

15 YEAR TERM  
\$4,822,222  
6.75% CAP RATE  
HAWTHORN WOODS, (CHICAGO), IL

OFFERING MEMORANDUM



THE WOODMONT COMPANY



ACTUAL PROPERTY

## INVESTMENT SUMMARY

Price	\$4,822,222
Cap Rate	6.75%
Annual Income (Year 1)	\$325,593
Year 5 Return	7.17%
Year 10 Return	7.91%
Year 15 Return	8.73%
Initial Term (Beginning Lease Commencement Date)	15 Years
Options	Three (3), 5yrs each
Rent Escalations	2% Annually, Including Options; Starting Year 3
Franchisee	Corcica, Inc.
Location	Hawthorn Woods, IL



ACTUAL PROPERTY

## INVESTMENT HIGHLIGHTS

- **New 15 year lease, plus three, 5-year Options**
- **Annual Rent Increases, including all Option years, starting Year 3**
- **Brand New Construction, 20 Year Roof Warranty**
- **NN Lease Structure**
- **Leading National Brand**
- **High Profile Location**
- **15 Year lease term:** A new 15 year, NN Lease is in place with limited ownership responsibilities.
- **Tremendous hedge against inflation:** Starting Year 3, automatic annual rent increases continuing throughout the remaining Term and all Option years.
- **Essential Business:** Child Care has been deemed an “Essential Business” providing assurance the tenant will be able to remain open and operating.

### SECURE, LONG-TERM INVESTMENT

**Annual Rent Increases:** Starting Year 3, automatic 2% annual rent increases are in place throughout every year for the remainder of the initial Term and all Option years, providing investors a tremendous hedge against inflation.

**Essential Needs Business & Recession Resistant Business:** Illinois has deemed the use as an “Essential Needs” business. In addition, Child Care has proven to be extremely resistant to economic downturns, making this type of real estate investment ideal for investors seeking long term stability.

**Passive Income & Limited Responsibilities:** The 15-year, NN Lease has very limited Landlord responsibilities which provides investors passive income with protection against possible increases in expenses.



ACTUAL PROPERTY

**National Child Care Brand:** Kiddie Academy is a nationally recognized leader in the childcare industry with over 250 locations across the country with a tremendous track record of 30+ years of continuous growth and a recognized leader within the industry for early education programs and childcare.

**Free & Clear Delivery:** Property is being delivered unencumbered, free & clear of any existing debt.

Tenant is responsible for all property taxes, utilities and maintenance. The Landlord's responsibility is limited to the buildings structural components and roof. The roof is of brand new construction and under warranty for 20 years.

# INVESTMENT HIGHLIGHTS

## EXCELLENT REAL ESTATE FUNDAMENTALS

**High Profile Real Estate:** The property is located at a major interchange serving the communities of Hawthorne Woods and Lake Zurich with tremendous exposure to area residents and workforce.

**New Construction:** Construction was completed in June 2020 & developed from the ground up specifically for Kiddie Academy using their most current prototype.

**Vibrant & Strong Local Economy:** Located in Lake County, which is one of the most desirable areas in metro Chicagoland. The immediate area is home to almost 2,000 business and nearly 23,000 employees. Chicago's economy is the 3rd largest in the nation and tremendously diverse with no individual economic sector employing more than 12% of the workforce.

## IDEAL CANDIDATE FOR 1031 EXCHANGE

**Long Term Lease:** A new Lease Term of 15 years on the initial term is in place with very limited ownership responsibilities.

