KinderCare®

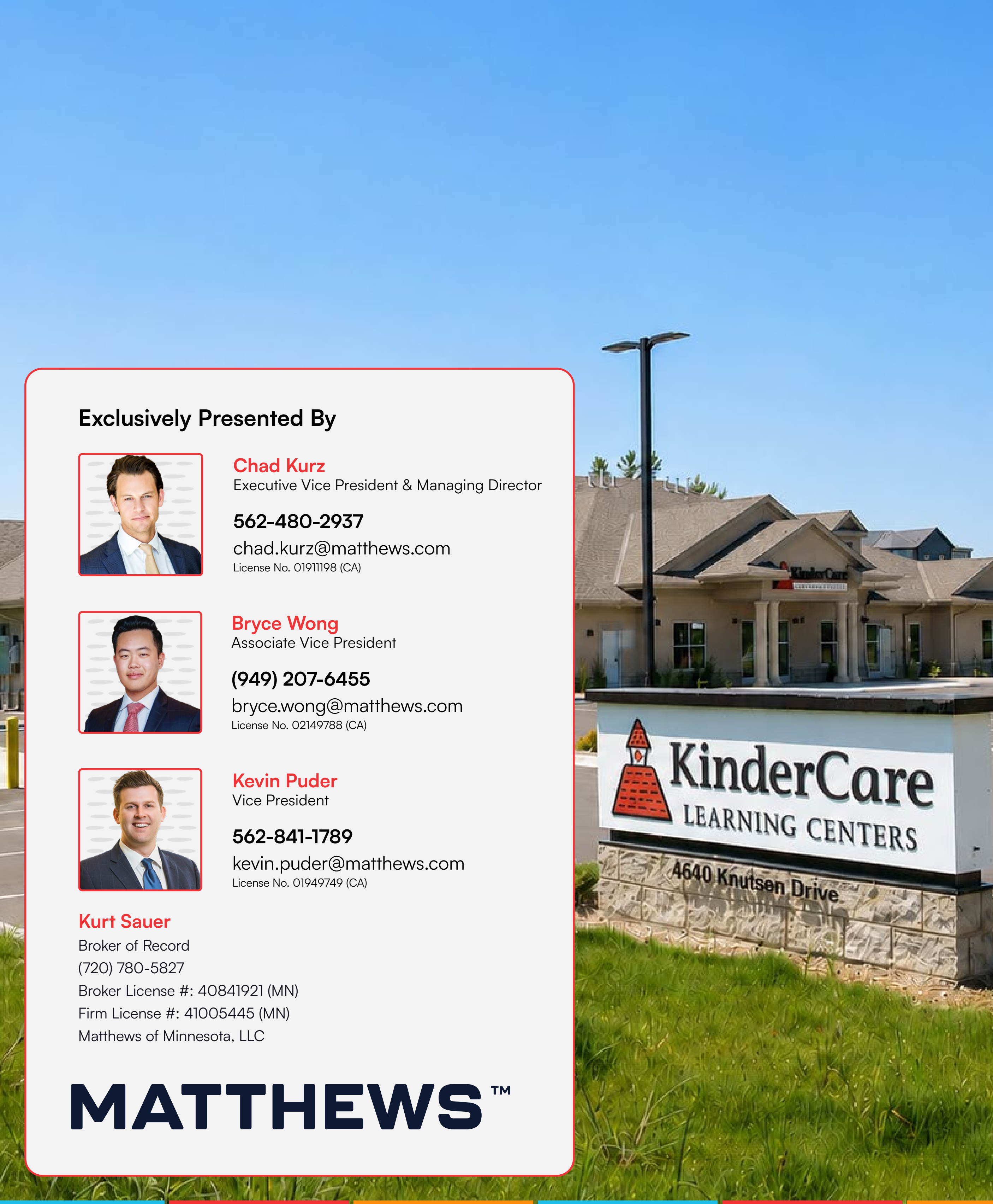
LEARNING CENTERS

4640 Knutsen Drive | Farmington, MN 55024

MATTHEWS™

Offering Memorandum

New Construction KinderCare | 3.79M-Person Minneapolis MSA | 18-Year Lease | High-Income Demographics



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MATTHEWS™

KinderCare®
LEARNING CENTERS

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INVESTMENT HIGHLIGHTS

$7,133,000
LIST PRICE

7.50%
CAP RATE

10,104
GLA (SF)

1.37
LOT SIZE (AC)

±18 YEARS
LEASE TERM

INVESTMENT HIGHLIGHTS

Tenant Highlights

- **Leader in the Childcare Sector:** Founded in 1969, KinderCare is the single largest for-profit childcare provider in the country with 2,600+ locations and is one of the longest standing players in space.
- **Publicly Traded Childcare Provider:** KinderCare (NYSE: KLC) raised $576M through its initial public offering in October 2024 and is one of the only public childcare providers nationally.
- **Revenue Growth:** Over the past 5 years, KinderCare has consistently increased year-over-year revenues with $2.7B+ in 2025.

