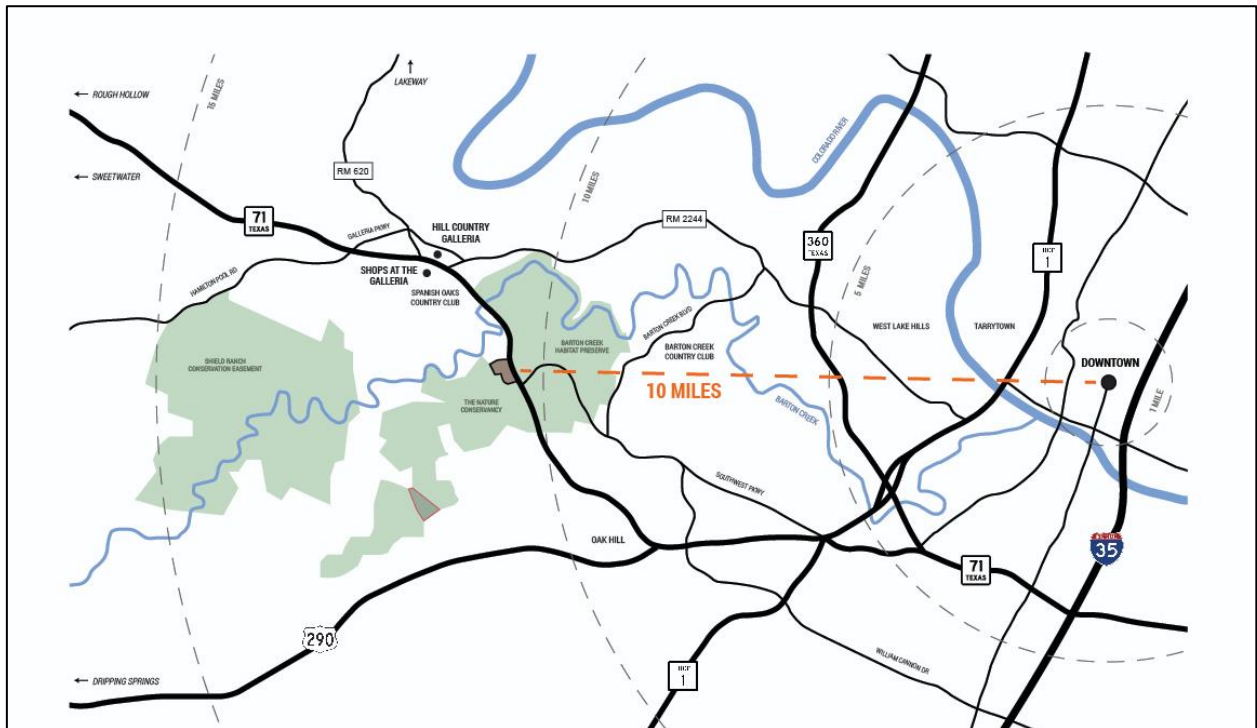
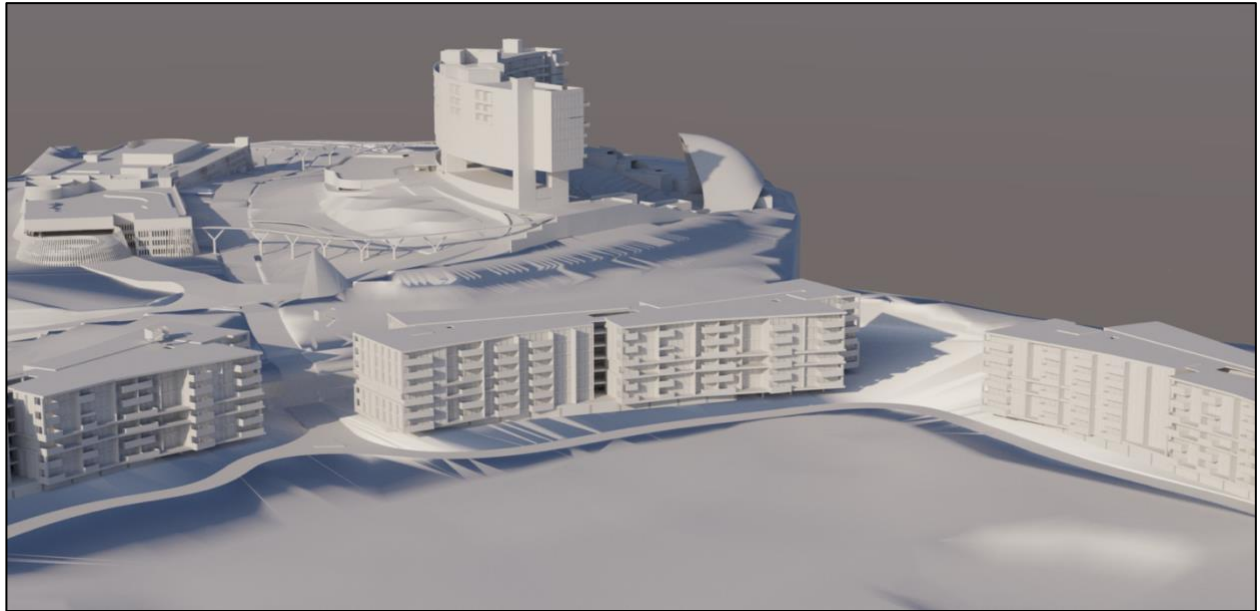




