

# PROMENADE AT SOUTH MOUNTAIN



8222 S 48TH STREET  
PHOENIX, ARIZONA



OFFERING MEMORANDUM

## CONFIDENTIALITY & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of the property at 8222 S 48th Street, Phoenix, AZ, 85044 (Property). Colliers International has prepared this document. 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 and Colliers International. The material is based in part upon information supplied by the Owner and in part upon financial information obtained by Colliers International from sources it deems reliable. Neither Owner, nor their officers, employees, or agents make 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, 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 from Colliers International, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence;
3. All photographs and graphic elements are property of Colliers International and use without expressed written permission is prohibited; and
4. 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 Colliers International 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 the Property 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 Colliers International 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 of this Offering Memorandum.



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# EXECUTIVE SUMMARY



## THE OFFERING

Colliers International, an exclusive advisor, is pleased to present a value-add opportunity to acquire Promenade at South Mountain, located at 8222 South 48th Street (the “Property”), consisting of a ±109,481 square foot two-story, suburban office complex that is situated on ±6.58 acres. At 71% occupied, it is home to 15 tenants, ranging from small entrepreneurial companies to large regional and national firms.

## FINANCIAL SUMMARY



**IN-PLACE NOI**

\$807,666

**YR 3 NOI**

\$1,249,968



**SUBMIT OFFER**

Recent modernization has created exceptional leasing activity with more than 77,000 SF of new and renewal leases in the last 2 years.

## INVESTMENT HIGHLIGHTS

### VALUE-ADD OPPORTUNITY WITH STABLE CASH FLOW AND MINIMAL COSTS TO STABILIZE

- The Property offers a value-add investment opportunity in an irreplaceable location at the foothills of South Mountain.
- At 71% leased, an investor can continue to capitalize on the recent leasing momentum while enjoying stable cash flow from existing tenancy.
- Seller has substantially improved the vacancies to be ready for new tenants, minimizing the potential future costs to finalize new leasing.

### DIVERSE TENANT MIX

- 15 tenants ranging from small entrepreneurial to large regional and national firms.
- Companies attracted to the outstanding location, enjoyable surroundings and great value on occupancy costs.

### BELOW REPLACEMENT COST PRICING IN A RISING RENTAL RATE MARKET

- Current construction costs would exceed \$260 per square foot. The building will be purchased at a fraction of that amount.
- Submarket occupancy is tightening and there are shortages of space configurations within the Ahwatukee/Airport Area office submarket - these factors are triggering rental rate growth.
- Promenade at South Mountain will continue to absorb its vacancy during these rising market conditions.

### BUILDING MODERNIZATION RECENTLY COMPLETED

- More than \$1.3 million was recently invested into Promenade at South Mountain including a new cooling tower, fully-remodeled common area restrooms, renovated courtyards and much more.
- New and refreshed tenant improvements during the past two years in the more than 77,000 SF of new and renewal leasing.







Papago Park

Phx Zoo

SAFeway

ASU

PARADISE VALLEY

SCOTTSDALE

DOWNTOWN TEMPE

MESA

202

101

BROADWAY RD

Broadway Industrial Park

Marriott  
PHOENIX MARRIOTT  
TEMPE AT THE BUTTES

60

freedom

ARIZONA MILLS

PRIEST DR

ARIZONA MILLS

fray's

10

fray's

BASELINE RD

ARIZONA GRANT  
RESORT & SPA

BEVERLY RD

PROMENADE  
AT SOUTH MOUNTAIN

Fluke Corporation

48TH ST

ANCORA  
EDUCATION

Precision  
LABORATORY INC

charles  
SCHWAB  
including  
datacenter

NORTHEAST FACING

5 Colliers International







## MARKET HIGHLIGHTS

### AMAZING ACCESSIBILITY AT AFFORDABLE RATES

- The Ahwatukee/Airport Area submarket provides an attractive combination of regional accessibility and very affordable rental rates.
- Compared to its neighboring submarkets, the Ahwatukee/Airport Area's asking rental rates are \$4.13 PSF (15%) less than Tempe and \$2.84 PSF (11%) less than the 44th St Corridor.

### MULTI-TENANT AHWATUKEE/ AIRPORT AREA VACANCY IS LOW AND HAS SCARCITY OF CERTAIN SIZES

- Of the 99 multi-tenant buildings within this submarket, seven contain almost one-half of all the vacancy. The remaining 4.91 million SF have a vacancy rate of less than 10.0%.
- At fourth quarter 2018, 51 buildings were fully-occupied, 21 have availability of less than 10,000 SF, 11 buildings have between 10,000 and 20,000 SF of availability, and only 10 can offer 20,000 SF or more of contiguous space.



# PROPERTY DESCRIPTION

## PROPERTY DESCRIPTION



### ADDRESS

8222 S 48th Street  
Phoenix, AZ 85044



### BUILDING SIZE

±109,481 square feet



### YEAR BUILT

1988



### PARKING

3.6 per 1,000 square feet  
(apx 387, of which 138 are covered)



### PROFILE

Two-story suburban  
office building with three  
interior courtyards



### SITE AREA

±6.58 acres  
(±286,638 square feet)



### MAJOR RENOVATIONS

2016-2017



### ZONING

C-O PCD, city of Phoenix



## OVERVIEW

This well-landscaped complex offers easy circulation once on site, along with generous parking that surrounds the building. The building offers a timeless design with easy to maintain construction materials and features two generous two-story lobbies and interior courtyards serving each of its three sections. The six sets of exterior stairs provide convenient access to the second level exterior balcony office entries. Many of the windows are shaded with canvas awnings on both the upper and lower levels, adding to the texture and composition of this classic territorial-style office property.

## RECENTLY RENOVATED

Costs for these recent property upgrades total more than \$1.3 million, and include numerous building systems and aesthetic modifications.

### Building systems upgrades include:

- \$175,000 - completely rebuilt the parking lot
- \$145,000 - wet sealed all windows
- \$135,000 - replaced the cooling tower
- \$75,000 - rebuilt the two chillers
- \$35,000 - security fencing surrounding the mechanical equipment
- \$35,000 - installed new exterior light fixtures, carport lights and concrete bollards
- \$30,000 - upgraded all life-safety controls

### Recent aesthetic upgrades include:

- \$268,000 - newly modernized north and south building lobbies
- \$147,500 - remodeled common restrooms
- \$118,000 - newly renovated courtyards
- \$50,000 - interior common area painting
- \$50,000 - new awnings
- \$20,000 - refurbished landscaping





## GENERAL BUILDING CONSTRUCTION

### EXTERIOR BUILDING MATERIALS

Concrete masonry unit (CMU) exterior walls with finished stucco plaster and trimmed with a combination of clay tile, concrete insets, canvas awnings and variable roof lines.

### ROOF

Two prominent “bell towers” with arched openings and mission-style clay tiled roof. The roof structure is a wood truss and joist on wood beam system. The roof consists of a modified built-up asphaltic system on the flat roof area that was later refurbished with a sprayed-on polyurethane foam that was finished with an elastomeric coating. The sloped roof areas are covered by concrete mission tiles.

### FOUNDATION

Concrete slab-on-grade with shallow perimeter footings, thickened slabs supporting the masonry walls, and concrete piers at interior and exterior column locations.

### WINDOWS AND DOORS

All exterior windows are glazed tempered glass that are set in anodized aluminum frames. The suite entrances are through tempered glass doors that are either part of aluminum-framed window systems or wood-framed French doors with paned-glass.

## OTHER BUILDING COMPONENTS

**BUILDING LOBBIES:** Two generously-sized and newly-renovated two-story lobbies have 22 feet tall arched windows and are accented with a grand open stairway, chandeliers and seating areas. One lobby is at the north and the other at the south side of the building. The north lobby serves the west and middle section of the building; and the south lobby serves the east and middle section of the building. In this way, all three building sections are served by a main lobby.

**ELEVATORS:** The building is served by two elevator, with one in each of the two building lobbies.

**STAIRS:** There are 12 sets of stairs, conveniently located around the building, of which six are located outside and access the exterior balconies; two provide access in the courtyards; two are open within each of the two main lobbies; and two are adjacent to the elevators.

**CEILING HEIGHT:** Typically nine feet high to ceiling grid.

**RESTROOMS:** There are six sets of common area restrooms, along with private restrooms within numerous individual suites.

**UTILITY & MECHANICAL:** Utility/electrical rooms are located adjacent to each building lobby, which house the electrical switch gear and panel boxes, the fire riser for the sprinkler system, as well as incoming service for the telephone, fiber and other data lines that serve that section of the building.

**HVAC SYSTEM:** One 250-ton water-sourced BAC cooling tower and two chillers that are located in a separate enclosed area. This supplies chilled water to individual heat-pump units that are generally three- and five-tons, which enables maximum flexibility to place cooling within the offices where they are needed, and minimize roof penetrations. Heating is provided through an electrical heat exchange, as needed.

**FIRE PREVENTION:** A standard wet-pipe automatic sprinkler fire suppression system with quick response sprinkler heads, fire detection devices, a network of speaker-strobe annunciation alarms and a fire alarm monitoring system.

**SIGNAGE:** Promenade at South Mountain has a prominent monument sign on 48th Street. There are also tenant directories, directional and building signs, and company-specific identification displays throughout the property.

**ZONING:** C-O, PCD general office zoning that is intended to provide office use as an appropriate transition between intense commercial activities and nearby residential uses. Due to the variety, scale and intensity of office development. Specific performance standards to mitigate negative impacts of office development, including standards for screening of mechanical equipment, parking lot screening, parking lot lighting, vehicular access and landscaping will be required at the time of development review approval.

**PROPERTY TAX DATA:** Maricopa County Assessor tax parcel number is 301-14-040B with a 2018 property tax bill totaling \$98,415.

S 48TH STREET

One Two-Story Building  
±109,481 SF

Courtyard Area

Courtyard Area

Courtyard Area

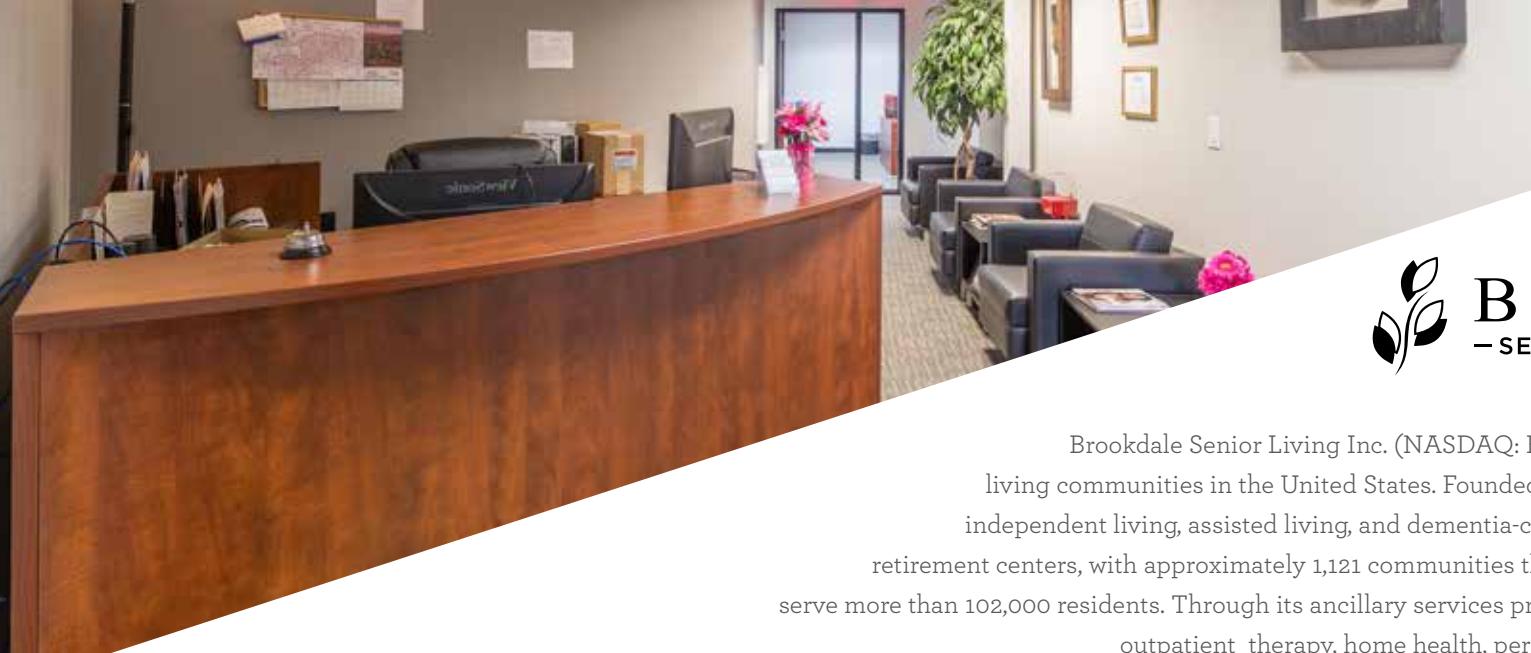
Equipment Area





# TENANT PROFILES





Brookdale Senior Living Inc. (NASDAQ: BKD) is the leading operator of senior living communities in the United States. Founded in 1978, today the company operates independent living, assisted living, and dementia-care communities and continuing care retirement centers, with approximately 1,121 communities throughout 47 states, and the ability to serve more than 102,000 residents. Through its ancillary services program, the company offers a range of outpatient therapy, home health, personalized living and hospice services.

