



THE LEXINGTON APARTMENTS | 510 OLD HICKORY BOULEVARD | NASHVILLE, TN 37209

THE PROPERTY

- A 598 unit garden-style apartment community completed in two phases in 1997 and 1999; the property is situated on approximately 80 acres and is comprised of 1, 2 and 3 bedroom units.
- Strategically positioned only ½ mile from I-40, residents have easy access and a short commute to the major employment nodes of Downtown and West End.
- The property features superior community amenities such as an indoor swimming pool, three outdoor pools, state-of-the-art 24-hr health and fitness center, an elegant clubhouse and clubroom, lighted tennis courts, 2 tanning beds, java bar, wifi cafe, outdoor grilling area and a DVD rental media center.

THE INVESTMENT OPPORTUNITY

- Nashville ranked in the top 5 for ‘Best American City for Jobs,’ number 10 for ‘Best Places for Business and Careers’ and number 7 in ‘Job Growth’ by Forbes 2015.
- Strong, diverse employment base with tourism, health care, education and auto industries among the top sectors.
- Approximately 24% of the Nashville MSA is in the prime rental age population (18-34 years of age).
- Moody’s projects personal income growth and employment growth for Nashville to outpace the national growth rates for the next 6 years.

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 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

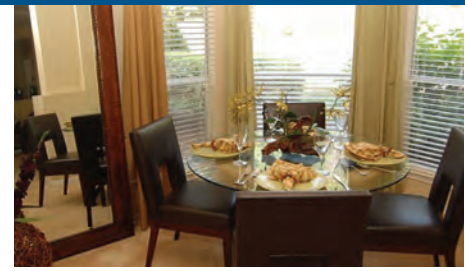
- Complete renovations to the remaining 164 units not previously renovated.
- Improve the existing clubhouse and model unit(s), including implementation of a new paint color scheme as well as installation of new contemporary furniture, art work and accessories. Create a cyber-lounge within the clubhouse.
- Enhance the Project's competitive position in the submarket by installing a pet park and spa.
- Enhance the Project's competitive position in the submarket by improving the pool area(s) with new contemporary furniture, an outdoor kitchen and grill.
- Enhance the Project's competitive position in the submarket by expanding the fitness center and installing additional exercise equipment.
- Install faux wood flooring on designated first floor units (excluding the bedrooms), and on designated second and third floor units in the entryways, kitchens and bathrooms. Each of these units will include subway tile backsplash, mirror mates in bathroom, upgraded lighting fixtures, two-tone paint in the living/dining room, and curved shower rod in bathroom.
- 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 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 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 a maximum of 10% of the units.
- 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.

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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.





NASHVILLE, TENNESSEE

The city of Nashville is located in central Tennessee, is the state capital, and has an MSA population of approximately 1.8 million. Forecasts project the population to increase over the next five years at a faster pace than the nation. In addition to population, Moody’s projects the employment growth and personal income growth to also outpace the national average each year from 2015 – 2020. The Nashville unemployment rate is expected to be at or below 5% after 2015 and into the foreseeable future.

“The Nashville-Davidson- Murfreesboro-Franklin’s expansion is firing on all cylinders. Payroll employment is up 10% over its pre-recession peak reached in 2008, well above the state and U.S. averages. Growth has been driven by increases in construction and business services. Manufacturing payrolls, which have expanded faster than average during the past four years, are helping to drive up average wages. Surging population, employment and business relocations have created a dire need for housing. Increased demand has caused existing-home prices to skyrocket, the prices rate of increase has been almost twice the national average over the past six months. The bustling downtown is adding new skyscrapers full of offices and residences.” (Moody’s Analytics)

Although widely recognized for its tourism and entertainment industry, healthcare services, government, education, and manufacturing each provide a prominent role in the local economy. Amazon.com recently built two major fulfillment centers and Under Armour broke ground in February for a \$100 million distribution center that will eventually employ 1500 personnel. Vanderbilt University and Medical Center continue to provide a solid base of employment in the region. Business Insider put Nashville on its “15 Hottest American Cities for 2015” list and sites Nashville as home to more than 300 health care companies and supplies more than 30,000 auto industry jobs.

Local Sub-Market

The Lexington is approximately 12 miles from downtown Nashville and approximately 1/2 mile south of I-40. Located in Bellevue, an interurban suburb of the Greater Nashville MSA, the property lies directly on the border of the 5th wealthiest zip code of Nashville,

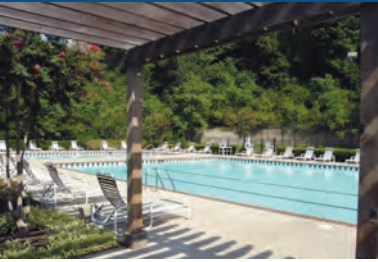
which it shares with the city’s most affluent neighborhood, Belle Meade. The elite Belle Meade community was ranked the 12th wealthiest town in the US, with the 4th highest household income and an average net worth over \$1.5 million in one of Bloomberg’s most recent reports. According to Neilsen, the average household income within a 1-, 3-, and 5-mile radius of the Project exceeds the Nashville MSA’s average household income and the median housing value within a 1-mile radius of the Project is 28.9% higher than the Nashville MSA figure.

