

Marcus & Millichap TAG INDUSTRIAL GROUP

Marcus & Millichap THE HATCHER COE GROUP

RACINE FLEX & SELF-STORAGE

1220 MOUND AVENUE, RACINE, WI 53404

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Marcus & Millichap
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SECTION 1

EXECUTIVE SUMMARY

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This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Any projections, opinions, assumptions or estimates used herein are for example purposes only and do not represent the current or future performance of the property. Marcus & Millichap Real Estate Investment Services is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2024 Marcus & Millichap. Activity ID: ZAC0050355



RACINE FLEX & SELF-STORAGE

SUMMARY OF TERMS

INTEREST OFFERED

The fee simple interest in Racine Flex & Self-Storage, an industrial property located at 1220 Mound Avenue, Racine, Wisconsin 53404

TERMS OF SALE

Racine Flex & Self-Storage is being offered at a price of \$20,000,000.

PROPERTY TOURS

All property tours must be arranged with the Marcus & Millichap listing agents. At no time shall the tenants, on-site management or staff be contacted without prior approval.

RACINE FLEX & SELF-STORAGE

718,287 SF INDUSTRIAL PROPERTY IN RACINE, WISCONSIN

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 1220 Mound Avenue in Racine, Wisconsin. The subject property consists of approximately 718,287 square feet of flex space and is situated on 13.46 acres of land. The multi-tenant asset features 15 suites, 10 dock-high doors, eight grade-level doors, a clear height of up to 32.5', and 395 parking spaces including 10 handicapped and eight semi-truck stalls. With close proximity to the shores of Lake Michigan, the asset sits 30 miles south of Downtown Milwaukee via Interstate 41/94. The property is located in Racine East, a relatively large submarket with 36.1 million square feet of industrial space with an 8.1 percent vacancy rate and 3.7 percent rent growth during Q1 2024.

Priced at \$27.84 per square foot, the asset can be acquired well below replacement costs, and at 56 percent occupied, this sale offers investors a significant value-add opportunity anchored by a core group of tenants. The self-storage space (operated by third-party management company Store Here Self Storage) is the largest occupant, accounting for 226,518 square feet. A recent expansion was completed in April 2024, adding 250 units and 24,823 net rentable square feet, bringing the total to 534 climate-controlled units (including 10 offices) consisting of 65,045 square feet. The available space at the subject property allows for an additional 1,000 units. Thanks to a dense surrounding population base with about 84,855 people residing within a three-mile radius of the property, Store Here can accommodate further development in an undersaturated market that offers only 2.46 net rentable square feet per capita in the three-mile area.

Two schools, 21st Century Preparatory School and Acelero Learning, occupy 67,819 square feet and 33,550 square feet, respectively. The nonprofit Failure Is Not An Option (F.I.N.A.O.) manages the Kingdom Manna food pantry, utilizing 9,011 square feet. Given that the schools and the food pantry both cater to financially disadvantaged children and families, there is a natural symmetry between the three tenants that creates a strong incentive for them to continuously renew their leases. Additionally, these core tenants can be regarded as a recession hedge thanks to the stability of school enrollment, sources of demand for self-storage, and the increase in food donations during times of economic duress. Given the economic uncertainty in 2024, the value of the subject property may outperform the overall market for the foreseeable future.



INVESTMENT HIGHLIGHTS



MULTI-TENANT 718,287-SQUARE-FOOT FLEX ASSET SITUATED ON 13.46 ACRES



FEATURES UP TO 32.5' CLEAR HEIGHT, 10 DOCK DOORS, EIGHT GRADE DOORS, & 395 PARKING SPACES



31.17% OCCUPANCY CREATING VALUE-ADD OPPORTUNITY PRICED BELOW REPLACEMENT COSTS



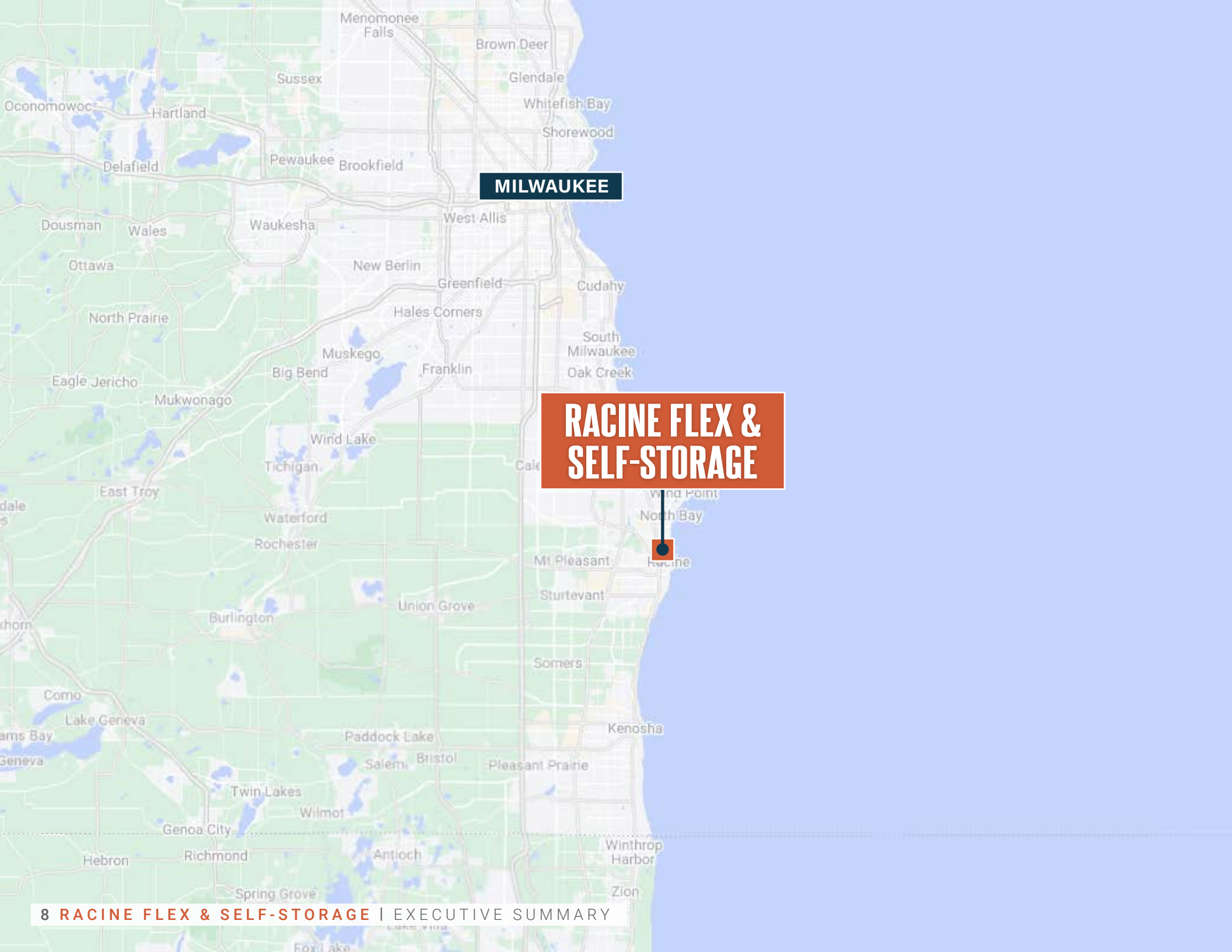
RECESSION RESISTANT CORE TENANTS: SELF STORAGE, TWO SCHOOLS, & FOOD PANTRY



RECENT EXPANSION TO 534-UNIT STORAGE FACILITY | CAN ACCOMMODATE ADDITIONAL 1,000 UNITS



LOCATED ALONG SCENIC LAKE MICHIGAN SHORELINE WITH PROXIMITY TO MILWAUKEE VIA I-41/94



MILWAUKEE

**RACINE FLEX &
SELF-STORAGE**



SECTION 2

PROPERTY DESCRIPTION

Marcus & Millichap
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PROPERTY DETAILS

| | |
|---|---|
| Number of Buildings | 1 |
| Total Square Feet | 718,287 |
| Warehouse Square Feet - Basement Floor* | 36,761 |
| Warehouse Square Feet - First Floor | 242,789 |
| Warehouse Square Feet - Second Floor | 240,097 |
| Warehouse Square Feet - Third Floor | 36,000 |
| Warehouse Square Feet - Fourth Floor | 36,882 |
| Office Square Feet - First Floor | 55,434 |
| Office Square Feet - Second Floor | 32,060 |
| Office Square Feet - Third Floor | 38,264 |
| Office Ratio | 18% |
| Year Built | 1937 Renovated 2017-2018 |
| Lot Size | 13.46 Acres |
| Type of Ownership | Fee Simple |
| Clear Height: First Floor | 11'-6" - 32'-6" (in High Bay Area) |
| Clear Height: Second Floor - Fourth Floor | 11'-6" |
| Parking Spaces** | 377 Standard Spaces, 10 Handicapped, 8 Semi-Truck |
| Parking Surface | Asphalt |
| Building Class | C |
| Tenancy | Multi-Tenant |
| Dock High Doors | 10 |
| Grade Level Doors | 8 |
| Sprinklers | 100% Wet |
| Construction | Brick and Poured Concrete |
| Power (volts/amps) | Provided by WE Energies |
| Type of Lighting (Fluorescent/LED) | T-8 Energy Efficient |
| Zoning | 1-2 Industrial |
| Roof Type | Rubber Membrane |
| Market | Milwaukee/Madison |
| Submarket | Racine East |
| Market Vacancy | 3.40% |

*Not Included in Total Rentable Square Feet.
 **Additional Semi Space Expansion Capability.

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OFFERING HIGHLIGHTS & DEBT QUOTE

PRICING

| | |
|-------------------|--------------|
| Offering Price | \$20,000,000 |
| Cap Rate | 5.66% |
| Price/SF | \$27.84 |
| Total Square Feet | 718,287 |
| Lease Type | Varies |
| WALT | 3.7 Years |
| Rental Increases | Varies |
| Tenancy | Multi-Tenant |
| Occupancy | 31.17% |

DEBT QUOTE

| | |
|---|-------------------|
| Property Name | 1220 Mound Avenue |
| As of | 4/16/2024 |
| Lender Profile | Bank/Credit Union |
| Purchase Price | \$20,000,000 |
| Maximum LTV | 53.00% |
| Loan Amount | \$10,600,000 |
| Equity Build | \$9,400,000 |
| Loan Term | 5 Years |
| Amortization (Underwritten) | 25 Years |
| Interest Only | 1-2 Years |
| Index | 5-Year UST |
| Index Pricing (as of 2.9.24) | 4.63% |
| Spread | 2.50% |
| Estimated Interest Rate | 7.13% |
| Recourse | Full Recourse |
| Reserves | TBD |
| Assumed Cap Rate | 5.7% |
| Adjusted UW NOI | \$1,133,822 |
| Annual Debt Service (Amortizing) | (\$909,436) |
| Debt Service Coverage Ratio (Amortizing) | 1.25x |
| Annual Debt Service (Interest Only) | (\$755,568) |
| Debt Service Coverage Ratio (Interest Only) | 1.50x |
| Debt Yield | 10.7% |

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RENT ROLL

| General Tenant Information | | | Rent Details | | | Recovery | Renewals | Notes |
|--|----------------------------------|----------------------------|----------------------------------|--|--|------------|-------------------------|---|
| Tenant Name Suite Number Lease Dates | Initial Area Building Share % | Lease Period Lease Type | Rate Per Year Amount Per Year | Rent Changes On Date | Rent Changes To \$/SF-Annual | Lease Type | | |
| 1. Acelero Learning Wisconsin Inc Suite: 1st Floor (office) 7/1/2016 - 7/31/2031 | 33,550. 4.67% | Base Office | 4.34 145,530 | Aug-2024 Aug-2025 Aug-2026 Aug-2027 Aug-2028 Aug-2029 Aug-2030 | 4.34 4.47 4.60 4.74 4.88 5.03 5.18 | Mod. Gross | Two (5) Year Options | Underwriting to 8/1/2024 Rent Increase |
| 2. Himin Industiral Services Inc Suite: 1st Floor 12/1/2021 - 9/30/2025 | 5,856. 0.82% | Base Industrial | 3.34 19,581 | Oct-2024 | 3.34 | Mod. Gross | One (3) Year Option | Underwriting to 10/1/2024 Rent Increase |
| 3. F.I.N.A.O. Inc Suite: 1st Floor 6/1/2022 - 5/31/2024 | 9,011. 1.25% | Base Industrial | 4.40 39,637 | | | Mod. Gross | | |
| 4. Charon Technologies, Inc Suite: 1st Floor 2/1/2024 - 1/31/2025 | 2,760. 0.38% | Base Industrial | 6.09 1,040 | | | Mod. Gross | | Amendment is Out for Signature on Additional 6,475 SF at \$2,953.35/Mo. Total Monthly Rent |
| 5. Himin Industiral Services Inc (MTM) Suite: 1st Floor - MTM Expansion 6/1/2022 - 9/30/2025 | 3,878. 0.54% | Base Industrial | 3.21 12,435 | | | Mod. Gross | | Month-to-Month Lease Rent Increases 3% Annually on February 1st |
| 6. Self-Storage Suite: 1st Floor - Storage | 65,045. 9.06% | Base Storage | 787,068 | | | | | Additional Space Available for Expansion |
| 7. Racine Charter 1, Inc Suite: 1st/2nd/3rd Floor - School 1/1/2014 - 7/31/2027 | 67,819. 9.44% | Base Office | 5.98 405,426 | Aug-2024 Aug-2025 Aug-2026 | 5.98 6.13 6.28 | Mod. Gross | | Underwriting to the 8/1/2024 Increase |
| 8. Vacant - 2nd Floor Suite: 2nd Floor 1/1/2025 - 12/31/2027 | 240,097. 33.43% | Base Industrial | 0.00 0 | | | NNN | | Underwriting a 12 Month Lease-Up |
| 9. S.C. Johnson & Son, Inc Suite: 3rd Floor 5/1/2024 - 4/30/2026 | 36,000. 5.01% | Base Industrial | 5.24 188,726 | May-2025 | 5.37 | Gross | | |
| 10. Vacant - 1st Floor Suite: 1st Floor 1/1/2024 - 12/31/2028 | 167,513. 23.32% | Base Industrial | 0.00 0 | | | NNN | | Underwriting a 12 Month Lease-Up |
| 11. Vacant - 3rd Floor Suite: 3rd Floor - office 1/1/2025 - 12/31/2027 | 30,734. 4.28% | Base Office | 0.00 0 | | | NNN | | Underwriting a 12 Month Lease-Up |
| 12. Vacant - 4th Floor Suite: 4th Floor 1/1/2025 - 12/31/2027 | 36,882. 5.13% | Base Industrial | 0.00 0 | | | NNN | | Underwriting a 12 Month Lease-Up |

