

SUNFLOWER APARTMENTS PROPERTY PACKAGE

An Investment Opportunity from GreenLite Holdings, LLC



A Value-Add Investment Opportunity

A 144-unit multi-family investment opportunity, located in southeast Tucson, Arizona, in a rapidly growing economic area with considerable nearby military, retail, and educational employment.



GREENLITE
— HOLDINGS —
MOMENTUM IN MULTI-FAMILY

DISCLOSURE

This property package (and any and all drafts and parts thereof) is/are based upon information supplied by the Company, its managing executives and its stockholders or membership shareholders (collectively “the Company” and/or “management”), and is being furnished on a confidential basis, solely for use by prospective investors in and/or potential strategic business associates of the company (collectively “recipient”). The use or distribution of this document to any other parties or for any other purposes is not authorized.

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EXECUTIVE SUMMARY

THE COMPANY

GreenLite Holdings, LLC (also referred to as ‘GreenLite Holdings’ or ‘the Company’) is a real estate operating company with a focus on the acquisition, 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 underperforming class B and C 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-add approach that seeks underperforming 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 or LPs 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 capital gains from appreciation

ACQUISITION CRITERIA

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

- 7%+ Cap Rate or 9%+ Cash on Cash Return
- 1.3+ 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
- 100+ units with stabilized occupancy
- Stable physical condition and sound operating infrastructure
- Value-add properties where GreenLite can upgrade facilities with management expertise

INVESTMENT HIGHLIGHTS – SUNFLOWER APARTMENTS



Sunflower Apartments is a 144-unit Class C+ apartment complex (the Complex) in Tucson, Arizona. The Complex is offered at **\$4,200,000** with a Capitalization Rate of 7.30% (Pro Forma income and T12 expenses).* The weighted average unit size is 544 square feet. The unit mix consists of three different floor plans of which 22% are studio; 44% are one bedroom, and 33% are two bedrooms. The Complex is located within the Stella Mann Neighborhood in southeast Tucson, Arizona near the Davis-Monthan Air Force Base, one of Southern Arizona's top employers with approximately 9,000 personnel. The complex's location on Golf Links Road, a major east-west thoroughfare, provides visibility from more than 48,000 vehicles per day, giving the property a competitive advantage with respect to marketing visibility.

FINANCIAL CRITERIA

- 7.30% Capitalization Rate based on Pro Forma income and T12 expenses*
- 1.49 Debt service coverage ratio (DSCR)
- Priced below replacement cost
- Gross Rent Multiplier (GRM) of 5.2

INVESTMENT CHARACTERISTICS

- C+ Class Asset
- B-C class sub-market with a vibrant local economy with steady employment and population growth
- 144 units with stabilized occupancy and rental rates significantly below competing properties in the sub-market
- Well maintained physical asset with 25-year ownership tenure
- Value-add property where GreenLite can create future value through strategic capital renovations and increasing operational efficiency

* Capitalization Rate and Cash on Cash Returns are based on broker's pro-forma operating statements. See mortgage details for information regarding debt service.

INVESTMENT STRATEGY*

- Update complex appearance, apartment interiors and facilities to support rent increases
 - 14 units have been recently remodeled leaving significant opportunity to update and enhance living spaces with an interior renovation plan.
- Complete energy efficient plumbing retrofit program which begun August 2014 to reduce property's water consumption and corresponding operating expenses
- Leasing office update including new flooring
- Pool area repairs and new furniture
- Exterior landscaping enhancements
- New signage
- Increase the efficiency of controllable operating expenses

*Refer to *Anticipated Project Improvements* (pg. 21) for a detailed analysis.

PROPOSED EXIT STRATEGY

Once the property has achieved a minimum 30% appreciation over the purchase price, estimated at within three years given current market conditions, the property would be sold to return invested capital, along with capital gains from appreciation.

PROJECTED EQUITY RETURN AT RESALE

Exit Price	\$5,568,000
Sales Expense	2% or (\$111,360)
Initial Loan Principal	(\$3,360,000)
Principal Pay-Down	\$110,899
Owner Equity	\$2,207,539
Less Initial Basis	(\$1,305,186)
Owner Equity Creation	\$902,353
Less GH Equity Share	20% = (\$180,470)
Owner Net Equity Share	80% = \$721,882

THE PROPERTY



OVERVIEW AND HISTORY

Sunflower Apartments, located at 6502 East Golf Links Drive, Tucson, AZ 85730, was built in 1983 and has been under the same ownership for 25 years. The complex is sited on 4.02 acres at the northeast corner of East Golf Links Road and Calle Polar. The 144-unit mix consists of three floor plans - studio, one-bedroom and two-bedroom apartments, available in 18, two-story residential buildings.

Construction is wood frame on a concrete foundation with stucco exterior.

Amenities include a stand-alone leasing office, laundry facilities, swimming pool with spa, children's playground, fitness center, racquetball court and picnic areas with barbecue grills. 185 parking spaces are provided for a parking ratio of 1.24 spaces per unit; of which 48 are covered and 137 uncovered.



Layout	Unit Mix	# of Units	Ave SF	Average Market Rent	\$/SF	Total Monthly Market Rent
Studio	22%	32	400	\$410	\$1.03	\$13,120
1BR/1BA	44%	64	500	\$485	\$0.97	\$31,040
2BR/1BA	33%	48	700	\$585	\$0.84	\$28,080
Total	100%	144	544	\$502	\$0.90	\$72,240

Unit features include:

- Frost free refrigerator
- Electric range
- Disposal
- Dishwasher*
- Walk-in closet*
- Private patio*

* With select floor plans.

FLOOR PLANS

Studio Apartment



One-Bedroom Apartment



Two-Bedroom Apartment



WELL MAINTAINED PHYSICAL ASSET; RECENT IMPROVEMENTS

Over the past 24 months, 14 units have been renovated with new cabinets and countertops in the bathroom and kitchen, and brushed nickel hardware. Select units also include a black appliance package with wood-style flooring and two-tone paint. In August 2014, an energy efficient plumbing and retrofit program was initiated. This includes the installation of high efficiency toilets, shower heads and aerators to reduce the property's water consumption and corresponding operating expenses.

Further improvements to rental units and common area offer the opportunity to add value, reduce vacancies and improve operating cash flow.









EXCELLENT LOCATION:

Within a 2.5-mile radius of Sunflower Apartments are major employers, retail, education and medical facilities. The apartment complex's strategic location on Golf Links Road provides exceptional visibility as well as convenient access to major arteries throughout the region including Interstate 10, Tucson's largest north-south corridor.

Sunflower is located approximately 2.5 miles west of Davis-Monthan Air Force Base, known for its Air Force Materiel Command's 309th Aerospace Maintenance and Regeneration Group, as well as the 355th Contracting Squadron. The base is one of Southern Arizona's top employers with approximately 9,000 employees.

