

Guidepost Montessori

19 Forest Street
Marlborough, MA 22025

EXCLUSIVE NET LEASED OFFERING



- 20 Year Corporate NNN Lease
- Brand New Construction & Rebranding
- Largest Montessori School Operator in the Country
- Affluent Boston Suburb
- 2.00% Annual Increases

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Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other

locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

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EDD

NO PARKING



Investment Highlights

PRICE: \$9,498,938 | CAP RATE: 6.50% | RENT: \$617,431



About the Investment

- ✓ Brand New 20-Year NNN Lease with the Largest Private Montessori School Operator in the Country – 49 Locations, Including Two Locations In China and One in Austria
- ✓ Brand New 2019 Construction
- ✓ Corporate Guarantee From Guidepost's Parent Company – Higher Ground Education Inc
- ✓ Tenant is Currently Remodeling/Rebranding the Site and Committing **\$2M** in Interior and Exterior Improvements
- ✓ 2.00% Annual Increases
- ✓ \$110 Million Company with 45 Locations Nationwide – Recently Opened Schools in Austria, Toronto and Shanghai

Location Fundamentals

- ✓ Excellent Location Fundamentals | Walking Distance From GE Healthcare Corporate Offices, Whole Foods Corporate Offices, and Other Major Corporate Headquarters
- ✓ Large Daytime Population | Greater Than 120,000 People
- ✓ Located Less Than 30-Miles From Boston
- ✓ Strong Demographics | Population within a Ten-Mile Radius is More Than 324,500
- ✓ Affluent Community | Average Income Greater Than \$136,000 In Ten-Mile Radius

About The Tenant / Brand

- ✓ Guidepost Montessori is the Largest Montessori Operator in the United States – 49 Locations and Growing, Plans to be Over 100+ In 2 Years
- ✓ Higher Ground Education, the Parent Company of Guidepost Montessori, is Based in Lake Forest, California
- ✓ Learn Capital, the Largest Venture Capital Group in the Educational Technology Space, is Higher Ground's Lead Investor With \$20 Million





Investment Highlights



PRICE: \$9,498,938 | CAP Rate: 6.50% | NOI: \$617,431

PROPERTY DESCRIPTION

Property	Guidepost Montessori
Property Address	19 Forest Street
City, State, ZIP	Marlborough, MA 01752
Total Building Size (SF)	+/- 13,042
Land Area	6.44 Acres
Year Built	2018
Stories	2
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$9,498,938
CAP Rate	6.50%
Net Operating Income	\$617,431

LEASE SUMMARY

Tenant	Guidepost A LLC
Original Lease Term	20 Years
Guarantor	Higher Ground Education, Inc
Rent Commencement	9/1/2020*
Lease Expiration	9/1/2040
Lease Term Remaining	20 Years
Lease Type	Triple-Net (NNN)
Roof	Tenant Responsible
Option to Renew	Three (3), Five (5)-Year Options

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 1	\$617,431	\$51,453	-
Year 2	\$629,780	\$52,482	2.00%
Year 3	\$642,375	\$53,531	2.00%
Year 4	\$655,223	\$54,602	2.00%
Year 5	\$668,327	\$55,694	2.00%
Year 6	\$681,694	\$56,808	2.00%
Year 7	\$695,328	\$57,944	2.00%
Year 8	\$709,234	\$59,103	2.00%
Year 9	\$723,419	\$60,285	2.00%
Year 10	\$737,887	\$61,491	2.00%
Year 11	\$752,645	\$62,720	2.00%
Year 12	\$767,698	\$63,975	2.00%
Year 13	\$783,052	\$65,254	2.00%
Year 14	\$798,713	\$66,559	2.00%
Year 15	\$814,687	\$67,891	2.00%
Year 16	\$830,981	\$69,248	2.00%
Year 17	\$847,600	\$70,633	2.00%
Year 18	\$864,552	\$72,046	2.00%
Year 19	\$881,844	\$73,487	2.00%
Year 20	\$899,480	\$74,957	2.00%

**Seller will credit rent against purchase price for a sale prior to rent commencement*

- Glen Kunofsky and other members of the selling entity, Exclusive Listing Agents, are part fee owners of this property. They are licensed real estate sales people for Marcus and Millichap in the State of New York.

Tenant Overview

About Higher Ground Education

Higher Ground Education’s mission is to modernize and mainstream the international Montessori movement, and thereby enable children across the world to realize their human potential as knowledge-guided, value-oriented, efficacious beings, so that they experience, undiluted and unimpeded, the joyous process of growing into successful adults.

Higher Ground Education was founded by a small team of impassioned educators and business leaders — skilled operators who had spent their early careers creating and scaling one of the most high-quality, high-fidelity Montessori school networks in the world. For many years the team devoted itself to developing, testing, refining, and putting into practice the resources, systems, infrastructure, and pedagogical leadership required to achieve Montessori “at scale,” and at its pinnacle had created a network of over 40 schools across both coasts of the United States.

