



28042 AVE STANFORD, UNIT E
VALENCIA, CA 91355

Confidential Offering Memorandum

NAI Capital
Commercial Real Estate Services, Worldwide.

Confidentiality Agreement

This is a confidential memorandum intended solely for your own limited use in considering whether to pursue negotiations to purchase 28042 Avenue Stanford, Unit E, Valencia, California (the “Property”). The Owner has retained NAI Capital (“NAI”) as the exclusive sales broker to sell the Property. No other agent or broker is authorized to offer the Property unless and until that agent or broker has executed a written agreement with NAI and that agreement has been executed by their interested purchaser.

This confidential memorandum contains brief, selected information pertaining to the business and affairs of the Property and has been prepared by NAI. Although this confidential memorandum has been reviewed by representatives of the Owner, it does not purport to be all-inclusive or to contain all of the information which a prospective purchaser may desire. Neither the Owner nor NAI, nor any of their partners, officers, employees or agents have independently verified the information contained herein and they are not responsible for any errors or inaccuracies in the information. No representation or warranty, express or implied, is made as to the accuracy or completeness of this confidential memorandum or any of its contents, or any other written or oral communication transmitted to a prospective purchaser in the course of its evaluation of the proposed sale of the Property. There is no representation as to the environmental condition of the Property.

You agree that the memorandum and its contents are confidential, that you will hold and treat it in confidence and that you will not disclose this memorandum or its contents to any other firm or entity without prior written authorization. Photocopying or other duplication is prohibited. You will use this confidential memorandum only for the purpose of evaluating the possible acquisition of the Property. All prospective purchasers agree that they will conduct their own independent investigation of those matters which they deem appropriate in order to evaluate this offering.

Owner and NAI expressly reserve the right at their sole discretion to reject any or all proposals, offers, or expressions of interest in the Property and to terminate discussions with any party at any time with or without notice.

This confidential memorandum shall not be deemed a representation of the state of affairs of the Property or imply that there has been no change in the business or affairs of the Property since the date of preparation of this memorandum. The Property is submitted for sale subject to the right to make changes in any of the terms without notice.

Exclusively Offered By:

Chris Jackson

Executive Managing Director
818.933.2368
cjackson@naicapital.com
CABRE #01255538

Todd Lorber

Executive Vice President
818.933.2376
tlorber@naicapital.com
CABRE #01014637

Chris Fitzgerald

Associate
818.742.1605
cfitzgerald@naicapital.com
CA BRE #01943385

Stanford Business Plaza

Valencia, CA 91355

Table of Contents

I Executive Summary

II Property Description

- 03 Site Overview
- 04 Property Aerials
- 06 Site Plan
- 07 Tenant Profiles

III Market Overview

- 08 Santa Clarita Economic Overview
- 09 Valencia Retail Market Overview
- 10 Comparables
- 15 Development Projects

IV Financial Analysis

- 16 Financial Summary

Exclusive Advisors

Chris Jackson

Executive Managing Director
818. 933. 2368
cjackson@naicapital.com
CABRE #01255538

Todd Lorber

Executive Vice President
818. 933. 2376
tlorber@naicapital.com
CABRE #01014637

Chris Fitzgerald

Associate
818.742.1605
cfitzgerald@naicapital.com
CA BRE #01943385

| Executive Summary

Executive Summary

NAI Capital, as the exclusive advisor to the Owner, is pleased to present for review the pricing and market analysis for 28042 Avenue Stanford, Unit E, Valencia, CA 91355, a single tenant investment, industrial-condo warehouse.

The property is 100% leased to AVM Technologies, Inc. (in business since 1973) which represents a tremendous opportunity to acquire a 100% NNN fully leased Corporate Image, Industrial Condo in the Southern California region with the excellent rental income and a strong local tenant. 28042 Avenue Stanford, Unit E is a well-positioned industrial-condo in the Valencia Industrial Center.

Investment Highlights

- Approximately 5,200 SF of Executive Offices
- Excellent Office Buildout
- Street Visibility and plenty of parking
- BP (business park) zoning allows for the widest range of uses in Santa Clarita and is extremely coveted by local businesses
- Excellent NNN single tenant NNN leased investment with a credit tenant

Investment Summary

Address	28042 Avenue Stanford, Unit E
Property Type	Tilt-up
Total Building SF	5,720 SF
Price	\$1,990,000.00
Cap Rate	5.88%
Number of Stories	1
Year Built	1990



Executive Summary Continued

Stable Cash Flow

28042 Avenue Stanford is a 100%, Single Tenant NNN Leased Investment.

Valencia

Valencia is approximately 30 miles north of downtown Los Angeles. Planned in the 1960s by Newhall Land and Farming Company, development has continued to present day with a mix of apartment buildings, single-family detached homes, shopping centers, industrial warehouses and multiple office parks. By 1987, Valencia was one of four unincorporated communities that merged to create the city of Santa Clarita, the third largest city in Los Angeles County by population, and the seventeenth largest in the state.

