

2023

N GOLDEN CIRCLE
SANTA ANA



DISCLAIMER

This Offering Memorandum (this "Memorandum") is being delivered to you for the sole purpose of evaluating the possible acquisition of 203 N. Golden Circle Drive, 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, Inc. - Irvine Commercial Real Estate Services ("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) 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 or 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 (why may include engineering, environmental or other reports) may be provided to qualified parties as marketing information, 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 or 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.

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orange county

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**N GOLDEN CIRCLE
SANTA ANA**

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Executive Summary

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Property Description

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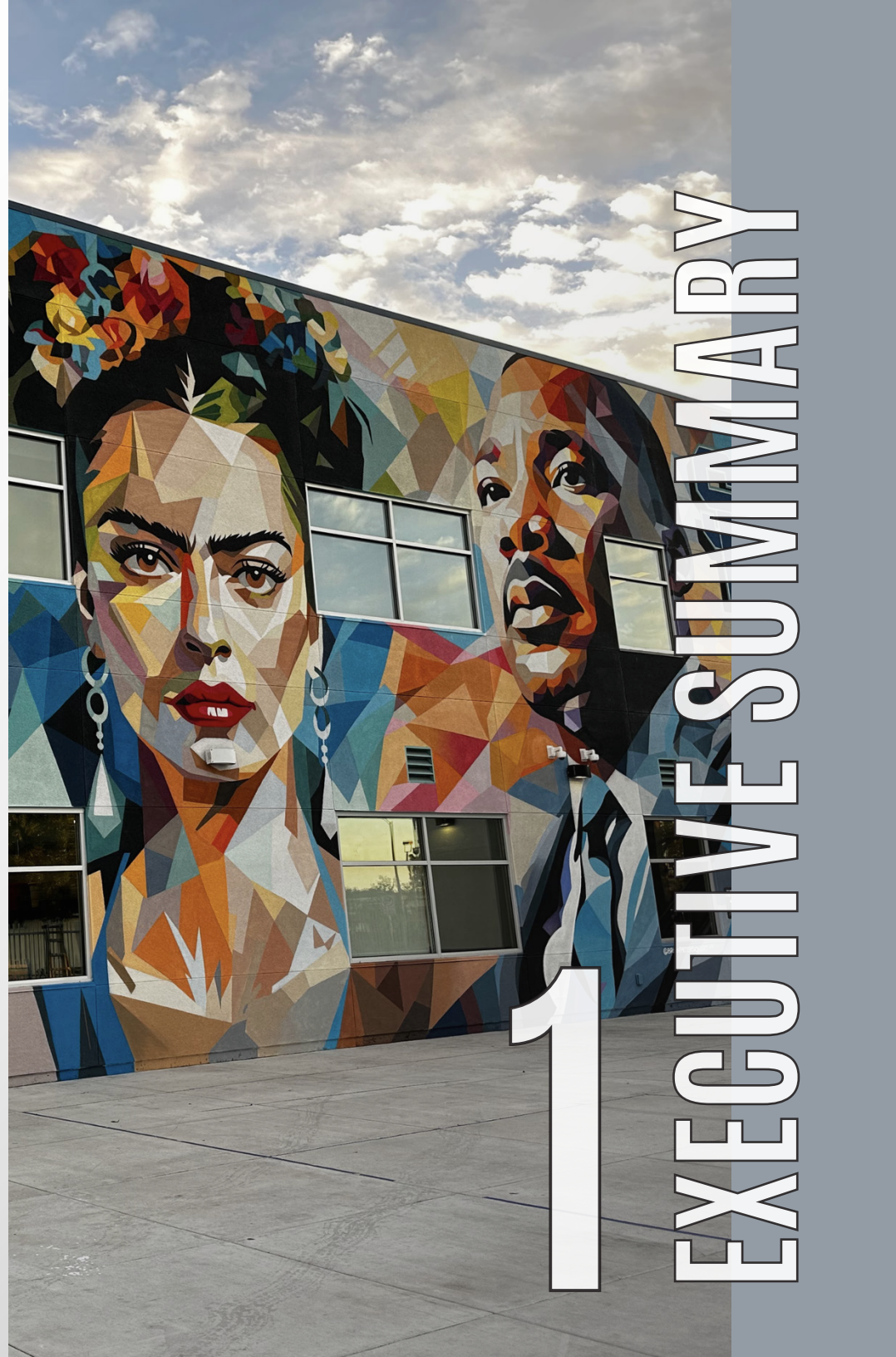
Area Overview

