CAPSTONE COURT

BUILD-TO-RENT COMMUNITY

ROYSE CITY, TX

149 UNITS



$6,525,000 EQUITY REQUEST

1909 Woodall Rogers Frwy. 3rd Floor, Dallas, Texas 75201 | 214-522-3300

www.RREAF.com

THIS CONFIDENTIAL EQUITY REQUEST (the "Equity Request") is being furnished to the recipient (the "Recipient") solely for the Recipient's own limited use in considering whether to provide all or a portion of the Class A Equity (the "Class A Equity") in Capstone Court BTR , LLC, a Delaware limited liability company (the "Issuer"). The Issuer will invest the net proceeds of the Class A Equity offering (the "Offering") in a new wholly-owned subsidiary, Capstone Court Royse City, LP , a Texas limited partnership (the "Subsidiary"), which will acquire approximately 15.96 acres of real property (the "Property") in Royse City, Texas to develop and construct thereon an 149-unit duplex/townhome rental community, as described in the following Equity Request materials. An investor in this Offering will not, upon investing in the Equity, own an interest in the Property or in the Subsidiary, but will only own an interest in the Class A Units issued by the Issuer under the Offering. Although not presently anticipated, the Issuer has the right to authorize one or more classes of priority equity ("Priority Equity") to constitute a portion, and potentially a substantial portion, of the equity in the Issuer, and, if issued, such Priority Equity would have priority rights to cash distributions over the Class A Equity and may have additional voting and control rights in the Company. The Investor is advised to read all of the investment materials, subscription documents, Issuer operating agreement, Subsidiary operating agreement (draft-only form provided for review with Offering materials) and related materials to fully inform themselves of the rights and potential risks associated with investing in the Class A Equity of the Issuer, and to engage appropriate investment advisers, counsel and accountants to assist in evaluation of such rights and potential risks.

RREAF Holdings LLC ("RREAF"), has prepared this confidential Equity Request, which contains brief, selected information pertaining to the business and development of the Property. This confidential information does not purport to be all-inclusive, nor does it purport to contain all the information a prospective investor in the Equity may desire. None of RREAF, the Issuer, the Subsidiary nor any of their respective members, managers, officers, employees or agents (the "Sponsor Parties") makes any representation or warranty, express or implied, as to the accuracy or completeness of this Equity Request or any of its contents, and no legal liability is assumed or shall be implied with respect thereto.

The Recipient agrees that (a) the Equity Request and its contents are Confidential Information, except for such information contained in the Equity Request that is a matter of public record, (b) the Recipient, the Recipient's representatives, advisors, employees, agents, and consultants (collectively, the "Recipient Parties") will hold and treat it in the strictest of confidence, and will not, directly or indirectly, disclose or permit anyone else to disclose its contents to any other person, firm, or entity without the prior written authorization of RREAF and the Issuer, and (c) it will not use or permit any of the Recipient Parties to use this Equity Request or its contents in any fashion or manner detrimental to the interest of the Sponsor Parties (or any one of the Sponsor Parties) or for any purpose other than for use in considering whether to invest in the Equity.

PHOTOCOPYING OR OTHER DUPLICATION OF ANY PORTION OF THIS EQUITY REQUEST IS STRICTLY PROHIBITED.

THE ISSUER EXPRESSLY RESERVES THE RIGHT, AT ITS SOLE DISCRETION, TO REJECT ANY OR ALL PROPOSALS OR EXPRESSIONS OF INTEREST IN THE EQUITY AND TO TERMINATE DISCUSSIONS WITH ANY PARTY, AT ANY TIME, WITH OR WITHOUT NOTICE. THIS CONFIDENTIAL EQUITY REQUEST SHALL NOT BE DEEMED TO BE A REPRESENTATION OF THE STATE OF AFFAIRS OF ISSUER, THE SUBSIDIARY, OR THE PROPERTY OR CONSTITUTE AN INDICATION THAT THERE HAS BEEN NO CHANGE IN THE BUSINESS OR AFFAIRS OF THE PROPERTY SINCE THE DATE OF PREPARATION OF THIS EQUITY REQUEST.

TO THE EXTENT INFORMATION IN THIS EQUITY REQUEST SUBSTANTIVELY MATERIALLY CONFLICTS WITH INFORMATION PROVIDED IN THE OFFERING MEMORANDUM, THE OFFERING MEMORANDUM WILL CONTROL.

PRESENTED BY

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OPPORTUNITY OVERVIEW

EXECUTIVE SUMMARY

RREAF Holdings LLC (the "Sponsor") is pleased to present an equity investment opportunity in the development of Capstone Court, a **149 Unit Build-to-Rent (BTR)** residential community (the "Project"), located in **Royse City, TX** approximately 30 miles northeast of Downtown Dallas. The Sponsor is seeking **$6,525,000** in equity by way of offering Class A Units (the "Class A Equity") in C**apstone Court BTR, LLC**, a Delaware limited liability company (the "Company"), which will provide a portion of the equity capital required to fund the development of the Project.

The Sponsor is under contract to purchase **+/- 15.96 acres** (the "Property") for **$4,700,000** ($294,486 per acre) with an anticipated closing date of January 31st, 2024. With entitlements in place and much of the infrastructure already completed by the Seller of the Property, the Sponsor anticipates construction to begin shortly after closing. The construction of homes is anticipated to span **22 months** with the first homes delivered in month 18 or the end of July **2025** with the final units completed by December **2025**.

The Project is planned as a mix of one bedroom, two bedroom, and three bedroom floorplans in both duplex and townhome configurations across 50 two story buildings. The community will feature amenities such as a resort-style pool, clubhouse, dog park, and semi-private yards.

Highlights include a strategic location in Royse City with close proximity to Downtown Dallas and direct access to I-30, walking distance to neighborhood elementary schools, a diverse unit mix, and an array of amenities. Royse City's location in Rockwall County, one of the fastest growing counties in DFW Metroplex, presents an attractive opportunity for capital growth and returns.

Property Summary	Capstone Court - BTR Development
Address	1900 Erby Campbell Blvd
City	Royse City, TX
Developable Land (Acres)	15.96
Number of Units	149
Total Land (Acres)	15.96
Rentable Square Feet	226,475
Gross Square Feet	290,095
Density (Units/Acre)	9.33

Development Timeline	
Capital Closing Date	1/31/2024
Pre Construction Period	1 Months
Site work Construction Period	3 Months
Months to First Units Delivered	18 Months
Month Last Units Delivered	22 Months
Total Vertical Construction Period	19 Months
Months to Stabilization	36 Months
Projected Sale of Asset	48 Months

EXECUTIVE SUMMARY

In order to capitalize the **$43,500,000** construction cost for the project, the Sponsor is working to secure a construction loan of **$28,275,000** or **65%** Loan-To-Cost as well a Priority Equity investment of **$8,700,000** or up to **85%** Loan to-Cost. The balance of the capital required will be in the form of Class A Equity in the amount of **$6,525,000.**

The following economic hurdles apply to determine the returns to Class A Equity, after the payment of all debt, taxes, and operating expenses of the Project and those of the Issuer:

Net Cash derived from Subsidiary Operations:

- First, 100% to the Priority Units until an **8%** Current Pay has been received;
- Second, 100% to the Class A Units until an **8%** Current Pay has been received;
- The balance, 100% to the Class A Units.

Net Cash derived from Subsidiary Operation or Sale/Refinancings:

- First, 100% to the Priority Units until previously unpaid **8%** Current Pay has been received;
- Second, 100% to the Class A until previously unpaid **8%** Current Pay has been received;
- Third, to overrun loans or returns, if applicable;
- Fourth, 100% to the Priority Units until the initial Priority Equity investment has been returned;
- Fifth, 100% to the Class A Units until the initial Class A Equity investment has been returned;
- Sixth, 100% to the Priority Units until a **16%** IRR has been achieved;
- Seventh, 100% to the Class A Units until a **16%** IRR has been achieved;
- Eighth, **75%** to the Class A and **25%** to the Class B Units.

The Class A Equity investment is projected to yield a **21.79%** IRR, a **2.16x** Equity Multiple.

