The Woodlands of Odessa

5050 Tanglewood Lane, Odessa, TX 79762
$11,975,000 Property Purchase Price – 232 Apartment Units
$20,000 Investment Units

A Private Ownership Opportunity
Projected 8% Year 1 Cash on Cash Returns & 17+% ROI Over 7 Years

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This package contains available information received from the current owner and management company relating to the property location, description, rent rolls, budget, prior financial records, projected returns, investment strategies and risk factors.

Although information has been secured from sources that appear to be reliable, no representation, either expressed or implied, is made as to the accuracy of any information on this property. All information contained herein is further subject to correction, modification, or withdrawal without further notice. This package contains the initial information received, nevertheless, an independent appraisal is pending.

Funds received as an investment in this offering will be applied and used solely for the acquisition of this property only and its corresponding expenses, acquisition costs and property improvements, if any, as shown on the proforma capital needs table in this package.

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Executive Summary

L5 Real Estate Investments LLC (L5) and Odyssey Properties (the "Managers") are focused on providing secure, above average investment returns through the strategic acquisition and asset management of multi-family properties in emerging U.S. markets of stability and growth.

The Managers have executed a Letter of Intent to purchase the property described herein by a limited number of accredited and qualified investors. The total purchase price is $11,975,000. The Managers are seeking to raise approximately $3,802,063 in capital via $20,000 ownership shares (in a Limited Liability Company to be formed) by July 15th. The minimum investment is $20,000. A $100,000 investment equates to approximately a 2% ownership. This is a "momentum" opportunity capitalizing on the strength of a performing asset with a stable history of occupancy and cash flows. The Odessa market is one of recent economic resiliency and growth.

The Woodlands Apartments, built in 1982, is a 232-unit apartment complex located in Odessa, TX. The property is centrally located in an "A" location and in the heart of Odessa's "path of progress" where growth continues to spread toward Midland, Odessa's sister city. The complex consists of 128 one-bedroom units and 104 two-bedroom units. Full-size washer/dryer connections and private balconies/patios are included with all apartments, providing a strong competitive advantage in the market. The property is currently 96% occupied with historical occupancy levels greater than 90%.

Woodlands is directly adjacent to Windchase, an 80-unit apartment community currently under the ownership and management of L5 and Odyssey. Windchase is 98% occupied as of June 1st and its financial performance has exceeded initial investor projections.

Executive Summary

Woodlands is being acquired at a cost of $51,616/unit, a discount to Windchase. Windchase was acquired last year at $64,375/unit. We expect to take advantage of management efficiencies between the two properties totaling 312 units, resulting in lower operating costs. Savings can be realized through improved economies of scale via new vendor contracts and the reduction of overhead expenses.

The current owner / manager of Woodlands, BH Equities, is a reputable owner / operator group with over 41,000 apartment units under management. As a result, The Woodlands has been well-maintained and it appears that no major capital expenses or renovations are required.

The Woodlands' rents are expected to increase over the next several years due to job growth and the lack of available apartment housing in Odessa, TX. The apartment communities in close proximity to Woodlands have an average vacancy level below 5%. As the Permian Basin continues to add jobs due to developments such as Summit Power's $1.73 billion Clean Energy Power Plant (see page 24), the growing demand for rental housing should keep vacancy rates low while at the same time putting upward pressure on rents.

The Odessa market, in the heart of West Texas, was ranked the #1 Small City for Jobs in April of this year by *Forbes*. In 2009 the Milken Institute/Greenstreet Real Estate Partners ranked Odessa and Midland the #5 and #1 best performing cities among small metros, respectively. Midland, Odessa's "Sister City", located only 15 miles to the east, had the lowest unemployment rate (tied with Amarillo) in Texas at 5.6% as of April, 2010. Odessa, while by no means immune to the recession, added 900 jobs in the period of January to May. With 20% of its jobs in natural resources & mining, Odessa is becoming more diversified with alternative energy opportunities in natural gas, wind and solar. Most notably though, Odessa is aptly located in the center of the energy nexus for the region and the United States as a whole.

The big picture behind the strength of the Texas economy is the fact that it is attracting more businesses and workers than any other state. Texas is strategically located, has low taxes and outstanding demographics. Unbeknownst to many, Texas surpassed New York in 2008 as home to more Fortune 500 companies than any other state. To further this fact, *Chief Executive* Magazine's 2010 "Best & Worst State" survey took CEOs opinion on the best and worst places for jobs and business growth. For the second year in a row, CEOs rated Texas as the #1 state to do business.

The acquisition of Woodlands, a quality asset and well-timed opportunity, will provide stable, attractive cash flows and a favorable return on investment for its owners over a proposed seven-year hold period. L5 Real Estate Investments and Odyssey Properties are pleased to provide this exclusive ownership opportunity.

Investment Highlights

1. **Projected 8% Annual Cash on Cash Returns (year one) - Distributed Quarterly**. Investor cash on cash returns are expected to increase to 11.8% by year seven – see page 15.
2. **Projected 17+% Annual Return on Investment (ROI**) – see page 14.
3. **96% Occupancy.** Woodlands is located in an "A" location with high demand and low vacancy. Its top two competitors are also 95%+ occupied. Apartment demand greatly exceeds supply**.** Strong occupancy and low supply will result in increased revenues.
4. **Increased Operational Efficiencies.** L5 Investments already owns and manages Windchase, the 80-unit apartment community located directly across 50th Street from Woodlands. Windchase is 98% occupied and its financial performance has exceeded initial investor projections. The Woodlands is being purchased at a discount of $12,759/unit compared to the Windchase acquisition.
5. **Discount to Replacement Value.** The Woodlands is being purchased at $51,616/unit, or $68.54/sq. ft.; significantly below its current market replacement value.
6. **Cash Reserve of $200,000+ at Closing.** $120,000 repair credit at closing has been negotiated to provide immediate cash reserves. This credit, including the waiver of the first month's mortgage payment (approx. $53,847) and security deposits (estimated at $40,000), will enable the Managers to establish an initial cash reserve of approximately $213,847.
7. **Excellent Condition.** The property is currently owned and managed by BH Equities, a reputable apartment management company with over 41,000 units under management. The property has been well-maintained and minimal capital repairs are anticipated.
8. **Competitive Advantage.** The Woodlands has a good unit mix, above-average size units at 757 sq. ft., and 100% of the units have washer /dryer connections.
9. **Job Growth**. Summit Power's $1.73 billion Clean Energy Power Plant, the first of its kind, is expected to bring approximately 1200 to 2500 jobs to the market upon construction commencement in December 2010. The U.S. Department of Energy recently awarded a $350 million grant for the facility. This award is the largest yet made under the Department of Energy's Clean Coal Power Initiative, enacted and funded by Congress. Odessa's economy added 900 non-related jobs from January to May, 2010.
10. **#1 Small City for Jobs - Odessa.** Odessa's recent ranking by *Forbes* in April of this year. Odessa is centrally located in the heart of the Permian Basin, the largest single source of oil and gas deposits in the nation. The city is also the county seat of Ector County and a rapidly expanding college town showing strong enrollment growth. The University of Texas is currently building a $54,000,000, 70,000 sq. ft. Science and Technology Center slated for completion Spring of 2011.

