

SMOKEY POINT SHOPPING CENTER

7.85% CAP Rate - 95% Leased

\$9,500,000
• **\$109/SF** •



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RH | **ROSEN
HARBOTTLE**
COMMERCIAL REAL ESTATE

SMOKEY POINT SHOPPING CENTER

\$9,500,000 (\$109/SF)



3131-17306 Smokey Point Drive, Arlington, WA 98223



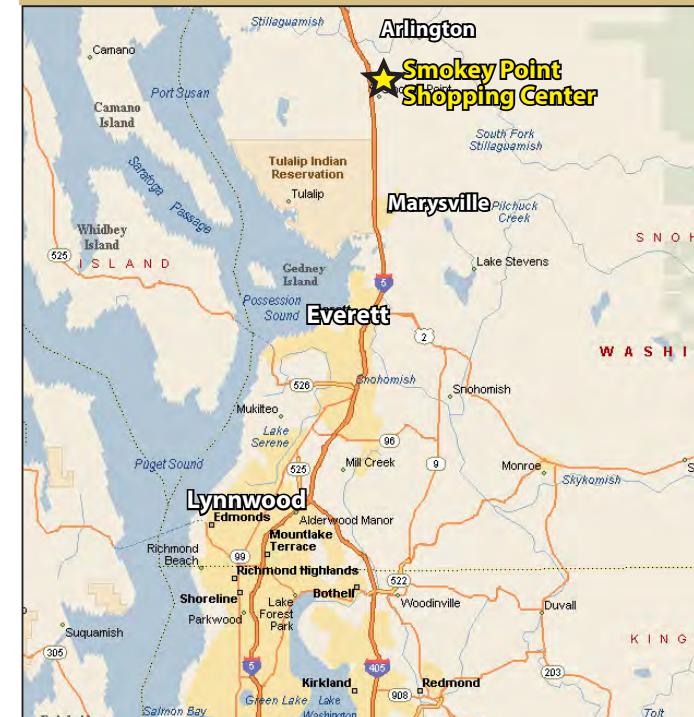
INVESTMENT DETAILS:

- **10.96%** Cash-on-Cash 2016
- **\$8.57/SF** Average NNN Rents (Well Below Market)
- NOI **\$744,685** (2016 Actual Rents)
- **2%** Outside Broker Commission

BUILDING FEATURES:

- 87,101 SF Building
- **\$33/SF** Land - 287,060 SF Total Land (6.59 Acres)
- ~1,000 SF Lineal Feet of I-5 Frontage
- 102,000+ Cars per Day
- ~327 Parking Stalls

LOCATION MAP



Rosen~Harbottle Commercial Real Estate | P.O. Box 5003 Bellevue, WA 98009-5003 | phone: (425) 454-3030 fax: (425) 454-6705

The information provided has been obtained from sources believed reliable. While we do not doubt its accuracy, we have not verified and make no guarantee, warranty or representation about it. It is your sole responsibility to independently confirm its accuracy and completeness.

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Financial Analysis - Five Year Look

	ACTUAL 2016 (Y1)	2017 (Y2)	2018 (Y3)	2019 (Y4)	2020 (Y5)
Base Rent Revenue¹	\$746,087	\$825,065	\$867,368	\$898,409	\$930,036
Reimbursed Expenses	\$306,613	\$323,177	\$332,872	\$342,859	\$353,144
Monument Sign Income	\$25,620	\$25,620	\$25,620	\$25,620	\$25,620

Operating Expenses²	(\$328,371)	(\$338,222)	(\$348,369)	(\$358,820)	(\$369,584)
Vacancy³	(\$5,264)	(\$57,412)	(\$60,012)	(\$62,063)	(\$64,159)
Structural Reserve	\$0	(\$8,710)	(\$8,710)	(\$8,710)	(\$8,710)

Net Operating Income	\$744,685	\$769,518	\$808,769	\$837,295	\$866,347
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Annual Debt Service⁴	(\$432,307)	(\$432,307)	(\$432,307)	(\$432,307)	(\$432,307)
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Cash Flow	\$312,379	\$337,210	\$376,462	\$404,988	\$434,040
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Cash-on-Cash	10.96%	11.83%	13.21%	14.21%	15.23%
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Principal Reduction	\$152,621	\$152,621	\$152,621	\$152,621	\$152,621
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Return on Equity	16.32%	17.19%	18.56%	19.57%	20.58%
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Assumptions

1. Vacancy Rates: \$12/SF Y1 + 3% annual increases for Y2-Y5
2. Op Ex: 3.77/SF Y1 + 3% annual increases for Y2-Y5
3. 0.5% vacancy for Y1; 5% vacancy for Y2-Y5
4. Loan-to-value: 70%; 25-year amortization; 4.25% interest

Please be advised that this analysis is generalized and does not factor in many of the financial and personal aspects one should take into account when electing to purchase real property. The potential purchaser must analyze this investment based upon its own analysis, including, without limitations, its own tax considerations (including current and future tax laws), recapture of depreciation, ultimate sales price and market considerations. These items must be evaluated by a qualified CPA, attorney or other consultant when making the decision to purchase.

