



AspenDental®

KALAMAZOO, MI

EXECUTIVE SUMMARY

5160 W Main St,
Kalamazoo, MI 49009

ADDRESS



Kalamazoo, MI

MARKET

30,000

VPD
STRONG TRAFFIC COUNTS!



SIGNALLED CORNER
INTERSECTION



10 YEARS

TERM REMAINING



SHADOW-ACHORED
BY TARGET

THE OFFERING

Price	\$2,641,333
Cap	6.00%
GLA	3,962
Lot Size	0.52 Acres
Year Built	1972/2023
Lease Type	NN
Rent Commencement	2/16/2023
Lease Expiration	2/15/2033
Increases	10% Every 5 Years
Options	Three; Five-Year Terms

ANNUALIZED OPERATING DATA	ANNUAL RENT	% INCREASE
Years 1 - 5	(\$40.00 PSF) \$158,480	-
Years 6 - 10	\$174,328	10.00%
OPTION TERMS		
Option 1 (Years 11 - 15)	\$191,761	10.00%
Option 2 (Years 16 - 20)	\$210,937	10.00%
Option 3 (Years 21 - 25)	\$232,015	10.00%

INVESTMENT HIGHLIGHTS

NEW 10-YEAR CORPORATE LEASE WITH 10% INCREASES EVERY 5 YEARS

HIGH TRAFFIC INTERCHANGE NEAR LOCATION WITH 30,156 VPD

OUTPARCEL TO STATE'S 2ND BUSIEST COMMUNITY SHOPPING CENTER BY CUSTOMER VISITS; TARGET-ANCHORED

COLLEGE TOWN LOCATION; NEAR WESTERN MICHIGAN UNIVERSITY WITH 16,643 STUDENTS

RAPIDLY EXPANDING "MED-TAIL" ORGANIZATION WITH 1,000 LOCATIONS NATIONWIDE

NEW 10-YEAR CORPORATE LEASE - The Tenant, Aspen Dental Management, Inc., is subject to a 10-year corporate lease that features 10 percent rental increases every five years during the base term and three, five-year option periods providing an excellent hedge against inflation. The Tenant will operate in a 3,962-square-foot retrofit of a former restaurant. Aspen Dental is the fastest-growing network of independently owned dental practices with more than 1,000 locations nationwide.

RAPIDLY EXPANDING HEALTHCARE ORGANIZATION - Owned by private equity firms Leonard Green, Ares Capital and American Securities, Aspen Dental is one of the largest retail healthcare business support organizations in the United States. It supports 15,000 healthcare professionals and team members at more than 1,000 health and wellness offices across 46 states. What started in 1998 with a small footprint in the northeast, has grown into the largest branded network of dental offices in the world, collectively serving more than 30,000 patients every day. This site is one of two locations the tenant has in Kalamazoo.

OUTPARCEL TO TARGET-ANCHORED CENTER - The Tenant occupies an outparcel to Maple Hill Pavilion, a 400,000+ square-foot regional power center anchored by Target, Hobby Lobby and Burlington. It features an impressive lineup of service-oriented retailers and notable outparcels to Walgreens, Starbucks, McDonald's, Firestone, and Applebee's. Per geofencing data from Placer.ai, the center averages 4.5 million annual customer visits. Kohl's and Lowe's are immediately across the street. Due to a lack of big box availability, with the nearest Target and Walmart locations roughly 10 miles, this retail cluster draws from a wide trade radius. The five-mile trade radius population is a robust 114,468.

EASILY ACCESSIBLE, HIGH TRAFFIC LOCATION - The Tenant is prominently located along the West Main Street retail corridor one-half-mile off US Route 131 (34,342 VPD), a north-south highway that connects the metro areas of Kalamazoo and Grand Rapids and forms an important corridor along the western side of Michigan's Lower Peninsula. The Property has near at-grade frontage along West Main Street (30,156 VPD) at a signalized entrance into Maple Hill Pavilion. This is just one of multiple means to access Maple Hill Pavilion. To the rear of Maple Hill Pavilion, there is a Holiday Inn & Suites (130 rooms), Summer Ridge Apartments (210 units), Evergreen North Apartments (205 units), The Wyatt Student Living (232 units), Maple Brooke Apartments (65 units), and two Senior Living communities providing consistent daytime traffic.

