FICTIONAL SAMPLE - FOR DESIGN DEMONSTRATION ONLY - NOT AN OFFER TO SELL

MADE FOR CRE

OFFERING MEMORANDUM

Red Mountain Commerce Park

4550 E. Velocity Way

Mesa, Arizona 85212

PRICE
$42,750,000

CAP RATE
6.50%

BUILDING AREA
285,600 SF

FICTIONAL PROPERTY AND FINANCIAL DATA CREATED FOR PORTFOLIO DEMONSTRATION

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EXECUTIVE SUMMARY

The opportunity at a glance

THE OPPORTUNITY

Institutional industrial income in a growth corridor

A two-building Class A logistics campus offering long-duration cash flow, modern functionality, and direct access to the Southeast Valley labor and transportation network.

OCCUPANCY **100%**	WALT **7.6 Years**
ANNUAL BUMPS **3.0%**	CLEAR HEIGHT **32 FT**
DOCK DOORS **54**	BUILT **2022**
SITE AREA **18.7 AC**	PARKING **1.6 / 1,000**

INVESTMENT THESIS

Acquire durable industrial income at a basis below estimated replacement cost while capturing contractual rent growth and potential upside from below-market renewal economics.

The fictional offering combines two complementary tenants, below-market in-place rents, and modern institutional specifications in one of metro Phoenix's most active industrial submarkets.

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INVESTMENT HIGHLIGHTS

A durable income profile

Modern specifications, embedded rent growth, and limited near-term capital requirements.

01

Long-duration income

Two credit-oriented occupants provide 7.6 years of weighted lease term with no near-term rollover exposure.

02

Contractual growth

Both leases include 3.0% annual rent increases, supporting compounding NOI growth throughout the hold period.

03

Modern functionality

Thirty-two-foot clear height, ESFR sprinklers, deep truck courts, and flexible bay spacing serve a wide user pool.

04

Strategic location

Immediate access to Loop 202 connects the campus to Sky Harbor, regional freeways, and Southeast Valley labor.

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PROPERTY OVERVIEW

Purpose-built logistics performance

Two modern buildings designed for distribution, light manufacturing, and regional fulfillment.

PROPERTY TYPE

Industrial logistics

BUILDINGS

Two

YEAR BUILT

2022

CONSTRUCTION

Concrete tilt-up

ZONING

LI - Light Industrial

PROPERTY FEATURES

- 32-foot clear height
- 54 dock-high doors
- 8 grade-level doors
- 185-foot shared truck court
- ESFR fire suppression
- LED warehouse lighting
- Secured trailer storage
- Solar-ready roof areas

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AERIAL AND SITE CONTEXT

Two buildings. One institutional campus.

A modern logistics configuration with separated auto circulation, secured truck courts, and direct regional access.

SITE CONFIGURATION

Conceptual drone imagery illustrates site scale, circulation, and relationship to the Southeast Valley logistics network.

