

GUIDEPOST MONTESSORI

20-YEAR CORPORATE GUARANTEED LEASE TO LARGEST MONTESSORI IN THE U.S.

ALPHARETTA, GA



CAPITAL PACIFIC
SAN FRANCISCO

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GUIDEPOST MONTESSORI

3105 WEBB ROAD, ALPHARETTA, GA 30004

\$6,178,000
PRICE

7.00%
CAP

LEASE TYPE:	CORPORATE NN
LEASE TERM:	20 YEARS (19.5 REMAINING)
LEASABLE SF:	12,648 SF
LAND AREA:	1.02 ACRES
INCREASES:	2% ANNUALLY
YEAR RENOVATED:	2019

20-year corporate lease with 2% annual rental increases

Corporate saw 36% increase in enrollments since COVID – subject location enrolled 57 students since May

Renovation/re-branding of an established school – high enrollments in this proven location

Atlanta MSA is one of the most coveted investment markets in the U.S.

Very affluent market - \$146,000 average HH income within 5 miles

Investment Highlights



CAPITAL PACIFIC is pleased to present an opportunity to acquire a newly-renovated Guidepost Montessori School in the affluent Atlanta suburb of Alpharetta. The subject property features a 20-year NN lease term (19.5 years left.) The investment is further enhanced by 2% annual rent increases, as well as two 5-year options to extend the term. The facility is a proven school site that has been substantially renovated and will operate as Guidepost Montessori, the largest corporate Montessori school network in the U.S. with 66 locations. The lease is guaranteed by Guidepost's parent company, Higher Ground Education (HGE), a California-based corporation with significant financial backing.

THE PROPERTY is located in Alpharetta, GA, an affluent suburb of Atlanta (26 miles away), in a densely populated area, surrounded by other schools, retail, and excellent housing density. The region is continuing to experience tremendous population and economic growth, bolstered by the 21 Fortune 500 companies that call the Atlanta metro area home. Average household income within a 5-mile radius of the subject property is \$146,000. These fundamentals and demographics drive strong enrollment numbers and tuition for the property.

**GUIDEPOST MONTESSORI HAS 66 LOCATIONS
IN THE UNITED STATES**

Higher Ground Performance & Protocols during COVID

- **Higher Ground Performance has large 8-figure balance sheet (Speak w/ Agent for more details)**
- **Valued at \$140M in October 2020**
- **Enrollments up by 36% since end of March**
- **Huge Increase in Distance Learning Revenue**
– Tenant already had infrastructure of their online learning programs for both students and teachers providing further revenue and retention.
- **Tenant paid full rent throughout 2020**
- **Continuing to open new locations**
- **Remote Learning Success** – Tenant has on-boarded over 1,000 remote students, which is a very high margin revenue source.
- **Tenant has in-house COVID compliance team which keeps each location in compliance and meets or exceeds the standards required in each municipality.**
- **Limited Competition** – Most schools are not open either by decree or due to lack of resources. This has presented an enormous opportunity for tenant to continue growing enrollments. In fact, the tenant has opened schools 5 months earlier than planned to accommodate demand and are continuing to sign new leases to leverage their strong cash position and learning infrastructure.



Income & Expense

PRICE		\$6,178,000
Capitalization Rate:		7.00%
Total Rentable Area (SF)		12,648
Price Per Sf		\$488.46
STABILIZED INCOME	PSF	
Scheduled Rent	\$34.19	\$432,490
Effective Gross Income	\$34.19	\$432,490
LESS	PSF	
Taxes	NNN	\$0
Insurance	NNN	\$0
Total Operating Expenses*	NNN	\$0
NET OPERATING INCOME		\$432,490

*Landlord is responsible for roof & structure. Roof was replaced in 2015.