**WHITE ROCKS
UMUSIC HOTEL AND PRIVATE RESIDENCES
AUSTIN TEXAS**





**WHITE ROCKS
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Program

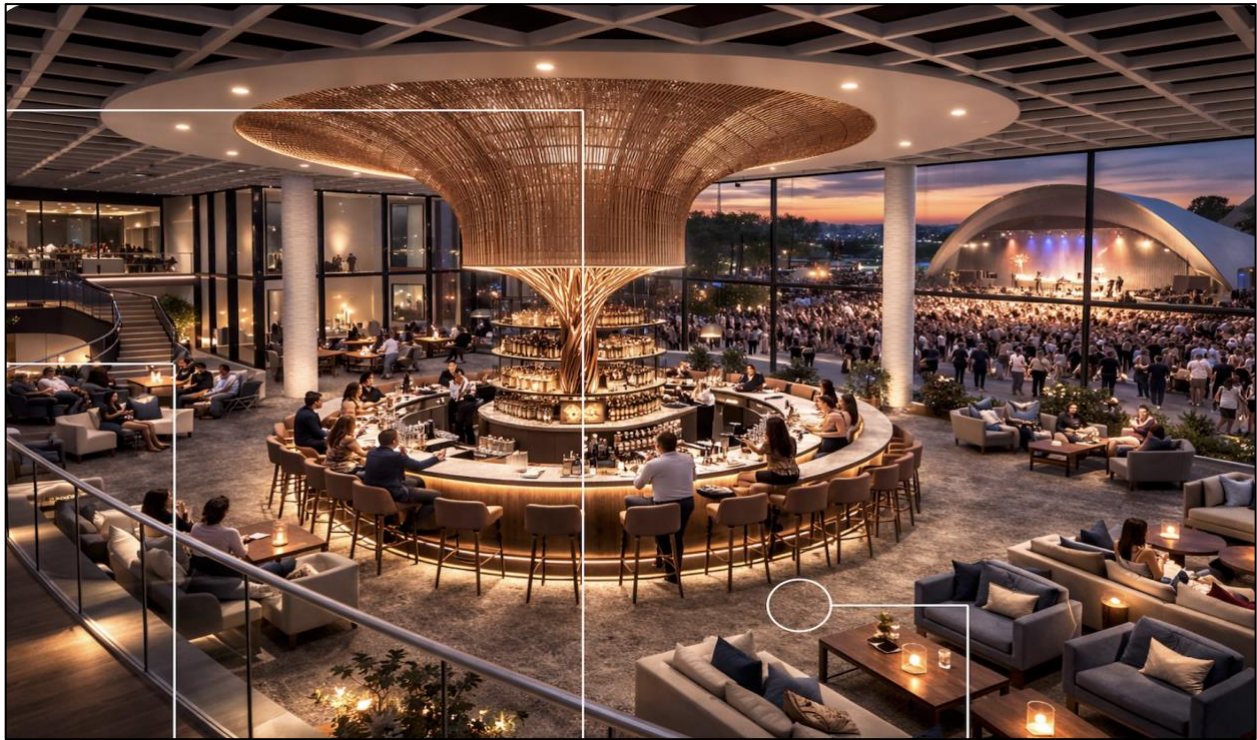
The project ([modeling](#)) contains the following principal elements,

