

SINGLE TENANT NNN RALLY'S HAMBURGERS

280 W. Ashlan Ave | Clovis, CA 93612



COSTCO
WHOLESALE

WinCo
FOODS

Rally's
• CRAZY GOOD FOOD •

W ASHLAN AVE

PEACH AVE

Colliers
INTERNATIONAL

OFFERING MEMORANDUM



FRANCHISEE	F&M Restaurants, Inc.
YEARS AS FRANCHISEE	20
STORE LOCATIONS	Throughout Central Valley
# OF STORES	11
PURCHASE PRICE	\$1,478,400
NOI	\$77,616
CAP RATE	5.25%
LEASE COMMENCEMENT	10/8/13
LEASE EXPIRATION	10/7/28
TERM REMAINING	11 Years
OPTIONS	3 - 5 yr Options
ADDRESS	280 W Ashlan Ave, Clovis, CA 93612
APN	493-170-13
YEAR BUILT	1994
RENTABLE SQUARE FEET	969
TYPE OF OWNERSHIP	Fee Simple
ZONING	Commercial (C-2)
PARKING	32 Spaces, (4.00/ 1,000 sq. ft)
FOUNDATION	ERS INTERNAT Concrete



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EXECUTIVE SUMMARY

Colliers International, as Exclusive Advisor to the Seller, is pleased to present the opportunity to acquire the **Rally's Hamburgers NNN property**, located at 280 W Ashlan Ave, Clovis, CA, (the "Property").

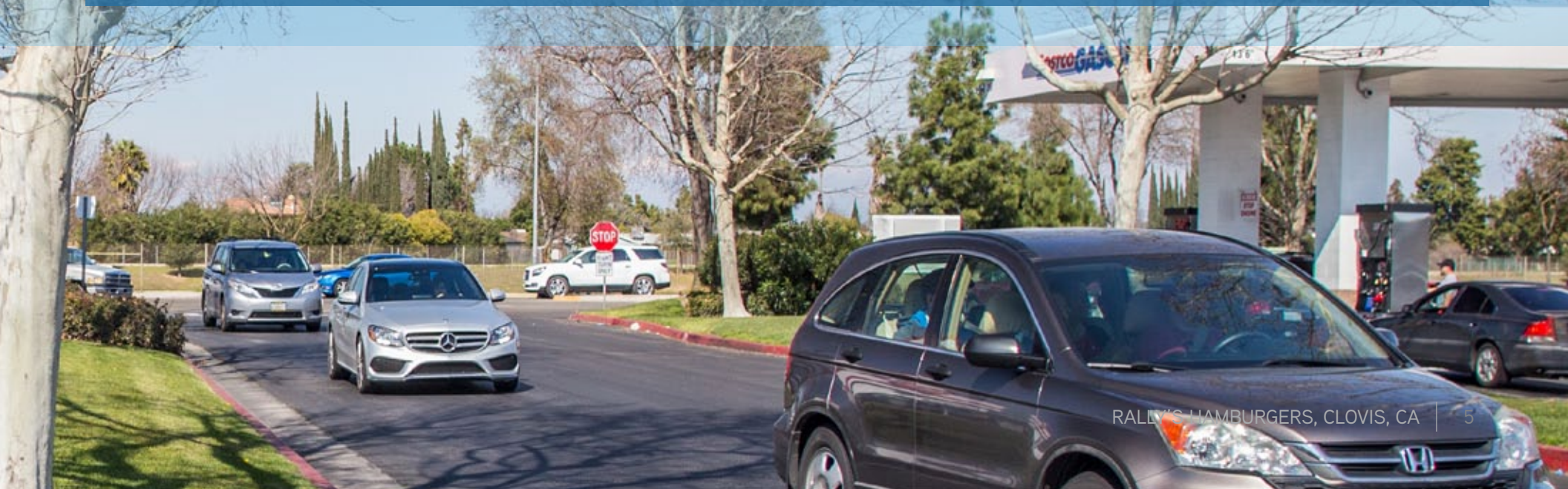
The Subject property is comprised of a single-story 969 sq.ft. retail building on a corner lot, which is situated on a 14,810 sq.ft. parcel. The building is located on Ashlan Avenue between Peach and Minnewawa Avenues, which has a daily traffic count of over 27,500 VPD. The tenant, whose signage is easily visible from the road, is located in a shopping center shadow-anchored by Costco.

