CHILD CARE INSITE

COMMERCIAL REAL ESTATE ADVISORS

Asking Price: $1,999,000

CONFIDENTIAL OFFERING MEMORANDUM

Stockton Montessori School

1606 Hammertown Drive · Stockton, California 95210

Child Care Business and Real Estate Offered Together

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NOTICE TO RECIPIENTS

Confidentiality and Disclaimer

This Confidential Offering Memorandum has been prepared by Child Care Insite Commercial Real Estate Advisors for the exclusive use of qualified parties evaluating the acquisition of Stockton Montessori School and the real property located at 1606 Hammertown Drive, Stockton, California.

The information contained herein was furnished by the Seller or obtained from sources believed to be reliable. Child Care Insite has not independently verified this information and makes no representation or warranty, express or implied, as to its accuracy or completeness. Projections, opinions, and estimates are provided for illustration only and do not represent the current or future performance of the business or the property.

By accepting this Offering Memorandum, the recipient agrees to hold its contents in strict confidence, to use it solely to evaluate this opportunity, and to make no direct contact with the Seller, staff, enrolled families, vendors, lenders, or licensing representatives. All inquiries and tour requests must be directed exclusively to Child Care Insite.

Neither the Seller nor Child Care Insite is obligated to accept any offer. The Seller reserves the right to withdraw the business or the property from the market, or to modify the terms of this offering, at any time and without notice.

Buyer Qualification Process

1. Execute the Confidentiality Agreement
2. Provide proof of funds or lender prequalification
3. Receive the Confidential Financial Package
4. Schedule a private tour outside of school hours

Detailed financial statements, tax returns, payroll records, and enrollment reports are released only after qualification.

Executive Summary

Stockton Montessori School is an established, licensed Montessori early education program operating from a purpose-built 6,951 square foot child care facility on a 0.78 acre site in north Stockton, California. The school and the underlying real estate are offered together in a single bulk transaction.

The purpose-built child care facility carries a California Department of Social Services Day Care Center license for 119 children, including an approved toddler component for 24 children between 18 and 36 months. The site includes secured play yards, a commercial kitchen, administrative offices, and on-site parking.

Total revenue has ranged between $740,000 and $853,000 in each of the last three calendar years. After normalizing for owner compensation, owner discretionary expense, and affiliate facility rent, adjusted owner cash flow has increased in each of those years and has averaged approximately 40 percent of revenue.

In 2024, ownership completed approximately $351,700 in capital improvements, including a full HVAC replacement and a comprehensive reconstruction of the play yards.

119	Licensed capacity	**6,951**	Square foot building
0.78	Acre site	**1992**	Year Built

Aerial view of the site looking across the play yards

Investment Highlights

Business and Real Estate

The operating school and the underlying real property convey together in one transaction.

119 Licensed Capacity

CDSS Day Care Center license including an approved 24 child toddler component.

Purpose-Built Facility

6,951 square feet constructed in 1992 specifically for licensed child care use.

0.78 Acre Site

33,999 square foot parcel with secured play yards, on-site parking, and street frontage.

Recent Capital Investment

Approximately $351,700 of HVAC and playground improvements completed in 2024.

Durable Cash Flow Margin

Adjusted owner cash flow has averaged roughly 40 percent of revenue over three years.

Differentiated Program

Montessori curriculum with daily Spanish and weekly Mandarin instruction included in tuition.

High Barrier to Entry

State licensing, playground standards, and land use approvals are difficult to replicate.

The Offering at a Glance

The Business

Business Name	Stockton Montessori School
Licensee of Record	Sunshine Bilingual Montessori Preschool LLC
License Type	Day Care Center
Facility Number	393621606
Licensed Capacity	119 children
Toddler Component	24 children, 18 to 36 months
Ages Served	18 months through entry into first grade under the child care license
Hours of Operation	7:00 AM to 6:00 PM, Monday to Friday
Programs	Toddler, Primary, Pre-Kindergarten, Kindergarten, Enrichment
Enrichment	Language, tutoring, music, art, soccer
Staffing	9 payrolled employees, plus contractors

The Real Estate

Street Address	1606 Hammertown Drive
City and State	Stockton, California 95210
County	San Joaquin
Parcel Number	094-040-190-000
Building Area	6,951 square feet
Lot Area	33,999 square feet, 0.78 acres
Year Built	1992
Recorded Land Use	Day care
Flood Zone	Zone X, shaded
2025 Assessed Value	$1,148,323
2025-26 Property Tax	$14,152

OFFERED AS A BULK SALE OF BUSINESS AND REAL ESTATE

SECTION FOUR

Business Overview

Stockton Montessori School delivers a full Montessori program for children from 18 months through entry into first grade, supplemented by separately registered enrichment programs for older children. Prepared classroom environments, multi-age groupings, and uninterrupted self-directed work periods follow traditional Montessori practice.