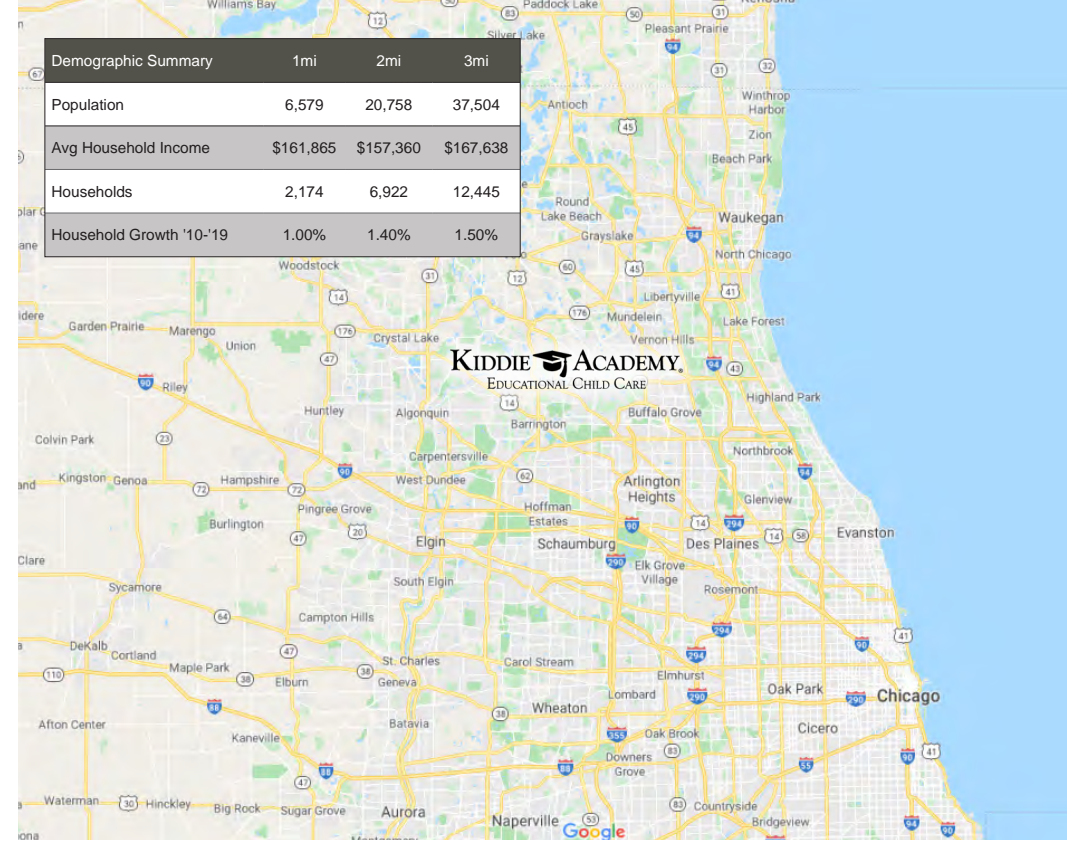


ACTUAL PROPERTY

# SNAPSHOT: HAWTHORN WOODS

Situated in Lake County, approximately 40 miles from downtown Chicago, Hawthorn Woods is regarded as one of the most desirable communities to live and work in the greater Chicago area. Recently recognized as one of the 10 safest cities in Illinois, and according to niche.com, Hawthorn Woods is ranked in the top 1.2% of cities to raise a family. A large area of Hawthorn Woods lies within the Stevenson High School District, which is ranked as the #1 high school in suburban Chicago.

Hawthorn Woods is recognized for its beautiful open spaces and park amenities as well as great schools, friendly business districts, and professional services. The community of Hawthorn Woods has experienced a 7.5% increase in its population since 2010. Due to its location between Chicago and Milwaukee, Hawthorn Woods is well situated to continue its impressive growth.



# SNAPSHOT: LAKE COUNTY

Lake County is in northeastern area of metro Chicago, with Lake Michigan to the east, Wisconsin state line immediately to the north and Downtown Chicago approx. 30 minutes to the south of the county line.

The county's communities include picturesque rural communities, highly developed urban centers, and tourist communities.

