

# **Final Deal Memo**

**Gunter Pride Estates**

**119.8 Acres raw land in Gunter, TX**

# Financial Details

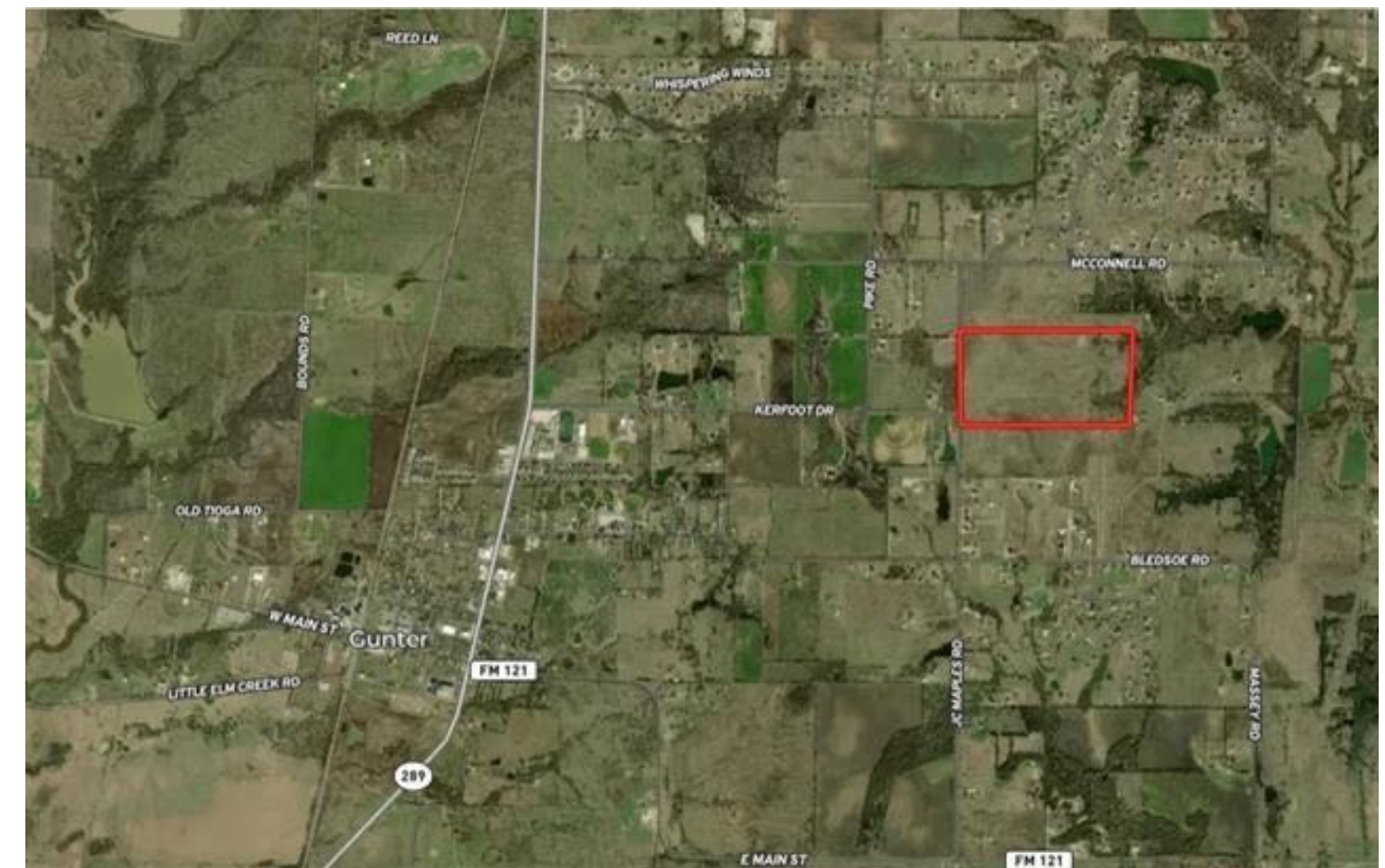
Underwriting Summary	
Acquisition Cost	\$3.36M for 119.8 acres ( \$28000/acre)
Number of Shares	15 Share! Each share of \$100,000 value, 0.5 share equals to \$50,000
Equity	\$1,341,760 - 40% downpayment
Debt	\$2,012,640 - 60% - Seller finance with interest only payment for 3 years ( interest rate 5%)
Investment Period	2 to 4 years ! Close first and think next!
Projected Returns	~20% IRR

Debt Service	Monthly	Yearly	3 years
Total	\$8390	\$100,682	\$302,047
Full share	\$559	\$6,712	\$20,136
0.5 Share	\$279	\$3,356	\$10,068



