

Shoppes

@ MERCED

Grocery Shadow Anchored Best-In-Class NNN
Retail Center with National & Credit Tenancy

Burlington

petco

five BELOW

ULTA
BEAUTY

RACK
ROOM
SHOES

MATTRESSFIRM

TILLY'S

carter's®

Bath & Body Works®



VIEW DRONE
VIDEO

W OLIVE AVENUE & R STREET, MERCED, CA ■ SHOPPESATMERCED.COM



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TABLE OF CONTENTS

01 EXECUTIVE SUMMARY ■ 02 PROPERTY SUMMARY ■ 03 FINANCIAL ANALYSIS ■ 04 TENANT SUMMARY ■ 05 AREA OVERVIEW

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SECTION 01

EXECUTIVE SUMMARY

OFFERING MEMORANDUM



EXECUTIVE SUMMARY

Nine

NATIONAL TENANTS

±85,892

TOTAL SQUARE FEET

±40,459

VPD AT W OLIVE AVE & R ST

Kidder Mathews, in partnership with Retail California, as exclusive advisor to Owner is pleased to present The Shoppes at Merced, a newly repositioned, grocery shadow anchored ±85,892 SF best-in-class NNN Retail Center.

A former Sears Box, the asset recently completed a successful full-scale redevelopment and lease up campaign resulting in a synergistic national and credit tenant line up of Burlington, PetCo, Five Below, ULTA, Carter's, Tilly's, Rack Room Shoes, Bed Bath & Body Works, and Mattress Firm. The newly signed leases (±10.0 WALT) offer highly secured long-term income from a diverse and complimentary tenant roster. The property

boasts a "main & main" location within the heart of Merced's primary retail corridor at the high traffic (±40,459 VPD) signalized intersection of W Olive Ave & R Street. The property is immediately adjacent Marketplace at Merced (Merced's only regional shopping mall which is currently undergoing a major renovation) creating strong foot traffic and cross-shopping from an existing loyal customer base in Downtown Merced.



PROJECT NAME	The Shoppes at Merced	LEASE TYPES	NNN
ADDRESS	W Olive Avenue & R Street, Merced, CA	CENTER SIZE	±85,892 SF
ASKING PRICE	\$30,500,000 (6.75% CAP)	LAND SIZE	6.83 Acres
YR 1 NOI & CAP RATE	\$2,059,401	YEAR BUILT/RENOVATED	1969/2024 & 2025 (complete redevelopment/renovation)
OCCUPANCY	100%	OWNERSHIP	Fee simple (land & building)
NO. OF SUITES	Nine (9)* retail suites/tenants	DEBT	To be delivered free and clear of existing debt
LEASE TERM	All tenants recently signed new ten (10) year leases	TENANCY SNAPSHOT	See below

* Plus Mercedes Benz EV Charging Station (Parking Lot) & King Solar (Roof).

Tenant Credit Breakdown

TENANT	SF	% OF GLA	TYPE	S&P CREDIT RATING	2024 ANNUAL REVENUE
 Burlington	25,187	29%	Public - NYSE: BURL	BB+	\$10.63B
 petco	13,668	16%	Public - NASDAQ: WOOF	B	\$6.1B
 five BELOW	10,254	12%	Public - NASDAQ: FIVE	N/A	\$3.9B
 ULTA BEAUTY	10,224	12%	Public - NASDAQ: ULTA	N/A	\$11.3B
 RACK ROOM SHOES®	8,562	10%	Privately Held	N/A	
 TILLY'S	6,078	7%	Public - NYSE: BLYS	N/A	\$569.5M
 carter's®	4,508	5%	Public - NYSE: CRI	BB+	\$2.84B
 MATTRESS FIRM®	3,832	4%	Privately Held	N/A	\$4.93B
 Bath & Body Works®	3,579	4%	Public - NYSE: BBWI	BB+	\$7.31B

INVESTMENT HIGHLIGHTS

100%
LEASED

±86K
SQUARE FEET

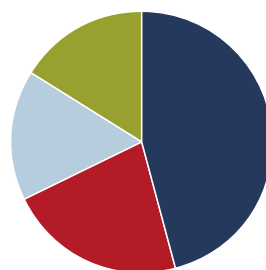


Newly Redeveloped Best-In-Class, Grocery Shadow Anchored NNN Retail Center with High Quality Construction

Formerly a Sears box, Current Ownership successfully executed a multi-tenant configuration, **total redevelopment** (completed 2025), and lease-up of the property transforming it into a **best-in-class** ±85,892 SF NNN Retail Center. All stores are open and operating as of December 2025.

Synergistic National & Credit Tenancy Line Up with **Ideal Merchandising Mix**

- The property is **100% leased** to **National / Regional** recognized **credit tenants**.
- Anchored by **Burlington** (±25,187 SF/29% of GLA), a publicly traded (NYSE: BURL) leading national off-price retailer boasting **2024 annual revenues of \$10.63 B**. Burlington's resilient "off-price" business model allows the company to thrive in all economic cycles.
- The **diversified tenant mix** features an ideal combination of "**essential retail**" categories that promote frequent customer visits and cross-shopping synergies:



General Merchandise 46% Beauty & Personal Care 16%
Apparel 22% Pet Care 16%

- The subject property is also supported by **newly developed pads** leased to national tenants **Pollo Campero** (NAP) and **Aspen Dental** (NAP) which drive additional customer traffic and cross shopping synergy to the center.