Montessori Curriculum

Practical life, sensorial, mathematics, language, and cultural studies delivered through hands-on materials in multi-age classrooms.

Multilingual Instruction

Daily Spanish circle for toddlers and weekly Spanish and Mandarin instruction for older students, included in tuition.

Program Continuum

Toddler through kindergarten programs, together with enrichment offerings for older children, support family retention and referrals.

Engaged Community

Strong, supportive parent community and volunteer-based PTA, including local physicians, nurses, dentists, teachers, and technology professionals.

Programs and Tuition Structure

Program	Ages	Schedule	Half Day, 5 Days	Full Day, 5 Days
Toddler 1	18 months to 2 years	3, 4, or 5 days	$1,165	$1,515
Toddler 2	2 to 3 years	3, 4, or 5 days	$1,115	$1,445
Primary	3 to 4 years	3, 4, or 5 days	$1,045	$1,345
Pre-Kindergarten	4 to 5 years	5 days	Not offered	$1,225
Kindergarten and Older-Child Enrichment	5+ years*	5 days	Not offered	$1,125

Monthly rates shown are the five-day schedules effective for the 2025 to 2026 school year. Three-day and four-day options are published at each toddler and primary level. Kindergarten and Older-Child Enrichment operate 8:30 AM to 3:30 PM.

Half Day

8:30 AM to 12:00 PM

Full Day

8:30 AM to 4:00 PM

Extended Care

7:00 AM to 6:00 PM

Ancillary Revenue Streams

Annual registration fee	**$150**
Annual materials fee	**$200**
Before and after care	**$12 per hour**
Daycare add-on, half day	**$55**
Daycare add-on, full day	**$80**
Potty training assistance	**$80 to $150**
Kindergarten book fee	**$200**
Older-child enrichment book fee	**$400**

Tuition is billed monthly by ACH through Tuition Express. A 10 percent sibling discount applies and 30 days written notice is required for withdrawal.

Rates and fees per the school's published 2025 to 2026 tuition schedule.
*The CDSS child care license covers children through entry into first grade. Programs for older children are conducted separately under the school's annual California Department of Education heritage school registration.

SECTION FOUR

Enrichment Programs and Community Reach

Select enrichment sessions are open to San Joaquin County families who are not enrolled in the core program. These classes extend the school's reach beyond its licensed daytime census, generate incremental revenue against a largely variable instructor cost, and create a pipeline of prospective full-time families. Older-child offerings are conducted separately under the school’s heritage school registration and are not included within the age scope of the CDSS child care license.

Spanish Lessons

$100 per month

Ages 3 to 6 · Weekly one-hour sessions

Mandarin Chinese

$100 per month

Ages 4+ · Weekly one-hour sessions

Tutoring and Homework Help

$170 per month

Ages 5+ · Weekdays, 3:00 to 6:00 PM

Dance and Music

$160 per month

Ages 4 to 12 · $120 for current families

Music Education

$70 per month

Ages 18 months to 6 years · Weekly

Soccer Shots

$260 per season

Ages 2 to 6 · 16-week seasons

Art Club

Included program

Wednesday and Friday afternoon sessions

Summer Camp

June and July

Ages 18 months to 12 years · Open to the community

Enrichment instructors are engaged as independent contractors, which keeps the cost of these programs variable and largely self-funding.

SECTION FIVE

Real Estate Overview

Building

6,951 square feet of single-story construction completed in 1992 as a purpose-built child care center. Classroom wings, commercial kitchen, administrative offices, staff areas, and child-scaled restrooms.

Site

33,999 square feet, or 0.78 acres, with fenced and secured play yards on multiple sides of the building, poured-in-place safety surfacing, synthetic turf, shade structures, and mature landscaping.

Parking and Access

On-site surface parking with dedicated drop-off circulation and additional frontage available for staff and event parking.

