

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES



OFFERING MEMORANDUM

AT&T & Mattress Firm

2703 WEST DEYOUNG ST
MARION, IL 62959

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CALVIN SHORT

SVP & Senior Director

DIRECT 949.432.4509

MOBILE 310.567.3525

calvin.short@matthews.com

LIC # 01927216 (CA)

ARON CLINE

SVP & Senior Director | Lic # 01904371 (CA)

CHAD KURZ

SVP & National Director | Lic # 01911198 (CA)

JOSH BISHOP

VP & Director | Lic # 688810 (TX)

PAT WEIBEL

Broker of Record

LIC # 471018266 (IL)

Investment Highlights

PROPERTY HIGHLIGHTS:

- » Brand new 2017 high-quality construction
- » Both tenants on new 10-year leases!
- » Attractive 10% rent increases after year 5 of the base terms and in each extension period
- » Minimal landlord responsibilities (see broker for details)

LOCATION HIGHLIGHTS:

- » Hard signalized corner with traffic counts averaging more than 36,000 vehicles daily
- » Strong retail corridor with an excellent mix of national retailers including Walmart, Sam's Club, Menard's, Home Depot, McDonald's, Burger King, Taco Bell, Sonic, Steak 'n Shake, Panera Bread and many more
- » Situated less than 1 mile west of Illinois Star Centre, a 600,000 SF enclosed shopping mall with more than 50 stores and restaurants
- » Marion serves as the center for shopping, dining, and entertainment in Southern Illinois due to its proximity to Interstate 24
- » Affluent neighborhood with average household income reaching nearly \$70,000 annually

TENANT HIGHLIGHTS:

- » Mattress Firm is the largest and most successful bedding company in the United States, with over 3,600 locations in 49 states
- » In 2015 Mattress Firm had over \$3.5 billion in pro forma revenue which represented over 25% of the market share
- » In September 2016, Mattress Firm was acquired by South African retailer, Steinhoff International, for \$3.8 billion
- » Prime Communications is the largest privately held authorized AT&T retailer in the United States, with over 600 locations in 21 states and over \$280 million in annual revenue

Financial Overview



Investment Summary

» OFFERING PRICE	\$4,148,000
» CAP RATE (YEAR 1)	6.75%
» TOTAL BUILDING AREA	± 8,000 SF
» TOTAL LAND AREA	± 0.94 Acres (± 40,964 SF)



Rent Roll

	GLA	% OF GLA	ANNUAL RENT	RENT/SF	RENT COMMENCEMENT	LEASE EXPIRATION	OPTIONS	CHANGES ON	CHANGES TO
Mattress Firm	4,000 SF	50%	\$140,000	\$35.00	10/13/2017	10 Years	Two, 5-Year	Year 6-10 Option 1 Option 2	\$154,000 \$169,400 \$186,340
AT&T	4,000 SF	50%	\$140,000	\$35.00	10/13/2017	10 Years	Two, 5-Year	Year 6-10 Option 1 Option 2	\$154,000 \$169,400 \$186,340



The Offering

PROPERTY NAME	AT&T & Mattress Firm
Property Address	2703 West Deyoung St Marion, IL

SITE DESCRIPTION

Number of Stories	One
Year Built	2017
GLA	± 8,00 SF
Lot Size	± 0.94 AC (± 40,946 SF)
Type of Ownership	Fee Simple
Cross Street	Halfway Road
Lease Type	Absolute NNN
Roof and Structure	Landlord Responsibility
Parking Spaces	± 38 Surface Spaces
Parking Ratio	9.28 : 1,000 SF

