

CONFIDENTIAL FORTUNE 500 COMPANY - A RATED -

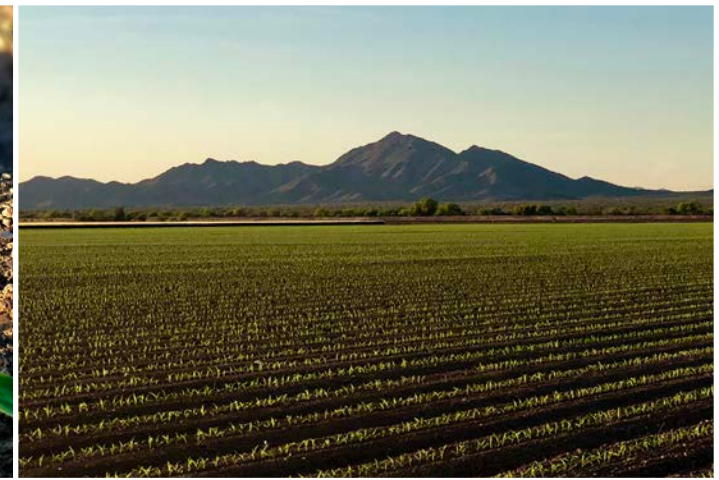
SALOME FARM

SALOME, ARIZONA



OFFERING MEMORANDUM

Marcus & Millichap



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Executive Summary

Salome, Arizona

FINANCIAL SUMMARY

Price	\$29,730,000
Cap Rate	4.0%
Net Cash Flow	4.0% \$1,189,442
Irrigated Acres	2,538 Acres
Desert Acres	649.9 Acres
Gross Acres	3,187.9 Acres
Price Per Gross Acre	\$9,326

LEASE SUMMARY

Lease Type	Triple-Net (NNN) Lease
Real Estate Taxes*	Landlord Responsible
Tenant	Confidential Fortune 500 Company
Guarantor	Confidential Fortune 500 Company
Lease Commencement Date	January 1, 2022
Lease Expiration Date	December 31, 2042
Renewal Options	2, 3 Year Options at FMV

Annual Rent	\$1,269,000
Est. RE Taxes	\$79,558
Total Return	4.0% \$1,189,442

*This is the only Landlord responsibility. Tenant is responsible for all other expenses/maintenance/replacements.



Property Description



INVESTMENT HIGHLIGHTS

- » **Brand New 20-Year Lease to Fortune 500 Company**
- » A-Rated Lease Guarantor
- » **Approximately 3,188 Acres of Farm Land**
- » Proprietary Crop that Uses Significantly Less Water Than Any Conventional Crop
- » **La Paz County is Pro Solar Development and has Secured Some of the State's Largest Solar Development Projects (Read More [Here](#))**
- » Limited Amount of Land Available with Pre-Existing Water Rights
- » **New Dollar General Store Constructed Just South of Salome Farm**
- » Numerous Developments Surrounding Salome, Arizona: Belmont Smart City by Bill Gates, Tartesso Master-Planned Community, Douglas Ranch, Sun City Festival 55+ Active Adult Community, Wickenburg Ranch, and a Proposed Interstate 11
- » **Easily Accessible - U.S. 60 to the North and Interstate 10 to the South**

DEMOGRAPHICS	5-miles	10-miles	15-miles
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Population

