

CONFIDENTIAL OFFERING MEMORANDUM

Absolute NNN · 2% Annual Increases · Chicago MSA

139 N. Northwest Highway // Palatine (Chicago MSA), IL 60067



EXCLUSIVELY OFFERED BY:

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BAUM REALTY GROUP, LLC

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Actual Site

Offering Summary

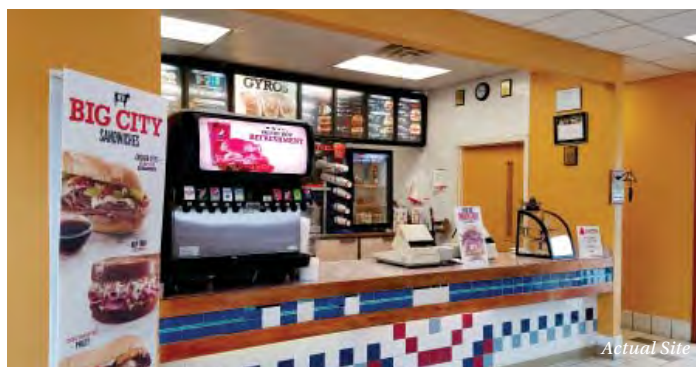
Baum Realty Group has been exclusively retained by ownership to sell the Absolute NNN Arby's Restaurant property located in Palatine (Chicago MSA), IL. The freestanding restaurant features a drive-thru and is located along Northwest Highway (US-14) where it benefits from an established and affluent northwest community of Chicago.

PRICE:	\$1,315,000
CAP RATE:	6.89%
YEARS REMAINING:	8.75 YEARS

Annual Rent (2018): \$90,935

Escalations: 2% each year

Lease Type: Absolute NNN



Investment Highlights

ABSOLUTE NNN

No landlord responsibilities. Tenant pays directly for 100% of CAM, Taxes, and Insurance, and self-maintains the premises including roof and structure, providing a totally passive investment for the owner.

STRONG RENTAL INCREASES

Rent increases 2% each year through the remaining primary term of the lease and each of the four 5-year options. This provides an excellent hedge against inflation in today's rising economic environment.

STRONG NATIONAL BRAND

Arby's is the second-largest fast food sandwich restaurant chain in the U.S with more than 3,300 locations and it is the third largest in terms of revenue, generating more than \$3.6 billion in 2016.

STRATEGIC LOCATION

There is a strong barrier to entry in the Palatine market. The Arby's is strategically positioned to capture customers in heavy traffic heading to and from I-90 and I-290, two major interstates which lead to downtown Chicago, 30 minutes away.



