

MATTRESS FIRM

5803 NW Loop 410
San Antonio, TX 78238

FRED LOYA
INSURANCE



offering memorandum

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 **KENTWOOD**
CAPITAL ADVISORS

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This Confidential Memorandum has been prepared by Kentwood Capital Advisors (“KCA”) and is being furnished to you solely for the purpose of your review of the commercial property located at 5803 NW Loop 410 | San Antonio, TX 78238 (the “Property”). The material contained in this Offering Memorandum shall be used for the purposes of evaluating the Property for acquisition and shall not be used for any purpose or made available to any other person without the express written consent of Kentwood Capital Advisors (“Broker”).

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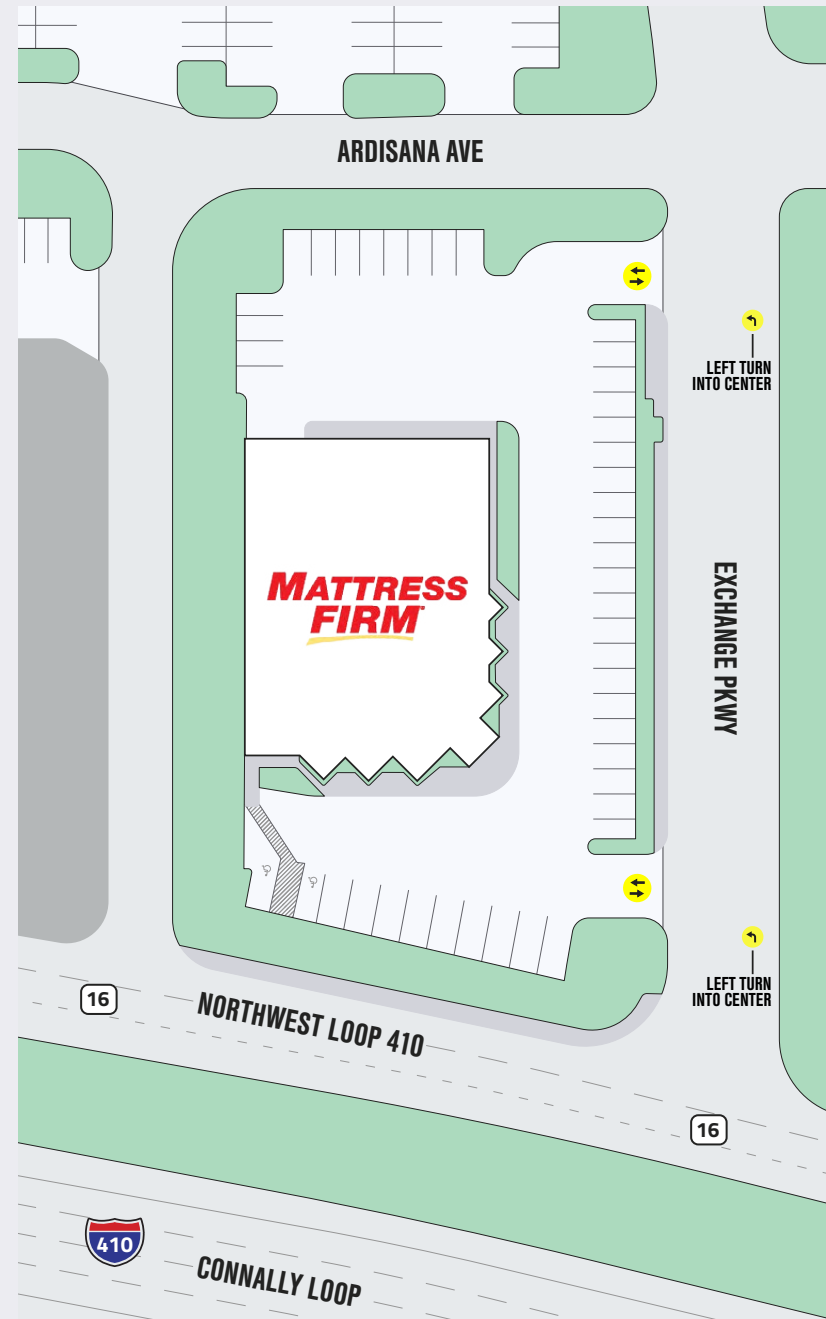
This Confidential Memorandum does not constitute an offer to accept any investment proposal but is merely a solicitation of interest with respect to the investment described herein. The Confidential Memorandum does not constitute an offer of security. The investment described herein may be financed or withdrawn from the market, without prior notice. By accepting this Confidential Memorandum you agree to release KCA and hold it harmless from any kind of claim, expense, or liability arising out of your discovery or purchase of the Property. KCA reserves the right to request the return of the Materials at any time. Ownership of the Property reserves the right to negotiate with one or more prospective investors at any time.