2026 Projection	1,849	2,103	2,403
2021 Estimate	1,984	2,254	2,563

Households

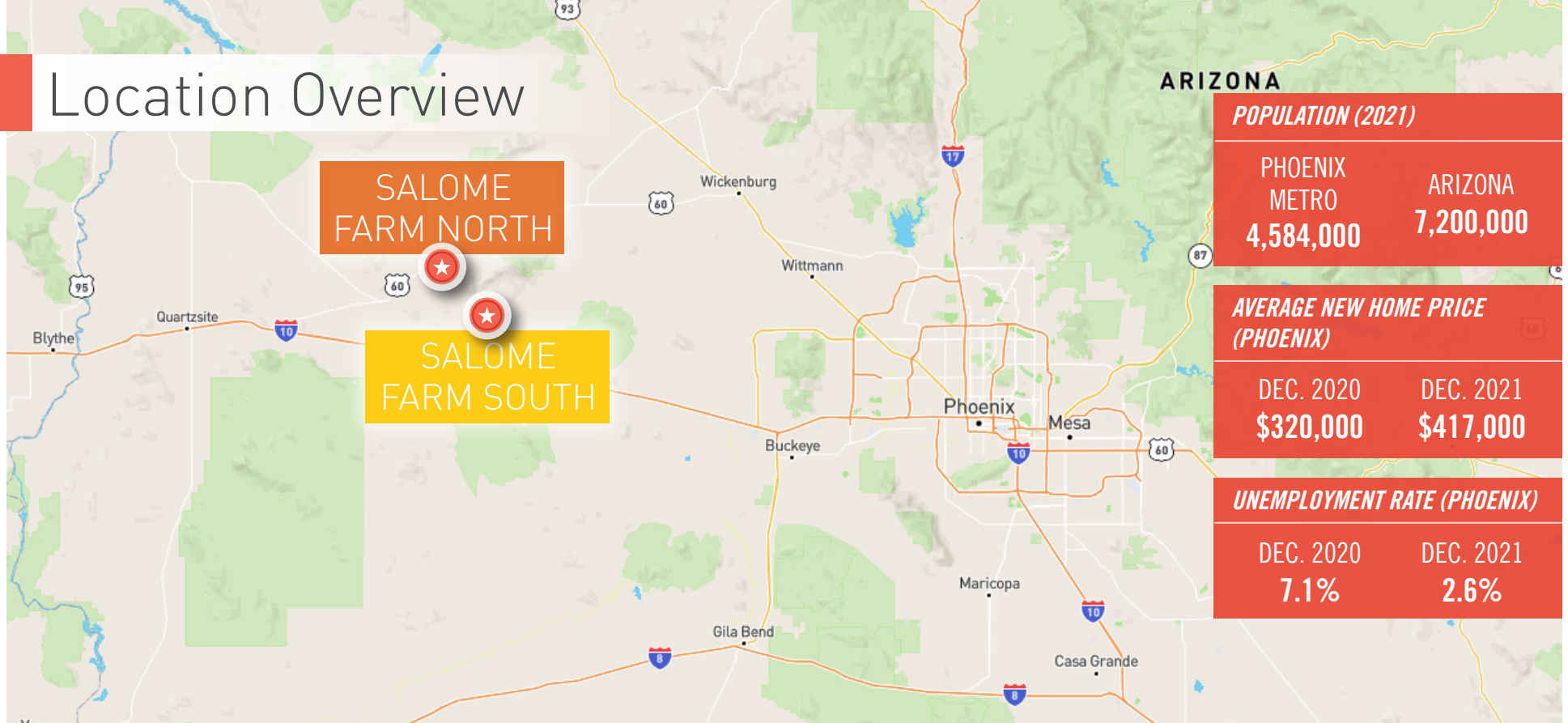
2026 Projection	761	939	1,047
2021 Estimate	812	1,000	1,111

Income

2021 Est. Average Household Income	\$42,909	\$43,248	\$44,107
2021 Est. Median Household Income	\$34,624	\$34,959	\$35,983
2021 Est. Per Capita Income	\$17,574	\$19,202	\$19,154



Location Overview



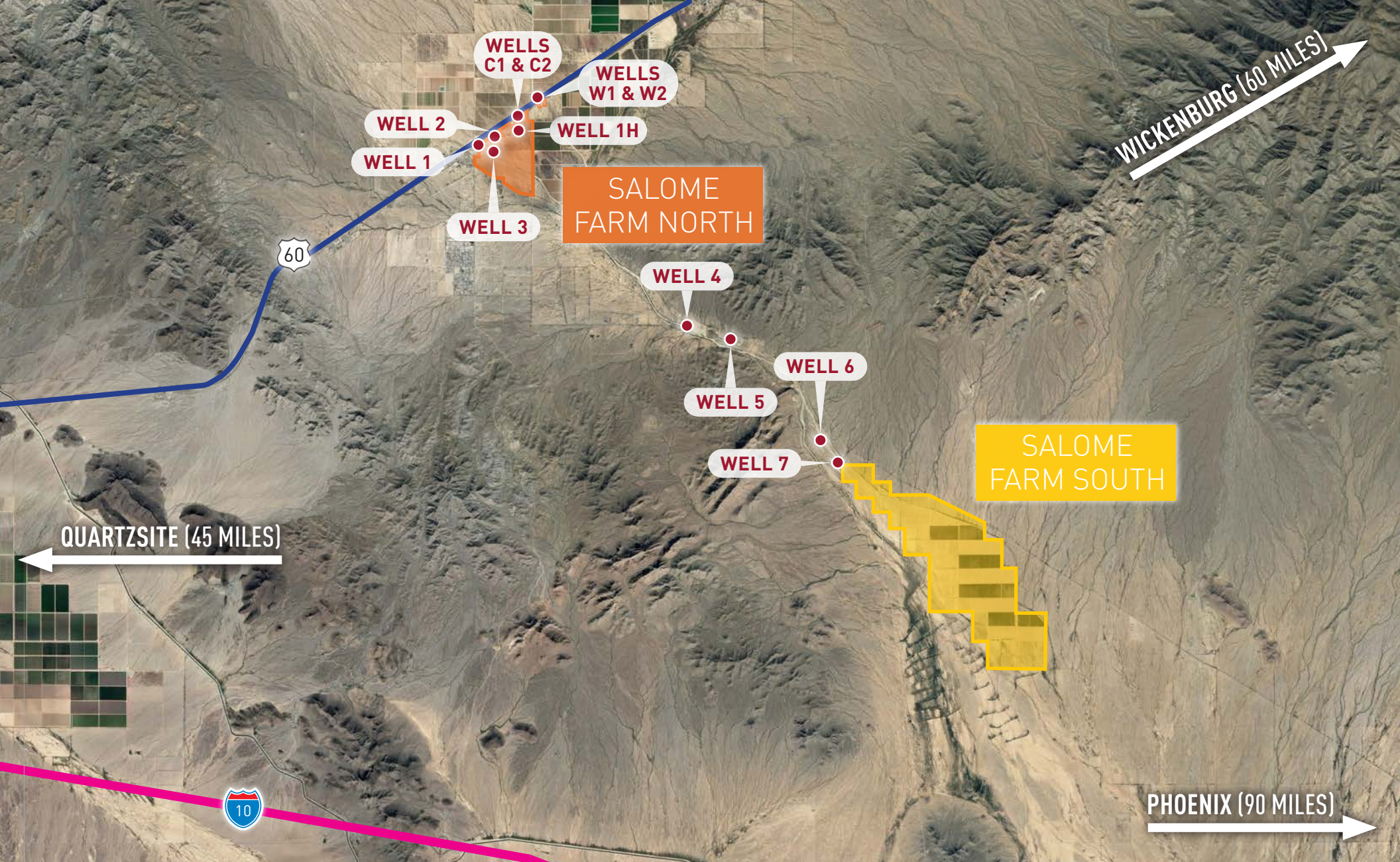
SALOME, ARIZONA: Salome is an unincorporated community and census-designated place (CDP) in La Paz County, Arizona. The estimated population is 1,530 residents. The U.S. Route 60 runs through Salome, connecting it to Wickenburg to the east and Interstate 10 and Quartzsite to the west. The community has a total area of 33.3 square miles consisting entirely of land. Agriculture is a key part of the community's economy. Approximately 12,000-16,000 acres are used to grow melons, garbanzo beans, alfalfa, pistachios, wheat, and cotton. Cattle ranching is also important to Salome's economy.

