

Delaware  
Statutory Trust  
(DST)

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 **BLUEROCK™**

Available for \$1031 Exchange

## BR Four Corners Orlando, DST

1000 KETNER STREET, DAVENPORT (ORLANDO MSA), FLORIDA 33897

**Landings at Four Corners** (the “Property”) represents an opportunity to invest in a Class A apartment community in one of the fastest growing economic metros in the nation. The investment opportunity seeks to provide current cash flow with upside from growth in market rents, and professional property management capitalizing on the Property’s Class A location.

There is no guarantee investors will receive distributions or the return of their capital. See the “Risk Factors” section in the Confidential Private Placement Memorandum (the “Memorandum”). The results shown may not occur, and your performance could vary significantly.



Orlando, Florida Metro

**FOR ACCREDITED INVESTOR USE ONLY** | *This is neither an offer to sell nor a solicitation of an offer to buy any securities, which can be made only by the Memorandum. This material must be reviewed in conjunction with the Memorandum to fully understand all of the implications and risks of the offering of securities to which it relates. A copy of the Memorandum must be made available to you in connection with this offering. Prospective investors should carefully read the Memorandum and review any additional information they desire prior to making an investment and should be able to bear the complete loss of their investment.*





Modern Exterior Construction

## Key Investment Considerations

BR FOUR CORNERS ORLANDO, DST

### ■ Employment Growth:

Orlando is one of the fastest growing job centers in the nation among larger metros at 4.6% annually<sup>1</sup>. **Forbes ranked Orlando as the #1 “City for Job Growth” in 2014**. CBRE projects Orlando to be #2 in the nation for job growth through 2017.

### ■ Proximity to Walt Disney World:

3.5 miles to the area’s largest employer (74,000 workers) and worldwide tourist destination (\$18.2 billion in annual economic impact).

### ■ High Growth Metro:

■ The Orlando metro area has an estimated 2014 population of approximately 2.3 million. **CNN Money named Orlando as one of the “10 Fastest Growing Cities”**.

### ■ Strong Apartment Market:

■ Since 2011, occupancy rates within the Orlando Metro have remained above 93%. As of fourth quarter 2015, the occupancy rate was 94.4%<sup>2</sup>.

### ■ Nearby Submarket Expansion:

■ Amazon, FedEx, and Wal-Mart are building major distribution facilities totaling more than 2.5 million square feet on US 27 less than 10 minutes drive from the Property.



**Pictured: (Top to bottom)**

The Walt Disney World Resort is the most-visited theme park in the world. Just 17 miles outside Orlando it features more than 45 square miles of fun.

Medical City is a 650-acre health and life sciences park in Orlando.

**Note:** Investors are not purchasing interests in either of the properties shown above.

1) CBRE Econometrics, 2015    2) REIS Performance Futures, Q4 2015



## Financing and Master Lease Overview



Mature Landscaping



Living Area

### The Master Lease

BR Four Corners Orlando, DST (the “Trust”) leased the Property to an affiliate of Bluerock, BR Four Corners Orlando LeaseCo, L.L.C., a newly formed Delaware limited liability company (the “Master Tenant”), under a 10-year master lease agreement (the “Master Lease”). The Master Tenant sub-leases the Property to the residential tenants (the “Residents”) who occupy the apartment units. The purpose of the Master Lease is to permit the Master Tenant to operate the Property on behalf of the Trust and to enable actions to be taken with respect to the Property that the Trust would be unable to take due to tax law-related restrictions, including but not limited to, a restriction against releasing the Property.

As part of the Master Lease, the Trust will receive base rent, additional rent, and supplemental rent from the Property’s gross revenues as described in the Master Lease.\*

### Financing

The Property’s acquisition will be financed, in part, from a loan in the principal amount of \$22,425,000. Other key Loan terms are summarized below:

- ▼ Underwritten by Fannie Mae, 10-year term, 5-years interest only, 30-year amortization thereafter
- ▼ Attractive 4.19% fixed interest rate
- ▼ Non-Recourse to investors
- ▼ Financing is assumable upon sale; if applicable

## Investment Overview

### Highlights

Minimum 1031 Investment: (1.35648% interest)	<b>\$225,000</b>
Assumed Debt (1.35648% interest):	\$304,191
Total Fully Syndicated Price: <i>includes approx. \$475,000 in Supplemental Trust Reserves</i>	\$38,846,134
Equity Offering Amount:	\$16,421,134
Loan Amount:	\$22,425,000
Projected Loan Terms:	57.5% Loan-to-Capitalization; 10-Year Term; 4.19% Fixed Interest Rate
Purchase Price per Unit: <sup>1</sup>	\$139,812
Projected Hold Period:	Approx. 7-10 Years
Current Cash Flow:	6.0% annual rate; distributions paid monthly*



Public Courtyard

(1) Figure rounded and represents initial Trust purchase price, offering fees and expenses; excluding Loan Escrow and Supplemental Trust Reserves.