SELF-STORAGE UNIT MIX

EXISTING SELF STORAGE UNITS

| Dimensions | | | Unit SQFT | Total Units | Total SQFT | Current Rent/ Month | Current Monthly Income | Current Annual Income | Year Three Rent/ Month | Year Three Monthly Income | Year Three Annual Income | Year Five Rent/ Month | Year Five Monthly Income | Year Five Annual Income |
|------------|---|----|-----------|-------------|------------|---------------------|------------------------|-----------------------|------------------------|---------------------------|--------------------------|-----------------------|--------------------------|-------------------------|
| 5 | X | 5 | 25 | 13 | 325 | \$54 | \$702 | \$8,424 | \$60 | \$774 | \$9,287 | \$66 | \$853 | \$10,239 |
| 5 | X | 7 | 35 | 5 | 175 | \$55 | \$275 | \$3,300 | \$61 | \$303 | \$3,638 | \$67 | \$334 | \$4,011 |
| 5 | X | 8 | 40 | 4 | 160 | \$59 | \$236 | \$2,832 | \$65 | \$260 | \$3,122 | \$72 | \$287 | \$3,442 |
| 5 | X | 12 | 60 | 3 | 180 | \$92 | \$276 | \$3,312 | \$101 | \$304 | \$3,651 | \$112 | \$335 | \$4,026 |
| 5 | X | 15 | 75 | 6 | 450 | \$109 | \$654 | \$7,848 | \$120 | \$721 | \$8,652 | \$132 | \$795 | \$9,539 |
| 8 | X | 20 | 160 | 1 | 160 | \$159 | \$159 | \$1,908 | \$175 | \$175 | \$2,104 | \$193 | \$193 | \$2,319 |
| 9 | X | 12 | 108 | 3 | 324 | \$122 | \$366 | \$4,392 | \$135 | \$404 | \$4,842 | \$148 | \$445 | \$5,339 |
| 10 | X | 5 | 50 | 52 | 2,600 | \$76 | \$3,952 | \$47,424 | \$84 | \$4,357 | \$52,285 | \$92 | \$4,804 | \$57,644 |
| 10 | X | 7 | 70 | 4 | 280 | \$102 | \$408 | \$4,896 | \$112 | \$450 | \$5,398 | \$124 | \$496 | \$5,951 |
| 10 | X | 8 | 80 | 14 | 1,120 | \$109 | \$1,526 | \$18,312 | \$120 | \$1,682 | \$20,189 | \$132 | \$1,855 | \$22,258 |
| 10 | X | 10 | 100 | 43 | 4,300 | \$115 | \$4,945 | \$59,340 | \$127 | \$5,452 | \$65,422 | \$140 | \$6,011 | \$72,128 |
| 10 | X | 12 | 120 | 3 | 360 | \$149 | \$447 | \$5,364 | \$164 | \$493 | \$5,914 | \$181 | \$543 | \$6,520 |
| 10 | X | 15 | 150 | 31 | 4,650 | \$154 | \$4,774 | \$57,288 | \$170 | \$5,263 | \$63,160 | \$187 | \$5,803 | \$69,634 |
| 10 | X | 18 | 180 | 6 | 1,080 | \$159 | \$954 | \$11,448 | \$175 | \$1,052 | \$12,621 | \$193 | \$1,160 | \$13,915 |
| 10 | X | 22 | 220 | 3 | 660 | \$172 | \$516 | \$6,192 | \$190 | \$569 | \$6,827 | \$209 | \$627 | \$7,526 |
| 10 | X | 25 | 250 | 11 | 2,750 | \$175 | \$1,925 | \$23,100 | \$193 | \$2,122 | \$25,468 | \$213 | \$2,340 | \$28,078 |
| 10 | X | 27 | 270 | 2 | 540 | \$182 | \$364 | \$4,368 | \$201 | \$401 | \$4,816 | \$221 | \$442 | \$5,309 |
| 10 | X | 29 | 290 | 7 | 2,030 | \$194 | \$1,358 | \$16,296 | \$214 | \$1,497 | \$17,966 | \$236 | \$1,651 | \$19,808 |
| 10 | X | 30 | 300 | 17 | 5,100 | \$209 | \$3,553 | \$42,636 | \$230 | \$3,917 | \$47,006 | \$254 | \$4,319 | \$51,824 |
| 10 | X | 45 | 450 | 3 | 1,350 | \$222 | \$666 | \$7,992 | \$245 | \$734 | \$8,811 | \$270 | \$810 | \$9,714 |
| 15 | X | 5 | 75 | 6 | 450 | \$107 | \$642 | \$7,704 | \$118 | \$708 | \$8,494 | \$130 | \$780 | \$9,364 |
| 15 | X | 10 | 150 | 1 | 150 | \$156 | \$156 | \$1,872 | \$172 | \$172 | \$2,064 | \$190 | \$190 | \$2,275 |
| 10 | X | 20 | 200 | 39 | 7,800 | \$159 | \$6,201 | \$74,412 | \$175 | \$6,837 | \$82,039 | \$193 | \$7,537 | \$90,448 |
| 15 | X | 20 | 300 | 1 | 300 | \$192 | \$192 | \$2,304 | \$212 | \$212 | \$2,540 | \$233 | \$233 | \$2,801 |
| 10 | X | 23 | 230 | 5 | 1,150 | \$167 | \$835 | \$10,020 | \$184 | \$921 | \$11,047 | \$203 | \$1,015 | \$12,179 |
| 15 | X | 23 | 345 | 1 | 345 | \$212 | \$212 | \$2,544 | \$234 | \$234 | \$2,805 | \$258 | \$258 | \$3,092 |
| | | | | 284 | 38,789 | | \$36,294 | \$435,528 | | \$40,014 | \$480,170 | | \$44,116 | \$529,387 |

SELF-STORAGE UNIT MIX

SELF STORAGE EXPANSION UNITS

| Dimensions | Unit SQFT | Total Units | Total SQFT | Current Rent/ Month | Current Monthly Income | Current Annual Income | Year Three Rent/ Month | Year Three Monthly Income | Year Three Annual Income | Year Five Rent/ Month | Year Five Monthly Income | Year Five Annual Income |
|------------|-----------|-------------|------------|---------------------|------------------------|-----------------------|------------------------|---------------------------|--------------------------|-----------------------|--------------------------|-------------------------|
| 5 X 4 | 20 | 8 | 160 | \$45 | \$360 | \$4,320 | \$50 | \$397 | \$4,763 | \$55 | \$438 | \$5,251 |
| 5 X 5 | 25 | 21 | 525 | \$49 | \$1,029 | \$12,348 | \$54 | \$1,134 | \$13,614 | \$60 | \$1,251 | \$15,009 |
| 10 X 5 | 50 | 42 | 2,100 | \$120 | \$5,040 | \$60,480 | \$132 | \$5,557 | \$66,679 | \$146 | \$6,126 | \$73,514 |
| 10 X 7.5 | 75 | 6 | 450 | \$69 | \$414 | \$4,968 | \$76 | \$456 | \$5,477 | \$84 | \$503 | \$6,039 |
| 10 X 10 | 100 | 99 | 9,900 | \$95 | \$9,405 | \$112,860 | \$105 | \$10,369 | \$124,428 | \$115 | \$11,432 | \$137,182 |
| 7.5 X 15 | 113 | 1 | 113 | \$115 | \$115 | \$1,380 | \$127 | \$127 | \$1,521 | \$140 | \$140 | \$1,677 |
| 10 X 12.5 | 125 | 15 | 1,875 | \$145 | \$2,175 | \$26,100 | \$160 | \$2,398 | \$28,775 | \$176 | \$2,644 | \$31,725 |
| 10 X 15 | 150 | 39 | 5,850 | \$147 | \$5,733 | \$68,796 | \$162 | \$6,321 | \$75,848 | \$179 | \$6,968 | \$83,622 |
| 10 X 17.5 | 175 | 2 | 350 | \$159 | \$318 | \$3,816 | \$175 | \$351 | \$4,207 | \$193 | \$387 | \$4,638 |
| 10 X 20 | 200 | 15 | 3,000 | \$162 | \$2,430 | \$29,160 | \$179 | \$2,679 | \$32,149 | \$197 | \$2,954 | \$35,444 |
| 10 X 25 | 250 | 2 | 500 | \$172 | \$344 | \$4,128 | \$190 | \$379 | \$4,551 | \$209 | \$418 | \$5,018 |
| | | 250 | 24,823 | | \$27,363 | \$328,356 | | \$30,168 | \$362,012 | | \$33,260 | \$399,119 |

OFFICE SPACES

| Dimensions | Unit SQFT | Total Units | Total SQFT | Current Rent/ Month | Current Monthly Income | Current Annual Income | Year Three Rent/ Month | Year Three Monthly Income | Year Three Annual Income | Year Five Rent/ Month | Year Five Monthly Income | Year Five Annual Income |
|------------|-----------|-------------|------------|---------------------|------------------------|-----------------------|------------------------|---------------------------|--------------------------|-----------------------|--------------------------|-------------------------|
| 8 X 11 | 88 | 1 | 88 | \$169 | \$169 | \$2,028 | \$186 | \$186 | \$2,236 | \$205 | \$205 | \$2,465 |
| 9 X 10 | 90 | 2 | 180 | \$199 | \$398 | \$4,776 | \$219 | \$439 | \$5,266 | \$242 | \$484 | \$5,805 |
| 9.5 X 10 | 95 | 2 | 190 | \$210 | \$420 | \$5,040 | \$232 | \$463 | \$5,557 | \$255 | \$511 | \$6,126 |
| 19.5 X 10 | 195 | 5 | 975 | \$189 | \$945 | \$11,340 | \$208 | \$1,042 | \$12,502 | \$230 | \$1,149 | \$13,784 |
| | | 10 | 1,433 | | \$1,932 | \$23,184 | | \$2,130 | \$25,560 | | \$2,348 | \$28,180 |

TOTAL STORAGE UNITS

| Total Units | Total SQFT | Current Monthly Income | Current Annual Income | Year Three Monthly Income | Year Three Annual Income | Year Five Monthly Income | Year Five Annual Income |
|-------------|------------|------------------------|-----------------------|---------------------------|--------------------------|--------------------------|-------------------------|
| 544 | 65,045 | \$65,589 | \$787,068 | \$72,312 | \$867,742 | \$79,724 | \$956,686 |

*Expansion units were installed in late April 2024.

CASH FLOW

For the Years Ending

Rental Revenue

Potential Base Rent
Absorption & Turnover Vacancy
Free Rent

Scheduled Base Rent
CPI Increases

Total Rental Revenue

Other Tenant Revenue

Total Expense Recoveries
Total Other Tenant Revenue
Total Tenant Revenue

Other Revenue

Acelero TI Income
Tenant Insurance Income (Self-Storage)
Merchandise Sales
Administrative Fees (Self-Storage)
Late Fees (Self-Storage)
Truck Rental Income

Parking Revenue

Outside storage

Total Other Revenue

Potential Gross Revenue

Vacancy & Credit Loss

Vacancy Allowance

Total Vacancy & Credit Loss

Effective Gross Revenue

Operating Expenses

CAM - Roof
CAM - Trash Removal
CAM - Janitorial
CAM - Landscaping
CAM - Snow Removal
CAM - Parking Lot
CAM - Elevators
CAM - Misc.
CAM - Overhead Doors
CAM - Fire System
CAM - Utilities Water/Sewer
HVAC R/M
Insurance
Repairs and Maintenance
Taxes
Utilities Electric
Utilities Gas
Management Fee

Total Operating Expenses

Net Operating Income

Leasing Costs

Leasing Commissions
Total Leasing Costs

Total Leasing & Capital Costs

Cash Flow Before Debt Service

Debt Service

Interest

Acquisition Financing
Refinance (Yr 6)

Total Interest

Principal

Acquisition Financing
Refinance (Yr 6)

