

OFFERING MEMORANDUM

Sleep Number (Corporate Guaranty) | Philadelphia MSA



215 Pottstown Pike, Exton, PA 19341

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Disclaimer

This Offering Memorandum ("Memorandum") is intended solely for the use of prospective investors in determining whether or not to pursue the possible acquisition of the Property ("the Property") at **215 Pottstown Pike, Exton, PA 19341**. This Memorandum is of a proprietary and confidential nature. Prospective investors and/or their advisors are expressly forbidden from sharing this information with any individuals or organizations that are not directly connected with the analysis of this investment opportunity. STREAM Capital Partners, LLC ("SCP") have been retained as the exclusive advisors for this investment opportunity. Any and all inquiries are to be directed to SCP.

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TRANSACTION SUMMARY

Purchase Price: \$4,444,444

Cap Rate: 6.75%

Annual Rent: \$300,000



Lease Summary

Tenant: Select Comfort Retail Corp.
d/b/a Sleep Number

Corporate Guarantee: Sleep Number Corporation
(NASDAQ: SNBR)

Lease Type: NN Tenant reimburses
Landlord for 100% of
operating expenses including
an admin fee

Landlord Responsibilities: Roof and Structure

Rent Commencement: 7/9/2020

Lease Expiration: 7/31/2030

Rent Increases: 10% Every 5 Years

Options to Renew: Two, 5-year options

Property Specifications

Location: 215 Pottstown Pike, Exton, PA

Building Size: 4,000 SF

Site Size: .52 Acres

Investment Highlights


- New 10 year lease with 10% rent increases every 5 years guaranteed by Sleep Number Corporation (NASDAQ: SNBR)
- Relocation store from within Exton Square Mall evidencing strong historical performance and market profitability
- Outstanding company growth - revenue and net income increased by 11% and 18%, respectively, from 2018-2019. Sleep Number projects to growth same store sales between 4%-5% through 2025
- Sleep Number Corp. was profitable through the first 6 months of 2020 with sales of \$757mm and net income of \$26.5mm
- Sleep Number has averages sales of \$1,034 per square foot - projecting over \$4.1mm in sales at the subject location
- Shadow anchor to recently constructed Whole Foods Market
- Situated at the entrance to Exton Square, a 1,088,000 SF enclosed shopping mall
- Established retail trade area featuring Whole Foods, Walmart, GIANT Food Stores, Kohl's, Aldi, Panera, McDonald's, CVS, and Chipotle, among others
- Affluent consumer base with average household income of \$146,900. Exton is located in the wealthiest county in PA
- Over 1,700 luxury apartment units within 1-mile providing dense consumer base
- Frontage to Pottstown Pike (35,800 VPD), a major commuter and retail thoroughfare connecting Exton to the PA Turnpike (50,300 VPD) and Exton Bypass (58,300 VPD)

TENANT SUMMARY



Sleep Number Corporation (Nasdaq: SNBR) is a U.S. based exclusive designer, manufacturer, marketer, retailer and servicer of a complete line of Sleep Number® beds and bedding. Sleep Number transformed the mattress industry with the idea that 'one size does not fit all' when it comes to sleep. Today, the company provides consumers with individualized sleep solutions through a complete line of Sleep Number® 360 smart beds and bedding.

The Minneapolis, Minn. based company's presence has evolved from a small kiosk in a mall to a retailer with a national store footprint and products exclusively sold through Sleep Number® stores and sleepnumber.com. As of FYE 2019, the company has more than 4,770 team members and 611 U.S. stores, offering an interactive, educational experience that is distinctly different from other retailers



Sleep science and data are the foundation of Sleep Number innovations. The award-winning 360 smart beds benefit from our proprietary SleepIQ® technology - learning from nearly 8 billion hours of highly accurate sleep data - to provide effortless comfort and individualized sleep health insights, including your daily SleepIQ® score.

