PRIVATE OFFERING · 154-UNIT MULTIFAMILY COMMUNITY

Offering Memorandum

The Hills at Palos Verde

930 Interstate Highway 30 · Garland, TX 75150

September 2026

$14.5M	154	18% - 20%+
PURCHASE PRICE	TOTAL UNITS	TARGET AVERAGE ANNUAL RETURN

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⚠ DRAFT — PENDING LEGAL REVIEW

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Executive Summary

The Hills at Palos Verde is a 154-unit Class B community built in 1983 and located along Garland's I-30 corridor. Current rents are consistent with comparable properties of a similar vintage, while renovated peers in the submarket achieve a meaningful premium supported by market comps. This creates clear upside as units are renovated and released.

At a $14.5 million purchase price, the basis equates to approximately $94,156 per unit and $115.85 per square foot. This is below every verified DFW value add transaction in our comp set and approximately 42% to 55% below the current cost of constructing comparable new garden style apartments. The acquisition also includes the assumption of the seller's existing agency loan at a fixed 4.75% interest rate, improving cash flow from day one compared with new financing at current market terms.

THE THESIS

Below-market basis + a DFW rent cycle at its trough + hands-on operations = a durable path to NOI growth without relying on rent-growth assumptions in Years 1–2.

154 TOTAL UNITS	**1983** YEAR BUILT
125,202 SF RENTABLE AREA	**7 · 3-Story** BUILDINGS
$94,156 BASIS / UNIT	**~7.1%** YR 3 STABILIZED YIELD ON COST

Sewer and foundation needs are already identified, bid by licensed contractors, and fully budgeted — not open risk.

The inspection from a licensed electrician confirmed no changes are needed, however; we are keeping $90,000 in capex for electrical repairs / additional reserves anyway.

The Property

154 units across 7 three-story buildings on 5.4 acres along the I-30 corridor.