To the northwest approximately 2.5 miles is Park Place Mall, a 1.1 million-square-foot indoor regional retail destination with 150+ specialty shops and anchors Dillard's, Macy's and Sears. Retail outlets in close proximity to the mall include a multitude of national brands from banks to service providers, dining and entertainment, and shopping.

The Pima Community College East Campus is approximately 2.5 miles from Sunflower. Pima Community College is ranked among the 10 largest multi-campus community colleges in the U.S. with more than 60,000 students. With no rental housing provided by the school itself, this creates an opportunity for Sunflower to be a viable housing alternative for its students.



MARKET OVERVIEW

Tucson is the second-largest metropolis in the state of Arizona and the seat of Pima County with approximately 1 million inhabitants. By 2019, the Tucson region is projected to be home to nearly 1,253,000 people. With its sunny, mild, dry climate and unique desert location, Tucson is a popular vacation site and has attracted a large population of retirees. Major industries include tourism, aerospace and missile production, high technology, optics, biotechnology, environmental technology, software, and electronics. Tucson is also the commercial center for the surrounding area's agricultural and mining industries and the home of the University of Arizona.

Renter demand in the Tucson metro area has been healthy, and the local vacancy rate has improved despite recent additions to inventory. In each of the past three years, developers have delivered at least 1,000 units to the market, and total inventory has expanded by more than 5%. 2015 will mark a shift in the development trend, as fewer than 500 units are forecast to come online, limiting the competitive threat from new construction. With the construction pipeline thinning and renter demand still healthy, vacancy is forecast to dip below 8 percent by year end.

First quarter 2015 saw the fastest quarter of rent growth in the Tucson metro area since 2007. If the pace is maintained throughout the year, rents will advance in the 2.5-3.0% range in 2015. The primary source for multi-family demand has been employment growth, which has been positive in each of the past four years and began 2015 with a gain of approximately 2,800 workers. Growth has been particularly strong in the education and health services sector, which expanded by 3.7% during the past year with the addition of 2,300 employees.¹

ECONOMIC DRIVERS

Entrepreneurial businesses - *Entrepreneur Magazine* ranks Tucson among the "New Hot Spots for entrepreneurs – August 2013; *Forbes* lists Tucson in the top 20 of America's Most Innovative Cities – May 2010

One of the best retirement cities – *Forbes Magazine* – February 2013

University of Arizona – Ranked 79th overall and 46th among U.S. universities by the Center for World University Rankings – July 2013

Aerospace and Defense Manufacturing – Ranked #6 of the top 10 metro regions for aerospace/defense manufacturing by *Business Facilities Magazine* – June 2012

¹ Colliers International | Tucson - RESEARCH & FORECAST REPORT Employment Gains Drive Multifamily Market Improvement – Q 1 2015.

Home to Top 50 engineering company and top 50 U.S. hospital,

Rated one of the top 10 Best Towns for Families

Solar Energy leader – Tucson Electric Power recognized as “Utility of the Year” by the Solar Power Association – June 2013

MAJOR LOCAL EMPLOYERS

University of Arizona – one of the largest public sector employers with 11,047 employees

Raytheon Missile Systems – leader in manufacturing advance weapon systems, currently employing more than 10,000

Davis-Monthan Air Force Base – Consistently listed as one of Southern Arizona's top employers with approximately 9,000 employees

Health care providers – including Carondelet Health Network, Southern Arizona's oldest and largest non-profit healthcare provider; University of Arizona Health Network; Tucson Medical Center; Tucson campus of the Arizona Health Sciences Center, home to the state's colleges of medicine, nursing, pharmacy and public health, employ in excess of 13,000 workers

State of Arizona and City of Tucson - combined Tucson workforce exceeds 13,000 employees

Wal-Mart - employs in excess of 7,400 individuals in the Tucson area

Freeport-McMoRan Copper & Gold – more than 5600 employees

Manufacturing companies – Among the largest are IBM, Texas Instruments, Honeywell, Bombardier Air System Components, Kalil Bottling.

Corporate headquarters for Asarco, La Costena/Arizona Canning Company, Golden Eagle Distributors, Muscular Dystrophy Association, The Sundt Companies Inc., Ventana Medical Systems

US Border Patrol Section Headquarters - The Tucson Sector is the busiest sector in the country covering 262 miles of linear border from the Yuma county line to the Arizona/New Mexico state line

ECONOMIC HIGHLIGHTS

Economy — Arizona remains on a modest growth track, at least compared to the state's long-run average. Even so, the state continues to add jobs and residents at a faster pace than the nation and most other states.

The Tucson area economy is recovering from a slowdown in federal spending in recent years and Arizona's housing bust. Federal spending accounts for 7.7% of the Tucson area's economy. According to the Economic and Business Research Center in the Eller College of Management at the University of Arizona, the Tucson area economy is expected to grow slightly more than 1% in 2015 and 1.3% in 2016.

Tucson's cost of doing business remains considerably lower than many neighboring western cities with low labor, utility and materials costs. The demographics of the region fit very well with GreenLite's target market:

Age		Household Income	
2014 Estimate Median	38.1	2014 Estimate Median	\$44,967

Job Growth – Tucson's employment growth has been positive in each of the past four years and began 2015 with a gain of approximately 2,800 workers. The education and health services sector expanded by 3.7% during 2014 with the addition of 2,300 employees. Tucson is forecast to expand jobs by 1.8% in 2015, with the pace accelerating as construction recovers and population increases.

During the next three years, Arizona is forecast to add nearly 200,000 net new jobs. Most of those new jobs will be in the service-providing sectors, particularly professional and business services; education and health services; trade, transportation and utilities; and leisure and hospitality. These four sectors alone are expected to account for 73.5% of net job growth.

Corporate Relocations/Expansions – Tucson is seeing increased activity among business relocating or expanding in the area. Comcast has announced plans to open a new state-of-the-art 100,000-square-foot customer support center in the fall of 2015 in Tucson, staffed by 1,125 customer service representatives and managers. National home furnishings retailer HomeGoods has purchased 100 acres of undeveloped property near Tucson International Airport, to open a distribution center on the site. Santé is beginning construction on a post-hospitalization acute care facility coming to Tucson in 2016, its first Arizona facility.