The Sources and Uses, Debt Assumptions, and Quarterly Draw Schedule are summarized below:

Capital Structure - Sources	LTC %	Amount
Senior Debt	65.0%	$28,275,000
Priority Equity	20.0%	$8,700,000
Class A Equity	15.0%	$6,525,000
Total Development Capital	**100.0%**	**$43,500,000**

Development Budget - Uses		Per Unit	Amount
Land Costs	10.8%	$31,544	$4,700,000
On-Site Hard Costs w/ Contingency	60.8%	$177,551	$26,455,100
Sitework Hard Costs	5.1%	$14,845	$2,211,900
Landscape / Hardscape / Amenities	1.6%	$4,596	$684,800
FF&E & Other Hard Costs	0.9%	$2,681	$399,400
Design/Architectural/Engineering Costs	1.1%	$3,103	$462,300
Other Development Soft Costs	2.7%	$7,861	$1,171,300
Developer Fees	3.6%	$10,532	$1,569,200
Carry Costs	0.8%	$2,480	$369,500
Closing Costs	3.4%	$10,027	$1,494,000
Interest Carry / Reserves	9.2%	$26,728	$3,982,500
Total Development Costs	**100.0%**	**$291,946**	**$43,500,000**

Senior Debt		
Construction Debt		
1 Month Term SOFR Forward Curve	1/31/2024	5.440%
Spread		3.560%
Interest Rate		**9.000%**
Interest Payment Method		Actual/360
Interest-Only Period		3 Years
Permanent Debt		
1 Month Term SOFR Forward Curve	1/31/2027	3.590%
Spread		2.910%
Interest Rate		**6.500%**
Interest Payment Method		Actual/360
Amortization Term (if P&I)		25 Years
Annual Payment (Amortizing)		$2,290,978
Monthly Payment (Amortizing)		$190,915

The following is a summary of the projected quarterly draw schedule over a tentative eight quarters or two years:

Quarterly Draw Schedule
Capstone Court - BTR Development - Royse City, TX

		Q0 Jan-24	Q1 Apr-24	Q2 Jul-24	Q 3 Oct-24	Q 4 Jan-25	Q5 Apr-25	Q 6 Jul-25	Q 7 Oct-25	Q 8 Jan-26
Sources	**Total**									
Senior Debt	$28,275,000	$0	$0	$0	$1,383,294	$5,664,797	$6,176,744	$5,795,338	$4,438,385	$4,816,441
Priority Equity	$8,700,000	$0	$2,639,942	$2,996,380	$3,063,677	$0	$0	$0	$0	$0
Class A Equity	$6,525,000	$6,194,000	$331,000	$0	$0	$0	$0	$0	$0	$0
Total Sources	$43,500,000	$6,194,000	$2,970,942	$2,996,380	$4,446,972	$5,664,797	$6,176,744	$5,795,338	$4,438,385	$4,816,441
Sources										
Land Costs	$4,700,000	$4,700,000	$0	$0	$0	$0	$0	$0	$0	$0
On-Site Hard Costs w/ Contingency	$26,455,100	$0	$0	$2,351,433	$3,789,330	$4,899,388	$5,082,547	$4,230,412	$2,825,127	$3,276,863
Sitework Hard Costs	$2,211,900	$0	$2,211,900	$0	$0	$0	$0	$0	$0	$0
Landscape / Hardscape / Amenities	$684,800	$0	$0	$0	$0	$0	$0	$83,410	$449,500	$151,890
FF&E & Other Hard Costs	$399,400	$0	$0	$0	$0	$0	$88,756	$133,133	$133,133	$44,378
Design/Architectural/Engineering Costs	$462,300	$0	$59,794	$62,828	$64,803	$65,610	$65,205	$63,611	$60,914	$19,535
Other Development Soft Costs	$1,171,300	$0	$260,880	$143,750	$143,750	$143,750	$143,750	$143,750	$143,750	$47,917
Developer Fees	$1,569,200	$0	$213,982	$213,982	$213,982	$213,982	$213,982	$213,982	$213,982	$71,327
Carry Costs	$369,500	$0	$50,386	$50,386	$50,386	$50,386	$50,386	$50,386	$50,386	$16,795
Closing Costs	$1,494,000	$1,304,600	$0	$0	$0	$0	$0	$0	$0	$0
Interest Carry / Reserves	$3,982,500	$0	$174,000	$174,000	$184,721	$291,680	$532,118	$876,653	$561,592	$1,187,736
Total Uses	**$43,500,000**	**$6,194,000**	**$2,970,942**	**$2,996,380**	**$4,446,972**	**$5,664,797**	**$6,176,744**	**$5,795,338**	**$4,438,385**	**$4,816,441**

CASH FLOW

Below are projected Un-Levered and Levered Deal Level / Unpromoted returns:

Annual Cash Flow Summary and Returns to Equity Over a 4 Year Hold Capstone Court - BTR Development - Royse City, TX		Year 0 Jan-24	Year 1 Jan-25	Year 2 Jan-26	Year 3 Jan-27	Year 4 Jan-28
Operating Cash Flows						
Total Revenue		$0	$0	$1,486,124	$4,259,558	$4,811,159
Total Expenses		$0	$0	($995,960)	($1,663,853)	($1,712,972)
Reserve Used for Operating Shortfall		$0	$0	$265,654	$0	$0
NOI		**$0**	**$0**	**$755,819**	**$2,595,705**	**$3,098,186**
Debt Service						
Interest - Senior Debt		$0	($128,401)	($1,800,888)	($2,580,094)	($1,849,654)
Principal - Senior Debt		$0	$0	$0	$0	($441,324)
Reserve Used for Debt Service		$0	$128,401	$1,800,888	$138,311	$0
Total Debt Service		**$0**	**$0**	**$0**	**($2,441,782)**	**($2,290,978)**
Asset Management Fees Paid		$0	$0	($29,722)	($85,191)	($96,223)
Net Distributable Cash		**$0**	**$0**	**$726,096**	**$68,732**	**$710,985**
Priority Equity Reserve Used for Current Pay		$0	$696,000	$401,346	$399,054	$0
Net Distributable Cash		**$0**	**$696,000**	**$1,127,442**	**$467,786**	**$710,985**
Un-Levered Equity		($39,027,024)	$0	$0	$0	$0
Levered Equity		($8,646,000)	$0	$0	$0	$0
Capital Event						
Sale Proceeds	5.75%	$0	$0	$0	$0	$55,627,271
Cost of Sale	1.50%	$0	$0	$0	$0	($834,409)
Senior Debt Pay-off		$0	$0	$0	$0	($27,833,676)
Senior Debt Exit Fee		$0	$0	$0	$0	($278,337)
Return of Insurance Escrow		$0	$0	$0	$0	$158,826
Returns to Un-Levered Equity		**($39,341,217)**	**$0**	**$726,096**	**$2,510,514**	**$57,866,651**
Returns to Levered Equity		**($15,225,000)**	**$696,000**	**$1,127,442**	**$467,786**	**$27,463,660**

Deal Level Return Summary	Annually	Monthly		
Un-Levered Equity	**11.8% IRR**	**12.0% IRR**	**1.55x Equity Multiple**	**$21,762,044 Net Cash Flow**
Levered Equity	**19.3% IRR**	**19.6% IRR**	**1.95x Equity Multiple**	**$14,529,888 Net Cash Flow**

The Class A Equity investment is projected to yield a **21.8% IRR**, a **2.16x Equity Multiple** over a tentative **four year** investment horizon.

Annual Cash Flow Summary and Returns to Equity Over a 4 Year Hold							
Capstone Court - BTR Development _ Royse City, TX							
			Year 0	**Year 1**	**Year 2**	**Year 3**	**Year 4**
			Jan-24	Jan-25	Jan-26	Jan-27	Jan-28
Returns to Levered Equity			**($15,225,000)**	**$696,000**	**$1,127,442**	**$467,786**	**$27,463,660**
Less Cash Flow to Priority Equity			***($8,700,000)***	***$696,000***	***$696,000***	***$412,445***	***$13,002,254***
Class A Equity							
Class A Equity Investment			($6,525,000)	$0	$0	$0	$0
Current Pay Paid	**8.00%**		$0	$0	$431,442	$55,342	$0
Accrued Current Pay		100%	$0	$0	$0	$0	$1,601,217
Return of Class A Equity		100%	$0	$0	$0	$0	$6,525,000
IRR Hurdle I to Class A Equity	**16.00%**	100%	$0	$0	$0	$0	$3,016,626
Final Split to Class A Equity		75%	$0	$0	$0	$0	$2,488,923
Returns to Class A Equity			**($6,525,000)**	**$0**	**$431,442**	**$55,342**	**$13,631,766**

Class A Equity Investment Return Summary	**Annually**	**Monthly**			
Class A Equity	**21.7% IRR**	**21.8% IRR**	**2.16x Equity Multiple**	**$7,593,550**	**Net Cash Flow**