Leasing Office & Exterior



Clubhouse / Pool Area



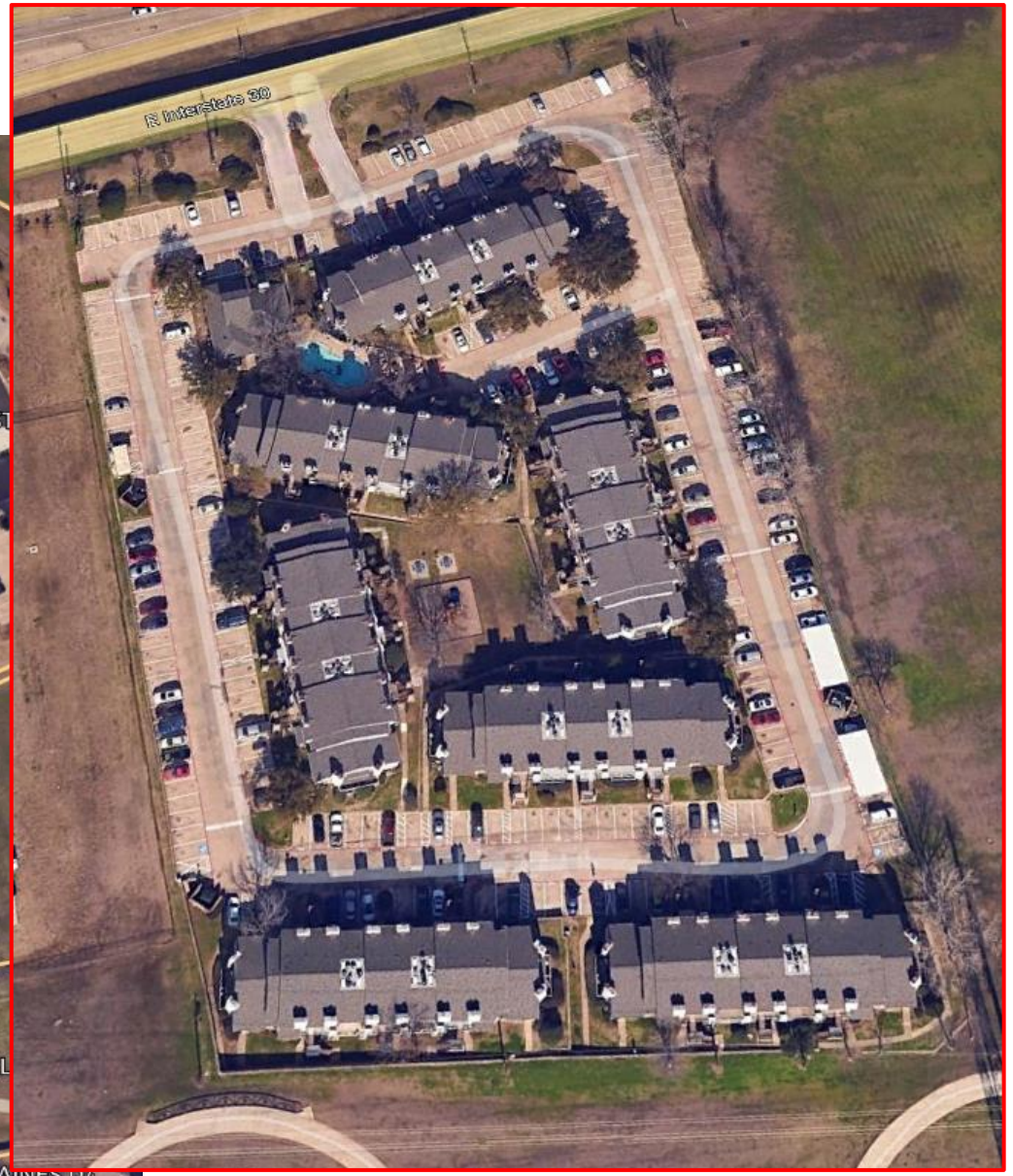
Unit Interior



Site & Buildings

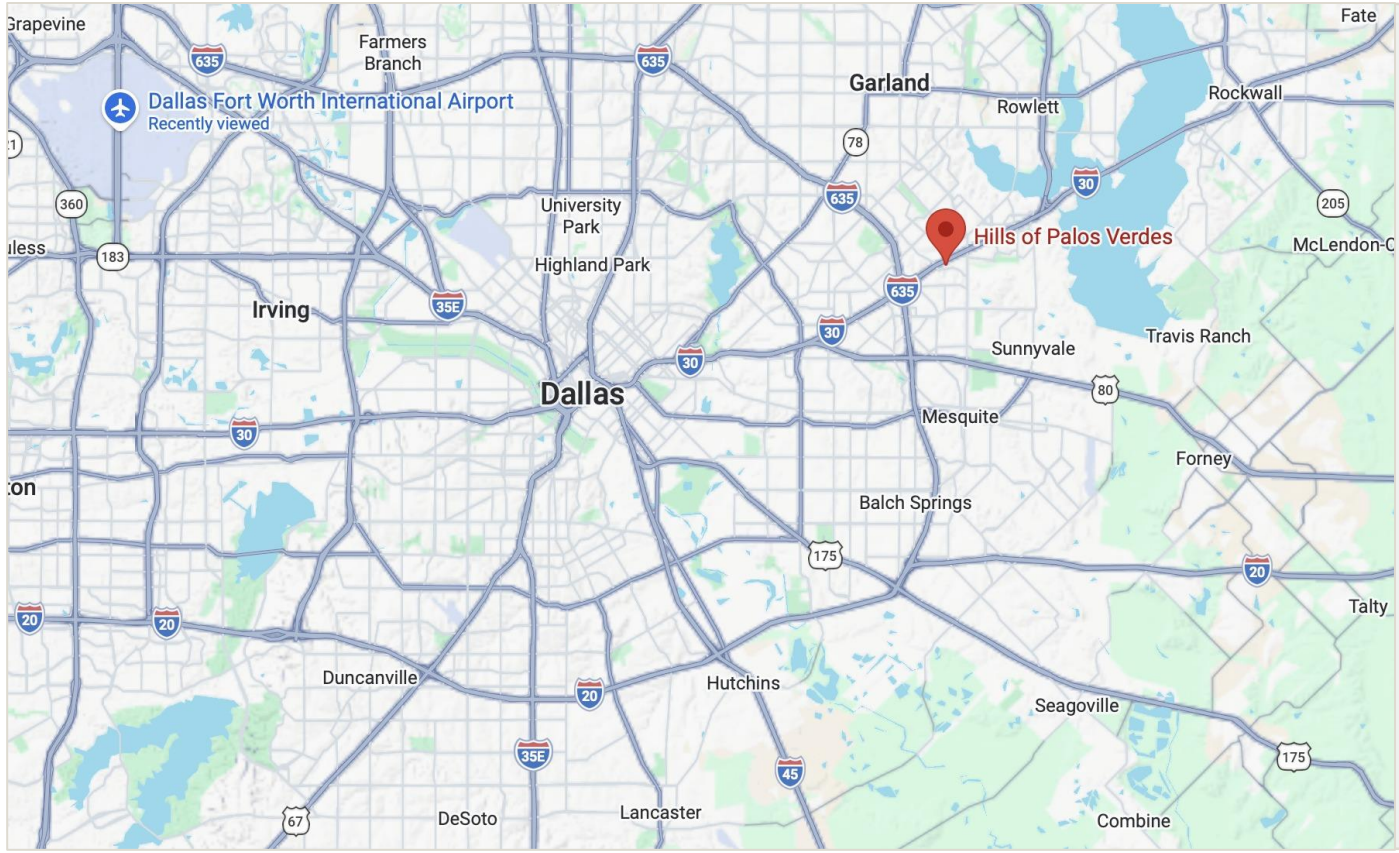
The Property





Location, DFW Metroplex

14 miles east of downtown Dallas, at the crossroads of I-30, US-80, and I-635.





