



**TSC TRACTOR
SUPPLY CO**



MID-AMERICA®

**TRACTOR SUPPLY COMPANY
KOHLER | WISCONSIN**



THE MID-AMERICA NET LEASE INVESTMENT SALES TEAM IS PLEASED TO PRESENT



TRACTOR SUPPLY COMPANY

3650 County Road A, Kohler, WI 53044

OWNERSHIP'S EXCLUSIVE REPRESENTATIVES

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OFFERING

Tractor Supply Company is located at 3650 County Road A in Kohler, Wisconsin, approximately 50 miles north of Downtown Milwaukee. The property is situated on 3.91 acres of land, with a 19,823 square foot building, loading docks, and a fenced outdoor display area. The subject property was built in 2008 and renovated in 2017. Tractor Supply has 9 years left of initial term and has 5% rental increases every five (5) years throughout the term and all option periods. The site is located just off of I-43 and is highly visible from the highway. The combination of a brand new lease, visibility, and strong surrounding retailers, make this a solid net lease investment.



INVESTMENT HIGHLIGHTS

LONG TERM LEASE WITH HIGHLY REGARDED \$6+ BILLION REVENUE COMPANY

Tractor Supply Company, the largest operator of rural lifestyle products in the United States, was founded in 1938 and now owns and operates over 1,600 locations in 49 states. The company has reported total revenue in excess of \$6 billion for the past two years and has a current market cap of \$9.98 billion. Tractor Supply Company resides in a newly renovated building, together with loading docks, and a fenced outdoor display area. Tractor Supply has 9 years left of initial term and has 5% rental increases every five (5) years throughout the term and all option periods.

NEWLY RENOVATED BUILDING WITH WELL BELOW MARKET RENT

Tractor Supply is situated on a large ~3.91 acre parcel of land and is paying far below market rent of \$6.55 per square foot, while other rents in the area are well into the double digits. In addition, the tenant took the property "as-is" and invested heavily into the building and outdoor display area. Lastly, the rent Tractor Supply is paying is far below the majority of their other locations around the country. This below market rent allows investors to purchase the property at a low basis and provides future intrinsic value.



Price: \$1,925,000

Cap Rate: 6.75%

Investment Overview

Tenant:	Tractor Supply Company
Address:	3650 County Road A, Kohler, WI 53081
Term Remaining:	9 years
Annual Rent:	\$129,841
Lease Type:	NN Lease
Total Square Footage:	19,823 (Building) 15,000 (Outdoor Display Area)
Lot Size:	~3.91 acres
Year Built:	2008
	Renovated in 2017



KEY FEATURES

SOLID TRAFFIC AND HIGHWAY VISIBILITY

Tractor Supply Company is adjacent to a full interchange with I-43, which carries approximately 32,000 vehicles per day. The subject offering is highly visible along the highway making it an attractive location for Tractor Supply Company and any future tenants.

STRONG SUB-REGIONAL TRADE AREA

The subject site is located in a regional trade area, drawing customers from Sheboygan and Kohler. Tractor Supply Company is immediately surrounded by many national retailers including Home Depot, Target, TJ Maxx, Ulta, Dollar Tree, Jo-Ann, Pier 1 Imports, and Maurices. To the east of I-43, there is a Walmart, Harley Davidson, WG&R Furniture and countless restaurants.

LARGE CORPORATE CAMPUSES IN IMMEDIATE AREA

Directly north, just off of I-43, resides the corporate campus for Acuity Insurance and Kohler Company. Acuity provides property and casualty insurance products for consumers and businesses throughout the United States. The company operates in 25 states, generates over \$1.45 billion in revenue through 1,000 independent agencies, and manages over \$4 billion in assets. Kohler is one of the largest plumbing manufacturers and is best known for its plumbing products, however the company also makes furniture, cabinetry, tile, engines, and generators. At their respective campuses, Acuity employs between 500-1,000 people, while Kohler is by far the largest company in the county employing more than 5,000 people.



