

BPI Corporate HQ

Single Tenant Leased Offering

11.88 Acre Corporate Headquarters Distribution Facility | Memphis Tennessee

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: \$9,400,000 | Cap Rate 8.25%

This 20 year, two building industrial NNN lease offers an investor a passive investment opportunity to acquire a 11.88 acre property made up of 28,458 SF of office and 155,316+/- SF wholesale showroom/warehouse space. Redundancy systems, new HVAC units and 2 emergency generators support the site as well. Located in the SE industrial submarket, Memphis' largest industrial submarket. Site consists of showrooms, conference rooms, offices, and an IT room.

Located just 140 miles from Little Rock, AR, 200 miles from Nashville, TN and 220 miles from Jackson, MS, the site is located at the hub of industrial shipping across the south. The site features direct access to I-22 (Hwy 78) and I-2540, as well as convenient access to I-55, Highway 385. The Federal Express National Shipping Hub and Memphis, TN International

Airport are located just 2.7-miles from the site, as is national logistics rail hump yards, making the subject site strategically located in the heart of the nations and the world's warehousing shipping and distribution.

In the immediate proximity: Ferguson Bath, Kitchen & Lighting Center is located adjacent to the site. American Screen & Door are also adjacent to the site. Phillips 66, Not So Used Trucks, and Payless Shoes are all located in the immediate neighborhood. Supervalu Grocers, Liberty Inn and King Furniture are also within a few blocks of the site. Samuels Furniture & Interiors showroom and warehouse, U-Haul, a Dollar Tree anchored shopping center and Suntrust Bank are also in the immediate MSA.

NNN Lease Structure

This lease represents a true triple net lease investment, leaving zero Landlord responsibilities for maintenance or repair.

Established Privately Held Company

Privately held company with annual sales of \$176.11(Mil)+/-, founded in 1963, offering security in business practice

Great Location

Densely populated location, and located mere blocks from the FedEx Worldwide Hub, national rail lines, and the international airport

Favorable Lease with increases

Strong lease terms that hedges against inflation by offering 2% annual rent bumps

