

KIDS & COMPANY



150 WEST HIGGINS ROAD :: SCHAUMBURG, IL 60195

OFFERING MEMORANDUM



NET LEASE PROPERTY GROUP | SINGLE TENANT INVESTMENT OFFERING

CBRE

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For more information please contact:

MICHAEL KAIDER
NNN Specialist
First Vice President
+1 630 573 7015
michael.kaider@cbre.com

CBRE
700 Commerce Drive
Suite 550
Oak Brook, IL 60523

Financing Contact:
GEOFFREY HARRIS
+1 602 735 5615
geoffrey.harris@cbre.com

THE OFFERING

CBRE's National Retail Investment Group is pleased to exclusively present the opportunity to acquire 100% fee interest in a NNN 11,000 square foot Kids & Company located in Schaumburg, Illinois, 30 miles northwest of downtown Chicago. Kids & Company currently has over 15 years of base term remaining. The lease includes one five year option to extend and zero landlord responsibilities.

Kids & Company, founded in 2002 and headquartered in Ontario, is a Canadian owned and operated company that provides an educational early learning environment. Kids & Company is one of Canada's leading child care and early learning providers with over 70 facilities throughout Canada and the United States.

The Property is well located on Higgins Road near its intersection with Roselle Road. Higgins Road is major east/west arterial with traffic counts exceeding 33,500 vehicles per day. The Property is located just south of Golf Road (IL Route 58), the area's primary retail corridor. Virtually every major national retailer has a presence in the Schaumburg retail corridor which contains over 6.8 million square feet of retail space. The corridor is anchored by Woodfield Mall, the largest shopping center in the state of Illinois and one of the largest in the United States. Woodfield Mall features nearly 300 stores and is anchored by JCPenney, Lord & Taylor, Macy's, Nordstrom and Sears. In addition to Woodfield Mall, approximately 65 shopping centers are located in Schaumburg.



FINANCIAL OVERVIEW

Offering Price	\$3,365,000						
Cap Rate	6.75%						
Net Operating Income	<table border="0"> <tr> <td>Kids & Company Rent:</td> <td>\$315,500</td> </tr> <tr> <td><u>Tax & Insurance Base Stop:</u></td> <td><u>88,349</u></td> </tr> <tr> <td>Total Adjusted NOI:</td> <td>\$227,151*</td> </tr> </table>	Kids & Company Rent:	\$315,500	<u>Tax & Insurance Base Stop:</u>	<u>88,349</u>	Total Adjusted NOI:	\$227,151*
Kids & Company Rent:	\$315,500						
<u>Tax & Insurance Base Stop:</u>	<u>88,349</u>						
Total Adjusted NOI:	\$227,151*						
Lease Type	NNN						
Parcel Size	± 1.227 Acres						
Building Size	11,000 Square Feet						
Tenant	Kidco, Ltd., a Delaware Corporation						
Term Remaining	15 Years, 4 Months						
Lease Commencement	November 30, 2015						
Lease Expiration	March 31, 2032						
Renewal Options	One, 5-year option						
Landlord Responsibilities*	None						

KIDS & COMPANY RENT SCHEDULE

LEASE YEARS	ANNUAL	MONTHLY
Current to 3/31/2018	\$315,500	\$26,291.67
4/1/2018 to 3/31/2019	\$321,000	\$26,750.00
4/1/2019 to 3/31/2020	\$326,500	\$27,208.33
4/1/2020 to 3/31/2021	\$332,000	\$27,666.67
4/1/2021 to 3/31/2022	\$337,500	\$28,125.00
4/1/2022 to 3/31/2023	\$324,500	\$27,041.67
4/1/2023 to 3/31/2024	\$330,000	\$27,500.00
4/1/2024 to 3/31/2025	\$335,500	\$27,958.33
4/1/2025 to 3/31/2026	\$341,000	\$28,416.67
4/1/2026 to 3/31/2027	\$346,500	\$28,875.00
4/1/2027 to 3/31/2028	\$352,000	\$29,333.33
4/1/2028 to 3/31/2029	\$357,500	\$29,791.67
4/1/2029 to 3/31/2030	\$363,000	\$30,250.00
4/1/2030 to 3/31/2031	\$368,500	\$30,708.33
4/1/2031 to 3/31/2032	\$374,000	\$31,166.67

*Landlord is responsible for Real Estate Tax and Insurance Base stop which is equal to Tenant's Proportionate Share of Real Estate Tax and Insurance during the 2016 calendar year. Tenant is responsible for the proportionate share of increases in Real Estate Taxes and Insurance over the Base Stop.