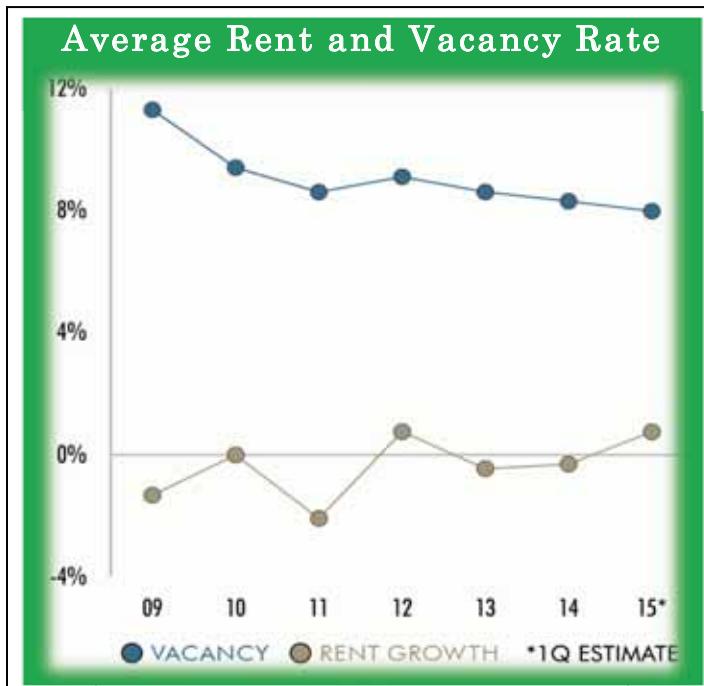
MULTI-FAMILY HIGHLIGHTS

After years of relatively limited activity, sales of multi-family properties have recently surged. In 2014, 18 transactions were recorded for in excess of \$200 million, reflecting the improvement in multi-family fundamentals.

This improvement continues with the Tucson multi-family market experiencing a strong start in 2015 with vacancy rates improving, rents moving higher and healthy levels of net absorption. Average asking rents have increased in seven of the past nine quarters, as vacancies have declined and are approaching a cyclical low.

Occupancy — Tucson area occupancy is forecast to increase to 92% in 2015.

Recent additions to inventory — the local vacancy rate has improved despite recent additions to inventory, averaging around 1000 units per year over the last three years. Additions will taper off in 2015 with 500 new units anticipated.



INVESTMENT STRATEGY

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

RENT COMPARABLES

Name	Location	Number of Units	Occupancy	Year Built	Average Unit Size SF	Average Unit Rent	Average rent per SF
Sunflower	6502 East Golf Links Rd.	144	90%	1983	544	\$511	\$0.94
Raintree	6450 East Golf Links Rd.	364	94%	1983	394	\$478	\$1.21
Villa Del Sol	6775 East Golf Links Rd.	104	93%	1983	758	\$745	\$0.98
Desert Springs	6710 East Golf Links Rd.	248	95	1985	590	\$514	\$0.87
Villa Monterey	7400 East Golf Links Rd	360	98%	1985	574	\$500	\$0.87
Verrano Park	6850 East Golf Links Rd	93	96%	1980	422	\$455	\$1.03
AVERAGE		212	94%	1983	547	\$534	\$0.98

	STUDIO			ONE BEDROOM			TWO BEDROOM		
	Size	Rent	\$ per SF	Size	Rent	\$ per SF	Size	Rent	\$ per SF
Sunflower	400	\$430	\$1.08	500	\$485	\$0.97	700	\$600	\$0.86
Raintree	327	\$453	\$1.32	428	\$495	\$1.18	927	\$835	\$0.90
Villa Del Sol	420	\$480	\$1.14	860	\$825	\$0.96	N/A	N/A	N/A
Desert Springs	N/A	N/A	N/A	530	\$474	\$0.89	715	\$599	\$0.84
Villa Monterey	372	\$389	\$1.05	517	\$469	\$0.91	698	\$559	\$0.80
Verrano Park	375	\$410	\$1.09	420	\$430	\$1.02	660	\$480	\$0.88
Average	389	\$432	\$1.14	542	\$530	\$0.99	740	\$615	\$0.86

ANTICIPATED PROJECT IMPROVEMENTS

- Update complex appearance, apartment interiors and facilities to support rent increases
 - 14 units have been recently renovated leaving significant opportunity to update and enhance living spaces, resulting in an estimated \$25/unit monthly rental increase or \$39,000 annual increase in gross rent.
 - Interior renovation plan will include:
 - Flooring \$1 per square foot (avg. \$544/unit)
 - Two tone paint .45 per square foot (avg. \$250/unit)
 - Resurface counter tops kitchen & bath (avg. \$175/unit)
 - New bath fixtures & kitchen fixtures (avg. \$150/unit)
 - Modest lighting upgrade (avg. \$125/unit)
 - **Total capital expenditure cost \$161,720 (avg. \$1244/unit)**
- Complete energy efficient plumbing retrofit program begun August 2014 to reduce property's water consumption and corresponding operating expenses
 - Leasing office update including new flooring
 - Pool area repairs and new furniture
 - Exterior landscaping enhancements
 - New signage
- Minimize vacancies from 12% to 6%, resulting in savings of approximately \$133,421, which is in line with comparable properties within the submarket
- Reduce payroll of property employees, as they are 25% (\$40,000) above comparable salaries of similar properties within the submarket.
- Reduce concessions from 5% to 1.5%, resulting in savings of approximately \$34,325, which is in alignment with comparable properties within the submarket.
- Reduce contract services by 37% (\$26,003) by utilizing more cost effective and efficient subcontractors.
- Increase the efficiency of other minor operating expenses

TEAM APPROACH FOR OPERATIONAL EFFICIENCIES

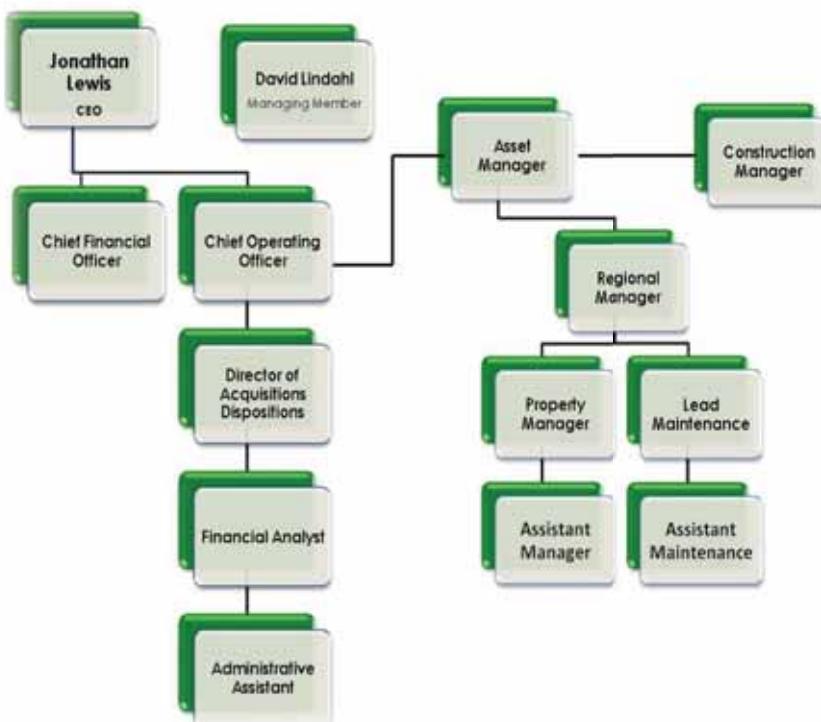
GreenLite Holdings has organized an exceptional staff of industry veterans to guide the Company through early operations. A portion of the management team works on an external basis for either a fee or commission. This enables the Company to keep overhead at a minimum while utilizing top professionals 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 Reality, 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.

