



Artist rendering of what renovated units may look like

OFFERING DETAILS

Minimum Investment:	\$60,000
Total Targeted Return: <small>(1-2 Year Holding Period)</small>	71.1%
Initial Acquisition Loan:	\$900,000
Investor Equity Maximum:	\$1,500,000
Anticipated Terms:	Bank of Utah. One year term. First mortgage on the property. 5.5% Annual interest, interest only, monthly installments.
Maximum Equity:	\$1,500,000
Redevelopment Loans:	\$3,550,000
Anticipated Loan Terms:	Bank of Utah. Second mortgage on the property. Guaranteed by investors.
Take-Out Loan (Permanent Financing):	\$4,500,000
Anticipated Loan Terms:	Bank of Utah. 10-year fixed, 5.5% Interest rate. 25-year amortization schedule.
Profit Sharing Arrangement:	Investor receives preferred 25% annual return before any sharing takes place. Any returns in excess of 25% per year to investors would be split 50%-50% with Nelson Bros.

Utah State University



2011-12 Enrollment: Highest in USU History

- Located in Logan, Utah. 80 miles north of Salt Lake City
- Founded in 1888
- Current enrollment (Logan Campus): 16,857
- Enrollment up 8% from 2009-2010 school year
- Athletics: NCAA Division 1-A. In May of 2012, USU joined the Mountain West Conference

PROPERTY PROFILE

Address:	648 E. 900 N. Logan, UT 84321
Units:	20 Two-bedroom units, 1 Five-bedroom home
Occupancy:	100% Leased
Rentable Beds:	85
Current Net Operating Income:	\$111,523

POST RENOVATION AND DEVELOPMENT

Targeted Units:	25
Targeted Rentable Beds:	150
Targeted Net Operating Income:	\$393,162

USU is the **#1** public university in the West (and top five in the nation) for **lowest tuition** on Forbes' list of *America's Best College Buys* for 2011

KEY HIGHLIGHTS

- Stabilized property anchored by proximity to USU
- Plans for extensive interior and exterior renovations
- Increase rents by improving living experience
- Grow revenue by adding beds to the current floor-plan
- Growth opportunity, leverage new zoning changes to potentially develop new units

Offering Strategy

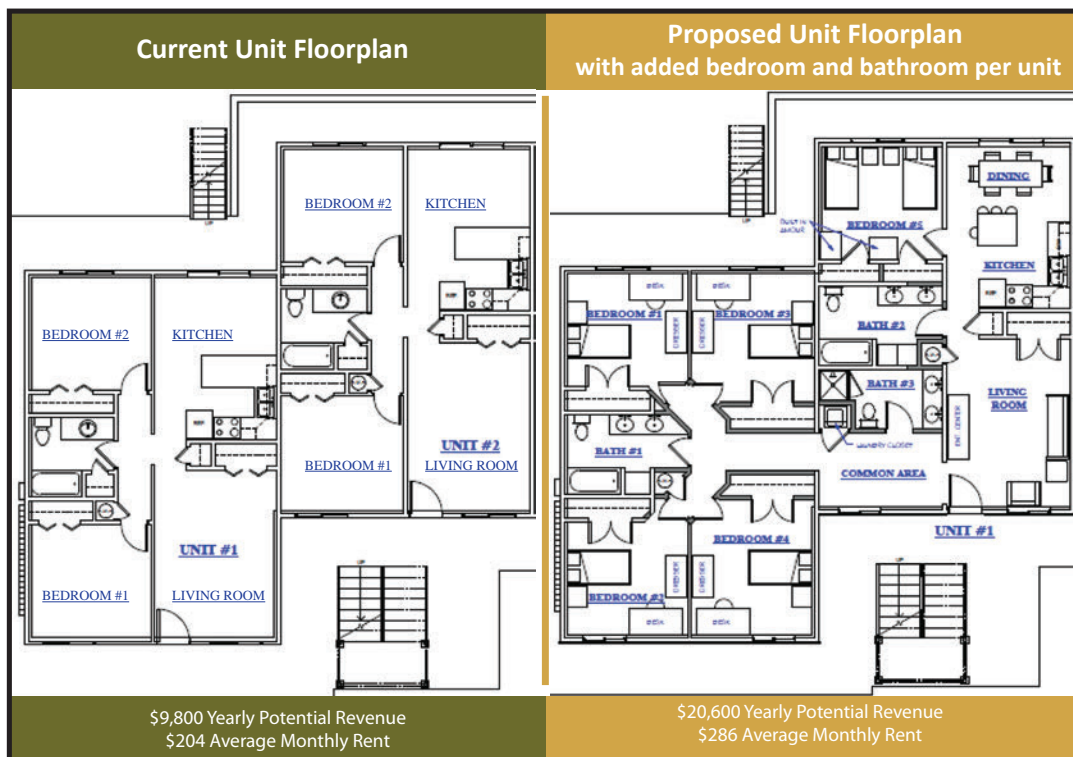
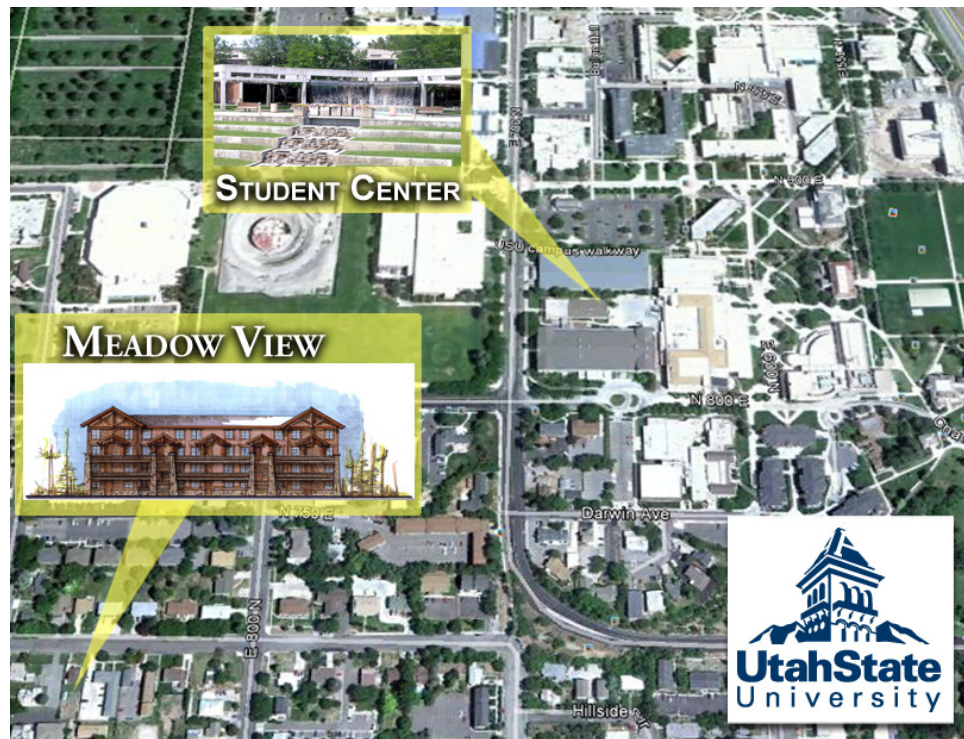
Meadow View Apartments is an older student housing complex built in 1977 and located near Utah State University (USU) in Logan, Utah. Roughly 80 miles north of Salt Lake City. The USU campus in Logan had an enrollment of 16,857 students for the 2011-2012 school year. Up from 15,612 in 2009-10.

