

HIGH POINT TOWERS

INVESTMENT OPPORTUNITY

RELEASE: 3 July 2024



KEY FACTS & FIGURES

You are invited to invest in this truly unique opportunistic real estate transaction, by acquiring two eleven-story towers (300,000 sq/ft) at the ridiculously low price of only \$40 per square. (\$10 upfront and \$30 upon sale).

Furthermore, the transaction risk is mitigated by acquiring the deal with zero debt and partnering with a Top 10 North American bank and an experienced turnaround general partner, Triple Double.

This rare deal offers limited downside risk, with the ability to 2x investors returns.



Excellent Location

The property is well located in the proximity of South Texas Medical Center, University of Texas Health Science Center.



Two Eleven-Story Office Towers

305,135 square feet.

Heavy steel frame with infill concrete panels on 13.05 acres of land.



Valuable Partnership

The entire project will be done in partnership with a Top 10 US bank who have funded the project where we are only required to pay \$10 /sf for acquisition of the entire land and Towers. Upon sale and exit a further \$30 /sf will be required to be paid. Further to this, the bank will remain a partner in the project working together for a highly profitable exit.



Exceptional Returns Projected

ROI of 20% to 25% per annum.



Holding Period with Early Liquidity

Target is to sell Tower TWO after 3 years and return 100% of investors' capital. The total investment period is planned for 5 years.



Significant Value Creation

- The value add is through consolidating all current tenants from Tower ONE into Tower TWO and fast-track lease-up to reach 75-79% occupancy.
- Convert Tower ONE into 231 micro residential units.
- Sale of land portion.

LOCATION OVERVIEW

SAN ANTONIO-NEW BRAUNFELS, TX METRO AREA



LOCATED NEXT TO THE SOUTH TEXAS MEDICAL CENTER, UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER

- South Texas Medical Center is San Antonio's largest medical market and second largest employment center.
- 900-acre campus with 12 hospitals with over 4,200 beds and 45 clinics.
- Contains 75 medically related institutions, one higher education institution, and numerous nearby small practices.
- With over 220 acres undeveloped, the San Antonio Medical Foundation has a multi-generational plan to ensure continued development and growth in the center for years to come.
- New \$400 million, 144-bed hospital to be completed in 2024, which is expected to bring in 100 medical residents along with 800 high-quality jobs, demonstrating the strong and continued growth in the area.

MARKET OVERVIEW

The San Antonio MSA is a remarkable and thriving city. As the third largest city in Texas and 25th in the US, with a population of more than 2.9 million people. The city is the nation's third fastest-growing city, trailing only Phoenix and Fort Worth with 22% growth from 2010-2022.

Among Texas' "Big Four" metro areas — Houston, Dallas, Austin and San Antonio — there is a rejuvenated buzz about the 'Alamo City'.

Building upon its rich history and authentic culture, San Antonio stands out as an opportunity city celebrated for its attractive quality of life, emerging culinary and arts scene and affordable cost of living. With business costs 20% below the national average, coupled with a cost of living 14.6% lower than major U.S. metros, people throughout the country are relocating to San Antonio.

As one of the largest cities in the United States, San Antonio's flourishing economy continues to grow as young professionals and businesses are taking notice of its opportunities.

The metro's healthy job market is a contributor to the diversity of the regions' industries - a portfolio of well-established financial services, flourishing biomedical and biotech sectors, energy, manufacturing, military and a rapidly growing IT and cybersecurity fields.

Offering a pro-business climate that supports growth and future development, San Antonio is an attractive choice for new and expanding companies because of its central geographic location, economic stability, financial incentives and growing workforce. The unemployment rate is at 3.4% with a labor force of 1.2 million + people.



