

CONSTRUCTION PHOTO  
AS OF 3/31/2019



Offering Memorandum

**THE LEARNING EXPERIENCE**  
HIGHWAY 26 & PRECINCT LINE ROAD  
HURST (DALLAS–FT.WORTH), TX 76180



Marcus & Millichap







**TCC** | Tarrant County College  
SUCCESS WITHIN REACH.  
**13,000 STUDENTS**



**VENTERRA**  
**219 UNITS**



**BIRDVILLE HIGH SCHOOL**  
**2,080 STUDENTS**



**KOHL'S**



**HURST ATHLETIC COMPLEX**  
**42 ACRES**



**GRAPEVINE HWY**  
**25,000 CPD**







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25,000 CPD

HURST ATHLETIC  
COMPLEX  
42 ACRES



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**FINANCIAL SUMMARY**

Price	\$4,214,000
Down Payment	100% \$4,214,000
Cap Rate	7.0%
Building SF	+/- 10,000 SF
Net Cash Flow	7.0% \$295,000
Year Built	2019
Lot Size	.86 Acres

**LEASE SUMMARY**

Lease Type	Double-Net (NN) Lease
Tenant	TLE at Hurst, LLC
Lease Guarantor	The Learning Experience Corp.
Roof & Structure	Landlord Responsible
Est. Rent Commencement Date	August 15, 2019
Est. Lease Expiration Date	August 31, 2035
Lease Term	16 Years
Rental Increases	10% Every 5 Years
Renewal Options	2, 5 Year Options
First Right of Refusal	10 Days

(1) 20 Year Roof Warranty

(2) Guarantor is The Learning Experience Corp. and the guaranty of rent shall be limited to a maximum liability amount of \$500,000 in the aggregate and this maximum amount shall be reduced by \$100,000 on each anniversary of the Effective Date, until such time as said amount has been reduced to Zero, at which time this Guaranty of Rent shall become null, void, and of no further force or effect.

**ANNUALIZED OPERATING DATA**

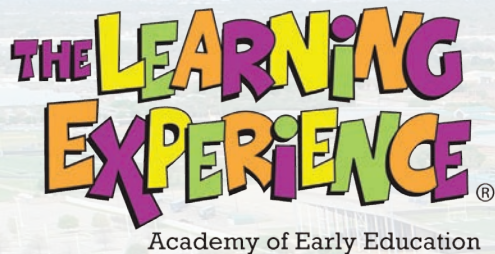
LEASE YEARS	ANNUAL RENT	CAP RATE
1 - 5	\$295,000.00	7.00%
6 - 10	\$324,500.00	7.70%
11 - 16	\$356,950.00	8.47%
OPTIONS	ANNUAL RENT	CAP RATE
Option 1	\$392,645.00	9.32%
Option 2	\$431,909.50	10.25%

**BASE RENT**

	\$295,000
Net Operating Income	\$295,000
Total Return	7.0% \$295,000







The Learning Experience was founded more than thirty years ago with a single location in Boca Raton, FL, by the Weissman family. The unique and proprietary programs that the Weissmans developed quickly caught on and expansion soon followed.

The foundation of The Learning Experience® was built on three key educational and care principles: cognitive, physical, and social development.

The Learning Experience is an industry leader and one of the nation's fastest growing early education and child care franchises, with a proven track record of success for both students and center franchisees. More than 95% of pre-school graduates read before kindergarten, and more than 70% of center franchisees buy additional units or refer new franchisees to the company. As a testament to the opportunities TLE provides, many parents with enrolled children also become franchisees. There are more than 200 The Learning Experience locations open or under development across the country.

