

We invest **with** our clients, never against them.

ALEX does not compete with clients for real estate. If we find a deal strong enough that we'd want it for ourselves, our fiduciary duty means we offer it to our clients first, and we put our own fee into the deal right beside their capital.

Online: alex-companies.com/investments

Printable PDF: alex-companies.com/alex-investments.pdf

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AT A GLANCE

- ✓ ALEX contributes its full buyer-broker fee
- ✓ All investor contributions in cash
- ✓ 10% typical reserve in every LLC, based on the investment
- ✓ Proceeds shared by equity, with no hidden waterfall

TYPICALLY **100%**
OF BUYER-BROKER FEE INTO EQUITY

2 to 1
MANAGER EQUITY CREDIT

5%
MAX ALEX CONTRIBUTION

10%
TYPICAL RESERVE

PRINCIPLE

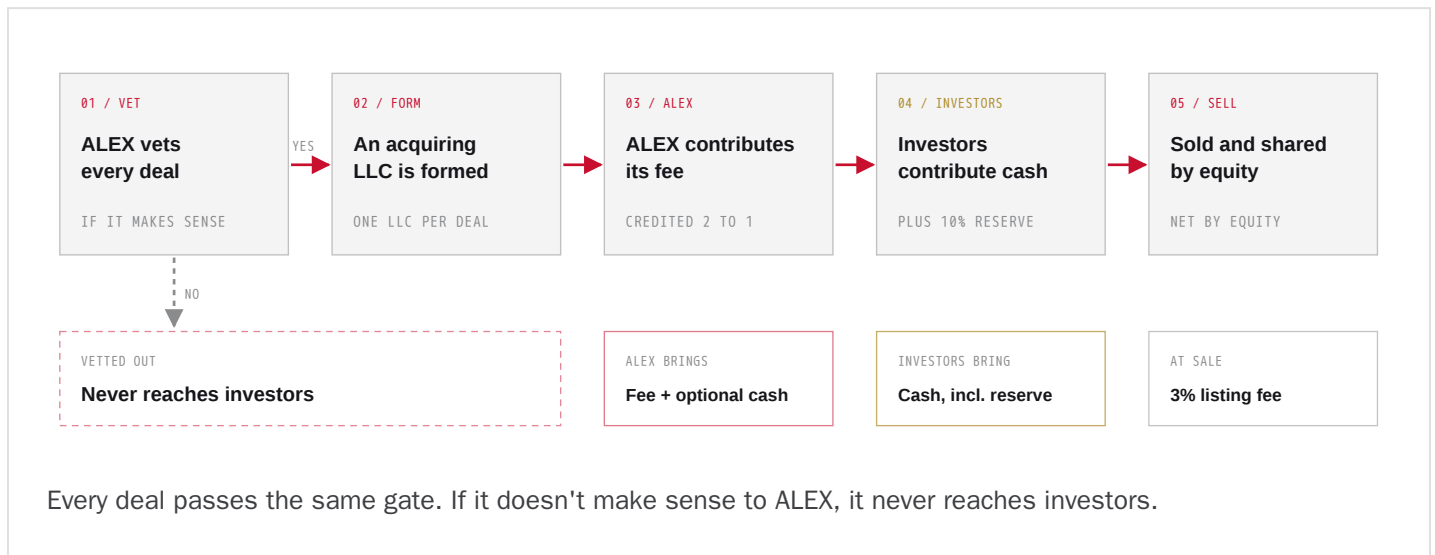
Our fiduciary principle

Many investor-brokers keep the best opportunities for themselves. We think that conflicts with the duty every brokerage, broker or agent owes: putting the client's interests above our own.

So ALEX invests only alongside clients. We don't buy against them, bid against them, or hold back deals for our own portfolio. When ALEX builds wealth through real estate, it does so in the same LLC, on the same asset, at the same time as the people we serve.

PROCESS

How it works



01

ALEX vets every deal

If a deal makes sense to us, we bring it to our investors. If it doesn't, it's **vett**ed out and never reaches them.

02

An acquiring LLC is formed

Each property is purchased by its own LLC. ALEX represents the LLC as buyer's broker.

03

ALEX contributes its fee

At minimum, ALEX puts its entire buyer-broker commission (for example, 3%) into the LLC's equity, and may add its own cash, up to 5% of the purchase price in total.

04

Investors contribute cash

Client investors fund the remaining equity in cash, including a reserve, typically 10% based on the investment.

05

Sold and shared by equity

ALEX represents the LLC as listing broker at sale for a 3% commission. Net proceeds are then distributed according to each member's equity share.

COMPENSATION

Financial Overview

We list every source of ALEX compensation in plain terms. Nothing is paid to the manager beyond what's on this table.