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Buyer/Broker Confidentiality/Registration Agreement

RE: Smokey Point Shopping Center, Arlington, Washington

The undersigned has been advised that Rosen-Harbbottle Commercial Real Estate (RHCRE) has been retained on an exclusive basis by RH Smokey Point Shopping Center Associates, LLC (The "Seller") with respect to the offering for sale of the Smokey Point Shopping Center (The "Property"). All inquiries and communications shall be directed to RHCRE. In no event shall the undersigned or any of its agents or contractors contact any tenant of the Property or any governmental authority concerning the Property, or make any physical inspection or testing of the Property, without prior written consent of RHCRE or Seller.

The entity or person listed below as "Buyer" is interested in the possible Purchase of the Property. If applicable, Buyer is represented by the entity or person listed below as "Broker". Buyer represents that it has the experience and financial capabilities to evaluate and purchase the Property. All information furnished to Buyer and/or Broker by the Seller or by RHCRE shall not be duplicated, and it shall be used solely for Buyer's evaluation of the purchase of the Property for its own account as a principal.

RHCRE has available for review certain information ("Confidential Information") concerning the Property. On behalf of the Seller, RHCRE may make such Confidential Information available to the undersigned upon execution of this Confidentiality Agreement. The Confidential Information is intended solely for your own limited use in considering whether to pursue negotiations to acquire the Property. This is not an agreement to sell the Property or an offer of sale. No agreement binding upon the Seller, or any of its associated or affiliated companies, shall be deemed to exist, at law or equity, until the Seller enters into a formal binding agreement of sale.

The Confidential Information does not purport to be all-inclusive or to contain all the information that a prospective purchaser may require or desire. Financial information contains estimates based on assumptions and may not represent the current or future performance of the Property. Buyer agrees that Buyer's decision to purchase the Property shall be based solely on Buyer's independent investigation and evaluation of the Property and all information relating to the Property and not on any information provided by either Seller or RHCRE. The parties are advised that RHCRE, although not an actual Owner of the Property, has common interests in the Property. These interests include, but are not limited to, the fact that Principals in RHCRE may also have ownership interests or managing interests in the Property and represent the interest of the entity which owns the Property. Buyer and Broker agree that the Seller and RHCRE shall have no liability with respect to any information provided by the Seller or RHCRE. Neither RHCRE nor Seller make any representations or warranties, expressed or implied, as to the accuracy or completeness of the Confidential Information, and no legal liability is assumed or to be implied with respect thereto.

By executing this Confidentiality Agreement Buyer and Broker agree that the information provided is confidential, that each of them will hold and treat it in the strictest confidence, and that neither Buyer nor Broker will disclose or permit anyone to disclose the Confidential Information to any person, firm or entity without prior authorization of the Seller and RHCRE, except that the information may be disclosed to Buyer's partners, employees, legal counsel and lenders or pursuant to a court order and the undersigned agrees that any duplication is strictly prohibited. Seller expressly reserves the right in its sole discretion to reject any or all proposals or expressions of interest in the Property and to terminate discussion with any party at any time, with or without notice. **If you do not wish to pursue acquisition negotiations, you hereby agree to return the Confidential Information and deliver copies of any reports or surveys prepared by, or on behalf of, the undersigned concerning the Property to RHCRE.**

The undersigned acknowledges that it is undertaking its investigation of the Property at its sole risk, and that under no circumstance will any amounts expended by the undersigned for its due diligence investigation or review be paid or reimbursed by Seller or RHCRE.

ACKNOWLEDGED: Buyer

ACKNOWLEDGED: Broker

Signature: _____

Signature: _____

Name: _____

Name: _____

Title: _____

Title: _____

Company: _____

Company: _____

Phone: _____

Phone: _____

E-Mail: _____

E-Mail : _____

Address: _____

Address: _____

Fax: _____

Fax: _____

Return signed copy to:

Sierra Neville

sierran@rosenharbbottle.com