

niagara

75TH AVENUE (14,137 VPD)



WEST SHERMAN STREET



FedEx Freight
7160 West Sherman Street | Phoenix, Arizona

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 7160 West Sherman Street, Phoenix, Arizona 85043 (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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This Confidential Memorandum does not constitute an offer to accept any investment proposal but is merely a solicitation of interest with respect to the investment described herein. The Confidential Memorandum does not constitute an offer of security. The investment described herein may be financed or withdrawn from the market, without prior notice. By accepting this Confidential Memorandum you agree to release SJC and hold it harmless from any kind of claim, expense, or liability arising out of your discovery or purchase of the Property. SJC reserves the right to request the return of the Materials at any time. Ownership of the Property reserves the right to negotiate with one or more prospective investors at any time.

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Subject Property



Representative Photo

Purchase Price: \$17,438,129

Cap Rate: 6.20%

Stan Johnson Company is pleased to offer for sale to qualified investors, the opportunity to purchase a 100% fee-simple interest in the FedEx Freight LTL, Inc.-leased property located at 7160 West Sherman Street in Phoenix, Arizona (the "Property"). The Property boasts an excellent logistics location as it is situated near Interstate 10 in Estrella Village and it is located with direct proximity to a number of major industrial and business parks. Neighboring distribution tenants include: Home Depot, Con-way Freight, Amazon, Target, Staples, AutoZone, Mattress Firm, and Trader Joes, to name a few. The Property's location allows FedEx Freight to provide freight service to all of Phoenix and its surrounding areas.

Located on 24.47 acres, the 34,650 square foot Property was built-to-suit for the Tenant and rent commenced in September 2008. The base lease term is for fifteen (15) years and landlord responsibility is limited to roof and structure. Annual rent at commencement was \$1,081,164 with approximately five percent (5%) rental increases occurring in conjunction with the exercise of each of its two (2), five (5) year options. FedEx Freight LTL, Inc., the Tenant, occupies the Property and utilizes the Property as a cross dock truck terminal servicing the Phoenix metropolitan area and surrounding areas. FedEx Freight is the market leader in providing less-than-truckload (LTL) freight services across all lengths of haul and is one of the four segment offerings which comprise the world's largest commerce provider, FedEx Corp. FedEx Corp. (NYSE: FDX) unconditionally guarantees this lease. FedEx Corp. is an investment-grade credit-rated multi-billion dollar entity that generated over \$45 billion in revenues yielding \$1.67 billion in net income in 2013 with net tangible assets of more than \$11 billion.

Investment Highlights

Fifteen Year Term – Fifteen (15) Year Initial Base Lease Term Commenced in September 2008 – Approximately Eight and a half (8.5) Years' Primary Term Remaining

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

Logistics Location – The Property is situated near Interstate 10 which Provides Access to All of the Phoenix MSA and Surrounding Areas Via Its Intermodal Facilities

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

Best-in-Class Tenant – Market Leader in LTL Freight Services Across All Lengths of Haul and One of Four Segments Which Comprise the World's Largest Commerce Provider – FedEx Corp.

Investment Grade Credit – FedEx Corp Guaranteed Lease – S&P: BBB Credit Rated, \$45 Billion in Revenue, \$1.67 Billion Net Income and \$11.6 Billion Net Tangible Assets

Dense Industrial Park – The Property is Located with Direct Proximity to Multiple Dense Industrial Parks that Make Up the Tolleson Industrial Submarket – A Market with More Than 30 Million Square Feet of Industrial Use Property

Top 15 Metro Area – Phoenix is a Top Metropolitan Area and Metropolitan Economy in the United States

Critical Trade Location – Phoenix is Situated Between the U.S.'s Third Largest Trading Partner (Mexico) and Its Two Largest State Economies (California & Texas)