And yet, the pace of growth was not fast enough. The impact was not widespread enough. We helped create, from small beginnings, a group of schools of which we were truly proud. We had learned firsthand the incredible impact of proper education on the soul of the child and the family. But these accomplishments, far from slaking our missionary thirst, served only to increase it. It became necessary to climb out of the box we had built around ourselves and reimagine the problem from scratch. It was at this moment that Higher Ground Education was born: a moment both of renewed seeking and of breakthrough discovery.

In addition to owning and operating schools around the world, Higher Ground will also seek to develop an international platform that sources, secures, and develops back-end support to all Montessori-inspired schools and educators. From helping existing school owners overcome perennial challenges to supporting enterprising teachers and parents who wish to start new schools, from delivering leadership trainings and professional development workshops to helping teacher training centers strengthen their operations and expand their student base, from developing customized software tools to facilitating access to real estate and construction partners, Higher Ground will seek to create a technology-enabled, professional “prepared environment” that engages the thousands of Montessori entrepreneurs and organizations world round.

Montessori wrote that “a calm serene child, attached to reality, begins to achieve his elevation through work.” We at Higher Ground will assist educators to pursue such elevation in and through their own work, in pursuit of a new tomorrow of children and adults who know the serenity of self-confidence, who find their sense of worth in work well done, who experience the joy of solving problems and the goodwill of mutual respect. Our dream and ambition is to bring the educational establishment, and through it the children of the world, to that higher ground which consists in an elusive, as-yet unrealized promise: a mainstream, sweepingly large, widely studied and widely implemented international Montessori movement.

“Higher Ground is one of our breakout portfolio companies—a hyper-scaling, tech-enabled, high-end, global Montessori-inspired school operator”

– Learn Capital*

*Learn Capital is the nations largest venture capital group in the education technology space.

General Information

Website	Tohigherground.com
Headquarters	Lake Forest, California
School Leadership Experience	80 Years
Number of Teachers	198
Number of Locations	49
Number of Students	1,409





Recent Sales Comparables



Address	City	State	Rent	Square Feet	Sale Price	Sale Date	Cap Rate	Lease Term	Status
9945 SW Beaverton Hillsdale	Beaverton	OR	\$231,378.00	6,000	\$3,856,300.00	1/3/2020	6.15%	20 Years	Closed
5051 Ace Ln	Naperville	IL	\$309,281.00	9,897	\$4,530,000.00	12/13/2019	6.83%	20 years	Closed
1450 63rd St	Emeryville	CA	\$646,959.00	12,000	\$9,800,000.00	11/7/2019	6.60%	17 years	Closed
1530 N Damen Ave	Chicago	IL	\$637,500.00	13,096	\$9,000,000.00	9/21/2018	7.08%	20 years	Closed
42945 Waxpool Rd	Ashburn	VA	\$775,890.00	21,189	\$11,100,000.00	8/14/2019	6.99%	20 Years	Closed
13251 Woodland Park Rd	Herndon	VA	\$277,620.00	7,014	\$4,200,000.00	8/12/2019	6.61%	20 Years	Closed
20565 Fletcher Way	Peoria	AZ	\$212,374.00	10,464	\$3,000,000.00	7/25/2019	7.08%	15 years	Closed
3320 Hollywood Blvd	Hollywood	FL	\$335,132.00	13,400	\$4,775,000.00	5/24/2019	7.02%	20 years	Closed





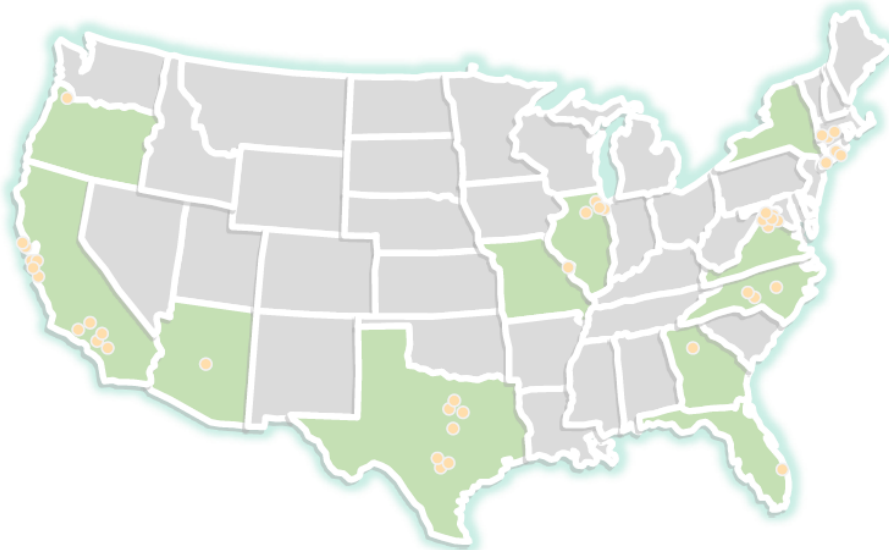
NO PARKING



The supply-demand gap for high-quality Montessori inspired education is enormous

High quality offerings are rare and we have found no other providers with a scalable operating platform

