

MOORPARK

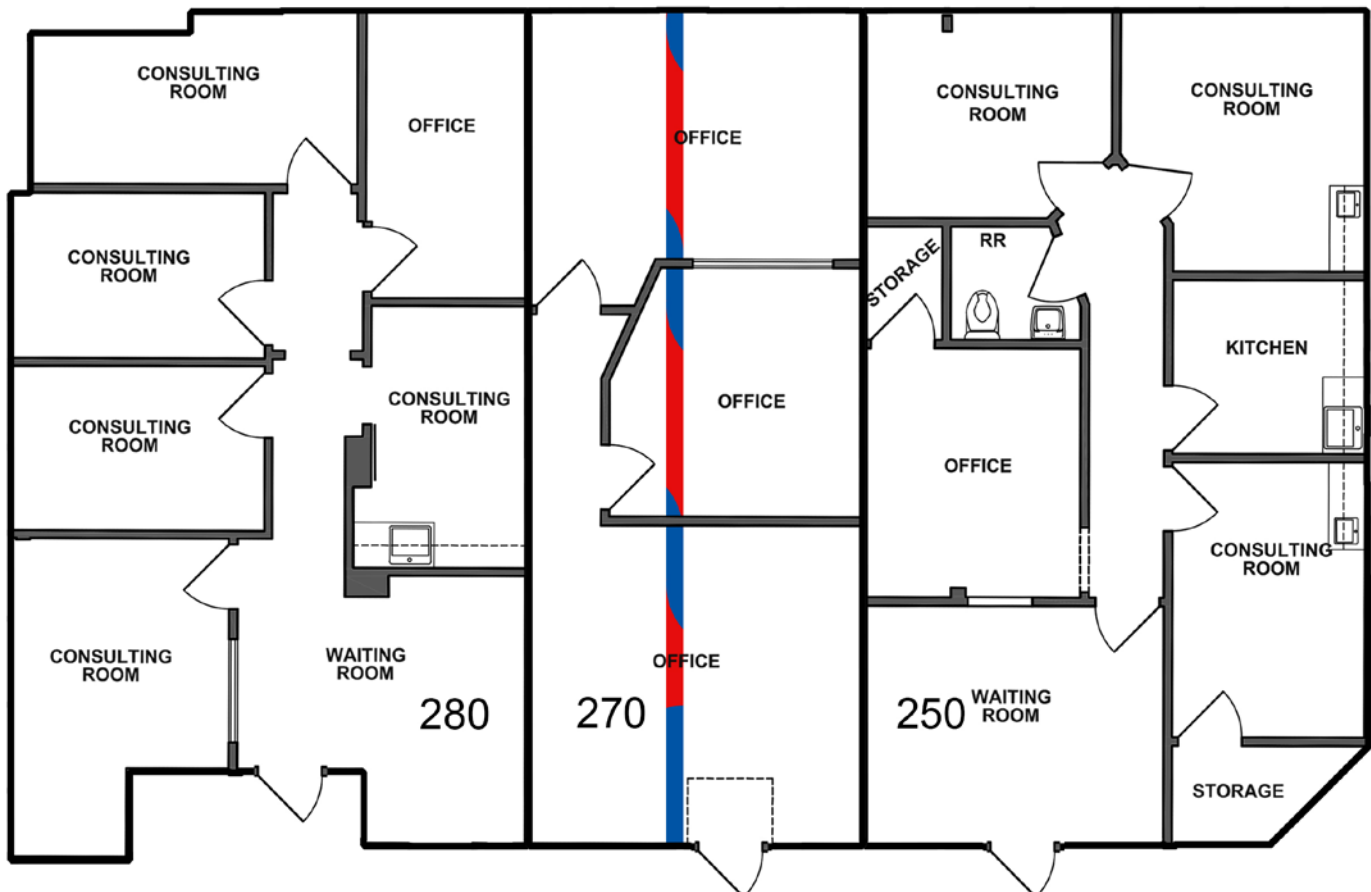
PROFESSIONAL CENTER

Suite 280

Three medical suites were located side-by-side, Suites 250, 270 and 280. As a part of converting Moorpark Professional Center to a private ownership building, Suite 270 has been incorporated into the suites to its left and right, Suites 250 and 280. Roughly half of 270 has become a part of medical condominium Suite 280. Suite 280 is presently leased. The tenant will now decide whether to purchase this property (Suite 280 plus about half of 270) or vacate the property. If the tenant elects not to purchase the property, it will be sold to a medical professional or to an investor for lease to a medical professional.