PROPERTY SUMMARY

AERIAL VIEW OF HIGH POINT TOWERS



SITE INFORMATION



PARCEL	DESCRIPTION	SIZE
1	Tower TWO - Medical Office Block	5.28 acre
2	Tower ONE - Multi - Family	3.82 acre
3	Land Remaining	3.90 acre
TOTAL		13 acres

GENERAL DESCRIPTION

Address:	High Point Towers, 8401 Datapoint Drive, San Antonio, Texas
Land Area:	13.05 acres
Rentable Area:	305,135 sf
Year Built:	1980 & 1981
No. of Buildings:	Two
Floors:	Eleven each
Foundation:	Reinforced cast-in-place concrete slab
Structural Frame:	Heavy steel frame
Exterior Walls:	Concrete Panels painted with elastomeric
Roof:	Flat, New TPO membrane
Sprinklers:	Fully fire sprinklered

Tower TWO- Office / Medical Office

Business Plan:

In order to expediate both time and return as we rehabilitate these Towers, we have planned to do a mixed development for the purpose of addressing a need for multi-family micro units in this area with a recovery in the demand for office space. The plan is therefore to move the tenants that occupy Tower ONE into Tower TWO and to focus our leasing efforts on the remaining 62,000 sf vacancy over a 3-year period. The initial asking rental is modeled at \$19-20 /sf vs the market of \$27 /sf (refer to figure 1) to aggressively fill the vacant spaces and penetrate the market as fast as possible. We plan to increase occupancy to a level where we can sell the Tower and provide an opportunity for new investors to extract up to 100% of their original capital. Once your capital has been repaid, investors will have zero downside with enormous upside remaining.

The Office / Medical Office Market Overview:

Northwest San Antonio is the major submarket for suburban office space in South Central Texas, housing key office-using employers such as USAA, Valero, the University of Texas at San Antonio, and the many medical office tenants of the South Texas Medical Center. Due in part to its sheer size, the extent of the slowdown in construction for this property type has been particularly notable.

A relatively healthy balance between supply and demand means that rental growth has approached and even exceeded the 10-year average for this submarket, reaching 3.4% between June 2023 and June 2024.

This stands in stark contrast to most office submarkets in major cities nationwide at this time, which are predominantly experiencing declining rents.

Only 13,000 sf was under construction in this office submarket at the beginning of July: a small fraction of the metro's total construction pipeline for this property type (310,000 sf near the start of summer). Furthermore, deliveries were actually negative on a net basis between June 2023 and June 2024, which indicates that demolitions or conversions outstripped new construction during this period.

Though Northwest San Antonio's development scene indicates a need for more investor confidence in suburban office space in 2024, this shortage of new construction has helped maintain supply and demand balance in San Antonio's premier suburban submarket.

MARKET ASKING RENT PER SQUARE FEET

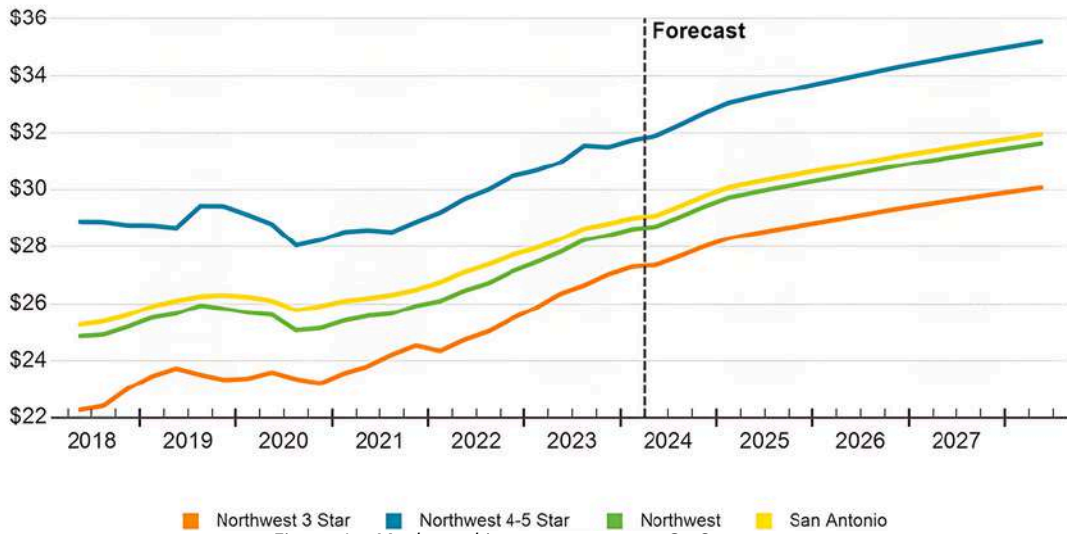


Figure 1 - Market asking rent - source - Co-Star

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Tower TWO- Office / Medical Office

Leasing activity

The leasing activity is modelled based on an allowance for new tenant installation dollars of \$40 -\$50 /sf and a leasing commission averaging \$10-\$15 /sf. The tenant installation and leasing cost is financed through a combination of TI/LC facility and equity.

