

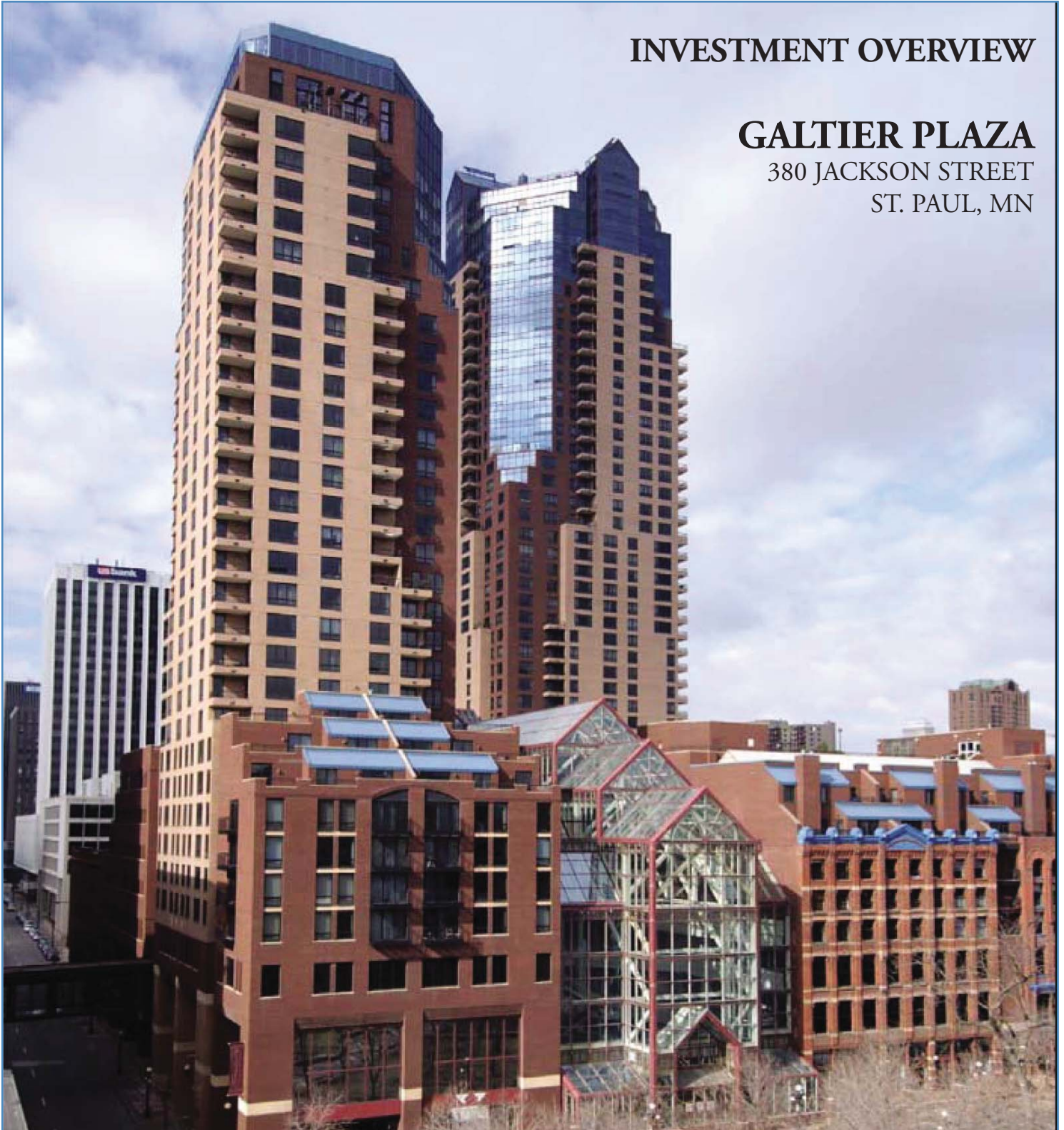


NATIONAL EXCHANGE ADVISORS, LLC  
*an investment real estate company*

## INVESTMENT OVERVIEW

### GALTIER PLAZA

380 JACKSON STREET  
ST. PAUL, MN



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NATIONAL EXCHANGE ADVISORS, LLC  
*an investment real estate company*

January 10, 2006

**Re: The Atrium at Galtier Plaza, St. Paul, MN / Investment Overview**

Dear Investor:

National Exchange Advisors, LLC (“NEA”) is an investment real estate company that offers investment opportunities in various types of commercial, income-producing properties.

The advantages of investing with a firm such as NEA include quarterly cash distributions (as funds are available), the avoidance of day-to-day management responsibilities, the ability to shelter income through depreciation, and the opportunity to own high quality, commercial investment properties previously accessible only to large institutional investors.

