

CONFIDENTIAL OFFERING MEMORANDUM NNN LONG TERM CASH FLOW PROPERTY

TERROS
5801 North 51st Avenue
Glendale AZ 85301



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EXECUTIVE SUMMARY

THE OFFERING

Property Description:	Two -Tenant, Single-Story Office Retail Building
Location:	5801 North 51st Avenue, Glendale, AZ 85301
Building Size (SF):	±24,651
Land Size (Acres/SF):	1.99/87,033
Tax Parcel Number:	145-01-419
Year of Construction:	1987
Zoning:	M2, City of Glendale
Parking:	5.57/1,000
Occupancy:	100%
Number of Tenants:	Two (2)
Lease Types:	NNN, landlord responsible for roof, structure and parking lot
Offering Price:	\$4,437,500
Net Operating Income:	\$355,000 (2020)
Offering Cap Rate:	8.00%



INVESTMENT OVERVIEW

THE OFFERING

Lee & Associates is honored to present a 2-tenant investment opportunity with long standing tenancy and attractive remaining lease terms. Located at 5801 North 51st Avenue in Glendale, Arizona the property is a ±24,651 square foot single story commercial complex located on approximately 2 acres of M2 zoned land. The site has over 600 feet of frontage along 51st Avenue, which is a lighted intersection featuring 2 ingress/egress points along 51st Avenue and an additional ingress/egress point from Montebello Avenue.