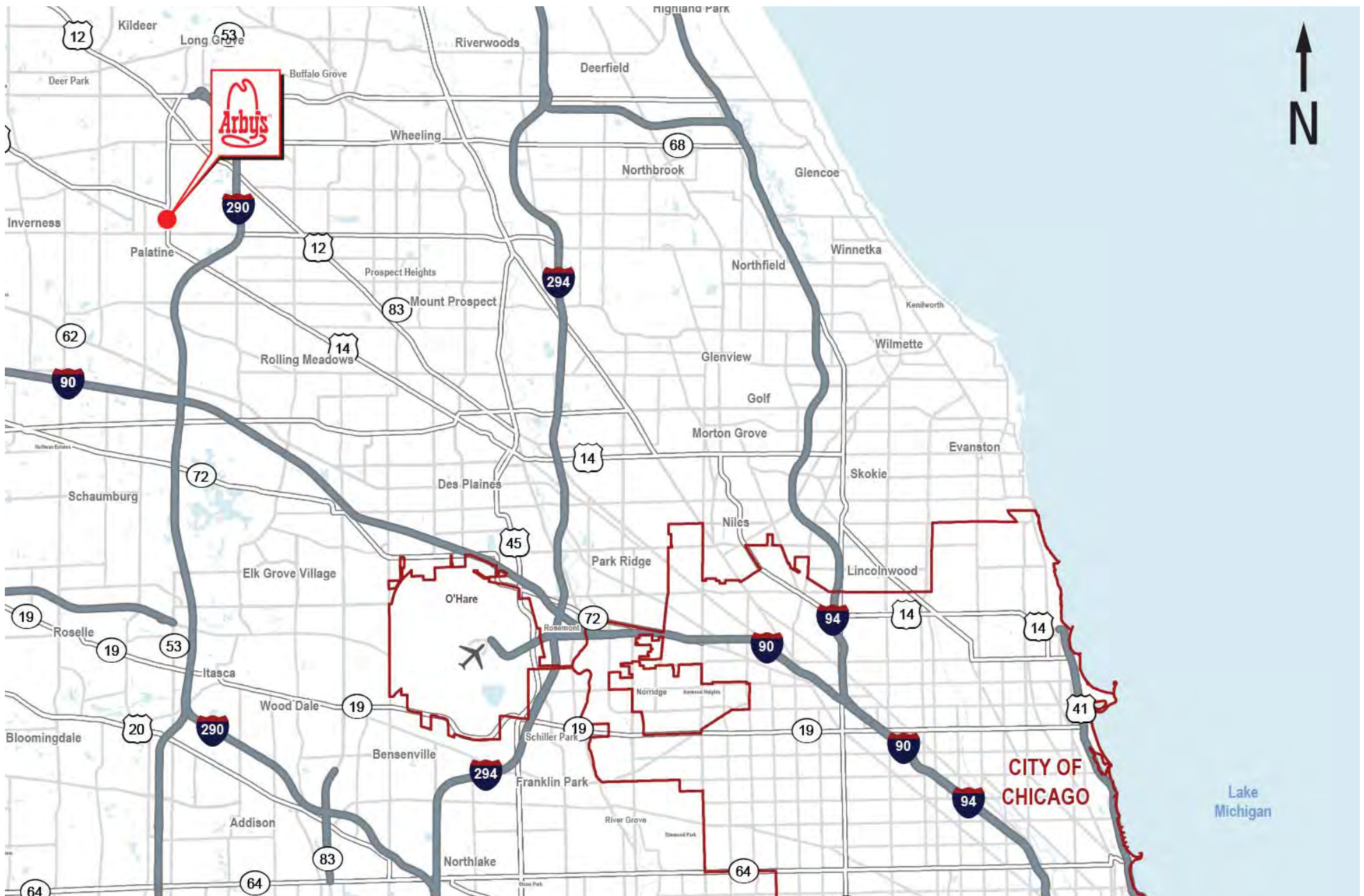
Actual Site

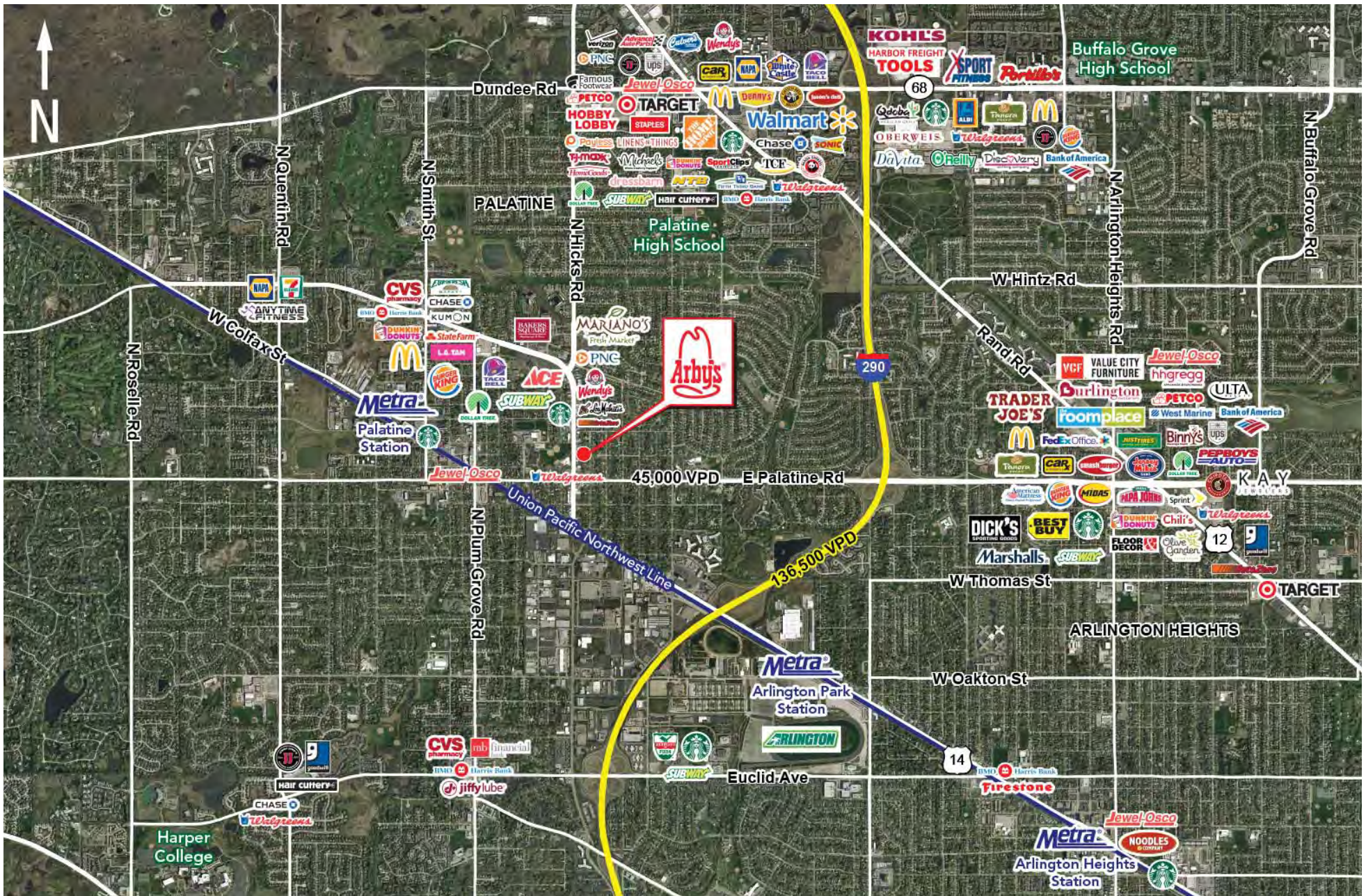
NATIONAL RETAILER PRESENCE

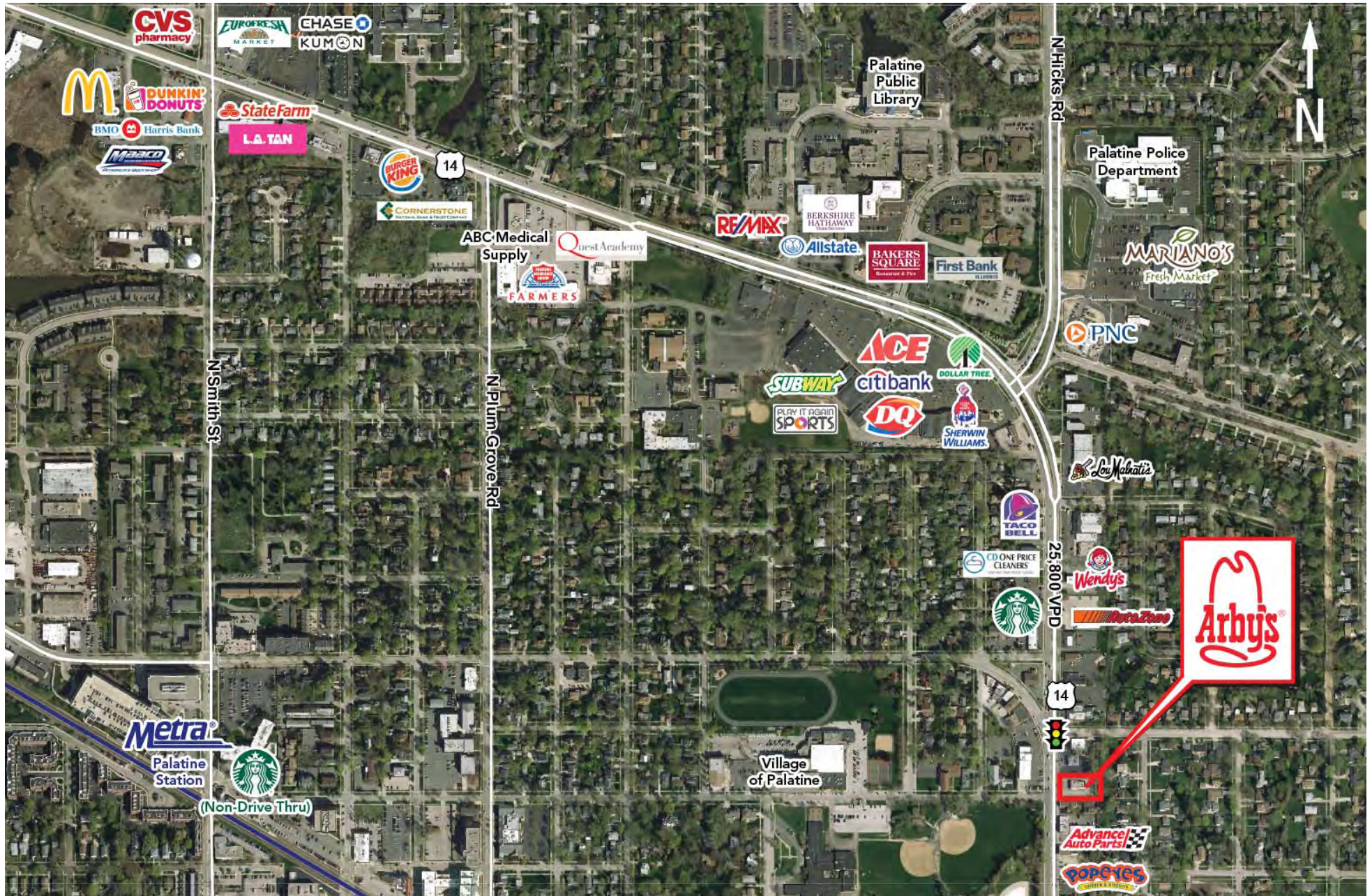
The recently completed Mariano's Fresh Market is less than ¼ mile north, adding to the bustling Northwest Highway commercial thoroughfare. Other nearby national retailers include: CVS, McDonald's, Lou Malnati's, Starbucks, Wendy's, Burger King, Dunkin' Donuts, Taco Bell, Popeye's, Dairy Queen, Bakers Square, Chase Bank, BMO Harris Bank, PNC Bank, among others.

STRONG DEMOGRAPHICS

There are close to 14,000 residents with an average household income in excess of \$96,500 within 1 mile and a population of more than 