



Actual Location

±11 Year Recently Extended
Net Lease Opportunity



CBRE




1228 Commerce Street
Conover, NC 28613


Net Lease Property Group

US HIGHWAY 70 (23,000 VPD)

I-40 (71,000 VPD)







Catawba Valley Community College
(Enrollment: 4,827)



FAIRGROVE CHURCH ROAD SOUTHEAST (25,000 VPD)



OLD ST PAUL'S CHURCH ROAD

APRIA HEALTHCARE
PRADE USA, LLC

BLACK DIAMOND COLLISION
DEETAG USA

CARROLL LEATHER

COMMERCE STREET SOUTHWEST

FEDEX DRIVE SOUTHWEST





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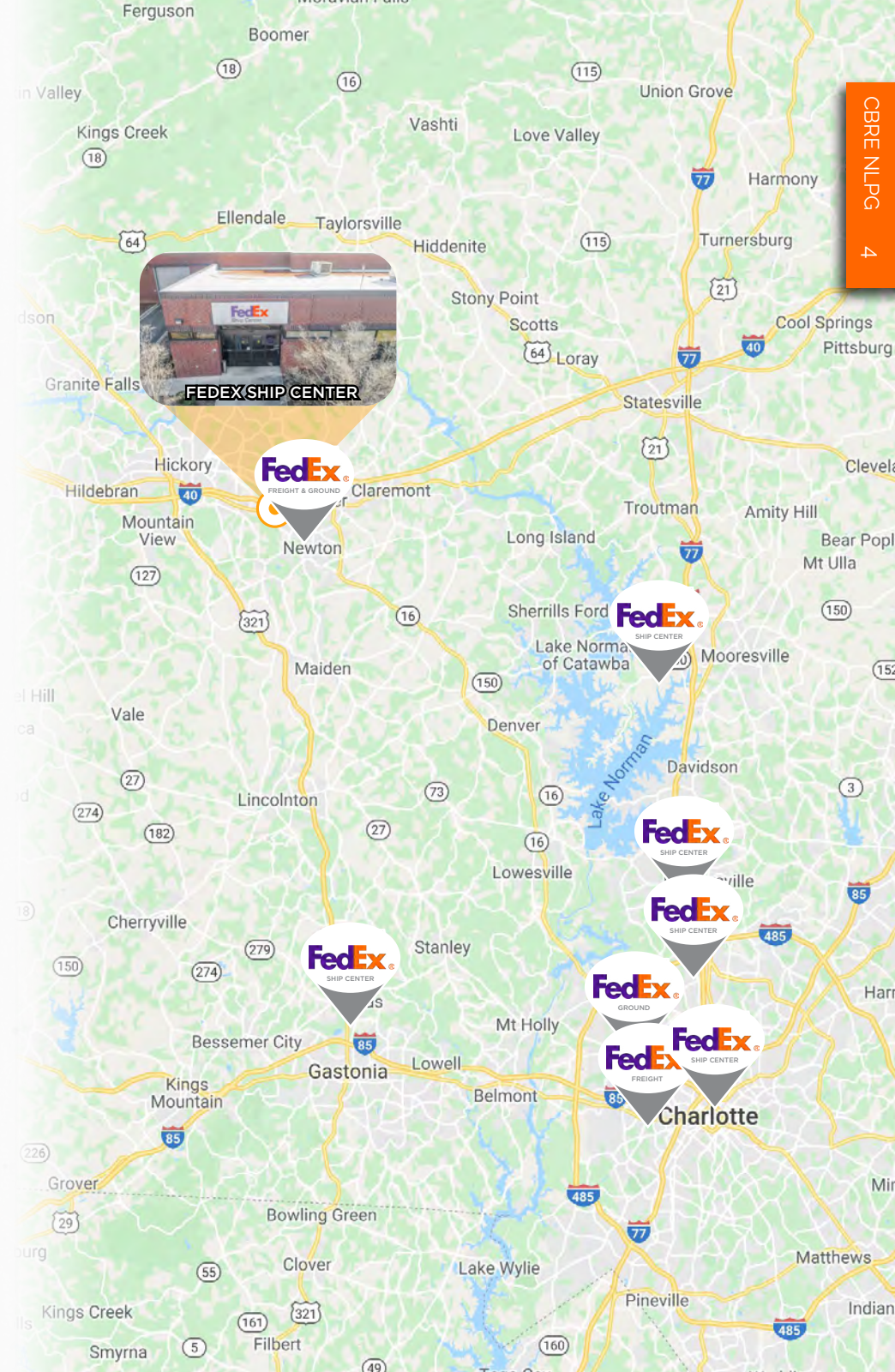
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INVESTMENT OVERVIEW