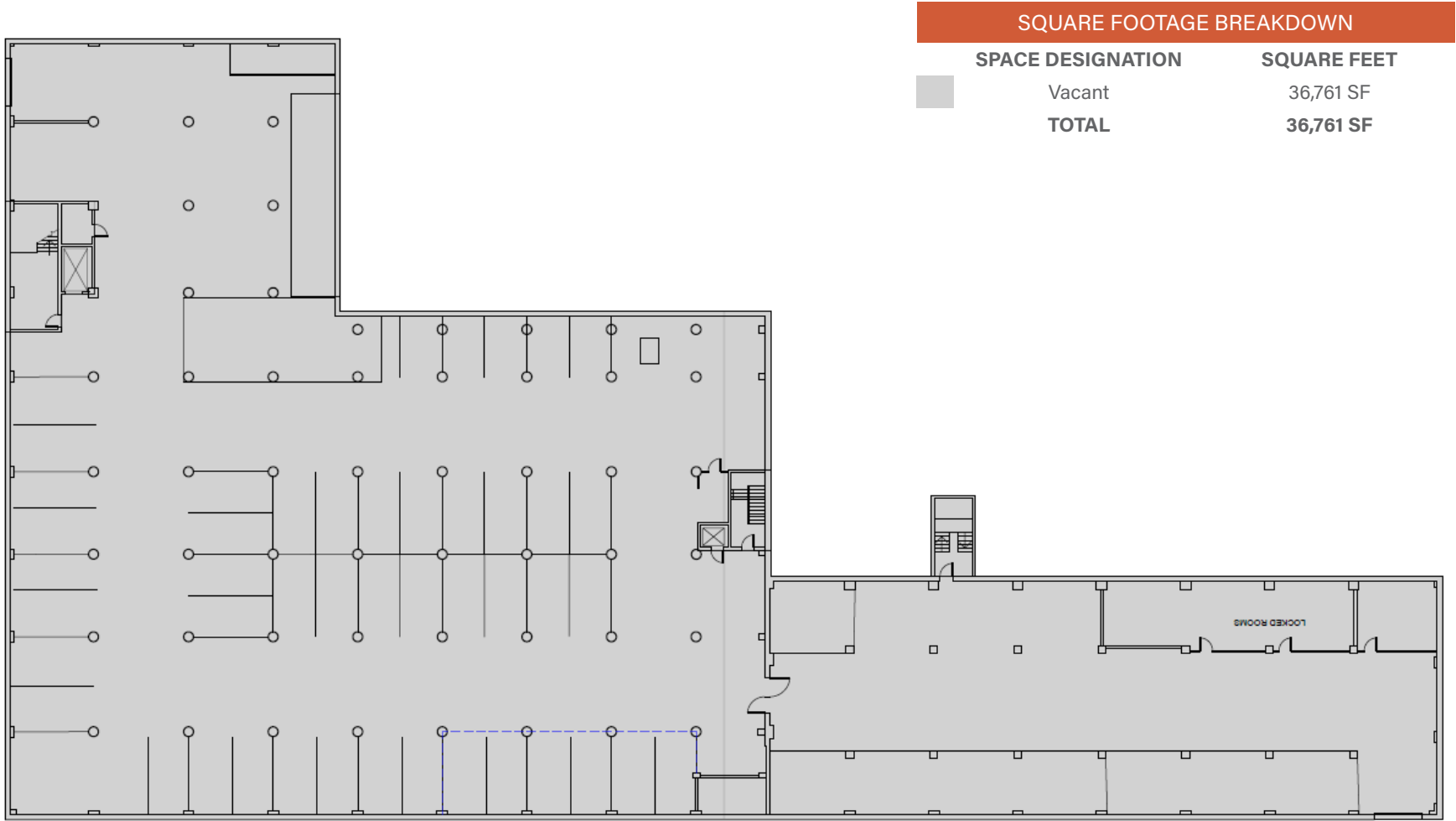
Total Principal

Total Debt Service

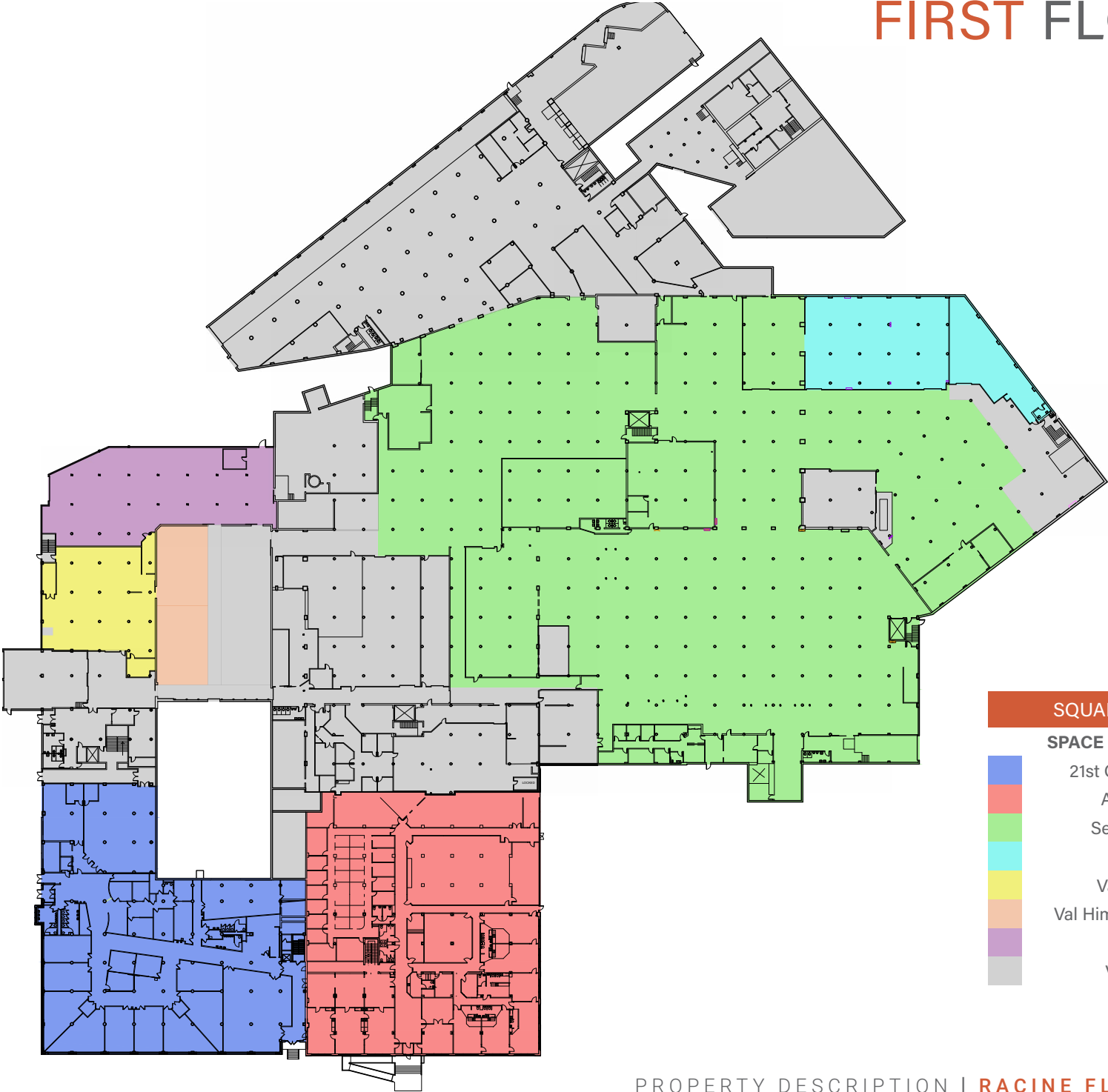
Cash Flow After Debt Service

| | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------|
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 | Total |
| | <u>Dec-2024</u> | <u>Dec-2025</u> | <u>Dec-2026</u> | <u>Dec-2027</u> | <u>Dec-2028</u> | <u>Dec-2029</u> | <u>Dec-2030</u> | <u>Dec-2031</u> | <u>Dec-2032</u> | <u>Dec-2033</u> | <u>Dec-2034</u> | |
| Potential Base Rent | 2,249,868 | 1,616,698 | 1,610,806 | 1,551,930 | 2,014,439 | 2,826,994 | 2,887,737 | 2,976,735 | 3,114,409 | 3,225,103 | 3,298,608 | 27,373,327 |
| Absorption & Turnover Vacancy | -722,645 | -7,785 | -1,371 | -57,231 | -476,811 | -322,827 | 0 | -577,104 | -361,345 | 0 | -132,700 | -2,659,820 |
| Free Rent | -9,011 | -2,843 | -42,307 | 0 | -293,403 | -247,212 | 0 | -91,080 | -460,947 | -46,972 | -70,387 | -1,264,160 |
| Scheduled Base Rent | 1,518,212 | 1,606,070 | 1,567,128 | 1,494,699 | 1,244,225 | 2,256,956 | 2,887,737 | 2,308,551 | 2,292,117 | 3,178,131 | 3,095,521 | 23,449,347 |
| CPI Increases | 1,360 | 706 | 0 | 0 | 0 | 0 | 0 | 0 | 2,740 | 9,397 | 16,255 | 30,458 |
| Total Rental Revenue | 1,519,572 | 1,606,777 | 1,567,128 | 1,494,699 | 1,244,225 | 2,256,956 | 2,887,737 | 2,308,551 | 2,294,857 | 3,187,529 | 3,111,776 | 23,479,805 |
| Total Expense Recoveries | 240,882 | 575,331 | 618,907 | 645,655 | 541,869 | 701,467 | 827,309 | 600,352 | 759,837 | 905,179 | 890,914 | 7,307,700 |
| Total Other Tenant Revenue | 240,882 | 575,331 | 618,907 | 645,655 | 541,869 | 701,467 | 827,309 | 600,352 | 759,837 | 905,179 | 890,914 | 7,307,700 |
| Total Tenant Revenue | 1,760,454 | 2,182,107 | 2,186,035 | 2,140,354 | 1,786,094 | 2,958,422 | 3,715,046 | 2,908,904 | 3,054,693 | 4,092,707 | 4,002,689 | 30,787,506 |
| Acelero TI Income | 30,215 | 31,726 | 33,312 | 34,978 | 36,727 | 38,563 | 40,491 | 42,516 | 44,641 | 46,873 | 49,217 | 429,258 |
| Tenant Insurance Income (Self-Storage) | 29,255 | 30,132 | 31,036 | 31,967 | 32,926 | 33,914 | 34,932 | 35,980 | 37,059 | 38,171 | 39,316 | 374,688 |
| Merchandise Sales | 559 | 576 | 593 | 611 | 630 | 648 | 668 | 688 | 709 | 730 | 752 | 7,164 |
| Administrative Fees (Self-Storage) | 9,569 | 9,856 | 10,151 | 10,456 | 10,770 | 11,093 | 11,426 | 11,768 | 12,121 | 12,485 | 12,860 | 122,554 |
| Late Fees (Self-Storage) | 12,697 | 13,078 | 13,470 | 13,874 | 14,291 | 14,719 | 15,161 | 15,616 | 16,084 | 16,567 | 17,064 | 162,621 |
| Truck Rental Income | 3,619 | 3,728 | 3,840 | 3,955 | 4,074 | 4,196 | 4,322 | 4,451 | 4,585 | 4,723 | 4,864 | 46,357 |
| Outside storage | 0 | 64,890 | 66,837 | 68,842 | 70,907 | 73,034 | 75,225 | 77,482 | 79,807 | 82,201 | 84,667 | 743,891 |
| Total Other Revenue | 85,914 | 153,986 | 159,240 | 164,684 | 170,324 | 176,168 | 182,224 | 188,501 | 195,006 | 201,749 | 208,739 | 1,886,534 |
| Potential Gross Revenue | 1,846,368 | 2,336,093 | 2,345,275 | 2,305,037 | 1,956,418 | 3,134,590 | 3,897,270 | 3,097,404 | 3,249,699 | 4,294,456 | 4,211,428 | 32,674,039 |
| Vacancy Allowance | 0 | -69,562 | -71,548 | -63,397 | -58,068 | -142,032 | -249,617 | -110,965 | -131,388 | -273,623 | -263,620 | -1,433,820 |
| Total Vacancy & Credit Loss | 0 | -69,562 | -71,548 | -63,397 | -58,068 | -142,032 | -249,617 | -110,965 | -131,388 | -273,623 | -263,620 | -1,433,820 |
| Effective Gross Revenue | 1,846,368 | 2,266,531 | 2,273,727 | 2,241,641 | 1,898,350 | 2,992,558 | 3,647,653 | 2,986,439 | 3,118,311 | 4,020,833 | 3,947,808 | 31,240,219 |
| CAM - Roof | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 1,126 |
| CAM - Trash Removal | 36,124 | 37,208 | 38,324 | 39,474 | 40,658 | 41,878 | 43,134 | 44,428 | 45,761 | 47,134 | 48,548 | 462,670 |
| CAM - Janitorial | 2,946 | 3,034 | 3,125 | 3,219 | 3,316 | 3,415 | 3,517 | 3,623 | 3,732 | 3,844 | 3,959 | 37,729 |
| CAM - Landscaping | 22,890 | 23,577 | 24,285 | 25,013 | 25,763 | 26,536 | 27,332 | 28,152 | 28,997 | 29,867 | 30,763 | 293,177 |
| CAM - Snow Removal | 47,088 | 48,500 | 49,956 | 51,454 | 52,998 | 54,588 | 56,225 | 57,912 | 59,649 | 61,439 | 63,282 | 603,092 |
| CAM - Parking Lot | 8,250 | 8,498 | 8,752 | 9,015 | 9,285 | 9,564 | 9,851 | 10,146 | 10,451 | 10,764 | 11,087 | 105,664 |
| CAM - Elevators | 5,749 | 5,922 | 6,099 | 6,282 | 6,471 | 6,665 | 6,865 | 7,071 | 7,283 | 7,501 | 7,726 | 73,635 |
| CAM - Misc. | 123 | 127 | 131 | 135 | 139 | 143 | 147 | 152 | 156 | 161 | 166 | 1,581 |
| CAM - Overhead Doors | 219 | 226 | 232 | 239 | 246 | 254 | 261 | 269 | 277 | 286 | 294 | 2,805 |
| CAM - Fire System | 1,064 | 1,096 | 1,129 | 1,163 | 1,198 | 1,233 | 1,270 | 1,309 | 1,348 | 1,388 | 1,430 | 13,627 |
| CAM - Utilities Water/Sewer | 29,077 | 29,949 | 30,848 | 31,773 | 32,726 | 33,708 | 34,719 | 35,761 | 36,834 | 37,939 | 39,077 | 372,411 |
| HVAC R/M | 356 | 367 | 378 | 389 | 401 | 413 | 425 | 438 | 451 | 464 | 478 | 4,559 |
| Insurance | 120,631 | 124,249 | 127,977 | 131,816 | 135,771 | 139,844 | 144,039 | 148,360 | 152,811 | 157,395 | 162,117 | 1,545,011 |
| Repairs and Maintenance | 389 | 401 | 413 | 425 | 438 | 451 | 464 | 478 | 493 | 507 | 523 | 4,981 |
| Taxes | 90,356 | 93,067 | 95,859 | 98,735 | 101,697 | 104,748 | 107,890 | 111,127 | 114,461 | 117,895 | 121,431 | 1,157,266 |
| Utilities Electric | 231,878 | 238,834 | 245,999 | 253,379 | 260,980 | 268,810 | 276,874 | 285,180 | 293,736 | 302,548 | 311,624 | 2,969,843 |
| Utilities Gas | 42,466 | 43,740 | 45,052 | 46,404 | 47,796 | 49,230 | 50,707 | 52,228 | 53,795 | 55,409 | 57,071 | 543,898 |
| Management Fee | 73,855 | 90,661 | 90,949 | 89,666 | 75,934 | 119,702 | 145,906 | 119,458 | 124,732 | 160,833 | 157,912 | 1,249,608 |
| Total Operating Expenses | 713,563 | 749,558 | 769,610 | 788,683 | 795,919 | 861,284 | 909,732 | 906,195 | 935,069 | 995,477 | 1,017,592 | 9,442,682 |
| Net Operating Income | 1,132,804 | 1,516,973 | 1,504,117 | 1,452,958 | 1,102,431 | 2,131,274 | 2,737,921 | 2,080,244 | 2,183,242 | 3,025,356 | 2,930,216 | 21,797,537 |
| Leasing Commissions | 5,960 | 1,615 | 24,038 | 0 | 166,706 | 140,461 | 0 | 51,750 | 261,901 | 26,688 | 56,548 | 735,666 |
| Total Leasing Costs | 5,960 | 1,615 | 24,038 | 0 | 166,706 | 140,461 | 0 | 51,750 | 261,901 | 26,688 | 56,548 | 735,666 |
| Total Leasing & Capital Costs | 5,960 | 1,615 | 24,038 | 0 | 166,706 | 140,461 | 0 | 51,750 | 261,901 | 26,688 | 56,548 | 735,666 |
| Cash Flow Before Debt Service | 1,126,845 | 1,515,358 | 1,480,079 | 1,452,958 | 935,725 | 1,990,813 | 2,737,921 | 2,028,494 | 1,921,341 | 2,998,668 | 2,873,668 | 21,061,870 |
| Interest | | | | | | | | | | | | |
| Acquisition Financing | 755,650 | 755,649 | 749,550 | 735,619 | 720,662 | 0 | 0 | 0 | 0 | 0 | 0 | 3,717,130 |
| Refinance (Yr 6) | 0 | 0 | 0 | 0 | 0 | 644,372 | 633,327 | 621,543 | 608,970 | 595,554 | 0 | 3,103,766 |
| Total Interest | 755,650 | 755,649 | 749,550 | 735,619 | 720,662 | 644,372 | 633,327 | 621,543 | 608,970 | 595,554 | 0 | 6,820,896 |
| Principal | | | | | | | | | | | | |
| Acquisition Financing | 0 | 0 | 189,079 | 203,010 | 217,966 | 0 | 0 | 0 | 0 | 0 | 0 | 610,055 |
| Refinance (Yr 6) | 0 | 0 | 0 | 0 | 0 | 164,914 | 175,958 | 187,743 | 200,315 | 213,732 | 0 | 942,662 |
| Total Principal | 0 | 0 | 189,079 | 203,010 | 217,966 | 164,914 | 175,958 | 187,743 | 200,315 | 213,732 | 0 | 1,552,717 |
| Total Debt Service | 755,650 | 755,649 | 938,629 | 938,629 | 938,628 | 809,286 | 809,285 | 809,286 | 809,285 | 809,286 | 0 | 8,373,613 |
| Cash Flow After Debt Service | 371,195 | 759,709 | 541,450 | 514,329 | -2,903 | 1,181,527 | 1,928,636 | 1,219,208 | 1,112,056 | 2,189,382 | 2,873,668 | 12,688,257 |

