

PRIVATE INVESTMENT OFFERING

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BENT CREEK APARTMENTS

208 Units in Louisville, Kentucky



PRESENTED BY



MORGAN INVESTMENT FUND
Attractive cash flow returns from Real Estate syndication

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212-213-2210

For more information about Morgan Investment Fund, visit www.MorganInvestmentFund.com

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Disclaimer

SECTION 1: EXECUTIVE SUMMARY

The Offering

The **Morgan Investment Fund, LLC** (the “Fund” or “Morgan”), acting as sponsor, is purchasing **Bent Creek Apartments**, a 92% occupied, 208 unit apartment community located at 3309 River Chase Court, **Louisville, KY 40218**. The Fund is selling a \$1,540,000 preferred equity interest(s) with an anticipated closing in February, 2012. Morgan will manage all aspects of the property.

Originally built in 1975, Bent Creek Apartments is a thirteen-building apartment community set on an eleven acre (approx.) site in a suburban, residential setting on the south side of Louisville near employment, retail, and transportation. The property is extremely well maintained and has seen significant recent capital expenditures. Bent Creek is an attractive investment opportunity with a history of stabilized occupancy and income. Year-1 Revenue is projected at \$1,446,500; Expenses at \$777,895; and, NOI at \$668,605. The purchase is subject to an existing mortgage with favorable terms and debt service payments, resulting in higher investor returns at the given purchase price.

Investor Opportunity

Morgan is inviting accredited investors to participate on a preferred basis with The Fund in this property. The investment provides:

- **10% annual preferred dividend (cash-on-cash returns), payable monthly**
- **Tax deferred income due to property depreciation (consult your tax advisor)**
- **Participation in future capital gains**
- **Attractive risk-reward profile**
- **Minimum hassle as Morgan handles the day-to-day property-related issues and reporting.**
- **Professional team. For information on the management of Morgan Investment Fund, please visit: www.MorganInvestmentFund.com. And, for information on Morgan’s property management team, please visit: www.pmrcompanies.com**

Morgan believes that the current high occupancy rate of the apartment complex is sustainable based on the property’s stabilized history of high occupancy, the overall strength of Louisville’s market fundamentals, and the property’s location in an established, supply constrained neighborhood. The stabilized revenue stream represents the potential for a comparatively low-risk opportunity for reliable investor returns.

Morgan’s plan is to acquire the property and maintain the existing, stabilized high occupancy level and revenue collections. Morgan’s local market analysis indicates that occupancy rates in Louisville have been increasing and average above 94%. With little new supply projected to enter the market in the near-term and an upward trend in the number of households in the market, Morgan believes that sufficient demand exists for the type of units that Bent Creek Apartments has to offer and that the current occupancy level can be sustained. Morgan also believes that improved management will result in significant and immediate/near-term reductions in expenses to levels more typical of a well maintained, multi-family asset.

As with any investment, there are risks associated with ownership. See “Risks” section of the Confidential Private Offering Memorandum, available upon request, and carefully consider these and other risks before investing.

Key Investment Highlights

ATTRACTIVE CURRENT CASH FLOW

Morgan is purchasing the property at a 10.6% CAP rate [approx]. Therefore, current cash flow is sufficient to cover debt service and pay investors on a monthly basis.

STABILIZED OPPORTUNITY

The property has undergone several recent capital improvements. Therefore, there appears to be no immediate need for significant capital outlays to improve the property's condition. The improved quality of the buildings and grounds should help to maintain the current high occupancy level through increased marketability and stronger competitive standing in the marketplace. Such improvements to physical condition should also help mitigate tenant turnover risk.

PROVEN PROPERTY MANAGEMENT SUCCESS

Morgan's Asset Management team partners with PMR Companies, a well-established, highly reputable property management company with significant local presence in Louisville. Morgan has an on-going relationship with PMR, which currently oversees three Morgan-owned apartment complexes, with a total of 522 dwelling units in the same region as Bent Creek. With those holdings, Morgan has successfully reduced operating expenses and increased occupancy, and Morgan has the right team to do so at Bent Creek Apartments.

Morgan's other apartment investments managed by PMR (Pine Meadow, Woodbridge Place Apartments, and Bradford Pointe) are currently running at occupancy rates between 93% and 98%. In those cases, Morgan hired new staff, renovated down units, and implemented multiple professional property management policies to enhance collections, improve tenant retention, and reduce expenses. The properties are performing well, despite an adverse general economy.