ECONOMICS

OPERATING SUMMARY (NOI) OPERATING YEAR

Operating Year *	Base Pro Forma **		Year 1	Year 2	Year 3	Year 4	Year 5
	per unit	January-24	June-26	June-27	June-28	June-29	June-30
	Monthly						
Gross Market Rent	**$2,443**	**$4,368,000**	**$3,648,190**	**$4,792,570**	**$4,960,310**	**$5,133,920**	**$5,313,608**
Loss-to-Lease	1.50%	($65,520)	$0	($76,681)	($69,444)	($71,875)	($74,391)
Gross Potential Rent	**$2,406**	**$4,302,480**	**$3,648,190**	**$4,715,888**	**$4,890,865**	**$5,062,045**	**$5,239,217**
Vacancy	4.50%	($193,612)	($753,533)	($329,130)	($220,089)	($227,792)	($235,765)
Down/Model Units	0.48%	($20,840)	($17,671)	($22,843)	($23,690)	($24,520)	($25,378)
Concessions	8.33%	($358,540)	($54,723)	($11,790)	($12,227)	($12,655)	($13,098)
Bad Debt	0.25%	($10,756)	($9,120)	($11,790)	($12,227)	($12,655)	($13,098)
Net Rental Loss	**-13.36%**	**($583,748)**	**($835,047)**	**($375,552)**	**($268,234)**	**($277,622)**	**($287,339)**
Net Rental Income	**$2,080**	**$3,718,732**	**$2,813,143**	**$4,340,336**	**$4,622,632**	**$4,784,424**	**$4,951,878**
Other Income							
Other Income - Tenant Charges	$128	$216,750	$146,691	$223,950	$236,848	$243,954	$251,272
Other Income - Fixed Monthly Amounts	$885	$10,620	$8,660	$11,267	$11,605	$11,953	$12,311
Other Income - Miscellaneous	0.25%	$9,297	$7,421	$11,439	$12,178	$12,601	$13,039
Total Other Income	**$132**	**$236,666**	**$162,772**	**$246,655**	**$260,631**	**$268,507**	**$276,622**
Total Revenue	**$2,212**	**$3,955,398**	**$2,975,915**	**$4,586,992**	**$4,883,262**	**$5,052,931**	**$5,228,501**
Expenses	Annually						
Variable Expenses							
Payroll	$1,600	$238,400	$245,552	$252,919	$260,506	$268,321	$276,371
Admin/General	$275	$40,975	$42,204	$43,470	$44,774	$46,118	$47,501
Marketing	$600	$89,400	$184,164	$142,267	$97,690	$100,620	$103,639
Maintenance	$250	$37,250	$19,184	$29,639	$40,704	$41,925	$43,183
Turnover Expense	$500	$74,500	$38,368	$59,278	$81,408	$83,850	$86,366
Contract Services	$550	$81,950	$84,409	$86,941	$89,549	$92,235	$95,003
Utilities	$600	$89,400	$73,666	$90,102	$97,690	$100,620	$103,639
Total Variable Expenses	**$4,375**	**$651,875**	**$687,546**	**$704,615**	**$712,321**	**$733,691**	**$755,702**
Fixed Expenses							
Property Management Fee	3.00%	$118,662	$89,277	$137,610	$146,498	$151,588	$156,855
Property Taxes	$4,329	$645,037	$490,578	$653,100	$669,427	$686,163	$703,317
Insurance	$1,000	$149,000	$152,725	$156,543	$160,457	$164,468	$168,580
Accounting Fee	$40	$6,000	$6,150	$6,304	$6,461	$6,623	$6,788
Replacement Reserves	$200	$29,800	$30,545	$31,309	$32,091	$32,894	$33,716
Total Fixed Expenses	**$5,569**	**$948,499**	**$769,276**	**$984,865**	**$1,014,934**	**$1,041,735**	**$1,069,256**
Total Expenses	**$9,944**	**$1,600,374**	**$1,456,821**	**$1,689,480**	**$1,727,256**	**$1,775,426**	**$1,824,958**
NOI	**$15,806**	**$2,355,025**	**$1,519,094**	**$2,897,512**	**$3,156,006**	**$3,277,505**	**$3,403,543**

*Operating Year 1 based on the 12-month period beginning when first units are estimated to be completed.

**This represents the base case which assumes the project is fully built out with hypothetical stabilized operations as of January 2024 (solely for reference purposes).

OPERATING SUMMARY (NOI) PROJECT YEAR

Project Year*	Base Pro Forma ** per unit	Base Pro Forma ** January-24	Year 1 January-25	Year 2 January-26	Year 3 January-27	Year 4 January-28	Year 5 January-29
Gross Market Rent	**$2,443**	**$4,368,000**	**$0**	**$1,728,090**	**$4,715,766**	**$4,890,418**	**$5,061,583**
Loss-to-Lease	1.50%	($65,520)	$0	$0	($44,731)	($72,460)	($70,862)
Gross Potential Rent	**$2,406**	**$4,302,480**	**$0**	**$1,728,090**	**$4,671,035**	**$4,817,958**	**$4,990,720**
Vacancy	4.50%	($193,612)	$0	($422,315)	($571,924)	($216,808)	($224,582)
Down/Model Units	0.48%	($20,840)	$0	($8,371)	($22,626)	($23,337)	($24,174)
Concessions	8.33%	($358,540)	$0	($25,921)	($35,679)	($12,045)	($12,477)
Bad Debt	0.25%	($10,756)	$0	($4,320)	($11,678)	($12,045)	($12,477)
Net Rental Loss	**-13.36%**	**($583,748)**	**$0**	**($460,927)**	**($641,906)**	**($264,235)**	**($273,710)**
Net Rental Income	**$2,080**	**$3,718,732**	**$0**	**$1,267,163**	**$4,029,129**	**$4,553,723**	**$4,717,010**
Other Income							
Other Income - Tenant Charges	$128	$216,750	$0	$66,152	$208,677	$233,974	$240,993
Other Income - Fixed Monthly Amounts	$885	$10,620	$0	$4,102	$11,130	$11,464	$11,808
Other Income - Miscellaneous	0.25%	$9,297	$0	$3,344	$10,622	$11,998	$12,425
Total Other Income	**$132**	**$236,666**	**$0**	**$73,597**	**$230,429**	**$257,436**	**$265,225**
Total Revenue	**$2,212**	**$3,955,398**	**$0**	**$1,340,760**	**$4,259,558**	**$4,811,159**	**$4,982,236**
Expenses							
Variable Expenses							
Payroll	$1,600	$238,400	$0	$203,239	$249,849	$257,345	$265,065
Admin/General	$275	$40,975	$0	$36,619	$42,943	$44,231	$45,558
Marketing	$600	$89,400	$0	$167,429	$159,724	$116,264	$99,399
Maintenance	$250	$37,250	$0	$21,191	$25,283	$36,094	$41,416
Turnover Expense	$500	$74,500	$0	$22,381	$50,565	$72,187	$82,833
Contract Services	$550	$81,950	$0	$79,238	$85,886	$88,462	$91,116
Utilities	$600	$89,400	$0	$62,972	$83,254	$94,528	$99,399
Total Variable Expenses	**$4,375**	**$651,875**	**$0**	**$593,068**	**$697,503**	**$709,111**	**$724,787**
Fixed Expenses							
Property Management Fee	3.00%	$118,662	$0	$66,223	$127,787	$144,335	$149,467
Property Taxes	$4,329	$645,037	$0	$221,813	$646,381	$662,540	$679,104
Insurance	$1,000	$149,000	$0	$89,090	$154,952	$158,826	$162,797
Accounting Fee	$40	$6,000	$0	$3,588	$6,240	$6,396	$6,556
Replacement Reserves	$200	$29,800	$0	$17,818	$30,990	$31,765	$32,559
Total Fixed Expenses	**$5,569**	**$948,499**	**$0**	**$398,531**	**$966,350**	**$1,003,862**	**$1,030,482**
Total Expenses	**$9,944**	**$1,600,374**	**$0**	**$991,599**	**$1,663,853**	**$1,712,972**	**$1,755,269**
NOI	**$15,806**	**$2,355,025**	**$0**	**$349,161**	**$2,595,705**	**$3,098,186**	**$3,226,966**

*Project Year 1 based on the 12-month period beginning immediately after the estimated closing date.

**This represents the base case which assumes the project is fully built out with hypothetical stabilized operations as of January 2024 (solely for reference purposes).

