Virtua 99th

58.72 Acres of Land | Avondale, AZ (Phoenix MSA)

An Equity Investment Opportunity to Purchase 58.72 Acres of Undeveloped Land Near University of Phoenix Stadium and Coyotes Arena (Avondale, AZ)

- Less than one mile from junction of Interstate 10 and Arizona Loop 101, a major West Phoenix MSA Interchange
- Approximately 5 miles south of University of Phoenix Stadium (Arizona Cardinals, NCAA Football Championship, and Super Bowl Host) and Arizona Coyotes Hockey Arena
- Approximately 58.72 acres of undeveloped land zoned for commercial uses
- Intended mixed-use development site including hospitality, single family residence, multifamily, and retail uses
- Proposed purchase price of $1.76 per square foot
- Virtua, as Project Sponsor, Projects an Overall Return: 54.67% IRR to Equity Investor (2.72x equity multiple over three years)
- Up to $3,250,000 Offering of Class "A" Equity Membership Interests , Leveraged by a Senior Loan (Not Including Proposed Hotel Construction)
- Members will be offered an option to invest in a hotel Virtua plans to develop onsite

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Executive Summary

Virtua Partners LLC (“Virtua”) and Quyp Development Services, LLC (“Quyp”) (collectively, the “Sponsors”) are pleased to offer an opportunity to invest in undeveloped land (the “Property”), which they believe can become properly entitled for mixed use development, consisting of 58.72+/- acres located on the southwest and northwest corners of 99th Avenue and Encanto Boulevard (“Virtua 99th”, or the “Development”). The property is zoned Urban Commercial per the City of Avondale General Plan, Virtua anticipates applying for necessary amendment and entitlements to coincide with its planned uses. Virtua believes its planned uses are similar to a previous Planned Area Development (“PAD”) that was previously approved by the City of Avondale.

The property is located in the City of Avondale, a municipality in the West Valley of Phoenix, approximately one mile from the junction of Interstate 10 and Arizona loop 101. It is located approximately six miles south of University of Phoenix Stadium, which is the home of the Arizona Cardinals of the National Football League, the annual Fiesta Bowl, and which has hosted the Super Bowl in 2008 and 2015, as well as the NCAA Football Championship in 2006, 2010, and 2016. Also, the Stadium is immediately adjacent to the Gila River Arena, which is the home of the NHL Arizona Coyotes.

Virtua is raising $3,250,000 of Class “A” equity capital from investors (the “Class A Equity”) to complete the acquisition and development of the Property from accredited investors (the “Class “A” Investors”) as defined in §501(a) of Regulation D promulgated under the Securities Act of 1933 whom are deemed suitable in sole opinion of Monarch Bay Securities, LLC, the FINRA Registered broker-dealer for this offering. The equity capital is expected to be supplemented by a senior mortgage loan for the property of $2,250,000, and non-refundable deposits of $565,000 for the forward sales contracts on four parcels of the subject Property. The Sponsors believe that the four forward sales contracts specified in Section 2.08(c)(ii) of the Virtua 99th Operating Agreement (the “Operating Agreement”) may mitigate risk for the Class “A” Investors. Virtua expects to purchase the approximately 2,600,000 square foot Property for $1.76 per square foot.

The Virtua 99th site is zoned for Urban Commercial. Virtua’s business plan is to apply to the City of Avondale to gain approval to amend the site plan for the Property. The business plan includes subdividing the property into several parcels which are proposed to be used for multi-family apartments, single family residential, hotel, office, restaurant and retail uses and then selling off individual parcels to developers for construction. Virtua and Quyp envision future construction of multifamily and single family residences, inline retail shops, and one or more limited service hotels.

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Transaction Summary

Location: The subject property is located at the intersection of 99th Avenue and Encanto Boulevard, which is proximate to the interchange of the Arizona Loop 101 and Interstate 10 freeways, the Banner Estrella Medical Center and McDowell Road. Because Virtua 99th is adjacent to the Gateway Pavilions and Gateway Crossing retail developments, Virtua believes the property is an ideal location for single family residential and multifamily apartments. Recent developments in this corridor of Avondale include attractions such as Main Event which is an indoor entertainment venue that offers family friendly entertainment.

The Arizona Economy and Job Creation: According to the Arizona *Republic*, Phoenix has experienced employment growth. The U.S. Bureau of Labor Statistics places Arizona in the nation's top 8 states for job growth with a 2.6% year over year rate of job growth[13]. The Phoenix metropolitan area has been an attractive location for business creation due to a skilled workforce, real estate available for development, and a diversified economy[1]. Additionally, there has been a steady influx of baby boomers relocating to Phoenix due to its lower income tax rates and relatively affordable housing, especially relative to California.[2.]

Phoenix Housing: Year over year growth for new, existing homes, and building permits continues to grow at a rapid pace. In June 2016, The Phoenix Housing Market Letter[3] reported 9,358 new home permits, for a nearly 20% gain over last year. In line with previous projections highlighted in *The Republic* from November 2015, when they projected 23% more starts on new housing construction in 2016 compared to 2015.[2]

Conforming Uses: Virtua 99th is zoned Urban Commercial by the City of Avondale, Arizona allowing for the proposed uses of multifamily, single family residences, inline retail shops and/or limited service hotels. Quyp believes its preliminary discussions with the City of Avondale have been very positive, suggesting that the City may be willing to support its proposed Virtua 99th land use plan.

Hospitality Expertise: As a current franchisee of Hilton brand hotels, and based on a market analysis by CBRE Hotels[4], Virtua believes that a limited service hotel can be built on a portion of this site. Virtua expects to utilize its existing relationships to secure a franchise agreement with one of the nationally recognized hotel brands and sell the hotel pad at the one year anniversary of the acquisition of Virtua 99th.

Local Market Expertise: Quyp currently has twelve development projects in the Phoenix MSA including projects such as Virtua 91st, Peoria Lakes, Mesa Rose and Estates at Stone Mountain.

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Conceptual Site Plan

Virtua 99th is conceived to be a mixed use project featuring eight parcels and seven separate uses. The conceptual site plan, shown below, provides a general overview of Virtua's vision for development of the Property, if acquired.