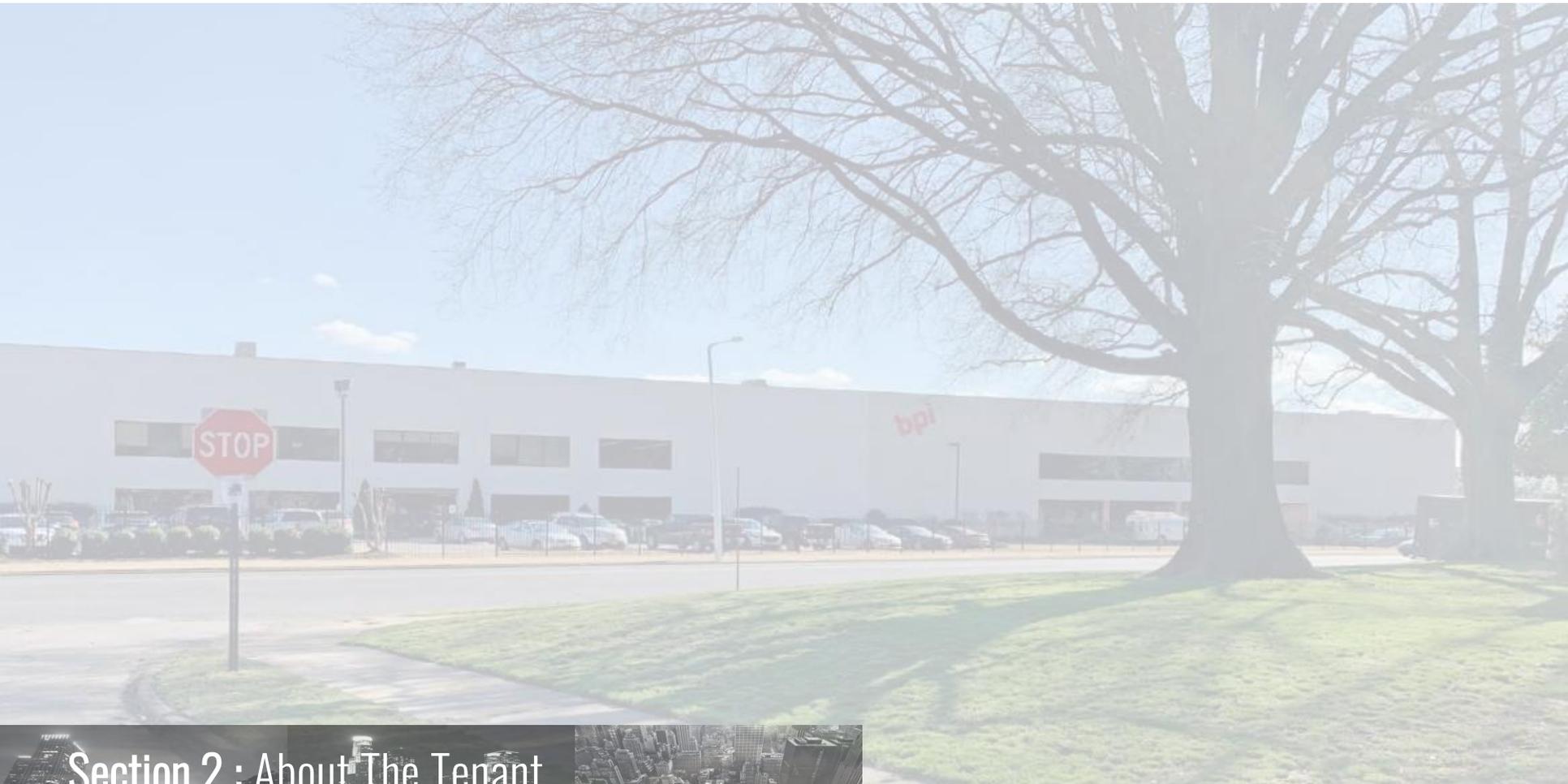
Quality Asset

Property sits on 11.88 acres, made up of 28,458 SF of Office, and 155,316 SF wholesale showroom/warehouse space. Site consist of showrooms, conference rooms, offices, and an IT Room.









Section 2 : About The Tenant



Tenant Overview

TENANT OVERVIEW

Founded by Alexander Hill in 1963 as a wholesale distributor of formica products, BPI's first location was opened in Memphis, TN with 8 employees operating a 7,500 SF of warehouse space. Later they expanded to include hardwood flooring, vinyl sheeting and ceramic tile. Since 2000, BPI has continued to grow and become the second largest floor covering distributor in the country, and the largest distributor in the South. The success of BPI has allowed them to begin private labeling programs in hardwood, ceramic, sinks and carpet. They have expanded their product lines to include wall tile, fixtures, laminates, solid surfaces, counter-tops, panels, slot walls and installer supplies.

BPI's wholesale floor covering and decorative surfacing distribution operations encompass 10 states and 765,000 square feet of warehouse facilities. They employ over 380 associates representing the industries best vendors and servicing in excess of 5,800 wholesale and retail customers.

The site is made up of two separate buildings, commonly known as 3263 Sharpe Avenue, and 1720 Cherokee Blvd, Memphis, TN. Originally built in 1986 and added to and rehab'd in 2000. The site has several points of ingress/egress onto the site; from Cherokee Boulevard, Sharpe Avenue, and an access road to Prescott.

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Section 3 : About The Property



Investment Overview

Sale Price:	\$9,400,000
Gross Leasable Area (GLA):	183,774 SqFt
Lot Size (Apx.)	11.88 Acres
Net Operating Income:	\$775,283
CAP Rate:	8.25%
Year Built:/Renovated:	1986/2000

Lease Abstract

Lease Type	NNN
Original Lease Term	20 Years
Lease Term Commenced	2/17/2005
Lease Expiration	1/31/2025
Remaining Lease Term	±4 Years
Renewal Options	2X5
Increases	2% Annual
Roof and Structure	Tenant Responsible