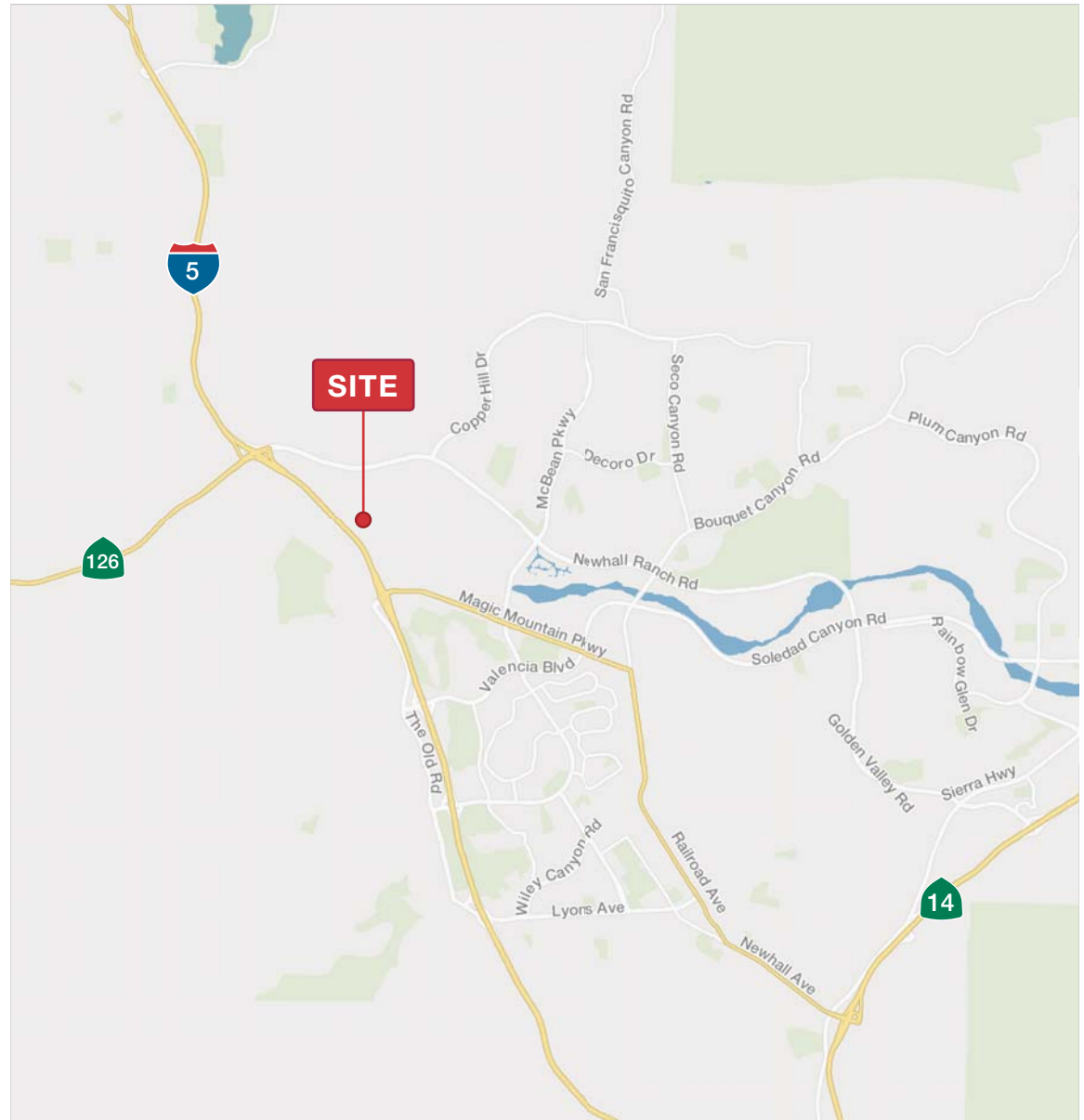
Well Maintained and Professionally Managed

The Valencia Industrial Center 1 is a highly coveted area by businesses due to the new designs and flexible BP zoning. The project is newly built, located in a corporate environment Business Park, which accommodates the widest range of businesses. The project is well maintained and professionally managed.

Demographics	1 mi.	3 mi.	5 mi.
Population	102	63,673	161,108
Median HH Income	\$121,795	\$117,458	\$109,567
Total Employees	20,490	58,849	81,730
Total Businesses	1,256	4,373	7,286

