

REPORT TO THE MANAGERS

ASA PROPERTIES HOLDING COMPANY, LLC

April 10, 2025

Strategy

Veramendi 2030 has been finalized and provided to investors in ASAPHCO. It outlines the strategic considerations and objectives for the operations of the company for the next several years. Within that strategic plan are three main business units:

1. Residential
2. Commercial
3. Resort

Additional details related to the broader strategy can be found in the attached **Risk Management Dashboard, WID Dashboard, and Debt Dashboard.**

Residential

Precinct 18, Unit 1

Construction is underway with VK Knowlton with a completion estimated to be late Q4 2025 to early Q1 2026.

Builders under contracts in 18-1 are:

- Perry on 45's, 50's and 60's
- Highland on 40's, 70's and 100's
- Brightland on 50's

Initial earnest money has been released to Emerald (10%) of contract. Additional earnest money to be deposited and released at 75% of project completion. Through the end of March the project is ~20% billed out.

Builders in contract negotiations

- Scott Felder on 40's

Precinct 4, Unit 1

Under contract with VK Knowlton for infrastructure construction. Notice to Proceed was issued February 27 with an estimated completion in Q4 of 2025.

Builders Contracts

- Drees in under contract for the 50's. Feasibility ends Feb. 13th with earnest money to be released at that time.
- David Weekley is in the final negotiations on 10-45's. Terms have been finally agreed to between both parties. We are discussing with Perry as to whether it makes sense to move Perry to 4-1 and David Weekley to 18-2 to gain marketing efficiencies between product lines.

Precinct 4, Units 2 & 3

Plans are approved and previously bid with VK Knowlton as the low. VKK has agreed to hold pricing and is under construction for all of Precinct 4.

Builder Contracts

Due to efficiencies Weekley is going to be moved to 18-2 for the 45's and Perry is going to pick up the 45' and 50's in units 2 and 3. Term sheets are out with Perry.

Precinct 14, Unit 5

Plans are approved. Environmental mitigation work is expected to start in late February to mid-March. Bidding efforts will take place in that timeframe with anticipated infrastructure start in late March.

Builder Contracts

- Highland is under contract for all 43-70's.

Precinct 18, Unit 2

Plans are expected to be approved in February. We are working towards a construction commencement in June or July. Construction commencement is contingent on financing and contract finalization.

Builder Contracts

Terms Sheets have been presented for the following:

- Weekley 45's
- Highland 40's
- Highland 70's
- Highland 100's

Precinct 19, Unit 1

Plans are fully approved. We are working towards a construction commencement in June or July. Construction commencement is contingent on financing and contract finalization.

Builder Contracts

Terms Sheets have been presented for the following:

- Perry 70's
- Perry 100's
- Drees 70's
- Drees 100's

Precinct 16, Unit 2

Sector Plan 3 was unanimously approved at Planning Commission and will go to City Council on March 24th. Plat

and plans are underway and expected to be approved in Q4 2025. Construction is expected to start late Q4 2025 to early 2026. We are working through options for how best to bring these custom lots to market. Options include hiring a residential broker, selling through custom builders or combination thereof.

Construction is underway on Word Pkwy with an anticipated completion in August 2025

Wes Peoples Homes is under contract with for Precinct 12-1. Initial feasibility is 120 days.

Del Webb is on track to have a grand opening in the next few months, including opening of 6 model homes and a dedicated sales center. A 24/7 live-stream is available [here](#) for viewing of model construction. Del Webb is expected to close early Q3 on the second phase.

Additional information regarding the Residential program can be found in the attached **Operational Plan, Contract Dashboard, and Homes Sales and Lot Inventory Dashboard**.

Adjacent Commercial

The Adjacent Commercial strategy is being advanced in accordance with the direction of the Project Committee. JLL was awarded the contract in May and marketing efforts are underway. The initial listing agreement is for 18 months (October 26, 2025) with a 6-month tail. Current LOIs include Panera Bread Bakery-Café (QSR), Chipotle (QSR), Crunch Fitness, SSBT, Layne’s (QSR). Mandrake Capital (BFR) LOI has been accepted. LCP Tracker (Corporate Office) has visited the site of 10B and we are awaiting their response. Bids for construction of the drainage, water and sewer for Precinct 11 and Roadway C are due back March 13th. The plat for Precinct 11A can be recorded subject to a bond being issued and a name for Roadway C being finalized.

