

HARBOR FREIGHT TOOLS

Quality Tools at Ridiculously Low Prices

AT WEST CENTRAL PLAZA



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SINGLE TENANT NNN INVESTMENT OFFERING

ALBUQUERQUE NEW MEXICO

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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 Harbor Freight Tools, City of Albuquerque, County of Bernalillo, State of New Mexico. 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.

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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



SPECIFICATIONS:

GLA: 16,376 SF
Land Area: 1.97 Acres

TENANT:

HARBOR FREIGHT TOOLS

Quality Tools at Ridiculously Low Prices

LOCATION:

4410 Central Avenue SW
Albuquerque, NM 87105

THE OFFERING

\$2,733,000
PRICE

6.50%
CAP RATE

Faris Lee Investments is pleased to offer for sale the fee simple interest in a Harbor Freight Tools, part of West Central Plaza located in Albuquerque, New Mexico. The investment consists of approximately 16,376 square feet of GLA and also includes a Bank of America ATM and additional income from a cell tower. Harbor Freight Tools has over 7 years remaining on its initial lease term, and a 10% scheduled rent increase in 2021 that contribute strong NOI growth. There are also 3 (5-year) options to extend with healthy increases during each period.

The subject property is ideally located near Downtown Albuquerque and features demographics which include a population base of nearly 240,000 people in a 5-mile radius. Furthermore, West Central Plaza is located along Central Avenue SW, which features an average daily traffic count in excess of 50,000 vehicles per day. West Central Plaza is anchored by Burlington, Conn's HomePlus and Dollar Tree (all NAP). Also, a corner retail pad with drive-thru recently finished construction and both Panda Express and T-Mobile have opened for business (both NAP). The subject property is strategically located near the signalized, hard corner intersection of Central Avenue SW and Atrisco Drive SW, providing ease of access to the shopping center. Additionally, this immediate trade area is supported by more than 68,000 daytime employees.

INVESTMENT HIGHLIGHTS



Junior Anchor in a Major Shopping Center

- » Anchored by Burlington, Conn's HomePlus and Dollar Tree (All NAP)
- » Excellent frontage on a major thoroughfare (Central Avenue SW)



Long Term Tenant Lease with Strong Increase

- » Harbor Freight Tools has over 7 years remaining with 3 (5-year) options
- » 10% Rent increase in 2021
- » Additional income from Bank of America ATM and cell tower



Ease of Management/NNN Lease

- » Tenant reimburse for Taxes, Common Area Maintenance and Insurance
- » Low Management Investment



Unique and Dynamic Regional Trade Area with Strong Demographics

- » Nearly 240,000 population within a 5-mile radius
- » Daytime employment of over 68,000 within a 3-mile radius



Strategic and Centralized Location in Albuquerque

- » The shopping center is located at the signalized intersection of Central Avenue SW and Atrisco Drive SW (60,323 VPD)
- » Located across the street from El Super, Ross and Family Dollar
- » Situated less than 2.5 miles from Downtown Albuquerque

