

ELECTRONICS

Aaron's

COMPUTERS

APPLIANCES

Single Tenant NNN Leased Aaron's

\$925,000 7.85% Cap Rate

2462 E Highway 60 Miami/Claypool, AZ 85501

Robert Crider

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DRE # 01158595

BD Holdings, Inc.

1125 Camino Del Mar Ste. D Del Mar, CA 92014

In Cooperation with Ryan O'Connell

AZ Lic. #LC637047000

RDO Investments, LLC

3219 East Camelback Road Phoenix, AZ 85018

CONFIDENTIALITY AND DISCLOSURE AGREEMENT

This Offering Memorandum (“OM”) contains select information pertaining to the business and affairs of **Aaron’s located at 2462 E HWY 60 GLOBE, AZ 85501** (“Property”). It has been prepared by BD Holdings, Inc. This OM may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this OM 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 Seller or BD Holdings, Inc. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this OM 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 and form their own conclusions without the reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this OM for the Property, you agree:

- The OM and its contents are confidential,
- You will hold it and treat it in the strictest of confidence; and
- You will not, directly or indirectly, disclose or permit anyone to disclose this OM or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and BD Holdings, Inc. 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 “OM” or make an offer to purchase the “Property” unless and until a written agreement for the purchase and sale of the “Property” BD Holdings, Inc. or Broker of Record RDO Investments, LLC.

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 OM.

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 Seller or BD Holdings, Inc. or 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 OM 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 or the Property since the date this Memorandum.

PROPERTY HIGHLIGHTS



Price:
\$925,000



Cap Rate:
7.85% | 8.66% in 2021



Easy Management
NNN Lease



Price/SF:
\$102.62



Square Feet:
9,014



Options:
3 – 5 year



Tenant planned remodel at
no expense to landlord



Below
replacement cost

EXECUTIVE SUMMARY

- **Price:** \$925,000
 - **Address:** 2462 E. Highway 60 Globe, AZ 85501
 - **Occupancy:** 100%
 - **Cap Rate:** 7.85%
 - **NOI:** \$72,616
 - **Price/SF:** \$102.62
 - **Cash on Cash Return:** 8.33%
 - **Total Return:** 9.69%
 - **Year Built:** 2004
 - **Rent Increase:** \$503/mo. starting 3/2021
 - **Land Area:**
± 43,124 SF/1.38 Acres
 - **Building:**
± 9,014 SF
 - **Assessor's Parcel Number:**
206-04-007T
 - **Parking:** 128 total spaces (5.7/1,000 SF)
 - **Traffic Counts:** 22,000 AADT
 - **Access:** One curb cut on site and total of four with adjacent center along Hwy 60
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Aaron's is a short bike ride from Miami High School, Leo Kornegay Intermediate School, and Las Lomas Elementary School, and is 1.4 miles from the Cobre Regional Medical Center. There is a strong regional draw to the Walmart anchored shopping center. Aaron's has been a tenant for over a decade, and have proven their commitment to this location by exercising lease extensions. The Walmart Shopping Center is located on one of the main thoroughfares of Globe/Miami/Claypool (Highway 60) and is positioned just before the State Route 188 exit. Highway 60 has 22,000 Average Annual Daily Traffic. Globe/Miami/Claypool is surrounded by multiple renowned national parks. The cooler summer weather makes this area a common getaway from Phoenix's extreme climate, as well as a great change of pace within an hours drive from the Phoenix MSA.