Highly Secured Long-Term Income Stream with New 10-Year NNN Leases

All nine (9) Tenants signed **brand new ten (10) year NNN leases** with **scheduled rental increases** throughout the primary term and option periods creating a highly secured long term income stream and strong NOI growth during the hold period.

Irreplaceable “Main & Main” Location in the Heart of Merced’s Retail Corridor

- The property boasts a **“main & main” location** within the heart of Merced’s primary retail corridor at the high traffic (±40,459 VPD) signalized intersection of W Olive Ave & R Street.
- **W Olive Ave** is widely recognized as Merced’s **primary east-west retail artery**, serving as the city’s dominant commercial corridor with high traffic counts, excellent visibility and access from Hwy 99 and State Route 59. The subject stretch of W Olive Ave is home to **several leading national anchors** and retailers which drive a high volume of customer visits and traffic to the trade area. Notable tenants include Target, Walmart, Hobby Lobby, Lowe’s, Food Maxx, Food 4 Less, SaveMart, Best Buy, CVS, JCPenney, Michaels, AutoZone, Ross, Ashley, Big 5, Dollar Tree, + many more.
- The immediately adjacent **Marketplace at Merced** (±53-acre regional mall) is currently undergoing a **major redevelopment / renovation** to shift the project to an entertainment / service-driven project designed to create foot traffic and daily customer visits. The project is being facilitated by a highly experienced / prominent regional developer. When completed, the greater area between W Olive Ave, R Street, and Loughborough Drive will be a fully **revitalized retail epicenter** of Merced, CA. The transformation has already gained momentum as detailed in [recent city press](#).



Tremendous Underlying Retail Market Fundamentals with Low Vacancy & Scarce Supply

The **Merced retail market** has an **extremely low vacancy rate** of only **4.8%** as of Q4 2025. The Merced retail market has remained tight over the past decade with a 10-year average vacancy rate of only 5.0%. The low vacancies are further bolstered by **scarce supply**, with only 12,000 SF of retail space currently under construction. In combination, the above factors have created a robust / healthy retail market in Merced as evidenced by the **3.2%** five-year **average annual rental growth** rate. (Source: CoStar Analytics)

Ideal Central Valley Trade Area Demographics Suited for Value/Discount Retail

- The Shops at Merced project is supported by an **ideal middle-income Central Valley trade area**. The property's tenancy is perfectly suited to the preferences and shopping habits of the surrounding trade area demographics.
- The surrounding trade area contains a significant percentage of households with **disposable incomes** above \$35,000 per year, an ideal benchmark for **value / discount-oriented retailers**. Within a five (5) mile radius of the site, **63.5%** of the ±35,410 households (±113,593 population) have an annual average disposable income of at least \$35,000.

