

INVESTMENT OFFERING

1401

N. Tustin Ave

Santa Ana, California

 **LEE &
ASSOCIATES**
COMMERCIAL REAL ESTATE SERVICES

 **PROPERTY GROUP**
MAXIMIZING PROPERTY VALUES™

AVAILABLE FOR SALE
Multi-Tenant Medical Office Building // ±63,012*/±58,635 Square Feet

*Square Footage Per Recent BOMA Remeasurement

This Confidential Offering Memorandum (this "Memorandum") is being delivered subject to the terms of the Confidentiality Agreement signed by you (the "Confidentiality Agreement") and constitutes part of the Evaluation Material (as defined in the Confidentiality Agreement). It is being given to you for the sole purpose of evaluating the possible acquisition of 1401 N. Tustin Ave, Santa Ana, California ("Property"), and is not to be used for any other purpose or made available to any other party without the prior written consent of the "Owner" or Lee & Associates Commercial Brokerage ("Broker").

This Memorandum was prepared by the Broker based on information supplied by the Owner and the Broker. It contains selected information about the Property and the real estate market but does not contain all the information necessary to evaluate the acquisition of the Property. The financial projections contained herein (or in any other Evaluation Material, including any computer diskettes) are for general reference only. They are based on assumptions relating to the general economy and local competition, among other factors. Accordingly, actual results may vary materially from such projections. Various documents have been summarized herein to facilitate your review; these summaries are not intended to be a comprehensive statement of the terms or a legal analysis of such documents.

While the information contained in this Memorandum and any other Evaluation Material is believed to be reliable, neither Broker nor Owner guarantees its accuracy or completeness. Because of the foregoing and since the Property will be sold on an "AS IS", "WHERE IS" basis, a prospective purchaser must make its own independent investigations, projections, and conclusions regarding the acquisition of the Property without reliance on this Memorandum or any other Evaluation Material. Although additional Evaluation Material (which may include engineering, environmental or other reports) may be provided to qualified parties as marketing proceeds, prospective purchasers should seek advice from their own attorneys, accountants, and engineering/environmental experts.

Owner expressly reserves the right, at its sole discretion, to reject any offer to purchase the Property or to terminate any negotiations with any party at any time with or without written notice. Owner shall have no legal commitment or obligations to any prospective purchaser until a written sale agreement has been fully executed, delivered and approved by Owner and any conditions to Owner's obligations hereunder have been satisfied or waived. Owner has retained Broker as its exclusive broker and will be responsible for any commission due to Broker in connection with a sale of the Property pursuant to separate agreement. Broker is not authorized to make any representation or agreement on behalf of Owner. Each prospective purchaser will be responsible for any claims for commissions by any other Broker in connection with a sale of the Property if such claims arise from acts of such prospective purchaser or its Broker.

This Memorandum is the property of Owner and Broker and may be used only by parties approved by Owner and Broker. No portion of this Memorandum may be copied or otherwise reproduced or disclosed to anyone except as permitted under the Confidentiality Agreement.

EXCLUSIVELY LISTED BY:

BRIAN GARBUTT

Senior Vice President
Lic. #01215482
949.790.3166
bgarbutt@leeirvine.com

ALLEN BASSO

Senior Vice President
Lic. #01298152
949.790.3130
abasso@leeirvine.com

ERIC DARNELL

Vice President
Lic. #01888743
949.790.3157
edarnell@leeirvine.com



investment overview

OFFERING SUMMARY

Lee & Associates, Inc. - Irvine, as exclusive advisor, is pleased to present the opportunity to acquire the fee simple interest in 1401 N. Tustin Avenue. Consisting of approximately 63,012*/58,635 square feet, this 3-story multi-tenant medical office building is located 0.03 miles from Orange County Global Medical Hospital.

1401 N. Tustin offers a buyer to add value to the property by upgrading the common areas, courtyard, restroom, and property to significantly increase rents and NOI.

The average in place rent for office space is \$2.07 FSG and \$2.27 FSG for medical space and the property has of vacant space. Market rents once renovated are \$2.50 FSG, Per Square Foot, Per Month for office and \$3.00 FSG, Per Square Foot, Per Month for medical. A 21% increase in rents for office tenants and a 32% increase in rents for medical tenants. City zoning allows 5:1,000 for medical and 3:1,000 for general office allowing up to ±22,000 square feet of medical office in this building.

