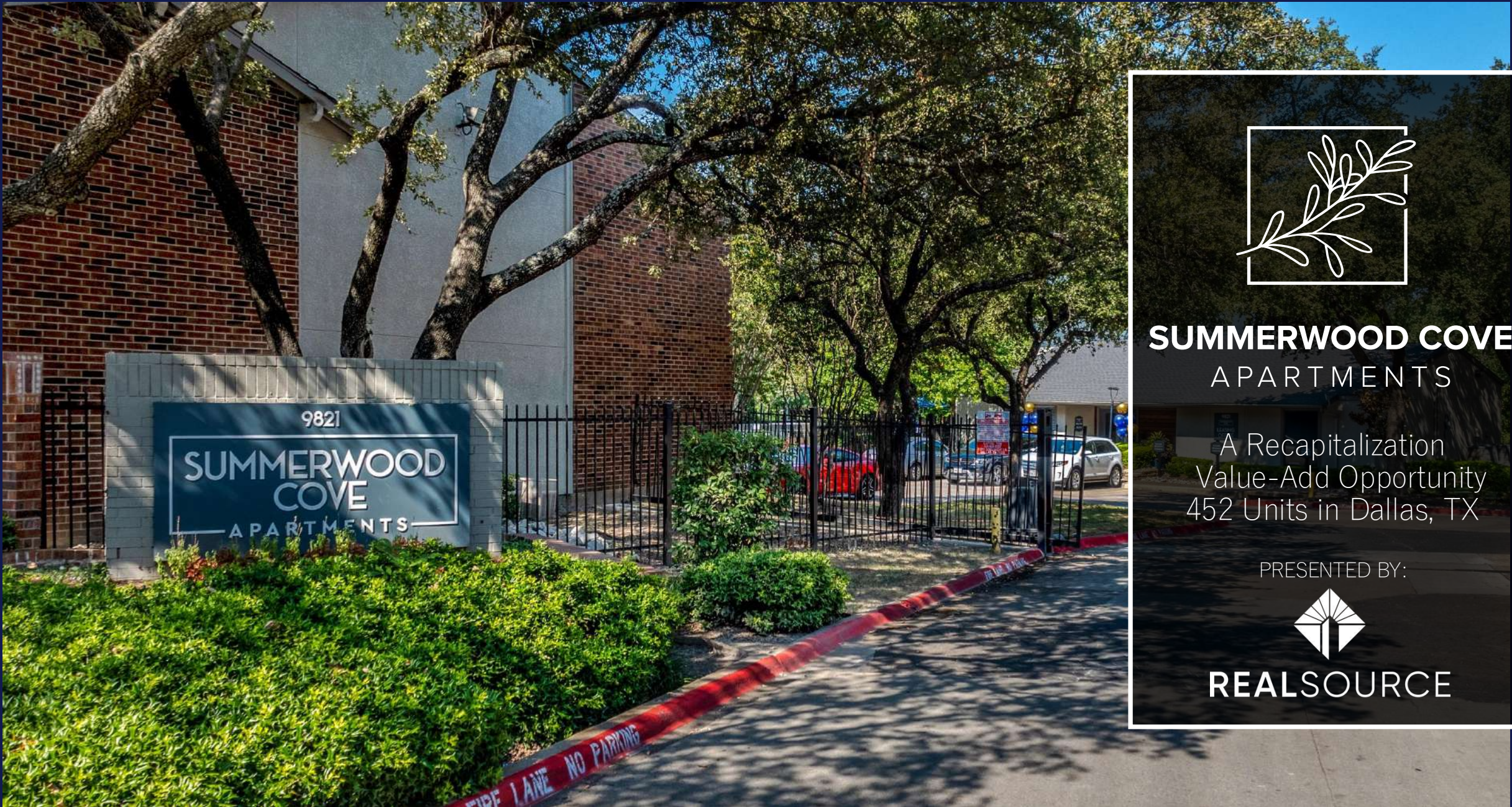




SUMMERWOOD COVE APARTMENTS

A Recapitalization
Value-Add Opportunity
452 Units in Dallas, TX

PRESENTED BY:



REALSOURCE



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Salt Lake City, UT 84121

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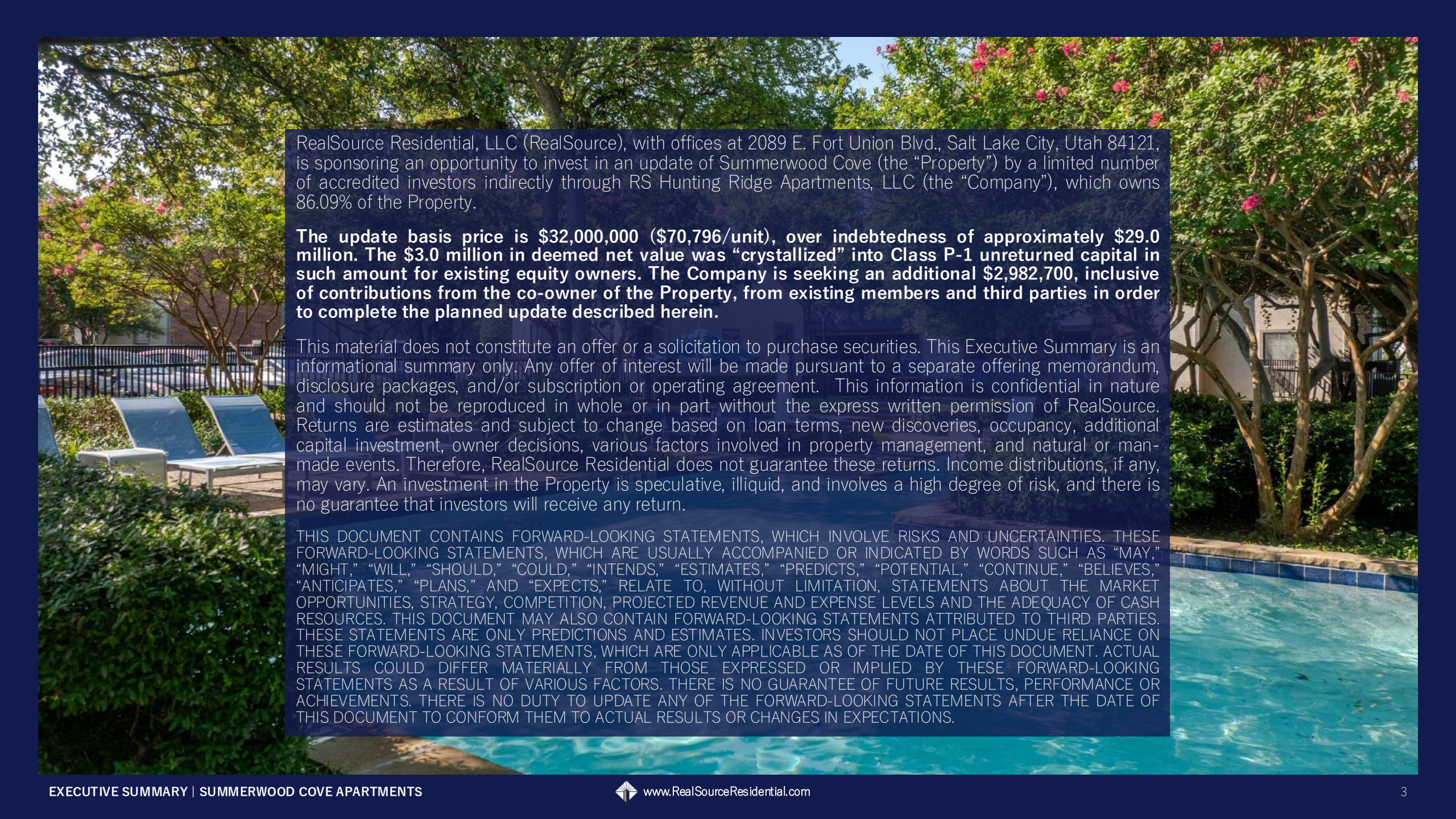
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RealSource Residential, LLC (RealSource), with offices at 2089 E. Fort Union Blvd., Salt Lake City, Utah 84121, is sponsoring an opportunity to invest in an update of Summerwood Cove (the “Property”) by a limited number of accredited investors indirectly through RS Hunting Ridge Apartments, LLC (the “Company”), which owns 86.09% of the Property.

The update basis price is \$32,000,000 (\$70,796/unit), over indebtedness of approximately \$29.0 million. The \$3.0 million in deemed net value was “crystallized” into Class P-1 unreturned capital in such amount for existing equity owners. The Company is seeking an additional \$2,982,700, inclusive of contributions from the co-owner of the Property, from existing members and third parties in order to complete the planned update described herein.

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INVESTMENT OVERVIEW

Summerwood Cove is a 452-unit two- and three-story garden-style community built in 1982 and situated on ±18.4 acres with a low density of 24.6 units per acre. The Property features a desirable unit mix with one-bedroom floor plans up to 879 SF and two-bedrooms up to 975 SF, two resort-style swimming pools, spacious courtyards, and a modern fitness center.

The Company and the 13.9% co-owner have owned, and RealSource has operated, Summerwood Cove since 2014. The Property has grown significantly in value but still has ample room to increase returns through a fresh value-add program. The metropolitan statistical area (MSA) and submarket have faced challenging conditions, with a wave of new supply affecting rental rates and occupancy for "A" and "B" class multifamily properties since 2023. Most of the comps in the neighborhood offer more affordable classic-condition interiors, as well as partial or full-level interior renovations. Since completing light upgrades in 2015, Summer Cove's units are now classified as classic interiors with black appliances. Given the property's long-term ownership, we are offering current and new investors the opportunity to upgrade the Property and participate in another round of growth.

With most units (98%) in classic condition, new ownership can implement a light, partial, and full upgrade program across 452 units for a \$45-\$150 monthly premium. The light or partial upgrade includes modern paint colors, faux-wood flooring throughout, and upgraded kitchen and bathroom vanity lights. In addition, the full-level renovation would include new cabinet fronts, granite countertops, new bathroom vanities, and a tile backsplash. Other opportunities to increase income include signing a new cable & internet contract and replacing toilets and faucets to reduce water bills.

The Company is seeking additional capital in order to complete the upgrade described in this Executive Summary.

Projected Returns*



Cash on Cash Returns	
Year 1	3.3%
Year 2	7.3%
Year 3	8.4%
Avg. c/c from operations	6.3%

*There can be no assurance these objectives will be achieved. See assumptions on page 9.

AT A GLANCE

9821 Summerwood Circle | Dallas, TX

452

UNITS

\$992

RENT/UNIT

733

AVG UNIT SIZE

1982

YEAR BUILT

331,280

RENTABLE SF

6.3%

PROJECTED C/C

Highlights

ABOVE MARKET RENT GROWTH FORECAST

The property is located within the RealPage/Axiometrics Northeast Dallas Submarket, which ranks among DFW's top submarkets for future rent growth. Over a three-year hold, 2026-2028 projections are as follows: +1.4%, +2.9%, and +3.1%. While RealPage and Costar project occupancy in the submarket and MSA to remain challenged, they are expected to improve 2026-2028.

DALLAS, TEXAS SCORES IN THE TOP 30 IN THE "INCOME GROWTH / AFFORDABILITY AND JOB GROWTH" CATEGORIES

In the current scores #40 MSA in the 2025 RealSource Target Market Model.

EXCELLENT ACCESSIBILITY TO EMPLOYMENT

Summerwood Cove is conveniently located with immediate access to the major thoroughfares of I-635 and US 75 providing residents ease of access to major employment centers including Texas Instruments and 6.1 million SF of healthcare facilities.

PROPERTY OVERVIEW

Summerwood Cove Ownership Background

Summerwood Cove Apartments was acquired by the Company and a co-investor in 2014 for a purchase price of \$19,500,000, which was \$41,667 per unit with the original 468 units. To expand I-635, the city purchased one building with 16 units. RealSource completed a light interior value-add that included new flooring and appliances. The current investors have achieved a return of over 300% on their original investment. RealSource and the original investor chose to put the Property up for sale in 2024, as broker opinions of values ranged from \$38 to \$41 million. In the summer of 2024, the Company and the co-investor had an agreement to sell the property for \$40.0M until the buyers' 1031 fell through. RealSource and the local brokers went back to another buyer and went under contract at \$36.6M in September, but the buyer retraded the offer to \$32.0M, citing a declining NOI and Cap Ex needs. The owners of the Company and the co-investor decided not to accept the \$32.0M offer. Instead, they pursued a recapitalization that gave the original owners the option to sell, hold, or contribute additional capital to Summerwood Cove Apartments. CoStar and RealPage also forecast that local multifamily conditions will improve as demand begins to outpace supply, allowing occupancy to recover and rent growth to return in the robust Dallas, TX market. We estimated that about half of ownership going forward will be held by the original owners, who will remain invested.

Property Location

The Property is ideally located near a broad selection of restaurants, retail, and entertainment, including Firewheel Town Center and Richardson Square Mall. The Property is located in Richardson Independent School District, which ranks #23 out of 88 Dallas MSA, according to Niche’s 2026 “Best School Districts in the Dallas–Fort Worth Area” list.