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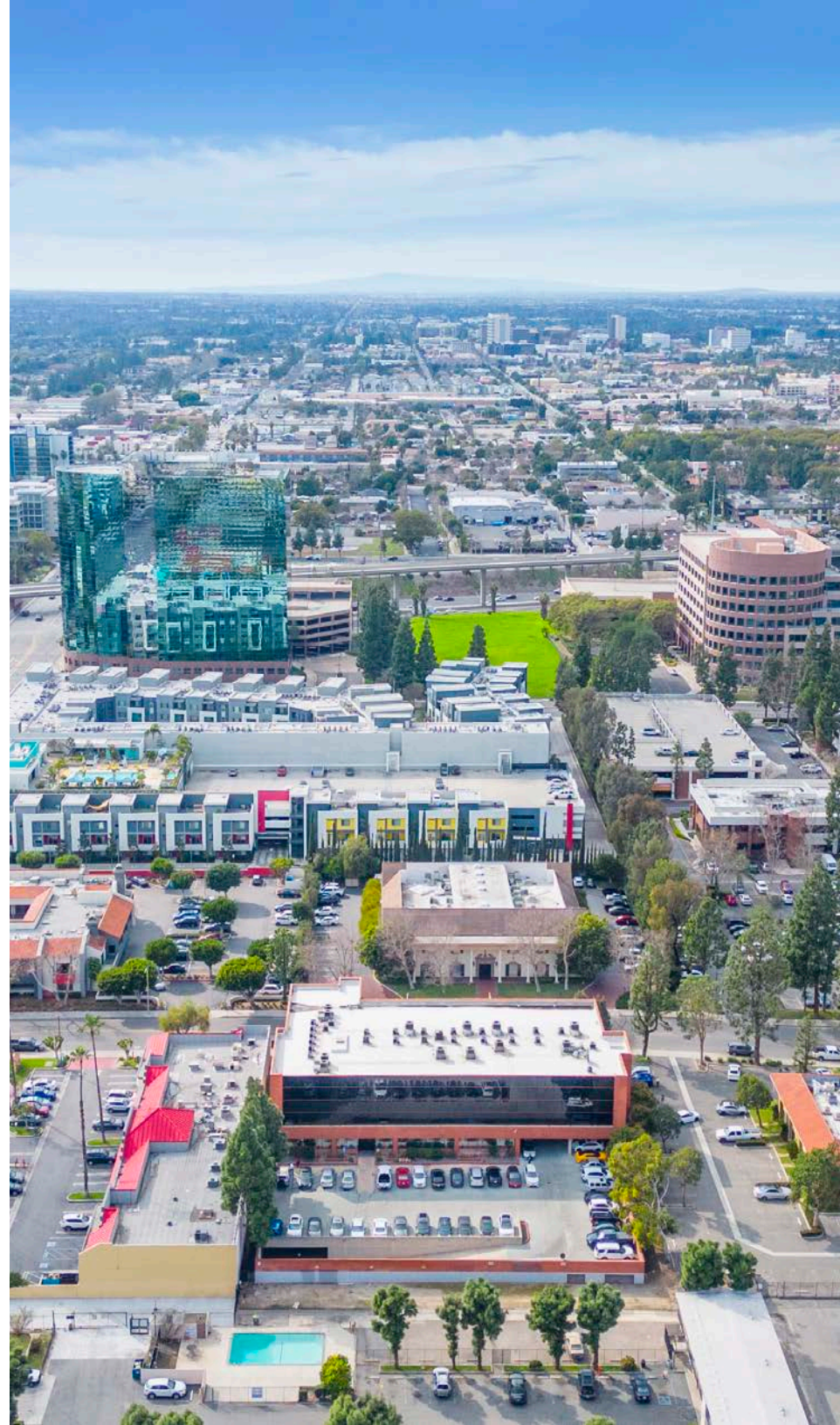
Tenant Summary

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Financial Analysis



ADDRESS	203 N. Golden Circle Drive Santa Ana, CA 92705
OFFERING PRICE	\$9,500,000
CURRENT NOI	\$655,357.14
CURRENT IN PLACE CAP RATE	6.89%
YEAR 2 CAP RATE STARTING OCTOBER 2025	7.29%
LEASE TERM	Expires September 30, 2028 with Fixed Options at 3% until 12/31/46
APN	400-082-04
SITE AREA	0.90 AC
TOTAL BUILDING AREA	40,875 SF
OCCUPANCY	100% Could Be Delivered Vacant Call For More Details
NUMBER OF STORIES	3
YEAR BUILT	1981 — Renovated 1993



FINANCIAL SUMMARY

STRONG CREDIT/TENANT IN-PLACE

The Property has a history of 100% occupancy by Mercy House; a long-standing regional housing and comprehensive housing service with more than 30 years of history in the Orange County, Kern County, Los Angeles County, Maricopa County, Riverside County and Ventura County Markets. The lease with the tenant extends through December 31, 2028.