As can be seen, we have assumed a mix of the renewal of existing tenant leases and the conservative acquisition of new tenants. Note: this building is on the edge of the healthcare precinct of San Antonio, we will take any leases that fit our criterion and we will not necessarily prioritize medical tenants.

Tenants	Suite	Status	Begin Date	Term	Initial			Building	Tenant		Leasing	
					Area	Base Rent	Base Rent/SF	Share %	Improv. (TI)	Improv./SF (TI)	Commn.	Commn./SF
2024 Leasing Activity												
53. Smile Brands, Inc (Option 1)	B2 - 1020	Market	11/1/2024	5 Years	9 365,00	177 935,00	19	3,08%	149 840,00	16	53 848,75	5,75
39. Qualfon or Other	B2 - 0200,300	Market	12/1/2024	5 Years	14 869,00	282 511,00	19	4,89%	297 305,66	40,31	85 496,75	10,61
Total 2024 Leasing Activity					24 234,00	460 446,00	19	7,98%	447 145,66	30,91	139 345,50	8,73
2025 Leasing Activity												
35. VACANT	B2 - 0110	Base	10/1/2025	5 Years	2 432,00	45 089,28	18,54	0,80%	125 248,00	51,5	25 049,60	10,3
48. VACANT	B2 - 0750	Base	11/1/2025	5 Years	2 088,00	38 711,52	18,54	0,69%	107 532,00	51,5	21 506,40	10,3
50. VACANT	B2 - 0900	Base	8/1/2025	5 Years	14 453,00	267 958,62	18,54	4,76%	565 690,42	39,14	148 865,90	10,3
Total 2025 Leasing Activity					18 973,00	351 759,42	18,54	6,24%	798 470,42	42,08	195 421,90	10,3
2026 Leasing Activity												
16. SA Spine, LLC (Offered 1 yr ext)	B1 - 0700	Market	1/1/2026	5 Years	8 763,00	171 491,91	19,57	2,88%	180 472,67	20,59	51 898,87	5,92
47. VACANT	B2 - 0700	Base	8/1/2026	5 Years	12 206,00	248 627,43	20,37	4,02%	492 075,13	40,31	129 493,45	10,61
Total 2026 Leasing Activity					20 969,00	420 119,34	20,04	6,90%	672 547,80	32,07	181 392,32	8,65
2027 Leasing Activity												
4. Genoa Healthcare, LLC	B1 - 0150	Market	12/1/2027	5 Years	803	16 671,74	20,76	0,26%	17 544,81	21,85	5 045,39	6,28
8. Charles Gutierrez, PhD, Ltd, LLP	B1 - 0301	Market	12/1/2027	5 Years	1 252,00	24 625,70	19,67	0,41%	21 889,51	17,48	7 866,54	6,28
42. VACANT	B2 - 0400	Base	6/1/2027	7 Years	12 289,00	234 673,20	19,1	4,04%	495 421,20	40,31	130 374,00	10,61
49. VACANT	B2 - 0800	Base	3/1/2027	5 Years	14 448,00	275 901,90	19,1	4,76%	582 459,56	40,31	153 278,83	10,61
57. Level 3 Communications, LLC	B2 - B100	Market	1/1/2027	5 Years	58,00	1 169,11	20,16	0,02%	1 230,34	21,21	353,81	6,1
Total 2027 Leasing Activity					28 850,00	553 041,64	19,17	9,50%	1 118 545,42	38,77	296 918,58	10,29
2028 Leasing Activity												
41. VACANT	B2 - 0300b	Base	9/1/2028	5 Years	1 800,00	36 000,00	20	0,59%	76 984,80	42,77	20 259,16	11,26
56. VACANT	B2 - 1040	Base	9/1/2028	5 Years	2 870,00	58 143,79	20,26	0,94%	122 747,99	42,77	32 302,10	11,26
Total 2028 Leasing Activity					4 670,00	94 143,79	20,16	1,54%	199 732,79	42,77	52 561,26	11,26
2029 Leasing Activity												
45. Lydia Security	B2 - 0500	Market	4/1/2029	5 Years	14 430,00	308 580,75	21,38	4,75%	324 740,64	22,5	93 386,28	6,47
39. Other	B2 - 0200,300	Market	9/1/2029	5 Years	14 869,00	327 507,68	22,03	4,89%	344 658,74	23,18	99 114,17	6,67
53. Smile Brands, Inc (Option 1)	B2 - 1020	Market	11/1/2029	5 Years	9 365,00	206 275,43	22,03	3,08%	173 705,63	18,55	62 425,46	6,67
Total 2029 Leasing Activity					23 795,00	842 363,86	21,79	12,73%	843 105,00	21,81	254 925,91	6,59