STABLE APARTMENT MARKET WITH DECLINING VACANCY

The Louisville market and local neighborhood are supply constrained, stable markets with no major new supply increases projected in the near term. Effective occupancy averages over 94% across Greater Louisville. With the exception of a minor 1% decrease in 2009, throughout the recent economic downturn the Louisville market has continued to show annual increases in both occupancy and rent levels. This historic positive growth trend is representative of the area's resilience to adverse economic conditions and supports projections for either stabilized or positive future growth trends.

WELL-PERFORMING METRO ECONOMY DESPITE NATIONAL RECESSION

Louisville's diverse metro economy has performed well considering the recent macro-level economic conditions. Louisville is a regional manufacturing center, health care center, and the headquarter location of several Fortune 500 companies including Humana, YUM! Brands, and Kindred Healthcare. UPS, Louisville's largest private employer, operates its main cargo hub at Louisville International Airport. Fort Knox is located 40 miles north of Louisville and is scheduled to grow in population as a result of the BRAC program. Also, The University of Louisville is a major presence with three campuses, 6,200 staff, and over 22,000 students – 80% of who (approx.) live off-campus. After a period of higher than average unemployment during the recent recession, Louisville has experienced a drop in the unemployment rate. Projections for the MSA show continued employment, population, and household growth that will support continued demand in the Louisville housing market.

Sources and Uses

The Sources and Uses Statement summarizes the approximate debt and equity intended to finance the asset. Morgan will retain an ownership interest in the property and will continue to manage operations in order to enhance cash flows and property value.

Sources		Uses	
Equity		Acquisition Cost	
	Amount		Amount
Morgan Investment Fund (approx. 10% of Total Equity)	\$ 178,000	Purchase Price	\$ 6,300,000
Co Investor Equity Available for Sale	\$ 1,540,000	Closing Costs	\$ 318,000
Total Equity	\$ 1,718,000	Total Acquisition Cost	\$ 6,618,000
Debt		Renovations	
Assumable Loan Principal (approx.)	\$ 4,900,000	No Planned Renovations	\$ -
Total Sources	\$ 6,618,000	Total Uses	\$ 6,618,000

Offering Terms

Morgan Investment Fund is offering a \$1,540,000 interest(s) in the property with a preferred return of ten percent (10%) per annum paid monthly, plus a negotiated percentage of future capital gains. Additional Due Diligence information is available through Morgan Investment Fund. For additional information, please contact Eli Bobker (eli.bobker@morganinvestmentfund.com) or Aaron Prager (aaron.prager@morganinvestmentfund.com); or, by phone at (212)-213-2210.

SECTION 2: PROPERTY DESCRIPTION



Bent Creek Apartments is a 208 unit apartment complex located on an 11-acre site (approx.) on the south side of Louisville, Kentucky, in the South-Central submarket – a primarily residential, suburban area. Improvements on the site include 13, 2-story residential buildings. Current occupancy is stabilized at 92%.

Bent Creek was originally built in 1975. Over the past five years, the current owners have invested in significant capital improvements to address deferred maintenance issues. Since 2009, the current ownership has spent approximately \$770,000 (\$3,700/unit) in general Repair and Maintenance and below the line Cap-Ex. Additional capital expenditures have gone to both interior and exterior improvements, HVAC and Appliance replacements, Electrical System upgrades, and Grounds improvements.

Buildings are wood-frame construction with brick veneer exteriors and pitched gable roofs. Units have individual thermostats and a utility bill-back system is in-place for tenant reimbursement of Gas usage. Tenants are individually metered for Electric usage.

