



FOR SALE

SINGLE TENANT NET-LEASED RESTAURANT PROPERTY



16905 South Harlan Road, Lathrop, CA 95330

- ABSOLUTE TRIPLE NET LEASE
- STRONG FRANCHISEE WITH 51 LOCATIONS
- HIGH TRAFFIC LOCATION WITH 82,000 CARS PER DAY
- GREAT VISIBILITY ALONG I-5
- DRIVE THROUGH
- USE OF HIGHWAY PYLON SIGN

OFFERED AT

\$1,350,000

5.49% CAP RATE

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INVESTMENT OFFERING

PRICE	\$1,350,000	CAP RATE	5.49%
LEASE TERM	3/1/2014 to 3/1/2019	TENANT	OCAT, INC.
BUILDING	2,448 ± SQ. FEET	LOT	37,026 ± SQ. FEET

The subject offering consists of a single tenant, free-standing Taco Bell restaurant with drive-through in the City of Lathrop, California. The property has a 5-year, Triple Net Lease with one (1) 5-year option and one (1) 4-year option after the expiration of the current term. This lease has increases at the option dates in amounts based on the Consumer Price Index (CPI) for All Items, All Urban Consumers for San Francisco-Oakland, California, adjusted every five (5) years, not to exceed ten percent (10%) per adjustment. The property was originally constructed in 1994 as a Taco Bell restaurant and the current tenant, OCAT, Incorporated, initiated the original lease in March of 1994. In March of 2014 the tenant exercised its first five (5) year option.

The subject property is located in a well developed area of Lathrop, California with Interstate 5 exposure. Nearby tenants include: University of Phoenix, Lathrop Business Park, ITT Tech, High 5 Plaza, Jack in the Box, KFC, Carl's Jr, McDonald's, Wells Fargo, Quizno's, Mountain Mike's, and more,

TENANT OVERVIEW

OCAT, Incorporated (DBA Taco Bell) has consistently been one of the leading Franchisees in the Taco Bell system. OCAT, INC. has grown from a small business to a highly professional Corporation. To date, the Company consists of fifty-one (51) Taco Bell restaurants located in twenty-one (21) Central and Northern California cities.

Founded in 1967 by J. Allen Beebe, OCAT, INC. has consistently been one of the leading Franchisees in the Taco Bell system. OCAT, INC. has grown from a small business to a highly professional Corporation. To date, the Company consists of fifty-one (51) Taco Bell restaurants located in twenty-one (21) Central and Northern California cities. On October 29, 2004 the Taco Bell restaurants were sold to its Vice President/General Manager, Dave Olson.

The Company has always been aggressive when leading the way. A few of the items developed causing the Company to take the leading edge, are:

- Restaurant POS technology and communication with the home office
- Developed and opened first Taco Bell Restaurant with a "Drive-Thru"
- Pioneered and developed the "self-serve drink system" for the Taco Bell Restaurants
- Instrumental in developing architectural design and kitchen layouts for new Taco Bell Restaurants; and
- First Franchisee to open the new "K-Series" Taco Bell Restaurant.

The Company is known for striving for excellence and is always on or near the top in shoppers' contests throughout Northern California. Mr. Olson is President of the local Taco Bell advertising associations for both the Fresno and Sacramento Markets.



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LEASE SUMMARY

TENANT OCAT, Incorporation

LEASE TERM March 1, 2014 through March 1, 2019

RENEWAL Period of five (5) years and
OPTIONS one (1) period of four (4) years

LEASE TYPE Absolute Triple-Net (NNN)

RENT \$6,500 monthly / \$78,000 annually

RENT Based on CPI not to exceed 10%
INCREASES (next increase scheduled for March 1, 2019)

RENEWAL Option #1 Based on CPI not to exceed 10%
OPTION RENT Option #2 Based on CPI not to exceed 10%

EXPENSES Tenant is responsible for Payment of the Property Taxes,
Payment of the Property Insurance, and Repair and
Maintenance of the Interior and Exterior of the
Building and the Land