Investment Strategy

The primary investment objective is to provide investors with strong, annual cash on cash returns and a favorable overall return on investment (ROI) over a seven year hold period. The acquisition of this asset at the $11,975,000 purchase price is anticipated to provide investors with 8% cash on cash returns over the first year of ownership and an annual return on investment (ROI), including back end profits, that is projected to be approximately 17% over seven years. All cash distributions are expected to be made quarterly to investors.

The proposed seven year hold period is intended to provide maximum appreciation of the invested equity by steadily increasing rents over time. Alternatively, should market conditions warrant it, we will return as much of the initial invested capital as early as possible through a cash-out refinance.

This strong, stabilized asset may offer multiple profit strategies in addition to the seven year appreciation hold period as proposed. These strategies may include:

1. Sell at a market peak or a period of increased rental demand. We see this as a realistic possibility since the price of the oil barrel has fallen from its record high of $134/barrel (Jul ’08) to as low as almost $30/barrel in January of last year. Prices have already doubled since the low point and recently surpassed $74/barrel. It is expected that oil demand and prices will fluctuate yet will ultimately continue to climb over our hold period. As oil prices increase, so should jobs, occupancy, and rents.

2. Refinance prior to year seven to return as much invested capital as possible, maintain strong cash on cash returns, and sell at a later point in time; ideally following year seven.

3. Refinance and return 100% of invested capital over the seven year period and continue to hold the property for long term cash flows and profits.

Property Profile

The Woodlands is located only one block from the Music City Mall, the area's only regional shopping center and the largest retail facility of its kind between Dallas & El Paso. The property is also walking distance to the University of Texas (Permian Basin campus – approx. 3,500 students), nearby employment centers, and a multitude of retailers including Wal-Mart, Target, Lowes, national chain restaurants and movie theaters. The Woodlands is ideally located with excellent visibility along Tanglewood Road and is only two blocks from 42nd Street, Odessa's primary high traffic retail corridor. Midland International Airport is only a 15 minute drive away.

The property is constructed of brick and frame, has pitched roofs, and includes a swimming pool & lounge area, leasing center, 24-hour fitness center, clubhouse, and 476 parking spaces. The property offers a good mix of floor plans and bedrooms (hence the 96% occupancy) with good sized living areas ranging from 543 sq. ft. to 1,022 sq. ft.

Unit Type	# of Units	Unit Size	Unit Mix	Rent/Mo
1 bed / 1 bath	48	543	21%	$587
1 bed / 1 bath	80	618	34%	$660
2 bed / 1 bath	40	845	17%	$753
2 bed / 2 bath	64	1022	28%	$850
Total # of Units	**232**		**100%**	

Property Profile

The Woodlands of Odessa	
Units	232
Year Built	1982
Land Area (approx.)	9.1 acres
Rentable sq. ft.	174,712
# of Buildings	24
# of Stories	2
Roof Type	Pitched
Parking Spaces	476

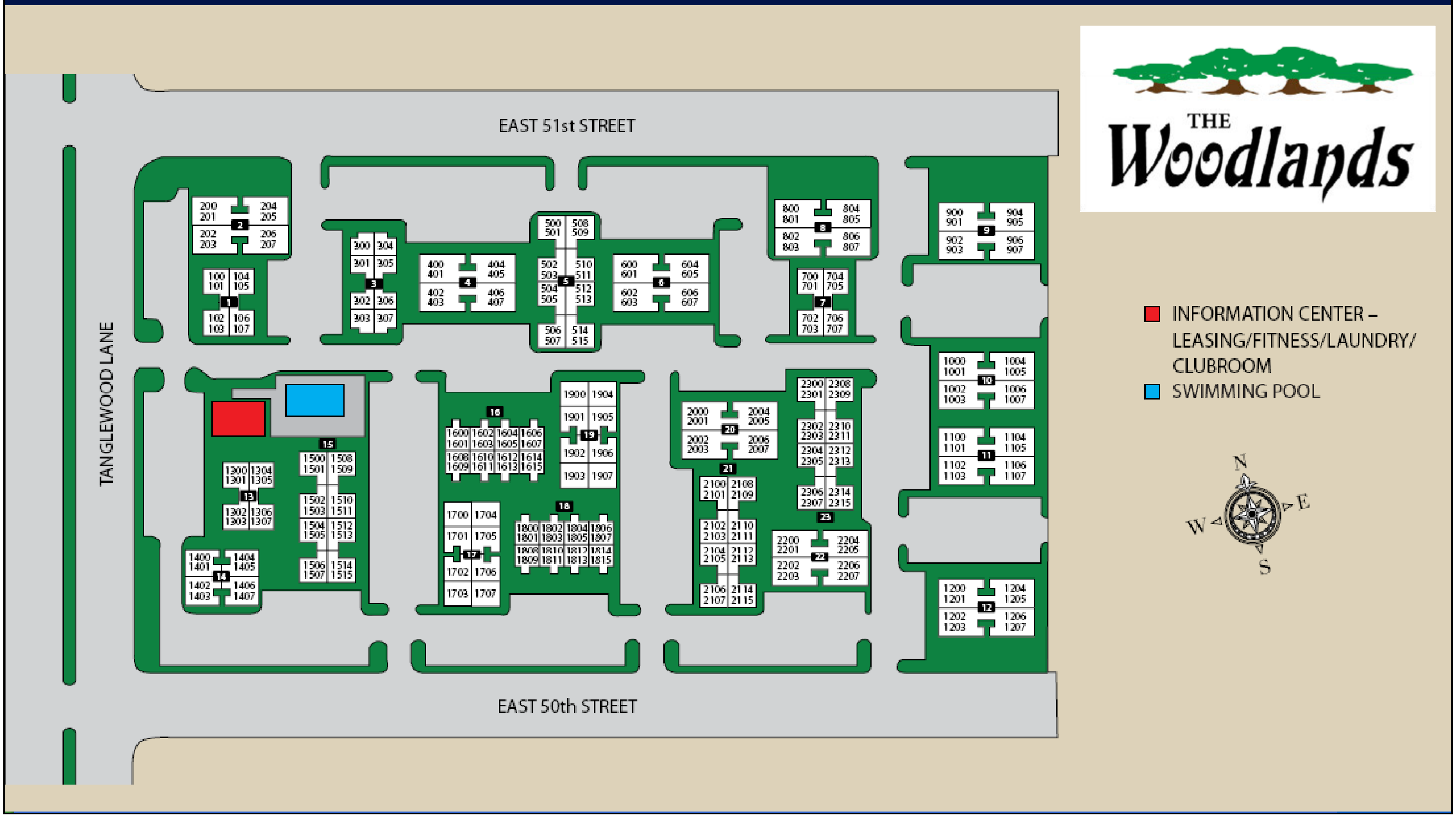
Community Amenities:
- Swimming pool & lounge area with BBQ facilities
- Clubhouse
- 24-hour fitness center
- 25 Covered parking spaces
- On-site property management (Mon-Fri, 9am-6pm)
- 24-hour emergency maintenance
- Leasing center with mail boxes

