

OFFERING MEMORANDUM

236 East Pima Street

Phoenix, Arizona 85004

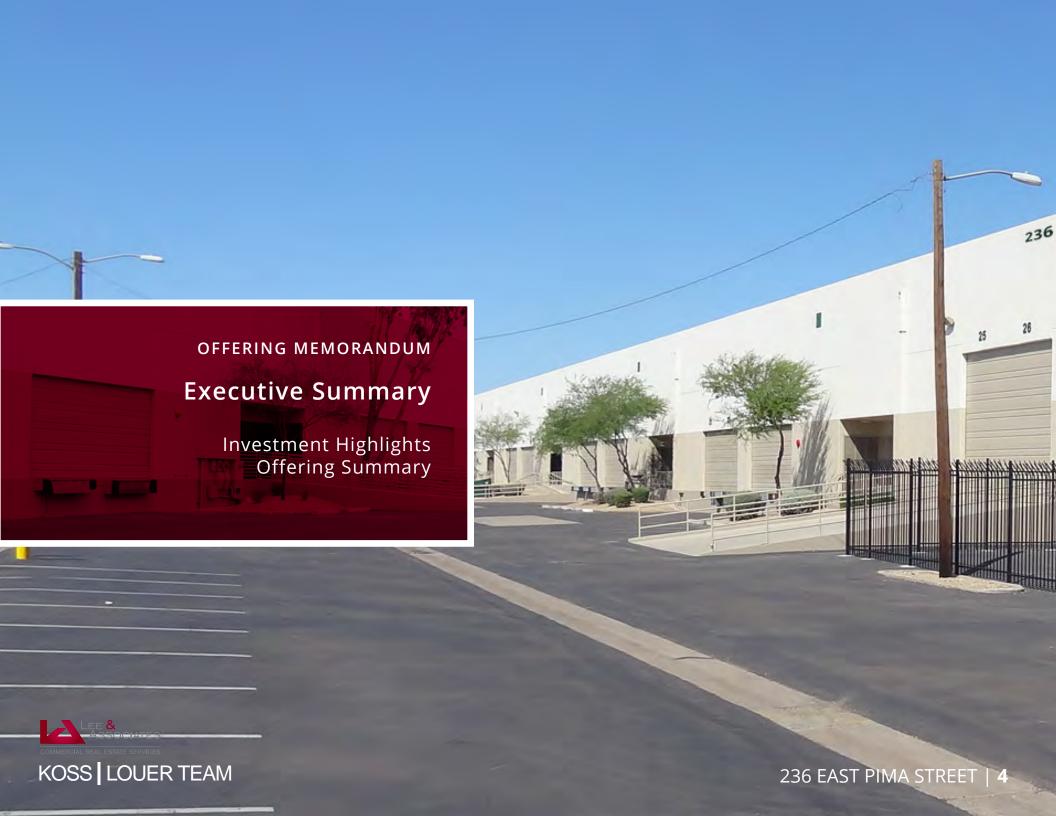
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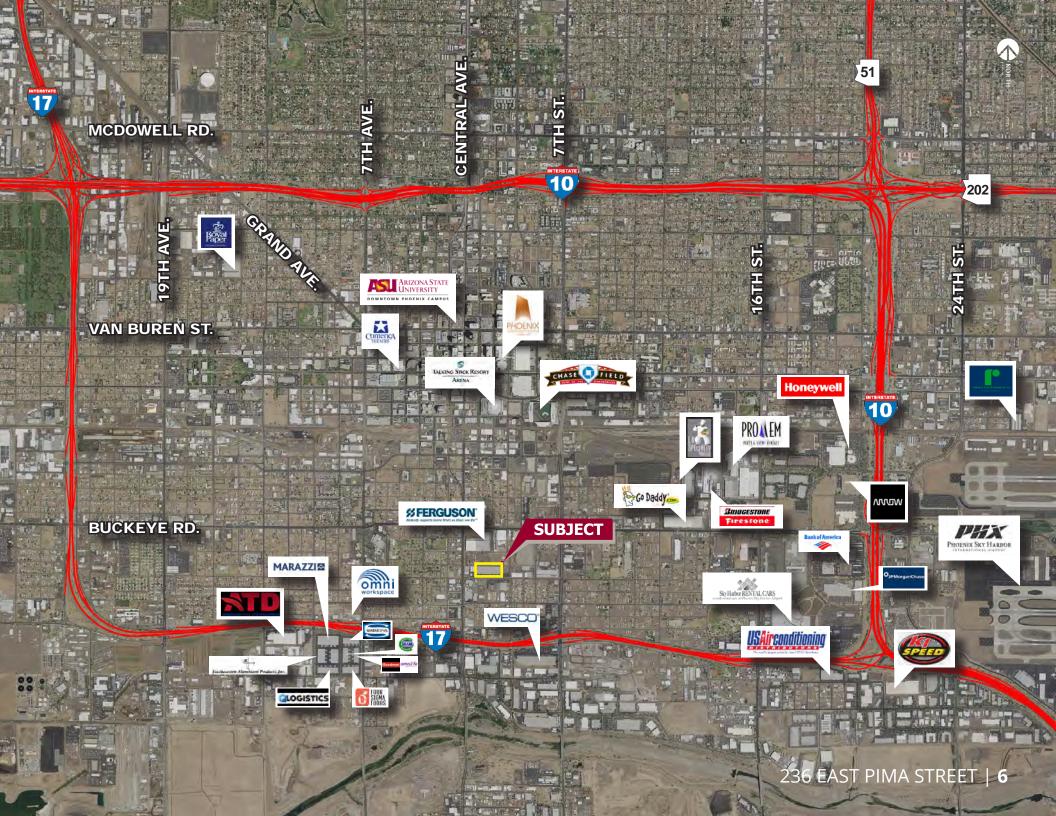
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EXECUTIVE SUMMARY

THE OFFERING

Lee & Associates has been retained as the exclusive agent for the sale of 236 East Pima, a multi-tenant industrial distribution property containing 137,765 square feet. The property is currently 100% leased to eight local and regional tenants. This asset is strategically located approximately two miles from Downtown Phoenix and four miles from Phoenix Sky Harbor International Airport.

