

Confidential Offering Memorandum

La Paz Gateway

26051 La Paz Road, Mission Viejo, CA

3 Tenant/6,028 Square Feet on a 27,225 Parcel | Exposure to Over 300,000 Cars Per Day Off I-5 Fwy



Exclusive Agent | Hook Retail Advisors
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ALLIANCE

La Paz Gateway

26051 La Paz Road, Mission Viejo, CA

O F F E R I N G M E M O R A N D U M

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THE PACIFIC OCEAN

THE LAGUNA HILLS MALL

THE IRVINE SPECTRUM CENTER



 The Hills Hotel
(147 ROOMS)



SUBJECT PROPERTY
26051 LA PAZ
MISSION VIEJO, CA



& MEDICAL OFFICES



Muirlands

I-5 Freeway (300,000 CPD)

MISSION VIEJO HIGH SCHOOL
(w/ 2,000 + STUDENTS)

La Paz Road

LA PAZ INTERMEDIATE SCHOOL
(w/ 1,080 + STUDENTS)

INVESTMENT OVERVIEW

HIGHLIGHTS

- Three (3) New Triple Net Leases
- Class “A” construction in premier South Orange County
- Prime Location on/off ramp of I-5 (300,000 CPD)
- Regional Tenants - Ortho Mattress, Roberto’s Tacos, & Beach Hut Deli
- Each Tenant has 30-70 Locations
- 4.25% Fixed Financing Available
- Barriers to Entry for New Commercial Development in Master Planned Community Of Mission Viejo
- High Average Household Income: \$147,000 (1 mile)



Hook Retail Advisors has been selected as the exclusive broker to offer for sale La Paz Gateway, ideally located at the signalized intersection of Muirlands and La Paz Road off the

Interstate 5 in affluent Mission Viejo, CA. This offering represents the unique opportunity to acquire a 100% occupied South Orange County pride of ownership property with on/off ramp access and visibility to the busiest freeway in California- the Interstate 5. Tenants include Roberto’s Taco Shop (65 locations), Ortho Mattress (70 locations), and Beach Hut Deli (31 locations). The total net leasable area in the offering totals 6,028 square feet on a 26,000 square foot parcel.

La Paz Gateway is located at the north-bound exit/entrance off of the Interstate 5 freeway and adjacent to freestanding Albertsons Grocery, Mission Viejo High School (2,000+ students) and La Paz Intermediate School. The property benefits from excellent visibility, sharp channel letters signage, abundance of parking and exposure to over 50,000 cars per day traveling on La Paz Road. Interstate 5 is the main freeway that connects San Diego, Orange, and Los Angeles counties to Northern California and is the most traveled freeway in the State of California and has excess of 300,000 cars per day.

This investment is an extremely rare opportunity to acquire prime retail real estate in the heart of South Orange County’s premier master planned community of Mission Viejo. Historically, retail vacancy is the lowest in South County, currently below 3% overall compared to other markets at 7-12%. The property is being offered at \$6,140,000 (which equals to a 5.2% cap rate in July 2015), providing stable and diversified cash flow that is sure to increase with fixed rent escalations scheduled in the long term triple net leases.

LA PAZ GATEWAY FINANCIAL INVESTMENT OVERVIEW

LOCATION

26051 La Paz Road, Mission Viejo, CA 92691

FINANCIAL OVERVIEW

Price:	\$5,850,000
Down Payment:	\$5,850,000
GLA:	6,028
Cap Rate (2015):	5.2%
Year Built:	2009
Parking Ratio:	5:1



CASH FLOW STATEMENT (2015)

Tenant	Jan	Feb	Mar	April	May	June	July	Aug
Robertos Tacos	\$6,864.72	\$6,864.72	\$6,864.72	\$6,864.72	\$6,864.72	\$6,864.72	\$7,054.94	\$7,054.94
Ortho Mattress	\$10,696.00	\$10,696.00	\$10,696.00	\$10,696.00	\$10,696.00	\$10,696.00	\$10,696.00	\$11,027.13
Beach Hut Deli	\$7,260.00	\$7,260.00	\$7,260.00	\$7,260.00	\$7,260.00	\$7,260.00	\$7,320.89	\$7,405.20
Tenant	Sept	Oct	Nov	Dec	Totals			
Robertos Tacos	\$7,054.94	\$7,054.94	\$7,054.94	\$7,054.94	\$83,517.96		NOI 2015 -	\$305,242.06
Ortho Mattress	\$11,979.52	\$11,979.52	\$11,979.52	\$11,979.52	\$133,817.21		5.2% Cap -	\$ 5,850,000.00
Beach Hut Deli	\$7,405.20	\$7,405.20	\$7,405.20	\$7,405.20	\$87,906.89			

TENANT SUMMARY

Tenant	GLA	% of GLA	Lease Commencement	Lease Expire	Begin	Annual Rent	Monthly Rent	Rent/SF	Security Deposit	Option	Lease Type	
Robertos Taco Shop	1,539	25.53%	6/17/13	6/16/2018	Current	\$82,376.64	\$6,864.72	\$4.46	\$8,891.17	1-5 year	NNN	
					7/1/2015	\$84,659.28	\$7,054.94	\$4.58				FMV or
					7/1/2016	\$87,010.44	\$7,250.87	\$4.71				103% of
					7/18/2017	\$89,432.04	\$7,452.67	\$4.84				Rent
Ortho Mattress	2,674	44.36%	8/24/13	4/23/2018	Current	\$128,352.00	\$10,696.00	\$4.00	\$15,383.52	1-5 year	NNN	
					8/1/2015	\$143,754.24	\$11,979.52	\$4.48				12%
Beach Hut Deli	1,815	30.11%	7/19/14	7/18/2019	Current	\$87,120.00	\$7,260.00	\$4.00	\$10,341.33	2-3 year	NNN	
					7/19/2015	\$88,862.40	\$7,405.20	\$4.08				2%
					7/19/2016	\$90,639.60	\$7,553.30	\$4.16				
					7/19/2017	\$92,452.44	\$7,704.37	\$4.24				
7/19/2018	\$94,301.52	\$7,858.46	\$4.33									
TOTAL	6,028	100%			Current	\$297,848.64	\$24,821	\$4.12				

TENANTS



Beach Hut Deli

They currently have **31 locations** in California, Reno and Las Vegas. Six new franchisees have signed franchise agreements and are getting ready to open new Beach Hut Delis.

