

545 WEST CLOVER ROAD | TRACY, CA

# FOUNTAIN PLAZA



OFFERING MEMORANDUM





(111,000 AADT)



DRIVE THRU



## FOUNTAIN PLAZA

Starbucks Coffee

Envy Nails

Milano Pizza

Tracy Vapors

Oriental Massage Spa

Papa Urb's Grill

Sugarkrush Bakeshop

Cellular City

Tracy Harbor Fish & Chips



# FOUNTAIN PLAZA

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## Investment Summary

Fountain Plaza	
Address	545 West Clover Road
City, State	Tracy, CA
Offering Price	\$5,650,000
Price/SF	\$508
Year 1 Cap Rate	5.30%
Year 1 NOI	\$299,395
Occupancy	100%
Rentable Square Feet	±11,125
Land Area	±44,900 SF
Parking	4.4   1,000
Year Built	2005
No. of Buildings	One

### Currentl Tenant Roster

Tenant Name	SF	Lease Exp
Cellular City	1,000	1/31/18
Papa Urb's Grill	1,100	10/31/20
Envy Nails	1,125	7/31/20
Tracy Vapors	1,100	11/30/18
Tracy Harbor Fish & Chips	1,350	7/31/20
Sugarkrush Bakeshop	1,350	09/30/18
Oriental Massage Spa	1,100	8/31/19
Milano Pizza	1,100	8/31/20
Starbucks Coffee	1,650	7/31/25



### Major Employers in Tracy, CA

Company	Employees
Safeway Distribution Center	2,000
Tracy Unified School District	1,600
Defense Distribution Depot San Joaquin	1,375
Sutter Tracy Community Hospital	1,300
City of Tracy	568
Taylor Farms Pacific	451
Owens-Illinois of NA	409

### Demographics

	1-Mile	3-Mile	5-Mile
Population	14,839	64,198	94,227
Households	4,500	18,630	27,000
Avg. Income	\$71,404	\$88,159	\$93,683

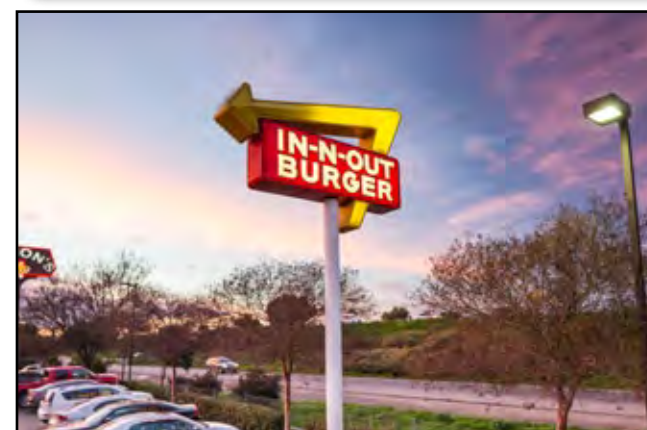
### Traffic Counts

Location	Count
205 Freeway	110,000 AADT
Tracy Blvd	27,507 AADT



## Investment Highlights

- **PRIME RETAIL LOCATION** - The property is situated along Highway 205 - one of the Bay Area's major commute routes. Other national credit tenants in the immediate trade area include: Safeway, Home Depot, CVS, Mi Pueblo, Autozone and OSH.
- **PRIDE OF OWNERSHIP & QUALITY CONSTRUCTION** - The property was built in 2005. The center has an attractive architectural design, is well-landscaped, and provides abundant parking with 4.4/1,000.
- **EXCELLENT VISIBILITY AND ACCESS** - The property has excellent access from Highway 205, one of the main east/west thoroughfares in the Central Valley.
- **DIVERSE TENANT MIX** - Tenants in the center include a Starbucks drive-thru and other regional tenants whom have been in the building since its construction. Fountain Plaza is shadow-anchored by McDonald's/drive thru, In-N-Out Burger/drive thru and Nation's Giant Burgers.
- **EASE OF MANAGEMENT** - The lease structure for a majority of the tenants is NNN, enabling an investor to have minimal management responsibilities.
- **UNENCUMBERED BY EXISTING DEBT** - The property will be delivered free and clear of existing debt.
- **MIXED ALLOWABLE USES** - The property allows for a variety of uses including retail (existing restaurant infrastructure), office and medical office.
- **HIGH TRAFFIC COUNTS** - Being situated directly off of Highway 205, and located on the major south thoroughfare for Tracy has the property well positioned to take advantage of high traffic counts, with ADT's in excess of 27,507 vehicles per day along Tracy Blvd.



