

JBS COLD STORAGE DISTRIBUTION BUILDING PHILADELPHIA METRO AREA



JBS - GLOBAL LEADER IN ANIMAL PROTEIN PRODUCTION

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Executive Summary

Tenant History

The Moyer family began producing meat products in the Souderton area in 1877. In 2001, Moyer Packing Company, Inc. ("Moyer") was sold to Smithfield Foods, Inc. At the time, Moyer was the 9th largest beef producer in the U.S. and the #1 producer in the Eastern U.S. with annual revenues of approximately \$600 million. Moyer became a part of Smithfield Beef Group Inc.

In 2008, Smithfield Foods, Inc. sold, Smithfield Beef Group Inc. to JBS S.A., a publicly traded Brazilian company for \$565 million.

JBS S.A. is the world's #1 producer of animal protein products with annual revenues exceeding \$307 billion

Property History

Moyer built the current packing plant adjacent to the subject property in 1974. In 2003, Moyer Packing Company entered into an agreement with SFB Souderton LLC ("SFB") to have SFB build the subject property, a 90,172 sq. ft. cold storage/freezer distribution building. The build-to-suit agreement was structured as follows:

- a. Moyer leased land adjacent to the plant to SFB.
- b. SFB built a 90,172 sq. ft. cold storage/freezer distribution building on the ground leased site.
- c. SFB leased the site and cold storage/freezer distribution building to Moyer Distribution LLC.
- d. Smithfield Foods, Inc. guaranteed the obligations of Moyer Distribution LLC.

Property Offering

- a. SFB Souderton LLC's ground lessee interest in the property site.
- b. Access and plant conveyor easements.
- c. The cold storage/freezer distribution building and site improvements on the ground leased site.
- d. The Lease to Moyer Distribution LLC.
- e. Smithfield Foods, Inc. guaranty of Moyer Distribution LLC's lease obligations.

Price: \$17,205,000

Cap Rate: 6.30%

Price per Sq. Ft.: \$188



Investment Highlights

Property

249 Allentown Road
Souderton Montgomery County

Pennsylvania

Leasehold Interest in a 17 +/- Acre Site

Leasehold Improvements:

91,467+/- Sq. Ft.

Cold Storage Distribution Bldg.
& Trailer Parking

Property Use

Distribution of cold and frozen meat packages to the East Coast, Southeast, Southwest and California

Rent: \$1,083,883.95

Price: \$17,205,000

Cap Rate: 6.30%

Price Per Sq.Ft.: \$188

Replacement Cost: \$250 to \$350

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**World's Largest
Animal Protein
Producer**