Lease Abstract

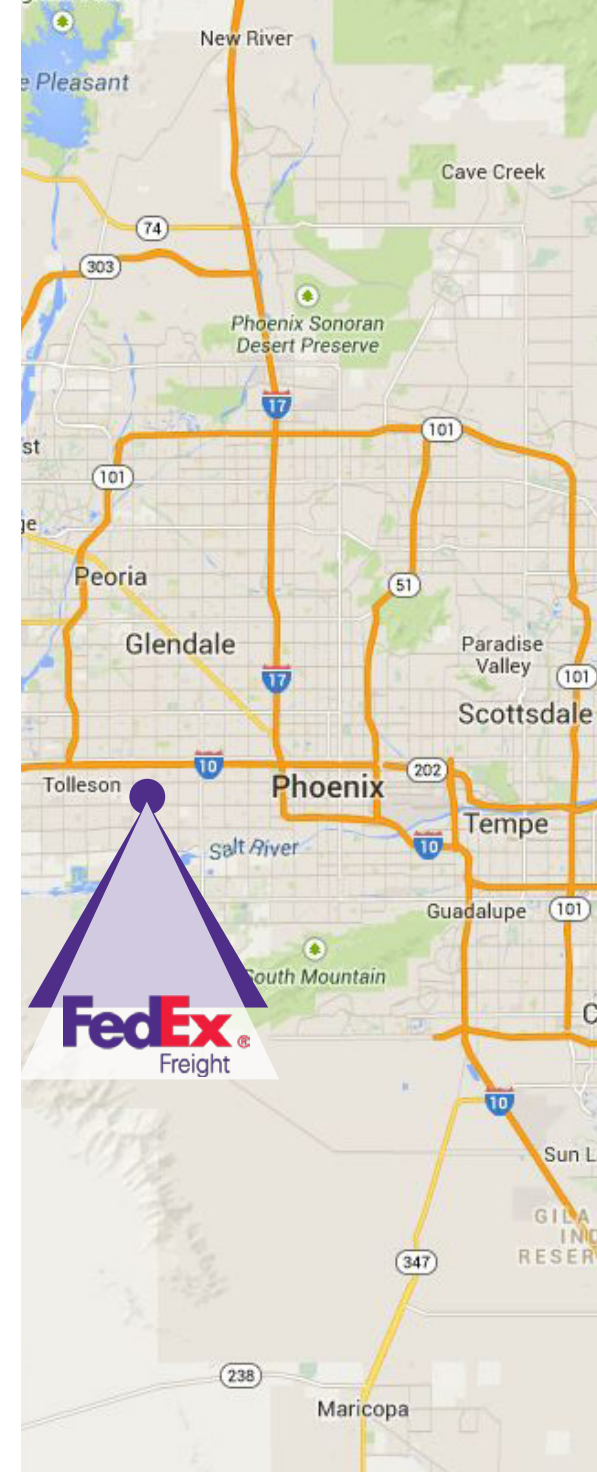
7160 West Sherman Street Phoenix, AZ	
Tenant:	FedEx National LTL, Inc. (DE)
Guarantor:	FedEx Corp. (DE)
Initial Term:	Fifteen (15) Years
Lease Commencement:	October 29, 2007
Rent Commencement:	September 10, 2008
Current Expiration:	September 9, 2023
Term Remaining:	8.5 years
Renewal Options:	Two (2), Five (5) Year
Expense Structure:	NN Lease - Roof & Structure
Taxes:	* LL shall forward to T copies of all bills and assessments for Real Property Taxes assessed against the Premises and the improvements thereon during the Term at least sixty (60) days prior to the delinquency date for payment stated therein. Alternatively, if LL's Lender requires a reserve or impound account for Real Property Taxes, LL reserves the right to collect from T on a monthly basis one-twelfth (1/12) of the total estimated amount of the annual Real Property Taxes.
Utilities:	* T shall contract directly with the providers thereof and pay such providers directly for all water, gas, heat, light, power, telephone, trash disposal, sewer and other utilities and services supplied to the Premises during the Term, together with any taxes thereon.
SNDA Period:	* Fifteen (15) Days
Estoppel Period:	* Twenty (20) Days
ROFR:	* Yes

Rent Schedule

Term	Start	End	Annual Base	Rent/SF	Change
Base	10-Sep-2008	9-Sep-2023	\$1,081,164.00	\$31.20	
Option 1	10-Sep-2023	9-Sep-2028	\$1,135,224.00	\$32.76	5.00%
Option 2	10-Sep-2028	9-Sep-2033	\$1,191,984.00	\$34.40	5.00%

Property Overview

Property:	FedEx Freight - Phoenix, AZ
Parcel ID:	104-15-025
Address:	7160 West Sherman Street
City, State, Zip:	Phoenix, AZ 85043
County:	Maricopa
Land Area (Acres):	24.5
Land Area (SF):	1,064,834
Year Built:	2008
Type:	Cross Dock Truck Terminal
Dock Doors:	82
Total RBA:	34,650
Office:	5,274
Dock Building:	29,376
Construction:	Metal
Building Height:	18' Clear
Zoning:	A-1, Phoenix
Submarket:	Tolleson Industrial



