

www.TAG-Industrial.com

OFFERING
MEMORANDUM



1815 SOUTH SAM RAYBURN FREEWAY

SHERMAN, TX 75090

Marcus & Millichap
TAG INDUSTRIAL GROUP

NON-ENDORSEMENT & DISCLAIMER NOTICE

CONFIDENTIALITY & DISCLAIMER

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services, Inc.

© 2020 Marcus & Millichap. All rights reserved.

NON-ENDORSEMENT NOTICE

Marcus & Millichap is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Marcus & Millichap, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of Marcus & Millichap, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers. Activity ID: ZAB0060587

SPECIAL COVID-19 NOTICE

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.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY.
PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

Marcus & Millichap
TAG INDUSTRIAL GROUP

OFFICES THROUGHOUT THE U.S. AND CANADA
www.marcusmillichap.com



TABLE OF CONTENTS

01

INVESTMENT OVERVIEW

SECTION 1

Offering Summary • Property Details • Operating Statement
Rent Roll • Regional Map • Aerial Map • Lease Comparables
Property Photos • Acquisition Financing

02

MARKET OVERVIEW

SECTION 2

Market Analysis • Demographic Analysis

The image is a cover page for a report. It features a dark blue background with a white border. On the left and right sides, there are vertical panels showing the interior and exterior of a large industrial building with a corrugated metal roof and steel structure. The central text is white and orange. The text reads: "SECTION 1" in orange, "INVESTMENT OVERVIEW" in white, and "Marcus & Millichap" in white with a horizontal line underneath.

SECTION 1
INVESTMENT
OVERVIEW

Marcus & Millichap

1815 SOUTH SAM RAYBURN FREEWAY SHERMAN, TX 75090

INVESTMENT HIGHLIGHTS

- 334,272-Square-Foot Multi Tenant Warehouse Situated on 12.69 Acres
- Features Two Dock-High Doors, Six Grade-Level Doors, and 16'-25' Clear Height
- 10% Occupied with a Market Vacancy Rate of 2.10% Creates investment Opportunity
- Strategically Located Industrial Warehouse with Proximate Access to Major Freeways
 - Zoned Heavy Industrial: Rare Zoning in Sherman, Texas

INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 1815 South Sam Rayburn Freeway in Sherman, Texas. The subject property consists of approximately 334,272 square feet of space and is situated on 12.69 acres of land. The asset features two dock-high doors, six grade-level doors, and 16'-25' clear heights. A rare zoning in Sherman, Texas, the subject property is zoned Heavy Industrial. Ten percent property occupancy combined with a market vacancy rate of 2.10 percent creates investment opportunity for a buyer.

This strategically located industrial warehouse has proximate access to major freeways.

Industrial rents in the Sherman-Denison Market were rising at a 0.8 percent annual rate during Q3 2020, and have posted an average annual gain of 4 percent over the past three years. There is 88,000 square feet currently underway, representing the largest under construction pipeline in over three years. Over the past three years, 33,000 square feet has delivered, or a cumulative inventory expansion of 1.2 percent. Vacancies in the metro were significantly below the 10-year average as of 2020 Q3, but trended slightly upwards over the past four quarters. Prior to the major economic interruption that resulted from the coronavirus, employment numbers were positive, but not outsized. At the end of last year, employment was growing at a 0.7 percent annual rate. In total, industrial employment makes up about 8,500 of the metro's 49,000 jobs. (CoStar)

The Dallas/Fort Worth metroplex is the fourth-most populous metro in the nation with an aggregate of more than 7.1 million residents. It is composed of 13 counties stretching nearly 10,000 square miles. The city of Dallas houses 1.3 million people, followed by Fort Worth with 800,000 residents. Strong job growth continually draws new residents to the region. To accommodate the additional traffic, the region's transportation network is evolving. Traffic flow is improved as freeways are expanded and miles are being added to tollways and turnpikes. The growth of the transportation network is vital to supporting commuters to the metros numerous corporations and growing industries. Dallas/Fort Worth's population growth in recent years ranks among the highest in the U.S. for a major metro. The Metroplex is home to 21 Fortune 500 companies and many regional headquarters, drawing workers and residents. The area's extensive network of rail and highways, along with the International

Inland Port of Dallas, ensure its status as a distribution hub.