Lake County's excellent schools, beautiful lakes and beaches, hundreds of miles of trails to walk and bike on, breathtaking forest preserves, unique downtowns and terrific shopping centers make Lake County on of the most desirable areas to live in the entire Chicagoland area if not the Midwest and why several of the largest employers in the Chicagoland area, including numerous Fortune 500 companies are located in Lake County's communities. Within 2 miles of the Kiddie Academy location are 725 Companies & +/-11,000 Full Time Employees alone.



## Young Residents

15% (106,530) of Residents are Between the Ages of 1-12 Years



## Highly Educated Residents

42% of Residents Possess Bachelor's Degree or Higher



## Ranked Businesses

Named Forbes "Top Places for Business and Careers"



## \$167,638 Avg HH Income (3-mi)

Area has 3rd Highest Household Incomes in Illinois



## Ranked Schools

Home to Two of the Top 10 School Districts in the State



## 86% of Residents

Consist of Young Families and Working Professionals



## Business Centered

30,000+ Businesses & 11 Fortune 500 Companies in Lake County



## COLLEGE OF LAKE COUNTY



Fortune 500  
Companies  
Located in Lake  
County:



Abbott



# SNAPSHOT: CHICAGO

## CHICAGO:

The Chicago area is known throughout the world for its unique and vibrant local culture, numerous world class area attractions and events. The area is home to over 9.5M residents in 50 wards, 77 different community areas and 100 neighborhoods.

One of the most exciting and diverse cities in the US, if not the world, the Chicago areas gross metropolitan product is 3rd largest in the nation; greater than many countries. Chicago's tremendously diverse economy is spread across every major sector with no single industry employing more than 12% of the areas workforce of 4.5M+ employees, the 3rd largest labor pool in the United States.

The Chicago metro area population exceeds 9.5M+, the 3rd largest and is one of the highest educated in the U.S. The extended area is also home to one of the greatest transportation infrastructures in the world; served by six major interstates, the busiest airport in the world O'Hare Int'l Airport, and the 2nd largest public mass transit system in the U.S.



### MAJOR ECONOMY

3rd Largest Economy in U.S.



### DIVERSE EMPLOYMENT BASE

No Sector Employs Greater than 12% of Workforce



### STRONG LABOR POOL

Highly Educated Labor Pool  
- 3rd Largest in U.S.