In 3 years, we have opened 43 schools* in 14 metro markets across 11 states



and 2 international markets

List of Schools – October 2019

Arizona

Peoria

California

Foothill Ranch
Emeryville
Laguna Hills - Alicia
Las Flores
Mill Valley
Palo Alto

San Francisco – ATI SF
San Francisco – Fort Mason
San Francisco – Yerba Buena
Valencia – Copper Hill

Florida

Hollywood – Hollywood Beach

Georgia

Alpharetta – Deerfield

Illinois

Chicago – Mag. Mile
Chicago – Wicker Park
Chicago – West Loop
Naperville

Missouri

St. Louis – ATI St. Louis

North Carolina

Charlotte – Prosperity
Huntersville – Lake Norman
Raleigh – Spruce Tree

Oregon

Beaverton

New York

Brooklyn – Williamsburg
Brooklyn – Brooklyn Heights
Manhattan – Columbus Sq.
Manhattan – Museum Mile
Manhattan – ATI Manhattan

Texas

Austin – ATI Austin
Cedar Park – Brushy Creek
Cedar Park – Cypress Creek
Frisco – Timber Ridge
Frisco – Stonebriar
Flower Mound
McKinney - Eldorado

Virginia

Ashburn – Broadlands
Chantilly
Fairfax
Herndon
Herndon – Reston
Herndon – Aldie
Montclair

Austria

Vienna



China

Shanghai – Wanhangdu



*Updated school count is 49





— This is the second time our leadership team has built the largest Montessori school network in the U.S.

100

Central Team Members

With deep expertise in academics, operations, real estate, and capital markets

900

School Level Team Members

Highly-qualified, Montessori-trained school administrators and teachers

Executive Team



Ray Girn
Founder and
Chief Executive
Officer

- Former CEO, LePort Schools
- Former Elementary Teacher and Curriculum Developer
- AMI Primary Diploma, MISD



Mitch Michulka
Chief Financial
Officer

- Founded, built, and sold CPA firm catering to educators
- 15+ years experience in Fortune 500 companies
- Led financial strategy at LePort Schools



Maris Mendes
Chief Operating
Officer

- Former Director of Talent Management, LePort Schools
- Former turnaround manager, Starbucks



Matt Bateman
Vice President of
Pedagogy

- Ph.D. in Philosophy, University of Pennsylvania
- Former Professor of Psychology, Franklin and Marshall College



Jane Erickson
Vice President of
Programming

- Ph.D. in Developmental Psychology, Yale University
- Former VP of Academics, LePort Schools



Rebecca Girn
General Counsel
and Chief
Programs Officer

- AMI 0 – 3, 3 – 6 Diploma, MISD
- Former General Counsel and VP of Human Resources, LePort Schools



Guy Barnett
Chief
Development
Officer

- Former VP of Development and COO, LePort Schools
- Former Senior Executive, Dominion Management



Steve Xu
Chief Strategy
Officer and CEO
of China

- Former Executive Director, Investment Banking, UBS Hong Kong
- 10+ years advisory and capital raising experience



Steven Gaudino
Vice President of
R&D

- Former VP of Program and Product Development at Reasoning Mind



Joel Mendes
Executive
Director of
Training

- Former Literature Teacher, Curriculum Developer, and Head of School, LePort Schools
- Former Literature Teacher, Long Beach Public Schools



Surrounding Office Parks

Property Address: 19 Forest Street – Marlborough, MA 01752



NEW DEVELOPMENT: TALIA APARTMENTS 75+ UNITS

- CAVIUM
- api technologies corp
- Oxford Immunotec
- CardioFocus
- Trimble
- Vanguard
- Viasat



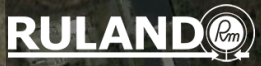
CORPORATE OFFICE

NEW DEVELOPMENT: AVALON 450+ APARTMENT UNITS

- WHOLE FOODS MARKET
- WHOLE FOODS CORPORATE HEADQUARTERS
- GE Healthcare
- CORPORATE OFFICE

- OneShield
- BabcockPower
- angiodynamics
- LAKE WILLIAMS CORPORATE CENTER

ADTC: 116,760



THE CAMPUS AT MARLBOROUGH (500,000+ SF DEVELOPMENT)



