Victory Hills, a Daru Llc. Development, is a mixed use development attempting to bring city lifestyle to San Antonio. Victory Hills instills the importance of a symbiotic relationship between retail and residential units in its inception. The core values of the project are that residents can both work and be entertained within extremely close proximity to their residence. Our goal is to eliminate the need for residents to have to drive anywhere; a self sustaining community in and of itself.

Victory Hills is located on a 28.2 acre lot on I10 directly Barrett Jaguar with Pecan Springs Rd. running directly through the projected lot. We will be offering 95,000 sqft. Of retail space with 500,000 sqft of residential space. Our residential units will be comprised 50% of single bedroom units, 35% of two bedroom units and 15% of three bedroom units. Garages will be offered in our second phase, which will be separated from the mixed use portion of the development. Pecan Springs Rd. will serve as a market street for our retail tenants and bring a vibrant and energetic feel to the entire development. Drake Commercial has designated the lot directly to the East of our site as a permanent park which we feel will be a major selling advantage for our tenants.

Retail tenants will be selected with very specific criteria. Our goal is not to compete directly with the Eilan, La Cantera, or The Rim as our product will be unique and different although their traffic will be benefit our stores. While we will have clothing stores and restaurants their first function is to serve the community within Victory Hills and then to draw in outside business. Bringing in outside business in a necessity but it is important for our retail to understand that they are part of something more than just a shopping mall. We will offer NNN leases with expenses running approximately $6 per square foot and begin tenant improvements at $25 per foot. Our target retail rent is between $23 and $24 which we believe is competitive and will allow us to fill all of our space.

Residential tenants will be given the choice of two very different phases of apartments depending on their lifestyles. 66% of our space will be available in our first, mixed use phase. This will allow tenants to pass their favorite shops and restaurants every day and possibly even their places of work. Phase 2 will contain the other third of our available space but will be approximately a quarter of a mile from the main mixed use area allowing for more privacy. These town homes will included garaged units with two entrance gates to limit access from the general public. Rents are expected to be within $1.20 - $1.25 per foot per month. Discounts will be given to business owners and employees of the retail section if they should choose to live in Victory Hills apartments. Our units will contain all the amenities of A apartments such as included washer and drier, granite counter tops, crown molding, two pools, garaged units and covered parking.

Victory Hills will prelease its apartments and offer the incentive of six interior finish out plans for its tenants if they are willing to commit to our project before its completion. Tenants will be able to choose packages that include tile, bamboo, or carpet flooring, the color of counter tops, appliances, cabinets, and several other items bundled into packages. We have preleased 70% of our retail space and have additional tenants to target should one of our prospects break their lease agreement. Parking will be both surface and structured and free golf cart taxis will be available to all residents and all visitors of the development.

Our best estimates have projected a price tag of approximately 74 million dollars of which we must raise 18 in equity. The income stream generated after stabilization along with the final sale of the project should generate a return of 24% on equity dollars while maintaining an average debt coverage through the life of the project of almost 2. Our proforma reflects worst-case scenario assumptions and we feel that these numbers produce a very conservative view of the potential value of this project.