Trade Area 6



TRADE AREA - NORTHEAST



SURROUNDING RETAIL - NORTH

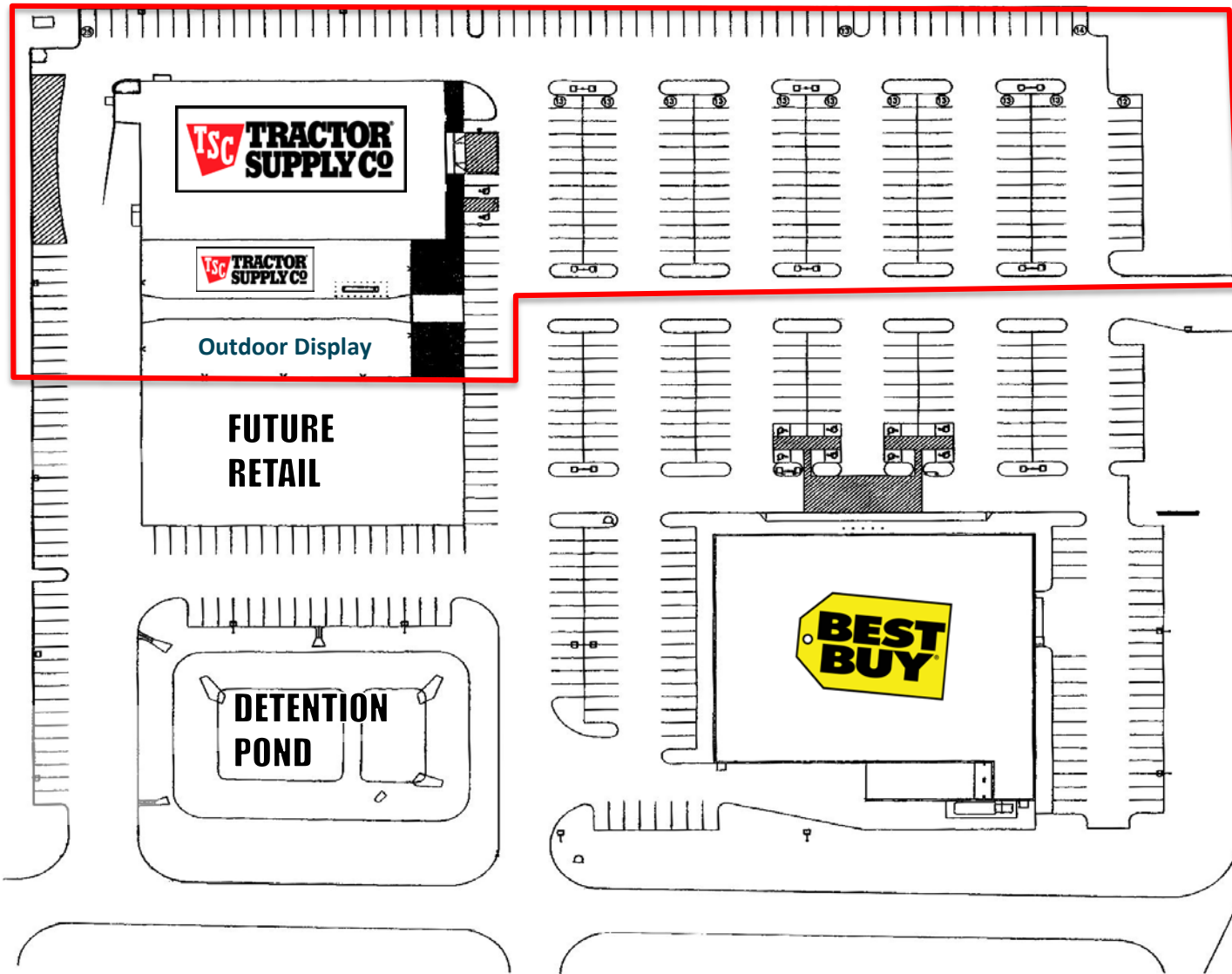


Subject Offering



SITE AERIAL





Subject Offering —



FINANCIAL SUMMARY

PRICING

Price: \$1,925,000

Cap Rate: 6.75%

Building Square Footage: 19,823

Years	Annual Base Rent	Monthly Rent	Rent Per Square Foot	Yield	Rental Increase
1-5	\$129,841	\$10,820	\$6.55	6.75%	
6-10	\$136,333	\$11,361	\$6.88	7.09%	5.00%
Average Yield Throughout Primary Term				6.92%	
Option 1					
11-15	\$143,149	\$11,929	\$7.22	7.44%	5.00%
Option 2					
16-20	\$150,307	\$12,526	\$7.58	7.81%	5.00%
Option 3					
21-25	\$157,822	\$13,152	\$7.96	8.20%	5.00%
Option 4					
26-30	\$165,713	\$13,809	\$8.36	8.61%	5.00%
Average Yield Throughout Option Periods				8.02%	