112,000 people within 3 miles of the site earning in excess of \$100,000, providing an established affluent customer base for the coffee retailer. Additionally, there is about 800,000 square feet of office space in Palatine, adding to the dense local demographic.









PROPERTY ADDRESS:
139 N. NORTHWEST HIGHWAY,
PALATINE, IL 60067

BUILDING SIZE:
±3,000 SQUARE FEET

TOTAL LOT SIZE:
±0.45 ACRES

DRIVE-THRU:
YES



Actual Site

Property Information

Arby's is ideally situated in the sub-market to capture traffic to and from State Route 53, which connects with I-90 and I-290, and leads directly to downtown Chicago. The immediate area is anchored the 137,000 square foot Palatine Plaza shopping center and a recently constructed 71,000 square foot Mariano's Fresh Market, a leading Chicagoland grocer. Other nearby national retailers include: CVS, McDonald's, Chase Bank, Burger King, BMO Harris Bank, Ace Hardware, Dairy Queen, Dollar Tree, Bakers Square, PNC Bank, Dunkin' Donuts, Lou Malnati's, Taco Bell, AutoZone, Starbucks, Popeye's, Wendy's, and Sherwin Williams, among others.

Adding to the dense Chicago MSA demographics is the Arlington International Racecourse, which is located approximately 2.5 miles southeast of the site along Northwest Highway. The racecourse ushers in approximately 800,000 visitors annually and is open May-September.

