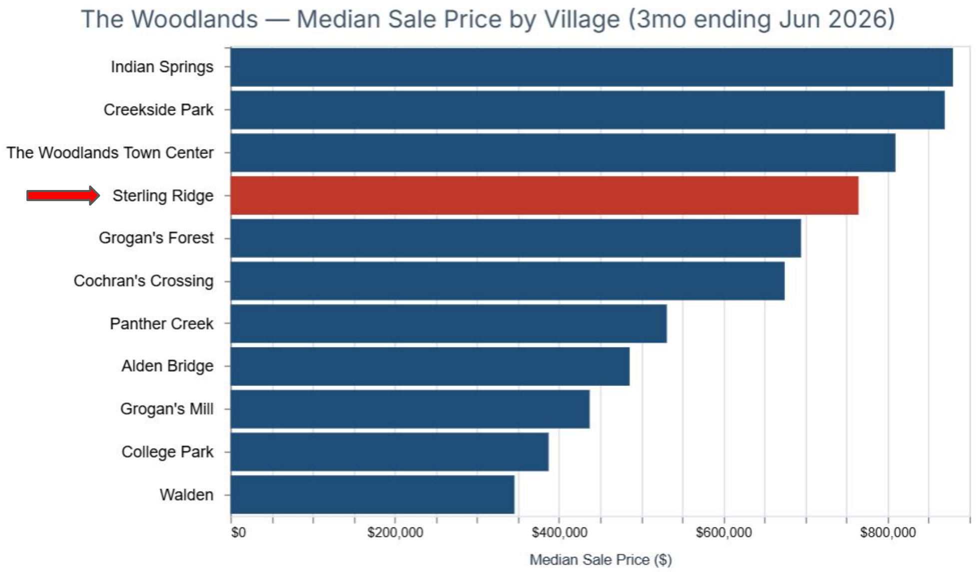
Submarket Investment Opportunity

Recommended investment max $550,000 if $10M liquidity and 10 year investment horizon

Sterling Ridge is a large village (2,500+ homes) that spans multiple census tracts in Montgomery County, TX. There are 11 neighborhoods in Montgomery county.

Market: Sterling Ridge Community Orientation



- Sterling Ridge is described as best For: Individuals and households seeking an established, community-oriented lifestyle with access to top-tier public schools, extensive outdoor amenities, and high property standards.
  - An outdoor-oriented lifestyle, with miles of pathways connecting residents to local amenities, schools, and recreation center
  - Key attractions include the Gary Player Signature Golf Course,Walmart, & Gringo’s Tex-Mex

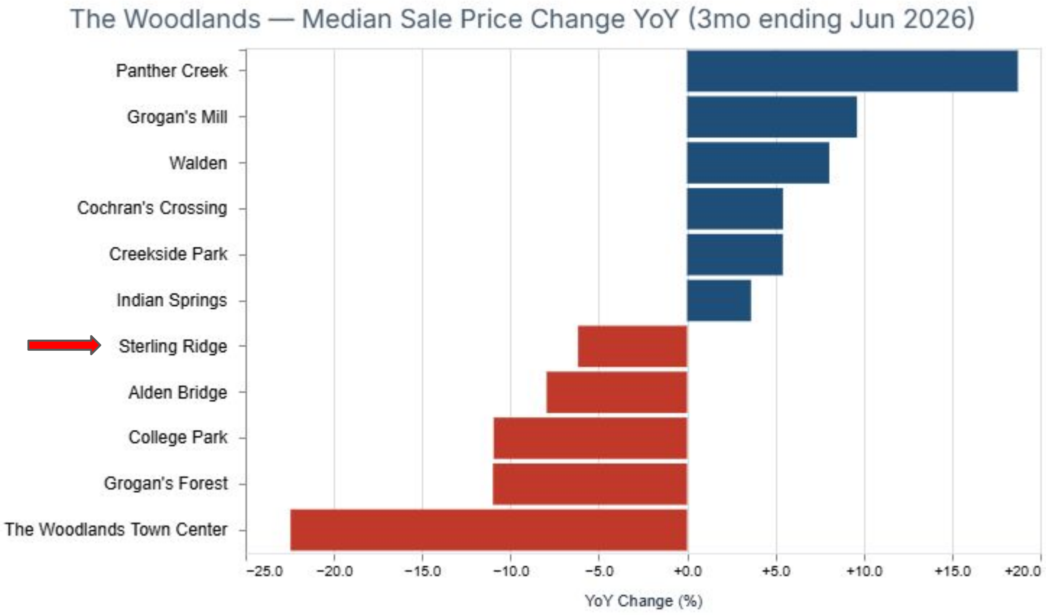
Project Economics

1. XM Equity Raise of $XXM Project Size
    A. Projected 3-5 Years Hold Period
    B. Projected 20-30% Annual ROI
    C. Projected approx. 2x multiple

2. Assumptions

- Ground-up construction risk makes this the highest tier of CRE risk
- Both A core CRE project and a high-risk CRE project return approx. 10% annualized. Risk is almost never equal to return in CRE.