Mark Schilling – Asset Manager

Mark Schilling will be involved 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. Mr. Schilling, CPM, is Senior Vice President of Operations of MEB Management Services and an owner of the firm. With over 25 years in the industry, Mark is known as a premier operations expert. He has the knowledge, experience, and leadership skills that translate into successful property operations; a great command of all facets of the multi-family industry, and experience in managing all types and quality of assets. Mark has overseen millions of dollars in successful renovations and is highly regarded by clients, employees and peers.

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.

Tristan Charlesworth – Director of Acquisitions and Dispositions

Tristan Charlesworth assists with locating, researching and facilitating the property transactions that meet the investment profile of GreenLite Holdings. Mr. Charlesworth specializes in multi-family investment acquisitions and dispositions of assets larger than 100 units as well as multi-family land acquisition for development. Most notably, Mr. Charlesworth facilitated the sale of the Paragon at Kierland, a 276-unit, Class A luxury apartment complex for \$57.75 million. He along with his team had negotiated the purchase of the property on behalf of Sunstone Realty Advisors in November 2009 for \$34.2 million.

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 SUNFLOWER APARTMENTS TO TENANTS

Reducing vacancies, concessions, and under market rents will depend on the efficiency of GreenLite Holdings' marketing outreach. The Company works with its third party property management company to design and oversee its marketing campaigns. Once campaigns have been documented and are ready for execution, the Company's property and asset 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	Year Built	Average SF	\$ Price	\$ Price /Unit	\$ Price/SF	Date Sold
Sunflower	6502 East Golf Links Rd	144	1983	544	\$4,200,000	\$29,167	\$54	On Market
Canyon Heights	550 N Pantano Rd	197	1982	649	\$8,400,000	\$42,640	\$66	Dec 2014
San Marin	5650 S Park Avenue	176	1986	579	\$6,400,000	\$36,364	\$63	Jul 2014
Somerset Place	4301 East 29 th St	160	1984	505	\$4,000,000	\$25,000	\$50	Dec 2013
Tierra Hills	3350 W Valencia Rd	112	1988	601	\$3,825,000	\$25,223	\$42	Aug 2013
Average		161	1985	583	\$5,406,250	\$32,307	\$55	

	Number of Units			
	Studio	One Bedroom One Bath	Two Bedroom One Bath	Two Bedroom Two Bath
Sunflower	32	64	48	-
Canyon Heights	-	156	41	-
San Marin	-	88	56	32
Somerset Place	-	160	-	-
Tierra Hills	-	56	56	-

FINANCIAL SUMMARY

THREE MONTH HISTORICAL FINANCIAL SUMMARY – 2015

Sunflower Apartments

Books = Accrual

For the three Months Ending March 31, 2015

Account	January 2015 Actual	February 2015 Actual	March 2015 Actual
Revenue			
Gross Potential Rent	72,240.00	72,240.00	72,240.00
- Gain/Loss	(244.00)	(179.00)	3,536.00
- Vacancy	(11,863.89)	(13,012.45)	(14,532.06)
- Bad Debt	(2,237.27)	(205.05)	(559.67)
- Concessions	(4,654.15)	(2,573.50)	(5,253.50)
Total Rental Income	\$ 53,240.69	\$ 56,270.00	\$ 55,430.77
Other Income	7,604.29	8,613.60	7,844.52
Total Revenue	\$ 60,844.98	\$ 64,883.60	\$ 63,275.29
Expense			
Personnel	14,000.57	16,651.87	14,130.94
Advertising & Promotions	1,530.37	1,588.96	1,333.95
Utilities	4,805.40	3,283.53	5,305.40
Repairs & Maintenance	512.18	6,553.98	5,674.87
Service Contract	5,540.19	5,806.88	5,385.56
Real Estate Taxes	2,649.58	2,649.58	2,649.58
Other Operating Expense	2,464.85	3,640.87	2,860.06
Property Management Fee	2,525.65	2,721.15	2,709.13
G & A	0.00	0.00	0.00
Total Expense	\$ 34,028.79	\$ 42,896.82	\$ 40,049.49
Net Operating Income Before Capital and Debt Service Expense			
Expense	\$ 26,816.19	\$ 21,986.78	\$ 23,225.80
Capital Expense - Units	1,536.54	5,566.72	6,653.67
Capital Expense - Common Area	0.00	2,254.94	18,518.77
Total Capital Expense	\$ 1,536.54	\$ 7,821.66	\$ 25,172.44
Net Operating Income Before Debt Service Expense			
	\$ 25,279.65	\$ 14,165.12	\$ (1,946.64)
Principal - 1st	3,856.85	3,873.29	4,722.29
Interest - 1st	8,630.47	7,781.47	8,592.65
Total Debt Service	\$ 12,487.32	\$ 11,654.76	\$ 13,314.94
Other Expenses			
Depreciation/Amortization	645.50	81.15	1,258.54
Other Fees	186.33	91.90	0.00
Total Other Expenses	\$ 831.83	\$ 173.05	\$ 1,258.54
Net Operating Income	\$ 11,960.50	\$ 2,337.31	\$ (16,520.12)
Asset Management Fee	631.41	1,166.21	1,161.06
Net Income After Asset Management Fees	\$ 11,329.09	\$ 1,171.10	\$ (17,681.18)

