PETSMART planet fitness

MID-AMERICA®
Real Estate-Wisconsin, LLC

Two-Tenant NNN Offering | Low Landlord Responsibility



PEWAUKEE COMMONS

1275 Capitol Drive • Pewaukee, WI 53072

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CONDITIONS OF OFFERING

OFFERING MEMORANDUM AND LEGAL LIABILITY

The Offering Memorandum ("The Memorandum") is intended solely for the limited use of the Potential Purchaser in considering whether to pursue negotiations to acquire Hilldale Plaza in Hartford, Wisconsin ("The Property"). The Memorandum, prepared by Mid-America Real Estate-Wisconsin, LLC (hereinafter collectively referred to as "MAREW"), contains information pertaining to the operation of The Property and does not purport to be all inclusive or to contain all the information, which The Potential Purchaser may desire. The Memorandum is being delivered with the understanding that The Potential Purchaser will conduct its own analysis and investigation of The Property, independently and without reliance upon MAREW, The Owner 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, MAREW 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 MAREW 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 MAREW 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 MAREW; 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 or MAREW 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 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 MAREW 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 MAREWs or property management staff of The Property in connection with its review of The Property without prior written approval of The Owner. Any and all questions related to The Memorandum or The Property must be directed to MAREW. In the event The Potential Purchaser decides not to pursue the acquisition of The Property, The Potential Purchaser agrees to return The Memorandum to the appropriate representative of MAREW.

REPRESENTATION

The Potential Purchaser understands and agrees that MAREW is not representing The Potential Purchaser in this Proposed Sale. MAREW 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 MAREW 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 MAREW 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 MAREW 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 MAREW 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 MAREW from pursuing any other remedies at law or in equity, which it may have. If The Owner and/or MAREW is involved in a court proceeding to enforce the covenants contained in these Conditions of Offering and The Owner and/or MAREW prevails in such litigation, The Potential Purchaser shall be liable for the payment of The Owner and/or MAREW's reasonable attorneys' fees, court costs and ancillary expenses together with such other and further relief as available under any applicable statute.

EXECUTIVE SUMMARY

Pewaukee Commons presents a stabilized, two-tenant **investment opportunity** located in one of **suburban Milwaukee's most desirable retail corridors.**

The center is **fully leased** to **nationally recognized tenants, Planet Fitness** and **PetSmart,** who together drive **consistent foot traffic** and cater to a wide consumer demographic.

PROPERTY: Pewaukee Commons

LOCATION: 1275 Capitol Drive, Pewaukee, WI 53072

TOTAL GLA: 33,338

OCCUPANCY: 100%

TENANTS: Planet Fitness & PetSmart

2026 NOI: $277,422

WALT: 4.61

PARCEL SIZE: 4.819 Acres

YEAR BUILT/ RENOVATED: 1990 | 2007



INVESTMENT HIGHLIGHTS

100% Leased to National Tenants
Planet Fitness and PetSmart occupy the entire GLA with no near-term rollover.

Staggered Lease Expirations
Lease expirations in 2028 and 2031 provide medium-term cash flow and upside through renewal or re-tenanting.

High Traffic Corridor
Located on Capitol Drive with strong visibility and easy access.

Sticky Tenancy
PetSmart has operated at this location since 2013; Planet Fitness since 2020.

Strong Income Profile
2026 Gross Rent of $358,846 and NOI of $277,422.

WALT of 4.61 Years
Provides stable cash flow with optionality over the medium-term.

DESIRABLE DEMOGRAPHIC PROFILE

Within 5 miles

Population: 88,780

Daytime Population: 111,767

Average Household Income: $151,710

Median Age: 42.5

Households: 36,828



LOCATION OVERVIEW



Pewaukee Commons is positioned along **Capitol Drive,** a dominant east-west corridor serving the heart of Waukesha County. The property benefits from access to **Interstate 94 and Highway 16** drawing traffic from both residents and regional shoppers.

Neighboring Anchors: Directly adjacent to a high-performing Walmart and minutes away from one of three Milwaukee area Costco's, a Menards, and a Pick N' Save.

Regional Draw: Capitol Drive is one of the most heavily trafficked retail corridors in southeastern Wisconsin

Retail Synergy: The center benefits from dozens of surrounding national retailers, banks, restaurants, and service providers that reinforce daily needs and destination visits.

