



Representative Photo

FedEx Ground Package System, Inc.
530 Vandenberg Drive | Alexandria, Louisiana 71303

Exclusive Offering Memorandum



Stan Johnson Company | THE NET LEASE AUTHORITY®

Atlanta Chicago Houston Los Angeles New York Phoenix San Francisco Tulsa

Confidential Disclaimer

This Confidential Memorandum has been prepared by Stan Johnson Company ("SJC") and is being furnished to you solely for the purpose of your review of the commercial property located at 530 Vandenberg Drive, Alexandria, Louisiana 71303 (the "Property"). The material contained in this Offering Memorandum shall be used for the purposes of evaluating the Property for acquisition and shall not be used for any purpose or made available to any other person without the express written consent of Stan Johnson Company ("Broker").

By accepting the Confidential Memorandum, you acknowledge and agree that: (1) all of the information contained herein and any other information you will be receiving in connection with this transaction, whether oral, written or in any other form (collectively, the "Materials"), is confidential; (2) you will not reproduce the Confidential Memorandum in whole or in part; (3) if you do not wish to pursue this matter, you will return this Confidential Memorandum to SJC as soon as practicable together with all other materials relating to the Property which you may have received from SJC; and (4) any proposed actions by you which are inconsistent in any manner with the foregoing agreements will require the prior written consent of SJC.

This Confidential Memorandum has been prepared by SJC, based upon certain information pertaining to the Property and any information obtained from SJC to assist interested parties in making their own evaluation of the Property is offered on a no representation or warranty provision other than customary warranties of title and is sold on an "as-is, where-is" basis and with all faults. The material and transaction does not purport to be all inclusive. This Confidential Memorandum contains descriptive materials, financial information and other data compiled for the convenience of parties interested in the Property. The Materials are being delivered by SJC to prospective investors with the understanding that it is not all inclusive and that it is qualified in its entirety by independent investigation by prospective investors of those matters which they deem appropriate in evaluating this offering without reliance upon SJC, the Broker or any of their respective affiliates or any of the information set out in the Materials. Neither SJC, the Broker, nor any of their respective affiliates have independently verified any of the information contained herein or in any of the Materials, and no representations or warranties as to the accuracy or completeness thereof or of any other kind whatsoever are made or intended and none should be inferred.

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Subject Property Construction



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Purchase Price: \$9,973,680

Cap Rate: 6.25%

Investment Highlights

Ten Year Term – Ten (10) Year Initial Base Lease Term Commencing in May 2015

Highly Passive Lease – Highly Passive Lease Structure with Landlord Responsibilities Limited to Repair and Replacement of Roof and Structure

Logistics Location – Located at the Convergence of Interstate 49 and State Highways 165 and 167; Offers Direct Proximity to Alexandria International Airport

Top 100 Metro Area – Centrally Located to the State of Louisiana, a Vital Economic Area

Long-Term Commitment – Property is Built-to-Suit for the Tenant with Increasing Service to this Particular Region in Mind

Best-in-Class Tenant – Highest Yielding and Most Profitable Segment of a Global Commerce Brand with Investment Grade Credit and Over \$45 Billion in Sales

Stan Johnson Company is pleased to offer for sale to qualified investors, the opportunity to purchase a 100% fee-simple interest in the FedEx Ground Package System, Inc. property located at 530 Vandenberg Drive in Alexandria, Louisiana (the "Property"). The Property boasts an excellent logistics location as it is situated near Interstate 49, State Highways 165 and 167, and offers direct proximity to the Alexandria International Airport. Its central location connects it to the rest of the State of Louisiana and beyond, including Arkansas, Texas and Mississippi.

Located on 10.00 acres, the 83,443 square foot Property is being built-to-suit for the Tenant and is scheduled to be completed and rent will commence in May 2015. The base lease term is for ten (10) years and landlord responsibility is limited to roof and structure. Annual rent at commencement will be \$623,355 with approximately five percent (5%) rental increases occurring in conjunction with the exercise of each of its two (2), five (5) year options. FedEx Ground Package System, Inc., the Tenant, will occupy the Property upon commencement and it will utilize the Property as a package sorting and distribution facility servicing Central Louisiana. FedEx Ground Package System, Inc. is the highest yielding and most profitable segment of the FedEx Corp. and it accounts for nearly \$46 million in revenue generation per day.