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DEMOGRAPHIC SUMMARY

	1 Mile	3 Miles	5 Miles
Estimated Population	13,876	112,474	246,387
Estimated Households	6,166	45,656	100,124
Average Household Income	\$96,528	\$100,633	\$109,572
Adj. Daytime Population (Age 16+)	11,758	79,701	216,111

Site Plan



Rent Roll & Pricing

Term	Annual Rent	Monthly Rent	Rent PSF	Rent Increase	Yield
1/1/2017 - 12/31/2017	\$88,760	\$7,397	\$29.59	2%	6.75%
1/1/2018 - 12/31/2018	\$90,535	\$7,545	\$30.18	2%	6.89%
1/1/2019 - 12/31/2019	\$92,346	\$7,695	\$30.78	2%	7.02%
1/1/2020 - 12/31/2020	\$94,193	\$7,849	\$31.40	2%	7.16%
1/1/2021 - 12/31/2021	\$96,077	\$8,006	\$32.03	2%	7.31%
1/1/2022 - 12/31/2022	\$97,998	\$8,167	\$32.67	2%	7.45%
1/1/2023 - 12/31/2023	\$99,958	\$8,330	\$33.32	2%	7.60%
1/1/2024 - 12/31/2024	\$101,957	\$8,496	\$33.99	2%	7.75%
1/1/2025 - 10/31/2025	\$103,996	\$8,666	\$34.67	2%	7.91%
Average Yield:					7.32%

Pricing	
Price:	\$1,315,000
Cap Rate:	6.89%
Years Remaining:	8.75 years
Annual Rent (2018):	\$90,935
Escalations:	2% each year
Lease Type:	Absolute NNN



Lease Abstract

Tenant:	Miracle Restaurant Group, LLC (dba Arby's Restaurant)
Space Size:	±3,000 Square Feet
Lease Type:	Absolute NNN
Original Term:	20 Years (8.75 yrs. remaining)
Rent Commencement:	October 5, 2005
Lease Expiration:	October 31, 2025
Current Annual Rent:	\$88,760
Rent Increases:	2% each year
Percentage Rent:	Please call for details
Renewal Options:	Four, 5-year options
Common Area Maintenance:	Tenant maintains
Taxes:	Tenant maintains and pays directly
HVAC:	Tenant maintains
Insurance:	Tenant maintains and pays directly
Utilities:	Tenant maintains and pays directly
Roof & Structure:	Tenant maintains all repairs and replacements



TENANT:
MIRACLE RESTAURANT GROUP
(DBA ARBY'S RESTAURANT)

PARENT COMPANY:
ARBY'S RESTAURANT GROUP,
INC.

NUMBER OF LOCATIONS:
3,342

PARENT COMPANY ANNUAL REVENUE:
\$3.6 BILLION



Tenant Overview

ARBY'S

Arby's is the second-largest fast-food sandwich restaurant chain in the U.S in terms of number of locations with more than 3,300 restaurants and is the third largest in terms of revenue with over \$3.6 billion in 2016.

In 2016, Arby's posted Same-Store Sales (SSS) growth of 3.8% - outperforming the Quick Service Restaurant (QSR) industry by 2.3% and marking 25 consecutive quarters of SSS growth. Over the past two years, Arby's posted SSS growth of 11.8%.

Arby's opened 167 new locations last year and remodeled 229 restaurants system-wide with their latest "Inspire" prototype design. Business highlights from the year include:

NRN GOLDEN CHAIN RECOGNITION

Nation's Restaurant News honored CEO Paul Brown & franchisee Guillermo Perales with the Golden Chain award, which "celebrates the best in the restaurant business."

INTERNATIONAL EXPANSION

Arby's announced its first international expansion since 2010 with a 25 restaurant development agreement in Kuwait & Saudi Arabia including openings beginning in 2017.

WE HAVE THE MEATS®

After becoming the nation's first QSR to introduce a Pork Belly sandwich, Arby's unveiled a Venison sandwich which sold out in all 17 hunting-centric restaurants in which it was offered. These were just two of the new 24 culinary innovations Arby's brought to its menu throughout the year.

SURGING GUEST SATISFACTION

Arby's achieved significant improvement in guest satisfaction, with a six-point year-over-year improvement from 2015 to 2016 within the QSR industry, according to The American Customer Satisfaction Index Report.