Our underwriting includes a \$30 PSF Tenant Improvement allowance for office and a \$40 PSF Tenant Improvement allowance for Medical office spaces equating to \$737,000 in tenant improvement and leasing commission expense in the first two years of ownership plus any capital improvement costs to increase the NOI 76% to market from in place NOI.

The property receives significant demand from tenants in the marketplace as in its current condition the property receives over 5 inquires a week and has lost deals to do the condition of the building and the suites. Once renovated we feel the number of lease prospects will increase and the percentage of prospects to executed leases will increase exponentially.

Syrentis Clinical Research just extended their lease, 9.07% of building for an additional 5 year term at \$2.85 PSF start rate. This is considered an office suite.

*Recently remeasured by BOMA Standards





PROPERTY SUMMARY

Property Address	1401 N. Tustin Ave Santa Ana, CA
APN	400-221-04
Land Size	±2.24 Acres
Building Size	±63,012*/58,635 Square Feet
Current Occupancy	76%

*the building has been remeasured, allowing new owner opportunity to grow the building upon lease expiration.

OFFERING SUMMARY

Offering Price	\$15,800,000
Terms	All Cash
Interest Offered	Fee Simple

property description

BUILDING PROFILE

Property Address	1401 N. Tustin Ave Santa Ana, CA 92705
APN	400-221-04
Location	Parkcenter, Central County
Land Size	±2.24 Acres
Year Built	1987
Building Size	±63,012*/±58,635 Square Feet
Parking	3.68:1,000
Flooring	LVT and Carpet
Construction	Steel
Exterior Walls	Stucco and Glass
Roof Cover	Modified Bitumen
Walls	Painted Gypsum Board
Ceiling	Hanging Acoustical Tile
Utilities	Southern California Edison
Light Fixtures	Recessed Fluorescent Lighting
HVAC	Package Units

*Square footage per recent BOMA remeasurement





INVESTMENT HIGHLIGHTS

- Ability to own a high-quality, freestanding office and medical building in Orange County's Central County submarket with ability to use up to $\pm 22,000$ SF of the building as Medical.
- Well located, 0.03 miles down from Orange County Global Medical Hospital.
- Ability to do both Medical and traditional Office offers flexibility to maximize rents and NOI.
- Value Add Opportunity to upgrade courtyard to include Common Area amenities, restrooms, hallway, landscape, and increase rents.
- Medical tenants typically sign longer term lease. Offers Investors long term stable cash flow once stable.



1401
N. Tustin Ave
Santa Ana, California



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Mabury St

Gabrillo Park Dr

N. Tustin Ave



1401

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Santa Ana, California

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LEE & ASSOCIATES-IRVINE
9838 Research Drive
Irvine, California 92618
949.727.1200
www.lee-associates.com

BRIAN GARBUTT

Senior Vice President
Lic. #01215482
949.790.3166
bgarbutt@leeirvine.com

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CONFIDENTIALITY AGREEMENT

THIS CONFIDENTIALITY AGREEMENT ("Agreement") is made and entered into as of the date set forth below, by and amongst 1401 Tustin LLC ("Owner"), Potential Purchaser as set forth below ("Potential Purchaser"), and Brian Garbutt, Allen Basso and Eric Darnell of LEE & ASSOCIATES-IRVINE, INC. ("Brokers").

RECITALS

- A. Owner is the owner of that certain real property located at **1401 N Tustin Avenue, Santa Ana, CA;** (the "Property").
- B. Owner has retained Brian Garbutt, Allen Basso and Eric Darnell of Lee & Associates-Irvine, Inc. as its exclusive advisor in the sale of the Property.
- C. In connection with such proposed purchase and sale, Potential Purchaser wants to review certain documents and financial information relating to the Property (collectively the "Confidential Information"), and Owner and Broker desire to furnish the Confidential Information for Potential Purchaser's review.

