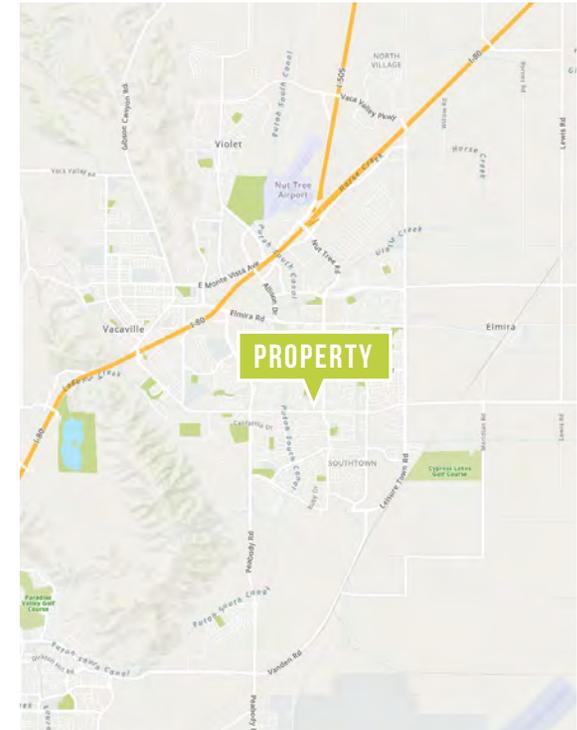
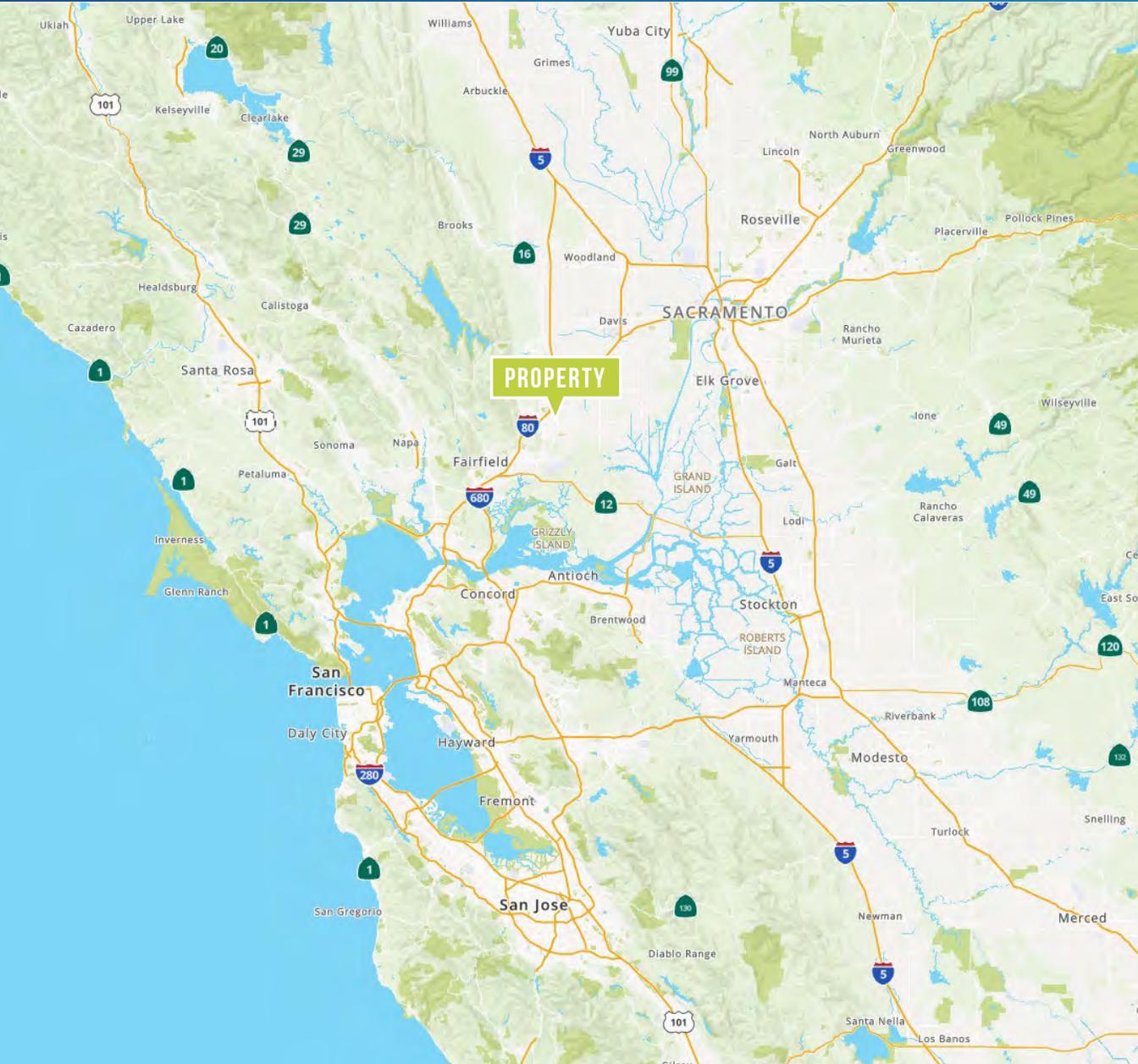
Street Map