RXI PHARMACEUTICALS

CORPORATE OFFICES



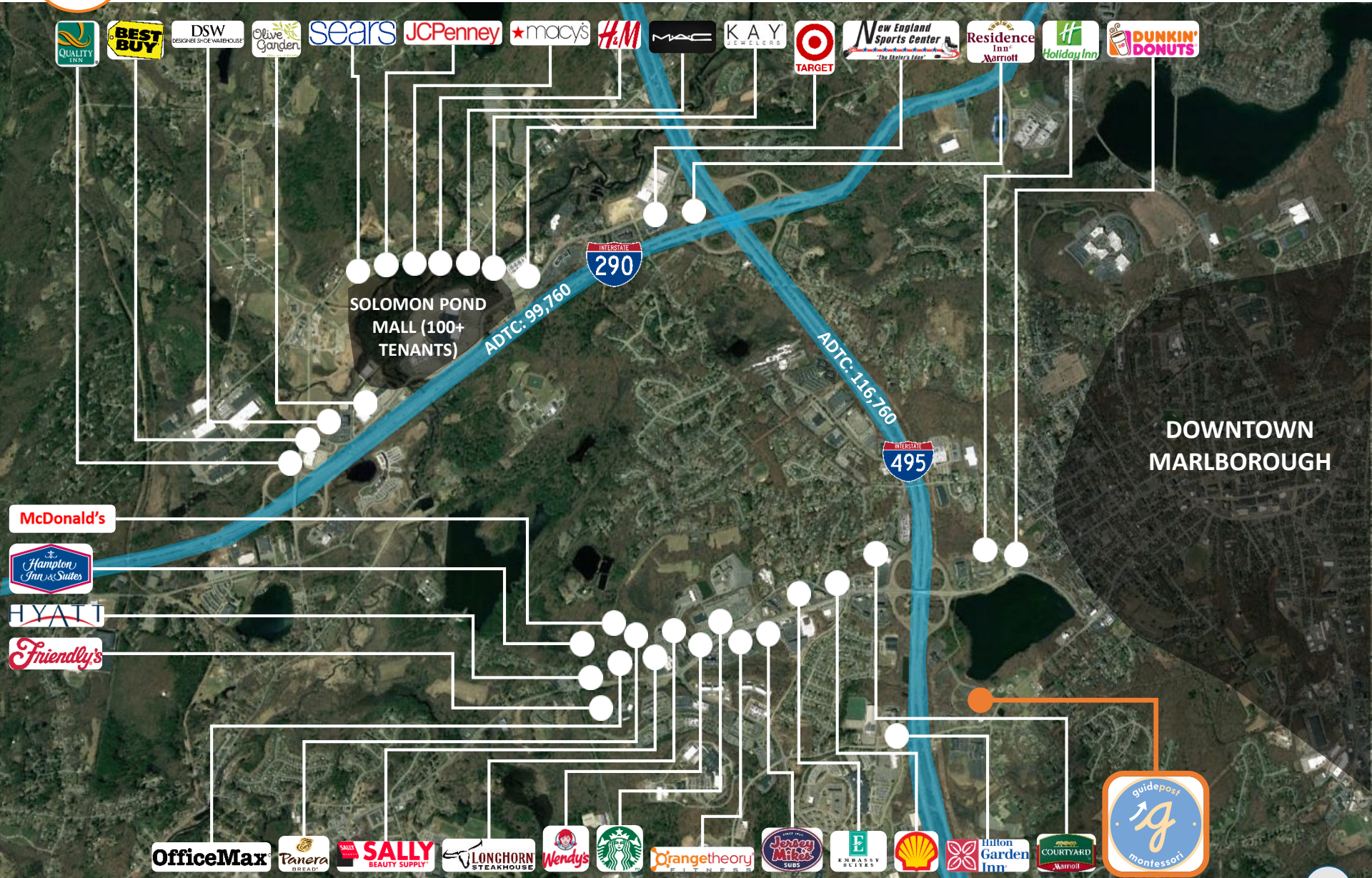
THE VILLAGES AT CRANE MEADOW





Surrounding Area

Property Address: 19 Forest Street – Marlborough, MA 01752



CORPORATE OFFICES



WHOLE FOODS & GE
CORPORATE OFFICES



GE Healthcare

