

FLEX OFFICE INVESTMENT OPPORTUNITY

HOHOKAM COURT

A 100%-occupied, ±70,853-SF flex office project located in Tempe, Arizona



CUSHMAN &
WAKEFIELD

An aerial photograph of a modern, multi-story building complex with a large parking lot in the foreground. The building has a flat roof and large windows. In the background, a prominent hill with a rocky peak is visible under a clear sky. The entire image is overlaid with a semi-transparent blue filter.

IN THE HEART OF THE VALLEY MINUTES FROM SKY HARBOR INTERNATIONAL AIRPORT

HOHOKAM COURT

2005 W 14th Street, Tempe, Arizona 85281

CONTENTS

Investment Highlights.....	6
Property Overview	14
Tenancy.....	20
Market.....	24
Financial Analysis.....	32



CAPITAL MARKETS GROUP

Tracy Cartledge
Executive Director
+1 602 682 8242
tracy.cartledge@cushwake.com

Bob Buckley
Executive Director
+1 602 682 8240
robert.buckley@cushwake.com



LEASING

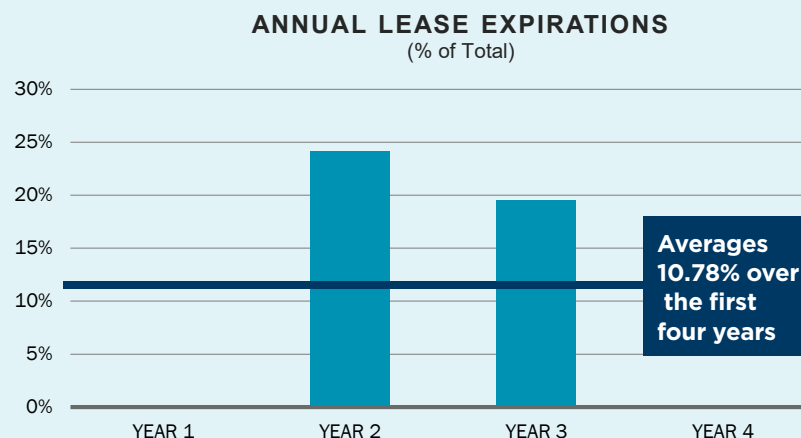
Mark Gustin
Managing Director
+1 602 282 6316
mark.gustin@am.jll.com

Hohokam Court

Hohokam Court is an attractive opportunity to acquire a high-quality, well-maintained, 100% occupied flex office property in Tempe, Arizona. With a solid tenant roster and a favorable lease expiration schedule, the project is set for predictable performance.

- + **Quality Location** - Located in Tempe, one of AZ's most dynamic cities, with a 24/7 downtown, abundant retail and dining amenities, Arizona State University, and thriving office and industrial markets.
- + **Exceptional Tenancy** - Hohokam has continually appealed to first class tenants from inception to current times. A trend that brought tenants like TQL, J-Curve, Berlitz, and The City of Tempe. Averaging 10.78% rollover through year 4 the project will provide a strong and consistent cash return.
- + **Longevity** - TQL, the anchor tenant of the project has a long standing commitment to Hohokam Court, dating back to 2016 when their tenancy commenced.
- + **Physical Sustainability** - Convenient drive-up, exterior-loaded suite access that can accommodate a wide variety of uses: traditional or creative office, back office, production, lab space, among others.

Favorable Lease Expiration Schedule



Exceptional Tenancy





PURCHASE PRICE
\$13.65M

OCCUPANCY
100%

IN PLACE NOI
\$1,018,815
 at current rents

**RENT PER
 SQUARE FEET**
\$15.41_{net}

LAND SIZE
±6.69 ac
 ±291,560
 square feet

NET RENTABLE AREA
±70,853
 square feet

YEAR BUILT
1989

CAP RATE
8.12

PARKING RATIO
5.14
 per thousand
 square feet

Property Features

- + 70,853 single story flex office building.
- + Six points of entry to the property.
- + Drive-up access with convenient loading ensures a safe working environment for both tenants and visitors.
- + Highly functional, flexible space and attractive architecture is appealing to a broad range of tenants.
- + Design elements provide a contemporary appeal that allows the project to compete for tenants at the highest level.

Location Highlights

- + Tempe, one of the most dynamic cities in Arizona, is fundamentally 100% built out.
- + Tempe employment includes tech, financial services, and advanced manufacturing giants like State Farm, Wells Fargo, JP Morgan Chase, and Honeywell.
- + It's location in the center of the valley metro area and close proximity to the freeway network sets it apart.
- + Located within five minutes of Phoenix Sky Harbor Airport and two minutes from Interstate 10 and SR-143 provides one of the most accessible locations in the valley.
- + Current I-10 freeway enhancement and modernization project improves an already perfect location.



INVESTMENT HIGHLIGHTS





LOCATION AND MARKET

Transportation-accessible location in Metro Phoenix's hottest submarket

- + Tempe is in the heart of the metro Phoenix area and includes a rich amenity base, well-educated workforce, and desirable quality of life.
- + Amenity-rich location, with easy access to downtown's Mill Avenue district and the Arizona Mills super-regional mall.
- + Superb transportation access, with both Interstate 10 and State Route 143 less than two minutes away. Five freeways lie within five minutes.
- + Located minutes from Phoenix Sky Harbor International Airport.
- + Convenient to a broad range of executive and employee housing in Tempe, Chandler, Gilbert, Ahwatukee Foothills, and Scottsdale.
- + More than 2.7 million people—58% of the metropolitan Phoenix area—live within a 30-minute commute.
- + Tempe has hit full development, with only a small scattering of unimproved parcels to develop. Future development going forward will require redevelopment of land which will maintain significant pressure on land values.