The property is leased to a Rally's franchisee (11-unit operator) and has 11.5 years remaining on an NNN lease with 10% increases every 5 years. The property is located in Clovis, California less than 5 miles from downtown Fresno. The Rally's not only benefits from traffic from the shadow-anchor, Costco, but also from traffic generated from the Fresno -Yosemite International Airport located directly behind Costco on Airways Blvd as well as from the student population of California State University-Fresno, located less than half a mile away.

INVESTMENT HIGHLIGHTS

PROPERTY	Rally's Hamburgers
ADDRESS	280 W Ashlan Ave
CITY, STATE, ZIP	Clovis, CA 93612
ASKING PRICE	\$1,478,400
TYPE	Single Tenant Retail
YEAR BUILT	1994
PARCEL SIZE	14,810 sq ft
OWNERSHIP	Fee Simple
RENTABLE SF	969
PARCEL NUMBER	493-170-13
ZONING	Commercial (C-2)
PARKING	32 Spaces, 4.00/1,000 sq ft
FOUNDATION	Concrete

- Rally's has 11.5 years remaining on a 15 year lease with 10% increases every 5 years
- High performing site with excellent store sales
- The building is shadow-anchored by Costco and Winco Foods
- Less than 1/4 mile from Fresno Yosemite International Airport and less than 1 mile from CSU Fresno
- Franchisee, F&M Restaurants, operates 11 locations throughout the Central Valley
- Located in a highly-trafficked area in Clovis, less than 5 miles from downtown Fresno