INVESTMENT HIGHLIGHTS

- **Exceptional Opportunity:** The opportunity to acquire fee interest in a long term NNN lease with Kids & Company, a leading Canadian child care and early learning provider. Kids & Company has over 70 facilities throughout Canada and the United States.
- **Long Term Commitment:** Kids & Company has over 15 years of base term remaining. The lease includes rental bumps throughout the base term, one 5-year option to extend, and zero landlord responsibilities.
- **Major Retail Corridor:** Kids & Company features a superb location in the heart of the Schaumburg retail corridor. The corridor contains over 6.8 million square feet of retail space and is anchored Woodfield Mall. Anchor stores include JCPenney, Lord & Taylor, Macy's, Nordstrom and Sears. The 2.2 million square foot mall is the largest in the state of Illinois and one of the largest malls in the United States. It attracts over 27 million consumers annually and is a huge draw to the retail corridor.
- **Extremely High Traffic Counts:** Kids & Company benefits from exceptional traffic. The Property is located near the intersection of Higgins and Roselle Road where traffic counts exceed 63,600 vehicles per day. Kids & Company is also located just south of Golf Road, a major east/west arterial that contains the majority of the corridor's retail. Traffic counts along Golf Road are approximately 39,800 vehicles per day.
- **Dense Affluent Demographics:** The trade area for Kids & Company has some of the best demographics in the Chicago MSA. There is a population base of 104,870 people within three miles of the asset with average household incomes of \$92,180. The expanded five mile radius has a population of 250,900 with average incomes of \$96,810. The trade area is fully developed with virtually no available sites for future competitive development.
- **Robust Chicago MSA:** Kids & Company is located approximately 32 miles northwest of Chicago's Central Business District. Chicago is one of the most dynamic markets in the nation with a population near 9.6 million. Chicago boasts an attractive retail market, with the third largest economy in the nation, and over \$120 billion in annual retail sales (2015 metro Chicago sales; Melaniphy).



INTERSTATE 90 (124,900 VPD)

BABIES R US **PETCO**
Where the pets go. 4

Office DEPOT

O'Reilly AUTO PARTS **MART**

BOB'S FURNITURE

Orangetheory FITNESS **MATTRESS FIRM**

PET SMART **The Container Store**

HomeGoods **NORDSTROM** **RACK**

ULTA BEAUTY **five BELOW** **Pier 1 imports**

Qdoba MEXICAN GRILL **Marshalls** **OLD NAVY**

TRADER JOE'S

Michaels **carter's** **hhgregg**

IKEA

OneMain Financial **RICHARD WALKER'S**

PLATO'S CLOSET **Great Clips**

SUBWAY **FedEx Office**

Panera BREAD **BARNES & NOBLE BOOKSELLERS**

KOHL'S **buybuy BABY**

DAVID'S BRIDAL

Red Lobster **Carson's**

PENNY MUSTARD FURNISHINGS **BEST BUY**

WOODFIELD MALL

NORDSTROM

JCPenney

sears **macy's**

Party City

T.J. maxx

dressbarn

Petland

roomplace

OUTBACK STEAKHOUSE

macy's

GOLF ROAD (39,800 VPD)

Denny's **Sprint**

Jewel-Osco

American Mattress

BED BATH & BEYOND

Toys R US **HALF PRICE BOOKS**

GFS **HOBBY LOBBY**

KREI ROSS **DRESS FOR LESS**

Discovery **XSPORT FITNESS**

WOODFIELD MALL

Walgreens

kids & COMPANY

ROSELLE ROAD (30,100 VPD)

HIGGINS ROAD (33,500 VPD)

LIFETIME FITNESS

TARGET Greatland

MEACHAM ROAD (32,000 VPD)

STREETS OF WOODFIELD

AMC THEATRES **Carson Pirie Scott**

DICK'S SPORTING GOODS **Crate & Barrel**

WHOLE FOODS **MAGGIANO'S LITTLE ITALY**

destination maternity **Jersey Mike's** **BIG BOWL** **LOFT**

INTERSTATE 290 (135,800 VPD)
ILLINOIS 53

PROPERTY OVERVIEW



TENANT OVERVIEW



Kids & Company is a Canadian owned and operated company that provides an educational early learning environment. Founded in 2002 and headquartered in Ontario, Kids & Company is one of Canada's leading child care and early learning providers with over 70 facilities throughout Canada and the United States. Kids & Company strives to provide work-life balance solutions by offering reliable and flexible child care that meets the needs of each family. Kids