Lease Abstract

| 530 Vandenberg Drive Alexandria, Louisiana | |
|--|-----------------------------------|
| Tenant: | FedEx Ground Package System, Inc. |
| Permitted Use: | Package distribution facility |
| Initial Term: | Ten (10) years |
| Target Rent Commencement: | May 15, 2015 |
| Current Expiration: | May 14, 2025 |
| Term Remaining: | 10 Years |
| Annual Rent: | \$623,355 |
| Renewal Options: | Two (2), five (5) year options |
| Expense Structure: | NN Lease - (Roof & Structure) |

Taxes:

* LL pays, T reimburses in full within 30 days after LL delivery of a paid tax statement or receipt

Utilities:

* T pays for all utilities; if billed, T shall reimburse LL within 30 days after LL's delivery of an invoice therefor

Insurance:

* LL at its sole cost and expense, shall cause the Premises to be fully and adequately insured with customary policy of fire and extended coverage insurance in an amount not less than full replacement cost; T reimburses LL within 50 days of payment

Property Overview

| | |
|------------------------|-------------------------------|
| Land Area: | 10.00 Acres |
| Year Built: | 2015 |
| Type: | Package distribution facility |
| RBA: | 83,443 SF |
| Office: | 5,572 SF |
| Industrial: | 77,871 SF |
| Dock Doors: | 29 |
| Fuel Tanks: | None |
| Foundation: | Concrete |
| Frame: | Metal |
| Exterior Walls: | Metal |
| Roof: | Metal |



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Rent Schedule

| Start | End | Notice | Annual Base | Rent/SF | Monthly Base | Rent/SF | Change |
|-------------|-------------|-------------|--------------|---------|--------------|---------|--------|
| 15-May-2015 | 14-May-2025 | 15-Nov-2024 | \$623,355.00 | \$7.47 | \$51,946.25 | \$0.62 | |
| 15-May-2025 | 14-May-2030 | 15-Nov-2029 | \$654,519.96 | \$7.84 | \$54,543.33 | \$0.65 | 5.00% |
| 15-May-2030 | 14-May-2035 | | \$687,251.16 | \$8.24 | \$57,270.93 | \$0.69 | 5.00% |



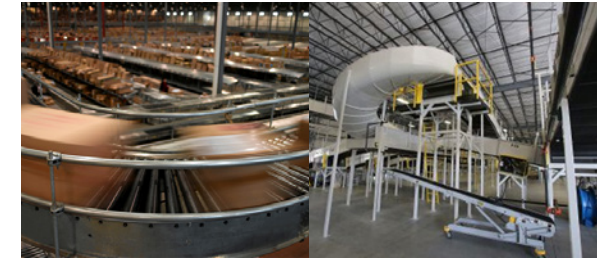
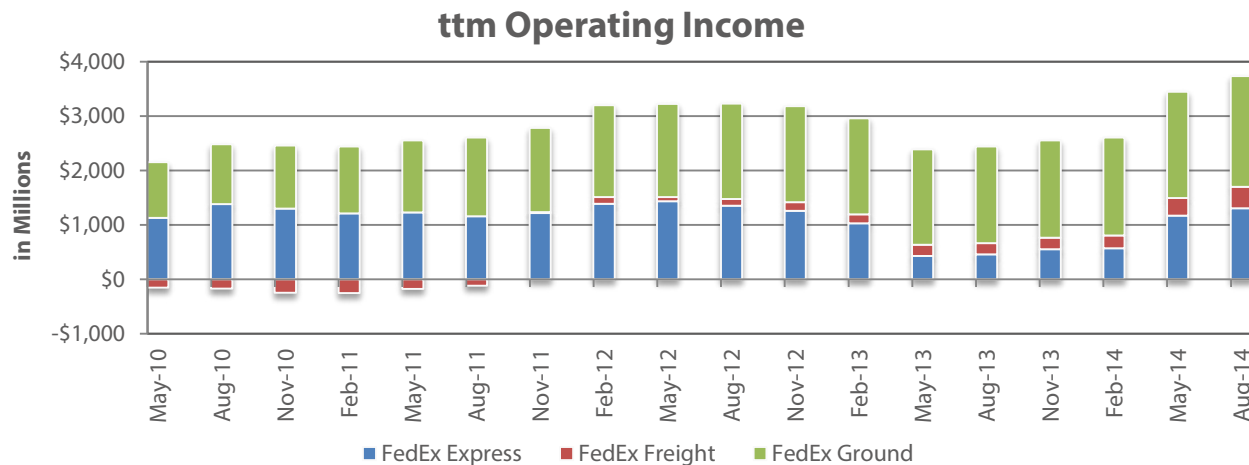
Credit Overview



FedEx Ground Package System, Inc. ("FedEx Ground") is the leading North American provider of small-package ground delivery services and one of the four segment offerings which comprise the world's largest commerce provider, FedEx Corporation (NYSE: FDX).