The nearly 82,000 associates, consisting of nurses, therapists, caregivers, counselors and more at Brookdale are committed to providing senior living solutions primarily within properties that are designed, purpose-built and operated to provide the highest quality in amenities, living accommodations and 24-hour care for residents.

The company reported revenues of \$4.75 billion for 2017, and has a market cap of \$1.25 billion.

This location serves as an administrative office for Brookdale.

### **BROOKDALE SENIOR LIVING**

[www.brookdale.com](http://www.brookdale.com)

SUITE 100 / 105

9,390 SF

EXPIRING 12/2020

## **ParaCore**

ParaCore is a leading digital pay-per-click marketing agency in Phoenix that was founded in 2009. The company offers an optimization process for clients, which includes a monthly schedule, landing page design and development, and monthly reporting. ParaCore also specializes in using Google Adwords and Bing ads, Facebook ads, retargeting, display advertising, and social marketing to drive traffic and qualified customers to client websites, and then provide compelling analytics on the return on investment.

### **PARACORE**

[www.paracore.com](http://www.paracore.com)

SUITE 112

3,651 SF

EXPIRING 08/2021



The Association for Supportive Child Care (ASCC) was founded in 1976 as a private, non-profit corporation dedicated to enhancing the quality of care for children in Arizona. Every program at ASCC meets a unique set of needs within the child care and early education field. ASCC staff help bring affordable, accessible, quality care to Arizona children and families by offering the following services:

- Provide training and education to individuals in the child care field
- Support quality child care through accreditation programs
- Offer support and training to those who care for the children of family and friends
- Encourage child care professionals to continue their education
- Assist family child care providers with state certification
- Assist refugee families settling in Arizona with starting a child care business in their home

## ASSOCIATION FOR SUPPORTIVE CHILD CARE

[www.asccaz.org](http://www.asccaz.org)

SUITE 120

14,305 SF

EXPIRING 05/2023



Founded in 2005, Empire West Title Agency is a full-service title and escrow company. The agency service divisions include trustee sales, residential transactions, commercial transactions and lender services, along with a special short sale division. As one of the largest in Arizona's title services industry, Empire West boasts over 100 employees deployed in 18 offices throughout Arizona's Maricopa, Pinal, Mojave and Cocino counties.

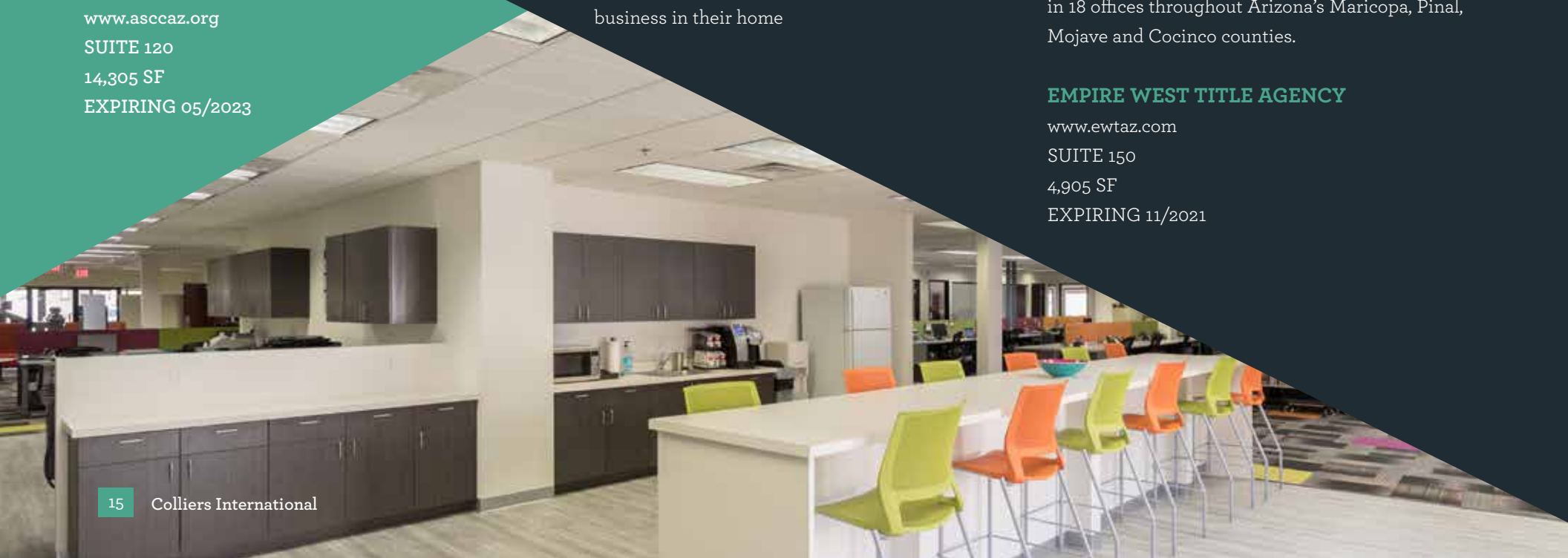
## EMPIRE WEST TITLE AGENCY

[www.ewtaz.com](http://www.ewtaz.com)

SUITE 150

4,905 SF

EXPIRING 11/2021





Multicard is a full-service identification and security integrator that designs, builds, installs and supports open standards-based ID systems using a range of ID applications and technology options. The company offers solutions for Credentialing, Electronic Security, Patient ID, Logical Access and Advanced Two-Factor Authentication, Event Tracking, Mobile Badging, Visitor Management, and more.

Founded in 1999, Multicard has a strong customer base including Fortune 100 companies, government agencies, K12

institutions, colleges and universities, healthcare, gaming, and other industries. In addition to this office, Multicard has offices in Los Angeles, Denver, and Las Cruces, New Mexico.



#### MULTICARD

[www.multicard.com](http://www.multicard.com)  
SUITE 155  
2,475 SF  
EXPIRING 03/2022



Schlage Lock Company, LLC manufactures and supplies home security and hardware products for homes, multi-family, commercial and institutional buildings. The company's products include deadbolts, knobs, levers, handlesets, Bluetooth-enabled products, connected devices, touchscreens, keypads, smart locks, hardware and accessories, cables, chains, and padlocks. Schlage markets and sells its products through online retailers, including Home Depot and Amazon.

After its founding in 1920, Schlage was acquired in 1974 by Ingersoll Rand, a Fortune 150 manufacturer of industrial, mining and construction equipment. Later in 2013, Schlage and the rest of the Ingersoll Rand Security Technologies became part of 23 global brands to join forces under Allegion (NASDAQ: ALLE), North America's top manufacturer of security and safety products, security consulting and systems integration.

#### SCHLAGE LOCK COMPANY, LLC

[www.schlage.com](http://www.schlage.com)  
SUITE 175  
7,376 SF  
EXPIRING 02/2023



**Microsemi**

**MICROSEMI CORPORATION**

www.microsemi.com

SUITE 190

2,995 SF

EXPIRING 09/2019

Microsemi Corporation (NASDAQ: MSCC) is a leading designer, manufacturer and marketer of high-performance analog and mixed-signal semiconductor solutions. The company primarily serves aerospace and defense, communications, data center and industrial markets. Microsemi products include high-performance and radiation-hardened analog mixed-signal integrated circuits, Field Programmable Gate Arrays (FPGA), System on a Chips (SoCs) and Application-Specific Integrated Circuits (ASICs); along with power management products; timing and synchronization devices and precise time

solutions, setting the world's standard for time; and voice processing devices. Other top offerings include RF solutions; discrete components; enterprise storage and communication solutions, security technologies and scalable anti-tamper products; Ethernet solutions; Power-over-Ethernet ICs and midspans; as well as custom design capabilities and services. Incorporated in 1960, today Microsemi boasts approximately 4,800 employees spread throughout Asia, Europe, Middle East, Africa, United States and Canada. The company reported net sales of \$1.81 billion for 2017, and has a market cap of \$7.32 billion.



**REDEFY**

www.redefy.com

SUITE 205

1,758 SF

EXPIRING 7/2020

Redefy Real Estate provides full-service real estate services, from the pre-listing stage, to active listings, to the under contract and closing stage. Redefy services include in-home consultations, professional photography, lock boxes and yard signs, MLS listings, scheduled showings, feedback system, along with legal/mandatory contract paperwork and coordination of title and closing. Further, in its mission to change the way homes are sold, the agency prides itself on its technology integration, and flat fees for its full range of services.

Founded in 2011, Redefy has 63 locations throughout the United States.

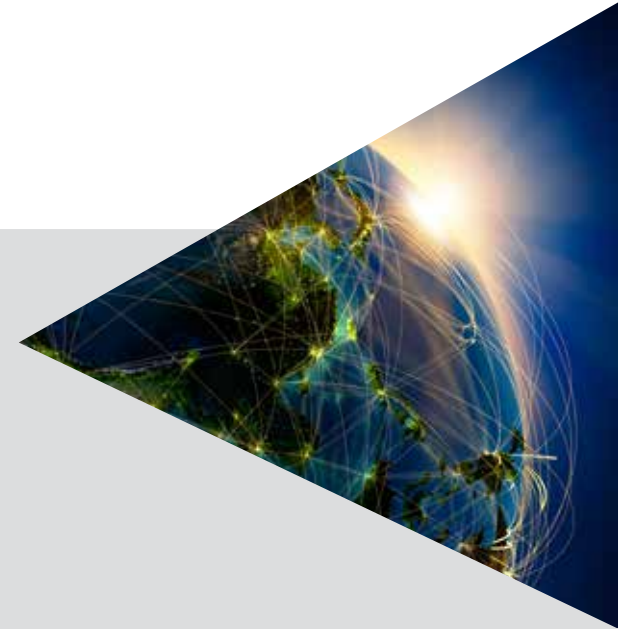




**ALTURA COMMUNICATION SPECIALISTS**

www.alturaacs.com  
SUITE 215  
1,331 SF  
EXPIRING 1/2022

Altura Communication Solutions is a leading provider of communication-enabled solutions and managed services. With its top-rated managed services team and strategic partnerships across a full suite of converged voice, video, wireless and data network solutions, Altura supports more than 6,000 communication systems and 2,500 customers in government, education, healthcare and financial markets. The company is one of the largest authorized Diamond Business Partners of Avaya, a global leader in digital communications software, services and devices for businesses of all sizes, and a Select Business Partner of Cisco, a worldwide leader in IT and networking.



**PRORENATA LABS**

www.prorentalabs.com  
SUITE 210  
3,183 SF  
EXPIRING 9/2023



Prorenata Labs is a laboratory that provides clinical sites with genetic and molecular testing, as well as clinical blood services such as custom blood panels and complete wellness blood screening. The lab also offers medication-assisted treatments and a toxicology testing program for pain management practitioners who provide medication management for patients taking opioids for chronic pain.



ARRIS International plc. (NASDAQ: ARRS) is a global leader in entertainment, communications and networking technology. The company delivers solutions and services across three segments – Consumer Premises Equipment, Enterprise Networks, and Network & Cloud. ARRIS innovations combine hardware, software and services to enable advanced video experiences and constant connectivity across a variety of environments – for service providers, commercial verticals, small enterprises and the people they serve. Products offered include video processing and delivery, broadband delivery, access networking, broadband and video devices, and customer experience management. Founded in 1995, ARRIS today has more than 6,000 experts working in more than 30 countries.

The company reported net sales of \$6.61 billion for 2017, and has a market cap of \$5.1 billion.

### ARRIS

[www.arris.com](http://www.arris.com)

SUITE 225

12,141 SF

EXPIRING 3/2020





Phoenix Design Group is an engineering and architect services firm that began in 1998. The company specializes in commercial and retail projects, as well as hospitality and clubhouse, residential and more.

### PHOENIX DESIGN GROUP

SUITE 236

1,179 SF

EXPIRING 10/2021

Kiser Tax and Accounting provides expert services in all areas of taxation, including corporate, estate, individual, partnership and federal, local and state taxes. As an Enrolled Agent with the IRS, they adhere to certain ethical standards and codes of professional conduct established by the IRS. Additionally, they provide a range of accounting, payroll and bookkeeping services.

### KISER TAX AND ACCOUNTING

SUITE 200

951 SF

EXPIRING 02/2022



# ***POLLYWOG***

## **POLLYWOG**

SUITE 265

3,204 SF

EXPIRING 7/2020

Pollywog is a toy distribution company based out of China that acquires and sells toys.



## **C. MYERS**

[www.cmyers.com](http://www.cmyers.com)

SUITE 275

8,687 SF

EXPIRING 6/2023

C. Meyers is a national leader in offering financial solutions including asset/liability management and education for credit unions. The company has partnered with over 550 credit unions since 1991, 50 percent of those over \$1 billion in assets and 25 percent of those over \$100 million. C. Meyers offerings include in project management, process improvement, liquidity services, current expected credit loss consulting, financial forecasting, strategic planning, strategic leadership development, and real-time asset/liability management decision information.



