

OFFERING MEMORANDUM

\$4,372,000 | 7.00% CAP RATE

- » New 15-Year Net Lease with Scheduled Rental Increases
- » National Tenant with 300+ Locations and Growing
- » High-Traffic Location with Great Visibility
 - » 38,447 AADT at Signalized Hard Corner
- » Located in Dense Retail Corridor
- » Strong Customer Base with Affluent Demographics
 - » 129,965 Residents with an Average Household Income of \$142,402 Within a Five-Mile Radius
- » Prime Location in Bedroom Community with High Demand for Childcare and Early Education
- » New 2019 Construction



FILE PHOTO

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DEMOGRAPHIC PROFILE

Cushman & Wakefield ("Broker") has been retained on an exclusive basis to market the property described herein ("Property"). Broker has been authorized by the Seller of the Property ("Seller") to prepare and distribute the enclosed information ("Material") for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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Leased Investment Team

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INVESTMENT SUMMARY

ADDRESS	16062 Manchester Road, Ellisville, Missouri		
PRICE	\$4,372,000		
CAP RATE	7.00% return (8.21% average cap rate)		
NOI	\$306,000		
TERM	15 years		
RENT COMMENCEMENT	April 26, 2019 (estimated)		
LEASE EXPIRATION	April 30, 2034 (estimated)		
RENTAL INCREASES	8% rental increases every five (5) years		
	YEAR	RENT	RETURN
	1-5	\$306,000	7.00%
	6-10	\$330,482	7.56%
	11-15	\$356,918	8.16%
	16-20 (Option 1)	\$385,472	8.82%
	21-25 (Option 2)	\$416,310	9.52%
YEAR BUILT	2019		
BUILDING SF	10,000 SF building + 4,822 SF playground		
PARCEL SIZE	1.71 acres (74,604 SF)		
LEASE TYPE	Net, with tenant responsible for all insurance, taxes, and maintenance, excluding roof and structure		

LONG-TERM LEASE WITH SCHEDULED RENTAL INCREASES

- » 15-year net lease with two five-year options
- » 8% rental increases every five years, providing a hedge against inflation

NATIONAL TENANT WITH BRAND RECOGNITION AND GROWTH

- » Over 300 locations in 22 states
- » Tenant experienced 210% increase in five-year system-wide revenue growth and is one of the fastest growing franchises in its industry
- » Ranked in the Franchise 500 eight years in a row

HIGH-TRAFFIC LOCATION IN DENSE RETAIL CORRIDOR

- » Excellent access and visibility to 38,447 vehicles per day at the signalized intersection of Manchester Road and Hutchinson Road
- » Manchester Road serves as Ellisville's primary east-west transportation route, and the property is located in a dense retail corridor
- » Nearby tenants include Target, Home Depot, Kohl's, CVS, Gold's Gym, Schnucks, Chuck E. Cheese's, Michaels, Orangetheory Fitness, Party City, and many others

PRIME LOCATION IN WEALTHY BEDROOM COMMUNITY

- » Located in Ellisville, a family-oriented community whose average residents include working executives and school-age children
- » Ellisville is part of the AAA-rated Rockwood School District, St. Louis County's largest public school system and one of the most well-known award-winning school districts in Missouri
- » Average household income of \$142,402 within a five-mile radius, significantly higher than national and regional averages
- » Average household incomes within one- and three-mile radii exceed \$120,000 and \$140,000, respectively
- » 129,965 residents living within five miles
- » Many residents commute to St. Louis and the surrounding communities for work, providing a high demand for childcare services



FILE PHOTO



Manchester Road (35,197 AADT)



DOWNTOWN CLAYTON
(20 miles)

DOWNTOWN ST. LOUIS
(25 miles)

O'Reilly AUTO PARTS
PROFESSIONAL PARTS PEOPLE

Jack
in the box

Central Plaza

ROSS
DRESS FOR LESS

JOANN

SALLY
BEAUTY SUPPLY

TARGET

Ballwin Plaza

Once upon a child

Pizza Hut

BUFFALO WILD WINGS
GRILL & BAR

Olde Towne Plaza

Lowe's
Home Improvement Warehouse

BIG LOTS!