Traffic Counts

Avenue Stanford	~ 12,000 VPD
Rye Canyon Rd	~ 29,000 VPD



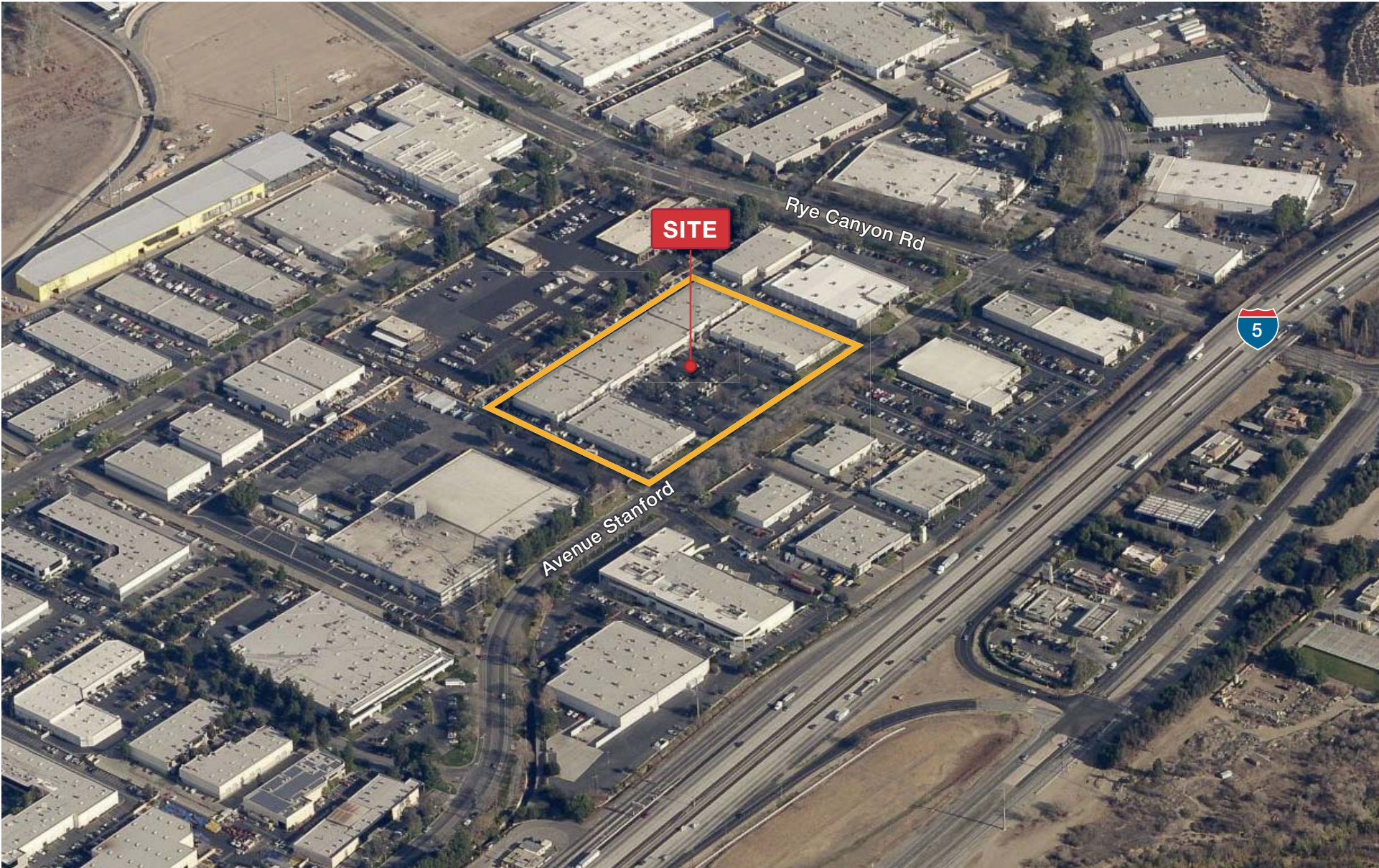
|| Property Description

Site Overview

Price	\$1,990,000.00
Address	28042 Avenue Stanford Unit E, Valencia, CA 91355
Available SF	5,720 SF
Year Built	1990, Remodeled 2007
Percent Leased	100%
Parcel Number	2866-009-035
Zoning	BP
Parking	12 Spaces
Major Tenant	AVM Technologies, Inc. & Confidential Data Construction