SOURCES AND USES

Development Budget Capstone Court - BTR Development Royse City, TX							
	Acres	Land SF	Finished SF	Gross SF	Units	% of Total	Total
	15.96	695,348	226,475	290,095	149		
Sources							
Senior Debt						65.0%	$28,275,000
Priority Equity						20.0%	$8,700,000
Class A Equity						15.0%	$6,525,000
Total Sources						**100.0%**	**$43,500,000**
Uses							
Land	**$294,431**	**$6.76**	**$20.75**	**$16.20**	**$31,544**	**11.3%**	**$4,700,000**
Hard Costs							
Building Construction Hard Costs			$110.56	$86.31	$168,043	60.1%	$25,038,400
Sitework Hard Costs			$9.77	$7.62	$14,845	5.3%	$2,211,900
Landscape / Hardscape / Amenities			$3.02	$2.36	$4,596	1.6%	$684,800
FF&E			$0.53	$0.41	$805	0.3%	$120,000
Builders Risk Insurance			$1.23	$0.96	$1,875	0.7%	$279,400
Hard Costs Contingency		5.00%	$6.26	$4.88	$9,508	3.4%	$1,416,700
Total Hard Costs			**$131.37**	**$102.56**	**$199,672**	**71.4%**	**$29,751,200**
Other Development Costs							
Architectural Services			$1.24	$0.97	$1,879	0.7%	$280,000
Civil Engineering Services			$0.57	$0.45	$872	0.3%	$130,000
Geotech			$0.02	$0.02	$34	0.0%	$5,000
Phase I Environmental			$0.03	$0.03	$50	0.0%	$7,500
Materials Testing			$0.16	$0.13	$250	0.1%	$37,300
Permits & Fees			$0.10	$0.08	$156	0.1%	$23,300
Parkland Dedication Fees			$0.18	$0.14	$268	0.1%	$40,000
Impact Fees			$4.89	$3.82	$7,436	2.7%	$1,108,000
ADA Review			$0.01	$0.01	$17	0.0%	$2,500
Development Fee			$6.93	$5.41	$10,532	3.8%	$1,569,200
Total Other Development Costs			**$14.14**	**$11.04**	**$21,495**	**7.7%**	**$3,202,800**

SOURCES AND USES CONT.

Development Budget Capstone Court - BTR Development Royse City, TX	Acres	Land SF	Finished SF	Gross SF	Units	% of Total	Total
	15.96	695,348	226,475	290,095	149		
Soft / Carry Costs							
Property Tax Escrows			$0.14	$0.11	$218	0.1%	$32,500
Insurance			$0.13	$0.10	$201	0.1%	$30,000
Legal			$0.13	$0.10	$201	0.1%	$30,000
Accounting			$0.13	$0.10	$201	0.1%	$30,000
Due Diligence			$0.11	$0.09	$168	0.1%	$25,000
Appraisal			$0.03	$0.03	$50	0.0%	$7,500
Feasibility Study			$0.07	$0.05	$101	0.0%	$15,000
Year 1 Insurance Premiums			$0.67	$0.53	$1,026	0.4%	$152,800
Pre-Leasing Budget			$0.96	$0.75	$1,463	0.5%	$218,000
Operating Reserve			$0.21	$0.16	$320	0.1%	$47,700
Senior Debt - Interest Reserve			$9.13	$7.13	$13,877	4.8%	$2,067,600
Priority Equity - Current Pay Reserve			$6.61	$5.16	$10,043	3.4%	$1,496,400
Contingency (net of Dev Fee, Int Reserve)			$0.88	$0.69	$1,339	0.5%	$199,500
Total Soft / Carry Costs			$19.22	$15.00	$29,208	10.0%	$4,352,000
Total Soft / Carry Costs			***$11.96***	***$9.34***	***$18,176***	***6.5%***	***$2,708,200***
Closing Costs							
Acquisition Fee			$0.66	$0.52	$1,007	0.3%	$150,000
Senior Debt - Origination Fee			$1.25	$0.97	$1,898	0.7%	$282,800
Senior Debt - Mortgage Broker			$1.25	$0.97	$1,898	0.7%	$282,800
Senior Debt - Guaranty Fee			$1.25	$0.97	$1,898	0.7%	$282,800
Senior Debt - Guaranty Fee			$0.77	$0.60	$1,168	0.4%	$174,000
Senior Debt - Guaranty Fee			$0.10	$0.08	$148	0.1%	$22,100
Title			$0.11	$0.09	$168	0.1%	$25,000
Legal			$0.44	$0.34	$671	0.2%	$100,000
Technology Fee			$0.17	$0.13	$259	0.1%	$38,600
Additional Closing Consideration			$0.38	$0.30	$584	0.2%	$87,000
Class A Equity Administration Fee			$0.22	$0.17	$328	0.1%	$48,900
Total Closing Costs			***$6.60***	***$5.15***	***$10,027***	***3.4%***	***$1,494,000***
Total Uses			***$192.07***	***$149.95***	***$291,946***	***100.0%***	***$43,500,000***
Total Uses net of Debt and Related			***$173.71***	***$135.61***	***$264,035***	***90.4%***	***$39,341,217***

UNIT MIX AND DEVELOPMENT INFORMATION

The development's unit mix reflects careful consideration of market dynamics. Duplex units will be positioned along the property's perimeter to harmonize with the existing neighborhood, primarily comprising single and two-story owner-occupied homes. In contrast, the interior portion will feature two-story townhouses to optimize site density. The development is designed as a community with an attractive amenity package, including a resort-style pool, a fitness-equipped clubhouse, a dedicated dog park, and well maintained walking paths. Rental rates, competitive with nearby apartments and BTR communities, reflect the development's superior quality, newer construction, and larger unit sizes. Given the region's favorable demographic trends and substantial projected growth, this investment opportunity offers a compelling prospect for those seeking to capitalize on the dynamic rental housing market in Royse City, Texas.

Capstone Court - BTR Development - Royse City, TX

Unit Mix

						Jan-24 Base Pro Forma		Jul-25 Year 1		
Floorplan	Units	% of Total	# of Beds	# of Baths	Rentable SF	Rent	Rent/sf	Rent	Rent/sf	Model Units
Townhome w/ Loft - 1bed/1.5bath	2	1.3%	1	1.5	1,097	$2,100	$1.91	$2,216	$2.02	1
Townhome - 2bed/2.5bath	48	32.2%	2	2.5	1,507	$2,350	$1.56	$2,479	$1.64	0
Townhome - 3bed/2.5bath	31	20.8%	3	2.5	1,767	$2,600	$1.47	$2,743	$1.55	0
Duplex - 1bed/1bath	4	2.7%	1	1.0	780	$1,500	$1.92	$1,583	$2.03	0
Duplex - 2bed/1.5bath	30	20.1%	2	1.5	1,291	$2,400	$1.86	$2,532	$1.96	0
Duplex - 3bed/2.5bath	34	22.8%	3	2.5	1,627	$2,600	$1.60	$2,743	$1.69	0
Totals / Avg	**149**	**100%**			**1,520**	**$2,443**	**$1.61**	**$2,577**	**$1.70**	**1**
1 Bedroom Units	**6**	**4%**			**886**	**$1,700**	**$1.92**	**$1,794**	**$2.03**	**1**
2 Bedroom Units	**78**	**52%**			**1,424**	**$2,369**	**$1.66**	**$2,499**	**$1.76**	**0**
3 Bedroom Units	**65**	**44%**			**1,694**	**$2,600**	**$1.54**	**$2,743**	**$1.62**	**0**



MARKET OVERVIEW

BUILD-TO-RENT OVERVIEW

Build-to-Rent (BTR) communities are experiencing remarkable expansion. Primarily driven by the lifestyle preferences of “Renters-by-Choice,” who are both Millennials and Baby Boomers. These individuals are opting to rent as they seek premium living experience without the burdens of homeownership including maintenance and/or long-term financial commitment.

BTR properties are especially appealing to high-income households, who tend to stay in one place for an extended period. These households are often willing to accommodate periodic rent increases that eliminate the need for disruptive relocations. This trend is also gaining traction among urban apartment renters looking to transition to suburban living without the constraints of home buying. A phenomenon especially pronounced among young professionals and families who prioritize flexibility over committing to a 30-year mortgage.



Investors are drawn to the BTR market due to its attractiveness to higher-income renters. These tenants not only provide stability and long-term tenancy but also exhibit a greater willingness to accept rent increases during lease renewals. Additionally, BTR communities foster a culture of tenant care, as higher-income residents often treat their units with a sense of ownership, resulting in meticulous property condition. In summary, the BTR sector is surging, catering to Renters-by-Choice who desire a premium rental experience, attracting high-income tenants, and offering lucrative investment opportunities with lower turnover costs and well-maintained properties.

