



REPRESENTATIVE PHOTO

MATTRESS FIRM & FIVE GUYS
MUSKEGON (GRAND RAPIDS), MICHIGAN

Marcus & Millichap
Real Estate Investment Services

exclusive offering

Presented By:

Marcus & Millichap
Real Estate Investment Services

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FINANCIAL OVERVIEW

5411 South Harvey St.
Muskegon (Grand Rapids), MI 49444

Price	\$3,065,000
Down Payment	100% / \$3,065,000
Gross Leasable Area (GLA)	7,638 SF
Price / SF	\$401.28
Cap Rate	7.90%
Lot Size	1.415 +/- Acres
Year Built	2014

INCOME	
Base Rent - Occupied	\$242,082
GROSS POTENTIAL RENT	\$242,082
Expense Reimbursements	\$40,100
Gross Potential Income	\$282,182
Effective Gross Income	\$282,182
Total Expenses	\$40,100
NET OPERATING INCOME	\$242,082
TOTAL RETURN	7.90% / \$242,082

ESTIMATED OPERATING EXPENSES	
Property Taxes	\$22,914
Insurance	\$5,729
CAM	\$11,457
TOTAL OPERATING EXPENSES	\$40,100

TENANT	GLA	% of GLA	RENT COMMENCEMENT	LEASE EXPIRATION	ANNUAL RENT	RENT / SF	OPTIONS	CHANGES ON	CHANGES TO	LEASE TYPE
Mattress Firm	5,080	66.51%	Est. 5/1/2014	2024	\$173,018	\$34.06	Two, 5-Year	Year 6	\$190,069	NN
								Option 1	\$209,326	
								Option 2	\$230,289	
Five Guys (Franchisee)	2,558	33.49%	Est. 5/1/2014	2024	\$69,066	\$27.00	Three, 5-Year	Option 1	\$75,973	NN
								Option 2	\$75,976	
								Option 3	\$83,570	
TOTAL	7,638	100.00%			\$242,082	\$31.69				

TENANT OVERVIEW

MATTRESS FIRM

Lease Commencement	4/16/2013
Rent Commencement	Est. 5/1/2014
Lease Expiration	2024
Gross Leasable Area	5,080 SF
Pro Rata Share of Project	67%
Original Term	10-Year
Options	Two, 5-Year
Years Remaining	10 Years
Number of Locations	1,100+
Headquartered	Houston, Texas
Website	www.mattressfirm.com



Mattress Firm (NASDAQ:MFRM) 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 bedding products, competitive pricing, and knowledgeable, well-trained associates. They currently operate over **1,100 locations across 28 states**, with plans to open additional locations. Mattress firm began trading on the NASDAQ in November 2011, and is now one of the largest and most successful specialty bedding companies in the world.

Harry Roberts, one of the original Mattress Firm founders, who operates 20 locations (12 in Iowa and 8 in Oklahoma) will personally guarantee the lease for the first five years. Dakota Ventures, LLC will then guarantee the lease thereafter and currently has 5 stores that are in various stages of opening throughout the state.

