

Teach Las Vegas - Phase 2

4660 N Rancho Dr
Las Vegas NV, 89130



Project Costs ¹	
Purchase Price	\$0
Broker Fee	\$0
Capital Credit	\$0
TI Allowance	\$0
Hard Costs	\$1,242,000
Soft Costs	\$500,000
Contingencies	\$300,000
Development Fee	\$102,100
Transaction Costs	\$20,000
Capitalized Interest	\$42,984
Lender Fee	\$14,440
Total Project Costs	\$2,221,524

Lease Assumptions					
Lease Year	Start	Mo. Rent	Abatements	Base Rent Rate ²	Effective Rent Rate ³
Year 1	8/1/2023	\$15,736	3 months	8.50%	6.38%
Year 2	8/1/2024	\$16,208	2 months	8.50%	7.30%
Year 3	8/1/2025	\$16,694	1 months	8.50%	8.27%
Year 4	8/1/2026	\$17,195	0 months	8.50%	9.29%
Year 5	8/1/2027	\$17,711	0 months	8.50%	9.57%
Abatement Schedule					
Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
8/1/2023	8/1/2024	8/1/2025			
9/1/2023	9/1/2024				
10/1/2023					
Terminal Annual Rent Escalation Start				8/1/2024	3.00%
Monthly Rent During Construction					\$0

Academic Year	Start End	7/1/2023 6/30/2024	7/1/2024 6/30/2025	7/1/2025 6/30/2026	7/1/2026 6/30/2027	7/1/2027 6/30/2028	7/1/2028 6/30/2029	7/1/2029 6/30/2030	7/1/2030 6/30/2031	7/1/2031 6/30/2032	7/1/2032 6/30/2033
Existing Net Rent - Phase 1		\$589,351	\$662,216	\$682,083	\$702,545	\$723,622	\$745,330	\$767,690	\$790,721	\$814,443	\$838,876
Total Base Rent - Phase 2		\$173,094	\$194,022	\$199,843	\$205,838	\$212,013	\$218,374	\$224,925	\$231,673	\$238,623	\$245,782
Total Abated Rent - Phase 2		(\$47,207)	(\$32,416)	(\$16,694)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Net Rent		\$715,238	\$823,823	\$865,232	\$908,384	\$935,635	\$963,704	\$992,615	\$1,022,394	\$1,053,066	\$1,084,658
Enrollment		550	550	550	550	550	550	550	550	550	550
Net Rent Per Student		\$1,300	\$1,498	\$1,573	\$1,652	\$1,701	\$1,752	\$1,805	\$1,859	\$1,915	\$1,972
Projected Gross Revenue ⁴		\$5,441,781	\$5,605,035	\$5,773,186	\$5,946,381	\$6,124,773	\$6,308,516	\$6,497,771	\$6,692,705	\$6,893,486	\$7,100,290
Rent as % of PGR		13.1%	14.7%	15.0%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%
Gross Revenue Per Student	3.00%	\$9,894	\$10,191	\$10,497	\$10,812	\$11,136	\$11,470	\$11,814	\$12,169	\$12,534	\$12,910
Purchase Option Date ⁵					8/1/2026	8/1/2027	8/1/2028	8/1/2029			
Purchase Option Price⁶					\$11,545,466	\$11,917,346	\$12,305,344	\$12,703,069			

¹ Project costs reflect the ROM development budget dated 10/12/2022

² Base Rent Rate is annual rent before rent escalation and abatements as a % of total project costs

³ Effective Rent Rate is annual rent after rent escalation and abatements as a % of total project costs

⁴ Projected Gross Revenue reflects the school budget dated 7/6/2022

⁵ Purchase option is executable anytime between the first day of the 37th lease month and last day of the 72nd lease month

⁶ The purchase option price is the amount which produces an 11.5% unlevered return to Red Hook