PROPERTY DETAILS

1815 SOUTH SAM RAYBURN FREEWAY, SHERMAN, TX 75090

Number of Suites	2
Number of Buildings	1
Total Square Feet	334,272
Year Built	1957/1965/1966
Lot Size	12.69 Acres
Type of Ownership	Fee Simple
Clear Height	16'-25'
Building Class	C
Tenancy	Multi
Dock High Doors	2
Grade Level Doors	6
Sprinklers	Wet
Construction	Masonry
Zoning	Heavy Industrial
Market Vacancy	2.10%

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, express or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2020 Marcus & Millichap. All rights reserved. (Activity ID: ZAB0060587)

OFFERING HIGHLIGHTS

1815 SOUTH SAM RAYBURN FREEWAY

SHERMAN, TX 75090

OFFERING PRICE

\$2,850,000

CAP RATE

1.53%

PRO-FORMA CAP RATE

20.71%

Offering Price	\$2,850,000
Cap Rate	1.53%
Pro-Forma Cap Rate	20.71%
Price/SF	\$8.53
Total Square Feet	334,272
Occupancy	10.17%

Marcus & Millichap

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, express or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2020 Marcus & Millichap. All rights reserved. (Activity ID:ZAB0060587)

OPERATING STATEMENT

Income	Current		Per SF	Pro Forma		Per SF
Scheduled Base Rental Income	140,220		0.42	590,220		1.77
Expense Reimbursement Income						
Net Lease Reimbursement						
Insurance	8,500		0.03	83,568		0.25
Real estate Taxes	2,438		0.01	23,973		0.07
Total Reimbursement Income	\$10,938	10.2%	\$0.03	\$107,541	100.0%	\$0.32
Effective Gross Revenue	\$151,158		\$0.45	\$697,761		\$2.09

Operating Expenses	Current		Per SF	Pro Forma		Per SF
Insurance	83,568		0.25	83,568		0.25
Real Estate Taxes	23,973		0.07	23,973		0.07
Total Expenses	\$107,541		\$0.32	\$107,541		\$0.32
Expenses as % of EGR	71.1%			15.4%		
Net Operating Income	\$43,617		\$0.13	\$590,220		\$1.77

Marcus & Millichap

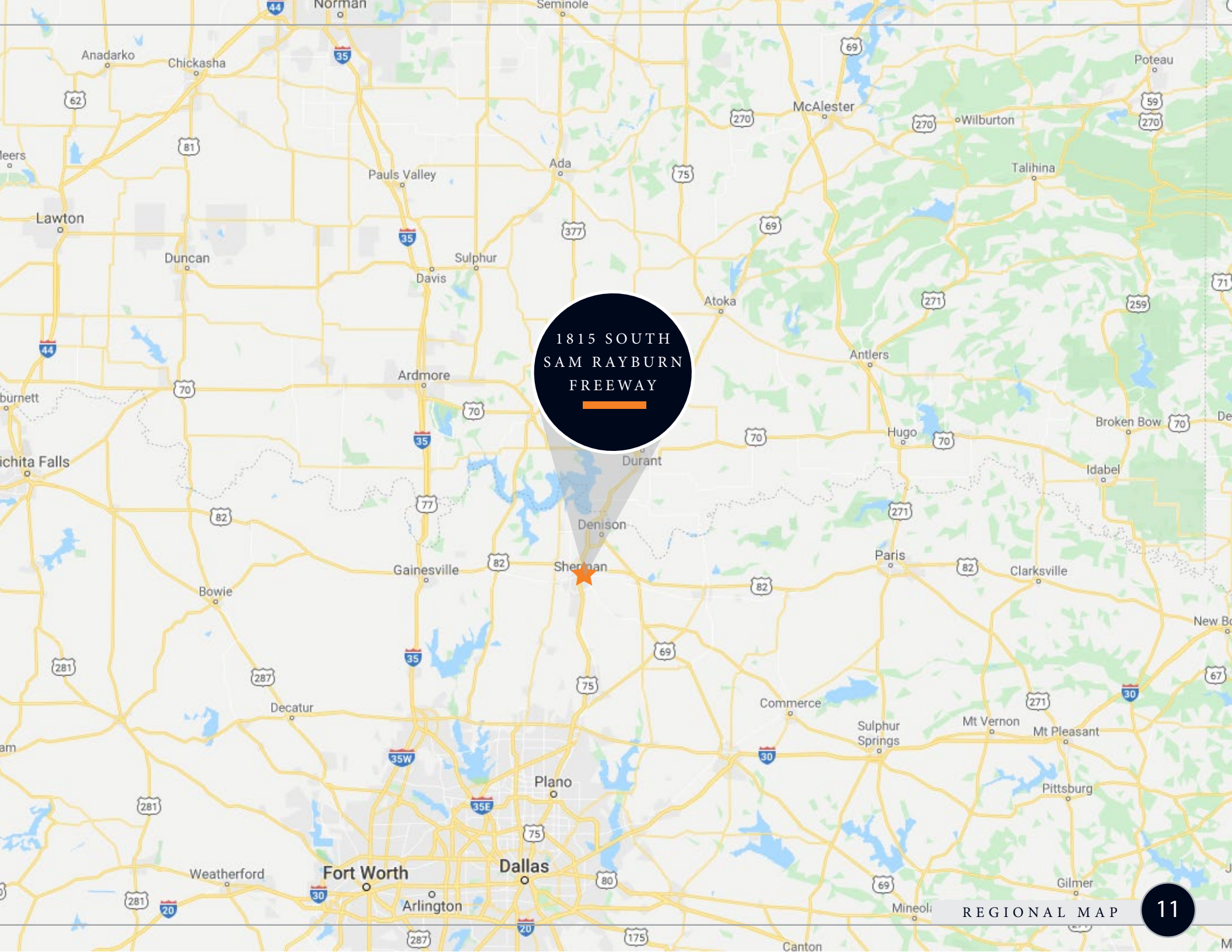
This information has been secured from sources we believe to be reliable, but we make no representations or warranties, express or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2020 Marcus & Millichap. All rights reserved. (Activity ID: ZAB0060587)

