

San Antonio “Star State Storage” Investment Summary

Key Facts

Self-Storage Development consisting of 750 Units across 119,000 rentable sq ft
Located in “A” class area of San Antonio, Texas

Property Financials

• Acquisition

Purchase Price -- \$1,850,000

Capital Improvements -- \$8,700,200

Closing Fees & Carrying Costs -- \$589,800

All in Cost -- \$11,140,000

• Stabilized Targets

Net Operating Income -- \$1,109,916

Cap Rate at Basis – 5.50%

Stabilized Value -- \$17,440,000

Equity Created -- \$6,300,000

New Loan Amount -- \$12,210,000

Refi Loan Proceeds -- \$ 642,000 (Investor split at 65% of total)

Annual Cash Flow -- \$259,543 est.

Portfolio Investment

Price Per Share: \$100,000

Shares Available: 30

Term: 36 Months

Exit Strategy:

Refinance within 24-36 months to pay back investors & disburse refi proceeds.

Hold for 10+ years for cash flow & to build long-term wealth.

*Dollar Values are used as approximations and are not guaranteed.

Return on Investment.

Four Types of Compensation. Each unit of \$100,000 is projected to yield the following (Note: If an investor brings \$350,000, they would receive 3.5 units, and can multiply the amounts below by 3.5x):

Fixed Preferred Annual Return: 10%

This is paid while investor's money is invested. For each share owned, the investor will earn \$10,000 per year.

Perpetuity: 1%

Targeted Refinance Proceeds: \$21,400

At refinance, the investors will receive 2% of net refi proceeds for every share purchased. Estimated to be \$642,000/30 shares. All investment principal is projected to be returned **PLUS** this amount.

These are non-taxable proceeds.

Targeted Equity Value After Refinance: \$52,300

The investor's equity percentage in the property will be 1% of the current equity available. Initially set to be 1% of \$5,230,000.

Taxed at long-term capital gains when the property sells. If an investor would like to cash out their equity prior to the time of sale, they are welcome to sell their equity at any time. Other members of the partnership may purchase the equity but are not required to do so.

Targeted Cash Flow:

Approximately \$2,595 per year (1% NOI)

These are distributions are projected to be made to the investor annually as a percentage of retained earnings for the year. The investors will receive 1% of net operating income.

This creates an infinite return, as the investor no longer has money invested in the project.

Taxed at earned income rates and offset significantly by depreciation.

Total Potential Return

Pref \$25,000

Refi \$21,400

Equity \$52,300

Total \$98,700

* Plus approx. \$2,595 of Annual Cash Flow for as long as we own the property.

30 Month Annualized Return 18.5% while principal invested

*Residual ownership & cashflow not included.

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