BASEMENT FLOOR PLAN

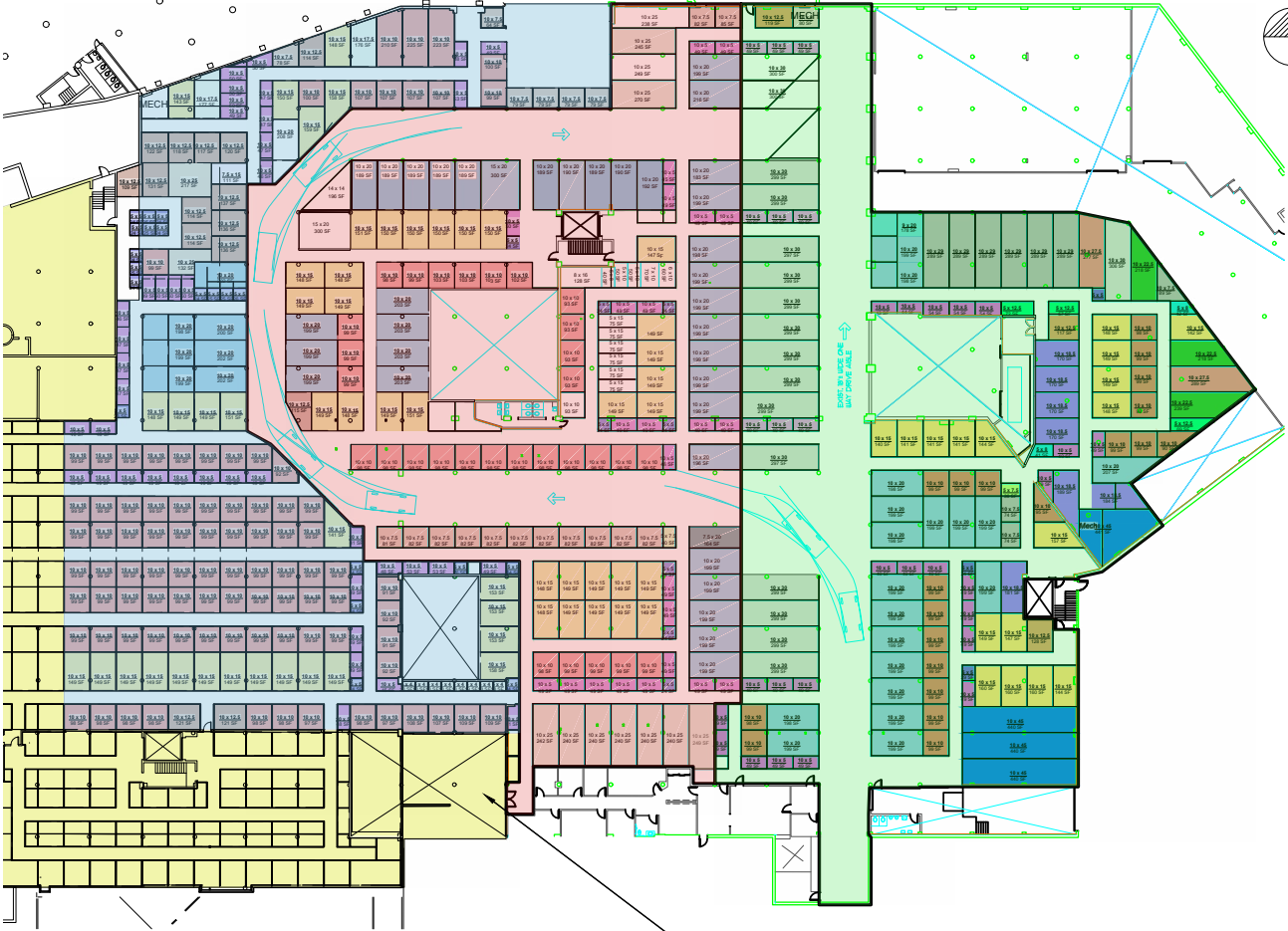


FIRST FLOOR PLAN

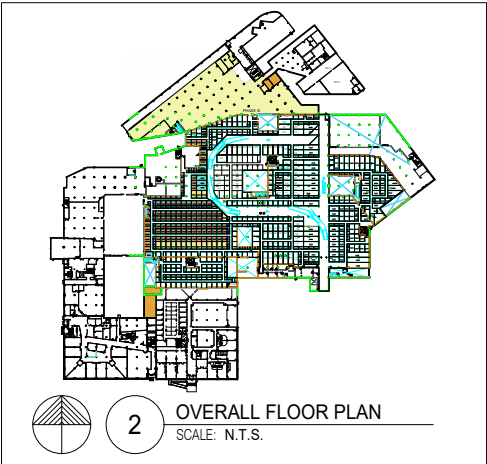


| SQUARE FOOTAGE BREAKDOWN | | |
|--------------------------|-------------------|--|
| SPACE DESIGNATION | SQUARE FEET | |
| 21st Century Prep | 26,752 SF | |
| Accerlero | 28,682 SF | |
| Self Storage | 103,439 SF | |
| Charon | 9,139 SF | |
| Val Himins | 5,856 SF | |
| Val Himins Expansion | 3,878 SF | |
| Finao | 9,011 SF | |
| Vacancy | 112,466 SF | |
| TOTAL | 298,223 SF | |

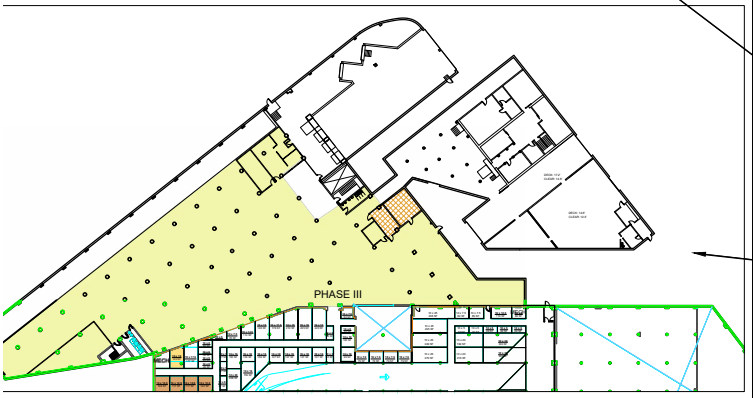
STOREHERE FLOOR PLAN



1 FIRST FLOOR PLAN
SCALE: 1" = 25'



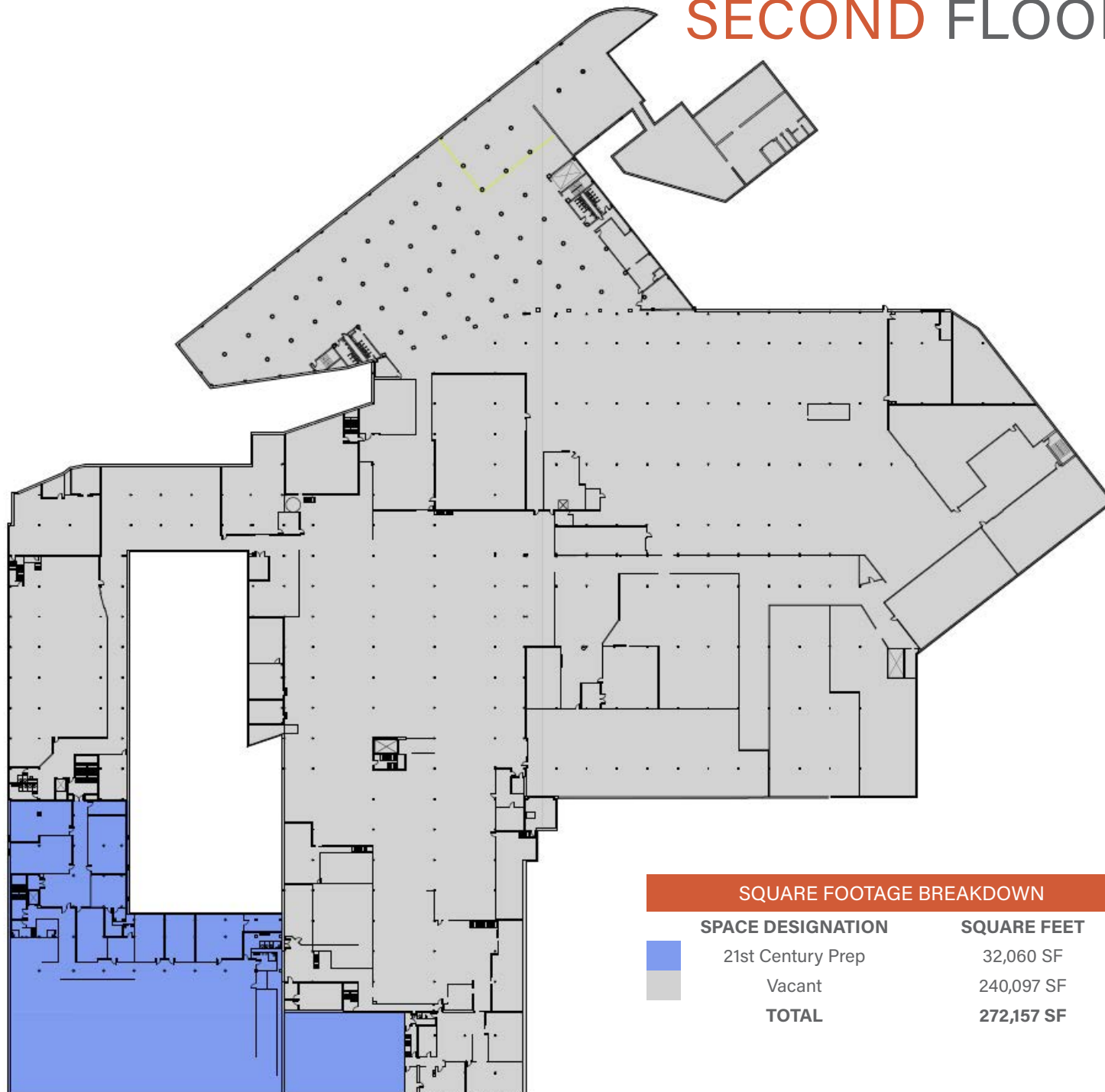
2 OVERALL FLOOR PLAN
SCALE: N.T.S.