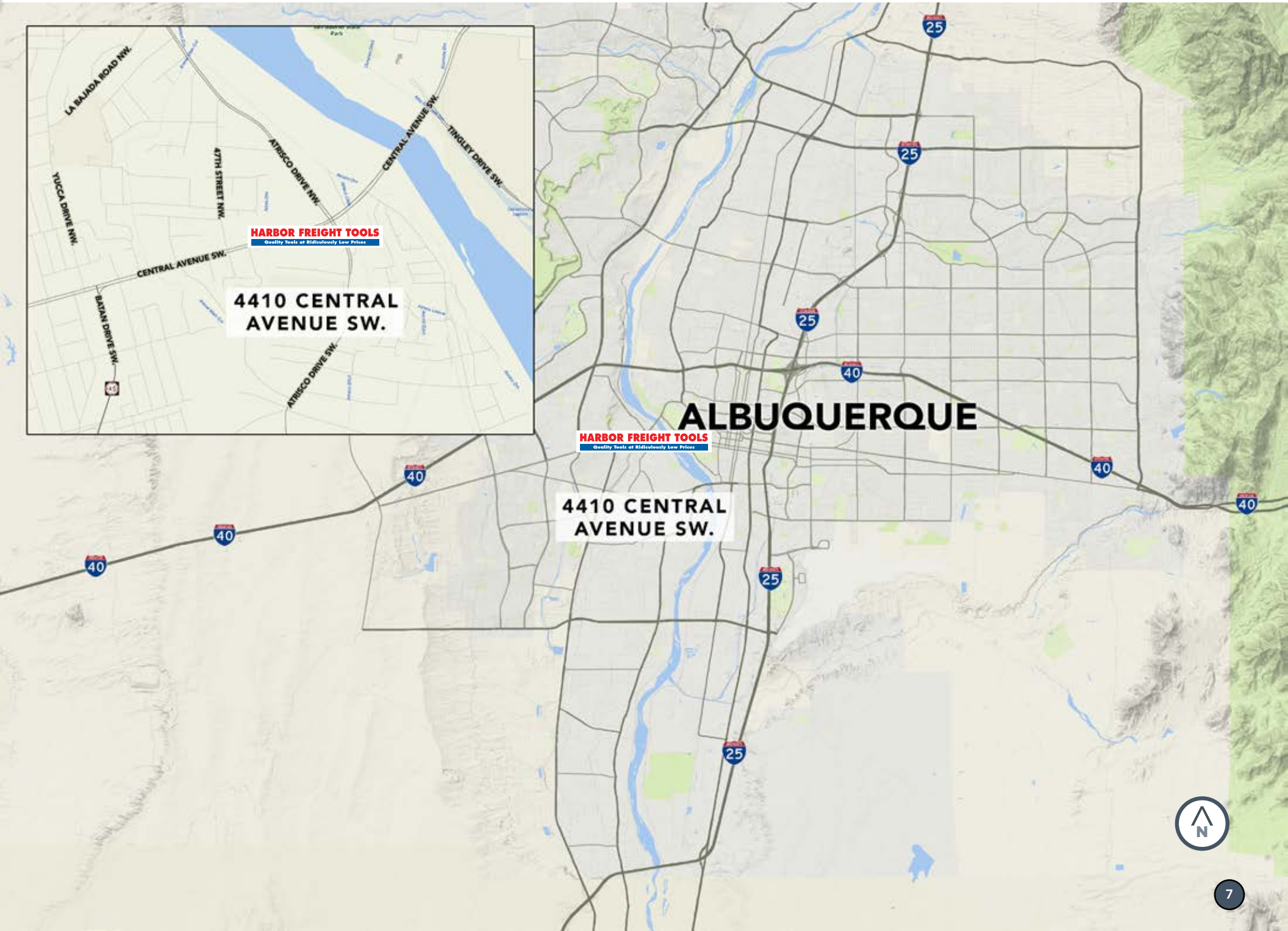


Recently Constructed Synergistic Retail Pad

- » Panda Express and T-Mobile bring more daily traffic (both NAP)
- » Drive-thru included



LOCATION MAP



HARBOR FREIGHT TOOLS
Quality Tools at Ridiculously Low Prices

**4410 CENTRAL
AVENUE SW.**

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Quality Tools at Ridiculously Low Prices

**4410 CENTRAL
AVENUE SW.**

ALBUQUERQUE



SHOPPING CENTER PHOTOS (NAP)



SHOPPING CENTER PHOTOS (NAP)



PROPERTY OVERVIEW

PROPERTY SPECIFICATIONS

Rentable Area:	16,376 SF	Zoning:	C-2 (Commerical General)
Approx Land Area:	1.97 Acres (85,768 SF)	Ownership:	Fee Simple (Land & Building)
Yr Built:	1975		

