



TWO-TENANT INVESTMENT OFFERING
LAUGHLIN / BULLHEAD CITY, ARIZONA

Located in  CITY SQUARE
SHOPPING CENTER



2250 HIGHWAY 95, BULLHEAD CITY, AZ 86442

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DON LAUGHLIN'S RIVERSIDE RESORT AND CASINO



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STATEMENT OF CONFIDENTIALITY & DISCLAIMER

Faris Lee Investments ("FLI") has been engaged as the exclusive financial advisor to the Seller in connection with Seller's solicitation of offers for the purchase of the property known as City Square, City of Bullhead City, County of Mohave, State of Arizona. Prospective purchasers are advised that as part of the solicitation process, Seller will be evaluating a number of factors including the current financial qualifications of the prospective purchaser. Seller expressly reserves the right in its sole and absolute discretion to evaluate the terms and conditions of any offer and to reject any offer without providing a reason therefore. Further, Seller reserves the right to terminate the solicitation process at any time prior to final execution of the Purchase Agreement.

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, and it is not to be used for any other purpose or made available to any other person without the express written consent of Seller or FLI. The material is based in part upon information supplied by the Seller and in part upon financial

information obtained by FLI from sources it deems reasonably reliable. Summaries of any documents are not intended to be comprehensive or all-inclusive, but rather only outline some of the provisions contained therein and qualified in their entirety by the actual document to which they relate.

No representation or warranty, expressed or implied, is made by the Seller, FLI, or any of their respective affiliates as to the accuracy or completeness of the information contained herein. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence, including engineering and environmental inspections, to determine the condition of the Property and the existence of any potentially hazardous material located at the Property site or used in the construction or maintenance of the building at the Property site.

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 FLI 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.

Prospective purchasers are not to construe the contents of this Offering Memorandum or any prior or subsequent communication from FLI or Seller or their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents as legal, tax, or other advice. Prior to submitting an offer, prospective purchasers should consult with their own legal counsel and personal and tax advisors to determine the consequences of an investment in the Property and arrive at an independent evaluation of such investment.



PROPERTY OVERVIEW

\$7,458,000
PRICE

\$540,696
NOI

12.18%
CASH / CASH
RETURN

7.25%
CAP RATE

***SEE PAGE 23 FOR FINANCIAL DETAILS**

RENDERING OF NEW FACADE OF EXISTING SHOPS (NAP)
HIGHLY VISIBLE TO HIGHWAY 95



THE OFFERING

Faris Lee Investments is pleased to offer for sale the fee simple interest in a new Smart & Final Extra! and Ashley HomeStore, as part of City Square Shopping Center located in Bullhead City, Arizona. The investment consists of approximately 52,944 square feet of GLA and is comprised of 2 tenants both on NNN leases. The tenants, Ashley Homestore and Smart & Final Extra!, both have long term leases with approximately 9 and 15 years remaining on their lease terms, and scheduled rent increases every five years that contribute strong NOI growth throughout the lease terms. Smart & Final relocated to City Square because of its dynamic location, opening up their newest prototype store and Ashley Furniture also chose this location to benefit from the regional draw of the shopping center. There is also an adjacent 100% leased shops building that consists of 7 diverse and seasoned tenants who have a proven success in the trade area (NAP), Mad Dog Fitness (NAP) and the recently opened Hobby Lobby (NAP). These neighboring tenants will greatly benefit the subject property from the daily traffic generated.

The subject property is ideally located in the heart of the regional trade area that consists of a population of approximately 135,000 people. Furthermore, City Square is located along the most heavily travelled portion of Mohave Valley Highway / State Highway 95 with more than 35,000 vehicles per day, and directly across the street from Mohave High School, Bullhead City Civic Center, and the planned Civic Center Park and Events Center. The subject property is strategically located at the signalized, hard corner intersection of Thunderstruck Drive and Highway 95, providing ease of access to the subject property. Highway 95 is the only major north-south corridor that connects the immediate trade area of Bullhead and Laughlin with the cities of Needles and Lake Havasu, and provides access to Interstate 95, which leads to nearby Las Vegas. The subject property is located within close proximity to Wal-Mart Supercenter, Target, Safeway, Sam's Club, Home Depot, Lowe's and many other national tenants. There are approximately 48,000 permanent residents with an average household income higher than \$51,500 surrounding the subject property. Additionally, the immediate trade area is supported by more than 33,100 daytime employees within a 5 mile radius.

