

TENANT-IN-COMMON
PROPERTY OVERVIEW

Northern Greens Apartments



8150 North 61st Avenue | Glendale, AZ 85302

Location Description: Phoenix, Arizona

Northern Greens is located in Glendale, Arizona on 61st Ave and Northern Ave. The area is a mix of single family homes, multifamily projects, and commercial/industrial developments with a middle income profile. The property benefits from its location just off 59th Ave which is a major north south corridor and Highway US 60, a major manufacturing and warehousing employment corridor. The property is located near several employment drivers such as Northern Crossing Shopping Center which includes a Lowes, PetSmart, Wells Fargo and Chase Banks and is also within 5 miles of the Glendale Sports and Entertainment District which Features an NFL Stadium and NHL arena. The property also benefits from close proximity to several educational institutions like Glendale Community College, Glendale High School and Glendale Elementary.

Financial Overview*

Escrow Purchase Price.....	\$21,200,000	Escrow Closed.....	June 2014
Down Payment.....	\$9,450,000	Cost per Unit.....	\$50,476
Loan Balance.....	\$11,750,000	Cost per Foot	\$70.11
Loan to Value (LTV)	55.4%	Debt Coverage Ratio	237.40%

*Please refer to the Private Placement Memorandum for details on the Total Use of Proceeds.

Capital Improvements and Business Plan

Immediately upon closing, RK Properties will implement a property improvement program and an aggressive marketing campaign. Due to the minimal rehab required at the property, the primary focus of the business plan will be to strengthen operations and improve rents by repositioning the tenant base. Additionally, the property is in close proximity to other RK properties and by collaborating with other RK assets which offer different styles of product and price points, Northern Greens will receive a high volume of traffic from potential tenants looking for a different product. Improvements to the property will include new exterior paint to portions of the buildings that require it, upgraded signage and roof repairs.

Property Facts

- 420 Units Built In 1988 And Completely Rehabbed In 2007-2010
- Class B REO Asset With Value-Add Opportunity
- Originally Sold For \$27.1 Million In 2006 (\$64,523 Per Unit)
- \$10,000 Per Unit In Completed Renovations
- Interior Upgrades Included New Cabinets, Appliances, Flooring, Fixtures And Two Tone Paint
- Purchase Price Of \$21.2 Million (\$50,476 Per Unit)

Capital Improvement Reserves

New Roof	\$475,000
Carpet / Linoleum	\$200,000
Water Heater & Appliance Res.	\$100,000
Miscellaneous	\$50,000
HVAC	\$200,000
Landscape & Tree Trim	\$32,000
Property Lighting	\$15,000
Exterior Paint	\$175,000
Office / Equipment	\$10,000
Slurry	\$40,000
Fitness Center	\$20,000
Signage	\$10,000
Laundry Rooms	\$50,000
Wrought Iron Repairs	\$5,000
TOTAL	\$1,382,000



Investment Highlights*

- Initial Minimum Investment - \$300,000
- Potential Distributions From Net Cash Flow Paid Monthly
- Potential Capital Appreciation
- Pass Through of Tax Benefits For Tax-Deferred Distributions
- Preferred Annual Return
- Anticipated Hold Period 6-8 Years

* *These are investment objectives and there are no assurances they will be achieved. Please refer to Financial Forecast in the Private Placement Memorandum (“Memorandum”).*



Risk Factors And Suitability Standards

This Property Overview is presented as a summary of the information set forth in the Memorandum. This information is incorporated herein by reference and is qualified in its entirety by the applicable provisions of the Memorandum, as supplemented. The financial forecast, figures, analysis and conclusions contained in this Property Overview are believed to be accurate, but no warranty is made as to their correctness. There is no assurance that the actual property operating results will match the financial forecast set forth in the Memorandum, as supplemented, since it is difficult to estimate future income and expense items accurately. Neither RK Properties nor Rance King Securities Corporation represent or guarantee that an investment in this property will result

in economic gain(s). This Property Overview does not represent an offer to sell any securities by RK Properties, or Rance King Securities Corporation. Such an offer may only be made by the Memorandum which must accompany or precede this Property Overview. There are numerous risks involved in investing in real estate which are set forth in greater detail in the Memorandum. This investment must be considered speculative and there is no assurance that the investment objectives set forth in the Memorandum will be achieved. Tenants in common may either be accredited investors or non-accredited investors who meet the minimum net worth and/or income requirements as defined in the Memorandum. Please contact Investor Relations at 800-677-7333 for further information, or to request a Memorandum.

RK Properties



William Rance King, Jr.

William Rance King, Jr. leads a diversified management team providing acquisition and sales brokerage, leasing, financing, and asset, property and construction management services. RK is a performance-driven company that has strived for excellence over the long term.

- Number of Properties Acquired (since 1976): 139
- Properties Gone Full Cycle: 118
- Average Hold Period: 6.3 Years
- RK's historical track record is set forth in the Memorandum

Our approach to multi-family investing involves:

- Value-added component to maximize potential income and capital appreciation.
- Experienced executive management that has been through multiple business cycles.
- Strict focus on multi-family housing – 106 programs with 96 having gone ‘full cycle’.
- Current assets under management exceed \$300 million, including more than 3,500 apartment units nationally.
- Providing fully integrated investment real estate and tenant-in-common opportunities (1031 exchanges) for investors.



The Land of Opportunity