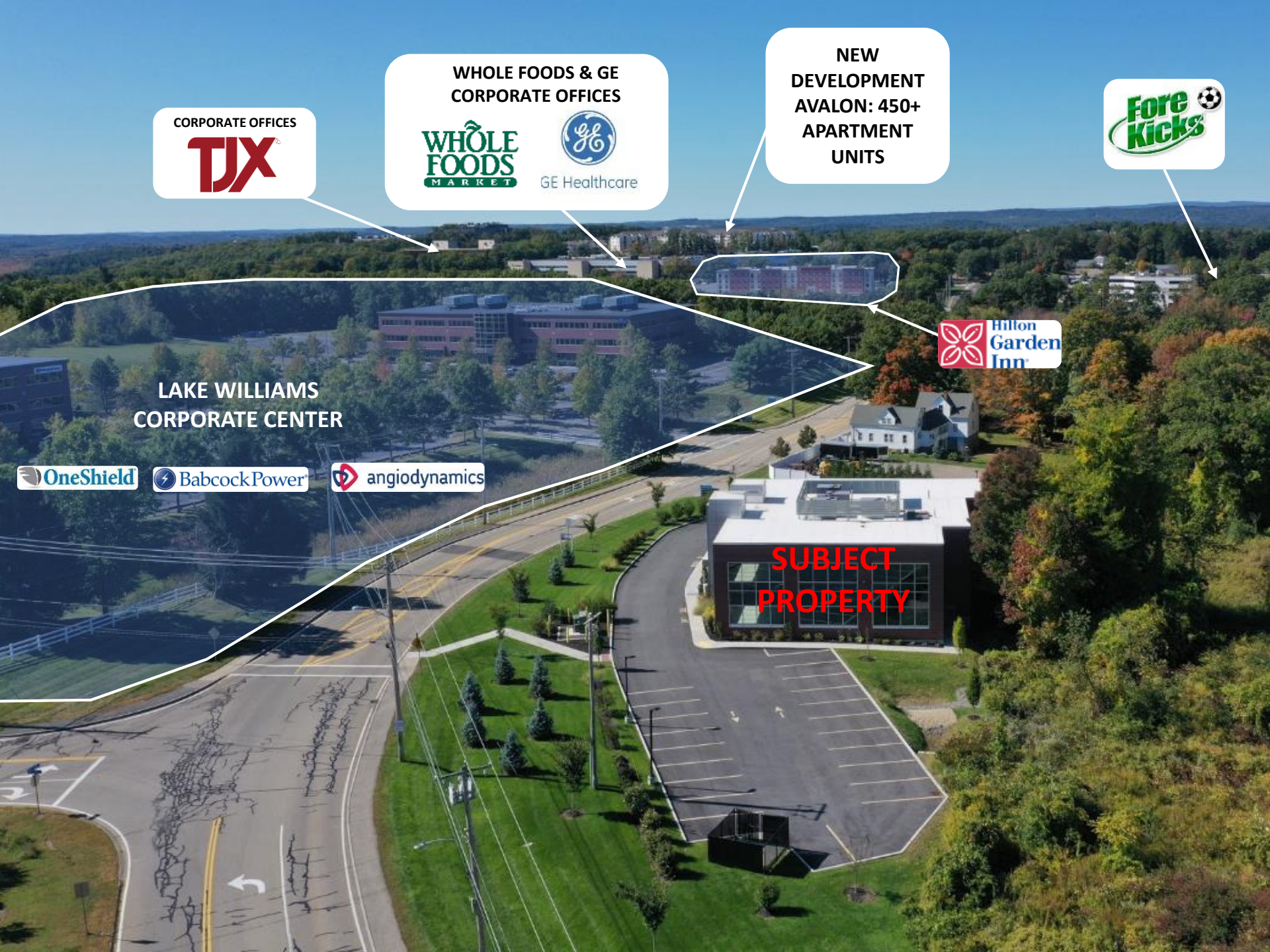
NEW
DEVELOPMENT
AVALON: 450+
APARTMENT
UNITS



LAKE WILLIAMS
CORPORATE CENTER



**SUBJECT
PROPERTY**





Location Overview

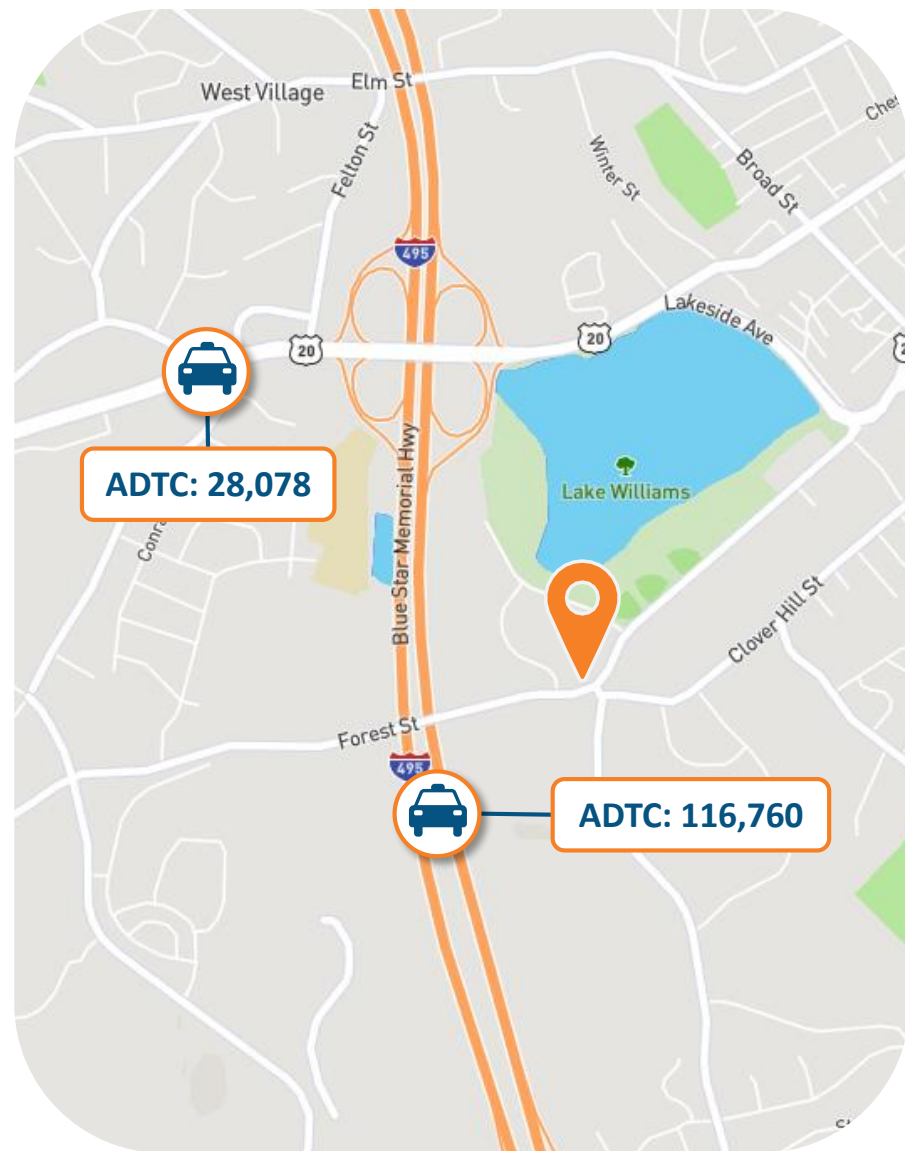
Property Address: 19 Forest Street – Marlborough, MA 01752