RENT ROLL

Tenant Name	Suite	Square Feet	% Bldg Share	Lease Dates Comm.	Lease Dates Exp.	Annual Rent per Sq. Ft.	Total Rent Per Month	Total Rent Per Year	Pro Forma Rent Per Year	Changes on	Rent Increase	Lease Type
903 Brewers	900/1000	34,000	10.2%	8/30/16	5/31/26	\$4.12	\$11,685	\$140,220	\$140,220	Aug-2021	3% Increase	NNN
Vacant	0	300,272	89.8%			\$0.00	\$0	\$0	\$450,000	N/A	N/A	NNN
Total		334,272				\$4.12	\$11,685	\$140,220	\$590,220			
Occupied Tenants: 1				Unoccupied Tenants: 1		Occupied GLA: 10.20%		Unoccupied GLA: 89.80%				
Total Current Rents: \$11,685				Occupied Current Rents: \$11,685		Unoccupied Current Rents: \$0						



This information has been secured from sources we believe to be reliable, but we make no representations or warranties, express or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2020 Marcus & Millichap. All rights reserved. (Activity ID: ZAB0060587)



1815 SOUTH
SAM RAYBURN
FREEWAY



1815 SOUTH
SAM RAYBURN
FREEWAY



Forest Avenue Baptist Church

Napa Autocare Center

Kum & Go

Crockett Street Church of Christ

903 Brewers

Lazy L RV Park

Camping World of Sherman

City Credit Union



Quality Home Health Care, Inc

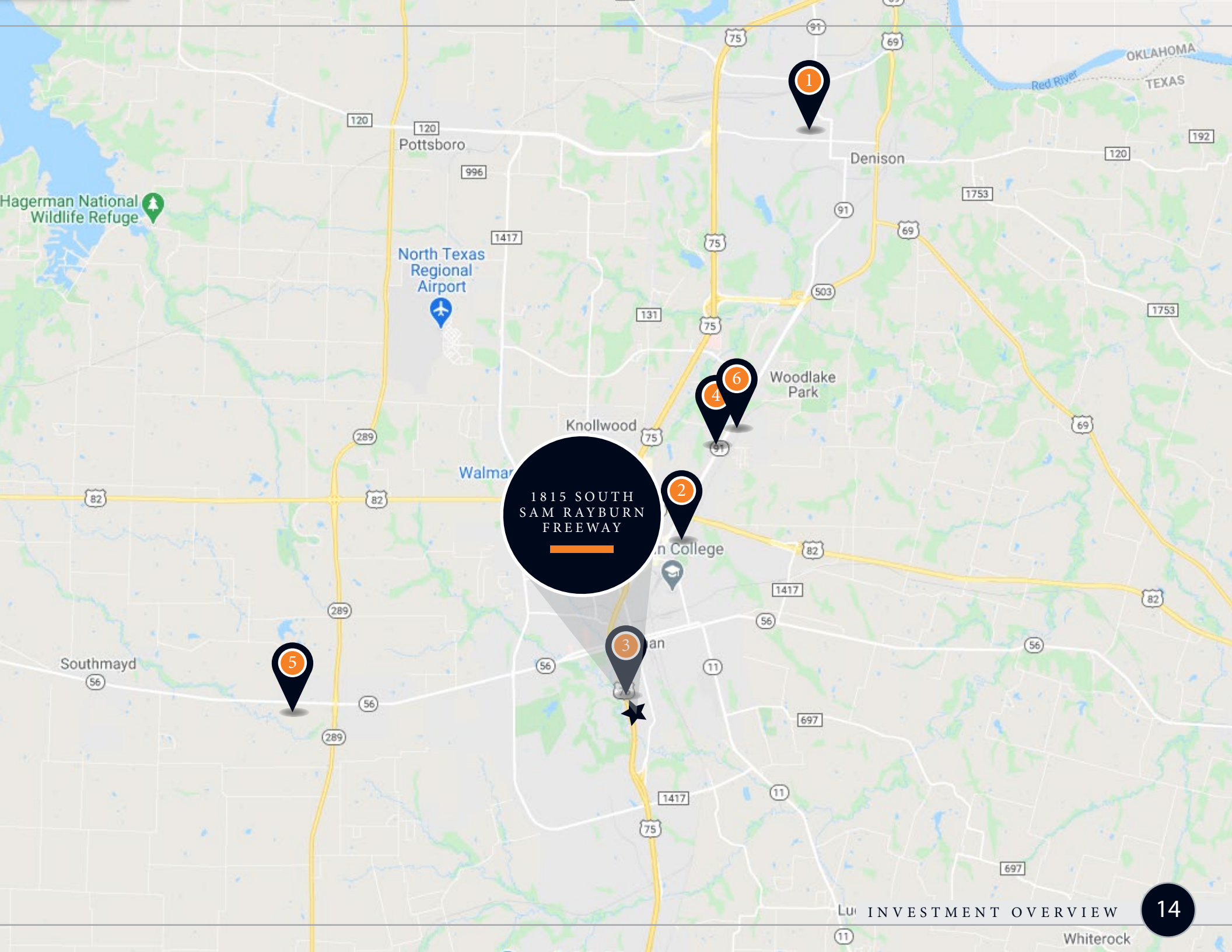
S Sam Rayburn Fwy

S Sam Rayburn Fwy

S Sam Rayburn Fwy

LEASE COMPARABLES

