



# ALMERIA

AT OCOTILLO

ALMERIA AT OCOTILLO | 2471 W. EDGEWATER WAY | CHANDLER, ARIZONA 85248

## THE PROPERTY

- A 389 unit Class A apartment community completed in 2014 and 2015; the property is comprised of 29 2- and 3-story buildings on approximately 22 acres offering 1, 2, and 3 bedroom units.
- Residents enjoy first class amenities including an infinity edge pool overlooking Ocotillo Lake, a second resort-style pool, a lap pool, two spas, outdoor kitchen, multiple outdoor fireplaces, two state-of-the-art fitness centers, yoga and spin studio, theater room and video wall, clubhouse with pool tables, electric car charging station, dog park with agility course, dog grooming station, playground and kids splash pad.
- Unit finishes include quartz or granite countertops, stainless steel appliances, contemporary cabinetry, tiled backsplashes, wood-style flooring, breakfast bar seating, full-size washer and dryers in each unit, private terraces and balconies, spacious walk-in closets and 9 foot ceilings.

## THE INVESTMENT OPPORTUNITY

- Almeria at Ocotillo is strategically positioned within Price Corridor, one of the most dynamic technology employment markets in the nation – three of the largest employers are within walking distance – Intel, Wells Fargo and Orbital ATK.
- Forbes recently ranked Chandler within the top 100 for ‘Best Places for Business and Careers and Job Growth.’
- The property is part of the highly sought-after Ocotillo 1,900 acre master-planned community that features manmade lakes, an award winning golf course, retail, commercial and industrial centers as well as high-end residential communities.
- The city of Chandler is one of the fastest growing cities in the nation and is a preferred location for new and expanding businesses.
- The education levels, average household income, projected population growth and median home values within a 1-5 mile radius of the property are all significantly higher than the Phoenix 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.

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## 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 internet marketing by engaging an internet firm specializing in 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 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.

- Complete furnishings in second clubhouse, not being fully utilized by current Owner, to enhance curb appeal to prospective residents and provide additional amenity to current residents.

### Improve New Lease Closing Ratios and Resident Retention

- Hire a nationally recognized third-party property management company to oversee an on-site management team of experienced and enthusiastic professionals.
- Install a lease management system that targets the number of monthly lease expirations to approximately 10% of the units.
- Install a reputation management system that enhances the property's 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, as well as utilization of print media if applicable.
- Leverage "economy of scale" cost effective pricing structure on contractor and vendor services, insurance and maintenance supply inventory.

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- 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.

## PHOENIX'S TOP 15 EMPLOYERS

Rank	Employer	Employees
1	Banner Health System	35,406
2	Wal-Mart Stores Inc.	32,373
3	Fry's Food Stores	17,286
4	Wells Fargo	14,480
5	Arizona State University	12,676
6	Dignity Health	12,100
7	University of Arizona	11,442
8	Intel Corp.	11,300
9	Bank of America	10,000
10	Honeywell Aerospace	10,000
11	JP Morgan Chase & Co.	9,700
12	Raytheon Missile Systems	9,600
13	US Airways	9,306
14	Freeport-McMoRan Copper & Gold Inc.	8,450
15	Target	8,241

Source: Moody's Analytics Précis U.S. Metro Report – March 2016





**PHOENIX, AZ**

The current estimated population of Phoenix-Mesa-Glendale (Phoenix MSA) is 4.6 million. Moody’s projects the Phoenix MSA population growth rate to be more than double the national population growth rate over the next several years. Moody’s is also forecasting the average local GDP/GMP, employment and personal income growth to exceed the national growth in those categories in each of the next 5 years.