- **UMusic 5-Star Hotel:** 150 keys with below grade parking
- **Private Residences in the Hotel:** 50 units with below grade parking
- **Condominiums at the Base of the Hotel:** 550 units with below grade parking (Preserve I, II & III)
- **White Rocks Amphitheater:** 10,000-person capacity
- **UBeach Club:** 1,000-person capacity pool and beach club
- **Structured Parking Garage:** 2,200 spaces

The hotel interior includes an upper (east) and lower/main (west) lobbies, 360 center bar, a private members club, two restaurants, an interior 1,500p performance venue, a 400p comedy room, ballroom, meeting rooms, and a large two-level spa and fitness center. We are currently in discussions with [Medici](#) regarding an executive wellness center and with UMG regarding a [UMG retail store](#).



There will be a rooftop pool served by a smaller restaurant with the pool divided between a private section for residents and a section for hotel guests; as well as a [UBeach Beach and Pool Club](#) managed by [UBCL](#). The Residences and Condominiums are located above the hotel floors have their own private parking below the hotel. The hotel common areas, and venues will be parked in spaces below the hotel and in a large pay-to-park garage.





Development, Design and Construction Team Updates

- **Developer:** [International Development Management](#) (Austin)
- **Hotel and Venue Management:** [UMusic Hospitality and Lifestyle](#) (Miami)
- **Beach Club and Night Club Management:** [UMusic Beach Clubs & Lifestyle](#) (Miami)
- **Project Manager:** [Metropolitan](#) (Austin)
- **Architect Concept:** [Rafael Vinoly Architects](#) (New York)
- **Architect of Record:** [Pappageorge Haymes Partners](#) (Chicago)
- **Civil Engineering:** [Westwood](#) (Dallas/Austin)
- **Structural Engineering:** [Thornton Tomasetti](#) (New York)
- **MEP Engineering and Physical Plant:** [Salas O'Brien](#) (Chicago)
- **Landscape Architecture:** [Planned Environments](#) (Austin)
- **Surveying:** [4Ward](#) (Austin)
- **Land Use and Contract Legal:** [Winstead](#) (Austin/Dallas)
- **Title:** [Heritage Title Company](#) (Austin)
- **Political Lobbying:** [Mercury Public Affairs](#) (Austin)
- **Condominium Sales (House):** [International Development Management](#) (Austin)
- **Construction Financing Arranger:** [Berkadia](#) (Chevy Chase)

Hotel and Venue Management Updates

The hospitality affiliate of Universal Music Group has been signed as the manager of the hotel and venue on a 20-year contract ([TSA/HMA](#)). We had a choice of numerous brands offered by competing hotel companies but chose Universal because they are well run, growing, focused on entertainment (as is this development), own a large catalog of existing IP and are generating more continuously. These websites and deck give an in depth look at brand positioning and attributes.

- [Universal Music Group \(public parent website\)](#)
- [UMusic Hotels and Lifestyle \(hospitality website\)](#)
- [UMusic Hotels and Lifestyle \(short marketing deck\)](#)

Prior updates provided detailed discussions related to the operator selection criteria and decision, market drivers behind the decision on the maximum number of hotel keys for this property, the number of residential units versus hotel keys, and the number and configuration of branded/serviced units versus total units. The Residences (residential units in the hotel building) will be branded and serviced by the UMusic. If furnished and maintained to a hotel spec these units can be placed into the hotel key pool to be sold as hotel rooms with revenue sharing.