Aerials

Site Plan



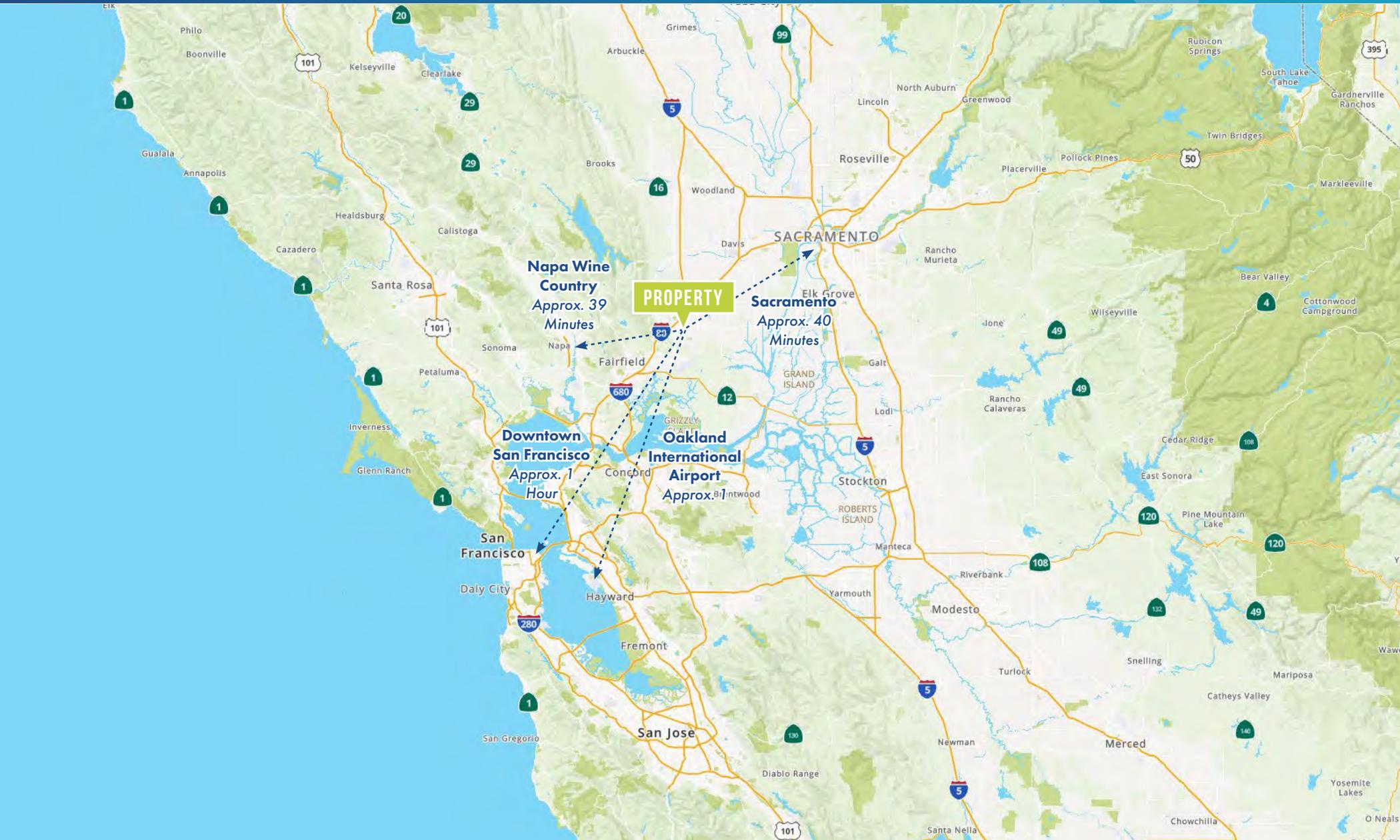
PROPERTY DESCRIPTION STREET MAP



Traffic Counts

| | |
|------------------------------|--------------------|
| Alamo Drive & Nut Tree Road: | 29,900 CPD |
| Interstate 80: | 186,000 CPD |
| Peabody Road: | 21,124 CPD |
| Elmira Road: | 20,300 CPD |

