



MEADOWS AT HOMEPLACE APARTMENTS | 790 OLD QUARTERS RD | PRATTVILLE, AL 36006

THE PROPERTY

- 240-unit Class A garden-style apartment community built in 2014. The property is on approximately 20 acres and offers a diverse mix of 1, 2 and 3-bedroom units with an average size of 1,079 square feet.
- Community amenities include saltwater swimming pool with sundeck, clubhouse with media and gaming room, athletic center, outdoor grilling area, dog park, drive-thru mail kiosk and car-care center.
- Unit amenities include spacious floorplans, fully-equipped kitchens with stainless-steel appliances, ceramic tile flooring, 9ft ceilings with crown molding, hardwood floors and private patio/balcony in select units.

THE INVESTMENT OPPORTUNITY

- Located within the 750-acre master planned community of HomePlace, residents benefit from the proximity to the areas major thoroughfares, retail centers and highly ranked public school district.
- The property is a “Big House” concept and offers direct garage parking to 80% of its units including 156 attached (1 car) garages, 24 attached (2 car) garages.
- Montgomery’s Dannelly Field was just awarded as one of the locations for the F-35 fighter jet program, creating a significant economic boost and over 1,000 jobs for the area.
- The area immediately surrounding Meadows has grown at rates higher than the Montgomery MSA for the last 7 years and is expected to significantly outpace the MSA for the next 5 years.
- James Hardie Building Products recently announced they will build a \$220 million manufacturing plant in Prattville, adding another 200 jobs.

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 operational strategy for HomePlace is to take advantage of its location, highlight access to jobs, transportation and entertainment/shopping and to emphasize the highly rated Prattville school system. The strategy will incorporate maintaining high average occupancy, increasing rental rates based on market dynamics, and monitoring/controlling expenses and reserves in an effort to maximize performance.

HomePlace will develop an aggressive marketing campaign to feature the acclaimed school system as well as population and job growth related to major employers. The Prattville School District is the most highly rated school district in the Montgomery MSA and is one of many reasons a family with school-aged children would consider moving to the Community. In an effort to attract prospective residents whom are employed near the Property, a preferred employee leasing program will be developed and rolled out at the following firms/locations: Hyundai Plant, German auto supplier Gehradi, Maxwell-Gunter Air Force Base with its Community College of the Air Force and the Air War College, the State Capitol, Alabama State University and Auburn University at Montgomery.

PROMOTE LOCATION

HomePlace intends to add the following amenities, with the goal of providing additional amenities, which will help attract prospective residents and/or provide the Property with additional income producing or cost saving opportunities:

- An enhanced dog park and newly installed pet spa which will be attractive to dog owners and result in additional income opportunities with increased pet deposits and rent fees.
- Enhanced landscaping to improve curb appeal and eliminate erosion.

- LED conversion to produce energy efficient, cost saving electrical usage.
- Clothes dryer installation (currently only clothes washers are provided) resulting in increased rental rates.

REBRANDING

The Master Tenant intends to implement a dynamic rebrand campaign announcing the Property's new location-themed name, The Meadows at HomePlace, which denotes the pastoral setting and the proximity to the Prattville Town Center, also known as Legends at HomePlace. This nearby commercial center is located approximately 1.7 miles and is shadow-anchored by Target and Home Depot. The center offers a mix of national tenants including several casual and quick-service restaurants.

The rebranding is intended to appeal to and attract a high-end socioeconomic demographic including families, millennials, and young professionals. The rebranding of the Property will include the following:

- Creation of a “community environment” with a new name, enhanced amenities and regularly scheduled community activities.
- New, contemporary signage, collateral and website.
- Repurposing of clubroom including new fashionable furniture, creating design “focal points” to cultivate a community atmosphere and encourage resident interaction.
- Enhancing the pool area to resort-style with new contemporary furniture, extend the outdoor kitchen, install soft seating at the outdoor fireplace, cabanas, and landscape.
- Install additional landscape at property entrance and amenity areas to enhance curb appeal.

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

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 Community's online 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 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.