UMG has the power to drive tremendous activity at the property. Universal's entry into the hospitality management business is a big deal and White Rocks is the launch property in the United States. UMG is the world's largest music company with a \$50 billion market cap and \$1 billion in turnover every 30-days. Their first property to open in Madrid was rated in the top 10% of hotels globally by [Conde Nast](#). People love the experience. White Rocks is as well the first to sell residential condominiums branded and managed under the UMusic name. The primary firms involved in the creative and communications strategy are,

- **Communications-Publicist:** [The Lede Company](#) (Los Angeles / New York) – Hollywood A List firm
- **Web/App Creative:** [Park & Battery](#) (San Francisco / New York) – Hollywood A List firm
- **Web/App Creative:** [Known](#) (Los Angeles / New York) – Hollywood A List firm
- **Social media (Creative):** [Pixie](#) (Los Angeles)
- **Social media (Ad Buying):** [SkyDiamond](#) (Los Angeles)
- **Digital Media and Backend:** [Splashmetrics](#) and [Watershed5](#) (Austin)

Hotel Room Night and F&B Demand Generation Residential Marketing and Sales

The marketing strategy is sophisticated. The website will come first and then evolve into an app. The website is gamified with users selecting an avatar that most represents their persona (gives us a lot of information right out of the box) after which they interact with an AI which will be inference trained on all things White Rocks.

Initially the focus is on selling residential real estate. The site will guide the user through the purchase journey. The information generated will be used to populate in real time a funnel on the backend using HubSpot as the CRM. If a buyer falls out of the journey at any point their information is pushed back to the top of the funnel where they'll be contacted to restart. This process repeats until they buy or die.

Using artwork combined with AI the website will express the optimistic, aspirational, and futurist ethos of the project. Park & Battery have selected NFT artist [Mad Dog Jones](#) to provide the base aesthetic for the site. MDJ is a recognized new media artist, bringing notoriety by associating with the project in addition to the art. He is the most expensive living Canadian artist with works sold at Christie's and Sotheby's in the range of \$5m. He's young but not too young and we believe will resonate well with Austin buyers and the project ethos. MDJ is also commercial, having successfully completed marketing campaigns for Formula One, Mercedes, and other large corporates including European record labels. He's willing to bend his creativity towards the objectives of the client. He will produce the overall aesthetic and 20 specific pieces for the website. We're also considering 600 unique NFTs, one for each of the condo buyers.

The site will use a combination of traditional marketing (images of the buildings, units, unit plans, equipment packages) in combination with aspirational images of what life will be like living in the finished project. Unlike traditional hotel operators which have only passive demand gen (static collateral and rewards programs) Universal will be hosting artist meet and greets, album launches, shows in both venues, retail-based events and similar activities on a non-stop basis. UMG spends one billion dollars per month running their business, much of it on artist promotion, all of which benefits us in terms of room nights sold, F&B sales, and related income streams.

Buying a residence at the UMusic Hotel & Privates Residences Austin – White Rocks, is not just purchasing a home, it's a lifestyle and an investment property. Unlike other residential sales and branding exercises which allude to a lifestyle, White Rocks will without a doubt become the actual center of much of the social life in Austin.

The objective of the website and other collateral material is to capture and express this this lifestyle to buyers. At full built-out the website will handle document and budget delivery to buyers, and payments from buyers into the title company via an API. To the extent technically possible, the intent is to allow the buyer to close their purchase through their phone or computer, without the need to visit a broker or title company – to remove all friction from the sale.

By the time the hotel and venues open, the website will have transitioned into a app. The app will be an AI which will do all things for residents, and many things for hotel guests. From booking reservations and shows, unlocking the front door, turning on the A/C, to automatically paying HOA and utility dues, it will be all-doing (and all-seeing and remembering) eventually able to suggest what services the resident or guest needs, book and to pay for it. Importantly, as a resident the app will allow residents to be informed of and participate in upcoming events at White Rocks on an exclusive basis; things which won't initially be known or available to the public.

