

FedEx Ground

Single Tenant Leased Offering

2612 Kersten Court, Kalamazoo, MI 49048

OFFERING MEMORANDUM



Broker of Record:
JDS Real Estate Services, Inc.

CONFIDENTIALITY AGREEMENT

By accepting this Offering Memorandum, the party in possession hereof agrees (i) to return it to Owner/Agent immediately upon request and (ii) that this Offering Memorandum and its contents are of a confidential nature and will be held and treated in strict confidence. No portion of this Offering Memorandum may be copied or otherwise reproduced or disclosed to anyone without the prior written authorization of officer of Owner/Agent. Principals and real estate brokers are prohibited from disseminating this information without the specific written consent of an officer of Owner/Agent.

This Offering Memorandum is subject to errors, omissions, changes or withdrawal without notice and does not constitute a recommendation or endorsement as to the value of the property as a reference and are based on assumptions proposed by Owner/Agent and their sources. Prospective purchasers should make their own projections and reach their own conclusion of value.

Certain portions of this Offering Memorandum merely summarize or outline property information and are in no way intended to be complete nor necessarily accurate descriptions. All prospective purchasers are to rely upon their own investigations and due diligence in the formation of their assessment of the condition of the property, including engineering and environmental inspections. All relevant documents are expected to be reviewed independently by any prospective purchaser.

Neither Owner nor the Agent nor any of their respective officers, advisors, agents, or principals has made or will make any

representations or warranties, expressed or implied, as to the accuracy or completeness of the Offering Memorandum or any of the contents, and no legal commitment or obligations shall arise by reason of the Offering Memorandum or the contents. Analysis and verification of the information contained in the Offering Memorandum is solely the responsibility of the prospective purchaser.

Owner reserves the right to reject any or all expressions of interest or offers to purchase this property, as well as the right to terminate discussions with any party at any time with our without notice. Owner shall have no legal commitment or obligation to any purchase reviewing this Offering Memorandum or making an offer to purchase this property unless a written agreement for the purchase of the property has been fully executed, delivered and approved by Owner and any conditions to Owner's obligations thereunder have been satisfied or waived.

The terms and conditions set forth above apply to this Offering Memorandum in its entirety.

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Section 1 : About the Investment

Purchase Price: \$7,650,000 | Cap Rate 9.33%

Peak Commercial and Anvers Capital is pleased to offer for sale the FedEx Ground distribution center in Kalamazoo Michigan. The property is fully leased to FedEx Ground Package System, Inc., a wholly owned operating subsidiary of FedEx Corporation (Fortune 100 company posting over \$50 billion in revenue in 2016).

FedEx has operated in this facility since 2001. In 2015, FedEx constructed a 20,353 square-foot expansion at its expense. This is the only FedEx Ground facility located in Southwest Michigan, with the three closest distribution centers being in Lansing (65 miles northeast), Grand Rapids (66 miles north), and Ann Arbor (100 miles east). Originally constructed as a build-to-suit for FedEx in 2001, the building totals 120,828 square feet (included the

expansion) and sits on 16.46 acres. The pre-engineered steel building also features 5,858 square feet of improved office space. The improvements are all in above average condition.

The property's strategic location offers excellent access to I-94 and SR-131. FedEx extended their lease in 2015, after the completion of the tenant funded expansion. The current lease expires August 31, 2020 however FedEx has already renewed one of their two 3-year renewal options. The NN lease structure requires minimal landlord maintenance responsibilities (roof and structure only). This property is being offered for sale at \$7,650,000. Offers will be reviewed and responded to as they are received.

NN Lease Structure

This lease represents a true triple net lease investment, leaving zero Landlord responsibilities for maintenance or repair, with the exception of roof and structure

Strong Publically traded company with Investment Grade Rating

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.

Great Location

Located in Southwestern Michigan, in the city of Kalamazoo. Great access to I-94 via the recently renovated Sprinkle Road interchange.

Recently exercised 3-year option.

Fedex recently exercised one of their 3-year options, extending the lease at a higher rate to 2023.

Quality Asset

Quality asset built in 2001, and expanded in 2015. Pre-engineered steel with metal framing.









Section 2 : About The Tenant

Tenant Overview

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 (\$37.3B in fiscal 2019) invented express distribution and is the industry's global leader, providing rapid, reliable, time-definite delivery to more than 220 countries and territories, connecting markets that comprise more than 90 percent of the world's gross domestic product within one to three business days.