FedEx Ground provides low-cost, day-certain service to every business address in the United States and Canada, as well as residential delivery to nearly 100% of U.S. residences through its FedEx Home Delivery service. FedEx Ground operates a multiple hub-and-spoke sorting and distribution system consisting of 528 facilities, including 33 hubs, in the United States and Canada. FedEx Ground conducts its operations primarily with approximately 35,640 owner-operated vehicles and approximately 38,100 company-owned trailers. With average daily package volume above 6.9 million, **FedEx Ground is the highest volume and highest yielding of the four FedEx Corp. segments** which accounts for more than \$11 billion in annual revenues and more than half of the Company's operating income. While margins for FedEx Freight and FedEx Express have dipped in recent years (currently 2.1% and 4.2% respectively), FedEx Ground's current operating margin is 16.8%. Revenue growth over the past year for FedEx Ground was 15.5% while the other two segments experienced minimal growth.

The consolidated company, FedEx Corporation, offers a broad range of services and solutions which link 99 percent of the world's GDP. Over the past twelve months (as of May 31, 2014), FedEx Corporation generated over \$45.57 billion in revenues yielding over \$2.09 billion in net income. FedEx Corporation's net worth is greater than \$15.28 billion, more than \$12.49 billion tangible. The Company currently holds investment grade credit ratings. Standard & Poor's has issued it a BBB rating with a stable outlook and Moody's Investor Services has issued it a Baa1 rating with a stable outlook.



| FedEx Ground | Aug-14 | Aug-13 | Aug-12 |
|----------------------------------|---------------|---------------|---------------|
| Revenue (in Millions) | \$11,847 | \$10,322 | \$9,319 |
| Margin | 17.2% | 17.2% | 18.8% |
| Operating Income (in Millions) | \$2,032 | \$1,776 | \$1,750 |
| Average Daily Revenue | \$42,694 | \$39,033 | \$34,848 |
| | | | |
| FedEx Express | Aug-14 | Aug-13 | Aug-12 |
| Revenue (in Millions) | \$27,378 | \$27,212 | \$26,240 |
| Margin | 4.8% | 1.7% | 5.2% |
| Operating Income (in Millions) | \$1,305 | \$459 | \$1,354 |
| Average Daily Revenue (Domestic) | \$2,584 | \$2,465 | \$2,429 |
| | | | |
| FedEx Freight | Aug-14 | Aug-13 | Aug-12 |
| Revenue (in Millions) | \$5,942 | \$5,344 | \$5,230 |
| Margin | 6.7% | 3.9% | 2.4% |
| Operating Income (in Millions) | \$396 | \$207 | \$124 |

*in millions



Location Overview

Located in the heart of Louisiana, **Alexandria** is quickly emerging as one of the nation's best places to start a business, raise a family, and explore the great outdoors. It is a national leader in new and expanded business development and was recently named one of the twenty best cities in the country to find a job. National Geographic Traveler ranks Alexandria as one of America's top ten "wilderness towns" because of its incredible access to the one of the country's most beautiful and expansive national forests.

Central Louisiana has become known as "The Crossroads," a place where all of Louisiana comes together - from culture to food and music. With a population of over 46,342, Alexandria continues to grow in every sector of our society. It lies on the south bank of the Red River in almost the exact geographic center of the state. It is the principal city of the Alexandria metropolitan area (population 153,922) which encompasses all of Rapides and Grant parishes. Its neighboring city is Pineville.

Today, the city and the area have changed. Cleco, Procter and Gamble, Union Tank Car, and Dresser Valve Works are just a few of the large corporations that have chosen to call Central Louisiana home. Union Tank Car Company has recently located a plant northwest of Alexandria near the airport creating hundreds of jobs. Expansions at the Procter & Gamble plant and the construction of a PlastiPak plant in nearby Pineville have also created a number of new jobs for the area. Sundrop Fuels Inc., a Colorado-based biofuels start-up, plans to construct an over 1,200 acre plant just northwest of Alexandria in Rapides Station area. The facility will serve as the headquarters for the company because aside from the plant itself, Sundrop has also

bought Cowboy Town, an abandoned entertainment venue that sits inside the surrounding land that was purchased, to house their offices and their maintenance and fabrication operations. The Red River is now navigable thanks to the Red River Waterway Project. The \$1.9 billion Red River Waterway Project, authorized by Congress in 1968, added a series of five lock and dam complexes to the river. These structures perform a stair-step effect on the river, creating controllable pools and passageways for river traffic.

