



OFFERING DETAILS

Offering Purchase Price:	\$11,802,000
Total Loan Amount:	\$7,250,000
Investor Equity:	\$4,552,000
Loan-to-Value:	61.43%
First Year Cash Return:	7.21%
Minimum TIC Investment:	\$364,160
Minimum LLC Investment:	\$45,520

(IRA and 1031 Exchange Eligible)

Loan Details: Anticipated to be a 5 year term loan from Bank of American Fork, 25-year amortization, Interest rate is fixed for five years at 4.75% with a reset option for 5 additional years fixed at a predetermined rate of 3.41% plus the Federal Home Loan Bank.

PROPERTY PROFILE

Property:	College Terrace Apartments
Address:	643 West 1200 South Orem, UT 84058
Built:	1986, Unit interiors renovated in 2007
Units:	60 units with 4 bedrooms each
Occupancy:	100% Leased
Occupancy:	64,411 Square Feet



Added Over 7,500 Students Since 2009

- Founded 1941
- Current Enrollment: 33,395
- Largest Public University and Fastest Growing in Utah
- Offers 57 Baccalaureate Programs and 3 Masters Program
- Athletics: NCAA Division 1

UVU's growth might have been even more pronounced this fall if not for resource constraints. The institution had more than 6,000 students who were admitted but not enrolled, and one factor is that UVU is running out of physical space and faculty to keep up with record demand.

- UVU News Room October 12, 2011

KEY BENEFITS

- 100% Current Occupancy
- 7.21% First Year Targeted Income (Paid Monthly)
- 10.61% Targeted First Year ROI (Income + Amortization)
- Up to 100% Tax Sheltered Income Through Depreciation
- 17%-20% Targeted Total Annual Returns
- 15% Preferred Annual Return 70/30% Split
- 1031 Eligible



Offering Strategy

College Terrace has arguably the best location at UVU, situated directly on the corner of the main entrance to the university and University Parkway less than 60 feet from campus. With unparalleled visibility at the entrance of UVU, Nelson Bros. believes the property is enormously underutilized.

While the interior units are recently renovated and in newer condition, the exteriors still display the original medal siding that is now rusted, dented and appears aged and plain. Nelson Bros. plans to source over \$500,000 in upfront reserves to fully modernize the exteriors creating a higher end, contemporary look and experience for students. Further improvements such as the addition of flat screen TV's, a hot tub, a sand volleyball court and other amenities that could help grow rents will be considered based on direct feedback from students.

2 of 3 Closest to Campus

In 2010, Nelson Bros. investors acquired Winter Haven Apartments, a 32-unit, 248-bed complex on the northwest corner of the UVU campus. Within the first 12 months of ownership the property has been re-branded to University Towers and has received dramatic upgrades to each unit with new flat screen TVs, new

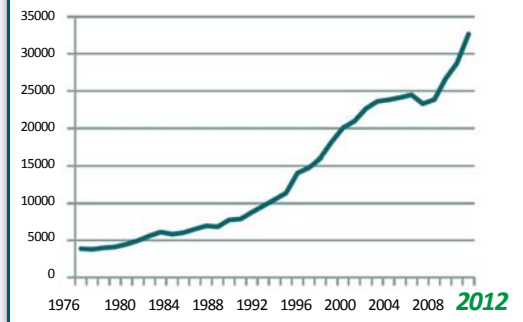


57 Feet to Campus!



Escalating Enrollment Growth

UVU Student Headcount (Fall Semester)



carpet, repainted walls and pillow-top mattresses. University Towers is currently 100% occupied.

Coupled together, Nelson Bros. will manage two of the three student housing complexes adjacent to campus. Nelson Bros. believes that not only can economies of scale be implemented reducing major expenses such as marketing, management and other costs, but that these two properties could set the pricing trends and growth for this fast growing market.

Investor Equity	\$4,552,000	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Total
Projected NOI	824,005	828,341	831,565	858,925	873,342	889,975	919,430	949,823	981,185	1,013,545	8,970,136
Annual Loan Payment	(496,002)	(496,002)	(496,002)	(496,002)	(496,002)	(494,204)	(494,204)	(494,204)	(494,204)	(494,204)	(4,951,031)
Remaining Cash	328,002	332,339	335,563	362,923	377,340	395,771	425,226	455,619	486,981	519,341	4,019,105
Projected Cash Return	7.21%	7.30%	7.37%	7.97%	8.29%	8.69%	9.34%	10.01%	10.70%	11.41%	88.29%
Loan Principal Reduction	3.40%	3.57%	3.74%	3.92%	4.12%	4.32%	4.52%	4.74%	4.97%	5.22%	42.53%
Total Annual Income Return	10.61%	10.87%	11.11%	11.90%	12.40%	13.01%	13.87%	14.75%	15.67%	16.63%	130.83%
Improvement Expenditures ¹	550,000 ²	25,000	25,000								
Improvement/Reserve Balance	650,000	100,000	75,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	

¹ Approximate Figure ² Immediate Capital Improvement Reserve, primarily focused on the exterior of the office, clubhouse, each building, landscape enhancement, and outside amenity additions such as a hot tub, sand volleyball court and parking lot improvements.

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