

Crenshaw Retail Center

2801-2817 S. Crenshaw Blvd., Los Angeles, CA 90016



IMPROVING
OUR COMMUNITIES



ONE PROPERTY

AT A TIME

We understand
We care

OFFERING MEMORANDUM

RETAIL INVESTMENT OPPORTUNITY



Confidentiality Agreement

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Prospective purchasers of the Property are advised that changes may have occurred in the physical or financial condition of the Property since the time of this Offering Memorandum. Prospective purchasers of the Property are advised and encouraged to conduct their own comprehensive review and analysis of the Property.

This Offering Memorandum does not constitute an offer, and does not create or give rise to any agreement or contract, express, implied or in any other manner. Nothing in this Offering Memorandum creates any right or obligation. Only a written Purchase and Sale Agreement executed by all necessary parties will create any binding agreement.

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EXCLUSIVELY MARKETED BY:

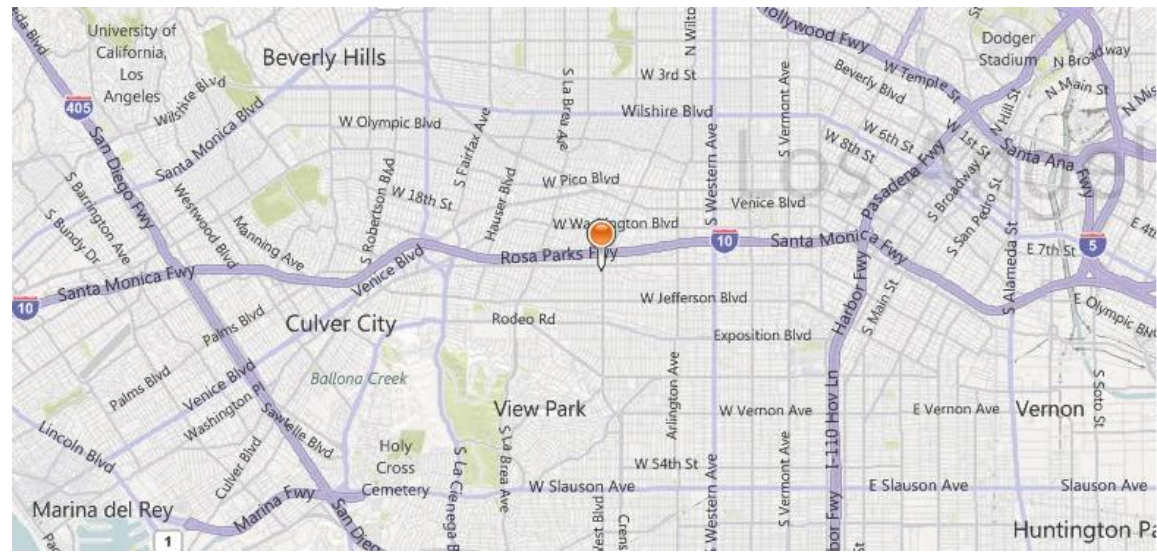
John Hsu, Officer
562.695.1513 (x109)
jh@stcmanagement.com
License: 01299442

Dalerie Wu, Associate
562.695.1513 (x124)
dalerie@stcmanagement.com
License: 01868250



Investment Summary

Offering Price	\$3,800,000
NOI (Projected)	\$266,984
Cap Rate (Projected)	7.03%
Building Area	10,434 SF
Land Area	13,891 SF
Ownership	Fee Simple
Year Built	1987



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Investment Highlights



- **Ease of management:** all leases in this project are NNN leases with expenses passed to the tenants.
- **Corner location** with **excellent street frontage** along the major streets of Crenshaw Blvd., and 28th Street.
- **Densely populated area:** 443,387 population within 3 mile radius; 1,335,856 population within 5 mile radius.
- **Convenient access** with **two bus stops** and significant pedestrian traffic.
- Excellent tenant mix that caters to the surrounding population, with **long term anchor tenants El Pollo Loco and Subway.**
- **Upside potential** through lease up of available units.