Marshall's

Applebee's
GRILL & BAR

TEXAS
MEXICAN

McALISTER'S
DELI

Ellisville Square

Party City

Orangetheory
FITNESS

POPEYES
LOUISIANA KITCHEN

CHUCK E. CHEESE'S

McDonald's

FAMOUS FOR
Steak 'n Shake
STEAKBURGERS

Walgreens

BURGER KING

CHIPOTLE
MEXICAN GRILL

GOLD'S
GYM

Office DEPOT

CVS/pharmacy

Arby's

Raising Cane's
CHICKEN FINGERS

The Tile Shop

ihop



THE LEARNING
EXPERIENCE

Academy of Early Education

Manchester Road (35,197 AADT)

Hutchinson Road (3,250 AADT)





**FOREST HILLS
COUNTRY CLUB**
(18-hole championship golf
course over 6 acres)

Marquette High School
(2,223 students)

Crestview Middle School
(1,205 students)



WALNUT GRILL
Sophistication, simplified.



Ellisville
Elementary School
(545 students)

Walgreens



Manchester Road (35,197 AADT)

Hutchinson Road (3,250 AADT)



**THE LEARNING
EXPERIENCE**
Academy of Early Education



Lafayette High School
(1,874 students)



Hutchinson Road (3,250 AADT)

Manchester Road (35,197 AADT)





BETHESDA
(214 employees)

COOPER Bussmann
(280 employees)

**BLUEBIRD PARK AND
EDGE AQUATIC CENTER**
(167-acre park with an aquatic center,
amphitheater, tennis courts, pavilions,
baseball fields, dog park, disc golf course,
and community garden)

**THE LEARNING
EXPERIENCE**
Academy of Early Education

Hutchinson Road (3,250 AADT)

Manchester Road (35,197 AADT)

**FAMOUS FOR
Steak
'n
Shake
STEAKBURGERS**

Walgreens

SITE PLAN

Walgreens



HISTORIC U.S. 66 / MANCHESTER ROAD

HUTCHINSON ROAD

STOP

OUTDOOR PLAY AREA

THE LEARNING
EXPERIENCE

Academy of Early Education

10,000 SF

GREAT SOUTHERN
BANK

COVERT LANE

TENANT SUMMARY



Founded in 1980, The Learning Experience is one of the nation's fastest growing childcare and early education franchises, with over 300 child development centers open or under development in 22 states. The Learning Experience offers childcare and early education services to infants, toddlers, twaddlers, preppers, preschoolers, and pre-K and kindergarten children. The company also provides before and after school care services for children up to eight years of age.

With a 210% increase in five-year system-wide revenue growth and over 35 new centers opening annually, Forbes named the company one of the "Best Franchises to Buy in 2015". The Learning Experience was ranked in the Franchise 500 in each of the past eight years (2011-2018).

The early education and childcare industry has grown exponentially over the past decade and shows no signs of slowing down. The U.S. Bureau of Labor Statistics projects that day care businesses will have some of the fastest employment growth of all industries through 2020. Demand for childcare services is driven primarily by growth in the youth population. According to a recent U.S. Census Bureau estimate, there are currently over 24 million children under the age of six living in the United States. Of those 24 million, 15.1 million require childcare. As a result, industry growth is expected to continue at a steady pace. In 2018, the childcare industry netted revenues of \$53 billion; over the next five years the childcare industry revenue is forecasted to increase at an average annual rate of 3.4% to \$62.6 billion.

In 2018, The Learning Experience was acquired by Golden Gate Capital, a private equity investment firm with over \$15 billion of capital under management.

For more information, visit www.thelearningexperience.com and www.goldengatecap.com.

