

PRELIMINARY INVESTMENT INFORMATION**Fully-Entitled Ground-Up Development****176 Units - 4 Stories - Wrap Construction****Rockwall, Texas****Contact:****Asher Hamilton - (214) 908-4684 // ahamilton@realtyinvestments.com****Brad Boswell - (214) 493-3346 // bboswell@realtyinvestments.com****Andy Carnahan - (214) 802-9600 // acarnahan@makerbros.net**

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EXECUTIVE SUMMARY

Realty Investments is seeking \$5.5 million in equity to fund the ground-up development of Rockwall Harbor Residences, a fully entitled, 176-unit Class A multifamily community in Rockwall, Texas, within the Dallas/Fort Worth market. This four-story wrap-style construction project, slated for completion in 2028, represents the last remaining multifamily site in the Rockwall Harbor District. Perched on a hill with 180-degree views of Lake Ray Hubbard, the development spans 3.23 acres and offers 156,965 rentable square feet, with an average unit size of 892 square feet.

The Project includes premium amenities and is designed to capitalize on the harbor's lifestyle appeal. Rockwall, is experiencing dynamic growth. According to US News and World Reports, Rockwall County is the second fastest growing county in the U.S. With excellent schools, dynamic growth, high barriers to entry, an affluent walkable district, and one of the lowest property tax rates in the metroplex, the Project is ideally positioned for success.

Project:	Harbor Residences
Asset Type:	Ground-up Multifamily Development
Location:	2550 Pinnacle Way Drive, Rockwall, Texas 75032
# of Units	176
Net Rentable SF	156,965
Average Unit Size (SF)	892
Land Size (AC)	3.23
Density (Per Acre)	54.54

Project Returns	Yr 3	Yr 4	Yr 5
IRR	37.59%	31.58%	27.17%
Equity Multiple	2.54	2.92	3.21
Investor Returns			
IRR	28.75%	24.80%	21.78%
Equity Multiple	2.09	2.37	2.60

Investment Highlights

Location (Affluent Lake Views): Harbor District in Rockwall overlooks Lake Ray Hubbard and serves as the city's entertainment hub with restaurants, hotels, venues, and a marina. It's boosted by Sapphire Bay, a \$1B, 116-acre mixed-use development. The median household income within a 1-mile radius is \$132,000.

Barriers-to-Entry / Rare Zoning: After 3 years of land aggregation and city negotiations, Realty Investments secured the last residential units in the Harbor District. Future approvals are highly unlikely, making this the final opportunity for lake-overlooking residences walkable to restaurants, shops, marina, and venues.

Developers: Project partners have acquired, built, or funded 20,000+ multifamily units valued over \$500M.

Property Taxes: Rockwall's rate (1.53%) is far below Dallas (2.30%) and among Texas's lowest, saving approximately \$200,000 annually in project cash flow.

Robust Population Growth: Rockwall County ranked 2nd fastest-growing U.S. county in 2024 with 6.5% population increase.

Rent Comps / Occupancy: Nearby Harbor projects have market rents which are finishing lease-up with rents around \$2.20 to \$2.30 PSF. The Project offers 68% units with lake/pool views, which is far superior to the competitive set.

Infrastructure Improvements: I-30 Highway (100,000+ daily cars) undergoing \$550M expansion to handle Rockwall's growth.

HUD Financing: Used for advantage over conventional loans (7.5% rate, 55% LTC). Project secures ~5.60% rate and 74% LTC.

Education: Rockwall boasts an excellent school system. ISD rated "A" by TEA (2018), #14 in DFW and #31 in Texas per Niche.com.

General Contractor – LMF: Leading firm in multifamily; built 8,000+ units worth over \$1 billion predominately in the Texas market. GMP contract caps budget and risk for developer/investors.

Tax Depreciation Opportunity: Starting at the year of construction completion, an investor with qualified gains to offset, could take advantage of approximately 80% depreciation on the invested equity.

Construction Pipeline: Strict Rockwall zoning results in no proposed/planned developments within 2.5-mile radius.

INVESTMENT OPPORTUNITY

RIV Rockwall LLC (“RIV Rockwall”) is seeking 5.5 million for the development of a 176-unit, four-story multifamily residence located in the harbor district of Rockwall, Texas (“Project”). Along with the equity contribution, RIV Rockwall will provide \$3 million of equity, and secure the property with \$39.8 million in HUD debt financing and \$5 million of preferred equity. Once construction is completed and the asset is fully leased, the Project will be held until an optimal time for disposition arises.

INVESTMENT HIGHLIGHTS

Location (Affluent Lake Views): The Harbor District of Rockwall is a highly prized area which overlooks Lake Ray Hubbard and acts as the entertainment center of the city. With multiple restaurants, hotels, entertainment venues, and a marina, the harbor district is a regional attraction. The growth of the area is further supported by the construction of Sapphire Bay which is a billion dollar 116-acre mixed-use development that includes a 500-room hotel, 1.7 million square feet of commercial space, a 7-acre man-made lagoon with a surf and beach club, a 1,000-slip marina, and over 20 acres of parks and trails. The median household income within a 1 mile radius is \$132,000.

Barriers-to-Entry/Impossible Zoning: The original zoning for planned development allocated a finite number of units which could be built in the Harbor District. After three years of land aggregation and negotiation with the city, Realty Investments was able to get the last remaining residential units which could be built in the harbor district. It is highly unlikely that any new units will be approved in the future which means these units will be the last opportunity to develop a residential project overlooking the lake which is within walking distance of the restaurants, shops, marina, and entertainment venues.

Developers: Over the course of their careers, the partners of the Project have been a part of acquiring, building, or funding more than 20,000 multifamily units with a total value greater than \$500 million. The Developer is providing 34% of the equity capital in the Project.

Property Taxes: The property taxes of Rockwall are substantially below surrounding municipalities. For instance, Dallas has a total property tax rate of 2.30% while Rockwall is 1.53%. Rockwall’s property tax rate is one of the lowest in Texas. Rockwall’s lower tax rate saves approximately \$200,000 in annual cash flow for the Project.

Robust Population and Employment Growth: Rockwall County was the second fastest growing county in the U.S. in 2024, with a population increase of 6.5%.

Rent Comps / Occupancy: The harbor district boasts some of the strongest market economics in the DFW metroplex. Harbor Hill and Ablon at Harbor Village are both finishing up their lease-up with market rents fluctuating around \$2.20 - \$2.30 psf. The Project boasts a much higher percentage of premium units with 68% of the units having a lake or pool view which generates a premium for rents. Every unit on the 4th floor has lake or pool views.

Infrastructure Improvements: Interstate 30, which has a traffic count over 100,000 cars per day pass by the Project, is experiencing a massive expansion. The total cost of the expansion is approximately \$550 million dollars and will provide support for additional traffic to support Rockwall’s dramatic growth.

HUD Financing: Realty Investments pursued the advantageous path of using HUD financing to create a competitive advantage to conventional financing. Current market conditions have new construction loans with an interest rate of 7.5% and a 55% loan-to-cost. This Project boasts an interest rate that is approximately 5.60% and a 74% loan-to-cost.

Education: Rockwall Independent School District (ISD) is a highly-rated district in Texas. The Texas Education Agency (TEA) awarded Rockwall ISD an A rating in 2018. Niche.com ranks it #14 in the Dallas-Fort Worth area and #31 in Texas among school districts.

INVESTMENT HIGHLIGHTS

General Contractor – LMF: LMF Construction is a leading construction management firm specializing in innovative and sustainable multifamily developments. LMF has built over 8,000 units worth over \$1 billion in total capitalization. The vast majority of LMF's projects have been located in Texas. Realty Investments will enter into a GMP (Guarantee Maximum Price) contract with LMF which caps the construction budget and exposure to the developer and investor.

Tax Depreciation Opportunity: Starting at the year of construction completion, an investor with qualified gains to offset, could take advantage of approximately 80% depreciation on the invested equity. This is likely to be considered passive, and investor could only expect to offset other passive gains. If the investor qualifies as a real estate professional, then this depreciation would offset earned income. The depreciation will carry over to investor's individual K1. Investors without passive gains, will not be impacted by the depreciation. *Consult with your CPA

Construction Pipeline / Supply Constraint: The highly challenging zoning process in Rockwall has led to a distinctive situation, with no new developments proposed or planned within a 2.5-mile radius of the Project. The lack of new multifamily supply will be generate tail winds for the Project with its completion in 2027.

These Are the 10 Fastest-Growing Counties in the U.S.

These counties have seen the greatest percentage growth in population from 2022 to 2023, according to U.S. Census Bureau estimates.

By [Steven Ross Johnson](#) | March 18, 2024, at 6:40 p.m.



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2. Rockwall County, Texas

Population Growth: 6.5%

Rockwall County, located in the northeastern part of Texas near Dallas, saw its population increase from 123,342 people in 2022 to 131,307 in 2023.

Learn more about [Rockwall County](#).