SPECIFICATIONS:

GLA: 52,944 SF

Land Area: 3.74 Acres

NATIONAL TENANTS:



LOCATION:

2250 Highway 95
Bullhead City, AZ 86442

INVESTMENT HIGHLIGHTS



Regional Grocery Anchored Shopping Center / Anchored By Smart & Final Extra! Market and Ashley HomeStore

- » Smart & Final relocated to City Square from down the street and opened their new prototype concept in August of 2018, which is performing extremely well
- » Strategic location of City Square further exemplified by national tenants Ashley HomeStore and Hobby Lobby (NAP) opening stores to service the entire trade area of 135,000 population



Stable Investment / Long Term Anchor Tenant Leases with Strong Increases

- » Corporate Smart & Final (NYSE: SFS) (15 year term) and Ashley Furniture (9 year term) provide secure income stream to the investor
- » Anchor tenants combined NOI grows 25% over their primary terms
- » Smart & Final and Ashley Homestore rents are at or below market for the trade area, providing a healthy rent-to-sales ratio and long-term stability



Very Attractive Assumable Debt (Estimated Terms)

- » Please call agent for more details
- » Equity requirement of approx. \$2,633,000 / 4.56% Interest Rate / 30 Yr Amort / 10 Year Term



Strong Cash Flow /Excellent Cash on Cash Returns / Low Price Per Square Foot

- » Levered Year 1 Cash on Cash Return of approx. 12.18%
- » Below Replacement Costs of \$141 Per Square Foot



Ease of Management / NNN Leases

- » Tenants reimburse for Taxes, Common Area Maintenance and Insurance
- » Landlord Responsible for Roof and Structure Maintenance - Seller spent approx. \$140,000 on roof repairs and roof maintenance on the building during Smart & Final and Ashley Homestore's built-out period
- » Ideal Investment for an out-of-state investor



City Square Shopping Center is Undergoing Major Capital Improvements to Further Enhance the Value and Desirability of the Center

- » Capital Improvement costs of approximately \$1 Million to include slurry and stripe of parking lot, 3 new Pylon Signs of which Smart & Final and Ashley Homestore have panels, renovation and new façade on the shops building - see renderings on page 8



Unique and Dynamic Regional Trade Area with Strong Demographics

- » City Square is located at the Commercial Core of the trade area serving Bullhead City, AZ, Laughlin, NV, Kingman, AZ, Fort Mohave, AZ and Needles, CA
- » Approximately 135,000 population in the trade area (source: REGis - See Trade Area Map and Demographics)
- » Approximately 700 residential units planned for 2018/2019 in Bullhead City and surrounding trade area
- » Daytime employment of 33,000 in the immediate trade area



Diverse and Strong Economic Drivers Provide Sustained Growth to Bullhead City / Laughlin Economy

- » Area benefits from over 4 Million annual visitors and tourists to Bullhead City and Laughlin
- » The attraction and draw of the Colorado River and 10 renowned Casinos with approximately 12,000 hotel rooms and the 4th largest gaming volume in the United States
- » Bullhead City is a leader in Sports Tourism, with dozens of National and Regional Sports Tournaments on an annual basis bringing economic stimulus to the city and surrounding communities

