

Villas by the Lake

256-Unit Apartment Community

Available for 1031 Exchange or Direct Investment



1 Lakeview Way, Jonesboro, GA 30238

Hamilton Point Investments LLC (“Sponsor” or “HPI”) is offering accredited investors Delaware Statutory Trust (“DST”) interests in Villas by the Lake (“Villas”). The 256-unit property is located in the Atlanta suburb of Jonesboro, Georgia.

Investment Summary

- Class A apartment community built in 2003 to high-quality construction standards
- Total capitalization of \$93,652 per unit (\$82.83 per square foot), which is below replacement cost
- Occupancy rate of 97.3% (2/22/16) and average occupancy rate of 95.4% for 12 months ending 2/22/16.
- Sponsor has managed Villas for three years and owns five other apartment properties in Georgia
- Sponsor’s asset management office is located in Atlanta, 20 minutes from Villas
- 10-year hold period offering projected 6.0% initial yield and 6.6% projected average yield over ten year hold period
- 30-year amortization with 3-year interest only period reduces debt by \$1,811,556 during hold period
- \$600,000 upfront escrow plus \$76,800 per year ongoing capital reserve escrow

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

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The Market

- Clayton County is the 7th largest of 35 Metro Atlanta apartment submarkets with a stock of over 25,000 apartment units (Source: *Co-Star Analytics*, 2/18/16 Atlanta Apartment Report)
- Population growth of 15.5% in Clayton County from 2000-2015 (Source: *Co-Star Analytics*, 2/18/16 Atlanta Apartment Report)
- Population growth of 4.4% projected in 3-mile radius from 2016-2020 (Source: *The Nielson Company* February 2016 Report)
- Household growth of 5.5% projected in 3-miles radius from 2016-2020 (Source: *The Nielson Company* February 2016 Report)
- Competitive set of eight properties has 96.5% occupancy rate (Source: *Co-Star Market Analytics*, 2/22/16)
- Competitive set of eight properties averages 1992 year of construction vs. Villas 2003 year of construction (Source: *Co-Star Market Analytics*, 2/22/16)
- Current average monthly rents at property of \$765 (\$0.68 psf); competitive set rents of \$783 (\$0.72 psf) allows for potential rental upside (Source: *Co-Star Market Analytics*, 2/22/16)
- Clayton/Henry County vacancy rate of 4.2% for apartments built from 1990-2009; (Source: *REIS Reports*, 4Q15)
- Clayton County asking rents grew by 7.9% in 2015 and effective rents grew by 8.1% (Source: *Co-Star Analytics*, 2/18/16 Atlanta Apartment Report)
- Nearly 12,000 new jobs in Clayton County from 2012 through 2015 (Source: *USMHA* 1Q16 Report)
- Atlanta population, household and labor force growth rates have doubled those of the nation over the last 10 years; this outpaced growth is projected to continue (Source: *Co-Star Analytics*, 1Q15)
- Atlanta apartment market vacancy rate of 4.1% for apartments built between 1990 and 2009; rental rate growth of 3.6% in 2014 and 4.1% in 2015 (Source: *REIS Reports*, 2Q15)
- Sponsor believes current rental rates too low to justify new construction. Average asking rents at Villas are \$765 per month. Sponsor believes rent of \$1,100 per month is necessary to justify new construction
- No new multifamily properties have been developed since 2005 in Clayton County, and none are currently under construction (Source: *Co-Star Analytics*, 2/18/16 Atlanta Apartment Report)

