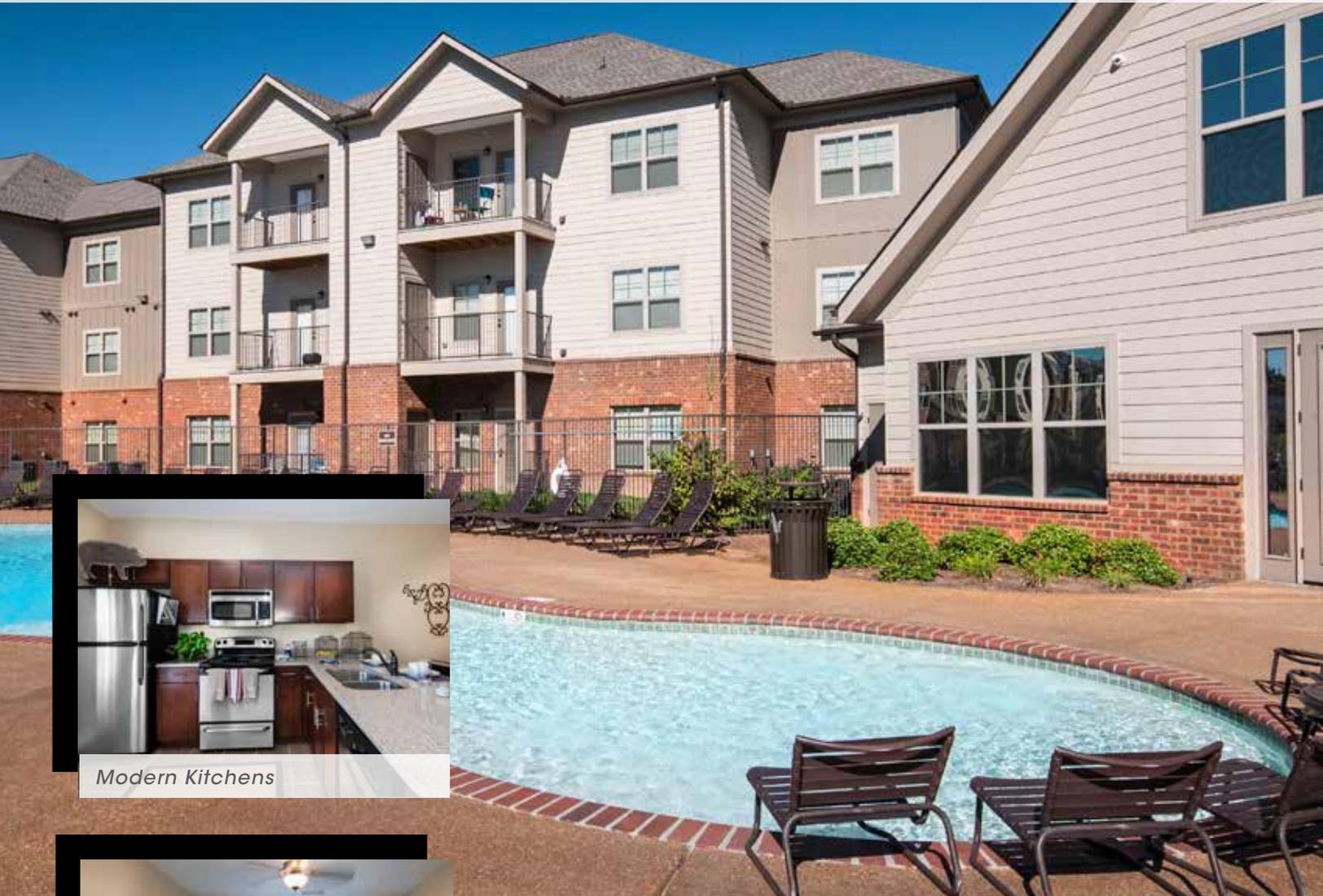


## TAYLOR BEND

101 Old Taylor Road, Oxford, MS 38655



Modern Kitchens



Cozy Living Rooms

### TARGETED BENEFITS

- 7.25% TARGETED 1ST YEAR CASH-ON-CASH RETURN
- 2012 BUILT, HIGH-END LUXURY CONDO STYLE
- 100% LEASED FOR THE 2014-15 SCHOOL YEAR
- TAX EFFICIENCY THROUGH PASS-THROUGH DEPRECIATION

*ANCHORED BY THE HISTORICAL STABILITY OF "OLE MISS"*

**CLASS A STUDENT HOUSING**  
NEAR "OLE MISS" (UNIVERSITY OF MISSISSIPPI)

**AVAILABLE FOR 1031 EXCHANGE**



Taylor Bend is a new, 2012-built, Class-A, boutique student housing community within close proximity to the prestigious “Ole Miss” campus.

