

MARCUS POINTE

GRANDE

APARTMENT HOMES



6111 ENTERPRISE DRIVE • PENSACOLA, FLORIDA 32505

THE PROPERTY

- Built in 2005, this 248 Class A apartment community is comprised of 31 two-story buildings.
- The property offers 11 different floor plans averaging 1,249 square feet per unit giving it a competitive edge in the submarket.
- Marcus Point is well located within two miles of Pensacola's largest retail and employment center.
- The property has a "park-like" setting because of the low density spread across approximately 23 acres.

THE INVESTMENT OPPORTUNITY

- Current below market rents provide potential upside.
- The property was purchased from lender that had foreclosed on the property.
- The property is within the Master Planned Community of Marcus Pointe, which includes a golf course, a business park and a large single family residential development.
- The Pensacola Economy historically has out-performed the region and the United States and is projected to have job growth greater than the regional and national markets over the next several years.

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 from approximately 6.0% to 7.2%; (ii) maximize rental increases, other income and occupancy (iii) improve new lease closing ratios and resident retention (ii) reduce operating expenses; (iv) prepare the property to be sold in approximately 10 years.

Maximize Revenue and Occupancy

- Implement aggressive marketing campaigns to reach out to local corporations, businesses, vendors to provide referrals, activity sponsorships and reciprocal business opportunities.
- Enhance the property's website by engaging G5 Search Marketing. G5 provides marketing services that increase the property's online presence and improves our marketing results.
- Install Yieldstar, 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.
- Create a model unit and improve the existing clubhouse including a new paint color scheme as well as the installation of new furniture, art work, and accessories. Additionally, install a cyber café sitting area with fresh flavored coffee and wireless internet access.
- Enhance our competitive position in the submarket by upgrading the clubhouse, pool area and fitness facility.
- Enhance our competitive portion in the submarket by installing a dog park, a state of the art playground to promote our child friendly environment and four park areas with grills.

- Enhance our competitive position in the submarket by installing a new cutting edge amenity of 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

- Hire nationally recognized third party property management company, Greystar, to oversee an on-site management team of experienced and enthusiastic professionals.
- Install a lease management system that limits the number of monthly lease expirations to a maximum of 10% of the units.
- Conduct weekly meetings between Passco'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 and marketing programs.
- Hold regular "town hall" meetings to improve communication, foster a sense of community, resident satisfaction and management performance.
- Implement Passco's Job Loss Protection Plan which allows tenants who can provide proof of job loss to receive one free month's rent which can be spread over one, two or three months.

Implement Passco Asset Management Programs

- Maximize occupancy through implementation of a multi-platform marketing program to include newsprint and internet advertising 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.

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PENSACOLA, FLORIDA

Located in the western section of Florida's panhandle, Pensacola is one of the growing areas in the state. Pensacola is home to the United States Navy's Blue Angels and the Pensacola Naval Air Station, plus several high quality regional hospitals, as well as a surprisingly large student population.

According to Moody's Economy.com the local MSA population is about 455,000, having grown just over 20,000 over the last few years. Pensacola's annual population growth rate (1.4%) is expected to exceed the corresponding regional (1.35%) and national (1.0%) rates over the next several years.

Moody's estimates job growth for 2011 to be 3.5% and 4.8% for 2012, for a total increase of over 13,500 jobs. That compares to 2.6% regionally and 2.2% nationally.

Employment sectors other than the military, such as education and health services, play a vibrant role in the local economy. Total employment in the area is currently about 158,000. Three of the top ten employers are from the health sector. Pensacola