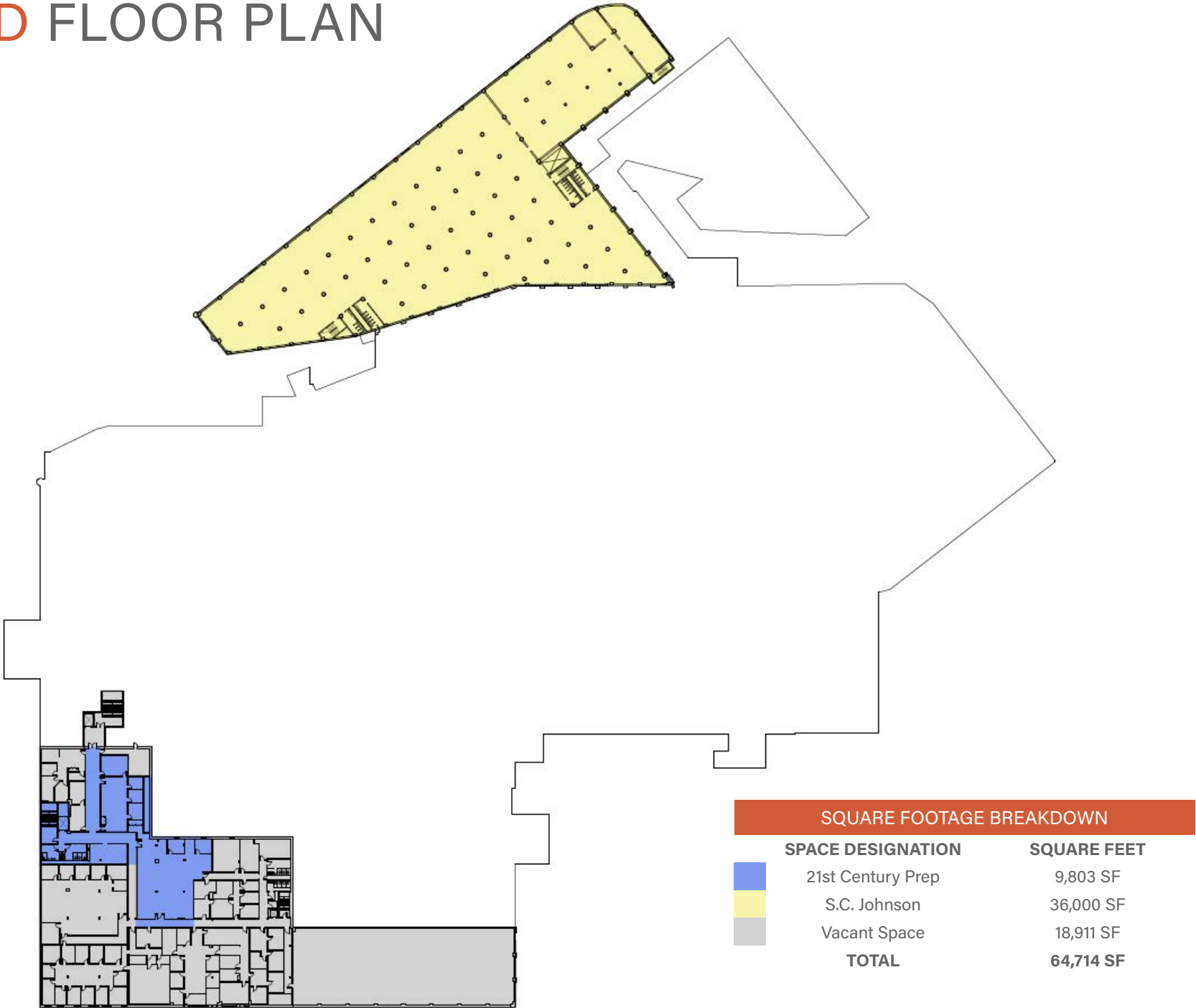
SQUARE FOOTAGE BREAKDOWN

| SPACE DESIGNATION | SQUARE FEET OF UNITS |
|---------------------|----------------------|
| Phase 1 | 23,957.5 SF |
| Phase 2 | 28,682 SF |
| Phase 3 | 24,822.5 SF |
| Potential Expansion | 49,034 SF |
| TOTAL | 126,529 SF |

SECOND FLOOR PLAN



THIRD FLOOR PLAN



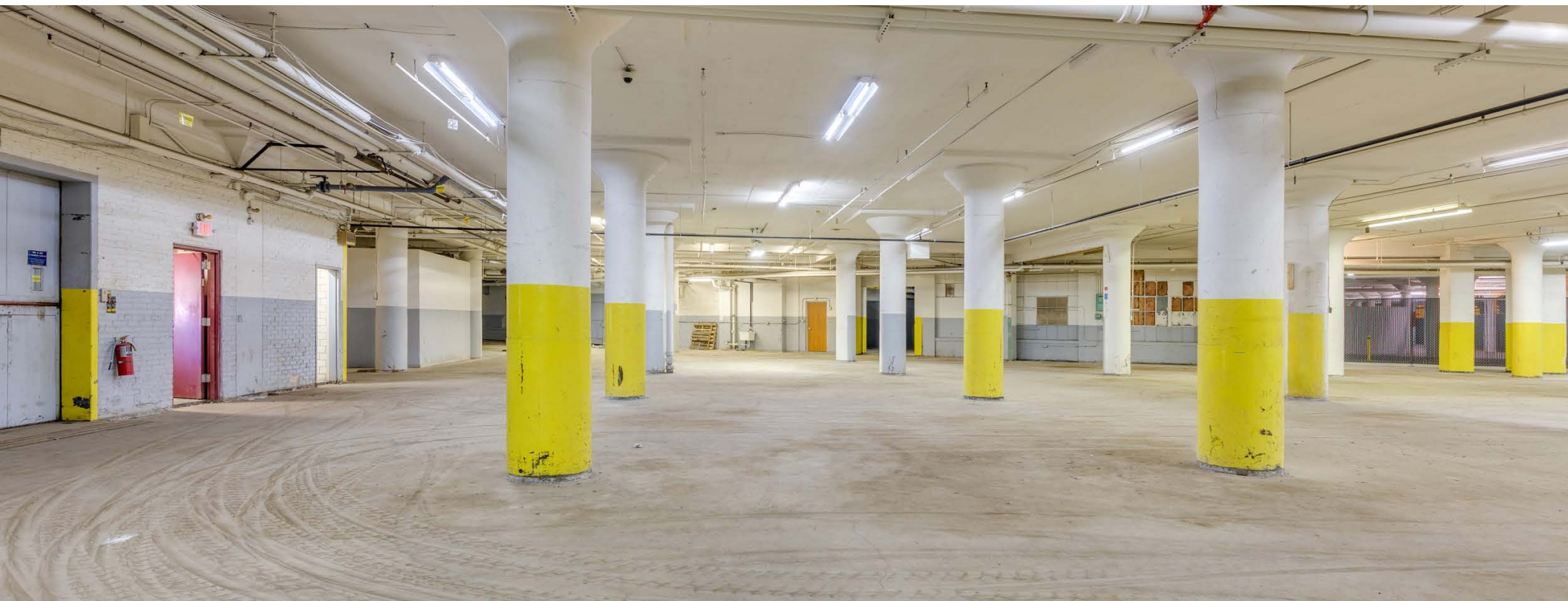
FOURTH FLOOR PLAN

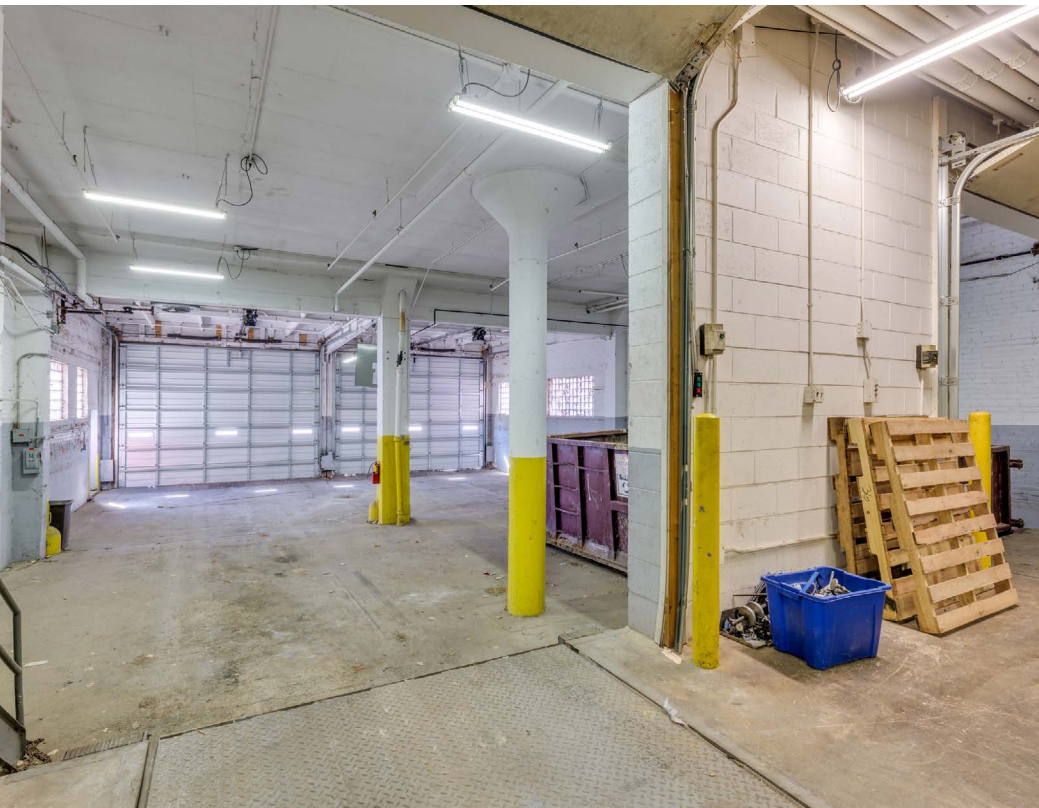
SQUARE FOOTAGE BREAKDOWN

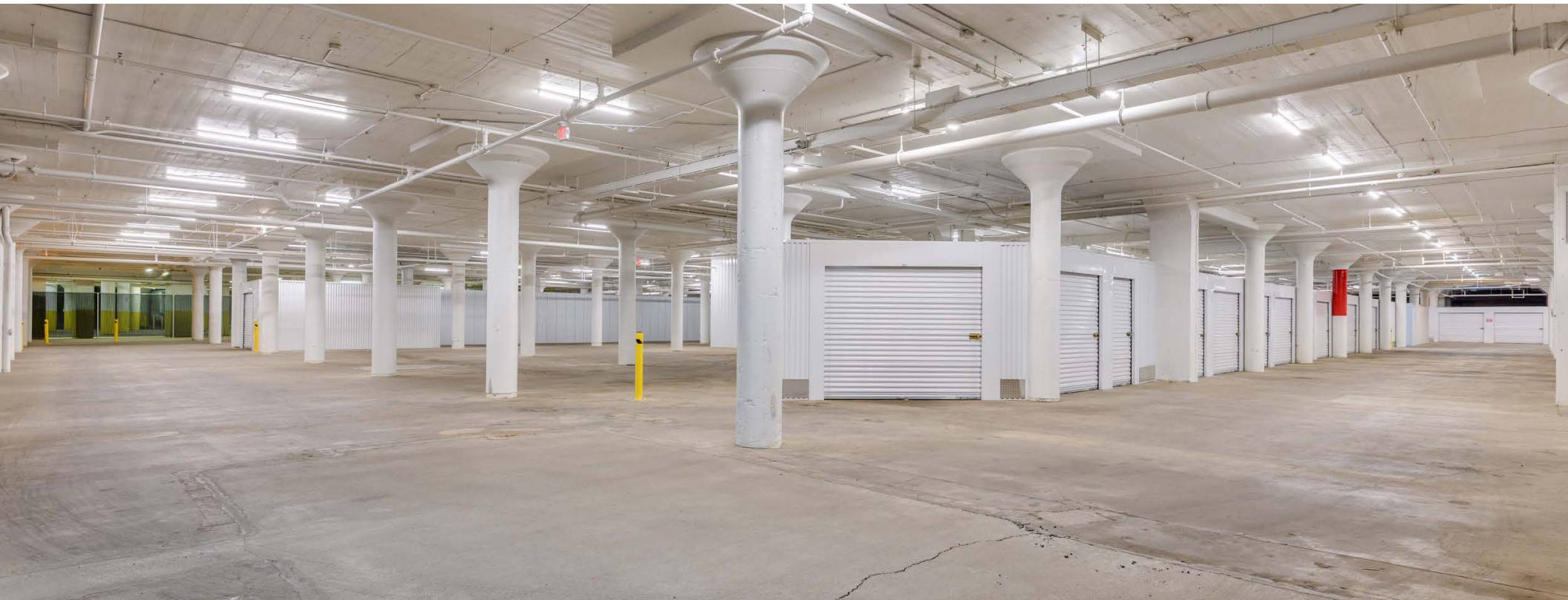
| SPACE DESIGNATION | SQUARE FEET |
|-------------------|------------------|
| Vacant | 36,882 SF |
| TOTAL | 36,882 SF |

