

REAL ESTATE OFFERING · HIGHWAY 260 COMMERCIAL CAMPUS

INVESTMENT / OWNER-USER

Fargo's Plaza

A fully leased, restaurant-anchored commercial campus on the State Route 260 corridor — 11 income streams, 100% occupancy, new roofs & A/C — with ±1.47 acres of R3-MH development land included.

REAL ESTATE
OFFERING PRICE

\$2,800,000

\$330/SF · R3-MH development parcel included

620 E Highway 260, Payson, Arizona 85541 · Gila County

Eddy Roche, Associate Broker · License BR579487000 · Arizona Restaurant Sales · HUB Commercial | Sunbelt Business Brokers · 480-405-3200 · Eddy@BizSalesGuy.com

A Highway-Fronting Income Campus, 100% Leased

Fargo's Plaza is a ±8,474 SF multi-building commercial campus at the Chaparral Pines gateway on State Route 260, where ADOT counts roughly 18,200–18,700 vehicles per day. The campus is anchored by Fargo's Steakhouse — Rim Country's long-established destination restaurant — and rounded out by four professionally leased office buildings. Eleven income streams, zero vacancy, and a ±1.47-acre R3-MH development parcel that conveys with the sale.

±8,474

SF LEASABLE

100%

OCCUPANCY

11

INCOME STREAMS

±1.47 ac

R3-MH LAND INCL.



WHY THIS CAMPUS HOLDS

- **Recapitalized condition.** New roofs on all three primary buildings and new A/C — the major capital work is done and documented on the seller's filed depreciation schedules.
- **A destination anchor.** Fargo's Steakhouse is a 20-plus-year destination restaurant that comfortably covers its rent (~2.8x coverage) at an occupancy cost inside the healthy band for full-service restaurants.
- **Professional local tenants.** Chaparral Pines HOA, Berkshire Hathaway HomeServices, a title company, a law firm, a financial advisor, and an insurance brokerage.

THE OFFERING IN ONE LINE

A fully leased, eleven-income-stream highway campus with a destination restaurant anchor and development land included — available for the first time in a generation.

A buyer of this real estate acquires the campus with Fargo's Steakhouse in place as the anchor tenant under its February 2026 lease, alongside ten professionally leased office and service tenancies across Buildings A–D.

Eleven Income Streams, One Roofline

Every income line traces to the 2026 rent roll or an executed lease. The restaurant is on a new lease commenced February 1, 2026 at \$130,848/yr plus \$904/mo of tax, dumpster & water recoveries — tenant carries its own utilities, repairs and CAM; landlord keeps only roof, walls and foundation. Office suites are modified-gross to professional local tenants.

UNIT	TENANT	USE	SF	RENT / MO	\$/SF/YR
Restaurant	Fargo's Restaurant *	Restaurant	3,467	\$10,904	\$37.74
Suite A	Chaparral Pines HOA	HOA office	1,456	\$2,620	\$21.59
Suite B-1	Berkshire Hathaway HS	Real estate	219	\$544	\$29.88
Suite B-2	Berkshire Hathaway HS	Real estate	685	\$1,370	\$24.00
Suite B-3	Witnauer Sloan & Assoc.	Financial advisor	199	\$415	\$25.09
Suite C	Great American Title	Title company	1,420	\$2,600	\$21.97
Suite D-1	Fargo's LLC *	Office	202	\$415	\$24.65
Suite D-2	Rilus Law	Law office	261	\$550	\$25.29
Suite D-3	Tom Russell & Assoc.	Insurance broker	268	\$547	\$24.46
Suite D-4	Tom Russell & Assoc.	Insurance broker	297	\$585	\$23.62
Bldg E	Kevin Dick Inv. Mgmt	CAM charges only	—	\$242	—
Total + \$904/mo restaurant expense recoveries			8,474	\$20,792	—

* Owner-affiliated tenancies — they convey with the real estate. Annualized scheduled income totals \$260,352 (\$249,504 rent + CAM, plus \$10,848 recoveries). Tenant security deposits total \$3,225 and transfer to the buyer at closing.



HOW A LENDER VERIFIES THIS RENT ROLL

A buyer's lender checks a rent roll three ways: executed leases, collection history, and the seller's filed tax returns. The third-party suites clear all three — two years of filed plaza collections plus a deposit trail across three balance-sheet dates. The anchor restaurant suite clears on its executed February 2026 lease and the tenant's demonstrated ability to cover rent — roughly **2.8x coverage** at an occupancy cost inside the healthy 5–8% band for full-service restaurants. That coverage is what makes the \$37.74/SF anchor lease bankable.