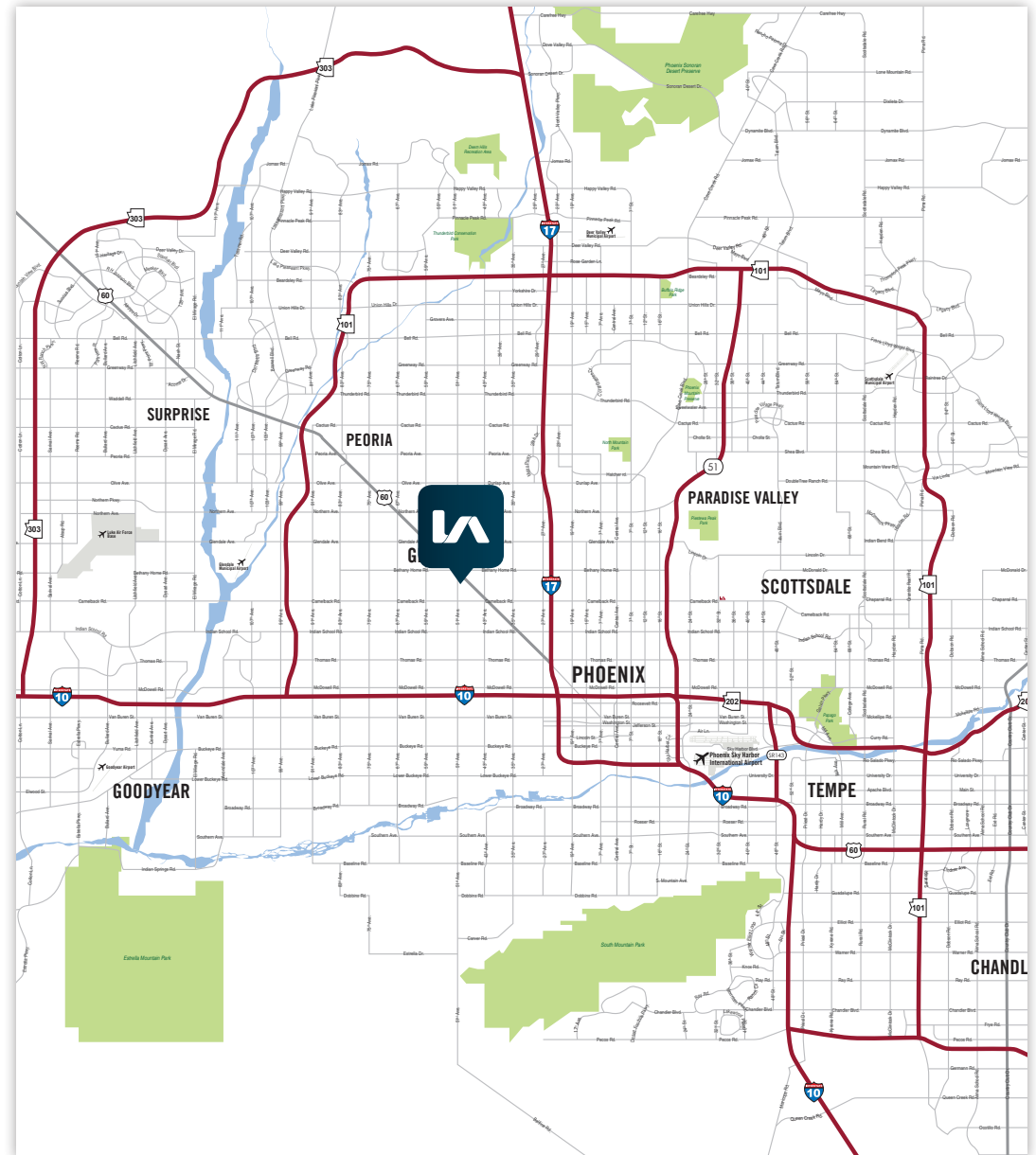
INVESTMENT HIGHLIGHTS

- Strong historical occupancy with respected and recognizable tenancy
- 8% cap rate in Year 1
- Passive investment opportunity with minimal landlord responsibilities
- Over 600 feet of frontage along 51st Avenue
- 13+ years remaining on Terros lease, with 4-5 year renewal options
- Potter House, occupying 42% of the total square footage is paying \$4.94/SF NNN, significantly below market rent, allowing for potential upside and NOI growth