Location

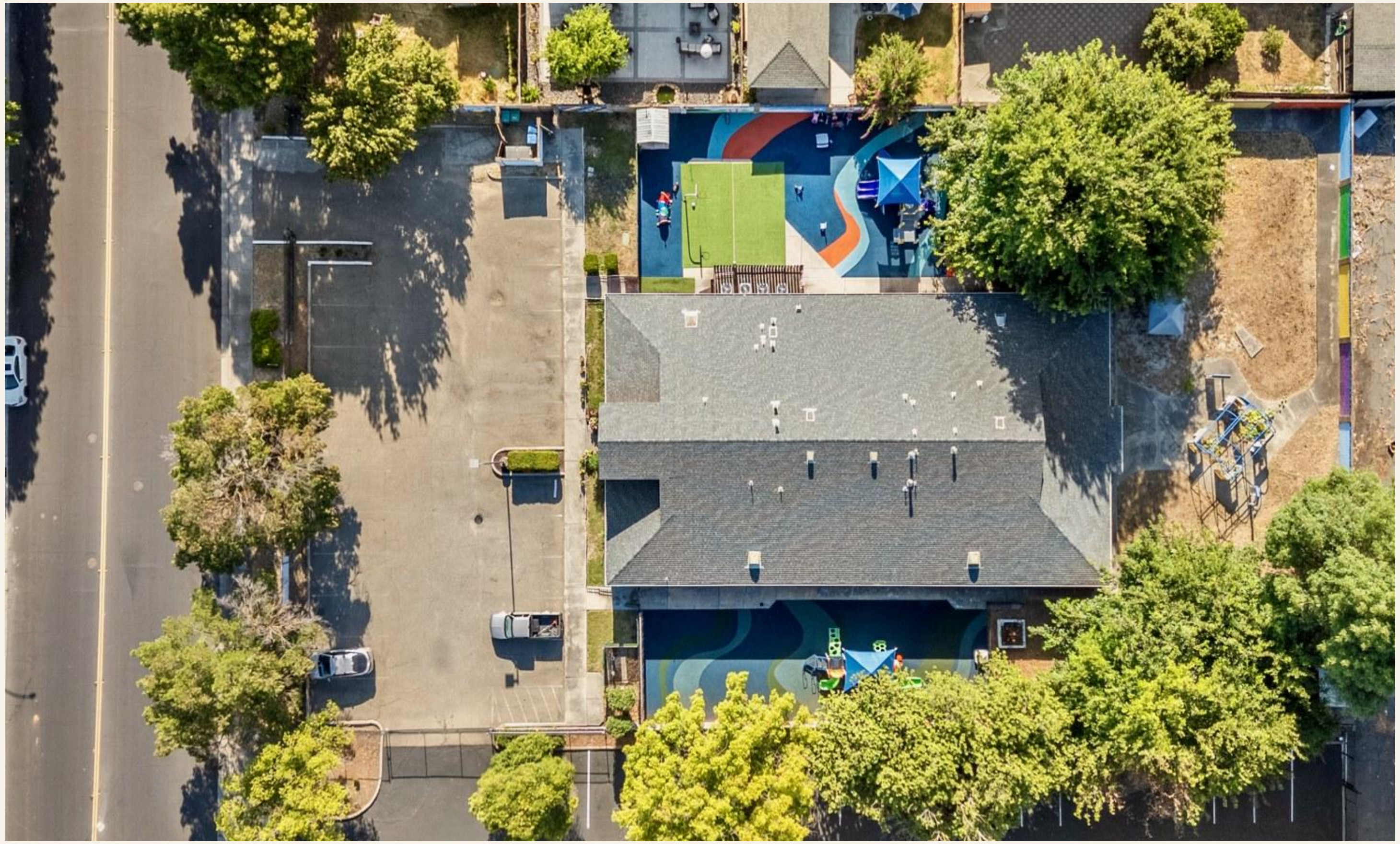
Interior position off Hammertown Drive with immediate access to West Lane and East Hammer Lane. Kaiser Permanente medical facilities and Costco are located within approximately one-half mile, providing nearby employment and retail demand drivers.

