



THE OVERLOOK | 727 BELL ROAD | NASHVILLE, TN 37013

THE PROPERTY

- The Overlook is a 452-unit garden-style apartment community built in 1998, situated on approximately 41 acres, offering 1, 2 and 3 bedroom floorplans.
- Atop one of Nashville's rolling hills, The Overlook offers residents beautiful views while providing an easy commute to all the major employment hubs in the area with direct access to I-24.
- The community delivers Class A amenities such as 2 swimming pools, playground and BBQ/picnic areas, laundry and car care facilities, 24 hour fitness center and clubhouse with full kitchen.

THE INVESTMENT OPPORTUNITY

- Nashville was noted in the 'Top 10 markets for 2016' in the Emerging Trends in Real Estate Report by PriceWaterhouseCoopers and Urban Land Institute.
- Nashville has a well-diversified economy centered on healthcare, education, government, music and the automotive industry and was recently ranked in the Top 5 'Best Cities for Jobs' by Forbes.
- Potential to increase rents as a result of the projected unit and common area upgrade plans.
- The immediate submarket is experiencing a major transformation with a tremendous amount of capital being invested in the area - Community Health Systems Inc. plans to invest \$66 million to create a shared services center and is expected to eventually bring 2000 jobs to the local sub-market.
- The recent historical population growth, as well as the projected growth, in the 1-mile radius surrounding the property is nearly double the growth rate of the Nashville MSA.

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 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.

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.

Maximize Revenue & Occupancy

- 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 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 multi-family 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.
- Make repairs and capital expenditures with respect to the pet park and install a pet spa.
- Replace the roofs of the Project buildings.
- Re-paint all building exteriors and all make all necessary wood replacements on building exteriors.
- Enhance the curb appeal and reduce maintenance costs by installing new landscaping throughout the property.
- Repair and make necessary replacements to the pool area(s) including deck and pool resurfacing, installation of new decorative pool tiles, installation of an outdoor kitchen, and installation of new contemporary pool furniture.
- Renovate the existing clubhouse, office(s), business center, and fitness center including implementation of a new paint color scheme as well as installation of new contemporary furniture, art work, fitness equipment and design accessories.
- Install faux wood flooring on designated first floor units (excluding the bedrooms), and on designated second and third floor units in the entryways, kitchens and bathrooms. Each of these units will include subway tile backsplash in the kitchen, lighting fixtures in the kitchen and bathroom, two-tone paint, and a curved shower rod in the bathroom.

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.

THE OVERLOOK



- Install a reputation management system that enhances the property's on-line rating scores on industry rating sites as well as multiple search engine rating sites. In today's technology driven market, a property's on line 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.





NASHVILLE, TENNESSEE

The city of Nashville is the capital of Tennessee and is centrally located within its region with Memphis, Lexington, Birmingham, Atlanta, St. Louis and Cincinnati all within a 4-hour drive. Nashville is the fourth largest city in the southeast with a population of approximately 1.8 million. Forecasts project the population to increase over the next five years at a pace more than double the nation. Moody’s indicates that Nashville-Davidson-Murfreesboro-Franklin’s economy and job growth have outpaced the U.S. and regional averages for the past five years and none of the metro areas in the South have been as consistently strong during the entire post-recession period as Nashville.

Nashville is most notably known as the center of the music industry but is also a center for the health care, banking and transportation industries and is home to a large number of colleges and universities. According to Institutional Property Advisors, “Nashville’s robust growth in diverse industries will create new rental housing demand, driving up apartment revenue faster than the national rate. The Nashville area is home to a large number of universities, providing ample flow of highly educated workers. Vanderbilt University Medical Center, the metro’s largest employer, has played a major role in supporting a growing healthcare and technology industry.” Moody’s forecasts the Nashville MSA unemployment rate to remain below the national rate through 2020. Nissan North America is expected to create 1000 jobs over the next two years with their \$160 million expansion. Under Armour, the sports apparel and equipment company, recently celebrated the opening of its new 1,000,000 square foot distribution center in Mt. Juliet, committing to employ 1500 workers.

Local Sub-Market

The Overlook is located in the Nashville community locally known as Antioch. The property is approximately 6 miles southeast of the Nashville International Airport and about 12 miles southeast of downtown Nashville. The Overlook has high visibility with approximately a half-mile of frontage on Bell Road, a major thoroughfare in the area. Due to the nearby retail and direct access to I-24, Bell Road has an average daily traffic count of approximately 35,000 cars. The estimated population of 18-34 year olds (considered the prime rental age) in the Nashville MSA is 23.78% of the total population, as compared to 34.69% within the 1-mile radius of the property and 29.54% within the 3-mile radius.