- Schools-** Harmony Science Academy (K-12)
Forest Lane Academy (K-6)
Southern Methodist University (College)
Notable Employers- Texas Instruments – 7,700+ employees
AT&T – 10,600+ employees
UT Southwestern Medical Center – 25,600+ employees

Offering Summary

Anticipated Closing	May 2026	Member / Manager Split	80% / 20%
LTV/LTC	91% / 83%	Anticipated Hold Time	2 - 3 Years
Minimum Investment	\$50,000	Total Equity to be Raised	\$2,982,700

Property Information

Address	9821 Summerwood Cir
Total Units	452
Property Mix	280 1-bed, 172 2-bed 25 two- and three-story apartment buildings, freestanding clubhouse/Fitness center, freestanding maintenance shop
Site Area	± 18.4 acres, 24.6 units/acre
Property Type	Garden-style apartments
Basis Price	\$32,000,000 \$70,796 per unit \$96.60 per sq. ft.
Net Rentable Sq. Ft.	331,280
Rent: Per SF/Per Unit	\$1.35/SF \$992/unit
Avg. Unit Size	733 Sq. Ft.
Parking	± 650 Surface parking spots
Year Built	1982

Exit Strategy

The exit plan involves executing the targeted Cap Ex plan to boost NOI and quickly market Summerwood Cove for sale within 18–36 months to maximize investor returns. Part of the strategy is to showcase cost savings and improved NOI on a trailing 12-month financial statement, which will take time to reflect. If the macro market surprises to the upside and provides an opportunity to exit over \$41.0M earlier than 24–36 months, the plan is to sell sooner. The current debt, which extends until March 2032, is protection in a longer-than-expected hold period, with projected cash flow (after debt service) projected to exceed 6% in year 3, when the interest-only period ends. RealSource is motivated to attempt to sell the Property by month 36 of the upgrade period.

Why Dallas, Texas?

Dallas, Texas, has been a consistent leader in population, job, and income growth.

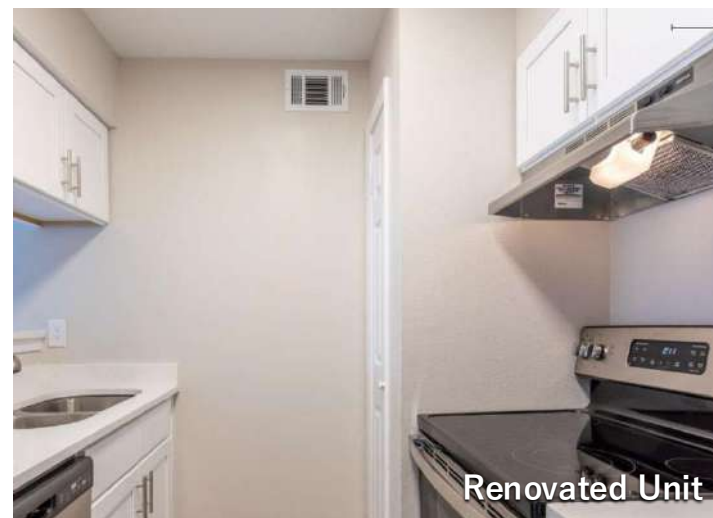
The state of Texas is business-friendly, attracting job seekers from other states and relocating companies seeking a favorable business climate. Texas does not have a state income tax. CoStar predicts an average annual rental rate increase of 3.1% over the next five years, ranking tied for 10th among the 160 MSAs tracked by RealSource.

Apartment Renovations



Classic Unit Proposed Upgrades:

Fresh Paint
Plank Flooring and Carpet
Smart Thermostat
New Kitchen Lighting
New Blinds as needed



Full-Level Unit Reno Example:

Fresh Paint
New Cabinet Fronts
Brushed Nickel Fixtures & Hardware
2" Faux Wood Blinds
Stainless Appliances
Solid Surface Countertops
Plank Flooring and Carpet
New Baseboards
Smart Home

Increasing NOI Performance

High-ROI Utility Efficiency Projects

1. LED Lighting and Controls – Replacing all common and exterior lighting with LEDs and adding occupancy/daylight sensors will reduce electric use by ~35% and significantly lower maintenance costs.

2. Higher Efficiency Boilers – New boilers have recently been installed with advanced controls and are projected to reduce gas consumption by ~30% compared to the old system.

3. Low-Flow Plumbing Fixtures and Leak Repairs – Installing 1.0 gpf toilets, 0.5–1.0 gpm aerators and repairing recurring leaks will lower water and sewer costs by ~32%.

4. Utility Submetering and VFD Pumps – Submetering promotes resident accountability while variable frequency drives reduce pump energy draw and extend system life.

Combined, these measures are estimated to lower total utilities by **approximately \$320,000 annually once fully realized**, with conservative underwriting reflecting a phased-in savings of **\$226,000 over years 1 & 2**.

Additional Capital Improvements

1. Siding, Trim, and Retaining Wall Repairs – Improves thermal performance and eliminates water intrusion risk, preserving long-term asset integrity.

2. Asphalt, Curb, and Walkway Repairs – Addresses deferred maintenance and enhances safety, appearance, and curb appeal.

3. Roof, Drainage, and Foundation Work – Prevents future capital loss from moisture-related issues and supports insurability.

4. Light Interior Upgrades – New faux-wood flooring, lighting, and paint in all units. Increases retention and supports rent premiums as interiors and amenities align with current Class B+ submarket standards. Test 20 units with full-level interior upgrades.

5. Electrical and Safety Work (FPE Panel Replacement) – Resolves future owner concerns, improves risk profile, and may support insurance premium reduction.

6. Minor Landscaping and Irrigation Enhancements – Reduces water usage while improving the property's first impression and marketability.

1. Actual costs may vary. The scope of improvements may change.

ROI Priority	ROI	Description	Est. Cost (\$)	ROI Category	Underwritten Annual Savings / Impact	Est. Annual Savings / Impact	Notes
1		CO detectors / fire extinguishers	\$ 7,000	Do Now			Minor Opex; include / Also in below NOI recurring
2		Asphalt, trip hazard repairs	\$ 15,000	Do Now			Improves curb appeal and safety
3		Replace FPE 'Stab-Lok' electrical panels as needed (5%)	\$ 42,000	Defer 95%			Insurance & safety compliance; lender confidence
4	23.8%	Boilers, Water Heaters, DHW Recirc/ Balancing / Insulation, Replacing	\$ 105,000	Do Now	\$25,000	\$25k - \$30k	High ROI utility savings, reliability improvement, visible for sale
5	200.0%	Programmable Thermostats	\$ 20,000	Do Now	\$40,000	\$40k - \$50k	Energy reduction through efficient temperature controls
6	104.0%	Bathroom plumbing fixture replacements (low-flow toilets, faucets)	\$ 125,000	Do Now	\$130,000	\$180k - \$210k	30%+ water/sewer savings; cosmetic refresh
7		24-months of Recurring CapX after reserves	\$ 125,000	Do Now			
8		Roof Repairs 2026 & 2027	\$ 30,000	Do Now			Preservation
9	3.4%	Condensers for 90 units	\$ 295,000	Do Now	\$10,000	\$10k - \$15k	
10		Stair Repairs	\$ 15,000	Do Now			Preservation
11		Erosion and site drainage repairs	\$ 6,250	Do Now			Prevents foundation issues; low cost
12	22.2%	Utility submeters and energy controls	\$ 45,000	Do Now	\$10,000	\$10k - \$15k	Expense reduction and efficiency
13	20.0%	Electrical panel repairs and LED retrofits	\$ 50,000	Do Now	\$10,000	\$10k - \$15k	25-30% electricity reduction; modernized appearance
14	13.0%	Vinyl flooring & carpet replacements on 110 units (\$2,100 avg per unit)	\$ 231,000	Do Now	\$30,000	\$30k - \$60k	Turnover-driven; helps occupancy challenges
15		Irrigation / Landscaping / Tree Trimming	\$ 33,200	Do Now			
16		Concrete & retaining walls / curbing	\$ 30,000	Do Now			Safety/appearance; optional for sale optics
17		Interior paint, lighting, misc on 260 units (\$1,600 avg per unit)	\$ 416,000	Do Now			
18	3.1%	Full level Interior Renovations on 40 units	\$ 479,250	Do Now	\$15,000	\$15k - \$20k	
19		Washer and Dryer Hookup install in additional 66 units (cost is \$148,500)		Defer	\$35,000	\$35k - \$40k	High ROI
20		Blowers/ furnace for 115 units. (Cost is \$315,000)		Defer	\$40,000	\$40k - \$50k	Savings in electricity with hard start motor impact and maintenance
21		Exterior Paint and Trim / restore. (Cost is \$360,000)		Defer			
22		Bathroom mirrors		Defer			Cosmetic
23		Condenser Coil Cleaning		Defer			
24		Appliance replacement		Defer			Replace only as needed and account in Replacement Reserves
25		Laundry room repairs		Defer			Minor maintenance; non-revenue / also adding W&D in 66 units
26		Cleanout Repairs and Maintenance		Defer			From Clay, need to find out more details
27		Foundation movement repairs		Defer			Address only if lender requires; structural
28		Sliding glass patio door replacements		Defer			Visible to buyers, improves appearance and resident satisfaction
29		Replace Main Transformer		Defer			Reduce costs
30		Ventilation Systems		Defer			
31		Full window replacements		Defer			Expensive, not urgent; marginal energy ROI
		Extra Replacement Reserve	\$ 75,000				
		Construction Management	\$ 55,000				
		General CAP EX	\$ 453,000				
		Total CAP EX	\$ 2,652,700				

* Actual costs may vary. The scope of improvements may change.

VALUE-ADD¹

Capital Improvements

The capital improvement budget shown below was based on third-party inspection reports, management input, the current property condition, targeted upgrades, repairs, and a site visit, which included an inspection of some units. Actual costs could vary from these bid averages, and capital raised includes a \$150,000 contingency fund. Costs will be reallocated based on actual final costs. Interior improvements for partial units include approx. \$2,500/unit for fresh paint, vinyl plank flooring, new baseboards, smart thermostat, and new lighting. Interior renovations for 20 - 40 full-level units include new cabinet fronts, brushed nickel fixtures & hardware, 2" faux wood blinds, stainless steel appliances, solid surface countertops, vinyl plank flooring, carpet, a tile backsplash, and a smart thermostat.

Summary Capital Improvements Budget	
Category	Amount
General Maintenance/Preservation	1,282,106
Construction Management Fee	64,105
Exterior total	1,346,211
Interior upgrades	1,244,275
Construction Management Fee	62,214
Interior total	1,306,489
Total Capital Improvements Budget	2,652,700

1. Actual costs may vary. The scope of improvements may change.

Improvements Breakdown

Interior Recurring and Upgrades Summary	
Category	Amount
Upgrade 40 Classic units at \$9,971 each	398,855
Upgrade 316 Partial units at \$2,492 each	787,340
Upgrade 96 Full units at \$605 each	58,080
Interior Construction Management Fee	62,214
Interior Recurring and Upgrades Total w/ Inflation	1,306,489

Assumptions

The Proforma return calculations in this Executive Summary were developed using the assumptions listed in the table to the right and are primarily based on professional third-party data and on-site due diligence. Here are some comments on selected assumptions:

Revenue: Annual rent growth and occupancy are projected using data from RealPage Market Analytics and site visits conducted by RealSource and local property managers. These projections are for illustration only and do not reflect actual rent growth. Additionally, RealPage reports a 92.3% multifamily occupancy rate in the Northeast Dallas Submarket as of December 2025.

Lease Rent Analysis: Recent site visits by RealSource to competing properties reveal a significant upside potential in rents, with leases currently \$210-\$290 below comparable renovated market rates. This indicates a promising opportunity for increased revenue. Comparing rents at properties that recently completed targeted value-add upgrades shows rents are 17% - 33% below market, depending on the unit type (11% to 15%) on a rent-per-square-foot basis.

Value-Add Rent Increase: Based on site visits, professional third-party property condition reports, and current rental rate analyses of comparable properties, substantial evidence supports the potential for higher revenue through light renovations and repositioning of the asset. Approximately \$2.65 million has been allocated for capital improvements. These include full-level renovations and mainly light interior upgrades such as faux-wood plank flooring, new kitchen lighting fixtures, fresh paint, and new outlet covers. Exterior cleanup and curb appeal enhancements are planned for completion within the first year, while interior upgrades will be carried out over 18 months. Most interior upgrades are scheduled to coincide with unit turnovers to minimize occupancy impact. The estimated increase in monthly rent per unit following renovation is around \$55 for light upgrades and \$140 for the 20-40 units upgraded to full level, adding about \$348,000 annually to income. Rent increases are also supported by lowering resident utility costs with significant water savings from Cap Ex improvements. These projected rent increases will align rents more closely with comparable properties featuring similar finishes and amenities.

Exit Cap Rate: The pro forma appreciation shown in this Executive Summary uses a 6.00% tax-adjusted exit cap rate to estimate resale value. This is for illustration purposes only and does not represent projected appreciation, an actual cap rate at sale, or the timing of the sale. The exit cap rate exceeds the trailing 12-month income and expense entrance cap rate of 5.75% on a tax-adjusted basis. The property's current tax-assessed value is \$45,000,000, which is higher than our underwriting's exit price of \$41,020,000. Our general approach is to increase the exit cap rate by 10-25 basis points annually from the current MSA average cap rate of 5.1%, as reported by RealPage and Real Clear Analytics in October 2025.

Insurance: The estimated insurance premium is based on our experience owning and managing several assets within the MSA. RealSource has consulted with our current insurance provider for proforma insurance rates. We are discussing future premium projections with both our current provider and a local Dallas insurer, especially as recent loss runs become outdated. We're finalizing a new insurance premium near \$910-\$935/unit.

ASSUMPTIONS

Est. hold period (yrs)	3	RS acquisition fee	0.00%
Est. sales expense at sale	1.75%	Asset management fee	0.25%
Estimated exit CAP	6.00%	3rd party mgr fee (pct inc.)	3.00%
	Year 1	Year 2	Year 3
Occupancy	87.0%	89.0%	91.0%
AXIOMetrics/Costar projected rent increase	1.0%	1.7%	2.1%
Rent increase to market	0.0%	0.0%	0.0%
Value-add increase	3.4%	2.1%	
Effective rent increase	2.2%	4.8%	2.5%
Concessions	2.7%	2.0%	1.0%
Bad debt	3.0%	2.5%	2.0%
Insurance expense	2.5%	2.5%	2.5%
Other operating expenses	2.5%	2.5%	2.5%
Reserves/door	350	350	350

*Effective rent increase was derived from annual rent increase for each unit on its lease renewal date.