101

TEMPE TOWN LAKE

STATE FARM 2 MSF CAMPUS

202

101

FIRST SOLAR

ADP

DOWNTOWN TEMPE

Mill Ave

ARIZONA STATE UNIVERSITY

SAP

AMERICAN AIRLINES

W University Drive

MEDTRONIC

MICROCHIP TECHNOLOGY

W 14th Street

RIO SALADO COLLEGE

HOHOKAM COURT

EIS

CARMAX

HOME DEPOT

AMAZON

Broadway Road

HAMPTON INN

SHERATON

S 52nd Street

143

10

48th Street

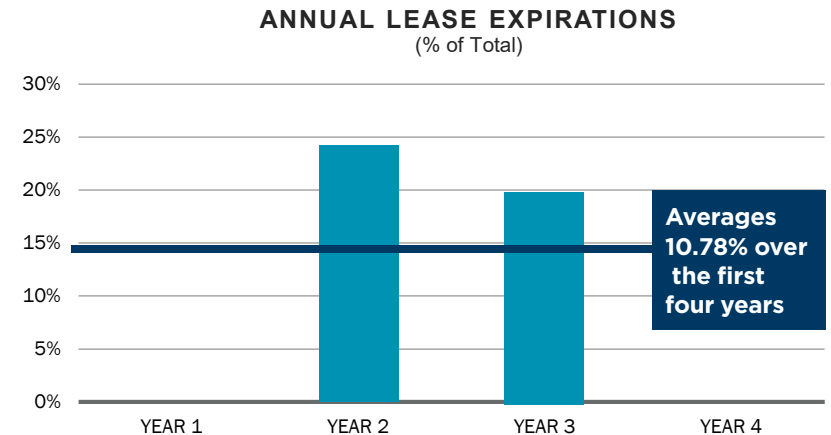
Broadway Road

Long Term Tenancy Provides a Solid Foundation

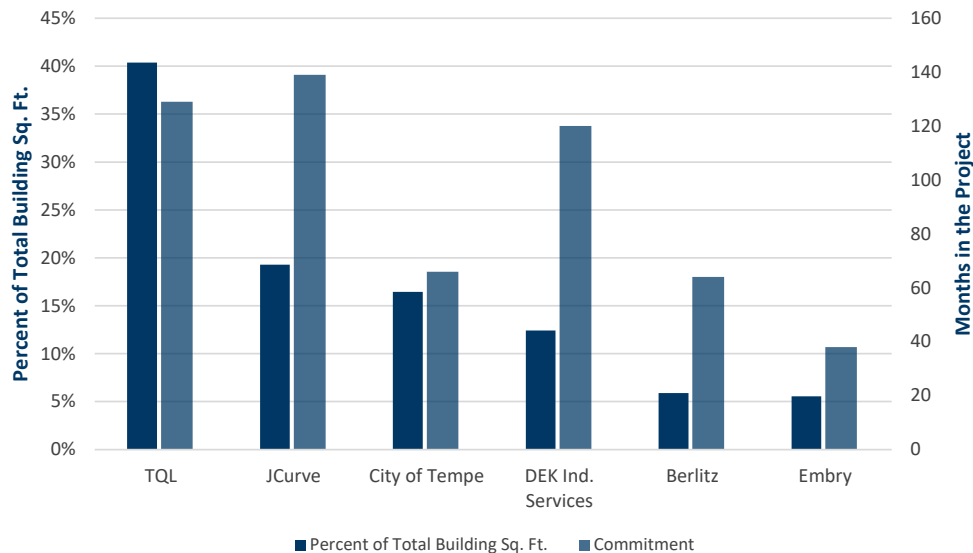
Hohokam Court provides an impressive tenant roster including TQL, as the anchor tenant in the project. TQL is one of the largest freight brokerage firms in the United States. Validating the strength of the location is the project's newest tenant, City of Tempe who will occupy 16% of the project on a new 66 month lease.

Attractive lease expiration schedule solidifies the project's cash flow

- Hohokam Court's tenancy boasts that just 10.78% of the total square footage expires on average each of the first 4 years. This limited annual rollover minimizes risk and enhances cash flow.



Hohokam Court



The largest tenants in Hohokam Court have the longest tenure in the project

- Hohokam's largest tenant has the longest tenure in the project. TQL occupancy the current lease expiration extended beyond 10 years. The project's proven track record of attracting and maintaining quality tenants is a testament to Hohokam Court's appeal.

PROPERTY OVERVIEW

Need Quality Space? Hohokam Court is the solution

- + Pride of ownership, developed and owned by the same party since the slab was poured.
- + Hohokam Court offers its tenants the ability to control their health and wellness in a self-contained, exterior-loaded flex office environment.
- + Hohokam Court is a high-quality flex office facility with a contemporary design that appeals to a broad range of tenants.
- + The project's design and site layout provide excellent connectivity to expand or collaborate with other tenants.
- + Projected value expected to be well-below current replacement costs, estimated to be \$243 per square foot.
- + Flexible configuration, evidenced with an average tenant size of 10,121 square feet.
- + Convenient site access, with six points of ingress & egress and exterior loading.
- + Back up power provided by a 200-kW diesel generator and additional pad site provides a dependable power supply.

PROPERTY OVERVIEW

COMPLETED RENOVATIONS

UPGRADE	AMOUNT
Parking lot milling and paving (2019)	\$132,956
Cooling tower replacement (2019)	\$190,068
New foam & acrylic roof (2019)	\$118,990
Transition to arid/xeriscape landscaping (2019)	\$40,941
Parking lot recoated (October 2022)	\$35,000
West 15th St - recoat (2022)	\$14,663
Total recent capital improvements	\$532,618



An aerial photograph of a commercial property. In the foreground, there is a large, dark asphalt parking lot with white parking lines. A red banner with the text "PROPERTY OVERVIEW" is overlaid on the left side of the parking lot. Behind the parking lot is a single-story commercial building with a light-colored facade and large glass windows. The building has a flat roof and a green awning over the entrance. To the right of the building, there is a multi-story residential or office building with a tan and brown facade. The sky is blue with scattered white clouds. The overall scene is a clear, sunny day.

PROPERTY OVERVIEW



Site Summary

LOCATION	The southwest cournter of 52nd Steet and 14th Street, Tempe, Arizona	
PROPERTY ADDRESS	2005 West 14th Street Tempe, AZ 85281	
PARCEL (APN)	124-58-126	
SITE AREA	±6.69 acres ±291,560 square feet	
ZONING	GID, General Industrial District City of Tempe	
ACCESS	Two entrances on 14th Street and four entrances on 15th Street/Hohokam Drive	
PARKING RATIO	±5.14 spaces per 1,000 square feet	
PARKING SPACES	Regular	296
	Covered	58
	Handicap	10
	Total Parking Spaces	364
PRIVATE DRIVE PARKING	The project also has the right to 18 unmarked parking spaces along West 15th Street, a private drive immediately south of the property.	
LEASED PARKING SPACES	The owner leases 115 parking spaces (spaces 400–513) on the property directly north.	
TOTAL AVAILABLE PARKING	497 spaces, including spaces designated on 15th Street equates to a 7.01 parking ratio based on the usable square footage	
FAR	24.3%	





Improvements Overview

PROPERTY DESCRIPTION	Single-story, multi-tenant, flex office building.
RENTABLE BUILDING AREA	±70,853 square feet
YEAR BUILT	1989
NUMBER OF SUITES	6
BACK UP POWER	Diesel-powered backup generator is 200 kilowatts, and includes a pad site for an additional generator.