Apartment Amenities:
- Full size washer/dryer connections
- Fully-applianced electric kitchen (microwave, dishwasher, etc.)
- Private balconies/patios
- Attractive, spacious floor plans
- Fireplaces
- Ceiling fans
- Additional exterior storage on all balconies/patios
- Spacious closets (walk-in on all master bedrooms)

Property Profile

ODYSSEY properties

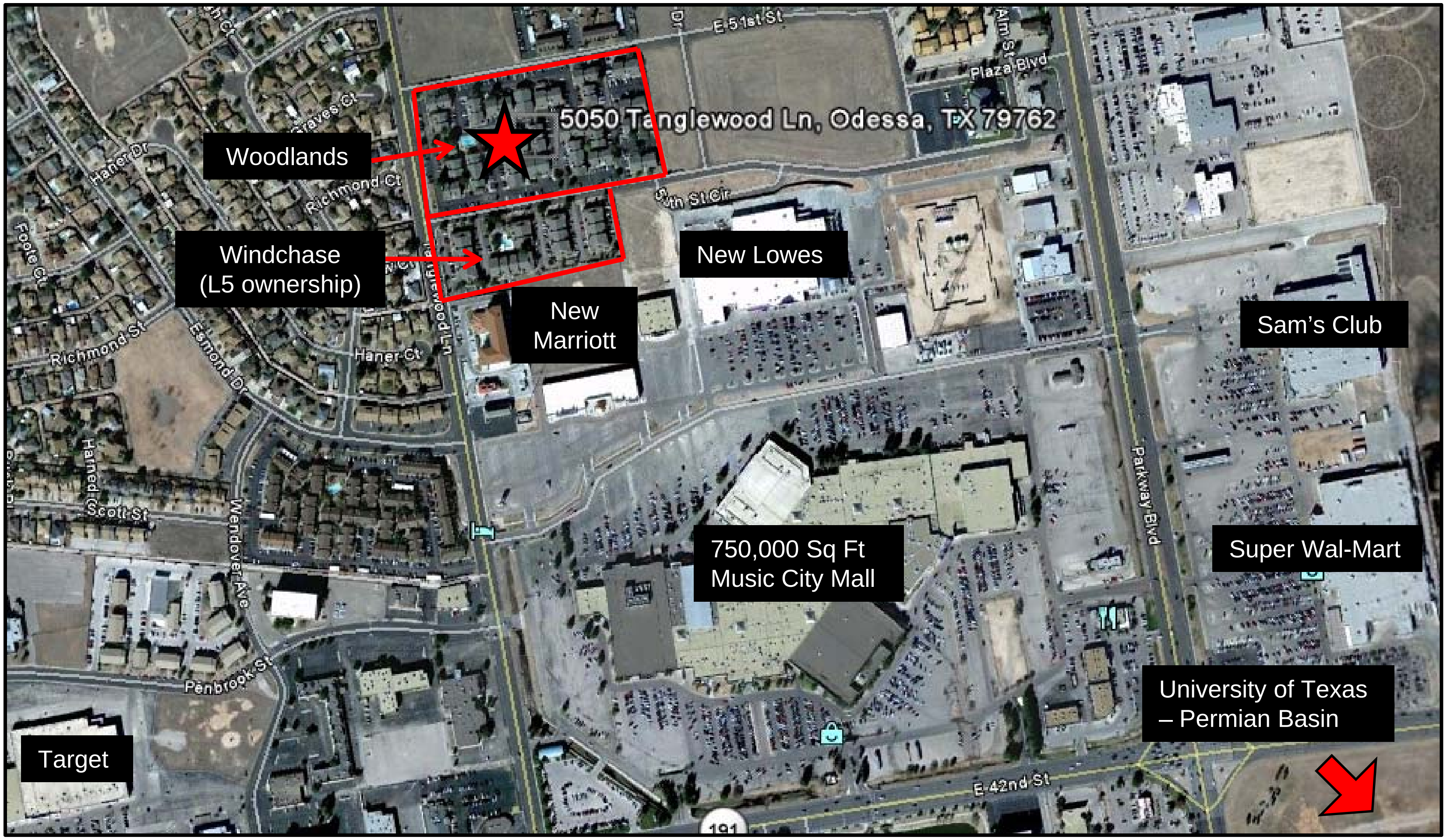
Site Plan



Location Map

Odessa-Midland MSA Map

Aerial Photo



Financial Overview

Current Financial Indicators		Proposed Loan	
Purchase Price	$11,975,000	Loan Amount	$8,981,250
Number of Units	232	% Down	25%
Price/Unit	$51,616	Down Payment	$2,993,750
Rentable Sq Ft	174,712	Interest Rate	6.00%
Price/Sq Ft	$68.54	Term (years)	10
Gross Income	$1,900,324	Amortization (years)	30
Total Expenses	$789,921	Annual Debt Service	$646,166
Net Operating Income	$1,110,403		
Project Cash on Cash Return	10.7%		
Debt Coverage Ratio	1.63		
Cap Rate	9.3%		

Projected Total Equity Partner Returns*	
Net Cash Flows	$2,537,112
Net Profit at Sale**	$2,046,652
Total Profits	**$4,583,764**
Total Return on Investment (ROI)	**120.6%**
Average Annual ROI	**17.2%**

*following year 7

**projected 8.5% exit cap rate

Investor ROI Sensitivity Analysis					
Exit Cap Rate	7.50%	8.0%	**8.5%**	9.0%	9.5%
Sales Price	$17,379,459	$16,293,243	**$15,334,817**	$14,482,883	$13,720,626
Net Profit at Sale	$3,503,460	$2,729,531	**$2,046,652**	$1,439,649	$896,541
Net Cash Flows	$2,537,112	$2,537,112	**$2,537,112**	$2,537,112	$2,537,112
Total Profits	$6,040,572	$5,226,643	**$4,583,764**	$3,976,761	$3,433,653
ROI	22.7%	19.8%	**17.2%**	14.9%	12.9%

Depreciation expense deductions will belong to the equity partners of this project. Projected cash returns are not offset with any depreciation expense deductions. Each of the owners/partners of this project may elect to offset their taxable operating income with depreciation expense and are encouraged to check with their financial or tax advisor. The above tables are illustrations consisting of proforma numbers and are subject to change. All profits and rates of returns on this page are only projections and are not guarantees of any sort. Actual returns may vary widely due to many economic and market factors beyond our control.

