

DELAWARE STATUTORY TRUST

INVESTMENT SUMMARY

CLARK COUNTY DEPARTMENT OF FAMILY SERVICES Las Vegas, Nevada



INVESTMENT OPPORTUNITY

JUNE 2010

This presentation is for informational purposes only for accredited and qualified persons.



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INVESTMENT OVERVIEW

Thompson National Properties (“TNP”) is pleased to present the opportunity to invest in a 100% occupied single investment grade credit tenant office property located in Las Vegas, Nevada.

Investment Highlights:

- Single tenant, brand new 10 year government lease.
- Clark County, the tenant, is the nation’s 15th largest County and serves more than 2 million residents and 36 to 38 million tourists annually.
- Clark County is known for its investment-quality credit rating with a rating of “Aa2” from Moody’s Investors Services and an “AA” rating from Standard & Poor’s.
- Superior, central location in Las Vegas adjacent to the intersection of the two major freeways in Southern Nevada, the I-15 and the US 95 / I-515 as well as the one of a kind 61 acre Symphony Park development.
- Current Landlord invested more than \$2.5 million in capital expenditures and tenant improvements for Clark County Family Services.

Loaded Sales Price:

- **\$13,720,000 (\$216.52 per SqFt; 7.70% cap rate)**

Returns:

- **8.00% starting cash-on-cash return with bumps every year**
- **9.10% 7-year average cash-on-cash return**
- **14.29% Annualized Return upon projected sale in July 2017 at a 8.25% sales cap rate**
- **\$5,790,000 Total Offering Size**

TENANT OVERVIEW

- The Clark County property consists of a two-story office building centrally located in downtown Las Vegas, NV totaling approximately 63,365 square feet, currently 100% occupied.
- Clark County Department of Family Services signed a new 10-year lease with lease commencement in February 2010 which will expire on January 30th, 2020. Their lease has 3.0% annual bumps.
- The Clark County Department of Family Services is a significant Clark County agency, whose role is to help keep children safe, promote permanent families for children and build healthy families, as required by the federal Adoption and Safe Families Act.
- The agency was formed on July 1, 2002 in response to the merger of state and county child welfare services.
- As the nation's 15th largest county (larger than the State of New Jersey), the County provides regional services to more than 2 million residents and to 36 to 38 million tourists per year. Clark County has an investment grade bond credit rating of "Aa2" from Moody's Investors Services and an "AA" from Standard & Poor's.
- Downtown Las Vegas is the home to all of the major courthouses in Las Vegas as well as the main government offices for Clark County and the Las Vegas City Hall. In addition to the courts, the Clark County Government Center and the Las Vegas City Hall are located in downtown Las Vegas. Both government entities have various agencies located in privately owned buildings, as their main facilities have little, if any, additional available space





PROPERTY SUMMARY

ADDRESS:	121 S. Martin Luther King Blvd Las Vegas, Nevada 89032
SIZE:	Total Building SF – 63,365 square feet
YEAR BUILT/RENOVATED:	1966 (with renovations in later years)
NUMBER OF STORIES:	Two
STRUCTURE:	Building: Concrete block construction. Roof: Flat, built-up roof with cap sheet. HVAC: Individual package units consisting of gas and heat pump systems. Fire: Fire sprinklers, hydrants, smoke detectors, alarms, extinguishers and alarm panel. Elevator: One passenger elevator.
SITE AREA:	7.55 acres
PARKING:	453 parking spaces (7.15:1,000 SF ratio)
PERCENT LEASED:	100%
TENANT:	Clark County (Department of Family Services)
LEASE COMMENCEMENT:	February 1, 2010
LEASE EXPIRATION:	January 30, 2020
ANNUAL RENT:	\$1,224,211.80 (\$1.61 psf/month) 3.0% annual bumps
OPERATING COSTS:	GROSS (not reimbursed)
OPTIONS:	Five (5), One (1) year options at fixed rates.
TERMINATION OPTION:	Fund Out Clause: Tenant has the right to terminate on June 30 of every year if the County's governing body fails to appropriate funds for the ensuing fiscal year for the payment of all amounts which will then become due. If the Fund Out Clause is exercised the Tenant shall pay a predetermined fee to Landlord within 30 days after such termination.

