



NEWTOWN CROSSING
359 Foreman Avenue, Lexington, KY



OLDE TOWNE UNIVERSITY SQUARE
1744 North Westwood Avenue, Toledo, OH



PENINSULAR PLACE
1000 North Huron River Drive, Ypsilanti, MI

Price: \$112,340,000

NEWTOWN CROSSING	858 Beds	University of Kentucky
OLDE TOWNE UNIVERSITY SQUARE	550 Beds	University of Toledo
PENINSULAR PLACE	479 Beds	Eastern Michigan University

- » All properties are within 1/4 mile of campus.
- » Property sites are irreplaceable in high barrier to entry, infill locations.
- » All three properties are the premier student housing communities at each university.
- » Average occupancy for the 2005/2006 school year is over 99%.
- » Pre-lease for the 2006/2007 school year as of May averages over 90%.
- » All properties are newly constructed having been finished in 2005.
- » Full amenity package with resort-style pools, private theaters, large fitness center, tanning beds, washer-dryer in each unit, recreation rooms and computer labs.

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Newtown Crossing



Olde Towne University Square



INTERIOR AMENITIES

- » Private Bedrooms
- » Fully Furnished
- » 9-Foot Ceilings
- » Dishwasher & Microwave
- » Refrigerator with Icemaker
- » Full-Size Washer & Dryer
- » High-Speed Internet in Each Bedroom
- » Basic Cable in Each Bedroom & Living Room
- » Sound Dampening Measures Have Been Taken in the Bedroom Walls
- » Locks on All Bedrooms
- » Smoke Detectors in Each Bedroom
- » Panic Alarm Buttons in Each Bedroom and Common Area
- » Fire Activated Sprinkler Systems

COMMON AREA AMENITIES

- » Large, Well-Equipped Fitness Center
- » Clubhouse with Theater, Group Study & Social Interaction Areas
- » Free Tanning Beds
- » Resort-Style Pool
- » Volleyball & Basketball Court
- » Outdoor Grills
- » Luxurious Landscaping
- » Car Wash

Peninsular Place



PROPERTY DESCRIPTION

Newtown Crossing, Olde Towne University Square and Peninsular Place are the premier luxury student housing communities serving University of Kentucky, University of Toledo and Eastern Michigan University, respectively. Each property is within ¼ mile of campus and enjoys a superior location compared to their competition. There exists no undeveloped land closer to campus for future competition. The property's infill locations and barriers to entry for competitive properties within one mile of campus protect the long term appreciable value of each asset.

Each community is a three-story, wood-framed structure with masonry and vinyl siding, built on a foundation consisting of poured reinforced concrete/perimeter footings and column pad, with pitched roofs of built-up composition shingle covering.

Units are fully furnished with a kitchen table and chairs, bar stools, sofa, love seat, coffee table, end table, lamp and entertainment center. Each bedroom includes a bed, dresser, night stand, lamp, desk and chair. Kitchens feature electric appliances including a range/oven, frost-free refrigerator, dishwasher and garbage disposal. All units also include a washer/dryer set.

NEWTOWN CROSSING – UNIVERSITY OF KENTUCKY

Newtown Crossing contains 332 units and 858 beds, encompassing 313,490 rentable square feet. It is located roughly three blocks from campus. Residents can reach the University of Kentucky's College of Business with a brief 8 minute walk.

Newtown represents the market's best student housing option in terms of proximity to campus, unit size, amenity package, quality of construction and age. The community is able to command the highest rental rates in the market while maintaining occupancy over 99%

Enrollment at University of Kentucky was the highest in its history, at 26,682 students for the Fall 2005 school year. This figure does not include the Chandler Medical Center and Lexington Community College, both of which are found on the UK-Main Campus and contribute roughly 10,000 more students. On campus dorm housing can only accommodate approximately 5,800 students.

University of Kentucky's 687-acre campus is adjacent to vibrant downtown Lexington, named one of America's top-20 places to live and work by Employment Review magazine. UK offers 88 certified degree programs that lead to bachelor's degrees, master's degrees in 93 fields, and Ph.D.s and other doctoral degrees in 60 programs. More than 300 campus organizations contribute to a well-rounded college experience for students.