CLOSEST TARGET STORE TO WESTERN MICHIGAN UNIVERSITY - In addition to retail drivers, the submarket is home to Western Michigan University (two miles southeast) with an enrollment of 16,643 and 843 academic staff. The University has an economic impact of \$1.6 billion in the Kalamazoo 3-county region of Kalamazoo, Van Buren, and Calhoun counties, greater than Michigan's entire \$1.4 billion budget line for all state universities.

COUNTY SEAT AND MICHIGAN'S LARGEST SOUTHWEST CITY - Kalamazoo is ideally located in southwestern Michigan, and is the seat of Kalamazoo County. It is within 30, 60, and 90 miles of the cities of Grand Rapids, Ann Arbor, and Lansing, and 140 miles west of Detroit. It is easily accessible from both Interstate-94 and U.S. 131, and is home to centers of higher education, nationally recognized healthcare systems, and diverse and affordable housing. A wide variety of businesses call Kalamazoo home, including industry leaders in the pharmaceutical, medical science, and craft beer industries. Presently there is a population of 58,237 within three-miles and 114,468 within five-miles.

SIGNALIZED ENTRY PAD LOCATION!



TENANT INFORMATION

Aspen Dental is a corporation offering complete dental care solutions, providing general and cosmetic dentistry and denture care in more than 1,000 practices across 46 states. Aspen practices are the fastest growing network of independently owned dental practices in the country; currently, a new Aspen Dental practice opens every week. The dentists at independently owned and operated Aspen Dental practices believe that patients deserve both choice and access when it comes to choosing a dental care provider. They're focused on removing barriers to care because they believe that everyone has the right to quality, affordable oral health care close to home. Aspen Dental serves more than 30,000 patients every day.

Aspen Dental Management Inc. (ADMI) is a dental support organization that provides non-clinical business support services to independently owned and operated dental practices in approximately 46 states. This includes finding the right location, payroll and benefits, equipment, accounting, and marketing. This model leaves independent, licensed practitioners free to concentrate on patient care.