ROYSE CITY MARKET OVERVIEW

Royse City is a small city located in Rockwall County, Texas, about 30 miles east of Dallas. Rockwall County is the second fastest growing county in the State of Texas. The city has experienced significant growth in its real estate housing market in recent years, with many new residential developments being built to accommodate the increasing population. According to recent data, the population of Royse City has grown by over 100% since 2010, with an estimated population at just under 20,000 in 2023. This growth can be attributed to its location near the Dallas-Fort Worth Metroplex, as well as its reputation as a family-friendly and affordable community. The real estate market in Royse City has been booming in response to this population growth with new construction homes and residential communities popping up throughout the city.

The average home price in Royse City is approximately $391,000 according to RedFin.com, significantly lower than the average home price in nearby cities like Dallas. Despite the growth in the real estate market, the population density of Royse City remains relatively low, with around 750 people per square mile. This is due in part to the city's large land area of over 20 square miles, which provides ample space for new residential developments without overcrowding the city. Overall, Royse City's affordable real estate housing market and low population density make it an attractive option for families and individuals looking for a more spacious alternative to the hustle and bustle of nearby urban areas.

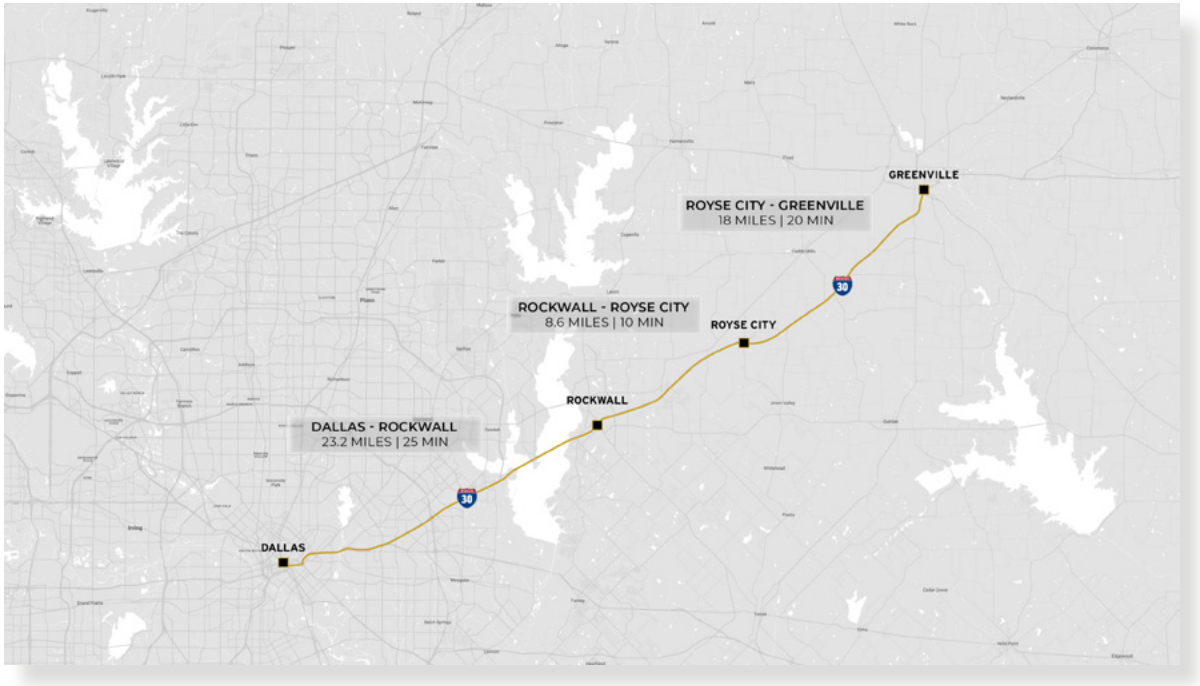
The project is thoughtfully designed to cater to the evolving needs of "Up and Coming Families," a demographic segment characterized by its ambition, mobility, and dual-income households. With a keen focus on providing low-maintenance homes with functional outdoor spaces, the development aims to tap into the preferences of these families, many of whom commute over 30 minutes to employment centers in the western Dallas area.



SURROUNDING AREA MARKET OVERVIEW

Royse City is an ideal location for those seeking a serene suburban lifestyle while staying close to the vibrant DFW Metroplex just a 10-minute drive away from Rockwall, offering a unique blend of small-town charm and urban convenience.

The real estate market in Royse City is brimming with potential, and one promising avenue is this BTR development. Currently, there's nothing like it in the market, making it a standout opportunity for investors. With the steady influx of families and professionals looking for a more relaxed lifestyle outside the city, Royse City's real estate market is poised for substantial growth. This BTR project in Royse City is well-positioned to capitalize on this demand. Its innovative approach to housing aligns perfectly with the evolving preferences of modern renters. By offering quality, professionally managed rental homes in a community-oriented environment. This Project is poised to provide a unique and attractive housing option. The location of Capstone Court Build-to-Rent development in Royse City offers the best of both worlds—the tranquility of suburban living combined with the ease of access to the amenities and opportunities of the DFW Metroplex. With its strategic location, the Project is primed for success, catering to the growing demand for upscale rental properties in this thriving area.



RENT COMPARABLES

In March 2023 the Sponsor engaged John Burns Real Estate Consulting (JBREC), a leading U.S. housing market research and advisory firm, to perform a feasibility study of pursuing a BTR development in the Royse City, TX market (the "Study"). According to the study, the average annual demand for new apartment units in the primary market area is 266 units per year, a figure which is driven by household growth and turnover.

Using a variety of factors including age of asset, unit interiors, and community amenities, the Study concluded that the Project should command a +/- 30% pricing premium, on a per square foot basis, on properties on the lower end of the BTR market, Brooklyn Village and Manhattan Village located in Forney, Texas.

Conversely, the Project should expect a +/- 19% pricing discount, on a per square foot basis, to the top property in the Study, Avilla Oakridge. This discount is mostly a result of the superior location of the Avilla product. A fourth comparable BTR asset, Avilla Towne Center in Princeton, TX was not included in the Study but is included in the rent comp analysis below.

The Study proposed a 149 unit community comprised of one, two, and three bedroom units with an average size of 1,498 sf and rental rates of $1.58/sf at today's rental rates. When factoring in the Study's projected cumulative rent growth through 2025 of +/- 7.75%, Year 1 rents of $1.71 per square foot are in line with pro forma assumptions.

Finally, JBREC concluded that the average leasing absorption is projected to be at a pace of 10 units per month and a stabilized occupancy of 95%.

Capstone Court - BTR Development

Royse City, TX Area Rent Comps - October 2023

	Name	Address	City	State	Units	Year Built	Type	Avg SF	Rent	Rent/SF	Occupancy
	Capstone Court - BTR Development	**1900 Erby Campbell Blvd**	**Royse City**	**TX**	**149**	**2025**	**BTR**	**1,520**	**$2,443**	**$1.61**	
1	Avilla Oakridge	1405 N Gateway Blvd	Forney	TX	209	2021	BTR	961	$1,816	$1.89	88.9%
2	Avilla Towne Center	250 N Boorman Ln	Princeton	TX	150	2023	BTR	949	$1,848	$1.95	71.3%
3	Brooklyn Village	409 Meadow Ln	Forney	TX	179	2016	BTR	1,763	$2,119	$1.20	97.2%
4	Manhattan Village	4102 Sarno Dr	Forney	TX	203	2021	BTR	2,031	$2,297	$1.13	96.7%
5	Cypress Creek at Parker Boulevard	7000 W I-30	Royse City	TX	220	2017	Apartments	1,057	$1,374	$1.30	96.1%
6	Sixteen50 @ Lake Ray Hubbard	1650 S John King Blvd	Rockwall	TX	334	2009	Apartments	1,118	$1,918	$1.71	96.1%
7	LUXIA Rockwall Downes	2300 Discovery Blvd	Rockwall	TX	295	2020	Apartments	1,005	$1,752	$1.74	93.6%
	Total / Average				1,590	2017		1,241	$1,863	$1.50	92.6%
	Average of BTR Product Only				185	2020		1,446	$2,027	$1.40	89.5%
	Average (Newest Product)	Avilla Oakridge and Avilla Towne Center			180	2022		956	$1,829	$1.91	81.5%
	Minimum				150	2009		949	$1,374	$1.13	71.3%
		Maximum			***334***	***2023***		***2,031***	***$2,297***	***$1.95***	***97.2%***
		Maximum			***334***	***2023***		***2,031***	***$2,297***	***$2.01***	***97.2%***