EXCEPTIONAL ORANGE COUNTY ECONOMY AND FUNDAMENTALS

Orange County has evolved into one of the top markets for real estate investment in the country, with a direct vacancy rate of only 15.7 percent as of the end of the 4th quarter 2023. The weighted average office rental rate equaled \$2.57 per-square-foot monthly for all classes of space.

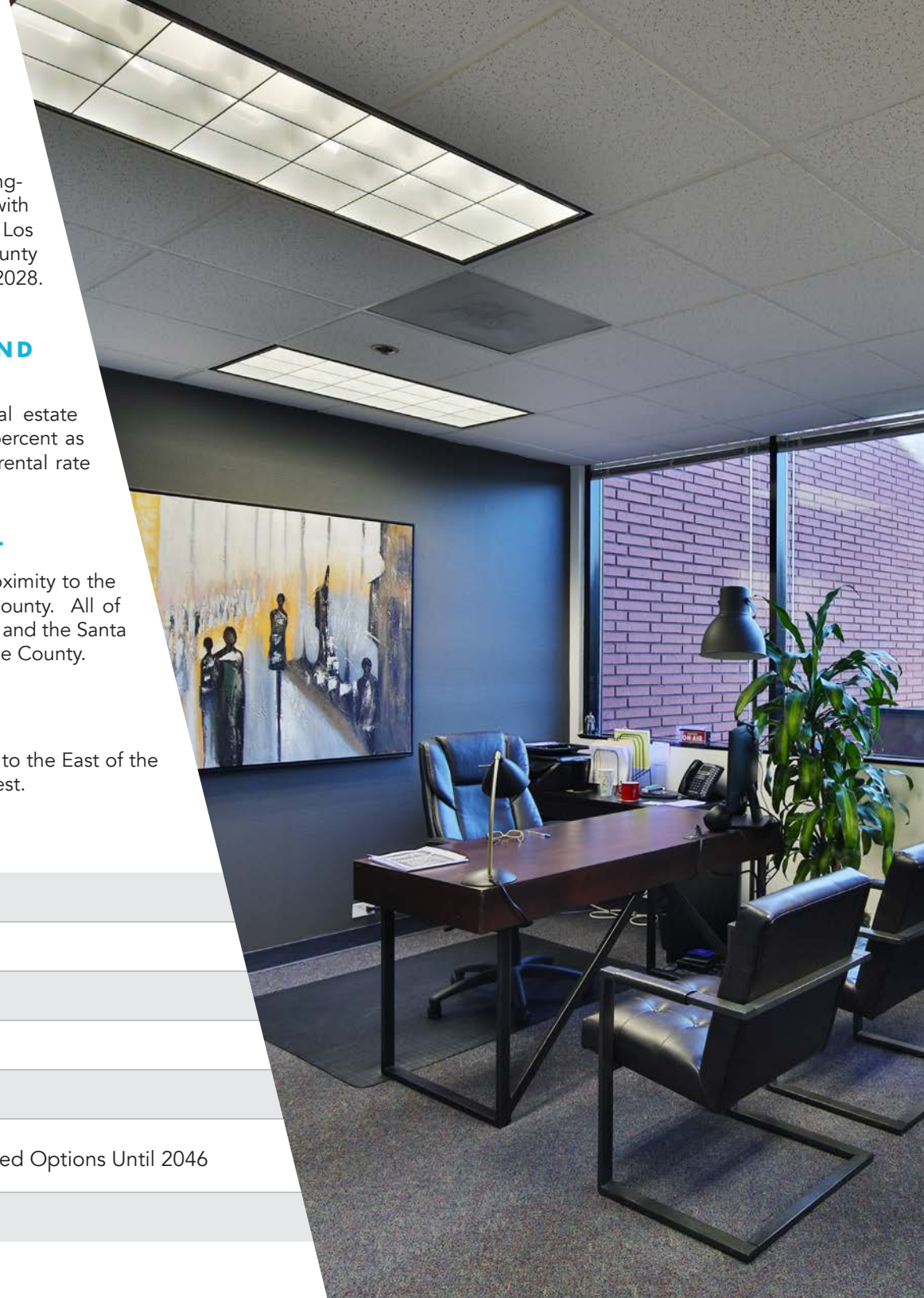
CENTRALLY LOCATED SANTA ANA SUBMARKET

The Site is within the Santa Ana submarket and benefits from its proximity to the adjacent markets of the Greater Airport Area (GAA) and Central County. All of these markets are within a five to ten minute drive from the Property and the Santa Ana submarket remains one of the more coveted niche markets in the County.

EXCELLENT FREEWAY INGRESS AND EGRESS

Access to the Costa Mesa (SH 55) Freeway is located just one block to the East of the property and the Santa Ana (I-5) Freeway is only one block to the West.