TENANTS
RIGHT TO
PURCHASE None



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INCOME & EXPENSE ANALYSIS

RENTAL INCOME	APPROX. SQUARE FEET	CURRENT BASE RENTS	CURRENT RENT/ SQ FT
<i>Taco Bell</i>	2,448	\$6,500	\$2.66
TOTALS	2,448	\$6,500	\$2.66
INCOME			
MONTHLY RENT		\$6,500	
ANNUAL RENT		\$78,000	
VACANCY/BAD DEBT	5.00%	(\$3,900)	
GROSS RENT		\$74,100	
NNN Recapture [1]		\$0	
TOTAL INCOME		\$74,100	
EXPENSES			
GROUND MAINTENANCE	Tenant	\$0	
INSURANCE	Tenant	\$0	
OFF-SITE MANAGEMENT	Tenant	\$0	
PROPERTY TAXES	Tenant	\$0	
LEVIES AND ASSESSMENTS	Tenant	\$0	
REPAIRS & MAINTENANCE	Tenant	\$0	
REPLACEMENTS	Tenant	\$0	
PG&E	Tenant	\$0	
WATER	Tenant	\$0	
TRASH	Tenant	\$0	
MISCELLANEOUS	Tenant	\$0	
TOTAL EXPENSES		\$0	\$0.00
NET OPERATING INCOME		\$74,100	
DEBT SERVICE		(\$56,695)	
CASH FLOW		\$17,405	
PRINCIPAL PAY-DOWN		\$18,830	
TOTAL RETURN		\$36,235	
CAP RATE		5.49%	
PRICE PER SQUARE FOOT		\$551.47	
CASH ON CASH		3.5%	
TOTAL PRE-TAX RETURN		7.2%	
PURCHASE PRICE		\$1,350,000	
DOWN PAYMENT		\$500,000	37%
PROPOSED NEW FIRST [2]		\$850,000	63%

[1] NNN with no landlord responsibility

[2] 1.3 Debt coverage ratio, 4.5% interest rate, 25 year amortization



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SUBJECT PROPERTY



SUBJECT PROPERTY
16905 South Harlan Road
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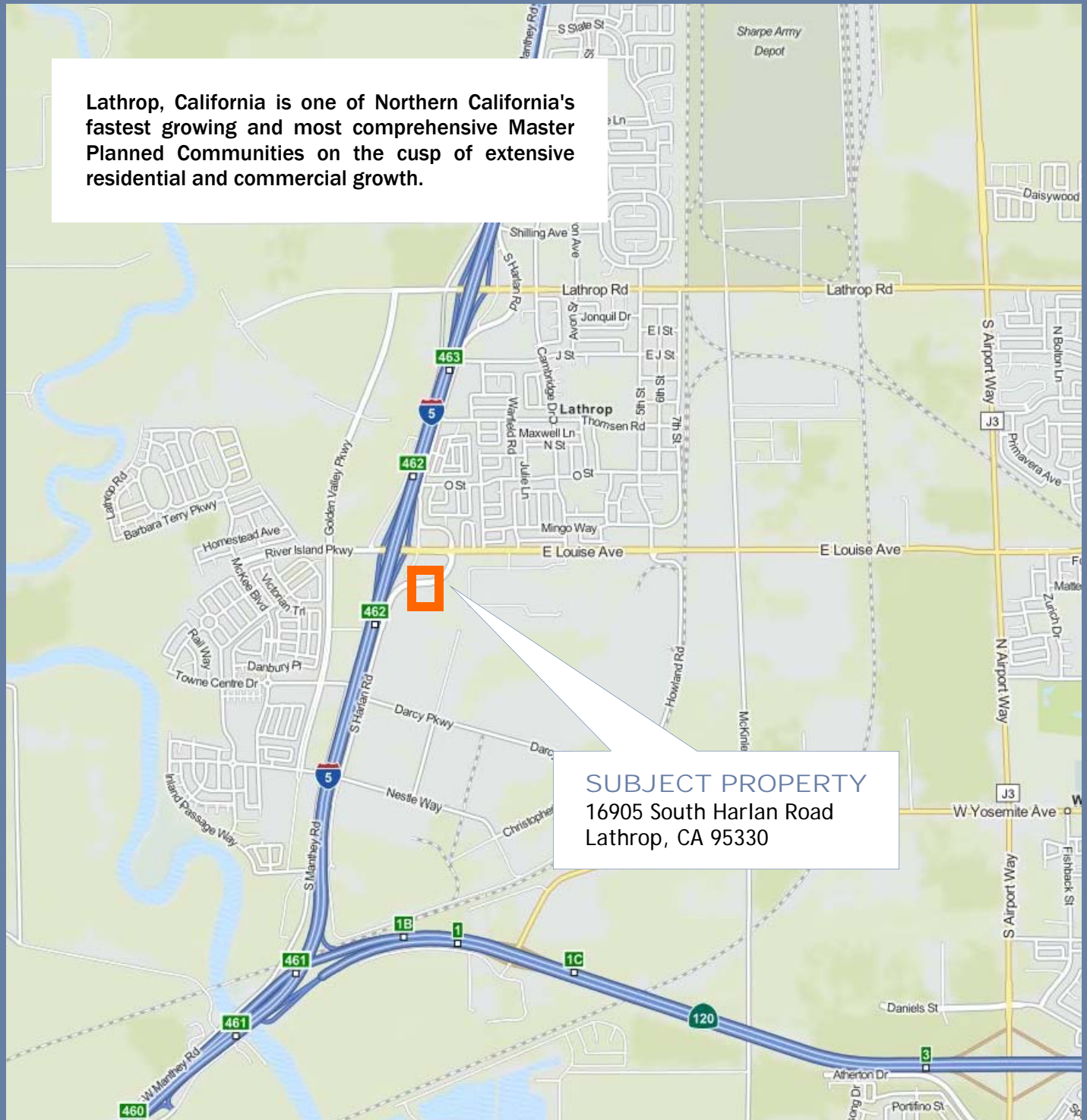