MERCED RETAIL MARKET



4.8%
VACANCY RATE

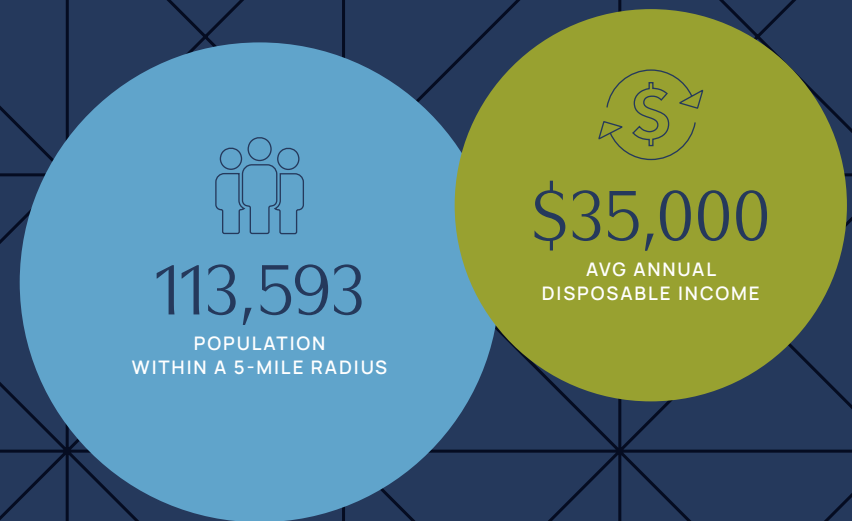


12,000 SF
RETAIL SPACE CURRENTLY UNDER CONSTRUCTION



3.2%
AVERAGE ANNUAL RENTAL GROWTH RATE

Shoppes
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SECTION 02

PROPERTY SUMMARY

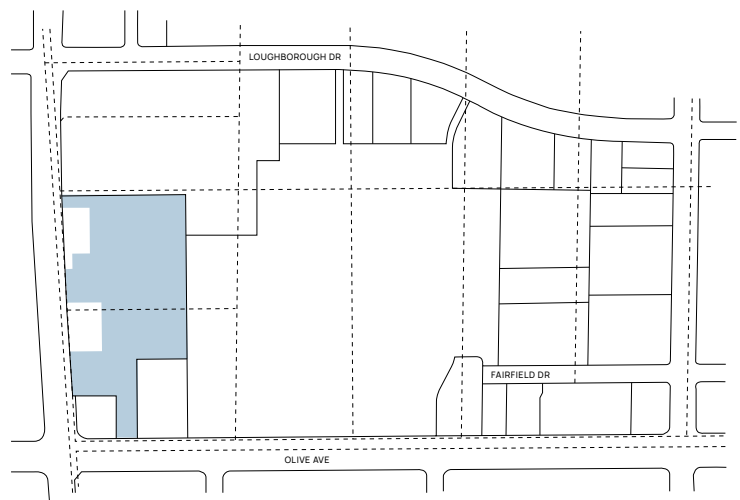
OFFERING MEMORANDUM





PROPERTY SUMMARY

LOCATION	NEC W Olive Street & R Street
TRAFFIC COUNTS	±40,459 VPD (W Olive Ave & R Street)
YEAR BUILT/RENO	1969 / 2024 & 2025 (Complete Redevelopment/Renovation)
APN	226-220-047-000
FRONTAGE	±777 Linear Feet (R Street) ±482 Linear Feet (W Olive Ave)
PARKING	±355 Stalls (Dedicated To Major Building) — 4.14/1,000 ±401 Stalls (Including Pad Parking) — 4.37/1,000
ACCESS	Two (2) Ingress / Egress Driveways (R Street) One (1) Ingress / Egress Driveway (W Olive Ave) Multiple Driveways & Access Points From Adjacent Properties









SECTION 03

FINANCIAL ANALYSIS

OFFERING MEMORANDUM



MARKET ASSUMPTIONS

MINIMUM RENTS

HOLDING PERIOD	10 Years
ANALYSIS START DATE	6/1/2026
TOTAL RENTABLE SQUARE FEET	85,892

LEASE-UP OF VACANT SPACE

TOTAL CURRENTLY VACANT SF	0.0%	0
ABSORPTION PERIOD FROM 6/1/26		0 Months
LEASE TERMS		10 Years
TENANT IMPROVEMENTS PER SF		\$15.00
LEASING FEES / %		6.00%
INITIAL MARKET RENT PER SF / YEAR		\$1.50 - \$3.75
ANNUAL PERCENT INCREASE		10.00%

INCOME ASSUMPTIONS

ANNUAL MARKET RENT INFLATION	3.00%
OTHER INCOME - ANNUAL ESCALATOR	3.00%
GENERAL VACANCY	0.00%

EXPENSE ASSUMPTIONS

INITIAL YEAR EXPENSES PER SF	\$9.01
ANNUAL MANAGEMENT FEE	0.00%
PROPERTY TAXES - ANNUAL INCREASE	2.00%
OPERATING EXPENSES - ANNUAL INCREASE	3.00%
CAPITAL RESERVE PER SF	\$0.15
CAPITAL RESERVE - ANNUAL INCREASE	3.00%



10-YEAR CASH FLOW ANALYSIS

INCOME

	PSF	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037
BASE RENTS	\$22.65	\$1,945,744	\$1,945,744	\$1,945,744	\$1,945,744	\$2,014,266	\$2,122,687	\$2,122,687	\$2,122,687	\$2,122,687	\$2,166,514	\$2,280,924
RENT ABATEMENTS	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LESS LAG VACANCY	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL MINIMUM RENTS	\$22.65	\$1,945,744	\$1,945,744	\$1,945,744	\$1,945,744	\$2,014,266	\$2,122,687	\$2,122,687	\$2,122,687	\$2,122,687	\$2,166,514	\$2,280,924
RECOVERIES	\$8.89	\$763,847	\$782,955	\$802,560	\$822,676	\$843,316	\$864,494	\$886,226	\$908,525	\$931,408	\$954,889	\$978,986
KING SOLAR	\$0.42	\$36,000	\$36,000	\$36,000	\$36,000	\$38,500	\$39,000	\$39,000	\$39,000	\$39,000	\$41,500	\$42,000
CHARGING STATION	\$0.52	\$45,000	\$45,000	\$45,000	\$45,000	\$48,600	\$50,400	\$50,400	\$50,400	\$50,400	\$54,432	\$56,448
GROSS RENTAL INCOME	\$32.49	\$2,790,591	\$2,809,699	\$2,829,304	\$2,849,420	\$2,944,683	\$3,076,582	\$3,098,313	\$3,120,613	\$3,143,495	\$3,217,335	\$3,358,358
GENERAL VACANCY / LOSS	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL INCOME	\$32.49	\$2,790,591	\$2,809,699	\$2,829,304	\$2,849,420	\$2,944,683	\$3,076,582	\$3,098,313	\$3,120,613	\$3,143,495	\$3,217,335	\$3,358,358

EXPENSES

OPERATING EXPENSES	\$3.53	\$302,782	\$311,865	\$321,221	\$330,858	\$340,784	\$351,007	\$361,538	\$372,384	\$383,555	\$395,062	\$406,914
PROPERTY TAXES	\$4.25	\$365,282	\$372,588	\$380,039	\$387,640	\$395,393	\$403,301	\$411,367	\$419,594	\$427,986	\$436,546	\$445,277
INSURANCE	\$0.73	\$63,126	\$65,020	\$66,970	\$68,979	\$71,049	\$73,180	\$75,376	\$77,637	\$79,966	\$82,365	\$84,836
TOTAL EXPENSES	\$8.51	\$731,190	\$749,473	\$768,231	\$787,478	\$807,226	\$827,489	\$848,280	\$869,615	\$891,507	\$913,973	\$937,026
EXPENSES / SF		\$8.51	\$8.73	\$8.94	\$9.17	\$9.40	\$9.63	\$9.88	\$10.12	\$10.38	\$10.64	\$10.91
NET OPERATING INCOME	\$23.98	\$2,059,401	\$2,060,226	\$2,061,073	\$2,061,942	\$2,137,457	\$2,249,093	\$2,250,033	\$2,250,998	\$2,251,988	\$2,303,362	\$2,421,331