PROPERTIES	LEASE COMMENCEMENT	LEASE RATE	RENTABLE SF	LEASE TYPE	YEAR BUILT
 1815 S Sam Rayburn Fwy, Sherman, TX 75090		\$4.12	334,272	NNN	1957/1965/1966
 1404 W Washington St, Denison, TX 75020	8/1/2017	\$3.50	52,605	NNN	1970
 1522 Baker Rd, Sherman, TX 75090	N/A	\$5.00	30,600	MG	1988
 1015 S. Sam Rayburn Fwy, Sherman, TX 75090	N/A	\$8.00	4,411	FS	1981
 4800 Texoma Pky, Sherman, TX 75090	N/A	\$9.00	75,000	MG	
 72 Gibbons Rd, Sherman, TX 75092	N/A	\$4.05	61,474	NNN	1986/2005
 5470 Texoma Pky, Sherman, TX 75090	N/A	\$9.00	37,980	MG	1970



1815 SOUTH
SAM RAYBURN
FREEWAY





MARCUS & MILLICHAP CAPITAL CORPORATION CAPABILITIES

MMCC—our fully integrated, dedicated financing arm—is committed to providing superior capital market expertise, precisely managed execution, and unparalleled access to capital sources, providing the most competitive rates and terms.

We leverage out prominent capital market relationships with commercial banks, life insurance companies, CMBS, private and public debt/equity funds, Fannie Mae, Freddie Mac, and HUD to provide our clients with the greatest range of financing options.

Our dedicated, knowledgeable experts understand the challenges of financing and work tirelessly to resolve all potential issues for the benefit of our clients.