Property Taxes: RealSource appealed the 2025 assessed value down to \$45,000,000. The final 2025 property tax bill is expected to be approximately \$1,050,000. Going through a technical Recap will significantly improve our future appeals case; however, our underwriting does not account for a decrease in property taxes. Nonetheless, our Recap structure will be very thoughtful and diligent in structuring and documenting a minor change in ownership to be favorable in the appeals process.

Asset Management Fee: RealSource Asset Management will receive an asset management fee of 0.25% of the purchase price, or \$80,000 annually, prorated and paid monthly.

Series P-1 Preferred Return: Class P-1 members will earn a cumulative 8.0% preferred return on their unreturned capital from operating income, depending on profitability. If, in any year, the operating cash flow is insufficient to pay the preferred return, unpaid amounts will accrue and be paid from future operating cash flows. Cash flow exceeding the preferred return will be split 80% to the members and 20% to the manager, which will be RealSource or an affiliate. Distributions are expected to be paid monthly. The Series P-1 Preferred Return is payable only after the Series P-2 Preferred Return and Series P-2 return of capital.

Series P-2 Preferred Return: Holders of Series P-2 units will earn a cumulative 14% per annum preferred return on their unreturned capital contributions from operating income, depending on profitability. If, any year, the operating cash flow is insufficient to pay the preferred return, unpaid amounts will accrue and be paid from future cash flows. Holders of Series P-2 units will also receive payment of their preferred return and unreturned capital in priority to any payments of preferred return or return of capital to the holders of Series P-1 units. Holders of Series P-2 units do not participate in profits above their preferred return.

1. There can be no assurance these objectives will be achieved.

PROPERTY FINANCIALS¹

RETURN FROM OPERATIONS					
	Acquisition	Year 1	Year 2	Year 3	Total
NOI after capex (for detail see Proforma Budget)		1,721,336	2,114,730	2,461,349	6,297,415
Mortgage expense		(1,594,945)	(1,594,945)	(1,880,614)	(5,070,504)
Construction Period Cash Flow		150,000	-		
Asset management fee ¹		(80,000)	(80,000)	(80,000)	(240,000)
Operating cash flow		196,391	439,785	500,735	986,911
Remaining operating cash flow		196,391	439,785	500,735	986,911
Common Equity 8.8% preferred		196,391	439,785	500,735	1,136,911
Total 8.8% preferred return		196,391	439,785	500,735	1,136,911
Remaining operating cash flow		-	-	-	(150,000)
* Common equity income allocation:					
PROFORMA APPRECIATION					
Estimated sale price				41,022,000	41,022,000
Estimated closing expenses				(718,000)	(718,000)
Initial mortgage principal				(28,999,000)	(28,999,000)
Return of loan principal paid down				290,963	290,963
Equity				11,595,963	11,595,963
Preferred return ending balance (8%) ²				(299,177)	(299,177)
Return of Common Equity principal				(5,983,700)	(5,983,700)
Net appreciation				5,313,086	5,313,086
Common Equity share net appreciation*				4,246,061	4,246,061
* Common equity income allocation:					
CLASS P EQUITY CASH FLOW					
Investment	(5,983,700)				(5,983,700)
Preferred return (8%) ²		196,391	439,785	500,735	1,136,911
Total operating cash flow		196,391	439,785	500,735	1,136,911
Preferred return ending balance (8%) ²				299,177	299,177
Return of basis				5,983,700	5,983,700
Net appreciation				4,246,061	4,246,061
Total distributions	(5,983,700)	196,391	439,785	11,029,673	5,682,149

CLASS P EQUITY 8.8% PREFERRED RETURN BALANCE ²					
Beginning balance	-	282,305	321,216	-	
Current year addition (8.8% times prior year basis)	478,696	478,696	478,696	1,436,088	
Current year preferred return	478,696	761,001	799,912	1,436,088	
Less distributions received	196,391	439,785	500,735	1,136,911	
			299,177	299,177	
Ending balance to carry over (0 if met 8.8%)	282,305	321,216	-	-	
RETURN OF CLASS P EQUITY BALANCE					
Beginning balance	5,983,700	5,983,700	5,983,700	5,983,700	
Net appreciation			(5,983,700)	(5,983,700)	
Ending balance	5,983,700	5,983,700	-	-	
CLASS P EQUITY PROFORMA RETURN					
Basis for return calculation (equity)	5,983,700	5,983,700	5,983,700	5,983,700	
Cash return from operations	3.3%	7.3%	8.4%	19.0%	
Net appreciation			71.0%	71.0%	
Common Equity total return percent	3.3%	7.3%	79.3%	90.0%	
IRR ³	(5,983,700)	196,391	439,785	11,029,673	25.7%

It is expected that only \$200,000-\$400,000 of the Class P-2 preferred equity will be exercised.

If the maximum \$700,000 of Class P-2 preferred equity units are issued to finalize the \$2,982,700 new equity raise, then the pro forma IRR for Class P-1 unit holders would increase to **27.8%**.

1. There can be no assurance these objectives will be achieved.

PROPERTY FINANCIALS¹

ANNUAL OPERATING RETURN						
Actuals		Proforma Financials				
Sep 25 T12inc, T12exp		Year 1	Year 2	Year 3	Total	\$/Unit
<u>Net Operating Income</u>						
<u>Income</u>						
Effective rent income	5,537,554	5,661,372	5,931,370	6,078,468	17,671,210	12,525
Vacancy	(608,055)	(735,978)	(652,451)	(547,062)	(1,935,491)	(1,628)
Model/down units	(19,020)	(15,660)	(15,926)	(16,260)	(47,846)	(35)
Concessions	(85,875)	(132,563)	(105,260)	(55,151)	(292,974)	(293)
Bad debt	(119,704)	(143,315)	(128,943)	(109,200)	(381,458)	(317)
Cost recovery	1,374,907	1,282,656	1,189,461	1,214,440	3,686,557	2,838
Other income	170,967	175,241	179,622	184,113	538,976	388
Total Income	6,250,773	6,091,752	6,397,873	6,749,347	19,238,973	13,477
<u>Expense</u>						
Salaries, benefits	691,222	672,516	689,329	706,562	2,068,407	1,488
<u>Utilities</u>						
Electric	420,889	403,516	383,604	393,194	1,180,314	893
Water & sewer	481,257	440,695	376,712	386,130	1,203,537	975
Gas	98,812	80,777	67,796	69,491	218,064	179
Garbage	52,328	45,600	46,740	47,909	140,249	101
Cable/Internet	331,233	225,000	170,625	174,891	570,516	498
Other utilities	31,471	32,415	33,225	34,056	99,696	72
Total Utilities	1,415,991	1,228,002	1,078,702	1,105,671	3,412,375	2,717
<u>Repairs & maintenance</u>						
Repairs & maint	155,817	147,000	150,675	154,442	452,117	325
Landscaping/Services	94,092	96,445	98,856	101,327	296,628	213
Equip & other	212,463	199,000	203,975	209,074	612,049	539
Total Repairs & Maintenance	462,372	442,445	453,506	464,843	1,360,794	539
<u>Management</u>						
Marketing	86,741	82,000	84,050	70,151	236,201	181
Administrative	118,246	102,000	97,550	99,989	299,539	226
Mgmt	220,247	182,753	191,936	202,480	577,169	404
Total Management	425,234	366,753	373,536	372,620	1,112,909	811
Insurance	647,521	411,500	427,960	445,078	4,874,952	910
Property tax	1,050,000	1,091,000	1,101,910	1,035,024	3,227,934	2,414
Expenses	4,692,339	4,212,216	4,124,943	4,129,798	16,057,371	8,879
Net Operating Income	1,558,433	1,879,536	2,272,930	2,619,549	3,181,602	4,599
Capital improvements	158,200	158,200	158,200	158,200	474,600	350
NOI after capex	1,400,233	1,721,336	2,114,730	2,461,349	2,707,002	3,808

Annual Operating Return

See the "ANNUAL OPERATING RETURN" table on the left. The proforma financials are based on recent actual financials in the first column. Please see the assumptions on page 9.

Sources and Uses

SOURCES AND USES OF FUNDS					
SOURCES			USES		
Mortgage (LTV / LTC)	90.6% / 82.9%	\$ 28,999,000	Basis		\$ 32,000,000
Existing Equity Net Value		3,001,000	Capital improvement reserve		2,652,700
New Equity		2,982,700			
			Contingency		150,000
			Lender Reserve		
			RealSource acquisition fee	0.00% ²	-
			Other closing costs	0.56% ³	180,000
Total sources of funds		\$ 34,982,700	Total uses of funds		\$ 34,982,700
1. Calculated as a percent of debt. 2. Calculated as a percent of equity. 3. Calculated as a percent of the purchase price					

RealSource Compensation

In addition to the compensation outlined in the Return on Investment table on page 10, RealSource will receive a due diligence fee payable at closing. This fee will serve as compensation for contracting additional services to the property, value-add analysis, underwriting, and completing due diligence—up to \$104,000. The principals of RealSource Residential will participate in at least 15% of the investment, depending on the amount of member equity raised.

RealSource will also continue to receive an Asset Management fee of 0.25% (or \$80,000) in the first year, prorated and paid monthly. Other closing costs listed in the "Uses" of funds include third-party reports, partial one-year tax and insurance reserves, attorney fees, and other expenses related to this acquisition.

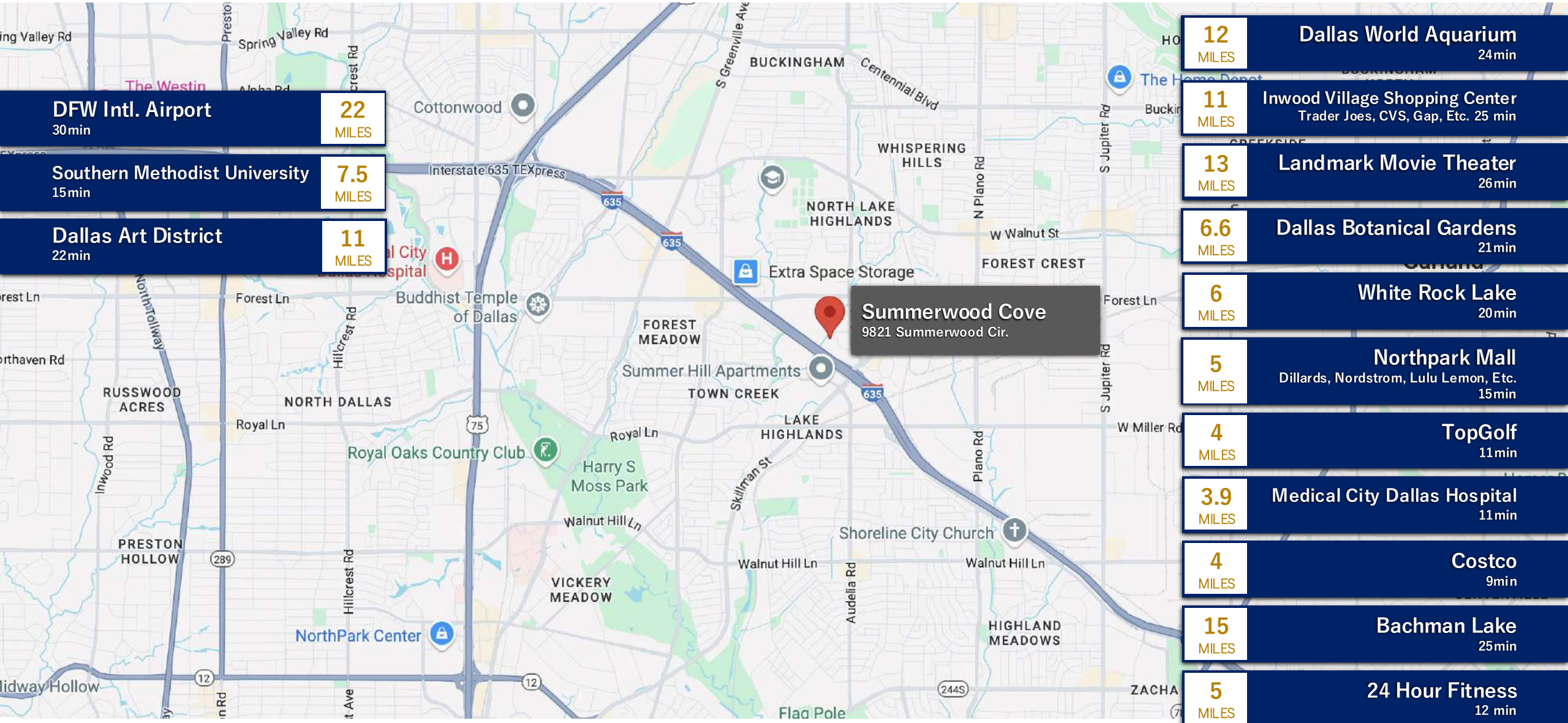
1. There can be no assurance these objectives will be achieved.

