



RENOVATIO

6741 NORTH 45TH AVENUE | GLENDALE, AZ 85301

30 UNIT APARTMENT COMMUNITY

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CBRE





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CAUTION
SHALLOW
WATER
NO DIVING





EXECUTIVE SUMMARY

Summary Terms

RENOVATIO

6741 North 45th Avenue
Glendale, AZ 85301

NUMBER OF UNITS	30
YEAR BUILT	1965
NET RENTABLE SF	±24,530

INTEREST OFFERED

A fee simple interest in Renovatio, a 30-unit apartment community.

BROKERAGE FEE

Five Percent (5.0%) of total consideration. Our commitment is to enlist the entire brokerage community to ensure that we deliver the maximum value. All marketing costs to be paid for by the marketing team.

PRICING RECOMMENDATION

Our recommendation is to go to market at \$1,900,000.

THE OFFERING

LIST PRICE:		\$1,900,000
DOWN PAYMENT:	30%	\$570,000
PRICE PER UNIT:		\$63,333
PRICE PER SQUARE FOOT:		\$77.46
CURRENT CAP RATE:		6.93%
CURRENT CASH-ON-CASH RETURN:		9.31%
CAPITAL REQUIREMENT:		\$97,500
END OF YEAR ONE CAP RATE:		7.39%
END OF YEAR ONE CASH-ON-CASH RETURN:		10.34%

TERMS

LOAN TYPE:		First Trust Deed
LOAN AMOUNT:		\$1,330,000
INTEREST RATE:		4.25%
AMORTIZATION (YEARS):		30
ANNUAL DEBT SERVICE:		\$78,514
DEBT COVERAGE RATIO:		1.68
NET CASH FLOW AFTER DEBT SERVICE:		\$53,094

Unit Mix Summary

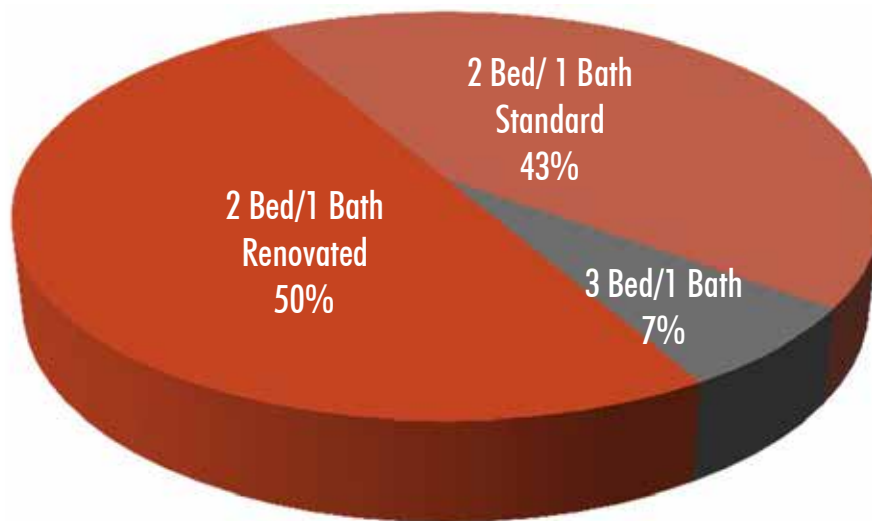
CURRENT RENTS

Unit Type	# of Units	Unit Mix	±SF	Net ±RSF	Rent/Unit	Rent/SF	Monthly Rent
2 Bed/1 Bath	13	43.33%	810	10,530	\$627	\$0.77	\$8,155
2 Bed/1 Bath	15	50.00%	810	12,150	\$740	\$0.91	\$11,093
3 Bed/1 Bath	2	6.67%	925	1,850	\$842	\$0.91	\$1,683
TOTAL / WTD. AVERAGE	30	100.00%	818	24,530	\$698	\$0.85	\$20,930

END OF YEAR ONE RENTS

Unit Type	# of Units	Unit Mix	±SF	Net ±RSF	Rent/Unit	Rent/SF	Monthly Rent
2 Bed/1 Bath	13	43.33%	810	10,530	\$740	\$0.91	\$9,614
2 Bed/1 Bath	15	50.00%	810	12,150	\$740	\$0.91	\$11,093
3 Bed/1 Bath	2	6.67%	925	1,850	\$842	\$0.91	\$1,683
TOTAL / WTD. AVERAGE	30	100.00%	818	24,530	\$746	\$0.91	\$22,389

UNIT MIX



Income & Expense Summary

INCOME	Current	Per Unit	End of Year One	Per Unit
GROSS POTENTIAL RENT ¹	\$251,165	\$8,372	\$268,668	\$8,956
Other Income ²	\$9,000	\$300	\$9,000	\$300
GROSS POTENTIAL INCOME	\$260,165	\$8,672	\$277,668	\$9,256
Economic Losses				
Vacancy Loss ³	(\$15,070)	6.00%	(\$16,120)	6.00%
Concessions/Bad Debt/Loss to Lease ⁴	(\$7,535)	3.00%	(\$8,060)	3.00%
Total Economic Losses	(\$22,605)	9.00%	(\$24,180)	9.00%
EFFECTIVE GROSS INCOME⁵	\$237,560	\$7,919	\$253,488	\$8,450

EXPENSES	Pro Forma	Per Unit	Pro Forma	Per Unit
Real Estate Taxes ⁶	\$10,702	\$357	\$10,702	\$357
Insurance	\$6,250	\$208	\$6,250	\$208
Utilities	\$28,000	\$933	\$28,000	\$933
Repairs & Maintenance	\$17,500	\$583	\$17,500	\$583
Contract Services	\$7,500	\$250	\$7,500	\$250
Marketing & Promotion	\$2,500	\$83	\$2,500	\$83
General & Administrative	\$7,500	\$250	\$7,500	\$250
Management Fee	\$18,500	\$617	\$18,500	\$617
Reserves & Replacements	\$7,500	\$250	\$7,500	\$250
TOTAL EXPENSES	\$105,952	\$3,532	\$105,952	\$3,532
Expenses Per Square Foot	\$4.32		\$4.32	
% of EGI	44.60%		41.80%	
NET OPERATING INCOME	\$131,608	\$4,387	\$147,535	\$4,918

Note: A detailed summary of how the expenses were calculated can be found on the next page

INCOME NOTES

1. Pro forma Gross Potential Rents are based on current asking rents.
2. Total Other Income includes income from deposits and fee income based on pro forma operations.
3. An approximate overall market vacancy of 6% was applied to determine pro forma physical vacancy.
4. Approximately one half month's free rent was used to determine the concessions/bad debt.
5. Effective Gross Income is projected at \$253,488 or \$8,450 per unit inclusive of Total Economic Losses projected at \$24,180 or 9% of Gross Potential Rent based on end of year one operations.

EXPENSE NOTES

6. The property taxes are based on the 2014 actual taxes assessed per the Maricopa County Treasurer's Office.









PROPERTY SUMMARY

ASSET STRENGTHS

- Extensively renovated and repositioned in 2014 with over \$450,000 in capital improvements
- All two and three bedroom floor plans averaging 818 square feet
- Large central courtyard with a large sparkling swimming pool and a picnic area with barbeques and a ramada
- Single story, block construction with pitched roofs
- Low maintenance asset with additional value-add potential
- Partial covered parking
- Private back patios
- Low density property (\pm 13.39 Units Per Acre)

ASSET CHALLENGES

- Lack of drive-by visibility from a major thoroughfare

SUBMARKET STRENGTHS

- 508,812 residents live within a five mile radius of the subject property with an estimated 3.88% increase expected over the next five years
- 169,346 households are within a five mile radius of the subject property, with an estimated 5.18% increase expected over the next five years
- Major employers in the area include Glendale City Government, Hensley & Co., Phoenix Baptist Hospital, Younger Brothers Construction, Wells Fargo Home Mortgage, Shamrock Foods Co., and Karsten Manufacturing Corporation.
- Located in proximity to the Highway 60, Highway 17, Interstate 10, Loop 101, and Highway 51, providing residents with easy access throughout the valley

SUBMARKET STRENGTHS

- Submarket rent is \$0.86 PSF compared to the metro Phoenix average of \$0.96 PSF (RealData, Inc.)
- Submarket vacancy is 7.78% compared to the metro Phoenix average of 6.49% (RealData, Inc.)