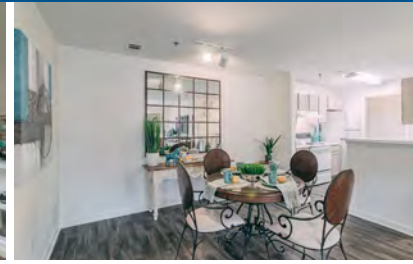
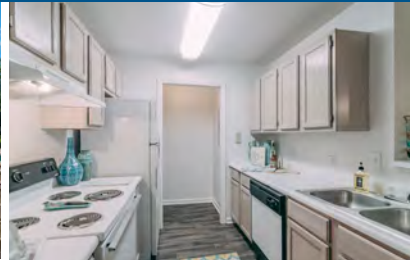
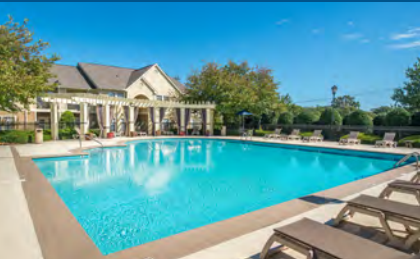
The immediate sub-market of The Overlook has seen a major transformation, in part due to the Crossing Nashville Action Partnership that was formed several years ago to enhance the business environment in Antioch. The Global Mall at the Crossings’ repositioning includes a new regional library and recreation center as well as the Nashville Predators’ brand new, state-of-the-art practice arena and ice sports-plex, bringing more exceptional experiences for locals in the community. The area is now home to two charter schools as well as Intrepid College Prep and Knowledge Academies. Nashville State Community College, also part of the Crossings, currently enrolls 3000 students, up over 50% since 2012.

Calvary Logistics and Asurion have both come into the area, creating over 1,200 new jobs. Community Health Systems, Inc. plans to build a new shared services center, investing \$66 million and eventually adding 2,000 jobs. Construction of this center will kick off the overall 310-acre, mixed- use redevelopment known as Century Farms with proposed components to include a 26-acre residential neighborhood plus a 75-acre area of regional destination retail stores. Each of these is occurring within 1-3 miles of the property.

NASHVILLE’S TOP 15 EMPLOYERS

Rank	Employer	Employees
1	Vanderbilt University & Medical Center	22,933
2	Nissan North America Inc.	8,150
3	HCA Inc.	7,000
4	Saint Thomas Health Services	6,350
5	Gaylord Entertainment Co.	5,000-9,999
6	Carlisle Co.	5,000-9,999
7	MedQuist	5,000-9,999
8	Wal-Mart Stores Inc.	4,500
9	Randstad Work Solutions	3,495
10	Dell Corp.	3,200
11	Shoney’s Inc.	3,000
11	Century II Inc.	3,000
13	Electrolux Home Products North America	2,900
14	The Kroger Co.	2,753
15	CBRL Group Inc.	2,750

Source: Moody’s Analytics Précis U.S. Metro Report – November 2015



DEMOGRAPHICS

	Nashville	1-Mile	3-Mile	5-Mile
2010 – 2016 Population Growth	10.14%	19.87%	13.89%	13.68%
2016 – 2021 Population Growth	6.87%	11.52%	8.69%	8.61%
2016 Estimated Population	1,840,320	12,340	81,814	165,962
Average Age	37.8	32.2	33.3	33.6
% of Age 25+ w/ College Deg.	38.46%	33.53%	36.74%	37.66%
Prime Rental Age 18-34	23.78%	34.69%	29.54%	28.81%
Average Household Income	\$76,225	\$49,870	\$56,640	\$60,298
% of Households > \$100K Income	22.79%	9.82%	12.19%	14.70%
Median Home Value	\$195,841	\$148,616	\$147,058	\$161,359

Source: The Nielsen Company, 2016

SUPERIOR AMENITIES

Unit Amenities:

- Balcony/Patio
- Garages Available
- Washer/Dryer Connections
- White On White Appliances
- Wraparound Countertops
- Prewired For Ceiling Fans
- Oversize Closets
- Kitchen Pantries
- Linen Closets
- Air Conditioning
- Dishwasher
- Disposal
- Ice Maker
- Alarm Available
- Cable Available
- Satellite Available
- High Speed Internet Access*

* In select apartments

UNIT MIX

UNIT TYPE	%	UNITS	TOTAL SF	SF PER UNIT
1 BR / 1 BA	47.3%	214	163,282	763
2 BR / 2 BA	44.7%	202	212,100	1,050
3 BR / 2 BA	8.0%	36	45,576	1,266
Total/Average	100%	452	420,958	931