HISTORICALS

Summerwood Cove PROFIT & LOSS For the Month Ending February 28, 2026													
	Mar 2025	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Total
<u>Income</u>													
Gross Potential Rent	465,264	460,619	458,269	464,307	458,468	460,847	461,507	463,445	454,871	461,095	453,407	459,738	5,521,838
Concessions	(8,330)	(3,710)	(720)	(10,967)	(8,893)	(12,711)	(22,317)	(8,667)	(9,938)	(12,386)	(1,820)	(1,442)	(101,902)
Model/Down Units	(1,585)	(1,585)	(1,585)	(1,585)	(1,585)	(1,585)	(1,585)	(1,585)	(1,585)	(1,585)	(1,585)	(1,305)	(18,740)
Vacancy	(48,983)	(48,502)	(52,791)	(61,287)	(64,299)	(77,473)	(77,569)	(73,435)	(61,260)	(71,054)	(60,874)	(59,509)	(757,036)
Bad Debt	(12,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(8,000)	(8,000)	(5,000)	(5,000)	(7,680)	(8,705)	(104,385)
Other Income	149,118	116,743	110,650	134,542	122,744	135,407	127,358	128,483	126,366	124,383	65,736	130,855	1,472,385
Total Income	543,484	513,565	503,823	515,010	496,435	494,485	479,394	500,241	503,454	495,453	447,184	519,632	6,012,160
<u>Expense</u>													
Utilities	126,135	104,082	106,240	106,539	125,140	119,365	122,261	121,817	112,290	118,339	125,875	119,751	1,407,834
Contract Services	10,989	11,587	12,483	12,811	11,568	12,514	9,663	11,383	9,690	6,333	6,523	11,494	127,037
Repairs and Maintenance	18,119	18,074	20,909	15,740	17,920	19,284	20,964	19,456	12,465	0	1,078	12,467	176,476
Turnover Expenses	9,380	11,040	10,167	11,629	4,864	13,830	12,416	9,511	7,127	0	0	8,402	98,367
Administrative	10,199	12,876	13,787	12,186	10,145	11,876	11,548	12,062	5,902	3,696	12,649	2,471	119,396
Advertising	4,134	7,435	6,201	4,136	6,162	6,513	5,210	5,904	4,808	477	123	356	51,460
Insurance	52,885	52,885	52,885	52,885	52,885	52,885	65,790	65,790	65,789	65,790	59,200	59,200	698,867
Property Taxes	98,391	98,391	98,391	98,391	101,641	98,391	98,391	73,538	73,538	73,538	77,250	83,243	1,073,094
Management Fees	18,528	17,721	17,850	18,209	17,289	16,233	16,771	17,507	17,486	0	13,416	15,588	186,599
Salaries, Benefits	54,895	56,794	63,464	52,920	49,907	62,854	60,147	58,532	46,240	37,298	73,107	46,698	662,856
Total Expenses	403,655	390,885	402,377	385,446	397,521	413,745	423,161	395,500	355,335	305,471	369,221	359,670	4,601,987
Net Operating Income	139,829	122,680	101,446	129,564	98,914	80,740	56,233	104,741	148,119	189,982	77,963	159,962	1,410,172

Historicals prepared by Tipton Management

LOCATION OVERVIEW



(Source: Google Maps, Aug 2025)

LOCATION OVERVIEW



Platinum Corridor	12 Minutes
Telecom Corridor*	14 Minutes
Frisco North Platinum Corridor	20 Minutes

MAP	LOCATION	JOB	COMMUTE
1	Park Central	15,000 Jobs	10 Minutes
2	Galleria	60,000 Jobs	12 Minutes
3	CityLine	12,800 Jobs	14 Minutes
4	Preston Center	60,000 Jobs	15 Minutes
5	Uptown Dallas	84,000 Jobs	16 Minutes
6	Downtown Dallas	92,000 Jobs	20 Minutes
7	Legacy Area	110,000 Jobs	20 Minutes
8	Medical District	40,000 Jobs	20 Minutes
9	Dallas Love Field	8,600 Jobs	21 Minutes
10	Las Colinas	153,000 Jobs	22 Minutes
11	DFW Airport	228,000 Jobs	25 Minutes

*HIGHEST CONCENTRATION OF HIGH-TECH TALENT IN THE DFW AREA

DFW LEADS IN JOB GROWTH & RELOCATIONS

A Magnet for Corporate Headquarters and Major Company Operations

- #1 IN THE COUNTRY FOR 5-YEAR JOB GROWTH
593,700 Jobs
- #1 LARGEST U.S. METRO FOR Y-O-Y JOB GROWTH
3.3% Growth Rate
- 2 GLOBAL 50 COMPANIES
Only Beijing and Seattle have more.
- 2 FORTUNE 10 COMPANIES
Tied with San Jose, NYC, LA and Chicago have none.
- 24 FORTUNE 500 HEADQUARTERS
Dallas/Fort Worth is home to the headquarters of 24 Fortune 500 companies.
- 49 FORTUNE 1000 HEADQUARTERS
Dallas/Fort Worth is home to the headquarters of 49 Fortune 1000 companies.

2019 - 2023 EXPANSIONS & RELOCATIONS

- FRONTIER COMMUNICATIONS
- LANDSEA HOMES
- WELLS FARGO
- CATERPILLAR, INC
- JPMORGAN CHASE & CO.
- RAYTHEON
- TEXAS INSTRUMENTS
- CBRE
- CHARLES SCHWAB
- HELLO FRESH
- USAA
- SAMSUNG
- ALLSTATE
- PELOTON
- AMAZON
- UBER
- THREDUP
- CRAYON



SITE PLAN AND UNITS



2 Bed, 2 Bath
975 Sq. Ft. 72 units



2 Bed, 2 Bath
932 Sq. Ft. 60 units



1 Bed, 1 Bath
500 Sq. Ft. 96 units



1 Bed, 1 Bath
609 Sq. Ft. 96 units

Unit Type	Units	Size (SF)	Rent	Rent PSF
1 Bed / 1 Bath	96	500	\$795	\$1.59
1 Bed / 1 Bath	96	609	\$885	\$1.45
1 Bed / 1 Bath	88	722	\$940	\$1.30
2 Bed / 1.5 Bath	40	879	\$1,140	\$1.30
2 Bed / 2 Bath	60	932	\$1,280	\$1.37
2 Bed / 2 Bath	72	975	\$1,315	\$1.35
Average/Total	452	733	\$992	\$1.35

1 Bed, 1 Bath
722 Sq. Ft. 88 units



2 Bed, 1.5 Bath
879 Sq. Ft. 40 units



UNIT INTERIOR PHOTOS



CLASSIC UNIT



CLASSIC UNIT



CLASSIC UNIT



Desirable Details

- Washer/Dryer Connections*
- Wood-Burning Fireplace
- Walk-In Closets





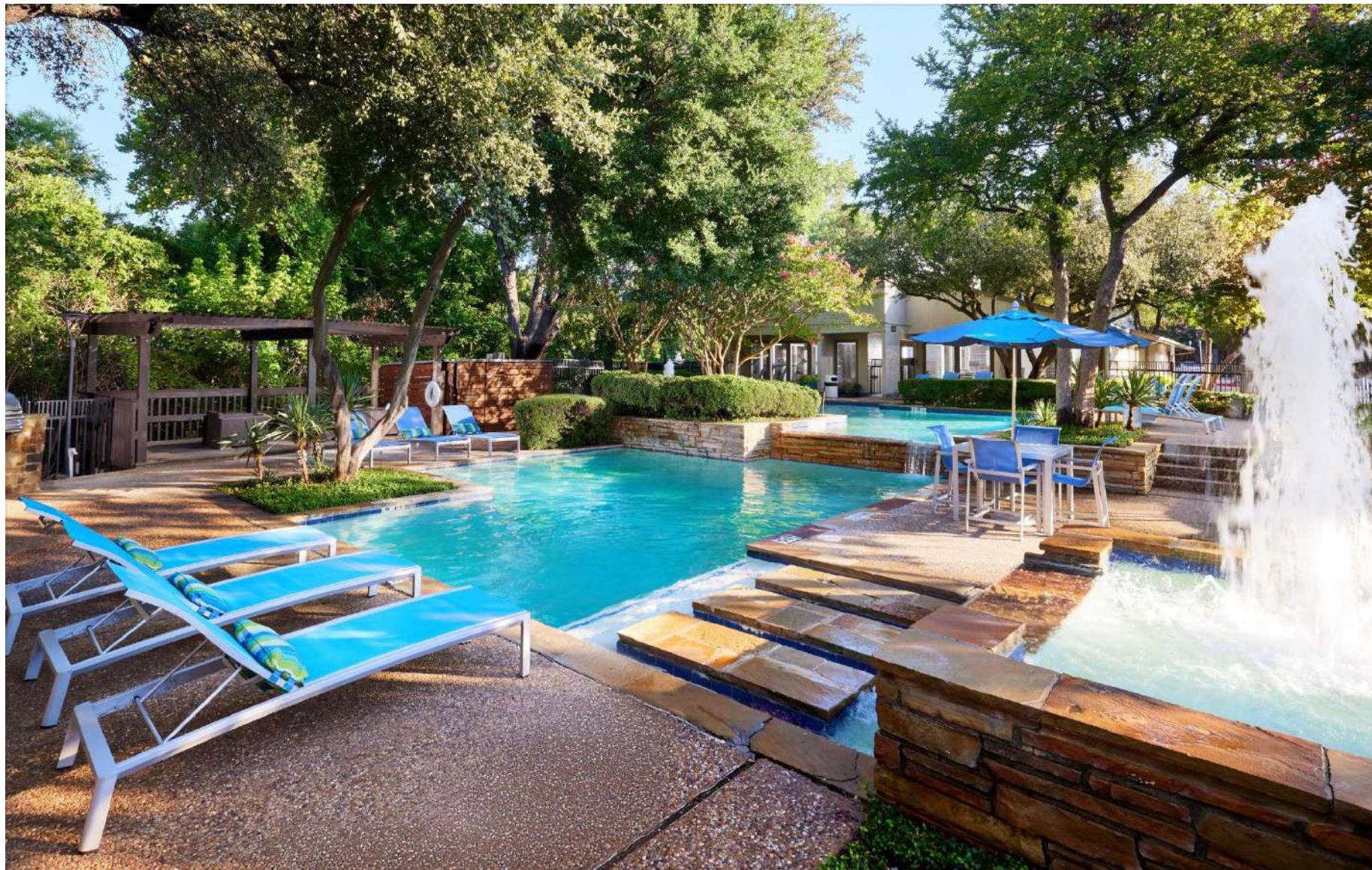
Elegant Interiors

- Stainless Steel Appliances*
- Quartz Countertops*
- Faux Wood Flooring
- Framed Vanity Mirror*
- Two-Inch Blinds
- Patio or Balcony

*Select units







AMENITY PHOTOS





Community-Focused Design

- Resort-Style Pool with Water Feature
- Sundeck with Pergola and Grill
- Bark Park
- Children's Playground



Resident Clubhouse Featuring

- Catering Kitchen
- Community WiFi
- 24-Hour Fitness Center with Free Weights

RENT COMPARABLES

Though information has been secured from sources that appear to be reliable, no representation by RealSource, either expressed or implied, is made as to the accuracy of any information on this Property.



Brooklyn at 9590
9590 Forest Lane
236 Units | Built 1981

Unit Type	Sq. Ft.	Rent	Rent/Sq. Ft.
1x1	548	\$1,010	\$1.84
1x1	597	\$1,105	\$1.85
1x1	721	\$1,133	\$1.57
2x2	1,048	\$1,535	\$1.46
2x2	1,155	\$1,671	\$1.45



Eleven600
11600 Audelia Road
216 Units | Built 1981

Unit Type	Sq. Ft.	Rent	Rent/Sq. Ft.
1x1	741	\$939	\$1.27
1x1	806	\$1,020	\$1.27
2x2	1,014	\$1,172	\$1.16



Ava
8401 Skillman Street
408 Units | Built 1978

Unit Type	Sq. Ft.	Rent	Rent/Sq. Ft.
1x1	505	\$911	\$1.80
1x1	650	\$949	\$1.46
1x1	667	\$974	\$1.46
2x2	921	\$1,214	\$1.32
2x2	988	\$1,490	\$1.51



Subject Summerwood Cove | 9821 Summerwood Cir | 452 Units

Unit Type	Sq. Ft.	Rent	Rent/Sq. Ft.
1x1	500	\$795	\$1.59
1x1	609	\$885	\$1.45
1x1	722	\$940	\$1.30
2x1.5	879	\$1,140	\$1.30
2x2	932	\$1,280	\$1.37
2x2	975	\$1,315	\$1.35

RENT COMPARISON ANALYSIS														
Avg Rent Occup Units Built					Bed: 1 Bath: 1.0 SF Wtd Avg \$/SF Upgr Occup					Bed: 2 Bath: 2.0 SF Wtd Avg \$/SF Upgr Occup				
Comparison Averages - Upgraded and Non-Upgraded Units														
Comparables properties	\$1,123		382	1981	693	\$1,009	\$1.46	All		1,016	\$1,344	\$1.32	All	
Summerwood Cove	\$838	83.2%	452	1982	605	\$877	\$1.45	All		957	\$1,297	\$1.36	All	
Difference	-\$286		70		-89	-\$132	-\$0.01	All		-59	-\$47	\$0.03	All	
Rent comps vs. Summerwood Cove					-15%	15%	%	All		-6%	4%	-2%	All	
Value-Add Potential: Fully Upgraded Comparable Properties Vs. Summerwood Cove Partially Upgraded Units														
Fully Upgraded Comparables Properties					697	\$1,167	\$1.67	Full		1,010	\$1,514	\$1.50	Full	
Summerwood Cove Partial Upgraded Units					605	\$877	\$1.45	Partial		957	\$1,297	\$1.36	Partial	
Difference					-92	-\$290	-\$0.22			-53	-\$217	-\$0.14		
Rent comps vs. Summerwood Cove					-15%	33%	15%			-6%	17%	11%		
Value-Add Potential: Partially Upgraded Comparable Properties Vs. Summerwood Cove Partially Upgraded Units														
Fully Upgraded Comparables Properties					681	\$867	\$1.27	Partial		990	\$1,193	\$1.20	Partial	
Summerwood Cove Non-Upgraded Units					605	\$877	\$1.45	Partial		957	\$1,297	\$1.36	Partial	
Difference					-76	\$10	\$0.18			-33	\$105	\$0.15		
Rent comps vs. Summerwood Cove					-13%	-1%	-12%			-3%	-8%	-11%		

The above table shows data from a rent comp list of 9 properties not just the 3 shown on this page

