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EXECUTIVE SUMMARY /ECONOMICS

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Caliber Collision occupies a distinct, highly improved facility at 9141 Elkmont Way, Elk Grove, CA 95624. This facility is Caliber's designated Geico Repair Shop and their exclusive "recommended" repair shop for Geico customers.

The Tenant will sign a new full twelve (12) year lease commencing at Close of Escrow. The rent shall be at the rate being paid at Close of Escrow. The Tenant is currently paying $24,344 per month NNN (Tenant pays all expenses except structural repairs, roof maintenance, and increases in property taxes) and includes generous 2.5% annual increases. At close of escrow, the property taxes will be capped at the rate then being paid, and the Buyer would be responsible for any increases in property taxes above the cap.

The asset is being offered for sale at $4,950,000 (approximately $177 per rsf) representing an initial unleveraged Capitalization Rate of 5.40% and a leveraged year one cash on cash return of 6.50% including principal paydown (assuming 60% LTV, 4.75% interest Rate and 25-year amortization). The annual 2.5% rent increases provide an investor with a 9.58% (average) cash on cash return over 12 years and a 13.20% cash on cash return in the 12th year.

Offering Price:	$4,950,000
Price per square foot:	$176.79
Building Area:	28,000
Scheduled Monthly Income:	$24,344
per square foot	$0.87
Net Operating Income – Actual:	$267,346
per square foot	$9.55
Annual Rent Increases:	2.5%
Lease Type:	NNN
Lease Term:	12 years
Commencement Date:	Close of Escrow
Tenant Renewal Options:	2 periods for 5 yrs each
Cap Rate Year 1:	5.40%
Cap Rate Year 12:	7.24%
Estimated Annual Debt Service:	$203,190
Pre-Tax Cash Flow:	$128,686
Initial Cash-on-Cash Return (including Principal pay down):	6.50%

Prospective Financing

Type	Fixed rate
Interest Rate	4.75%
Principal Amount @ 60% LTV	$2,970,000
Down Payment	$1,980,000
Amortization	25 years
Estimated Annual Payment	$203,190

INVESTMENT HIGHLIGHTS

- 100 percent triple-net leased industrial building
- 12 year lease term with multi-billion dollar corporation
- Excellent passive income investment opportunity
- Easy freeway access: less than a mile to Highway 99 off ramp
- Proximity to Elk Grove's primary business corridors
- Affluent community: Elk Grove's average annual household income is more than $104,000
- High-growth market: Elk Grove's population has more than doubled since 2000, one of the fastest growing cities in the Sacramento region

PROPERTY DESCRIPTION

Address: 9141 Elkmont Way, Elk Grove, CA 95624
County: Sacramento
Parcel Number: 134-0630-038-0000
Building Size: 28,000 square feet
Office Space: 4,000 square feet
Occupancy: 100%
Construction Type: Concrete with steel beam reinforcement
Ceiling Height: 28 feet
Fire Suppression: Fully-sprinklered
Loading: 7 grade-level doors
Parking: 95 surface stalls
Roof: TPO roof membrane system, 60 mil., installed 2017
Mechanical: 3 rooftop HVAC package units (3-Ton 4-Ton & 5-Ton)
Power: 1,600 amps
Land Area: 2.52 acres (109,771 square feet)
Zoning: LI – Light Industrial
Year Built: 1991

The Subject Property is a 28,000 square foot facility situated on a very large parcel of approximately 2.5 acres providing the tenant with an abundance of parking making this facility ideally suited for automotive repair. The property is constructed of tilt up concrete walls with 28 foot clear height ceilings and generous power. The facility consists of approximately 24,000 square feet of warehouse with 4,000 square feet of office space. Recently, the property underwent capital improvements, including a new roof installed in October 2017 by the Tenant, per the lease agreement.

