



The Wilkinson Group, Inc. (“WGI”) was formed in 1984 to acquire, renovate, reposition and manage apartment communities located throughout the Southeast. Since inception, the company has acquired well over 20,000 apartment units in over 120 properties. The current portfolio includes approximately 6,220 apartment units in 29 properties.

WGI’s investment strategy is straight forward: identify and acquire properties with solvable problems where the company’s acquisition, repositioning and management expertise can be concentrated to improve operations and generate increased cash flow and favorable risk adjusted returns.

WGI focuses on primary and secondary real estate markets throughout the Southeast where it has an existing ownership presence or where favorably priced investment opportunities provide an entrée. Established markets with sound fundamentals and diminished investor attention are emphasized. Priority is given to properties in proven locations that provide current income but have significant value appreciation potential. A typical property will have a motivated seller experiencing solvable problems they are either unwilling or unable to resolve.

BASIC INVESTMENT STRATEGY

Acquire existing properties having current cash flow and significant value appreciation potential, for example:

- Distressed properties – poorly managed, undercapitalized, foreclosed or ownership with immediate liquidity needs,
- Properties that can be acquired at values below total replacement cost,
- Properties located in markets that are fundamentally sound but currently out of favor,
- Properties that can be repositioned through a program of renovation and/or intensive management,

Typical property characteristics:

- Balanced unit mix; functional floor plans; competitive amenity packages,
- Proven location, good visibility and access to transportation and retail services,
- Price significantly reduces risk and provides a margin of safety,
- Leverage WGI’s market presence, experience, and acquisition, renovation, repositioning and management expertise.

A representative sample of WGI’s investment activity and performance results has been summarized below.

PERFORMANCE SUMMARIES Property and Location	Blt	Units	Date		Total Cost	Invested Equity	% IRR	Equity Multiple
			Acquired	Sold				
Brandemere	1984	356	Jan-17	(1)	17,200,000	5,050,000	12.3	1.52
Parkside at Highlands	2015	317	Nov-16	(1)	40,338,000	12,200,000	11.9	2.48
One Midtown, Wilmington, NC	2015	223	Nov-16	(1)	39,235,525	9,892,094	12.4	2.46
Maple Village, Pell City, AL	2005	160	Oct-16	(1)	14,348,250	4,450,504	16.5	2.33
Revival on Main, Kennesaw, GA	2016	252	Aug-16	(1)	45,717,000	12,350,000	12.6	2.53
Retreat at Grande Lake, Brunswick, GA	2001	192	Mar-16	(1)	17,487,500	4,947,500	14.1	2.22
Palm Club, Brunswick, GA	1999	132	Oct-15	(1)	11,595,000	2,875,000	14.3	2.07
Chatham Wood, High Point, NC	1988	208	Aug-15	(1)	10,943,000	3,400,000	16.3	2.47
Andover at Crabtree, Raleigh, NC	1982	368	Jun-15	(1)	26,079,000	6,900,000	28.4	2.17
Legacy at Sandhill, Elgin (Columbia), SC	2008	240	May-15	(1)	23,699,750	6,674,750	14.0	2.18
Villas at Lanier, Gainesville, GA	2004	150	May-15	(1)	7,826,000	2,400,000	32.8	3.14
Eastchester Ridge, High Point, NC	1980	172	Jan-15	(1)	10,125,000	3,450,000	15.9	3.01
Wildwood at Villa Rica, Villa Rica, GA	2003	220	Oct-14	(2)	17,753,500	4,750,000	45.2	2.11
Fox Hollow, High Point, NC	1986	184	Aug-14	(2)	9,422,200	3,429,349	33.5	1.90
Paces Run, Columbia, SC	1987	260	Aug-14	(2)	13,893,700	3,763,700	10.7	1.24
Hickory Falls, Villa Rica, GA	2004	220	May-14	(2)	17,060,000	4,100,000	39.8	2.27
Crossing at McDonough, McDonough, GA	2005	252	Apr-14	Sep-15	20,423,000	6,000,000	39.2	1.56
Estates at Barrington, Macon, GA	1995	176	Jan-14	(2)	12,068,000	3,100,000	31.3	2.06



PERFORMANCE SUMMARIES

Property and Location	Blt	Units	Date		Total Cost	Invested Equity	% IRR	Equity Multiple
			Acquired	Sold				
Andover at East Cobb, Marietta, GA	1984	302	Nov-13	Sep-15	22,560,500	8,100,000	56.5	2.14
Towne Creek, Gainesville, GA	1989	150	Sep-13	(2)	9,350,000	2,850,000	38.0	2.60
Park Place, St. Marys, GA	1988	200	Sep-13	(2)	7,461,700	1,900,000	85.9	5.81
Bridgewater, Duluth, GA	1992	532	Mar-13	Sep-15	42,164,000	13,000,000	36.5	1.97
Rivergate, Goodlettsville, TN	1986	200	Sep-12	Oct-14	9,668,700	3,200,000	47.7	2.15
Preston Mill, Newnan, GA	1999	228	Jun-12	(2)	17,437,500	5,000,000	28.5	2.68
Sugar Mill, Lawrenceville, GA	1998	244	May-12	(2)	21,233,500	6,000,000	22.9	2.36
Falls at Gwinnett, Duluth, GA	1986	520	May-12	Nov-13	26,220,000	8,070,000	54.8	1.91
Lakes at Inverness, Birmingham, AL	1983	801	Sep-11	Jan-15	40,000,000	12,000,000	37.7	2.60
Preston Creek, McDonough, GA	2003	334	Aug-11	Sep-15	21,106,000	6,200,000	18.3	1.82
Pinnacle Place, Hephzibah, GA	1986	120	Apr-11	Oct-16	4,720,000	1,200,000	33.2	3.38
Greenhouse, Roswell, GA	1985	236	Feb-11	Dec-12	10,770,500	3,282,500	59.1	2.27
Woodland Trace, Conyers, GA	1986	376	Dec-09	Aug-13	9,286,900	2,800,000	43.4	3.19
Wood Hollow, Marietta, GA	1984	312	Nov-09	Aug-16	18,850,000	4,600,000	29.4	4.61
Valley Creek, Spartanburg, SC	1973	102	Oct-09	Jan-13	2,845,000	860,000	30.0	2.12
Seven Pines, Alpharetta, GA	1985	360	Jun-09	Jul-11	17,600,000	5,075,000	62.5	2.50
Westchester Square, Greenville, SC	1975	116	Nov-08	Dec-11	5,025,000	1,325,000	22.1	1.71
Shelby Heights, Bristol, TN	1988	100	Aug-08	(2)	3,900,000	1,020,000	47.9	4.81
Cameron Crossing, LaGrange, GA	1987	132	Dec-07	(2)	4,869,100	1,047,600	23.9	5.22
Laurel Crossing, LaGrange, GA	1989	132	Dec-07	(2)	5,002,300	1,074,000	24.6	4.7
Pebble Creek, Taylors, SC	1974	548	Oct-07	Jun-12	17,911,000	7,400,000	34.8	2.28
Redwood/ Rolling Hills Oakridge, TN	1949	452	Sep-06	Oct-16	1,500,000	3,400,000	12.1	2.91
Manhattan, Oakridge, TN	1943	350	Jul-06	Oct-16	8,022,300	3,650,000	7.9	2.20
Breckinridge, Greenville, SC	1972	236	Jan-06	Dec-11	6,090,000	1,290,000	23.4	2.65
Cobblestone, Anderson, SC	1972	136	Jan-06	Aug-14	14,726,261	550,000	14.2	2.60
Country Club, Anderson, SC	1974	180	Jan-06	Aug-14	5,555,000	1,155,000	18.5	3.21
Magnolia Run, Greenville, SC	1974	212	Jan-06	Aug-14	8,022,000	1,722,000	21.2	3.63
Park West, Greenville, SC	1972	359	Jan-06	Oct-11	7,653,000	1,187,000	80.0	3.96
Ashworth on Pelham, Greenville, SC	1972	184	Mar-05	Dec-11	5,313,600	1,163,600	9.5	1.55
Gleneagle, Greenville, SC	1990	192	Dec-03	(2)	8,422,000	1,772,000	20.1	5.60
Greyeagle, Taylors, SC	1991	156	Dec-03	(2)	5,984,000	1,234,500	25.6	6.01
Haywood Pointe, Greenville, SC	1985	216	Dec-03	(2)	9,389,700	1,889,700	18.7	5.80
Grandeagle, Greenville, SC	1977	160	Oct-03	Jan-08	3,325,000	665,000	9.9	1.49
Westwood, Knoxville, TN	1982	256	Jul-01	Dec-06	8,632,000	1,758,600	22.5	2.43
Allandale Falls, Kingsport, TN	1974	369	Jun-01	May-07	10,185,000	1,985,000	35.3	3.25
Plaza Place, North Augusta, SC	1976	120	Apr-01	May-13	2,677,000	584,785	17.4	5.04
Avalon West, Knoxville, TN	1974	217	Jul-00	Dec-06	4,998,000	898,000	42.3	6.07
Falls at Sope Creek IV, Marietta, GA	1982	232	Feb-00	Dec-05	14,742,000	1,111,000	40.1	5.64
The Landings on Silverlake, Church Hill, TN	1984	132	Jan-99	May-07	3,901,000	901,000	8.9	1.62
The Gables, Knoxville, TN	1983	102	Nov-98	Dec-06	2,545,000	534,400	50.6	5.37
Windrush Apartments, Knoxville, TN	1982	129	Nov-98	Dec-06	3,798,200	824,000	46.0	4.16