NOW THEREFORE, in consideration of the mutual covenants and agreements described below, and for good and valuable consideration, receipt of which is hereby acknowledged, it is agreed as follows:

- 1. The Confidential Information which may be furnished to Potential Purchaser by Owner/Broker shall continue to be the property of Owner/Broker. The Confidential Information shall be used by Potential Purchaser solely for the purpose of evaluating the possible acquisition of the Property and for no other purpose. The Confidential Information may not be copied or duplicated by the Potential Purchaser without Broker's prior written consent and must be returned to Broker immediately upon (i) Broker's request; or (ii) when Potential Purchaser declines to make an offer for the Property or terminates discussions or negotiations with respect to the Property.
- 2. Potential Purchaser shall not make the Confidential Information available, or disclose any of the contents thereof, to any person, unless such person has been notified to the Broker in writing and Broker has approved the furnishing of the Confidential Information or such disclosure to such person, and such person has entered into an agreement with Broker, the provisions of which agreement shall be substantially the same as the provisions contained in this Confidentiality Agreement; provided however, that the Confidential Information and this Confidentiality Agreement may be disclosed to the Potential Purchaser's partners, employees, legal counsel, and institutional lenders ("Related Parties") who, in the Potential Purchaser's best reasonable judgment, need to know such information for the purpose of evaluating the potential purchase and sale. Such Related Parties shall be informed by the Potential Purchaser of the confidential nature of the Confidential Information and shall be directed in writing by the Potential Purchaser to keep the Confidential Information strictly confidential in accordance with this Confidentiality Agreement. The Potential Purchaser shall be responsible for any violation of this provision by any Related Party.
- 3. Potential Purchaser agrees that Owner/Broker shall not have any liability for any reason to the Potential Purchaser or Related Parties resulting from the use of the Confidential Information by any party, whether or not the potential purchase and sale is consummated.
- 4. Potential Purchaser acknowledges that the Property is being offered for sale subject to withdrawal from the market or rejection of any offer by Owner, for any other reason whatsoever, without notice.
- 5. Lee & Associates-Irvine, Inc., a Member of the Lee & Associates Group of Companies, is authorized to represent Owner for the purpose of effecting a sale of the Property, and all negotiations shall be conducted through Lee & Associates-Irvine, Inc. It is further understood that Lee & Associates-Irvine, Inc. may be negotiating on behalf of Owner with other prospective purchasers.
- 6. The undersigned Potential Purchaser agrees to indemnify, defend, and hold Owner and Brian Garbutt, Allen Basso, and Eric Darnell of Lee & Associates-Irvine, Inc. harmless against any and all claims, damages, liabilities, costs, or expenses arising in any way related to claim(s) by another broker, finder, or other Lee & Associates agent for commissions, fees, or other compensation.
- 7. For purpose of this Confidentiality Agreement, the terms "purchase" and "sale" of the Property or other similar language in this Confidentiality Agreement shall be deemed to refer to the purchase and sale of all or a portion of the Property or the purchase and sale of an interest in the Property or the sale of Confidential Information of the Property.
- 8. This Confidentiality Agreement shall remain in effect for one (1) year following the date set forth below.
- 9. This Confidentiality Agreement shall be governed by the laws of the State of California.
- 10. In no event shall Co-Broker be entitled to more than the 1% procuring commission as set forth in the Listing Agreement unless agreed to by the parties, and Potential Purchaser agrees to indemnify and hold Lee & Associates, Inc. – Irvine and Owner harmless from any claims which may be incurred with respect to any claims for other real estate commissions, broker's fees, or finder's fees in relation to, or in connection with, the Property as claimed by through or under the Potential Purchaser.
- 11. This Confidentiality Agreement contains the entire understanding between the parties with respect to the subject matter hereof, and may not be altered, varied, revised, or amended, except by an instrument in writing signed by all the parties subsequent to the date set forth below.

IN WITNESS WHEREOF, the undersigned party hereto has caused this Agreement to be executed by their duly authorized representative as of the day and year set forth below.

POTENTIAL PURCHASER/BROKER:

Company: _____ Address: _____

By: _____ City, State, Zip: _____

Name: _____ Phone: _____

Title: _____ Fax: _____

Date: _____ E-Mail: _____

Please Return The Executed Copy To:

Brian Garbutt,
 Senior Vice President
 Lee & Associates-Irvine, Inc.
 9838 Research Drive
 Irvine, CA 92618

Phone: 949-790-3166
Fax: 949-727-1200
Email: bgarbutt@lee-associates.com