



Offering Memorandum

FEDEX OFFICE PRINT & SHIP

2812 N 10TH STREET, MCALLEN, TEXAS

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All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.

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Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a Net Lease property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any Net Lease property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this Net Lease property.

NON-ENDORSEMENT NOTICE

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INVESTMENT OVERVIEW

\$ LIST PRICE
\$1,323,000

% CAP RATE
8.00%

QUICK FACTS

Net Operating Income	\$105,850
Price Per SQFT	\$264.60
Rent Per SQFT	\$21.17
Lease Type	Double Net
Guarantor	Corporate Guarantee
Term Remaining	1 Year
Square Footage	5,000 SF
Lot Size	0.98 Acres
Occupancy	100%



PROPERTY INFORMATION

FEDEX OFFICE PRINT & SHIP

10TH STREET • MCALLEN, TEXAS

The subject offering provides qualified investors with the opportunity to acquire a FedEx Office retail location in McAllen, Texas. The location is currently fully leased by FedEx Office Corporate who has just over a year remaining on their current lease. FedEx has one, five-year option remaining and has expressed a desire to remain at the location allowing a creative investor to potentially work to maximize the value of the location in concert with the existing tenant. The current lease is double net in nature with the landlord responsible for maintenance of the roof, structure and parking lot while the tenant covers the taxes and insurance.

McAllen is one of the strongest submarkets along the Texas/Mexico border with strong population growth and improving household income. With over 110,000 people in a three-mile radius and over 30,000 vehicles per day, this location has a built-in customer base and strong visibility along one of the city's most recognizable retail corridors. McAllen is the 13th fastest-growing metro area in the United States with the population expected to grow by over 75 percent in the next few decades.

HIGHLIGHTS

BEST IN CLASS TENANT

FedEx provides services such as shipping, copying, printing, marketing, and office services. They deliver over one million packages a day by land, air, and sea.

POTENTIAL VALUE-ADD

FedEx has one, five-year option remaining in its lease allowing an incoming investor the potential to maximize value

STRONG TRAFFIC COUNTS

The property is located on one of the main streets in McAllen, boasting over 30,000 vehicles per day

DESTINATION RETAIL CORRIDOR

With over 30,000 vehicles per day, 10th Street has attracted a multitude of national retailers which makes this street a one stop shop for residents of McAllen

STRONG POPULATION

Strong population counts and future growth in the submarket means this location will only continue to succeed

FINANCIAL INFORMATION

THE OFFERING

Price	\$1,323,000
Capitalization Rate	8.00%
Price/SF	\$264.60

PROPERTY DESCRIPTION

Year Built	2006
Gross Leasable Area	5,000 SF
Type of Ownership	Fee Simple
Lot Size	0.98 Acres

LEASE SUMMARY

Tenant	FedEx Office & Print Services Inc
Rent Increases	In Options
Guarantor	Corporate Guarantee
Lease Type	Double Net
Lease Commencement	September 1, 2019
Lease Expiration	August 31, 2024
Renewal Options	One (1), Five-Year Option
Term Remaining on Lease	1 Year, 2 Months
Landlord Responsibility	Roof, Structure, Parking Lot
Tenant Responsibility	Taxes, Insurance

RENT SCHEDULE

YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$105,850	\$8,821	\$21.17	8.00%
Option 1	\$116,400	\$9,700	\$23.28	8.80%





MARKET OVERVIEW

MCALLEN-EDINBURG-MISSION

The McAllen-Edinburg-Mission metro is located 250 miles south of San Antonio near the Texas-Mexico border and encompasses Hidalgo County. The metro's proximity to Mexico makes trade and logistics important drivers of the local economy. The University of Texas, Rio Grande Valley has facilities in Edinburg, McAllen and Weslaco. The Rio Grande River also runs through the area, providing recreational opportunities for locals and visitors. The metro is growing at a rapid pace and is expected to add 90,200 residents over the next five years.



METRO HIGHLIGHTS



LOGISTICS INDUSTRY

McAllen's location on the Texas-Mexico border has turned the area into a trade hub. As a result, several logistics companies are located here.



HEALTHCARE

The metro has a strong healthcare sector, encompassing roughly one-third of the local employment base.



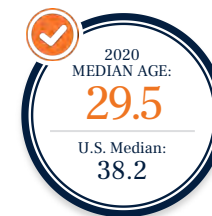
FOOD STORAGE AND PROCESSING

The region maintains the largest land port for fresh produce imports from Mexico, with 160,000 loads of produce transported in a typical year.

ECONOMY

- The metro has a diverse employment base, including sectors such as healthcare, retail and trade. The healthcare sector is a significant part of the economy and several large hospitals are located in the area, including Rio Grande Regional Hospital, McAllen Medical Center and McAllen Heart Hospital.
- GE Aviation and Royal Technologies Corp. have major manufacturing facilities in the metro, supplying hundreds of jobs.
- South Texas College is located within McAllen. It regularly receives grants to provide equipment upgrades and manufacturing training. Texas A&M University opened a satellite campus in the new master-planned community of Tres Lagos.

