

COLLIERS NNN GROUP EXCLUSIVE OFFERING



KFC
400 W 11TH STREET
TRACY, CA 95376

EXCLUSIVE LISTING AGENTS:

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Property Photos

PROPERTY OVERVIEW





Investment Summary



KFC has occupied this site since the building's construction in 1971. Harman Management Corporation is the franchisee operating this location.

Harman Management, one of the largest franchisees of KFC (a division of YUM! Brands), was founded by Leon Harman -- the first person to buy a franchise from the chain's founder, Colonel Sanders. The company now has more than 330 fried chicken units in California, Colorado, Utah, and Washington, along with several locations co-branded with Taco Bell, Pizza Hut, and A&W units. Harman, who ran a cafe in Salt Lake City, was awarded his franchise in 1952. He coined the name Kentucky Fried Chicken and popularized the concept of selling the chicken in a bucket.

INVESTMENT HIGHLIGHTS:

- *Absolute Triple Net Lease*
- *Zero Landlord Responsibilities*
- *Drive-Thru Lane*
- *Experienced Franchisee*
- *Lots of Future Potential*
- *New Co-Branded KFC and Long John Silver's to be Built Adjacent to Current Site*
- *KFC May Vacate in June 2011*

Yum! Brands, Inc., (NYSE: YUM) based in Louisville, Ky., is the world's largest restaurant company in terms of system restaurants with more than 37,000 restaurants in over 110 countries and territories and more than 1 million associates. Yum! is ranked #239 on the Fortune 500 List, with nearly \$11 billion in revenue in 2009. Four of their restaurant brands – KFC, Pizza Hut, Taco Bell and Long John Silver's – are the global leaders of the chicken, pizza, Mexican-style food and quick-service seafood categories.

This KFC location has been in operation for nearly 40 years. With less than one year left on the lease, KFC ***may not*** renew their lease. Instead, Harman Management may be relocating the business to a new location adjacent to the this site. Harman Management recently acquired the site and should start construction by the end of this lease, June 2011. Until then, a new owner can enjoy the rental amount of \$3,317 per month while planning for the site's future. It is also possible that Harman may want to extend their lease beyond the June 2011 expiration date.



Investment Overview

LOCATION

400 W 11th Street
Tracy, CA 95376

Price:	\$395,000
Building Square Footage:	1,920
Price/Sq. Ft.:	\$205
Cap Rate:	10.08%
Year Built:	1971
Lot Size:	18,731
Type of Ownership:	Fee Simple
A.P.N. #:	235-040-11

ANNUALIZED INCOME

<u>Rent Increases</u>	<u>Monthly Rent</u>	<u>Annual Rent</u>
Current	\$3,317	\$39,804
Rent/SF	\$1.72	\$20.73

TENANT SUMMARY

Tenant Trade Name:	KFC
Ownership:	Yum! Brands, Inc.
Tenant:	Harman Management Corp
Lease Guarantor:	Harman Management Corp
Lease Type:	Triple Net (NNN)
Initial Lease Term:	20 Years
Lease Commencement Date:	1971
Original Lease Expiration Date:	June 2011
Term Remaining on Lease:	11 Months
Rental Increases:	None
Options Remaining:	None

**KFC may not renew their lease in June 2011.*





Investment Overview



PROPERTY OVERVIEW

Property Name:	KFC
Address:	400 W 11th Street Tracy, CA 95376
Property Type:	Net Leased Fast Food
Bldg Sq. Ft.:	1,920
Franchisee:	Harman Management Corp.
Lease Guarantor:	Harman Management Corp.
Tenant Ownership:	YUM! Brands, Inc.
Ownership:	Public
Sales Volume (1/2010):	\$10,836 Billion
Net Worth:	\$1,025 Billion
Credit Rating:	B+
Rating Agency:	S&P
Stock Symbol:	NYSE: YUM
Headquartered:	Louisville, KY
No. of Locations:	37,000
Web Site:	www.yum.com