NEXT: [1. Kaufman County, Texas](#)

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FINANCIAL SUMMARY

Property Cash Flow						
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Occupancy		Construction	Construction	Lease-up	95%	95%
Market Rent Inflation	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Market Expense Inflation	0.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Rental Rate per SF		0.00		2.48	2.56	2.64
INCOME						
Gross Potential Rent				4,680,053	4,822,401	4,969,079
Less: Vacancy				(1,461,604)	(241,120)	(248,454)
Less: Non-Revenue Units				(35,659)	(36,744)	(37,862)
Less: Collection Loss				(14,906)	(15,359)	(15,827)
Less: Concessions				(23,400)	(24,112)	(24,845)
Total Rental Income				3,144,483	4,505,065	4,642,091
Other Income				432,063	626,912	645,980
Effective Gross Income				3,576,547	5,131,978	5,288,072
EXPENSES						
Total Variable Expenses				(618,967)	(690,761)	(704,704)
Total Operating Expenses				(689,250)	(803,971)	(837,069)
Capital Reserves				-	-	(44,000)
Total Expenses				(1,308,217)	(1,494,732)	(1,585,772)
Net Operating Income				2,268,330	3,637,245	3,702,299
Debt Yield				5.70%	9.13%	9.30%
Yield on Cost				4.50%	6.82%	6.94%
DSCR				0.88	1.41	1.44
Senior Loan Interest				(2,323,173)	(2,307,744)	(2,291,388)
Senior Loan Repayment				(256,746)	(272,175)	(288,531)
Asset Management Fee				(35,765)	(51,320)	(52,881)
Pref Equity				(450,000)	(450,000)	(450,000)
Net Income				191,673	556,006	619,499

Project Returns	10/1/2025	10/1/2026	10/1/2027	10/1/2028	10/1/2029	10/1/2030
Sales Price	\$ -	\$ -	\$ -	\$ 71,823,299	\$ 73,955,742	\$ 75,303,044
Cost of Sale		-	-	(1,436,466)	(1,479,115)	(1,506,061)
Cost of Defeasance		-	-	(3,982,880)	(3,584,592)	(3,186,304)
Pref Equity		-	-	(5,450,000)	(5,550,000)	(5,650,000)
Loan Repayment		-	-	(39,572,054)	(39,299,879)	(39,011,348)
Annual Cash Flow		-	-	191,673	556,006	619,499
Cash Flow to Equity	\$ (8,490,727)	\$ -	\$ -	\$ 21,573,572	\$ 24,598,162	\$ 26,568,830
				Year 3	Year 4	Year 5
IRR				37.59%	31.58%	27.17%
Equity Multiple				2.54	2.92	3.21

Investor Returns						
Cash Flow to Equity	\$ (5,490,727)		\$ 11,474,177	\$ 12,911,067	\$ 13,804,356	
			IRR	28.75%	24.80%	21.78%
			Equity Multiple	2.09	2.37	2.60

FINANCIAL RETURNS

The Project returns for investors provided below illustrate three different hold periods of 3, 4, and 5 years. Due to the exclusivity of the area and the affluent environment surrounding the Project, Realty Investments has the ability to exit early in the process or hold for a strong cash-on-cash basis. As with any development project, market conditions may provide compelling evidence to exit or hold. This Project provides attractive returns under either scenario.

Equity Partner A				3 Year Proforma	
	Year 0	Year 1	Year 2	Year 3	
Capital Contribution	(5,490,727)	-	-	(22,473)	
Preferred Return	-	-	-	1,425,270	
Return of Capital	-	-	-	5,513,201	
Excess Cash	-	-	-	4,558,179	
Total	(5,490,727)	-	-	11,474,177	

Investor Cash Flow	\$ (5,490,727)	\$ -	\$ -	\$ 11,474,177
Investor IRR	28.75%			
Investor Cash on Cash	209%			
Investor Multiple	2.09			

Equity Partner A					4 Year Proforma	
	Year 0	Year 1	Year 2	Year 3	Year 4	
Capital Contribution	(5,490,727)	-	-	(22,473)	-	
Preferred Return	-	-	-	123,950	1,834,036	
Return of Capital	-	-	-	-	5,513,201	
Excess Cash	-	-	-	-	5,563,831	
Total	(5,490,727)	-	-	101,476	12,911,067	

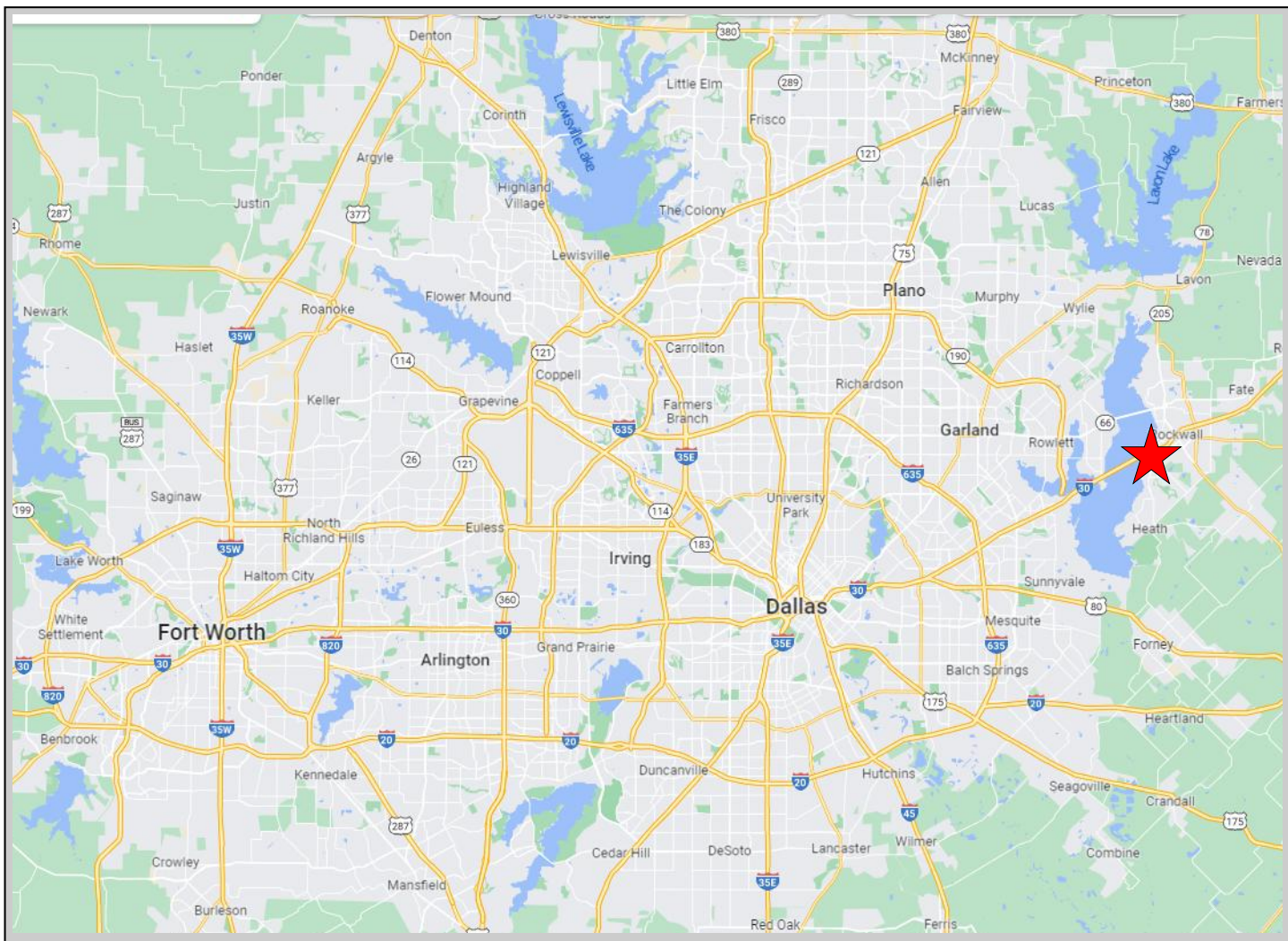
Investor Cash Flow	\$ (5,490,727)	\$ -	\$ -	\$ 101,476	\$ 12,911,067
Investor IRR	24.80%				
Investor Cash on Cash	235%				
Investor Multiple	2.37				

Equity Partner A						5 Year Proforma	
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	
Capital Contribution	(5,490,727)	-	-	(22,473)	-	-	
Preferred Return	-	-	-	123,950	359,554	2,019,587	
Return of Capital	-	-	-	-	-	5,513,201	
Excess Cash	-	-	-	-	-	6,271,569	
Total	(5,490,727)	-	-	101,476	359,554	13,804,356	

Investor Cash Flow	\$ (5,490,727)	\$ -	\$ -	\$ 101,476	\$ 359,554	\$ 13,804,356
Investor IRR	0%					21.78%
Investor Cash on Cash	7%					251%
Investor Multiple						2.60

