

EL POLLO LOCO CORPORATE GROUND LEASE

309 S. Mason Road, Katy (Houston MSA), TX 77450



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INVESTCORE
COMMERCIAL

OFFERING STATEMENT / DISCLAIMER



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Owner and InvestCore Commercial each expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers regarding the Property and/or terminate discussions with any entity at any time with or without notice. Owner shall have no legal commitment or obligation to any entity reviewing this Offering or making an offer to purchase the Property unless and until a written agreement for the purchase of the Property has been fully executed, delivered, and approved by Owner and its legal counsel, and any conditions to Owner's obligations thereunder have been satisfied or waived. InvestCore Commercial is not authorized to make any representations or agreements on behalf of Owner.

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 Highlights



EXECUTIVE SUMMARY



Asking Terms

PRICE \$1,936,000**CAP RATE** 5%**NET OPERATING INCOME** \$96,800*

Property Information

TENANT	El Pollo Loco, Inc. (Corporate Entity) (NASDAQ: LOCO)
ADDRESS	309 S. Mason Road, Katy (Houston MSA), TX 77450
BUILDING SIZE	3,076 SF
LAND SIZE	0.56 acres (~24,350 SF)
YEAR BUILT	2014
RENT COMMENCEMENT	January 6, 2015
LEASE EXPIRATION	January 31, 2035
REMAINING LEASE TERM	20 Years
OPTIONS	Four (4) 5-year options
RENT INCREASES	10% increases every 5 years
LEASE TYPE	Absolute NNN Corporate Ground Lease
LANDLORD RESPONSIBILITIES	None

Rent Schedule

Term	Years	Annual Rent	Monthly Rent	% Increase
Primary	1-5	\$80,000	\$6,666.67	
Primary	6-10	\$88,000	\$7,333.33	10%
Primary	11-15	\$96,800	\$8,066.67	10%
Primary	16-20	\$106,480	\$8,873.33	10%
Option 1	21-25	\$117,128.04	\$9,760.67	10%
Option 2	26-30	\$128,840.76	\$10,736.73	10%
Option 3	31-35	\$141,724.92	\$11,810.41	10%

* Current rent is \$88,000, Seller to credit Buyer the difference from the close of escrow to 2/1/25

INVESTMENT HIGHLIGHTS



ATTRACTIVE LONG TERM CORPORATE ABSOLUTE NNN GROUND LEASE

- Over 10 years remaining on the absolute NNN lease providing any investor long term passive NNN income
- Completely passive NNN investment – ZERO landlord responsibilities
- Attractive 10% increases every 5 years in the Primary and Option Terms



STRONG PUBLICLY TRADED TENANT – EL POLLO LOCO INC.

- \$455 million in Revenue (FY 2021)
- \$24.747 million (FY 2020)
- Nearly 500 U.S. locations with over 5,000 employees



LOW GROUND RENT PROVIDING TREMENDOUS SECURITY

- El Pollo Loco is paying low, replaceable, ground rent providing additional security to any investor
- Ground lease structure creates further security to any investor, inheriting the building and improvements upon the expiration of the ground lease



COVID-19 AND ECOMMERCE RESISTANT BUSINESS

- Fast food drive thru buildings were one of the few Essential Services that were allowed to remain open for business throughout the pandemic



**HIGH TRAFFIC LOCATION AT SIGNALIZED INTERSECTION OFF INTERSTATE 10**

- Ideally located at a signalized intersection near the on/off ramp to Interstate 10 providing tremendous visibility to commuters to/from the freeway
- High Traffic:
 - Mason Road - 45,849 CPD
 - Interstate 10 – 219,280 CPD
 - Highway 99 – 103,731 CPD

**DENSELY POPULATED TRADE AREA WITH EXCEPTIONAL DEMOGRAPHICS**

- 295,953 people in a 5-mile radius
- 98,592 households in a 5-mile radius
- Very affluent \$140,850 average household incomes in a 5-mile radius
- 2.26% annual growth rate between 2020 to 2023

**STRONG RETAIL TRADE AREA SURROUNDED BY SEVERAL NATIONAL TENANTS**

- Subject property is a pad in a high occupancy shopping center with nationally recognized tenants such as 99 Cents Only Store, Harbor Freight Tools, Jiffy Lube, Cici's Pizza, Red Wing Shoes, Jason's Deli and several other regional and local tenants
- Well located directly across the street from a grocery anchored shopping center including Fiesta Mart and Dollar Tree
- Surrounding national tenants within a one-block radius include McDonalds, Whataburger, Raising Canes, Chick fil A, Walgreens, Circle K, Shell and several others