The CBRE Net Lease Property Group is pleased to exclusively offer a 38,713-square-foot FedEx shipping center, last mile distribution facility, and office situated on 4.13 acres in Conover, North Carolina. Conover is a component of the Hickory-Lenoir-Morganton MSA (Population: 375,700) and is located just 44 miles northwest of Charlotte's central business district. FedEx's recently extended net lease features ±11 years of primary term remaining with 2% annual rent escalations. Originally constructed as a built-to-suit for FedEx in 1995, the property has undergone significant improvements in 2019, which include painting the interiors, replacing all office doors and renovating the bathrooms. The current landlord also replaced the interior floors and repaired/resealed/restriped the parking lot in 2015 and installed a new roof in 2013 (warranty runs through 4/10/2028). The FedEx facility benefits from its proximity to a FedEx Freight truck center (specializing in priority speed critical services) and FedEx Ground truck center (specializing in small package day-certain deliveries), which are both 1 mile to the south. This further solidifies FedEx's commitment to this site, as the next closest FedEx Freight and FedEx Ground truck centers are 48 and 41 miles away respectively. The property is well located directly off Fairgrove Church Road Southeast (25,000 VPD), which leads onto Interstate 40 (71,000 VPD) just 0.5 miles to the north. Interstate 40 allows for direct access to Greensboro (100 miles east) and Asheville (85 miles west). FedEx sits within Hickory's business and industrial park, which is the premier warehouse and distribution area in Catawba County, boasting 11.7MSF of industrial space within a 3-mile radius. The Catawba industrial market has demonstrated demand with only 3.7% vacancy in the Class A and Class B warehouse distribution space. In total, FedEx enjoys dynamic demographics with a population of 56,773 and an average household income of \$62,692 within a 5-mile radius.

DEMOGRAPHICS

3-Mile Pop	3-Mile AHI	5-Mile Pop	5-Mile AHI	10-Mile Pop	10-Mile AHI	Traffic Counts
18,901	\$65,232	56,773	\$62,692	154,887	\$71,104	Fairgrove Church Road SE: 25,000 VPD US-70: 23,000 VPD I-40: 71,000 VPD

INVESTMENT SUMMARY

ADDRESS	1228 Commerce St, Conover, NC 28613
PARCEL SIZE	±4.13 Acres
BUILDING SIZE	38,713 SF
PARKING SPACES	78 Spaces
TERM REMAINING	±11 Years
LEASE TYPE	NN
NOI	\$195,228*
PRICE	\$3,395,300
CAP RATE	5.75%

*See page 8.



INVESTMENT HIGHLIGHTS



TENANT

Founded in 1971, FedEx Corporation (S&P: BBB; NYSE: FDX) provides transportation, e-commerce, and business services in the United States and worldwide. The company operates in four major segments: FedEx Express, FedEx Ground, FedEx Freight, and FedEx Services. The company produces annual revenue in excess of \$69.2 billion, has a current net worth of more than \$17.8 billion, and employs 425,000 people.



RECENTLY EXTENDED NET LEASE WITH ANNUAL RENT ESCALATIONS

FedEx's recently extended net lease features ±11 years of primary term remaining with 2% annual rent escalations.



NEW PROPERTY IMPROVEMENTS

Originally constructed as a built-to-suit for FedEx in 1995, the property has undergone significant improvements in 2019, which include painting the interiors, replacing all office doors and renovating the bathrooms. The current landlord also replaced the interior floors and repaired/resealed/restriped the parking lot in 2015 and installed a new roof in 2013 (warranty runs through 4/10/2028).



PROXIMITY TO FEDEX FREIGHT & GROUND TRUCKING CENTERS

The FedEx shipping center & office benefits from its proximity to a FedEx Freight truck center (specializing in priority speed critical services) and FedEx Ground truck center (specializing in small package day-certain deliveries), which are both 1 mile to the south. This further solidifies FedEx's commitment to this site, as the next closest FedEx Freight and FedEx Ground truck centers are 48 and 41 miles away respectively.



EXCELLENT POSITION NEAR INTERSTATE 40

The property is well located directly off Fairgrove Church Road Southeast (25,000 VPD), which leads onto Interstate 40 (71,000 VPD) just 0.5 miles north of the site. Interstate 40 allows for direct access to Greensboro (100 miles east) and Asheville (85 miles west).