Closed 1,707 debt and equity financings in 2017



National platform operating within the firm's brokerage offices



\$5.63 billion total national volume in 2017



Access to more capital sources than any other firm in the industry

WHY MMCC?

Optimum financing solutions to enhance value

Enhanced control through MMCC's ability to qualify investor finance contingencies

Enhanced control through quickly identifying potential debt/equity sources, processing, and closing buyer's finance alternatives

Enhanced control through MMCC's ability to monitor investor/due diligence and underwriting to ensure timely, predictable closings



SECTION 2

MARKET OVERVIEW

Marcus & Millichap

DALLAS TEXAS

The Dallas/Fort Worth Metroplex is the fourth-most populous metro in the nation with an aggregate of nearly 7.5 million residents. It is composed of 13 counties stretching nearly 10,000 square miles. The city of Dallas houses 1.3 million people, followed by Fort Worth with 864,000 residents. Strong job growth continually draws new residents to the region. To accommodate the additional traffic, the region's transportation network is evolving. Traffic flow is improved as freeways are expanded and miles are being added to tollways and turnpikes. The growth of the transportation network is vital to supporting commuters to the metro's numerous corporations and growing industries.



FASTEST GROWING
METRO



LARGE CORPORATE
BASE

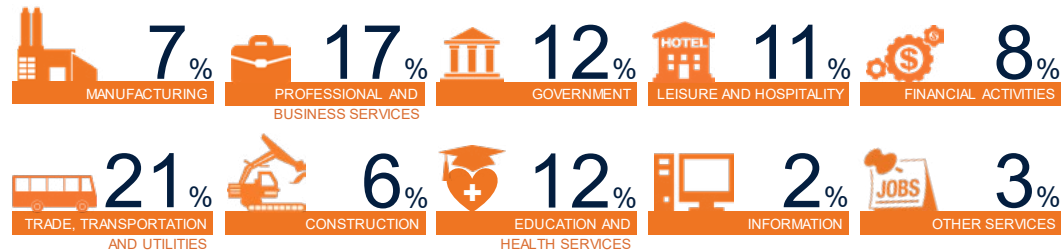


MAJOR DISTRIBUTION
CENTER

METROPLEX GROWTH

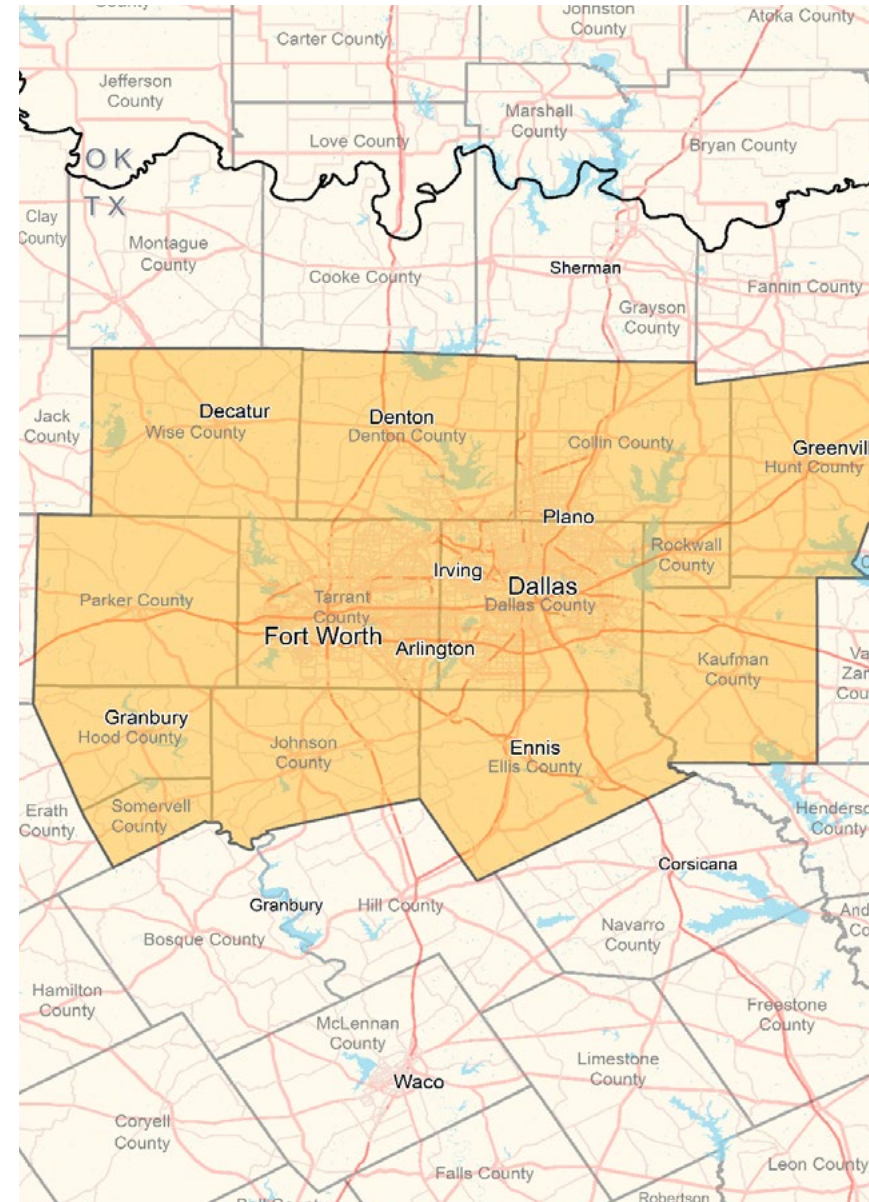
ECONOMY

The Metroplex's temperate climate, no state income tax and a right-to-work labor policy attract employers. Dallas/Fort Worth is one of the nation's largest employment markets, with nearly 3.7 million jobs. The region is home to 22 Fortune 500 companies in a variety of sectors, including ExxonMobil, American