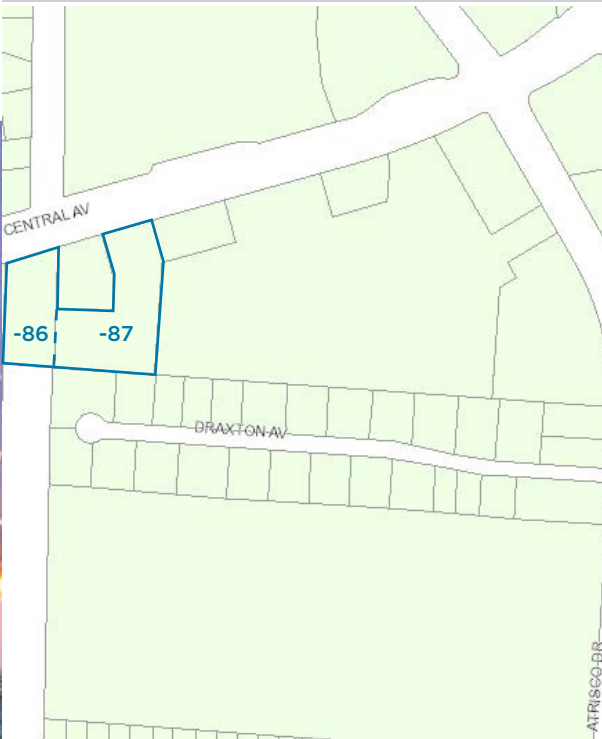
Address:	4410 Central Avenue SW, Albuquerque, New Mexico 87105
Access:	There are eight total (8) access points between multiple parcels for the shopping center, six (6) along Central Avenue SW and two (2) along Atrisco Drive SW.
Parking:	There are approximately 65 dedicated parking stalls on the owned parcel. The parking ratio is approximately 3.97 parking stalls per 1,000 SF of leasable area.

TRAFFIC COUNTS (COSTAR)

	Vehicles Per Day
Central Avenue SW:	50,823
Atrisco Drive SW:	9,500
Intersection Total:	60,323

PARCEL MAP

APN	ACRES	SF
1-012-057-141419-2-07-87	1.27	55,320
1-012-057-115420-2-07-86	0.70	30,448





PRICING ANALYSIS

SITE PLAN



RENT ROLL & TENANT SYNOPSIS

Suite #	Tenant	Size (SF)	% of Total (SF)	Date	Increase	Rental Rates		Annual Rent	Annual \$/SF	% of Total (Rent)	Recovery Type	Lease Start	Lease Expiration	Lease Options
						Monthly Rent	Monthly \$/SF							
West Central Plaza														
ANCHOR 1	Harbor Freight Tools	16,376	100%	Current Nov-2021	10%	\$13,647 \$15,011	\$0.83 \$0.92	\$163,760 \$180,136	\$10.00 \$11.00	86%	NNN Expense Cap: \$2.00 psf Yr 1 - Yr 5 and Yr 6 \$2.20 psf 5% annual growth thereafter (Insurance and RET included)	11/9/2016	4/30/2027	3 (5-Year) Option 1: \$16,512.47/mo Option 2: \$18,163.71/mo Option 3: \$19,978.72/mo
ATM	Bank of America	0	0%	Current Nov-2020	4%	\$948 \$986		\$11,372 \$11,827		6%	Gross	11/10/1994	11/9/2021	Auto Renew
CELL	Crown Castle Cell Tower	0	0%	Current		\$1,269		\$15,233		8%	Gross	12/10/1997	2/28/2023	None
	Total Occupied	16,376	100%	Total Occupied		\$15,864	\$0.97	\$190,365	\$11.62	100%				
	Total Vacant	0	0%	Total Vacant		\$0		\$0		0%				
	Total / Wtd. Avg	16,376	100%	Total / Wtd. Avg:		\$15,864	\$0.97	\$190,365	\$11.62	100%				

Notes Harbor Freight Tools has right to terminate if gross sales less than \$4M during 4th Lease Year.

HARBOR FREIGHT TOOLS

Quality Tools at Ridiculously Low Prices

HARBOR FREIGHT TOOLS

Harbor Freight Tools USA, Inc. retails discounted tools in the United States. It offers automotive tools; air and power tools; shop equipment; tool storage solutions; generators; welders; lawn and garden tools; and hand tools. The company offers its products through retail stores and online. It serves automotive and truck repair shops; government agencies; schools; manufacturers; contractors; and tool enthusiasts. Harbor Freight Tools USA, Inc. was founded in 1977 and is based in Calabasas, California.

