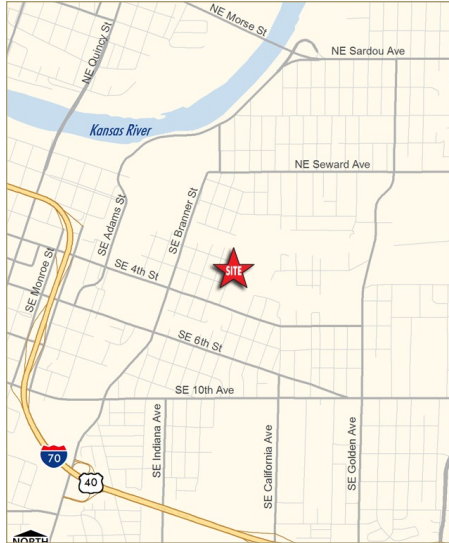


# Timberlee Apartments :: 102 UNITS AVAILABLE

237 SE LAWRENCE STREET :: TOPEKA, KS 66607

Capital Markets | HUD Group



**CITY DESCRIPTION ::** Timberlee Apartments is located in the city of Topeka, the urban center of a five-county metropolitan region with approximately 230,000 people. Topeka is the capital of the state of Kansas and the county seat of Shawnee County. The Property boasts excellent access to I-70 which spans from Utah to Maryland, and is the main thoroughfare through Topeka. Industries driving the local economy are centered around government services, education, health services, and manufacturing. Washburn University is the prominent institution of higher learning in the metropolitan area, enrolling approximately 7,300 students per year, employing 1,000 residents, and contributing approximately \$100 million annually to the local economy. Forbes Field is located in Topeka and is used as a joint civil-military public airport. It provides commuter service to Kansas City International Airport located 75 miles northeast of Topeka.

**PROPERTY DESCRIPTION ::** Timberlee Apartments is a 102-unit apartment complex located in the East Topeka North area, just blocks from downtown Topeka. The Property includes 12 two-story apartment buildings totaling 102 units, of which 101 units are subsidized under a HAP contract expiring July 31, 2009. The Property is being renewed as an exception project under renewal option 4; its third post-MAHRA Renewal. This allows for either OCAF or Budget Based annual increases (per owner's discretion), and preservation of the above market rents.

The complex totals ±92,574 sq. ft., built in 1971 on a four-acre site. The unit mix includes one bedroom apartment units as well as two and three bedroom townhouse units. The buildings are wood framed construction, with new vinyl siding, and a composition roof. Each unit has individual HVAC systems with in-unit hot water heaters. The units are individually metered for electricity and gas, and also benefit from basements (in townhouse units only) and in-unit laundry hook-ups. The Property is ideally located across from Ripley Park which includes large grassy open areas as well as playground equipment.

Timberlee Apartments has undergone approximately \$500,000 in capital improvements over the past five years including roof replacements on seven of the twelve buildings, with repairs made on the remaining five. Every unit has recently been upgraded with new furnaces and A/C units, new double-paned vinyl windows, new kitchen cabinets, and new shower enclosures. Approximately 70 percent of the units have been recently repainted, had the hardwood floors refinished (100 percent of the units have hardwood floors with no carpet to clean/replace) and had new vinyl flooring installed in the kitchens and bathrooms. Approximately 40 percent of the units have also received new hot water heaters and all new appliances. The parking lot was resurfaced in 2008.

<b>TOTAL UNITS</b>	102
<b>UNITS COVERED BY HAP CONTRACT</b>	101
<b>HAP CONTRACT NUMBER</b>	KS16E000001
<b>EXPIRATION OF HAP CONTRACT</b>	07/31/2009 (5-year Exception Project Renewal effective 08/01/09)
<b>HUD REAC SCORE &amp; DATE</b>	89b 12/4/07
<b>YEAR CONSTRUCTED</b>	1971
<b>BID DATE</b>	June 26, 2009

**PURCHASE OFFERS** Details can be found in the Due Diligence Package. Offers must return a signed Confidentiality Agreement (attached) to receive a complete Due Diligence Package. The Confidentiality Agreement can also be executed electronically on the property Web site at [www.cbre.com/timberlee](http://www.cbre.com/timberlee).