LEASE SUMMARY - TRACTOR SUPPLY COMPANY

Tenant:	Tractor Supply Company
Address:	3650 County Road A, Kohler, WI
Lease Type:	NN Lease
Year Built:	2008, expanded and renovated in 2017
Building Size:	19,823 sf
Land Area:	~3.91 Acres
Expiration Date:	January 31, 2028
Term Remaining:	9 years
Current Annual Rent:	\$129,841
Rent Per Square Foot:	\$6.55
Rental Increases:	There are 5.00 % increases every five (5) years during the primary term.
Renewal Options:	Four (4) – five (5) year options.
Renewal Increases:	There are 5.00% increases every five (5) years throughout the option periods.
Common Area*:	Landlord shall maintain all of the Common Area in good repair. Tenant shall make payments to Landlord monthly in the amount of one thousand six hundred sixty six dollars and sixty seven cents (\$1,666.67), which represents Landlord's good faith estimate of Tenant's pro rata share of Common Area Expense. Tenant's pro rata share of Common Area Expenses is subject to a maximum increase of five percent (5%) over Tenant's share for the immediately preceding calendar year, excluding snow and ice removal. (See below or reach out to brokers for additional information on Common Area Maintenance)
Landlord Responsibilities:	Landlord shall maintain, repair and replace the structure and exterior of the Building, roof, foundation and parking lot replacement.
Tenant Responsibilities:	Tenant shall be responsible at its sole cost and expense for repairing and replacing glass, windows and doors; maintaining the interior of the building; maintaining and repairing the pavement and fence in the Fenced Outdoor Display Area; snow plowing in the Fenced Outdoor Display Area, maintaining, repairing, and replacing of the HVAC, electrical and plumbing equipment after the Landlord's one year warranty; and maintaining, repairing and replacing Tenant's building sign.
Taxes:	Tenant pays to Landlord.
Tenant Insurance:	Tenant shall reimburse Landlord for a pro rata share of Landlord's commercial general liability and property insurance premiums for the Shopping Center. Tenant shall also carry and maintain commercial general liability insurance, including contractual liability, personal and bodily injury, and property damage insurance, on the Premises with a combined single limit of not less than \$2,000,000 per occurrence and an aggregate of \$4,000,000.
Landlord Insurance:	Landlord shall carry and maintain commercial general liability insurance including contractual liability, personal and bodily injury and property damage insurance, on the shopping center, with a combined single limit no less than \$2,000,000 per occurrence and an aggregate limit of \$4,000,000. In addition, Landlord shall carry property insurance insuring the Premises and the Shopping Center for perils covered by the causes of loss including building ordinance coverage and in addition, flood, and boiler and machinery coverage.
Utilities:	Tenant shall pay directly.
Estoppel:	Within ten (10) days after receipt of written request.

*Current ownership will be retaining the buildable pad adjacent to Tractor Supply and continue as the responsible party for the common area maintenance of the development.





Tractor Supply Company (also referred to as TSC) is the largest operator of rural lifestyle products in the United States. The company owns and operates over 1,600 stores in 49 states supplying basic maintenance products to home, land, pet and animal owners. Based in Brentwood, Tenn., the company was founded in 1938 as a mail order tractor parts business. Today, Tractor Supply Company is a leading edge retailer with annual revenues of approximately \$6.8 billion. TSC's products include: clothing, equine and pet supplies, tractor/trailer parts and accessories, lawn and garden supplies, sprinkler/irrigation parts, power tools, fencing, welding and pump supplies, riding mowers and more. TSC stores are located primarily in towns outlying major metropolitan markets and in rural communities Tractor Supply is continuing to grow with new stores and improved product offerings.

Tenant:	Tractor Supply Company
Ownership:	Public
Stock Symbol (NASDAQ):	"TSCO"
Market Cap:	\$9.951 B
Number of Locations (2017):	1,617
Headquarters:	Brentwood, TN
Founded:	1938

	<u>12/30/2017</u>	<u>12/31/2016</u>	<u>12/26/2015</u>
Revenue:	\$7.26 B	\$6.78 B	\$6.23 B
Net Income:	\$423 M	\$437 M	\$410 M
Stockholder Equity:	\$1.42 B	\$1.45 B	\$1.39 B



AREA SUMMARY

KOHLER

Kohler is a village in Sheboygan County, Wisconsin with a population of just under 2,000 and encompasses a 4.5 square mile area. It is governed by a board of trustees, and has an excellent school system, and diverse cultural, and recreational amenities. Originally called Riverside within the rural Town of Sheboygan, the village was founded as a town in 1900 when the Kohler Company built a new plant. The village was incorporated in 1912 as the Village of Kohler.