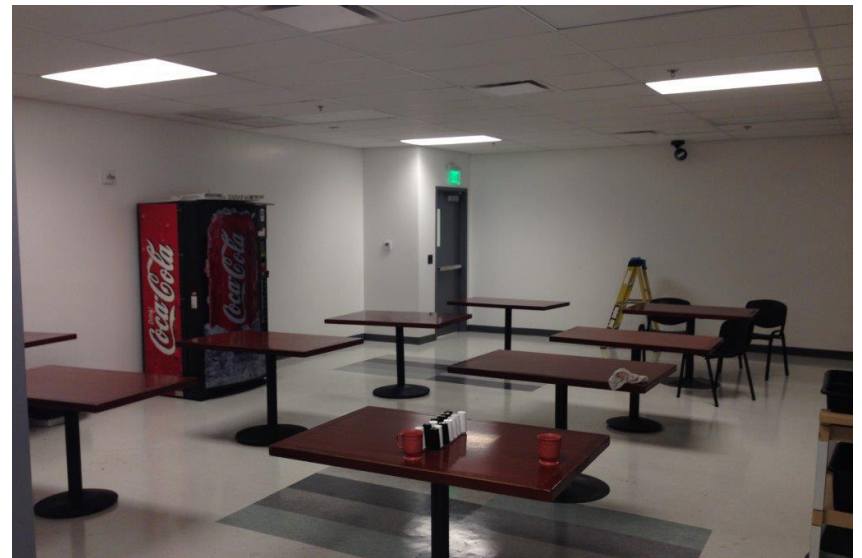


BUILDING INFORMATION

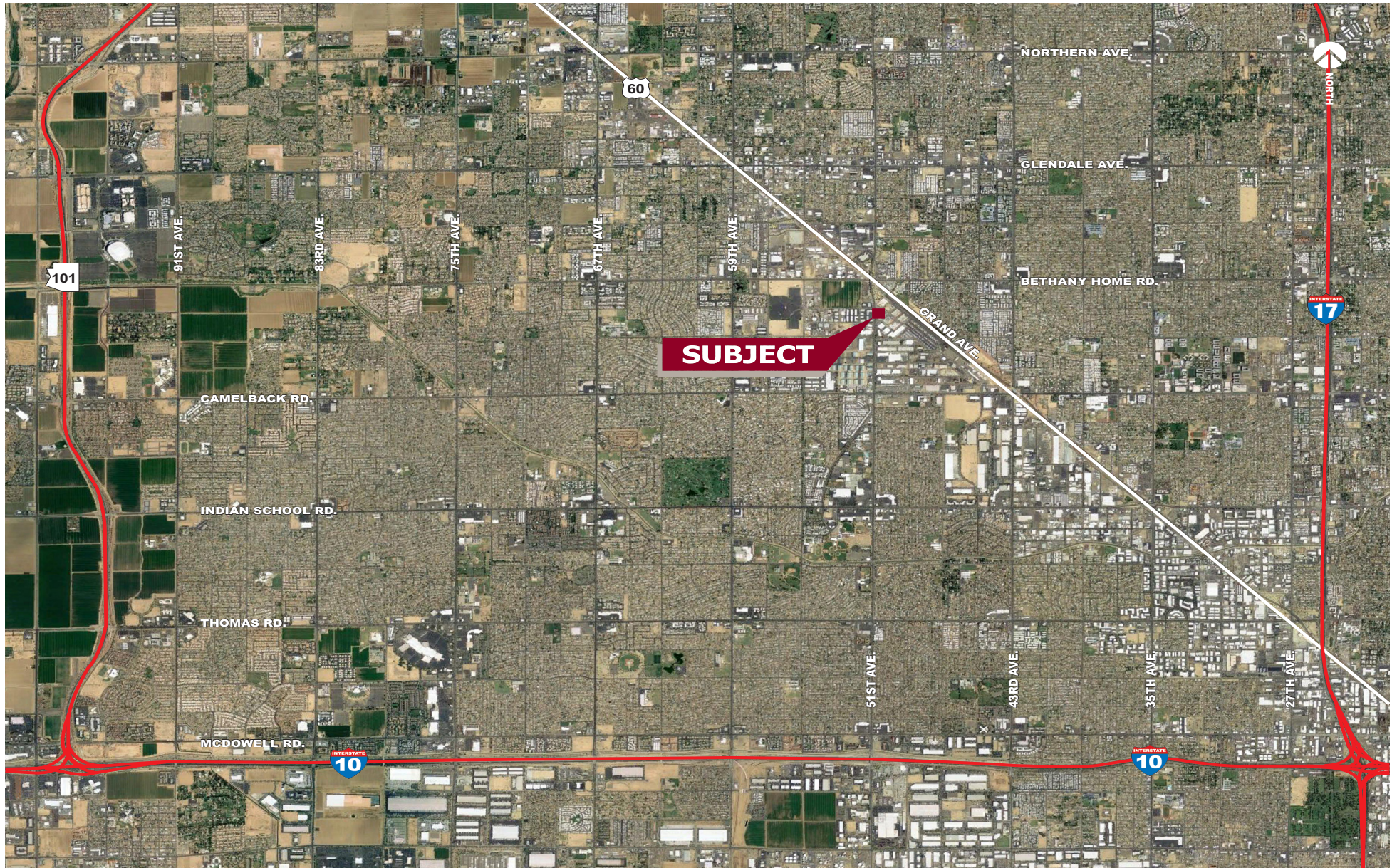
Property Description:	Multi-Tenant, Office/Retail Building
Parcel Size:	1.99 acres /87,033 SF
Type of Ownership:	Fee Simple
Rentable Square Feet:	±24,651
Zoning:	M2, City of Glendale
Landscaping:	Desert
Topography:	Flat
Street Frontage:	51st Avenue
Highway Access:	US 60



PROPERTY PHOTOGRAPHS



NEIGHBORHOOD AERIAL



PROPERTY AERIAL



TERROS

Founded in 1969, Terros Health is a nonprofit, integrated care provider with specialization in medical care, wellness interventions, trauma-informed mental health and addiction recovery. Their compelling purpose is to Inspire Change for Life, and last year they helped more than 65,000 Arizonans on the path to better health and an improved quality of life. Their mission is to create healthy communities while meeting their triple aim of excellent patient experience, quality health care outcomes and controlled health care costs. Terros Health has grown over the last 50 years into an organization employing more than 1,100 professionals across the greater Phoenix area, Tucson, Flagstaff, Prescott and Kingman. Their employees exude the values of integrity, compassion and empowerment while providing a continuum of care that includes primary medical care, wellness services, mental health care, addiction treatment and recovery.