NEA invites you to review the enclosed material, which summarizes one of its current offerings (Galtier Plaza in St. Paul, Minnesota). Galtier Plaza is ideally located in the central business district of St. Paul and is comprised of a mixed-use office and retail development consisting of 217,158 square feet of leasable area (408,456 gross sf) and an 829 stall, professionally managed, 5-level subterranean parking facility (of which 429 parking spaces are included as part of the sale).

**INVESTMENT HIGHLIGHTS**

- Low cost/PSF (well below replacement cost) and 78% leased to 33 tenants with a well-balanced expiration schedule (only 9.75% of the leasable area expires in the first 2 years).
- Exceptional tenant roster including the IRS, DOD Inspector General, USDA, the State of Minnesota, law firms, advertising agencies, publishing companies, restaurants and a host of great retailers.

NEA welcomes your inquiries concerning its comprehensive platform for passive investing. Please contact NEA directly for additional information about Galtier Plaza and/or other current and upcoming projects from NEA (including multi-tenant retail centers, office buildings, and industrial properties). For more information, you may also visit our website at [www.neaexchange.com](http://www.neaexchange.com).

Very Respectfully Yours,

**Enrique Wong**  
*Managing Member*  
*Head of Acquisitions*

**Steve Resnick**  
*Managing Member*  
*Chief Investment Officer*

**John R. Dempsey, CFA**  
*Member*  
*Head of Broker Dealer Relations*

This material is neither an offer to sell, nor the solicitation of an offer to buy, which can only be made by Private Placement Memorandum. This investment is subject to the risks associated with the operation and leasing of office and retail properties (commercial properties). There is no guarantee investors will receive distributions or the return of their capital.

## EXECUTIVE SUMMARY

### THE PROJECT – GALTIER PLAZA - 380 Jackson, St. Paul, MN 55101

**LOCATION:** • Galtier Plaza comprises most of a city block in the downtown Central Business District of St. Paul, Minnesota. The property's boundaries are Sixth Street to the north, Sibley Street to the east, Fifth Street to the south, and Jackson Street to the west.

**COMPONENTS:** • A mixed-use office and retail development consisting of 217,158 square feet of leasable area (408,456 gross SF). • An 829 stall, five-level below grade parking facility, of which 429 parking spaces are included as part of the sale. The Buyer will have contractual rights to 50% of the cash flow from 130 parking spaces owned by an adjacent property owner, pursuant to a separate parking agreement.

**INVESTMENT HIGHLIGHTS:** • 78% leased to 33 tenants with a well-balanced expiration schedule. • Only 9.75% of leasable area expires in the first two years of the 10 Year Cash Flow Model. • Prominent location and superior access with on-site, below grade parking. • Priced well below replacement cost. • Over \$8.9 million in building improvements over the past five years. • The first floor is configured such that it can be increased by 8,660 square feet of leasable area. • On-site, state-of-the-art fitness facilities provided by the YMCA. • Exceptional tenant roster featuring The Internal Revenue Service, US Food and Drug Administration, Department of Defense Inspector General, the US Federal Highway Administration, Springsted, MBI Publishing, Subway and the City's newest restaurant, LoTo. • An average low net rent of \$7.09 per square foot providing for significant NOI growth as rent levels increase with continuing market improvement. The average asking rate for Class B office properties in the St. Paul Central Business District is \$8.64 per square foot. • Stable, predictable income generated through the internal power plant, providing energy to the entire Project; and the below grade, professionally managed parking facility containing 429 owned parking spaces. • Flanked by Residential High-rise Projects: The Jackson Tower, The Sibley Tower, The Airye Condominiums, (located above the 25th floor of the Jackson Tower), The On The Park Condominiums (located at the Northeast corner of the block) and The YMCA facility, located on the 2nd through 7th floors of the overall mixed-use Project (all of these flanked components are not a part of the sale, but they are part of the Greater Galtier Plaza Mixed Use project).

**COMMUNITY HIGHLIGHTS:** • The Property is located in the historic Lowertown area of downtown St. Paul, the State's Capitol. The Lowertown area has undergone significant residential growth in the past four years. • During 2004, St. Paul was the leading city in Minnesota for multi-family residential building permits and was second in the State for 2003, reflecting the current trend in Minnesota for people of all age groups desiring to live in a lively, urban environment. A significant level of reinvestment has specifically been targeted to the Lowertown area where Galtier Plaza resides. Examples include Mears Park Place (residential); Market Lofts (residential); Crane-Ordway Building (residential); and River Park Lofts (residential). • Nearly \$3 billion in planned or new investment since 1998 in downtown St. Paul. • The City of St. Paul has 12 higher education institutions and a total of 23 post-secondary institutions in the east metro, ranking St. Paul 3rd in the nation in the number of four-year, post secondary institutions.

**SKYWAY CONNECTIONS:** • Galtier Plaza is located on the downtown skyway system. Three skyway bridges are located on the 2nd floor of the building.