AGRICULTURE IN ARIZONA: In Arizona, agriculture is a \$23.3 billion industry with over 138,000 jobs. Arizona is the third-largest producing state for fresh market

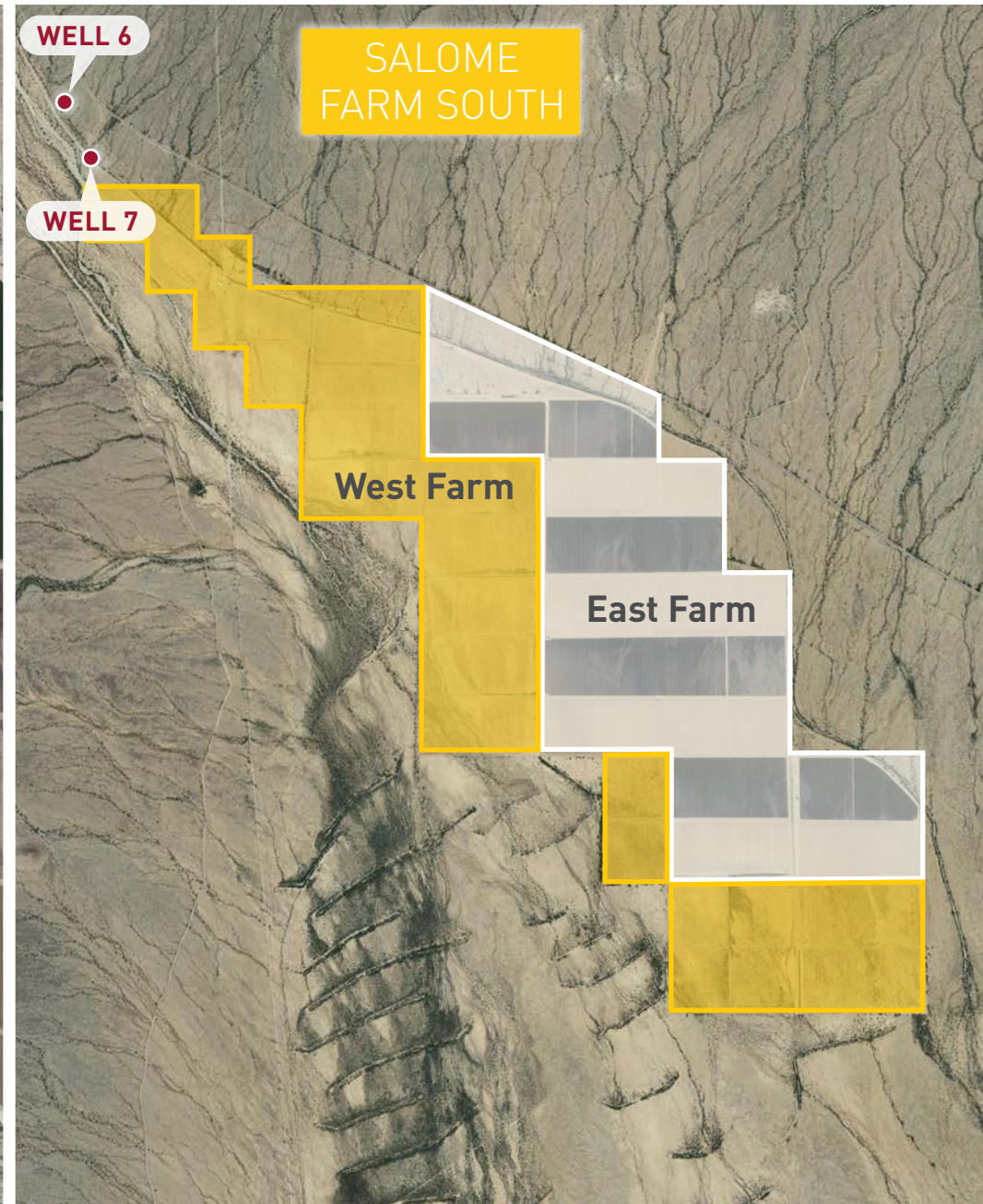
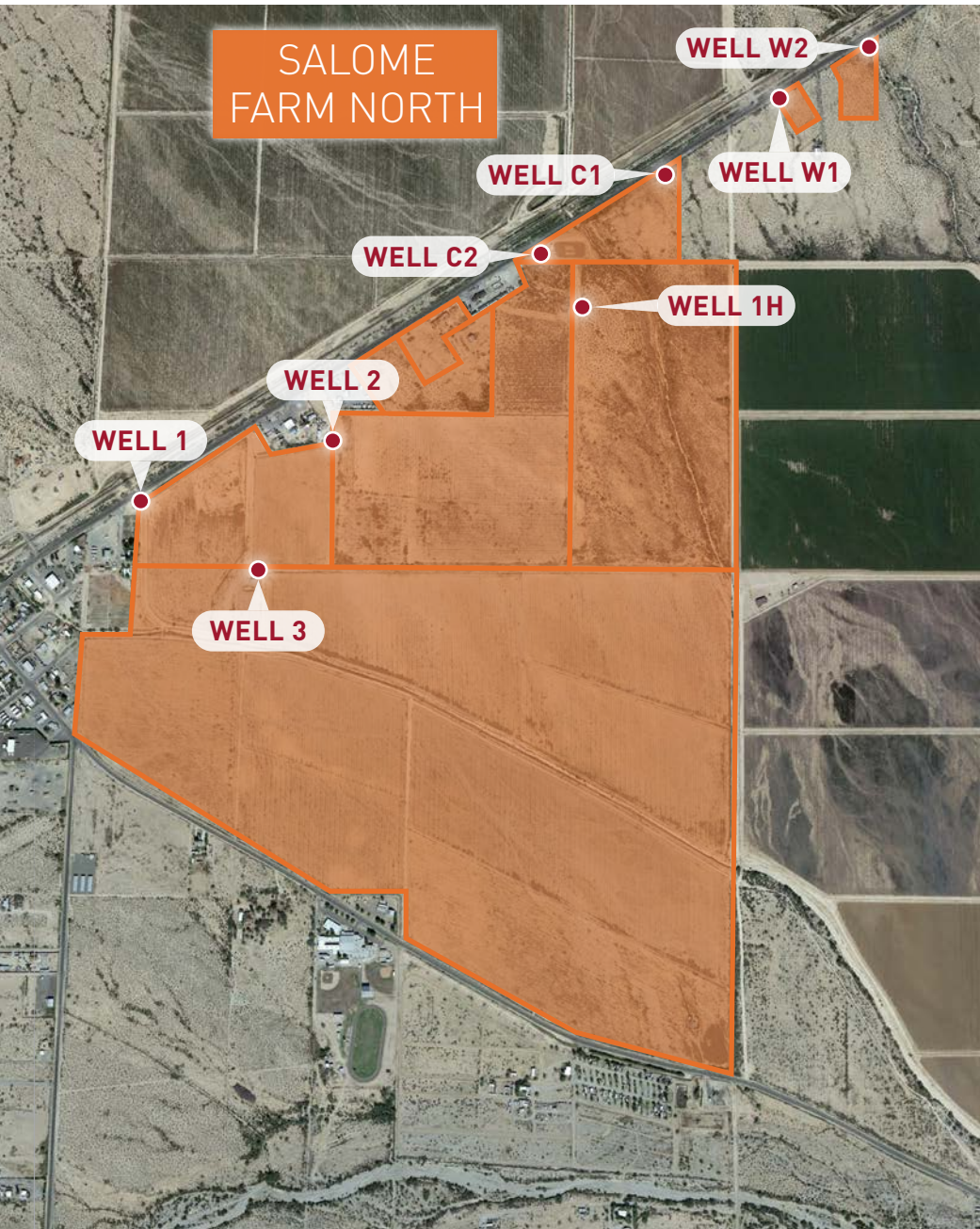
vegetables and the fourth in the country in acres of organic vegetables. Arizona is the second leading producer of cantaloupes, honeydews, pistachios, and dates for the nation. The state's agricultural producers export vegetables, fruit, nuts, seeds, wheat, hay, cotton, eggs, beef, and milk across the U.S. and to 70 countries including China, Panama, France, Canada, and Mexico. The annual value of all Arizona agricultural exports is over \$4.2 billion.

