

THE LEARNING EXPERIENCE

3224 E BARBARITA AVENUE, GILBERT, ARIZONA



OFFERING MEMORANDUM

Marcus & Millichap

DOWNTOWN GILBERT

VILLAGE SQUARE AT DANA PARK

BARNES & NOBLE BOOKSELLERS

francesca's

KIRKLAND'S

Bath & Body Works

Costa Vida

FIVE GUYS

pure barre

WHITE|BLACK

PEI WEI

Bucar

LA BODA EXPRESS

First Watch

Guitar Center

sauce

THE LEARNING EXPERIENCE

Academy of Early Education

SUPERSTITION SPRINGS CENTER

BEST BUY

JCPenney

ROSS STORES, INC.

Dillard's

Ashley HOMESTORE

FAMOUS footwear

Olive Garden

Walmart Supercenter

HALF PRICE BOOKS

Burlington

TARGET

ROSS STORES, INC.

CATHERINES

Walmart Supercenter

goodwill

American Furniture Warehouse

DOLLAR TREE

PET SMART

Party City

TILLYS

COURTYARD Marriott

ALAMO DRAPHOUSE CINEMA

Michaels

WORLD MARKET

Pier 1 imports

SANTAN VILLAGE

Walmart Supercenter

COSTCO WHOLESALE

Sam's Club

WinCo FOODS

DSW

BED BATH & BEYOND

DICK'S SPORTING GOODS

H&M

macy's

Disney STORE

Dillard's

Harkins THEATRES

OLD NAVY

Apple

BEST BUY

BARNES & NOBLE BOOKSELLERS

Lowe's

ihop

LIFETIME FITNESS

CHIPOTLE MEXICAN GRILL

PEI WEI

BUFFALO WILD WINGS

REGAL CINEMAS

ASU Arizona State University

POLYTECHNIC CAMPUS

4,380 STUDENTS

PHOENIX-MESA GATEWAY AIRPORT

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Executive Summary

3224 E Barbarita Avenue, Gilbert, AZ 85234

FINANCIAL SUMMARY

| | |
|---------------|--------------------|
| Price | \$4,200,000 |
| Cap Rate | 7.0% |
| Building Size | 10,000 SF |
| Playground | 5,000 SF |
| Net Cash Flow | 7.0% \$294,000 |
| Year Built | 2019/2020 |
| Lot Size | 1.57 Acres |

LEASE SUMMARY

| | |
|-----------------------------|--|
| Lease Type | Double-Net (NN) Lease |
| Tenant | TLE at Gilbert-Barbarita, LLC |
| Guarantor | The Learning Experience Corp. ⁽¹⁾ |
| Roof & Structure | Landlord Responsible |
| Est. Rent Commencement Date | October 1, 2020 |
| Lease Expiration Date | September 30, 2035 |
| Lease Term | 15 Years |
| Rental Increases | 10% Every 5 Years |
| Renewal Options | 2, 5 Year Options |

(1) 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 | \$294,000.00 | 7.00% |
| 6 - 10 | \$323,400.00 | 7.70% |
| 11 - 15 | \$355,740.00 | 8.47% |
| Options | Annual Rent | Cap Rate |
| Option 1 | \$391,314.00 | 9.32% |
| Option 2 | \$430,445.40 | 10.25% |

| | |
|-----------------------------|-----------------------|
| Base Rent | \$294,000 |
| Net Operating Income | \$294,000 |
| Total Return | 7.0% \$294,000 |



Walgreens



17,360 CPD
E GUADALUPE RD

28,600 CPD
N HIGLEY RD

Property Description



INVESTMENT HIGHLIGHTS

- » **New 15-Year Lease Term with The Learning Experience**
- » 10% Rental Increases Every 5 Years
- » **313,751 Residents within a 5-Mile Radius - Phoenix MSA**
- » Growing Gilbert Trade Area - Population and Households Projected to Increase 11%+ in Immediate Area Over the Next 5 Years
- » **Located at High Traffic Intersection - Nearly 46,000 Cars/Day at the Corner of Guadalupe Road and Higley Road**
- » Close Proximity to Numerous Shopping Centers - Village Square at Dana Park, Greenfield Gateway, and Superstition Springs Center
- » **Average Household Income Exceeds \$136,000 within a 1-Mile Radius**
- » Just North of Morrison Ranch - a 3,000-Acre Mixed-use Master-Planned Community
- » **Less Than 2 Miles Off the US-60 (Superstition Freeway)**



DEMOGRAPHICS

1-mile

3-miles

5-miles

Population

| | | | |
|--------------------|--------|---------|---------|
| 2024 Projection | 15,665 | 117,987 | 333,897 |
| 2019 Estimate | 14,081 | 109,781 | 313,751 |
| Growth 2019 – 2024 | 11.25% | 7.47% | 6.42% |

Households

| | | | |
|--------------------|--------|--------|---------|
| 2024 Projection | 4,581 | 42,086 | 128,896 |
| 2019 Estimate | 4,119 | 38,836 | 120,196 |
| Growth 2019 – 2024 | 11.21% | 8.37% | 7.24% |

Income

| | | | |
|------------------------------------|-----------|-----------|----------|
| 2019 Est. Average Household Income | \$136,134 | \$100,017 | \$84,569 |
| 2019 Est. Median Household Income | \$102,654 | \$76,565 | \$64,515 |
| 2019 Est. Per Capita Income | \$39,857 | \$35,424 | \$32,486 |



Tenant Overview



Deerfield Beach, Florida

Headquarters

Private

Company Type

211+

Locations

www.thelearningexperience.com

Website

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.