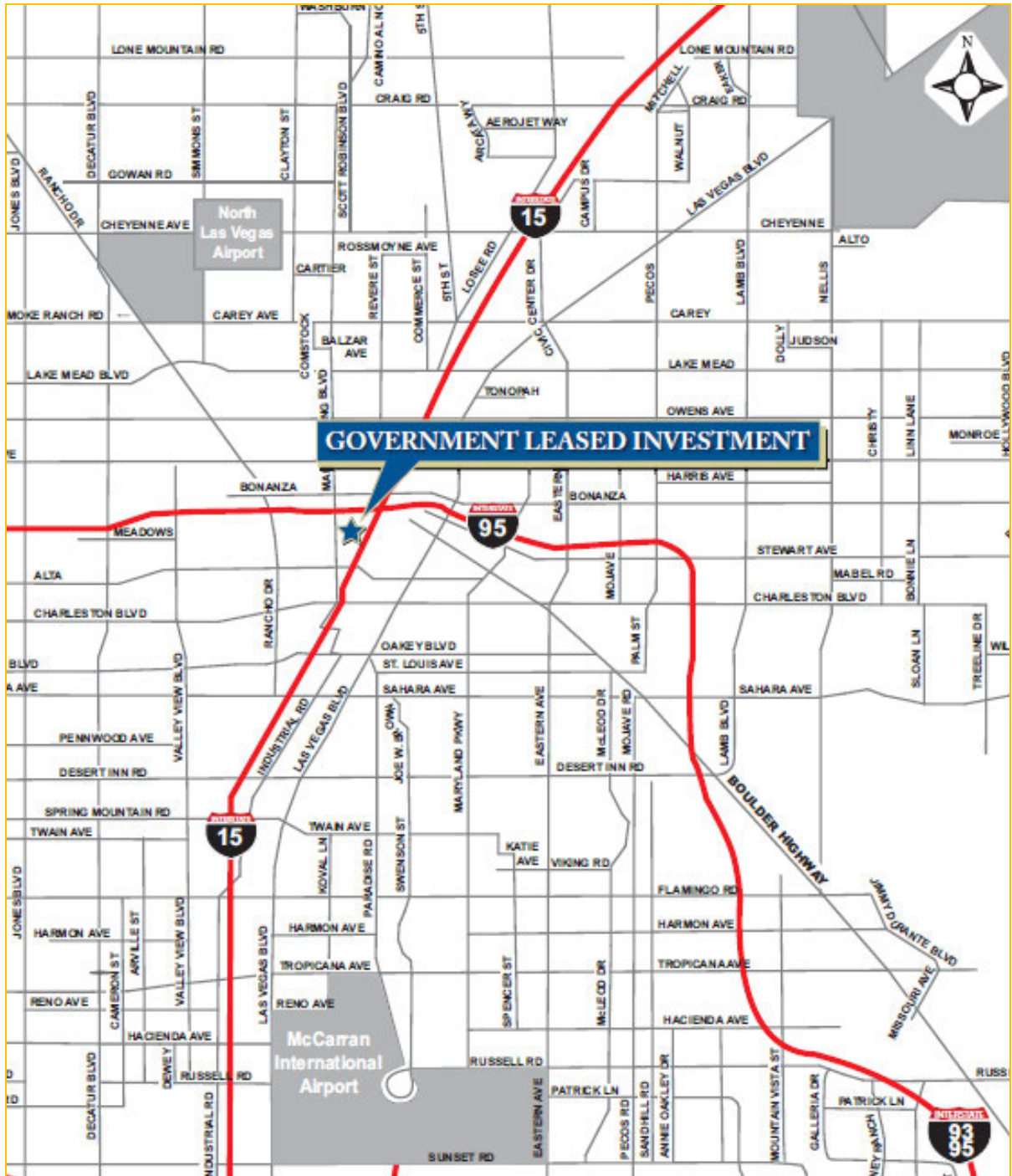


clark county department of
family services





MAP





AERIAL VIEW



For the Years Ending		Year 1 Jul-2011	Year 1 Jul-2011	Year 2 Jul-2012	Year 3 Jul-2013	Year 4 Jul-2014	Year 5 Jul-2015	Year 6 Jul-2016	Year 7 Jul-2017	Year 8 Jul-2018	
POTENTIAL GROSS REVENUE		\$/PSF									
1	Base Rental Revenue	\$19.62		1,243,221	1,285,042	1,383,892	1,482,741	1,528,364	1,573,987	1,619,609	1,669,034
2	Absorption & Turnover Vacancy	\$0.00		0	0	0	0	0	0	0	0
3	Base Rent Abatements	\$0.00		0	0	0	0	0	0	0	0
SCHEDULED BASE RENTAL REVENUE		\$19.62		1,243,221	1,285,042	1,383,892	1,482,741	1,528,364	1,573,987	1,619,609	1,669,034
4	Expense Reimbursement Revenue	\$0.00		0	0	0	0	0	0	0	0
5	Seller Credit	\$5.28		334,567	0	0	0	0	0	0	0
TOTAL POTENTIAL GROSS REVENUE		\$24.90		1,577,788	1,285,042	1,383,892	1,482,741	1,528,364	1,573,987	1,619,609	1,669,034
6	General Vacancy/Credit Loss	\$0.00		0	0	0	0	0	0	0	0
	Vacancy/Credit Loss Factor			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
EFFECTIVE GROSS REVENUE		\$24.90		1,577,788	1,285,042	1,383,892	1,482,741	1,528,364	1,573,987	1,619,609	1,669,034
OPERATING EXPENSES											
7	R&M	\$1.05		66,217	68,204	70,250	72,357	74,528	76,764	79,067	81,439
7	Janitorial/Landscape			70,300	72,409	74,581	76,819	79,123	81,497	83,942	86,460
7	Utilities			39,700	40,891	42,118	43,381	44,683	46,023	47,404	48,826
7	Taxes			70,763	72,886	75,072	77,325	79,644	82,034	84,495	87,030
7	Insurance			9,781	10,074	10,377	10,688	11,009	11,339	11,679	12,029
7	Contingency			15,053	15,505	15,970	16,449	16,942	17,451	17,974	18,513
8	3.45% Property Management Fee	3.45% \$0.68		42,848	44,133	45,457	46,821	48,226	49,673	51,163	52,698
TOTAL OPERATING EXPENSES		\$4.97		314,662	324,102	333,825	343,840	354,155	364,781	375,724	386,995