Location Highlights

- **16th Largest MSA in the Country:** Farmington is located within the Minneapolis–St. Paul MSA, home to 3.79+ million residents and 17 Fortune 500 headquarters, including Target, UnitedHealth Group, 3M, Best Buy, Ecolab, and CHS.
- **Affluent, Family-Oriented Community:** The property serves a trade area with an average household income exceeding $145,000, while consumers spend more than $59 million annually on education and childcare within a five-mile radius.
- **Young Target Demographics:** The surrounding area has a median age of just 37 years old, providing an ideal demographic profile for long-term childcare demand.

Property Highlights

- **Brand New Construction Facility:** Features a modern design and updated infrastructure.
- **Long-Term Lease with Above Market Increases:** The lease features a rare 18-year lease term with no day-to-day landlord responsibilities and above market annual rental increases.
- **Full-Term Corporate Guaranty:** Lease is backed by KinderCare Learning Companies, Inc. for the entire duration of the lease term.

VERMILLION RIVER CROSSINGS

23,000+
COMMUNITY RESIDENTS

$124K
AVG. HOUSEHOLD INCOME

280+
NEW RESIDENTIAL UNITS

+7.4%
ANNUAL HH GROWTH RATE

Vermillion River Crossings is a premier mixed-use development located within Farmington's expanding commercial and residential growth corridor. Benefiting from strong demographic trends, ongoing housing development, and a growing base of affluent young families, the development is well positioned to support long-term demand for childcare and essential neighborhood services while serving as a key destination within the community.

Master-Planned Mixed-Use Community

- Located within Vermillion River Crossings, Farmington's premier mixed-use development featuring retail, medical, office, residential, and neighborhood services.
- Planned as a walkable commercial district supporting long-term residential growth and expanding consumer demand throughout the surrounding area.
- The KinderCare is positioned as an early anchor within the development, benefiting from future commercial expansion and increasing daily traffic.

Regional Healthcare & Retail Hub

- Adjacent to the Allina Health Farmington Clinic, creating a built-in daytime population of employees, patients, and visiting families.
- Planned mix of medical, retail, dining, and service-oriented businesses is designed to create a convenient neighborhood destination.
- Strategic location within Farmington's expanding commercial corridor strengthens long-term demand for childcare and family-focused services.

Growing Residential Base

- Surrounded by established neighborhoods and ongoing residential development that continues to expand the area's family-oriented customer base.
- Planned residential growth is expected to support continued household formation and sustained demand for early childhood education.
- Community design emphasizes walkability, open space, and convenient access to schools, parks, healthcare, and everyday services.

Long-Term Growth & Development

- Vermillion River Crossings continues to attract new investment through additional commercial, multifamily, and mixed-use development phases.
- The City's long-range comprehensive plan identifies the Spruce Street corridor as a major growth area for commercial and mixed-use development.
- Public infrastructure improvements and continued private investment position the development for long-term economic growth and tenant success.

FINANCIAL OVERVIEW

$7,133,000 LIST PRICE	7.50% CAP RATE	±10,104 GLA (SF)	±1.37 LOT SIZE (AC)

