



RHOME TX INDUSTRIAL DEVELOPMENT OPPORTUNITY

INVESTOR DECK - CONFIDENTIAL

RHOME TX INDUSTRIAL DEVELOPMENT OPPORTUNITY

114 Industrial Park, LLC will be constructing a **new 58-acre industrial development**, 8 miles west of Texas Motor Speedway on Highway 114.



CAPITAL RAISE
\$2.525M TO \$3.5M



ANTICIPATED INVESTOR RETURN
+/- 200% OVER 4-6 YEAR PERIOD

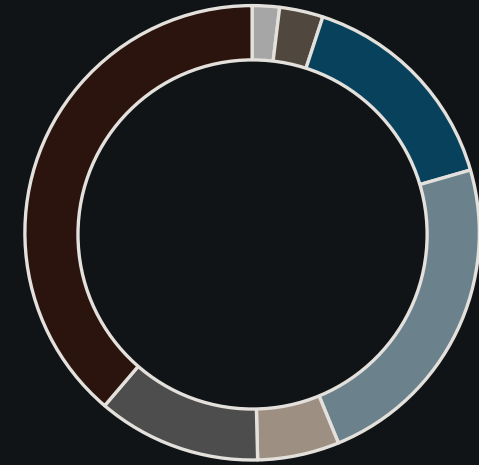
THE PROJECT

We will develop and subdivide 58.88 acres of Highway 114 frontage near Rhome, TX for industrial use. Initial civil engineering/construction will take approximately 6 months with our **first spec building(s) completed in 8 to 12 months.** We will subdivide and plat **at least 10, 5+ acre lots** with flexible land use laws unique to our location in the "Fort Worth ETJ" but within the fast-growing South-East corner of Wise County. We have a **current appraisal valuing the property at \$5M** and will purchase the property "as-is" for \$5M before the end of 2020 with this new entity using approximately \$2.5M in equity contributed from management (GT Ventures) and \$2.5M in bank debt. Investor equity contributions will be used for infrastructure and "spec" building construction.

Every time we sell a "spec" building, our intention is to re-deploy those principal dollars into another spec building of similar size or borrow from a bank if advantageous. Our model includes building and selling one or two of these spec buildings per year for the duration of the project.

Due to our having developed and sold similarly sized industrial property nearby, we have an **existing list of more than 45 commercial brokers who are interested in industrial properties in this area.** We have a list of 5 brokers deemed "*more interested*" than the others with **clientele who are actively looking for properties that fit this description.** We anticipate strong demand for the sites with more than one broker having **clientele expressing interest in "pre-construction" purchases.**

All funds raised by investors will be used for capital expenditures described below.



- Legal
- Civil Engineering / Platting
- Accel / Decel Lane from Highway
- Heavy-duty Concrete Interior Roads
- A Large Monument Sign
- Local Utilities to each of 10 platted 5+ acre sites
- 20k sq ft Spec Building for Immediate Sale or Lease**

HISTORY

In 2013, we started an automotive salvage yard and needed to find property with flexible zoning to operate with. We ultimately found a 58-acre parcel of land which was in Wise County and negotiated a purchase price of approximately \$12k per acre. This was formerly a farm field, but we purchased it due to its inclusion in the City of Fort Worth's ETJ (Extended Territorial Jurisdiction). **This special classification offers more lenient building/permitting/development standards than virtually anywhere in the metroplex** (even more lenient than most "county" standards).

At the time, we didn't need all the land we purchased, so we immediately sold 15 acres of undeveloped frontage for \$55k per acre. Over time, the salvage yard operation didn't work out and we placed our building and remaining acreage for sale in 2016. After marketing extensively, we could not find a buyer for all 38 acres, so **we sold our 23k sq. ft. building along with 8 acres for \$2M. Considering our land basis at \$12k per acre and the building was constructed for \$900k, this worked out pretty well.** We then constructed a new driveway and carved out 5 lots (5+/- acres each) and placed them for sale. Almost immediately we sold two of the remaining lots for \$60k and \$70k per acre. Eventually we paved the access road and have since been selling the "worst" lots in the subdivision for \$110k per acre. Having accidentally become industrial developers, we learned several lessons and have been on the hunt for property with similar characteristics to develop from scratch.

