



CREEKSTONE

"A Full Service Approach To 1031 Exchange."

Investment.
Development.
Management.

THE PRESERVE AT COLONY LAKES

The Preserve at Colony Lakes is a 420 unit class A apartment community located in Stafford, Texas. The property, comprised of 17 three story buildings and a free standing clubhouse, was built by Fairfield Residential LLC in 2004. Stafford, Texas (directly adjacent to Sugar Land) is located in the Fort Bend submarket and is a suburb of Houston, located within 20 miles of the Central Business District, the Galleria and the Medical Center--the three most prominent employment areas in Houston. Considering the current barriers to entry into the market coupled with the strong economic indicators for the Houston area, we believe the property to be well positioned for stable, continuous growth.



PROPERTY OVERVIEW

Property Address:	1000 Farrah Lane Stafford, TX 77477
Property Type:	Class A Apartment Community
Year Built :	2004
Size/ Units::	385,548 sq. ft. / 420 units
Site Area:	20.81 acre site
Percent Leased:	92%

PROPERTY AMENITIES

- Gated Entry
- Two Resort Style Swimming Pools, Including Heated Spa and Fountains
- Detached Garages
- Covered Parking
- 9ft. Ceilings
- 24hr Athletic Club
- Executive Business Center
- Barbecue Grill
- Full Size Washer and Dryer Included
- Vaulted Ceilings



INVESTMENT OVERVIEW

Offering Type:	DST / Master Lease
Offerind Size:	\$17,400,000
Minimum Purchase:	2.8448% Interest - \$1,246,027 (\$495,000 cash, approx. \$751,027 assumed debt)
	*No Closing Cost

LOAN INFORMATION

Lender:	PNC Bank
Loan Amount:	\$26,400,000
Loaded Loan to Value:	60.27%
Rate:	6.14% Fixed
Terms:	10 year term 30 year amortization 5 years interest only

FINANCIAL SUMMARY

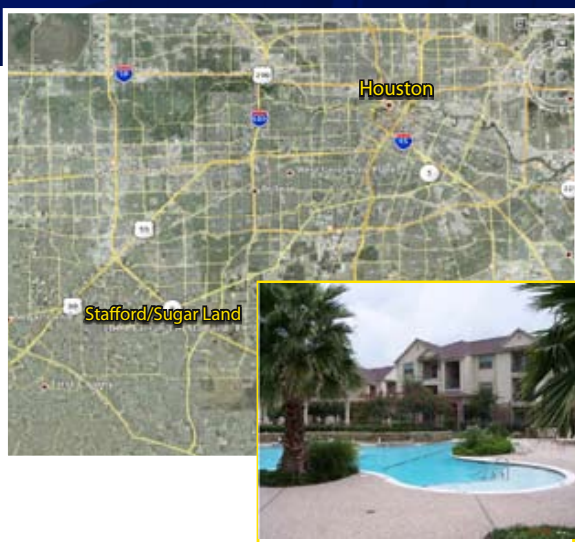
Investor's Price:	\$43,800,000
Purchase Date:	July 2006
Investor's Price Per Sq. Ft.:	\$113.60*

* Exclusive of escrows and reserves

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MARKET OVERVIEW



The Preserve at Colony Lakes is located on the border of Stafford and Sugar Land, in Fort Bend County, Texas, approximately 20 miles southwest of Houston. The surrounding area of Sugar Land, due to economic development initiatives, is one of the fastest growing cities in Texas (over 158% growth in the past decade) and is consistently selected as one of the nation's top communities to live and work (ranked 3rd in top 100 places to live in the U.S.) Fort Bend County is the 20th fastest growing county in the nation with over 39% growth since 2000. The overall Houston economy has experienced tremendous growth (69,500 jobs created since mid-2006) ranking it as the fifth hottest job market in the U.S. Although growth has moderated in the past few months, the Houston area is projected to continue at a steady pace, well above the national average.

INVESTOR PROJECTIONS - \$495,000 (2.845% INTEREST) BASE CASE PROJECTIONS BASED ON 83% ECONOMIC OCCUPANCY

Year	Capital Contribution ⁽¹⁾	Sale Proceeds ⁽³⁾	Ending Net Equity	Cash Flow Distribution	Cash Flow as a % of Equity	Principal Reduction % of Capital ⁽⁴⁾	Cash Flow as a % of Equity (Inc. Mtg. Prin. Reductions)	Operating Results Comparison	
								2007 ⁽⁵⁾	2008 ⁽⁶⁾
1	\$ (495,000)		\$ (495,000)	\$34,632	7.00%	0.00%	7.00%		
2			\$ (495,000)	\$34,901	7.05%	0.00%	7.05%		
3			\$ (495,000)	\$34,943	7.06%	0.00%	7.06%		
4			\$ (495,000)	\$34,824	7.04%	0.54%	7.58%	Revenue	\$3,972,807
5			\$ (495,000)	\$30,731	6.21%	1.69%	7.90%	Expenses	\$1,771,875
6			\$ (495,000)	\$33,853	6.84%	1.83%	8.67%	NOI	\$2,200,932
7			\$ (495,000)	\$37,103	7.50%	1.94%	9.44%		\$4,128,123
8			\$ (495,000)	\$40,473	8.18%	2.01%	10.24%		\$1,721,776
9			\$ (495,000)	\$43,968	8.88%	2.15%	10.32%		\$2,406,347
10									
Sale	\$ (495,000)	\$356,142	0		71.95%		81.45%		
		\$356,142		\$681,570		10.22%			

Annual Pre-Tax Internal Rate of Return (IRR) ⁽²⁾ **12.65%**

7.30%

Projected Average Cash Flow

8.36%

Projected Average Yield with Principal Reduction

(1) Assumes capital contribution at the beginning of Year 1.

(2) IRR assumes cash distributions are received monthly.

(3) Assumes a sale using an 6.75% capitalization rate.

(4) Year 9 Returns have been annualized. Sale is anticipated by August 2016.

(5) Operating Exp. includes a \$50,000 one-time charge due to change in management company.

(6) Management fee reduced from 4% in 2007 to 3% for 2008 and subsequent years.

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