Financial Overview

Operating Income & Cash Flows	Year 1	Year 3	Year 5	Year 7	TOTAL
Effective Gross Income	$1,900,324	$1,956,474	$2,071,312	$2,193,039	
Operating Expenses	($789,921)	($821,834)	($855,036)	($889,580)	
Net Operating Income	$1,110,403	$1,134,640	$1,216,276	$1,303,459	
Debt Service	($58,000)	($58,000)	($58,000)	($58,000)	
Capital Expenditures (Capex)	($58,000)	($58,000)	($58,000)	($58,000)	
Cash Flows	$406,237	$430,474	$512,110	$599,294	$3,382,816
Equity Partner Cash Flows (75%)	**$304,678**	**$322,856**	**$384,082**	**$449,470**	**$2,537,112**
Project Cash on Cash Returns	10.7%	11.3%	13.5%	15.8%	
Equity Partner Cash on Cash Returns	**8.0%**	**8.5%**	**10.1%**	**11.8%**	

Equity Return at Sale*	
Exit Sales Price @ 8.5% Cap	$15,334,817
Sales Expense (4%)	($613,393)
Disposition Fee (1%)	($153,348)
Loan (after Principal Reduction)	($8,037,144)
Return of Initial Investment	($3,802,063)
Total Owner Appreciation	$2,728,870
Less General Partner Share (25%)	($682,217)
Equity Partner Net Profit Share (75%)	**$2,046,652**

*Assumes sale immediately following year 7.

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Financial Overview

Sample $100k Investment

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Initial Investment	($100,000)							
Projected Cash Flow		8,013	8,070	8,492	9,284	10,102	10,948	11,822
Cash on Cash Return		*8.0%*	*8.1%*	*8.5%*	*9.3%*	*10.1%*	*10.9%*	*11.8%*
Return of Capital		-	-	-	-	-	-	100,000
Projected Profit on Sale		-	-	-	-	-	-	53,830
Total Projected Proceeds	($100,000)	$8,013	$8,070	$8,492	$9,284	$10,102	$10,948	$165,652

Total Investment	($100,000)
Total Projected Return	$220,560
Total Projected Proceeds	$120,560

Est. Return on Investment	***120.6%***
Est. Average Annual Return	***17.2%***

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Financial Assumptions*	
Hold Period (years)	7
Vacancy Rate	7%
Rent Growth Rate**	0%-3%
Utility Reimbursement Income Growth Rate	0%-2%
Other Income Growth Rate	0%-1%
Expense Growth Rate	0%-2%
Reserves Expense/Unit (capex)	$250
Marketing Expense/Unit	$70
Contract Services Expense/Unit	$300
Payroll Expense/Unit	$900
Repairs & Maintenance Expense/Unit	$425

*These assumptions are typically more conservative than actual and historical expenses.

** Rent: 0% Year 1, 1% Year 2, 2% Year 3, 3% Years 4-7.

Capital Needs	
Down Payment	$2,993,750
Closing Costs	$359,250
Loan Points	$89,813
Acquisition Fee	$359,250
Seller Credit*	N/A
Total Capital Needs at Closing	**$3,802,063**

*$120,000 repair credit at closing has been negotiated to provide immediate cash reserves. This credit, including the waiver of the first month's mortgage payment (approx. $53,847) and security deposits (estimated at $40,000), will enable the Managers to establish an initial cash reserve of approx. $213,847.

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Financial Overview

Budget Operating Statement	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
OPERATING INCOME							
Gross Scheduled Rents @ 100%	$1,915,152	$1,934,304	$1,972,990	$2,032,179	$2,093,145	$2,155,939	$2,220,617
Vacancy	($134,061)	($135,401)	($138,109)	($142,253)	($146,520)	($150,916)	($155,443)
Concessions	($5,000)	($5,000)	($5,000)	($5,000)	($5,000)	($5,000)	($5,000)
Employee/Model Discount	($40,114)	($40,916)	($41,735)	($42,569)	($43,421)	($44,289)	($45,175)
Bad Debt Expense	($309)	($309)	($309)	($309)	($309)	($309)	($309)
Utility Reimbursements	$66,480	$67,145	$68,488	$69,857	$71,255	$72,680	$74,133
Other Income	$98,176	$99,158	$100,149	$101,151	$102,162	$103,184	$104,216
Effective Gross Income	$1,900,324	$1,918,980	$1,956,474	$2,013,057	$2,071,312	$2,131,289	$2,193,039
OPERATING EXPENSES							
Taxes	($134,150)	($136,833)	($139,570)	($142,361)	($145,208)	($148,112)	($151,075)
Franchise Tax	($13,311)	($13,577)	($13,849)	($14,126)	($14,408)	($14,696)	($14,990)
Insurance	($51,040)	($52,061)	($53,102)	($54,164)	($55,247)	($56,352)	($57,479)
Repairs & Maintenance	($98,600)	($100,572)	($102,583)	($104,635)	($106,728)	($108,862)	($111,040)
General / Admin	($23,173)	($23,636)	($24,109)	($24,591)	($25,083)	($25,585)	($26,097)
Management	($66,511)	($67,842)	($69,198)	($70,582)	($71,994)	($73,434)	($74,903)
Marketing / Advertising	($16,123)	($16,445)	($16,774)	($17,110)	($17,452)	($17,801)	($18,157)
Utilities	($108,613)	($110,785)	($113,001)	($115,261)	($117,566)	($119,918)	($122,316)
Contract Services	($69,600)	($70,992)	($72,412)	($73,860)	($75,337)	($76,844)	($78,381)
Payroll	($208,800)	($212,976)	($217,236)	($221,580)	($226,012)	($230,532)	($235,143)
Total Expenses	($789,921)	($805,720)	($821,834)	($838,271)	($855,036)	($872,137)	($889,580)
NET OPERATING INCOME	$1,110,403	$1,113,260	$1,134,640	$1,174,786	$1,216,276	$1,259,152	$1,303,459
Capital Expenditures (Capex)	($58,000)	($58,000)	($58,000)	($58,000)	($58,000)	($58,000)	($58,000)
Primary Debt Service	($646,166)	($646,166)	($646,166)	($646,166)	($646,166)	($646,166)	($646,166)
Cash Flow	$406,237	$409,094	$430,474	$470,620	$512,110	$554,986	$599,294
Project Cash on Cash Return	10.7%	10.8%	11.3%	12.4%	13.5%	15%	16%
General Partner Cash Flow (25%)	$101,559	$102,274	$107,619	$117,655	$128,027	$138,747	$149,823
Equity Partner Cash Flow (75%)	**$304,678**	**$306,821**	**$322,856**	**$352,965**	**$384,082**	**$416,240**	**$449,470**
Equity Partner Cash on Cash Return	**8.0%**	**8.1%**	**8.5%**	**9.3%**	**10.1%**	**10.9%**	**11.8%**

