



Rio Vistancia

Executive Summary
August 30, 2007

Rio Vistancia is a 113 acre riverfront master-planned resort community located on the Colorado River in Needles, California. The site straddles both the Colorado River and Needles Highway, the main gateway for over 5 ½ million annual visitors to Laughlin, Nevada and only two miles off the busy Interstate 40 Freeway. It is just two to three hours away from Los Angeles, Orange, and Riverside Counties.

The residential component includes approximately 340 lots. 60 of the 340 lots will be riverfront with semi-custom two story residences commanding premium revenue. Another 41 will be immediately behind these premium lots. The remainder lots will all be within a very short walk to riverfront. The community will include a 10+ acre commercial site that will include amenities such as a large boat storage facility; two dedicated boat launching ramps; concierge boat handling services; a gas station; convenience store and limited retail food outlets.

The site is within a few months of complete entitlement with the City of Needles, Bureau of Land Management, California Fish & Game and California lands Commission.

The residential lots and commercial sites are expected to generate approximately \$186,000,000.00 in revenue and \$126,000,000.00 in costs. Total expected profit to be \$60,000,000.00.

This limited investment opportunity offer is for an equity purchase of \$9,500,000.00 that gives the purchaser 30% of the project. The project is expected to build out in three to four years depending on absorption. The IRR is therefore expected to be as follows for either a two year or three year build-out.

3 Year Build-out

IRR equals 35% per year

4 Year Build-out

IRR equals 26% per year

All assumptions presented in this preliminary offering supersede any assumptions that may have been presented in any previous offering or presentation. Covenant Development Inc. reserves the right to change any offering as the project develops, entitles and is build-out.