**SEVERAL CAR DEALERSHIPS AND CORPORATE HEADQUARTERS**

- Subject property is located just blocks from several car dealerships including Toyota of Katy, Honda Cars of Katy, Chrysler Dodge Jeep RAM Katy, CarMax, and AutoNation Collision Center of Katy
- GEICO Corporate Office is located directly across Interstate 10

PROPERTY DESCRIPTION

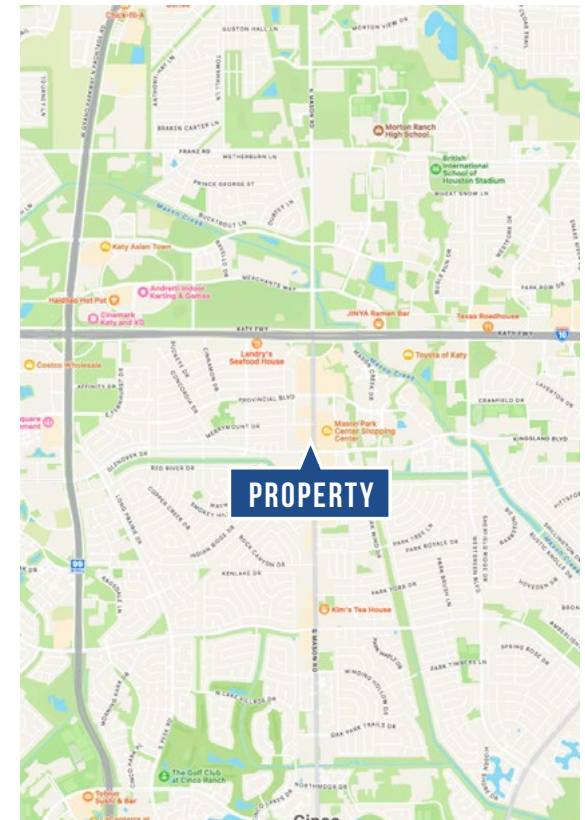
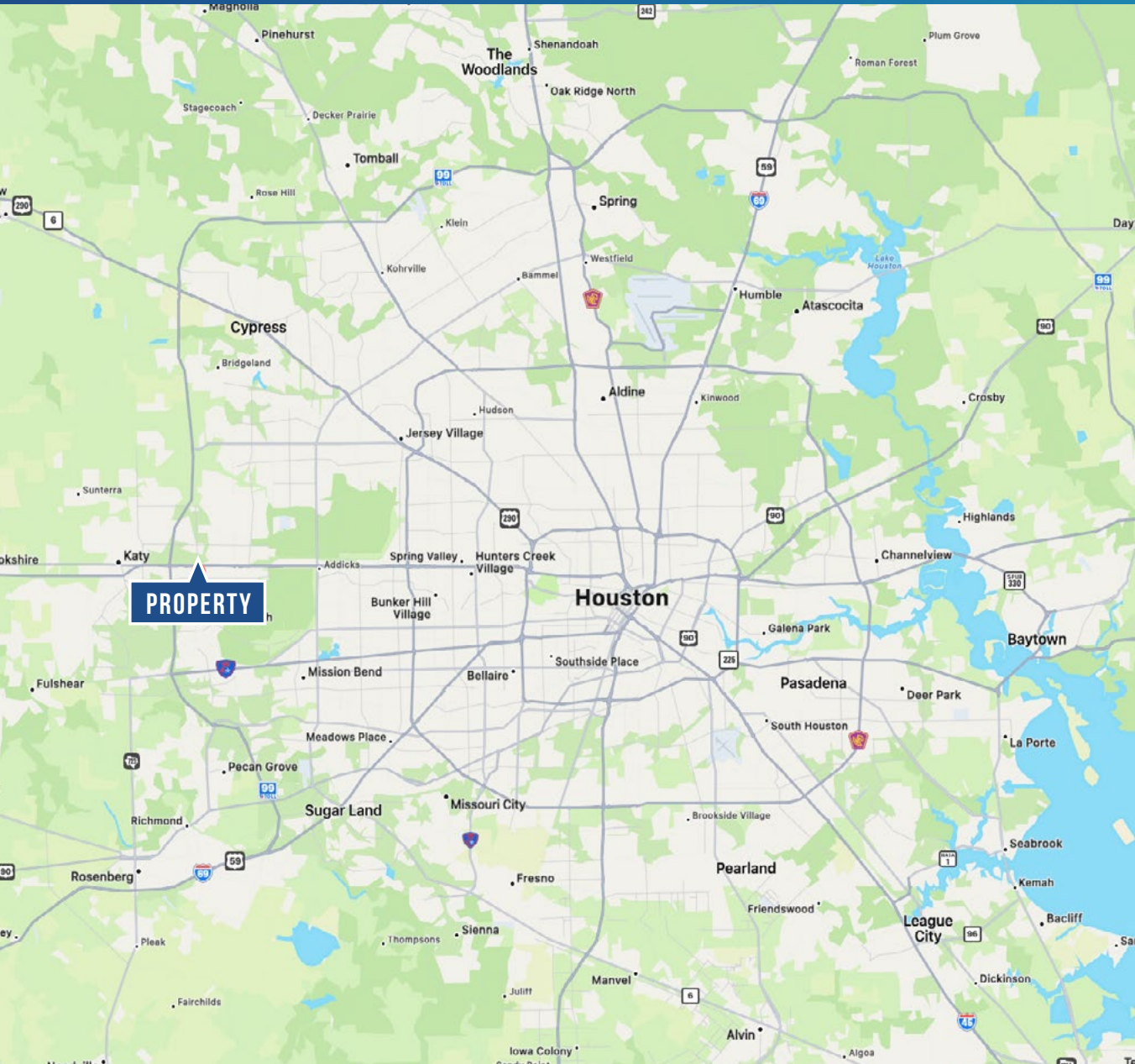
Street Maps