Construction of Roadway C, S8-S10 Sewer, and Precinct 11 Infrastructure has been bid and ready to be awarded pending finalization of financing. VKK was the low bid.

Attached is the **Precinct 11 Dashboard**.

Core Commercial

Christus has agreed to an LOI with PSA draft and negotiations on going. Christus is currently working through our first redline response. Gensler has been engaged to site plan the remaining area in Precinct 8 & 9 to ensure utilities and cross access through the Christus site work for the remaining developable land.

With the program and budget approved, coordination and early efforts to advance the three strategies being, Delivery Partnership, Limited Partner (partnering with a GP), and Private Equity Fund. We have weekly meetings with Shane and Stuart to coordinate and prioritize activities. Stuart’s consulting agreement has been finalized. Both Shane and Stuart are contacting candidate investors and logging

Meeting Date: April 10, 2025 (US)/April 11, 2025 (AU)

feedback. In some cases this will be initial contact in relation to Veramendi, and in others, where the investor has been previously canvassed, it will be reengagement under a more formal process. See Core Commercial Report for additional information.

Resort

The resort site continues to take shape as infrastructure planning become more clear. We are currently working to gather contact who have experience or expertise in the hospitality industry and who would be candidates to participate in an RFP.

Financing

Material terms have been agreed with ORIX. ORIX has switched from Jackson Walker as outside council to Winstead to expedite the loan documents. Loan docs have been reviewed and redline issued back to ORIX. The process of sharing information with ORIX such as Development Agreement, reimbursement agreements, home builder contracts, etc. is underway. Loan closing is anticipated to take place on April 25th.

SSBT is working through the process of finalizing a construction loan for Cairns now that the previous credit facility has been paid off. Russell Gribble is working through the committee approval and appraisals this month with an expected closing in late April.

Texas Partners Bank has issued terms for a loan in relation to infrastructure required for the Christus contract. Texas Partners has been so far very good to work with and have presented favorable terms to get a “foot in the door”. Principle terms include, \$5M loan amount. 36 month term, WSJ-.25% rate. Interest only payments due through the duration of the loan, 0.5 % origination fee.

Takedown

Management of the Option Agreement between Veramendi Development Company, LLC and Word-Borchers Ranch Real Estate, LP (WBRRE) is ongoing. We have also received approval for takedown of the remainder of the ranch, having a total purchase price of \$41,450,720.15 in 2024. The purchase price will escalate on January 1, 2025 at approximately 3.64% pending confirmation of the M12 results for CPI-U [(2.7% CPI-U + 4.573) ÷ 2].

Recall that each promissory note from WBRRE is made at the prime rate. The current WSJ Prime Rate is 7.50% as of December 19, 2024. Given the elevated cost of financing land purchases, limited additional takedowns are forecast for 2025. Christus results could bring forward a land takedown by Hobart. All prior takedowns can be viewed via the **Takedown Dashboard**.

Table 6. Takedown Summary

Entity	Approved	Drawn	Undrawn
Brisbane	19.497	19.497	0
Brisbane	272.140	272.14	0
Cairns	48.237	48.237	0
Darwin	394.588	378.671	15.917
Emerald	495.306	254.862	240.444
Fremantle	512.916	512.916	0
Gold Coast	464.489	0	464.489
Hobart	217.930	0	217.93
TOTAL	2427.320	1,486.323	939.628

Financial Modelling

While the 2025 Budget governs expenditures and reports on cash flow performance, the pro forma remains the long-term planning tool, testing the viability and results of various strategies and deals. As such, and because short-term distributions can be affected by longer-term cash flows, the distribution and tax forecasting are based on pro forma values.

The attached ***Distribution Dashboard*** shows the rolling twelve-month estimate of distributions.

Additional pro forma reports, including longer-term distribution forecasts are available for viewing in the **Pro Forma Dashboard**.

