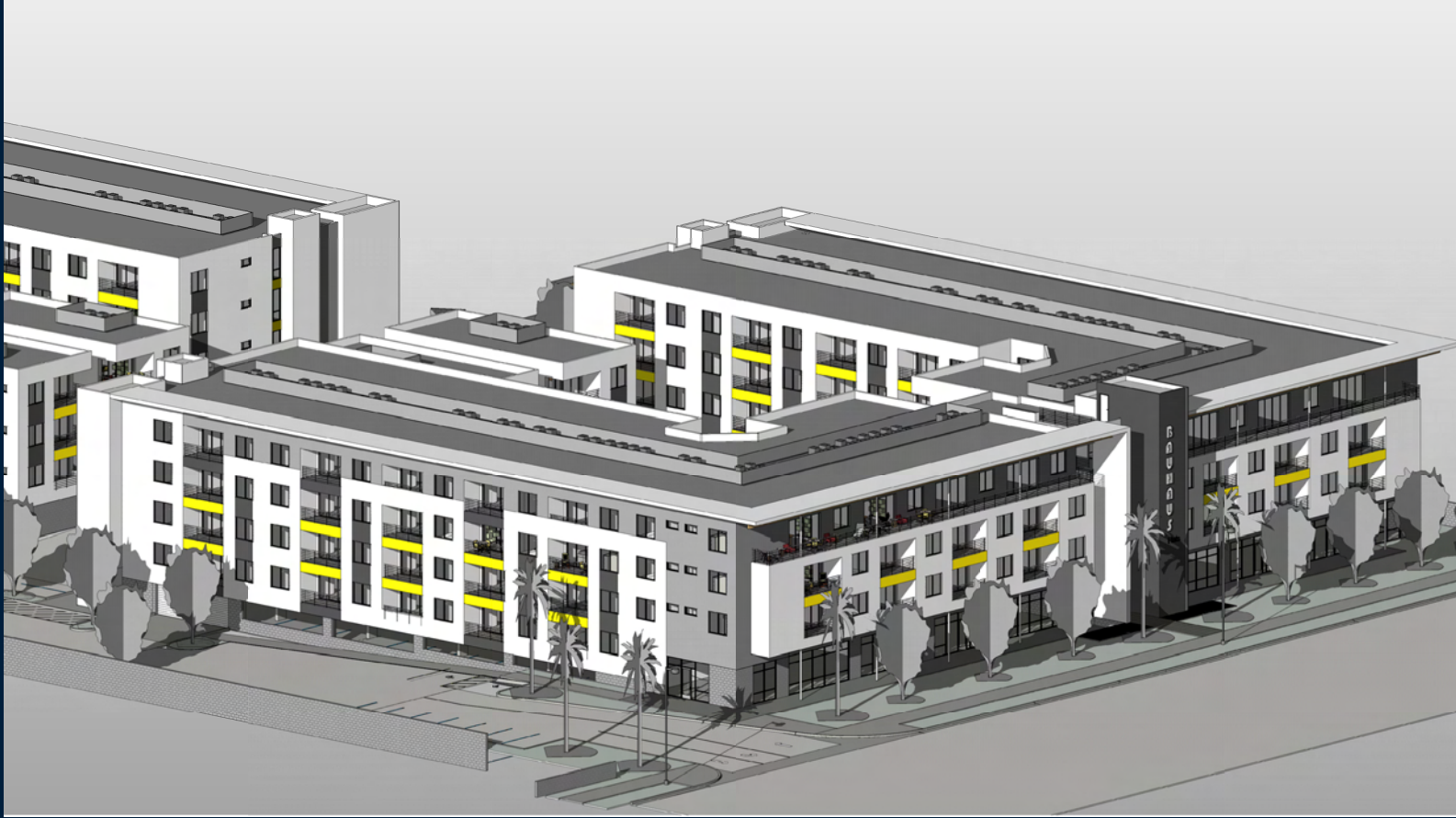


OFFERING MEMORANDUM



A PRECONSTRUCTION MULTIFAMILY INVESTMENT OPPORTUNITY

BAUHAUS

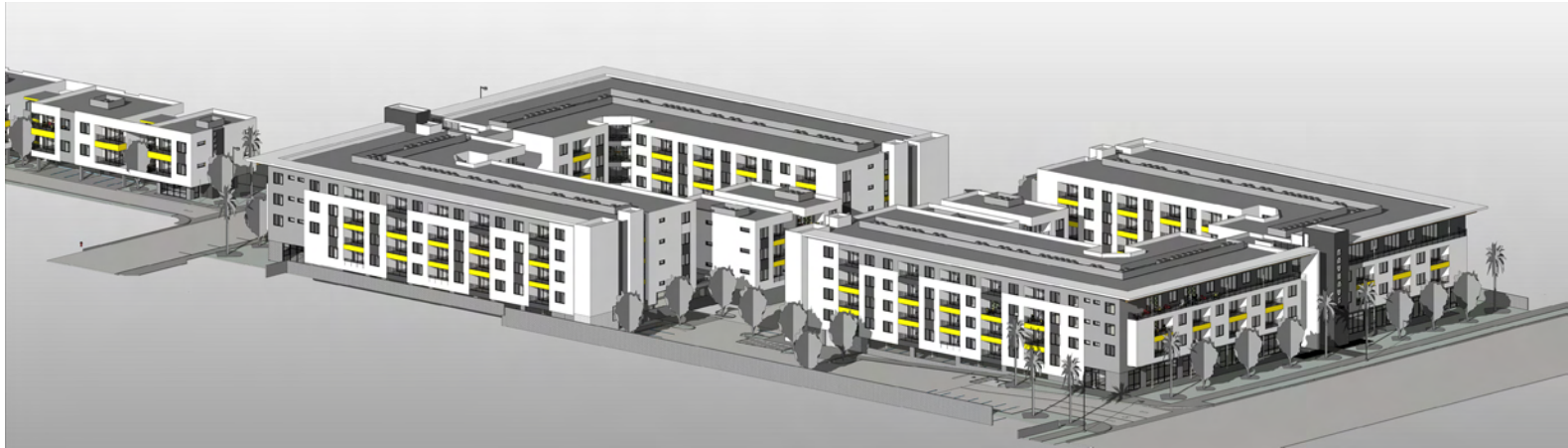
3015 N. Scottsdale Road
Scottsdale, AZ 85251

A 270 UNIT LUXURY MID-RISE URBAN COMMUNITY

PRICE: TO BE DETERMINED BY MARKET

**B
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S**
Flats

The Jones Group



① 3D View - Overall - from NWC
1/2" = 1'-0"



② 3D View - Overall from NEC
1/2" = 1'-0"

BAUHAUS



TABLE OF CONTENTS

ELEVATIONS	4
INVESTMENT SUMMARY	8
LOCATION OVERVIEW	14
PROPERTY DESCRIPTION	20
PROPERTY SITE PLAN	22
BAUHAUS STUDIO ELEVATION	24
FLOOR PLANS	25
FINANCIAL PROFORMA	38
SUBMARKET OVERVIEW	40
METRO PHOENIX OVERVIEW	46
SALES COMPARABLES	52
RENT COMPARABLES	56

For more information contact:

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PROPERTY ELEVATIONS

STREET SIDE ELEVATION



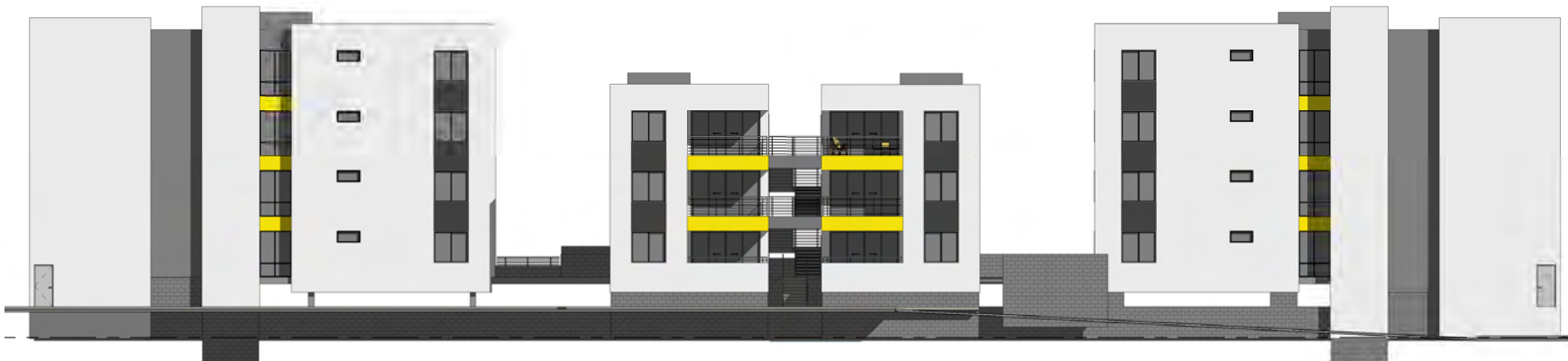
NORTH ELEVATION - WEST BUILDING



SOUTH ELEVATION - WEST BUILDING



EAST ELEVATION - WEST BUILDING







INVESTMENT SUMMARY

Bauhaus Flats is a rare landmark offering of a luxury mid-rise community located in downtown Scottsdale, Arizona, consisting of 270 residential apartments and an additional 8,560 square feet of ground-floor retail, office and live-work units. Construction will commence in early 2013 with completion estimated in the first quarter of 2014. Bauhaus Flats will feature two five-story buildings, consisting of four levels of luxury apartments plus ground level retail and podium garage parking and three three-story buildings. Residents will enjoy stunning views of Downtown Scottsdale, an urban resort style pool, surrounding mountain ranges and city lights. Bauhaus Flats' urban infill location will appeal to the young professional demographic, where the most prolific employment, entertainment, shopping and dining district is a short walk from home.

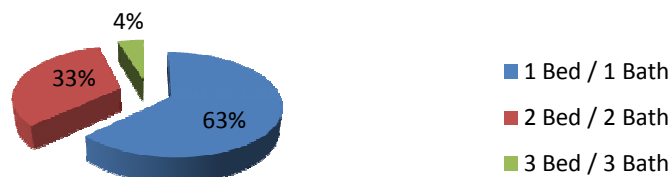
Bauhaus Flats sets a new standard for multifamily architecture with its "classic contemporary" genre and will command a dramatic street presence with its 50' height and large footprint, which will enable the building to be seen from miles in all directions. Innovative exterior lighting will make the building come alive at night and stand out against the night sky. The combination of being the tallest building in the south downtown region, frontage on Scottsdale Road, dramatic architecture, and innovative lighting will make Bauhaus Flats a landmark building drawing residents from a large radius.

Bauhaus Flats takes luxury urban living to a new paradigm with controlled access conditioned interior corridors, modern open spacious floor plans, livable outdoor balconies, huge walk-in closets, luxurious soaking tubs and/or walk-in showers, white flat panel cabinets, quartz counter tops, kitchen islands, and GE stainless steel appliances. It's downtown living at its finest.

INVESTMENT SUMMARY

Price	Market Price
Units	270
Year Built	2013 Est.
Terms	CASH
Apartment SF	312,394
Average Unit SF	1,157
Ground Floor Retail SF	8,560 +/-
Total SF	320,954 +/-

Bauhaus Unit Mix



RETAIL, OFFICE & LIVE-WORK SUMMARY	SF	Rent / SF	Rent	Dimensions	Frontage
Ground Floor - Scottsdale Road	1,900	\$9.00	\$17,100	55' x 35'	55' on Scottsdale
Ground Floor - 73rd Street	800	9.00	7,200	28' x 28'	28' on 73rd Street
Ground Floor - 73rd Street (LW)	1,360	12.50	17,000	39' x 35'	39' on 73rd Street
Ground Floor - 73rd Street (LW)	1,570	12.50	19,625	45' x 35'	45' on 73rd Street
Ground Floor - 73rd Street (LW)	1,570	12.50	19,625	45' x 35'	45' on 73rd Street
Ground Floor - 73rd Street (LW)	1,360	12.50	17,000	39' x 35'	39' on 73rd Street
TOTAL RETAIL, OFFICE & LIVE-WORK	8,560	\$11.40	\$97,550		

DETAILED UNIT MIX

UNIT	UNIT DESCRIPTION	COUNT	% MIX	LIVABLE SF	BALCONY SF	RENTABLE SF	TOTAL SF	RENT / UNIT	RENT / SF	MONTHLY RENT
PARKING, RETAIL & LIVE-WORK										
ONE BEDROOM										
1A1	1 Bed / 1 Bath	100	37.0%	911	91	1,002	100,200	\$1,262	\$1.26	\$126,200
1A2	1 Bed / 1 Bath	12	4.4%	900	92	992	11,904	1,238	1.25	14,860
1A3	1 Bed / 1 Bath	8	3.0%	894	106	1,000	8,000	1,251	1.25	10,010
1B	1 Bed / 1 Bath	10	3.7%	839	146	985	9,850	1,225	1.24	12,250
1S	1 Bed / 1 Bath	12	4.4%	570	93	663	7,956	928	1.40	11,140
1S-1	1 Bed / 1 Bath	28	10.4%	594	94	688	19,264	923	1.34	25,830
SUB-TOTAL ONE BEDROOM		170	63.0%	829	96	925	157,174	\$1,178	\$1.27	\$200,290
				140,914	16,260	157,174				
TWO BEDROOM										
2A	2 Bed / 2 Bath	16	5.9%	1,337	90	1,427	22,832	1,830	1.28	29,280
2B1	2 Bed / 2 Bath	40	14.8%	1,395	89	1,484	59,360	1,860	1.25	74,400
2B2	2 Bed / 2 Bath	16	5.9%	1,475	88	1,563	25,008	1,863	1.19	29,800
2C	2 Bed / 2 Bath	4	1.5%	1,405	256	1,661	6,644	1,925	1.16	7,700
2C	2 Bed / 2 Bath	12	4.4%	1,405	97	1,502	18,024	1,967	1.31	23,600
SUB-TOTAL TWO BEDROOM		88	32.6%	1,401	98	1,499	131,868	\$1,873	\$1.25	\$164,780
				123,272	8,596	131,868				
THREE BEDROOM										
3A	3 Bed / 3 Bath	8	3.0%	1,856	92	1,948	15,584	2,143	1.10	17,140
3B	3 Bed / 3 Bath	4	1.5%	1,723	219	1,942	7,768	2,250	1.16	9,000
SUB-TOTAL THREE BEDROOM		12	4.4%	1,812	134	1,946	23,352	\$2,178	\$1.12	26,140
				21,740	1,612	23,352				
TOTAL		270	100.0%	1,059	98	1,157	312,394	\$1,449	\$1.25	\$391,210
				285,926	26,468	312,394				

INVESTMENT SUMMARY

DETAILED UNIT MIX - FLOOR

UNIT	UNIT DESCRIPTION	COUNT	% MIX	LIVABLE SF	BALCONY SF	RENTABLE SF	TOTAL SF	RENT / UNIT	RENT / SF	MONTHLY RENT
GROUND FLOOR - PARKING, RETAIL & LIVE-WORK										
FLOOR 1										
1A1	1 Bed / 1 Bath	20	7.4%	911	91	1,002	20,040	\$1,245	\$1.24	\$24,900
1A2	1 Bed / 1 Bath	4	1.5%	900	92	992	3,968	1,225	1.23	4,900
1A3	1 Bed / 1 Bath	2	0.7%	894	106	1,000	2,000	1,225	1.23	2,450
1S	1 Bed / 1 Bath	4	1.5%	570	93	663	2,652	915	1.38	3,660
1S-1	1 Bed / 1 Bath	14	5.2%	594	94	688	9,632	915	1.33	12,810
2A	2 Bed / 2 Bath	4	1.5%	1,337	90	1,427	5,708	1,760	1.23	7,040
2B1	2 Bed / 2 Bath	10	3.7%	1,395	89	1,484	14,840	1,795	1.21	17,950
2B2	2 Bed / 2 Bath	4	1.5%	1,475	88	1,563	6,252	1,795	1.15	7,180
2C	2 Bed / 2 Bath	4	1.5%	1,405	256	1,661	6,644	1,925	1.16	7,700
SUB-TOTAL		66	24.4%	65,022	6,714	1,087	71,736	\$1,342	\$1.23	\$88,590
FLOOR 2										
1A1	1 Bed / 1 Bath	30	11.1%	911	91	1,002	30,060	1,255	1.25	37,650
1A2	1 Bed / 1 Bath	4	1.5%	900	92	992	3,968	1,245	1.26	4,980
1A3	1 Bed / 1 Bath	2	0.7%	894	106	1,000	2,000	1,250	1.25	2,500
1S	1 Bed / 1 Bath	4	1.5%	570	93	663	2,652	925	1.40	3,700
1S-1	1 Bed / 1 Bath	14	5.2%	594	94	688	9,632	930	1.35	13,020
2A	2 Bed / 2 Bath	4	1.5%	1,337	90	1,427	5,708	1,775	1.24	7,100
2B1	2 Bed / 2 Bath	10	3.7%	1,395	89	1,484	14,840	1,825	1.23	18,250
2B2	2 Bed / 2 Bath	4	1.5%	1,475	88	1,563	6,252	1,845	1.18	7,380
2C	2 Bed / 2 Bath	4	1.5%	1,405	97	1,502	6,008	1,925	1.28	7,700
3A	3 Bed / 3 Bath	4	1.5%	1,856	92	1,948	7,792	2,110	1.08	8,440
SUB-TOTAL		80	29.6%	81,556	7,356	1,111	88,912	\$1,384	\$1.25	\$110,720
FLOOR 3										
1A1	1 Bed / 1 Bath	30	11.1%	911	91	1,002	30,060	1,265	1.26	37,950
1A2	1 Bed / 1 Bath	4	1.5%	900	92	992	3,968	1,245	1.26	4,980
1A3	1 Bed / 1 Bath	2	0.7%	894	106	1,000	2,000	1,260	1.26	2,520
1S	1 Bed / 1 Bath	4	1.5%	570	93	663	2,652	945	1.43	3,780
2A	2 Bed / 2 Bath	4	1.5%	1,337	90	1,427	5,708	1,835	1.29	7,340
2B1	2 Bed / 2 Bath	10	3.7%	1,395	89	1,484	14,840	1,845	1.24	18,450
2B2	2 Bed / 2 Bath	4	1.5%	1,475	88	1,563	6,252	1,835	1.17	7,340
2C	2 Bed / 2 Bath	4	1.5%	1,405	97	1,502	6,008	1,975	1.31	7,900
3A	3 Bed / 3 Bath	4	1.5%	1,856	92	1,948	7,792	2,175	1.12	8,700
SUB-TOTAL		66	24.4%	73,240	6,040	1,201	79,280	\$1,499	\$1.25	\$98,960
FLOOR 4										
1A1	1 Bed / 1 Bath	20	7.4%	911	91	1,002	20,040	1,285	1.28	25,700
1A3	1 Bed / 1 Bath	2	0.7%	894	106	1,000	2,000	1,270	1.27	2,540
1B	1 Bed / 1 Bath	10	3.7%	839	146	985	9,850	1,225	1.24	12,250
2A	2 Bed / 2 Bath	4	1.5%	1,337	90	1,427	5,708	1,950	1.37	7,800
2B1	2 Bed / 2 Bath	10	3.7%	1,395	89	1,484	14,840	1,975	1.33	19,750
2B2	2 Bed / 2 Bath	4	1.5%	1,475	88	1,563	6,252	1,975	1.26	7,900
2C	2 Bed / 2 Bath	4	1.5%	1,405	97	1,502	6,008	2,000	1.33	8,000
3B	3 Bed / 3 Bath	4	1.5%	1,723	219	1,942	7,768	2,250	1.16	9,000
SUB-TOTAL		58	21.5%	66,108	6,358	1,249	72,466	\$1,602	\$1.28	\$92,940
TOTAL		270	100.0%	285,926	26,468	1,157	312,394	\$1,449	\$1.25	\$391,210

RENTAL MARKET / APARTMENT INVENTORY

- From Q4 2007 to Q4 2009 the Metropolitan Phoenix (MP) apartment market suffered a decline of 18,000 occupied 'A', 'B' & 'C' quality units due to household contraction from "Boomerang" young professionals moving back home with their parents, low skilled manual labor unemployment causing doubling up, a massive slow down of domestic immigration, and an increase of 45,000 foreclosed homes that became rental housing.
- The 'A' apartment market bottomed, depending on the submarket, between Q1 '2009 and Q1 '2010 and since then, rents on rebounded 15% on average.
- South Scottsdale has the second highest average 'A' rent per foot in MP at \$1.20 per foot.
- South Scottsdale has significant rent upside as the average 'A' rent is still 18% below the peak rent in Q4 2006.
- South Scottsdale 'A' quality properties are currently 97% occupied.
- With 97% occupancy and no new inventory being added to the supply for the next 12 months, we expect South Scottsdale rents to approach the pre-recession average high of \$1.40 per foot by the 1st Quarter of 2013.
- South Scottsdale has an apartment rental inventory of 9,380 units.
- Due to the maturity of Scottsdale's infill locations and lack of developable land, Scottsdale's rental inventory is old and obsolete. Only 416 units (4.4%) are 'A' quality units, 1,782 units (19%) are 'B' quality, 5,980 units (63.8%) are 'C' quality, and 1,202 units (12.8%) are 'D' quality.
- The ratio of 4.4%, 19%, 63.8%, and 12.8% for 'A', 'B', 'C' and 'D' quality apartments respectively is far below the MP average ratios of 19.3%, 25%, 36.4% and 19.3% respectively.

