

HEART OF ARCADIA



Marketing and Pricing Proposal

Presented to: Mr. Jay Schneider



Presented by:



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HEART OF ARCADIA

SWC 56TH STREET & INDIAN SCHOOL, PHOENIX, AZ

Rent Roll

Lessee Information as of March 2015

SUITE #	TENANT NAME	APPROX. RENTABLE SQ.FT.	PERCENT OCCUPANCY	EST. LEASE COMMENCEMENT	EST. LEASE EXPIRATION	APPROX RENT PSF	BASE RENT PER MONTH	ANNUAL RENT	LEASE TYPE	RENTAL INCREASES	RENEWAL OPTIONS
A	Starbucks (1)	1,980	39.6%	2/3/2015	1/31/2025	\$43.00	\$7,095.00	\$85,140.00	NN	10% Every 5 Years	Two (2), Five (5)
B	Zoyo (2)	1,100	22.0%	10/1/2015	9/30/2025	\$38.00	\$3,483.33	\$41,800.00	NN	2% Annually	Two (2), Five (5)
C	Blue Nail Bar (3)	1,100	22.0%	10/1/2015	9/30/2020	\$40.00	\$3,666.67	\$44,000.00	NN	3% Annually	One (1), Five (5)
D	Smoothie King (4)	820	16.4%	10/1/2015	9/30/2025	\$42.00	\$2,870.00	\$34,440.00	NN	3% Increase Years 4-10	Two (2), Five (5)
-	Parking Lot Lease	-	-	2015	2025	-	\$1,200.00	\$14,400.00	-	-	-

TOTAL SQ.FT.	5,000	100%				MONTHLY INCOME:	\$18,315
TOTAL OCCUPIED SQ. FT.	5,000	100%				ANNUAL INCOME	\$219,780
TOTAL AVAILABLE SQ.FT.	0	0%				AVERAGE RENT PSF:	\$41.08

- (1) Starbucks, in its sole discretion may have the one-time right to terminate this lease after the 84th month but before the 90th month, granted they have given 120 days notice and paid a one time \$40,000 Early Termination Fee
- (2) Zoyo, LLC guaranty is a One-Year rolling guaranty for amounts due under the lease and a repayment of commission and Tenant Improvements on a straight-line basis over the term of the lease.
- (3) Personal Guaranty by Sonny Tran is a Two-Year rolling guaranty for amounts due under the lease and a repayment of ocmmission and Tenant Improvements on a straight-line basis over the term of the lease.
- (4) Personal Guaranty by Tenant throughout initial lease term, given the Tenant is not in default of any obligations per the lease.

MARKET AND PROPERTY ANALYSIS

Estimated Income & Expense Summary

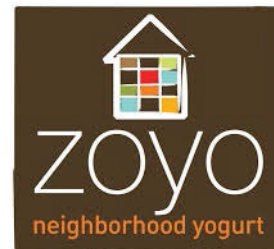
Total Square Feet Per Lease	5,000 SF
Occupancy as of: April 2015	100%

Income	
Scheduled Base Rent	\$219,780
Estimated Total Potential Base Rent	\$219,780
Plus Expense Reimbursements	\$46,366
GROSS POTENTIAL INCOME	\$266,146
EFFECTIVE GROSS INCOME	\$266,146

ESTIMATED OPERATING EXPENSES (BASED ON 2015 BUDGET)		PSF
CAM Expense	\$25,000	\$5.00
Insurance	\$2,000	\$0.40
Property Taxes	\$15,000	\$3.00
Management Fee (3% of Scheduled Base Rent)	\$6,593	\$1.32
TOTAL OPERATING EXPENSES	\$48,593	\$9.72

GROUND LEASE PAYMENT	\$84,000
NET OPERATING INCOME	\$133,553
OFFERING PRICE	\$2,055,000
CAPITALIZATION RATE	6.50%
PRICE PER SF	\$411.00

FOOTNOTES:
 (1) Annual Income includes parking lot Lease income equal to \$14,400/year.
 (2) Starbucks reimburses an amount equal to 10% of all Operating Expenses for Management Fee
 (3) Zoyo reimburses an amount equal to 5% of CAM costs for Management Fee
 (4) Nail Salon reimburses an amount equal to 15% of all Operating Expenses for Management Fee
 (5) Smoothie King reimburses an amount equal to 15% of all Operating Expenses for Management Fee”



OUR ADVANTAGE

MARKETING TEAM

MARKET AND PROPERTY ANALYSIS

MARKETING PLAN & CLIENT REPORTING

OPINION OF VALUE

opinion of value

OPINION OF VALUE

OPINION OF VALUE

Opinion of Value

The conclusion of this analysis provides for a value based on the current market for single-tenant net leased investment properties. The price below reflects the estimated market value based on the current net operating income and lease terms.

It is our opinion that the Heart of Arcadia should be priced as follows:

Opinion of Value: \$2,055,000
 6.5% CAP Rate
 \$411.00 per SF



Nail Salon

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