

# LAS LOMAS APARTMENTS

## PROPERTY PACKAGE

*An Investment Opportunity from GreenLite Holdings, LLC*



### ***A Value-Add Investment Opportunity***

Las Lomas Apartments is a 224-unit Class C+ apartment complex in Arlington, Texas, that meets GreenLite Holdings LLC's investment criteria and is offered to qualified investors through a LLC structure.



**GREENLITE**  
— HOLDINGS —  
MOMENTUM IN MULTI-FAMILY

## DISCLOSURE

This Package contains available information received from the current owner relating to the property location, description, broker's information sheet, rent rolls, budget, projected returns, investment strategies and risk factors (ending inspection reports to be sent to all qualified investors). An independent appraisal is pending. Though information has been secured from sources that appear to be reliable, no representation by GreenLite Holdings, LLC is either expressed or implied, as to the accuracy of any information on this property. All information contained herein is further subject to correction, modification, or withdrawal without further notice. Funds received as investment in this offering will be applied and used solely for the acquisition of this property, corresponding expenses, acquisition costs, and property improvements, if any, as shown on the proforma acquisition expenses table in this package.

This information is confidential in nature, and should not be reproduced in whole or part without the express written permission of GreenLite Holdings, LLC. Returns are subject to change due to loan terms, new discovery, occupancy, additional capital investment, owner decisions, and various factors involved in property management, and therefore GreenLite Holdings, LLC and its affiliates do not guarantee these returns, and further do not guarantee that the property will close or the specific date on which it will close.

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# EXECUTIVE SUMMARY

## THE COMPANY

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GreenLite Holdings, LLC (also referred to as 'GreenLite Holdings' or 'the Company') is a real estate operating company with a focus on the purchase, enhancement, and ongoing management of multi-family housing units. The Company is based in Phoenix, Arizona, and was founded in 2013 by Jonathan Lewis.

GreenLite Holdings' core objective is to acquire, manage, and profitably exit class B multi-family properties in emerging markets within the United States with favorable demand character. Emerging markets are characterized as areas poised for growth in the multi-family sector, which will allow the Company's partners and investors to benefit from cash flow in the short term and realize substantial growth from rapid appreciation in the long term.

These properties offer investors significant opportunities to achieve:

- Cash flow generated by rental income after expenses
- Inflation resistance through increasing rents and property values common to high inflation
- Capital gains from the increase in property value over the stated holding period
- Leverage, by financing up to 80% of the purchase price of the property
- Tax advantages including depreciation, business expense deductions, investing tax-free with self-directed IRAs, 1031 exchanges, and more
- Non-correlation with stock and bond markets, providing true portfolio diversification.

*The Company's mission is to provide quality housing to low-income tenants at an affordable price, while yielding a high rate of return for its investors.*

### ACQUISITION STRATEGY

GreenLite Holdings takes a value-added approach that seeks properties where higher quality management and modest operational improvements will decrease expenses, increase income, and ultimately increase resale value.

The Company focuses on the acquisition of multi-family properties designed to meet the needs of individuals aged 18 to 34 with incomes of \$35,000 and less. GreenLite Holdings takes a conservative approach by acquiring stabilized assets that have a long and consistent cash flow history and creating collaborative working relationships with top service companies within its targeted geographic markets to:

- Gain early access to suitable properties as they come on the market
- Perform extensive due diligence on the properties; process includes financial review, property inspection, and sub-market area analysis
- Negotiate favorable financing
- Package properties as LLCs with unit ownership for qualified investors
- Contract with exceptional management companies for the ongoing rental marketing, management, maintenance, and improvement of the property
- Market properties at the end of the holding period, optimizing gains in appreciation

### ACQUISITION CRITERIA

GreenLite Holdings seeks to invest in real estate assets that meet the following minimum financial criteria:

- 7.5%+ Cap Rate or 9%+ Cash on Cash Return
- 1.5+ Debt service coverage ratio (DSCR)
- Priced below replacement cost
- Gross Rent Multiplier (GRM) of less than 7

While the Company cannot guarantee that all these benchmarks will be met on a specific property acquisition, our goal is to either meet or exceed these numbers when acquiring properties that meet the following investment characteristics:

- B (and C+) Class Assets
- A and B class sub-markets with significant employment and population growth
- 150+ units with stabilized occupancy
- Stable physical condition and sound operating infrastructure
- Value-add properties where GreenLite can upgrade facilities with management expertise

## INVESTMENT HIGHLIGHTS – LAS LOMAS APARTMENTS

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Las Lomas Apartments is a 224-unit Class C+ apartment complex (the Complex) in Arlington, Texas. The Complex is offered at **\$7,400,000** with a Cap Rate of 9.33% on Cash-on-Cash Returns of 15.73% (T5 income and T12 expenses). The average unit size is 873 square feet. The unit mix consists of three different floor plans of which 14% are one bedroom, 71% are two bedrooms, and 14% are three bedrooms. The Complex is located in Arlington, Texas near the intersection of Great Southwest Parkway and West Marshall Drive. This location is isolated with limited competition in the immediate vicinity, which gives the property a competitive advantage with resident retention.

### FINANCIAL CRITERIA

- 9.33%+ Cap Rate or 15.73% Cash on Cash Return based on T5 income and T12 expenses
- 1.5+ Debt service coverage ratio (DSCR)
- Priced below replacement cost
- Gross Rent Multiplier (GRM) of less than 7

### INVESTMENT CHARACTERISTICS

- C+ Class Asset
- B-C class sub-market with a vibrant local economy with significant employment and population growth
- 224 units with stabilized occupancy and rental rates significantly below competing properties in the market
- Well maintained physical asset with recent mechanical improvements
- Value-add property where GreenLite can upgrade facilities with management expertise

### INVESTMENT STRATEGY

- Update complex appearance and facilities to support rent increases
- Utilize the services of the MEB professional management team to aggressively market the property to minimize vacancies, currently at 9%.

