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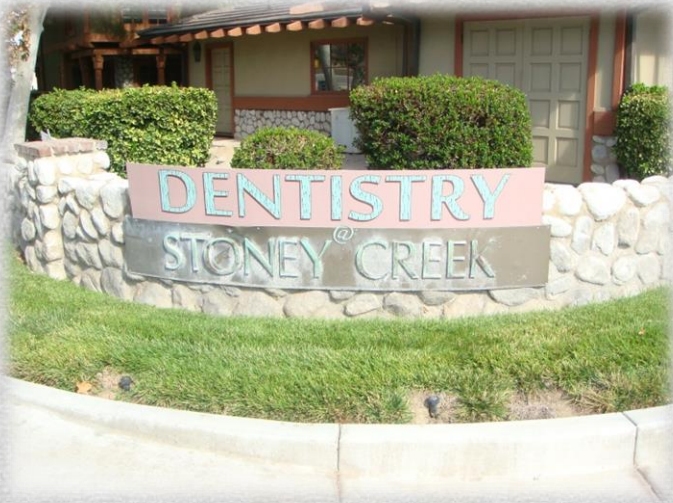
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STONEY CREEK CENTER

27936-27940 LOST CANYON RD.
SANTA CLARITA, CA 91387

OFFERING MEMORANDUM



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Dental Office + 10 Exec. Offices

SANTA CLARITA, CALIFORNIA

OFFERING MEMORANDUM

EXCLUSIVELY LISTED BY:

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STONE CREEK CENTER

27936 – 27940 Lost Canyon Rd. Santa Clarita, CA 91387

16,427 S.F. Land and 5,466 S.F. Buildings

- ✓ Good exposure on major Hwy - Soledad Canyon Rd., and Lost Canyon Rd.
- ✓ Custom construction:
 - Building #1 Single Story Dental Office Building.
 - Building #2 Two Story Office Building
- ✓ Building #2 Contains 10 Executive Office Suites with Reception area
- ✓ Well Maintained, Attractive Design and Floor Plan
- ✓ Flat lot 100% usable land
- ✓ Commercial, Medical office use
- ✓ 32 Parking Spaces / More than 5 Parking per 1,000 S.F.
- ✓ Great upside potential via by converting building #2 for medical use and higher income.
- ✓ Building has multiple units, flexible floor plan
- ✓ Low CAM charge, Ease of Management
- ✓ Great Owner user property or 1031 Exchange
- ✓ Price is within reach of most investors
- ✓ Priced way under replacement cost
- ✓ Highly improved upscale dental office
- ✓ Few blocks away from Facey Medical facility
- ✓ Nearby brand new Multi Million Dollar Commercial Retail / Office Complex
- ✓ Over 40,000 S.F. Class A Office building planned on adjacent vacant lot
- ✓ Easy Freeway access



LOCATION

STONE CREEK CENTER
 27936 – 27940 Lost Canyon Rd.
 Santa Clarita, CA 91387

OFFERING SUMMARY

Price:	\$ 1,750,000
Down Payment:	\$ 612,500
Capitalization Rate:	7.82%
Cash-on-Cash Return:	10.28%
Net Rentable Area (NRA):	5,466
Price per Square Foot (NRA):	\$ 320.16
Year Built:	1989
Lot Size (SF/Acres):	16,427 / 0.38 (approximate)
Parking:	5/1,000 SF
No of Parking spaces:	32 + 1 Handicap



FINANCIAL SUMMARY

Cash to New Loan

Loan Amount:	\$1,137,500
ADS / MO:	\$6,162
Amortization (Years):	25
Est. Interest Rate:	4.25%
(Contact Listing Broker for Further Details)	



27936 – 27940 Lost Canyon Rd., Santa Clarita, CA 91387

APN # 2844-016-014

Gross Rentable Area: 5,466 SF Land size: 16,427 SF (approximate)

Exist. Rent Roll

Building #1	TERM	RENT	Approx. SF.
RENT/SF			
Dental Office	07/01/13 - 06/30/2023	\$7,000 (\$2.75 NNN)	2,550

Building #2	Suite#	TERM	RENT	Approx. SF.
Future Events, LLC	100	01/01/2014 - 12/31/2015	\$3,000	476
Future Events, LLC	101	01/01/2014 - 12/31/2015	-	180
Future Events, LLC	102	01/01/2014 - 12/31/2015	-	108
Future Events, LLC	205	01/01/2014 - 12/31/2015	-	144
Above All Lending	201	11/01/2005 - 11/30/2015	\$1,150	231
Above All Lending	206	11/01/2005 - 11/30/2015	-	144
Bio Solar Labs	202	05/15/2006 - 10/31/2015	\$534	144
Rise Educational	203	01/15/2014 - 01/15/2015	\$647	192
California Lighting	204	05/31/2013 - 10/31/2017	\$914	320
Magic Consulting	207	11/30/2013 - 05/31/2015	\$644	231

Sub-Total: \$6,889 2,170

Total Gross Monthly Income: \$13,889
 Total Gross Annual Income: \$166,668
 Annual Expenses: \$29,971
 Net Annual Income: \$136,697
 Cap Rate: 7.82%
 Property Value: \$1,750,000



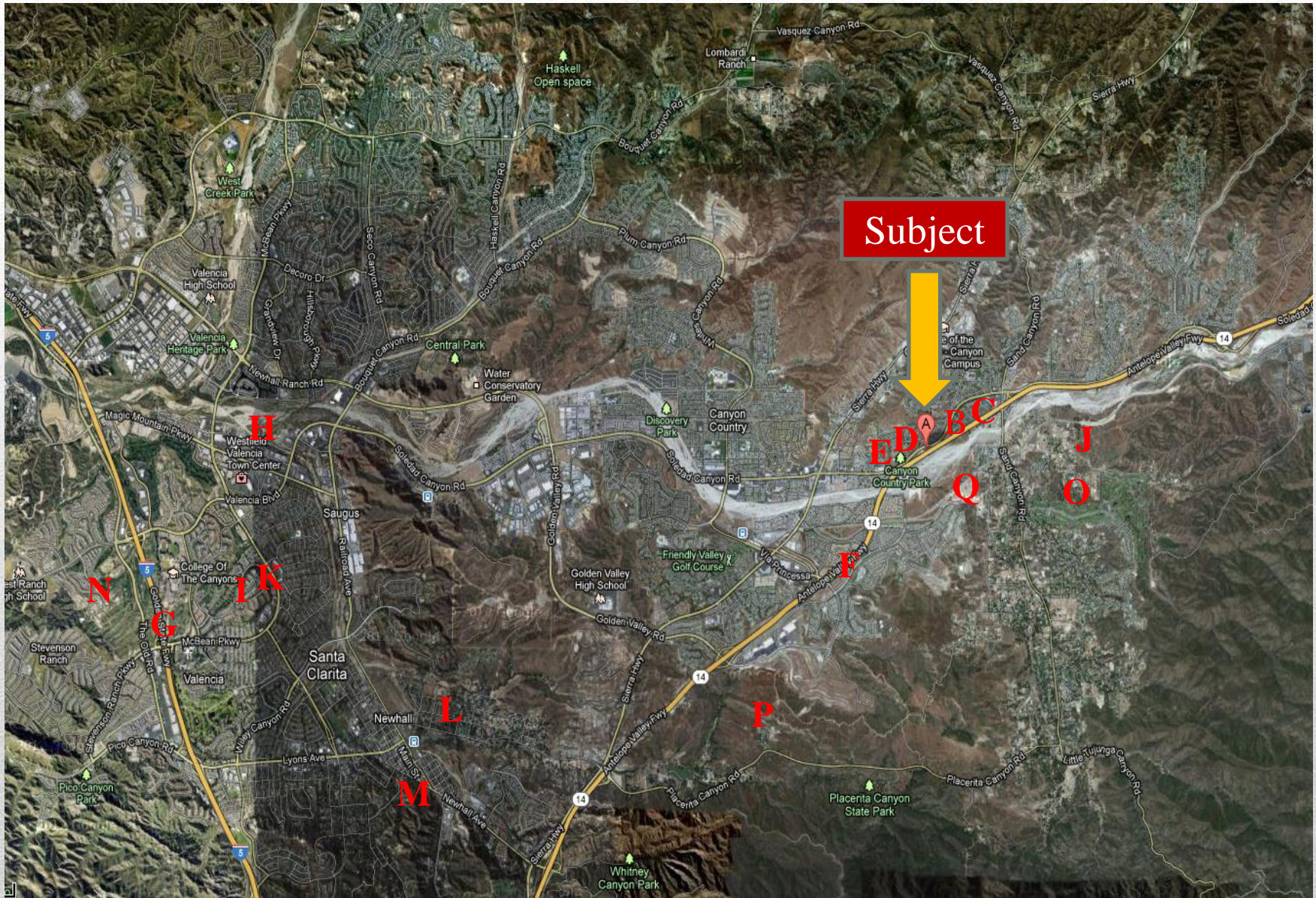
27936 – 27940 Lost Canyon Rd., Santa Clarita, CA 91387
APN # 2844-016-014

