

LONGITUDE⁸²

SARASOTA



LONGITUDE 82 SARASOTA | 5900 WILKINSON RD | SARASOTA, FL 34233

THE PROPERTY

- 360-unit Class A apartment community completed in 2016 and situated on 32.54 acres, offering studio, 1, 2 and 3-bedroom units.
- Unit amenities include granite countertops, faux wood flooring, kitchen islands, 9-foot ceilings, washer/dryer units and walk-in closets.
- Community amenities include a resort-style saltwater swimming pool, 24-hour fitness center, well-appointed resident clubhouse with social lounge, coffee bar and catering kitchen, poolside kitchen with grills and fire pit, two leash-free dog parks, pet spa, car care center, outdoor fire pit with seating, gated entry, scenic lake and attached and detached garages.

THE INVESTMENT OPPORTUNITY

- Sarasota, FL is projected to outpace the U.S. in GDP/GMP, employment growth, and personal income growth over the next five years.
- The unemployment rate for Sarasota has been below the national rate for the last 6 years and is projected to stay below the U.S. rate for the next five years; it is also currently the lowest in the state of Florida.
- Recently ranked in the 100 Best Places To Live by US News and World Report, the area offers superior schools, significant medical research and education facilities, high educational attainment and a regional workforce of more than 350,000.
- Rents in the Sarasota market have averaged 4.3% growth per year for the last 5 years; REIS projects 3.6% per year average asking rent growth for the next 5 years.
- Ideally located in one of the most coveted areas in Southwest Florida, Longitude 82 has direct frontage along Interstate 75 which is the major artery that links Sarasota to the Tampa/St. Petersburg MSA and Southwest Florida.

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.

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BUSINESS STRATEGY

The strategy will incorporate maintaining high average occupancy, increasing rental rates based on market dynamics, and monitoring/controlling expenses and reserves to maximize performance. Additionally, the Project will develop a marketing campaign targeting young professionals and highlighting the location's upscale retail and lifestyle amenities.

PROMOTE LOCATION

The Project is in the Sarasota submarket which houses over 130,000 residents within a 5-mile radius of the project. The submarket attracts students and young professionals seeking convenient access to local amenities, colleges, and employment. Key highlights are as follows:

- Convenient Access to top Florida beaches, golf and country club communities, retail and restaurants, and I-75 (less than 1 mile away).
- Convenient access to several higher education institutions University of South Florida Sarasota -Manatee, New College of Florida, State College of Florida and Ringling College of Art and Design¹.
- Proximity to employment, including the Sarasota Memorial Health Care System (4,000 employees, approximately 8 miles from the Project), Bealls Inc. (1,750 employees, approximately 8 miles from the Project), and the downtown business district (approximately 9 miles from the Project)².
- School district include Ashton Elementary and Sarasota Middle, both are 10-rated schools focusing on Science, Technology, Engineering, and Math³.

¹CoStar: Underwriting Report

²Moody's Analytics: North Port – Sarasota- Bradenton FL, IUSA_MNPT

³https://www.zillow.com/homes/5900-Wilkinson-Road,-Sarasota,-FL-34233_rb/

OPERATING & MARKETING STRATEGY

The marketing will also focus on the abundance of community amenities offering luxury apartment living with uniquely designed high-end finishes throughout.

The Community intends to add the following amenities, with the goal of providing additional features which will help attract prospective residents and/or provide the Project with additional income producing or cost saving opportunities:

- The property currently has two dog parks which will need to be enhanced to be more attractive to dog owners which is scheduled to result in additional income opportunities with increased pet deposits and rent fees;
 - Install shade sails in both dog parks
 - Install agility equipment in one of the dog parks
 - Install dog spa in one of the dog parks
- Enhanced landscaping to improve curb appeal, reduce ongoing landscaping costs and eliminate erosion;
- Refresh the Clubhouse furniture and accessories to keep up with contemporary design
- New pool furniture to enhance outdoor kitchen area

MAXIMIZE PERFORMANCE

- Implement aggressive marketing campaigns to reach out to local corporations, businesses and vendors to obtain referrals, activity sponsorships and reciprocal business opportunities.
- 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

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and provide community-tailored paid internet search advertising campaigns.

- 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 wide acceptance in the multifamily management industry as being a cost-effective software program that will manage 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 the number of monthly lease expirations to approximately 10% of the units.
- Install a reputation management system that enhances the property's online rating scores on industry rating sites as well as multiple search engine rating sites. In today's technology driven market, a property's online rating scores are critical search components for prospective residents.
- Conduct regular 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.
- Hold regular resident functions to foster a sense of community thereby increasing tenant retention.