Community Exterior



Well-Maintained Grounds

14 Mi to Downtown Dallas · ~25 Mi to DFW International Airport · 4+ Major Highways at the Doorstep

Garland, TX — Buying the Cycle Trough

DFW's 2022–2025 supply wave pushed vacancy up, rents down, and concessions higher across vintage product. That wave has passed — Garland's pipeline is now among the thinnest in the Metroplex, with absorption and pricing power both improving.

0.8%
OF INVENTORY UNDER CONSTRUCTION (5-MI)

3 / 292
PROPERTIES / UNITS UNDER CONSTRUCTION

Dec 2026
ALL CURRENT DELIVERIES COMPLETE BY

9.9–11.0%
CURRENT 1BR / 2BR VACANCY

THE CYCLE, IN THE DATA

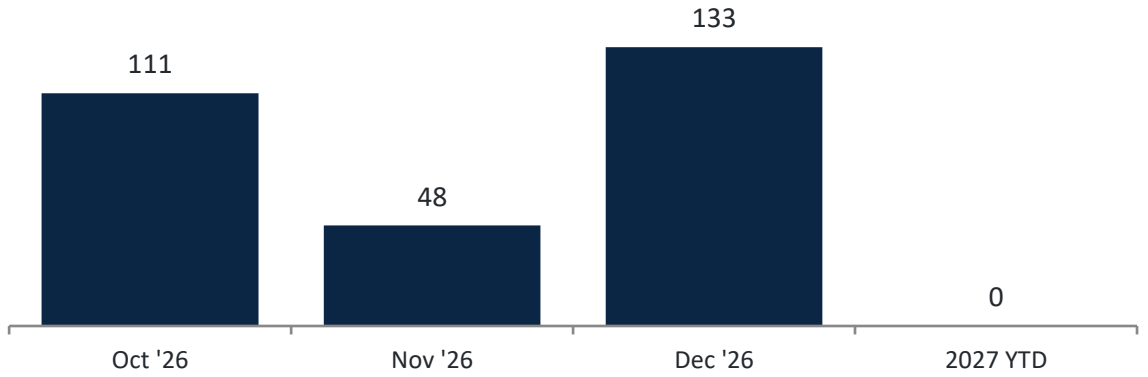
Submarket rents have reset 5.5% (1BR) and 4.6% (2BR) year-over-year, with concessions at 7.1%–7.5% — the tail end of the current supply wave. CoStar forecasts Garland and DFW-wide rents inflecting higher through 2030 as that supply gets absorbed, positioning today's pricing as the cycle trough rather than a continuing slide.

GARLAND + DFW METRO ANCHOR EMPLOYERS

Bank of America · JPMorgan Chase · Charles Schwab · Fidelity · Wells Fargo · UPS / FedEx · Ashley Furniture · Goodyear

Source: CoStar Group, licensed to Sutera Commercial, 9/18/2026.

Projected New-Supply Deliveries (5-Mi Radius)



Every unit of new supply within 5 miles delivers by December 2026 — nothing is behind it. Supply pressure is capped right as absorption is accelerating.

Why Garland, TX

A growing, increasingly affluent Dallas suburb — strong incomes, real affordability, and the urban core minutes away.

$76,320
MEDIAN HOUSEHOLD INCOME

$95,348
AVERAGE HOUSEHOLD INCOME

14 Mi
TO DOWNTOWN DALLAS

<$50K
COST TO LIVE COMFORTABLY (GOBANKINGRATES)

245K+
POPULATION · 13TH-LARGEST CITY IN TX

No Majority
HIGHLY DIVERSE POPULATION

Garland is the 13th-largest city in Texas and the fifth-largest in the DFW Metroplex, bordering Dallas directly and connected to it by two DART light-rail stations. GOBankingRates named Garland one of the few major U.S. cities — and one of only two in North Texas — where residents can live comfortably on less than $50,000 a year, and singled it out as a strong option for retirees. Median household income has grown to $76,320, up from $74,717 the year before, while Garland ISD serves 51,000+ students across 67 schools and Dallas College's Garland campus keeps higher education close to home.

THE METRO TAILWIND

Garland sits minutes from Downtown Dallas — the 4th-largest metro in the U.S., with 24 Fortune 500 headquarters — giving residents big-metro access at a real cost-of-living discount. DFW employment growth is running 0.80% versus 0.41% nationally, nearly double the U.S. rate.

Sources: U.S. Census Bureau ACS 5-Year Estimates / Data USA; GOBankingRates; Garland Economic Development; Garland ISD; CoStar / Oxford Economics.