NET OPERATING INCOME		\$19.93		1,263,126	960,940	1,050,067	1,138,901	1,174,209	1,209,206	1,243,885	1,282,039
LEASING & CAPITAL COSTS											
8	Property Management Fee- N/R	2.00% \$0.39		24,864	25,701	27,678	29,655	30,567	31,480	32,392	
8	0.00% Asset Management Fee (NR)	0.00% \$0.00		0	0	0	0	0	0	0	
9	Tenant Improvements	\$0.00		0	0	0	0	0	0	0	
10	Leasing Commissions	\$0.00		0	0	0	0	0	0	0	
	Capital Costs	\$0.15		9,505	9,790	10,084	10,386	10,698	11,019	11,349	
11	Ti/LC Reserve Draws			0	0	0	0	0	0	0	
12	Capital Costs Reserve Draws			0	0	0	0	0	0	0	
	Investor Reserve Capital Draws (+ = Outflow)			(9,505)	(9,790)	(10,084)	(10,386)	(10,698)	(11,019)	(11,349)	
	Additional Investor Capital Contribution (- = Inflow)			0	0	0	0	0	0	0	
13	\$0.00 Lender Ti/LC Sweeps	\$ -		0	0	0	0	0	0	0	
13	\$0.00 Capital Reserves	\$ -		0	0	0	0	0	0	0	
	Offering Reserve Funding (+ = Cash Outflow)			182,500	(130,000)	(62,500)	0	0	0	0	
TOTAL LEASING & CAPITAL COSTS		\$3.27		207,364	(104,299)	(24,822)	29,655	30,567	31,480	32,392	
CASH FLOW BEFORE DEBT SERVICE		\$16.66		1,055,762	1,065,239	1,074,889	1,109,246	1,143,642	1,177,726	1,211,493	
DEBT SERVICE											
	Interest Payments	\$7.78		492,993	487,016	480,655	473,884	466,678	459,008	450,845	
14	Principal Payments			92,923	98,900	105,262	112,032	119,239	126,908	135,071	
	BD Auditing Fee			5,000	5,000	5,000	5,000	5,000	5,000	5,000	
15	Loan Extension/Refinance Fees	0.00%		0	0	0	0	0	0	0	
TOTAL DEBT SERVICE		\$9.33		590,916	590,916	590,916	590,916	590,916	590,916	590,916	
16	DST Entity Maintenance Costs	\$0.03		1,800	1,800	1,800	1,800	1,800	1,800	1,800	
NET CASH FLOW		\$7.31		463,045	472,523	482,173	516,530	550,925	585,010	618,776	
CASH ON CASH RETURN				8.00%	8.16%	8.33%	8.92%	9.52%	10.10%	10.69%	
CUMULATIVE CASH FLOW RETURNS OVER A 7 YEAR PERIOD				3,688,981							
AVERAGE ANNUAL CASH ON CASH RETURN				9.10%							
HOLDING PERIOD				7 Years							