Gross Rentable Area: 5,466 SF Land size: 16,427 SF

Approx. Operating Expenses

Property Taxes:	\$10,938
Insurance:	\$800
Utilities:	\$8,924
Gardner:	\$1,650
Pest:	\$660
Trash:	\$939
Security:	\$300
Management /Secretary:	\$4,800
Others:	\$960

Total Annual Expenses:	\$29,971
Monthly Cost:	\$2,498



- A. Subject Property
- B. Canyon Baptist Church
- C. Tutor Time
- D. Vacant land for Class A Office / Retail over 40,000 SF
- E. Facey Medical Facility
- F. Freeway -14
- G. Freeway - 5
- H. Valencia Town Center
- I. College of Canyons Location #1
- J. College of Canyons Location #2
- K. Henry Mayo Newhall Memorial Hospital
- L. Master's College
- M. Old Town Newhall
- N. TPC- Golf Course
- O. Sand Canyon Country Club
- P. Disney Ranch Studios in Santa Clarita
- Q. Vista Canyon Ranch (Project)

SECTION II – INVESTMENT OVERVIEW



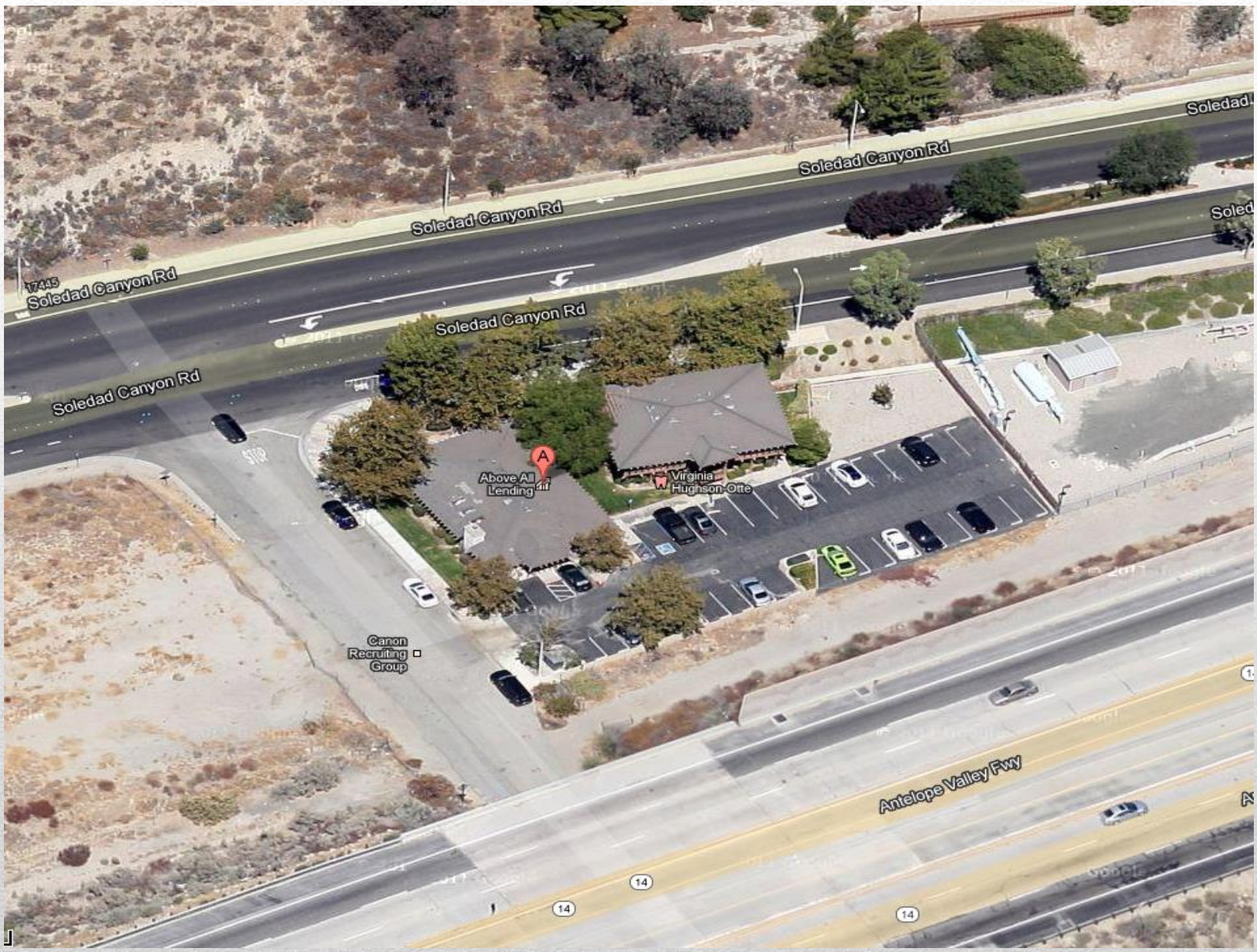
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STONE CREEK CENTER

