



Representative Photo

Offering Memorandum

Mattress Firm

700 Winchester Ave | Ashland, KY 41101

 **Stan Johnson Co.**
THE NET LEASE AUTHORITY®

Confidentiality and Restricted Use Agreement

This Confidential Offering Memorandum (“COM”) is provided by Stan Johnson Company (“SJC”), solely for your consideration of the opportunity to acquire the commercial property described herein (the “Property”). This COM may be used only as stated herein and shall not be used for any other purpose, or in any other manner, without prior written authorization and consent of SJC.

This COM does not constitute or pertain to an offer of a security or an offer of any investment contract. This COM contains descriptive materials, financial information and other data compiled by SJC for the convenience of parties who may be interested in the Property. Such information is not all inclusive and is not represented to include all information that may be material to an evaluation of the acquisition opportunity presented. SJC has not independently verified any of the information contained herein and makes no representations or warranties of any kind concerning the accuracy or completeness thereof. All summaries and discussions of documentation and/or financial information contained herein are qualified in their entirety by reference to the actual documents and/or financial statements, which upon request may be made available. An interested party must conduct its own independent investigation and verification of any information the party deems material to consideration of the opportunity, or otherwise appropriate, without reliance upon SJC.

The Property may be financed or withdrawn from the market without notice, and its owner(s) reserve(s) the right to negotiate with any number of interested parties at any time. The Property is offered and sold by its owner(s) as is, where is, and with all faults, without representation or warranty of any kind except for any customary warranties of title.

BY ACCEPTING THIS COM, YOU AGREE THAT: (1) all information contained herein, and all other information you have received or may hereafter receive from SJC relating to the Property, whether oral, written or in any other form (collectively, the “Information”), is strictly confidential; (2) you will not copy or reproduce, and claim as your own without attribution to SJC, all or any part of this COM or the Information; (3) upon request by SJC at any time, you will return and/or certify your complete destruction of all copies of this COM and the Information; (4) for yourself and all your affiliates, officers, employees, representatives, agents and principals, you hereby release and agree to indemnify and hold harmless SJC all of its affiliates, officers, employees, representatives, agents and principals, from and with respect to any and all claims and liabilities arising from or related to the receipt or use of this COM and/or any other Information concerning the Property; (5) you will not provide this COM or any of the Information to any other party unless you first obtain such party’s acceptance and approval of all terms, conditions, limitations and agreements set forth herein, as being applicable to such party as well as to you; and (6) monetary damages alone will not be an adequate remedy for a violation of these terms and that SJC shall be entitled to equitable relief, including, but not limited to, injunctive relief and specific performance, in connection with such a violation and shall not be required to post a bond when obtaining such relief.

Offered Exclusively by



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Purchase Price: \$1,733,333

Cap Rate: 7.50%

The Offering

Stan Johnson Company is pleased to offer for sale to qualified investors the opportunity to purchase a 100% fee-simple interest in a Mattress Firm located at 700 Winchester Ave. in Ashland, KY (the "Property"). The Property is 100% leased to Mattress Firm, Inc. under a new Ten (10) year lease term that commenced in December of 2016. The lease has attractive 10% increases every Five (5) years during the lease term and in each of the Two (2), Five (5) Year renewal options.

The building was extensively renovated in 2016 including a new HVAC, roof, sealing and striping and exterior paint. It is located on the southeast corner of Winchester Ave. and 7th Street next to the Ashland Town Center Mall that includes top retailers such as JCPenney, Victoria's Secret, Buckle, The Children's Place, American Eagle Outfitters, Belk, Crazy 8, Finish Line, T.J. Maxx and more.

The Property's excellent location sees approximately 29,500 vehicles per day in a trade area with a population of over 61,800 residents. In addition to being next door to the Ashland Town Center Mall, the Property is also surrounded by other major retailers that include Walmart, Dick's Sporting Goods, Kohl's, PetSmart, AutoZone, GameStop, Sherwin Williams, Cinemark Theater, and several major restaurant chains including Ruby Tuesday, Arby's, Bob Evans, Outback, Panera Bread, and Applebee's, among others.