DFW MARKET

DFW's 8.5 million residents support a growing renter base

11%

population growth since April 2020

270,000

net domestic migrants from 2020 to 2025

54,000 jobs added

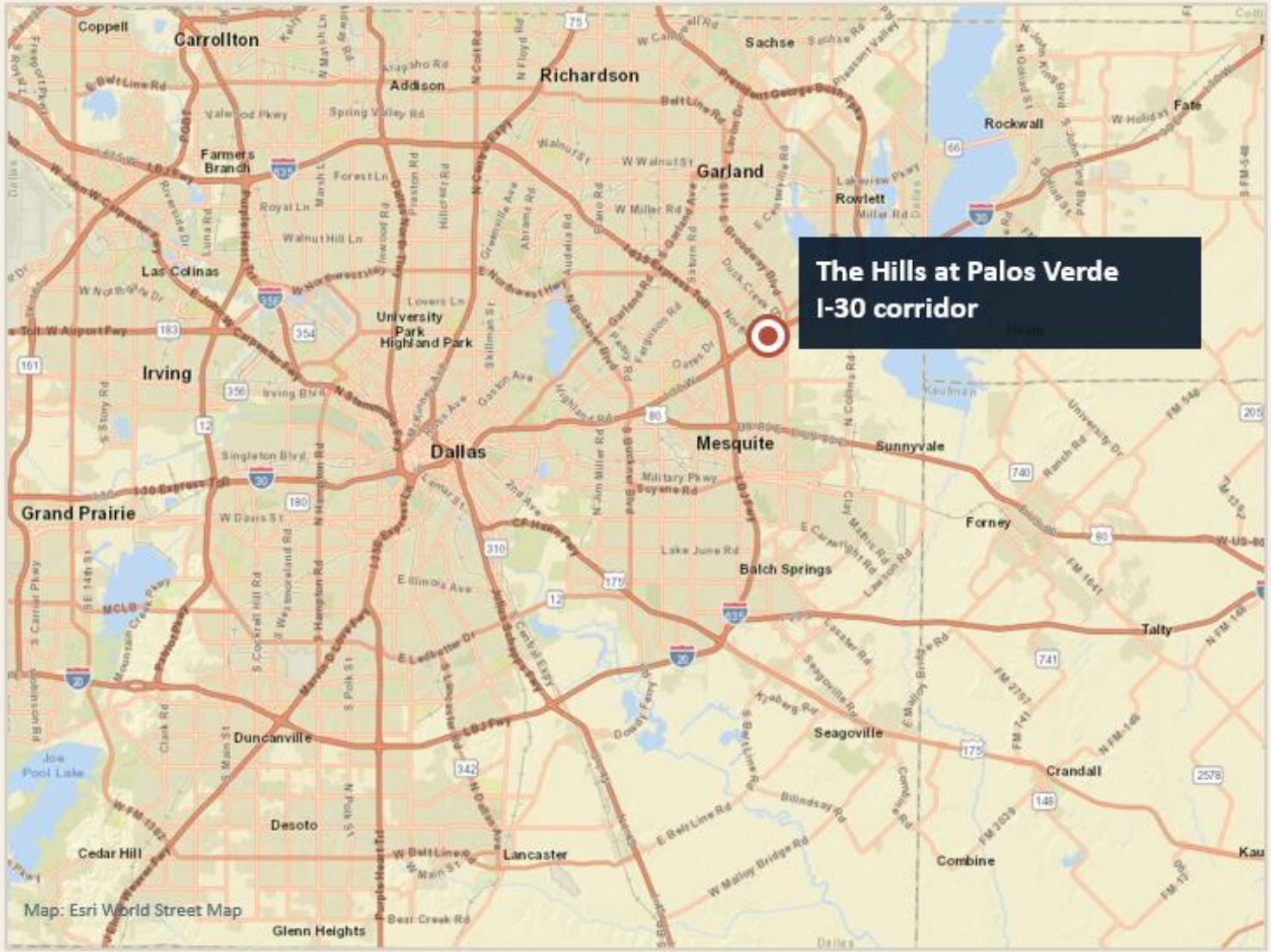
year over year as of July 2026

DFW's continued population growth, domestic migration, and job creation are expanding the region's renter base and supporting long-term apartment demand.