FINANCIAL ANALYSIS

Purchase Price:	\$925,000
Capitalization Rate:	7.85%
Approximate Rentable (SF):	9,014

*Mortgage Info: \$462,500 50% LTV at 5.5% fixed 25-yr
Annual Payment \$34,082 with \$8,866 Principle Reduction*

Expenses:

Property Taxes ⁽⁷⁾ (1.25% of sales price):	Tenant
Insurance ⁽⁷⁾ :	Tenant
CAM	\$ 3,780

Property Management:	\$ 1,750
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Total Expenses:	\$ 5,530
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Notes: (1) Aaron's base rent is \$76,168 per year at \$8.45 sf/yr. (2) The lease is NNN in nature, landlord is responsible for roof, structure, foundation, and management. (3) The reserve is included for any future landlord capital improvements. (4) This is the actual cost of sellers management fee, which is not collected by the tenants. (5) The cap rate equals the cash on cash based on the net operating income. (6) Loan quoted is subject to change with market conditions. The Cash Flow & Return are based on the quoted loan and may increase or decrease with changing lending markets. (7) Tenant pays property taxes directly and reimburses Landlord for Insurance upon invoice notice.

Rental Income: 2018

Base Rent	100%	\$76,168	(1)
NNN Reimbursed Expenses	100%	\$3,780	(2)
Total Income:		\$79,948	
Less: Reserve	<u>\$0.20/SqFt</u>	<u>\$ 1,803</u>	(3)
Gross Operating Income		\$78,146	
Expenses		<u>NNN</u>	
Management		<u>\$ 1,750</u>	(4)
Net Operating Income	7.85%	<u>\$72,616</u>	(5)
Annualized Loan Payment		<u>\$34,082</u>	(6)
Cash Flow	8.33%	\$38,534	(6)
Principal Reduction		<u>\$8,866</u>	(6)
Total Return	9.69%	\$47,399	(6)

AARON'S RENTALS RENT ROLL

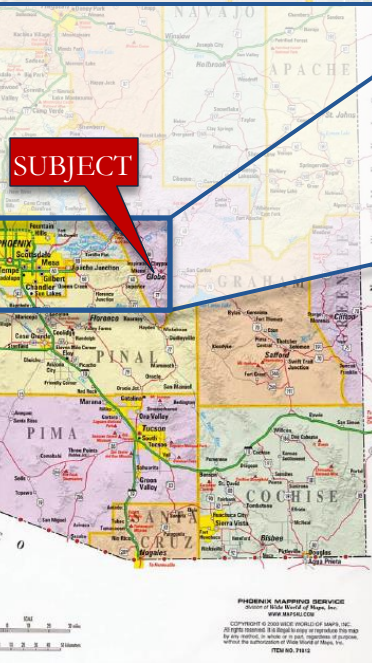
Tenant	Square Feet	Lease Start	Lease End	Monthly Rent	Next Rent Increase	Next Rent Increase	Options
Aaron's	9,014	11/2/2004	2/28/2025	\$ 6,347	3/1/2021	\$6,851	3/5 year

Aaron's of Arizona is a wholly owned subsidiary of Aaron's, Inc. Aaron's is a publicly traded company on the NYSE with a trading symbol "AAN". Aaron's 2018 revenues were \$3.83 Billion with a current market cap of \$3.644 Billion. R. Charles Loudermilk founded Aaron's Inc. in 1955 and is currently based out of Atlanta, Georgia. Aaron's is an Omni channel provider of lease-purchase solutions. The company participates in the sales and lease ownership of specialty retail furniture, consumer electronics, home appliances, and accessories. Aaron's stores carry brands such as Samsung, Sony, Dell, Hewlett-Packard, LG, Whirlpool, Simmons, Philips, Ashley, and Magnavox. As of Q4 of 2018, there were 1,312 Aaron's company stores, and 377 franchised stores. It owns trademarks and trade names used in business including Progressive, Dent-A-Med, the HELPcard and Woodhaven Furniture Industries. **Sent notice of consent to LL for remodel and improvements.



PARCEL MAP





Gila County has over 54,000 residences and Globe is the hub city of the county. The San Carlos Apache Reservation has an additional 16,500 residences. The volume of AADT (22,000 cars) is another driving force of visitors in addition to the residences.