Students represent 117 countries, all 50 states, and every county in Kentucky. 2005-2006 tuition and fees for undergraduate Kentucky residents were \$5,812 per year and \$12,798 per year for non-residents. In Fall 2005, minority and international students at UK comprised 18% of the overall headcount. UK has been rated as one of the 100 best colleges for African-American students. Over 10,000 full-time employees work at the university, including nearly 2,000 faculty members. UK is one of only seven universities in the U.S. that have programs in agriculture, engineering, law, medicine, and pharmacy on a single campus.

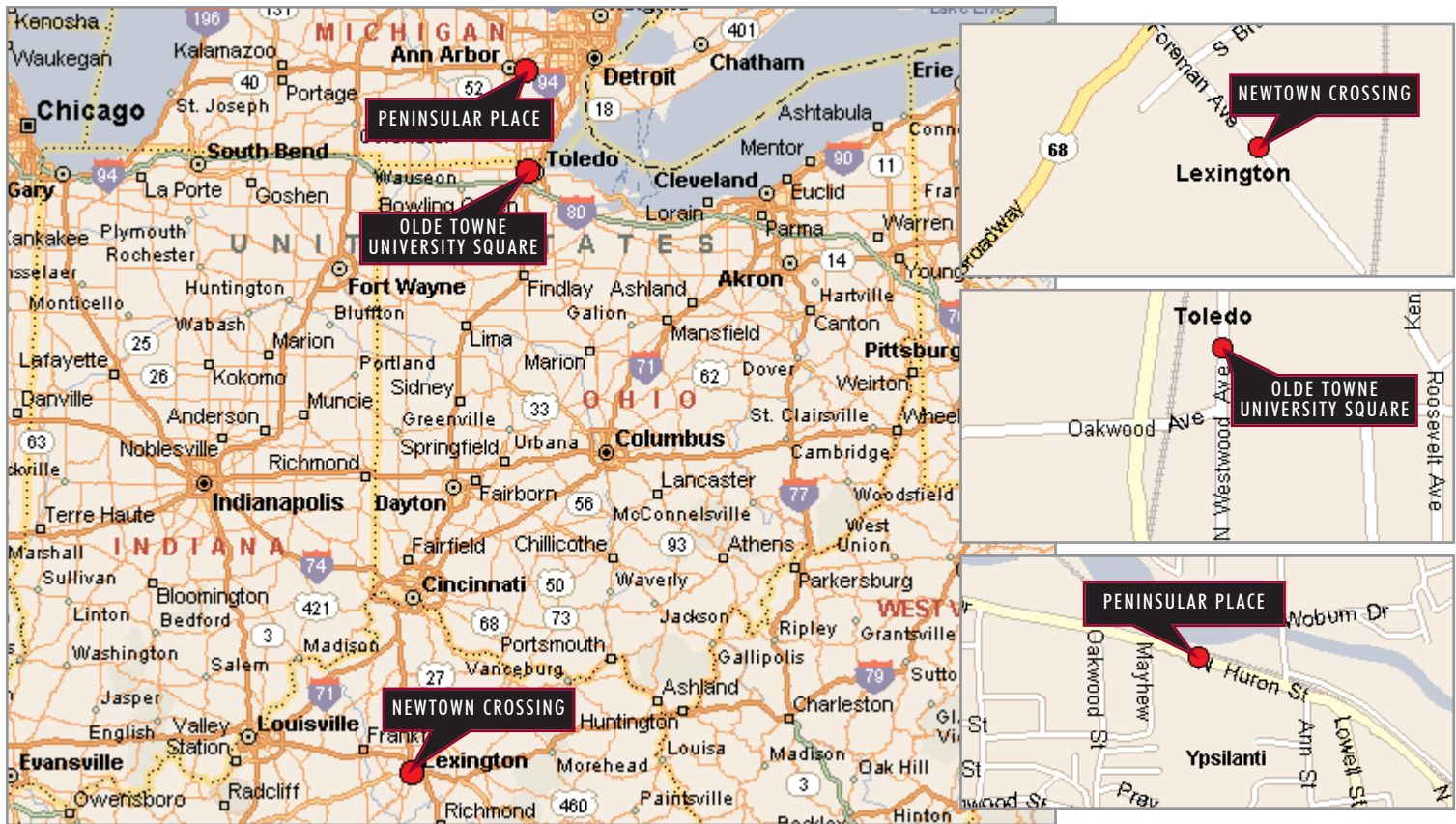
OLDE TOWNE UNIVERSITY SQUARE – UNIVERSITY OF TOLEDO

Olde Towne University Square totals 226,888 rentable square feet with 224 units and 550 beds. The property is adjacent to University of Toledo's College of Engineering and is located on the east side of Douglas Road immediately across from the main campus.

Olde Towne's location affords it the distinction of being the closest student housing community to campus. The property further benefits from its superior construction qualities, amenity package and age. The majority of the off-campus housing available to students is over ten years old. The limited competition that Olde Towne faces all average over 95% in occupancy and, while charging the highest rents in the market, Olde Towne was 95% pre-leased for the 2006-2007 school year by April 20th.

Founded in 1872, the University of Toledo is a nationally recognized, public university serving more than 19,000 students from throughout Ohio, the U.S., and 98 countries. The University of Toledo provides on campus housing for 4,100 students. The estimated annual fees for full time undergraduate students

LOCATION MAP



are \$7,478 for Ohio residents and \$16,290 for non-residents. The University is proud to be one of the largest employers in northwest Ohio. University of Toledo offers more than 250 programs of study in eight colleges.

» College of Arts & Sciences
» College of Business
» College of Education
» College of Engineering
» College of Health and Human Services
» University College
» College of Pharmacy
» College of Law

For three consecutive years, UT has been named one of "America's most wired colleges" by Yahoo! Internet Life magazine.