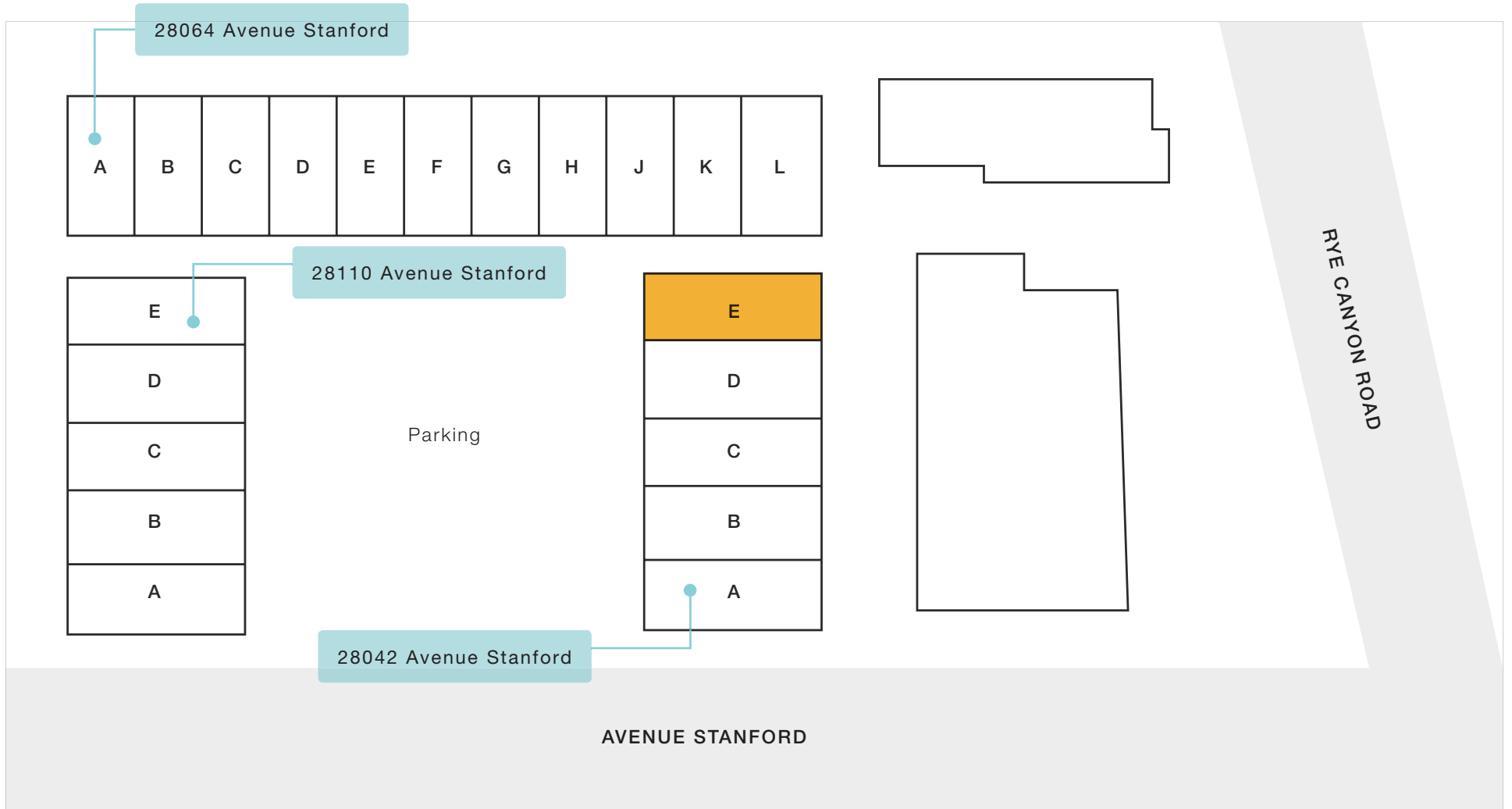
Property Aerial



Property Aerial Area Retailers



Site Plan



Tenant Profile



AVM Technologies

We are dedicated to providing software solution to the Real Estate industry. Established in 1973, AVM Technologies has provided more than 5,000 companies with products serving their property, asset and financial management needs. Our property and asset management applications are fully integrated. We offer Windows based product lines packaged with a variety of features and options that reach all business sizes and organizational structures. Our solutions operate on a range of different client/server platforms, from single-user to large-scale SQL systems.

CDDC is a division of AVM Technologies, Inc., a computer and software leader for over 30 years. CDDC's core competencies—document and data destruction—grew out of AVM's e-waste disposal services. Together, CDDC and AVM Technologies, Inc. offer businesses a full life cycle of document services, including scanning, storage, and destruction.

www.avmtech.com



Interior Building Photos



III Market Overview

Santa Clarita Economic Overview



The City of Santa Clarita is the third largest city in Los Angeles County by population, and the seventeenth largest in the state.

In 1987, the city was formed as a union of four unincorporated communities, including Canyon Country, Saugus, Newhall, and Valencia. The city lies half way between Los Angeles and the Palmdale-Lancaster area, and is strategically positioned between the Castaic Junction and the Newhall Pass, giving it excellent access to two major freeway networks and the metrolink in Newhall.

The Santa Clarita Valley is home to an estimated 283,422 residents while the median household income was estimated to be \$92,363 in 2015, which makes it one of the highest in the state. The Santa Clarita Valley has one

of the most highly educated populations in the county, with over 35% of residents having a four year degree or higher. The Santa Clarita Valley also boasts a small, but strong manufacturing base, with several Aerospace and Defense contractors, including Aerospace Dynamics International, Woodward HRT, and ITT Aerospace Controls, and several Biotechnology manufacturers, including Advanced Bionics, Boston Scientific, Quest Diagnostics, and Bioness, Inc.

The city's economy benefits substantially from the Santa Clarita Enterprise Zone, which covers 97% of all commercial, business, and industrialized zoned lands in the city of Santa Clarita. The city is also a major tourist destination in Los Angeles due to Six Flags Magic Mountain, which has over 3.1 million visitors per year as of 2015, generating an annual revenue of \$1.3 billion. The city is also the headquarters for Princess Cruises, and home to the California Institute of the Arts, one of the top arts and film schools in the Country, the Master's College, a private coeducational Christian university, and College of the Canyons, a two-year community college.

City of Santa Clarita Principal Employers

Rank	Employer	Employees
1	Six Flags Magic Mountain	4,500
2	Princess Cruises	1,600
3	Henry Mayo Newhall Memorial Hospital	1,400
4	Quest Diagnostics	850
5	The Master's College	800
6	Woodward HRT	772
7	Boston Scientific	770
8	California Institute of the Arts	690
9	Walmart	624
10	Aerospace Dynamics International	548

Source: NAI Capital Research, Santa Clarita CAFR

Valencia Market Overview

The City of Valencia is a master-planned community located on the northwest corner of Santa Clarita.

Valencia, adjacent to the I-5 (Golden State Freeway), is approximately 30 miles north of downtown Los Angeles. Planned in the 1960s by Newhall Land and Farming Company, development has continued to present day with a mix of apartment buildings, single-family detached homes, shopping centers, industrial warehouses and multiple office parks. By 1987, Valencia was one of four unincorporated communities that merged to create the city of Santa Clarita, California.