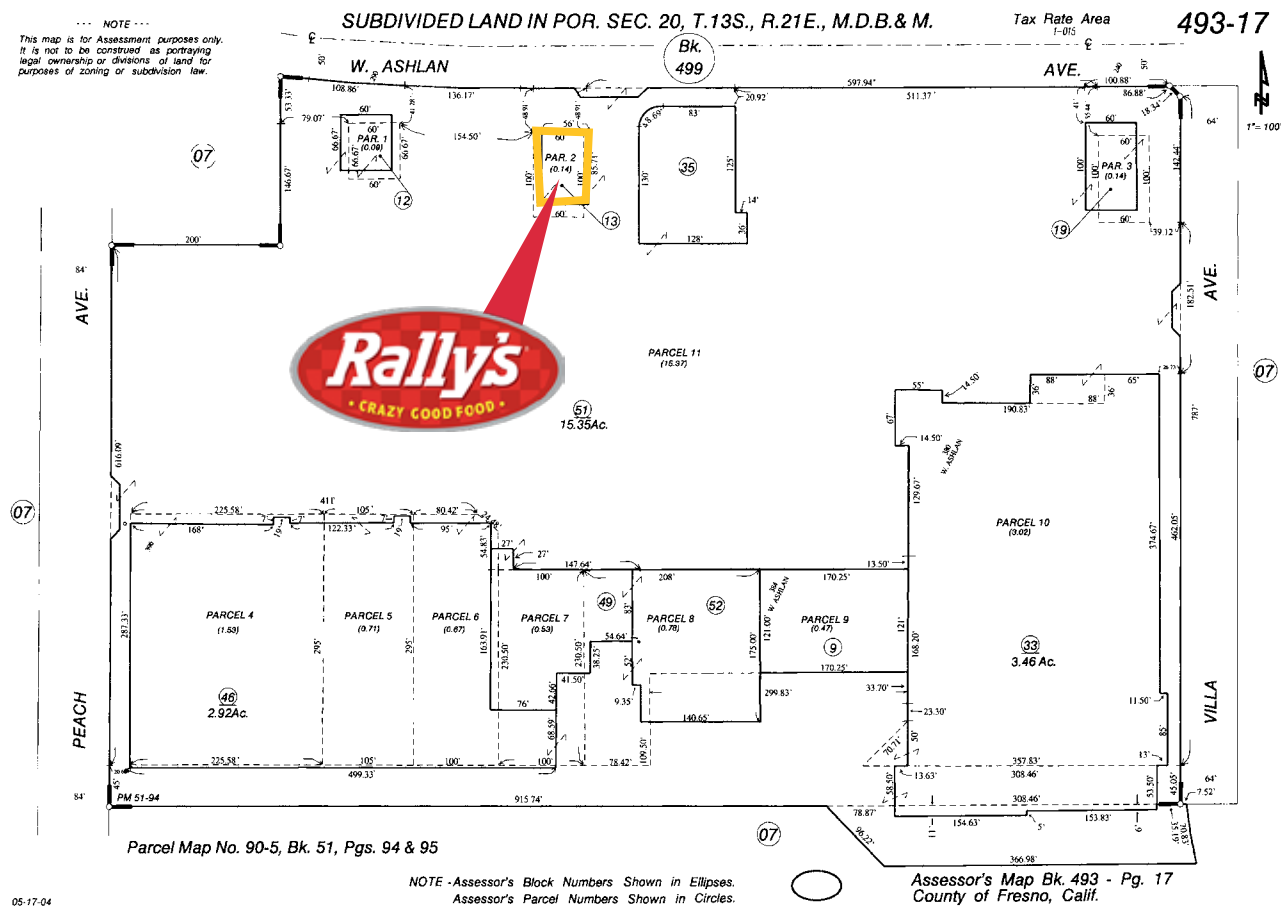




A photograph of a Rally's Car Wash building with a red and white striped facade and a red roof. A large tree with bare branches is in the foreground on the right. A sign on the left reads 'CLEARANCE 9' DRIVER PICK UP'. The text 'PROPERTY OVERVIEW' is overlaid in white on the left side of the image.

PROPERTY OVERVIEW

Parcel Map



RALLY'S HAMBURGERS

Clovis, CA

Tenant: Rally's Hamburgers

Checkers Drive-In Restaurants, Inc., is one of the largest chains of double drive-thru restaurants in the United States. The company operates Checkers and Rally's restaurants in 28 states and the District of Columbia. They specialize in hamburgers, hot dogs, french fries, and milkshakes.

Originally separate companies serving different geographic areas with Checkers serving the Southeast and Rally's serving the Midwest, Checkers and Rally's merged in August 1999. The merged company is headquartered in Tampa, Florida.

Checkers was founded in 1986 in Mobile, Alabama, by Jim Mattei and went public in 1991. Rally's was founded in Louisville, Kentucky, in 1985. In 1991 and 1992, Rally's absorbed Maxie's of America, Snapps Drive-Thru, and Zipps Drive-Thru. In 1996, Rally's was bought by CKE Restaurants, parent company of Carl's Jr. and Hardee's. CKE sold Rally's to Checkers in 1999. In June 2006, the company went private through a merger with Taxi Holdings Corp., an affiliate of Wellspring Capital Management, a private equity firm. In 2014, Wellspring sold Checkers to another private equity firm, Sentinel Capital Partners.

TENANT SUMMARY

Franchisee	F&M Restaurants, Inc
Years as Franchisee	20
Rentable Square Feet	969
Store Locations	Throughout Central Valley
# of Stores	11
Lease Commencement	10/8/13
Lease Expiration	10/7/28

Address	280 W Ashlan Ave, Clovis, CA 93612
APN	493-170-13
Property Type	Fast Food Restaurant
Year Built	1994
Ownership	Fee Simple
Term Remaining	11 Years
Options	3 - 5 yr Options

Expense Reimbursements	Tenant
Real Estate Taxes	Tenant
Insurance	Tenant
Utilities	Tenant
Maintenance & Repairs	Tenant
Management	Tenant