Mechanical Detail

HVAC SYSTEMS	2 SGS refrigeration fluid coolers Model EFC-E-423-3 with Lakewood controllers Installed new in 2019 alongside a comprehensive cooling system upgrade.
ELECTRICAL	Power to the building is provided by two 2,000-amp, 480-volt panels.
FIRE/LIFE SAFETY SYSTEMS	Fire sprinklers located throughout building.
RESTROOMS	Each suite includes its own private restroom(s). The restrooms include ceramic tile flooring and ceramic tile or vinyl wrapped countertops and stainless-steel sinks.

PROPERTY OVERVIEW



Construction Detail

STRUCTURE	Masonry
FOUNDATION	Concrete
ROOF	Flat deck roof with a new foam and acrylic system. A new roof was installed in April 2019, with a five-year workmanship and ten-year materials warranty. Materials warranty extends to April 2029.
EXTERIOR DOORS	Glass in metal frame
INTERIOR WALLS	Drywall
FLOORING	Typical interior flooring includes, carpet, vinyl tile or ceramic tile.
WINDOWS	Glass storefront entry with glass in metal frame
LIGHTING	Recessed fluorescent lighting

115 Leased Parking Spaces
see page 14 for details

W 14th Street

2005 W 14th St
±70,853 SF

W 15th Street (private drive)

Private street provides 18
additional spaces

S 52nd Street

S Hohokam Drive





TENANCY



Tenant Summaries



INDUSTRY	Freight Shipping
WEBSITE	www.tql.com.com
SUITE	113
SUITE SIZE	28,615 SF - 40.39% of total RBA
LEASE EXPIRATION	March 2027

TQL is the second-largest freight brokerage in the nation, with over \$4 billion in annual sales.

Privately held and founded in 1997, TQL has 56 offices in 26 states nationwide.



INDUSTRY	OBGYN
WEBSITE	www.embrywomenshealth.com
SUITE	118
SUITE SIZE	3,931 SF - 5.6% of total RBA
LEASE EXPIRATION	January 2024

Embry Women's Health is a provider of obstetrics, gynecological and general women's health services, founded in 2014.

Embry is one of the largest providers of COVID-19 vaccines in Arizona.



INDUSTRY	Software Development
WEBSITE	www.jcurve.com
SUITE	121
SUITE SIZE	13,671 SF - 19.3% of total RBA
LEASE EXPIRATION	May 2025

Technical and customer support services for the cloud communications, hosted voice, streaming media and software development.





INDUSTRY	Language Learning
WEBSITE	www.berlitz.com
SUITE	128
SUITE SIZE	4,169 SF - 5.9% of total RBA
LEASE EXPIRATION	April 2024

Language education and leadership training company with \$450 million in annual revenue.

Founded in 1878, Berlitz has over 500 locations in more than 70 countries. Wholly owned subsidiary of Benesse Holdings, with over \$3.17 billion in revenue.



INDUSTRY	City Government
WEBSITE	www.tempe.gov
SUITE	130/132
SUITE SIZE	11,665 SF - 16.46% of total RBA
LEASE EXPIRATION	November 2027

The City of Tempe in conjunction with United States federal government and Arizona State University is working to provide social services for the residents that are in need of support.



INDUSTRIAL SERVICES · PROFESSIONAL PLACEMENT · RENEWABLES

INDUSTRY	Employment Agency
WEBSITE	www.360industrialservices.com
SUITE	134/138
SUITE SIZE	8,802 SF - 12.4% of total RBA
LEASE EXPIRATION	July 2024

Established in 2013, 360 Industrial Services is an industrial/commercial construction skilled staffing firm that operates nationwide.





MARKET



Interstate 10 Broadway Curve Improvement Project

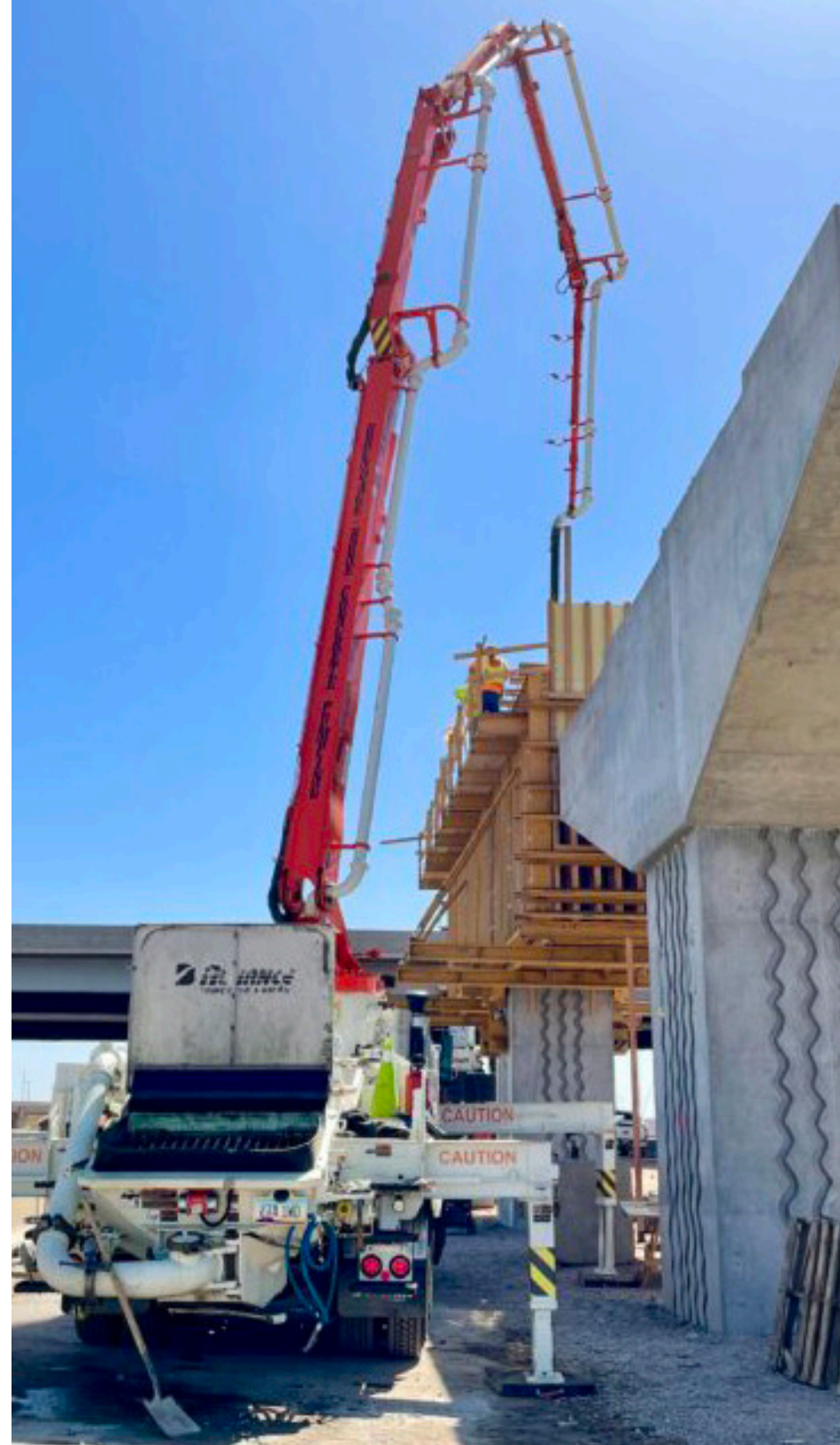
I-10 Broadway Curve Freeway Improvement will provide significant benefits to Hohokam Court.