TARGET MARKET / MARKET NICHE

- The primary target market for Bauhaus Flats is young professionals in the 20-34 age cohort.
- Bauhaus Flats is the perfect location for young professionals with its close proximity to 92.7M square feet of office space, ASU, and within walking distance of the premier entertainment, dining and shopping mecca of Arizona.
- The 20-34 age cohort in MP is projected to increase by an additional 405,000 people from 2010 to 2025.
- The secondary target market for Bauhaus Flats is Generation X and Echo Boomers that desire an urban location.
- Bauhaus Flats will attract these prospective tenants with the large open floor plans, huge walk-in closets, large kitchen with eat-in islands, extra storage and controlled access interior corridors with elevators.
- Extrapolating the PEW research data for Baby Boomers and applying it to the MP region suggests that boomers will absorb 4,000 urban apartment units per year.
- Not only is South Scottsdale / Old Town dramatically underbuilt with 'A' and 'B' quality units, it is virtually devoid of controlled access, interior conditioned corridor, urban mid-rise product.
- The closest competing product is Optima Camelview which is currently commanding rents in the \$1.95 - \$2.05 range.

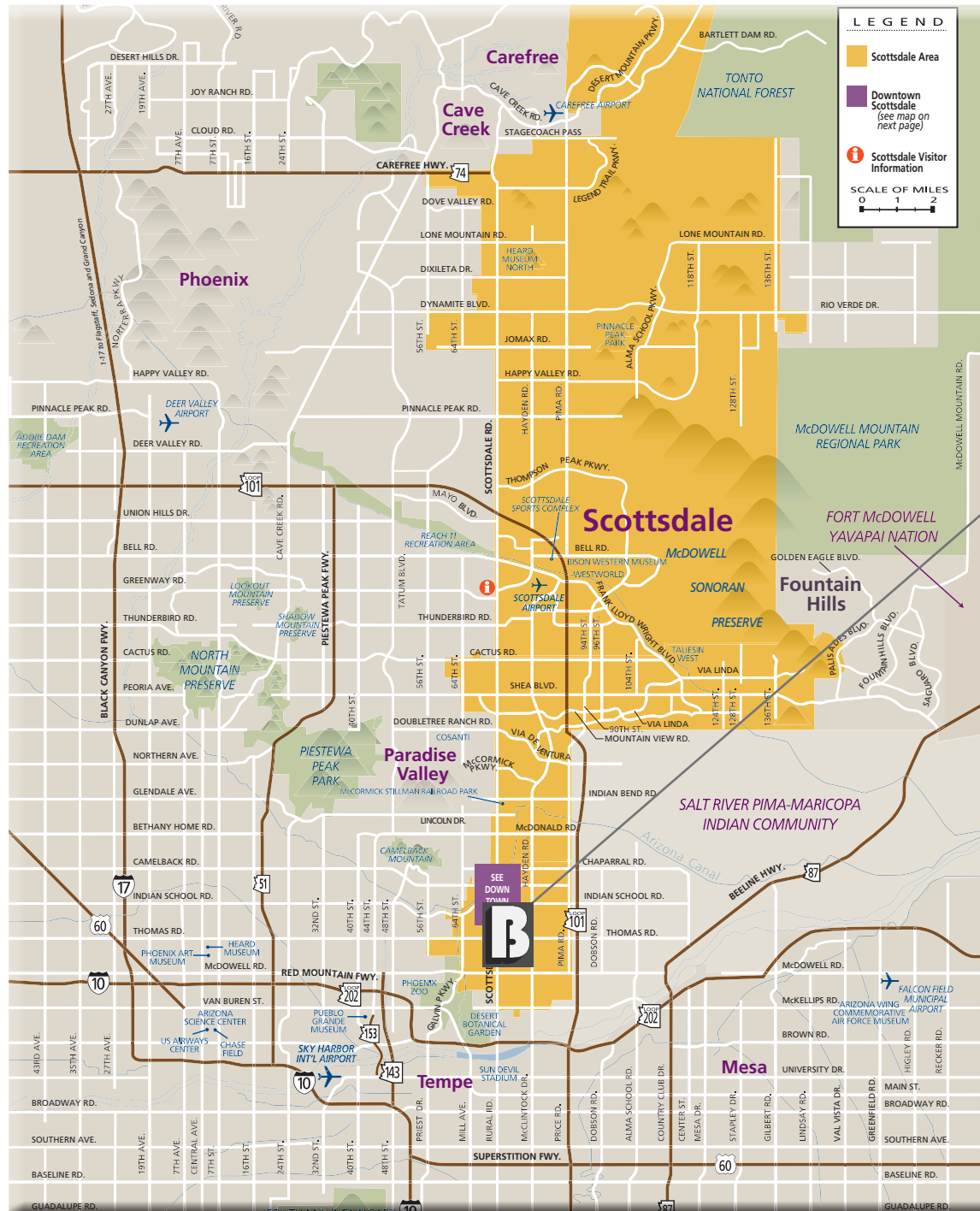
LOCATION ANALYSIS

- Bauhaus Flats has excellent street frontage on Scottsdale Road, a major north/south arterial street, with an average traffic count of 33,300 cars per day.
- Ingress and egress on Scottsdale Road is excellent both north and south with left hand turn lanes and secondary access on 73rd Street via Earll to the north and Thomas Road to the south is also excellent.
- WalkScore.com rates Bauhaus Flats a walk score of 89 “very walkable”. Within a quarter mile walk from Bauhaus Flats residents have access to grocery stores, health care, employment centers, specialty retail, coffee shops and restaurants.
- Bauhaus Flats is in the southern section of Old Town Scottsdale with access to the free Scottsdale Trolley and the Metro bus line’s, route 72 north and south on Scottsdale Road and route 29 east and west on Thomas Road.
- The entire Valley is accessible with excellent freeway linkage via the Loop 101 two miles east and Loop 202 three miles south.
- Sky Harbor Airport is just a 15 minute commute from Bauhaus Flats, three miles south and three miles east.
- Bauhaus Flats is located within a 15 minute commute of 92.7M square feet of office space and 22M square feet within a 5 minute commute.

BUILDING DESIGN / FINISH / AMENITIES

- Bauhaus Flats sets a new standard for multifamily architecture with its “classic contemporary” or international / Bauhaus style.
- Bauhaus Flats’ combination of Bauhaus style architecture, large building footprint, 50’ height, and street frontage on Scottsdale Road will create a dramatic building presence that will draw residents from miles around.
- Bauhaus Flats with its controlled access under building parking garage, controlled access conditioned corridors, two urban resort style pools, fitness center, coffee shop and business center creates an urban multifamily experience second to none in Arizona.
- Bauhaus Flats residents will enjoy modern spacious floor plans featuring 14 x 12 living rooms, 12 x 12 dining rooms, large open kitchens with eat-in islands, and large master bedroom suites with oversized walk-in closets.
- Each apartment has a minimum 6 x 14 covered balcony or patio and all units have tremendous views of the pool area, city lights or surrounding mountains.
- Finishes include designer LVT wood flooring, brushed nickel hardware, flat panel white glossy cabinets, quartz countertops, GE stainless appliances and full size washer / dryers.

LOCATION MAP



BAUHAUS Flats

LOCATION OVERVIEW

Bauhaus Flats is located in the southern section of Old Town Scottsdale at 3015 N. Scottsdale Road. Downtown Scottsdale is referred to as Old Town Scottsdale by locals and is world renowned for its entertainment, retail, dining, recreation and resorts.

ENTERTAINMENT in Old Town is world famous with over 200 fine dining establishments, chic nightclubs, festivals, and collection of art galleries, museums and fairs. Scottsdale is also the spring training home of the San Francisco Giants, Arizona Diamondbacks and Colorado Rockies.

SHOPPING in Old Town is anchored by Scottsdale Fashion Square Mall, Arizona's largest regional mall with 1.9M square feet featuring high end anchors, including Macy's, Neiman Marcus, Nordstrom's, Barney's New York and high-end specialty retailers such as Prada. Scottsdale is also famous for the local, independent boutiques and galleries.

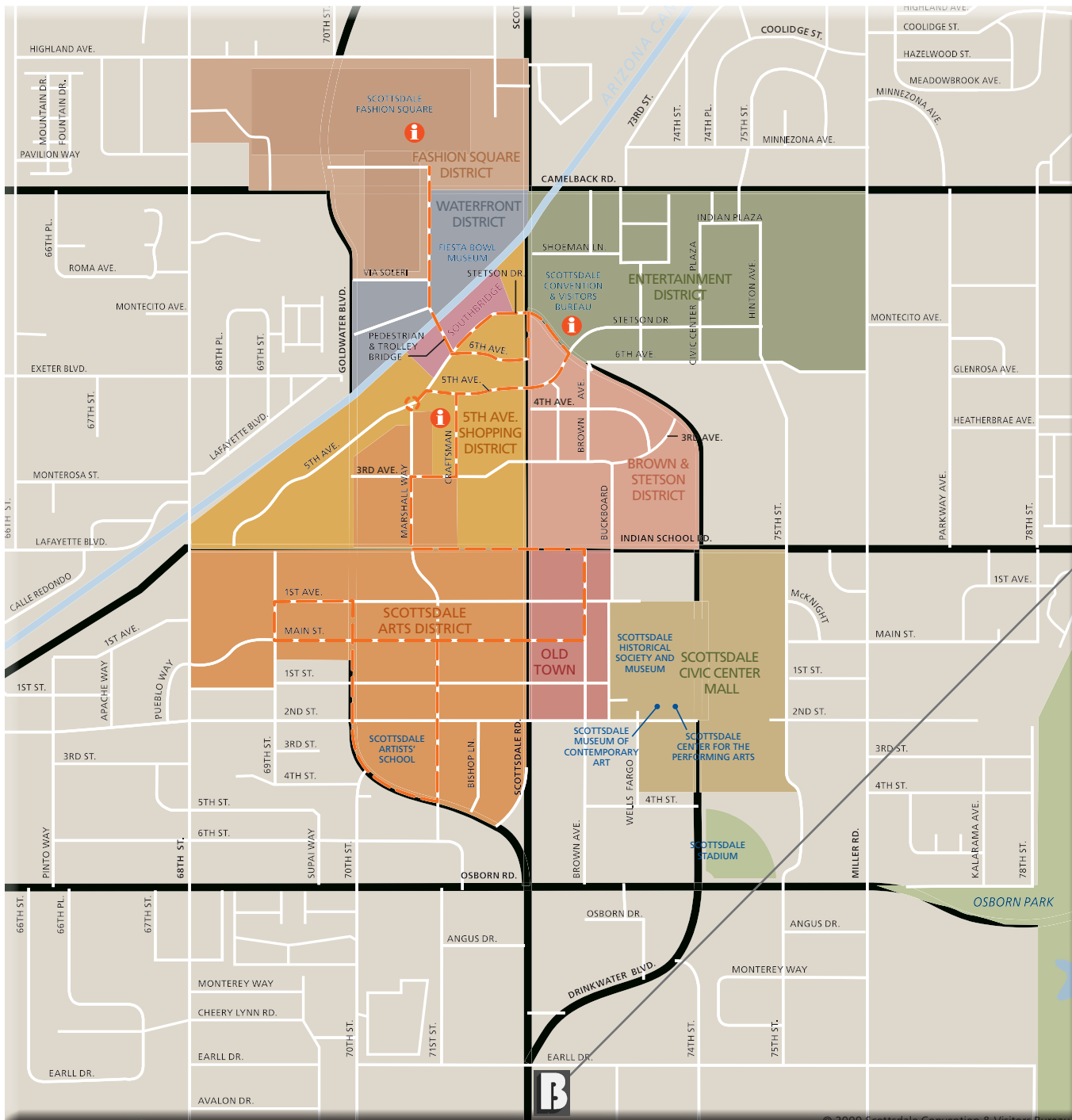
RESORTS are a major economic driver in Old Town Scottsdale as an estimated 7.5M people visit Scottsdale annually with an economic impact of \$2.6B, accounting for the employment 24,000 people, or 13% of the overall job market. Scottsdale is home to 70 resorts and hotels consisting of 13,700 rooms. The resorts are clustered in Old Town and on Scottsdale Road. High-end resorts include The W Hotel, Saguaro Hotel, The Boulders, Hyatt Gainey, Hotel Indigo, The Hilton, FireSky Resort, Sundial Resort, Doubletree Resort, and Scottsdale Conference Resort among others.

EMPLOYMENT in Scottsdale is abundant with approximately 15,000 businesses that employ 182,000 people, making the City a key employment center for the Valley. Bauhaus Flats is located in the center of the Metropolitan Phoenix white collar and high tech employment clusters. Within walking distance of Bauhaus Flats is the SkySong Development and Old Town Scottsdale employment clusters. Bauhaus Flats is located within a 5 minute commute of 21.97M square feet of office space plus 39.4M square feet within 10 minutes and an additional 31.34M square feet within 15 minutes. The total square footage of office space within a 15 minute commute of Bauhaus Flats is 92.70M, the highest concentration of office space in the metropolitan region. In addition, to the bountiful office jobs, Scottsdale employs a large percentage of people in the high-end retail, restaurants and resorts sectors that dominate Old Town Scottsdale.

HIGHER EDUCATION institutions surround Old Town Scottsdale. Arizona State University (ASU) Tempe Campus is located 4 miles south of Bauhaus Flats. ASU Tempe has an enrollment of 60,000 students and 10,500 faculty and staff members. Scottsdale Community College (SCC) is also 4 miles from Bauhaus Flats, 2 miles east and 2 miles north. SCC has been growing at an average rate of 9% per year and the growth is expected to accelerate due to its strategic partnerships with ASU and Northern Arizona University (NAU). Le Cordon Bleu College of Culinary Arts, formerly the Scottsdale Culinary Institute, is world-renowned school that has educated professionals for the culinary and hospitality industries for over 20 years and is a mile and half north on Scottsdale Road.

TRANSPORTATION is phenomenal for Bauhaus Flats residents. Bauhaus residents enjoy a walk-ability score of 89 by walkscore.com and tenants have a short walk to all necessary amenities. Residents also have easy access to the Metro bus line and the free Scottsdale Trolley. In addition, the Loop 101 is two miles east and Loop 202 is 3 miles south. Both freeways connect the Valley and including access to Sky Harbor Airport, which is less than a 15 minute commute.

RECREATION is abundant for Scottsdale residents with 51 premier golf courses and an extensive park system, including Scottsdale Greenbelt, which is a 15 mile park system containing a continuous bike path with golf courses, volleyball and basketball courts, softball, baseball, football and soccer fields, fishing ponds, picnic areas, dog parks, a skate park and public pools. In addition, Scottsdale offers an abundance of desert hiking and trail riding in the McDowell Mountain and Sonoran Desert Preserves.



BAUHAUS Flats

LOCATION OVERVIEW - EMPLOYMENT

Bauhaus Flats is located in the center of the Metropolitan Phoenix white collar and high tech employment clusters. Within walking distance of Bauhaus Flats resides SkySong and Old Town Scottsdale employment clusters. Bauhaus is located within a 5 minute commute of 21.97M square feet of office space. There are an additional 39.4M square feet of office space within 10 minutes and an additional 31.34M square feet within 15 minutes of Bauhaus Flats. The total square footage of office space within a 15 minute commute of Bauhaus Flats is 92.70M, the highest concentration of office space in the metropolitan region.

Due to Scottsdale's residential land being virtually built-out, Scottsdale has been a net importer of jobs versus population growth over the last 15 years. We expect this trend to accelerate as the Pima Freeway corridor (Central Scottsdale Office Market) is slated for tens of millions of additional square feet and the continued build-out of Skysong, which will be approximately 900K square feet. The prolonged increase in employment versus available residential land has resulted in Scottsdale becoming the highest priced housing market with the largest spread between mortgage payment and rents.

The rise in apartment vacancy and decline in rents was not attributable to over building in multifamily but to job loss and household contraction for two major prospective tenant classes, laborers and young white collar workers. Bauhaus Flats' primary target market is white collar Echo Boomers; therefore, we will concentrate marketing efforts toward office building employees. The vacancy rate of office buildings within a 15 minute commute is 19.25%, totaling 17,846,296 square feet. In conjunction with an economic recovery and job creation, the office building market will rebound to pre-recession levels and absorb 13.2M square feet within a 15 minute commute. This should create 17,753 jobs within a 5 minute commute, 20,070 within a 10 minute commute and 18,301 within a 15 minute commute, or a total of 73,877 white collar jobs within a 15 minute commute of Bauhaus Flats.

MAJOR AREA EMPLOYERS

ASU SKYSONG is a catalyst for economic development in South Scottsdale. This redevelopment of the 42-acre former Los Arcos Mall site at the intersection of McDowell and Scottsdale Roads is one mile south of Bauhaus Flats. SkySong is only 25% built-out with 300,000 feet of research and office space that is currently 95% occupied and the next 120,000 square foot facility will break ground in 2012. Total build out will top 1.2M square feet and will focus on engineering, the arts, and bioscience specializing in startup firms in collaboration with ASU. More than 20 start-up firms, including companies from around the world, are currently affiliated with SkySong and directly employ over 750 people. Over the next 10 years SkySong will create an additional 5,000 jobs, and have a regional economic impact of more than \$9+ billion.



PIMA FREEWAY OFFICE CORRIDOR (CENTRAL SCOTTSDALE OFFICE MARKET) is a prominent office corridor due to its central Scottsdale location and excellent linkage to the entire Valley via the Loop 101 freeway. The corridor houses corporate headquarters of companies such as Medicis and Coldstone Creamery amongst the 8.8M square feet of office space. The corridor which is partially located on the Pima Salt River Indian Community has room to add tens of millions of square feet of office space and is the only area left in Scottsdale with developable land. Bauhaus Flats is located two miles west of the corridor and is less than a 5 minute commute. In the next 15 years the corridor is expected to add an additional 40,000 to 50,000 jobs.

OLD TOWN SCOTTSDALE OFFICE MARKET is dynamic office market consisting of 6.8M square feet due to its immediate proximity to world class entertainment, dining and shopping. McKesson, Yelp, American Solar Electric, and Ticketmaster are some of the large employers in the area along with an assortment of small real estate, finance, and law firms that call Old Town Scottsdale home.

SCOTTSDALE HEALTHCARE OSBORN (SHO) is a quarter mile north of Bauhaus Flats. The 337 bed full-service hospital is a leader in the fields of trauma, orthopedics, neurosurgery, cardiovascular, and critical care. SHO is a major and expanding employer, and there are a number of supporting medical office facilities immediately surrounding the hospital, catering to the needs of the Scottsdale residents.

OLD TOWN RESTAURANTS AND ENTERTAINMENT VENUES already top 200 establishments and they continue to expand due to increasing demand. Below is a partial list of the new venues which include:

- Bonfire Grill & Bar – Opened March 2011
- Majerles Sports Bar – Opened February 2011
- El Hefe Restaurant & Bar – Opened February 2011
- Wild Knight – Opened May 2011
- Spanish Fly – Opened April 2011
- The Mint – Opened May 2011
- Herb Box – Opened February 2011
- Marcello Ristorante – Opened 2010
- Jimmy Woo's – Opened 2010
- Dos Juevos – Opened October 2011

OLD TOWN SCOTTSDALE'S WORLD FAMOUS SHOPPING consists of three major venues, Scottsdale Fashion Square, Scottsdale Waterfront and independent shops and boutiques in Old Town totaling in excess of 3M square feet. Scottsdale Fashion Square Mall is 1.9M feet and is Arizona's largest and one of the nation's highest revenue grossing malls. With 225 tenants, the anchor tenants include Dillard's, Macy's, Neiman Marcus, and Nordstrom. Barneys of New York opened in late 2009 and brought with it an additional 100,000 square feet of additional stores. Fashion Square continues to attract ultra high-end stores such as the latest addition of Prada. Scottsdale Waterfront opened recently across the street from Fashion Square bringing an added 200,000 square feet of retail and restaurants to the area including Isaac Jewelers and Olive and Ivy. Old Town Scottsdale has hundreds of independent retailers and art galleries that add to the character, charm and independence of Old Town.



THE SCOTTSDALE RESORT CORRIDOR is a vibrant strip, predominately along Scottsdale Road, featuring several posh resorts and hotels, including The W Scottsdale Hotel, Saguaro Hotel, Hotel Indigo, Chaparral Hotel, Hyatt Regency, The Hilton, FireSky Resort, Sundial Resort, Doubletree Resort, and Scottsdale Resort and Conference Center, among others.

LOCATION OVERVIEW - TRANSPORTATION

WALKING is very convenient for Bauhaus Flat residents as Walkscore.com rates Bauhaus Flats an 89 out of 100 “very walkable”. Public transportation, grocery shopping, neighborhood retail, specialty retail, employment centers, health care, restaurants and cafes are all within a quarter mile walk of Bauhaus Flats.

FREEWAY ACCESS from Bauhaus Flats is very convenient as the Loop 101 Pima Freeway is 2 miles east on Thomas Road. The Pima Freeway links Bauhaus Flats to north Scottsdale (10 minutes) and north Phoenix (15 minutes) or south into Tempe (5 minutes) and Chandler (10 minutes). The Loop 202 Red Mountain Freeway is 3 miles south on Scottsdale Road which connects west to Sky Harbor Airport (10 minutes) and downtown Phoenix (15 minutes) or east to north Mesa (10 minutes) or east Mesa (15 minutes). The Loop 101 and 202 connect to all other major freeways in Metropolitan Phoenix enabling excellent linkage to major metropolitan areas of Tucson to the south, Los Angeles to the west or Flagstaff to the north.

ARTERIAL SURFACE STREET FRONTAGE for Bauhaus Flats is excellent as Scottsdale Road is a major north/south arterial road with 33,300 cars passing Bauhaus Flats each day. Scottsdale Road connects downtown Scottsdale with downtown Tempe and the Loop 202 to the south and Gainey Ranch, Kierland Commons, Scottsdale Quarter and north Scottsdale to the north.