PERFORMANCE SUMMARIES

Property and Location	Blt	Units	Date		Total Cost	Invested Equity	% IRR	Equity Multiple
			Acquired	Sold				
Crosscreek, Kingsport, TN	1985	280	Nov-98	May-07	10,863,000	2,563,000	13.6	2.65
Woodlands West, Knoxville, TN	1973	462	Oct-97	Dec-06	16,218,000	2,205,000	54.6	5.85

⁽¹⁾ "% IRR" and "Equity Multiple" data presented for this group of the most recently purchased properties are based on WGI's original investment pro forma.

⁽²⁾ Properties in this group have not been sold. The "% IRR" and "Equity Multiple" have been projected based on non-periodic cash flows distributed to date and estimated sale proceeds as of 12/31/16 derived using trailing 12 month NOI, a 7.0% Exit Cap (6.50% if property < 20 years old or significantly renovated) and 2.0% selling cost.



The Wilkinson Companies are a multi-disciplined group of affiliated companies created and organized to generate maximum risk adjusted returns for its partners and investors through investments in apartment communities.

- **The Wilkinson Group, Inc** – formed in 1984, WGI has acquired over 20,000 units in more than 120 properties; combined transaction volume exceeds \$2.0 billion,
 - Core Competencies – acquisitions, due diligence, debt & equity financing, asset management and dispositions,
 - Lender Relationships – Fannie Mae, Freddie Mac, HUD, Atlantic Capital Bank, Cornerstone Bank, Wachovia Bank, Primary Capital, Walker&Dunlop, Prudential, BBVA Compass, CBRE Capital Markets.
- **Wilkinson Real Estate Advisors** – formed in 1985, currently manages over 6,220 units in 29 properties,
 - Core Competencies – property operations, management, leasing, marketing, accounting and reporting,
 - Vendor Relationships – HD Supply, Sears, AT&T, Comcast, RealPage, Inc., Coinmach, Apartment Guide, etc.
 - Affiliations – National Apartment Association, National Multi-Housing Council, State/Local apartment associations.
- **Wilkinson Construction** – formed in 1986 and completed well over \$25,000,000 in renovation and construction
 - Core Competencies – minor rehab, major renovation, project administration & management, due diligence.

Investment Strategy

WGI seeks to identify and acquire properties in proven locations with solvable problems where its core competencies can be concentrated to improve operations and generate increased cash flows and attractive risk adjusted returns.

The company focuses on primary and secondary markets in the southeast where it has an existing ownership presence or where market proximity and access to favorably priced investment opportunities justify new investment. Established markets with sound fundamentals but temporarily diminished investor interest are emphasized. Priority is given to mid-grade or better properties in proven locations that provide current income along with significant value appreciation potential. A typical property will have a motivated seller experiencing solvable problems they are either unwilling or unable to resolve.

Each acquisition target is thoroughly tested to ensure it satisfies WGI's Five Key Acquisition Guidelines.

1. **Good Location:** We seek acquisitions candidates with solid locational characteristics – major employers, employment diversity, growth corridors, revitalizing areas, etc. Good vision and capital can change the appearance of an apartment community - the location is what it is.
2. **Current Yield:** In-place cash flow is a key component of our investment philosophy. High single and low double-digit levered yields in Year 1 are critical to our strategy and allow WGI to utilize the most attractive debt.
3. **Lackluster Management:** Property management is not a commodity business. Good people, practices and technology lead to superior performance. WGI likes to buy properties with third party managers in place and focus on identifying the operational inefficiencies early in due diligence.
4. **Deep Discount to Replacement Cost:** New construction can change market dynamics in a hurry. WGI seeks properties where our total cost basis gives us sufficient cushion in the event new development occurs in our submarket.
5. **Exit Price with Precedent:** Our pro forma model needs to have an exit price that can be substantiated by prior trades. All other Key Acquisition Guidelines may be met, but we will not move forward if our pro forma is predicated on a record sales price in the submarket.



Historically, the Company favored strong secondary markets over primary markets where aggressive capital competition often resulted in unsustainable pricing. Today the company takes advantage of capital dislocations and investor realignment to acquire favorably priced, high quality mid-grade or better properties located in primary and secondary markets in the Southeast.

Investment Criteria

WGI sources investment opportunities directly, through extensive industry contacts, as well as through an established network of brokerage relationships. The company screens hundreds of investment opportunities each year emphasizing properties with the following preferred characteristics.

- **Target Markets** – Primary and secondary southeastern cities possessing relevant demand drivers; markets must be accessible with a “one-day-turnaround” to allow responsive, onsite investment management. Markets of interest include: Atlanta, Nashville, Raleigh-Durham, Charlotte, Charleston, Jacksonville, Orlando, Birmingham, Knoxville, Greenville, Huntsville and Montgomery.
- **Property Types** – Market Rate, Garden and Mid-Rise Apartment Communities; Opportunistic, Value Add and Core Plus investment opportunities providing current cash flow along with upside potential;
- **Characteristics** – Well conceived, quality construction, balanced unit mix, functional floor plans, competitive amenity packages; proven locations with good visibility and access to demand generators, retail services and transportation infrastructure; acquisition price below relevant benchmarks and providing a margin of safety; opportunity leverages WGI’s core competencies.
- **Investment Size** – \$3 million to \$50 million, total purchase price.

Trusted Advisor and Partner

For over 31 years the Wilkinson Companies have worked towards the complimentary goals of exceeding investor expectations while providing quality apartment homes for our residents and an exciting and rewarding culture for our employees. Throughout the Southeast, The Wilkinson Group, Inc and its affiliates are well known, highly regarded and successful apartment investors, owners and operators. The Wilkinson Companies’ seasoned team of acquisition, operations and construction professionals position them as a valued investment partner.