Lease expiration date: 6/30/17

This is the floor plan of the suites formerly known as 250, 270 and 280. Now 280 is a medical condominium and has incorporated about half of the former Suite 270 into it. The property line can be modified to suit any owner's needs. Internal walls are not structural and can be easily moved.



MOORPARK PROFESSIONAL CENTER

• Suite Summary •

MEDICAL SUITE NO.:	280
TENANT / OWNER:	Wellness Chiropractic

• SUITE •

Usable square feet in suite	1,193
Share of common area	345
Gross square feet	<u>1,538</u>
Percent of building	5.9%

• RENT •

Lease expiration date	6/30/17
Remaining months in lease	5
Refundable security deposit	\$2,609
Current monthly rent	\$2,562
Current operating expense reimbursements	373
Total current leasing costs per month	<u>\$2,935</u>
Market rate rent commencing on lease termination	\$3,998
Estimated operating expense reimbursements	1,618
Total new leasing costs on lease termination	<u>\$5,616</u>

• OWN •

Suite purchase price	\$830,287
Cash rebate to buyer ⁽¹⁾	12,436
Refund of security deposit	(2,609)
Net purchase price:	<u>\$840,114</u>
Purchase price per gross sq. ft.	\$546
Monthly ownership costs ⁽²⁾	<u>\$5,422</u>

Notes:

- (1): Cash Rebate (if any) equals monthly difference between ownership costs and leasing costs during the remaining months of the lease.
- (2): Mortgage payment + property taxes + owners association dues + depreciation
- (3): **90% (or greater) financing is available**

MOORPARK PROFESSIONAL CENTER

• RENT VS. OWN COMPARISON •

Suite Number: 280
Suite Size: 1,538 Square Feet

• RENT •

LEASE ASSUMPTIONS:	
Beginning rent per square foot per month	\$2.60
Beginning rent per month (rises every year)	\$3,998

START-UP COSTS	
Prepaid rent and security deposit	\$7,995
Total Start-Up Costs	\$7,995

MONTHLY COSTS (end of 2017)	Per Sq. Ft.	Amount
Rent (increases annually)	\$2.60	\$3,998
Operating expense (end of 2017)	1.05	1,618
Depreciation Tax Savings	n/a	0
Total 1st Year Monthly Costs	\$3.65	\$5,616

MONTHLY OWNERSHIP BENEFITS		
Property value appreciation	n/a	None

TOTAL EFFECTIVE MONTHLY COST \$5,616

• OWN •

PURCHASE ASSUMPTIONS:	
Purchase price per square foot	\$540.00
Purchase price	\$830,287

START-UP COSTS	
Cash down payment (10%)	\$83,029
Loan fees and costs	9,473
Total Start-Up Costs	\$92,501

MONTHLY COSTS	Per Sq. Ft.	Amount
Mortgage payment (fixed rate)	\$2.60	\$3,993
Operating expenses (see Notes)	1.21	1,861
Depreciation tax savings: 44%	(0.41)	(624)
Total Monthly Costs	\$3.40	\$5,230

MONTHLY OWNERSHIP BENEFITS		
Property value appreciation	Rate: 3%	\$2,076

TOTAL EFFECTIVE MONTHLY COST \$3,154

• ANNUAL RENTAL COST (increases at 3% / year) •

TOTAL IN YEAR 1:	\$67,393
TOTAL IN YEAR 5:	72,948
TOTAL IN YEAR 10:	80,541
TOTAL IN YEAR 15:	88,923
TOTAL IN YEAR 20:	98,179
TOTAL IN YEAR 25:	108,397
TOTAL IN YEAR 30:	119,679

• ANNUAL OWNERSHIP COST •

TOTAL IN YEAR 1:	\$68,323
TOTAL IN YEAR 5:	70,218
TOTAL IN YEAR 10:	72,783
TOTAL IN YEAR 15:	75,588
TOTAL IN YEAR 20:	78,656
TOTAL IN YEAR 25:	59,635
TOTAL IN YEAR 30:	63,310

Above figures exclude property value appreciation.