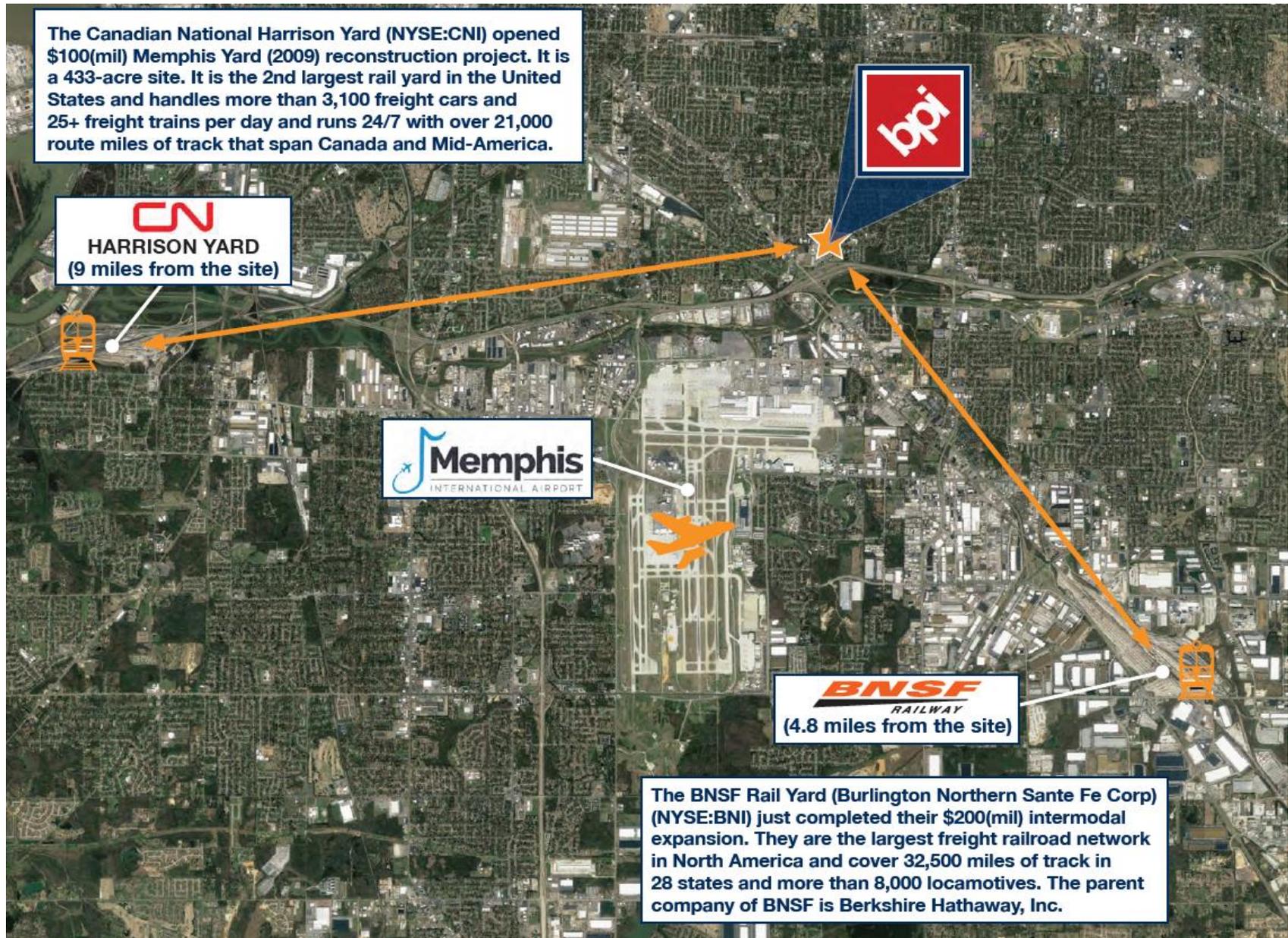


Tenant Rent Roll

Tenant Name	GLA	Lease Start	Lease End	Annual rent	Options
Bpi Building Plastics, INC	183,774	2/17/2005	1/31/2025	Current Term \$775,283 2021 \$790,788 2022 \$806,604 2023 \$822,736 2024 \$839,191 2025 \$855,975	2X5

**Priced on 2020 rent increase. Seller Will credit Buyer the difference in escrow.*





9420 W Lake Mead Ave

bpi Building Plastics | Memphis, TN



Section 4 : About The Location



Memphis is the largest city in Tennessee, with a metro area population of more than 1.33 million. The city is located at the confluence of the Wolf and Mississippi rivers, as well as the eastern border that Tennessee shares with Arkansas. As the largest city on the Mississippi River, Memphis is ideally located for commerce in the transportation and shipping industry.

Memphis has one of the most important and robust transportation infrastructures in the country. It serves as the primary hub and corporate international headquarters for FedEx. Largely due to FedEx, Memphis International Airport is the second-busiest cargo airport in the world. The metro also has an extensive rail network served by five Class I railroads including BNSF, CSX, Union Pacific, Norfolk Southern and Canadian National. Routes I-55 and I-40 are two of the busiest trucking corridors in the nation, and will be supplemented by I-65 and I-22, which were completed in 2016. In addition, the Port of Memphis is the fourth largest inland port in the United States.