Arizona's climate provides year-round growing for hundreds of types of crops, including leafy greens, cabbage, dates, melons, lemons, oranges, apples, potatoes, and tomatoes. The animal industry, led by cattle ranching, dairy and dairy production, is the largest agricultural sector.

Property Location



Property Location



Map of Land Available with Pre-Existing Water Rights



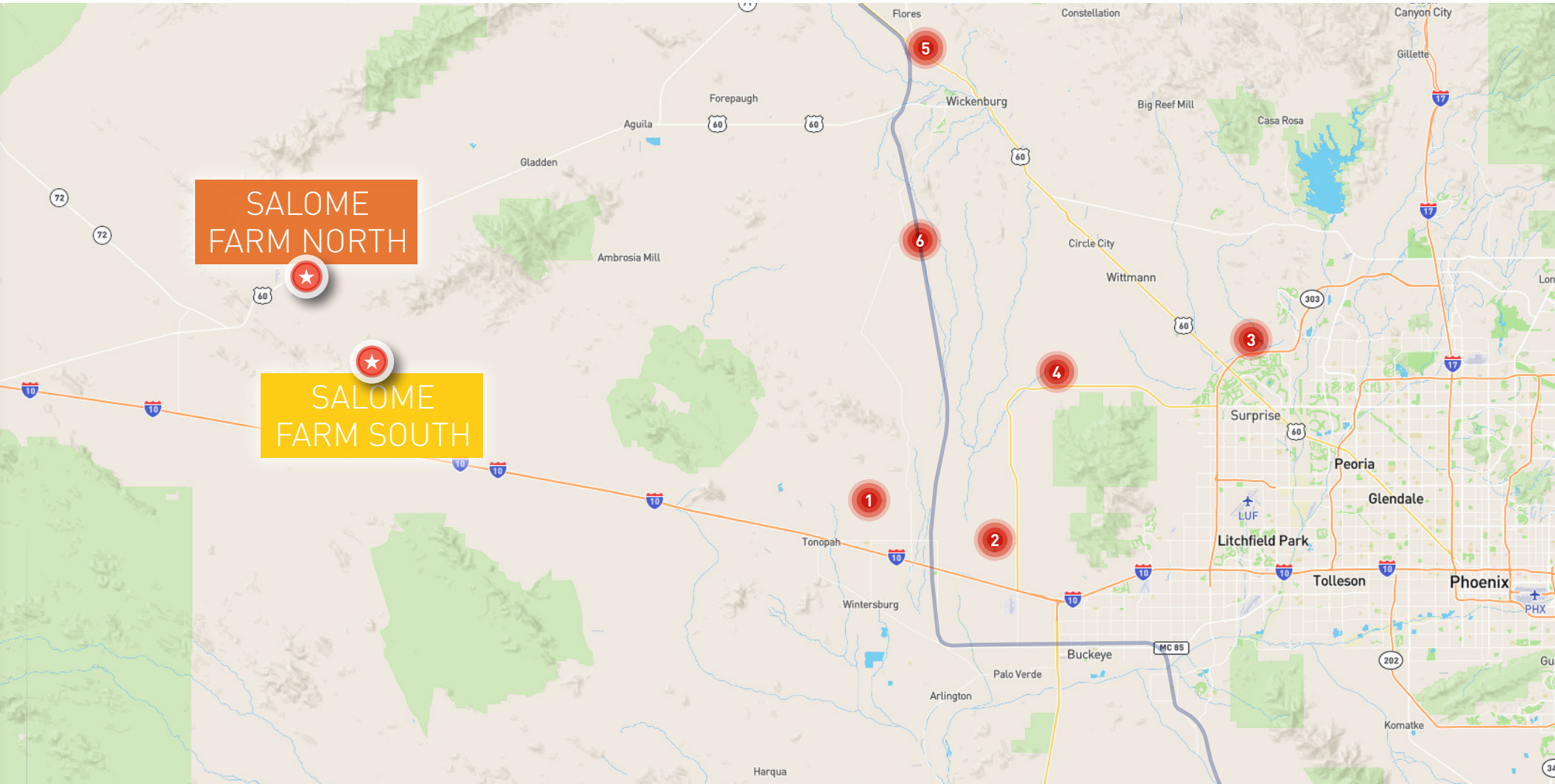
Limited Amount of Land Available with Pre-Existing Water Rights

Development Entitlements:

The Lower KD Farm has a 35-year development agreement and Master Planned Area Overlay zoning with La Paz County.