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LOCATION OVERVIEW

Lathrop, California is one of Northern California's fastest growing and most comprehensive Master Planned Communities on the cusp of extensive residential and commercial growth.



SUBJECT PROPERTY
16905 South Harlan Road
Lathrop, CA 95330



Traffic counts of 82,000 vehicles off of Highway 5

NEIGHBORING PROPERTIES

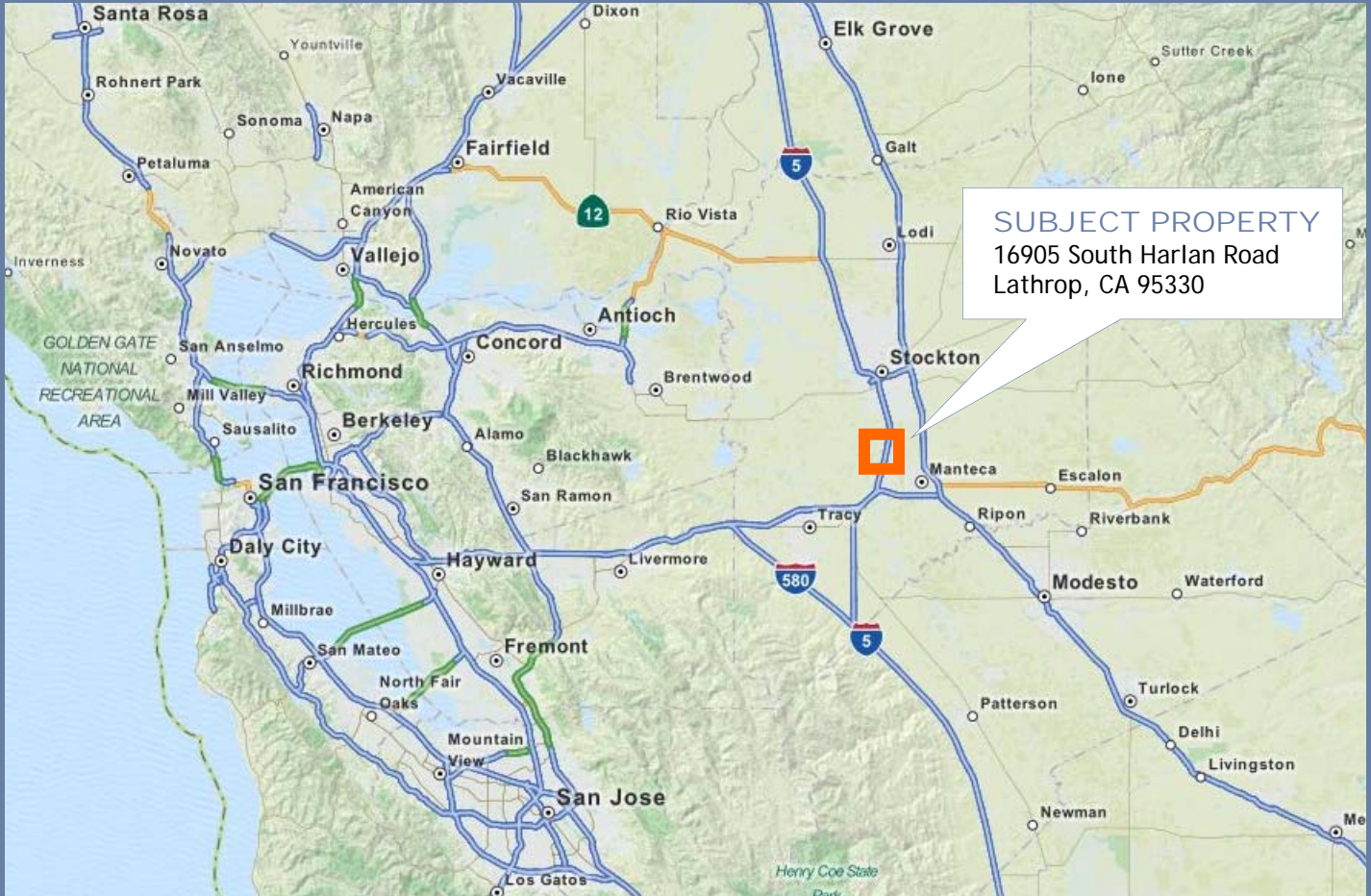


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REGIONAL MAP



Lathrop is located along Interstate 5, the major north-south freeway along the West Coast.

