

BROAD RIVER TRACE



551 RIVERHILL CIRCLE | COLUMBIA, SC 29210

THE PROPERTY

- Broad River Trace is a 240-unit Class A garden-style multi-family community located in Columbia, South Carolina.
- Situated on approximately 38 acres, the property offers an 'oasis' retreat with very low density, a fishing pond, sand volleyball court and multiple picnic areas throughout the property.
- The property fronts the Broad River, providing residents with unique, scenic views and comparable amenities with the other Class A luxury properties in the market.
- Strategically located on the outskirts of Columbia's CBD, the property gives residents quick and easy access to all of the area's major thoroughfares.

THE INVESTMENT OPPORTUNITY

- Columbia is the state capital and the largest metropolitan area in the state of South Carolina, providing a stable, diverse economy.
- The purchase price is below replacement cost.
- Conservatively underwritten with strong cash flow to investors.
- Premium upgrades scheduled, including faux wood vinyl flooring in the first floor units, to potentially increase rents.

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.

BUSINESS STRATEGY

The Master Tenant objectives, on behalf of the Delaware Statutory Trust, 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, (ii) reduce operating expenses, and (iv) prepare the property to be sold when the market dictates.

Maximize Revenue and Occupancy

- Implement aggressive marketing campaign to reach out to local corporations, businesses, vendors to provide referrals, activity sponsorships and reciprocal business opportunities.
- Enhance the property's website by implementing the optimum technological platforms available to provide marketing services that increase the property's online presence, mobile access, and lead generation and tracking to produce measurable results and improve the cost effectiveness of our marketing programs.
- 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.
- Improve the existing model unit and clubhouse including a new paint color scheme as well as the installation of new furniture, art work, and accessories. Additionally, improve the cyber café with more sitting areas and faster wireless internet access.
- Increase our 'other income' and enhance our competitive position in the submarket by installing a dog park.
- Enhance tenant experience and our competitive position in the submarket by providing a premier online concierge service.
- Introduce and monitor more aggressive increases in 'other income' items such as utility rebilling, administrative fees, application fees, transfer fees, pet deposits and pet rent, trash removal fees, pest control fees.



Improve New Lease Closing Ratios and Resident Retention

- Install lease management and control systems that effectively manage the number of monthly lease expirations to spread them out through the year based on the most active new leasing and renewal patterns for this property and market.
- Conduct weekly meetings between Passco's asset manager(s) and the regional and on-site staff reviewing performance reports including, but not limited to, occupancy, new leasing activity, retention activity, pricing matrix and marketing programs.
- Hold regular "town hall" meetings to improve communication, and to foster a sense of community, resident satisfaction and management performance.

Implement Passco Asset Management Programs

- Maximize occupancy through implementation of a multi-platform marketing program to include internet advertising, mobile access, and social media as well as new marketing brochures, property signs, banners, leasing materials and internet sites.
- Leverage "economy of scale" cost effective pricing structure on contractor and vendor services, insurance and maintenance inventory.
- Perform annual competitive bidding of all contracts and services.
- Implement a property tax review and appeal program utilizing recognized national as well as local area tax consultants.
- Implement a property insurance review utilizing recognized national as well as local area insurance agencies and/or consultants.

BROAD RIVER TRACE APARTMENTS

COLUMBIA, SOUTH CAROLINA

Columbia is the state capital, as well as the largest metropolitan area in the state of South Carolina. The Columbia area has three major rivers and the 50,000 acre Lake Murray for water-oriented recreation. Several interstate highways intersect within the region including I-77 that goes north to Charlotte, I-20 that goes east/west to Augusta and Atlanta, Georgia, and I-26 that goes northwest to Greenville, South Carolina. Charleston and Myrtle Beach, South Carolina are both a 2 to 3 hour drive from the Columbia area. Fort Jackson, located just east of Columbia is the largest and most active Initial Entry Training facility in the U.S. Army, training 50% of all soldiers entering the Army each year, and is a major employer in the area.

The Columbia MSA population was just over 780,000 at the end of 2011 and had grown over 65,000 over the last five years. This equates to an annual growth of 1.8% which compares the national and south region annual population growth rates of 0.9% and 1.3%, respectively, during the same time period. Moody's economy.com projects the Columbia population to grow 8.2% or an additional approximate 65,000 over the next five years. Three employment sectors play an important role in keeping the local economy stable over the long-term: the public sector, the healthcare

sector and the education sector. The state of South Carolina employs well over 30,000 in the metropolitan area. Three of the top five employers are healthcare-related: Palmetto Health, Blue Cross & Blue Shield, and Lexington Medical Center. The University of South Carolina, located downtown, employs 4,500, has 30,000 students, and continues to grow. Other major employers in the area include: Amazon, Michelin, Interstate Container, Nephlon Pharmaceuticals Corp. and Sensor Electronic Technology.

Total employment in Columbia according to the U.S. Bureau of Labor Statistics is approximately 342,000 (April 2012). Moody's economy.com projects employment to grow over 35,000 during the next 5 years. The local unemployment rate has improved in recent months and currently stands at 7.5% (April 2012), the lowest rate since December 2008 and compares to the national unemployment rate of 8.2% for the same time period. The annual unemployment rate for Columbia has been at or below the annual national unemployment rate for 7 of the last 10 years.