The Arizona Department of Transportation has commenced construction on the Interstate 10 Broadway Curve Improvement Project, the first major urban freeway reconstruction effort in the Phoenix Metro area. The total cost of the project is projected to be \$615 million dollars is scheduled for completion mid-year 2025.

The Project area is an 11-mile section of I-10 between I-17 and the Loop 202 San Tan/South Mountain freeways, including the busy Broadway Curve area between Baseline Road and 40th Street. About 200,000 vehicles travel through the Broadway Curve daily, and that number is expected to increase significantly as the Phoenix Metropolitan area continues to grow.

The improvements are designed to enhance safety, reduce travel time, ease access to Phoenix Sky Harbor International Airport and support the local, regional and state economics. Additionally, Interstate 10 is identified as a Key Commerce Corridor that supports Arizona's efforts to succeed in global trade and vital transportation route for millions of people who live in, work in and visit Arizona every year.

The improvement are projected to improve safety and reduce congestion and provide direct benefits to the thousands of businesses that surround this area.



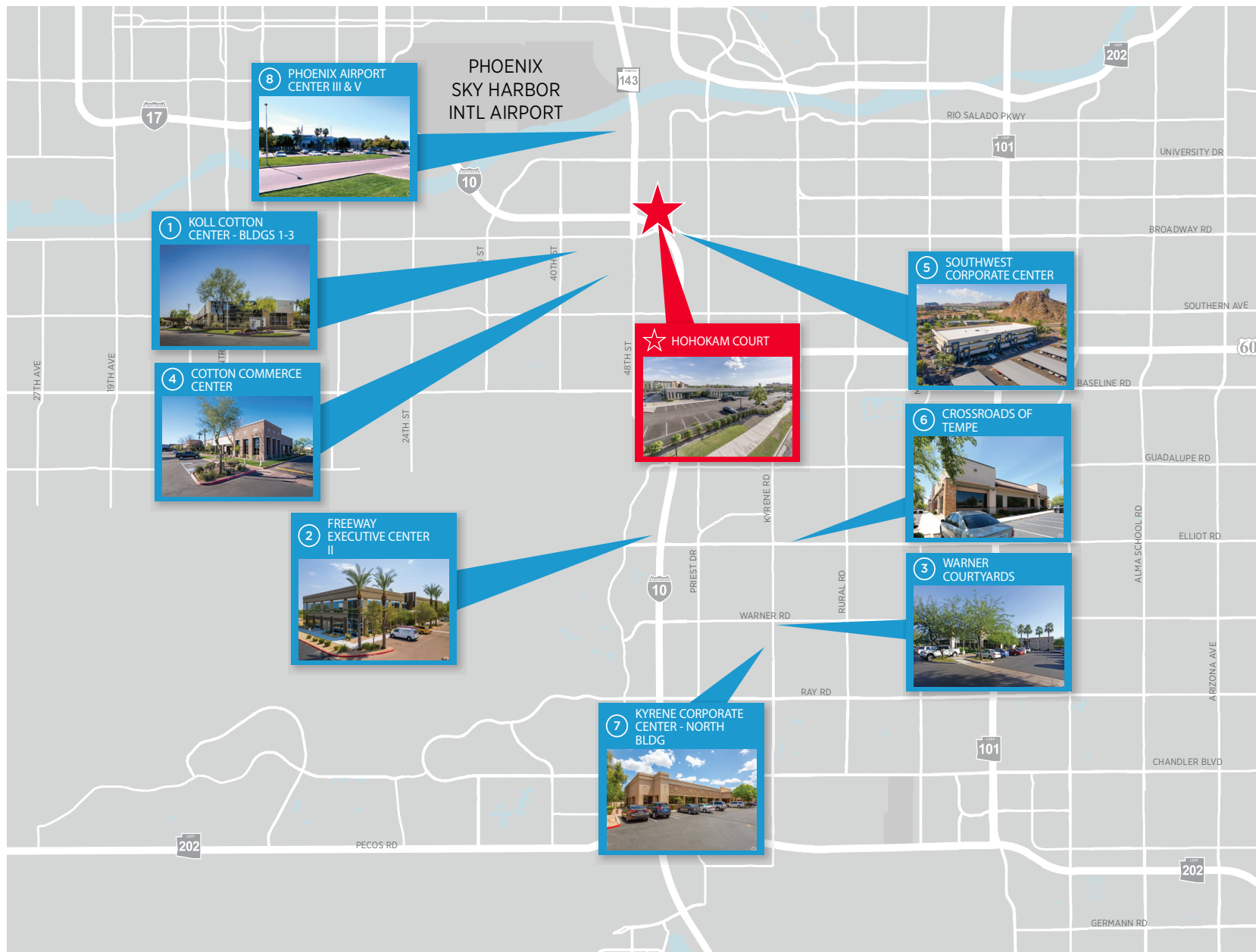


Planned improvements include:

- ✦ Widening I-10 to six general purpose lanes and two HOV lanes between 24th Street and US 60 Superstition Freeway.
- ✦ Building a collector-distributor road system between Baseline Road and 40th Street to separate local traffic from through traffic on I-10.
- ✦ Adding a fourth general purpose lane on I-10 from US 60 to Ray Road and keeping the HOV land.
- ✦ Modifying I-10 connections at SR 143, Broadway Road and US 60 to improve traffic flow and safety.
- ✦ Replacing ramps at I-10 interchanges at SR 143 and US 60 with new ramps, including new bridges.
- ✦ Adding two bridges for pedestrians and bicyclists over I-10 between Baseline and Broadway roads and improving the Sun Circle Trail crossing at Guadalupe Road.

