

two blocks

APARTMENT HOMES



TWO BLOCKS | 4000 DUNWOODY PARK | DUNWOODY, GA 30338

THE PROPERTY

- A 400 unit Class A mid-rise apartment community completed in 2008; the property is comprised of 5 interconnected 4-and 5-story buildings on approximately 11 acres offering a variety of 1 and 2 bedroom units.
- Residents enjoy a full range of amenities including a club room with TV lounge, media room, billiards room, fitness center swimming pool and 2 courtyards – both with water features and seating, one includes a zen garden and pond with koi fish and, outdoor fireplace.
- Unit finishes include custom maple wood cabinetry, stainless steel appliances, 9' ceilings with crown molding, Italian glass tile backsplash, tiled kitchens and bathrooms, walk-in closets and full size washer/dryers in each unit.

THE INVESTMENT OPPORTUNITY

- Two Blocks is less than 3 miles from Perimeter Center – an employment epicenter with over 125,000 employees, over 29 million square feet of office space and 3 major hospitals.
- Metro Atlanta is one of the fastest growing metros in the U.S. and has the 10th largest GDP in the U.S.
- The potential to increase rents beyond the market rent growth through the projected unit and common area upgrades and enhancement plans.
- Forbes and Money Magazine ranked Atlanta in the top 5 for Best City for Millennials, Best City for Young Entrepreneurs and Best Places for Business and Careers.
- The property benefits from a strong, infill submarket with limited land for new development – there is only one remaining proposed multi-family project for all of Dunwoody.

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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ATLANTA, GEORGIA

The current estimated population of the Atlanta-Sandy Springs-Roswell Metropolitan Statistical Area (the “Atlanta MSA”) is 5.7 million. Metro Atlanta’s diverse economy, global access, abundant talent, low costs of business and living, and vibrant quality of life are some of the reasons why the Atlanta MSA is the business capital of the southeastern U.S. as well as a global business hub. Forbes considers Atlanta to be a top business city and a top transportation hub of the Southeast U.S. Atlanta is ranked third for cities with the most Fortune 500 headquarters with 16; there are 25 Atlanta headquartered companies among the Fortune 1000. Metro Atlanta contains the world headquarters of corporations such as Coca-Cola, Home Depot, United Parcel Service, Delta Air Lines and Turner Broadcasting.

Atlanta was ranked number 3 for the top buy market for multifamily properties in a recent report from Ten-X (formerly Auction.com); the report notes that the metro area continues to demonstrate strong job growth and shrinking unemployment and investors will post net operating income gains of about 4% each year through 2018. Colliers International Research & Forecast Report also states the Atlanta apartment market is continuing to thrive because of strong economic fundamentals with the metro area benefiting from a well-educated workforce and strong business community. Moody’s is forecasting the average local GDP/GMP, employment and personal income growth to exceed the national growth in those categories in each of the next 5 years. The Hartsfield-Jackson Atlanta International Airport is approximately 25 miles south of the project and is the world’s busiest airport. Atlanta is within a two-hour flight of 80% of the U.S. population of more than 300 million people. The Atlanta Airport is served by the rail service MARTA via a station located next to the main terminal and connects the Atlanta Airport to the city of Dunwoody.

Local Sub-Market

Two Blocks is in the city of Dunwoody, a northern suburb of Atlanta within the boundaries of Dekalb County. The property is located approximately 3 miles from Perimeter Center, a major employment hub with over 125,000 employees and 29 million square feet of office space. Some of the factors that contribute to the region’s appeal are the network of access roads including Georgia 400 and Interstate 285 and the presence of the MARTA train system, which has a train station approximately 2 miles from Two Blocks. Numerous corporations such as State Farm, Mercedes-Benz, Cox Enterprises, Home Depot, Arbys, AirWatch, UPS, First Data, AutoTrader and

Newell Rubbermaid all have headquarters in this area of Dunwoody and Sandy Springs. State Farm is building one of the largest corporate office projects in the region’s history 2.5 miles from the property and it is anticipated that State Farm will hire 8,000 employees at that site. The city of Dunwoody is proposing a \$20 million connector along the Atlanta Perimeter (where State Farm is building), creating a pedestrian link to the MARTA station. City officials describe that train station as the epicenter of growth for the entire central Perimeter Area. Mercedes-Benz has invested nearly \$100 million for a 225,000-square foot North American headquarters approximately 5 miles from Two Blocks and is expected to have 1,000 employees at this location upon completion in 2018. There are 3 major hospitals in the immediate area that collectively employ over 12,000 and are ranked among the top employers in Georgia – Emory St. Joseph’s Hospital, Northside Hospital and Children’s Healthcare of Atlanta. The area around the 3 hospitals also includes numerous medical offices. Within walking distance of the property is the Georgetown Shopping Center and numerous other restaurants and retail shops. The Georgetown Park and Pernoshal Park are also close by, giving residents access to bocce courts, pickleball court, basketball courts and multi-use trails. The public schools in the area are ranked very high within the state of Georgia. The education levels, average household income, projected population growth and median home values within a 1-5 mile radius of the property are all higher than the Atlanta MSA. The property is also in an area with a higher concentration of individuals in the prime rental age group than the MSA.