PUBLIC TRANSPORTATION is very convenient for Bauhaus Flats residents as the Metro Bus line runs up Scottsdale Road (Route 72) with a stop immediate south of the property connecting North Scottsdale to Chandler. Residents wishing to travel east and west have Metro route 29, which connects east Scottsdale with Midtown Phoenix. For local trips the free Scottsdale Trolley offers constant year round free shuttles with the nearest stop at Osborn and Civic Center just a few blocks away.

SKY HARBOR INTERNATIONAL AIRPORT is conveniently located three miles west and three miles south of Bauhaus Flats. Sky Harbor serves nearly 39 million passengers each year and is the largest commercial airport in the Southwest, 9th busiest airport in the country and 15th in the world. On a daily basis, more than 100,000 passengers pass through the airport which has a daily economic impact of \$90 million. US Airways and Southwest are the two largest operators at Sky Harbor, and Phoenix serves as a hub for both airlines.



PROPERTY SUMMARY

OVERVIEW	
Project Name	Bauhaus Flats
Address	3015 N. Scottsdale Road
City, State Zip	Scottsdale, AZ 85251
Number of Units	270
Year Built	2013 Est.
Leasable SF	312,394
Average Unit Size (SF)	1,157
Average Gross Potential Rent / Unit	\$1,449
Average Gross Potential Rent / SF	\$1.25
Acreage / Density	5.12. Acres / 52.73 Units per Acre
Number of Buildings	5 Residential Buildings
Number of Floors	5 & 3 (4 Living + 1 Retail / Garage)
Parking	315 Covered Garage Spaces <u>116 Guest Spaces</u> 431 Total Spaces
Parking Ratio	1.60 per Unit / 1.13 per Bedroom

UTILITIES & SERVICES	PROVIDER	PAID BY
Electricity	APS	Resident
Gas	Southwest Gas	Resident
Water/Sewer	City of Scottsdale	Resident
Trash Removal	TBD (Private)	Resident
Phone	TBD (Cox)	Resident
Cable	TBD (Cox)	Resident
Internet	TBD (Cox)	Resident
RUBS	Based on Usage	
3rd Party Billing	TBD	

APPLIANCES & FINISHES	
Refrigerator	TBD: Spec GE Stainless Front
Dishwasher	TBD: Spec GE Stainless Front
Range/Oven	TBD: Spec GE Stainless Front
Microwave	TBD: Spec GE Stainless Front
Washer/Dryer	TBD: Full Size Side by Side GE
Kitchens	LVT Wood Floor, Quartz Counter Top, White Thermofoil Flat Panel Cabinets
Baths	LVT Wood Floor, Quartz Counter Top, White Thermofoil Flat Panel Vanity

CONSTRUCTION & MECHANICAL	
Building Exteriors	Wood Frame & Stucco
Roofs	Flat / Foam
Plumbing	PEX / ABS Drains
Wiring	Copper / Romex
Electrical	Individually Metered
Air Conditioning	Individual Roof Split System
Hot Water	Individual Electric W.H.

FLOOD HAZARD	
Panel Number	41304512
Date	September 30, 2005
Flood Zone	No
Flood Insurance Required	No

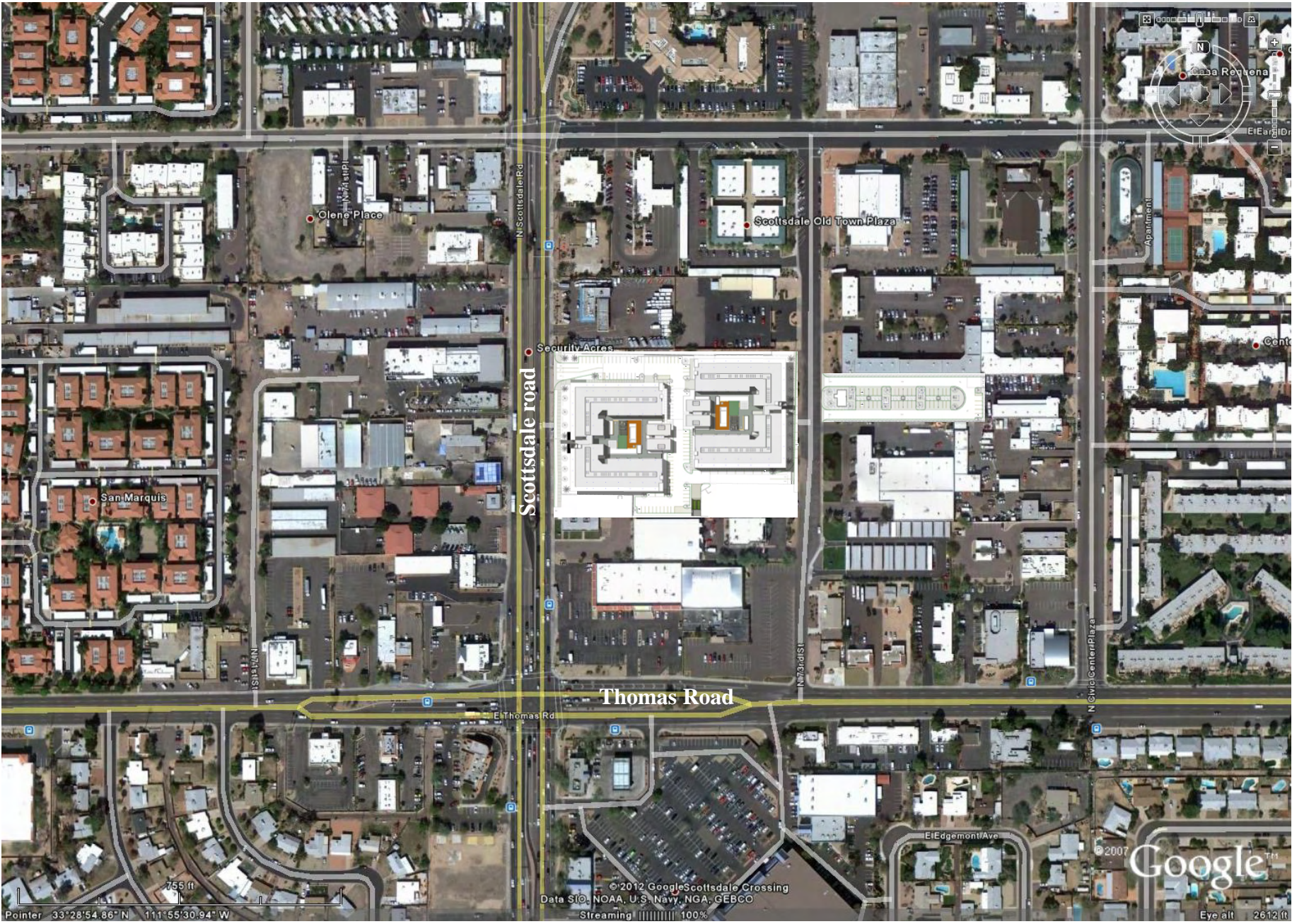
TAX PARCEL NUMBERS	
Zoning	PUD - COS
Tax Parcel	130-18-016E, 130-18-017A

COMMUNITY FEATURES

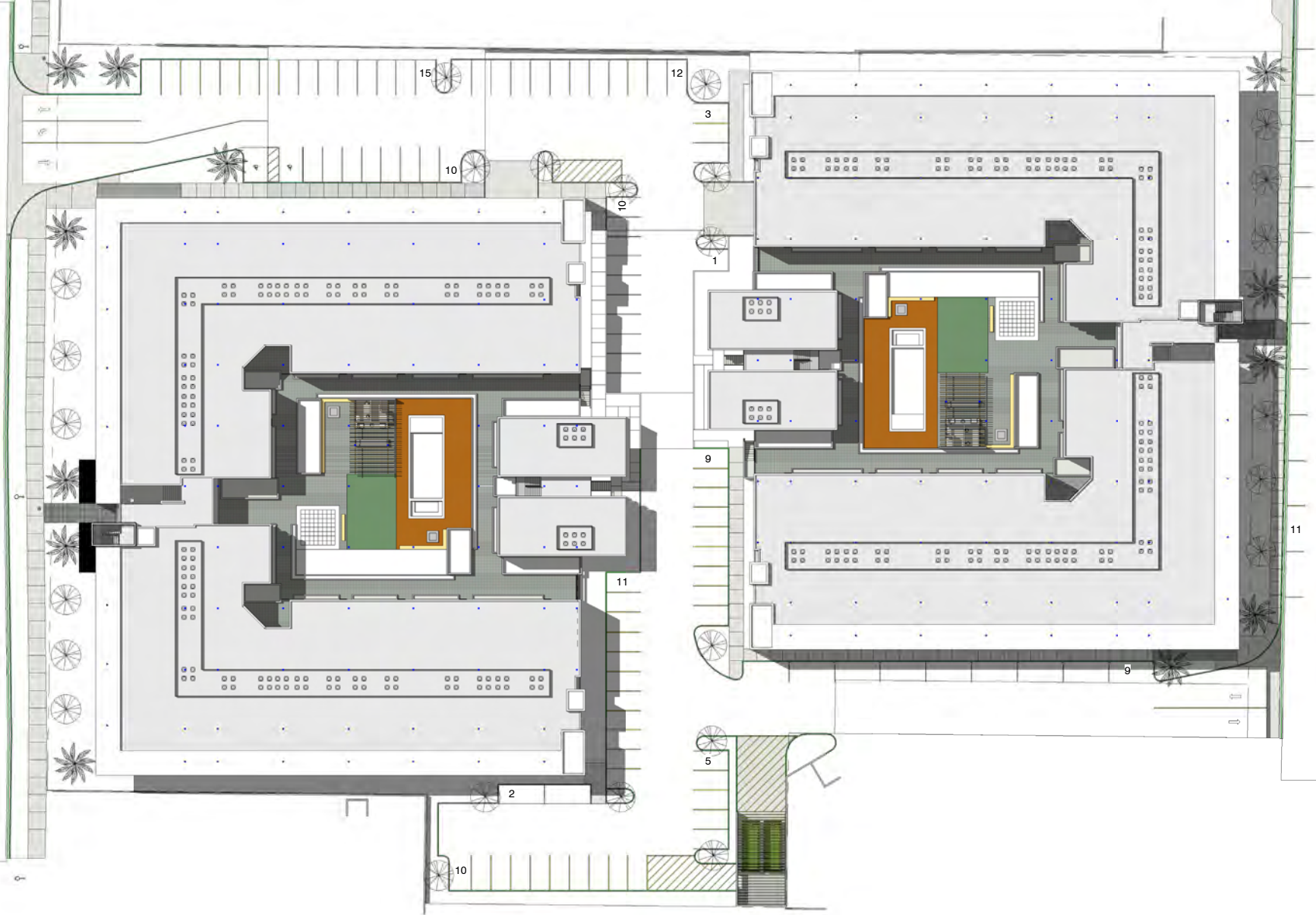
- Urban resort style pool for sunning, swimming and socializing
- Heated 10 person spa
- Bocce court
- Pool side ping pong and pool tables
- Two natural gas fire pits
- Outdoor 8 person bar and flat screen TV
- Gas barbeque grills
- Pool side restrooms
- Mixed use coffee shop including wired and wireless internet access
- Executive business center
- 24 hour fitness center with strength & cardio training zones
- Controlled-access parking garage, elevators and building entry
- 3 Separate elevators per building; 1 elevator per 36 units equals short wait times and close proximity to each unit
- Controlled access conditioned interior corridors
- Additional storage spaces available

APARTMENT FEATURES

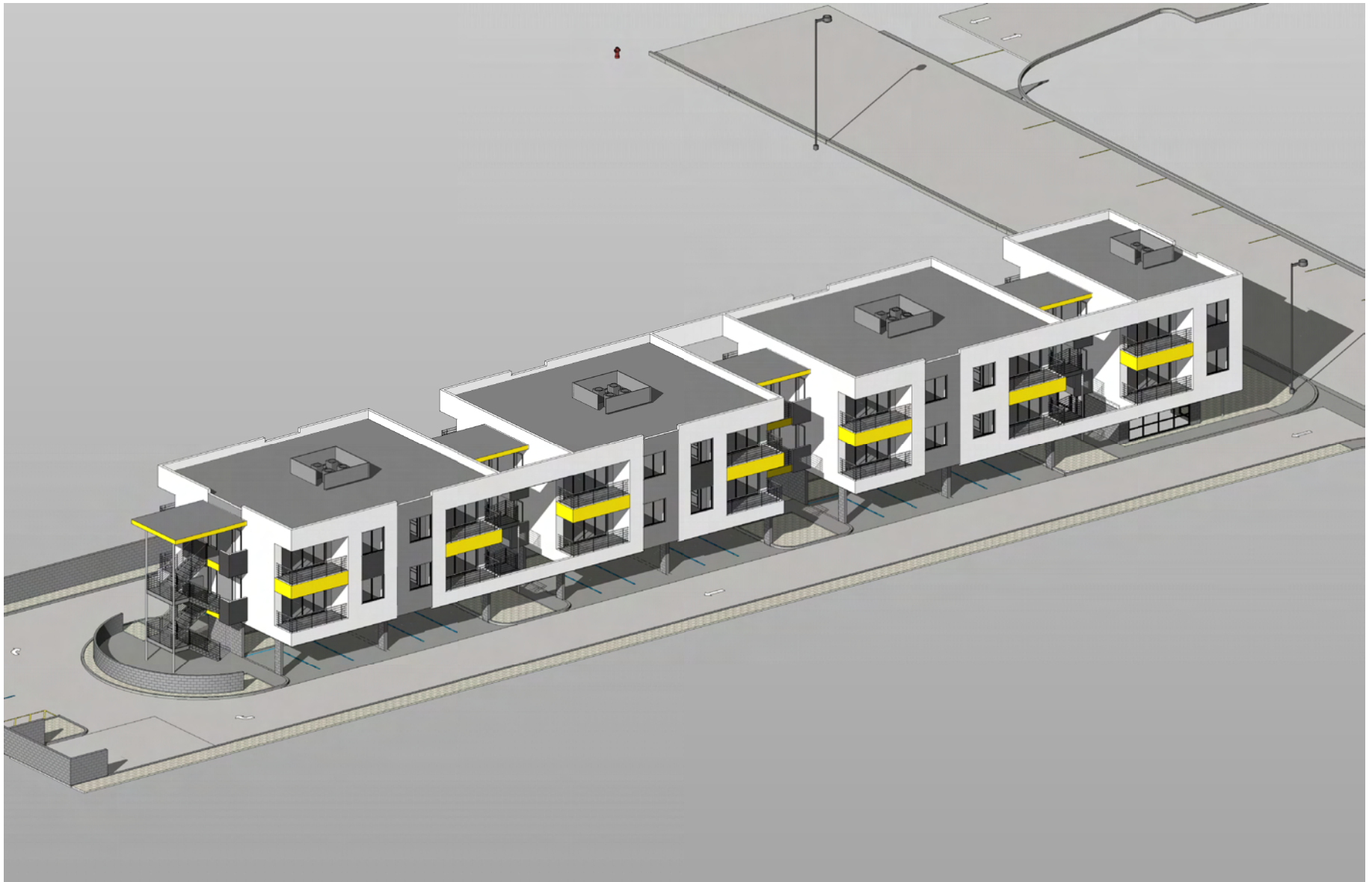
- Open modern floor plans
- Spacious 14' x 12' living rooms
- Spacious 11' x 12' dining rooms
- Designer LVT wood flooring in kitchen, dining, bath, and living rooms
- Extra large 6' x 14' covered balconies or patios
- Kitchen islands with built-in seating
- GE appliances including microwave and refrigerator with ice maker
- Kitchen pantry
- Designer white flat panel cabinets
- Full-size washer and dryer
- Separate library or home-office space
- Luxurious soaking tubs and/or walk-in showers
- Dual sinks in master bath
- Art niches and gallery-style display space
- Contemporary satin-nickel hardware
- Conveniently pre-wired for high-speed data/phone/cable
- "Live/work" ground-floor apartments