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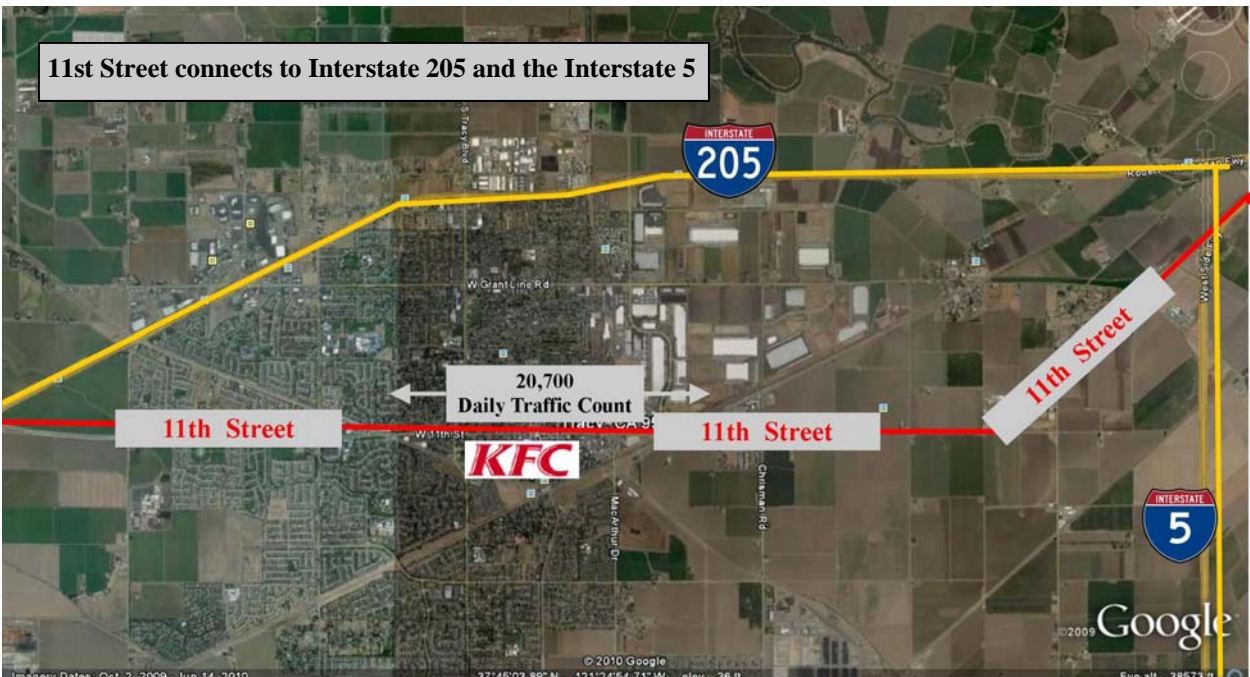
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Aerial Photo