Subject Property Aerial

Trade Aerials



PROPERTY DESCRIPTION STREET MAP



Traffic Counts

S. Mason Road:	45,849 CPD
Interstate-10:	219,280 CPD
Highway 99:	103,731 CPD

SUBJECT PROPERTY AERIAL

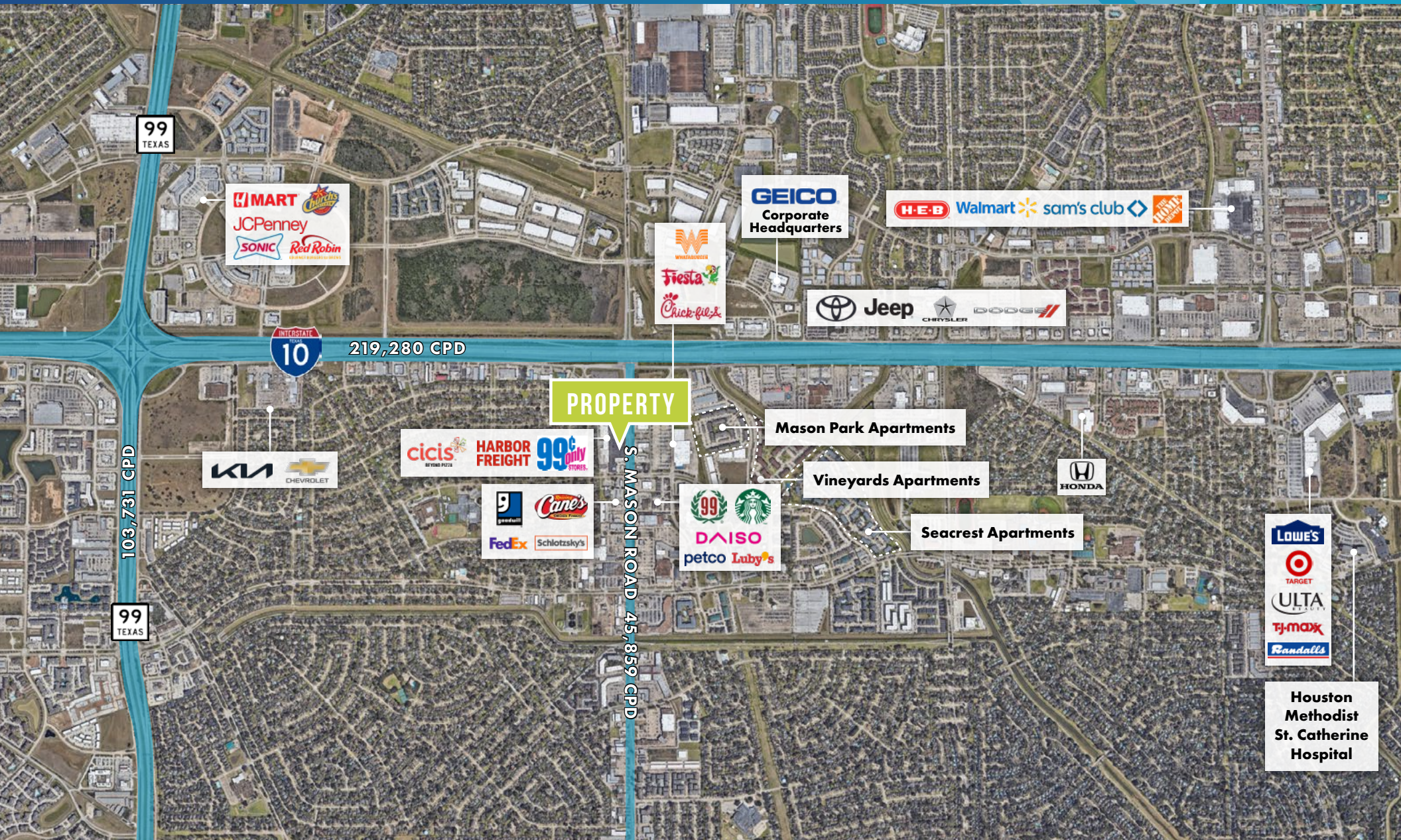


S. MASON ROAD 45,859 CPD

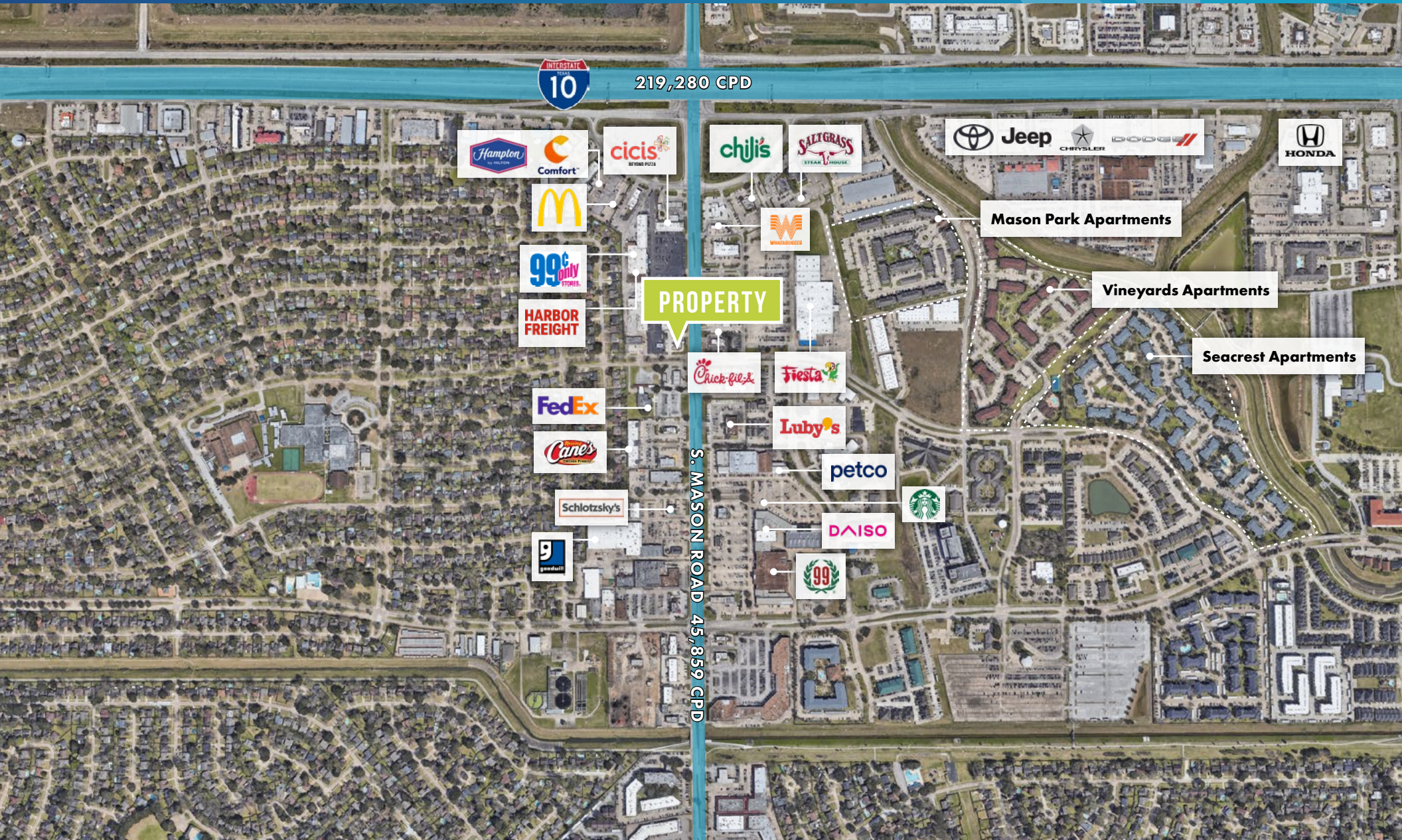
PROPERTY

PROVINCIAL BOULEVARD

TRADE AREA AERIAL



TRADE AREA AERIAL



AREA OVERVIEW

Tenant Profile
About Houston MSA
Demographics



S. MASON ROAD 45,859 CPD

PROPERTY



Company Type	Public
Stock Symbol	NASDAQ: LOCO
Revenue	\$455 million (FY 2021)
Net Income	\$24.747 million (FY 2020)
# of Locations	487
# of Employees	5,005
Headquarters	Costa Mesa, CA
Website	www.elpolloloco.com