Rent Roll

TENANT INFO		LEASE TERMS		RENT SUMMARY					
TENANT NAME	SQ. FT.	TERM		CURRENT RENT	MONTHLY RENT	YEARLY RENT	MONTHLY RENT/FT	YEARLY RENT/FT	CAP RATE
Guidepost Montessori	12,648	9/1/2019	8/31/2021	\$432,490	\$36,041	\$432,490	\$2.85	\$34.19	7.00%
		9/1/2021	8/31/2022		\$36,762	\$441,140	\$2.91	\$34.88	7.14%
		9/1/2022	8/31/2023		\$37,497	\$449,963	\$2.96	\$35.58	7.28%
		9/1/2023	8/31/2024		\$38,247	\$458,962	\$3.02	\$36.29	7.43%
		9/1/2024	8/31/2025		\$39,012	\$468,141	\$3.08	\$37.01	7.58%
		9/1/2025	8/31/2026		\$39,792	\$477,504	\$3.15	\$37.75	7.73%
		9/1/2026	8/31/2027		\$40,588	\$487,054	\$3.21	\$38.51	7.88%
		9/1/2027	8/31/2028		\$41,400	\$496,795	\$3.27	\$39.28	8.04%
		9/1/2028	8/31/2029		\$42,228	\$506,731	\$3.34	\$40.06	8.20%
		9/1/2029	8/31/2030		\$43,072	\$516,865	\$3.41	\$40.87	8.37%
		9/1/2030	8/31/2031		\$43,934	\$527,203	\$3.47	\$41.68	8.53%
		9/1/2031	8/31/2032		\$44,812	\$537,747	\$3.54	\$42.52	8.70%
		9/1/2032	8/31/2033		\$45,708	\$548,502	\$3.61	\$43.37	8.88%
		9/1/2033	8/31/2034		\$46,623	\$559,472	\$3.69	\$44.23	9.06%
		9/1/2034	8/31/2035		\$47,555	\$570,661	\$3.76	\$45.12	9.24%
		9/1/2035	8/31/2036		\$48,506	\$582,074	\$3.84	\$46.02	9.42%
		9/1/2036	8/31/2037		\$49,476	\$593,716	\$3.91	\$46.94	9.61%
		9/1/2037	8/31/2038		\$50,466	\$605,590	\$3.99	\$47.88	9.80%
		9/1/2038	8/31/2039		\$51,475	\$617,702	\$4.07	\$48.84	10.00%
		Option 1		21	25		\$54,034	\$648,402	\$4.27
Option 2		26	30		\$59,657	\$715,888	\$4.72	\$56.60	11.59%
TOTALS:	12,648			\$432,490	\$36,041	\$432,490	\$2.85	\$34.19	7.00%

***2.00% rental rate increases, annually.**

Lease Abstract



RENT

BASE RENT

DATE RANGE	MONTHLY RENT	ANNUAL RENT
Years 1 - 20		2% annual rent increases

OPTION RENTS

DATE RANGE	MONTHLY RENT	ANNUAL RENT
Option 1 (5 years)	\$54,034	\$648,402
Option 2 (5 years)	\$59,657	\$715,888

The details contained within the Lease Abstract are provided as a courtesy to the recipient for purposes of evaluating the Property's initial suitability. While every effort is made to accurately reflect the terms of the lease document(s), many of the items represented herein have been paraphrased, may have changed since the time of publication, or are potentially in error. Capital Pacific and its employees explicitly disclaim any responsibility for inaccuracies and it is the duty of the recipient to exercise an independent due diligence investigation in verifying all such information, including, but not limited to, the actual lease document(s).

PREMISE & TERM

TENANT	Guidepost Montessori
LEASE GUARANTEED BY	Higher Ground Education, Inc.
LEASE TYPE	Corporate NN*
TERM	20 Years (19.5 years remaining)
RENT COMMENCEMENT	September 1, 2019
OPTIONS	Two 5-year options (2% annual rent bumps for each option)

**Landlord is responsible for roof & structure. New roof in 2015.*

EXPENSES

PROPERTY TAXES	Tenant's Responsibility
INSURANCE	Tenant's Responsibility
COMMON AREA	Tenant's Responsibility
REPAIRS & MAINTENANCE	Tenant's Responsibility
HVAC	Tenant's Responsibility
UTILITIES	Tenant's Responsibility
ROOF & STRUCTURE	Landlord's Responsibility



Tenant Overview



ABOUT GUIDEPOST MONTESSORI

Guidepost Montessori is the largest Montessori in the United States. They have 66 schools across the country in \$100,000K+ income major metro's throughout the United States. The founders of Guidepost, including the former CEO, COO, and head of strategy, all have 20+ years of experience in education and have been operating as executives in this space for the last decade.