Headquarters	Deerfield Beach, Florida
Company Type	Private
Locations	211
2017 Revenue	\$57.99 Million
Website	<a href="http://www.thelearningexperience.com">www.thelearningexperience.com</a>





## INVESTMENT HIGHLIGHTS

- Brand New 16-Year Corporate Lease – 2019 Construction
- 10% Rental Increases Every 5 Years
- 20 Year Roof Warranty
- 267,984 Residents in Hurst Trade Area – Dallas / Fort Worth MSA
- Situated Along a Major Retail Corridor – Lowe's, Kohl's, The Home Depot, Natural Grocers, Raising Cane's, Chick-Fil-A, Jimmy John's, and More
- Affluent Trade Area – Average Household Income Exceeds \$112K in 1-Mile Radius
- The Learning Experience is Projected to Grow by 35 Centers Annually
- Adjacent to Hurst Athletic Complex (42 Acres)
- Surrounded by Numerous Elementary Schools
- Close Proximity to NRH<sub>2</sub>O Family Water Park
- Down the Road from Tarrant County College's Northeast Campus (13,000 Students)
- Strong Daytime Population – 235,895 Employees in 5-Mile Radius

## DEMOGRAPHICS

Population	1-Mile	3-Miles	5-Miles
2023 Projection	7,173	106,489	280,899
2018 Estimate	7,284	103,491	267,984
Households	1-Mile	3-Miles	5-Miles
2023 Projections	3,017	43,156	110,215
2018 Estimate	3,023	41,335	103,933
Income	1-Mile	3-Miles	5-Miles
2018 Est. Average Household Income	\$112,748	\$99,937	\$106,921
2018 Est. Median Household Income	\$87,930	\$71,215	\$74,296
2018 Est. Per Capita Income	\$46,925	\$39,989	\$41,536

## LOCATION OVERVIEW

Hurst is a city in and suburb of the Dallas-Fort Worth metropolitan area, located approximately 13 miles from the Dallas/Fort Worth International Airport. The city is part of the Mid-Cities region, a suburban region filling the thirty-mile span between Dallas and Fort Worth. Along with Hurst, other communities in this region include Arlington, Grand Prairie, Grapevine, Colleyville, Bedford, and Keller. Hurst is home to Tarrant County College (built in 1961) as well as the city's premier shopping centre, North East Mall, which was ranked the top shopping mall in Tarrant County and is the third largest mall in the state of Texas. The city and its surrounding area are home to many schools – elementary, middle, and high school – and consists of the Hurst-Euless-Bedford Independent School District (ISD), Birdville ISD, Grapevine-Colleyville ISD, and Keller ISD.

The Dallas/Fort Worth Metroplex is the fourth-largest metro in the nation and is composed of 12 counties, with an aggregate of more than 6.9 million residents. Population growth in the region was tremendous during the past decade, outpacing most U.S. metros. The population of the Metroplex is forecast to expand 1.6 percent per year through 2020.