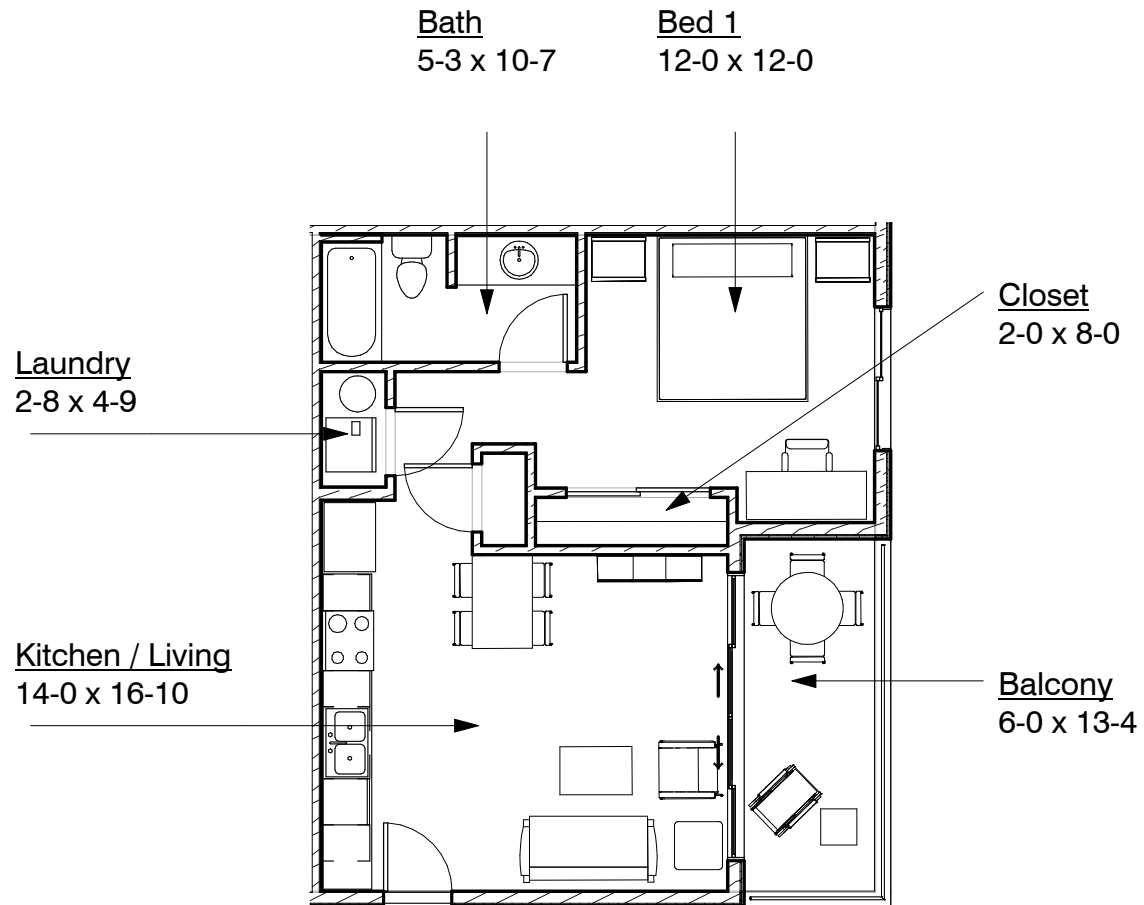


SCOTTSDALE ROAD



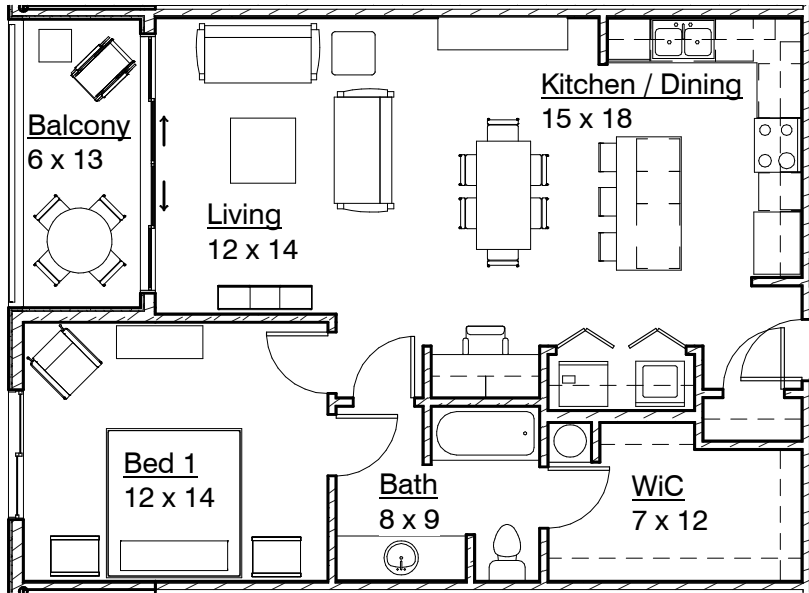
73RD STREET





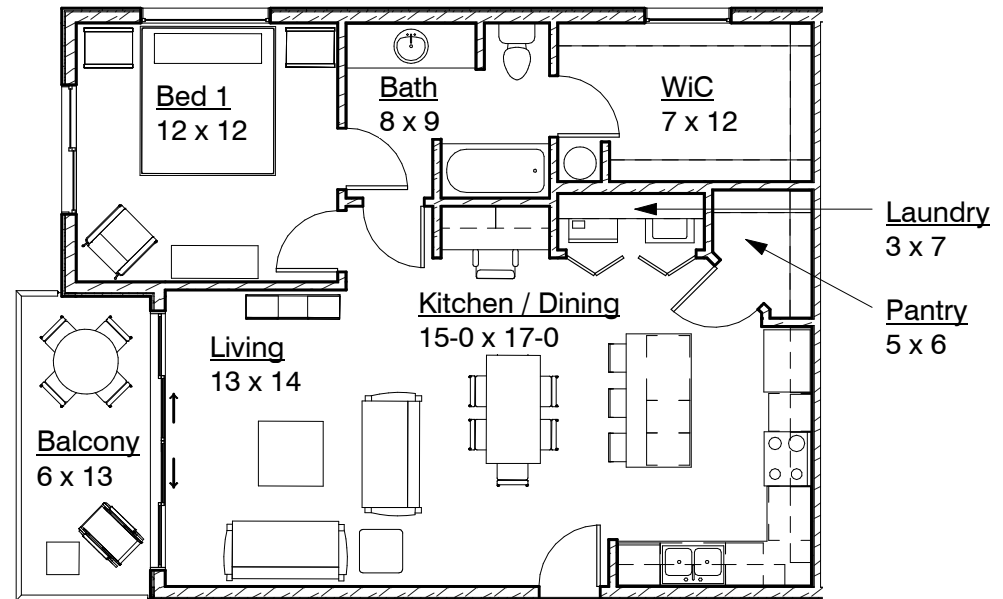
Unit 1s

Livable	594 SF
Balcony	94 SF
TOTAL	688 SF



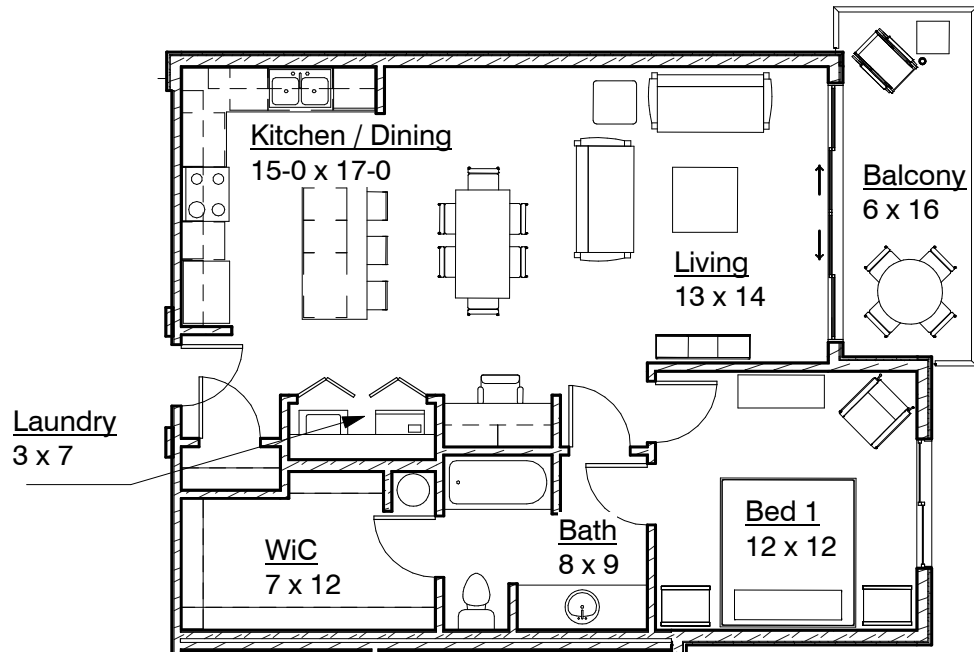
Unit 1A1

Livable	911 SF
Balcony	91 SF
TOTAL	1,002 SF



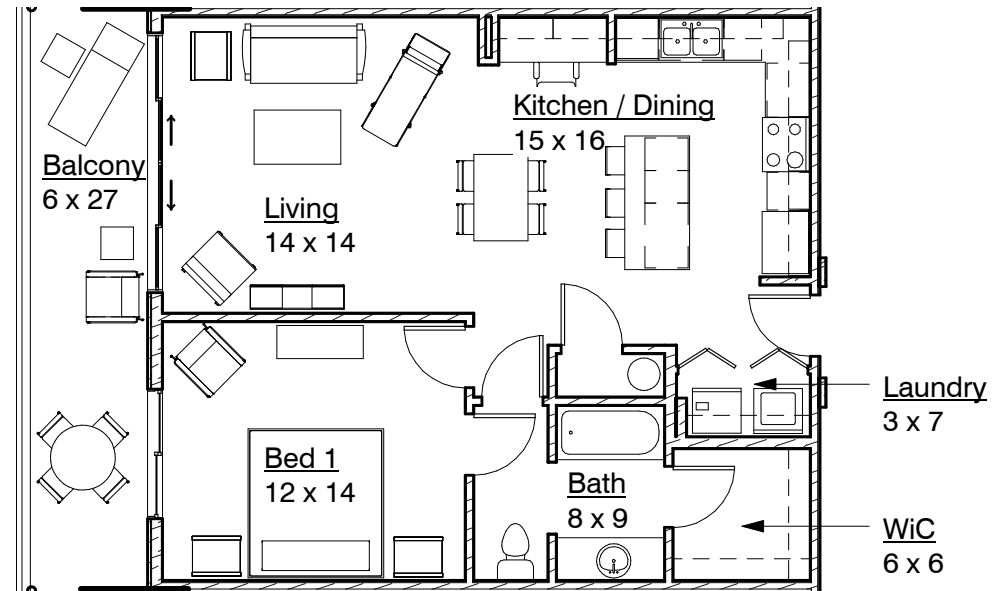
Unit 1A2

Livable	900 SF
Balcony	92 SF
TOTAL	992 SF



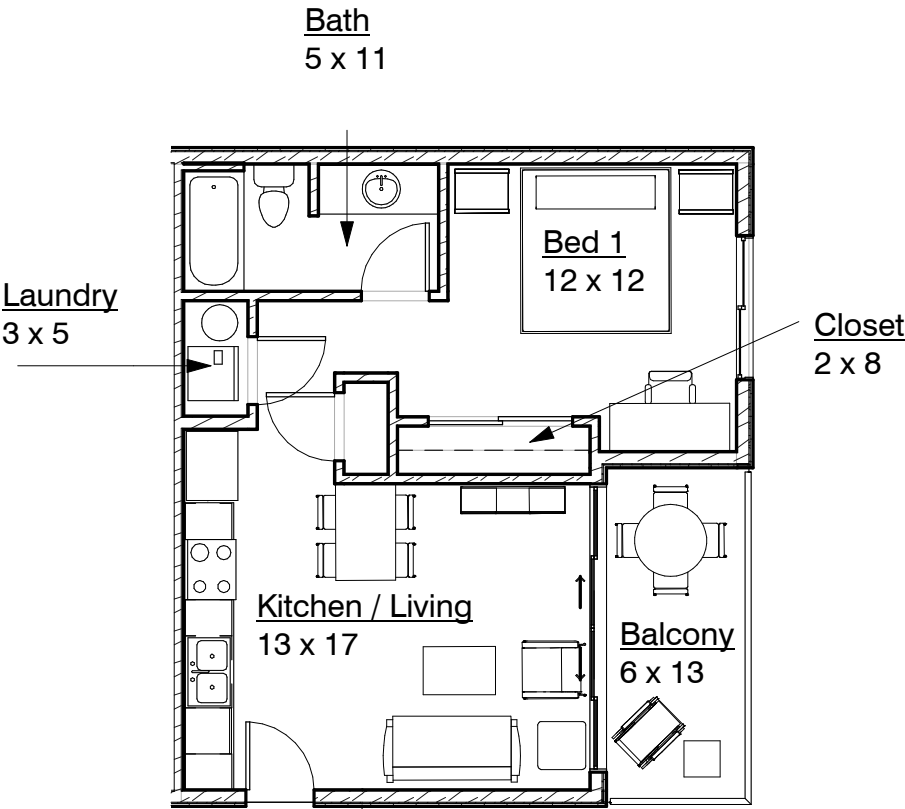
Unit 1A3

Livable	894 SF
Balcony	106 SF
TOTAL	1,000 SF



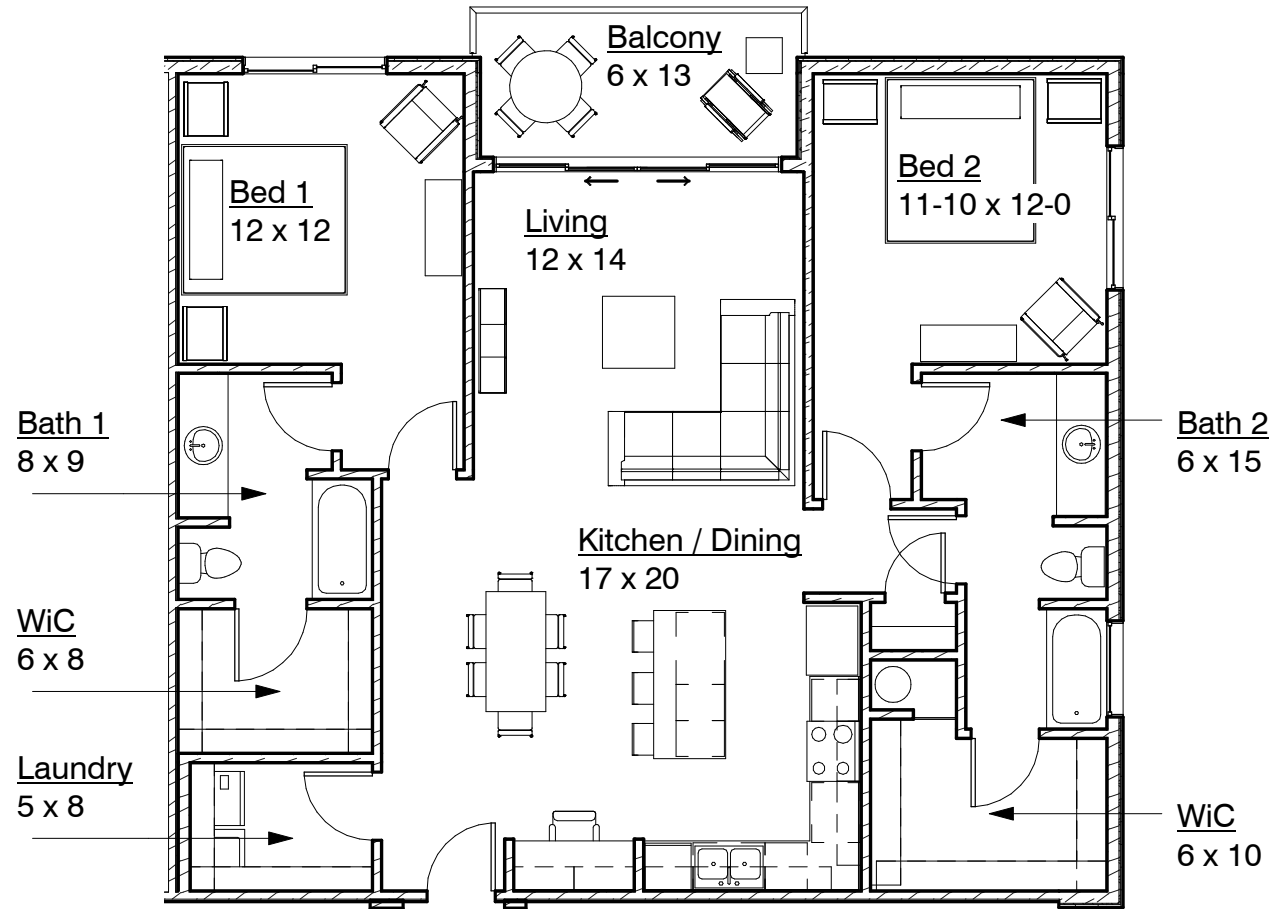
Unit 1B

Livable	839 SF
Balcony	146 SF
TOTAL	985 SF



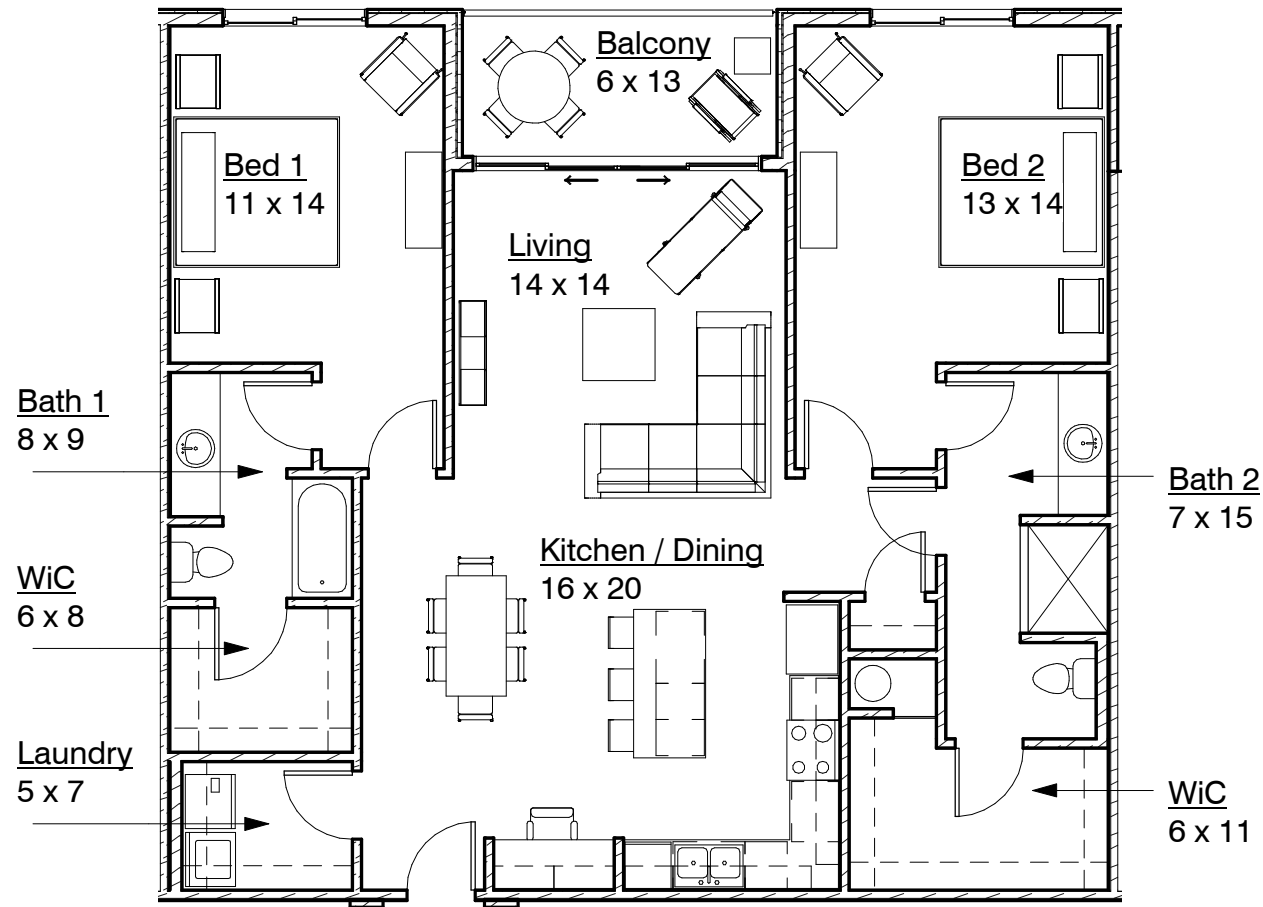
Unit 1S

Livable	570 SF
<u>Balcony</u>	<u>93 SF</u>
TOTAL	663 SF



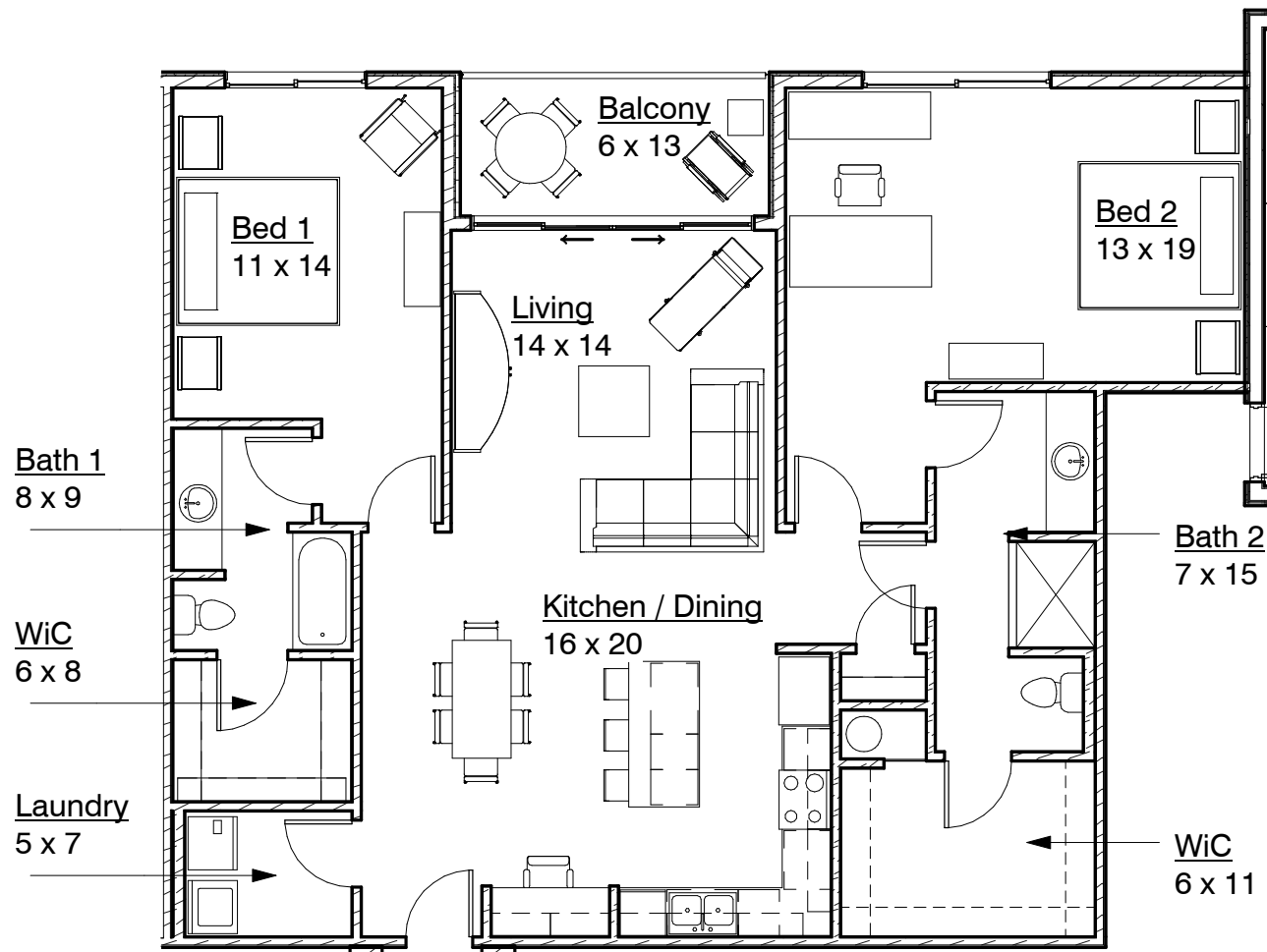
Unit 2A

Livable	1,337 SF
Balcony	90 SF
TOTAL	1,427 SF



Unit 2B1

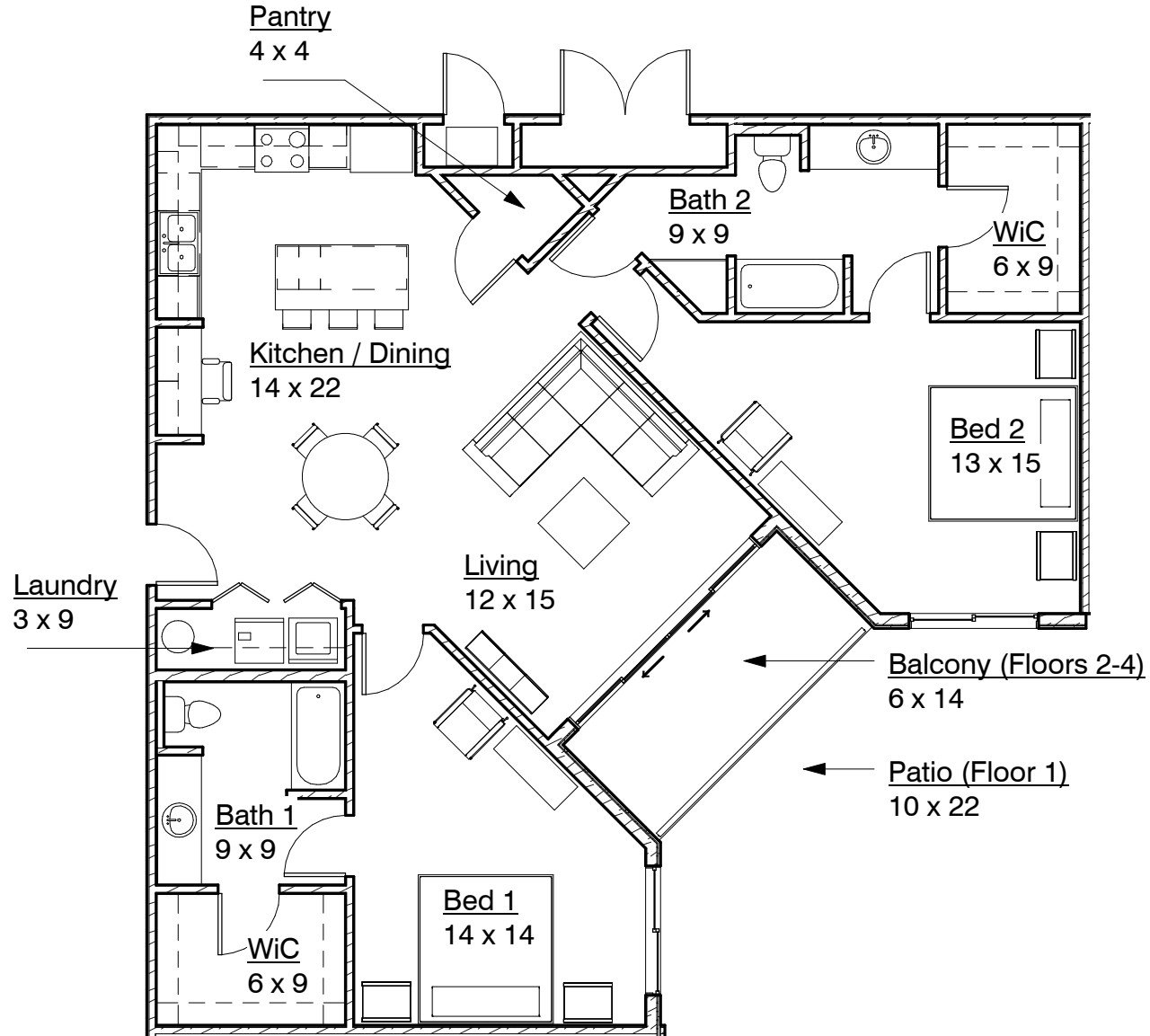
Livable	1,395 SF
Balcony	89 SF
TOTAL	1,484 SF