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Odessa Market

About Odessa

Odessa, Texas is located in the heart of the petroleum rich Permian Basin informally known as “The Petroplex.” The Petroplex is the largest single source of oil and gas deposits in the nation. It produces approximately one-forth of the natural gas for the United States. In fact, the Permian Basin saw an increase of 266% working rigs over the last twelve months, per RigData. Odessa should continue to add jobs not only from conventional energy production but also due to developments such as the Texas Clean Energy Project, a $1.73 billion carbon capture facility to be built fifteen miles west of Odessa. Apart from energy, Odessa is home to a growing branch of the University of Texas and serves as the major healthcare hub to the surrounding region.

Supporting a positive employment outlook for Odessa, *Forbes* ranked Odessa the #1 Small City for Jobs in April of this year. In 2009 the Milken Institute/Greenstreet Real Estate Partners ranked Odessa the #5 best performing cities among small metros. As recently as 2006, Odessa was voted as one of the best places to live by Money Magazine. In the past, the cities of Odessa and Midland (Odessa’s “Sister City” 18 miles due East) experienced a rivalry. However, since the early 1990’s the nature of that rivalry has changed into one of friendly competition and economic cooperation. The region today is very business friendly and is marketed as “Two Cities, No Limits.”

Odessa is the county seat for Ector County. Located halfway between Dallas/Fort Worth and El Paso, Odessa is in the heart of West Texas and is one of the industrial and commercial crossroads of the region. Odessa enjoys a climate typical of the resort cities of the Southwest United States. Odessa’s elevation averages 2,851 feet above sea level with a city area of 35.04 sq. miles and a county area of 903 sq. miles.

Odessa’s Music City Mall, one block from Woodlands, and neighboring retail areas attract shoppers from Midland and the smaller West Texas communities. The city is also home to The University of Texas of the Permian Basin (currently expanding with a new $54M, 70,000 sq. ft. technology and science center), Odessa College, Texas Tech University Health and Science Center, and Medical Center Hospital. Odessa is a growing and prosperous city, offering big city amenities, yet maintaining its friendly small town charm.

Odessa-Midland Demographics

Odessa-Midland is been an area of Texas that continues to grow and prosper. As of the most recent census, Odessa has a population of 96,948 with a county population (Ector County) of 128,200. Midland has a population of 103,174 with a county population (Midland County) of 125,000. The total population of the combined statistical area (CSA) is approximately 255,978.

Odessa Market

The population within a 1-mile radius of the property is projected to increase approximately 6.88% over the next several years with an average family household income of approximately $72,450. The 2009 estimated median owner-occupied home value was $121,140.

Regional Airport

The Midland-Odessa area is served by the Midland International Airport, also known as Midland Regional Airfield (MAF). The airport is only approximately eight miles east of Odessa. The Midland International Airport is served by four major air carriers: American Eagle (American Airlines regional carrier) which operates 5 flights daily to Dallas/Fort Worth International Airport (DFW), Continental Express (Continental Airlines regional carrier) which operates 7 flights daily to Houston Intercontinental (IAH), Southwest Airlines which has 10 flights per day, 6 serving Dallas Love Field (DAL), 2 serving Houston Hobby (HOU), 1 serving Albuquerque (ABQ), 1 serving Las Vegas (LAS), and United Express which operates 1 flight daily to Denver (DEN).

Regional Highways and Railways

Odessa is strategically located approximately 347 miles West of Dallas/Fort Worth and 274 miles East of El Paso. Odessa is big enough to demand superior roadway and railway systems yet small enough to get around quickly. Odessa is served by Interstate Highway 20 which runs East and West between Dallas/Forth Worth and El Paso, U.S Highway 385 which runs south into U.S. Highway 67 and Interstate 10 and North toward Lubbock and Amarillo, Texas. Odessa is also served by State Highways 191, 302, and Loop 338 which encircles most of the city. The location of the Union Pacific Railroad switch station and a proposed spur which will run throughout the Odessa Business Park complex makes transportation and shipping a breeze.

Odessa is conveniently located along two new and emerging transportation routes: the Ports-to-Plains Trade Corridor and the La Entrada Trade Corridor. The Ports-to-Plains Corridor is a planned, multi-lane highway that will connect the U.S./Mexican border with Colorado, and eventually Canada. The La Entrada Corridor will connect Odessa to Mexico’s coast to allow transportation of goods and services to Asia.

Economic & Business Climate for Odessa

Odessa, while by no means immune to the recession, added 900 jobs in the period of January to May, 2010. With 20% of its jobs in natural resources & mining, Odessa is becoming more diversified with alternative energy opportunities in natural gas, wind and solar. Most notably though, Odessa is aptly located in the center of the energy nexus for the region and the United States as a whole.

Odessa is home to mostly blue-collar workers and facilities which have long had a strong presence in the crude oil industry. The region is the source of the New York Mercantile Exchange's benchmark West Texas Crude. Over the past year plans have begun to unfold for the Texas Clean Energy Project (TCEP), a $1.73 billion "NowGen" carbon capture facility power plant to be built in Ector County, fifteen miles west of Odessa. Both the construction and the operation of the plant will serve as a major economic boon for the Odessa. See page 24 for more details.

The region is also home to two major natural gas power plants and several wind farms such as Duke Energy's Notrees facility. Not to sit idle, Odessa is working towards a possible solar energy production facility in the area and the nearby City of Andrews is a candidate for an experimental high temperature nuclear reactor. Both of these opportunities will contribute to continued job growth. Overall, both Odessa & Midland are well positioned to become an energy nexus for the region and the United States as a whole.