The app will also be an integrated wallet for managing Rocks, the White Rocks issued crypto currency which will be gifted to all unit buyers, hotel guests, and concert goers. Per prior update discussions, Rocks is our inhouse rewards program and will take the form of crypto rather than just points in the app. This way it cannot be devalued by the creator and will be freely tradable by the holder.

With respect to social media, which is growing in importance as a marketing channel for larger purchases, we are in discussions with Pixie concerning production of a Vertical. This series of micro-dramas would reflect life at the

completed project. The format consists of something on the order of 50 2-minute segments which together constitute what would have otherwise been a movie or series, delivered serially over multiple social media channels concurrently.

These new format micro-dramas are produced quickly with minimal post-production cost and designed for digital-first delivery. Consequently, the viewer can click on the screen and immediately open a website or shopping bag to purchase an item. This direct purchasing can't happen with residential real estate requiring a title company intermediary, nonetheless, these serialized dramas (think GE sponsoring a full show before commercials were invented) are attracting viewership from our target demographic. The objective here is a more sophisticated take a lead generation from social media than simple ad buying; in a sentence, resulting in inbound calls to the sales team which ultimately result in closed sales. Here is a recent [Vertical](#) article regarding Pixie, Dentsu, P&G and Native Brands. Pixie can form the narrative, write the script, cast, film, complete post-production and push out on social media all within six weeks, and do it on a limited budget.

Public Launch Event Residential Reservations Kickoff

The Public Launch and kickoff of the Residential Reservations program will occur on April 23rd. Existing LOI holders who intend to move forward with unit reservations will need to convert from LOI to Reservations in early April. Here are current representative schematic design sets for the [Residences](#) (in the hotel) and the [Preserve I](#) (base of hotel). Both are in the first phase of the project. Final plans will be made available privately prior to the public launch. The launch event will be held from 11am-1pm on April 23rd in the Mirabeau Ballroom at the Austin Proper Hotel and will feature speakers from UMG, UMHL, UBCL, PHP, and P&B as well as a surprise artist performance. Expected attendance is around 200 and will include investors, lenders, condominium unit purchasers, property brokers, as well as the music and hospitality press.



A save-the-date email will go out next week, followed by an RSVP invite. The invite will include a Pixie produced trailer titled Austin Still Playing which you can preview here ([Trailer](#)) The password is "austin" all lowercase.

White Rocks is one of the title sponsors of the [MJ&M](#) (Mack Brown, Jack Ingram, and Matthew McConaughey) event that same evening. The MJ&M event has become one of the top events of its kind in the country attracting many wealthy donors and Hollywood celebrities. We have a limited inventory of events and seats set aside for our VIPs. These will be allocated to major investors, prospective mezz and senior construction lenders, and residential power brokers.

Wednesday, April 22nd

6-7pm Private Meet & Greet with McConaughey

Thursday, April 23rd

8a-12p Private Golf Outing, 4p (UT Golf Club)
11a-1p **UMusic Hotel Launch Event, 200p (Proper)**
6-7p MJ&M Red Carpet, 4p (ACL Moody Theater)
7-9p MJ&M Gala 10p (table), 10p (mezz) (ACL Theater)
9-11p Jellyroll Concert 10p (table), 10p (mezz) (ACL Theater)
11p-2am **UMusic Hotel Private After Party, 20p (Goldie's in Proper)**

Friday, April 24th

8a-4p MJ&M Golf at Barton Creek Fazio, 4p (Barton Creek) - Men
11a-2p MJ&M Fashion Show, 2p (Long Center) - Women
6-10p Jack & Friends Concert, 20p suite (ACL Theater)
10p-2a Jack & Friends Private After Party, 20p (W Hotel)



Residential Sales Pricing

During the letter of intent stage, a third of the units available in the first phase were committed within the first 45 minutes at which point we stopped taking LOIs. We will convert these to Reservations in April followed by the admission of new reservations. We will convert the reservations into binding contracts in the third quarter.

- Pricing for the Residences will average **\$1,350** per salable square foot.
- Pricing for the Condominiums will average **\$850** per salable square foot.