El Pollo Loco, Inc., is a restaurant chain based in the United States, specializing in Mexican-style grilled chicken. Restaurant service consists of: dine-in and take-out, with some locations offering drive-through options. The company is headquartered in Costa Mesa, California, and operates about 500 (as of January 2019) company-owned and franchised restaurants in the Southwestern United States.

Plans were announced in November 2021 of the opening of several restaurants in the Denver metropolitan area via two different Colorado-based franchises. The first Colorado restaurant is expected to open in 2022.



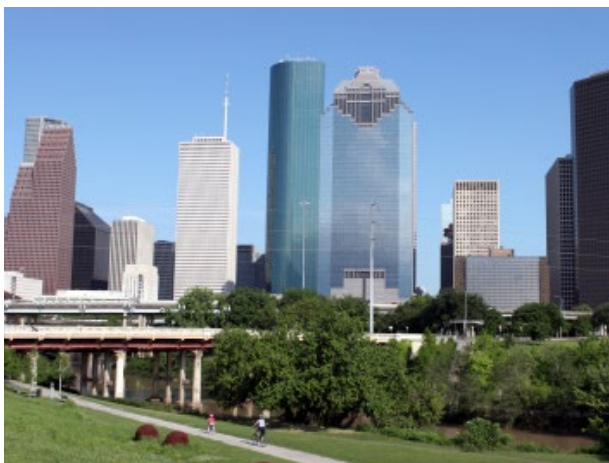
ABOUT HOUSTON MSA



ECONOMY

Houston is recognized worldwide for its energy industry—particularly for oil and natural gas—as well as for biomedical research and aeronautics. Renewable energy sources—wind and solar—are