SITE DESCRIPTION		PROPERTY TAXES		MECHANICAL	
NUMBER OF UNITS	30	NUMBER OF PARCELS	One	HVAC	Individual Roof Mounted HVAC Units
YEAR BUILT	1965	TAX NUMBER PARCELS	146-26-004H	ELECTRICITY	Individually-Metered
NET RENTABLE SF	±24,530	ZONING	R-4	WATER/SEWER	Master-Metered
NUMBER OF BUILDINGS	Seven	2014 ASSESSED PROPERTY TAX	\$29,775.64	GAS	Master-Metered
NUMBER OF STORIES	One				
PARCEL SIZE	±2.24 acres				
DENSITY	±13.39 Units Per Acre				
PARKING	Covered and Uncovered Parking Spaces				
LAUNDRY	On-Site Laundry Facility				

CONSTRUCTION	
FOUNDATION	Concrete
FRAMING	Slump Block
EXTERIOR	Painted Block
ROOF	Pitched Composition Shingle
PARKING SURFACE	Asphalt
LANDSCAPING	Turf and Mature Shade Trees
TOPOGRAPHY	Level



CAPITAL IMPROVEMENTS

EXTERIOR CAPITAL IMPROVEMENTS:

- 1,015 linear feet of new 6' block patio perimeter fence with private entrance gates for each apartment
- Roof overlay
- 28 new HVAC units
- Pool: chip out and re-plaster, new tile, new markers, dual drains and cool deck
- New shade sail, BBQ, precast picnic table
- Full grade and re-landscape, xeriscape
- Drip irrigation and sectioned timing stations
- Artistic metal property signage
- Courtyard and parking lot lighting
- Exterior doors, frames, thresholds, and hardware
- Fascia repair
- Exterior paint and trim
- Laundry and storage doors

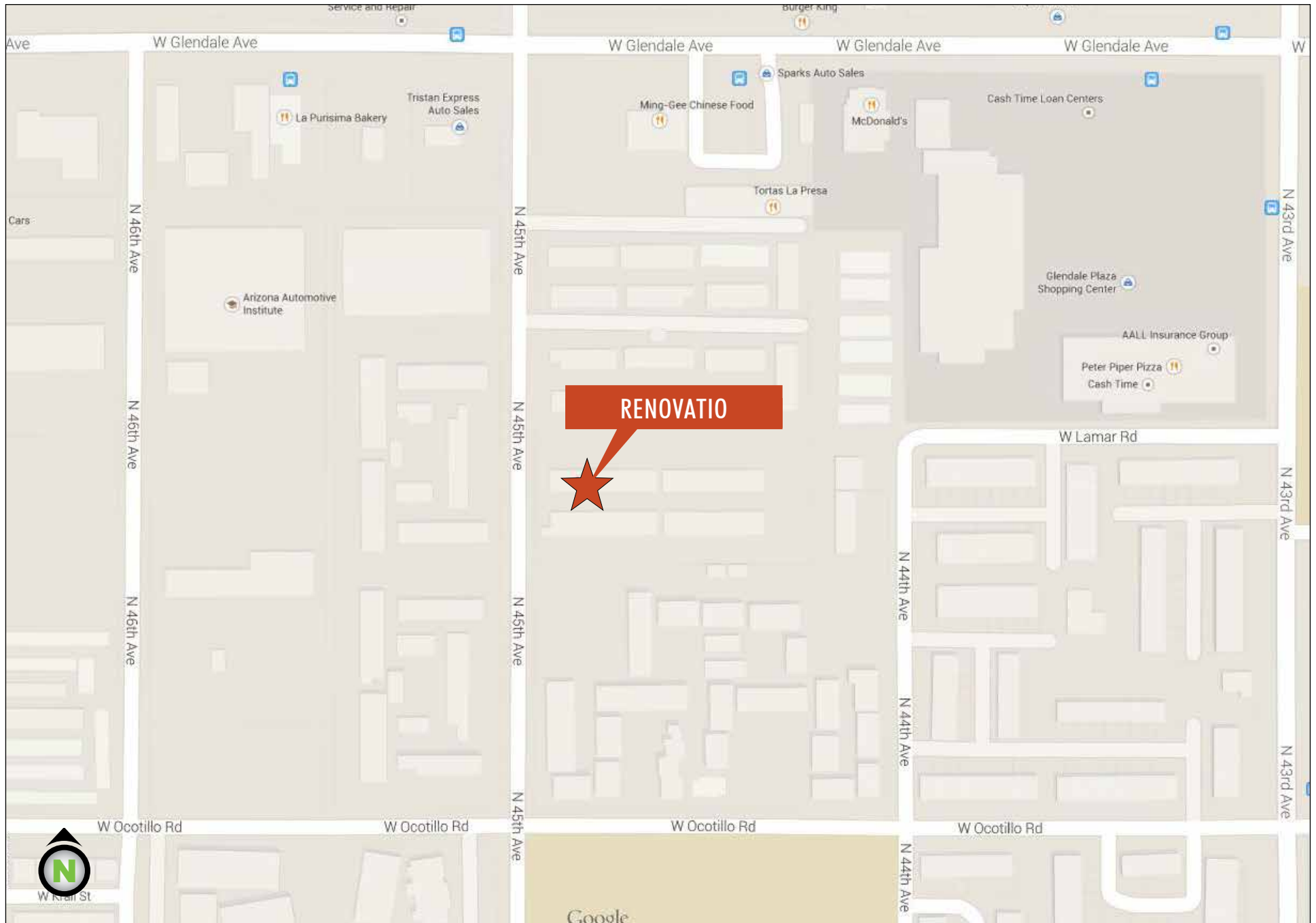


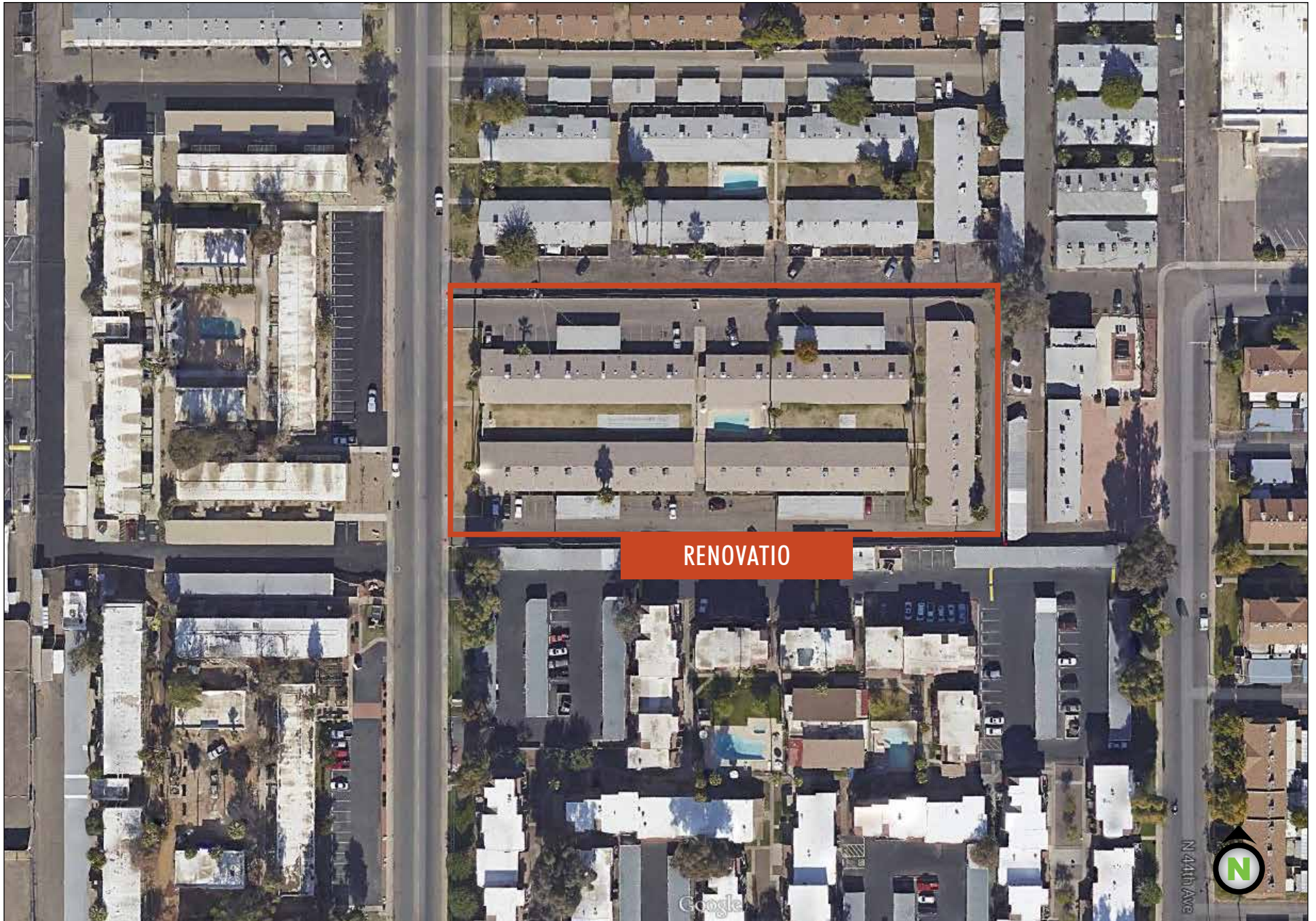
INTERIOR CAPITAL IMPROVEMENTS:

- New appliances
- Built-in, vented microwaves
- Artistic ceramic tile back splashes
- Refinished cabinets
- Kitchen fixtures
- Blinds
- Ceiling fans
- Faux Wood vinyl flooring
- Sliding doors*
- Custom 2-tone paint
- Tub & shower surrounds professionally refinished
- Vanities, medicine cabinet's
- Lighting
- Bath fixtures

*Select Units







Investment Drivers

DESIRABLE LOCATION IN THE HEART OF GLENDALE

Renovatio is located on 45th Avenue, just south of Glendale Avenue, a major arterial street that runs through Glendale and into Phoenix. The property has convenient access to all of the amenities of Glendale, one of Arizona's largest cities and a growing center for employment, professional sports, and the arts and culture. Glendale is well placed to continue to grow over the next few years with several plans for continued development, including the Centerline District and recently completed Tanger Outlets.

