



McDonald's (Ground Lease)
3711 57th Avenue
Kenosha, WI 53144 (Chicago MSA)

CONFIDENTIAL OFFERING MEMORANDUM

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CONFIDENTIALITY & DISCLAIMER

The information contained in the following Offering Memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from The Boulder Group and should not be made available to any other person or entity without the written consent of The Boulder Group. This Offering Memorandum has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. The Boulder Group has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Offering Memorandum has been obtained from sources we believe to be reliable; however, The Boulder Group has not verified, and will not verify, any of the information contained herein, nor has The Boulder Group conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

EXECUTIVE SUMMARY

The Boulder Group is pleased to exclusively market for sale a single tenant McDonald's ground lease located in the Chicago MSA. The McDonald's property is located on an 82,257 square foot parcel and was built in 2011. The property benefits from its location across from a retail development featuring both a Wal-Mart and Sam's Club that were constructed in 2008 and opened in 2009. The property is located 32 miles south of Milwaukee and 50 miles north of downtown Chicago.

The property is located at the intersection of Green Bay Road and Washington Road. This signalized intersection has traffic counts of approximately 44,000 vehicles per day. The property's drive-thru is open 24 hours a day. Adjacent to the McDonald's is a new CVS that was built in 2011. There are plans to add another traffic signal at the east end of the development in the future.

McDonald's original lease term is for 20 years with eight 5-year renewal options and the lease expires in September 2031. The base rent increases by 10% every five years during the primary term and the options periods. McDonald's is a publicly traded company on the New York Stock Exchange (MCD), with a market capitalization of \$102 Billion. McDonald's is an investment grade rated company with a Standard & Poor's rating of A.

INVESTMENT HIGHLIGHTS

- Investment grade company rated with an S&P Rating of A
- Located within the Chicago MSA
- New construction
- Triple Net Ground Lease
- 24 hour location with a drive-thru
- Three 10% rental escalations in the primary lease term
- Nearby retailers include Wal-Mart, Sam's Club and CVS
- Located 32 miles from Milwaukee and 50 miles from downtown Chicago



PROPERTY OVERVIEW

Price:	\$1,157,894	
Cap Rate:	4.75%	
Base Rent*:	<u>NOI</u>	<u>Escalation Date</u>
	\$55,000	
	\$60,500	9/28/2016
	\$66,550	9/28/2021
	\$73,205	9/28/2026
Alternate Rent:	<u>NOI</u>	<u>Escalation Date</u>
	\$50,000	
	\$55,000	9/28/2016
	\$60,500	9/28/2021
	\$66,550	9/28/2026
Renewal Options:	Eight 5-year	
Renewal Escalations:	10% every five years	
Lease Commencement Date:	September 28, 2011	
Lease Expiration Date:	September 27, 2031	
Tenant:	McDonald's Corp.	
Credit Rating:	A	
Year Built:	2011	
Lease Type**:	Ground Lease - NNN	
Rentable Square Feet:	4,467 SF	
Land Size:	1.88 acres	

