



## **educational child care** 10-yr net lease

CONFIDENTIAL OFFERING MEMORANDUM

OSWEGO, IL (CHICAGO MSA)



GREENSTONE  
PARTNERS

KIDDIE  
ACADEMY

# confidentiality agreement

This Offering Memorandum has been prepared by Greenstone Partners for use by a limited number of parties, and does not purport to provide a necessarily accurate summary of the Property or any of the documents related thereto, nor do they purport to be all-inclusive or to contain all of the information which prospective investors may need or desire. All projections have been developed by Seller, Greenstone Partners and designated sources, and are based upon assumptions relating to the general economy, competition and other factors beyond the control of Seller, and therefore are subject to variation. No representation is made by Seller or Greenstone Partners as to the accuracy or completeness of the information contained herein, and nothing contained herein is, or shall be relied on as, a promise or representation as to the future performance of the Property. Although the information contained herein is believed to be correct, Seller and its officers, directors and employees disclaim any responsibility for inaccuracies and expect prospective purchasers to exercise independent due diligence in verifying all such information. Further, Greenstone Partners, Seller and its officers, directors and employees disclaim any and all liability for representations and warranties, expressed and implied, contained in, or omission from, the Offering Memorandum, Argus model, or any other written or oral communication transmitted or made available to the recipient. The Offering Memorandum does not constitute a representation that there has been no change in the business or affairs of the Property or Seller since the date or preparation of the Offering Memorandum. Analysis and verification of the information contained in the Offering Memorandum is solely the responsibility of the prospective purchaser.

Additional information and an opportunity to inspect the Property will be made available upon request by interested and qualified prospective investors.

Seller and Greenstone Partners each expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers regarding the Property and/or terminate discussions with any entity at any time with or without notice. Seller shall have no legal commitment or obligation to any entity reviewing the Offering Memorandum or making an offer to purchase the Property unless and until such offer is approved by Seller, a written agreement for the purchase of the Property has been fully executed, delivered and approved by Seller and its legal counsel and any conditions to Seller's obligations thereunder have been satisfied or waived.

This Offering Memorandum and the contents, except such information which is a matter of public record or is provided in sources available to the public, are of a confidential nature. By accepting the Offering Memorandum and Argus model, you agree that you will hold and treat it in the strictest confidence, that you will not photocopy or duplicate it, that you will not to disclose the Offering Memorandum or any of the contents to any other entity (except to outside advisors retained by you if necessary, for your determination of whether or not to make a proposal and from whom you have obtained an agreement of confidentiality) without the prior written authorization of Seller or Greenstone Partners, and that you will not use the Offering Memorandum or any of the contents in any fashion or manner detrimental to the interest of Seller or Greenstone Partners. If you do not have any interest in the Property at this time, please return the Offering Memorandum forthwith.

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KIDDIE   
ACADEMY

# offering procedure



Greenstone Partners is the exclusive listing agent of 1580 Douglas Rd., Oswego, IL 60543 (the "Property"). The prospective Purchaser will be selected by the Seller by its sole discretion based on a variety of factors including, but not limited to:

- ✓ Offering price.
- ✓ Absence of contingencies.
- ✓ Due diligence and closing time.
- ✓ Financial strength and track record.
- ✓ Proof of funds for a financed or all-cash transaction.
- ✓ Earnest money deposit(s) and timing to become nonrefundable.
- ✓ Confirmation of full underwriting based on materials provided.

## PROPERTY INQUIRIES & TOURS

All Property inquiries should be directed to Greenstone Partners. All property tours are by appointment only and are to be scheduled through Greenstone Partners.

## PROSPECTIVE PURCHASERS

Ownership will be selling the property in an "As Is, Where Is" condition. Offers will be responded to on a "First Come, First Served" basis. No formal call for offers date is currently contemplated; however, this is subject to change based on ownership's discretion.