Odessa has made other significant efforts to diversify its economy with recent expansion projects which include Family Dollar Stores, who opened their seventh distribution center near the city to serve stores in Texas, New Mexico, Arizona, and Colorado. They employ over 380 people in the 907,000 sq. ft. center. Additionally, Telvista, an incoming call center, and Coca-Cola Enterprises have also recently brought facilities to the area.

Over the past several years the Midland-Odessa transportation alliance (MOTRAN) has been working diligently on developing the La Entrada al Pacifico Corridor. This is a project to open a state and federally designated trade corridor from Texas to Chihuahua City, Mexico, continuing to the Mexican Pacific port of Topolobampo. Chihuahua is one of the four largest trading partner states with the United States, and this new corridor would capture a majority of this trade for Texas. This development will offer Texas long-term access to a Pacific deep water port that is approximately 500 miles closer and much less expensive than the Port of Los Angeles. Texas cities that will benefit the most from this proposed corridor will be those cities located along Interstate Highways I-20 and I-10 which include Odessa, Midland, Dallas/Fort Worth, & Abilene. The Odessa-Midland areas are slated to serve as the inland port facility for this huge project.

Regional Shopping

Odessa is home to a large and growing retail and shopping section in the same northeastern section of the city where The Woodlands is located. The largest facility there, Music City Mall, is located only one block from the property. It is the largest retail facility of its kind (750,000 sq. ft.) between Dallas/Fort Worth and El Paso. The mall area is home to 111 stores and is anchored by Dillard's, JC Penney, and Sears. The interior shopping area features the only year-round NHL regulation size ice rink within 300 miles and boasts statistics of serving over 10 million shoppers per year..

Odessa Market

Other major retailers and service providers nearby are known national brands such as Wal-Mart, Home Depot, Bed Bath & Beyond, Marriott, Wyndam, Sam's Club, and Lowe's Home Improvement Center. In addition, other services and retailers such as major car dealerships, movie theatres, and restaurants are within walking distance to The Woodlands

Health Care

Residents of The Woodlands are near the finest healthcare facilities in the area. In fact, Odessa has grown to be the healthcare hub for the surrounding communities with state-of-the-art services and technology. There are more than 200 physicians representing a wide variety of specialties, including cardiovascular surgery, emergency care, and comprehensive cancer care. In addition, there are more than 80dentists serving the local community. Medical Center Hospital, Odessa Regional Medical Center, and three acute care hospitals have a combined total of 592 licensed beds. Texas Tech University Health Sciences Center in Odessa is dedicated to improving the quality of healthcare, medical education, and research in the Permian Basin. The major hospitals alone have more than 2,938 employees.

Education

Odessa is served by the Ector County Independent School District, one of the largest school districts in West Texas with more than 26,650 students.

Odessa is also home to the University of Texas of the Permian Basin (UTPB) which employs over 659 Staff and faculty. UTPB is an academic institution of The University of Texas system and is a growing, vibrant four-year university offering bachelors and masters degrees. It fills its niche well as the only four-year University for Odessa, Midland and surrounding rural areas. UTPB's enrollment is more than 3,500, attracting students from over 160 Texas counties. Over the past several years student enrollment has grown, often in the double digits, and the University is currently expanding its Science and Technology complex. This new, state of the art $54M, 70,000 sq. ft. complex is under construction and slated for completion in 2011.

Other University facilities in the area include Odessa College which enrolls about 4,700 students annually, Midland College, The Center for Energy and Economic Diversification (CEED) and the planned Fine Arts Performing Center located near the Midland International Airport.

Odessa Market

Local Attractions

Odessa has a variety of museums, galleries, historic homes, churches, and public areas to enhance the quality of life in the local region. The city has 34 public parks, 4 public swimming pools, 11 public tennis courts, 4 football/soccer/baseball fields, 4 golf courses, 2 cinemas featuring 23 screens, a local playhouse theatre, 4 museums and galleries, and 144 churches. There are also countless restaurants, hotel rooms, and various shops and antiques stores in the area.

Odessa is one place where life imitates art as well. A few of the well known cultural opportunities located in Odessa are as follows:

- **The Presidential Museum**, which is a facility dedicated solely to the Office of the President of the United States. Permanent exhibits include the Dishong collection of First Lady miniature dolls, campaign trivia, historical documents, and the John Ben Shepperd Library of the Presidents.
- **The Odessa Shakespeare Festival at The Globe of the Great Southwest**, which is a recreation of Shakespeare's original Globe. The Globe also produces everything from Broadway musicals to country and Gospel revues throughout the year.
- **The American-Airpower Heritage Museum,** located within the Commemorative Air Force (CAF) headquarters at Midland International Airport, is recognized for its collection of authentic World War II artifacts, memorabilia and the world's largest collection of original aviation nose art. The museum boasts of 40,000 square feet of "hands-on" permanent exhibits that detail the story of World War II airpower.
- **The Midland Odessa Symphony and Chorale** is the premier orchestra in the Permian Basin. The symphony, chorale and its various ensembles perform with world-renowned guest artists and conductors in concerts that feature classical, pops and educational programming throughout the year. Resident ensembles include the Lone Star Brass, the strings of the West and the West Texas Winds.

Odessa's Texas Clean Energy Project

The Texas Clean Energy Project (TCEP) is a $1.73 billion "NowGen" carbon capture facility to be located on a 600-acre tract fifteen miles west of Odessa, Texas. TCEP is currently scheduled to achieve financial closing and commence construction in December 2010. Commercial operation is scheduled for mid-2014. Sources have indicated that the facility will provide 2,500 construction jobs over the next three years and 167 permanent jobs. The project will continue to bring notoriety and new business to Odessa.

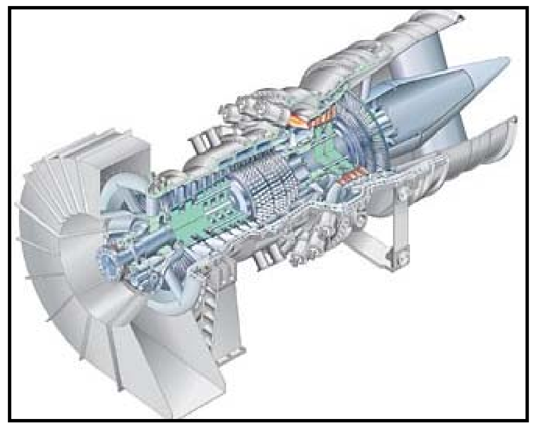
On December 4, 2009, Secretary Stephen Chu of the US Department of Energy announced that TCEP will receive a $350 million award, which will reduce TCEP's effective costs substantially. This award is the largest yet made under the Department of Energy's Clean Coal Power Initiative, enacted and funded by Congress.