The current population of Valencia stands at approximately 290,000 and the estimated average household income is \$109,300. Located 30 miles northwest of Downtown Los Angeles, the city of Santa Clarita covers 46.7 square miles of the 200+ square miles that

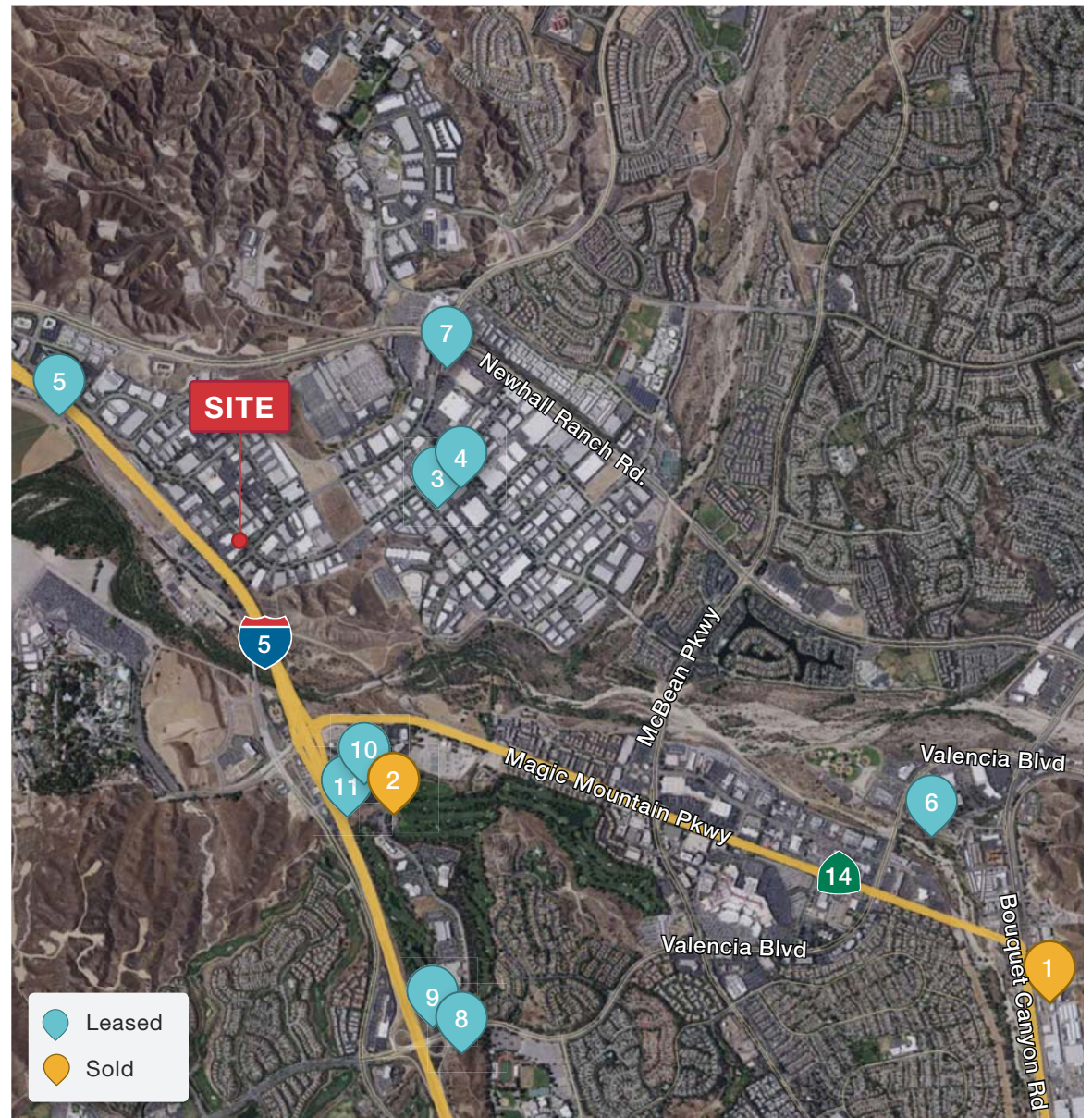
comprises the Santa Clarita Valley. The city is situated south of the Sierra Pelona mountain range, north of the Santa Susana and San Gabriel mountain ranges, and is bordered by State Highway 14 on the east and Interstate 5 to the west. The city was officially formed in 1987 when the four unincorporated communities of Valencia, Newhall, Saugus and Canyon Country merged together to create the city of Santa Clarita, CA. It represents the fourth largest city in Los Angeles County.

Throughout the years, the City of Santa Clarita has experienced tremendous growth and was the fastest growing city in Los Angeles County for many years, prior to the recent recession. It still maintained a healthy growth of almost 1.2% in 2011 (compared to only a modest 0.5% for the rest of LA County), which brought the total population valley wide to approximately 272,795 people. Since 2000, the population of the Santa Clarita Valley has grown by more than 30% - much faster than the State as a whole, which increased by 11 percent, or the San Fernando Valley, which grew by less than 10 percent.



Comparables Overview Map

No.	Address	City	Zip	Status
	28042 Ave Stanford	Valencia	91355	SITE
1	25840 Springbrook Ave	Santa Clarita	91350	Sold
2	27420 Tourney Rd	Valencia	91355	Sold
3	25115 Avenue Stanford	Valencia	91355	Leased
4	25115 Avenue Stanford	Valencia	91355	Leased
5	28480 Avenue Stanford	Valencia	91355	Leased
6	23501 Cinema Dr	Valencia	91355	Leased
7	SE of Newhall Ranch Rd and Rye Canyon Rd	Santa Clarita	91355	Leased
8	25152 Springfield Ct	Valencia	91355	Leased
9	25152 Springfield Ct	Valencia	91355	Leased
10	27433 Tourney Rd	Valencia	91355	Leased
11	27433 Tourney Rd	Valencia	91355	Leased