**INSPECTION DATES ::** June 18–19, by Appointment Only; Contact Listing Agents for Tour Information



For more information on Timberlee Apartments, please visit [www.cbre.com/timberlee](http://www.cbre.com/timberlee)



Pro Forma

	Current Actual Rent Audit		Pro-Forma Market Rents & CBRE Expenses			
	FY 2008	Per Unit	2009	Per Unit	Per S.F.	% of EGI
<b>INCOME</b>						
Gross Potential Rent	836,370	8,200	880,209	8,629	9.51	105%
Bad Debt Expense	(7,341)	(72)	0	-	-	0%
Vacancy Factor	(29,124)	(286)	(44,010)	(431)	(0.48)	-5%
<b>EFFECTIVE RENTAL INCOME</b>	<b>799,905</b>	<b>7,842</b>	<b>836,198</b>	<b>8,198</b>	<b>9.03</b>	<b>100%</b>
Financial Revenue	637	6	0	-	-	0%
Non Revenue Unit	(8,224)	(81)	(8,868)	(87)	(0.10)	-1%
Laundry and Vending	0	-	0	-	-	0%
Other Revenue	7,844	77	12,500	123	0.14	1%
<b>EFFECTIVE GROSS INCOME</b>	<b>800,161</b>	<b>7,845</b>	<b>839,830</b>	<b>8,234</b>	<b>9.07</b>	<b>100%</b>
<b>EXPENSES</b>						
Management Fee	(44,743)	(439)	(41,992)	(412)	(0.45)	-5%
Other Admin Expense	(33,114)	(325)	(30,000)	(294)	(0.32)	-4%
Admin Salaries <sup>1</sup>	(37,540)	(368)	(36,000)	(353)	(0.39)	-4%
Utilities (Incl W/S) <sup>2</sup>	(61,102)	(599)	(55,000)	(539)	(0.59)	-7%
Garbage & Trash	(13,793)	(135)	(13,609)	(133)	(0.15)	-2%
Security	(5,750)	(56)	(7,782)	(76)	(0.08)	-1%
Operations / Maintenance <sup>3</sup>	(103,098)	(1,011)	(80,000)	(784)	(0.86)	-10%
Operations/Maintenance Salaries	(43,383)	(425)	(32,000)	(314)	(0.35)	-4%
Real Estate Taxes <sup>4</sup>	(62,134)	(609)	(63,998)	(627)	(0.69)	-8%
Insurance / Other Taxes <sup>5</sup>	(18,695)	(183)	(15,710)	(154)	(0.17)	-2%
Property/Liability Insurance	(18,611)	(182)	(19,747)	(194)	(0.21)	-2%
<b>TOTAL EXPENSES</b>	<b>(441,962)</b>	<b>(4,333)</b>	<b>(395,837)</b>	<b>(3,881)</b>	<b>(4.28)</b>	<b>-47%</b>
<b>NET OPERATING INCOME</b>	<b>358,199</b>	<b>3,512</b>	<b>443,993</b>	<b>4,353</b>	<b>4.80</b>	<b>53%</b>
Capital Reserves	0	-	(30,600)	(300)	(0.33)	-4%
<b>NET OPERATING INCOME (After Reserves)</b>	<b>358,199</b>	<b>3,512</b>	<b>413,393</b>	<b>4,053</b>	<b>4.47</b>	<b>49%</b>

NOTES

- Pro forma admin salaries were reduced slightly to reflect market salaries.
- Utility expenses were calculated from annualized YTD 2009 expenses and then increased slightly to account for seasonal fluctuations.
- Pro forma Operations and Maintenance figures were reduced to reflect capital improvements that were expensed in Owner's 2008 statement, as well as improved post-rehab operating efficiencies.
- The County calculates property taxes by applying the millage rate of 145.644 to the Assessed Value, (which is determined to be 11.5% of the Appraised Value). Appraisals are done annually and are not affected by transaction purchase price. Pro forma taxes are calculated by growing 2008 actuals at 3%.
- These consist of payroll taxes and benefits which fluctuate proportionately to the change in salaries.

MISC. NOTES

- The rentable square footage does not include the unfinished basement area in each townhouse unit.

Unit Summary

Unit Type	Number of Units	±SF	Contract Rent	Pro Forma Rent	FMRs	Tax Credit Rents 50% of AMGI	Tax Credit Rents 60% of AMGI
1 Bed/1 Bath	24	683	\$627	\$649	\$515	\$586	\$703
2 Bed/1.5 Bath	36	855	\$697	\$721	\$630	\$703	\$844
3 Bed/1.5 Bath	42	1,081	\$732	\$758	\$799	\$812	\$975
<b>TOTALS</b>	<b>102</b>	<b>92,574</b>	<b>\$70,884</b>	<b>\$73,351</b>	<b>\$68,598</b>	<b>\$73,476</b>	<b>\$88,206</b>

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LISTING AGENTS

- |                |                        |
|----------------|------------------------|
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| Listing Agent  | 2858 SW Villa West Dr. |
| T 785.271.2488 | Suite 102              |
| F 785.271.5067 | Topeka, KS 66614       |

## TIMBERLEE APARTMENTS

### CONFIDENTIALITY AGREEMENT

We understand that your organization, including partners, employees, advisors, agents, brokers, and representatives, (the "Company") is interested in pursuing the acquisition (the "Acquisition") of certain property (the "Property") involving an individual owner (the "Owner"). To assist you in your evaluation of a potential acquisition of that certain property currently controlled by Owner, we will provide you with certain information concerning the acquisition. As a condition to furnishing you with such information, Company agrees to treat confidentially such information and any other information (collectively the "Evaluation Material") which Owner, its affiliates, partners, lenders, employees, agents, attorneys, accountants, advisors, or representatives (collectively the "Representatives") furnish to your Company. The term Evaluation Material will also include any analysis, compilations, studies, or other documents prepared by Company or Company's Representatives containing, or based in whole or in part on, any information furnished by Owner.

