



**PRIVATE PLACEMENT MEMORANDUM**  
**ARROWPOINT BURLINGTON, LLC**  
*A Massachusetts Limited Liability Company*

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Presented By:  
Arrowpoint Properties, LLC

June 1<sup>st</sup>, 2016

**VIDEO INTRODUCTION TO  
RIVER'S EDGE APARTMENTS**

Please follow the link below

[https://www.youtube.com/watch?v=hGz5a1mz0NM&ab\\_channel=DavidLamattina](https://www.youtube.com/watch?v=hGz5a1mz0NM&ab_channel=DavidLamattina)

# INVESTMENT SUMMARY

## PRIVATE PLACEMENT MEMORANDUM

**Arrowpoint Burlington, LLC**

**A Massachusetts Limited Liability Company**

**Seeking \$3,600,000 Investment Capital**

**A Private Offering of 36 LLC Units**

**Purchase Price \$100,000 per LLC Unit**

**Minimum Purchase: \$100,000 (1 LLC Unit)**

**Cumulative Preferred: 8.00% Per Annum**

### Brief Description of the Offering

This Memorandum (the “Offering”) is being furnished to potential accredited investors on a confidential basis so that they may consider an investment in Arrowpoint Burlington, LLC, a Massachusetts limited liability company (the “Company”) formed to acquire a 164 unit apartment complex, known as River’s Edge Apartments, located at 1 Water St Haverhill, Massachusetts (the “Property”). The Company is seeking to raise \$3,600,000 investment equity and will be offered to accredited investors as LLC units or membership interests. Each unit in the LLC is valued at \$100,000 for a total offering of 36 units. Those Investors who are interested in this Offering must purchase at least one LLC unit. However, the Manager may permit the purchase of fractional units in its sole discretion. **Note, Arrowpoint Burlington LLC, which currently consists of 4 members, including the Sponsor, will be acquiring 5 of the 36 allotted units for \$500,000. The \$500,000 in capital comes from a previous sale of a multifamily property which will be rolled into this current offering.** The content of this Offering will highlight in detail the dynamics of the investment including but not limited to, Company structure, management, risk factors and financial projections. Please take the time to read through this Offering. The Manager will be available to answer any further questions or concerns regarding this Offering.

### Timing of the Offering

The Offering commenced on June 1<sup>st</sup>, 2016. If the Minimum Dollar Amount has not been raised by the later of June 27<sup>th</sup>, 2016, or at such time the Property is no longer under contract, the Manager will not Break Impounds, and all funds, including any interest earned thereon, will be returned to the Investors without deduction.

### Location of Funds

During the Offering Period, funds collected for the sale of Membership Units will be held in the company’s escrow account until the transaction has been finalized. If either party cancels the contract prior to all contingencies being satisfied, all funds will be returned in full to investors without penalty.

This Private Placement Offering has been prepared solely for the benefit of accredited investors in connection with the private placement of Limited Liability Company (LLC) Units in the acquisition of 1 Water St in Haverhill, Massachusetts pursuant to Rule 506 (c) of Regulation D promulgated under the Securities Act of 1933, as amended, and constitutes an offer only to the offeree to whom this offering was mailed. Distribution of this Offering to any person other than such offeree and those persons retained to advise them with respect

thereto is unauthorized, and any reproduction of this memorandum, in whole or in part, or the divulgence of any of its contents, without prior written consent of the Company, is prohibited. Each offeree, by accepting delivery of this memorandum, agrees to return it and all other documents to the Company at the address specified below upon such Company's request, if the offeree does not intend to subscribe for the purchase of the LLC Units, the offeree's subscription is not accepted, or the Offering is terminated.

The securities have not been registered under the Securities Act of 1933, as amended (the "Act"), or approved by the Securities and Exchange Commission or the Regulatory Authority of any State nor has such Commission or Regulatory Authority passed on the accuracy or adequacy of this Offering. Accordingly, the LLC Units are offered only in transactions exempt from registration requirements under the Act. This Offering does not constitute an offer in any jurisdiction in which an offer is not authorized.

The LLC Units may not be sold, offered for sale, transferred, assigned, or pledged unless there is an effective registration statement under the Act covering such securities, the transfer is made in compliance with Rule 144 promulgated under the Act, or the Company receives an opinion of counsel reasonably satisfactory to the Company that Registration under the Act is not required.

This Investment involves a high degree of risk (see "Risk Factors"). There is no public market for LLC Units and there can be no assurance that there will be a market for the resale of these LLC Units in the foreseeable future.

The Company will make available to any prospective qualified investor, prior to the closing date for the sale of the LLC Units, the opportunity to ask questions of and to receive answers from the Company concerning terms and conditions of the Offering, the Company or any other relevant matters, and to obtain any additional information to the extent the Company possesses such information or can acquire it without unreasonable effort or expense.

The sale of the LLC Units offered hereby will be subject to the provisions of an Operating Agreement (the "Agreement") containing certain representations, warranties, terms and conditions. Any Investment in the LLC Units should be made only after complete and thorough consideration of the provisions of the Agreement. In the event of any conflict between statements in the Offering and the terms of the Agreement, the Agreement will control.

Requests and inquiries regarding this Offering should be directed to:

David Lamattina  
Arrowpoint Burlington, LLC  
c/o Arrowpoint Properties, LLC  
49 Blanchard Street, Suite 414  
Lawrence, MA 01843  
978-207-3077

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# 1. Investor Suitability Standards

## ACCREDITED INVESTORS ONLY

**THESE ARE SPECULATIVE SECURITIES WHICH INVOLVE A HIGH DEGREE OF RISK. ONLY THOSE INVESTORS WHO CAN BEAR THE LOSS OF THEIR ENTIRE INVESTMENT SHOULD INVEST IN THESE UNITS.**

**THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”), OR UNDER THE SECURITIES LAWS OF ANY OTHER STATE OR JURISDICTION IN RELIANCE UPON THE EXEMPTIONS FROM REGISTRATION PROVIDED BY THE ACT AND REGULATION D RULE 506(c) PROMULGATED THEREUNDER, AND THE COMPARABLE EXEMPTIONS FROM REGISTRATION PROVIDED BY OTHER APPLICABLE SECURITIES LAWS. THEREFORE, ONLY ACCREDITED INVESTORS AS DEFINED BELOW MAY TAKE PART IN THIS OFFER.**

An investment in this Private Placement Memorandum involves significant risk and is suitable only for persons who have adequate financial means, desire a relatively long-term investment and who will not need immediate liquidity from their investment. Persons who meet this standard and seek to diversify their personal portfolios with a finite-life, real estate-based investment, which among its benefits hedges against inflation and the volatility of the stock market, seek to receive current income, seek to preserve capital, wish to obtain the benefits of potential long-term capital appreciation, and are able to hold their investment for a time period consistent with our liquidity plans, are most likely to benefit from an investment in our company. On the other hand, we caution persons who require immediate liquidity or guaranteed income, or who seek a short-term investment, not to consider an investment in this Offering as meeting these needs. Notwithstanding these investor suitability standards, potential investors should note that investing in this Offering involves a high degree of risk and should consider all the information contained in this prospectus, including the “Risk Factors” section contained herein, in determining whether an investment in this Offering is appropriate.

In order to purchase Units in this Offering, you must:

- meet the applicable financial suitability standards as described below; and
- purchase at least the minimum number of units as described below.

Arrowpoint Burlington, LLC presently anticipates the Minimum Purchase required of each investor pursuant to this Offering to be ONE (1) Unit at a cost of \$100,000 per Unit. Notwithstanding anything contained herein to the contrary, the company hereby reserves the right to accept subscriptions hereunder for less than the Minimum Purchase either in price per unit or the total number of Units, if such subscriptions are deemed by Arrowpoint Burlington, LLC, in its sole discretion, to be in the best interests of the company.