Unit 2B2

Livable	1,475 SF
Balcony	88 SF
TOTAL	1,563 SF

FLOOR PLANS - TWO BEDROOMS UNITS



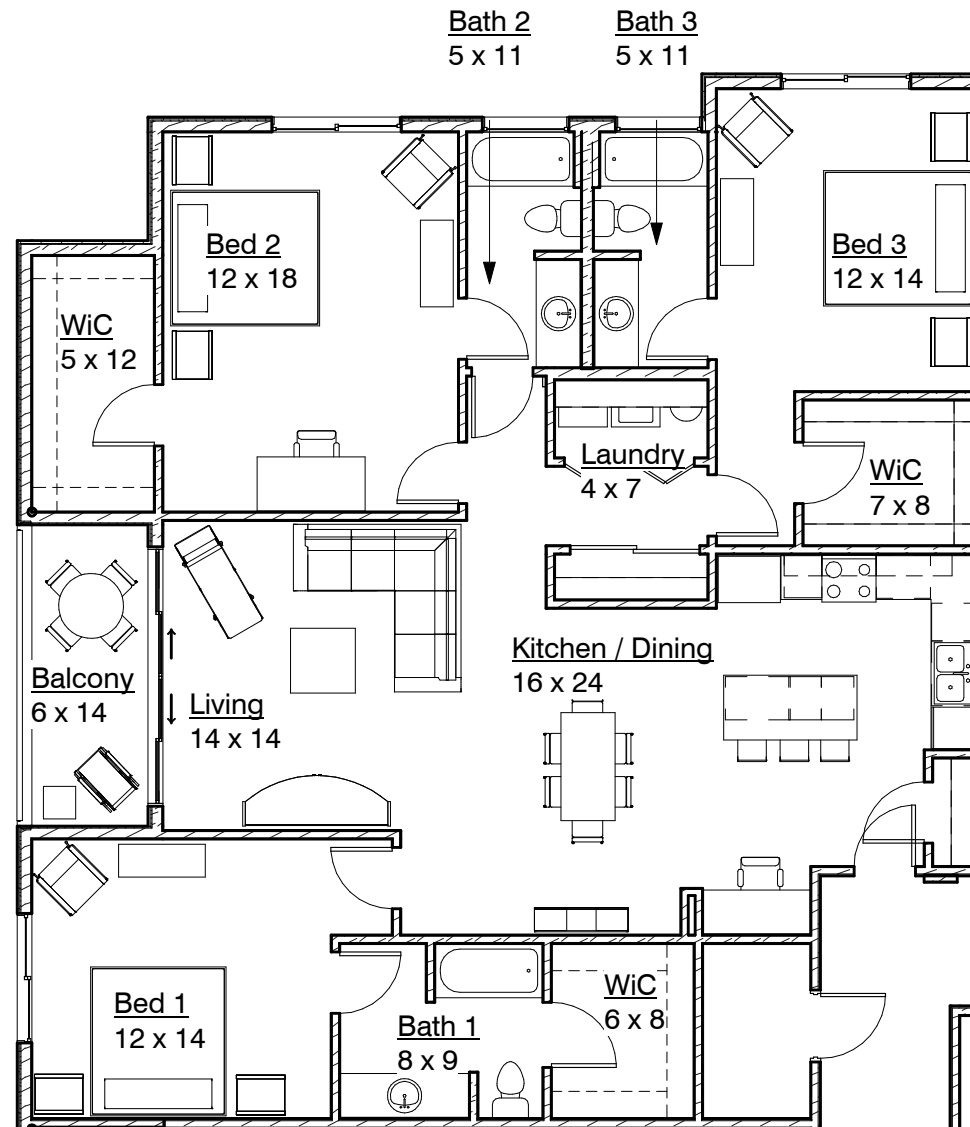
Unit 2C

Ground Floor:

Livable	1,405 SF
Patio	256 SF
TOTAL	1,661 SF

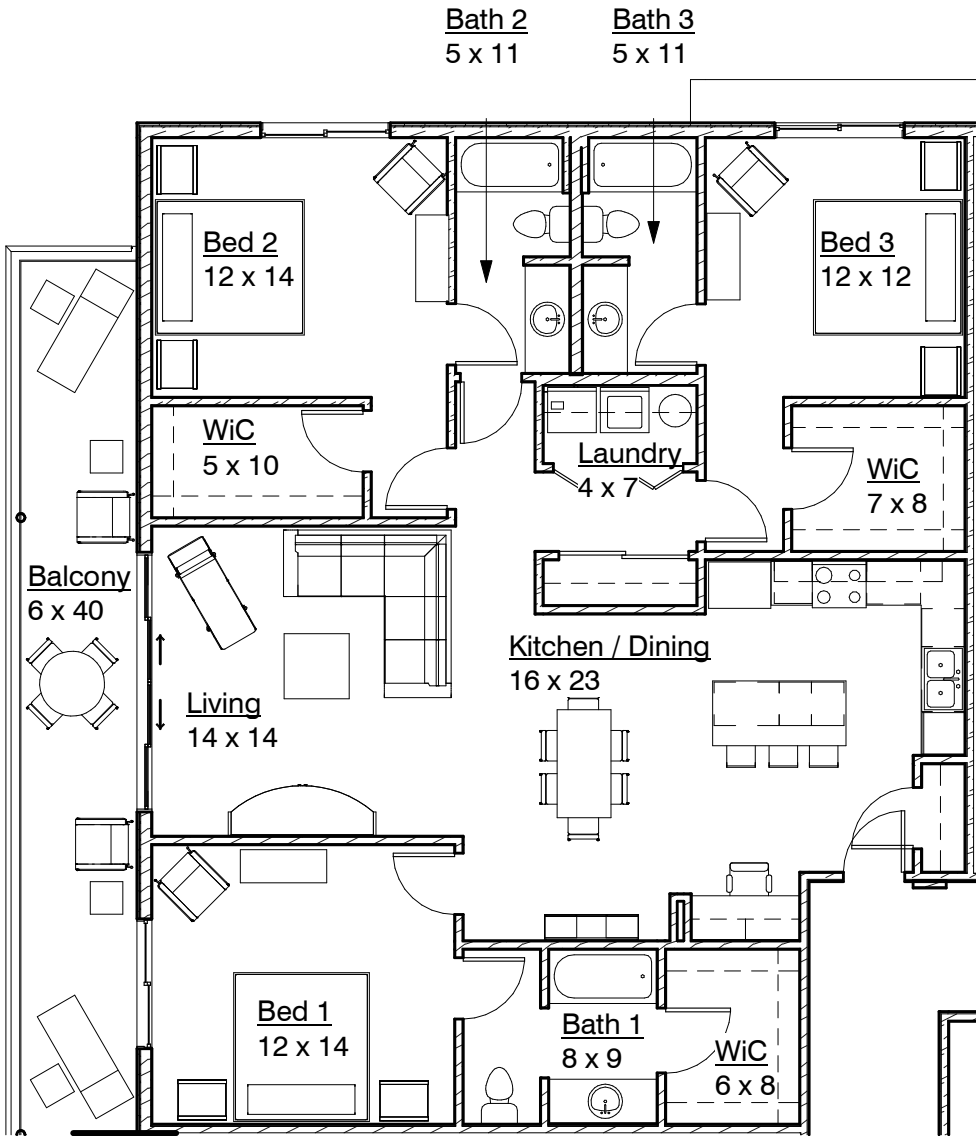
Floors 2-5:

Livable	1,405 SF
Balcony	97 SF
TOTAL	1,502 SF



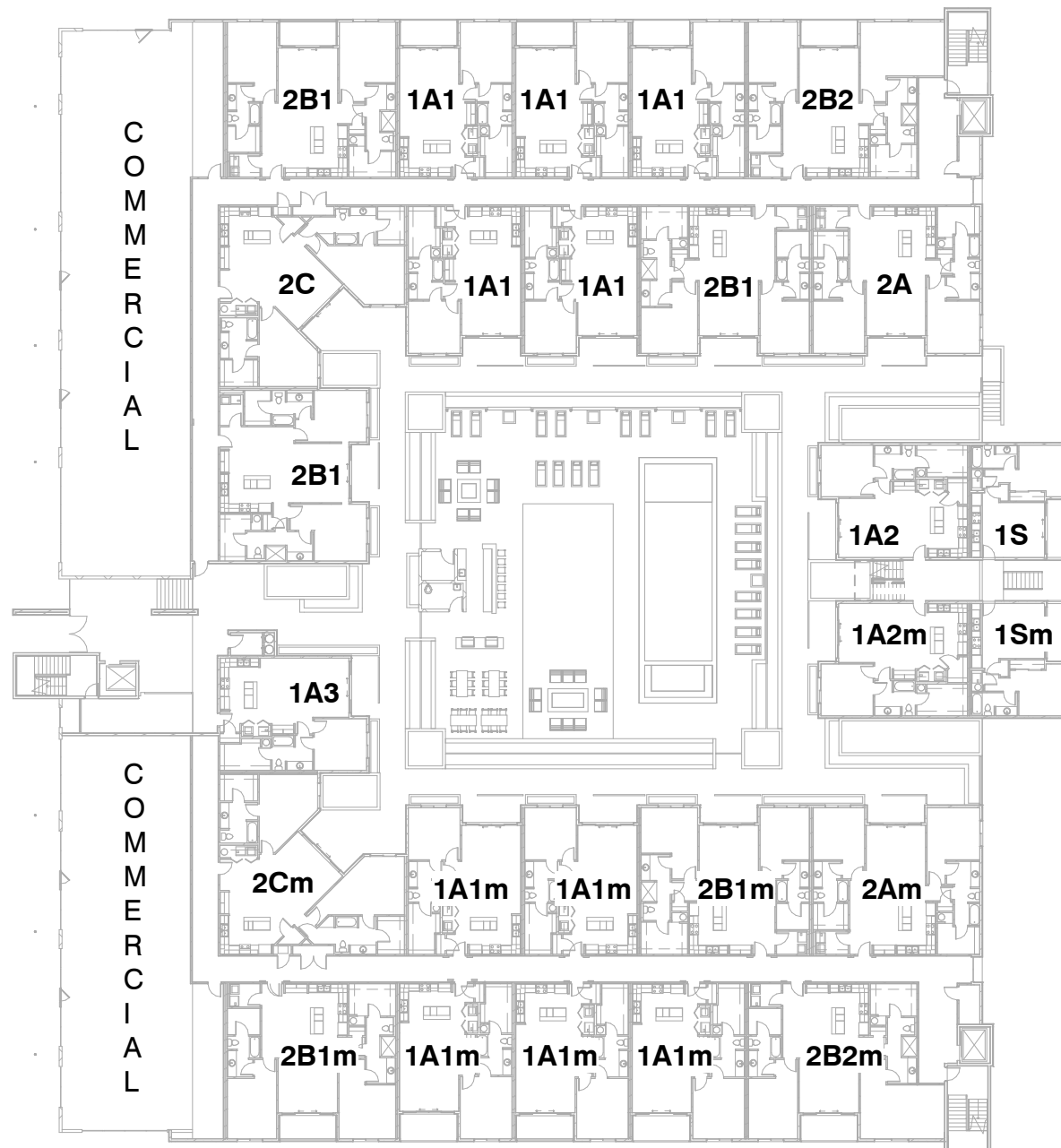
Unit 3A

Livable	1,856 SF
Balcony	92 SF
TOTAL	1,948 SF

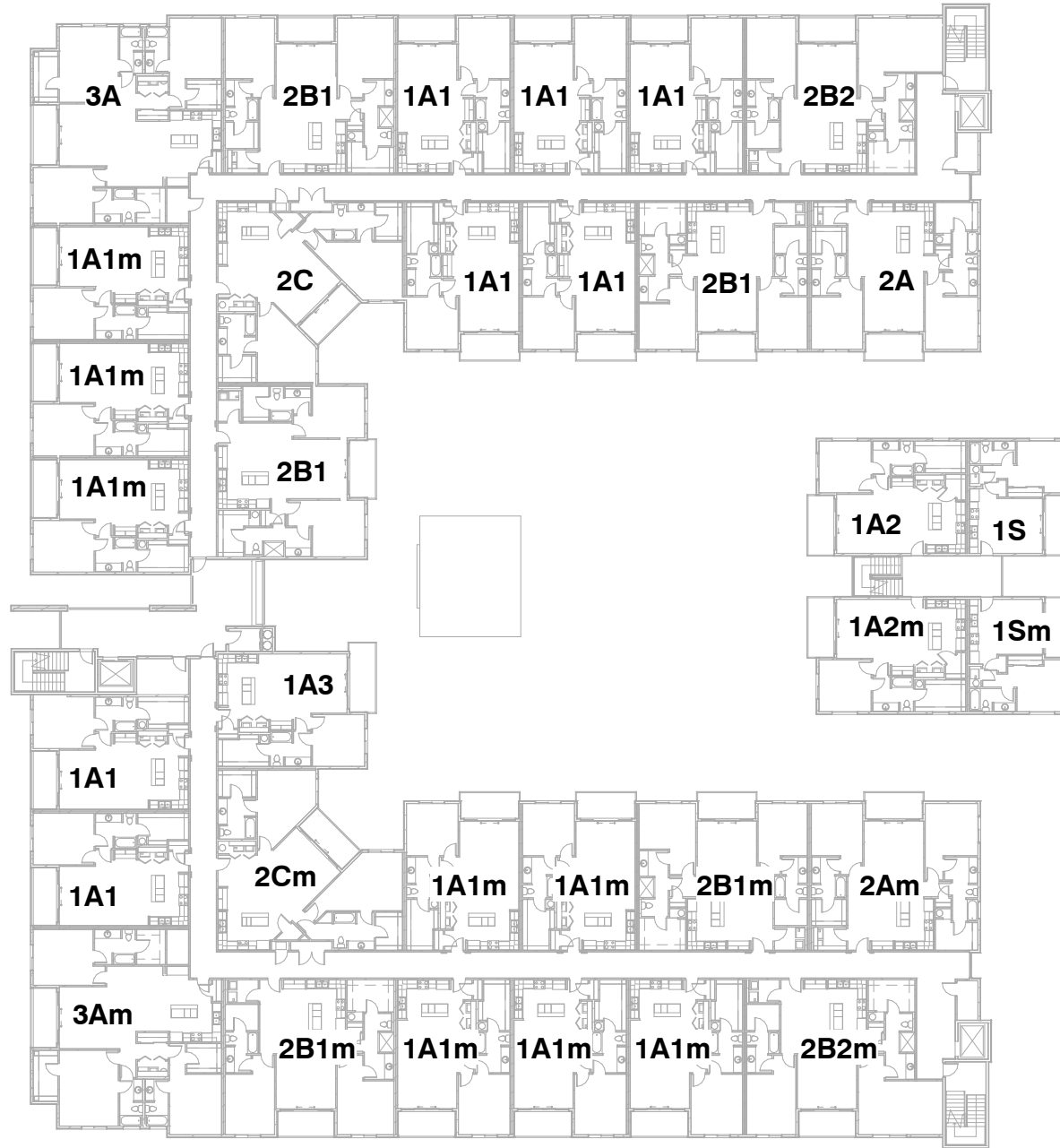


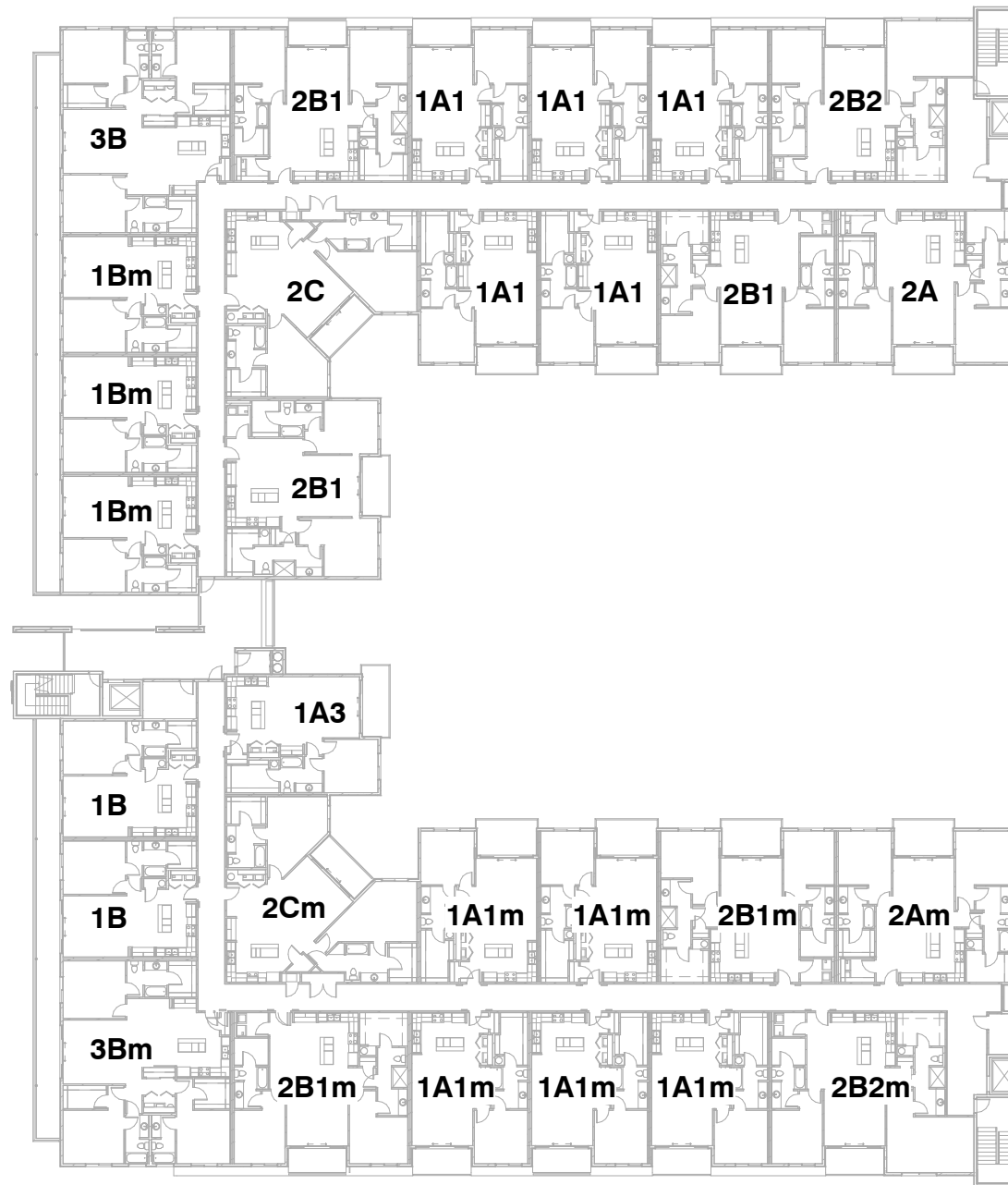
Unit 3B

Livable	1,723 SF
Balcony	219 SF
TOTAL	1,942 SF



UNIT MIX 2ND & 3RD FLOOR





Bauhaus Flats

Property

270

Units

312,394

Sq. Ft.

