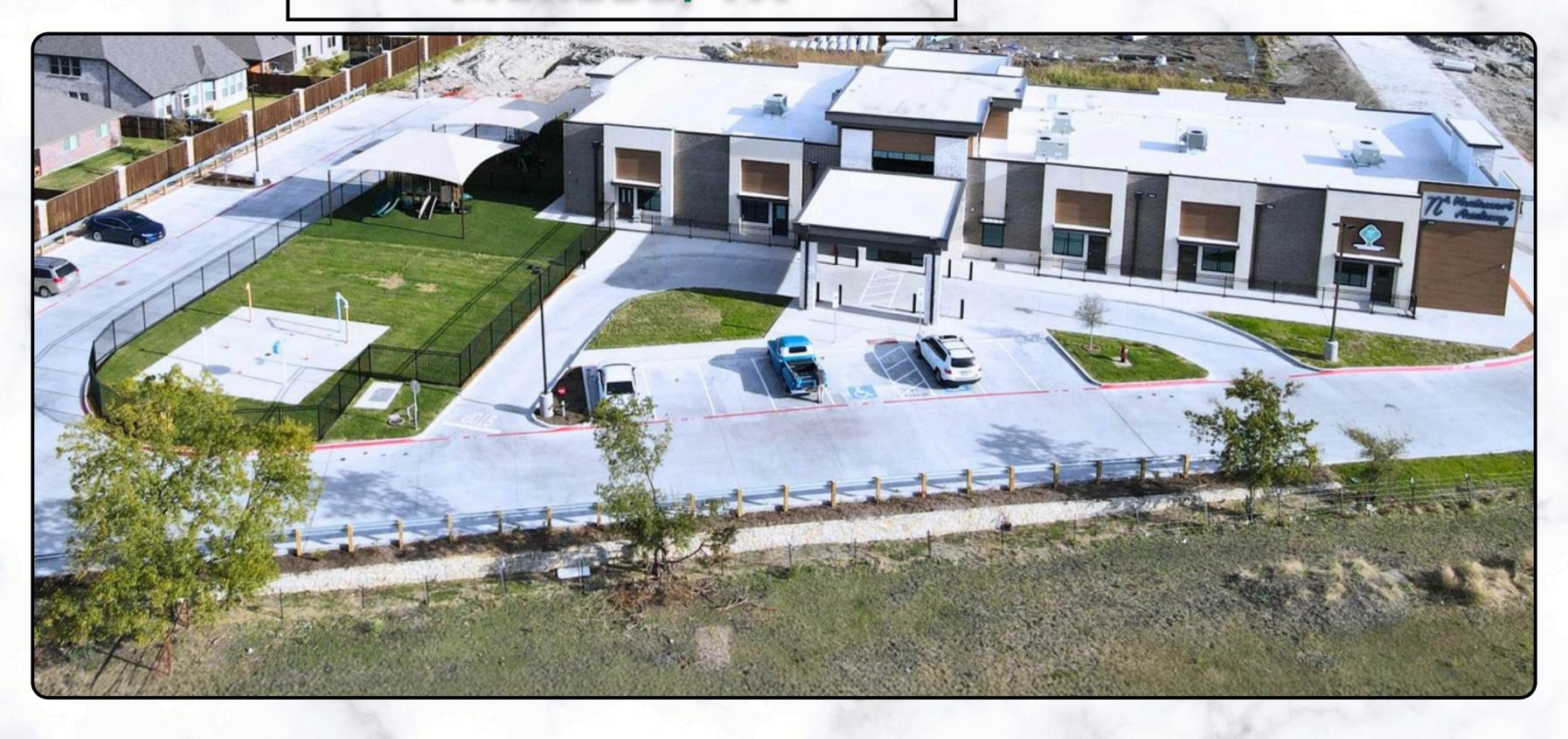
Montessori Academy Melissa, TX





LEASE ABSTRACT

OFFERING SUMMARY





| rice | \$6,210,000 |
|----------------------|--------------------------|
| Cap Rate | 7.10% |
| let Operating Income | \$441,117 |
| ear Built | 2023 |
| Fross Leasable Area | 11,113 SF |
| ot Size | 1.50 Acres |
| EASE SUMMARY | |
| ease Term | 15 Years |
| ease Commencement | 9/17/2023 |
| ease Expiration | 9/30/2038 |
| lemaining Term | 13.5 Years |
| ease Type | NNN |
| loof & Structure | Tenant |
| ncreases | 2% Annualy From Oct 2028 |

