

Rowland Heights Plaza

18716-18742 Colima Road & 1722 Desire Avenue, Rowland Heights, CA 91748



IMPROVING
OUR COMMUNITIES
ONE PROPERTY
AT A TIME
*We understand
We care*

OFFERING MEMORANDUM

RETAIL INVESTMENT OPPORTUNITY



CONFIDENTIALITY AGREEMENT

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INVESTMENT SUMMARY

Offering Price	Best Offer
Year 1 Projected NOI	\$1,586,568
Occupancy	90%
Leasable Area	58,151 SF
Land Area	3.37 Acres
Ownership	Fee Simple
Year Built	1961, 1962, 2003



Existing Financing

Lender	Berkadia Mortgage
Outstanding Loan Balance	\$10,788,314
Interest Rate	5.78%
Amortization Period	20 years
Monthly Payment	\$81,760
Loan Maturity	June 1, 2015
Loan Balance at Maturity	\$7,363,307

INVESTMENT HIGHLIGHTS

Irreplaceable Location in New Asian Hub

- Approximately **400 feet of frontage along the busiest section of Colima Road**, the major thoroughfare of the new Asian hub of Los Angeles County
- Daily **traffic count of over 45,000 cars** and convenient access to two bus stops
- Located next to the best middle school in Rowland Heights, which is rated the **Best Place To Raise Kids in California in 2011** by Bloomberg Businessweek
- Across from one of the largest Homeowner’s Associations and adjacent to the largest Senior Housing Development in Rowland Heights

Highly Maintained

- No deferred maintenance
- Two-level property equipped with **elevator**
- Renovated in 2011 with **fresh paint, new parking lot and elegant landscape features**

Mature, Infill Demographics

- 1 Mile: 25,988 people / Average Household Income \$62,055
- 3 Mile: 132,850 people / Average household \$80,297
- 5 Mile: 334,983 people / Average Household \$86,735



INVESTMENT HIGHLIGHTS

Stable Income Property Ideal for 1031 Exchange

- Currently leased to an established, synergistic mix of tenants, **including high-performing restaurants**
- Majority of tenants have long term tenancy and thriving businesses
- Additional upside in revenue from **anticipated opening of 7-Eleven** store and bringing below market rents to market level

Below Market Assumable Financing

- Below market assumable financing of \$10,800,000 with an interest rate of 5.78% through June 2015 enhances an investor's after debt return

