

Executive Overview

for



Confidential and Exclusive to Recipient

Local Link on HD: [What Diverge is All About](#)

Internet Link on YouTube: [What Diverge is All About](#)

Our Mission–Townie Life

TOWNIE LIFE LOCATIONS

- Infill ONLY – No Sprawl
- < 35K Town Population
- < 30M Distance to Major Metro
- < 0 to 5M Distance to Old Town District
- Focus is Walkability

LOCAL OPERATIONS

- Local entitlement specialists and word-of-mouth marketing
- High-touch, door-to-door and neighborhood communication
- 1:1 Trade relationships and direct GC management
- Interior design paired with bulk materials pricing



SITE PLAN & ARCHITECTURE

- Replicate Street-Grid & Alleys
- Yards!
- Owner-occupied For Sale Units
- Move-in Ready, Full-Features
- Lifestyle over Size
- Deep Information Sharing

ART & NATURE FOCUS

- Explicit Nature-based Amenities
- Designed to provide unique and meaningful nature interactions.
- HOA maintained Gardens and Pocket-Parks
- Proximity to Trails and Open Space
- Ban most Pesticides/Herbicides

Diverge Homes – Competitive Advantage

HOW DIVERGE HOMES DIFFERS FROM TYPICAL HOMEBUILDERS:

Conceptual Advantage:

- Mission-purposed entity to create a 4th homebuilding segment in the U.S.
- Townie Life is a holistic view to home ownership and lifestyle choices.
- Site Planning integrates with existing street/lot grid.
- Localized operations improve efficiency and reduce cost.

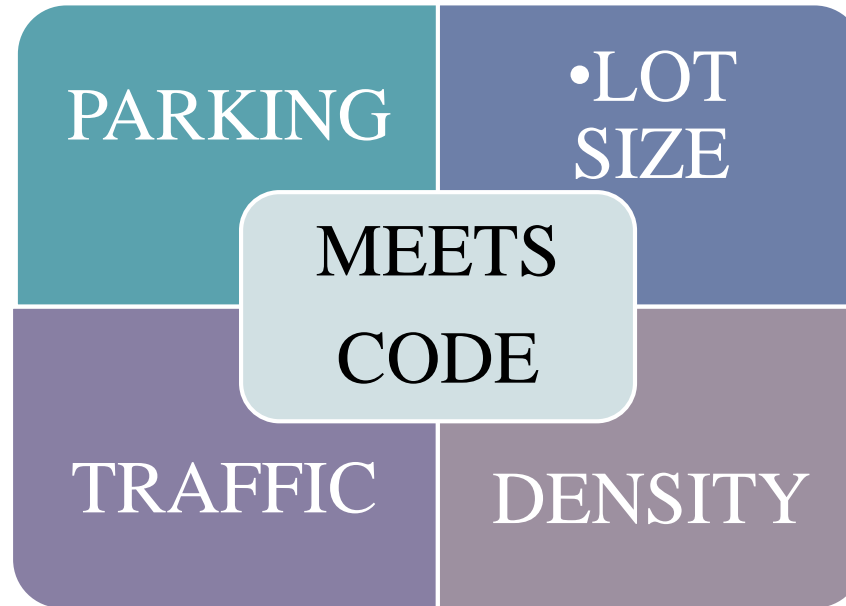
Financial Advantage:

- Stronger absorption rates – Greater sales per year within high-demand project zones, as evidenced by Cannon Trail project returns.
- Higher price valuations – 5% to 20% increase in average sales price.
- Equal to moderate construction cost – 0% to 10% increase in average construction cost.
- Reduced financial risk – Platted aster time to break-even, improved IRR.

Erie Junction – Plat Overview

PARKING

- 2 Off-Street Per Dwelling Unit
- 1 On-Street Guest Per DU



TRAFFIC

- No Warrants for Signaling
- Traffic Study Engineering & Town Engineering – Minimal impact
- 200 Trips Per Day
- Peak AM – 15 Vehicles per day
- Peak PM – 21 Vehicles per day
- Roads meet Code
- Engineering approval for North Alley


LOT SIZE

- MEETS Town Code for lot size
- Replicate Street-Grid & Alleys
- Yards!
- Owner-occupied For Sale Units
- Lifestyle over Sprawl

DENSITY

- 50% of OTR Max Density
- 8.5 DUs per Acre / Max = 16
- 30% less density than prior developer application (2015)
- HOA maintained Gardens and Pocket-Parks
- Proximity to Trails and Open Space
- Ban most Pesticides/Herbicides

Business Model of Diverge Homes

ESTABLISH A 4TH U.S. REAL ESTATE SEGMENT – SMALL TOWN RESIDENTIAL	<ul style="list-style-type: none">• Thousands of opportunities exist for developing Infill pockets and “Old Town” districts across Colorado and U.S. markets.• Demand is well above supply for active, walkable, semi-urban neighborhood development in U.S. small towns.• Infill pockets and “Old Town” districts are a highly underdeveloped market considered too small and complicated by the regional and national builders, and too big and complicated for the single lot or small tract builder.
WITH A UNIQUE INVESTMENT APPROACH	<ul style="list-style-type: none">• Pursue our mandate across 4 synergistic areas to generate the most attractive, risk-controlled returns.• Source bargains and mitigate downside risk by pursuing multiple property locations and less competitive, relationship-based transactions with higher risk during entitlement phase.• Strict employment of local experts to enhance project market knowledge and relationships.
MANAGED BY A HIGHLY EXPERIENCED DEVELOPMENT TEAM...	<ul style="list-style-type: none">• 20+ professionals directed by developer manager, Nick Jacobs• Hyper-local operations with trades partners known for reliability and delivery specific to the project market.• We believe that our performance is enhanced by Diverge Homes’s multi-disciplinary capabilities and partner depth.
WITH AN ESTABLISHED FLAGSHIP PROJECT	<div> CANNONTRAIL</div> <ul style="list-style-type: none">• Cannon Trail Project entitlement unanimously approved in June 2018.• Construction commenced in July 2018, 42 units total.• Project completion in 2022.