



Passco Allure DST | 249 Allure Lane | Chesapeake, VA 23322

## THE PROPERTY

- 280-unit apartment community on approximately 11.74 acres, offering, 1-, 2-, and 3-bedroom apartment units. It consists of 7 buildings; three 4-story residential buildings, three 1-story community buildings and one 1-story parking garage.
- Unit amenities include open concept layout, chef-inspired kitchens, kitchen island w/breakfast bar, granite countertops, stainless steel appliance package, faux wood flooring, balconies or patios, generous walk-in closets, pantry, washer/dryer included, smart home locks with keyless entry, pet friendly, full-size luxe bathroom, 9' and 10' ceilings.
- Community amenities include resort style salt water pool, 24-hour fully-equipped fitness center with children's play area, golf simulator, theater room, arcade, EV charging stations, outdoor lounge, grilling areas, leash free pet park, indoor pet spa, yoga room, meditation room, massage room, three resident lounges, outdoor gaming area, splash pad, cyber cafe, meeting/conference room, media room, video game room, craft room, photography room, package room, bike storage, storage spaces.

## INVESTMENT OPPORTUNITY

- The Virginia Beach-Chesapeake-Norfolk, VA-NC MSA is home to an estimated population of approximately 1,794,278 residents as of 2024, ranking it as the 37th largest metro in the United States by population (U.S. Census Bureau).
- Economically, the metro generates approximately \$127.459 billion in GDP as of 2023, placing it 41st among U.S. metros by economic output (Bureau of Economic Analysis).
- The region ranks 90th among the top 100 best-performing cities nationally, and stands out as one of the top four metros with the biggest ranking gains among large cities (Milken Institute 2025 Best Performing Cities Rankings).
- Annual rent growth of 4.2% positions Hampton Roads ahead of the national average, even as gains moderate from the double-digit peaks seen in 2021 (CoStar).
- A vacancy rate of 6.2% reflects a market that has successfully absorbed significant new supply without major disruption (CoStar).

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This material does not constitute an offer and is authorized for use only when accompanied or preceded by a definitive confidential private placement memorandum. Reference is made to the memorandum for a statement of risks and terms of the offering. The information set forth herein is qualified in its entirety by the memorandum. All potential investors must read the memorandum and no person may invest without acknowledging receipt and complete review of the memorandum.



## BUSINESS PLAN

The following is a summary of the Master Tenant's intended business plan for the operation of the Property. The Trust may be responsible for paying for some of these items.

### Operating & Marketing Strategy

The strategy is to use Allure at Edinburgh's (the "Property") up-scale amenities, unit finishes, and access to major arteries to achieve and maintain market occupancy, increase rental rates based on market dynamics, increase ancillary revenue opportunities, and monitor/control expenses and reserves to maximize investment performance. The Master Tenant will develop a marketing strategy to attract employees from nearby, high-paying employers.

As a condition of entering the Master Lease, the Master Tenant required that the following amenities be added, and changes are made, to the Property to help attract prospective residents:

- Installation of private unit yards
- Installation of dog park sails and benches
- Enhance landscaping by installing river rock and a retention pond
- Clubhouse refresh
- Add pergolas over grill station to protect the equipment and extend its lifespan

### Major capital projects planned during the hold period will include:

- Exterior paint project
- Breezeway hallway flooring replacements
- Parking lot seal and restriping

### Maximize Performance

- Enhance the Property's website and internet marketing by engaging an internet firm specializing in website design and search engine optimization. The Master Tenant will design and develop a new website for the Property and commission the production of community-tailored internet search advertising campaigns.
- Implement an aggressive property marketing campaign to reach out to local corporations, businesses, and vendors to obtain referrals, activity sponsorships, and reciprocal business opportunities.
- Introduce and monitor increases in other income items to maximize recovery of property utility fees, trash removal fees, and parking fees where possible.
- Introduce and monitor increases in property fees such as administrative fees, application fees, transfer fees, pest control fees, valet trash fees, pet deposits, and pet fees when and where possible.

- Implement Passco's Pricing Model. The Passco Pricing Model is a platform designed to optimize rental pricing, occupancy, and overall financial performance. By leveraging real-time market intelligence and internal performance metrics, this model provides dynamic, accurate, and strategically aligned pricing recommendations. The result is enhanced revenue optimization, improved operational consistency, and a more disciplined approach to both new lease and renewal pricing.
- Implement CORE (Central Operation & Resource Efficiency). CORE is a strategic initiative designed to streamline operations, maximize resources, and improve service quality. By centralizing key administrative and operational tasks previously handled at the site level, CORE enables greater efficiency, uniformity, and support for on-site teams.