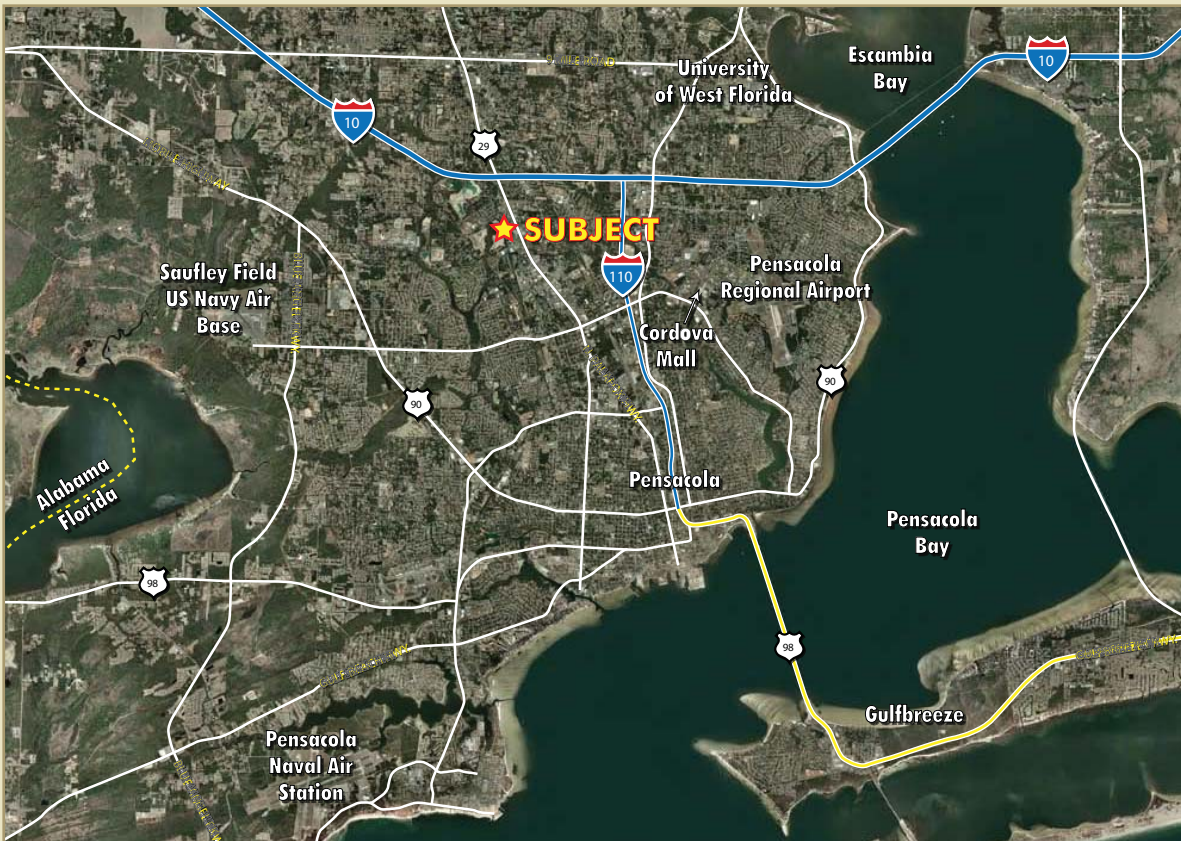
provides the Gulf Coast's largest and highest quality healthcare service. The Education and Health Services employment sector comprises 17.8% of the area's jobs, which compares to 14.7% nationally. The Navy is the area's largest employer with over 25,000 jobs directly or 15% of all Pensacola jobs.

Marcus Pointe Apartments

Marcus Pointe is located about six miles north of downtown Pensacola, approximately four miles west of the airport, two miles south of Interstate 10, and about 10 miles north of the Pensacola Naval Air Station and the nearby Gulf Breeze resort area or beaches. In addition, the Property is strategically located within two miles of Pensacola's largest retail and employment center. The Cordova Mall contains in excess of 1 million square feet of retail space.

Marcus Pointe Apartments is located within a Master Planned Community ("MPC") known as Marcus Pointe. Included in this MPC are the Marcus Pointe Commerce Park and a single-family neighborhood which surrounds the Marcus Pointe

public golf course. The residential neighborhood and golf course are adjacent to Marcus Pointe Grande and enjoy a favorable reputation in the greater Pensacola metropolitan area. Home values in and around the Marcus Pointe golf course range from \$150,000 to \$700,000, which compares to \$135,684 for the overall Pensacola area.