\* There is no guarantee investors will receive distributions or the return of their capital. See the “Risk Factors” and “Master Lease” sections in the Memorandum. Pursuant to the Master Lease, the Additional Rent, if attained, of 5.5% per annum shall be paid on a monthly basis and Supplemental Rent, if attained, shall be paid on an annual basis. The results shown may not occur, and your performance could vary significantly.

## Property Summary

The Property features high-quality construction and a modern living space in one, two or three bedroom apartment homes. Located on approximately 19.2 acres near southwest Orlando, residents enjoy an abundance of resort-style amenities.

- **Year Build:** 2009
- **Class:** A
- **Buildings:** 11
- **Acres:** approximately 19.2
- **Number of Units:** 270
- **Total Square Feet:** 281,013

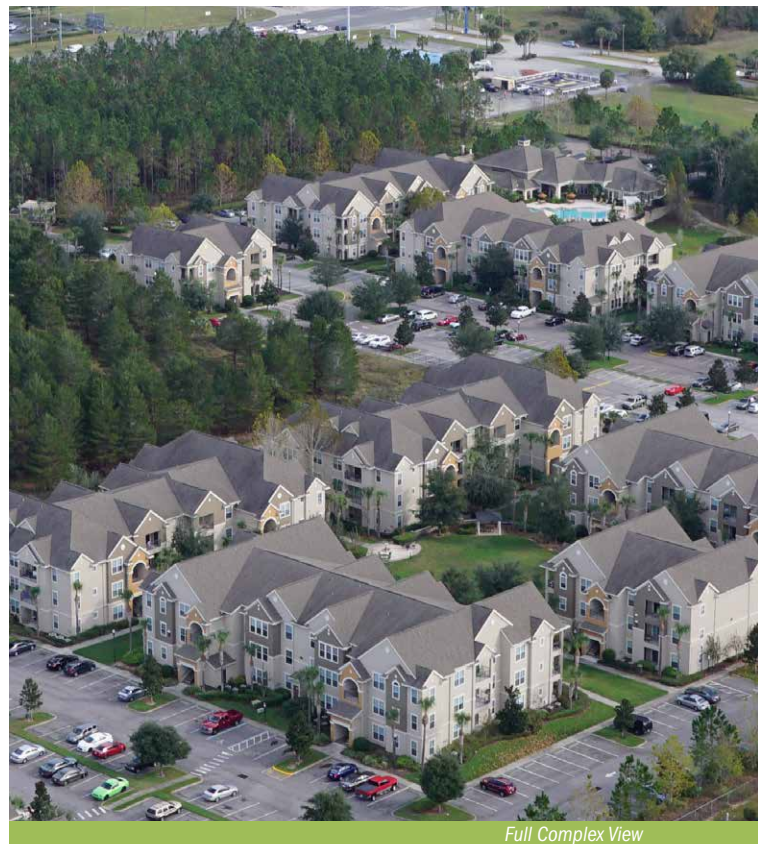


## Abundant Community Amenities

- Resort-style swimming pool with sundeck
- Fitness center
- Indoor basketball courts
- Walking/jogging trail
- Leash-free bark park
- Poolside cabana
- Clubhouse with billiards tables
- Business center

## Modern Unit Amenities

- Faux granite laminate countertops in kitchens
- Faux wood flooring
- 9-foot ceilings
- Full-size washers/dryers
- Maple cabinetry
- Private patios/balconies
- Ceramic tile backsplash
- Crown molding accents





Out of 120 markets ranked by Axiometrics nationally, Orlando ranked in the top 10 for annual effective rent growth for Q4 2015.