FRESNO AIRWAYS GOLF COURSE



W ASHLAN AVENUE

FRESNO YOSEMITE INTERNATIONAL AIRPORT

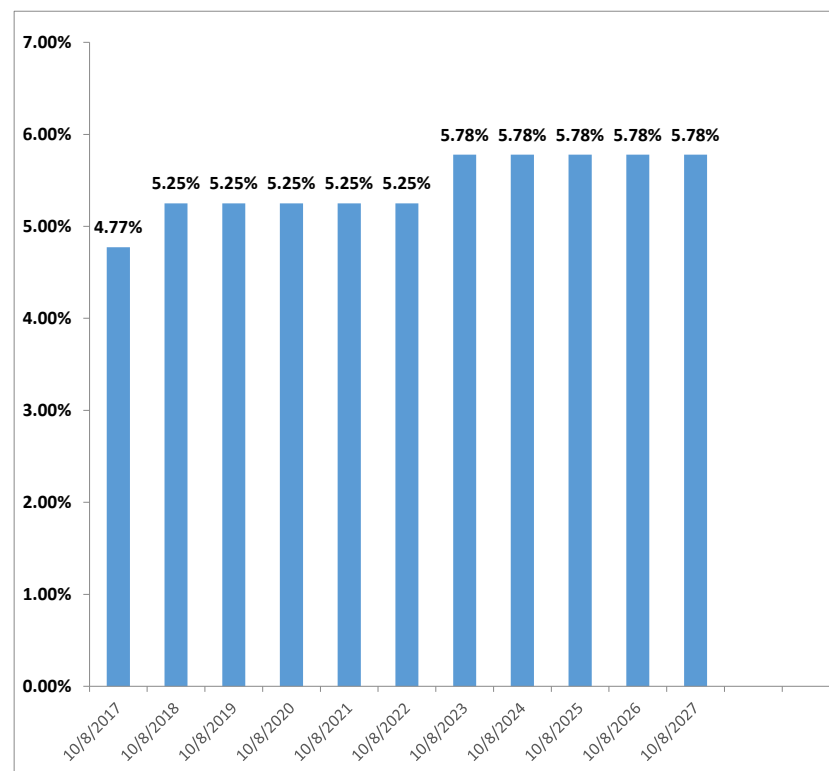


FINANCIAL OVERVIEW

VALUATION

F & M - Rally's Clovis, CA		CAP RATE	
List Price	\$1,478,400	5.25%	
Increases	10.00%	Every 5 Years	
		Monthly Rent	Annual Rent
10/8/2017	4.77%	\$5,880	\$70,560
10/8/2018	5.25%	\$6,468	\$77,616
10/8/2019	5.25%	\$6,468	\$77,616
10/8/2020	5.25%	\$6,468	\$77,616
10/8/2021	5.25%	\$6,468	\$77,616
10/8/2022	5.25%	\$6,468	\$77,616
10/8/2023	5.78%	\$7,115	\$85,378
10/8/2024	5.78%	\$7,115	\$85,378
10/8/2025	5.78%	\$7,115	\$85,378
10/8/2026	5.78%	\$7,115	\$85,378
10/8/2027	5.78%	\$7,115	\$85,378
3 5 yr options(10% every 5 years)			
Average	5.45%		

Note: Purchase Price is based on rent increase set for 10/8/18. Seller will credit Buyer difference in rent upon close of Escrow



DEBT QUOTE

5-yr Fixed	4.25%-4.5%
7-yr Fixed	4.5%-4.65%
10-yr Fixed	4.75%-4.85%
25-yr Amortization	65% LTV

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LOCATION OVERVIEW

A wide-angle landscape photograph of a mountain valley. In the foreground, a dense, vibrant green forest of evergreen trees covers the lower slopes. To the left, a massive, sheer granite cliff face rises vertically, showing vertical fissures and a light tan color. In the center and right, more rugged mountain peaks are visible, some with patches of snow or light-colored rock. A small waterfall is visible on the right side, cascading down a rocky outcrop. The sky is a clear, pale blue.

FRESNO COUNTY OVERVIEW

Fresno County is located in Central California within a day's drive of San Francisco and Los Angeles, and comprises the Fresno Metropolitan Statistical Area, which is part of the Fresno-Madera Combined Statistical Area. The state's sixth largest county, it covers about 6,000 square miles in the Central Valley, south of Stockton and north of Bakersfield. The area offers great year-round weather, boasting over 300 days of sunshine a year. It is located at the front of the Sierra Nevada Mountain Range, which includes Yosemite, Kings Canyon, and Sequoia National Parks.

Agriculture is the backbone of the Fresno area, employing nearly 20 percent of the workforce and providing more than \$3.5 billion to the local economy. Major crops and livestock include grapes, cotton, almonds, tomatoes, turkeys, cattle and milk.

Fresno County has an unmatched diversity of natural beauty and recreational opportunities. In addition to country farm trails featuring the bountiful harvest of the nation's leading agricultural county, majestic lakes and rivers, and awe-inspiring foothills and mountain ranges, Fresno County offers a wide variety of unique entertainment options.

Fresno County is home to 15 incorporated cities, all located on the Valley floor. Over 60 percent of the county's total population resides in the neighboring cities of Fresno and Clovis.

THE CITY OF CLOVIS

Located in the northeast quadrant of the Fresno-Clovis Metropolitan Statistical Area, Clovis is situated in the midst of the agriculturally rich San Joaquin Valley.