Sources:
U.S. Census Bureau, Population Gains in Metro Areas Driven Largely by Growth in the Exurbs This Decade, May 2026: https://www.census.gov/library/stories/2026/05/major-city-outer-edge-growth.html
U.S. Bureau of Labor Statistics, Metropolitan Area Employment and Unemployment, July 2026, Table 4: https://www.bls.gov/news.release/metro.htm

I-30 corridor investment in South Garland



$2B

TxDOT upgrades to I-30 and I-635 supporting access and future development throughout South Garland

820 Acres

Adopted redevelopment plan for the South Garland lakefront near Lake Ray Hubbard

$143M

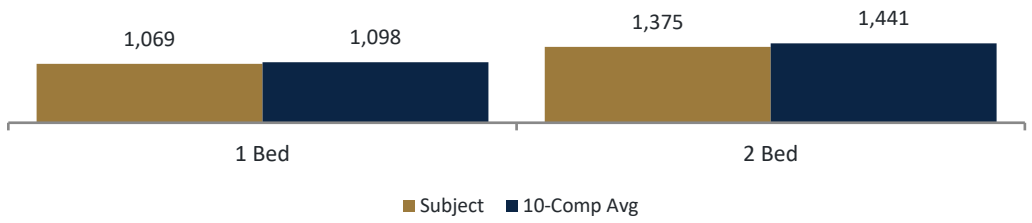
Kraft Heinz expansion and modernization in Garland, with 200 planned jobs.

Rent Comps

Priced below a broad 10-property comp set — with a real, comp-supported ceiling once renovated.

Property	Yr Built	Units	Avg SF	1 Bed	2 Bed	$ / SF
Raleigh at Towne Crossing	1985	264	761	$1,136	$1,615	$1.64
Rise Hillcrest	1983	224	812	$1,113	$1,563	$1.74
Barrett Apartment Homes	1981	200	937	$1,135	$1,476	$1.61
Mason Ridge Apartments	1984	280	788	$1,087	$1,530	$1.57
Valley Creek Apartments	1983	148	805	$1,180	$1,412	$1.55
Oaks at Duck Creek	1984	348	771	$935	$1,360	$1.54
Rise at Town East	1984	210	760	$1,021	$1,342	$1.51
East Point Apartment Homes	1983	126	889	$1,127	$1,469	$1.46
The Pines of Palos Verde	1983	128	888	$1,251	$1,327	$1.45
The Broadway	1982	288	788	$993	$1,317	$1.44
Hills of Palos Verde (subject)	**1983**	**154**	**813**	**$1,069**	**$1,375**	**$1.49**
10-Comp Average	**1983**	**232**	**820**	**$1,098**	**$1,441**	**$1.55**

Note: 10 of 14 valid comps shown (full set on request). One additional comp was excluded — its reported rents were inconsistent with comparable vintage product in the trade area and appear to reflect a data or classification error. Source: CoStar Group, 9/18/2026.



Subject prices sit 2.6% below the 10-comp average on 1BR and 4.6% below on 2BR — a consistent gap across unit types that points to meaningful upside in rental income.

Sale Comps & Basis Advantage

A basis below the entire verified comp set — and well below the cost to build new.

Property	Built	Units	Price	$ / Unit	Date
Pine Oaks	1983	240	$23.8M	$99,166	Oct '24
The Watermark	1974	216	$21.7M	$100,462	Aug '24
Pasadena	1969	255	$28.0M	$109,803	Aug '24
Rise Apollo Heights	1983	248	$33.5M	$135,080	Jul '25
Woodlands of Plano	1968	232	$32.2M	$138,577	Nov '25
Comp Average	**~1975**	**238**	**$27.8M**	**$116,618**	**'24–'25**
Hills of Palos Verde (our basis)	**1983**	**154**	**$14.5M**	**$94,156**	**6.0% exit**

~$116.6K
COMP AVG / UNIT

~$94.2K
OUR BASIS / UNIT

$116 / SF
OUR BASIS, PER SF

19.3%
BELOW AVG COMP BASIS

5.1%
BELOW CHEAPEST VERIFIED TRADE

42%–55%
BELOW NEW CONSTRUCTION COST

New garden-style multifamily construction in Texas runs ~$200–$260/SF in hard costs alone (excl. land) — our ~$116/SF basis sits well under even the low end.

Exit underwritten at a market-supported 6.0% cap on forward NOI — implying a projected Year 5 value of ~$140,976/unit (~$21.7M), roughly 50% above our entry basis.

Stabilize. Optimize. Elevate.

A three-phase plan built on light interior updates, disciplined expense management, and hands-on operational efficiency — no rent growth assumed in Years 1–2.

01 Stabilize

MONTHS 1–12

- Install Richmark Properties, align KPIs
- Complete sewer, foundation & electrical repairs
- Audit & rebid controllable expenses
- Protect & recover occupancy

02 Optimize

MONTHS 12–24

- Scale interior updates on natural turn
- RUBS, ancillary income, fee enforcement
- Concessions taper as absorption continues

