



*The
Legends
at
Indian Springs*

11000 INDIAN SPRINGS DRIVE - LOUISVILLE, KY 40241

THE PROPERTY

- 212 unit Class A garden-style multi-family community located in Louisville, KY.
- The Legends at Indian Springs is the only multi-family apartment complex in the Louisville metropolitan area built on a golf course offering excellent golf course views throughout the community.
- The property offers twelve different floor plans, including a townhouse style plan with attached garage; amenities include bay windows, nine foot ceilings, crown molding and fireplaces.
- Built in 2001, this community has an average unit size of 1,064 square feet.

THE INVESTMENT OPPORTUNITY

- Attractive capitalization rate for a Class A multifamily community in today's competitive capital markets.
- Strong demographic and employment base – employers in the area are Fort Knox, UPS Worldport, Ford Motor Company's Assembly/Truck Plants, Humana, GE Consumer & Industrial, & the University of Louisville.
- Property has a competitive advantage due to its golf course location, amenity enhancements and close proximity to the major job providers.
- Stabilized asset with rental growth potential.

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 6.5% to 7.05% over the holding period; (ii) maximize rental increases, other income and occupancy (iii) improve new lease closing ratios and resident retention (iv) reduce operating expenses; (v) prepare the property to be sold in approximately 5-7 years. It is anticipated that the Delaware Statutory Trust will own the property for approximately 7 years, and after that time, depending on the market, the apartment complex will be offered for sale.

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.
- Enhance the curb appeal of the property by repainting the exterior of all buildings and giving it a fresh new look.
- Improve the existing model unit and clubhouse to include a new paint color scheme as well as the installation of new furniture, art work, and accessories. Additionally, a cyber café sitting area with fresh flavored coffee and wireless internet access will be installed in the clubhouse.
- Improve and update the pool area and fitness facility.
- Enhance our competitive position in the submarket by installing a dog park by fencing off a grassy area on the property providing a centralized area to walk and exercise a tenant's pet. Install a state of the art

playground to promote our child friendly environment and install new BBQ grills. The expense is nominal and will be paid for by the Master Tenant.

- Enhance our competitive position in the submarket by installing 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 and pest control fees.

Improve New Lease Closing Ratios and Resident Retention

- Complete a comprehensive review of onsite staffing and hire the most qualified, experienced and enthusiastic professionals at both the regional level and at the property to supervise the operations and performance of the asset.
- 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, 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's Job Loss Protection Plan which allows existing residents 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, 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.

THE LEGENDS AT INDIAN SPRINGS

LOUISVILLE, KENTUCKY

Louisville is located along the Cincinnati River and is the largest metropolitan area in the state of Kentucky. The Louisville MSA population was 1,266,000 at the end of 2010 and has grown over 50,000 over the last five years. Moody's economy.com projects the Louisville population to grow 3.9% or an additional 50,000 over the next four years, which is comparable to the national growth rate projection (3.9%) over the same time period. Total employment in Louisville is currently approximately 586,000 (April 2011) and is projected to grow approximately 80,000 over the next 5 years, which will make Louisville one of the stronger markets in the country for employment growth. Louisville's projected annual employment growth over the next five years is 2.6% compared to the national projection of 2.1%.

The top employment sectors in the metropolitan area include military (Fort Knox with 23,000 employees), logistics (UPS with over 20,000 employees), health care, manufacturing and retail.