**Philadelphia
Metro Area**



**Irreplaceable
Building Location
Adjacent to Plant**



**High County
Average Household
Income**



**Ideally Sized
Distribution Building
for Adjacent Plant**



**Priced Below
Replacement
Cost**

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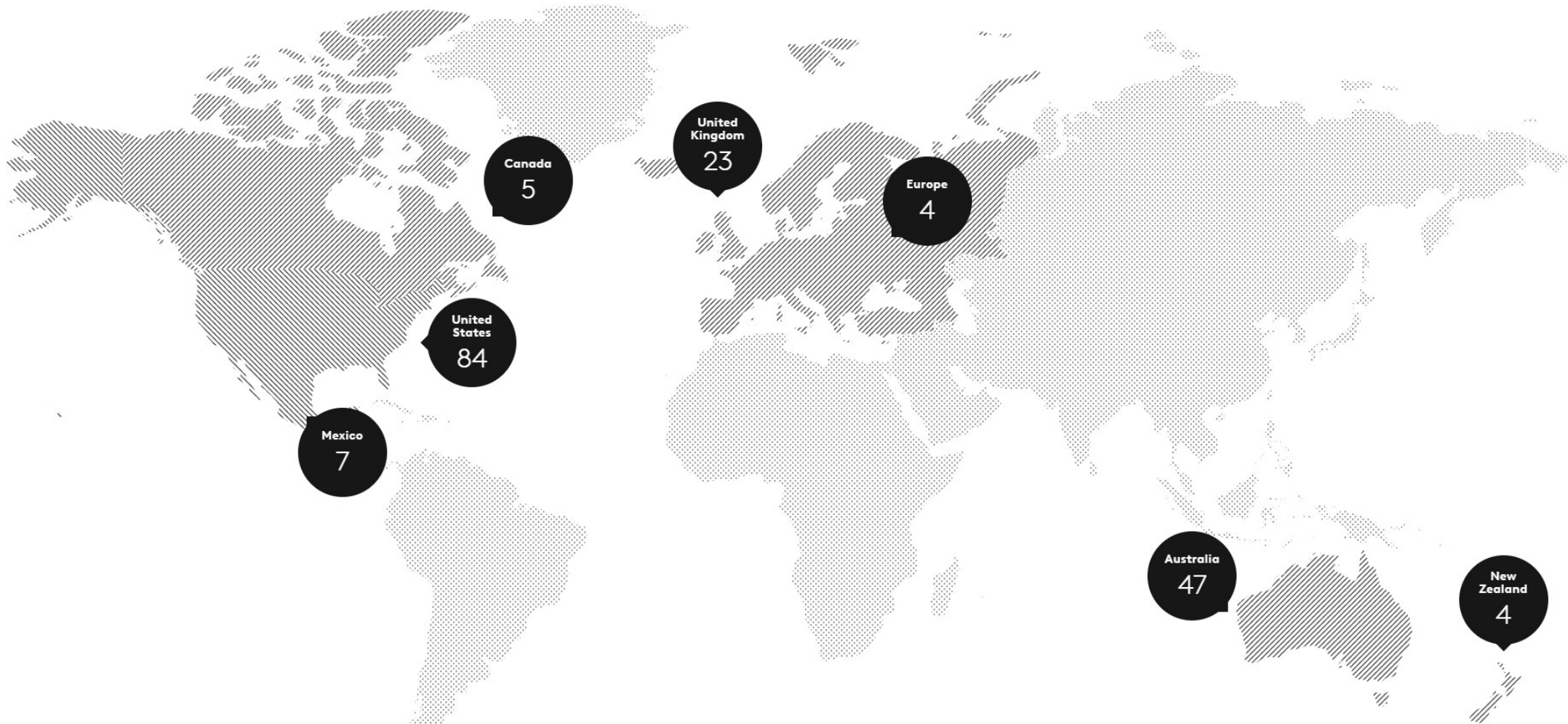
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The Global Leader in Animal Protein Production



Number of Facilites in Countries and Regions

JBS S.A. Financial Highlights

\$307 Billion in Revenues

TTM 6/30/21

32% YOY Revenue Growth

FY 2020 vs FY 2019

\$13.58 Billion in Net Income

TTM 6/30/21

\$13.58 Billion in EBITDA

TTM 6/30/21

S&P Bond Rating of BB+

Moyer Packing Company, Inc. and Moyer Distribution LLC are owned by JBS S.A., a publicly traded Brazilian company that is a global, diversified protein company creating products for customers and consumers around the world. JBS S.A. is also referred to as JBS Foods.

About JBS Foods:

- » **#1 Beef producer in the world**, with operations in the United States, Australia and Canada.
- » **#26 Pork producer in the world**, with operations in the United States, Brazil, the United Kingdom and Australia.
- » **#1 Poultry producer in the world** through its majority shareholder interest in Pilgrim's, which has operations in the United States, the United Kingdom, Mexico and Puerto Rico.
- » **Australia's #1 provider of ham, bacon, salami and deli meats** through its subsidiary Primo.



Smithfield Foods, Inc. ... Moyer Distribution LLC Lease Guarantor

- » **Smithfield is the World's 3rd largest pork processor.**
- » **Smithfield is owned by China's largest meat producer, WH Group.**
- » **Smithfield Foods, Inc.' S&P bond rating is BBB-.**
- » **Smithfield's brands include:**

Smithfield.
Good food. Responsibly.®

Nathan's
Since 1916
FAMOUS

FARMER JOHN
SINCE 1981

Farmland.