England Air Force Base closed in 1994, but was successfully converted to England Industrial Airpark and is now home to many manufacturing and technology companies. In 2007, Inc. Magazine rated Alexandria as the 77th best place in which to conduct business out of the 393 U.S. cities ranked, a significant increase from its ranking as No. 276 in 2006. Among other Louisiana cities, Alexandria ranked second, following only Baton Rouge, which ranked 59th nationally.

Central Louisianans work in several industrial sectors, with the largest being education, health and social services, followed by retail. Closely trailing behind retail are construction, manufacturing, public administration and the arts, entertainment, recreation and hospitality sector. Timber and Forestry products remain the #1 crop for this area. Cotton, Sugar Cane, Sweet Potatoes, Corn, and Soy Beans are also being farmed.

Perhaps one of the area's biggest attractions is its central location. Arkansas, Mississippi, Texas and all of Louisiana are easily accessible to the area. The addition of Interstate 49 and four-laning of highways 165 and 167 have helped to ease the flow of traffic through Central Louisiana. Work on four-laning Highway 28

continues and once completed the route through Louisiana will become part of the Gulf Coast Strategic Highway connecting Interstate 55 in Brookhaven, Mississippi to Interstate 45 in Huntsville, Texas.

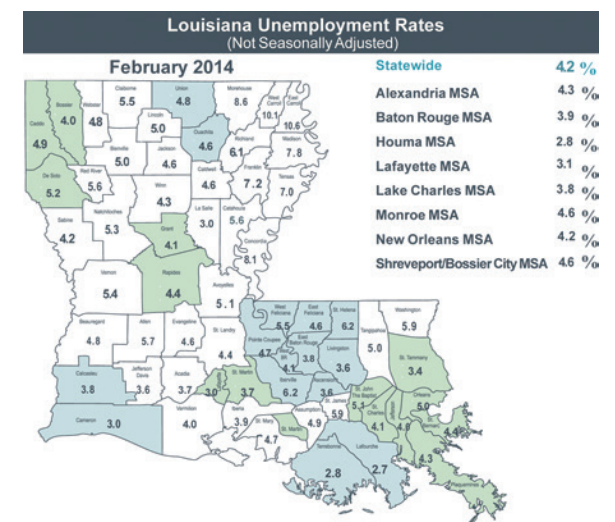
Alexandria, LA MSA Feb 2014

Labor Force Data

| | |
|----------------------|--------|
| Civilian Labor Force | 65,100 |
| Employment | 62,300 |
| Unemployment | 2,800 |
| Unemployment Rate | 4.3% |