Anticipated Buyer Profiles

The following are outline expectations for residential condominium purchasers at White Rocks.

1. **Older Business Owners and Executives (45-65yo).** 35% of sales, 50/50 resident vs investment, less likely finance their purchase. Lots of these in the Texas market. We will draw heavily from the Dallas and Houston which are the number 3 and 4 metros in the US (by far).
2. **Younger Technology and Music Focused (30-45yo).** 15% of sales, primarily resident not investment, more likely to finance their purchase. There are a lot of successful younger technology employees or founders in this market who would now prefer to live here versus downtown because it's exclusive, clean, managed, and yet there's still plenty of action.
3. **Austin-based Homeowners (30-45yo).** 35% of sales, primarily resident not investment, more likely finance their purchase. These are people who currently live in Austin, would otherwise be buyers in the downtown condo market, and want more room and/or maybe have had their first child, or don't need to or want to deal with downtown anymore. It's important not to confuse this group established families seeking a house and yard.
4. **Internationally Derived from Universal Channels (35-65yo).** 15% of sales, more likely to be investor buyers with cash, and a wide-ranging demographic.

Use of Site Topography

We have maximized effective use of the significant [topography](#) on the site in final building placement. For the hotel portion, visitors parking in the garage will access the venue along the west side of the hotel from around the north and south ends (not through the hotel lobbies) via ramps coming directly off the top of the parking garage. This also serves to grade separate pedestrian flows from the vehicular traffic movements. The garage will be fully clad in a porous Corten steel wrap.

The top floor will be an amenity deck, essentially an outdoor extension of the health and wellness center. It will also include the UBeach Club with a capacity of 1,000p. This positions the beach club well to host pre- and post-concerts events. The garage is set low on the site such that a guest standing in the hotel east lobby will be looking over the top of the garage at the city skyline, not into the garage (the top of the garage, hotel lobby, and top of the bowl are on the same plane, visually unifying all activities for the visitor. The garage and its cladding will serve as a substantial sound break blocking highway noise from entering the site. All hotel servicing occurs at the south end of the building through a vehicle service tunnel beneath the main pedestrian routes, minimizing visual impact.

The Preserve I, II and III at the base of the hotel have been separated into three distinct buildings to ease phasing and maximize views, light and air for all units. The buildings we pulled to one side of their respective parking platforms to maximize pool and amenity deck spaces, the interior common corridors were enclosed, and one end of each building was wrapped in a hammerhead to increase the number of end and corner units. All three buildings are set into the topography and limited in height so that when standing in either the east or west hotel lobbies the view to the north remains unobstructed. Exterior surface roads have been minimized.

Macroeconomics

It's interesting to note that the Texas triangle (DFW-HOU-SAT-AUS-DFW) has seen more than one trillion dollars in GDP growth in the past 10 years. Over the ensuing 10 years this area is expected to account for 1/3 of ALL US GDP growth, which is astonishing. Texas GDP is now \$2.4 trillion annually, making it the world's 5th largest economy, larger than both Canada and Russia. Interest rates are declining. Construction cost inputs have moderating.

Project Proforma

The project financial [proforma](#) is here. Total project cost over all phases is approximately \$1.15B. Total property sales including residential condominiums, hotel, amphitheater and parking garage is approximately \$1.5B. The hotel, venues and garage generate substantial free cash flow. The objective is to repay all equity and most debt through residential sales and retain the hotel, venues and garage on a long term basis for their cash flow.

Economic Impact of Venues

The project is home to two venues, the 10,000p outdoor amphitheater, and the 1,500p capacity internal venue. From an economic modeling perspective these are bars, as is the comedy club.

White Rocks Amphitheater

Same scale and aesthetic objective as Red Rocks, formality of Hollywood Bowl. Austin has the highest per capita spend on live music entertainment of any city in the country. The White Rocks Amphitheater is the same size and capacity as Red Rocks and will seat an average two shows per week. From the property owner's perspective, the venue is an F&B line item on the hotel pro forma (a bar) with approximately 50 pouring stations, open three nights per week, for 4-6 hours. Red Rocks generates approximately \$24 million per year gross and while beautiful is an hour's drive from Denver (in the Front Range) and has a short season due to climate. Keeping in mind that we are property owners, not concert promoters we assume the only venue income is alcohol sales from ticketed shows. There are numerous income streams, but this is all we need to demonstrate outstanding venue economics.