TOP 15 EMPLOYERS (ATLANTA-SANDY SPRINGS-ROSWELL)

Rank	Employer	Employees
1	Delta Air Lines Inc.	29,970
2	Emory University	27,090
3	Wal-Mart Stores Inc.	26,000
4	AT&T Inc.	16,794
5	WellStar Health Systems Inc.	14,000
6	Piedmont Healthcare	11,000
7	Publix Supermarkets	9,819
8	Georgia Institute of Technology	9,564
9	Northside Hospital	9,467
10	Children’s Healthcare of America	9,200
11	The Home Depot Inc.	9,000
12	Emory Healthcare	8,648
13	Centers for Disease Control	8,639
14	The Coca-Cola Co.	8,000
15	Coreslab Structures	7,571

Source: Moody’s Analytics Précis U.S. Metro Report – July 2016



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

- Implement aggressive marketing campaigns to reach out to local corporations, businesses and vendors to obtain referrals, activity sponsorships and reciprocal business opportunities.
- Enhance the Project's internet marketing by engaging an internet firm specializing in 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 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 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 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.
- Paint Property Exterior to enhance curb appeal.
- Install more contemporary design items in Leasing Office, Clubhouse, Fitness Center, Model Apartments and Courtyards.
- Install Landscape at property entrance and amenity areas to enhance curb appeal.
- Install LED Energy Efficient Lighting, throughout the common areas, to minimize electric costs.
- Install Dog Park and Dog Wash Spa to enhance pet friendly atmosphere.
- Upgrade Units with granite countertops, faux wood vinyl flooring (1st floor units only), kitchen and vanity plumbing, curved shower rods, framed bathroom mirrors and cabinet faces (select units, on an as needed basis).

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.

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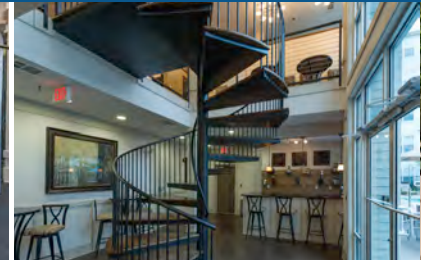
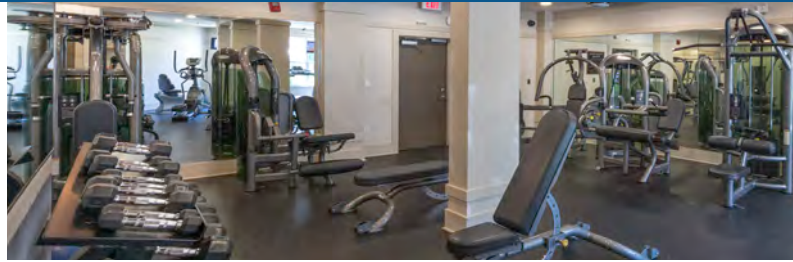
- Install a reputation management system that enhances the property's on-line rating scores on industry rating sites as well as multiple search engine rating sites. In today's technology driven market, a property's on line rating scores are critical search components for prospective residents.
- Conduct 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

- 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.

- 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.





DEMOGRAPHICS

	Atlanta MSA	1-Mile	3-Mile	5-Mile
2010 – 2016 Population Growth	8.50%	10.85%	9.70%	8.81%
2016 – 2021 Population Growth	6.38%	7.94%	7.15%	6.44%
2016 Estimated Population	5,736,343	13,855	95,172	263,725
Average Age	36.8	37.9	37.4	36.4
% of Age 25+ w/ College Deg.	42.34%	70.92%	64.40%	57.95%
Prime Rental Age 18-34	23.04%	27.96%	25.26%	26.15%
Average Household Income	\$80,325	\$91,514	\$105,801	\$99,100
% of Households > \$100K Income	25.55%	28.71%	34.56%	30.71%
Median Home Value	\$183,657	\$342,309	\$388,236	\$381,902