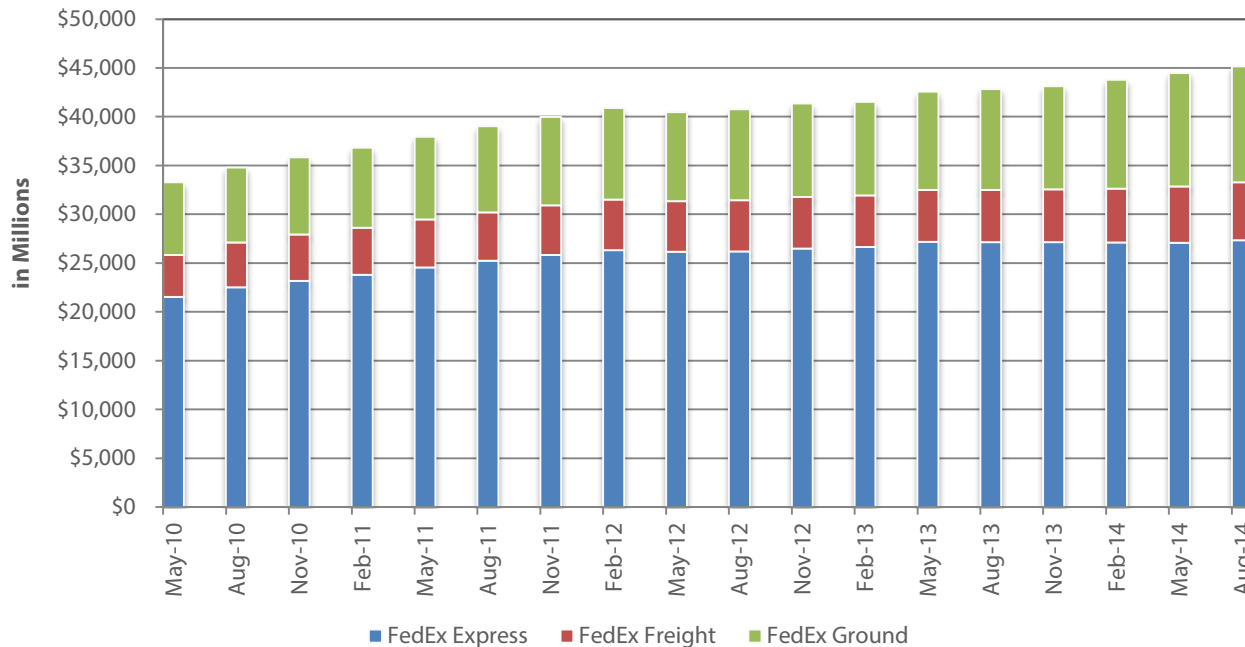
Credit Overview

FedEx Freight, Inc. ("FedEx Freight") is the market leader in providing less-than-truckload (LTL) freight services across all lengths of haul and one of the four segment offerings which comprise the world's largest commerce provider, FedEx Corporation (NYSE: FDX). FedEx Freight Priority offers the fastest published transit times of any nationwide LTL service. Freight segment financial results also include FedEx Custom Critical, North America's largest time-specific, critical shipment carrier. Established in 2001, FedEx Freight is headquartered in Memphis, TN.

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 February), FedEx Corporation generated over \$45.16 billion in revenues yielding over \$1.67 billion in net income. FedEx Corporation's net worth is greater than \$15.23 billion, more than \$11.56 billion tangible. The Company current 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.



ttm Revenues



With extensive coverage throughout the U.S. (including Alaska and Hawaii), Canada, Mexico, and Puerto Rico as well as service to the U.S. Virgin Islands, FedEx Freight provides less-than-truckload (LTL) choices based on your shipping needs. And FedEx Freight[®] Priority has the fastest published transit times of any nationwide LTL service.

