

VUE21



4610 Nautilus Peak View | Colorado Springs, CO | 80924

THE PROPERTY

- 322-unit Class-A luxury apartment community built in 2009, situated on approximately 11 acres, offering 1, 2 and 3 bedroom units.
- The property boasts urban-inspired architectural design, luxurious amenities, spectacular views and spacious open floor plans, giving it a competitive advantage in the submarket.
- Located in Northeast Colorado Springs, Vue21 is part of the prestigious Cordera master-planned community and the Powers Boulevard corridor - a fast growing area of Colorado Springs.

THE INVESTMENT OPPORTUNITY

- The property is strategically located near the metro area's largest concentration of office space; over 10 million square feet with major tenants including USAA, T-Mobile, Focus on the Family, Oracle and Lockheed Martin.
- Colorado Springs has a strong, diverse economy with aerospace & defense, technology, healthcare and education employment on the rise.
- Kiplinger ranked Colorado Springs #4 "Best Value Cities 2011" and #44 by Forbes for "Best Places for Business and Careers."

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, on behalf of the Delaware Statutory Trust, 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.

Maximize Revenue and Occupancy

- Rename and rebrand the community Vue21 which is a contemporary play on its location on Route 21 and the scenic setting with the majestic Pikes Peak in the horizon.
- Install a new monument sign with the new name of the Project to help drive-by traffic more easily locate the Project entrance.
- 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 faux wood flooring throughout all first floor units (excluding the bedrooms).
- Implement aggressive marketing campaigns to reach out to local corporations, businesses, vendors to provide referrals, activity sponsorships and reciprocal business opportunities.
- 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 amenity fees, administrative fees, application fees, transfer fees, pet deposits and pet rent.

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.
- Utilize 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.

Implement Passco 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 websites.
- 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 as well as local area tax consultants.
- Implement an annual property insurance review utilizing recognized national insurance agencies.

COLORADO SPRINGS, COLORADO

Located in El Paso County and just 60 miles south of Denver, Colorado Springs is the second largest metropolitan area in Colorado. It is nestled at the base of Pikes Peak and is known for its natural beauty and mild climate; the Colorado Springs area experiences 300 days of sunshine annually. It is home to the Air Force Academy, Garden of the Gods and the Olympic Training Center, which are among the most frequently visited tourist attractions in Colorado. The community’s beautiful setting and high quality-of-life has helped to build a growing community of academic, government, high-tech, non-profit, and defense-related businesses. There are 11 colleges and universities within the MSA emphasizing various disciplines of art, theology, and military training.

According to Moody’s Economy.com, the Colorado Springs MSA population was just under 668,400 at the end of 2012, having grown 1.6% annually since 2006 compared to 0.7% nationally. Moody’s projects the local growth to continue at 1.3% annually and will outpace the national growth over the next four years. Moody’s Analytics projects personal income growth in Colorado Springs will average 6.3% annually over the next four years, exceeding the projected national rate.



CORDERA
The next is up to you.
MASTER PLAN COMMUNITY

- OFFICE
- COMMERCIAL
- SINGLE FAMILY
- MEDIUM-DENSITY RESIDENTIAL

With its strong military population and large concentration of strategic bases, the Greater Colorado Springs Economic Development Corporation estimates that military and defense-related employers make up just over a third of the metropolitan area’s economy. Technology, health care, financial services, nonprofits, and light manufacturing companies make up the bulk of Colorado Springs employment.