	12 MONTH PROFORMA	PER UNIT	PER RSF	% OF TI
RENTAL INCOME				
Market Rent	\$ 4,694,520	\$ 17,387	\$ 15.03	100.9%
(Loss) / Gain to Lease	-			
Gross Potential Rent	4,694,520	17,387	15.03	100.9%
Vacancy Loss	(187,781)	4.00%	(0.60)	-4.0%
Concessions	(82,154)	1.75%	(0.26)	-1.8%
Other Rent Loss	(46,945)	1.00%	(0.15)	-1.0%
Net Rental Income	\$ 4,377,640	93.25%	\$ 14.01	94.1%
<i>Economic Occupancy</i>				
Application Fees	9,590	36	0.03	0.2%
Garage Income	36,000	133	0.12	0.8%
RUBS	85,104	315	0.27	1.8%
Retail & Office Income	24,300	90	0.08	0.5%
Pool View Premium	28,800	107	0.09	0.6%
Live/Work Income	73,250	271	0.23	1.6%
Other Income	19,000	70	0.06	0.4%
TOTAL INCOME	\$ 4,653,684	17,236	\$ 14.90	100.0%
EXPENSES				
Real Estate Taxes	258,000	956	\$ 0.83	5.5%
Property Insurance	50,400	187	\$ 0.16	1.1%
Repairs & Maintenance	97,500	361	\$ 0.31	2.1%
Contracted Services / Landscaping	64,000	237	\$ 0.20	1.4%
Turnover	57,800	214	\$ 0.19	1.2%
Personal	242,800	899	\$ 0.78	5.2%
Administrative	58,100	215	\$ 0.19	1.2%
Marketing & Retention	48,000	178	\$ 0.15	1.0%
Water & Sewer	58,000	215	\$ 0.19	1.2%
Gas & Electric	114,500	424	\$ 0.37	2.5%
Trash Removal	48,200	179	\$ 0.15	1.0%
Off-Site Management	131,000	485	\$ 0.42	2.8%
Replacements & Reserves	77,200	286	\$ 0.25	1.7%
TOTAL EXPENSES	\$ 1,305,500	4,835	\$ 4.18	28.1%
NET OPERATING INCOME	\$ 3,348,184	\$ 12,401	\$ 10.72	71.9%





Scottsdale is a world-renowned city, featuring lavish vacation resorts, elegant restaurants, upscale shopping, vibrant night-life, luxury homes, some of the world's top golf courses, and historic charm, while becoming a high-technology business hub. The employment centers are clustered in Old Town Scottsdale, Scottsdale Airpark, Pima Freeway corridor, and the new ASU Skysong joint venture. Due to Scottsdale's highly-educated workforce, central location, close proximity to Sky Harbor Airport, and excellent freeway linkage, Scottsdale has the highest concentrations of office space in Metropolitan Phoenix.

Downtown Scottsdale is referred to by locals as "Old Town Scottsdale". Old Town is the epicenter of upscale shopping, nightlife, cultural events, fairs, resorts, and dining in the desert southwest.

In August of 2011, Scottsdale was named the fourth most "Fun and Affordable City" in the U.S. by Bloomberg Business-week; the publication specifically cited the 85251 ZIP Code, which encompasses Old Town, as being a particularly vibrant area with nearly 200 bars and restaurants in the vicinity.

POPULATION

Scottsdale's population rose from 131,384 in 1990 to 217,385 in 2010, a 65.5% increase, outpacing the nation's growth of 24.1% over the same period. By 2015, the City's population is expected to rise to 225,211, or about 7% from 2010.

The median age of Scottsdale residents is 44.1 years, with nearly 16% within the key renter demographic of 20 to 34 years of age.

Old Town Scottsdale, defined as ZIP Code 85251, was home to 35,176 residents in 2010, a figure that is projected to rise about 9% to 38,348 by 2015. The area's median age of 40.8 years is below that of Scottsdale as a whole, with more than 24% of residents between the ages of 20 and 34.

ECONOMY / EMPLOYMENT

Scottsdale is home to approximately 15,000 businesses which employ 182,000 people, making the City a key employment center for the Valley. Scottsdale is a regional employment center that has experienced greater commercial growth than residential growth over the last 15 years due to residential land being virtually built out while the Pima Freeway Corridor and the SkySong employment centers have expanded rapidly, and they still have ample room to grow. This imbalance between job creation and the lack of residential unit construction has resulted in far greater rent and housing price appreciation than the rest of the metropolitan area. The trend of creating more jobs than new housing units is projected to accelerate as the Pima Freeway corridor and SkySong are expected to generate over 50,000 jobs during the next 10 years while Scottsdale residential land is practically built-out.

SCOTTSDALE LARGEST EMPLOYERS

EMPLOYER	EMPLOYEES
Scottsdale Healthcare Corp.	6,650
Mayo Clinic	4,900
General Dynamics C4 Systems	3,600
CVS / Caremark	2,048
Go Daddy Group	1,915
The Vanguard Group	1,899
Scottsdale Insurance	1,400
Fairmont Scottsdale Resort	1,000
Dial Corporation	700
Desert Mountain	650
United Blood Services	647
Coventry Healthcare	631

Other major employers include The Boulders Resort, Hyatt Gainey Ranch, Nordstrom, JDA Software Group, McKesson, Scottsdale Medical Imaging, Taser International, SageSoftware, and Pegasus Solutions.

The hospitality industry is a major economic driver in the Scottsdale area. Paradise Valley and Scottsdale are world renowned for a growing collection of premier resort hotels. Scottsdale is home to more than 600 restaurants, 125 art galleries, and 70 resorts and hotels with more than 13,700 rooms. In 2009 (the most recent data available), an estimated 7.5 million people visited Scottsdale with an economic impact of \$2.6 billion. Approximately 24,000 jobs, or 13.0% of all jobs in Scottsdale, are directly attributable to the tourism industry.

Easily accessible from Old Town, Central Scottsdale is a major employment hub with approximately 40,000 employees and more than 3,000 businesses. These companies include Stirling Energy, Medicis Pharmaceutical, Rural / Metro, Nighthawk Radiology, and Trapeze Software.

Bauhaus Flats is also within a short commute of employment centers at Phoenix Sky Harbor International Airport and Arizona State University's main campus in Tempe. The projected population within a 30-minute commute is expected to increase by more than 180,000 people from 2010 to 2015.

The service sector accounts for nearly half of all jobs held by Scottsdale residents, followed by finance / insurance / real estate (14.3%) and retail trade (12.3%). More than 80% of the City's employed residents hold white-collar positions. Scottsdale's unemployment rate was 6.6% in June 2011, down from the prior two years. Moreover, this figure was well below the figures for Phoenix MSA (9.0%), Arizona (9.9%), and the nation (9.3%).

The Maricopa County Association of Governments projects that Maricopa County, which comprises the bulk of the Metro area, will see the addition of more than 1.6 million new jobs between 2005 and 2030. This growth will equate to a gain of 93.3%, meaning that the Valley's employment base will essentially double over the next two and a half decades. Scottsdale is projected to add approximately 70,400 jobs over the same period. For the fiscal year ending June 2011, the Phoenix Metro area had a 1.1% employment gain, equating to 17,900 additional jobs.

INCOME

Scottsdale is an extremely affluent city with a median household income of \$77,432, a figure that is 27.5% higher than the Phoenix Metro average and approximately 42% higher than the national average.

By 2015, Scottsdale's median household income is projected to rise to \$94,022, up more than 21% from 2010. It is projected that the City's median household income will be approximately 35% higher than that of Phoenix Metro. More than 37% of Scottsdale households earn \$100,000 or more annually, nearly double the national average (18.8%).



EDUCATION

Nearly 85% of Phoenix MSA's residents over the age of 25 have completed high school, 35.5% have obtained an associate's degree or higher, and 27.4% have completed some college. In comparison, 48.5% of Scottsdale's residents over 25 years have college degrees and 95% are high school graduates.

Scottsdale's public schools employ 3,000 people, consist of 31 schools serving 27,000 students, and are ranked among the best public school systems in the nation.

Arizona State University (ASU), especially known for its business and engineering programs, is the nation's third-largest public university and operates several campuses throughout the Metro area. The University posted a record enrollment of 70,440 students for the Fall 2010 term. ASU Tempe Campus is only four miles south of Bauhaus Flats. ASU's main campus in Tempe had 58,371 students enrolled for the Fall 2010 term, up from 44,215 in 1999. The University also employs more than 10,500 people, making it one of the Metro area's top employers.



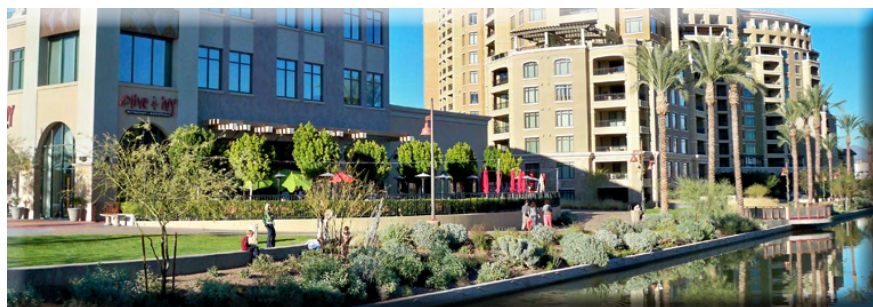
Scottsdale Community College (SCC) is located two miles east and two miles north of Bauhaus Flats. SCC has been growing at a 9% rate per year and currently educates over 10,000 students annually.

Le Cordon Bleu College of Culinary Arts, formerly the Scottsdale Culinary Institute, is a world-renowned school that has educated professionals for the culinary and hospitality industries for over 20 years and is a mile and half north on Scottsdale Road.

OLD TOWN DEVELOPMENTS

The City of Scottsdale will follow Tempe as the second city in the Phoenix Metro Area to reach its full build-out potential. All new projects will be redevelopment projects which usually are very much more expensive to construct and thus raising the barriers to entry for new and competing apartment projects.

Scottsdale Fashion Square is Arizona's largest mall with 1.9 million square feet mall and is one of the nation's highest revenue grossing malls. The continued success of its 225 tenants and high-end anchors including Dillard's, Macy's, Neiman Marcus, and Nordstrom has spurred continued expansion including its most recent addition of Barneys New York, and an additional 18 specialty retailers occupying 100,000 square feet, including Prada.



The Scottsdale Resort Corridor is a vibrant strip, predominately along Scottsdale Road, featuring several posh resorts and hotels, including The W Scottsdale Hotel, Saguaro Hotel, Hotel Indigo, Chaparral Hotel, Hyatt Regency, The Hilton, FireSky Resort, Sundial Resort, Doubletree Resort, and Scottsdale Resort and Conference Center, among others.

Scottsdale Waterfront is a recently completed 200,000 square foot mixed use office condominium and high-end retail center. Boutique shops and popular restaurants call Waterfront home including Olive & Ivy, Culinary Drop Out, P.F. Changs and Sauce.

New Luxury Condos cater to the Baby Boomers and young professionals that chose to enjoy the adult playground of Old Town Scottsdale. Projects include:

- Sage (50 units) priced up to \$600,000
- Safari Drive (95 units) priced up to \$699,500
- Optima Camelview Village (720 units) priced up to \$1.8 million
- Scottsdale Waterfront Two 13-story towers (198 units) priced up to \$3.4 million

Old Town Restaurants and Entertainment Venues already top 200 establishments and they continue to expand due to increasing demand. Below is a partial list of the new venues including:

- Bonfire Grill & Bar – Opened March 2011
- Majerles Sports Bar – Opened February 2011
- El Hefe Restaurant & Bar – Opened February 2011
- Wild Knight – Opened May 2011
- Spanish Fly – Opened April 2011
- The Mint – Opened May 2011
- Herb Box – Opened February 2011
- Marcello Ristorante – Opened 2010
- Jimmy Woo's – Opened 2010
- Dos Juevos – Opened October 2011

Scottsdale Healthcare Osborn is a quarter mile north of Bauhaus Flats and is a major expanding full-service 337-bed hospital. Scottsdale Healthcare Osborn leads in the fields of trauma, orthopedics, neurosurgery, cardiovascular, and critical care. There are a number of supporting medical office buildings immediately surrounding the hospital catering to the needs of the Scottsdale residents.

ASU SkySong is a catalyst for economic development in South Scottsdale. The redevelopment of the 42 acre former Los Arcos Mall site at the intersection of McDowell and Scottsdale Roads is one mile south of Bauhaus Flats. SkySong is only 25% built out with 300,000 square feet of research and office space that is currently 95% occupied and the next 120,000 square foot facility will break ground in 2012. Total build out will top 1.2M square feet and will focus on engineering, the arts, and bioscience specializing in startup firms in collaboration with ASU. More than 20 start-up firms, including companies from around the world, are currently affiliated with SkySong that directly employ over 750 people. Over the next 10 years SkySong will create an additional 5,000 jobs, and have a regional economic impact of more than \$9+ billion.



SUBMARKET OVERVIEW - DOWNTOWN / OLD TOWN SCOTTSDALE

Ritz-Carlton Paradise Valley, one of the metro area's most anticipated projects, is a \$1.5 billion 110-acre development planned for the southwest corner of Indian Bend and Scottsdale Roads along the Scottsdale/Paradise Valley border. Plans call for a 225-room resort hotel, luxury residences, upscale shops, and office space. The resort will include a 25,000 square foot spa, meeting space, restaurants, and recreational facilities. No construction start date has been announced.

Salt River Fields at Talking Stick is a \$100 million new spring training complex for the Arizona Diamondbacks and Colorado Rockies located west of the Loop 101 at Indian Bend Road, about 6 miles northeast of Downtown Scottsdale. The 145-acre development, which was completed in February 2011, is located on the Pima Salt River Indian Community bordering the City of Scottsdale.

RECREATION AND TOURISM

Metropolitan Phoenix is one of the few cities to be home to four professional sports teams: Phoenix Suns Basketball, Arizona Diamondbacks Baseball, Arizona Cardinals Football, and Phoenix Coyotes Hockey. The region hosts such renowned annual events as the NASCAR Winston Cup Phoenix 500, the Phoenix Open, and the NCAA Fiesta Bowl. Annual attendance for Phoenix's professional sporting events is 6.1 million.

More than 13 million people visit the greater Phoenix area each year, contributing more than \$6 billion directly to the local economy. Tourism accounts for approximately 225,000 jobs.

Old Town Scottsdale is the epicenter in Metropolitan Phoenix. Old Town has the majority of the Valley's art galleries, art museums, over 200 restaurants, high end retailers and boutique shops, a collection of nightclubs and bars, and Scottsdale Stadium, home of the San Francisco Giants' spring training facilities.



The Indian Bend Greenbelt is a continuous 15-mile system of golf courses, ball fields, tennis courts, fishing ponds, volleyball courts, picnic areas, and more. Concrete bike and walking paths weave through the area, traversing intersections by underground tunnels to allow for uninterrupted pedestrian and bicycle travel. The system also serves as flood control for the City and has won architectural awards for civic improvement and for fostering community spirit.

Westworld is home to internationally famous events such as Arabian horse shows, the Barrett Jackson collector car auction, polo events, and more.



Scottsdale is world renowned for its golfing, including Tournament Players Golf Course (TPC Scottsdale) home of the annual Waste Management Phoenix Open, one of Scottsdale's signature events. Scottsdale's 51 golf courses include: Grayhawk, Troon, Troon North, Kierland, Gainey Ranch, Ancala, McCormick Ranch, Camelback Country Club, Silverado, The Boulders, Desert Mountain and more.

The City of Scottsdale is constantly acquiring land in the McDowell Mountains Preserve and Sonoran Preserve in order to provide permanent open space and recreational areas for residents and tourists. City land ownership expanded in 2010 to include 14,000 acres within this proposed 36,400-acre preserve area. Citing the importance of open desert to the local tourist industry, the City continues to pursue additional land acquisition in these areas.

Taliesin West is the headquarters to the world-renowned Frank Lloyd Wright Foundation.



TRANSPORTATION

Located minutes from Downtown Scottsdale, Loop 101 expressway links residents to the rest of the Metro area, including Loop 202, I-17, and I-10. Moreover, Scottsdale Road is one of the main thoroughfares intersection the City, making the area readily accessible to residents, employees, shoppers, and diners. Hayden Road, just one mile east of Scottsdale Road, is a fast-moving traffic artery that leads to Scottsdale Airpark to the north and Tempe to the south. Scottsdale is served by two airports, Phoenix Sky Harbor International and Scottsdale Municipal. Scottsdale Municipal offers complete services for corporate jets and charters.

HOUSING

Current trends in the Phoenix Metro area include infill development in Downtown Phoenix, Central Phoenix Corridor, Rio Salado, Tempe, North Scottsdale and Old Town Scottsdale. Developable apartment land is largely unavailable in many submarkets, including South Scottsdale. Scottsdale's housing inventory consists of 124,001 units, with 55% owner-occupied. Old Town Scottsdale area has 22,813 housing units, with renter-occupied units accounting for approximately 42% of housing stock.

The median resale price for a single-family home in Scottsdale was \$340,000 in the second quarter of 2011, approximately 167% greater than Maricopa County's median price. Scottsdale's median new home price was \$469,260 in the second quarter of 2011, 110.5% higher than the national average.

The average vacancy rate for the South Scottsdale apartment submarket was 5.3% in December 2011, the lowest year-end rate in five years. This figure was also well below the 9.2% rate recorded for the Phoenix Metro Area as a whole in the fourth quarter of 2011.

*For a comprehensive apartment market analysis for Metropolitan Phoenix and Old Town Scottsdale contact Jeff Jones 480-423-5494 or jeff@jonesgroupres.com

Sources: Jones Group Real Estate Services, LLC; ESRI; U.S. Census Bureau; U.S. Bureau of Labor Statistics; Greater Phoenix Economic Council; City of Phoenix; The Arizona Republic; The Business Journal (Phoenix); Reis; Arizona Department of Commerce; Westcor; Arizona Real Estate Center / Arizona State University; Valley Metro; Real Data, Inc.; Scottsdale Airpark News; Peterson's; Maricopa Community Colleges

The Metropolitan Phoenix area has been the fastest-growing large metro area in the U.S. over the past four decades, becoming the 14th largest MSA and the 6th largest city in terms of population. In 1970 Phoenix was ranked as the 30th largest metro area and because of a wonderful climate, great transportation system, business friendly political system, and entrepreneurial spirit, Phoenix has attracted aerospace, high-tech, bioscience, advanced business and sustainable technology companies that has fueled a 300% increase in population. This phenomenal rate of growth rivals the growth of Los Angeles in the 1920's and 30's. This long term growth by numerous industries has diversified the Phoenix economy which now ranks as the 9th most diverse economy in the nation at .79 whereas the national average is 1.00. Even though housing, construction and tourism took significant losses in the recession, the unemployment rate remained below that of the national average during the recession and subsequent mild recovery.

PHOENIX FUNDAMENTALS

The dramatic population growth of the Phoenix area has naturally been matched by similar growth in the number of jobs. Numerous employers prefer the area's significant long term economic attractions of affordability, a pro-business governmental environment, and the fact that Arizona is a right-to-work-state. The result has been a dynamic local economy with an emphasis on high-tech industries with growth potential for the next century.

The attraction of the area starts with the remarkable climate, which is so pleasant in the winter that tourists and snowbirds flock to the region every fall from throughout the United States and Canada. The favorable weather and the lack of humidity permit an active outdoor lifestyle for much of the year.

Residents and visitors enjoy some of the most remarkable natural scenery and fascinating historical settings to be found anywhere. Arizona has the Grand Canyon and Petrified Forest National Parks, several national monuments, two large national recreation areas, and extensive national forests, offering a variety of recreational activities during all four seasons. In addition, many other natural and man-made wonders are found in neighboring states, from the coastline of California to the mountains of Colorado, and from the spectacles of Las Vegas to the historic cities and towns of New Mexico.

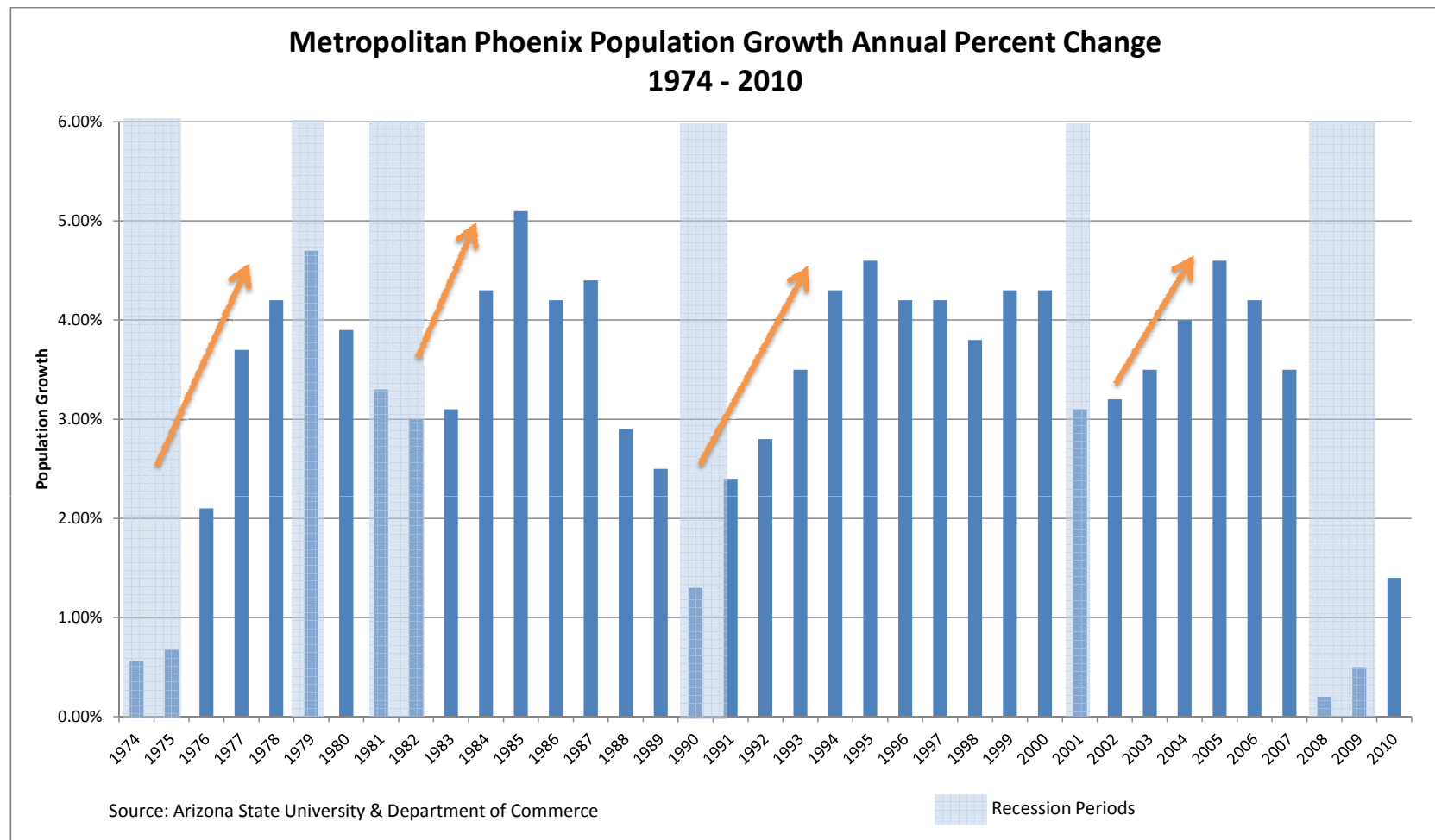
While the tourists are enjoying the climate and scenery of the region, they are often staying at the grand resorts of Scottsdale and Phoenix, shopping in the upscale centers or stylish boutiques and galleries, and dining at one of the many nationally-known eateries in metro Phoenix. These attractions also bring a great number of retirees to the area, a trend which is only expected to grow as the Baby Boomers begin to expand that demographic segment.