## Financial Overview

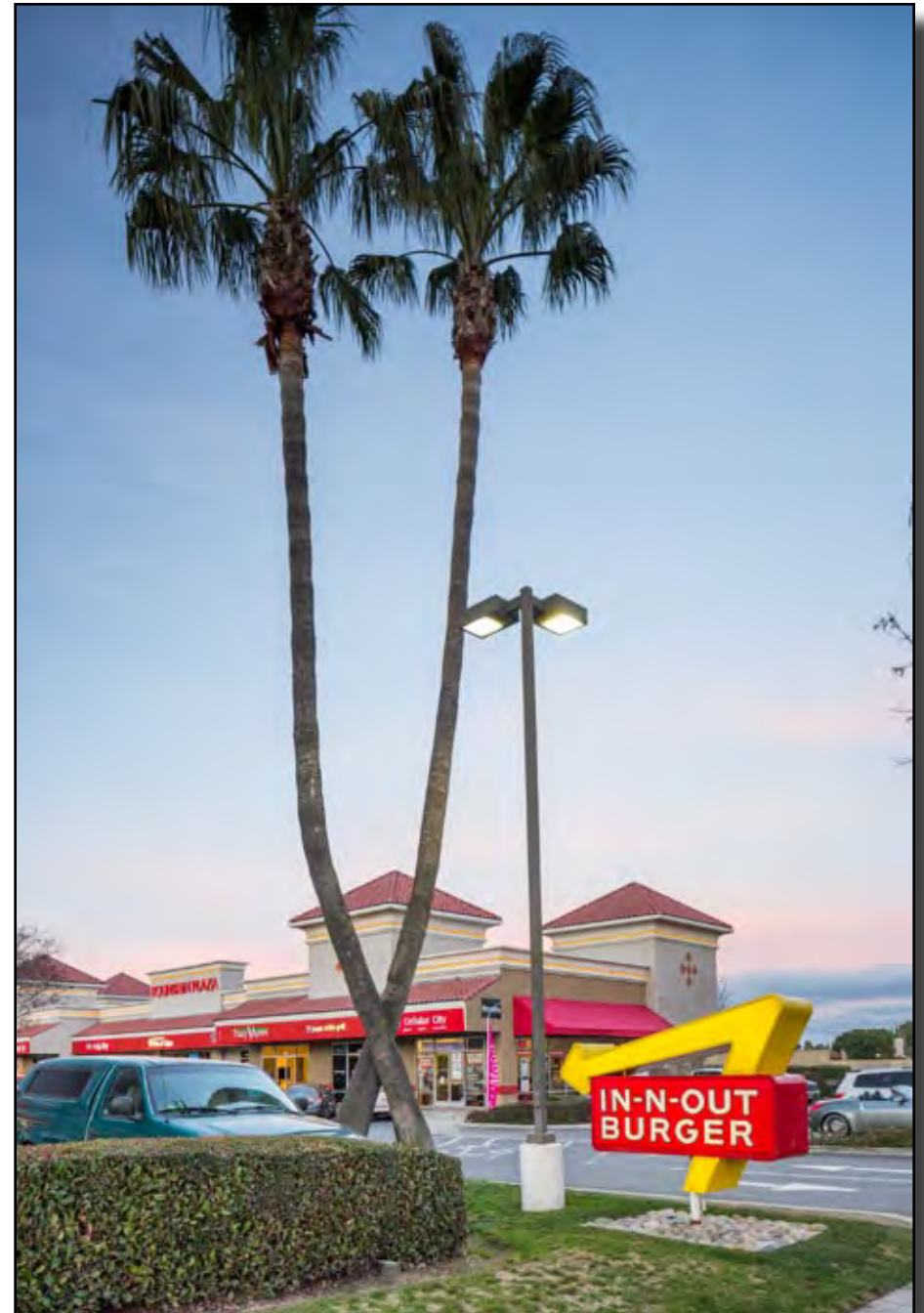
### Introduction

Fountain Plaza is being offered on an “as-is” basis. All investors should base their offer under the current conditions present at the Property.

The following information is provided herein to assist investors in their initial underwriting of Fountain Plaza:

- Current Income and Expense
- Rent Roll

FOUNTAIN PLAZA INVESTMENT OVERVIEW	
Offering Price	\$5,650,000
Year 1 NOI	±\$299,395
Occupancy	100%
Type of Ownership	Fee Simple
Current CAP	5.3%
Proforma CAP (2020)	5.83%
Price/SF	\$508



## Current Income & Expense

ANNUAL INCOME	SF	\$/MO	\$/SF/MO	ANNUAL RENT	Proforma (2020)
Cellular City	1,000	\$3,050.00	\$3.05	\$36,600	\$41,300.00
Papa Urb's Grill	1,100	\$2,710.00	\$2.46	\$32,520	\$45,440.00
Tracy Vapors	1,100	\$3,145.00	\$2.86	\$37,740	\$40,918.35
Envy Nails	1,125	\$2,542.00	\$2.26	\$30,504	\$33,154.00
Tracy Harbor Fish & Chips	1,350	\$3,000.00	\$2.22	\$36,000	\$36,000.00
Sugarcrush Bakeshop	1,350	\$4,080.00	\$3.02	\$48,960	\$55,526.59
Oriental Massage Spa	1,100	\$3,170.00	\$2.88	\$38,040	\$43,240.00
Milano Pizza	1,100	\$2,695.00	\$2.45	\$32,340	\$33,018.00
Starbucks Coffee	1,650	\$5,916.67	\$3.59	\$71,000	\$73,952.00
Common Area	250				
<b>Gross Rental Income</b>	<b>11,125</b>	<b>\$30,309</b>	<b>\$2.81</b>	<b>\$375,514</b>	<b>\$402,548.94</b>
Vacancy Factor (3%)				\$(11,265)	\$(12,076)
CAM Reimbursements*	\$0.224			\$49,776	\$57,771.00
<b>Effective Gross Income</b>				<b>\$414,025</b>	<b>\$448,243.94</b>

OPERATING EXPENSES	Total Amount	Total Amount
Property Tax (1% +2885)	\$5.29	\$59,385
Management	\$0.86	\$9,600
EGM Maint. Service	\$0.29	\$3,229
Repair & Maintenance	\$0.42	\$4,000
HVAC Maintenance	\$0.17	\$1,844
Landscape Maintenance	\$0.38	\$3,100
Bay Alarm Security	\$0.30	\$3,391
Water/Sewer	\$0.44	\$4,948
City Garbage	\$1.58	\$17,621
Common Area Utilities	\$0.31	\$3,444
Insurance	\$0.37	\$4,068
<b>Total Operating Expenses</b>	<b>\$10.30</b>	<b>\$114,630</b>
Current NOI	\$299,395	\$329,223
Current Cap Rate	5.30%	5.83%
<b>Purchase Price</b>	<b>\$508</b>	<b>\$5,650,000</b>