SALE COMPARABLES FOR ACQUISITION PRICE

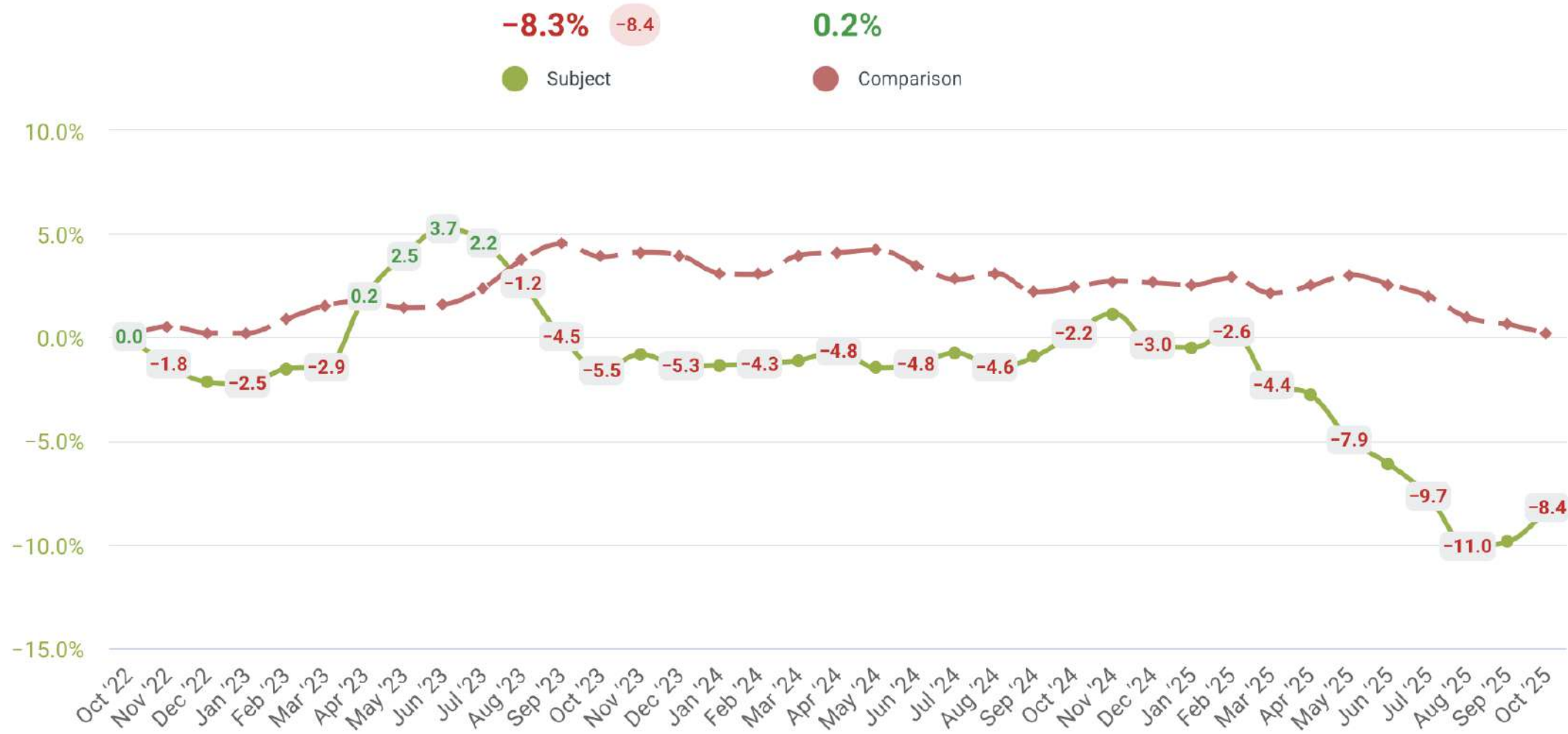
	Year Built	Property Class	Average Price	Average Units	Average Price/ Unit	Avg Ttl Square Ft	Avg Price/ Sq Ft	Avg Sq Ft	Avg CAP
Comparables properties average	1983	B	37,614,000	302	124,467	228,782	164.41	757	4.7%
Summerwood Cove	1982	B	32,000,000	452	70,796	331,280	96.60	733	4.9%
Difference					-53,671		-67.81	-24	0.1%
Percent Difference					-43.1%		-41.2%	-3.2%	

Comparables Properties

1	Rise at Highland Meadows 13100 Pandora Dr Dallas, TX 75238	Date Sold	Feb 23	Price	39,050,000	Units	328	Square Feet	220,989	Avg Sq Ft	674
		Year Built	1983	Distance	3.01 miles	Price/Unit	119,055	Price/Sq Ft	176.71	CAP Rate	
		Comments	3 star costar							Class	b
2	Landing at McCallum 7740 McCallum Blvd Dallas, TX 75252	Date Sold	Nov 22	Price	52,000,000	Units	419	Square Feet	249,475	Avg Sq Ft	595
		Year Built	1984	Distance	6.38 miles	Price/Unit	124,105	Price/Sq Ft	208.44	CAP Rate	4.42%
		Comments	3 star costar debt assumption							Class	b
3	The Vines 247 E Corporate Dr Lewisville, TX 75067	Date Sold	Dec 23	Price	42,500,000	Units	300	Square Feet	250,334	Avg Sq Ft	834
		Year Built	1985	Distance	17.25 miles	Price/Unit	141,667	Price/Sq Ft	169.77	CAP Rate	
		Comments	3 star costar							Class	b
4	Shilo Oaks 2379 Apollo Rd Garland, TX 75044	Date Sold	Jul 25	Price	33,500,000	Units	248	Square Feet	222,760	Avg Sq Ft	898
		Year Built	1983	Distance	5.0 miles	Price/Unit	135,081	Price/Sq Ft	150.39	CAP Rate	5.03%
		Comments								Class	
5	Eleven600 Apartments 11600 Adelia Rd	Date Sold	Apr 24	Price	21,020,000	Units	216	Square Feet	200,352	Avg Sq Ft	928
		Year Built	1981	Distance	0.3 miles	Price/Unit	97,315	Price/Sq Ft	104.92	CAP Rate	
		Comments	3 star costar							Class	

KEEPING UP WITH THE COMPETITION

Average effective rent per available square foot, using initial effective rent of the lease



RealPage Performance Analytics- Comparison vs their seven selected “true comp” set shows we’ve not kept up with our peers. Much of this is due to higher utility costs, a lack of interior upgrades, and traffic congestion from nearby bridge work.

KEEPING UP WITH THE COMPETITION

Average effective rent per occupied square foot, using initial effective rent of the lease



RealPage Performance Analytics- Comparison vs their seven selected “true comp” set shows we’ve not kept up with our peers. Much of this is due to higher utility costs, a lack of interior upgrades, and traffic congestion from nearby bridge work.

KEEPING UP WITH THE COMPETITION

Percentage of total units considered occupied



RealPage Performance Analytics- Comparison vs their seven selected “true comp” set shows we’ve not kept up with our peers. Much of this is due to higher utility costs, a lack of interior upgrades, and traffic congestion from nearby bridge work.

Reputation Score

The J. Turner Research Online Reputation Assessment (ORA™) Score is the multifamily industry standard to measure and benchmark a property's online reputation. The ORA™ statistical model aggregates and analyzes online ratings and reviews of over 122,000 properties across multiple review sites and ILSs to generate a single score on a 0-100 scale, that is easy to monitor, rank, and improve. It is pioneered by J Turner Research, the leading full-circle online reputation management company exclusively serving the multifamily industry. ORA™ scores are calculated monthly.

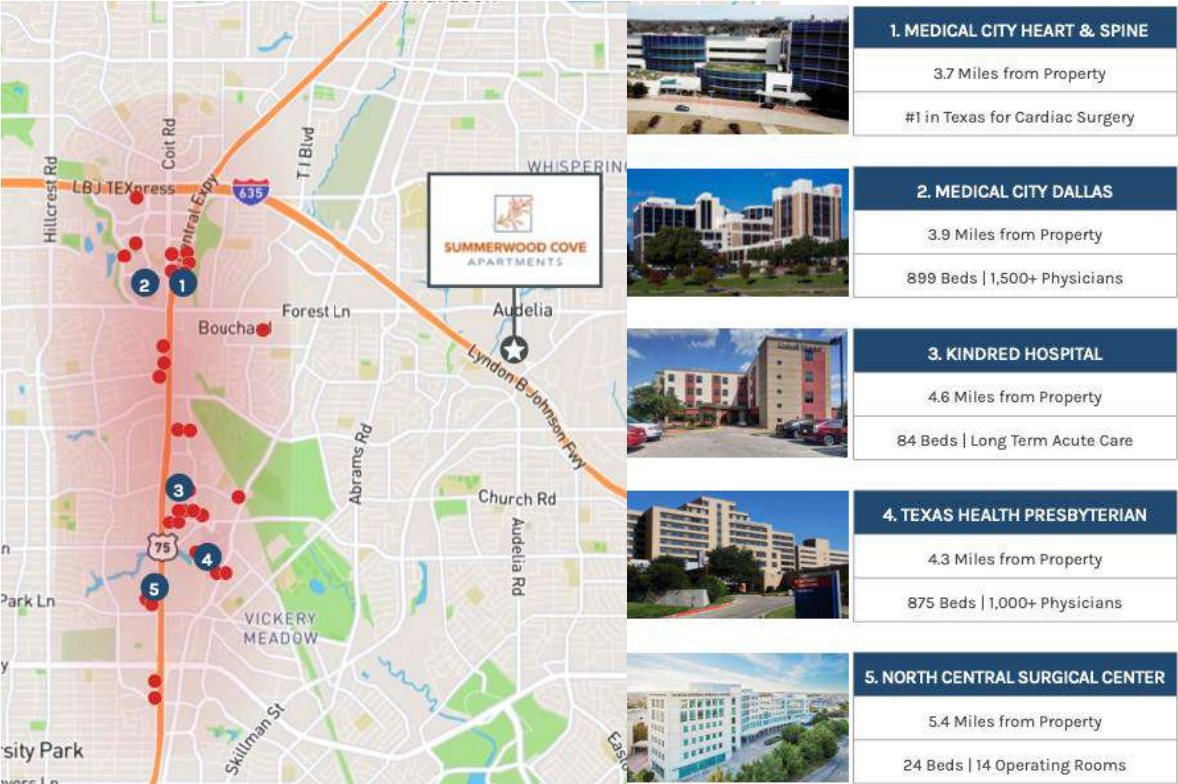


RealPage Performance Analytics- Comparison vs their seven selected “true comp” set

MARKET INFORMATION

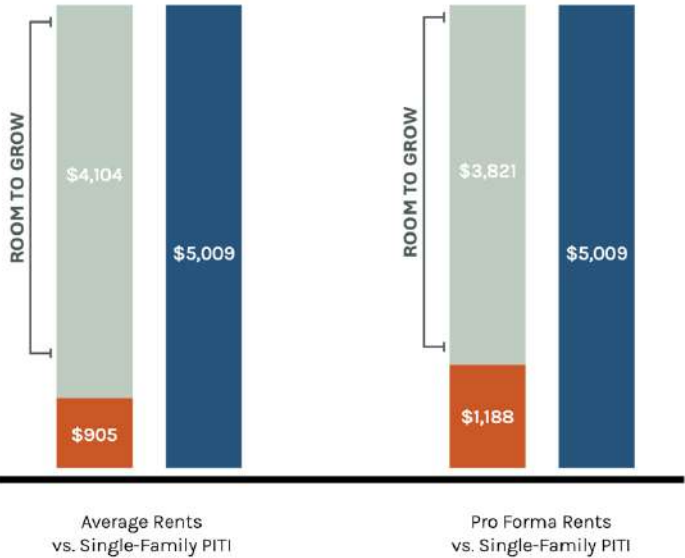
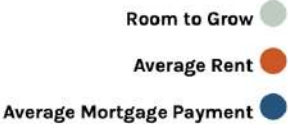
Employment Drivers

Summerwood Cove is in proximity to the Healthcare Market, which comprises 6.1 million SF of Healthcare uses, accounting for about 21% of the total Healthcare in Dallas.



Affordability

THE ADVANTAGE OF RENTING



*Mortgage payment shown is inclusive of principal, interest, taxes, insurance and HOA fees if applicable. Principal and interest are calculated based on the average sales price within a 2-mile radius of the subject property, over the past 12 months, assuming a 20% down payment, a fixed interest rate of 6.70%, and a 30-year amortization. Taxes are calculated using the 2024 subject property tax rate of 2.34300%, applied to the aforementioned average home value. Insurance is projected at \$3,425, the average annual cost of the most commonly sold home insurance policy in Texas according to bankrate.com.

MARKET INFORMATION

Submarket Economic Impacts

The new Skillman Street arch bridge on I-635 is causing temporary traffic congestion, modestly slowing leasing activity and contributing to today's lower acquisition basis for Summerwood Cove Apartments. When completed in 2026, the architecturally distinctive bridge will improve access and neighborhood appeal, supporting stronger leasing demand and long-term property value.