Footnotes for Cash Flow Analysis:

- Base Rental Revenue as per tenant leases - See attached Rent Roll
- See attached Rent Roll for current leasing parameters
- See Rent Abatements in Summary of Market Leasing Assumptions below
- Expense Reimbursement Revenue as per tenant leases and projected future tenant leases
- At closing the Seller will provide the Buyer with an upfront credit for Tenant rent concessions.
- General Vacancy is based on Potential Gross Revenue less Absorption and Turnover Vacancy with a minimum equal to the Vacancy/Credit Loss Factor - Calculation excludes Credit & Major Tenants listed in Credit & Major Tenant Income below.
- Operating Expenses based on an analysis of actual operating history or budget provided by Property Seller.
- Management Fees total 3.45% with 3.45% reimbursable from tenants. The year of sale assumes only a 3.45% Mgmt fee.
- See Tenant Improvements in the Summary of Market Leasing Assumptions below
- See Leasing Commissions in the Summary of Market Leasing Assumptions below
- Ti/LC expenses to be paid out of Ti/LC Reserves and Offering Reserves - See Total Investment Reserve Balance below.
- Offering Reserve used to provide for future leasing and capital costs - See Offering Reserve Supplementing Used table below
- Lender Ti/LC Reserves estimated to be \$0.00 psf. Capital Improvement Reserve estimated at \$0.00 psf.
- BD Auditing Fee is an annual expense the Broker Dealer charges for auditing the economics of the offering.
- See Loan Data Calculation information below
- Total Debt Service is based on assumptions and calculations made by the manager

MARKET LEASING ASSUMPTIONS

SUMMARY OF MARKET LEASING ASSUMPTIONS		MLA 1							
Renewal Probability		85.00%							
Downtime		12 Months							
Initial Market Rent (Annual Rate)		\$22.00							
Lease Rental Rate Increases		3.00% Annual Increase							
Tenant Improvements - New Lease		\$20.00							
Tenant Improvements - Renewal Lease		\$0.00							
Leasing Commissions - New Lease		7.00%							
Leasing Commissions - Renewal lease		2.00%							
Rental Abatements - New Lease		6 Months							
Rental Abatements - Renewal Lease		Months							
Reimbursement Type		Full Service Gross							
Lease Terms		5 Years							