Future Flexibility

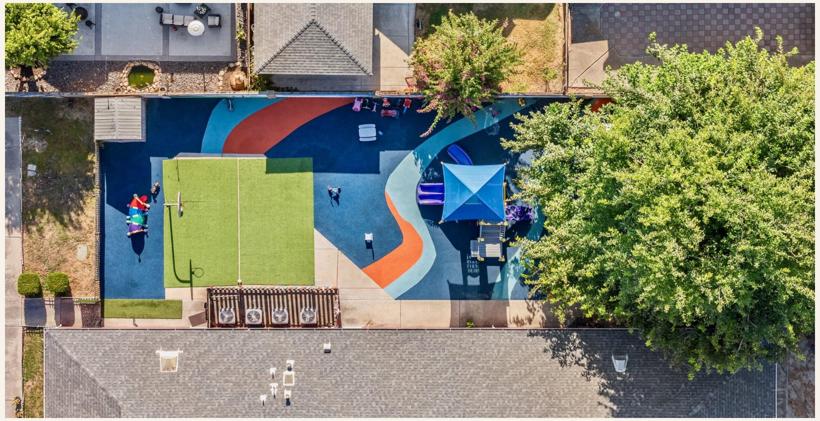
The currently unused rear yard provides potential space for a separate program or age group, subject to Community Care Licensing review and City of Stockton approval.

SECTION FIVE

Site and Aerial Context



Overhead view of the 0.78 acre parcel and surrounding residential neighborhood



Reconstructed play yard surfacing and turf, completed 2024

Neighborhood context toward the West Lane commercial corridor

SECTION FIVE

Recent Capital Improvements

In 2024, the ownership entities completed approximately $351,729 in facility improvements. The work included a full HVAC replacement and a comprehensive reconstruction of the play yards with new poured-in-place safety surfacing, synthetic turf, and new play structures. These improvements materially reduce near-term capital exposure for a buyer.

$351,729 Total HVAC and playground improvements completed in 2024

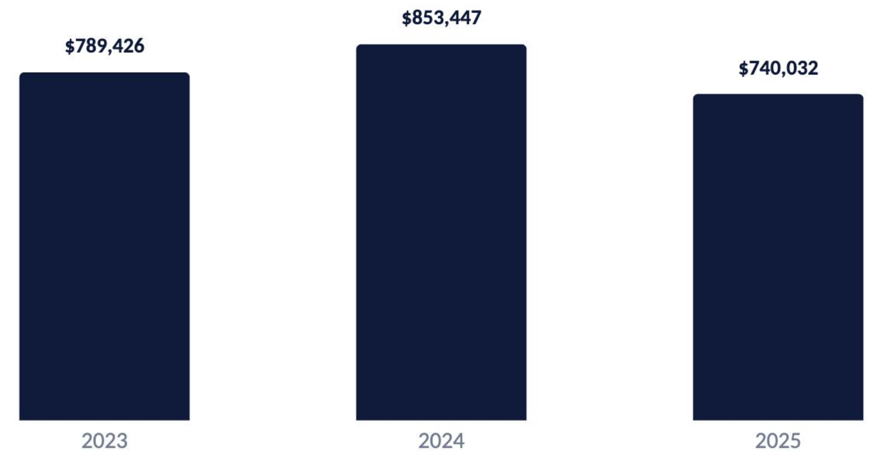
$302,829 Playground structure repair and reconstruction

$48,900 Full HVAC system replacement

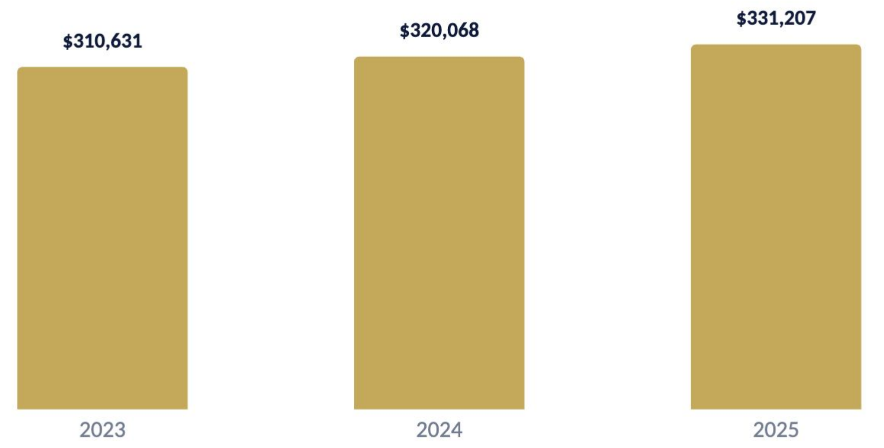
An additional air conditioning replacement of approximately $10,300 was completed in 2023.