Subject - Capstone Court							
	Avg SF	# Units	Occupancy	% of Unit Mx	% of Units Available	Avg Asking Rent	Avg Asking Rent/SF
All 1 Beds		886	6	0%	$1,700	$1.92	$1.92
All 2 Beds		1,424	78	0%	$2,369	$1.66	$1.66
All 3 Beds		1,694	65	0%	$2,600	$1.54	$1.54
All Floorplans		**1,520**	**149**	**0%**	**$2,443**	**$1.61**	**$1.61**

4 Property BTR Comp Set							
	Avg SF	# Units	Occupancy	% of Unit Mx	% of Units Available	Avg Asking Rent	Avg Asking Rent/SF
All 1 Beds		636	102	85%	$1,465	$2.30	$2.27
All 2 Beds		960	142	80%	$1,842	$1.92	$1.89
All 3 Beds		1,523	286	91%	$2,102	$1.38	$1.39
All 4 Beds		2,059	211	99%	$2,322	$1.13	$1.13
All Floorplans		**1,446**	**741**	**91%**	**$2,027**	**$1.40**	**$1.40**

Floorplan Comparison - All 1 Beds							
	Avg SF	# Units	Occupancy	% of Unit Mx	% of Units Available	Avg Asking Rent	Avg Asking Rent/SF
Subject - Capstone Court		886	6	0%	$1,700	$1.92	$1.92
4 Property BTR Comp Set		636	102	85%	$1,465	$2.30	$2.27
All 1 Beds		**39.2%**			**16.0%**	**-16.7%**	**-15.5%**

Floorplan Comparison - All 2 Beds							
	Avg SF	# Units	Occupancy	% of Unit Mx	% of Units Available	Avg Asking Rent	Avg Asking Rent/SF
Subject - Capstone Court		1,424	78	0%	$2,369	$1.66	$1.66
4 Property BTR Comp Set		960	142	80%	$1,842	$1.92	$1.89
All 2 Beds		**48.3%**			**28.6%**	**-13.3%**	**-11.9%**

Floorplan Comparison - All 3 Beds							
	Avg SF	# Units	Occupancy	% of Unit Mx	% of Units Available	Avg Asking Rent	Avg Asking Rent/SF
Subject - Capstone Court		1,694	65	0%	$2,600	$1.54	$1.54
4 Property BTR Comp Set		1,523	286	91%	$2,102	$1.38	$1.39
All 3 Beds		**11.2%**			**23.7%**	**11.2%**	**10.0%**

Floorplan Comparison - All Floorplans							
	Avg SF	# Units	Occupancy	% of Unit Mx	% of Units Available	Avg Asking Rent	Avg Asking Rent/SF
Subject - Capstone Court		1,520	149	0%	$2,443	$1.61	$1.61
4 Property BTR Comp Set		1,446	741	91%	$2,027	$1.40	$1.40
All Floorplans		**5.1%**			**20.5%**	**14.6%**	**14.6%**

Avilla Towne Center					
	Avg SF	# Units	Occupancy	Avg Asking Rent	Avg Asking Rent/SF
All 1 Beds	635	44	73%	$1,420	$2.24
All 2 Beds	960	60	72%	$1,900	$1.98
All 3 Beds	1,236	46	70%	$2,190	$1.77
All Floorplans	**949**	**150**	**71%**	**$1,848**	**$1.95**

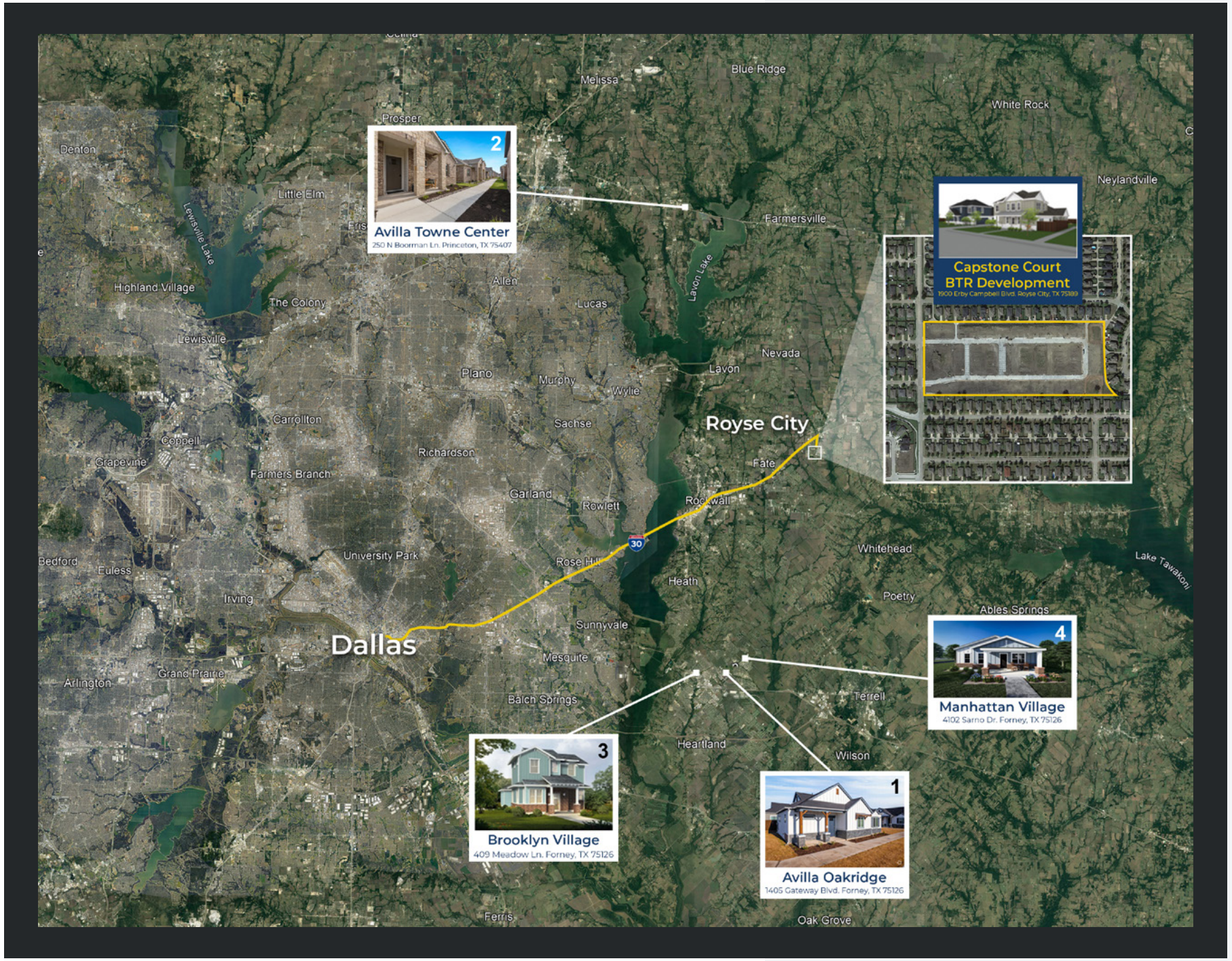
Avilla Oakridge					
	Avg SF	# Units	Occupancy	Avg Asking Rent	Avg Asking Rent/SF
All 1 Beds	637	58	95%	$1,500	$2.35
All 2 Beds	960	82	87%	$1,800	$1.88
All 3 Beds	1,236	69	86%	$2,100	$1.70
All Floorplans	**961**	**209**	**89%**	**$1,816**	**$1.89**

Floorplan Comparison - All 1 Beds					
	Avg SF	# Units	Occupancy	Avg Asking Rent	Avg Asking Rent/SF
Subject - Capstone Court	886	6	0%	$1,700	$1.92
Avilla Oakridge	637	58	95%	$1,500	$2.35
	39.0%			**13.3%**	**-18.5%**

Floorplan Comparison - All 2 Beds					
	Avg SF	# Units	Occupancy	Avg Asking Rent	Avg Asking Rent/SF
Subject - Capstone Court	1,424	78	0%	$2,369	$1.66
Avilla Oakridge	960	82	87%	$1,800	$1.88
	48.3%			**31.6%**	**-11.3%**

Floorplan Comparison - All 3 Beds					
	Avg SF	# Units	Occupancy	Avg Asking Rent	Avg Asking Rent/SF
Subject - Capstone Court	1,694	65	0%	$2,600	$1.54
Avilla Oakridge	1,236	69	86%	$2,100	$1.70
	37.0%			**23.8%**	**-9.7%**