CAPITAL COSTS

TENANT IMPROVEMENTS	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
LEASING COMMISSIONS	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
CAPITAL RESERVES	\$0.15	\$12,884	\$13,270	\$13,668	\$14,078	\$14,501	\$14,936	\$15,384	\$15,845	\$16,321	\$16,810	
TOTAL CAPITAL COSTS	\$0.15	\$12,884	\$13,270	\$13,668	\$14,078	\$14,501	\$14,936	\$15,384	\$15,845	\$16,321	\$16,810	
OPERATING CASH FLOW	\$23.83	\$2,046,517	\$2,046,956	\$2,047,405	\$2,047,864	\$2,122,956	\$2,234,158	\$2,234,649	\$2,235,152	\$2,235,667	\$2,286,552	

Lease Summary Report

GENERAL TENANT INFORMATION			RENT DETAILS		RECOVERY	RENEWAL ASSUMPTION
Lease Term	Size/Bldg Share	Status/Rate	Rate/Value	Rent Change	Type/Amount	
The Sleep Train Suite A-1 1/1/2026-12/31/2036 11 year term	3,832 SF 4.46%	Base Contract \$3.75 NNN	\$45.00/SF/Yr \$172,440/Yr \$3.75/SF/Mo \$14,370/Mo	Jan 2031 \$49.50/SF/Yr \$4.13/SF/Mo	Sleep Train	Option
The Sleep Train (Option 1) Suite A-1 1/1/2037 - 12/31/2041 5 year term	3,832 SF 4.46%	Option Option \$3.75 NNN	\$55.44/SF/Yr \$212,446/Yr \$4.62/SF/Mo \$17,704/Mo		Continue Prior Sleep Train	Option
Bath & Body Works Suite A-2 11/1/2025 - 10/31/2035 10 year term	3,832 SF 4.46%	Base Contract \$2.75 NNN	\$33.00/SF/Yr \$118,107/Yr \$2.75/SF/Mo \$9,842/Mo	Nov 2030 \$36.30/SF/Yr \$3.02/SF/Mo	NNN Standard BBW	Option
Bath & Body Works (Option 1) Suite A-2 11/1/2035 - 10/31/2040 5 year term	3,579 SF 4.17%	Option Option \$2.75 NNN	\$39.93/SF/Yr \$142,909/Yr \$3.33/SF/Mo \$11,909/Mo		Continue Prior NNN Standard BBW	Option
World of Jeans & Tops Suite A-3(a) 3/1/2026 - 1/31/2037 10 year 11 month term	6,078 SF 7.08%	Base Contract \$2.00 NNN	\$20.00/SF/Yr \$121,560/Yr \$1.67/SF/Mo \$10,130/Mo	Jan 2031 \$22.00/SF/Yr \$1.83/SF/Mo	NNN WoJ&T 10% CAM	Option
World of Jeans & Tops (Option 1) Suite A-3(a) 2/1/2037 - 1/31/2042 5 year term	6,078 SF 7.08%	Option Option \$2.00 NNN	\$24.64/SF/Yr \$149,762/Yr \$2.05/SF/Mo \$12,480/Mo		Continue Prior NNN WoJ&T 10% CAM	Option
Carters Retail Suite A-3(b) 12/1/2025 - 1/31/2036 10 year 2 month term	4,508 SF 5.25%	Base Contract \$2.25 NNN	\$25.97/SF/Yr \$117,078/Yr \$2.16/SF/Mo \$9,757/Mo	Dec 2030 \$28.57/SF/Yr \$2.38/SF/Mo	NNN Carters	Option

Lease Summary Report (Continued)

GENERAL TENANT INFORMATION			RENT DETAILS		RECOVERY	RENEWAL ASSUMPTION
Lease Term	Size/Bldg Share	Status/Rate	Rate/Value	Rent Change	Type/Amount	
Carters Retail (Option 1) Suite A-3(b) 2/1/2036 - 1/31/2041 5 year term	4,508 SF 5.25%	Option Option \$2.25 NNN	\$31.43/SF/Yr \$141,664/Yr \$2.62/SF/Mo \$11,805/Mo		Continue Prior NNN Carters	Option
Burlington Coat Factory of Texas Suite B 10/9/2025 - 2/29/2036 10 year 4 month 23 day term	25,187 SF 29.32%	Base Contract \$1.50 NNN	\$17.00/SF/Yr \$428,179/Yr \$1.42/SF/Mo \$35,682/Mo	Nov 2030 \$18.00/SF/Yr \$1.50/SF/Mo	NNN Burlington	Option
Burlington Coat Factory of Texas (Option 1) Suite B 3/1/2036 - 2/28/2041 5 year term	25,187 SF 29.32%	Option Option \$1.50 NNN	\$19.00/SF/Yr \$478,553/Yr \$1.58/SF/Mo \$39,879/Mo		Continue Prior NNN Burlington	Option
Rack Room Shoes Suite C 3/1/2026 - 1/31/2037 10 year 11 month term	8,562 SF 9.97%	Base Contract \$2.25 NNN	\$26.00/SF/Yr \$222,612/Yr \$2.17/SF/Mo \$18,551/Mo	Mar 2031 \$28.60/SF/Yr \$2.38/SF/Mo	NNN Standard RRS	Option
Rack Room Shoes (Option 1) Suite C 2/1/2037 - 1/31/2042 5 year term	8,562 SF 9.97%	Option Option \$2.25 NNN	\$31.46/SF/Yr \$269,361/Yr \$2.62/SF/Mo \$22,447/Mo		Continue Prior NNN Standard RRS	Option
Petco Animal Supplies Store Suite D 10/20/2025 - 10/31/2035 10 year 12 day term	13,668 SF 15.91%	Base Contract \$2.00 NNN	\$22.00/SF/Yr \$300,696/Yr \$1.83/SF/Mo \$25,058/Mo	Nov 2030 \$24.20/SF/Yr \$2.02/SF/Mo	NNN Petco	Option
Petco Animal Supplies Store (Option 1) Suite D 11/1/2035 - 10/31/2040 5 year term	13,668 SF 15.91%	Option Option \$2.00 NNN	\$26.62/SF/Yr \$363,842/Yr \$2.22/SF/Mo \$30,320/Mo		Continue Prior NNN Petco	Option

