



WAKEFIELD GLEN
LUXURY APARTMENTS

2400 Garden Hill Road | Raleigh, NC | 27614

THE PROPERTY

- 246 unit Class-A luxury apartment community built in 2001, situated on approximately 22 acres offering 1, 2 and 3 bedroom units.
- Located within the 2,200 acre prestigious Wakefield Plantation master-planned community, residents enjoy the park-like setting with exceptional scenic views and large open floor plans, giving the property a competitive advantage.
- Wakefield Glen is a short commute to all major universities and employment centers including North Carolina State University and the Research Triangle, which is home to more than 170 companies and over 39,000 employees.

THE INVESTMENT OPPORTUNITY

- New professional management will position Wakefield Glen as one of the premier apartment communities in the area.
- Potential to increase rents through budgeted unit and amenity upgrades.
- Raleigh has the second highest rate of net migration of any metro area over the past five years.
- Raleigh's employment growth is expected to significantly outpace the nation over the near term.

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

- Add a fully furnished model unit and update the clubhouse and model with a contemporary paint color scheme as well as the installation of new furniture, art work, and accessories. Create a cyber-lounge within the clubhouse with Wi-Fi access and work stations.
- Enhance the Project's competitive position in the submarket through installation of a dog park and dog wash, accomplished by fencing off a grassy area on the property to provide a centralized area to walk, exercise and wash a resident's pet.
- Install faux wood vinyl flooring throughout all first floor units (excluding the bedrooms). Complete renovations on partially completed units which include vinyl wood plank flooring, cabinet door replacement, cabinet knobs, ceiling fans (bedrooms), countertops (kitchen and bath), goose neck faucets, USB Outlets, digital thermostat, 2" faux wood blinds, curved shower rods, bath towel bar upgrade, and bath faucet upgrade. Complete a full unit upgrade of unfinished units, which includes all the upgrades in the partial renovation as well as the installation of new appliances, lighting fixtures, and faux wood vinyl flooring in the entry, kitchens, and bath.
- Implement aggressive marketing campaigns to reach out to local corporations, businesses, and vendors to provide referrals, activity sponsorships and reciprocal business opportunities.
- Enhance the existing monument sign creatively to give it greater visibility by adding color designating the 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 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

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management industry as being a cost effective software program that manages pricing in an effort to increase the financial performance of the Project.

- Install a reputation management system that monitors and manages the property's online reputation. This program provides the management team with every review posted on the major multifamily internet ratings sites, thereby allowing the management team to respond to each review in a timely and productive manner. The goal is to enhance the Project's ratings on the various websites and ultimately to increase traffic, leases, renewals and ultimately revenue.
- 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 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 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 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.

RALEIGH, NORTH CAROLINA

The city of Raleigh is located in central North Carolina and, according to the Apartment Index Report, is included in the Raleigh-Durham-Chapel Hill metropolitan statistical area (“MSA”), and commonly referred to as “the Triangle”. Downtown Raleigh is approximately 25 miles from downtown Durham and approximately 33 miles from Chapel Hill. Located between the cities of Raleigh and Durham is the world-renowned Research Triangle Park (“RTP”), a 7,000 acre development that is home to more than 170 companies employing over 39,000 full-time employees. RTP is a global high-tech center that serves as an economic driver for the region.

The presence of the RTP, state government offices and the universities (Duke, North Carolina State and University of North Carolina Chapel Hill) continue to strengthen the area’s economy. In 2011, Businessweek.com ranked Raleigh #1 as “America’s Best City”. In 2013, Livability.com ranked Durham as the 4th “Best Place to Live and Visit” in the U.S. The area’s diversified economic base continues to support significant capital investment within the region while providing a variety of employment opportunities for area residents and businesses. All of these factors combine to make the Triangle MSA one of the most desirable locations for businesses and individuals for today and in the future.

According to Moody’s Economy.com (“Moody’s”), the Raleigh MSA population was 1,188,600 as of the end of 2012, having grown 199,400 since 2006, or 3.10% annually compared to the national population growth rate of 0.85% over the same time period. Moody’s projects the local growth to continue at 3.79% annually and will outpace the national growth over the next 4 years.

The annual Raleigh unemployment rate has been below the annual state unemployment rate over the last ten years. Moody’s economy.com projects the Raleigh employment growth to grow an annual average of 3.05% over the next four years, compared to the national employment projected growth of 1.95% annually over the same time period.