The major influx of new residents, however, is a continuous stream of young singles, couples and families who come to Phoenix for the historically strong job market and the modest cost of living. This migration to Phoenix was formerly dominated by people from the Midwest and East, but lately California has been the biggest source of new residents.

These new residents are drawn by an unemployment rate that is usually well below the national average and an economy that is unusually diverse. Economy.com gives Phoenix a 0.79 Industrial Diversity rating (with 1.00 equaling the national diversity), which makes Phoenix the ninth most-diverse of the top metros.



Metro Phoenix experienced significant job losses in the recent recession, but began to rebound in 2010. During the twelve months from July 2010 to July 2011 a total of 22,000 jobs have been added. That growth was concentrated in the retail, education, health services, and professional and business services industries. Arizona typically dramatically outpaces the nation during an economic recovery from a recession as tourism and construction rebound and residents typically migrate to Phoenix in large numbers. The chart below illustrates this point and we expect this trend to continue and accelerate upon an economic recovery. Additionally, Phoenix has an 8.6% unemployment rate compared to the US unemployment rate of 9.2% in the third quarter of 2011.



TOP EMPLOYERS AND INDUSTRIES

The list of top employers in metro Phoenix includes such Fortune 50 firms as AT&T, Bank of America, Boeing, JP Morgan/Chase, Morgan Stanley, State Farm, Verizon, Wal-Mart and Wells Fargo. Other Fortune 500 firms with a major presence include American Express, Charles Schwab, Cox Communications, DR Horton, General Dynamics, Google, Intel, Honeywell International, Motorola, Pulte Homes, Qwest Communications, (now Century Link), Southwest Airlines, US Airways, and USAA.

Major corporations with corporate headquarters in the metro area include Allied Waste, Avnet, PetSmart, Swift Transportation, US Airways, and Freeport-McMoRan Copper & Gold. Other major employers include Banner Health System, Arizona State University, Safeway, Target, Fry's Food and Drug, Apollo Group, and Phelps Dodge.

The industries that are fueling the exciting job growth in Phoenix include professional and business services, financial services, medical services, aerospace and electronics manufacturing, wholesale distribution, tourism and trade. Employers large and small are drawn to the Phoenix area by affordability, a pro-business governmental environment, excellent transportation infrastructure and the high standard of living obtainable by their employees. According to Economy.com, the cost of doing business in Phoenix is tied for the second-lowest of the top 15 metro areas in the country.

Greater Phoenix has long been a favorite of the high-tech industry. There are more than 600 high-tech firms employing more than 75,000 people in the region. A new wave of growth is expected to come from the biotech field, exemplified by the Arizona Biodesign Institute at Arizona State University and the Translational Genomics Research Institute (T-Gen) in central Phoenix with its mission of discovering genetic markers of disease and identifying new treatments.



2011 TOP 10 EMPLOYERS	
Company	No. of Employees
Wal-Mart Stores	30,608
Banner Health	28,220
Wells Fargo & Co.	13,100
Apollo Group	13,000
Bank of America	12,000
Honeywell International	9,760
Intel Corp.	9,700
JP Morgan Chase	9,700
US Airways	8,905
American Express	7,388

Source: The Business Journal, Book of Lists 2011

PHOENIX MSA DEMOGRAPHICS	
2010 Estimated Population	4,448,760
2015 Estimated Population	5,021,248
2000 Census Population	3,521,876
1990 Census Population	2,238,480
Growth 2000 - 2010	36.8%
Growth 2010 - 2015	12.9%
2010 Estimated Households	1,586,897
2015 Estimated Households	1,781,751
2000 Census Households	1,194,250
1990 Census Households	846,714
Growth 2000 - 2010	32.9%
Growth 2010 - 2015	12.3%

Source: Claritas

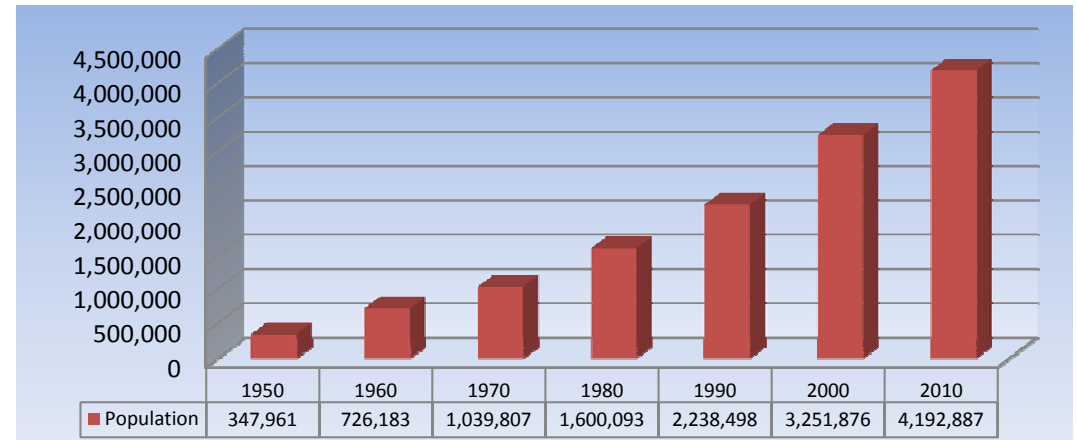


POPULATION TRENDS

Metro Phoenix's population has grown faster on a percentage basis over the past two decades than any other large metro area. In the 1990's, Phoenix added 101,000 new residents each year, on average. In the 2000's, that rate of growth was 94,000 new residents each year.

According to the Bureau of the Census, Phoenix is the 14th largest MSA in the United States. The State of Arizona is projected to gain over 810,000 new residents over the next five years, or more than 160,000 residents per year. Of this number, 36% (approximately 291,000) are projected to live in the Phoenix-Mesa-Scottsdale MSA. One of the key developments allowing such population growth to continue was the construction of the Central Arizona Project canal system. This system delivers water from the Colorado River to Phoenix and Tucson, assuring a reliable water supply for the foreseeable future.

Metro Phoenix Population Growth



POPULATION GROWTH IN 10 FASTS GROWING LARGE MSA

Rank	Metropolitan Area	2000 Census	2010 Census	Change	% Gain
1	Las Vegas, NV	1,375,765	1,950,835	575,070	41.8%
2	Raleigh, NC	797,071	1,130,247	333,176	41.8%
3	Austin, TX	1,249,763	1,715,925	466,162	37.3%
4	Charlotte, NC	1,330,448	1,757,522	427,074	32.1%
5	Orlando, FL	1,224,852	1,589,858	365,006	29.8%
6	Riverside, CA	3,254,821	4,224,758	969,937	29.8%
7	Phoenix, AZ	3,251,876	4,191,668	939,792	28.9%
8	Houston, TX	4,715,408	5,946,129	1,230,721	26.1%
9	San Antonio, TX	1,711,268	2,142,508	431,240	25.2%
10	Atlanta, GA	4,247,981	5,267,496	1,019,515	24.0%

TRANSPORTATION

One of the strongest elements of the metro's infrastructure is its transportation system. Maricopa County residents extended a half cent sales tax for another 20 years to fund further construction of the freeway system, extension of the new light rail system, extension of the metro bus system, further Grand Avenue work, and for parkway development along three corridors. Freeway work will include additional lanes on existing roads and several new freeway segments.

The new METRO Light Rail system extends from the Spectrum Mall in northwest Phoenix through downtown, past the airport and Arizona State University and terminates in west Mesa. It opened in late 2008, and is spurring extensive redevelopment along much of the route, especially in east Tempe along Apache Boulevard.

Future expansion of the system is in planning, and is expected to include an extension north along 19th Avenue to Dunlap Avenue as well as extensions west along I-10, northeast to the Paradise Valley Mall area, west to downtown Glendale, and further into Mesa and Tempe. A people-mover connection between Sky Harbor Airport and the light rail system is currently under construction as well.

Phoenix Sky Harbor Airport is the ninth-busiest airport in the US, serving as the home hub of US Airways and a major hub for Southwest Airlines. The airport is serviced by 23 airlines, operating nearly 1,500 flights per day and carrying nearly 100,000 passengers each day with direct flights to 198 destinations.

RECREATION AND CULTURE

Phoenix is one of the few metro areas with franchises in the four major professional sports leagues. The Arizona Cardinals NFL team plays in the new University of Phoenix Stadium in Glendale which hosted the 2008 Super Bowl and will host the 2015 Super Bowl. The Phoenix Coyotes NHL team is based in nearby Jobing.com Arena.

Downtown Phoenix is home to the Phoenix Suns and the Arizona Diamondbacks. Every spring metro Phoenix becomes a professional baseball mecca, hosting twelve Cactus League Spring Training teams. NASCAR visits the Valley of the Sun twice a year at Phoenix International Raceway on the southwest side of town, and the PGA tour holds the Phoenix Open at the Tournament Player's Club in Scottsdale each February.

The Valley is known worldwide for the number and quality of area golf courses, both public and private. The area also boasts a number of lakes for boating and fishing enthusiasts. Cultural interests are served by several major museums, galleries, a symphony, an orchestra, a number of theatrical companies and dance troupes, and a constant schedule of national and international touring performances.



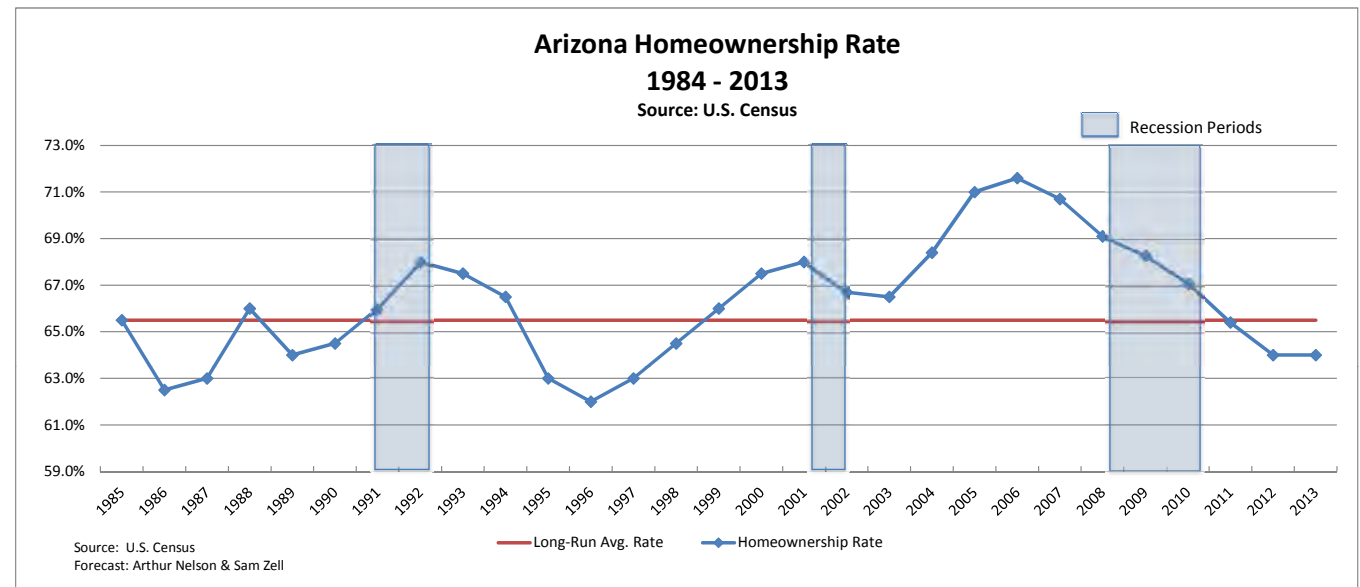
RESIDENTIAL MARKET OVERVIEW

Like most U.S. residential markets, Phoenix has experienced a significant correction in its single family market since the peak in 2006. Nevertheless, 2011 shows the promise of the beginning of a recovery with the median single family prices remaining level for the last four months. A declining inventory of houses for sale together with a decline in the foreclosure rate indicates that the single family market is stabilizing and creating a base for pricing improvement. Based upon Credit Suisse Realtor Survey it appears the Metropolitan Phoenix single family housing market is one of the most stabilized markets in the country with a low inventory of homes for-sale and a market in which housing values are slowly appreciating across all spectrums.

MULTIFAMILY MARKET

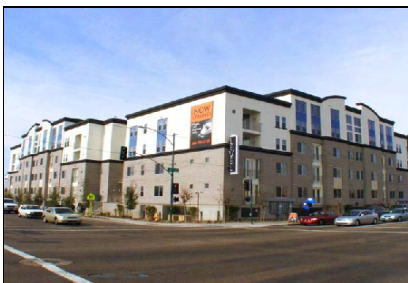
The Phoenix multifamily market has demonstrated consistent improvement since the 3rd quarter of 2009 with 12,324 units of net absorption. Vacancy has fallen by 533 basis points and the average rent has increased by 10.9%. The 'A' market has led the recovery and now 6 of the 30 submarkets boast rents above their prerecession highs of 2006/07. This recovery is taking place at the same time that new multifamily construction is at a 30-year low and while job growth has remained muted and population inflow has slowed dramatically, as is typically the case during a national recession. We are projecting a tremendous release of pent-up demand upon the resumption of job growth both in terms of the release of household contraction and in net immigration into the Valley.

Metropolitan Phoenix is going through a historic decline in the home ownership rate, as many home owners are losing their houses due to foreclosures and short sales. Additionally, potential new homeowners are having difficulty qualifying for mortgages under current underwriting standards. Combined with the low number of new multifamily deliveries for at least six more quarters, these trends will lead to healthy growth in multifamily occupancy and rent rates over the next two years and beyond.



SALES COMPARABLES

- 1 Level at Sixteenth
1550 E. Campbell Avenue
Phoenix, AZ 85016



Units:	240	Price:	\$40,000,000	Lender:	All Cash
Built:	2009	Price per Unit:	\$166,667	Loan Amount:	0
Sales Date	July 2011	Price per Square Foot:	\$210.52	Loan to Value:	0
Average Unit Size:	792	Capitalization Rate:	4.25%	Sale Condition:	Conventional

Comparison to Subject Property

Age:	Similar	Location:	Inferior	Market Conditions:	Similar
Quality / Amenities:	Similar	Unit Size:	Inferior	Overall Comparability:	Inferior

- 2 Block 1949
1949 E. University Drive
Tempe, AZ 85281



Units:	228	Price:	\$52,000,000	Lender:	German American Capital
Built:	2010	Price per Unit:	\$231,111	Loan Amount:	\$38,500,000
Sales Date:	March 2011	Price per Square Foot:	\$193.93	Loan to Value:	74%
Average Unit Size:	1192	Capitalization Rate:	5.50%	Sale Condition:	Conventional

Comparison to Subject Property

Age:	Similar	Location:	Similar	Market Conditions:	Similar
Quality / Amenities:	Similar	Unit Size:	Similar	Overall Comparability:	Similar

- 3 Palladium
4111 N. Drinkwater Road
Scottsdale, AZ 85251



Units:	250	Price:	\$42,300,000	Lender:	All Cash
Built:	2000	Price per Unit:	\$169,200	Loan Amount:	0
Sales Date:	December 2010	Price per Square Foot:	\$184.79	Loan to Value:	0
Average Unit Size:	915	Capitalization Rate:	4.50%	Sale Condition:	Conventional

Comparison to Subject Property

Age:	Inferior	Location:	Superior	Market Conditions:	Similar
Quality / Amenities:	Inferior	Unit Size:	Inferior	Overall Comparability:	Inferior

4 Ten Wine Lofts
7126 E. Osborn Road
Scottsdale, AZ 85251



Units:	82	Price:	\$19,500,000	Lender:	All Cash
Built:	2009	Price per Unit:	\$237,802	Loan Amount:	0
Sales Date:	October 2010	Price per Square Foot:	\$153.97	Loan to Value:	0
Average Unit Size:	1,544	Capitalization Rate:	NA	Sale Condition:	REO

Comparison to Subject Property

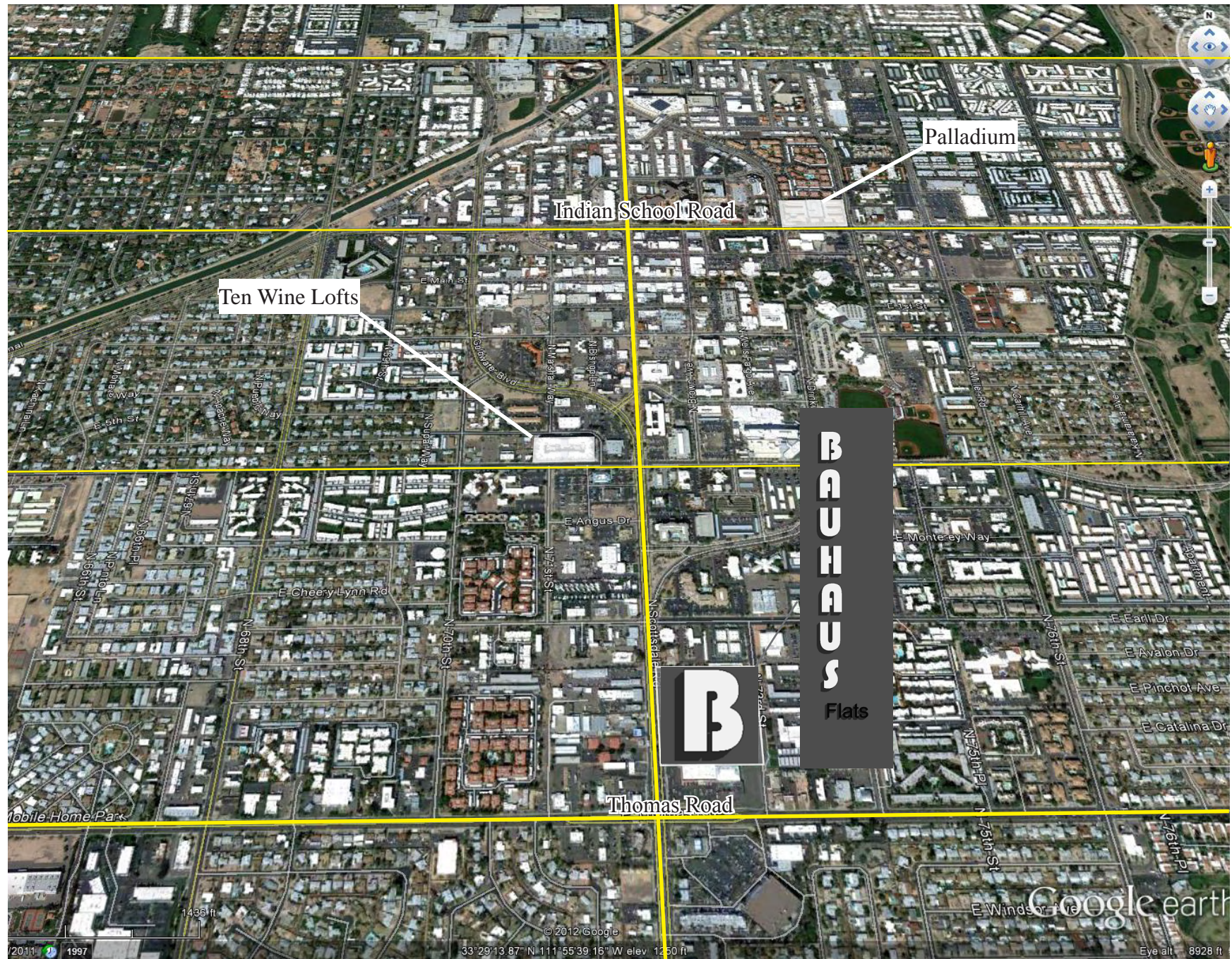
Age:	Similar	Location:	Similar	Market Conditions:	Similar
Quality / Amenities:	Similar	Unit Size:	Superior	Overall Comparability:	Inferior

Notes: Buyer acquired a 95% completed failed condominium development. Property was 100% vacant at close of escrow

Sales Comparable Averages	Units:	200	Price:	\$38,450,000
	Built:	2007	Price per Unit:	\$201,195
	Sales Date:	NA	Price per Square Foot:	\$185.80
	Average Unit Size:	1,111	Capitalization Rate:	4.75%

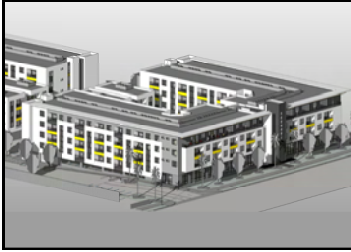


Sales Comparable Map - Scottsdale Properties



RENT COMPARABLES

S Bauhaus
3015 N. Scottsdale Rd
Scottsdale, AZ 85251



Units:	270	Application Fee:	\$50
Built:	2013	Administration Fee:	\$200
Occupancy:	NA	Security Deposits:	\$500
Ownership:	Private	Pet Rent:	\$35
Managed By:	Owner	Pet Deposit:	\$400
Lease Terms:	12 Months	Electric Metering:	Individual
Utility Reimbursement:	Yes	Gas Metering:	None
Date Surveyed:	2/2/2012	Water:	Master