NRSF	40,875 SF
OCCUPANCY	100%
MASTER TENANT	Tristar
SUBTENANT	Mercy House
LEASE TERM	11 Years
EXPIRATION	September 30, 2028 with Fixed Options Until 2046
ANNUAL INCREASES	3% ± per year



PROPERTY DESCRIPTION

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INVESTMENT HIGHLIGHTS

The Property is located at 203 N Golden Circle Drive in the City of Santa Ana, California. The property has access just one block East to the Santa Ana, 55 Freeway; one of Orange County's major north/south freeway arterials that provides direct access to interstate 5, half a mile West of the property.

ADDRESS 203 N. Golden Circle Drive, Santa Ana

APN 400-082-04

SITE AREA 0.90 AC (39,204 SF)

CONFIGURATION/TOPOGRAPHY The site is nearly square in shape and generally flat and level at street grade.

ZONING Located within the Metro East Mixed-Use (MEMU) zoning allowing for a wide range of potential uses including but not limited to schools, hotels, live/work, and multi-family providing future development options.



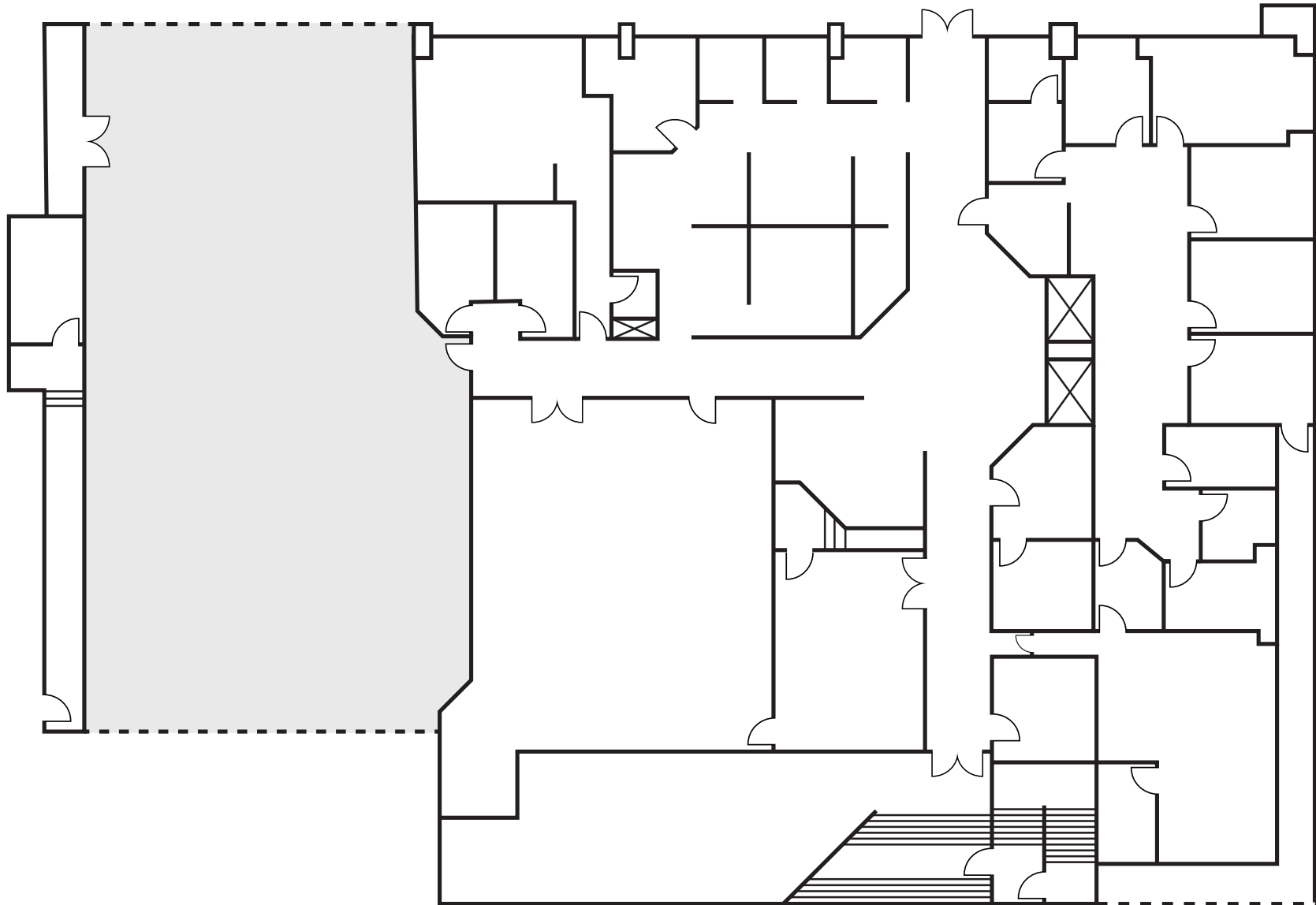
PROPERTY IMPROVEMENTS

- ±40,875 SF (per the lease)
- 3 Stories
- Steel and concrete podium foundation
- Steel construction