INVESTMENT HIGHLIGHTS

- Irreplaceable asset in a land constrained submarket
- Below market rents create substantial upside potential
- Functional and residual tenant improvements
- Discount to replacement cost

PROPERTY SUMMARY

- Fee simple interest
- Approximately 137,765 square feet
- 1 building
- Approximately 6.0 acres
- Secured outside storage
- Year built 1975
- 73 Surface parking spaces
- Zoning A-1, Light Industrial
- Concrete tilt-up construction
- Clear Height: 22'
- Tenant suite size ranging from 10,000 SF to 29,242 SF
- Low Office Finish

INVESTMENT HIGHLIGHTS

IRREPLACEABLE ASSET IN A LAND-CONSTRAINED SUBMARKET

This industrial building is strategically located within the Central/Sky Harbor Submarket, an established in-fill location with proximity to Interstate 10 and Interstate 17, the two most utilized thoroughfares in Phoenix. This submarket has very few available development sites. No other market in Phoenix has such a strong barrier to entry for industrial development.

BELOW MARKET RENT ROLL

The property is presently 100% leased to eight(8) tenants, creating a diverse mix of local and regional tenants. The project has tenant spaces ranging from 10,000 square feet to 29,242 square feet. Current lease rates are 20-30% below the current market rents.

ANNUAL RENT INCREASES

Most leases at 236 East Pima contain annual increases in the base rent, typically 2%-3%, providing for consistent net operating income growth.

FUNCTIONAL, REUSABLE TENANT IMPROVEMENTS

The tenant spaces have been constructed with a particular emphasis on highly functional and reusable layouts.

DISCOUNT TO REPLACEMENT COST

Rising land prices and construction costs continue to increase. 236 East Pima provides an opportunity to acquire a highly functional multi-tenant asset at a significant discount to current replacement cost.

PHOFNIX FMBODIES STRONG INVESTMENT FUNDAMENTALS

With a population of approximately 4.0 million, greater Phoenix is the 6th largest city in the nation and 13th largest MSA in the U.S. Arizona consistently ranks among the top five states in the nation for job growth and population growth. The growth in population and diversity of the employment base have recently moved Phoenix from a secondary market to a primary market for investors.





OFFERING SUMMARY

Property Name: Pima Distribution Center

Property Address: 236 East Pima Street

Phoenix, AZ 85004

Property: This multi-tenant front-load industrial distribution property

containing ±137,765 square feet on approximately 6.0

Acres.

Net Rentable Area: ±137,765 square feet

Completion: 1975

Occupancy: 100%

Net Operating Income: \$528,204 – Year 1 In – Place at 100%*

Operating Expenses: \$0.10/SF (\$1.23 annual)

*Net of any free rent

STRENGTHS

- Secured Yard
- Building Depth (210')
- Minimal Office
- Low Property Taxes
- Roof replaced 2013

- Excellent Bay Sizes
- Proximity to Amenities i.e.: restaurants, sports arenas, light rail, convention center, etc.
- Close to Downtown & Phoenix Sky Harbor Airport
- Proximity to I-17 with Diamond Interchange

SUITE DETAILS

SUITE	SIZE (SF)	Typical Column Spacing	Building Depth	Clear Height	Dock High Position	Ramp Loading Position
101	10,812 SF	50 x 40	210′	22′	1,	1 1 \ \ \
104	29,242 SF	50 x 40	210′	22′	4	1
105	20,000 SF	50 x 40	210′	22′	3	1
107	10,000 SF	50 x 40	210′	22′	2	0
108	10,000 SF	50 x 40	210′	22′	2	0
109-110	20,000 SF	50 x 40	210′	22′	3	1
111	19,663 SF	50 x 40	210′	22′	4	0
114	18,048 SF	50 x 40	210′	22′	2	2
Total	137,765 SF	COLUMN - SEE				









SITE SUMMARY

The property is located within proximity Location:

to Interstate 10 and Interstate 17 and 4 miles

from Phoenix Sky Harbor International Airport.

Property: Multi-tenant Industrial distribution property.

Property Address: 236 East Pima Street Phoenix, AZ 85004

Ingress | Egress: Nine (9) curb cuts off Pima

Site Size: ± 6.0 acres

Site Coverage: 47.2%

Zoning: A-1, Phoenix

Parcel Number: 112-34-019F

Parking: 73 surface spaces



Square Feet: ±137,765

Completion Date: 1975

Construction: Tilt-up concrete construction

Loading: Dock high roll-up doors with drive up

ramps

Building Depth: 210'

Clear Height: ± 22 feet

Office Buildout: Office buildout in the project ranges from

3% to 10% of total bay size

Sprinklers: Fully sprinklered | .20 GPM / 3,000 SF

Electric - SRP | Gas - Southwest Gas | **Utilities:**

Water - City of PHX

Roof Structure: November 2013 – JM 45mil TPO Recovery

with a 10 year no dollar limit JM warranty

Package A/C units and evaporative coolers HVAC:

Flooring: 6"-thick sealed concrete flooring (est.)

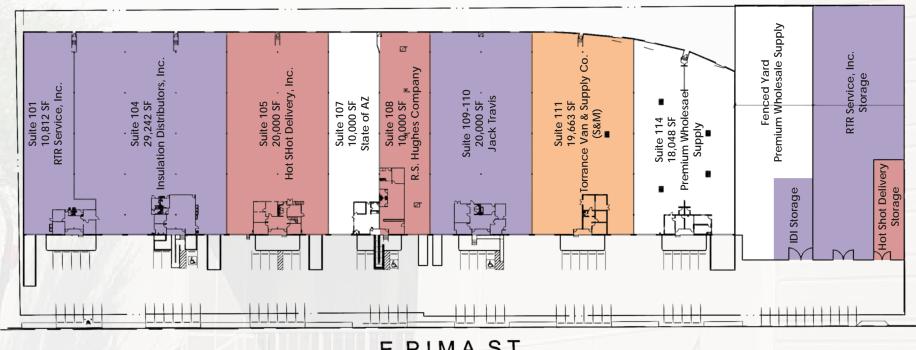
Recent Capitol Improvements:

2013 - Roof replacement (10-year warranty)

2013 - Repainted and landscaping upgraded

2012 - Parking lot reseal and repair

SITE PLAN



E PIMA ST

S 2ND











Market Summary

With more than 4.0 million people, Phoenix is the 6th largest city in the United States and the financial, commercial, cultural, entertainment and government center of Arizona. More than 550 square miles in size, one of the city's many strengths is its 13 major employment centers, which each employ a workforce of between 400,000 to 1.1 million within a 25-minute commute.