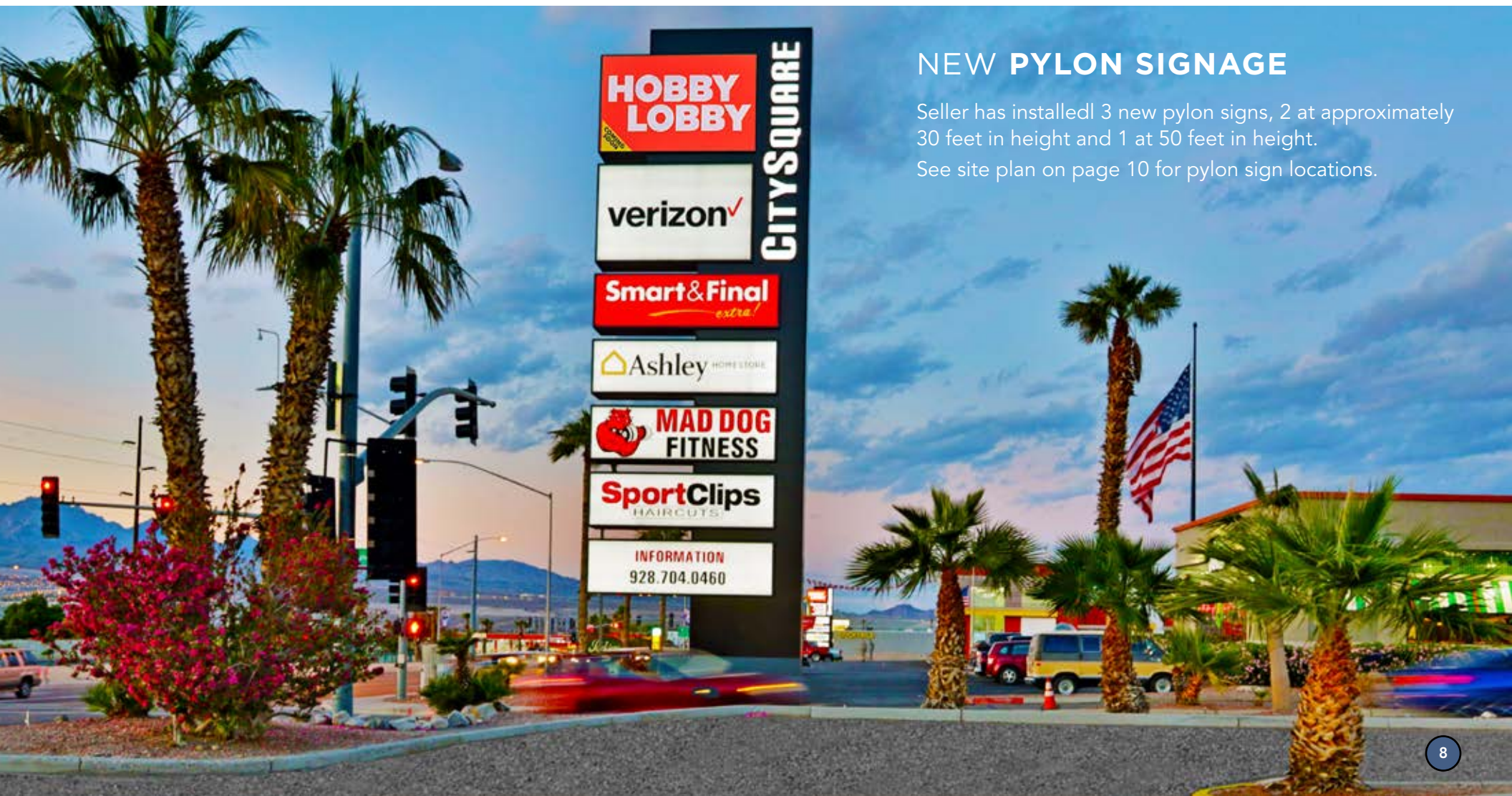


Strategic and Centralized Location in Bullhead City / Laughlin

- » City Square is located at the signalized intersection of Highway 95 & Thunderstruck Road (35,000 VPD), which is at the commercial core of the trade area
- » Located directly across the street from Bullhead City Civic Center, all Government Offices, Mohave County State and Federal Offices, Mohave High School (1,400 students) and 2 elementary and 2 middle schools, and the planned Civic Center Park and Events Center
- » City Square is located at the most travelled portion of Highway 95, which connects the "River Cities" and is the main corridor connecting Laughlin, NV to Needles, CA

**VIEW OF SIGNALIZED ENTRANCE TO
CITY SQUARE SHOPPING CENTER**





NEW PYLON SIGNAGE

Seller has installed 3 new pylon signs, 2 at approximately 30 feet in height and 1 at 50 feet in height.

See site plan on page 10 for pylon sign locations.