*c. myers*



## RENT ROLL

SUITE NO.	TENANT ENTITY NAME GUARANTOR NAME TENANT DBA	SIZE (SF) % OF BLDG	CURRENT TERM ORIGINAL START CURRENT START END DATE	RENEWAL OPTION(S) NOTICE REQUIRED & TERMS	DATE RATE CHANGE	RENT RATE PER SQ FT	SECURITY DEPOSIT	OPE METHOD
100 / 105	ARC Therapy Services LLC and Nurse On Call of Arizona, Inc. N/A Brookdale Senior Living	9,390 8.58%	39 Months 10/01/17 10/01/17 12/31/20	One, 3-year option with 6 months notice	10/01/18 10/01/19 10/01/20	\$19.50 \$20.00 \$20.50	\$0	Base Year 2018 95% Gross Up
					1st Option:	01/01/21	\$20.50 PSF with \$0.50 PSF annual increases	
<b>Comments:</b>								
Lease, Article 19 - Parking - Tenant shall have a license to use 2 covered, reserved spaces at \$40/sp/mo and up to 37 uncovered, unreserved spaces at no cost.								
112	ParaCore, LLC N/A Paracore	3,651 3.33%	39 Months 05/15/18 05/15/18 08/14/21	Two, 1-year options with 4 - 12 months notice	08/15/18 08/15/19 08/15/20	\$19.00 \$19.50 \$20.00	\$6,085	Base Year 2018 95% Gross Up
					1st Option:	08/15/21	\$20.50	
					2nd Option:	08/15/22	\$20.50	
<b>Comments:</b>								
Lease, Article 5.5 - 5% Cap on Controllable Operating Expenses.								
Article 19 - Parking - Tenant shall have license to use 2 covered, reserved spaces at \$40/sp/mo; 3 uncovered spaces adjacent to building for customer parking at \$20/sp/mo; and up to 11 uncovered, unreserved spaces at no cost.								
Article 21 - Right of First Refusal - Tenant shall have continuing right of first refusal to lease Suite 110 (now known as Suite 115) on the same terms and conditions of the Lease.								
115	Vacant	1,710 1.56%						
120	Association for Supportive Child Care, Inc. N/A Association for Supportive Child Care	14,305 13.07%	64 Months 02/01/18 02/01/18 05/31/23	Two, 5-year options with 6 - 12 months notice	06/01/18 02/01/19 02/01/20 02/01/21 02/01/22 02/01/23	\$15.50 \$16.00 \$16.50 \$17.00 \$17.50 \$18.00	\$22,500	Base Year 2018 95% Gross Up
					1st Option:	06/01/23	Greater of Fair Market Rent or 3% increase over preceding rent	
					2nd Option:	06/01/28	Greater of Fair Market Rent or 3% increase over preceding rent	
<b>Comments:</b>								
Lease, Article 5.5 - 5% Cap on Controllable Operating Expenses.								
Article 19 - Parking - Tenant shall have license to use 8 covered, reserved spaces and up to 52 uncovered, unreserved spaces at no cost.								
Article 21 - Right of First Refusal - Tenant shall have continuing right of first refusal to lease Suite 125 (now known as Suite 146) on the same terms and conditions of the Lease.								
146	Vacant	5,043 4.61%						

SUITE NO.	TENANT ENTITY NAME GUARANTOR NAME TENANT DBA	SIZE (SF) % OF BLDG	CURRENT TERM ORIGINAL START CURRENT START END DATE	RENEWAL OPTION(S) NOTICE REQUIRED & TERMS	DATE RATE CHANGE	RENT RATE PER SQ FT	SECURITY DEPOSIT	OPE METHOD	
150	Empire West Title Agency N/A Empire West Title Agency	4,905 4.48%	66 Months 06/01/16 06/01/16 11/30/21	One, 5-year option with 6 months notice	06/01/18 06/01/19 06/01/20 06/01/21	\$17.50 \$18.00 \$18.50 \$19.00	\$7,766	Base Year 2016 95% Gross Up	
					1st Option:	12/01/21	Fair Market Rent, however not less than the prior rent		
<b>Comments:</b>									
Lease, Article 19 - Parking - Tenant shall have license to use 5 covered, reserved spaces at no cost and uncovered, unreserved spaces on a first come, first serve basis.									
Article 22 - Termination Option - Tenant shall have one option to terminate the Lease at the end of the 39th month (8/31/2019), by providing 9 - 12 months notice and payment of termination penalty which is comprised of unamortized landlord's improvements, abated rent, moving allowance, leasing commissions, etc. at a 10% interest rate plus 1 month of base rent.									
155	Multicard, Inc. N/A Multicard	2,475 2.26%	65 Months 11/01/16 11/01/16 03/31/22	None	06/01/17 04/01/19 04/01/20	\$14.00 \$14.75 \$15.50	\$3,197	Base Year 2017 95% Gross Up	
<b>Comments:</b>									
Lease, Article 19 - Parking - Tenant shall have license to use 2 covered, reserved spaces at \$20/sp/mo and up to 6 uncovered, unreserved spaces on a first come, first serve basis. In aggregate, Tenant shall not exceed 6 parking spaces.									
175	Schlage Lock Company, LLC N/A Schlage Lock Company	7,376 6.74%	66 Months 09/01/17 09/01/17 02/28/23	One, 5-year option with 6 -12 months notice	09/01/18 09/01/19 09/01/20 09/01/21 09/01/22	\$16.50 \$17.00 \$17.50 \$18.00 \$18.50	\$0	Base Year 2017 95% Gross Up	
					1st Option:	03/01/23	Greater of 95% of Fair Market Rent or preceding rent with 3% annual increases		
<b>Comments:</b>									
Lease, Article 2.4 - Termination Option - Tenant shall have one option to terminate the Lease at the end of the 36th month (8/31/2020), by providing 9 - 12 months notice and payment of termination penalty which is comprised of unamortized landlord's improvements, abated rent, moving allowance, leasing commissions, etc. plus 3 months of base rent.									
Article 5.5 - 5% Cap on Controllable Operating Expenses.									
Article 19 - Parking - Tenant shall have license to use 6 covered, reserved spaces at \$25/sp/mo and up to 29 uncovered, unreserved spaces on a first come, first serve basis. In aggregate, Tenant shall not exceed 29 parking spaces. In addition, Tenant shall have license for 35 uncovered, unreserved spaces at no cost for no more than 5 days per month for Tenant Training Days. All parking shall be abated for the first 18 months (through 2/28/2019).									
180	Vacant	2,348 2.14%							

SUITE NO.	TENANT ENTITY NAME GUARANTOR NAME TENANT DBA	SIZE (SF) % OF BLDG	CURRENT TERM ORIGINAL START CURRENT START END DATE	RENEWAL OPTION(S) NOTICE REQUIRED & TERMS	DATE RATE CHANGE	RENT RATE PER SQ FT	SECURITY DEPOSIT	OPE METHOD
190	Microsemi Corporation N/A Microsemi Corporation	2,995 2.74%	39 Months 07/01/16 07/01/16 9/30/19	One, 5-year option with 6 -12 months notice	07/01/18 07/01/19	\$16.50 \$17.00	\$4,493	Base Year 2016 95% Gross Up
				1st Option:	12/01/21	Fair Market Rent, however not less than the prior rent		

**Comments:**

Lease, Article 5.5 - 5% Cap on Controllable Operating Expenses.

Article 19 - Parking - Tenant shall have license to use 3 covered, reserved spaces at \$25/sp/mo and uncovered, unreserved spaces on a first come, first serve basis.

195	Vacant	3,593 3.28%						
200	Kiser Tax, LLC N/A Kiser Tax and Accounting	951 0.87%	37 Months 02/01/19 02/01/19 02/28/22	One, 3-year option with 6 - 12 months notice	02/01/19 03/01/19 02/01/20 02/01/21	None \$17.50 \$18.00 \$18.50	\$1,387	Base Year 2019 95% Gross Up

**Comments:**

Lease, Article 19- Parking - Tenant shall have license to use 1 covered, reserved spaces at \$40/sp/mo.

205	AZ Virtue, LLC N/A Redefy Real Estate	1,758 1.61%	38 Months 06/01/17 06/01/17 07/31/20	One, 3-year option with 6 -12 months notice	08/01/18 08/01/19	\$16.00 \$16.50	\$2,271	Base Year 2017 95% Gross Up
				1st Option:	08/01/20	Fair Market Rent, however not less than the prior rent		

**Comments:**

Lease, Article 5.5 - 5% Cap on Controllable Operating Expenses.

Article 20 - Parking - Tenant shall have license to use 3 covered, reserved spaces at \$25/sp/mo and 3 uncovered, unreserved spaces on a first come, first serve basis.

210	Prorenata Labs, LLC Jacob E. Wilhoit Prorenata Labs	3,183 2.91%	64 Months 06/01/18 06/01/18 09/30/23	One, 5-year option with 6 -12 months notice	10/01/18 06/01/19 06/01/20 06/01/21 06/01/22	\$16.75 \$17.25 \$17.75 \$18.25 \$18.75	\$4,493	Base Year 2018 95% Gross Up
				1st Option:	10/01/23	Greater of Fair Market Rent or preceding rent with 3% annual increases		

**Comments:**

Lease, Article 2.5 - Termination Option - Tenant shall have one option to terminate the Lease at the end of the 39th month (8/31/2021), by providing 9 - 12 months notice and payment of termination penalty of \$45,000.

Article 5.5 - 5% Cap on Controllable Operating Expenses.

Article 19 - Parking - Tenant shall have license to use 12 uncovered, unreserved spaces on a first come, first serve basis.

SUITE NO.	TENANT ENTITY NAME GUARANTOR NAME TENANT DBA	SIZE (SF) % OF BLDG	CURRENT TERM ORIGINAL START CURRENT START END DATE	RENEWAL OPTION(S) NOTICE REQUIRED & TERMS	DATE RATE CHANGE	RENT RATE PER SQ FT	SECURITY DEPOSIT	OPE METHOD
215	Altura Communication Solutions, LLC N/A	1,331 1.22%	42 Months 08/01/18 08/01/18 01/31/22	Two, 3-year option with 6 -12 months notice  1st Option: 2nd Option:	12/01/18 08/01/19 08/01/20  02/01/22 02/01/25	\$17.00 \$17.50 \$18.00  Greater of Fair Market Rent or preceding rent with 3% annual increases Greater of Fair Market Rent or preceding rent with 3% annual increases	\$1,997	Base Year 2018 95% Gross Up
<b>Comments:</b> Lease, Article 5.5 - 5% Cap on Controllable Operating Expenses. Article 20 - Parking - Tenant shall have license to use 2 covered, reserved spaces at \$15/sp/mo and 2 uncovered, unreserved spaces on a first come, first serve basis.								
220	Vacant	10,873 9.93%						
225	ARRIS Solutions, Inc. (Formerly 2Wire, Inc. dba Pace Americas) N/A ARRIS International	12,141 11.09%	170 Months 02/01/06 04/01/18 03/31/20	One, 3-year option with 9 -12 months notice  1st Option:	04/01/18 04/01/19  04/01/20	\$16.50 \$17.00  Fair Market Rent, however not less than the prior rent	\$10,356	Base Year 2018 95% Gross Up
<b>Comments:</b> 3rd Amend, Article 6 - Landlord shall charge Tenant a reduced fee of \$2.50 /hr/zone for Tenant's after hours HVAC usage. 1st Amend, Article 6 - Parking - Tenant shall have right to use 14 covered, unreserved spaces at no cost and uncovered, unreserved at 3 spaces per 1,000 SF at no cost. Lease, Exhibit C - 5% Cap on Controllable Operating Expenses.								
235	Vacant	1,751 1.60%						
236	Phoenix Design Group Victor Olson, David and Gina Arambula - guaranty for first 12 months only Phoenix Design Group	1,179 1.08%	50 Months 09/01/17 09/01/17 10/31/21	One, 2-year option with 6 -12 months notice  1st Option:	11/01/18 11/01/19 11/01/20  11/01/21	\$16.00 \$16.50 \$17.00  Fair Market Rent, however not less than the prior rent	\$1,670	Base Year 2017 95% Gross Up
<b>Comments:</b> Lease, Article 19 - Parking - Tenant shall have license to use 2 covered, reserved spaces at no cost and uncovered, unreserved spaces on a first come, first serve basis.								
240	Vacant	3,381 3.09%						

SUITE NO.	TENANT ENTITY NAME GUARANTOR NAME TENANT DBA	SIZE (SF) % OF BLDG	CURRENT TERM ORIGINAL START CURRENT START END DATE	RENEWAL OPTION(S) NOTICE REQUIRED & TERMS	DATE RATE CHANGE	RENT RATE PER SQ FT	SECURITY DEPOSIT	OPE METHOD
250	Vacant	2,379 2.17%						
255	Vacant	872 0.80%						
265	Pollywog, LLC Liuxian Zhang Pollywog	3,204 2.93%	30 Months 02/01/18 02/01/18 07/31/20	None	05/01/18 05/01/19 05/01/20	\$15.50 \$16.00 \$16.50	\$4,406	Base Year 2018 95% Gross Up

**Comments:**

Lease, Article 19 - Parking - Tenant shall have license to use 3 covered, reserved spaces at \$40/sp/mo and uncovered, unreserved spaces on a first come, first serve basis.