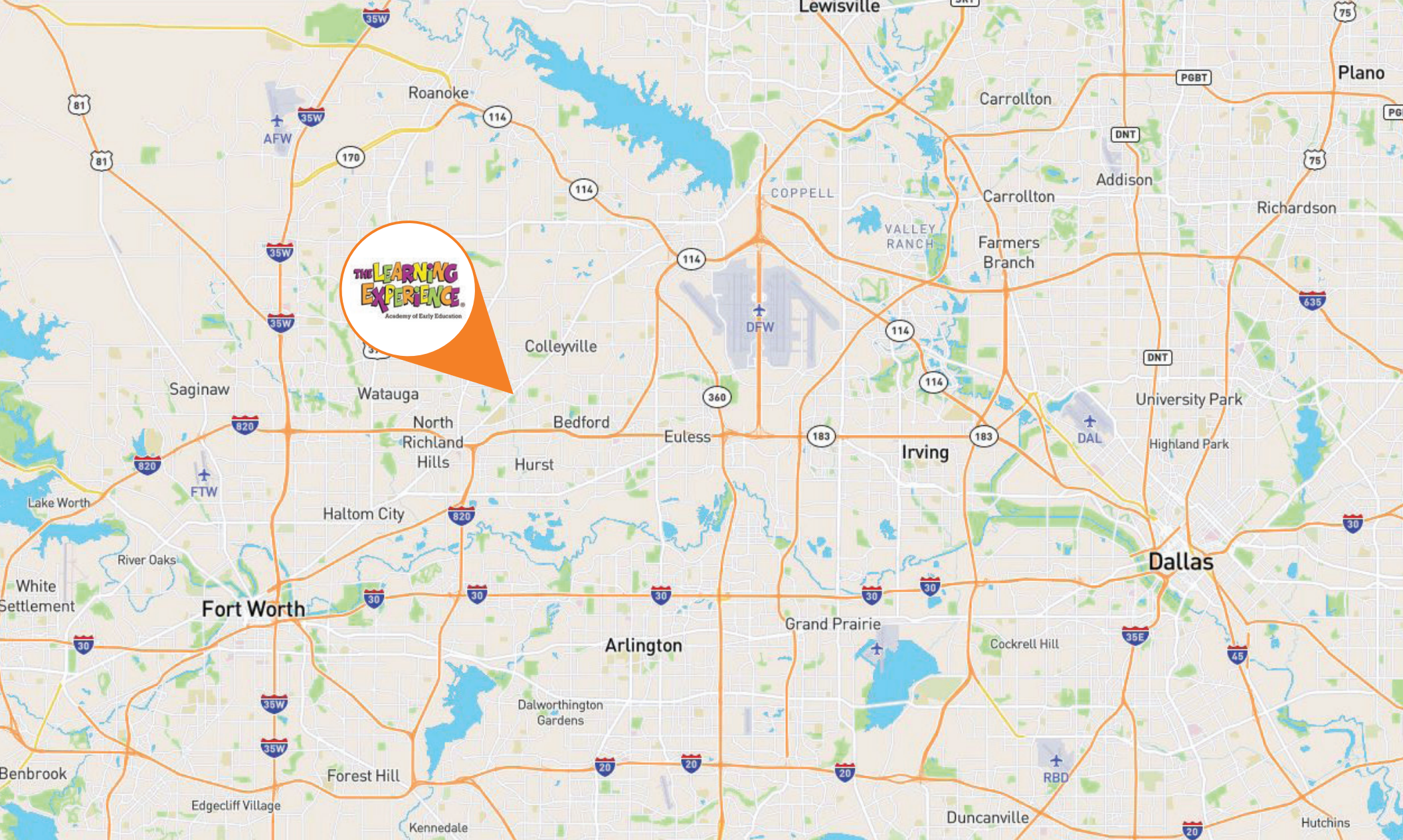
The Dallas/Fort Worth economy continues to evolve. Companies migrating to the area are attracted by warm weather, no state income tax and a right-to-work labor policy. These qualities, combined with an educated workforce, diverse population and low housing costs, have led to extraordinary growth in the Metroplex and will continue to draw new businesses. Economic expansion will be further fueled by a rise in financial services and high-tech companies.

Dallas/Fort Worth is home to 21 Fortune 500 companies in diverse economic sectors, including energy, food, healthcare services, telecommunications and retail. Some top names are ExxonMobil, American Airlines Group, Southwest Airlines, Fluor, AT&T, Tenet Healthcare, Kimberly-Clark and JCPenney. There is also a high concentration of privately held companies headquartered locally.









**3 MILES**  
**North East**  
**Shopping Mall**

**12 MILES**  
**Downtown**  
**Fort Worth**

**12 MILES**  
**Dallas / Fort Worth**  
**International Airport**

**27 MILES**  
**Downtown**  
**Dallas**





11-2-2015

## Information About Brokerage Services

*Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.*

### TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

### A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

### A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

**AS AGENT FOR OWNER (SELLER/LANDLORD):** The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

**AS AGENT FOR BUYER/TENANT:** The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

**AS AGENT FOR BOTH - INTERMEDIARY:** To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
  - that the owner will accept a price less than the written asking price;
  - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
  - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

**AS SUBAGENT:** A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

### TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

**LICENSE HOLDER CONTACT INFORMATION:** This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.



## Confidentiality Agreement

The information contained in the following offering memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and it should not be made available to any other person or entity without the written consent of Marcus & Millichap. By taking possession of and reviewing the information contained herein the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum. If you have no interest in the subject property at this time, please return this offering memorandum to Marcus & Millichap.

This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this offering memorandum has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

**ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONTACT THE MARCUS & MILLICHAP AGENT FOR MORE DETAILS.**

## Net Leased Disclaimer

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

**By accepting this Marketing Brochure, you agree to treat the information contained herein regarding the lease terms as confidential and proprietary and to only use such information to evaluate a potential purchase of this net leased property.**

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

**By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services as well as the Property Owner and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.**



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**TIMOTHY SPECK**

Broker of Record

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