

OFFERING MEMORANDUM

Elk Grove Village

Elk Grove, CA

FOUR BUILDINGS ON THREE PARCELS

\$6,000,000

Listed Exclusively by:



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INVESTMENT HIGHLIGHTS

- First major retail stop for northbound traffic on Hwy 99
- 100% Occupied
- Three separate parcels offer flexibility in ownership and exit strategies
- Affluent Trade Area of Approximately 80,000 people with average income of \$88,900 within 3 miles
- Elk Grove is the second largest city in the Sacramento Metro Area

Elk Grove Village is a Big Lots and CVS anchored neighborhood center located at the intersection of Elk Grove Blvd and State Hwy 99 in Elk Grove. The offering portion includes four buildings on three parcels, allowing the value-add investor flexibility in retention and exit strategies.

Elk Grove Village has excellent visibility from the heavily traveled, six-lane Highway 99 with an average traffic count of 98,000 vehicles per day at this intersection with Elk Grove Blvd. Other large draws at this same intersection are Laguna 99 Plaza (Wal-Mart) and the Elk Grove AutoMall.

OFFERING SUMMARY

Address 8535, 8549, 8587,

8591 Elk Grove Blvd, Elk Grove, CA 95624

APN (Sacramento County) 125-0390-008, 010,

013, and 019

Price \$6,000,000

2012 NOI (Proforma) \$702,787 **Cap Rate (Proforma)** 11.7%

2012 NOI (In-Place) \$683,917 **Cap Rate (In-Place)** 11.4%

Gross Leasable Area ± 30,130 SF

Land Area Included ± 89,995 SF

(± 2.066 ac)