\*Starbucks Prop 13 clause sunsets 5 years after COE



## 12 MONTH CASH FLOW

Tenant	June	July	August	September	October
Cellular City	\$3,150.00	\$3,150.00	\$3,150.00	\$3,150.00	\$3,150.00
Papa Urb's Grill	\$2,810.00	\$2,810.00	\$2,810.00	\$2,810.00	\$2,810.00
Tracy Vapors	\$3,207.00	\$3,207.00	\$3,207.00	\$3,207.00	\$3,207.00
Envy Nails	\$2,592.00	\$2,592.00	\$2,642.00	\$2,642.00	\$2,642.00
Tracy Harbor Fish & Chips	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00
Sugarkrush Bakeshop	\$4,200.00	\$4,200.00	\$4,200.00	\$4,200.00	\$4,330.00
Oriental Massage Spa	\$3,270.00	\$3,270.00	\$3,270.00	\$3,370.00	\$3,370.00
Milano Pizza	\$2,695.00	\$2,695.00	\$2,695.00	\$2,695.00	\$2,808.00
Starbucks Coffee	\$5,916.00	\$5,916.00	\$5,916.00	\$5,916.00	\$5,916.00
<b>TOTAL</b>	<b>\$30,840.00</b>	<b>\$30,840.00</b>	<b>\$30,890.00</b>	<b>\$30,990.00</b>	<b>\$31,233.00</b>



November	December	January	February	March	April	May
\$3,150.00	\$3,150.00	\$3,150.00	\$3,250.00	\$3,250.00	\$3,250.00	\$3,250.00
\$2,910.00	\$2,910.00	\$2,910.00	\$2,910.00	\$2,910.00	\$2,910.00	\$2,910.00
\$3,207.00	\$3,372.00	\$3,372.00	\$3,372.00	\$3,372.00	\$3,372.00	\$3,372.00
\$2,642.00	\$2,642.00	\$2,642.00	\$2,642.00	\$2,642.00	\$2,642.00	\$2,642.00
\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00
\$4,330.00	\$4,330.00	\$4,330.00	\$4,330.00	\$4,330.00	\$4,330.00	\$4,330.00
\$3,370.00	\$3,370.00	\$3,370.00	\$3,370.00	\$3,370.00	\$3,370.00	\$3,370.00
\$2,808.00	\$2,808.00	\$2,808.00	\$2,808.00	\$2,808.00	\$2,808.00	\$2,808.00
\$5,916.00	\$5,916.00	\$5,916.00	\$5,916.00	\$5,916.00	\$5,916.00	\$5,916.00
<b>\$31,333.00</b>	<b>\$31,498.00</b>	<b>\$31,498.00</b>	<b>\$31,598.00</b>	<b>\$31,598.00</b>	<b>\$31,598.00</b>	<b>\$31,598.00</b>
						<b>\$375,514.00</b>

## Current Rent Roll

Suite	Tenant	SF	Start Date	Expiration	Increase	Mo. Base Rent	MBR (\$/SF)	Ann. Base Rent
540	Cellular City	1,000	11/2/12	1/31/18	Current Rent	\$3,150.00	\$3.15	\$37,800
549	Papa Urb's Grill	1,100	11/1/10	10/31/20	Current Rent	\$2,810.00	\$2.55	\$33,720
					11/1/17	\$2,910.00	\$2.65	\$34,920
					11/1/18	\$3,010.00	\$2.74	\$36,120
					11/1/19	\$3,310.00	\$3.01	\$39,720
551	Tracy Vapors	1,100	11/1/15	11/30/18	Current Rent	\$3,207.00	\$2.92	\$38,484
					12/1/17	\$3,372.00	\$3.07	\$40,464
553	Envy Nails	1,125	2/1/05	7/31/20	Current Rent	\$2,592.00	\$2.30	\$31,104
					8/1/17	\$2,642.00	\$2.35	\$31,704
					8/1/18	\$2,692.00	\$2.39	\$32,304
					8/1/19	\$2,742.00	\$2.44	\$32,904
557	Tracy Harbor Fish & Chips	1,350	7/3/10	7/31/20	Current Rent	\$3,000.00	\$2.22	\$36,000
563	Sugarkrush Bakeshop	1,350	10/1/13	9/30/18	Current Rent	\$4,200.00	\$3.11	\$50,400
					10/1/17	\$4,330.00	\$3.21	\$51,960
565	Oriental Massage Spa	1,100	9/1/13	8/31/19	Current Rent	\$3,270.00	\$2.97	\$39,240
567	Milano Pizza	1,100	9/1/05	8/31/20	Current Rent	\$2,808.00	\$2.55	\$33,696
569	Starbucks Coffee	1,650	3/4/05	7/31/25	Current Rent	\$5,916.00	\$3.59	\$70,992
					8/5/15-7/31/20	\$5,916.67	\$3.59	\$71,000
					8/1/20-7/31/25	\$6,508.33	\$3.94	\$78,100
	Common Area	250						

Leased SF:	11,125	100%
Available SF:	0	0.00%
Total SF:	11,125	100%



Market Rent	Mo. CAM/Lease	Type	Bldg Pro Rata %	Options	Comments
\$37.80	\$0.00	MG	8.99%	1 x 5	Option is at Fair Market Rent; Tenant responsible for paying PG&E
\$30.65	\$714.00	NNN	9.89%	1 x 5	Option is at Fair Market Rent.
\$31.75					
\$32.84					
\$36.11					
\$34.99	\$0.00	MG	9.89%	1 x 3	Tenant has a one time option to terminate the lease but will be required to pay a fee. Tenant responsible for paying PG&E.
\$36.79					
\$27.65	\$750.00	NNN	10.11%	1 x 5	Option is at Fair Market Rent
\$28.18					
\$28.71					
\$29.25					
\$26.67	\$876.00	NNN	12.13%	1 x 5	Option is at Fair Market Rent
\$37.33	\$0.00	MG	12.13%	2 x 5	Option rent shall be no less than 3%; Tenant responsible for paying PG&E.
\$38.49					
\$35.67	\$0.00	MG	9.89%	1 x 3	Option is at Fair Market Rent; Tenant responsible for paying PG&E.
\$30.63	\$660.00	NNN	9.89%	1 x 5	Option is at Fair Market Rent.
\$43.03	\$1,148.00	NNN	14.83%	3 x 5	Tenant has early termination right after 7/31/2020 with 180 day prior written notice.
\$43.03					
\$47.33					
			2.25%		
CAM Total Per Month		\$4,148.00			
		\$49,776.00			