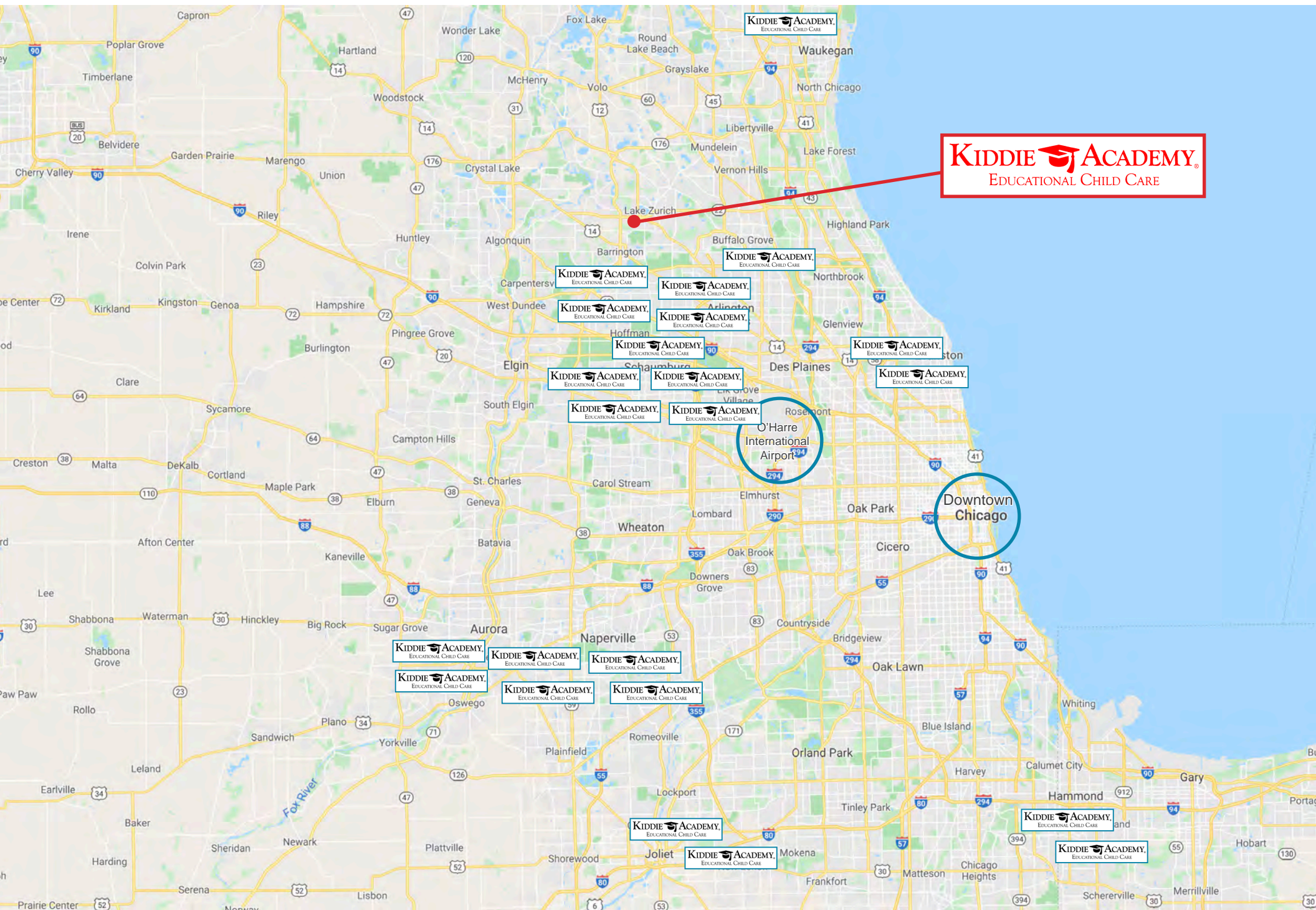


### 3RD LARGEST METRO AREA IN U.S.

+/- 9.5 Million Residents



## REGIONAL MAP

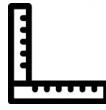


# PROPERTY KEY FACTS



## LOCATION

105 Roman Lane, Hawthorn Woods, IL 60047



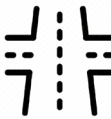
## BUILDING AREA

Kiddie Academy's building is approx. 10,503 SF



## TRAFFIC COUNTS

The Lake Zurich Road & N. Quentin Road Intersection has a combined traffic count of approx. 36,400 VPD



## SITE

Kiddie Academy is located at the NEC of Lake Zurich Rd (East Main) & N. Quentin Rd.



## PARKING

Kiddie Academy has approx. 38 dedicated parking spaces



## BUILT

New ground up construction was completed in July, 2020



## LAND AREA

Property Consists of 1.18 Acres (Approx 51,400 SF)