South Carolina Electric & Gas has received federal approval to build the first new nuclear power plant in the state in more than 25 years. The plant has already begun to hire the eventual 3,000 construction workers to build the plant, which is approximately 25 miles from Columbia. The new reactors are scheduled to come on line in 2017 and 2018 and will bring 600 to 800 permanent jobs. Long-term, the healthcare, education, and state government employment sectors will and have provided economic stability to the area.



Local Sub-Market

Broad River Trace is located within the city limits of Columbia, and less than a 10-minute drive to downtown Columbia. The property is located just off of and south of Highway 176, which provides direct access to downtown. Greystone Boulevard, located about ¼ mile west of the property provides quick access to Interstate 26, which also leads to downtown Columbia.

Broad River Trace is located in the Dutch Fork/West River submarket of Columbia. The Dutch Fork submarket occupancy is 92.7% and has increased each of the last four quarters. REIS is projecting very little new construction in the submarket over the next several years, and subsequently is also projecting the occupancy levels to continue to increase.

REIS projects effective rent growth to average over 3.8% per year for the next 5 years.

Broad River Trace has the largest average unit size within its competitive set and has rents that are below the market average of its competitors.

As of May 2012, the average household income for residents living at Broad River Trace was \$64,273, significantly stronger than the Columbia MSA average.



SUPERIOR AMENITIES

Select Unit Amenities Include:

- Balcony / patio
- Ceiling fans
- Dishwasher
- Disposal
- Fireplace
- Fire rated entrance doors
- Extra storage
- Detached garages available
- Vaulted ceilings
- Washer / Dryer connections
- High speed Internet access
- Scenic views

Community Amenities Include:

- Swimming pool with jacuzzi
- Picnic areas with cast iron charcoal grills
- Fitness center
- Car care center
- Fishing pond
- Beach volleyball court
- Laundry facility
- Copier and fax access



DEMOGRAPHICS

Source: The Nielson Company, 2012

1-Mile Radius

- Population 6,312
- Population Growth (2000-2012) 2.17%
- Median Age 33 years
- Households 3,310
- Avg. Household Income \$39,442

5-Mile Radius

- Population 157,132
- Population Growth (2000-2012) 1.02%
- Median Age 34 years
- Households 63,951
- Avg. Household Income \$47,017

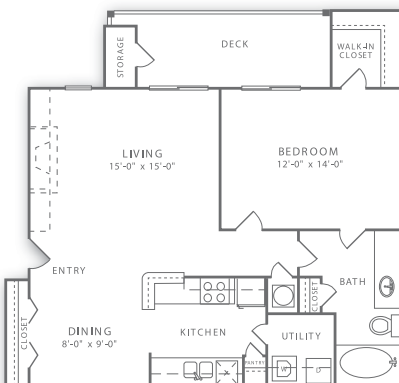


UNIT MIX

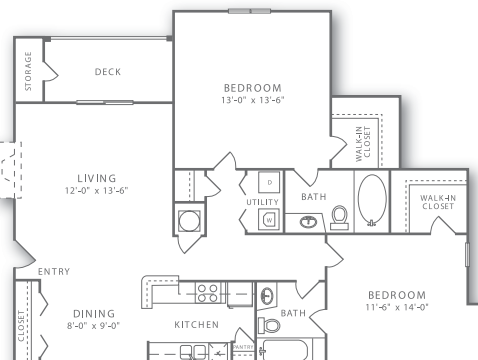
UNIT TYPE	%	UNITS	TOTAL SQ. FT	SQ. FT/UNIT
1BD / 1 BA	35%	84	74,088	882
2BD / 2BA	35%	84	95,088	1,132
2BD / 2BA	15%	36	41,544	1,154
3 BD / 2BA	15%	36	46,620	1,295
Totals / Average	100%	240	257,340	1,072



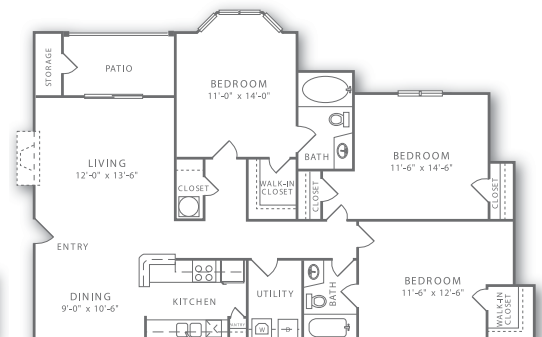
FLOOR PLAN SAMPLES



1 Bedroom/1 Bath
882 Square Feet



2 Bedroom/2 Bath
1,132-1,154 Square Feet



3 Bedroom/2 Bath
1,295 Square Feet

BROAD RIVER TRACE APARTMENTS



Passco Companies, LLC specializes in acquiring, developing and managing multi-family and commercial investment properties. Passco was formed in 1998 and is a privately held company.

- Passco invests strategically with its partners and alliances to generate cash flow and asset value appreciation, while maintaining a risk-mitigating investment philosophy.
- Passco's current assets under management exceed \$1.8 billion, including more than 10,000 apartment units and over 11.5 million square feet of land and commercial real estate.
- Passco is a full service real estate firm with diverse capabilities including acquisition and due diligence services, finance and structuring, escrow services, property and asset management, investment advisory, and investor services.
- Passco's mission is to be committed to excellence in real estate ownership and in the management of our investment portfolio; to develop long term strategic relationships with leading and innovative real estate professionals and companies; and to provide a rewarding environment for our employees, while creating opportunities for personal enrichment and career growth.



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