It is within the metro triangle bounded by the Bay Area, Stockton, and Sacramento and within 30-minutes of Tracy, Manteca, Stockton, Lodi, Livermore, and Pleasanton. It has a seven mile radius population of 105,893 and an average household income of \$63,072. It is situated between the Stockton and Tracy submarkets—all within a 20 mile radius—with a current population of nearly 750,000.

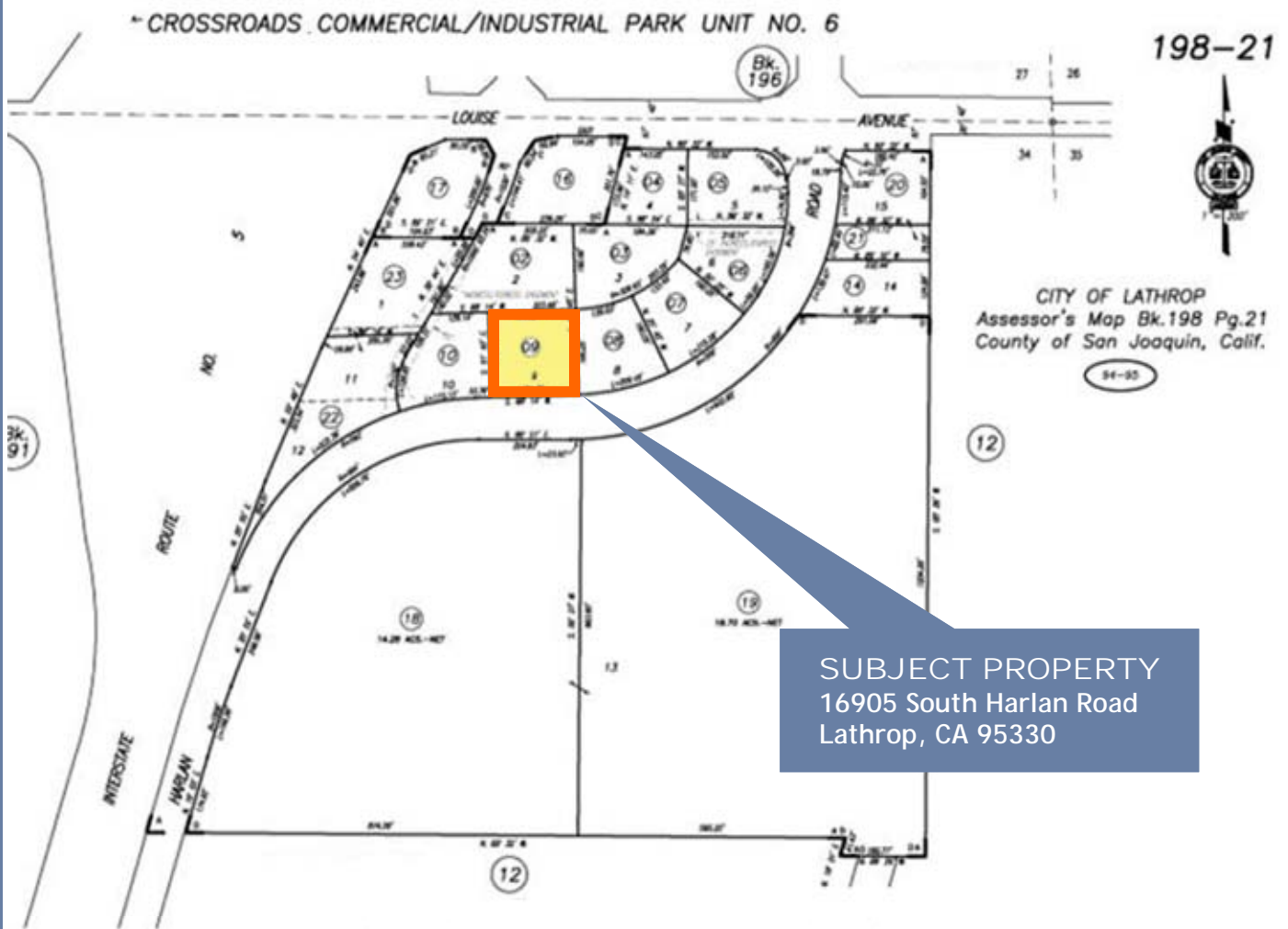
The expectation is that this number will approach 1 million within ten years.