• INCREASE IN PROPERTY VALUE & OWNER'S EQUITY •

	<u>Property Value</u>	<u>Equity</u>		<u>Property Value</u>	<u>Equity</u>
OWNER'S EQUITY IN YEAR 5:	\$962,530	\$291,247	OWNER'S EQUITY IN YEAR 15:	\$1,293,560	\$838,101
OWNER'S EQUITY IN YEAR 10:	\$1,115,837	\$540,133	OWNER'S EQUITY IN YEAR 20:	\$1,499,591	\$1,195,405

"Equity" is based upon the property value growing by the principal portion of monthly loan payments and by market value appreciation over time.

Interest Rates - SBA 504 Loans	50% Bank 1st:	30 year amortization at:	4.60% int.
For Condominium Buyers	40% SBA 2nd:	25 year amortization at:	4.60% int.

IMPORTANT NOTES: 90% (or greater) financing is available

1. The property mortgage is typically paid off in 20 - 30 years, and then the owner owns the property free and clear. There are no more mortgage payments, but payments on leased properties go on forever. The long-term impact of this loss is not shown here.
2. Mortgage payments are fixed. They never change. Rent payments, however, rise annually and on every lease renewal. The above rent is the starting rent, not the repeated increases that will occur over a 30-year lease term.
3. Leased properties are owned by the landlord. Throughout the mortgage, the medical professional owns the property.
4. Owners can write off the interest portion of monthly mortgage payments, property taxes, depreciation and owners' association dues.
5. Owner's operating expenses consist of Owners Association dues that pay routine building maintenance costs and property taxes.

MOORPARK PROFESSIONAL CENTER

Common Area and Medical Suite Square Footage

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MOORPARK PROFESSIONAL CENTER - 2211 MOORPARK AVENUE, SAN JOSE

FLOOR LEVEL	Suite Number	Medical Condominium Square Footage	Common Area 28.88%	Total Square Footage
1st Floor				
	100	1,544 sf	446 sf	1,990 sf
	120	1,864 sf	538 sf	2,402 sf
	130	1,057 sf	305 sf	1,362 sf
	140	941 sf	272 sf	1,213 sf
	150	1,346 sf	389 sf	1,735 sf
	160	1,040 sf	300 sf	1,340 sf
	170	770 sf	222 sf	992 sf
2nd Floor				
	200	1,656 sf	478 sf	2,134 sf
	210	1,202 sf	347 sf	1,549 sf
	220	2,471 sf	714 sf	3,185 sf
	240	878 sf	254 sf	1,132 sf
	250	1,271 sf	367 sf	1,638 sf
	260	786 sf	227 sf	1,013 sf
	275	1,498 sf	433 sf	1,931 sf
	280	1,193 sf	345 sf	1,538 sf
	290	824 sf	238 sf	1,062 sf
GROSS		20,341 sf	5,875 sf	26,216 sf

Disclaimer: The common area percentage was determined by taking the gross building area (26,216 sf) and dividing by the total medical condominium square footage (20,341 sf). The common area represents 28.88% of the total building; this percentage was added to each medical condominium suite to obtain the total square footage for each suite. The shared Board Room is included within this common area square footage.

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PROFESSIONAL CENTER

PRICE LIST

Suite No.	Medical Condominium Square Feet	Share of Common Area Sq. Ft.	Total Sq. Ft.	Availability	Price
100	1,544	446	1,990	Call for details	\$1,074,571
120	1,864	538	2,402	Call for details	\$1,297,296
130	1,057	305	1,362	Call for details	\$735,620
140	941	272	1,213	Call for details	\$655,020
150	1,346	389	1,735	Call for details	\$936,770
160	1,040	300	1,340	Call for details	\$723,688
170	770	222	992	Available now	\$535,894
200	1,656	478	2,134	Call for details	\$1,152,519
210	1,202	347	1,549	Available now	\$836,551
220	2,471	714	3,185	Call for details	\$1,719,731
240	878	254	1,132	Available now	\$611,058
250	1,271	367	1,638	Call for details	\$884,573
260	786	227	1,013	Call for details	\$547,029
275	1,498	433	1,931	Available now	\$1,042,557
280	1,193	345	1,538	Call for details	\$830,287
290	824	238	1,062	Call for details	\$573,476
TOTAL:	20,341 SF	5,875 SF	26,216 SF		

Note: Prices are subject to change without notice. 90% (or greater) financing is available.