COLORADO SPRINGS TOP 15 EMPLOYERS		
RANK	EMPLOYER	EMPLOYEES
1	Fort Carson	29,100
2	Peterson Air Force Base	17,996
3	Schriever Air Force Base	6,000
4	Air Force Academy	5,572
5	Memorial Hospital	3,091
6	Penrose-St. Francis Health Services	2,651
7	Hewlett-Packard	2,200
8	Atmel Corp.	1,850
9	USAA	1,400
10	Lockheed Martin Integrated Systems	1,400
11	The Broadmoor	1,350
12	Northrop Grumman Corp.	1,200
13	The Navigators	1,022
14	Goodwill Industries of Colorado Springs	987
15	Focus on the Family	950

Source: Moody’s Analytics Précis U.S. Metro Report – August 2013

Local Sub-Market

Vue21 is in the Northeast sub-market and is located approximately three miles east of I-25 and approximately ten miles north of downtown Colorado Springs. It is part of the 625-acre Cordera master-planned community with home prices ranging from the \$300,000s to the \$800,000s and over 50 acres of open space with walking and biking trails. According to The Nielsen Company, the immediate area surrounding the property is a growth area for Colorado Springs. The recent historical population growth, as well as projected growth in the areas surrounding the property is more than triple the metropolitan area. The local population also shows above average education levels and income levels. The Nielsen Company data also shows nearly 50% of all households within a 3-mile radius of the property have a household income level equal or greater than \$75,000. According to the lease audit, the average resident income is \$70,550. In addition, the average age of the population in the surrounding area is

younger than the Colorado Springs average – a positive indicator for apartment demand.

The Northeast sub-market has over 10 million square feet of office space, which represents over 35% of the total Colorado Springs office market. Major employers within 5 miles of the property include Hewlett Packard, Memorial Hospital, Checks Unlimited, Focus on the Family, Pikes Peak Community College, T. Rowe Price, USAA and Walmart, among others. Each of these companies employs at least 500 employees. The local school district (Academic District 20) is a highly rated school district in the state of Colorado. Vue21 is located just minutes away from the United States Air Force Academy. As one of the premier higher education institutions in the nation, the Academy is home to approximately 5,500 jobs and provides nearly a \$1.0 billion economic impact.

The property is nearly adjacent to State Highway 21 (also known as Powers Boulevard); the Powers Boulevard corridor is a major retail artery and offers numerous restaurant and shopping options such as Lowes, Super Target, Home Depot, Walmart, and Lifetime Fitness. Vue21 is also just minutes from the Chapel Hills Mall, the city’s largest mall with over 1.2 million square feet of retail. The Chapel Hills Mall offers over 150 stores with tenants that include Dillard’s, Macy’s, JCPenney, and Dick’s Sporting Goods. The Promenade Shops at Briargate, a 285,000 square foot, open-air shopping center that opened in 2003, is also nearby.