- **Leadership** – Jerry Wilkinson, the company founder, along with the other members of the senior executive team possess over 100 years of combined real estate experience. They are each actively involved in daily investment oversight and operational decision making. The complementary nature of their individual experience and functional expertise combine to enhance investment and operational synergy.
- **Dedication** – the Wilkinson Companies have been organized to support and enhance property performance and investment returns. The company does not pursue third party management or construction engagements. Organizational resources and expertise are dedicated exclusively to the properties in the Wilkinson portfolio, and do not suffer from the distraction of serving third party owners.
- **Philosophy** – alignment of investor interests is fundamental to Wilkinson’s investment approach. The company invests its capital along side of its investors’ in every property it acquires. Individual investments are not viewed as fee engines for the various Wilkinson Companies; rather, each company has been created in order to assure the delivery of services necessary to maximize investor returns.
- **Performance** – The Company takes pride in its track record of delivering exceptional risk adjusted returns to its investors. In over 31 years of real estate investment, the company has never lost a client’s capital or defaulted on a loan. As testimony Wilkinson’s borrowing reputation is spotless and its access to debt and equity markets is exceptional.



Southeastern Focus

The Wilkinson Companies are headquartered in Atlanta, Georgia, the Southeast's hub city, and enjoy excellent access and exposure to investment opportunities in major markets throughout the region. Wilkinson is well established in the region; its portfolio of 29 properties and over 6,220 units is located in Georgia, Tennessee, North Carolina and South Carolina. The company targets submarkets located in Georgia and its five contiguous states which display important characteristics such as strong job growth, the presence of growing industries, trade based infrastructure, a significant component of population with relevant demographics, discernable in-migration patterns and clear supply constraints. Typical cities of interest include:

- **Trade Based** – The cities of Jacksonville, Charleston, Savannah and Atlanta, for example, are port or gateway cities which benefit from significant trade based job creation associated with significant air or deep water ports,
- **Growth Industries** – Job creation in Charlotte, Nashville, Orlando, Raleigh-Durham and Huntsville is partially driven by high paying growth industries such as health care, biotech, high tech or financial services.
- **Migration/Demographics** – Most Southeastern cities have and are expected to continue to benefit from positive in-migration trends. Cities such as Atlanta, Nashville, Raleigh-Durham, Charlotte, Orlando and Greenville are education centers and a significant component of their population consists of potential renters in the 25 to 35 year old age group.
- **Supply Constraints** – Wilkinson identifies and invests in submarkets that have demonstrated municipal opposition to new construction or have significant natural geographic barriers: rivers, lakes, oceans or mountains, which tend to limit new development. Examples include Atlanta's North Fulton County submarket, Nashville's granite subsoil, and limited areas around Charleston's and Jacksonville's ports.



WILKINSON

GROUP, INC

Current Property Portfolio



Andover at Crabtree, Raleigh, NC (368 Units, Blt 1982 & 1985)

Brandemere, Winston Salem, NC (356 Units, Blt 1983/1986)



Cameron Crossing, LaGrange, GA (132 Units, Blt 1987)

Chatham Wood, High Point, NC (208 Units, Blt 1988)



Eastchester Ridge, High Point, NC (172 Units, Blt 1980)

Estates at Barrington, Macon, GA (176 Units, Blt 1995)



Current Property Portfolio



The Falls at Sope Creek, Marietta, GA (463 Units, Blt 1982)

Fox Hollow, High Point, NC (184 Units, Blt 1986)



Gleneagle, Greenville, SC (192 Units, Blt 1990)

Greyeagle, Taylors, SC (156 Units, Blt 1991)



Haywood Pointe, Greenville, SC (216 Units, Blt 1985)

Hickory Falls, Villa Rica, GA (220Units, Blt 2004)



Current Property Portfolio



Laurel Crossing, LaGrange, GA (132 Units, Blt 1989)

Lees Crossing, LaGrange, GA (320 Units, Blt 1985)



Legacy at Sandhill, Columbia, SC (240 Units, Blt 2008)

Maple Village, Pell City, AL (160 Units, Blt 2005)



One Midtown, Wilmington, NC (223 Units, Blt 2015)

Paces Run, Columbia, SC (260 Units, Blt 1987)



Current Property Portfolio



Palm Club, Brunswick, GA (132 Units, Blt 1999)

Park Place, St. Mary's, GA (200 Units, Blt 1988)



Parkside at Highlands, Savannah, GA (317 Units, Blt 2015)

Preston Mill, Newnan, GA (228 Units, Blt 1999)



Retreat at Grande Lake, Brunswick, GA (192 Units, Blt 2001)

Revival on Main, Kennesaw, GA (252 Units, Blt 2016)



Current Property Portfolio



Shelby Heights, Bristol, TN (100 Units, Blt 1988)



Sugar Mill, Lawrenceville, GA (244 Units, Blt 1998)



Towne Creek, Gainesville, GA (150 Units, Blt 1989)



Villas at Lanier, Gainesville, GA (150 Units, Blt 2004)



Wildwood at Villa Rica, Villa Rica, GA (220 Units, Blt 2003)



**Investment Strategy and
Representative Case Studies**
(2016 Transactions)
(12/31/16)

The Wilkinson Group, Inc., (“WGI”) initiated its Core Portfolio Strategy in 2016, which emphasizes investment in Premium-Grade apartment communities in Primary urban or suburban in-fill locations in submarkets where secondary development and revitalization trends have already gained traction. The strategy involves a long term investment horizon; near term upside is expected to come from completion of the initial lease up of the Project followed by second generation lease rate increases, and over the longer term, additional upside will come from increased demand as the immediate submarket attracts additional investment and continues to revitalize and mature. The Core Portfolio strategy is essentially an expansion of WGI’s historical value-add investment approach. As such, utilization of WGI’s core functional expertise to generate increased cash flows and enhanced property value is a significant component of the execution. The following case studies summarize WGI’s **2016** acquisition/disposition activity and are illustrative of the Core Portfolio strategy.



Revival on Main, Kennesaw, GA (2016)

Total Cost: \$45.7M Equity: \$12.4M Pro Forma IRR: 12.6% Equity Multiple: 2.53
CPU: \$181,448 Acquired: 08/2016 Valuation Date: Pro Forma Total Units: 252

Revival represents the initial investment under the Core Portfolio Strategy. The opportunity possessed representative attributes pursued under the strategy – recently completed state of the art design and construction; Project nearing stabilization but at rates discounted in order to accelerate Project stabilization; local municipality committed to, and making significant investment in City Center infrastructure in proximity to the Project, including construction of Revival’s dedicated parking structure; significant other Countywide investment underway, e.g. Braves Stadium, Interstate 75 NWC expansion project, etc. Despite these positives, a lack of understanding of the submarket coupled with fully allocated investment budgets greatly reduced institutional interest in the project and related price competition, which allowed WGI to acquire the property at a discount to replacement cost.



One Midtown, Wilmington, NC (2015)

Total Cost: \$39.2M Equity: \$ 9.9M Pro Forma IRR: 12.4% Equity Multiple: 2.46
CPU: \$175,944 Acquired: 10/2016 Valuation Date: Pro Forma Total Units: 223

Located in Wilmington’s South submarket, One Midtown enjoys excellent access to the area’s key demand drivers. Abundant retail services and major corporate employers are located in the immediate market area, and regional demand drivers, such as: the Port of Wilmington, UNC Wilmington, New Hanover Regional Medical Center and the Wilmington CBD are all easily accessible from the property. One Midtown provided an opportunity to gain early entry to this emerging Primary market with the acquisition of a “Best in Class” asset. The Property had been offered for sale earlier in the year but was pulled off the market when lease occupancy levels did not support financing requirements. WGI was able to gain control of the asset on an off market basis later in the year after more significant occupancy levels were obtained via rental rate discounting.