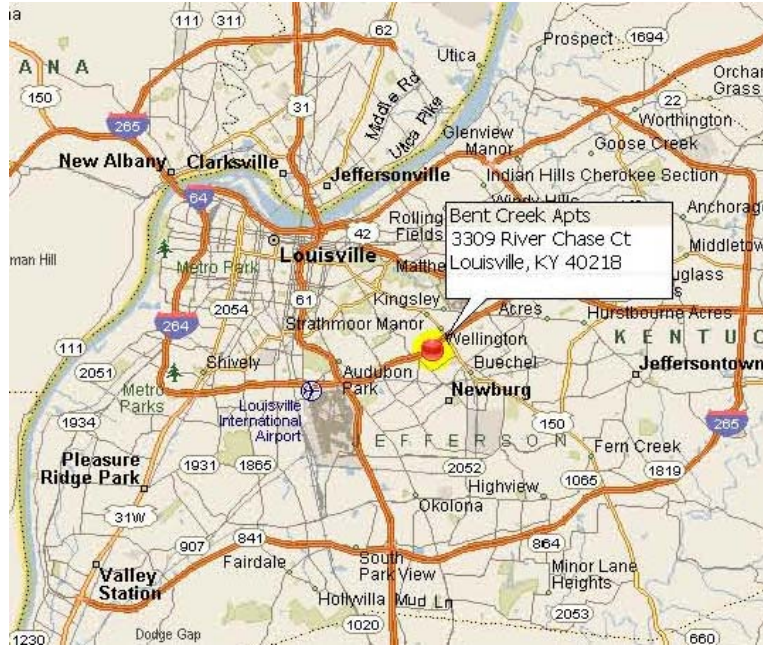
Common and Individual Unit amenities include unit balconies or patios, off-street parking, laundry facility, fitness center, gated security, a significant amount of useable open space, and a pool. The property includes one, two, & three bedroom apartments. Units are equipped with full kitchens that include dishwashers.

Unit Mix

No. of Units	Unit Type	Approx. Square Feet	Current Rents	Rent/SF	Monthly Income
40	1 Bdr 1 Bath	1,000	\$557 - \$649	\$0.60	\$24,800
120	2 Bdr 2 Bath	1,150	\$599 - \$680	\$0.56	\$79,450
48	3 Bdr 2 Bath	1,450	\$714 - \$864	\$0.54	\$29,200
208	TOTAL	247,600			\$133,450

The complex is comprised of a diverse mix of unit types (see table above). There are 40 one-bedroom units, 120 two-bedroom units, and 48 three-bedroom units for a total of 208 units. Unit floorplan sizes range from 1,000sf to 1,350sf. This represents an attractive Rent/sf for potential tenants when compared to market comps, or the potential to increase rents to more typical Rent/sf rates.

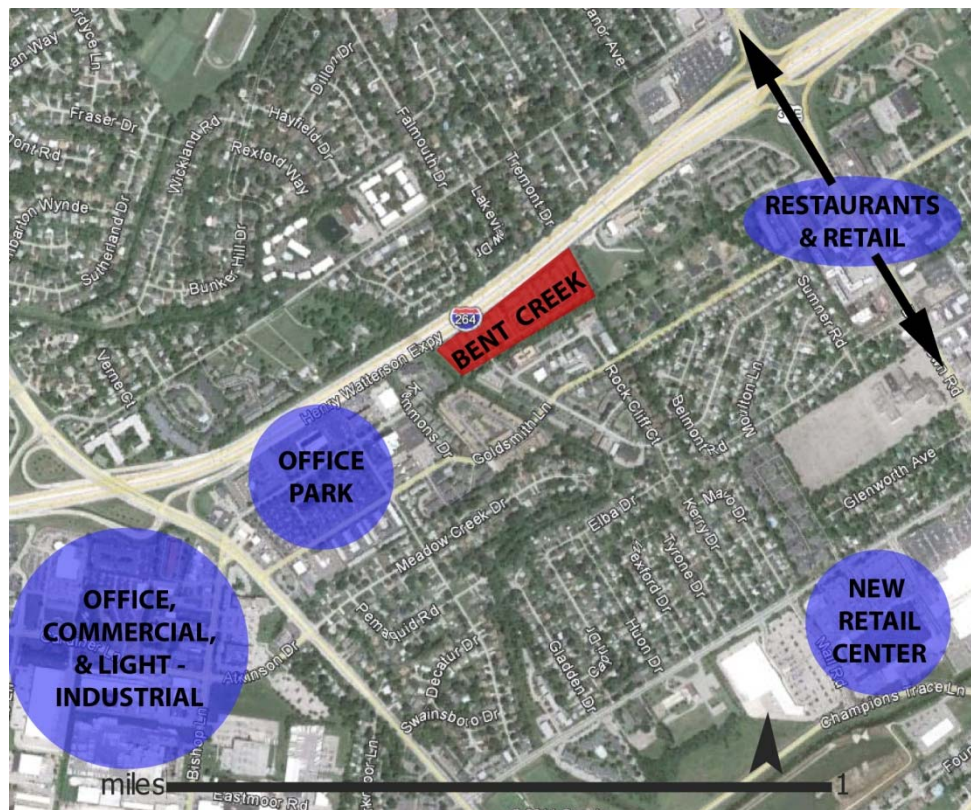
SECTION 3: PROPERTY LOCATION



Metro Area

Bent Creek Apartments is located in the south-central area of Louisville, east of Newburg Road, adjacent to the south side of the Henry Watterson Expressway (Rte. 264), and west of Bardstown Rd. Bent Creek’s location provides exceptional access to Louisville’s local and regional highway systems by its adjacency to Route 264 which has interchanges within ½ mile to both the east and west of the property. By car, Bent Creek is approximately 15 minutes from both the center of downtown Louisville and the University of Louisville. The site is approximately 10 minutes from Louisville International Airport, the location of UPS’s main cargo hub, the city’s largest private employer.

