



REPRESENTATIVE PHOTO

KFC | Calexico, CA

# Offering Memorandum

**MONTGOMERY**  
REALTY ADVISORS

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## Offered Exclusively By:

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# Investment Highlights

Montgomery Realty Advisors is pleased to offer for sale a new 20-year absolute NNN lease KFC investment located in Calexico, CA. The subject property is a strong performing store that has been operating as a KFC for over 20 years and is scheduled to be substantially remodeled to KFC's new prototype. The NNN lease contains a strong personal guaranty from the operator. The property is situated on an outparcel to a high performing Walmart Supercenter, and is located near the intersection of Highway 111 and East Cole Boulevard which benefits from substantial traffic counts (60,000 combined VPD).

**Purchase Price:**  
**\$1,889,000**

**Cap Rate:**  
**5.00%**



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## **BRAND NEW 20-YEAR SALE LEASEBACK**

New 20-year absolute NNN lease with 10% rental increases every five (5) years through the primary term and renewal option periods

## **WALMART SUPERCENTER OUTPARCEL**

The subject property is situated on an outparcel to a top performing Walmart Supercenter in the region along with other major retailers such as ALDI, Panda Express, and Jack in the Box

## **SUBSTANTIAL TRAFFIC COUNTS**

The subject property benefits from substantial traffic counts at the major intersection of Highway 111 and East Cole Boulevard (combined 60,000 VPD)

## **REMODEL SCHEDULED**

The Tenant is investing significant capital to have the subject property re-imaged to KFC's latest prototype (American Showman), demonstrating the Tenant's long term commitment to this top performing store

# Lease Abstract

<b>Brand:</b>	Kentucky Fried Chicken (KFC)
<b>Building Address:</b>	213 East Cole Blvd, Calexico, CA
<b>Tenant:</b>	Noble Pursuit, LLC (Personal Guaranty)
<b>Building SF:</b>	Approx 3,119 SF
<b>Land Area:</b>	Approx 0.65 Acres

<b>Rent Commencement</b>	August 29, 2017
<b>Lease Term:</b>	20 years
<b>Annual Rent:</b>	\$94,457
<b>Rent Increases:</b>	10.0% every Five (5) years
<b>Renewal Options:</b>	Four (4), Five (5) year options
<b>Expenses:</b>	Absolute NNN

## Rent Schedule

<b>Years 1-5</b>	\$94,457
<b>Years 6-10</b>	\$103,903
<b>Years 11-15</b>	\$114,293
<b>Years 16-20</b>	\$125,723
<b>Years 21-25 (Option 1)</b>	\$138,295
<b>Years 26-30 (Option 2)</b>	\$152,124
<b>Years 31-35 (Option 3)</b>	\$167,337
<b>Years 36-40 (Option 4)</b>	\$184,071



