



Property Profile:	
Name:	Palm Valley La Piazza
Address:	14130 - 14140 West McDowell Road Goodyear, Arizona 85338
Type:	Retail Property
Built:	2004
Total SF:	30,530 TSF Bldg. A 20,006 SF Bldg. B 10,524 SF
% Leased	100%
Reserves:	\$191,000
Offering Price Per SF:	\$253
CBRE Appraisal:	\$7,000,000

Offering Summary	
Offering Purchase Price:	\$7,777,000
Investor Equity:	\$2,677,000
Minimum Investment:	\$100,000
1st Year Cash Flow	6.52% (8 year average 8.57%)
Offering LTV:	65.58%
Loan Terms:	6.75% Short-term financing from seller. Permanent long-term loan expected to be placed within 180 days at 6.75% or less.
No Closing Costs	

Property Summary

Palm Valley La Piazza is a family oriented retail center located in the rapidly growing city of Goodyear, a few blocks north of I-10 and just 20 minutes west of downtown Phoenix. The property consists of two buildings built in 2004 and is situated on a 4.9-acre site within the new master-planned community of Palm Valley. La Piazza is strategically located in the thriving retail corridor of McDowell and Litchfield Roads. The property boasts 228 parking spaces (100 spaces more than are required) and current rents which are significantly below neighboring properties and other similar retail centers.



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PALM VALLEY



LOCATION

The West Phoenix Submarket (which includes Goodyear) has one of the best overall retail vacancy rates at 4.3 percent. Strip retail statistics for the West Phoenix submarket indicate a 4.5 percent vacancy rate among 52 properties quoted. Litchfield Road and McDowell Road serve as the dominant shopping corridors for the trade area that includes portions of Goodyear, Avondale, Litchfield Park and other communities. La Piazza is well-located on McDowell Road one block west of the intersection of McDowell and Litchfield in the heart of the highly successful Palm Valley master-planned community.

La Piazza is located diagonally across the street from Target and Best Buy power centers where rents are currently more than 50 percent higher than La Piazza. La Piazza is currently 100% leased to 13 local and regional tenants. The 2007 Estimated Average Household Income is \$97,964, \$81,867 and \$75,629 within one, three and five mile radii respectively making the location very attractive to small entrepreneur type retail and office tenants.

PALM VALLEY RETAIL TRADE AREA PROFILE

Palm Valley ® is an award-winning ±9,000-acre master-planned community, located just 20 minutes west of central Phoenix via Interstate 10.

Located primarily within the city of Goodyear with portions in the neighboring municipalities of Litchfield Park and Avondale-Palm Valley includes single and multi-family housing, retail centers, office parks, and light-industrial space, along with schools, a medical campus, golf courses, and many other community amenities.

Census figures show that the population of Goodyear increased by 142.9% from 2000 to 2007. Growth continues to be strong, with a projected 41,000 in population growth within a five mile radius of La Piazza.





PHOENIX MSA

The State of Arizona is projected to gain over 800,157 new residents over the next five years, or almost 160,100 residents per year. Of this amount, approximately 71% (567,727 total) of the forecast growth is projected to occur in the Phoenix-Mesa MSA. Water availability and employment issues are driving this growth in the Phoenix area, where approximately 65% of the state's inhabitants currently reside.

Historically, employment has grown by over 170% over the last 20 years in Phoenix, compared with 50% nationally. Arizona was one of the first states to recover all of the jobs that were lost during the 2001 recession. This is due in part to the fact that Arizona has not experienced the same slowdown in hiring in the retail, education, and health and social services sectors which the country experienced. *Source: CBRE Appraisal*

RETAIL MARKET— MACRO ANALYSIS

The Metropolitan Phoenix retail market continues to be fueled by the area's high population, employment, and income growth. Metropolitan Phoenix is one of the most active markets in the country for retail construction due to the increasing demand for space by new retailers following the construction of new housing and transportation corridors. Retailers are benefiting by the metro area's continued population growth and strong economic growth that increases disposable spending. According to the 3rd quarter 2007 survey by CB Richard Ellis Information Services, the retail market grew to over 132 million square feet in 962 shopping centers through September of 2007.

The data indicates an average growth of over 4.154 million square feet per year over the past 10 full years. From the end of 2006 to the 3rd quarter of this year there has already been a jump of almost 6 million square feet of inventory. Absorption has averaged over 6,000,000 square feet three out of the last four years. As a result, the metropolitan vacancy improved from 7.53% in 1997 to its third quarter 2007 level of 5.80%.

