



smartasset™

Most Affordable University in Arizona
 ASU is the Arizona university that offers the best value...
 Read full article : <https://smartasset.com/student-loans/student-loan-calculator#arizona/value>

THE WALL STREET JOURNAL.

#5 in the Nation for Producing the Best-Qualified Graduates
 ASU ranks #5 on a list of the top universities favored by employers for producing the best-qualified graduates...
 Read full article : https://asunews.asu.edu/20100913_jobrecruit_inthenews

U.S. News & World Report

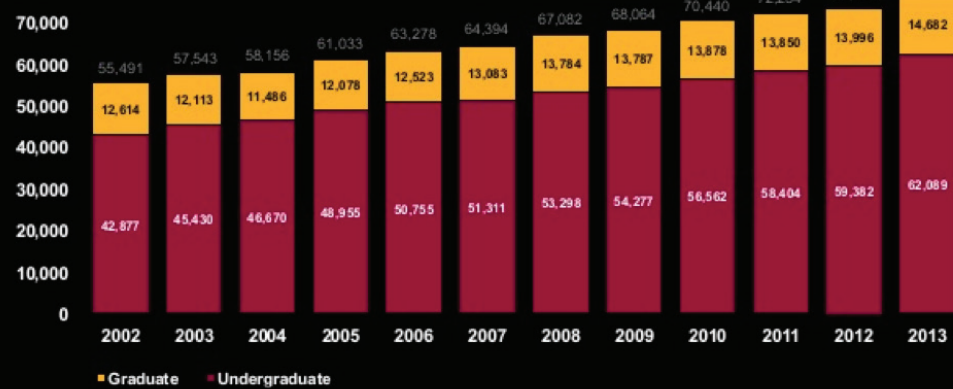
#2 Most Innovative School in the Country
 U.S. News & World Report ranks ASU #2 on its list of schools that are making the most promising and innovative changes ...
 Read full article : <http://colleges.usnews.rankingsandreviews.com/best-colleges/rankings/national-universities/up-and-coming>

ABOUT ARIZONA STATE UNIVERSITY

- ARIZONA RESIDENTS: 49,940 60%
- NON-RESIDENTS : 33,361 40%
- FALL 2014-15 ENROLLMENT STATS:
 Undergraduate: 67,507
 Graduate: 15,794
- AVERAGE HIGH SCHOOL GPA 2014-15 FRESHMEN: 3.41

Source: Arizona State University

Fall enrollment yearly figures – 2002 - 2013



Source: Arizona State University (www.slideshare.net/salesforcefoundation/arizona-state-university-presentation)



ABOUT NELSON BROTHERS

Current Management Portfolio At-A-Glance:

- Founded in 2007
- Over \$240 Million in Real Estate
- 22 Properties, Across 9 States
- 18 Student Housing Properties
- Property Distributions Total Over \$13 Million
- More Than 400 Investors as of October 2015

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.

Nelson Brothers
 STUDENT HOUSING AND ASSISTED LIVING INVESTMENTS
 16B Journey, Suite 200 | Aliso Viejo, CA 92656
 (800) 580-1031



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Nelson Brothers
 STUDENT HOUSING AND ASSISTED LIVING INVESTMENTS

NEWLY RENOVATED STUDENT HOUSING NEAR:



THE MARK

1115 E. Lemon St. • Tempe, AZ 85281



TARGETED BENEFITS

- ▶ 7% 1ST YEAR CASH-ON-CASH RETURN (PAID MONTHLY)
- ▶ TRUE WALKING DISTANCE TO CAMPUS: LESS THAN 2 BLOCKS FROM ASU
- ▶ 92% CURRENT OCCUPANCY
- ▶ VALUE-ADD: OVER \$1.6M PLANNED FOR UPGRADES
- ▶ ASU CURRENT ENROLLMENT: OVER 70,000 STUDENTS