In addition to the area’s cultural amenities, pro-business environment, highly educated workforce and enviable salaries, Bellevue and the surrounding communities offer solid public schools and a few of the best private schools in the state. Residents appreciate the incredible convenience and access to a vibrant city with a booming economy, as well as the lifestyle amenities and peace of mind that come with living in one of America’s safest, most well-maintained suburbs.

TOP 15 EMPLOYERS IN THE NASHVILLE REGION

Rank	Employer	Employees
1	Vanderbilt University & Medical Center	22,933
2	Nissan North America Inc.	8,150
3	HCA Inc.	7,000
4	Saint Thomas Health Services	6,350
5	Gaylord Entertainment Co.	5,000-9,999
5	Carlisle Cos.	5,000-9,999
5	MedQuist	5,000-9,999
8	Wal-Mart Stores Inc.	4,500
9	Randstad Work Solutions	3,495
10	Dell Corp.	3,200
11	Shoney’s Inc.	3,000
11	Century II Inc.	3,000
13	Electrolux Home Products North America	2,900
14	The Kroger Co.	2,753
15	CBRL Group Inc.	2,750

Source: Moody’s Analytics Précis U.S. Metro Report – March 2015



DEMOGRAPHICS

	Nashville	1-Mile	3-Mile	5-Mile
2010 – 2015 Population Growth	7.81%	6.72%	7.51%	7.67%
2015 – 2020 Population Growth	6.53%	6.15%	6.43%	6.63%
2015 Estimated Population	1,801,417	4,030	37,120	80,373
Average Age	37.6	36.5	40.1	40.1
% of Age 25+ w/ College Deg.	37.33%	62.92%	60.00%	59.74%
Prime Rental Age 18-34	23.78%	35.11%	25.97%	21.95%
Average Household Income	\$72,565	\$73,395	\$79,911	\$93,946
% of Households > \$100K Income	21.14%	20.55%	23.93%	29.8%
Median Home Value	\$190,280	\$245,319	\$242,274	\$277,411

Source: The Nielsen Company, 2015

SUPERIOR AMENITIES

Unit Amenities:

- Garden and loft-style floor plans available
- Garages available
- Washer/dryer connections
- Bay windows
- Spacious deck or patio
- New renovated interior appointments
- Nine foot ceilings/vaulted ceilings
- Gas fireplace
- Walk-in closets
- Attached garages available
- Garden tub/double vanity/shower

UNIT MIX

UNIT TYPE	%	UNIT TOTALS	TOTAL SQ. FT.	SQ. FT. PER UNIT
1 BR / 1 BA (Ph. II)	28%	168	120,624	718
1 BR / 1 BA (Ph. I)	13%	76	61,028	803
1 BR / 2 BA Loft (Ph. I)	7%	44	46,024	1,046
2 BR / 2 BA (Ph. II)	13%	80	91,360	1,142
2 BR / 2.5 BA (Ph. I)	15%	87	95,874	1,102
2 BR / 2 BA Garage (Ph. II)	8%	48	55,104	1,148
3 BR / 2 BA (Ph. II)	5%	28	39,144	1,398
3 BR / 2.5 BA (Ph. I)	7%	43	56,932	1,324
3 BR / 2.5 BA Garage (Ph. II)	4%	24	33,432	1,393
Total / Average	100%	598	599,522	1,003

Community Amenities:

- Indoor and outdoor swimming pools
- Wi-fi available
- Lighted tennis court
- Tanning beds
- Two 24-hour laundry care centers
- Car care facility
- Preferred employer program available
- Percy Warner Park nearby for the outdoor enthusiast
- Pets Welcome
- Cyber Cafe
- Two clubhouses for community activities
- Business center
- New professionally designed fitness center with cardio theater and children's play area
- On-site grilling and picnic areas
- Professionally landscaped grounds

FLOOR PLAN SAMPLES



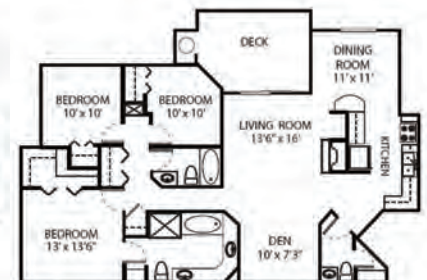
1 Bedroom / 1 Bath



2 Bedroom / 2 Bath

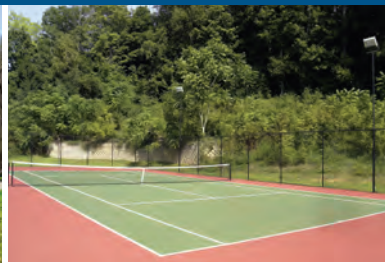


2 Bedroom / 2.5 Bath



3 Bedroom / 2.5 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.

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