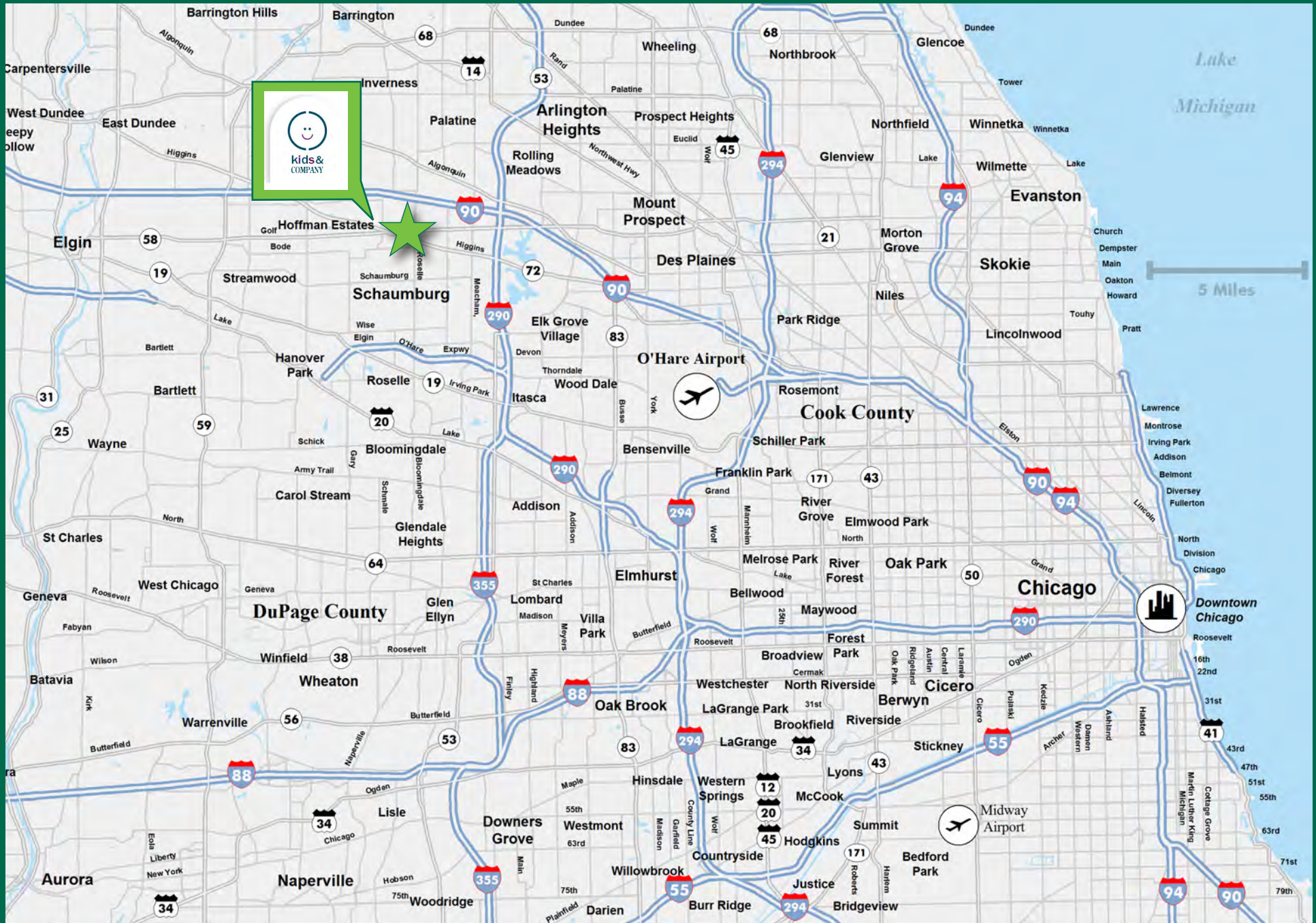
& Company locations service children from six weeks through age six and offer curriculum that focuses on pre-reading, fine arts, fitness and movement, sign language, music, and more.

CORPORATE OVERVIEW

Tenant Name	Kidco, Ltd.
Locations	70 locations throughout Canada and the United States
Year Founded	2002
Corporate Headquarters	Ontario, Canada
Website	www.us.kidsandcompany.com



REGIONAL MAP



AERIAL



Flood Zone Disclosure: According to flood hazard maps published by the FEMA the site is within Zone X as indicated on Community Map Panel No. 17031C0187J dated August 19, 2008, an area determined to be outside the 500-year floodplain determined to be outside the 1% and 0.2% annual chance floodplain.