Company Type: Private

2018 Revenue: \$5 Billion

BANK OF AMERICA (ATM)

Bank of America Corporation, through its subsidiaries, provides banking and financial products and services for individual consumers, small- and middle-market businesses, institutional investors, large corporations, and governments worldwide. It operates through four segments: Consumer Banking, Global Wealth & Investment Management (GWIM), Global Banking, and Global Markets. The Consumer Banking segment offers traditional and money market savings accounts, CDs and IRAs, noninterest- and interest-bearing checking accounts, and investment accounts and products; and credit and debit cards, residential mortgages, and home equity loans, as well as direct and indirect loans, such as automotive, recreational vehicle, and consumer personal loans. This segment provides its products and services through approximately 4,300 financial centers; 16,300 ATMs; call centers; and digital banking platforms. Bank of America Corporation was founded in 1874 and is headquartered in Charlotte, North Carolina..

Company Type: Public (NYSE: BAC)

Locations: 4,300+

2018 Employees: 205,292

2018 Income: \$28.15 Billion

2018 Equity: \$242.99 Billion

2018 Revenue: \$88.69 Billion



LEASE SUMMARY

Harbor Freight Tools	
Tenant Name:	Harbor Freight Tools USA, Inc.
Rentable Square Feet:	16,376
Lease Execution Date:	October 5th, 2016
Lease Start Date:	November 9th, 2016
Lease Expiration Date:	April 30th, 2027
Lease Type:	Fixed (Operating expenses capped at \$2 PSF for Years 1-5; Year 6 and later, not to exceed 5% increase year-over-year and capped at \$2.20 PSF)
Lease Term:	10+ years
Rent:	Current \$13,646.67/mo. November 2021 \$15,011.33/mo.
Lease Options:	3 (5-Year)
Admin Fee:	10% on expenses excluding utilities
Property Taxes, Insurance, CAM:	Tenant responsible
Utilities:	Tenant responsible
Roof & Structure:	Landlord responsible
HVAC:	Tenant responsible
Kick-out:	Tenant has right to terminate if gross sales are less than \$4M during Year 4

Lease Options		
Option Rent:		
	Option 1	Years 11-15 \$16,512.47/mo.
	Option 2	Years 16-20 \$18,163.71/mo.
	Option 3	Years 21-25 \$19,978.72/mo.

TRANSACTION SUMMARY

Financial Information

Price: \$2,733,000

Price/SF: \$167

Property Specifications

Rentable Area: 16,376 SF

Land Area: 1.97 Acres

Year Built: 1975

Address: 4410 Central Avenue SW
Albuquerque, NM 87105

APNs: 1-012-057-141419-2-07-87, 1-012-057-115420-2-07-86

Major Tenant: Harbor Freight Tools

Operating Information

	In-Place
Gross Potential Rent	\$190,365
Plus Recapture	\$32,752
Tot. Gross Potential Income	\$223,117
Effective Gross Income	\$223,117
Less Expenses	(\$45,466)
Net Operating Income	\$177,651
Cap Rate	6.50%

Operating Expenses

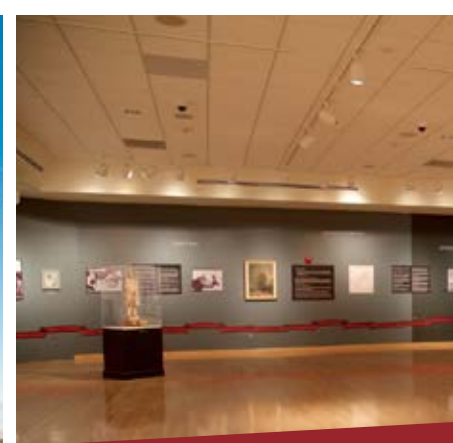
		PSF/Yr
Taxes ⁽¹⁾	5.4319%	(\$16,861) (\$1.03)
Insurance ⁽²⁾		(\$3,310) (\$0.20)
CAM ⁽³⁾		(\$21,948) (\$1.34)
Management ⁽⁴⁾	1.50%	(\$3,347) (\$0.20)
Total		(\$45,466) (\$2.78)