Competitive Properties

	PROPERTY ADDRESS	YR BUILT/ PARKING RATIO	TOTAL/ AVAILABLE SQUARE FEET	OCCUPANCY CURRENT/ YEAR AGO	ASKING RATE NNN
SUBJECT	Hohokam Court 2005 W 14th St Tempe	1989 7.00	70,853 7,925	89% 91%	Withheld
1	Koll Cotton Center - Bldgs 1-3 4050 E Cotton Center Blvd Phoenix	2000 4.66	77,261 23,466	70% 70%	Withheld
2	Freeway Executive Center II 10439 South 51st St Phoenix	2009 4.50	48,826 -	100% 100%	
3	Warner Courtyards 301 W Warner Rd Tempe	2002 6.30	114,054 3,059	97% 98%	\$24.95 (FS)
4	Cotton Commerce Center 4625 & 4675 E Cotton Center Blvd Phoenix	2005 6.00	147,627 22,647	85% 93%	\$16.50
5	Southwest Corporate Center 1600 W Broadway Rd Tempe	1984 4.70	76,915 1,890	98% 94%	\$24.00 (FS)
6	Crossroads of Tempe 303 & 309 W Elliot Rd Tempe	2008 6.17	96,691 21,491	78% 86%	Withheld
7	Phoenix Airport Center III & V 4602 E Hammond Ln and 4601 E Hilton Ave Phoenix	1990 5.63	115,122 -	100% 100%	
	TOTAL/AVERAGE	5.63 2.01	93,418 13,413	91% 92%	



Market Supply & Demand

Fourth Quarter 2022

SUBMARKET PROPERTY TYPE	TOTAL	UNDER	DIRECT VACANCY		OCCUPANCY	NET ABSORPTION	
	SF	CONSTRUCTION	SF	%		2022 Q4	YTD 2022
Tempe							
Class A	6,202,895	150,000	790,377	21.6%	78.4%	24,119	(78,458)
Class B	2,462,316	-	589,364	31.7%	68.3%	(140,450)	(328,405)
Total	8,665,211	150,000	1,379,741	15.9%	84.1%	(116,331)	(406,863)
Scottsdale Airpark							
Class A	3,823,047	150,000	711,591	23.0%	77.0%	(125,083)	(62,459)
Class B	4,942,495	-	627,574	14.6%	85.4%	66,079	277,435
Total	8,765,542	150,000	1,339,165	15.3%	84.7%	(59,004)	214,976
Total Market Area							
Class A	10,025,942	300,000	1,501,968	15.0%	85.0%	(100,964)	(140,917)
Class B	7,404,811	-	1,216,938	16.4%	83.6%	(74,371)	(50,970)
Total	17,430,753	300,000	2,718,906	15.6%	84.4%	(175,335)	(191,887)
Metro Phoenix Total							
Class A	24,596,236	370,000	4,115,171	16.7%	83.3%	(74,795)	(493,537)
Class B	41,195,679	-	8,141,218	19.8%	80.2%	(620,504)	(1,326,169)
Grand Total	65,791,915	370,000	12,256,389	18.6%	81.4%	(695,299)	(1,819,706)

Internal Lease Comps

	TENANT/ PROPERTY	SQ FT	START DATE	TERM MOS.	CURRENT RATE NNN	TENANT IMPROVEMENT COST	TENANT IMPROVEMENT COST PER SQUARE FOOT	COMMENTS
NEW TENANTS								
1	Embry Woman's Health Suite 118	3,931	12/1/2020	38	\$13.90	\$1,378.50	\$0.35	Administration offices, open bullpen configuration. The tenant essentially took the space as is.
2	City of Tempe Suite 130 and 132	11,665	6/1/2022	66	\$14.50	\$175,000.00	\$15.00	The amount shown is the cost of the landlord's obligation. The total cost of all work was \$520,345. The tenant contributed the difference of \$345,345.
EXPANSIONS								
3	Total Quality Logistics #1 Suite 111	7,545	9/1/2020	60	\$15.24	\$133,160.00	\$17.65	Administration offices with open configuration. Costs are attributed to electrical upgrades, wall re-configuration, new paint and carpet.
4	Total Quality Logistics #2 Suite 117	5,402	9/1/2022	57	\$15.71	\$70,000.00	\$12.96	Tenant improvements projected based on preliminary bids.
RENEWALS								
5	J Curve Technologies Suite 121	13,671	6/1/2022	36	\$15.25	\$3,500.00	\$0.26	Tenant improvement cost related to the consolidation and extension of J-Curve's space
Average		8,443		51	\$14.92	\$76,607.70	\$9.24	



FINANCIAL ANALYSIS



Projection Assumptions

GENERAL ASSUMPTIONS

Start Date		6/1/2023
Optimal Holding Period		5 Years
General Inflation	Years 2-11	3.0%
Property Tax Inflation	Years 2-11	3.0%
General Vacancy	Years 1-11	5.0%
Terminal Capitalization Rate		7.50%
Selling Costs		2.50%
Capital Reserve		\$0.15/SF

DEBT ASSUMPTIONS

Loan to Value		55%
Interest Rate		6.250%
Amortization Period		25 Years
Loan Fee		1.00%
Interest Only Period		2 Years

ROLLOVER ASSUMPTIONS

Lease Term		6 Years
Down Time		6 months
Expense Recoveries		NNN
Annual Rent Adjustments		\$0.50
Renewal Probability		70%

	New	Renew	Weighted
Tenant Improvements			
TIA - Office	\$15.00/SF	\$5.00/SF	\$8.00/SF
Leasing Commissions*			
Years 1-11	6.00%	3.00%	3.90%
*Note: For term in excess of 60 months, the percentages are halved.			
Rent Abatement			
6/1/23 to 12/31/25	4.0 Mos	2.0 Mos	2.60 Mos
1/1/26 to End	2.0 Mos	0.0 Mos	0.60 Mos

MARKET RENTS

CYE	Growth	Office	
		Annual	Monthly
2023		\$15.50	\$1.29
2024	3.00%	\$15.97	\$1.33
2025	4.00%	\$16.60	\$1.38
2026	4.00%	\$17.27	\$1.44
2027	4.00%	\$17.96	\$1.50
2028	3.00%	\$18.50	\$1.54
2029	3.00%	\$19.05	\$1.59
2030	3.00%	\$19.62	\$1.64
2031	3.00%	\$20.21	\$1.68
2032	3.00%	\$20.82	\$1.73
2033	3.00%	\$21.44	\$1.79
2034	3.00%	\$22.09	\$1.84

