

CHATEAU SERA

2343 Scarff Street, Los Angeles, CA 90007



TROPICANA

1256 West 29th Street, Los Angeles, CA 90007



PROPERTY SUMMARY

The Tropicana and Chateau Sera are two 30 unit student housing complexes located within a few blocks of the University of Southern California main campus. Both properties are currently 100% leased for the 2014-15 school year with monthly rents ranging from \$1250-\$1450. Each property boasts unique historical architectural design from the 1920's while both have recently undergone extensive interior and exterior renovations. Both properties have been successfully repositioned in the market and have experienced high demand with great potential for future rent growth.



TARGETED BENEFITS

- 6.5% 1ST YEAR TARGETED CASH-ON-CASH RETURN
- LOS ANGELES, CA: 2ND LARGEST CITY IN U.S.
- 100% CURRENT OCCUPANCY FOR THREE CONSECUTIVE YEARS WITH NELSON BROTHERS
- NEWLY RENOVATED UNIT INTERIORS: VALUE-ADDED STRATEGY TO COMPLETE RENOVATIONS

Anchored by the historic stability of USC

STUDENT HOUSING NEAR USC IN LOS ANGELES, CA
AVAILABLE FOR 1031 EXCHANGE



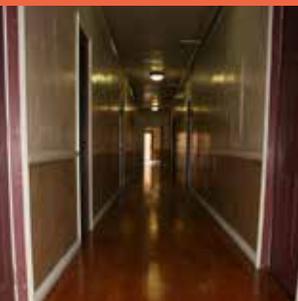


TROPICANA



Building exterior was remodeled in 2004

CHATEAU SERA



Newly renovated unit interiors

TROPICANA is a charming three story building with 30 unique apartments. The buildings exterior was completely remodeled in 2004 and NBPRE recently completed the full interior renovations. Both Studio and one bedroom units offer full size kitchens with new cabinetry, appliances, flooring, countertops and paint. This building is located on the corner of 29th Street and Orchard, just one block north of campus.

Address	1256 West 29th Street Los Angeles, CA 90007
Year Built	1927, Exterior Remodel 2004, Interior Renovation: 2013/14
Number of Units	30 – 8 studio, 22 1-bedroom
Net Rentable SF	13,368
Avg SF per Unit	445
Current Occupancy	100%

CHATEAU SERA is a three story building with 30 unique apartments with Spanish style architecture. Sera was originally built as a single family mansion and later converted to feature dozens of luxury apartments in 1989. Both the studio and one bedroom apartments offer full kitchens, fully renovated to have a modern, contemporary look, with all new appliances and finishes. The property is located on Scarff street, west of USC and about 12 minutes walking distance to campus. Sera has primarily targeted graduate students who prefer living on their own. Scarff street is home to several historical mansions and cultural land marks.

Address	2343 Scarff Street Los Angeles, CA 90007
Year Built	1916, renovated 2004 and 2014
Number of Units	30 – 17 studio, 13 1-bedroom
Net Rentable SF	13,058
Avg SF per Unit	435
Current Occupancy	100%

In 2013 and 2014, Nelson Brothers renovated unit interiors at both Tropicana and Chateau Sera.

Post-renovated units were able to draw a 30% rental rate increase. Currently 51 of the 60 units have been renovated. Plans are to potentially boost current income and property value by finalizing improvements on the last units by the end of 2015.

TARGET STRATEGY

Nelson Brothers believes there may be five key advantages that help distinguish the Chateau Sera DST as an unique investment opportunity. The target goal is to capitalize on these components to potentially offer a balance of high occupancy, monthly cash flow, tax efficiency and long-term growth – all while leveraging the historical stability of USC.

First, the properties are located near a major, highly renowned university in the heart of a major US city. A city known for historically strong real estate values. Second, both properties boast excellent track record of high occupancy with no vacancies over the last three years under NB management. Third, there is modest value-added potential as NB aims to continue raising rents by completing interior unit renovations.

Given the proximity to campus and the comparative affordability of the units, the properties have resonated well with international graduate students, a group NB believes to be one of the faster growing segments within the USC student population.

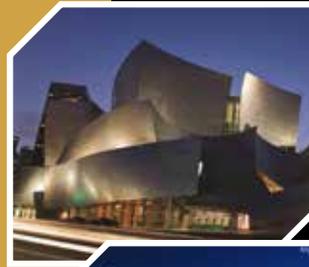
ANTICIPATED TARGETED LOAN TERMS*

Non-recourse, 10-year fixed interest rate loan, 30-year amortization, 4-year interest-only loan from Ladder Capital. DST structure.