We can reasonably achieve 125 ticketed shows while still doing significant corporate group, speaker series, religious, and athletic events. No revenue estimates have been included for suite sales, PSLs, or naming rights which can also be material. The national average per cap at similar venues in the US is now \$50 (much higher now in reality). Assumptions related to the margins, number of pour stations, times to pour, total time open, and VIP vs GA are also reasonable. At 50 ticketed shows per year the venue generates \$16 million per year in free cash flow, at 100 it's more than \$32 million per year. The [Venue EIA and Comp Analysis](#) indicates a multi-billion-dollar positive economic impact on the surrounding community.

Interior Venue

The interior venue is a high ceiling, flat floor facility just off the 360 Center Bar on the main level. It will have a capacity minimum of 1,500p. It is separate and distinct from the formal ballroom and the comedy room, both of which are on the level below. There are many revenue streams for this space, and it's expected to have a high utilization rate. Assuming average attendance of 1,000p, limited F&B sales of \$20/p, open twice per week on average, this space alone contributes an additional \$2m in gross revenue.

Phase Definitions

- Phase I UMusic Hotel & Private Residences, Amphitheater, Parking Garage, Preserve Building I
- Phase II Preserve Building II
- Phase III Preserve Building III

Project Going Forward Timeline

- 2Q26 TCEQ TLAP
- 3Q26 Travis County SDP
- 3Q26 Commencement of Construction
- 2Q28 Delivery of Phase 1
- 2Q29 Delivery of Phase 2
- 2Q30 Delivery of Phase 3

Philanthropic Giving

White Rocks has built philanthropic giving directly into its business from the outset (values-aligned giving). Because the project sits outside the Austin city limits it has a much lower overall tax burden. We have used this opportunity to self-impose a private \$10/ticket assessment on ticketed events. Subject to venue utilization this has the potential to generate upwards of \$10 million or more per year in charitable proceeds.

This endowment will be distributed to beneficiary 501(c)3 organizations in the community (directly, electronically, without offset or mediation loss). Beneficiaries are grouped as environment, artist health, public welfare, public safety, public media, humanities (performing arts), and the White Rocks Foundation for the Arts which is intended to support the local ecosystem for emerging artists. Given the size and expected utilization of the amphitheater this should make White Rocks one of the larger stable annual donors to all these organizations.

The venue will also be offered as the summer home for the Austin Symphony Orchestra, Austin Opera, Ballet Austin, and Zachary Scott (theatrical), and will also be available for religious services on Sunday mornings and athletic events (yoga and similar) when not otherwise in use.

ORGANIZATION	URL	SURCHARGE PER TKT	TKD SHOWS	TKD SHOWS
			PER YEAR 50 Initial	PER YEAR 100 Stabilized
Environment				
Hill Country Conservancy	www.hillcountryconservancy.org	\$0.50	\$250,000	\$500,000
Artist Health				
HAAM (Physical Health)	myhaam.org	\$0.50	\$250,000	\$500,000
SIMS (Mental Health)	simsfoundation.org	\$0.50	\$250,000	\$500,000
Public Welfare				
SAFE	www.safeaustin.org	\$0.50	\$250,000	\$500,000
CASA	www.casatrasavis.org	\$0.50	\$250,000	\$500,000
Public Safety				
100 Club of Central Texas	www.the100clubcentex.org	\$0.50	\$250,000	\$500,000
National Fallen Fire Fighters Assoc.	www.firehero.org	\$0.50	\$250,000	\$500,000
Public Media				
KLRU Public Television	www.klr.org	\$0.50	\$250,000	\$500,000
KUT Public Radio	www.kut.org	\$0.50	\$250,000	\$500,000
Texas Tribune	www.texastribune.org	\$0.50	\$250,000	\$500,000
Humanities				
Austin Symphony Orchestra	www.austinsymphony.org	\$0.50	\$250,000	\$500,000
Austin Opera	www.austinopera.org	\$0.50	\$250,000	\$500,000
Ballet Austin	www.balletaustin.org	\$0.50	\$250,000	\$500,000
Zachary Scott Theater	www.zachtheatre.org	\$0.50	\$250,000	\$500,000
Austin Film Society	https://www.austinfilm.org	\$0.50	\$250,000	\$500,000
Sonic Guild	https://sonicguild.org	\$0.50	\$250,000	\$500,000
White Rocks Foundation for the Arts				
WRFA		\$2.00	\$1,000,000	\$2,000,000
		\$10.00	\$5,000,000	\$10,000,000