## 1.1 Established Standards

Investors who wish to purchase these Units as an “Accredited” investor must meet the following suitability standards as defined by SEC Rules 501 and 506; 17 CFR 230.501(a);

1. A natural person whose individual net worth or joint net worth with that person’s spouse, at the time of the purchase of the Units, exceeds \$1,000,000 (EXCLUSIVE OF PRIMARY RESIDENCE), or
2. A natural person who had individual income in excess of \$200,000 in each of the two most recent years or joint income with that person’s spouse in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year.
3. A Property, such as an Individual Retirement Account (IRA) or Self Employed Person (SEP) Retirement Account must have all of the beneficial owners meet one of the above standards. The beneficial owners may be either natural persons or other entities as long as each meet the definition of accredited. For those investors that want to be considered “sophisticated”, not only must they be sufficiently sophisticated to fully understand the risks involved with the investment, the investor also must be able to bear those risks. Of course, the ability to bear risks, standing alone, does not satisfy the suitability rule. In Re. Dambro, 51 S.E.C.513, 517 (1993)

## 1.2 Methods to Assure Adherence to Suitability Standards

Investors who are interested in purchasing Units will be required to complete an *Offeree Questionnaire* and submit to the Manager, along with their *Subscription Agreement*.

The *Offeree Questionnaire* will require specific questions be answered and specific documentation be presented to the Manager for review and approval, so that there is assurance that the suitability standards are being applied and being met.

## 1.3 Cautionary Note Regarding Forward-Looking Statements

This prospectus includes forward-looking statements that reflect our expectations and projections about our future results, performance, prospects and opportunities. We have attempted to identify these forward-looking statements by using words such as “may,” “will,” “expects,” “anticipates,” “believes,” “intends,” “should,” “estimates,” “could” or similar expressions. These forward-looking statements are based on information currently available to us and are subject to a number of known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. These factors include, among other things, those discussed under the heading “Risk Factors.” We do not undertake publicly to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required to satisfy our obligations under federal securities law.

## 2. Company Overview

### 2.1 Company Philosophy

Arrowpoint Properties, LLC's ("Arrowpoint") primary business model is to seek out under performing and undervalued apartment communities that are well located and poised for significant growth. We prefer Class B/C assets that are in need of physical improvements and sharper management oversight. Our main strategy is to increase the value of the property while maximizing returns to our investors.

The major components in which we look for when purchasing these properties are:

1. Must have a value-add component
2. Purchase stable properties with the immediate potential for increasing rents to market rate.
3. Purchase properties that our management team can instill its practices, increase the revenue stream and decrease the operating expenses.
4. Must be a highly desirable asset with significant appreciation potential over a short-term period, usually 2-3 years.

### 2.2 Executive Summary

Arrowpoint Properties, LLC is pleased to present its tenth investment opportunity, to be called Arrowpoint Burlington, LLC (the "Company"), a single purpose entity that will acquire a 164 unit apartment complex known as River's Edge Apartments, located at 1 Water St (the "Property") in Haverhill, Massachusetts.

IF YOU HAVE A 1031 EXCHANGE, A SELF-DIRECTED IRA OR ARE JUST SEEKING PASSIVE INCOME SECURED BY REAL ESTATE, THEN THIS INVESTMENT OPPORTUNITY MAY VERY WELL FIT YOUR INVESTMENT PARAMATERS.

- The Property is being purchased at a 7.0% cap rate
- Attractive, non-recourse, 10 year loan term with several years Interest Only
- The average cash on cash return to investors is projected to be 19.30% before sale takes place
- Property is projected to be sold for 10-15% higher than purchased for in 5-7 years

### Off-Market Transaction

The Property was not offered on the open market as we were able to secure the deal with current ownership prior to them listing it. It is extremely rare to have the opportunity to purchase a property of this size off-market, as larger companies typically wish to entertain several bids before deciding on a buyer. We feel that this has allowed us to acquire the property significantly less than it would have garnered had it been listed publicly. All of Arrowpoint's prior acquisitions have also been off-market transactions, and is their preferred manner in which to acquire properties.

## Value-Add Opportunity

Based on the contract price of \$15,600,000, Arrowpoint is acquiring the Property significantly below replacement cost. We see tremendous upside on the revenue growth and our ability to significantly decrease expenses during the first 1-3 years of ownership. After 3 years of operations, we are projecting a value of close to \$19,600,000. At that point we will initiate a supplemental loan with the lender, allowing us to return 40% of the initial capital back to the equity investors.

## Strong Location and Management

The Property is strategically located near the center of Haverhill, Massachusetts, close to public transportation, shopping, banks, etc. The Walkability score is 89, and among the strongest score of most other properties in the area. The Company shall also have the unique advantage of purchasing a property in immediate proximity to its existing portfolio, which should allow for strong, effective management of the asset.

- Sponsor has strong track record of acquiring these types of properties and creating short-term value for equity partners
- Over 12 years' experience owning and operating multifamily properties in the immediate area

## Physical Description

Physically, the Property consists of one hundred sixty-four apartments, comprised of 33-two bedrooms, 114-one bedrooms and 17 studio apartments in an attractive, 9-story high-rise building (see "Photos"), built in 1970. The exterior is of a concrete block and is situated on the Merrimack River. The building sits on over 48,000 square feet of land with 130 parking spaces.



- There are at least 130 off-street parking spaces that come with the property.
- Heating is electric baseboard and currently paid by the landlord

- The hot water is supplied by 2 high efficiency (96%) gas boilers, with two 120 gallon storage tanks. The hot water is also supplied and paid for by the landlord.
- The interior units are of average condition with plans to improve as tenants vacate (see “Short Term Operating Plan”).
- The current owner has already made several capital improvements such as upgrading the parking lot, window replacement, refurbished elevators, all new LED lighting in units and common areas, new carpeting throughout all common hallways
- The property is currently 97% occupied.

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*Arrowpoint Burlington, LLC represents an excellent opportunity to acquire an apartment complex that offers immediate cash flow and excellent appreciation potential. This specific type of asset is currently in very high demand from investors with a limited supply available for purchase.*

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Viessmann, 96% efficiency boilers installed in 2015

## 2.3 Transaction Highlights

- Arrowpoint Burlington, LLC is being formed to acquire the 164-unit apartment complex known as River's Edge Apartments at 1 Water St in Haverhill, MA
- Purchase price is \$15,600,000 (95k/unit) in which we will add another \$600,000 to fund capital improvements
- Current members of the Arrowpoint Burlington LLC will be contributing \$500,000 toward the required equity
- The Investment presents rare opportunity to acquire a highly sought after property type
- Property is currently 97% occupied and will provide immediate cash flow following closing
- This area of the town is in high demand for rentals with a shortage of available units
- Strong location with a history of economic growth and development
- All rents are currently below market rate and should see immediate increases in Year 1
- Upon closing of the Property, we will put a budget into place to decrease certain operating expenses by an anticipated 15-20%
- In the short-term, the Property should produce immediate cash flow and returns to investors
- In the mid to long-term, we expect a disposition of the Property at a price roughly 10-15% higher than originally purchased for
- Investors will receive an 8.00% Preferred Return with an average annual projected return including excess cash distributions at 19.30% before any sale takes place
- Investors will receive 80% of any additional cash flow created after the Preferred Return (the "Pref") has been distributed
- Based on disposition of the Property after Year 7, average annual returns to investors over the life of the project are projected to be 50%
- Projected IRR to Equity is being calculated at 32%, and an investor IRR of 28%

## 2.4 Ownership Structure

The Property will be purchased by a single asset entity called Arrowpoint Burlington Limited Liability Company ("LLC"). The entity has already been formed and has four current members, including the Sponsor. Arrowpoint Burlington LLC recently sold a multifamily property and will be contributing \$500,000 in proceeds as part of the capital in this transaction. We will admit additional members to the LLC based on their capital contributions to the Company. **This form of ownership provides no liabilities or recourse to investors beyond their capital investment.**

### Tax Reporting

Tax reporting is provided annually to each investor in the form of a K-1. An investment capital account as well as a tax capital account will be maintained on the books of the LLC for each investor. Tax accounting will follow IRS regulations.