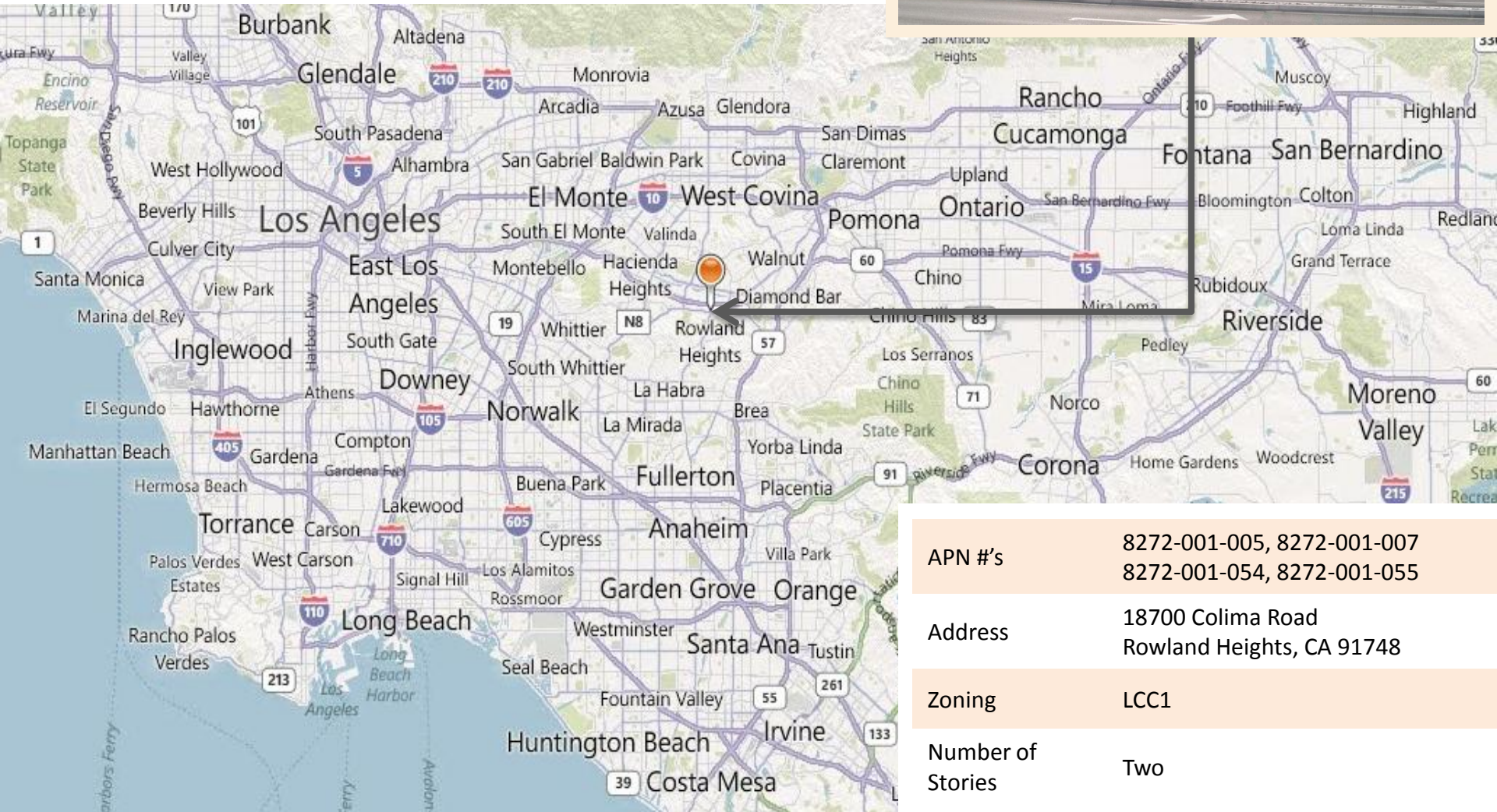


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PROPERTY LOCATION AND DESCRIPTION

18716-18742 E. Colima Road, 1722 Desire Avenue
Rowland Heights, CA 91748



APN #'s	8272-001-005, 8272-001-007 8272-001-054, 8272-001-055
Address	18700 Colima Road Rowland Heights, CA 91748
Zoning	LCC1
Number of Stories	Two

AREA OVERVIEW

125-Unit Residential Development

Senior Housing

Alvarado Middle School



Rowland Heights Plaza

ROWLAND HEIGHTS OVERVIEW

New Asian Hub

Since the 1980s, many upper-middle-class immigrants from China, Taiwan and South Korea have settled in the hillside homes of Rowland Heights due to its having nice homes and convenient shopping. The city has developed an eclectic suburban "Chinatown" and "Koreatown", mostly in the form of upscale strip malls mostly on Colima Road, with another concentration around Nogales Street. There are several large Asian supermarkets - such as a 99 Ranch Market, Hong Kong Supermarket, and Shun Fat Supermarket - in the area.

Once predominantly Anglo and Hispanic, this area has gradually become one of the Chinese centers in the greater Los Angeles. Originally formed by the stream of business expansions from Monterey Park (old "Chinatown" of San Gabriel Valley), Rowland Heights has become the new hub for Chinese commercial and cultural activity in the southeastern region of the San Gabriel Valley.

Excellent Education

Rowland Heights was rated as the "Best Place to Raise Kids in California" in 2011 by Bloomberg Businessweek. Rowland Unified School District has 4 National Blue Ribbon Schools, 16 "California State Distinguished Schools" and more state Golden Bell awards than any other school district in the region. There are more than 16,000 students and 21 elementary and secondary schools in the district, serving the communities of Rowland Heights, Walnut, La Puente, City of Industry and West Covina.

Night view of Rowland Heights



ROWLAND HEIGHTS DEMOGRAPHICS

Racial Makeup

% of Total

Asian	59.8%
White	23.5%
African American	1.6%
Native American	0.4%
Pacific Islander	0.1%
Other Races	11.5%