- Reduce the number of “comp’ed” apartments provided in exchange for marketing, maintenance and management through the use of MEB’s services and generate lease income from those units.
- Look for additional value-add services that provide income

Add more points as appropriate -- *This is an explanation of ways GreenLite believes it can add value and drive appreciation.*

### PROPOSED EXIT STRATEGY

Once the property has achieved \_\_\_% appreciation over the purchase price, estimated at within three years given current market conditions, the property would be sold to return invested capital and appreciation.

### PROJECTED EQUITY RETURN AT RESALE

Exit Price	\$9,500,000
Sales Expense	4.3% or (\$408,500)
Initial Loan Principal	(\$5,470,000)
Principal Pay-Down	\$275,068
Owner Equity	\$3,896,568
Less Initial Basis	(\$2,533,550)
Owner Equity Creation	\$1,363,018
Less GH Share of Equity	20% = (\$272,603)
Owner Net Equity Share	80% = \$1,090,415

# THE PROPERTY



## OVERVIEW AND HISTORY

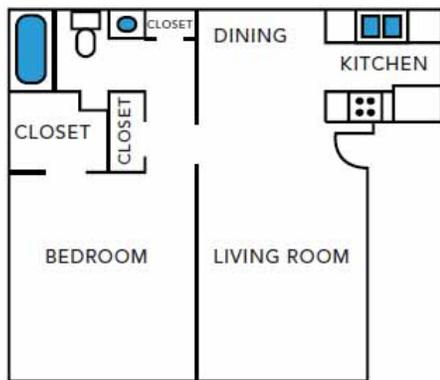
Las Lomas was developed in 1970 and consists of 13 residential buildings plus a laundry facility and playground and 248 uncovered parking spaces on 12.27 acres. The buildings are two stories with pitched roofs and brick and wood siding exteriors. The 224-unit mix

consists of three different floor plans, shown in the following table. The average unit size is 873 sf.

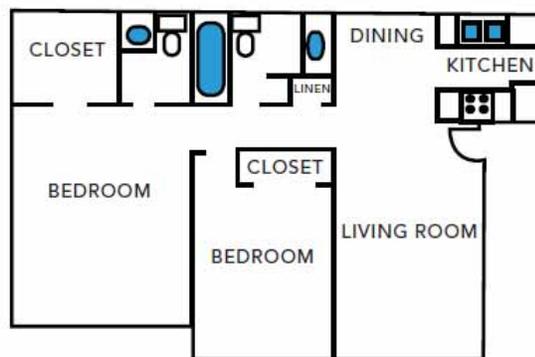
Layout	% of Units	#	Avg SF	Avg Mkt Rent	\$/SF	Total Market Rent
1BR/1BA	14%	32	600	\$460	\$0.77	\$14,720
2BR/1.5BA	71%	160	900	\$600	\$0.67	\$96,000
3BR/2BA	14%	32	1,010	\$715	\$0.71	\$22,880
<b>Total</b>	<b>100%</b>	<b>224</b>	<b>873</b>	<b>\$596</b>	<b>\$0.68</b>	<b>\$133,600</b>

FLOOR PLANS

ONE BEDROOM  
600 SQFT  
32 UNITS



TWO BEDROOM  
900 SQFT  
160 UNITS



THREE BEDROOM  
1,010 SQFT  
32 UNITS



### WELL MAINTAINED PHYSICAL ASSET; RECENT MECHANICAL IMPROVEMENTS

The prior owner has spent over \$2.6M improving the property since 2008, including a 2008 conversion from a chiller system to new individual HVAC units, electric meters, and air handlers throughout the entire property. This conversion will allow for significantly reduced repairs and maintenance costs in the future.

### UNIT AMENITIES

- Spacious Floor Plans
- Faux wood flooring\*
- Faux granite countertops\*
- Two-Tone paint
- Cable Ready
- Garbage Disposals
- Frost Free Refrigerators
- Mini-Blinds
- Walk-In Closets
- Dishwashers
- Black Appliances\*



### COMMUNITY AMENITIES

- On-Site Laundry Rooms
- Playground
- Picnic & BBQ Area
- Across the street from New Elementary School
- Mature Landscaping



\*In select units

### EXCELLENT LOCATION:

Las Lomas is located in Arlington, TX near the intersection of Great Southwest Parkway and West Marshall Drive. This location is isolated with limited competition in the immediate vicinity which gives the property a competitive advantage with resident retention.

Arlington is located in the middle of the Dallas/Fort Worth Metroplex and is just a few miles south of one of the world's busiest airports - DFW International Airport. The property is near major thoroughfares including Hwy 161, Hwy 360, I-30 and I-20. The property benefits from the recent Highway 161 expansion. The 4-phase expansion began in 2009 and was completed in October 2012. The 4th phase included interchanges at I-30 and I-20 as well as the main lanes in each direction from North Carrier Parkway.



### MAJOR LOCAL EMPLOYERS

**Great Southwest Industrial District** – The Great Southwest Industrial District spans across both Grand Prairie and Arlington, Texas. The district has over 82 million square feet of space and is home to over 3,000 companies employing 60,000 people.

**The Medical Center of Arlington** – The hospital employs over 1,000 full-time and part-time healthcare professionals and is comprised of 326 beds.

**Restoration Hardware Distribution Center** – The 850,000 square foot distribution center is under construction and will be located in the nearby city of Grand Prairie. The facility will cost \$22M and will serve as the company's southwest regional distribution hub.

**GM Assembly Plant** - The plant employs 2,400 workers, produces nearly 1,200 SUVs per day, and pays \$1M in wages daily. In May of 2011, the plant added 110 new workers while investing \$331 million.

**The University of Texas at Arlington** – The university is approximately 5 miles from Las Lomas and serves 33,000 students while employing over 2,100 people.

**Texas General Hospital** – The full-service, state of the art hospital opened in late 2011. The hospital completed phase I of the multi-phase development which included delivering 50 patient rooms. Once completed, the hospital expects to employ over 300 physicians.

### ENTERTAINMENT, RECREATION AND EDUCATION FACILITIES

**The Parks at Arlington Mall** – The mall features over 180 stores and an AMC movie theater within 15 minutes driving distance from Las Lomas.

