



**AVAILABLE FOR \$1031 EXCHANGE
FOR ACCREDITED INVESTORS ONLY**

MESA RIDGE APARTMENTS, DST

4900 USAA Boulevard, San Antonio, Texas 78240

PROPERTY SUMMARY

A Country Lifestyle with City Convenience

The Mesa Ridge Apartment community is a 200-unit Class B apartment community situated on approximately 7.9 acres in Northwest San Antonio, Texas. The Property is directly across the street from the main entrance to the approximate 15,000 employee, 286-acre USAA Corporate Campus. The Property offers affordable 1- and 2-bedroom apartments with 6 spacious floor plans featuring a breakfast bar, pantry, walk-in closets, full appliances and broadband internet access. Most homes have a private patio or balcony with storage, a separate dining room, wooded or city views, washer/dryer connections and a wood-burning fireplace.

KEY INVESTMENT CONSIDERATIONS

- **Irreplaceable Location.** The main entrance to the USAA Headquarters, which employs 15,000, is located approximately 500 yards from Mesa Ridge. The Property is also minutes from the University of Texas – San Antonio (UTSA) which has enrollment of more than 29,000.
- **Infill Location in Prestigious South Texas Medical District.** Mesa Ridge is strategically located near the South Texas Medical Center, which is home to approximately 27,000 employees. There is nearly \$1.5 billion worth of capital improvement projects in progress or planned over the next five years in the medical center.
- **Well Maintained Community.** Originally built in 1984, Mesa Ridge has been beautifully maintained and is regarded as one of the finest communities in its sub-market. Recent improvements include a new roof, designer exterior paint scheme, and upgraded interior hardware and lighting packages.
- **Favorable Multifamily Outlook.** Market research firm CB Richard Ellis projects favorable apartment sector fundamentals for the San Antonio market including employment growth at more than twice the prior 5-yr average, positive unit absorption, increasing rents, and decreasing vacancy rates over the next five years.¹
- **Robust Local Economy.** The San Antonio market is bolstered by a highly diversified local economy, significant military employment, increasing population levels, and sustained job growth. According to Forbes (Nov. 2010), San Antonio also ranked the 5th best real estate market in nation.



PROPERTY HIGHLIGHTS

Property Type:	Class B
Year Built:	1984
Total Square Feet:	147,260
# of Units	200
Percent Occupied:	93% (as of 12/31/10)

Property Amenities

- Swimming Pool & Hot Tub
- Clubhouse
- Outdoor Grilling & Picnic Area
- Laundry Facility

Unit Amenities

- Large Patios, Balconies, & Storage
- Washer/Dryer Connections
- Fireplaces Available
- Separate Dining Areas
- Walk-in Closets
- Full Appliances
- Hardwood Floors Available
- Six Available Floor Plans

“The recession and shifting demographics will swell the ranks of people who rent, not buy, housing over the next five years”

– “*Renter Nation*”, *Barron's*, July 2010

¹ CBRE Econometric Advisors, San Antonio Multi-Housing Outlook, Winter 2011.

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



Heron Tower ■ 70 East 55th Street, 9th Floor ■ New York, New York 10022 877.826.BLUE (2583) ■ BluerockRE.com

© 2011 Bluerock Real Estate. All Rights Reserved.

INVESTMENT OVERVIEW

INVESTMENT HIGHLIGHTS

Minimum 1031 Investment: (2.50% interest)	\$128,912	Assumed Debt: (2.50% interest)	\$144,625
Total Purchase Price:	\$10,941,471	Purchase Cap Rate ² :	6.60%
Equity Offering Amount:	\$5,156,471	Offering Price Per Unit ² :	\$52,107
Loan Amount:	\$5,785,000	Projected Hold Period:	5-10 Years
Loan Terms:	52.9% LTC, 10-yr Term, 5-yr Interest Only, 5.77% Fixed Interest Rate	1st Year Cash Flow:	6.50%, increasing to 7.50% during hold period

PROJECTED ANNUALIZED INVESTOR RETURNS

HYPOTHETICAL RETURNS PER \$100,000 INVESTMENT						
YEAR	1-2	3-4	5-6	7-8	9-10	TOTAL
Projected Cash Yield	6.50%	6.75%	7.00%	7.25%	7.50%	
Cash Distribution ³	\$13,000	\$13,500	\$14,000	\$14,500	\$15,000	\$ 70,000
Projected Profit from Sale ⁴						\$ 6,800
Return of Capital						\$100,000
Total Investment Return						\$176,800
Total Annualized Return						11.0%

²Figure represents initial Trust purchase price, all escrows, offering fees and expenses; excluding Trust and lender held reserves.

³Returns per Annum, paid monthly

⁴Figure based on sale in year 10 at a 7.75% cap rate

These projections were created by the sponsor and are based on a number of assumptions and real estate analysis techniques. The results are necessarily hypothetical; the underlying assumptions may not be accurate, the results shown may not occur, and your performance could vary significantly. This material must be read in conjunction with the PPM, which contains additional important risk disclosures and more specific information about the assumptions made.



Mesa Ridge Apartments

BUSINESS PLAN

- Preserve investor's capital investment;
- Realize income from the acquisition and operation of the Property;
- Make monthly distributions to investors, which may be partially tax-deferred as a result of depreciation and amortization expenses; and
- Within approximately 5-10 years, sell the Property for potential profits as a result of effective management and operation of the Property.