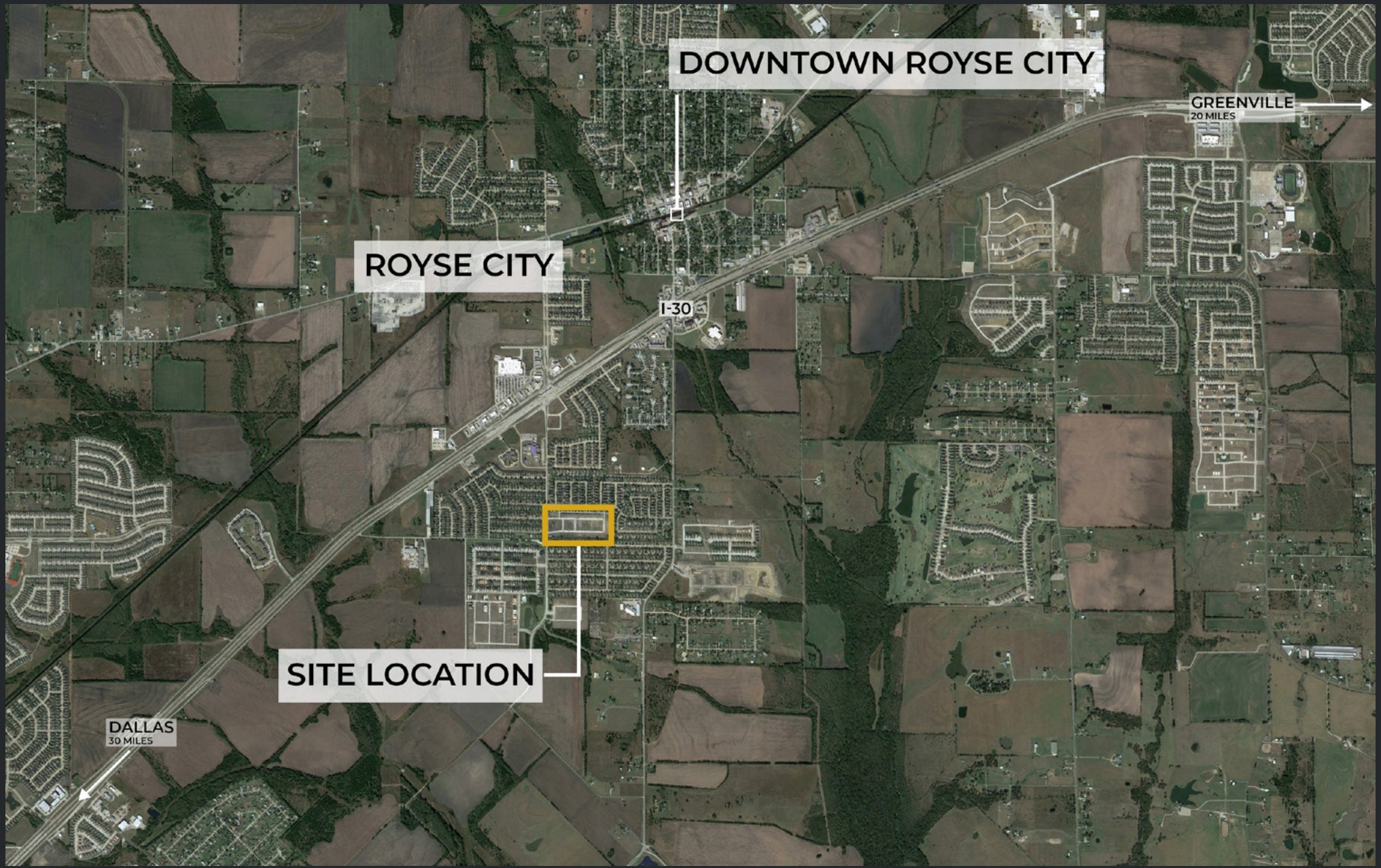
Floorplan Comparison - All Floorplans					
	Avg SF	# Units	Occupancy	Avg Asking Rent	Avg Asking Rent/SF
Subject - Capstone Court	1,520	149	0%	$2,443	$1.61
Avilla Oakridge	961	209	89%	$1,816	$1.89
	58.1%			**34.5%**	**-14.9%**


Melissa
Blue Ridge
White Rock
Prosper
Denton
Little Elm
Lewisville Lake
Farmersville
Neylandville
Highland Village
The Colony
Allen
Lucas
Lavon Lake
Lewisville
Nevada
Lavon
Plano
Murphy
Wylie
Carrollton
Sachse
Royse City
Coppell
Grapevine
Richardson
Fate
Farmers Branch
Garland
Rowlett
Rockwall
30
Bedford
Euless
University Park
Rose Hill
Whitehead
Lake Tawakoni
Heath
Irving
Poetry
Ables Springs
Sunnyvale
Dallas
Mesquite
Arlington
Grand Prairie
Balch Springs
Terrell
Heartland
Wilson
Ferris
Oak Grove
2
Avilla Towne Center
250 N Boorman Ln. Princeton, TX 75407
Capstone Court
BTR Development
1900 Erby Campbell Blvd. Royse City, TX 75189
4
Manhattan Village
4102 Sarno Dr. Forney, TX 75126
3
Brooklyn Village
409 Meadow Ln. Forney, TX 75126
1
Avilla Oakridge
1405 Gateway Blvd. Forney, TX 75126



GRAPHICS

LOCATION MAP



SITE PLAN



DUPLEX RENDERINGS



TOWNHOME RENDERINGS



FLOORPLANS


MOOR TASTIC
L MOORE
KITCHEN/
DINING
LIVING
PDR
PORCH
STO
BOARD
2-CAR
GARAGE
MASTER
MOORE


BEDROOM 2
BEDROOM 2
W/D
W.I.C.
BATH 2
W.I.C.
MASTER
BEDROOM
M BATH
DECK

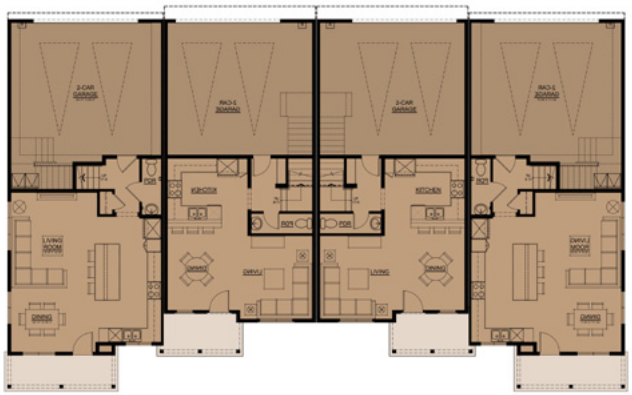

PORCH
KITCHEN/
DINING
LIVING
PDR
PORCH
STO
2-CAR
GARAGE


BEDROOM 2
BEDROOM 2
W/D
W.I.C.
BATH 2
W.I.C.
MASTER
BEDROOM
M BATH
DECK

FLOORPLANS









FLOORPLANS









FLOORPLANS & RENDERINGS







SPONSOR PROFILE



RREAF Holdings LLC (“RREAF”) is a privately held, vertically integrated commercial real estate company based in Dallas, Texas, with roots that go back 37 years in the industry. RREAF focuses its portfolio of commercial real estate projects and development under five main divisions catering primarily to middle America with its programmatic value-add multifamily acquisitions, opportunistic hospitality and resort acquisitions, core ground-up development, large and highly amenitized master planned developments, acquisition / re-development of RV Resort Communities, Student Housing, and its ground-up extended stay hospitality development division.

RREAF and its subsidiary companies employ over 450 people directly and many thousand indirectly, mainly across the Sun Belt region, handling a wide range of commercial real estate investment matters, including in-house underwriting, due diligence, capital markets, acquisition, asset management, property management, construction management, project development, accounting, and legal support. RREAF and its debt and equity partners have built a diversified portfolio in its core competencies in excess of $4.5 billion in assets under management, across 16 states.

RREAF’s “opportunistic” beach-front hospitality and resort redevelopment platform was born in 2012, with a focus on acquiring and operating hotel assets in strong beach front markets in the Southern Gulf Coast regions of Florida and along the Southern Atlantic Coast. Since then, RREAF has created its own “flagged brand” of “Beachside Resorts,” which has strategically expanded its reach locations in Panama City Beach, Pensacola Beach, and Cocoa Beach markets in Florida, while continuing it search for other targeted assets along the Southern Atlantic Coast.