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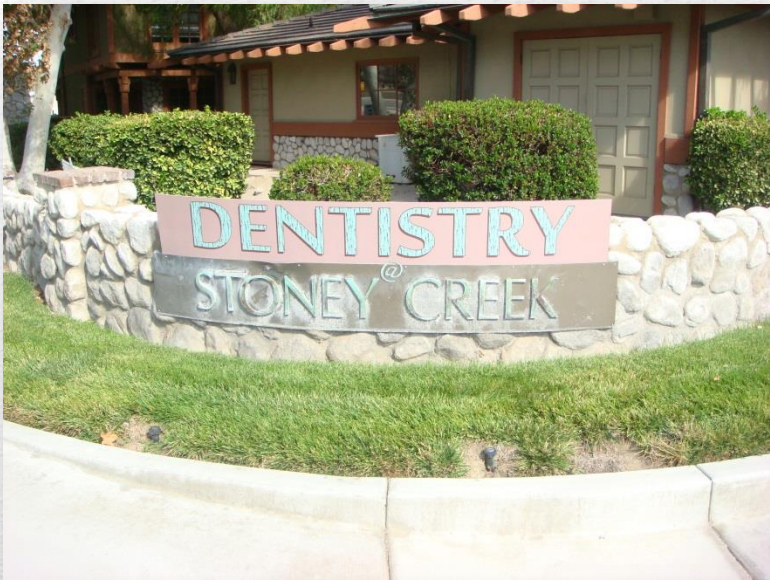
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- ✓ Commercial, Medical office use
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- ✓ Priced way under replacement cost
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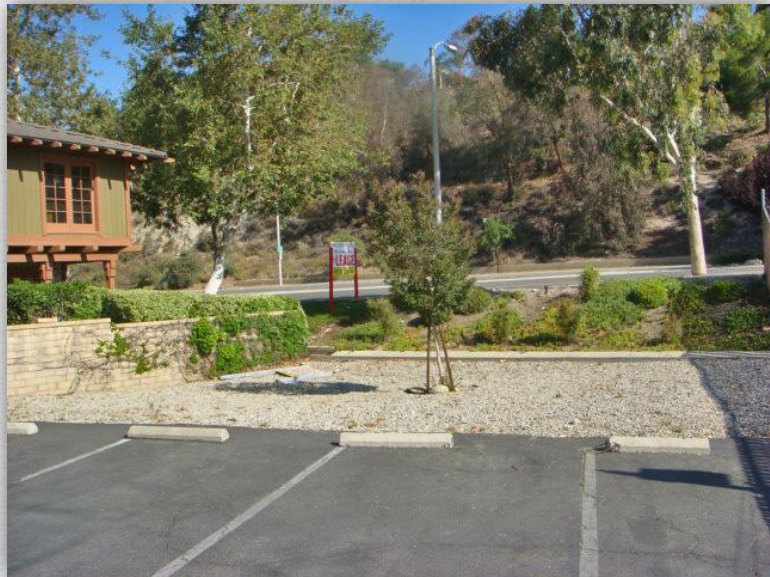






