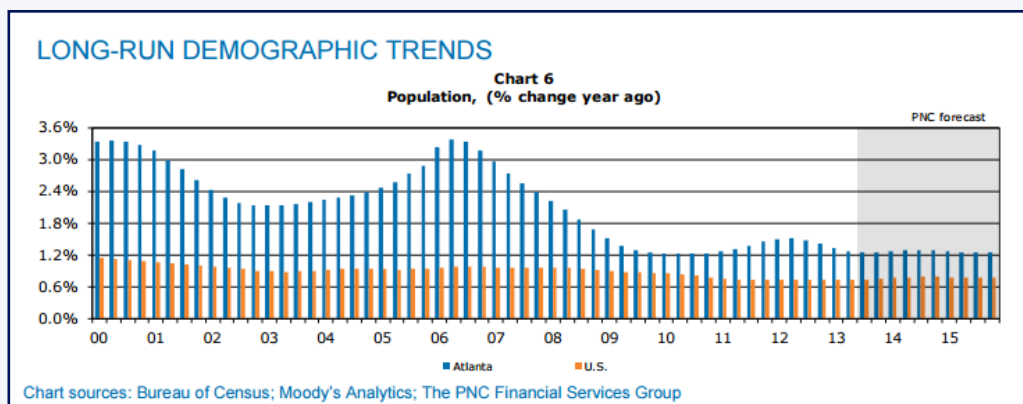
The Property

- 256 unit garden-style apartment community situated on 25.0 acres
- Built in 2003 to high quality construction standards
- Large unit sizes, averaging 1,106 square feet
- 49 detached garage units
- Interiors with fully-equipped kitchens, nine-foot ceilings, washer-dryer connections, wood flooring in select units, hard-wired alarms, walk-in closets, six-panels doors and private patios or porches
- Amenities include a swimming pool, clubhouse, fitness center, business center, tennis court, gated entry, volleyball court, dog park and grilling area



1 Bed / 1 Bath

2 Bed / 2 Bath



The Submarket

South Atlanta has one of the largest industrial and warehouse concentrations in the US, with 154 million square feet of such space.

Hartsfield Jackson International Airport is located 20 minutes from Villas. It is one of the largest and busiest airports in the world and directly employs over 58,000 people (USHMA 1Q16 Report).

Gillem Logistics Center is a 1,168-acre master planned park that can accommodate over 8 million square feet of industrial and mixed-use buildings. Located in Clayton County, Gillem Logistics Center is within five miles of Hartsfield Jackson International Airport and is being developed by Weeks Robinson Properties and Starwood Capital. Also in Gillem Logistics Center, The Kroger Company acquired 253 acres in June of 2014 and is developing a \$200 million regional distribution center of up to two million square feet. The first component of the center was delivered in the fourth quarter of 2015 (USHMA 1Q16 Report).

Southern Regional Medical Center is a 331-bed hospital managed by Emory Healthcare. The hospital directly employs 2,100 people. The surrounding area includes medical practices, specialist groups, support facilities and testing centers; numerous tenants at Villas work in the medical field (USHMA 1Q16 Report).

Clayton State University is a public university with over 7,000 undergraduate and graduate students with significant focus on growing fields of nursing, health administration and teaching.

Business Strategy

Hamilton Point Property Management LLC will continue to manage the property, as it has since May 2013. Self-management is a key tenet of HPI's investment strategy and is a crucial element to maintaining institutional quality property oversight that includes revenue enhancement, cost control and tenant credit quality.

Net Income Enhancement

- Maintain strong occupancies above 94%. Vacancy rate was 2.7% at Villas and 3.5% at the competitive set of eight properties as of February 22, 2016. Despite these consistently low vacancy rates, a 6% constant vacancy rate was included in the cash flow projections.
- Increase rental rates. Although we feel we may be able to achieve significant rental rate increases in response to the low vacancy rate, we have assumed a 3% annual growth rate for both revenues and expenses. It is our belief we may be able to increase rates by more than 3%.
- Continue unit interior upgrade program to include hardwood flooring on ground floor units, refinished kitchen and bathroom counters and cabinets, and replacement of brass colored fixtures with brushed nickel to allow for rental rate premiums on those units.
- Continue with strict expense controls made possible by Sponsor's self-management of the property. While third party property managers may significantly upcharge the property for property level employees, operating and capital expenses, Hamilton Point Property Management does not upcharge any items, leading to significant expense savings.



Corporate Overview



Hamilton Point Investments LLC

Hamilton Point Investments LLC (“HPI”) is a real estate investment firm founded in 2009 by Matthew A. Sharp and J. David Kelsey (“Principals”), after the two merged their former companies, which were formed in 2005 and 2007, respectively. The firm is based in Old Lyme, CT with its asset management office based in Atlanta, GA. HPI, through affiliated entities and managed funds, has acquired over 7,000 apartment units since 2009 and currently owns and operates 23 apartment properties totaling nearly 5,000 apartment units. HPI and its subsidiary property management company employ over 125 people. The Company has a highly experienced team of seasoned professionals specialized in asset management, property management, accounting, reporting, acquisitions and financing.



Hamilton Point Property Management LLC

Hamilton Point Property Management LLC (“HPPM”) manages multifamily apartment properties owned by Hamilton Point Investments LLC affiliates. HPPM was founded by David Kelsey and Matt Sharp to manage the day-to-day activities at properties they run through various partnerships and investment funds managed by Hamilton Point Investments. HPPM is run by Melissa Sheldon who is responsible for cost-effective, efficient and institutional quality property-level staffing, leasing, maintenance, contracting, marketing and reporting with over 100 property managers, maintenance supervisors, leasing agents, and maintenance staff reporting to her. Melissa has been a senior-level property management executive for over 25 years with some of the largest and most well-respected multifamily property managers in the country. Ms. Sheldon reports directly to Mr. Sharp and Mr. Kelsey, who are closely involved with her in property management oversight.