**Texas Rangers Ballpark In Arlington** – The ballpark was built in 1994 and can seat up to 48,114 spectators. It is a major economic driver for the Arlington area and employs hundreds of local residents.

**Dallas Cowboys Stadium** - The Dallas Cowboys Stadium was built in 2009 at a cost of 1.3 billion. This multipurpose, state of the art facility can seat up to 80,000 spectators and is a popular venue for various college sporting events and concerts. The stadium brings in significant revenue to the Arlington area and is a major local employer.

**Six Flags Over Texas and Hurricane Harbor** – The amusement park is a popular destination for residents and tourists.

**Anderson Elementary School** - Walking distance from Las Lomas is Anderson Elementary School. The school was completed in 2005 and serves 740 students in grades PK-6.

**Carter Middle School and Sam Houston High School** – The middle school is within 3.5 miles of Las Lomas while the high school is 3.1 miles from the complex.

## MARKET OVERVIEW

With a current population of more than 6.4 million, Dallas/Fort Worth is the 4th largest metropolitan statistical area in the United States. The Dallas area is currently ranked third in the nation for job growth according to MPF Research. The DFW area added 111,000 jobs through the 12 months ending August 2013. DFW is expected to add 95,000 jobs over the next year.

The Southwest's leading business center is home to more than 1,500 corporate headquarters including Exxon-Mobil, AT&T, 7-Eleven, Fossil, Inc., JCPenney, Frito-Lay, Blockbuster, American Airlines and Southwest Airlines among others. Dallas/ Ft. Worth is home to 25 Fortune 500 headquarters. The DFW region ranks second in the U.S. metropolitan areas for revenue generated from Fortune 500 companies.

The economic outlook for Dallas remains strong due to the low cost of doing business, no state income tax and the expansion of a broad range of industries. Also, Dallas/Fort Worth continues to be one of the fastest growing metros in the country. The DFW job growth is a result of Education/Health and Trade and Hospitality sectors continuing to grow, backed by solid performances in the Government, Transportation and Utilities sectors.

DFW has an intricate infrastructure of transportation systems including international airports, highways and railways. Dallas' airport and central location give an advantage to

relocating companies. The Dallas/ Ft. Worth International Airport, which encompasses more than 18,000 acres, is the nation's third busiest and a major economic engine for the region. Almost 60 million passengers travel through DFW International Airport every year, along with Dallas Love Field's 8 million. DIA has a \$10.8 billion impact on the economy each year and provides 204,000 jobs.

#### ECONOMIC HIGHLIGHTS

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- **Job growth** — Job production continues at solid levels in the North Texas Region. Dallas/Ft. Worth created 111,000 jobs through the 12 months ending August 2013. DFW employment figures are above pre-recession levels.
- **Corporate relocations** — The city's central location, relatively cheap cost of living, and young, educated work force have attracted many large corporations from across country. Recently, AT&T and Comerica Bank have relocated their corporate headquarters to Dallas.

#### MULTI-FAMILY HIGHLIGHTS

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The DFW apartment market continues to show strong growth annually. According to MPF Research, 3Q13 occupancy is 94.4%. 3Q13 yearly absorption in Dallas/Fort Worth was 6,355 and Annual rent growth was 3.4%.

- **Population growth** — According to Forbes Magazine, Dallas ranked 2nd in "America's Fastest Growing Cities"-2012
- **Occupancy** — At 94.4%, DFW apartment occupancy continues to remain stable. MPF Research forecasts occupancy to remain at this level throughout the remainder of 2013.
- **Supply/demand outlook** — DFW's development pipeline picked up significantly 2012 and this trend has continued throughout 2013. Supply is forecasted to increase approximately 14,693 units during the next 12 months.
- **Concessions** — With the increase in development, concessions may begin to be more prevalent in the market. However, during 2012 concessions were at their lowest levels in 10 years.

## INVESTMENT STRATEGY

GreenLite Holdings utilizes a value-added approach that seeks properties where higher quality management and modest operational improvements will decrease expenses, increase income, and ultimately increase resale value. Las Lomas Apartments fits that approach nicely with below market rents and opportunities to upgrade the facility at relatively modest cost.

### RENT COMPARABLES

Name	Location	Number of Units	Occupancy	Year Built	Average Unit Size (SF)	Average Rent (Unit)	Average Rent (PSF)
Ashton Park	2403 W Pioneer Pkwy Grand Prairie, TX 75051	256	92%	1983	812 sf	\$667	\$0.82
Cedar Point	2020 Cedar Point Dr Arlington, TX 76010	272	97%	1978	722 sf	\$597	\$0.83
Cimarron Crossing	2014 Remington Dr Arlington, TX 76010	248	99%	1984	787 sf	\$584	\$0.74
Cypress Club	2004 Sherry St Arlington, TX 76010	272	99%	1984	841 sf	\$632	\$0.75
Parkway Villas	717 South Great Southwest Pkwy Grand Prairie, TX 75051	140	85%*	1969	777 sf	\$621	\$0.80
*Property is in lease-up							
Running Brook	1519 Running Brook Dr Arlington, TX 75243	232	93%	1983	798 sf	\$606	\$0.76
Averages		237	94%		790 sf	\$618	\$0.78
Las Lomas	834 Timberlake Dr Arlington, TX 76010	224	91%	1970	873 sf	\$596	\$0.68

One Bedroom Floor Plan			
Property	Size	Rent	\$/sf
Ashton Park	700	\$630	\$0.90
Cedar Point	550	\$505	\$0.92
Cedar Point	575	\$520	\$0.90
Cypress Club	615	\$531	\$0.86
Cypress Club	675	\$550	\$0.81
Parkway Villas	620	\$545	\$0.88
Parkway Villas	685	\$575	\$0.84
Running Brook	570	\$435	\$0.76
<b>Average</b>	<b>624</b>	<b>\$536</b>	<b>\$0.86</b>
<b>Las Lomas</b>	<b>600</b>	<b>\$460</b>	<b>\$0.77</b>
<b>Variance</b>	<b>24</b>	<b>\$76</b>	<b>\$0.09</b>

