



# **Sanderson Square**

**A Premier Neighborhood Retail Center  
San Jacinto, California**

**Covenant Development, Inc.  
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Contact: Mike Roberts and/or Lindsay Hubby**



November 9, 2007

## **Executive Summary**

# **Sanderson Square**

## **A Premier Neighborhood Commercial Center**

- **73,800  $\pm$  square feet:**
  - **14,800 sf corner store(s)**
  - **3,500 sf Gas Station**
  - **9,200 sf Day Care Facility**
  - **7,000 sf Offices**
  - **3,500 sf Fast Food**
  - **10,200 sf Full Access Building**
  - **25,600 sf Line Stores**
- **11.28 acre site, zoned for commercial/retail uses**
- **High growth area of Hemet Valley**
- **City of San Jacinto, Riverside County, California**
- **Many credit tenants vying for position in project**
- **Equity Requirement: 3.7 Million**
- **Stabilized Cap Rate (ratio of Net Operating Income to Cost): 9.0%**
- **Cash on Cash Return: Year 1 = 11%, Year 5 = 16%**
- **CDI Contribution (Partial deferment of Developer Fee): 10%**
- **Annual Net Operating Income: 1.4 + Million**
- **Total Costs: \$18.4 Million**
- **Costs after Income Offset and Pad Sales: \$16.3 Milion**
- **5 Year Value at 7.5% Cap Rate: \$22 Million**

***Sanderson Square***  
***Neighborhood Commercial Center***

**November 6, 2007**  
**For Discussion Only**

**Investment Synopsis**

**Property** 11.28 acres (Net 9.5± acres) at  
NE corner of Sanderson and Cottonwood  
San Jacinto, Riverside County, California.

**Project** Neighborhood Shopping/Convenience Center

**Gross Floor Areas:** 73,849 SF

**LLC:** Sanderson Square LLC

**Managing Member:** Covenant Group and/or entity owned by CG.

**Investor Buy-In:** \$ 3,700,000

**Investor Equity & Ownership:**

Ownership	70%
Equity / Investment Contribution	90%
Preferred Return	8%

**Projected Investor Return:**

Assume sale in Year 4 after established stabilized operations:

	<u>Year 1 &amp; 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Total</u>
Accumulated Preferred Return	\$ 589,572			\$ 589,572
Preferred Return Interest		\$ 341,952	\$ 341,952	
Share of Cash from Operations		\$ 23,015	\$ 56,488	
Cash Flow until Sale:		\$ 364,967	\$ 398,440	\$ 763,408
Share of Sale Proceeds				\$ 2,039,158
Total Earnings				\$ 3,392,138
ROI				92.1%

In the event the project is retained for cash flow, we estimate that after refinancing and payoff of a significant amount of the outstanding investment and accumulated preferred return, the before tax cash flow to the investor may exceed \$350,000 per year.

Information given above is based on current best knowledge of factors influencing the market and estimates of costs and resulting returns as presented in Pro-Forma financial analysis. Nothing herein is to be construed as a guarantee of results. Any and all investment will be at risk.