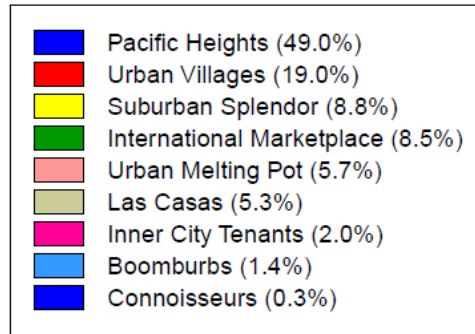
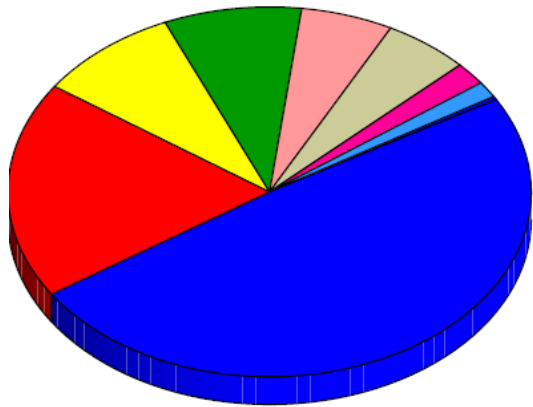
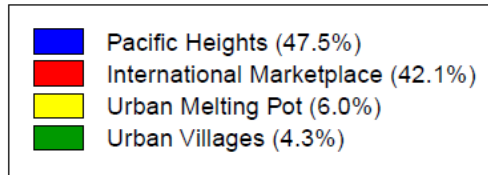
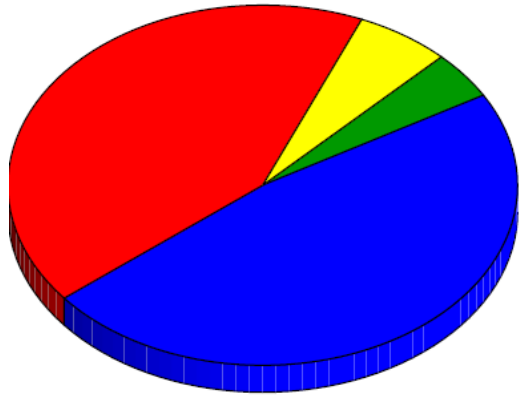


Population Stats

Average Family Income	\$84,000
Number of Households	14,520
Owner-occupied Housing Units	67.6%
Renter-occupied Housing Units	32.4%
Median Age	40 years



COMMUNITY LIFESTYLE INSIGHTS



Pacific Heights

Pacific Heights neighborhoods are found in the high-rent districts of California and Hawaii. The **median home value is \$604,866**; residents prefer single-family homes or townhomes. This market is small but **affluent**; one in two households earns \$81,128 annually. The median age is 39.1 years. Distance does not deter Pacific Heights residents from keeping in touch with family living overseas, as they make frequent phone calls and travel overseas to visit. Many households own three or more cell phones. Residents generally visit Disneyland or Las Vegas, Nevada, during the year and enjoy playing chess, reading history books, and renting classic movies on DVD to watch on their giant screen or projection TVs. This is one of the top markets for owning an Apple brand PC.

International Marketplace

Located primarily in cities in coastal gateway states, International Marketplace neighborhoods are developing, urban markets with a rich blend of cultures and household types. Approximately 70 percent of households are occupied by **families**. Married couples with children and single parents with children represent 44 percent of households. Most of the households are located in California and northeastern states. The median age is 30.3 years, and the median household income is \$47,207. Top purchases include groceries and children's clothing. Residents shop at stores such as Marshalls and Costco, but for convenience, they stop at **7-Eleven** or other similar convenience stores.

RENT ROLL

Suite	Tenant Name	Square Feet	Lease Term	Recovery Type
18718	7 – Eleven	3,000	*Coming Soon	NNN
18720	Hanmi Bank	5,370	March 2007 - February 2017	NNN
18720A	Hanmi bank	1,304	April 2007 - February 2017	NNN
18720B	Royal Beauty Spa	1,325	*LOI	NNN
18720C	LIVLOV Hair Salon	1,500	May 2011 - April 2016	NNN
18722	Chasulgol BBQ	3,000	June 2009 – May 2014 (One 5 year option)	NNN
18722C	Chang bai Kim, CPA	572	June 2009 – May 2014 (One 3 year option)	NNN
18726	Nexcom	900	July 2011 – June 2012	NNN
18728	Art Institute	900	February 2012 – April 2015	NNN
18730	Chin Woo Quan Tae Kwon Do Academy	1,200	October 2010 – September 2013	NNN
18730B	La Moda Fashion	900	October 2007 – October 2013 (One 5 year option)	NNN
18732	Elim Bakery	1,500	June 2010 – May 2015	NNN
18734	Sarang Herb & Acupuncture Clinic	1,060	April 2011 – March 2014	NNN
18736	Ebul Mart	1,080	May 2009 – April 2014 (One 3 year option)	NNN
18738A	Available	846		NNN
18738B	Institute of Chinese Martial Arts	1,500	December 2011 – November 2013 (One 3 year option)	NNN
18738C	East L.A. Chinese Everspring Senior Association	1,125	July 2010 – June 2012	NNN
18738D	Karen Seon Kyoung Kim	1,500	October 2009 – September 2012	NNN
18740	New Garden Chinese Restaurant	5,156	July 2009 – June 2019	NNN