At Beach Hut Deli their sandwiches are nothing like you have ever experienced. Every ingredient is top quality and completely fresh. Their menu is also unique. Many of the sandwiches contain cream cheese, fresh sliced avocados and other delicious combinations. You will be amazed after you experience one of their delectable sandwiches. But they give more to their customers than great sandwiches. They give customers a fun, relaxing home-away-from-home environment where they can hang out and “chill.” They can listen to great music, watch local sporting events, socialize, and have camaraderie.



Ortho Mattress

Since 1957, Ortho Mattress has been providing great bedding products and first-rate service to Los Angeles & Southern California. Through our **over 70 locations**, they offer an unparalleled array of top-quality mattresses, ranging from the best national brands to factory direct Dr. Preferred and Summerhill & Bishop collection of mattresses to the Ortho Avant Modern Memory Foam mattresses.



Roberto's Taco Shop

Roberto's was the first, and continues to be the best. San Diego's first walk up and drive-thru taco shop has set the standard for fresh, authentic and inexpensive Mexican food. A passion for good ingredients, friendly service and a welcoming environment is what made Roberto's a pioneer of classic Mexican food 40 years ago, and it is what keeps the famous taco shops thriving today.

While always remaining loyal to traditional Mexican food, Roberto's began as a family operated business in 1964 and continues to be family run, with over **65 Roberto's taco shops today**. Roberto's remains the pioneer in fast, traditional Mexican food with taco shops in California and Nevada.

SITE PLAN



Not to Scale

LA PAZ GATEWAY PROPERTY OVERVIEW

LOCATION

26051 La Paz Road, Mission Viejo, CA 92691

LAND AREA

This subject site consist of .62 acres of land area, or 27,225 sqft

BUILDING AREA

The subject site consist of 6,028 sqft of building area.

ACCESS

The subject is accessible with one (1) access point from La Paz Road and one (1) access point from Muirlands.

BUILT

The subject was constructed in 2009

TRAFFIC COUNTS (CARS PER DAY)