PROPERTY SPECIFICATIONS



Location

2250 Highway 95,
Bullhead City, AZ 86442



Rentable Area

52,944 SF
Land Area: 3.74 Acres (162,914 SF)



Ownership

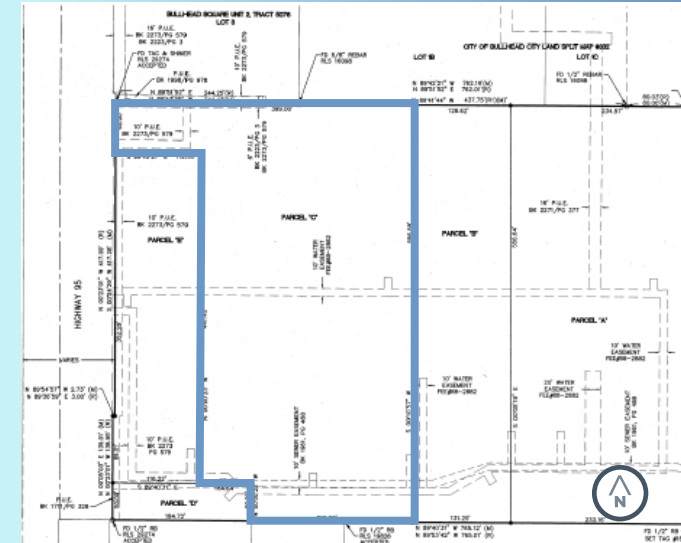
Fee Simple (Land & Building)



Access

There are six (6) access points: three (3) along Highway 95, two (2) along Hancock / Alta Vista Road and one (1) along Miracle Mile.

Recorded Parcel Map



PARCEL	ACRES	SQ FT
220-64-003	3.74	162,914



Parking

There are approximately 175 dedicated parking stalls on the owned parcel. The shopping center's CC&Rs allow for cross-parking and cross-access.



Traffic Count*

Highway 95: 35,000 VPD
* REGis 2018



Year Built

1988
(Redeveloped 2018)
Zoning: C-2

SITE PLAN



LAUGHLIN, NEVADA HOTELS AND CASINOS

Aquarius	Harrah's
Edgewater	Don Laughlin's
Tropicana	Colorado Belle
Golden Nugget	Pioneer

12,000 HOTEL ROOMS
4TH LARGEST GAMING REVENUE IN THE US



PLANNED RANCHO COLORADO
RESIDENTIAL DEVELOPMENT
(1,800 LOTS)

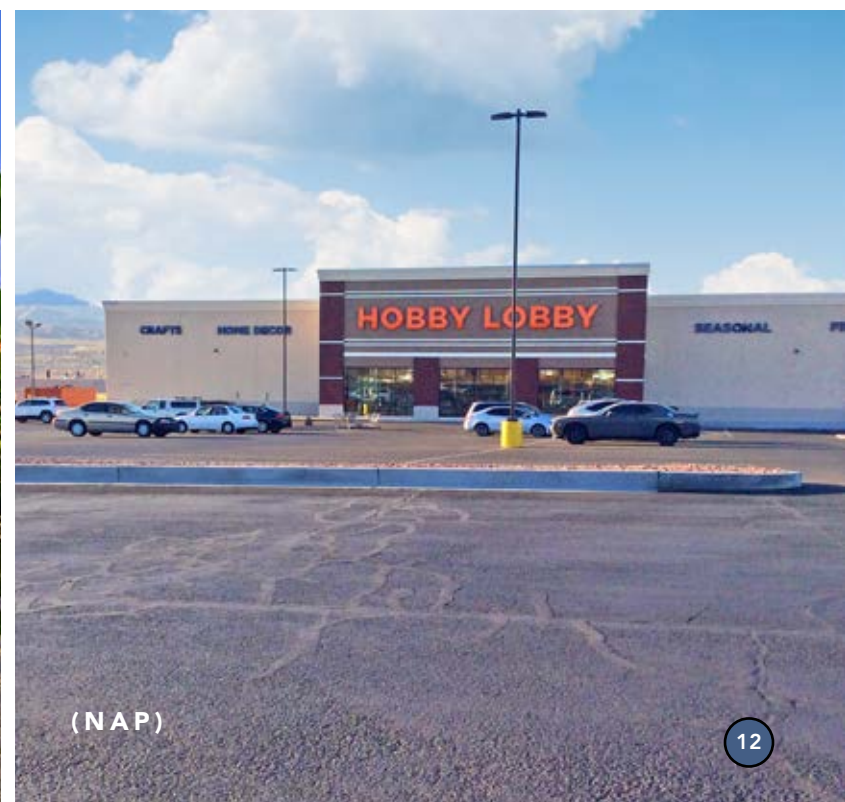
PLANNED TRAILS, MARBLE CANYON AND
KNOLLWOOD RESIDENTIAL DEVELOPMENTS
(2,440 LOTS)