See Page 14 for more information.

Map of Nearby Developments



- | | |
|--|---|
| 1 Belmont Smart City by Bill Gates | 4 Sun City Festival 55+ Active Adult Community |
| 2 Tartesso Master-Planned Community | 5 Wickenburg Ranch |
| 3 Douglas Ranch | 6 Proposed Interstate 11 |

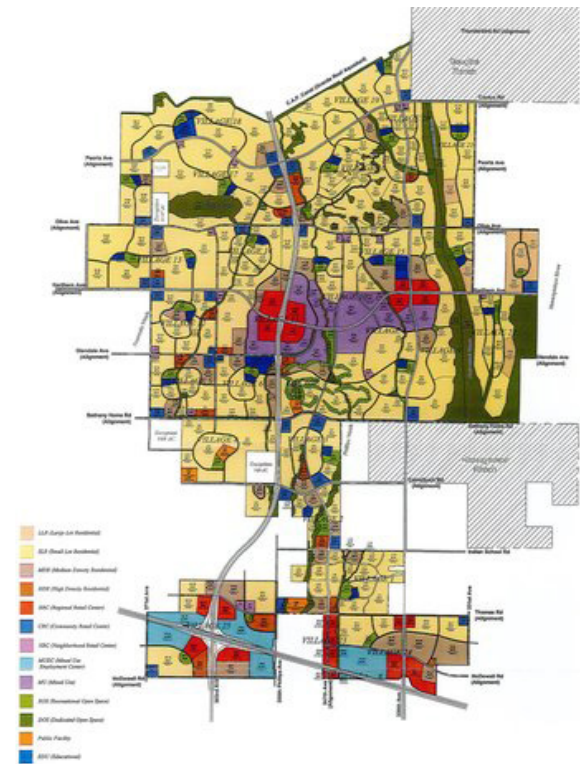
Belmont Smart City by Bill Gates

In 2017, Bill Gates purchased more than 24,000 acres of land in the Southern Valley between Buckeye and Tonopah for \$80 million. The project, named Belmont, will be a smart city which will include housing, schools, offices, and retail. According to Bill Gate's media company, the city will be "a forward-thinking community with a communication and infrastructure spine that embraces cutting-edge technology, designed around high-speed digital networks (5G), data centers, new manufacturing technologies, distribution models, autonomous vehicles and autonomous logistics hubs."

Click the links below to learn more

[Bill Gates invests in Arizona smart city built around data centers](#)

[An Update on Bill Gates' New Smart City in Arizona](#)



Tartesso Master-Planned Community



Tartesso is a Master-Planned Community located in Buckeye, 3.5 miles off Interstate 10 on the Sun Valley Parkway. Tartesso has numerous recreational amenities, neighborhood parks, greenbelts, natural washes, as well as a sweeping sports park featuring baseball diamonds, soccer fields, basketball courts, volleyball, tennis courts, and ramadas.

In 2017, D.R. Horton Inc. purchased 1,959 lots within the Tartesso community for \$60.259 million (\$30,760 per lot). The D.R. Horton residences range from 2,100 sq. ft. to 2,700 sq. ft., while the entry-level Express Homes residences range from 1,400 sq. ft. to 2,500 sq. ft.

Click the links below to learn more

[Tartesso Community Association](#)

[DR Horton Goes All In with \\$60 Million Deal for 1,959 Developed Lots at Tartesso](#)