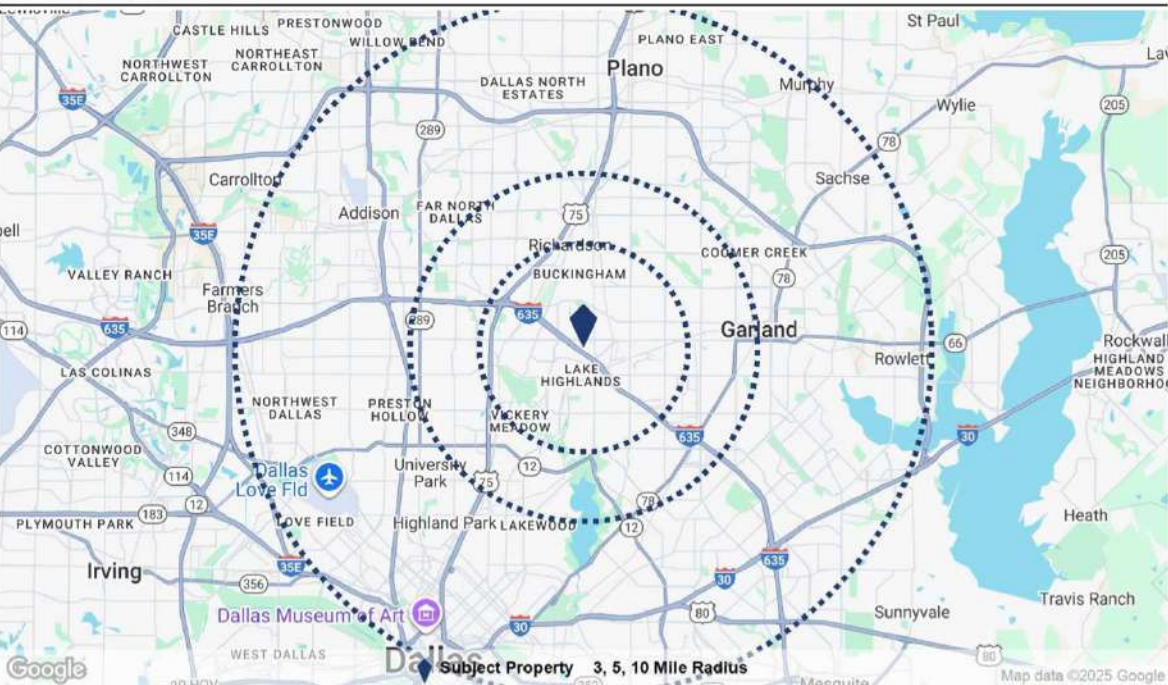


Demographic Overview

9821 Summerwood Cir

Population (3 mi)	Avg. HH Size (3 mi)	Avg. Age (3 mi)	Med. HH Inc. (3 mi)
168,674	2.4	36	\$53,193

DEMOGRAPHIC RADIUS RINGS

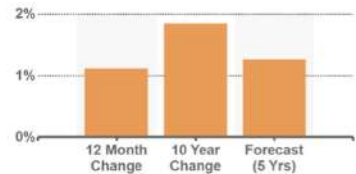


DEMOGRAPHIC TRENDS

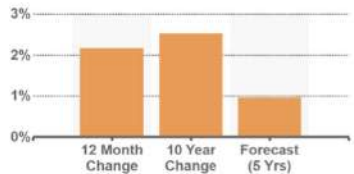
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	8,533,414	342,013,000	1.1%	0.5%	1.8%	0.6%	1.3%	0.3%
Households	3,104,488	133,843,672	1.4%	0.7%	2.0%	1.0%	1.6%	0.6%
Median Household Income	\$91,738	\$83,421	2.7%	3.0%	4.1%	4.1%	3.5%	3.5%
Labor Force	4,599,613	170,801,031	2.2%	1.4%	2.5%	0.8%	1.0%	0.2%
Unemployment	3.9%	4.3%	-0.1%	0.1%	0%	-0.1%	-	-

Source: Oxford Economics

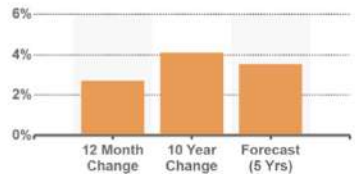
POPULATION GROWTH



LABOR FORCE GROWTH



INCOME GROWTH



Source: Oxford Economics

Key Submarket Demographics

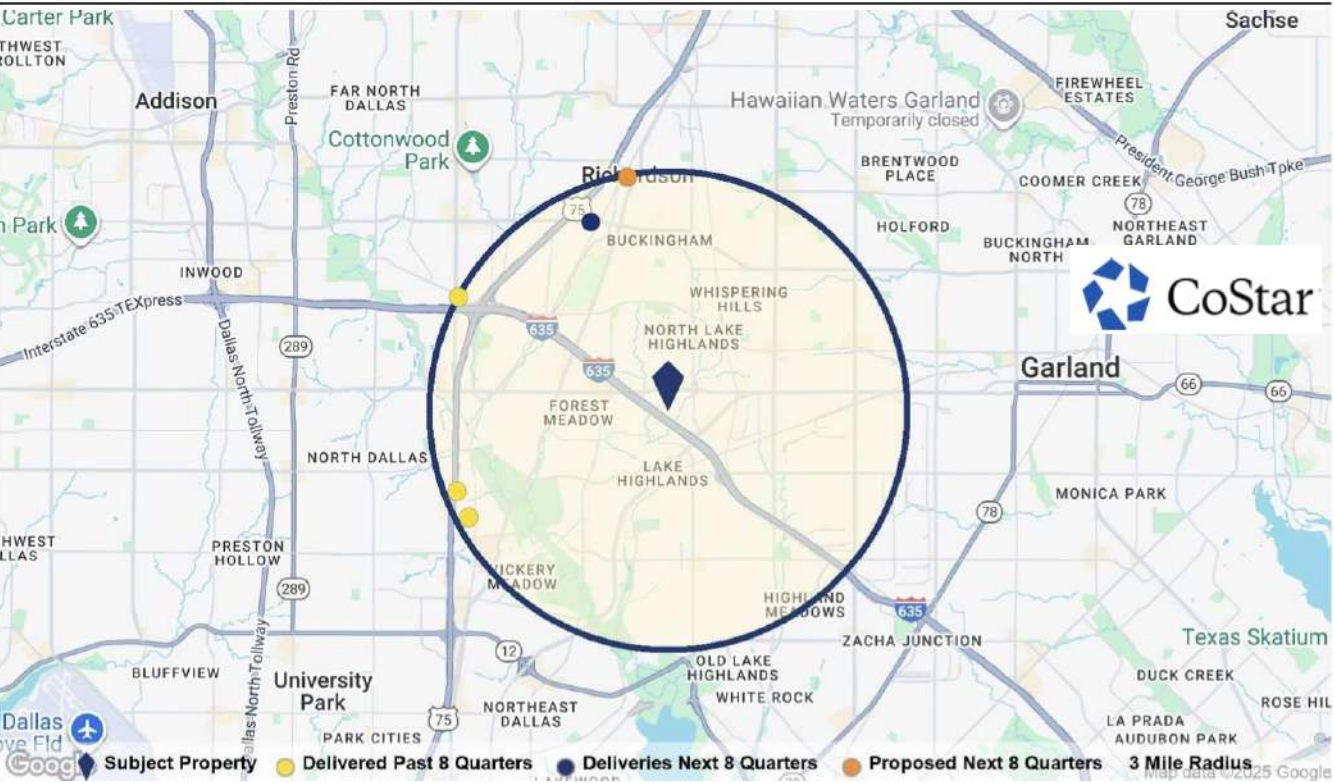
- **MSA Population** (Costar Q4 2025) 8,533,414
- **3-Mile Radius Median Age** 36 years old (Costar Q4 2025)
- **Total Employment** (Costar Q4 2021) 1,106,200
- **Median Household Income** 10-Mile Radius(Costar Q3 2025) \$70K
- **Median Single-Family Home Value 3-Mile Radius** \$348,745 (Costar Q4 2025)
- **About 34% of those aged 25-64 have a bachelor's degree or higher in the MSA** (Oxford Economics, 2025)

Source: Costar Group 2025

Overall Construction Summary

9821 Summerwood Cir - Summerwood Cove			
All-Time Annual Average	Delivered Past 8 Quarters	Deliveries Next 8 Quarters	Proposed Next 8 Quarters
280	985	375	279

MAP OF 24 MONTH DELIVERIES, UNDER CONSTRUCTION, PROPOSED



DFW Supply & Demand Summary (2025)

Supply and demand in Dallas–Fort Worth are moving back toward equilibrium after an unprecedented supply wave. Although DFW posted the nation’s highest nominal net absorption in 3Q25, absorption still trailed new deliveries, following 11% inventory growth over the past two years—the largest expansion since the 1980s. This has pushed metro vacancy up 290 bps to 12.0%.

Class A (4 & 5 Star):

Heavy new deliveries are elevating vacancy to **11.8%**, with extended lease-up periods and widespread concessions limiting rent growth.

Class B/C (3 Star):

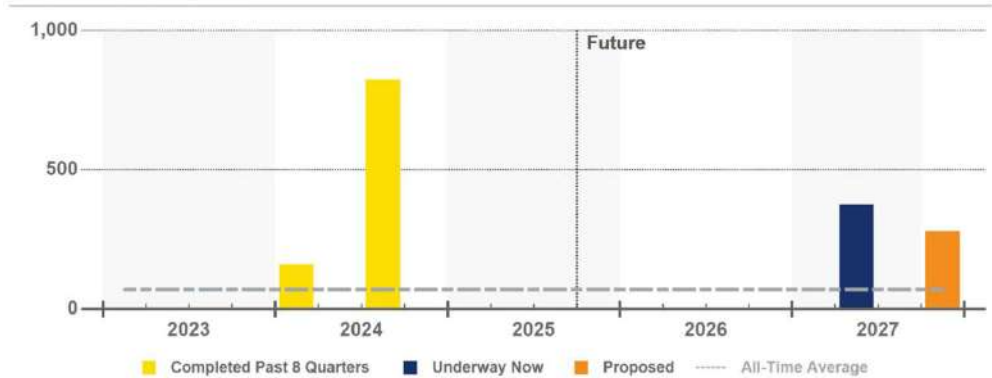
Demand has strengthened, with 3,800 units absorbed in the past year. Submarkets such as Irving, Arlington, Mesquite, and Garland/Mesquite show improving traction.

Even so, vacancy remains high at 12.5%, roughly double the 10-yr average (6.3%), and stabilized occupancies remain 100–200 bps below pre-2020 norms.

Operational Pressures

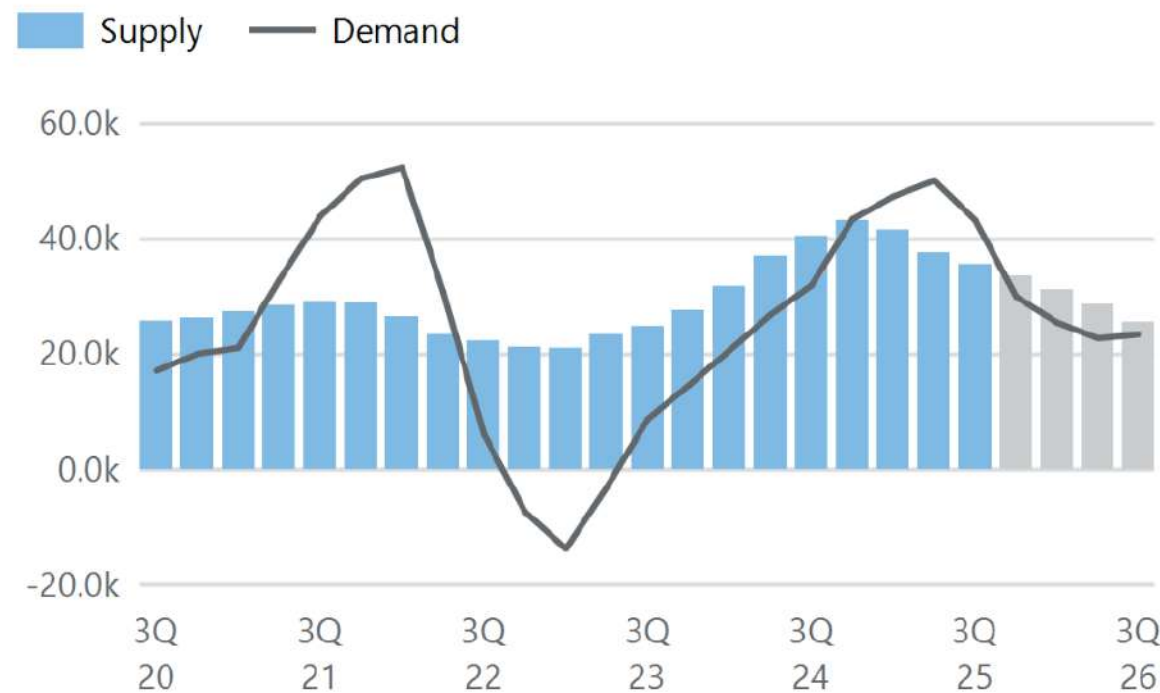
Operators report intense competition, extended lease-ups, and concessions that restrict pricing power. Rising insurance, labor, and maintenance costs are further compressing NOI and challenging operational efficiency across the metro.

PAST AND FUTURE DELIVERIES



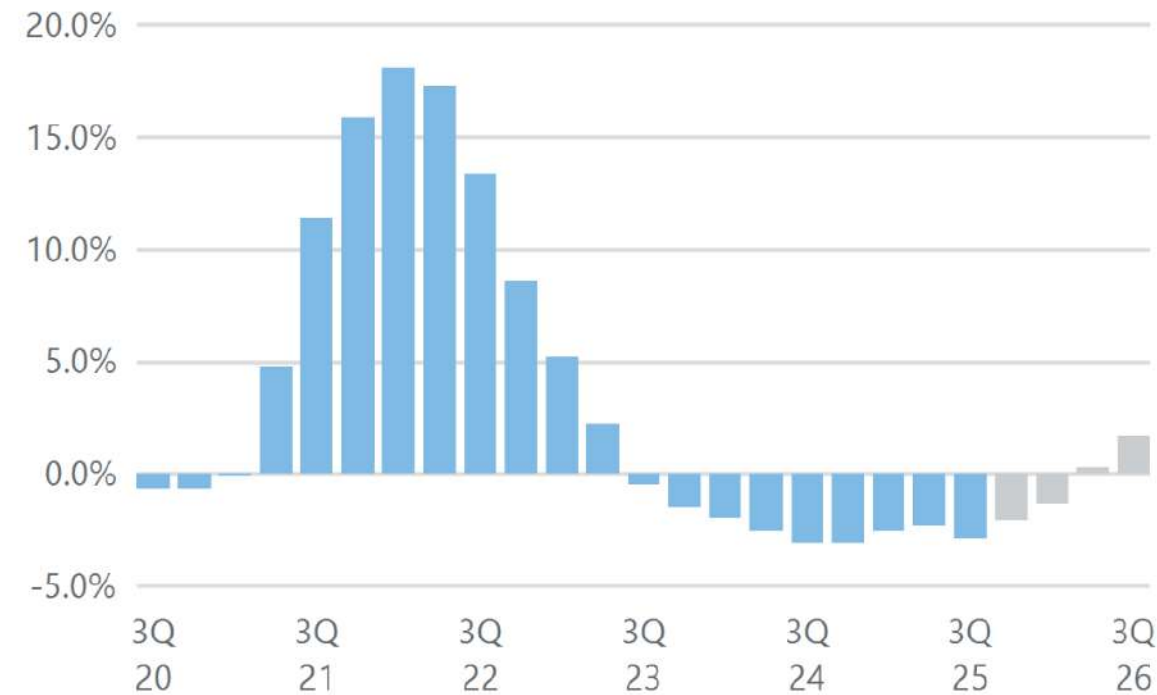
Supply and demand in Dallas–Fort Worth are moving back toward equilibrium after a significant surge in supply. Although DFW posted the nation’s highest nominal net absorption in 3Q25, absorption still trailed new deliveries, following 11% inventory growth over the past two years—the largest expansion since the 1980s. This has pushed metro vacancy up 290 bps to 12.0%.