Land Use Key:

Beige:	Clustered Single Family Residential (SFR)
Yellow:	High Density Townhomes
Mustard:	High Density Apartments
Brown:	Office Pads
Tan:	Hospitality
Peach:	Retail & Restaurant Pads

Parcel #

Parcel #1—Medical Office—approximately 3.8 acres

Parcel #2—Hotel—approximately 3 acres

Parcel #3—Apartments North—approximately 12 acres

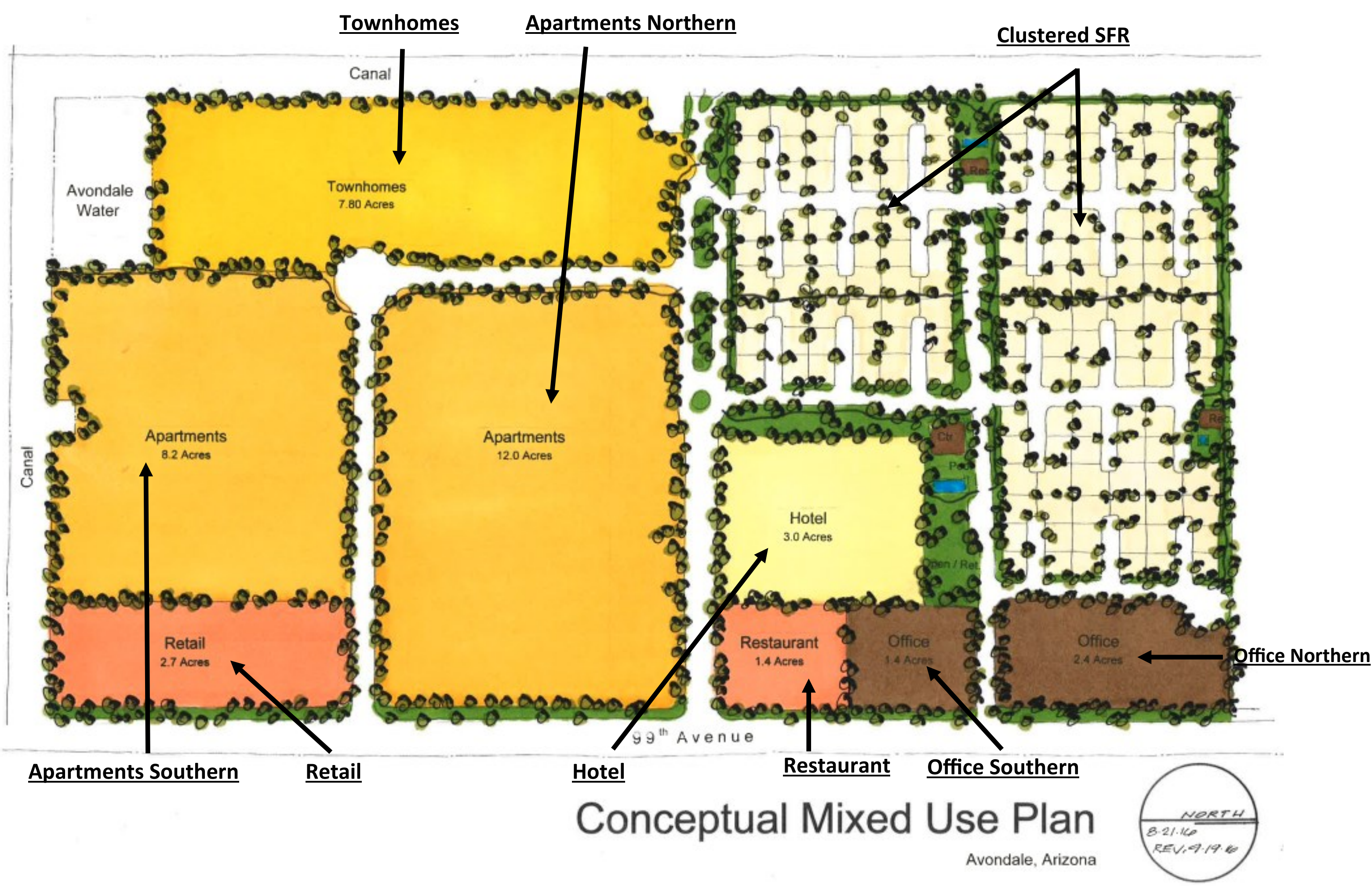
Parcel #4—Apartments South—approximately 8.2 acres

Parcel #5—Retail—approximately 2.7 acres

Parcel #6—Restaurant—approximately 1.4 acres

Parcel #7—Townhomes—approximately 7.8 acres

Parcel #8—Clustered SFR—approximately 18.58 acres



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Location

View looking Southeast with downtown Phoenix pictured in the upper left hand corner

Virtua 99th is located next to several other retail developments, and is adjacent to Virtua 99th is the Gateway Pavilions and Gateway Crossings retail developments. Tenants include: Costco, Petco, Harkins Theatres, and several eating establishments including Starbucks, Jamba Juice, Johnny Carraba's Italian Restaurant, Panera Bread, Island's Burgers, Smashburger, and others. This is a view looking southeast from the proposed Virtua 99th site.

Virtua 99th has proximate access to both the 101 and Interstate 10 freeways

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Location

View looking northeast with Banner Estrella Medical Center in the background

Virtua 99th is also located near the Banner Estrella Hospital (91st and Thomas, 1 mile to the northeast). With 39,000 employees, Banner claims to be the second largest private employer in Arizona.9 Virtua 99th is also located adjacent to Sheely Farms ll, a master planned mixed use development that which may bring additional office users to the area as well as an influx of workers in need of living space.