POPULATION GROWTH IN SELECTED METROPOLITAN AREAS

Rank	Metropolitan Statistical Area	1990 Census	2000 Census	Change	% Gain	2007 Estimate	2012 Projection	2007-2012 Compound Annual Growth
1	Las Vegas-Paradise, NV	741,459	1,375,765	634,306	85.5%	1,807,140	2,118,518	3.2%
2	Phoenix-Mesa-Scottsdale, AZ	2,238,480	3,251,862	1,013,382	45.3%	4,033,881	4,601,608	2.7%
3	Raleigh-Cary, NC	541,100	797,071	255,971	47.3%	994,403	1,134,243	2.7%
4	Orlando, FL	1,224,852	1,644,561	419,709	34.3%	2,028,962	2,309,299	2.6%
5	Austin-Round Rock, TX	846,227	1,249,763	403,536	47.7%	1,503,872	1,677,632	2.2%
6	Atlanta-Sandy Springs-Marietta, GA	3,069,425	4,247,981	1,178,556	38.4%	5,122,861	5,709,771	2.2%
7	Charlotte-Gastonia-Concord, NC-SC	1,024,643	1,330,448	305,805	29.8%	1,580,079	1,758,436	2.2%
8	Dallas-Fort Worth-Arlington, TX	3,989,294	5,161,544	1,172,250	29.4%	6,007,731	6,587,538	1.9%
9	Portland-Vancouver-Beaverton, OR-WA	1,523,741	1,927,881	404,140	26.5%	2,138,513	2,283,958	1.3%
10	Denver-Aurora, CO	1,666,883	2,179,240	512,357	30.7%	2,409,380	2,564,246	1.3%

Population growth ranked by percent change, based on total population estimates for 2007 to 2012. Estimates are supplied by Claritas.

Source: US Census Bureau | Compiled by: CB Richard Ellis

PALM VALLEY LA PIAZZA

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Goodyear, Arizona

STRATEGY: GROWTH

Nelson Bros. believes La Piazza presents two main opportunities for growth. First, the unique setting of the property off of the street allows La Piazza to offer retail and office space in a high demand community and provide exceptional parking (100 spaces more than required) at significantly discounted rental rates. This type of property is very attractive to the right kind of destination tenant. Tenants whose business models based on the attributes of the community, high income, proximity, and repeat clientele would be exceptional for La Piazza.

Nelson Bros. also believes La Piazza is well positioned to compete for retail front office space in a higher dollar per square foot range than tenants are currently paying. Given the right tenants and opportunities, Nelson Bros believes this to be a second viable option to increase income and create value in the property.

Nelson Bros. believes demand for retail and office space should remain strong in Goodyear given the current growth projections, the family oriented master-planned community, strong employment and the high average income of Palm Valley. Coupled with significantly lower rents than neighboring and competing properties, Nelson Bros. believes there is significant opportunity to increase rents as leases turn over and renew. The staggered rent roll provides opportunity to take advantage of appreciating rents while maintaining stability and proportioning risk. Furthermore, Nelson Bros. believes there is opportunity to better align the existing strong tenant base centered on the family theme with additional congruent tenants that would further promote tenant attraction and synergy.

New rental rates at La Piazza have grown over 16% in the last two years. By increasing new and renewed lease rates over the next five years, La Piazza would significantly increase cash flow and add value to the property while maintaining its current low price advantage in a strong retail market.



Return on Investment	*2007 (*Actual)	2008	2009	2010	2011	2012	2013	2014	2015
Effective Gross Revenue	664,840	699,197	723,719	749,758	819,913	881,347	945,493	1,023,044	1,123,720
Total Operating Expenses	(166,125)	175,739	181,118	186,681	193,710	218,254	226,688	235,947	246,525
Net Operating Income	*498,715	523,458	542,601	563,077	626,203	663,093	718,805	787,097	877,195
Total Leasing and Capital Costs		5,000	24,159	60,335	42,208	86,612	102,724	114,141	179,434
Cash Flow Before Debt Service		\$523,458	\$537,601	\$538,918	\$565,868	\$620,885	\$632,193	\$684,373	\$763,054
Debt Service		349,031	\$349,031	\$349,031	\$396,942	\$396,942	\$396,942	\$396,942	\$396,942
Cash Flow After Debt Service		174,427	188,570	189,887	168,926	223,943	235,251	287,431	366,112
TIC Equity									
Cash on Cash Return on Investment		6.52%	7.04%	7.09%	6.31%	8.37%	8.79%	10.74%	13.68%
Principle Reduction of Loan		0.00%	0.00%	0.00%	2.03%	2.17%	2.32%	2.48%	2.66%
Cash on Cash Return on Investment after Amortization		6.52%	7.04%	7.09%	8.34%	10.54%	11.11%	13.22%	16.33%
Projected Capitalization Rate on Sale	8.00%	Average Annualized Yield				16.92%			
Cumulative Yield	135.37%	Estimated 8 year IRR				13.22%			

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