Two Bedroom Floor Plan			
Property	Size	Rent	\$/sf
Ashton Park	900	\$710	\$0.79
Cedar Point	855	\$730	\$0.85
Cedar Point	881	\$725	\$0.82
Cypress Club	915	\$690	\$0.75
Cypress Club	965	\$705	\$0.73
Parkway Villas	840	\$640	\$0.76
Parkway Villas	855	\$650	\$0.76
Parkway Villas	870	\$675	\$0.78
Running Brook	925	\$685	\$0.74
Cimarron Crossing	787	\$584	\$0.74
<b>Average</b>	<b>892</b>	<b>\$673</b>	<b>\$0.75</b>
<b>Las Lomas</b>	<b>900</b>	<b>\$605</b>	<b>\$0.67</b>
<b>Variance</b>	<b>(8)</b>	<b>\$68</b>	<b>\$0.08</b>

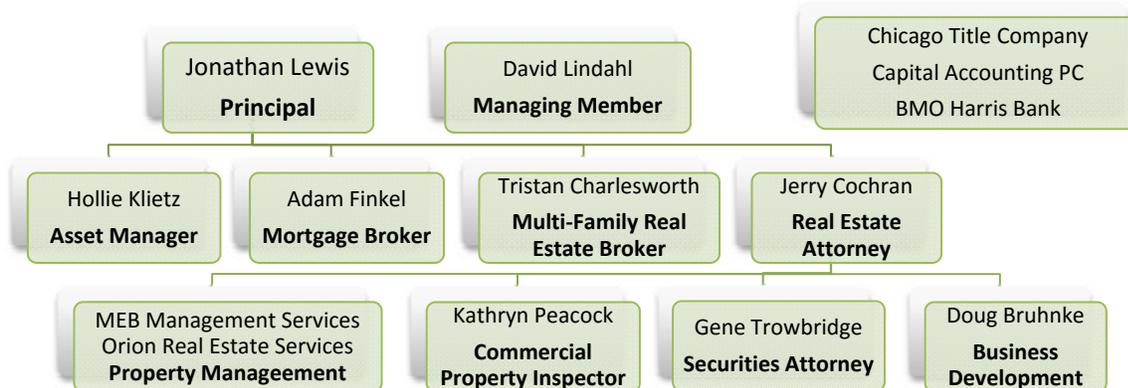
Three Bedroom Floor Plan			
Property	Size	Rent	\$/sf
Cedar Point	1100	\$835	\$0.76
Running Brook	1150	\$799	\$0.69
<b>Average</b>	<b>1125</b>	<b>\$817</b>	<b>0.73</b>
<b>Las Lomas</b>	<b>1010</b>	<b>\$715</b>	<b>\$0.71</b>
<b>Variance</b>	<b>115</b>	<b>\$102</b>	<b>\$0.02</b>

## ANTICIPATED PROJECT IMPROVEMENTS

*Need to add copy here describing improvements that will be made to the complex.*

## TEAM APPROACH FOR OPERATIONAL EFFICIENCIES

GreenLite Holdings has organized an exceptional staff of industry veterans to guide the Company through early operations. The management team works on an out-sourced basis for equity compensation. This enables the Company to keep overhead at a minimum while utilizing top professionals in its market area.



## MANAGEMENT TEAM

### Jonathan Lewis – Principal

Jonathan Lewis is Founder and Principal at GreenLite Holdings. An experienced real estate investor, he has undergone extensive training and mentorship from highly qualified multi-family investment groups and individuals, including the Bostonian Investment Group, based out of Boston, Massachusetts. Prior to GreenLite Holdings, Mr. Lewis was co-owner of a Phoenix, Arizona-based investment advisory firm, JDK Asset Management, Inc. The firm specialized in providing “active” portfolio management for working-class professionals operated out of their self-directed retirement accounts. As a professional investment advisor, Mr. Lewis holds a current Series 65 license.

Mr. Lewis brings to his position the drive and energy of a determined entrepreneur as well as the ability to build collaborative relationships with professionals based on respect and opportunities for profit.

**David Lindahl – Managing Member**

GreenLite Holdings has retained the involvement of Bostonian Investment Group (BIG) and its principal, David Lindahl as a managing member in its initial single-property LLCs. Bostonian Investment Group is a real estate investment company that currently owns in excess of 6,500 multi-family apartment units currently valued at more than \$200 million. Mr. Lindahl also owns PHP Realty, Inc., a real estate brokerage and construction company, and is a co-owner and co-founder of BIG Assets LLC, the property portfolio management company that primarily manages the real estate holdings of B.I.G.

**Hollie Klietz – Asset Manager**

Hollie Klietz assists with site selection, due diligence processes, current operations analysis, value-add implementation and disposition preparation. In addition, she will directly oversee the property management team and communicate all current information to Jonathan Lewis. Ms. Klietz is Vice President of Development with Allied Realty, a leading fully integrated, multi-family real estate investment and development firm headquartered in Houston, Texas. She has more than 15 years of commercial real estate expertise including overseeing equity interests in more than 10,000 multi-family units with total capitalization in excess of \$682 million.

**Property Management**

Property managers coordinate and manage the responsibilities of marketing, income, expenses, tenant relations, and accounting for each multi-family acquisition and assist with the physical and financial due diligence of each property acquisition. In addition, and using their breadth of expertise in tenant service, property managers will be involved with designing, overseeing and implementing construction projects and amenity improvements as part of GreenLite Holdings' value-add approach. In this role, they will work very closely with GreenLite Holdings' asset management team.

**MEB Management Services**

MEB is one of the Southwest's largest providers of multi-family fee management services with a team of 600+ real estate professionals providing comprehensive coverage throughout Arizona and the Southwest. Since its founding in 1998, MEB has managed more than 450 large multi-family assets and 100,000 apartment units. Currently, MEB manages in excess of 100 large multi-family assets comprised of more than 20,000 units in four states. MEB's dedicated focus on its clients' investment objectives has been integral to achieving maximum value for clients.