ALDI  
PET SMART  
CHASE  
BURGER KING  
FRIDAYS  
noodles  
composting

Walmart  
HOBBY LOBBY  
KOHLS  
DICK'S  
SPORTING GOODS  
SUBWAY  
five BELOW  
Burlington  
ULTA  
Pier 1 Imports

DUNKIN'  
LONGHORN  
CHOPOTLE  
PANDA EXPRESS  
Jersey Mike's  
SUBS  
Starbucks

BEST BUY  
DSW  
the Vitamin Shoppe  
verizon

Chick-fil-A  
Panera  
at&t  
FIVE GUYS  
Portillo's  
chili's  
toby

meijer  
Sprint

KIDDIE ACADEMY

Michaels  
OLD NAVY  
SHOE CARNIVAL

maunices  
ROSS  
DRESS FOR LESS  
carter's  
Massage Envy  
LANE BRYANT

Target  
CVS/pharmacy

TJ-maxx

Famous Footwear

Party City

OfficeMax

ANYTIME FITNESS  
American Mattress

ihop

GameStop  
Great Clips

La Madeleine

40,600 VPD

34

34

PEARCES FORD RD

DOUGLAS RD

DOUGLAS RD

# investment summary



Greenstone Partners, as the Exclusive Investment Advisor, is pleased to present the opportunity to acquire the 100% leased, single-tenant net-leased daycare center at 1580 Douglas Road (the “Property”/“Investment”) in Chicagoland’s southwestern suburb of Oswego.

The Property features 10,500 square feet of space and 5,000+ square feet of outdoor playground, situated on a 1.23-acre parcel. The Property is occupied by Kiddie Academy, an acclaimed national daycare franchise with more than 250 locations. The tenant is encumbered by a 15-year net lease, with over 10-years remaining. The net lease structure allows the landlord to sustain a passive investment as the tenant pays real estate taxes, insurance and common area and maintenance. The tenant’s lease is personally guaranteed by an award-winning franchisee who currently operates 10 Kiddie Academies and employs over 200 childcare professionals.

The Property is positioned in the region’s main retail thoroughfare, just off of the corner of Douglas Road and Route 34, an intersection that experiences more than 40,000 vehicles per day. The Property is located on an outlot parcel to Meijer, Michael’s, Old Navy, Shoe Carnival and Ross Dress for Less. Other national retailers flanking the Property include Walmart, Hobby Lobby, Dick’s Sporting Goods, Kohls, Aldi, Panera, Buffalo Wild Wings, Chick-fil-A, Starbucks and many more. Average household incomes within a 5-mile radius exceed \$100,000 while the population surpasses 200,000.

| PROPERTY SUMMARY           |   |
|----------------------------|---|
| OFFERING PRICE             | \$4,000,000   |
| OFFERING CAP RATE (7/2020) | 7.51%   |
| LEASE DATES                | 7/4/2015 - 7/3/2030   |
| TERM REMAINING             | 10 Years  |
| NET OPERATING INCOME       | \$300,300   |
| RENTAL RATE                | \$28.60/Sq. Ft.   |
| RENTAL INCREASES           | 10% every 5 Years   |
| OPTIONS                    | (3) – 5 Year  |
| YEAR BUILT                 | 2015  |
| MARKET                     | Chicago MSA   |
| SUBMARKET / COUNTY         | Southwest Suburban Chicago / Kendall                              |
| ADDRESS                    | 1580 Douglas Rd., Oswego, IL 60543                                |
| DEMOS (5-MILE)             | Avg HH Income: \$100,686; Population: 202,772                     |
| TRAFFIC COUNTS             | 40,600 VPD = (23,500 US-34 aka Ogden Ave.) + (17,100 Douglas Rd.) |

# investment highlights



**AWARD WINNING  
OPERATOR  
& GUARANTY**



**10-YEAR TERM &  
ARMCHAIR INVESTMENT**



**E-COMMERCE  
RESISTANT TENANT**



**EXCEPTIONAL  
RETAIL CORRIDOR**



**SOLID  
DEMOGRAPHICS**



**AWARD WINNING OPERATOR & GUARANTY** The tenant, Kiddie Academy, is operated and personally guaranteed by Saj and Sunny Rizvi. These experienced franchisees operate 10 Kiddie Academies and currently employ more than 200 total childcare professionals. According to a Forbes article featuring the franchisee in 2018, each location generates between \$1.8 million to \$2.4 million in annual revenue. The Rizvi's have been recognized with numerous accolades for their outstanding performance, including 'Franchisee of the Year'.