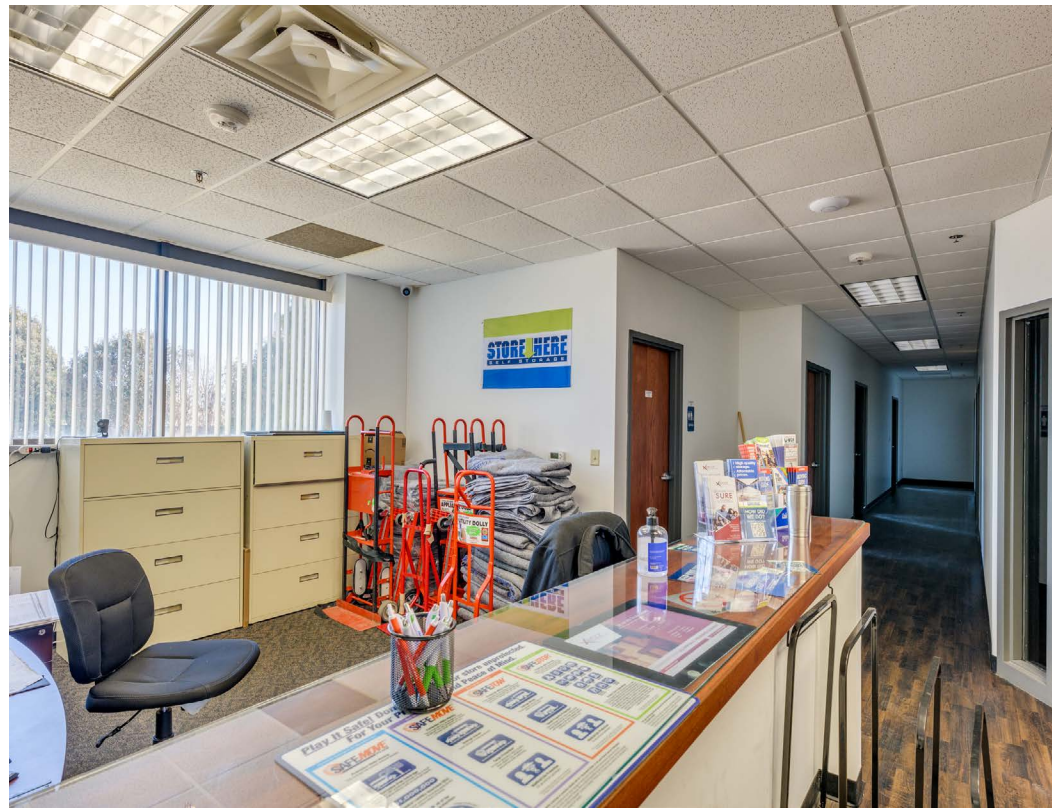














SECTION 3

TENANT OVERVIEW

Marcus & Millichap
TAG INDUSTRIAL GROUP

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Any projections, opinions, assumptions or estimates used herein are for example purposes only and do not represent the current or future performance of the property. Marcus & Millichap Real Estate Investment Services is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2024 Marcus & Millichap. Activity ID: ZAF0370224

RACINE FLEX & SELF-STORAGE

STORE HERE SELF STORAGE (U-HAUL DEALER)

Store Here Self Storage specializes in the acquisition/disposition, development, and conversion of self-storage facilities largely in secondary markets across nine states, covering each major region in the U.S. In addition to direct management, Store Here offers third-party management services to independent self-storage owners. Store Here maximizes revenue and asset value in the properties it manages for its clients and has created outsized returns for its stakeholders. In 2017, Store Here sold a group of 27 sites to a major real estate investment trust in one of the year's largest self-storage transactions.

Opened in 2021, Store Here's third-party managed Racine location is a full-service storage facility offering long-term and short-term storage options. Customers' belongings are secured with gated access and 24-hour digital video surveillance. As an official U-Haul dealer, Store Here offers truck rentals and moving supplies. Among its variety of storage options are heated units for temperature-sensitive items (Store Here).

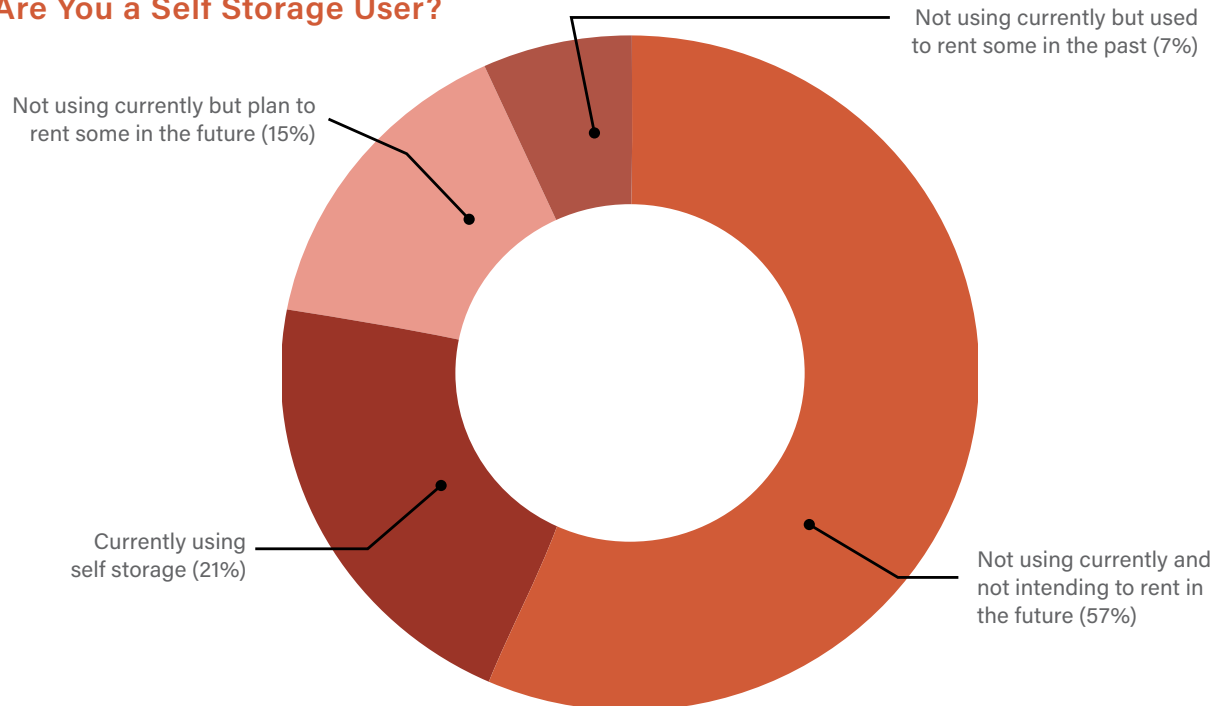
SELF-STORAGE INDUSTRY



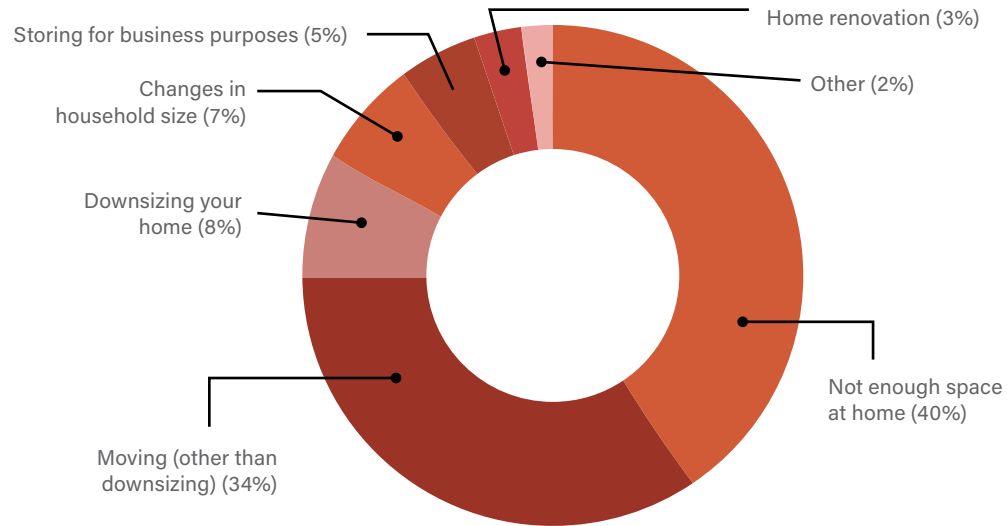
HEADQUARTERS:
PANTEGO, TEXAS



Are You a Self Storage User?

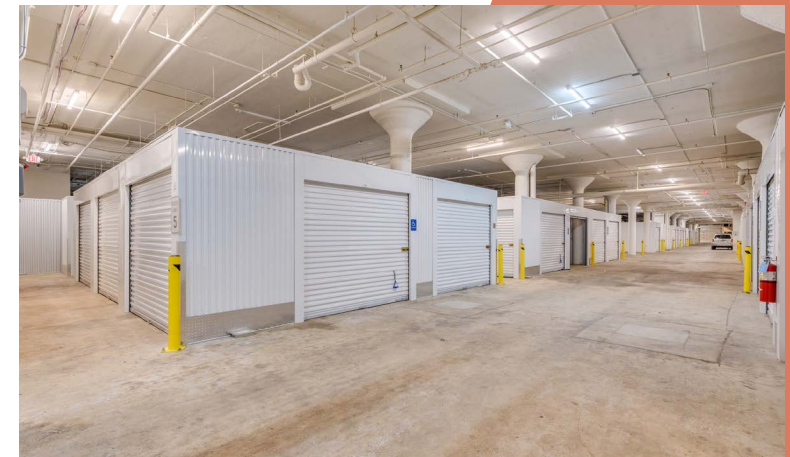
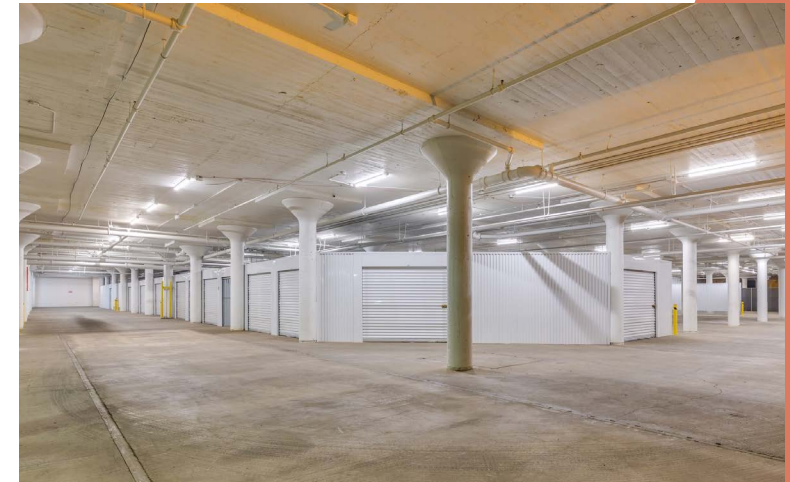


What Made You Turn to Self Storage?



Self-storage may be considered a specialty segment of commercial real estate but it provides an essential service to many Americans. Based on the 2023 demand study conducted by the Self Storage Association, 14.5 million homes utilized a storage unit, representing 11.1 percent of U.S. households. Another study by Storage Café reveals that 21 percent of 18,000 people surveyed actively use a storage unit and another 15 percent plan to rent a storage unit sometime in the future. The reasons behind the demand for self-storage vary but 40 percent of respondents did not have adequate space at home, followed by 34 percent of people who are moving, and 8 percent were in the process of downsizing their homes. Storage unit renters are more commonly comprised of those living in two-bedroom homes, have between 1,000 to 1,499 square feet of living space, are occupied by Generation Xers (40 to 55 age group), and have five or more living in the household.

While 65 percent of storage facilities are independent mom-and-pop owners, the market has experienced significant growth in recent years driven by institutional players. From 2020 through 2023, nearly 242 million square feet of self-storage space were delivered to the market on net (including about 53 million square feet of new space last year), representing a 13.6 percent increase to the nation's inventory. Going into 2024, the national vacancy rate for self-storage increased slightly to 9.6 percent thanks to the increase in supply and low residential sales activity that prevented many would-be storage renters from moving. Although vacancies are comfortably above their pandemic lows that dipped toward 6 percent, current availability matches levels seen before 2020. Given the downsizing source of demand and their low monthly costs relative to the effort of vacating, self-storage facilities tend to act as a recession hedge and held up well during the Great Financial Crisis (Inside Self-Storage, Storage Café, Marcus & Millichap).