LOCATION

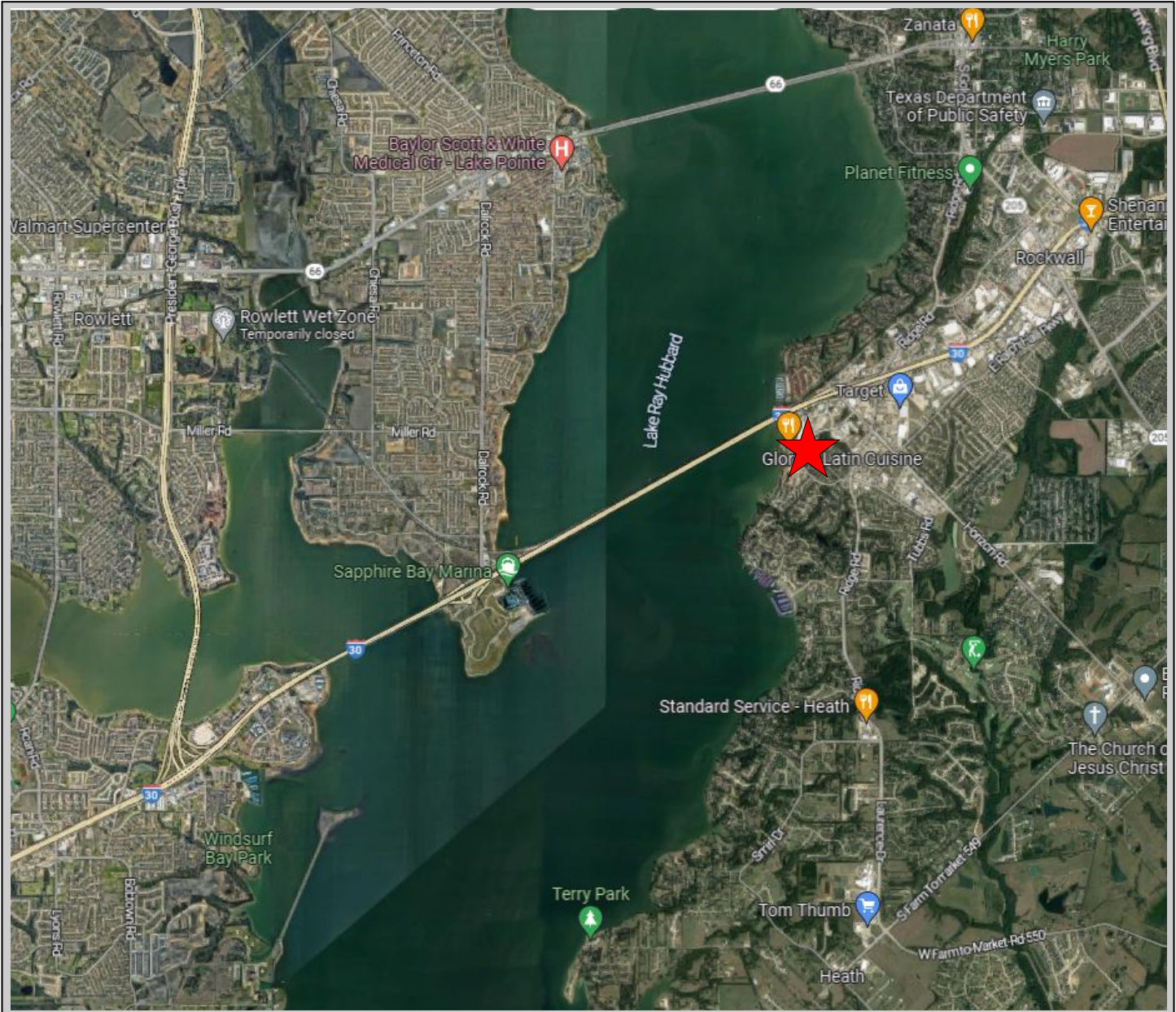
Rockwall Location Map



This map illustrates the location of the harbor district of Rockwall to the Dallas/Ft. Worth Metroplex.

LOCATION

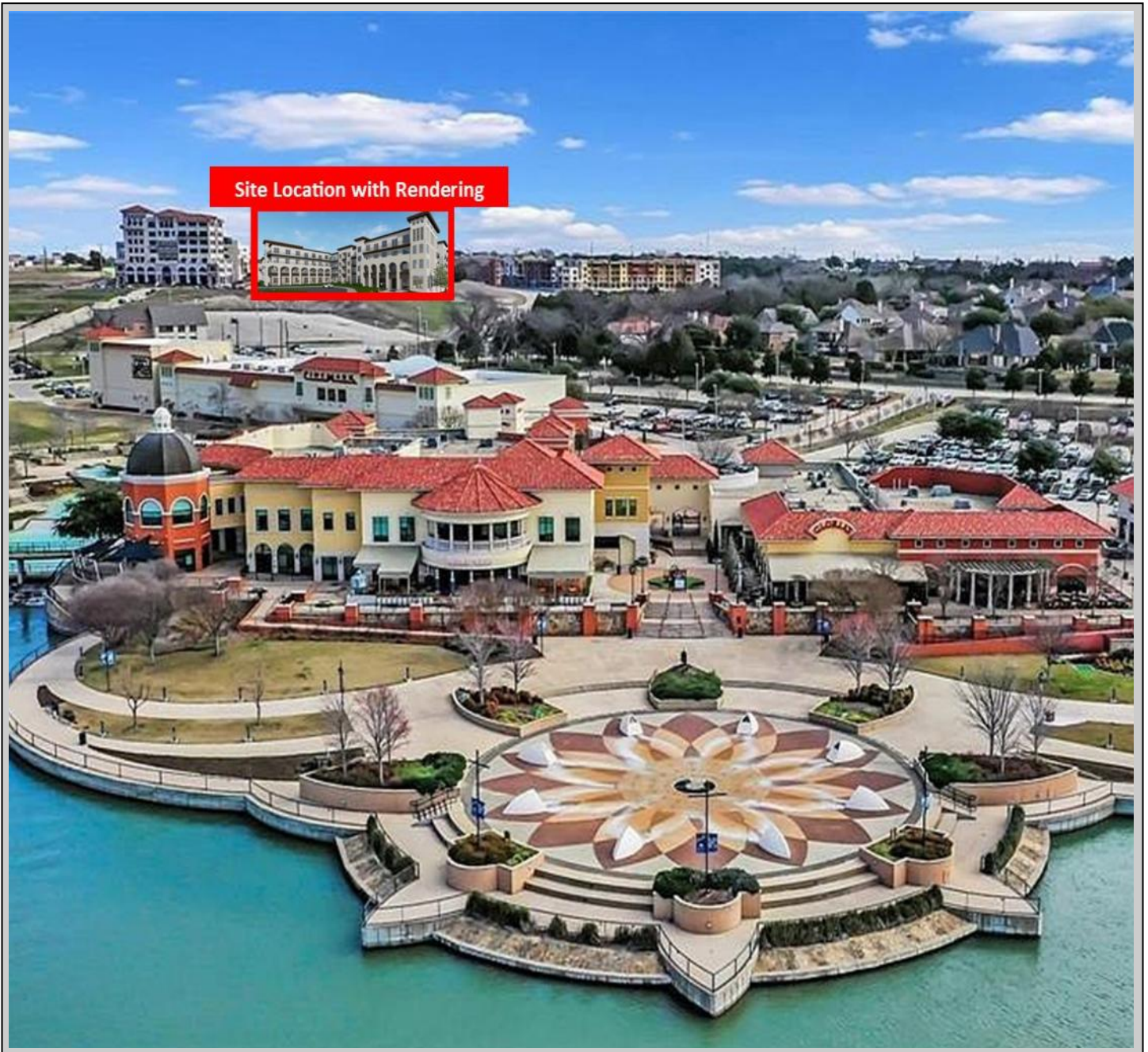
Rockwall Location Map



This aerial illustrates the location of the harbor district of Rockwall in relation to Sapphire Bay and the surrounding Lake Ray Hubbard.

LOCATION

Rockwall Harbor District Aerial Location Map



This aerial shows the position and rendering of the Project within the harbor district.

LOCATION

Rockwall Harbor District Location Map



This aerial shows the location of the Project to the surrounding harbor district.



LOCATION

Rockwall Harbor District Location Map



This aerial shows the location of the Project to the surrounding harbor district.

PROPERTY DETAIL

Property Detail - Renderings



Property Detail

Location:	2550 Pinnacle Way Drive, Rock-
Municipality:	Rockwall (Harbor District), Texas
Land Area:	3.23 Acres
Completion:	2028
Number of Units:	176
Average Unit Size:	892 sq. ft.
Rentable Sq. Ft.	156,965