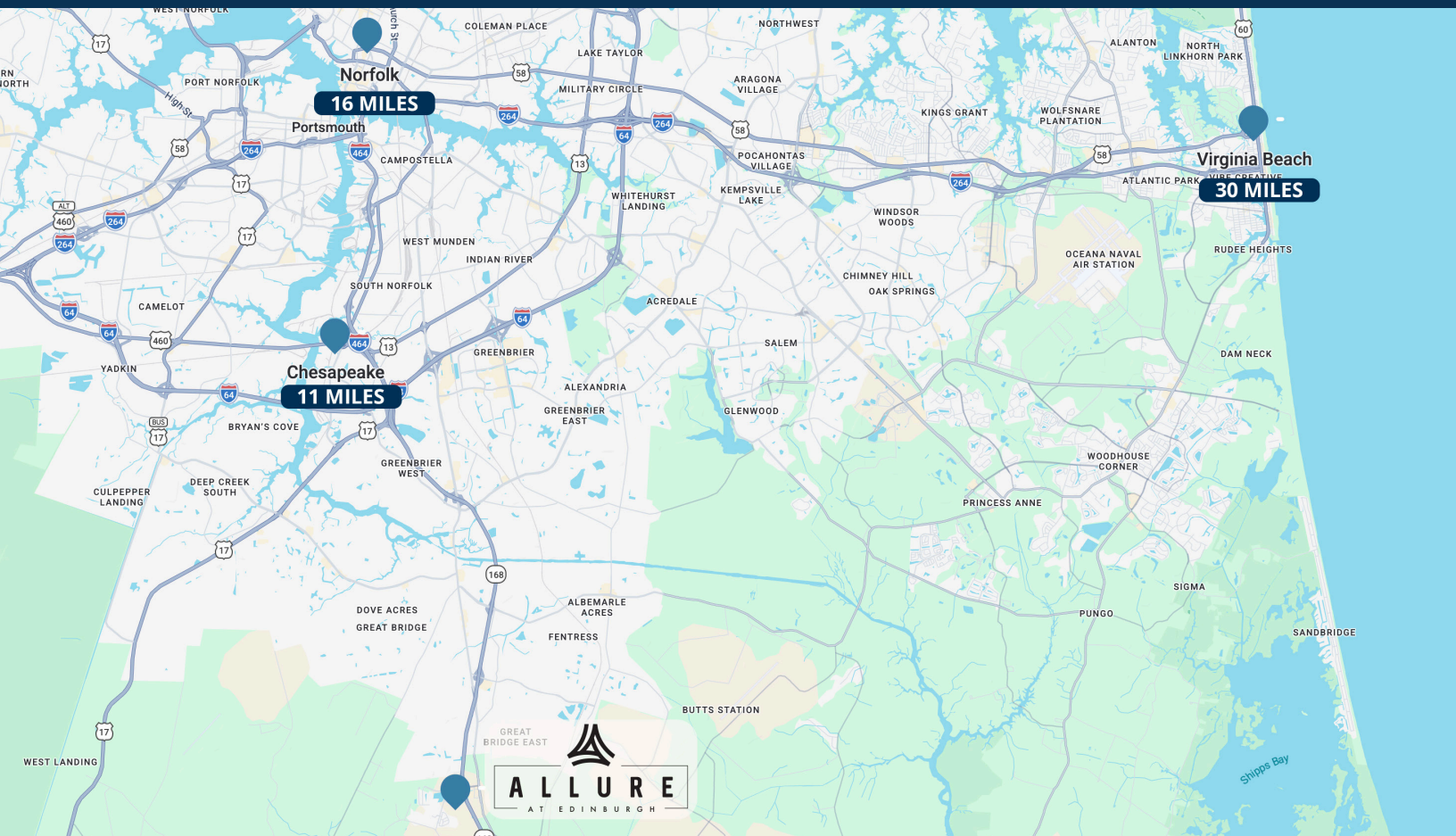
### Improve New Lease Closings & Resident Retention

- Hire Arlington, an experienced third-party property management company, to oversee an on-site Property management team of experienced and enthusiastic professionals.
- Install a lease management system for the Property that targets the number of monthly lease expirations to match the seasonality of the submarket. Install a reputation management system that enhances the Property's online rating scores on industry rating sites, as well as multiple search engine rating sites. In today's technology-driven market, a project's online rating scores are critical search components for prospective residents.
- Conduct regular meetings between the Master Tenant's investment manager(s) and the regional third-party management company's staff for the purpose of reviewing property performance reports including, but not limited to, new leasing activity, retention activity, pricing, marketing programs, and capital projects.
- Hold regular property resident functions to foster a sense of community and thereby increase tenant retention.