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Business Plan

Virtua 99th is located on the southwest and northwest corners of 99th Avenue and Encanto Boulevard in Avondale, Arizona. The property is located just to the northwest of the Interstate 10 and Arizona State Loop 101 freeway interchange, offering proximate access to both. Additionally, the property is situated between retail developments occupied by tenants such as Costco, Petco, Starbucks and Islands Burgers to the south, and the property is located approximately one mile from the Banner Estrella Medical Center to the northeast. Virtua's business plan focuses on designing a community that caters to consumer needs while offering convenient access. Virtua proposes to subdivide the approximately 58 acres into several parcels, acquire appropriate entitlements, and then sell them for commercial and residential development. Virtua has identified its proposed uses for each parcel, and has created a business plan which has been designed to capture the highest financial value for equity investors in the project:

Parcel #1—Medical Office—approximately 3.8 acres
Parcel #2—Hotel—approximately 3 acres
Parcel #3—Apartments North—approximately 12 acres
Parcel #4—Apartments South—approximately 8.2 acres
Parcel #5—Retail—approximately 2.7 acres
Parcel #6—Restaurant—approximately 1.4 acres
Parcel #7—Townhomes—approximately 7.8 acres
Parcel #8—Clustered SFR—approximately 18.58 acres

The Sponsors currently plan to obtain all necessary entitlements for the property, and then to sub-divide and sell parcels to others over a 12-36 month period, who are then expected to complete commercial and residential construction. They have entered into an agreement for senior debt, currently estimated to be $2,250,000 (subject to lender due diligence) to finance 50% of the anticipated acquisition costs of the property. The anticipated senior debt is expected to be retired with projected proceeds from the sales of Parcel #2 and Parcel #3 by November 14, 2017, which is the twelve month anniversary of the current expected closing of the senior debt facility. The closing ("Closing") of the Virtua 99th Development financing (senior debt and Class "A" Equity) is currently expected to occur on November 14, 2016.

Virtua expects to sell Parcel #3, to a newly formed investment partnership, for $8.00/sf within one year of Closing. The current terms of the proposed sale of this parcel include a non-refundable deposit of $300,000 payable by the newly formed investment partnership due at Closing.

Virtua also expects to sell Parcel #2, to a newly formed investment partnership, for $10.00/sf within one year of Closing. The current terms of the proposed sale of Parcel #2, include a $65,000 deposit payable by the prospective purchaser, due at Closing, and which becomes non-refundable immediately (January 13, 2017).

In addition, a newly formed investment partnership affiliated with Virtua expects to purchase Parcel #7 for $7.00/sf, on or before third anniversary of Closing. Virtua 99th. The current purchase terms for Parcels #7 and #4, which have been negotiated by Virtua on behalf of Virtua 99th, will require the prospective Virtua affiliated purchasers to provide Virtua 99th a $100,000 non-refundable deposit for both Parcel #7 and Parcel #4 ($200,000 total) payable at Virtua 99th's Closing.

The Sponsors currently plan to reserve the balance of cash proceeds after the expected repayment of the senior debt for future expected infrastructure costs of $1,500,000, with any remaining balance thereafter to be distributed to the Investors as provided in the Company's Operating Agreement, and as illustrated in Section 5.03 of the Virtua 99th Holdings, LLC operating agreement.

Quyp Hospitality, LLC, which is an affiliate of Virtua, has performed feasibility studies to determine the viability of hotels in Avondale and the surrounding area, which suggests demand remains in this market for nationally branded, limited service hotels. Feasibility reports from CBRE Hotels[4] are of the opinion that the proposed subject hotel will be well situated to capture all segments of demand within the market.

Virtua expects to continue to develop the property, including the sale of the aforementioned sub-divided parcels for construction for a 36 month period after Closing.

Project Funding

Anticipated Capital Stack

Senior Financing:	**$2,250,000**
Equity Capital:	**$3,250,000**
Acquisition Deposit:	**$50,000**
Parcel 2, 3, 4, & 7 Options:	**$565,000**
Total Capitalization:	**$6,115,000**

Equity: The Sponsors believe an investment in the Virtua 99th Class Equity to be a potential value-add opportunity, and was thus designed to capital appreciation over a 36 month time horizon. Property Development carries a variety of significant risks that are enumerated herein and the Private Placement Memorandum (i.e., PPM) of which this brochure is an integral part, but the Sponsors also believe the potential upside of Virtua 99th to be substantial. If the project meets the Sponsors' projections, Virtua projects Investors will receive a 54.67% IRR (internal rate of return) or a 2.72x equity multiple on invested capital assuming a 36 month total investment horizon. As shown herein, the Class "A" Equity is to be used to acquire the Virtua 99th property and fund engineering, entitlement perfection, and other deal specific costs. The Class "A" Equity is projected will earn at least a 15% accrued senior return on invested capital. The Project Sponsors, who will eventually be entitled to a 50% interest in distributable proceeds from the Development though their participation in Class "B" equity, will be entitled to any participation in the distributable proceeds from Virtua 99th until the Class "A" Equity investors have received a return of 15% IRR on their invested capital (including a full return of their invested equity).

Total Project Sources	
Senior Loan	2,250,000
Common Equity	3,250,000
Forward Sales Deposit	565,000
Deposits	50,000
Total Project Sources:	6,115,000

Total Project Uses	
Purchase Price	4,500,000
Financing Costs	228,325
Third Party Reports	6,700
Escrow & Title Charges	2,275
Broker Dealer Charges	227,500
Deal Specific Charges	151,000
Development Costs, Expenses and Reserves	999,200
Total Project Uses	6,115,000

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Use of Proceeds

SOURCE	Amount of Offering Proceeds (Equity/Investors)	Amount From Other & Loan Proceeds	% of Equity	% of Total Sources
Class A Equity Total Funding (Gross)	$ 3,250,000			
Senior Loan		$ 2,250,000		
Forward Sales Deposit		$ 500,000		
Deposits		$ 115,000		
USE				
Acquisition of Real Estate from Offering Proceeds	$ 2,135,000	$ 115,000	65.61%	36.79%
Acquisition of Real Estate from Loan Proceeds		$ 2,250,000	0.00%	36.79%
Broker-Dealer Fees : Monarch	$ 227,500		6.99%	3.72%
Acquisition Fee : Quyp Dev. Svcs.	$ 135,000		4.15%	2.21%
Advances on Design/Entitlement Fee : Quyp Dev Svcs.	$ 240,000		7.38%	3.92%
Origination Fee : Versant	$ 22,500		0.69%	0.37%
Due Diligence Fee : Versant	$ 50,000		1.54%	0.82%
Finance Costs	$ 70,825		2.18%	1.16%
Third Party Costs	$ 6,700		0.21%	0.11%
Escrow & Title Charges	$ 2,275		0.07%	0.04%
Legal	$ 50,000		1.54%	0.82%
Development Costs, Expenses, Operation & Reserves	$ 21,000	$ 500,000	0.65%	8.52%
Contingency & Misc.	$ 293,280		9.01%	4.80%
Total Fees and Expenses from Closing	**$ 1,119,080**			
Class A Equity Total Funding (Net)	**$ 1,015,920**			
Total Uses from Offering Proceeds (Equity)	$ 3,254,080		100.00%	
Total Uses from Loan Proceeds		$ 2,865,000		100.07%