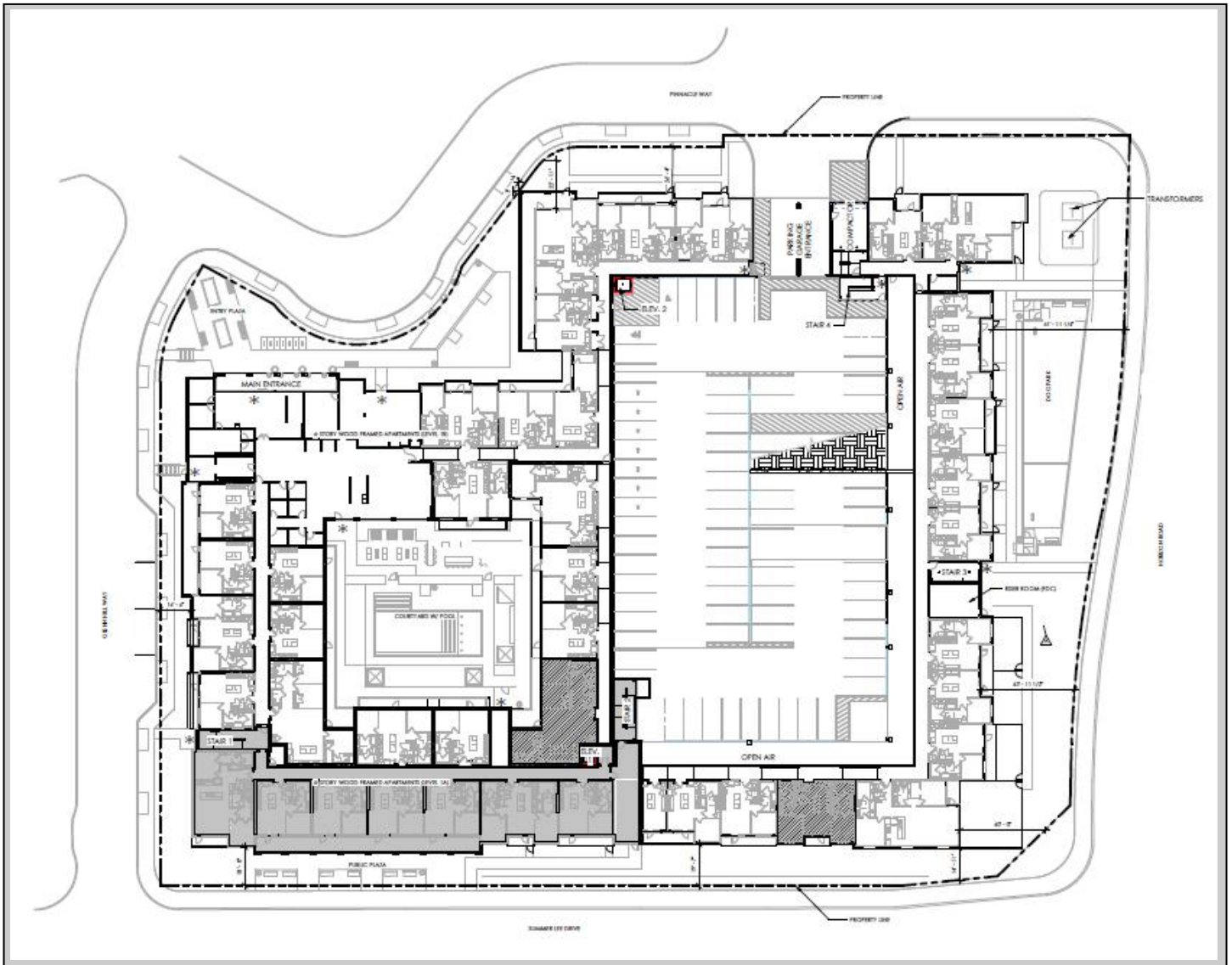
PROPERTY DETAIL

Property Detail - Elevations



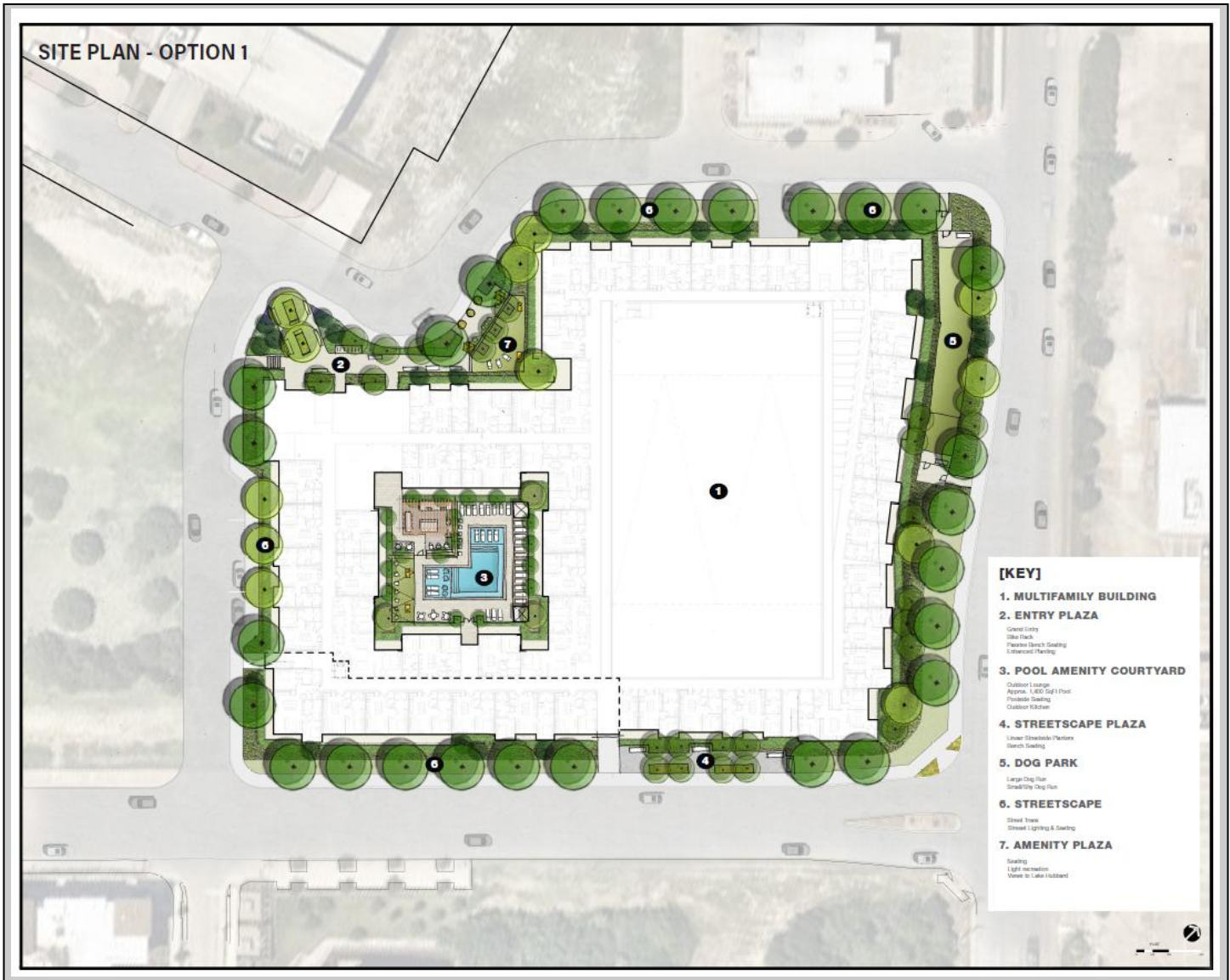
PROPERTY DETAIL

Property Detail - Site Plan



PROPERTY DETAIL

Property Detail - Landscape Plan



PROPERTY DETAIL

Amenities

Interior:

9' ceilings
 Vinyl Plank Floors in Common Areas
 Carpet in Bedrooms and Closets
 Tile in Bathrooms
 Quartz Counters
 Wood Cabinets
 Stainless Appliances
 Dishwasher
 Refrigerator
 Stove/oven
 Recessed Lighting
 Ceiling Fans

Exterior:

Swimming Pool
 Outdoor Recreational Area
 Clubhouse
 Community Kitchen
 Fitness Center
 WiFi in Common Areas
 Covered Outdoor Living Area
 Management Hosted Events
 Garage Parking
 EV Parking Spaces
 Electronic Gates
 4th Floor Sky Deck



Example of the community pool at the Harbor Residences.

PROPERTY DETAIL - UNIT MIX

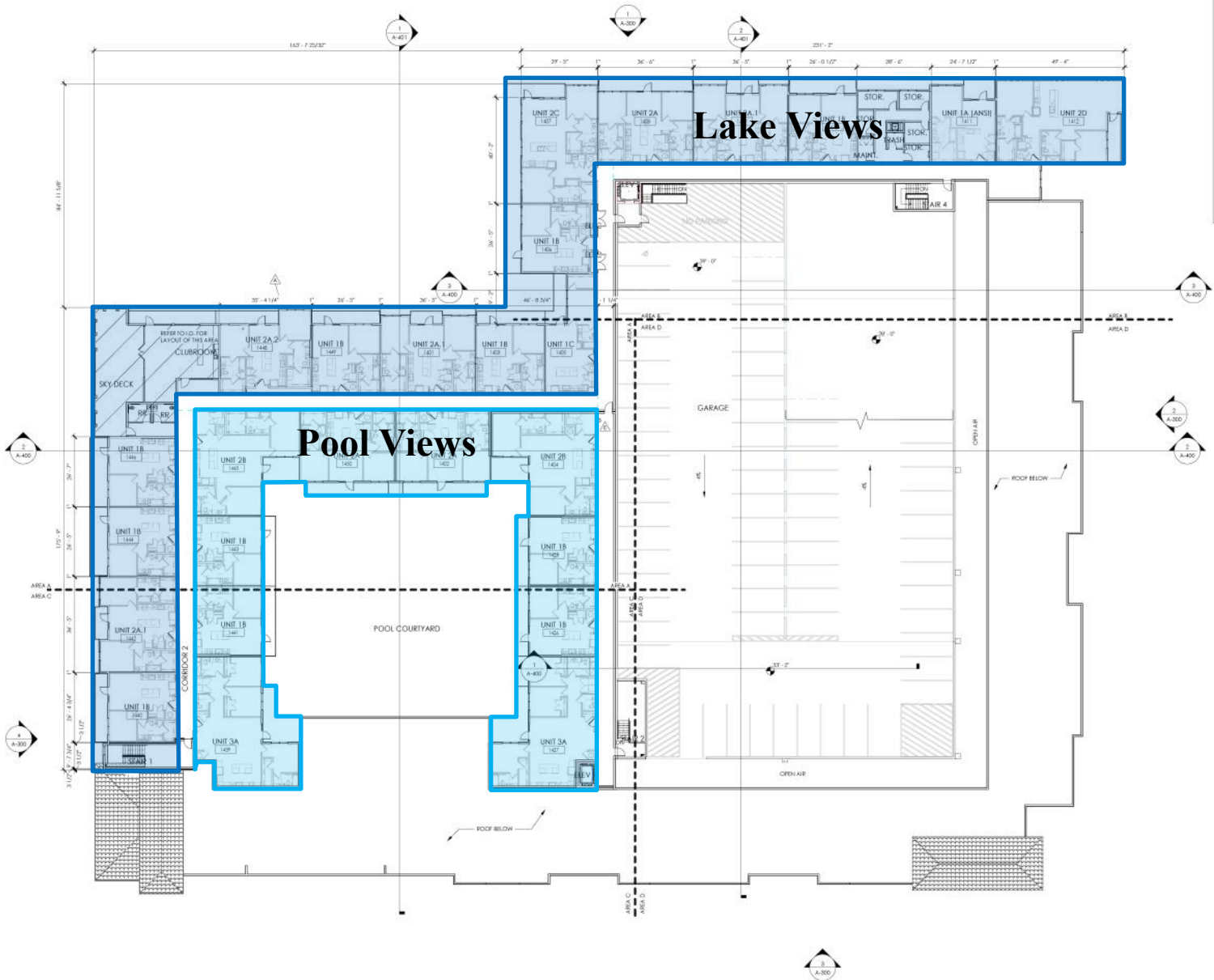
UNIT TYPE	UNIT TYPE CLASS	NUMBER OF UNITS	PREMIUM UNITS	%	UNIT SF	TOTAL SF	UNIT %	RENTAL RATES	RENTAL RATES PER SF	MONTHLY GROSS POTENTIAL	ANNUAL GROSS POTENTIAL
1 BR / 1 BA	1A	30	12	40%	678	20,340	17.0%	1,725	\$ 2.54	51,750	621,000
1 BR / 1 BA	1B	74	47	64%	702	51,948	42.0%	1,850	\$ 2.64	136,900	1,642,800
1 BR / 1 BA	1C	4	4	100%	770	3,080	2.3%	1,975	\$ 2.56	7,900	94,800
2 BR / 2 BA	2A	16	16	100%	1,004	16,064	9.1%	2,300	\$ 2.29	36,800	441,600
2 BR / 2 BA	2A.1	19	12	63%	1,048	19,912	10.8%	2,350	\$ 2.24	44,650	535,800
2 BR / 2 BA	2A.1	1	1	100%	953	953	0.6%	2,100	\$ 2.20	2,100	25,200
2 BR / 2 BA	2B	7	7	100%	1,332	9,324	4.0%	2,800	\$ 2.10	19,600	235,200
2 BR / 2 BA	2C	8	6	75%	1,246	9,968	4.5%	2,750	\$ 2.21	22,000	264,000
2 BR / 2 BA	2D	6	6	100%	1,457	8,742	3.4%	2,950	\$ 2.02	17,700	212,400
2 BR / 2 BA	2D.1	3	0	0%	1,502	4,506	1.7%	2,800	\$ 1.86	8,400	100,800
3 BR / 2 BA	3A	8	8	100%	1,516	12,128	4.5%	3,450	\$ 2.28	27,600	331,200
		176	119	68%	892	156,965	100.0%	\$ 2,133	\$ 2.39	\$ 375,400	\$ 4,504,800