TENANT OVERVIEW

LEASE SUMMARY - MATTRESS FIRM

Landlord Responsibilities	Landlord shall, at its sole cost and expense, repair all damage to the Premises or Common Areas caused by subsidence or other structural or latent defects and maintain in good condition and repair the roofing, gutters, downspouts, exterior painting, wiring, plumbing, pipes, conduits and equipment which serve the Premises but are not located within the interior, all structural portions of the premises and Tenant's building (including the foundations, exterior walls, columns, store front, and floor slab.)
Tenant Responsibilities	Tenant will keep the Premises neat and clean and shall make and pay for all repairs to the interior non-structural portions of the Premises and all equipment and systems located within and serving the Premises exclusively, including any HVAC which serves the Premises, but shall be located outside the Premises. If Tenant is required during the last 3 years of the term to expend any sum to replace any item because repair alone would be insufficient or not cost effect, then Tenant shall be reimbursed by Landlord the then unamortized cost of replacement for the period beyond the remainder of the term.
Common Area Maintenance	Tenant will pay to Landlord as additional rent Tenant's proportionate share of Common Area Expenses. Common Area Expenses shall include Landlord's costs of operating and maintaining the common areas including landscaping, cleaning, utilities, relining and asphalt resealing, fire protection, public liability and property insurance, repairs, and policing.
Taxes	Tenant is responsible for its proportionate share of all taxes and assessments.
Insurance	Tenant to reimburse Landlord for its proportionate share of the premiums paid by Landlord for Landlord's Insurance. Landlord's Insurance shall include special perils property coverage covering all buildings and improvements in the shopping center, including fire insurance with extended coverage for vandalism, burglary, malicious mischief, sprinkler damage, and water damage. Tenant is also required, at its sole cost and expense, for obtaining and maintaining insurance policies providing for the following coverage: all-risk property insurance against fire, theft, vandalism, malicious mischief, sprinkler leakage insurance; commercial general liability insurance, naming Landlord as additionally insured and workers' compensation coverage.
Utilities	Tenant shall pay for all of its consumption of utilities at the Premises, including, but not limited to, gas, water, electricity, sewer charges, and the like, including all necessary for heating and air conditioning the Premises.
Assignment & Subletting	Tenant shall not assign this Lease or sublet all or any part of the Premises without the prior written consent of Landlord. In the event of an assignment or subletting, Tenant shall remain responsible for any of the obligations under the lease for the balance of the term.
Right of First Refusal	In the event of any termination of this lease or in the even that Landlord develops the property as a retail development within 24 months following the effective date of such termination, then Landlord shall be obligated to offer Tenant the opportunity to lease space within such development, such space similar to the premises in size, configuration, and design, upon the same terms and conditions set forth in this lease. Tenant shall have a period of 30 days following Tenant's receipt of Landlord's notice of such redevelopment within which to accept or reject such space. In the event Tenant elects to lease such space, Landlord and Tenant shall enter into a new lease for the new space, which new lease shall be conformed in all material respects to this lease.
Estoppel	Tenant has 30 days to provide an executed estoppel.

TENANT OVERVIEW

FIVE GUYS

Lease Commencement	7/15/2013
Rent Commencement	Est. 5/1/2014
Lease Expiration	2024
Gross Leasable Area	2,558 SF
Pro Rata Share of Project	33%
Original Term	10-Year
Options	Three, 5-Year
Years Remaining	10 Years
Number of Locations	1,000+
Headquartered	Lorton, Virginia
Website	www.fiveguys.com

FIVE GUYS *BURGERS and FRIES*

Five Guys is a leader in the “better burger” category of fast-casual restaurants, focusing on hamburgers, hot dogs, and french fries. The restaurant prides itself on using fresh ground beef and cooking its fries in peanut oil and in keeping with the peanut theme, its restaurants also serve peanuts in bulk. With somewhat of a cult following and notable brand enthusiasm, Five Guys has been rated as one of the most talked about burger brands.

Tenant: BAC Muskegon, LLC

Michael Abrams, Brian Adelman, and David Pittaway operate 21 locations and have agreed to personally guarantee the lease for the first 5-years after which the guarantee is transferred over to the BAC Muskegon, LLC entity.

TENANT OVERVIEW

LEASE SUMMARY - FIVE GUYS

Landlord Responsibilities	Landlord shall, at its sole cost and expense, repair all damage to the Premises or Common Areas caused by subsidence or other structural or latent defects and maintain in good condition and repair the roofing, gutters, downspouts, exterior painting, wiring, plumbing, pipes, conduits and equipment which serve the Premises but are not located within the interior, all structural portions of the premises and Tenant's building (including the foundations, exterior walls, columns, store front, and floor slab.)
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Estoppel	Tenant has 30 days to provide an executed estoppel.

