



STUDENT HOUSING AND ASSISTED LIVING INVESTMENTS

NELSON BROTHERS

VUE ON MACGREGOR DST

VUE ON MACGREGOR

4460 S. MacGregor Way • Houston, TX 77021



STUDENT HOUSING NEAR THE UNIVERSITY OF HOUSTON



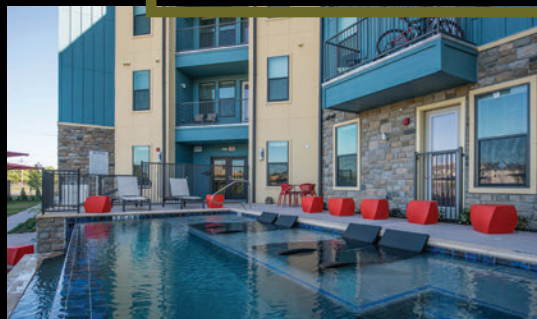
TARGETED BENEFITS

- 6.5% 1ST YEAR CASH-ON-CASH RETURN
- 100% CURRENT OCCUPANCY (2015-16 SCHOOL YEAR)
- LOCATION: 2.5 BLOCKS FROM UH CAMPUS
- TAX EFFICIENCY FROM PASS THROUGH DEPRECIATION
- 4TH LARGEST CITY IN THE U.S.

ANCHORED BY THE HISTORICAL STABILITY OF UNIVERSITY OF HOUSTON



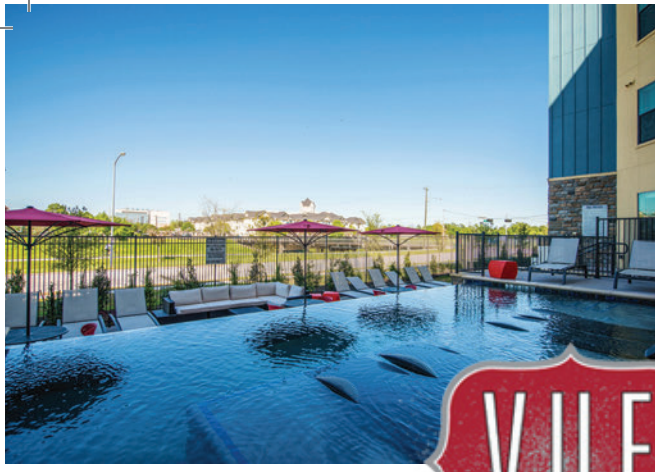
Skydeck Overlooking UH Campus



Contemporary Infinity Lounge Pool



Spacious and Modern Floor Plans



FIRST PLACE

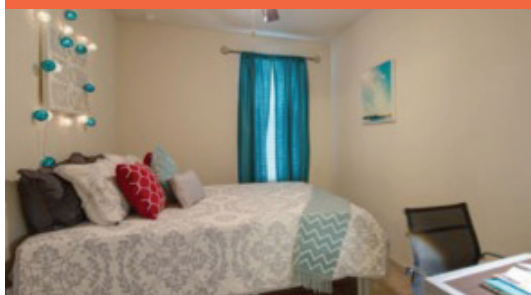
The Vue on MacGregor
2015 Best Off-Campus Apartment



Modern look and feel throughout



50" flat screen TV in each unit



Fully designer-furnished

PROPERTY SUMMARY

Vue on MacGregor is a Class "A", 115-unit, 347-bed student housing property within walking distance to the University of Houston campus. Built in 2014, the property currently offers students spacious units, luxury amenities, advanced security and excellent city views. The property was voted "Best Off-Campus Apartment" for 2015 and is fully pre-leased for the 2015-2016 school year, which includes 12-month leases.

LOCATION

Vue on MacGregor is a pedestrian property located just a few blocks from campus. Nelson Brothers believes that the University of Houston housing market has significant barriers to entry with the areas surrounding campus currently bound by freeways, established affluent neighborhoods and park land.

MARKET

The University of Houston is the 3rd largest university in Texas and a Tier One Research University. The school enrolled approximately 40,000 students in 2014. Further, Texas Southern University "TSU" is also less than a mile from the Vue on MacGregor and enrolled 9,600 students in 2014. With close to 50,000 students enrolled at both institutions, Nelson Brothers believes the campus to be situated in a key location within a primary market. The company's goal is to leverage what we believe to be favorable economics for student housing: the steady and potentially growing demand and limited supply while attempting to preserve high occupancy, monthly cash flow and a healthy rental rate growth.

TARGET STRATEGY

Nelson Brothers anticipates that Vue on MacGregor with its luxury construction, high-end look and amenities, excellent location and advance security make it one of the most compelling places for students to live near the University of Houston campus. As a Tier One school, located in the fourth largest city in the country, Nelson Brothers believes the University of Houston to be a phenomenal economic anchor that has demonstrated solid growth over the last decade. The target strategy is to leverage the historical stability of the university, the property's location and high-end appeal to affluent students as well as maintaining consistently high occupancy with solid year-over-year rental rate to produce monthly cash flow, tax efficiency and long-term appreciation.



TARGETED BALANCE

Stability ■ Income ■ Growth
Tax Savings ■ Low Correlation

Nelson Brothers strategy with the Vue on MacGregor is to potentially offer a variety of benefits with stable occupancy, monthly income, tax efficiency through depreciation, and appreciation.