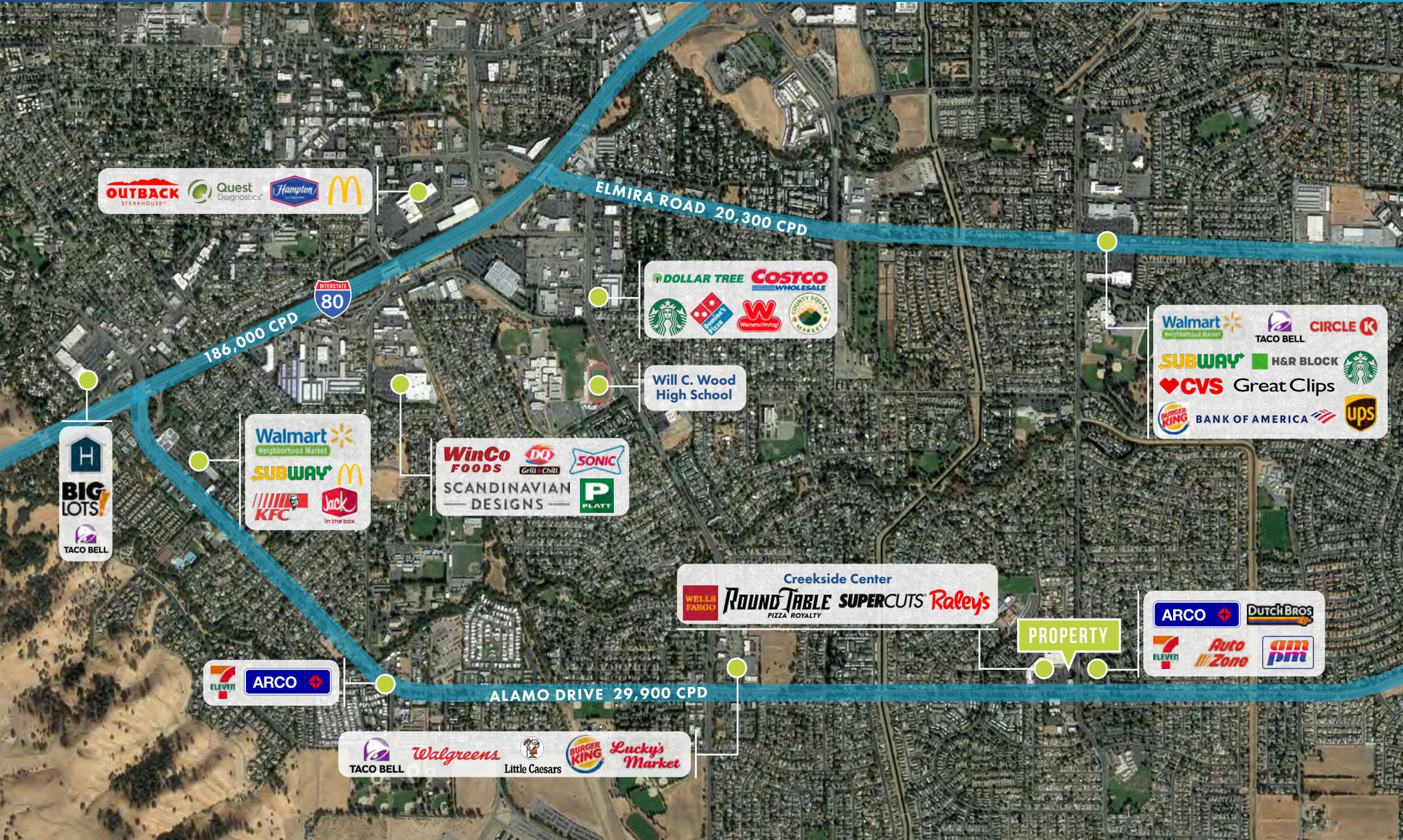
PROPERTY DESCRIPTION
STREET MAP



AERIAL



AERIAL



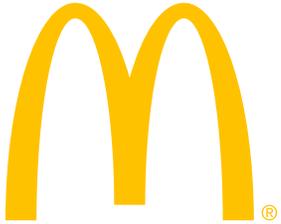
AREA OVERVIEW

Tenant Overview
About Vacaville
Demographics





MCDONALD'S



MCDONALD'S FACTS

| | |
|---------------------|--------------------|
| COMPANY TYPE | Public (NYSE: MCD) |
| LOCATIONS | 39,000+ |
| WEBSITE | www.mcdonalds.com |

#1

2021 QSR 50

QSR Magazine (2021)

#1

2021 QSR 50 Burger Segment

QSR Magazine (2021)

#1578

Fortune 500

Fortune Magazine (2021)

McDonald's is the world's largest chain of hamburger fast-food restaurants. The company has more than 1.8 million employees, serving approximately 70 million customers daily in over 100 countries across the world. The golden arches franchise began in 1940 as a barbecue restaurant operated by Richard and Maurice McDonald. In 1948 they reorganized their business as a hamburger stand using production line principles. Businessman Ray Kroc later joined the company as a franchise agent in 1955. He subsequently purchased the chain and oversaw its worldwide growth. McDonald's primarily sells hamburgers, cheeseburgers, chicken, French fries, breakfast items, coffee, soft drinks, milkshakes, and desserts. In response to changing consumer tastes, the company has expanded its menu to include salads, wraps, smoothies, and fruit.

McDonald's is the leading global foodservice retailer with more than 39,000 restaurants worldwide. Over 36,500 (approximately 93%) of McDonald's restaurants are owned and operated by independent local franchisees. McDonald's restaurants are operated by either a franchisee, an affiliate, or the corporation itself. The McDonald's corporation's revenues come from the rent, royalties, and fees paid by the franchisees, as well as sales in company-operated locations. As of December 31, 2020, McDonald's Corporation had total revenues in excess of \$19.2 billion and a net income of \$4.7 billion.