STRATEGIC LOCATION

FedEx sits within Hickory's business and industrial park, which is the premier warehouse and distribution area in Catawba County, boasting 11.7MSF of industrial space within a 3-mile radius. The Catawba industrial market has demonstrated demand with only 3.7% vacancy in the Class A and Class B warehouse distribution space.



DYNAMIC DEMOGRAPHICS

FedEx enjoys dynamic demographics with a population of 56,773 and an average household income of \$62,692 within a 5-mile radius.



HICKORY MSA ADVANTAGE

Situated in North Carolina's Piedmont Region, Hickory (MSA Population: 375,700) is a thriving business-friendly city about 50 miles northwest of Charlotte. Traditionally known for its furniture and textile industries (some of the oldest in the country), the city has recently attracted data center operations of several leading tech companies, including a \$1 billion, 500,000 square foot campus operated by Apple that is one of the world's largest data centers. Hickory is also a leading producer of fiber optic cables (40% of the world's production) and pressure-sensitive tape. The city is home to five institutions of higher learning and a strong public school system. In addition, there are ample opportunities for outdoor recreation at Lake Hickory and several nearby state and national parks. Major highways serving Hickory include Interstate 40, US 70, US 321, and NC 127, offering convenient access to Asheville, Winston-Salem, and Charlotte.