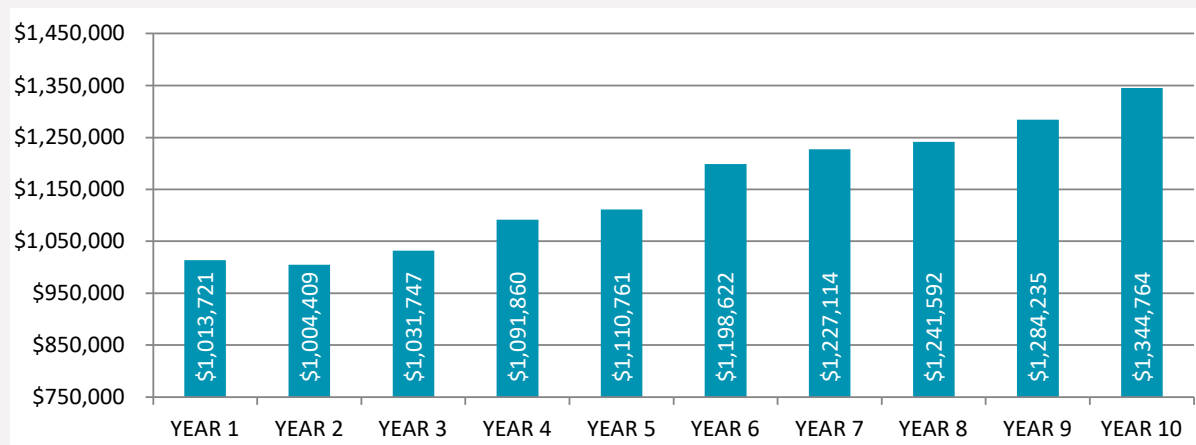
OTHER ASSUMPTIONS

1. Parking Income Assumption: TQL pays for 98 off-site spaces at \$21.14/sp/month. Assume revenue equals 85% of the parking cost (see note 2) throughout the analysis period.
2. Non-Recoverable expense related to the additional parking spaces (115 spaces) leased by Hohokam Court located in the neighboring Micro Chip Technologies property equaling \$29,167.13 annually (\$21.14/sp/mo) with a 3% growth posting every February.
3. All inflation is assumed to post on a calendar year beginning 1/1/23.
4. Total Quality Logistics is modeled to expand into suite 117 commencing 9/1/22. For purposes of this analysis, it is assumed that all partial abated rent is a Seller cost and rent for both the primary space and the expansion space is assumed to be \$15.71 as of the COE. Proposed credit at close is \$30,630.

Cash Flow Projection

		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Occupancy Percentage		100.0%	97.1%	95.8%	100.0%	93.3%	97.3%	100.0%	98.1%	96.3%	98.4%
Average In-Place Base Rent		\$15.69	\$16.18	\$16.62	\$17.06	\$17.64	\$18.27	\$18.77	\$19.39	\$20.00	\$20.51
	PSF										
Potential Gross Income	\$21.71	\$1,538,387	\$1,541,427	\$1,584,643	\$1,666,278	\$1,698,705	\$1,808,848	\$1,855,020	\$1,886,417	\$1,948,870	\$2,031,215
per square foot		\$21.71	\$21.76	\$22.37	\$23.52	\$23.98	\$25.53	\$26.18	\$26.62	\$27.51	\$28.67
% increase			0.20%	2.80%	5.15%	1.95%	6.48%	2.55%	1.69%	3.31%	4.23%
Absorption & Turnover Vacancy	(\$0.23)	(\$16,007)	(\$28,967)	(\$37,831)	(\$85,647)	(\$35,438)	\$0	(\$12,857)	(\$42,423)	(\$46,054)	\$0
General Vacancy	(\$0.86)	(60,912)	(48,105)	(41,400)	0	(49,497)	(90,443)	(79,894)	(51,898)	(51,388)	(101,561)
Effective Gross Income	\$20.63	\$1,461,468	\$1,464,355	\$1,505,412	\$1,580,631	\$1,613,770	\$1,718,405	\$1,762,269	\$1,792,096	\$1,851,428	\$1,929,654
per square foot		\$20.63	\$20.67	\$21.25	\$22.31	\$22.78	\$24.25	\$24.87	\$25.29	\$26.13	\$27.23
Expenses											
Total Operating Expenses	\$6.32	\$447,747	\$459,946	\$473,665	\$488,771	\$503,009	\$519,783	\$535,155	\$550,504	\$567,193	\$584,890
per square foot		\$6.32	\$6.49	\$6.69	\$6.90	\$7.10	\$7.34	\$7.55	\$7.77	\$8.01	\$8.25
NET OPERATING INCOME	\$14.31	\$1,013,721	\$1,004,409	\$1,031,747	\$1,091,860	\$1,110,761	\$1,198,622	\$1,227,114	\$1,241,592	\$1,284,235	\$1,344,764
per square foot		\$14.31	\$14.18	\$14.56	\$15.41	\$15.68	\$16.92	\$17.32	\$17.52	\$18.13	\$18.98
Capital Expenditures		\$57,041	\$163,795	\$177,548	\$11,759	\$542,850	\$12,475	\$12,848	\$254,152	\$214,240	\$14,040
Cash Flow	\$13.50	\$956,680	\$840,614	\$854,199	\$1,080,101	\$567,911	\$1,186,147	\$1,214,266	\$987,440	\$1,069,995	\$1,330,724
per square foot		\$13.50	\$11.86	\$12.06	\$15.24	\$8.02	\$16.74	\$17.14	\$13.94	\$15.10	\$18.78

Net Operating Income



Expense Analysis

Total RBA: 70,853 SF

Operating Expenses			2020 ACTUAL	PSF	2021 ACTUAL	PSF	2022 BUDGET	PSF	PRO FORMA (1)	PSF
Repairs & Maintenance			\$20,465	\$0.29	\$12,173	\$0.17	\$44,429	\$0.63	\$21,256	\$0.30
HVAC - Contract and Service (2)			30,100	0.42	26,881	0.38	30,100	0.42	30,100	0.42
HVAC - Repair & Maintenance (3)			80,094	1.13	86,031	1.21	93,096	1.31	81,481	1.15
Lot & Landscape			16,300	0.23	35,653	0.50	23,630	0.33	23,630	0.33
Utilities			63,510	0.90	63,568	0.90	61,892	0.87	61,892	0.87
Building Services (4)			19,363	0.27	13,700	0.19	15,598	0.22	15,598	0.22
Fire/Life/Safety			4,516	0.06	1,680	0.02	2,953	0.04	2,953	0.04
General & Administrative			1,080	0.02	1,124	0.02	1,080	0.02	1,080	0.02
Insurance			19,156	0.27	18,242	0.26	19,256	0.27	19,256	0.27
Property Taxes (5)			109,436	1.54	111,624	1.58	115,044	1.62	111,628	1.58
Management (6)			30,000	0.42	30,000	0.42	30,000	0.42	46,582	0.66
TOTAL OPERATING EXPENSES			\$394,019	\$5.56	\$400,675	\$5.66	\$437,078	\$6.17	\$415,456	\$5.86
Parking Costs									29,167	0.41
TOTAL OPERATING EXPENSES WITH PARKING COSTS									\$444,623	\$6.28

