

**TEXAS PROPERTY ACQUISITIONS – 2008**

In partnership with an affiliate of Apartment Analytics Software, LLC



LOCATION

SUPPLY

DEMAND

CAPITAL MARKETS

We **KNOW APARTMENTS** and the forces that impact value; it's our business.

**ACQUISITION IN 4Q2007 – 166 UNITS**

This transaction presented an extraordinary opportunity to acquire a superbly-located 166 unit asset about one mile from Texas A&M University; the 8<sup>th</sup> largest university in the country. The investment had been identified as a renovation opportunity due to a significant amount of deferred maintenance and severe mismanagement of the property.

Realizing that the rents at the project were significantly below other comparable properties in the market, the buying partnership immediately implemented a renovation program totaling \$500,000. Due to this renovation program, rents have been increased by an average of \$75 per month per unit.

This acquisition represents an “excellent” medium to long-term investment with “immediate positive cash flow” and tremendous upside potential for the investment group through increased rental rates, expense savings, and more effective management tactics.

<b>DATE OF INVESTMENT:</b>	<b>SEP-07</b>
<b>PURCHASE PRICE:</b>	<b>\$5,700,000</b>
<b>RENOVATION COST:</b>	<b>\$497,000</b>
<b>LOAN SOURCE:</b>	<b>FANNIE MAE</b>
<b>LOAN AMOUNT:</b>	<b>\$5,000,000</b>
<b>INTEREST RATE:</b>	<b>6.44%</b>
<b>CASH-ON-CASH RETURN:</b>	<b>11.0%+</b>

**ACQUISITION 2Q2008 – 356 UNITS**

This transaction presented an opportunity to acquire a 356 unit upscale apartment community that has become a “preferred” location for one of the fastest growing universities in the state – Texas A&M University Corpus Christi (TAMUCC). About 50% of the property’s occupancy is related to the University.

TAMUCC is in the process of expanding its main campus by incorporating an additional 120 acres, located about 1/2 miles north of the property. This expansion is designed to increase enrollment at the University by 74.4% (8,600 to over 15,000 students) over the next 5 years. Once this expansion is complete, the property will experience a “substantial increase” in net income, which will provide the investment group with extraordinarily high returns on invested equity capital.

The partnership intends to immediately apply more active hands-on management tactics with a core focus on increased rental rates and reduced operating costs, thereby maximizing profit for investors.

<b>DATE OF INVESTMENT:</b>	<b>MAY-08</b>
<b>PURCHASE PRICE:</b>	<b>\$16,742,647</b>
<b>RENOVATION COST:</b>	<b>\$455,859</b>
<b>LOAN SOURCE:</b>	<b>FREDDIE MAC</b>
<b>LOAN AMOUNT:</b>	<b>\$14,500,000</b>
<b>INTEREST RATE:</b>	<b>5.94%</b>
<b>CASH-ON-CASH RETURN:</b>	<b>12.0%+</b>

**ACQUISITION 2Q2008 – 176 UNITS**

This property was owned and managed by the previous owner since 1990. It presented the buying investment group an opportunity to acquire a high quality, stable cash-flowing 176 unit property located in one of the “best neighborhoods” in Corpus Christi directly between two of the areas most prominent medical facilities; Christus Spohn Hospital South and Corpus Christi Medical Center Bay Area Campus.

The partnership implemented a \$309,000 renovation which will add a significant amount of value by increasing rents to the market level. This acquisition represents an excellent medium to long-term investment which is projected to generate very strong cash-on-cash returns and excellent price appreciation for the investors.

<b>DATE OF INVESTMENT:</b>	<b>MAY-08</b>
<b>PURCHASE PRICE:</b>	<b>\$6,794,118</b>
<b>RENOVATION COST:</b>	<b>\$309,222</b>
<b>LOAN SOURCE:</b>	<b>FREDDIE MAC</b>
<b>LOAN AMOUNT:</b>	<b>\$5,950,000</b>
<b>INTEREST RATE:</b>	<b>5.85%</b>
<b>CASH-ON-CASH RETURN:</b>	<b>12.0%+</b>

**ACQUISITION 2Q2008 – 150 UNITS**

This property was owned and managed by the previous owner since 1994. It presented the investment group a great opportunity to acquire a stabilized 150 unit mid-size building with a proven track record of maintaining consistently high occupancy while generating a stable and consistent distributable cash flow stream to investors.

The partnership implemented a \$340,000 renovation program to the property; this combined with more active hands-on management tactics which will result in substantially increased rental rates and reduced operating costs. This strategy will add a tremendous amount of value to the property once completed, and will maximize profits by generating extraordinarily high cash-on-cash returns for the investors.

<b>DATE OF INVESTMENT:</b>	<b>MAY-08</b>
<b>PURCHASE PRICE:</b>	<b>\$5,338,225</b>
<b>RENOVATION COST:</b>	<b>\$339,557</b>
<b>LOAN SOURCE:</b>	<b>FREDDIE MAC</b>
<b>LOAN AMOUNT:</b>	<b>\$4,675,000</b>
<b>INTEREST RATE:</b>	<b>5.95%</b>
<b>CASH-ON-CASH RETURN:</b>	<b>13.0%+</b>