INVESTMENT OVERVIEW

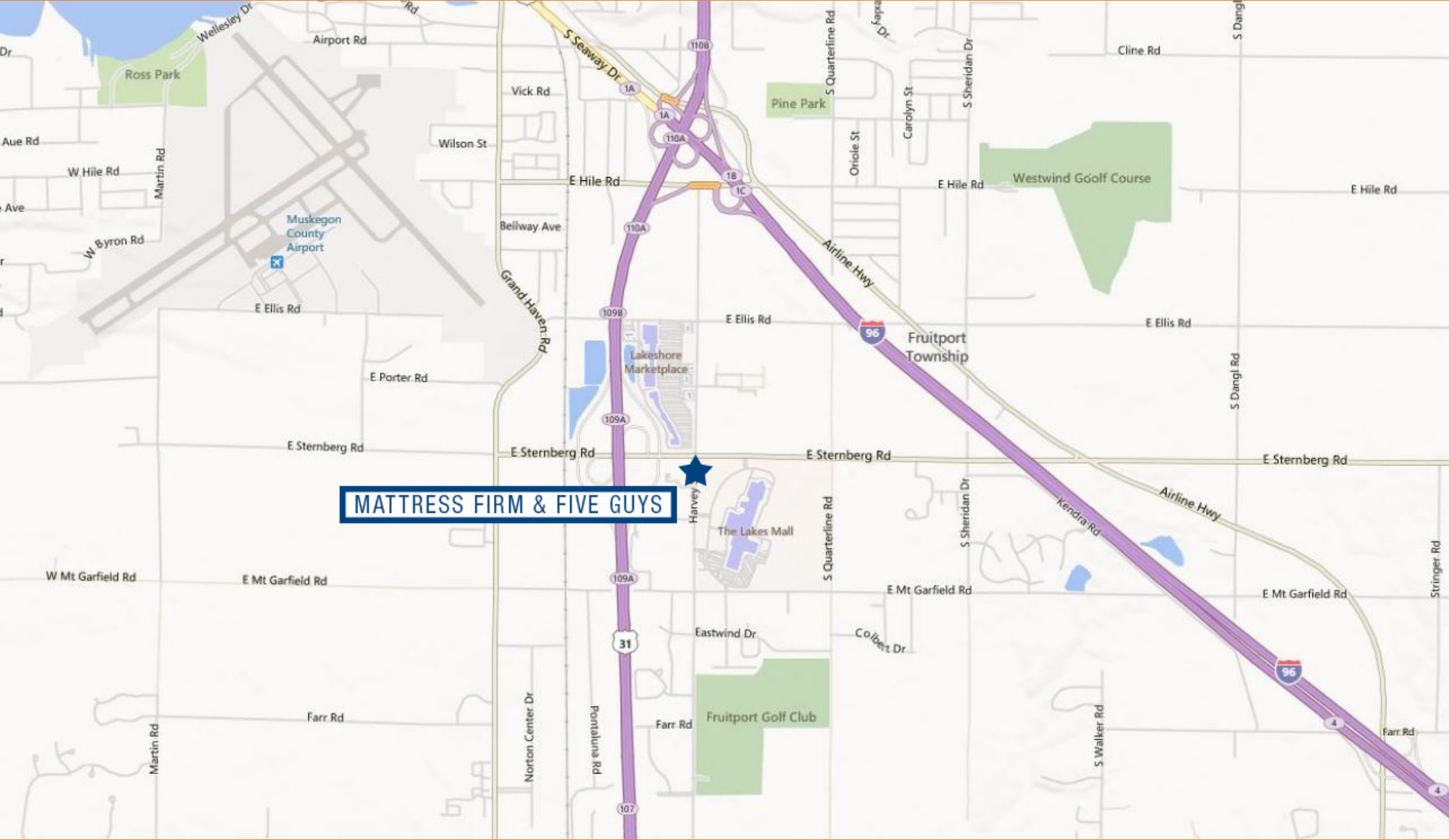
- 100% Leased by Mattress Firm and Five Guys
- 2014 Construction with New 10-Year Leases
- Directly Across from a 589,665 Square-Foot Regional Mall, the Most Popular Retail Destination in the Muskegon Area
- Hard Corner Location at Four-Way Signalized Intersection and Outparcel to Menards (Dominant Regional Home Improvement Retailer)
- Directly Across from the only Target in Muskegon and a 200,000 Square-Foot Meijer
- Trade Area Population of 489,500
- Immediately off US-31 with Over 50,000 Cars Per Day
- 15-Minutes from the Lake Express Ferry Terminal Providing Daily Trips between Milwaukee and Muskegon
- Muskegon Attracts Over 1-Million Tourists Annually

Marcus & Millichap is pleased to present the Mattress Firm and Five Guys in Muskegon, Michigan. Built in 2014 and situated on 1.4 acres, Mattress Firm and Five Guys will occupy a 7,638 square-foot freestanding building that sits as an outparcel to a Menards and Best Buy. Mattress Firm has signed a 10-year double-net lease for 5,080 square-feet with a 10% increase at year 6 and at each of the two, five-year options. Five Guys has signed a 10-year double-net lease for 2,558 square-feet with three, 5-year options.

The property benefits from being positioned in one of the fastest growing retail sectors in the country. In addition to retail growth, southern Muskegon County and northern Ottawa County continue to experience residential, office and light industrial growth. The immediate trade area features a 30-acre, 60,000 square-foot comprehensive ambulatory medical facility, a 14-unit Hospice care facility, a 200,000 square-foot Meijer store, and the only Target store in the market, as well as a multi-phase progressive living and retirement complex. The Mattress Firm & Five Guys building is located directly off of US-31 at the signalized intersection of Sternberg Road and S. Harvey Street, with a combined traffic count of 34,750 cars per day. The property is situated within Muskegon's primary retail trade area and is an outparcel to a Menards and Best Buy. It also sits directly across from The Lakes Mall, the region's only enclosed mall that encompasses more than 70 retail stores, and Lakeshore Marketplace, which is anchored by Target, TJ Maxx, Hobby Lobby, Petco, and Toys R Us.