EXECUTIVE OVERVIEW

PRICE	CAP	ANNUAL RENT
\$2,475,000	6.00%	\$148,500

PROPERTY HIGHLIGHTS

- Approximately 10 years remaining, corporate backed lease
- Rare supercenter, serves as a regional training facility
- 362,531 residents in trade area
- 51% population growth since 2000, one of the fastest growing areas in San Antonio
- Highly visible to 183,798 cars/day along Loop 410, hard corner location
- Down the street from newly renovated 1.12 Million SF Ingram Park Mall serving 900,000 residents
- 1 Mile from The Village at the Summit, a 377-Acre Mixed-Use Community with 1,746 households, 9 office buildings, a Walmart Supercenter, Sam's Club and Home Depot
- 242,274 employees within 5 Miles, home to corporate headquarters for H.E.B. USAA, Valero's 200-Acre Campus, Whataburger and a Toyota Production Plant
- 2.5 Miles to Murphy Memorial VA Hospital serving 80,000 veterans, Methodist Hospital and Santa Rosa Medical Center
- Close proximity to the University of Texas at San Antonio with 28,725 students
- Across from 2,808 students at Holmes High School
- Minutes to San Antonio International Airport serving 8 Million passengers in 2015
- 10 Miles to Downtown San Antonio, The Alamo, The Riverwalk and Convention Center



LEASE ABSTRACT

Tenant Name	Mattress Firm
Property Address	5803 NW Loop 410
City, State	San Antonio, TX 78238
Est. Building Size	10,000 SF
Lot Size	1.0 Acres
Year Renovated	2008

LEASE OVERVIEW

Tenant Name	Mattress Firm
Lease Commencement	2/1/2008
Lease Expiration	3/31/2031
Lease Term Remaining	Approx. 10 Years
Lease Type	NN
Ownership Type	Fee Simple
Rental Increases	22% in Less than 2 Years
Options to Renew	Three, 5-Year
Roof & Structure	Landlord Responsible - Roof Replaced in 2015

RENT SCHEDULE

LEASE YEAR	ANNUAL RENT
Current - 1/31/23	\$148,500
2/1/23 - 3/31/31	\$181,500
Option 1 - 4/1/31 - 3/31/36	\$198,000
Option 2 - 4/1/36 - 3/31/41	\$217,800



LEASE ABSTRACT

Landlord Responsibilities

Landlord shall, at its sole expense, make all structural repairs to the foundation, load bearing walls, and roof. Landlord shall also maintain the exterior surface of the outside walls (excluding window glass, plate glass and door), the down spouts and gutters, and make all required replacements and capital improvements to the parking areas, circulation drives, access driveways, lighting and landscaping. The roof was replaced in 2015 and has a 10-year roof warranty.

Tenant Responsibilities

Tenant shall maintain the exposed interior plumbing within the building, window glass, plate glass and doors, HVAC, and electrical systems within and exclusively serving the building, interior surfaces of the building, all fire protection systems within and exclusively serving the building. In addition, Tenant shall be responsible for sweeping the parking areas, removing trash and graffiti from the building Premises and maintaining the landscaping.