275	C. Myers Corporation N/A C. Myers	8,687 7.93%	289 Months 06/12/99 09/01/17 06/30/23	One, 5-year option with 6 months notice	12/01/18 12/01/19 12/01/20 12/01/21	\$18.00 \$17.50 \$17.50 \$17.50	\$5,833	Base Year 2017 100% Gross Up
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1st Option: 07/01/23 Fair Market Rent with Fair Market Rental Increases

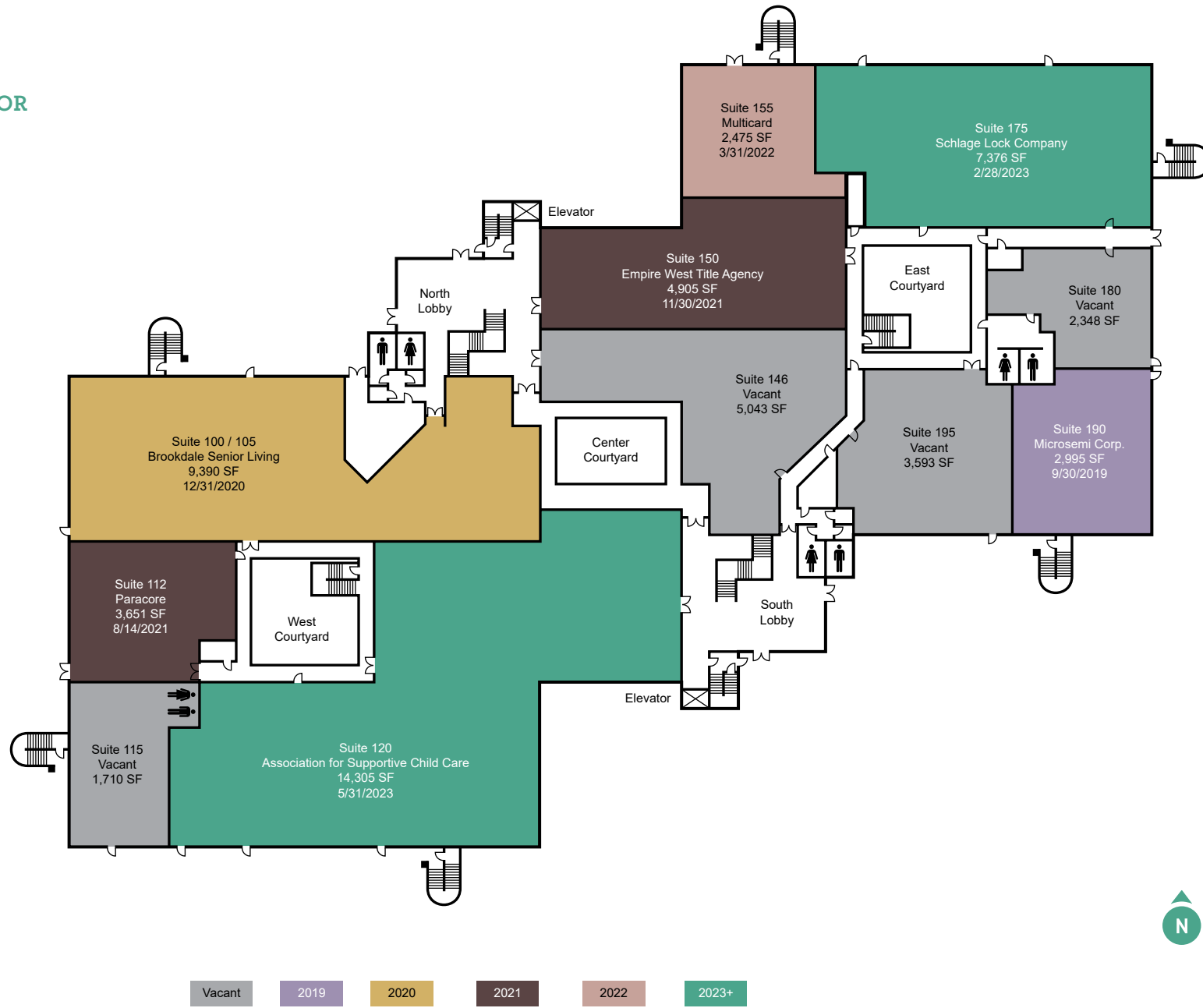
**Comments:**

6th Amend, Article 13 - Parking - Tenant shall have license to use 10 covered, reserved spaces at \$30/sp/mo and 35 uncovered, unreserved spaces at no cost.  
4th Amend, Article 5 - 5% Cap on Controllable Operating Expenses.

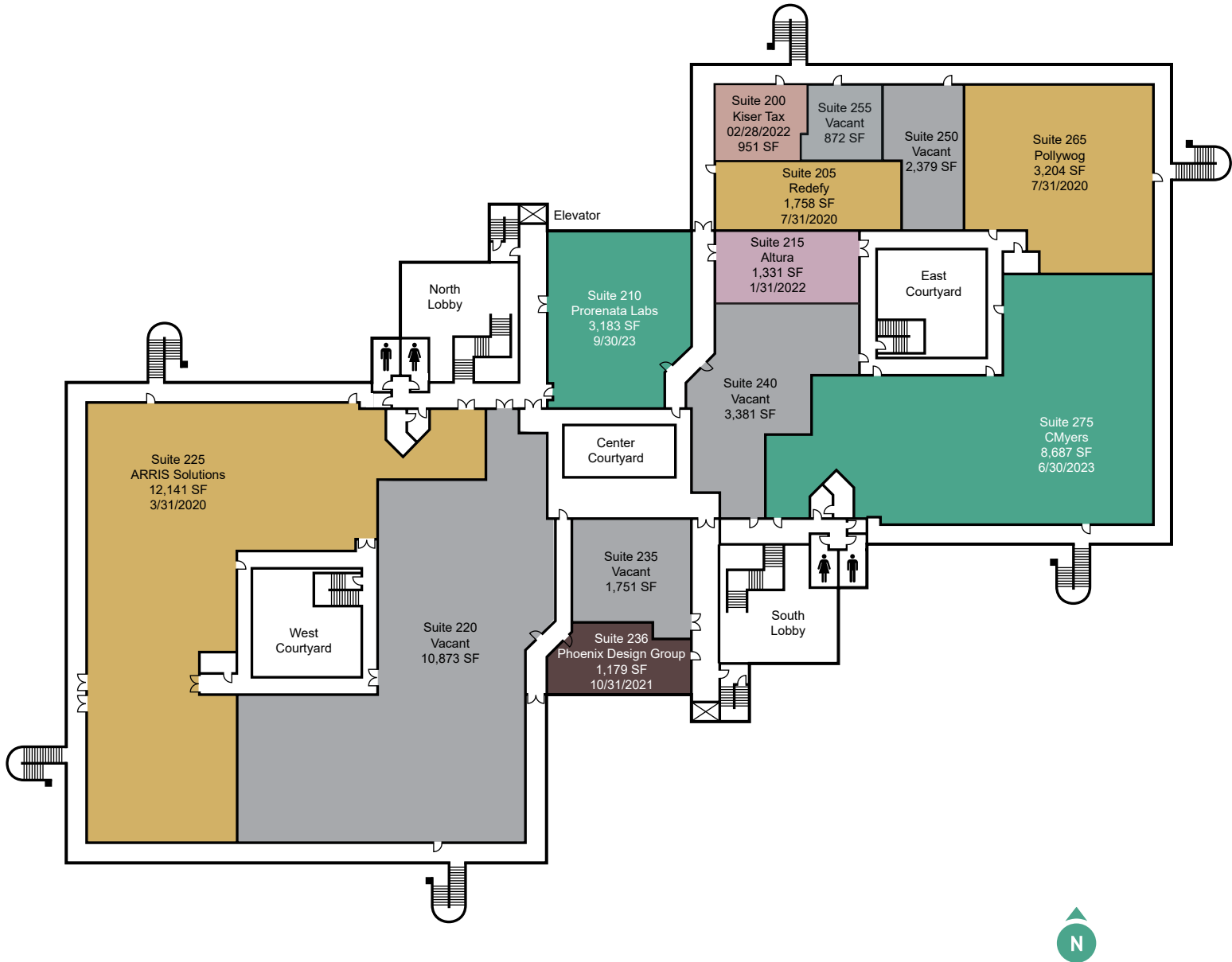
<b>Total</b>	<b>109,481</b>	
<b>Vacant</b>	<b>31,950</b>	<b>29%</b>
<b>Occupied</b>	<b>77,531</b>	<b>71%</b>

# DEMISING PLANS

## FIRST FLOOR



SECOND FLOOR





# AREA & MARKET OVERVIEW





## AREA OVERVIEW

Promenade at South Mountain is strategically located on 48th Street at the base of South Mountain, one-half mile west of the full-diamond interchange of Baseline Road and Interstate 10. This centralized location is minutes from Sky Harbor International Airport, downtown Phoenix, downtown Tempe, Arizona State University and various shopping, dining and entertainment venues. A wide range of companies are drawn to this area due to its accessibility, abundant labor pools, ample amenities and access to executive housing.

The property benefits from its close proximity to one of the busiest traffic interchanges with Interstate 10 - at Baseline Road



## WITHIN SOUTH MOUNTAIN AND AHWATUKEE FOOTHILLS VILLAGES

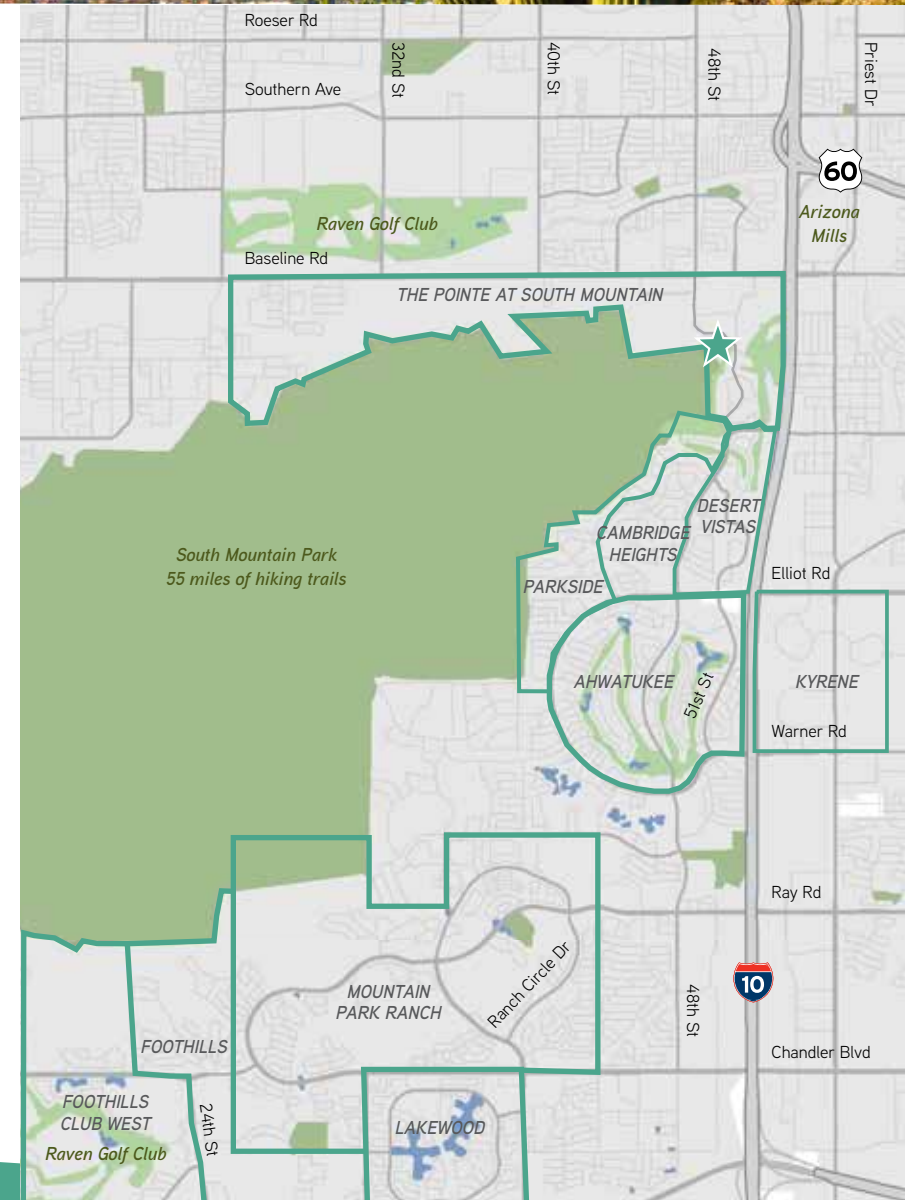
The property benefits from being adjacent to two City of Phoenix Villages: South Mountain and Ahwatukee Foothills. Together, these villages account for 76 square miles on the north and south sides of South Mountain, one of the largest municipally-operated parks in the country.

**South Mountain Village:** significant employment centers; rich variety of ethnicities, languages, cultures; mixed-income communities; quality residential developments along the foothills of South Mountain.

**Ahwatukee Foothills Village:** significant employment centers; numerous master-planned communities; desert landscaping; golf courses; lakes; active lifestyle with hiking, biking, walking and jogging around the foothills of South Mountain.