Example bedroom in the Harbor Residences

PROPERTY DETAIL - PREMIUM UNITS

The Project is located at the top of the hill in the Harbor District and boasts 180-degree views of Lake Ray Hubbard. The entire fourth floor was designed with this in mind as every unit has a view of the lake or the pool. The advantageous positioning of the units will generate additional demand and thus a higher rent per square foot. Of the 176 units located within the property, approximately 119 (68%) of the units have premium views/amenities.



MARKET - RENT COMPETITORS

Rent Comparables Summary

Property Name/Address	Rating	Yr Built	Property Size		Asking Rent Per Month Per Unit				Rent/SF
			Units	Avg Unit SF	Studio	1 Bed	2 Bed	3 Bed	
 Ablon at Harbor Village 2600 Lakefront Trl	★★★★★	2022	375	891	\$1,655	\$1,758	\$2,511	-	\$2.30
 Surfside at Sapphire Bay 1100 Sapphire Bay Blvd	★★★★★	2025	315	844	\$1,611	\$1,745	\$2,363	-	\$2.21
 Harbor Hill 2400 Summer Lee Dr	★★★★★	2023	265	873	\$1,345	\$1,722	\$2,014	\$3,315	\$2.11
 The View at Sapphire Bay 600 Winners Cir	★★★★★	2024	394	943	\$1,683	\$1,732	\$2,018	\$3,501	\$2.04
 The Florence at the Harbor 2500 Summer Lee Dr	★★★★★	2020	228	786	\$1,228	\$1,375	\$1,864	-	\$1.94
 Harbor Residences 2550 Pinnacle Way Drive		2027	176	892	-	\$1,850	\$2,579	\$3,450	\$2.39

MARKET - CONSTRUCTION PIPELINE

Rockwall does not have another Project planned or under-construction within a 2.5-mile radius which means that this Project would likely have no lease-up competition and it would be the newest product by 4 years.

Multifamily Construction Pipeline

Dallas-Plano-Irving, TX / Rockwall County

BERKADIA®

ID	Property Name	Address	Development Status	Est. Complete Date	# of Units	Developer
5	Prose Greenbriar	375 W Greenbriar Rd, Fate, TX 75189	Under Construction	03/31/2025	336	Alliance Residential Company
6	Canopy Homes at Woodcreek	550 N Williams E Crawford Ave, Fate, TX 75087	Under Construction	07/31/2025	105	PMB Capital Investments
7	Harbor Residences	2550 Pinnacle Way, Rockwall, TX 75032	Planned	01/31/2027	176	
8	Fate Memorial I	Memorial Pkwy & Greenbriar Rd, Fate, TX 75189	Prospective		387	Stillwater Capital
9	Fate Memorial II	Memorial Pkwy & Greenbriar Rd, Fate, TX 75189	Prospective		313	Stillwater Capital
10	Parker Creek	I-30 & Parker Blvd, Royse City, TX 75189	Prospective		303	
11	Rockwall Lofts	201 W Washington St, Rockwall, TX 75087	Prospective	02/29/2024	263	Thompson Realty Capital

MARKET

Rockwall, Texas

Rockwall is a city located in Rockwall County, Texas, United States. With a population of approximately 38,000 people, Rockwall is a rapidly growing city that offers residents and visitors alike a high quality of life. One of the city's key attractions is its stunning natural beauty. Rockwall is located on the shores of Lake Ray Hubbard, a 22,000-acre lake that provides numerous opportunities for boating, fishing, and other water sports. The city also boasts several parks and hiking trails that offer breathtaking views of the lake and surrounding countryside.

Another highlight of Rockwall is its vibrant downtown area. The city's historic downtown district is a charming and picturesque area that features a variety of shops, restaurants, and cultural venues. The area is also home to the Rockwall Farmers Market, which takes place on Saturday mornings and features locally grown produce, handmade crafts, and live music.

In addition to its natural beauty and thriving downtown, Rockwall is known for its excellent schools. The city is served by the Rockwall Independent School District, which consistently ranks among the best in Texas. Rockwall is also home to a number of higher education institutions, including Texas A&M University-Commerce and Collin College.

The city's strong economy is another important aspect of life in Rockwall. Rockwall is home to a number of major employers, including the Rockwall County Office of Emergency Management, the Rockwall Independent School District, and the Rockwall County Historical Foundation. The city is also located within easy commuting distance of major cities like Dallas and Fort Worth, making it an ideal place to live and work.

The Harbor District

The Harbor District of Rockwall, Texas is a vibrant and thriving area that offers residents and visitors alike a unique blend of recreation, shopping, dining, and entertainment options. Located on the shores of Lake Ray Hubbard, the Harbor District is one of the most popular destinations in Rockwall and is known for its stunning views of the lake and surrounding countryside.

One of the key attractions of the Harbor District is its diverse range of recreational opportunities. The area is home to several parks and hiking trails that offer breathtaking views of the lake and surrounding countryside. It also features a marina and boat ramp, making it an ideal place for boaters and water sports enthusiasts. The Harbor District is also home to several fishing piers and a fish cleaning station, making it a popular destination for anglers.

Another highlight of the Harbor District is its vibrant shopping and dining scene. The area is home to a variety of shops and restaurants, including local boutiques, specialty stores, and popular chain restaurants. The Harbor District is also home to a number of events and festivals throughout the year, including the Rockwall Farmers Market, the Rockwall Art and Wine Festival, and the Rockwall County Fair.



The lighthouse at Chandler's Landing.

MARKET



49.3% of Rockwall residents hold a Bachelor's Degree or higher compared to Texas' Average of only 33.2%

Source: TEA Accountability Ratings & JobsEQ



FASTEST GROWING COUNTY IN THE U.S.

DFW is the Largest-Gaining U.S. Metro Area in 2023

Source: USNews.com & U.S. Census Bureau

Consolidated Tax Rate
\$1.565445
 per \$100 Valuation

30%↓

than many surrounding communities

Along with neighboring Fate, the City of Rockwall has the lowest consolidated tax rate in 8 DFW counties among cities with a population of 8,000 or higher.

ROCKWALL COUNTY RANKS IN TOP 10 FOR MOST PAYCHECK FRIENDLY PLACES IN THE U.S.

Though Rockwall County is the smallest county in Texas, Rockwall delivers a lot of bang for your buck.

- Ranked #5 in the state in 2023
- Ranked #9 out of 3,143 counties in the U.S. in 2023

Source: SmartAsset.com



\$183 per square foot - 2023 Average

\$430,000 - 2023 Median Sale Price

HOUSING COSTS ARE:

14%↓ than Collin County in DFW

Source: MetroTex MLS

HOUSING DEVELOPMENTS

Rockwall has 22 neighborhoods, master-planned communities, or active adult subdivisions developing, planned, or under zoning consideration as of 2023. This has resulted in 1,595 vacant platted lots being available for purchase or construction, and 2,513 entitled unplatted lots. Additionally, there are 17,000 multi-family rental units existing or under construction within a 10-mile radius.

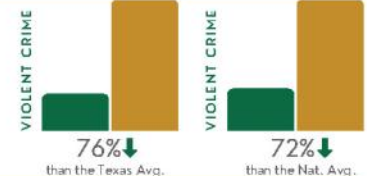
ROCKWALL IS SURROUNDED BY THE 23,000-ACRE LAKE RAY HUBBARD

The lake offers a multitude of recreational opportunities, and is flanked by the Harbor District, full of shopping and dining experiences, and stunning lake-front homes.