What separates Guidepost from many private and public schools is that they are open for in-school learning and also have a remote learning program that is one of the most sophisticated and easy to use in the industry. With many public and private schools doing only remote learning, Guidepost has been able to absorb students and daycare children from their competition in the high income areas they serve.

\$140M

**OCTOBER 2020
VALUATION**

Higher Ground Education, the parent company of Guidepost Montessori, is based in Lake Forest, California and has significant backing from Learn Capital, the largest venture capital group in the educational space and the Walton Foundation (Wal-Mart Founder).

ENROLLMENTS

**Up 35% since
March 2020**

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Site Plan



**12,648
RENTABLE SF**



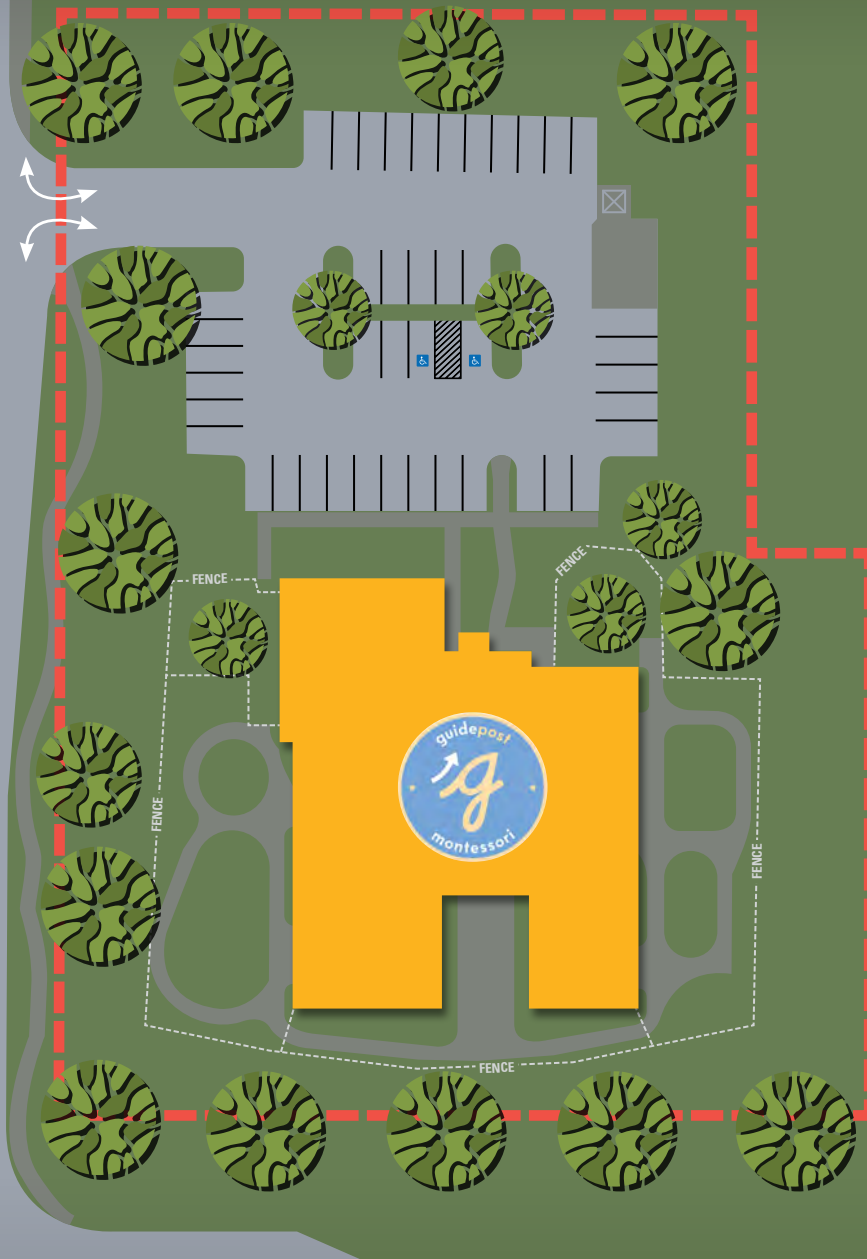
**1.02
ACRES**



**43
SPACES**



WEBB ROAD



ENTRANCE FOR
FRY'S ELECTRONICS



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Subject Property



Surrounding Retail



Zoomed-In Aerial



ALPHARETTA DEMOGRAPHICS

TOTAL	1-MILE	3-MILES	5-MILES
Residential	11,048	64,570	166,350
Average Household Income	\$104,268	\$132,212	\$146,215



KOHL'S

25,090 VPD

31,460 VPD

128,600 VPD

ATLANTA (26 MILES)



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Zoomed-Out Aerial




ATLANTA
(26 MILES)


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Demographics

POPULATION

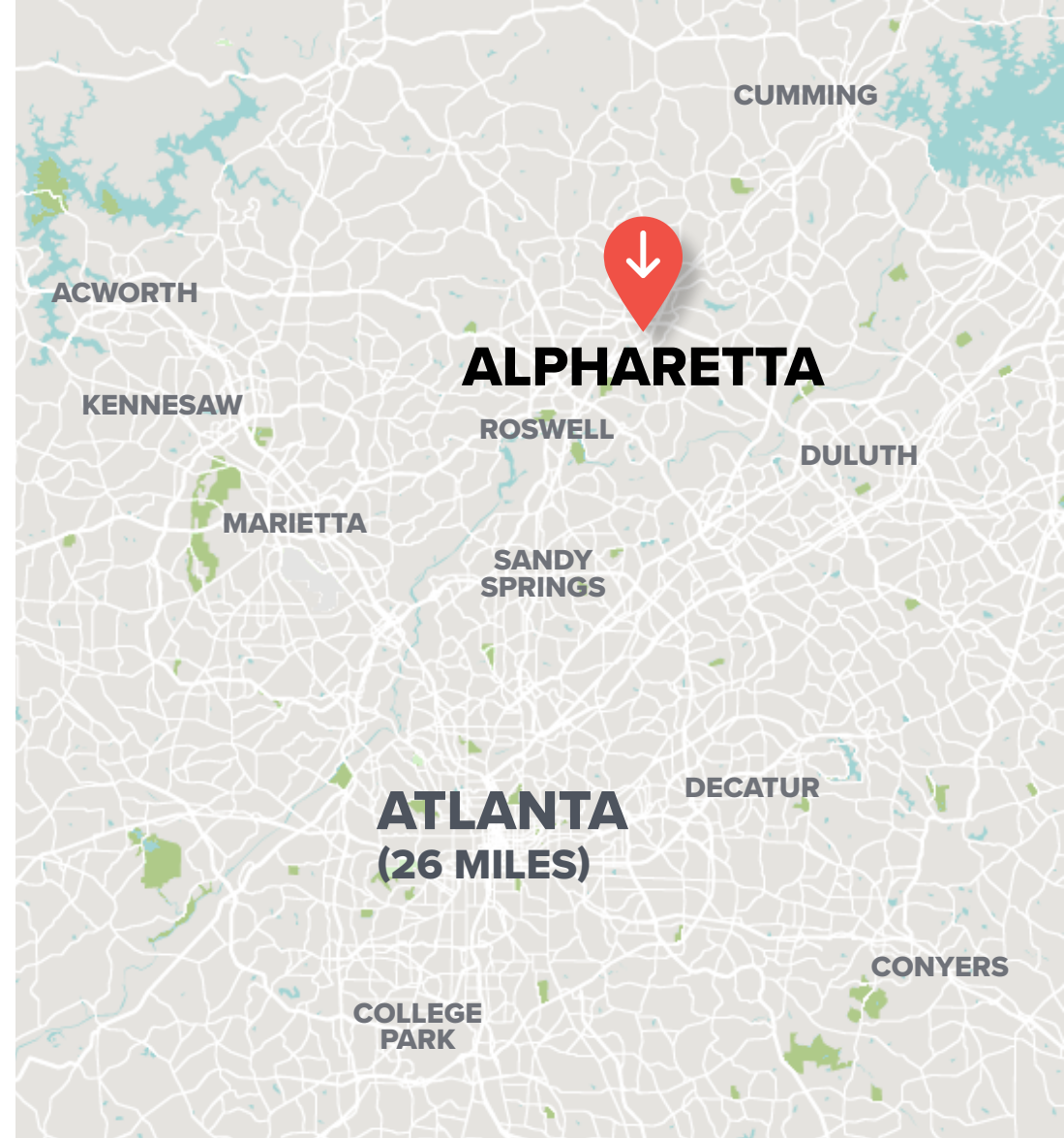
	1-MILE	3-MILES	5-MILES
2010	9,550	50,595	134,494
2019	11,048	64,570	166,350
2024	11,807	71,469	182,724