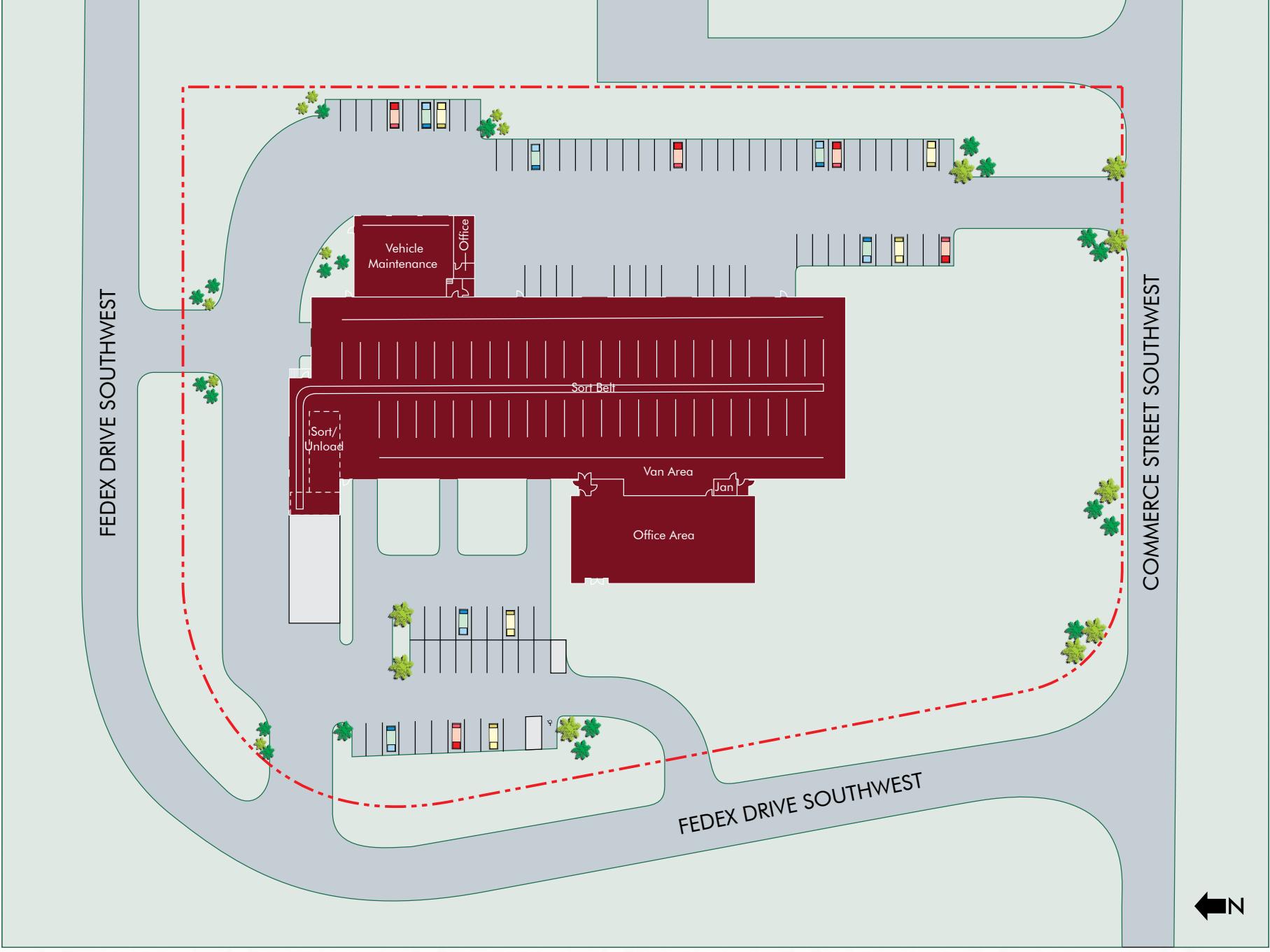


LEASE SUMMARY

TENANT	Federal Express Corporation
LEASE COMMENCEMENT	10/22/1995
LEASE EXPIRATION	11/30/2030
LEASE TERM REMAINING	±11 Years
LEASE TYPE	NN
INITIAL TERM RENT	\$195,228*
RENT INCREASES	2% Annually
EXTENSION OPTIONS	Two 5-year
OPTION RENT	Fair Market Rent
TAXES	Tenant covenants and agrees to pay as Additional Rent all real estate taxes, installments of special assessments payable during the Initial Term and any exercised Renewal Term.
INSURANCE	<p>Tenant shall maintain in force with respect to the Building and the leasehold improvements Tenant makes to the Building special form risk property insurance in an amount equal to the replacement cost of the Building above its foundation and Tenant's Leasehold improvements.</p> <p>Tenant shall maintain in force a policy of commercial general liability insurance insuring Landlord, Tenant and Landlord's designated mortgages against liability arising from Tenant's use, occupancy or maintenance of the Premises and appurtenant areas and providing contractual liability coverages for the indemnities Tenant makes. The limit of that insurance must be at least \$3,000,000 per occurrence for bodily injury to or death of any persons or property damage.</p>
REPAIRS & MAINTENANCE	<p>Tenant shall be responsible for all repairs and routine maintenance to, including but not limited to, the HVAC, the sidewalks and paved areas around the Premises, the underground utilities not serviced by the local power or utility company, and Tenant shall bear the cost of all other normal expenses of operating and maintaining the Premises.</p> <p>At its sole cost and expense, Landlord shall maintain, repair and keep in good condition the Building Structure, including the roof (warranty through 2028), roof membrane, foundation, floor slab, load-bearing and exterior walls. Landlord shall also be responsible for replacement of building systems which would constitute CapEx and repairs costing in excess of \$10,000.</p>

*Seller has capitalized the 12/1/2020 rent escalation and will provide buyer with a credit at closing equal to any rent shortfall.





SITE PHOTOS



TENANT OVERVIEW



FedEx Corporation (S&P: BBB; NYSE: FDX) provides transportation, e-commerce, and business services in the United States and worldwide. The company operates in four major segments: FedEx Express, FedEx Ground, FedEx Freight, and FedEx Services. FedEx Express (\$39.8B in fiscal 2019) is the original overnight courier service, providing next day air service within the United States and time-definite international service. FedEx Express operates one of the largest civil aircraft fleets in the world and the largest fleet of wide-bodied civil aircraft; it also carries more freight than any other airline. FedEx Ground (\$21.9B in fiscal 2019) services include small-package day-certain delivery to businesses in the U.S. and Canada and to 100% of U.S. residences using a large fleet of trucks which are owned by the independent owner/operators and drivers are independent contractors who control individual delivery routes and territories. FedEx Freight (\$6.3B in fiscal 2019) service offerings include priority services when speed is critical and economy services when time can be traded for savings, processing over 95,000 shipments a day using 370 service centers. FedEx Services provides global marketing, planning, and information technology (IT) services for the other FedEx operating companies.

The FedEx Corporation was founded in 1971 and is headquartered in Memphis, Tennessee. The company produces annual revenues in excess of \$69.2 billion, has a current net worth of more than \$17.8 billion, and employs 425,000 people. Consistently ranked among the world's most admired and trusted employers, FedEx inspires its team members to remain "absolutely, positively" focused on safety, the highest ethical and professional standards and the needs of their customers and communities.

