MARION RESERVE

A Hill Country next chapter

LENDER BUSINESS PLAN · REV 11 · SEPTEMBER 20, 2026

AI architectural concept. Proposed improvements, not existing conditions or a priced construction scope.

525 Marion Road · Marion, Texas 78124

16 homes in eight duplexes. A family-oriented rehabilitation proposal, including voucher households, developed in stages as operating performance supports it.

Presentation by Joel Krock

210-663-7462 · lpsdm125@gmail.com

This revision supersedes prior planning figures where stated. It compiles sponsor-provided information and transparent calculations; it is not an appraisal, audit, financing commitment or guarantee of return.

01 / Revision control & property basis

Rev 11 correction	Adopted treatment
Acreage	1.60 primary + 0.73 surplus = 2.33 acres. Sponsor brief describes these as Guadalupe CAD-verified. Original CAD record and survey pending attachment. September 10 figures of 1.70 + 0.75 are superseded typos per sponsor correction.
Planning rents and NOI	$900 / $1,050 monthly; $109,475 sponsor target NOI. Itemized expense allocation is still required.
Water arithmetic	$800,000 + $40,000–$70,000 = $840,000–$870,000. This corrects the prior $850,000 lower end.
Tax basis	$6,033.82 sponsor-reported paid bill, receipt pending. $20,000 was a stress allowance, not the actual bill.
Storage area	10,880 SF is the gross footprint total. Rev A's net rentable label is unresolved; Joel/design team must confirm usable area.

Primary proposal: rehabilitate and stabilize the existing homes. Neither Phase II income nor premium design rent uplift is included. Title, acreage, existing footprints and access must be confirmed through original records and professional review.

02 / Capital & phased execution

Use of funds	Planning amount
Debt retirement	$650,000; obtain current payoff statement
Rehabilitation escrow	$150,000; confirm unit scopes, roof allocations and bids
Core facility request	$800,000
Additional water work	$40,000–$70,000 estimate
Core plus water	$840,000–$870,000
Additional amounts not quantified	Closing costs, cash carry, contingency, reserves and premium architectural upgrades

First: verify and scope. Obtain title, survey, condition reports, roof and water bids, unit-by-unit budget, permits, insurance and financing terms.

Next: repair and lease. Complete roof-dependent work before interiors. Prioritize practical unit turns and release draws against documented progress. The original owner plan estimated two to three unit turns per month and roughly 9–14 months to stabilization; these are unverified targets.

Then: stabilize and document. Track collections, expenses, occupancy and reserve needs. Refinance, sale and later development depend on results and available terms. Attractive design concepts do not establish construction cost or feasibility.

03 / One planning case, explicit assumptions

Annual stabilized model	Rev 11
Unit mix / monthly rents	8 homes at $900 + 8 homes at $1,050
Gross potential rent	$187,200
Vacancy / credit loss	8% = $14,976
Effective rental income	$172,224
Management at 8% of effective income	$13,777.92
Implied fixed expense allowance	$48,971.08
Total operating expense allowance	$62,749
Sponsor target NOI	$109,475
Value at illustrative 8% cap	$1,368,437.50; not an appraisal
Debt yield on $800,000	13.684%; not investor return

Expense confirmation is outstanding. The fixed allowance is derived from the requested target NOI, not supported by a newly itemized budget. Retaining the original $52,000 fixed expense schedule at the revised rents would produce $106,446.08 NOI. Do not describe the target as audited or fully reconciled until the expense allocation is documented.

NOI excludes debt service, capital expenditure and investor distributions. No additional land income, premium-design uplift or rent growth is assumed.

04 / Taxes, operating evidence & sensitivity

Tax context. The sponsor reports a paid property tax bill of $6,033.82; the receipt and tax period require confirmation. The original model used $20,000 as a stress allowance. Rehabilitation and reassessment can increase future taxes. Do not substitute the reported bill into the model and also retain the target NOI without rebuilding the expense schedule.

The prior fixed schedule included tax $20,000, insurance $9,000, water $6,000, repairs/maintenance $14,000 and administration $3,000. It totaled $52,000 and is not the adopted Rev 11 fixed allowance. The $3,028.92 difference must be allocated using supporting evidence.

Sensitivity (annual)	Calculated result
Planning: 8% vacancy	$109,475 NOI; $1,368,438 value at 8% cap
Rents –5%; vacancy 10%; expenses +10%	$92,102.88 NOI; $1,151,286 value at 8% cap
Rents –10%; vacancy 12.5%; expenses +20%	$74,502.38 NOI; $876,499 value at 8.5% cap

Sensitivity method: effective rent = $187,200 × rent factor × (1 – vacancy). Expenses = (8% of effective rent + $48,971.08) × expense factor. Water capital costs remain separate from NOI. These are illustrative sensitivities, not forecasts. Sale costs, carrying losses and financing terms can further reduce proceeds. No collateral cushion guarantees principal protection.

05 / Current operations & Joel decisions

Dated owner report, September 10 plan: six homes occupied, five households paying and $4,900 monthly collections. Historical collections are not changed to match new pro forma rents. The source reported $6,500 monthly interest and roughly $3,500–$4,500 operating outflow, implying $5,100–$6,100 negative monthly cash flow. Obtain current statements and rent roll.

HAP schedule. The original plan says five of six occupied homes were Section 8 voucher households. Joel must confirm today’s occupied/paying count and voucher participation, then provide the HAP schedule, tenant and subsidy payment split, contracts, lease status and applicable inspection information. No assumption of zero vouchers is made.

Option B area. Three storage buildings total approximately 10,880 SF in gross footprints. Net rentable area, circulation deductions, manager space and the unit schedule need confirmation. Rev A’s net rentable label is not adopted as a verified measurement.

Phase II alternatives. Rev A proposes either 14 additional homes in seven two-story duplexes, or storage with manager accommodation, on the same 0.73-acre surplus area. These are mutually alternative concepts, not funded or additive programs. Survey, entitlement, infrastructure, access, drainage, demand and cost studies remain necessary.

Before a lender meeting: attach the CAD record and survey; obtain the tax receipt and insurance evidence; confirm the expense allocation; refresh the rent/HAP roll; verify payoff, scope, contractor bids, reserves and the water estimate.

06 / Sources & next conversation

Source basis: supplied September 10, 2026 Marion16 lender plan; September 17, 2026 Expansion Concepts Rev A; sponsor master-deck brief; sponsor revision instructions dated September 20, 2026. This revision does not independently verify county records, historical payments, existing conditions or market value.

The original source documents remain historical evidence. This Rev 11 replaces the planning assumptions specified here, while preserving unresolved decisions as open items. Architectural renderings are AI concepts. The expanded concept book and website provide visual exploration, not approved plans.

Build a credible next chapter, one verified milestone at a time.
Review the site, confirm the operating evidence and agree a funded rehabilitation scope before making an investment decision.

Discuss Marion with Joel Krock
Phone: 210-663-7462
Email: lpsdm125@gmail.com