EXCELLENT EXPOSURE TO REGIONAL EMPLOYMENT

A number of major employers call Glendale home, and the city continues to grow to meet the needs of an expanding workforce. Major employers in the area include Banner Thunderbird Medical Center, Blue Cross & Blue Shield, Cigna Health Care and Arizona Public Services. Both Honeywell and Bechtel—two of the largest employers in metro Phoenix—have recently renewed leases and plan to remain in the area for the foreseeable future, reflecting a sentiment held by a number of businesses in Glendale. Beyond the surrounding arterial streets and industrial centers, such as the Peoria Industrial Park, the U.S. 60 Highway provides a connection to other businesses across the metro area, particularly those in manufacturing and warehousing along Grand Avenue.

PROXIMITY TO TOP SCHOOLS

Renovatio is located just over two miles from Grand Canyon University. In 2009 Grand Canyon University began work on a \$60 million campus expansion project, now completed, which includes a 500-bed dormitory (opened in fall of 2012), 55,000 SF fitness and recreation center, 125-classroom facility, food court, bowling alley and a 5,000 seat arena, and a new College of Arts and Science building. Additionally, Renovatio three miles from Glendale Community College (GCC) providing community residents the benefit of close proximity to a 147-acre campus. GCC serves a network of approximately 43,000 credit and noncredit students in a variety of certificate programs along with specialized job training programs such as JTPA and GAIN. Other advanced learning institutions



within the area include Arizona State University at the West Campus with over 9,000 enrolled students, and the Thunderbird School of Global Management, ranked the number one international business school in the world.

ACCESS TO NUMEROUS RETAIL DESTINATIONS

As a hub for professional sports, entertainment and business, Renovatio provides residents with excellent access to retail centers and amenities. In addition to the venues at the Sports and Entertainment District, Westgate City Center offers an additional range of shopping and dining choices to complement and balance its immediate surroundings. Directly outside the area lies the Tanger Outlets—a 328,000 SF site which recently open its doors to customers and houses eighty-five brand-name stores creating over 900 retail jobs in Glendale. The Metro Center Mall lies just over 3 miles from the subject property anchored by Macy's, Dillard's Clearance Center, and Sears. In addition to the larger destinations, the property is close to several other shopping centers, such as the Wal-Mart Super Center-anchored Northern Crossing as well as the Peoria Crossing Shopping center—one of Glendale's more recent additions—

Investment Drivers

which includes a handful of big box tenants such as Target and Kohl's. Peoria Crossing also hosts a variety of restaurants, and new construction is underway as well to expand the center.

NEARBY ENTERTAINMENT, CULTURAL, AND RECREATIONAL ATTRACTIONS

Glendale plays host to a vast array of local venues and activities, both seasonally and throughout the year, creating an exciting environment for residents. At a distance of six miles from the Glendale Sports and Entertainment District, the subject property provides residents with easy access for those looking to visit the district for which Glendale is best known; University of Phoenix Stadium home, of the Arizona Cardinals, as well as the Jobing.com Arena, home of the Phoenix Coyotes. In addition to housing some of Arizona's top professional sports teams, it is home to some of the largest-scale events in the metro area, such as concerts and traveling performance groups. Both within and surrounding this district are ample options for dining and shopping, with several expansion projects underway. Historic Glendale is only a mile-and-a-half from the property and features about one hundred specialty and antique shops. The area, also known as the Centerline District, is currently involved in an on-going revitalization project that aims to bring more business to the heart of Glendale. Plenty of outdoor activities are available also, as there are two golf courses and a handful of parks within proximity to the property. Glendale is further made up of over forty miles of hiking trails and 100 miles of biking trails, including Thunderbird Conservation Park and the Glendale Xeriscape Botanical Garden.

CONVENIENT ACCESS TO TRANSPORTATION

Located less than one mile from the U.S. Highway 60, Renovatio provides residents with excellent access to locations across the Phoenix metropolitan area. There is a Phoenix METRO Bus Transit stop at on 43rd Avenue just north of the entrance to the property. In addition, the Glendale Urban Shuttle (GUS), a local transportation option, has a pick-up point at 52nd Avenue and Glendale Avenue as well, and makes stops at some of the major Glendale venues, including Downtown Glendale, a handful of shopping centers, Glendale High School and Glendale Community College.

GLENDALE'S COMPETITIVE ADVANTAGE INCLUDES:

- Expanding business community and workforce
- Excellent access to major highways and METRO bus system
- Proximity to Glendale Sports & Entertainment District
- Centerline District revitalization project in progress

MAJOR AREA EMPLOYERS:

- Banner Thunderbird Medical Center
- Blue Cross & Blue Shield
- Cigna Health Care
- Arizona Public Services
- Shamrock Foods Company
- Phoenix Baptist Hospital

MAJOR AREA HEALTHCARE AND MEDICAL FACILITIES:

- Banner Thunderbird Medical Center
- Maryvale Hospital
- Banner Estrella Medical Center
- Phoenix Baptist Hospital
- Total Medical Care

MAJOR AREA ATTRACTIONS:

- Glendale Sports & Entertainment District, including the University of Phoenix Stadium, Jobing.com Arena and Westgate City Center
- Historic Downtown Glendale & the Centerline District
- Tanger Outlets
- Thunderbird Conservation Park
- Xeriscape Botanical Garden