La Paz Road.....45,000
Muirlands.....20,000
Santa Ana Freeway.....300,000

ZONING

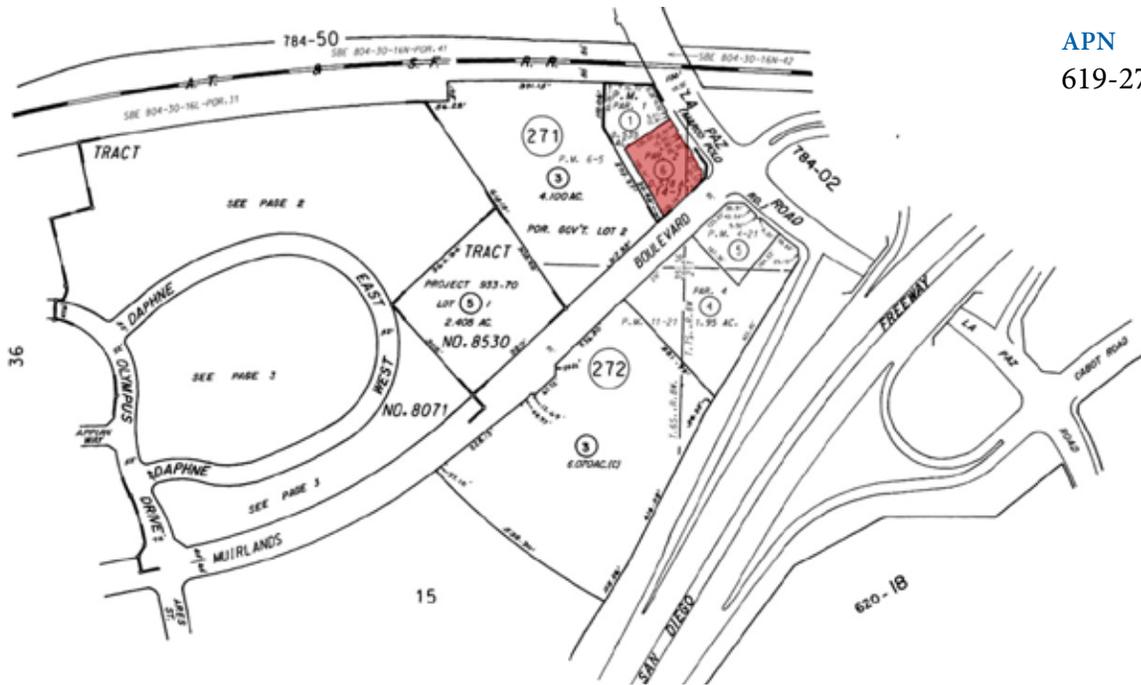
CC - Commercial Community

PARKING

30 Spaces
5 : 1,000 parking ratio

APN

619-271-06



MISSION VIEJO
LAKE

RANCHO SANTA
MARGARITA



COTO DE
CAZA

& MEDICAL OFFICES

SUBJECT PROPERTY
26051 LA PAZ
MISSION VIEJO, CA

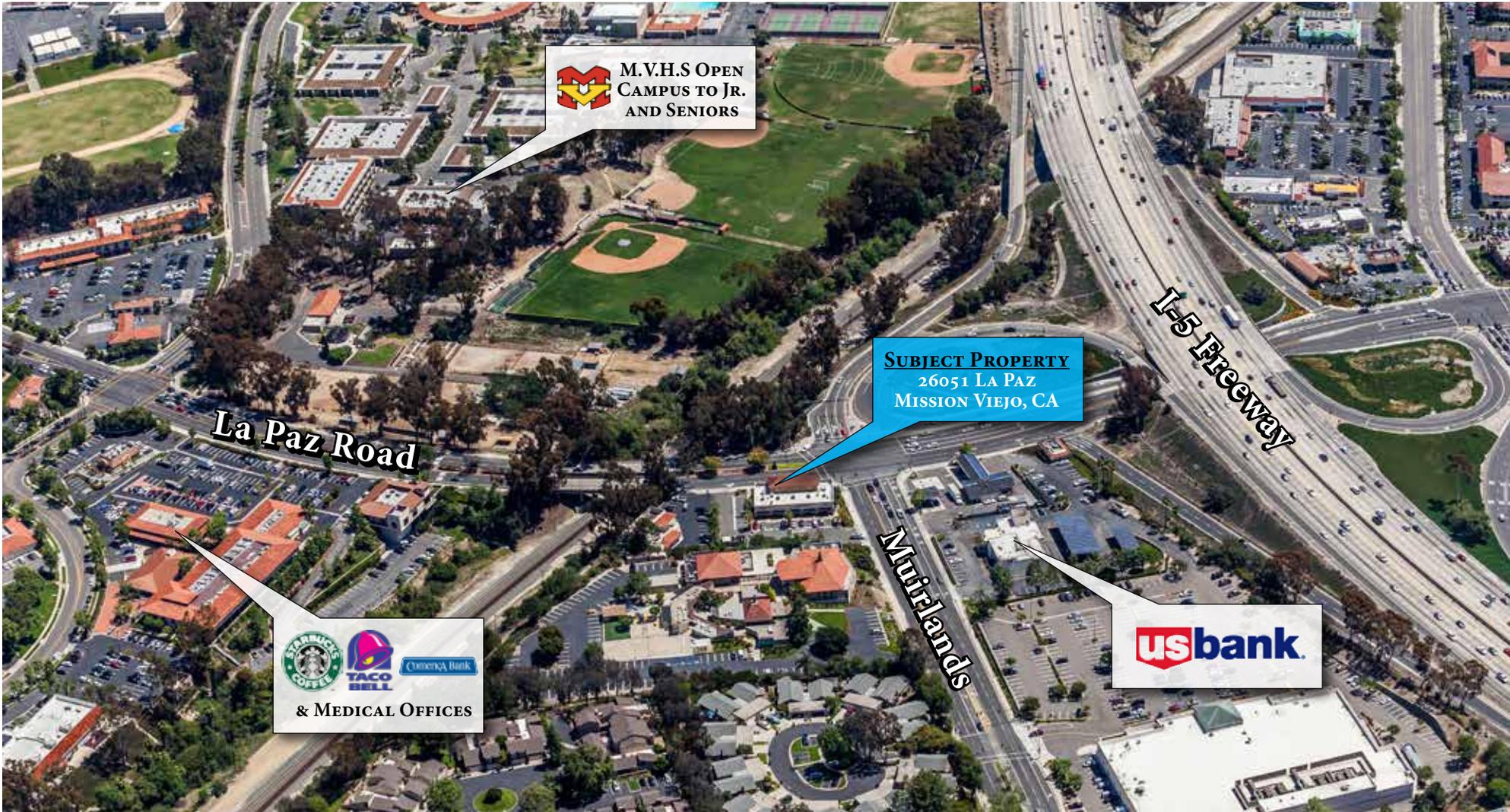
Albertsons

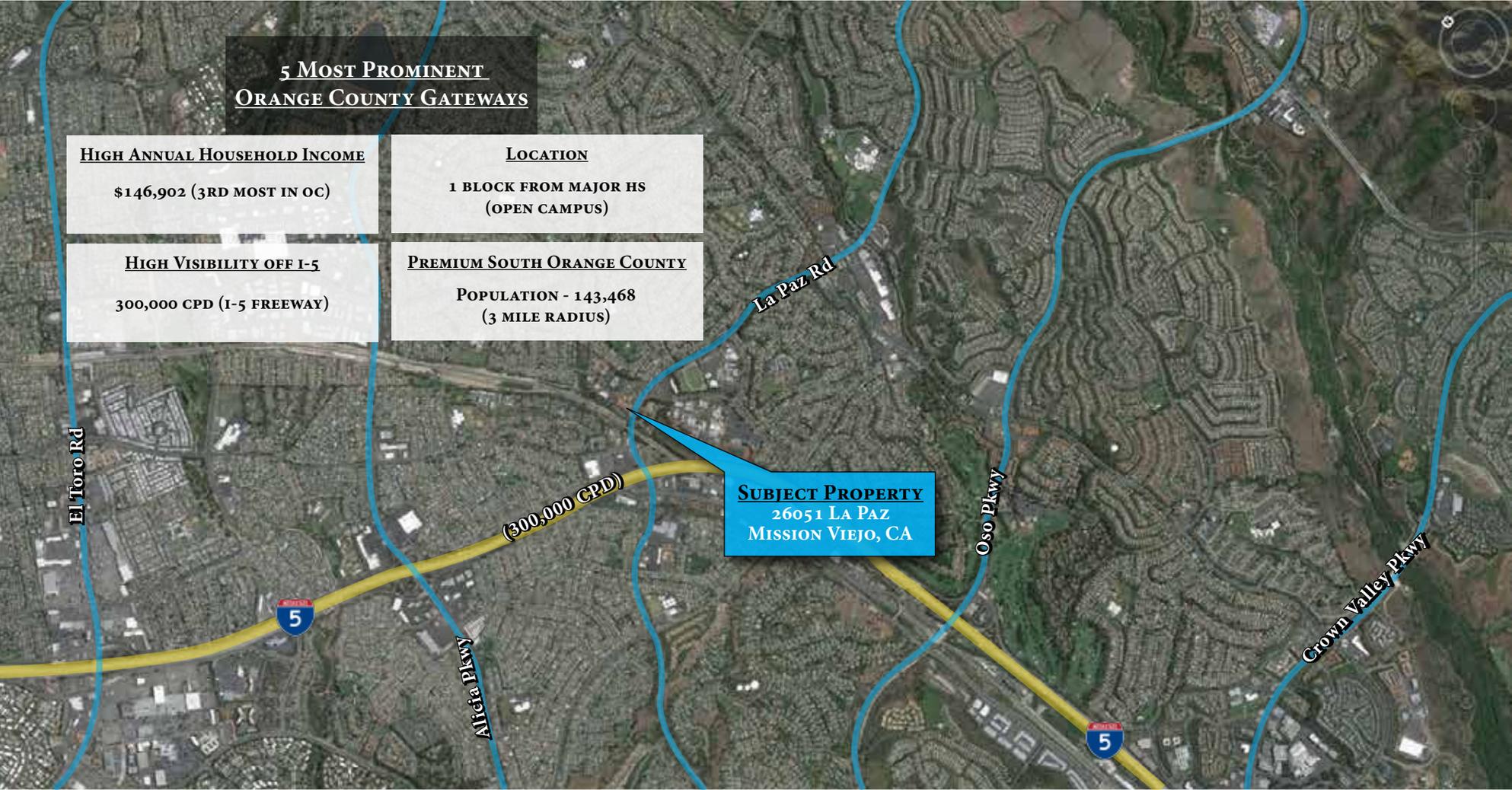
usbank

I-5 Freeway

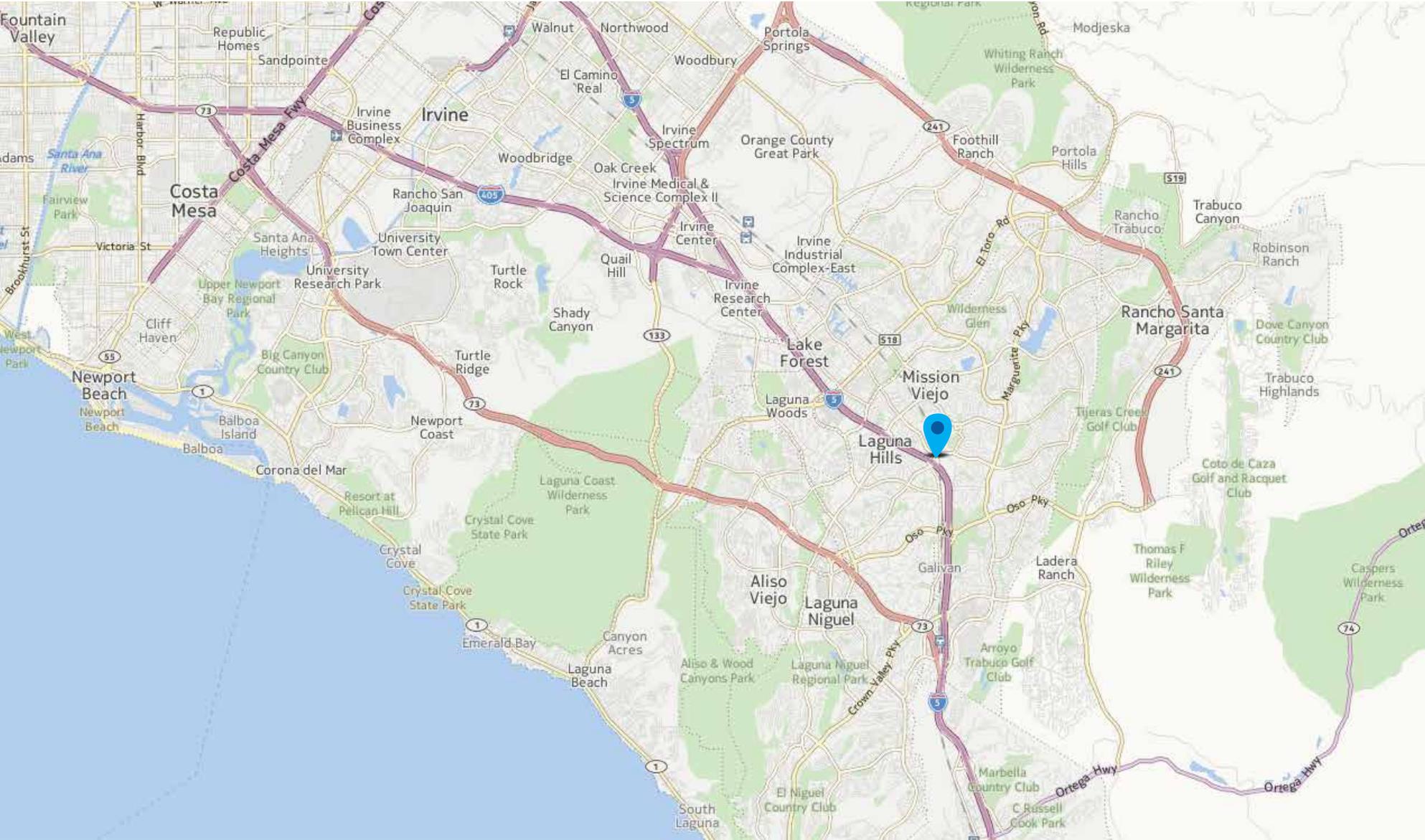
LA PAZ GATEWAY, MISSION VIEJO, CA







LA PAZ GATEWAY, MISSION VIEJO, CA





Chase Bank
24799 Alicia Parkway, Laguna Hills, CA

Sale Price:	\$4,560,000	SOLD:	May 2014
Cap Rate:	3.89%	Sqft:	4,415
