2025

549 7th Ave N

FULL REDEVELOPMENT OF 1966-VINTAGE HOME INTO LUXURY 5,000 SF, 5-BEDROOM HOME IN PRIME OLDE NAPLES, FLORIDA – WALK FROM BEACH

15.0%	20.2%	1.4x	$2.7M	$9.4M
Preferred Return	**Net IRR[1]**	**Net Multiple[1]**	**Cash Equity Raise**	**Total Project Cost**

1. Net Returns to New Cash Investor Equity Based on a $11.795M Sale Value

Executive Summary

Transaction Background

- LBCAV Capital (the "Sponsor" / "we") acquired 549 7th Ave N in December 2024 for $3.60M ($3.75M appraisal), secured $2.7M financing and contributed $1.1M equity at close ($3.8M including costs). Through carry cost coverage, the Sponsor projects to accumulate $1.2M of total deal equity by development start.

The Opportunity

- The asset currently sits on 0.28 acres of prime Olde Naples property, comprising 2,064 SF of Gross Living Area with 3 bedrooms and 2 bathrooms. The property is walking distance (3 blocks) to the beach and the new Four Seasons Resort, with unobstructed North Lake views.
- The limited Olde Naples inventory and 1966 vintage of the existing structure present a compelling opportunity for redevelopment.

Development Vision

- We plan to demolish the existing structure, replacing it with a new construction 5,000 SF luxury residence with 5 Bedrooms and top of market finishes. The exact construction plans will be finalized after the Sponsor has formally engaged a development partner. We have indicative pricing from multiple developers (including several with fixed pricing guarantees upon formal engagement) and plan to identify our development partner ASAP, prior to beginning construction by an outside date of December 2025.
- We project Total Project Uses of $9.38M ($1,877 PSF), split between (i) $5.54M of Development & Financing Costs, and (ii) $3.84M of existing home value ($1.16M equity basis + $2.68M existing loan).
- We already own the property and are prepared to initiate this development process pending the selection of our development partner, securing our funds, and replacing the existing loan with new equity and a new construction loan.
- For investors, the recent Naples post-pandemic pricing reset offers a strategic entry point into one of the country's most desirable luxury markets, with long-term fundamentals, including tax advantages, limited coastal land, and affluent demand—still firmly in place.