The Sponsor has engaged **The Lynd Company**, the nation's 34th largest national apartment operator with more than 33,000 units under management and over \$1 billion in multifamily investments, to provide on-site management. As part of the business plan, we intend to improve operational efficiencies and drive increasing value for the Property by leveraging the favorable long-term apartment fundamentals in the area, through professional on-site management, and modest interior unit renovations in order to maximize unit rents.



Mesa Ridge Apartments Clubhouse

Please note some or all of these objectives may not be met. See "Risk Factors" on back page.

PROPERTY OVERVIEW



LOCATION OVERVIEW

The Mesa Ridge Apartments are located within walking distance to the USAA Corporate Campus and approximately 13 miles northwest of downtown San Antonio, Texas. The Property is also 9.3 miles west of the San Antonio International Airport and the heart of the medical center including close proximity to the South Texas Medical Center and Methodist Hospital. The University of Texas at San Antonio and other major employers along the I-10, I-410, and Loop 1604 loop corridors are all just minutes from the Property.

Neighborhood retail conveniences and restaurants are within walking distance or a short commute from the Property along Fredericksburg Road. State-of-the-art regional retail is also within several minutes drive of the Property including the Neiman Marcus-anchored "Shops at La Cantera" featuring upscale shopping, and a new development, "The Rim", a 1.5 million square foot retail and office development on I-10 just north of Loop 1604. The Rim is expected to feature a Target, Lowe's, Bass Pro Shop Outdoor World, and a 19-screen theater with IMAX.

SAN ANTONIO MARKET OVERVIEW

San Antonio is the 3rd largest metro area in Texas and the 28th largest metro area in the United States with a total population of approximately 2.1 million residents. The population has grown by approximately 18% since 2000 and is expected to grow an additional 8% over the next 5 years.

San Antonio has received numerous top rankings for economic growth and jobs including:

- Ranked 5th "Best Real Estate Market in Nation" – *Forbes* November 2010
- Included in "America's 21 Most Recession Proof Cities" - *Brookings Institute* 2010
- Ranked in Top 20 for "Best Places For Business and Careers" – *Forbes* April 2010

The city serves as headquarters to several national and international companies including: USAA, H-E-B Food Stores, and four Fortune 500 Companies. In addition, San Antonio serves as a leading manufacturing region with major facilities for Toyota, Kinetic Concepts, Boeing, Caterpillar, Lockheed Martin, Coca-Cola, and Tyson Foods.

San Antonio has four military bases. The three Air Force operations, Lackland, Brooks, and Randolph and the Fort Sam Houston Army base altogether employ almost 75,000. This military presence provides a boost to the economy in services and goods purchased by these government employees.



WHY INVEST IN MULTIFAMILY?

According to independent research, Multifamily has:

- Higher returns when other property sectors have underperformed⁵;
- Best risk-adjusted returns and smallest variation in returns⁵;
- Less demand volatility⁵; and
- A significant upcoming supply-demand imbalance expected to drive increasing values for apartment holdings⁶.

ABOUT THE SPONSOR

Bluerock is a national real estate investment firm headquartered in Manhattan.

Bluerock focuses on acquiring, managing, developing and syndicating multifamily and commercial real estate properties throughout the United States. Bluerock and its principals collectively have sponsored and structured real estate transactions totaling approximately 25 million square feet and with approximately \$3 billion in value. Bluerock principals have an average of approximately 20 years experience in the finance and real estate fields including acquisitions, asset management, dispositions, development/redevelopment, leasing, property, management, portfolio management and in building operating and real estate companies.

RISKS FACTORS AND DISCLOSURES:

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 or escrow requirements;
- The property is not a diversified investment;
- Complete reliance on the Trust to manage the Property and pay Rent;
- No control over the operation of the Property and limited voting rights;
- There are various conflicts of interest between the Trust, the Sponsor, and their Affiliates, including the Bluerock Special Opportunity + Income Fund;
- There are significant limitations on your ability to sell or transfer your interests;
- General risk of real estate ownership including fluctuations and increases in operating expenses and insurance costs, tenant turnover, local economic downturn, competition, environmental liabilities, uninsured losses and potential fluctuations in values;
- The use of leverage up to 65% loan-to-capitalization;
- The offering is not a liquid investment;
- There are various fees related to the sale and management of the offering which have been incorporated into the purchase price and may offset profits;
- Existence of significant tax risks and tax issues related to 1031 exchanges; and
- The use of exchange funds to pay certain costs associated with the acquisition of the property and Interests may result in a taxable boot.

See "Risk Factors" section of the PPM for a complete listing of all of the risks associated with the Interests. Securities offered to Accredited Investors only pursuant to Rule 501 of Regulation D of the Securities Act of 1933.

⁵A case for Investing in Apartments, Multi-Housing News, April 13, 2009.

⁶The U.S. Apartment Market: A Perspective on the Next Five Years, Property and Portfolio Research, Inc., January 2009.

For more information, please contact the Sales Desk at 877.826.BLUE (2583).



Heron Tower ■ 70 East 55th Street ■ New York, New York 10022
212.843.1601 ■ BluerockRE.com

Securities Offered Through:
Halcyon Capital Markets, LLC
5775 Wayzata Boulevard, Suite 960
Minneapolis, Minnesota 55416
P: 952.346.3986 • F: 952.346.3979
Member FINRA / SIPC