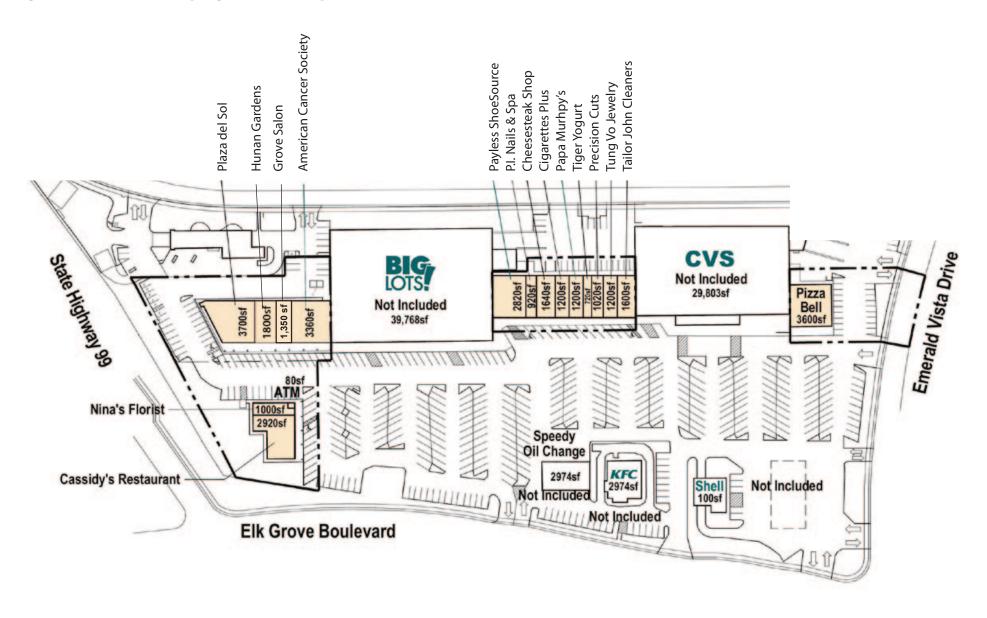
Year Built c. 1986

Existing Debt\$1,843,591PrepaymentDefeasance

See Page 5



SITE PLAN - ELK GROVE VILLAGE





RENT ROLL - ELK GROVE VILLAGE

				Term			Rent			eases	
Suite	Tenant Name	± Size	Share	Start	End	Annual	Monthly	\$/SF	On	То	Comments
2	Plaza Del Sol	3,700	12.3%	Aug-08	Jul-13	\$71,040	\$5,920	\$1.60	Aug-12	\$6,105	Tenant since March 1998
6	Hunan Garden	1,800	6.0%	Oct-10	May-16	\$38,934	\$3,245	\$1.80	Jun-13 Annually	\$3,245 3%	
8	Grove Salon	1,350	4.5%	Sep-11	Mar-16	\$20,250	\$1,688	\$1.25	Apr-14 Annually	\$1,738 3%	
14	American Cancer Society	3,360	11.2%	Mar-92	MTM	\$60,480	\$5,040	\$1.50	N	/A	Assumed to renew at reduced rent of \$1.50
24	Payless ShoeSource	2,820	9.4%	Dec-86	Jul-13	\$82,441	\$6,870	\$2.44	Aug-12	\$7,145	
26	PI Nail & Spa	920	3.1%	Apr-90	Feb-17	\$19,320	\$1,610	\$1.75	Mar-13 Annually	\$1,658 3%	New lease at reduced rent (shown here)
28	Cheesesteak Shop	1,640	5.4%	Oct-08	Jul-15	\$26,486	\$2,207	\$1.35	Aug-12 Annually	\$2,408 3%	Term extended and rent reduced in August 2011
30	Cigarettes Plus	1,200	4.0%	Oct-95	Apr-21	\$31,209	\$2,601	\$2.17	May-13 Annually	\$2,679 3%	
32	Papa Murphy's	1,200	4.0%	Feb-95	May-15	\$37,670	\$3,139	\$2.62	Jun-13 Annually	\$3,233 3%	
34	Tigers Yogurt	720	2.4%	Aug-02	Sep-12	\$26,389	\$2,199	\$3.05	N	/A	
36	Precision Cuts	1,020	3.4%	Oct-04	Nov-14	\$28,366	\$2,364	\$2.32	Dec-12 Annually	\$2,435 3%	
38	Le's Custom Jewelery	1,200	4.0%	Jun-12	Dec-17	\$21,600	\$1,800	\$1.50	Dec-13 Annually	\$1,872 4%	1, 5-yr option at \$21.90 + 4% annually
40	Tailor John Cleaners	1,600	5.3%	Jul-95	Sep-15	\$39,529	\$3,294	\$2.06		-	
50	Pizza Bell	3,600	11.9%	Jun-86	Sep-17	\$64,800	\$5,400	\$1.50	Oct-13 Annually	\$5,562 3%	New lease with fmr manager in May 2012
66	Cassidy's Restaurant	2,920	9.7%	Jan-09	May-14	\$65,055	\$5,421	\$1.86	Jun-13 Annually	\$5,584 3%	
68	Nina's Flowers and Gift	1,000	3.3%	Jan-87	Dec-16	\$28,000	\$2,333	\$2.33	Jan-13 Annually	\$2,403 3%	
70	Golden 1 Credit Union (ATM)	80	0.3%	Jul-87	MTM	\$10,800	\$900	\$11.25		-	MTM since Dec. 2006
	Subtotal Occupied	30,130	100.0%			\$672,369	\$56,031	\$1.92	Avg. In-Place		
	TOTAL SITE	30,130									



FINANCIAL SUMMARY - ELK GROVE VILLAGE

Valuation Summary - 2013	In-Place	_	Static Proforma		
Min. Rent, Leased Reimbursements, Leased	30,130 SF -	662,037 308,152	_	674,987 ¹ 314,590	
Effective Gross Income		\$970,189		\$989,577	
Expenses					
Common Area Charges		186,554		186,554 4	
Property Taxes	(Est.)	62,375		62,375 ⁵	
Insurance	\$0.35/SF/Yr	10,862		10,862 ⁶	
Mgmt Fees	4% _	26,481	4%	26,999 ⁷	
Total Expenses	_	(286,272)	-	(286,790)	
Net Operating Income		\$683,917		\$702,787	

Footnotes

- 1 Grosses up downtime at market rent \$1.50; assumes Tiger Yogurt renews at \$2.00 and American Cancer Society renegotiates at \$1.50
- 2 Assumes Suite 14 leased at \$1.50 NNN
- 3 No Exclusions
- 4 3Q2010 Common Area Costs annualized and inflated by 3%
- 5 Reassessed at 2011/12 millage rate of 1.0192%
- 6 Estimated Property Policy of \$0.20/sf/yr and GL Policy of \$0.15/sf/yr
- 7 Tenants pay admin fees on CAM in addition to Mgmt Fee reimbursement

DEBT SUMMARY

Note Holder LaSalle Bank NA

Origination March, 2004

Term 20 Years

Amortization 20 Years

Original Principal \$2,500,000

Remaining Principal \$1,843,591

(March 2012)