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MOORPARK PROFESSIONAL CENTER

• SBA 504 FINANCING PROGRAM •

Suite No. 280

Purchase price	\$830,287
Cash down payment: 10%	83,029
Amount financed	747,258
Monthly payment (combined 1st & 2nd)	\$3,993

- The SBA 504 financing program combines a loan from a local bank for 50% of the purchase price and a loan from the SBA for 40% of the purchase price (total 90%). The buyer typically provides a 10% cash down payment, but the down payment may not be required.

SBA 504 Financing Program

<u>1st Mortgage by Bank</u>		
Loan Amount	\$415,144	
Interest Rate	4.60%	
Amortization in years	30 year amortization	
Percent of Purchase Price	50.00%	of total price
Loan Fee	\$4,151	1.00%
Monthly Payment	\$2,128	1.00%

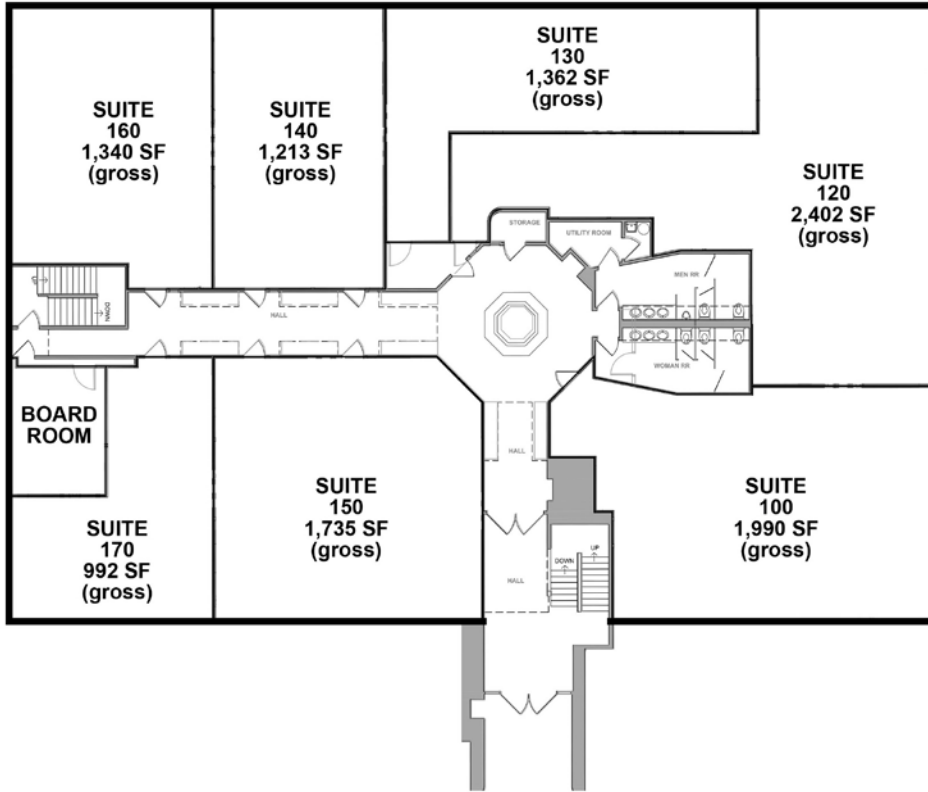
<u>2nd Mortgage by SBA</u>		
Loan Amount	\$332,115	
Interest Rate	4.60%	
Amortization in years	25 year amortization	
Percent of Purchase Price	40.00%	of total price
Loan Fee	\$3,321	1.00%
Monthly Payment	\$1,865	1.00%

- SBA = Small Business Administration
- The SBA offers two financing programs, the 504 and the 7A. The program shown here is the 504.
- Financing is also available for improvements to the suite.
- Note that interest rates and loan terms differ from one lender to another.
- JPMorgan Chase Bank also offers a very attractive mortgage program for medical professionals.

MOORPARK PROFESSIONAL CENTER

MEDICAL CONDOMINIUM SUITES

1st Floor



2nd Floor