**Loan terms may be subject to change prior to close of escrow*

OFFERING DETAILS

Total Offering Price	\$11,754,000
Total Loan Amount	\$7,500,000
Total Investor Equity	\$4,254,000
Loan-to-Value	63.81%
Minimum Investment	\$50,000



Los Angeles is the 2nd largest city in the U.S. with a population of over 3 million people. The city has a great history of growing demand for housing, increased rental rates and real estate appreciation driven by 23 consecutive decades of population incline. Anchoring the steady population growth is LA's sunny, sub-Mediterranean climate, a variety of unique and appealing landmarks and a diverse economy ranging from international trade to entertainment,

television, motion pictures, video games, recorded music, aerospace, technology, petroleum, fashion, apparel, and tourism. Only 14 nations have a higher annual GDP than the greater Los Angeles MSA.



RENOVATIONS



BEFORE



AFTER



BEFORE

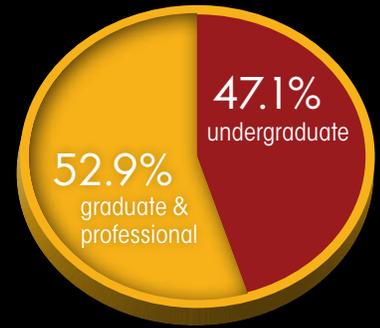


AFTER

ABOUT UNIVERSITY OF SOUTHERN CALIFORNIA



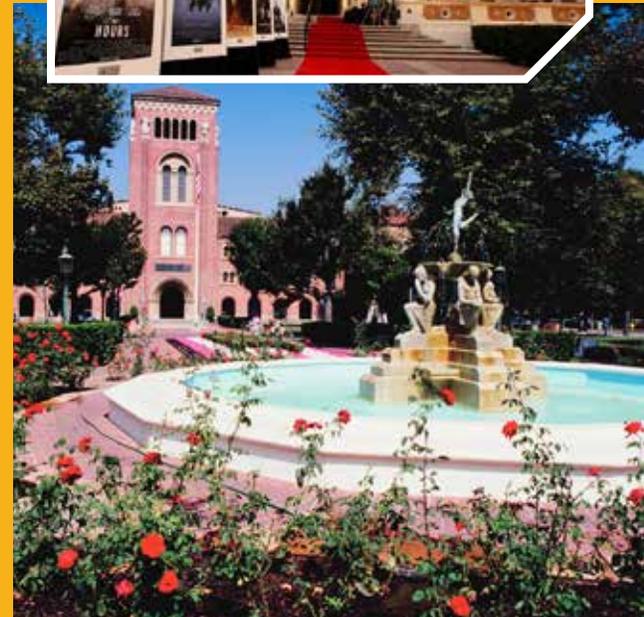
Location: Los Angeles, CA
Founded: 1880
Endowment: \$4 billion
Total Enrollment: 39,958
Conference Affiliation: Pac-12
Campus size: 301 acres



USC – University of Southern California

USC Releases Admission Statistics for Fall 2014

- The vast majority of admitted freshmen rank in the top 10% of their high school's graduating class
- 75% have standardized test scores at or above the 95th percentile, and their average un-weighted high school GPA is 3.82
- Overall, 44% of admitted students are from California, 39% come from the other 49 states and the remaining 17% representing 80 foreign countries



POTENTIAL RISK FACTORS TO CONSIDER

- Real estate securities are speculative and entail a high degree of risk.
- Suitable only for investors who have adequate means of providing for current needs and personal contingencies, can bear the economic risk of the investment, and have no need for liquidity. Investment only available to persons who are "accredited investors" as defined in Rule 501(a) of Regulation D under the Securities Act of 1933.
- Lack of Diversification, investment in a single asset creates higher risk and may expose invested principal
- There is no assurance the property can generate income from investments or assurance of property appreciation or cash distributions.
- A lessee may have limited financial resources and no significant net worth.
- Loan default can result in a property foreclosure
- There is no guarantee that the exit strategy will occur.
- Investments are subject to a variety of fees and commissions, including but not limited to carried interest, management fees, acquisition fee and disposition fees.

 **Nelson Brothers**

STUDENT HOUSING AND ASSISTED LIVING INVESTMENTS

for more information call

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