TCEP will incorporate CCS technology in a first-of-its kind commercial power plant. The plant will capture ninety percent (90%) of its carbon – more carbon than any power plant of commercial scale yet operating anywhere in the world. As a result, TCEP's carbon emissions will be far lower than those of any existing fossil-fueled power plant.

TCEP's configuration and proven components also make it a "reference plant design" for the electric power and chemical sectors worldwide. TCEP can generate electric power while also producing any of a number of other commercial products from gasified coal, all while achieving unprecedented carbon capture rates and minimal carbon emissions.

An environmental impact statement for management of the carbon dioxide captured at the site for sequestration already is prepared. Importantly, TCEP will sit atop the Permian Basin in West Texas, home of the world's largest and most active enhanced oil recovery (EOR) operations using geological injection of carbon dioxide as the recovery method.

Source: http://texascleanenergyproject.com



Odessa’s Texas Clean Energy Project - Press

Source: “Clean Energy Project Shows ‘Momentum’” Midland Reporter-Telegram May 20, 2010 Condensed.

ODESSA -- The process of permitting Summit Power Group's proposed Texas Clean Energy Project reached a milestone this week with the first site visit by representatives of the Department of Energy. Summit's $1.73 billion project will create a clean coal gasification and carbon capture plant in northwest Ector County. The DOE has agreed to a $350 million grant, one of three issued in December 2009 to clean coal and carbon storage projects around the nation.

"This is a milestone," said Laura Miller, Summit's director of projects, Texas. "The DOE is in town, and they like what they see. This shows the momentum of the project."

Bainbridge Island, Wa.-based Summit, he said, is just beginning the design phase for the plant, which is expected to take two years. "If all goes as anticipated, you should see start-up in July 2014," he said. "I have every anticipation this project will succeed."

State Rep. Tryon Lewis, of Odessa, pointed out that "This is not just an Odessa project; this is not an Odessa-Midland project; this is a project for all West Texas."

Mike Hatley, president of the Midland Development Corp., agreed, saying it is a big project for the region. "It will help the airport; it will help our local subcontractors. We have been very supportive of Odessa and their efforts to get this project. We've got to think regionally, as one economy, not several small ones."

Rep. Lewis worked with state Sen. Kel Seliger on legislation providing incentives for projects such as Summit's plant that capture and store carbon dioxide that was passed in the final days of the last legislative session and helped keep the plant alive.

"A bill that's good for the district you represent that's good for the state, the nation and possibly the world is probably every legislator's dream," said Seliger, who added he was pleased to work with Lewis and representatives of Odessa, Midland, Crane, Andrews and Monahans on the legislation "which died in the Senate once.“

Now, Seliger said, the project is in the hands of the technical people, though he and Rep. Lewis will continue to monitor the project and make any legislative adjustments needed to keep the project moving forward.

Management Team

Michael Flaherty, Manager

Michael Flaherty founded L5 Real Estate Investments to provide investors with stable cash flow and long term capital appreciation through the strategic acquisition and management of premier multi-family properties. He actively participates in all acquisitions and management of L5 assets. Mike has been involved in the ownership and management of over 100 nationwide commercial and residential properties throughout his career.

Prior to founding L5 Investments, Mike was a Partner with Cardinal Real Estate Investments in Los Angeles where he managed all aspects of acquisition, entitlements, development and asset management. Cardinal focuses on the astute repositioning and development of residential, commercial and resort properties primarily in Los Angeles and New York City . Some of his projects included an $18M mixed use (office/retail) development in Hermosa Beach, CA and the repositioning of a $29M Class A suburban office building in San Diego, CA.

Mike also managed British Petroleum’s (BP) zoning and real estate development for Bovis Lend Lease, one of the world’s largest real estate development, project management, and construction companies. His development program consisted of more than 50 retail projects, over a five-year period. He also managed BP’s national hydrogen retail development plan, which included the nation’s first retail designed hydrogen fueling facility at the Los Angeles International Airport (LAX). Governor Arnold Schwarzenegger inaugurated the site and Mike was awarded the 2004 Director’s Excellence Award for his excellence in corporate leadership.

Prior to Mike’s work in the multi-family and commercial industry, he managed numerous residential and master planned developments for Toll Brothers, Inc., the nation’s largest developer and builder of luxury homes. Mike managed and was engaged on numerous high volume projects, including a 234 acre, 600 unit mixed use, golf course development in Philadelphia , PA.   One of his projects, Uwchlan Woods, was awarded *Community of the Year* by the U.S. Home Builders Association.

Mike earned a B.S. in Civil Engineering from Villanova University and a M.B.A. from the University of Southern California .

He resides in the Los Angeles area with his wife, Tricia, and their daughter, Lana. Mike is also a Board Member for Mychal’s Learning Place, a non-profit organization focused on assisting children with developmental disabilities.

Management Team

Derek Graham, Manager

Derek Graham, a 21 year veteran of the commercial real estate industry, is the President and founder of Odyssey Properties Group, Inc., a private real estate investment group, which seeks to acquire or invest in income producing properties nationwide. Odyssey Properties strives to provide its investors with stable cash flow plus long term capital appreciation. Odyssey, acquired the following properties between 2004-2007:

$6.3M, retail investments, Chicago & Detroit
$10.25M, 350,000 SF storage building, Bakersfield, CA
$3.2M, 40,000 SF industrial building, Colton, CA
$6.8M, 183,000 SF industrial building, Memphis, TN
$4.0M, 17,000 SF retail building, Fridley, MN
$6.0M, 63,000 SF office building, Camarillo, CA
$2.0M, 19,300 SF industrial building, Redlands, CA
$17.0M, 130,000 SF office building, Hayward, CA

$5.1M, 150,000 SF industrial building, Fresno, CA
$5.9M, 100,000 SF cold storage building, Salt Lake City, UT
$750K. 10.5 AC, 130,000 SF industrial development
$6.6M, 102,000 SF industrial flex park, Draper, UT
$4.2M, 20,000 SF retail building, San Jose, CA
16,000 SF retail development, Martinez, CA
35 condo development, Hollywood, CA

Prior to founding Odyssey Properties Group, Inc., Derek Graham was (and remains) an Executive Managing Director at Studley, a national commercial real estate brokerage firm, where he leads the national mid-market real estate investment brokerage effort for Studley. Mr. Graham's background boasts a particularly strong track record in investment sales having closed transactions totaling over $1 billion.