DEMOGRAPHICS	1 MILE RADIUS	5 MILE RADIUS	40 MINUTE DRIVE	CITY OF PHOENIX	MARICOPA COUNTY
Population	14,439	282,464	3,470,695	1,616,383	4,252,479
Average Household Income	\$64,528	\$77,982	\$77,020	\$72,387	\$78,341
Average Housing Value	\$174,000	\$239,806	\$239,595	\$227,721.00	\$250,507.00
Workforce Population (20 to 64)	63.2%	64.2%	59.3%	60.4	58.5%
Median Age	32.2	31.4	34.7	33.8	35.9
Some College Education	17.4%	21.1%	24.3%	22.6%	25.1%
College Degrees	25.1%	23.3%	24.3%	34.9%	38.9%
Employed Population	7,048	147,513	1,616,040	739,828	1,931,226
White Collar Jobs	65.1%	68.1%	62.9%	60.1%	64.5%

Source: MagnifyMaps





202

101

60



48TH ST

BASELINE RD

PROMENADE AT SOUTH MOUNTAIN



NORTH FACING



### ALL-AROUND PROXIMITY AND TRANSPORTABILITY

Promenade at South Mountain has exceptional access to a deep labor pool. It is located one-half mile from Interstate 10, Phoenix's largest transportation corridor that is traveled by nearly 160,000 vehicles per day. In addition to I-10, four other freeways are located within a four-mile radius – US 60, Loop 202, SR 51 and SR 143. Accordingly, more than 2.2 million people can reach the Property within a 30-minute commute, accessing 52% of Maricopa County's population.

In addition to the transportation system, this densely populated area has 104,000 homes within a five-mile radius, which provide ample choices from affordable tract homes to exclusive custom homes in gated communities. These homes are within numerous established master planned communities, including Ahwatukee, Mountain Park Ranch, Foothills and Foothills Club West.



**BAE SYSTEMS**

JPMORGAN CHASE & CO.

**APOLLO GROUP**

**Honeywell**

**PHX**  
PHOENIX SKY HARBOR  
INTERNATIONAL AIRPORT

**AVNET**

DOWNTOWN  
PHOENIX

MIDTOWN

CAMELBACK  
CORRIDOR

PARADISE VALLEY  
AND ARCADIA

32ND ST

40TH ST

BROADWAY RD

10

143

SOUTHERN AVE

**MiTek**

**CONVERGYS**

Independent  
Electric Supply

BASELINE RD

**frys**

48TH ST

**charles  
SCHWAB**  
including  
datacenter

**ANCORA  
EDUCATION**

**Precision**

**NORTHWEST FACING**

**PROMENADE  
AT SOUTH MOUNTAIN**

**ARIZONA GRANE**  
RESORT & SPA



### EMPLOYMENT CORRIDOR

Many businesses are located within the I-10 corridor because of its great connectivity to metro Phoenix and its proximity to a profound labor pool. In fact, there are more than 5,000 companies within a three-mile radius of Promenade at South Mountain. These range from small entrepreneurial endeavors to global and regional headquarters. Some of the largest employers include: Intel Corporation, Avnet, Honeywell, Bank of America, Apollo Group, and JPMorgan Chase.

### AMENITY HUB

There are a significant number of nearby amenities that residents and employees can enjoy. Hundreds of shopping and dining options are located within a five-mile radius of the property. Arizona Mills Mall, the state's largest indoor outlet mall, is located one mile east of the property and offers more than 185 stores and 20 restaurants. Approximately five miles from Promenade at South Mountain, downtown Tempe is home to Arizona State University's main campus, Tempe Towne Lake, and the Mill Avenue District, which consists of a variety of restaurants, shops and exciting nightlife.

### SOUTH MOUNTAIN PRESERVE

At close to 17,000 acres, one of the nation's largest municipally-operated parks, South Mountain Park Preserve is a city of Phoenix treasure. In addition to helping define the character of South Mountain village, the park provides an exceptional recreational amenity for both the local and regional populations. Promenade at South Mountain is located at the base of South Mountain, enjoying its wonderful views.

### ARIZONA GRAND RESORT

The Arizona Grand Resort, located just north of the Property, is one of the award-winning Arizona spas and fitness facilities in Phoenix, offering more exercise options than any other Phoenix resort. The all-encompassing resort includes restaurants, bars, meeting and outdoor venues, a golf course, waterpark, destination services and more.



*South Mountain Park ramada lookout*



*Arizona Grand Resort Water Park*



## OFFICE MARKET OVERVIEW

### VALLEYWIDE OVERVIEW

Of the 25 individual submarkets, the ±149.0 million square foot metropolitan Phoenix office market has various core areas – Downtown Phoenix, Scottsdale Airpark, Ahwatukee/Airport Area, Tempe and Deer Valley are the five largest submarkets. Downtown Phoenix, also known as the Central Business District consists of two submarkets (Downtown and Midtown), which combined contains ±20.2 million square feet (“SF”) of office space. The Scottsdale Airpark submarket covers the northeastern portion of Scottsdale and is the region’s second largest submarket with approximately ±12.4 million SF of office space.

Metropolitan Phoenix average vacancy rate is 13.9% as of the fourth quarter 2018. The vacancy rate hit a low of 10.7% in 2006, and its high in 2011 at 22.7%. Average asking office rental rates in Phoenix are \$24.81 per square

foot, full service gross (“PSF”). Market peak occurred at the end of 2007 with an average asking rate of \$25.78 PSF, 3.9% above today’s rates. As vacancy shrinks, creating shortages and demand requires additional development, rates are increasing to reflect replacement cost pricing.

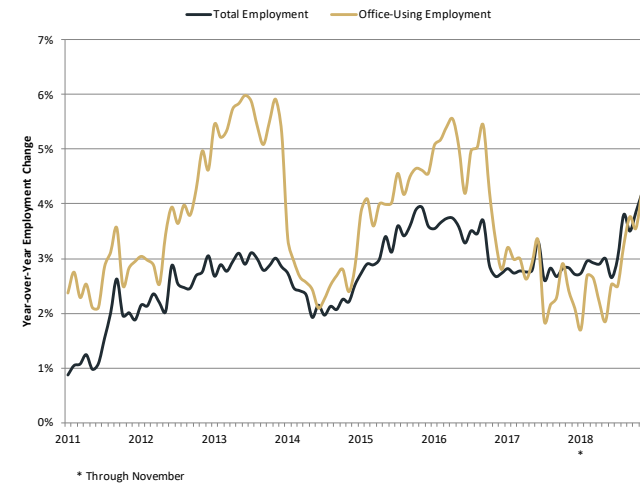
There are currently 3.4 million square feet (“SF”) of office projects under construction valley wide. Four of the 26 buildings exceed 200,000 SF, which include Block 23’s 228,000 SF at CityScape, the 345,000 SF Grand at Papago Park and the 265,000 SF Watermark in Tempe. Four of the projects under construction, totaling nearly 525,000 SF, are fully leased. There are currently two buildings under construction in the Ahwatukee/Airport Area submarket. The largest being a 200,000 SF building within the Discovery Business Park is scheduled to deliver in the first quarter of 2019. Northern Trust will be the anchor tenant in the building.

# METRO PHOENIX Q4 2018 OFFICE MARKET STATS

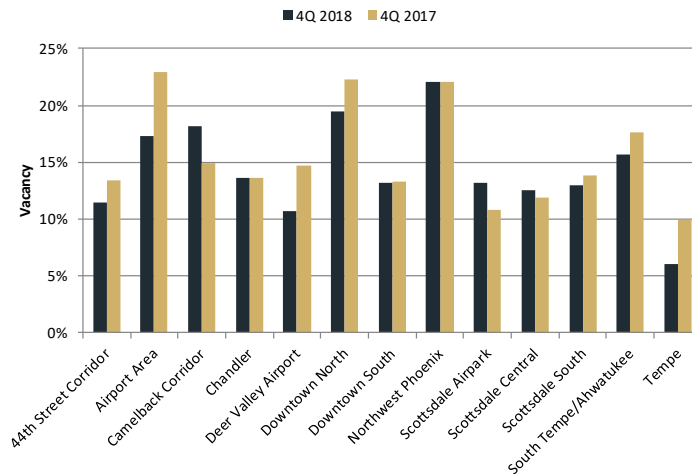
## SUMMARY STATISTICS

	Phoenix Market	Phoenix Class A	Phoenix Class B
Vacancy Rate	13.9%	13.9%	14.6%
Change from 4Q 2017 (bps)	-200	-130	-200
Net Absorption (2018; 000 SF)	3,529	991	1,606
New Deliveries (2018; 000 SF)	1,236	915	322
Under Construction (as of YE 2018; 000 SF)	3,423	2,610	813
Asking Rents 4Q 2018, PSF Per Year	\$24.81	\$28.96	\$23.00
Change from 4Q 2017	1.7%	0.9%	1.4%

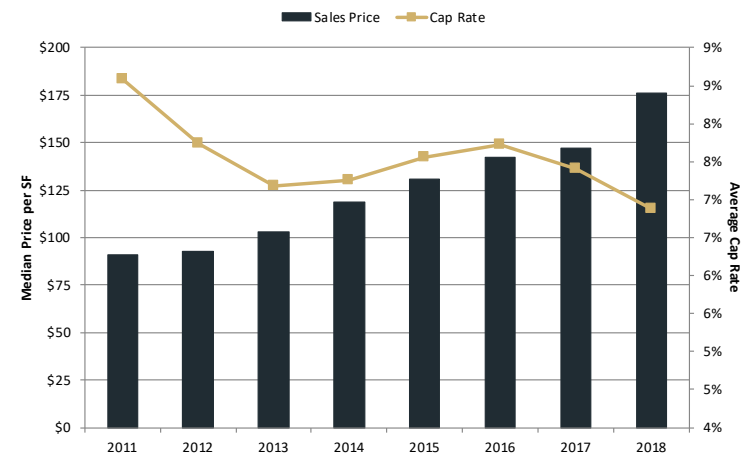
## EMPLOYMENT OVERVIEW



## VACANCY AMONG MAJOR SUBMARKETS



## INVESTMENT TRENDS



### AHWATUKEE/AIRPORT AREA OFFICE SUBMARKET

Promenade at South Mountain is located within the Ahwatukee/Airport Area office submarket, which contains ±12.2 million SF in 180 buildings. The submarket greatly benefits from its centralized location, proximity to Sky Harbor International Airport, Arizona State University and immediate access to the entire regional transportation system; while also being adjacent to some of the valley's most desirable master-planned communities, executive housing neighborhoods, and regional amenities.

These submarket characteristics have attracted major employers, such as Apollo Group, Avnet, J.P. Morgan Chase, Wells Fargo, Honeywell, Safeway, Pepsi-Cola, BAE Systems and Charles Schwab all of which have a substantial presence within the Ahwatukee/Airport Area submarket. It is also home to thousands of small to medium-sized companies, from technology, biosciences and other engineering-related activities to a wide range of healthcare, insurance and financial services.

As of the fourth quarter 2018, the submarket consists of 99 multi-tenant buildings totaling ±5.67 million SF and 78 single-tenant buildings with ±6.43 million SF. This submarket accounts for 8.1% of the valley-wide total of office property square footage.

### LARGE CORPORATE USER OPPORTUNITY

Of the 78 single-tenant buildings within the submarket, 30 are larger than 75,000 SF. Until recently, the area has experienced minimal turnover in these buildings, which changed once Marina Heights opened, and State Farm Insurance vacated five buildings at their Tempe Operations Campus. Likewise, after operating a loan processing operations center for more than two decades, Bank of America vacated its Hohokam Business Park building, enabling the owner to fully renovate it to modern specifications.

These types of relocations provide outstanding economic development opportunities for additional businesses to locate in an area that has otherwise been land-locked, and unable to accommodate businesses that would prefer to be in such a centralized location.

### VACANCY RATE AMONG MULTI-TENANT BUILDINGS IS 17.9%

As of the fourth quarter 2018, the vacancy rate among the 99 multi-tenant buildings within this submarket was 17.9%. Only seven buildings contain close to one-half of the vacant space in this submarket's multi-tenant buildings, which have vacancies of between 38,000 to 101,000 SF. If these seven buildings were removed from the inventory, the vacancy would be less than 10.0% vacant.

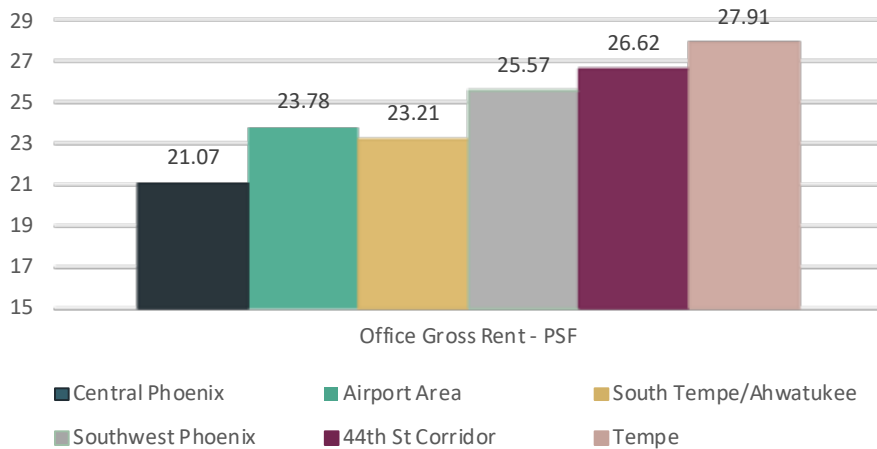
### COMPETITIVE SET: MINIMAL AVAILABILITY AND LIMITED AREA OF CONTIGUOUS SPACE

The competitive set consists of eight multi-tenant properties. For those with vacancy, the space available to lease ranges from 4,919 to 32,901 SF, with the largest contiguous block of space ranging from 1,940 to 10,873 SF. The largest contiguous block of space includes 10,873 SF within Promenade at South Mountain and 5,689 SF within Southwest Corporate Center; the next largest block of space is 4,919 SF.