The Subject Property functions as full service automotive repair shops inclusive of expensive, affixed, high-end improvements, including:

- Two (2) Spraybake paint booths with grated floor ventilation systems
- One (1) ventilating paint booth
- Two (2) paint mixing rooms
- Bananza direct-fired air handler for HVAC
- Centralized turbine vacuum system
- Grease and sand separator
- Car washing area under metal awning
- Above ground waste water clarification system
- Linear trench drain and pump

THE TENANT

Caliber Collision Centers, Inc. is the largest collision repair company in America, delivering $2.5 Billion in revenue this past fiscal year (estimate). Caliber is the leading provider of vehicle repair services, specializing in collision repair, paintless dent removal, auto glass repair and replacement, diagnostic scanning, calibration services, on-site car rentals, towing, and online estimates. Through state-of-the-art technology, extensive training, and the broadest network of OEM-certified locations in the U.S. Caliber is consistently ranked among the highest customer satisfaction scores in the industry and backs all repair work with a written, lifetime warranty available at any of its repair centers. Caliber Collision Centers Inc. was founded in 1997 and is based in Lewisville, Texas.

History

The Subject Property has been occupied by Cooks Collision since 2013. In October 2018, ABRA Auto Body & Glass LP finalized its acquisition of Cooks Collision and its 39 locations in Northern California and Southern California. Cooks was founded in 1979 and is based in Roseville, CA. Cooks is the largest family-owned collision repair company in the country, with four generations of family business operators. Founded in 1984 as Auto Body Refinishers of America, ABRA is based in Brooklyn Park, Minnesta and has grown rapidly to generate $2.3 Billion in annual revenue (estimated).

Subsequently after ABRA's acquisition of Cooks, it was announced that ABRA will merge with Caliber Collision and be operated under the Caliber brand, led by existing Caliber CEO Steve Grimshaw. Combined, Caliber and ABRA will have more than 1,000 stores in 39 states, including over 800 I-CAR Gold Class Professional certified collision repair centers. Caliber and ABRA plan to maintain all existing centers from both companies as they generate growth, offer expanded services, drive operational excellence and continue to dominate the $40 billion U.S. collision-repair industry.

CALIBER COLLISION

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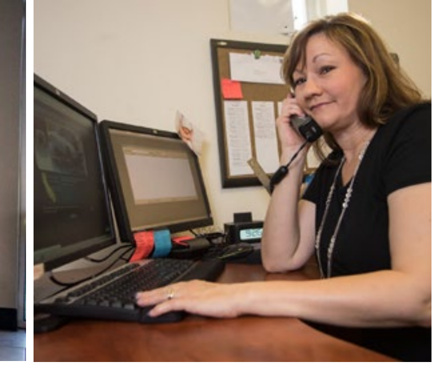



AREA OVERVIEW/ INDUSTRIAL MARKET

The Subject Property benefits from outstanding location within the Elk Grove Submarket. One mile from the property is the on-ramp for Highway 99, providing convenient access to Downtown Sacramento, Sacramento International Airport, rail lines, and two ports.

Elk Grove is located in Sacramento County roughly 10-miles south of the California State Capital. Elk Grove is the second largest city in Sacramento County with a population of more than 173,700 residents over 42 square miles. Elk Grove was considered the Fastest Growing City in the United States in 2004-2005 – growing in residents, schools, and businesses into a flourishing community that keeps its small town roots. By 2023 it is estimated there will be 181,050 people living in Elk Grove.

There are an estimated 53,618 households within the city limits. With an average of 2.0 cars per household in Elk Grove, there are over 88,610 personal vehicles within a 5 mile radius of the Subject Property. The average household income is $89,197.

Elk Grove is known for an award winning school district, a variety of outstanding restaurants, a historical district, and first-rate parks. Elk Grove has a prosperous business community that boasts a diversity of shops, services, and promising careers. Currently, Elk Grove is home to 3,000 businesses and nearly 29,000 employees contribute to the service and economical growth of the Elk Grove Community.

Demand for industrial space is strong, reaching record numbers in the greater Sacramento region. The vacancy rate has declined to 4.8 percent, a new all-time low for the metropolitan area. Annual net absorption, the difference in square footage between move-ins and move-outs, averaged 3.77 million square feet from 2015 to 2017, and reached an all-time high of 4.92 million square feet in 2017. In Elk Grove, the industrial vacancy rate is even lower at 4.0 percent, and net absorption over the last months reached 133,302 square feet.

Preliminary numbers indicate 2.78 million square feet of net absorption was recorded in the first two quarters of 2018. Should that pace continue in the second half of the year, net absorption in greater Sacramento will top 5 million square feet and register a new region-high for the second year in a row.