### Investor Returns Summary

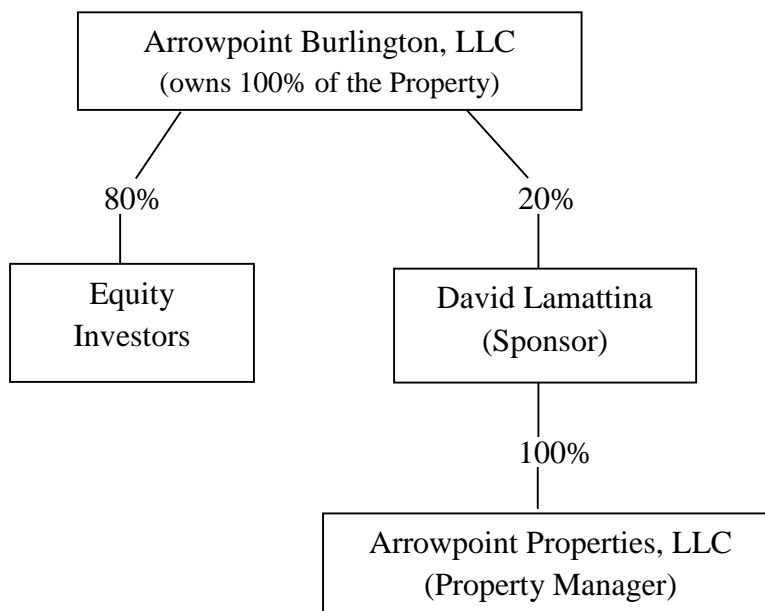
Equity Investors will be entitled to an 8.00% preferred return on their investment plus 80% of any residual cash flow paid on a quarterly basis. The preferred returns will be the "first" monies paid from net cash flow, 80% of any excess cash flow after the pref will also be distributed to equity investors. If cash flow does not allow, preferred returns will be deferred, but maintain their "preferred" status. Upon the sale of the property, investors will receive 80% of the appreciation and a proportionate share of the tax gains/losses after their initial equity has been returned. When a sale or refinance is completed, investment equity will be the first money distributed.

### Sponsor Returns Summary

David Lamattina, as the Sponsor of this offering and President and CEO of Arrowpoint Properties, LLC will be entitled to 20% of the cash distributions, payable on a quarterly basis and only after preferred returns have been paid to equity investors. Upon a sale or refinance of the asset, the Sponsor will be entitled to 20% of the appreciation and a proportionate share of the tax gains/losses, once the initial investor equity has been returned.

The following chart shows the ownership structure of the various entities that are affiliated with the Company and our sponsor.

### ORGANIZATIONAL STRUCTURE



The LLC investors benefit from any contingent liability via the corporate shielding aspects of LLCs, while having partnership treatment (the most advantageous business tax treatment) for taxation purposes. Provisions for additional capital calls are built into the LLC agreement, although conservative budgeting makes any additional capital call unlikely.

Finally, an investor's interest in the LLC is transferable to any third party (only after 1 full year) after the existing Members exercise their right of first refusal, so there is a level of liquidity in the investment. (Transferring to family members is allowable and exempt from the right of first refusal provision). The transfer transactions can be handled with ease and liquidity is available based on investor needs.

## 2.5 Arrowpoint's Role in the Transaction

### Manager of the Company

The Sponsor (David Lamattina) shall become the manager of the LLC, and investors will be designated as members. Mr. Lamattina will also act the Partnership Supervisor, in which he will oversee and maintain the investment as a whole which may include but not limited to; hiring and overseeing property managers, accounting and book keeping, budgeting and planning,

communications with LLC members, development of quarterly reports and sale or refinancing decisions.

## Property Manager

Our Property Manager will be Arrowpoint Properties, LLC, a management company wholly owned by the Sponsor of this offering. Offices of the Property Manager are located at 49 Blanchard Street Suite 414, Lawrence, MA. Arrowpoint Properties currently manages all day to day operations for all properties in our Sponsor’s portfolio.

## 2.6 Management Compensation

<b>Type of Compensation/Affiliate</b>	<b>Determination of Amount</b>	<b>Estimated Amount for Offering</b>
Partnership Supervisory Fee-David Lamattina (Sponsor)	In connection with the management of the asset we will pay our sponsor a fee equal to 1% of gross revenues, paid in monthly arrears.	Not determinable at this time since gross revenues can only be projected and will vary month to month.
Property Management Fee-Arrowpoint Properties, LLC (Property Manager)	In connection with the rental, leasing, operating and management of the property we will pay our property manager a fee equal to 4% of gross revenues, paid in monthly arrears.	Not determinable at this time since gross revenues can only be projected and will vary month to month.
Acquisition Fee-Arrowpoint Properties, LLC	In connection with finding the property, time spent securing the offer, negotiations, financing and creation of the Private Placement Memorandum.	A flat fee equal to and no greater than \$100,000.

### 3. Risk Factors

An investment in the Company involves the risk of a loss of the Members' capital. Potential investors are to carefully consider each of the following factors, and to discuss them with their advisors, including attorneys, accountants, and investment advisors.

#### 3.1 Dependence Upon the Property Manager

The successful acquisition and operation of the Property is dependent on the management capabilities of the Property Manager, which will be responsible for the day-to-day management functions. There can be no assurance that the Property Manager will be able to market, manage and operate the Property successfully. Further, other properties managed by the Property Manager may compete for the time and attention of key personnel charged with the management of the Property.

#### 3.2 Economic Risks Related to Ownership of Real Estate Generally

The ownership of real estate generally, whether through a limited liability company or otherwise, is subject to certain economic and investment risks including, but not necessarily limited to, the following:

- 1. General Economic Risks.** The Property could be affected by changes in local and national economic conditions, changes in the supply of and the demand for apartment rentals, increases in operating expenses, energy shortages and other unforeseeable contingencies, any of which could have a substantial adverse effect on the performance of the Company.
- 2. Uninsured Losses.** The Company will arrange for comprehensive insurance, including fire and extended coverage, which is customarily obtained for properties similar to the Property. However, there are certain types of occurrences (generally of a catastrophic nature) that are either uninsurable or not economically insurable. Upon any such occurrence, the Company would likely suffer a loss of both anticipated profits and invested capital.
- 3. Risk of Tenant Defaults.** There is no assurance that tenants will not be subject to economic reversals that may adversely affect their ability to perform their obligations under their leases.

#### 3.3 Risks Related To Property May Effect Investment

Varying degrees of risk affect real property investments. The investment returns available from equity investments in real estate depend in large part on the amount of income earned and capital appreciation generated by the related properties as well as the expenses incurred. If the initial properties (together with distributions tendered to us in the offers) do not generate revenue sufficient to meet operating expenses, including debt service and capital expenditures, our income and ability

to service our debt and other obligations and to pay distributions on the Interests will be adversely affected.

Some significant expenditures associated with an investment in real estate, such as mortgage and other debt payments, real estate taxes and maintenance costs, generally are not reduced when circumstances cause a reduction in revenue from the investment. In addition, income from properties and real estate values are also affected by a variety of other factors, such as interest rate levels, governmental regulations and applicable laws and the availability of financing. Equity real estate investments, such as the investments in the initial Property are relatively illiquid. We cannot assure you that we will recognize full value for the Property that we are required to sell for liquidity reasons. Our inability to respond rapidly to changes in the performance of the Property could adversely affect our financial condition and results of operations. The Property is subject to all operating risks common to apartment ownership in general. These risks include:

1. Our ability to rent units at the Property;
2. Competition from other apartment communities;
3. Excessive building of comparable properties that might adversely affect apartment occupancy or rental rates;
4. Increases in operating costs due to inflation and other factors, which increases may not necessarily be offset by increased rents;
5. Increased affordable housing requirements that might adversely affect rental rates;
6. Inability or unwillingness of residents to pay rent increases; and
7. Future enactment of rent control laws or other laws regulating apartment housing, including present and possible future laws relating to access by disabled persons or the right to convert a property to other uses, such as condominiums or cooperatives.