ECONOMY

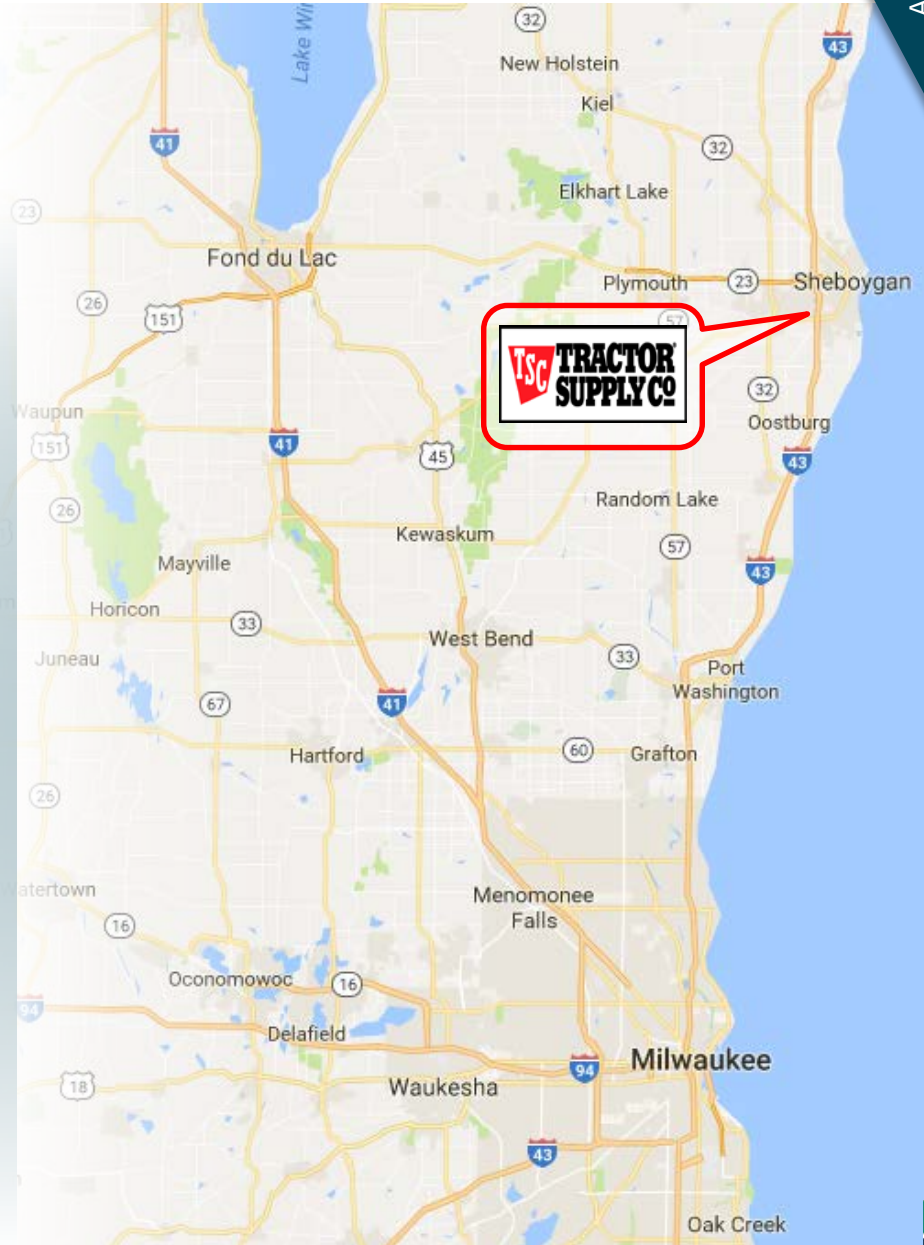
Acuity Insurance is an insurance company headquartered in Sheboygan, Wisconsin. Acuity provides property and casualty insurance products for consumers and businesses in the United States. Acuity Insurance operates in 25 states, generates over \$1.45 billion in revenue through 1,000 independent agencies, manages over \$4 billion in assets, and employs over 1,200 people.