During this time **we continued hearing the same things from prospective buyers:**

They need 20k to 60k sq. ft and they're having trouble finding it anywhere in the metroplex. Additionally, those places that they can find rarely come with additional parking/yard space.

Every single one of our buyers would have preferred to purchase a building immediately vs. having to custom build, but there weren't other options available. We even had a Fortune 500 company interested in buying one of our lots, but they ultimately didn't purchase because we lacked an accel / decel lane. We've taken all these lessons and are applying them to this project.

In March 2019, **a nearby property came up for sale and we purchased it the same day it hit the market for \$27k an acre.** We immediately put \$300k worth of dirt work into leveling some of the uneven areas and **this spring the property was appraised for \$5M.**

This proposed transaction will allow us to take long term capital gains on the current appreciation of the property and will allow us and our investors to realize further value in a fully developed pad sites with one or more "spec" buildings. **The surrounding area is experiencing tremendous growth with more than 10 major new housing developments within a 5-mile radius of the project.** I'd encourage you to visit the site and see all this growth for yourself.

DEAL STRUCTURE AND RETURN

Capital Raise	\$2.525M to \$3.5M Total
Sponsor-Contributed Equity	\$2.5M
Sponsor-Guarantee Loan	\$2.5M. Any additional lending will be guaranteed by Sponsor only and the debt benefits everyone pro rata.
Minimum Investment	\$100k with \$25k increments thereafter
Distribution Waterfall	Equity investors recoup all principal plus 10% return on outstanding principal (per year as available for distribution) without any loads or fees, then 30% carried interest above and beyond the hurdle
Anticipated Investor Return***	+/- 200% investor return anticipated over 4-6 years. Fund will remain open until all property is sold
Distribution Timing	Distributions will be made quarterly as proceeds are available
Ownership Percentage	All proceeds will be used for development which means that post capital valuation and resulting ownership percentage will depend on total capital raised (Minimum \$5.025M, Maximum \$6.025M)

***See scenario modeling which indicates potential outcomes based on pace of sales, number of buildings completed and sold per year, etc. These results are not guaranteed.*

The background of the image is a dark, semi-transparent overlay on top of architectural blueprints. The blueprints show various technical drawings, including floor plans, sections, and details, with dimensions and labels like 'P2', '1225', '1000-1215', '117', '20', '1012/20', '1014/20', '1016/20', '1018/20', '1020/20', '1022/20', '1024/20', '1026/20', '1028/20', '1030/20', '1032/20', '1034/20', '1036/20', '1038/20', '1040/20', '1042/20', '1044/20', '1046/20', '1048/20', '1050/20', '1052/20', '1054/20', '1056/20', '1058/20', '1060/20', '1062/20', '1064/20', '1066/20', '1068/20', '1070/20', '1072/20', '1074/20', '1076/20', '1078/20', '1080/20', '1082/20', '1084/20', '1086/20', '1088/20', '1090/20', '1092/20', '1094/20', '1096/20', '1098/20', '1100/20', '1102/20', '1104/20', '1106/20', '1108/20', '1110/20', '1112/20', '1114/20', '1116/20', '1118/20', '1120/20', '1122/20', '1124/20', '1126/20', '1128/20', '1130/20', '1132/20', '1134/20', '1136/20', '1138/20', '1140/20', '1142/20', '1144/20', '1146/20', '1148/20', '1150/20', '1152/20', '1154/20', '1156/20', '1158/20', '1160/20', 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VISIT THE SITE,
AND SEE FOR YOURSELF.