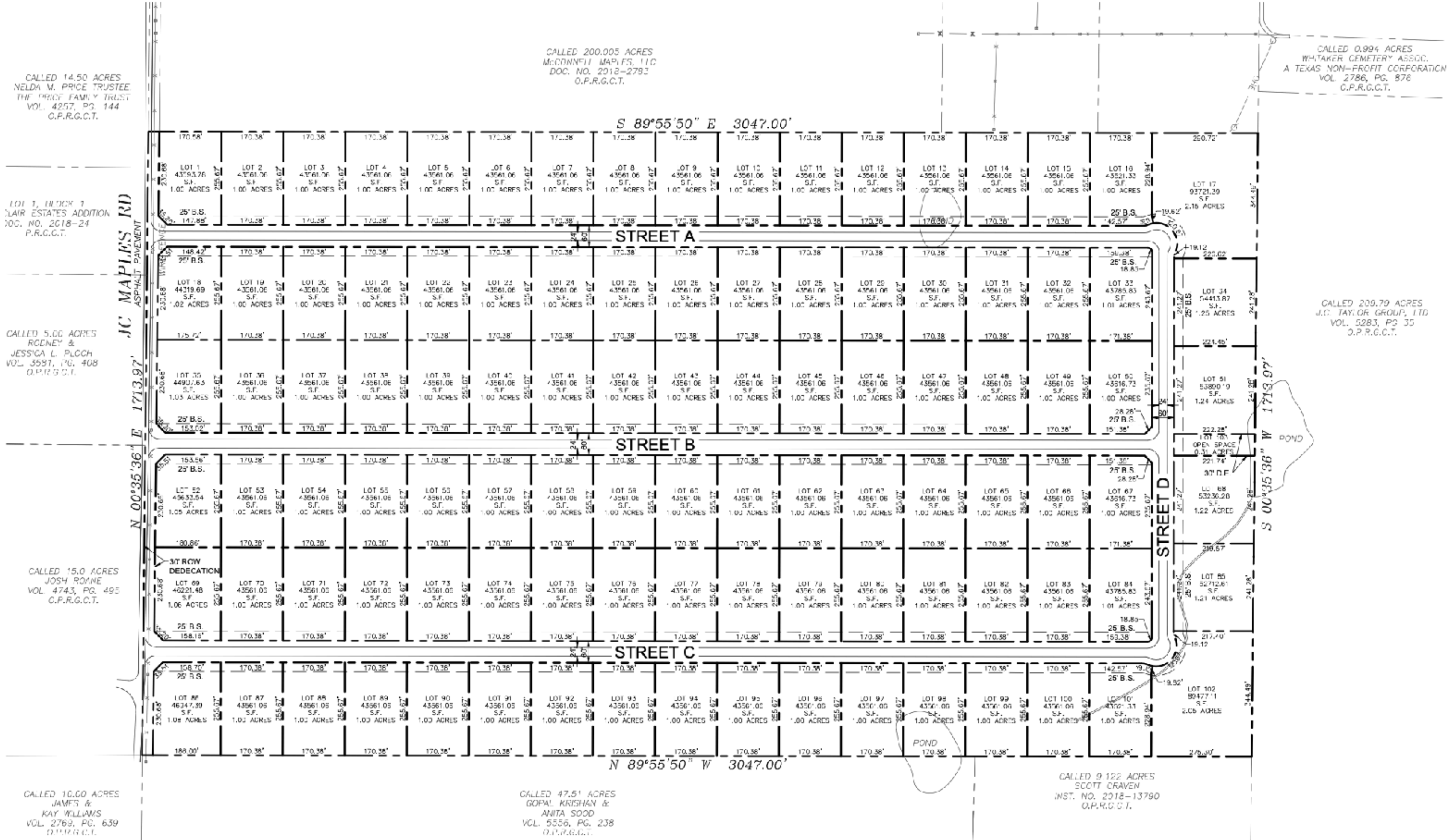
# Project Details - Development Due Diligence

- Initial Site Investigation Report prepared
- All Utilities serving letters obtained
- Initial conceptual plans, lot layouts created
- Pre development meeting with Grayson county done and have all go signals!
- Title has been reviewed by Attorney and title objection letter has been sent to seller
- Initial estimates for Pre engineering, pre construction works gathered