If operating expenses increase, the local rental market may limit the extent to which rents may be increased to meet increased expenses without decreasing occupancy rates. If any of the above occurred, our ability to meet our debt service and other obligations and to pay distributions on the Interests could be adversely affected.

### **3.4 Limited Recourse to Seller**

The Purchase Agreement contains representations concerning the Seller's authority to convey the Property and concerning the Property. However, these representations are limited and do not relate to the physical condition of the Property, and any claims for breaches of Seller's representations must be made within nine months of the closing (and an action commenced against the Seller within ten months of the closing). Under these circumstances, the Company will be relying heavily on the due diligence investigation conducted by the Sponsor prior to the closing.

### **3.5 Uncertainty of Projections**

Financial projections for this transaction have been included in this Memorandum. Subscribers are cautioned that there are numerous risks and uncertainties that could affect the achievement of the projections. These risks and uncertainties include the possible inaccuracy of information furnished

to the Manager by the Seller; the possibility that financing will not be available on the terms projected; the risk that the adverse changes in the market for real properties generally or for real properties comparable to the Property in the area in which the Property is located will adversely affect the ability of the Company to lease or sell the Property or achieve the projected value for the Property; and numerous other risks, including but not limited to those set forth in this section. Accordingly,

**THE PROJECTIONS ARE PROVIDED FOR ILLUSTRATIVE PURPOSES ONLY, AND THE RETURNS TO INVESTORS INDICATED IN THE PROJECTIONS ARE BY NO MEANS GUARANTEED.**

### **3.6 Lack of Liquidity and Restrictions on Transferability of Interests**

There will be no ready market for the Interests, and the ability of an Investor to transfer his or her interest in the Company or constitute his or her transferee, a substitute Investor is subject to substantial restrictions set forth in the Operating Agreement. Accordingly, an Investor should be prepared to hold his or her Interests indefinitely.

## **4. Conflicts of Interest**

Actual and potential conflicts of interest will exist from time to time between and among Arrowpoint Burlington, LLC and certain Members and Manager. Potential conflicts may be, but are not limited to these listed.

### **4.1 Time and Resource Conflicts**

In general, conflicts may arise in the allocation of the time, which certain Management personnel are able to devote between operations of Arrowpoint Burlington, LLC and various other outside interests. Management will use its utmost good faith in allocating Arrowpoint Burlington, LLC's resources between and among the active business operations of Arrowpoint Burlington, LLC in a manner, which Management of Arrowpoint Burlington, LLC deems in the best interests of Arrowpoint Burlington, LLC and its Members. Such decisions may, from time to time, cause Management of Arrowpoint Burlington, LLC to favor the interests of one line of business of Arrowpoint Burlington, LLC over the interests of another.

### **4.2 Lack of Separate Legal Counsel**

Counsel for Arrowpoint Burlington, LLC has not acted on behalf of the prospective investors or conducted a review or investigation in their behalf with respect to this Offering. Subscribers are urged to consult with independent market, legal and accounting professionals to the extent deemed necessary to evaluate the risks and merits of investing in this Offering.

### **4.3 Manager May Act on Behalf of Others**

The Manager, members of the Manager or their affiliates, acting in the same capacities for other investors, companies, partnerships or entities may compete with the Property owned by the Company.

### **4.4 Manager May be Involved in Similar Investments**

Arrowpoint Properties, LLC may act as a Manager or be a member in other limited liability companies engaged in making similar investments to those contemplated to be made by the Company. To the extent its time is required on other business and ownership management activities it may not be available to be involved in the day to day monitoring of the Company's operations. Arrowpoint Properties, LLC has many other business responsibilities and ownership interests which will demand some or most of its time during the life of the Company.

### **4.5 Manager May Have Interests in Similar Entities**

Arrowpoint Properties, LLC and its affiliates, now or may come to own an interest in a Property that may compete with a Property that may be acquired by the Company. To the extent its time or assets are required on other business and ownership management activities the Manager may not be involved in the day to day monitoring of the Company's operations.

### **4.6 Manager May Raise Capital for Others**

Arrowpoint Properties, LLC and its affiliates, who will raise investment funds for the Company, may act in the same capacity for other investors, companies, partnerships or entities that may compete with the Company.

## 5. Property Description

### 5.1 Property Facts

<b>Building Size</b>	Gross Living area is 91,000 square feet; Total Area is equal to 137,270
<b>Lot Size</b>	Building is situated on 1.11 acres
<b>Number of Units</b>	164 (33 two-bedrooms, 114 one-bedrooms, 17 studios, each with one bath)
<b>Number of Stories</b>	9 stories
<b>Elevators</b>	2 passenger elevators
<b>Year constructed</b>	1970
<b>Property Class</b>	C+/B-
<b>Zoning</b>	Zoned CC-Commercial District
<b>Parking</b>	Off-Street, 130+ spaces minimum
<b>Exterior Façade</b>	Concrete Block
<b>Foundation</b>	Concrete Slab/Raised Concrete Pillars
<b>Roof</b>	Flat, rubber membrane, replaced 2001 with 20 yr warranty
<b>Fire Alarm System</b>	Yes, direct to 911 emergency
<b>Utilities Share</b>	Landlord pays for Heat (electric), Hot Water (gas), Electric and Water/Sewer; Tenants responsible for own cable/internet
<b>Utility Providers</b>	Water/Sewer-City of Haverhill Electric-National Grid Gas-Direct Energy Trash Removal-Waste Management
<b>Mechanicals</b>	Two TurboMax holding tanks (120 gal each), installed 2015 Two Viessmann high efficiency boilers (heat hot water), installed 2015 Cooling-provided by through-the-wall A/C units, 10,000BTU ea. owned and provided by Landlord

## 5.2 Maps and Location

The Property is located at 1 Water St in Haverhill, MA. Geographically, the Property is situated in the center part of the town, very near to area shopping, banks and public transportation. Walkscore.com lists the property has having a score of 89 which is considered “very walkable.” The average walkscore for Haverhill is listed at 40.

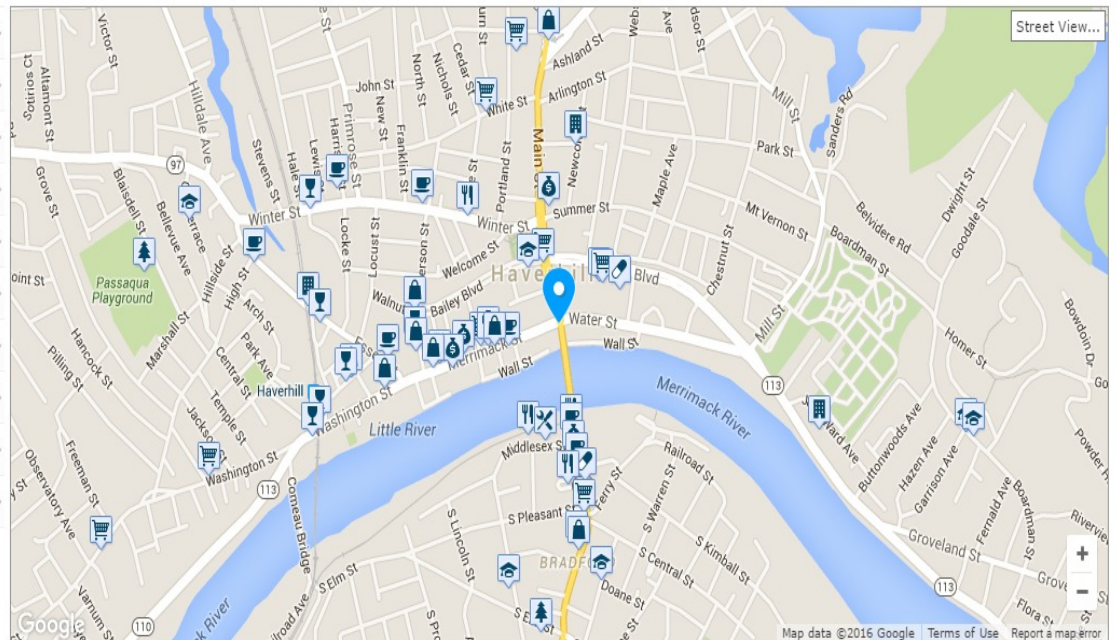
Historically, demand for apartments in this area has been strong and asking rents typically reflect that demand. Arrowpoint currently owns and manages several other multifamily properties in close proximity and has consistently operated at a 97 to 98% occupancy level.