12-MONTH HISTORICAL FINANCIAL SUMMARY - 2014

Summary 12 Months												
Sunflower Apartments (\$'000)												
Account	Jan-2014			Feb-2014			Mar-2014			Apr-2014		
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Revenue												
Gross Potential Rent	72,640.00	72,640.00	72,640.00	72,640.00	72,640.00	72,640.00	72,640.00	72,640.00	72,640.00	72,640.00	72,640.00	
- Gain/Loss	(593.00)	(1,008.00)	(277.00)	331.00	(503.00)	(483.00)	(442.00)	(343.00)	(1,872.00)	(1,951.00)	(1,806.00)	
- Vacancy	(10,637.12)	(9,978.90)	(11,475.76)	(10,662.37)	(10,923.33)	(11,321.07)	(10,217.43)	(10,217.43)	(13,721.14)	(13,978.50)	(12,852.73)	
- Bad Debt	(1,888.55)	(2,586.33)	(465.22)	(2,509.51)	(2,154.18)	(1,304.74)	(4,218.28)	(4,818.69)	(3,258.44)	(4,094.66)	(1,643.54)	
- Concessions	(5,824.57)	(3,497.74)	(3,169.95)	(4,171.30)	(4,215.37)	(3,160.37)	(5,011.87)	(2,438.20)	(2,319.29)	(3,775.18)	(4,011.70)	
Total Rental Income	\$ 53,696.76	\$ 55,569.03	\$ 56,802.07	\$ 56,627.82	\$ 54,843.52	\$ 56,370.02	\$ 52,447.64	\$ 54,227.68	\$ 53,429.06	\$ 55,010.91	\$ 53,920.23	
Other Income	8,254.41	7,525.71	8,119.36	9,783.05	9,278.53	6,388.32	8,302.70	7,224.97	8,288.76	8,187.21	8,580.93	
Total Revenue	\$ 61,951.17	\$ 63,094.74	\$ 64,921.43	\$ 65,410.87	\$ 64,122.05	\$ 62,759.14	\$ 60,750.34	\$ 61,052.65	\$ 62,624.02	\$ 58,906.35	\$ 62,501.16	
Expense												
Personnel	15,980.56	15,731.69	15,816.34	22,550.34	14,830.32	15,174.64	16,075.23	14,708.68	14,963.33	23,098.83	16,802.70	
Advertising & Promotions	1,584.16	2,493.15	1,649.21	1,297.73	1,866.15	3,032.34	2,258.41	1,594.13	2,384.20	3,539.53	2,345.71	
Utilities	8,674.70	7,052.96	8,555.13	5,104.13	7,207.92	8,188.52	8,544.07	8,746.56	7,910.11	6,418.24	5,446.76	
Repairs & Maintenance	1,841.95	3,465.40	3,289.43	2,626.05	4,673.91	4,988.63	5,754.01	3,967.36	4,444.61	4,428.05	5,132.84	
Service Contract	5,568.88	6,905.99	5,488.40	6,430.21	6,345.83	5,732.52	4,224.13	5,428.94	6,886.31	5,107.94	6,711.11	
Real Estate Taxes	2,526.70	2,526.70	2,526.70	2,526.70	2,526.70	2,526.70	2,526.70	2,526.70	2,526.70	3,755.54	2,649.58	
Other Operating Expense	2,803.69	2,647.96	2,212.37	2,779.56	2,383.09	2,466.19	2,089.49	2,552.59	2,573.97	2,861.61	2,789.52	
Property Management Fee	2,580.18	2,887.14	2,837.07	2,697.62	2,705.81	2,616.20	2,540.45	2,738.10	2,690.21	2,540.79	2,078.63	
G & A	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Total Expense	\$ 41,650.82	\$ 43,711.03	\$ 42,374.65	\$ 46,012.34	\$ 42,339.83	\$ 45,315.94	\$ 44,732.49	\$ 42,283.07	\$ 44,359.44	\$ 50,526.94	\$ 43,972.78	
Net Operating Income Before Capital and Debt Service Expense												
Capital Expense - Units	\$ 20,400.35	\$ 19,383.71	\$ 22,546.78	\$ 19,398.53	\$ 21,782.22	\$ 17,443.20	\$ 16,017.85	\$ 19,689.58	\$ 17,338.38	\$ 12,097.08	\$ 14,933.57	
Capital Expense - Common Area	4,030.32	3,376.93	1,868.34	1,064.04	1,534.33	6,724.08	7,883.75	2,966.81	1,985.90	6,751.93	4,483.20	
Total Capital Expense	\$ 2,836.11	\$ 419.00	\$ 0.00	\$ 3,667.84	\$ 8,446.22	\$ 16,412.50	\$ 6,979.40	\$ 35,714.83	\$ 15,519.26	\$ 383.76	\$ 14,600.00	
Net Operating Income Before Debt Service Expense												
Principal - 1st Interest - 1st	\$ 3,659.29	\$ 3,675.64	\$ 4,543.08	\$ 3,709.72	\$ 4,009.03	\$ 3,742.56	\$ 4,039.48	\$ 3,775.21	\$ 3,701.26	\$ 4,007.10	\$ 3,824.08	
Total Debt Service	\$ 12,467.11	\$ 11,635.82	\$ 13,337.92	\$ 12,201.23	\$ 12,773.45	\$ 12,296.84	\$ 12,768.03	\$ 12,487.71	\$ 12,207.92	\$ 12,766.78	\$ 12,208.12	
Other Non-Operating Expenses	\$ 158.00	180.38	180.38	270.57	180.38	180.38	180.38	180.38	180.38	270.57	180.38	
Net Operating Income	\$ 88,81	\$ 3,771.58	\$ 7,140.14	\$ 1,504.85	\$ (1,152.16)	\$ (18,080.60)	\$ (11,733.71)	\$ (31,660.15)	\$ (12,525.08)	\$ (8,075.96)	\$ 12,661.67	
Asset Management Fee	640.05	721.79	709.27	674.40	676.45	654.05	655.11	684.52	672.55	637.45	669.66	
Net Operating Income	\$ (51,24)	\$ 3,049.79	\$ 6,430.87	\$ 920.45	\$ (1,823.61)	\$ (1,734.65)	\$ (12,420.02)	\$ (13,197.63)	\$ (12,344.07)	\$ (1,713.41)	\$ 11,992.21	

