

ABSTRAKT - 10 YR ABS NNN SALE-LEASEBACK - 3% ANNUAL INCREASES

LIFE SCIENCE CANNABIS LAB & OFFICE CORPORATE HEADQUARTERS

RECENT \$970K TENANT INVESTMENT INTO THE INTERIOR AND HVAC SYSTEM IN ADDITION TO \$400K+ OF SPECIALTY EQUIPMENT - HIGHLY DESIRABLE BUILDOUT

3.83X NET INCOME COVERAGE RATIO ON YEAR 1 RENT PER ACTUAL 2024 FINANCIALS - 6.23X NET INCOME COVERAGE RATIO ON PROFORMA 2025 FINANCIALS

2149 EAST 5TH STREET, TEMPE, AZ 85288



OFFERING MEMORANDUM

Marcus & Millichap



The information in this package has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Any projections, opinions, assumptions or estimates used herein are for example purposes only and do not represent the current or future performance of the property. Marcus & Millichap Real Estate Investment Services is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2025 Marcus Millichap

Executive Summary

2149 East 5th Street, Tempe, AZ 85288

FINANCIAL SUMMARY

Price	\$3,272,000
Cap Rate	9.0%
Building Size	±7,750 SF
Net Cash Flow	9.0% \$294,500
Year Built	1981
Lot Size	±0.52 Acres

LEASE SUMMARY

Lease Type	Absolute Triple-Net (NNN) Lease
Tenant	Abstrakt
Guarantor	2 Personal Guarantees (~\$20M Net Worth)
Roof and Structure	Tenant Responsible
Lease Commencement Date	Upon Close of Escrow
Lease Expiration Date	10 Years from Close of Escrow
Lease Term	10 Years
Rental Increases	3% Annually
Renewal Options	3, 5 Year Options

ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
Year 1	\$294,500.00	9.00%
Year 2	\$303,335.00	9.27%
Year 3	\$312,435.05	9.55%
Year 4	\$321,808.10	9.84%
Year 5	\$331,462.34	10.13%
Year 6	\$341,406.21	10.43%
Year 7	\$351,648.40	10.75%
Year 8	\$362,197.85	11.07%
Year 9	\$373,063.79	11.40%
Year 10	\$384,255.70	11.74%

Base Rent	\$294,500
Net Operating Income	\$294,500
Total Return	9.0% \$294,500





54,800 STUDENTS



TEMPE MARKETPLACE

SMITH INNOVATION HUB
302 Acres with Mostly Light
Industrial and Office Uses

oscar
CORPORATE OFFICE



ABSTRAKT

N





TEMPE MARKETPLACE



SMITH INNOVATION HUB
302 Acres with Mostly Light
Industrial and Office Uses

RIO2100
60-Acre Mixed-Use Development:
5 Office Buildings, 2 Hotels,
Restaurant Space, and a 350-Unit
Apartment Complex

245,700 CPD
LOOP 202 FWY

oscar
CORPORATE OFFICE



ABSTRAKT

N

Property Description



INVESTMENT HIGHLIGHTS

- » Brand New 10-Year Absolute Triple-Net (NNN) Lease
- » Three Percent Annual Rental Increases with Multiple Renewal Options
- » Tenant Invested Over \$970,000 into the Interior and HVAC System in Addition to Over \$400,000 of Specialty Equipment - Highly Desirable Buildout
- » Dense Tempe Trade Area with 368,375 Residents within a Five-Mile Radius
- » Adjacent to Arizona State University (Nearly 55,000 Students), Facilitating Access to a Skilled Workforce and Research Collaboration Opportunities
- » Situated within the Smith Innovation Hub - 302 Acres with Mostly Light Industrial and Office Uses
- » Across from RI02100, a 60-Acre Mixed-Use Development
- » Easy Freeway Access, Located Next to the Loop 101 and Loop 202 Freeway Interchange
- » Abstrakt is a Leading Force in Arizona's Cannabis Industry - its Products Can Be Found in Over 74 Stores Throughout the State



DEMOGRAPHICS

1-mile

3-miles

5-miles

Population

2029 Projection	17,273	153,427	378,512
2024 Estimate	16,813	149,794	368,375
Growth 2024 - 2029	2.73%	2.43%	2.75%

Households

2029 Projection	7,934	64,488	160,096
2024 Estimate	7,721	62,567	154,858
Growth 2024 - 2029	2.75%	3.07%	3.38%

Income

2024 Est. Average Household Income	\$69,324	\$81,568	\$87,627
2024 Est. Median Household Income	\$57,685	\$67,339	\$72,525