# Sanderson Corridor Competition Aerial

NEC of Sanderson Ave and Cottonwood Ave, San Jacinto, CA



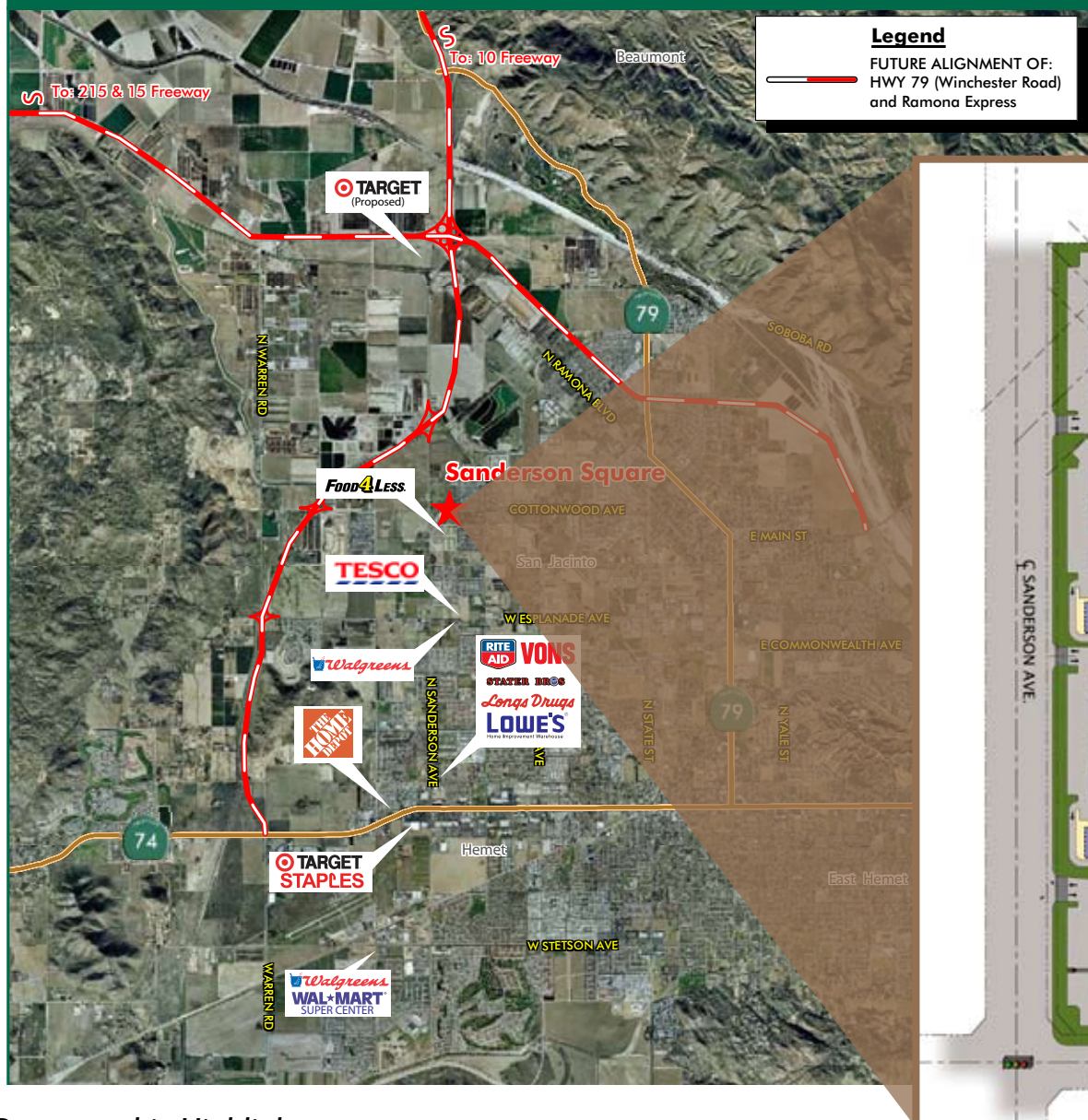
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**CBRE**  
CB RICHARD ELLIS



# Sanderson Corridor Competition Aerial

NEC of Sanderson Ave and Cottonwood Ave, San Jacinto, CA



## Demographic Highlights

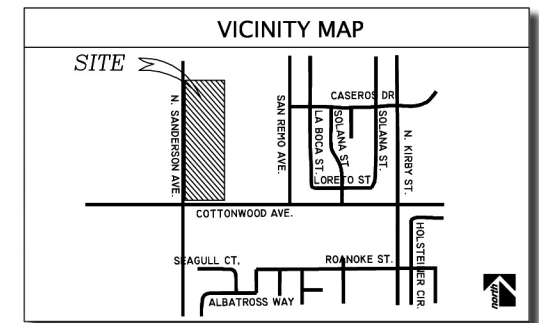
	2 MILE	3 MILE	5 MILE
2012 Projected Population	11,368	43,862	122,403
2007 Estimated Population	9,685	39,002	108,237
Growth 2000-2007	33.58%	20.39%	22.19%
Growth 2007-2012	17.37%	12.46%	13.09%
2012 Projected Household	4,383	17,412	\$47,591
2007 Estimated Median Household Income	\$39,923	\$32,087	\$32,888
2012 Projected Median Household Income	\$43,510	\$35,542	\$36,075
Day Time Population	1,241	11,952	34,719

## For More Information:

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NOTE:  
 SITE PLAN IS SUBJECT TO CHANGE. SITE PLAN IS BASED  
 ON THE CIVIL INFORMATION AVAILABLE ON THIS DATE.  
 SITE PLAN IS SUBJECT TO APPROVAL BY  
 GOVERNMENTAL AGENCIES.



SITE PLAN





BUILDING 2

BUILDING 3

BUILDING 4

BUILDING 5

BUILDING 6



BUILDING 1



BUILDING 7



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