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Tower ONE – Micro Residential units

Business Plan:

As explained above, we intend to utilize the considerable assets (acquired at \$40 /sf) in the form of a complete structure including elevators, HVAC, electrical, energy and water to efficiently convert this Tower from office to multi-family. Once the necessary permitting and planning approval has been achieved, we will create 231 micro residential furnished units which include cable, internet, a gym and other unique community amenities.

These micro units are specifically targeted to the demand market data for this segment of the San Antonio market, considering also that the development phase unit construction will take 5 quarters to complete. (20% of the units per quarter).

The Multi-Family Market Overview:

Home of the South Texas Medical Center, the University of Texas at San Antonio (UTSA), La Cantera, and The Rim, Northwest San Antonio is home to many of the eight-county metro's key engines of economic activity and growth.

Many investors, developers, and renters consider this submarket to be among the most attractive locations in the city for suburban living, as it is home to many higher-paying office jobs, civic anchors, and high-end retail shopping centers.

Despite its tendency towards luxury products, especially outside of Loop 1604, Northwest San Antonio has its pockets of affordability. Inside Loop 1604, closer to the medical center, is a relatively affordable submarket segment just outside of the smaller urban Loop 410.

Both inventory growth and rental rates have been lower here in recent years mostly as a result of COVID and a work from home behavior that has allowed workers to be remote.

Still, this area continues to see a resilient level of demand thanks to its central location, close to the metro area's mean center of population and some of the area's largest office-using employers. Demand from employers for their staff to return to the office has also had an impact increasing demand for accommodation in this area.

With asking rents now \$20/month higher than the metro-wide average, San Antonio's dynamic Northwest Submarket has retained its pricing power.

Many of the amenities here are unmatched by other suburban or even urban locations in the city, propelling the submarket forward even during times of significant headwinds.

KEY ASSUMPTIONS

SF/Unit	SF/Floor	Units/Floor	Floor	Potential Units	Loss Factor	Budget Units	Rent P/M	Rev Per Month
504.3	14534	28.8	10	288.25	80%	231	\$ 1370	\$ 316.147

The above rental rates are based on a mix between \$1,200 for a 1-bedroom apartment, \$1,400 for a 2-bedroom and \$1,625 for a 3-bedroom apartment.

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Tower ONE – Micro Residential units