MARKET OVERVIEW





SCHAUMBURG OVERVIEW

Schaumburg is northwest suburb of Chicago, located approximately 10 miles west of O'Hare International Airport and 26 miles from Chicago's Central Business District at the convergence of Interstate 90 and Interstate 290. The Village of Schaumburg has emerged as the preeminent community in the Chicago metropolitan area's thriving northwest suburbs. Incorporated in 1956, Schaumburg has grown from a small farming town to the largest center of economic development in the state of Illinois outside the city of Chicago.

The Village of Schaumburg has more retail sales than anywhere else in the state except the city of Chicago, as much office space as downtown Milwaukee, and 10 million square feet of industrial development. Schaumburg is a thriving commercial and employment center. The village is home to approximately 5,240 businesses that employ over 884,550 individuals. Appropriately dubbed the retail commercial hub of the northwest suburbs, Schaumburg's annual retail sales are surpassed only by Chicago in the state of Illinois. With over 9.5 million square feet of commercial space, retail sales in the Village total \$3.2 billion.

Kids & Company is well located in the heart of a 6.8-million-square-foot retail corridor. The corridor is anchored by Woodfield Mall, the largest shopping center in the state of Illinois and one of the largest in the United States. The mall was originally developed by Taubman Centers, who later sold the mall to CalPERS and Simon. The mall opened in 1971 with 59 stores and had grown to 189 stores with 1.9 square feet by 1973. The GLA of the mall today is more than 2.2 million square feet and it is a highly visited tourist destination in the Chicago MSA, with about 27 million annual visitors. Woodfield Mall features nearly 300 stores and is anchored by JCPenney, Lord & Taylor, Macy's, Nordstrom and Sears. In addition to Woodfield Mall, approximately 65 shopping centers are located in Schaumburg. Schaumburg is also home to the larger of only two IKEA stores in the Chicago-land area (450,000 SF).

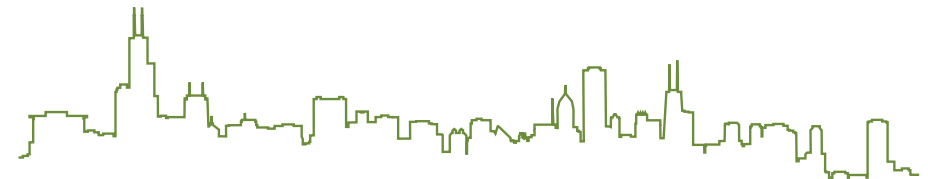
MARKET OVERVIEW

CHICAGO MSA

Chicago is one of the most attractive and dynamic markets in the nation. Chicago boasts an attractive retail market, with the third largest economy in the nation and over \$120 billion in annual retail sales (2015 metro Chicago sales; Melaniphy). The market's vibrant business climate, central geographic location, diversified economy and available human resources have helped Chicago achieve a prominent position as a world-class city in finance, international trade, manufacturing, transportation, culture and the arts.

One of Chicago's biggest commercial advantages is its diversified economy and deep labor pool. With no single emphasis on any one business sector or industry, Chicago's economy is like a well-balanced portfolio and is better equipped than most cities to weather a slowdown in any particular industry. The Chicago MSA has a highly diversified economic base and is home to more than 400 major corporate headquarters, including 34 Fortune 500 headquarters.

The Windy City, as it has been nicknamed, welcomes in nearly 40 million international and domestic visitors each year who come to see attractions including Chicago's numerous parks, art galleries, architectural wonders, professional sports teams, universities, and more. In recent years, Chicago has established itself as a leader in reforming public schools, enhancing public safety and security, providing affordable housing in attractive and economically sound communities, and fostering social, economic and environmental sustainability.



CHICAGO ACCOLADES

Top 10 Most Competitive City for Business in the World

The Economist Intelligence Unit

Top 10 Best City for Building Wealth

Bankrate.com, October 2015

#1 Top Metro in the U.S. for Corporate Investment

Site Selection, March 2016

#1 North American city for foreign direct investment

IBM, Global Location Trends

**#2 Top Metro in the United States for the
Number of Fast Growing Small Businesses**

Inc. 5000 List, 2015

MARKET OVERVIEW



TRANSPORTATION

Chicago is one of the primary transportation hubs in the United States. Chicago is home to O'Hare International Airport, the 3rd busiest airport in the nation. According to the Chicago Department of Aviation, in 2015 the airport serviced nearly 77 million passengers to and from 210 destinations around the world via more than 40 passenger carriers. Chicago is also home to Midway International Airport, which serviced more than 22 million passengers via five passenger carriers to 75 destinations in the US, Mexico, Jamaica, the Dominican Republic and Canada in 2015.