Airlines Group, Southwest Airlines, Fluor, AT&T, Tenet Healthcare, Kimberly-Clark and J.C. Penney. The area is forecast to add jobs at an annual rate of 2.0 percent through 2022, well above the U.S. level. Economic expansion will be further fueled by a rise in financial services and high-tech companies.

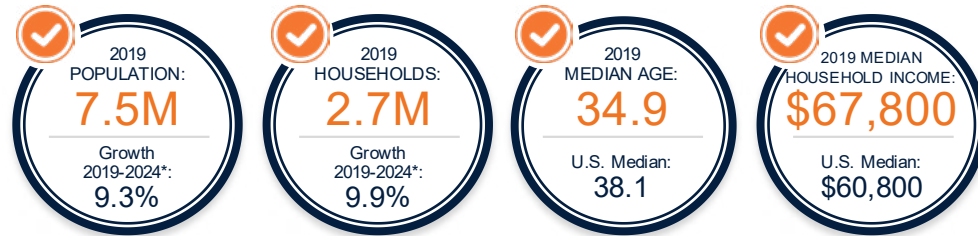


TRANSPORTATION

The area is connected to the rest of the nation by way of Interstates 20, 30, 35, 45, 635 and 820. DART, Dallas Area Rapid Transit covers Dallas and 12 surrounding cities, and consists of busses and a 93-mile light rail system. Freight serving lines in the region include Union Pacific, BNSF and Kansas City Southern. BNSF is headquartered in Fort Worth. Trinity Railway Express and Amtrak provide passenger rail service. Via rail to Houston Port, and Highways 20 and 45, the International Inland Port of Dallas (IIPOD) connects the region to global markets and trade. Airports include Dallas/Fort Worth International, Dallas Love Field, Fort Worth Alliance and 13 smaller airports.



METROPLEX GROWTH



Roughly 698,800 new people are expected through 2024, fueled by robust job growth, natural increases and north-to-south migration. The Metroplex is projected to add 271,500 households during the same period, generating the need for additional housing options. A younger population resides in the Metroplex as indicated by a median age that is well below that of the U.S. An educated population provides a skilled labor pool and higher incomes. Nearly 33 percent of residents age 25 and older have at least a bachelor's degree, compared with 30 percent for the nation. The median income is nearly \$7,000 above the national level. More residents are choosing to rent as indicated by a contracting homeownership rate. During 2019, approximately 57 percent of residents own their home on par with the U.S. rate.

