



THE HAVEN | 4550 EXPLORER DRIVE | WEST MELBOURNE, FL 32904

### THE PROPERTY

- The Property is a Class A 336 unit, garden-style apartment home community completed in 2010. It offers a diverse unit mix of one, two and three-bedroom units, housed in eleven, three-story residential buildings on a 23.0-acre site.
- The complete amenity package includes a resort-style swimming pool with a sun deck, spa, a fitness center with a yoga studio, leasing office, clubhouse with Wi-Fi cafe, children's playground, outdoor kitchen, sand volleyball court, car care (wash) center, dog park and lake views.
- The units feature full black appliance packages, granite countertops, designer cabinets, brushed nickel hardware, and full size washers and dryers. Select units feature custom accent walls, private balconies or sunrooms, attached garages and hardwood style flooring.

### THE INVESTMENT OPPORTUNITY

- The property is ideally located near the area's top employers including Patrick Air Force Base, Northrop Grumman, SpaceX, Blue Origin, Kennedy Space Center, Harris Corporation, Florida Institute of Technology and Brevard County School Board.
- The Haven's location within the heart of the "Space Coast" (proximity to Cape Canaveral and NASA's presence) and its close proximity to shopping, restaurants, transportation corridors and schools make the immediate area attractive to both young professionals and families.
- Five of Brevard County Public Schools were ranked as among some of the top high schools in the United States in 2016 by a U.S. News & World Report's "2016 Best High Schools in the United States."
- The Melbourne MSA has continued to benefit from a sustained recovery in the multifamily space. Rents have steadily climbed as population and employment growth within the MSA continue to improve year-over-year.
- The property is initiating an immediate upgrade to the clubhouse, pool areas and landscaping to enhance the curb appeal.

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.

The operational strategy for the Project intends to take advantage of the population and job growth related to the aerospace, defense and medical industries as well as the highly rated school system. In order to enhance the curb appeal and move the Project to the top of the competitive submarket, the Project will initiate enhancements to the landscaping, clubhouse and pool areas. The interior of the units were previously renovated and show very well in comparison to other submarket properties.

In order to influence the abundance of white collar workers and their families to reside at the Project, the clubhouse, fitness center and pool area must be enhanced and modernized. The Project is beautifully laid out with the majority of the buildings surrounding a lake with a fountain which provides a very picturesque setting. However, to take full advantage of the layout, it will be necessary to replace and contemporize certain interior clubhouse furnishings and features. By enhancing the following items, the Project will be well positioned to compete with the top tier of multifamily properties in the submarket.

- Repurposing of clubroom including new furniture, creating design "focal points," and establishing a community environment
- Transforming pool area including new contemporary furniture, renovation of outdoor kitchen and cabanas and landscape
- Enhancing the fitness center with new state of the art equipment creating a physical fitness and healthy lifestyle
- Landscape the front entrance and amenity areas to maximize curb appeal

## Marketing

The marketing campaign will be created to appeal to and attract a high end socioeconomic demographic including millennials, young professionals, graduate students, empty nesters and baby boomers. The marketing campaign of the Project will include the following:

- Create new collateral and website.

- 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.
- Implement aggressive marketing campaigns to reach out to local corporations, businesses and vendors to obtain referrals, activity sponsorships and reciprocal business opportunities.

## Maximize Performance

- 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 multifamily 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, valet trash fees, pet deposits and pet rent.

## 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 Project'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 online 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

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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

- Leverage “economy of scale” cost effective pricing structure on contractor and vendor services, insurance and maintenance supply inventory.
- 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.

## Risks

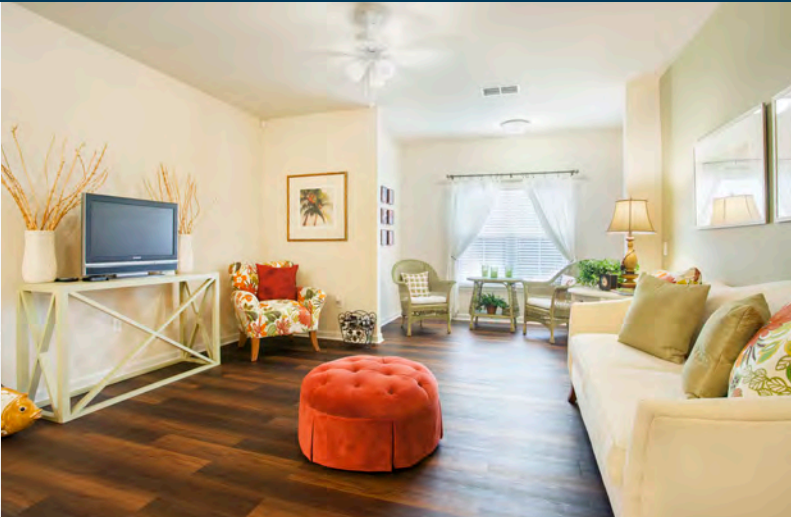
All real estate investments have risks. There is no assurance that some or all of these objectives will be met. There are substantial risks in any Investment Program. See “Risk Factors” in the accompanying Private Placement Memorandum for a discussion of the risk relevant to this offering.