What to Expect

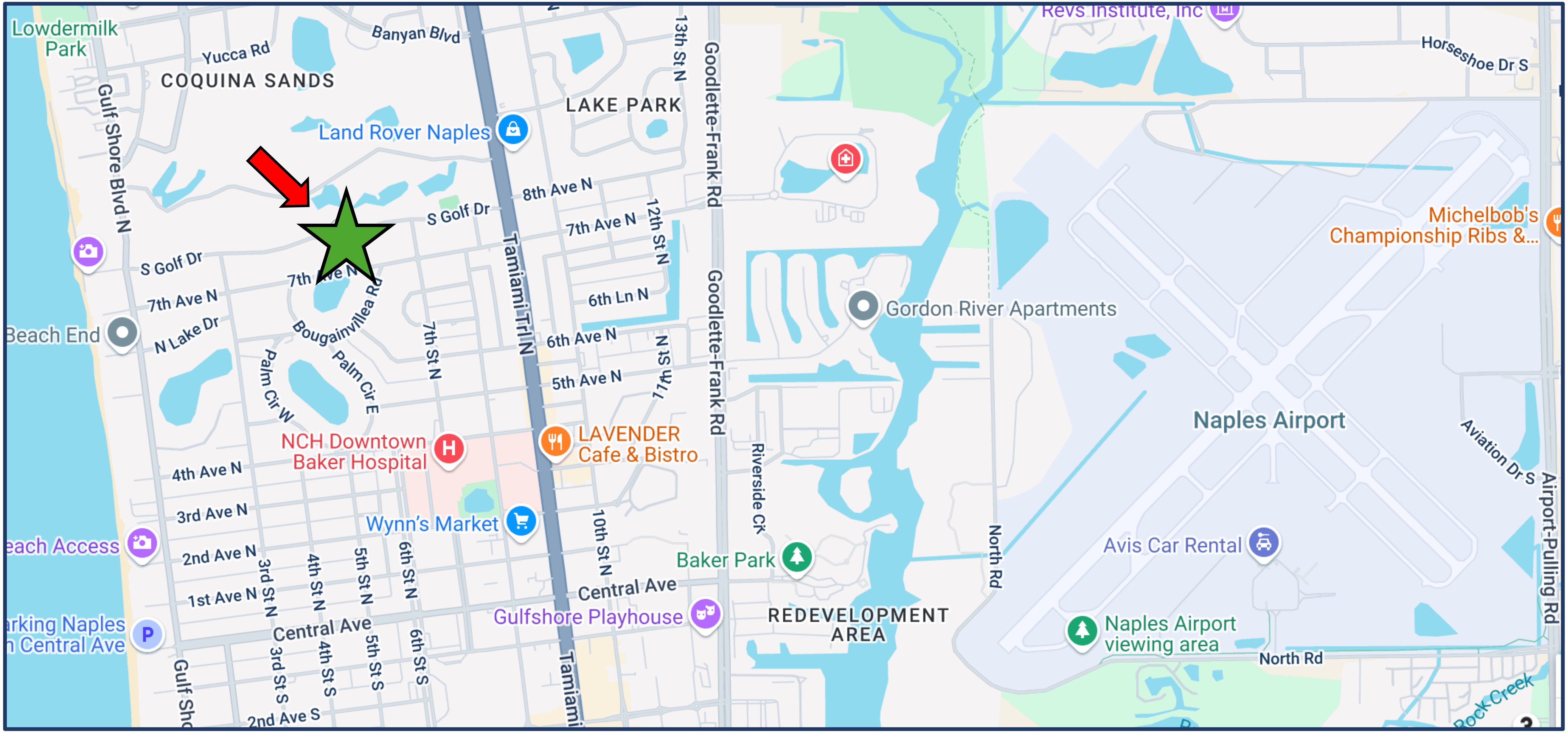
- To our New Cash Equity Investors, we project a **20.2% Net LIRR** and **1.4x Net LMoC** over our **28-month hold period**, assuming **$3.84M of initial equity** ($1.16M Sponsor Roll-In / $2.68M Investor Equity) and $6.26M of Construction Loan proceeds at a 8.00% FXD I/O Interest Rate at 70.0% LTC on a total collateral of $8.94M ($5.54M Dev & Financing Costs + $3.4M Residual Land Value), exiting **fully furnished** at $11.795M Total / $2,359 PSF (see subsequent pages for comps) with potential to exit up to $12.5M / $2,500 PSF based on optimistic outlook on market and sold comps from 2024.
- Our waterfall currently contemplates the following: All investors will receive a **15% IRR preferred return** on their investment. Following the 20% IRR preferred return, the development partner (to be selected) will earn a 30% profit share. This waterfall structure is subject to change depending on our preferred development partner.

Parcel Aerial *(#08531240001)*

Nearest Beach (3 Blocks Away)

Location Overview

THE PROPERTY IS LOCATED THREE BLOCKS FROM THE BEACH IN PRIME OLDE NAPLES WITH UNOBSTRUCTED LAKE VIEWS



Naples Luxury Housing Cycle & Outlook

FOR INVESTORS, THIS RESET OFFERS A STRATEGIC ENTRY POINT INTO ONE OF THE COUNTRY'S MOST DESIRABLE LUXURY MARKETS, WITH LONG-TERM FUNDAMENTALS, INCLUDING TAX ADVANTAGES, LIMITED COASTAL LAND, AND AFFLUENT DEMAND—STILL FIRMLY IN PLACE.