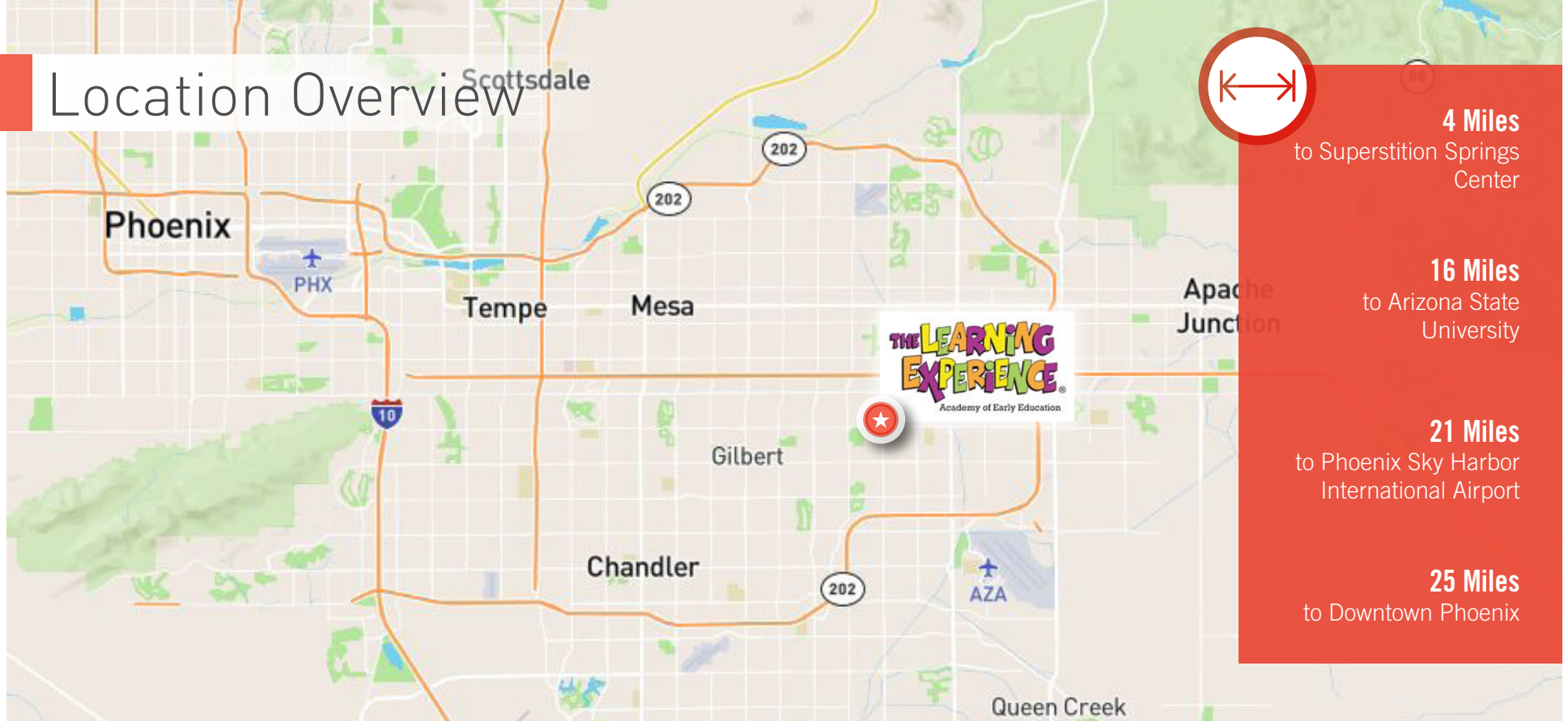
The foundation of The Learning Experience® was built on three key educational and care principles: cognitive, physical, and social development.

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.



Location Overview



As part of the Phoenix MSA, Gilbert, Arizona has evolved into one of the fastest growing communities and the largest town in the United States. Encompassing 72.6 square miles, just southeast of Phoenix, Gilbert has transformed from an agricultural community to a thriving and economically-diverse suburban community. Once known as the “Hay Shipping Capital of the World,” more recently Gilbert has received accolades such as “Phoenix’s Coolest Suburb,” a “top 5 foodie neighborhood in metro Phoenix”. Gilbert is also consistently recognized as one of the safest and best cities to live in the U.S.

Gilbert’s booming housing industry is coupled with booming business. With a targeted focus in the Science, Technology, Engineering and Math industries, Gilbert is home to many companies with focuses in Advanced Manufacturing,

Aerospace and Defense, Bio-Technology, Clean Technology and Renewable Energy.

Gilbert boasts a nationally ranked K-12 education system including public schools, unique magnet and charter schools, with an average graduation rate of 90%. Nearly 40% of Gilbert residents hold a bachelor’s degree or higher and the median household income is \$80,080.

As Gilbert approaches build-out over the next decade, the estimated population is expected to reach 330,000. With a continued focus on building the latest satellites, conducting cancer research and producing algae technology, Gilbert will continue to grow and thrive and uphold its reputation as being clean, safe and vibrant.

[exclusively listed by]

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