Lease Summary Report (Continued)

GENERAL TENANT INFORMATION			RENT DETAILS		RECOVERY	RENEWAL ASSUMPTION
Lease Term	Size/Bldg Share	Status/Rate	Rate/Value	Rent Change	Type/Amount	
Five Below Suite E 6/1/2026 - 5/31/2036 10 year term	10,254 SF 11.94%	Base Contract \$2.00 NNN	\$23.00/SF/Yr \$235,842/Yr \$1.92/SF/Mo \$19,654/Mo	Jun 2031 \$25.30/SF/Yr \$2.11/SF/Mo	NNN 5 Below	Option
Five Below (Option 1) Suite E 6/1/2036 - 5/31/2041 5 year term	10,254 SF 11.94%	Option Option \$2.00 NNN	\$27.83/SF/Yr \$285,369/Yr \$2.32/SF/Mo \$23,781/Mo		Continue Prior NNN 5 Below	Option
Ulta Salon, Cosmetics & Fragrance Suite F 3/1/2026 - 2/28/2036 9 year 11 month 28 day term	10,224 SF 11.90%	Base Contract \$2.00 NNN	\$22.42/SF/Yr \$229,230/Yr \$1.87/SF/Mo \$19,103/Mo	Mar 2031 \$24.66/SF/Yr \$2.06/SF/Mo	NNN Ulta	Option
Ulta Salon, Cosmetics & Fragrance (Option 1) Suite F 2/29/2036 - 2/27/2041 5 year term	10,224 SF 11.90%	Option Option \$2.00 NNN	\$27.12/SF/Yr \$277,317/Yr \$2.26/SF/Mo \$23,110/Mo		Continue Prior NNN Ulta	Option
King Solar Suite Roof 8/1/2025 - 7/31/50 30 year term	0 SF 0%	Base Contract ROOF	\$36,000/Yr \$3,000/Mo	Aug 2030 \$39,000/Yr \$3,250/Mo Aug 2035 \$42,000/Yr \$3,500/Mo Aug 2040 \$45,000/Yr \$3,750/Mo Aug 2045 \$48,000/Yr \$4,000/Mo	None	Market - 100.00%
Mercedes Benz Suite Parking 8/1/2026 - 7/31/41 15 year term	0 SF 0%	Base Contract PRK	\$45,000/Yr \$3,750/Mo	Aug 2031 \$50,400/Yr \$4,200/Mo Aug 2036 \$56,448/Yr \$4,704/Mo	None	Market - 100.00%

DEBT-FINANCE SOFT QUOTE

AMOUNT	\$20,500,000
RATE	5.5% to 5.95%
TERM	Up to 10 years
AMORTIZATION	25 to 30 years with IO
PREPAY	Open or Stepdown

Financing Quotes By

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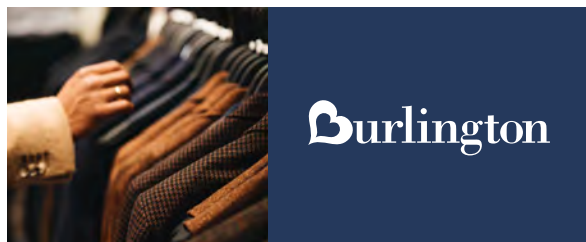
SECTION 04

TENANT PROFILES

OFFERING MEMORANDUM

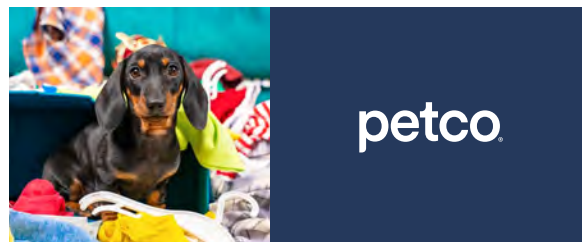


TENANT PROFILES



TENANT	Burlington Stores, Inc.
TYPE	Publicly traded off-price apparel and home retailer (NYSE: BURL)
FOUNDED	1972
HEADQUARTERS	Burlington, New Jersey
# OF LOCATIONS	Over 1,000 stores nationwide
2024 REVENUE	±\$10.6B (9.33% YOY growth)
CREDIT RATING	BB+ (Stable Outlook) – S&P Global
WEBSITE	burlington.com →

Burlington Stores, Inc. is a leading national off-price retailer offering branded apparel, footwear, accessories, and home merchandise at exceptional value. Known for its treasure-hunt shopping experience and strong value proposition, Burlington continues to expand aggressively with a focus on smaller-format stores and operational efficiency. Its resilient business model thrives in all economic cycles, making Burlington a premier tenant for retail centers nationwide.