New housing prices for an average 2,000 square foot home are in the \$450,000 to \$500,000 range with a strong demand for housing from Bay Area residents moving to affordability. Currently there are over 40,000 vehicles per day that commute over the Altamont Pass into the Bay Area for employment. In 2007 Lathrop was the sixth fastest growing city in California.



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PARCEL MAP





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DEMOGRAPHICS

**1 MILE
RADIUS**

**3 MILE
RADIUS**

**5 MILE
RADIUS**

POPULATION

2012 Male Population	6,309	16,323	42,888
2012 Female Population	6,253	16,514	42,655
2012 Total Population: Adult	8,580	22,965	60,583
2012 Total Daytime Population	8,489	27,601	82,912
2012 Total Employees	858	8,004	31,610
2012 Total Population: Median Age	31	33	33
2012 Total Population: Adult Median Age	43	45	44

RACE

2012 White alone	5,761	16,965	48,788
2012 Black or African American alone	666	1,926	4,391
2012 American Indian and Alaska Native alone	189	397	1,001
2012 Asian alone	2,056	5,419	9,020
2012 Native Hawaiian and OPI alone	105	265	510
2012 Some Other Race alone	2,930	5,601	15,960
2012 Two or More Races alone	855	2,264	5,873
2012 Hispanic	6,121	12,279	33,726
2012 Not Hispanic	6,441	20,558	51,817

HOUSEHOLDS

2012 Total Population	12,562	32,837	85,543
2012 Households	3,311	9,430	25,565
Population Change 2010-2012	284	2,486	3,633
Household Change 2010-2012	44	654	829
Population Change 2000-2012	2,720	14,253	22,896
Household Change 2000-2012	582	4,014	6,376

INCOMES

2012 Household Income: Median	\$61,418	\$71,126	\$60,658
2012 Household Income: Average	\$72,726	\$87,600	\$74,943
2012 Per Capita Income	\$19,187	\$25,178	\$23,005
2012 Household income: Less than \$10,000	100	182	848
2012 Household income: \$10,000 to \$14,999	57	317	1,150
2012 Household income: \$15,000 to \$19,999	145	249	1,006
2012 Household income: \$20,000 to \$24,999	93	448	1,161
2012 Household income: \$25,000 to \$29,999	164	397	1,089
2012 Household income: \$30,000 to \$34,999	131	277	1,172
2012 Household income: \$35,000 to \$39,999	195	401	1,388
2012 Household income: \$40,000 to \$44,999	275	424	1,304
2012 Household income: \$45,000 to \$49,999	168	467	1,330
2012 Household income: \$50,000 to \$59,999	277	648	2,197
2012 Household income: \$60,000 to \$74,999	534	1,220	3,129
2012 Household income: \$75,000 to \$99,999	462	1,423	3,494
2012 Household income: \$100,000 to \$124,999	371	1,237	3,013
2012 Household income: \$125,000 to \$149,999	155	571	1,304
2012 Household income: \$150,000 to \$199,999	114	787	1,338
2012 Household income: \$200,000 or more	70	382	642