Price Per Foot:	\$1,032.84	Year Built:	2013



Starbucks Center
5604 La Jolla Blvd, La Jolla, CA

Sale Price:	\$2,500,000	Close Of Escrow:	2/4/2014
Cap Rate:	4.04%	Sqft:	2,697 sqft
Price Per Foot:	\$926.00	Year Built:	2003



Starbucks & Jersey Mikes Center
18200 Gale Ave, City of Industry, CA

Sale Price:	\$3,150,600	Close Of Escrow:	2/7/2014
Cap Rate:	4.16%	Sqft:	2,600 sqft
Price Per Foot:	\$1,212.00	Year Built:	2013



Corona Del Mar Center
3250 E. Coast Highway, Corona Del Mar, CA

Sale Price:	\$7,000,000	Close Of Escrow:	3/19/2014
Cap Rate:	4.16%	Sqft:	7,217 sqft
Price Per Foot:	\$967.00	Year Built:	1965



7-Eleven
6012 Edinger Ave, Huntington Beach, CA

Sale Price:	\$3,000,000	Close Of Escrow:	3/21/2013
Cap Rate:	4.83%	Sqft:	3,400 sqft
Price Per Foot:	\$882.00	Year Built:	2013



Sharkey's / AT&T
26811 Aliso Creek Rd, Aliso Viejo, CA

List Price:	\$4,200,000	SOLD:	6/18/2014
Cap Rate:	4.55%	Sqft:	4,260
Price Per Foot:	\$985.92	Year Built:	1999



Foothill Center
20651 Lake Forest Dr, Lake Forest, CA

Sale Price:	\$7,400,000	Close Of Escrow:	5/2/2014
Cap Rate:	4.81%	Sqft:	19,402 sqft
Price Per Foot:	\$381.40	Year Built:	1990



Bristol and Redhill
270 Bristol Street, Cosa Mesa, CA

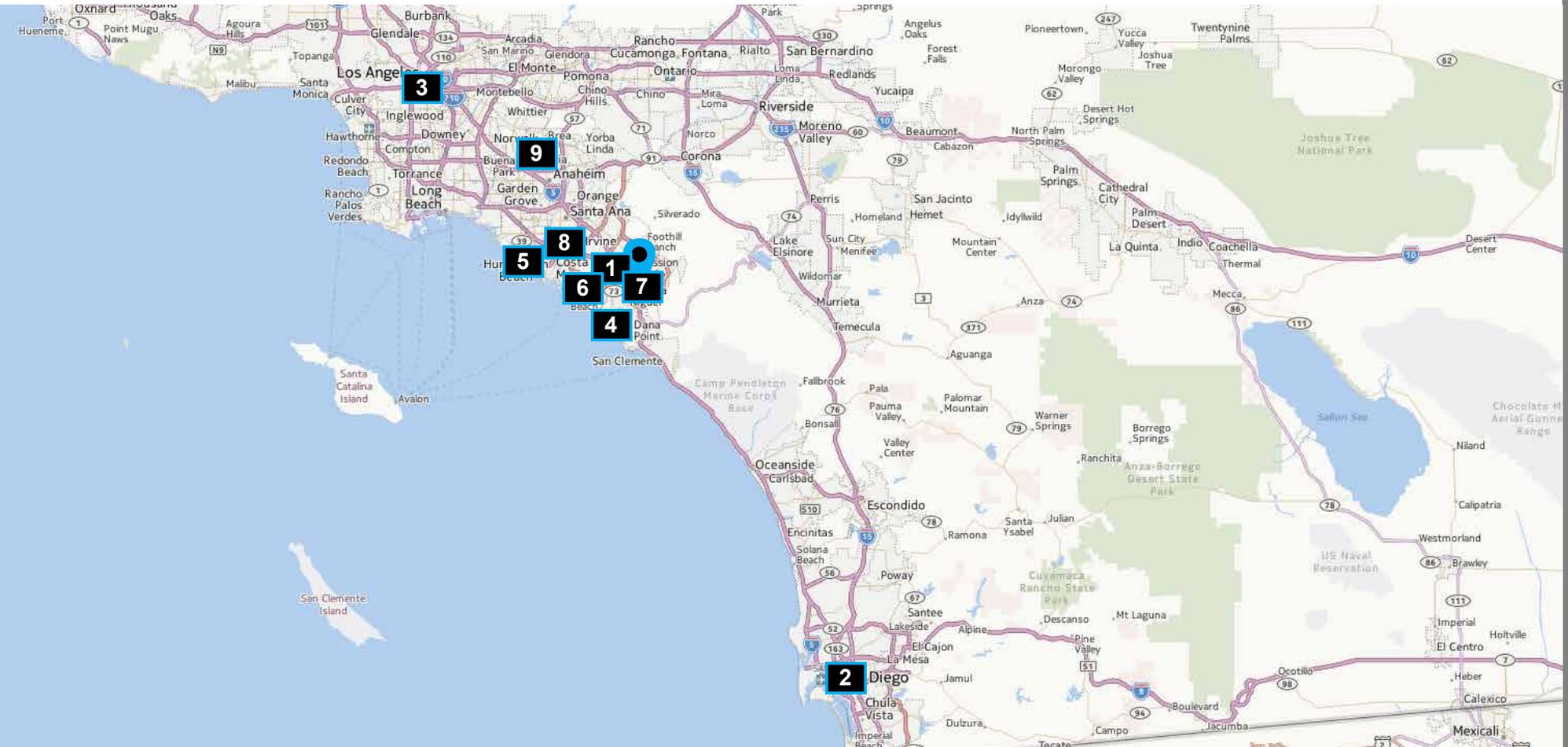
Sale Price:	\$12,900,000	Close Of Escrow:	3/07/2014
Cap Rate:	4.5%	Sqft:	24,756 sqft
Price Per Foot:	\$521.09	Year Built:	1978