| ANNUALIZED OPERATING DATA | | | | | | | |
|--|--------------|-----------|----------|--|--|--|--|
| Year(s) | Commencement | Annual | Increase | | | | |
| 1-5 | 09/17/2023 | \$441,117 | - | | | | |
| 6 | 10/01/2028 | \$449,940 | 2.00% | | | | |
| 7 | 10/01/2029 | \$458,939 | 2.00% | | | | |
| 8 | 10/01/2030 | \$468,117 | 2.00% | | | | |
| 9 | 10/01/2031 | \$477,471 | 2.00% | | | | |
| 10 | 10/01/2032 | \$487,029 | 2.00% | | | | |
| 11 | 10/01/2033 | \$496,769 | 2.00% | | | | |
| 12 | 10/01/2034 | \$506,705 | 2.00% | | | | |
| 13 | 10/1/2035 | \$516,839 | 2.00% | | | | |
| 14 | 10/1/2036 | \$527,176 | 2.00% | | | | |
| 15 | 10/01/2037 | \$537,719 | 2.00% | | | | |
| Option1: 16-20 | 10/01/2038 | \$548,472 | 2.00% | | | | |
| Option 2: 21-25 | 10/01/2043 | \$582,048 | 2.00% | | | | |
| CURRENT NET ORERATING INCOME \$441.117 | | | | | | | |



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RENT SCHEDULE

| Calendar Yr | Year 2023 | Year 2024 | Year 2025 | Year 2026 | Year 2027 | Year 2028 | Year 2029 | Year 2030 | Year 2031 | Year 2032 | Year 2033 | Year 2034 | Year 2035 | Year 2036 | Year 2037 | Year 2038 |
|--------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Year | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 | Year 16 |
| Rent Total | \$92,492 | \$441,117 | \$441,117 | \$441,117 | \$441,117 | \$443,323 | \$452,189 | \$461,233 | \$470,457 | \$479,867 | \$489,464 | \$499,253 | \$509,238 | \$519,423 | \$529,812 | \$403,289 |
| % Rent Increase | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% |
| January | | \$36,760 | \$36,760 | \$36,760 | \$36,760 | \$36,760 | \$37,495 | \$38,245 | \$39,010 | \$39,790 | \$40,586 | \$41,397 | \$42,225 | \$43,070 | \$43,931 | \$44,810 |
| February | | \$36,760 | \$36,760 | \$36,760 | \$36,760 | \$36,760 | \$37,495 | \$38,245 | \$39,010 | \$39,790 | \$40,586 | \$41,397 | \$42,225 | \$43,070 | \$43,931 | \$44,810 |
| March | | \$36,760 | \$36,760 | \$36,760 | \$36,760 | \$36,760 | \$37,495 | \$38,245 | \$39,010 | \$39,790 | \$40,586 | \$41,397 | \$42,225 | \$43,070 | \$43,931 | \$44,810 |
| April | | \$36,760 | \$36,760 | \$36,760 | \$36,760 | \$36,760 | \$37,495 | \$38,245 | \$39,010 | \$39,790 | \$40,586 | \$41,397 | \$42,225 | \$43,070 | \$43,931 | \$44,810 |
| May | | \$36,760 | \$36,760 | \$36,760 | \$36,760 | \$36,760 | \$37,495 | \$38,245 | \$39,010 | \$39,790 | \$40,586 | \$41,397 | \$42,225 | \$43,070 | \$43,931 | \$44,810 |
| June | | \$36,760 | \$36,760 | \$36,760 | \$36,760 | \$36,760 | \$37,495 | \$38,245 | \$39,010 | \$39,790 | \$40,586 | \$41,397 | \$42,225 | \$43,070 | \$43,931 | \$44,810 |
| July | | \$36,760 | \$36,760 | \$36,760 | \$36,760 | \$36,760 | \$37,495 | \$38,245 | \$39,010 | \$39,790 | \$40,586 | \$41,397 | \$42,225 | \$43,070 | \$43,931 | \$44,810 |
| August | | \$36,760 | \$36,760 | \$36,760 | \$36,760 | \$36,760 | \$37,495 | \$38,245 | \$39,010 | \$39,790 | \$40,586 | \$41,397 | \$42,225 | \$43,070 | \$43,931 | \$44,810 |
| September | | \$36,760 | \$36,760 | \$36,760 | \$36,760 | \$36,760 | \$37,495 | \$38,245 | \$39,010 | \$39,790 | \$40,586 | \$41,397 | \$42,225 | \$43,070 | \$43,931 | \$44,810 |
| October | \$18,973 | \$36,760 | \$36,760 | \$36,760 | \$36,760 | \$37,495 | \$38,245 | \$39,010 | \$39,790 | \$40,586 | \$41,397 | \$42,225 | \$43,070 | \$43,931 | \$44,810 | |
| November | \$36,760 | \$36,760 | \$36,760 | \$36,760 | \$36,760 | \$37,495 | \$38,245 | \$39,010 | \$39,790 | \$40,586 | \$41,397 | \$42,225 | \$43,070 | \$43,931 | \$44,810 | |
| December | \$36,760 | \$36,760 | \$36,760 | \$36,760 | \$36,760 | \$37,495 | \$38,245 | \$39,010 | \$39,790 | \$40,586 | \$41,397 | \$42,225 | \$43,070 | \$43,931 | \$44,810 | |