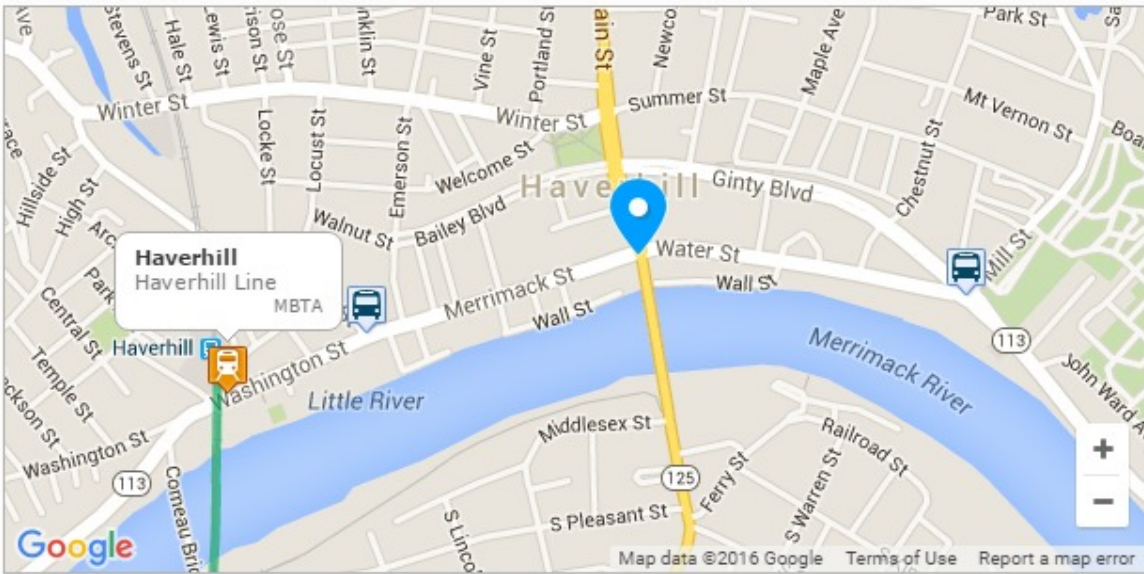
The Property is well located, just off the main throughway which is route 125. There are several businesses, shopping centers and banks within walking distance to the Property. The Commuter Rail which goes direct to Boston is just a ½ mile from the Property.

The closest major route is route 495 which is roughly 2.6 miles from the Property. There are two medical centers located in close proximity, Northeast Rehabilitation Hospital and Holy Family Hospital at Merrimack Valley.

### What's Nearby

- Restaurants:**
  - Primo Pizza .06mi
- Coffee:**
  - A-1 Deli Inc .1mi
- Bars:**
  - The Hideout .3mi
- Groceries:**
  - Market Basket .07mi
- Parks:**
  - Bradford Common Historic Dis... .5mi
- Schools:**
  - Hill View Montessori Charter P... .1mi
- Shopping:**
  - In With The Used .2mi
- Entertainment:**
  - Disabled American Veterans, ... .3mi
- Errands:**
  - Rite Aid Pharmacy .1mi
- Search Nearby:**



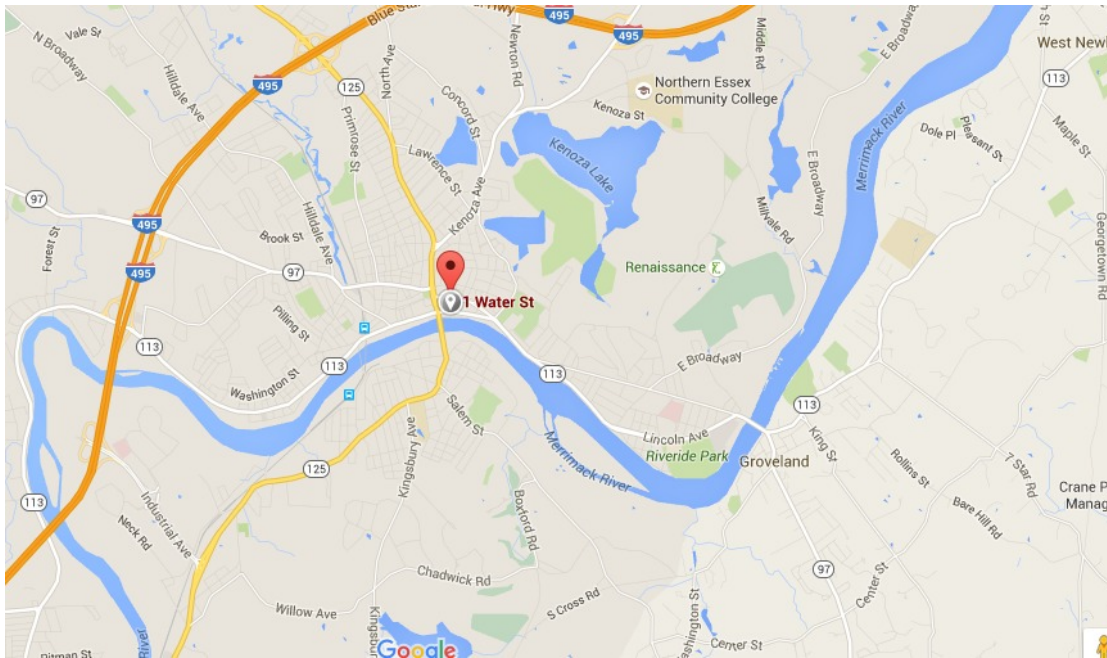


 **Rail lines:**

Haverhill Line

0.5 mi

Overhead view of Property location and surrounding area



Overhead Bird's Eye view of Property



Bird's Eye close up view of structure and land area



### 5.3 Tenancy and Occupancy

The Property is currently 97% occupied and all tenants are current on their rents. Several units are currently well below market level and could see immediate increase upon lease renewal. Arrowpoint will plan on rent increases and signing of new leases in the first year (see “Short Term Operating Plan”).

The income level of all tenants should be considered middle class with most working hourly waged jobs in the service and manufacturing industries. This grouping of tenants typically live paycheck to paycheck though still desire a clean and functioning place to live.

#### Rent Roll (as provided by current owner)

Units	Type	Sq Ft	Total Sq Ft	Rent	Total Monthly Rent	Total Annual Rent	Rent/Sq Ft
33	2 br/1 bath	675	22,275	\$ 1,325	\$ 43,725	\$ 524,700	\$ 23.56
114	1 br/1 bath	550	62,700	\$ 1,075	\$ 122,550	\$ 1,470,600	\$ 23.45
17	studio	350	5,950	\$ 995	\$ 16,915	\$ 202,980	\$ 34.11
<b>164</b>	<b>Total/Avg</b>	<b>554</b>	<b>90,925</b>	<b>\$ 1,117</b>	<b>\$ 183,190</b>	<b>\$ 2,198,280</b>	<b>\$ 24.18</b>

## 5.4 Exterior Photographs



View coming over bridge entering center of Haverhill



View from across the Merrimack River



View from corner of Water and Washington



View from Water St, commercial space is all of ground level





View from a unit facing the Merrimack River



View of the Basiliere Bridge, the main overpass

## 5.5 Interior Photographs











Community Room





Common Hallway-All are identical in finish



Main Lobby area and elevators



Main Leasing Office



Vacant commercial space




## 6. Investment Objectives

### 6.1 Short Term Operating Plan

The immediate plan following closing will be to establish ourselves as new ownership of the Property and familiarize ourselves with the current tenant base and the physical building. We will develop a plan with the Property Manager to identify any needs on behalf of each tenant and address those needs right away, whether lease or maintenance related.