FINANCIAL HIGHLIGHTS



11%

Sales increase from
2018 to 2019



18%

Net Income increase
from 2018 to 2019



\$1,034

Avg. Sales PSF



8%

Expected Annual Sleep
Health Industry Growth



\$190,000,000

Adjusted EBITDA

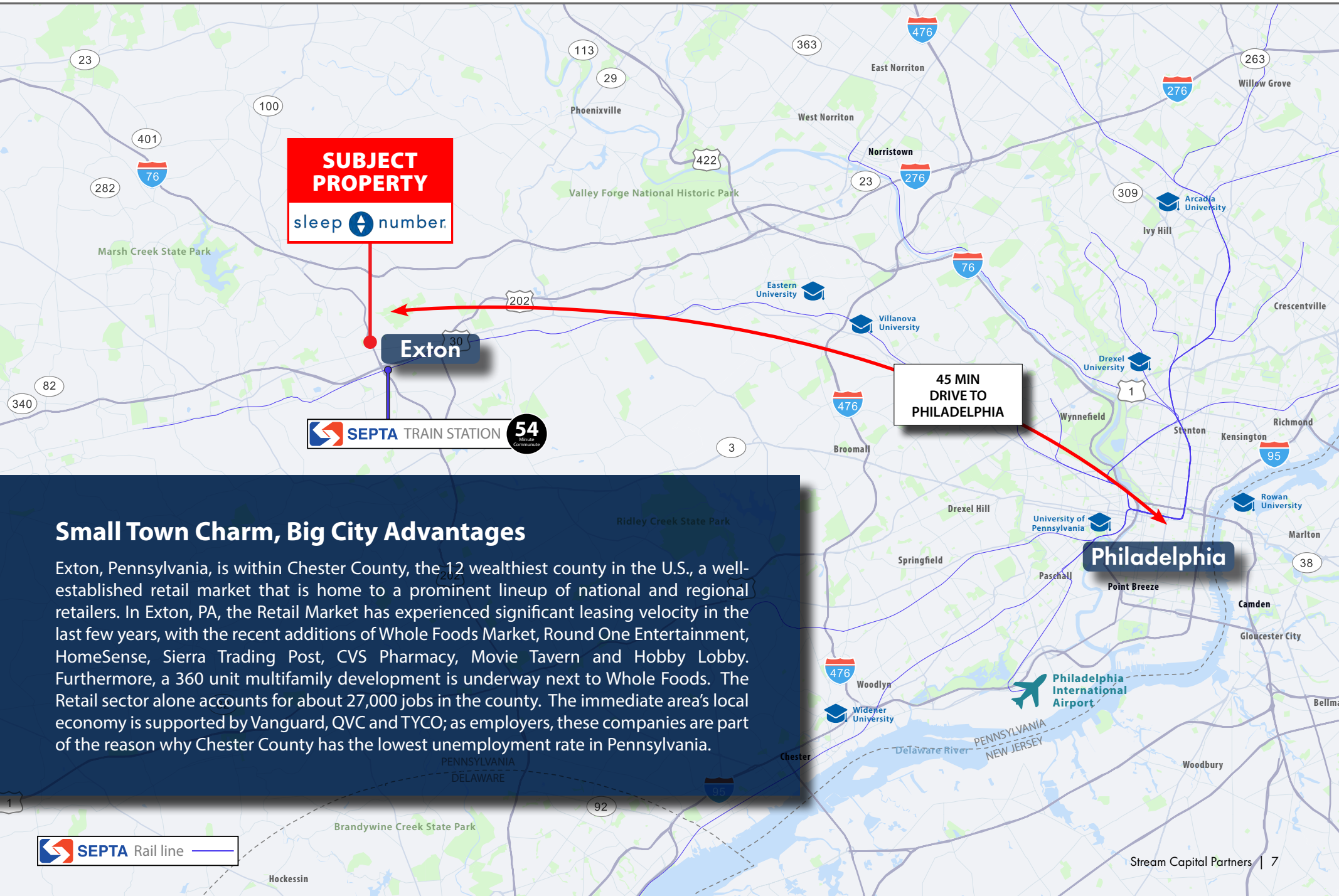


Read More on how the Mattress Industry is soaring during the Pandemic in USA Today

AREA MAP



REGIONAL MAP



AERIAL PHOTOS



Michaels
THE ARTS AND CRAFTS STORE
OLD NAVY
Bath & Body Works
SEPHORA
Great Clips
IT'S GONNA BE GREAT
BARNES & NOBLE
verizon

MAIN STREET AT
EXTON

**WELLS
FARGO**

DUNKIN'
TACO BELL

Walmart
Save money. Live better.