With a variety of universities and technical schools in the area, the pipeline of skilled workers continues to grow. The Phoenix Biomedical Campus in downtown Phoenix is a 30-acre urban medical and bioscience campus planned for more than 6 million square feet of biomedical-related research, academic and clinical facilities.

ASU's Downtown campus, at build-out, will be home to 15,000 students and 900,000 square feet of private development. Phoenix also offers an excellent transportation system including a light rail system, easy-to-access highways and one of the 10 busiest airports in the country, Phoenix Sky Harbor International Airport, located less than 4 miles from the subject property.

- Phoenix was severely impacted by the recession, and later to fully recover than some other markets, but as of March 2016, the greater Phoenix area has regained 114% of the jobs it lost during the recession. Since 2008, Phoenix has seen growth in industries such as healthcare, software/technology and financial services.
- The Phoenix MSA has a GDP of \$215 billion, and the top five industries are real estate (16%), financial services (11%), manufacturing (9%), health care (8%), and retail (8%).
- Phoenix's unemployment rate is 4.5% as of March 2016, down 120 bps over December 2014 and below the US unemployment rate of 5.0%. The 8,400-person, year-over-year drop in the jobless count in 2015 occurred despite a massive surge of individuals entering the labor force (up 48,000 over the past year).
- According to Witten Research, Phoenix's employment growth over through 2018 is expected to exceed the US:

	2014	2015	2016	2017	2018
Phoenix Job Growth Rate	2.3%	2.6%	3.1%	2.9%	2.6%
US Job Growth Rate	2.3%	1.8%	1.6%	1.6%	1.4%

Strategically

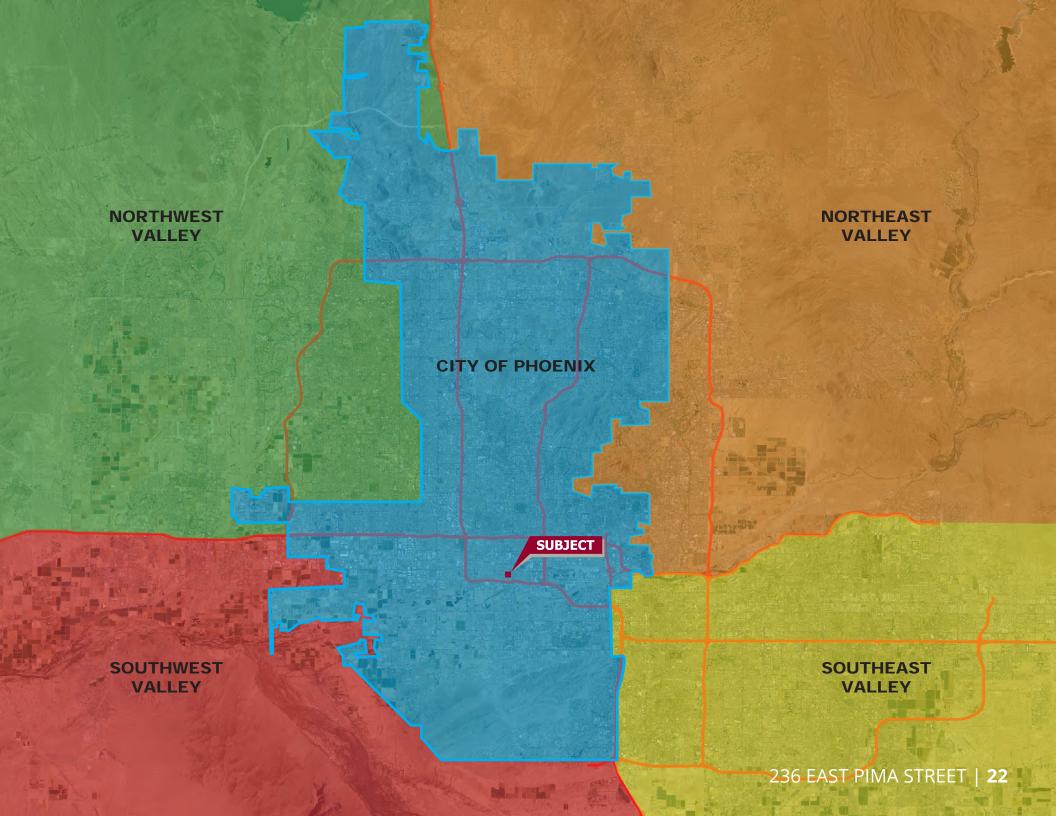
the center of

Metropolitan

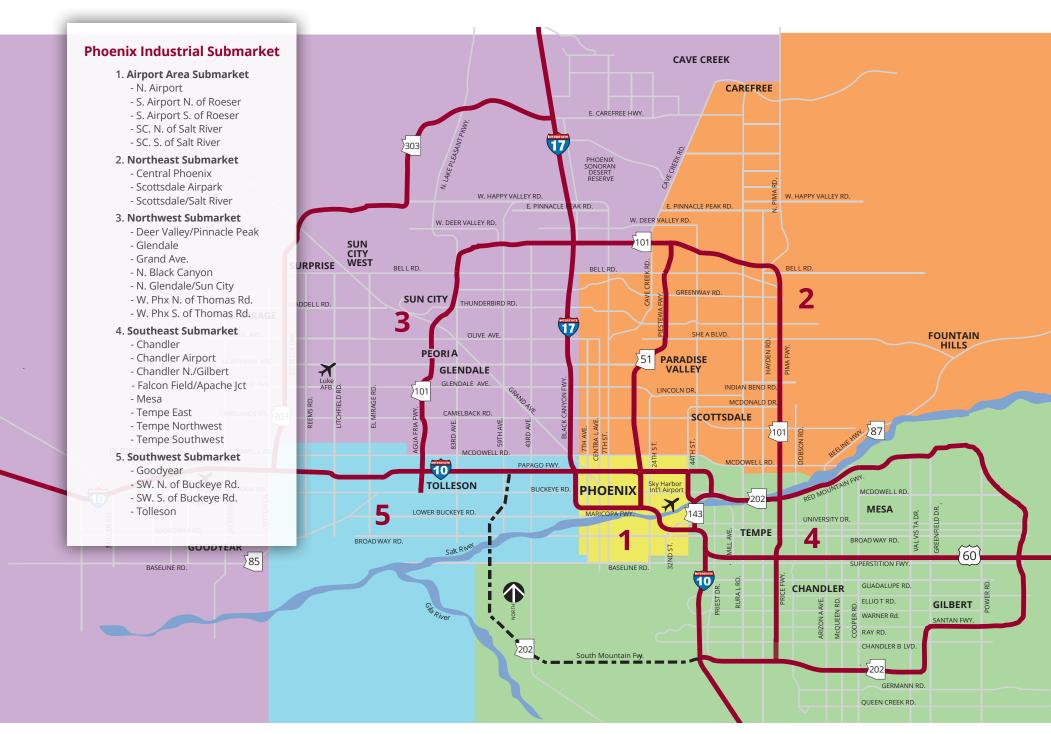
located in

Phoenix,

Arizona.