CONTACT

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ADDENDUM

CURRENT APPRAISAL



Integra Realty Resources
Fort Worth

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June 3, 2020

Mr. Matthew Billings
Ciera Bank
1501 Summit Avenue
Fort Worth, Texas 76102

SUBJECT: Market Value Appraisal
58+ Acres of Vacant Land
North side of State Highway 114, Approximately Two Miles East of the City
of Rhome
Rhame, Wise County, Texas 76078
Client Reference: MERC-33008592
IRR - Fort Worth File No. 195-2020-0347

Dear Mr. Matthew Billings:

Integra Realty Resources – Fort Worth is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop an opinion of the market value of the fee simple interest in the property. The client for the assignment is Ciera Bank, and the intended use is for loan underwriting purposes.

The subject is a parcel of land containing an area of 58.88 acres or 2,564,726 square feet. The site has approximately 1,000 feet of frontage along State Highway 114. The subject property is improved with a gas drill site in the northern portion of the tract. The drill site is accessed via a gravel road which spans south to north across the tract. The property is not zoned and is in Wise County within the Fort Worth ETJ.

The appraisal is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, applicable state appraisal regulations, and the appraisal guidelines of Ciera Bank. The appraisal is also prepared in accordance with the appraisal regulations issued in connection with the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA).

Executive Summary

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Executive Summary

Property Name	58+ Acres of Vacant Land
Address	North side of State Highway 114, Approximately Two Miles East of the City of Rhame Rhame, Wise County, Texas 76078
Property Type	Land - Commercial
Owner of Record	GT 114 LLC
Tax ID	R000016508
Legal Description	Blocks 10 & 13, Smith County Land Survey, Wise County, Texas
Land Area	58.88 acres; 2,564,726 SF
Zoning Designation	No Zoning
Highest and Best Use	Commercial
Exposure Time; Marketing Period	6 to 12 months; 6 to 12 months
Effective Date of the Appraisal	June 2, 2020
Date of the Report	June 3, 2020
Property Interest Appraised	Fee Simple
Sales Comparison Approach	
Number of Sales	4
Range of Sale Dates	Jan 17 to Nov 18
Range of Prices per Acre (Unadjusted)	\$72,745 - \$191,664
Market Value Conclusion	\$5,000,000 (\$84,921/Acre)

The values reported above are subject to the definitions, assumptions, and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than Ciera Bank may use or rely on the information, opinions, and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions, and limiting conditions contained therein.

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. Unless otherwise noted, the valuation methods do not attempt to adjust for current uncertainty due to COVID-19 as discussed under the Important Market Conditions Warning. The expectation is that current measures and actions will abate within less than 6 months, and that such impacts will be short-term in nature, resulting in a return to stable market conditions.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

58+ Acres of Vacant Land



Full appraisal document available.

RETURNS MODEL PRO FORMA

Scenario #1:

Land Development plus build and sell **one (1) Spec 20k sq ft Warehouse per year (\$2.5M raise)**