Parcel Map





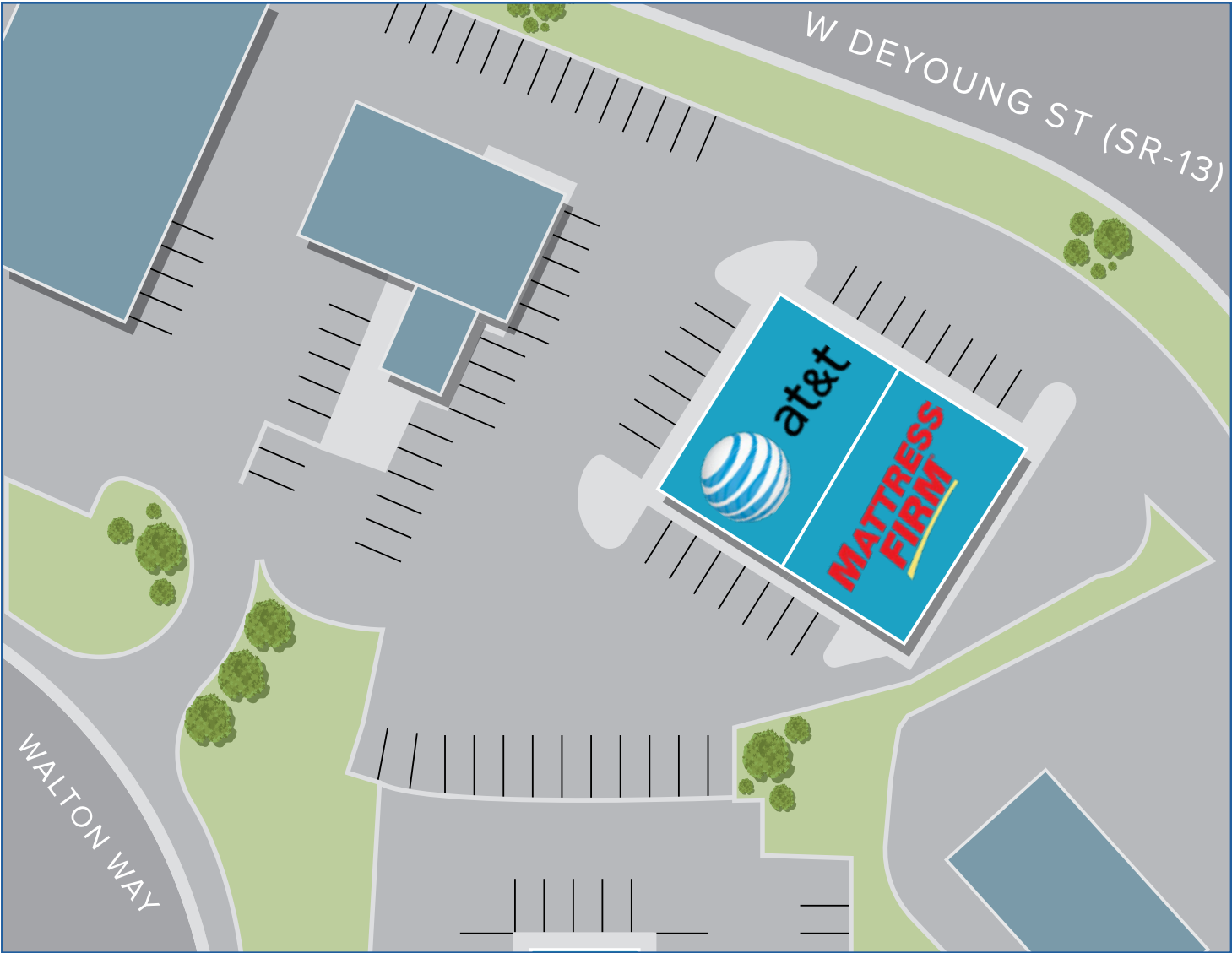
BIGGER FLAVOR
COLD BEER

AT&T

SURROUNDING AREA



SITE PLAN



Tenant	SF
AT&T	4,000
Mattress Firm	4,000
Total	8,000

Tenant Overview

AT&T

Public | NYSE: T

www.att.com



Parent Company Trade Name	Prime Communications, L.P.
No. of Employees	± 17,000
Headquartered	Sugar Land, TX
Year Founded	1999

OVERVIEW

AT&T is an American multinational telecommunications corporation that delivers mobile services, next-generation TV, high-speed internet and smart solutions for people and businesses. Nearly 3.5 million business from the largest multinational corporations to small businesses turn to AT&T. AT&T works in all major industries, including financial services, manufacturing, education, healthcare, retail hospitality, and government. Customers use AT&T-branded telephone, Internet, and VoIP services; it also sells digital TV under the U-verse brand. AT&T has recently launched some of the industry's most innovative products and platforms - like AT&T NetBond, which provides mobile connections to customers' cloud providers with end-to-end security. And the AT&T Network on Demand platform lets customers add or change services and dial bandwidth up or down in near real time.