03 Elevate

MONTHS 24–60

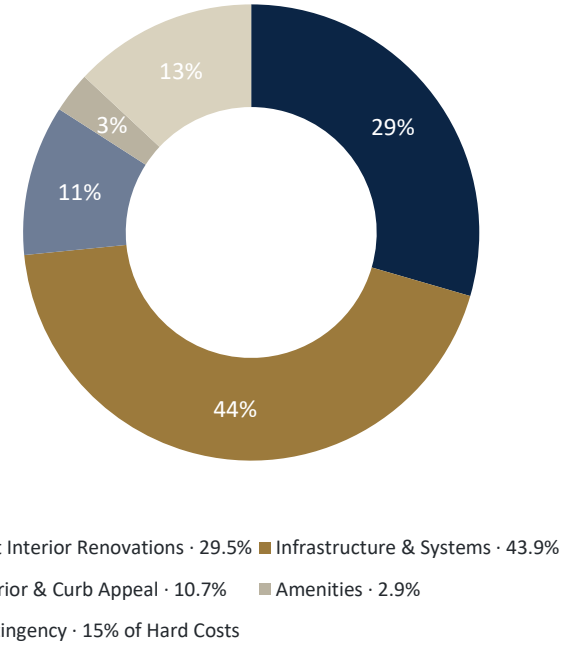
- Clubhouse & fitness center refresh
- Shift to experience-based positioning
- Push rents toward the renovated-peer ceiling
- Exit at ~6.0% cap on forward NOI

Where the Capital Goes

A fully-scoped $1.57M program — infrastructure, interiors, and curb appeal.

LIGHT INTERIOR RENOVATIONS · 29.5%	
154 units @ ~$3,000 / unit	**$462,000**
INFRASTRUCTURE & SYSTEMS · 43.9%	
Full underground sewer replacement	**$540,000**
Electrical / breaker panel repairs	**$90,000**
Foundation repairs (2 buildings)	**$33,000**
Irrigation redesign and repair	**$25,000**
EXTERIOR & CURB APPEAL · 10.7%	
Repaint, wood repair & retaining wall	**$120,000**
Lit monument signage	**$20,000**
Landscaping	**$15,000**
Parking lot repairs	**$12,000**
AMENITIES · 2.9%	
Pool, fitness center & office refresh	**$45,000**
CONTINGENCY · 15% OF HARD COSTS	
Reserve	**$204,300**
TOTAL CAPITAL PROGRAM	**$1,566,300**

CapEx Allocation · $1.57M Total



~$10,171 / unit fully loaded · price reduced $500K to help offset

Protecting Investor Capital

An intentional strategy to decrease risk at every stage of the hold.

01	**Attractive basis**	Below-replacement-cost entry, priced below the cheapest verified comp trade — a real margin of safety.
02	**Known infrastructure needs, fully budgeted**	Sewer and foundation scope confirmed by licensed-contractor bids and priced into a $1.57M capital plan, backed by a $500K purchase-price concession.
03	**Market softness & rent growth**	Conservative underwriting assumes no rent growth in Years 1–2 and carries elevated vacancy and concessions through Year 3.
04	**Operational turnaround**	A proven third-party operator, Richmark, already running another asset for the sponsor in the same metro, brings KPI-driven management and active expense control.
05	**New supply**	Only 0.8% of submarket inventory is under construction, all delivering by December 2026 — the thinnest pipeline in years.

Sponsorship & Team

Ryan Pearlman & Mary Chries Concha Thia lead capital formation and investor relations.



Ryan Pearlman

OWNER · LP CAPITAL GROUP & BLACKWOOD COMMUNITIES, LLC

Ryan Pearlman has over a decade of real estate investing experience across mobile home communities, student housing, single-family, hospitality, and retail. He founded LP Capital Group & Blackwood Communities, which together have completed and overseen $16 million+ in transaction volume, and have transacted on more than 600 units.

10+	$16M+	600+
YEARS INVESTING	TRANSACTION VOLUME	UNITS TRANSACTED

704-560-8889 · ryan@lpcapitalgroup.com · www.lpcapitalgroup.com



Mary Chries Concha Thia, MBA

MANAGING PARTNER · H&M CAPITAL PARTNERS

Mary Chries is Co-Founder of H&M Capital Partners and a multifamily investor with a finance background. She began investing in real estate in 2021, has held stakes across 400+ apartment units, and now oversees 560 units with $39M in assets under management as part of the Asset Management Team.

2021	400+	560	$39M
STARTED INVESTING	HISTORICAL UNITS	UNITS MANAGED	AUM

650-346-0125 · info@hmcapitalpartners.com · www.hmcapitalpartners.com

Sponsorship & Team

A co-sponsorship between two experienced multifamily operators — Paul and Jim have partnered together on three prior acquisitions since early 2023 (Oaks Townhomes, Woodcrest, and Park at Baldwin).



Paul Williams

OWNER · HILL COUNTRY SELECT HOMES, LLC

Paul began investing in single-family homes in 2001; founded Hill Country Select Homes, LLC in 2016. Has owned 85+ single-family units and multiple retail and land assets, and participated in the ownership, acquisition, or management of 2,305 multifamily and single family units across the GP and LP sides.