Kohler Company is an American manufacturing company based in Kohler, Wisconsin. Kohler is best known for its plumbing products, but the company also manufactures furniture, cabinetry, tile, engines, and generators. Kohler's bath and kitchen fixtures are available in hardware and home improvement stores throughout the country. Kohler also makes a wide range of small industrial engines. Kohler Co.'s hospitality and real estate group, Destination Kohler, oversees the management, marketing and tourism promotion for its golf courses, hotels, private clubs, shops, restaurants, company-sponsored and village events. The company has 48 manufacturing locations worldwide where over 33,000 people are employed on 6 continents.

As a company town, the Kohler Company and hospitality division, containing The American Club and its golf resorts, made up of Blackwolf Run in Kohler and Whistling Straits in nearby Haven, make up an important economic part of the community. The Kohler Company, the hospitality business along with Kohler's residential real estate and retail arms make up the largest employers for the village.

SHOPPING

Kohler has two major shopping areas, with the Shops at Woodlake Kohler, just north of the village's downtown, and Deer Trace on the southeast side of the village along WI 28. The Shops at Woodlake Kohler has more than 20 specialty shops and boutiques featuring men's and women's apparel, toys, collectibles, restaurants, home furnishing and design stores, and a demonstration kitchen. Deer Trace is located at the corner of I-43 & State Hwy. 28, in Kohler. It is an Open-Air shopping mall covering an area of 404,291 square feet and is home to 22 stores.



Population	3 Mile	5 Mile	10 Mile	15 Mile
Q1 2017 Estimated Population	28,781	63,880	86,110	110,378
2022 Projected Population	29,277	64,999	87,900	112,729
Workplace Establishments	659	1,751	2,273	2,836
Estimated Daytime Population	25,747	59,757	75,417	91,894
Households	3 Mile	5 Mile	10 Mile	15 Mile
Q1 2017 Estimated Households	11,841	26,400	35,078	44,651
2022 Projected Households	12,047	26,870	35,814	45,612
Persons per Household	2.39	2.38	2.41	2.43
Income	3 Mile	5 Mile	10 Mile	15 Mile
Average Household Income	\$62,489	\$60,840	\$65,688	\$67,683
Median Household Income	\$52,097	\$50,572	\$54,075	\$55,952
Per Capita Income	\$26,174	\$25,517	\$27,178	\$27,848

LEGAL DISCLAIMER

The Offering Memorandum ("The Memorandum") is intended solely for the limited use of The Potential Purchaser in considering whether to pursue negotiations to acquire the 3650 County Trunk Hwy A, Kohler, WI 53044 ("The Property"). The Memorandum, prepared by Mid-America Real Estate-Wisconsin, LLC, in cooperation with Mid-America Real Corporation (Hereinafter collectively referred to as "MAREC"), contains brief, selected information pertaining to the operation of The Property and Owner does not purport to be all-inclusive or to contain all the information, which The Potential Purchaser may desire. The Memorandum will be delivered with the understanding that The Potential Purchaser will conduct its own analysis and investigation of The Property, independently and without reliance upon The Owner, MAREC or The Memorandum and based on such documents, information and other matters as The Potential Purchaser, in its sole discretion, deems appropriate in evaluating a purchase of The Property. In furnishing The Memorandum, MAREC and/or The Owner reserve(s) the right to request the return of The Memorandum (including all copies or partial copies), or any other information provided, at any time. Neither The Owner nor MAREC or any of their officers, employees or agents make any representation or warranty, expressed or implied, as to the accuracy or completeness of The Memorandum or any oral or written communication transmitted from MAREC and/or The Owner to The Potential Purchaser and no legal liability is assumed or to be implied with respect thereto. By accepting The Memorandum, The Potential Purchaser agrees that The Memorandum's contents and any other information pertaining to The Property and provided to The Potential Purchaser are confidential and proprietary; that The Memorandum and the information contained therein or provided is the property of The Owner and/or MAREC, that it will hold and treat The Memorandum and information provided in the strictest of confidence; that it will not, directly or indirectly, disclose or permit anyone else to disclose The Memorandum's contents without prior written authorization; and, that it will not use or permit to be used The Memorandum or The Memorandum's contents in any fashion or manner detrimental to the interest of The Owner and/or MAREC or in violation of the obligation to maintain such information and The Memorandum in strict confidence. However, The Potential Purchaser may disclose such confidential information to its employees, auditors, financial advisors, directors and/or counsel to whom it is reasonably necessary for purposes of evaluating The Property provided such disclosure is made pursuant to this agreement, all reasonable precautions are taken to safeguard the information and parties are informed of the need to maintain the information as confidential. The Potential Purchaser agrees that photocopying or other duplication of information provided by The Owner and/or MAREC is strictly prohibited. The Owner expressly reserves the right, at its sole discretion, to reject any or all proposals or expressions of interest in The Property and to commence, participate in, or terminate discussions with any party at any time with or without notice. The Potential Purchaser acknowledges that The Owner has no obligation to discuss or agree to the sale of The Property. Notwithstanding that The Potential Purchaser and The Owner may reach one or more oral understandings or agreements on one or more issues that are being discussed, neither party shall be bound by any oral agreement of any kind and no rights, claims, obligations or liabilities of any kind, either express or implied, shall arise or exist in favor of or be binding upon either party except to the extent expressly set forth in a written agreement signed by both parties. The Memorandum shall not be deemed a representation of the state of affairs of The Property nor constitute an indication that there has been no change in the business or affairs of The Property since the date of its preparation. The Potential Purchaser agrees not to contact the tenants, leasing MARECs or property management staff of The Property in connection with its review of The Property. Any and all questions related to The Memorandum or The Property must be directed to MAREC. In the event The Potential Purchaser decides not to pursue the acquisition of The Property, The Potential Purchaser agrees to return The Memorandum and all copies (including partial copies) to the appropriate representative of MAREC.