#### YEAR BUILT

1985 (office building)  
1984 (underground parking ramp)

#### NUMBER OF STORIES

Seven (office building)  
Five (underground parking)

#### GROSS BUILDING AREA

Building-Floors (1-7), 408,456 SF  
Parking (429 spaces) 170,628 SF  
Total Gross Building Area 579,084 SF

**RENTABLE FLOOR AREA** - 217,158 Square Feet: Floor 1 (32,285 SF), Floor 2 (57,650 SF), Floor 3 (48,809 SF), Floor 4 (18,433 SF), Floor 5 (22,799 SF), Floor 6 (23,414 SF), Floor 7 (13,768 SF).

**LAND AREA:** The entire Galtier block is roughly 105,000 square feet of land area. The Buyer will own a varying amount of building area on each floor of the complex. The average base land area to be owned by the Buyer is estimated at 55,000 square feet.

# NEA and AFFILIATED ENTITIES' RETURNS

Address	Type	Purchase Date	Sale Date	Holding Period (yrs.)	Purchase Price	Sale Price	Annual Return *
<b>CLOSED TRANSACTIONS</b>							
7253-7255 Jordan, Canoga Park, CA	Apartment	14-Mar-97	20-Feb-04	6.94	423,000	1,300,000	17.55%
6632 Darby, Reseda, CA	Apartment	19-Jun-97	24-Sep-03	6.27	520,000	1,405,000	17.18%
6110-6114 Vineland, N. Hollywood, CA	Apartment	26-Nov-97	9-Aug-02	4.70	530,000	921,000	12.46%
13227 Vanowen, Van Nuys, CA	Apartment	27-Dec-97	26-Jan-99	1.08	328,000	400,000	20.13%
14147-14149 Vanowen, Van Nuys, CA	Apartment	25-Jun-98	9-Aug-02	4.13	550,000	1,100,000	18.29%
7300-7310 Milwood, Canoga Park, CA	Apartment	2-Jul-98	22-Oct-99	1.31	715,000	780,000	6.88%
8070 Langdon, Van Nuys, CA	Apartment	1-Sep-98	24-Nov-99	1.23	1,025,000	1,315,000	22.45%
8231 Langdon, Van Nuys, CA	Apartment	16-Jul-99	31-Jul-00	1.04	550,000	690,000	24.27%
7450 Vineland, Sun Valley, CA	Apartment	19-May-00	22-Oct-04	4.43	545,000	1,250,000	20.61%
510 Winchester, Glendale, CA	Apartment	22-May-00	4-Oct-02	2.37	775,000	1,350,000	26.39%
11407-11423 Sherman Way, N. Hollywood, CA	Apartment	8-Jun-01	8-Nov-02	1.42	1,100,000	1,750,000	38.70%
7325 Vineland, Sun Valley, CA	Apartment	3-Jan-02	26-Mar-03	1.22	512,000	745,000	35.83%
9949-9969 Sepulveda, Mission Hills, CA	Apartment	19-Mar-02	28-Feb-03	0.95	2,520,000	3,195,000	28.45%
401 North 28th, Las Vegas, NV	Apartment	1-May-03	1-May-05	2.00	5,915,000	7,903,000	15.57%
Subtotal / Weighted Average	14			2.79	16,008,000	24,104,000	21.07%
<b>CURRENT HOLDINGS</b>							
2234-2252 S. Euclid, Ontario, CA	Retail	1-Nov-02	In Escrow	3.18	8,400,000	19,993,500	31.31%
13236 Paxton, Pacoima, CA	Retail	1-Aug-03	In Escrow	2.44	1,035,000	2,125,000	34.36%
2225 Civic Center Drive, Las Vegas, NV	Office	1-Mar-04	Current	1.85	6,100,000	10,000,000	30.59%
4000 South Poplar, Casper, WY	Retail	1-Jul-04	Current	1.52	3,100,000	4,950,000	36.11%
1554-1594 W. Baseline, San Bernardino, CA	Retail	1-Dec-04	Current	1.10	5,160,000	11,675,000	110.27%
2290 McDaniel, Las Vegas, NV	Office	1-Feb-05	Current	0.93	1,525,000	2,365,750	60.44%
2050 South Roslyn, Mesa, AZ	Retail	13-Jun-05	Current	0.57	8,675,000	11,500,000	64.39%
Subtotal / Weighted Average	7			1.65	33,995,000	62,609,250	53.58%
Grand Total	21			2.41	50,003,000	86,713,250	44.54%

\* The annual rate of return is based upon acquisition and sales prices only and does not include distributions from ongoing operations.

Estimates of value for Current Holdings are based upon information derived from competitive sales of similar properties within the subject areas and other critical data obtained from local and national real estate brokerage firms. Valuation factors include Cost/PSE, cap rates, gross multipliers and other summary statistics.



National Exchange Advisors, LLC is the marketing name for a group of separate legal entities that are either subsidiaries of the same entity, affiliates of each other or share some common ownership interests. Past performance and the returns reflected above are no guarantee of future performance and there is no guarantee investors will receive distributions or the return of their capital upon investing with NEA and/or its affiliates.