

Azure

Luxury Apartments



AZURE LUXURY APARTMENTS | 540 TRINITY LANE | ST. PETERSBURG, FL 33716

THE PROPERTY

- Built in 2014, this 308 unit Class-A garden-style apartment community is situated on approximately 13.2 acres, offering 1, 2 and 3 bedroom units.
- The residents enjoy modern, high-end amenities such as oversized resort-style swimming pool, indoor/outdoor clubhouse that includes an expansive sports lounge with billiards, shuffleboard, flat screen TV's, multiple seating areas, full-service bar, cyber cafe with WiFi and state-of-the-art fitness center.
- Ideally located in the Carillon Park master-planned community and in close proximity to the beautiful gulf beaches, Azure attracts young professionals with an average resident income of over \$90,000 and average age of 36.

THE INVESTMENT OPPORTUNITY

- The property has easy access and excellent visibility off I-275 with 139,000 cars a day traversing the Howard Frankland Bridge, providing a short commute to the Tampa job market.
- 5 of the 8 Tampa Bay Fortune 1000 companies are located within a 15 minute drive of Azure – Raymond James Financial, Home Shopping Network, Bloomin' Brands, Jabil Circuit and Tech Data Corporation. Other major employers in the area include Franklin Templeton, St. Anthony's Hospital and MacDill Air Force Base.
- Recently ranked among the New York Times 'Places to Go' in 2014, St. Petersburg has emerged as a leader for corporate expansion, recreation, and culture and one of the most attractive places in the Southeast to live, work and play.

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. v030115



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, vendors to provide referrals, activity sponsorships and reciprocal business opportunities.
- Enhance the Project's website and internet marketing by engaging an internet firm specializing in website design and search engine optimization. The utilization of a search engine optimization firm will improve the Project's online presence resulting in more cost efficient and cost effective marketing. The firm will design and develop a new website and provide community-tailored paid internet search advertising campaigns.
- Install a state-of-the-art computerized revenue management program that collates market and submarket data and establishes daily pricing for all units based on a number of primary factors including inventory, days on market, move-in date and location. This type of computerized revenue enhancement system is gaining wide acceptance in the multi-family management industry as being a cost effective software

program that will manage pricing in an effort to increase the financial performance of the Project.

- Introduce and monitor more aggressive increases in other income items to maximize recovery of utility costs, trash removal fees and pest control fees.
- Introduce and monitor more aggressive increases in other income fees such as administrative fees, application fees, transfer fees, pet deposits and pet rent.

Improve New Lease Closing Ratios & Resident Retention

- Hire a locally 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 a maximum of 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 weekly 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.
- Hold regular "town hall" meetings to improve communication, resident satisfaction and management performance.

AZURE LUXURY APARTMENTS



Implement Asset Management Programs

- Maximize occupancy through implementation of a multi-platform marketing program including a focus on website and internet advertising, utilization of print media if applicable and development of new marketing brochures, signage, banners, leasing materials and website.
- Leverage “economy of scale” cost effective pricing structure on contractor and vendor services, insurance and maintenance supply inventory.
- Perform annual competitive bidding of all 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.





TAMPA, FLORIDA

The cities of St. Petersburg, Tampa, and Clearwater, collectively referred to as Tampa Bay, boast a rapidly growing population of 2.9 million, and are home to Fortune 500 companies, military bases, world-class resorts, major ports, top educational institutions, and three professional major league sports teams.

The Tampa MSA economy is strong and diverse and Moody’s Analytics projects the Tampa job growth over the next five years to outpace the nation by about 30%. The dominant employment sectors include professional and business services, education, health services and retail trade. Moody’s also projects GDP growth and personal income growth to outpace the U.S. over the same time period.

Local Sub-Market

Within Tampa Bay metropolitan area, St. Petersburg is quickly becoming recognized as a leader for corporate expansion, recreation, and culture. A young, urban movement is well underway that is transforming St. Petersburg into a cosmopolitan city with a lively energy and thriving nightlife. Beach Drive in downtown is a bustling seven-mile waterfront stretch lined with boutique clothing stores and fine dining restaurants.

Azure enjoys a highly visible location in the master-planned, mixed-use Carillon Park with convenient access to all of Tampa’s major employment centers. Carillon Park includes 2.2 million square feet of office space and also features a 145,000 square-foot Wellness Center with medical offices, diagnostic facilities, and an outpatient surgery center. The greater Gateway market, which includes Carillon Park, employs more than 80,000. Raymond James, Franklin Templeton, Jabil Circuit, Home Shopping Network, and Valpak are among the area’s top employers. Via I-275, residents can commute to Westshore (93,000 employees), downtown Tampa (55,000 employees), and downtown St. Petersburg (30,000 employees) in less than 20 minutes. Notably, of the eight Fortune 1000 companies headquartered in the Tampa MSA, five are within a 15-minute drive of Azure.

The immediate area surrounding Azure attracts young professional and white collar employees. Within 1 mile of Azure the average household income is \$83,437, which is over 35% higher than the metro average of \$63,974. Similarly, the median housing value in the immediate area is over 60% higher than the overall metro, which compares favorably to the 36% of people who have earned a degree in the MSA.