Interest Rate 5.99%

Debt Service Annually \$214,756

Monthly \$17,896

Assumable Yes

Prepayable Defeasance

CASH FLOW - ELK GROVE VILLAGE

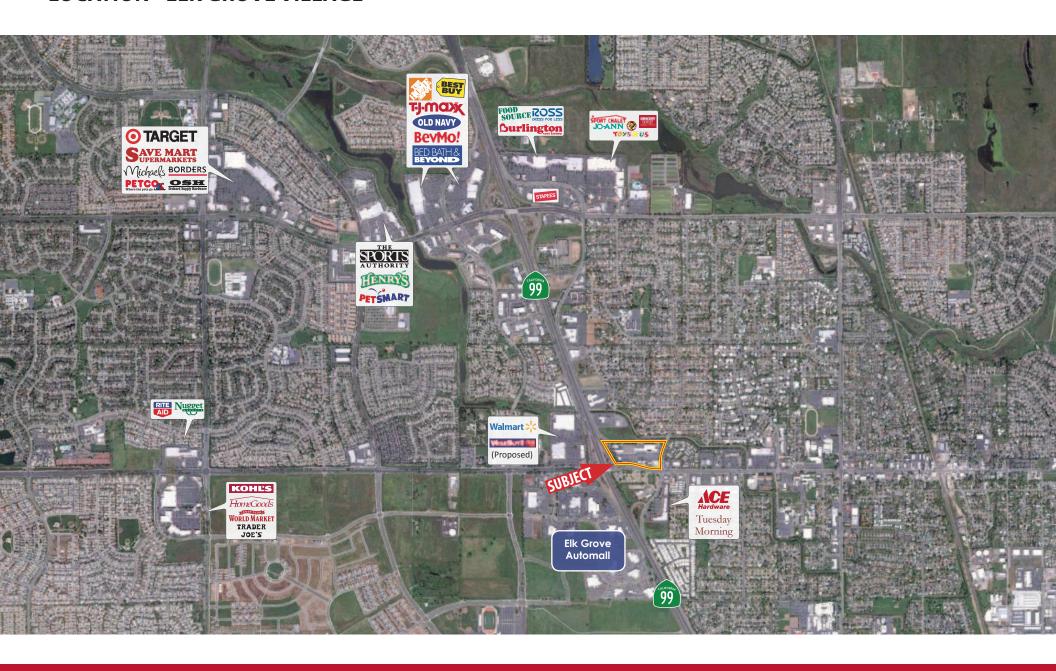
For the Years Ending		Year 1 Dec-2013	Year 2 Dec-2014	Year 3 Dec-2015	Year 4 Dec-2016	Year 5 Dec-2017	Year 6 Dec-2018	
Potential Gross Revenue								
Scheduled Base Rental Reve	662,037	651,033	640,565	645,257	626,728	621,748		
Total Reimbursement Reven	308,152	311,190	322,417	336,955	335,551	342,900		
Total Potential Gross Revenue	970,189	962,223	962,982	982,212	962,279	964,648		
General Vacancy Factor	5%	5%	5%	5%	5%	5%		
(after downtime)		(37,964)	(28,760)	(33,618)	(41,733)	(25,224)	(21,929)	
Effective Gross Revenue		932,225	933,463	929,364	940,479	937,055	942,719	
Operating Expenses								
Common Areas		186,554	192,150	197,915	203,852	209,968	216,267	
Insurance		10,862	11,188	11,524	11,869	12,225	12,592	
Property Taxes		62,375	63,623	64,895	66,193	67,517	68,867	
Management Fee		27,967	28,004	27,881	28,214	28,112	28,282	
Total Operating Expenses	_	287,758	294,965	302,215	310,128	317,822	326,008	
Net Operating Income		644,467	638,498	627,149	630,351	619,233	616,711	
Leasing & Capital Costs								
Leasing Costs		13,948	24,159	21,633	8,157	28,877		
Capital Reserves		3,103	3,196	3,292	3,391	3,493		
Total Leasing & Capital Costs		(17,051)	(27,355)	(24,925)	(11,548)	(32,370)		
Acquisition & Disposition	6,000,000					7,708,888	8.0%	Reversion Cap Rate
						(231,267)	3.0%	Cost of Sale
Cash Flow Before Debt	(6,000,000)	627,416	611,143	602,224	618,803	8,064,484	13.9%	Unleveraged IRR
Debt Service								
Balance 1,745,537 (a		s of 1/1/13)				1,104,988		
Interest Payments		101,481	94,507	87,103	79,243	70,899		
Principal Payments		113,275	120,250	127,654	135,513	143,857		
Total Debt Service		(214,756)	(214,757)	(214,757)	(214,756)	(1,319,744)		
Pre-Tax Cash Flow (4,254,463)		412,660	396,386	387,467	404,047	6,744,740	16.5%	Leveraged IRR



LOCATION - ELK GROVE VILLAGE Sacramento est Sacramento Granite Park Hidden Valley Lake Citrus Heights North Woodland Folsom Highlands 505 oFair Oaks Parkway Carmichael Sacramento Rancho Winters Cordova Florin anta Rosa Dixon Vacaville Rohnert-Napa Park S River Rd (99) Fairfield Laguna West Retaluma Clarksburg Vallejo Lodi (37) Lockeford Novato San Pablo Poppy Ridge Rd Bay Pittsburg Martinez oConcord San Rafael oStock Pleasant Hill O **DEMOGRAPHICS** Richmond Distance 1 mi 3 mi 5 mi oBerkeley OM Estimated 2011 Population 222,770 10,600 79,440 San **Oakland** o Tracy Daytime Pop. (Employees) 6,640 22,440 41,290 Francisco Dublin Median Household Income \$73,120 \$79,560 \$78,680 Daly Cityo Average Household Income \$83,100 \$86,670 \$86,720 Median Age 34.3 33.7 33.7



LOCATION - ELK GROVE VILLAGE



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