**Orion Real Estate Services**

Orion Real Estate Services, Inc. provides management for all types of multi-family properties and has a growing portfolio of more than 25,000 apartment homes under management

throughout the nation. The firm has extensive experience with conventional A, B and C assets, tax credit, Section 8, HUD subsidies, HOME programs and tax-exempt bonds.

#### **Jerry Tenge/Tristan Charlesworth – Multi-Family Real Estate Broker**

Jerry Tenge and Tristan Charlesworth assist with locating, researching and brokering multi-family real estate deals that meet the investment profile of GreenLite Holdings. Mr. Tenge and Mr. Charlesworth specialize in multi-family investment acquisitions and dispositions of assets larger than 100 units as well as multi-family land acquisition for development. Based in Phoenix, Arizona, they have more than 40 years combined experience in the multi-family real estate sector and have completed more than \$2.7 billion in real estate transactions in Arizona, California and Texas.

#### **Adam Finkel – Mortgage Banker**

Adam Finkel provides origination of debt and equity for GreenLite Holdings' property acquisitions. Adam is Vice President at Johnson Capital, which is consistently ranked as one of the largest private commercial banking firms by transactional volume in the country, with the Phoenix office ranked #3 for Capital and Finance by Arizona Business. Mr. Finkel typically originates financing for properties with a minimum of \$1 million and as a borrower's advocate, takes into account the borrower's specific investment goals and seeks the best source of financing to meet those goals and objectives.

#### **Jerry Cochran – Real Estate Attorney**

Jerry Cochran handles all legal matters relating to the acquisition and disposition of the Company's real estate assets, including negotiation of contracts related to the acquisition, due diligence of title and deeds, escrow accounts, and business consulting and formation. Over the course of his 35-year legal career, Mr. Cochran has represented real estate developers, lenders, borrowers, corporations, and small business owners throughout Arizona. He is licensed to practice law in all Arizona state courts, as well as the United States Supreme Court. The firm has extensive experience in commercial real estate transactions; purchase and sale of commercial real estate, and commercial lending.

#### **Gene Trowbridge – Securities Attorney**

Gene Trowbridge's responsibilities include business formation, development of offering materials, and filing of disclosure materials to appropriate regulators. Mr. Trowbridge is a California licensed attorney whose law practice focuses on syndication of commercial and investment real estate. He has been in the syndication business since 1972 and provides education, legal, and real estate consulting services to individuals and companies specializing in the brokerage and syndication of commercial and investment real estate. His experience in the real estate syndication includes sponsoring of 16 investment groups that developed, operated and sold commercial real estate and min-storage facilities, raising capital from private investors through the NASD broker dealer community.

**Kathryn Peacock – Commercial Property Inspector**

Kathryn Peacock of Partner Engineering and Science assists GreenLite Holdings with the physical due-diligence of each property during the acquisition phase. Ms. Peacock and her firm provide environmental and engineering consulting for the commercial real estate industry, conducting thousands of equity level assessments every year for a wide range of investor clients. She has over 10 years in the environmental consulting industry and extensive experience in due diligence assessments.

**Chicago Title Company - Title & Escrow Company**

DeWayne Huffman is the Assistant Vice-President at the Chicago Title Company and assists GreenLite Holdings with its acquisition process by opening and managing the escrow account for each property acquisition. He has grown his office to be the top producer of commercial escrow accounts in the Phoenix area and has consistently been a member of the Million Dollar Branch Club.

**BMO Harris Bank - Banking**

BMO Harris Bank holds the working capital for each GreenLite Holdings property acquisition. With BMO Harris Bank, Scott Douglas heads the commercial banking division and manages the operating accounts for GreenLite Holdings and each of its properties. He will assist the Company with all banking matters. His extensive experience in business banking allows the Company to have multiple accounts for each property, along with the capability of issuing debt financing for operations.

**Capital Accounting P.C. - Accounting**

Jim Laubham of Capital Accounting P.C. assists with financial due diligence of acquisitions, bookkeeping, and tax planning for GreenLite Holdings and each of its assets. Jim has extensive experience in real estate accounting and works closely with the property management company to ensure that all funds are accounted for throughout all phases of the holding period.

**MARKETING LAS LOMAS TO TENANTS**

Reducing vacancies and replacing tenants that leave as a result of more competitive rate structures will depend on the efficiency of GreenLite Holdings' marketing outreach. The Company works with third party property management companies to design and oversee its marketing campaigns. Once campaigns have been documented and are ready for execution, the Company's property managers are responsible for implementation. These campaigns include:

**Website and Search Engine Optimization**

The Company creates and maintains websites for each of its properties as a point of contact for individuals seeking available housing. Each site clearly outlines available

services, and all necessary contact information. The Company will use Cost-Per-Click (CPC) Internet advertising with Google and Yahoo!, as well as employ SEO methodology in its website strategy.

**Real Estate Technology Platforms**

Online community services such as Craigslist.com, Tulia, Zillow, and Redfin are used to reach prospective tenants. In addition, local search databases that can be optimized by regional agents will be channeled as an additional customer source.

**Online Advertisements**

Large banner signs will be placed on the outside of properties clearly displaying the property's name, logo, and phone number. This will attract foot and vehicular traffic and has the potential to draw in an expanded segment of customers.

**Flyers and Print**

The Company will develop full color flyers with all needed contact, website, and property information. These will be distributed to prospective tenants throughout the communities where facilities are located and will serve as a continuous marketing tool. Locations for placement will include supermarkets, malls, outdoor shopping areas, movie theatres, and a variety of community meeting areas.

The Company will also advertise in print publications widely read and circulated throughout its market area. These may include: the major newspapers, trade magazines, and sales mailings.