>33,000
team members

MOVE

>85,000
shipments
(avg. daily volume)

1,150
pounds *(avg. weight per shipment)*

USING

>14,500
trucks

>355
facilities

>64,000
tractors, trailers
and forklifts

PROVIDING

priority service and

economy service

TO

U.S., Canada, Mexico, Puerto Rico, and the U.S. Virgin Islands





Phoenix Fast Facts

- The Greater Phoenix Metropolitan Economy accounts for more than \$200 billion in annual gross domestic product in the United States, making this vital regional economy the fifteenth largest in the United States.
- Maricopa County is home to nearly four million residents – making it the fourth largest county in the United States. The vibrant growth of the Greater Phoenix metropolitan area has outpaced U.S. population growth for the past 21 years and is one of only 10 U.S. markets expected to see most of the nation’s growth over the next 40 years.
- With 4.2 million people, Greater Phoenix’s population is expected to nearly double in the next two decades. A young market with nearly 500,000 students at any given time, the region is home to several renowned universities and colleges, all of which not only play a major role in the development of this growing Arizona workforce, but also in the state’s economy as well.
- Arizona is centrally located in the heart of the American Southwest. Situated just north of Mexico, the United States’ third largest trading partner, Greater Phoenix maintains a competitive geographic advantage that is designed to maximize distribution and travel efficiency. The region is also conveniently located between the nation’s first and second largest economies – California and Texas – granting Arizona businesses unparalleled access to major markets and a broad consumer base.
- As one of the fastest growing regions in the nation, Greater Phoenix represents approximately 75 percent of the state’s economy. Arizona’s favorable business climate and close proximity to major markets creates an advantageous operating environment for companies looking to expand or relocate to the region.
- The modern and dependable infrastructure of Greater Phoenix offers easy and reliable access to the market and FedEx Freight’s consumer base. Sky Harbor International Airport, one of the top 10 busiest airports in the nation, serves more than 38 million passengers annually and provides direct flights to hundreds of international and domestic locations. The region is also home to Phoenix-Mesa Gateway Airport, 10 additional reliever airports, US Airways headquarters and a Southwest aviation hub.
- In addition to air travel options, Greater Phoenix also boasts a number of sophisticated freeway, rail and Light Rail systems that enhance the region’s ability to move efficiently both in and out of the market. Two major interstates, five freeways, and the Union Pacific and Burlington Northern Santa Fe rail terminals provide comprehensive means for transportation and distribution methods to connect Greater Phoenix with the rest of the United States.





Subject Property



Subject Property





TREVOR G BROWN HIGH SCHOOL

CARTWRIGHT MIDDLE SCHOOL

BANNER ESTRELLA MEDICAL CENTER

AK-GHIN PAVILLION

GATEWAY PAVILLIONS

CROSSROADS AT TOLLESON

I-10 (148,431 VPD)

AVONDALE AUTOMALL

UNIVERSAL TECH. INSTITUTE

99TH AVE (30,161 VPD)

RYAN WEST BUSINESS PARK

10 LINCOLN BUSINESS/ INDUSTRIAL PARK

amazon.com

ROOSEVELT BUSINESS PARK CONDOMINIUM

Mor

VALLEY WEST DIST. CENTER

GRANITE COMMERCE CENTER

INTERSTATE LOGISTICS CENTER

SALT RIVER PROJECT

MANHEIM PHOENIX WHOLESALE AUTO AUCTION

TOLLESON COMMERCE PARK

AMERICOLD LOGISTICS

DISTRIBUTION

DISTRIBUTION

5 STAR DIST. CENTER

TRADER JOE'S

UNITED STATES POSTAL SERVICE

pepsi

Albertsons

I-10 COMMERCE PARK

fray's

INDUSTRIAL & BUSINESS PARKS

BIG TIRES

MATTRESS FIRM

STAPLES

BUCKEYE BUSINESS PARK

WEST BUCKEYE ROAD (21,037 VPD)