Parkside at the Highlands, Pooler, GA (2015)

Total Cost: \$40.3M Equity: \$12.2M Pro Forma IRR: 11.9% Equity Multiple: 2.48
CPU: \$127,249 Acquired: 11/2016 Valuation Date: Pro Forma Total Units: 317

Parkside is strategically located at the northeast end of Jimmy DeLoach Pkwy in Pooler, a thriving submarket on the northwest side of Savannah, GA. Located near the intersection of Interstates 16 and 95, Pooler, which lies in the historical growth corridor of Savannah, has experienced dramatic population growth of approximately 250% over the past 15 years. The Property enjoys excellent access to a wide variety of retail and restaurant services located in the immediate market area, as well as The Port of Savannah, the largest economic driver in the MSA. The Port is the largest single container terminal in North America. WGI’s contract price for the Property provided the opportunity to acquire this “Best in Class” property at a significant discount to the estimated replacement cost (\$130,000 to \$140,000/unit) for comparable properties, and a meaningful discount to recent Class A sales comps in the Pooler market (which ranged between \$128,000/unit and \$153,000/unit).



**Investment Strategy and
Representative Case Studies**
(2016 Transactions)
(12/31/16)

The Wilkinson Group, Inc (“WGI”) has historically pursued a straightforward investment strategy: identify and acquire properties with solvable problems where the company’s acquisition, renovation and management expertise can be concentrated to generate increased rental appreciation, improved cash flow and favorable risk adjusted equity returns. WGI focuses on primary and secondary real estate markets throughout the Southeast where it has an existing ownership presence or where favorably priced investment opportunities will allow it to build presence. Established markets with sound fundamentals but diminished investor attention are emphasized. Priority is given to properties in proven locations that provide current income but have significant value appreciation potential. A typical property will have a motivated seller experiencing solvable problems they are either unwilling or unable to resolve. The following investment case studies summarize WGI’s **2016** acquisition/disposition activity and are illustrative of WGI’s traditional investment strategy and expertise.



Retreat at Grande Lake, Brunswick, GA (2001)

Total Cost: \$17.6M Equity: \$3.55M Pro Forma IRR: 12.4% Equity Multiple: 2.22
CPU: \$91,570 Acquired: 03/2016 Valuation Date: Pro Forma Total Units: 192

The Retreat at Grande Lake, an inland coastal location, benefits tremendously from its proximity to a diversity of demand drivers. The property is minutes from Interstate 95, equidistant from Savannah, GA and Jacksonville, FL. It is just under 30 minutes from the Golden Isles – St Simons, Sea Island and Jekyll Island, where vacationers contribute more than \$1.0 billion to the local economy annually. The property also benefits from the regional impact of Kings Bay Submarine Base and Fort Stewart. Major local demand drivers such as the Port of Brunswick, the Federal Law Enforcement Training Center, SE Georgia Health System and Brunswick Airport are all within close proximity. WGI was able to acquire the property at a favorable price after its initial buyer failed to close on the acquisition.



Maple Village, Pell City, AL (2005)

Total Cost: \$14.3M Equity: \$4.56M Pro Forma IRR: 16.5% Equity Multiple: 2.33
CPU: \$89,677 Acquired: 10/2016 Valuation Date: Pro Forma Total Units: 160

Maple Village is well located within this underserved submarket, and within walking distance of one of the immediate area’s most important demand drivers. Additionally, Pell City is approximately 25 miles east of Barber Motor Sports Park and 36 miles east of the City of Birmingham, AL along Interstate 20. The property was foreclosed on and had been managed by the Servicing Agent. It was maintained in very good physical condition, but had minor cosmetic maintenance requirements. WGI had previous experience in the Birmingham MSA, and reacted quickly to this opportunity when approached by the Servicing Agent. WGI’s initial focus will be to address minor cosmetic deficiencies and improve management processes in order to lower operating expenses and improve cash flow.



Brandemere, Winston Salem, NC (1984)

Total Cost: \$17.2M Equity: \$5.05M Pro Forma IRR: 12.3% Equity Multiple: 1.52
CPU: \$48,315 Acquired: 01/2017 Valuation Date: Pro Forma Total Units: 356

Brandemere is located in Northwest Winston Salem, just north of Wake Forest University. WGI owns and operates multiple properties in the Piedmont Triad region of North Carolina and is intimately familiar with this submarket and this property, having just recently underwritten one of its competitors. The company has been pursuing various opportunities to judiciously enter the Winston Salem market and moved quickly to control the property when it was offered to WGI off market by the owner. The property had been maintained in good physical condition, but had become dated. WGI intends to infuse new capital in the property to update the Clubhouse and leasing center, landscaping and building exteriors, which will inject new life and energy in the project and allow the company to increase rents and cash flow.



**Investment Strategy and
Representative Case Studies**
(2016 Transactions)
(12/31/16)



Pinnacle Place, Hephzibah, GA (1986)

Total Cost: \$4.7M Equity: \$1.20M IRR: 33.2% Equity Multiple: 3.38
CPU: \$39,330 Acquired: 04/201 Sold: 10/2016 Total Units: 120

WGI's presence and reputation in the Augusta market resulted in the opportunity to acquire this property at a significant discount when the original buyer failed to close on Seller's three property portfolio. Considered the best property in the portfolio and well located relative to Fort Gordon, a key demand driver in the market, the acquisition presented WGI with the opportunity to increase its market footprint while improving portfolio age and quality



Wood Hollow, Marietta, GA (1984)

Total Cost: \$18.25M Equity: \$4.6M IRR: 29.4% Equity Multiple: 4.61
CPU: \$58,493 Acquired: 11/2009 Sold: 08/2016 Total Units: 312

WGI acquired this property with the intention of remodeling and repositioning in the submarket. WGI completed the implementation of this strategy during its 7 year ownership. To take advantage of current market conditions, Wood Hollow was sold in 2016.



**Investment Strategy and
Representative Case Studies
(2015 Transactions)**
(12/31/16)

The Wilkinson Group, Inc (“WGI”) pursues a straightforward investment strategy: identify and acquire properties with solvable problems where the company’s acquisition, renovation and management expertise can be concentrated to generate increased rental appreciation, improved cash flow and favorable risk adjusted equity returns. WGI focuses on primary and secondary real estate markets throughout the Southeast where it has an existing ownership presence or where favorably priced investment opportunities will allow it to build presence. Established markets with sound fundamentals but diminished investor attention are emphasized. Priority is given to properties in proven locations that provide current income but have significant value appreciation potential. A typical property will have a motivated seller experiencing solvable problems they are either unwilling or unable to resolve. The following investment case studies summarize WGI’s **2015** acquisition/disposition activity and are illustrative of WGI’s current strategy and expertise.



Palm Club, Brunswick, GA (1999)

Total Cost: \$11.5M Equity: \$2.87M Pro Forma IRR: 14.29% Equity Multiple: 2.07
CPU: \$87,841 Acquired: 10/2015 Valuation Date: Pro Forma Total Units: 132

WGI acquired Palm Club in an off-market transaction, eliminating a competitive bidding war and assuring a more competitive cost basis. The property was built in 1999, was in excellent physical condition and possessed a broad amenity package. The property represented an excellent opportunity to acquire a stabilized, “late-model” asset at well below replacement cost and implement proprietary management systems and practices designed to capture organic rent growth, increase revenue from alternative sources and improve operating expense management and control.



Andover at East Cobb, Marietta, GA (1984)

Total Cost: \$22.6M Equity: \$8.10M IRR:56.3% Equity Multiple: 2.14
CPU: \$74,404 Acquired: 11/2013 Sold: 09/2015 Total Units: 302

WGI’s proximity to this property and its thorough understanding of its challenges and potential, gained through a previous underwriting effort, allowed WGI to move quickly to acquire it after the Seller terminated discussion with its original buyer. The property is well located within the submarket, has very functional floor plans and an attractive exterior design. But, the property’s perception and operations had fallen off due to a lack of capital investment. WGI will significantly renovate the property and implement a new management plan in order to position the property more effectively.