With 32 miles of Lake Michigan beaches and numerous inland lakes and rivers, Muskegon, Michigan has grown into a major tourism destination. Adding to the growth of Muskegon's tourism industry is the Lake Express, a high-speed ferry providing round trips between Muskegon and Milwaukee, Wisconsin. The greater Muskegon area offers a number of venues of interest, including historic sites, the state's only amusement park, and regional festivals. Muskegon is also the largest city on the eastern shores of Michigan, whose ideal location and destination appeal attracts more than a million tourists annually.

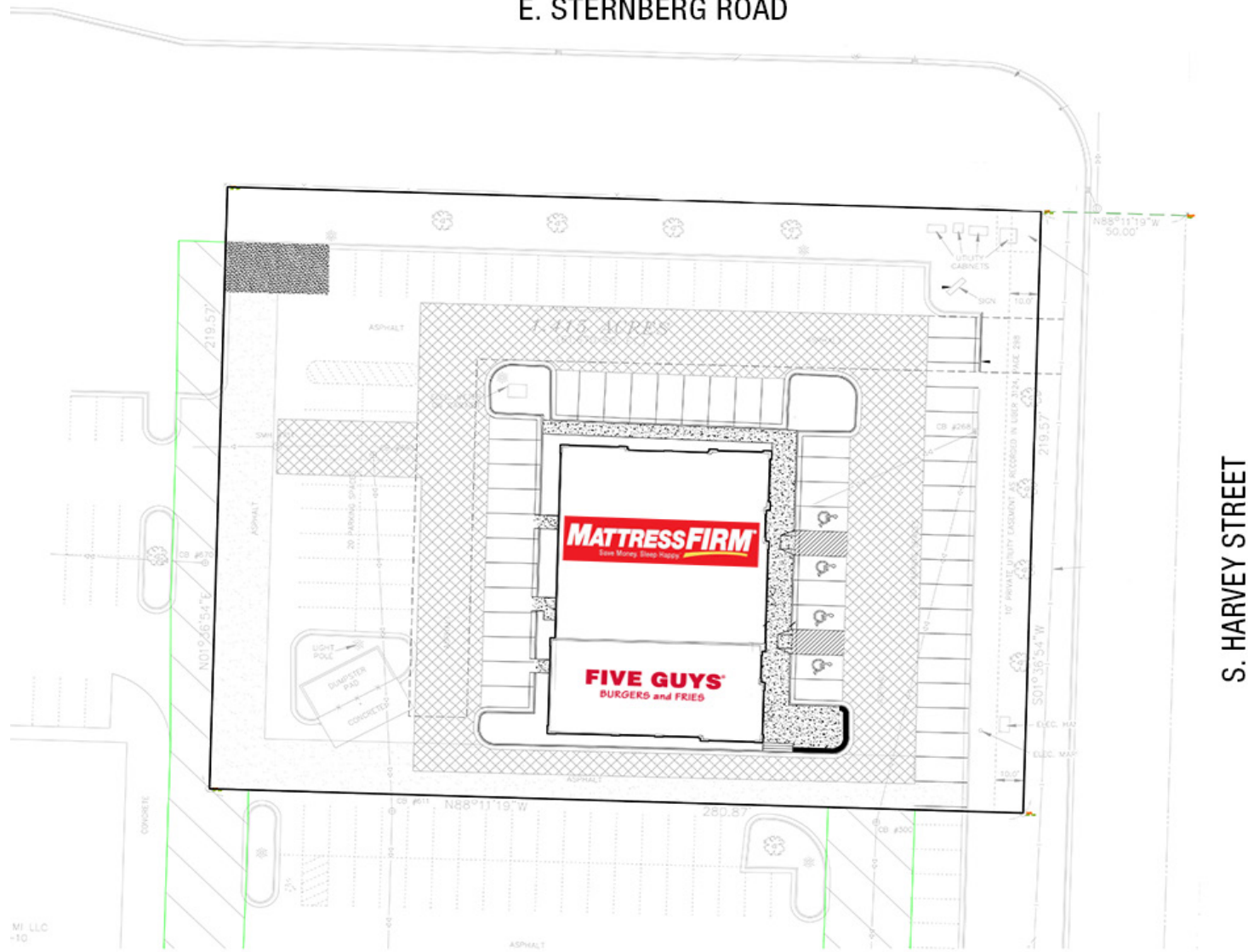
LOCAL MAP



MATTRESS FIRM & FIVE GUYS

SITE PLAN

E. STERNBERG ROAD



S. HARVEY STREET

LOW AERIAL PHOTO



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DEMOGRAPHIC REPORT

POPULATION	1-MILE	3-MILES	5-MILES
2000 Population	586	16,404	66,675
2010 Population	976	18,261	68,432
2013 Population	988	18,158	67,980
2018 Population	1,141	19,177	69,354
HOUSEHOLDS	1-MILE	3-MILES	5-MILES
2000 Households	259	6,156	24,316
2010 Households	486	7,185	25,615
2013 Households	492	7,145	25,424
2018 Households	587	7,639	26,237
2012 Average Household Size	2.28	2.49	2.50
2012 Daytime Population	2,029	8,660	28,383
2000 Median Housing Value	\$0	\$102,789	\$100,991
2000 Owner Occupied Housing Units	81.88%	85.08%	73.85%
2000 Renter Occupied Housing Units	8.92%	9.07%	20.45%
2000 Vacant	9.13%	6.23%	8.01%
2013 Owner Occupied Housing Units	64.13%	82.07%	73.55%
2013 Renter Occupied Housing Units	35.87%	17.93%	26.45%
2013 Vacant	9.10%	8.85%	11.95%
2018 Owner Occupied Housing Units	62.91%	81.06%	73.33%
2018 Renter Occupied Housing Units	37.09%	18.94%	26.67%
2018 Vacant	8.70%	8.94%	12.41%

INCOME	1-MILE	3-MILES	5-MILES
\$ 0 - \$14,999	10.0%	8.8%	14.2%
\$ 15,000 - \$24,999	12.5%	12.6%	13.6%
\$ 25,000 - \$34,999	15.6%	13.8%	13.2%
\$ 35,000 - \$49,999	16.1%	15.6%	15.5%
\$ 50,000 - \$74,999	19.6%	21.4%	19.9%
\$ 75,000 - \$99,999	12.7%	12.8%	10.7%
\$100,000 - \$124,999	9.2%	8.1%	6.0%
\$125,000 - \$149,999	1.6%	2.5%	2.5%
\$150,000 - \$199,999	1.9%	2.3%	2.2%
\$200,000 - \$249,999	0.3%	0.9%	0.9%
\$250,000 +	0.5%	1.2%	1.3%
2012 Median Household Income	\$45,136	\$49,287	\$43,772
2012 Per Capita Income	\$28,956	\$25,086	\$22,984
2012 Average Household Income	\$57,225	\$63,389	\$59,089

SUMMARY REPORT

GEOGRAPHY: 5 MILES

POPULATION