HEADQUARTERS	Boca Raton, FL	# OF LOCATIONS	300+
SALES	\$236.6M	OWNERSHIP	Private

LEASE ABSTRACT

TENANT	TLE at Ellisville, LLC		
GUARANTY	10-year guaranty from The Learning Experience Corp.		
ADDRESS	16062 Manchester Road, Ellisville, Missouri		
RENT COMMENCEMENT	April 26, 2019 (estimated)		
LEASE EXPIRATION	April 30, 2034 (estimated)		
RENEWAL OPTIONS	Two (2) five (5) year options		
RENTAL INCREASES	YEAR	RENT	RETURN
	1-5 6-10 11-15 16-20 (Option 1) 21-25 (Option 2)	\$306,000 \$330,482 \$356,918 \$385,472 \$416,310	7.00% 7.56% 8.16% 8.82% 9.52%
*For the first year of the lease, Tenant shall receive a rent concession and pay the greater of 16% of Tenant's annual gross revenue or \$153,000.			
REAL ESTATE TAXES	Tenant is responsible for taxes.		
INSURANCE	Tenant is responsible for insurance.		
REPAIR & MAINTENANCE	Tenant is responsible for all repair and maintenance of the parking lot and all nonstructural portions of the Premises.		
MAINTENANCE BY LANDLORD	Landlord is responsible for the repair and maintenance of the roof and all structural portions of the Premises.		
RIGHT OF FIRST REFUSAL	None		

PROPERTY OVERVIEW

LOCATION

The property is conveniently located at the signalized intersection of Manchester Road and Hutchinson Road, with excellent visibility and access to 38,447 vehicles per day directly in front of the property. Manchester Road serves as Ellisville's primary east-west transportation route, and the property is located in a dense retail corridor. Several shopping centers are within walking distance of the property, including Ellisville Square, which features Party City, Michaels, Chuck E. Cheese's, Orangetheory Fitness, and Tuesday Morning. Other notable retailers located in the nearby area include Home Depot, Kohl's, CVS, Gold's Gym, Schnucks, Target, and many others.

Several schools are near the property, including Ellisville Elementary School (545 students), Crestview Middle School (1,205 students), and Marquette High School (2,223 students). All of these schools are part of the AAA-rated Rockwood School District, St. Louis County's largest public school system and one of the most well-known award-winning school districts in Missouri. The property is surrounded by affluent residential neighborhoods; 129,965 residents with an average household income of \$142,402 live within five miles of the property, and average household incomes within one- and three-mile radii exceed \$120,000. The property is also next to Ellisville's two largest employers, Cooper Bussman (280 employees) and Bethesda (214 employees). Additionally, a majority of Ellisville's workforce works outside of the home, and many Ellisville residents commute to St. Louis and the surrounding communities for work, providing a high demand for childcare services.

ACCESS

Access from Manchester Road and interparcel access from Hutchinson Road

TRAFFIC COUNTS

Manchester Road: 35,197 AADT
Hutchinson Road: 3,250 AADT

PARKING

38 parking stalls, including two (2) handicap stalls

YEAR BUILT

2019

NEAREST AIRPORT

St. Louis Lambert International Airport (STL)



FILE PHOTO



38
PARKING
STALLS



2019
YEAR BUILT



38K
TRAFFIC
COUNT (AADT)