Several major interconnected expressways and interstate highways pass through the Chicago area. Interstates 80, 88 and 290 are the main east/west routes. Interstates 55 and 57 provide access to the south and southwestern suburban areas. Communities to the north and northwest are accessed via Interstates 90 and 94. North/south travel between the western suburbs is facilitated by Interstates 294 and 355.

WHY CHICAGO?

- Chicago has a strong, globally diverse economy larger than that of many countries
- Chicago's industry mix most closely matches that of the nation, with no single industry employing more than 20% of the workforce
- Chicago is one of the most cost-effective cities in the world for doing business, ahead of New York and Los Angeles, according to KPMG
- Chicago's affordable cost of living and world-class cultural and recreational opportunities make it an excellent value for the city's vibrant and diverse workforce
- Chicago is a central transportation hub with direct flights between more than 200 cities worldwide, and direct connections to six major U.S. Interstates
- Chicago is hub of international business activity, with more than 1,800 foreign-based companies and more than \$100 billion in foreign direct investment

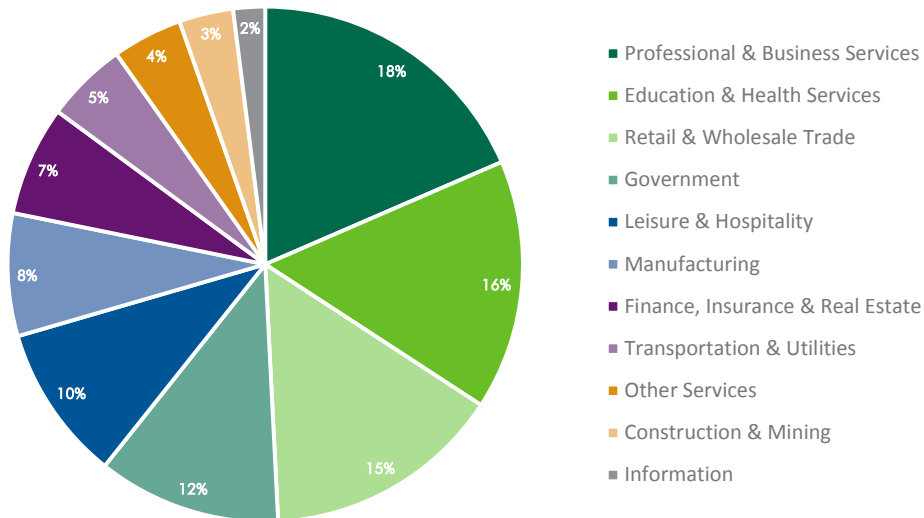
DEMOGRAPHICS

The Chicago metropolitan statistical area is home to over 9.6 million residents, making it the third most populous MSA in the nation. The population is projected to grow 1.0% over the next five years to nearly 9.7 million. Residents earn an average household income of \$86,980; more than 7% higher than the state average of \$81,390 and nearly 13% higher than the national average of \$77,135.

