



***7200 75TH STREET
KENOSHA, WI***

CONFIDENTIAL OFFERING MEMORANDUM

NEWMARK



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CONFIDENTIALITY & CONDITIONS

Newmark Midwest Region, LLC d/b/a Newmark, has been engaged as the exclusive sales representative for the sale of the fee simple interest in the property at 7200 75th Street, Kenosha, WI

The Property is being offered for sale in an “as-is, where-is” condition, and the Seller and Newmark make no representations or warranties as to the accuracy of the information contained in this Offering Memorandum. The enclosed materials include confidential information and are being furnished solely for the purpose of review by prospective purchasers (“Purchasers”) of the interest described herein for which it shall be fully and solely responsible. Neither the enclosed materials, nor any information contained herein, are to be used for any other purpose, or made available to any other person without the express written consent of the Seller. The use of this Offering Memorandum, and the information provided herein, is subject to the terms, provisions and limitations of the Confidentiality Agreement furnished by Newmark prior to delivery of this Offering Memorandum.

The material contained herein is based on information and sources deemed to be reliable, but no representation or warranty, express or implied, is being made by Newmark or the Seller or any of their respective representatives, affiliates, officers, employees, shareholders, partners, and directors, as to its accuracy or completeness. Summaries contained herein of any legal or other documents are not intended to be comprehensive statements of the terms of such documents, but rather only outlines of some of the principal provisions contained therein. Neither the Seller nor Newmark shall have any liability whatsoever for any other written or oral communication or information transmitted, or made available, or any action taken, or decision made by the recipient with respect to the Property.

The Seller reserves the right, at its sole and absolute discretion, to withdraw the Property from the market for sale at any time and for any reason without notice, to reject any and all expressions of interest or offers regarding the Property, and/or to terminate discussions with any entity at any time, with or without notice. This Offering Memorandum is made subject to omissions, correction of errors, change of price or other terms, prior sale or withdrawal from the market without notice. Newmark is not authorized to make any representations or agreements on behalf of the Seller. The Seller shall have no legal commitment or obligation to any recipient reviewing the enclosed materials, performing additional investigation, and/or making an offer to purchase the Property unless and until a binding written agreement for the purchase of the Property have been fully executed, delivered, and approved by Seller and any conditions required under the contract for title to pass from the Seller to the buyer have been satisfied or waived.

By taking possession of and reviewing the information contained herein, the recipient agrees that (a) the enclosed materials and their contents will be held and treated in the strictest of confidence; and (b) the recipient shall not contact employees, contractors, sub-contractors or lien-holders of the Property directly or indirectly regarding any aspect of the enclosed materials or the Property without the prior written approval of the Seller or Newmark; and (c) no portion of the enclosed materials may be copied or otherwise reproduced without the prior written authorization of the Seller or Newmark or as otherwise provided in the Confidentiality Agreement executed and delivered by the recipient(s) to Newmark.



OFFERING METRICS



OFFERING PRICE	\$3,573,690
NET OPERATING INCOME	\$232,290
CAP RATE	6.50%
LEASE COMMENCEMENT	11/28/2001
LEASE EXPIRATION	11/30/2026
LEASE TYPE	Ground Lease, Absolute NNN
TERM REMAINING	4.8 Years
GUARANTOR	IHOP Properties, Inc.
RENTAL INCREASES	Percentage Rent and in Option Terms

PROPERTY METRICS



ADDRESS	7200 75th Street, Kenosha, WI 53142
BUILDING SIZE	4,112 Square Feet
LOT SIZE	0.77 Acres
PROPERTY TYPE	Retail
OCCUPANCY	100%
ZONING	B-2 Community Business

EXECUTIVE SUMMARY



Newmark, as exclusive advisors to Ownership, is pleased to present qualified investors with the opportunity to acquire a fee simple interest in a ground-leased land parcel located at 7200 75th St., Kenosha, Wisconsin (the “Offering”). The Offering features a build-to-suit, 4,112 square foot IHOP (NYSE: DIN), (the “Tenant”), on a ground-lease which commenced in November of 2001, and will remain through November of 2026. The ground-lease is Absolute NNN in nature, with the Tenant responsible for all expenses associated with property maintenance.