Investment Highlights

New Long-Term Lease

Retrofit Mattress Firm with a new Ten (10) year lease term that commenced in December 2016

Attractive Rental Increases

There are 10% increases every Five (5) years during the lease term

Renewal Options

Two (2), Five (5) year renewal options with 10% increases in each option

Strong Retail Location

The Property is on a hard corner on a major street in Ashland with over 29,500 VPD next to the Ashland Town Center Mall and near numerous other major retailers and restaurants in a large trade area with a population of over 61,800 residents in a 5-mile radius

Important Economic Center

Ashland serves as a transport center for traffic between Ohio, the Great Lakes, Kentucky and points east of the Appalachians and is an important economic and medical center for northeast Kentucky



Property Overview

Lease Abstract	
Address:	700 Winchester Ave Ashland, KY 41101
Tenant:	Mattress Firm
Property Format:	Free-Standing
Bldg. Size:	± 4,000 SF
Year Built:	New Retrofit in 2016
Land Area:	± 0.16 acres
Lease Term:	± 10 Years
Remaining Lease Term:	± 9.5 Years
Lease Commencement:	December 23, 2016
Lease Expiration:	December 31, 2026
Renewal Options:	Two (2), Five (5) Year Renewal Options
Current NOI:	\$130,000
Rent Increases:	10% Every 5 Years
Expenses:	NN - Landlord is responsible for roof, structure, taxes and insurance. Tenant is responsible for all other expenses including reimbursement of taxes and Landlord's insurance.
Ownership Type:	Fee Simple

Rent Schedule		
Period	Annual Rent	% Increase
Years 1-5	\$130,000	N/A
Years 6-10	\$143,000	10%
Years 11-15 (Option 1)	\$157,320	10%
Years 16-20 (Option 2)	\$173,040	10%



Tenant Overview

Mattress Firm, Inc. currently operates over 3,546 locations across 48 states nationwide, making it the largest bedding retailer in the country, with estimated fiscal 2016 sales of approximately \$4 billion, net income of \$65 million and a net worth of \$435.5 million. Mattress Firm offers conventional mattresses, specialty mattresses, including viscoelastic foam mattresses and YuMe sleep system (a revolutionary sleep system made of foam produced from coconut oil), and bedding related accessories (bed frames, mattress pads, pillows). The stores carry a broad assortment of national mattress brands and exclusive brands. In 2011, Mattress Firm Holding Corp went public and has shown very strong sales and profit growth since.

On September 16, 2016 Steinhoff International Holdings closed on a definitive merger agreement with Mattress Firm under which Steinhoff acquired Mattress Firm for \$64.00 per share. This represents a total value of \$3.8 billion and a 115% premium to Mattress Firm's previous \$29 per share price. The acquisition created the world's largest multi-brand/multi-national mattress retail distribution network. Steinhoff International Holdings has operations in 30 countries, dealing primarily with furniture and household goods, sold under 40 different brands. Steinhoff has an investment grade rating from Moody's. Steinhoff is a public company listed on the Frankfurt Germany Stock Exchange.



Representative Photos

Ashland, Kentucky

Ashland's population was 21,684 at the 2010 census, making it the largest city in Boyd County. Located upon the southern bank of the Ohio River, Ashland offers an ideal location to work and relax away from the rush of the big city. Surrounded by the rolling foothills of the Appalachian Mountains, Ashland enchants residents and visitors with its small-town ambiance. The city's proximity to Carter Caves State Park, Greenbo Lake State Park, Yatesville Lake State Park and Ohio's Lake Vesuvius Recreation Area offers many outdoor recreational opportunities from boating and swimming to camping and hiking.

Ashland is a transport center for traffic between Ohio, the Great Lakes, Kentucky and points east of the Appalachians. With a diverse industrial base that includes chemicals, metal products and glass and glass products manufacturing, the city is home to major steel producer, AK Steel, which was formed from ARMCO Steel Company L.P. AK Steel is one of the city's largest employers.

Kentucky's fourth largest hospital, King's Daughters Medical Center, is in the center of the city. This non-profit institution is Ashland's largest employer with 4,000 employees and offers numerous inpatient and outpatient services for the eastern Kentucky region. A low cost of living and a low crime rate make Ashland a perfect place to live.

Ashland serves as an important economic and medical center for northeast Kentucky. Major employers include Marathon Petroleum, Our Lady of Bellefonte Hospital, AK Steel, Boyd County Schools, Ashland Independent Schools and AT&T Mobility.

Top Employers

- | | |
|---|---------------------------------|
| 1 | King's Daughters Medical Center |
| 2 | Marathon Petroleum |
| 3 | Our Lady of Bellefonte Hospital |
| 4 | AK Steel |
| 5 | Boyd County School |

MIDTOWN MALL

O'Reilly
BIG LOTS!
WESTERN UNION
CASH
Kroger

ASHLAND TOWN CENTER MALL

rue21
JO-ANN fabric and craft stores
T.J-maxx
Sprint
GNC
Hallmark GOLD CROWN
belk
AMERICAN EAGLE OUTFITTERS
ZALES
HIBBETT SPORTS
jcp
Cheddar's
Panera BREAD
Rain Forest

MATTRESS FIRM

HWY 23 (+/- 29,500 VPD)