John Morrell
Food Group

Healthy Ones



Ground Lease Summary

Address:	249 Allentown Road Montgomery County Souderton, Pennsylvania
Ground Lessor:	Moyer Packing Company, a Delaware corporation
Ground Lessee:	SFB Souderton LLC, an Indiana limited liability company
Original Lease Term:	50 Years
Remaining Lease Term:	Over 31 Years
Commencement:	August 15, 2003
Expiration:	August 14, 2053

Rent: One-time payment of \$23,518.00 (already paid by the Lessee).

Lessee Expense Obligations:

- » Lessee pays property taxes on its interest in the Property, except when the property taxes are paid by Lessee's Sub-Lessee (Moyer Distribution Company, LLC), which leases the site and the cold storage building.
- » Lessee pays its liability insurance, except when the insurance is paid by Lessee's Sub-Lessee (Moyer Distribution Company, LLC), which leases the site and the cold storage building.

Building Lease Summary

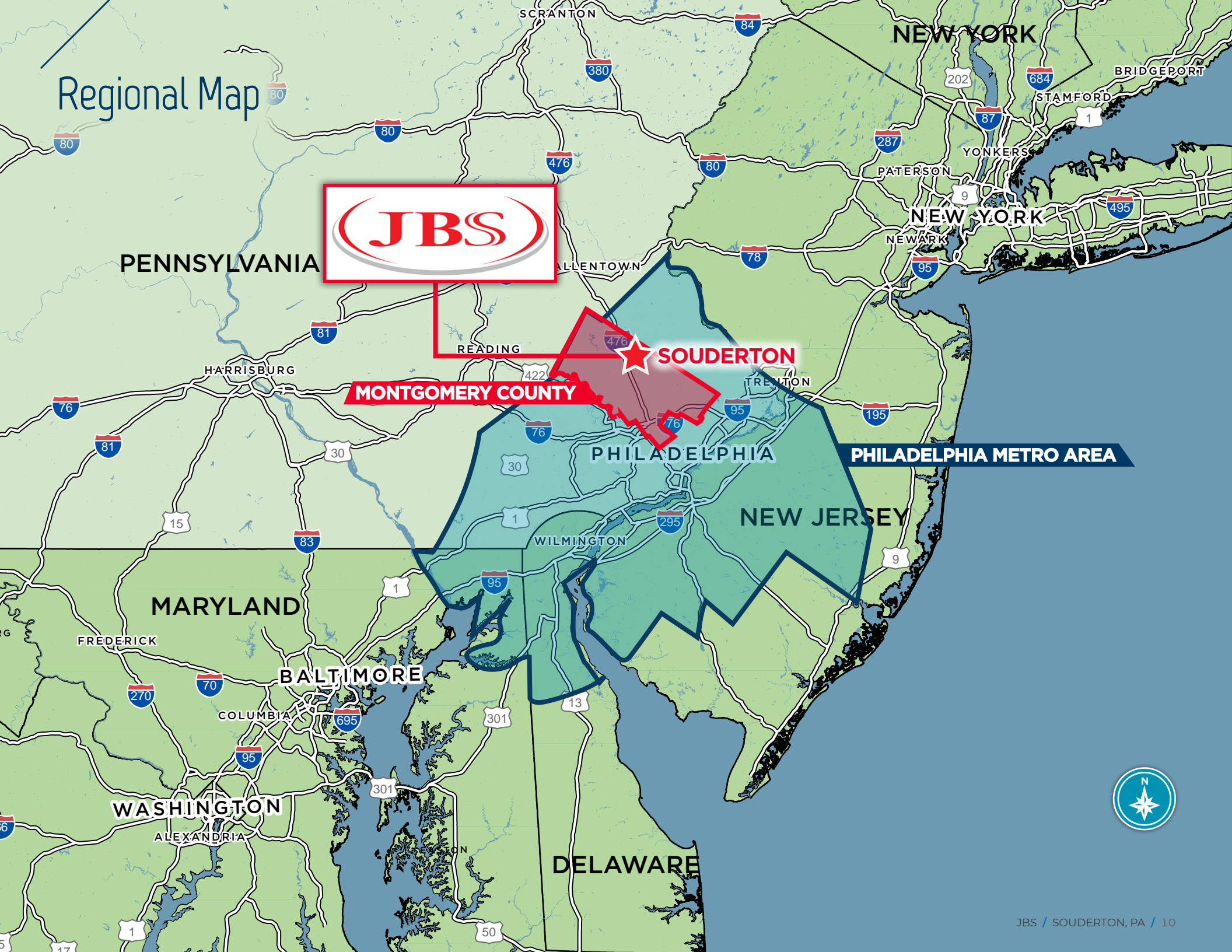
Address:	249 Allentown Road Montgomery County Souderton, Pennsylvania
Lessor:	SFB Souderton LLC, an Indiana limited liability company
Lessee:	Moyer Distribution LLC, a Delaware limited liability company
Commencement:	August 15, 2003
Expiration	February 28, 2027 (includes the Lessee's exercise of its first renewal option)
Remaining Lease Term:	Five Years
Renewal Year 1 Annual Rent:	\$1,083, 833.95
Rent Increases:	Annual CPI rent adjustments not to exceed 1.50% over the previous rent.
Lessee Expense Obligations:	<ul style="list-style-type: none">» Maintenance & Repairs – Lessee is responsible for all improvement maintenance and repairs, and replacements of all structural and mechanical systems.» Lessee pays all property taxes.» Lessee is responsible for carrying All-Risk physical damage insurance, general liability insurance for Lessor and Lessee, and business interruption insurance. Lessor to be named additional insured and loss payee, when applicable