Since its incorporation in 1912, Clovis has been the "Gateway to the Sierra." Dedicated to promoting planned growth while retaining its unique western atmosphere, the City's population has more than doubled since 1985, reaching the current level of over 98,000, and encompassing over 23 square miles in area.

Today, Clovis continues to plan and adapt to meet the needs of its present and future citizens. The City's economic base consists of retail sales and services and light manufacturing. Availability of housing, quality hospital care, excellent schools with modern facilities, responsive safety services, a mild climate, access to varied recreational opportunities, and strong community identity all contribute to Clovis' reputation as a great place to live.

Clovis has maintained a small town community spirit as envisioned by its early founders, which is exemplified by such community events as the annual Rodeo Days, Big Hat Days, and Clovisfest celebration. This community pride, combined with Clovis' unique growth opportunities, continues to attract new residents, developers, businesses, and industries to the City.

POINTS OF INTEREST

Yosemite National Park

Located just 2 hours from Old Town Clovis, Yosemite is famous for its granite cliffs, waterfalls, clear streams, giant sequoia groves, lakes, mountains, glaciers, and biological diversity. On average, about 4 million people visit the 747,956 acre park each year and spend most of their time in the seven square mile floor of Yosemite Valley.

Farmers Market

Located in the heart of Old Town Clovis the year-round Saturday morning Farmers Market is open from 8AM - 11:30 AM. The seasonal Friday Night Market is open during the summer months, May through September, and features outstanding produce, family-friendly entertainment and live music.

Wild Water Adventure Park

Wild Water Adventure Park is a 52-acre water park with a wave pool, kiddie area, mat slides, a rapid ride and more. Open seasonally, the park also has tree lined, grass covered areas perfect for barbecues and picnics.

Clovis Botanical Gardens

The Clovis Botanical Garden is a 3-acre water-wise demonstration garden of plants and landscapes appropriate for the hot summers and cool winters of the Central Valley. The land is owned by the City of Clovis, and sustained by the community through memberships, donations, grants and maintained by dedicated volunteers.

DEMOGRAPHICS

POPULATION		1 MILE	3 MILE	5 MILE
	2000 Total Population	14,666	117,313	300,715
	2010 Total Population	15,033	124,645	335,839
	2016 Total Population	15,835	131,731	357,842
	2021 Total Population	16,062	135,343	373,010
	Population Change 2000 to 2010	2.5%	6.2%	11.7%
	Population Change 2000 to 2016	8.0%	12.3%	19.0%
	Population Change 2010 to 2021	6.8%	8.6%	11.1%
	Population Change 2016 to 2021	1.4%	2.7%	4.2%

HOUSEHOLDS		1 MILE	3 MILE	5 MILE
	2000 Households	5,765	41,404	100,291
	2010 Households	5,671	42,691	110,316
	2016 Households	5,707	43,250	113,406
	2021 Households	5,815	44,555	118,580
	Household Change 2000 to 2010	-1.6%	3.1%	10.0%
	Household Change 2000 to 2016	-1.0%	4.5%	13.1%
	Household Change 2010 to 2021	2.5%	4.4%	7.5%
	Household Change 2016 to 2021	1.9%	3.0%	4.6%

INCOME		1 MILE	3 MILE	5 MILE
	up to \$24,999	31.0%	32.2%	30.1%
	\$25,000 to \$49,999	29.7%	29.2%	26.2%
	\$50,000 to \$74,999	15.6%	16.7%	15.8%
	\$75,000 to \$124,999	19.6%	15.6%	17.2%
	\$125,000 to \$199,999	3.2%	5.0%	8.1%
	\$200,000 or more	.7%	1.3%	2.6%
	Median Income Change 2000 to 2016	33.8%	20.7%	31.3%
	Median Income Change 2010 to 2021	1.4%	3.0%	7.5%

MAJOR EMPLOYERS IN CLOVIS

EMPLOYER	EMPLOYEES	BUSINESS TYPE
Clovis Unified School District	5,760	Education
Clovis Community Hospital	1,513	Healthcare
Pelco	992	Security and Surveillance Technology
Wawona Frozen Foods	943	Food Distributor
Wal-Mart	697	Retail
City of Clovis	656	Government
Target	387	Retail
Savemart	261	Grocery
Costco	255	Retail
Anlin Industries	249	Door Supplier



CONFIDENTIALITY AGREEMENT

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 280 W Ashlan Ave, Clovis, CA 93612 v(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. 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.





Accelerating success.



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