Learn more at: www.terroshealth.org

LEASE SUMMARY

Square Feet:	±14,198
% of Building RBA:	57.6%
Lease Start/End:	11/22/2013 to 11/22/2032
Monthly/Annual Rent:	\$25,728,67 / \$308,744
Annual Rent/SF:	\$21.75/SF
Rent Increase:	Increase of 1.5% each November
Lease Type:	NNN, landlord responsible for roof, structure and parking lot
Comments:	4-5 year renewal options at 95% FMV

POTTER'S HOUSE CHRISTIAN CENTER

Potter's House is a Christian Fellowship led by Pastor James Martinez. They provide services Wednesday evenings, Saturday evenings and all-day Sunday.

Learn more at: www.pottershousepstmartinez.blogspot.com



LEASE SUMMARY

Square Feet:	±10,453
% of Building RBA:	42.4%
Lease Start/End:	7/1/2014 to 6/30/2022
Monthly/Annual Rent:	\$4,300 / \$51,600
Annual Rent/SF:	\$4.94/SF
Rent Increase:	N/A
Lease Type:	NNN, landlord responsible for roof, structure and parking lot
Comments:	Landlord and Tenant each have the right to terminate with 6-month notice

FINANCIAL OVERVIEW

REVENUES (Projected)	CURRENT	
SCHEDULED BASE RENT	11/1/2019 to 10/31/2020	
GROSS POTENTIAL RENT (as of November 1, 2019)	\$360,344	\$14.62
Estimated CAM Reimbursement Income	35,325	1.43
Estimated Insurance Reimbursement Income	9,000	0.37
Estimated Property Tax Reimbursement Income	25,347	1.03
TOTAL REIMBURSEMENT REVENUE	\$69,672	\$2.83
EFFECTIVE GROSS REVENUE	\$430,016	\$17.44
OPERATING EXPENSES	2019 Budget	
Repairs & Maintenance	\$14,797	\$0.60
Landscaping	8,725	0.35
Fire/Life Safety	600	0.02
Insurance	9,000	0.37
Property Taxes	25,347	1.03
Utilities	10,200	0.41
Management/Admin Fees (non-reimbursable)	6,347	0.26
TOTAL OPERATING EXPENSES	\$75,016	\$3.04
NET OPERATING INCOME	\$355,000	\$14.40
OFFERING PRICE	\$4,437,500	
ESTIMATED PRICE PER SF	\$180.01	
APPROXIMATE CAPITALIZATION RATE	8.00%	

City of Glendale Overview

Glendale is a dynamic city located in the rapidly growing northwest part of the Phoenix metropolitan area. With a population of 237,723 people, Glendale is Arizona's sixth largest city. It is home to a diverse population covering a vast cross-section of economic and cultural communities.

Glendale was established in 1892 and has transformed into a vibrant city on the move. Built on farming and irrigation, Glendale's forefathers laid the foundation for a city described as one with "small town character and ambiance." This allowed Glendale to grow and transform into a tourist attraction in the valley. Glendale's charm stems from a treasured heritage, strong community spirit and superior planning, making it one of Arizona's most distinctive and diverse communities.

PRINCIPAL ECONOMIC ACTIVITIES

Glendale's diverse economic base includes advanced business services, aerospace and defense, education, health care, manufacturing and signature entertainment. Major employers including Honeywell, Bechtel, Delta Dental, AAA, Coca-Cola, Conair and Humana call Glendale home. Redflex, Progressive Leasing and Lockheed Martin also have recently joined the ranks of notable employers.