Preston Creek, McDonough, GA (2003)

Total Cost: \$21.1M Equity: \$6.20M IRR: 18.3% Equity Multiple: 1.82
CPU: \$63,190 Acquired: 08/2011 Sold: 09/2015 Total Units: 334

Located within one of the Atlanta MSA’s premier southern counties known for its pro-growth government, strong business community/chamber of commerce and excellent schools. While acquired out of foreclosure at an attractive discount to replacement cost, it had been managed for a significant period by its trustee, and although in good physical condition and well occupied, it required a general face lift and a focused proprietary management program.



**Investment Strategy and
Representative Case Studies**
(2015 Transactions)
(12/31/16)



The Crossings at McDonough, McDonough, GA (2005)

Total Cost: \$20.4M Equity: \$6.0M IRR: 39.2% Equity Multiple: 1.56
CPU: \$81,0444 Acquired: 4/2/2014 Sold: 09/2015 Total Units: 252

WGI acquired this asset from the developer at a substantial discount to replacement cost. Due to its presence in the submarket, WGI was able to move quickly to acquire the property. Large, open floor plans (all with balconies and sunrooms) compare favorably to the competition. With only two assets under management, the prior owner/manager lacked the resources and technology to efficiently manage the property. Additionally, superior customer service and an improved screening process led to an improved resident profile. WGI's capital plan included updating an already impressive amenity package and increasing curb appeal with landscaping improvements.



Bridgewater, Duluth, GA (1992)

Total Cost: \$42.2M Equity: \$12.9M IRR: 36.5% Equity Multiple: 1.97
CPU: \$79,256 Acquired: 03/2013 Sold: 09/2015 Total Units: 532

WGI's presence in the submarket and in-depth knowledge of this property positioned it to step in and acquire it at an attractive price when Seller's negotiations with the original buyer faltered. The property was in good physical condition as the majority of its deferred maintenance issues had already been addressed. WGI's knowledge of the property and submarket experience indicated previous management had been deficient and that a program to improve curb appeal, upgrade unit interiors and renew focus on operations was viable and would lead to increased cash flow.



Chatham Wood, High Point, NC (1988)

Total Cost: \$10.9M Equity: \$3.4M Pro Forma IRR: 16.3% Equity Multiple: 2.47
CPU: \$52,611 Acquired: 08/2015 Valuation Date: Pro Forma Total Units: 208

Again leveraging its industry relationships, WGI was able to gain control of this significant opportunity through an off-market transaction with the Seller. As with Andover at Crabtree, this property was severely undercapitalized, had experienced substantial operating deficiencies and was ultimately foreclosed by the lender. WGI was able to acquire the property at a discount to replacement cost, and will make a material investment to renovate and reposition the property. The property benefits from its proximity to 74/311 in High Point, which provides excellent access to the heart of High Point as well as Winston-Salem's CBD to the northwest. The property represents the low cost alternative for those working in Winston-Salem, but planned renovations will allow substantial rental gains.



Andover at Crabtree, Raleigh, NC (1982/85)

Total Cost: \$26.0M Equity: \$6.9M Pro Forma IRR: 28.4% Equity Multiple: 2.17
CPU: \$70,866 Acquired: 06/2015 Valuation Date: Pro Forma Total Units: 368

WGI was able to gain control of this property in an off market transaction with the Seller as a result of strong operational relationships the company has been able to cultivate within the industry. Andover at Crabtree is located in northwest Raleigh just off the Glenwood Ave corridor, a major transportation artery which provides north-south access from the airport, to the north, to Crabtree Valley Mall, and ultimately Raleigh's CBD, to the south. The property had been in foreclosure, was severely undercapitalized, and experiencing significant operational issues as a result. WGI acquired the property at a deep discount to replacement cost, and will invest substantial new capital to address deferred maintenance items and significantly upgrade the property.



**Investment Strategy and
Representative Case Studies**
(2015 Transactions)
(12/31/16)



Legacy at Sandhill, Columbia, SC (2008)

Total Cost: \$23.6M Equity: \$6.67M Pro Forma IRR: 14% Equity Multiple: 2.18
CPU: \$98,748 Acquired: 05/2015 Valuation Date: Pro Forma Total Units: 240

Legacy at Sandhill is a "Best in Class" property located in the township of Elgin, which is in the affluent northeast growth corridor of Columbia, South Carolina. WGI was able to acquire the property at a discount after the Seller's previous two sale contracts fell through. The property fronts on Two Notch Rd, the primary retail corridor in the area and has excellent access to area retail and restaurant services, as well as to major employers in the submarket. For example, Fort Jackson, the largest and most active Initial Entry Training Center for the US Army is just minutes away. WGI will intensely manage the property to assure its continued stable financial performance and capitalize on continued growth in the area to generate increased revenues and enhanced value.



Villas at Lanier, Gainesville, GA (2004)

Total Cost: \$7.8M Equity: \$2.4M Pro Forma IRR: 32.8% Equity Multiple: 3.14
CPU: \$52,173 Acquired: 05/2015 Valuation Date: Pro Forma Total Units: 150

WGI acquired this property off-market directly from the Servicer/Seller. Although the property had previously been foreclosed on it had been maintained in good physical condition. Notwithstanding, the property had specific operational issues related to construction that were necessary to overcome. For example, electrical had been master metered making reimbursement problematic. Additionally, water meters had failed and a RUBS system had to be instituted in order recoup water & sewer charges. WGI has a strong track record of addressing similar operational issues in assets of this age and quality, and the company's focus will be on further improving operations and collections.



Eastchester Ridge, High Point, NC (1980)

Total Cost: \$10.1M Equity: \$3.45M Pro Forma IRR: 15.9% Equity Multiple: 3.01
CPU: \$58,866 Acquired: 1/06/2015 Valuation Date: Pro Forma Total Units: 172

Although well located within the Triad submarket, and in good physical condition, property appearance and operations had diminished due to ownership structure and reliance on 3rd party management. WGI acquired the property at a deep discount to replacement cost using extremely attractive financing, and provided fresh capital and a targeted renovation program to improve curb appeal, amenity offering and related resident satisfaction while simultaneously improving operations with the implementation of an intensive proprietary management program.



Lakes at Inverness, Birmingham, AL (1983)

Total Cost: \$40.0M Equity: \$12.0M IRR: 37.7% Equity Multiple: 2.60
CPU: \$49,940 Acquired: 09/2011 Sold: 01/07/2015 Total Units: 801

Favorably located within Shelby County in Birmingham's Highway 280 Employment Corridor. WGI acquired the property through a note purchase subject to a prearranged foreclosure. Although well located relative to demand drivers, property operations suffered from a lack of capital and management's inability to resolve persistent maintenance issues. WGI's acquisition budget included nearly \$4.5m to complete necessary improvements.



**Investment Strategy and
Representative Case Studies**
(2014 Transactions)
(12/31/16)

The Wilkinson Group, Inc (“WGI”) pursues a straightforward investment strategy: identify and acquire properties with solvable problems where the company’s acquisition, renovation and management expertise can be concentrated to generate increased rental appreciation, improved cash flow and favorable risk adjusted equity returns. WGI focuses on primary and secondary real estate markets throughout the Southeast where it has an existing ownership presence or where favorably priced investment opportunities will allow it to build presence. Established markets with sound fundamentals but diminished investor attention are emphasized. Priority is given to properties in proven locations that provide current income but have significant value appreciation potential. A typical property will have a motivated seller experiencing solvable problems they are either unwilling or unable to resolve. The following investment case studies summarize WGI’s **2014** acquisition/disposition activity and are illustrative of WGI’s current strategy and expertise.