Miami High School

*Leo Kornegay
Intermediate
School*

*Cobre Valley
Regional Medical
Center*



Walmart 

*Las Lomas
Elementary*

Aaron's

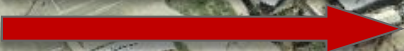
bealls
OUTLET



**TACO
BELL**

Highway 60 (22,000AADT)

*Residential
Neighborhoods*



GLOBE-MIAMI, AZ

Globe-Miami, AZ is located about an hour east of metropolitan Phoenix. The town is located north of the Pinal Mountain range and south of the Apache Mountains. Globe is the county seat of Gila County, founded in 1876 as a mining town originally and is home to some of the last remaining operating copper smelters in the United States. The Globe-Miami climate is more mild desert than its neighboring areas of Tucson and Phoenix with an average temperature of 76°F.

Just outside of downtown, Globe-Miami offers numerous hiking trails, beautiful landscapes and scenic views. The city sits at 3,500 ft. elevation and is surrounded on three sides by the Tonto National Forest that provides a variety of mountains that tantalize the horizon of the small city. Pinal Mountain reaches 8,000 feet and is covered with old pine trees; Tonto National Monument includes miles of trails as well as preserved cliff dwellings of Native American tribes, and Roosevelt Lake offers a cool escape from the Arizona heat with clear waters where travelers can swim, boat and water ski.

For those looking to enjoy an outdoor experience without leaving the city look no further than Miami's own Cobre Valley Golf Course. Cobre Valley Country Club features a nine-hole course on the outskirts of Miami. The 3,224-yard golf course has been open since 1927; the country club offers a heated outdoor swimming pool and clubhouse.



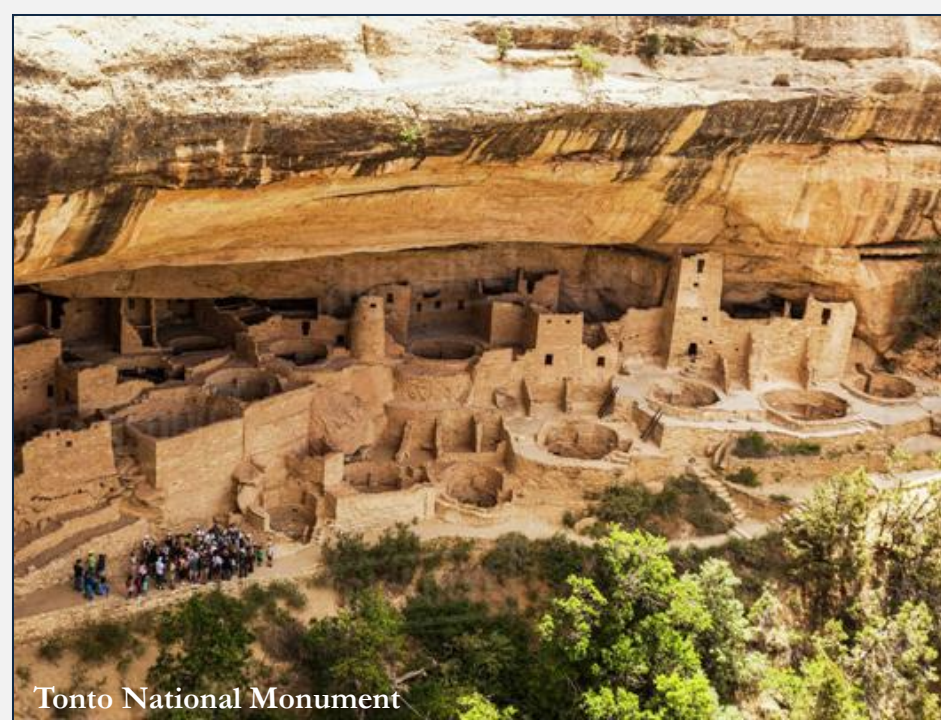
Roosevelt Lake



Salt River Canyon



Tonto Natural Bridge



Tonto National Monument



Apache Mountains

CONTACT INFORMATION

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