Douglas Ranch

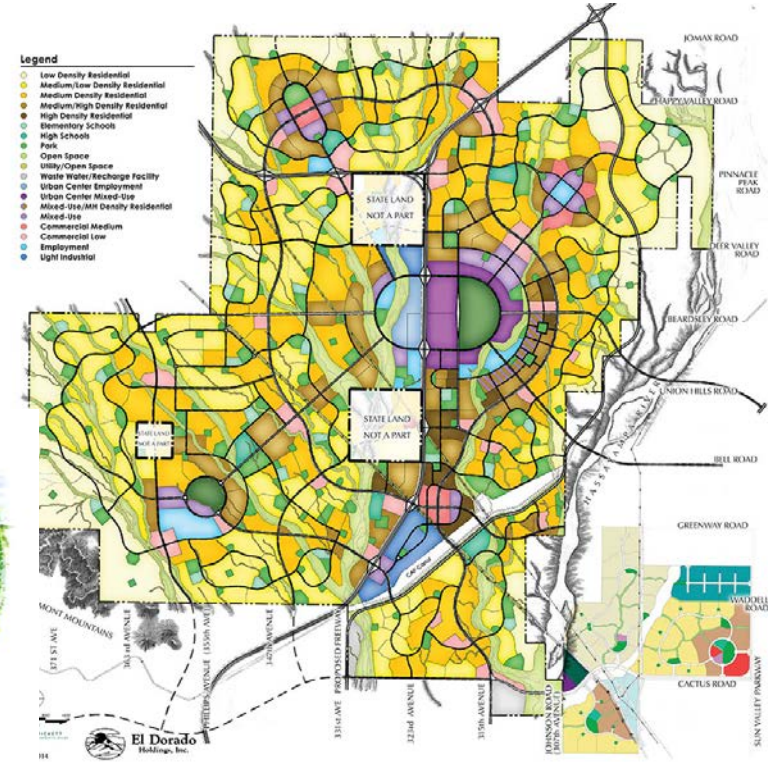
Douglas Ranch is poised to become Arizona's most dynamic planned community. With 37,000 acres and a projected population of over 300,000, Douglas Ranch is a model of bold design, environmental sustainability, and extraordinary lifestyle built on a robust economic foundation. The project is expected to cost between \$8 billion and \$10 billion over the next 25 years. Douglas Ranch will have 29 elementary schools and six high schools, approximately 7 acres of parks/open space, 100,000 residential units, and 55 million square feet for office and retail use.

Click the links below to learn more

[Douglas Ranch](#)

[Jerry Colangelo developing ambitious](#)

[West Valley 'city of the future'](#)



Sun City Festival 55+ Active Adult Community



Sun City Festival is the premier 55+ Active Adult community in Phoenix's northwest valley, offering resort-style living and consumer-inspired single-story homes. The community is home to world-class amenities, including an expansive recreation center, clubs and classes, a restaurant, and Copper Canyon Golf Club, a 27-hole golf course.

Click the links below to learn more

[Sun City Festival](#)

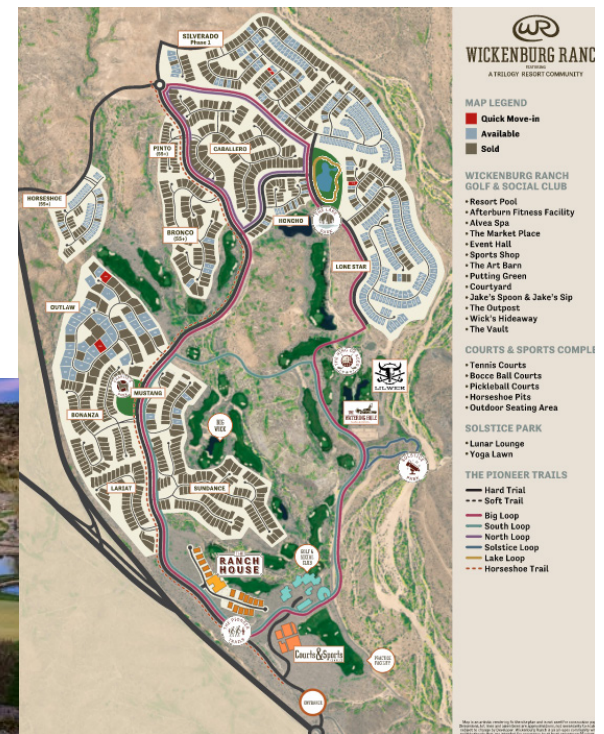
[Copper Canyon Golf Club](#)

Wickenburg Ranch

Wickenburg Ranch is nestled within Arizona's desert mountains, easily accessible to and from Phoenix and Las Vegas. Featuring a Trilogy Resort Community, Wickenburg Ranch offers resort-style living with new homes, semi-custom offerings, and quick move-in homes. Wickenburg Ranch also offers a 55+ community with three unique neighborhoods. Wickenburg Ranch has a robust event calendar for its residents and offers numerous amenities, including high-quality dining, recreation facilities, and a Troon golf and social club.

Click the link below to learn more

[Wickenburg Ranch](#)