# FINANCIAL ANALYSIS

## SALE COMPARABLES

Name	Location	Number of Units	Age	Avg SF	\$Price	\$ Price/Unit	Price/SF	Date Sold
Amber Vista	1901 E 15th St Plano, TX 75074	88	1970	960 sf	\$4,250,000	\$48,295	\$50	Sep 2013
Ashton Park	2403 Pioneer Pkwy Grand Prairie, TX 75051	362	1983	709 sf	\$11,250,000	\$43,945	\$52	Aug 2013
Village East Apartments	1700 Village E Dr Denton, TX 76209	133	1967	932 sf	\$4,400,000	\$33,083	\$34	Aug 2013
Brookside	2505 Thomason Cir Arlington, TX 76011	288	1985	836 sf	\$13,700,000	\$47,569	\$57	Aug 2013
Belmont	1920 W Tarrant Rd Grand Prairie, TX 75050	260	1986	956 sf	\$12,100,000	\$46,538	\$49	Jul 2013
Verandahs at Cliffside	1705 NE Green Oaks Blvd Arlington, TX 76006	538	1986	732 sf	\$27,000,000	\$50,186	\$69	May 2013
Mill Run	2732 W Colorado Blvd Dallas, TX 75211	112	1969	800 sf	\$3,600,000	\$32,143	\$40	Apr 2013
Baswood Manor	1020 Fox Ave Lewisville, TX 75067	212	1970	902 sf	\$8,700,000	\$41,038	\$46	Mar 2013
Royal Arms	2811 Custer Pkwy Richardson, TX 75080	129	1970	872 sf	\$4,500,000	\$34,884	\$40	Sep 2012
Sedona Springs	1516 Arbor Town Cir Arlington, TX 76010	200	1979	797 sf	\$8,300,000	\$41,500	\$52	Aug 2012

## FINANCIAL SUMMARY

	NOV '13 6 MONTHS ANNUALIZED		NOV '13 90 DAY ANNUALIZED		NOV '13 60 DAY ANNUALIZED		NOV '13 30 DAY ANNUALIZED		Year 1 PROFORMA	
		Per Unit		Per Unit		Per Unit		Per Unit		Per Unit
<b>RENTAL INCOME</b>										
Market Rent	\$1,551,550	6,927	\$1,586,300	7,082	\$1,578,792	7,048	\$1,558,476	6,957	\$1,612,800	7,200
Less: Loss to Lease	(80,748)	5.2%	(102,100)	6.4%	(89,334)	5.7%	(63,324)	4.1%	(50,000)	3.1%
Gross Potential Rent	1,470,802	6,566	1,484,200	6,626	1,489,458	6,649	1,495,152	6,675	1,562,800	6,977
Vacancy	(89,905)	6.1%	(85,635)	5.8%	(95,020)	6.4%	(119,472)	8.0%	(78,140)	5.0%
Concessions/ Non Revenue	(26,592)	1.8%	(26,991)	1.8%	(22,163)	1.5%	(23,088)	1.5%	(23,442)	1.5%
Other Rent Loss	(14,062)	1.0%	(15,824)	1.1%	(15,576)	1.0%	(16,740)	1.1%	(15,628)	1.0%
<b>Net Rental Income</b>	1,340,243	5,983	1,355,749	6,052	1,356,698	6,057	1,335,852	5,964	1,445,590	6,454
Physical Occupancy	94%		94%		94%		92%		95%	
Economic Occupancy	91%		91%		91%		89%		93%	
Utility Reimbursement Income	145,760	651	145,956	652	144,852	647	155,004	692	140,000	\$625
Other Income	131,452	587	123,084	549	111,072	496	112,992	504	120,000	\$536
Gross Revenues	1,606,309	7,171	1,628,885	7,272	1,635,260	7,300	1,621,396	7,238	1,705,590	7,614
<b>OPERATING EXPENSES</b>										
Repairs & Maintenance/Contract	148,080	661	146,472	654	131,946	589	127,944	571	145,000	647
Administrative	41,592	186	46,048	206	35,892	160	37,656	168	35,000	156
Marketing	24,864	111	23,888	107	22,968	103	19,284	86	25,000	112
Payroll	267,398	1,194	253,524	1,132	248,868	1,111	243,828	1,089	220,000	982
Controllable Exp Subtotal	481,934	2,151	469,932	2,098	439,674	1,963	428,712	1,914	425,000	1,897
Utilities	160,192	715	142,676	637	138,882	620	132,612	592	175,000	781
Management Fees	48,530	217	48,744	218	48,378	216	48,120	215	51,168	228
Insurance	64,764	289	64,764	289	64,764	289	64,764	289	60,000	268
Operating Expenses	755,420	3,372	726,116	3,242	691,698	3,088	674,208	3,010	711,168	3,175
Real Estate Taxes	111,360	497	111,360	497	111,360	497	111,360	497	120,043	536
Tax Reassessment									23,879	107
Recurring Capital Expenditures	56,000	250	56,000	250	56,000	250	56,000	250	56,000	250
Total Expenses	922,780	4,120	893,476	3,989	859,058	3,835	841,568	3,757	911,090	4,067
<b>Net Operating Income</b>	694,675	3,101	731,313	3,265	753,564	3,364	762,280	3,403	794,500	3,547
Debt Service	(356,645)	(1,592)	(356,645)	(1,592)	(356,645)	(1,592)	(356,645)	(1,592)	(356,645)	(1,592)
Cap Rate	9.39%		9.88%		10.18%		10.30%		10.74%	
Cash on Cash	15.92%		17.65%		18.69%		19.11%		20.62%	

\* Tax reassessment to 75% of price

Gross Potential Rent reflects rents at the property as of November 2013 and a loss to lease figure of \$50,000. The proforma reflects a 5% vacancy which is in-line with the submarket. Concessions/Non Revenue Concessions are in-line with historical operations. Other Losses are in-line with historical operations. Utility Reimbursements of \$140,000 are in line with historical operations. Other Income of \$120,000 were used in the proforma. The proforma reflects Gross Revenues of \$1,705,590 Repairs and Maintenance/Contract proforma is in line with historical operations. Administration proforma is in line with historical operations. Payroll proforma is in line with historical operations. Utility Expenses for the Proforma closely reflect historical expenses. Management Fees are estimated at 3.0% in the proforma. Insurance is estimated at \$268 per unit in the proforma and closely reflect historical expenses. Real Estate Taxes were \$120,043 based on an 2013 assessment of \$4,365,000 and a 2013 tax rate of 2.58%. Tax Reassessment-taxes adjusted to 75% of price Recurring Capital has been estimated at \$56,000 or \$250 per unit.