Neighborhood



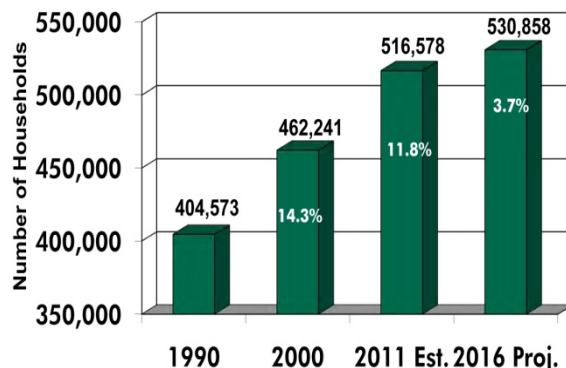
The immediate area is an established, middle-income neighborhood with a mix of single family homes, townhouses, condominiums, and apartment communities. The primarily-residential, community has a suburban density that adds to the attractiveness of the location. Commercial and retail uses are in close proximity, adding shopping and employment opportunities. Bardstown Road (Rte. 31E, also Rte. 150) to the east is a major retail corridor. A new retail center has been constructed to the south and is home to a Walmart, Target, and Lowes. The Office, Commercial and Light Industrial area to the west is the location of both the Jefferson County Public Schools Headquarters and the Yum! Brands Corporate Center. Several parks, golf courses, and the Louisville Zoo are all within 5 miles of the property.

SECTION 4: LOUISVILLE MARKET SNAPSHOT

Demographics

The Louisville-Jefferson County, KY-IN Metropolitan Statistical Area (MSA) is currently the 42nd largest MSA in the country and includes counties in both Kentucky and Southern Indiana. Louisville, itself is the country’s 27th largest city.

Steady population growth since 1990, projected to continue in the near future, will drive demand for the goods and services industries such as retail and health services, and the housing market. Between 1990 and 2010, the population of the Louisville-Jefferson County, KY-IN MSA rose by 20.6%, from 1,055,973 to 1,273,611. Population growth is projected to continue growing at a rate between 3.9% and 4.4% over the next 4-5 years. Household growth has seen steady increases since 1990 (see table at right) and is forecast to continue increasing over the next five years. Population in a 5 mile radius of the site is projected to grow from current levels by approximately 1.3% over the next five years. Approximately 19% of the population is between 20 and 34, considered to be the prime renter years. Fort Knox is located about 40 miles from Louisville. BRAC expansion alone is projected to add 11,500 people to the MSA. Also, The University of Louisville with three campuses, 6,200 Staff, and over 22,000 students – 80% of who (approx.) live off-campus – provides stability to the metro area’s economy and is credited with reducing the overall impact of the economic downturn.

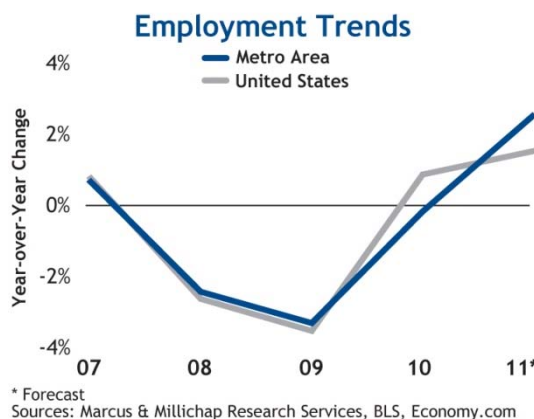


[Source: CBRE]

Economy

The Louisville MSA is a popular convention town, a manufacturing center, and the region’s health-care center. The largest employment sectors in the MSA are Services (45.5%), Manufacturing (11.2%), and Retail Trade (11.2%). Several major employers are headquartered in Louisville and local economic incentives continue to draw new businesses to the region. Of the six Fortune-500 Companies headquartered in KY, three are located in Louisville (Humana, Yum! Brands, and Kindred Healthcare). The area’s largest private employer is UPS which has its international shipping and cargo hub located at Louisville International Airport. Household Income has a projected 12.7% five-year growth rate (2010 Household Income: \$53,665).