*The parking cost is represented by an agreement with neighboring Micro Chip Technologies whereby Hohokam Court leases 115 parking spaces at the current rate of \$21.77/sp/mo which increases every February. It is assumed that this agreement is in place throughout the entire analysis period with continued 3% annual increases.

Property Tax Estimates

	2022 Actual			2023 Estimate		
Assessment Ratio	17.5%			17.0%		
	ASSESSED VALUE	TAX RATE	TOTAL TAX	ASSESSED VALUE	TAX RATE	TOTAL TAX
Parcel #124-58-126						
Secondary (full cash value)	6,073,100	0.0000	-	8,631,200	0.0000	0
Primary (limited cash value)	5,088,920	12.2888	109,439	5,343,366	12.2888	111,628
Total Parcel Taxes			109,439			111,628
Total Property Taxes			109,439			111,628
<i>per square foot</i>			<i>1.54</i>			<i>1.58</i>

(1) Pro-forma expenses reflect the 2022 budget with exceptions noted below.

(2) Budget for HVAC Service and Maintenance represents the contract to service the chiller system.

(3) Budget for HVAC Repair & Maintenance represents the recoverable cost of replacing air handler units and is an on-going process.

(4) Building services consists of window cleaning, pest control, refuse, & security.

(5) CYE 2023 property taxes are based on the 2023 estimates calculated above. All subsequent years are assumed to grow at the general rate of inflation defined on the assumptions page.

(6) Management fee equivalent to percentage of effective gross income: 3.00%

Net Operating Income

	CURRENT IN-PLACE	STABILIZED CURRENT RENTS	CASH FLOW PROJ. YEAR 1	CASH FLOW PROJ. YEAR 4
Occupancy	100.0%	95.0%		
Income ¹				
Existing Leases	\$1,111,428	\$1,111,428	\$1,101,738	\$1,212,784
<i>per occupied square foot</i>	\$15.69/SF	\$15.69/SF	\$15.55/SF	\$17.12/SF
Available Space	\$0	\$0	\$0	\$0
<i>per available square foot</i>	\$0.00/SF	\$0.00/SF	\$0.00/SF	\$0.00/SF
Reimbursement Income ^{2, 3}	\$415,456	\$417,032	\$410,794	\$425,243
Parking Income	\$25,855	\$25,855	\$25,855	\$28,251
Potential Gross Income	\$1,552,739	\$1,554,315	\$1,538,387	\$1,666,278
<i>per square foot</i>	\$21.91	\$21.94	\$21.71	\$23.52
Vacancy	\$0	(\$77,716)	(\$76,919)	(\$85,647)
Effective Gross Income	\$1,552,739	\$1,476,599	\$1,461,468	\$1,580,631
<i>per square foot</i>	\$21.91	\$20.84	\$20.63	\$22.31
Operating Expenses				
Operating Expenses	\$237,990	\$248,192	\$240,965	\$263,305
Insurance	\$19,256	\$20,080	\$19,497	\$21,305
Property Taxes	\$111,628	\$116,415	\$113,024	\$123,504
Property Management 3.00%	\$46,582	\$43,930	\$43,843	\$47,419
Non-Recoverable Parking Cost	\$29,167	\$29,167	\$30,418	\$33,238
Total Operating Expenses	\$444,623	\$457,784	\$447,747	\$488,771
<i>per square foot</i>	\$6.28	\$6.46	\$6.32	\$6.90
NET OPERATING INCOME	\$1,108,116	\$1,018,815	\$1,013,721	\$1,091,860
<i>per square foot</i>	\$15.64	\$14.38	\$14.31	\$15.41

(1) Current In-Place and Stabilized Current Income includes the first 12 months of scheduled base rental revenue including any rental increases; further assumes that any roll-over during year one will continue at the base market rate assumption through the first twelve months.