Management will begin to establish ways in reducing operating expenses and increasing monthly cash flow.



*Our first priority will be to examine each lease and determine the amount of rent increases each will incur upon renewal. The goal is to drive revenue from day 1. We will also begin unit upgrades and renovations to commercial space in the first 60 days.*

We will be working very closely with the Property Manager and Maintenance Supervisor each day to make sure the staff are on board with our operating plan and the best ways to implement that plan. There will be many changes to take place over the first few months and we will want to make sure everyone is on the same page and accepting of those changes. Going from a large management company to one of our size may be an adjusting period for the staff. But they will see that Arrowpoint is a “hands-on” manager that pays close attention to details and operations.

Leasing will also be examined and determined which tenants will receive an increase in their monthly rent. Plans are to establish each tenant on a fixed term lease at an increased rent amount as they renew. There are several units well below market rent and will see the most significant increase over those that are closer to market. We see average increases of \$50-\$100 per unit each year which translates to 4.50-5.50% growth year over year.

Another area that we will target from day 1 is the operating expenses. Current management has run the property with heavy expense items and has admitted that is typical for them. Being a smaller, more hands on company will allow us to strip down a lot of the unnecessary expense items. For example, the current staff consists of 2 full-time property managers and 2 full-time maintenance techs. We feel we can cut this down to 1 and 1 and still be able to maintain the property effectively. There are other areas that we will target where we can immediately reduce costs.

Implementing these cost saving measures in combination with driving the rental income should significantly increase cash flow both in the short term and long term basis.

## 6.2 Planned Capital Expenses

Arrowpoint has identified some capital expenditures that we will implement within the first year of ownership. These capital expenditures have been budgeted for and will be rolled into the loan amount and reserved at closing. As we complete projects, the funds will be released from escrow.

Arrowpoint has established a budget of approximately \$600,000 to cover the following improvements:

Capital Expenditures Budget			
Improvement	Amount Budgeted	Per Unit	Per Sq Ft
In-unit upgrades	\$ 492,000	\$ 3,000.00	\$ 5.41
Commercial Space Renovation	\$ 34,000		\$ 10
Renovate Storage spaces	\$ 54,000		
New Signage for Building	\$ 20,000		
	Total		
	\$ 600,000		

The Company may draw on additional reserves as projects arise. Upon the sale of the Property we expect to have no less than 50% remaining in reserves which will be available for distribution.

## 6.3 Long Term Objective and Exit

The investment objectives of the Company are broadly stated to be the acquisition and leasing of the apartment units located 1 Water St Haverhill, Massachusetts (the “Property”). Management’s long term goal is to maximize gross revenues while decreasing operating expenses. This goal once obtained should increase overall appreciation of the asset and become set up for disposition by year seven. We anticipate very healthy cash on cash returns and IRR to the investors of this deal. Our projections are conservative and we expect to hit the targeted value and cash flows.

## 6.4 Provide Investor’s Preferred Returns

Investing Members shall receive an 8.00% annual preferred return on their capital investment throughout the term of ownership. Investor capital will be returned once property is sold plus 80% of the appreciation created. The Company will pay out returns on a quarterly basis, directly deposited into an account of the investor’s choice.

## **6.5 Provide Cash Distributions**

The Members shall receive a distribution prorata in accordance with their capital investment in the Company. Equity Investors will receive 80% of the cash distributions after preferred return and the Sponsor will receive 20% of the cash distributions after preferred return. Members shall receive distributions on a quarterly basis. Distributions are expected to commence at the end of the first full quarter following acquisition.

## **6.6 Allow Members Limited Involvement in Management**

An investment objective of the Company is to provide the Members an investment that requires only minimal involvement in management. This will allow the investor to reap the benefits of owning income producing property without the typical headaches and the daily involvement that is customarily attached to this type of investment.

## **6.7 Provide Members with Limited Liability**

An investment objective of the Company is to provide the Members with limited liability. The debt placed on the Property will be “non-recourse” to the investor, which essentially means liability will not go beyond one’s capital investment. The Sponsor and Co-Sponsor of this offering will personally guarantee any debt placed on the Property.

# **7. Financial Analysis**

## **7.1 Financing**

We have negotiated very favorable financing terms with Greystone Servicing through Meridian Capital. The financing terms and conditions incorporated into the budget are for a senior loan of \$13,280,000 (85% LTV) at an interest rate of 3.85%, fixed for a 10 yr term, 1<sup>st</sup> 3 years are I/O, then amortizing over the remaining 27-year schedule.

The bank has agreed to allow for interest only payments in the three years of the term, then will convert to principal and interest for the remaining term, amortized over 27 years. This will allow us to conserve a significant amount of cash that will be available for distribution as well as add to the company reserves. The bank has also agreed to allow for a supplemental loan in year 3 that will allow us to realize the gain in value and return a small piece of the investor equity. The supplemental loan will be co-terminous with the senior loan (amortized over same schedule) and terms of the senior loan will remain unchanged.

The flexibility of these terms will allow us to make needed improvements to the property while also reducing our risk.

Interest payments for the first three years on the senior loan equates to \$42,607 per month. Once the loan converts to principal and interest, the monthly payment will adjust to \$65,977 and \$791,724 annually.

THIS LOAN WILL BE A NON-RECOURSE LOAN. THERE WILL BE NO PERSONAL GUARANTEES OR PLEDGEING OF ASSETS REQUIRED BY THE LENDER ON BEHALF OF THE BORROWER.

The terms and conditions related to the debt and repair allowance will significantly affect the overall returns of the investment. Again, projections are conservative, but the debt has not yet been secured. We continue to shop financing, and it is possible that market conditions will change available interest rates before closing.

The second important aspect to the financing is the supplemental loan. This is allowed by the lender after 12 months and is based on the value created during ownership. Note, it is not necessarily a refinance but more of an earn out based on the stabilized value. The loan will allow us to realize value created and return a large portion of investor equity. The interest rate will be determined by the market at that point so we can only project terms and value created.

## Schedule

Acceptance of Offer	Completed
Execution of Purchase & Sale	June 27 <sup>th</sup> , 2016
Closing	July 13 <sup>th</sup> , 2016

## 7.2 Investor Return Summary

Investor Return Summary	
Required Capital for Purchase	\$ 3,600,000
Minimum Investment	\$ 100,000
Ownership Interest at \$100K/1 unit	2.22%
Total Acquisition Costs	\$ 16,880,000
Senior Loan-Greystone Servicing Corp	\$ 13,280,000
Preferred Return on Equity	8.00%
Year 7-Projected Sale Price	\$ 20,800,000
Avg Annual Return Based on Cash Distributions	19.30%
Avg Annual Return Including Sale Proceeds	50.93%
Internal Rate of Return	28.00%

### 7.3 Source and Use of Proceeds

The following Table shows a summary of the use of proceeds generated through the sale of Units to Members of the Company.