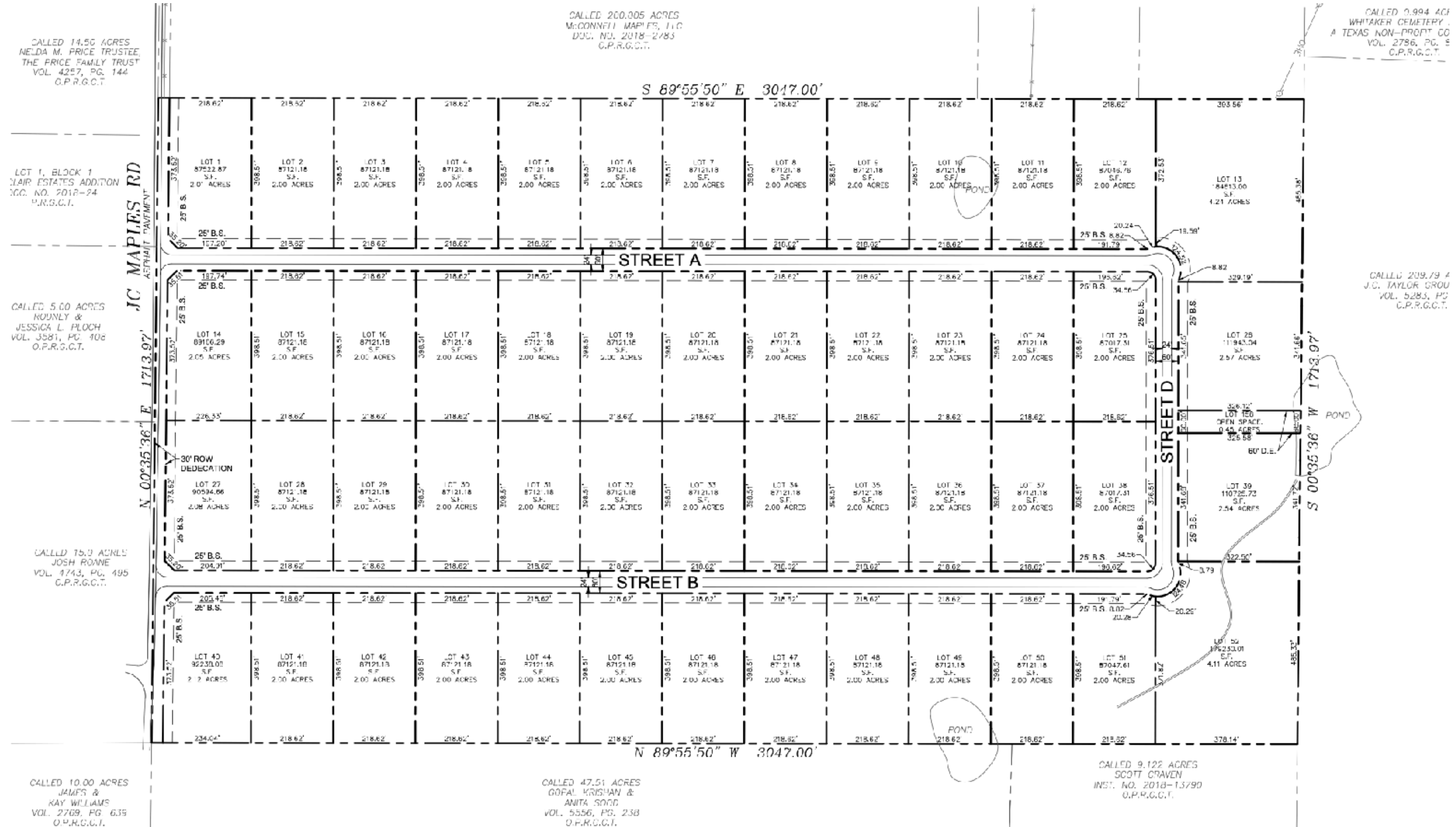




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# Deal Structure & Management

## Entity Structure

- Property will be on 1 single entity with all 15 share holders as owners with respective ownership percentages
- Entity Name : Gunter Pride Estates LP
- A Legal operating partnership agreement will be prepared by attorney on the ownership
- GPs will be managing the property, communications, coordination work

## Critical Dates

- Option fee hard - 04/08/2021
- Property Closure - 04/25/2021
- Operating agreement delivery - 04/09/2021
- Individual LLC Creation / Amount ready - 04/10/2021
- Money Transfer deadline - 04/15/2021

## Deal Management

- Naseem, Srinivas and Bala will act as deal managers
- Deal will be structured as partnership with General partners and limited partners
- Overall management fee for each share holder is 8% of net profit
- ~~4% fee discount is given to share holders who sign the loan~~
- 3% referral fee is given to shareholders who help on selling the lot directly
- 6% of transaction fee is allocated for other brokerages who help selling the lots
- 1% of transaction fee is given to the in house brokerage - **Any Center Realty**

## Early exit and selling shares

- Incase of any early exit, shareholder can find a replacement
- Or the managers can help selling the share
- Time value of the share can be determined based on project phase