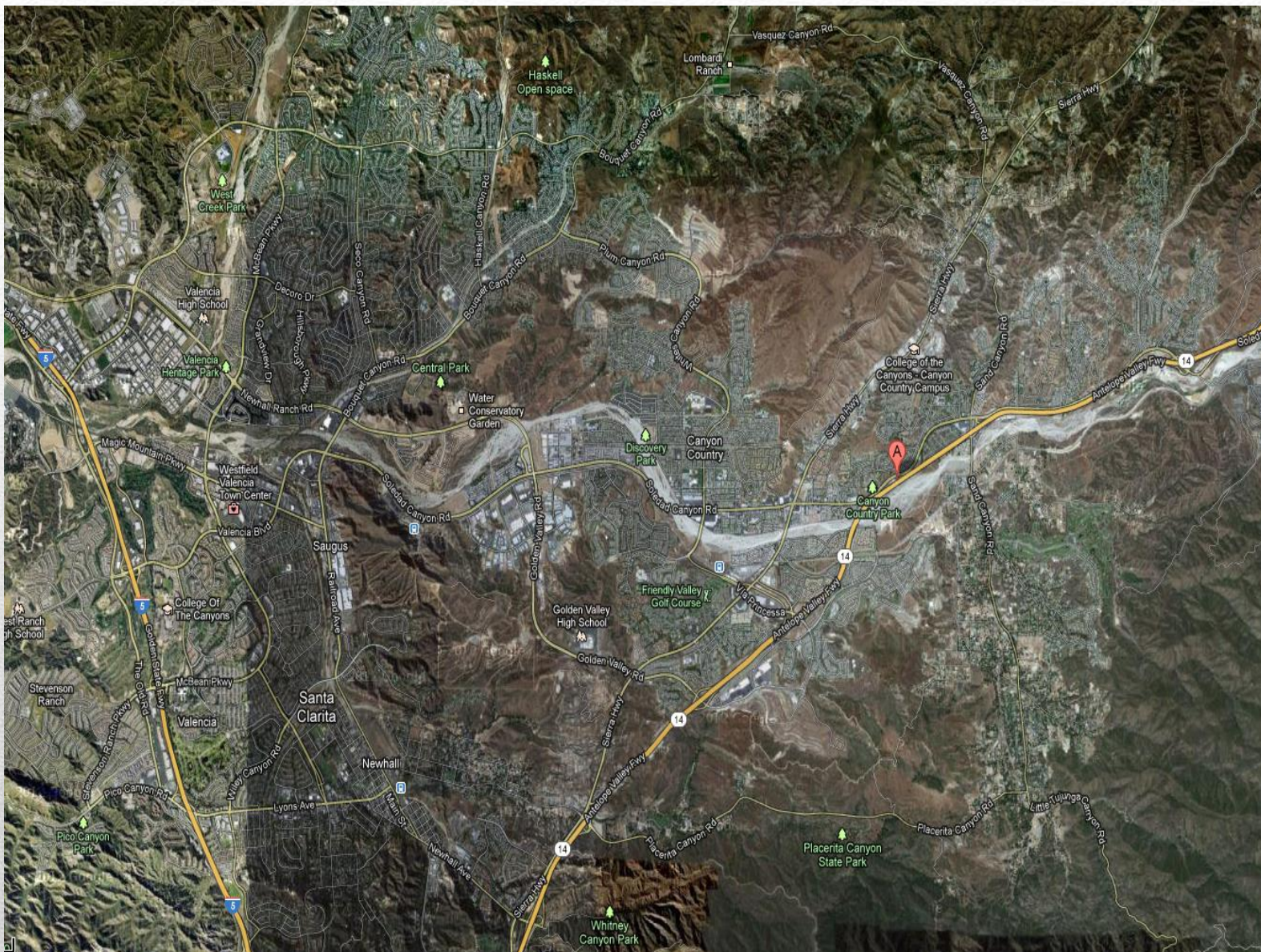






NEIGHBORING PROPERTIES





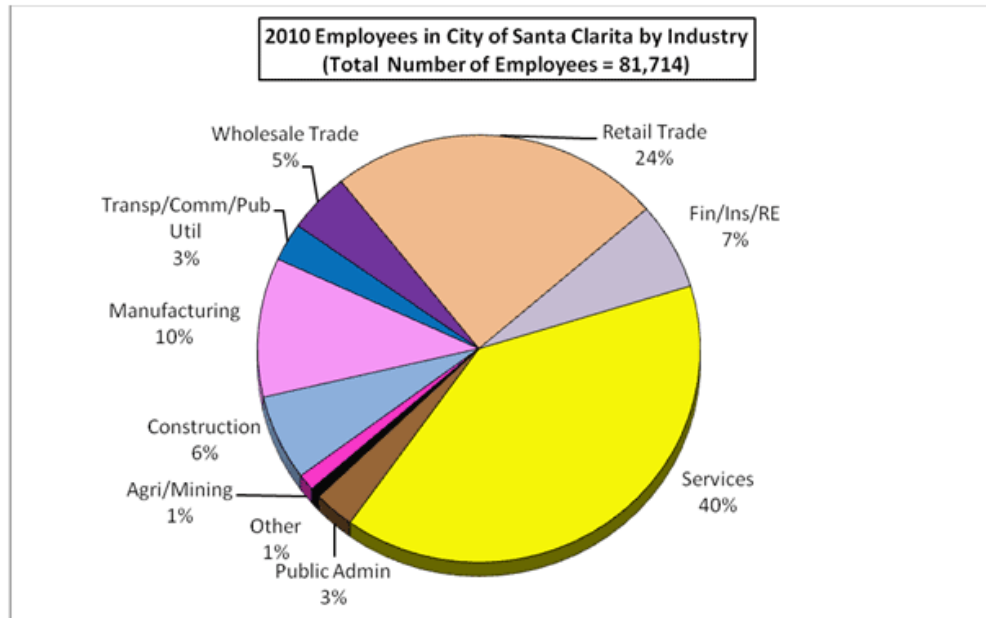
LARGEST EMPLOYERS

COMPANY	TYPE OF BUSINESS	2011 # OF EMPLOYEES
William S. Hart Union School District	Public Junior High & High School District	2,988
Six Flags Magic Mountain	Entertainment/Theme Park	2,230
Saugus Union School District	Public Elementary School District	1,900
Princess Cruises	Vacation Cruise Line Services	1,625
College of the Canyons	Community College	1,603
U.S. Postal Service	Government	1,564
Henry Mayo Newhall Memorial Hospital	Healthcare: Services	1,356
Newhall School District	Public Elementary School District	854
Quest Diagnostics (formerly Specialty Laboratories)	Healthcare: Medical Research & Development	850
The Master's College	Private University	841
Woodward HRT (formerly H.R. Textron)	Manufacturer: Aerospace	740
City of Santa Clarita	Government	633
Wal-Mart	Retailer	592
California Institute of the Arts	Private University	525
Pharmavite	Manufacturer: Dietary, Mineral, Herbal Supplements	480
Aerospace Dynamics International	Manufacturer: Aerospace Structural Components	470
ITT Aerospace Controls	Manufacturer: Aerospace	420
Arvato Digital	Business Services	400
Contractors Wardrobe	Manufacturer: Home Improvement Products	400

Source: The California Economic Forecast, May 2011

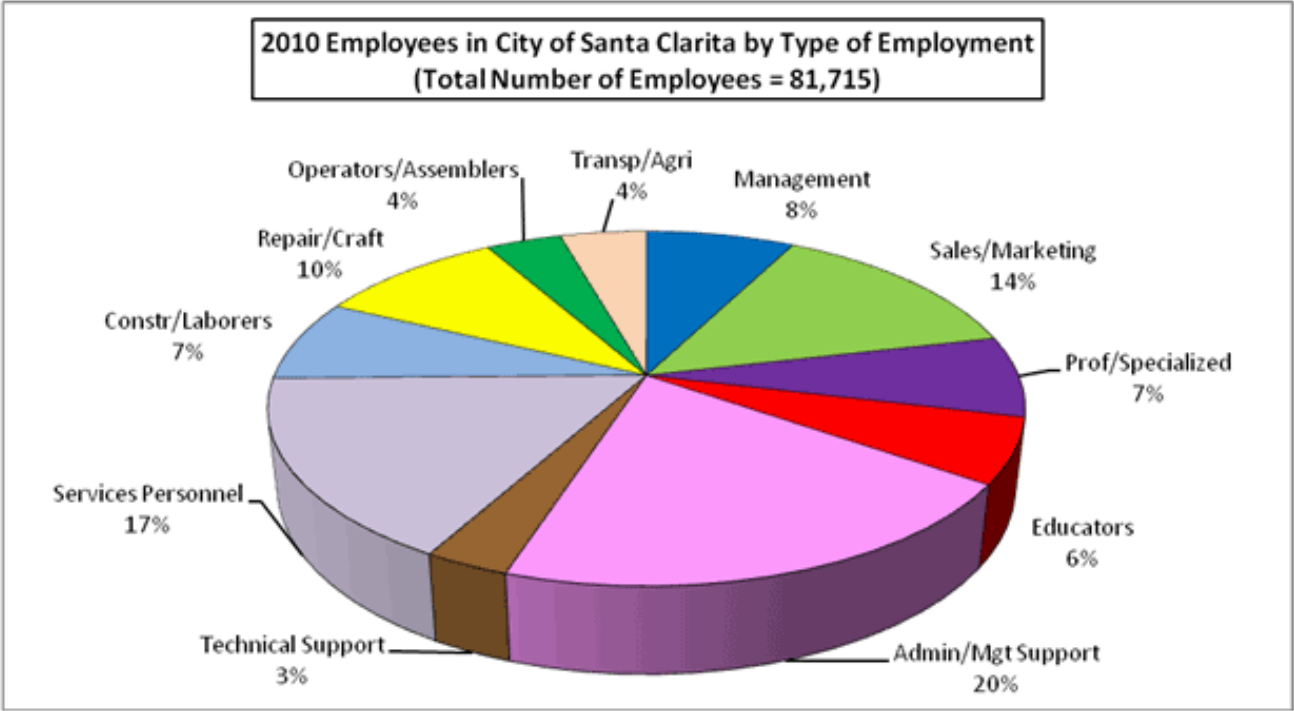
WORKFORCE

Close to two in five or 40% of the workforce in the City of Santa Clarita is employed in the services sector. An additional 24% of the City's workforce is employed in retail trade followed by 10% in manufacturing, 7% in finance/insurance/real estate industries, 6% in construction, and 5% in wholesale trade.



Source: Claritas Site Reports, July 5, 2011

One-fifth or 20% of the City of Santa Clarita's workforce are in administrative and support positions followed by 17% who are service personnel, 14% in sales and marketing, 13% in professional/specialized positions or educators, and 8% are in management roles.



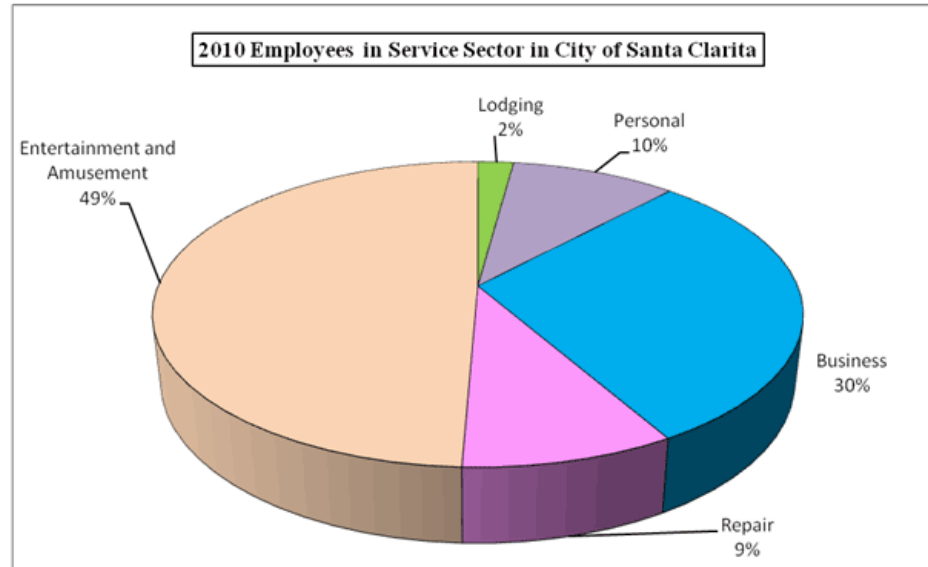
Source: Claritas Site Reports, July 5, 2011

The majority of the manufacturing workforce in the City of Santa Clarita is involved in highly technical manufacturing sectors.