MARKET OVERVIEW



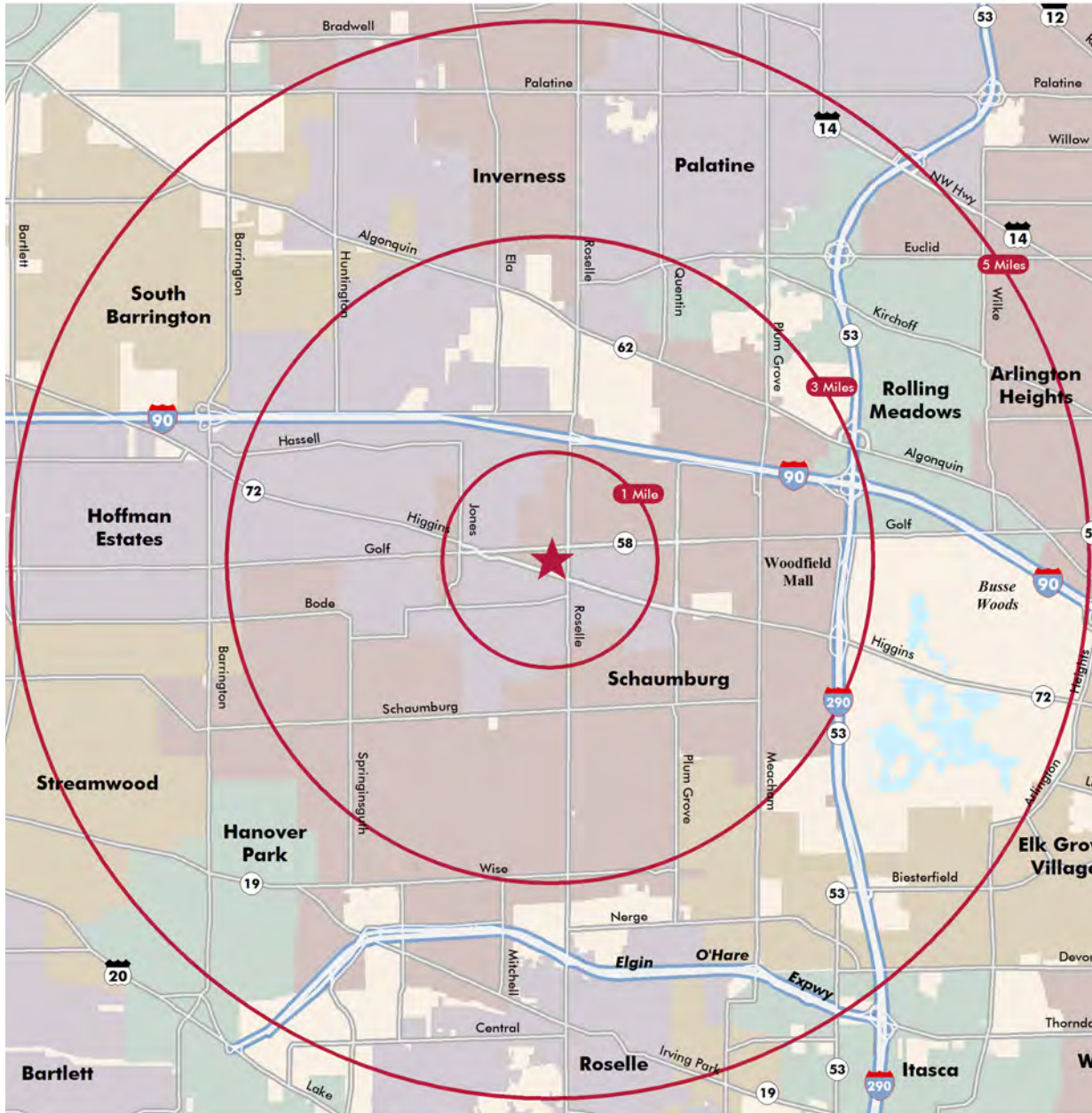
JUNE 2016 ESTIMATED EMPLOYED POPULATION BY OCCUPATION



FORTUNE 500 COMPANIES IN THE CHICAGO MSA

RANK	COMPANY	SECTOR	REVENUES (\$M)
27	Boeing	Aerospace & Defense	\$90,762
34	Archer Daniels Midland	Food Production	\$81,201
35	Walgreens	Food and Drug Stores	\$76,392
79	United Continental Holdings	Airlines	\$38,901
89	Allstate	Insurance: Property and Casualty (Stock)	\$35,239
91	Mondelez International	Food Consumer Products	\$34,244
99	Sears Holdings	General Merchandisers	\$31,198
110	McDonald's	Food Services	\$27,441
111	Exelon	Utilities: Gas & Electric	\$27,429
128	US Foods	Wholesalers: Food and Grocery	\$23,020
134	Abbott Laboratories	Medical Products and Equipment	\$22,323
146	AbbVie	Pharmaceuticals	\$19,960
165	Kraft Foods Group	Food Consumer Products	\$18,205
185	Baxter International	Medical Products and Equipment	\$16,972
201	Illinois Tool Works	Industrial Machinery	\$15,282
253	CDW	Information Technology	\$12,075
258	R.R. Donnelley & Sons	Publishing, Printing	\$11,603
276	Navistar International	Motor Vehicles & Parts	\$10,806
290	W.W. Grainger	Wholesalers: Diversified	\$9,965
303	Discover Financial Services	Commercial Banks	\$9,611
341	Tenneco	Motor Vehicles & Parts	\$8,420
346	Dover	Industrial Machinery	\$8,322
363	Motorola Solutions	Network & Other Communications Equipment	\$7,785
403	LKQ	Wholesalers: Diversified	\$6,740
404	Integrus Energy Group	Utilities: Gas & Electric	\$6,731
420	Anixter International	Wholesalers: Diversified	\$6,446
451	Packaging Corp. of America	Packaging, Containers	\$5,853
462	Ingredion	Food Production	\$5,668