### Implement Asset Management Programs

- Leverage an "economy of scale" cost-effective pricing structure on Property insurance, contractor and vendor services, and maintenance supply inventory.
- Perform annual competitive bidding of service and maintenance contracts for the Property.
- Implement an annual property tax review and tax appeal program for the Property utilizing recognized national and/or local area tax consultants.
- Implement an annual property insurance review for the Property utilizing recognized national insurance agencies.

# PASSCO ALLURE DST



## THE MARKET

Virginia ranks 16th in the nation on U.S. News & World Report’s Best States in America Rankings, and 10th specifically for economy. A category reflecting business environment, labor market, and overall economic growth. The state is also home to a growing tech sector: per a 2025 CompTIA report, Virginia ranks 5th nationally for net tech employment with 375,469 workers and 3rd for tech employment concentration at 8.7%.

The Virginia Beach-Chesapeake-Norfolk, VA-NC MSA is the 37th largest metro in the U.S. by population, with an estimated 1,794,278 residents as of 2024 (U.S. Census Bureau), and the 41st largest by economic output, generating approximately \$127.5 billion in GDP in 2023 (Bureau of Economic Analysis). The metro also ranks 90th among the Milken Institute’s 2025 Best Performing Cities and stands out as one of the top four large cities with the biggest ranking gains year-over-year and 33rd for wage growth from 2022 to 2023.

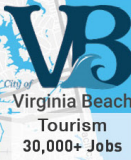
Prior to the pandemic, the metro’s unemployment rate was approximately 2.69% as of December 2019, roughly 1.31 percentage points below its five-year trailing average. As of December 2025, unemployment remains above that pre-pandemic baseline, though the region’s employment base has added approximately 106,873 jobs since May 2020.

The three largest employment sectors in the metro are Government at 19.9%, Education and Health Services at 15.1%, and Professional and Business Services at 15.0%, according to Moody’s. The highest-paying sectors are Information at \$141,896 average annual wage, Wholesale Trade at \$117,002, and Financial Activities at \$112,809.

### VIRGINIA BEACH-CHESAPEAKE-NORFOLK, VA-NC MSA TOP 10 EMPLOYERS

| Rank | Employer                                    | Employees |
|------|---------------------------------------------|-----------|
| 1    | Naval Station Norfolk                       | >80,000   |
| 2    | Sentara Healthcare                          | >2,000    |
| 3    | Walmart Inc.                                | >2,000    |
| 4    | Huntington Ingalls Industries               | >1,000    |
| 5    | Riverside Regional Medical Center           | >1,000    |
| 6    | Ferguson Enterprises Inc.                   | >1,000    |
| 7    | Old Dominion University                     | >1,000    |
| 8    | Children’s Hospital of The King’s Daughters | >1,000    |
| 9    | Eastern Virginia Medical School             | >1,000    |
| 10   | ADP Inc.                                    | >1,000    |

Source: Moody’s Analytics, August 2025



Passco engaged Arlington to compile a due diligence report that included a lease audit of the Property. Per Arlington, the median annual household income is approximately \$115,080, with residents earning approximately 4.61x their monthly rent. Arlington's demographic report identifies the top three resident industries as Military at 20.18% of residents (68 individuals), Healthcare at 17.81% (60 individuals), and Government at 12.76% (43 individuals).



## DEMOGRAPHICS

|                                           | Virginia Beach-Chesapeake-Norfolk, VA-NC MSA | 1-Mile Radius | 3-Mile Radius | 5-Mile Radius |
|-------------------------------------------|----------------------------------------------|---------------|---------------|---------------|
| 2020 to 2026 Population Growth            | 0.89%                                        | 20.21%        | 7.93%         | 2.13%         |
| 2025 to 2031 Population Growth            | 0.66%                                        | 10.63%        | 4.65%         | 1.37%         |
| 2026 Estimated Population                 | 1,795,848                                    | 3,254         | 15,602        | 54,842        |
| Average Age                               | 39.90                                        | 36.85         | 39.27         | 39.81         |
| % of Age 25+ (Bachelor's Degree & Higher) | 35.96%                                       | 56.69%        | 51.12%        | 42.83%        |
| Prime Rental Age 18-34                    | 23.75%                                       | 18.93%        | 19.45%        | 20.59%        |
| Median Household Income                   | \$88,239                                     | \$169,769     | \$166,305     | \$148,418     |
| % of Households > \$100K Income           | 44.25%                                       | 82.40%        | 77.23%        | 70.52%        |
| Median Home Value                         | \$404,794                                    | \$652,391     | \$599,248     | \$535,769     |