ROCKWALL SAFETY STATISTICS

Source: Areavibes.com



DRIVING DISTANCE TO DFW

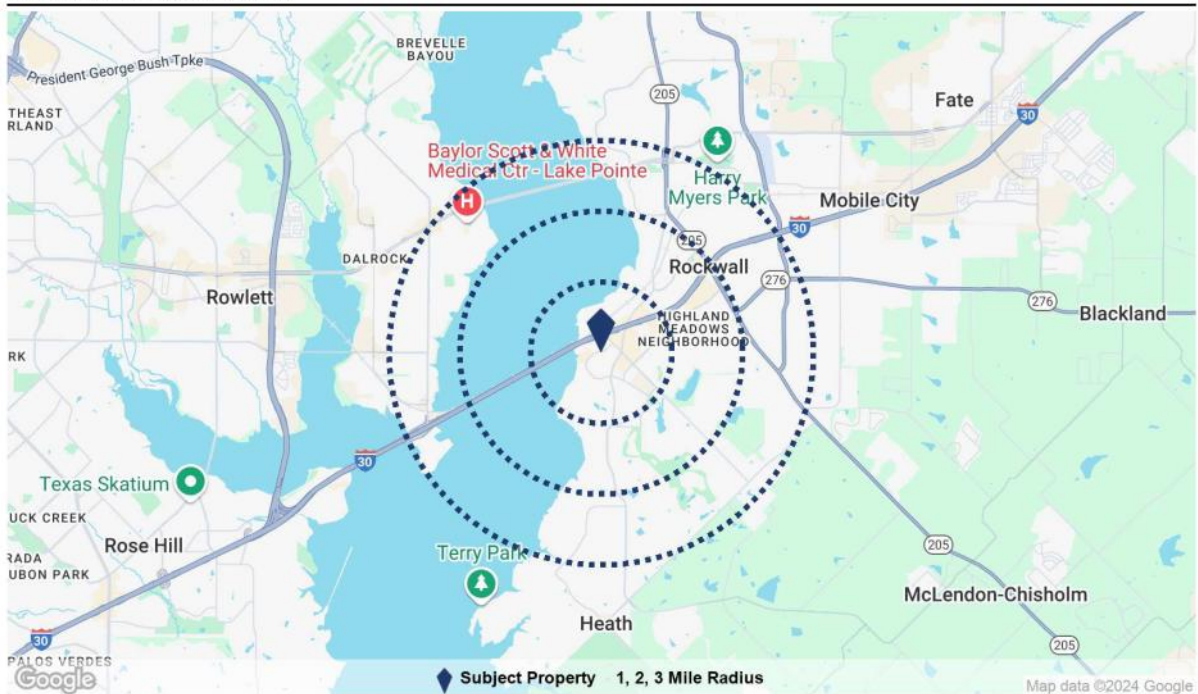


MARKET - DEMOGRAPHICS

Demographic Overview

Population (1 mi)	Avg. HH Size (1 mi)	Avg. Age (1 mi)	2400 Summer Lee Dr Med. HH Inc. (1 mi)
8,403	2.4	44	\$132,724

DEMOGRAPHIC RADIUS RINGS



DEMOGRAPHIC SUMMARY

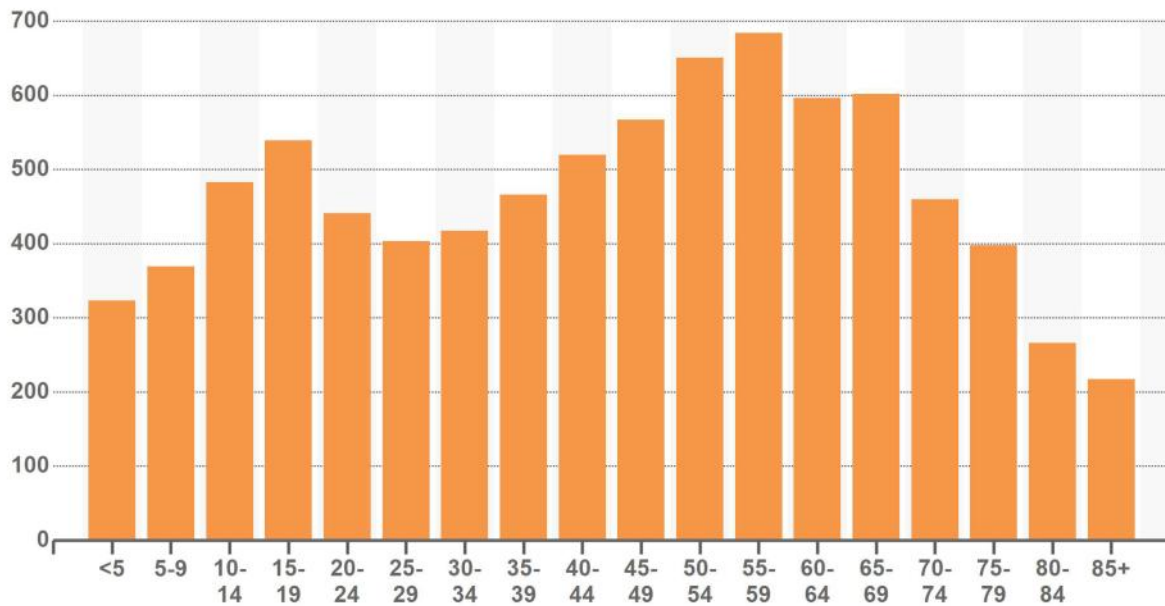
Population	1 Mile	2 Mile	3 Mile
2024 Population	8,403	21,013	48,869
2029 Population	11,516	28,670	64,825
Pop Growth 2024-2029	37.1%	36.4%	32.7%
2024 Average Age	44	41	41
Households			
2024 Households	3,474	8,228	18,189
2029 Households	4,779	11,258	24,231
Household Growth 2024-2029	37.6%	36.8%	33.2%
Median Household Income	\$132,724	\$113,315	\$109,535
Average Household Size	2.4	2.5	2.6
Average HH Vehicles	2	2	2
Housing			
Median Home Value	\$348,922	\$352,893	\$309,760
Median Year Built	2000	2000	1999

MARKET - DEMOGRAPHICS

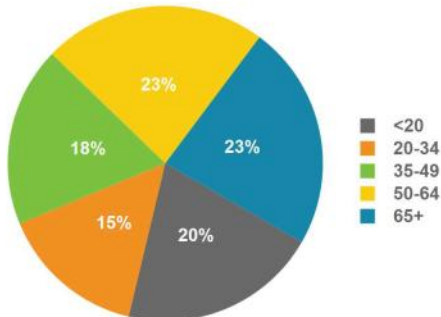
Age & Education

2400 Summer Lee Dr - Harbor Hill

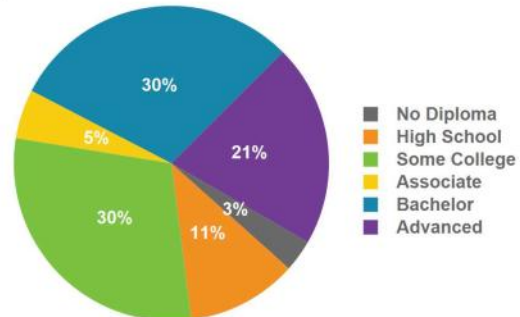
POPULATION BY AGE GROUP IN 1 MILE RADIUS

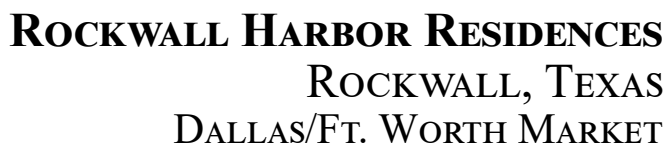


POPULATION BY AGE IN 1 MILE RADIUS



POPULATION BY EDUCATION IN 1 MILE RADIUS





PROPERTY TAXES

The property tax rate in Rockwall, Texas, offers a significant advantage for multifamily development compared to Dallas, primarily due to its lower consolidated tax rate and favorable local policies. In 2023, Rockwall's consolidated tax rate was reported at **\$1.565445** per \$100 of valuation, a 13% decrease from 2022, reflecting a decade-long trend of declining rates, driven by reductions from the City of Rockwall (\$0.270245), Rockwall County (\$0.2760), and Rockwall Independent School District (\$1.0192). In contrast, Dallas County's average property tax rate is notably higher at approximately **2.30%**, with the City of Dallas itself imposing a rate of \$0.769691 per \$100 in valuation, alongside additional county and school district taxes. This disparity translates to substantial savings for multifamily developers in Rockwall, where lower tax burdens reduce operational costs and enhance project profitability. Additionally, Rockwall's absence of special taxing jurisdictions further minimizes tax liabilities, unlike Dallas, where special districts can increase rates. These factors make Rockwall an attractive location for multifamily development, offering developers a more cost-effective environment to maximize returns on investment.