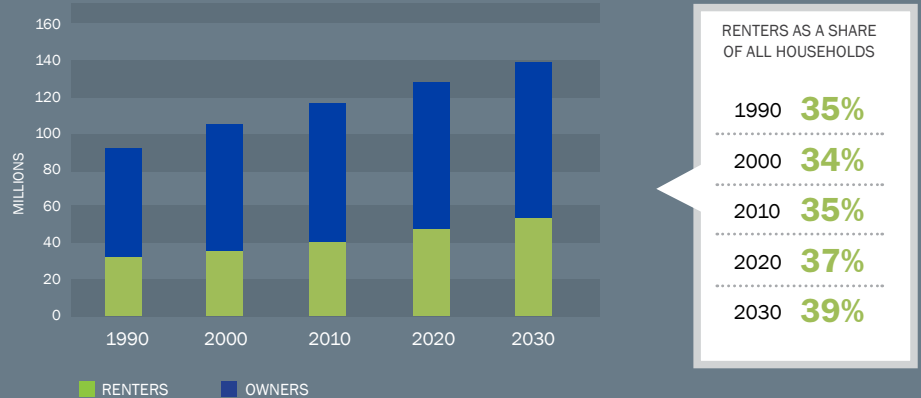


## Why Apartments?

Nationwide, the apartment market has been a top performer driven by the growth of Echo Boomers and aided by the lowest home ownership rate in 20 years.\*

The majority (59%) of the 22 million new households that will form between 2010 and 2030 will rent, while just 41% will buy their homes. This change will create a surge in rental demand from now until 2030.

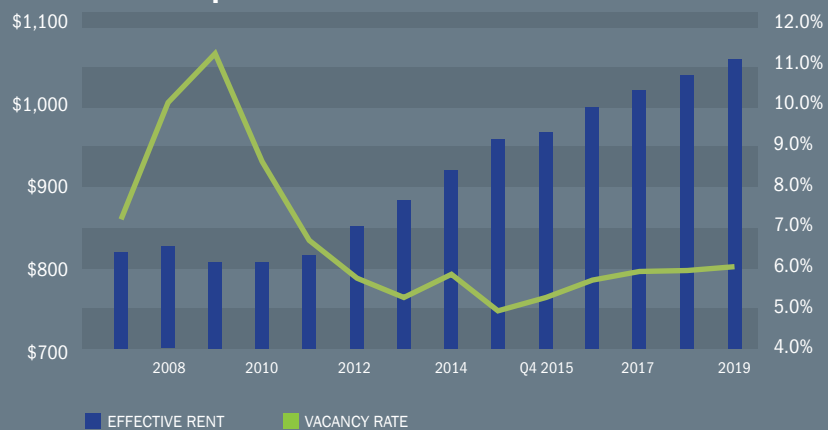
### Number of Owners & Renters Over Time



Source: Decennial Censuses and Urban Institute projections, June 2015

Consistent with this national trend, the Orlando Metro apartment market is very robust with a low 4.9% vacancy rate. Rental rates have risen steadily since 2009 and the REIS Inc. forecasts sustained rent increases of 9% through 2019 driven by low vacancy rates.

### Orlando Apartment Market Trends



\*State of the Nation's Housing  
Joint Center for Housing Studies, Harvard

Source: REIS, Inc. Q4 2015 Orlando MetroTrend Futures

## Regional Overview

The Property is located in Davenport, Florida in the Orlando Metropolitan Statistical Area (MSA) (“Orlando MSA”) in the interior of Central Florida, near the intersection of Highway 192 and Highway 27, approximately 22 miles southwest of downtown Orlando. The Orlando MSA is comprised of approximately 2,321,418 residents, ranked 26th of 381 MSAs in the nation. The State of Florida recently passed New York as the third largest state in America with a population reaching nearly 20 million (U.S. Census Bureau).