Stabilized NOI — Deliberately Conservative

Every income line traces to the rent roll or an executed lease; every expense line traces to a filed federal return or an actual service contract. The pro forma then makes itself harder on the value — a 7.5% vacancy allowance on a 100%-leased property, a 5% imputed management fee the owner does not pay, and replacement reserves.

INCOME	EVIDENCE	ANNUAL
Scheduled base rent (10 suites + restaurant)	2026 rent roll	\$246,600
CAM income — Building E (KDI)	2026 rent roll	\$2,904
Expense recoveries — restaurant (taxes, dumpster, water)	Lease terms	\$10,848
Total potential gross income		\$260,352
Less: vacancy & collection allowance — 7.5%	Underwriting standard	(\$19,526)
Effective gross income		\$240,826
OPERATING EXPENSES	EVIDENCE	ANNUAL
Real estate taxes	2024 Form 8825 as filed	\$18,841
Property insurance — fire & casualty	2024 as filed	\$11,554
Landscaping	Actual service contract	\$9,720
Utilities & common area	Normalized to new lease	\$15,000
Repairs & maintenance — roof / exterior / structural	Landlord-retained scope	\$10,000
Legal, professional & administrative	Two-year average filed	\$1,940
Management — 5.0% of EGI	Imputed, appraisal std	\$12,041
Replacement reserves (\$0.20/SF)	Underwriting standard	\$1,700
Total operating expenses (33.5% of EGI)		(\$80,796)

NET OPERATING INCOME — FULLY LOADED
Two-year tax-verified expense base

\$160,030

This is the figure a bank appraiser should reproduce. On an NNN-reimbursement basis (insurance, management, utilities and repairs tenant-borne, as the leases actually allocate them), the NOI is higher still. The conclusion on the following page is held to the more conservative fully-loaded number.

What Payson Is Actually Paying

Value = NOI ÷ cap rate, and the cap rate is observed, not invented. The most comparable recorded sale — an 8,016 SF retail building nearly identical in size to the subject — traded last month at a 5.50% cap. Applied to this property's fully loaded \$160,030 NOI, that rate indicates \$2,910,000; the conclusion sits under it.

SOURCE / TRANSACTION	DATE / STATUS	INDICATED CAP
408 W Main St, Payson — 8,016 SF retail, the size match	Sold 5/2026	5.50%
108 S Beeline Hwy, Payson — NNN investment sale	Sold 3/2026	5.06%
512–516 S Beeline Hwy — 12,044 SF older multi-tenant center	Sold 11/2025	7.44%
CoStar Payson sold-retail set — average / median actual cap	Sep 2024–May 2026	6.25%
CBRE — small strip / multi-tenant retail, national average	Q1 2026	≈6.4–6.6%

CAP RATE	INDICATED VALUE	\$/SF	INTERPRETATION
5.06%	\$3,163,000	\$373	The March 2026 Payson NNN trade
5.50%	\$2,910,000	\$343	Closest comp (408 W Main) on the corrected NOI
5.72%	\$2,800,000	\$330	MY CONCLUSION — held to the independent BOV
6.00%	\$2,667,000	\$315	Below every recent local trade
6.25%	\$2,560,000	\$302	Payson set average — older, larger, unanchored

Why \$2,800,000 is the disciplined number. The only recorded Payson sale matching the subject's size traded at 5.50%. At that rate on the corrected NOI the property indicates \$2,910,000 — yet the conclusion is held at \$2,800,000 to match an independent broker's opinion of value (\$330/SF). Quality argues at or below the closest comp: 100% leased, eleven income streams, new roofs and A/C, and a destination anchor.

SALES CROSS-CHECK — \$/SF

At \$330/SF the conclusion matches the independent BOV to the dollar and sits a sensible premium above Payson's recent quality retail trades (\$240–\$262/SF for older or smaller, unanchored buildings) — the premium a fully leased, restaurant-anchored, recapitalized campus with development land commands.

The ±1.47-acre R3-MH parcel (\$150K–\$250K contributory) is **included** at this value, not added on top.

±1.47 Acres of R3-MH Development Land — Included in the Price



The overflow parcel — **APN 304-07-035P, ±1.47 acres (64,134 SF)** — is zoned **R3-MH**, permitting multi-family residential or commercial development. Today it does little more than hold the occasional overflow car the campus does not actually need. In a Payson market with real and growing housing demand, that is entitled development land sitting idle.