The Offering benefits from excellent road visibility and a strong group of surrounding retailers, including Menards. Patrons must pass by the Offering to access the Menards parking lot which drives significant traffic toward the restaurant. Located just a half mile from the intersection of State Routes 50 and 31, this IHOP location sees average daily traffic of 36,000+ vehicles.

Through the completion of a build-to-suit premises on a ground-lease, such significant Tenant investment in the Offering provides security and upside in the likely event of a lease extension. The Offering represents a rare opportunity to acquire a passive real estate investment backed by a publicly traded entity in a strong retail corridor.



Since 1958

TENANT PROFILE

For 63 years, the IHOP family restaurant chain has served world famous pancakes and a wide variety of breakfast, lunch and dinner items that are loved by people of all ages — offering an affordable, everyday dining experience with warm and friendly service. Brothers Al and Jerry Lapin opened the first location on July, 7th 1958 in Toluca Lake, California.



As of 2019, there were 1,840 IHOP restaurants in 50 states and the District of Columbia, as well as in Bahrain, Canada, Dubai (UAE), Guatemala, Kuwait, Mexico, Puerto Rico, Saudi Arabia, The Philippines and the U.S. Virgin Islands.

IHOP restaurants are franchised and operated by Glendale, California-based International House of Pancakes, LLC and its affiliates. International House of Pancakes, LLC is a wholly-owned subsidiary of Dine Brands Global, Inc. (NYSE: DIN). Dine Brands Global, Inc. franchises both IHOP and Applebee's Grill + Bar restaurant locations.

Established in 2007, Dine Brands (NYSE: DIN) brings together IHOP (Founded in 1958) and Applebee's (Founded in 1980). Celebrating each brand's individuality, Dine leverages their combined 100 years of hospitality experience and expertise so that guests feel welcome, satisfied, and eager to return.



While Dine Brands Global had a difficult 2020-2022 with restaurant shutdowns amid the pandemic, liquidity remains strong, and the ability to meet debt obligations is of little concern. Outlook and growth projections are optimistic as the brand looks to return to 2019 revenue patterns. Most recently, Dine Brands Global, Inc. and TravelCenters of America Inc. (Nasdaq: TA) announced that the two companies have entered into a franchise development agreement and plan to open up to 94 IHOP restaurants over the next five years in TA and Petro branded locations across the United States.



LOCATION OVERVIEW



LOCATION OVERVIEW

Kenosha, Wisconsin, the fourth largest city on Lake Michigan, is home to nearly 118,591 residents per the 2020 United States census. Kenosha is roughly half-way between Milwaukee and Chicago, 40 and 60 miles away from each respectively, although, it is a part of the U.S. Census Bureau’s Chicago combined statistical area (CSA).

Kenosha is known as a “bedroom community” because many residents commute to either the Milwaukee or Chicago metropolitan statistical areas for work. Downtown Kenosha sits along the Lake Michigan shoreline and features over 50 restaurants, bars, and various other retail establishments. Kenosha is home to Carthage College and the University of Wisconsin-Parkside, totaling a community of 6,500 collegiate students.

Some of the largest employers in Kenosha include Snap-on Inc. and Jockey International who maintain corporate headquarters in the community. Since the 2008-2010 economic recession, Kenosha has experienced steady job growth and the unemployment rate now sits at just 3.5%. Median household income reached an estimate of \$80,835 in 2020, an increase of 35% since 2010 per Federal Reserve Economic Data.

In February 2020, Wisconsin Governor Tony Evers announced \$10 million in state funding toward the proposed Kenosha STEM Innovation Center within the Kenosha Innovation Neighborhood (KIN). The KIN is a planned 60,000 sq. ft. development to be constructed on the empty 107-acre site of the former Chrysler factory. It will serve as a multi-purpose building dedicated to education, workforce development, and entrepreneurial opportunities. In July 2021, the Federal Government awarded Kenosha \$4.9 million in CARES Act funding toward the neighborhood.