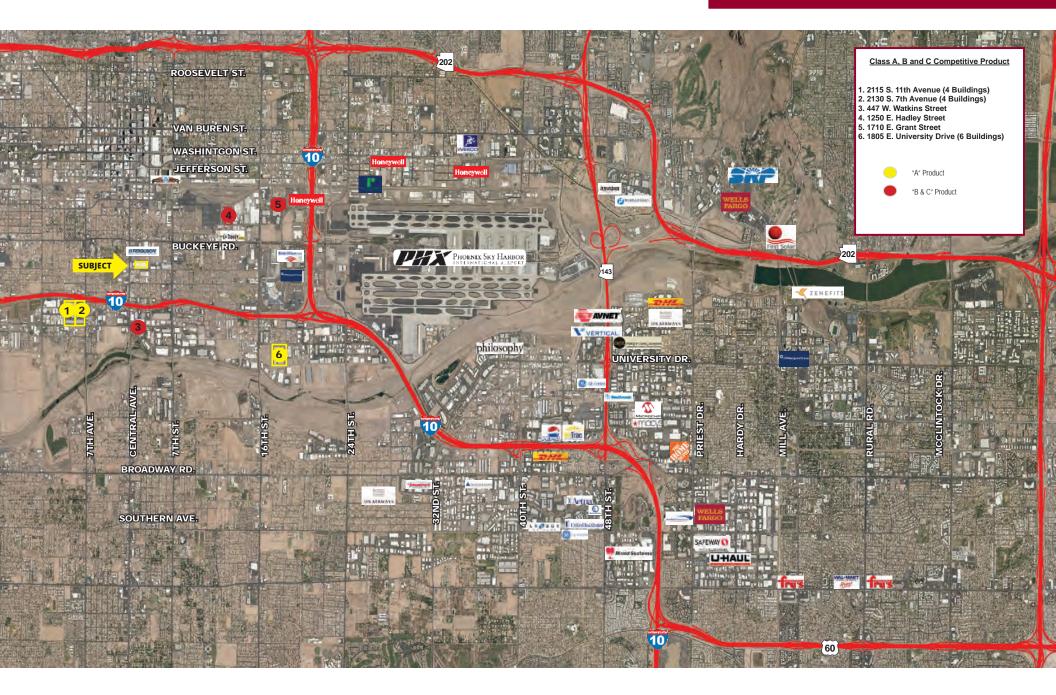
Industrial Submarkets	Total Inventory	Vacan Total SF	cy Q1 16	Net Abso Q1 16	rption YTD Total	Under Construction	Building Co Q1 16	mpletions YTD Total	Asking NNN Rate	Change from Q4 15
			ζ	4	115 10001	construction	ζ		THE RUCE	
Sky Harbor Airport	North Airport, S	Airport N of Ro	eser, S Airp	ort S of Roeser	, SC N of Salt I	River, SC S of Salt I	River			
Distribution/Warehouse	33,936,243	2,981,556	8.8%	335,203	335,203	694,845	675,955	675,955	\$0.59	1.7%
Manufacturing	8,759,283	789,927	9.0%	(31,092)	(31,092)	41,252	-	-	\$0.52	4.0%
Flex	5,184,698	955,368	18.4%	7,071	7,071	-	-	-	\$1.07	4.9%
Total	47,880,224	4,726,851	9.9%	311,182	311,182	736,097	675,955	675,955	\$0.70	2.9%
Northeast Valley	Central Phoenix,	Scottsdale Air	oark, Scotts	dale/Salt Rive						
Distribution/Warehouse	6,837,727	519,894	7.6%	(35,504)	(35,504)	-	-	-	\$0.84	1.2%
Manufacturing	2,960,299	56,481	1.9%	45,186	45,186	-	-	-	\$0.86	-6.5%
Flex	5,348,059	598,774	11.2%	24,110	24,110	-	-	-	\$0.93	1.1%
Total	15,146,085	1,175,149	7.8%	33,792	33,792	-	-	-	\$0.89	1.1%
Northwest Valley	Deer Valley/Pinn	acle Peak, Glen	ıdale, Grand	d Ave., N Glend	lale/Sun City,	North Black Canyo	on, W PHX N o	f Thomas, W F	PHX S of Thom	ıas
Distribution/Warehouse	38,067,246	2,768,220	7.3%	393,503	393,503	367,963	579,478	579,478	\$0.57	0.0%
Manufacturing	10,905,834	504,102	4.6%	(13,484)	(13,484)	384,377	-	-	\$0.51	0.0%
Flex	6,373,067	664,999	10.4%	(16,994)	(16,994)	-	-	-	\$1.03	0.0%
Total	55,346,147	3,937,321	7.1%	363,025	363,025	752,340	579,478	579,478	\$0.70	0.0%
Southeast Valley	Chandler Airport	, Chandler, Cha	andler N Gil	bert, Falcon Fi	eld/Apache Jct	., Mesa, Tempe Ea	st, Tempe Noi	rthwest, Temp	e Southwest	
Distribution/Warehouse	49,059,509	4,554,153	9.3%	237,319	237,319	574,709	210,926	210,926	\$0.55	0.0%
Manufacturing	24,581,966	3,416,511	13.9%	59,162	59,162	64,000	-	-	\$0.58	3.6%
Flex	14,935,224	2,075,858	13.9%	129,456	129,456	344,506	57,150	57,150	\$1.09	6.9%
Total	88,576,699	10,046,522	11.3%	425,937	425,937	983,215	268,076	268,076	\$0.68	4.6%
Southwest Valley	Goodyear, SW N	of Buckeye Rd,	SW S of Bud	keye Rd, Tolle	son					
Distribution/Warehouse	75,235,229	8,982,896	11.9%	512,753	512,753	350,000	349,224	349,224	\$0.37	-2.6%
Manufacturing	11,350,138	2,323,937	20.5%	(18,355)	(18,355)	-	57,000	57,000	\$0.31	0.0%
Flex	1,387,704	264,660	19.1%	5,321	5,321	-	-	-	\$0.56	0.0%
Total	87,973,071	11,571,493	13.2%	499,719	499,719	350,000	406,224	406,224	\$0.36	-2.5%
Total Submarkets										
Distribution/Warehouse	203,135,954	19,806,719	9.8%	1,443,274	1,443,274	1,987,517	1,815,583	1,815,583	\$0.47	0.0%
Manufacturing	58,557,520	7,090,958	12.1%	41,417	41,417	489,629	57,000	57,000	\$0.47	2.2%
Flex	33,228,752	4,559,659	13.7%	148,964	148,964	344,506	57,150	57,150	\$1.00	0.0%
Phoenix Metro Total	294,922,226	31,457,336	10.7%	1,633,655	1,633,655	2,821,652	1,929,733	1,929,733	\$0.54	0.0%