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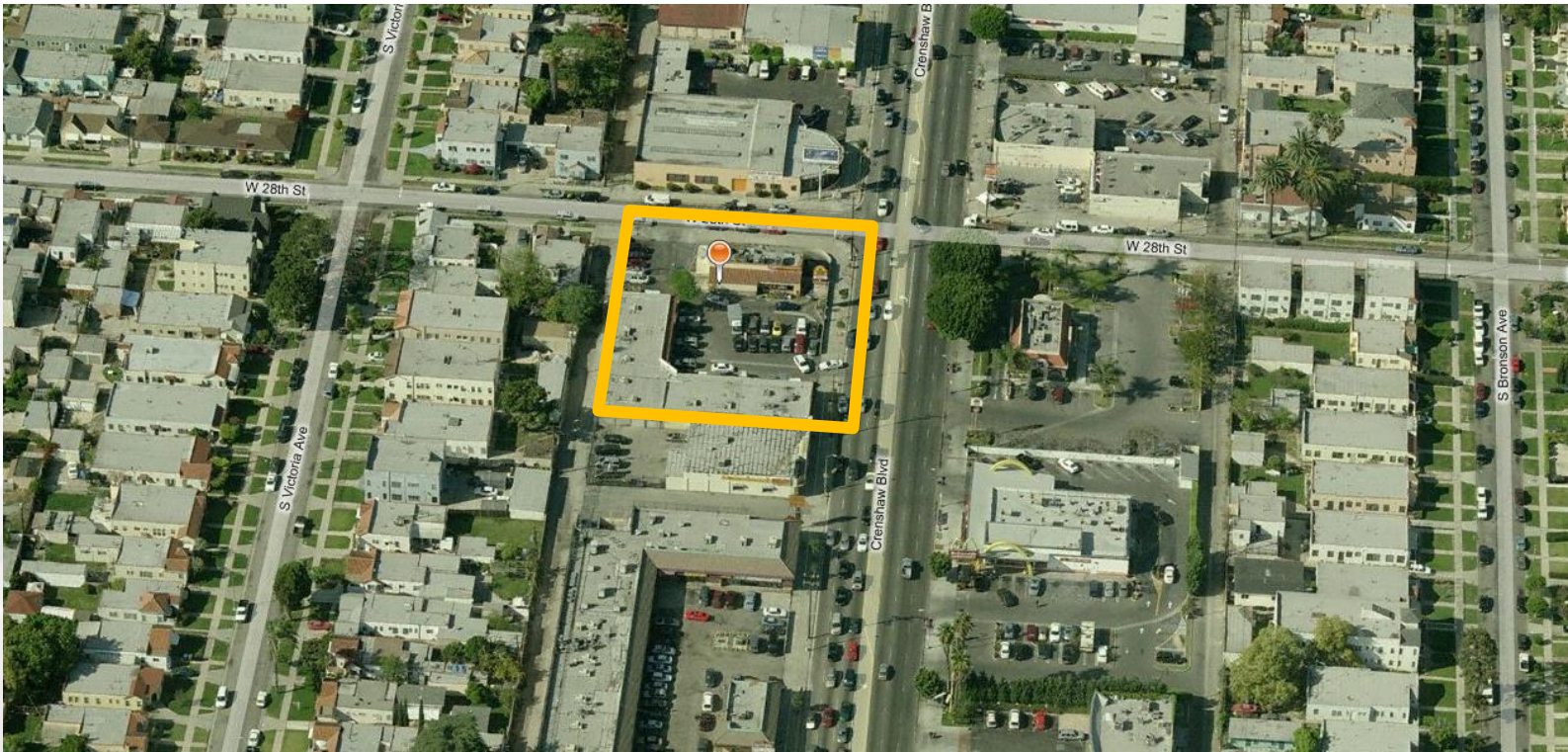