Fountain Plaza (the "Property") is an approximate 11,125 square foot neighborhood retail center located in Tracy, California. The Property, constructed in 2005, is on an approximate 1.03 acre site and anchored by Starbucks Coffee. The modern architectural features are designed to match the adjoining In-N-Out Burger. With a total of nine tenant spaces, there is a synergistic mix of national and regional tenants, providing retail and dining services. Fountain Plaza has excellent visibility and signage from Interstate 205 and enjoys a high volume of passing traffic. Starbucks has a drive-thru which runs along the backside of the building, freeing up parking for the other tenants. Starbucks has a 10% rent increase in 2020.

### Location

The site is situated along W Clover Road near North Tracy Boulevard

### Address

545 W Clover Road, Tracy, CA 95376

### Rentable Square Feet

±11,125

### Site Area

±1.03 acres

### Assessor's Parcel Number

214-210-07

### Type of Ownership

Fee Simple

### Year Built

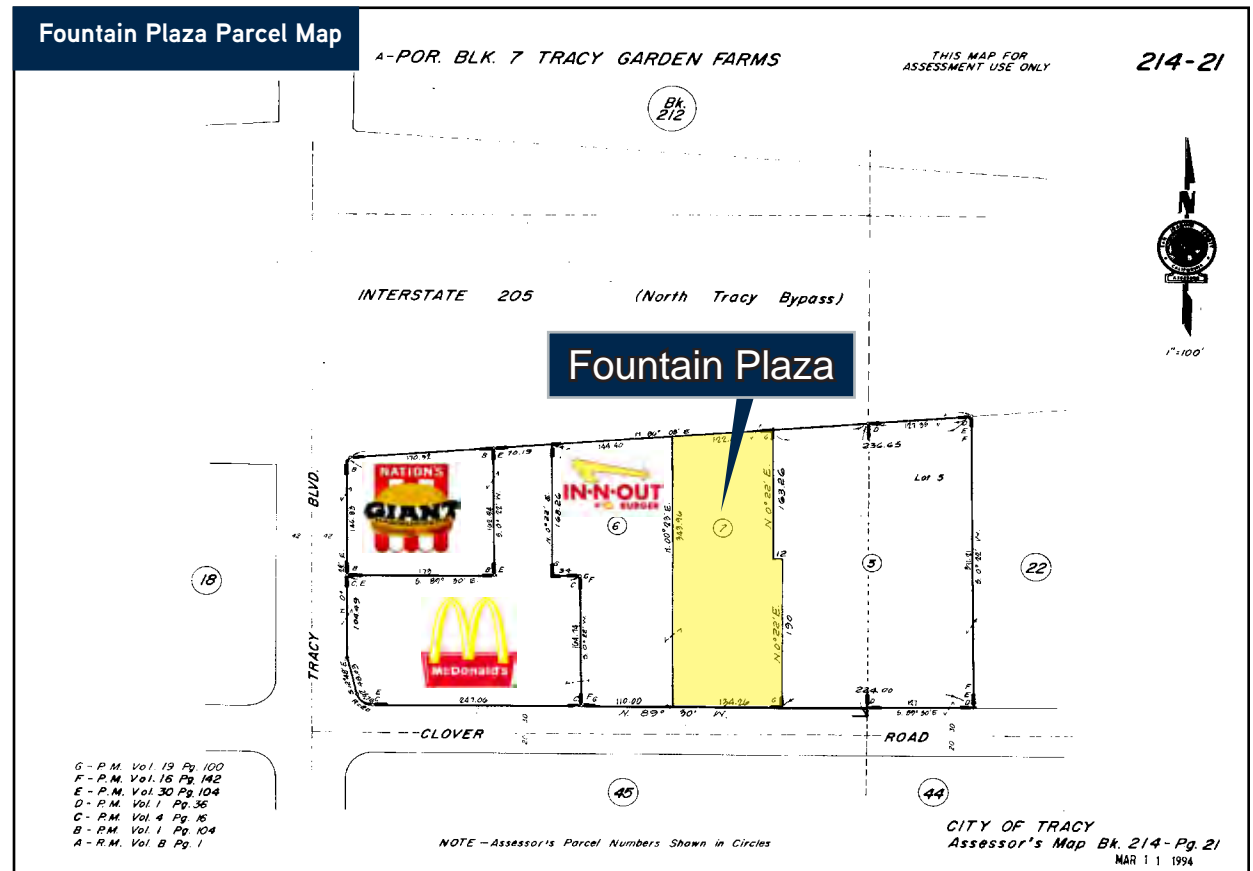
2005

### Parking

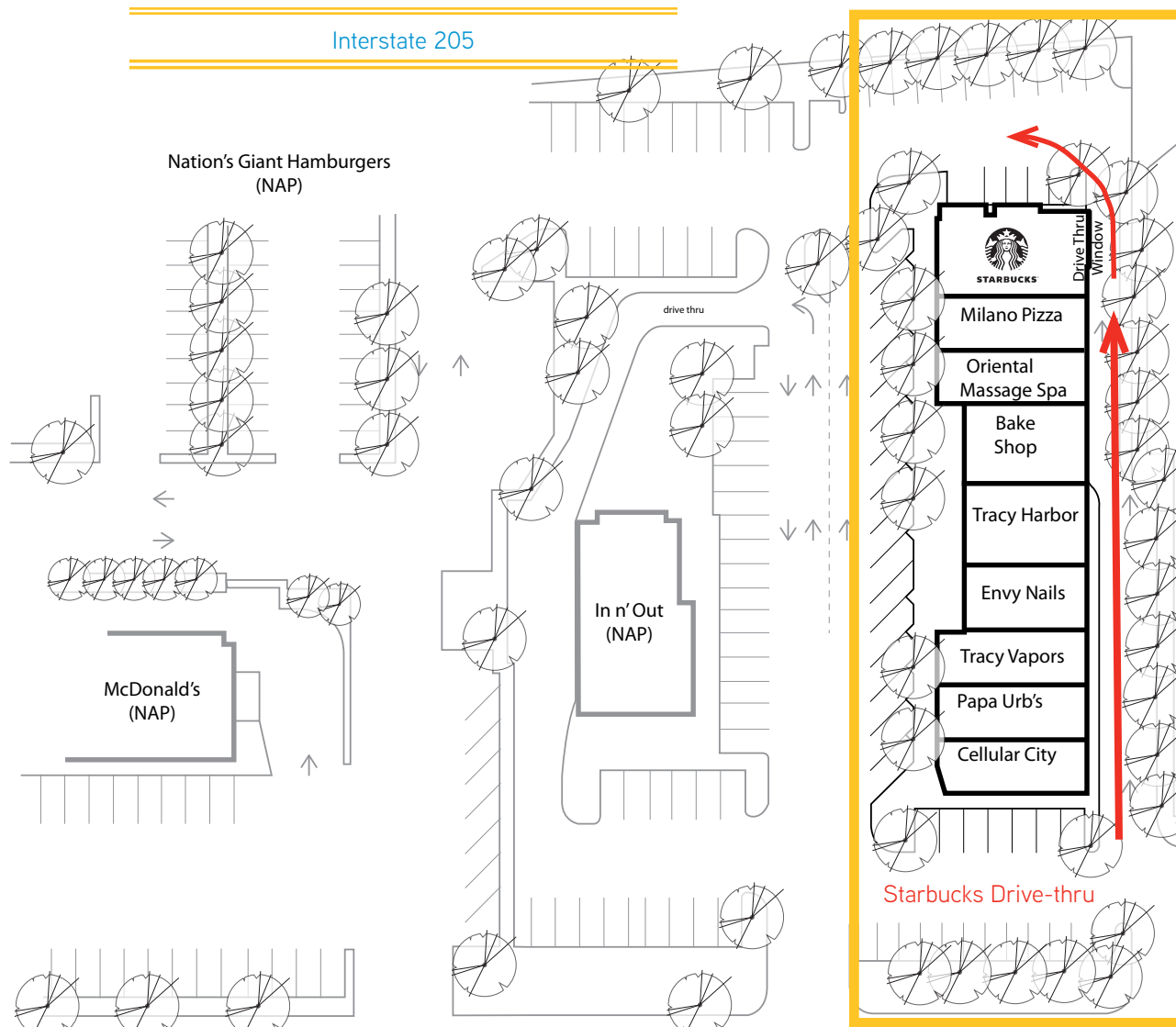
4.4 | 1,000 parking ratio

### No. of Buildings

One



# Tenant Roster



## Current Tenant Roster

Tenant Name	SF	Suite
Cellular City	1,000	540
Papa Urb's Grill	1,100	549
Tracy Vapors	1,100	551
Envy Nails	1,125	553
Tracy Harbor Fish & Chips	1,350	557
Sugarkrush Bakeshop	1,350	563
Oriental Massage Spa	1,100	565
Milano Pizza	1,100	567
Starbucks Coffee	1,650	569







## Location Overview





## The Central Valley

California's Central Valley is a large, flat valley that dominates the geographical center of California. It is 40 to 60 miles wide and stretches approximately 450 miles from north-northwest to south-southeast, inland from and parallel to the Pacific Ocean coastline. It covers approximately 22,500 square miles, about 13.7% of California's total land area (slightly smaller than the state of West Virginia), and is home to some of California's most productive agricultural areas.

The Central Valley comprises multiple major watershed systems: the Sacramento Valley, which receives well over 20 inches of rain annually, in the north, and the drier San Joaquin Valley in the south, with the Tulare Basin and its semi-arid desert climate at the southernmost end. The Sacramento and San Joaquin river systems drain their respective valleys and meet to form the Sacramento-San Joaquin River Delta, a large expanse of interconnected canals, stream beds, sloughs, marshes and peat islands. The delta empties into the San Francisco Bay, and then ultimately flows into the Pacific. The waters of the Tulare Basin essentially never flow to the ocean, though they are connected by man-made canals to the San Joaquin and could drain there again naturally if they were ever to rise high enough.