AREA OVERVIEW
VACAVILLE

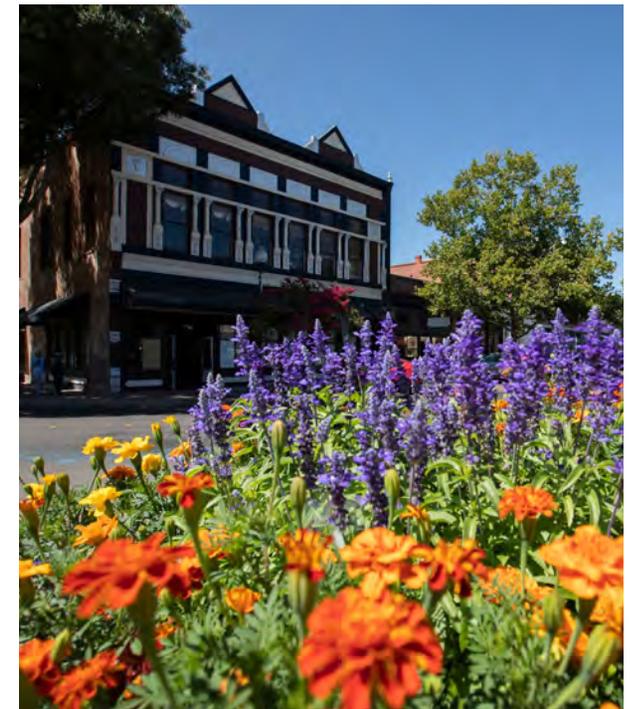


Vacaville is located midway between the large population centers of San Francisco and Sacramento on Interstate 80. The estimated population is currently 97,000 residents, making it the 3rd largest city in Solano County. Vacaville has a rich past, tracing its roots to those early days of pioneers and adventurers. Through more than 150 years, Vacaville has maintained a spirit that embraces change, yet holds on to the traditions of a colorful past.

Its beginnings found settlers staking out ranches and then farming the land. This eventually gave way to major agriculture production. At one time Vacaville was the fresh fruit capital of California, shipping fruit and nut products throughout the nation. These

agricultural beginnings were reflected at the “Nut Tree” in Vacaville. Nut Tree began as a roadside fruit stand and grew to become a worldrenowned retail and restaurant complex that served as an oasis for travelers between the San Francisco Bay and the Sacramento Valley for almost 75 years. Today, the Nut Tree is a 71 acre master planned development boasting 340,000 sf of retail, 140,000 of office space, 216 apartments, a 2 acre amusement park and 3.4 acre event center.

Vacaville is a vibrant community with major employment, beautiful parks, affordable housing, regional retail and is one of the fastest growing areas of the nation.



DEMOGRAPHICS



| | 1 mile | 3 miles | 5 miles |
|------------------------|--------|---------|---------|
| Population | | | |
| 2000 Population | 22,087 | 72,342 | 107,101 |
| 2010 Population | 22,537 | 74,689 | 110,596 |
| 2021 Population | 24,220 | 81,773 | 124,397 |
| 2026 Population | 25,101 | 84,958 | 131,056 |
| 2000-2010 Annual Rate | 0.20% | 0.32% | 0.32% |
| 2010-2021 Annual Rate | 0.64% | 0.81% | 1.05% |
| 2021-2026 Annual Rate | 0.72% | 0.77% | 1.05% |
| 2021 Male Population | 48.9% | 53.3% | 52.0% |
| 2021 Female Population | 51.1% | 46.7% | 48.0% |
| 2021 Median Age | 36.0 | 37.8 | 37.5 |

In the identified area, the current year population is 124,397. In 2010, the Census count in the area was 110,596. The rate of change since 2010 was 1.05% annually. The five-year projection for the population in the area is 131,056 representing a change of 1.05% annually from 2021 to 2026. Currently, the population is 52.0% male and 48.0% female.

Median Age

The median age in this area is 36.0, compared to U.S. median age of 38.5.

Race and Ethnicity

| | 1 mile | 3 miles | 5 miles |
|--|--------|---------|---------|
| 2021 White Alone | 60.6% | 59.4% | 59.5% |
| 2021 Black Alone | 8.8% | 11.2% | 10.4% |
| 2021 American Indian/Alaska Native Alone | 1.0% | 1.0% | 0.9% |
| 2021 Asian Alone | 9.2% | 8.0% | 10.1% |
| 2021 Pacific Islander Alone | 0.8% | 0.6% | 0.7% |
| 2021 Other Race | 9.1% | 11.2% | 9.8% |
| 2021 Two or More Races | 10.5% | 8.6% | 8.6% |
| 2021 Hispanic Origin (Any Race) | 26.3% | 28.5% | 25.8% |

Persons of Hispanic origin represent 25.8% of the population in the identified area compared to 18.9% of the U.S. population. Persons of Hispanic Origin may be of any race. The Diversity Index, which measures the probability that two people from the same area will be from different race/ethnic groups, is 76.9 in the identified area, compared to 65.4 for the U.S. as a whole.