Source: The Nielsen Company, 2016

UNIT MIX

UNIT TYPE	%	UNITS	TOTAL SF	SF PER UNIT
1BR/1BA	9.50%	38	28,766	757
1BR/1BA	29.30%	117	93,600	800
1BR/1BA	8.50%	34	28,322	833
2BR/2BA	8.80%	35	39,550	1,130
2BR/2BA	31.00%	124	145,576	1,174
2BR/2BA Loft	3.00%	12	15,480	1,290
2BR/2BA	8.00%	32	43,072	1,346
2BR/2BA Den	2.00%	8	11,296	1,412
TOTAL / AVERAGE	100%	400	410,240	1,026

SUPERIOR AMENITIES

Unit Amenities:

- Fully equipped gourmet kitchen with stainless steel appliances
- Double stainless steel sink with vegetable sprayer
- Italian glass tile backsplash options
- Kitchen pantry in all apartment homes
- 42" upper cabinets with designer hardware
- Custom maple wood cabinetry
- Ceramic tile
- Custom lighting
- Garden tub and standing shower combination
- Ample bathroom storage
- 9' ceilings and spacious closets
- Built-in book shelves*
- Washer & dryer included
- Balcony or patio

* Select units

Community Amenities:

- Relaxing zen garden with koi pond
- Resort style salt water pool
- Natural courtyard with falling pond and covered fireplace
- Media room with widescreen T.V.
- Billiard room with bar area
- Internet cafe and lounge
- Conference room
- Free wifi in all courtyards
- Controlled access buildings
- Elevator access
- Clothes care center
- Storage available

FLOOR PLAN SAMPLES



1 Bedroom | 1 Bath



1 Bedroom | 1 Bath



2 Bedroom | 2 Bath

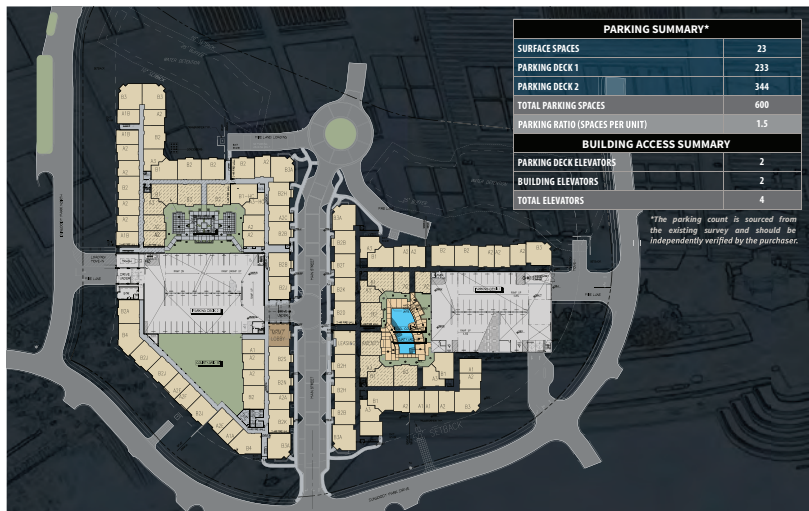
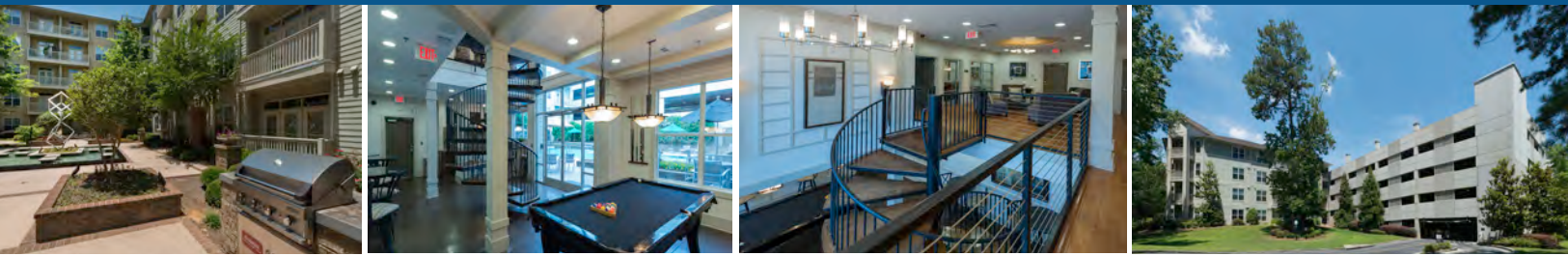


2 Bedroom | 2 Bath



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.

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