(1) Per 2019 taxable value for Harbor Freight (\$270,673) and Cell Tower (\$39,729) and 2018 tax rate (5.4319%)

(2) Estimated on PSF basis from 2018 CAM Reconciliation for Entire Center (\$0.20 PSF)

(3) Estimated on PSF basis from 2018 CAM Reconciliation for Entire Center (\$1.34 PSF)

(4) Management estimated at 1.5% of EGI



AREA OVERVIEW



Fast Facts

The City of Albuquerque

Albuquerque is the largest city in the state of New Mexico, home to over 887,000 residents. The Albuquerque metro area is currently growing at a steady pace of 1 to 2 percent a year and its five-year growth rate is projected at 7.2 percent compared with the national rate of 4.0 percent. Although it has grown into a larger city over the years, Albuquerque’s rich history and tight-knit community help it to maintain a small town feel. Albuquerque enjoys blue skies and sunshine 310 days out of the year. The weather makes Albuquerque an outdoor enthusiast’s paradise and a magnificent place to enjoy outdoor sporting events, concerts, festivals and more. The city is just a short drive from several world class hiking and mountain biking trails, ski area, and camp grounds. Albuquerque is also known as the Hot Air Balloon Capitol of the World because of the area’s mild climate and beautiful scenery. Every year, over 800,000 people descend on the City to celebrate the International Balloon Fiesta and watch over 600 hot air balloons take flight.



Economic Highlights

Military

The Albuquerque Metro is home to one of the largest Air Force bases in the Nation, Kirtland. It employs over 35,000 people, including more than 23,000 civilians and 4,200 active duty personnel. Several of the Air Force’s largest command units are headquarters at Kirtland, including Global Strike Command and the Nuclear Weapons Center.

Semiconductors and Electronics

Central New Mexico’s electronics cluster is more diverse than most. Anchored by Intel, the cluster of about 50 companies includes many lab and university spin-offs and start-ups.

Bioscience

Johnson & Johnson’s Ethicon Endosurgery, which manufactures instruments in a 230,000-square-foot plant; Heel Inc., a homeopathic pharmaceutical manufacturer. Oso Pharmaceuticals Manufacturing, a contract manufacturer of sterile injectable pharmaceuticals. Most of the city’s biotech-biomed companies are small but diverse and many are spinoffs from Sandia National Laboratories and the University of New Mexico.



Sandia National Laboratories

MAJOR EMPLOYERS

Company	Employment
Kirtland Air Force Base	35,690
University of New Mexico	14,300
Albuquerque Public Schools	14,480
Sandia National Laboratories	8,400
Presbyterian Hospital	7,369
UNM Hospital	5,950
City of Albuquerque	6,680
State of New Mexico	5,910
Intel Corp.	3,300
Lovelace Health	3,700

ALBUQUERQUE FAST FACTS



18.3%

Population Growth since 2000



7.1%

Predicted Population Growth over the Next 3 Years



3.75%

Recent Job Growth in Albuquerque



4.3%

Home Appreciation in the Last Year



237,594

Estimated Population in 5 Mile Radius



\$61,969

Average Household Income in 5 Mile Radius



21 Minutes

Average Commute Time

Demographics 2019

	1 Mile	3 Mile	5 Mile
Population	11,820	107,654	237,594
AHHI	\$49,867	\$55,852	\$61,969
Employees	1,194	68,296	156,419
Households	4,309	43,007	94,132



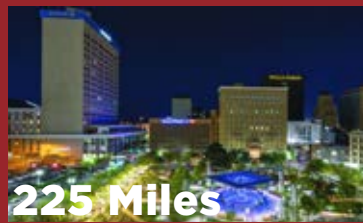
Albuquerque International Balloon Fiesta

Distance from Albuquerque:



60 Miles

Santa Fe



225 Miles

El Paso



330 Miles

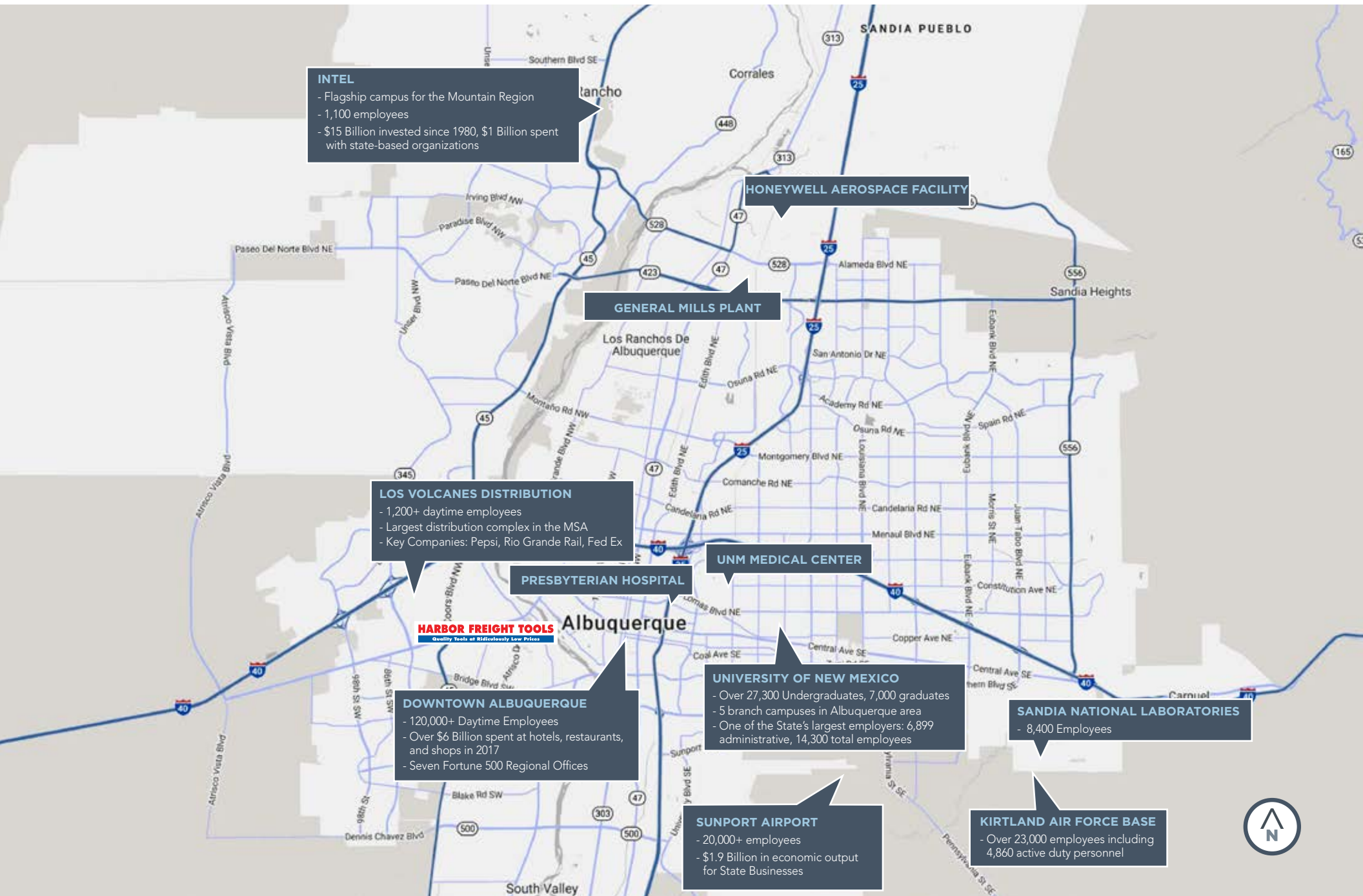
Denver



330 Miles

Phoenix

ECONOMIC DRIVERS



ALBUQUERQUE

NEW MEXICO

(PART OF WEST CENTRAL PLAZA)



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QUALITY TOOLS LOWEST PRICES

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