**10-YEAR TERM & ARMCHAIR INVESTMENT** The lease features limited landlord responsibilities and a net lease structure, which allows for passive ownership and insulates the landlord from expense fluctuations. The tenant is directly responsible for all common area expenses, insurance, and real estate taxes. The landlord's only responsibilities are the roof, structure, and parking lot – all of which are only 5-years old.



**E-COMMERCE RESISTANT TENANT** The Property is occupied by Kiddie Academy, a provider of preschool services and early education for children aged 6 weeks through 12 years. With total annual revenue across the US childcare industry exceeding \$56.5 Billion in 2019, daycare providers are highly sought by landlords seeking stable tenants. Over 71% of families spend 10% or more of their income on childcare.



**EXCEPTIONAL RETAIL CORRIDOR** The Property is immersed within a premier suburban retail corridor with more than 2-million square feet of Class-A retail immediately within its surroundings and is positioned on a 1.23-acre outlot parcel to Meijer, Michael's, Old Navy, Shoe Carnival and Ross Dress for Less. Other national retailers neighboring the Property include Walmart, Hobby Lobby, Dick's Sporting Goods, Kohls, Aldi, Panera, Buffalo Wild Wings, Chick-fil-A, Starbucks and many more.



**SOLID DEMOGRAPHICS** Kiddie Academy meticulously evaluates local demographics prior to launching every new location. As a result, the Investment benefits from a solid surrounding demographic profile that is perfectly suited to the tenant. Within 5-miles, annual household incomes exceed \$100,000 and the population surpasses 200,000.



# site plan







meijer

Michaels  
OLD NAVY  
SHOE CARNIVAL

maurices  
LANE BRYANT

ROSS  
DRESS FOR LESS

carter's  
Hair Cuttery



KIDDIE  
ACADEMY

M  
Sprint

Chick-fil-A

Panera  
BREAD

JUST TIRES



at&t  
FIVE GUYS  
BURGERS and FRIES

Portillo's  
HOT DOGS, BEER, BURGERS, SALADS

34

40,600 VPD

34

Culver's  
FRESH, HAND-MADE  
HOTTORRIGERS





# tenant overview

## KIDDIE ACADEMY

Industry - Child Care / Early Education

Lease Start - 7/4/2015

Lease Expiration - 7/3/2030

No. of Locations - 250+

HQ Location - Abingdon, MD

## TENANT HIGHLIGHTS

- **Educational Core Beliefs** - Learning Through Play, Developmentally Appropriate Classrooms, Positive Guidance, Stem Focused Curriculum, Center Based Teaching
- Ranked 18 Years in a Row on **Entrepreneur's Franchise 500 List**
- 2019 **Forbes Top 10 Best Franchises to Buy**

Kiddie Academy, an educationally based childcare franchise, was first established in Baltimore County, Maryland by Pauline Miller in 1981. By connecting educators, children, and families, Kiddie Academy fulfills its mission to bond and grow communities through education, inspiring children for the future. Over the past 30 years, the franchise has expanded beyond the eastern seaboard and across the United States, surpassing 250 locations across 30 states in 2019.

By maintaining the highest of educational standards, the franchise continuously leads the industry in meeting and exceeding the highest standards of early childhood education. Kiddie Academy is accredited by Advanc-Ed, which allows the academy to gain access to a wide range of resources, professional development, and tools to assist them with continuous improvement; in addition, individual academies achieve accreditation by regional or national accreditation organizations, including The National Association for the Education of Young Children (NAEYC) and The National Early Childhood Program Accreditation (NECPA).

Total annual revenue across the US childcare industry exceeded \$56.5 Billion in 2019, and over 71 percent of families spend 10 percent or more of their income on childcare. Daycare centers are in such high demand that some experience two-year+ waitlists for enrollment, enabling operators to fill their capacity before opening for business. With the recent education-based industry shift, parents are now looking for a high-quality learning environment and learning activities from childcare providers. Kiddie Academy is set apart from its competition by supporting children with developmentally appropriate classrooms, STEM focused curriculums and values-focused programs, feeding into this rising trend.