12-MONTH HISTORICAL FINANCIAL SUMMARY

	DEC-12	JAN-13	FEB-13	MAR-13	APR-13	MAY-13	JUN-13	JUL-13	AUG-13	SEP-13	OCT-13	NOV-13	NOV-13 4 MONTHS ANNUALIZED	NOV-13 90 DAY ANNUALIZED	NOV-13 30 DAY ANNUALIZED	
<b>RENTAL INCOME</b>																
Market Rent	124,201	119,877	119,461	117,989	123,141	120,005	121,922	124,533	132,745	133,843	133,259	129,813	\$1,581,550	\$1,586,300	\$1,578,792	
Less: Loss to Lease	-2,243	1,777	1,641	3,331	-1,882	1,008	-1,064	-3,211	-10,574	-10,536	-9,612	-5,277	(80,748)	(102,100)	(89,334)	
Gross Potential Rent	121,958	121,654	121,142	121,120	121,259	121,013	120,858	121,322	122,171	122,807	123,647	124,536	1,470,802	1,484,200	1,489,458	
Vacancy	-6,844	-6,580	-10,885	-8,803	-9,906	-8,111	-8,400	-6,668	-8456	-5,572	-5,881	-9,956	(89,906)	(85,638)	(96,020)	
Concessions/Non Revenue	-9,126	-6,855	-3,880	-2,495	-1,554	-2,293	-1,771	-2,807	-1970	-3,054	-1,770	-1,974	(28,592)	(28,091)	(22,143)	
Other Rent Loss	-2,286	-1,409	-2,114	-913	-1,053	-3,383	-1,054	-1,777	314	-1,360	-1,201	-1,395	(14,042)	(15,824)	(15,576)	
Net Rental Income	101,682	106,810	104,213	100,109	108,746	107,116	109,633	110,120	111,431	112,821	114,795	111,321	1,340,243	1,357,749	1,356,698	
Physical Occupancy	97%	95%	91%	92%	92%	93%	93%	92%	93%	95%	95%	92%	94%	94%	94%	
Economic Occupancy	83%	88%	86%	86%	90%	90%	89%	91%	91%	92%	90%	89%	91%	91%	91%	
Utility Reimbursement Income	6,553	11,322	13,711	12,229	11,449	11,790	11,403	13,241	11,747	12,347	11,225	12,917	145,740	145,954	144,852	
Other Income	7,125	6,803	8,593	6,281	8,657	9,095	10,305	13,100	11,500	12,759	9,098	9,416	131,452	123,084	111,072	
Gross Revenues	118,360	124,955	126,517	127,619	128,852	128,081	131,361	136,491	134,678	137,427	135,116	133,654	1,617,455	1,624,789	1,617,622	
<b>OPERATING EXPENSES</b>																
Repairs & Maintenance/Contract	10,089	13,076	13,658	9,361	11,885	14,445	11,304	12,870	13,228	14,627	11,309	10,662	148,080	146,472	131,946	
Administrative	2,234	3,111	2,749	4,924	3,460	3,662	3,315	4,530	3,419	5,530	2,844	3,138	41,592	46,048	35,892	
Marketing	1,552	1,813	3,272	3,188	2,897	2,123	1,862	2,555	2,043	2,144	2,221	1,607	24,844	111	22,968	
Payroll	22,096	20,417	20,541	20,652	19,920	18,665	18,837	21,117	20,364	21,903	21,159	20,319	267,398	1,194	263,524	
Commodable/Exp Subtotal	36,871	38,417	40,650	40,125	37,652	38,685	33,338	41,092	49,054	44,204	37,553	35,726	481,934	2,151	469,932	
Utilities	11,743	16,351	15,141	17,651	12,536	13,736	14,818	13,522	12,522	12,006	11,081	10,661	140,192	215	142,676	
Management Fees	3,552	3,750	3,797	3,829	3,867	3,845	3,943	4,095	4,041	4,123	4,053	4,070	48,530	277	48,744	
Insurance	5,395	5,395	5,395	5,395	5,395	5,395	5,399	5,399	5,399	5,399	5,399	5,399	64,764	289	64,764	
Operating Expenses	57,561	63,913	64,983	64,000	59,430	61,441	58,762	65,404	72,016	66,248	59,101	56,186	715,420	3,322	726,116	
Real Estate Taxes	6,280	9,280	9,280	9,280	9,280	9,280	9,280	9,280	9,280	9,280	9,280	9,280	111,360	497	111,360	
Recurring Capital Expenditures	4,667	4,667	4,667	4,667	4,667	4,667	4,667	4,667	4,667	4,667	4,667	4,667	56,000	250	56,000	
Total Expenses	71,508	77,859	78,900	80,946	73,377	75,408	72,714	79,351	85,943	80,195	73,048	70,113	922,780	4,120	893,476	
<b>Net Operating Income</b>	<b>46,852</b>	<b>47,096</b>	<b>47,587</b>	<b>39,673</b>	<b>55,475</b>	<b>52,673</b>	<b>58,647</b>	<b>57,140</b>	<b>48,715</b>	<b>57,232</b>	<b>42,069</b>	<b>63,521</b>	<b>694,675</b>	<b>3,101</b>	<b>731,313</b>	
Debt Service	26,720	29,720	29,720	29,720	29,720	29,720	29,720	29,720	29,720	29,720	29,720	29,720	(366,648)	(1,592)	(366,648)	
Cash Flow After Debt	\$11,132	\$17,375	\$17,867	\$9,952	\$25,755	\$22,953	\$28,927	\$27,420	\$18,995	\$27,512	\$12,348	\$33,801	\$338,030	1,509	\$314,668	
														1,673	\$396,919	
															1,772	\$405,635