also growing economic bases in Houston. The ship channel is also a large part of Houston’s economic base. Because of these strengths, Houston is designated as a global city by the Globalization and World Cities Study Group and Network and by global management consulting firm A.T. Kearney.

The Houston area is a leading center for building oilfield equipment. Much of Houston’s success as a petrochemical complex is due to its busy man-made ship channel, the Port of Houston. The port ranks first in the United States in international commerce, and is



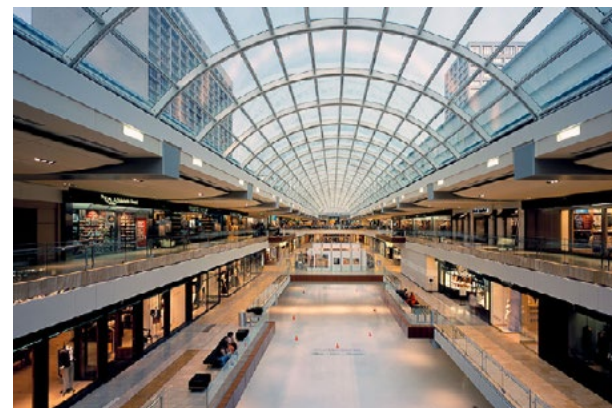
the tenth-largest port in the world. Unlike most places, high oil and gasoline prices are beneficial for Houston’s economy as many of its residents are employed in the energy industry.