When inaccurate or newly updated information is discovered, it is incorporated into current reporting which may negate comparison to previously published market reports.

COMPETITIVE PROPERTIES FOR LEASE

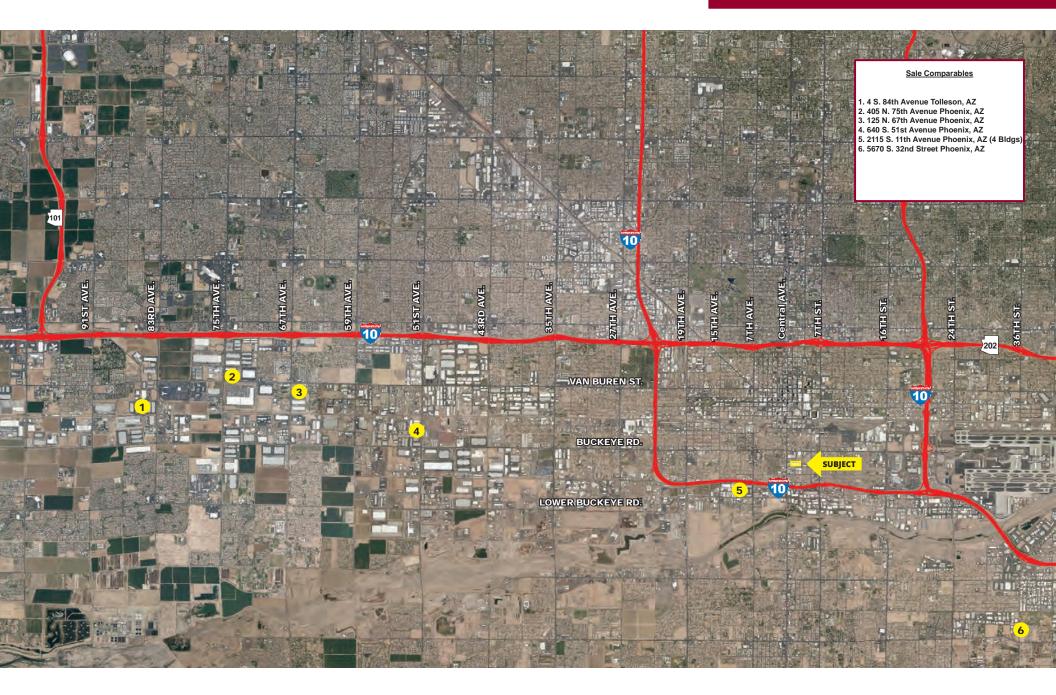
Ref #	Property Photo	Property Address	Total Bldg. SF	Avail. Bldg. SF	Clear Ht.	Rate (PSF)	OP EX (PSF)	Year Built	Owner	Broker	Comments
		Colony Commerce Park 2115 S. 11th Avenue (Building 1)	1) 127,577 SF	1) 0	1) 24'		\$0.15	2006	Colony Capital	Lee & Associates Lowe/Conrad	* Loading: 32 DH, 40 GL * Power: 2,000 Amps, 277/480v * Zoning: A-2
1	1	1060 W. Watkins Street (Building 2)	2) 66,268 SF	2) 15,717 SF	2) 24'	2) \$0.59 NNN					Zoning, A-2
		1040 W. Watkins Street (Building 3)	3) 76,552 SF	3) 7,063 SF	3) 24'	3) \$0.54 NNN					
		2135 S. 11th Avenue (Building 4)	4) 66,628 SF	4) 0	4) 24'						
		Phoenix Star Commerce Park 2130 S. 7th Avenue (Building A)	A) 46,814 SF	A) 0	A) 24'		\$0.15	2002	TA Associates	Lee & Associates Lowe/Conrad	* Loading: 41 DH, 35 GL * Power: 2,000 Amps, 277/480v * Zoning: A-2
2		2140 S. 7th Avenue (Building B)	B) 67,600 SF	B) 25,182 SF	B) 24'	B) \$0.51 NNN					Zoning. A-Z
		2120 S. 7th Avenue (Building C)	C) 50,666 SF	C) 0	C) 24'						
		2110 S. 7th Avenue (Building D)	D) 59,425 SF	D) 37,388 SF	D) 24'	D) \$0.51 NNN					
3		447 W. Watkins Street	72,224 SF	13,037 SF	20'-30'	\$0.40 NNN	\$0.20	1980	Harrison Properties	Harrison Properties	*Loading: 2 DH, 12 GL * Power: 400 Amps, 277/480v * Zoning: A-2
4		1250 E. Hadley Steet	145,228 SF	12,080 SF	24'	\$0.55 NNN	\$0.15	2001	DCT	Cushman & Wakefield Orcutt	*Loading: 60 DH, 8 GL * Power: 400 Amps, 277/480v * Zoning: A-2
5		1710 E. Grant Street	122,828 SF	12,480 SF	24'	\$0.48 NNN	\$0.21	1998	Prologis	Lee & Associates Koss Louer	*Loading: 22 DH, 7 GL * Power: 3,000 Amps, 277/480v * Zoning: A-1
		Eastgroup @ Sky Harbor 1805 E. University Drive (Building I)	I) 26,390 SF	I) O	I) 22'		\$0.20	2008	EastGroup	CBRE Werstler/Fratt	* Loading: 102 DH, 24 GL * Power: 1,200 Amps, 277/480v * Zoning: A-2
		1775 E. University Drive (Building II)	II) 45,819 SF	II) 20,224 SF	II) 22'	II) \$0.62 NNN					Zoning, A-Z
6		2750 S. 18th Place (Building III)	III) 46,829 SF	III) O	III) 22'						
		2810 S. 18th Place (Building IV)	IV) 73,073 SF	IV) 0	IV) 24'						
		2820 S. 18th Place (Building V)	V) 83,997 SF	V) 21,173 SF	V) 24'	V) \$0.62 NNN					
		1725 E. University Drive (Building VI)	VI) 31,488 SF	VI) 0	VI) 24'						