Master Development: Pewaukee Commons is part of the larger Meadow Creek Market planned development, a mixed-use project that includes residential, retail, and office components along Capitol Drive. The newest addition to the development is a UW Credit Union branch, currently under construction at the corner of Capitol Drive and Westfield Way.

Area Traffic Drivers: Pewaukee Commons benefits from several nearby institutional and employment drivers, including:

- Waukesha County Technical College (17,646 students)
- GE Healthcare (2,100 employees)
- Dynex/Rivett Inc. (200 employees)

The Trade Area serving Pewaukee Commons spans from I-94 to the south, Pewaukee Lake to the west, Brookfield to the east, and Sussex to the north. This broad trade area supports a full mix of national retailers such as Walmart, Costco, Meijer, Menard's, and Pick 'n Save, as well as numerous quick-service and fast-casual restaurant brands.

Affluent Trade Area: Pewaukee is known for its strong demographics, high household incomes, and residential stability.

This prime positioning enhances tenant performance and supports long-term rental stability and upside.

AERIAL OVERVIEW



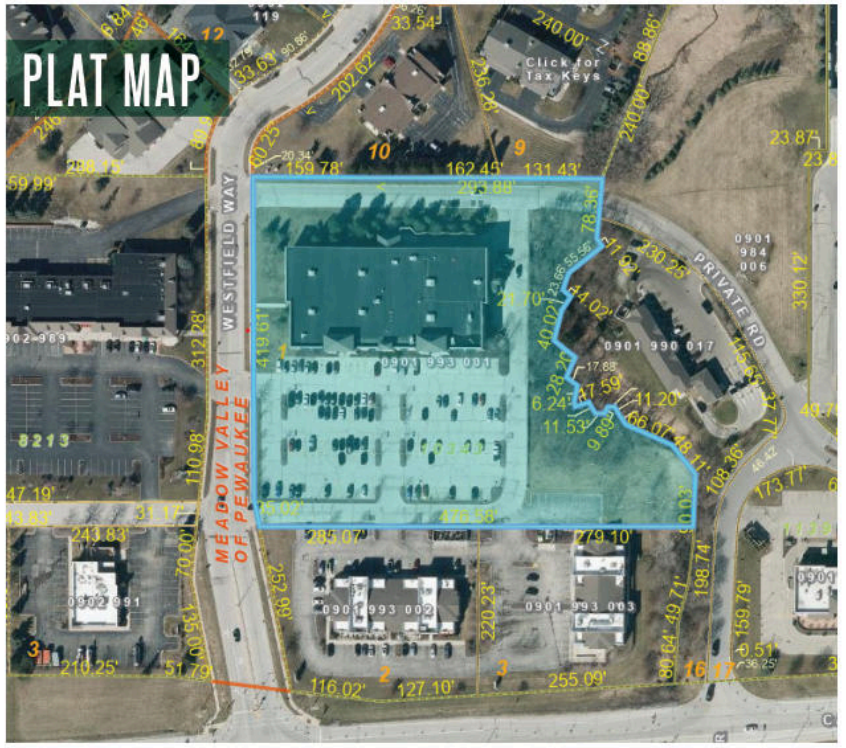
REAL ESTATE TAXES

Pewaukee Commons is located in the City of Pewaukee, within Waukesha County, Wisconsin. Real estate taxes in Wisconsin are billed in arrears; the property tax bill pertaining to 2024 is due in 2025. Tax bills are typically prepared and mailed in December following the finalization of local budgets. Payments are due in full by January 31, or may be paid in two installments—with the second installment due by July 31.

The assessed value of real property is determined by the local assessor as of January 1 each year, based on market value. Due to differing levels of assessment across municipalities, the Wisconsin Department of Revenue (DOR) adjusts local values to establish equalized values, ensuring consistency across taxing jurisdictions. These equalized values serve as the basis for allocating public school taxes, county levies, and property tax relief distributions.

As of the 2024 assessment, Pewaukee Commons is assessed at $3,045,900.00 resulting in a total property tax obligation of $36,798. The property is designated under tax parcel number 0901-993-001. Taxes for this parcel are calculated on a full-market value basis under the standard equalization process and reflect local mill rates for the City of Pewaukee and Waukesha County.

Pewaukee Commons current tax parcel number is 0901-993-001.