Sale Comparables



Stanford Business Plaza Unit 18
28042 Ave Stanford | Valencia, CA 91355

Sale Date: November 13, 2015

Sale Price: \$1,990,000

Price/SF: \$321.09

Bldg Type: Light Industrial

Bldg Class: --

Year Built/Renovated: 1990

Sold SF: 5,720 SF



25840 Springbrook Ave
Santa Clarita, CA 91350

Sale Date: July 21, 2016

Sale Price: \$915,000

Price/SF: \$381.25

Bldg Type: Light Industrial

Bldg Class: ---

Year Built/Renovated: 1977

Sold SF: 2,400 SF



Unit 230 of Tourney Medical Plaza
27420 Tourney Rd | Valencia, CA 91355

Sale Date: June 16, 2016

Sale Price: \$800,000

Price/SF: \$362.15

Bldg Type: Medical

Bldg Class: A

Year Built/Renovated: 2005

Sold SF: 2,209 SF

Lease Comparables



Stanford Business Plaza Unit 18
28042 Ave Stanford | Valencia, CA 91355

Specific Use: Light Industrial
Lease Size: 5,720 SF
Asking Lease Rate/MO: \$9,750
Asking Lease Rate/SF: \$1.70



Valencia Corporate Plaza Bldg C
28480 Avenue Stanford, Unit 300
Valencia, CA 91355

Specific Use: General
Building Size: 65,629 SF
Lease Size: 6,187 SF
Building Class: A
Asking Lease Rate/MO: \$9,281
Asking Lease Rate/SF: \$1.50 FSG
Execution Date: 12/15/16



Valencia Park Executive Center
25115 Avenue Stanford, Unit A - 100
Valencia, CA 91355

Specific Use: General
Building Size: 66,584 SF
Lease Size: 3,083
Building Class: B
Asking Lease Rate/MO: \$5,395
Asking Lease Rate/SF: \$1.75 FSG
Execution Date: 12/13/16



Cinema Professional Center
23501 Cinema Dr, Unit 111 | Valencia, CA 91355

Specific Use: Medical
Building Size: 38,126 SF
Lease Size: 3,096
Building Class: A
Asking Lease Rate/MO: \$9,133
Asking Lease Rate/SF: \$2.95 NNN
Execution Date: 6/21/17



Valencia Park Executive Center
25115 Avenue Stanford, Unit A - 300
Valencia, CA 91355

Specific Use: General
Building Size: 66,584 SF
Lease Size: 4,160
Building Class: B
Asking Lease Rate/MO: \$7,280
Asking Lease Rate/SF: \$1.75 FSG
Execution Date: 5/12/17

Lease Comparables



Copper Ranch Plaza
SE of Newhall Ranch Rd and Rye Canyon
Unit 2-D/E | Santa Clarita, CA 91355

Specific Use: Medical
Building Size: 9,087 SF
Lease Size: 3,051 SF
Building Class: A
Asking Lease Rate/MO: \$9,916
Asking Lease Rate/SF: \$3.25 NNN
Execution Date: 5/12/17



27433 Tourney Rd, Unit 150
Valencia, CA 91355

Specific Use: General
Building Size: 20,731 SF
Lease Size: 3,407 SF
Building Class: A
Asking Lease Rate/MO: \$8,006
Asking Lease Rate/SF: \$2.35 FSG
Execution Date: 7/20/2016



The Commons at Valencia Gateway
25152 Springfield Ct, Bldg 684, Unit 300
Valencia, CA 91355

Specific Use: General
Building Size: 77,955 SF
Lease Size: 3,521 SF
Building Class: B
Asking Lease Rate/MO: \$10,035
Asking Lease Rate/SF: \$2.85 FSG
Execution Date: 9/9/16