## OSWEGO FRANCHISEE AWARDS



**FRANCHISEE**  
OF THE YEAR



**BRAND**  
CHAMPION



**TOP 3 ACADEMIES**

NATIONALLY IN ENROLLEMENT  
AND UTILIZATION



# about franchisee



**Forbes**

KARSTEN STRAUSS **DECEMBER 5, 2018**

## A DAY IN THE LIFE OF A FRANCHISEE: KIDDIE ACADEMY'S SAJ AND SUNNY RIZVI

Running a string of businesses is no easy task, be they standalone operations or part of a network of franchises. It helps to have a quality team. That's where husband and wife duo Saj and Sunny Rizvi have an advantage; collaborating to run a handful of locations of Kiddie Academy, a childcare and education franchise with more than 200 shops in 30 states. "We're kind of yin and yang," says Sunny. "We balance each other out."

The Rizvis currently run eight academies – each generating between \$1.8 million and \$2.4 million in annual revenue – with two more in development, all in the Chicago area. The couple has been franchisees with the brand since 2008 and oversees a staff of more than 200.

Interest in the space came more than a decade ago as the couple was looking for childcare options for their first baby. "My wife and I just could not find anything that we felt was the quality that we needed, that we wanted," says Saj.

So Saj, then a vice president with Medieval Times dinner theater, and Sunny, who holds a master's degree in education, decided to run their own childcare facility, shopping different franchises until settling on Kiddie Academy. "We made a really great connection with Kiddie Academy," says Saj. "We felt their vision and the mission, the curriculum, the education—everything just meshed with our philosophy." They launched their first location with a \$500,000 investment.

Ten years and a handful of locations later, this is how the couple spends an average day overseeing their mini empire: Saj is the early riser in the family. Up by 4:30 a.m., he grabs a cup of coffee



Sunny and Saj Rizvi operate eight Kiddie Academy franchises in the Chicago area, with two more in development.

and piece of fruit and heads to his study to scan emails from the day prior. "I am a visual person so I write down the important 'to do' items on some post-it notes so I have them right in front of me on my desk," he says. "I check the news headlines of the day and then get ready for my morning workout."