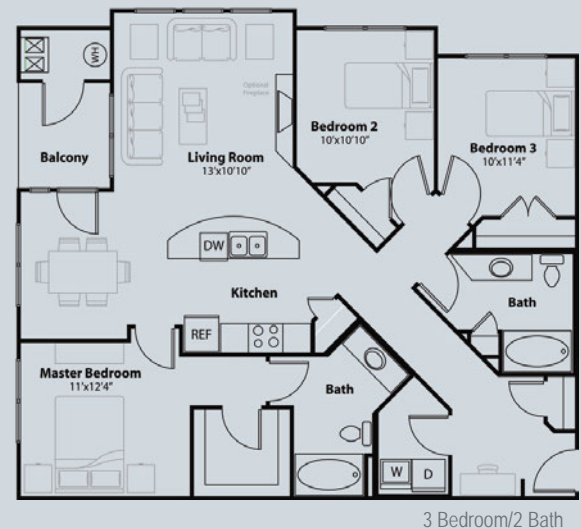
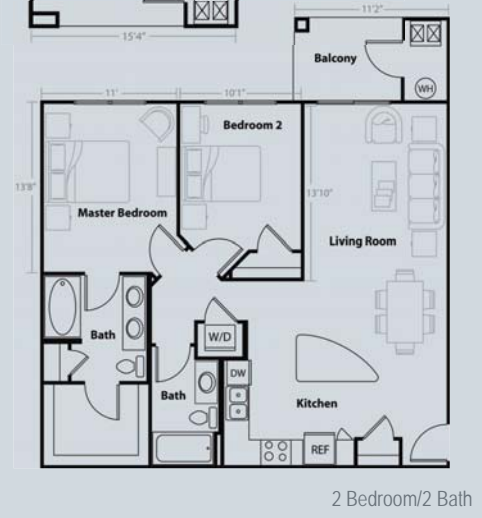
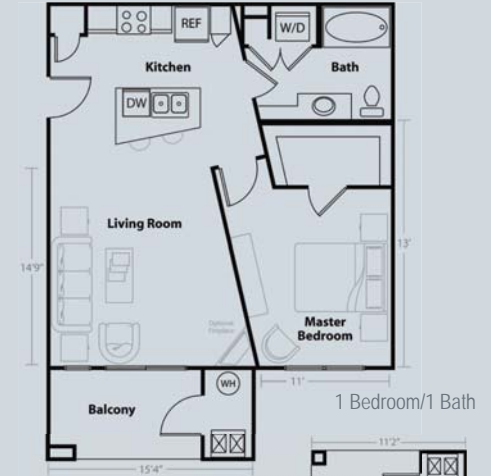
DEMOGRAPHICS	Northeast Colorado Springs Submarket		
	1-Mile	3-Mile	5-Mile
2013 Estimated Population	5,834	50,691	124,182
2018 Projected Population	6,848	56,037	137,350
2013 Estimated Average Household Income	\$126,114	\$102,161	\$89,308
Average Household Size	3.3	3.0	2.8
Renter Occupied Percentage	17.37%	22.49%	27.45%
Median Age	35.1	35.9	35
Median Home Value	\$355,136	\$280,437	\$252,922

Source: The Nielsen Company, 2013

UNIT MIX

UNIT TYPE	%	UNITS	TOTAL SQ. FT	SQ. FT/UNIT
1BR / 1 BA	4%	12	8,328	694
1BR / 1 BA	24%	76	55,860	735
1BR / 1 BA	15%	48	40,464	843
2BR / 2BA	12%	39	40,872	1,048
2BR / 2BA	7%	24	28,008	1,167
2BR / 2BA	6%	20	23,500	1,175
2BR / 2BA	2%	5	5,960	1,192
2BR / 2BA	24%	77	93,093	1,209
3 BR / 2BA	6%	21	28,140	1,340
Total / Average	100%	322	324,225	1,007

FLOOR PLAN SAMPLES



SUPERIOR AMENITIES

Unit Amenities:

- Designer kitchens with islands
- Faux granite counter tops
- Modern wood cabinets
- Full-size washers and dryers
- Wood-plank style flooring
- Large patios or balconies

Community Amenities:

- (Available 24 hours a day)
- Designer clubhouse
 - Cyber café with WiFi
 - Heated resort-style saltwater pool and spa
 - State of the art fitness center with a yoga studio
 - Guest suite available



Passco Companies, LLC specializes in acquiring, developing and managing multifamily and commercial investment properties. Passco was formed in 1998 and is a privately held company.

- Passco invests strategically for investors to generate cash flow and asset value appreciation, while maintaining a risk-mitigating investment philosophy.
- Passco's current assets under management are upward of \$2 billion, including more than 10,000 apartment units and over 8 million square feet of land and commercial real estate nationwide.
- 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.

N. UNION BLVD.

SITE PLAN



Site Key

■ A1 Granite	1 Bed 1 Bath	694 sf.
■ A2 Palisade	1 Bed 1 Bath	735 sf.
■ A3 Travertine	1 Bed 1 Bath	843 sf.
■ B1 Sorrento	2 Bed 2 Bath	1,048 sf.
■ B2 Avalon	2 Bed 2 Bath	1,167 sf.
■ B3 Sandstone	2 Bed 2 Bath	1,209 sf.
■ C1 Limestone	3 Bed 2 Bath	1,340 sf.
■	Leasing Center & Clubhouse	
■	Handicap Parking	



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