Though Meadow View is currently in lackluster condition, it has historically maintained a high occupancy rate which Nelson Bros. attributes to the property's location, being only two to three blocks from the USU campus. The current structure sits on .68 of an acre and includes a 20 unit, two-bedroom apartment building and one large house comprising of four rentable bedrooms. Previously, the property was zoned for multi-density housing, limiting the number of units permissible. However, with growing enrollment and limited supply of suitable housing near campus, the city recently re-zoned the property to "Campus Residential", allowing up to 25 units for the parcel.

Nelson Bros. sees a prime opportunity to potentially grow revenue through increasing the number of beds per unit, raising rents through improved quality and adding new units. The first objective is to modify the existing floor-plans to improve efficiency. The current two bedroom models feature large kitchen and family room areas. A more efficient floor plan would be to combine units and use unnecessary space to add one to two new bedrooms per unit. These improvements would potentially increase the number of rentable beds to the current square footage, while decreasing the number of units.

In addition, Nelson Bros. plans to raise rental rates by significantly enhancing the student living experience. The improvements would include extensively renovating the exterior curb appeal and modernizing the look within the units by: repainting the walls, replacing the flooring and adding new cool features and amenities. The improvements will help re-position the property as a contemporary yet moderately priced living space.

Further, Nelson Bros. plans to take advantage of the recent zoning decision, as well as the planned decrease in units, to maximize the number of rentable beds. Additionally, Nelson Bros. plans to demolish the older home located on the property and use the space to develop all new, higher end units. Nelson Bros. targeted goal, post-construction, is to raise rental rates by as much as 20% to 40%, increase the number of beds by as much as 50% to 75% and more than triple the Net Operating Income.



Targeted Costs	Meadow View 2011-12	Renovated Projections	Targeted Returns	Meadow View 2011-12	Renovated Projections
Number of Units	21	25	Net Operating Income	\$111,523	\$393,162
Average Rooms per Unit	2.1	6	Assumed Cap Rate	7.25%	7.25%
Number of Leasable Beds	85	150	Projected Total Value	\$1,538,248	\$5,422,924
Approximate Rent per Bed (School year)	\$1,827	\$3,250	Projected Total Acquisition and Renovation Costs		\$4,500,000
Approximate Rent per Bed (Summer)	\$325	\$600	Targeted Profits		\$922,000
Approximate Annual Total Per Bed	\$2,152	\$3,850	Profit Sharing Proceeds		(\$211,000)
Total Gross Income - (5% Vacancy)	\$163,334	\$548,625	Targeted Net Investor Return		\$711,462
Total Operating Expenses	\$51,821	\$155,000	Projected Investor Equity		\$1,000,000
Net Operating Income	\$111,523	\$393,162	Total Targeted Return (24-month Hold Period)		71.15%
			Total Annual Targeted Return		35.57%

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