Households

| | 1 mile | 3 miles | 5 miles |
|-----------------------------|--------|---------|---------|
| 2021 Wealth Index | 119 | 114 | 135 |
| 2000 Households | 7,390 | 22,230 | 33,255 |
| 2010 Households | 7,871 | 24,418 | 36,590 |
| 2021 Total Households | 8,446 | 27,053 | 41,488 |
| 2026 Total Households | 8,753 | 28,178 | 43,656 |
| 2000-2010 Annual Rate | 0.63% | 0.94% | 0.96% |
| 2010-2021 Annual Rate | 0.63% | 0.92% | 1.12% |
| 2021-2026 Annual Rate | 0.72% | 0.82% | 1.02% |
| 2021 Average Household Size | 2.87 | 2.75 | 2.79 |

The household count in this area has changed from 36,590 in 2010 to 41,488 in the current year, a change of 1.12% annually. The five-year projection of households is 43,656, a change of 1.02% annually from the current year total. Average household size is currently 2.79, compared to 2.77 in the year 2010. The number of families in the current year is 30,233 in the specified area.

| | 1 mile | 3 miles | 5 miles |
|-------------------------------------|-----------|-----------|-----------|
| Mortgage Income | | | |
| 2021 Percent of Income for Mortgage | 19.3% | 22.3% | 21.8% |
| Median Household Income | | | |
| 2021 Median Household Income | \$97,332 | \$86,892 | \$93,878 |
| 2026 Median Household Income | \$104,066 | \$96,189 | \$103,317 |
| 2021-2026 Annual Rate | 1.35% | 2.05% | 1.93% |
| Average Household Income | | | |
| 2021 Average Household Income | \$113,180 | \$105,992 | \$115,302 |
| 2026 Average Household Income | \$126,333 | \$119,240 | \$129,477 |
| 2021-2026 Annual Rate | 2.22% | 2.38% | 2.35% |
| Per Capita Income | | | |
| 2021 Per Capita Income | \$39,204 | \$35,068 | \$38,608 |
| 2026 Per Capita Income | \$43,754 | \$39,508 | \$43,268 |
| 2021-2026 Annual Rate | 2.22% | 2.41% | 2.31% |

Households by Income

Current median household income is \$93,878 in the area, compared to \$64,730 for all U.S. households. Median household income is projected to be \$103,317 in five years, compared to \$72,932 for all U.S. households

Current average household income is \$115,302 in this area, compared to \$90,054 for all U.S. households. Average household income is projected to be \$129,477 in five years, compared to \$103,679 for all U.S. households

Current per capita income is \$38,608 in the area, compared to the U.S. per capita income of \$34,136. The per capita income is projected to be \$43,268 in five years, compared to \$39,378 for all U.S. households

Housing

| | 1 mile | 3 miles | 5 miles |
|------------------------------------|--------|---------|---------|
| 2021 Housing Affordability Index | 121 | 104 | 107 |
| 2000 Total Housing Units | 7,498 | 22,755 | 34,053 |
| 2000 Owner Occupied Housing Units | 5,055 | 13,933 | 21,064 |
| 2000 Renter Occupied Housing Units | 2,335 | 8,297 | 12,191 |
| 2000 Vacant Housing Units | 108 | 525 | 798 |
| 2010 Total Housing Units | 8,263 | 25,876 | 39,085 |
| 2010 Owner Occupied Housing Units | 5,133 | 14,678 | 23,339 |
| 2010 Renter Occupied Housing Units | 2,738 | 9,740 | 13,251 |
| 2010 Vacant Housing Units | 392 | 1,458 | 2,495 |
| 2021 Total Housing Units | 8,763 | 28,376 | 43,605 |
| 2021 Owner Occupied Housing Units | 5,647 | 16,921 | 27,203 |
| 2021 Renter Occupied Housing Units | 2,800 | 10,131 | 14,285 |
| 2021 Vacant Housing Units | 317 | 1,323 | 2,117 |
| 2026 Total Housing Units | 9,083 | 29,536 | 45,854 |
| 2026 Owner Occupied Housing Units | 5,914 | 17,838 | 29,030 |
| 2026 Renter Occupied Housing Units | 2,839 | 10,340 | 14,626 |
| 2026 Vacant Housing Units | 330 | 1,358 | 2,198 |