## THE “SPACE COAST”

Florida’s east coast region, often referred to as “Space Coast,” is bounded on the west and north by Central Florida, on the south by the Treasure Coast and on the east by the Atlantic Ocean with approximately 72 miles of coastline. “Space Coast” is home to Port Canaveral, one of the largest cruise ports in the world with various cruise lines, deep-sea fishing charters and waterfront dining and entertainment. Port Canaveral is situated adjacent to Cape Canaveral Air Force Station. Located adjacent to Cape Canaveral Air Force Station is the Kennedy Space Center, which is National Aeronautics and Space Administration’s (NASA) field center.

The “Space Coast” anchors the eastern end of Florida’s high tech corridor and is home to several industries such as aerospace and aviation, advanced security, communications, electronics, emerging technologies, homeland security and defense, and high-tech manufacturing. The following companies have offices in the area: Boeing, Embraer Executive Jets, General Electric, Lockheed Martin, Northrop Grumman, Raytheon, L3, Rockwell Collins, the world headquarters of Harris Corporation.

Patrick Airforce Base is located approximately twenty miles northeast of the Project. The nearly 14,000 people who work on the air station — including military, civil service and private contractors — make Patrick AFB the fourth-largest employer in Brevard County. Patrick Air Force Base is estimated to have an annual economic impact of \$931 million and created approximately 4,000 indirect jobs in Florida, according to the 2014 Patrick Air Force Base Economic Impact Statement.



Other announcements that will have impact on the market include:

Northrop Grumman has received the green light from City Hall to expand its campus at Melbourne International Airport, creating space for 1,900 new employees to help design and manufacture the Air Force's Long Range Strike Bomber.

Lockheed Martin announced that "it would add 300 jobs to North Brevard County as it expands its role in spacecraft manufacturing and testing on the Space Coast."

Thales, a French aerospace and defense company, announced its plan of expanding its Melbourne work force by more than 325 employees.

In the June 2016, Embraer had its grand opening of a new 236,000 square foot operation in Melbourne to accommodate the assembly, painting and delivery of the company's latest executive jet aircraft. Embraer recently revealed plans of adding 600 new jobs in the next 4 years.

A February 29, 2016 press release by Business Wire reported that Harris Corporation announced plans to hire 300 new employees, many of which are to be based within the company's 464,000-square-foot Harris Technology Center in Melbourne, which serves as the Harris Corporation's innovation hub for more than \$1 billion in advanced research and development efforts.

The metro area benefits from strong transportation linkages, including access to major highways, Port Canaveral, and the Cape Canaveral rocket launch facilities and Moody's further states that industry payrolls will rise in 2017 as several aerospace related manufacturers begin operations. According to Moody's, "Blue Origin is constructing a \$200 million rocket factory and OneWeb is investing \$85 million in a satellite manufacturing facility. Meanwhile, Embraer is building a new facility to produce airplane seating. Together these three projects will bring 750 jobs to the area with more jobs to follow as other projects get under way." It is anticipated that tourism will remain a major driver in the local area economy; Port Canaveral is the country's second busiest cruise port and the recent launch of two new super-size ships will further increase passenger volume. According to Moody's, leisure/hospitality is expected to contribute one-fifth of overall job gains over the remainder of the decade and the Palm Bay metro area economy will strengthen in 2017 as multiple aerospace manufacturers expand.

## Local Sub-Market

The Haven is in West Melbourne, Florida, which is a part of Brevard County. It is situated near Port Canaveral to the north and adjacent to Melbourne proper. The area is home to various shops and restaurants, golf courses, Space Coast Stadium, Brevard Zoo and several community parks. Haven and its neighborhood are located just east of Interstate 95, north of Palm Bay Road NE and south of Eber Boulevard. Interstate 95 is the primary north/south highway tracking the local area, which provides excellent access to the property and its neighborhood. It is situated less than 3 miles west of U.S. Highway 1, which is one of the primary commercial corridors in the area that connects Jacksonville in the north to West Palm Beach area in the south.

The Melbourne MSA has continued to benefit from a sustained recovery in the multifamily space in recent years. Axiometrics Inc. put fourth quarter 2016 vacancy at 4.4 percent, a decrease of 10 basis points from the same period in 2015. Rents have steadily climbed as population and employment growth within the MSA continue to improve year-over-year. According to data provided by Axiometrics Inc., at \$966 per month, the effective average for the fourth quarter of 2016 was up 8.8 percent over fourth quarter 2015. The rate of change suggests that landlords have been able to command higher rents without the use of concessions packages to attract new tenants.

The local area provides a wide array of small neighborhood retailers, big box and credit tenant retailers along West New Haven Avenue, Palm Bay Road and Minton Road. One of the most noteworthy of these retail locations is Hammock Landing. Located less than 2 miles from the property, Hammock Landing is a 750,000 square foot power center featuring two anchors, Target and Kohl's. Nearby, Bass Pro Shoppes houses a large hunting and outdoor recreation center on the opposing side of the intersection of Palm Bay Road and I-95. There is also a Space Coast Harley Davidson and a Walmart Supercenter to the East along Palm Bay Road.