ALDI

HOBBY LOBBY
PURE
HOCKEY
GameStop

KOHL'S

BIG LOTS! Party City
FAMOUS footwear
PLATO'S CLOSET
SALLY BEAUTY SUPPLY
RALLY HOUSE

WHITELAND
TOWNE CENTER

**CVS
pharmacy**

Holiday Inn Express
Speedway
the pour house
BETTER. BOLD. BAY.

7-ELEVEN
ExxonMobil

CHASE

Pottstown Pike

39,173
CARS PER DAY

**SUBJECT
PROPERTY**

sleep number.

Pep Boys
Official Service Centers

HANOVER EXTON SQUARE
342 Luxury Units

ANYTIME FITNESS
the Vitamin Shoppe
MATTRESS FIRM

AERIAL PHOTOS



EXTON SQUARE MALL
±1,086,859 SF GLA | ±50 STORES
sears
★ macy's
Boscov's

HANOVER EXTON SQUARE
342 Luxury Units

SUBJECT PROPERTY
sleep number

8,757
CARS PER DAY

WHOLE
FOODS
MARKET

7-ELEVEN
ExxonMobil

CHASE

ANYTIME
FITNESS
theVitamin
Shoppe.
MATTRESSFIRM

Visionworks

BMT
BRYN MAWR TRUST

CVS
pharmacy

39,173
CARS PER DAY

Swedesford Road

Pottstown Pike

AERIAL PHOTOS



ROSS **TJ-maxx** **HOME SENSE**
DRESS FOR LESS Raymour & Flanigan
STAPLES FURNITURE

FirstWatch
The Daytime Café

CH
GRILLE

VISIONWORKS

GIANT **rack room shoes**
ULTA **carter's**
BEAUTY MEN'S WEARHOUSE

Panera
BREAD

FAIRFIELD PLACE

Swedesford Road

BMT
BRYN MAWR TRUST

ANYTIME FITNESS
theVitamin Shoppe
MATTRESS FIRM

8,757
CARS PER DAY

Pottstown Pike

39,173
CARS PER DAY

SUBJECT PROPERTY

sleep  number

HANOVER EXTON SQUARE
342 Luxury Units

GROUND PHOTOS



MARKET OVERVIEW

The Greater Philadelphia area is the largest city in the U.S. State and Commonwealth of 1,584,064 people. Since 1854, the city has been conterminous with Philadelphia County, the most populous county in Pennsylvania and the urban core of the eighth-largest U.S. metropolitan statistical area, with **over 6 million residents**. Philadelphia is a city of vibrant neighborhoods bordered by a region of charming towns, with each area owning a distinctive personality.

With its many universities and colleges, the area is a top educational and economic hub. As of 2019, it produced an **estimated gross metropolitan product (GMP) of \$490 billion**. Five Fortune 1000 companies reside in Philadelphia: Comcast, Aramark, FMC, Urban Outfitters, and Carpenter Technology. Additionally, numerous well-known corporations in different industries have chosen this metropolis for their headquarters.

The dominant economic sectors include financial services, health care, biotechnology, information technology, trade and transportation, manufacturing, oil refining, food processing, and tourism. The city is one of the largest health education and research centers in the United States and is known for its arts, culture, cuisine, and colonial history, attracting 45 million domestic tourists in 2018. **This sector generated an estimated \$12.2 billion in total economic impact in the city and surrounding four counties of Pennsylvania.**



DEMOGRAPHICS

Source: Landvision 2020



Residential Population

	1 Mile	3 Mile	5 Mile
Residential Population	5,515	37,526	94,155
Percent Growth (Current Yr./Previous Yr.)	5.21%	5.08%	5.23%



Average Household Income

	1 Mile	3 Mile	5 Mile
Average Household Income	\$146,922	\$156,653	\$161,367



Total Housholds

	1 Mile	3 Mile	5 Mile
Total Housholds	2,399	14,299	36,193



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