## Phoenix Office Submarket Asking Rental Rates (2018Q4)



### AMAZING ACCESSIBILITY AT AFFORDABLE RENTAL RATES

The Ahwatukee/Airport Area submarket provides an attractive combination of being in a highly accessible area, at very affordable rental rates. While it is the second largest submarket within the 25 metropolitan Phoenix submarkets in terms of square feet, it is ranked 18th in terms of average asking rental rates.

The average rental rate for the Tempe and 44th St Corridor submarkets are **\$4.13 PSF** and **\$2.84 PSF** more than the Ahwatukee/Airport Area submarket


### TIGHTENING OCCUPANCIES, AND SHORTAGES OF SPACE WILL TRIGGER RENTAL RATE GROWTH

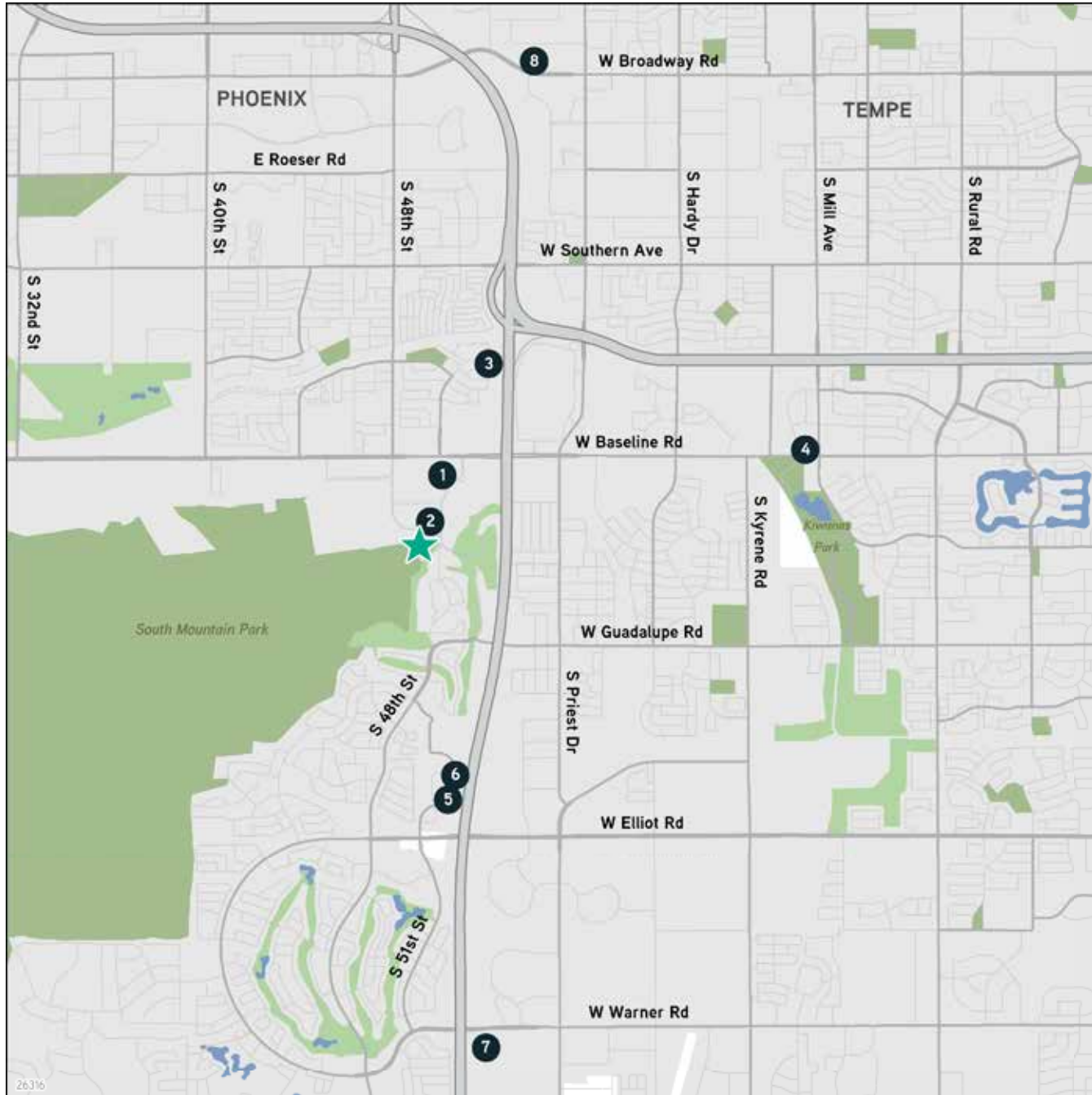
Through this analytics evaluation of the submarket information, together with specifically reviewing the status of the competitive set properties, it is evident that the following conditions exist within this submarket.

- (A) there will be an increase in shortages of certain sizes of space availability;
- (B) there is a high likelihood that the current large blocks of space that recently became available will absorb within a reasonable time frame;
- (C) the shortages and continued absorption of vacant space will create supply and demand imbalances that favor owners, who will be able to increase asking rates faster than a typical CPI adjustment; and
- (D) this unmet demand will trigger the need for new construction both via specific build to suit projects as well as speculative multi-tenant developments.

These market trends favorably impact the probability that Promenade at South Mountain will continue to absorb its vacancy with new market rate leases within a reasonable time frame.

## LEASING COMPETITIVE SET

PROPERTY	BUILDING SIZE YEAR BUILT	VACANT SF MAX CONTIG	LEASED %	ASKING RATE PSF EXPENSE STOP	PARKING RATIO/ 1,000	COMMENTS
 Promenade at South Mountain 8222 S 48th St Phoenix, AZ	109,481 1988 Ren. 2016	31,950 10,873	70.8%	\$17.50 FSG	4.5	Modernized main lobbies and courtyards; fully-renovated restrooms and common areas update this resort-style suburban office that is adjacent to the golf course within the campus of Arizona Grand Resort & Spa.
<b>1</b> Clocktower Corporate 7776 S Pointe Pky W Phoenix, AZ	109,779 1987	10,081 3,797	90.8%	\$17.00 FSG	4.0	"Sister building" to subject, just to the north, also on the campus of Arizona Grand Resort & Spa. While it is of similar design to subject, its lobbies, common areas have not been as nicely modernized.
<b>2</b> Mountain Pointe Office 8211 S 48th St Phoenix, AZ	56,680 1999	0 0	100.0%	\$24.00 FSG	4.6	Currently fully occupied by Stantec, but will go vacant when they relocate in April 2019. Owner is already marketing space for lease or sale. The sale price guidance is \$180 PSF.
<b>3</b> Tempe 10/60 Corporate Center 4415 & 4625 S Wendler Dr Tempe, AZ	90,000 1985 Ren. 2015	0 0	100.0%	\$22.50 FSG	7.1	Just north of Arizona Grand Resort & Spa, north of Baseline Rd, with I-10 frontage, providing excellent signage visibility and building identity; set up for large call center users.
<b>4</b> Mill Avenue Business Park 40 W Baseline Rd Tempe, AZ	42,880 1983 Ren. 2017	8,048 1,940	81.2%	\$19.00 FSG	5.0	Within business park that includes offices and flex and office; excellent exposure on Baseline Rd; business park offers conference room and onsite restaurant onsite; surrounded by excellent amenities.
<b>5</b> Freeway Executive Center 10429 S 51st St Phoenix, AZ	42,000 2001	4,919 4,919	88.3%	\$21.00 FSG	4.0	Just north of I-10 interchange at Elliot Rd, with I-10 visibility and frontage; adjacent to other offices and close to hotels, restaurants and executive housing; one vacancy off main lobby.
<b>6</b> 10 Corporate Center 10201-10235 S 51st St Phoenix, AZ	73,792 1987 Ren. 2017	14,674 2,654	80.1%	\$16.75 FSG	4.0	Just north of Elliot Rd, with I-10 visibility and frontage; hotels, restaurants and other amenities nearby; excellent offering for occupants ranging from 1,200 to 4,000 SF.
<b>7</b> One Agave Center - Ph I 8950 S 52nd St Phoenix, AZ	77,432 1999	9,648 3,835	87.5%	\$25.50 FSG	6.0	Just south of Warner Rd on east side of I-10 interchange; 4-story office, adjacent to hotels, restaurants and various amenities.
<b>8</b> Southwest Corporate Center 1600 W Broadway Rd Tempe, AZ	76,915 1984	9,010 5,689	88.3%	\$19.50 FSG	4.7	Directly east of I-10 on Broadway Rd, with excellent regional access, and nearby amenities. Owner occupies a full floor, with the remainder available for lease; vacancies range from 484 to 6,101 SF.



26316





# FINANCIAL OVERVIEW

## SUMMARY OF FINANCIAL ASSUMPTIONS

GLOBAL		VACANT SPACE LEASING		SECOND GENERATION LEASING		
<b>ANALYSIS PERIOD</b>		<b>OCCUPANCY AND ABSORPTION</b>			<u>Under 7K SF</u>	<u>Over 7K SF</u>
Commencement Date	May 1, 2019	Projected Vacant at 12/1/18	31,950 SF	<b>RETENTION RATIO</b>	75%	75%
End Date	April 30, 2024	Currently Vacant as of 9/1/18	31,950 SF	<b>FINANCIAL TERMS</b>		
Term	5 Years	Percentage Vacant at 9/1/18	29.18%	2018 Annual Market Rent	\$17.50 PSF	\$17.50 PSF
<b>AREA MEASURES</b>		Absorption Period	20 Month(s)	Rent Adjustment	\$0.50 PSF / Yr	\$0.50 PSF / Yr
Building Square Feet (NRSF)	109,481 SF	Absorption Period Start Date	May 1, 2019	Lease Term	5 Years	7 Years
<b>GROWTH RATES</b>		First Absorption Occurs On	May 1, 2019	Expense Reimbursement Type	Gross w/ BY	Gross w/ BY
Consumer Price Index (CPI)	3.00%	Last Absorption Occurs On	January 1, 2021	<b>TENANTING COSTS</b>		
Other Income Growth Rate	1.00%			Rent Abatements		
Operating Expenses	3.00%			New	3 Month(s)	5 Month(s)
Real Estate Taxes	5.00%			Renewal	1 Month(s)	2 Month(s)
Market Rent Growth				Weighted Average	1.50 Month(s)	2.75 Month(s)
				Tenant Improvements (\$/NRSF)		
CY 2020 - 3.00% - \$18.03 PSF				New	\$20.00 PSF	\$20.00 PSF
CY 2021 - 3.00% - \$18.57 PSF				Renewal	\$8.00 PSF	\$8.00 PSF
CY 2022 - 3.00% - \$19.12 PSF				Weighted Average	\$11.00 PSF	\$11.00 PSF
CY 2023 - 3.00% - \$19.70 PSF				Commissions		
CY 2024 - 3.00% - \$20.29 PSF				New	7.50%	7.50%
CY 2025 - 3.00% - \$20.90 PSF				Renewal	5.00%	5.00%
CY 2026 - 3.00% - \$21.52 PSF				Weighted Average	5.63%	5.63%
CY 2027 - 3.00% - \$22.17 PSF				Downtime		
CY 2028 - 3.00% - \$22.83 PSF				New	6 Month(s)	6 Month(s)
CY 2029+ - 3.00% - \$23.52 PSF				Renewal	2 Month(s)	2 Month(s)
<b>GENERAL VACANCY LOSS</b>	7.00% [1]					
<b>CAPITAL RESERVES (CY 2018 VALUE)</b>	\$0.25 PSF					

### EXPENSES

<b>OPERATING EXPENSE SOURCE</b>	2019 Budget	[2]
<b>MANAGEMENT FEE (% OF EGR)</b>	4.00%	
<b>REAL ESTATE TAXES REASSESSED</b>	No	

All market rent rates are stated on calendar-year basis.

[1] General Vacancy Loss factor includes losses attributable to projected lease-up, rollover downtime, and fixturing downtime. All tenants are subject to this loss factor.

[2] For the purposes of this analysis, the following expenses have been classified as variable and grossed-up to 100%. Additionally, there are various expenses which were adjusted to be reflective of the market and other comparable buildings.