Source and Use of Proceeds		
Description	Dollar Amount	Percent
Gross Offering Proceeds	\$ 3,600,000	100.00%
Escrow Taxes/Insurance	\$ 100,000	2.78%
Broker Fee Meridian Capital	\$ 132,750	3.69%
Corporate Legal Expense	\$ 3,000	0.08%
Funds to Reserve Account	\$ 170,000	4.72%
Lender's Legal	\$ 15,000	0.42%
Acquisition Fee	\$ 100,000	2.78%
3rd Party Reports	\$ 15,000	0.42%
Other Closing costs & Reserves	\$ 137,250	3.81%
CapEx Budget	\$ 600,000	16.67%
Subtotal	\$ 1,273,000	35.36%
Down Payment	\$ 2,327,000	64.64%
<b>Proceeds Invested</b>	<b>\$ 3,600,000</b>	<b>100.00%</b>

## 7.4 Proforma & Analysis

### River's Edge-Projections & Analysis

PROFORMA AND ANALYSIS								
REVENUE	%	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Gross Potential Rent	4.50%	\$2,185,512	\$2,283,860	\$2,386,634	\$2,494,032	\$2,606,264	\$2,723,546	\$2,846,105
Loss to Lease		\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Gross Potential Income</b>		<b>\$2,185,512</b>	<b>\$2,283,860</b>	<b>\$2,386,634</b>	<b>\$2,494,032</b>	<b>\$2,606,264</b>	<b>\$2,723,546</b>	<b>\$2,846,105</b>
Vacancy Loss	5%	(\$109,275.60)	(\$114,193)	(\$119,332)	(\$124,702)	(\$130,313)	(\$136,177)	(\$142,305)
<b>Net Rental Income</b>		<b>\$2,076,236</b>	<b>\$2,169,667</b>	<b>\$2,267,302</b>	<b>\$2,369,331</b>	<b>\$2,475,951</b>	<b>\$2,587,368</b>	<b>\$2,703,800</b>
Pet Fee Income		\$2,520	\$2,520	\$2,520	\$2,520	\$2,520	\$2,520	\$2,520
Laundry Income		\$17,000	\$17,000	\$17,000	\$17,000	\$17,000	\$17,000	\$17,000
Late Fees		\$2,572	\$2,572	\$2,572	\$2,572	\$2,572	\$2,572	\$2,572
Commercial Leases		\$30,375	\$64,375	\$64,375	\$64,375	\$64,375	\$64,375	\$64,375
Parking Income		\$18,900	\$18,900	\$18,900	\$18,900	\$18,900	\$18,900	\$18,900
Early Termination Fees		\$11,736	\$11,736	\$11,736	\$11,736	\$11,736	\$11,736	\$11,736
Storage		\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400
Misc Income		\$2,132	\$2,132	\$2,132	\$2,132	\$2,132	\$2,132	\$2,132
<b>Effective Gross Income</b>		<b>\$2,163,871</b>	<b>\$2,291,302</b>	<b>\$2,388,937</b>	<b>\$2,490,966</b>	<b>\$2,597,586</b>	<b>\$2,709,003</b>	<b>\$2,825,435</b>
<b>OPERATING EXPENSES</b>								
Property Insurance		\$45,536	\$46,447	\$47,376	\$48,323	\$49,290	\$50,275	\$51,281
Property Management Fees	4%	\$86,555	\$91,652	\$95,557	\$99,639	\$103,903	\$108,360	\$113,017
Office Salaries		\$105,266	\$107,371	\$109,519	\$111,709	\$113,943	\$116,222	\$118,547
Office Expense		\$16,827	\$17,164	\$17,507	\$17,857	\$18,214	\$18,578	\$18,950
P/R Taxes & Benefits		\$44,860	\$45,757	\$46,672	\$47,606	\$48,558	\$49,529	\$50,520
Office Payroll Taxes		\$11,095	\$11,317	\$11,543	\$11,774	\$12,010	\$12,250	\$12,495
Misc. Administrative		\$3,500	\$3,570	\$3,641	\$3,714	\$3,789	\$3,864	\$3,942
Telephone		\$4,411	\$4,499	\$4,589	\$4,681	\$4,775	\$4,870	\$4,968
Leasing & Advertising		\$36,298	\$37,024	\$37,764	\$38,520	\$39,290	\$40,076	\$40,877
Utilities-Electric		\$225,000	\$229,500	\$234,090	\$238,772	\$243,547	\$248,418	\$253,387
Utilities-Gas		\$22,780	\$23,236	\$23,700	\$24,174	\$24,658	\$25,151	\$25,654
Utilities-Water & Sewer		\$50,754	\$51,769	\$52,804	\$53,861	\$54,938	\$56,037	\$57,157
Pest Extermination		\$3,289	\$3,355	\$3,422	\$3,490	\$3,560	\$3,631	\$3,704
Trash Removal		\$13,186	\$13,450	\$13,719	\$13,993	\$14,273	\$14,558	\$14,850
Snow Removal		\$1,500	\$1,530	\$1,561	\$1,592	\$1,624	\$1,656	\$1,689
Recreation-Activities		\$1,837	\$1,874	\$1,911	\$1,949	\$1,988	\$2,028	\$2,069
Misc-Operating		\$1,700	\$1,734	\$1,769	\$1,804	\$1,840	\$1,877	\$1,914
Repairs Contracts		\$19,843	\$20,240	\$20,645	\$21,058	\$21,479	\$21,908	\$22,346
Maintenance-Payroll		\$80,588	\$82,200	\$83,844	\$85,521	\$87,231	\$88,976	\$90,755
Maintenance-Payroll Taxes		\$7,771	\$7,926	\$8,085	\$8,247	\$8,412	\$8,580	\$8,751
Maintenance-Supplies		\$18,619	\$18,991	\$19,371	\$19,759	\$20,154	\$20,557	\$20,968
Common Area Contracts		\$5,681	\$5,795	\$5,911	\$6,029	\$6,149	\$6,272	\$6,398
Apartment Painting Contract		\$21,000	\$21,420	\$21,848	\$22,285	\$22,731	\$23,186	\$23,649
Apartment Cleaning Contract		\$9,275	\$9,461	\$9,650	\$9,843	\$10,040	\$10,240	\$10,445
Elevator Maintenance		\$22,146	\$22,589	\$23,041	\$23,502	\$23,972	\$24,451	\$24,940
Fire & Safety		\$12,079	\$12,321	\$12,567	\$12,818	\$13,075	\$13,336	\$13,603
Sewer & Drain Cleaning		\$3,656	\$3,729	\$3,804	\$3,880	\$3,957	\$4,037	\$4,117
Misc. Repairs & Maintenance		\$10,000	\$10,200	\$10,404	\$10,612	\$10,824	\$11,041	\$11,262
Real Estate Taxes		\$135,749	\$139,821	\$144,016	\$148,337	\$152,787	\$157,370	\$162,091
<b>Total Operating Expenses</b>		<b>\$ 1,020,801</b>	<b>\$ 1,045,940</b>	<b>\$ 1,070,330</b>	<b>\$ 1,095,347</b>	<b>\$ 1,121,009</b>	<b>\$ 1,147,336</b>	<b>\$ 1,174,346</b>
Replacement Reserves		\$ 41,000	\$ 41,000	\$ 41,000	\$ 41,000	\$ 41,000	\$ 41,000	\$ 41,000
<b>NOI</b>		<b>\$ 1,102,071</b>	<b>\$ 1,204,362</b>	<b>\$ 1,277,607</b>	<b>\$ 1,354,619</b>	<b>\$ 1,435,577</b>	<b>\$ 1,520,668</b>	<b>\$ 1,610,089</b>
<b>CORPORATE EXPENSES</b>								
Partnership Supervisory Fee	1%	\$ 21,639	\$ 22,913	\$ 23,889	\$ 24,910	\$ 25,976	\$ 27,090	\$ 28,254
Accounting & Finance		\$ 2,000	\$2,040	\$2,081	\$2,122	\$2,165	\$2,208	\$2,252
Legal & Professional		\$ 12,720	\$13,038	\$13,364	\$13,698	\$14,040	\$14,392	\$14,751
<b>Total Corporate Expenses</b>		<b>\$ 36,359</b>	<b>\$ 37,991</b>	<b>\$ 39,334</b>	<b>\$ 40,730</b>	<b>\$ 42,181</b>	<b>\$ 43,690</b>	<b>\$ 45,258</b>
<b>Net Cash Flow Before Debt</b>		<b>\$1,065,712</b>	<b>\$1,166,371</b>	<b>\$1,238,273</b>	<b>\$1,313,889</b>	<b>\$1,393,395</b>	<b>\$1,476,978</b>	<b>\$1,564,831</b>
<b>DEBT SERVICE</b>								
Senior Loan	\$13,280,000	\$ (511,280)	\$ (511,280)	\$ (511,280)	\$ (791,725)	\$ (791,725)	\$ (791,725)	\$ (791,725)
Supplemental Loan	\$1,334,563				\$ (94,989)	\$ (94,989)	\$ (94,989)	\$ (94,989)
<b>Net Cash Flow After Debt</b>		<b>\$ 554,432</b>	<b>\$ 655,091</b>	<b>\$ 726,993</b>	<b>\$ 427,174</b>	<b>\$ 506,681</b>	<b>\$ 590,263</b>	<b>\$ 678,116</b>