MARKET RENT PER UNIT & RENT GROWTH

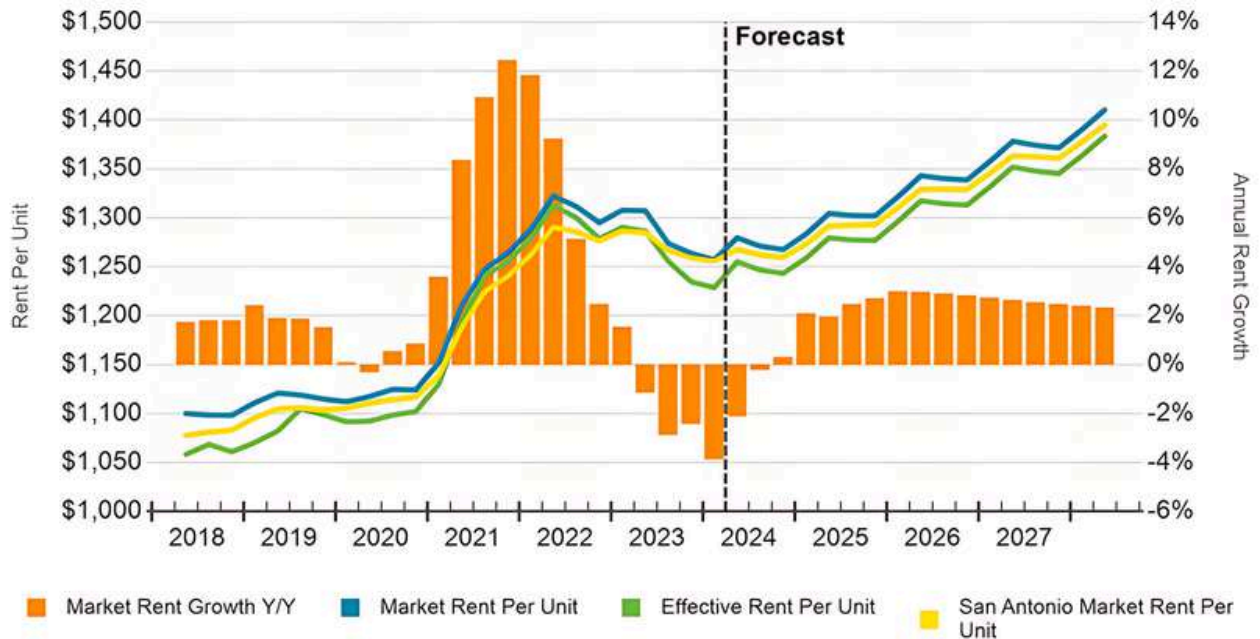


Figure 2- Market Rent per Unit - source - Co-Star

Anticipated rent in 2026 /2027 from Figure 2 is around the \$1300 - \$1400 rent per unit mark with rent growth around 2-3% that has moved up off a low base.

Asking rents in Northwest San Antonio are approximately \$20/month more expensive than the metro as a whole, largely due to the outsized presence of 4- & 5-Star inventory in this submarket. With average rental rates of \$1,470/month for 4- & 5-Star properties in this portion of the metro, Northwest San Antonio can reach closer to the top of the market when compared with other submarkets in terms of asking rents.

The largest employer of office-type jobs in the eight-county metro is the Fortune 500-ranked USAA, which is headquartered in this submarket. South Texas Medical Center, which employs thousands of healthcare workers creates a consistent demand for apartments in this submarket. The University of Texas at San Antonio (UTSA), the city's largest university, is another in-person activity hub in this area and the university's 5,000 on-campus beds can only accommodate approximately 15% of the student body, many students choose to live off-campus every year, finding rooms to rent in the market that we intend to provide new inventory into.

Design, planning and engineering is expected to take 1.5 years before construction can commence.

The capital outline of the multi-family project is envisaged to be driven by the unit cost of \$81,530, making the total development cost roughly \$18,800,848 as below:

Per Unit	Units	Total
81,530	231	18,800,848

The project is extremely well positioned to benefit from a substantial existing structure that requires only conversion vs other ground-up multi-family developments.

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Tower ONE– Micro Residential units

With the overall “Uses” outlined below.

Note, purchase price has not been included in uses and is made up as follows:

\$10 /sf to secure, \$30 /sf to be paid upon exit.

Uses		
Purchase Price - at back-end	-	-
Property Renovation Total	\$ 18,800,848.00	\$ 18,800,848.00
Closing coat	\$ 399,000.00	
Legal Fees		\$ 40,000.00
Title Insurance Fees		\$ 20,000.00
Finance fee		\$ 69,000.00
Third Party Report Fees		\$ 20,000.00
External, due diligence, contingency		\$ 250,000.00
Soft Cost	\$ 980,000.00	
Achitect /engineer		\$ 400,000.00
Permits		\$ 150,000.00
Test and Inspection		\$ 30,000.00
Markting and launch		\$ 400,000.00
Working Capital	\$ 1,050,000.00	
Utility Deposit		\$ 50,000.00
Initial Operating Deficit		\$ 1,000,000.00
Total Uses	\$ 21,229,848.00	\$ 21,229,848.00

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Proposed Unit Renderings



Remaining Land

The Land Remaining:

The Property will have remaining land of approximately 3.8 acres. The business plan at this point of time is simple to sell the land.