24	2,305	625	1,680
TRANSACTIONS	TOTAL UNITS	UNITS EXITED	UNITS ACTIVE



Jim Stuart

FOUNDER · WESTKEY CAPITAL

Jim began his multifamily career buying an 8-unit building in 1991. A 30-plus year business executive who has built several companies, he has acquired 3,500+ multifamily units and remains active on 2,200+ units today.

30+	3,500+	1,800	2,200+
YRS INVESTING	UNITS ACQUIRED	UNITS EXITED	UNITS ACTIVE

PROPERTY MANAGEMENT · RICHMARK PROPERTIES, INC.

Richmark has provided third-party multifamily management across Texas since 1989 and Oklahoma since 2019, led by co-owners Sandra Prikryl (CEO) and Julie Lewis (CFOO). The firm currently manages 19 properties across the DFW market, including another property where Paul serves as co-GP — giving this deal a manager with a proven, hands-on relationship with the sponsorship, not a first-time engagement.

Investing in This Deal

Illustrative return on a sample $100,000 investment, at the deal's targeted returns.

$50,000
MINIMUM INVESTMENT

Nov 12, 2026
FUNDS DUE

Nov 20, 2026
TARGET CLOSING

Year	Distribution	Cash-on-Cash
Year 1	$3,166	3.2%
Year 2	$4,823	4.8%
Year 3	$6,791	6.8%
Year 4	$7,789	7.8%
Year 5 (operations)	$8,830	8.8%
Year 5 (sale — incl. return of $100,000 capital)	$159,521	—
Total 5-Year Return	**$190,920**	**1.91× MOIC**

ON A $100,000 INVESTMENT

~18%
AVG ANNUAL RETURN

1.91×
EQUITY MULTIPLE

31.4%
CUMULATIVE OPERATING DISTRIBUTIONS

Figures are conservative illustrative estimates based on the deal's targeted returns, not a guarantee of performance. Actual results may differ.

HOW TO PARTICIPATE

Minimum investment is $50,000. Investor funds are due November 2, 2026, ahead of a targeted closing on November 9, 2026. Contact the sponsorship team to review subscription documents.

Note: distributions shown are net of the 1.5% asset management fee. Timing and amounts assume the deal's base-case underwriting and are not guaranteed.

5-Year Proforma

No rent growth Years 1–2; elevated vacancy and concessions through Year 3.

	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Potential Rent	2,224,153	2,224,153	2,279,757	2,348,150	2,418,594
Less: Vacancy	(222,415)	(200,174)	(182,381)	(164,370)	(145,116)
Less: Concessions & Bad Debt	(155,691)	(111,208)	(45,595)	(46,963)	(48,372)
Other Income	330,368	389,517	399,255	411,233	423,570
Effective Gross Income	**2,176,415**	**2,302,289**	**2,451,036**	**2,548,049**	**2,648,676**
Advertising	45,000	35,000	25,000	25,625	26,266
Contract Services & Trash	58,587	60,052	61,553	63,092	64,669
Utilities (Gas, Elec, Water, Sewer)	218,823	224,293	229,901	235,648	241,539
General & Administrative	29,574	30,313	31,071	31,848	32,644
Insurance	80,000	82,000	84,050	86,151	88,305
Real Estate Taxes	338,573	345,345	353,978	362,828	371,898
Management Fee	65,292	69,069	73,531	76,441	79,460
Payroll	280,000	287,000	294,175	301,529	309,068
Repairs, Maintenance & Turnover	119,775	122,769	125,839	128,984	132,209
Replacement Reserve Deposit	38,500	38,500	38,500	38,500	38,500
Total Operating Expenses	**1,274,124**	**1,294,341**	**1,317,598**	**1,350,646**	**1,384,558**
Net Operating Income	**902,291**	**1,007,948**	**1,133,438**	**1,197,403**	**1,264,118**
Debt Service	(671,360)	(671,360)	(671,360)	(671,360)	(671,360)
Cash Flow Before Distributions	**230,931**	**336,588**	**462,079**	**526,042**	**592,758**

Figures in whole dollars. Reflects the sponsor's underwriting model. Not a guarantee of future performance.

Exit Cap Rate Stress Test

Underwritten at a 6.0% exit cap — real upside if cap rates compress, a still-attractive outcome if they expand.

EXIT CAP RATE	5.7%	5.8%	5.9%	6.0%	6.1%	6.2%	6.3%
Sale Price	$22.85M	$22.46M	$22.08M	$21.71M	$21.35M	$21.01M	$20.68M
Equity Multiple	2.08x	2.02x	1.96x	1.91x	1.86x	1.81x	1.76x
Avg Annual Return	21.5%	20.4%	19.3%	18.2%	17.1%	16.1%	15.2%

THE TAKEAWAY

A 30-basis point movement in the exit capitalization rate results in net IRRs ranging from 12.8% to 16.8% and equity multiples ranging from 1.76x to 2.08x. Compression to 5.7% creates meaningful upside, while expansion to 6.3%, which is 50 basis points above the capitalization rates observed in comparable DFW transactions, still generates an approximately 1.8x equity multiple.

