



THE GLEN AT ALEXANDER

1040 Alexander Drive | Augusta, GA | 30909

THE PROPERTY

- The Glen at Alexander is a 216 unit Class A multifamily community built in 2004, situated on 15.33 acres, offering 1, 2, and 3 bedroom units.
- The community includes resort-style amenities and the largest units in the competitive submarket; the average unit size is 1,201 square feet.
- The location of the property is superior to the competition and is in close proximity to employment centers and retail; it is the only Class A property near the medical schools and downtown market.
- The neighborhood is anchored by the historic Augusta National Golf Club, which hosts the annual PGA Masters Tournament.

THE INVESTMENT OPPORTUNITY

- Ranked "America's 2nd Most Recession Proof City" in 2010 by Money Magazine, Augusta's diverse and stable economy continues to fuel job opportunities.
- Proposed unit upgrades have the potential to increase rental rates from \$85 to \$125 per month above current market trends.
- Alexander Drive (the frontage road) was recently improved and widened to four lanes with a center median, which has enhanced the exposure of the property.
- Strong on-site demographics; average household income is \$97,643 and is significantly higher than the metropolitan average.

This material does not constitute an offer and is authorized for use only when accompanied or preceded by a definitive confidential private placement memorandum. Reference is made to the memorandum for a statement of risks and terms of the offering. The information set forth herein is qualified in its entirety by the memorandum. All potential investors must read the memorandum and no person may invest without acknowledging receipt and complete review of the memorandum.

BUSINESS STRATEGY

The Master Tenant objectives, on behalf of the Delaware Statutory Trust, will be to (i) make fixed rent payments and percentage rent payments, (ii) maximize rental increases, 'other income' and occupancy, (iii) improve new lease closing ratios and resident retention, (iv) reduce operating expenses, and (v) prepare the property to be sold when the market dictates.

Maximize Revenue and Occupancy

- Improve the existing model unit and clubhouse including a new paint color scheme as well as the installation of new furniture, artwork, and accessories. Create a cyber-lounge within the clubhouse and partition it off to create a space the residents can access 24-hours a day.
- Enhance the Project's competitive position in the submarket by installing a dog park and dog wash by fencing off a grassy area on the property providing a centralized area to walk, exercise and wash a tenant's pet.
- Enhance the Project's competitive position in the submarket by installing faux wood flooring throughout all first floor units (excluding the bedrooms), and on select second and third floor units in the entry, kitchen and baths. Each of the upgraded units will include upgraded lighting and fixtures throughout.
- Implement aggressive marketing campaigns to reach out to local corporations, businesses, vendors to provide referrals, activity sponsorships and reciprocal business opportunities.
- Install a new monument sign designating the new name of the Project to help drive-by traffic more easily locate the Project entrance.
- Enhance the Project's website and Internet marketing by engaging an Internet firm specializing in website design and search engine optimization. The utilization of a search engine optimization firm will improve the Project's online presence resulting in more cost efficient and cost effective marketing. The firm will design and develop a new website and provide community-tailored paid search advertising campaigns.
- Enhance the Project's competitive position in the submarket by installing a new cutting edge



amenity of providing online concierge service. The online service provides access for tenants to order services such as wake up calls, concert tickets, airline reservations and travel arrangements, restaurant reservations, etc. at a minimal additional charge to the tenant. The service is provided by the Master Tenant at the Master Tenant's cost, which is partially, if not entirely, offset by a per unit monthly chargeback to each tenant.

- Install a state-of-the-art computerized revenue management program that collates market and submarket data and establishes daily pricing for all units based on a number of primary factors including inventory, days on market, move-in date, and location. This type of computerized revenue enhancement system is gaining acceptance in the multi-family management industry as being a cost effective software program that manages pricing in an effort to increase the financial performance of the Project.
- Introduce and monitor more aggressive increases in other income items to maximize recovery of utility costs, trash removal fees, and pest control fees.
- Introduce and monitor more aggressive increases in other income fees such as administrative fees, application fees, transfer fees, pet deposits and pet rent.