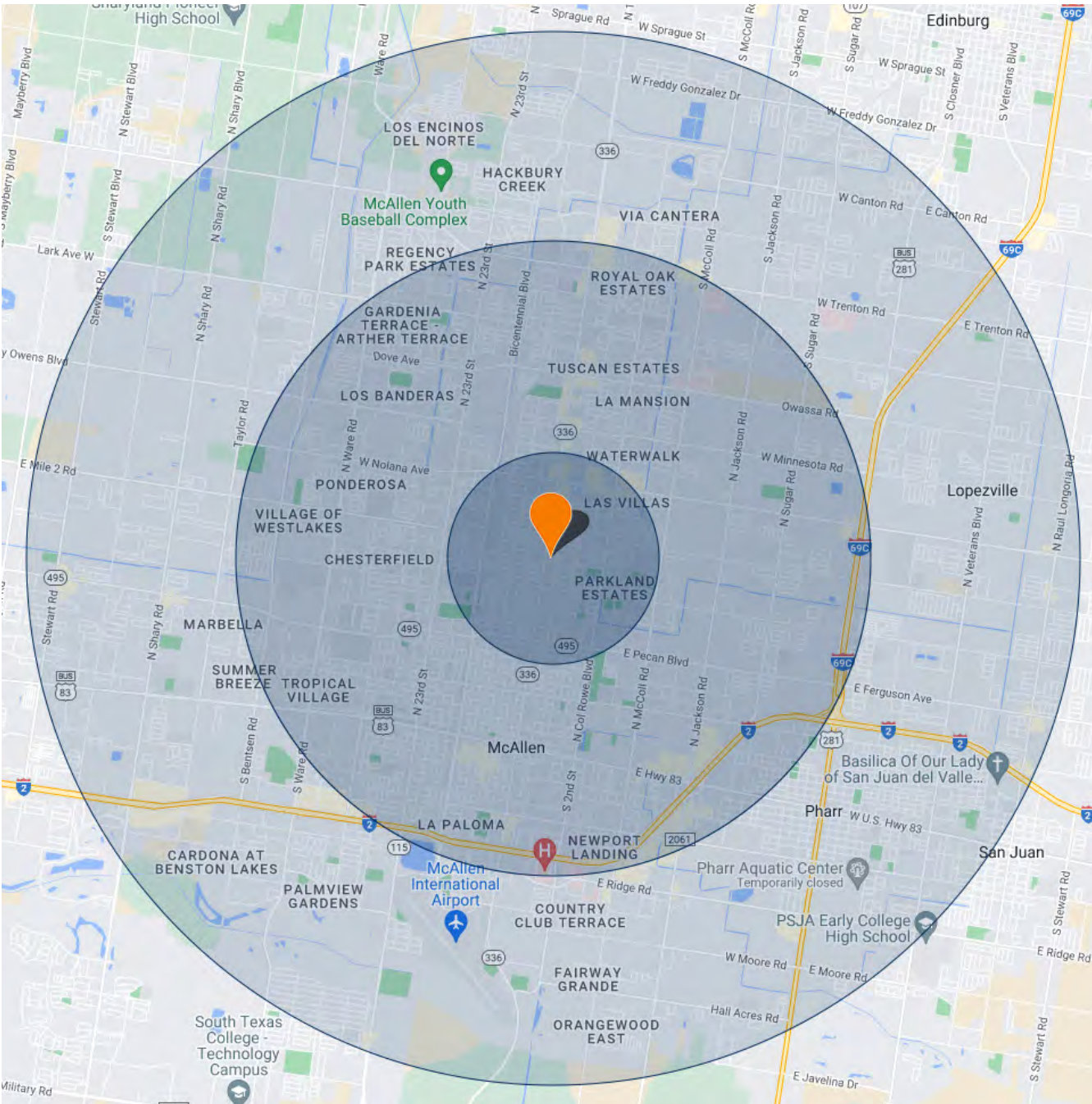
DEMOGRAPHICS



*Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau

DEMOGRAPHICS



POPULATION



	1 MILE	3 MILE	5 MILE
2027 Projection	17,284	121,308	274,389
2022 Estimate	16,748	115,000	253,239
2010 Census	16,069	106,104	220,473

HOUSEHOLDS



	1 MILE	3 MILE	5 MILE
2027 Projection	6,634	40,909	88,200
2022 Estimate	6,354	38,472	80,901
2010 Census	5,882	34,569	68,771

HH INCOME



	1 MILE	3 MILE	5 MILE
Average	\$73,512	\$70,690	\$74,981
Median	\$48,884	\$46,254	\$50,434
Per Capita	\$27,889	\$23,748	\$24,038

TRANSPORTATION



	1 MILE	3 MILE	5 MILE
2022 Daytime Projections	24,645	149,171	290,784
2022 unemployment	4.13%	5.86%	5.56%
Average Time Traveled (min)	19	20	21

AERIAL



McAllen International Mission
Church



Feldman's Liquor Store

Residential Area



Harvey's On Tenth



AERIAL

McAllen International
Airport

Aaron's
Easy. Beautiful. Affordable.