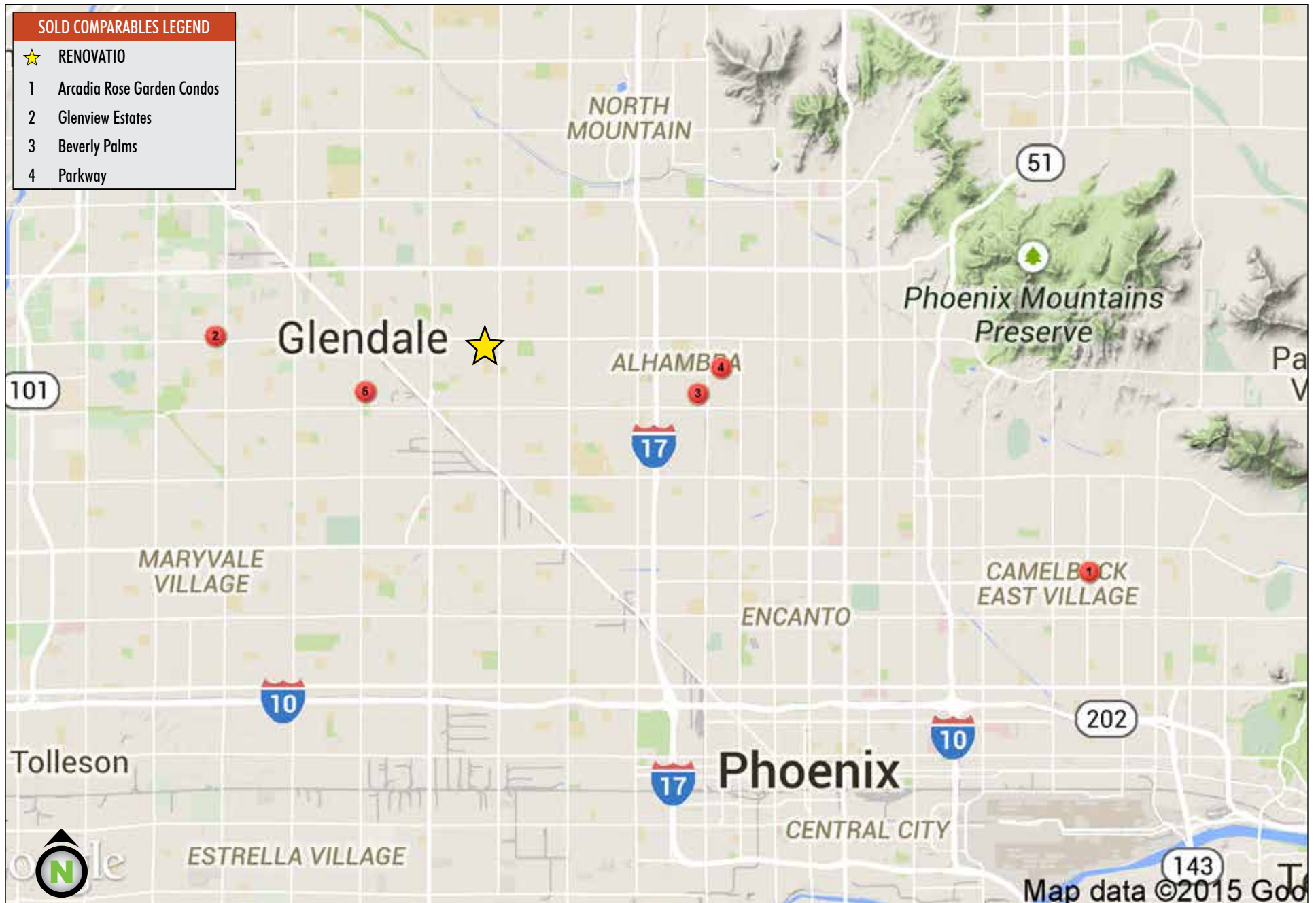


Open
HOUSE









SALES COMPARABLES

Sales Comparable Map



Sales Comparables

	PROPERTY	YEAR BUILT	UNITS	PRICE	\$/UNIT	\$/SF	SALE DATE
	 RENOVATIO 6741 North 45th Avenue Glendale 85301	1965	30	\$1,900,000	\$63,333	\$77	N/A
1	 ARCADIA ROSE GARDEN CONDOS 3445 North 36th Street Phoenix 85018	1969	30	\$1,800,000	\$60,000	\$71	1/29/2015
2	 GLENVIEW ESTATES 7012 North 76th Avenue Glendale 85303	1964	32	\$1,900,000	\$59,375	\$78	12/30/2014
3	 BEVERLY PALMS 1942 West Berridge Lane Phoenix 85015	1961	12	\$770,000	\$64,167	\$71	11/25/2014
4	 PARKWAY 6516 North 17th Avenue Phoenix 85015	1964	16	\$960,000	\$60,000	\$72	4/8/2014
TOTALS/AVERAGES		1965	24	\$1,466,000	\$61,375	\$74	

Sales Comparable Map



RENOVATIO
6741 North 45th Avenue
Glendale 85301



UNITS	30
YEAR BUILT	1965
SALE DATE	TBD
UNIT SIZE AVERAGE (±SF)	818
PRICE	\$1,900,000
PRICE PER UNIT	\$63,333
PRICE PER SQUARE FOOT	\$77
COMMENTS	Conventional Sale

LENDER	N/A
LOAN AMOUNT	N/A
LOAN-TO-VALUE	N/A

UNIT TYPE	# UNITS
2 Bed/1 Bath	28
3 Bed/1 Bath	2
TOTAL	30

1 **ARCADIA ROSE GARDEN CONDOS**
3445 North 36th Street
Phoenix 85018



UNITS	30
YEAR BUILT	1969
SALE DATE	1/29/2015
UNIT SIZE AVERAGE (±SF)	839
PRICE	\$1,800,000
PRICE PER UNIT	\$60,000
PRICE PER SQUARE FOOT	\$72
COMMENTS	Conventional Sale, Brokered by CBRE

LENDER	Seller Financing
LOAN AMOUNT	\$1,580,000
LOAN-TO-VALUE	87.78%

COMPARISON TO SUBJECT PROPERTY	
QUALITY/AMENITIES	Similar
LOCATION	Superior
OVERALL COMPARABILITY	Similar

UNIT TYPE	# UNITS
2 Bed/1 Bath	28
3 Bed/2 Bath	2
TOTAL	30

2 **GLENVIEW ESTATES**
7012 North 76th Avenue
Glendale 85303



UNITS	32
YEAR BUILT	1964
SALE DATE	12/30/2014
UNIT SIZE AVERAGE (±SF)	765
PRICE	\$1,900,000
PRICE PER UNIT	\$59,375
PRICE PER SQUARE FOOT	\$78
COMMENTS	Conventional Sale, Brokered by CBRE

LENDER	First Tech Federal Credit Union
LOAN AMOUNT	\$1,150,000
LOAN-TO-VALUE	60.53%

COMPARISON TO SUBJECT PROPERTY	
QUALITY/AMENITIES	Inferior
LOCATION	Similar
OVERALL COMPARABILITY	Similar

UNIT TYPE	# UNITS
1 Bed/1 Bath	1
2 Bed/1 Bath	30
3 Bed/2 Bath	1
TOTAL	32

Sales Comparables

3 BEVERLY PALMS
 1942 West Berridge Lane
 Phoenix 85015


UNITS	12
YEAR BUILT	1961
SALE DATE	11/25/2014
UNIT SIZE AVERAGE (±SF)	900
PRICE	\$770,000
PRICE PER UNIT	\$64,167
PRICE PER SQUARE FOOT	\$71
COMMENTS	Conventional Sale, All Cash Transaction

LENDER	N/A
LOAN AMOUNT	N/A
LOAN-TO-VALUE	N/A
COMPARISON TO SUBJECT PROPERTY	
QUALITY/AMENITIES	Inferior
LOCATION	Superior
OVERALL COMPARABILITY	Similar

UNIT TYPE	# UNITS
2 Bed/1 Bath	12
TOTAL	12

4 PARKWAY
 6516 North 17th Avenue
 Phoenix 85015

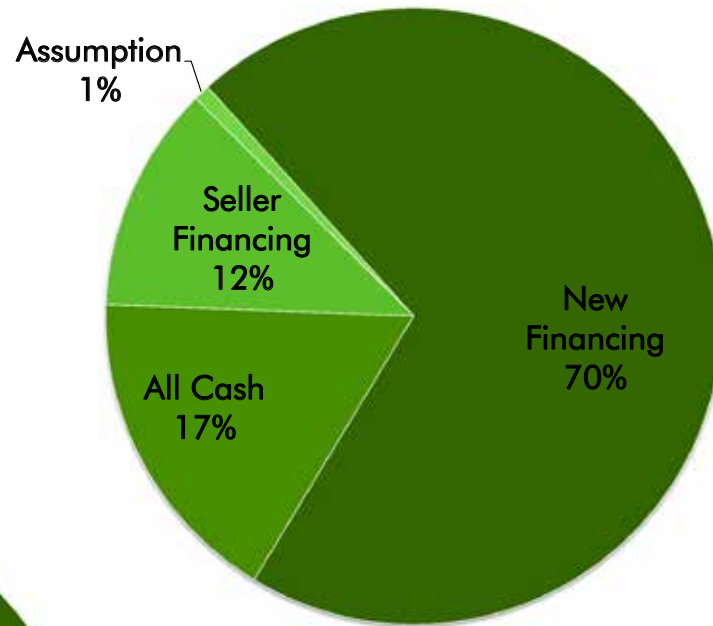

UNITS	16
YEAR BUILT	1964
SALE DATE	4/8/2014
UNIT SIZE AVERAGE (±SF)	831
PRICE	\$960,000
PRICE PER UNIT	\$60,000
PRICE PER SQUARE FOOT	\$72
COMMENTS	Conventional Sale, Brokered by CBRE

LENDER	Seller Financing
LOAN AMOUNT	\$597,000
LOAN-TO-VALUE	62.19%
COMPARISON TO SUBJECT PROPERTY	
QUALITY/AMENITIES	Inferior
LOCATION	Superior
OVERALL COMPARABILITY	Similar

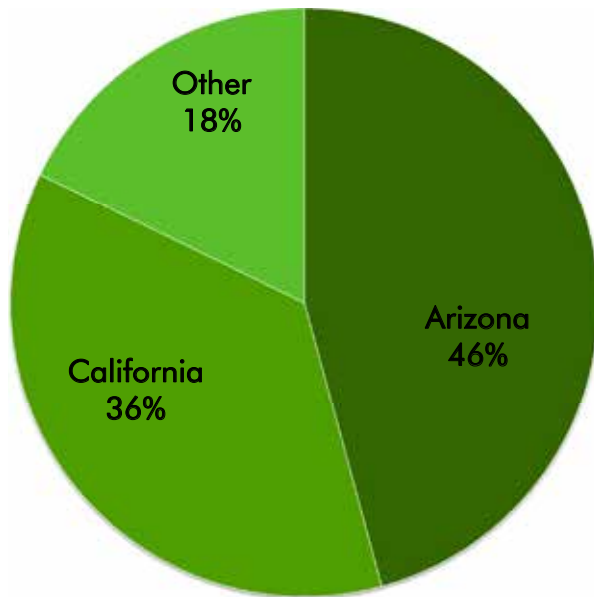
UNIT TYPE	# UNITS
1 Bed/1 Bath	4
2 Bed/1 Bath	12
TOTAL	16

2014 Metropolitan Phoenix Multifamily Transaction Composition

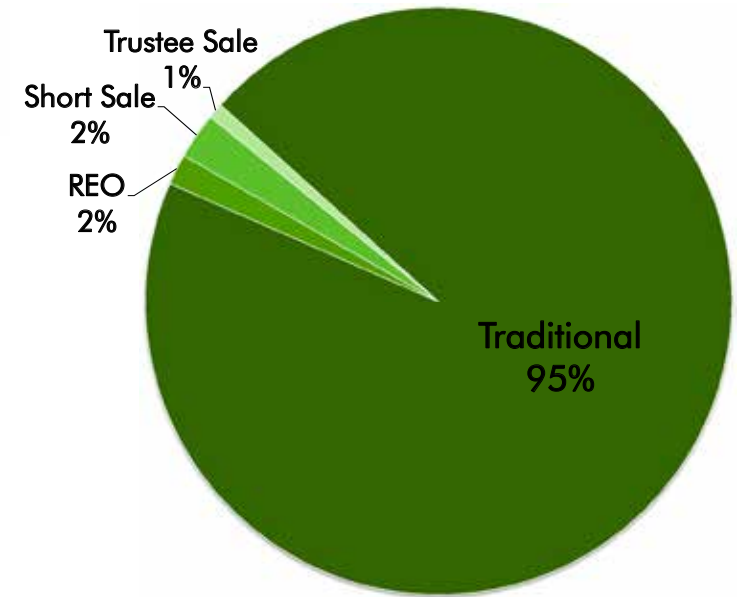
DEBT STRUCTURE COMPOSITION



BUYER STATE



TRANSACTION COMPOSITION





3

CAUTION
SHALLOW
WATER
NO DIVING





MARKETING OVERVIEW

MARKETING STRATEGY

The CBRE Team is uniquely qualified to manage the marketing and sales process for Renovatio and has the local expertise, proven track record and an international platform to deliver superior results. We are confident we will provide the ownership with the best representation in the market and achieve the highest value in the most efficient manner.

