



KOREK LAND COMPANY, INC.



616± ACRES
SANTA CLARITA VALLEY, CA
(LOS ANGELES COUNTY)

LOCATION: The Property is minutes from the City of Santa Clarita; west of the Valencia Commerce and Gateway Industrial employment centers; close to the Newhall Ranch project-expansion. Ventura County beaches are a short drive west on Hwy 126. The subject is located just north of Hwy 126 at 28190 San Martinez Grande Canyon Road; San Martinez Grande Canyon Road bisects this income-producing Property. We see this area's value growing with increasing employment opportunities as the Newhall Ranch continues to build out. (See maps.)

APN/SIZE: ~616 acres, 5 assessor parcel numbers, in three adjacent Sections within T4N-R17W as follows (the "Property"):

Section 8 – APN 3272-017-008 = ~160 acres; APN 3272-029-015 = ~0.02 acres.

Section 9 – APN 3270-019-001 = ~80.6 acres.

Section 17 – APN 3272-021-018 = ~317 acres; APN 3272-021-019 = ~59.09 acres.

FOR SALE: In addition to the real Property, this transaction will also convey all of Seller's water rights, mineral rights, Lessor's Lease/Royalty rights, income, appurtenances and easements.

OIL & GAS: Sellers are also Lessor in the 1940 Oil & Gas Lease wherein LBTH Inc. is the current Lessee. There are ~25 oil-wells located on ~200 acres of the Property; one well-cluster at the south-end of the Property and another cluster is at the north-end. Between the two-well clusters are ~400 acres that could be developed prior to removal of the other wells (the "Development Area"). The Lessee agreed to not prevent development of the land not encumbered by the oil-wells. No Lessee assets/rights are involved with this transaction.

INCOME: The annual income is approximately \$65,000 and is derived from three sources which could grow. Presently the incomes are:

Two homes: ~\$16,000 per year.

Easement lease: ~\$12,000 per year.

Oil & Gas Lease/Royalty to Lessor: ~\$36,000 per year.

If the annual income stream is calculated at a 3.5% Cap rate, the cash value is ~\$1,860,000 it represents more than half of the reduced price.

DISCLAIMER NOTICE TO BUYER: The information contained herein was obtained from third parties and it has not been independently verified by Korek Land Company, Inc. ("KLC"). Buyer should have the experts of their choice inspect the property and verify all information. KLC is not qualified to act as or to select experts with respect to legal, tax, environment, zoning, building construction, soils-drainage or other such matters. Please see reverse for full disclaimer.

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TOPO: The topography varies from generally flat, to rolling to steep. It appears there is space for a golf-course along San Martinez Grande Road. The general layout has solid development potential with commanding views in virtually every direction. A plateau can be developed that would have tremendous view opportunities serviced by a loop road.

GENERAL PLAN/

ZONING: The County General Plan land-use is RL 20 (Rural Land – 1 unit/20 acres) and the zoning is A-2-2. **BUYER TO VERIFY IF ZONING AND GENERAL PLAN WILL ALLOW BUYER'S INTENDED USE**

UTILITIES: Electric at site. Sewer could be addressed in various ways. Annexing into Waterworks District 36 is possible provided a new water source is secured. Buyer needs to determine utility locations and capacities in relation to Buyer's intended use.

MARKET: The Santa Clarita Valley is alive with new projects and exciting housing products! We are seeing large well-appointed-one and two-story plans from 2,000 to 4,000 square feet, with 3 to 6 bedrooms, .5 to 5 baths, great rooms, 2 and 3 car garages and many options allowing buyers to customize their home to their liking. Pricing ranges from the \$600,000's to over \$1 Million. KB Home, normally associated with lower priced homes, offers homes for sale in excess of \$750,000.

View lots are being enhanced and accentuated by large viewing balconies, slick-outdoor-rooms and entertainment centers. Examples of these elements are offered at the following projects:

- Pardee Homes and Tri-Pointe in both Aliento and Skyline Ridge;
- Toll Bros. Plum Canyon; and
- Tesoro del Valle.

POTENTIAL: There are many possibilities concerning this Property. Clearly this could be a hold anticipating value growth. Another approach might be along two avenues: 1). Acquiring the Lessor Lease/Royalty rights and working to increase the Property's current income; and/or 2). Work on Land-Use-Planning / entitlement processing for the Development Area (~400 acres) plus the ~200 acres, as a longer term strategy. In both cases you would be taking advantage of the rising values and growing employment opportunities in the area. The earth-moving contemplated in the "development area" would be significant but fairly typical in the Santa Clarita area.

PRICE: **Reduced significantly to \$3,510,000. Seller's estate clean-up is a big motivation; make an Offer!** This Property is being sold on an "AS-IS, WHERE-IS" basis with all faults. Seller may consider terms offers.

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