Renewal Options: Five 6-Years with the rent at 90% of Faire Market Rental Value with annual CPI rent adjustments not to exceed 1.50% of the previous rent.

Purchase Option: At the end of the lease term, Lessee shall have the option to purchase the Premises at 90% of Fair Market Value assuming a renewal of the lease by Lessee and the use of a market cap rate.

Guarantor of Lessee's Obligations: Smithfield Foods, Inc., a Virginia corporation. Smithfield is a private company and, if requested by Lessor, is obligated to provide annual and quarterly financial statements.

Regional Map



Souderton

Montgomery County

Philadelphia

Philadelphia Metro Area

New Jersey

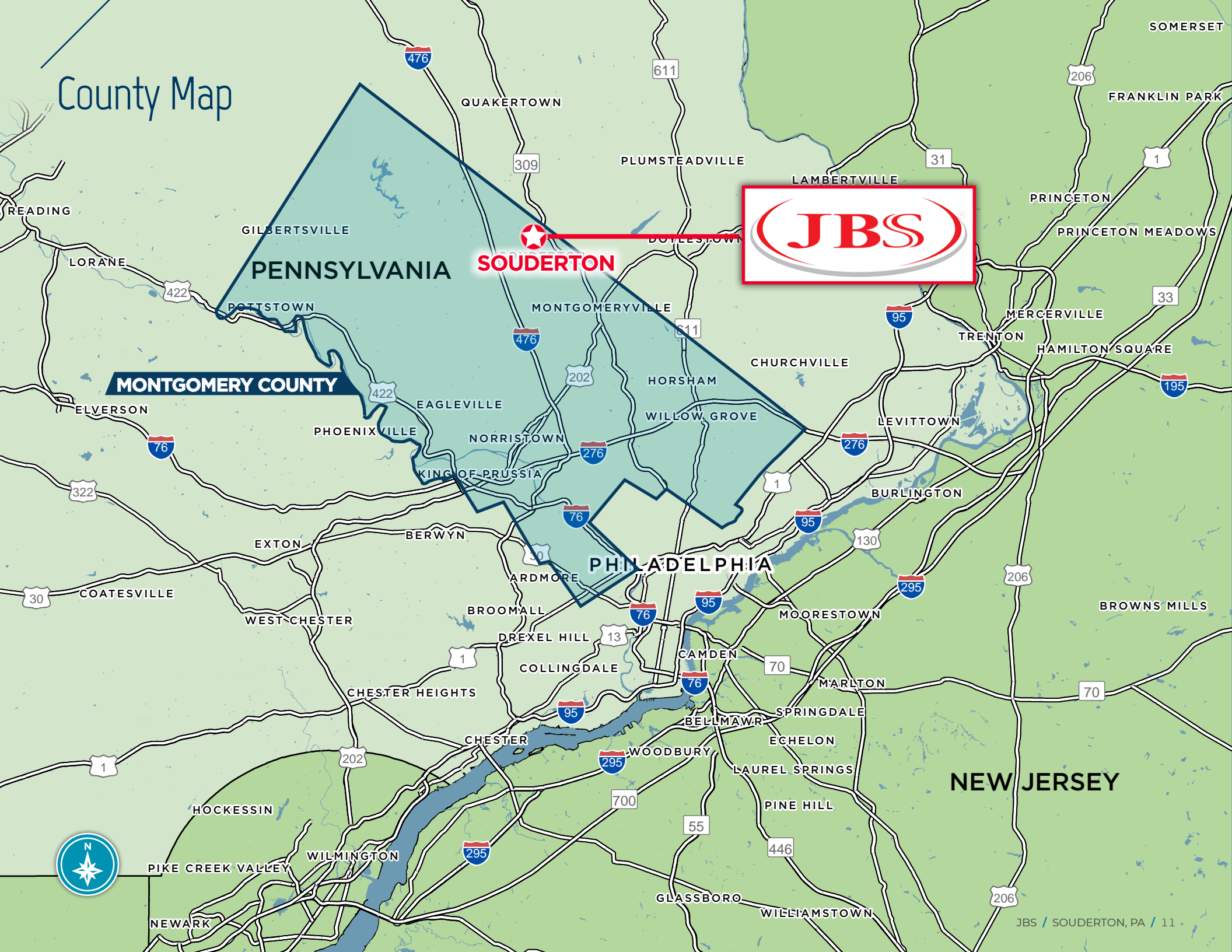
Maryland

Baltimore

Washington

Delaware

County Map



SOUDERTON

MONTGOMERY COUNTY

PENNSYLVANIA

PHILADELPHIA

NEW JERSEY



Site View

LOWER ROAD

ALLEN TOWN ROAD



Site Plan

LOWER ROAD

ALLENTOWN ROAD

Trailer
Parking