In marketing Renovatio, our strategy is as follows:

1. How do we position the asset in the market?

Renovatio presents an opportunity to acquire a mid-sized, multi-family asset which is priced below replacement cost and located in a submarket that will see above market rent growth over the next two years.

2. Who are the likely buyers based on recent marketing activity?

Local and out-of-state private capital seeking stabilized assets with in-place and additional value-add potential.

3. How can CBRE collaborate with the Capital Markets Group to provide a full range of financing opportunities for a potential buyer?

In order to increase the yield in the early recovery years, CBRE and several independent mortgage brokers will provide an array of financing options including capped ARM, five, seven and ten year financing structures.

4. What is the broadest distribution that would expose the asset to the most likely and qualified buyers and how is the distribution strategically executed to maximize pricing?

It is important to provide a broad distribution as well as work previous call lists to maximize exposure of the asset to investors. The combination of a broad distribution through an eTeaser (and subsequent access to Document Center and full OM) as well as a targeted call list approach will allow CBRE to capture known active investors as well as identify new investor interest from outside the Phoenix market, who are now looking for assets in Phoenix

OPERATION	SUBMARKET	TARGETING BUYERS
<ul style="list-style-type: none"> • Highlight the Overall Quality and Design of the Asset • Income <ul style="list-style-type: none"> • Market Rents - Consistent with submarket • Rent Comparables • Concessions - Related to concession reduction • Future Rent Growth • Expenses <ul style="list-style-type: none"> • Controllable (suggest reduction in controllable expenses) • Taxes 	<ul style="list-style-type: none"> • Multifamily Overview • Metro Rental Growth Trends • Occupancy Trends • Submarket • Rent Growth and Comparables • Sale Comparables <ul style="list-style-type: none"> • Current Sales • Peak Sales • Economic Impact of Development <ul style="list-style-type: none"> • Surrounding Land Uses • What's in the Pipeline • New Construction Feasibility 	<ul style="list-style-type: none"> • Broad based distribution to 13,000 investors • Specific targeted group based on previous offer activity for recent comparable assets • Review potential additional investors from national database of multifamily investors bidding on a monthly basis • Real-Time Conversations – Having now concluded the sale of Arcadia Rose Garden, Glenview Estates, and Parkway afforded the CBRE team detailed conversations with virtually every active midsize investor and capital source in the western United States. The CBRE Team has an excellent understanding of the targeted market and investment objectives. We would leverage those relationships as many of the groups bidding on these assets would be excellent candidates for Renovatio • Consult CBRE Capital Markets Group and independent mortgage brokers – for exposure to financing options

MARKETING PROCESS

The CBRE marketing process is executed over approximately eight weeks. Proven to obtain the greatest number of offers, we take into account the amount of time most investors need to secure committed capital and travel to tour the property. Renovatio would have a comprehensive marketing process as follows:

1. MARKETING MATERIALS
2. DISTRIBUTION PROCESS
3. PROPERTY AND MARKET TOURS

MARKETING MATERIALS

Our personalized and superior marketing collateral includes a marketing brochure, offering memorandum and property website. They will highlight the following details:

- Investment highlights
- Comprehensive overview section of the submarket
- Extensive property photographs
- Custom maps
- Financial section providing a detailed explanation of the underwriting for revenue, expenses, and cash flow projection
- Sales comparables
- Rent comparables

Unit Mix Summary

Unit Type	# of Units	Unit Size	# of Units	Max. Rent	Max. Rent	Max. Rent
1 Bed/1 Bath	30	1,175	30	1,100	1,100	1,100
1 Bed/2 Bath	0	1,475	0	1,775	1,775	1,775
1 Bed/2 Bath	14	1,100	14	1,100	1,100	1,100
2 Bed/2 Bath	0	1,475	0	1,775	1,775	1,775
TOTAL MARKET	30	1,175	30	1,100	1,100	1,100

*2 Units have not been constructed and cost for \$550

EXECUTIVE SUMMARY

Pro Forma Income & Expense Summary

Category	Annual	Per Unit
REVENUE		
RENT REVENUE	\$36,750	\$1,225
PROPERTY TAXES	\$2,400	\$79
UTILITIES	\$2,100	\$69
OPERATING EXPENSES	\$10,800	\$360
DEPRECIATION	\$1,050	\$35
NET OPERATING INCOME	\$20,400	\$680

INVESTMENT DRIVERS

Investment Drivers

Overlows Placem is home to many of the major cultural venues in Arizona, including the Phoenix Art Museum, the Heard Museum, the Arizona Science Center, the Children's Museum, the Herberger Theater, the Valley Youth Theater, Camelback Theater and the Orpheum Theater. It is also home to Chase Field, home of the Arizona Diamondbacks MLB team and the US Airways Center, home court for the NBA Phoenix Suns and the WNBA Phoenix Mercury. Each arena also hosts numerous concerts and other events during the year. Overlows is also in center of great art galleries and another performance venues.

Camelback Road leading west to downtown Scottsdale has in recent years, high-end shops, with numerous restaurants and bars. Residents can take or bike along an extensive network of trails in the immediate vicinity, including the extensive Pinnacle Peak area of the Phoenix Mountain Preserve, Camelback Mountain and along the Arizona Canal.

TRANSPORTATION

Overlows is well-served by Camelback Road and I-17. The nearest bus stop is located at the intersection of Camelback Road and I-17. The nearest light rail station is located at the intersection of Camelback Road and I-17.

OSBORN PLACE

30-UNIT GARDEN-STYLE APARTMENT COMMUNITY

1474 EAST OSBORN AVENUE
PHOENIX, AZ 85014

CBRE

SALES COMPARABLES

DISTRIBUTION PROCESS

The primary objective of our process is to expose the asset to the maximum number of buyers thus identifying the aggressive capital that can perform according to the ownership terms and time frame.

- We begin with a broad distribution (launch) to national, regional and local investors through an e-mail teaser that highlight the asset.
- Within two weeks following the marketing launch, a second e-mail teaser launch is sent to insure maximum exposure to the investment community.
- Registered investors receive access to the Document Center containing the offering memorandum and property financials.
- We will provide biweekly updates via conference call and marketing reports, which identify all prospects interested in the property and investor feedback.
- Once the potential investors are identified, each will be contacted, presented the comprehensive offering materials and scheduled for a property tour.

PROPERTY AND MARKET TOURS

Prior to property and market tours, preparation will occur for strategic positioning the property in the best light. To maximize value, a vital key to the marketing process is controlling investor perception of the property. We maintain control in a number of ways.

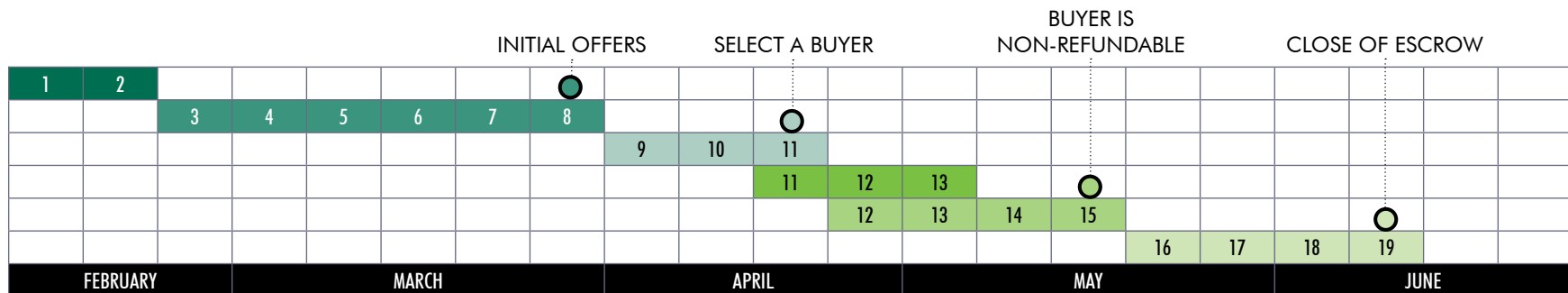
- Physical tour of the property by a qualified, knowledgeable broker.
- Market reputation
- Visits to the competing properties
- Reviews posted on the internet



MARKETING STRATEGY

The overriding goal for CBRE on this assignment will be to maximize value for the ownership through the successful disposition of Renovatio. We will achieve this goal within an agreed-upon time frame. Our approach includes hands-on management throughout our underwriting, marketing and execution processes. These proven processes will maximize exposure to targeted investors, ensuring that the most qualified buyer is selected. We are able to further add value and promote certainty of close by matching buyers with financing opportunities. Below we have outlined our proposed project timeline.