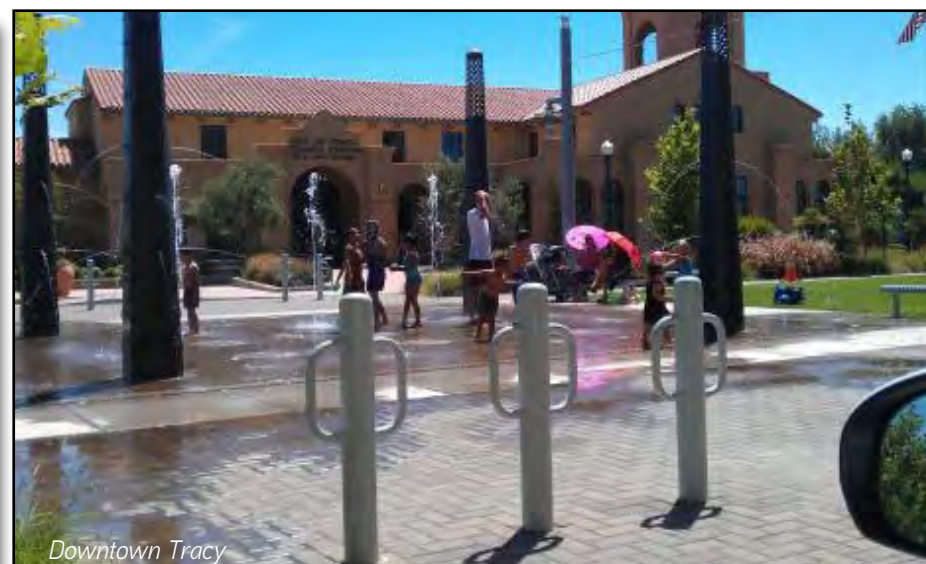
Tracy City Hall

The valley encompasses all or parts of the Northern California counties: Butte, Colusa, Glenn, El Dorado, Fresno, Kings, Madera, Merced, Placer, San Joaquin, Sacramento, Shasta, Stanislaus, Sutter, Tehama, Tulare, Yuba, Yolo, and the Southern California county of Kern.

## City of Tracy

Tracy is the second most populated city in San Joaquin County within the Central Valley, and sits near both fertile and (due to a region of hills west of Tracy) infertile agricultural lands. Some of this land (in the east and mostly north of Tracy because of the moist Delta river system) has come under increasing development pressure as the San Francisco Bay Area's vigorous population growth has spilled over into the Tracy area as well as other locations such as the new town of Mountain House (because of TRAQC's Measure A in 1990) near the Bay Area's edge.

In an effort to reduce its impact on the environment, the city launched the Emerald Tracy Project in September 2009. City spokesman Matt Robinson said that if it succeeds, Tracy will be the second city after Riverside to satisfy the state's goal for sustainable communities.



Downtown Tracy

## Transportation

The Altamont Corridor Express (also known as ACE) is a commuter rail service in California connecting Stockton and San Jose.

ACE is located within close proximity (just over 2 miles) from the subject property. As of 2016, average weekday ridership is 4,900 commuters daily, with stops in Tracy, Manteca, Stockton, Pleasanton, Fremont, Santa Clara and San Jose.

Several major rail carriers provide local companies and residents with connections to a large railway network. Both the BNSF and UP intermodal facilities play a major role in this effort. The Union Pacific intermodal facility is located in Lathrop, between I-5 and CA-99 just south of Stockton. The new \$248 million expansion of its yard will increase capacity from 270,000 to 730,000 containers annually at full capacity.



## Points of Interest

### LEGACY FIELDS

Legacy Fields is a 166-acre sports park that will include gated field sites for baseball, softball, soccer, football and many other activities. It will be located on North Tracy Boulevard. It broke ground in May of 2013. The first phase of the park will include an approximate \$11.7 million investment on approximately 70 acres and will be home to many organizations such as the Tracy Futbol Club, Tracy Youth Soccer League, Tracy Babe Ruth Baseball League, Tracy Little League, and many more.

### AMAZON

Tracy is the new home to Amazon's third California fulfillment center. Occupying approximately 1 million square feet of space, Amazon is expecting to bring an estimated 1,000 new jobs to Tracy. The site will online. ware, and Safeway.

### CORDES RANCH

Cordes Ranch, which has been added to the city of Tracy's Sphere of Influence (SOI), is a 1,600 acre development. The proposed land use planning includes a mixed use of General Commercial Retail, Highway Commercial, General Industrial, Limited Industrial and open space. The project is one element of Tracy's General Plan and vision to create a balance of new retail and job creating commercial development.