Total Real Estate Taxes	Actual 2024 Payable 2025	Actual 2023 Payable 2024	Actual 2022 Payable 2023
Estimated Fair Market Value	$3,082,300	$3,221,400	$2,864,600
Assessment Rate	98.2%	82.73%	93.03%
Assessed Valuation	$3,045,900	$2,665,064.22	$2,664,937.38
Tax Rate	1.05%	1.25%	1.39%
Total Real Estate Taxes	$32,079.05	$33,229.83	$37,156.27
First Dollar Credit	$60.15	$61.68	$68.79
Net Real Estate Taxes	$32,018.90	$33,168.15	$37,087.48
Real Estate Taxes PSF	$0.96	$0.99	$0.90



Mid-America Real Estate – Wisconsin LLC, Mid-America Real Estate Corporation, and the Owner do not make any representation or warranty, express or implied, as to the accuracy or completeness of the aforementioned real estate taxes and parcel map for Pewaukee Commons. All potential purchasers should perform their own due diligence and seek appropriate real estate tax counsel advice.

RECIPROCAL EASEMENT AGREEMENT (REA) SUMMARY

The Pewaukee Commons development is governed by a Declaration of Easements, Covenants, Conditions, and Restrictions recorded across Lots 1, 2, and 3, which collectively form the commercial center. This agreement ensures the coordinated operation and long-term functionality of the development. Key provisions include:

Cross-Access and Ingress/Egress

Each parcel benefits from perpetual, non-exclusive easements allowing vehicular and pedestrian access across shared drive aisles and access roads.

Shared Parking Rights

All lots have access to common parking areas. Lot owners are prohibited from altering or removing parking spaces without mutual consent, preserving site-wide customer access.

Signage Easements

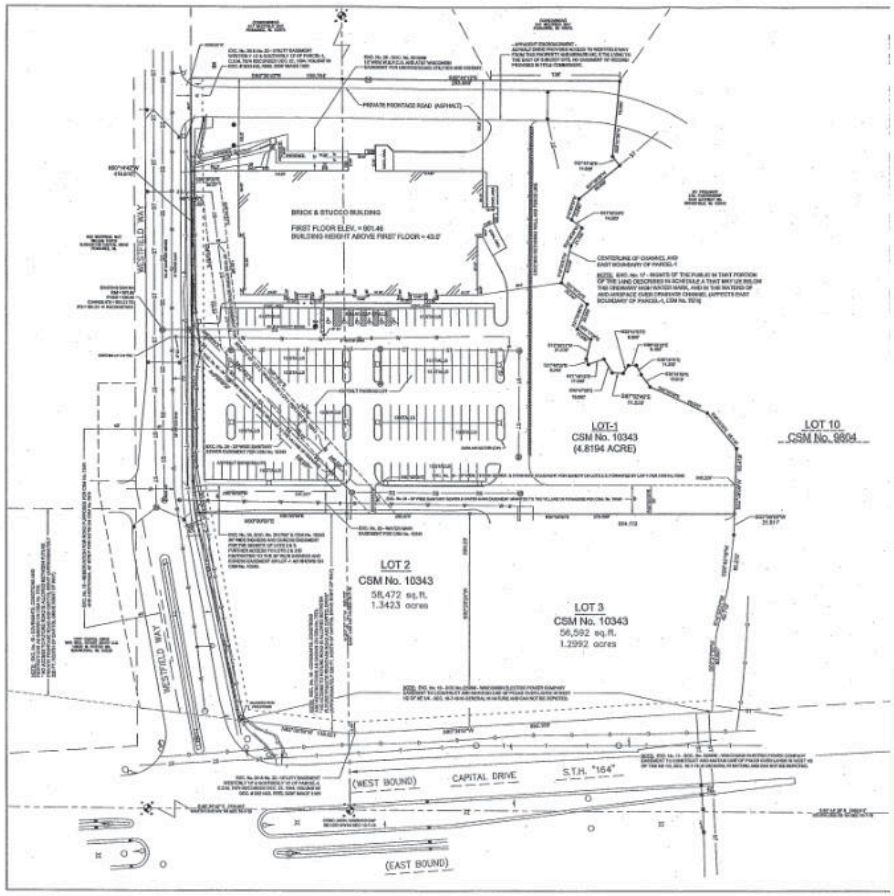
Designated parcels are granted shared signage rights on monument and pylon signs. Visibility protections are in place to prevent obstruction or impairment of signage lines of sight.

Maintenance & Cost Sharing

Owners are responsible for maintaining their own parcels. Shared areas, including drive aisles, lighting, and certain landscaping, are maintained jointly, with expenses allocated proportionally based on parcel size.

Use Restrictions

The REA restricts incompatible uses such as adult entertainment, pawn shops, and other nuisance businesses, protecting tenant quality and center cohesion.