Nelson Brothers believes Taylor Bend is well-positioned with excellent fundamentals in a market stabilized by “Ole Miss”—a 166-year old institution with plans for steady inclines in enrollment. The property was built as a condominium and recently repositioned for student housing.

Due to the property’s origins as a condo, it boasts larger sized units, high-end luxurious interiors and a contemporary look that attracts a highly desirable student tenant base.



## PROXIMITY TO CAMPUS

Taylor Bend is well-located  $\frac{3}{4}$  of a mile south of Ole Miss, within walking and biking distance; and just a 4-minute drive to campus. In addition, the Ole Miss Campus Shuttle has a convenient stop out in front of the leasing office. The service runs roughly every 20 minutes. Nelson Brothers believes that the South side is becoming an increasingly more popular area to live near campus. That’s because of the ease of access to prime areas of campus and retail.

## OLD TAYLOR ROAD IMPROVEMENTS

Taylor Bend is a short drive, just south of campus, and connected to Ole Miss directly through Old Taylor Road. A recent \$6.8 million improvement project on Old Taylor Road is expected to benefit Taylor Bend residents tremendously. This work includes improving the freeway overpass along with the addition of roundabouts on the north and south sides of bridge on Old Taylor Road. The goal of this project is to improve access from Old Taylor Road to campus while reducing traffic; potentially creating a competitive advantage.

## CLASS A BUILT WITH CONDO SPECIFICATIONS

Nelson Brothers believes Taylor Bend’s origins as a condo give the property a distinctive competitive edge. Offering both size and luxury. Each unit is 3 bedrooms and averages over 1,400 square feet. The bedrooms are uniquely spacious, with each featuring larger beds, ceiling fans and each student has his or her own bathroom. The décor offers finer interior finish-outs, dark-wood cabinetry, high ceilings, contemporary color schemes, chic furniture, granite counter-tops and stainless steel appliances. All value priced for approximately \$580 per month. Nelson Brothers feels this is a relatively low price point given the strong demand for newer housing and the property’s unique positioning and affluent target market.



## BARRIERS TO ENTRY

Nelson Brothers believes there is currently a limited supply of pipeline for new student housing in Oxford. Given the layout of the campus and its unique topography, it may be difficult for new entrants to build closer to campus -- or to match Taylor Bend's unique style and unit size. Nelson Brothers is hopeful these factors can help sustain high occupancy at Taylor Bend, even if new housing comes on-line.

## TARGET STRATEGY

Nelson Brothers' target goal is to keep the property well-occupied and profitable by leveraging the historical stability of the University and strengthening the property's positioning. Nelson Brothers believes the property boasts a unique character - high-end features, large spaces, strategic location - that may be hard to replicate. This character may have tremendous appeal to ideal target markets such as affluent upperclassmen and graduate students.

## PROPERTY PROFILE

Year built	2012
Number of units	96
Number of beds	288
Net rentable SF	134,496
Average SF/unit	1,401
Market rent/bed/mo	\$580
Market rent/sf/mo	\$1.24

## LOAN DETAILS

Non-recourse. 10-year loan, 30-year amortization, 3-years interest-only from Prudential. DST structure.