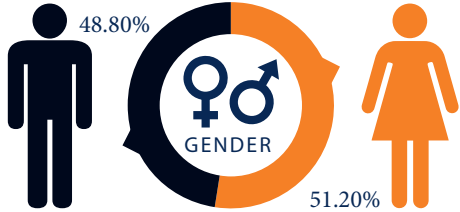


DEMOGRAPHICS



43,268

Total Population
Within 5 miles



\$66,389

Average Household Income
Within 5 miles



1,271

Employees
Within 1 mile

DEMOGRAPHICS

POPULATION	1 Miles	3 Miles	5 Miles
■ 2024 Projection			
Total Population	4,196	31,295	44,637
■ 2019 Estimate			
Total Population	4,054	30,649	43,268
■ 2010 Census			
Total Population	3,778	29,059	40,419
■ 2000 Census			
Total Population	3,536	27,667	37,760
■ Daytime Population			
2019 Estimate	3,361	30,353	51,157
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2024 Projection			
Total Households	1,396	11,820	17,386
■ 2019 Estimate			
Total Households	1,353	11,545	16,755
Average (Mean) Household Size	2.92	2.56	2.50
■ 2010 Census			
Total Households	1,261	10,868	15,508
■ 2000 Census			
Total Households	1,260	10,540	14,615

HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2019 Estimate			
\$200,000 or More	1.05%	2.53%	3.10%
\$150,000 - \$199,000	2.22%	2.38%	2.85%
\$100,000 - \$149,000	7.86%	10.01%	10.92%
\$75,000 - \$99,999	8.56%	11.35%	12.37%
\$50,000 - \$74,999	17.23%	17.96%	17.71%
\$35,000 - \$49,999	20.70%	17.83%	17.21%
\$25,000 - \$34,999	13.42%	11.58%	11.23%
\$15,000 - \$24,999	11.28%	11.72%	10.96%
Under \$15,000	17.66%	14.66%	13.65%
Average Household Income	\$51,607	\$61,642	\$66,389
Median Household Income	\$38,918	\$43,478	\$46,139
Per Capita Income	\$17,263	\$23,684	\$26,092
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2019 Estimate Total Population	4,054	30,649	43,268
Under 20	32.90%	29.60%	28.37%
20 to 34 Years	24.47%	23.90%	22.83%
35 to 39 Years	7.17%	6.58%	6.38%
40 to 49 Years	11.12%	11.15%	10.94%
50 to 64 Years	15.21%	16.35%	17.30%
Age 65+	9.14%	12.45%	14.18%
Median Age	30.72	32.66	34.14
■ Population 25+ by Education Level			
2019 Estimate Population Age 25+	2,449	19,178	27,793
Elementary (0-8)	7.81%	5.04%	4.17%
Some High School (9-11)	15.45%	9.39%	8.88%
High School Graduate (12)	33.45%	30.08%	29.35%
Some College (13-15)	20.34%	26.33%	26.64%
Associate Degree Only	9.32%	8.71%	9.07%
Bachelors Degree Only	9.61%	13.13%	14.04%
Graduate Degree	2.54%	6.27%	6.96%
■ Time Travel to Work			
Average Travel Time in Minutes	22	21	22



This information has been secured from sources we believe to be reliable, but we make no representations or warranties, express or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2020 Marcus & Millichap. All rights reserved. (Activity ID: ZAB0060587)



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.

11-2-2015

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.

MARCUS & MILLICHAP	9002994	TIM.SPECK@MARCUSMILLICHAP.COM	972-755-5200
_____ Licensed Broker /Broker Firm Name or Primary Assumed Business Name	_____ License No.	_____ Email	_____ Phone
TIM A. SPECK	432723	TIM.SPECK@MARCUSMILLICHAP.COM	972-755-5200
_____ Designated Broker of Firm	_____ License No.	_____ Email	_____ Phone
TIM A. SPECK	432723	TIM.SPECK@MARCUSMILLICHAP.COM	972-755-5200
_____ Licensed Supervisor of Sales Agent/Associate	_____ License No.	_____ Email	_____ Phone
ADAM ABUSHAGUR	661916	ADAM.ABUSHAGUR@MARCUSMILLICHAP.COM	972-755-5223
_____ Sales Agent/Associate's Name	_____ License No.	_____ Email	_____ Phone

Buyer/Tenant/Seller/Landlord Initials

Date

1815 SOUTH SAM
RAYBURN FREEWAY
SHERMAN, TX 75090

PRESENTED BY

ADAM ABUSHAGUR

Senior Vice President Investments
National Office and Industrial Properties Group
Dallas Office
Office 972.755.5223
Adam.Abushagur@marcusmillichap.com
License TX 661916

Marcus & Millichap
TAG INDUSTRIAL GROUP