Rivergate, Goodlettsville, TN (1986)

Total Cost: \$9.7M	Equity: \$3.2M	IRR: 47.6%	Equity Multiple: 2.14
CPU: \$48,344	Acquired: 09/2012	Sold: 10/16/2014	Total Units: 200

Prior ownership was motivated to sell this property in order to close out its related investment fund. As is sometimes the case with portfolio assets of this tenure, property appearance, marketing competitiveness, operational efficiency and cash flow had faltered as a result of ownership fatigue and loss of focus. For example, operating expenses had increased by nearly 30%, largely due to undetected water leaks. WGI’s fresh ownership perspective, new capital and aggressive management immediately improved curb appeal and property operations.



Wildwood at Villa Rica, Villa Rica, GA (2003)

Total Cost: \$17.8M	Equity: \$4.75M	IRR (est): 45.2%	Equity Multiple: 2.11
CPU: \$80,698	Acquired: 10/2/2014	Valuation Date: 12/2016	Total Units: 220

WGI acquired this property in an off-market transaction shortly after purchasing another asset in the submarket. Wildwood is one of the newest communities in the market, but was purchased at a significant discount to replacement cost. The property is well-located, within walking distance to the primary retail corridor in the market. A new, targeted marketing plan was implemented focusing on the office and industrial parks a short drive from the property, leading to improved occupancy. Wildwood has attractive floor plans, but suffered from deferred maintenance. The capital projects included new paint, amenity upgrades, and significant landscaping and pruning.



Fox Hollow, High Point, NC (1986)

Total Cost: \$9.4M	Equity: \$3.43M	IRR (est): 33.5%	Equity Multiple: 1.90
CPU: \$51,292	Acquired: 8/14/2014	Valuation Date: 12/16	Total Units: 184

Fox Hollow presented a unique value investment opportunity. In-place financing, which had to be assumed, prevented previous ownership from undertaking needed upgrades, and allowed WGI to acquire the property at a deep discount relative to replacement cost and other comparable sales. The property is well located and stabilized operationally, but 3rd party management had not aggressively pushed rents or improved operational efficiency. WGI’s primary strategy was to complete cosmetic exterior upgrades, while pressing to increase rental income and reduce operational expenses.



**Investment Strategy and
Representative Case Studies**
(2014 Transactions)
(12/31/16)



Paces Run, Columbia, SC (1987)

Total Cost: \$13.9M Equity: \$3.76M IRR (est): 10.7% Equity Multiple: 1.24
CPU: \$53,437 Acquired: 8/1/2014 Valuation Date: 12/16 Total Units: 260

Paces Run suffered from poor on-site management which resulted in an inferior marketing and leasing program, diminished tenant quality and a substantial amount of deferred maintenance. On-site personnel changes were made and WGI provided fresh capital to address deferred maintenance issues and significantly upgrade the property offering. Paces Run presented the opportunity to acquire an asset in close proximity to major area demand drivers with an extremely low basis. The property provides an attractive current yield with significant potential upside through improved operating efficiency and increased revenue stream. Operationally the focus was on improving current financial performance through a continued focus on expense control, while capitalizing on property upgrades to capture an increased revenue stream.



Country Club, Anderson SC (1974)

Total Cost: \$5.56M Equity: \$1.16M IRR: 18.5% Equity Multiple: 3.21
CPU: \$30,900 Acquired: 01/2006 Sold: 8/7/2014 Total Units: 180

This property was purchased from a real estate opportunity fund that gained control of it through foreclosure. WGI acquired the property at a significant discount to the original offer price due to a significant drainage issue that impacted the marketability of the property. WGI was successful in transferring responsibility and expense of correcting the drainage problem to the Army Corp of Engineers.



Magnolia Run, Greenville, SC (1974)

Total Cost: \$8.02M Equity: \$1.72M IRR: 21.2% Equity Multiple: 3.63
CPU: \$37,800 Acquired: 01/2006 Sold: 5/21/2014 Total Units: 212

Purchased from a Chicago based real estate opportunity fund simultaneously with Parkwest and Country Club Apartments, the portfolio purchase provided very attractive unit pricing. The property was in relatively good condition but required some exterior siding repairs. The portfolio purchase leveraged WGI's management organization providing additional operating efficiencies.



Hickory Falls, Villa Rica, GA (2004)

Total Cost: \$17.0M Equity: \$4.1M IRR (est): 39.8% Equity Multiple: 2.27
CPU: \$77,434 Acquired: 5/15/2014 Valuation Date: 12/2016 Total Units: 220

The acquisition represents an attractive Yield Play. It provided an opportunity to acquire a stabilized, "late model" property (2004 construction), at a deep discount to replacement cost, which provides a comfortable margin of safety relative to comparable properties, while capitalizing on its current financial performance to secure an attractive financing package. WGI's primary strategy involved securing the best possible long term financing, and aggressively managing the property to assure its continued financial performance. Operationally, the focus was on maintaining and improving current financial performance through continued focus on expense control, while searching for additional revenue sources.



**Investment Strategy and
Representative Case Studies**
(2014 Transactions)
(12/31/16)



Estates at Barrington, Macon, GA (1995)

Total Cost: \$12.1M Equity: \$3.1M IRR (est): 31.3% Equity Multiple: 2.06
CPU: \$68,523 Acquired: 1/17/2014 Valuation Date: 12/2016 Total Units: 176

WGI was attracted to this property due to the solid location and financial underperformance of the asset. At the time it was acquired, the property's occupancy was well-below the comparable properties. Estates at Barrington enjoys a good location in North Macon near the retail growth corridor, but unlike other apartment communities, it benefits from being part of a desirable single-family home and golf community. The property was well positioned with rents comfortably below new construction, but with rents and floor plans superior to Class B 1980's vintage assets in the market. Capital projects included extensive landscaping improvements, amenity upgrades and additions, and new signage.



**Investment Strategy and
Representative Case Studies**
(2013 Transactions)
(12/31/16)

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Falls at Gwinnett, Duluth, GA (1986)

Total Cost: \$26.2M	Equity: \$8.10M	IRR: 54.8%	Equity Multiple: 1.91
CPU: \$50,423	Acquired: 05/2012	Sold: 11/2013	Total Units: 520

WGI was able to acquire this asset in an off market transaction at a significant discount to market pricing. The property is attractively designed, has very functional floor plans, and is highly visible and well located relative to demand drivers. WGI exploited previous ownership’s failure to identify and address changing market dynamics which resulted in diminished tenant quality, reduced cash flow and the need for cosmetic upgrades. WGI’s completion of significant property upgrades allowed it to improve tenant quality, improve cash flow and realize significant value appreciation at sale.



Towne Creek, Gainesville, GA (1988)

Total Cost: \$9.4M	Equity: \$2.85M	IRR (Est): 38.0%	Equity Multiple: 2.60
CPU: \$64,458	Acquired: 09/2013	Valuation Date: 12/2016	Total Units: 150

The property was acquired from a small operator that had invested capital in the property but had failed to address certain important physical deficiencies. These issues diminished curb appeal and led to an unfavorable impact on occupancy and operations. The seller’s pending loan maturity and their inability to raise additional capital to address deferred maintenance issues motivated their decision to sell the property. WGI’s capitalization structure and operational experience with similar properties allowed the company to immediately address physical deficiencies and improve operations.



Park Place, St. Marys, GA (1988)

Total Cost: \$7.5M	Equity: \$1.9M	IRR (Est): 85.9%	Equity Multiple: 5.81
CPU: \$36,768	Acquired: 09/2013	Valuation Date: 12/2016	Total Units: 200

WGI acquired the property from the Special Servicer, which had operated the property after it was foreclosed on by Fannie Mae. The acquisition price reflected a significant discount in relation to 18 down units, which had not been repaired by the previous manager. WGI has significant experience with renovation and repositioning similar assets. Down units will be immediately renovated and reintroduced to the market. Additionally, the company intends to complete additional property upgrades intended to improve market perception and allow management to capture higher rents.