## OFFERING DETAILS

1st Year Targeted Cash-on-Cash Return	7.25%
Offering Price	\$19,145,000
Total Loan Amount	\$12,940,000
Total Investor Equity	\$6,205,000
Loan-to-Value	67.59%
Minimum Investment	\$50,000

## Targeted Pro Forma Analysis\*

Investor Equity	\$6,205,000
Revenue Growth Rate	3%
Expense Growth Rate	2%

	(Based on 10% economic vacancy)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Totals
Revenue		\$1,893,188	\$1,969,984	\$2,029,083	\$2,089,956	\$2,152,654	\$2,217,234	\$2,283,751	
Expenses		\$807,396	\$825,101	\$842,391	\$860,050	\$878,087	\$917,708	\$945,239	
NOI		\$1,085,792	\$1,144,883	\$1,186,692	\$1,229,905	\$1,274,567	\$1,299,526	\$1,338,512	
Debt Service		(\$588,770)	(\$588,770)	(\$588,770)	(\$791,401)	(\$791,401)	(\$791,401)	(\$791,401)	
Cash Flow After Debt Service		\$497,022	\$556,113	\$597,922	\$438,505	\$483,166	\$508,125	\$547,111	
Cash on Cash Distributions		7.25%	7.25%	7.45%	7.45%	7.70%	7.70%	8.00%	
Investor Equity % Return		7.25%	7.25%	7.45%	7.45%	7.70%	7.70%	8.00%	52.80%
Principal Reduction		0.00%	0.00%	0.00%	3.33%	3.49%	3.65%	3.82%	14.30%
Total Return		7.25%	7.25%	7.45%	10.78%	11.19%	11.35%	11.82%	67.10%

Targeted return does not include any appreciation potential.

\*There is no guarantee the property will achieve these results. Actual results will vary, based on assumptions from historical performances and estimates of 3% annual revenue growth and 2% annual expense growth, which management believes are reasonable. Please review the Private Placement Memorandum for detailed risk factors to be considered and for details on financial targets.

For more information on the future events and circumstances that may cause actual results to materially differ from our assumptions, please review the section of the PPM under the caption "Risk Factors," including "Forward-Looking Statements."

# ABOUT UNIVERSITY OF MISSISSIPPI (OLE MISS)

**Founded:** 1848

**2013 Enrollment:** 18,423

**Endowment:** \$462 Million

**NCAA Conference:** SEC

**In-state Tuition:** \$6,200

**Annual Football Revenue:** \$28 Million

**Notable Alumni:** Trent Lott, Thad Cochran, John Grisham, Michael Oher (from the movie "Blindside"), Archie Manning, Eli Manning



OXFORD, Miss. – Enrollment at the University of Mississippi surged this fall for the 20th consecutive year, making history with

more than 23,000 students across all its campuses for the first time.

Preliminary enrollment figures show a total unduplicated headcount of 23,096, largest in the state. That's up 805 students from last fall, or 3.6 percent. The figures include the largest freshman class ever for any Mississippi university, a class that sports the highest ACT scores and high school GPAs in Ole Miss history....

Read full article (Ole Miss News, 10 September 2014) online at <http://news.olemiss.edu/um-enrollment-tops-23000-students-for-fall-semester/#VByCjedfmc>

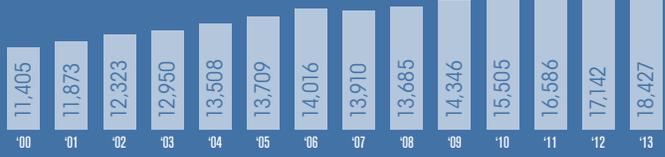
COLLEGE FOOTBALL			
THE AP TOP 25 POLL			
WEEK 8			
1		Alabama (SEC)	3
2		Florida State (ACC)	1
3		Ole Miss (SEC)	3
4		Georgia Tech (SEC)	5

Ole Miss jumps to #3 in the college football AP Poll

source: AP Top 25 Poll, Oct. 19, 2014 - <http://collegefootball.ap.org/poll>

## Ole Miss College Enrollment

Fall enrollment yearly figures



## ENROLLMENT GROWTH

From 2004 through 2013, Ole Miss grew enrollment by over 28% from 14,346 students to 18,427. With much of this growth coming from out-of-state students and undergraduates. The University has been anticipating another 10% growth in enrollment from 2013 to 2020.

## Nelson Brothers

STUDENT HOUSING AND ASSISTED LIVING INVESTMENTS

16B Journey | Aliso Viejo, CA 92656  
(800) 580-1031



Nelson Brothers recently purchased and renovated 16-B Journey, a 10,000 sf office building in Aliso Viejo (South Orange County) to serve as company headquarters.

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