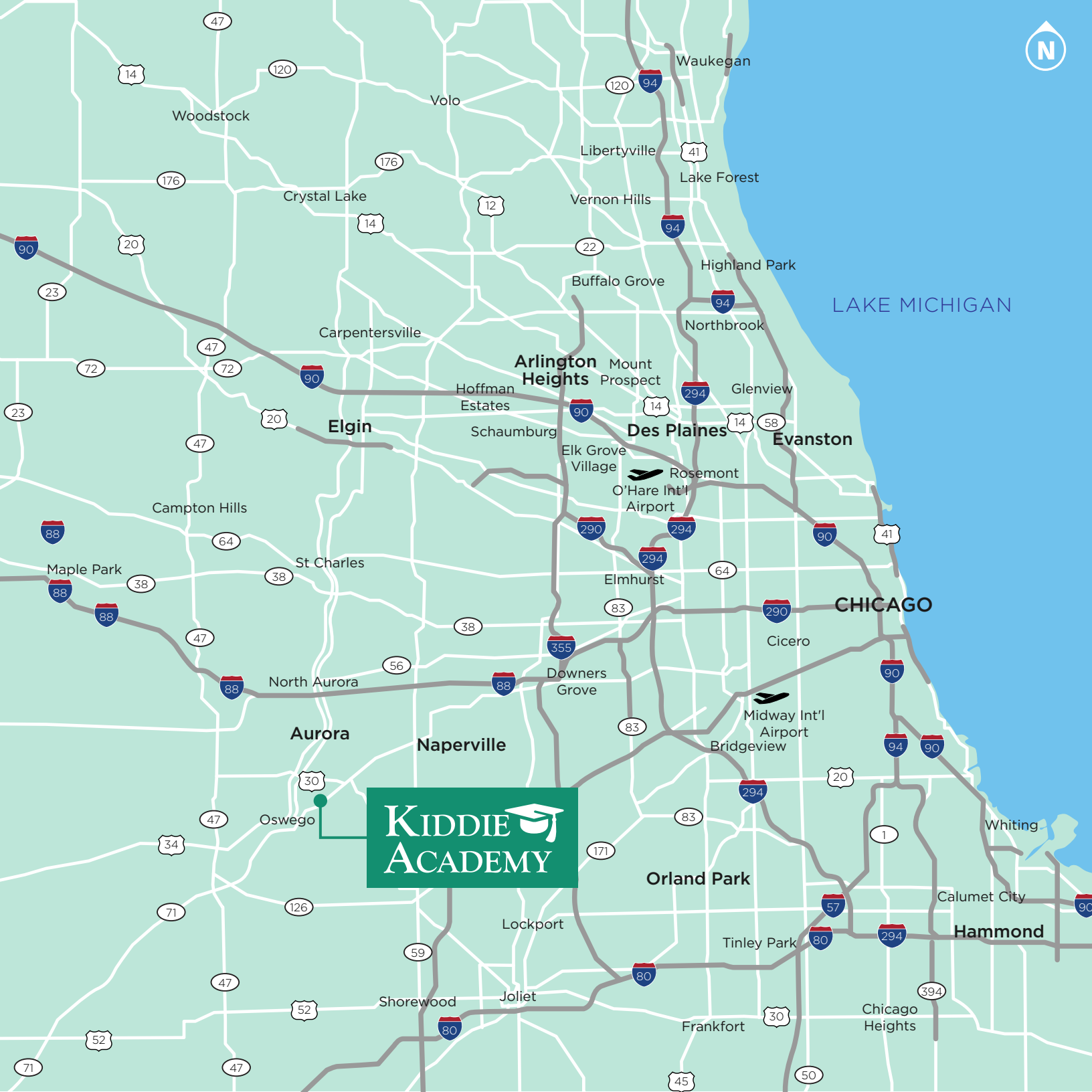
Sunny is up an hour later and she too goes through her own set of emails over coffee, making a list of things to accomplish on the day. "We both are very big into making notes, and organizing and making lists," Sunny explains. "It really helps to do it early in the morning."

By 6 a.m. Saj heads out to the gym, where he's put through the pace by his personal trainer of ten years. "You have to start your day off right and there's no better way than to take care of your body."

[READ FULL ARTICLE HERE](#)









# submarket overview



## OSWEGO

Situated 50 miles from the downtown loop of Chicago, Oswego influences and is influenced by the larger Chicago metropolitan region. Rated by niche.com as the “#1 Best Place to Live in Kendall County”, Oswego offers strong job growth, convenient proximity to Chicago, and a plethora of recreational amenities, including fishing, canoeing, kayaking, a winery, and golf.

Oswego grew west of the Fox River and northeast to U.S. Route 30. The latter half of the twentieth century saw a great deal of retail, housing, commercial and industrial development led by companies such as Caterpillar, Inc. and Western Electric (now AT&T), that were established in and near Oswego. Given its strategic location for transportation and proximity to Aurora and Naperville – the second and third largest municipalities in the metropolitan area – Oswego is well situated for growth.

The four primary commercial and industrial areas within the Village of Oswego are: Downtown Oswego, US Route 34 Corridor, Orchard Road Corridor, and Business Parks – Stonehill, Kendall Point, Highland Business Center, and IL Route 71 Corridor. Like other Illinois communities its size, Oswego has home rule authority, enabling flexibility in municipal revenue and finance opportunities.

## NEIGHBORING AURORA | 2ND LARGEST CITY IN ILLINOIS

Located primarily in DuPage and Kane counties, Aurora is the second most populous city in Illinois behind Chicago and economic anchor of the Fox River Valley area. Aurora lies on the edge of the ‘Illinois Technology and Research Corridor’. Primarily located along Interstate-88 in DuPage, Kane, and DeKalb Counties, this corridor features many Fortune 1000 companies and is a principal driver of employment in suburban Chicago. Two of the area’s largest employers, Caterpillar and Rush Copley Medical Center, follow in this tradition.