MARKET OVERVIEW



LOCATION OVERVIEW

Kids & Company is strategically located on Higgins Road, near its intersection with Roselle Road. Higgins Road is a major east/west arterial with traffic counts exceeding 33,500 vehicles per day. The Property is located just south of Golf Road (IL Route 58), the area's primary retail corridor. The heaviest concentration of retail space on Golf Road is situated between Higgins Road and Route 53. This stretch of Golf Road is virtually dominated by retail properties, including a concentration of automotive dealerships situated immediately west of Meacham Road.

TRADE AREA:

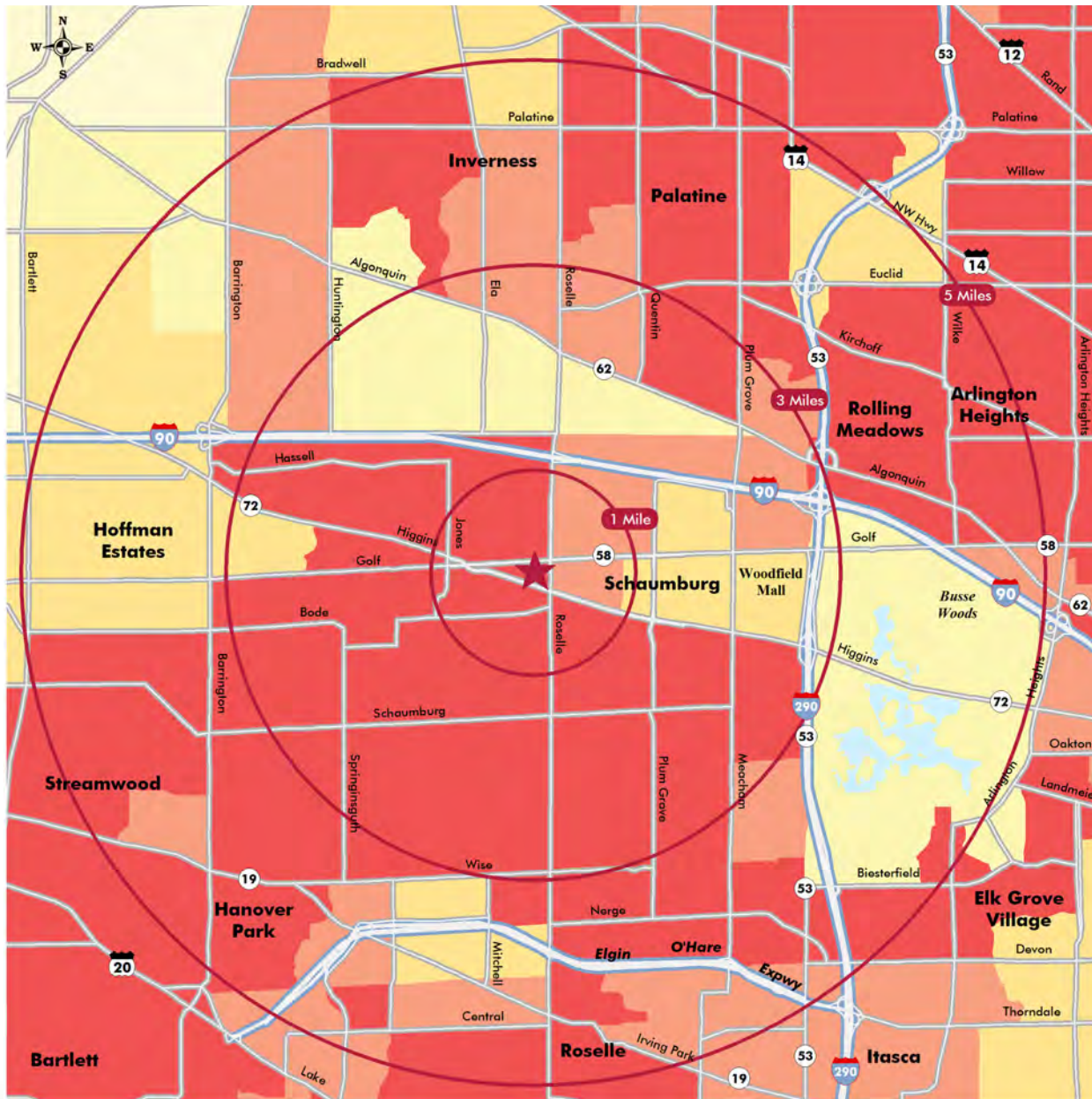
Kids & Company draws the majority of its customer base from within a three-mile radius of the property. This trade area encompasses the majority of Schaumburg as well as portions of Hoffman Estates, Elk Grove Village, South Barrington, and Palatine. Due to Schaumburg's draw as a regional retail corridor, the secondary trade area extends to a five-mile radius, and even beyond.