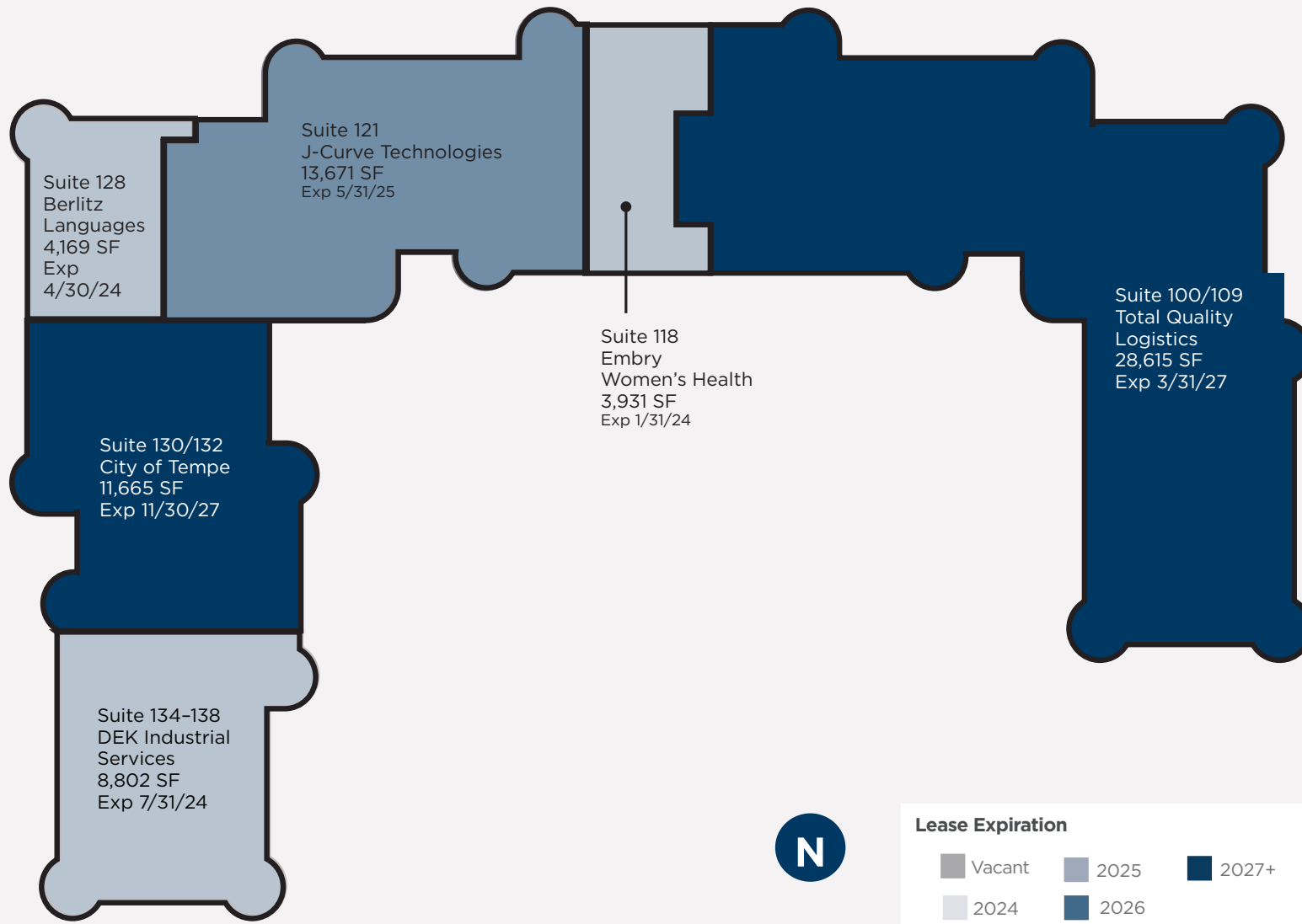
(2) Based on Argus projections

(3) Stabilized Columns: Expenses and expense reimbursements reflect year two (2) of the 10-Yr CF from the Argus

Rent Roll

SUITE	TENANT	SQ FT/ % OF TOTAL	RENT/ PSF ANNUAL/ MONTHLY	TERM BEGIN/ END	MLA	INCREASES		BASE STOP
100/109/111/117	Total Quality Logistics	28,615	\$449,542	7/1/16	Office	10/1/23	\$16.25	NNN
		40.39%	\$15.71	3/31/27		10/1/24	\$16.75	
			\$1.31	129 Mos		10/1/25	\$17.25	
						10/1/26	\$17.75	
118	Embry Women's Health, LLC	3,931	\$57,196	12/1/20	Office			NNN
		5.55%	\$14.55	1/31/24				
			\$1.21	38 Mos				
121	J-Curve Technologies	13,671	\$215,318	6/1/22	Office	6/1/24	\$16.25	NNN
		19.29%	\$15.75	5/31/25				
			\$1.31	36 Mos				
128	Berlitz Languages, Inc.	4,169	\$66,704	1/1/19	Office			NNN
		5.88%	\$16.00	4/30/24				
			\$1.33	64 Mos				
130/132	City of Tempe	11,665	\$169,143	6/1/22	Office	10/1/23	\$15.00	NNN
		16.46%	\$14.50	11/30/27		10/1/24	\$15.50	
			\$1.21	66 Mos		10/1/25	\$16.00	
						10/1/26	\$16.50	
134-138	DEK Industrial Services	8,802	\$134,231	8/1/14	Office	7/1/23	\$15.75	NNN
		12.42%	\$15.25	7/31/24		7/1/24	\$16.25	
			\$1.27	120 Mos				
Property Total		70,853	square feet					
Occupied Total		70,853	\$1,092,133	6.3 years	Average total lease term of existing tenants			
Percent Occupied		100.0%	\$15.41	2.9 years	Weighted average lease term remaining to expiration			
Vacant Total		0	\$0					
Percent Vacant		0.0%	\$0.00					

Tenant locations



Lease Expiration Schedule







Cushman & Wakefield ("Agent") has been engaged as the exclusive agent for the sale of First Commons (the "Property"), by 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 representations 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 Cushman & Wakefield 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 Agent prior to delivery of this Offering Memorandum.

The enclosed materials are being provided solely to facilitate the prospective investor's own due diligence for which it shall be fully and solely responsible. The material contained herein is based on information and sources deemed to be reliable, but no representation or warranty, express or implied, is being made by Agent or Seller or any of their respective representatives, affiliates, officers, employees, shareholders, partners and directors, as to the accuracy or completeness of the information contained herein. Summaries contained herein of any legal or other documents are not intended to be comprehensive statements of the terms of such documents, but rather only outlines of some of the principal provisions contained therein. Neither the Agent nor the Seller shall have any liability whatsoever for the accuracy or completeness of the information contained herein or any other written or oral communication or information transmitted or made available or any action taken or decision made by the recipient with respect to the Property. Interested parties are to make their own investigations, projections and conclusions without reliance upon the material contained herein.

Seller reserves the right, at its sole and absolute discretion, to withdraw the Property from being marketed for sale at any time and for any reason. Seller and Agent each expressly reserves the right, at their sole and absolute discretion, to reject any and all expressions of interest or offers regarding the Property and/or to terminate discussions with any entity at any time, with or without notice. This offering is made subject to omissions, correction of errors, change of price or other terms, prior sale or withdrawal from the market without notice. Agent is not authorized to make any representations or agreements on behalf of Seller.

Seller shall have no legal commitment or obligation to any interested party reviewing the enclosed materials, performing additional investigation and/or making an offer to purchase the Property unless and until a binding written agreement for the purchase of the Property has been fully executed, delivered, and approved by Seller and any conditions to Seller's obligations thereunder have been satisfied or waived.

By taking possession of and reviewing the information contained herein, the recipient agrees that (a) the enclosed materials and their contents are of a highly confidential nature and will be held and treated in the strictest confidence and shall be returned to Agent or Seller promptly upon request; and (b) the recipient shall not contact employees or tenants of the Property directly or indirectly regarding any aspect of the enclosed materials or the Property without the prior written approval of the Seller or Agent; and (c) no portion of the enclosed materials may be copied or otherwise reproduced without the prior written authorization of Seller or Agent or as otherwise provided in the Confidentiality and/or Registration Agreement executed and delivered by the recipient(s) to Cushman & Wakefield.

2555 East Camelback Road, Suite 400
Phoenix, Arizona 85016

main +1 602 954 9000
fax +1 602 253 0528

cushmanwakefield.com