- The property contains a total of 121 surface parking spaces or a parking ratio of 3.06 spaces per 1,000 square feet of rentable office area. This parking consists of 77 covered and 48 surface parking spots. Along with 2 electric car charging stations on Site.
- 2 Elevators
- Sprinklers
- Paint and vinyl covered drywall partitions throughout. Office floors are a mix of interior enclosed offices on the window-line and perimeter enclosed offices with open-bay work and cubicle areas set toward the interior.
- Drop-tile ceiling grid system throughout the office floors with 2' x 4' acoustic drop tiles and fluorescent and incandescent lighting systems throughout. Corridors have hard-lid smooth paint-covered drywall finishes with fluorescent lighting systems set for energy efficiency.
- Roofing system consists of plywood decking set on structural wood frame systems. Roof covers consist of a built up composition system with Spanish tile cover. Mechanical systems for heating a cooling are roof mounted and covered from visibility by parapet walls. New roof with 15 year warranty was installed in 2021.
- Roof-mounted package units provide heating and cooling service to the building. New air conditioning units with 2-year warranty.



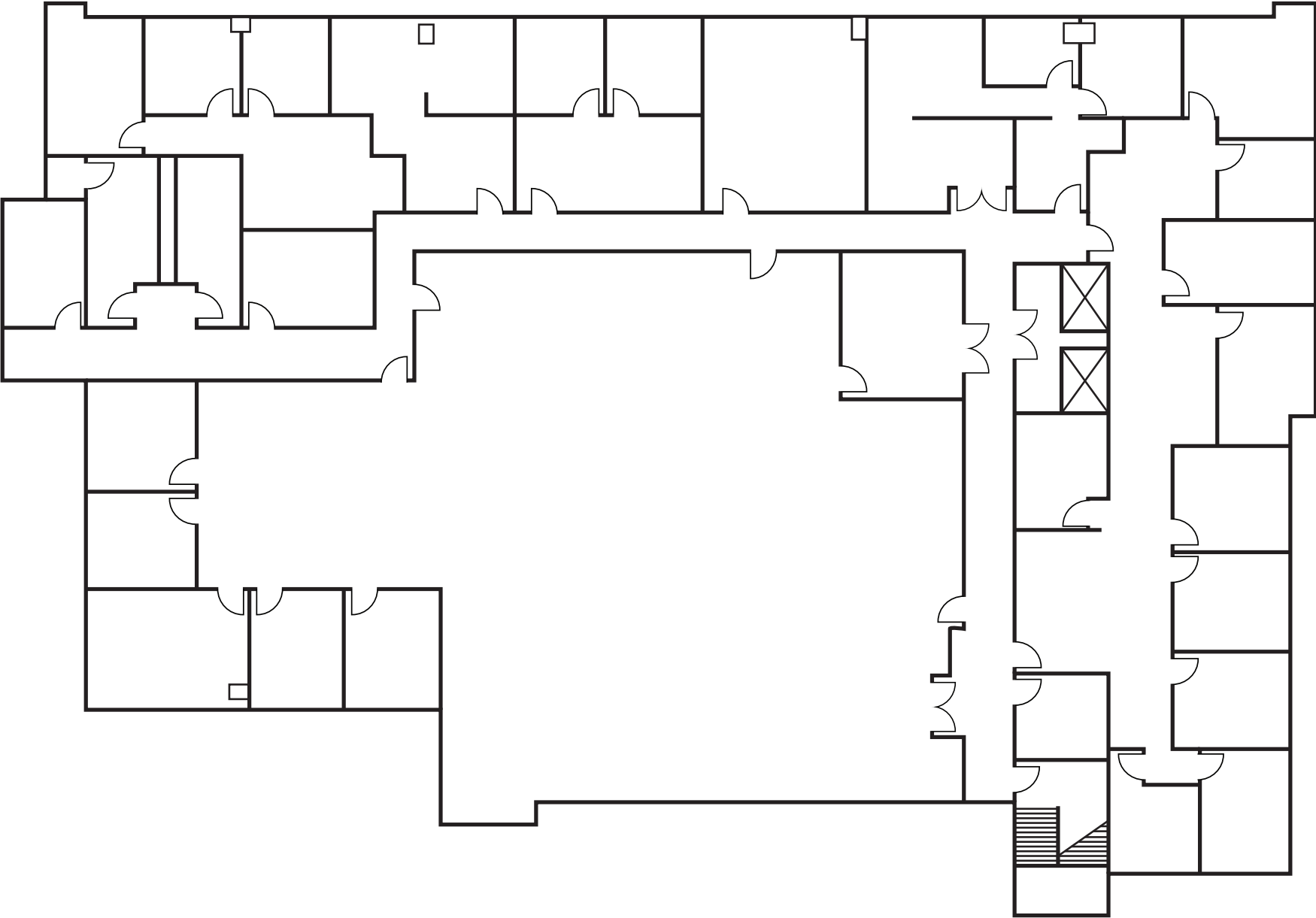
FIRST FLOOR

±10,218 Sq. Ft.