Brevard Public schools have ranked third in the state of Florida with 98 percent of Brevard County's schools receiving a grade of A or B and district-wide overall A-rating for 10 straight years.



## DEMOGRAPHICS

	Melbourne MSA	1-Mile	3-Mile	5-Mile
2010 – 2017 Population Growth	6.96%	17.41%	8.80%	8.25%
2017 – 2022 Population Growth	5.43%	9.42%	6.37%	6.16%
2017 Estimated Population	581,191	8,229	71,873	138,920
Average Age	44.8	44.9	43.9	43.1
% of Age 25+ w/ College Deg.	37.93%	38.07%	34.81%	32.40%
Prime Rental Age 18-34	18.60%	20.09%	20.64%	20.36%
Average Household Income	\$67,450	\$54,921	\$55,641	\$55,516
% of Households > \$100K Income	18.85%	8.64%	13.23%	12.86%
Median Home Value	\$160,261	\$119,993	\$129,938	\$126,734

Source: The Nielsen Company

## UNIT MIX

UNIT TYPE	%	UNITS	TOTAL SF	SF PER UNIT
1BR/1BA	7.1%	24	18,432	768
2BR/2BA	10.7%	36	37,656	1,046
2BR/2BA	28.6%	96	105,984	1,104
2BR/2BA	35.7%	120	132,480	1,104
3BR/2BA	17.9%	60	79,620	1,327
<b>TOTAL / AVERAGE</b>	<b>100%</b>	<b>336</b>	<b>374,172</b>	<b>1,114</b>

\*Total square footage divided by total number of units.

## PALM BAY-MELBOURNE-TITUSVILLE FL TOP 15 EMPLOYERS

Rank	Employer	Employees
1	Patrick Air Force Base	7,933
2	Health First Inc.	7,285
3	Harris Corp.	6,700
4	45th Space Wing	4,174
5	Publix Supermarkets	2,850
6	Wuesthoff Health Systems	2,400
7	NASA	2,067
8	Space Gateway Support	1,760
9	Northrop Grumman/Norden Systems	1,650
10	Rockwell Collins Inc.	1,150
11	Parrish Medical Center	1,075
12	CSR Computer Sciences Raytheon	1,050
13	United Launch Alliance	1,040
14	The Boeing Company	1,010
15	Brevard Community College	960

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

## SUPERIOR AMENITIES

### Community Amenities:

- Outdoor Swimming Pool\*, Spa, Sun Deck and Outdoor Kitchen\*
- Clubhouse\* and Leasing Office
- Fitness and Yoga Studio\*
- Car Care (wash) Facility
- Children's Playground
- Volleyball Court (sand)
- Landscaping\*, Dog Park and Lake Views

\*All in the process of being replaced and/or contemporized

### Unit Amenities:

- Full black appliance package including: an electric range/oven, refrigerator, garbage disposal, dishwasher and built-in microwave fan/hood combination
- Granite Countertops
- Designer Cabinets
- Brushed Nickel Hardware
- Ceiling Fans in Living and Bedrooms
- Mini-blinds
- Full Washer and Dryers
- Custom Acent Walls\*
- Private Balconies\*
- Sunrooms\*
- Attached Garages\*
- Hardwood Style Flooring\*

\*Select units only

## FLOOR PLAN SAMPLES



1 Bedroom | 1 Bath



1 Bedroom | 1 Bath



3 Bedroom | 2 Bath

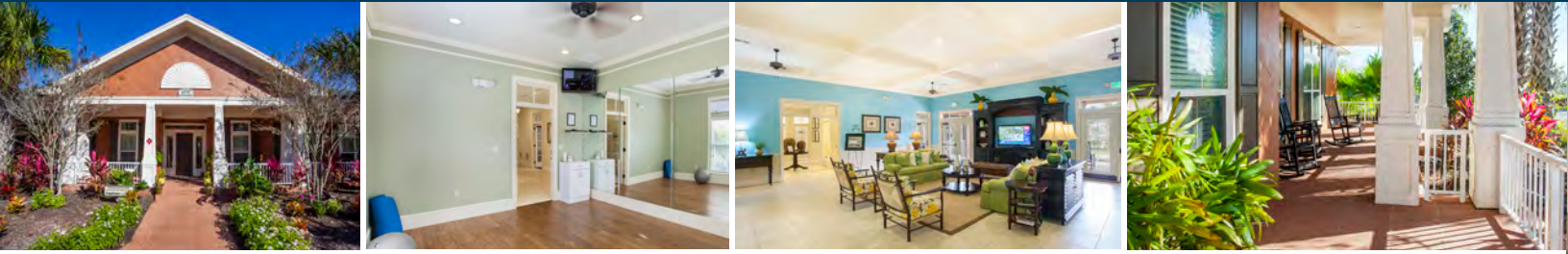


2 Bedroom | 2 Bath



2 Bedroom | 2 Bath

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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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