

Capital Stack Diagram & Exit Strategy Overview

Project Name: Outback Tiny Homes & RV Resort

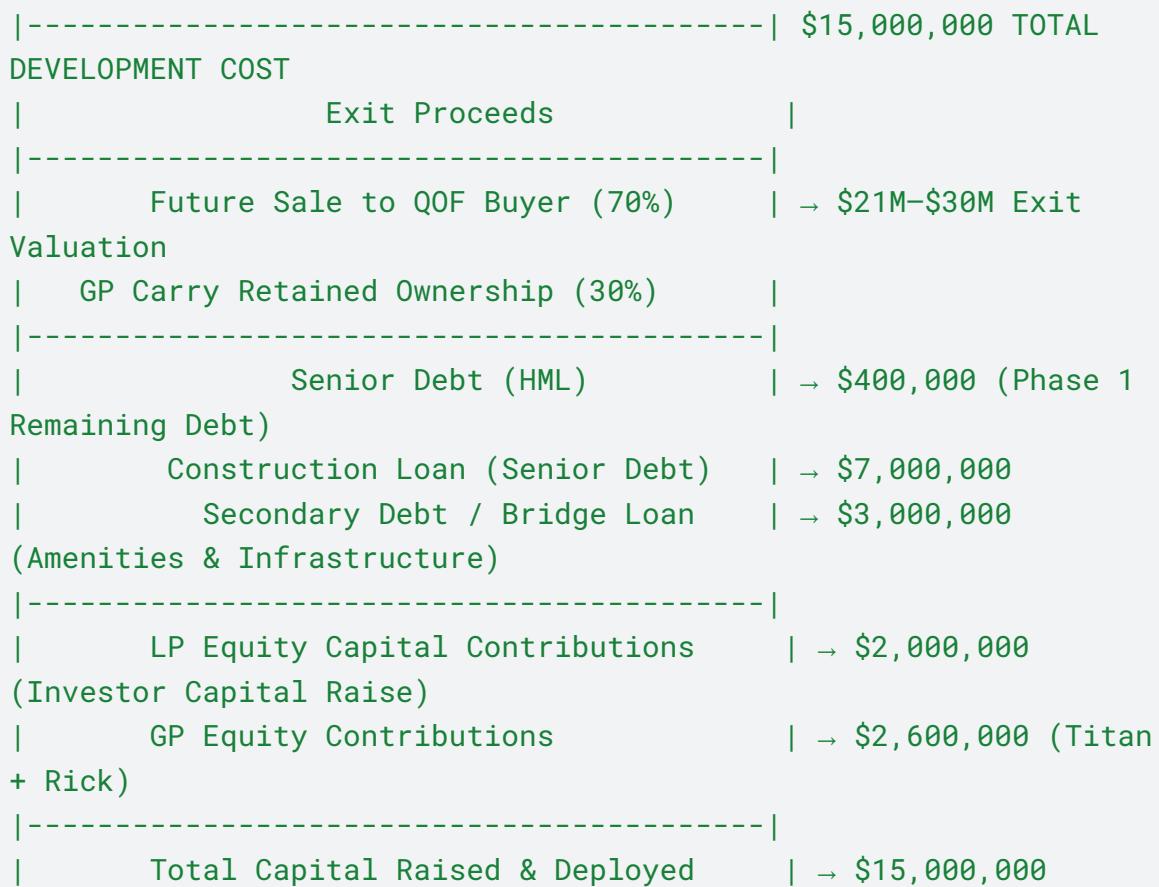
Location: Wenden, Arizona (Qualified Opportunity Zone)

Total Project Cost: \$15,000,000

Date: July 29, 2025

Capital Stack Diagram

None



Equity Breakdown at Completion (Pre-Exit)

- **QOF Fund (Buyer):** 70% ownership post-construction
- **GP (Titan + Rick):** 30% retained ownership post-exit

Exit Strategy Options

Exit Strategy 1: Sale to Qualified Opportunity Fund (QOF)

- **Timeline:** Upon full construction completion (estimated 12–18 months)
- **Mechanism:** QOF purchases 70% of the resort project from the Outback development team
- **Valuation:** Based on stabilized NOI, projected \$2.25M/year @ 7.5% cap rate = ~\$30M valuation
- **Structure:** QOF gets full tax credit on development; GPs retain 30% carry
- **Use of Proceeds:** Repay debt, investor capital returned + preferred returns, GP profit distribution

Exit Strategy 2: Stabilization + Sale to Non-QOF Equity Fund

- **Timeline:** 12–24 months post-construction with proven stabilized operations
- **Valuation Basis:** Trailing 12-month NOI from unit rentals, vendor revenue, membership dues
- **Cap Rate Assumption:** 8% cap = ~\$28M exit value
- **Outcome:** Entire asset sold; proceeds pay down capital stack; GPs and LPs exit or roll forward

Exit Strategy 3: Long-Term Refinance & Hold

- **Timeline:** After full stabilization and 12–18 months of operations
- **Mechanism:** SBA or commercial mortgage refinance
- **DSCR Target:** >1.25
- **Proceeds:** Pay off initial construction + bridge loans
- **Structure:** GPs & LPs retain ownership, passive yield from operations
- **Income Streams:** Memberships, nightly/weekly/monthly pad and unit rentals, event revenue, vendor leases

Summary & Investor Alignment

This capital stack and multi-path exit strategy provide:

- Strong downside protection via land equity and phasing
- Upside through retained GP ownership and asset appreciation
- Clear institutional-grade exit to QOF or private equity groups
- Optional refinance for yield-holding partners

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