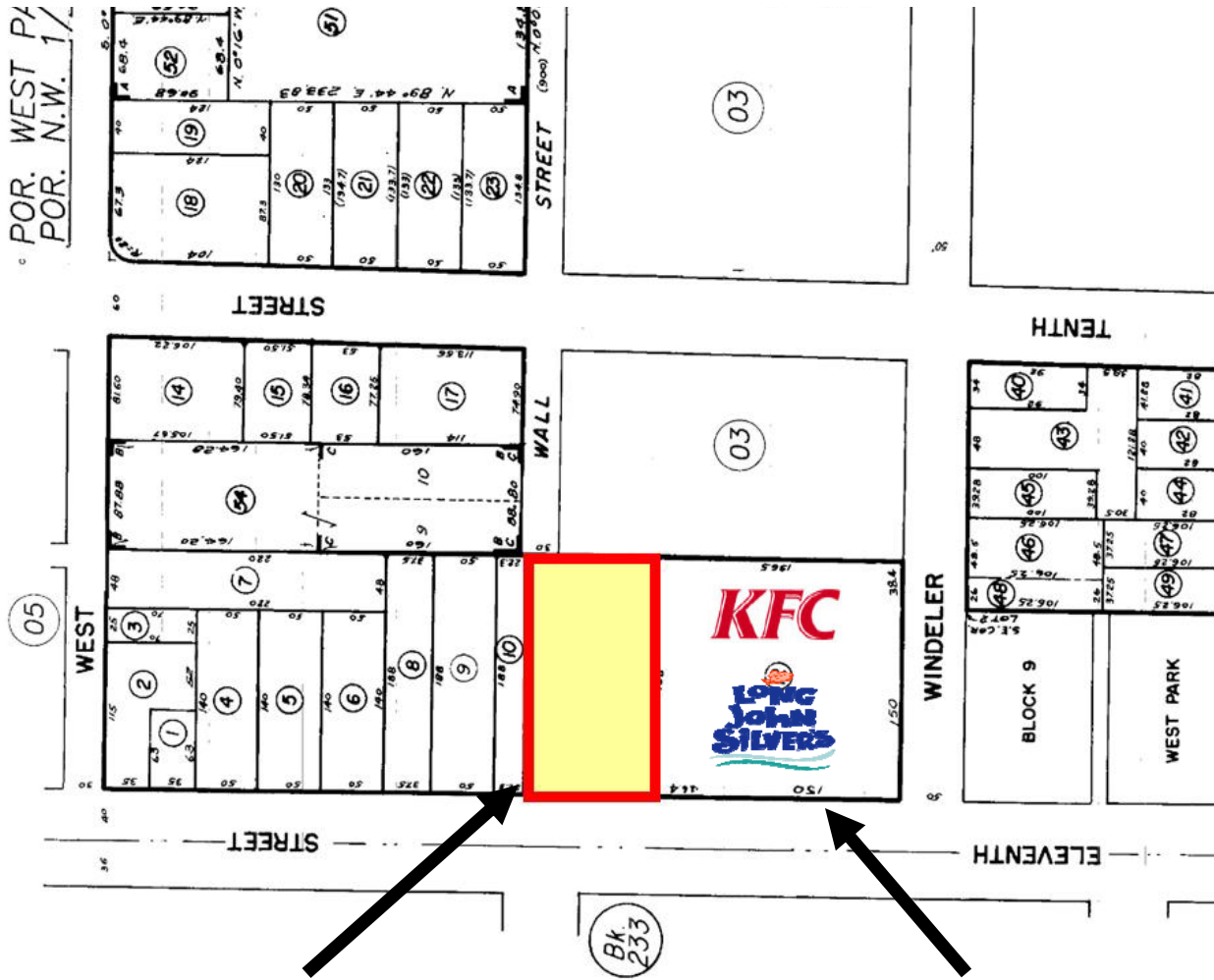


PROPERTY OVERVIEW





Parcel Map



**SUBJECT
PROPERTY**

**SITE OF NEW, CO-BRANDED KFC
AND LONG JOHN SILVER'S
FUTURE LOCATION**



Location Maps



This information has been secured from sources we believe to be reliable, but we make no representation or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies.





Location Overview



CITY OF TRACY

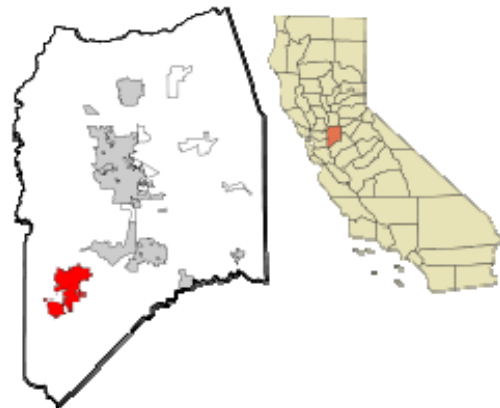
Tracy is located in California's Central Valley. With a short distance from the San Francisco Bay Area, Tracy is the first Central Valley city that Bay Area travelers are introduced to when crossing over the Diablo Mountain Range, via the Altamont Pass. Tracy is conveniently located just an hour from San Francisco, San Jose and Sacramento.



Incorporated in 1910, Tracy grew rapidly and prospered as an agricultural area. In the 1980's, Tracy experienced a tremendous growth spurt as people migrated to the city looking for a more affordable alternative to Bay Area home prices.

The origins of Tracy are related to the mid-19th century construction of Central Pacific Railroad lines running from Sacramento through Stockton and to the San Francisco Bay Area. A number of small communities sprang up along these lines, including Tracy who was named after the railroad director, Lathrop J. Tracy.

Today, Tracy is home to over 89,000 residents within a 5 mile radius from the subject property. Tracy's recent residential popularity can be attributed to many factors such as; its closeness to the San Francisco Bay Area; access to Interstate 205 which connects to Interstate 580 to the west and Interstate 5 to the east, making these three Interstates forming a triangle around much of the city.





Demographic Survey

POPULATION	1-Mile	3-Mile	5-Mile
2014 Projection	15,515	97,311	104,642
2009 Estimate	14,158	84,903	91,353
2000 Census	12,649	58,641	62,924
Projected Growth 2009-2014	9.6%	14.6%	14.5%

2009 ESTIMATED HOUSEHOLDS BY INCOME	1-Mile	3-Mile	5-Mile
\$500,000 or more	13.27%	5.72%	5.60%
\$250,000 to \$499,999	11.69%	5.27%	5.26%
\$150,000 to \$249,999	12.52%	5.85%	5.75%
\$100,000 to \$149,999	11.95%	8.67%	8.56%
\$75,000 to \$99,999	19.13%	17.12%	16.93%
\$50,000 to \$74,999	12.85%	17.36%	17.34%
\$35,000 to \$49,999	8.01%	14.67%	14.73%
\$25,000 to \$34,999	3.87%	9.84%	10.07%
\$15,000 to \$24,999	4.75%	9.99%	10.17%
\$15,000 or less	1.82%	4.81%	4.89%

INCOME	1-Mile	3-Mile	5-Mile
2009 Est. Average HH Income	\$64,192	\$98,389	\$99,166
2009 Est. Median HH Income	\$50,786	\$85,621	\$86,394
2009 Est. Income per Capita	\$20,830	\$29,462	\$29,596

KFC
TRACY, CA



Contact Information

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