## CASH FLOW PROJECTIONS

Fiscal Year Ending - April 30	2020	2021	2022	2023	2024	2025
Physical Occupancy	74.49%	90.80%	97.98%	98.69%	96.02%	98.25%
Overall Economic Occupancy [1]	72.33%	77.47%	91.28%	92.58%	86.10%	91.87%
Weighted Average Market Rent	\$17.68	\$18.21	\$18.75	\$19.31	\$19.89	\$20.49
Weighted Average In Place Rent [2]	\$16.79	\$15.61	\$17.92	\$18.72	\$18.13	\$19.77
Total Operating Expenses PSF Per Year	\$5.55	\$5.97	\$6.33	\$6.56	\$6.70	\$7.00

REVENUES	In-Place NOI [3]	FY 2020 \$/SF/YR [4]	2020	2021	2022	2023	2024	2025
Scheduled Base Rent								
Gross Potential Rent	\$1,346,667	\$17.45	\$1,910,675	\$1,966,302	\$2,000,238	\$2,060,060	\$2,136,870	\$2,192,683
Absorption & Turnover Vacancy	(31,098)	(4.51)	(493,530)	(182,480)	(41,567)	(28,157)	(85,926)	(39,774)
Base Rent Abatements	0	(0.44)	(48,130)	(232,346)	(36,033)	(9,250)	(144,910)	(25,919)
Total Scheduled Base Rent	1,315,569	12.50	1,369,015	1,551,476	1,922,638	2,022,653	1,906,034	2,126,990
Expense Reimbursements	44,466	0.44	48,178	59,741	76,405	82,017	57,970	76,005
Parking Income	11,257	0.10	11,257	11,370	11,484	11,599	11,714	11,832
After Hours Electric Reimb	35,451	0.32	35,451	36,515	37,610	38,738	39,900	41,097
<b>TOTAL GROSS REVENUE</b>	1,406,743	13.37	1,463,901	1,659,102	2,048,137	2,155,007	2,015,618	2,255,924
General Vacancy Loss	0	0.00	0	0	(104,712)	(124,664)	(61,182)	(120,925)
<b>EFFECTIVE GROSS REVENUE</b>	1,406,743	13.37	1,463,901	1,659,102	1,943,425	2,030,343	1,954,436	2,134,999
<b>TOTAL OPERATING EXPENSES</b>	(599,077)	(5.55)	(607,512)	(653,473)	(693,457)	(718,594)	(733,679)	(766,041)
<b>NET OPERATING INCOME</b>	<b>\$807,666</b>	<b>7.82</b>	<b>856,389</b>	<b>1,005,629</b>	<b>1,249,968</b>	<b>1,311,749</b>	<b>1,220,757</b>	<b>1,368,958</b>
<b>CAPITAL COSTS</b>								
Tenant Improvements		(1.61)	(176,072)	(638,219)	(131,736)	(41,180)	(415,380)	(130,337)
Leasing Commissions		(0.80)	(87,720)	(333,032)	(60,582)	(18,929)	(225,488)	(59,666)
Capital Reserves		(0.25)	(27,644)	(28,473)	(29,327)	(30,207)	(31,114)	(32,047)
<b>TOTAL CAPITAL COSTS</b>		(2.66)	(291,436)	(999,724)	(221,645)	(90,316)	(671,982)	(222,050)
<b>OPERATING CASH FLOW</b>		<b>\$5.16</b>	<b>\$564,953</b>	<b>\$5,905</b>	<b>\$1,028,323</b>	<b>\$1,221,433</b>	<b>\$548,775</b>	<b>\$1,146,908</b>

[1] This figure takes into account vacancy/credit loss, absorption vacancy, turnover vacancy, and base rent abatements.

[2] This figure does not include any amount related to expense reimbursements. Only Scheduled Base Rent and Fixed/CPI Increases are included in this calculation, which is based on the weighted-average physical occupancy during each fiscal year.

[3] See schedule titled In-Place and Projected NOI Summary for more details.

[4] Based on 109,481 square feet.

## EXPENSE DETAIL

FISCAL YEAR ENDING - APRIL 30	2020 PSF [1]	2020	2021	2022	2023	2024	2025
<b>EXPENSES</b>							
<b>Reimbursable Expenses</b>							
CAM	\$0.54	\$58,701	\$60,462	\$62,276	\$64,144	\$66,069	\$68,051
Janitorial	0.67	73,301	82,574	88,229	91,194	92,694	96,533
Property Management	0.53	58,556	66,364	77,737	81,214	78,177	85,400
Real Estate Taxes	0.96	104,650	109,882	115,376	121,145	127,202	133,562
Repairs & Maintenance	1.04	114,130	117,554	121,081	124,713	128,454	132,308
Insurance	0.11	12,221	12,588	12,965	13,354	13,755	14,167
Electricity	1.02	111,566	125,679	134,286	138,799	141,082	146,925
Other Utilities	0.36	38,936	41,855	43,897	45,293	46,346	47,998
<b>Total Reimbursable Expenses</b>	<b>5.23</b>	<b>572,061</b>	<b>616,958</b>	<b>655,847</b>	<b>679,856</b>	<b>693,779</b>	<b>724,944</b>
<b>Non-Reimbursable Expenses</b>							
N/R After Hours Electricity [2]	0.32	35,451	36,515	37,610	38,738	39,900	41,097
<b>Total Non-Reimbursable Expenses</b>	<b>0.32</b>	<b>35,451</b>	<b>36,515</b>	<b>37,610</b>	<b>38,738</b>	<b>39,900</b>	<b>41,097</b>
<b>TOTAL EXPENSES</b>	<b>\$5.55</b>	<b>\$607,512</b>	<b>\$653,473</b>	<b>\$693,457</b>	<b>\$718,594</b>	<b>\$733,679</b>	<b>\$766,041</b>
<b>EXPENSES PER SQUARE FOOT [1]</b>							
Total Reimbursable Expenses		\$5.23	\$5.64	\$5.99	\$6.21	\$6.34	\$6.62
Total Non-Reimbursable Expenses		0.32	0.33	0.34	0.35	0.36	0.38
<b>TOTAL EXPENSES PER SQUARE FOOT</b>		<b>\$5.55</b>	<b>\$5.97</b>	<b>\$6.33</b>	<b>\$6.56</b>	<b>\$6.70</b>	<b>\$7.00</b>
<b>EXPENSE REIMBURSEMENTS</b>							
		\$48,178	\$59,741	\$76,405	\$82,017	\$57,970	\$76,005
<b>EXPENSE REIMBURSEMENTS PER SQUARE FOOT [1]</b>							
		\$0.44	\$0.55	\$0.70	\$0.75	\$0.53	\$0.69
<b>REIMBURSEMENTS AS A % OF REIMBURSABLE EXPENSES</b>							
		8%	10%	12%	12%	8%	10%

[1] Based on 109,481 total building square feet.

[2] N/R After Hours Electricity expense is offset with a Miscellaneous Income in the same amount.

## VACANT SPACE ASSUMPTIONS

SUITE	TENANT	SQUARE FEET	LEASE START	INITIAL COUPON MARKET RENT [1]	RENT ADJUSTMENT	LEASE TERM	RENT ABATEMENTS	TENANT IMPROVEMENTS	LEASING COMMISSIONS
<b>Vacant Space</b>									
115	VACANT	1,710	May-19	\$17.50 PSF BY	\$0.50 PSF / Yr	5 Years	3 Month(s)	\$15.00 PSF	7.50%
146	VACANT	5,043	Oct-19	\$17.50 PSF BY	\$0.50 PSF / Yr	5 Years	3 Month(s)	\$15.00 PSF	7.50%
180	VACANT	2,348	Oct-19	\$17.50 PSF BY	\$0.50 PSF / Yr	5 Years	3 Month(s)	\$0.00 PSF	7.50%
195	VACANT	3,593	Jan-21	\$17.50 PSF BY	\$0.50 PSF / Yr	5 Years	3 Month(s)	\$15.00 PSF	7.50%
220	VACANT	10,873	May-20	\$17.50 PSF BY	\$0.50 PSF / Yr	7 Years	5 Month(s)	\$15.00 PSF	7.50%
235	VACANT	1,751	Aug-20	\$17.50 PSF BY	\$0.50 PSF / Yr	5 Years	3 Month(s)	\$10.00 PSF	7.50%
240	VACANT	3,381	Jan-21	\$17.50 PSF BY	\$0.50 PSF / Yr	5 Years	3 Month(s)	\$15.00 PSF	7.50%
250	VACANT	2,379	Jan-21	\$17.50 PSF BY	\$0.50 PSF / Yr	5 Years	3 Month(s)	\$15.00 PSF	7.50%
255	VACANT	872	Oct-19	\$17.50 PSF BY	\$0.50 PSF / Yr	5 Years	3 Month(s)	\$15.00 PSF	7.50%
<b>Total Vacant Space</b>		<b>31,950</b>							

[1] Calendar year 2019 value. Actual starting contract rent depends on the year in which vacant lease-up tenant begins.



## SECOND GENERATION SPACE ASSUMPTIONS

SUITE	TENANT AT MAY 1, 2019	SQUARE FEET	INITIAL COUPON MARKET RENT [1]	RENT ADJUSTMENT	LEASE TERM	Rent Abatements		Tenant Improvements [1]		Leasing Commissions	
						NEW/RENEWAL	WEIGHTED AVERAGE	NEW/RENEWAL	WEIGHTED AVERAGE	NEW/RENEWAL	WEIGHTED AVERAGE
100	ARC Therapy & Nurse On Call	9,390	\$17.50 PSF BY	\$0.50 PSF / Yr	7 Years	5 Mo(s)/2 Mo(s)	2.8 Mo(s)	\$20.00 PSF/\$8.00 PSF	\$11.00 PSF	7.50%/5.00%	5.63%
112	ParaCore, LLC	3,651	\$17.50 PSF BY	\$0.50 PSF / Yr	5 Years	3 Mo(s)/1 Mo(s)	1.5 Mo(s)	\$20.00 PSF/\$8.00 PSF	\$11.00 PSF	7.50%/5.00%	5.63%
120	Association for Supportive Child Care	14,305	\$17.50 PSF BY	\$0.50 PSF / Yr	7 Years	5 Mo(s)/2 Mo(s)	2.8 Mo(s)	\$20.00 PSF/\$8.00 PSF	\$11.00 PSF	7.50%/5.00%	5.63%
150	Empire West Title Agency	4,905	\$17.50 PSF BY	\$0.50 PSF / Yr	5 Years	3 Mo(s)/1 Mo(s)	1.5 Mo(s)	\$20.00 PSF/\$8.00 PSF	\$11.00 PSF	7.50%/5.00%	5.63%
155	Multicard, Inc.	2,475	\$17.50 PSF BY	\$0.50 PSF / Yr	5 Years	3 Mo(s)/1 Mo(s)	1.5 Mo(s)	\$20.00 PSF/\$8.00 PSF	\$11.00 PSF	7.50%/5.00%	5.63%
175	Schlage Lock Company, LLC	7,376	\$17.50 PSF BY	\$0.50 PSF / Yr	7 Years	5 Mo(s)/2 Mo(s)	2.8 Mo(s)	\$20.00 PSF/\$8.00 PSF	\$11.00 PSF	7.50%/5.00%	5.63%
190	Microsemi Corporation	2,995	\$17.50 PSF BY	\$0.50 PSF / Yr	5 Years	3 Mo(s)/1 Mo(s)	1.5 Mo(s)	\$20.00 PSF/\$8.00 PSF	\$11.00 PSF	7.50%/5.00%	5.63%
200	Kiser Tax	951	\$17.50 PSF BY	\$0.50 PSF / Yr	5 Years	3 Mo(s)/1 Mo(s)	1.5 Mo(s)	\$20.00 PSF/\$8.00 PSF	\$11.00 PSF	7.50%/5.00%	5.63%
205	AZ Virtue, LLC	1,758	\$17.50 PSF BY	\$0.50 PSF / Yr	5 Years	3 Mo(s)/1 Mo(s)	1.5 Mo(s)	\$20.00 PSF/\$8.00 PSF	\$11.00 PSF	7.50%/5.00%	5.63%
210	Prorenata Labs, LLC	3,183	\$17.50 PSF BY	\$0.50 PSF / Yr	5 Years	3 Mo(s)/1 Mo(s)	1.5 Mo(s)	\$20.00 PSF/\$8.00 PSF	\$11.00 PSF	7.50%/5.00%	5.63%
215	Altura Communication Solutions	1,331	\$17.50 PSF BY	\$0.50 PSF / Yr	5 Years	3 Mo(s)/1 Mo(s)	1.5 Mo(s)	\$20.00 PSF/\$8.00 PSF	\$11.00 PSF	7.50%/5.00%	5.63%
225	ARRIS Solutions, Inc.	12,141	\$17.50 PSF BY	\$0.50 PSF / Yr	7 Years	5 Mo(s)/2 Mo(s)	2.8 Mo(s)	\$20.00 PSF/\$8.00 PSF	\$11.00 PSF	7.50%/5.00%	5.63%
236	Phoenix Design Group	1,179	\$17.50 PSF BY	\$0.50 PSF / Yr	5 Years	3 Mo(s)/1 Mo(s)	1.5 Mo(s)	\$20.00 PSF/\$8.00 PSF	\$11.00 PSF	7.50%/5.00%	5.63%
265	Pollywog, LLC	3,204	\$17.50 PSF BY	\$0.50 PSF / Yr	5 Years	3 Mo(s)/1 Mo(s)	1.5 Mo(s)	\$20.00 PSF/\$8.00 PSF	\$11.00 PSF	7.50%/5.00%	5.63%
275	C. Myers Corporation	8,687	\$17.50 PSF BY	\$0.50 PSF / Yr	7 Years	5 Mo(s)/2 Mo(s)	2.8 Mo(s)	\$20.00 PSF/\$8.00 PSF	\$11.00 PSF	7.50%/5.00%	5.63%
<b>Total Existing Square Feet</b>		<b>77,531</b>									
<b>Vacant Suites</b>											
115	VACANT	1,710	\$17.50 PSF BY	\$0.50 PSF / Yr	5 Years	3 Mo(s)/1 Mo(s)	1.5 Mo(s)	\$20.00 PSF/\$8.00 PSF	\$11.00 PSF	7.50%/5.00%	5.63%
146	VACANT	5,043	\$17.50 PSF BY	\$0.50 PSF / Yr	5 Years	3 Mo(s)/1 Mo(s)	1.5 Mo(s)	\$20.00 PSF/\$8.00 PSF	\$11.00 PSF	7.50%/5.00%	5.63%
180	VACANT	2,348	\$17.50 PSF BY	\$0.50 PSF / Yr	5 Years	3 Mo(s)/1 Mo(s)	1.5 Mo(s)	\$20.00 PSF/\$8.00 PSF	\$11.00 PSF	7.50%/5.00%	5.63%
195	VACANT	3,593	\$17.50 PSF BY	\$0.50 PSF / Yr	5 Years	3 Mo(s)/1 Mo(s)	1.5 Mo(s)	\$20.00 PSF/\$8.00 PSF	\$11.00 PSF	7.50%/5.00%	5.63%
220	VACANT	10,873	\$17.50 PSF BY	\$0.50 PSF / Yr	7 Years	5 Mo(s)/2 Mo(s)	2.8 Mo(s)	\$20.00 PSF/\$8.00 PSF	\$11.00 PSF	7.50%/5.00%	5.63%
235	VACANT	1,751	\$17.50 PSF BY	\$0.50 PSF / Yr	5 Years	3 Mo(s)/1 Mo(s)	1.5 Mo(s)	\$20.00 PSF/\$8.00 PSF	\$11.00 PSF	7.50%/5.00%	5.63%
240	VACANT	3,381	\$17.50 PSF BY	\$0.50 PSF / Yr	5 Years	3 Mo(s)/1 Mo(s)	1.5 Mo(s)	\$20.00 PSF/\$8.00 PSF	\$11.00 PSF	7.50%/5.00%	5.63%
250	VACANT	1,083	\$17.50 PSF BY	\$0.50 PSF / Yr	5 Years	3 Mo(s)/1 Mo(s)	1.5 Mo(s)	\$20.00 PSF/\$8.00 PSF	\$11.00 PSF	7.50%/5.00%	5.63%
255	VACANT	872	\$17.50 PSF BY	\$0.50 PSF / Yr	5 Years	3 Mo(s)/1 Mo(s)	1.5 Mo(s)	\$20.00 PSF/\$8.00 PSF	\$11.00 PSF	7.50%/5.00%	5.63%
<b>Total Vacant Square Feet</b>		<b>31,950</b>									
<b>Total Rentable Square Feet</b>		<b>109,481</b>									