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Property Description



APN: 5050-017-023

Address: 2801 Crenshaw Blvd.
Los Angeles, CA 90016

Year Built: 1987

Land Area: 13,891 SF

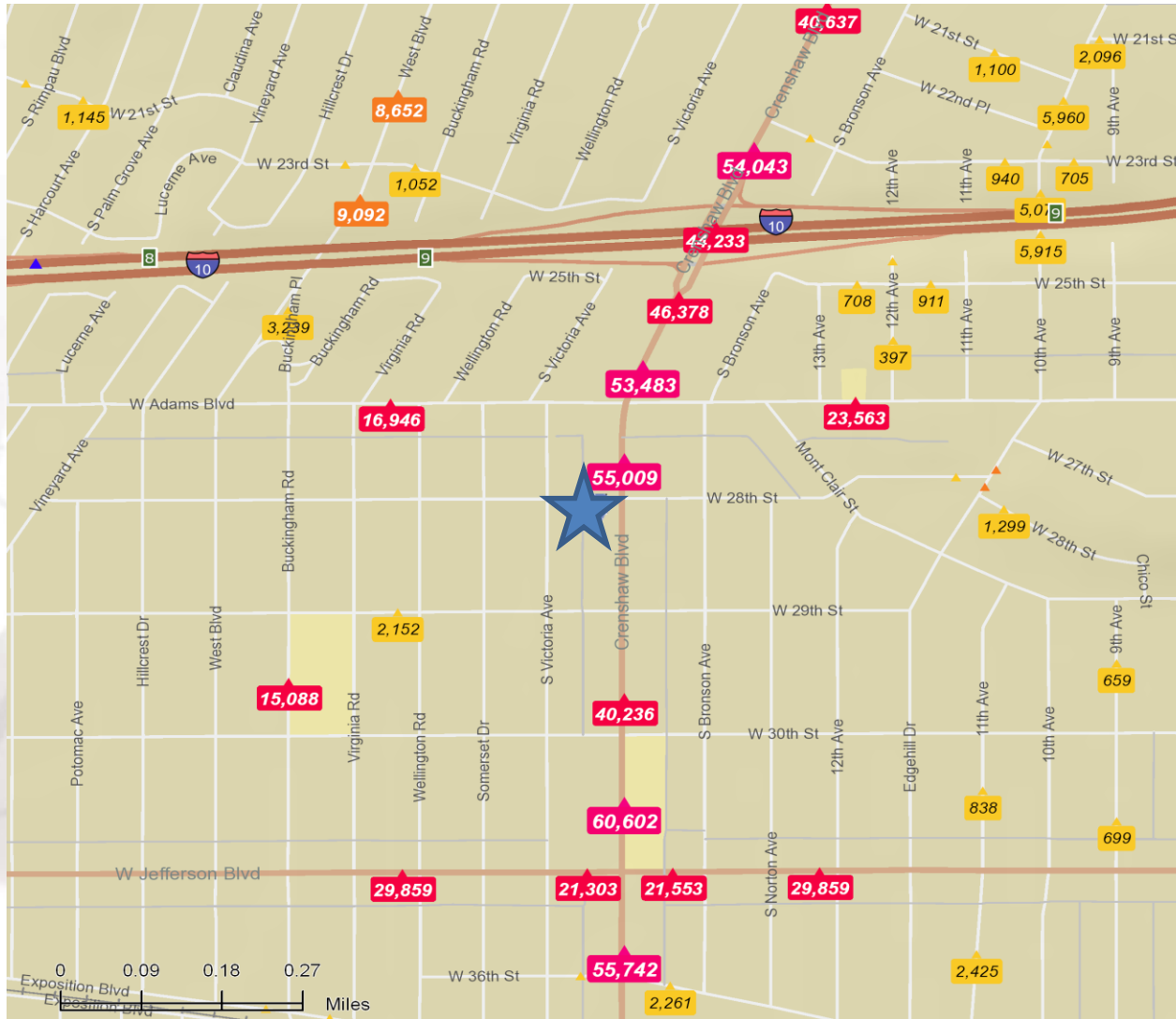
Building Area: 10,434 SF

Zoning: LAC1.5

Parking: 36 Spaces

(3.5:1000 SF)

Traffic Count



- Average Daily Traffic Volume**
- ▲ Up to 6,000 vehicles per day
 - ▲ 6,001 - 15,000
 - ▲ 15,001 - 30,000
 - ▲ 30,001 - 50,000
 - ▲ 50,001 - 100,000
 - ▲ More than 100,000 per day

Market Overview

Number of Households	1Mile	3Mile	5Mile
2015 Projection	15,687	156,858	488,510
2010 Estimate	15,524	154,929	481,092
2000 Census	15,015	149,134	458,967
Growth 2010-2015	1.10%	1.20%	1.50%
Growth 2000-2010	3.40%	3.90%	4.80%



Population	1 Mile	3 Mile	5Mile
2015 Projection	47,498	451,104	1,362,650
2010 Estimate	46,727	443,387	1,335,856
2000 Census	44,187	419,584	1,251,001
Growth 2010-2015	1.70%	1.70%	2.00%
Growth 2000-2010	5.70%	5.70%	6.80%