MOHAVE HIGH SCHOOL
(1,400 STUDENTS)

HIBACHI GRILL (NAP)

PLANNED CIVIC CENTER,
PARK AND EVENT CENTER,
AMPHITHEATRE AND 170,000 SQ FT
EVENT CENTER

STATE LAND







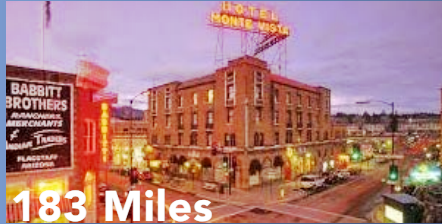
AREA OVERVIEW

DISTANCE FROM:



84 Miles

Las Vegas/Henderson, NV



183 Miles

Flagstaff, AZ



217 Miles

Phoenix, AZ



277 Miles

Los Angeles, CA



80.9%

Home appreciation since 2000



16.6%

Population growth since 2000



47,380

Estimated population in 5 mile radius



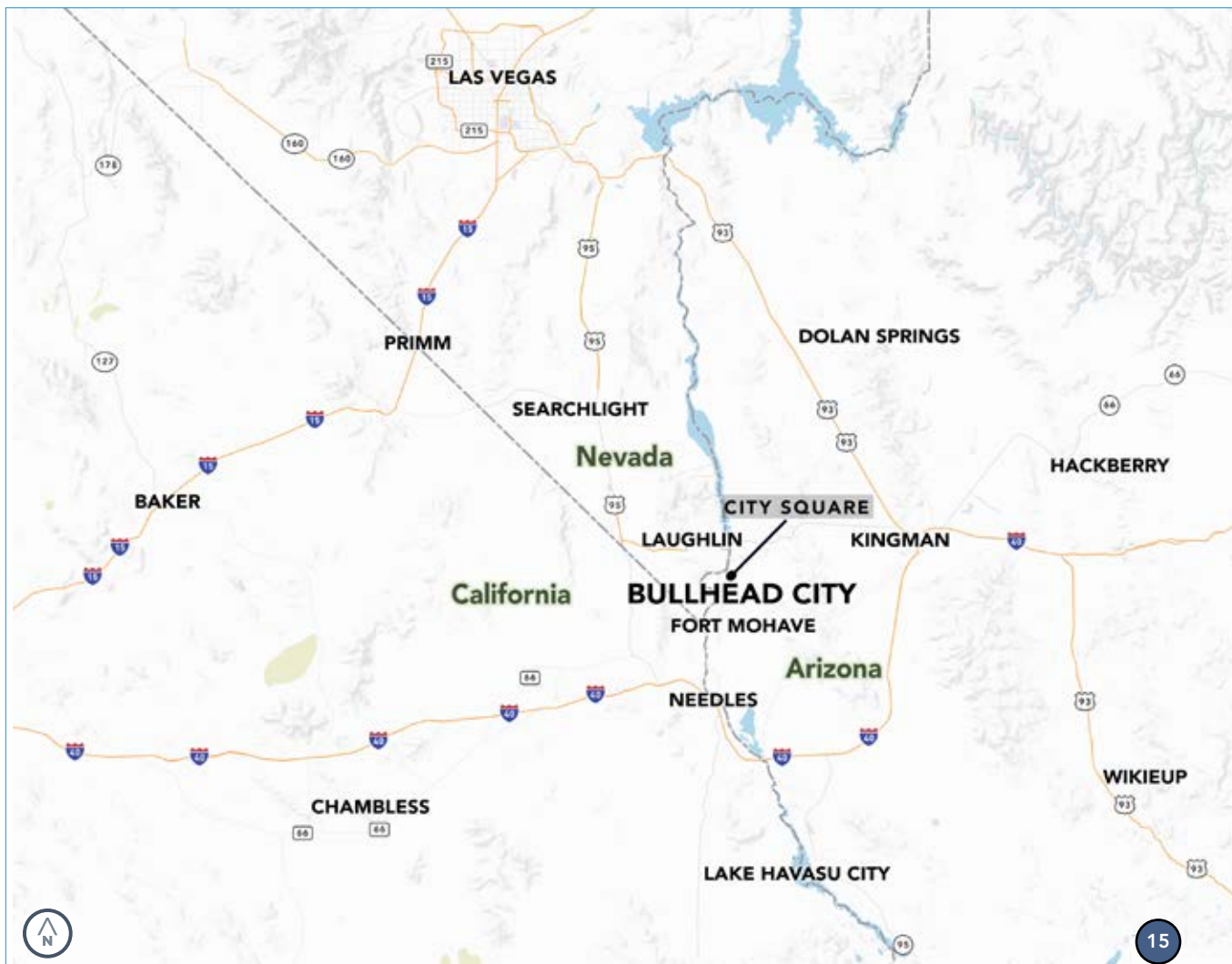
\$51,676

Average household income in 5 mile radius



18 Minutes

Average commute time



The City of Bullhead City

Bullhead City is located in west-central Mohave County in the tri-state area of Arizona, California and Nevada. Among Arizona's fastest growing communities, it is the sister city to Laughlin, Nevada and just 90 minutes south of Las Vegas. Bullhead City was incorporated in August 1984.

Bullhead City has also been referred to as Arizona's West Coast because the City is located on the east bank of the Colorado River near the juncture of Arizona, California and Nevada. Bullhead City serves as the economic hub and retail shopping center for Western Mohave County and Southeastern Clark County, Nevada. It's easily accessible by major highways and a short drive from Los Angeles, Phoenix and Las Vegas.

Economic Highlights

Bullhead City's economic activities are mainly related to tourism and retail sales. The City, as well as community groups, have been working diligently to attract visitors from throughout the United States and beyond for events being held within the community. The biggest event is the annual River Regatta. Although it started out small in August 2007, with only 583 participants, it grew to 30,000 people by 2016 and capacity has since been capped at 20,000.

The City hosts an annual youth soccer tournament in February of each year. The tournament attracts upwards of 120 teams from California, Nevada and Arizona. Softball leagues and tournaments are held throughout the year. The largest tournaments take place in March, including the annual senior softball tournament that attracts 