**NEAREST
AIRPORT**
ST. LOUIS LAMBERT
INTERNATIONAL
AIRPORT

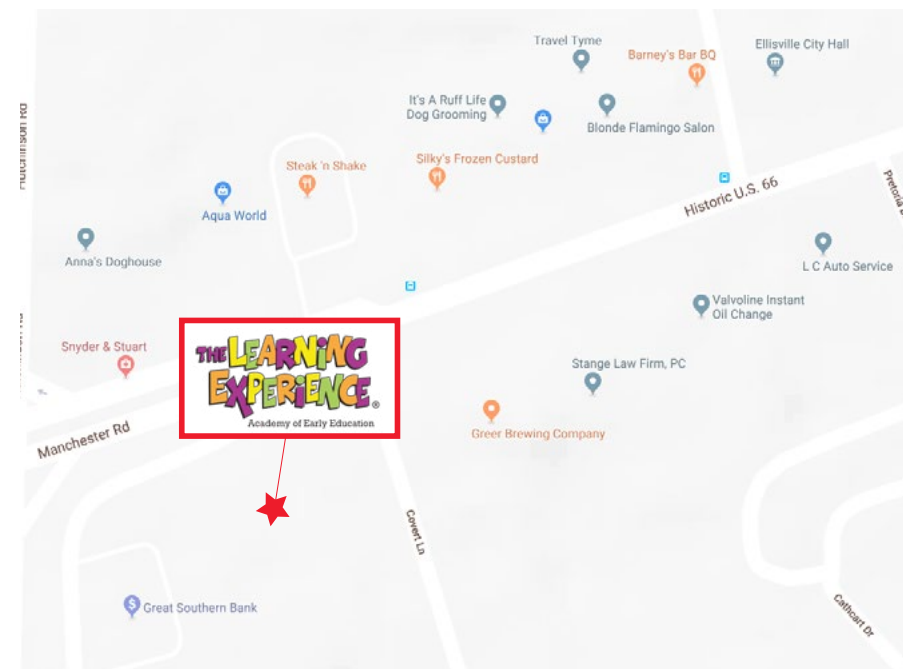
AREA OVERVIEW

Ellisville, an affluent suburb of St. Louis, is located approximately 21 miles west of downtown St. Louis in St. Louis County. St. Louis County borders the independent city of St. Louis and is included in the St. Louis, MO-IL Metropolitan Statistical Area (MSA). As the most populous county in Missouri, as well as the population and economic center of the St. Louis metropolitan area, St. Louis County plays a crucial role in the state's and region's vitality. Home to over one million residents, St. Louis County boasts more homes, roads, jobs, people in the labor force, business start-ups, and Fortune 500 companies than any other place in Missouri. The largest employment sectors in St. Louis County are education and health, trade and transportation, and professional business services. The county also has the second highest per capita income in the state of Missouri; nearly one-fourth of the state workforce is employed in St. Louis County, but it accounts for 27% of the state's wages. St. Louis County's housing values are the highest in the region, and the ratio of owner-occupied units in St. Louis County is higher than that of the region, the state, and the nation. Additionally, St. Louis County is the region's employment hub, with 46% of the region's jobs.

Greater St. Louis is the metropolitan area that completely surrounds and includes the independent city of St. Louis. It includes parts of both the U.S. states of Missouri and Illinois. St. Louis is the largest metro area in Missouri, and is the second largest in Illinois. The economy of metro St. Louis relies on service, manufacturing, trade, transportation of goods, and tourism. The St. Louis MSA is home to the headquarters of nine Fortune 500 companies, the third highest in the Midwest. The area has also become known for its growing medical, pharmaceutical, and research presence. St. Louis has two professional sports teams: the St. Louis Cardinals of Major League Baseball and the St. Louis Blues of the National Hockey League. The city is commonly identified with the 630-foot tall Gateway Arch in St. Louis.