ANCHORED BY THE HISTORICAL STABILITY OF ARIZONA STATE UNIVERSITY

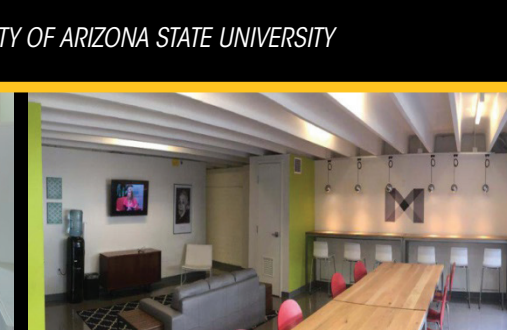
TIC STRUCTURE – 1031 ELIGIBLE



ULTRA CONTEMPORARY INTERIORS



SPACIOUS, LARGE AND BRIGHT BEDROOMS



FRESH, MODERN DECOR THROUGHOUT



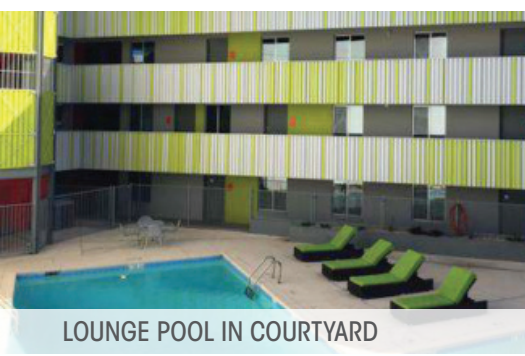
OPEN OUTDOOR COMMON AREA



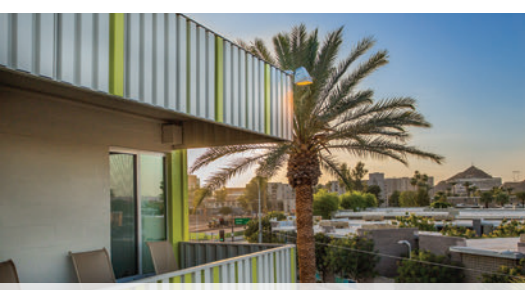
DOWNTOWN TEMPE



LOCATION



LOUNGE POOL IN COURTYARD



BEAUTIFUL VIEWS FROM UNIT DECKS



STAINLESS STEEL APPLIANCES

PROPERTY SUMMARY

The Mark is a 161-unit student housing property located less than two blocks from Arizona State University. Originally built in 1970, the Mark recently underwent a dramatic \$5 million renovation in 2014. The improvements have completely upgraded the brand and the student experience offering tenants a unique blend of upscale amenities and contemporary living close to campus at an affordable rate. New upgrades include modern style cabinetry, polished concrete floors, open and modern kitchen spacing with quartz countertops, stainless steel appliances, accent backsplash, recessed lighting and modern trimming, among other design features. State-of-the-art amenities including an all-new fitness center, yoga, sun decks, a study lounge and a stand alone center that have been markedly upgraded.

LOCATION

Nelson Brothers believes the Mark boasts a unique "A" location within 1.5 blocks to Arizona State University. Not only is the property within true walking distance to campus, it is also located near the heart of Tempe, with close and convenient proximity to restaurants, convenience stores, the Metro Light Rail, a 10 to 15 minute drive from the Sky Harbor airport, downtown Phoenix and upscale Scottsdale.

TARGET STRATEGY

Given the strength of the ASU market, ASU's historical enrollment and economic stability, the property's stellar location, value pricing and unique brand, this investment opportunity can potentially offer a balance of stable occupancy, monthly cash flow and tax shelter efficiency with tremendous upside potential which Nelson Brothers intends to execute and implement on the value-added renovations.

VALUE-ADD STRATEGY

While the sellers have placed over \$5 million in renovations and have created a premium student housing property, Nelson Brothers understands that many critical value-added opportunities remain. The goal is to leverage the property's close proximity to campus, the innovative design, high-end amenity set and value pricing to maintain high occupancy and healthy cash flow. From there, Nelson Brothers plans to set aside over \$1.64 million in renovation reserves to further enhance the re-branding strategy and complement the property's appeal and differentiation. Central to this strategy is making further improvements to the amenities, common areas, unit interiors and floor plans in an attempt to optimize The Mark's market positioning and its appeal as an innovative, modern and luxury student housing destination.

Specifically, Nelson Brothers plans on upgrading the sun deck, the pool area and other common areas that are extremely important to the Tempe market, which in their current position is outdated and inferior to the more competitive offerings. The strategy is to offer a cutting edge, higher end and more appealing lifestyle to today's more demanding students. Further, Nelson Brothers plans to add accent colors, additional furnishings, washer and dryer sets, and other key modest and inexpensive improvements that help complement the recent work that has been done, to help fill in the gaps in the seller's strategic design and ultimately finalize the Mark's transition to an avant-garde property.

PROPERTY PROFILE

Location: 2 blocks from ASU campus
 Year Built: 1970, Over \$5M spent in 2014 renovations
 Number of Units: 161 Units
 Number of Beds: 229
 Total Rentable SF: 109,000
 Average SF Per Unit: 678
 Average Rent Per Unit: \$675 per month
 Parking: 265 Spaces

OFFERING DETAILS

Total Offering Price \$22,128,000
 Improvement Reserves \$1,750,000
 Total Loan Amount \$14,750,000
 Investor Equity \$7,378,000
 Loan to Value 66.66%
 Minimum Investment \$50,000

TARGETED CASH-ON-CASH RETURN

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
7.00%	7.00%	7.25%	7.25%	7.50%	7.50%	7.75%	7.75%	8.00%	8.00%

LOAN DETAILS (May be subject to change prior to close)

Acquisition and refurbishment loan. Non-recourse. 2 years with 2 one-year extensions. 615 plus labor. Interest only. 1 point origination fee. TIC structure.

STUDENT HOUSING

Nelson Brothers believes that students will pursue degrees from major universities regardless of the economic climate. The company's strategy is based upon that belief and contends that well-positioned properties can stay well-occupied and profitable even during an economic downturn. For investors, the target of this strategy is to help provide stable cash flow and diversification to assets that may be less correlated to the economy.

Targeted Pro Forma Analysis*

Investor Equity	\$7,378,000
Revenue Growth Rate	3.00%
Expense Growth Rate	2%
Total Beds	229

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Total Operating Income	\$1,644,195	\$2,120,353	2,352,096	\$2,422,659	\$2,495,339
Total Expenses (40.12%)	\$813,174	\$863,275	\$881,404	\$899,921	\$896,125
Net Operating Income	\$1,213,682	\$1,294,230	\$1,340,827	\$1,388,976	\$1,461,439
Debt Service	(\$470,580)	(\$470,580)	(\$770,580)	(\$961,565)	(\$961,565)
Cash Flow After Debt Service	\$743,102	\$823,650	\$570,247	\$427,411	\$499,874
Projected Cash Return	7.00%	7.00%	7.25%	7.25%	7.50%

*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."