## COUNTY

Lake

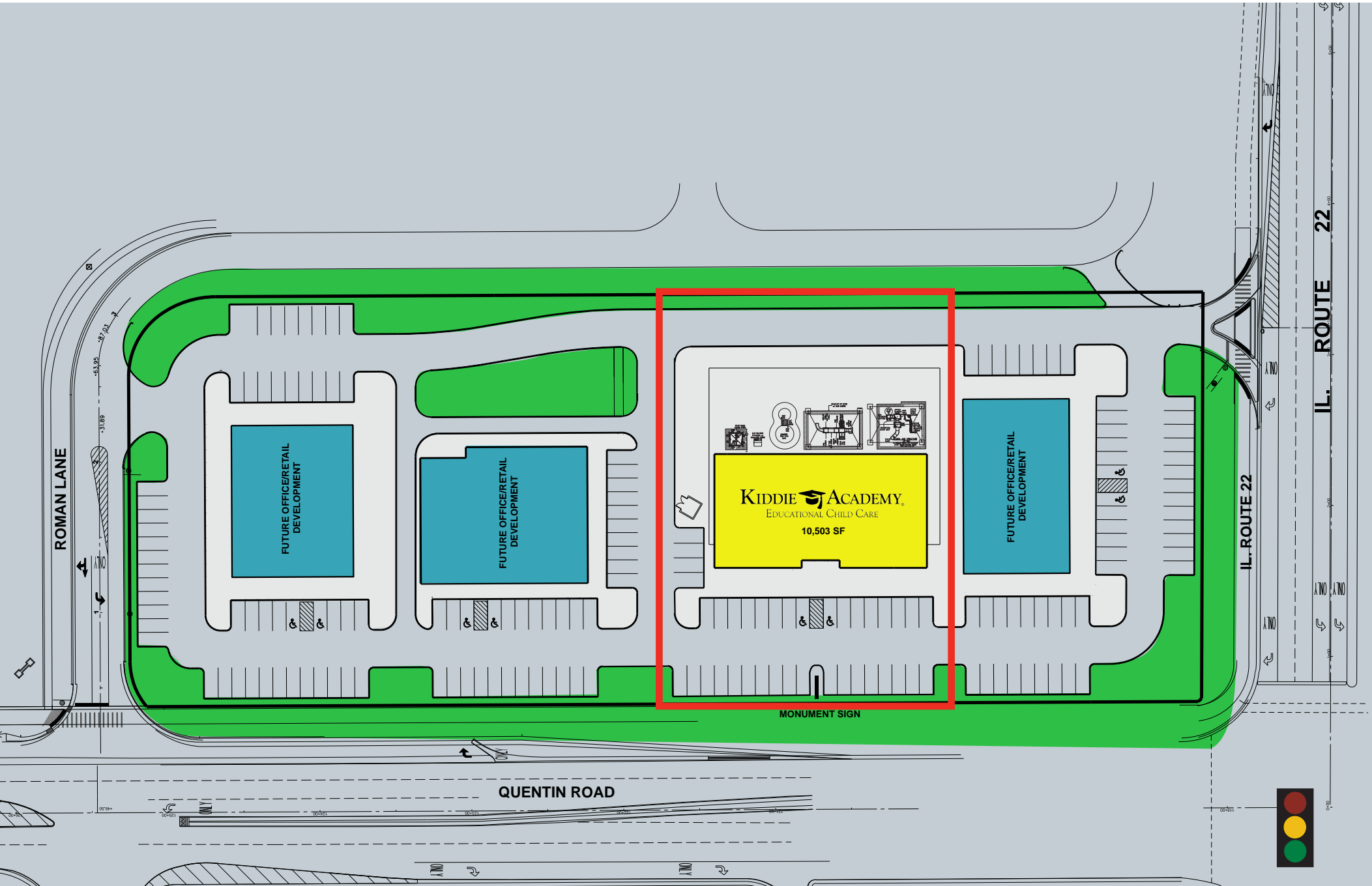


## PLAYGROUND AREA

Kiddie Academy's Playground area is approx. 10,032 SF



ACTUAL PROPERTY



\*Boundary lines are approximate.  
\*Cross Access Easements in place.

APPROX. 150 COMPANIES  
+ 2,200 EMPLOYEES

CM INDUSTRIES

LAKE ZURICH  
HIGH SCHOOL

SCHAFF  
INTERNATIONAL

Catalytic Products

PAVICHILL

GEREMARIE

Zetta Medical Technologies

IPC

ECHO  
ROBOTICS

EASSTEK

Termax

MARIANO'S  
Fresh Market

McDonald's

Eclipse

MORGAN

ALOHA

7  
ELEVEN

UNITED STATES  
POSTAL SERVICE

90 HOMES  
AVG. VALUE  
\$450,000 -  
\$600,000

660 HOMES  
AVG. VALUE  
\$250,000 -  
\$350,000

AVG. VALUE  
\$550,000 -  
\$800,000

SITE

KIDDIE ACADEMY  
EDUCATIONAL CHILD CARE

HAWTHORN TRAILS  
MIXED-USE  
DEVELOPMENT (48  
SINGLE FAMILY HOMES)