Economic Indicators

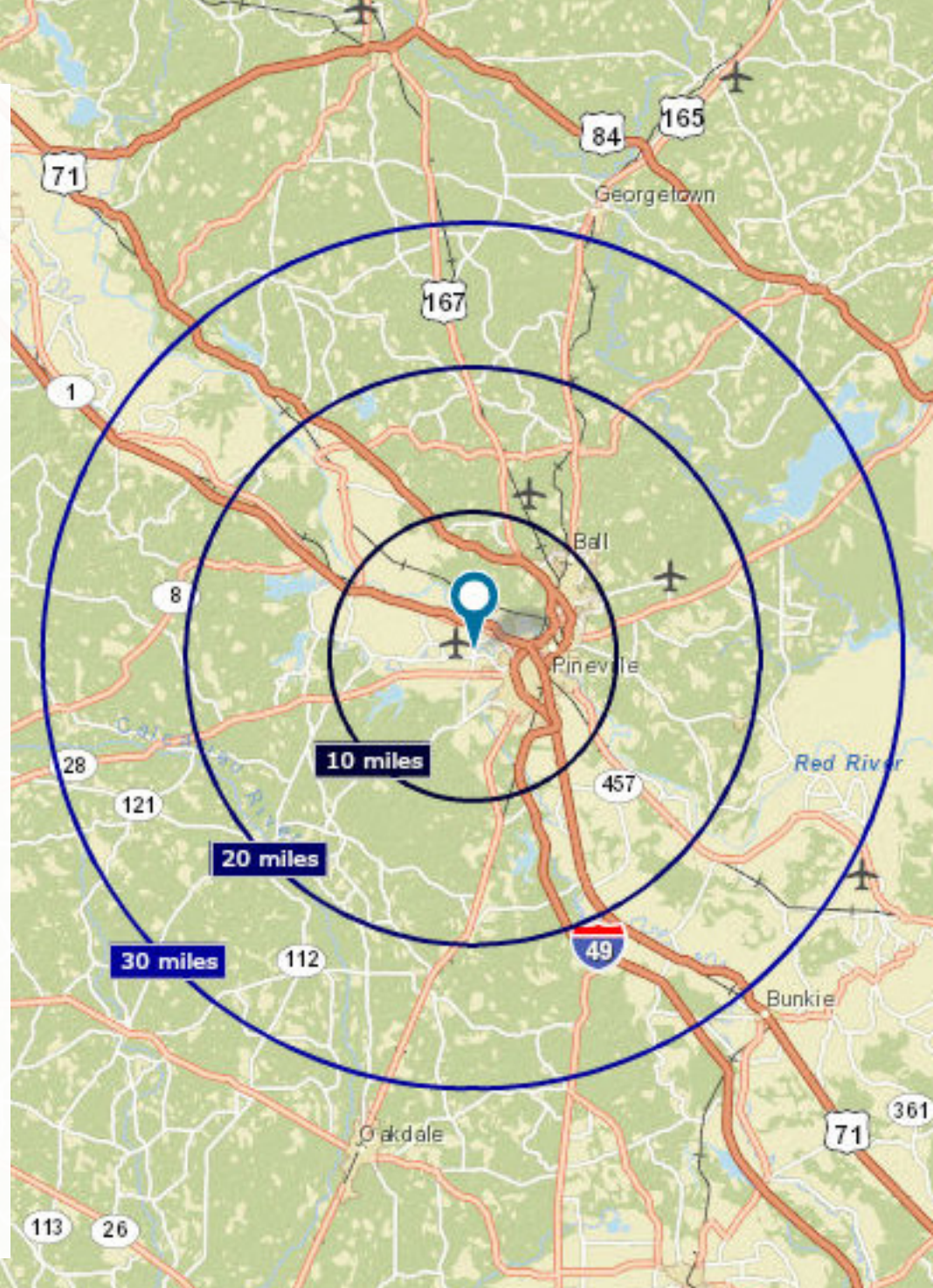
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|-----------------------|--------|
| Regional GDP | \$5.7b |
| Year-over-Year Growth | 1.4% |
| Retail Trade | \$499m |
| Year-over-Year Growth | 5.2% |





Demographics

| 530 Vandenberg Drive, Alexandria, LA | 0 - 10 mi. | 0 - 20 mi. | 0 - 30 mi. |
|--|------------|------------|------------|
| Population | | | |
| 2000 Population | 91,946 | 130,212 | 159,047 |
| 2010 Population | 93,892 | 138,624 | 168,605 |
| 2014 Population | 95,146 | 141,787 | 172,387 |
| 2019 Population | 96,816 | 144,571 | 175,648 |
| 2000-2010 Annual Rate | 0.21% | 0.63% | 0.59% |
| Households | | | |
| 2000 Households | 34,479 | 48,515 | 59,506 |
| 2010 Households | 36,003 | 51,812 | 63,640 |
| 2014 Total Households | 36,724 | 53,111 | 65,307 |
| 2019 Total Households | 37,463 | 54,319 | 66,755 |
| 2000-2010 Annual Rate | 0.43% | 0.66% | 0.67% |
| Race and Ethnicity | | | |
| 2014 White Alone | 54.8% | 63.5% | 67.1% |
| 2014 Black Alone | 40.5% | 31.5% | 27.9% |
| 2014 American Indian/Alaska Native Alone | 0.6% | 0.8% | 1.0% |
| 2014 Asian Alone | 1.5% | 1.2% | 1.1% |
| 2014 Pacific Islander Alone | 0.0% | 0.0% | 0.0% |
| 2014 Other Race | 0.6% | 1.0% | 1.0% |
| 2014 Two or More Races | 2.0% | 1.9% | 1.9% |
| 2014 Hispanic Origin (Any Race) | 2.4% | 3.4% | 3.2% |
| Income | | | |
| 2014 Median Household Income | \$36,699 | \$39,884 | \$39,599 |
| 2014 Average Household Income | \$55,741 | \$57,626 | \$56,648 |





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