Proposed Interstate 11



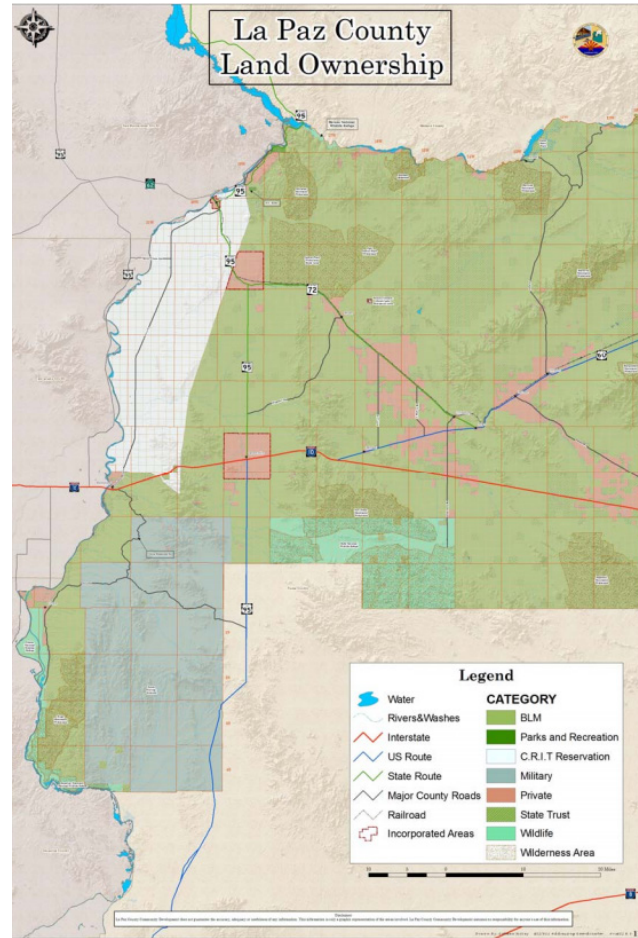
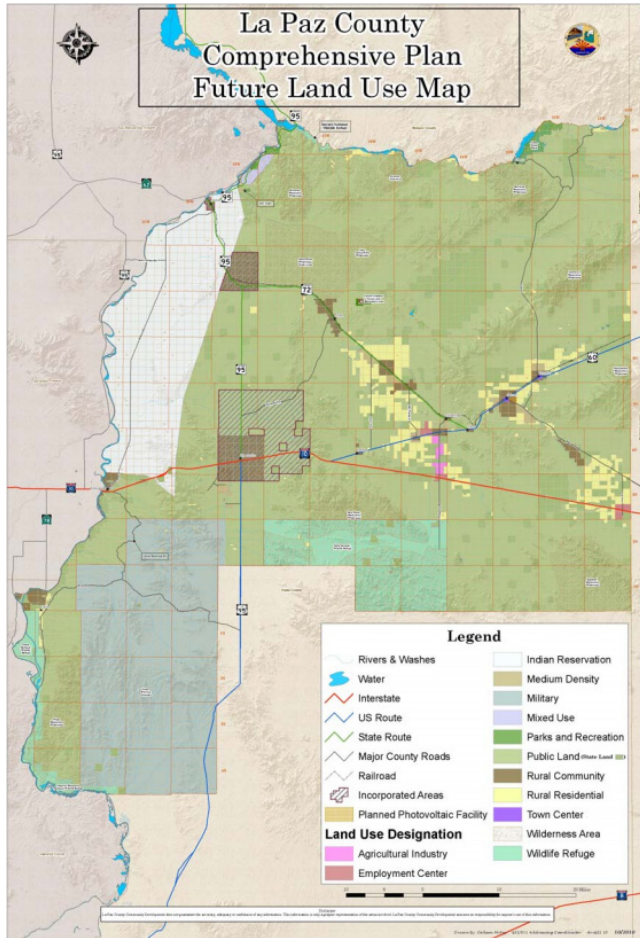
Interstate 11 is envisioned as a multi-use corridor that would provide a connection from Mexico to the Hoover Dam, connecting with I-11 in Nevada. This proposed statewide highway would improve Arizona's access to regional and international markets while opening up new opportunities for enhanced travel, mobility, trade, commerce, job growth, and economic competitiveness. Currently, I-11 runs for 22.8 miles on a predominantly northwest-southeast alignment in Nevada, running concurrently with U.S. Route 93 between the Arizona state line and Henderson. While the exact route of I-11 is still undecided, planners plan to have their route option picked by the end of 2021.

Click the links below to learn more

[From the Director: Formal comment period begins for Interstate 11](#)

[Arizona officials study 3 possible routes for future I-11](#)

La Paz County Comprehensive Plan



Entitlements: Salome Farm South has a 35-year development agreement and Master Planned Area Overlay zoning with La Paz County. The Conceptual Master Plan for the area covers 2,700 acres and calls for 8,100 dwelling units. The maps to the left outline the Comprehensive Plan Future Land Use and La Paz County Land Ownership. La Paz County encompasses 4,518 square miles and has 30 square miles of water. The U.S. Bureau of Land Management controls 58 percent of the land; the state of Arizona, 9 percent; other public lands, 20 percent; and 5 percent of the land is owned privately or by corporations. The Colorado River Indian Tribe owns 8 percent of the land. Salome Farm North and Salome Farm South encompasses 3,349.50 acres or 5.23 square miles resulting in approximately 2.32% of all the privately deeded property in La Paz County. Furthermore, it is estimated that the +/- 2,668 irrigated acres will use approximately 6 acre feet of water per acre for a total of 16,000 acre feet of water per 12 months which is equivalent to approximately 5.2 billion gallons of water annually.

Click the link below to learn more

[La Paz County Comprehensive Plan](#)

[exclusively listed by]

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