Trailer
Parking

Subject
Property

Plant
Employee
Parking

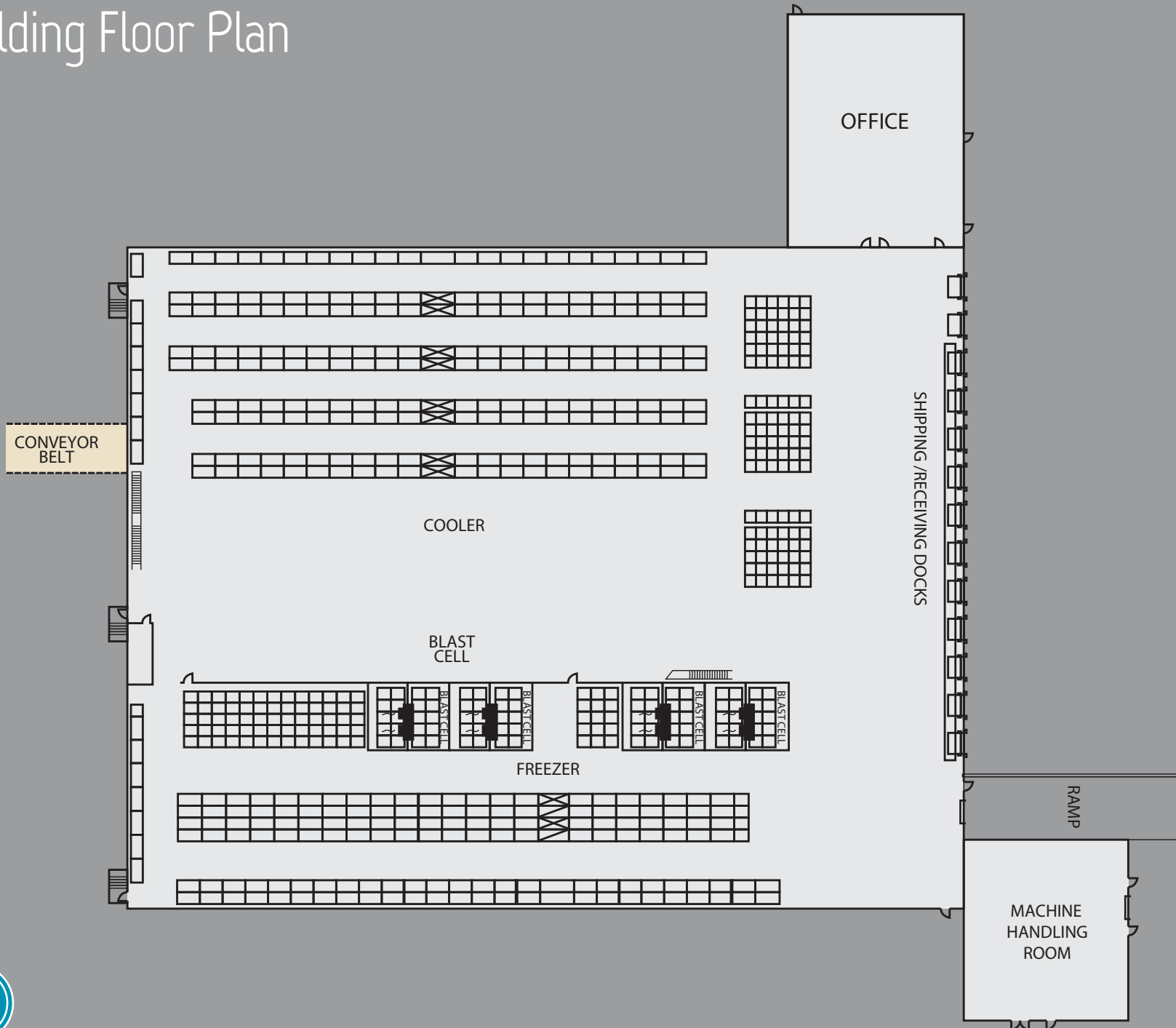
Conveyor Belt



Production
Facility



Building Floor Plan



JBS Plant & Distribution Building



Packing Plant



Conveyor shipping packages from plant to the Subject Property

Property Specifications

SITE

Address:	249 Allentown Road Montgomery County, Souderton, Pennsylvania
General Contractor:	Tippman Group, a highly regarded builder of cold storage space.
Lot Size:	17 +/- Acres
Building Completion:	August 2003

BLDG SECTION SIZES (Sq. Ft.)

Cooler/Freezer/Blast:	57,025
Dock:	15,050
Material Handling:	1,675
Machine Room:	2,917
Office 1st Floor:	5,240
Office 2nd Floor:	5,240
Conveyor Tunnel:	3,025
Miscellaneous:	1,295
Total:	91,467
Building Site Coverage:	12% +/-

CLEAR HEIGHT & TRUCK LOADING

Clear Height (Warehouse Area):	36 ft. +/-
Dock High Doors:	13
Drive-In Doors	2

CONSTRUCTION

Warehouse Slab:	8" thick with #4 bar and 4,500 psi
Roof & Insulation:	<ul style="list-style-type: none"> » Ballasted .45 single ply EPDM. » Cooler & Dock Areas: The underside of the roof is insulated with 4 1/2" of insulation. » Freezer Areas: The underside of the roof is insulated with two (2) 4 1/2" of BPS insulation.
Walls	<ul style="list-style-type: none"> » Panel walls for the building exterior are formed in place metal urethane panel which are 5" thick for the Freezer/Cooler space and 4" thick for the dock walls

TEMPERATURE CONTROL

- » Cooler/Freezer/Blast: -10, -20 & -30 degrees
- » Cool Storage Racks/Material Handling/Dock Area: 35 degrees

MECHANICAL

- » 480 volt 3 phase service
- » One 2000 KVA transformer
- » Battery chargers for electric forklifts

PARKING

Truck Trailers	78 plus
Cars	15 plus

BLDG. EXPANSION POTENTIAL

Subject to the City's approval, the building warehouse area can be expanded approximately XX,XXX sq. ft. on site.