- Build multi-family or commercial to suit
- Hold for appreciation alongside the income campus
- Sever and sell it outright

CONTRIBUTORY VALUE

\$150K–\$250K

IF SEVERED — INCLUDED, NOT STACKED ON TOP

A buyer at \$2.8M is effectively acquiring the income campus below the closest comp's pricing once the land is counted. The entire development play costs nothing on top of the campus.

Parcel derives from Fee No. 2018-006938 as adjusted by Map No. 5723 (parcel-line adjustment), which set the parcel at 64,134 SF (±1.47 ac). Situate in the NE¼ of Section 3, T10N, R10E, G&SRM, Town of Payson.

The Physical Asset & How It Finances

BUILDINGS → MEASURED AREA

BUILDING	MEASURED SF
Fargo's Restaurant Building (the anchor)	±3,467
Building A / B (multi-tenant office)	±2,912
Building C / D (multi-tenant office)	±2,840
Total income-producing area	±8,219

Measured from the TOTAL Sketch floor plans. Marketing cites ±8,474 SF of leasable area; small differences between measured and leasable SF are normal.

CONSTRUCTION & CONDITION

Developed in the early-to-mid 2000s in a cohesive mountain-lodge style (stacked-stone and timber). The campus last traded at \$1,968,000 in February 2006. New roofs on all three primary buildings and new A/C — major capital already invested by the seller and documented on the filed depreciation schedules. (Exact assessor year—built to be confirmed at final.)

THE RETURN A BUYER RECEIVES

At \$2,800,000, the real-estate NOI of \$160,030 is a **5.72% cap on the corrected income** — a multi-point premium to the passive 5–5.5% NNN retail trades recording in Payson itself — on an asset base where the big capital items (roofs, A/C) are already handled and the anchor covers its rent 2.8x.

PARCELS OF RECORD

APN	ZONING	SIZE
304-07-021A (commercial, east)	C-2	per survey
304-07-021B (commercial, west)	C-2	per survey
304-07-035P (development land)	R3-MH	±1.47 ac

All three sit in the NE¼ of Section 3, T10N, R10E, G&SRM, Town of Payson (Records of Survey 5652 & 5723; ROS-MLD 798). Title commitment controls the legal descriptions; confirm building-to-parcel allocation with an ALTA survey.

FINANCING STRUCTURE

The restaurant occupies its own building and parcel — **satisfying SBA owner-occupancy on that piece** — while Buildings A–D finance conventionally as stabilized investment property. The two-loan parcel-split structure is the natural fit; the plaza's filed returns and the executed anchor lease are in the file and anticipate the lender's IRS transcript pull.

Property Gallery



Property Gallery (continued)



Available in Diligence · Under NDA

WHAT'S IN THE FILE

- Filed 2023 & 2024 federal partnership returns (Forms 1065/8825) with line-by-line tie-out workpapers
- Executed anchor restaurant lease (Feb 2026) and all third-party office leases; 2026 rent roll; deposit and collection history
- Service contracts; measured floor plans (TOTAL Sketch); Records of Survey 5652 & 5723
- Depreciation schedules; independent broker's opinion of value on the real estate

INVESTMENT HIGHLIGHTS

100% leased · 11 income streams · \$160,030 fully-loaded NOI · new roofs and A/C · destination restaurant anchor covering rent ~2.8x · ±1.47 acres of R3-MH development land included · highway frontage at the Chaparral Pines gateway.

LISTING BROKER

Eddy Roche

Associate Broker · License BR579487000

Arizona Restaurant Sales
HUB Commercial | Sunbelt Business Brokers

480-405-3200

Eddy@BizSalesGuy.com

4745 N 7th St, Phoenix, AZ 85014

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Limiting conditions. This is a broker opinion of value and marketing summary prepared by the listing broker on behalf of the seller — not a USPAP-certified appraisal — and is not for lending, litigation, or tax use. The income approach assumes the operating restaurant remains a tenant of the property and demonstrates the rent coverage described herein. Market evidence reflects June 2026 conditions and moves with interest rates. Buyers must independently verify all information; no title, survey, environmental, or physical inspection was performed by the broker. Sources: CoStar Payson sold-retail report (June 2026); independent broker's opinion of value, 620 E Highway 260; CBRE cap-rate survey; ADOT AADT; recorded Records of Survey and deeds, Gila County.