MANUFACTURING SECTOR	NUMBER OF EMPLOYEES	% OF TOTAL
Measuring & Analyzing Instruments	2,723	31.6%
Industry & Commercial Machinery & Computers	1,317	15.3%
Printing, Publishing & Allied Industries	718	8.3%
Transportation Equipment	595	6.9%
Electrical & Electronic Equipment (e.g. Computers)	565	6.6%
Fabricated Metal Products	564	6.6%
Rubber & Miscellaneous Plastics Products	375	4.4%
Chemicals & Allied Products	372	4.3%
Leather & Leather Products	303	3.5%
Primary Metal Industries	290	3.4%
Stone, Clay, Glass & Concrete Products	163	1.9%
Food & Kindred Products	131	1.5%
Textile Mill Products	103	1.2%
Furniture & Fixtures	29	0.3%
Lumber & Wood Products, except Furniture	22	0.3%
Paper & Allied Products	16	0.2%
Apparel, Other Fabric Products	9	0.1%
Tobacco	1	0.0%
Petroleum Refining & Related Industries	-	0.0%
Miscellaneous Manufacturing Industries	308	3.6%
Total Manufacturing	8,604	100.0%

Source: Claritas Site Reports, July

Close to one-half or 49% of the City of Santa Clarita's workforce in the services sector is employed in entertainment and amusement followed by 30% in business services, 10% in personal services, 9% in repair services, and 2% in lodging.



Source: Claritas Site Reports, July 5, 2011

Based on an independent study of 367 communities across the United States by the Kosmont-Rose Institute, cost ratings were developed in order to compare difference communities based on business taxes, telephone taxes, sales taxes, property taxes, electric taxes, and state income taxes.

Santa Clarita is ranked as Low Cost (\$\$) compared to the Cities of Los Angeles and Pasadena which are both ranked as Very High Cost (\$\$\$\$). Out of 71 cities in Los Angeles County surveyed, Santa Clarita is one of the 10 lowest cost cites.

The City of Santa Clarita is the 4th largest city (including unincorporated areas) in Los Angeles, is one of 5 cities without a business license fee requirement, and ranks as the 25th highest property tax ranking in the County of Los Angeles.

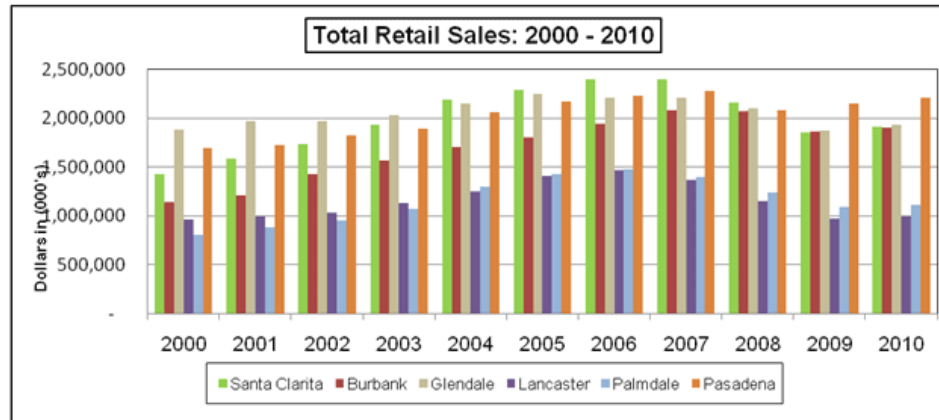
2009 COST OF DOING BUSINESS						
	SANTA CLARITA (\$\$)	BURBANK (\$\$\$\$)	GLENDALE (\$\$\$\$)	LANCASTER (\$\$)	PASADENA (\$\$\$\$\$)	VENTURA (\$\$\$\$)
Tax Rates						
Electric	-	7.00%	7.00%	-	7.67%	5.00%
Telephone	-	7.00%	7.00%	-	8.28%	5.00%
Cellular	-	7.00%	-	-	8.28%	5.00%
Gas	-	7.00%	7.00%	-	7.90%	5.00%
Water	-	0.00%	7.00%	-	7.67%	-
Cable	-	0.00%	7.00%	-	9.40%	-
Sales Tax	8.75%	8.75%	8.75%	8.75%	8.75%	7.25%
Est. Ad Valorem Property Tax Rate	1.150565%	1.070000%	1.120000%	1.130000%	1.130000%	1.200000%
Business License Taxes	None	\$71.75 Base fee + per employee	None	Per employee fee	Base fee + per employee	Base fee + per receipts
Incentives						
State Enterprise Zone	Santa Clarita Enterprise Zone	None	None	Antelope Valley	Altadena/Pasadena Enterprise Zone	None
Business Improvement Districts	Tourism Marketing District	Downtown Burbank	Montrose Shopping Park; Adams Square	Yes	Old Pasadena; South Lake Avenue; Playhouse District	None
Recycling Market Development Zone	Yes	None	None	None	None	None
Foreign Trade Zone	None	None	None	In application for zone expansion	None	None
Other Business or Incentive Zones	Mello-Roos; Landscape; Lighting; Open Space	Landscape; Lighting	None	New Air Control District; Mello-Roos; Parking	Local Enterprise Zone; Technology District	None
Redevelopment Project Areas/TIFS	Newhall Redevelopment Project	West Olive; Burbank Merged & Amended	CBD; San Fernando Road Corridor; Downtown Development Standards	Residential; CBD; Fox Field; Maragos; Areas No. 5-7	Villa Park; Downtown Orange Grove; Old Pasadena; Fair Oaks Avenue; Lincoln Avenue; Orange Grove	Merged Downtown Redevelopment Project Area - mixed use

Notes: \$ represents cost rating. \$ = Very Low Cost, \$\$ = Low Cost, \$\$\$ = Average Cost, \$\$\$\$ = High Cost, and \$\$\$\$\$ = Very High Cost.

Source: Rose Institute of State and Local Government, 2009 Kosmont-Rose Institute Cost of Doing Business Survey

FILM INDUSTRY

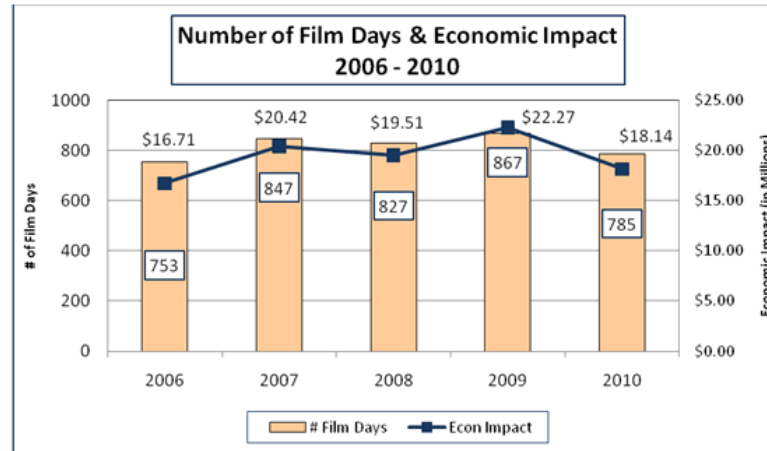
Over the past 10 years, retail sales in Santa Clarita have increased from \$1.43 billion in 2000 to \$1.91 billion in 2010. Sales peaked in 2006, prior to the recession, at \$2.40 billion and have exceeded sales of the comparison markets until 2009 when sales became comparable to those of Burbank and Glendale and exceeded sales in Lancaster and Palmdale.