Area Overviews – Philadelphia MSA, Montgomery County & Souderton

Souderton is a suburb of Philadelphia and a borough in Montgomery County. Souderton is situated near Interstate 476, 27 miles north of the Philadelphia City limit, and 35 miles north of Downtown Philadelphia. Souderton and Montgomery County are part of the Philadelphia-Camden-Wilmington MSA (“Philadelphia Metro Area”) which includes 11 counties in Pennsylvania, New Jersey, Delaware, and Maryland. This Metro Area has a population exceeding 6,245,000, which ranks 7th in the U.S.

Souderton has a combination of residential, retail, and industrial land uses.

Montgomery County

- » Montgomery County is a wealthy suburb of Philadelphia.
- » #2 Highest county population in the Philadelphia Metro Area with 840,339 people.
- » #2 Highest county average household Income in the Metro Area at \$127,710.

Philadelphia Metro Area Overviews

Philadelphia Metro Area Counties

Pennsylvania	New Jersey	Delawar	Maryland
Philadelphia	Burlington	New Castle	Ceil
Montgomery	Camden		
Bucks	Gloucester		
Chester	Salem		
Delaware			

History & Numbers

American History - The United States Declaration of Independence and Constitution were both drafted and signed in Philadelphia. The City frequently served as the capital of the United States between July 4, 1776 and May 14, 1800.

7th Largest metro area population in the U.S. with 6,245,000 people

8th Highest metro area Gross Regional Product in the U.S. at \$485 billion.

Catalysts for Future Economic Growth

- » Strategic East Coast Location
- » Large corporations with favorable historical growth and outlooks
- » Innovation & Venture capital
- » Renowned universities and colleges graduating engineers, scientists, and business majors

Strategic East Coast Location

Proximity to New York City & Washington D.C. - The Metro Area’s location halfway between these power centers is attractive for companies active in the capital markets and/or conducting business with the federal government.

Logistics Range - Food and product distributors can reach 40% of the U.S. population within 1 day’s drive and 60% with 2 days’ drive.



Souderton Borough

Area Overview – Philadelphia MSA, Montgomery County & Souderton

Fortune 500 Companies

Company	Location	Business	Revenues
AmerisourceBergen (#8)	Conshohocken, PA	Drug Distribution	\$189.9 B
Comcast Corp (#26)	Philadelphia	Broadcasting & Cable	\$103.6 B
DuPont (#144)	Wilmington, DE	Chemicals Production	\$20.4 B
Lincoln National Corp. (#172)	Radnor, PA	Insurance	\$17.4 B
Corteva (#214)	Wilmington, DE	Agriculture & Seed	\$14.2 B
Aramark (#235)	Philadelphia	Food & Uniform Services	\$12.8 B
Crown Holdings (#269)	Philadelphia	Can Manufacturing	\$11.6 B
Universal Health (#270)	Philadelphia	Hospital & Healthcare	\$11.6 B
Toll Brothers (#411)	Fort Washington, PA	Home Building	\$7.1 B
UGI Corp (#436)	King of Prussia, PA	Natural Gas Distribution	\$6.5 B
Avantor	Radnor, PA	Chemicals & Materials	\$6.4 B
Burlington Stores (#471)	Burlington, NJ	Retail Clothing	\$5.8 B
Delaware			

Philadelphia Professional Sports Teams

- » 76ers (NBA)
- » Eagles (NFL)
- » Phillies (MLB)
- » Flyers (NHL)