Local Area

The Legends at Indian Springs is well located within its neighborhood and submarket. Downtown Louisville is within 20 minutes, as is the Louisville International Airport, where UPS recently completed its new \$1 billion Worldport facility. The

local area offers excellent amenities and transportation corridors, as well as employment centers. Located adjacent to Interstate 265 at the Westport Road exit, the Property can easily be seen from the freeway exit/entrance ramps and is within 200 yards of those ramps. Directly across Westport Road from the property is the 422,000 square foot Springhurst Towne Center which includes Target, Kohl's, Dick's Sporting Goods, TJ Maxx, among others, as well as several restaurants. Other prominent retailers located within one mile include Wal-Mart, Meijer, Kroger, Costco, and Home Depot. The Ford Motor Company assembly plant is within one mile of the Property located on the opposite side of Interstate 265. Not only is Ford Motor Company one of the largest employers in the metropolitan area, but it recently announced plans to hire an additional 1,800 employees in Louisville. Also located nearby are two suburban office parks containing one million square feet of office space with companies such as ARCO, Met Life, UPS, among others. The Property is physically located on the Indian Springs Golf Club, an 18-hole par 72 golf course considered to be one of the better golf courses in Louisville. A competitive advantage of The Legends at Indian Springs is that no other apartment community in the area is located on a golf course.

Each of the property's residential buildings face the golf course and is located just steps from the fairways.



SUPERIOR AMENITIES

Unit Amenities Include:

- Fully-Equipped Kitchen with GE Appliances
- Frost-Free Refrigerator with Icemaker
- Built-In Microwave Oven
- Pantry
- Washer/Dryer Connections
- Wood-Burning Fireplace (select units)
- Vaulted Ceilings
- Separate Dining Area
- Walk-In Closet
- Patio/Balcony with Exterior Storage
- Cultured Marble Vanity Tops
- Six-Panel Interior Doors
- Ceiling Fan
- Track Lighting
- Coat and Linen Closets
- Intrusion Alarm System
- Cable and Internet Ready
- Window Blinds
- Garage (select units)

Community Amenities:

- Clubhouse
- Swimming Pool
- Tennis Court (lighted)
- Fitness Center
- Business Center
- Gazebo
- Car Care Center
- Picnic Area with Grill
- Playground

Coming Soon:

- Upgraded Playground
- Dog Park
- Online Concierge Service
- BBQ Areas



UNIT MIX

Unit Type	%	Unit Totals	Total Sq. Ft	Sq. Ft/Unit
1BD / 1 BA Standard	5.66%	12	9,660	805
1BD / 1 BA Standard	3.77%	8	6,440	805
1BD / 1 BA w /Sunroom	2.83%	6	5,250	875
1BD / 1 BA w / Sunroom	1.89%	4	3,500	875
1BD / 1 BA w /Bonus Room	5.66%	12	10,620	885
1BD / 1 BA w /Bonus Room	3.77%	8	7,080	885
2BD / 2BA Grande	11.32%	24	24,840	1035
2BD / 2BA Grande	16.98%	36	37,260	1,035
2BD / 2BA Grande	1.89%	4	4,544	1,136
2BD / 2BA Deluxe	18.87%	40	45,880	1147
2BD / 2BA Deluxe	20.75%	44	50,468	1,147
2BD / 2BA Deluxe	1.89%	4	4,780	1,195
3 BD / 2.5 BA Townhome w/Garage	4.72%	10	15,250	1,525
Total / Average	100.00%	212	225,572	1,064

FLOOR PLAN SAMPLES

1 Bedroom Golfview
805 Sq. Ft.



2 Bedroom Deluxe
1,147 Sq. Ft.

3 Bedroom Townhouse - 1,525 Sq. Ft.



DEMOGRAPHICS

Source: Nielson – Claritas

	Louisville	1-Mile Radius	3-Mile Radius	5-Mile Radius
2000 – 2011 Population Growth	9.8%	35.7%	25.7%	22.0%
2011 – 2016 Population Growth	3.3%	9.2%	7.4%	6.7%
Average Age	38.3	36.8	37.1	38.6
% with College Degree	31.2%	60.4%	57.5%	58.1%
Median Household Income	\$46,735	\$73,915	\$71,194	\$69,087
% of Households > \$100K Income	14.9%	33.0%	31.2%	30.9%
Median Home Value	\$140,353	\$229,772	\$209,611	\$219,967

THE LEGENDS AT INDIAN SPRINGS



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 \$2.4 billion of multi-family and commercial properties. The company manages over 13,000 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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