Source: California Retail Survey, 2011

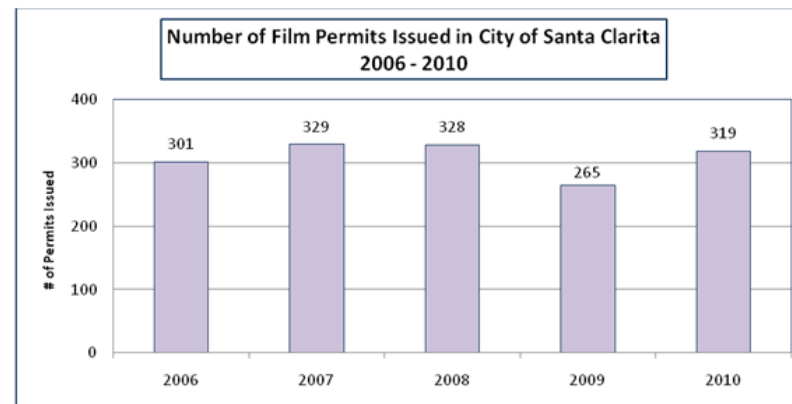
One of the top 25 markets with a rank of 24 out of 482 cities in California for sales and the 19th highest per capita income level, Santa Clarita is on par with major shopping cities such as Glendale, home to Americana on Branch and the Glendale Galleria, and Pasadena, home to Paseo Colorado, Lake Avenue shopping district, and Old Town Pasadena, in terms of both retail dollars spent and number of retail stores in the communities.

The number of filming days in 2010 decreased 9% to 785 days from 2009 following a 5% increase from the previous year. Additionally, filming in Santa Clarita contributed \$18.14 million to the local economy in 2010, down 19% from \$22.27 million in 2009.



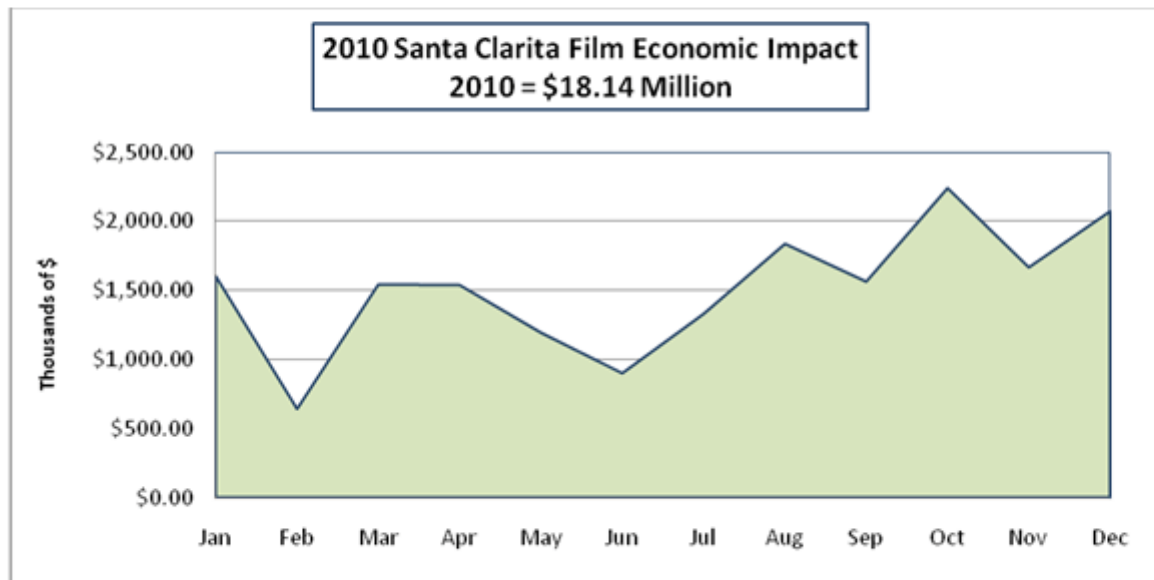
Source: City of Santa Clarita Film Office, 2011

The number of permits issued has increased from 2006. In 2010, 319 film permits were issued compared to 301 in 2006.



Source: City of Santa Clarita Film Office, 2011

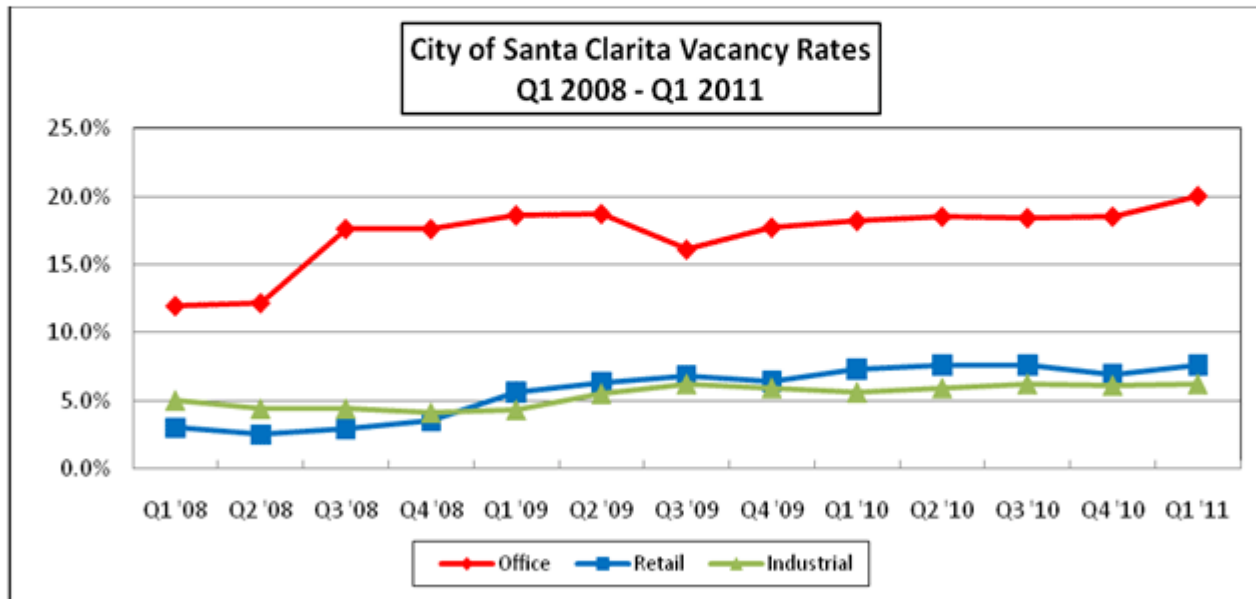
In 2010, a total of \$18.14 million was spent in the City of Santa Clarita from filming activity that occurred. In fact, the film economic impact was greater during the second half of 2010 which accounted for 59% of the impact compared to the first half that accounted for 41% of the economic impact.