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 (\$20.5B 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 (\$7.6B in fiscal 2019) service offerings include priority services when speed is critical and economy services when time can be traded for savings, processing over 110,000 shipments a day using 370 service centers. FedEx Freight also offers freight delivery service to most points in Puerto Rico and the U.S. Virgin Islands.

FedEx Services (\$1.7B in fiscal 2019) provides sales, marketing, information

technology, communications, customer service, technical support, billing and collection services, and certain back-office functions that support our transportation segments.

The FedEx Corporation was founded in 1971 and is headquartered in Memphis, Tennessee. The company produces annual revenues in excess of \$69.7 billion, has a current net worth of more than \$17.8 billion, and employs 490,000 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.





Section 3 : About The Property

INVESTMENT OVERVIEW

FedEx Ground | Kalamazoo, MI

Investment Overview

Sale Price:	\$7,650,000
Gross Leasable Area (GLA):	120,858 SqFt
Lot Size (Apx.)	16.46 Acres
Net Operating Income:	\$714,000
CAP Rate:	9.33%
Year Built:/Expanded:	2001/2015

Lease Abstract

Lease Type	NN
Original Lease Term	20 Years
Lease Term Commenced	8/9/2001
Lease Expiration	8/31/2023
Remaining Lease Term	±3 Years
Renewal Options	1X3
Increases	3% at next option
Roof and Structure	Landlord Responsible



Tenant Rent Roll

Tenant Name	GLA	Lease Start	Lease End	Annual rent	Options
Fedex Ground Package System, Inc	120,858	8/9/2001	8/31/2023	Current Term \$714,000 2023 (Option) \$735,600	1X3

PROPERTY SITE PLAN

FedEx Ground | Kalamazoo, MI

Gross Leasable Area:	120,858 SF
Acres:	16.46 Acres
Office:	5,858 SF
Year Built:	2001 (expanded in 2015)
Construction:	Pre-engineered steel with metal framing
Dock Doors:	48
Grade Doors:	12
Clear Height:	26'
Employee Parking Stalls:	202
Zoning:	LD (Restricted Industrial)
APN:	07-30-430-027





Section 4 : About The Location



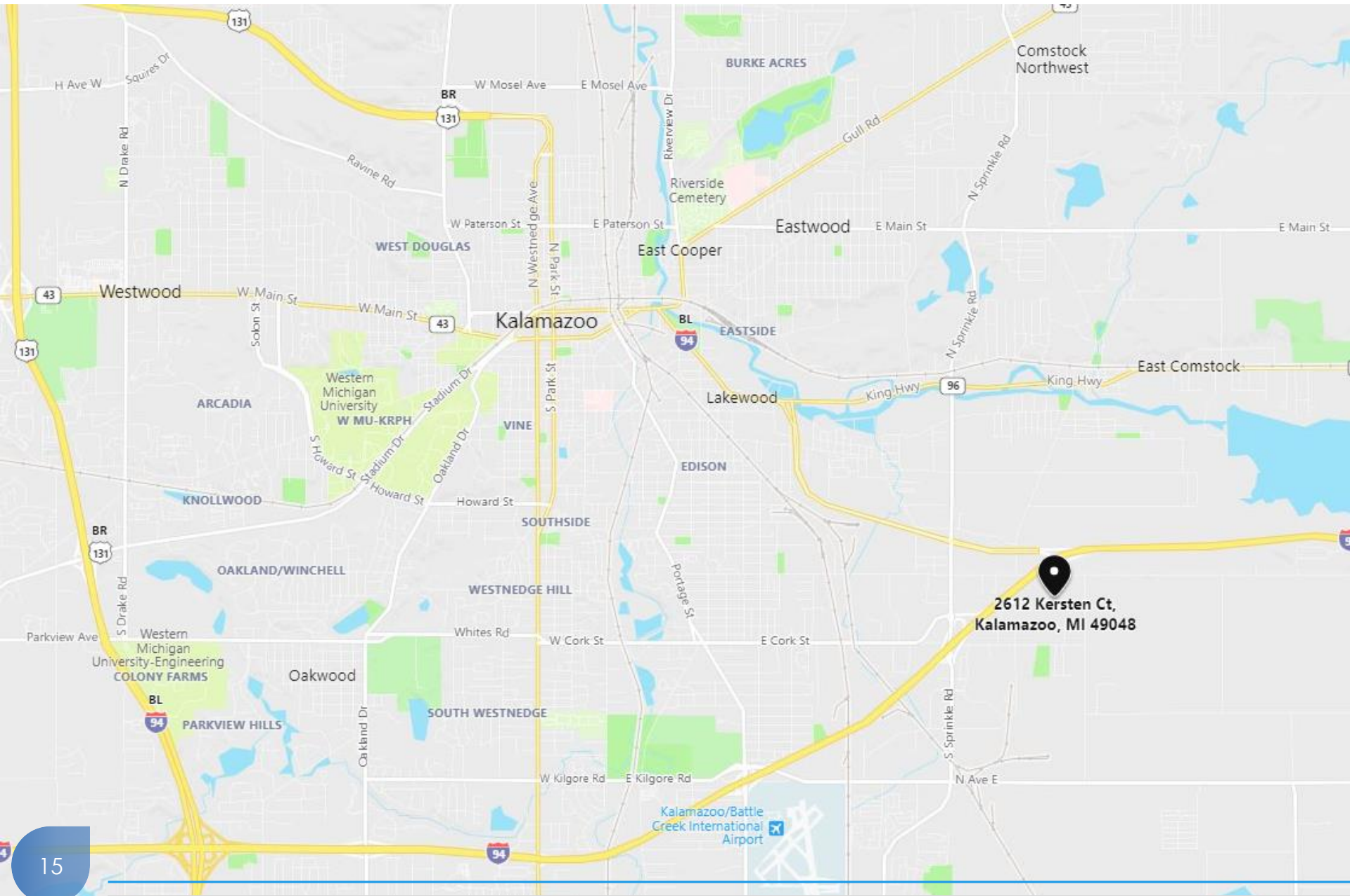
The subject property is located in southwestern Michigan, in the city of Kalamazoo. The location offers good access to I-94 via the recently renovated Sprinkle Road interchange. The property is located at the end of a dead-end road. Neighbors include Air Flow Equipment, Allied Mechanical, Interkal, and Kaiser Aluminum.