Prime Communications, L.P.

Prime Communications, L.P. is the largest privately held authorized AT&T retailer operating well over 550 locations in 21 states. In addition to wireless phones and accessories, Prime Communications also offers high-speed internet, Digital Life home security services, DirecTV, and other services related to mobile devices. Based in Sugar Land, Texas, the company was founded in 1999, currently employs more than 17,000 sales associates, and produces more than \$280 million in annual revenues.

Mattress Firm
Public | NASDAQ:MFRM
www.mattressfirm.com



No. Of Locations	± 3,600
No. of Employees	± 10,552
Headquartered	Houston, TX
Year Founded	1986

OVERVIEW

The company set out to be a different kind of mattress retailer; focused on creating a unique shopping experience for the customer with a large selection of quality, brand name bedding products, competitive pricing and knowledgeable, well-trained associates. The bedding retailer operates or franchises more than 3,600 stores, primarily under the Mattress Firm name, in some 49 states. It sells conventional (Simmons) and specialty (Tempur Sealy) mattresses, which together account for most of its sales, in addition to other brands. The company also sells bed frames and bedding accessories. Since its founding in 1986, the chain has grown into the top U.S. bedding retailer.

Strategy

Since its 2011 IPO, Mattress Firm has made multiple acquisitions to solidify its position as the nation's top mattress seller. Fast-growing Mattress Firm is doing its bit to further the consolidation of the mattress business through an active acquisition schedule, both of independent chains and its own franchisees. The retailer has extended its reach into new markets, including Hawaii, and consolidated its hold on existing ones, by snapping up other bedding companies. Indeed, in fiscal 2015 (ends January) alone, the company added about 800 locations.

Geographic Reach

Houston-based Mattress Firm boasts more than 3,600 stores in 49 states. Its largest markets include Florida, home to about 280 stores, Illinois and North Carolina, both with more than 100 locations. The company operates 70 distribution centers, the largest of which are in Texas, Florida, and Georgia.

Area Overview

Marion, IL

Marion is a city located at the crossroads of Illinois Route 13 and Interstate 57 and serves as the center for shopping, dining, and entertainment in Southern Illinois. Because of its proximity to Interstate 24 to the south, Marion also acts as a point of access to major cities including Chicago, Nashville, and St. Louis.

Marion offers various activities for both residents and visitors. Marion is home to the Illinois Star Centre mall as well as the Southern Illinois Miners professional baseball team. Along with plenty to do, Marion also has several industrial Parks that employ many Southern Illinois residents.