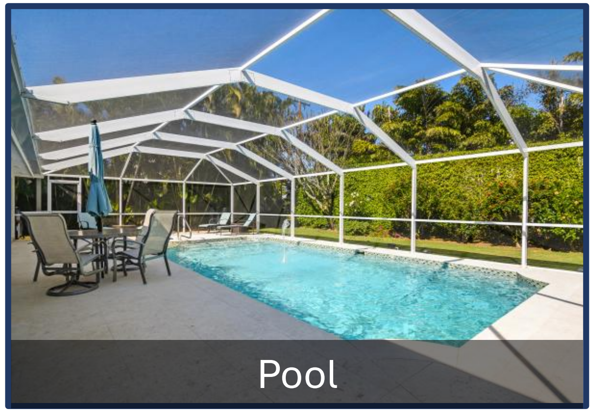
- Naples, FL experienced a sharp real estate boom in the early 2000s, with home values rising over 10% annually and peaking in 2006 as median single-family prices approached $600K.
- Following the 2008 financial crisis, prices fell by over 60%, creating significant value gaps.
- The market began a strong recovery around 2012, accelerating dramatically during the 2020–2022 pandemic surge, driven by migration, lifestyle demand, and low interest rates, culminating in a 49% year-over-year price increase in 2022.
- Since then, the market has corrected: inventory levels have increased over 400%, price growth has flattened, and days on market have risen.

Home Value Growth (YOY)

The year-over-year growth rate in the area's typical Home Value according to the Zillow Home value Index (` ZHVI`)

Aerial View Facing North

Aerial View Facing South



Pool

Backyard

*Images of Subject Property

Naples Luxury Housing Cycle & Outlook (Cont'd)

2026-28 Market Outlook

- Between 2026 and 2028, we estimate Naples will be poised for a renewed growth phase as buyer confidence rebounds and inventory normalizes.
- For investors targeting teardown-and-build opportunities, this period will offer a strategic window: we project demand for new, high-end single-family homes in prime locations (especially near the beach or walkable areas like Olde Naples) will rise as affluent buyers continue migrating from high-tax, high-density markets.
- With limited land supply and aging housing stock, we forecast newly built homes with modern design, hurricane-rated construction, and luxury finishes will command premium pricing and faster absorption, positioning investors for strong resale margins by late decade.

Unrivaled Olde Naples Lifestyle

- Situated in the prestigious enclave of Olde Naples, this exceptional property location offers unrivaled access just moments from the pristine white sand beaches of the Gulf and the world-renowned 5th Avenue South.
- Future homebuyers will indulge in a lifestyle of sophistication and ease, upscale shopping, fine dining, and vibrant cultural venues all within walking distance, fueling premium demand for this address.
- This is the epitome of Naples luxury living, where coastal charm meets urban elegance.

Four Seasons Catalyst (Opening Late 2025)

- The resort's world-class amenities—fine dining, spa services, and curated beachfront experiences—are expected to bring a new level of luxury to the area.
- In addition, we anticipate improved infrastructure, elevated retail, and global brand recognition will further position Olde Naples as one of the most sought-after coastal markets in the country, creating a premium environment for new construction and resale opportunities.

Aerial View facing SW

*Image of Subject Property

Naples Beach Club, A Four Seasons Resort

Financial Summary

Sources & Uses			
Total Uses	**$**	**PSF**	**%**
Existing Home + Land	$3,842,473	$768	40.9%
In-Place Equity	*1,161,223*	*232*	*12.4%*
In-Place Loan to Paydown	*2,681,250*	*536*	*28.6%*
Total Hard, Soft, & Financing Costs	5,541,827	1,108	59.1%
Construction Cost	*4,125,000*	*825*	*44.0%*
Construction Furniture Costs	*425,000*	*85*	*4.5%*
Construction Soft Costs	*200,000*	*40*	*2.1%*
Construction Financing Costs	*62,593*	*13*	*0.7%*
Construction Interest Reserve	*522,984*	*105*	*5.6%*
Construction Contingency	–	–	–
Construction Developer Fee	*206,250*	*41*	*2.2%*
Total Uses	**$9,384,300**	**$1,877**	**100.0%**
Total Sources	**$**	**PSF**	**%**
Total Equity	$3,843,771	$769	41.0%
Sponsor Equity (30.2% of equity)	*1,161,223*	*232*	*12.4%*
New Cash Equity Investors (69.8% of equity)	*2,682,548*	*537*	*28.6%*
Pref-Only Equity (0.0% of equity)	–	–	–
Developer Equity (0.0% of equity)	–	–	–
Dividend to Equity at Const. Loan Issuance	(718,750)	(144)	(7.7%)
Construction Loan	6,259,279	1,252	66.7%
Total Sources	**$9,384,300**	**$1,877**	**100.0%**