Senior Financing: Virtua has signed a term sheet and provided a deposit to the senior lender for financing on the property. Anticipated terms include:

Loan Amount:	$2,250,000
Interest Rate:	10.50%
Amortization:	Interest Only
Loan Term:	Twelve months
Origination Fees:	2.75%

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Equity Waterfalls

Virtua and Quyp Properties, LLC (collectively, the "Class "B" Equity Participants") and the Class "A" Investors will share in distributions from capital events subject to the waterfall. The Class "A" Equity Investors and the Class "B" Equity Participants each ultimately will own 50% of Virtua 99th. Virtua and Quyp Properties, LLC each ultimately will own 50% of the Class "B" equity, or 25% each of the Virtua 99th Property. However, the Class "B" Equity Participants will have limited voting rights and will not participate in any distributions from the Property until the Class "A" Equity Investors have received a Senior Distribution of their invested capital equivalent to a 15% IRR, which includes a completed return of their invested capital.

The Class "A" Equity Investors will receive a 15% IRR Senior Distribution on their invested capital and a return of their original investment before the Class "B" Equity Participants/Sponsors receive any distributable proceeds from the Development.

After the Class "A" Equity Investors receive a full return of their equity capital and cumulative distributions equal to a 15% IRR, distributable proceeds will be allocated among the Investors and Class "B" Equity Participants/Sponsors, after the payment of expenses, as follows:

FIRST: Repayment of senior financing, interest, and other applicable fees and expenses, then;

SECOND: 100% of distributions to Class "A" Equity Investors until a 15% IRR on invested capital, including a full return of invested equity capital, is received, then;

THIRD: 50% of distributions to Class "A" Equity Investors, with the remaining (50%) allocated to the Class "B" Equity Participants/Sponsors , thereafter

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Exit Analysis

The Sponsors of Virtua 99th, anticipate acquiring the following parcels that are expected to comprise the 58.72 acre development at an average price of $1.76/sf. Through the entitlement and development process, Virtua projects the value of the development will increase to an average of $7.42/sf within three years of Closing, which is when the Sponsors expect to have sold all the parcels comprising the development. The table below shows a breakdown of the anticipated value of each of the parcels comprising Virtua 99th, which the Sponsors expect will generate cumulative proceeds of $18,985,988 when ultimately sold.

Parcel #	Land Use	Square Footage	Approx. Acreage	$/SF	Value
1	Medical Office	165,528	3.80	$8.00	$1,324,224
2	Hotel	130,680	3.00	$10.00	$1,306,800
3	Apartments North	357,192	12.00	$8.00	$4,181,760
4	Apartments South	522,720	8.20	$10.00	$3,571,920
5	Retail	117,612	2.70	$10.00	$1,176,120
6	Restaurant	60,984	1.40	$12.00	$731,808
7	Townhomes	339,768	7.80	$7.00	$2,378,376
8	Clustered SFR	862,996	19.81	$5.00	$4,314,980
Total		**2,557,480**	**58.71**	**$7.42**	**$18,985,988**

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Exit Analysis—Investor Recoveries

The table below shows a hypothetical disposition of the property at a projected gross value of approximately $18,985,988 over a 36 month period. After payment of fees, costs, and debt payoff, Virtua anticipates the equity Investors will achieve a 54.67% IRR or a 2.72x multiple on invested equity capital. These calculations are based on a 36 month investment hold period.

Virtua 99th Disposition Schedule				
		Nov 2016 - Nov 2017	Nov 2017 - Nov 2018	Nov 2018 - Nov 2019
		Year 1	Year 2	Year 3
Virtua 99th - Medical Office		-	-	1,324,224
Virtua 99th - Hotel		1,306,800	-	-
Virtua 99th - Apartments South		-	-	3,571,920
Virtua 99th - Apartments North		4,181,760	-	-
Virtua 99th - Retail				1,176,120
Virtua 99th - Restaurant		-	-	731,808
Virtua 99th - Townhomes		-	-	2,378,376
Virtua 99th - Clustered SFR		-	4,314,980	-
Construction Tiling		-	-	-
Gross Revenue		5,488,560	4,314,980	9,182,448
Less:				
Construction Holdback		1,500,000	-	-
Operating Soft Costs		500,000		
Design Management Fee	3.0%	164,657	129,449	235,747
Construction Management Fee	3.0%	164,657	129,449	235,747
Other Costs of Sale	1.0%	54,886	43,150	78,582
Total Expenses		2,384,199	302,049	550,076
Net Operating Income		3,104,361	4,012,931	8,632,372
		-	-	-
Net Cash Flow		3,104,361	4,012,931	8,632,372
Senior Debt				
BOP		2,250,000	-	
Interest Earned	10.50%	236,250		
Interest Paid		236,250		
Unpaid Preferred (Accrued)		-		
Curtailment		(2,250,000)		
EOP		-	-	
ALL TIER RETURNS		Year 1	Year 2	Year 3
Investor	**54.67%**	854,361	3,663,330	4,316,186
Sponsor		**-**	349,601	4,316,186

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Waterfall & Hypothetical Investment

The table below shows the distribution of proceeds (the "Waterfall") upon disposition of the Property. After repayment of the senior debt, the Class "A" Investors will receive all (100%) distributions from the development, until they have received a 15% IRR (including full return of their invested equity capital), then 50% of remaining distributable proceeds thereafter.