Representation

The Potential Purchaser understands and agrees that MAREC/Mid-America Real Estate – Wisconsin, LLC is not representing The Potential Purchaser in this Proposed Sale. MAREC/Mid-America Real Estate – Wisconsin, LLC is only representing The Owner in this Proposed Sale.

Americans with Disabilities Act

The United States Congress has enacted the Americans With Disabilities Act. Among other things, this act is intended to make business establishments equally accessible to persons with a variety of disabilities. As such, modifications to real property may be required. State and local laws also may mandate changes. Neither The Owner nor MAREC/Mid-America Real Estate – Wisconsin, LLC is qualified to advise The Potential Purchaser as to what, if any, changes may be required now, or in the future. The Potential Purchaser should consult the attorneys and qualified design professionals of its choice for information regarding these matters. Neither The Owner nor MAREC/Mid-America Real Estate – Wisconsin, LLC can determine which attorneys or design professionals have the appropriate expertise in this area.

Hazardous Materials Disclosure

Various construction materials may contain items that have been or may in the future be determined to be hazardous (toxic) or undesirable and as such may need to be specifically treated, handled or removed. Due to prior or current uses of The Property or the area, there may be hazardous or undesirable metals, minerals, chemicals, hydrocarbons or biological or radioactive items (including electric and magnetic fields) in soils, water, building components, above or below-ground containers or elsewhere in areas that may or may not be accessible or noticeable. Such items may leak or otherwise be released. Neither The Owner nor MAREC/Mid-America Real Estate – Wisconsin, LLC has expertise in the detection or correction of hazardous or undesirable items. Expert inspections are necessary. Current or future laws may require clean up by past, present and/or future owners and/ or operators. It is the responsibility of The Potential Purchaser to retain qualified experts to detect and correct such matters.

Remedies

If there is a breach or threatened breach of any provision of these Conditions of Offering, The Owner and/or MAREC/Mid-America Real Estate – Wisconsin, LLC shall be entitled to seek redress by court proceedings in the form of an injunction restraining The Potential Purchaser without the necessity of showing any actual damages or that monetary damages would not afford an adequate remedy and/or a decree for specific performance without any bond or other security being required. Nothing herein shall be construed as prohibiting The Owner and/or MAREC/Mid-America Real Estate – Wisconsin, LLC from pursuing any other remedies at law or in equity, which it may have. If The Owner and/or MAREC/Mid-America Real Estate – Wisconsin, LLC is involved in a court proceeding to enforce the covenants contained in these Conditions of Offering and The Owner and/or MAREC/Mid-America Real Estate – Wisconsin, LLC prevails in such litigation, The Potential Purchaser shall be liable for the payment of The Owner and/or MAREC/Mid-America Real Estate – Wisconsin, LLC's reasonable attorneys' fees, court costs and ancillary expenses together with such other and further relief as available under any applicable statute.

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies.



RELY ON THE MIDWEST'S RETAIL REAL ESTATE EXPERTS.

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