Securities offered through Orchard Securities, LLC member FINRA/SIPC

This material is neither an offer to sell nor a solicitation of an offer to buy a security, which can be made only by the Private Placement Memorandum (“PPM”), filed or registered with appropriate state and federal regulatory agencies, and sold by broker-dealers authorized to do so. This material must be preceded or accompanied by, and read in connection with, the PPM to fully understand the implications and risks of the offering of securities to which this material relates.

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2 Huntley Road, Old Lyme, CT 06371

Villas by the Lake

256-Unit Apartment Community

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Investment Plan ⁽¹⁾

- Acquire a 256-unit apartment community located in Jonesboro, GA
- Maximize occupancy and revenue while maintaining cost control with institutional quality property management
- Distribute monthly cash flow to investors
- Sell in approximately 10 years, or when the market dictates

Acquisition Details

Acquisition Cost ⁽²⁾ :	\$23,975,000 (\$93,652 per unit; \$82.83 psf)
Occupancy (as of 2/22/16):	97.3%
Year Built:	2003

Loan Amount and Terms

Estimated First Mortgage:	\$13,975,000
Estimated Term:	10 years
Estimated Amortization:	30-year fixed rate, yrs. 1-3 interest only
Estimated Rate ⁽³⁾ :	10-year Treasury + 235 basis points (T-10 is 1.83 as of 3/1/16)
Estimated Leverage ⁽⁴⁾ :	58.3%
Estimated Debt Coverage Ratio:	1.99x (1.47x with amortization)

DST Master Lessee

Offering Size:	\$10,000,000
Minimum Investment:	\$200,000
Suitability:	Accredited Investors

Projected Returns

Projected Yield ⁽⁵⁾:

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
6.00%	6.00%	6.00%	5.75%	6.00%	6.25%	6.75%	7.25%	7.75%	8.25%

Projected IRR ⁽⁵⁾: 9.82%



Note 1: There can be no assurances that Investment Plan will be successfully executed.

Note 2: Acquisition cost includes all expenses related to the DST. Also includes \$600,000 of upfront capital reserves.

Note 3: The loan will be fixed shortly before closing at the then 10-year Treasury plus 235 basis points. As of March 1, 2016 the Treasury rate was 1.83, which would result in a rate, fixed for the life of the mortgage of 4.18%. The Treasury rate will fluctuate until closing and could be higher. The cash flow projections assumed the rate is fixed at 4.6%.

Note 4: Until the loan closes, this loan-to-value could fluctuate modestly.

Note 5: There can be no assurance that these projected returns will be achieved.

Risks of the Investment

An investment in the Interests of the trust involves significant risk and is suitable only for Investors who have adequate financial means, desire a relatively long-term investment, who will not need immediate liquidity from their investment and can afford to lose their entire investment. Investors must read and carefully consider the Private Placement Memorandum ("PPM") related to the offering of Interests of the Trust, including the discussion set forth in the section of such PPM entitled "Risk Factors." Such risks include, but are not limited to:

- The Interests may be sold only to accredited investors, which for natural persons, are investors who meet certain minimum annual income or net worth thresholds.
- The Interests are being offered in reliance on an exemption from the registration requirements of the Securities Act of 1933 and are not required to comply with specific disclosure requirements that apply to registration under such Act.
- The Interests are not registered with the Securities and Exchange Commission nor any state securities commissions; they have not passed upon the merits of or given their approval to the Interests, the terms of the Offerings, or the accuracy or completeness of any Offering materials.
- The Interests are subject to legal restrictions on transfer and resale and Investors should not assume they will be able to readily dispose of their Interests.
- Investors should be able to bear the loss of their entire investment.
- Investors may not realize a return on their investment for years, if at all.
- Investors have limited control over the Trust.
- The Trustees of the Trust have limited duties to Investors and limited authority.
- There are inherent risks with real estate investments.
- There is no public market for the Interests and none is expected to develop.
- The Trust is not providing any prospective Investor with any separate legal, accounting or business advice or representation.
- Various tax risks, including the risk that an acquisition of an Interest may not qualify as a Section 1031 Exchange.
- Fees and expenses may outweigh the benefits of tax deferral.

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