Within the 3-mile primary trade area is an estimated population of 104,870, which is projected to increase to 106,250 by 2021. At the 5-mile radius the population is 250,900 and is projected to increase to 253,710 over the next five years.

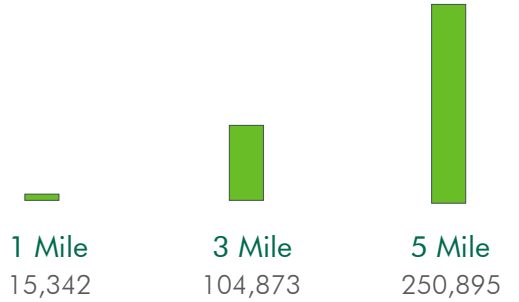
Average household income in the primary trade area is \$92,180 and in the extended trade area is \$96,800. These figures are well above the national average of \$77,000, as well as that for the Chicago MSA of \$887,500.

The average home value within the primary and extended trade areas are \$285,790 and \$305,170, respectively.

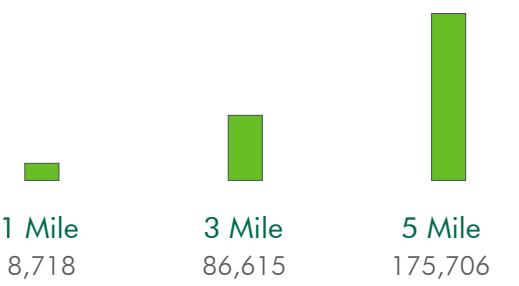
POPULATION CONCENTRATION MAP



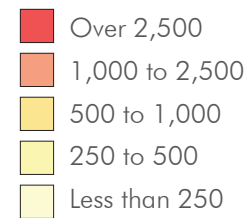
2016 POPULATION



DAYTIME POPULATION



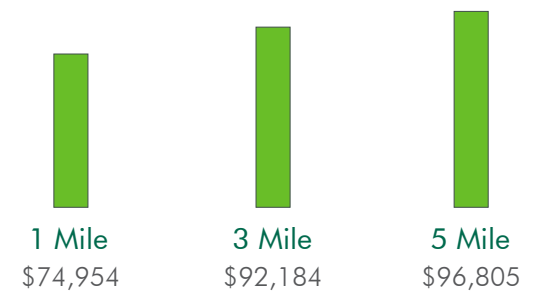
POPULATION PER SQUARE MILE—2016



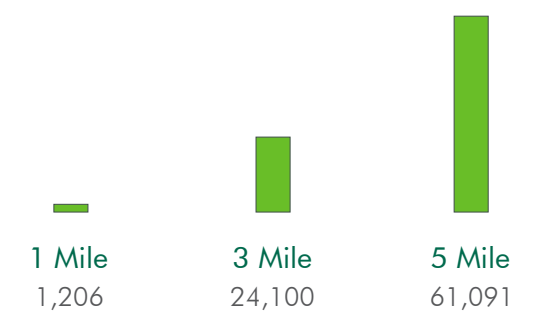
HOUSEHOLD INCOME MAP



AVERAGE HOUSEHOLD INCOME



HOUSEHOLDS EARNING OVER \$75,000 ANNUALLY



AVERAGE HOUSEHOLD INCOME—2016

- Over \$100,000
- \$80,000 to \$100,000
- \$60,000 to \$80,000
- \$40,000 to \$60,000
- Less than \$40,000



For more information please contact:

MICHAEL KAIDER

NNN Specialist/ First Vice President

+1 630 573 7015

michael.kaider@cbre.com

CBRE

700 Commerce Drive

Suite 550

Oak Brook, IL 60523

Financing Contact:

GEOFFREY HARRIS

+1 602 735 5615

geoffrey.harris@cbre.com

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CBRE