New Cash Equity Returns at Various Sizes	$100,000	$500,000	Entire Offer
Contributions	$100,000	$500,000	$2,682,548
Net Distributions	$142,558	$712,790	$3,824,185
Net Profit	$42,558	$212,790	$1,141,637
Net Multiple	1.4x	1.4x	1.4x
Net IRR	20.2%	20.2%	20.2%

Cash Flows ($0.0M Exit Value)	Total	Dec '25	Dec '26	Dec '27	Dec '28
Assume In-Place Home	($3,842,473)	($3,842,473)	–	–	–
Construction Soft Costs	(200,000)	–	(200,000)	–	–
Construction Hard Costs	(4,125,000)	–	(916,667)	(2,750,000)	(458,333)
Construction Furniture Costs	(425,000)	–	–	–	(425,000)
Construction Contingency Costs	–	–	–	–	–
Construction Developer Fee	(206,250)	–	(45,833)	(137,500)	(22,917)
Sale Value	11,795,000	–	–	–	11,795,000
Broker Comission	(471,800)	–	–	–	(471,800)
Cost of Sale	(105,000)	–	–	–	(105,000)
Total Unlevered Cash Flow	**$2,419,477**	**($3,842,473)**	**($1,162,500)**	**($2,887,500)**	**$10,311,950**
Assume In-Place Loan	$2,681,250	$2,681,250	–	–	–
Pay Down In-Place Loan	(2,681,250)	(2,681,250)	–	–	–
Construction Loan Draws	6,259,279	–	2,465,529	2,887,500	906,250
Construction Loan Financing Costs	(62,593)	–	(62,593)	–	–
Fund Construction Loan Interest Reserve	(522,984)	–	(522,984)	–	–
Construction Loan Interest	(522,984)	–	(105,160)	(303,117)	(114,706)
Construction Loan Draw from Interest Reserve	522,984	–	105,160	303,117	114,706
Construction Loan Paydown	(6,259,279)	–	–	–	(6,259,279)
Total Levered Cash Flow	**$1,833,900**	**($3,842,473)**	**$717,452**	**–**	**$4,958,921**

Investor Returns at $100,000 investment	Total	Dec '25	Dec '26	Dec '27	Dec '28
Contributions	($100,000)	($99,952)	($48)	–	–
Distributions	142,558	–	18,665	–	123,893
Profit	**$42,558**	**($99,952)**	**$18,617**	**–**	**$123,893**

Investor Returns at $500,000 investment	Total	Dec '25	Dec '26	Dec '27	Dec '28
Contributions	($500,000)	($499,758)	($242)	–	–
Distributions	712,790	–	93,327	–	619,463
Profit	**$212,790**	**($499,758)**	**$93,085**	**–**	**$619,463**

Investor Returns at $2,682,548 investment	Total	Dec '25	Dec '26	Dec '27	Dec '28
Contributions	($2,682,548)	($2,681,250)	($1,298)	–	–
Distributions	3,824,185	–	500,706	–	3,323,479
Profit	**$1,141,637**	**($2,681,250)**	**$499,408**	**–**	**$3,323,479**

Note: The waterfall and net returns are subject to change pending selection of our development partner