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FINANCIAL SUMMARY

| Financial Summary | | | | | | | | | | | |
|---|--------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Year | Yr 3 | Yr 6 | Yr 7 | Yr 8 | Yr 9 | Yr 10 | Yr 11 | Yr 12 | Yr 13 | Yr 14 | Yr 15 |
| Tear | 2025 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 |
| Rent Income | \$441,117 | \$443,323 | \$452,189 | \$461,233 | \$470,457 | \$479,867 | \$489,464 | \$499,253 | \$509,238 | \$519,423 | \$529,812 |
| Real Estate Taxes - Reimbursements | \$77,737 | \$89,398 | \$93,867 | \$98,561 | \$103,489 | \$108,663 | \$114,096 | \$119,801 | \$125,791 | \$132,081 | \$138,685 |
| Insurance - Reimbursements - Paid by Tenant | \$35,525 | \$40,854 | \$42,896 | \$45,041 | \$47,293 | \$49,658 | \$52,141 | \$54,748 | \$57,485 | \$60,360 | \$63,378 |
| Common Area Maintenance - Est. Paid by Tenant | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 |
| Gross Revenue | \$564,379 | \$583,574 | \$598,953 | \$614,835 | \$631,239 | \$648,188 | \$665,701 | \$683,802 | \$702,515 | \$721,863 | \$741,875 |
| Total NNN Exp | \$123,262 | \$140,251 | \$146,764 | \$153,602 | \$160,782 | \$168,321 | \$176,237 | \$184,549 | \$193,277 | \$202,440 | \$212,063 |
| Net Operating Income (NOI) | \$441,117 | \$443,323 | \$452,189 | \$461,233 | \$470,457 | \$479,867 | \$489,464 | \$499,253 | \$509,238 | \$519,423 | \$529,812 |
| | | | Estima | ated Cash Fl | ow | | | | | | |
| Cap Rate | 7.10% | 7.14% | 7.28% | 7.43% | 7.58% | 7.73% | 7.88% | 8.04% | 8.20% | 8.36% | 8.53% |
| Purchase Price | \$6,209,942 | \$6,209,942 | \$6,209,942 | \$6,209,942 | \$6,209,942 | \$6,209,942 | \$6,209,942 | \$6,209,942 | \$6,209,942 | \$6,209,942 | \$6,209,942 |
| Est. Loan Amount - 65% LTV | -\$4,095,930 | | | | | | | | | | |
| Est. Equity Required - 35% | \$2,114,012 | \$2,114,012 | \$2,114,012 | \$2,114,012 | \$2,114,012 | \$2,114,012 | \$2,114,012 | \$2,114,012 | \$2,114,012 | \$2,114,012 | \$2,114,012 |
| Est. Interest Rate | 5.61% | | | | | | | | | | |
| Amortization Period (months) | 300 | | | | | | | | | | |
| Est. Mortgage Amount | \$305,068 | \$305,068 | \$305,068 | \$305,068 | \$305,068 | \$305,068 | \$305,068 | \$305,068 | \$305,068 | \$305,068 | \$305,068 |
| Est. Cash Flow after Mortgage | \$136,049 | \$138,255 | \$147,121 | \$156,165 | \$165,389 | \$174,799 | \$184,396 | \$194,185 | \$204,170 | \$214,355 | \$224,744 |
| Return on Investment (ROI) | 6.4% | 6.5% | 7.0% | 7.4% | 7.8% | 8.3% | 8.7% | 9.2% | 9.7% | 10.1% | 10.6% |

INVESTMENT HIGHLIGHTS

New Long-Term Lease

• The new 15-year lease commenced on October 16, 2023, allowing investors the opportunity to capitalize on nearly the entire lease term. Featuring attractive 2% rent increases from year six (6) and minimal landlord responsibilities, the property provides ownership with a long-term, passive investment with built-in inflation hedges.