Phoenix has seen growth across a diverse employment base with technology, aerospace, education/healthcare, professional and financial services all contributing to the market improvement that outpaced the U.S. last year. Forbes notes technology companies are thriving in Arizona...Tech giant, Apple, announced it will make a \$2 billion investment in a global command center in Mesa, it’s only corporate operation outside of California. Automaker GM is hiring for its newest 1,000 employee IT Innovation Center in Chandler. Innovators including Infusionsoft, Weebly and Zenefits are also expanding their operations within the state. Start-ups are also launching in the Grand Canyon state in unprecedented numbers, bringing jobs and attention from venture capitalists with them. The recent high-tech success is a result of years of planning and investment by the state government and local business leaders to position Arizona to become a leader in technology. Orbital ATK, a satellite manufacturer with facilities in Chandler and Mesa, is expanding its engineering operations in Gilbert, one of the largest and most advanced spacecraft assembly and test facilities in the U.S. Wells Fargo is also growing in the area and is currently seeking approval from the city to expand its already-massive Chandler campus with new office towers that could reach 13 stories, which would be the city’s tallest buildings standing.

**Local Sub-Market**

Almeria at Ocotillo is located in the southern end of the Price Corridor in the city of Chandler. Chandler (also known as the Silicon Desert) has been a magnet for the high-tech industry. Price Corridor’s location, infrastructure and access to high-skilled knowledge workers makes it an ideal location for leading edge companies focused on advanced business services, aerospace, life sciences, sustainable and high technology research and manufacturing. This high-technology center along with residential neighborhoods, excellent schools and a shopping and dining scene, has made Price Corridor a powerful magnet for both talent and

notable industry leaders. The Rockefeller Group is in the process of building 1 million square feet of office and retail space just four miles from the property. Wells Fargo, Intel and Orbital ATK collectively employ over 15,000 and are all within walking distance of the property.

Almeria at Ocotillo is part of the master planned community known as Ocotillo that encompasses approximately 1,900 acres. The development includes manmade lakes, an award winning golf course, retail, commercial and industrial centers as well as residential communities. Ocotillo features a lake system which is comprised of 167 acres of interconnected lakes and water features. The property has frontage on the lakes and the common areas and units have been designed to take advantage of the lake views, waterfalls, picnic areas and a 27-hole golf course designed by Ted Robinson. The property is also within walking distance of Downtown Ocotillo which features retail shops, specialty grocers and restaurants.

The City of Chandler often wins acclaim for many of its programs, innovation and cost-saving techniques. Awards garnered by the City of Chandler for 2015 include:

Organization	Title	Ranking
WalletHub.com	Best Arizona City for Millennial Job Seekers	1
Movoto Real	Best Phoenix Suburb for Millennials	2
Livability.com	Best City for Families	6
WalletHub.com	Best City to Find a Job	6
Forbes	Best Places for Business and Careers	44
Forbes	Job Growth	61
WalletHub.com	Top 100 Greenest Cities	Top 100

Sources: Chandleraz.gov and Forbes



# EXECUTIVE SUMMARY



## DEMOGRAPHICS

	Phoenix MSA	1-Mile	3-Mile	5-Mile
2010 – 2016 Population Growth	9.86%	13.98%	16.93%	10.80%
2016 – 2021 Population Growth	7.58%	8.18%	11.02%	8.19%
2016 Estimated Population	4,606,379	8,548	64,838	194,150
Average Age	37.7	36.9	39.1	38.4
% of Age 25+ w/ College Deg.	37.70%	64.08%	55.97%	50.33%
Prime Rental Age 18-34	23.35%	22.60%	20.55%	21.32%
Average Household Income	\$73,739	\$119,380	\$103,556	\$91,798
% of Households > \$100K Income	22.86%	46.47%	40.52%	33.70%
Median Home Value	\$202,278	\$362,670	\$333,652	\$278,227