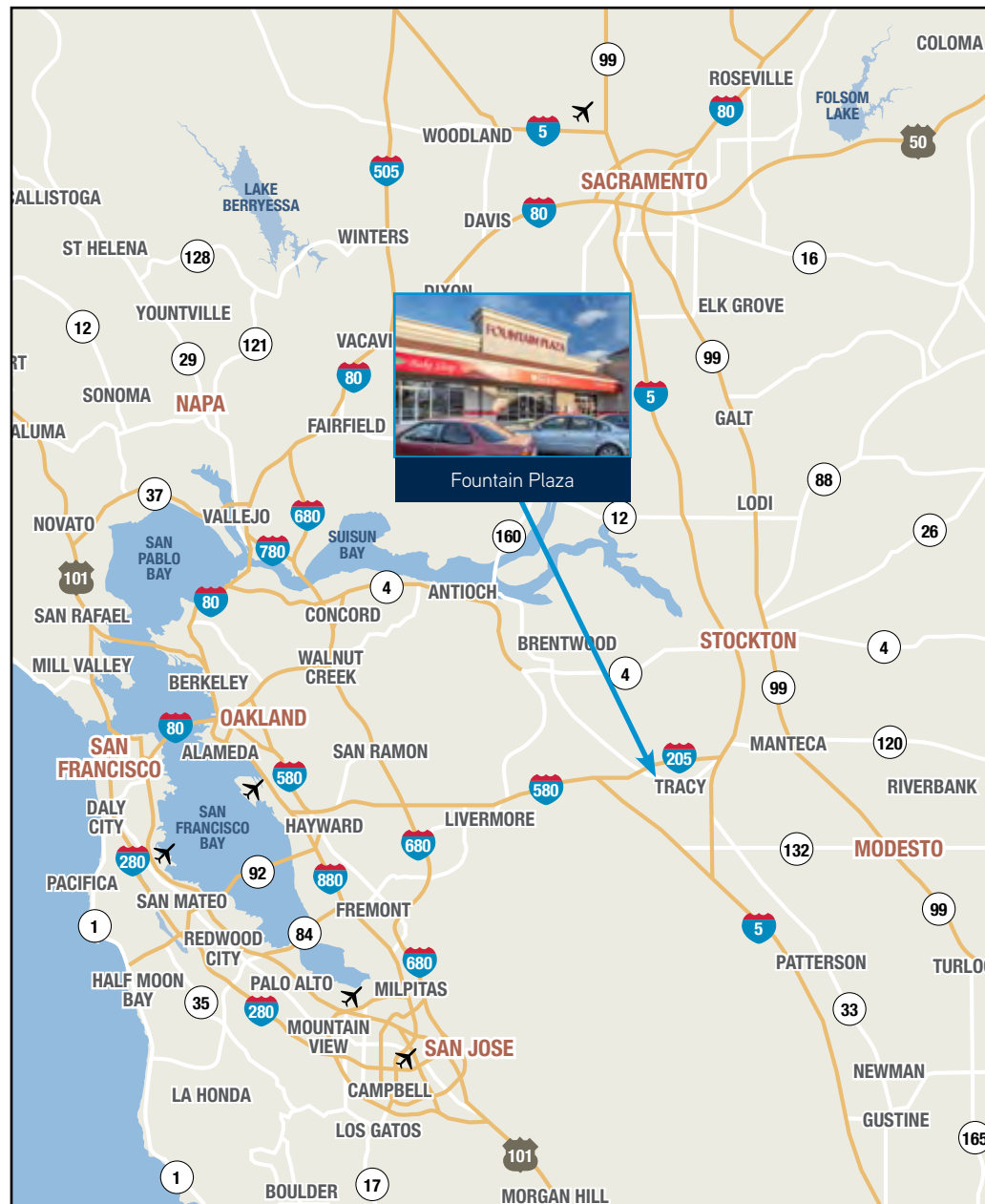


## Demographics

POPULATION		1 Mile	3 Mile	5 Mile
	Total Daytime Population	16,697	64,662	87,907
	2000 Population	14,101	49,455	62,733
	2010 Population	14,429	61,617	89,806
	2015 Population	14,839	64,198	94,227
	2020 Population	15,012	67,120	100,251
	% Population Change 2000 to 2010	2.33%	24.59%	43.16%
	% Population Change 2000 to 2015	5.23%	29.81%	50.20%
	% Population Change 2015 to 2020	1.17%	4.55%	6.39%

HOUSEHOLDS		1 Mile	3 Mile	5 Mile
	2000 Households	4,618	15,442	19,448
	2010 Households	4,494	18,392	26,504
	2015 Households	4,500	18,630	27,000
	2020 Households	4,528	19,301	28,464
	% Household Change 2010 to 2020	.76%	4.94%	7.40%

INCOME		1 Mile	3 Mile	5 Mile
	\$35,000 to \$39,999	6.8%	4.5%	4.1%
	\$40,000 to \$44,999	4.5%	3.5%	3.1%
	\$45,000 to \$49,999	5.2%	5.2%	4.9%
	\$50,000 to \$59,999	10.5%	8.2%	7.7%
	\$60,000 to \$74,999	10.0%	10.7%	10.4%
	\$75,000 to \$99,999	14.8%	14.0%	14.5%
	\$100,000 to \$124,999	11.0%	12.8%	13.7%
	\$125,000 to \$149,999	5.4%	7.1%	7.8%
	\$150,000 to \$199,999	5.3%	9.3%	10.3%
	\$200,000 or more	1.5%	4.0%	4.8%
	2015 Average Household Income	\$71,404	\$88,159	\$93,683
2015 Median Household Income	\$58,022	\$71,153	\$76,908	
2015 Per Capita Income	\$21,864	\$25,702	\$26,959	







TRACY CORNERS S.C..

Mi Pueblo  
FOOD CENTER  
ADVANCE AMERICA  
CASH ADVANCE

O'Reilly  
AUTO PARTS  
HARBOR  
FREIGHT

Best Western

Arby's  
EconoLodge  
Wendy's  
am pm

Holiday Inn

Shell

Chevron

Denny's

6

INTERSTATE  
205

IN-N-OUT  
McDonald's

NATION'S  
GIANT

545 West Clover Rd.

SUBWAY

CVS  
Pharmacy

BURGER KING

STRANHAL PIZZA  
Family Catering Plaza





**WEST VALLEY MALL**

macy's CINEMARK RED ROBIN  
SPORTS AUTHORITY TARGET JCPENNEY SPORTS AUTHORITY  
Olive Garden BUFFALO WILD WINGS WORLD MARKET BEST BUY HOMETOWN BUFFET

