

Third Street + Earll Drive

Executive Summary

Located in the mid-town area of Phoenix, the 3rd and Earll project is a gate-guarded urban enclave of town house, loft, and high rise condominium residences integrated into a world-class recreational environment featuring a 5,500 square foot state-of-the-art fitness center, a landmark-size swimming pool, tennis and beach volleyball courts.

The unique project design includes three 22 floor condominium towers, 90 separate town house units, and a 1,337 space underground parking structure that allows for both cost-efficient construction and compatibility with the surrounding neighborhood.

The 8.3 acre site will include 800 residential units constructed in 5 phases. The average unit size of approximately 1,028 square feet equates to an average unit price of under \$500,000 (\$490/sf including balcony, view and orientation premiums). With projected sales pricing from the mid to high \$200's, this project provides attractive purchase opportunities for a large segment of the Phoenix market.

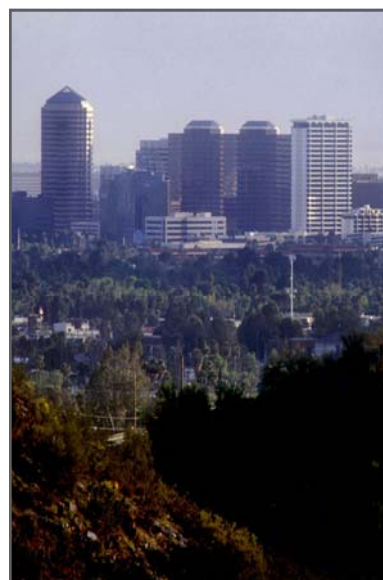


Phoenix : Arizona

Phoenix was recently named the 5th largest city in America, with about 1.5 million residents in more than 430 square miles. There is very strong buyer demand for homes throughout the entire Phoenix metro area, resulting in the largest price increase in the nation. Home prices in the Phoenix-Mesa-Scottsdale area of Arizona, rose 55.2 percent from a year earlier.

Downtown Phoenix is transforming into a hub for business, sports and the arts. [Chase Field](#) opened in 1998 with a 48,500 seat baseball stadium to house the 2001 World Series Champion Arizona Diamondbacks. [US Airways Center](#) is the home of the Phoenix Suns and the Coyotes hockey team and hosts numerous concert and sports events each year. Phoenix Civic Plaza is home to large-scale conventions and trade shows that bring over 5 billion dollars annually into the area economy.

[Arizona State University's](#) Downtown Phoenix campus will be located in the heart of the Valley's business, political, media and health care community. ASU and the city of Phoenix are partners on this mission to enrich the university experience by providing a home for over 15,000 students in the heart of the city.



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5122 AVENIDA ENCINAS : CARLSBAD, CA 92008
VOICE 760.438.1588 : FAX 760.438.5861
www.ordproperties.com

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Project Financial Summary

Purchase Price	\$48,000,000 (\$60K/Unit)
Development Stage	Entitled Project

	Summary	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5
Condo/Loft Units	800	42	221	48	254	235
Annual Return %	32%	235%	72%	223%	75%	78%
Annual Return \$	15,409,309	5,923,479	9,604,034	6,433,370	11,399,408	11,036,161
Total Return %	193%	235%	181%	223%	187%	196%
Total Return \$	92,455,856	5,923,479	24,010,086	6,433,370	28,498,519	27,590,402

Revenues	396,314,552	15,788,000	116,041,780	17,752,400	126,026,401	120,705,971
Costs	303,858,696	9,864,521	92,031,694	11,319,030	97,527,882	93,115,569
Profit	92,455,856	5,923,479	24,010,086	6,433,370	28,498,519	27,590,402
Gross Profit Margin	23%	38%	21%	36%	23%	23%
Cost Of Sales (Equity)	14,101,796	497,050	4,161,567	570,715	4,535,990	4,336,474
Land Value (Equity)	48,000,000	2,520,000	13,260,000	2,880,000	15,240,000	14,100,000
Construction Financing Requirement	241,756,900	6,847,471	74,610,127	7,868,315	77,751,892	74,679,095
Loan to Value	61%	43%	64%	44%	62%	62%
Loan to Cost	80%	69%	81%	70%	80%	80%
Build-out Months	72	12	30	12	30	30
Construction Time Line Months	1-72	1-12	7-36	13-24	25-54	43-72

INFORMATION DEEMED RELIABLE BUT NOT GUARANTEED

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