Market: Sterling Ridge vs. Affluent Neighborhoods



- Indian Springs is the nearest high-income neighborhood and is described as “the heart of the Woodlands”
    - Indian Springs is closer to major thoroughfares than Sterling Ridge
- Panther Creek is closer than Indian Creek to major thoroughfares & has more lot size per home than Sterling Ridge.

Market: Neighborhood Comparison in Photos

Sterling Ridge

Market: Neighborhood Comparison in Photos

Indian Springs


Market: Neighborhood Comparison in Photos

Panther Creek

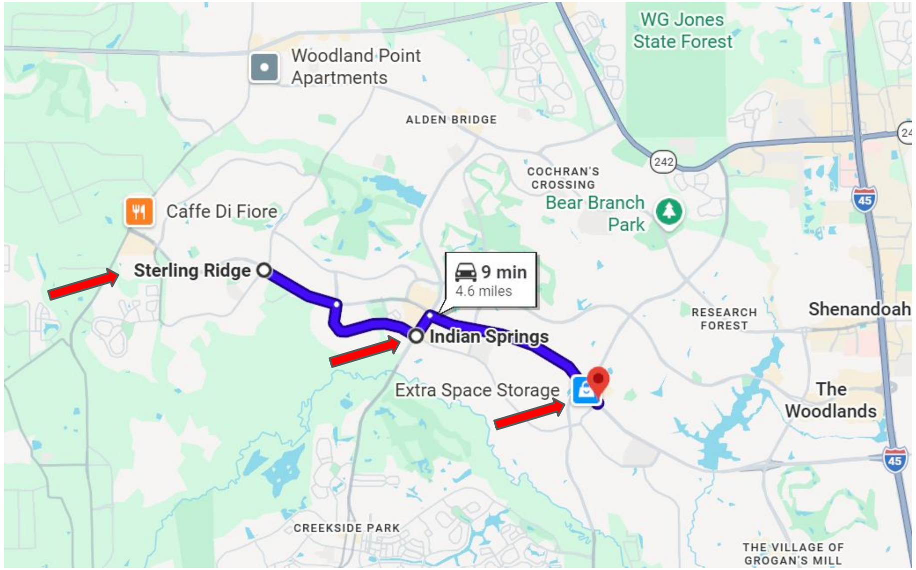




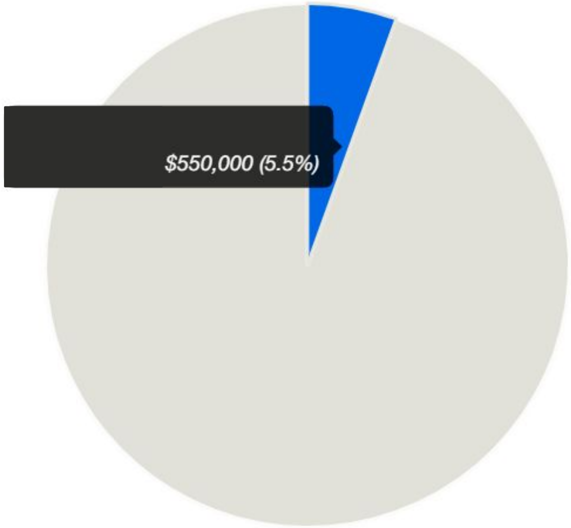
Market: Neighborhood Distance in Photos

- Sterling Ridge is the farthest from major thoroughfares while Panther Creek sits the closest.

- Panther Creek has the highest appreciation of all Woodlands Neighborhoods in the last 3 months.



Recommended Investment based on Opportunistic Risk



- Elevated execution risk (ground-up construction) caps this position at 5.5% of liquidity
    - a $550K check against $10M in total investable equity
- Projected returns, a 23.91% ROI and 2X multiple
    - Assume a clean execution path: on-schedule entitlement, presale thresholds hit before vertical construction, no material hard-cost overruns, and an exit cap rate/PSF consistent with today's comps four years out
- Sizing this position at 5.5% of total liquidity reflects that gap between headline return and realistic, risk-adjusted return
    - Treating the pro forma as the upper bound of a distribution rather than the expected outcome.

Data Sources & Analysis Methods

- Market Research: HAR Zip Code 77382, Redfin Region ID 54611, County FIPS: 48339 , Census Tracts: 69060X range, Census ACS 5-Year API, aggregated through api interaction surface.
- Liquidity Derivation Method: (1) Mark-Horowitz Well-Diversified Portfolio (2) Industry standards concerning project risk (3) Client investment horizon