Local Sub-Market

Wakefield Glen is located in the Wakefield Plantation master-planned community, approximately 17.9 miles northeast (driving distance) of downtown Raleigh. At the heart of the community is the Hale Irwin designed PGA Tour, 18-hole Tournament Players Club (TPC) golf course and a 38,000 square foot clubhouse. Homes in Wakefield Plantation are often custom-built and priced from \$250,000 to \$3+ million. Wakefield Elementary, Wakefield Middle School and Wakefield High School are all located within the Wakefield Plantation, approximately 1.5 miles from the Project. Wakefield Glen is nestled amongst rolling hills and picturesque park areas and is bordered by TPC, offering the residents golf course and beautiful nature views.

RALEIGH’S TOP 15 EMPLOYERS		
RANK	EMPLOYER	EMPLOYEES
1	North Carolina State University	7,730
2	WakeMed Health & Hospitals	7,607
3	Rex Healthcare	4,800
4	SAS Institute	4,742
5	Pinkerton & Burns	4,500
6	Cisco Systems	3,800
7	Verizon Communications	3,000
8	PPD Inc.	3,000
9	Nortel Networks Corporation	2,800
10	Progress Energy	2,500
11	Affiliated Computer Services	2,300
12	RTI International	2,200
13	Tri-Arc Food Systems	2,050
14	Waste Industries, Inc.	2,000
15	Wal-Mart Stores Inc.	1,900

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

The Property is approximately 3.4 miles from the city of Wake Forest, approximately 20.5 miles from Raleigh-Durham International Airport and approximately 22.3 miles from Research Triangle Park. Nearby amenities provide convenience to residents with many shopping centers and retailers such as Macy’s, Saks Fifth Avenue, Dillards, among others within a short drive.

Wakefield Glen is located in a growth area of Raleigh with above average income levels for the 1-, 3-, and 5-mile radii surrounding the Project, as compared to the Raleigh MSA. According to Nielson Company, the average household income within a one mile radius is \$133,832 and 70% of the population within a one mile radius has a college degree. In addition, the recent historical population growth, as well as projected growth, in the 1-mile radius surrounding the Project is more than double the Raleigh MSA.





DEMOGRAPHICS	Wakefield Glen		
	1-Mile	3-Mile	5-Mile
2013 Estimated Population	5,914	33,396	84,712
2018 Projected Population	6,959	38,110	96,092
2013 Estimated Average Household Income	\$133,832	\$108,845	\$101,100
Average Household Size	2.95	2.77	2.80
Renter Occupied Percentage	28.36%	27.43%	23.46%
Median Age	36.8	36.8	36.9
Median Home Value	\$410,301	\$311,662	\$280,037

Source: The Nielsen Company, 2013

SUPERIOR AMENITIES

Unit Amenities:

- Air Conditioning
- Cable Included
- Dishwasher
- Double Crown Molding
- Fireplace*
- Faux Hardwood Floors
- High/Vaulted/Cathedral Ceilings*
- Private Balcony / Patio
- Refrigerator
- Faux Stainless Appliances
- Walk-in Closets
- Full Size Washer / Dryer Included
- Views of Golf Course*

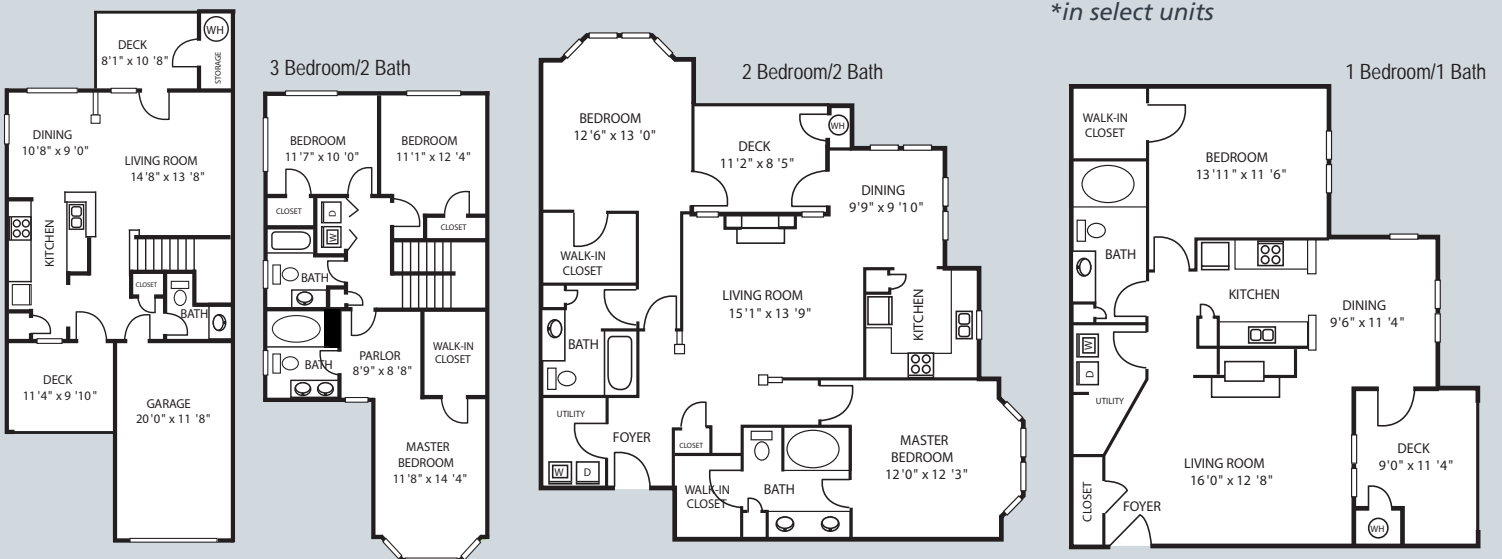
Community Amenities:

- Club House
- Fitness Center
- Garages Available
- Laundry Facilities on Site
- Online Rental Payments (install 2014)
- On-site Management
- Close to Park
- Pet Friendly
- Play Ground
- Recycling Center
- Swimming Pool
- Storage Available
- Business Center

UNIT MIX

UNIT TYPE	%	UNITS	TOTAL SQ. FT	SQ. FT/UNIT
1 BR / 1 BA	10%	24	20,304	846
1 BR / 1 BA	7%	16	15,488	968
1 BR / 1 BA	11%	28	29,400	1,050
1 BR / 1 BA	10%	24	27,480	1,145
2 BR / 2 BA	48%	118	146,556	1,242
3 BR / 2 BA	14%	36	55,476	1,541
Total / Average	100%	246	294,704	1,198

FLOOR PLAN SAMPLES



*in select units

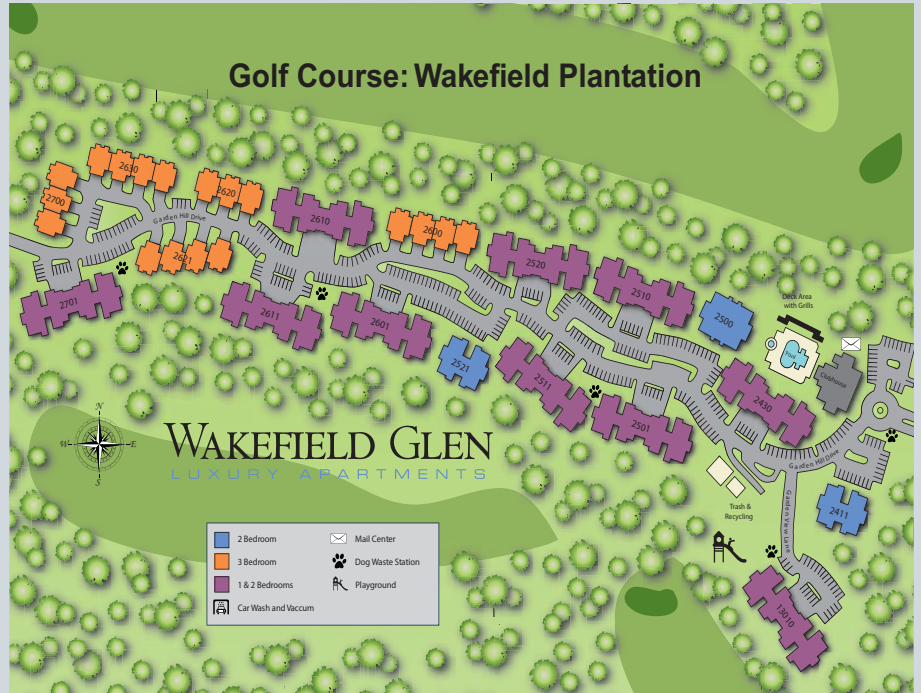
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Passco Companies, LLC specializes in acquiring, developing and managing multifamily and commercial investment properties. Passco was formed in 1998 and is a privately held company.

- 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.

SITE PLAN



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