High-Level Financial Overview

Historical Total Revenue



Historical Adjusted Owner Cash Flow



$320,635

Three-year average adjusted owner cash flow

40.5%

Three-year average cash flow margin

$436,599

Revenue, January through July 2026, unaudited

Detailed financial statements, tax returns, payroll information, enrollment reports, and other confidential operational records are available only to qualified buyers upon submission of proof of funds, lender prequalification, or a letter of intent from the buyer's lending institution.

How Adjusted Owner Cash Flow Is Calculated

The school operates from real estate held by an affiliate of the ownership group and pays rent to that affiliate. In a bulk sale of the business and the real estate, that rent is eliminated and replaced by the buyer's own ownership costs. The bridge below restates the 2025 reported result on the basis a single owner-user would actually experience.

Reported net income, calendar year 2025	**$117,784**
Owner guaranteed payments and owner automobile expenses	**$67,600**
Owner discretionary and non-recurring expenses	**$42,759**
Property-entity costs recorded in the operating company	**$19,116**
Affiliate facility rent eliminated in a bulk sale	**$95,380**
Loan interest	**$8,067**
Less: normalized property tax and property insurance	**($19,500)**
Adjusted owner cash flow, calendar year 2025	**$331,207**

Presented before on-site management compensation. A buyer who does not intend to owner-operate should underwrite a director's salary.

Three-Year Summary

2023

Total revenue	**$789,426**
Adjusted cash flow	**$310,631**
Cash flow margin	**39.3%**

2024

Total revenue	**$853,447**
Adjusted cash flow	**$320,068**
Cash flow margin	**37.5%**

2025

Total revenue	**$740,032**
Adjusted cash flow	**$331,207**
Cash flow margin	**44.8%**

Figures are normalized by Child Care Insite from seller-prepared statements. They are unaudited and subject to buyer verification.

Licensing Overview

California Department of Social Services

Facility name	**Stockton Montessori School**
Facility number	**393621606**
Facility type	**Day Care Center**
Total capacity	**119**
License effective	**March 5, 2017**
Status	**Licensed**
Regional office	**Sacramento South**

Licensed Scope

Licensed to serve children from age two years to entry into first grade. Also licensed to add a toddler component with a capacity of 24 toddlers between 18 and 36 months. The rear play yard is designated off limits under the current license. The school also maintains a separate annual California Department of Education heritage school registration for qualifying enrichment programs serving older children.

Licenses do not transfer

A California child care license is issued to the licensee, not to the property. A buyer must obtain its own license from the Department of Social Services. Child Care Insite coordinates the licensing application so that it runs in parallel with escrow rather than after it.

Full record available in diligence

Complete licensing history, facility evaluation reports, inspection findings, and any complaint records are provided to qualified buyers in the confidential due diligence package.

Rear yard represents upside

The rear play yard is currently restricted. Subject to Community Care Licensing and City approval, the currently unused rear yard could support additional outdoor use or a separate program or age group.

SECTION EIGHT

Market Overview

325,535
Stockton population, 2026 estimate

816,108
San Joaquin County population, 2024

4.7%
County population growth since 2020

$79,907
Median household income, Stockton

$440,900
Median home value, Stockton

30,387
Daily traffic count, West Lane

Sources: U.S. Census Bureau; San Joaquin County Economic Development; Realtors Property Resource 2025 traffic estimates.

Location

The school occupies an interior parcel in a stable north Stockton residential district, one block from West Lane and within a half mile of East Hammer Lane. The surrounding corridors include established neighborhood retail, grocery, medical, and service uses, including Costco and Kaiser Permanente facilities within approximately one-half mile.

Employment Base

Kaiser Permanente and Costco provide prominent employment anchors within approximately one-half mile of the school. San Joaquin County is the geographic center of the Northern California megaregion and one of the state's fastest growing logistics markets. Amazon is the county's largest private employer, with additional major operations from Tesla in Lathrop and FedEx in Tracy. The Port of Stockton, San Joaquin County government, Stockton Unified School District, University of the Pacific, and San Joaquin Delta College anchor public and institutional employment.