TOTAL SITE AREA	TRUCK COURT	DOCK POSITIONS
18.7 AC	185 FT	54

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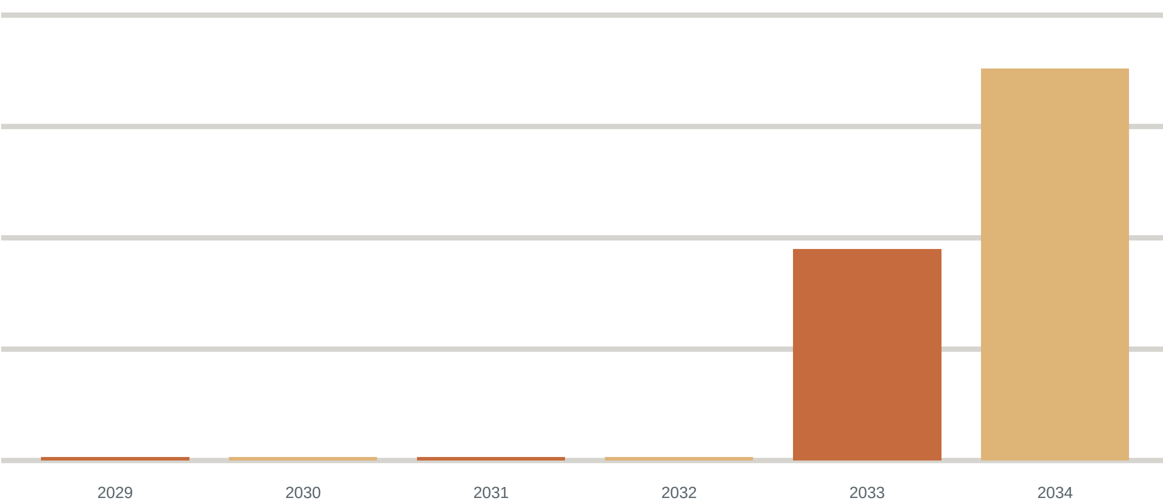
TENANCY AND LEASE PROFILE

Two tenants. Staggered rollover.

Fictional lease data designed to demonstrate rent-roll presentation and rollover analysis.

TENANT	AREA	% GLA	RENT/SF	LEASE EXP.	ANNUAL BUMP
Summit Logistics	185,600 SF	65.0%	$10.50	Sep 2034	3.0%
Apex Supply Co.	100,000 SF	35.0%	$11.20	Mar 2033	3.0%
TOTAL / WTD. AVG.	285,600 SF	100.0%	$10.75	7.6 YRS	3.0%

ILLUSTRATIVE LEASE EXPIRATION SCHEDULE (% OF AREA)



WEIGHTED AVG. LEASE TERM

7.6 Years

MARK-TO-MARKET POTENTIAL

+12%

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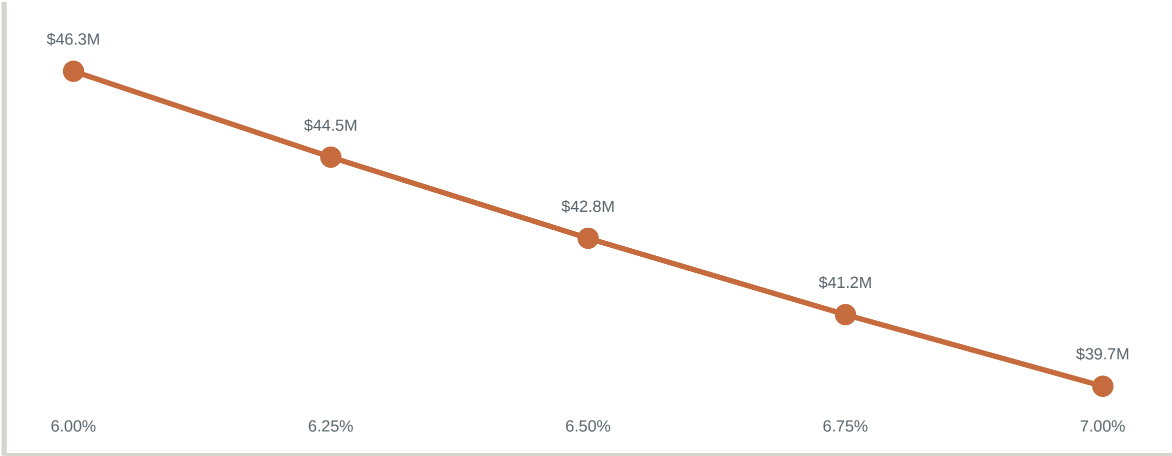
FINANCIAL ANALYSIS

Illustrative stabilized performance

All figures are fictional and shown solely to demonstrate presentation and underwriting layout.