Source: Claritas Analytics

## UNIT MIX

| Unit Type            | % / Units   | Units      | Total SF       | SF / Unit*    |
|----------------------|-------------|------------|----------------|---------------|
| Charm – 1BR/1BA      | 13.93%      | 39         | 24,570 SF      | 630 SF        |
| Bliss – 1BR/1BA      | 18.57%      | 52         | 36,452 SF      | 701 SF        |
| Glam – 1BR/1BA       | 4.28%       | 12         | 9,264 SF       | 771 SF        |
| Intrigue – 2BR/2BA   | 31.43%      | 88         | 93,104 SF      | 1,058 SF      |
| Enchant – 2BR/2BA    | 11.43%      | 32         | 34,848 SF      | 1,089 SF      |
| Captivate – 2BR/2BA  | 3.21%       | 9          | 11,268 SF      | 1,252 SF      |
| Charisma – 3BR/2BA   | 17.14%      | 48         | 62,832 SF      | 1,309 SF      |
| <b>Total/Average</b> | <b>100%</b> | <b>280</b> | <b>272,338</b> | <b>973 SF</b> |

## AMENITIES

### Unit Amenities

- Open concept layout
- Chef-inspired kitchens
- Kitchen island w/breakfast bar
- Granite countertops
- Stainless steel appliance package
- Faux wood flooring
- Balconies or patios
- Generous walk-in closets
- Pantry
- Washer/dryer included
- Smart home locks with keyless entry
- Pet friendly
- Full-size luxe bathroom
- 9' and 10' ceilings\*

\*Select units

## FLOOR PLAN SAMPLES

\*Total square footage divided by total number of units.



**Bliss**  
One Bedroom | One Bath



**Captivate**  
Two Bedroom | Two Bath



**Charisma**  
Three Bedroom | Two Bath

# PASSCO ALLURE DST



Property Website: [allurechesapeake.com](http://allurechesapeake.com)

## RISKS

There are substantial risks in this investment program. This Investment is speculative, is illiquid, and carries a high degree of risk – including the potential loss of the entire investment. See the “Risk Factors” in the accompanying Private Placement Memorandum for a complete discussion of the risks relevant to this offering. The Memorandum contains more complete information regarding the investment including the following risk factors:

- There will be no public market for the Interests.
- There is no specified time that the investment will be liquidated.
- Delaware Statutory Trusts are a relatively new vehicle for real estate investment and are inflexible vehicles to own real property.
- Investors will have no voting rights and will have no control over management of the Trust or the Property.
- There is no guarantee that investors will receive any return.
- Distributions may be derived from sources other than earnings.
- The Property will be subject to a Master Lease with an Affiliate of the Sponsor.
- The Property will be subject to the risks generally associated with the acquisition, ownership and operation of real estate including, without limitation, environmental concerns, competition, occupancy, easements and restrictions and other real estate related risks.
- The Property will be leveraged.
- The Manager, the Master Tenant and their Affiliates will receive substantial compensation in connection with the Offering and in connection with the ongoing management and operation of the Property.
- The Manager, the Trust, the Master Tenant and their Affiliates will be subject to certain conflicts of interest.
- An investment in the Interests involves certain tax risks.

## MARKETING CONTACTS

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#### Investment Plan

- 280-unit apartment community on approximately 11.74 acres, offering 1-, 2-, and 3-bedroom apartment units. It consists of 7 buildings; three 4-story residential buildings, three 1-story community buildings and one 1-story parking garage.
- Maximize revenue and occupancy over the holding period.
- Distribute monthly cash flow.
- Sell in approximately 10 years, or when the market dictates.

#### Acquisition Details

- Acquisition Cost .....\$102,903,429
- Reserves .....\$4,021,571
- Total Price .....\$106,925,000
- Occupancy (Rent Roll as of 04/27/2026) ..98.57%
- Year Completed .....2024/2025

#### Loan Amount and Terms

- Loan Amount.....\$48,350,000
- Fannie Mae loan; 10-year loan term; 7 years interest only with an interest rate of 4.98%
- Leverage.....45.22%

#### DST/Master Lessee

- Offering Size .....\$58,575,000
- Minimum Purchase - Cash.....\$25,000  
1st year cash flow for cash investors may be up to 100% tax sheltered by depreciation.
- Minimum Purchase - 1031 .....\$100,000
- Suitability.....Accredited Only

#### Cash Flow

See Exhibit E of the Private Placement Memorandum for information on the operations for the project.

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