### IMAGES

- 1 Fox Bend Golf Course
- 2 Rush Copley Medical Center
- 3 Fox River flowing through Downtown Aurora

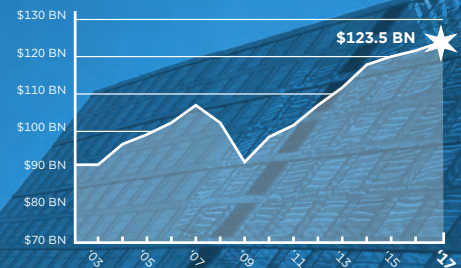


# chicago metro the economy

Home to an **unrivaled talent pool**, Chicago features a strong, globally diverse economy - larger than that of many countries, has a uniquely friendly and welcoming business community, and boasts one of the best **quality-of-life to cost-of-living ratios** in the nation.

Chicago is located at the center of global trade, transit and data networks. The city is an economic powerhouse, home to more than 400 major corporate headquarters, including 36 in the Fortune 500. Among the most diversified economies in the nation, Chicago is a key player in every sector from risk management innovation to manufacturing to information technology to health services. Chicago's industry possesses no single economic engine employing more than 12% of its workforce. The metro also hosts 1,800 foreign-based companies, with more than \$100 billion in foreign direct investments.

## CHICAGO METRO RETAIL SALES



**\$123.5 BN**, the **HIGHEST** Retail Sales in Chicagoland History

**DIVERSIFIED WORKFORCE 12%**

the largest portion of the workforce employed by any single industry

**9.5 MILLION+**  
population - 3<sup>rd</sup> largest in the united states

**3<sup>RD</sup> LARGEST**  
gross metropolitan product exceeding \$680 BN

**4.5 MILLION+**  
employees - 3<sup>rd</sup> largest labor pool in the united states



# chicago metro education + transportation

## 2 TOP BUSINESS SCHOOLS

**CHICAGO BOOTH**  
The University of Chicago Booth School of Business

Northwestern  
**Kellogg**



**145k**

annual graduates from  
138 degree-granting  
colleges & universities

**714k**



people with bachelor's degrees or  
greater live in the City of Chicago

Chicago provides easy access to the world with more than 1,600 daily departures (between O'Hare + Midway) to more than 240 cities worldwide.

The city serves as a hub for six of the nation's seven Class I North American railroads, as well as six major U.S. Interstates. Virtually every major data network in the world intersects in Chicago.



## WORLD'S BUSIEST AIRPORT: O'HARE INTERNATIONAL AIRPORT

- **84,000,000+** passengers
- **919,000** flights
- Undergoing an **\$8.5 BN** modernization, including terminal and airfield capacity upgrades

The CTA, one of three service boards within the Regional Transportation Authority, operates the second largest public transportation system in the United States. Metra trains provide service to and from downtown Chicago with 241 stations over 11 routes.



**2,000 buses**

**8 TRAIN ROUTES**

1.7 million rides per  
weekday

**303** MILES OF BIKE LANES



2nd highest percentage of

**commuters**

riding their bikes to work



# chicago metro culture + recreation

Chicago was the **second most visited city in the United States** with 57.6 million domestic and international visitors, behind the 62 million visitors to New York City in 2018. Chicago is home to 2,720,546 residents (9,504,753 Chicago metro) in 50 wards, 77 community areas, and 100 neighborhoods.

## FOODIE DESTINATION



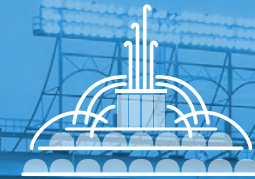
**8,200+**  
restaurants

**26** MICHELIN-STARRED  
**40** JAMES BEARD AWARDS

## CRAFT BEER HAVEN

**167+**   
breweries & distilleries

MORE THAN ANY OTHER  
CITY IN THE UNITED STATES



## CITY IN A GARDEN

**580+** parks  
**29** beaches  
**26** miles of  
open lakefront  
**over 400**  
neighborhood  
festivals yearly

## WORLD CLASS SPORTS



**CHICAGO CUBS**  
3 World Series



**CHICAGO WHITE SOX**  
3 World Series



**CHICAGO BEARS**  
9 Championships



**CHICAGO BLACKHAWKS**  
6 Stanley Cups



**CHICAGO BULLS**  
6 NBA Championships

Chicago has **won championships** in each of the four major professional leagues.