Kalamazoo is located approximately 140 miles west of Detroit, 145 miles east of Chicago, and 60 miles south of Grand Rapids. It is the county seat for Kalamazoo County and has a population of approximately 335,000 (Kalamazoo-Portage MSA). The local economy is strong, with an unemployment rate of 3.5%, well below the national average. The economy is anchored by education, health care, research development, and three local breweries. Kalamazoo is also home to Western Michigan University (±25,000 enrolled students).

In 2017 the state economy produced over \$4.3 billion in investments that created 6,700 new jobs statewide. Job growth in business services was explosive, with gains of nearly 15% over the past year. Major employers here are concentrated in pharmaceuticals and healthcare (Pfizer, Bronson Hospital, Stryker Corporation, Borgess Health Alliance), finance (National City Bank), and education (Western Michigan University, Kalamazoo and Portage Public Schools, and Kalamazoo Community College).

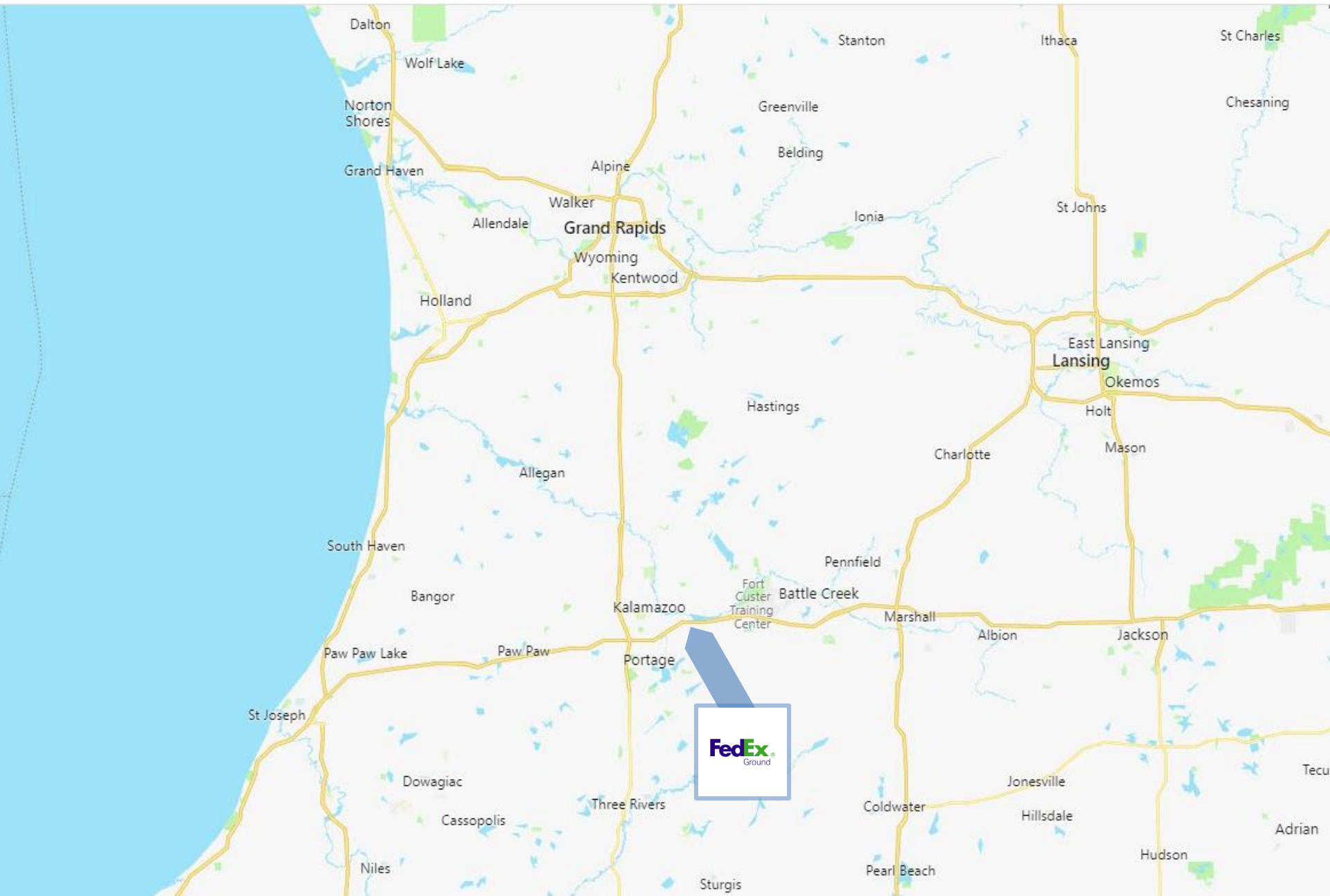
Kalamazoo's economy still relies heavily on manufacturing and trade to an extent with these two sectors combining to account for more than 30% of jobs in the metro. Companies such as Pfizer (2,100 employees) and Stryker Corporation (3,200 employees) have major manufacturing plants in Kalamazoo. Education also plays a major role in the economy, because Kalamazoo-based Western Michigan University enrolls over 18,000 students—70% of whom choose to live off-campus, providing an inelastic source of demand.