70 teams from throughout the United States and Canada, and the Dave Kops Tournament of Champions, which attracts some of the top high school softball teams from throughout the country. The City, in partnership with the Bullhead Area Chamber of Commerce and the Southern California Harley Davidson Dealers Association, hosts the annual Bullhead City Bike Fest. This event is held in April, in conjunction with the annual Laughlin River Run. The event attracts motorcycle enthusiasts to stop in Bullhead City at Harley Park (i.e. Community Park) and enjoy the activities that are happening on this side of the river.

There are ten casinos in Laughlin, Nevada located just across the Colorado River from Bullhead City. Tourism is a primary economic activity centered on the Laughlin resort/gaming industry, area water sports, golfing and fishing.



MAJOR BULLHEAD CITY AREA EMPLOYERS

City of Bullhead City
Western Arizona Regional Medical Center
Valley View Medical Center
Mohave Community College
Bullhead Unified School District
Colorado River Unified School District
Home Depot
WalMart
Lowe's
Sam's Club
Target

DEMOGRAPHICS



Population

2018 Estimated Population	5,033	34,949	47,380	95,012	Regional Trade Area Population <small>(INCLUDING KINGMAN)</small> 135,298
2023 Projected Population	5,213	36,699	49,552	99,403	
2010 Census Population	4,879	33,503	44,075	88,765	
2000 Census Population	4,789	31,347	38,742	72,081	
Projected Annual Growth 2018 to 2023	0.7%	1.0%	0.9%	0.9%	
Historical Annual Growth 2000 to 2018	0.3%	0.6%	1.2%	1.8%	

1 Mile 3 Miles 5 Miles 30 Miles



Households

2018 Estimated Households	2,300	15,824	21,450	41,264
2023 Projected Households	2,418	16,679	22,491	43,541
2010 Census Households	2,107	14,382	18,905	37,296
2000 Census Households	2,014	13,006	16,133	29,704
Projected Annual Growth 2018 to 2023	1.0%	1.1%	1.0%	1.1%
Historical Annual Growth 2000 to 2018	0.8%	1.2%	1.8%	2.2%

2018 Est. White	81.0%	78.7%	79.8%	81.3%
2018 Est. Black	1.6%	2.2%	2.2%	2.2%
2018 Est. Asian or Pacific Islander	1.1%	1.9%	2.2%	1.8%
2018 Est. American Indian or Alaska Native	1.3%	1.2%	1.2%	1.9%
2018 Est. Other Races	15.1%	16.2%	14.6%	12.7%