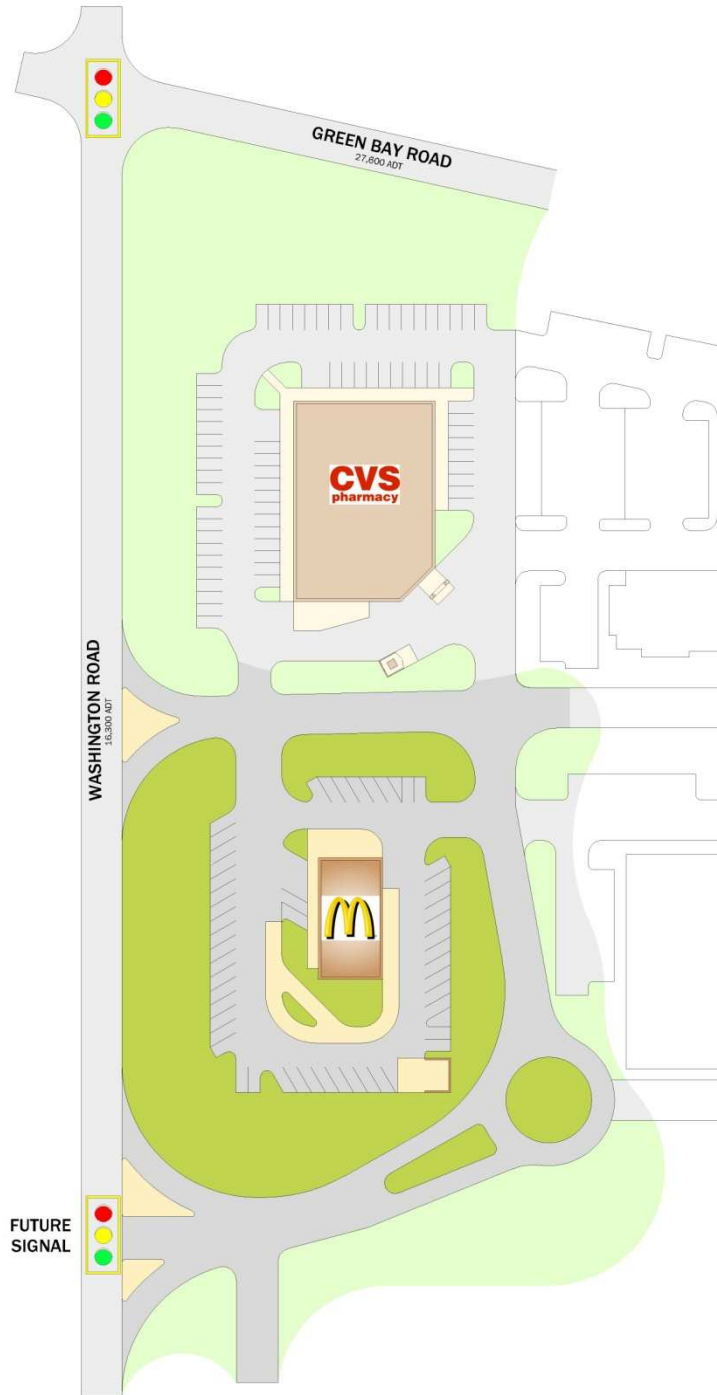
*Tenant is currently paying alternate rent (shown above), as a traffic signal has not been constructed at this time at the intersection of 56th Avenue and Washington Road. Until the traffic signal is constructed, installed and operating, Tenant shall pay alternate rent. At this time, the city has agreed to allow the installation so long as the traffic volumes in and out of the development are in excess of 5,700 vehicles per day. The seller will escrow ten years of the rent differential payable to the buyer on a quarterly or annual basis until installation of the traffic signal is complete or the escrow is fully paid out. The seller currently has a letter of credit posted to cover the cost of the traffic light installation. The necessary road work and conduits have already been put in place.

**There are no Landlord maintenance responsibilities; however Tenant shall reimburse the Shopping Center manager its prorata share of CAM.

AERIAL



SITE PLAN



MAPS



DEMOGRAPHIC COMPARISON REPORT

Population	3-mi.	5-mi.	7-mi
Total Population	66,915	117,783	143,464
Total Households	25,860	45,404	55,244
Income			
Median Household Income	\$54,576	\$58,318	\$60,952
Average Household Income	\$62,766	\$66,637	\$68,867



TENANT PROFILE

McDonald's Corporation (NYSE: MCD) is the world's largest chain of hamburger fast food restaurants, serving around 64 million customers daily throughout 119 countries. McDonald's primarily sells hamburgers, cheeseburgers, chicken, french fries, breakfast items, soft drinks, shakes and desserts. In response to changing consumer tastes, the company has expanded its menu to include salads, wraps, smoothies and fruit. McDonald's restaurants offer customers counter service as well as drive-thru service. McDonald's owns approximately 15% of their restaurants, while the remainder of the stores are run by franchisee members or joint venture. In 2010 McDonald's had total revenue of \$24 billion, a 5.8% growth over 2009.

Website:	www.mcdonalds.com
Number of Locations:	33,000
Stock Symbol:	MCD : NYSE
Standard & Poor's Rating:	A
Market Capitalization:	\$102 Billion
Employees:	1.7 Million



LOCATION OVERVIEW



Kenosha is the county seat of Kenosha County, Wisconsin. According to the US Census Bureau, Kenosha as of May 2011 had a population of 99,218. Kenosha lies on the southwestern shore of Lake Michigan, 32 miles south of Milwaukee and 50 miles north of Chicago. Chicago is accessible by car or commuter rail and Kenosha is the only Metra stop in Wisconsin. Kenosha is part of the Chicago MSA Metropolitan Statistical Area.

The largest employers in Kenosha County are United Hospital System, Chrysler LLC, Aurora Health Care, Carthage College and Snap-on.

www.kenosha.org

Chicago MSA is the third most populated metropolitan area in the United States with 9,580,567 residents. The MSA covers over 1,300 square miles and six counties. The Chicago metropolitan area is home to the corporate headquarters of 57 Fortune 1000 companies, including Boeing, McDonald's, Motorola, Discover Financial Services and United Airlines. Chicago is a major hub for industry, telecommunications and infrastructure and O'Hare International Airport is the second busiest airport in the world in terms of traffic movement. Chicago is the most populous city in the Midwestern United States and the third most populous city in the United States with 2,700,000 residents. Chicago is the county seat of Cook County, the second largest county in the United States.

The metro is also a major financial center in North America, and is home to the largest futures exchange in the United States, the CME Group. Chicago is third in the world on the Global Financial Centers Index which ranks the competitiveness of financial centers based on people, business environment, market access, infrastructure and general competitiveness.

<http://www.cityofchicago.org>

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