Centennial Mall, the picturesque lawn area in the heart of campus, is one of the "100 most beautifully landscaped places in the country," according to the American Society of Landscape Architects. Only 22 college campuses are on the list.

Built in 1990, the Student Recreation Center was touted as one of the best of its kind in the nation by USA Today.

PENINSULAR PLACE – EASTERN MICHIGAN UNIVERSITY

Peninsular Place has 479 beds in 184 units totaling 195,199 rentable square feet. The property is located less than ¼ mile from the Eastern Michigan University main campus. The property has frontage on the north side of Huron River Drive, while the University is located across the street on the south side of Huron River Drive.

Peninsular Place is superior to every other student housing community serving Eastern Michigan University. Throughout the market, all of the student housing supply is over fifteen years old. The newest property in this market was constructed in 1988. These older properties have few on-site amenities and lack the modern conveniences offered at Peninsular Place.

Eastern Michigan University's 800 acre campus is located in historic Ypsilanti, about 10 miles east of Ann Arbor, 40 miles west of Detroit and just 20 minutes from Detroit Metropolitan Airport. The University currently serves nearly 24,000 students who are pursuing undergraduate, graduate, specialist, doctoral and certificate degrees in the arts, sciences and professions. The students represent 45 states and 93 foreign countries. In all, more than 400 undergraduate and 167 graduate majors, minors and concentrations are delivered through the university's six academic colleges.

» College of Arts and Sciences
» College of Business
» College of Education
» College of Health and Human Services
» College of Technology
» Graduate School

Recent University honors include EMU's College of Business being designated by Princeton Review as one of the nation's 143 most outstanding business schools; and the College of Education's recognition by US News and World Report for its long tradition of producing outstanding educational personnel. The University is proud of the fact that it was the first state supported institution to admit women, and that it is consistently cited by US News and World Report for its commitment to diversity.