INCOME AND EXPENSE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Scheduled base rent	$3,069	$3,161	$3,256	$3,353	$3,454
Expense reimbursements	$842	$867	$893	$920	$948
Potential gross revenue	$3,911	$4,028	$4,149	$4,273	$4,402
Vacancy / credit loss	($20)	($20)	($21)	($21)	($22)
Operating expenses	($1,112)	($1,146)	($1,180)	($1,216)	($1,253)
NET OPERATING INCOME	$2,779	$2,862	$2,948	$3,036	$3,127

CAP RATE SENSITIVITY



STABILIZED NOI

$2,779,000

ASKING PRICE

$42,750,000

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ILLUSTRATIVE UNDERWRITING

Debt, cash flow, and return profile

Illustrative assumptions only. Not a valuation, financing quote, or projection of actual results.

ACQUISITION ASSUMPTIONS	VALUE
Purchase price	$42,750,000
Closing costs	1.5%
Initial reserves	$400,000
Going-in cap rate	6.50%
Hold period	5 years
Exit cap rate	6.75%
Selling costs	1.5%

DEBT ASSUMPTIONS	VALUE
Loan-to-value	65.0%
Loan amount	$27,787,500
Interest rate	6.25%
Amortization	30 years
Term	5 years
Annual debt service	$2,053,000
DSCR - Year 1	1.35x

FIVE-YEAR LEVERED CASH FLOW ($000s)

CASH FLOW	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Net operating income	$2,779	$2,862	$2,948	$3,036	$3,127
Debt service	($2,053)	($2,053)	($2,053)	($2,053)	($2,053)
Capital reserves	($71)	($73)	($75)	($77)	($79)
Levered cash flow	$655	$736	$820	$906	$995
Sale proceeds	-	-	-	-	$18,210

LEVERED IRR

13.8%

EQUITY MULTIPLE

1.82x

AVG. CASH-ON-CASH

7.4%

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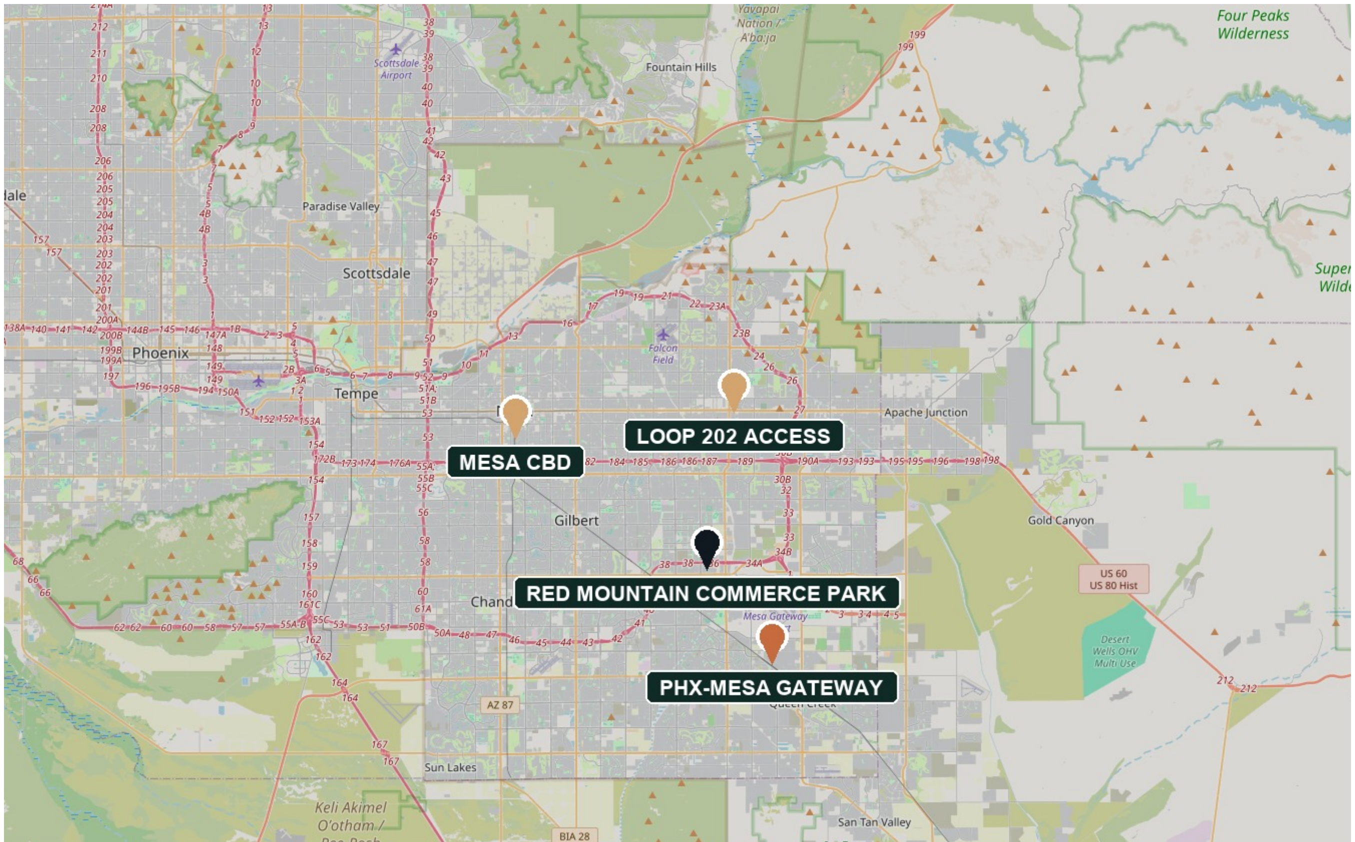
MARKET AND LOCATION