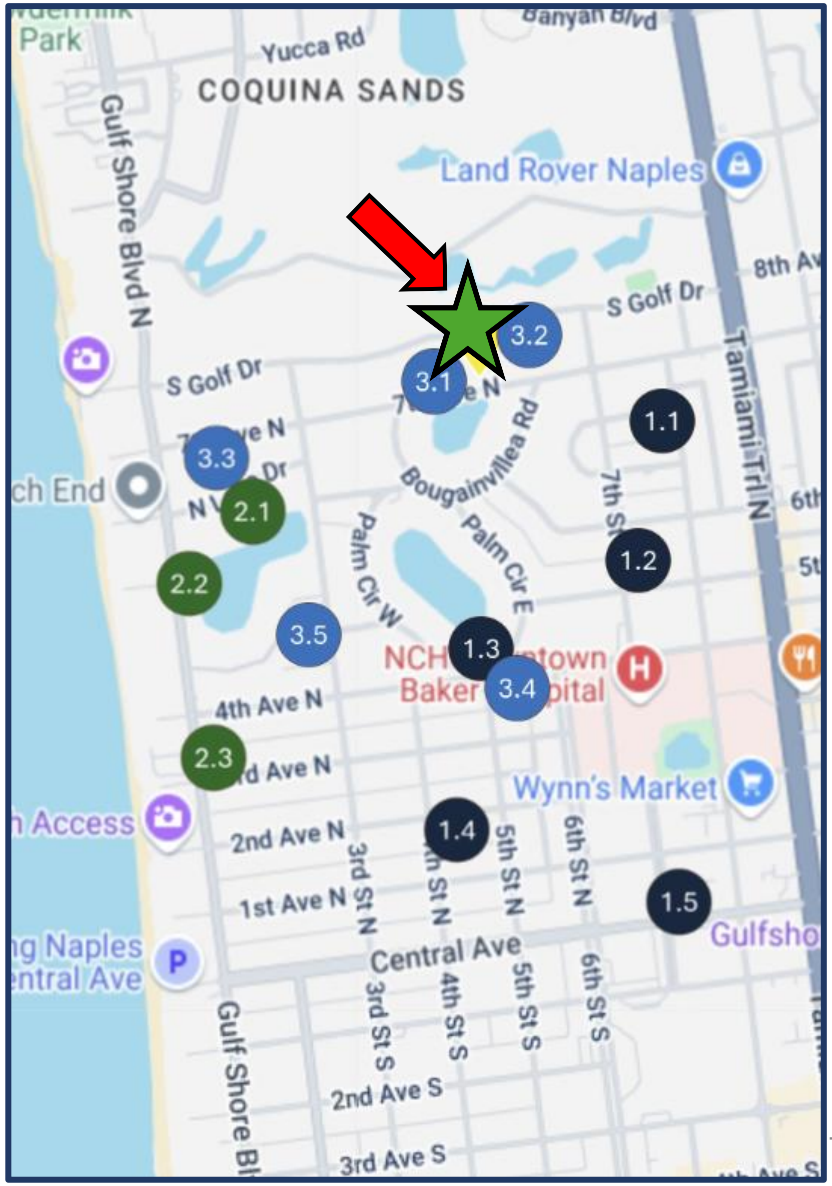
General	
Building SF	5,000
Analysis Start Date	Feb '26
Exit Date	Mar '28
Hold Period	24

Construction Loan Detail	
Total Dev + Financing Costs	$5,541,827
Residual Land Value	3,400,000
Total Const. Loan Collateral	**$8,941,827**
LTC %	70.0%
Loan Proceeds	**$6,259,279**
Origination Fee %	1.0%
Construction Loan FXD Rate	8.00%
LTC	70.0%

Sales Comparables

SHOWN BELOW, OUR BASE CASE PROJECTED FULLY-FURNISHED EXIT VALUE ($11.795M / $2,359 PSF) IS PRICED AT THE LOWER END OF THE SALES COMPS ($2,274 PSF WHEN REMOVING THE VALUE OF THE FURNITURE), WHEREAS OUR UPSIDE VALUE ($12.5M / $2,500 PSF) IS STILL WITHIN THE BOUNDS OF THE HISTORICAL SALES COMPS