SUPERIOR AMENITIES

Unit Amenities Include:

- Large Floor Plans
- Private Patio/Balconies
- Vaulted Ceilings
- Fireplaces (select units)
- Oversized Closets
- Washer/Dryer Connections
- Ceiling Fans
- Frost-Free Refrigerators
- Ice-makers
- Microwaves
- Pantries



Community Amenities Include:

- Gated Access
- Clubhouse
- Swimming Pool with Spa
- Fitness Center
- Business Center
- Laundry Facility



DEMOGRAPHICS

Source: Site Reports, Claritas, Inc., 2010

Pensacola, FL

- Population Growth..... 11.59%
(2000-2010)
- Median Age..... 38 years
- Households..... 174,151
- Avg. Household Income..... \$60,872

UNIT MIX

Type	Units	Size	Market Rent (Monthly)	Market Rent (PSF)	Total Rent
1 BD/1 BA - Aberdeen	8	815	\$679	\$0.83	\$5,432
1 BD/1 BA - Tanglewood	28	938	\$699	\$0.75	\$19,572
1 BD/1 BA - Westchase	28	945	\$699	\$0.74	\$19,572
2 BD/1 BA - Caledonia	24	1,118	\$769	\$0.69	\$18,456
2 BD/1 BA - Inverness	4	1,270	\$769	\$0.61	\$3,076
2 BD/1 BA - Oakmont	4	1,278	\$769	\$0.60	\$3,076
2 BD/2 BA - Murfield	40	1,212	\$829	\$0.68	\$33,160
2 BD/2 BA - Doral	20	1,321	\$859	\$0.65	\$17,180
2 BD/2 BA - Foxfire	20	1,363	\$859	\$0.63	\$17,180
2 BD/2 BA - Pinehurst	32	1,434	\$879	\$0.61	\$28,128
3 BD/2 BA - Augusta	40	1,633	\$929	\$0.57	\$37,160
Totals/Avg.	248	1,249	\$814	\$0.65	\$201,992

FLOOR PLAN SAMPLES

WESTCHASE
1 Bedroom/1 Bath
945 Square Feet

OAKMONT
2 Bedroom/1 Bath
1,278 Square Feet

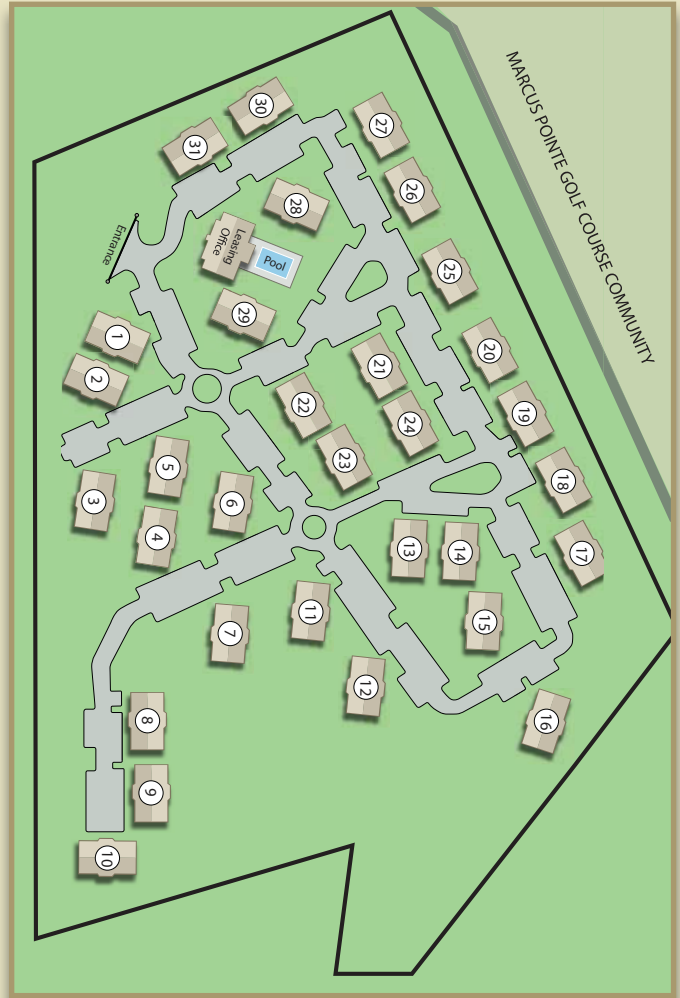
AUGUSTA
3 Bedroom/2 Bath
1,633 Square Feet

MARCUS POINTE GRANDE APARTMENT HOMES



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 currently manages over \$2.2 billion of multi-family and commercial properties. The company manages over 12,000 apartment units.
- 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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