118,591
Population



\$15,000,000
Government Funding for Kenosha Innovation Neighborhood



35% Increase
Household Income since 2010

Top Employers

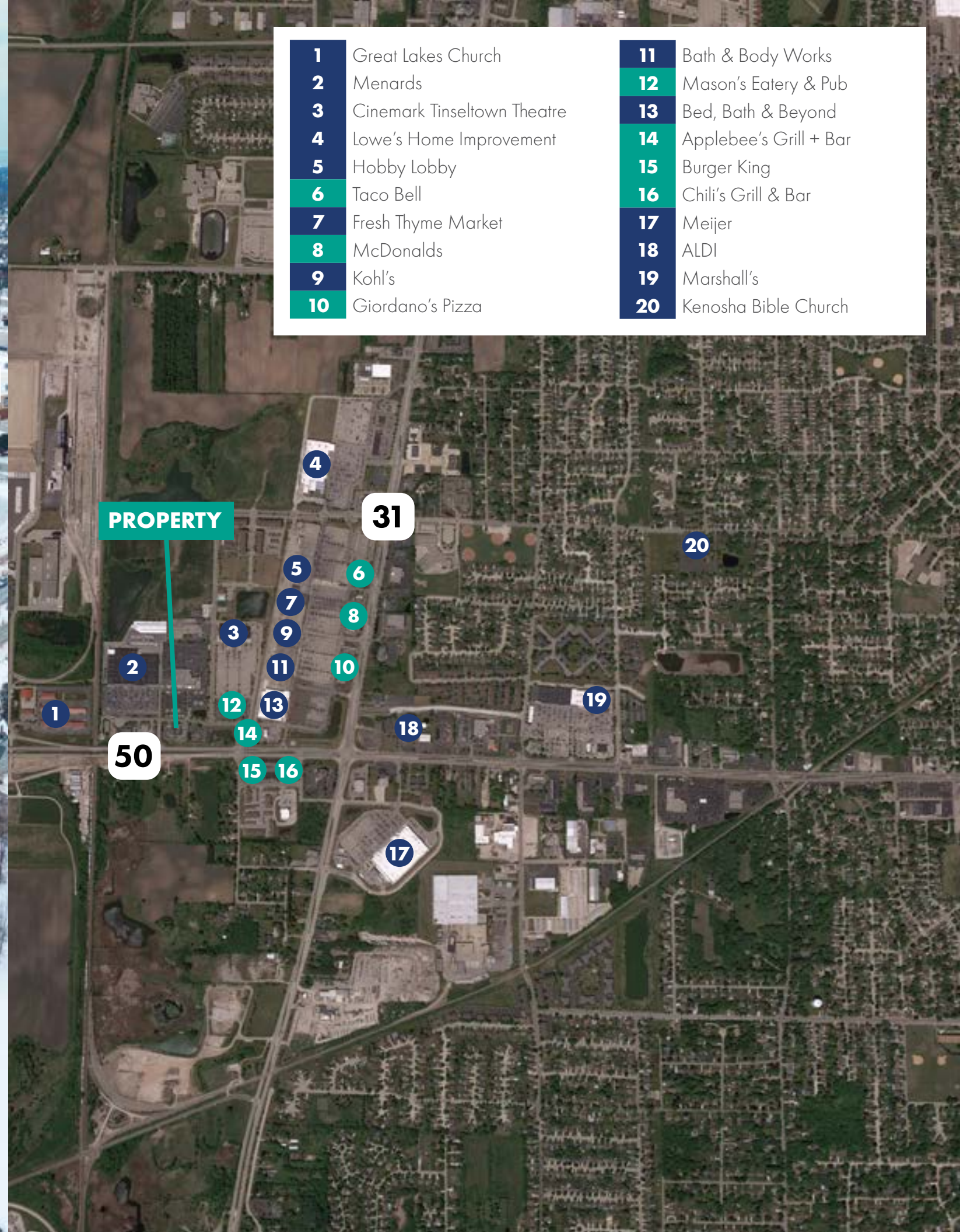


Top Universities



Located Close to Chicago & Milwaukee





1	Great Lakes Church	11	Bath & Body Works
2	Menards	12	Mason's Eatery & Pub
3	Cinemark Tinseltown Theatre	13	Bed, Bath & Beyond
4	Lowe's Home Improvement	14	Applebee's Grill + Bar
5	Hobby Lobby	15	Burger King
6	Taco Bell	16	Chili's Grill & Bar
7	Fresh Thyme Market	17	Meijer
8	McDonalds	18	ALDI
9	Kohl's	19	Marshall's
10	Giordano's Pizza	20	Kenosha Bible Church



10601 38th Street
Kenosha, WI

The amazon Effect

- Amazon will lease 1 million SF for a distribution center in Kenosha, WI
- Expected to create 400 jobs
- The effects of this facility will extend into local commercial real estate dynamics



AREA DEMOGRAPHICS

HOUSEHOLD	1 MILE	3 MILES	5 MILES
2020 Total Population	5,548	58,438	117,025
2025 Total Population	5,675	59,280	118,591
2020-2025 Annual Growth Rate	0.7%	0.3%	0.2%
2020 Total Daytime Population	5,093	26,633	52,088
2020 HOUSEHOLDS BY INCOME	1 MILE	3 MILES	5 MILES
Less than \$25,000	8.1%	14.0%	17.8%
\$25,000 - \$49,999	19.4%	20.5%	22.1%
\$50,000 - \$74,999	18.5%	19.7%	20.1%
\$75,000 - \$99,999	17.2%	14.4%	12.7%
\$100,000 - \$124,999	10.6%	11.3%	10.0%
\$125,000 - \$149,999	11.4%	8.7%	7.5%
\$150,000 - \$199,999	11.6%	7.7%	6.2%
\$200,000+	3.2%	3.6%	3.7%
Average Household Income 2020	\$93,152	\$84,259	\$78,352
Median Household Income 2020	\$80,835	\$69,825	\$63,199
EDUCATION	1 MILE	3 MILES	5 MILES
% Some College Educated	36%	31%	29%