TENANT	Petco
TYPE	Publicly traded pet supply and services retailer. (NASDAQ: WOOF)
FOUNDED	1965
HEADQUARTERS	San Diego, California
# OF LOCATIONS	±1,500 stores + across the U.S., Mexico, and Puerto Rico
2024 REVENUE	\$6.1B
CREDIT RATING	B
WEBSITE	petco.com →

Petco is a leading pet health and wellness company offering a comprehensive suite of products, services, and veterinary care. With over 50 years of experience, Petco operates a differentiated model that combines retail, grooming, training, and in-store veterinary clinics, positioning itself as a one-stop destination for pet parents. The company is focused on driving growth through omnichannel capabilities, expanding pet services, and leveraging the ongoing humanization of pets—a powerful tailwind for the industry.



TENANT	Five Below
TYPE	Publicly traded specialty value retailer (NASDAQ: FIVE)
FOUNDED	2002
HEADQUARTERS	Philadelphia, Pennsylvania
# OF LOCATIONS	±1,771 stores across 44 states (as of year-end 2024)
2024 REVENUE	±\$3.88B (8.9% YOY growth)
CREDIT RATING	Not Available
WEBSITE	fivebelow.com →

Five Below is a leading specialty value retailer offering a wide assortment of trend-right products priced primarily at \$5 and below, including tech accessories, toys, beauty, home décor, and seasonal items. The brand targets teens, tweens, and value-conscious shoppers. Known for its aggressive expansion strategy, Five Below opened 227 new stores in 2024 and plans to add 150 more in 2025, aiming for a long-term goal of over 3,500 stores nationwide. Its flexible store format and strong omnichannel capabilities make Five Below a dynamic and resilient tenant in today's retail landscape.

TENANT PROFILES



TENANT	Ulta Beauty
TYPE	Publicly traded specialty beauty retailer (NASDAQ: ULTA)
FOUNDED	1990
HEADQUARTERS	Bolingbrook, Illinois
# OF LOCATIONS	±1,445 stores across all 50 states
2024 REVENUE	±\$11.21B (9.8% YOY growth)
CREDIT RATING	Not Available
WEBSITE	ulta.com →

Ulta Beauty is the largest specialty beauty retailer in the U.S., offering a one-stop destination for cosmetics, skincare, haircare, fragrance, and salon services. Ulta's differentiated model combines retail and services, supported by a strong loyalty program with over 43 million members, omnichannel capabilities, and strategic partnerships such as shop-in-shops with Target. With consistent revenue growth, aggressive expansion plans targeting 1,800+ stores, and a proven ability to adapt to evolving beauty trends, Ulta Beauty is a premier tenant in today's retail landscape.



TENANT	Rack Room Shoes, Inc.
TYPE	Privately held footwear retailer (subsidiary of Deichmann Group)
FOUNDED	1922
HEADQUARTERS	Charlotte, North Carolina
# OF LOCATIONS	±470 stores across 36 states
2024 REVENUE	\$1.3B
CREDIT RATING	Not Available
WEBSITE	rackroomshoes.com →

Rack Room Shoes is a leading family footwear retailer offering a wide selection of nationally recognized and private-label brands for men, women, and children. Rack Room Shoes operates under both the Rack Room Shoes and Off Broadway Shoe Warehouse banners. With over 100 years in business, the company has built a reputation for quality, affordability, and community engagement through initiatives like Rack Room Shoes Gives. Rack Room Shoes continues to expand strategically across the U.S., reinforcing its position as a reliable and resilient tenant in today's retail landscape.



TENANT	Tilly's
TYPE	Publicly traded specialty apparel & accessories retailer (NYSE: TLYS)
FOUNDED	1982
HEADQUARTERS	Irvine, California
# OF LOCATIONS	±240 stores across the U.S.
2024 REVENUE	±\$569.5M
CREDIT RATING	Not Available
WEBSITE	tillys.com →

Tilly's is a leading specialty retailer offering an extensive assortment of apparel, footwear, and accessories inspired by surf, skate, and streetwear culture. Catering primarily to teens and young adults, Tilly's features top brands such as Vans, Nike, Adidas, and its own private-label lines. The company operates both brick-and-mortar stores and a robust e-commerce platform, providing a seamless omnichannel experience. With a strong brand identity and loyal customer base, Tilly's remains a recognized name in the action sports and lifestyle apparel segment.

TENANT PROFILES



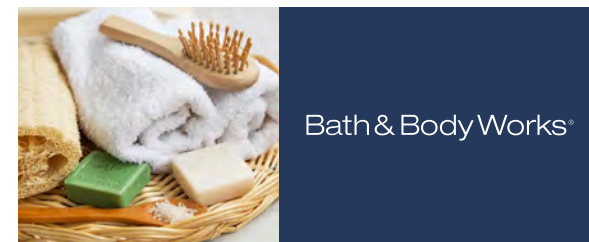
TENANT	Carter's
TYPE	Publicly traded children's apparel retailer (NYSE: CRI)
FOUNDED	1865
HEADQUARTERS	Atlanta, Georgia
# OF LOCATIONS	±1,217 stores across the U.S.
2024 REVENUE	±\$2.84B
CREDIT RATING	BB+
WEBSITE	carters.com →

Carter's, Inc. is the leading brand in North America focused exclusively on apparel for babies and young children. The company owns iconic brands such as Carter's, OshKosh B'gosh, and Skip Hop, offering a wide range of clothing, accessories, and essentials for newborns through toddlers. Carter's operates through a multi-channel model that includes retail stores, wholesale partnerships, and a robust e-commerce platform. Carter's maintains a strong balance sheet and continues to invest in pricing, marketing, and store initiatives to drive growth and enhance customer experience.