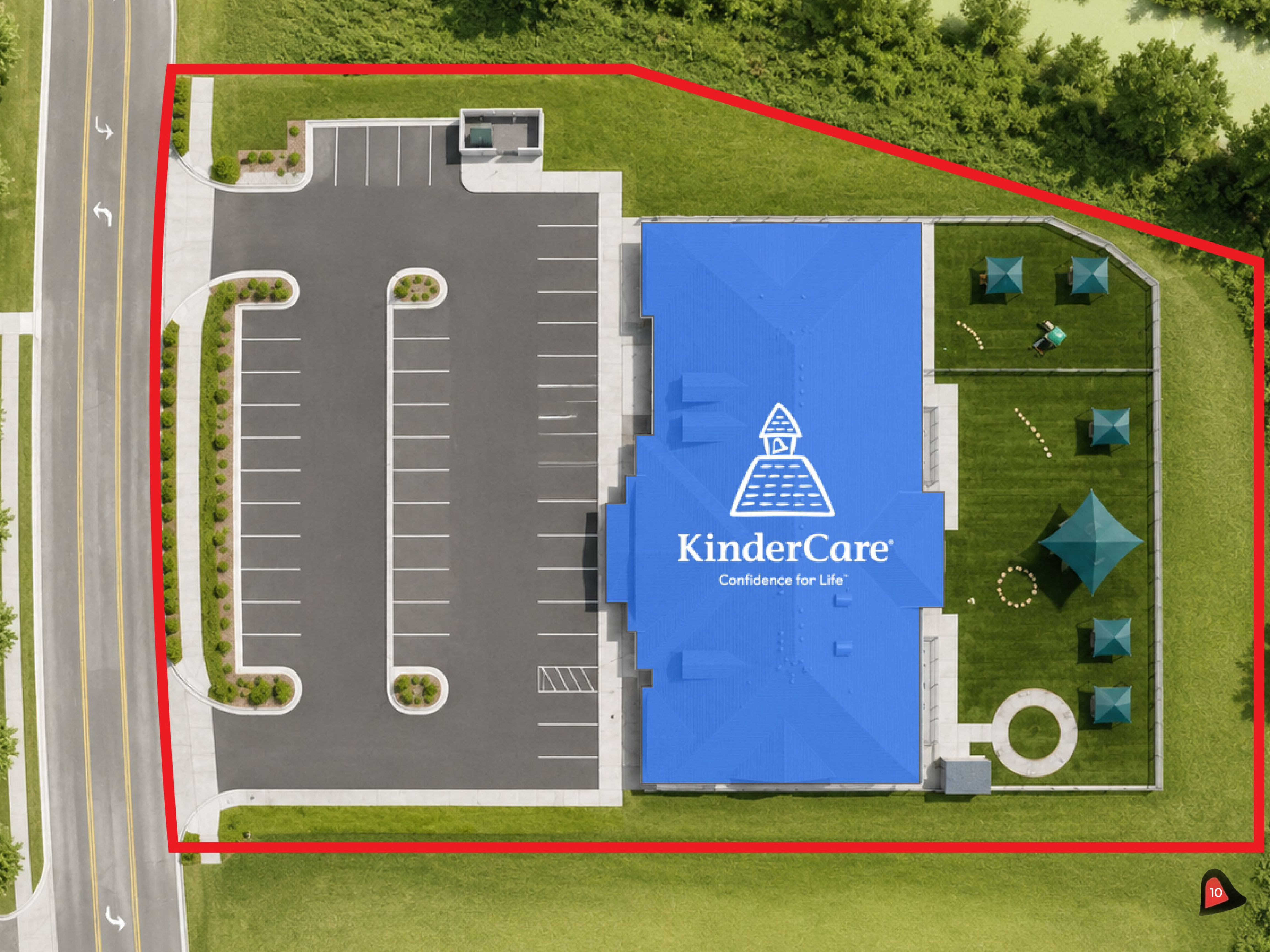
Tenant Summary

Tenant Trade Name	KinderCare
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease Type	Absolute NNN
Landlord Responsiblities	None
Commencement Date	10/5/2026
Term Remaining	±18 Years
Increases	10% Year 6; 2% Annually Thereafter
Options	Three, 5-Year Options