DOLLAR TREE

O'Reilly
AUTO PARTS

HARBOR FREIGHT
QUALITY TOOLS LOWEST PRICES

FIRST CASH PAWN

Advanced Dentistry &
Headache Center

stripes

McDonald's

FedEx
Office

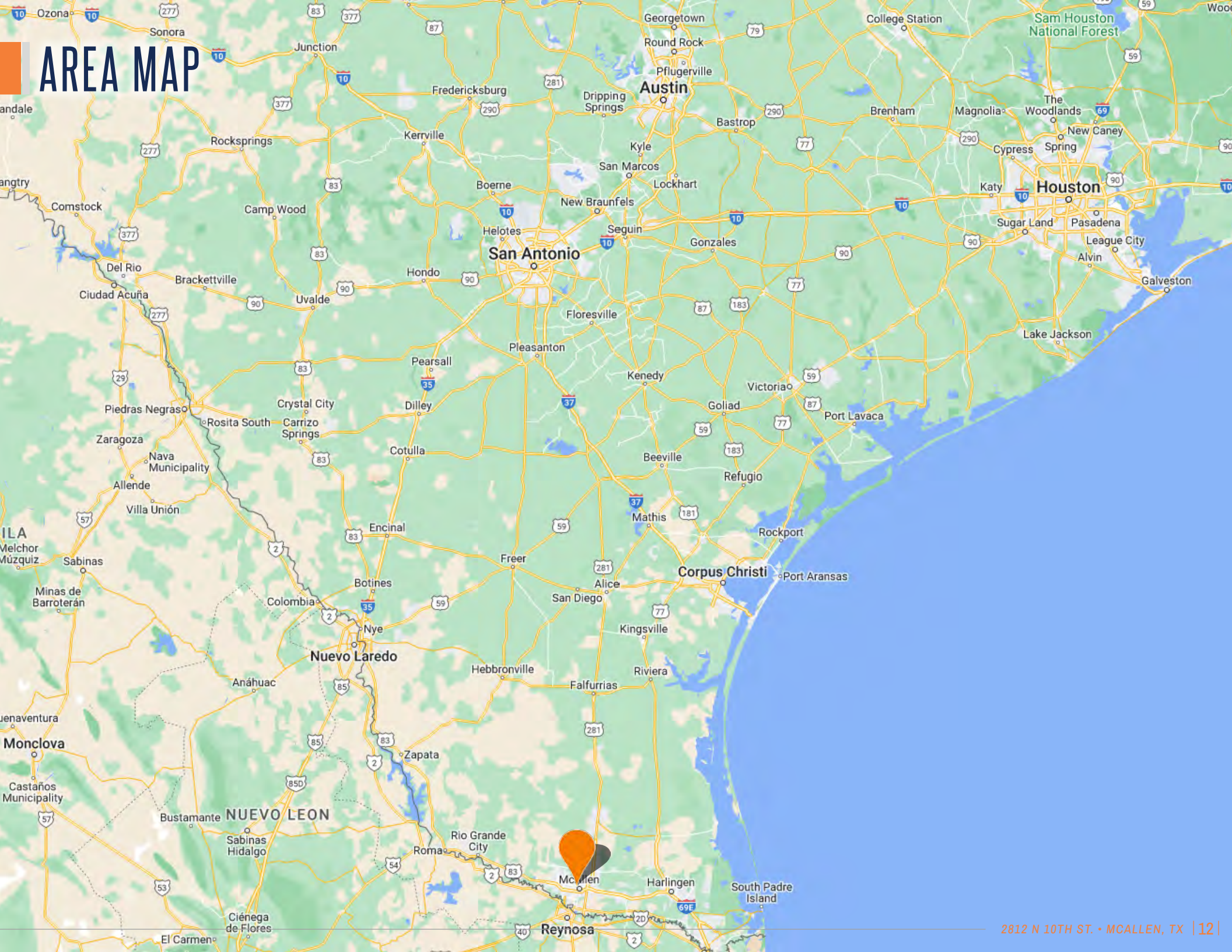
FAMILY DOLLAR

BODEGA

Royal Palms

SHOGUN
JAPANESE
STEAK HOUSE

AREA MAP



TENANT INFORMATION



FedEx was founded in 1973, delivering 186 packages on their first day of operations. Today, FedEx delivers over a million packages each day. They have 13 hubs located around the world that connect more than 220 countries and territories. They provide not only ground service but also express, freight, logistics, office, and datawork services as well. In their long history, FedEx has acquired 26 different companies to help extend their reach through out the world. The retail chain provides services such as shipping, copying, printing, marketing, and office services. Unlike other competitors, all FedEx Office stores are corporate-owned.

COMPANY TYPE: Public

CREDIT RATING: BBB

STOCK TICKER: FDX



QUICK FACTS



2022 REVENUE
\$93.5 billion



YEAR FOUNDED
1971



NO. OF LOCATIONS
59,000+



HEADQUARTERS
Memphis, TN

Exclusively Listed By:

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Marcus & Millichap
DIFFIE RETAIL TEAM



Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

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