COMPETITIVE PROPERTIES LEASE MAP



RECORDED MULTI-TENANT BUILDING SALES

Ref#	Property Photo	Property Address	Total Bldg. SF	Avail. Bldg. SF at COE	Clear Ht.	Price (PSF)	Buyer	Seller	Year Built	Comments
1		4 S. 84th Ave. Tolleson, AZ Sale Date: 12/16/15	236,007	0	30'	\$18,000,000 (\$76.27/SF)	Colony Capital	Equity Commonwealth	1989	* Cap Rate: 6.5% * Zoning: I-1 * Truck Courth Depth: 150'
2		405 N. 75th Ave. Phoenix, AZ Sale Date: 11/5/15	1) 119,132 2) 135,767 3) 152,562	1) 22,159 2) 30,640 3) 10,832	24'-30'	\$30,750,000 (\$75.47/SF)	Colony Capital	Crow Holdings	2001	* Cap Rate: 5.5% * Zoning: CP, GCP * Truck Court Depth: 180' (Shared)
3		125 N. 67th Ave. Phoenix, AZ Sale Date: 12/03/15	170,625	0	26'	\$10,215,000 (\$59.87/SF)	Westcore Properties	Kevin B. Pshebniski	2002	* Cap Rate: 5.75% * Zoning: 1-P * Truck Court Depth: 135' *Trade Money
4	Au	640 S. 51st Ave. Phoenix, AZ Sale Date: 07/15/15	108,287	0	24'	\$8,100,000 (\$74.80/SF)	Bixby Land Company	Daniel E. Hochman	1994	* Cap Rate: 6% * Zoning: A-2 * Truck Court Depth: 125'
5		1) 2115 S. 11th Ave. 2) 2135 S. 11th Ave. 3) 2145 S. 11th Ave. 4) 2125 S. 11th Ave. Sale Date: 12/11/15	1) 127,577 2) 66,628 3) 76,552 4) 66,268	0	24'	\$36,450,000 (\$108.27/SF)	Colony Capital	Cornerstone Real Estate Advisors	2016	* Cap Rate: 5.5% * Zoning: A-2 * Truck Court Depth: 180'
6		5670 S. 32nd St. Phoenix, AZ Sale Date: 4/24/15	155,114	45,000	26'	\$14,700,000 (\$94.77/SF)	Bixby Land Company	Conor Commercial Real Estate	2015	* Cap Rate: 6% * Zoning: 1-P * Truck Court Depth: 130'







TENANT PROFILES



Suite 101

RTR Services, Inc. is a full service asset management organization. Since 1990 they have provided a specialized alternative to the equipment leasing and finance industry. They provide complete coverage in all 50 states including asset recovery, re-marketing, inspections, equipment verification / audits, business and fleet liquidation, appraisals and collections.



Suite 104

Insulation Distribution Company supplies the Phoenix market with a wide selection of quality insulation for independent contractors. IDI is familyowned and operated.



Suite 105

Hot Shot Delivery provides document delivery - 1, 2, 4 and 7 hour, freight delivery services including a parcel, pallet or truckload, Process Service, Airport Delivery & Pickup, Mobile Notary, Warehousing & Storage, Scheduled Pickups & Routes and Bank & Mail Runs.



Suite 107

General administrative offices and warehouse file storage for The Arizona State Board for Private Postsecondary Education.



Suite 108

Global industrial supplier R.S. Hughes offers over 100,000 products such as abrasive power tools, abrasives, adhesives, sealants, chemicals and lubricants, electrical and electronic components and more. Founded in 1954, they currently have 49 warehouses throughout the US & Mexico.



JACK TRAVIS LOGISTICS

Suite 109-110

Jack Travis Logistics is a modern freight shipping and logistics company providing domestic and Canadian cargo shipping solutions.



Suite 111

One of the nation's largest, full-service, moving and storage companies. Specializing in packing and the transportation of household goods, electronics and trade shows.

S&M Moving Systems has expanded into the western United States and is headquartered in Phoenix, AZ.



Suite 114

PREMIER WHOLESALE SUPPLY OF ARIZONA Offer Arizona's local HVAC contracting companies' stock products to service the residential new construction (RNC) for single as well as multi-family construction.