TENANT	Mattress Firm, Inc.
TYPE	Privately held specialty mattress and bedding retailer (subsidiary of Tempur Sealy Int'l as of 2025)
FOUNDED	1986
HEADQUARTERS	Houston, Texas
# OF LOCATIONS	±2,373 stores across the U.S.
2024 REVENUE	\$4.87B (Parent Co. Tempur Sealy)
CREDIT RATING	BB+ (Parent Co. Tempur Sealy)
WEBSITE	mattressfirm.com →

Mattress Firm is the nation's largest omni-channel mattress specialty retailer. With over 2,300 stores nationwide, Mattress Firm provides personalized service through its highly trained Sleep Experts and a robust e-commerce platform. The company focuses on delivering sleep solutions through an integrated retail experience, financing options, and sleep health resources via Sleep.com. Following its acquisition by Tempur Sealy International in 2025, Mattress Firm is positioned to leverage synergies in product lifecycle management, logistics, and sourcing, reinforcing its leadership in the U.S. bedding market.



TENANT	Bath & Body Works
TYPE	Publicly traded specialty retailer of personal care and home fragrance products (NYSE: BBWI)
FOUNDED	1963 (as part of L Brands; Bath & Body Works brand launched in 1990)
HEADQUARTERS	Columbus, Ohio
# OF LOCATIONS	±1,789 stores in the U.S. & Canada
2024 REVENUE	±\$7.31B
CREDIT RATING	BB+
WEBSITE	bathandbodyworks.com →

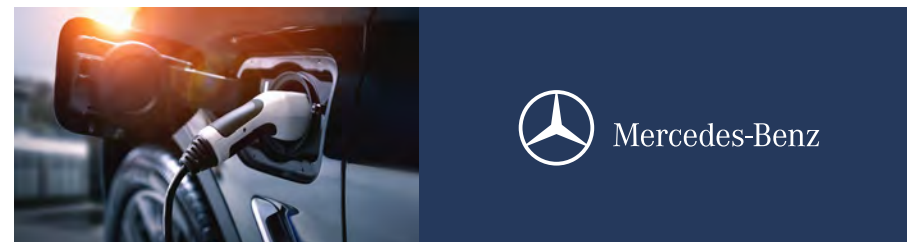
Bath & Body Works is a leading specialty retailer offering a wide range of personal care, body care, and home fragrance products. Bath & Body Works operates through a robust omnichannel platform combining brick-and-mortar stores with a strong e-commerce presence. The company has demonstrated resilience and adaptability in a competitive retail environment, leveraging product innovation, loyalty programs, and international expansion to drive growth. With a trusted brand reputation, Bath & Body Works remains a premier tenant for retail centers nationwide.

TENANT PROFILES



TENANT	King Energy Services, Inc.
TYPE	Privately held renewable energy company specializing in commercial solar solutions for multi-tenant properties
FOUNDED	2020
HEADQUARTERS	Durango, Colorado
# OF LOCATIONS	Corporate headquarters in Durango; operates nationwide through partnerships with commercial property owners
2024 REVENUE	Not Available
CREDIT RATING	Not Available
WEBSITE	kingenergy.com →

King Energy is a next-generation renewable energy company that deploys and manages solar programs for multi-tenant commercial properties such as shopping centers, office buildings, and industrial complexes. The company's innovative model pays property owners to lease unused roof space, installs solar infrastructure at no cost, and provides clean energy to tenants through its proprietary OneBill™ platform, which consolidates solar and utility billing into a single monthly statement. In 2024, King Energy tripled revenue, generated over 23 million kWh of clean energy, saved 16,000 tons of CO₂ emissions, and added \$110 million in property value for its partners. Recognized with a Gold Stevie® Award for Sustainability Leadership, King Energy delivers a four-way win for landlords, tenants, the environment, and investors, making it a premier choice for sustainable energy solutions in commercial real estate.



TENANT	Mercedes-Benz EV Charging Hub
TYPE	Electric Vehicle (EV) Charging Infrastructure – Premium Automotive Brand
FOUNDED	Mercedes-Benz Group AG established in 1926; EV Charging Network launched in 2023
HEADQUARTERS	Stuttgart, Germany (Global); Atlanta, Georgia (U.S.)
# OF LOCATIONS	Targeting 2,000+ charging hubs globally by 2030
2024 REVENUE	EV charging revenue is part of Mercedes-Benz's Mobility & Energy Services division, contributing to overall group revenue of ±\$162B
CREDIT RATING	A (Investment Grade)
WEBSITE	mercedes-benz.com →

Mercedes-Benz EV Charging Hubs are part of the brand's global strategy to support the transition to electric mobility. These premium charging stations offer ultra-fast DC charging (up to 400 kW), advanced technology integration, and a luxury customer experience, including amenities such as lounges and digital concierge services. Designed to serve both Mercedes-Benz customers and all EV drivers, the network emphasizes sustainability through renewable energy sourcing and smart-grid integration. By investing in EV infrastructure, Mercedes-Benz reinforces its leadership in the luxury automotive segment and positions its charging hubs as high-value, traffic-driving assets for retail and mixed-use properties.