MARKETING TIMELINE







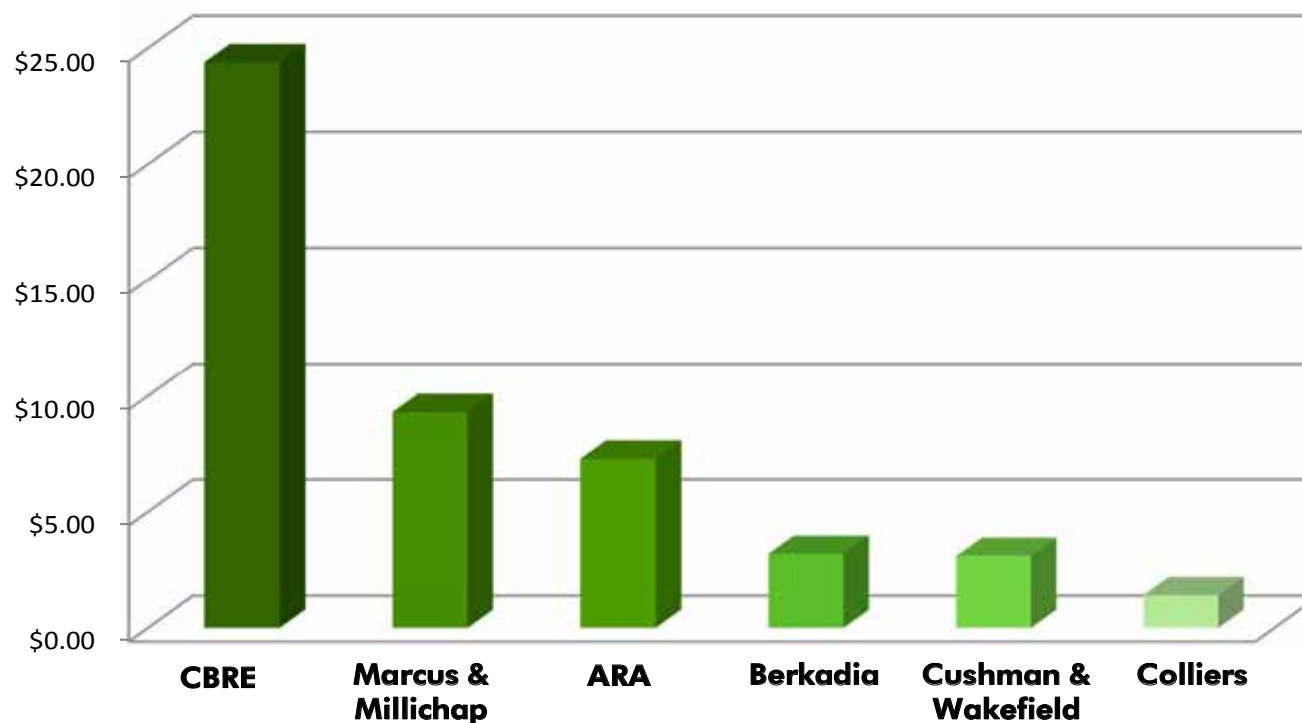
TEAM OVERVIEW

Benefits of CBRE National Platform

With the most powerful platform in the industry, the CBRE Multi-housing Group has become the largest facilitator of multi-housing capital transactions in the United States. In terms of total dollar volume, CBRE has completed more multi-housing property transactions than any other brokerage firm in the United States since 1995. With professionals in every major market worldwide, CBRE provides clients with access to the most sought-after apartment transactions across the nation.

The CBRE Multi-housing Group on a national basis has marketed more multifamily assets than any other service provider. The CBRE Team has personal relationships with the other CBRE Teams in all major MSA's and access to their list of active bidders.

**2014 Multi-Housing Investment Sales
as Reported by Real Capital Analytics (in billions)**



CBRE Advantage

SPECIALIZATION

- Market leaders for B and C quality assets/Leverage recent assignments
- Over 30 years of combined experience focused solely on the sale of B/C class multi-family properties/Relationships and track record
- Importance of assignment

COMMITMENT TO CLIENT

- Providing the highest quality representation in the market offering value-add brokerage
- Advocate for the property and the client
- Hands on detailed approach from launching the listing to post closing

MARKETING DEPTH

- Investment Properties Group international exposure and direct access to over 15,000 metro Phoenix multifamily investors
- Locate first time capital with the resources in-place to expedite the “learning curve” of a new market
- Cooperation with outside brokers (nearly 1/3 of 2014 transactions were with cooperating brokers)

RESULTS

- 35 closed transactions closed in 2014 with 24% market share year-to-date
- Consistently the #1 brokerage team in transaction velocity and volume/22% market share 2011-2013



Investment Property Group's Winning Strategy

FASTER
TO MARKET

- Asset to market in less than one week
- E-mail broadcast to local and out-of-state buyers; supplemented with flyers and postcards
- Customized website and domain name
- Expedient production of innovative marketing materials

FURTHER
TO INVESTORS & BROKERS

- Over 120,000 investors and 35,000 agents in the shared national database
- 1031 Exchange Buyer Network
- International Investor Database
- Local, Regional, and National Advertising
- CBRE Network of Services

HIGHER
VALUE & PRICING

- Extensive exposure creates maximum activity and results in the optimum value to the Seller
- Unequaled access to "top tier" buyers

UNCERTAIN TIMES **CREATIVE SOLUTIONS**

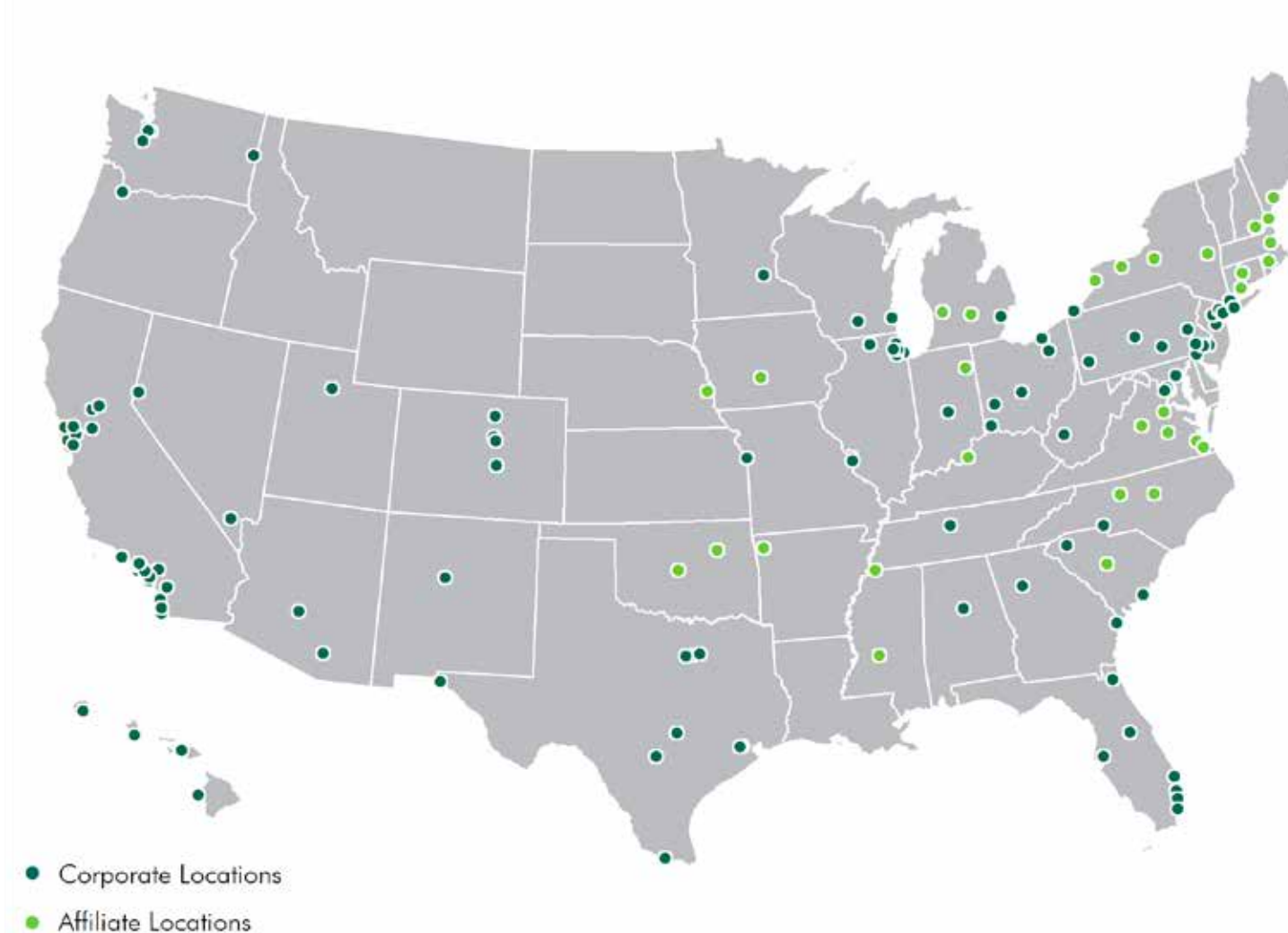
CBRE Has Answers! Investment Properties' professionals leverage internal experts across the CBRE platform empowering private investors to maximize value and mitigate risk in today's choppy and fluctuating market. The suite of CBRE real estate services include:

- Appraisal
- Construction Management
- Leasing
- Loan Sales
- Financing
- Property Management
- Property Tax Appeals
- Receivership Services
- Asset Repositioning

CBRE Presence

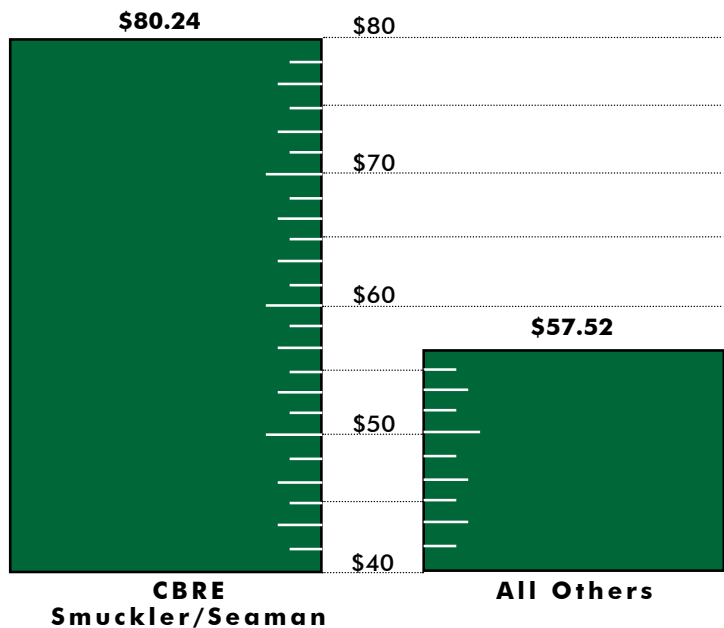
INVESTMENT PROPERTIES' PRESENCE

CBRE Investment Properties is dedicated to serving the unique, highly specialized needs of private real estate investors and ensuring they receive the maximum return on their investment. With over 90 teams located in 53 markets across the US, we approach the intricacies of any market with a global perspective. This enables us to help investors identify untapped opportunities in the marketplace as well as take advantage of emerging trends in the early states of their lifecycle.