27433 Tourney Rd, Unit 220/230
Valencia, CA 91355

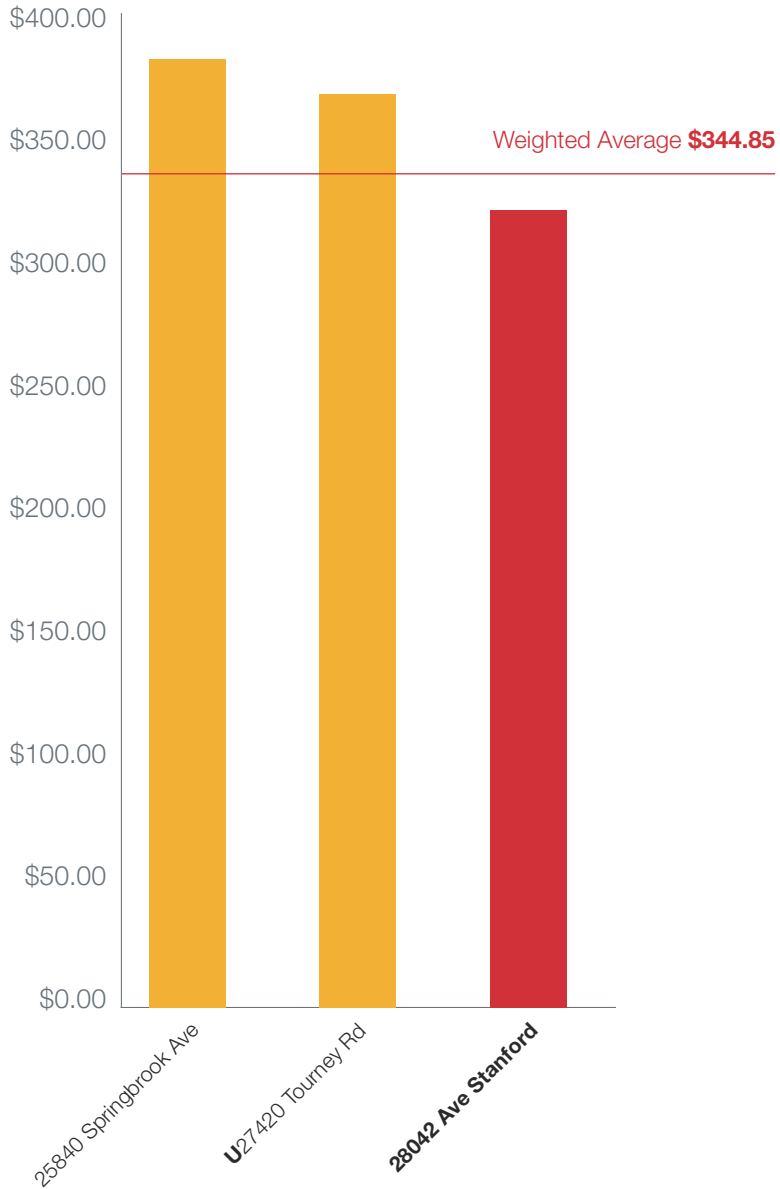
Specific Use: General
Building Size: 20,731 SF
Lease Size: 3,131 SF
Building Class: A
Asking Lease Rate/MO: \$7,358
Asking Lease Rate/SF: \$2.35 FSG
Execution Date: 7/20/2016



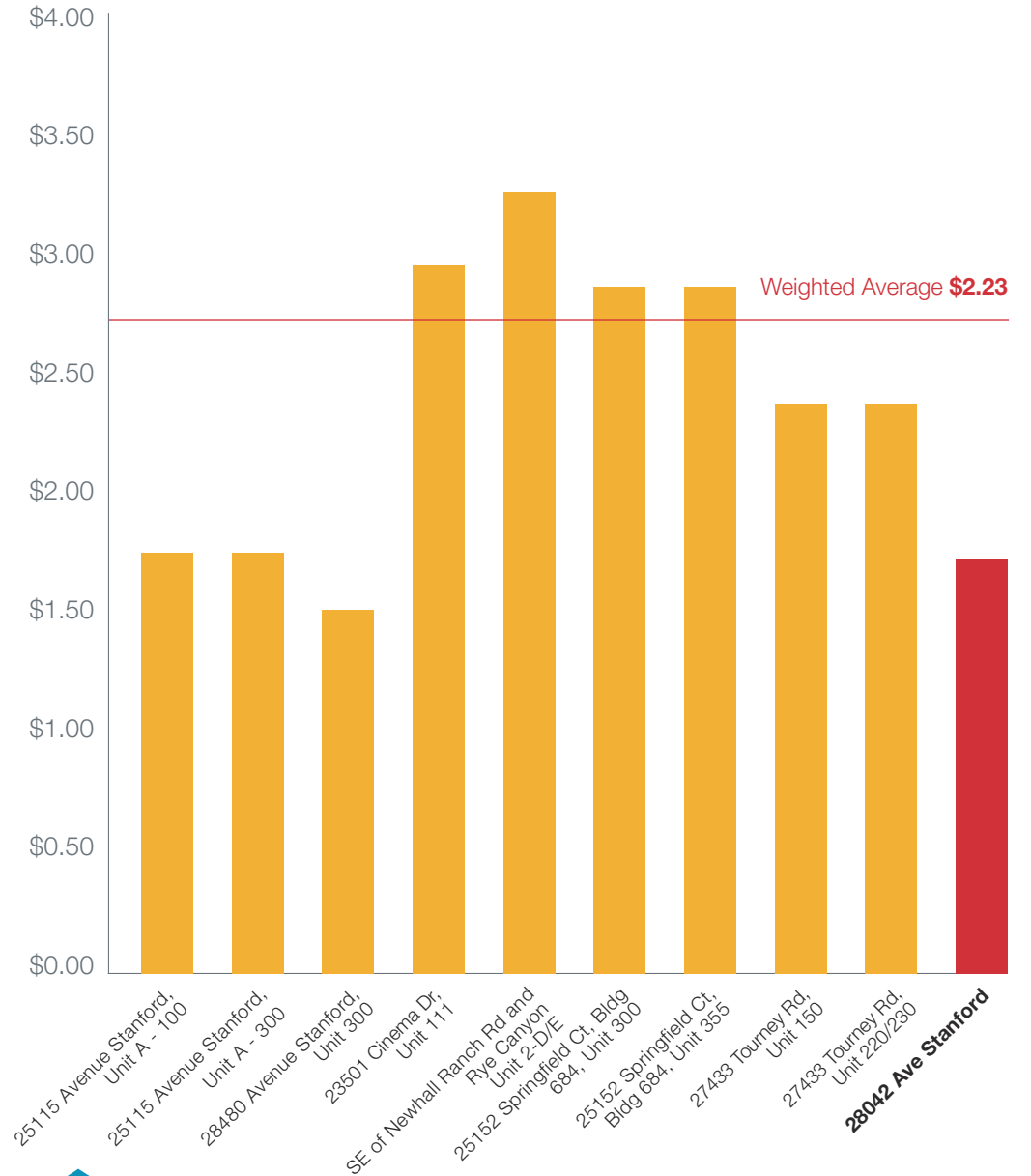
The Commons at Valencia Gateway
25152 Springfield Ct, Bldg 684, Unit 355
Valencia, CA 91355