SECTION 05

AREA OVERVIEW

OFFERING MEMORANDUM



In the Heart of Merced's Retail Corridor



CITY OF MERCED

Regional Significance

Merced is a growing city in California's Central Valley, strategically positioned along Highway 99, providing excellent connectivity to major markets such as Fresno, Modesto, and the Bay Area. Known as the "Gateway to Yosemite," Merced serves as a regional hub for retail, education, and healthcare, drawing consumers from surrounding rural communities and benefiting from strong east-west and north-south transportation corridors.

Economic Drivers

UC MERCED

A major catalyst for growth, UC Merced recently achieved **R1 research status** and completed the **Merced 2020 Project**, nearly doubling campus size. The expansion is projected to inject **\$700 million into the local economy through 2030**, while the university's overall economic impact exceeds **\$2.6 billion statewide**. UC Merced employs over **3,300 people** and continues to attract research funding and innovation initiatives.

HEALTHCARE & AGRICULTURE

Merced benefits from a diversified economy anchored by healthcare services and agriculture, ensuring stability and resilience.

DEMOGRAPHICS

POPULATION



±93,227
CITY POPULATION (2025)

13%
INCREASE
SINCE 2020

HOUSEHOLDS



±29,938
CITY HOUSEHOLDS (2025)



\$432,114
AVERAGE HOUSEHOLD VALUE
(AFFORDABLE HOUSING PRICES)

\$81,691
AVG HOUSEHOLD
INCOME

AGE & ETHNICITY

31.4 years

MEDIAN AGE

Reflecting a young,
family-oriented population

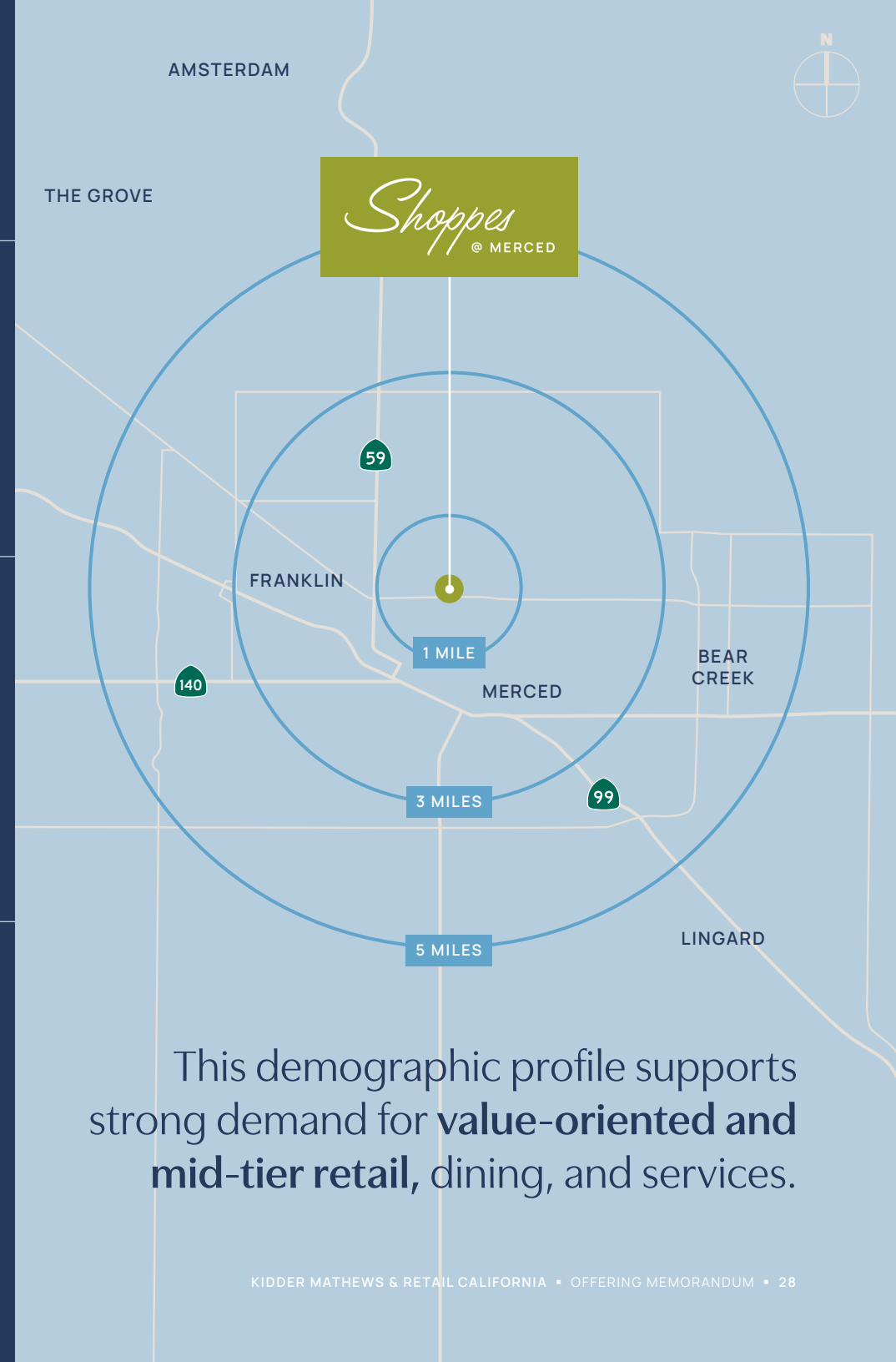


±39%
HISPANIC

±32%
WHITE

±10%
ASIAN

Shoppes
© MERCED



This demographic profile supports
strong demand for **value-oriented and
mid-tier retail, dining, and services.**

Shoppes

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