TENANT SUMMARY

Suite	Tenant	Sq. Ft / % of Total	SF Monthly / Rent / SF Annual	Begin / End Term	MLA	Increases	Lease Type	Comments	
		10,812 SF	\$.32 NNN	3/1/2010		01-12 mos. \$0.34			
101	RTR Service, Inc.	7.85%	\$3.84	- 1 1	Industrial	13-24 mos. \$0.35	NNN	Renewal 09/2016	
			\$3,459.84	8/31/2018					
		29,242 SF	\$.29 NNN	2/1/2015		01-03 mos. \$0.29			
104	Insulation Distributors, Inc.	29,242 3F	\$3.48		Industrial	04-15 mos. \$0.30	NNN		
		21.270	\$8,480.18	4/30/2018		16-27 mos. \$0.32			
						05/1/2016 - 4/30/2017			
			\$.29 NNN	8/16/2003		\$0.30			
105	Hot Shot Delivery, Inc.	20,000 SF	\$3.48	8/10/2003	Industrial	05/01/2017 - 04/30/2018	NNN	Renewal 05/01/15	
103	not shot benvery, me.	14.5%	\$5,800.00	1/31/2019	maasman	\$0.32	141414		
			\$3,000.00			05/01/2018 - 01/31/2019			
						\$0.33			
						01-03 mos. \$0.00			
	State of AZ					04-15 mos. \$0.68		On going termination	
		10,000 SF 7.26%	\$.66 Gross	10/1/2015		16-27 mos. \$0.70		option subject to	
107			\$7.20		Industrial	28 mos. \$0.00	GROSS	funding and/or must	
			\$6,608.36	2/28/2021		29-40 mos. \$0.72		move to a state owned	
						41 mos. \$0.00		facility	
						42-53 mos. \$0.74			
			\$.34 NNN	2/1/2004		54-65 mos. \$0.76			
108	R.S. Hughes Company	10,000 SF	\$4.08	2/1/2004	Industrial		NNN		
100		7.26%	\$3,400.00	12/31/2019	maastriar		141414		
			\$.29 NNN	7/1/2015		01-14 mos. \$0.29			
109-110	Jack Travis	20,000 SF 14.5%		\$3.48	., 1, 2013	Industrial	15-27 mos. \$0.30	NNN	
			\$5,800.00	9/30/2018		28-39 mos. \$0.32			
		19,663 SF	\$.37 NNN	2/15/2013					
111	Torrance Van & Supply Co.	19,663 SF	\$4.44		Industrial	01-12 mos. \$0.37	NNN		
		14.5%	\$7,275.31	9/30/2016					
						01-03 mos. \$0.00			
						04-09 mos. \$0.30			
		18,048 SF	\$.30 NNN	5/21/2015		10-12 mos. \$0.32			
114	Premium Wholesale Supply	13.1%	\$3.60		Industrial	13-24 mos. \$0.33	NNN		
		10.17	\$5,775.36	12/31/2020		25-36 mos. \$0.34			
						37-48 mos. \$0.35			
						49-60 mos. \$0.36			
	PROPERTY TOTAL	137,765 SF							
	OCCUPIED TOTAL	137,765 SF							
	Percent Occupied	100.0%							
	VACANT TOTAL	0							
	Percent Vacant	0.0%							
		0.070							





PROJECTION ASSUMPTIONS

GENERAL ASSUMPTIONS

State Date	6/1/2016
Holding Period	10 years
General inflation	3%
General Vacancy	5%
Capital Reserve	\$0.10/SF
Deferred maintenance	\$0

MARKET RENTS

	Industrial				
Year	Growth	Annual	Monthly		
RTR	12%	4.44	0.37		
IDI	14%	4.20	0.35		
Hot Shot Delivery, Inc.	15%	4.20	0.35		
State of AZ	2%	8.00	0.67		
R.S. Hughes Company	24%	5.04	0.42		
Jack Travis	24%	4.44	0.37		
Torrance Van & Supply Co.	0%	4.44	0.37		
Premium Wholesale Supply	30%	5.04	0.42		

ROLLOVER ASSUMPTIONS

Lease Term	5 Years
Downtime	3 Months
Expense Recoveries	NNN*
Annual Rent Adjustment	3%
Renewal Probability	80%
* Exception to State of Arizona Lease	

Tenant Improvements	New	Renew	Weighted
RTR	\$1/SF	\$1/SF	\$1/SF
IDI Hot Shot Delivery, Inc.	\$.50/SF \$1/SF	\$.50/SF \$1/SF	\$.50/SF \$1/SF
State of AZ	\$.50/SF	\$.50/SF	\$.50/SF
R.S. Hughes Company	\$.50/SF	\$.50/SF	\$.50/SF
Jack Travis	\$.50/SF	\$.50/SF	\$.50/SF
Torrance Van & Supply Co.	\$3/SF	\$3/SF	\$3/SF
Premium Wholesale Supply	\$3/SF	\$3/SF	\$3/SF
Leasing Commissions			
Years 1-5	6%	6%	6%
Years 6-10	3%	3%	3%
Rent Abatement	0	0	0
Years 1-5	0	0	0
Years 4-10	0	0	0

		Year 1 May-2017	Year 2 May-2018	Year 3 May-2019	Year 4 May-2020	Year 5 May-2021	Year 6 May-2022	Year 7 May-2023	Year 8 May-2024	Year 9 May-2025	Year 10 May-2026
Potential Gross Revenue											
Base Rental Revenue		\$573,646	\$596,677	\$643,432	\$665,654	\$684,700	\$707,456	\$713,250	\$751,711	\$774,236	\$789,104
Absorption & Turnover Vacancy		(7,275)	(10,542)	(19,521)	(4,589)	(8,532)	(8,434)		(35,217)	(5,320)	(9,890)
Base Rental Abatements		(9,476)	(13,033)	(7,242)							
Scheduled Base Rental Revenue		556,895	573,102	616,669	661,065	676,168	699,022	713,250	716,494	768,916	779,214
CPI & Other Adjustment Revenue			1,528	4,193	14,183	28,714	38,370	54,699	39,277	39,423	48,805
Expense Reimbursement Revenue											
Common Area mainteancance		35,014	35,838	36,383	38,506	39,451	40,592	42,353	41,346	44,640	45,735
RE TAX		99,129	101,455	103,002	109,012	111,690	114,918	119,902	117,050	126,375	129,479
Utilities		8,678	8,884	9,018	9,545	9,778	10,062	10,498	10,249	11,063	11,336
Insurance		11,020	11,278	11,449	12,117	12,415	12,776	13,328	13,011	14,047	14,392
Total Reimbursement Revenue		153,841	157,455	159,852	169,180	173,334	178,348	186,081	181,656	196,125	200,942
Exterior Painting (Amortized C)		3,640	3,640	3,640	3,640	3,640	3,640	3,640	2,123		
Roof (Amortized CAM Recovery)		11,235	11,235	6,554							
Total Potential Gross Revenue	•	725,611	746,960	790,908	848,068	881,856	919,380	957,670	939,550	1,004,464	1,028,961
General Vacancy		(29,369)	(27,333)	(21,000)	(38,044)	(35,987)	(37,957)	(47,884)	(13,521)	(45,169)	(42,053)
EFFECTIVE GROSS REVENUE		696,242	719,627	769,908	810,024	845,869	881,423	909,786	926,029	959,295	986,908
Operating Expenses											
Common Area mainteancance		38,246	39,393	40,575	41,792	43,046	44,338	45,668	47,038	48,449	49,902
RE TAX		108,276	111,524	114,870	118,316	121,865	125,521	129,287	133,165	137,160	141,275
Utilities		9,480	9,764	10,057	10,359	10,670	10,990	11,320	11,659	12,009	12,369
Insurance		12,036	12,397	12,769	13,152	13,547	13,953	14,372	14,803	15,247	15,704
Total Operating Expenses	•	168,038	173,078	178,271	183,619	189,128	194,802	200,647	206,665	212,865	219,250
NET OPERATING INCOME		528,204	546,549	591,637	626,405	656,741	686,621	709,139	719,364	746,430	767,658
Leasing & Capital Costs											
Tenant Improvements		58,989		58,808	5,464	66,568	68,384		68,175	6,334	77,170
Leasing Commissions		15,715		65,618	9,913	33,285	18,218		76,070	11,492	38,586
Total Leasing & Capital Costs		74,704	0	124,426	15,377	99,853	86,602	0	144,245	17,826	115,756
CASH FLOW before Debt Services & Taxes		\$453,500	\$546,549	\$467,211	\$611,028	\$556,888	\$600,019	\$709,139	\$575,119	\$728,604	\$651,902