Dallas v. Rockwall Property Tax Comparison

Rockwall County	0.2547	Dallas County	0.2155
City of Rockwall	0.24745	City of Dallas	0.769691
Rockwall ISD	1.0269	Dallas ISD	0.997235
Total Tax Rate	1.52905	Dallas College	0.105595
	1.53%	Parkland Hospital	0.212
		Total Tax Rate	2.300021
			2.30%

Annual Cost Savings	\$199,696
Increased Value at Sale 5%	\$3,993,926



DEVELOPMENT BUDGET

CONSTRUCTION BUDGET

		<u>Total Cost</u>	<u>Cost Per Net SF</u>	<u>Cost Per Unit</u>
CONSTRUCTION COSTS				
Residential Construction		35,845,443	228.37	203,667
Construction Contingency		350,000	2.23	1,989
Site Improvements		0	0.00	0
SUBTOTAL CONSTRUCTION COSTS		36,195,443	230.60	205,656
CONTRACTOR SOFT COSTS				
General Conditions	0.00%	0	0.00	0
Building Permits & Impact Fees	1.37%	495,878	3.16	2,817
Contractor Bond & Contingency	0.00%	0	0.00	0
Contractor Overhead	0.00%	0	0.00	0
Builders Risk Insurance	1.00%	361,954	2.31	2,057
General Liability Insurance	0.17%	61,532	0.39	350
CONTRACTOR SOFT COSTS		919,364	5.86	5,224
TOTAL CONSTRUCTION COSTS		37,114,807	236.45	210,880
OTHER FEES				
Architect - Design & CA Services	2.10%	759,350	4.84	4,314
Architect - Supervisory	0.11%	40,000	0.25	227
MEP/Structural	0.49%	178,750	1.14	1,016
Civil Engineer	0.18%	65,000	0.41	369
Environmental, Geotechnical, Materials/Radon Testing	0.79%	286,800	1.83	1,630
Landscape Architect	0.18%	64,900	0.41	369
Interior Designer	0.20%	71,000	0.45	403
Surveyor - Survey, ALTA, Final Plat	0.12%	45,000	0.29	256
Title, Taxes, & Legal	1.92%	695,000	4.43	3,949
Marketing-startup- FF&E	1.16%	419,500	2.67	2,384
Appraisal / Feasibility Study / Market Study / ESA	0.18%	65,000	0.41	369
TOTAL OTHER FEES		2,690,300	17.14	15,286
TOTAL FOR ALL IMPROVEMENTS		39,805,107	253.59	226,165
CHARGES AND FINANCING DURING CONSTRUCTION				
Interest for 20 months + 2 Months	5.85%	1,398,760	8.91	7,947
FHA Mortgage Insurance Premium (2yrs)	0.50%	\$197,897	1.26	1,124
FHA Application Fee	0.30%	\$118,738	0.76	675
FHA Inspection Fee	0.50%	\$197,897	1.26	1,124
Lender/Financing Fee	1.00%	\$395,794	2.52	2,249
Lender/Permanent Placement Fee	0.00%	0	0.00	0
Lender/Title & Recording/Other HUD Fees	0.11%	44,400	0.28	252
TOTAL CHARGES AND FINANCING DURING CONSTRUCTION		2,353,486	14.99	13,372
TOTAL IMPROVEMENTS AND FINANCING		42,158,593	\$268.59	239,537

These financial projections and estimated annual return on investment were developed by Realty Investments and are based upon assumptions that Realty Investments believes to be reasonable. These assumptions may be incomplete or incorrect, and unanticipated events and circumstances may occur which can materially affect these projections. Actual results for the periods in the projections will vary, and may be material and adverse.

DEVELOPMENT BUDGET

LAND COST

Street & Offsite Utilities	\$0.00	\$0.00	0.00
Estimated Land Cost (with carry/consultant costs)	<u>4,500,000</u>	<u>\$32.01</u>	<u>25,568</u>
TOTAL LAND COST	<u>4,500,000</u>	<u>\$32.01</u>	<u>25,568</u>
TOTAL LAND, IMPROVEMENTS & FINANCING	<u>46,658,593</u>	<u>297.25</u>	<u>265,106</u>

HUD LOAN EXCLUSIONS

HUD REQUIRED ESCROWS (outside loan)

Operating Deficit Escrow	3.70%	1,298,638	8.27	7,379
Working Capital Escrow	4.00%	<u>1,573,304</u>	<u>10.02</u>	<u>8,939</u>
HUD ESCROWS		<u>2,871,942</u>	<u>18.30</u>	<u>16,318</u>

DEVELOPMENT COSTS (outside loan)

Builder/ Contractor Side Letter Fee	0.00%	-	0.00	0
Developer Fee	4.00%	1,926,492	12.27	10,946
Land Carry Costs*	1.26%	500,000	3.19	2,841
Pref Equity Capitalized/Consultant Fees*	0.5%	<u>1,362,500</u>	<u>8.68</u>	<u>7,741</u>
DEVELOPMENT COSTS		<u>3,788,992</u>	<u>24.14</u>	<u>21,528</u>
TOTAL PROJECT COST		<u>53,319,527</u>	<u>339.69</u>	<u>302,952</u>

These financial projections and estimated annual return on investment were developed by Realty Investments and are based upon assumptions that Realty Investments believes to be reasonable. These assumptions may be incomplete or incorrect, and unanticipated events and circumstances may occur which can materially affect these projections. Actual results for the periods in the projections will vary, and may be material and adverse.

FINANCIAL INFORMATION

Property Information

Units	176
Est. Completion Date	March 1, 2028
Gross Building Area	226,393
Net Rentable Area	156,965
Average Unit per SF	892
Effective Rent per Unit	\$ 2,060
Effective Rent per Month per SF	2.31
Effective Rent at Lease-up	2.45
Acres	3.23
Units per Acre	54.54
Occupancy at Stabilization	95.0%

Project Timeline

Construction Start	3/1/2026
Construction Completion	3/1/2028
Stabilization	11/1/2028

Financial Assumptions

Holding Period (Years)	5.00
Exit Cap Rate	5.00%
Yield on Cost or ROC (Stabilized)	6.8%
DSCR (Year 4)	1.41
Multifamily	
Development Cost Per Unit*	\$ 286,634
Development Cost Per Unit	\$ 302,952
Development Cost Per SF*	\$ 321
Development Cost Per SF	\$ 340

**If calculated without HUD WCR/IOD*

Sources and Uses

Sources

Equity	15.9%	8,490,727
Preferred Equity	9.4%	5,000,000
HUD Letter of Credit	0.0%	-
Debt	74.7%	39,828,800
Total	100.0%	\$ 53,319,527

Uses

Land Acquisition Cost	\$ 4,500,000
Project Hard & Soft Costs	48,819,527
Total	\$ 53,319,527

Equity Breakdown

Realty Investments	35%	\$ 3,000,000
Equity Partner	65%	5,490,727
Total	100%	\$ 8,490,727

Debt Assumptions - HUD Loan

Loan to Cost	75%
Loan Amt	\$ 39,828,800
Interest	5.85%
Loan Constant	6.48%
Term	5
Ammortization	40
Interest Only	3
Interest Only Payment	2,329,985
Permanent Loan Payment	2,579,919
Loan Constant to ROC	0.34%
ROC to Exit Cap	1.82%

FINANCIAL PROJECTIONS

Property Cash Flow						
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Occupancy		Construction	Construction	Lease-up	95%	95%
Market Rent Inflation	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Market Expense Inflation	0.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Rental Rate per SF		0.00		2.48	2.56	2.64
INCOME						
Gross Potential Rent				4,680,053	4,822,401	4,969,079
Less: Vacancy				(1,461,604)	(241,120)	(248,454)
Less: Non-Revenue Units				(35,659)	(36,744)	(37,862)
Less: Collection Loss				(14,906)	(15,359)	(15,827)
Less: Concessions				(23,400)	(24,112)	(24,845)
Total Rental Income				3,144,483	4,505,065	4,642,091
Other Income				432,063	626,912	645,980
Effective Gross Income				3,576,547	5,131,978	5,288,072
EXPENSES						
Total Variable Expenses				(618,967)	(690,761)	(704,704)
Total Operating Expenses				(689,250)	(803,971)	(837,069)
Capital Reserves				-	-	(44,000)
Total Expenses				(1,308,217)	(1,494,732)	(1,585,772)
Net Operating Income				2,268,330	3,637,245	3,702,299
Debt Yield				5.70%	9.13%	9.30%
Yield on Cost				4.50%	6.82%	6.94%
DSCR				0.88	1.41	1.44
Senior Loan Interest				(2,323,173)	(2,307,744)	(2,291,388)
Senior Loan Repayment				(256,746)	(272,175)	(288,531)
Asset Management Fee				(35,765)	(51,320)	(52,881)
Pref Equity				(450,000)	(450,000)	(450,000)
Net Income				191,673	556,006	619,499
Project Returns						
	10/1/2025	10/1/2026	10/1/2027	10/1/2028	10/1/2029	10/1/2030
Sales Price	\$ -	\$ -	\$ -	\$ 71,823,299	\$ 73,955,742	\$ 75,303,044
Cost of Sale		-	-	(1,436,466)	(1,479,115)	(1,506,061)
Cost of Defeasance		-	-	(3,982,880)	(3,584,592)	(3,186,304)
Pref Equity		-	-	(5,450,000)	(5,550,000)	(5,650,000)
Loan Repayment		-	-	(39,572,054)	(39,299,879)	(39,011,348)
Annual Cash Flow		-	-	191,673	556,006	619,499
Cash Flow to Equity	\$ (8,490,727)	\$ -	\$ -	\$ 21,573,572	\$ 24,598,162	\$ 26,568,830
				Year 3	Year 4	Year 5
			IRR	37.59%	31.58%	27.17%
			Equity Multiple	2.54	2.92	3.21
Investor Returns						
Cash Flow to Equity	\$ (5,490,727)			\$ 11,474,177	\$ 12,911,067	\$ 13,804,356
			IRR	28.75%	24.80%	21.78%
			Equity Multiple	2.09	2.37	2.60

DEVELOPMENT TEAM

REALTY INVESTMENTS

Realty Investments is a private real estate firm that specializes in the procurement, development, management, and disposition of various commercial real estate asset types including multifamily, hospitality, industrial and self-storage. The firm effectuates its strategy by procuring and developing projects which provide a strong risk-adjusted return for their accredited investors, institutional funds, private equity funds, and family offices. Realty Investments specifically targets development and value-add projects in Texas and other major metropolitan areas in the southern region of the U.S.

Asher Hamilton, Founder/Partner

Asher Hamilton is responsible for overseeing all aspects of the firm including site selection, capital raising, asset management, legal, and all other strategic and day-to-day matters. Since the firm's inception in 2017, Realty Investments has procured, entitled, developed, and managed approximately \$150,000,000 in multifamily properties with an additional \$180,000,000 currently planned, under construction, or in pre-leasing.