Permitting

We successfully removed the site from the City of Austin's ETJ. It is in no other special districts. The project is very uniquely in an island of Travis County and cannot be annexed by any municipality. The single permit required for construction is the site development permit. Removing the site from the city's ETJ also resulted in an increase in impervious coverage 100%. Counties in Texas do not have land use controls. Consequently, collectively, there are now no limitations on impervious coverage, types of uses, building heights, building floor plate sizes, hours of operation, architectural styles, materials, percentage of glazing, or any similar constraints (all of which are significant constraints in the surrounding cities).

Utilities

All utilities have been pulled to the site and distributed with the exception wastewater. Wastewater will be handled through an onsite treatment plant with the effluent used for landscape irrigation. Power and water are provided by Austin Energy and Austin Water respectively; Natural gas is provided by Texas Gas. Telephone, cable and internet are provided by AT&T, Spectrum, and Google Fiber. Approximately \$8 million has been spent on these on/off site improvements to date. Importantly, removing the site from the Austin ETJ does not affect the provision of potable water service by Austin Water as we remain in their CCN.

Using TCEQ's allowances per the current program we have residential service demand equating to 1,157 people generating 86,775 gallons per day of wastewater, plus hotel keys and associated resort demand equating to a further 1,063 people, generating 32,730 gallons per day of wastewater. This totals 119,505 gallons per day of wastewater (treated effluent) which requires 27.43 acres of effluent irrigation area. We have 37 acres of land available net of buildings and roads. The wastewater treatment plant is an MBR bioreactor rated at 150,000 gallons per day.

In the current design 70% of the site remains green. There will be no vehicular access to the natural areas. The wastewater plant will treat all water back to a potable standard and used for onsite landscape irrigation. No water will be returned to the municipal wastewater system. This is in line with Austin's objectives to have all large projects implement water re-use plans. Although we are not in the city of Austin, White Rocks is the only large-scale private sector project in the region to meet the city's 100% water reuse goals. TCEQ issued the preliminary TLAP permit on 12/17/24 which was followed by a sparsely attended public meeting last April. TCEQ may (or may not) require a second public hearing. The final permit is expected in mid-2026.

Physical Plant

The project is large enough to be served by a common physical plant. The plant and cooling towers will be on the east side of the garage consequently not visible from anywhere on the property. The plant will incorporate electrical power production using natural gas fed turbines, hot and chilled water production for domestic use, heating and cooling using waste heat from the turbines, a full wastewater treatment plant, and telecommunications infrastructure. The plant is expected to be award-winning from an environmental perspective as a highly efficient closed loop system with 100% wastewater and waste heat re-use. Importantly, the plant removes all mechanical infrastructure from the site and roofs eliminating noise and vibration, substantially improving aesthetics. [Thermal Profile and Dispatch Scenarios](#).

**TOO MANY IMPORTANT VENUES HAVE BEEN LOST
THE CITY'S CULTURAL HERITAGE IS AT RISK**

**SAVING AUSTIN'S LIVE MUSIC CULTURE STARTS WITH US
THE INTEGRATION OF VENUES AND PHILANTHROPIC GIVING WHICH SUPPORTS ARTISTS WITHIN DEVELOPMENT
IS A WAY FORWARD**