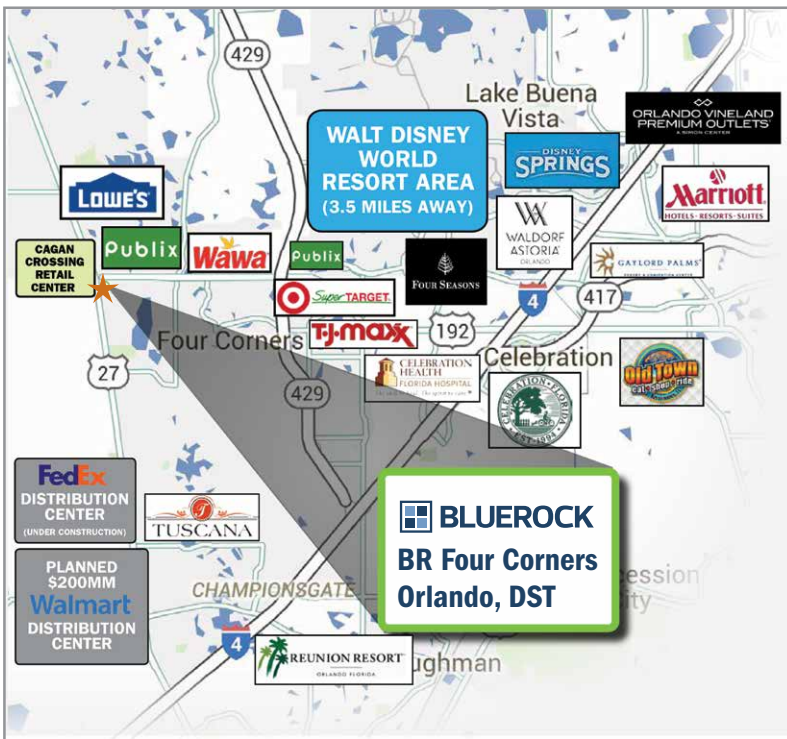
The Orlando MSA area’s population grew by 8.8% from 2010-2014, the second fastest growing top 30 metro. The Orlando MSA population grew by 29.8% from 2000-2010 and by 34.3% from 1990-2000, about triple the national average for both time periods (Orlando Economic Development Commission).

### Metro Orlando Facts

- 2.3 million residents.
- 2nd fastest population growth from 2010-2014 among top 30 metros.
- 1.16 million total employment.
- Projected among fastest metros for employment growth through 2017. (CBRE Econometric Advisors)
- The State of Florida attracted a record 97.3 million visitors in 2014 (Tampa Bay Times, February 2015)
- 12 of the top 50 2014-2019 projected fastest growing metros are located in the State of Florida

*(Source: Moody’s Analytics/economy.com, Orlando Economic Development Commission)*

**Orlando’s economy is booming** with a low 4.6% unemployment rate and projections for the best percentage job gain in the U.S. through 2020 according to CBRE Econometric Advisors. Moody’s Analytics/economy.com projects the Orlando metro unemployment rate to fall to 4.0% by 2019.



*Pictured Above: Downtown skyline of Orlando, Florida*

*Note: Investors are not purchasing interests in any of the pictured properties.*





DOWNTOWN ORLANDO

3.5 MILES FROM PROPERTY



Summer Bay Resort

Outdoor Resorts at Orlando

Publix

U.S. HIGHWAY 192

TOWN CENTER BLVD.

 **BLUEROCK**  
BR Four Corners Orlando, DST

Upscale RV Park

## Local Overview

According to the appraisal, the Property's neighborhood consists primarily of numerous residential, commercial, and retail uses. For the most part, the neighborhood represents a growing area in the southwest portion of the Orlando MSA. The neighborhood is primarily comprised of single family and multifamily residences, with an extensive level of commercial, retail and office development located along the primary commercial thoroughfares of U.S. Highway 27 and Highway 192. Commercial uses include a Publix-anchored shopping center located approximately 0.2 miles from the Property as well as numerous other retail centers with tenants that include TJ Maxx, Super Target and Lowe's. Located just south of the Property is the Champions Gate Golf Course and Tuscana Resort. Additionally, Walt Disney World is 3.5 miles east of the Property.



**Walt Disney World Resort** is a significant contributor to the economic well-being and vitality of Central Florida. Disney is the largest single-site employer in the United States, employing nearly 74,000 people in Central Florida, in more than 3,000 different job classifications with total annual payroll of \$1.6 billion. Walt Disney World Resort is also the largest single taxpayer in Central Florida, contributing approximately \$566 million a year to state and local government coffers. The resort also accounts for 2.5% of the gross domestic product for the entire state of Florida.



## About Bluerock Real Estate

Bluerock is a private equity real estate investment firm based in New York, NY whose senior management team has an average of over 25 years investing experience and has helped launch several leading real estate private and public company platforms. Bluerock has acquired/developed more than 80 real estate properties, including 48 apartment properties of more than 10,000 apartment units, representing approximately 14 million combined square feet across 14 states and \$2+ billion in acquisition value. As of December 2015, 20 properties and three programs sponsored by Bluerock have gone full cycle from acquisition to sale.

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## About 1031 Exchanges

Section 1031 of the Internal Revenue Code ("Section 1031") provides that, in general, no gain or loss shall be recognized on the exchange of property held for productive use in a trade or business, or for investment. A tax-deferred exchange is a method by which a property owner trades one or more relinquished properties for one or more replacement properties of "like-kind", while deferring the payment of federal income taxes and some state taxes on the transaction.