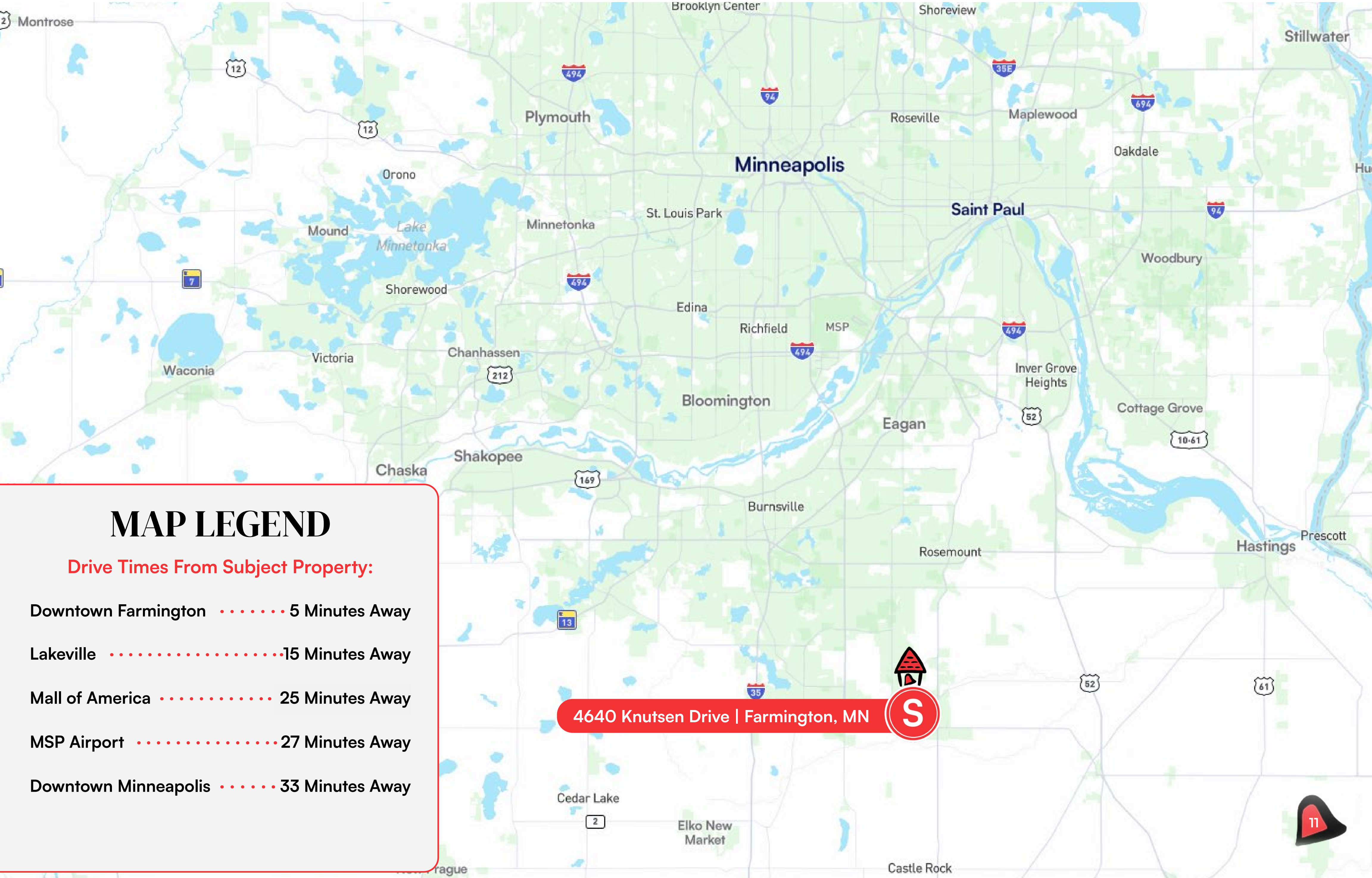
Annualized Operating Data

Lease Year	Monthly Rent	Annual Rent	Increases	Cap Rate
Year 1 - 5	$44,583.33	$535,000.00	-	7.50%
Year 6	$49,041.67	$588,500.00	10%	8.25%
Year 7	$50,022.50	$600,270.00	2%	8.42%
Year 8	$51,022.95	$612,275.40	2%	8.58%
Year 9	$52,043.41	$624,520.91	2%	8.76%
Year 10	$53,084.28	$637,011.33	2%	8.93%
Year 11	$54,145.96	$649,751.55	2%	9.11%
Year 12	$55,228.88	$662,746.58	2%	9.29%
Year 13	$56,333.46	$676,001.52	2%	9.48%
Year 14	$57,460.13	$689,521.55	2%	9.67%
Year 15	$58,609.33	$703,311.98	2%	9.86%
Year 16	$59,781.52	$717,378.22	2%	10.06%
Year 17	$60,977.15	$731,725.78	2%	10.26%
Year 18	$62,196.69	$746,360.30	2%	10.46%

PROPERTY PHOTOS


KinderCare®
Confidence for Life™

LOCATION MAP



MAP LEGEND

Drive Times From Subject Property:

Downtown Farmington .... 5 Minutes Away

Lakeville .... 15 Minutes Away

Mall of America .... 25 Minutes Away

MSP Airport .... 27 Minutes Away

Downtown Minneapolis ...... 33 Minutes Away

4640 Knutsen Drive

FARMINGTON, MN

DEMOGRAPHIC HIGHLIGHTS WITHIN THREE MILES OF THE PRIMARY TRADE AREA

26,754
TOTAL POPULATION

$135,083
AVERAGE HH INCOME

$115,584
MEDIAN HH INCOME

8,930
HOUSEHOLDS

6,899
EMPLOYED POPULATION

1,786
AGE 0-4 POPULATION

29.1%
RESIDENTS UNDER 18

$407K
AVERAGE HOME VALUE

TENANT OVERVIEW

TENANT PROFILE

KinderCare Learning Companies ("KinderCare") is *one of the largest providers of early childhood education and child care services in the United States,* operating a nationally recognized platform of community-based learning centers, employer-sponsored child care facilities, and before- and after-school programs. Founded in 1969, the company has built a *longstanding reputation* for delivering educational childcare services to families across a broad demographic base, with programs *serving children from six weeks through 12 years of age.* KinderCare's scale, brand recognition, and diversified operating model position the company as a leading participant in the highly fragmented early childhood education sector, benefiting from recurring demand drivers tied to workforce participation and employer-supported childcare initiatives.