Investor TIER I - 100% to a 15% Pref		**Year 1**	**Year 2**	**Year 3**
Beginning of Period		3,250,000	2,395,639	-
Tier I Return	-	-		-
Paid Tier I Return	-	-		-
Unpaid Tier I Return	-	-		-
Contribution		854,361	3,313,729	-
Ending of Period		2,395,639	-	-
Remaining Cash Flow	**-**		699,202	8,632,372
Investor TIER II - 50/50 Split		**Year 1**	**Year 2**	**Year 3**
Investor	50% -		349,601	4,316,186
Sponsor	50% -		349,601	4,316,186

Hypothetical $100,000 Investment

The table below shows a hypothetical investment of $100,000 into the Company. This hypothetical investment assumes the parcels are sold at a gross value of $18,985,988, with dispositions occurring sequentially and over a thirty-six month period.

Investor Returns			
Investment	**Year 1**	**Year 2**	**Year 3**
($100,000)	**$26,288**	**$112,717**	**$132,805**
IRR	**54.67%**		
Equity Multiple	**2.72x**		

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Market Dynamics—Phoenix Housing

2016 Housing Market Highlights

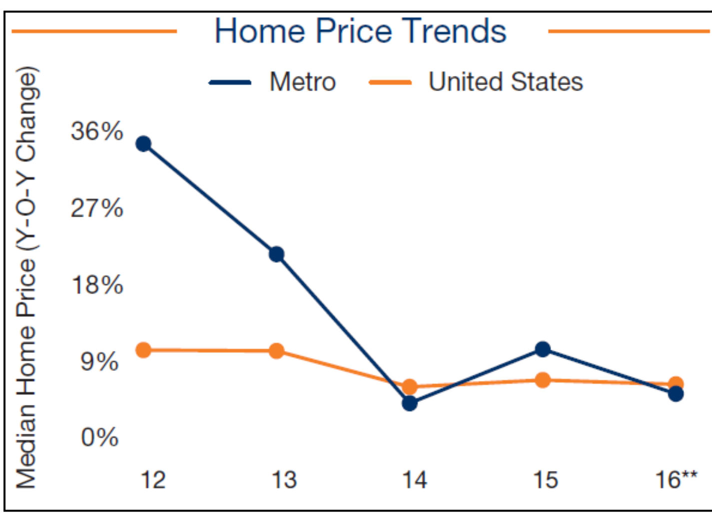
According to the June 2016 RL Brown Phoenix Housing Report[3], June was a “boom-time” month for new home activity in Metro Phoenix.

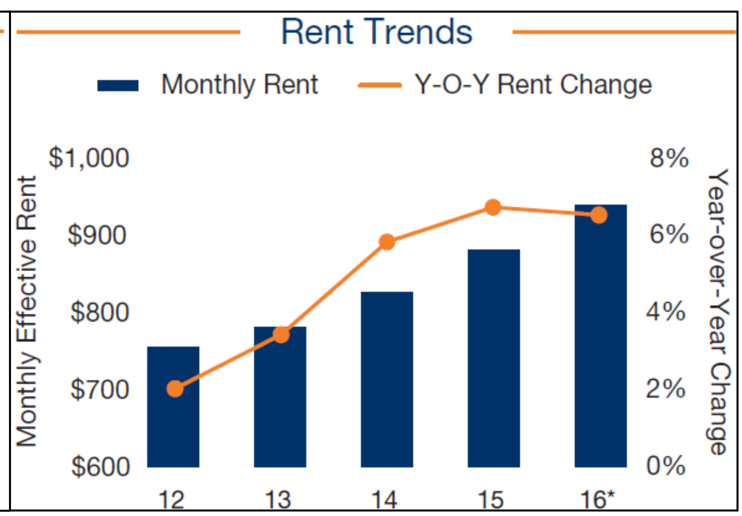
- 35% more new home closings year-to-date compared to last year
- Year to date Phoenix has booked 9,358 new home permits, for a nearly 20% gain over last year
- Resale housing activity logged 9,936 resales for June and 50,845 so far in 2016
- New-home closings in June 2016 were the most recorded year over year
- June 2016 permit activity was the highest it has been for the month of June during the past nine consecutive years

2016 Multifamily Market Highlights

According to Marcus & MIllichap’s Q2 2016 Multifamily Report[5], apartment developers are bullish about Phoenix.

- Metro wide vacancy contracted 60 basis points to 4.8% from 5.4% in the 12 months ending in March 2016.
- The average effective rent in the metro rose 7.9 percent to $902 per month over the year ending in the first quarter of 2016, surpassing the 6.0 percent increase for the year ending the fourth quarter 2015.
- The average price of multi-family investment properties rose 17 percent in the 12 months ending March 2016 to nearly $85,100 per apartment unit; the average cap rate fell 20 basis points to 6.2% from 6.4%.





*Statistics from Marcus & Millichap Q2 2016 Multifamily Report

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West Valley Overview

Major Distinctions[6]

- 15 unique and united communities.
- Abundance of developable land.
- More than 50,000 businesses.
- Approximately 3,000 square miles.
- Population: 1,272,747.
- Average household income: $64,807.
- Educated workforce that has increased 66% over the past ten years.
- Home to Luke Air Force Base and the new F-35 aircraft.
- Greater Maricopa Foreign Trade Zone – FTZ No. 277

West Valley Transportation Access

According to www.westmarc.org[6], the West Valley of the Phoenix Metropolitan Area contains unparalleled transportation infrastructure and connectivity to other markets relative to any other in Arizona positioning it to benefit from projected economic growth. The West Valley is located less than 5 hours from the largest U.S. seaborne ports of entry (Los Angeles and Long Beach), making the region a potentially excellent location for economic growth, and for service of California markets. With further development of Arizona Loop Freeway 303, could provide additional opportunities for development of new commercial corridors in the Northwest Valley of the Phoenix Metropolitan Area. If the long proposed Interstate 11 freeway is built to connect Phoenix to Las Vegas along the existing US-93 corridor, the West Valley could also serve as an additional transportation hub connecting Canada, and the Western United States with Mexico.