Annual Supply and Demand



Source: RealPage Q4 2025

Annual Rent Change



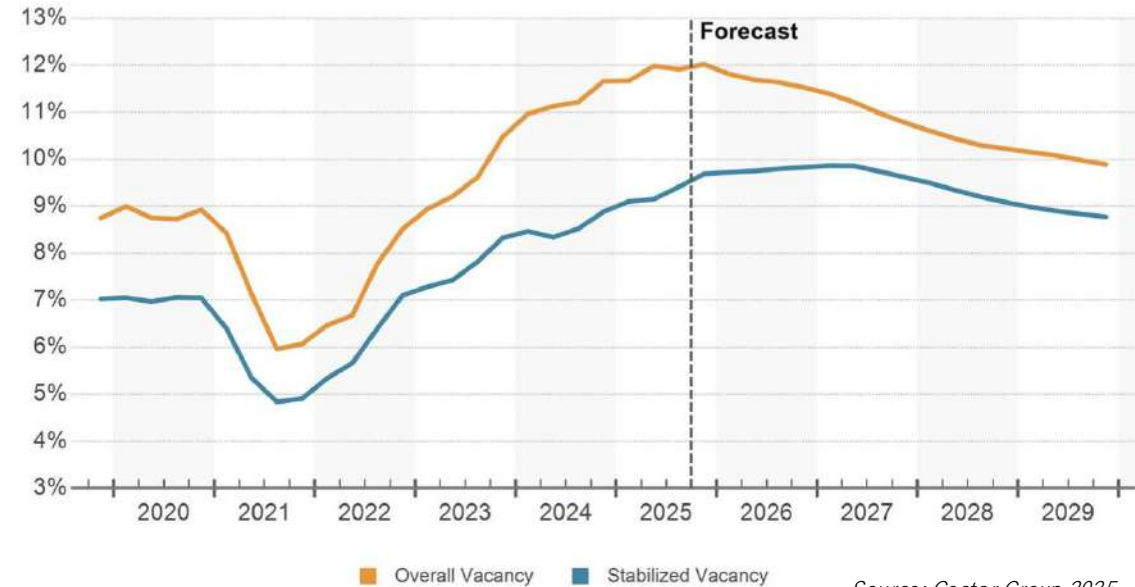
Source: RealPage Q4 2025

Outlook

Dallas/Fort Worth has moved past peak deliveries, with 25,532 units scheduled for completion over the next four quarters. Allen/McKinney will again lead the Metroplex in new deliveries, followed by Denton and Frisco. Strong job growth and in-migration continue to support demand and overall economic stability, even amid broader uncertainty.

New lease-ups—particularly in the northern suburbs—have performed relatively well. However, performance across the metro will still face short-term headwinds from elevated new supply, keeping occupancy pressured. While occupancy is expected to remain soft, rent growth is projected to gradually recover through 2026, returning to more historically normal levels by the second half of the year.

OVERALL & STABILIZED VACANCY

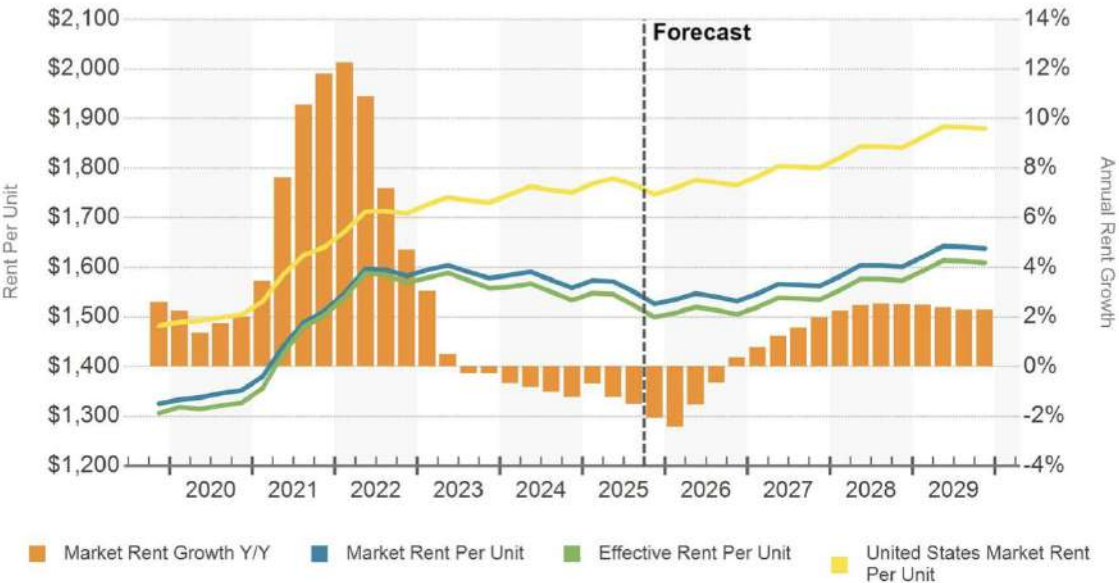


CAPITAL MARKETS

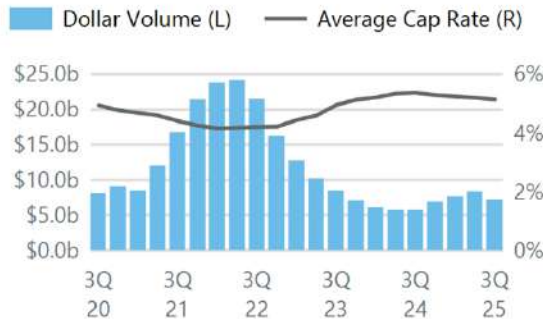
Transaction dollar volumes in Dallas-Plano-Irving totaled roughly \$7.2 billion in the year-ending 3rd quarter 2025, up about 26% year-over-year. That deal volume ranked #2 nationally. Meanwhile, the number of transactions increased about 7% over the past year, with 158 apartment properties trading hands. Transactions in the year-ending 3rd quarter 2025 yielded an average cap rate of 5.14%, down 23 basis points year-over year. By comparison, cap rates averaged 5.38% in the South region and 5.39% nationally. Meanwhile, the average price per unit in Dallas-Plano-Irving came in at roughly \$212,100, down 5.3% annually. Dallas-Plano-Irving's average price per unit landed above the norm for the South region (\$196,600) but below the U.S. average (\$224,800).

Source: RealPage 2025

MARKET RENT PER UNIT & RENT GROWTH

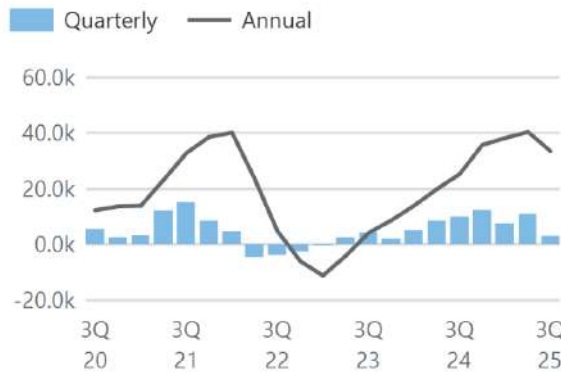


Cap Rates and Sales Volumes



*Data points may be missing when minimum requirements were not met

Demand



Why Texas?

Texas offers businesses the freedom to be successful and for their employees to be successful. Texas has **no personal or corporate state income tax** and a reasonable regulatory climate. Chief Executive Magazine has ranked Texas “the #1 state for business” for 20 consecutive years. Amazon, Tesla, HP, and Oracle have all moved to or expanded their operations in Texas. When combined with steady employment and income growth, forecasters rank Texas first in the nation for five-year growth projections.



The Texas Stock Exchange is slated to open in Dallas in 2026, and will rival New York City's Wall Street. (HUM Images/Universal Images Group via Getty Images)

Other reasons businesses choose Texas:

- **Texas has a diverse economy:** Though Texas does have a strong oil and gas sector, the **state's economy** is also strong in other sectors such as aerospace, automotive and IT technology, advanced manufacturing, and life sciences. Businesses here can build on the success of others. The growing, thriving marketplace has plenty of room for healthy competition and advantageous networking.
- **If Texas was a country, it would be the world's 8th largest economy:** Not only do diverse industries comprise our economy, but our state, if it were a country, is also 8th **largest economy in the world** — surpassing Brazil, Italy, Russia, and South Korea with a GDP of \$2.4 trillion. “Made in Texas” is a powerful label that translates to quality all around the world.
- **Texas has access to top labor talent:** Texas boasts a vast, talented — and younger — labor pool than other states competing with Texas for new business projects. The **Texas workforce's** younger average age means Texas businesses have the talent pipeline to be successful now and in the future.
- **Texas has a highly competitive tax climate and incentives:** The cost of doing business in Texas is below the national average. With a comparatively low cost of living and tax rate, Texas is an ideal state for startups. **State incentive programs** are built on dedicated corporate tax credits, job-creation incentives, rebates, and reductions — particularly in the manufacturing, agriculture, and healthcare industries.
- **Texas invests in infrastructure:** Site Selection Magazine recently ranked Texas at the top of the list for “**Best Corporate Infrastructure**.” Its substantial size and central location make the state a major hub for national and international air, ground, and ocean shipping. Texas is the No. 1 exporting state in the United States and the No. 1 state for foreign direct investment, in part due to its location and infrastructure.



NATION’S FASTEST-GROWING POPULATION

DFW is Projected to Overtake Chicago within the Decade to become the Third-Largest Metro Area in the U.S.

#1

2022 - 2023 POPULATION GROWTH

Dallas/Fort Worth Ranked No. 1 in U.S. Population Growth with 152,598 Residents Added to Dallas/Fort Worth in 2023

#1

2020 - 2023 POPULATION GROWTH

Net Gain of 462,639 Residents

#1

2010 - 2023 POPULATION GROWTH

Net Gain of 1.7 Million Residents

418 NEW RESIDENTS

MOVE TO THE DFW REGION EVERY DAY

34%

NATURAL INCREASE

66%

NET-MIGRATION



4TH LARGEST MSA

With 8.1 Million People

Source: U.S. Census Bureau

TOP 10 METRO AREAS IN U.S.

MSA	2023 Population
New York	19,498,249
Los Angeles	12,799,100
Chicago	9,262,825
Dallas/Fort Worth	8,100,037
Houston	7,510,253
Atlanta	6,307,261
Washington, DC	6,304,975
Philadelphia	6,246,160
Miami	6,183,199
Phoenix	5,070,110



Source: U.S. Census Bureau

#1

STATE BUSINESS CLIMATE

SITE SELECTION 2025

#1

STATE FOR BUSINESS

CHIEF EXECUTIVE 2024

#1

BUSINESS CLIMATE

BUSINESS FACILITIES 2024

#1

FOREIGN TRADE ZONE

SITE SELECTION 2024

#1

STATE FOR STARTUPS

SWOOP FUNDING 2025

13

YEARS GOVERNOR'S CUP

SITE SELECTION 2025

Nov 14, 2025 

Google's investments run deep in the heart of Texas.

We've called Texas home for more than 15 years, and today, we're announcing a new \$40 billion investment in the Lone Star State through 2027. This funding will help build new cloud and AI infrastructure, including new data center campuses in Armstrong and Haskell Counties.

Google is committed to responsibly growing its infrastructure by bringing new energy resources onto the grid, paying for costs associated with its operations, and supporting community energy efficiency initiatives. In Texas, this includes a new \$30 million Energy Impact Fund to scale and accelerate energy initiatives, along with more than 6,200 megawatts of new energy generation and capacity contracted to date through power purchase agreements with energy developers. One of our new Haskell County data centers will be built alongside a new solar and battery storage plant.

To help develop the labor force to build new infrastructure, [electrical training ALLIANCE](#), with our support, will train existing electrical workers and more than 1,700 apprentices in Texas by 2030, more than doubling the projected pipeline of new electricians in the state.

Our latest investment in Texas is designed to not only support Texas' workforce and infrastructure, but to ensure the U.S. retains the technical backbone to lead the world in AI.



At a community celebration in Midlothian, TX, Congressman Jake Elzay, U.S. Deputy Secretary of Energy James Danly, Governor Greg Abbott, CEO of Google and Alphabet Sundar Pichai, and Google Senior Director Amanda Peterson Corio announce a new investment in Texas.

<https://blog.google/inside-google/company-announcements/google-american-innovation-texas/>

Texas cements business-friendly reputation after locking in tax bans

Texas cements business-friendly reputation with voter-approved tax bans

Voters approved three [pro-business tax amendments](#) on Election Day, ensuring that the Lone Star State can never impose taxes on capital gains, estates or inheritances, and certain securities transactions.