SECOND FLOOR

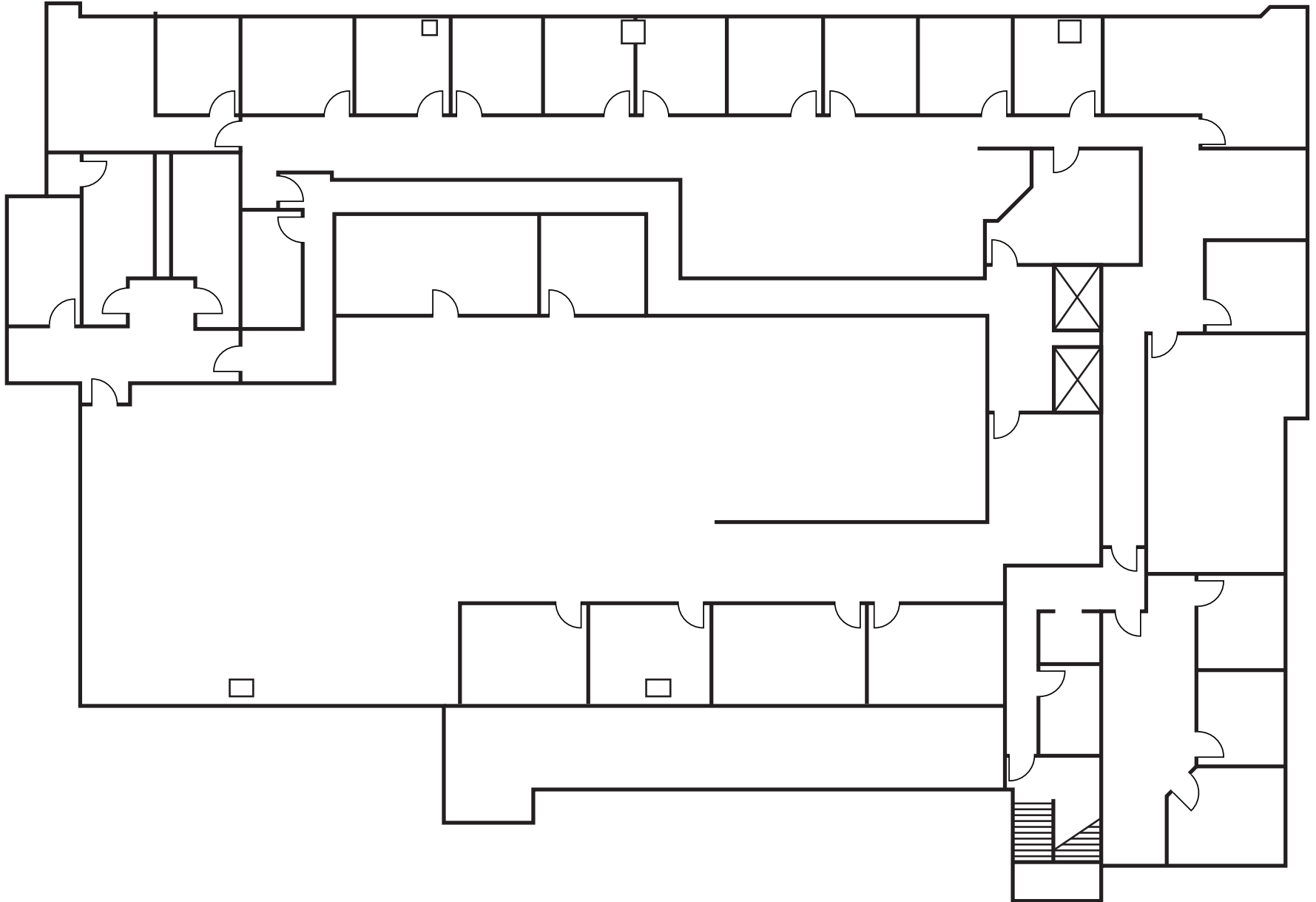
±15,327 Sq. Ft.



PROPERTY FLOOR PLAN

THIRD FLOOR

±15,327 Sq. Ft.