CBRE vs. Others

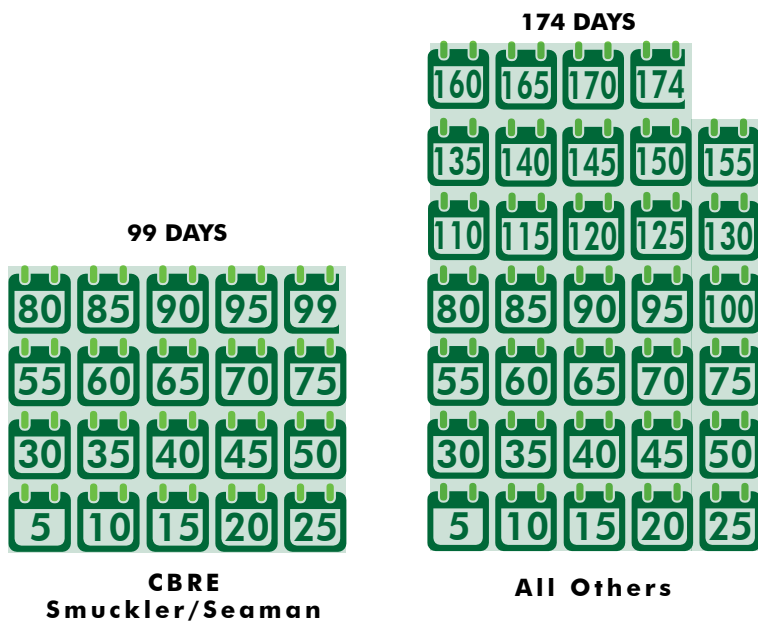
PRICE PER SQUARE FOOT



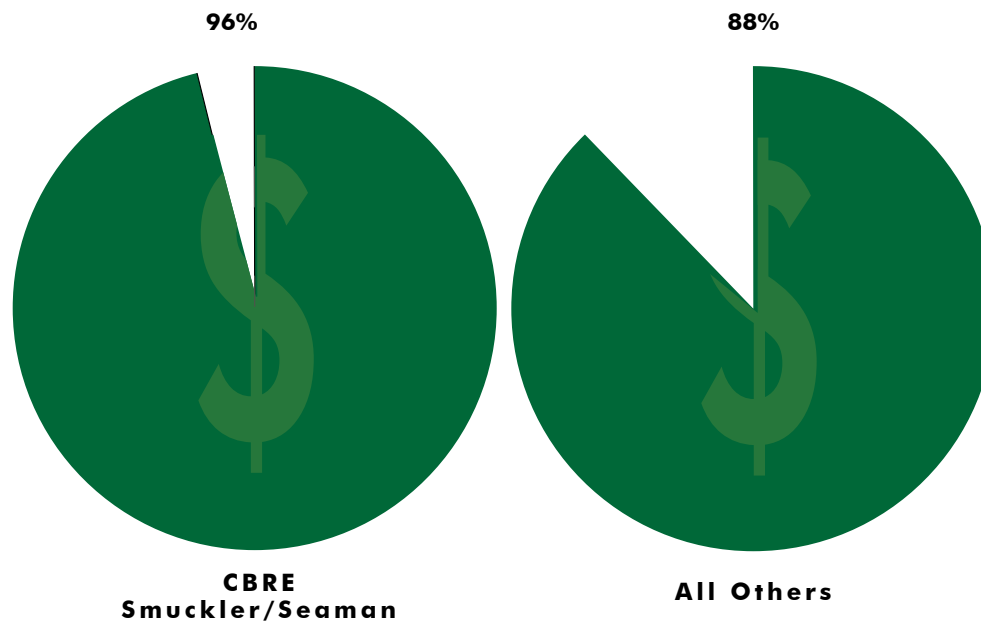
PRICE PER UNIT



AVERAGE DAYS ON MARKET

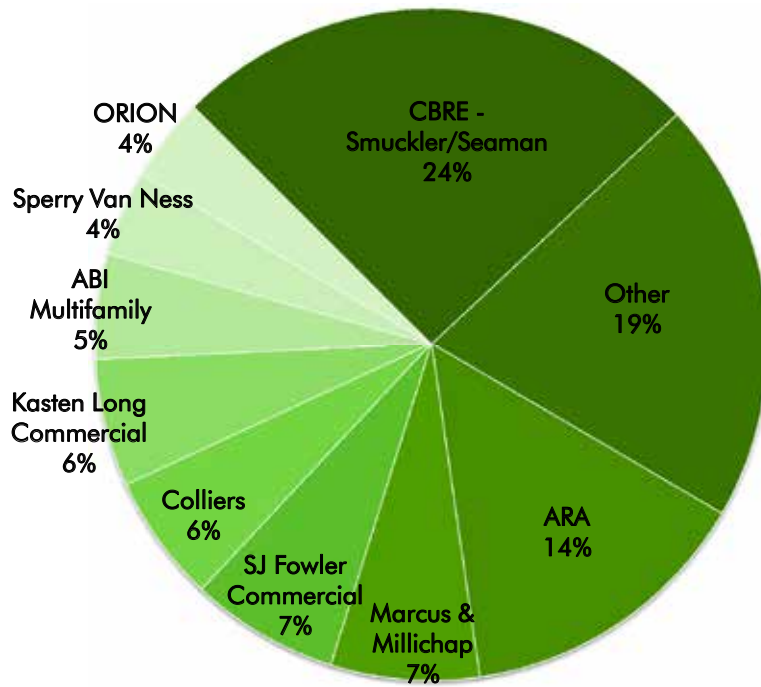


PERCENT SOLD PRICE TO LIST PRICE

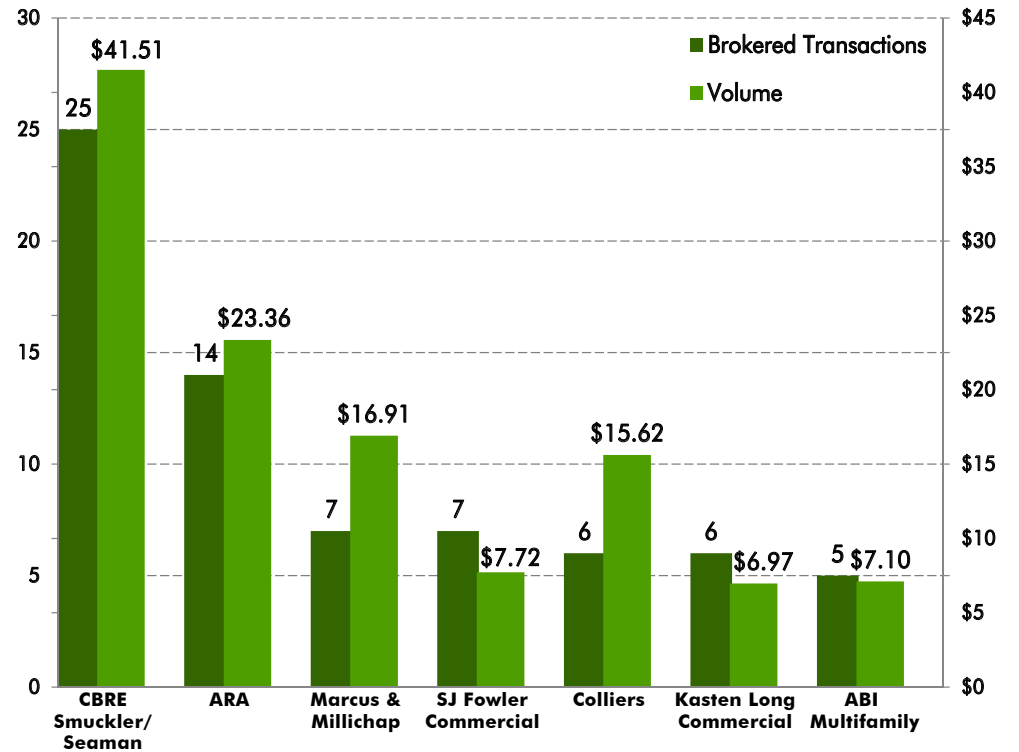


2014 Metropolitan Phoenix Multifamily Brokerage Comparison | 15-100 Unit Communities

MARKET SHARE

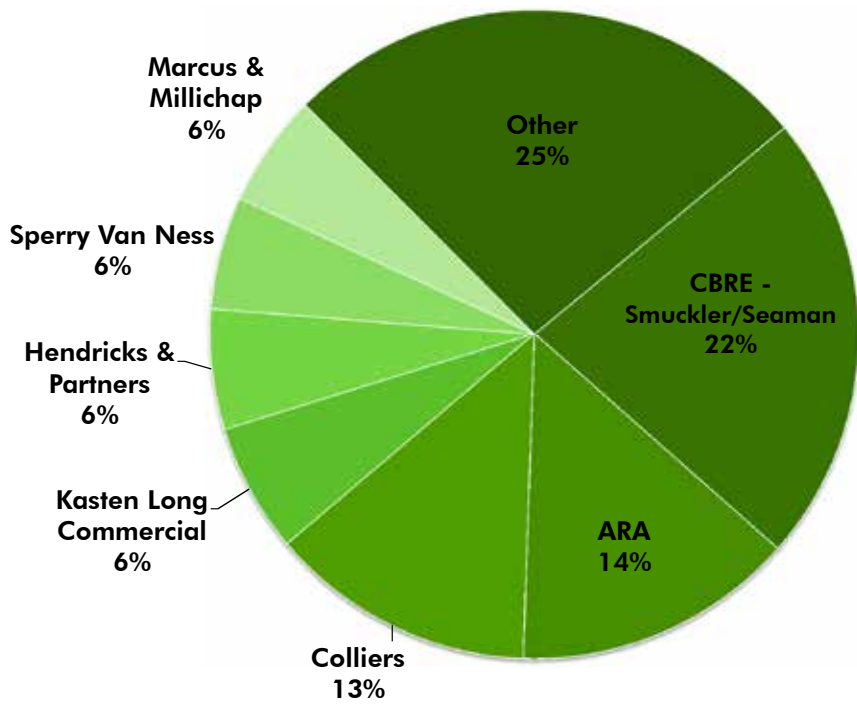


BROKERAGE TRANSACTION/VOLUME COMPARISON



2011- 2013 Metropolitan Phoenix Multifamily Brokerage Comparison | 15-100 Unit Communities

MARKET SHARE



BROKERAGE TRANSACTION/VOLUME COMPARISON



Team Profile and Accomplishments



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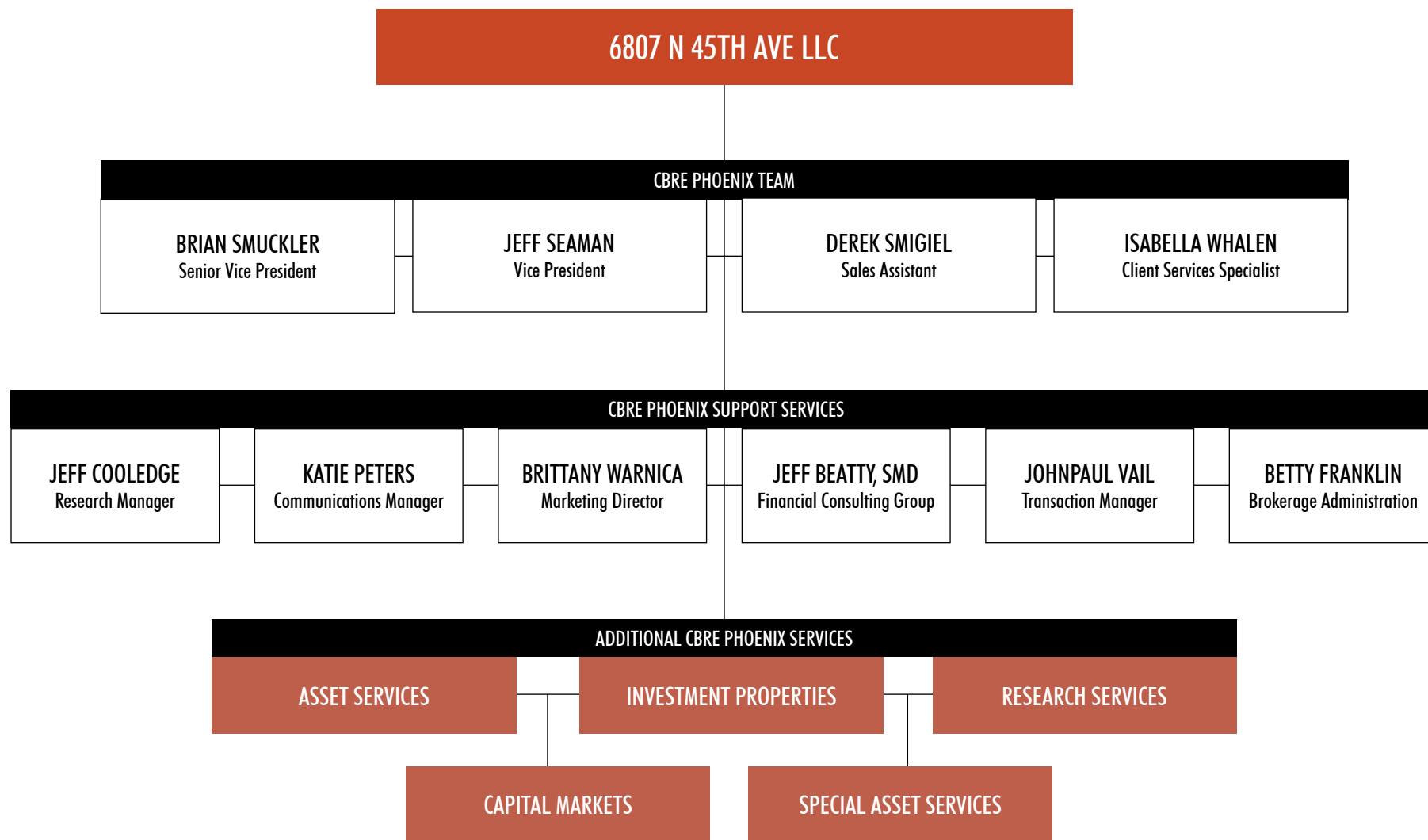
Professional Affiliations

- VOS 20/30
- CBRE Women's Network

ACCOMPLISHMENTS

- Over 30 years experience in the Phoenix apartment market
- Over 350 transactions closed
- Over \$650 million in total sales
- 4 closed transactions through January 2015
- 35 closed transactions 2014
- 29 closed transactions 2013
- 23 closed transactions 2012
- 31 closed transactions 2011
- 34 closed transactions 2010
- 96% career list price to close price
- Top producing apartment group in the mid-size metro Phoenix apartment market in 2013, 2012, 2011, 2010, 2009, 2008, 2007 and 2006
- National achievement awards 2004-2007
- Sales recognition awards 1999-2009

Group Organizational Chart



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Caliber Companies
California Credit Union
Cal-Pac Capital Advisors
Capital One
City National Bank
Cohen Financial
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CW Capital Asset Management
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First Financial Bank
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Hanson Capital Group
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JP Morgan Chase & Co.
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Meridian Bank
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Pacific Western Bank
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Union Bank of California
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