While Texas doesn't currently levy these taxes, the new constitutional amendments make that tax certainty permanent, sending a signal to investors and corporations that the state's low-tax structure is here to stay.

Here's what the three measures mean:

- **Capital gains tax ban:** Prevents Texas from ever taxing profits from the sale of investments, real estate, or other capital assets, a move meant to reassure investors and entrepreneurs.
- **Securities transaction tax ban:** Bars the state from imposing taxes on financial trades or payroll transactions, effectively ruling out a ["Wall Street tax"](#) on buying or selling stocks.
- **Estate and inheritance tax ban:** Prohibits any future taxation on wealth transfers after death, a safeguard for business owners and families looking to pass assets to heirs.

The timing is also strategic. The [Texas Stock Exchange](#) (TXSE), which recently secured SEC approval, is slated to open in Dallas in 2026, positioning itself as a direct challenger to the New York Stock Exchange and the Nasdaq.

Article by Sumner Park, November 2025



Nate Hanks – CEO

Nate has over 25 years of experience in the real estate industry, with many of these years acquiring and managing his own properties as well as managing and owning several businesses to train and help clients invest in commercial real estate. Nate received his CCIM designation in 2003 and served as a board member and past president of the Utah Chapter.



David Tillotson – Executive Vice President

David brings 13 years of experience in the real estate development, acquisitions, finance, and private equity fields. After graduating from the University of Pennsylvania's Wharton School, David began his real estate career in Texas working for the Trammell Crow Company (TCC). During his tenure with TCC, he was involved with a wide range of product types including residential, office, healthcare, industrial, urban mixed-use, and transit-oriented developments. Following TCC, David served as the VP of Acquisitions for Koa Partners (Koa), a commercial real estate development and investment firm, where he led all acquisition and capital raising efforts. Most recently, David was the VP of Development at SALT Development where he was responsible for identifying, underwriting, and executing on all development projects for the firm.



Mike Madsen, – VP of Acquisitions

Mike started his career at RealSource in 2005, participating in investor workshops nationwide with the National Association of Real Estate Investors and analyzing multifamily properties during economic due diligence for RealSource. He currently serves as Vice President of Acquisitions and Economics at RealSource Residential, overseeing the economics department and leading the acquisitions team since 2011. Mike has sourced and negotiated over \$200 million in multifamily transactions across ten states. His expertise includes macroeconomics, underwriting, capital markets, asset management, real estate cycles, and the application of econometrics to analyze data and trends across 160 MSAs in the U.S. for the RealSource Target Market econometric model.



Steven Moreira, CCIM, CIPS – Director of Special Projects

Steven served as the 2016 President of the National CCIM Institute in Chicago and was the 2015 Chairman of NAR Commercial Alliance. He has both Mortgage and Real Estate Brokers licenses in FL, GA, IL, and UT. Steven has been involved in every phase of the Real Estate Industry since 1978 as a broker, builder developer, property manager–principal, and lender, completing hundreds of millions of dollars in transactions of every property type.



Scott Wood, – Investor Relations Director

Scott partners with individual and institutional clients to align investment opportunities with their goals, delivering clear communication and strategic insight. With a background in business development and sales across startups and Fortune 500 companies, Scott has a proven ability to engage key decision-makers and drive growth. Prior to joining RealSource, he held roles with Mrs. Fields, OGIO International, MediConnect Global, and Coldwell Banker Commercial Mergers & Acquisitions. He holds a BS in Finance from the University of Utah. Scott enjoys spending time with family, cycling, golfing, skiing, and hiking the great outdoors.



Anson Call, MRED – Asset Manager

Anson joined RealSource in 2018, where he has played a key role in acquisitions, marketing, and real estate development. He currently oversees the RealSource portfolio as Asset Manager, focusing on maximizing asset performance and value. Anson graduated from Brigham Young University with a bachelor's degree in Communications and earned a Master of Real Estate Development from the University of Utah.

PROJECT TEAM

Asset Management



RealSource is a real estate investment firm headquartered in Salt Lake City, Utah. RealSource has a successful track record in acquiring, improving, and transacting revenue-producing commercial multifamily real estate in the United States. Since 2002, RealSource has identified and sourced nearly \$1.5 billion in real estate investments with a focus on growing secondary markets. RealSource is committed to providing stable returns to its investors and institutions by sponsoring and managing diversified real estate investments.

Founded in 1989, RealSource started as a subscription research company with the goal of helping investors “Invest with Knowledge.” RealSource tracks 160 domestic U.S. markets using a proprietary econometric system to identify the right “where and when” circumstances to place investments.

RealSource Target Market Process

Oversupply, housing shortages, migration, affordability, business environments, etc., differ drastically from metro to metro. RealSource specializes in analyzing these and many other fundamentals driving local real estate cycles. Location matters, and a balanced tactical approach with offense and defense can help investors profit in the markets. RealSource’s proprietary econometric model identifies.

Identifying the top metros to acquire multifamily rather than just the best place to already own assets is both an art and a science. The process starts with science-direct models to track, compare, and score 35 key metrics in 160 MSAs. The data in our model compares local supply and demand to track local real estate cycles. Other metrics track migration, tax rates, income levels, job growth, occupancy, and affordability. Each metric outputs a score compared to the other MSAs. The combined measured data produce an overall ranking.

The RealSource economics committee adjusts the model’s weighting of each key metric year-to-year as macroeconomic and industry-wide conditions change. Guided by capital market threats and opportunities that change throughout the credit and business cycles, metrics are sometimes dialed up or down. This adaptability ensures that our model remains proactive, even in changing market conditions. The model also accounts for multifamily threats and opportunities stemming from social, legal, economic, political, and technological factors inside and outside the real estate industry. The model indicates where to target multifamily acquisitions and signals for when and where to consider selling multifamily assets.

Value-Add Construction Management

RealSource is a data-driven multifamily investment firm with more than 30 years of value-add execution across acquisition, renovation, and asset optimization. RealSource acquired assets in our target markets where timing, fundamentals, and risk-adjusted upside align. RealSource has invested alongside our clients to renovate thousands of units, consistently delivering strong returns through disciplined underwriting, targeted CapEx programs, and operational improvements. This proven approach enables RealSource to unlock underperforming assets, enhance NOI, and create durable long-term value for both institutional and private investors.

Local Property Management Partners

RealSource interviewed several high-quality local property management candidates to support the next phase of Summerwood Cove’s execution plan. Partnering with a local operator enables us to leverage stronger economies of scale, deeper market knowledge, and immediate on-the-ground resources. These firms provide specialized support for onsite teams, access to trusted local vendors, and tighter cost controls—all critical to delivering an efficient and successful value-add renovation program. This strategic shift ensures Summerwood Cove receives the focused attention and market-specific expertise required to accelerate performance.

Tipton Property Management has been selected as the new third-party manager for Summerwood Cove based on its long-standing regional presence and consistent execution in multifamily operations. Founded in 1985 and headquartered in Plano, Texas, Tipton is a full-service real estate and property management firm with a portfolio spanning dozens of communities and approximately 14,000 units across the Dallas–Fort Worth MSA and 20,000 units in Texas. The firm has a proven track record of executing value-add business plans through disciplined property-level operations and capital improvements. Tipton’s platform combines experienced regional leadership, established local vendor relationships, and on-site operational support, positioning a partnership with RealSource to improve cost control, responsiveness, and execution at Summerwood Cove. In addition, Tipton was instrumental in sourcing a new property insurance policy available through their platform, allowing Summerwood Cove to secure coverage at approximately **\$912 per unit annually**, a materially improved rate that contributes meaningfully to NOI and was not available prior to their engagement.

The value of this Property and the corresponding equity of the eventual interest owners will fluctuate based on the value of the Property and the income the Property generates. Though the potential risk of investing in multi-family housing is moderate, each interest owner can lose money by investing in this Property. The property's value and rental income can be affected by many factors, and you should consider the specific risks presented below and in the offering memorandum before investing in the Company.

General Risk - Investments in real estate development and operation are subject to many inherent risks

Real estate development involves many known and unknown risks and is not suitable for all investors. These risks include but are not limited to changes in national or local economic conditions; changes in the local real estate market conditions or changes in local property market characteristics, including but not limited to changes in the supply of and demand for competing properties; competition from other properties; changes in interest rates and the credit markets which may affect the ability to finance the development, and sale or rental of property; changes in real estate tax rates and other operating expenses; changes in governmental rules and fiscal policies; civil unrest; acts of God, including earthquakes, floods and other natural disasters, acts of war or terrorism, which may decrease the availability, or increase the cost of, insurance or result in uninsured losses; unforeseen increases in operating expenses generally or increases in the cost of borrowing; decreases in consumer confidence; government takings by eminent domain; various uninsured or uninsurable risks; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws; the impact of lawsuits which could cause us to incur significant legal expenses and divert management's time and attention from day-to-day operations; and other factors that are beyond our control.

General Risks Prior to Closing on Real Property:

- Returns are subject to change due to new discovery, changes in loan terms, occupancy, additional capital investment, investor decisions, and various factors involved in property development and management, and therefore RealSource and its affiliates do not guarantee any return. Potential changes may also affect the feasibility of acquiring and developing this Property.
- Loan terms in this property package are an estimate and may be changed by the lender prior to close, become unreasonable or the loan may become unavailable so that this Property may not close or a reduction in the proforma returns listed in this property package.

General Risks of Owning and Renting Real Property:

- Property values or rental and occupancy rates could go down due to general economic conditions, a weak market for real estate generally, changing supply and demand for certain types of properties, and natural disasters or man-made events. There may be additional risks due to severe weather and potential difficulty in finding affordable insurance in this area.
- A property may be unable to attract and retain tenants, which means that rental income would decline.
- Each Investor could lose revenue if tenants don't pay rent, or if tenant leases were terminated for nonpayment. Any disputes with tenants could also involve costly litigation.
- A property's profitability could go down if operating costs, such as property taxes, utilities, maintenance and insurance costs, go up in relation to gross rental income, or the property needs unanticipated repairs and renovations. A negative cash flow may require additional investment from the Investors should there be insufficient reserves.

General Risks of Property Management:

Property values, rental income, and operating expenses could vary up or down depending on the performance and diligence of both on-site and off-site management of the property manager and the accuracy of their financial accounting.

General Risks of Selling Real Estate:

- The eventual sale price of this Property might differ from its estimated or appraised value, potentially leading to losses or reduced profits to each Investor.
- Because of the nature of real estate, the manager of the Property might not be able to sell the Property at a particular time for its full value, particularly in a poor market. This may lead to Investor losses.
- The Property Investors may need to provide financing if no cash buyers are available.

Risks of Borrowing:

- There may not be sufficient cash flow to make the loan payments, which could result in a default on the loan. The lender then could foreclose on the underlying Property, and Investors would lose the value of their investment in the foreclosed Property.
- If the mortgage loan involves a balloon payment, there is a risk that the Investors may not be able to make the lump sum principal payment due under the loan at the end of the loan term, or otherwise obtain adequate refinancing. The manager then may be forced to sell the Property or other properties in unfavorable market conditions or default on the mortgage.
- If the Property takes out variable-rate loans, the returns may be volatile when interest rates are volatile. Any increase in that rate will result in higher monthly payments under the terms of the loan, reducing cash flow and profitability and perhaps requiring additional amounts to be paid by the Property Owners.

Regulatory Risks:

Government regulation, including zoning laws, property taxes, fiscal, environmental, capital gains rates, or other government policies, could operate or change in a way that hurts the Property. For example, regulations could raise the cost of owning and maintaining properties or make it harder to sell, rent, finance, or refinance properties due to the increased costs associated with regulatory compliance.

Environmental Risks:

The Property Owners and Investors may be liable for damage to the environment caused by hazardous substances used or found on the Property. Under various environmental regulations, the Investors may also be liable, as a current or previous property limited partner or mortgagee, for the cost of removing or cleaning-up hazardous substances found on the Property, even if the Investors didn't know of and were not responsible for the hazardous substances. If any hazardous substances are present or the Investors do not properly clean up any hazardous substances, or if the Investors fail to comply with regulations requiring them to actively monitor the business activities on the premises, the manager of the Property may have difficulty selling or renting a property or be liable for monetary penalties. The cost of any required clean-up and the Investors' potential liability for environmental damage to a single real estate investment could exceed the value of an Investor's investment in the Property, leading to total losses and potential out of pocket expenses.

Uninsurable Losses:

Certain catastrophic losses (e.g., from earthquakes, severe weather, wars, terrorist acts, nuclear accidents, floods, or environmental or industrial hazards or accidents) are uninsurable or so expensive to insure against that it doesn't make sense to buy insurance for them. If a disaster that we haven't insured against occurs, the Investors could lose both their original investment and any future profits from the property affected. In addition, some leases may permit a tenant to terminate their obligations in certain situations, regardless of whether those events are fully covered by insurance. In that case, the Investors would not receive rental income from the Property while that tenant's space is vacant.

Joint Ownership Risks:

Joint indirect property ownership may involve special risks. The Investors in the Property may have varying interests or goals that are inconsistent.

Appraisal Risks:

Real estate appraisals are only estimates of property values based on a professional's opinion and may not be accurate predictors of the amount Investors would actually receive if they sold the Property. The Property may sell, if at all, for a lower price than the appraisal. See additional risk identified in any memorandum, operating agreement and other documentation that has been provided.

CONFIDENTIAL: For qualified investor use only

This is not an offer to sell securities. The offering of units (the "Offering") is being made by means of the Memorandum only to accredited investors who meet minimum accreditation requirements, as well as suitability standards. All prospective investors must read the Memorandum, including the "Risk Factors," prior to investing.

The Offering will not be registered under the Securities Act of 1933 or the securities laws of any state and are being offered and sold in reliance on exemptions from the registration requirements of such laws. Certain disclosure requirements which would have been applicable if the units were registered are not required to be met. Neither the Securities and Exchange Commission nor any other federal or state agency has passed upon the merits of or given their approval to the units, the Offering or the Memorandum.



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