3 AREA OVERVIEW



DISNEYLAND

OUTLETS OF ORANGE

ANGELS STADIUM

HONDA CENTER

CENTRAL POINT

STATE COMPENSATION INSURANCE FUND

SANTA ANA REGIONAL TRANSPORTATION CENTER

SOCIAL SECURITY ADMINISTRATION

NINETEEN01 LUXURY APARTMENTS

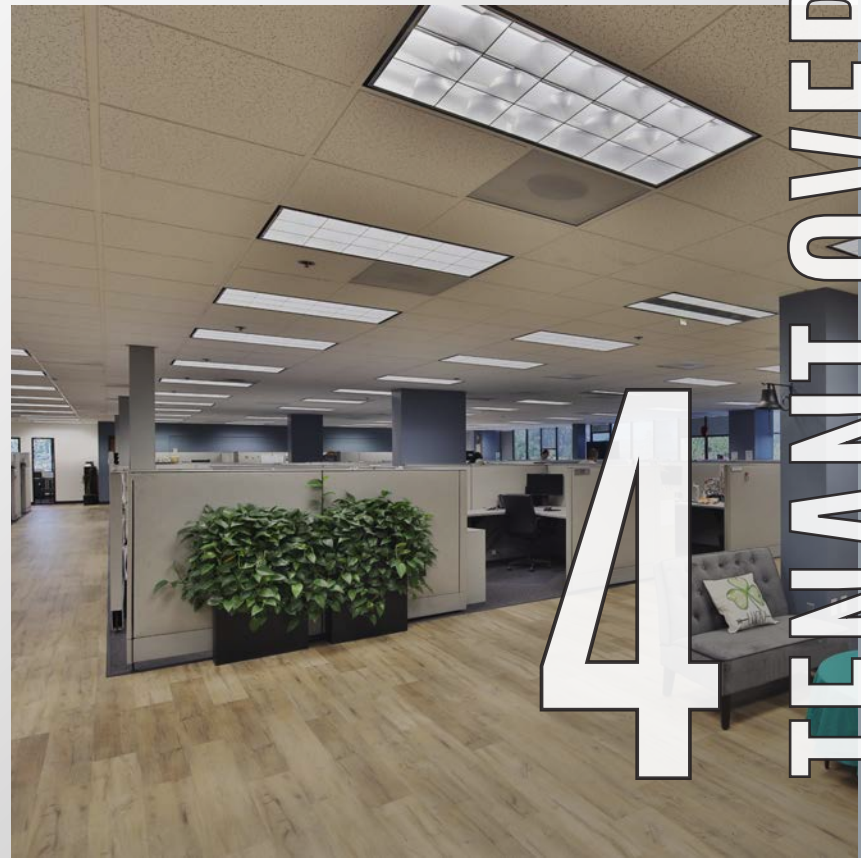
FIRST STREET MEDICAL PLAZA

AMG FIRST POINT



1ST STREET ±20,000 CARS PER DAY





4 TENANT OVERVIEW



Mercy House operates a complete system of care designed to meet the needs of homeless and at-risk populations in every stage of their struggle. Our programs are designed with understanding of homeless services across Orange, Riverside, Los Angeles, Kern, and Ventura Counties in California and Maricopa County, Arizona.

Mercy House's unique system of care meets the needs of over 7,000 men, women, and children every year through the following programs:

Outreach Programs

Outreach services provide immediate relief to those facing homelessness each day. These services include rescue referral, access to food, showers, laundry services, outreach, and other basic needs.

Emergency Shelters:

Emergency Shelters work with families and individuals to find and obtain permanent housing as rapidly as possible. Every client is connected to a Housing Navigator upon entry, who works with them to identify needs and barriers upon entering permanent housing. Our clients also receive meals, showers, access to life skills, and additional support all with the focus of permanent housing.