Source: The Nielsen Company, 2016

## UNIT MIX

UNIT TYPE	#UNITS	% TOTAL	SF PER UNIT	TOTAL SF
1 BR / 1BA	25	6.40%	674	16,850
1 BR / 1BA	16	4.10%	758	12,128
1 BR / 1BA	14	3.60%	780	10,920
1 BR / 1BA	40	10.30%	794	31,760
1 BR / 1BA	60	15.40%	840	50,400
2 BR / 2 BA	12	3.10%	1,060	12,720
2 BR / 2 BA	1	0.30%	1,072	1,072
2 BR / 2 BA	1	0.30%	1,076	1,076
2 BR / 2 BA	44	11.30%	1,077	47,388
2 BR / 2 BA	1	0.30%	1,083	1,083
2 BR / 2 BA	26	6.70%	1,096	28,496
2 BR / 2 BA	1	0.30%	1,117	1,117
2 BR / 2 BA	80	20.60%	1,160	92,800
2 BR / 2 BA	20	5.10%	1,180	23,600
2 BR / 2 BA	2	0.50%	1,229	2,458
3 BR / 2 BA	24	6.20%	1,285	30,840
3 BR / 2 BA	22	5.70%	1,294	28,468
<b>TOTAL / AVERAGE*</b>	<b>389</b>	<b>100.00%</b>	<b>1,011*</b>	<b>393,176</b>

## SUPERIOR AMENITIES

### Unit Amenities:

- Faux wood flooring
- Stylishly designed urban interiors
- Contemporary cabinetry
- Large pantry
- Premium ceiling fans in living room and master bedroom
- Stainless steel, Energy Star appliances
- Wood style blinds provided throughout
- Large walk-in closets
- Private terrace or balcony\*
- Attached or detached garages
- Laundry with full size washer and dryer
- Dramatic 9ft ceilings
- Ample storage space
- Private master baths

### Community Amenities:

- Extensive business resource center
- On-site Maintenance
- Theater room and video wall, with versatile gaming options, including PS3
- 3 resort-style pools and 2 spas
- 24 hour controlled access gated entrance
- Part of exclusive Ocotillo neighborhood
- Open-air eatery with gas BBQ grills
- Outdoor fireplaces with conversation seating
- 24 hour state-of-the-art fitness center
- Virtual training Fitness on Request system
- Yoga Studio
- Lush landscaping maintained through Ocotillo reclaimed lake system
- Direct access, corridor access, and detached garages available
- Bark park with dog salon
- Screening/theater room
- Resident club house with pool tables
- Electric car charging stations
- Fun filled tot lot/playground
- Kids splash pad (North Property)
- Free Wi-Fi in all common areas

## FLOOR PLAN SAMPLES



1 Bedroom | 1 Bath

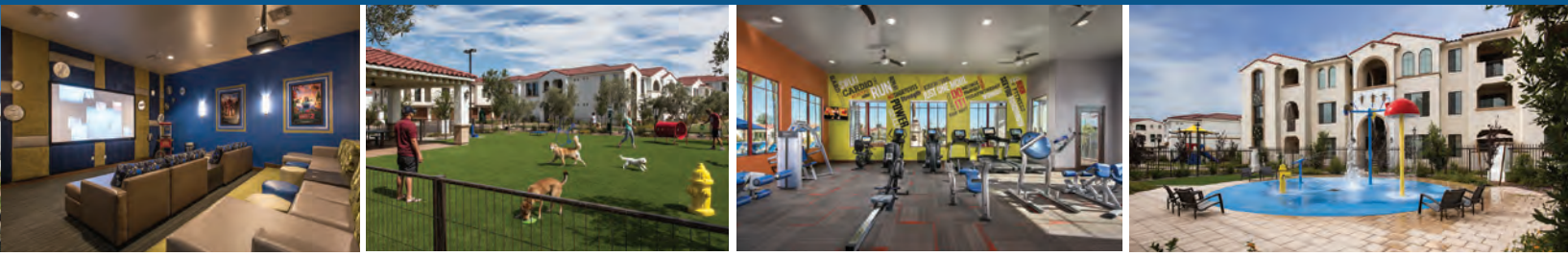


2 Bedroom | 1 Bath



3 Bedroom | 2 Bath

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## RISKS

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:

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