Ethnicity

2018 Est. Hispanic Population	1,269	9,358	11,471	20,018
2018 Est. Hispanic Population	25.2%	26.8%	24.2%	21.1%
2023 Proj. Hispanic Population	26.6%	28.3%	25.8%	22.5%
2010 Hispanic Population	23.8%	25.3%	23.0%	19.2%

2018 Est. HH Income \$200,000 or More	0.4%	1.0%	2.3%	2.0%
2018 Est. HH Income \$150,000 to \$199,999	0.6%	0.8%	1.4%	1.7%
2018 Est. HH Income \$100,000 to \$149,999	6.5%	4.7%	6.1%	6.7%
2018 Est. HH Income \$75,000 to \$99,999	8.1%	8.8%	9.4%	9.7%
2018 Est. HH Income \$50,000 to \$74,999	17.4%	18.1%	17.5%	18.3%
2018 Est. HH Income \$35,000 to \$49,999	14.4%	16.3%	16.5%	16.9%
2018 Est. HH Income \$25,000 to \$34,999	16.1%	17.2%	16.1%	14.6%
2018 Est. HH Income \$15,000 to \$24,999	16.9%	17.3%	16.2%	15.6%
2018 Est. HH Income Under \$15,000	19.6%	15.8%	14.5%	14.5%



Income

2018 Est. Average Household Income	\$45,022	\$43,879	\$51,676	\$52,693
2018 Est. Median Household Income	\$35,280	\$36,690	\$39,930	\$41,656
2018 Est. Per Capita Income	\$20,607	\$19,902	\$23,426	\$23,517

2018 Est. Total Businesses	492	1,263	1,897	3,198
2018 Est. Total Employees	4,861	10,665	33,109	42,825



Business

* REGis 2018

REGIONAL TRADE AREA MAP





ROTARY PARK SPORTS COMPLEX

WINTERHAVEN ESTATES /
HANCOCK RANCH
(444 LOTS)

STATE LAND

BULLHEAD CITY
JUNIOR HIGH
SCHOOL

MOHAVE HIGH
SCHOOL

Smith's

TRACTOR
SUPPLY CO.

Walgreens

Wendy's

Perkins

McDonald's

Carl's Jr.

HARBOR FREIGHT TOOLS

WILD WINGS

ARIZONA
95

Pizza Hut

DEL TACO

BIG 5

(NAP)

HOBBY LOBBY
(NAP)

JOANN
CVS pharmacy
sears
HOMETOWN STORE
BULLHEAD
BIG ACE
Hardware

Smart & Final
extra!
verizon
SUBWAY
Ashley
HOMESTORE

CITY SQUARE

PLANNED TRAILS, MARBLE CANYON
AND KNOLLWOOD RESIDENTIAL
DEVELOPMENTS
(2,440 LOTS)







FINANCIAL ANALYSIS

RENT ROLL & TENANT SYNOPSIS

Suite #	Tenant	Size (SF)	% of Total SF	Rental Rates						% of Total Rent	Recovery Type	Lease Start Date	Lease Expiration Date	Lease Options
				Date	Increase	Monthly Rent	Monthly \$/SF	Annual Rent	Annual \$/SF					
M475	Smart & Final Extra!	30,570	58%	Current		\$28,277	\$0.92	\$339,324	\$11.10	63%	NNN	7/18/2018	7/31/2033	3 (5-Year) & 1 (4-Year)
				Aug-2023	8%	\$30,825	\$1.01	\$369,897	\$12.10		15% Admin Fee			Option 1: \$36,709/mo
				Aug-2028	8%	\$33,372	\$1.09	\$400,464	\$13.10		(excl. tax, ins & utilities)			Option 2: \$40,377/mo
														Option 3: \$44,428/mo
														Option 4: \$48,861/mo
M336	Ashley HomeStore	22,374	42%	Current		\$16,781	\$0.75	\$201,372	\$9.00	37%	NNN	7/1/2018	6/31/2028	2 (5-Year)
				Jul-2023	10%	\$18,459	\$0.83	\$221,509	\$9.90		15% Admin Fee			10% Increases
											(excl. tax, ins & utilities)			Every 5 Years
	Total Occupied	52,944	100%	Total Occupied		\$45,058	\$0.85	\$540,696	\$10.21	100%				
	Total Vacant	0	0%	Total Vacant		\$0		\$0		0%				
	Total / Wtd. Avg:	52,944	100%	Total / Wtd. Avg:		\$45,058	\$0.85	\$540,696	\$10.21	100%				

Notes

Smart & Final - Expense cap for 2018 was \$2.49 PSF. There is a 5% cap on controllable expenses, but no cap on taxes, insurance or utility.