Prior to Realty Investments, Mr. Hamilton held several positions with Dallas/Fort Worth based private investment firms where he was responsible for originating, structuring, and managing development and value-add acquisitions. Throughout his career, Mr. Hamilton has been involved in the transaction and underwriting of over \$1 billion worth of real estate in multiple product types including multifamily, retail, office, industrial, hospitality, and self-storage.

Mr. Hamilton attended Southern Methodist University where he received a BBA from the Cox School of Business (cum laude), an MBA from the Cox School of Business (cum laude), and a Juris Doctorate from the Dedman School of Law.

Brad Boswell, Partner

Brad Boswell is responsible for managing all aspects of the construction and entitlement process for Realty Investments. During his career, Mr. Boswell has over 20 years of construction and development experience. Since 2019, he has been able to procure and entitle three multifamily projects located in Hickory Creek, Rockwall, and Garland which equate to 801 units and \$180,000,000 of total capitalization.

Prior to the formation of Realty Investments, Brad started a construction management company which now supports a handful of Fortune 500 companies. His current responsibilities include financial tracking, cost controls, bonding, bank relationships and reporting. Brad has worked as a lead on our real estate development team and construction projects including site selection, feasibility studies, contract negotiation, re-zone, development permitting, construction management and lease-up.

Mr. Boswell attended the University of Texas at Austin where he received BBA in Marketing.



DEVELOPMENT TEAM

Maker Bros

Maker Bros. (“Maker”) is a privately held construction and development company based in Dallas, Texas. Our team provides an exceptional experience to its investors, clients and residents while delivering the highest value at the right cost. The partners have spent their careers developing, designing and constructing multifamily and other commercial real estate assets in suburban and infill locations throughout Texas. Having built or developed in excess of 30,000 multifamily units each partner’s expertise plays an important role within Maker’s fully integrated team. You can expect our highly qualified team to execute and deliver quality projects on-time and on-budget.

Andy Carnahan, Partner

Andy Carnahan is a partner at Maker Bros., a Dallas based real estate development and construction company that has developed and built over \$500M residential and mix-use properties in Texas since its inception in 2015. During their careers, he and his partner have built more than 20,000 residential units.

Prior to the formation Maker Bros., Andy Carnahan started as the founder and managing partner at Foresite Development, an urban infill development company. There, he performed and managed the top-to-bottom real estate development functions for the company – including compiling market research and site identification, negotiating land acquisitions, overseeing planning and design (architectural, engineering, MEP), analysis of site zoning and related local building codes, as well as securing entitlements.

Andy has procured a variety of financing including: equity, recourse and non-recourse debt, mezzanine debt and HUD loans. In addition, Andy has acted as general contractor for many of his developments, which consist of various types and styles of mixed-used commercial buildings, apartments, townhomes, condominiums. His commitment to each development overflows into the marketing, leasing and/or sales arena as well. During his early years at Foresite Development, Andy developed and executed \$250MM worth of real estate projects.

In addition to Maker Bros., Andy retains an active ownership interest in PCI | HealthDev, a healthcare focused real estate development company with offices in Dallas and Denver. He has helped PCI build a company with a development and construction platform that has successfully constructed medical clinics in 22 states over the past ten years valued at over \$450MM.

Andy’s real estate career started as a developer at First Worthing Company, a multi-family development, construction and management company located in Dallas, Texas. First Worthing was a very active developer in the Texas Market for more than 30 years. Andy studied Finance and Real Estate Finance in the Cox School of Business at Southern Methodist University in Dallas.



DISCLAIMER / RISK FACTORS

This Offering Memorandum (the "Memorandum") has been prepared by RIV Rockwall LLC ("Realty Investments" or the "Developer", or the "Sponsor") solely for informational purposes and is intended for use by prospective investors who are accredited investors, as defined under Regulation D of the Securities Act of 1933, as amended (the "Securities Act"). The information contained herein pertains to the acquisition, development, and operation of the Rockwall Harbor Residences project (the "Project") located in Rockwall, Texas. By accepting this Memorandum, the recipient agrees to: (i) treat its contents as strictly confidential; (ii) not disclose or reproduce any portion of the Memorandum without the prior written consent of an authorized officer of the Sponsor; and (iii) return the Memorandum to the Sponsor upon request.

Confidentiality

The information in this Memorandum is proprietary and confidential. It may not be copied, reproduced, or distributed to any third party without the express written permission of the Sponsor. Recipients are prohibited from using the information for any purpose other than evaluating a potential investment in the Project. Principals, real estate brokers, and other parties are expressly forbidden from disseminating this information without the Sponsor's prior written consent.

No Offer or Solicitation

This Memorandum does not constitute an offer to sell or a solicitation of an offer to buy securities in any jurisdiction where such an offer or solicitation would be unlawful. Any offering of securities will be made only through a private placement memorandum, subscription agreement, and other related documents, which will govern the terms of the investment and supersede this Memorandum. No securities will be offered or sold to any person who does not qualify as an accredited investor or in any jurisdiction where such an offer or sale is not permitted.

Forward-Looking Statements

This Memorandum contains forward-looking statements, including financial projections, estimates, and assumptions regarding the Project's performance, market conditions, and potential returns. These statements are based on the Sponsor's current expectations and beliefs, which are subject to significant risks and uncertainties. Actual results may differ materially from those projected due to factors including, but not limited to, changes in economic conditions, real estate market volatility, construction delays, cost overruns, financing challenges, regulatory changes, environmental issues, and other unforeseen events. The Sponsor does not undertake any obligation to update or revise these forward-looking statements, even if new information becomes available.

No Representations or Warranties

The information in this Memorandum is preliminary and subject to change without notice. Neither the Sponsor, its affiliates, nor any of their respective officers, directors, employees, agents, advisors, or consultants makes any representations or warranties, express or implied, as to the accuracy, completeness, or reliability of the information contained herein, including financial projections, market data, or other estimates. The Sponsor disclaims any liability for errors, omissions, or inaccuracies in the Memorandum. Prospective investors are solely responsible for conducting their own due diligence, including independent investigations and consultations with legal, financial, tax, engineering, environmental, and other professional advisors, to verify the information and assess the suitability of the investment.

Due Diligence

Prospective investors are strongly advised to conduct their own independent investigations, including but not limited to reviewing all relevant documents, financial statements, engineering reports, environmental assessments, and legal agreements. The Sponsor makes no assurance that the information provided in this Memorandum is sufficient for making an investment decision. Investors should rely solely on their own analysis and verification of the Project's merits.

DISCLAIMER / RISK FACTORS

Investment Risks

An investment in the Project involves a high degree of risk and is suitable only for accredited investors who can bear the complete loss of their investment. The following is a non-exhaustive list of risks associated with the Project:

- **Market Risk:** The value of the Project may be adversely affected by fluctuations in the real estate market, interest rates, or economic conditions in the Dallas/Fort Worth area or nationally.
- **Development Risk:** Construction projects are subject to delays, cost overruns, labor shortages, supply chain disruptions, and unforeseen site conditions, which could impact the Project's timeline and profitability.
- **Financing Risk:** The Project relies on HUD debt financing, which may be subject to changes in terms, availability, or interest rates. Failure to secure or maintain financing could jeopardize the Project.
- **Regulatory and Entitlement Risk:** Changes in zoning, permitting, or other regulatory requirements could delay or prevent the completion of the Project.
- **Environmental Risk:** Unknown environmental conditions, such as soil contamination or other hazards, could result in significant remediation costs or delays.
- **Liquidity Risk:** Investments in the Project are illiquid, with no public market for the securities. Investors may not be able to sell or transfer their interests and may need to hold their investment for an extended period.
- **Operational Risk:** The Project's success depends on effective property management, leasing, and maintenance. Poor management or unexpected vacancies could reduce returns.
- **Tax Risk:** The tax treatment of the investment is subject to change, and prospective investors should consult their tax advisors regarding the tax implications of their investment.
- **Reliance on Management:** The Project's success depends on the expertise and performance of the Sponsor and its management team. The loss of key personnel could adversely affect the Project.
- **No Guarantee of Returns:** There is no assurance that the Project will achieve its financial objectives, including projected returns, cash flow, or appreciation. Investors may lose some or all of their invested capital.

No Legal Commitment

The distribution of this Memorandum does not create any legal obligation or commitment on the part of the Sponsor or its affiliates to proceed with any transaction or accept any investment. The Sponsor reserves the right to reject any or all expressions of interest, terminate discussions or negotiations with any party, or modify the terms of the offering at any time, with or without notice, and without liability.

Governing Law

This Memorandum and any related investment shall be governed by and construed in accordance with the laws of the State of Texas, without regard to its conflict of laws principles. Any disputes arising from this Memorandum or the Project shall be resolved exclusively in the state or federal courts located in Dallas County, Texas.

Securities Law Compliance

The securities described in this Memorandum have not been registered under the Securities Act or the securities laws of any state or other jurisdiction and are being offered in reliance on exemptions from registration, including Regulation D. These securities may not be resold or transferred unless they are registered or an exemption from registration applies. Prospective investors must represent that they are acquiring the securities for their own account and not with a view to distribution.

Entire Agreement

The terms and conditions set forth in this Disclaimer and Risk Factors section apply to the Memorandum in its entirety and supersede any prior communications, representations, or agreements, whether oral or written, regarding the Project. This Memorandum is not intended to be a complete description of the Project or its operations, and all information is qualified by the definitive offering documents.

By accepting this Memorandum, the recipient acknowledges that they have read, understood, and agree to be bound by the terms of this Disclaimer and Risk Factors section. Prospective investors should carefully consider the risks described herein and consult with their own advisors before making any investment decision.