JACOBSON  
ELEMENTARY

**BIG LOTS!**  
**ACE**  
DOLLAR TREE Hardware  
Speedee  
Jack in the Box  
S AUTO SERVICE

TRACY BOULEVARD

**545 West Clover Rd.**

GRANT LINE ROAD

**IS Fit**

**TACO BELL**

**KELLY-MOORE PAINTS**  
7-ELEVEN  
99 CENTS ONLY  
SUBWAY  
TACO BELL

**MI Pueblo**  
FINE CENTER  
**HARBOR FREIGHT**

**BUURGER KING**

**INN-OUT**

**CVS**

**Holiday Inn**

**Best Western**



## Tracy/Manteca Shopping Centers

Center	City	Anchor Tenants	Total SF	Percent Leased	2017 Avail SF	Change	Asking Rent	Estimated NNN
Tracy Marketplace	Tracy	Costco, Walmart, Bed Bath & Beyond, PETCO	480,253	98.2	4,100.00	0.0%	\$2.65	\$0.30
Grant Line Station	Tracy	Rite Aid	66,631	86.4	30,000.00	20.0%	\$2.00	\$0.42
Westgate Plaza Shopping Center	Tracy	99 Cents Only Store, Aarons Furniture, AutoZone	87,090	95.5	19,330.00	1.4%	\$2.00	\$0.55
West Valley Mall	Tracy	Target, Sears, JCPenney, Red Robin	886,612	98.7	-	-5.0%	Withheld	\$0.50
Red Maple Village	Tracy	Raley's, Wells Fargo, Starbucks, Subway, Chase, Round Table Pizza	97,591	100.0	11,000.00	0%	\$2.75	\$0.45
Tracy Pavilion	Tracy	The Home Depot, Winco Foods, Ross Dress for Less, Marshalls, PetSmart	365,852	95.3	17,034.00	3.4%	\$1.75	\$0.55
Tracy Corners Shopping Center	Tracy	Mi Pueblo, O'Reilly's, Harbor Freight Tools	91,043	97.0	-	-2.7%	\$2.10	\$0.44
McKinley Village Shopping Center	Tracy	O'Reilly's AutoParts, Food Maxx, Long John Silvers	118,760	60.00	48,000.00	35.0%	\$1.20	\$0.48
Corral Hollow	Tracy	Safeway, Orchard Supply Hardware, CVS Pharmacy	160,701	100.0	-	0.0%	\$2.25	\$0.55
Gateway Plaza	Tracy	Save Mart Supermarket, Walgreens	115,452	100.0	-	0.0%	\$2.65	-
Grant Tracy Shopping Center	Tracy	Big Lots, Dollar Tree	90,872	100.0	-	0.0%	\$1.80	-
Tracy Valley Shopping Center	Tracy	CVS Pharmacy	100,818	100.0	-	0.0%	\$1.50	\$0.20
Albertson's Plaza	Tracy	SaveMart, BofA, Taco Bell, UPS, Mountain Mike's	81,970	100.0	-	0.0%	\$1.80	-
Totals and Averages			2,743,645	95	\$129,464.00	4.0%	\$2.04	\$0.44
Total Vacancy			4.72%					
Total Vacancy w/o Big Box			1.5%					











## CONFIDENTIALITY & DISCLAIMER

This Confidential Offering Memorandum (the “Memorandum”) has been prepared and presented to the recipient (the “Recipient”) by Colliers International (“Colliers”) as part of Colliers’ efforts to market for sale the real property located at 545 West Clover Road, Tracy, California (the “Property”). Colliers is the exclusive agent and broker for the owner(s) of the Property (the “Owner”). Colliers is providing this Memorandum and the material contained in it to the Recipient solely to assist the Recipient in determining whether the Recipient is interested in potentially purchasing all or part of the Property. Colliers also is providing this Memorandum and the material in it to the Recipient with the understanding that the Recipient will independently investigate those matters that it deems necessary and appropriate to evaluate the Property and that the Recipient will rely only on its own investigation, and not on Colliers, the Owner or this Memorandum, in determining whether to purchase the Property. The Recipient’s use of this Memorandum and the material in it is strictly governed by the terms and conditions of the Registration and Confidentiality Agreement that the Recipient previously executed and delivered to Colliers.

### PLEASE NOTE THE FOLLOWING:

Colliers, the Owner and their respective agents, employees, representatives, property managers, officers, directors, shareholders, members, managers, partners, joint venturers, corporate parents or controlling entities, subsidiaries, affiliates, assigns and predecessors and successors-in-interest make no representations or warranties about the accuracy, correctness or completeness of the information contained in this Memorandum. The Recipient is urged not to rely on the information contained in this Memorandum and to make an independent investigation of all matters relating to the Property.

This Memorandum includes statements and estimates provided by or to Colliers and/or the Owner regarding the Property. Those statements and estimates may or may not be accurate, correct or complete. Nothing contained in this Memorandum should be construed as a representation or warranty about the accuracy, correctness or completeness of such statements and estimates. Further, nothing contained in this Memorandum should be construed as representation or warranty about any aspect of the Property, including, without limitation, the Property’s (1) past, current or future performance, income, uses or occupancy, (2) past, current or prospective tenants, (3) physical condition, (4) compliance or non-compliance with any permit, license, law, regulation, rule, guideline or ordinance, or (5) appropriateness for any particular purpose, investment, use or occupancy. Again, the Recipient is urged not to rely on this Memorandum and the statements and estimates in it and to make an independent investigation regarding the Property and the statements and estimates contained herein.

This Memorandum may include statements regarding, references to, or summaries of, the nature, scope or content of contracts and/or other documents relating to the Property. Those statements, references or summaries may or may not be accurate, correct or complete. Additionally, Colliers may not have referenced or included summaries of each and every contract and/or other document that the Recipient might determine is relevant to its evaluation of the Property. Nothing contained in this Memorandum should be construed as a representation or warranty about the accuracy, correctness or completeness of such statements, representations or summaries. On request and as available, and subject to the Owner’s consent, Colliers will provide the Recipient with copies of all referenced contracts and other documents. Colliers assumes no obligation to supplement or modify the

information contained in this Memorandum to reflect events or conditions occurring on or after the date of its preparation of this Memorandum.

This Memorandum does not constitute an offer to sell, or a solicitation of an offer to buy, an interest in the Property. Nothing contained in this Memorandum may be construed to constitute legal or tax advice to a Recipient concerning the Property.

More detailed information regarding the anticipated terms, conditions and timing of any offering by the Owner relating to the Property will be provided in due course by separate communication. Colliers and/or the Owner reserve the right to engage at any time in discussions or negotiations with one or more recipients of this Memorandum and/or other prospective purchasers of the Property without notice or other obligation to the Recipient.

The Owner reserves the right to change the terms of any offering relating to the Property or to terminate without notice that offering. The Owner also reserves the right to operate the Property in its sole and absolute discretion prior to the completion of any sale of the Property. Colliers reserves the right to require the return of this Memorandum and the material in it and any other material provided by Colliers to the Recipient at any time. Acceptance of this Memorandum by the Recipient constitutes acceptance of the terms and conditions outlined above.

OFFERING MEMORANDUM

# FOUNTAIN PLAZA

545 West Clover Road

Tracy, CA 95376

EXCLUSIVELY MARKETING BY:

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