Starbucks
15010 Imperial Hwy, La Mirada, CA

List Price:	\$3,200,000	SOLD:	Sept 2014
Cap Rate:	3.43%	Sqft:	2,514
Price Per Foot:	\$1,272.87	Year Built:	2014

SALE COMPARABLE MAP



- | | | |
|---|--|---|
| <p>1 <u>Chase Bank</u>
24799 Alicia Parkway, Laguna Hills, CA</p> | <p>4 <u>Corona Del Mar Center</u>
3250 E. Coast Highway, Corona Del Mar, CA</p> | <p>7 <u>Foothill Center</u>
20651 Lake Forest Dr, Lake Forest, CA</p> |
| <p>2 <u>Starbucks Center</u>
5604 La Jolla Blvd, La Jolla, CA</p> | <p>5 <u>7-Eleven</u>
6012 Edinger Ave, Huntington Beach, CA</p> | <p>8 <u>Bristol and Redhill</u>
270 Bristol Street, Costa Mesa, CA</p> |
| <p>3 <u>Starbucks & Jersey Mikes Center</u>
18200 Gale Ave, City Of Industry, CA</p> | <p>6 <u>Sharkey's AT&T</u>
26811 Aliso Creek Rd, Aliso Viejo, CA</p> | <p>9 <u>Starbucks</u>
15010 Imperial Hwy, La Mirada, CA</p> |

RENT COMPARABLES



La Paz Plaza

26130 La Paz Rd, Mission Viejo, CA

Rent/SF:	\$5.02	GLA:	6,060
Lease Type:	NNN	Year Built:	2006
Tenant: Comerica Bank, Empanada Shop			



La Paz/Cabot

25912 La Paz, Laguna Hills, CA

Rent/SF:	\$5.56	GLA:	4,898
Lease Type:	NNN	Year Built:	2003
Tenant: Starbucks, Chase Bank			



Alicia Town Center

25594 Alicia Parkway, Laguna Hills, CA

Rent/SF:	\$4.00	GLA:	56,809
Lease Type:	NNN	Year Built:	1,978
Tenant: Starbucks, Subway			



Plaza Alicia

23981 Alicia Parkway, Mission Viejo, CA

Rent/SF:	\$4.02	GLA:	11,572
Lease Type:	NNN	Year Built:	2008
Tenant: Rubios, Gandolfo's			