01 / ACQUISITION	02 / HOLD	03 / SALE
● ○ Buyer-broker fee INTO LLC EQUITY, NOT CASH ○ Manager credit 2 to 1 3% FEE = EQUITY OF 6% OF PRICE ○ Optional ALEX cash TOTAL ≤ 5% OF PRICE; CREDIT ≤ 10% ● Investor cash + 10% reserve ALL INVESTOR MONEY IN CASH	● ● Management fee, 1% a year OF THE LLC'S VALUE ● Property management, 6% ONLY WHEN REQUIRED ● Interest on the reserve LLC INCOME, SHARED BY EQUITY	● ● Listing commission, 3% OF SALE PRICE, AT CLOSING ● Net proceeds SHARED BY EQUITY — No waterfall or promote NO PREFERRED RETURN, NO BONUS
● PAID TO ALEX	○ CREDITED TO ALEX AS EQUITY	● STAYS WITH THE LLC, SHARED BY EQUITY

ITEM	TERMS
Buyer-broker fee	Contributed in full to the LLC as equity. ALEX does not take it as cash.
Manager equity credit	As manager, ALEX's contribution is credited 2 to 1. A 3% fee contribution is credited as equity equal to 6% of the purchase price.
ALEX cash co-investment	ALEX may add its own cash so its total contribution, including the fee, reaches up to 5% of the purchase price. This caps ALEX's equity credit at 10% of the purchase price.
Annual management fee	1% per year of the LLC's value.
Property management	6% when the property requires residential or commercial management.
Listing commission at sale	3% of the sale price, paid at closing to ALEX as listing broker.
Disposition	Net proceeds (after sale costs, including the listing commission) are shared by equity. No waterfall, no preferred-return hurdle, no back-end promote or manager bonus.

STRATEGIES

Six investment groups



GROUP 01

Residential

Single-family through multifamily housing, held for rental income and long-term appreciation.

RETURNS: RENT + APPRECIATION



GROUP 02

Commercial

Retail, office, industrial and mixed-use property, held for tenant-driven income.

RETURNS: TENANT INCOME



GROUP 03

Income-producing land

Timber, farm and ranch land, held for production or lease income while it appreciates.

RETURNS: PRODUCTION OR LEASES + APPRECIATION



GROUP 04

Land bank

Raw, undeveloped land bought ahead of the path of growth and banked while it appreciates. Special valuations or exemptions typically keep property taxes low while the land sits idle.

RETURNS: APPRECIATION



GROUP 05

Land hold

Rural land, held mid-term for appreciation over several years.

RETURNS: APPRECIATION



GROUP 06

Land splitting

Larger parcels, bought to split into smaller tracts, often called *ranchettes*, and sold back on the market.

RETURNS: SALE OF TRACTS

CAPITAL

Capital and reserves



Cash contributions

All investor contributions are made in cash. ALEX's contribution is its earned buyer-broker commission plus any optional cash, up to 5% in total, credited as equity.



10% typical reserve

Every LLC holds a reserve, typically 10% based on the investment, for property taxes, maintenance, legal and accounting. Interest earned on the reserve belongs to the LLC, not to ALEX.

ILLUSTRATION

See how the equity works

An illustrative example assuming an all-cash purchase. Closing costs and financing are excluded.

INPUTS

PURCHASE PRICE

\$	1000000
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BUYER-BROKER COMMISSION

3	%
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ALEX ADDED CASH

0	%
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Reserve fixed at the typical 10%. Manager credit fixed at 2 to 1. ALEX contribution capped at 5% (equity credit max 10%).

RESULTS

\$1,100,000 TOTAL CAPITALIZATION (PRICE + RESERVE)	\$30,000 ALEX TOTAL CONTRIBUTION (FEE + ADDED CASH)	\$1,070,000 INVESTOR CASH REQUIRED
\$60,000 ALEX EQUITY CREDIT (2 TO 1)	\$10,000 ANNUAL MANAGEMENT FEE (1%, AT PURCHASE PRICE)	5.31% ALEX OWNERSHIP

CASH IN (PRICE + RESERVE)