INFLATION RATES (YEARS ENDING)		Jul-2011	Jul-2012	Jul-2013	Jul-2014	Jul-2015	Jul-2016	Jul-2017	Jul-2018
General Inflation		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Insurance Rate Growth		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Market Rental Rate Inflation		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

MARKET LEASING RATES (YEARS ENDING)		Jul-2011	Jul-2012	Jul-2013	Jul-2014	Jul-2015	Jul-2016	Jul-2017	Jul-2018
MLA 1		\$22.00	\$22.66	\$23.34	\$24.04	\$24.76	\$25.50	\$26.27	\$27.06

SOURCE OF FUNDS / KEY PROPERTY INFORMATION

PURCHASE SUMMARY		
TOTAL OCCUPIED SQUARE FEET	63,365	100.00%
TOTAL VACANT SQUARE FEET	-	0.00%
TOTAL RENTABLE SQFT	63,365	100.00%

\$/PSF		
PURCHASE PRICE	\$ 12,200,000	\$ 192.54
ACQUISITION FEE	\$ 500,000	\$ 4.10%
PURCHASE PRICE PLUS ACQUISITION FEE	\$ 12,700,000	\$ 200.43

PURCHASE PRICE	\$ 12,200,000
NET LOAN FUNDING AT CLOSING	\$ (7,930,000)
DOWN PAYMENT AT THE CLOSE OF ESCROW	\$ 4,270,000

ESTIMATED USE OF PROCEEDS		% of Total
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17	DOWN PAYMENT AT CLOSE OF ESCROW	\$ 4,270,000	73.75%
	ACQUISITION FEE	\$ 500,000	8.64%
	FINANCING FEES AND COSTS	\$ 151,000	2.61%
	CLOSING AND CARRYING COSTS	\$ 17,000	0.29%
18	OFFERING RESERVES	\$ 99,300	1.72%
	OFFERING & ORGANIZATION EXPENSES	\$ 752,700	13.00%
	TOTAL USE OF PROCEEDS	\$ 5,790,000	100.00%

\$/PSF		
TOTAL USE OF PROCEEDS	\$ 5,790,000	\$ 91.38
INITIAL LOAN FUNDING NET OF EARNOUT	\$ 7,930,000	\$ 125.15
19 FULLY LOADED PRICE	\$ 13,720,000	\$ 216.52

17 Financing fees and costs are estimated to be 1.50% + \$32,500.

18 Offering Reserve used to stabilize annual payouts as described in Offering Reserve Supplementing Used below.

19 Fully loaded Price for the Offering is \$13,720,000 with a Loaded Loan to Value Ratio of 57.80%.

% of Price	Price	Cap Rate	Price PSF
97.0%	\$ 11,834,000	10.67%	\$186.76
98.0%	\$ 11,956,000	10.56%	\$188.68
99.0%	\$ 12,078,000	10.46%	\$190.61
100.0%	\$ 12,200,000	10.35%	\$192.54
101.0%	\$ 12,322,000	10.25%	\$194.46
102.0%	\$ 12,444,000	10.15%	\$196.39
103.0%	\$ 12,566,000	10.05%	\$198.31

LOAN DATA CALCULATION

SENIOR LOAN SUMMARY % LTV

20 ORIGINAL LOAN BALANCE	\$ 7,930,000	65.00%
T/ILC HOLDBACK	\$ -	0.00%
CAPITAL HOLDBACK	\$ -	0.00%
INTEREST RESERVE HOLDBACK	\$ -	0.00%
MISC. HOLDBACK	\$ -	0.00%
NET LOAN FUNDING AT CLOSING	\$ 7,930,000	65.00%