Positioned in the Southeast Valley

Mesa's industrial base benefits from population growth, expanding advanced manufacturing, regional freeway access, and a deep labor pool. The subject sits within an established employment corridor near Phoenix-Mesa Gateway Airport.



SOUTHEAST VALLEY LOGISTICS CONTEXT

Map data © OpenStreetMap contributors

Map data © OpenStreetMap contributors. Subject and access pins are illustrative.

5-MILE POPULATION

214,000
Illustrative 2026 estimate

HOUSEHOLDS

78,500
Within five miles

LABOR FORCE

118,000
Working-age population

LOCATION THESIS

The Southeast Valley combines a growing labor base, modern infrastructure, and proximity to airport and freeway networks, supporting long-term demand for functional distribution space.

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COMPARABLE MARKET EVIDENCE

Evidence supporting the basis and rent story

Fictional comparables demonstrate broker-grade market evidence and tabular design.

SELECTED SALE COMPARABLES

PROPERTY	SALE DATE	PRICE	SIZE	PRICE/SF	CAP RATE
Gateway Logistics	Mar 2026	$38.4M	252,000 SF	$152	6.35%
Falcon Industrial	Nov 2025	$51.7M	338,500 SF	$153	6.20%
Mesa Commerce	Jul 2025	$31.2M	214,000 SF	$146	6.60%
Eastmark Distribution	Feb 2025	$44.8M	301,400 SF	$149	6.45%

SELECTED LEASE COMPARABLES

PROPERTY	TENANT	AREA	RENT/SF	TERM	ESCALATION
Falcon Building A	3PL user	126,000 SF	$12.10	10 yrs	3.0%
Gateway 202	Manufacturer	88,500 SF	$11.85	7 yrs	3.0%
Eastmark II	Distributor	142,000 SF	$12.35	8 yrs	3.5%
Mesa Logistics	E-commerce	201,000 SF	$11.95	10 yrs	3.0%

BROKER TAKEAWAY

The fictional comparable set supports a basis near recent institutional trades and suggests in-place rents remain below the range achieved by modern Southeast Valley logistics assets.

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PROPERTY PHOTOGRAPHY

A property story told visually

Conceptual imagery created for this fictional portfolio sample.