Table 7. Tax Estimates by Shareholder (Tax Distributions)

Entity	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Palatex	-\$251,455	-\$41,378	-\$67,307	-\$414,763
Skunky	-\$77,063	-\$12,681	-\$20,627	-\$127,111
ASA (AU)	-\$423,844	-\$69,746	-\$113,451	-\$699,110
Sundance	-\$8,939	-\$1,471	-\$2,393	-\$14,745
NBI	-\$95,326	-\$15,686	-\$25,516	-\$157,236
Total	-\$856,627	-\$140,963	-\$229,295	-\$1,412,965

Table 8. Post-Tax Distributions by Shareholder

Entity	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Palatex	\$293,541	\$74,305	\$558,697	\$0
Skunky	\$89,960	\$22,772	\$171,222	\$0
ASA (AU)	\$494,782	\$125,247	\$941,721	\$0
Sundance	\$10,435	\$2,642	\$19,862	\$0
NBI	\$111,281	\$28,169	\$211,802	\$0
Total	\$1,000,000	\$253,135	\$1,903,303	\$0

Table 9. All Distributions by Shareholder

Entity	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Palatex	\$544,996	\$115,684	\$626,004	\$414,763
Skunky	\$167,023	\$35,453	\$191,849	\$127,111
ASA (AU)	\$918,626	\$194,993	\$1,055,171	\$699,110
Sundance	\$19,375	\$4,113	\$22,255	\$14,745
NBI	\$206,607	\$43,856	\$237,318	\$157,236
Total	\$1,856,627	\$394,098	\$2,132,597	\$1,412,965

Table 10. All Forecast Distribution Stagger Chart

Forecast made in	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Q1 2024	\$488,118	\$578,609	\$1,846,704					
Q2 2024	\$413,714	\$291,529	\$1,796,291	\$2,212,970				
Q3 2024		\$0	\$888,652	\$3,823,072	\$875,396			
Q4 2024			\$3,230,538	\$1,481,185	\$836,068	\$1,232,669		
Q1 2025				\$864,600	\$891,904	\$569,974	\$2,282,453	
Q2 2025					\$1,856,627	\$394,098	\$2,132,597	\$1,412,965
Actual	\$500,000	\$0	\$3,230,538	\$864,600	\$1,000,000			

Table 11. Post-Tax Forecast Distribution Stagger Chart

Forecast made in	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Q1 2024	\$336,661	\$487,945	\$1,718,908					
Q2 2024	\$329,898	\$230,308	\$1,715,291	\$913,472				
Q3 2024		\$0	\$716,4654	\$1,594,525	\$648,598			
Q4 2024			\$2,000,000	\$665,996	\$0	\$1,062,053		
Q1 2025				\$0	\$0	\$376,367	\$1,987,766	
Q22025					\$1,000,000	\$253,135	\$1,903.303	\$0
Actual	\$500,000	\$0	\$2,000,000	\$0	\$1,000,000			

Distributions

Distribution forecasting is unchanged at this time. An additional distribution stemming from the receipt of funds from Fremantle is expected, however the final cash flow assessment is ongoing.

Note Regarding Assessment of Distributions from ASAPHCO to Shareholders

Adopted Distribution criteria guide.

1. Resultant post-distribution cash reserves + current receivables (development management and sales & marketing fees) > \$900,000 (roughly one year of operating expenses after reimbursement of company costs by VDCO).
2. Forecast receivables (fees) for the next full two quarters > forecast ASAPHCO shareholder tax liabilities over the same period (fee earnings without equity distributions can cover each shareholder's forecast tax liabilities). If Fees are < than Tax Liabilities, the difference would then be deducted from any current proposed distribution amount.
3. Resultant post-distribution retained earnings balance to ASA of > -\$2,500,000, the current retained earnings balance.
4. One distribution payment within each calendar year quarter, reducing administrative burden and favoring reasonable magnitude over frequency.
5. Minimum Distribution amount of [\$200,000] [figure subject to confirmation by the Managers], again decreasing administrative burden and favoring reasonable magnitude over frequency.

These criteria are intended to guide the assessment of distributions and qualify the conditions in which one would be considered appropriate. Any decision to distribute or not to distribute funds remains the sole decision of the Managers.