Rent Roll

Suite	Tenant Name	Square Feet	Pro-Rata	Lease Start	Lease Expiration	Rental Rates					Recovery Type
						Begin	Monthly	PSF	Annually	PSF	
2801	El Pollo Loco, Inc.	2,182	20.91%	Dec-1985	Jun-2013	Current	\$ 7,886	\$ 3.61	\$ 94,637	\$ 43.37	NNN
2803	Tax Service (signed LOI)	1,285	12.32%	Oct-2011	Apr-2014	Oct-2011	\$ 1,799	\$ 1.40	\$ 21,588	\$ 16.80	NNN
2805	777 Dry Cleaner's	773	7.41%	Aug-2007	Jul-2012	Current	\$ 1,261	\$ 1.63	\$ 15,130	\$ 19.57	NNN
						Aug-2012 (Option)	\$ 1,364	\$ 1.76	\$ 16,364	\$ 7.50	NNN
						Aug-2013 (Option)	\$ 1,418	\$ 1.83	\$ 17,019	\$ 7.80	NNN
						Aug-2014 (Option)	\$ 1,475	\$ 1.91	\$ 17,700	\$ 8.11	NNN
						Aug-2015 (Option)	\$ 1,534	\$ 1.98	\$ 18,408	\$ 8.44	NNN
						Aug-2016 (Option)	\$ 1,595	\$ 2.06	\$ 19,144	\$ 8.77	NNN
2807	Muhammad Asad	936	8.97%	Jun-2011	Jun-2013	Current	\$ 1,170	\$ 1.25	\$ 14,040	\$ 15.00	NNN
2809	Accurate Income Tax	720	6.90%	Month-to-Month		Current	\$ 1,617	\$ 2.25	\$ 19,404	\$ 26.95	NNN
2811	Eze Nwachuku	900	8.63%	Month-to-Month		Current	\$ 1,476	\$ 1.64	\$ 17,717	\$ 19.69	NNN
2813	Owner guaranteed rent (available)	1,142	10.94%	Jan-2012	Dec-2012		\$ 1,884	\$ 1.65	\$ 22,612	\$ 19.80	NNN
2815	Kelly Le Nguyen	1,096	10.50%	May-2008	Apr-2013	Current	\$ 2,922	\$ 2.67	\$ 35,062	\$ 31.99	NNN
						May-2013 (Option)	\$ 3,160	\$ 2.88	\$ 37,923	\$ 17.38	NNN
						May-2014 (Option)	\$ 3,287	\$ 3.00	\$ 39,440	\$ 18.08	NNN
						May-2015 (Option)	\$ 3,148	\$ 2.87	\$ 37,778	\$ 17.31	NNN
						May-2016 (Option)	\$ 3,555	\$ 3.24	\$ 42,659	\$ 19.55	NNN
						May-2017 (Option)	\$ 3,697	\$ 3.37	\$ 44,365	\$ 20.33	NNN
2817	Subway Sandwiches & Salad	1,400	13.42%	Dec-2002	Feb-2013	Current	\$ 2,233	\$ 1.59	\$ 26,795	\$ 19.14	NNN
						Feb-2013 (Option)	CPI Increase	NNN			
						Feb-2014 (Option)	CPI Increase	NNN			
						Feb-2015 (Option)	CPI Increase	NNN			
						Feb-2016 (Option)	CPI Increase	NNN			
						Feb-2017 (Option)	CPI Increase	NNN			
						Feb-2018 (Option)	CPI Increase	NNN			
						Feb-2019 (Option)	CPI Increase	NNN			
						Feb-2020 (Option)	CPI Increase	NNN			
						Feb-2021 (Option)	CPI Increase	NNN			
						Feb-2022 (Option)	CPI Increase	NNN			
Totals / Averages		10,434					\$ 22,249	\$ 2.13	\$ 266,984	\$ 25.59	

Cash Flow Assumptions & IRR

Timing & Inflation

Reporting Period:	January 1, 2011 to December 31, 2020
Inflation Month:	Analysis Start
General Inflation Rate:	3.00%

Property Size & Occupancy

Property Size:	10,434 Square Feet
Number of rent roll tenants:	9

General Vacancy	3% of Potential Gross Revenue
Credit & Collection Loss	3% of Potential Gross Revenue

Debt Financing

Number of Notes:	1
Beginning Principal Balance:	\$2,280,000
Average Year 1 Interest Rate:	6.00%

Property Purchase & Resale

Purchase Price:	\$3,800,000
Initial Equity:	\$1,520,000
Resale Method:	Income Capitalization
Disposition Cap Rate:	6.00%
Commission/Closing Cost:	3% of Disposition price
Net Cash Flow from Sale:	\$3,718,936

IRR

Discount Method:	Annually
Unleveraged Discount Rate:	6.00%
Unleveraged Annual IRR:	10.23%
Leveraged Discount Rate:	6.00%
Leveraged Annual IRR:	14.11%