In 2013, the population in your selected geography was 67,980. The population has changed by 1.95% since 2000. It is estimated that the population in your area will be 69,354 five years from now, which represents a change of 2.02% from the current year. The current population is 50.8% male and 49.1% female. The median age of the population in your area is 39.5, compare this to the U.S. average which is 37. The population density in your area is 921.10 people per square mile.

HOUSEHOLDS

There are currently 25,424 households in your selected geography. The number of households has changed by 4.55% since 2000. It is estimated that the number of households in your area will be 26,237 five years from now, which represents a change of 3.19% from the current year. The average household size in your area is 2.50 persons.

INCOME

In 2013, the median household income for your selected geography is \$43,772, compare this to the U.S. average which is currently \$53,535. The median household income for your area has changed by 4.21% since 2000. It is estimated that the median household income in your area will be \$52,132 five years from now, which represents a change of 19.09% from the current year.

The current year per capita income in your area is \$22,984, compare this to the U.S. average, which is \$28,888. The current year average household income in your area is \$59,089, compare this to the U.S. average which is \$75,373.

RACE & ETHNICITY

The current year racial makeup of your selected area is as follows: 75.59% White, 19.33% African American, 0.71% Native American and 0.89% Asian/Pacific Islander. Compare these to U.S. averages which are: 72.20% White, 12.65% African American, 0.96% Native American and 5.01% Asian/Pacific Islander.

People of Hispanic origin are counted independently of race. People of Hispanic origin make up 4.24% of the current year population in your selected area. Compare this to the U.S. average of 16.55%.

HOUSING

The median housing value in your area was \$100,991 in 2000, compare this to the U.S. average of \$110,781 for the same year. In 2000, there were 19,496 owner occupied housing units in your area and there were 5,399 renter occupied housing units in your area. The median rent at the time was \$448.

EMPLOYMENT

In 2013, there are 28,383 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 55.7% of employees are employed in white-collar occupations in this geography, and 44.2% are employed in blue-collar occupations. In 2013, unemployment in this area is 4.79%. In 2000, the median time traveled to work was 16.8 minutes.

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