RENT ROLL SUMMARY

Tenant Name Type & Suite Number Lease Dates & Term	Floor SF Bldg Share	Rate & Amount per Year per Month	Changes on	Changes to	CPI & Current Porters' Wage Miscellaneous	Months to Abate	Pcnt to Abate	Description of Operating Expense Reimbursements	Imprvmnts Rate Amount	Commssns Rate Amount	Assumption about subsequent terms for this tenant
RTR SERVICES Industrial, Suite: 101 Jun-2016 to Aug-2018 27 Months	10,812 7.85%	\$3.96 \$42,816 \$0.33 \$3,568	Sep-2016 Sep-2017	\$4.08 \$4.20	-	4	100.00%	Net: Pays a full pro-rata share of all reimbursable expenses.	-	-	Market See assumption: MLA-101-1079
Insulation Distributo Industrial, Suite: 104 Jun-2016 to Apr-2018 23 Months	29,242 21.23%	\$3.66 \$107,026 \$0.31 \$8,919	May-2017	\$3.84	-	-	-	Net: Pays a full pro-rata share of all reimbursable expenses.	-	-	Market See assumption: MLA-104-1080
Hot Shot Delivery Industrial, Suite: 105 Jun-2016 to Jan-2019 32 Months	20,000 14.52%	\$3.60 \$72,000 \$0.30 \$6,000	May-2017 May-2018	\$3.78 \$3.96	-	-	-	Net: Pays a full pro-rata share of all reimbursable expenses.	-	-	Market See assumption: MLA-105-1081
State of Arizona Industrial, Suite: 107 Jun-2016 to Feb-2021 57 Months	10,000 7.26%	\$7.93 \$79,300 \$0.66 \$6,608	Jan-2017 Jan-2018 Feb-2019 Mar-2020	\$8.19 \$8.44 \$8.69 \$8.95	-	20 33	100.00% 100.00%		-	-	Market See assumption: MLA-107-1082
R.S. Hughes Industrial, Suite: 108 Jun-2016 to Dec-2019 43 Months	10,000 7.26%	\$4.08 \$40,800 \$0.34 \$3,400	Sep-2017	\$4.56	-	-	-	Net: Pays a full pro-rata share of all reimbursable expenses.	-	-	Market See assumption: MLA- 108-1083
Jack Travis Logistics Industrial, Suite: 110 Jun-2016 to Sep-2018 28 Months	20,000 14.52%	\$3.48 \$69,600 \$0.29 \$5,800	Sep-2016 Oct-2017	\$3.60 \$3.84	-	2 14	100.00% 100.00%	Net: Pays a full pro-rata share of all reimbursable expenses.	-	-	Market See assumption: MLA- 110-1084
Torrance Van & Storag		\$4.44	-	-	-	-	-	Net: Pays a full	-	-	Market
Industrial, Suite: 111 Jun-2016 to Sep-2016 4 Months	19,663 14.27%	\$87,304 \$0.37 \$7,275						pro-rata share of all reimbursable expenses.			See assumption: MLA-111-1085
Premier Wholesale Sup Industrial, Suite: 114 Jun-2016 to Dec-2020 55 Months	18,048 13.10%	\$3.84 \$69,304 \$0.32 \$5,775	Jan-2017 Jan-2018 Jan-2019 Jan-2020	\$3.96 \$4.08 \$4.20 \$4.32	-	-	-	Net: Pays a full pro-rata share of all reimbursable expenses.	-	-	Market See assumption: MLA-114-1086
Total Occupied SF Total Available SF	137,765 0										

EXPENSE REIMBURSEMENT

Operating Expenses	Annually	PSF/ Mo.
CAMS	\$0.276	\$0.023
Utilities	\$0.072	\$0.006
Insurance	\$0.084	\$0.007
Property Taxes (2015)	\$0.780	\$0.065
Management	\$0.108	\$0.009
TOTAL OPERATING EXPENSES	\$1.23	\$0.10

Parcel # 112-34-019F

Property Tax History

2015	\$108,075.72
2014	\$100,082.52
2013	\$108,483.18





DISCLAIMER

Lee & Associates Arizona ("Agent") has been engaged as the exclusive agent for the sale of 236 East Pima, located in Phoenix, Arizona (the "Property"), by Thackeray, the owner of the Property ("Seller").

The Property is being offered for sale in an "as-is, where-is" condition and Seller and Agent make no representation or warranties as to the accuracy of the information contained in this Offering Memorandum. The enclosed materials include highly confidential information and are being furnished solely for the purpose of review by prospective purchasers of the interest described herein. Neither the enclosed materials nor any information contained herein is to be used for any other purpose or made available to any other person without the express written consent of the Seller. Each recipient, as a prerequisite to receiving the enclosed, should be registered with Lee & Associates as a "Registered Potential Investor" or as "Buyer's Agent" for an identified "Registered Potential Investor". The use of this Offering Memorandum and the information provided herein is subject to the terms, provisions and limitations of the confidentiality agreement furnished by the Agent prior to delivery of this offering memorandum.

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Lee & Associates Arizona, 3200 E. Camelback Road, Suite #100, Phoenix, AZ 85018

