



The Learning Experience

120 BAIZE ROAD HICKORY CREEK, TX 75065

LOCATED ON I-35 FRONTAGE IN DENTON COUNTY

**New 15-Year Single Tenant
NNN Lease with Corporate
Guaranty**

**Brand New Built-to-Suit
Construction**

**Superior Location on I-35
Frontage in Denton County**

**America's Fastest Growing
Daycare Franchise**

CONFIDENTIAL OFFERING MEMORANDUM

February 2024



Mike Wells
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mike@wellsasset.com

EXECUTIVE SUMMARY

THE LEARNING EXPERIENCE



Offering Price:
\$5,440,000



Cap Rate:
6.25%

OFFERING SUMMARY

Price	\$5,440,000
Cap Rate	6.25%
Net Operating Income	\$340,000
Year Built	2023
Gross Leasable Area	10,000 SF
Lot Size	1.18 Acres

LEASE SUMMARY

Lease Term	15 YEARS
Lease Commencement	01/14/2024
Lease Expiration	01/13/2039
Remaining Term	15 Years
Lease Type	NNN
Guarantor	The Learning Experience Inc.

ANNUALIZED OPERATING SUMMARY

Year(s)	Commencement	Annual	Increase
1–5	12/1/2023	\$340,000	-
6–10	12/1/2028	\$367,200	8.00%
11–15	12/1/2033	\$396,576	8.00%
Option 1: 16–20	12/1/2038	\$428,302	8.00%
Option 2: 21–25	12/1/2041	\$462,566	8.00%

NET OPERATING INCOME

\$340,000

Note: Year 1 rent consists of a graduated rent stream and is the greater of 16% of Tenants gross monthly sales or the year one schedule per the lease.



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INVESTMENT OPPORTUNITY

Wells Asset Management, with the owners, presents the opportunity to acquire a newly-constructed 10,000 square foot free-standing property leased to The Learning Experience, the nation's fastest growing childcare and early education company.

- Founded in 1980, The Learning Experience currently operates and franchises more than 630 locations throughout the United States, with ~50 new centers being opened each year given the significant demand and revenue growth experienced by The Learning Experience.
- The 15-year NNN lease includes a 5-year limited corporate guarantee which transfers to the franchisee upon expiration, allowing ample time for the location to build its enrollment and establish a successful operation.

INVESTMENT HIGHLIGHTS

✓ Stable Income Stream

100% NNN lease with fifteen (15) year lease term that includes corporate guaranty by TLE corporate (parent company) with minimal Landlord Responsibilities.

Rent increases 8% every five (5) years, including options, with NNN expenses primarily managed by tenant.

✓ Best-In-Class Operator

The Learning Experience is Fastest-Growing Childcare Concept in the United States with ~630 Centers Open, Planned or Under Development across 22 States as well as internationally.

✓ Stable Industry

American families have been trending toward dual income households, increasing the need for early education and childcare services.

✓ Thriving Local Economy

The demographics in Denton County is experiencing superior growth and is expected for the foreseeable future.

The average household income within 1-mile radius of the property is over \$120,000 and the population is over 145,000 in a 5-mile radius.

✓ Prime Location

Frontage to I-35 off Turbeville Road, nestled between Denton and Lake Lewisville with direct access both northbound and southbound on I-35 with 122,912 VPD on I-35 and 13,510 VPD on Turbeville Road.

✓ Brand New Construction

Completed in November 2023



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PROPERTY AT A GLANCE

THE LEARNING EXPERIENCE @ HICKORY CREEK

TENANT	The Learning Experience – Single Tenant, 100% Occupied
ADDRESS	120 Baize Road Hickory Creek, TX 75065
COUNTY	Denton County
BUILDING SIZE	10,000 SF with additional 5,000 SF outdoor playground
BUILDING TYPE	Metal with Clear Span - No interior load bearing columns allowing easy re-tenanting in the future
LOT SIZE	1.17 AC
CONST. COMPLETION	November 2023
AVE HHI (2 MI)	\$125,868
POP (5 MI)	145,454
SITE CHARACTERISTICS	Dense neighborhood site; surrounded by new and future residential and retail developments

OVERVIEW OF LEASE TERMS

THE LEARNING EXPERIENCE @ HICKORY CREEK

LEASE TERM	15 Years
TERM REMAINING	15 Years
LEASE TYPE	Triple Net
ROOF & STRUCTURE	Landlord responsible
RENT COMMENCEMENT	Sixty (60) days following the lease commencement/Certificate of Occupancy
INCREASES	8.0% increases every five (5) years; Year 1 consists of graduated rent stream
OPTION TO RENEW	Two (2), five (5) year options
OWNERSHIP	Fee Simple
LEASE GUARANTOR	5-year, \$500,0000 Corporate Guaranty that burns off by \$100,000 per year

TENANT OVERVIEW

For more than 30 years, the founders of **The Learning Experience**, have been positively impacting the lives of children by developing and implementing ground-breaking care and early education programs throughout the country.