The company is actively engaged in substantial ground-up development projects in several States, including Texas, Tennessee, Utah, and South Carolina. These projects include two branded resorts (Galveston, Texas and Myrtle Beach, South Carolina), master planned communities (Kerrville, Caldwell County, and Midlothian, Texas), multifunction residential housing projects in Salado, Texas, and extended stay hotels in Smyrna, Tennessee, Bluffdale, Utah, and Meridian, Idaho, with several additional locations presently in contract negotiation. RREAF’s completed ground-up development portfolio boasts a Delta by Marriott hotel in Southlake, Texas, a Cambria hotel in Charleston, South Carolina, apartment complexes in Kerrville, Texas and Gallatin, Tennessee, and a commercial strip center in Gallatin, TN.

DEVELOPER & SPONSORSHIP



KIP SOWDEN

CHIEF EXECUTIVE OFFICER OF RREAF HOLDINGS

Mr. Sowden has 37 years of experience in commercial real estate with a strong background in brokerage, mortgage banking, acquisition, development, and asset management. He has sold over 20 million sq.ft. of commercial property, brokered sales worth $10 billion, and personally acquired, developed, and renovated over $5 billion in Retail, Office, Multi-family, and Hotels & Resorts properties. As head of RREAF Holdings, he oversees the company's growth and development and plays a key role in establishing commercial real estate funds. He holds a degree in Economics from UT Austin and has had a Texas Real Estate Brokers License for 39 years. He also served on The Chancellor's Council Executive Committee at UT Austin for over a decade.



MITCH PROVOSTY

CHIEF FINANCIAL OFFICER OF RREAF HOLDINGS

Mr. Provosty has over thirty years of experience in the commercial real estate industry as an investor, developer, advisor and general contractor. Mr. Provosty has sixteen years of experience in the residential and commercial construction industry in and he is the founder of Antebellum Construction in the Florida panhandle. Antebellum is licensed to build residential and commercial construction projects throughout the State of Florida. Noteworthy recent projects in which Mr. Provosty brought his talents include the acquisition and re-development of the Beachside Resort and Bikini Beach Resort in Panama City Beach, FL. He continues to focus on the beachfront hospitality platform including the development of two beachfront Margaritaville resorts. Mr. Provosty has been directly involved in the acquisition, re-development and disposition of over $1 billion worth of commercial real estate projects over the last several years. Mr. Provosty is a principal in RREAF Holdings LLC and has been involved with the firm since before its founding in 2010. Prior to his commercial real estate activities, Mr. Provosty worked as a project manager in manufacturing plants executing large industrial construction projects.

DEVELOPER & SPONSORSHIP



DOUG MCKNIGHT

PRESIDENT OF RREAF HOLDINGS

Mr. McKnight has over 35 years of experience in investment banking and institutional trading/sales, advising domestic municipalities, pension funds, insurance companies and foreign central banks. While still a partner at Vining Sparks, IBG (retired in 2015), a regional investment banking firm, he joined the partnership group in forming RREAF in 2010, where his primary focus is on business development and working with institutional capital partners and HNW/RIA investors. He also serves as lead partner in various RREAF-sponsored projects. Mr. McKnight has also been active in commercial real estate development through his family firm. He and his wife Beth live in Memphis, TN, where he manages the regional RREAF office and is active in many local, national and global faith-based efforts. He has a daughter who lives in New York, and two sons, a daughter-in-law and a granddaughter in Memphis.



SHANNON LIVINGSTON

PRESIDENT OF RREAF COMMUNITIES

Mr. Livingston graduated from Sul Ross State University in 1992 with a Bachelor of Business Administration with a concentration in real estate and finance. He has over 30 years of experience in the real estate, construction, and land development industries. In 1993, he co-founded C & SL Developers, a real estate development firm based in Houston, Texas, specializing in land redevelopment and construction in the Galleria District. In 1996, Mr. Livingston, following his own vision, established Shannon Livingston Companies, Inc. The company's initial focus was on the redevelopment and construction of high-end residential properties in River Oaks, Memorial, and Tanglewood neighborhoods of the Houston area. By 2003, he expanded his business into the Central Texas markets, becoming heavily involved in land development projects, including commercial use sites and thousands of residential lots in subdivision communities across the San Antonio metroplex. His San Antonio master planned community, Stillwater Ranch, was recognized by Metrostudy as being in the top five selling subdivisions from 2012-2017 and the number one selling subdivision in the San Antonio MSA in 2014 and 2015. Throughout his career, Mr. Livingston managed in excess of twenty project companies simultaneously, overseeing all aspects of project processes, including identifying raw land, contract negotiation, property review, underwriting, acquisition, entitlements, project financing, creative design oversight, development, builder architectural controls, project management, general contractor for all common area vertical improvements and landscape, project branding, programming company management, and marketing through final divestiture.

DEVELOPER & SPONSORSHIP



JEFF HOLZMANN

CHIEF OPERATING OFFICER OF RREAF HOLDINGS

Mr. Holzmann joined RREAF in 2019 as the Chief Executive Officer of the I.R.M subsidiary and President of Asset Management. Mr. Holzmann oversees the entire RealtyShares portfolio of assets, including thousands of customers and hundreds of real estate assets across the country, with a combined asset value of over $1.5 Billion. Mr. Holzmann brings over 25 years of senior executive management experience in the digital technology, venture capital investments, aviation and real estate industries, mostly with large, publicly traded companies.

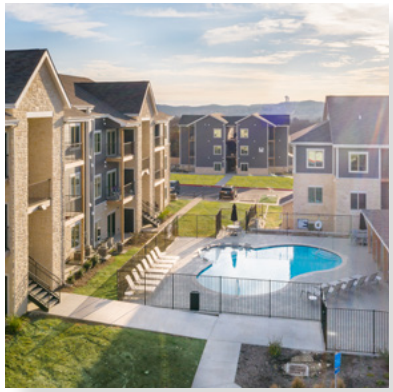
Prior to joining RREAF, Mr. Holzmann served as the Managing Director of iintoo, a real estate crowdfunding platform, the President of IncrediMail (NASDAQ:MAIL), and Chief Executive Officer of Genius Technologies, a venture capital investment fund from the B.Gaon group (TASE:GAON). Mr. Holzmann is often quoted in the media as an expert on real estate and investments, and formerly co-hosted a television show about technology.

Mr. Holzmann holds a B.A in Business Administration and Information Technologies from the Arison School of Business at I.D.C Hertzlia in Israel, a Financial Services & Strategies certificate from the Wharton School at the University of Pennsylvania, and also serves as an airline pilot for a major US carrier.

SAMPLE OF RREAF'S CURRENT GROUND-UP DEVELOPMENT PORTFOLIO



Delta by Marriott
Southlake, TX



Sendero Ridge
Kerrville, TX



The Trails at Hunter Pointe
Gallatin, TN



Extended Stay America
Smyrna, TN



Cambria Hotel Charleston
Charleston, SC



The Shoppes at Hunter Pointe
Southlake, TX

SAMPLE OF RREAF'S CURRENT MULTIFAMILY PORTFOLIO



San Remo
Houston, TX



Beacon Hill
Little Rock, AR



San Marino
Houston, TX



Park Avenue Lofts
Little Rock, AR



Bay Vista
Corpus Christi, TX



Ascend Midtown
Savannah, GA

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SPECIAL NOTE ABOUT FORWARD-LOOKING STATEMENTS

Certain statements in this Equity Request and related materials constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. This Equity Request and related materials contain forward-looking statements that are based on the Sponsor's beliefs and assumptions and on information currently available to the Sponsor. Forward-looking statements include the information concerning the Issuer's possible or assumed future development strategies, financing plans, potential growth opportunities and benefits resulting from an offering of its securities. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words "believes,"
"expects," "anticipates," "intends," "plans," "estimates," or similar expressions.

Forward-looking statements involve risks, uncertainties and assumptions. Forward-looking statements and any financial projections are "forward-looking statements" as defined by applicable law, including the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those expressed in these forward-looking statements. Factors that may cause actual results to differ from these forward-looking statements include but are not limited to: (i) the sensitivity of the Issuer's and the Subsidiary's businesses to general economic conditions; (ii) changes in federal and applicable state income tax laws, and (iii) other economic, competitive and governmental factors affecting the operations, prospects, and finances of the Subsidiary, the Property, and the Issuer. Prospective investors should not unduly rely on any forward-looking statements.

The Issuer has no intention or obligation to update forward-looking statements after the date of this Equity Request.

CONTACT INFORMATION

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