Tenant Overview



ABSTRAKT



90+
Locations



TEMPE, AZ
Headquarters



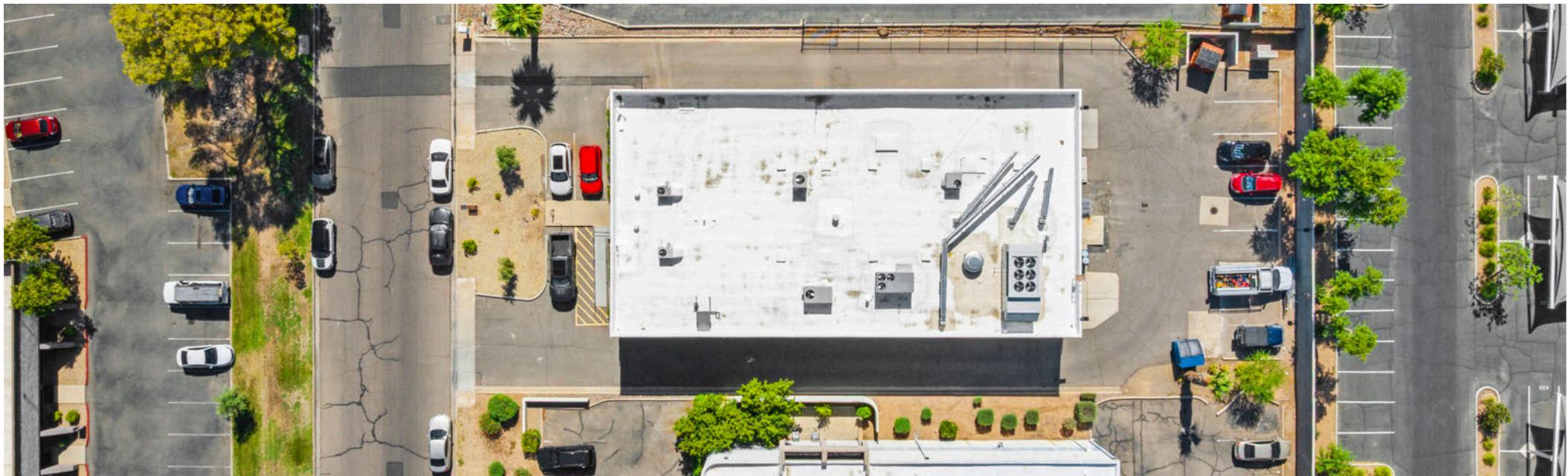
WWW.GETABSTRAKT.COM
Website



Abstrakt has emerged as a leading force in Arizona's cannabis industry, distinguished by its innovative flavor profiles and widespread market reach, with a presence in over 30 submarkets statewide. Known for producing premium, small-batch cannabis distillates, Abstrakt has set itself apart through its commitment to solvent-free extraction methods and consistently fresh product delivery. Abstrakt's mission is to be the premier cannabis vape company through unrelenting commitment to product quality, the community, and product innovation.

Abstrakt's products can be found in over 90 dispensaries throughout Arizona. It is the Top 3 Vape Company in the state by volume and revenue and is the Top 10 overall cannabis brand in Arizona. The company is owned by long-term shareholders who are experts in the cannabis industry. Gross sales for 2024 totaled \$9.7 million; gross sales have increased by 288% since 2022.

Property Photos



Interior Photos



Location Overview



Located just 10 minutes east of downtown Phoenix, Tempe exudes its own personality and the youthful spirit of a college town. Home to Arizona State University, the largest public university in the United States, Tempe has a vibrant downtown that's active day and night. Visitors will find locally-owned eateries and microbreweries, annual festivals, arts and cultural events. There are plenty of opportunities to enjoy the over 300 days of sunshine a year, including biking, hiking, or paddle boarding.

While enjoying dynamic growth, the city has maintained its unique personality and style through a careful and masterful blending of the new with the old. Respecting its heritage and energetically planning for the future, Tempe is a wonderful mix of history and modern urban amenities. Tempe has a distinct identity as an emerging destination city, replete with all the offerings of a city rich

in economics, technology, culture, tourism and educational resources. Tempe offers a blend of quality new developments, revitalization and redevelopment, prestigious institutions such as Arizona State University, and celebrated traditions. Tempe brings it all together – bright Arizona sun, rewarding places to work, diverse cultures, a myriad of recreational opportunities, the best in entertainment and an unparalleled Southwestern lifestyle.

Tempe maintains one of the most thriving economic environments in the country, home to top research firms, Fortune 500 companies, and start-ups. The city's largest employers include Arizona State University, State Farm, Salt River Project, Honeywell, Medtronic, and Insight Direct. Tempe has the most educated and technically-skilled workforce in Arizona. It is a young and diverse community, with a median age of 28.1.

[exclusively listed by]

Chris N. Lind

Senior Managing Director
602 687 6780
chris.lind@marcusmillichap.com

Mark J. Ruble

Executive Managing Director
602 687 6766
mruble@marcusmillichap.com

Zack House

Managing Director Investments
602 687 6650
zhouse@marcusmillichap.com

NET LEASED DISCLAIMER

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

By accepting this Marketing Brochure, you agree to treat the information contained herein regarding the lease terms as confidential and proprietary and to only use such information to evaluate a potential purchase of this net leased property.

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs. Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

CONFIDENTIALITY AGREEMENT

The information contained in the following offering memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and it should not be made available to any other person or entity without the written consent of Marcus & Millichap. By taking possession of and reviewing the information contained herein the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum. If you have no interest in the subject property at this time, please return this offering memorandum to Marcus & Millichap.

This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this offering memorandum has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONTACT THE MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

BE ADVISED: Marcus & Millichap does not promote or condone any present or intended use for the Property. Marcus & Millichap does not warrant the Property for any past, present, or intended use. Buyer understands there may be a variety of local, state, and federal laws which may lead to the potential seizure of property, and/or can affect or impair Buyer's intended use, the ability to operate, the present and future value of the Property, the ability to obtain insurance or financing, and a number of other potential operational, financial, and legal issues. In purchasing the Property, Buyer assumes all such risk. Marcus & Millichap is not responsible to provide, and Buyer shall not rely on, any legal, financial, or tax advice regarding the Property or its intended use. Buyer is expressly advised to seek the counsel of legal, tax, and financial experts prior to making any investment decision.

Ryan Sarbinoff

Arizona Broker of Record
602 687 6700
Lic #: BR675146000

Offices Nationwide
www.marcusmillichap.com

Marcus & Millichap