

**Teach Las Vegas - Phase 2**

4660 N Rancho Dr  
Las Vegas NV, 89130



Project Costs <sup>1</sup>	
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	\$50,000
Capitalized Interest	\$0
Lender Fee	\$14,355
<b>Total Project Costs</b>	<b>\$2,208,455</b>

Lease Assumptions					
Lease Year	Start	Mo. Rent	Abatements	Base Rent Rate <sup>2</sup>	Effective Rent Rate <sup>3</sup>
Year 1	8/1/2024	\$15,643	0 months	8.50%	8.50%
Year 2	8/1/2025	\$16,113	0 months	8.50%	8.76%
Year 3	8/1/2026	\$16,596	0 months	8.50%	9.02%
Year 4	8/1/2027	\$17,094	0 months	8.50%	9.29%
Year 5	8/1/2028	\$17,607	0 months	8.50%	9.57%
Abatement Schedule					
Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Terminal Annual Rent Escalation Start				8/1/2025	3.00%
Monthly Rent During Construction					\$0

Academic Year	Start End	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	7/1/2033 6/30/2034
Existing Net Rent - Phase 1		\$662,216	\$682,083	\$702,545	\$723,622	\$745,330	\$767,690	\$790,721	\$814,443	\$838,876	\$864,042
Total Base Rent - Phase 2		\$172,075	\$192,881	\$198,667	\$204,627	\$210,766	\$217,089	\$223,602	\$230,310	\$237,219	\$244,336
Total Abated Rent - Phase 2		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Net Rent</b>		<b>\$834,292</b>	<b>\$874,964</b>	<b>\$901,213</b>	<b>\$928,249</b>	<b>\$956,097</b>	<b>\$984,780</b>	<b>\$1,014,323</b>	<b>\$1,044,753</b>	<b>\$1,076,095</b>	<b>\$1,108,378</b>
Enrollment		550	550	550	550	550	550	550	550	550	550
Net Rent Per Student		\$1,517	\$1,591	\$1,639	\$1,688	\$1,738	\$1,791	\$1,844	\$1,900	\$1,957	\$2,015
Projected Gross Revenue <sup>4</sup>		<b>\$5,331,217</b>	<b>\$5,491,153</b>	<b>\$5,655,888</b>	<b>\$5,825,565</b>	<b>\$6,000,331</b>	<b>\$6,180,341</b>	<b>\$6,365,752</b>	<b>\$6,556,724</b>	<b>\$6,753,426</b>	<b>\$6,956,029</b>
Rent as % of PGR		15.6%	15.9%	15.9%	15.9%	15.9%	15.9%	15.9%	15.9%	15.9%	15.9%
Gross Revenue Per Student	3.00%	\$9,693	\$9,984	\$10,283	\$10,592	\$10,910	\$11,237	\$11,574	\$11,921	\$12,279	\$12,647
Purchase Option Date <sup>5</sup>			8/1/2025	8/1/2026	8/1/2027	8/1/2028					
Phase 1 Purchase Option Price <sup>6</sup>			\$8,640,355	\$8,907,903	\$9,183,168	\$9,469,139					
Phase 2 Purchase Option Price			\$2,342,851	\$2,419,286	\$2,498,355	\$2,580,971					
<b>Total Purchase Option Price</b>			<b>\$10,983,206</b>	<b>\$11,327,189</b>	<b>\$11,681,523</b>	<b>\$12,050,110</b>					

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

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

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

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

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

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