The trade, transportation and utilities sector are the major economic drivers for Memphis. These industries employ one out of every four workers in the city, making it the most concentrated area for trade, transportation and utilities in the nation. The city enjoys continued logistical success due to strong consumer demand, low oil prices, and a shift to online shopping. A few of the major companies with headquarters in the city include International Paper, AutoZone, ServiceMaster and FedEx. Memphis is also home to St. Jude Children's Research Hospital, one of the world's premier centers for the research and treatment of catastrophic diseases in children.

Memphis is recognized as the home of the blues and the birthplace of rock 'n' roll. Many musicians, including Aretha Franklin, Johnny Cash, Elvis Presley, Otis Redding, Al Green and B.B. King, got their start in Memphis in the 1950s and 1960s. The city hosts several music festivals, none bigger than Memphis in May, a month-long series of events promoting musical heritage and outreach. The city also hosts the International Jazz Festival, Memphis Italian Festival, Africa in April Awareness Festival and Carnival Memphis, drawing visitors and fans of music from cities across the country.

Memphis has one of the most important and robust transportation infrastructures in the country.



Location Overview

MEMPHIS INTERNATIONAL AIRPORT AND FEDEX WORLD HUB

Memphis International Airport, MEM, serves an average of 140,000 passengers every month and is the No.2 cargo focused airport in the world. Over 4.4 million passengers passed through MEM in 2018 alone, which was an increase of 200,000 passengers from the previous year. Downtown Memphis, Graceland, and many other attractions are only a 15-minute cab ride away from the airport. MEM is also embarking on a new plan to modernize and consolidate airlines and retain operations.

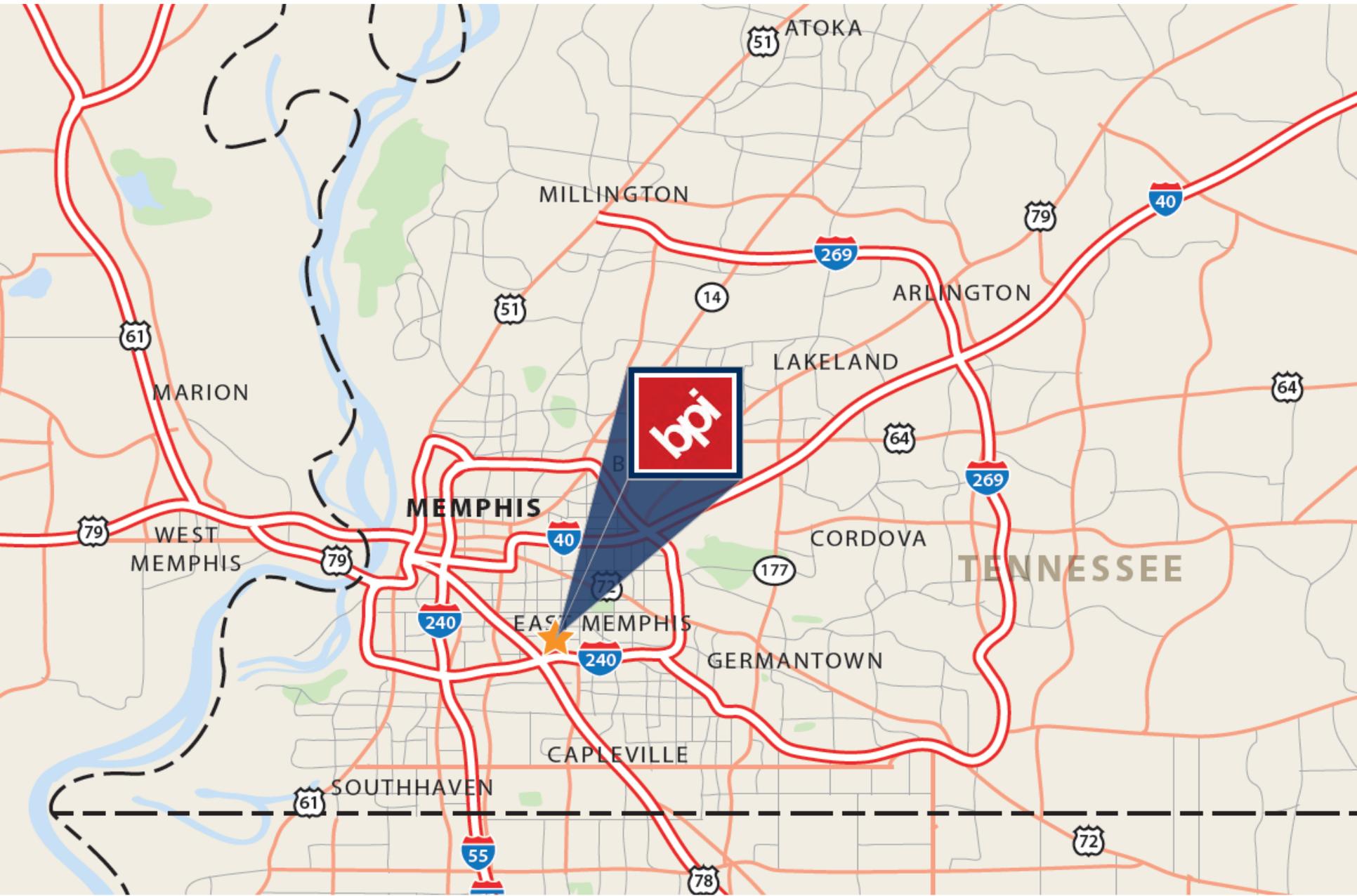
MEM is also a “Super Hub” for FedEx World Hub. Approximately 4.2 billion pounds of packages go through the airport each year. This has made MEM the busiest cargo airport in North America.