This investment property is situated along Forest Street, which is just off interstate-495. Interstate-495 brings 116,760 vehicles into the immediate area everyday. This investment property benefits from being located in a highly populated area. There are more than 92,300 people residing within a five-mile radius of this property and more than 324,500 reside within a ten-mile radius. Furthermore, these figures are projected to increase in the coming years. This investment property is located in a very affluent area, the average income within a ten-mile radius of this property is greater than \$136,700, nearly triple the national average.

The Guidepost Montessori School benefits from being well-positioned near a large amount of housing communities and new developments. These communities and new developments have made it easy for major corporations to call Marlborough home. GE Healthcare and Whole Foods have corporate offices within walking distance of this property. Furthermore this investment property is in close proximity to a highly dense retail corridor consisting of national and local tenants, shopping centers, and hospitality accommodations. Major national tenants include: Target, Macy's, Sears, J.C. Penny, McDonald's, Office Max, and many more. There are several hospitality accommodations within the immediate area, including: Hilton Garden Inn, Holiday Inn, Residence Inn, Best Western, Embassy Suites, Hampton Inn & Suites, and Courtyard Inn & Suites.

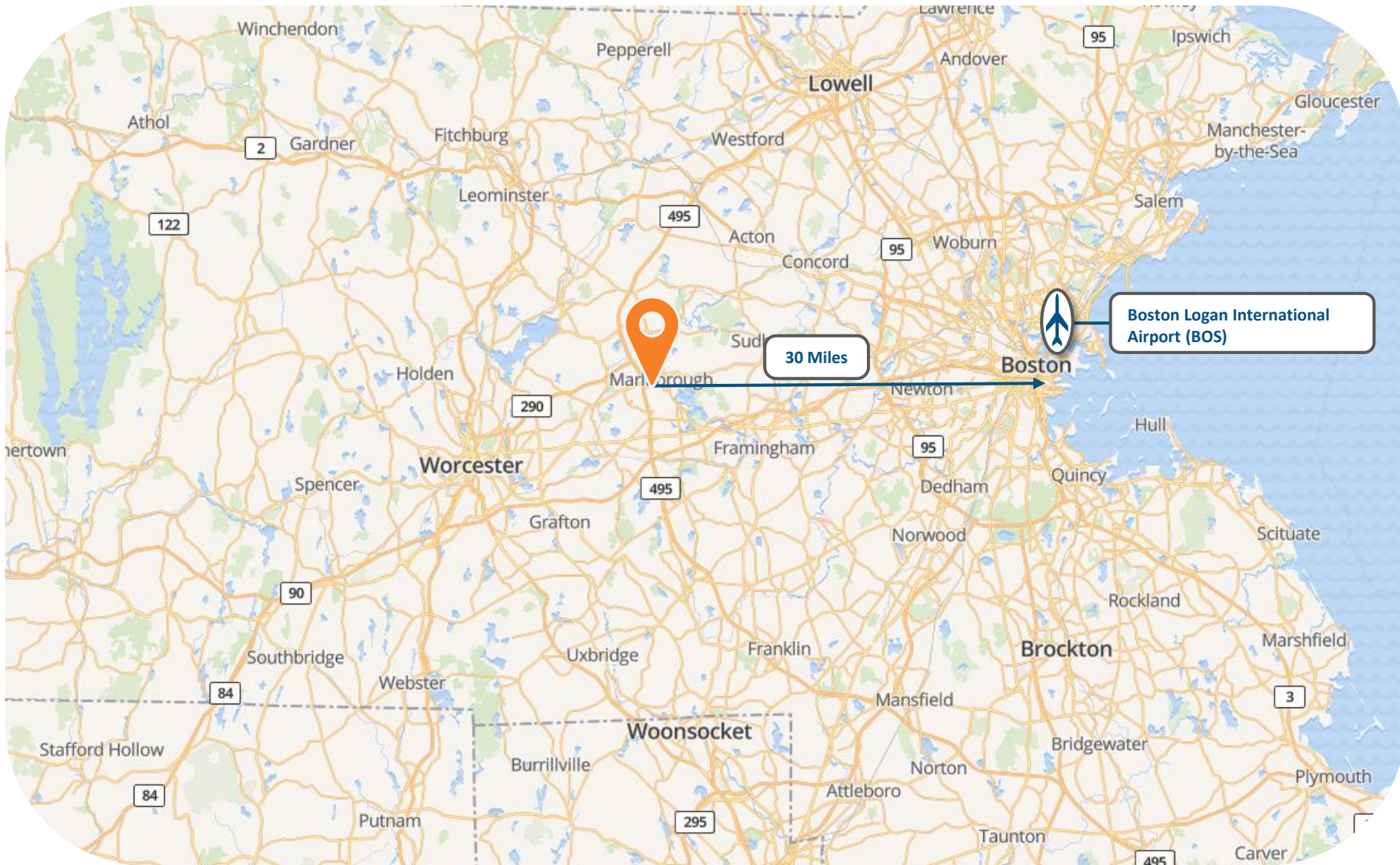
Centrally located near the intersection of Routes 495, 290, 20 and the Massachusetts Turnpike, Marlborough is known for its strong public schools, thriving and diverse community, and economic opportunity for all. Marlborough still retains the tree-covered ridges and idyllic ponds from its early days as a Native American and Colonial settlement and has numerous conservation lands and trails for residents and visitors to explore. Home to the New England Sports Center, the largest skating rink complex in North America, and Fore Kicks, Marlborough has amenities for all families. Today, leading companies such as Boston Scientific, GE Healthcare Life Sciences, and Hologic call Marlborough home. TJX, Dow Chemical, IPG Photonics, Quest Diagnostics, and Whole Foods, among others, combine to have thousands of employees in Marlborough, providing ample economic opportunities for Marlborough residents. Marlborough residents also have access to leading elementary and secondary schools. Marlborough Public Schools features a nationally recognized STEM program and is known for its arts programming. The Advanced Math and Science Academy (AMSA) is one of the highest-ranking high schools in Massachusetts and Assabet Valley Regional Technical Vocational School provides a vocational track for students.





Local Map

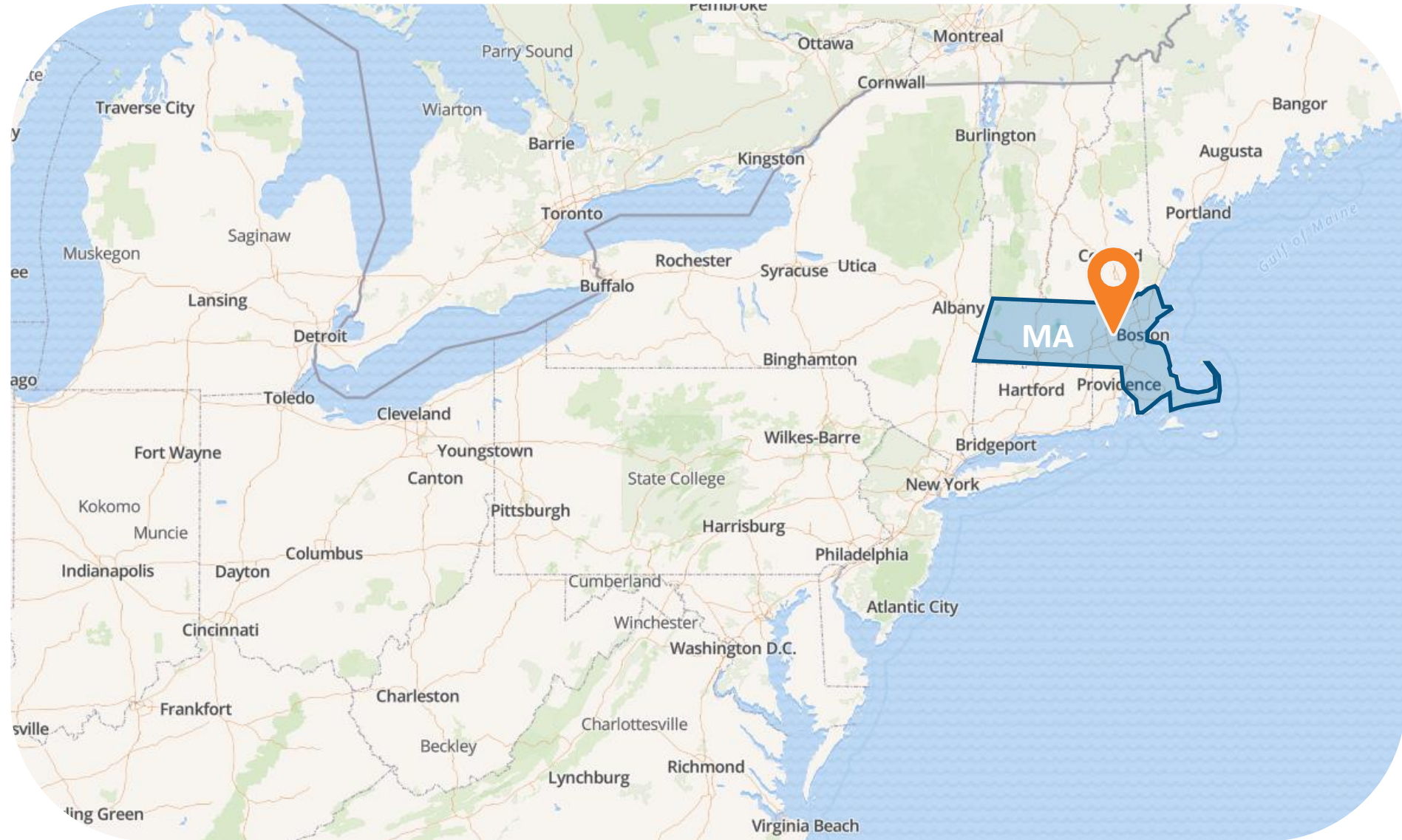
Property Address: 19 Forest Street – Marlborough, MA 01752