Economic conditions remain strong in greater Sacramento. The unemployment rate is a low 3.9 percent, virtually matching the national mark, and healthy employment gains have been posted recently in industrial-using sectors, including manufacturing, and trade, transportation and utilities.

Inventory of available industrial space is extremely tight, and there is virtually no new construction in Elk Grove. The region is projected to continue to see industrial occupancy gains and a new annual high for net absorption. As a result, industrial users have few, if any, options to relocate, providing industrial landlords with firm stability of their investments.

ECONOMICS / NEARBY AMENITIES

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	12 Year Average
Square Feet	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000
Rent/RSF	$0.87	$0.89	$0.91	$0.94	$0.96	$0.98	$1.01	$1.03	$1.06	$1.09	$1.11	$1.14	$1.00
Monthly Rental Income	$24,344	$24,953	$25,577	$26,216	$26,872	$27,544	$28,232	$28,938	$29,661	$30,403	$31,163	$31,942	$27,987.12
Annual Rental Income	$292,134	$299,437	$306,923	$314,596	$322,461	$330,522	$338,785	$347,255	$355,936	$364,835	$373,955.76	$383,305	$335,845.43
Operating Expenses	$(24,787)	$(24,787)	$(24,787)	$(24,787)	$(24,787)	$(24,787)	$(24,787)	$(24,787)	$(24,787)	$(24,787)	$(24,787)	$(24,787)	$(24,787.48)
Net Operating Income	$267,346	$274,650	$282,135	$289,808	$297,673	$305,735	$313,998	$322,468	$331,149	$340,047	$349,168	$358,517	$311,057.95
Purchase Price	$4,950,000	$4,950,000	$4,950,000	$4,950,000	$4,950,000	$4,950,000	$4,950,000	$4,950,000	$4,950,000	$4,950,000	$4,950,000	$4,950,000	$4,950,000
Stabilization Cost	$-	$-	$-		$-	$-	$-	$-	$-	$-	$-	$-	$-
Total Investment	$4,950,000	$4,950,000	$4,950,000	$4,950,000	$4,950,000	$4,950,000	$4,950,000	$4,950,000	$4,950,000	$4,950,000	$4,950,000	$4,950,000	$4,950,000
Non-Leveraged Return	5.40%	5.55%	5.70%	5.85%	6.01%	6.18%	6.34%	6.51%	6.69%	6.87%	7.05%	7.24%	6.28%
Loan Amount (60%)	$2,970,000	$2,905,471	$2,841,815	$2,774,771	$2,704,172	$2,629,847	$2,551,615	$2,469,286	$2,382,661	$2,291,532	$2,195,680	$2,195,680	$2,576,044
Annual Payment	$203,190	$203,190	$203,190	$203,190	$203,190	$203,190	$203,190	$203,190	$203,190	$203,190	$203,190	$203,190	$203,190
Cumulative Annual Interest (4.75%)	$138,660	$139,534	$136,145	$132,591	$128,865	$124,958	$120,861	$116,565	$112,061	$107,338	$102,385	$97,193	$121,430
Principal Paydown	$64,529	$63,655	$67,045	$70,598	$74,325	$78,232	$82,329	$86,625	$91,129	$95,852	$100,805	$105,997	$81,760
Passed Thru Income	$64,156	$71,460	$78,946	$86,619	$94,484	$102,545	$110,808	$119,278	$127,959	$136,858	$145,978	$155,327	$107,868
Cumulative Cash Return (NOI - Debt Service + Principal Paydown)	$128,686	$135,115	$145,990	$157,217	$168,808	$180,777	$193,137	$205,903	$219,088	$232,710	$246,783	$261,325	$189,628
Equity Position (Total Initial Investment)	$1,980,000	$1,980,000	$1,980,000	$1,980,000	$1,980,000	$1,980,000	$1,980,000	$1,980,000	$1,980,000	$1,980,000	$1,980,000	$1,980,000	$1,980,000
Cash on Cash Return	**6.50%**	**6.82%**	**7.37%**	**7.94%**	**8.53%**	**9.13%**	**9.75%**	**10.40%**	**11.07%**	**11.75%**	**12.46%**	**13.20%**	**9.58%**

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