Improve New Lease Closing Ratios and Resident Retention

- Hire a nationally recognized third-party property management company to oversee an on-site management team of experienced and enthusiastic professionals.
- Install a lease management system that targets to limit the number of monthly lease expirations to a maximum of 10% of the units.
- Conduct weekly meetings between the Master Tenant's asset manager(s) and the regional third-party staff reviewing performance reports including, but not limited to, new leasing activity, retention activity, pricing matrix, marketing programs and capital projects.

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- Hold regular resident functions to foster a sense of community thereby increasing tenant retention.
- Hold regular “town hall” meetings to improve communication, resident satisfaction and management performance.

Implement Passco Asset Management Programs

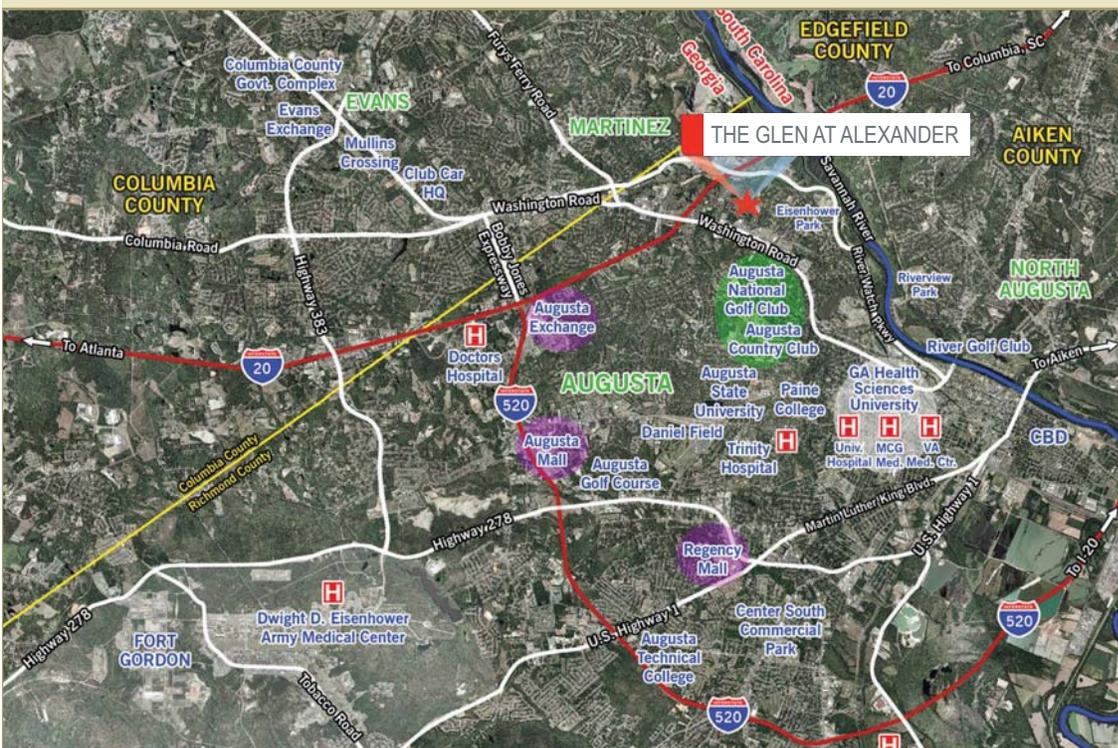
- Maximize occupancy through implementation of a multi-platform marketing program including a focus on website and internet advertising, utilization of print media if applicable and development of new marketing brochures, project signs, banners, leasing materials and websites.
- Leverage “economy of scale” cost effective pricing structure on contractor and vendor services, insurance and maintenance supply inventory.
- Perform annual competitive bidding of all contracts and services.
- Implement an annual property tax review and appeal program utilizing recognized national as well as local area tax consultants.
- Implement an annual property insurance review utilizing recognized national insurance agencies.