# demographic profile



| Population Summary  | 1 Mile       | 3 Miles       | 5 Miles         | 10 Miles        |
|---|--------------|---------------|-----------------|-----------------|
| 2019 Total Population                                       | 7,454        | 58,689        | 202,772         | 553,753         |
| 2019 Total Daytime Population                               | 8,208        | 48,653        | 153,892         | 473,366         |
| Workers   | 4,689        | 19,419        | 50,067          | 198,957         |
| Residents   | 3,519        | 29,234        | 103,825         | 274,409         |
| Household Summary   | 1 Mile       | 3 Miles       | 5 Miles         | 10 Miles        |
| 2019 Households   | 2,376        | 19,711        | 61,714          | 179,723         |
| 2019 Average Household Size                                 | 3.14         | 2.97          | 3.26            | 3.06            |
| 2019 Families   | 1,846        | 14,942        | 47,830          | 137,131         |
| 2019 Average Family Size                                    | 3.58         | 3.44          | 3.70            | 3.53            |
| 2019 Households by Income                                   | 1 Mile       | 3 Miles       | 5 Miles         | 10 Miles        |
| Average Household Income                                    | \$116,454    | \$103,407     | \$100,686       | \$115,428       |
| 2019 Owner Occupied Housing Units by Value                  | 1 Mile       | 3 Miles       | 5 Miles         | 10 Miles        |
| Average Home Value  | \$245,298    | \$221,663     | \$237,650       | \$295,879       |
| 2019 Population 25+ by Educational Attainment               | 1 Mile       | 3 Miles       | 5 Miles         | 10 Miles        |
| Bachelor's Degree   | 28.9%        | 20.3%         | 19.9%           | 26.7%           |
| Graduate/Professional Degree                                | 14.3%        | 12.1%         | 12.3%           | 16.9%           |
| 2019 Employed Population 16+ by Occupation                  | 1 Mile       | 3 Miles       | 5 Miles         | 10 Miles        |
| Total   | 4,013        | 29,996        | 100,893         | 284,454         |
| White Collar  | 69.6%        | 62.6%         | 56.8%           | 65.2%           |
| Blue Collar   | 15.1%        | 21.5%         | 25.8%           | 19.5%           |
| 2019 Consumer Spending                                      | 1 Mile       | 3 Miles       | 5 Miles         | 10 Miles        |
| Apparel & Services: Total \$                                | \$6,882,963  | \$50,813,528  | \$157,121,801   | \$514,369,924   |
| Education: Total \$   | \$4,690,062  | \$34,980,275  | \$110,911,689   | \$380,423,252   |
| Entertainment/Recreation: Total \$                          | \$10,294,499 | \$75,762,808  | \$227,314,146   | \$760,034,573   |
| Food at Home: Total \$                                      | \$16,010,348 | \$119,342,687 | \$366,306,697   | \$1,191,430,141 |
| Food Away from Home: Total \$                               | \$11,892,675 | \$87,374,225  | \$270,158,320   | \$883,519,340   |
| Health Care: Total \$                                       | \$18,479,529 | \$136,655,347 | \$400,400,168   | \$1,337,403,118 |
| HH Furnishings & Equipment: Total \$                        | \$7,114,353  | \$52,097,404  | \$156,137,169   | \$515,254,317   |
| Personal Care Products & Services: Total \$                 | \$2,966,193  | \$21,476,763  | \$65,225,591    | \$216,014,430   |
| Shelter: Total \$   | \$56,642,693 | \$425,420,572 | \$1,327,633,089 | \$4,364,027,012 |
| Support Payments/Cash Contributions/Gifts in Kind: Total \$ | \$7,894,109  | \$57,578,923  | \$167,278,039   | \$570,296,217   |
| Travel: Total \$  | \$7,280,855  | \$53,092,309  | \$161,370,729   | \$545,395,703   |
| Vehicle Maintenance & Repairs: Total \$                     | \$3,601,287  | \$26,607,286  | \$80,072,589    | \$263,902,943   |