Loop 101, Loop 303 and U.S. 60 all cross through Glendale with Interstate 17 and Interstate 10 in proximity. Northern Parkway, when complete, will further enhance transportation access through the city. Glendale is served by the Burlington Northern Santa Fe railroad and has its own municipal airport. The city is close to Phoenix Sky Harbor International Airport, connecting it to major national and international markets.

SCENIC ATTRACTIONS

Glendale boasts a historic downtown spanning 10 blocks with many specialty shops located throughout the area. Glendale's signature festivals like Glendale Glitters, Glitter & Glow Block Party, the Glendale Chocolate Affaire and the Summer Band Concert Series attract, on average, 350,000 visitors to the area annually. Over the past 15 years, the city has also invested more than \$400 million in infrastructure improvements to create a world-class sports and entertainment district. The NFL's

Arizona Cardinals play at the 63,000-seat University of Phoenix Stadium. The NHL's Arizona Coyotes also call Glendale home, playing in the 17,000-seat Gila River Arena. The city hosts two Major League Baseball teams, the Los Angeles Dodgers and Chicago White Sox, at Camelback Ranch Glendale during spring training. The district has become a regional employment center with multiple Class A office buildings and outstanding amenities including Westgate Entertainment District, Tanger Outlets and Cabela's.

Glendale is known for Sahuaro Ranch Park, listed on the National Register of Historic Places. Thunderbird Park features more than 1,000 acres of prime desert preserve and is a favorite spot for hiking, horseback riding and picnicking.

COMMUNITY FACILITIES

Glendale has a range of community and cultural facilities including an award-winning civic center, aquatics center, adult center, parks, libraries, golf courses and a number of museums within a half-hour drive.

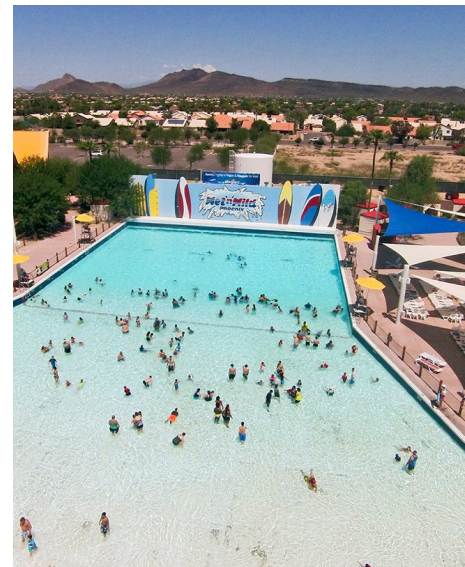


Phoenix Metropolitan Overview

With an outstanding quality of life, affordability and steady growth in job opportunities, more than 1.6 million people call Phoenix home. Phoenix is the vibrant center of one of the fastest growing job markets and economies in the United States. As the fifth largest city in the country, Phoenix is emerging in the new economy with strengths in high technology, manufacturing, bioscience research and advanced business services. As a top market for skilled and available workforce, companies are growing in Phoenix because it's not only a thriving business environment, but a great place to live.

PRINCIPAL ECONOMIC ACTIVITIES

As Arizona's capital, Phoenix is the center for commercial, cultural, entertainment and governmental activities in the state. Thirteen vibrant and distinct employment corridors span the city's 515-square mile planning area. The business sectors are supported by a new, expanding infrastructure and transportation system. Downtown Phoenix boasts the highest concentration of employment in Arizona, offering impressive urban amenities including shopping, arts and entertainment. Arizona State University (Downtown Campus), Phoenix Convention Center, Valley Metro Light Rail and the Phoenix Biomedical Campus serve as major activity centers. High tech manufacturing companies such as Honeywell, W.L Gore and ON Semiconductor have a large presence in Phoenix. Additionally, Phoenix is a key regional hub for finance, insurance and business services. American Express, Bank of America, USAA, Wells Fargo and Charles Schwab all have operations with more than 3,000 employees in Phoenix. The city is becoming widely recognized for its entrepreneurial ecosystem. The growth and success of Phoenix's own startups attract tech firms that are scaling out of cost-prohibitive markets. Corporations with headquarters in Phoenix include Freepport McMoran, Avnet, Swift, Petsmart and ON Semiconductor.