Innovation & Technology

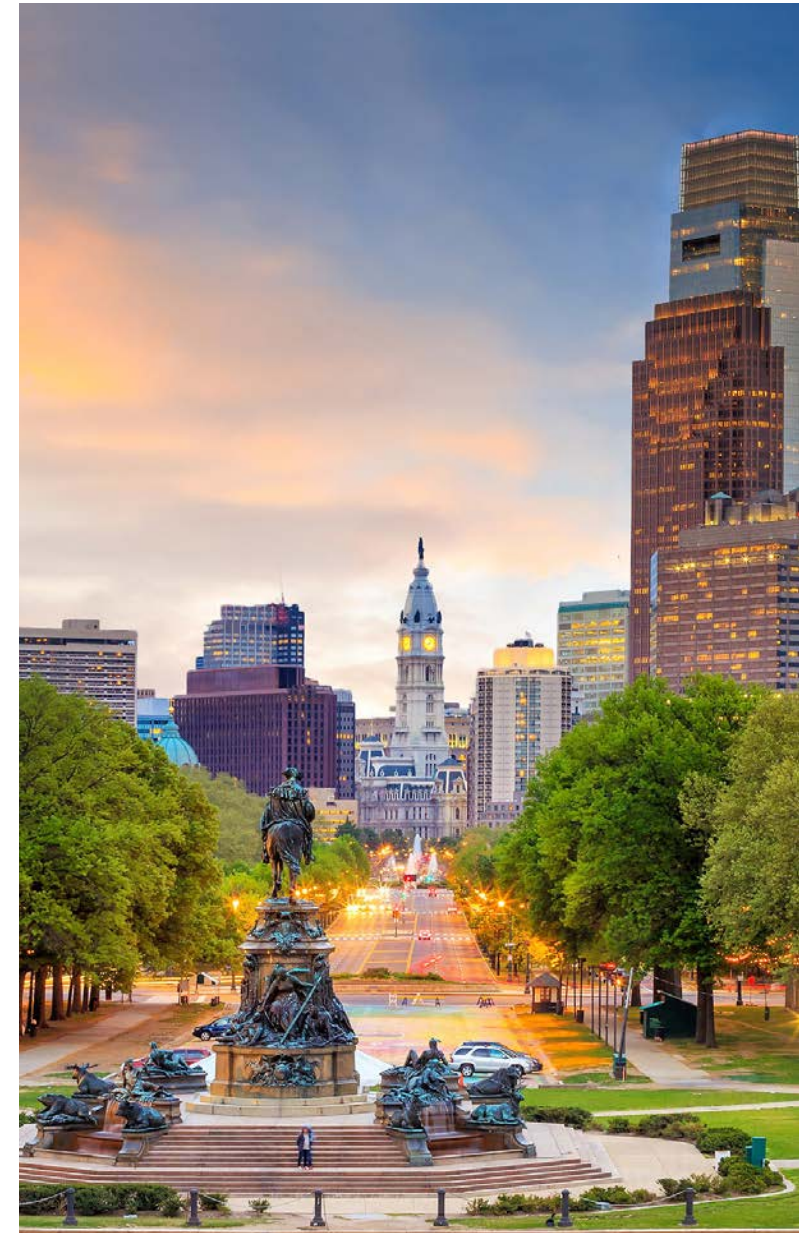
- » \$4.7 billion invested by venture capitalist in health care and internet related companies located in the Metro Area.
- » Philadelphia ranks 6th in the U.S. for growth in graduate degrees over the last 5 years.
- » Wilmington, DE is considered one of the Top 50 cities to start a small business.

Higher Education Talent Pool

- » Over 140 universities and colleges in the area turnout over 90,000 graduates per year.
- » Wharton was ranked the #2 business school by U.S. News & World Report.
- » The University of Pennsylvania was ranked in the top 8th university by U.S. News & World Report.

Transportation Mediums

- » 2 Class 1 freight railways
- » 3 shipping ports along the Delaware River
- » 3rd busiest Amtrak station in the U.S.
- » 5 International airports within 90 miles



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