Access and Commuting

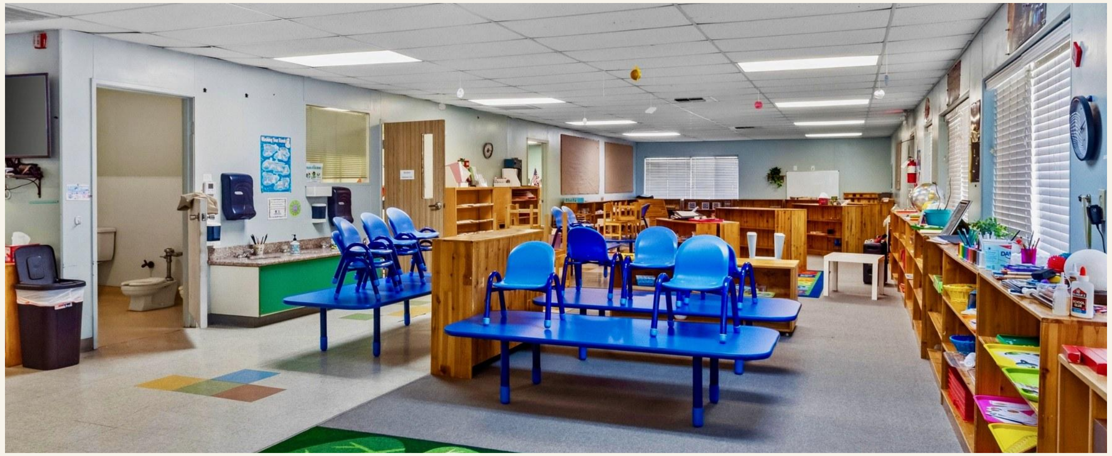
Interstate 5, State Route 99, and Interstate 205 connect the county to Sacramento and the Bay Area, and ACE commuter rail serves Bay Area employment centers. Long commute patterns support demand for full-day, extended-hour early education.

Demand Profile

A median age of 33.9 years and a median household income near $80,000 support sustained demand for full-day licensed care. Montessori instruction and multilingual programming differentiate the school within the local supply of conventional day care.

Property Photography | Interiors

Reception and family entry



Primary classroom with prepared Montessori environment

Toddler classroom

Large multipurpose classroom

Commercial kitchen

Property Photography | Outdoor and Exterior

Primary play yard with 2024 play structure and safety surfacing

Secured toddler yard with turf and shade

Synthetic turf field and activity court

Building frontage and drop-off circulation

Gated site access and on-site parking

SECTION TEN

Why This Opportunity

Control of both halves

The buyer owns the operating business and the real estate. No landlord risk, no renewal exposure, and the full benefit of long-term appreciation.

Proven, growing cash flow

Adjusted owner cash flow has increased in each of the last three years and has averaged approximately 40 percent of revenue.

Capital already deployed

Approximately $351,729 was invested in HVAC and playground improvements in 2024, reducing near-term capital requirements.

Room to grow

Licensed capacity of 119 provides meaningful headroom, while the currently unused rear yard offers potential for additional outdoor use or a separate program, subject to regulatory approval.

Financeable structure

A bulk sale of business and real estate to an owner-user is well suited to SBA 7(a) and SBA 504 financing.

Genuine differentiation

Montessori method with daily Spanish and weekly Mandarin instruction separates the school from conventional day care competitors.

Acquisition Process

1. **Inquiry**
   Contact Child Care Insite to express interest and receive the confidentiality agreement.

2. **Confidentiality Agreement**
   Execute and return the agreement. No contact is made with the school, staff, or families.

3. **Offering Memorandum**
   Receive and review Offering Memorandum.

4. **Financial Qualification**
   Submit proof of funds or a lender prequalification letter.

5. **Confidential Package**
   Receive financial statements, tax returns, payroll, and enrollment detail.

6. **Letter of Intent**
   Submit a letter of intent covering price, terms, contingencies, and timing.

7. **Purchase Agreement**
   Negotiate and execute the purchase agreement and open escrow.

8. **Due Diligence**
   Complete financial, operational, licensing, and property investigations.

9. **Closing**
   Obtain the new license, satisfy lender conditions, and close the transaction.

CHILD CARE INSITE

COMMERCIAL REAL ESTATE ADVISORS

REQUEST THE CONFIDENTIAL FINANCIAL PACKAGE

Speak with the listing broker

Financial statements, tax returns, payroll records, and enrollment reports are released to buyers who have executed a confidentiality agreement and provided proof of funds or lender prequalification.

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