Holds Years 1–4 distributions, debt paydown, and closing-cost assumptions constant; only the exit cap rate and resulting sale price change. Not a guarantee of future performance.

Breakeven Analysis

Breakeven based on Occupancy and Average Monthly Rent at current proforma underwriting.

Year	Breakeven Occupancy	Breakeven Average Monthly Rent	Proforma Occupancy	Proforma Average Monthly Rent
Year 1	49.50%	$616	90.00%	$1,204
Year 2	48.10%	$604	91.00%	$1,204
Year 3	40.75%	$531	92.00%	$1,234
Year 4	40.45%	$537	93.00%	$1,271
Year 5	40.12%	$542	94.00%	$1,309

Figures in whole dollars. Reflects the sponsor's underwriting model. Not a guarantee of future performance.

Tax Considerations · Cost Segregation

A cost segregation study is planned to accelerate depreciation into the 2026 tax year.

PROJECTED 2026 FIRST-YEAR ACCELERATED DEPRECIATION

More than $4,220,000

via 100% bonus depreciation, timed to a targeted November 2026 closing.

ILLUSTRATIVE, PER-INVESTOR (PRO RATA)

Investment	Pro Rata Share of Depreciation	Illustrative Tax Benefit (32%–37% Bracket)	Write-Off % of Investment
$50,000 (minimum)	~$33,691	~$10,781 – $12,466	**67%**
$100,000	~$67,382	~$21,562 – $24,931	**67%**

Based on total projected first-year depreciation of ~$4,220,000 against total member equity of ~$6,263,225.

IMPORTANT — CONSULT YOUR CPA

This is an illustrative estimate only, not tax or investment advice. The Property is expected to be placed in service upon a targeted November 2026 closing, with resulting depreciation generally reported on investors' 2026 returns. This depreciation is a passive loss under IRS rules (Section 469) and can generally only offset an investor's passive income or gains — not wages or active income — so some investors will benefit in 2026 and others may not, depending on individual tax position (unused losses generally carry forward). Real estate professional status, AMT exposure, and other factors also affect usability. The final study may differ from the figures shown. Consult your own CPA before investing or relying on these figures.

FAQ

1. What factors could impact the timeline for achieving the projected exit value, and how are you mitigating those risks? Factors like market rent rate, macro and microeconomic trends. We are mitigating these risks by publishing conservative numbers on our proforma analysis. For example, we have not included any rent increase for the first two years of ownership. Also, while we expect a large stabilized multifamily property such as the subject property to potentially trade around a 5.0% to 5.75% cap rate, we are projecting an exit cap of 6.0%.
2. What's the expected break-even point based on proforma? Please see slide 21 for breakeven analysis
3. How soon can investors expect to see a return on their investment? Timeline on distributions will be subject to performance metrics, but we are anticipating the first distribution to be paid out after the second full quarter.
4. What experience does your team have with similar projects, and how does that experience contribute to the likelihood of success for this one? Please see slide 16 & 17. The sponsors and acquisitions team have collectively acquired over 5,000 units and bring over 55 years of combined investment experience to this project.

FAQ

6. How will the equity be handled if there is a refinance of the property? Will investors retain their equity share? If there is a refinance of the property, we would like to pay investors back all or most of their initial capital contribution and continue with operations.

7. How do you plan to retain tenants? We do not plan to raise rents for the first two years of operations for existing tenants. We are priced very competitively compared to the comps in the submarket.

8. Are there any anticipated capital calls? If so, under what circumstances would they occur? We do not anticipate any capital calls with this project as we are conservative in our projections and have a significant beginning reserve balance. Although extremely rare and we have never had a capital call to date, there is always a [very low] possibility of a capital call with any real estate project.

9. Can you provide a detailed breakdown of how the cash flow will be distributed among investors? Please see page 18 or click HERE for a breakdown of projected investor cashflows based on a $100,000 investment.

10. What steps are being taken to ensure a smooth transition from the current management to the proposed professional management approach? We have been in talks with Richmark Property Management fro quite some time now. They have walked us through their proforma and plan to drive tenant retention and occupancy. They are getting in with us at the ground floor to make sure they understand the property in its entirety and to ensure a smooth transition on day one.

Ready to Invest?

HAVE QUESTIONS OR WOULD LIKE TO REVIEW THE FULL OFFERING & INVEST?
CONTACT RYAN PEARLMAN
704-560-8889
RYAN@LPCAPITALGROUP.COM

Funds Due

November 12, 2026

Target Closing

November 20, 2026