1969
YEAR FOUNDED

2,600+
OF LOCATIONS

35,000+
OF EMPLOYEES

600+
OF EMPLOYER PARTNERSHIPS

Minneapolis, MN MSA

MARKET OVERVIEW

FARMINGTON: GROWING FAMILIES & LASTING DEMAND

Local Market Overview

Located within Farmington's expanding Vermillion River Crossings development, the area surrounding 4640 Knutsen Drive benefits from one of the Twin Cities' fastest-growing suburban communities. Continued residential development, strong household incomes, and a young, family-oriented population have fueled sustained growth while attracting new retail, healthcare, and neighborhood services. The property's location within the Minneapolis—St. Paul metropolitan area provides convenient access to major employment centers while reinforcing long-term demand for childcare and other essential family services.

Farmington continues to experience steady population growth as new housing developments and commercial investment expand throughout the community. The City's long-range planning efforts and ongoing infrastructure improvements support additional residential and mixed-use development, strengthening the area's position as one of Dakota County's premier suburban growth markets. These favorable demographic trends, combined with a high homeownership rate and an increasing population of young families, provide an exceptional foundation for KinderCare's long-term operation at the Property.

Market Demographics: Farmington, MN

35 Years
Median Age

$124K
Average HH Income

3
Average People Per HH Size

7.4%
Household Growth (2020-2025)

Mall of America

“THE TWIN CITIES”

Situated along the banks of the Mississippi River in the heart of the Upper Midwest, Minneapolis anchors the Twin Cities region alongside neighboring St. Paul. Positioned at the crossroads of I-35W and I-94 and served by Minneapolis—Saint Paul International Airport, the city provides direct connectivity across the country. As the largest city in Minnesota, Minneapolis serves as the primary economic and cultural center of the region, home to a dynamic downtown core, a diverse employment base, and one of the most extensive urban park systems in the United States.

Minneapolis is a leading hub for finance, healthcare, technology, manufacturing, and professional services, home to multiple Fortune 500 companies and anchored by a highly educated workforce and the University of Minnesota. Known as the City of Lakes, it offers more than 20 urban lakes, extensive trail systems, and a strong arts and entertainment scene. With major sports venues, ongoing waterfront redevelopment, and growing residential neighborhoods, Minneapolis continues to attract residents, employers, and investment while delivering a high quality of life.

ECONOMY

Minneapolis' diversified economy is one of its greatest strengths. Major industry sectors include healthcare, financial services, advanced manufacturing, technology, logistics, medical devices, and corporate headquarters operations.

The city serves as a major hub for healthcare and medical technology, with companies such as UnitedHealth Group, Medtronic, and Allina Health maintaining a significant presence in the region. Minneapolis is also home to leading financial institutions including U.S. Bancorp and Ameriprise Financial, while its central U.S. location and extensive transportation network support strong logistics and distribution activity. The region's concentration of Fortune 500 companies continues to attract investment and a highly skilled workforce.

Minneapolis' economy is closely tied to the strength of its early education sector because affordable, reliable childcare enables parents to participate in the workforce while supporting long-term economic growth. As the region continues to expand in healthcare, technology, and professional services, demand for early childhood education programs has increased alongside population growth.

MAJOR EMPLOYERS

CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at **4640 Knutsen Drive, Farmington, MN 55024** ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews™. The material and information in the Offering Memorandum is unverified. Matthews™ has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

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Owner and Matthews™ expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Owner or Matthews™ or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date of this Offering Memorandum.

Net Lease Disclaimer: There are many different types of leases, including gross, net, single net ("N"), double net ("NN"), and triple net ("NNN") leases. The distinctions between different types of leases or within the same type of leases, such as "Bondable NNN," "Absolute NNN," "True NNN," or other NNN leases, are not always clear. Labels given to different leases may mean different things to different people and are not defined legal terms. Buyers cannot rely on the labels or marketing descriptions given to any lease when making their purchasing decisions. Buyers must closely review all lease terms and are advised to seek legal counsel to determine the landlord and tenant's respective rights and duties under the lease to ensure the lease, regardless of how labeled or described, meets the buyers' particular needs.

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