During the project's lifetime, the intention is to evaluate additional uses for the ground such as self-storage, given that the land is acquired at a nominal acquisition value. The opportunity to construct a self-storage facility or an additional value play is extremely compelling to all stakeholders, and we continue to investigate these opportunities.



PARCEL	DESCRIPTION	SIZE
1	Tower TWO - Medical Office Block	5.28 acre
2	Tower ONE - Multi - Family	3.82 acre
3	Land Remaining	3.90 acre
TOTAL		13 acre

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GENERAL PARTNER

Triple Double are a complete 'end to end' real estate company that cover all functions internally from construction to leasing and property management. Their strategic edge is the ability to move swiftly and extract value from difficult distressed assets and they have a long track record of successful turnarounds.

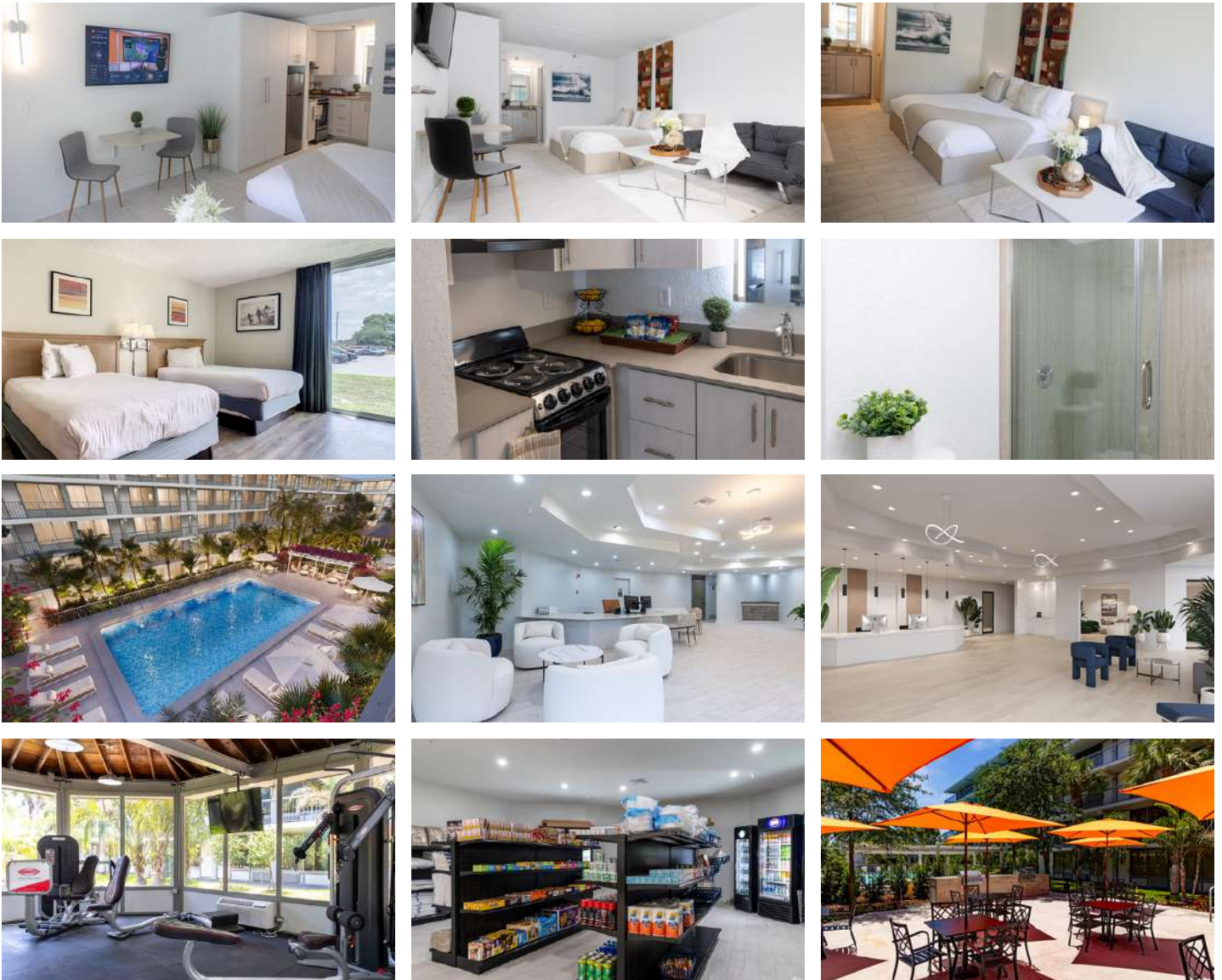
The Triple Double:

The General partner is highly experienced in conversions to multi-family and will convert this significant structure and repurpose it into 231 micro-units with attractive common facilities. Triple Double have similar projects under construction in San Antonio and Orlando, which will dovetail perfectly with the conversion of Tower TWO. The actual input parameters are from the projects 2635 NE Loop 410 and 4621 Rittiman Road, both in San Antonio, as well as The Irlo in Orlando that they are currently busy with.

Multi-family conversions in the San Antonio region:

Triple Double typically lease up and operate their conversions and charge a monthly rental fee for a fully renovated and furnished unit which always includes the utilities of cable, internet, a gym and other unique community amenities.

Track Record Example - The Irlo, Orlando, FL:



FINANCIAL SUMMARY

PROJECT CAPITAL STRUCTURE				
		MOB / OFFICE	Multifamily/Land	Total
PURCHASE PRICE - UPFRONT (\$10 per square)	\$10 per sq			3,000,000
PURCHASE PRICE - UPON SALE OF BUILDINGS + LAND	\$30 per sq	4,000,000	5,000,000	9,000,000
ACCRUED BANK INTEREST @ 4% (only after 12 and 24 months) - Payable only at sale		509,087	775,938	1,285,025
CAPITAL EXPENDITURE, TENANT INSTALLATION COST and LEASING COMMISSIONS		4,482,788		4,482,788
MULTIFAMILY COST FOR 231 UNITS			18,800,848	18,800,848
SOFT COSTS - MULTIFAMILY			980,000	980,000
WORKING CAPITAL			1,050,000	1,050,000
CAPITALIZED ANNUAL ADMIN COSTS		120,000	-	120,000
CLOSING COSTS		554,500	399,000	953,500
BRIDGING COSTS EXCLUDED (ANTICIPATED \$250k)				
TOTAL INVESTMENT	-	9,666,375	27,005,786	39,672,161

EQUITY PARAMETERS		
ACQUISITION FUNDING - BANK CONTRIBUTION - BUILDINGS + LAND VALUE (\$40 per square)	300,000 Square feet	12,000,000
EQUITY CONTRIBUTION (Excluding bridging cost +-\$250k)		6,096,608

PROJECT PARAMETERS				
PROCEEDS FROM SALE OF 3 PARCELS (After repayment of multifamily costs)				47,961,189
WATERFALL 1				
Step 1 Pay Bank	Upfront payment (\$500K+\$2,5m)		\$10 per/sq	3,000,000
Step 2 Pay Bank	Upon sale of 1st buildings + accrued int @ 4%		\$15 per/sq	4,600,000
Step 3 Pay Investors	100% of Capital invested			6,096,608
Step 4 Pay Investors	50% Profit			3,048,304
Step 5 Pay Bank	5,0m+accrued int @4% - Upon 2nd building sale+land		\$15 per/sq	5,685,025
Step 6 Disposal Fee	Paid to GP upon successful sale			3,304,458
WATERFALL 2				
	Equity investors (Bank + other investors)	50% of profits	22,226,794	11,113,397
	New investors profit split	27.5% of above profit		3,056,184

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FINANCIAL SUMMARY CONT.

INVESTOR RETURN FORECAST

ROI Per Annum	
Total returns to new investors	6,104,488
Over 4 years	25%
Over 5 years	20%

PROJECT HOLDING PERIOD

INVESTMENT HOLDING PERIOD (YEARS)	5
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BANK PARTNER RETURNS

MOB/Office building - \$4,000,000 upon sale + accrued interest after 12 months @ 4% plus '25% profit share in Waterfall 2 after investor capital repaid'	4,000,000
Multifamily building - \$4,000,000 upon sale + accrued interest after 24 months @ 4% plus '25% profit share in Waterfall 2 after investor capital repaid'	4,000,000
Development land parcel (+4 acres) - \$1,000,000 upon sale + accrued interest after 24 months @ 4% plus '25% profit share in Waterfall 2 as above'	1,000,000

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