KEMPER LAKES  
GOLF CLUB

KEMPER LAKES  
BUSINESS CENTER  
+ 2,500 EMPLOYEES

QUENTIN ROAD - 19,400 VPD

ILLINOIS ROUTE 22 - 17,000 VPD

390 HOMES  
AVG. VALUE  
\$350,000 -  
\$750,000

PROPOSED MIXED-  
USE DEVELOPMENT  
(48 SINGLE FAMILY  
HOMES)

300 HOMES  
AVG. VALUE  
\$500,000 -  
\$800,000

KEMPER LAKES  
BUSINESS CENTER  
+2,500 EMPLOYEES



QUENTIN ROAD

ILLINOIS ROUTE 22



COMBINED TRAFFIC COUNTS  
AT INTERSECTION  
36,400 VPD

ACTUAL PROPERTY

\*Boundary lines are approximate



\*Boundary lines are approximate

NEW MIXED-USE  
PROJECT  
COMING SOON

MARIANO'S  
Fresh Market™

PNC



ILLINOIS ROUTE 22

QUENTIN ROAD

ACTUAL PROPERTY

\*Boundary lines are approximate



MARIANO'S  
Fresh Market™

ACTUAL PROPERTY

\*Boundary lines are approximate



ACTUAL PROPERTY

# KIDDIE ACADEMY

Once open, Kiddie Academy franchisees are continually supported with training and guidance on financial management, operations and marketing. Kiddie Academy's comprehensive set of systems and methodologies help each franchisee maintain uniform, high-quality standards. For you, the developer or landlord, that means you get peace of mind knowing you'll have desirable successful tenants.

With increasing numbers of dual-income families and single parents, the demand for high quality, centerbased care is exploding.

A nationwide leader, with over 37 years in the childcare industry, Kiddie Academy recognizes that each child's learning style has its own momentum, power and rhythm, and that confidence grows in and out of the classroom.

Every Kiddie Academy location employs their Life Essentials proprietary curriculum which is regularly updated to exceed state standards. The Life Essentials philosophy stresses appropriate curriculum, character education, health & fitness as well as using the latest software and technology in education.

Each independently owned and operated franchise location is supported and encouraged to secure accreditation from one or more nationally recognized organizations.