Specific Use: General
Building Size: 77,955 SF
Lease Size: 4,442 SF
Building Class: B
Asking Lease Rate/MO: \$12,660
Asking Lease Rate/SF: \$2.85 FSG
Execution Date: 9/9/16

Comparables Overview Sold



Comparables Overview Leased



Santa Clarita Valley Development Projects



IAC Commerce Center

- GLA: 1.3M SF
- 9 buildings ranging in size between 90,000 SF and 500,000 SF; Buildings are divisible from 50,000 SF
- 70 Acres
- Phase I: (398,220 SF); 3 buildings i.e. 93,600 SF, 116,740 SF and 187,880 SF
- Grading/Infrastructure: commenced
- Vertical Construction Commencement: 3Q 2016
- Building Occupancy: Q2 2017
- Type Development: Speculative, Build-to-Suit and Land Sales

Developer: International Airport Centers



Gateway V

- GLA: 625,000 SF
- Acres: 38
- Phase I: (254,722 SF); 3 buildings, speculative development i.e. 60,923 SF, 88,752 SF and 105,047 SF
- Phase II: (254,000 SF): Land Acquisition and Build-to-Suit
- Grading/Infrastructure: Compete
- Vertical Construction Commencement: May 2016
- Building Occupancy: 1/2017
- Type Development: Speculative
- Available Land: 4 parcels i.e. 0.32 acres to 2.3 acres; \$17.50 SF to \$26.00 SF

Developer: Sheridan/Ebbert/AEW



Mann Biomedical Park

- Acquired by a joint venture between Intertex Companies and funds managed by Oaktree Capital Management, L.P.
- Includes 159 acres and currently encompasses 17 buildings and 612,075 SF; the park is entitled for an additional 900,000 SF which can accommodate office/flex, industrial/flex and medical
- Amenities: Fitness Center, Walking Trails, Security, On-Site Management, Volleyball/Basketball Courts, Easy Access to I-5
- The park is home to a wide variety of tenants with a concentration of medical device and biotechnology firms including Boston Scientific, Quallion, Bioness, Alfred Mann Foundation, Setpoint Medical etc.

Developer: Valencia Biomedical Park, LLC



Vista Canyon

- includes 1,100 residential units, 650,000 SF of office, 165,000 SF of commercial/retail development, 200 hotel rooms, Metrolink station, bus transit facility and a water reclamation plant
- Phase I: includes 480 residential units, 60,000 SF office/retail
- Acres: 185
- Ground Breaking Commenced: Q3 2015
- Building Occupancy: Q3 2017
- Speculative Development, Build-to-Suit (For Sale and Lease); Land Sales and Joint Venture opportunities
- Status - Apartments: 480 units; close escrow Q3 2016 Residential: 322 lots; close escrow Q4 2016

Developer: International Airport Centers

Santa Clarita Valley Development Projects Map



IV Financial Analysis

Financial Summary

OVERVIEW

Units	1
Price	\$1,990,000
Down Payment (30%)	\$597,000
Price/SF	\$347.90

BUILDING SIZE

5,720 SF	Rent: \$9,750.00/mo \$1.70/PSF
----------	--------------------------------

FINANCING

Loans	Loan #1
Amount	\$1,393,000
Interest Rate/Type	4.00% Fixed
Lender	Best Available
New or Assume	New
Amort. Period Yrs.	30
Due Date Yrs.	10
Monthly Payment	\$6,650.40

PROFORMA INCOME AND EXPENSE SUMMARY

	Current Annual Total
Scheduled Gross Income:	\$117,000
Plus Reimbursed Exp.	-
Less Vacancy Reserves	-
Gross Operating Income:	\$117,000
Less Expenses	-
Net Operating Income:	\$117,000
Less Debt Service	\$(79,804.74)
Estimated Pre-Tax Cash Flow:	\$37,195

ESTIMATED ANNUAL EXPENSES

Property Taxes	Paid By Tenant
Insurance	Paid By Tenant
Maintenance	Paid By Tenant
Management & Advertising (2%)	Paid By Tenant
Replacement Reserve	(\$0.15 psf/yr.)
Parking Lot Sweeping	-
Legal Fees	-
Miscellaneous	-
Trash Service	-

VALUE INDICATORS

Year Built	1990
Number of Units	
Bldg. SF	5,720
Lot Size	POL
Price/SF	\$347.90
Rent/SF (Average)	\$1.705
Expense Ratio	0.0%
Expense/SF	0
Debt Coverage Ratio	\$1.466
CAP Rate	5.88%
Pre-Tax Cash Flow	\$37,195
Cash-on-Cash Return	6.23%



28042 AVE STANFORD, UNIT E VALENCIA, CA 91355

Exclusively Offered By:

Chris Jackson

Executive Managing Director

818. 933. 2368

cjackson@naicapital.com

CA BRE #01255538

Todd Lorber

Executive Vice President

818. 933. 2376

tlorber@naicapital.com

CA BRE #01014637

Chris Fitzgerald

Associate

818.742.1605

cfitzgerald@naicapital.com

CA BRE #01943385

NAICapital
Commercial Real Estate Services, Worldwide.