## ACQUISITION EXPENSES

<b>PURCHASE PRICE</b>	<b>\$7,400,000</b>
Less Loan Amount	\$5,470,000
<b>Down Payment Equity</b>	<b>\$1,930,000</b>
<b>Closing Cost</b>	<b>4.3% or \$323,550</b>
Legal	\$34,000
Lender Fees	\$16,000
Origination Fees	\$50,000
Insurance	\$78,000
Lender Escrows	\$800
Survey	\$2,700
Recording	\$800
3rd Party Reports	\$400
Processing Fee	\$350
Acquisition Fee	\$111,000
Funding Accounts	\$12,700
Minor Repair Capital	\$16,800
<b>Cash Requirement at Closing</b>	<b>\$2,253,550</b>

## FINANCIAL ASSUMPTIONS AND MORTGAGE DETAILS

	<b>FINANCIAL ASSUMPTIONS</b>
Estimated Years to Hold	4 years
Offsite Management Fee	3% or \$51,168
Cap Rate at Re-Sale	8.00%
Projected Occupancy at Year 4	95.00%
Reserves per Unit	\$250.00
<b>MORTGAGE INFORMATION</b>	
Rate	5.11%
Interest Only?	No
Payments per Year	12.00
LTV on Purchase Price	\$1,930,000.00
Loan Amount	\$5,470,000.00
Total Annual Loan Payment	\$356,645.00

\* The above mortgage interest rate is only an estimate of the final rate to be obtained at close. It is not locked and will continue to be subject to change until close. To obtain financing for this property, borrowers are subject to the underwriting guidelines of the lender and may be required to provide personal financial information. This information may include, but is not limited to: Last two tax returns, a current personal financial statement, authorization to review credit history, complete listing of all real estate owned, etc.

## FOUR-YEAR PRO-FORMA AND BUDGET

	YEAR 1	YEAR 2	YEAR 3	YEAR 4
Gross Scheduled Income	\$1,603,200.00	\$1,632,057.60	\$1,646,746.11	
Less: Vacancy	-\$120,240.00	-\$120,240.00	-\$120,240.00	-\$120,240.00
Less: Concessions	-\$48,096.00	-\$48,096.00	-\$48,096.00	-\$48,096.00
Less: Models/Employees	-\$16,032.00	-\$16,032.00	-\$16,032.00	-\$16,032.00
Less: Loss to Lease	-\$32,064.00	-\$32,064.00	-\$32,064.00	-\$32,064.00
Adjusted Gross Income	\$1,386,768.00	\$1,386,768.00	\$1,386,768.00	\$1,386,768.00
Plus: Other Income	\$72,576.00	\$72,576.00	\$72,576.00	\$72,576.00
Plus: RUBS Income	\$150,528.00	\$150,528.00	\$150,528.00	\$150,528.00
Effective Income	\$1,609,872.00	\$1,609,872.00	\$1,609,872.00	\$1,609,872.00
Leasing/Advertising	\$27,552.00	\$27,552.00	\$27,552.00	\$27,552.00
Administration	\$41,216.00	\$41,216.00	\$41,216.00	\$41,216.00
Utilities	\$169,120.00	\$169,120.00	\$169,120.00	\$169,120.00
Repairs/Maintenance	\$147,392.00	\$147,392.00	\$147,392.00	\$147,392.00
HOA	\$0.00	\$0.00	\$0.00	\$0.00
Payroll	\$261,632.00	\$261,632.00	\$261,632.00	\$261,632.00
Management Fee	\$49,739.00	\$49,739.00	\$49,739.00	\$49,739.00
Property/Sales Taxes	\$120,064	\$120,064	\$120,064	\$120,064
Insurance	\$64,736	\$64,736	\$64,736	\$64,736
Reserve for Replacement	\$33,600	\$33,600	\$33,600	\$33,600
Total Expenses	\$915,051.00	\$915,051.00	\$915,051.00	\$915,051.00
Net Operating Income	\$742,917.00	\$756,289.50	\$763,096.11	\$767,674.68

\* Net Operating Income does not include Debt Service.

## PROJECTED INVESTOR CASH FLOWS AND RETURNS

INITIAL EQUITY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	RETURN IN \$	RETURN IN %
Owner Net Cash Flow	\$169,031.00	\$173,256.75	\$175,162.59	\$176,038.40	\$693,488.74	
Cash on Cash Return	7.50%	7.68%	7.77%	7.81%		30%
Owner Equity	50.00%	50.00%	50.00%	50.00%		50.00%
Total Return on Investment	N/A	N/A	N/A	N/A		\$2,210,828.44 or 98.1%

\*\* Average annual return for Equity Partner, approximately 24.52%. Note: The rates of return displayed on this page are only projections, and are not guarantees of any sort. Actual returns may vary, due to economic and marketplace factors beyond our control.

Depreciation expense deductions will belong to the owners of this project. Cash returns below are not offset with any depreciation expense deductions. Each of the owners of this project may elect to offset their taxable operating income with depreciation expense and are encouraged to check with their financial or tax advisor.

## PROPERTY TAX SUMMARY

Appraisal District Valuation Year Tarrant County Appraisal District 2013

<b>Jurisdictions</b>	<b>2013 Rate</b>
Arlington ISD	1.29210%
Tarrant County Hospital District	0.22790%
Tarrant County	0.26400%
Tarrant County College District	0.14897%
City of Arlington	0.64800%
<b>Total Mill Rate:</b>	<b>2.58157%</b>
<b>Account #</b>	<b>03693988</b>
Land	\$1,068,788
Improvements	\$3,581,212
<b>Total Value</b>	<b>\$4,650,000</b>
<b>Total 2013 Appraised Value</b>	<b>\$4,650,000</b>
<b>2013 Taxes Due</b>	<b>\$120,043</b>

Source: Tarrant County Appraisal District ([www.tad.org](http://www.tad.org))

# THE OFFERING