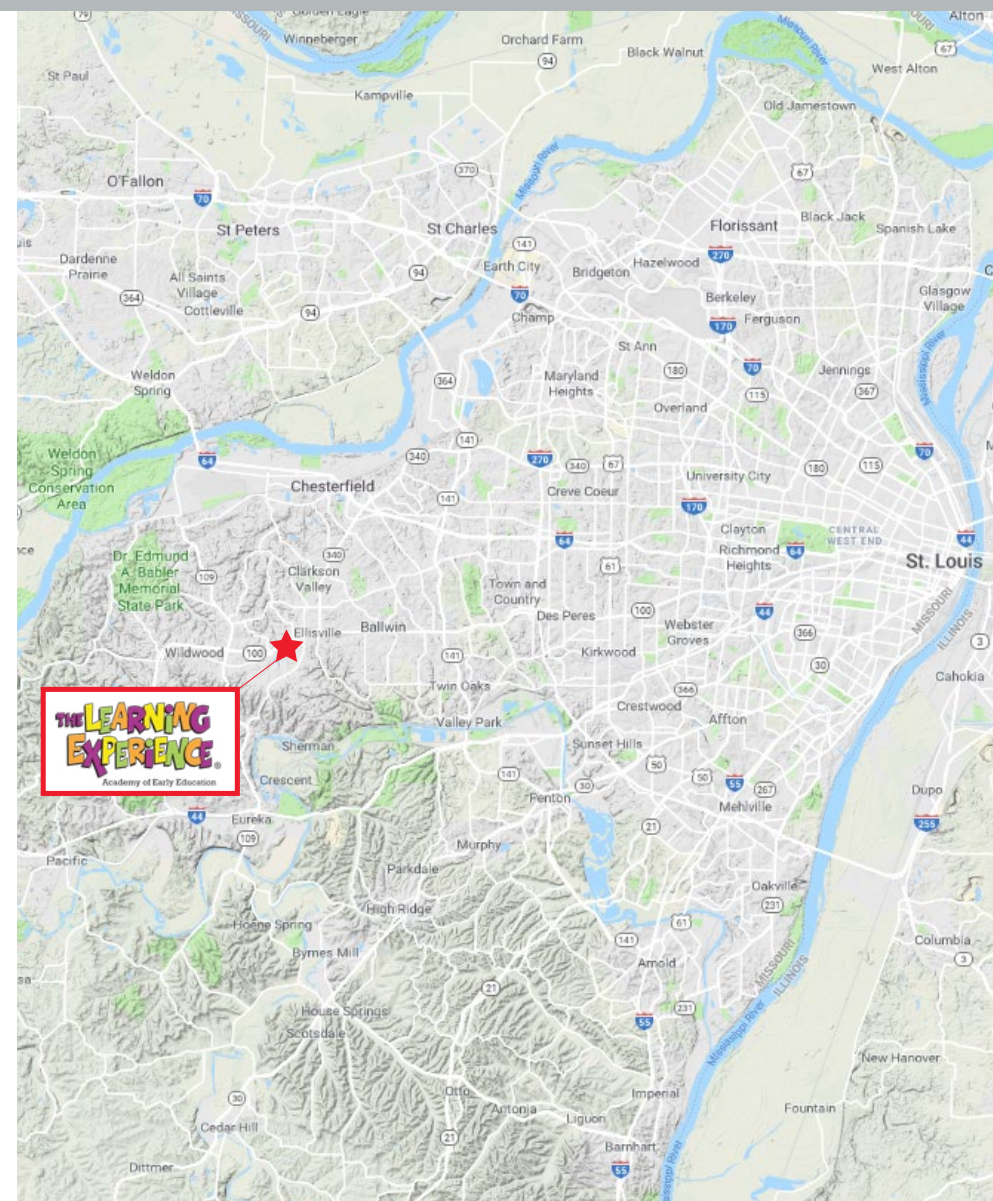
- » Ellisville is a part of the AAA-rated Rockwood School District, a progressive, innovative, and award-winning educational system. The Rockwood School District serves more than 22,000 students from western St. Louis and northern Jefferson counties. The district is comprised of 19 elementary schools, six middle schools, four high schools, an Early Childhood Center, Centers for Creative Learning, and an Individualized Learning Center.
- » Ridge Meadows Elementary, located in Ellisville, was the first school in Missouri to be awarded the Model National Professional Development Award from the U.S. Department of Education.
- » St. Louis Lambert International Airport is the largest and busiest airport in Missouri, with over 270 daily departures to over 80 domestic and international locations. In 2017, 14.7 million passengers traveled through the airport.
- » The St. Louis MSA's economy makes up approximately 40% of the Gross State Product of Missouri.

MAJOR EMPLOYERS IN ST. LOUIS MSA	# OF EMPLOYEES
BJC HEALTHCARE	28,351
WALMART	22,290
WASHINGTON UNIVERSITY IN ST. LOUIS	15,818
SSM HEALTH CARE	14,926
MERCY HEALTH	14,195
BOEING DEFENSE, SPACE & SECURITY	14,000
SCOTT AIR FORCE BASE	13,000
U.S. POSTAL SERVICE	9,956
SCHNUCKS MARKETS INC.	9,510
AT&T	9,000



DEMOGRAPHIC PROFILE

2018 SUMMARY	1 Mile	3 Miles	5 Miles
Population	7,549	64,672	129,965
Households	2,989	23,502	48,724
Families	2,001	18,020	36,349
Average Household Size	2.47	2.73	2.65
Owner Occupied Housing Units	2,117	19,563	39,911
Renter Occupied Housing Units	872	3,939	8,813
Median Age	47.5	43.2	44.0
Average Household Income	\$120,509	\$141,256	\$142,402
2023 ESTIMATE	1 Mile	3 Miles	5 Miles
Population	7,616	65,315	131,638
Households	3,010	23,691	49,354
Families	2,007	18,115	36,626
Average Household Size	2.47	2.74	2.65
Owner Occupied Housing Units	2,126	19,681	40,096
Renter Occupied Housing Units	885	4,010	9,258
Median Age	48.9	44.6	45.1
Average Household Income	\$136,304	\$155,725	\$156,957



AVERAGE HOUSEHOLD INCOME OF \$142,402
WITHIN FIVE MILES



POPULATION OF 129,965
WITHIN FIVE MILES

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