Both long-established and emerging industries are projected to aggressively rebuild staffing levels in the short term. Notably, *Trade, Transportation, and Utilities* employers will increase hiring activity as business operations boost transport activity in this major distribution center. Also, as package processing volume builds with improving economic conditions, increased distribution activity should generate warehousing and transport related jobs through 2012. The KY Economic Development Finance Authority has approved millions in tax incentives to attract distribution firms which could add construction and logistic positions in the short term. Job creation in these industries should bolster demand for Class B/C rentals. The emerging industries, Healthcare and Medical Sciences, are projected to post solid expansion as well, adding higher paying jobs to the MSA.

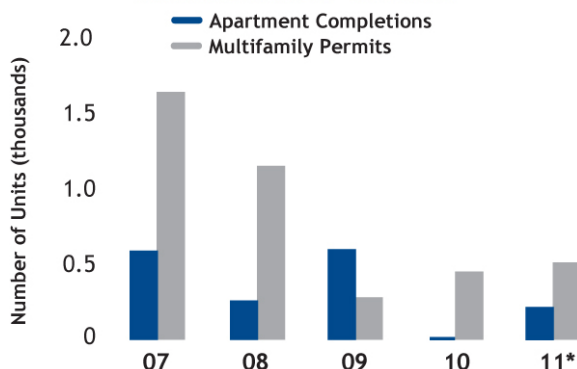


SECTION 5: APARTMENT MARKET SNAPSHOT

Supply

Apartment deliveries have remained absent from the market since the third quarter of 2009 and no rental properties were under construction at the start of 2011. Planned projects total approximately 2,100 units, approximately 5% of the total existing stock. More than 500 condo units are under way with an additional 2900 for-sale units under consideration. Regardless of the numbers of planned projects, at the start of 2011, no apartment developments were scheduled for delivery during 2011 marking the second consecutive year of no supply growth. Therefore, with projected positive household growth, current demand conditions should be supported into the future.

Construction Trends

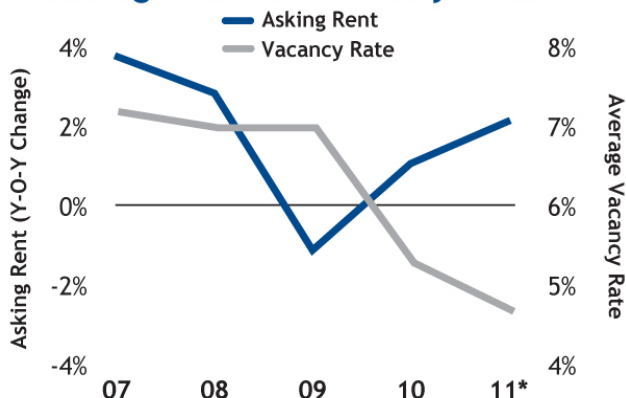


* Forecast
Sources: Marcus & Millichap Research Services, U.S. Census Bureau

Vacancy

Job growth and a lack of new supply fueled a 1.0% vacancy decrease over 2010 to 5.2% by the start of 2011. Class A vacancy is at its lowest vacancy rate in years (3.6%) and lower-tier assets are reporting an even steeper decline of 1.5% to a vacancy rate of 6.2%. Steady renter demand growth coupled with stalled development results in a projected 60 basis point decrease in vacancy by the end of 2011.

Asking Rent and Vacancy Trends



* Forecast
Sources: Marcus & Millichap Research Services, Reis

Rental Rates

Along with a falling vacancy rates, overall average rental rates in the Louisville MSA are projected to increase by an average of 2.0% by 2011YE. Average effective rents are projected to increase by approximately 2.9%.



[Source: CBRE]

SECTION 6: FINANCIAL ANALYSIS**Bent Creek Apartments**3309 River Chase Court
Louisville, KY 40218208 units
91.8% Occupancy**Income and Expense Statement** [approx.]