Suite	Tenant Name	Square Feet	Lease Term	Recovery Type
18742	Harvard Vision Center	1,363	March 2007 – February 2017	NNN
D101	Ah-Lien Hot Pot	1,658	November 2011 – October 2020 (One 5 year option)	NNN
D102	Smart Health Management	2,517	May 2011 – June 2016 (Two 5 year options)	NNN
D103	Avicure Pharmacy, Inc.	1,100	November 2009 – October 2014 (One 5 year option)	NNN
D104	Premium Meat & Food Market	1,100	March 2007 – February 2017	NNN
D105	Amore Cosmetics	1,100	November 2011 – October 2012	NNN
D106	Derlan Financial and Insurance Agency (DFIA)	1,100	*LOI	NNN
D107	Pink n Blue	1,100	January 2007 – December 2016	NNN
D108	Jang Ga Nae Restaurant	1,828	April 2008 – March 2013 (One 5 year option)	NNN
D201	Severance Dentistry	2,103	April 2008 – March 2013 (One 5 year option)	NNN
D202	JohnTin Medical Group, Inc.	2,997	May 2011 – June 2016 (One 5 year option)	NNN
D203	L.A. Tutoring Center	1,180	May 2010 – April 2013 (One 3 year option)	NNN
D204	Tzerlin Prong Chiropractic Professional	1,180	May 2009 – April 2015 (One 6 year Option)	NNN
D205	Tzerlin Prong Chiropractic Professional	1,180	April 2009 – March 2015 (One 6 year option)	NNN
D206	O&K Medical	1,180	April 2008 – March 2013 (One 5 year Option)	NNN
D207	Facial Spa	1,180	*LOI	NNN
D208	Tutoring School	2,047	*LOI	NNN

Financials

2012 Projections

Base Rent	\$1,420,320
Reimbursable Expenses	\$284,682
Total Revenue	\$1,705,002
CAM	\$236,450
Property Insurance	\$23,894
Property Taxes	\$85,760
Total Expenses	\$346,104
Net Operating Income	\$1,358,898