The tenant is Miracle Restaurant Group LLC (MRG), a Louisiana based Arby's franchisee with 28 locations throughout Texas, Indiana, Louisiana, Mississippi, and Illinois. MRG has operated this location for over 11 years with over 8 years of primary term remaining. Miracle Restaurant Group is the largest Arby's franchisee in the Chicago MSA with 18 locations in the region.

Palatine Overview

The Village of Palatine is located approximately 30 miles northwest of the Chicago Loop has more than 69,000 residents. There is a strong barrier to entry in the Palatine market. The Arby's is strategically positioned to capture customers in heavy traffic heading to and from I-90 and I1-290, two major interstates which lead to downtown Chicago, 30 minutes away.

The village prides itself on being a self-sufficient community with a thriving downtown business district and 30 total shopping districts throughout the community. In addition to the abundant shopping in the village, there is more than 800,000 square feet of office space, including the headquarters for Weber-Stephen Products and Square D, providing the village with a solid economic backbone.

The high quality of life in the northwest suburb has led to lots of recent development, including single-family homes, multi-family complexes, and commercial developments. In addition to the strong local economy, the village is home to 12 elementary and junior high schools and two highly regarded high schools, providing great educational opportunity for resident families. Also situated within the village is William Rainey Harper Community College, which has approximately 24,000 students and contributes to the dense local demographic.

IMAGES:

- ① Downtown Palatine and Metra station
- ② Palatine Post office
- ③ Harper Community College campus



Chicago Economic Overview

3RD LARGEST MSA IN US

The Chicago MSA is home to approximately 9.5 million residents, making it the third most populous region in the country, encompassing 16 counties across three states: Illinois, Indiana, and Wisconsin. The city of Chicago is the economic and cultural capital of the Midwest, featuring a vibrant downtown district that is filled with world class businesses, restaurants, retail, residences, and entertainment. The strong economic base, skilled labor pool and diverse background make this 24-hour metropolis one of the most important and influential in the world. Chicago features 26 regional malls and 47 sub-regional markets within the MSA.



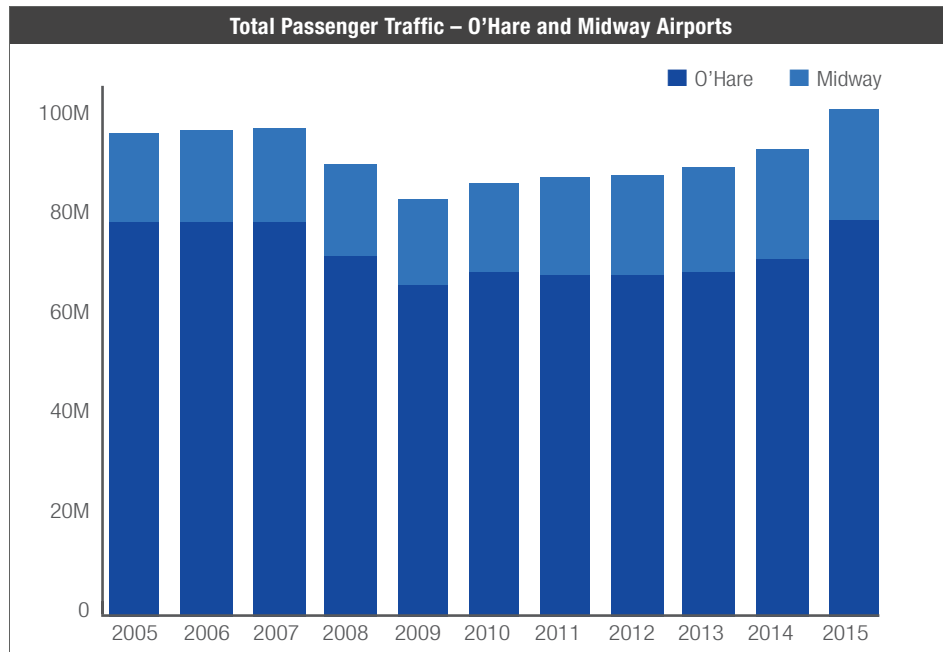
Top US Cities by Population		
Rank	City	Population
1	New York City	8,550,405
2	Los Angeles	3,971,883
3	Chicago	2,720,546
4	Houston	2,296,224
5	Philadelphia	1,567,442
6	Phoenix	1,563,025
7	San Antonio	1,469,845
8	San Diego	1,394,928
9	Dallas	1,300,092
10	San Jose	1,026,908