The West Valley is serviced by two major rail lines, the Union Pacific Rail Road (UPRR), and the Burlington Northern Santa Fe (BNSF) both of which connect to the Los Angeles/Long Beach ports. The Area is directly connected by Interstate 10 to Phoenix Sky Harbor International Airport –the 11th busiest commercial airport in the country. "In 2015, the airport served 44M passengers, a 4.5% increase over the previous year...It handles more than 1,200 aircraft operations, 100,000 passengers and more than 800 tons of cargo a day"[15]. Commercial airlines serving Sky Harbor fly nonstop to more than 80 domestic destinations, as well as international destinations such as London-Heathrow. Also, the West Valley Area has six general aviation airports.

Source: www.westmarc.org

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West Valley Overview

Major West Valley Employers[6]

Company	# of employees	Industry
Banner Health System	7,690+	General Medical
Luke Air Force Base	5690	Military
American Express	3,700	Retail
Grand Canyon University	3,550	Education
Amazon	3,020	Retail
APS / Palo Verde	2,740	Electricity/Power
Wal-Mart (6 Locations)	2,175	Department Store
Glendale Union High School District #205	2,008	Education
Glendale Community College	2,000	Education
Abrazo Healthcare	1,940	Healthcare
Petsmart	1,860	Pet Supplies
Glendale Union School District #40	1,684	Education
Deer Valley Union School District #97	1,432	Education
AAA	1,325	Auto Services, Admin Office
City of Glendale	1,132	Government
JBS Packerland	1,100	Food Processing
Shamrock Foods	1,040	Retail
Swift Transportation	960	Trucking/Transportation
John C. Lincoln Health	950	Healthcare
United Health Group	940	Healthcare
Lockheed Martin	800	Aerospace, Defense & Security
Honeywell	790	Satellite and Space Systems

Advanced Business Services[6]

The West Valley is home to many large employers in advanced business services including American Express, PetSmart (the corporate headquarters are in the West Valley), and AAA Operations.

Renewable Energy[6]

Companies focusing on renewable energy and clean tech have established operations in the West Valley such as Spain's Gestamp Solar Steel which established its North American headquarters and manufacturing facilities in the Area. U.S.-based renewable energy and clean tech companies, such as Maxwell Technologies, have also chosen to locate manufacturing as well as research and development facilities in the West Valley.

Aerospace and Defense[6]

The West Valley's available land, accessibility to several aviation facilities and connectivity to neighboring markets such as California and Texas have caused companies such as Lockheed Martin and Honeywell to locate operations in the Area.

Source: westmarc.org

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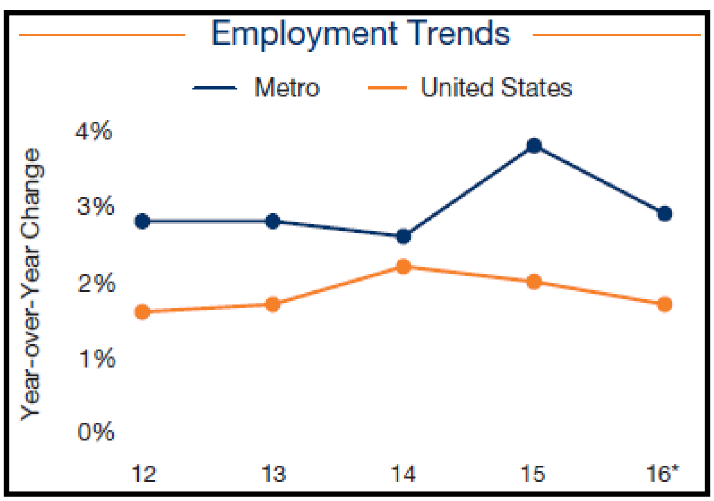
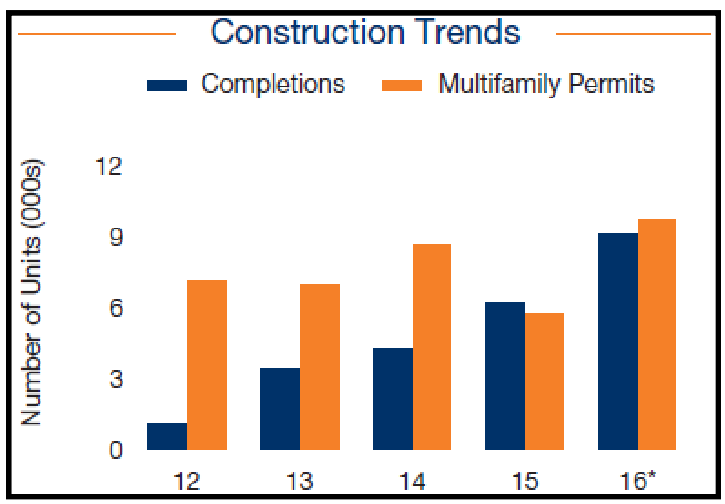
Market Dynamics—Phoenix Economic Growth

According to Marcus & Millichap's Q2 2016 Multifamily Report[5], Phoenix job growth has outperformed the national rate since 2009, growing 12% compared to the national average of 9% over that period. Employers in the information services and the education and health services sectors led job in the Phoenix Metropolitan Statistical Areas. Other sectors of the economy including financial services and the professional and business services sectors also contributed to employment creation in the Phoenix Metropolitan Area, providing further diversification. Growing employment over the past four quarters ending June 2016 have resulted in increased demand for rental units in the West Valley. Rents in the Phoenix Metropolitan area, are expected to increase again in 2016, for a seventh consecutive year, resulting in a cumulative increase of nearly 30 percent since 2009[5].

