

(NAP)

**BIG
LOTS!**
(NAP)

CVS
pharmacy
(NAP)

(NAP) 
(NAP)


Shell
(NAP)

ELK GROVE BVD

OFFERING MEMORANDUM

Listed Exclusively by:

Elk Grove Village

Elk Grove, CA

FOUR BUILDINGS ON THREE PARCELS

\$6,000,000

CORE

COMMERCIAL

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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	\$1,843,591
Prepayment	Defeasance See Page 5



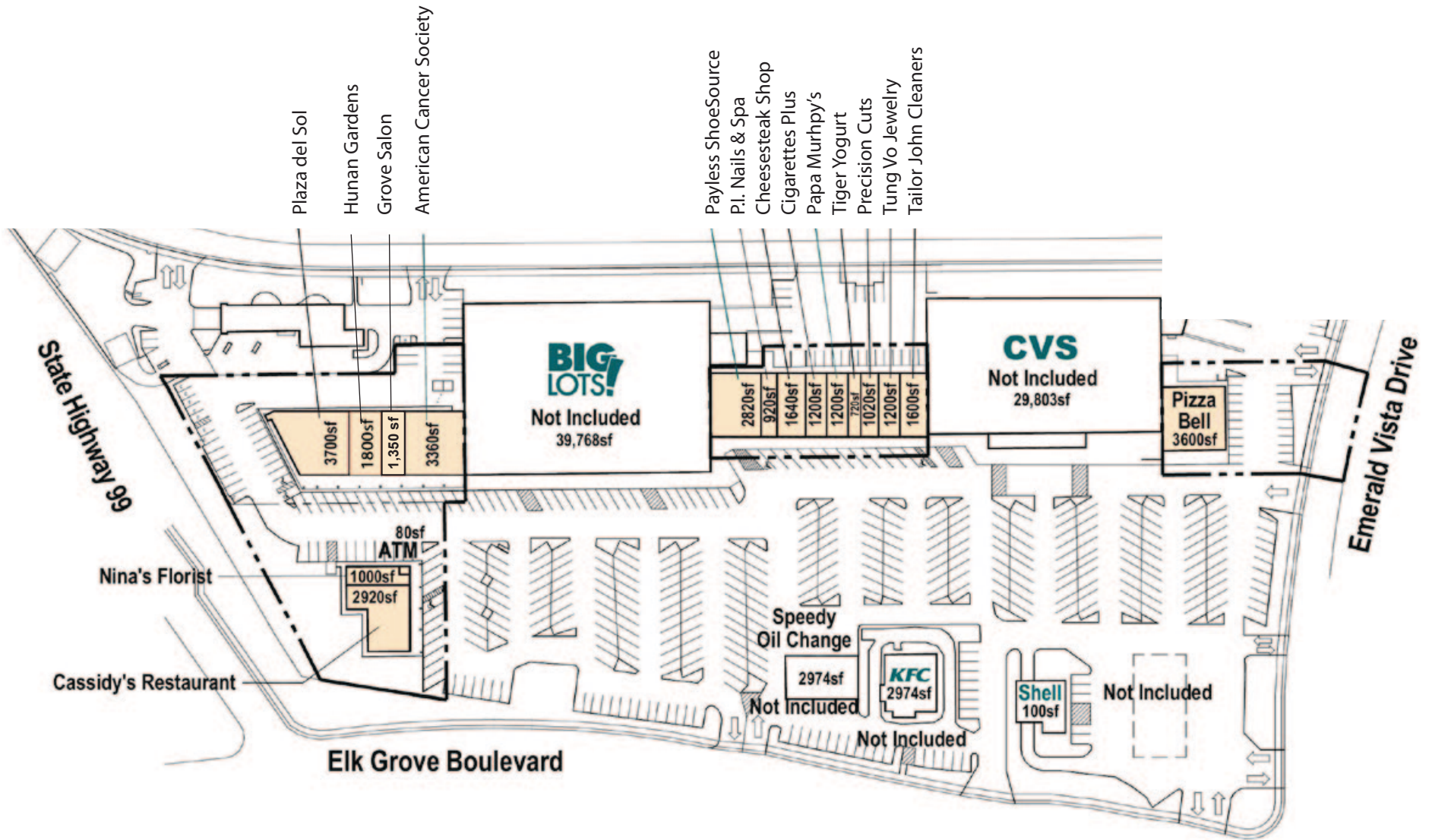
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SITE PLAN - ELK GROVE VILLAGE



RENT ROLL - ELK GROVE VILLAGE

Suite	Tenant Name	± Size	Share	Term		Rent			Increases		Comments
				Start	End	Annual	Monthly	\$/SF	On	To	
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 Jewellery	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	30,130 SF	662,037	674,987 ¹
Reimbursements, Leased		308,152	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	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

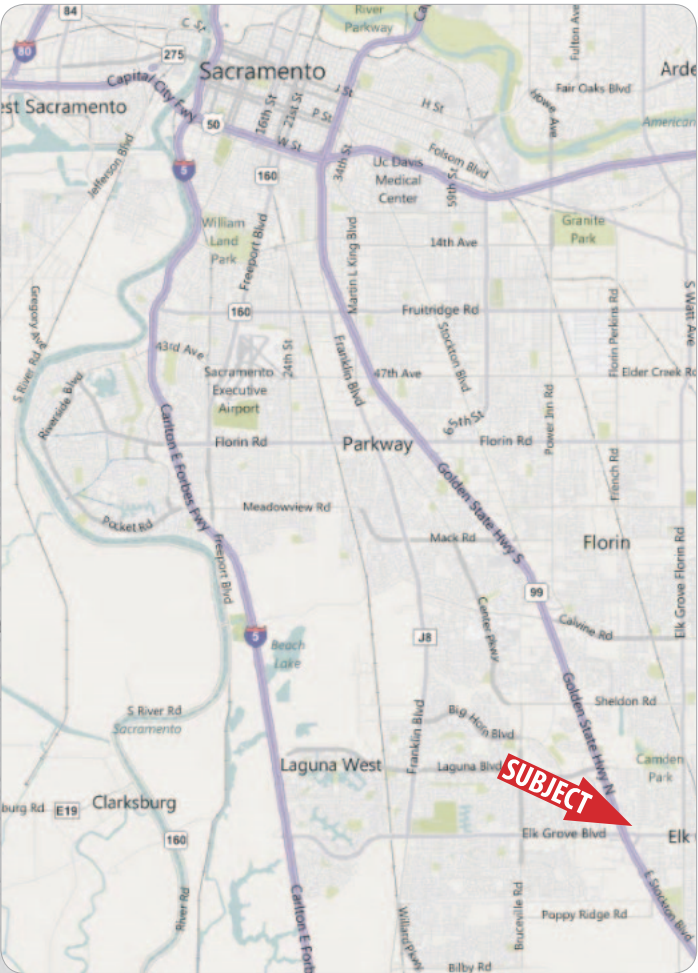
DEBT SUMMARY

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 Revenue	662,037	651,033	640,565	645,257	626,728	621,748		
Total Reimbursement Revenue	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 (after downtime)	5%	5%	5%	5%	5%	5%		
	(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	<i>(as of 1/1/13)</i>			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



Distance	1 mi	3 mi	5 mi
Estimated 2011 Population	10,600	79,440	222,770
Daytime Pop. (Employees)	6,640	22,440	41,290
Median Household Income	\$73,120	\$79,560	\$78,680
Average Household Income	\$83,100	\$86,670	\$86,720
Median Age	34.3	33.7	33.7

LOCATION - ELK GROVE VILLAGE