IMPLEMENT 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, signage, banners, leasing materials and website.
- Leverage "economy of scale" cost effective pricing structure on contractor and vendor services, insurance and maintenance supply inventory.
- Perform annual competitive bidding of contracts and services.
- Implement an annual property tax review and appeal program utilizing recognized national and/or local area tax consultants.
- Implement an annual property insurance review utilizing recognized national insurance agencies.

RISKS

All real estate investments have risks. There is no assurance that some or all of these objectives will be met. There are substantial risks in any Investment Program. See "Risk Factors" in the accompanying Private Placement Memorandum for a discussion of the risk relevant to this offering.

SARASOTA MSA TOP 15 EMPLOYERS

Rank	Employer	Employees
1	Sarasota Memorial Health Care Systems	3,954
2	Bealls Inc.	1,732
3	PGT Industries	1,440
4	Bon Secours Venice Hospital	1,428
5	Was-Mart Stores Inc.	1,332
6	Venice Regional Medical Center	1,200
7	Manatee Memorial Hospital	1,200
8	Tropicana North America	1,000
9	Publix Supermarkets	994
10	Charter One Hotels	950
11	Sarasota Family YMCA	910
12	Winn-Dixie Stores Inc.	875
13	Blake Medical Center	849
14	SunTrust Bank	819
15	FCCI Insurance	720

Source: Moody's Analytics Précis U.S. Metro Report – December 2017



THE MARKET

The North Port-Sarasota-Bradenton MSA is situated on Florida's southwestern coast, roughly 60 miles south of Tampa Bay with a population of approximately 869,000. The greater Sarasota area won numerous accolades during 2017, including Best Place for Small Business, Best Places to Live and Florida's Best Kept Secret. The area offers superior schools, significant medical research and education facilities, high educational attainment and a regional workforce of more than 350,000.

The MSA includes several higher educational institutions such as University of South Florida Sarasota-Manatee, New College of Florida, State College of Florida, Manatee-Sarasota, and Ringling College of Art and Design. More than half the adults in the workforce 25 and older have continued their education at the college level. The Sarasota County School District is designated as an "A" district by the Florida Department of Education. It is ranked third highest in scores on Florida's standardized tests among the state's 67 school districts. Sixty-five percent of the county's public school teachers hold a master's degree or higher, compared to a 41 percent state average.

Healthcare and tourism/recreation are the major employment sectors in Sarasota, while growth in manufacturing, technology, life sciences and financial service jobs continue to strengthen the local economy. According to Moody's, North Port-Sarasota-Bradenton is on an up trend; payroll employment is on the rise with the year-over-year growth more than twice that in the rest of Florida. Job growth over the past year exceeds the statewide and U.S. averages. With job creation robust, the unemployment rate has descended to 3.2%, its lowest in more than a decade. The Sarasota MSA unemployment rate has been below the national unemployment rate for the last 6 years, and has been below the state of Florida's unemployment rate for the last 7 years. Moody's is projecting the Sarasota MSA Gross Metro Product ("GMP") growth will more than double the national Gross Domestic Product growth during the course of the next 5 years. The local employment growth has been above the national employment growth for 4 of the last 5 years. Moody's also projects the Sarasota MSA employment growth rate will outpace the national employment growth for the next 5 years and the local unemployment rate to be below the national unemployment rate each of the next 5 years.

Sarasota's top employer is Sarasota Memorial Health Care System, located 7 miles from Longitude 82. Sarasota Memorial Healthcare System is a regional referral center offering Southwest Florida's greatest breadth and depth of inpatient, outpatient and rehabilitative health care services, with more than 800,000 patient visits a year. One of the 10 largest public hospitals in America, Sarasota Memorial's 806-bed acute care hospital has been recognized repeatedly as one of the nation's largest, safest and best.

Sarasota is the home of Siesta Key Beach, which was ranked the No. 1 beach in the U.S. in 2017 by Dr. Stephen P. Leatherman, director of Florida International University's Laboratory for Coastal Research, and ranked No. 5 in the world in TripAdvisor's 2017 Travelers' Choice Awards. The free public beach recently finished a \$21 million renovation adding more parking, concessions, picnic shelters, a playground and many more amenities.

THE SUB-MARKET

Longitude 82 is within a suburban area of unincorporated Sarasota County, six miles southeast of the Sarasota Central Business District. The immediate area surrounding Longitude 82 is over 95% developed and consists of a mixture of established commercial and residential development. Approximately 1 mile from the property are various restaurants and retailers such as Madfish Grill, Starbucks, McDonalds, Walmart Supercenter, Publix Super Market and Walgreens to name a few. Also within a mile of Longitude 82 is the Doctors Hospital of Sarasota, which has been awarded various accolades and awards. The hospital is a 155-bed facility also includes an emergency room, a stroke and cardiac care unit, outpatient and diagnostic services.