PROPERTY PROFILE

Number of Units	115
Number of Beds	347
Parking Spaces	290
Year of Construction	2014
Net Rentable Square Feet	120,638
Pre-Leased Occupancy (2015-16)	100%

OFFERING DETAILS

1st Year Cash-on-Cash	6.50%
Offering Price	\$40,559,000
Total Loan Amount	\$26,000,000
Equity	\$14,559,000
Loan-to-Value	64.10%
Minimum Investment	\$50,000

TARGETED CASH-ON-CASH RETURN

2015	2016	2017	2018	2019	2020	2021	2022	2023
6.5%	6.5%	6.75%	6.75%	7.0%	7.0%	7.25%	7.5%	7.5%

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

Non-recourse. 10-year, 30-year amortization, 5 years interest-only. Anticipated interest rate, 4.55%. DST 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 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	\$14,559,000
Revenue Growth Rate	3.0%
Expense Growth Rate	2%

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Total Operating Income	\$3,554,048	\$3,660,669	\$3,770,490	\$3,883,604	\$4,000,112	\$4,120,116	\$4,243,719	\$4,371,031	\$4,502,162	\$4,637,227
Total Expenses	\$981,142	\$1,485,620	\$1,515,333	\$1,545,639	\$1,613,755	\$1,646,030	\$1,695,411	\$1,746,274	\$1,798,662	\$1,852,622
Net Operating Income	\$2,572,906	\$2,175,049	\$2,255,157	\$2,337,965	\$2,386,357	\$2,474,085	\$2,548,308	\$2,624,757	\$2,703,500	\$2,784,605
Debt Service	(\$1,248,000)	(\$1,248,000)	(\$1,248,000)	(\$1,248,000)	(\$1,248,000)	(\$1,636,956)	(\$1,636,956)	(\$1,636,956)	(\$1,636,956)	(\$1,636,956)
Cash Flow After Debt Service	\$1,324,906	\$927,049	\$1,007,157	\$1,089,965	\$1,138,357	\$837,129	\$911,352	\$987,801	\$1,066,544	\$1,147,649
Projected Cash Return	6.50%	6.50%	6.75%	6.75%	7.00%	7.00%	7.25%	7.25%	7.50%	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."

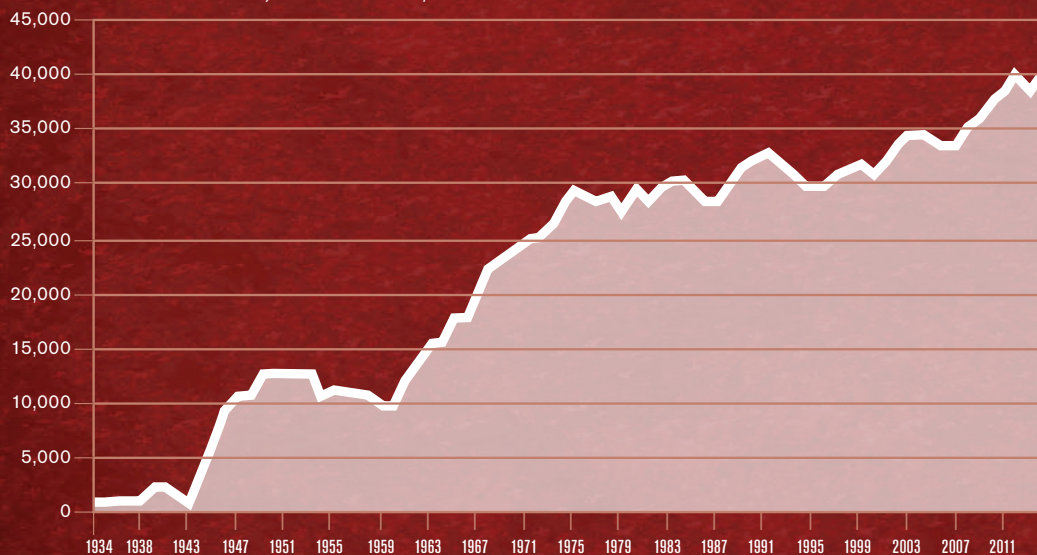
ABOUT UNIVERSITY OF HOUSTON

- **FOUNDED IN 1927**
- **TIER ONE RESEARCH UNIVERSITY**
- **3RD LARGEST PUBLIC UNIVERSITY IN TEXAS**
- **2014 ENROLLMENT: 40,914 STUDENTS**
- **OVER \$200M SPENT ON RECENT CAMPUS IMPROVEMENTS**
- **\$721 MILLION ENDOWMENT**



University of Houston – Fall enrollment yearly figures

Source: University of Houston <http://www.uh.edu/ir/>



ABOUT NELSON BROTHERS

Current Management Portfolio At-A-Glance:

Founded in 2007

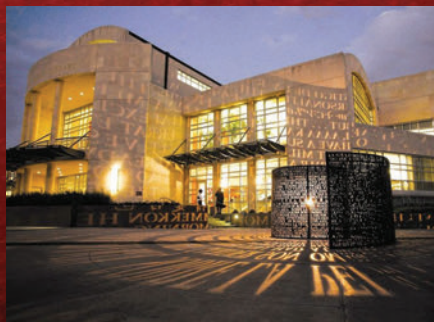
Over \$240 Million in Real Estate

22 Properties, Across 9 States

18 Student Housing Properties

Property Distributions Total Over \$13 Million

More Than 400 Investors



Nelson Brothers

STUDENT HOUSING AND ASSISTED LIVING INVESTMENTS

16B Journey, Suite 200 | Aliso Viejo, CA 92656
(800) 580-1031



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.

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