FULL-SITE AERIAL

STREET-LEVEL ARRIVAL

ACCESS, PARKING, AND SURROUNDING CONTEXT

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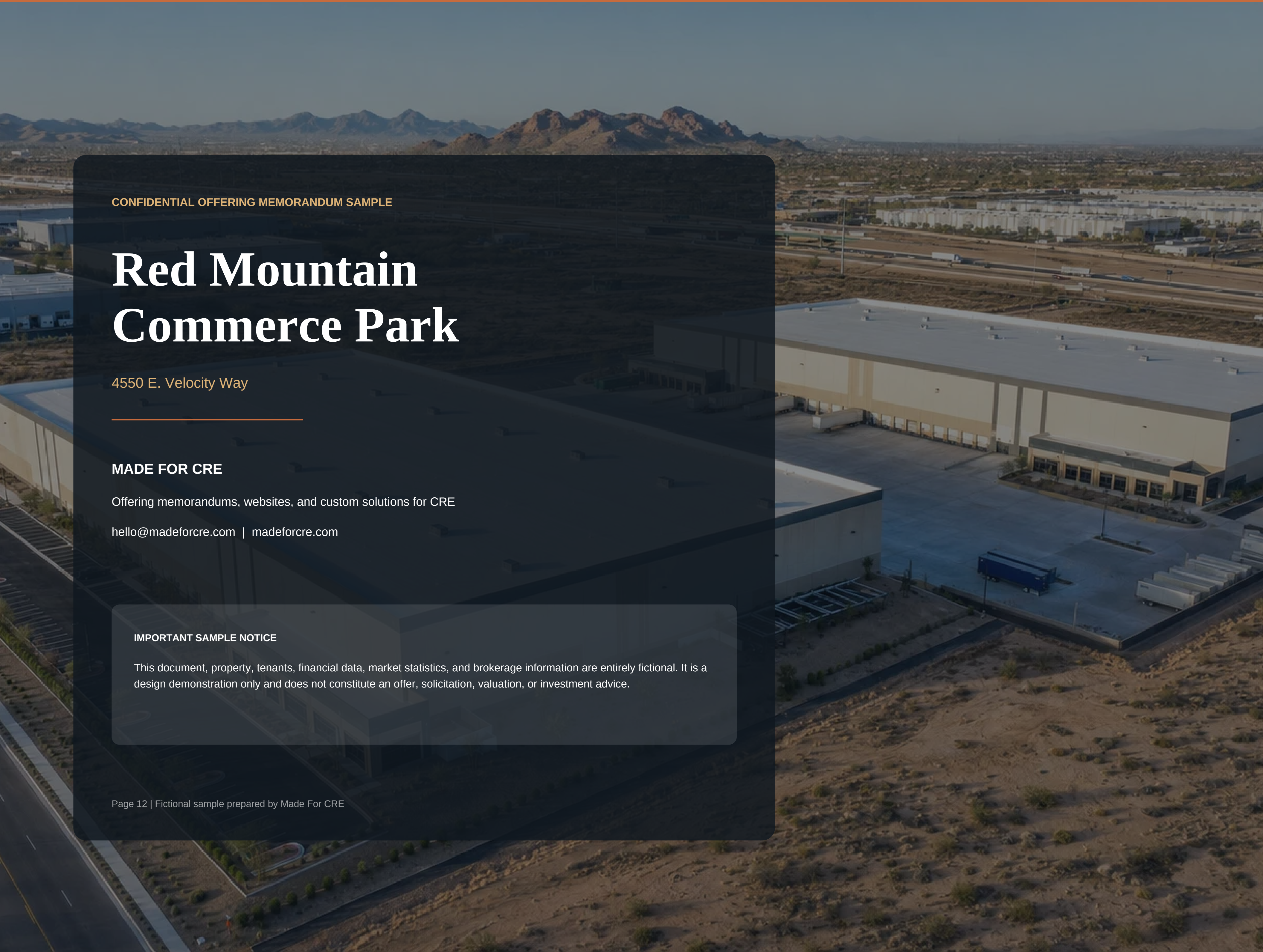

CONFIDENTIAL OFFERING MEMORANDUM SAMPLE

Red Mountain Commerce Park

4550 E. Velocity Way

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IMPORTANT SAMPLE NOTICE

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