Tampa’s Top 15 Employers

Rank	Employer	Employees
1	MacDill Air Force Base	19,000
2	Verizon Communications	14,000
3	University of South Florida	12,661
4	Tampa International Airport	7,060
5	Tampa General Hospital	6,600
6	Shriners Hospital for Children	5,378
7	St. Joseph’s Hospital	5,242
8	JPMorgan Chase & Co.	5,237
9	Freedom Village	5,000
10	Publix Super Markets Inc.	4,630
11	TECO Energy Inc.	4,290
12	James A. Haley Veterans Hospital	4,240
13	Bay Pines VA Healthcare Center	3,800
14	Bank of America Corp.	3,754
15	Outback Steakhouse Inc.	3,625

Source: Moody’s Analytics Précis U.S. Metro Report – November 2014





DEMOGRAPHICS

	1-Mile	3-Mile	5-Mile
2010 – 2015 Population Growth	21.61%	8.26%	4.45%
2015 – 2020 Population Growth	14.82%	7.68%	5.10%
2015 Estimated Population	3,687	41,393	145,449
Average Age	37.1	43.2	42.2
% of Age 25+ w/ College Deg.	57.0%	43.2%	34.1%
Prime Rental Age 18-34	35.1%	24.9%	22.2%
Average Household Income	\$83,437	\$60,989	\$59,410
Median Home Value	\$256,109	\$134,823	\$125,198

Source: The Nielsen Company, 2014

SUPERIOR AMENITIES

Unit Amenities:

- Plank wood flooring in kitchens and living areas
- Full-size washer and dryer
- Granite kitchen/bathroom counters
- Tiled backsplash
- USB outlets
- Stainless steel appliances
- Pendant lights with dimmer switch
- Private screened patio/balcony
- 9-foot ceilings
- Kitchen islands in select units

Community Amenities:

- Gated entry
- Resort-style pool and sundeck
- Large state-of-the-art fitness center
- Attached and detached garages
- Expansive sports lounge with billiards, shuffleboard, flat screen TV's, multiple seating areas, a full-service bar, and a cyber cafe with WiFi computers and printer
- Dog park
- Children's play area
- Outdoor poolside kitchen with gas grills
- Bocce ball court and outdoor fire pit
- Car wash
- Electric car charging stations

UNIT MIX

UNIT TYPE	%	UNITS	TOTAL SQ. FT	SQ. FT/UNIT
1 bed / 1 bath	1%	4	2,620	655
1 bed / 1 bath	3%	8	5,544	693
1 bed / 1 bath	6%	20	14,580	729
1 bed / 1 bath	14%	42	31,878	759
1 bed / 1 bath	12%	38	34,048	896
1 bed / 1 bath	5%	16	14,336	896
1 bed / 1 bath	5%	16	17,888	1,118
2 beds / 1 bath	5%	16	16,448	1,028
2 beds / 2 baths	4%	12	12,648	1,054
2 beds / 2 baths	10%	32	37,536	1,173
2 beds / 2 baths	17%	48	56,640	1,180
2 beds / 2 baths	1%	4	5,296	1,324
2 beds / 2 baths	5%	16	21,504	1,344
3 beds / 2 baths	12%	36	49,536	1,376
TOTAL	100%	308	320,502	1,041

FLOOR PLAN SAMPLES



1 Bedroom / 1 Bath



2 Bedroom / 1 Bath



1 Bedroom / 1 Bath



3 Bedroom / 2 Bath

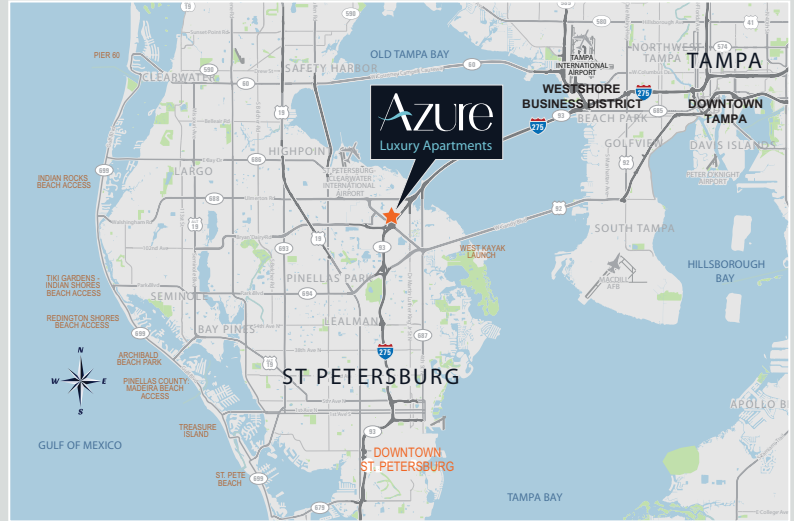
AZURE LUXURY APARTMENTS



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.

MAP & SITE PLAN



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