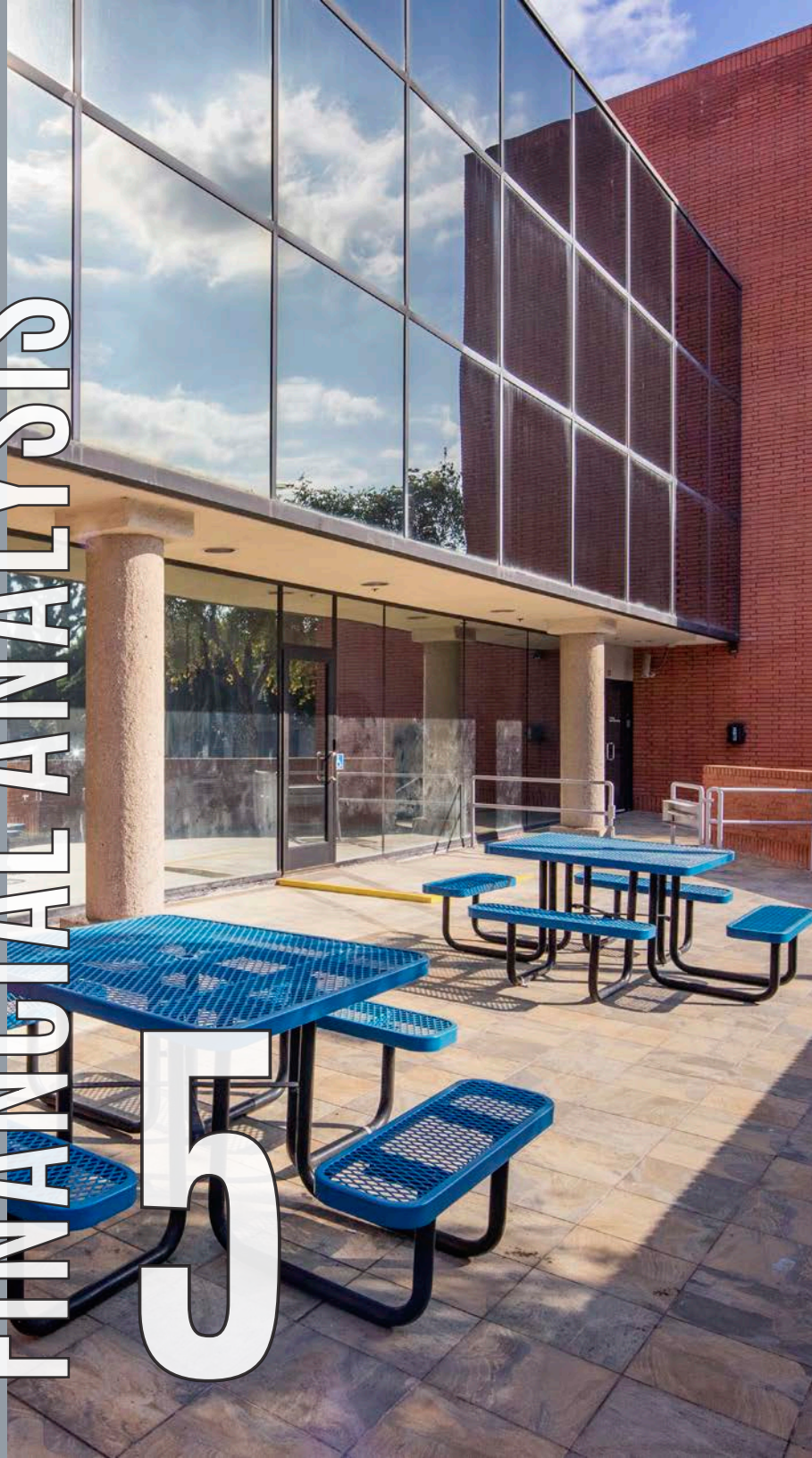
Permanent Housing

Permanent Housing focuses on one of America's greatest needs: affordable housing. Mercy House provides permanent, supportive housing to qualified households, giving them a second chance at establishing a home and creating a life of self-sufficiency and success. The different types of permanent housing programs we operate are:

- Affordable Permanent Housing
- Rapid Re-housing
- Permanent Supportive Housing (PSH)
- Residential Services
- Homeless Prevention

FINANCIAL ANALYSIS

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LEASE ABSTRACT

		Years	Price PSF	Monthly Income	Annual Income	
Lease Term	4 Years (Expires September 30, 2028) with Three (3) 5 Year Fixed Option Through 9/30/46					
Security Deposit	Last Months Rent	1	10/1/17 - 9/30/18	\$1.13	\$46,361.83	\$556,341.96
Master Tenant	Tristar Service Company, Inc.	2	10/1/18 - 9/30/19	\$1.17	\$47,637.45	\$571,649.46
Subtenant	Mercy House	3	10/1/19 - 9/30/20	\$1.20	\$48,951.35	\$587,416.18
Premises	203 N Golden Circle Drive Santa Ana, CA 92705	4	10/1/20 - 9/30/21	\$1.23	\$50,304.66	\$603,655.91
Size	±40,875 RSF	5	10/1/21 - 9/30/22	\$1.26	\$51,698.57	\$620,382.83
Percentage Occupied	Single Tenant NNN Lease	6	10/1/22 - 9/30/23	\$1.30	\$53,134.30	\$637,611.55
Operating Expenses	Tenant shall pay for all operating expenses for the property including property taxes, maintenance and insurance per the NNN lease.	7	10/1/23 - 9/30/24	\$1.34	\$54,613.09	\$655,357.14
		8	10/1/24 - 9/30/25	\$1.37	\$56,136.26	\$673,635.09
Landlord Obligations	Landlord shall have no obligation to repair or maintain the premises.	9	10/1/25 - 9/30/26	\$1.41	\$57,705.12	\$692,461.38
		10	10/1/26 - 9/30/27	\$1.45	\$59,321.04	\$711,852.46
T.I. Supplemental Income	\$46,092/Year	11	10/1/27 - 9/30/28	\$1.49	\$60,985.44	\$731,825.28

*Net Operating Income includes the supplemental TI of \$3,841.00/month or \$46,092/year

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