#	Property	Address	Date Sold	Bds	Bas	Livable Area SF	Sales Price	Price Per SF	Lot Size (acres)	Dist. from Subject (mi.)
As-Is (Before Development) - Subject Property Valuation vs. Historical Sales Comps										
Sales Comparables for As-Is Property - Total / Wtd Avg						**2,043**	**$3,566,667**	**$1,746**	**0.25**	
1.1	Comp #1.1	788 Broad Ct S	Feb '24	3	3	2,760	$4,400,000	$1,594	0.22	0.26
1.2	Comp #1.2	540 7th St N	Active	3	2	1,774	$2,800,000	$1,578	0.18	0.28
1.3	Comp #1.3	411 Palm Cir E	Feb '24	3	2	2,142	$5,000,000	$2,334	0.36	0.32
1.4	Comp #1.4	430 2nd Ave N	Sep '24	2	2	2,312	$3,600,000	$1,557	0.23	0.53
1.5	Comp #1.5	725 Central Ave	Apr '24	3	2	1,300	$2,650,000	$2,038	0.18	0.65
1.6	Comp #1.6	549 Neapolitan Way	Aug '24	4	3	1,968	$2,950,000	$1,499	0.30	3.27
Subject Propert		**549 7th Ave N**	**Dec '24**	**3**	**2**	**2,064**	**$3,842,473**	**$1,862**	**0.28**	**–**
Projected Exit (Post-Development) - Subject Property Valuation & Development Basis vs. (A) Sales Comps & (B) Active Listing Com										
(A) Sales Comps - Total / Wtd Avg						**6,011**	**$14,491,667**	**$2,411**	**0.41**	
2.1	Comp #2.1	210 N Lake Dr	Jun '24	6	9	8,093	$16,000,000	$1,977	0.58	0.30
2.2	Comp #2.2	590 Gulf Shore Blvd N	Jan '24	4	5	4,478	$13,000,000	$2,903	0.32	0.41
2.3	Comp #2.3	121 3rd Ave N	Mar '24	4	6	5,462	$14,475,000	$2,650	0.34	0.54
(B) Active Listing Comps - Total / Wtd Avg						**5,963**	**$14,948,800**	**$2,507**	**0.37**	
3.1	Comp #3.1	501 7th Ave N	Active	5	6	5,449	$12,900,000	$2,367	0.29	0.05
3.2	Comp #3.2	626 S Golf Drive	Active	6	7	6,255	$12,995,000	$2,078	0.37	0.07
3.3	Comp #3.3	190 7th Avenue N	Active	5	7	6,409	$17,900,000	$2,793	0.35	0.32
3.4	Comp #3.4	540 4th Avenue N	Active	5	6	6,219	$12,950,000	$2,082	0.34	0.35
3.5	Comp #3.5	477 3rd Street N	Active	4	5	5,483	$17,999,000	$3,283	0.51	0.36
Projected Exit -		**549 7th Ave N**	**TBD**	**5**	**TBD**	**5,000**	**$11,500,000**	**$2,300**	**0.28**	**–**
Base Case - Furn		**549 7th Ave N**	**TBD**	**5**	**TBD**	**5,000**	**$11,795,000**	**$2,359**	**0.28**	**–**
Base Case - Hom		*549 7th Ave N*	*TBD*	*5*	*TBD*	*5,000*	*$11,370,000*	*$2,274*	*0.28*	*–*
Base Case - Furn		*549 7th Ave N*	*TBD*	*5*	*TBD*	*5,000*	*$425,000*	*$85*	*0.28*	*–*
Projected Exit -		**549 7th Ave N**	**TBD**	**5**	**TBD**	**5,000**	**$12,500,000**	**$2,500**	**0.28**	**–**
Total Project Costs						**5,000**	**$9,384,300**	**$1,877**		