12-MONTH HISTORICAL FINANCIAL SUMMARY - 2013

Summary 12 Months Sunflower Apartments (\$000) Books = Accrual												
Account	Jan-2013 Actual		Feb-2013 Actual		Mar-2013 Actual		Apr-2013 Actual		May-2013 Actual		For the 12 Months Ending Dec 2013	
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Revenue												
Gross Potential Rent	\$ 72,176.00	\$ 72,176.00	\$ 72,176.00	\$ 72,176.00	\$ 72,176.00	\$ 72,176.00	\$ 72,176.00	\$ 72,176.00	\$ 72,176.00	\$ 72,176.00	\$ 72,176.00	
- Gain/Loss	(2,402.00)	(2,430.00)	(2,457.00)	(2,441.67)	(2,398.00)	(2,373.00)	(2,269.00)	(1,901.00)	(3,715.19)	(3,473.00)	(2,957.00)	
- Vacancy	(13,662.61)	(14,172.17)	(10,212.40)	(7,562.46)	(5,795.60)	(6,005.18)	(6,394.48)	(6,746.31)	(7,501.12)	(7,800.36)	(106,788.69)	
- Bad Debt	(6,368.81)	(2,371.59)	(1,241.30)	(4,564.33)	(4,562.31)	(2,377.11)	(1,566.49)	(1,068.08)	(7,061.66)	(3,544.53)	(31,547.81)	
- Concessions	(3,006.40)	(2,957.67)	(3,379.33)	(6,921.00)	(4,599.50)	(3,995.43)	(3,635.58)	(3,192.03)	(3,115.41)	(2,441.49)	(43,846.50)	
Total Rental Income	\$ 46,071.13	\$ 50,754.13	\$ 50,325.60	\$ 52,044.85	\$ 54,011.63	\$ 55,505.66	\$ 58,889.13	\$ 59,031.20	\$ 61,694.23	\$ 60,528.43	\$ 53,948.49	
Other Income	7,641.71	7,361.23	9,357.55	8,120.12	7,057.30	8,014.15	7,240.74	10,624.62	8,676.48	8,105.90	7,654.09	
Total Revenue	\$ 53,712.84	\$ 58,116.36	\$ 60,283.15	\$ 60,164.97	\$ 61,068.93	\$ 63,519.81	\$ 66,129.87	\$ 69,655.82	\$ 70,370.71	\$ 66,634.33	\$ 61,502.58	
Expense												
Personnel	15,401.40	16,606.60	15,713.32	15,613.35	21,566.63	15,429.87	15,786.64	15,200.84	16,071.03	23,352.52	15,150.01	
Advertising & Promotions	1,771.05	1,960.51	1,795.04	1,870.18	2,079.49	1,771.46	2,226.57	2,048.29	2,172.98	1,863.22	1,681.40	
Utilities	5,811.85	5,798.65	6,921.27	4,240.74	6,011.87	6,642.05	7,657.50	7,270.37	7,960.37	7,444.48	3,785.10	
Repairs & Maintenance	2,732.80	2,876.47	3,202.84	4,117.25	5,107.07	6,168.89	6,763.31	4,044.33	4,961.39	5,623.74	8,470.01	
Service Contract	5,699.94	5,853.42	6,223.36	6,390.02	5,403.71	5,410.31	5,672.38	6,608.20	5,611.61	5,624.52	41,809.53	
Rail Estate Taxes	2,934.96	2,934.96	2,934.96	2,934.96	2,934.96	2,934.96	2,934.96	2,934.96	2,934.96	2,934.96	71,557.24	
Other Operating Expenses	2,911.39	2,957.33	2,788.88	2,641.90	3,085.22	2,596.18	2,647.23	3,255.73	2,473.81	2,445.38	32,293.84	
Property Management Fee	2,379.20	2,609.97	2,410.25	2,620.37	2,645.96	2,568.63	2,935.90	2,800.33	2,923.56	2,849.03	2,664.03	
G & A	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Total Expense	\$ 39,542.75	\$ 40,196.69	\$ 40,949.40	\$ 39,294.36	\$ 48,610.27	\$ 44,101.50	\$ 42,362.50	\$ 43,106.56	\$ 45,170.48	\$ 51,014.17	\$ 38,554.20	
Net Operating Income												
Before Capital and Debt Service Expense	\$ 14,170.09	\$ 17,918.67	\$ 19,333.75	\$ 21,170.61	\$ 12,458.66	\$ 19,418.31	\$ 23,767.37	\$ 26,549.26	\$ 25,200.23	\$ 17,620.16	\$ 22,938.38	
Capital Expense - Units	4,372.04	2,356.06	4,134.10	4,574.07	7,466.62	7,800.49	8,861.24	3,093.36	3,561.47	2,037.90	1,499.40	
Capital Expense - Common Area	1,999.70	0.00	1,647.21	0.00	2,024.12	0.00	1,640.52	1,662.63	8,793.79	5,796.39	0.00	
Total Capital Expense	\$ 6,371.74	\$ 2,356.06	\$ 5,781.31	\$ 4,574.07	\$ 9,490.74	\$ 7,800.49	\$ 10,501.76	\$ 4,756.19	\$ 12,355.26	\$ 7,820.37	\$ 1,499.40	
Net Operating Income												
Before Debt Service Expense	\$ 7,798.35	\$ 15,560.61	\$ 13,552.44	\$ 16,595.74	\$ 2,967.92	\$ 11,617.82	\$ 13,265.61	\$ 21,703.07	\$ 12,844.97	\$ 9,791.79	\$ 21,438.90	
Principal - Int	2,895.95	3,489.22	4,373.05	3,519.26	3,824.05	3,561.12	3,854.46	3,581.66	3,597.44	3,898.28	3,628.65	
Interest - Int	9,014.54	9,130.71	8,984.50	8,679.71	8,952.64	8,649.30	8,922.10	8,906.32	8,075.11	8,573.96	3,929.80	
Total Debt Service	\$ 11,910.49	\$ 11,619.93	\$ 13,561.55	\$ 12,198.97	\$ 12,776.69	\$ 12,209.42	\$ 12,776.56	\$ 12,487.98	\$ 12,202.92	\$ 12,773.99	\$ 12,325.61	
Other Non-Operating Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,644.45	287.46	234.00	156.00	
Net Operating Income	\$ (4,172.14)	\$ 3,940.60	\$ 194.09	\$ 4,396.77	\$ 9,008.77	\$ (9,008.77)	\$ (9,008.77)	\$ 409.05	\$ 7,600.64	\$ 3,545.59	\$ (215.60)	
Angel Management Fee	594.00	652.49	604.06	655.01	661.49	637.16	733.97	712.58	730.89	641.23	673.61	
Net Operating Income	\$ (4,776.94)	\$ 3,200.19	\$ 610.77	\$ 3,741.00	\$ (10,470.26)	\$ (1,219.76)	\$ (284.92)	\$ 6,946.06	\$ (375.30)	\$ 8,439.00	\$ 9,026.75	

PROPERTY TAX SUMMARY

Tax Parcel #136-252-71-H	2014	2015 est.	2016 est.
Primary (Limited) Assessed Value	\$1,842,000	\$1,934,100	\$2,030,805
Primary Assessed Value	\$184,200	\$193,410	\$203,081
Primary Ratio	13.4062	17.6056	18.4858
Primary Tax Amount	\$24,694	\$34,051	\$37,541
Secondary (Full Cash) Assessed Value	\$1,842,000	-	-
Secondary Assessed Value	\$184,200	-	-
Secondary Rate	3.3610	-	-
Secondary Tax Amount	\$6,191	-	-
Total Tax Amount	\$30,885	\$34,051	\$37,541

ACQUISITION EXPENSES

PURCHASE PRICE	\$ 4,200,000
Less Loan Amount	\$ 3,360,000
Down Payment Equity	\$ 840,000
Closing Cost (estimated)	3% of loan amount or \$100,800
Due Diligence Fees	.5% or \$21,000
Acquisition Fee	1% or \$42,000
Capital Placement Fee	7% of capital raise or \$85,386
Capital Expenditures	\$216,000
Cash Requirement at Closing	\$1,305,186

FINANCIAL ASSUMPTIONS AND MORTGAGE DETAILS*

FINANCIAL ASSUMPTIONS	
Estimated Years to Hold	2
Management Fee	3% of Gross Collected Income
Cap Rate at Re-Sale	7%
Projected Occupancy at Year 2	94%
Reserves Per Unit	\$250
MORTGAGE INFORMATION	
Rate	4.5%
Term	36 months
Amortization	30 years
Interest Only	Possible (6-12 months)
Payments per year	12
LTV on Purchase Price	80%
Loan Amount	3,360,000
Total Annual Loan Payment	\$204,300

* 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.