Starting in 2002 with a single location in Boca Raton, FL, the unique and proprietary programs quickly caught on and expansion soon followed with there now being over 630 locations open or planned/under construction across the United States.

The Learning Experience is an industry leader and one of the nation's fastest growing early education and childcare 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 60% of center franchisees buy additional units or refer new franchisees to the company.

It's been named an Ernst & Young Entrepreneur of the Year and a Make-a-Wish Foundation Corporation of the Year, as well as annually ranked among the Franchise 500. In 2021, total system-wide sales exceeded \$360 million and in 2022 the company exceeded \$570 million in total revenue.

In July 2018, The Learning Experience was acquired by Golden Gate Capital ("GGC"), a leading private equity firm based in San Francisco that currently holds \$15+ billion in capital under management. Other sponsored brands include Bob Evans Restaurant, Red Lobster, Express Oil Change & Tire, Mavis Discount Tire, California Pizza Kitchen, and Zales.



SYSTEM-WIDE SALES (in millions)		NUMBER OF OPENCENTERS
\$262	2018	213
\$310	2019	234
\$229	2020	264
\$360	2021	303
\$570	2022	340

<p>Ernst & Young Entrepreneur of the Year</p>	<p>Entrepreneur Franchisee 500</p>	<p>Franchise Times Top 200+</p>	<p>Inc. 5,000 America's Fastest-Growing Private Companies</p>
<p>630+ Locations Open or Planned/Under Construction</p>	<p>60% Franchisees Own More than 1 Unit</p>	<p>32.8% System-wide Sales Growth Since 2002</p>	<p>1,000+ Corporate Partners</p>



PROPERTY OVERVIEW



- The Learning Experience sits on the 1.18 AC parcel of land as shown above.
- Current ownership owns 7.65 acres in aggregate, on this corner of I-35 and Turbeville Road, which includes The Learning Experience site and the future development sites shown above.
- In 2018, current ownership sold the site where Angelina's Mexican Restaurant sits for the development of that bustling restaurant.
- Current ownership has plans to develop a retail center on the southwest corner labeled "Retail Center Development" above, with their options open to the pad sites listed above.



THE LEARNING EXPERIENCE HICKORY CREEK

DISCLAIMER

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Buyer's Signature

Buyer's Name printed

Date



THE LEARNING EXPERIENCE HICKORY CREEK

CONFIDENTIALITY

This is a confidential memorandum intended solely for your own limited use to determine whether you wish to express any further interest in **The Learning Experience Hickory Creek**. This confidential memorandum does not purport to be all-inclusive or to contain all of the information, which a prospective investor may desire. It is designed to assist a potential purchaser in determining whether or not to proceed with an in-depth investigation of the subject property. While the information contained herein is from sources deemed reliable, the Broker, Owner/Manager or any of their affiliates has not independently verified it. Neither the Owner/Manager, nor Wells Asset Management, Inc., make any representation or warranty, expressed or implied, as to the accuracy or completeness of this confidential memorandum or any or its contents, and no legal liability is assumed or to be implied by any of the officers, directors, employees, or agents of the aforementioned with respect thereto. Buyer will be responsible for any fees to Buyer Broker unless a fee agreement is reach in writing with the Listing Broker.

By your receipt of this confidential memorandum, you agree that this memorandum and the information contained herein are of a confidential nature. If you do not wish to pursue this matter, kindly return this confidential memorandum to Wells Asset Management, Inc., at your earliest possible convenience. Reproduction or distribution is not authorized without prior written approval of the Seller.

SITE VISITS MUST BE SET UP IN ADVANCE.

Attn: Mike A. Wells, President
Wells Asset Management, Inc.,
4139 Centurion Way, Ste 500
Addison, Texas 75001

Buyer Signature

Date

Print Buyer's name above

Buyer's Address, City, State, and Zip Code

Buyer's Phone Number

Buyer's Email

Broker Signature

Date

Print Broker's name above

Brokers Address, City, State and Zip Code

Broker's Phone Number,

Brokers Email



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.

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Designated Broker of Firm	License No.	Email	Phone
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date