Ruby Tuesday CINEMARK
TEXAS
JJ
Shake & Shaker



13th St (+/- 10,614 VPD)

12th St (+/- 12,433 VPD)

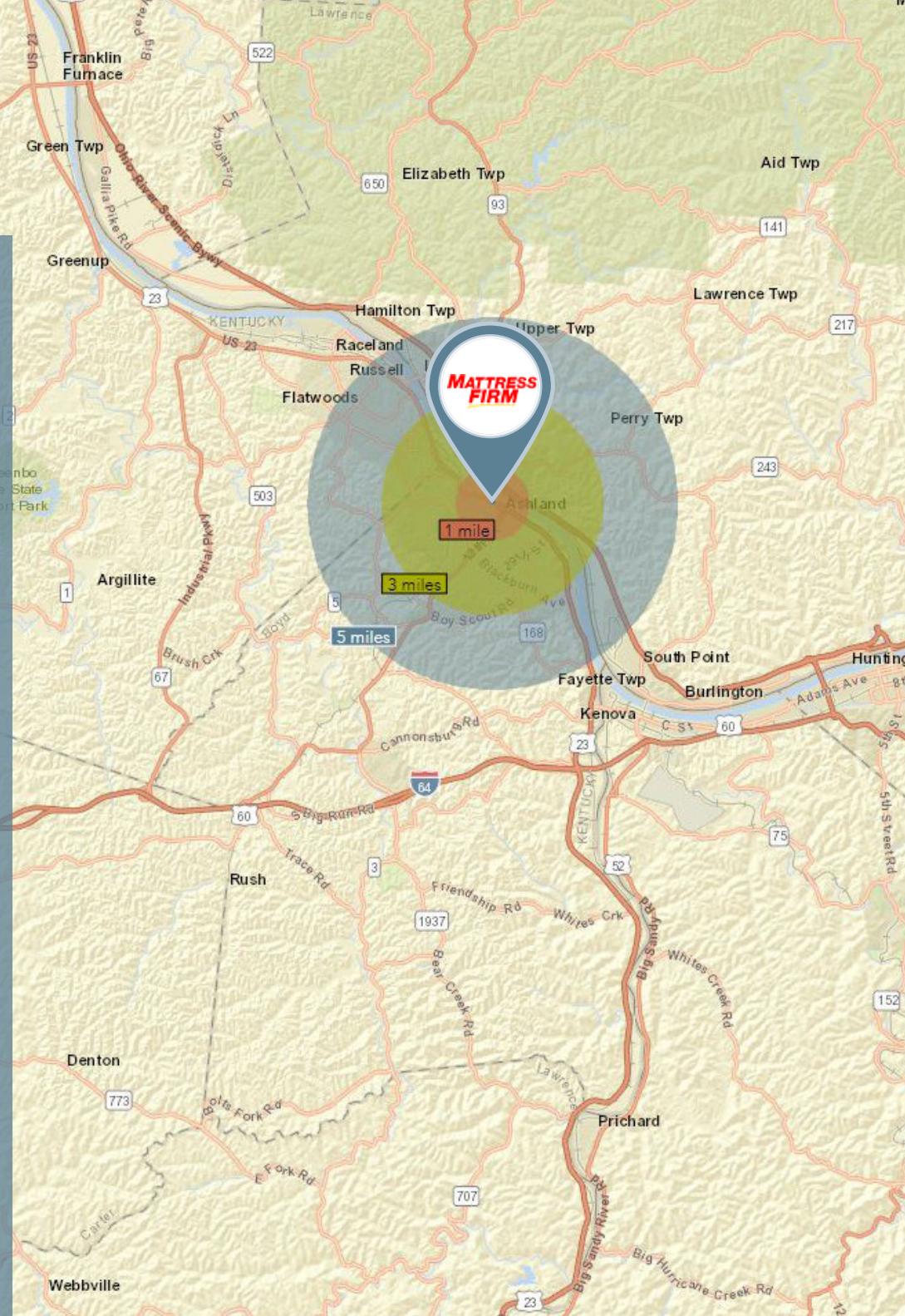
OHIO RIVER

KENTUCKY | OHIO STATE LINE



Demographics

700 Winchester Ave Ashland, KY	0 - 1 mi.	0 - 3 mi.	0 - 5 mi.
Population			
2017 Population	4,769	33,859	61,869
Estimated 2022 Population	4,701	33,351	60,797
Households			
2017 Total Households	2,148	14,353	25,300
Estimated 2022 Total Households	2,116	14,126	24,833
2017 Average Household Income	\$45,191	\$57,951	\$58,694
2017 Median Household Income	\$23,912	\$39,559	\$41,020



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