YEAR 1 PRO-FORMA OPERATING BUDGET

Total # Units: 144

Total Units Renovated: 130

	Month 1	Budget	Budget	Budget	Budget	Budget	Total	Per Unit	Per Sq.								
	Initial	2	3	4	5	6	7	8	9	10	11	12	Total	Total	Unit	Per Sq. Ft.	
TOTAL INITIAL GROSS SCH RENT	\$73,936	\$74,526	\$74,836	\$75,136	\$75,436	\$75,736	\$76,036	\$76,336	\$76,636	\$77,336	\$77,236	\$77,536	\$910,632	\$6,324	\$11.62		
GROSS SCHEDULED RENT	100.00%	100.00%	100.00%	101.00%	101.00%	101.00%	102.00%	102.00%	102.00%	103.00%	103.00%	103.00%	103.00%	103.00%	103.00%	\$11.62	
GAIN (LOSS) TO LEASE	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	\$0.00	
VACANCY	12.00%	12.00%	11.00%	10.00%	10.00%	10.00%	9.00%	9.00%	9.00%	7.00%	7.00%	6.00%	6.00%	6.00%	6.00%	\$0.00	
NON REV	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	\$0.00	
CONCESSIONS	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	\$0.00	
DELINQUENCY/BAD DEBT	4.00%	4.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	\$0.00	
GROSS SCHEDULED RENT	74,236	74,536	74,836	75,875	76,175	76,475	77,515	77,815	78,115	79,154	79,454	79,754	923,940	\$6,416	\$11.78		
GAIN (LOSS) TO LEASE	(1,485)	(1,491)	(1,497)	(1,518)	(1,524)	(1,530)	(1,550)	(1,562)	(1,583)	(1,589)	(1,595)	(1,595)	(1,479)	(1,479)	(1,479)	\$0.24	
VACANCY	(8,940)	(8,940)	(8,222)	(7,588)	(7,618)	(7,648)	(6,976)	(7,003)	(5,468)	(5,341)	(4,767)	(4,765)	(83,478)	(83,478)	(83,478)	\$1.06	
NON REV	(593)	(597)	(605)	(608)	(610)	(619)	(621)	(623)	(632)	(634)	(636)	(636)	(7,373)	(7,373)	(7,373)	\$0.09	
CONCESSIONS	(742)	(745)	(748)	(750)	(762)	(765)	(775)	(778)	(781)	(792)	(795)	(795)	(9,239)	(9,239)	(9,239)	\$0.12	
DELINQUENCY/BAD DEBT	(2,960)	(2,981)	(2,963)	(2,276)	(2,285)	(1,530)	(1,546)	(1,562)	(1,583)	(1,589)	(1,595)	(1,595)	(24,471)	(24,471)	(24,471)	\$0.31	
EFFECTIVE RENT COLLECTED	59,539	59,779	60,768	63,130	63,379	64,394	66,044	66,300	68,118	69,024	70,080	70,345	780,900	\$5,423	\$0.96		
OTHER INCOME PROJECTED	8,030	8,030	8,030	8,030	8,030	8,030	8,030	8,030	8,030	8,030	8,030	8,030	96,360	\$669	\$1.23		
TOTAL INCOME	\$67,569	\$67,809	\$68,708	\$71,160	\$71,400	\$72,424	\$74,074	\$74,330	\$76,148	\$77,054	\$78,110	\$78,375	\$877,200	\$6,092	\$11.19		
OPERATING EXPENSES	%	Per Unit															
GENERAL & ADMIN	125	\$1,560	\$1,560	\$1,560	\$1,560	\$1,560	\$1,560	\$1,560	\$1,560	\$1,560	\$1,560	\$1,560	\$1,560	\$1,560	\$1,560	\$0.23	
PAYROLL	1100	\$13,195	\$13,195	\$13,195	\$13,195	\$13,195	\$13,195	\$13,195	\$13,195	\$13,195	\$13,195	\$13,195	\$168,340	\$1,100	\$2.02		
LEASING & MARKETING	125	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000	\$125	\$0.23		
UTILITIES	700	\$8,400	\$8,400	\$8,400	\$8,400	\$8,400	\$8,400	\$8,400	\$8,400	\$8,400	\$8,400	\$8,400	\$84,400	\$700	\$1.29		
REPAIRS/MAINT	260	\$3,120	\$3,120	\$3,120	\$3,120	\$3,120	\$3,120	\$3,120	\$3,120	\$3,120	\$3,120	\$3,120	\$31,120	\$120	\$0.48		
SUPPLY EXPENSE	200	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$24,000	\$200	\$0.37		
TOURNOVER EXPENSE	140	\$1,680	\$1,680	\$1,680	\$1,680	\$1,680	\$1,680	\$1,680	\$1,680	\$1,680	\$1,680	\$1,680	\$16,800	\$140	\$0.26		
CONTRACT SERVICES	300	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$36,000	\$300	\$0.55		
MANAGEMENT F	3.00%	\$2,927	\$2,034	\$2,064	\$2,135	\$2,142	\$2,173	\$2,222	\$2,230	\$2,294	\$2,312	\$2,343	\$26,318	\$183	\$0.34		
PROPERTY INSURANCE	106	\$1,290	\$1,290	\$1,290	\$1,290	\$1,290	\$1,290	\$1,290	\$1,290	\$1,290	\$1,290	\$1,290	\$15,120	\$105	\$0.19		
PROPERTY TAXES	225	\$2,750	\$2,750	\$2,750	\$2,750	\$2,750	\$2,750	\$2,750	\$2,750	\$2,750	\$2,750	\$2,750	\$27,500	\$225	\$0.41		
TOTAL OPERATING EXPENSES	\$41,982	\$41,380	\$41,410	\$41,400	\$41,407	\$41,528	\$41,577	\$41,585	\$41,639	\$41,667	\$41,698	\$41,706	\$488,578	\$3,402	\$6.36		
NET OPERATING INCOME	\$26,187	\$26,420	\$27,379	\$29,670	\$29,912	\$30,896	\$32,497	\$32,746	\$34,408	\$35,387	\$36,412	\$36,658	\$374,682	\$2,650	\$4.83		
EXPENSES/ RECEIPTS (PERCENTAGE)	61%	60%	58%	58%	57%	56%	56%	55%	54%	53%	53%	53%	53%	53%	53%	\$0.46	
REPLACEMENTS	250	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$36,000	\$250	\$0.46		
IMPROVEMENTS	30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	
RENOVATIONS	50	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	
TOTAL NON-OPERATING PROPERTY EXPENSES	\$4,000	\$3,000	\$3,000	\$3,000	\$36,000	\$250	\$0.46										
CASH FLOW BEFORE DEBT SERVICE	\$23,187	\$23,120	\$24,379	\$26,670	\$26,912	\$27,896	\$29,497	\$31,508	\$32,387	\$33,412	\$33,668	\$34,682	\$2,380	\$4,37			
DEBT SERVICE	\$17,025	\$17,025	\$17,025	\$17,025	\$17,025	\$17,025	\$17,025	\$17,025	\$17,025	\$17,025	\$17,025	\$17,025	\$204,300	\$1,419	\$2,61		
NET CASH FLOW	\$6,162	\$6,395	\$7,354	\$9,645	\$9,887	\$10,671	\$12,472	\$12,720	\$14,483	\$15,362	\$16,387	\$16,643	\$198,382	\$961	\$1.77		
OTHER EXPENSE													\$0	\$0	\$0.00		
NET CASH FLOW (YEAR TO DATE)	\$6,162	\$12,557	\$19,911	\$20,556	\$39,443	\$50,314	\$62,790	\$76,500	\$89,080	\$105,352	\$121,758	\$138,382	\$1,411	\$1,411	\$1,411		