FLOOR PLAN SAMPLES



2 Bedroom | 2 Bath



1 Bedroom | 1 Bath

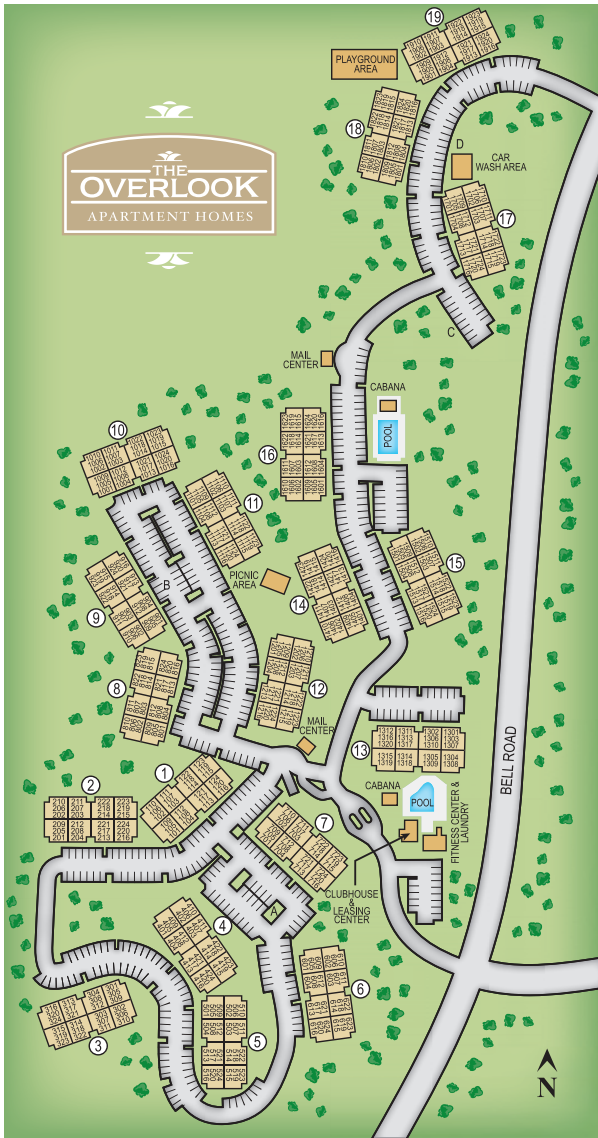


3 Bedroom | 2 Bath

Community Amenities:

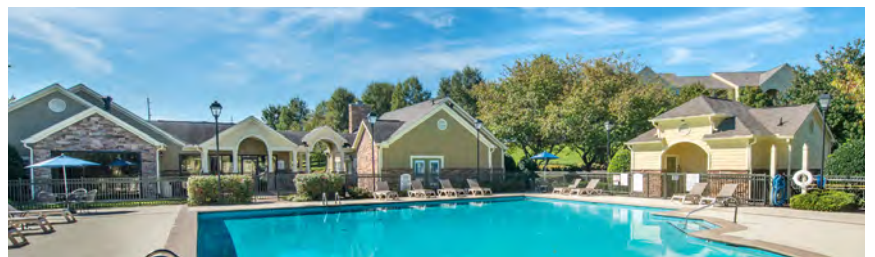
- Two Pool Plazas
- Scenic Views
- Picnic Areas
- 24 Hour Fitness Center
- 24 Hour Laundry Facility
- Playground
- Car Care Center
- Emergency Maintenance
- Pet Friendly Community
- Handicap Accessible
- Short Term Leases Available
- Military Discount
- Preferred Employee Program Available
- Public Transportation Available
- Door-To-Door Valet Trash Service

THE OVERLOOK



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 Project.
- There is no guarantee that investors will receive any return.
- Distributions may be derived from sources other than earnings.
- The Project will be subject to a Master Lease with an Affiliate of the sponsor.
- The Project 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 Project 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 Project.
- 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
Senior Vice President &
National Sales Manager

Thomas B. Jahncke
(949) 263-7904
Senior Vice President

Adriana Olsen
(949) 263-7933
Vice President

Andy Wang
(949) 263-7934
Vice President

Brad McCord
(949) 263-7935
Regional Marketing
Representative

Marco Vitulli
(949) 263-7936
Marketing
Representative



2050 MAIN STREET, SUITE 650 | IRVINE, CA 92614 | 949-442-1000 TEL | 877-4-PASSCO TOLL | WWW.PASSCO.COM
IRVINE, CA | DENVER, CO | AUSTIN, TX | ATLANTA, GA