MONTGOMERY MSA TOP 15 EMPLOYERS

| Rank | Employer | Employees |
|------|-------------------------------------|-----------|
| 1 | Maxwell-Gunter Air Force Base | 12,280 |
| 2 | State of Alabama | 11,830 |
| 3 | Montgomery Public Schools | 4,524 |
| 4 | Baptist Health | 4,300 |
| 5 | Hyundai Motor Manufacturing Alabama | 3,100 |
| 6 | Alfa Insurance Cos. | 2,568 |
| 7 | City of Montgomery | 2,500 |
| 8 | MOBIS Alabama | 1,400 |
| 9 | Jackson Hospital & Clinic | 1,300 |
| 10 | Wind Creek Casino & Hotel Wetumpka | 1,200 |
| 11 | Rheem Water Heaters | 1,173 |
| 12 | GKN Aerospace | 1,000 |
| 13 | Baptist Medical Center South | 980 |
| 14 | Regions Bank | 977 |
| 15 | Koch Foods | 900 |

Source: Moody's Analytics Précis U.S. Metro Report – July 2017



THE MARKET

Montgomery is the second largest city in the state and has a Metropolitan Statistical Area (MSA) population of 374,000. A region of vast economic diversity, Montgomery is home to state and regional governments, a major military installation, the USAF Air University, an extensive service industry, wholesale and retail trade, tourism, and an industrial base. According to the Alabama Economic Development Team, Montgomery has secured a series of major projects in strategic industry sectors. Companies announcing projects in 2017 include Mercedes-Benz, Toyota, Blue Origin, Aerojet Rocketdyne, Leonardo, Autocar and many others. Area Development ranked Alabama No. 6 overall in its 2017 “Top States for Doing Business” analysis. Another recent development announcement included the building materials company, James Hardie Building Products, will build a \$220 million manufacturing plant in Prattville that will employ more than 200 employees by 2021.

Montgomery’s economic diversity includes the state capitol with over 11,000 employees, Maxwell-Gunter Air Force Base with over 12,000 employees, as well as Hyundai Motor Manufacturing Alabama with over 3,000 employees. Moody’s reports that professional and technical services in Montgomery will expand in response to a beefier national military budget. Recently, Hyundai spent nearly \$50 million to retool its Montgomery plant so that it could produce the Santa Fe Sport and keep Hyundai competitive in the domestic market. MOBIS Alabama, an automotive part supplier for both Hyundai and Kia Motors, has 1,400 employees at its manufacturing facility on the southwest side of the city. In July 2016, German auto supplier Gerhardt announced that it would be constructing its first North American manufacturing plant, investing nearly \$38 million in its 320,000 SF facility in Montgomery.

Although not widely known for its colleges, several universities are located in Montgomery and have a combined student population of over 13,000 students. These universities include Alabama State University, Auburn University at Alabama, Faulkner University and Huntingdon College, among others.

THE SUB-MARKET

The city of Prattville is located within the greater Montgomery MSA, roughly 5 miles northwest of the Montgomery Central Business District. The city was built as a New England-style village and is nicknamed the “Birthplace of Industry” in Alabama. Prattville features the Daniel Pratt Historic District which is listed in the National Register of Historic Places and includes sites dating back to the Civil War. Today, Prattville is the seat of government in Autauga County and boasts a wide variety of natural and recreational attractions, including golf, canoeing, hiking, and fishing. A key factor to the area’s appeal to families is that the Prattville and the Autauga County School System offer some of the best public schools for elementary, middle and high school education in the Montgomery MSA. Ranked by Livability Magazine as “Top Five” in the state for growth, Prattville has seen extensive economic and population expansion in recent years. The areas immediately surrounding Meadows at HomePlace have grown at rates above the Montgomery MSA in terms of population and household formations over the last 7 years and are projected to grow significantly over the next 5 years. Average and median household income levels in the areas immediately surrounding the property are also above the Montgomery MSA norms.