Over the past ten (10) years, Mr. Graham has emerged as one of the best mid-market investment brokers (regionally and nationally) in investment sales transactions in the range of $5 million to $60 million, completing numerous sales of office, industrial and triple net retail investment properties. Prior to joining Studley, Mr. Graham was a Senior Vice President at CBRE (16 years) and Insignia ESG (3 years). Mr. Graham is a 1985 graduate of Princeton University.

Management Team

Alan Kuatt, Manager

Alan Kuatt is the General Partner of FireStar Group, LLC, a real estate acquisition and asset management company which targets opportunities in multi-family and self-storage facilities in emerging growth markets throughout the United States. Additionally, Kuatt is the Managing Member of Vantage Holdings, LLC which owns and manages numerous storage units in Florida. His asset management skills have doubled revenues, maintained strong occupancy levels and boosted overall property values despite current challenging market conditions. Kuatt was also the primary Trustee and Beneficiary of Capital Group, a business trust, which owned and managed numerous apartment units throughout Florida. His expertise lies in property management and repositioning.

Ronald Akin, SunRidge Management Group President/Owner, Management Partner

Ron Akin formed SunRidge Management Group in 1990, remains the company's President and sole owner, and has over 30 years of property management experience. SunRidge currently manages 22 apartment communities and 3,280 units in the Odessa-Midland market. They have been managing properties in Odessa for over 20 years and currently manage 75 properties nationwide. The company has two Assistant Vice Presidents (AVPs) for the Odessa-Midland market. Both AVPs live in the local market and have offices in both Odessa and Midland.

Prior to founding SunRidge, Akin served for eight years as Senior Vice President for the Western Division of Johnstown Management Company. In this position, he supervised a real estate portfolio of 175 apartment communities and 45,000 units. Akins's portfolio spanned the Western U.S. encompassing 12 states and 30 cities. He began his career with Gold Crown Properties where he oversaw a portfolio of 40 properties and 7,500 units.

Gordon Harris, Acquisitions

Gordon Harris' primary responsibilities at L5 Real Estate Investments include sourcing and underwriting potential acquisitions. Prior to L5 Real Estate Investments, Gordon worked as a finance analyst and property manager at GFD Management Inc., a retail development and management company based in Cary, NC. Gordon closed $70 million in construction and permanent financing and managed seven shopping centers totaling 480,000 sq. ft. Gordon earned a B.S. at the University of North Carolina at Chapel Hill's Kenan-Flagler Business School and a MBA and Masters of Real Estate Development at the University of Southern California.

Management Team

Brian Mollo, Investor Relations

Brian Mollo is primarily responsible for acquisitions and investor relations. He started his professional career in Finance as an Analyst at the media conglomerate, Clear Channel Worldwide. He was responsible for regional corporate reporting and handling the territory's financial functions, administering annual revenues in excess of $200 million for their Los Angeles cluster of 9 media properties. Brian was also an Account Manager for Clear Channel's Sales Division where he was annually atop the list of highest revenue producers, and often in the top 3% for new business.

Brian received his Bachelor of Science Degree from Boston College's Carroll School of Management where he double majored in Finance and Information Technology.

Risks

The value of this property and the corresponding equity of the owners (hereinafter Owners) of this property will fluctuate based on the value of the property and the income the property generates. Though the potential risk of investing in multi-family housing is moderate, Owners can lose some or all of their investment by investing in the property. The property's value and rental income can be affected by many factors, and you should consider the specific risks presented below before investing in the property.

General Risks Prior to Closing on Real Property may include:
Returns are subject to change due to new discovery, changes in loan terms, occupancy, additional capital investment, owner decisions, and various factors involved in property management, and therefore L5 Real Estate Investments, LLC, Odyssey Properties, and their affiliates do not guarantee these returns. The potential changes may also affect the feasibility of acquiring the property. Prior to acquisition, several costs are incurred to pay for due diligence on real property. The prospective Owners agree to utilize their deposits to pay for these costs, though there is no guarantee from L5 Real Estate Investments LLC, Odyssey Partners, and their affiliates that the property may close, or the date it will close. Potential owners with 1031 exchanges should take the appropriate precautions with the Exchange Accommodator to have appropriate backup alternatives.

General Risks of Owning Real Property:
All Owners will be subject to the risks inherent in owning real property, including: Income distributions are made as approved by the Owners, not by L5 Real Estate Investments, LLC or Odyssey Properties, and may not occur for a few months after closing to allow the property's cash flow to be verified and stabilized. As with any investment, distributions are not guaranteed. Each Owner's property values or rental and occupancy rates could go down due to general economic conditions, weak markets for real estate, changing supply and demand for certain types of properties, and natural disasters or man made events. A property may be unable to attract and retain tenants which means that rental income would decline. Each owner could lose revenue if tenants don't pay rent, or if the Owners are forced to terminate a lease for non-payment. Any disputes with tenants could also involve costly litigation. A property's profitability could go down if operating costs such as property taxes, utilities, maintenance and insurance costs go up in relation to gross rental income, or the property needs unanticipated repairs and renovations. A negative cash flow may require additional investment from the Owners should there be insufficient reserves.

General Risks of Property Management:
While L5 Real Estate Investments, LLC and Odyssey Properties do not manage the property, they do consult the Owners on property management activities and performance. Each owner's property values, rental income, and operating expenses could vary up or down depending on the performance and diligence of both on-site and off-site management or the property manager and the accuracy of their financial accounting.

Risks

General Regulatory Risks:

Government regulation, including zoning laws, property taxes, fiscal, environmental, capital gains or 1031 exchange treatments, or other government regulations could affect the returns or overall value of the property.

General Risks of Selling Real Estate:

Among the risks of selling real estate investments are:

The eventual selling price of the property might differ from its estimated or appraised value, leading to losses or reduced profits to each Owner. Because of the nature of real estate, the Owners might not be able to sell a property at a particular time for its full value, particularly in a poor market. This also could lead to Owner losses.

General Risks of Borrowing:

Among the risks of borrowing money and investing in a property subject to a mortgage are:

The owners may not be able to make the loan payments, which could result in a default on the loan. The lender could then foreclose on the underlying property and Owners would lose the value of its investment in the foreclosed property. If Owners obtain a mortgage loan that involves a balloon payment, there is a risk that the Owners may not be able to make the lump sum principal payment due under the loan at the end of the loan term, or otherwise obtain adequate refinancing. The Owners then may be forced to sell the property or other properties under unfavorable market conditions or default on its mortgage. If Owners take out variable-rate loans, the Owner's returns may be volatile when interest rates are volatile.

General Regulatory Risks:

Government regulation, including zoning laws, property taxes, fiscal, environmental, capital gains or 1031 exchange treatments, or other government regulations could affect the returns or overall value of the property.