Top Employers



Demographics

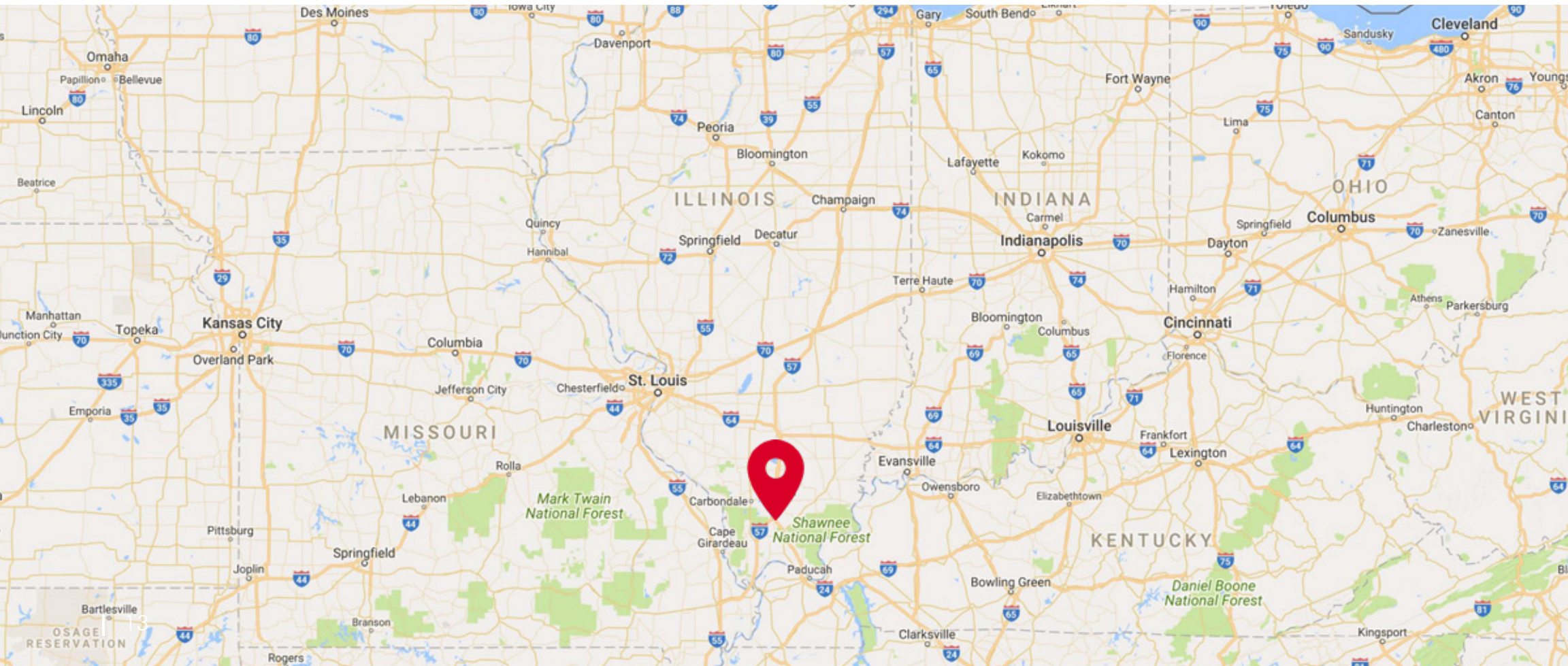
POPULATION	3 - MILE	5 - MILE	7 - MILE
2023 Projection	15,200	29,002	50,961
2018 Estimate	15,094	28,560	50,431
2010 Census	14,888	27,683	49,374
Growth 2010-2018	1.38%	3.17%	2.14
HOUSEHOLDS	3 - MILE	5 - MILE	7 - MILE
2023 Projection	6,639	12,247	20,856
2018 Estimate	6,604	12,096	20,722
2010 Census	6,517	11,782	20,427
Growth 2010-2018	1.33%	2.67%	1.44%
INCOME	3 - MILE	5 - MILE	7 - MILE
2018 Est. Average Household Income	\$66,091.09	\$72,747.61	\$70,046.32



Economic Snapshot

“The Hill,” or the current site of two major retailers, a Frontier Baseball Team, and several restaurants and hotels was once nothing but an abandoned strip mine. In 2003, this site began its development into what it is today. Businesses started coming in and in 2007 the start of Rent One stadium, home of the Southern Illinois Miners, began the building of their stadium. The 175-acre commercial business location is continuously growing and adding new business.

Fifteen Chambers of Commerce, including Marion, are currently teaming up in order to release a social media campaign encouraging residents to shop local. Southern Illinois has various retail outlets, this campaign is called “Shop Southern Illinois,” is being promoted just in time for the holidays. Residents can use the hashtag, #IBuySI, and can also find a list of reasons why it is important to shop locally and support the Southern Illinois economy.



Confidentiality Agreement & Disclaimer

This Offering Memorandum contains select information pertaining to the business and affairs of **AT&T & Mattress Firm** located at **2703 West Deyoung St. Marion, IL 62959** ("Property"). It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

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