FIVE-YEAR BUDGET AND VALUE OVERVIEW - 6/12/2015

Total # Units 144

Net Rentable Square Feet: 78,400

	Year 1	Year 2	Year 3	Year 4	Year 5
ANNUALIZED SCHEDULED RENT	\$923,940	\$943,540	\$952,787	\$962,124	\$971,553
Loss (or gain) to Lease	(18,479)	(9,435)	(9,528)	(9,621)	(9,716)
Gross Scheduled Rent	905,462	934,105	943,259	952,503	961,837
Vacancy	(83,478)	(56,046)	(56,596)	(57,150)	(57,710)
Non Revenue Units	(7,373)	(9,341)	(9,433)	(9,525)	(9,618)
Concessions	(9,239)	(14,012)	(14,149)	(14,288)	(14,428)
Delinquency/Bad Debt	(24,471)	(18,682)	(18,865)	(19,050)	(19,237)
EFFECTIVE RENT	780,900	836,024	844,217	852,490	860,844
<i>Economic Occupancy</i>	85%	89%	89%	89%	89%
Total Other Income	96,360	98,798	101,297	103,860	106,488
EFFECTIVE GROSS INCOME	877,260	934,822	945,514	956,350	967,332
OPERATING EXPENSES					
General/ Admin	18,000	18,180	18,362	18,545	18,731
Staffing/ Payroll	158,340	161,507	164,737	168,032	171,392
Leasing/ Marketing	18,000	18,360	18,727	19,102	19,484
Utilities	100,800	102,816	104,872	106,970	109,109
Repairs/ Maintenance	37,440	37,814	38,193	38,574	38,960
Supply Expense	28,800	29,088	29,379	29,673	29,969
Turnover Expense	20,160	20,362	20,565	20,771	20,979
Contract Services	43,200	43,632	44,068	44,509	44,954
Controllable Exp Subtotal	424,740	431,759	438,903	446,176	453,578
Management Fees	26,318	28,045	28,365	28,691	29,020
Property Insurance	15,120	15,422	15,731	16,045	16,366
Property Taxes	32,400	33,372	34,373	35,404	36,466
Non-Controllable Exp Subtotal	73,838	76,839	78,469	80,140	81,853
Replacement Reserve/ Recurring Capital	36,000	36,360	36,724	37,091	37,462
Other Expense	0	0	0	0	0
TOTAL OPERATING EXPENSES	534,578	544,958	554,096	563,407	572,893
NOI (Inclusive of Replacement Reserves)	\$342,682	\$389,864	\$391,418	\$392,944	\$394,439
DEBT SERVICE	\$204,300	\$204,300	\$204,300	\$204,300	\$204,300
NET CASH	\$138,382	\$185,564	\$187,118	\$188,644	\$190,139
CAP RATE	7.00%	7.00%	7.00%	7.00%	7.00%
ESTIMATED VALUE	\$4,895,454	\$5,569,481	\$5,591,684	\$5,613,479	\$5,634,848
ESTIMATED VALUE/UNIT	\$33,996	\$38,677	\$38,831	\$38,982	\$39,131
ESTIMATED VALUE/SF	\$62.44	\$71.04	\$71.32	\$71.60	\$71.87

ANCILLARY INCOME PROGRAM

ITEM	Month 1 Budget	2 Budget	3 Budget	4 Budget	5 Budget	6 Budget	7 Budget	8 Budget	9 Budget	10 Budget	11 Budget	12 Budget	TOTAL
RUBS Program	\$3,300	\$3,300	\$3,300	\$3,300	\$3,300	\$3,300	\$3,300	\$3,300	\$3,300	\$3,300	\$3,300	\$3,300	\$39,600
Reimbursed Electric	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reimbursed Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Telephone	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lease Term Fee	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600
Washer/Dryer Fee	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000
Cleaning Fee	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600
Application Fee	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600
Damages	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,400
Late Charges	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$9,000
Resident Legal	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
Month-to-Month Premium	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,400
Non-Ref Fee	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600
NSF Funds	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600
Pet Rents	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600
Pet Fees	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$4,800
Vending	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$360
Transfer Fee	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600
Miscellaneous	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,400
TOTALS	\$8,030	\$8,030	\$8,030	\$8,030	\$8,030	\$8,030	\$8,030	\$8,030	\$8,030	\$8,030	\$8,030	\$8,030	\$96,360

STABILIZED STAFFING SCHEDULE

Per Unit Per Year: \$1,100

Per Sq. Ft: \$2.02

Position	Full Time or Part Time	Annual Salary	Monthly Salary	Total Monthly Wages	Health Ins	401K	W/C PR Sup	Payroll Taxes	Bonuses/ Commissions	Total Monthly	Annual Total
Community Manager	FT	\$40,000	\$3,333	\$3,333	\$375	\$15	\$100	\$367	\$500	\$4,690	\$56,280
Leasing Consultant	PT	\$20,000	\$1,667	\$1,667	\$375	\$15	\$50	\$183	\$300	\$2,590	\$31,080
Maintenance Supervisor	FT	\$30,000	\$2,500	\$2,500	\$375	\$15	\$75	\$275	\$250	\$3,490	\$41,880
Maintenance Technician	FT	\$20,000	\$1,667	\$1,667	\$375		\$50	\$183	\$150	\$2,425	\$29,100
Total				\$9,167	\$1,500	\$45	\$275	\$1,008	\$1,200	\$13,195	\$158,340

PROJECTED TOTAL CASH FLOWS AND RETURNS

	YEAR 1	YEAR 2	TOTAL RETURN IN \$	TOTAL RETURN IN %
Net Cash Flow	\$138,285	\$185,464	\$323,749	24.8%
Cash on Cash Return	10.6%	14.2%	-	24.8%
Capital Gain at Resale	-	\$902,353	\$902,353	69%
Total Return on Investment	-	-	\$1,226,102	94%
Annualized Return	-	-	-	47%

PROJECTED INVESTOR CASH FLOWS AND RETURNS

	YEAR 1	YEAR 2	TOTAL RETURN IN \$	TOTAL RETURN IN %
Net Cash Flow	\$110,400	\$148,371	\$258,771	19.8%
Cash on Cash Return	8.5%	11.3%	-	19.8%
Investor Equity Share	-	\$721,882	\$721,882	55.3%
Total Return on Investment	-	-	\$980,653	75.1%
Annualized Return	-	-	-	37.5%

* 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 above 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.