Source: U.S. Census – 2015 Population Estimate

INTERNATIONAL TRAVEL DESTINATION

Chicago is the 2nd most popular travel destination in the US. In 2015, the city hosted 50.97 million domestic visitors, which was a 4.5% increase from 2014's record performance of 50.17 million visitors. Additionally, the city hosted an estimated 1.3 million international visitors, bringing the total number of visitors to more than 52 million. Since 2010, the tourism and hospitality industries have added 9,800 jobs, generating \$13.7 billion in direct spending by visitors and \$871 million in total tax revenue.

Downtown Chicago features direct rail access to O'Hare International Airport and Midway International Airport, which is the only "dual-hub" airport system in North America and handles more than 1,500 daily departures and 99 million passengers annually. O'Hare is ranked #1 best connected airport in the U.S. because all major North American markets are within a 4-hour flight. Currently, O'Hare is undergoing a \$6.6 billion, 20-year expansion reducing flight delays and increasing flight capacity into the foreseeable future.



Source: Chicago Department of Aviation

“Dual-Hub” airport system has more than 1,500 daily departures and 99 million annual passengers.

1,500+
DAILY DEPARTURES

99 Million
ANNUAL PASSENGERS

2ND HIGHEST GRP IN US

Chicago has the 2nd largest Gross Regional Product in the US, second to New York City, at \$576 billion. This also ranks Chicago 24th in the world in terms of Gross Product, if Chicago were its own country. Additionally, Chicago is the country's most diversified economy, with no single industry employing more than 14% of the workforce. Chicago's primary industries include: Financial Services, Business & Professional Services, Manufacturing, Health Services, and Transportation and Warehousing.

Chicago has one of the world's largest and most diversified economies at over \$575 billion in annual GRP, making it the 4th most economically powerful city in the world.

In 2016, the growth rate of real GDP is expected to be 2.6% — an improvement from the projected 2.2% rate for 2015.

As one of the largest financial centers in North America, the Chicago MSA is home to more than 400 major corporate headquarters, including 31 S&P 500 companies, 36 Fortune 500 companies and 20 FT Global 500 companies, including: Walgreens Boots Alliance, Boeing, United Continental Holdings, McDonald's, Discover Financial and Abbot Laboratories, among others. The city is also home to the largest future exchanges in the US, the CME Group.



*Chicago is home to more than 400 major corporate HQ's, including **36 Fortune 500 companies**, and ranked #2 in North America for International HQ's.*



Fortune 500 Headquarters In the Chicago MSA

Company Name	Location	Rank
Walgreens Boots Alliance	Deerfield, IL	19
Boeing	Chicago, IL	24
State Farm Insurance Cos.	Bloomington, IL	35
Archer Daniels Midland	Chicago, IL	41
Caterpillar	Peoria, IL	59
United Continental Holdings	Chicago, IL	80
Allstate	Northbrook, IL	81
Mondelez International	Deerfield, IL	94
Exelon	Chicago, IL	95
Deere	Moline, IL	97
McDonald's	Oak Brook, IL	109
Sears Holdings	Hoffman Estates, IL	111
US Foods Holding	Rosemont, IL	122
AbbVie	North Chicago, IL	123
Abbott Laboratories	Abbott Park, IL	138
Illinois Tool Works	Glenview, IL	211
CDW	Lincolnshire, IL	220
R. R. Donnelley & Sons	Chicago, IL	255
Navistar International	Lisle, IL	281
Discover Financial Services	Riverwoods, IL	283
W. W. Grainger	Lake Forest, IL	285
Baxter International	Deerfield, IL	286
Univar	Downers Grove, IL	315
Tenneco	Lake Forest, IL	334
LKQ	Chicago, IL	369
Dover	Downers Grove, IL	377
Anixter International	Glenview, IL	391
Baxalta	Bannockburn, IL	420
Jones Lang Lasalle	Chicago, IL	436
Old Republic International	Chicago, IL	442
Packaging Corp. of America	Lake Forest, IL	446
Motorola	Schaumburg, IL	451
Ingredion	Westchester, IL	456
Arthur J. Gallagher	Itasca, IL	471
Essendant	Deerfield, IL	477
Telephone & Data Systems	Chicago, IL	496