% Bachelor's	20%	18%	16%
POPULATION BY RACE	1 MILE	3 MILES	5 MILES
White	85.8%	85.1%	84.1%
Black	7.3%	8.1%	9.6%
American Indian	0.5%	0.9%	0.9%
Asian	3.6%	2.6%	2.1%
Hawaiian & Pacific Islander	0.1%	0.1%	0.1%
Two or More Races	2.8%	3.1%	3.2%
Hispanic Origin	11.2%	15.3%	16.7%

KENOSHA, WI SNAPSHOT


118,591
Population


43,904
Households


\$80,835
Median Household Income


37.6
Median Age



LEASE ABSTRACT



Tenant	IHOP Properties, Inc.
Lease Commencement	11/28/2001
Lease Expiration	11/30/2026
Premises	7200 75th Street, Kenosha, WI 53142
Building Size	4,112 sf
Lot Size	0.77 Acres
Lease Term	25 Years

Annual Base Rent Schedule

*Tenant agrees to pay Landlord in advance, on the first day of each calendar month.

Minimum Annual Rent

11/29/2021-11/30/2022	\$232,290
11/29/2022-11/30/2023	\$232,290
11/29/2023-11/30/2024	\$232,290
11/29/2024-11/30/2025	\$232,290
11/29/2025-11/30/2026	\$232,290

Rental Increases (“Percentage Rent”)

In addition to the Minimum Monthly Rent, Tenant shall pay Landlord, additional rent equal to four percent (4%) of the amount of gross sales made in, upon or from the business operated on the Premises during each calendar year of the Term (“Percentage Rent”) less (a) the aggregate Minimum Monthly Rent paid by Tenant for that year; (b) Tenant’s Pro Rata Share of Common Area Expenses; (c) all costs and expenses for exterior maintenance and upkeep of Improvements, including walkways and landscape areas adjacent to the building not provided by Landlord; and (d) all premiums for property and liability insurance that Tenant is required to maintain hereunder (collectively, the “Deductions”).