Economic growth has expanded portfolio parameters for many buyers, who have been willing to pay higher price points per unit for higher-risk properties. At the other end of the spectrum, new towers in urban locations such as downtown Phoenix, Tempe and Scottsdale are attracting institutional capital. Both dynamics are strengthening the metro's average price per door. Price per unit has yet to catch up to most metros in surrounding states, providing buyers with a lower cost of entry with generally above-average yields in the low-6 percent range. The increase in out-of-state investors is intensifying competition for local high-net-worth buyers. Many owners who are considering upgrading into larger assets are listing while buyer price expectations remain aligned with asking prices, according to Marcus & Millichap's Q2 2016 Multifamily Housing Report.[5]

- 63,500 positions were added to the Phoenix Metropolitan Area workforce in the 12 months ending March 2016, which is 3.4% growth from prior period levels; approximately 54,000 jobs were added in the preceding twelve months. As of the end of March 2016, absolute employment in the Phoenix Metropolitan Area exceeded the prior peak of 2007 by 32,000 positions.
- "During the four quarters ending March 2016, increases were registered in the professional and business services, the education and health services and the financial services sectors, which added 13,500, 12,700 and 10,200 jobs, respectively. Trade, transportation and utilities employment also increased by 11,000."[5]
- "The Phoenix Metropolitan Area unemployment rate was 4.7% May 2016, a 70 basis point improvement from prior year levels, and a continuation of the overall trend since 2010."[5]
- The Phoenix unemployment rate of 4.7% is lower than the national average of 4.9% for May 2016[14]





*Statistics from Marcus & Millichap Q2 2016 Multifamily Report

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Market Dynamics—Phoenix MSA

Phoenix Residential Real Estate Trends:

- Resale activity in Phoenix for the year through June 2016 totals 50,845, a 6.37% increased when compared to the same period last year.[3]
- Builders took out more than 1,900 permits in 2015, an increase of 19.65% from the previous year in the Phoenix Metro Area.[3]
- New home closings were up over 25% year-over-year June 2016, gaining almost 300 closings over last June.[3]

Arizona Vs. California Business[8]

- California has added major barriers to business, such as increased taxes and burdensome regulations
- Arizona has prepped the market for superior growth, both in entrepreneurial innovation and top-notch talent
- Arizona's Mountain West region ranks #1 for new company facilities and expansions (April 2013 Site Selection Magazine ranking for Arizona)
- Phoenix ranks #1 in the nation for growth in finance industry jobs, adding 8,300 from December 2012-2013 (2014 Forbes ranking for Phoenix)
- Arizona 's workforce ranks #2 in the country for training, quality, and availability of workers – while maintaining one of the lowest costs for labor in the nation (CNBC Ranking for Arizona)

Phoenix Metropolitan Area Cost of Living Relative to Major California Cities[8]

Greater Phoenix Economic Council[8]	Cost of Living				
	San Jose	San Francisco	Los Angeles	San Diego	Metro Phoenix
Grocery Items	110.7	119.5	103.1	101.9	93.6
Housing	257.4	295.6	198.2	200.3	96.9
Utilities	123.3	95.1	108.1	97.7	97.6
Transportation	112.4	115.2	111.3	113.6	95.8
Health Care	114.8	120.1	109.78	109.9	96
Misc. Goods and Services	106.9	116.8	105.2	104.9	95.7
Total	**149.3**	**161.8**	**130.4**	**130**	**96**
% More expensive than Phoenix	53.3%	65.6%	34.4%	34.0%	

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VirtuaPartners

ABOUT THE VIRTUA PARTNERS, LLC

Led by Lloyd W. Kendall, Jr. and Quynh Palomino, Virtua Partners LLC (“Virtua”) offers and manages commercial real estate investments across the country. Virtua seeks to maximize cash flow and utilize relationships with national credit tenants to increase investor wealth through investment performance and appreciation.

Virtua's focus is tax advantaged investments for individual real estate investors. Emphasizing high quality tenants and steady returns, Virtua looks to purchase investment grade office, industrial and hospitality properties throughout the nation. In order to attempt to maximize returns, Virtua focuses on strict cost controls in all aspects of a transaction including: acquisition (load), management, operating costs, and disposition. Through the provision of high levels of customer service to tenants, Virtua’s efforts are targeted to enhance the long-term value of properties.

Virtua professionals have advised real estate funds with over $5,000,000,000 in assets under management, taking these opportunities from Wall Street to the investors of Main Street. Virtua’s investments have specific objectives, and are designed to provide balance to an individual investor portfolio. Through synergistic relationships and affiliated funds, Virtua’s objective is to provide flexible options to clients in an investment real estate market often characterized by turbulence.

LEADERSHIP

Lloyd W. Kendall, Jr. – Principal

Lloyd is the Chairman and co-founder of Bay Commercial Bank. He is a lawyer and has practiced in the Bay Area since 1978, specializing in real estate and tax law. His specialty is tax free exchanges and related matters. He received much of his practical tax law education through experience gained during his employment with by the Internal Revenue Service, where he started his career. Mr. Kendall formed and owned Lawyers Asset Management, Inc. which acted as “Qualified Intermediary” for tax free exchanges under §1031(a) of the Internal Revenue Code, until 2006, when his company merged with Commercial Capital Bank. He also has served as tax counsel for several title companies, and has lectured extensively throughout the United States providing continuing education for lawyers and realtors. Kendall has invested in real estate since the 1970s, and is the author of 1031 Exchange Concepts, a text on tax deferred investment strategies.

Quynh “Quinn” Palomino – Principal

Quinn Palomino is a Principal of Virtua, Clear Vista Management, LLC, and Versant Commercial Brokerage, Inc., and serves as manager for the family of funds that Virtua and its affiliates currently sponsor. Her Asset Management portfolio consists of over 1.5MM square feet of commercial real estate nationwide. Prior to her current roles within the fully-integrated real estate firms, Quinn was the Director of Business Development for a workout consultancy. Previously, Quinn was a partner at a San Diego based construction and development firm, where she worked on development projects with government agencies, including the California Department of Parks and Recreation and the City of Pittsburg, California Redevelopment Agency.

Quyp Development Services, LLC Overview

KEY PERSONNEL:

Quynh "Quinn" Palomino—Principal

Quinn Palomino is a Principal of Virtua, Clear Vista Management, LLC, and Versant Commercial Brokerage, Inc., and serves as manager for the family of funds sponsored by Virtua and its affiliates, as well as Quyp Development and Quyp Hospitality. Prior her current roles with Virtua and its affiliates, Palomino was the Director of Business Development of a commercial real estate workout consultancy where she worked on more than $2 billion of properties. Palomino also previously was a partner at a San Diego based construction and development company, where she worked on development projects with government agencies, including the California Department of Parks and Recreation and the City of Pittsburg, California Redevelopment Agency.