Source: City of Santa Clarita Film Office, 2011

VACANCY RATES

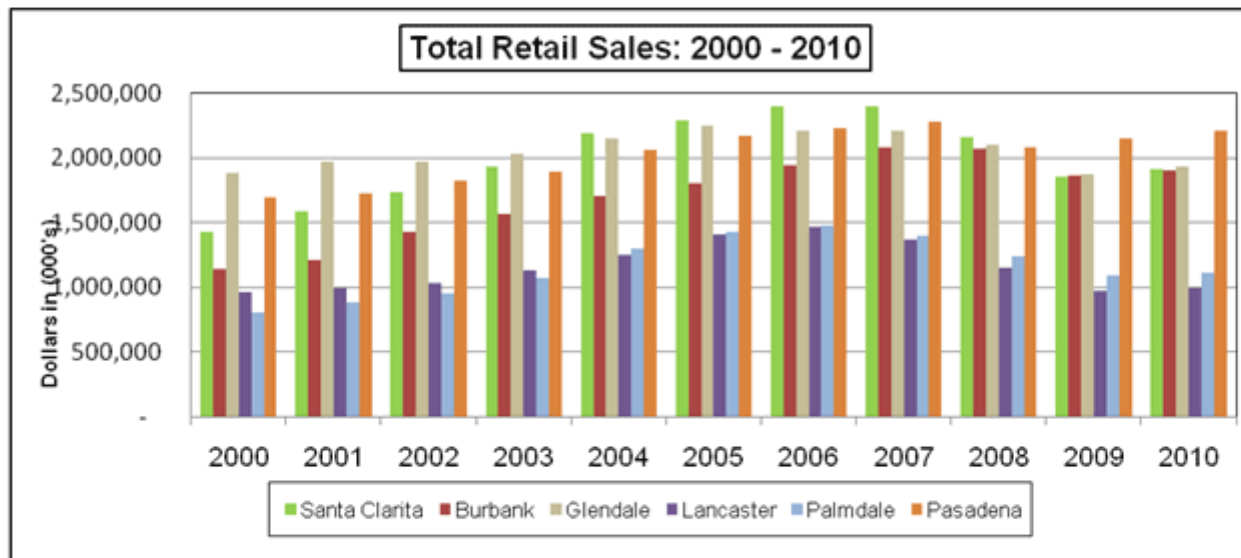
Office, retail and industrial vacancy rates remain higher than vacancy rates in 2008 in the City of Santa Clarita. Office vacancy rates reached 20.0% in the First Quarter of 2011 while industrial and retail vacancy rates reached 6.2% and 7.6%, respectively. The higher office vacancy rates can be attributed to the weakened economy and new office inventory in the marketplace not yet absorbed..



Source: CoStar Property reported by City of Santa Clarita, January 2011

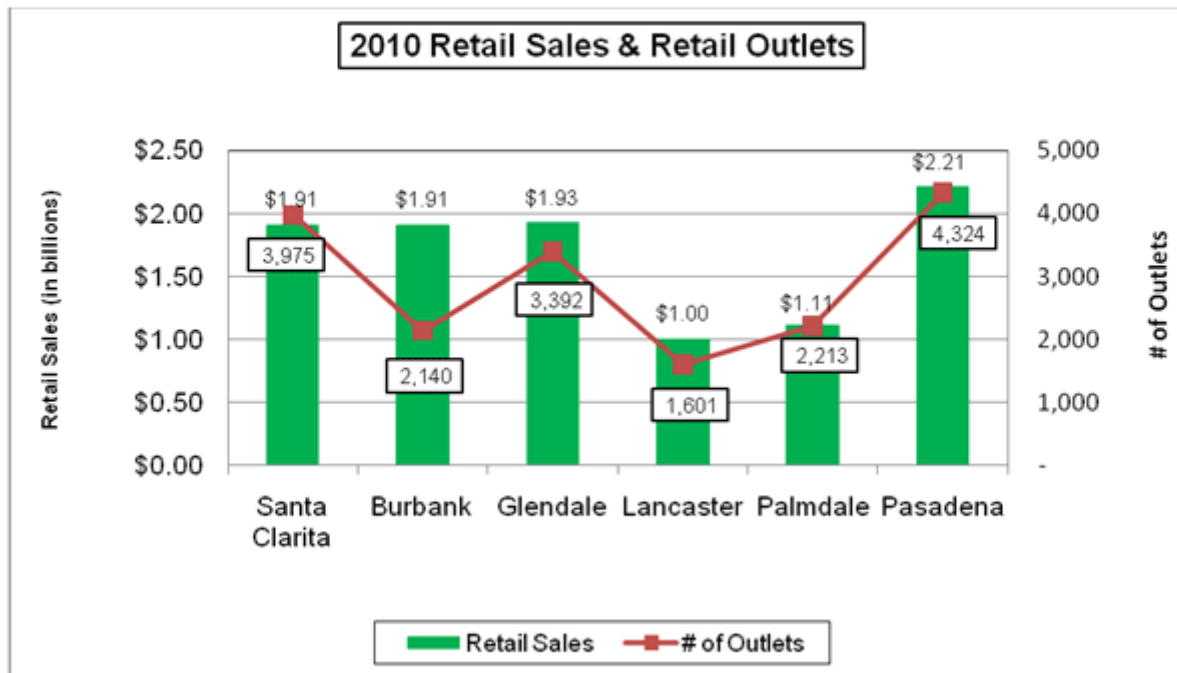
RETAIL SALES

Over the past 10 years, retail sales in Santa Clarita have increased from \$1.43 billion in 2000 to \$1.91 billion in 2010. Sales peaked in 2006, prior to the recession, at \$2.40 billion and have exceeded sales of the comparison markets until 2009 when sales became comparable to those of Burbank and Glendale and exceeded sales in Lancaster and Palmdale.



Source: California Retail Survey, 2011

Retail sales in Santa Clarita are comparable to sales in Glendale yet below sales in Pasadena. Additionally, there are more retail outlets in Santa Clarita than in Glendale and slightly fewer than in Pasadena.



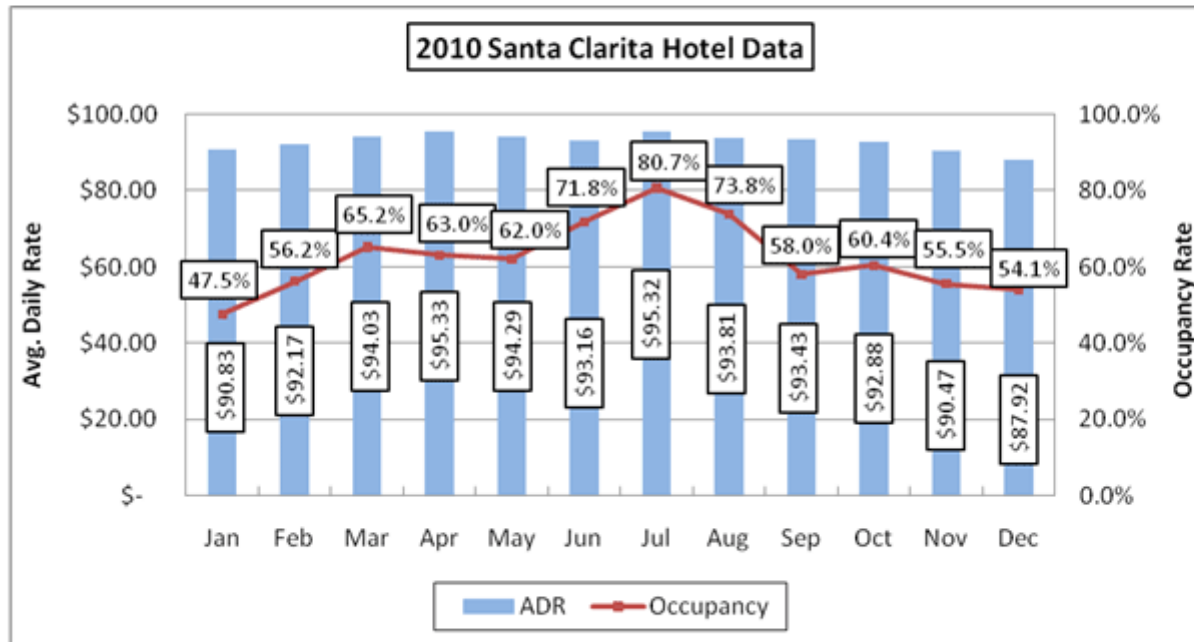
Source: California Retail Survey, 2011

Retail sales in Santa Clarita in 2010 reached \$1.91 billion of which 20% each of the sales were in general merchandise stores and automobile dealerships and suppliers followed by 14% in restaurants and bars, and 13% in service stations.