Regional Map

Property Address: 19 Forest Street – Marlborough, MA 01752





Demographics

Property Address: 19 Forest Street – Marlborough, MA 01752



	3 Miles	5 Miles	10 Miles
POPULATION			
2023 Projection	40,835	95,261	334,170
2018 Estimate	39,692	92,394	324,505
2010 Census	36,836	87,289	309,650
2000 Census	34,483	82,228	292,335
INCOME			
Average	\$125,985	\$130,409	\$136,790
Median	\$90,667	\$95,709	\$99,272
Per Capita	\$49,969	\$51,259	\$52,507
HOUSEHOLDS			
2023 Projection	16,312	37,723	128,481
2018 Estimate	15,677	36,179	123,950
2010 Census	14,414	33,891	117,352
2000 Census	13,470	31,375	110,522
HOUSING			
2018	\$365,668	\$372,286	\$413,372
EMPLOYMENT			
2018 Daytime Population	58,410	120,117	359,429
2018 Unemployment	4.04%	3.70%	3.70%
2018 Median Time Traveled	31 Mins	31 Mins	32 Mins
RACE & ETHNICITY			
White	77.32%	80.10%	78.93%
Native American	0.06%	0.03%	0.04%
African American	2.70%	2.33%	3.10%
Asian/Pacific Islander	7.44%	8.82%	9.46%



Market Overview

City: Marlborough | County: Middlesex | State: Massachusetts

Boston, Massachusetts



Boston is the capital and most populous city of the Commonwealth of Massachusetts. The city proper covers 48 square miles with an estimated population of 685,094 in 2017, making it also the most populous city in New England. The city is the economic and cultural anchor of a substantially larger metropolitan area known as Greater Boston, a metropolitan statistical area (MSA) home to a census-estimated 4.8 million people in 2016 and ranking as the tenth-largest such area in the country. Its rich history attracts many tourists, with Faneuil Hall alone drawing more than 20 million visitors per year. Boston's many firsts include the United States' first public park (Boston Common, 1634), first public or state school (Boston Latin School, 1635) and first subway system (Tremont Street Subway, 1897). The Boston area's many colleges and universities make it an international center of higher education, including law, medicine, engineering, and business, and the city is considered to be a world leader in innovation and entrepreneurship, with nearly 2,000 startups. Boston's economic base also includes finance, professional and business services, biotechnology, information technology, and government activities. Households in the city claim the highest average rate of philanthropy in the United States; businesses and institutions rank among the top in the country for environmental sustainability and investment.

Major Employers

Employer	Estimated # of Employees
Guidant Corporation	10,800
UMASS Memorial Health Care	3,376
Staples	2,728
SBM Site Services LLC	2,314
Fiscal Unit	2,300
TJ Maxx	2,300
Sunovion Respiratory	2,100
Bose Corporation	2,081
Skineez Skincare Wear	2,014
Edgell Grove Cemetery	1,903
National Grid	1,842

Marcus & Millichap

EXCLUSIVE NET LEASE OFFERING



Broker of Record:

John Horowitz

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