LGP



AspenDental®



HEADQUARTERS
Syracuse, NY



NO. OF EMPLOYEES
7,500+



NO. OF LOCATIONS
1,000+/-



YEAR FOUNDED
1998



OWNERSHIP
Private Equity

REGIONAL MAP

\$67K

Within a 5-mile radius, the average household income is \$67,089

30K

An average of 30,156 vehicles per day drive by West Main Street

114K

Within a 5-mile radius, the population density is 114,468

AspenDental®



5 MILES

Nazareth

Parchment

Kalamazoo Twp

Comstock Northwest

BURKE ACRES

NORTHSIDE

EASTWOOD

EASTSIDE

COMSTOCK

EDISON

Kalamazoo

WEST DOUGLAS

WALDEN WOODS
ARCADIA

Oshtemo

KNOLLWOOD

SOUTHSIDE

OAKLAND/
WINCHELL

WESTNEDGE HILL

PARKVIEW HILLS

HILL N' BROOK

SOUTH WESTNEDGE

MILWOOD

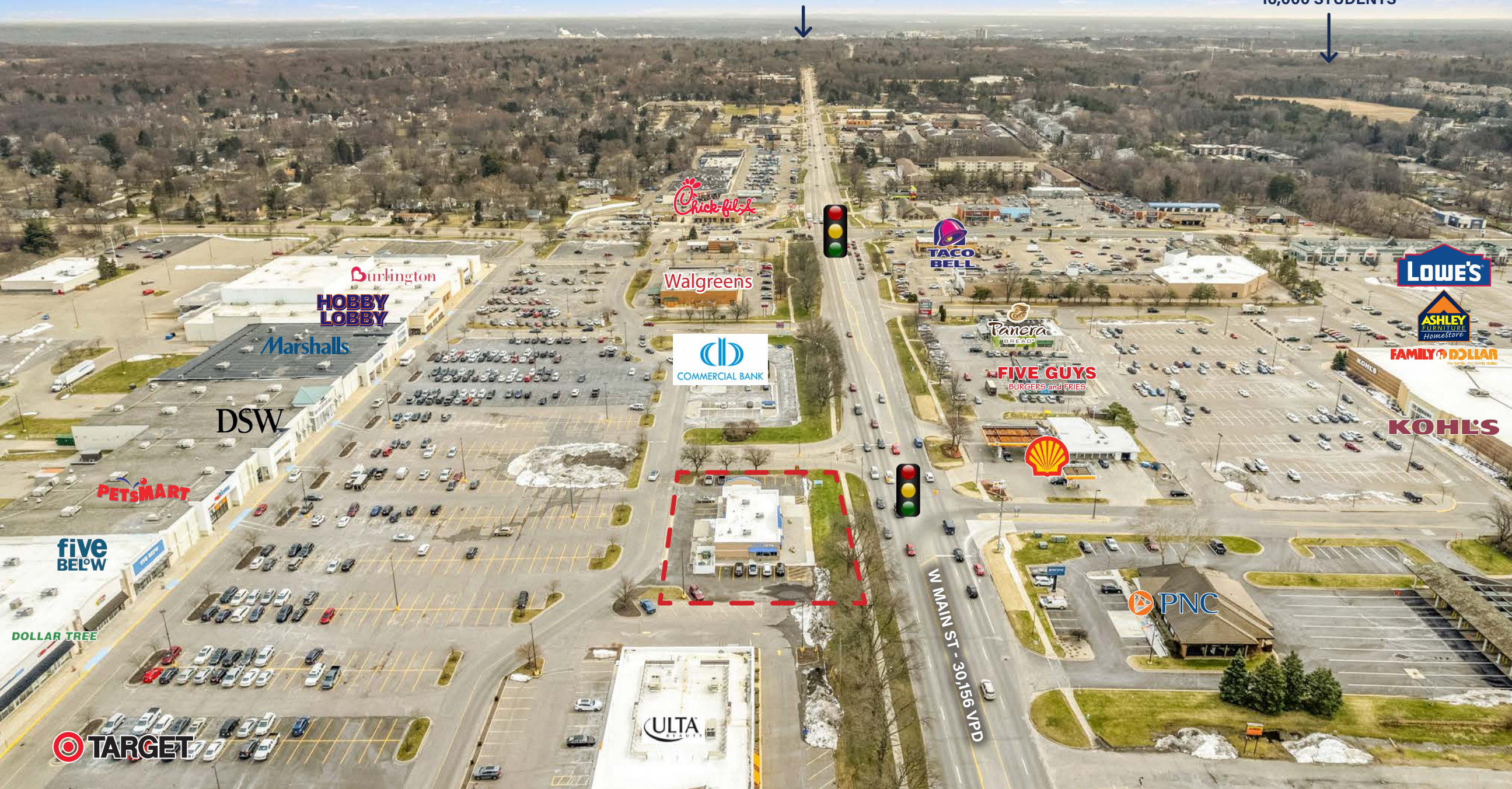
Kalamazoo/
Battle Creek
Int'l Airport

East Lake

OUTPARCEL TO THE #2 BUSIEST COMMUNITY SHOPPING CENTER BY CUSTOMER VISITS IN THE STATE PER PLACER.AI

DOWNTOWN KALAMAZOO

W WESTERN
MICHIGAN
UNIVERSITY
16,000 STUDENTS



LEASE ABSTRACT

Legal Tenant Name	Aspen Dental Management, Inc.
Notification Period to Exercise Options	180 Days
Landlord Obligations	Landlord's only obligation with respect to repairs to the Premises shall be to make necessary roof repairs and structural repairs to the exterior walls, columns, load bearing walls and foundation and slab of the Premises; provided, however, Tenant shall be responsible to maintain the non-structural portions of Tenant's storefront.
Tenant Obligations	Tenant shall keep and maintain the Premises and all improvements therein and all interior portions thereof, throughout the Term in first class order, condition and repair, including, without limitation, all trade fixtures and other fixtures and equipment contained therein, all improvements and alterations made by Tenant, the exterior and interior portions of all windows, doors, glass, plate glass, store fronts, locks, hardware, signs, or any casing, frames or caulking which support or surround same, and all plumbing, (including meters and sub-meters), sewage, sprinkler, and electrical equipment and systems within and serving the Premises, and heating, ventilating and air conditioning equipment and systems serving the Premises (whether or not the same are located within the Premises), and all interior walls, floors, and ceilings. Any and all such repairs, replacements and maintenance shall be performed at Tenant's sole expense with materials and labor of the kind and quality equal or superior to the original work. Tenant shall keep in force at all times during the Term a standard maintenance agreement on all heating, ventilating and air conditioning equipment and provide a copy of said maintenance agreement to Landlord upon Landlord's written request therefor, which agreement shall require at least a semi-annual inspection of such equipment. In the event Landlord has or initiates a uniform HVAC maintenance program for the Shopping Center, Tenant agrees, at Tenant's expense, to participate and use Landlord's designated contractor, provided its price is competitive with other licensed contractors in the region.