Year	2020	2021	2022	2023	2024	2025	2026
Starting Cash	\$ 2,500,000.00	\$ 2,500,000.00	\$ 1,100,000.00	\$ 1,100,000.00	\$ 1,100,000.00	\$ 1,100,000.00	\$ 1,100,000.00
Sales	\$ -	\$ 3,330,000.00	\$ 3,330,000.00	\$ 3,330,000.00	\$ 3,330,000.00	\$ 3,330,000.00	\$ 3,330,000.00
Mortgage		\$ 150,000.00	\$ 120,000.00	\$ 90,000.00	\$ 60,000.00	\$ 30,000.00	\$ 10,000.00
Property Improvements		\$ 2,500,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00
							\$ -
Property Taxes		\$ 25,000.00	\$ 20,000.00	\$ 15,000.00	\$ 10,000.00	\$ 50,000.00	\$ 1,000.00
Administrative		\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
Debt Reduction		\$ 416,000.00	\$ 416,000.00	\$ 416,000.00	\$ 416,000.00	\$ 416,000.00	\$ 416,000.00
Net Profit		\$ 2,729,000.00	\$ 2,864,000.00	\$ 2,899,000.00	\$ 2,934,000.00	\$ 2,924,000.00	\$ 2,993,000.00
Ending Cash		\$ 2,729,000.00	\$ 2,864,000.00	\$ 2,899,000.00	\$ 2,934,000.00	\$ 2,924,000.00	\$ 2,993,000.00
Retained Earnings		\$ 1,100,000.00	\$ 1,100,000.00	\$ 1,100,000.00	\$ 1,100,000.00	\$ 1,100,000.00	\$ -
Distributions		\$ 1,629,000.00	\$ 1,764,000.00	\$ 1,799,000.00	\$ 1,834,000.00	\$ 1,824,000.00	\$ 2,993,000.00
Minus Preferred Return		\$ 500,000.00	\$ 387,100.00	\$ 249,410.00	\$ 94,451.00		
Outstanding Principal Balance		\$ 3,871,000.00	\$ 2,494,100.00	\$ 944,510.00	\$ -	\$ -	
Investors	50%	\$ 814,500.00	\$ 882,000.00	\$ 899,500.00	\$ 744,604.00	\$ 740,544.00	\$ 1,215,158.00
Investor ROI		33%	35%	36%	30%	30%	49%
GT VENTURES	50%	\$ 814,500.00	\$ 882,000.00	\$ 899,500.00	\$ 1,295,000.00	\$ 1,294,500.00	\$ 1,496,500.00
GT Ventures ROI		33%	35%	36%	52%	52%	60%
***Begin Carried Interest							



TOTAL INVESTOR RETURN
\$5.296M



TOTAL INVESTOR ROI
212%

RETURNS MODEL PRO FORMA

Scenario #2:

Land Development plus build and sell **two (2) Spec 20k sq ft Warehouse per year (\$3.5M raise)**

Year	2020	2021	2022	2023	2024	2025
Starting Cash	\$ 3,525,000.00	\$ 3,525,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00
Sales	\$ -	\$ 5,200,000.00	\$ 5,200,000.00	\$ 5,200,000.00	\$ 5,200,000.00	\$ 5,200,000.00
Mortgage		\$ 150,000.00	\$ 120,000.00	\$ 90,000.00	\$ 60,000.00	\$ 30,000.00
Property Improvements		\$ 3,500,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00
Property Taxes		\$ 25,000.00	\$ 20,000.00	\$ 15,000.00	\$ 10,000.00	\$ 10,000.00
Administrative		\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
Debt Reduction		\$ 500,000.00	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00
Net Profit		\$ 4,540,000.00	\$ 4,550,000.00	\$ 4,585,000.00	\$ 4,620,000.00	\$ 4,650,000.00
Ending Cash		\$ 4,540,000.00	\$ 4,550,000.00	\$ 4,585,000.00	\$ 4,620,000.00	\$ 4,650,000.00
Retained Earnings		\$ 2,100,000.00	\$ 2,100,000.00	\$ 2,100,000.00	\$ 2,100,000.00	\$ 2,100,000.00
Distributions		\$ 2,440,000.00	\$ 2,450,000.00	\$ 2,485,000.00	\$ 2,520,000.00	\$ 2,550,000.00
Minus Preferred Return		\$ 602,500.00	\$ 418,750.00	\$ 215,625.00		
Outstanding Principal Balance		\$ 4,187,500.00	\$ 2,156,250.00	\$ -		
Investors	59%	\$ 1,561,600.00	\$ 1,568,000.00	\$ 1,590,400.00	\$ 1,128,960.00	\$ 1,142,400.00
Investor ROI		44%	44%	45%	32%	32%
GT Ventures	41%	\$ 878,400.00	\$ 882,000.00	\$ 894,600.00	\$ 1,391,040.00	\$ 1,407,600.00
GT Ventures ROI		35%	35%	36%	56%	56%