The Houston–Sugar Land–Baytown MSA’s gross domestic product in 2010 was \$385 billion, larger than Austria’s, Argentina’s or South Africa’s GDP. Only 21 countries other than the United States have a gross domestic product exceeding Houston’s regional gross area product. Mining, which in Houston consists almost entirely of exploration and production of oil and gas, accounts for 26.3% of Houston’s GAP, up sharply in response to high energy prices and a decreased worldwide surplus of oil production capacity; followed by engineering services, health services, and manufacturing.

CULTURE

Houston is a diverse city with a large and growing international community. The metropolitan area is home to an estimated 1.1 million (21.4 percent) residents who were born outside the United States, with nearly two-thirds of the area’s foreign-born population from south of the United States–Mexico border. Additionally, more than one in five foreign-born residents is from Asia. The city is home to the nation’s third-largest concentration of consular offices, representing 86 countries.

Many annual events celebrate the diverse cultures of



Houston. The largest and longest running is the annual Houston Livestock Show and Rodeo, held over 20 days from late February to early March, which happens to be the largest annual livestock show and rodeo anywhere in the world. Another large celebration is the annual night-time Houston Pride Parade, held at the end of June. Other annual events include the Houston Greek Festival, Art Car Parade, the Houston Auto Show, the Houston International Festival, and the Bayou City Art Festival, which is considered to be one of the top five art festivals in the United States.

Houston received the official nickname of “Space City” in 1967 because it is the location of NASA’s Lyndon B. Johnson Space Center. Other nicknames often used by locals include “Bayou City,” “Magnolia City,” “New Houston,” a tribute to the cultural contributions of New Orleans natives who left their city during the Hurricane Katrina catastrophe, and “H-Town.”

DEMOGRAPHICS



	1 mile	3 miles	5 miles
Population			
2010 Population	11,777	109,020	210,311
2020 Population	13,629	132,093	275,185
2023 Population	13,553	139,807	295,953
2028 Population	13,588	146,000	311,071
2010-2020 Annual Rate	1.47%	1.94%	2.73%
2020-2023 Annual Rate	-0.17%	1.76%	2.26%
2023-2028 Annual Rate	0.05%	0.87%	1.00%
2020 Male Population	47.9%	48.6%	48.7%
2020 Female Population	52.1%	51.4%	51.3%
2020 Median Age	35.2	36.4	35.5
2023 Male Population	48.6%	49.0%	49.0%
2023 Female Population	51.4%	51.0%	51.0%
2023 Median Age	37.5	35.7	34.8

In the identified area, the current year population is 295,953. In 2020, the Census count in the area was 275,185. The rate of change since 2020 was 2.26% annually. The five-year projection for the population in the area is 311,071 representing a change of 1.00% annually from 2023 to 2028. Currently, the population is 49.0% male and 51.0% female.

Median Age

The median age in this area is 34.8, compared to U.S. median age of 39.1.

Race and Ethnicity

2023 White Alone	46.7%	45.2%	41.8%
2023 Black Alone	13.4%	12.1%	13.3%
2023 American Indian/Alaska Native Alone	0.8%	0.8%	0.9%
2023 Asian Alone	5.5%	10.0%	12.2%
2023 Pacific Islander Alone	0.1%	0.1%	0.1%
2023 Other Race	13.2%	12.7%	13.0%
2023 Two or More Races	20.2%	19.1%	18.8%
2023 Hispanic Origin (Any Race)	37.4%	35.0%	35.2%

Persons of Hispanic origin represent 35.2% of the population in the identified area compared to 19.4% 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 85.9 in the identified area, compared to 72.1 for the U.S. as a whole.