CASH FLOW PROJECTIONS

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
For the Years Ending	Jun-2013	Jun-2014	Jun-2015	Jun-2016	Jun-2017	Jun-2018	Jun-2019	Jun-2020	Jun-2021	Jun-2022	Jun-2023
Potential Gross Revenue											
Base Rental Revenue	\$1,621,320	\$1,754,229	\$1,791,008	\$1,835,788	\$1,904,902	\$2,008,198	\$2,093,274	\$2,199,196	\$2,288,024	\$2,372,959	\$2,470,303
Absorption & Turnover Vacancy	(11,523)	(4,624)	(1,597)		(16,180)	(11,767)	(7,967)	(1,943)		(10,192)	(20,526)
Base Rent Abatements	(13,257)	(5,515)	(799)	(3,300)	(2,095)	(5,838)	(2,813)	(972)		(2,548)	(6,223)
Scheduled Base Rental Revenue	1,596,540	1,744,090	1,788,612	1,832,488	1,886,627	1,990,593	2,082,494	2,196,281	2,288,024	2,360,219	2,443,554
Expense Reimbursement Revenue											
Utilities	69,942	74,275	75,275	77,528	78,567	78,577	81,189	82,878	84,812	87,039	88,863
Repairs and Maintenance	88,512	93,998	95,261	98,120	99,437	99,446	102,755	104,890	107,330	110,147	112,457
General and Administrative	71,584	76,021	77,043	79,353	80,420	80,426	83,096	84,829	86,811	89,076	90,951
Property Taxes	41,969	44,147	44,307	45,191	45,355	44,918	45,958	46,460	47,085	47,848	48,375
Property Insurance	23,121	24,552	24,883	25,631	25,973	25,974	26,842	27,400	28,031	28,770	29,378
Total Reimbursement Revenue	295,128	312,993	316,769	325,823	329,752	329,341	339,840	346,457	354,069	362,880	370,024
Total Potential Gross Revenue	1,891,668	2,057,083	2,105,381	2,158,311	2,216,379	2,319,934	2,422,334	2,542,738	2,642,093	2,723,099	2,813,578
Effective Gross Revenue	1,891,668	2,057,083	2,105,381	2,158,311	2,216,379	2,319,934	2,422,334	2,542,738	2,642,093	2,723,099	2,813,578
Operating Expenses											
Utilities	72,300	74,469	76,703	79,004	81,374	83,816	86,330	88,920	91,587	94,335	97,165
Repairs and Maintenance	91,500	94,245	97,072	99,985	102,984	106,074	109,256	112,533	115,909	119,387	122,968
General and Administrative	74,000	76,220	78,507	80,862	83,288	85,786	88,360	91,011	93,741	96,553	99,450
Property Taxes	43,400	44,268	45,153	46,056	46,978	47,917	48,875	49,853	50,850	51,867	52,904
Property Insurance	23,900	24,617	25,356	26,116	26,900	27,707	28,538	29,394	30,276	31,184	32,120
Total Operating Expenses	305,100	313,819	322,791	332,023	341,524	351,300	361,359	371,711	382,363	393,326	404,607
Net Operating Income	1,586,568	1,743,264	1,782,590	1,826,288	1,874,855	1,968,634	2,060,975	2,171,027	2,259,730	2,329,773	2,408,971
Debt Service											
Interest Payments	500,116	472,133	442,488	857,467	846,075	834,010	821,232	807,700	793,369	778,192	
Principal Payments	471,282	499,265	528,910	192,964	204,356	216,422	229,199	242,731	257,062	272,239	
Total Debt Service	971,398	971,398	971,398	1,050,431	1,050,431	1,050,432	1,050,431	1,050,431	1,050,431	1,050,431	
Leasing & Capital Costs											
Tenant Improvements	101,750	6,173	4,219		6,063	22,568	6,173	4,219		6,063	19,818
Leasing Commissions	190,309	10,843	6,280	3,918	57,989	80,537	39,544	62,176	28,590	138,689	79,009
Security Deposits	(821)	(481)				(998)	(586)				(1,215)
Investment of Capital	820	481				998	585				1,214
Distribution from Investment	(1,692)				(4,812)	(821)	(481)				(998)
Deposit Refund	1,692				4,812	820	481				998
Total Leasing & Capital Costs	292,058	17,016	10,499	3,918	64,052	103,104	45,716	66,395	28,590	144,752	98,826
Cash Flow After Debt Service	\$323,111	\$754,850	\$800,693	\$771,939	\$760,372	\$815,097	\$964,827	\$1,054,201	\$1,180,709	\$1,134,590	\$2,310,144
But Before Taxes	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====



STC

資產管理
MANAGEMENT

Lic. No. 01299442



About Us

STC, also known as "Sung Tien Collaboration", aims to bring people together in synergistic ways so that the whole is much more than the sum of its parts.

"Sung Tien" is a Chinese saying for following the heavens. We believe that doing good naturally brings good outcomes, and through the process, we can have a positive impact on those around us.

Our expertise and people-oriented philosophy have proven to be key in successfully connecting members of our community so that each can benefit from the others and ultimately promote the well-being of everyone. As a result, Sung Tien Collaboration has swelled in numbers.

As both real estate experts and members of the community, STC Management strives to educate its clients and give them with the best advantage possible in today's economy.

As an Accredited Management Organization (AMO), we create value for clients through a combination of managing, leasing and brokering real estate investments. Our affiliations include CCIM, ICSC, AIR, IREM, AOA, MRMLS, NAR, CoStar, LoopNet, CAR, etc. Together, our network provides us with the opportunities and resources necessary in developing creative and valuable solutions for clients.

STC又名“順天聯合”，旨在集合人力資源進而獲得更大的團結力量，達到一加一大於二的效果。“順天”意為順從天意，我們相信善有善報，而我們的與人為善也能夠對周圍環境產生正面的影響。我們有的不只是專業技術，我們用以為人本的理念與對生命積極的態度也影響了我們周遭的朋友，改善我們的社區及環境。順天聯合已經吸收了與我們志同道合的朋友和組織加入我們STC大家庭。

身兼地產專家和社區成員的雙重身份，STC資產管理致力於用經驗與專業來保護及帶領客戶們應對當今的經濟形勢。作為一家國際認證的管理組織（AMO），我們通過資產管理，租賃計畫和地產投資策略的精心組合為客戶創造價值。我們的指定認證背景包括：國際註冊商業地產投資師CCIM，國際購物中心理事會ICSC，美國工業地產協會成員AIR，國際資產管理協會IREM，公寓業主協會AOA，全國房地產經紀人協會NAR，加州房地產經紀人協會CAR，Loopnet, CoStar, MRMLS等網絡。我們的網絡為我們提供的機遇和必要的資源，從而為客戶推出新穎和有價值的解決方案。