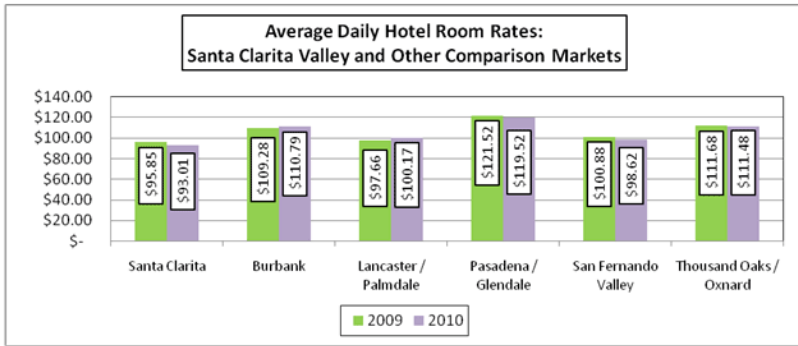
HOTEL ENVIRONMENT

Santa Clarita's hotel market remained relatively strong throughout 2010. Occupancy rates and average daily room rates peaked in the summer months at 81% and \$95.32, respectively.



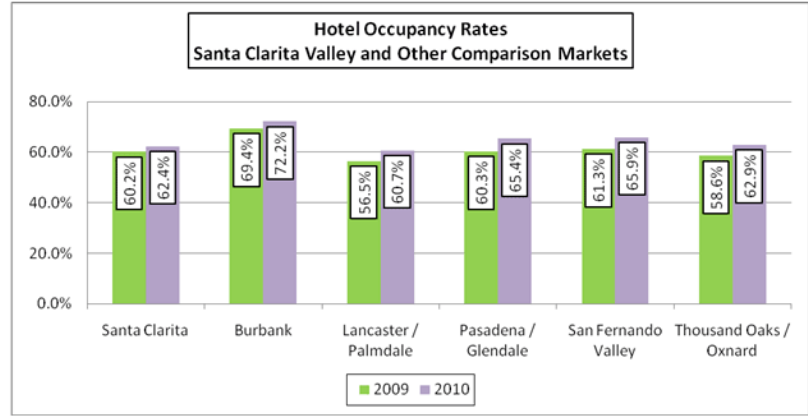
Source: Smith Travel Research, Santa Clarita Valley Trend Report, December 2010

Santa Clarita's average daily hotel room rate of \$93.01 in 2010 remains more affordable or lower than rates in all comparison markets and is only slightly lower than rates in the San Fernando Valley.



Source: Smith Travel Research, Multi-Segment Report December 2010

In 2010, Santa Clarita hotel occupancy rates increased to 62.4% from an occupancy rate of 60.2% in 2009. Occupancy rates in Santa Clarita were comparable to those in Thousand Oaks/Oxnard and above rates in Lancaster/Palmdale.



Source: Smith Travel Research, Multi-Segment Report, December 2010



SANTA CLARITA HOTEL PROPERTIES

Hotel	# of Rooms	Meeting Space (Sq. Ft.)
Hyatt Regency Valencia	244	11,264 + 3,000 pre-function space
Embassy Suites	156	9,412
Courtyard by Marriott	140	1,056
Hilton Garden Inn	152	2,496
Holiday Inn Express	118	635
La Quinta Inn & Suites	112	300
Best Western Valencia Inn	122	None
Santa Clarita Motel	34	None
Comfort Suites	101	None
Residence Inn	90	2,037 (shares with Fairfield Inn)
Fairfield Inn	66	2,037 (shares with Residence Inn)
Hampton Inn	128	450
Super 8	49	None
Travelodge	54	None

Source: City of Santa Clarita, June 2011

Downtown Newhall Specific Plan

The Specific Plan consists of a 20-block downtown served by Metro link commuter rail, a commercial corridor in downtown, two flanking neighborhoods, and an industrial district. Upon build out, the Specific Plan will include up to 1,092 new residential units and nearly 1-million square feet of new commercial space. A portion of this growth will be attributed to new development, while some will also include revitalization of existing buildings.



Brand New Newhall Library



SANTA CLARITA UPDATES

Santa Clarita Valley Enterprise Zone Receives Final Approval and is Now Accepting Vouchers for Expanded Zone Areas **Posted Date: 4/9/2012 4:15 PM**

The City of Santa Clarita, Los Angeles County, and the Santa Clarita Valley Economic Development Corporation announced today that the California Department of Housing and Community Development has approved all details of the new Santa Clarita Valley Enterprise Zone designation, which means businesses in the expanded zone area may now begin processing vouchers for qualified employees and taking advantage of the tax savings available through the program.

The Santa Clarita Valley Enterprise Zone benefits are retroactive to January 1, 2011 with benefits continuing through January 1, 2026. Businesses in the expanded areas are now able to process vouchers and enjoy tax benefits of the Enterprise Zone program.

“This is truly a great day for the Santa Clarita Valley business community,” commented City of Santa Clarita Mayor Laurie Ender. “We know the Enterprise Zone is the area’s leading business attraction and retention tool and now even more companies can begin saving money and reinvesting in their businesses.”

The Santa Clarita Valley Enterprise Zone encompasses 14,440 acres of commercial and industrial land in the City of Santa Clarita and unincorporated areas of the Santa Clarita Valley, and includes the Commerce Center, Six Flags Magic Mountain, and the new Disney/ABC Studios at the Ranch. "The final designation of the Santa Clarita Valley Enterprise Zone marks the beginning of a strategic opportunity to create jobs and strengthen the Valley's reputation as a dynamic community to grow a business," said Supervisor Michael D. Antonovich. "Implementing an aggressive targeted marketing plan will attract new businesses, jobs and investments in the Santa Clarita Valley."

Since 2007, the Enterprise Zone program has helped 345 Santa Clarita businesses save an estimated \$199 million on their state taxes, in addition to creating more than 976 new jobs in the community.

“The expanded Santa Clarita Valley Enterprise Zone gives our community a competitive advantage. The Enterprise Zone has been and will continue to be a significant tool in attracting premier businesses to the Santa Clarita Valley,” said Jonas Peterson, President/CEO of the Santa Clarita Valley Economic Development Corporation. “We look forward to partnering with the City and Los Angeles County to share information about the program, its benefits, and successes to engage more local businesses and attract regional and national companies looking to relocate.”

In 2010, the City of Santa Clarita, Los Angeles County, and the Santa Clarita Valley Economic Development Corporation collaborated on an application to the state for an expanded, replacement zone, which would allow even more companies in the Santa Clarita Valley to take advantage of the tax incentive program. The replacement zone received preliminary approval in 2011, but today’s final designation means businesses in the newly-expanded areas can now submit vouchers for hiring tax credits, in addition to taking advantage of other Enterprise Zone-specific savings incentives. For more information about the expanded Enterprise Zone designation or for a map detailing the Santa Clarita Valley Enterprise Zone boundaries, please visit SCVEnterpriseZone.com or call the City’s Economic Development Division at (661) 255-4347.

Please visit our Virtual Tour available at:

WWW.TOURFACTORY.COM/879529





STONEY CREEK QR CODE