Households

2023 Wealth Index	60	109	118
2010 Households	4,695	36,591	68,307
2020 Households	5,400	46,160	91,233
2023 Households	5,391	49,304	98,592
2028 Households	5,417	52,194	104,763
2010-2020 Annual Rate	1.41%	2.35%	2.94%
2020-2023 Annual Rate	-0.05%	2.05%	2.42%
2023-2028 Annual Rate	0.10%	1.15%	1.22%
2023 Average Household Size	2.48	2.82	2.99

The household count in this area has changed from 91,233 in 2020 to 98,592 in the current year, a change of 2.42% annually. The five-year projection of households is 104,763, a change of 1.22% annually from the current year total. Average household size is currently 2.99, compared to 3.01 in the year 2020. The number of families in the current year is 77,284 in the specified area.

	1 mile	3 miles	5 miles
Mortgage Income			
2023 Percent of Income for Mortgage	20.7%	18.0%	17.8%
Median Household Income			
2023 Median Household Income	\$63,288	\$87,504	\$93,705
2028 Median Household Income	\$71,985	\$98,197	\$104,252
2023-2028 Annual Rate	2.61%	2.33%	2.16%
Average Household Income			
2023 Average Household Income	\$84,989	\$118,869	\$126,004
2028 Average Household Income	\$96,857	\$133,070	\$140,850
2023-2028 Annual Rate	2.65%	2.28%	2.25%
Per Capita Income			
2023 Per Capita Income	\$34,168	\$41,971	\$42,073
2028 Per Capita Income	\$39,290	\$47,638	\$47,556
2023-2028 Annual Rate	2.83%	2.57%	2.48%

GINI Index

2023 Gini Index

36.8

37.0

36.6

Households by Income

Current median household income is \$93,705 in the area, compared to \$72,603 for all U.S. households. Median household income is projected to be \$104,252 in five years, compared to \$82,410 for all U.S. households

Current average household income is \$126,004 in this area, compared to \$107,008 for all U.S. households. Average household income is projected to be \$140,850 in five years, compared to \$122,048 for all U.S. households

Current per capita income is \$42,073 in the area, compared to the U.S. per capita income of \$41,310. The per capita income is projected to be \$47,556 in five years, compared to \$47,525 for all U.S. households

Housing

2023 Housing Affordability Index	103	114	115
2010 Total Housing Units	4,938	38,209	71,472
2010 Owner Occupied Housing Units	2,059	26,685	51,700
2010 Renter Occupied Housing Units	2,633	9,906	16,606
2010 Vacant Housing Units	243	1,618	3,165
2020 Total Housing Units	5,742	48,974	96,322
2020 Owner Occupied Housing Units	1,928	26,959	59,268
2020 Renter Occupied Housing Units	3,472	19,201	31,965
2020 Vacant Housing Units	334	2,825	5,077
2023 Total Housing Units	5,738	52,166	104,052
2023 Owner Occupied Housing Units	2,972	29,140	65,353
2023 Renter Occupied Housing Units	2,419	20,164	33,239
2023 Vacant Housing Units	347	2,862	5,460
2028 Total Housing Units	5,774	54,908	109,688
2028 Owner Occupied Housing Units	3,028	29,917	67,961
2028 Renter Occupied Housing Units	2,390	22,277	36,802
2028 Vacant Housing Units	357	2,714	4,925

Socioeconomic Status Index

2023 Socioeconomic Status Index

51.6

50.5

51.4

Currently, 62.8% of the 104,052 housing units in the area are owner occupied; 31.9%, renter occupied; and 5.2% are vacant. Currently, in the U.S., 58.5% of the housing units in the area are owner occupied; 31.7% are renter occupied; and 9.8% are vacant. In 2020, there were 96,322 housing units in the area and 5.3% vacant housing units. The annual rate of change in housing units since 2020 is 2.40%.

Median home value in the area is \$277,041, compared to a median home value of \$308,943 for the U.S. In five years, median value is projected to change by 2.59% annually to \$314,805.

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.

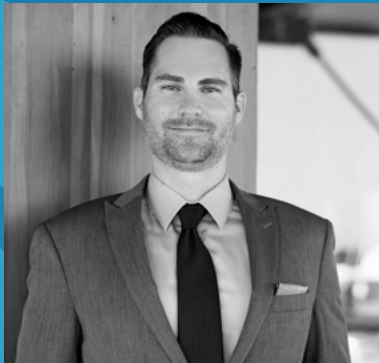
With the parties' consent, a broker acting as an intermediary between the parties may appoint a person who is licensed under The Texas Real Estate License Act and associated with the broker to communicate with and carry out instructions of one party and another person who is licensed under that Act and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

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**Representative Photo*