Neighborhoods

• Our first stop is Liberty By Hillwood Communities. Builders include Bloomfield Homes, Highland Homes, First Texas Homes, Perry Homes, and M/I Homes. This is the perfect place for a family with easy access to the Sam Rayburn Highway and just across from the City Park.

Milrany Ranch

• Milrany Ranch is another master-planned community here in Melissa. The draw of this neighborhood? It has plenty of green spaces for outdoor lovers. You are also right next door to Lavon Lake where you can spend a day on the water. Homes here are built exclusively by Union Main Homes and K Hovnanian Homes at start at the low \$400,000s. Residents here also won't have to worry about the dreaded MUD tax of other communities, so if saving a little extra money seems like a good deal to you, then you're in the right place.

Welker Properties Places \$95mm On Melissa, TX BTR

- In July, 2023, Welker Properties, a vertically integrated multifamily development company, announced a \$95mm development in Melissa, TX. The project, named "Wolf Creek Farms Melissa Buildto-Rent (BTR)", will bring 343 SFR units online in the market. The 32 acre site will see construction start in Fall 2023 with completion expected by the end of 2025.
- Featuring amenities such as private yards, a resort-style pool, dog park, fitness center, resident lounge, open courtyards, and built-in Wi-Fi across both common areas and individual units, the luxury development hopes to capitalize upon the expansion of The Metroplex's urban sprawl.

Meadow Run

• The last neighborhood on our list is Meadow Run. You'll find homes here starting at the high \$400,000s. This neighborhood is perfect for growing families, first time buyers or even empty nesters. All of the amenities make this quiet neighborhood one worth calling home and with Melissa High School right across the street, you won't have to worry about the long commutes to take the kids to school before work.

LOCATION HIGHLIGHTS

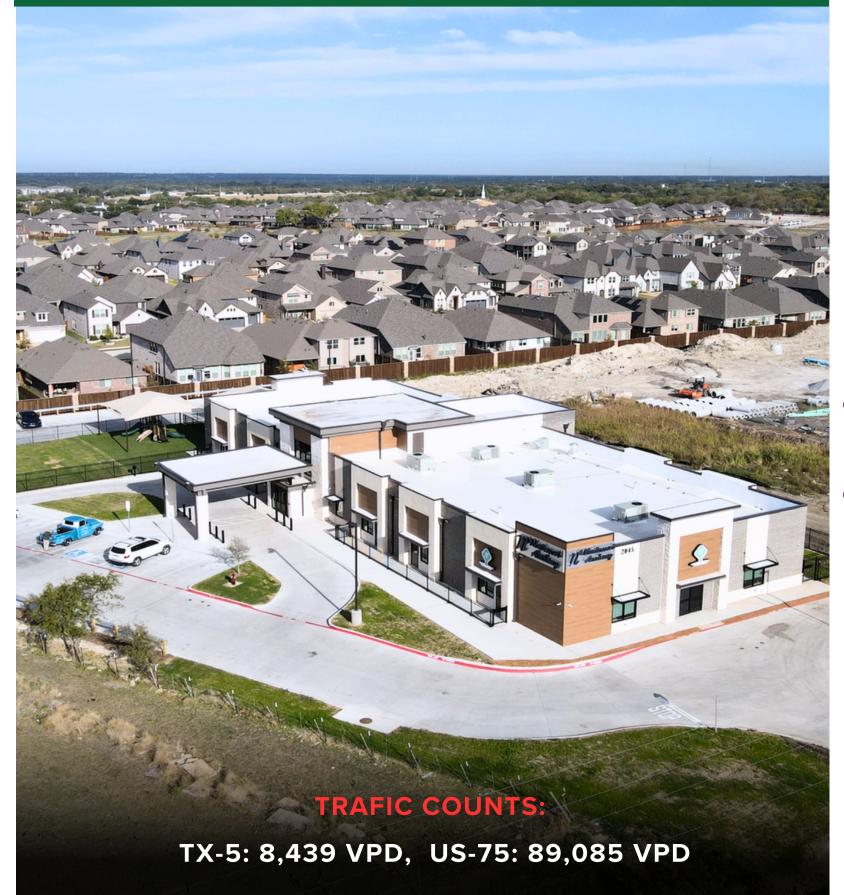
- Across the street from a planned Walmart Supercenter connected to Legacy Ranch residential development.
- 17.6% growth rate in Melissa; from 8,000 population in 2015 to 25,201 in 2023