RACINE FLEX & SELF-STORAGE

STORE HERE SELF STORAGE

| 3 MILE RADIUS | | | | | | | | | | | | |
|--------------------------------|-----------------------|-------------|-------|-------|-------------------------|------------|--|-----------------|-----------------|--------------|-------------|------------------|
| Property Name | Address | City | State | ZIP | Property Special Status | Total SqFt | Estimated Rentable SqFt ⁽¹⁾ | Completion Year | Property Status | Impr. Rating | Loc. Rating | Distance (miles) |
| Store Here Self Storage | 1220 Mound Avenue | Racine | WI | 53404 | Conversion | 69,973 | 63,612 | 2021 | Completed | A | B- | 0 |
| Devon Self Storage | 822 Marquette Street | Racine | WI | 53404 | | 25,200 | 21,420 | 2022 | Completed | B | C | 0.16 |
| D&H Climate Controlled Storage | 1524 Frederick Street | Racine | WI | 53404 | | 56,811 | 53,970 | 1999 | Completed | B | C | 0.76 |
| North Beach Storage | 212 Hamilton Street | Racine | WI | 53402 | Conversion | 25,787 | 24,497 | 2010 | Completed | C | C | 0.81 |
| Storage Sense | 1509 Rapids Drive | Racine | WI | 53404 | Conversion | 30,000 | 22,500 | 2023 | Completed | B | C+ | 0.99 |
| Red Dot Storage | 1744 Grange Avenue | Racine | WI | 53403 | | 49,812 | 47,321 | 1998 | Completed | C | C+ | 1.63 |
| 5 MILE RADIUS | | | | | | | | | | | | |
| Property Name | Address | City | State | ZIP | Property Special Status | Total SqFt | Estimated Rentable SqFt ⁽¹⁾ | Completion Year | Property Status | Impr. Rating | Loc. Rating | Distance (miles) |
| Chicory Road Storage | 1903 A Chicory Road | Racine | WI | 53403 | | 73,510 | 69,834 | 2005 | Completed | B | C | 3.35 |
| J L Storage | 4534 Douglas Avenue | Racine | WI | 53402 | | 71,760 | 68,172 | 1998 | Completed | C | C+ | 3.42 |
| Nelson's Mini Warehouses | 4636 Douglas Avenue | Racine | WI | 53402 | Conversion | 28,900 | 27,455 | 1980 | Completed | C | C+ | 3.57 |
| Caledonia Self - Storage | 4950 Memco Lane | Caledonia | WI | 53404 | | 22,500 | 21,375 | 1984 | Completed | C | C+ | 4.00 |
| Blue Sky Self Storage | 7505 Durand Avenue | Mt Pleasant | WI | 53177 | Conversion | 209,622 | 178,178 | 2019 | Completed | A | B- | 4.59 |

| | Population | NRSF | Saturation |
|--------|------------|---------|------------|
| 3 Mile | 84,855 | 233,320 | 2.75 |
| 5 Mile | 121,539 | 598,334 | 4.92 |



RACINE FLEX & SELF-STORAGE

21ST CENTURY & ACELERO LEARNING



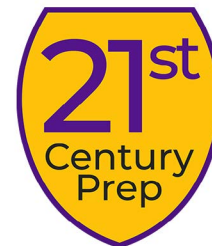
TENANT:

21ST CENTURY PREPARATORY SCHOOL



DATE FOUNDED:

2002



The 21st Century Preparatory School, a pre-kindergarten to eighth-grade independent public charter school, opened in Fall 2002 through authorization from the University of Wisconsin-Parkside and the University of Wisconsin System Board of Regents. The charter is held by Racine Charter One, Inc., a Wisconsin 501 (c) (3) nonprofit corporation managed by a nine-member board of directors. The school is administered by a three-member leadership team led by the school's Executive Director.

21st Century aligns its curriculum with Common Core State Standards, Wisconsin Academic Model Standards, and Next Generation Science Standards. The school assesses individual student learning styles, emphasizing authentic, hands-on learning and classroom discussion. 21st Century maintains a small teacher-to-student ratio by capping class sizes at 20 in grades 4K through fourth grade, and 20 to 25 in grades fifth through eighth. 21st Century distinguishes itself with longer school days that run from 8:00 a.m. to 3:45 p.m., and a mandatory three-week summer school with fun programming to prevent the summer slide in learning (21st Century).



TENANT:

ACELERO LEARNING NEXT
GENERATION NOW CENTER



DATE FOUNDED:

2001



HEADQUARTERS:

NEW YORK, NEW YORK



LOCATIONS:

48

Acelero Learning was founded more than two decades ago by a former Head Start teacher and Children Defense Fund staffer, with a clear goal to work with local communities to improve the quality of Head Start programs. In 2005, Acelero Learning began to directly administer Early Head Start and Head Start programs through delegate agencies featuring locally managed affiliates with local boards of directors that received dedicated support from the Acelero Learning Support Center in New York.



Today, Acelero Learning affiliates operate a network of Head Start and other early childhood programs serving over 4,300 young children and families across the country. The school maintains affiliates in Philadelphia, Pennsylvania, Camden, Monmouth and Middlesex Counties in New Jersey, Clark County, Nevada, and Racine and Milwaukee counties in Wisconsin. Acelero Learning has not only improved the delivery of early childhood education in their communities while increasing enrollment but also enhanced teacher salaries and dramatically expanded the number of hours of programming for children and families.

The Acelero Learning Next Generation Now Center was opened in 2015 in Racine, Wisconsin. Affectionately known as 'NGN', the school offers Early Head Start to children ages six weeks to three years of age and Head Start to children up to five years old (Acelero Learning).





CHARTER & PRE-K INDUSTRIES

PUBLIC CHARTER SCHOOLS

What's a Charter School?

Charter schools are public schools that offer innovative programming in exchange for flexibility with regard to state laws regulating schools. A charter school is created through a contract between an independent charter governance board and an authorizer. Charter schools are held accountable by their authorizer for the performance goals and other programmatic, operational, and financial provisions in the charter contract. The charter school's governing board is autonomous and controls staffing, programming, budgeting, and all other aspects of the charter school's operation (21st Century).

Facts & Figures

Since the very first charter school law passed in 1991 in Minnesota, this alternative to traditional public schooling has experienced exponential growth. Across the nation, public charter schools serve about 3.7 million students in nearly 8,000 schools and campuses. From 2012 to 2022, enrollment and school count have increased by 79 percent and 38 percent, respectively. During the 2021 to 2022 school year, charter schools enrolled 7.4 percent of all public school students, up from 6.8 percent in 2019 to 2020. In Wisconsin, almost 50,000 students attend 235 public charters, representing the 10th largest state in terms of schools (National Alliance for Public Charter Schools).

PRE-K SCHOOLS

Enrollment in pre-kindergarten schools (ages three to four) has held steady for more than decade. Outside of the pandemic year when only 40 percent of three- and four-year-olds were enrolled in pre-k, 50 to 55 percent of young children generally attend. As a result, pre-k schools have become a source of stability even during times of economic duress (National Center for Education Statistics).

2023 DATE DIGEST

CHARTER SCHOOL OVERVIEW

46 STATES

have Charter School Laws plus D.C., Puerto Rico, and Guam

7.4%

of all public school students attend a charter school

+30 YEARS

have passed since the first charter law was established

MOST STUDENTS

Nearly 700,000 students in California attend a charter school. 12% of all public school students in the state

TOP STATE

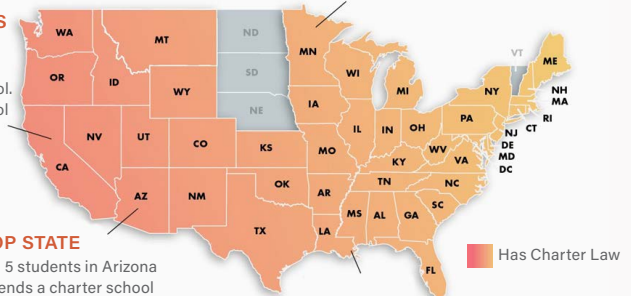
1 in 5 students in Arizona attends a charter school

FIRST CHARTER LAW

Minnesota passed the first charter school law in 1991

TOP SCHOOL DISTRICT

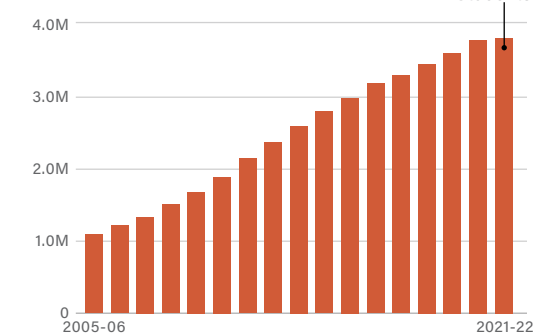
Over 99% of students in New Orleans attend a charter school



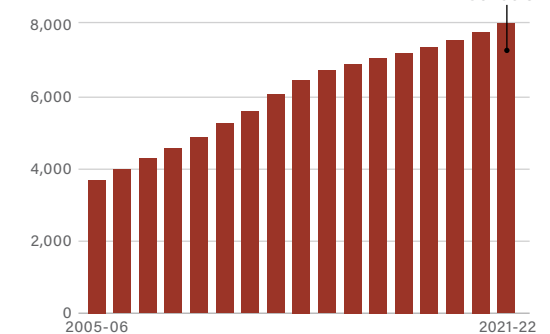
CHARTER SCHOOLS & STUDENTS

Since the 2005-06 school year, the number of charter schools and campuses has more than DOUBLED, while charter school enrollment has more than TRIPLED.

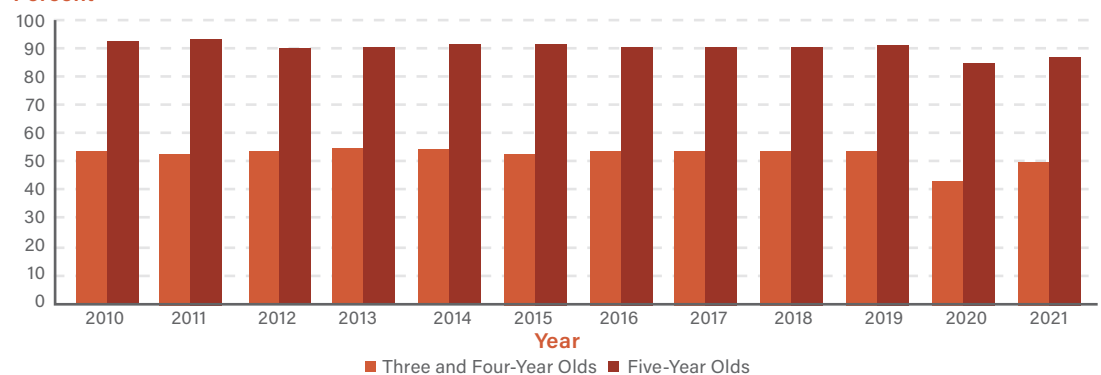
Number of Charter Students



Number of Charter Schools



Percent



RACINE FLEX & SELF-STORAGE

F.I.N.A.O. INC. KINGDOM MANNA



TENANT:
F.I.N.A.O. INC. –
KINGDOM MANNA



VOLUNTEERS:
50

Co-pastors and husband and wife Leon and Debra Brown have been a part of the Racine community for over 40 years. In response to elevated crime and hunger rates in Racine, the Browns saw a need for more assistance programs and established Failure Is Not An Option (F.I.N.A.O.). For more than a decade, F.I.N.A.O.'s food pantry, Kingdom Manna, has served Racine and its surrounding communities, providing over 3,000 pounds of food each week, enough to feed over 400 families. Kingdom Manna has not only served local communities but others across state lines and even countries as far as Belize and Mexico. By partnering with Festival Foods, Kwik Trip, GFS, the police department, and local recreational centers, Kingdom Manna has been able to increase its outreach (F.I.N.A.O.).

FOOD PANTRY INDUSTRY

Food pantries and food banks are often used interchangeably but are utilized differently. A food bank is a non-profit that safely stores millions of pounds of food that will soon be delivered to local food programs, like a food pantry. As an essential wholesale distributor of food, food banks are usually housed in large warehouses and source donated food from local neighbors, retailers, grocery stores, and restaurants. A food pantry is a distribution center where families in need can receive food. Supplied with food from a food bank, pantries feed hundreds of people each week. Food pantries are often found inside schools where children and their families are easily accessible. Thanks to the hard work of staff and volunteers across the nation, more than 21 million meals are provided to nearly 110,000 children each year by food banks and pantries (Feeding America).

Given the current economic environment, it is a legitimate concern if the food pantry industry, which relies on donations, will continue to thrive in the foreseeable future. However, based on what took place during the Great Recession, the food pantry industry should be viewed as a hedge against economic downturns. Total charitable donations fell 7 percent in 2008 and another 6 percent in 2009, representing the biggest annual decline since the late 1960s. However, funding to food banks in 40 cities rose by 2 percent in 2008 and by 32 percent in 2009 as donors redirected their charity from less essential activities like museums (GivingUSA Foundation).