Currently, 62.4% of the 43,605 housing units in the area are owner occupied; 32.8%, renter occupied; and 4.9% are vacant. Currently, in the U.S., 57.3% of the housing units in the area are owner occupied; 31.2% are renter occupied; and 11.5% are vacant. In 2010, there were 39,085 housing units in the area - 59.7% owner occupied, 33.9% renter occupied, and 6.4% vacant. The annual rate of change in housing units since 2010 is 4.98%. Median home value in the area is \$488,612, compared to a median home value of \$264,021 for the U.S. In five years, median value is projected to change by 3.22% annually to \$572,408.

Data Note: Income is expressed in current dollars. Housing Affordability Index and Percent of Income for Mortgage calculations are only available for areas with 50 or more owner-occupied housing units.
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2021 and 2026. Esri converted Census 2000 data into 2010 geography.

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Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2021 and 2026. Esri converted Census 2000 data into 2010 geography.

INFORMATION ABOUT BROKERAGE SERVICES



Before working with a real estate broker, you should know that the duties of a broker depend on whom the broker represents. If you are a prospective seller or landlord (owner) or a prospective buyer or tenant (buyer), you should know that the broker who lists the property for sale or lease is the owner's agent. A broker who acts as a subagent represents the owner in cooperation with the listing broker. A broker who acts as a buyer's agent represents the buyer. A broker may act as an intermediary between the parties if the parties consent in writing. A broker can assist you in locating a property, preparing a contract or lease, or obtaining financing without representing you. A broker is obligated by law to treat you honestly.

IF THE BROKER REPRESENTS THE OWNER

The broker becomes the owner's agent by entering into an agreement with the owner, usually through a written listing agreement, or by agreeing to act as a subagent by accepting an offer of subagency from the listing broker. A subagent may work in a different real estate office. A listing broker or subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first. The buyer should not tell the owner's agent anything the buyer would not want the owner to know because an owner's agent must disclose to the owner any material information known to the agent.

IF THE BROKER REPRESENTS THE BUYER

The broker becomes the buyer's agent by entering into an agreement to represent the buyer, usually through a written buyer representation agreement. A buyer's agent can assist the owner but does not represent the owner and must place the interests of the buyer first. The owner should not tell a buyer's agent anything the owner would not want the buyer to know because a buyer's agent must disclose to the buyer any material information known to the agent.

IF THE BROKER ACTS AS AN INTERMEDIARY

A broker may act as an intermediary between the parties if the broker complies with

The Texas Real Estate License Act. The broker must obtain the written consent of each party to the transaction to act as an intermediary. The written consent must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. The broker is required to treat each party honestly and fairly and to comply with The Texas Real Estate License Act. A broker who acts as an intermediary in a transaction:

- (1) shall treat all parties honestly;
- (2) may not disclose that the owner will accept a price less than the asking price unless authorized in writing to do so by the owner;
- (3) may not disclose that the buyer will pay a price greater than the price submitted in a written offer unless authorized in writing to do so by the buyer; and
- (4) may not disclose any confidential information or any information that a party specifically instructs the broker in writing not to disclose unless authorized in writing to disclose the information or required to do so by The Texas Real Estate License Act or a court order or if the information materially relates to the condition of the property.

With the parties' consent, a broker acting as an intermediary between the parties may appoint a person who is licensed under The Texas Real Estate License Act and associated with the broker to communicate with and carry out instructions of one party and another person who is licensed under that Act and associated with the broker to communicate with and carry out instructions of the other party.

If you choose to have a broker represent you, you should enter into a written agreement with the broker that clearly establishes the broker's obligations and your obligations. The agreement should state how and by whom the broker will be paid. You have the right to choose the type of representation, if any, you wish to receive. Your payment of a fee to a broker does not necessarily establish that the broker represents you. If you have any questions regarding the duties and responsibilities of the broker, you should resolve those questions before proceeding.



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