CAPITAL ADVISORS
& ASSOCIATES

PHASE 1 EQUITY INVESTMENT

# Reserva Del Sol

# $1.6M

Phase 1 raise in the 55% LP pool

Land owned. Revised 65-lot layout.
Note payoff, engineering and entitlements.



4 Mile & Conway Avenue
Mission area, Hidalgo County, Texas

Concept rendering predates the revised 65-lot layout.

# Phase 1 investment overview

Phase 1 investors join the existing 55% LP pool.

| Investment | Phase 1 proposal |
| --- | --- |
| Capital raise | $1,600,000 |
| Land position | The sponsor already owns the land |
| Investor participation | Pro rata participation within the 55% LP pool |
| Use of proceeds | Pay off the existing note and advance engineering and entitlements |
| Development program | 65 planned residential lots and 4 commercial sites |

Revised cumulative LP ROI: 41.36% base / 46.66% appraisal case / 52.09% target over a targeted 24 months.

# Project program

## 18.09 acres

4 Mile & Conway Avenue

**65**

### Planned residential lots

13.69 acres
Finished-lot sales strategy

**4**

### Planned commercial sites

4.40 acres
600+ feet of Conway frontage

Revised lot count and acreage allocations remain subject to final engineering and governmental approvals.

# Revised layout improves project economics

Two additional lots and $250,000 less construction cost.

| Model comparison | Previous layout | Revised layout |
|---|---|---|
| Residential lot count | 63 | **65** |
| Modeled project cost | $4,284,420 | **$4,034,420** |
| Modeled LP capital | $4,300,000 | **$4,050,000** |
| Target project profit | $3,429,580 | **$3,835,580** |
| Target cumulative LP ROI | 43.87% | **52.09%** |

Assumes unchanged sales prices and other costs, with the $250,000 saving reducing required LP equity. Returns are cumulative over a targeted 24 months.

# Use of Phase 1 proceeds

## $1,600,000

Total equity capital sought

| Use | Purpose |
| --- | --- |
| Existing note payoff | Retire the existing note associated with the project |
| Engineering and entitlements | Fund engineering work and advance the project through entitlement |

Final dollar allocations will follow the lender payoff statement and the approved engineering and entitlement budget.

# Phase 1 execution plan

| | | |
|---|---|---|
| 01 | **Note payoff** | Obtain the current payoff amount and complete repayment. |
| 02 | **Engineering** | Advance civil design and coordinate the technical work required for the project. |
| 03 | **Entitlements** | Prepare and pursue the applications and approvals needed for development. |
| 04 | **Construction preparation** | Refine the development budget and establish the next funding plan. |

Planned sequence. Approval requirements and timing depend on engineering and agency review.

# Equity participation

## Phase 1 retains the 55% LP pool participation structure.

| Term | Phase 1 participation |
| --- | --- |
| Current capital raise | $1.6 million within the modeled $4.05 million LP pool |
| Profit allocation | 55% to the LP pool / 45% to Capital Advisors |
| Investor allocation | Pro rata within the LP pool based on capital contributed |
| Distribution priority | Return contributed LP capital first, then split profit |
| Target return and horizon | 41.36% - 52.09% cumulative ROI / 24-month target |

Distributions depend on available cash. Applicable Fund or SPV terms, fees and deductions govern investor outcomes.

# Phase 1 within the LP capital stack

| Modeled LP capital | Amount | Share of LP pool |
|---|---|---|
| Phase 1 raise | $1,600,000 | 39.51% |
| Other LP capital in the model | $2,450,000 | 60.49% |
| Total modeled LP capital | $4,050,000 | 100.00% |

## 55% LP profit pool

## 45% Capital Advisors

Each LP participates pro rata based on its contribution to the full LP capital pool.

Assumes savings reduce required equity by $250,000, retaining the existing $15,580 funding cushion.

# Residential sales assumptions

## 65 planned lots

| Residential pricing | Base assumption | Higher-price case |
|---|---|---|
| Price per finished lot | $72,000 | $78,000 |
| Projected gross lot sales | $4,680,000 | $5,070,000 |

Finished-lot sales only. Homebuilding revenue is outside these figures.