KEY LOAN TERMS	Senior Loan
Effective Loan Interest Rate	6.25%
Nominal Loan Interest Rate	6.25%
Nominal Loan Interest Rate - Pre buy down	6.25%
Balance Due	7 Years
Interest Only Period	Years
Amortization Period	30 Years
Loan Type	Fixed
Interest Type	30/360
Interest Rate Buydown	0.00 Points
Reduction in Spread per Point	14.0 Basis Points

Senior Loan Rate	
Index Rate	3.00%
Spread	3.25%
Norm. Rate	6.25%

20 Loan based on a \$7,930,000 funding or 65.00% of purchase price.
The senior loan is assumed to carry a Fixed rate of 6.25%, with Interest Only for 0 Years, 30 Year Amortization thereafter due in 7 years.

PAYMENT & AMORTIZATION SCHEDULE	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Beginning Principal Balance	7,930,000	7,837,077	7,738,176	7,632,914	7,520,882	7,401,643	7,274,735
Nominal Interest Rate	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%
Bowtie Spread Adjustment	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nominal Interest Rate After Spread Adjustment	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%
Effective Annual Interest Rate After Spread Adjustment	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%
Principal Amortization	92,923	98,900	105,262	112,032	119,239	126,908	135,071
Interest Expense	492,993	487,016	480,655	473,884	466,678	459,008	450,845
Total Debt Service Payment	585,916	585,916	585,916	585,916	585,916	585,916	585,916
Ending Principal Balance	7,837,077	7,738,176	7,632,914	7,520,882	7,401,643	7,274,735	7,139,664
Loan Constant	7.39%	7.48%	7.57%	7.68%	7.79%	7.92%	8.05%
Debt Service Coverage Ratio	2.14	2.19	2.24	2.34	2.45	2.57	2.69
Debt Yield	15.93%	12.26%	13.57%	14.92%	15.61%	16.34%	17.10%

INVESTMENT RESERVES

INFLATION RATES (YEARS ENDING)		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Lender Interest Rate		1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Investor Interest Rate		1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%

TOTAL INVESTMENT RESERVE BALANCE		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Beginning Cash Balance		99,300	275,082	138,370	77,392	68,089	58,332	48,105
Cash Balance Additions:								
Additional Investor Capital Contribution (- = Inflow)		0	0	0	0	0	0	0
Net Cash Flow		0	0	0	0	0	0	0
21	Ti/LC Reserve Sweep (See Note #1 Below)	0	0	0	0	0	0	0
21	Capital Reserve Sweep (See Note #1 Below)	0	0	0	0	0	0	0
	Offering Reserve (+ or - Cash Flow)	182,500	(130,000)	(52,500)	0	0	0	0
Equity Increase From Refinance		0	0	0	0	0	0	0
Interest Reserve		0	0	0	0	0	0	0
Total Change in Offering Reserve (+ or - Cash Flow)		182,500	(130,000)	(52,500)	0	0	0	0
Cash Balance Reductions:								
22	Ti/LC Reserve Draws (See Note #2 Below)	0	0	0	0	0	0	0
22	Capital Reserve Draws (See Note #2 Below)	0	0	0	0	0	0	0
	Offering Reserve Draws	9,505	9,790	10,084	10,386	10,698	11,019	11,349
Interest Reserve		0	0	0	0	0	0	0
Total Reserve Draws		9,505	9,790	10,084	10,386	10,698	11,019	11,349
Net Change in Cash Balance		172,995	(139,790)	(62,584)	(10,386)	(10,698)	(11,019)	(11,349)
Ending Cash Balance		272,295	135,292	75,786	67,006	57,391	47,313	36,756
Interest Accumulation on Reserves		2,787	3,078	1,606	1,083	941	792	636
Ending Balance + Interest		275,082	138,370	77,392	68,089	58,332	48,105	37,393