There are numerous Section 1031 rules and requirements including, but not limited to: seller cannot receive or control the net sales proceeds, replacement property must be like-kind to the relinquished property, the replacement property must be identified within 45 days from the sale of the property, the replacement property must be acquired within 180 days from the sale of the original property, and the attributed debt placed or assumed on the property must be equal or greater than the attributed debt of the relinquished property to avoid boot.

## Risk Factors

The purchase of an Interest involves a number of risks. Do not acquire an Interest if you cannot afford to lose your entire investment. Carefully consider the risks described below, as well as the other information in the Memorandum before making a decision to purchase an Interest. Consult with your legal, tax and financial advisors about an investment in an Interest. The risks described below are not the only risks that may affect an investment in an Interest. Additional risks and uncertainties that we do not presently know or have not identified may also materially and adversely affect the value of an Interest, the Property or the performance of your investment. The securities offered herein are highly speculative and involve substantial risks including, but not limited to, the following:

- this is a "best-efforts" offering with no minimum raise or minimum escrow requirements;
- the lack of liquidity of the Interests and lack of diversity of investment;
- the holding of a beneficial interest in the Trust with very limited voting rights with respect to the management or operations of the Trust or in connection with the sale of the Property;
- risks associated with owning, financing, operating and leasing a multifamily apartment complex and real estate generally in or near Orlando, Florida;
- risks generally incident to the ownership of real property, including changes in national and local economic conditions, changes in the investment climate for real estate investments, changes in the demand for or supply of competing properties, changes in local market conditions and neighborhood characteristics, the availability and cost of mortgage funds, the obligation to meet fixed and maturing obligations (if any), unanticipated holding costs, the availability and cost of necessary utilities and services, changes in real estate tax rates and other operating expenses, changes in governmental

rules and fiscal policies, changes in zoning and other land use regulations, environmental controls, acts of God (which may result in uninsured losses), and other factors beyond the control of the Trust;

- performance of the Master Tenant under the Master Lease. The projected cash flow is speculative and based on certain assumptions including maintaining certain occupancy levels and certain net rental rates. There is no assurance that the property can achieve or maintain the occupancy level or rate increases anticipated. If assumptions are not correct, anticipated results will not be achieved and the rate of return may be lower than that projected;
- reliance on the Master Tenant, the Property Manager engaged by the Master Tenant and the Property Sub-Manager subcontracted by the Property Manager to manage the Property;
- risks associated with the Sponsor funding the demand note that capitalizes the Master Tenant;
- risks relating to the terms of the financing for the Property and the use of leverage which presents an additional element of risk in the event that the cash receipts from the operation of the Property are insufficient to meet the principal and interest payments on such indebtedness. In order to comply with tax requirements for Section 1031 exchanges, the Trust is not permitted to obtain new financing and Purchasers of Interests are not permitted to make additional capital contributions to the Trust. Thus, if the cash flow from the Property is insufficient to allow the Master Tenant to make the required payments under the Master Lease, including payments required to service the Loan, the Lender may foreclose on the Property and the Purchasers' equity in the Property may be reduced or lost entirely;
- acquisition of the Interests may not qualify as a Section 1031 exchange and depends on the specific facts involved, including, without limitation, the nature and use of the relinquished property and the method of its disposition, the use of a qualified intermediary and a qualified exchange escrow and the lapse of time between the sale of the relinquished property and the identification and acquisition of the replacement property and no opinion or assurance is being provided to the effect that any individual prospective Purchaser's transaction will qualify under Section 1031;
- the existence of various conflicts of interest among the Sponsor, the Trust, the Master Tenant, the Property Manager, and their affiliates;
- material tax risks, including treatment of the Interests for purposes of Section 1031 and the use of exchange funds to pay acquisition costs, which may result in taxable boot;
- risks related to competition from properties similar to and near the Property and the possibility of environmental risks related to the Property.

See "Risk Factors" section of the Memorandum for a more detailed discussion of the risks associated with the Interests. All terms defined in the Memorandum. Securities offered to Accredited Investors only pursuant to Rule 501 of Regulation D of the Securities Act of 1933.

**For more information, contact:** Your financial advisor or Bluerock Capital Markets LLC at 877.826.BLUE (2583)



712 Fifth Avenue ■ 9th Floor ■ New York, New York 10019  
212.843.1601 ■ [www.bluerockre.com](http://www.bluerockre.com)

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