Cash Flow Projections

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
For the Years Ending	Dec-2011	Dec-2012	Dec-2013	Dec-2014	Dec-2015	Dec-2016	Dec-2017	Dec-2018	Dec-2019	Dec-2020
Potential Gross Revenue										
Base Rental Revenue	\$222,934	\$272,752	\$287,895	\$300,171	\$304,809	\$312,803	321,233.5	\$337,448	\$350,746	\$358,851
Scheduled Base Rental Revenue	222,934	272,752	287,895	300,171	304,809	312,803	0	337,448	350,746	358,851
Expense Reimbursement Revenue										
CAM	37,208	47,432	48,854	50,320	51,830	53,385	54,986	56,636	58,335	60,085
Insurance	6,060	7,650	7,803	7,959	8,118	8,281	8,446	8,615	8,787	8,963
Property Tax	32,805	41,412	42,240	43,085	24,091	25,907	25,620	26,325	28,309	27,996
Total Reimbursement Revenue	76,073	96,494	98,898	101,364	84,039	87,572	89,052	91,576	95,431	97,044
Total Potential Gross Revenue	222,934	272,752	287,895	300,171	304,809	312,803	0	337,448	350,746	358,851
General Vacancy										
Collection Loss	(6,657)	(6,857)	(7,062)	(7,274)	(7,493)	(7,717)	(7,949)	(8,187)	(8,433)	(8,686)
Effective Gross Revenue	299,007	369,245	386,793	401,535	388,848	400,375	89,052	429,024	446,177	455,895
Operating Expenses										
CAM	46,050	47,432	48,854	50,320	51,830	53,385	54,986	56,636	58,335	60,085
Insurance	7,500	7,650	7,803	7,959	8,118	8,281	8,446	8,615	8,787	8,963
Property Tax	40,600	41,412	42,240	43,085	43,947	44,826	45,722	46,637	47,569	48,521
Owner's Expense	850	876	902	929	957	985	1,015	1,045	1,077	1,109
Total Operating Expenses	95,000	97,369	99,799	102,293	104,851	107,476	110,169	112,933	115,768	118,678
Net Operating Income	204,007	271,876	286,994	299,242	283,996	292,899	(21,117)	316,091	330,409	337,217
Debt Service										
Interest Payments	81,922	80,881	79,777	78,605	77,361	76,040	74,637	73,148	71,567	69,888
Principal Payments	16,860	17,901	19,005	20,177	21,421	22,742	24,145	25,634	27,215	28,894
Origination Points & Fees	13,730									
Total Debt Service	112,512	98,782	98,782	98,782	98,782	98,782	98,782	98,782	98,782	98,782
Cash Flow After Debt Service	\$91,495	\$173,094	\$188,212	\$200,460	\$185,214	\$194,117	(\$119,899)	\$217,309	\$231,627	\$238,435
But Before Taxes										

Our Company

STC Management has been creating value for clients through managing, leasing and brokering real estate investments for over 20 years. Incorporated under Sung Tien Corporation and established in 1985, STC Management believes that good deeds bring good luck and harmonious results; “Sung Tien” is a Chinese saying that means “harmony with the Heaven”.

Our Team

We are a group of hard-working, motivated, and experienced real estate enthusiasts who pride ourselves in developing valuable long term partnership with our clients. Our dedicated professionals believe in enriching ourselves with continuing education, experience, fair dealings and ethical conduct at all times. Because we truly care about our clients' real estate investments as though we are the property owners, we manage every task with our heart, and provide close attention and dedication to our managed portfolio.

All of our Leasing Managers are California licensed brokers with a minimum of two years of professional property management experience and three years of leasing experience with STC Management. A Certified Commercial Investment Member (CCIM) directly supervises and supports to our Leasing Team Members.

Our Work

We pride ourselves in the collaborative effort among our extensive team of professionals, which includes an in-house accounting department, independent contractors, property managers, property supervisors, property assistants, leasing team, brokerage team, marketing department, information system team, and back office support.

We are affiliated with professional networks such as ICSC, CCIM, AIR, IREM, AOA, MRMLS, NAR, CoSTAR, LoopNet, CAR, etc. that open up opportunities and resources that allow for creative control in putting together an effective tenant mix.

STC proprietary systems possess information on local and international businesses. The Leasing Management System (LMS) documents our existing relations with current tenants and is also a client management system for the leasing division – effectively bringing together tenants and vacant spaces. For existing tenants, we use the Business Marketing System (BMS) to strengthen their businesses through advertising campaigns using our established consumer database.