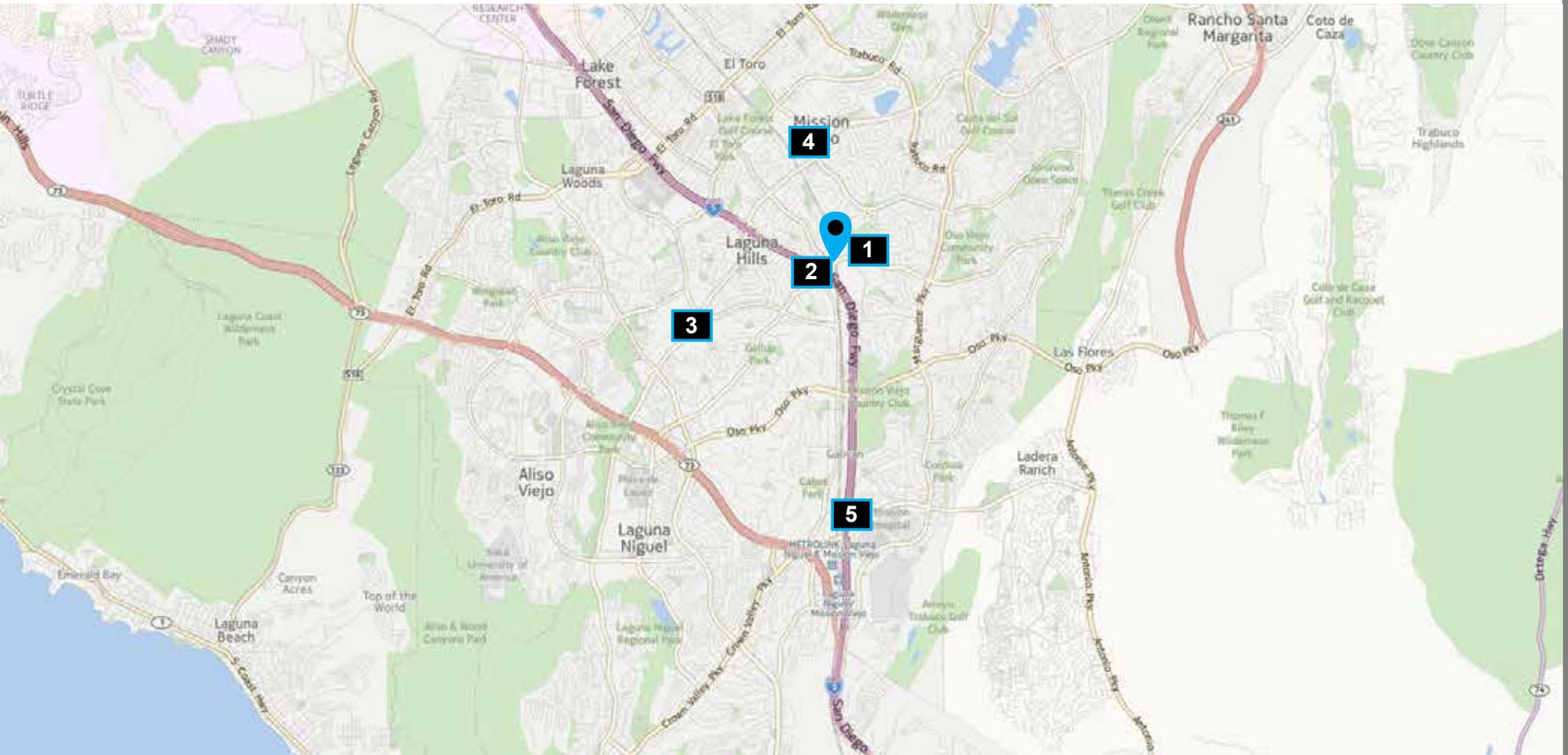
Kaleidoscope Center

27741 Crown Valley, Mission Viejo, CA

Rent/SF:	\$4.00	GLA:	241,000
Lease Type:	NNN	Year Built:	1998
Tenant: Buffalo Wild Wings, Islands, AT&T			

LA PAZ GATEWAY, MISSION VIEJO, CA

RENT COMPARABLE MAP



 **La Paz Gateway**
26051 La Paz, Mission Viejo, CA

1 **La Paz Plaza**
26130 La Paz, Mission Viejo, CA

2 **La Paz/Cabot Center**
25912 La Paz, Mission Viejo, CA

3 **Alicia Town Center**
25594 Alicia Parkway, Laguna Hills, CA

4 **Plaza Alicia**
23981 Alicia Parkway, Mission Viejo, CA

5 **Kaleidoscope Center**
27741 Crown Valley, Mission Viejo, CA

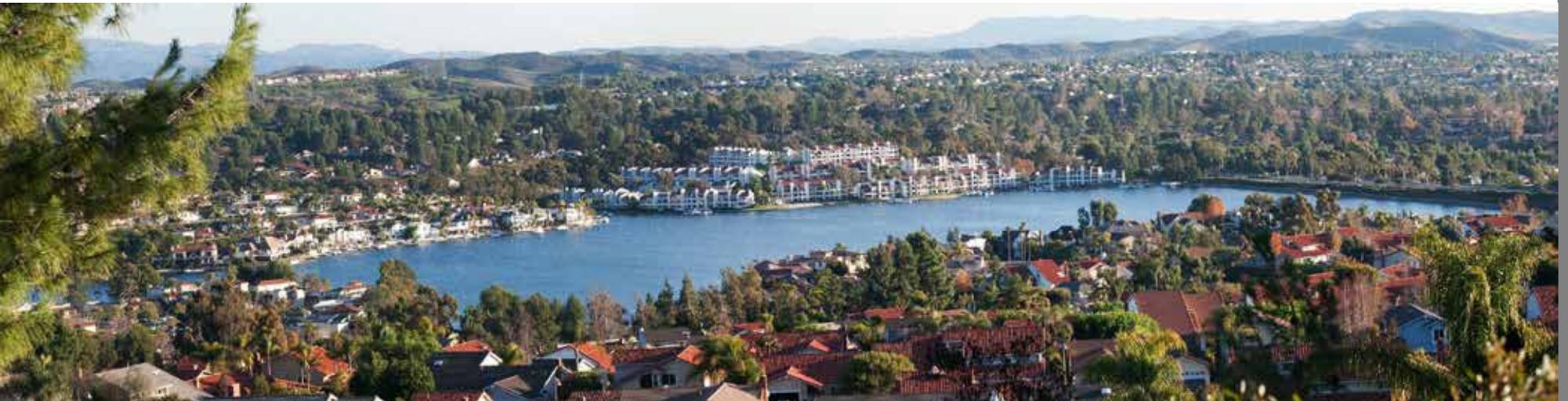


AREA OVERVIEW

The city of Mission Viejo is located in prestigious South Orange County in the heart of the Saddleback Valley. Mission Viejo is one of the largest master planned communities ever built under a single project in the United States and is rivaled only by Highland Ranch, Colorado in its size.

The planned community concept that makes Mission Viejo the ideal place to live also makes it the ideal place for businesses. The city boasts five on/off ramps on Interstate 5, with virtually all businesses located within two miles of the freeway. Mission Viejo is poised to serve the commercial and retail needs of a region of 330,000 people that eventually will grow by another 60,000 as the foothills east of the city are fully developed. Mission Viejo is a world class city in the heart of one of the most affluent growth markets in the nation and was recently named as the second best place in the U.S. to buy a home by Entrepreneur Magazine. Strict adherence to a master plan for 35 years has created a community best known for immaculate, attractive subdivisions, 43 parks, a 41,000 square foot library, Olympic swimming and diving medalists, California Distinguished Schools and National Blue Ribbon Schools. The new city hall includes a large meeting room and city hall chambers with theater seating, both of which can be rented for business gatherings.