If the amount of the Deductions for any calendar year exceeds the amount of Percentage Rent payable for that year, then the excess shall be carried forward and applied to reduce the amount of Percentage Rent payable for that year, then the excess shall be carried forward and applied to reduce the amount of Percentage Rent payable in any succeeding calendar year or partial calendar year occurring upon the expiration or termination of this Lease.

Percentage Rent Schedule

Percentage Rent shall be paid quarterly, on the twenty-fifth (25th) day of the month immediately following the end of each calendar quarter, based upon gross sales made during the calendar quarter just ended.

Renewal Options

Tenant shall have three (3) consecutive options to extend the Term as follows:

- (i) Five (5) Years (Years 26-30) (10%)
- (ii) Five (5) Years (Years 31-35) (10%)
- (iii) Five (5) Years (Years 36-40) (10%)

LEASE ABSTRACT



Taxes	Tenant responsibility to pay directly if separately assessed. If not, Tenant shall pay Landlord as additional rent, Tenant's Pro Rata Share of all real property taxes.
Tenant Pro Rata Share of real property taxes and Common Area expenses	Fifty-three percent (53%).
Insurance	For the mutual benefit of Landlord and Tenant, Tenant shall maintain commercial general liability insurance covering the improvements of at least \$2 million. Tenant will also maintain "All Risk" property insurance with a code upgrade endorsement for the mutual benefit of Landlord and tenant equal to at least one hundred percent (100%) of the full replacement cost, excluding the foundation and excavation costs.
Tenant Maintenance and Repairs	Tenant shall maintain and repair the Landlord's Parcel Common Area located within the Premises, and Landlord or any applicable tenant for the remainder of the Landlord's Parcel shall maintain the balance of the Landlord's Parcel Common Area; provided, however, that until such time as the Second Pad is leased to a third party or otherwise improved. Tenant shall maintain the entire Landlord's Parcel Common Area, including the landscaping, irrigation and maintenance of the Second Pad.
Utilities: Water, Sewer, Electricity, Gas, Trash / Snow Removal, Telephone Service, etc.	Tenant responsibility to pay directly.
Janitorial	Tenant responsibility to pay directly.
Lights	Tenant responsibility to pay directly.
Landscaping	Tenant responsibility to pay directly.
Generator	Tenant responsibility to pay directly.
HVAC	Tenant responsibility to pay directly.
Roof	Tenant responsibility.

Structure	Tenant responsibility.
Parking	Granted an easement to use parking areas, roadways, and walkways.
Signage	Landlord grants to Tenant the exclusive right, license, easement and privilege to (i) erect, maintain, and electrify a free-standing sign to display the name, trademark and logo of the business operated on the Premises.
Estoppel	Landlord and Tenant agree that within fifteen (15) days after receipt of a written request from either to the other, the party receiving the request will execute and deliver to the other a certificate certifying the lease is in full force.
Right of First Refusal	Tenant has a right of first refusal: Landlord shall give tenant written notice specifying terms, within ten (10) days after receipt of notice, Tenant shall either accept or reject the offer. If Tenant rejects, Landlord is free for one hundred eighty (180) days to sell to any other person on terms no more favorable to the buyer as specified in the notice.

RENT ROLL



RENT ROLL - TENANT NAME	SF	TERM	LEASE BEGIN	LEASE END	LEASE TYPE	RENT PSF	MINIMUM ANNUAL RENT	RENTAL INCREASES
IHOP	4112	Firm-term	11/28/2001	11/30/2026	Ground Lease, Absolute NNN	\$56	\$232,290	-
		Option (i)	11/31/2026	11/30/2031	Ground Lease, Absolute NNN	\$62	\$255,520	10%
		Option (ii)	11/31/2031	11/30/2036	Ground Lease, Absolute NNN	\$68	\$281,072	10%
		Option (iii)	11/31/2036	11/30/2041	Ground Lease, Absolute NNN	\$75	\$309,179	10%



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