\* A retention ratio of 75% and 6 months downtime for all new tenants has been applied (resulting in a weighted average of 2 months downtime).

[1] Calendar year 2019 value.

[2] These weighted average amounts have been rounded to the nearest whole month.

## EXISTING VERSUS MARKET COMPARISON

SUITE	TENANT AT MAY 1, 2019	SQUARE FEET	LEASE START	LEASE END	EXISTING RENT AS OF MAY 1, 2019	MARKET RENT AS OF MAY 1, 2019	PERCENTAGE ABOVE/ (BELOW) MARKET RENT [1]
<b>Existing Tenants</b>							
100	ARC Therapy & Nurse On Call	9,390	Oct-17	Dec-20	\$19.50 PSF BY	\$17.50 PSF BY	11.43%
112	ParaCore, LLC	3,651	May-18	Jul-21	\$19.00 PSF BY	\$17.50 PSF BY	8.57%
120	Association for Supportive Child Care	14,305	Feb-18	May-23	\$16.00 PSF BY	\$17.50 PSF BY	-8.57%
150	Empire West Title Agency	4,905	Jun-16	Nov-21	\$17.50 PSF BY	\$17.50 PSF BY	0.00%
155	Multicard, Inc.	2,475	Nov-16	Mar-22	\$14.75 PSF BY	\$17.50 PSF BY	-15.71%
175	Schlage Lock Company, LLC	7,376	Sep-17	Feb-23	\$16.50 PSF BY	\$17.50 PSF BY	-5.71%
[2] 190	Microsemi Corporation	2,995	Jul-16	Sep-19	\$16.50 PSF BY	\$17.50 PSF BY	-5.71%
200	Kiser Tax	951	Feb-19	Feb-22	\$17.50 PSF BY	\$17.50 PSF BY	0.00%
205	AZ Virtue, LLC	1,758	Jun-17	Jul-20	\$16.00 PSF BY	\$17.50 PSF BY	-8.57%
210	Prorenata Labs, LLC	3,183	Jun-18	Sep-23	\$16.75 PSF BY	\$17.50 PSF BY	-4.29%
215	Altura Communication Solutions	1,331	Aug-18	Jan-22	\$17.00 PSF BY	\$17.50 PSF BY	-2.86%
225	ARRIS Solutions, Inc.	12,141	Feb-06	Mar-20	\$17.00 PSF BY	\$17.50 PSF BY	-2.86%
236	Phoenix Design Group	1,179	Sep-17	Oct-21	\$16.00 PSF BY	\$17.50 PSF BY	-8.57%
265	Pollywog, LLC	3,204	Feb-18	Jul-20	\$16.00 PSF BY	\$17.50 PSF BY	-8.57%
275	C. Myers Corporation	8,687	Jun-99	Jun-23	\$18.00 PSF BY	\$17.50 PSF BY	2.86%
<b>Total Existing Square Feet</b>		<b>77,531</b>			<b>\$17.13</b>	<b>\$17.50</b>	<b>-2.09%</b>

[1] The calculation of total "Percentage Above/(Below) Market Rent" only includes existing tenants as noted in this schedule.

[2] The tenant's lease expiration is 11/30/2021, however they have provided notice they be exercising termination option. It is estimated they will vacate 9/30/2019.

## EXISTING LEASE EXPIRATIONS

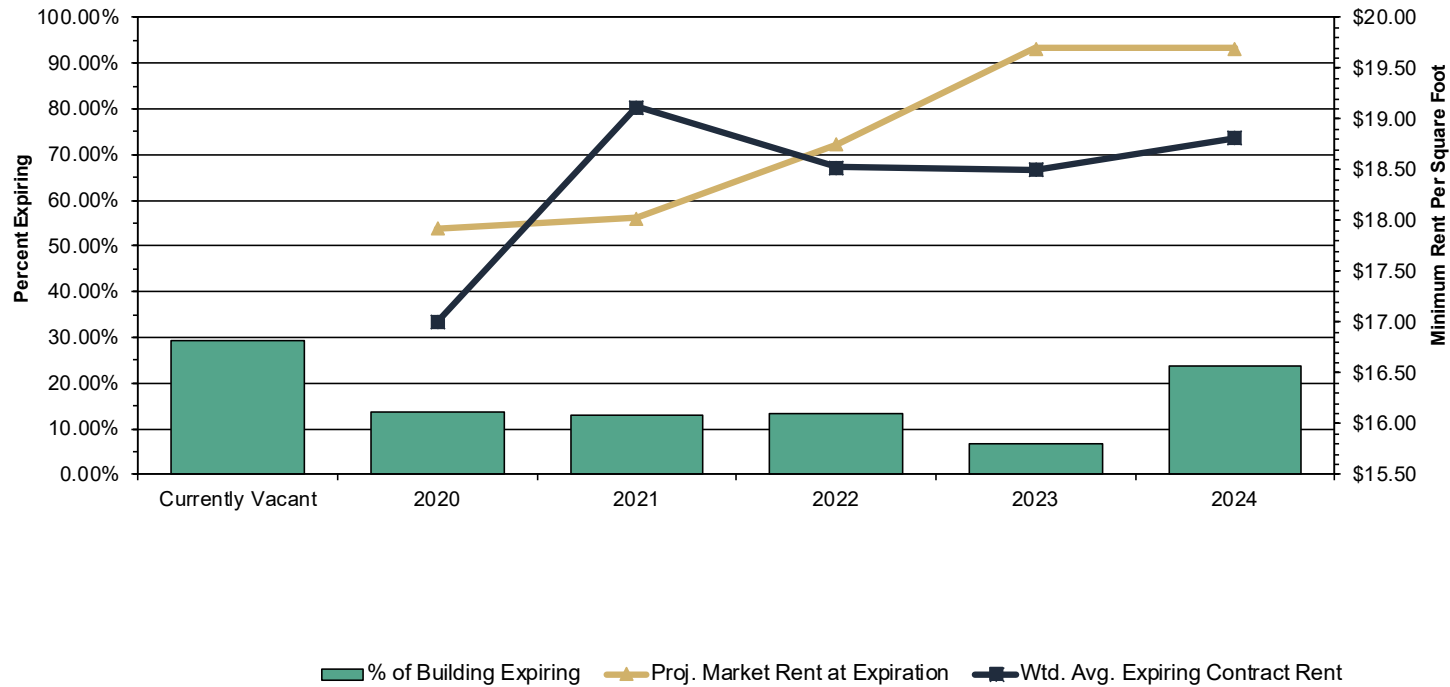
DATE	TENANT	SUITES	TOTAL SF	ANNUAL (% OF SF) [1]	CUMULATIVE (% OF SF) [1]	CONTRACT RENT AT EXPIRATION	PROJECTED MKT. RENT AT EXPIRATION	\$ VARIANCE	% VARIANCE
Sep-19	Microsemi Corporation	190	2,995	2.74%		\$17.00	\$17.50	(\$0.50)	-2.86%
Mar-20	ARRIS Solutions, Inc.	225	12,141	11.09%		17.00	18.03	(1.03)	-5.69%
<i>FYE 2020 Totals</i>			15,136	13.83%	13.83%	\$17.00	\$17.92	(\$0.92)	-5.14%
Jul-20	AZ Virtue, LLC	205	1,758	1.61%		\$16.50	\$18.03	(\$1.53)	-8.46%
Jul-20	Pollywog, LLC	265	3,204	2.93%		16.50	18.03	(1.53)	-8.46%
Dec-20	ARC Therapy & Nurse On Call	100	9,390	8.58%		20.50	18.03	2.48	13.73%
<i>FYE 2021 Totals</i>			14,352	13.11%	26.93%	\$19.12	\$18.03	\$1.09	6.06%
Jul-21	ParaCore, LLC	112	3,651	3.33%		\$20.00	\$18.57	\$1.43	7.73%
Oct-21	Phoenix Design Group	236	1,179	1.08%		17.00	18.57	(1.57)	-8.43%
Nov-21	Empire West Title Agency	150	4,905	4.48%		19.00	18.57	0.43	2.34%
Jan-22	Altura Communication Solutions	215	1,331	1.22%		18.00	19.12	(1.12)	-5.87%
Feb-22	Kiser Tax	200	951	0.87%		19.00	19.12	(0.12)	-0.64%
Mar-22	Multicard, Inc.	155	2,475	2.26%		16.25	19.12	(2.87)	-15.02%
<i>FYE 2022 Totals</i>			14,492	13.24%	40.17%	\$18.53	\$18.75	(\$0.22)	-1.18%
Feb-23	Schlage Lock Company, LLC	175	7,376	6.74%		\$18.50	\$19.70	(\$1.20)	-6.07%
<i>FYE 2023 Totals</i>			7,376	6.74%	46.91%	\$18.50	\$19.70	(\$1.20)	-6.07%
May-23	Association for Supportive Chi	120	14,305	13.07%		\$18.00	\$19.70	(\$1.70)	-8.61%
Jun-23	C. Myers Corporation	275	8,687	7.93%		20.00	19.70	0.30	1.54%
Sep-23	Prorenata Labs, LLC	210	3,183	2.91%		19.25	19.70	(0.45)	-2.27%
<i>FYE 2024 Totals</i>			26,175	23.91%	70.82%	\$18.82	\$19.70	(\$0.88)	-4.47%
<b>Subtotal</b>			77,531	70.82%					
Vacant			31,950	29.18%	100.00%				
<b>TOTAL</b>			109,481	100.00%					

[1] Based on 109,481 total building square feet.

## EXISTING LEASE EXPIRATIONS

FISCAL YEAR ENDING NOVEMBER [1]	NUMBER OF SUITES	NET RENTABLE SQUARE FEET EXPIRING	PERCENTAGE SQUARE FEET EXPIRING	CUMULATIVE SQUARE FEET EXPIRING	WEIGHTED, AVERAGE CONTRACT RENT AT EXPIRATION	PROJECTED MARKET RENT AT EXPIRATION	\$ VARIANCE	% VARIANCE
Currently Vacant	9	31,950	29.18%					
2020	2	15,136	13.83%	13.83%	\$17.00	\$17.92	(\$0.92)	-5.14%
2021	3	14,352	13.11%	26.93%	\$19.12	\$18.03	(\$1.09)	6.06%
2022	6	14,492	13.24%	40.17%	\$18.53	\$18.75	(\$0.22)	-1.18%
2023	1	7,376	6.74%	46.91%	\$18.50	\$19.70	(\$1.20)	-6.07%
2024	3	26,175	23.91%	70.82%	\$18.82	\$19.70	(\$0.88)	-4.47%

Market Rent At Expiration vs. Weighted Average Contract Rent At Expiration [1]



[1] The years in which no existing tenants expire are not reflected on this graph.



# PROMENADE AT SOUTH MOUNTAIN



## EXCLUSIVE ADVISORS

### Investment

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