Taxes

Tenant shall, at its sole expense, maintain commercial general liability insurance, naming Landlord as additionally insured. Tenant shall reimburse the Landlord for "special form" property insurance and a standard extended coverage endorsement, including lost rent coverage. Notwithstanding the foregoing, Tenant shall have the right, at its sole cost and expense, to provide the insurance required by Landlord and name Landlord as additionally insured, and Tenant shall not have any reimbursement obligations for the cost of Landlord's insurance.

Utilities

Tenant shall pay all charges for gas, water, electricity and any other services used solely on the Premises during the term by tenant.

Assignment & Subletting

Tenant may not assign or sublet the lease without the written consent of Landlord.

Estoppel

Tenant shall have 15 Days to provide an executed Estoppel.





DRONE AERIAL



DRONE AERIAL

MIDRANGE AERIAL

LOCATION OVERVIEW

San Antonio is the seventh-most populated city in the United States and the second most populous city in the state of Texas with a population of nearly 2.4 million based on the 2015 US Census estimate. It was the fastest growing of the top 10 largest cities in the United States from 2000 to 2010. Located about 10 miles northwest of Downtown is the South Texas Medical Center, which is a conglomerate of various hospitals, clinics, and research and higher educational institutions. The city straddles South Texas and Central Texas and is on the southwestern corner of an urban mega region known as the Texas Triangle. Growth along the Interstate 35 and Interstate 10 corridors to the north, west and east make it likely that the metropolitan area will continue to expand. San Antonio has a diversified economy with about a \$96.8 billion metropolitan Gross Domestic Product. This ranks the city 4th among Texas metropolitan areas and 38th in the United States. In 2015, San Antonio ranked No. 50 on Forbes' list of the Best Places for Business and Careers, with a ranking of 15th best market for job growth. San Antonio's economy is focused primarily within military, health care, government civil service, financial services, oil and gas and tourism sectors. San Antonio is home to six Fortune 500 companies: Valero Energy Corp, Tesoro Corp, USAA, iHeartMedia, NuStar Energy and CST Brands, Inc. Over twenty million tourists visit the city and its attractions every year, contributing substantially to the city's economy, primarily due to The Alamo and River Walk.

<u>Demographics</u>	1 mile	3 mile	5 mile
Population (2010)	12,116	116,456	345,777
Population (2014)	12,975	122,602	362,531
Population (Current)	14,023	128,488	379,941
Households	6,112	52,299	144,033
Average HH Income	\$46,618	\$53,425	\$56,549
Per Capita Income	\$20,245	\$21,547	\$21,374



TENANT OVERVIEW



Mattress Firm set out to be a different type of mattress retailer, with focus on creating a unique shopping experience for the customer to include a large selection of brand name bed-

ding products, competitive pricing, and knowledgeable, well-trained associates. With approximately 3,500 company-operated and franchised stores across 48 states, Mattress Firm has the largest geographic footprint in the United States among multi-brand mattress specialty retailers.

Mattress Firm announced on August 26, 2016 that the Company and Steinhoff International Holdings N.V. ("Steinhoff") (FRANKFURT: SNH) received approval of the proposed acquisition of Mattress Firm by Steinhoff. The acquisition is expected to close by or around the end of the third calendar of 2016. Steinhoff International Holdings N.V. ("Steinhoff") is a leading retailer that manufactures, sources and retails furniture, household goods and clothing in Europe, Africa and Australasia. Steinhoff operates more than 40 brands through 6,500 stores. Founded in 1964, the company is traded on the Frankfurt Stock Exchange (FSE) and Johannesburg Stock Exchange (JSE) and headquartered in South Africa.

Tenant Name	Mattress Firm
Headquartered	Houston, TX
No. of Locations	3,500+ Locations
Stock Symbol	NASDAQ: MFRM
Sales Volume	\$3.5 Billion
Website	www.mattressfirm.com





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