As-Is (Before Development) Subject Property – Historical Sales Comparables

Exterior


Comparable 1.1


Comparable 1.2


Comparable 1.3


Comparable 1.4


Comparable 1.5


Comparable 1.6

As-Is (Before Development) Subject Property – Historical Sales Comparables (cont'd)

Interior

Projected Exit (Post-Development) – Historical Sales Comparables

Exterior


Comparable 2.1


Comparable 2.2


Comparable 2.3

Interior


Comparable 2.1


Comparable 2.2


Comparable 2.3

Projected Exit (Post-Development) – Active Listing Comparables

Exterior

Projected Exit (Post-Development) – Active Listing Comparables (cont'd)

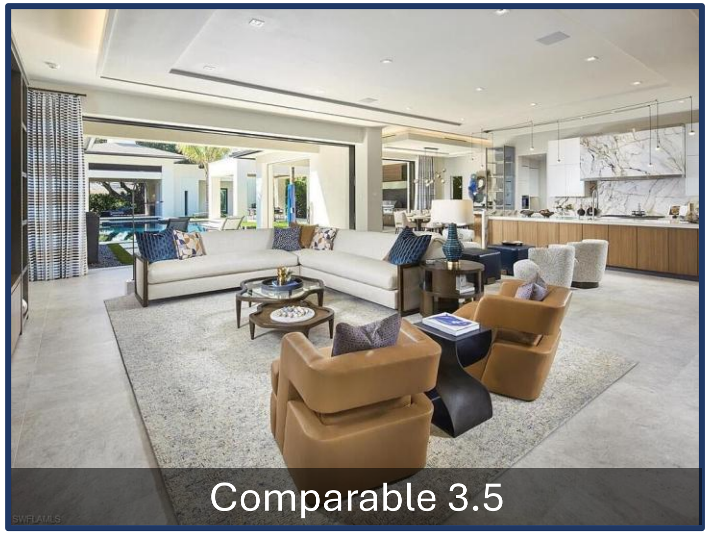
Interior


Comparable 3.1 *(no interior photo available)*


Comparable 3.2


Comparable 3.3


Comparable 3.4


Comparable 3.5

LEGAL DISCLAIMER

This Confidential Investment Memorandum is intended solely for your limited use to determine whether you would like to express interest in providing financing for the opportunity described herein. This memorandum contains selected information pertaining to the opportunity and was prepared LBCAV Capital, a Florida limited liability company (the “Firm”) with the assistance of Sapp Capital Advisors, LLC, a Delaware limited liability company. This model and presentation is for informational purposes only. It does not purport to be all-inclusive or contain all the information that a prospective financing source may desire. Neither the Firm, nor any of its members, officers, employees, contractors or agents makes any representation, warranty or guarantee, expressed or implied, as to the accuracy or completeness of the information contained herein, including, without limitation, financial results or projections. This memorandum does not contain disclosure of the risks associated with this opportunity. Neither the Firm, nor any of its members, officers, employees, contractors or agents assumes any liability for any losses, damages or expenses resulting from the contents, errors or omissions of this memorandum. All financial data presented herein are unaudited. The financial projections and pro forma information contained herein represent estimates based on hypothetical assumptions which are subject to various risks and are not promises or representations by the Firm, its members, officers, employees, contractors or agents. There is no representation as to environmental conditions of the real property described herein.

By your receipt of this Confidential Investment Memorandum, you agree to keep all information presented herein confidential, and you will hold and treat the information provided herein in the strictest of confidence. You agree not to disclose or permit anyone to disclose, directly or indirectly, any information provided in this memorandum in any fashion or manner detrimental to the Firm’s client. Additionally, you agree not to discuss this memorandum with any other institution or potential financing source without the express permission of the Firm. Upon request, the recipient will promptly return or destroy this Confidential Investment Memorandum and any other material received from the Firm.

We make no representation as to the accuracy or completeness of the information presented herein. Financial projections are based on hypothetical assumptions which are subject to various risks and are not promises or representations.