Phoenix Metropolitan Overview

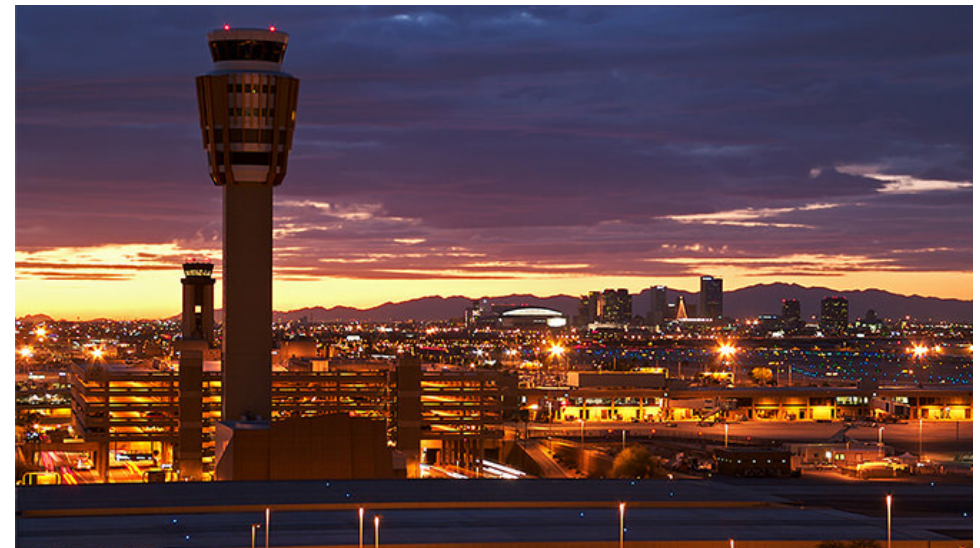
SCENIC ATTRACTIONS

Phoenix provides unique year-round experiences thanks to a rich history, diverse culture, shopping destinations, resorts, art communities and booming live music scene. It is home to the largest art walk in the nation, drawing more than 15,000 people. From award-winning restaurants to exciting sports events and concerts, this is the epicenter of exciting things to do in Arizona. Specific highlights include the Roosevelt Row Arts District, Phoenix Art Museum, Chase Field (MLB), Talking Stick Resort Arena (NBA/WNBA), Phoenix Zoo, Phoenix Convention Center, Arizona Science Center and the Herberger and Orpheum Theaters.



COMMUNITY FACILITIES

Known as America's Friendliest Airport™, Phoenix Sky Harbor International Airport (PHX) is one of the busiest in the U.S. serving nearly 40 million passengers each year. More than 41,000 acres of Phoenix desert, mountain parks and preserves offer everything from busy, arduous summit climbs to secluded, meandering valley walks. Forty-one trailheads provide access to more than 200 miles of hiking and biking activities. Additionally, Camelback Mountain is regularly ranked as one of the nation's top hiking destinations for avid hikers. The city operates 182 parks, 32 community and recreation centers, eight golf courses and 29 pools. South Mountain is the world's largest municipal park with horseback riding, hiking and gorgeous views of the Phoenix



CONFIDENTIALITY & DISCLAIMER STATEMENT

This Offering Memorandum has been prepared by Lee & Associates and contains information pertaining to the business operations and affairs of the property known as the (the "Property"). This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Owner. The material is based in part upon information supplied by the Owner and in part upon financial information obtained by sources it deems reliable. References to age, square footage and land size have been provided to agent or made available through public sources. Prospective purchasers shall have the opportunity to confirm the accuracy of information referenced herein. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum you agree and understand that the Offering Memorandum and its contents are confidential, you will hold it and treat it in the strictest of confidence and you will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Owner.



Owner and Lee & Associates expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property

unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of 5801 North 51st Avenue or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Owner or Lee & Associates or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

Owner is a licensed real estate agent in the State of Arizona.