Ed Reichenberg—Land Planner

Mr. Reichenberg has worked in real estate development and acquisitions and has more than 40 years of experience, participating in a wide range of projects including residential, commercial, industrial, and civic real estate. During his career, Mr. Reichenberg has undertaken preliminary research of potential real estate projects, while both managing conceptual construction designs and preliminary land use plans, and also entitlement approvals. Ed has a bachelor's degree in Architecture from the University of Arizona.

Risk Factors

AN INVESTMENT IN THE COMPANY INVOLVES A HIGH DEGREE OF RISK AND, THEREFORE, SHOULD BE UNDERTAKEN ONLY BY QUALIFIED INVESTORS WHOSE FINANCIAL RESOURCES ARE SUFFICIENT TO ENABLE THEM TO ASSUME THESE RISKS AND TO BEAR THE LOSS OF ALL OR PART OF THEIR INVESTMENT. THE FOLLOWING RISK FACTORS (TOGETHER WITH OTHER FACTORS SET FORTH ELSEWHERE IN THIS MEMORANDUM) SHOULD BE CONSIDERED CAREFULLY, BUT ARE NOT MEANT TO BE AN EXHAUSTIVE LISTING OF ALL POTENTIAL RISKS ASSOCIATED WITH AN INVESTMENT IN THE COMPANY. INVESTORS SHOULD CONSULT WITH THEIR OWN FINANCIAL, LEGAL AND TAX ADVISORS PRIOR TO INVESTING IN INTERESTS.

INVESTMENT RISKS

Speculative Nature of Investment: Investment in these Interests is speculative and, by investing, each Investor assumes the risk of losing the entire investment. The Company will be dependent on the Manager and its operation of the Company.

Risks of Real Estate Ownership: There is no assurance that the Property will be profitable or that cash from operations will become available to pay the Senior Loan, to make distributions to the Members, or otherwise required to meet all obligations and to return capital and profits to the Members of the Company. Because real estate, like many other types of long-term investments, historically has experienced significant fluctuations and cycles in value, specific market conditions may result in occasional or permanent reductions in the value of property interests. The marketability and value of the Property will depend upon many factors beyond the control of the managers.

Potential Adverse Economic Conditions: General economic conditions in the U.S. and abroad, as well as conditions of domestic and international financial markets, may adversely affect the Property.

Tax, UBTI and ERISA Risks: Investment in the Company involves certain tax risks of general application to all investors in the Company, and certain other risks specifically applicable to Keogh accounts, Individual Retirement Accounts and other tax-exempt investors. An investment in the Company may result in "unrelated business taxable income" for employee benefit plans and other tax-exempt investors.

No Registration/Limited Governmental Review: This Offering has not been registered with, or reviewed by, the U.S. Securities and Exchange Commission (the "SEC") or any state agency or regulatory body and, therefore, cannot be sold unless they are subsequently registered under the Securities Act of 1933, as amended (the "Securities Act") and other applicable securities laws, or an exemption from registration is available.

Prohibition on Transfer of Interests: The transferability of Interests is restricted by the provisions of the Securities Act, and Rule 144 promulgated thereunder, and is prohibited by the provisions of the Operating Agreement without obtaining the prior written consent of the Manager.

Rescission Risk: This Offering is not registered with the SEC and is being made pursuant to certain exemptions from state and federal registration requirements.

Diversification of Risk: Funds from the Offering will be used by the Company to make only one investment in real estate and the Company's investment will not be widely diversified geographically or by asset class.

Development Risk: Development by its very nature carries a variety of risks, including but not limited to, development risk, entitlement risk, default risk, and government risk. Virtua, Versant, Quyp, and its affiliates strongly encourage all investors to consult with their investment, tax, and relevant professional advisors.

Illiquid and Less Marketable Assets: The return of capital and the realization of gains, if any, from the Property will generally occur only upon the partial or complete disposition or refinancing of the Property. While the Property may be sold or refinanced at any time, it is not anticipated that this will occur prior to two (2) years from the closing. In addition, less marketable or illiquid assets may be more difficult to value due to the unavailability of a reliable market.

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Risk Factors

Risks of Leveraging the Company and the Property: The Company will use the senior financing in connection with the acquisition of the Property, thereby increasing the exposure of the Property to adverse economic factors such as significantly rising interest rates, economic downturns or deteriorations in the condition of the Property or its market.

Additional Capital Requirements: The Company may experience an unforeseen need for additional capital, including, without limitation, if there are unanticipated capital needs of the Property. The Manager is authorized to cause the Company to raise additional capital for the Company's operations through requesting loans from Investors or other potential future investors.

Investment Delays: There may be a delay between the time the Investor submits the Subscription Documents to the Manager and the time the Total Offering Amount is reached.

Taxable Income without Corresponding Distributions: Each Member will be required to report on its Federal income tax return its distributive share of the Company's income or gain, whether or not it receives any actual distributions of money or property from the Company during the taxable year.

Reliance on Manager: The Company will be managed by the Manager. Investors will be relying extensively on the experience, relationships and expertise of the Manager and its principals. Investors will have no right or power to take part in the management of the Company.

Reliance on Virtua: The Property and the companies that own and control the Property will be managed by a subsidiary of Virtua Partners LLC ("Virtua"). Investors will be relying extensively on the experience, relationships and expertise of Virtua and its principals in managing the Property, the Senior Loan, the investment by Investors and other aspects of the project.

The above list is not meant to be an exhaustive list of risks. Further risk details are provided in the Private Placement Memorandum. Each investor should research their individual risks and consult with appropriate counsel to assess their individual situation.

References

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6. Source: The Western Maricopa Coalition

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    Link: http://data.bls.gov/timeseries/SMU04380604000000001?data_tool=XGtable

11. Source: US Bureau of Labor Statistics, Table "Supersector: Professional and Business Services"

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12. Source: US Bureau of Labor Statistics, Table "Supersector: Financial Services"

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15. Source: Wikipedia

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