CITY AMENITIES MAP

1 Racine South Pier

198 Christopher Columbus Causeway # 40, Racine, WI 53402

2 Pershing Park Boat Launch

15th St, Racine, WI 53403

3 Fifth Street Yacht Club

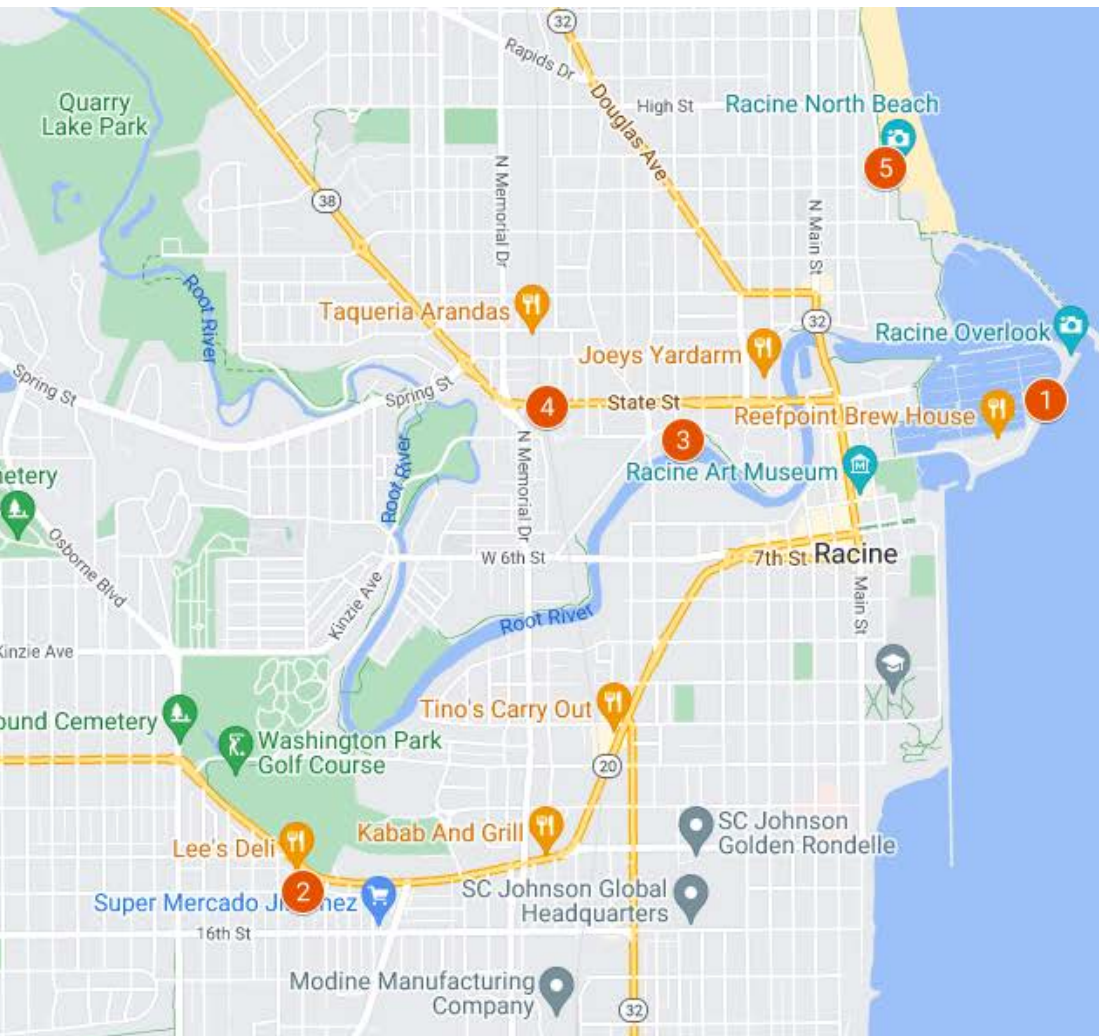
761 Marquette St, Racine, WI 53404

4 Racine Transit Center

1409 State St, Racine, WI 53404

5 Racine North Beach

100 Kewaunee St, Racine, WI 53403



Racine South Pier



Fifth Street Yacht Club



Racine Transit Center



SECTION 4

MARKET OVERVIEW

Marcus & Millichap
TAG INDUSTRIAL GROUP

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RACINE FLEX & SELF-STORAGE

MILWAUKEE WISCONSIN

Once known primarily for its breweries and as the home of Harley-Davidson, the metro is diversifying from its manufacturing roots as the health care, business services and technology sectors expand. The transformation is especially evident in downtown Milwaukee, where major projects — including high-rise apartments, Northwestern Mutual's headquarters and the BMO Tower — have changed the skyline. Fiserv Forum, the new home of the Milwaukee Bucks, and the surrounding Deer District have also been a boon for hotel and multifamily development. The Greater Milwaukee Area is situated along the shore of Lake Michigan in the southeastern portion of Wisconsin, encompassing Milwaukee, Ozaukee, Washington and Waukesha counties. The market is home to nearly 1.6 million residents, with roughly 590,000 living within the city limits of Milwaukee.



DIVERSIFYING
ECONOMY



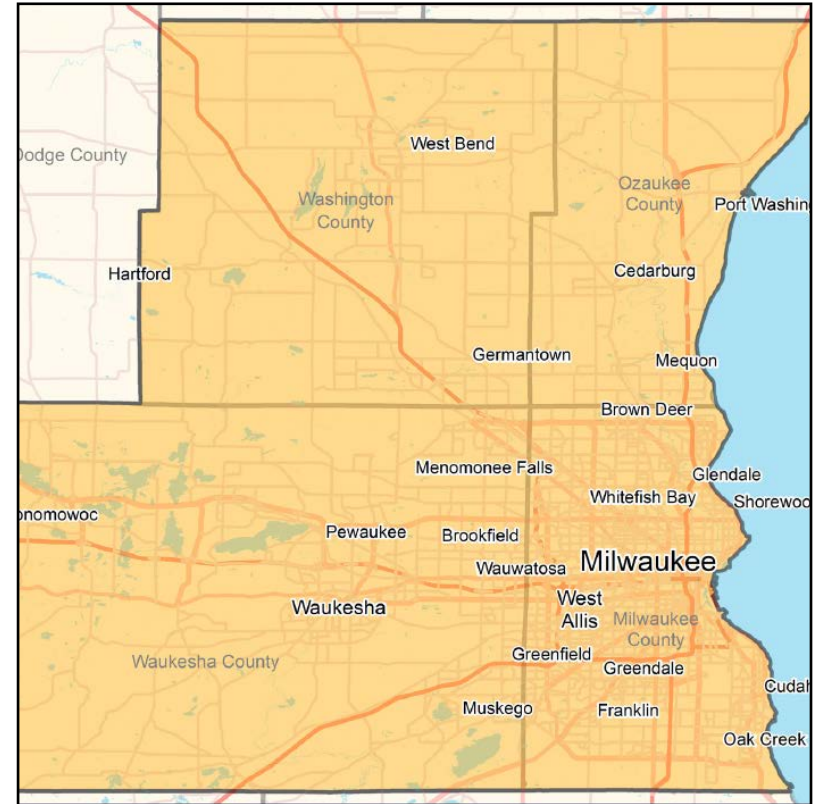
PRESENCE OF
LARGE-SCALE FIRMS



SKILLED
LABOR POOL

ECONOMY

Local policies incentivize new high-growth industries, especially technology firms, supporting the diversification into data processing, insurance, mutual funds and printing. Milwaukee companies on the Fortune 500 list represent sectors from manufacturing to insurance and retail, including Northwestern Mutual, ManpowerGroup, Kohl's, Fiserv, WEC Energy Group and Rockwell Automation. Health services and technological growth have supported local health care companies, such as Aurora Health Care, Ascension Wisconsin and Froedtert Health.



14%
MANUFACTURING



14%
PROFESSIONAL AND
BUSINESS SERVICES



10%
GOVERNMENT



9%
LEISURE AND
HOSPITALITY



6%
FINANCIAL
ACTIVITIES



17%
TRADE,
TRANSPORTATION,
AND UTILITIES



4%
CONSTRUCTION



20%
EDUCATION
AND HEALTH
SERVICES



1%
INFORMATION



5%
OTHER
SERVICES

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau

DEMOGRAPHICS

The metro is expected to add roughly 8,000 people through 2027, producing approximately 6,350 households and generating demand for housing. The homeownership rate of 60 percent is slightly below the national rate of 64 percent, maintaining a strong rental market. Roughly 35 percent of residents ages 25 and over hold bachelor's degrees; of those citizens, 12 percent have also earned a graduate or professional degree.



QUALITY OF LIFE

Milwaukee has a history steeped in middle-class values and ethnic diversity. The region's favorable quality of life is underpinned by its access to cultural, entertainment and outdoor recreational activities, as well as its location along the shores of Lake Michigan. Milwaukee's tourism and cultural infrastructure includes the Milwaukee Brewers (MLB), Milwaukee Bucks (NBA), River Walk, American Family Field, Fiserv Forum and the Wisconsin Center. Visitors and locals alike enjoy the Milwaukee Public Museum, Milwaukee Art Museum and Discovery World at Pier Wisconsin. Opportunities for advanced education are available at numerous colleges, universities and technical schools, including Marquette University and the University of Wisconsin-Milwaukee.

2022 POPULATION BY AGE



SPORTS

- Baseball (MLB) - Milwaukee Brewers
- Basketball (NBA) - Milwaukee Bucks
- Hockey (AHL) - Milwaukee Admirals

EDUCATION

- Marquette University
- Milwaukee School Of Engineering
- Mount Mary University
- University Of Wisconsin-Milwaukee

ARTS & ENTERTAINMENT

- Milwaukee County Zoo
- Milwaukee Public Museum
- Milwaukee Art Museum
- Discovery World At Pier Wisconsin



RACINE FLEX & SELF-STORAGE

IMPRESSIVE FUNDAMENTALS

RECESSION
PROOF ASSET

DOWNSIZING IS
#3
REASON FOR SELF-
STORAGE RENTALS

SCHOOL ENROLLMENT
STABILITY

34% INCREASE IN FOOD
DONATIONS DURING
GREAT RECESSION

FOOD PANTRY

KINGDOM MANNA
PROVIDES OVER
3,000 LBS.
OF FOOD WEEKLY

MILWAUKEE'S TOP EMPLOYMENT:

- 20% EDUCATION & HEALTH SERVICES
- 17% TRADE, TRANSPORTATION, & UTILITIES
- 14% MANUFACTURING
- 14% PROFESSIONAL & BUSINESS SERVICES
- 10% GOVERNMENT

13.6%
INCREASE IN
INVENTORY OVER
LAST FOUR YEARS

WISCONSIN IS
HOME TO THE
10TH
MOST CHARTER
SCHOOLS IN U.S.

SELF-
STORAGE

MILWAUKEE'S
TOP EMPLOYMENT

EDUCATION

DEMOGRAPHICS

| POPULATION | 1 MILE | 3 MILES | 5 MILES |
|---------------------------|--------|---------|---------|
| 2027 Projection | | | |
| Total Population | 19,683 | 84,407 | 121,113 |
| 2022 Estimate | | | |
| Total Population | 19,865 | 84,855 | 121,539 |
| 2010 Census | | | |
| Total Population | 19,977 | 84,714 | 120,888 |
| 2000 Census | | | |
| Total Population | 20,632 | 86,906 | 119,820 |
| Daytime Population | | | |
| 2022 Estimate | 18,650 | 73,739 | 103,532 |

| HOUSEHOLDS | 1 MILE | 3 MILES | 3 MILES |
|-------------------------------|--------|---------|---------|
| 2027 Projection | | | |
| Total Households | 6,857 | 33,611 | 48,785 |
| 2022 Estimate | | | |
| Total Households | 6,882 | 33,618 | 48,638 |
| Average (Mean) Household Size | 2.7 | 2.5 | 2.5 |
| 2010 Census | | | |
| Total Households | 6,851 | 33,260 | 47,884 |
| 2000 Census | | | |
| Total Households | 6,967 | 33,697 | 46,366 |

| HOUSEHOLDS BY INCOME | 1 MILE | 3 MILES | 5 MILES |
|--------------------------|----------|----------|----------|
| 2022 Estimate | | | |
| \$200,000 or More | 1.2% | 0.9% | 2.0% |
| \$150,000-\$199,999 | 1.2% | 2.0% | 2.6% |
| \$100,000-\$149,999 | 3.3% | 6.8% | 8.5% |
| \$75,000-\$99,999 | 6.6% | 8.8% | 9.4% |
| \$50,000-\$74,999 | 21.7% | 17.0% | 17.8% |
| \$35,000-\$49,999 | 19.3% | 16.5% | 16.0% |
| \$25,000-\$34,999 | 13.1% | 13.1% | 11.7% |
| \$15,000-\$24,999 | 11.9% | 15.9% | 14.0% |
| Under \$15,000 | 21.7% | 19.1% | 18.0% |
| Average Household Income | \$47,161 | \$48,699 | \$56,165 |
| Median Household Income | \$38,574 | \$36,573 | \$40,405 |
| Per Capita Income | \$20,853 | \$19,701 | \$23,708 |

| POPULATION PROFILE | 1 MILE | 3 MILES | 3 MILES |
|--|--------|---------|---------|
| Population By Age | | | |
| 2022 Estimate Total Population | 311 | 61,678 | 159,123 |
| Under 20 | 20.1% | 29.2% | 26.1% |
| 20 to 34 Years | 15.6% | 25.5% | 25.4% |
| 35 to 39 Years | 7.1% | 7.6% | 7.4% |
| 40 to 49 Years | 14.0% | 11.8% | 11.8% |
| 50 to 64 Years | 25.4% | 15.7% | 17.4% |
| Age 65+ | 17.8% | 10.2% | 11.9% |
| Median Age | 45.6 | 32.2 | 34.0 |
| Population 25+ by Education Level | | | |
| 2022 Estimate Population Age 25+ | 238 | 39,345 | 106,723 |
| Elementary (0-8) | 11.6% | 11.1% | 7.4% |
| Some High School (9-11) | 15.0% | 13.7% | 11.5% |
| High School Graduate (12) | 40.9% | 30.2% | 29.9% |
| Some College (13-15) | 16.2% | 20.2% | 21.8% |
| Associate Degree Only | 3.8% | 6.9% | 6.9% |
| Bachelor's Degree Only | 9.5% | 13.6% | 15.2% |
| Graduate Degree | 3.1% | 4.4% | 7.2% |
| Travel Time to Work | | | |
| Average Travel Time to Work in Minutes | 19.0 | 23.0 | 23.0 |

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Marcus & Millichap Marcus & Millichap
TAG INDUSTRIAL GROUP THE HATCHER COE GROUP

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