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Peninsular Place - 1000 North Huron River Drive | Ypsilanti, MI

PROPERTY INFORMATION

Number of Beds	1,887
Number of Units	740
Year Constructed	2005
Type of Buildings	Three-Story, Garden-Style Buildings
Metering	Electric - Individual Water - Master
HVAC	Individual Electric-Fueled Forced-Air Furnace and Central Air Conditioning
Hot Water	Individual Electric
Roofs	Pitched with Built-Up Composition-Shingle Covering
Exterior	Wood-Frame with Masonry and Vinyl Siding and Trim

INVESTMENT INFORMATION

Price	\$112,340,000
Price / Bed	\$59,534
Price / SF	\$152.72
Pro Forma Cap Rate	6.81%
Loan Amount	\$71,000,311
Down Payment	\$41,339,689
Interest Rate	5.65%
Amortization	30-Year
Monthly Loan Payments	\$413,878



PRO FORMA INCOME & EXPENSES

UNIT MIX & RENT SCHEDULE

Beds	Property	Average SF	Total SF	Market Rent	Monthly Market Rent	Annual Market Rent	Rent / SF
858	Newtown Crossing	944	313,490	\$500	\$428,783	\$5,145,396	\$1.37
550	Olde Towne	1,013	226,888	\$499	\$274,263	\$3,291,157	\$1.21
479	Peninsular Place	1,061	195,199	\$511	\$244,900	\$2,938,795	\$1.25
1,887	Average	994	735,577	\$502	\$947,946	\$11,375,348	\$1.29

INCOME

	2006-2007 Pro Forma	Newtown Crossing	Olde Towne University Square	Peninsular Place
Scheduled Market Rent	\$11,375,352	\$5,145,396	\$3,291,157	\$2,938,795
Less: Vacancy (5.00%)	(\$568,768)	(\$257,270)	(\$164,558)	(\$146,940)
Net Rental Income	\$10,806,584	\$4,888,126	\$3,126,599	\$2,791,855
Plus: Fee Income	\$386,307	\$168,584	\$107,499	\$110,224
Plus: Utility Income	\$480,066	\$236,310	\$157,536	\$86,220
Plus: Restaurant Income	\$72,000	\$72,000	\$0	\$0
Plus: Rent Adjustments for Summer / Academic Leases	\$106,689	\$35,586	\$71,103	\$0
Total Operating Income (EGI)	\$11,851,646	\$5,400,606	\$3,462,737	\$2,988,299

EXPENSES

	Per Unit	Per Bed				
Administrative/Land Leases	\$223	\$87	\$164,737	\$103,537	\$33,600	\$27,600
Advertising & Promotion	\$171	\$67	\$126,429	\$57,486	\$36,850	\$32,093
Payroll	\$742	\$291	\$549,400	\$249,000	\$162,400	\$138,000
Repairs & Maintenance	\$656	\$257	\$485,500	\$214,500	\$151,250	\$119,750
Management Fee (4.00%)	\$641	\$251	\$474,066	\$216,024	\$138,509	\$119,532
Utilities / Internet / Cable	\$1,176	\$461	\$869,986	\$356,011	\$324,576	\$189,399
Turnover Costs	\$259	\$101	\$191,316	\$94,840	\$54,520	\$41,956
Real Estate Taxes	\$1,366	\$536	\$1,011,064	\$222,468	\$246,400	\$542,196
Insurance	\$248	\$97	\$183,510	\$81,510	\$56,000	\$46,000
Replacement Reserve	\$191	\$75	\$141,525	\$64,350	\$41,250	\$35,925
Total Expenses	\$5,672	\$2,224	\$4,197,533	\$1,659,726	\$1,245,355	\$1,292,451

Per Bed:	\$2,224	\$1,934	\$2,264	\$2,698
Per Foot:	\$5.71	\$5.29	\$5.49	\$6.62

Net Operating Income	\$7,654,114	\$3,740,880	\$2,217,382	\$1,695,848
Less: Debt Service	(\$4,966,537)	(\$2,278,927)	(\$1,475,415)	(\$1,212,195)
Projected Net Cash Flow	\$2,687,577	\$1,461,953	\$741,967	\$483,653
Cash-on-Cash Return	6.50%	6.50%	6.50%	6.50%

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