TOTAL INTEREST COLLECTED 10,924

- 21 Ti/LC and Capital Reserve Sweeps are funded with Funds from Operations.
- 22 Ti/LC and Capital Reserve Draws reduce the cash required for future leasing and capital costs to the extent available.
- 18 Offering Reserve used to stabilize annual payouts as described below:

OFFERING RESERVE SUPPLEMENTING USED		
Year Ended	Offering Reserves	% of Total Distributions
Jul-2011	182,500	4.95%
Jul-2012	(130,000)	-3.52%
Jul-2013	(52,500)	-1.42%
Jul-2014	-	0.00%
Jul-2015	-	0.00%
Jul-2016	-	0.00%
Jul-2017	-	0.00%
TOTAL	-	0.00%

*** NEGATIVE = Cash Removed from Reserves
 *** POSITIVE = Cash Added to Reserves

DISPOSITION ANALYSIS

Holding Period		7 Years		
Projected Sales Date		Jul-2017		
DISPOSITION VALUE CALCULATION				
Net Operating Income for year 8		1,282,039	1,282,039	1,282,039
Terminal Capitalization Rate		8.00%	8.25%	8.50%
Terminal Sales Price (NOI/Terminal CAP rate)		16,025,488	15,539,867	15,082,812
Terminal Sales Price per Square Foot		\$ 252.91	\$ 245.24	\$ 238.03
23	Less: Estimated Closing Costs 0.50%	80,127	77,699	75,414
24	Less: Disposition Fee 3.00%	480,765	466,196	452,484
Net Sales Price		15,464,595	14,995,971	14,554,913
Less: Terminal First Mortgage Loan Balance		7,139,664	7,139,664	7,139,664
Less: Lender Exit Fee 0.00%		-	-	-
Less: Accrued Management Fees - % / # Yrs 0.00% 3.00		-	-	-
Net Sales Proceeds after loan payoff		8,324,932	7,856,308	7,415,250
Less: Return of Initial Capital		5,790,000	5,790,000	5,790,000
Less: Return of Additional Capital Contributions		-	-	-
Net Sales Proceeds		2,534,932	2,066,308	1,625,250
Add: Cash on Hand		37,393	37,393	37,393
Residual Sales Profit (Total Distributable Investment Proceeds)		2,572,325	2,103,700	1,662,642

INVESTOR RETURN ANALYSIS

Cumulative Cash Flow Distributions	7	3,688,981	3,688,981	3,688,981
Total Sales Proceeds		2,572,325	2,103,700	1,662,642
Total Returns		6,261,306	5,792,682	5,351,624
Cumulative Return		108.14%	100.05%	92.43%
25 Annualized Return		15.45%	14.29%	13.20%

- 23 Includes closing costs equal to 0.50% of sales price.
- 24 Includes a Disposition Fee equal to 3.00% of sales price.
- 25 Annualized return is based on holding period excluding any tax savings as a result of depreciation.

TERMINAL CAP RATE SENSITIVITY ANALYSIS

TERMINAL CAP RATES	Projected Sales Price in Year 7	Sales Price per SqFt	Proceeds after Loan	Total Distributions	Total Returns	Annualized Returns
7.25%	17,683,297	\$279.07	10,455,216	4,172,110	7,861,092	19.40%
7.50%	17,093,853	\$269.77	9,868,720	3,603,298	7,292,279	17.99%
7.75%	16,542,439	\$261.07	9,320,063	3,071,182	6,760,164	16.68%
8.00%	16,025,488	\$252.91	8,805,696	2,572,325	6,261,306	15.45%
8.25%	15,539,867	\$245.24	8,322,504	2,103,700	5,792,682	14.29%
8.50%	15,082,812	\$238.03	7,867,734	1,662,642	5,351,624	13.20%
8.75%	14,651,874	\$231.23	7,438,951	1,246,788	4,935,769	12.18%
9.00%	14,244,878	\$224.81	7,033,990	854,036	4,543,018	11.21%
9.25%	13,859,881	\$218.73	6,650,918	482,514	4,171,496	10.29%