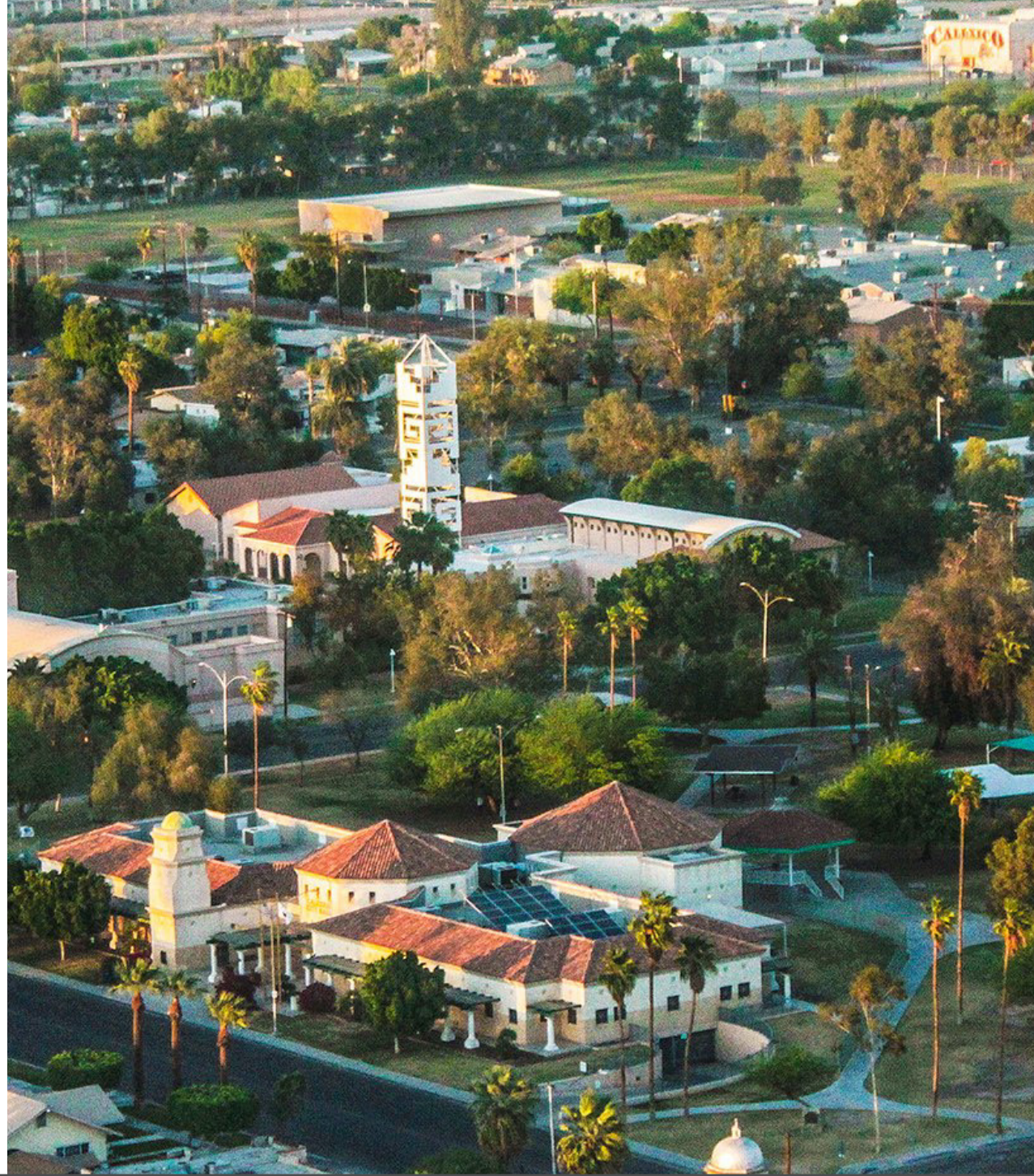
# Market Overview

Calexico is located in Imperial County, California, which is adjacent to Mexicali, Mexico. It is 122 miles east of San Diego and 62 miles west of Yuma, Arizona. In 2010, the census reported a population of approximately 39,000 residents.

The tourist season in Calexico is in the winter and offers warm sunny California winter weather to visitors and retirees from across the US.

Some of California's most affordable prime commercial/industrial sites and energy resources are offered in Calexico. Its strategic location offers easy trucking access to transportation hubs like the ports of Long Beach, Ensenada, Baja California, and Mexico.

Nearby attractions include the Salton Sea, Mexicali, El Centro, and the Gulf of California. The area has some of the world's best birdwatching, boating, fishing, and other water activities. Annual Calexico events include the yearly Mariachi Festival, Rock the Border Concert, and the Mardi Gras Beer Festival.



# Tenant Overview

## KFC Corporation

Founded more than 65 years ago and based in Louisville, Kentucky, KFC Corporation is the franchisor of the world's most popular chicken restaurant chain, KFC.



There are over 20,500 KFC outlets in more than 125 countries and territories worldwide, serving in excess of 12 million customers per day.

KFC is a part of Yum! Brands, Inc. ("Yum!"), the parent company for iconic restaurant brands - KFC, Taco Bell and Pizza Hut - with nearly 44,000 restaurants in more than 135 countries and territories worldwide.

Yum! is publicly traded on the New York Stock Exchange (Ticker: YUM) with a market capitalization in excess of \$26 billion as of September 1, 2017.

## Noble Pursuit, LLC

Noble Pursuit, LLC ("Noble Pursuit") is a Southern California-based KFC restaurant operator run by a former executive of The Pillsbury Company and General Mills; Noble Pursuit is strategically focused on the operation and expansion of world-class, high performing KFC restaurants in select Southern California and Arizona markets.