Ashley HomeStore (franchisee) - July 2023 Rent Increase is lesser of CPI adjustment or 10% - Analysis shows 10% increase. Expense cap for 2018 was \$2.49 PSF. There is a 5% cap on controllable expenses.



SMART & FINAL EXTRA!

Smart & Final Stores, Inc. operates as a food retailer in the United States. It operates in two segments, Smart & Final and Smart Foodservice. The company's stores offer fresh perishables and everyday grocery items, such as produce, meat and deli, dairy and cheese, grocery, and beverage products, as well as paper and packaging, and restaurant equipment and janitorial supplies. It also provides various private label products under the First Street, Sun Harvest, Simply Value, La Romanella, Montecito, Iris, and Ambiance brands. The company sells its products to household and business customers; restaurants; caterers; and various other foodservice businesses, such as food trucks and coffee houses through vendors and suppliers. As of December 30, 2018, it operated 326 grocery and foodservice stores, including 59 Smart & Final stores, 201 Smart & Final Extra! stores, and 66 Smart Foodservice Warehouse stores located in California, Oregon, Washington, Arizona, Nevada, Idaho, Montana, and Utah, as well as 15 stores in Northwestern Mexico operated through a joint venture. Smart & Final Stores, Inc. was founded in 1871 and is headquartered in Commerce, California.

Company Type: Public (NYSE: SFS)
 2018 Locations: 326
 2018 Net Income: -\$112.16 Million
 2018 Equity: \$308.16 Million

Fiscal Year-End: December
 2018 Revenue: \$4.74 Billion
 2018 Assets: \$1.71 Billion
 S&P Rating: B

ASHLEY HOMESTORE

Ashley HomeStore is an American furniture store chain that sells Ashley Furniture products. Opened in 1997, the chain comprises over 800 locations worldwide. The chain has both corporate and independently owned and operated furniture stores. Together, these stores reported gross revenues of \$3.85 Billion in 2018. This location in particular is a franchised location. The franchisee owns and operates three other locations in Blythe, CA, El Centro, CA and Lake Havasu, AZ and has been in the furniture business for approximately 30 years.

Company Type: Private



TRANSACTION SUMMARY

Financial Information

Price:	\$7,458,000
Price/SF:	\$141

Property Specifications

Rentable Area:	52,944 SF
Land Area:	3.74 Acres
Year Built / Renov:	1988 / 2018
Address:	2250 Highway 95 Bullhead City, AZ
APN:	220-64-003
Major Tenants:	Smart & Final Extra!, Ashley HomeStore

Assumable Loan Terms (Estimated):

Loan Amount:	\$4,825,000	65%
Down Payment:	\$2,633,000	35%
Payment (monthly):	(\$24,620)	
Interest Rate:	4.56%	
Amortization:	30 years	
Maturity:	June-2029 (est)	

Estimated Operating Information

	In-Place
Gross Potential Rent	\$540,696
Plus Recapture	\$189,383
Effective Gross Income	\$730,079
Less Expenses	(\$189,383)
Net Operating Income	\$540,696
Less: Interest Payment	(\$220,020)
Less: Principal Payment	(\$75,419)
Cash Flow	\$245,257
Cap Rate:	7.25%
Cash/Cash ⁽¹⁾	12.18%

(1) Cash on Cash includes principal loan paydown

Estimated Operating Expenses

	PSF/Yr
Taxes ⁽¹⁾	\$83,652 \$1.58
Insurance ⁽²⁾	\$5,676 \$0.11
CAM	\$93,030 \$1.76
Management ⁽³⁾	\$7,026 \$0.13
Total	\$189,383 \$3.58

(1) Taxes are estimated on a per square basis per latest Mohave County tax bill and rate

(2) Insurance and CAM figures are estimated per Owner's 2019 Budget

(3) Management is 1.3% of EGI



LAUGHLIN, NEVADA

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