AUGUSTA, GEORGIA

Located in eastern Georgia, along the Savannah River, Augusta lies on the Georgia and South Carolina border. The current population of Augusta is approximately 567,000 people according to the Nielsen Company and has grown nearly 70,000 since 2000 or 13.5%. Perhaps most widely known for the annual PGA tournament, “The Masters,” the local economy reportedly grows between \$125 and \$150 million annually due to The Masters impact.

Three industries play an important role and represent the key to the local economy’s underlying fundamentals: the hospital/health care industry, the military, and the energy industry. Five of Augusta’s top ten employers are hospital/health care industries. The Army’s Fort Gordon, which employs over 22,000, is Augusta’s largest employer and is estimated to have a \$1.38 billion impact on the local economy. The Savannah River site (employs 10,700) and the developing Plant Vogtle help the Augusta region be a leader in clean energy through nuclear power and alternative fuels.

The Augusta economic growth in recent years has more than doubled that of the U.S. economy. The local gross metro product (“GMP”) averaged 4.9% annually in 2010 and 2011, which compares to the national GDP figure of 2.3% over the same time period. Moody’s projects the local GMP to be 2.9% in 2012 compared to its national forecast of 2.1%. Thereafter, Moody’s projects the local economic growth to mirror the national growth over the foreseeable future. The annual Augusta unemployment rate has been at or below



the annual state unemployment rate since 2007.

The primary Augusta medical and healthcare facilities are located in the downtown area (10 minutes from Glen at Alexander) and include University Health System, Charlie Norwood VA Medical Center, and Georgia Health Sciences University's companion hospitals, Georgia Health Sciences Medical Center and Georgia Health Sciences Children's Medical Center. Combined these healthcare systems employ 9,000. Augusta's Medical College of Georgia is the 10th largest medical school in the nation with plans to increase the number of its students. Trinity Hospital is also located near downtown and employs nearly 850. Doctors Hospital (employs over 1200) is located near the intersection of the Interstates 20 & 520, about six miles from the property.

Since the Nuclear Regulatory Commission approved final permits, Plant Vogtle's \$14 billion expansion has accelerated. Currently, 2,200 employees work at the site. In July, Starbuck's announced its plans to construct a 180,000 square foot, \$172 million manufacturing plant which will create high quality manufacturing jobs. Bridgestone has made significant progress on the construction of its 1.5 million square feet manufacturing facility which will increase its local employment by more than 850 positions. The National Security Agency recently opened its new building on Fort Gordon and will eventually employ 4,000 civilian and military workers.

Local Sub-Market

The Glen at Alexander is located within the city limits of Augusta, less than a 10-minute drive to the Georgia Health Sciences University ("GHSU") and downtown Augusta. The property is located just off of and north of Washington Road, which provides direct access to downtown, as well as Interstate I-20. Alexander Drive, whereon the property is located, was recently widened from two lanes to four lanes. This road widening has been very well received locally because the mile long Alexander Drive connects two of Augusta's primary thoroughfares – Washington Road and River Watch Parkway. The Glen at Alexander is approximately one mile away from two separate I-20 exits via Washington Road and River Watch Parkway. I-520, the metropolitan "loop" surrounds the metropolitan area, and is located approximately four miles from the property via I-20.

The Glen at Alexander sits in an in-fill area, with many retail facilities nearby. The median household income levels and housing values for the 3- and 5-mile radii surrounding the property are above the metropolitan area, as are education levels. The average household income of the property's residents is very high at \$97,643. Over 25% of the households have incomes greater than \$100,000. The average age is 35. Approximately 20% of the residents are students, nearly all

of which, if not all, are post- graduate students likely associated with the medical schools. Just over 15% of the residents work in the healthcare industry and 8% work for the military.