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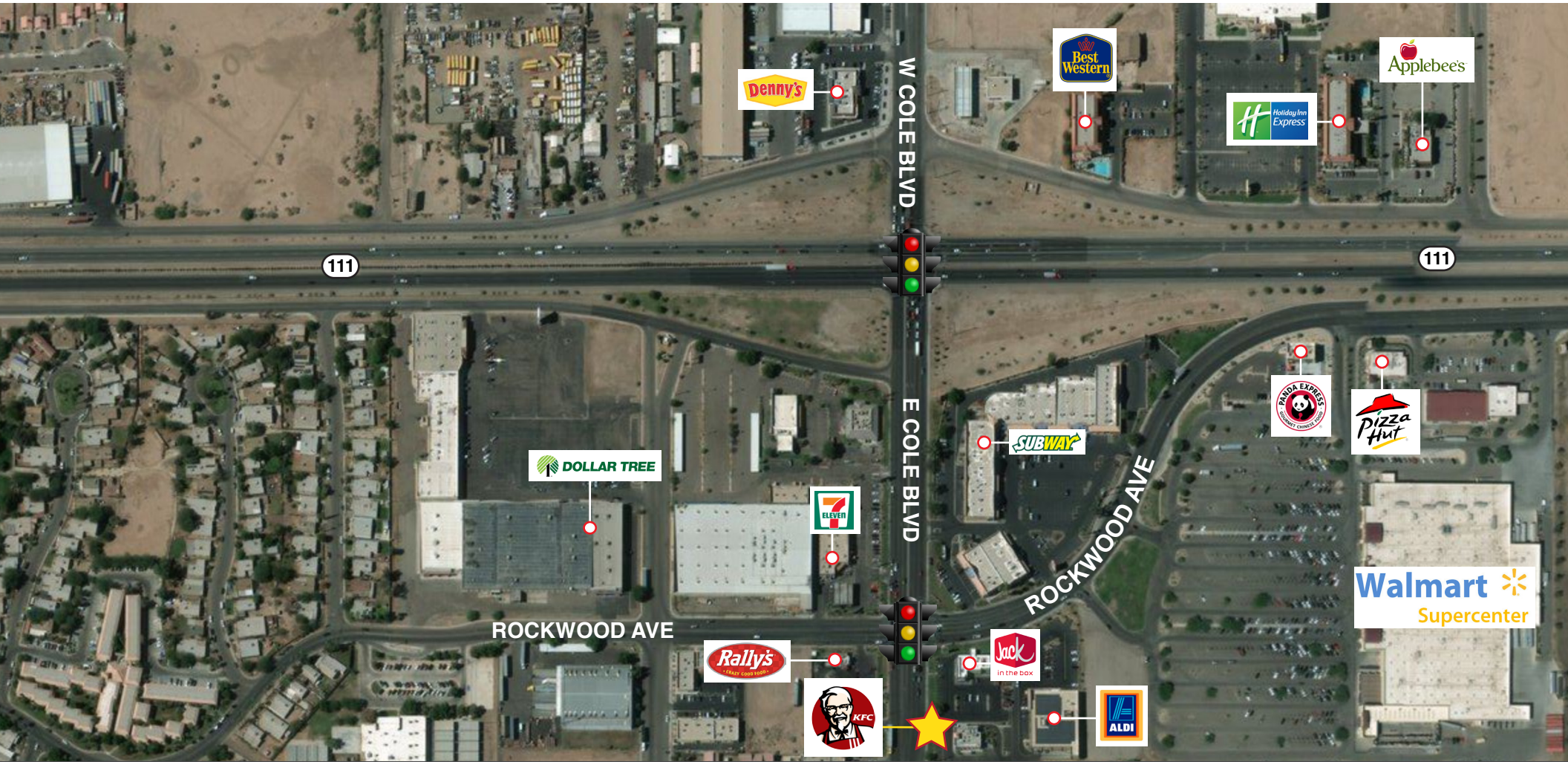
# Demographics

## POPULATION

Total Population	39,079
Total Households	9,342

## INCOME

Median Household Income	\$49,539
Average Household Income	\$56,198



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