**NATIONAL PRESENCE**  
Over 250 Locations  
Nationwide



**GROWING**  
30+ New Planned  
Openings in 2020

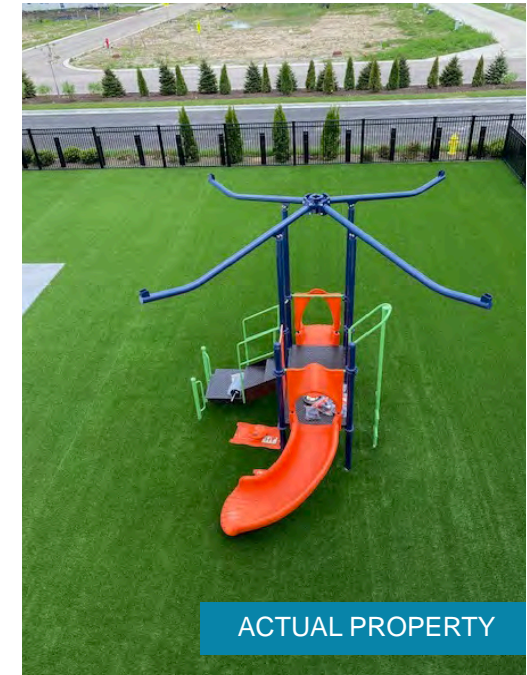


**ESSENTIAL**  
Essential Needs  
Business



## NATIONAL RECOGNITION:

- Kiddie Academy is ranked among the Top 10 on the 2019 Forbes List of Best Franchises to Buy. This annual analysis highlights 60 U.S. Franchises offering the best opportunities for investors.
- Ranked 18 years in a row on Entrepreneur's Franchise 500, which is based on company size and growth, support, brand strength, financial strength and stability.
- Ranked for the fourth straight year on Franchise Gator's Top 100 Franchises List, which evaluates factors, including financial stability, growth and sustainability.
- Kiddie Academy is the only children's learning center to be ranked on Franchise Times' Fast & Serious List of the smartest-growing franchise brands for 2018.



# LEASE SUMMARY

TENANT TRADE NAME	KIDDIE ACADEMY
FRANCHISEE	CORCICA, INC.
LEASE GUARANTOR	PERSONAL (TWO INDIVIDUALS)
TYPE OF OWNERSHIP	FEE SIMPLE (LAND & IMPROVEMENTS)
LEASE TYPE	NN
INITIAL LEASE TERM	15 YEARS
LEASE COMMENCEMENT DATE (EST.)	AUGUST 1, 2020
LEASE EXPIRATION DATE (EST.)	JULY 30, 2035
RENEWAL OPTIONS	THREE (3), 5YRS EACH
RENT ESCALATIONS	2% ANNUALLY, INCLUDING OPTIONS; STARTING YEAR 3
ROOF & STRUCTURE	LANDLORD RESPONSIBILITY (2020 CONSTRUCTION; 20 YEAR ROOF WARRANTY)
REAL ESTATE TAXES	TENANT RESPONSIBILITY
INSURANCE	TENANT RESPONSIBILITY
HVAC	TENANT RESPONSIBILITY
CAM	TENANT RESPONSIBILITY
REPAIRS & MAINTENANCE	TENANT RESPONSIBILITY
EARLY TERMINATION RIGHT	NONE
TENANT RIGHT OF FIRST REFUSAL	NONE



PROPERTY NAME:	KIDDIE ACADEMY OF HAWTHORN WOODS
PROPERTY ADDRESS:	105 ROMAN LANE HAWTHORN WOODS, IL 60047
COUNTY:	LAKE
YEAR BUILT:	2020
GROSS LEASABLE AREA (GLA):	10,503 SF
LOT SIZE:	APPROX. 51,283 SF (1.18 ACRE)



ACTUAL PROPERTY

## RENT SCHEDULE

RENT SCHEDULE			
PERIOD	MONTHLY RENT	ANNUAL RENT	CAP RATE
YEAR 1	\$27,133	\$325,593*	6.75%
YEAR 2	\$27,133	\$325,593	6.75%
YEAR 3	\$27,675	\$332,105	6.89%
YEAR 4	\$28,227	\$338,722	7.02%
YEAR 5	\$28,796	\$345,549	7.17%
YEAR 6	\$29,373	\$352,481	7.31%
YEAR 7	\$29,960	\$359,518	7.46%
YEAR 8	\$30,555	\$366,660	7.60%
YEAR 9	\$31,168	\$374,012	7.76%
YEAR 10	\$31,790	\$381,479	7.91%
YEAR 11	\$32,428	\$389,136	8.07%
YEAR 12	\$33,076	\$396,908	8.23%
YEAR 13	\$33,732	\$404,786	8.39%
YEAR 14	\$34,415	\$412,978	8.56%
YEAR 15	\$35,098	\$421,170	8.73%
1ST OPTION			
YEAR 16	\$35,798	\$429,573	8.91%
YEAR 17	\$36,515	\$438,185	9.09%
YEAR 18	\$37,251	\$447,008	9.27%
YEAR 19	\$37,995	\$455,935	9.45%
YEAR 20	\$38,756	\$465,073	9.64%
2ND OPTION			
YEAR 21	\$39,526	\$474,315	9.84%
YEAR 22	\$40,314	\$483,768	10.03%
YEAR 23	\$41,128	\$493,536	10.23%
YEAR 24	\$41,951	\$503,409	10.44%
YEAR 25	\$42,782	\$513,387	10.65%
3RD OPTION			
YEAR 26	\$43,640	\$523,680	10.86%
YEAR 27	\$44,515	\$534,183	11.08%
YEAR 28	\$45,408	\$544,896	11.30%
YEAR 29	\$46,309	\$555,714	11.52%
YEAR 30	\$47,237	\$566,847	11.75%