**Investment Strategy and
Representative Case Studies**
(2013 Transactions)
(12/31/16)



Woodland Trace, Conyers, GA (1986)

Total Cost: \$9.3M	Equity: \$2.8M	IRR: 43.4%	Equity Multiple: 3.19
CPU: \$24,504	Acquired: 12/2009	Sold: 08/2013	Total Units: 376

A deficient capital structure and related management indifference created an opportunity to acquire this property at a significant discount to depreciated replacement cost. Strategy execution included completion of significant interior and exterior renovations at the property and implementation of intensive property management and leasing programs to immediately enhance curb appeal, correct operational deficiencies and position the property to compete more effectively against class B properties in the submarket.



Valley Creek, Spartanburg, SC (1973)

Total Cost: \$2.8M	Equity: \$860K	IRR: 30.0%	Equity Multiple: 2.12
CPU: \$27,892	Acquired: 10/2009	Sold: 01/2013	Total Units: 102

Valley Creek was acquired from the original builder who had been managing the property internally although not equipped to do so. It was the last property in the seller's portfolio. Although well positioned in the submarket, the property had been under-managed and had not reached its full potential. The property was acquired for its management upside; operations had grown inefficient, certain units were down and were not income generating and the property had not been marketed aggressively. WGI refocused management and leasing, refurbished down units and increased NOI.



**Investment Strategy and
Representative Case Studies
(2012 Transactions)**
(12/31/16)

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Greenhouse Apartments, Roswell, GA (1985)

Total Cost: \$10.8M	Equity: \$3.28M	IRR: 59.1%	Equity Multiple: 2.27
CPU: \$45,640	Acquired: 02/2011	Sold: 12/2012	Total Units: 236

WGI’s capital improvement and operational strategy positioned the property to compete more effectively and improve the quality of the resident profile. Improvements enhance curb appeal included: major upgrades to the Clubhouse, reconfiguration of the leasing center, landscape enhancements, upgraded directional signage and paving seal/stripe. Management’s renewed service orientation and redefined marketing program have improved the quality of the resident profile. The property is currently under contract for sale and is scheduled to close in December 2012.



Pebble Creek, Taylors, SC (1974)

Total Cost: \$17.91M	Equity: \$7.40M	IRR: 34.8%	Equity Multiple: 2.28
CPU: \$32,700	Acquired: 10/2007	Sold: 6/2012	Total Units: 548

The sole asset of a local investment group, property operations suffered due to inferior management and never performed to potential. WGI acquired the property through a 1031 exchange and within 18 months positioned the property for refinancing which resulted in the return of nearly 80% of the initial equity investment to investors. The property was sold in June 2012, and final investor distributions were made in April 2013.



Preston Mill, Newnan, GA (1999)

Total Cost: \$17.4M	Equity: \$5.00M	IRR (Est): 28.5%	Equity Multiple: 2.68
CPU: \$76,480	Acquired: 06/2012	Valuation Date: 12/2016	Total Units: 228

The property was acquired at a favorable discount to replacement cost and provides an attractive current return based on existing income. A unique competitive advantage of the Property is its unit size and location within the top district within the region. Value can be added by enhancing the property’s appeal to families with school aged children. Families that value the school system are less rent sensitive and have a higher retention ratio. An amenity package targeted to families will be added to the property.



**Investment Strategy and
Representative Case Studies**
(2012 Transactions)
(12/31/16)



Sugar Mill, Lawrenceville, GA (1998)

Total Cost: \$21.2M Equity: \$6.00M IRR (Est): 22.9 Equity Multiple: 2.36
CPU: \$86,988 Acquired: 05/2012 Valuation Date: 12/2016 Total Units: 244

The property provides attractive current returns on the basis of in-place cash flow without the necessity of operational improvements. However, the property provides readily achievable upside potential due to previous ownership's emphasis on occupancy over revenue. For example, prior ownership's leasing strategy maintained rents at the low end of the range, lowered lease qualification standards for tenants and maintained flat rate pricing for each unit type regardless of unit upgrades, unit amenities or location within the community.



**Investment Strategy and
Representative Case Studies**
(2011 Transactions)
(12/31/16)

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Westchester Square Townhomes, Greenville, SC

Total Cost: \$5.03M Equity: \$1.33M IRR: 22.1% Equity Multiple: 1.71
CPU: \$45,259 Acquired: 11/2008 Sold: 12/2011 Units: 116

WGI acquired this property both as a defensive measure to protect its existing portfolio of adjacent properties on the Pelham Rd corridor, but also to augment that portfolio with an expanded floor plan offering. The property was in good physical condition; however the company implemented a light renovation program to complement the balance of the portfolio and improve its perception in the market. Physical improvements to the property resulted in improved operations, while proximity to the existing portfolio generated management efficiencies and increased prospect traffic.



Breckinridge, Greenville, SC

Total Cost: \$6.09M Equity: \$1.29M IRR: 23.4% Equity Multiple: 2.65
CPU: \$25,800 Acquired: 01/2006 Sold: 12/2011 Units: 236

Overleveraged by its original owner, the note had been acquired by a real estate opportunity fund as part of a portfolio of non-performing loans. WGI purchased the property from the opportunity fund at a very favorable price after the fund took ownership through foreclosure. The property had been well maintained and required little additional capital investment.



Ashworth on Pelham, Greenville, SC

Total Cost: \$5.31M Equity: \$1.16M IRR: 9.5% Equity Multiple: 1.55
CPU: \$28,900 Acquired: 03/2005 Sold: 12/2011 Units: 184

A very good location situated directly across from a Publix anchored retail plaza. The acquisition further expanded WGI’s presence in the Pelham Road submarket of Greenville and increased the breadth of floor plan configurations it offered in this market. The opportunity to acquire this attractively priced property was a result of WGI’s experience with the seller during its acquisition of Grandeagle.



**Investment Strategy and
Representative Case Studies**
(2011 Transactions)
(12/31/16)



Park West, Greenville, SC

Total Cost: \$7.65M Equity: \$1.19M IRR: 80.0% Equity Multiple: 3.96
CPU: \$21,300 Acquired: 01/2006 Sold: 10/2011 Units: 359

Also purchased from a Chicago based real estate opportunity fund. The project required some corrective renovation and repair and concentrated leasing effort. Within 15 months the project was refinanced and over 100% of invested equity was returned to investors



Seven Pines, Roswell, GA

Total Cost: \$17.6M Equity: \$5.08M IRR: 62.5% Equity Multiple: 2.50
CPU: \$48,889 Acquired: 06/2007 Sold: 7/2011 Total Units: 360

WGI's basis provided a significant advantage relative to the property's competitive set; comparable properties had not sold in the price range in over 10 years and WGI's all in basis was expected to be ~80% of the most recent comparable sale. Additionally, the property had 10 fire damaged units which were not priced in to the purchase. WGI's strategy was simple: repair the fire damaged units, upgrade property appearance through targeted repairs and renovations, implement a more aggressive marketing and management plan to reposition the property, reduce expenses and drive rents.



**Investment Strategy and
Representative Case Studies**
(2010 & Previous Activity)
(12/31/2016)

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Gleneagle, Greenville, SC

Total Cost: \$8.42M Equity: \$1.77M IRR (est): 20.1% Equity Multiple: 5.60
CPU: \$43,900 Acquired: 12/2003 Valuation Date: 12/2016 Units: 192

Purchased simultaneously with Greyeagle and Haywood Pointe the acquisition provided WGI with greater market coverage and the opportunity to further leverage its experience and existing management capabilities. Greenville-Spartanburg was transforming from a textile based employment center to a manufacturing and university system employment center. The properties were well positioned to take advantage of the related job growth.