SUPERIOR AMENITIES

Unit Amenities include:

- Impressive 9 foot ceilings
- Full-size washer and dryer included
- Private balcony or patio
- Relaxing garden tubs
- Extra storage space
- High-speed internet access
- Upgraded lighting package
- Ceiling fans with light fixtures
- Pre-wired for monitored alarms
- Energy efficient construction

Community Amenities

- Controlled access gates
- Clubhouse
- Business center
- 24 detached garages
- Swimming pool
- Fitness center
- Lighted tennis court
- Tanning salon
- Game room
- Putting green
- Car care center



EXECUTIVE SUMMARY



DEMOGRAPHICS	Augusta	Radius		
		1-Mile	3-Mile	5-Mile
2010 – 2013 Population Growth	1.92%	.71%	.46%	.75%
2013 – 2018 Projected Population Growth	3.58%	2.10%	1.70%	2.09%
2013 Estimated Population	567,561	6,815	45,011	125,286
2013 Estimated Average Age	36.9	31.9	38.5	37.1
2013 Estimated % with College Degree	32.0%	45.6%	49.0%	40.7%
2013 Estimated Average Household Income	\$59,843	\$49,988	\$71,307	\$62,126

Source: The Nielson Company, 2012



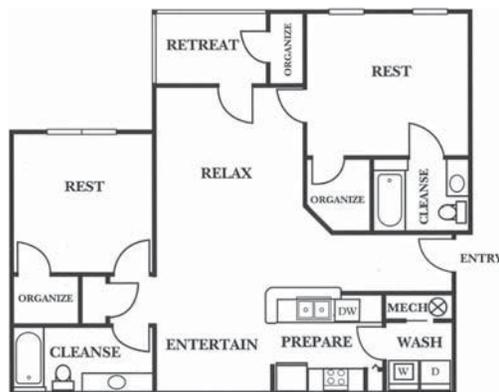
UNIT MIX

UNIT TYPE	%	UNITS	TOTAL SQ. FT	SQ. FT/UNIT
1 BD / 1 BA	11%	24	23,400	975
2BD / 2BA	61%	132	155,100	1,175
3 BD / 2BA	28%	60	81,000	1,350
Total / Average	100%	216	259,500	1,201

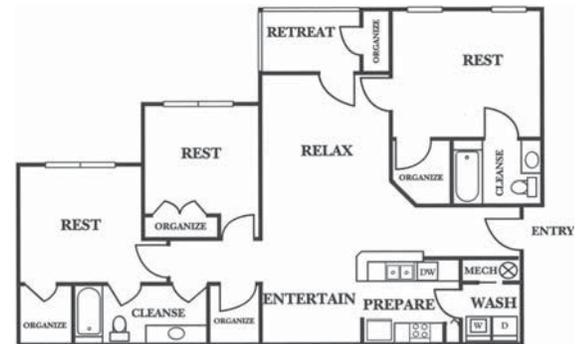
FLOOR PLAN SAMPLES



1 Bedroom/1 Bath
975 Square Feet



2 Bedroom/2 Bath
1,175 Square Feet



3 Bedroom/2 Bath
1,350 Square Feet

THE GLEN AT ALEXANDER



Passco Companies, LLC specializes in acquiring, developing and managing multi-family and commercial investment properties. Passco was formed in 1998 and is a privately held company.

- Passco invests strategically with its partners and alliances to generate cash flow and asset value appreciation, while maintaining a risk-mitigating investment philosophy.
- Passco's current assets under management exceed \$1.5 billion, including more than 10,700 apartment units and over 11 million square feet of land and commercial real estate.
- Passco is a full service real estate firm with diverse capabilities including acquisition and due diligence services, finance and structuring, escrow services, property and asset management, investment advisory, and investor services.
- Passco's mission is to be committed to excellence in real estate ownership and in the management of our investment portfolio; to develop long term strategic relationships with leading and innovative real estate professionals and companies; and to provide a rewarding environment for our employees, while creating opportunities for personal enrichment and career growth.



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