COMPANY OVERVIEW

YEAR FOUNDED	1971
TRADE NAME	FedEx Corporation
REVENUE	\$69.2B (TTM November 30, 2019)
NET INCOME	\$75M (TTM November 30, 2019)
TOTAL ASSETS	\$70B (November 30, 2019)
AREAS SERVED	Worldwide
NUMBER OF EMPLOYEES	425,000
HEADQUARTERS	Memphis, TN
WEBSITE	www.fedex.com



AREA OVERVIEW

Conover, NC

Incorporated in 1877, Conover is located in the western piedmont area of North Carolina and is a component of the Hickory MSA (population: 375,000). The city is ideally located 44 miles northwest of Charlotte, 60 miles west of Winston-Salem and 80 miles east of Asheville, allowing Conover residents to enjoy these diverse cities and exciting attractions just a short trip away. The City of Conover operates under a council-manager form of government, consisting of five council members and a mayor. Both Conover council members and residents take immense pride in their city, which is exemplified by their detailed planning and economic development, clean downtown, and impressive parks and recreation department. The city boasts 8 neighborhood parks with many intended for passive recreation like walking and enjoying nature.



Hickory-Lenoir-Morganton MSA

Situated in North Carolina's Piedmont Region, Hickory (MSA Population: 375,000) is a thriving business-friendly city about 50 miles northwest of Charlotte. Traditionally known for its furniture and textile industries (some of the oldest in the country), the city has recently attracted data center operations of several leading tech companies, including a \$1 billion, 500,000 square foot campus operated by Apple that is one of the world's largest data centers. Hickory is also a leading producer of fiber optic cables (40% of the world's production) and pressure-sensitive tape. The city is home to five institutions of higher learning and a strong public school system. In addition, there are ample opportunities for outdoor recreation at Lake Hickory and several nearby state and national parks. Major highways serving Hickory include Interstate 40, US 70, US 321, and NC 127, offering convenient access to Asheville, Winston-Salem, and Charlotte.



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CBRE operates within a global family of companies with many subsidiaries and/or related entities (each an "Affiliate") engaging in a broad range of commercial real estate businesses including, but not limited to, brokerage services, property and facilities management, valuation, investment fund management and development. At times different Affiliates may represent various clients with competing interests in the same transaction. For example, this Memorandum may be received by our Affiliates, including CBRE Investors, Inc. or Trammell Crow Company. Those, or other, Affiliates may express an interest in the property described in this Memorandum (the "Property") may submit an offer to purchase the Property and may be the successful bidder for the Property. You hereby acknowledge that possibility and agree that neither CBRE, Inc. nor any involved Affiliate will have any obligation to disclose to you the involvement of any Affiliate in the sale or purchase of the Property. In all instances, however, CBRE Inc. will act in the best interest of the client(s) it represents in the transaction described in this Memorandum and will not act in concert with or otherwise conduct its business in a way that benefits any Affiliate to the detriment of any other offeror or prospective offeror, but rather will conduct its business in a manner consistent with the law and any fiduciary duties owed to the client(s) it represents in the transaction described in this Memorandum.

CONFIDENTIALITY AGREEMENT

This is a confidential Memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property.

This Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the property or the owner of all Property (the "Owner"), to be all-inclusive or to contain all or part of the information are provided for general reference purposes only and are based on assumptions relating to the general economy, market conditions, competition and other factors being the control of the Owner and CBRE, Inc. Therefore, all projections, assumptions and other information provided and made herein are subject to material variation. All references to acreages, square footages, and other measurements are approximations. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective purchasers. In this Memorandum, certain documents, including leases and other materials, are described in summary form. These summaries do not purport to be complete nor necessarily accurate descriptions of the full agreements referenced. Interested parties are expected to review all such summaries and other documents of whatever nature independently and not rely on the contents of this Memorandum in any manner. Neither the Owner or CBRE, Inc., nor any of their respectful directors, officers, Affiliates or representatives make an representation or warranty, expressed or implied, as to the accuracy or completeness of this Memorandum or any of its contents; and you are to rely solely on your investigations and inspections of the Property in evaluating a possible purchase of the real property.

The Owner expressly reserved the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions with any entity at any time with or without notice which may arise as a result of review of this Memorandum. The Owner shall have no legal commitment or obligation to any entity reviewing this Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered and approved by the Owner and any conditions to the Owner's obligations therein have been satisfied or waived.

By receipt of this Memorandum, you agree that this Memorandum and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose this Memorandum or any of its contents to any other entity without the prior written authorization of the Owner or CBRE, Inc. You also agree that you will not use this Memorandum or any of its contents in any manner detrimental to the interest of the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this Memorandum to CBRE, Inc.

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