Source: Fortune Magazine, June 2016

WORLD CLASS EDUCATION

Northwestern University, the University of Chicago, the University of Illinois at Chicago, DePaul University and Loyola University are all located within the Chicago MSA. There are also more than 325,000 students, with 65,000 in the Loop alone, who attend over 60 higher education institutions throughout the metropolitan area, supplying the city with a young and talented workforce. Of the 60 institutions, 2 are Top 20 Universities in the US and is a Top 10 University in the World. Chicago is also ranked as the #1 Metro for Big Ten Alumni and the #1 City for Recent College Grads.

The Chicago MSA is home to more than 60 colleges & universities, including: Northwestern University, The University of Chicago, University of Illinois at Chicago, DePaul University and Loyola University.



GROWING ECONOMY

Cost of Business by Metro Area	
City	Index
Chicago	99.1
Philadelphia	99.4
Sacramento	99.5
San Diego	99.9
North Virginia (Metro DC)	100.1
Los Angeles	100.5
Boston	101.1
Seattle	101.4
New York City	103.6
San Francisco	104.2



Chicago is top-ranked for economic potential among major cities across the world. As of 2015, Chicago remains the #1 ranked city for Metro Corporate Investments in the US and *Inc. Magazine* ranked Chicago #4 "Number of Fastest Growing Companies in the US". *World Business Chicago* identified more than 675 new & expanding facilities announced, under development, or completed in the metro area in 2013, representing a total of 35 million square feet and \$6 billion in economic development activity. Also, Chicago's list of active and new retailers has increased 25% since 2013, with 55 of these being new entrants to the market. Other factors contributing to Chicago's growing economy are a decline in unemployment and interest rates, as well as having the highest consumer confidence index since 2008.

IMAGES

① University of Chicago - Mansueto Library

② Navy Pier

Confidentiality Disclosure

Baum Realty Group, LLC. ("Baum") has been retained as the exclusive broker by the Owner of Record ("the Owner") of 139 N Northwest Highway, Palatine, IL 60067 in connection with the sale of certain properties ("the Property") as described in this Offering Memorandum.

This Offering Memorandum has been prepared by Baum for use by a limited number of parties, and does not purport to provide a necessarily accurate summary of the physical or economic aspects of the Property or any of the documents related thereto, nor does it purport to be all inclusive or to contain all of the information which prospective investors may need or desire further, the Offering Memorandum is limited to the matters set forth therein. All budgets or projections have been developed by Baum and Owner, and are based upon assumptions relating to the general economy, competition, and other factors beyond the control of the Owner and Baum and therefore are subject to variation. Each of Baum and Owner makes no representation as to the accuracy or completeness of the information contained herein, and nothing contained herein is, or shall be relied on as a promise or representation as to the future performance of the Property. Although the information contained herein is believed to be correct, Baum and its employees, and Owner, and its trustees, officers, and employees disclaim any and all liability for representations and warranties, expressed and implied, contained in, or omissions from the Offering Memorandum or any other written or oral communication transmitted or made available to the recipient. The Offering Memorandum does not constitute a representation that there has been no change in the business or affairs of the Property Owner as of the date of preparation of the Offering Memorandum.

Additional information and an opportunity to inspect the Property will be made available upon written request to interested and qualified prospective investors.

Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest or offers regarding the property, and/or terminate discussions with any entity at any time with or without notice. Owner shall have no legal commitment or obligations to any entity reviewing the Offering Memorandum or making an offer to purchase the property unless and until such offer is approved by Owner and the Board of Trustees of Owner and a written agreement for the purchase of the Property has been fully executed, delivered and approved by Owner and its legal counsel, and any conditions to Owner's obligations hereunder have been satisfied or waived.

This Offering Memorandum and the contents, except such information that is a matter of public record or is provided in sources available to the public, are of a confidential nature. By accepting this Offering Memorandum, you acknowledge that you have executed, and have agreed to be bound by, the Confidentiality Agreement with Baum and Owner.

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