TYCO & BELL CARTER FOODS

CAFE VALLEY BAKERY

ESTRELLA BUSINESS PARK

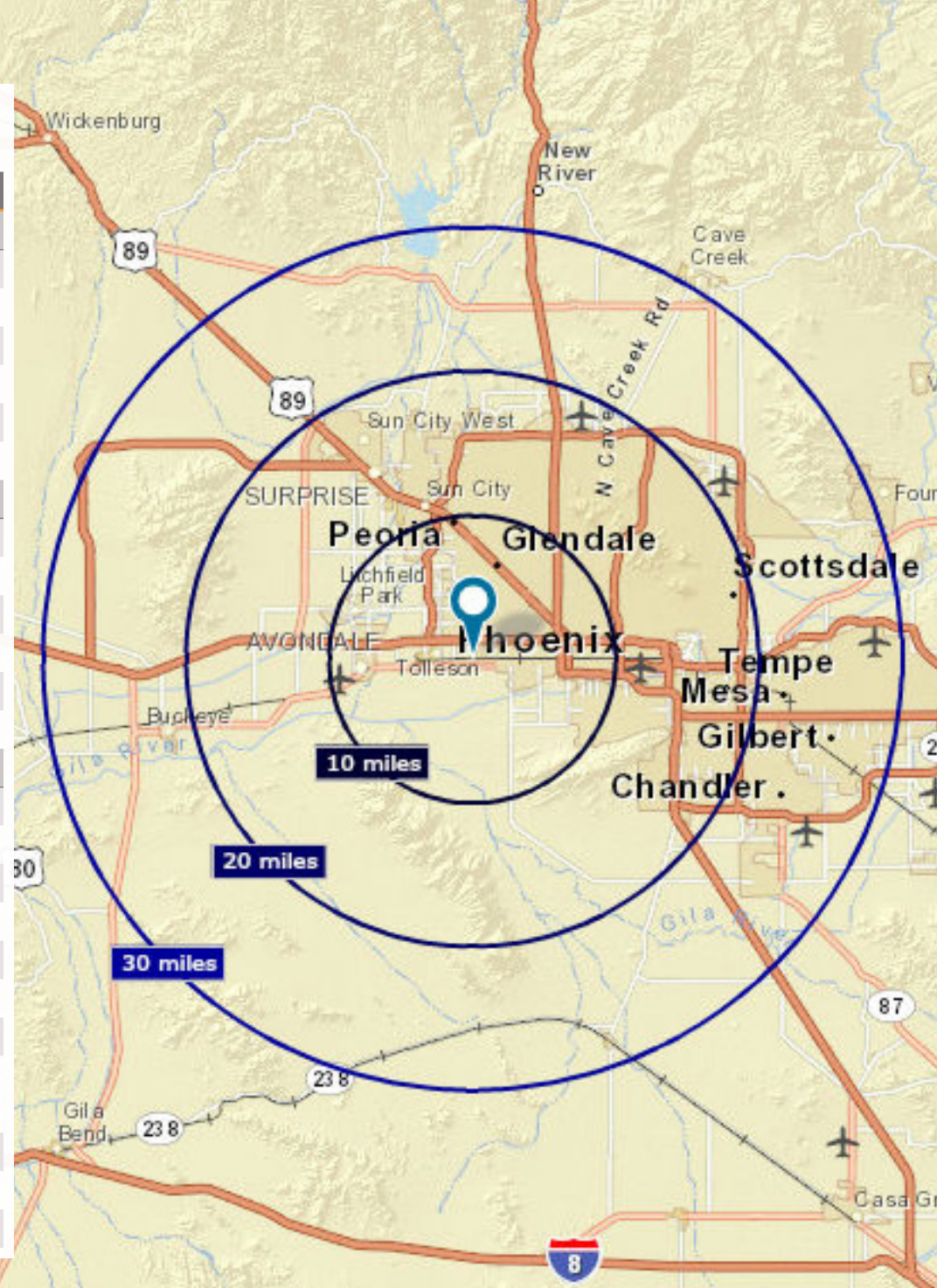
WENTWORTH INDUSTRIAL PARK

BUCKEYE LOGISTICS CENTER



Demographics

7160 West Sherman Street Phoenix, AZ	0 - 10 mi.	0 - 20 mi.	0 - 30 mi.
Population			
2000 Population	752,526	2,149,407	2,909,434
2010 Population	919,509	2,509,997	3,526,824
2014 Population	953,099	2,599,546	3,666,583
2019 Population	1,007,113	2,751,411	3,899,776
2000-2010 Annual Rate	2.02%	1.56%	1.94%
Households			
2000 Households	237,843	791,606	1,069,068
2010 Households	285,153	923,878	1,303,018
2014 Total Households	294,990	956,314	1,353,603
2019 Total Households	312,716	1,014,705	1,442,142
2000-2010 Annual Rate	1.83%	1.56%	2.00%
Race and Ethnicity			
2014 White Alone	53.6%	67.3%	70.2%
2014 Black Alone	8.5%	6.4%	5.6%
2014 American Indian/Alaska Native Alone	2.5%	2.3%	2.3%
2014 Asian Alone	3.2%	3.6%	4.0%
2014 Pacific Islander Alone	0.2%	0.2%	0.2%
2014 Other Race	27.6%	16.3%	14.0%
2014 Two or More Races	4.4%	3.9%	3.8%
2014 Hispanic Origin (Any Race)	58.5%	36.4%	31.9%
2014 Median Household Income			
	\$40,196	\$48,068	\$51,822
2014 Average Household Income			
	\$52,379	\$64,936	\$71,056





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THE NET LEASE AUTHORITY®

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