2019 HH INCOME

	1-MILE	3-MILES	5-MILES
Average	\$104,268	\$132,212	\$146,215

TOP EMPLOYERS IN ATLANTA MSA

EMPLOYER	# OF EMPLOYEES
Delta Airlines	34,500
Emory University/Emory Healthcare	32,091
The Home Depot	16,510
Northside Hospital	16,000
Piedmont Healthcare	15,900
Publix Super Markets	15,591



THE AVERAGE HOUSEHOLD INCOME WITHIN A 5-MILE RADIUS IS OVER \$146K

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ALPHARETTA, GEORGIA



ATLANTA

ALPHARETTA is an established Atlanta suburb located in northern Fulton County, approximately 26 miles north of Downtown Atlanta. Fulton County has a population of over 1 million residents, making it the state's most populous county. The city benefits from an affluent population, a reputation as a technology and corporate hub for Southeastern U.S. in industries such as finance, information technology, health care, telecommunications, and much more. Major companies operating in the city include General Electric, Hewlett-Packard, ADP, AT&T, Comcast, Microsoft, Morgan Stanley, Nokia, Siemens, Verizon, Publix, Equifax, Ernst & Young, IBM, LexisNexis, and more. With more than 640 technology companies calling Alpharetta home, the city has been nicknamed the "Technology City of the South".

THE ATLANTA MSA spans over 140 cities and towns, 39 counties, and 5.94 million people. This large metro area is continuing to grow, with an estimated 1.6% population increase bringing in over 77,000 jobs to the region in only 1 year. The MSA had an approximate GDP of \$371 billion in 2017. Atlanta is the economic hub of the Southeast, which is the fastest growing region in the U.S. The city's thriving economy and job base, coupled with its high quality and low cost of living, make it an ideal destination to draw young and educated talent from the region's major universities. Diversified and substantial investment from corporations and state and local governments make Atlanta an incredible place to do business.

5.94 MILLION



**ATLANTA MSA
POPULATION
(ESTIMATED)**

Atlanta MSA



ATLANTA MSA

The subject property is located less than thirty minutes from downtown Atlanta, the largest city within the state of Georgia. The Atlanta MSA has a population of over **5.94 million residents** across nine counties and is the ninth-largest MSA in the United States.

Atlanta is home to Hartsfield-Jackson International Airport, known as the busiest airport in the world, serving over 275,000 passengers and 2,700 arrivals and departures a day. Atlanta is also home to **16 Fortune 500 companies**, including The Home Depot, United Parcel Service (UPS), Coca-Cola, and Delta Airlines. Atlanta has more than **66 colleges and universities** offering higher education options to more than 100,000 students enrolled in the city. The city has major profession league teams in almost every sport including: MLB - the Atlanta Braves, NBA - the Atlanta Hawks, NFL - the Atlanta Falcons, and MLS - the Atlanta United FC.

GENERAL STATS

1ST LARGEST CITY IN GEORGIA

9TH LARGEST MSA IN THE U.S.

**#1 MOST AFFORDABLE BIG CITY
NAMED BY WALLETHUB**

16 FORTUNE 500 HEADQUARTERS

2.98 MILLION JOBS IN THE METRO

**1ST BUSIEST AIRPORT IN THE
WORLD**

ATLANTA



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