***Begin Carried Interest

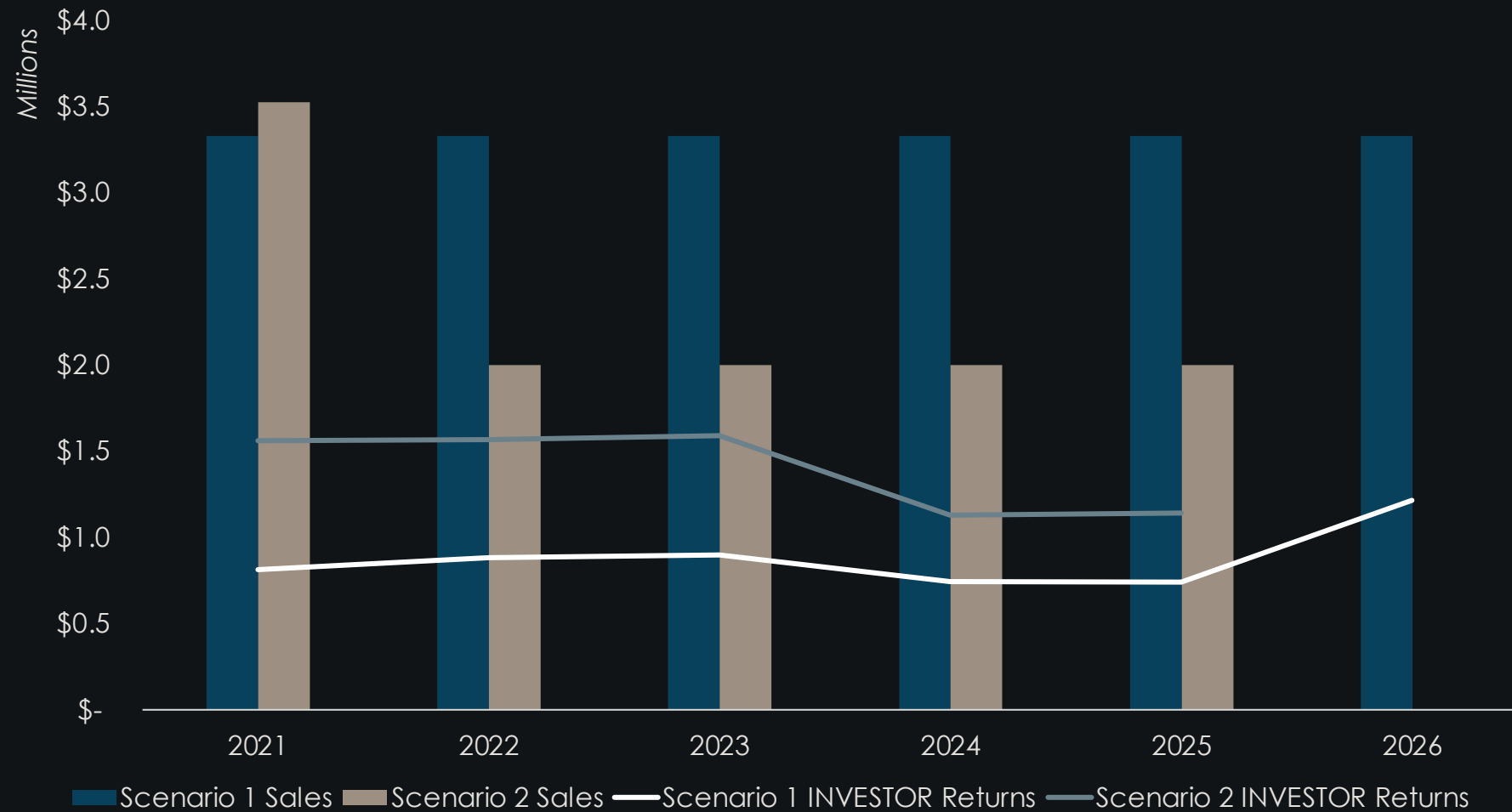


TOTAL INVESTOR RETURN
\$6.991M



TOTAL INVESTOR ROI
198%

RETURNS SCENARIO COMPARISON



EXAMPLE OF MONUMENT SIGN



ROUGH DRAFT PROPERTY LAYOUT