Jobs and Economy

- In 2022, Melissa, TX had a population of 15,200 people with a median age of 35.3 and a median household income of \$138,465. Between 2021 and 2022 the population of Melissa, TX grew from 13, 671 to 15,244, a 11.5% increase and its median household income grew from \$127, 391 to \$138, 465, a 8.69% increase.
- The economy of Melissa, TX employs 7.48k people. The largest industries in Melissa, TX are Professional, Scientific, & Technical Services (1,022 people)
- In 2022, the median property value in Melissa, TX was \$371, 800, and the homeownership rate was 89.9%.

| DEMOGRAPHICS: | 1 MILE | 3 MILE | 5 MILE |
|----------------------------|-----------|-----------|-----------|
| 2029 POPULATION PROJECTION | 4,996 | 41,606 | 72,923 |
| 2024 POPULATION | 3,985 | 32,934 | 58,035 |
| 2024 HOUSEHOLDS | 1,246 | 10,443 | 18,446 |
| AVG HH INCOME | \$132,688 | \$141,512 | \$128,541 |

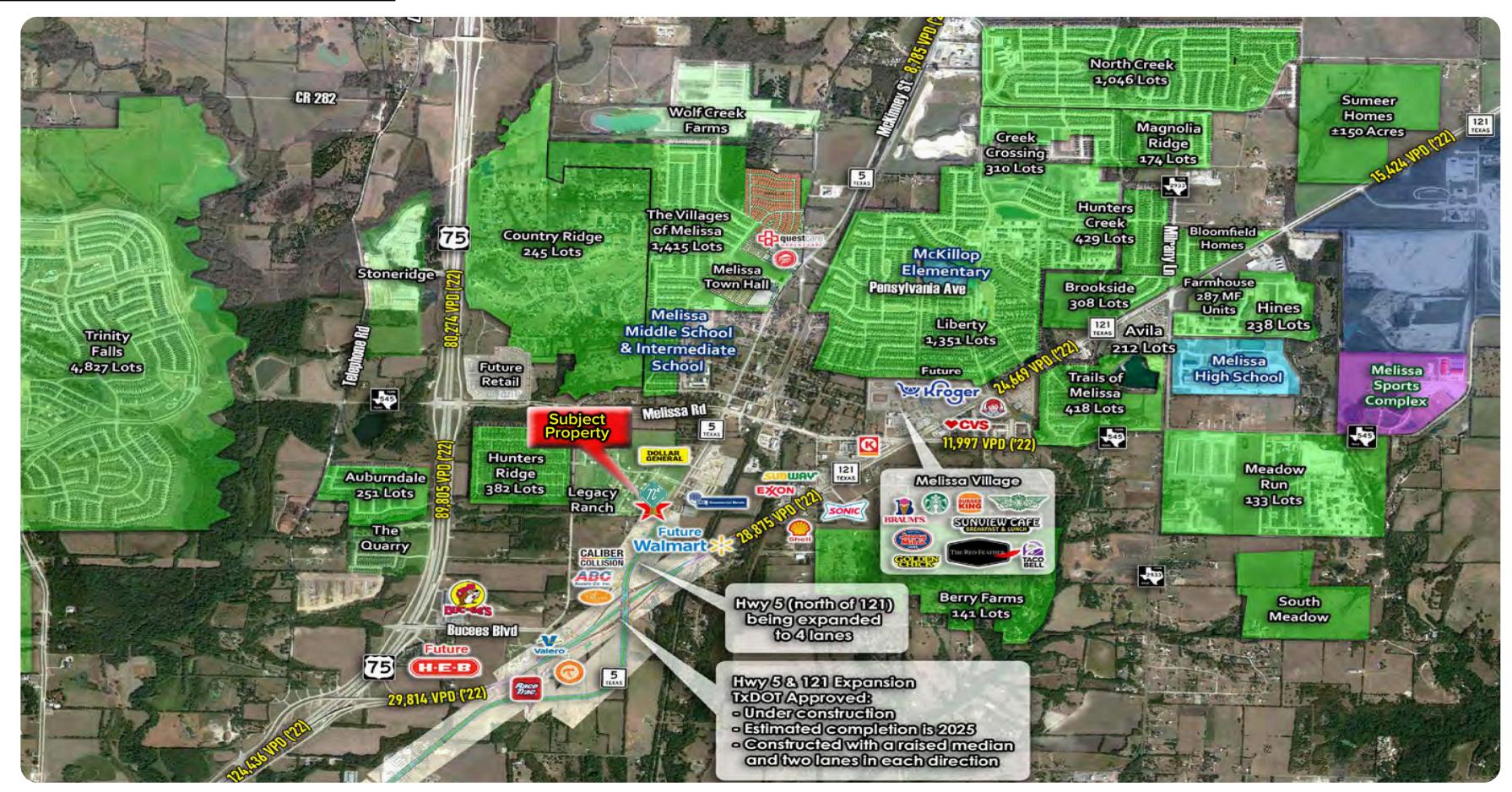
Melissa Montessori

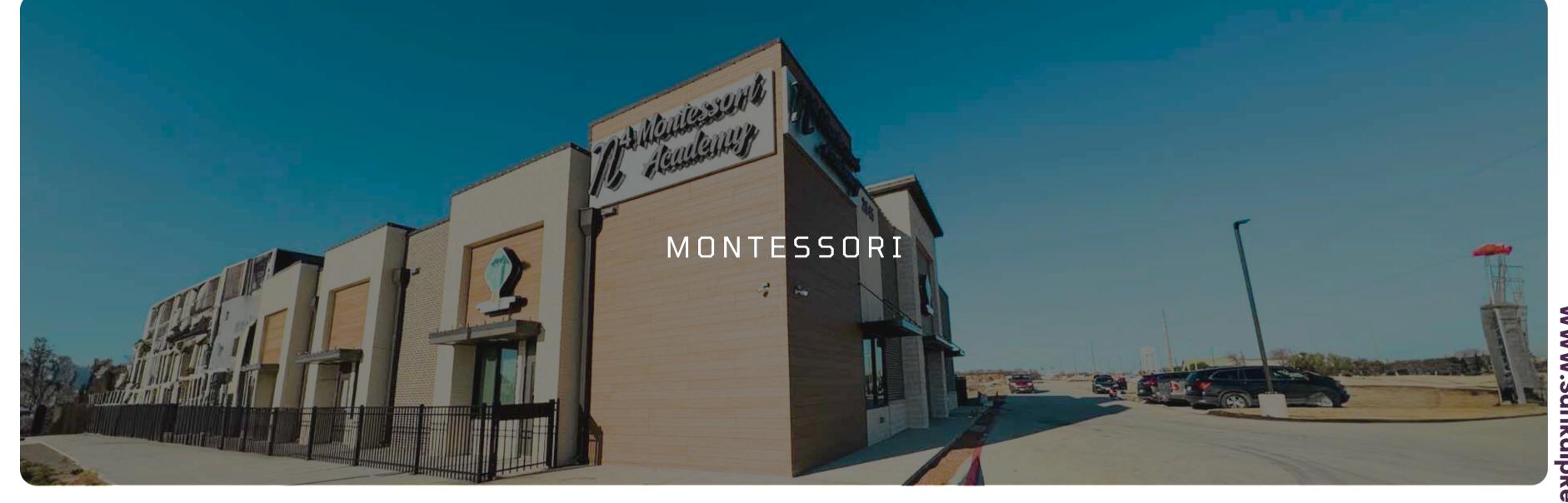


NEARBY HIGHLIGHTS



LOCATION MAP





CONTACT INFO

Mukesh Parna

Principal Broker

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Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

TYPES OF REAL ESTATE LICENSE HOLDERS:

- A BROKER is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- A SALES AGENT must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - o that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - o any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

| Sankalp Realty LLC Licensed Broker /Broker Firm Name or Primary Assumed Business Name | 9010037 License No. | MP@SankalpRealty.US Email | (972) 897-2002 Phone |
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| Mukesh Parna Licensed Supervisor of Sales Agent/ Associate | | MP@SankalpRealty.US Email | (972) 897-2002 Phone |
| Mukesh Parna Sales Agent/Associate's Name | | MP@SankalpRealty.US Email | (972) 897-2002 Phone |
| Buyer/ | Tenant/Seller/Landlord | Initials Date | |