Company agrees that the Evaluation Material will be kept confidential by it and its Representatives and shall not, except as hereinafter provided, without the prior written consent of Owner, be used or disclosed by it or its Representatives other than for the purpose of evaluating the Acquisition. Company may disclose Evaluation Material only to those of its Representatives who need such information for the purpose of evaluating the Acquisition and who shall (i) be advised by Company of this letter agreement (the "Agreement") and (ii) agree with Company to be bound by the provisions hereof. Company shall be responsible for any breach of this Agreement by its Representatives.

In the event that the Acquisition is not effected after Company has been furnished with Evaluation Material, Company will promptly deliver to Owner the Evaluation Material and all copies thereof, except for the portion that consists of compilations, studies, or other documents prepared by Company or its Representatives, without retaining any copy thereof. That portion of the Evaluation Material which consists of analysis, compilations, studies, or other documents prepared by Company or its Representatives will be held by it and kept confidential and subject to the terms of this agreement, or destroyed at the request of Owner, with destruction confirmed in writing by the Company to Owner.

The term Evaluation Material does not include information which (i) become generally available to the public other than as a result of disclosure by Company or its Representatives, (ii) was available to Company on a non-confidential basis prior to its disclosure to Company by Owner or its Representatives, or (iii) becomes available to Company on a non-confidential basis from a source other than Owner or its Representatives, provided such source itself is not bound by a confidentiality agreement with Owner or its Representative or is not otherwise prohibited from disclosing such information by any contractual, legal, or fiduciary obligation.

Although Company understands that Owner has endeavored to include in the Evaluation Material information known to it which it believes to be relevant for the purposes of Company's investigation, Company further understands that except as may otherwise be agreed in writing, Owner does not make any representation or warranty as to the accuracy or completeness of the Evaluation Material. Company agrees that neither Owner nor its Representatives shall have any liability to Company or any of its Representatives under this Agreement for any cause whatsoever. These properties are being offered on an "As Is – Where Is" basis and you and your advisors should conduct a careful, independent investigation of the property to determine to your satisfaction, the suitability of the property for your needs.

Without the prior written consent of Owner, neither Company, its affiliates, nor those of Company's Representatives who are aware of the Evaluation Material and/or the possibility of a transaction will knowingly initiate or cause to be initiated any communication with any owners of the Property and/or such owners' affiliates, tenants, managers, lenders, constituent owners, and governmental regulators concerning the Evaluation Material or a possible transaction involving the Property.

Company acknowledges that money damages may be both incalculable and an insufficient remedy for any breach of this letter agreement by Company or its Representatives, and that any such breach may cause Owner irreparable harm. Accordingly, Company also agrees that in the event of any breach of this letter agreement, Owner shall be entitled, without the requirement of posting a bond or other security, to seek and obtain equitable relief, including injunctive relief and specific performance. Such remedy shall not be the exclusive remedy for any breach of this letter agreement, but shall be in addition to all other remedies available at law or equity to Owner. If a court of competent jurisdiction determines that this agreement has been breached by Company or its Representatives, then Company shall reimburse Owner for its costs and expenses (including, without limitation, attorneys' fees and expenses) incurred in connection with all such litigation.

The undersigned warrants and represents to Owner and to Owner's agent, CB Richard Ellis, Inc., that it is a principal, and that no broker has procured its interest in the subject property other than the broker named below ("Procuring Broker"). The recipient of this package agrees to indemnify, defend, and hold Owner and CB Richard Ellis, Inc., harmless and defend both against any and all brokers claiming a commission other than the broker named below as "Procuring Broker." In the event Buyer is represented by a procuring Broker, then that Broker shall be compensated by the Buyer. This agreement shall be governed and construed in accordance with the laws of the State of Washington, may not be changed, waived, or terminated orally and shall be binding upon the parties and their successors or assigns. The Company confirms the understanding that any agreements between the Company and Owner concerning the Acquisition will exist only when such agreement is in writing and duly executed by the parties thereto.

**No Co-Brokerage fee will be offered. Third party Broker must seek compensation from Buyer.**

AGREED TO AND ACCEPTED BY:

*Please Print:*

Company:	_____	Procuring Broker if any:	_____
Address:	_____	Address:	_____
City, ST Zip:	_____	City, ST Zip:	_____
Phone:	_____	Phone:	_____
Fax:	_____	Fax:	_____
e-mail:	_____	e-mail:	_____
By:	_____	By:	_____
Its:	_____	Its:	_____
Date:	_____	Date:	_____
Signature:	_____	Signature:	_____