In 2017 the state economy produced over \$4.3 billion in investments that created 6,700 new jobs statewide



LOCATION OVERVIEW

FedEx Ground | Kalamazoo, MI



PROPERTY DEMOGRAPHICS

FedEx Ground | Kalamazoo, MI

Radius	3 Mile	5 Mile	10 Mile
Population:			
2025 Projection	29,809	94,357	240,545
2020 Estimate	29,034	91,907	234,259
2010 Census	27,363	86,577	220,463
Growth 2020-2025	2.67%	2.67%	2.68%
Growth 2010-2020	6.11%	6.16%	6.26%
Households:			
2025 Projection	11,726	38,602	97,674
2020 Estimate	11,415	37,568	95,062
2010 Census	10,736	35,291	89,315
Growth 2020 - 2025	2.72%	2.75%	2.75%
Growth 2010 - 2020	6.32%	6.45%	6.43%
Owner Occupied	7,356	20,866	57,409
Renter Occupied	4,059	16,702	37,653
2020 Avg Household Income	54,764	60,769	73,184
2020 Med Household Income	42,145	45,134	53,761
2020 Households by Household Inc:			
<\$25,000	3,024	9,107	20,149
\$25,000 - \$50,000	3,427	10,913	23,992
\$50,000 - \$75,000	2,277	7,715	17,479
\$75,000 - \$100,000	1,176	4,010	10,841
\$100,000 - \$125,000	747	2,565	8,904
\$125,000 - \$150,000	471	1,462	5,593
\$150,000 - \$200,000	174	843	3,807
\$200,000+	119	953	4,297

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