Assignment & Subletting	Tenant shall have the absolute and unrestricted right to assign this Lease and any and all of its rights or entitlements hereunder or sublet all or any part of the Premises, without Landlord's consent: (i) to (a) a parent company, (b) subsidiary, (c) affiliate, or (d) any entity with which Tenant merges or consolidates; (ii) if required by Applicable Law (relating to operation of dental or orthodontic offices), to any person or entity licensed to practice dentistry in the State of Michigan, provided the assignee continues to operate the Premises only under the trade name "Aspen Dental" (or such other name then used by a majority of "Aspen Dental" locations in Michigan); and/or (iii) to any entity or individual that has an audited tangible net worth equal to or greater than Twenty Five Million Dollars (\$25,000,000.00) as evidenced by personal financial statements prepared by a licensed accountant and/or audit financial statements prepared by a licensed accountant or accounting firm.
Termination Rights	If Tenant ceases doing business at the Premises (i.e., open and operating) for 180 consecutive days during the Term, excluding closures as a result of casualty, condemnation, Force Majeure or remodeling, then Landlord will have the option, but not the obligation, to terminate this Lease and recapture the Premises at any time following such 180-day closure upon giving 30 days' written notice to Tenant of Landlord's election to do so ("Landlord's Recapture Notice").
Exclusive	Shopping Center Landlord shall not lease any premises within the Shopping Center to a tenant for the primary (more than 15% of such premises' leasable area) operation of a retail dental or orthodontics service center ("Tenant's Exclusive").
Prohibited Uses	Shopping Center Landlord represent and warrants to Tenant that the Permitted Use does not violate the existing tenant exclusives and prohibited uses presently in effect in the Shopping Center.

LEASE ABSTRACT

Common Area Costs	Shopping Center Owner is billing the tenant as follows for the first lease year: CAM Charge \$1.16/sq. ft.; \$382.99/month (1st Lease Year); Insurance Charge \$0.16/sq. ft.; \$52.83/month (1st Lease Year); and Tax Charge \$2.76/sq. ft.; \$911.26/month (1st Lease Year). Tenant shall pay to Landlord as Additional Rent, commencing on the Rent Commencement Date and continuing on the first day of each calendar month in advance during the Term, Landlord's estimate of Tenant's Proportionate Share of the Common Area Maintenance Costs (the "CAM Charge"). "Common Area Maintenance Costs" shall mean the total costs and expenses incurred in operating, maintaining, repairing and replacing the Common Area but shall not include any management fees and/or administrative fees in excess of 10% of Common Area Maintenance Costs, in the aggregate.
CAM Cap	Beginning with the second full calendar year following the Rent Commencement Date, Tenant's CAM Charge for Controllable CAM will not increase by more than 5% over the CAM Charge for Controllable CAM for the immediately preceding calendar year. For purposes of this Section, "Controllable CAM" means all Common Area Maintenance Costs except costs for utilities, security, and snow/ice removal. CAM Cap is not applicable until the second full calendar year following the Rent Commencement Date.