Greyeagle, Taylors, SC

Total Cost: \$5.98M Equity: \$1.23M IRR (est.): 25.6% Equity Multiple: 6.01
CPU: \$38,400 Acquired: 12/2003 Valuation Date: 12/2016 Total Units: 156

Greyeagle, Gleneagle and Haywood Pointe were purchased as an attractively priced package from an institutional owner which had made a strategic decision to leave the Greenville-Spartanburg market. The portfolio had been well maintained and presented WGI with an opportunity to quickly expand its market presence with an upgraded product offering positioned to take advantage of the economic transformation underway in the market.



Haywood Pointe, Greenville, SC

Total Cost: \$9.39M Equity: \$1.90M IRR (est): 18.7% Equity Multiple: 5.80
CPU: \$43,500 Acquired: 12/2003 Valuation Date: 12/2016 Units: 216

Purchased simultaneously with Greyeagle and Gleneagle the acquisition quickly expanded WGI’s presence in the market providing the opportunity to leverage its experience and existing management capabilities. Attractively priced and in good condition, the properties were well positioned to attract individuals drawn to the area by new job creation associated with Greenville-Spartanburg’s economic transformation.



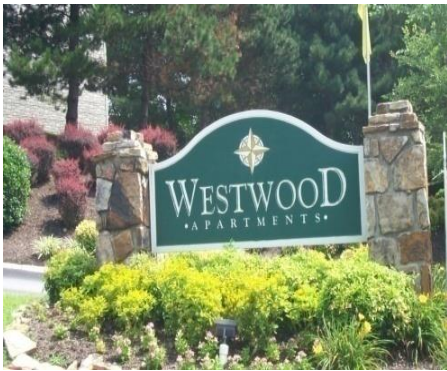
**Investment Strategy and
Representative Case Studies**
(2010 & Previous Activity)
(12/31/2016)



Grandeagle, Greenville, SC

Total Cost: \$3.33M Equity: \$0.67M IRR: 9.9% Equity Multiple: 1.49
CPU: \$20,800 Acquired: 10/2003 Sold: 01/2008 Units: 160

Acquired through a foreclosure auction at a very favorable price. The property had been damaged by fire and needed other physical improvements. A central boiler system was in use to provide unit heating; it was to be replaced with a more efficient system. The property was well located having access to ample service retail. Replacement of the boiler system was later determined to be unfeasible and the property was sold before the system failed.



Westwood, Knoxville, TN

Total Cost: \$8.63M Equity: \$1.76M IRR: 22.5% Equity Multiple: 2.43
CPU: \$33,700 Acquired: 07/2001 Sold: 12/2006 Total Units: 256

The property was situated in a deceptively good location along Western Avenue, which provided excellent access to the University of Tennessee and Knoxville's CBD. The property was in very good physical condition and had an excellent clubhouse facility. It was acquired at a favorable price from an absentee owner which had acquired the property as a value add opportunity and was motivated to return capital to investors.



Allandale Falls, Kingsport, TN

Total Cost: \$10.19M Equity: \$1.99M IRR: 35.3% Equity Multiple: 3.25
CPU: \$27,600 Acquired: 06/2001 Sold: 05/2007 Total Units: 369

Acquired out of a dysfunctional real estate opportunity fund. The acquisition leveraged WGI's prior experience and management capabilities in the Kingsport market. The property had been poorly maintained, was very tired and required extensive capital repairs including a complete roof replacement. WGI completed the renovation, repositioned the property and stabilized it before selling the entire Kingsport portfolio.



Avalon West, Knoxville, TN

Total Cost: \$5.00M Equity: \$0.90M IRR: 42.3% Equity Multiple: 6.07
CPU: \$23,000 Acquired: 07/2000 Sold: 12/2006 Total Units: 217

Situated in a very good location in west Knoxville, TN, the property suffered from a poor reputation which developed due to a lack of physical upkeep and a diminished tenant profile. The clubhouse and leasing facility was renovated, recurring problems with the pool amenity were corrected and the property was further repositioned with a name change.



**Investment Strategy and
Representative Case Studies
(2010 & Previous Activity)**
(12/31/2016)



Falls at Sope Creek IV, Marietta, GA

Total Cost: \$14.74M Equity: \$1.11M IRR: 40.1% Equity Multiple: 5.64
CPU: \$63,500 Acquired: 02/2000 Sold: 12/2005 Total Units: 232

Purchased from a private REIT after their original buyer attempted to re-trade on price. WGI gained control of the property at its original offer price because of its ability to close quickly. It was acquired as an addition to a 463-unit portfolio WGI was in process of acquiring. The property included garages and washer/dryers in each unit and was originally considered a condo conversion opportunity. Ultimately, market demand supported an outright sale.



The Landings on Silver Lake, Church Hill, TN

Total Cost: \$3.90M Equity: \$0.90M IRR: 8.9% Equity Multiple: 1.62
CPU: \$29,600 Acquired: 01/1999 Sold: 05/2007 Total Units: 132

Very good location and further opportunity to leverage WGI's experience and management expertise in the market area. WGI completed repair of significant fire damage affecting the property before stabilization. More significantly, WGI knew the property to be under an expiring HUD Section 8 contract which upon expiration would allow WGI to raise property rents.



Crosscreek, Kingsport, TN

Total Cost: \$10.86M Equity: \$2.56M IRR: 13.6% Equity Multiple: 2.65
CPU: \$38,800 Acquired: 11/1998 Sold: 05/2007 Total Units: 280

Excellent location and onsite management team with over 20 years experience managing the property. The property had been overleveraged by the original owner. WGI bought the property from a Wall Street hedge fund that acquired the note as part of a package of non-performing loans. WGI acquired the property, corrected deferred capital issues, including roof and parking lot repairs, stabilized the property and positioned it for sale.



The Gables, Knoxville, TN

Total Cost: \$2.54M Equity: \$0.53M IRR: 50.6% Equity Multiple: 5.37
CPU: \$24,950 Acquired: 11/1998 Sold: 12/2006 Total Units: 102

Purchased from a motivated institutional investor disposing of non-strategic properties acquired as part of a large HUD loan portfolio. The property was smaller, had a very good reputation in the market and excellent floor plans, including washers and dryers in every unit. The acquisition expanded WGI's presence in the market and leveraged its existing property management capabilities.



**Investment Strategy and
Representative Case Studies**
(2010 & Previous Activity)
(12/31/2016)



Windrush, Knoxville, TN

Total Cost: \$3.80M	Equity: \$0.82M	IRR: 46.0%	Equity Multiple: 4.16
CPU: \$29,000	Acquired: 11/1998	Sold: 12/2006	Total Units: 129

Located immediately across from the former site of the Deane Hill Country Club. DHCC had been acquired and redeveloped as a high end garden apartment community by a highly regarded regional development company. WGI acquired Windrush, solved significant site issues which had negatively impacted leasing and occupancy and reintroduced the property as a mid-priced alternative taking advantage of the DHCC project's lease-up traffic.



Woodlands West, Knoxville, TN

Total Cost: \$16.22M	Equity: \$2.20M	IRR: 54.6%	Equity Multiple: 5.85
CPU: \$35,100	Acquired: 10/1997	Sold: 12/2006	Total Units: 462

Locally owned and poorly capitalized and managed, the property was situated in a very good location in west Knoxville, TN. Road work on nearby I-40 had negatively affected access to the property resulting in diminished occupancy and cash flow, which motivated the sale. WGI acquired and recapitalized the property positioning it to operate more effectively through the completion of the I-40 road work which ultimately benefitted the location.