The wisdom of community planners has blessed the city with the best of both worlds, making Mission Viejo the residential and commercial heart of South County. Four major arterial routes through Mission Viejo link the developing foothills with established communities and growth areas to the west, all with prime commercial space available. The Foothill and San Joaquin toll ways each originate within a mile of Mission Viejo for almost instant access to the South Coast Plaza complex and the Inland Empire. Alicia, La Paz and Oso Parkway located in the heart of Mission Viejo connects Santa Ana Mountains to the Pacific Ocean. Due to the affluent, master-planned residential communities combined with numerous amenities available, Mission Viejo provides an ideal area for La Paz Gateway's success.



DEMOGRAPHICS

Population	1-mi.	3-mi.	5-mi.
Total Population	12,812	143,468	330,976
Age	1-mi.	3-mi.	5-mi.
Median Age, Total	45.5	39.8	40.6
Median Age, Male	43.9	38	39
Median Age, Female	46.7	41.3	42
% Age 18+	79.7	75.7	76.4
% Age 21+	75.5	71.8	72.5
% Age 55+	32.8	25.1	26.5
% Age 65+	17.4	12.9	14.2
Housing and Household's	1-mi.	3-mi.	5-mi.
Total Housing Units	4,657	51,559	122,832
Total Households	4,643	50,770	120,719
Owner-Occupied: Owned with a mortgage or loan	2,957	30,339	70,884
Owner-Occupied: Owned free and clear	549	5,837	15,944
Renter-Occupied	1,137	14,595	33,891
Income	1-mi.	3-mi.	5-mi.
Per Capita Income (based on Total Population)	\$52,197	\$44,462	\$44,039
Average (Mean) Household Income	\$146,902	\$128,614	\$123,553
Median Household Income	\$110,191	\$96,814	\$92,477
Aggregate Income	\$684,696,320	\$6,557,718,808	\$14,964,984,241

CONFIDENTIAL MEMORANDUM AND DISCLAIMER

Coldwell Banker Commercial Alliance (“Agent”) has been engaged as the exclusive agent for the sale of 26051 La Paz Road Mission Viejo CA, by the owner of the Property (“Seller”). Hook Retail Advisors and Scott G. Hook are affiliated with and considered an investment sales agent, of agent.

The Property is being offered for sale in an “as-is, where-is” condition and Seller and Agent make no representations or warranties as to the accuracy of the information contained in this Offering Memorandum. The enclosed materials include highly confidential information and are being furnished solely for the purpose of review by prospective purchasers of the interest described herein. Neither the enclosed materials nor any information contained herein is to be used for any other purpose or made available to any other person without the express written consent of the Seller. Each recipient, as a prerequisite to receiving the enclosed, should be registered Coldwell Banker Commercial Alliance as a “Registered Potential Investor” or as “Buyer’s Agent” for an identified “Registered Potential Investor.” The use of this Offering Memorandum and the information provided herein is subject to the terms, provisions and limitations of the confidentiality agreement furnished by Agent prior to delivery of this Offering Memorandum.

The enclosed materials are being provided solely to facilitate the prospective investor’s own due diligence for which it shall be fully and solely responsible. The material contained herein is based on information and sources deemed to be reliable, but no representation or warranty, express or implied, is being made by Agent or Seller or any of their respective representatives, affiliates, officers, employees, shareholders, partners and directors, as to the accuracy or completeness of the information contained herein. Summaries contained herein of any legal or other documents are not intended to be comprehensive statements of the terms of such documents, but rather only outlines of some of the principal provisions contained therein. Neither the Agent nor the Seller shall have any liability whatsoever for the accuracy or completeness of the information contained herein or any other written or oral communication or information transmitted or made available or any action taken or decision made by the recipient with respect to the Property. Interested parties are to make their own investigations, projections and conclusions without reliance upon the material contained herein.

Seller reserves the right, at its sole and absolute discretion, to withdraw the Property from being marketed for sale at any time and for any reason. Seller and Agent each expressly reserves the right, at their sole and absolute discretion, to reject any and all expressions of interest or offers regarding the Property and/or to terminate discussions with any entity at any time, with or without notice. This offering is made subject to omissions, correction of errors, change of price or other terms, prior sale or withdrawal from the market without notice. Agent is not authorized to make any representations or agreements on behalf of Seller.

Seller shall have no legal commitment or obligation to any interested party reviewing the enclosed materials, performing additional investigation and/or making an offer to purchase the Property unless and until a binding written agreement for the purchase of the Property has been fully executed, delivered, and approved by Seller and any conditions to Seller’s obligations thereunder have been satisfied or waived.

By taking possession of and reviewing the information contained herein, the recipient agrees that (a) the enclosed materials and their contents are of a highly confidential nature and will be held and treated in the strictest confidence and shall be returned to Agent or Seller promptly upon request; and (b) the recipient shall not contact employees or tenants of the Property directly or indirectly regarding any aspect of the enclosed materials or the Property without the prior written approval of the Seller or Agent; and (c) no portion of the enclosed materials may be copied or otherwise reproduced without the prior written authorization of Seller or Agent or as otherwise provided in the Confidentiality and/or Registration Agreement executed and delivered by the recipient(s) to Coldwell Banker Commercial Alliance.

If you have no interest in the Property at this time, please return this Offering Memorandum immediately to:



ALLIANCE

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