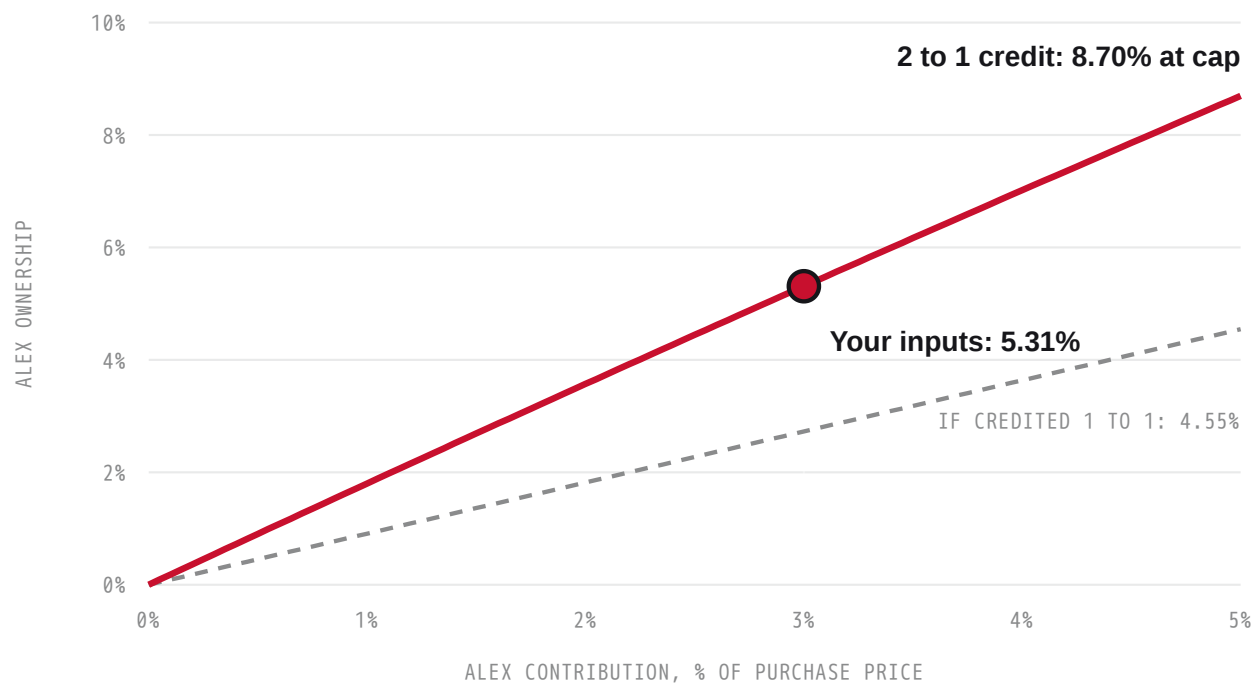
EQUITY CREDITED (ALEX AT 2 TO 1)



OWNERSHIP SPLIT



WHAT THE 2 TO 1 CREDIT DOES



ALEX ownership at each contribution level, up to the 5% cap. The dot follows your inputs. The dashed line shows the same money credited 1 to 1, so the difference is the manager credit.

AT SALE (ILLUSTRATIVE)

SALE PRICE YOU WANT TO TEST

\$	1000000
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\$30,000 LISTING COMMISSION TO ALEX (3%)	\$970,000 NET PROCEEDS SHARED BY EQUITY
\$51,504 ALEX DISTRIBUTION	\$918,496 INVESTOR DISTRIBUTION



CommissionALEX shareInvestors' share

Not a projection. Enter any price. Other sale costs, any remaining reserve, operating results and taxes are excluded.

FAQ

Questions

Does ALEX ever buy property for itself?

ALEX invests only alongside clients. Opportunities we find are offered to clients first, and ALEX participates through the same LLC. If every client declines a deal, ALEX does not proceed with it.

What does the 2 to 1 manager share mean?



Each dollar ALEX contributes is credited as two dollars of equity, in recognition of its role as manager. On a \$1,000,000 purchase with a 3% fee, ALEX contributes \$30,000 and receives \$60,000 of equity credit. Because this credit increases ALEX's share, investors' percentages are proportionally smaller. ALEX may also add its own cash, but its total contribution, including the fee, is capped at 5% of the purchase price, so its equity credit can never exceed 10%. The calculator above shows the exact split.

Is there a preferred return or waterfall?



No. Net proceeds at disposition are shared strictly by equity. There is no preferred-return hurdle, tiered waterfall or manager bonus at sale.

Why does ALEX earn a commission when the property sells?



When it's time to sell, ALEX represents the LLC as listing broker and is paid a 3% commission at closing, the same professional fee any listing brokerage, broker or agent would typically earn. Because ALEX is also the manager and a member of the LLC, this relationship is disclosed in writing to every member before any sale.

What is the reserve used for?



A reserve, typically 10% based on the investment, covers property taxes, maintenance, legal and accounting, so the LLC isn't forced into capital calls for routine costs. Any interest the reserve earns is income of the LLC and is shared by equity like all other income.

Interested in investing with ALEX?

Start a conversation about your goals. We'll explain current eligibility requirements and what's available.

ACCREDITED INVESTORS ONLY

EMAIL GEORGE

713.918.9951

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ALEX.

Convened by Diane Hart Alexander, MBA, MHA, CEO, ALEX
Managed by George Arnold Alexander III, MPA, Director, ALEX Companies

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REACH

george@alex.realestate
Georgetown, Texas · Triad, North Carolina

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