Population growth within the 1-5 mile area has been steadily increasing over the past several years and is projected to continue to grow steadily over the next 5 years. The areas in the 1, 3 and 5-radii surrounding Longitude 82 are more affluent than the Sarasota MSA. The average household income of the residents is over \$103,000, exceeding the Sarasota MSA by nearly 20%. Grade school children who live at Longitude 82 will attend Lakeview Elementary, which has a 10 out of 10 rating by GreatSchools.org.



DEMOGRAPHICS

	Sarasota MSA	1-Mile	3-Mile	5-Mile
2010 – 2018 Population Growth	15.07%	6.93%	8.17%	7.24%
2018 – 2023 Population Growth	7.54%	5.24%	5.58%	5.14%
2018 Estimated Population	808,091	7,380	56,042	136,153
Average Age	48.3	49.8	47.8	48.7
% of Age 25+ w/ College Deg.	39.31%	42.40%	43.29%	43.17%
Prime Rental Age 18-34	15.96%	15.82%	16.67%	15.87%
Average Household Income	\$82,848	\$95,617	\$94,158	\$87,134
% of Households > \$100K Income	25.98%	32.94%	31.66%	28.38%
Median Home Value	\$225,708	\$228,856	\$243,830	\$234,652

Source: Pop-Facts Demographics Snapshot by Claritas

UNIT MIX

UNIT TYPE	UNITS	%/UNITS	SF PER UNIT	TOTAL SF
1Studio	20	5.6%	525	10,500
Studio	32	8.9%	623	19,936
1BR/1BA	32	8.9%	760	24,320
1BR/1BA	32	8.9%	816	26,112
1BR/1BA	32	8.9%	857	27,424
1BR/1BA	32	8.9%	909	29,088
2BR/2BA	16	4.5%	1,062	16,992
2BR/2BA	52	14.4%	1,088	56,576
2BR/2BA	16	4.4%	1,152	18,432
2BR/2BA	64	17.7%	1,185	75,840
3BR/2BA	16	4.5%	1,334	21,344
3BR/2BA	16	4.4%	1,430	22,880
Total / Average	360	100.0%	971	349,444

*Total square footage divided by total number of units.

AMENITIES

COMMUNITY AMENITIES INCLUDE:

- Clubhouse/leasing office
- Social Lounge
- Swimming pool with covered cabanas
- Outdoor fire pit with seating
- Outdoor grilling area
- Dog park
- Fitness center
- Coffee bar
- Car care center
- Gated entry

UNIT AMENITIES:

- Coil top stove/range
- Microwave with fan hood
- Double basin sink with garbage disposal
- Granite countertops
- Refrigerator
- Dishwasher
- Faux wood floors
- Kitchen island
- Ceiling fans in living/bedrooms
- 9-foot ceilings
- Brushed nickel hardware
- 2-inch horizontal blinds
- Washer/dryer units
- Panel doors and walk-in closets
- Each bathroom features single vanities with granite countertops and tub and/or showers with ceramic tile wainscot.

FLOOR PLAN SAMPLES



One Bedroom | One Bath



Two Bedroom | Two Bath



Three Bedroom | Two Bath

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SITE PLAN



The Memorandum contains more complete information regarding the investment including the following risk factors:

- There will be no public market for the Interests.
- There is no specified time that the investment will be liquidated.
- Delaware Statutory Trusts are a relatively new vehicle for real estate investment and are inflexible vehicles to own real property.
- Investors will have no voting rights and will have no control over management of the Trust or the Property.
- There is no guarantee that investors will receive any return.
- Distributions may be derived from sources other than earnings.
- The Property will be subject to a Master Lease with an Affiliate of the Sponsor.
- The Property will be subject to the risks generally associated with the acquisition, ownership and operation of real estate including, without limitation, environmental concerns, competition, occupancy, easements and restrictions and other real estate related risks.
- The Property will be leveraged.
- The Manager, the Master Tenant and their Affiliates will receive substantial compensation in connection with the Offering and in connection with the ongoing management and operation of the Property.
- The Manager, the Trust, the Master Tenant and their Affiliates will be subject to certain conflicts of interest.
- An investment in the Interests involves certain tax risks.

MARKETING CONTACTS:

BELDEN BROWN (949) 263-7905 <i>Executive Vice President & National Sales Manager</i>	THOMAS JAHNCKE (949) 263-7904 <i>Senior Vice President</i>	ADRIANA OLSEN (949) 263-7933 <i>Senior Vice President</i>	ANDY WANG (949) 263-7934 <i>Senior Vice President</i>	BRAD MCCORD (949) 263-7935 <i>Registered Marketing Representative</i>	MARCO VITULLI (949) 263-7936 <i>Registered Marketing Representative</i>
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