Meadows at HomePlace is a part of a 750-acre master planned community known as HomePlace. The HomePlace community offers a live, work and play environment with residential homes and office buildings, shopping, dining and recreation. HomePlace is adjacent to the Marriott Legends Hotel, a state-of-the-art conference center, and the 54-hole Capitol Hill Golf Course, part of the world-renowned Robert Trent Jones Golf Trail. Additionally, Publix Supermarket, Belk, Home Depot, J.C. Penney, Best Buy, Walmart Supercenter and Academy Sports and Outdoors are all located within a 2.5 mile radius from the property.





DEMOGRAPHICS

| | Montgomery MSA | 1-Mile | 3-Mile | 5-Mile |
|---------------------------------|----------------|-----------|-----------|-----------|
| 2010 – 2017 Population Growth | -0.28% | 14.75% | 4.33% | 3.45% |
| 2017 – 2022 Population Growth | 0.52% | 7.71% | 3.05% | 2.55% |
| 2017 Estimated Population | 373,480 | 4,395 | 29,766 | 55,029 |
| Average Age | 38.30 | 36.40 | 37.90 | 37.70 |
| % of Age 25+ w/ College Deg. | 33.97% | 44.01% | 37.46% | 34.71% |
| Prime Rental Age 18-34 | 23.82% | 21.43% | 22.17% | 22.36% |
| Average Household Income | \$65,389 | \$73,572 | \$66,299 | \$68,244 |
| % of Households > \$100K Income | 19.41% | 26.62% | 20.12% | 21.32% |
| Median Home Value | \$133,405 | \$188,034 | \$148,944 | \$146,542 |

Source: Claritas

UNIT MIX

| UNIT TYPE | UNITS | %/UNITS | SF PER UNIT | TOTAL SF |
|------------------|-------|---------|-------------|----------|
| 1BR/1BA | 18 | 7.5% | 675 | 12,150 |
| 1BR/1BA | 30 | 12.5% | 822 | 24,660 |
| 1BR/1BA | 18 | 7.5% | 838 | 15,084 |
| 1BR/1BA | 36 | 15.0% | 871 | 31,356 |
| 2BR/2BA | 24 | 10.0% | 1,059 | 25,416 |
| 2BR/2BA | 30 | 12.5% | 1,132 | 33,960 |
| 2BR/2BA | 12 | 5.0% | 1,280 | 15,360 |
| 2BR/2BA | 18 | 7.5% | 1,325 | 23,850 |
| 2BR/2BA | 18 | 7.5% | 1,394 | 25,092 |
| 3BR/2BA | 18 | 7.5% | 1,429 | 25,722 |
| 3BR/2BA | 18 | 7.5% | 1,455 | 26,190 |
| Total / Average* | 240 | 100% | 1,079* | 258,840 |

AMENITIES

COMMUNITY AMENITIES INCLUDE:

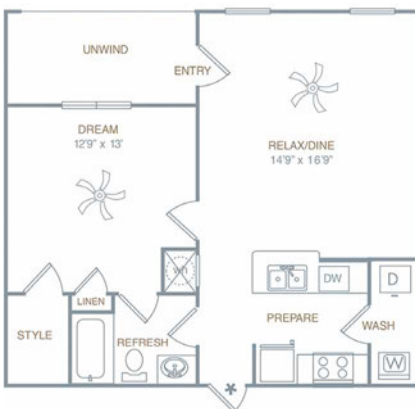
- Resort-style saltwater pool
- Clubhouse, media and gaming room
- Fitness center
- Outdoor grilling area
- Laundry room
- Car care center
- Dog run
- Playground

UNIT AMENITIES:

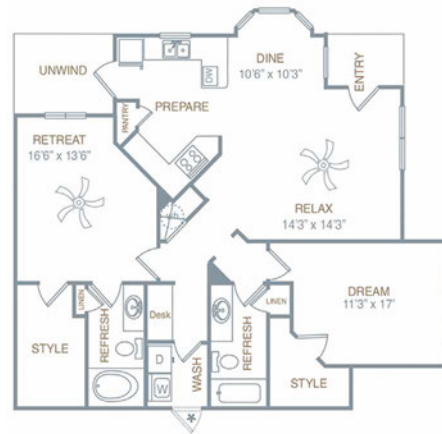
- Electric range/oven
- Built-in microwave oven
- Frost-free refrigerator with icemaker
- Glass panel doors to patios and balconies
- Designer hardwood floors on first floors and carpet on upper levels
- Wood cabinets with granite countertops
- Bathrooms feature:
 - combination tub/shower
 - wood cabinet with granite counter and built-in porcelain sink
 - ceramic tile flooring
- 9' ceilings
- Private patio or balcony area*

*In select units

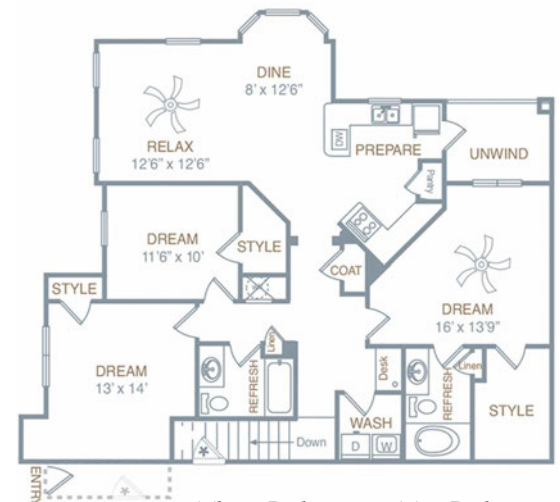
FLOOR PLAN SAMPLES



One Bedroom | One Bath

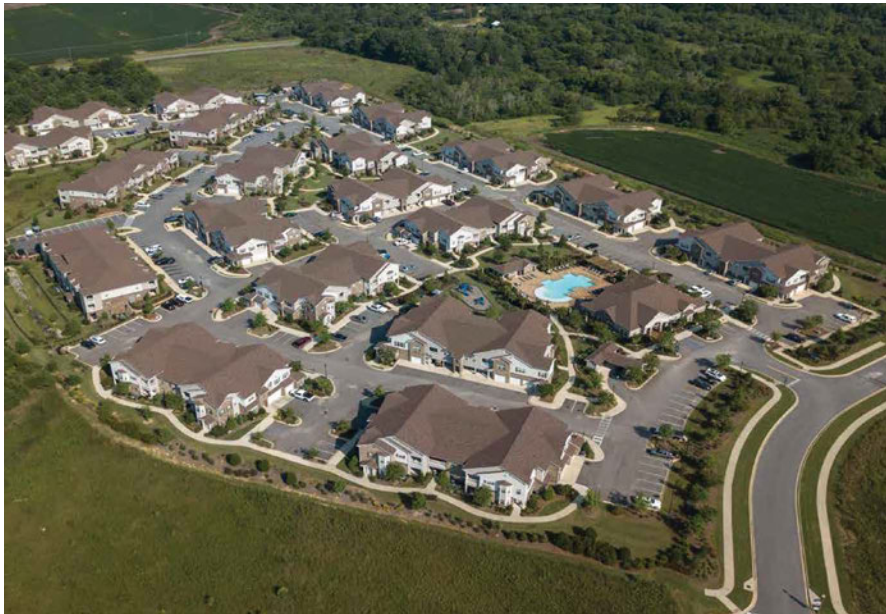


Two Bedroom | Two Bath



Three Bedroom | Two 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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|--|--|---|---|---|---|
| BELDEN BROWN (949) 263-7905 <i>Executive Vice President & National Sales Manager</i> | THOMAS JAHNCKE (949) 263-7904 <i>Senior Vice President</i> | ADRIANA OLSEN (949) 263-7933 <i>Senior Vice President</i> | ANDY WANG (949) 263-7934 <i>Senior Vice President</i> | BRAD MCCORD (949) 263-7935 <i>Registered Marketing Representative</i> | MARCO VITULLI (949) 263-7936 <i>Registered Marketing Representative</i> |
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