Based on Adjusted Historic Profit & Loss Statements, Current Rent Roll, Projected Expenses

Revenue

Revenue Notes

Rental Income	\$	1,400,000	Based on 2009, 2010, & 2011 YTD Actual Rent Collections
Other Income	\$	46,500	Fees, Laundry, Pet Rent, etc. (T9 Annualized)
Effective Gross Revenue	\$	1,446,500	\$ 120,542 Monthly Average

Operating Expenses

Projected Expenses Notes

Real Estate Taxes	\$	(79,500)	Based on Re-Assessment at Purchase Price
Insurance	\$	(84,500)	\$ (406) per unit
Utilities	\$	(169,500)	\$ (815) per unit
Repair and Maintenance	\$	(115,000)	\$ (553) per unit
Marketing & Promotion	\$	(36,500)	Based on Actuals (T9 Annualized)
On-Site Payroll	\$	(192,500)	
Management Fees	\$	(43,395)	3.00% EGR
General & Administrative	\$	(30,500)	
Legal & Professional			Included in General & Administrative
Trash, Lawn, & Snow	\$	(26,500)	
Total Operating Expenses	\$	(777,895)	\$ (64,825) Monthly Average \$ (3,740) per unit 54% Expense Ratio

Net Income

NOI Notes

NOI	\$	668,605	\$ 55,717 Monthly Average
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The above figures are based on property management's 2009-2011 Profit & Loss Recap (Adjusted) and Morgan Investment's expectations. No representations shall be implied.

CASH FLOW PROJECTION

Purchase Price

Purchase Price	\$	6,300,000
Closing Costs (approx. 5.0%)	\$	318,000
Total cost	\$	6,618,000

Capital Stack

Total Debt (Approx. Assumable Loan Principal)	\$	4,900,000
Total Equity	\$	1,718,000

Metrics

Unit Count	208
Purchase Price per Unit	\$ 30,288
Total Cost Per Unit	\$ 31,817
Expense Per Unit (Year-1)	\$ 3,740
Expense Ratio (Year-1)	54%
Cap Rate	10.6%

Assumable Loan

LTV	78%
Maturity	11/1/2020
Rate	4.85%
Amortization (Yrs)	25

Cash Flow Projection

Year	2012	2013	2014	2015	2016
Total Revenue (expected annual growth: 1.5%)	\$ 1,446,500	\$ 1,468,198	\$ 1,490,220	\$ 1,512,574	\$ 1,535,262
Operating Expenses (expected annual growth: 2.0%)	\$ (777,895)	\$ (793,453)	\$ (809,322)	\$ (825,508)	\$ (842,019)
Net Operating Income	\$ 668,605	\$ 674,745	\$ 680,899	\$ 687,065	\$ 693,244
Reserves (\$375 per unit pursuant to Loan docs.)	\$ (78,000)	\$ (78,000)	\$ (78,000)	\$ (78,000)	\$ (78,000)
Net Cash Flow	\$ 590,605	\$ 596,745	\$ 602,899	\$ 609,065	\$ 615,244
Debt Service (includes principal reduction)	\$ (348,986)	\$ (348,986)	\$ (348,986)	\$ (348,986)	\$ (348,986)
Cash Flow After Debt Service	\$ 241,619	\$ 247,759	\$ 253,913	\$ 260,080	\$ 266,258
Cash on Cash Return	14.1%	14.4%	14.8%	15.1%	15.5%
Debt Service Coverage Ratio:	(1.69)	(1.71)	(1.73)	(1.75)	(1.76)
Loan Principal Reduction	\$ 113,499	\$ 119,128	\$ 125,035	\$ 131,236	\$ 137,745
Total Return (Cash Flow ADS + Principal Reduction)	\$ 355,118	\$ 366,886	\$ 378,948	\$ 391,316	\$ 404,003
Total Return Percentage (including principal reduction)	20.7%	21.4%	22.1%	22.8%	23.5%

The above figures are based on property management's 2009-2011 Profit & Loss Recap (Adjusted) and Morgan Investment's expectations. No representations shall be implied.

DISCLAIMER

Membership interests will be offered only to a limited number of accredited investors. Until a final Private Placement Memorandum is signed this is not to be construed as an offer or solicitation. This is intended for general informational purposes only. Separate documentation needs to be reviewed before making any investment decision. No representations or warranties of any kind are intended or should be inferred with respect to the economic interests of any investment. Each investor should consult his/her own counsel and accountant for advice regarding the various legal, tax and economic considerations relating to his/her investment. Morgan Investment Fund reserves the right to terminate or modify the information or process.

Certain information contained herein, including figures of income and expenses, occupancy, etc. have been provided to us by the seller and/or seller's agents. We are currently in the process of verifying this information.

Presented By

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