Over 150 FedEx planes touchdown in Memphis each night during peak holiday season. The amount of cargo increased by 3.08% with over 9.85 billion pounds handled in the past year. According to the University of Memphis’ Sparks Bureau of Business and Economic Research/Center for Manpower Studies, MEM has a \$19.1 billion economic impact on the greater Memphis region. The airport also supports 83,199 jobs.

FedEx World Hub, in Memphis, TN, is the epicenter for shipments in America and is Memphis International Airport’s main tenant. It is a global powerhouse with team members from over 37 different countries. It is the oldest and largest facility in the FedEx World Hub network and is strategically located in the heart of the continental U.S. FedEx World Hub provides overnight service to the entire nation and serves 95% of the global economy on a 24-48-hour

basis. On average, they deliver 14 million shipments daily, which doubles during peak holiday season. The “Super Hub” sorts through almost 18,000 packages every hour. This allows for packages to be ordered and shipped the next day. FedEx is also responsible for 99% of the overall cargo that is handled at MEM and has a total of 40.9 million square feet of space under its lease at the airport. As FedEx expands it has also absorbed many of the outlying facilities located around the airport.







LOCATION HIGHLIGHTS

MEMPHIS, TN

HOME TO FEDEX WORLDWIDE SHIPPING HUB



Memphis International Airport is the second-busiest cargo airport in the world



Largest city in Tennessee, with a metro population of 1.33 million



Primary hub and corporate international headquarters for FedEx Worldwide



Most concentrated area for trade, transportation, and utilities jobs in the nation

Radius	1 Mile	3 Mile	5 Mile
Population:			
2025 Projection	11,069	88,956	222,902
2020 Estimate	10,983	88,614	223,004
2010 Census	10,316	85,084	219,160
Growth 2020-2025	0.78%	0.39%	-0.05%
Growth 2010-2020	6.47%	4.15%	1.75%
Households:			
2025 Projection	4,150	33,959	87,848
2020 Estimate	4,127	33,835	88,001
2010 Census	3,919	32,524	87,067
Growth 2020 - 2025	0.56%	0.37%	-0.17%
Growth 2010 - 2020	5.31%	4.03%	1.07%
Owner Occupied	2,044	15,388	44,840
Renter Occupied	2,083	18,447	43,161
2020 Avg Household Income	40,782	47,007	55,861
2020 Med Household Income	26,870	30,451	34,951
2020 Households by Household Inc:			
<\$25,000	1,969	14,308	32,733
\$25,000 - \$50,000	969	9,280	23,009
\$50,000 - \$75,000	720	4,931	13,459
\$75,000 - \$100,000	164	2,099	6,119
\$100,000 - \$125,000	136	1,319	4,927
\$125,000 - \$150,000	33	492	2,007
\$150,000 - \$200,000	102	492	2,338
\$200,000+	35	912	3,407

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