RUBS - To be determined

Type	Units	SF	Market Rent	Rent / SF	Concession	Net Rent	Net Rent / SF
1/1	100	1002	\$1,262	\$1.26	None	\$1,262	\$1.26
1/1	12	992	\$1,238	\$1.25	None	\$1,238	\$1.25
1/1	8	1000	\$1,251	\$1.25	None	\$1,251	\$1.25
1/1	10	985	\$1,225	\$1.24	None	\$1,225	\$1.24
1/1	12	663	\$928	\$1.40	None	\$928	\$1.40
1/1	28	688	\$923	\$1.34	None	\$923	\$1.34
2/2	16	1427	\$1,830	\$1.28	None	\$1,830	\$1.28
2/2	40	1484	\$1,860	\$1.25	None	\$1,860	\$1.25
2/2	16	1563	\$1,863	\$1.19	None	\$1,863	\$1.19
2/2	4	1661	\$1,925	\$1.16	None	\$1,925	\$1.16
2/2	12	1502	\$1,967	\$1.31	None	\$1,967	\$1.31
3/2	8	1948	\$2,143	\$1.10	None	\$2,143	\$1.10
3/2	4	1942	\$2,250	\$1.16	None	\$2,250	\$1.16
270	1,157	\$1,449	\$1.25			\$1,449	\$1.25

1 Ten Win Lofts
7126 E. Osborn Rd
Scottsdale, AZ 85251



Units:	82	Application Fee:	\$55
Built:	2009	Administration Fee:	\$150
Occupancy:	97%	Security Deposits:	\$700
Ownership:	Private	Pet Rent:	\$35
Managed By:	Greystar	Pet Deposit:	\$450
Lease Terms:	12 Months	Electric Metering:	Individual
Utility Reimbursement:	Yes	Gas Metering:	Master
Date Surveyed:	2/2/2012	Water:	Individual

RUBS - The utility chargeback is based on the prorata share. Below is the average reported by the manager

One bedroom:	\$30 per month
Two bedroom:	\$40 per month

Type	Units	SF	Market Rent	Rent / SF	Concession	Net Rent	Net Rent / SF
1/1	8	889	\$1,450	\$1.63	None	\$1,450	\$1.63
1/1	8	1061	\$1,550	\$1.46	None	\$1,550	\$1.46
1/1.5	4	1169	\$1,700	\$1.45	None	\$1,700	\$1.45
2/2	12	1463	\$2,050	\$1.40	None	\$2,050	\$1.40
2/2	12	1473	\$2,150	\$1.46	None	\$2,150	\$1.46
2/2	12	1480	\$2,100	\$1.42	None	\$2,100	\$1.42
2/2	12	1581	\$2,300	\$1.45	None	\$2,300	\$1.45
2/2	12	1881	\$2,600	\$1.38	None	\$2,600	\$1.38
1/1.5L	1	1479	\$2,400	\$1.62	None	\$2,400	\$1.62
1/1.5L	1	1886	\$2,800	\$1.48	None	\$2,800	\$1.48
82	1,441	\$2,078	\$1.44			\$2,078	\$1.44

Comparison to Subject Property

Unit Size:	Similar
Condition:	Similar
Location:	Similar

2 Palladium
4111 N. Drinkwater
Scottsdale, AZ 85251



Units:	250	Application Fee:	\$49
Built:	2000	Administration Fee:	\$200
Occupancy:	98%	Security Deposits:	\$250-\$500
Ownership:	Institution	Pet Rent:	\$25
Managed By:	Alliance	Pet Deposit:	\$400
Lease Terms:	7- 12 Months	Electric Metering:	Individual
Utility Reimbursement:	Yes	Gas Metering:	None
Date Surveyed:	2/2/2012	Water:	Master

RUBS - The utility chargeback is based on unit type and number of occupants per unit. Below is the average reported by the manager:

One bedroom:	\$68 per month
Two bedroom:	\$80 per month
Three bedroom:	\$96 per month

Type	Units	SF	Market Rent	Rent / SF	Concession	Net Rent	Net Rent / SF
1/1	129	732	\$1,020	\$1.39	None	\$1,020	\$1.39
1/1	10	911	\$1,199	\$1.32	None	\$1,199	\$1.32
1/1	51	1071	\$1,279	\$1.19	None	\$1,279	\$1.19
2/2	32	1092	\$1,319	\$1.21	None	\$1,319	\$1.21
3/2	24	1301	\$1,530	\$1.18	None	\$1,530	\$1.18
1/1P	1	975	\$1,450	\$1.49	None	\$1,450	\$1.49
1/1P	1	1183	\$2,200	\$1.86	None	\$2,200	\$1.86
2/2P	1	1486	\$2,500	\$1.68	None	\$2,500	\$1.68
2/2P	1	1514	\$2,600	\$1.72	None	\$2,600	\$1.72
250	918	\$1,186	\$1.29			\$1,186	\$1.29

Comparison to Subject Property

Unit Size:	Inferior
Condition:	Inferior
Location:	Similar

3 West 6th
111 W. 6th Street
Tempe AZ 85



Units:	375	Application Fee:	\$50
Built:	2011	Administration Fee:	\$400
Occupancy:	86%	Security Deposits:	\$400
Ownership:	Private	Pet Rent:	\$50
Managed By:	Capstone Companies	Pet Deposit:	\$400
Lease Terms:	12 Months	Electric Metering:	Individual
Utility Reimbursement:	No	Gas Metering	Master
Date Surveyed:	2/3/2012	Water:	Individual

RUBS - Tenants pay their own electric, waster and sewer. The property pays the gas, trash removal, and wifi.

Type	Units	SF	Market Rent	Rent / SF	Concession	Net Rent	Net Rent / SF
1/1	113	633	\$1,175	\$1.86	None	\$1,175	\$1.86
1/1	1	811	\$1,195	\$1.47	None	\$1,195	\$1.47
1/1	1	855	\$1,355	\$1.58	None	\$1,355	\$1.58
1/1	2	863	\$1,395	\$1.62	None	\$1,395	\$1.62
1/1	15	987	\$1,529	\$1.55	None	\$1,529	\$1.55
1/1	1	964	\$1,495	\$1.55	None	\$1,495	\$1.55
2/2	15	1030	\$1,733	\$1.68	None	\$1,733	\$1.68
2/2	7	1053	\$1,733	\$1.65	None	\$1,733	\$1.65
2/2	8	1053	\$1,890	\$1.79	None	\$1,890	\$1.79
2/2	2	1103	\$1,595	\$1.45	None	\$1,595	\$1.45
2/2	14	1151	\$1,950	\$1.69	None	\$1,950	\$1.69
2/2	2	1234	\$1,695	\$1.37	None	\$1,695	\$1.37
2/2TH	12	1330	\$2,345	\$1.76	None	\$2,345	\$1.76
2/2	1	1492	\$2,395	\$1.61	None	\$2,395	\$1.61
3/2	12	1241	\$2,395	\$1.93	None	\$2,395	\$1.93
3/2	2	1636	\$2,695	\$1.65	None	\$2,695	\$1.65
208		857	\$1,511	\$1.76		\$1,511	\$1.76

Comparison to Subject Property

Unit Size:	Similar
Condition:	Similar
Location:	Superior

4 Optima Scottsdale Condominiums
7100 E. Rancho Vista Drive
Scottsdale, AZ 85251



Units:	N/A	Application Fee:	N/A
Built:	2008	Administration Fee:	N/A
Occupancy:	N/A	Security Deposits:	N/A
Ownership:	Private	Pet Rent:	N/A
Managed By:	Owner	Pet Deposit:	N/A
Lease Terms:	6, 9 12 Months	Electric Metering:	Individual
Utility Reimbursement:	N/A	Gas Metering	None
Date Surveyed:	2/2/2012	Water:	Individual

RUBS - Condominium rental - tenant is responsible for all utilities. Owner is typically responsible for the HOA fee.

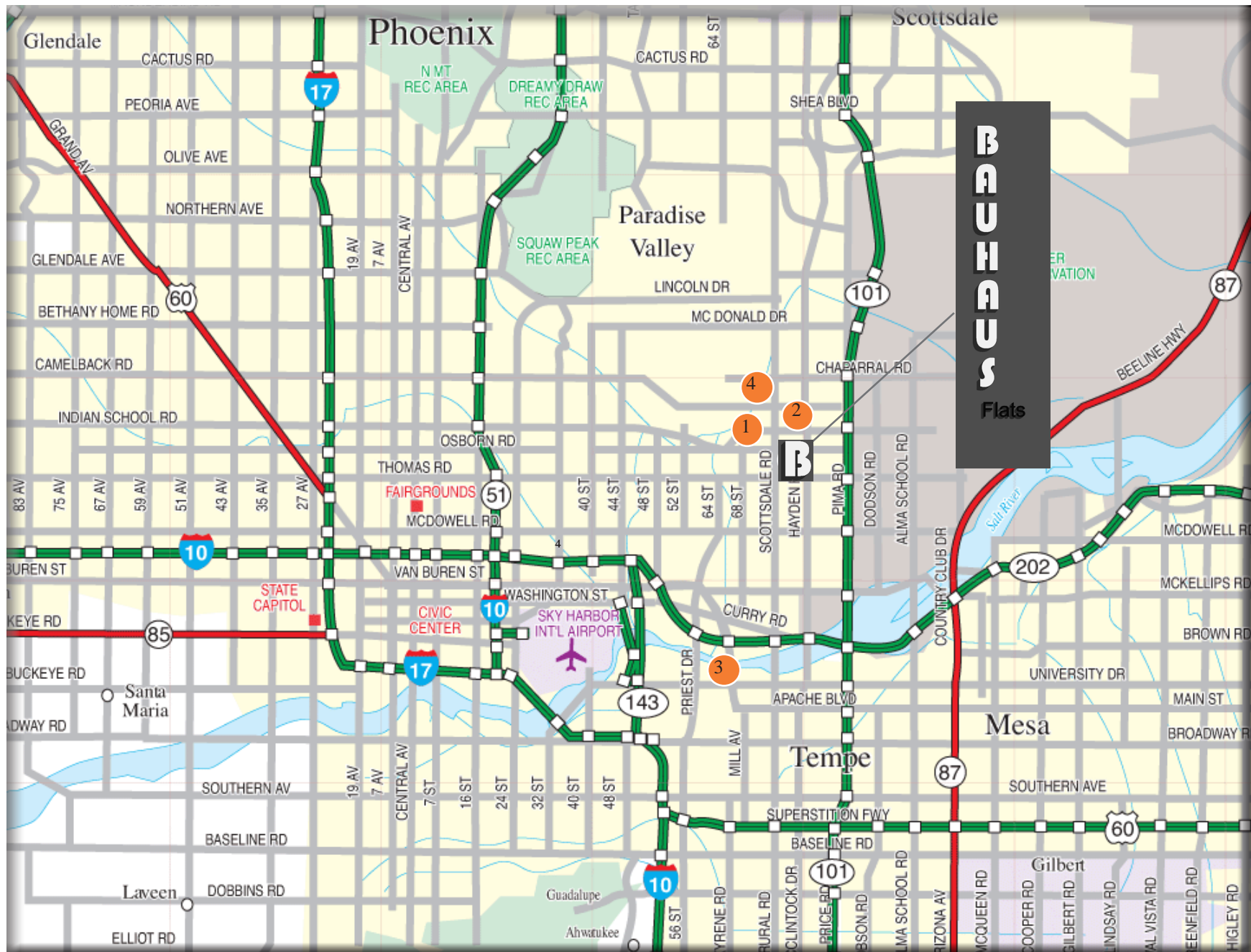
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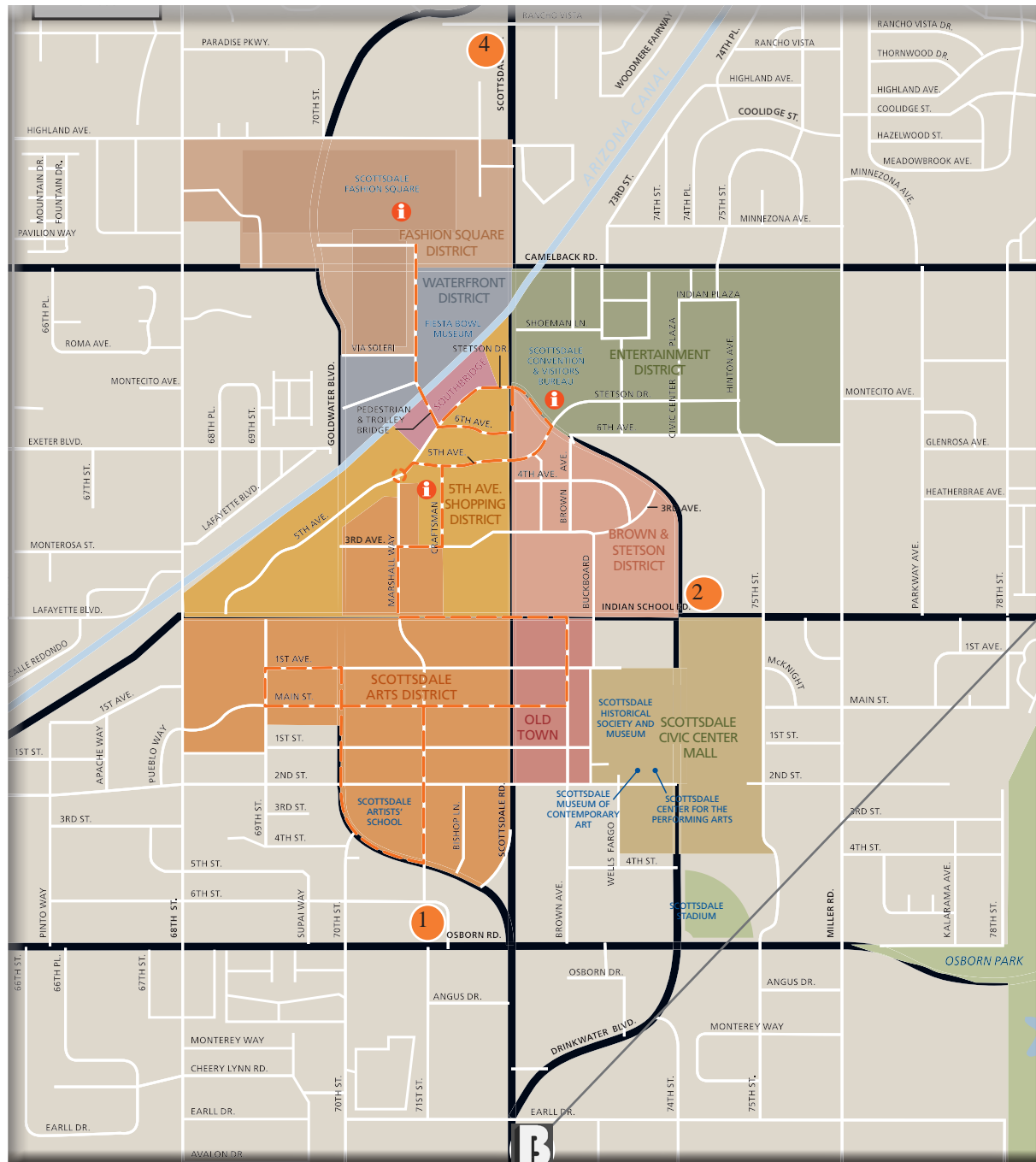
Type	Units	SF	Market Rent	Rent / SF	Concession	Net Rent	Net Rent / SF
1/1	N/A	780	\$1,650	\$2.12	None	\$1,650	\$2.12
1/1	N/A	813	\$1,750	\$2.15	None	\$1,750	\$2.15
1/1	N/A	889	\$1,975	\$2.22	None	\$1,975	\$2.22
1/1	N/A	952	\$1,850	\$1.94	None	\$1,850	\$1.94
2/2	N/A	1304	\$2,730	\$2.09	None	\$2,730	\$2.09
2/2	N/A	1315	\$2,800	\$2.13	None	\$2,800	\$2.13
2/2	N/A	1374	\$2,800	\$2.04	None	\$2,800	\$2.04
2/2	N/A	1425	\$3,000	\$2.11	None	\$3,000	\$2.11
2/2	N/A	1524	\$3,110	\$2.04	None	\$3,110	\$2.04
3/2	N/A	1800	\$3,600	\$2.00	None	\$3,600	\$2.00
3/2	N/A	1983	\$3,700	\$1.87	None	\$3,700	\$1.87
2/2	N/A	2149	\$4,000	\$1.86	None	\$4,000	\$1.86
1,483		\$2,997	\$2.02			\$2,997	\$2.02

Partial Inventory - Units most similar to Subject were selected

Comparison to Subject Property

Unit Size:	Similar
Condition:	Similar
Location:	Superior





BAUHAUS
Flats

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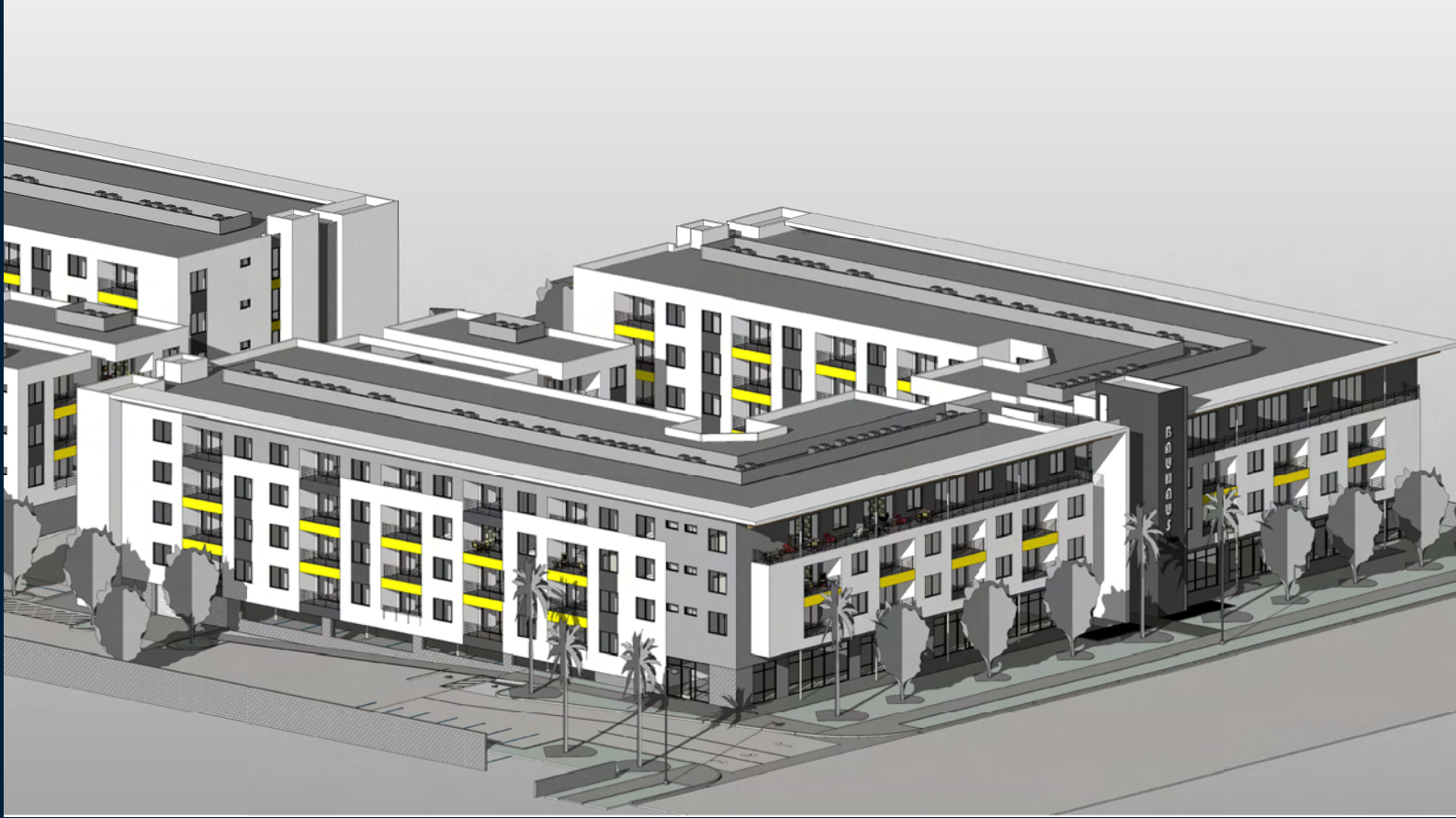
Interested prospective Buyers should be aware that the Owner of the property is selling the property in "AS IS, WHERE IS" condition with all faults, if any, and without representations or warranties of any kind or nature, expressed or implied, written or oral, other than the special warranty of title contained in the Deed. This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. The Jones Group has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this offering memorandum has been obtained from sources we believe to be reliable; however, The Jones Group has not verified, and will not verify, any of the information contained herein, nor has The Jones Group conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

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ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONTACT JEFF JONES FOR MORE DETAILS 480-423-5494 or jeff@jonesgroupres.com



OFFERING MEMORANDUM



 MULTIFAMILY INVESTMENT OPPORTUNITY

BAUHAUS

3015 N. Scottsdale Road
Scottsdale, AZ 85251

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Flats

The Jones Group
Real Estate Services, LLC
Jeff Jones
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A 270 UNIT LUXURY MIDRISE URBAN COMMUNITY