rent roll



| Tenant Name               | Start    | Expiration | RSF    | RSF (%) | Lease Year | Rent Start | Rent End | Rent PSF | Annual Rent | Change in Rent (%) | Lease Type            | Options      |
|---------------------------|----------|------------|--------|---------|------------|------------|----------|----------|-------------|--------------------|-----------------------|--------------|
| Kiddie Academy            | 7/4/2015 | 7/3/2030   | 10,500 | 100.00% | 6-10       | 7/4/2020   | 7/3/2020 | \$28.60  | \$300,300   | ---                | Net                   | (3) - 5 Year |
|                           |          |            |        |         | 11-15      | 7/4/2025   | 7/3/2025 | \$31.46  | \$330,330   | 10%                | 180 Days Prior Notice |              |
|                           |          |            |        |         | Option 1   | 16-20      | 7/4/2030 | 7/3/2030 | \$34.61     | \$363,405          | 10%                   |              |
|                           |          |            |        |         | Option 2   | 21-25      | 7/4/2035 | 7/3/2035 | \$38.07     | \$399,735          | 10%                   |              |
|                           |          |            |        |         | Option 3   | 26-30      | 7/4/2040 | 7/3/2045 | \$41.87     | \$439,635          | 10%                   |              |
|                           |          |            |        |         |            |            |          |          |             |                    |                       |              |
| Vacant                    |          |            | 0      | 0.00%   |            |            |          |          |             |                    |                       |              |
| Occupied                  |          |            | 10,500 | 100.00% |            |            |          |          |             |                    |                       |              |
| Base Rent                 |          |            |        |         |            |            |          |          | \$300,300   |                    |                       |              |
| Totals / Weighted Average |          |            | 10,500 | 100.00% |            |            |          | \$28.60  | \$300,300   |                    |                       |              |

# financial overview



| SUMMARY             |                                  |             |
|---------------------|----------------------------------|-------------|
| Offering Price      |                                  | \$4,000,000 |
| Down Payment        | 35%                              | \$1,400,000 |
| Rentable SF         |                                  | 10,500      |
| Cap Rate            |                                  | 7.51%       |
| Cash On Cash Return |                                  | 9.06%       |
| Year Built          |                                  | 2015        |
| Ownership Offered   | Fee-Simple, Free + Clear of Debt |             |

| FINANCING                   |     |             |
|-----------------------------|-----|-------------|
| Loan Type                   |     | New Debt    |
| Loan to Value / Loan Amount | 65% | \$2,600,000 |
| Interest Rate               |     | 4.50%       |
| Amortization (Years)        |     | 25          |

| INCOME                          |        |           |
|---------------------------------|--------|-----------|
| Base Rent                       |        | \$300,300 |
| Total Reimbursements            |        |           |
| Real Estate Taxes               |        | NET       |
| CAM                             |        | NET       |
| Insurance                       |        | NET       |
| Gross Income                    |        | \$300,300 |
| Expenses                        |        | NET       |
| Net Operating Income            |        | \$300,300 |
| Debt Service                    |        | \$173,420 |
| Net Cashflow after Debt Service | 9.06%  | \$126,880 |
| Debt Service Coverage Ratio     |        | 1.73x     |
| Principal Reduction             |        | \$57,598  |
| Total Return                    | 13.18% | \$184,478 |

| LEASE SUMMARY                 |  |                                      |
|-------------------------------|--|--------------------------------------|
| Lease Type                    |  | Double Net                           |
| Lease Term                    |  | 15 Years                             |
| Term Remaining                |  | 10 Years                             |
| Rental Increases              |  | 10% Every 5 Years                    |
| Options                       |  | (3) - 5 Year                         |
| Lease Commencement Date       |  | July 4, 2015                         |
| Real Estate Taxes             |  | Tenant Responsibility                |
| CAM                           |  | Tenant Responsibility                |
| Insurance                     |  | Tenant Responsibility                |
| Roof, Structure, Parking Lot  |  | Landlord Responsibility (Built 2015) |
| Tenant Right of First Refusal |  | Yes                                  |
| Termination Option            |  | None                                 |



# educational child care 10-yr net lease

CONFIDENTIAL OFFERING MEMORANDUM

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