\*First Year Rental is Discounted at 50%

# INVESTMENT ADVISORS

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THE WOODMONT COMPANY

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

## Information About Brokerage Services

**B**efore working with a real estate broker, you should know that the duties of a broker depend on whom the broker represents. If you are a prospective seller or landlord (owner) or a prospective buyer or tenant (buyer), you should know that the broker who lists the property for sale or lease is the owner's agent. A broker who acts as a subagent represents the owner in cooperation with the listing broker. A broker who acts as a buyer's agent represents the buyer. A broker may act as an intermediary between the parties if the parties consent in writing. A broker can assist you in locating a property, preparing a contract or lease, or obtaining financing without representing you. A broker is obligated by law to treat you honestly.

### **IF THE BROKER REPRESENTS THE OWNER:**

The broker becomes the owner's agent by entering into an agreement with the owner, usually through a written – listing agreement, or by agreeing to act as a subagent by accepting an offer of subagency from the listing broker. A subagent may work in a different real estate office. A listing broker or subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first. The buyer should not tell the owner's agent anything the buyer would not want the owner to know because an owner's agent must disclose to the owner any material information known to the agent.

### **IF THE BROKER REPRESENTS THE BUYER:**

The broker becomes the buyer's agent by entering into an agreement to represent the buyer, usually through a written buyer representation agreement. A buyer's agent can assist the owner but does not represent the owner and must place the interests of the buyer first. The owner should not tell a buyer's agent anything the owner would not want the buyer to know because a buyer's agent must disclose to the buyer any material information known to the agent.

### **IF THE BROKER ACTS AS AN INTERMEDIARY:**

A broker may act as an intermediary between the parties if the broker complies with The Texas Real Estate License Act. The broker must obtain the written consent of each party to the transaction to act as an intermediary. The written consent must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. The broker is required to treat each party honestly and fairly and to comply with The Texas Real Estate License Act. A broker who acts as an intermediary in a transaction:

- (1) shall treat all parties honestly;
- (2) may not disclose that the owner will accept a price less than the asking price unless authorized in writing to do so by the owner;
- (3) may not disclose that the buyer will pay a price greater than the price submitted in a written offer unless authorized in writing to do so by the buyer; and (4) may not disclose any confidential information or any information that a party specifically instructs the broker in writing not to disclose unless authorized in writing to disclose the information or required to do so by the Texas Real Estate License Act or a court order if the information materially relates to the condition of the property.

With the parties' consent, a broker acting as an intermediary between the parties may appoint a person who is licensed under The Texas Real Estate License Act and associated with the broker to communicate with and carry out instructions of one party and another person who is licensed under that Act and associated with the broker to communicate with and carry out instructions of the other party.

**If you choose to have a broker represent you**, you should enter into a written agreement with the broker that clearly establishes the broker's obligations and your obligations. The agreement should state how and by whom the broker will be paid. You have the right to choose the type of representation, if any, you wish to receive. Your payment of a fee to a broker does not necessarily establish that the broker represents you. If you have any questions regarding the duties and responsibilities of the broker, you should resolve those questions before proceeding.

Real estate licensee asks that you acknowledge receipt of this information about brokerage services for the licensee's records.

Buyer, Seller, Landlord or Tenant

Date

Texas Real Estate Brokers and Salespersons are licensed and regulated by the Texas Real Estate Commission (TREC). If you have a question or complaint regarding a real estate licensee, you should contact TREC and P.O. Box 12188, Austin, Texas 78711-2188 or 512-465-3960.

