

Winnie I-10 Proforma — Ten Acres

Ten acres acquired and developed, no excess land

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An illustrative deal built on the Winnie I-10 / SH-73 corridor. This is not an offer to sell securities, and no particular return is promised. Figures are planning examples; the preferred return, the split, and the fees are set with counsel in final documents. Returns shown are over the full deal cycle — build, lease-up, and sale — not per year. The build proceeds only on a 12% yield-on-cost floor and only after demand is validated at the ten-acre scale.

The program

Acquire ten acres on the Winnie I-10 corridor and develop all ten as one controlled truck-and-trailer parking yard — fenced, lit, gated, hard-surfaced, controlled access. Ten acres bought, ten acres built; no reserve and no excess land. The use is paid parking for semi tractors with trailers attached — the use the corridor appears to need, subject to the demand validation below. Ten acres rather than five is deliberate: on a small tract the fixed cost of a yard dominates and suppresses the yield, so spreading it across twice the income is what carries the deal over the floor.

Acquisition

Area	10 acres
Purchase price	\$30,000 per acre
Land cost	\$300,000
Setting	I-10 at Winnie, TX, near the SH-73 / SH-124 interchange; mostly level

This proforma assumes a clean ten-acre acquisition at the stated per-acre price; no excess acreage is carried.

The floor

North Star commits land capital only when the deal underwrites to **stabilized NOI ÷ total cost ≥ 12%**. A site below the floor is not built. iVerify identifies candidate sites; the 12% test determines which are built.

Cost — built owner-direct

North Star builds owner-direct: materials bought and delivered at cost, labor and equipment hired separately by the hour, no general-contractor overhead-and-profit. This is the core capability and the

underwriting basis of the deal. The conventional column shows what the same yard costs a buyer without the method — the gap is the North Star edge, not a hoped-for saving. The method is applied where the parts are definable and purchasable; field civil work (grading, base, stabilization, drainage) is confirmed by a civil rough-order on the parcel, not assumed to fall the same way.

Ten-acre capitalization	Owner-direct (underwritten)	Conventional (a buyer without the method)
Land — 10 acres at \$30,000	\$300,000	\$300,000
Yard hard costs — surface, base, drainage, fence, gate, lighting	~\$1,500,000	\$1.8M – \$2.2M
Due diligence, closing, civil, legal	~\$90,000	\$50,000 – \$90,000
North Star origination (2%) + developer (3%) fees	included	included
Total capitalization	~\$1.95M	~\$2.2M – \$2.7M

The method lowers the capital the deal must raise without changing the return ratios below — fewer dollars in, the same percentage out. The owner-direct hard cost is scaled from the five-acre buildup and is firmed by a bottom-up ten-acre civil rough-order; the conventional column is the conservative bookend that rough-order confirms against.

Income — above the floor

Density is taken at commercial striped-lot packing, not rest-area spacing: a semi with a 53-foot trailer occupies a 12-by-75-foot stall, and in double-loaded rows sharing a back-in aisle each stall carries about 1,290 square feet, roughly 18 combination spaces per gross acre after the entrance, office, detention, and perimeter.

Modeled income (mid)	
Combination spaces (10 ac × ~18/ac)	~180
Monthly rate · occupancy · expense ratio	\$200 · 88% · 27%
Net operating income	~\$278,000

The rate, occupancy, and expense ratio are assumed planning inputs, not a market read; a live rate comp against the incumbent stops would firm them. At ~\$1.95M cost, the modeled income is about a 14% yield on cost — above the 12% floor. The return below is struck conservatively at the floor; the modeled income is upside to it. A trailer-only configuration roughly doubles the density at a lower per-unit rate and is the alternate upside, not the base case.

Return at the floor

At a 7% exit cap, a yard built to a 12% yield on cost sells for about 1.7× its cost — the five-point spread between the build yield and the exit cap is the margin. A real estate broker commission, modeled at 4% of sale price, is treated as a third-party cost of disposition and deducted from sale proceeds before the investor/North Star waterfall. North Star charges no separate disposition fee in this example. The investor's capital and an 8% annual preferred return come first; North Star's larger share comes only after the investor clears a 20% total return.

The order of distribution at sale is fixed: (1) gross sale proceeds, (2) less broker commission and closing costs, (3) net sale proceeds, (4) return of investor capital, (5) preferred return, (6) the tiered split of remaining profit shown here.

Tier	Investor	North Star
Return of capital	100%	0%
8% annual preferred (on unreturned capital)	100%	0%
Profit until the investor reaches a 20% total return	70%	30%
Profit above a 20% total return	50%	50%

Over a 24-month hold the 8% preferred accrues to about 16% of capital before the split. Every term is a ratio, so the return profile is the same on any deal that clears the floor; size changes the dollars, not the percentage.

Total cost	Floor NOI @ 12%	Net sale @ 7% (after 4% commission)	Investor profit after capital	Investor return	North Star promote
~\$1.95M (owner-direct, underwritten)	\$234,000	\$3.21M	\$808,000	~41.4%	\$451,000
~\$2.25M (without the method)	\$270,000	\$3.70M	\$932,000	~41.4%	\$521,000

The figures above are net of the ~4% broker commission at sale, a third-party cost of disposition, not income to North Star. Capital returns first and the 8% preferred accrues before North Star's promote. The 7% exit cap is favorable; at a more conservative exit the deal still holds — an 8% cap nets about 1.44× cost and a ~31% investor return, a 9% cap about 1.28× and ~23%. The preferred is covered in all three.

How North Star is paid

Layer	Payment	Purpose
Pre-closing work	\$25,000 work authorization + \$10,000/month + approved expenses	The platform work that creates the deal, paid whether or not it closes
Development work	2% origination/intelligence (the \$25,000 credited) + 3% developer fee on hard costs	Creating and executing the deal; project costs inside total capitalization

Layer	Payment	Purpose
Success upside	Promote, after the investor's capital and the preferred return	Paid only if the deal works

The returns above are after the development fees and the ~4% broker commission at sale. North Star charges no disposition fee; the commission is paid to a third-party broker to sell the asset.

Ownership and structure

Each deal is held in a single-purpose LLC. North Star is the sponsor and managing member holding a 2% interest (sponsor or carried interest, subject to counsel); the funders hold 98% and carry the tax items — depreciation on the improvements passes mainly to them, subject to their own tax advice. Ownership and the cash split are separate layers: North Star's 2% interest does not limit its economics, which are earned through the waterfall. Entity terms and allocations are set in the operating agreement with counsel. North Star is not a tax or legal advisor.

The demand gate

Stabilized income assumes about 180 combination spaces at 88% occupancy — roughly 160 tractors-and-trailers parked nightly. Demand at that scale is the binding condition. The build does not proceed until corridor demand is validated for the ten-acre yard through the Winnie corridor demand report's live-research pass. Underwriting clears the floor on paper; demand validation authorizes the build.

The numbers move with the civil rough-order, the stabilized rent roll, occupancy, the sale cap rate, and buyer demand. The conventional column is underwritten; the owner-direct target is upside pending vendor quotes. The 8% preferred return, the tiered split, and the fees are illustrative and set in final documents with counsel. Table returns are over the full deal cycle, not annual. Nothing here is an offer to sell, or a solicitation to buy, a security.

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