REA ABSTRACT

Parties	Target, K&S Maple Hill Mall, L.P., Outlot Tracts
Term of REA	This OEA shall continue in full force and effect until April 30, 2065.
CAM Maintenance	Each Party shall cause to be operated and maintained including any replacement due to ordinary wear and tear, at its sole cost and expense, the Common Area on its Tract in a sightly, safe condition and good state of repair. Each Party shall have the obligation to operate, maintain, and repair, at its sole cost and expense, in a clean, sightly and safe condition, the following items (if any) located on its Tract: any exterior shipping/receiving dock area; any truck ramp or truck parking area; any recycling center or similarly designated area for the collection of items intended for recycling; and any refuse, compactor or dumpster area.
Shopping Center Prohibited Uses	No use shall be permitted in the Shopping Center which is inconsistent with the operation of a first-class retail shopping center. Without limiting the generality of the foregoing, the following uses shall not be permitted unless such uses are permitted under the terms of Existing Leases or, for that portion of the Developer Tract designated on the Site Plan as the "Future Development Area/ Staging Area:" Any central laundry, dry cleaning plant or laundromat; provided, however, this prohibition shall not be applicable to nominal supportive facilities for on-site service oriented to pickup and delivery by the ultimate consumer. Any automobile, truck, trailer or recreational vehicle sales, leasing, display or body shop repair operation. Any bowling alley or skating rink. Any movie theater or live performance theater (excluding the use of the Theater Tract as it exists as of the date of this OEA). Any veterinary hospital or animal raising or boarding facility; provided, however, this prohibition shall not be applicable to pet shops, including, but not limited to, full service pet shops such as Petco and PetsMart. Any massage parlors or similar establishments; any health spa, fitness center or workout facility in excess of 3,500 square feet, unless such establishment does not contain a swimming pool and is located north of the Target tract or at least 400 feet east of the Target Tract. Any bar, tavern, Restaurant or other establishment whose reasonably projected annual gross revenues from the sale of alcoholic beverages for on-premises consumption exceeds (30%) of the gross revenues of such business. Any training or educational facility, including but not limited to: beauty schools, barber colleges, reading rooms, places of instruction or other operations catering primarily to students or trainees rather than to customers.
Outlot Restrictions of Use	The following use and occupancy restrictions shall be applicable to the Developer Tract and the Outlot Tracts: No Restaurant shall be located thereon within (100) feet of the Target Tract, excluding the Aspen Dental pad, the Frank's Pad, the Starbucks Pad, and the Applebee's Tract. No Restaurant greater than (10,000) square feet shall be permitted. No gas/service station and/or other facility that dispenses gasoline, diesel or other petroleum products as fuel shall be permitted. No liquor store offering off-premises sale of alcoholic beverages within (200) feet of the Target Tract shall be permitted, nor shall any liquor store offering off-premises sale of alcoholic beverages exceeding 10,000 square feet of Floor Area be permitted. No toy store exceeding 5,000 square feet of Floor Area shall be permitted within (200) feet of the Target Tract, excluding the Frank's Pad. So long as a pharmacy utilizing the services of a licensed pharmacist is being operated on the Walgreens Tract, no drug store shall be permitted. No grocery store shall be permitted within (300) feet of the Target Tract.
Restrictions on Height	No newly constructed Building on any Tract shall exceed one story, nor twenty-five (25) feet on the Aspen Dental pad.

DEMOGRAPHIC SUMMARY

POPULATION	1 MILE	3 MILES	5 MILES
2026 Projection	7,875	58,707	115,269
2021 Estimate	7,860	58,237	114,468
2010 Census	7,664	56,282	110,582
2000 Census	6,925	53,199	107,614
Current Daytime Population	8,890	71,494	135,531

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2026 Projection	3,953	25,134	48,935
2021 Estimate	3,942	24,679	48,161
2010 Census	3,777	23,069	45,235
2000 Census	3,476	20,885	42,660

POPULATION PROFILE	1 MILE	3 MILES	5 MILES
<u>Population By Age</u>			
2021 Estimate Total Population	7,860	58,237	114,468
Under 20	17.29%	23.16%	24.59%
20 to 34 Years	41.15%	42.00%	33.74%
35 to 39 Years	5.09%	4.67%	5.86%
40 to 49 Years	6.45%	6.93%	9.20%
50 to 64 Years	10.23%	10.59%	13.31%
Age 65+	19.76%	12.61%	13.29%
Median Age	29.25	24.68	28.67
<u>Population 25+ by Education Level</u>			
2021 Estimate Population Age 25+	4,790	28,521	64,938
Elementary (0-8)	1.41%	1.40%	2.59%
Some High School (9-11)	3.73%	4.22%	5.30%
High School Graduate (12)	17.09%	17.29%	19.58%
Some College (13-15)	22.26%	22.07%	23.41%
Associate Degree Only	6.98%	7.81%	8.04%
Bachelors Degree Only	26.80%	25.89%	23.24%
Graduate Degree	21.20%	20.86%	17.22%

INCOME	1 MILE	3 MILES	5 MILES
<u>2021 Housing Income</u>			
\$150,000 or More	6.09%	7.43%	8.20%
\$100,000 - \$149,000	8.72%	9.46%	9.42%
\$75,000 - \$99,999	8.71%	10.04%	10.47%
\$50,000 - \$74,999	14.02%	14.94%	16.39%
\$35,000 - \$49,999	13.89%	13.88%	14.42%
Under \$35,000	48.58%	44.24%	41.10%
Average Household Income	\$59,516	\$62,950	\$67,089
Median Household Income	\$36,407	\$40,802	\$43,345
Per Capita Income	\$30,136	\$27,910	\$28,962

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By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services 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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