SITE PLAN



***Retailer Premise Depth Approximately 130'**

FINANCIALS

Gross Rent	$358,846
Base Rent	$278,690
Operating Expenses	$81,424
Total GLA	33,338
WALT	4.61
NOI	$277,422
Occupancy	100%



RENT ROLL

Suite	Tenant	Saure Footage	Pro Rata Share	Lease Start	Lease Expiration	Rent PSF	Annual Base Rent	Operating Expense Recovery	Gross Rent	Lease Type	Options	Comments
A	Planet Fitness	18,731	56.19%	5/13/2020	2/28/2031	$8.25	$154,531	$45,036	$199,567	NNN	Two (5) year	3% CAM cap, 10% Admin on CAM
				5/01/2031	2/29/2036	$8.75	$163,896				1st Option	
				3/01/2036	2/28/2041	$9.25	$173,262				2nd Option	
B	PetSmart	14,607	43.81%	8/9/2013	8/31/2028	$8.50	$124,160	$35,120	$159,280	NNN	Two (5) Year	5% CAM cap, 5% Admin on CAM
				9/01/2028	8/31/2033	$9.50	$138,767				1st Option	
				9/01/2033	8/31/2038	$10.50	$153,374				2nd Option	
	TOTAL	**33,338**	**100%**				**$278,690**	**$80,156**	**$358,846**			

PRO FORMA

2026 Pro forma **Pewaukee Commons** **Pewaukee**		
Building Square Footage	*33,338*	
	PSF	*Annual*
Income		
Base Rent	$8.36	$278,690
Recoveries		
Total Recovery	$2.40	$80,156
Gross Rental Income	$10.76	$358,846
Effective Gross Income	$10.76	$358,846
Expenses		
Property Taxes	$1.09	$36,490
Insurance	$0.24	$8,109
Common Area Maintenance	$1.10	$36,825
Total Operating Expenses	**$2.44**	**$81,424**
Net Operating Income	**$8.32**	**$277,422**



TENANT OVERVIEW

PetSmart, Inc. is a privately held Canadian-based chain of pet superstores and the leading pet company in North America. With over 1,650 locations across the United States and Canada, PetSmart offers a wide range of pet products, supplies, and accessories, as well as small pets.

In addition to retail offerings, PetSmart provides a variety of services, including grooming, pet daycare, boarding, training classes, and veterinary care through in-store third-party clinics.

The company was acquired in March 2015 by a private equity consortium led by **BC Partners.** In May 2017, PetSmart acquired the online pet products retailer **Chewy,** which operated largely independently. Chewy went public in June 2019, and as of March 2021, it is no longer owned by PetSmart; the two companies now operate independently.

Tenant Name: PetSmart, Inc.
Square Feet: 14,607 SF
Lease Expiration: August 31, 2028
Lease Type: NNN
Base Rent (2025): $124,159.50 ($8.50/SF)
CAM Cap: 5% annual (excl. snow & utilities)
Initial Lease Commencement: August 9, 2013
Use: Pet supplies, grooming, day care, adoption, and veterinary services
Exclusive Use: Yes, for pet-related retail and services



TENANT OVERVIEW

Black Duck Partners: Neenah, WI based

BDP is one of the largest franchisees in the Planet Fitness franchise chain of health clubs. BDP operates over 130 clubs in twelve states and two countries including: Wisconsin, Illinois, Nebraska, Iowa, Georgia, South Carolina, Texas, Michigan, Missouri, Nevada, Arizona, New York, and Winnipeg, Manitoba.

The most profitable gym chain as of 2024 is Planet Fitness, recognized for its low-cost membership model and expansive growth. It operates over 2,472 locations, focusing on creating a non-intimidating, judgment-free environment that appeals to a wide demographic, particularly fitness newcomers.

Tenant Name: Planet Fitness
Operating Entity: BDP Pewaukee WI, LLC
Guarantor: Black Duck 3, LLC
Square Feet: 18,731 SF
Lease Expiration: February 28, 2031
Lease Type: NNN
Base Rent (2025): $154,530.75 ($8.25/SF)
CAM Cap: 3% annual (non-cumulative, excl. snow & utilities)
HVAC Responsibility: Tenant responsible for first $5,000 annually, Landlord thereafter
Use: Health and fitness club, 24/7 operation permitted
Exclusive Use: Yes, for health/fitness/tanning services



PEWAUKEE
COMMONS

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