Pricing assumptions are unchanged. The $78,000 per-lot benchmark is sponsor-reported and subject to review.

# Commercial frontage



Concept rendering. Final design and approvals may differ.

## 4 commercial sites

4.40 acres
600+ feet of Conway frontage

## $600,000 - $700,000

Prior base and target price per site

## $2.4M - $2.8M

Projected gross commercial sales

# Projected gross sellout

65 residential lots and four commercial sites at unchanged price assumptions.

| Gross sales | Base case | Higher residential | Target case |
|---|---|---|---|
| 65 residential lots | $4,680,000 | $5,070,000 | $5,070,000 |
| 4 commercial sites | $2,400,000 | $2,400,000 | $2,800,000 |
| Total gross sellout | $7,080,000 | $7,470,000 | $7,870,000 |

**Gross sales precede development costs, financing costs, fees and investor distributions.**

Investor ROI follows the revised project model and the 55% LP / 45% Capital Advisors profit allocation.

# Revised project economics

65 residential lots and $250,000 less construction cost.

| Project model | Base case | Appraisal case | Target case |
|---|---|---|---|
| Projected gross sellout | $7,080,000 | $7,470,000 | $7,870,000 |
| Modeled project cost | $4,034,420 | $4,034,420 | $4,034,420 |
| Modeled project profit | $3,045,580 | $3,435,580 | $3,835,580 |
| 55% LP profit allocation | $1,675,069 | $1,889,569 | $2,109,569 |
| Cumulative LP ROI | 41.36% | 46.66% | 52.09% |
| LP equity multiple | 1.41x | 1.47x | 1.52x |

**24-month target. ROI is cumulative, not annual.**

Illustrative, before additional fees, taxes and unmodeled costs. Capital and returns are not guaranteed.

# Phase 1 investor return illustration

## $1.6M invested within the 55% LP pool

| Phase 1 capital | Base case | Appraisal case | Target case |
|---|---|---|---|
| Equity invested | $1,600,000 | $1,600,000 | $1,600,000 |
| Projected investor profit | $661,756 | $746,496 | $833,410 |
| Total projected proceeds | $2,261,756 | $2,346,496 | $2,433,410 |
| Cumulative ROI | 41.36% | 46.66% | 52.09% |

**The Phase 1 tranche receives its pro rata share of the LP allocation.**

Proceeds include original capital. 24-month target. Rounded using unrounded ROI, before additional fees and taxes.

# Development roadmap

| Stage | Position | Objective |
|---|---|---|
| Land acquisition | Completed | Sponsor owns the tract |
| Phase 1 | Current $1.6M raise | Retire the note and advance engineering and entitlement |
| Horizontal development | Future phase | Deliver infrastructure and finished lots and sites |
| Lot and site sales | Future phase | Generate proceeds from residential and commercial sales |

Phase 1 and later LP capital form the same modeled capital stack, with the same pro rata return economics.

# Sponsor and project team

## Joshua Brown

Founder / CEO

## Gabriel Gonzalez

Chief Investment Officer

## Mario Varela

Head of Development

ENGINEERING RELATIONSHIPS

## Garza & Hernandez Engineering

Jacob Garza, P.E. / Rogelio Hernandez, P.E.

# Investment considerations

| | |
|---|---|
| **Equity terms** | Phase 1 participates in the 55% LP pool. Applicable documents govern fees, rights and distributions. |
| **Project approvals** | The revised 65-lot layout and cost savings depend on final engineering, approvals and actual construction costs. |
| **Future capital** | The model assumes the full LP capital stack funds. Delays or funding shortfalls can affect execution. |
| **Timing and outcomes** | Costs, sales prices and closing pace can change. Capital and returns are not guaranteed. |

# Reserva Del Sol

## $1.6M Phase 1 equity raise

Participation in the 55% LP pool.
Land owned. Note payoff and entitlements.

**Target: 52.09% cumulative ROI over 24 months**

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