## 7.5 Assumptions to Financial Analysis

### Assumptions to Financial Analysis

#### FINANCIAL ASSUMPTIONS

Loan Type	Amount	Period	Term	Interest Rate	Points & Fees	Amortization
Senior Loan	\$ 13,280,000	-	10	3.85%	1	30 Years
Supplemental Loan	\$ 1,334,563		Co-Terminous	5.50%	-	

The Senior Loan will be I/O for first 3 years, then amortizing over remaining 27 years

The supplemental loan will be obtained after 3 years and will be co-terminous with senior loan

The interest rate of 5.50% on the supplemental is assumed and is subject to change based on the market.

Once the property is sold after year 7, both senior and supplemental loans will be retired.

Note, the supplemental loan terms are solely hypothetical, though conservative.

#### CASH FLOW ASSUMPTIONS

Vacancy Factor	5%
Management Fee	4%
Partnership Supervisory Fee	1%
Tenant Rent Escalation	4.50%
OpEx Escalation	2%
Property Tax Escalation	3.00%

#### IRR ASSUMPTIONS

##### Terminal Capitalization Rates

Low	6.50%
Medium	7.00%
High	7.50%

#### DISTRIBUTION ASSUMPTIONS

##### Cash Flow Distributions

8% Preferred Return as first monies distributed to Equity Partners then,

80% Distribution to Equity / 20% Distribution to Sponsor on excess cash after pref

##### Sale/Refinancing Distributions

1. Unpaid 8.00% Preferred Return Cumulative Noncompounded to Equity
2. Return of Equity-pay down all capital accounts
3. 80% Distribution to Equity / 20% Distribution to Sponsor on excess Sale/Refinance proceeds

## 7.6 Distribution of Cash Flow

### Distribution of Cash Flow

#### Sharing of Cash Flow Distribution

◊ 8% Preferred Return on Equity (First monies Distributed)

◊ 80% Excess Cash to the Equity / 20% Excess Cash to Sponsor

Cash Equity \$ 3,600,000

For the Years Ending	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Totals
<b>Net Cash Flow</b>	\$ 554,432	\$ 655,091	\$ 726,993	\$ 427,174	\$ 506,681	\$ 590,263	\$ 678,116	\$ 4,138,750
<b>Distribution Level 1</b>								
Cash Equity	\$ 3,600,000	\$ 3,600,000	\$ 3,600,000	\$ 2,265,437	\$ 2,265,437	\$ 2,265,437	\$ 2,265,437	\$ 19,861,748
Peferred Return	8% \$ 288,000	\$ 288,000	\$ 288,000	\$ 181,235	\$ 181,235	\$ 181,235	\$ 181,235	\$ 1,588,940
Cumulative Unpaid Preferred Return	\$ 288,000	\$ 288,000	\$ 288,000	\$ 181,235	\$ 181,235	\$ 181,235	\$ 181,235	\$ 1,588,940
<b>Cash Distribution - Level 1</b>	\$ 288,000	\$ 288,000	\$ 288,000	\$ 181,235	\$ 181,235	\$ 181,235	\$ 181,235	\$ 1,588,940
Remaining Unpaid Preferred Return	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Excess Cash Flow	\$ 266,432	\$ 367,091	\$ 438,993	\$ 245,939	\$ 325,446	\$ 409,028	\$ 496,881	\$ 2,549,810
<b>Distribution - Level 2</b>								
Equity Partners	80% \$ 213,145	\$ 293,672	\$ 351,194	\$ 196,751	\$ 260,357	\$ 327,223	\$ 397,505	\$ 2,039,848
Sponsor	20% \$ 53,286	\$ 73,418	\$ 87,799	\$ 49,188	\$ 65,089	\$ 81,806	\$ 99,376	\$ 509,962
<b>Total Distribution Level 2</b>	\$ 266,432	\$ 367,091	\$ 438,993	\$ 245,939	\$ 325,446	\$ 409,028	\$ 496,881	\$ 2,549,810
<b>Summary of Distributions</b>								
Equity Partners	\$ 501,145	\$ 581,672	\$ 639,194	\$ 377,986	\$ 441,592	\$ 508,458	\$ 578,740	\$ 3,628,788
Sponsor	\$ 53,286	\$ 73,418	\$ 87,799	\$ 49,188	\$ 65,089	\$ 81,806	\$ 99,376	\$ 509,962
<b>TOTAL CASH DISTRIBUTED</b>	\$ 554,432	\$ 655,091	\$ 726,993	\$ 427,174	\$ 506,681	\$ 590,263	\$ 678,116	\$ 4,138,750

## 7.7 Exit Strategy/Capital Event

### Exit Strategy / Capital Event

Exit Strategy	Year
Supplemental Loan Beginning of Year	4
Sale / Disposition at End of Year	7

#### Supplemental Loan Beginning of Year

4

Net Operating Income		\$1,318,607
Cap Rate at Re-Finance		6.75%
Appraised Value		\$19,534,921
Re-Finance LTV		75%
Interest Rate (assumed)		5.5%
Term / Amortization (Years)		Co-Terminous w/Senior
Value at 75% LTV		\$14,651,191
- Loan Costs	0.250%	(\$36,627.98)
- Less Senior Loan Amt		\$ (13,280,000)
= Gross Proceeds from Supp Loan		\$1,334,563
Return of Investor Capital		\$1,334,563
Capital Account Balance After Distribution		\$2,265,437
Net Proceeds/Profit from New Loan		\$0
Principal Reduction		\$0
Appreciation		\$0
Capital Transaction Fee to Sponsor	0.00%	\$0
Net Proceeds/Profit Paid to Investors	0%	\$0
Net Proceeds/Profit Paid to Sponsor	0%	\$0
<b>(Initial Capital + Appreciation)</b>		<b>\$1,334,563</b>
Ending Capital Account Balance		\$2,265,437

#### Disposition End of Year

7

Net Operating Income		\$1,610,089
Cap Rate		7.50%
Sales Price		\$21,467,850
Sales Cost	3.0%	(\$644,036)
Outstanding Loan Balances		\$ (13,307,546)
Total Equity		\$7,516,269
Return of Member Capital		\$2,265,437
Net Proceeds/Profit from Sale		\$5,250,832
Principal Reduction		\$1,307,017
Appreciation		\$3,943,815
Capital Transaction Fee to Mgr	0.00%	\$0
Net Proceeds/Profit Paid to Investors	80%	\$4,200,665
Net Proceeds/Profit Paid to Sponsor	20%	\$1,050,166
<b>(Initial Capital + Appreciation)</b>		<b>\$6,466,103</b>

#### After Final Disposition

<b>Total Profits from Appreciation Paid to Investors</b>	<b>\$4,200,665</b>
<b>(Initial Capital + Profits from Appreciation)</b>	<b>\$7,800,665</b>

## 7.8 Project Returns

### Projected Returns - 7 Years

#### Summary of Projected Investor Cash Flows and Returns

				Earn Out		SALE					Return \$	Return %
	1	2	3	4	5	6	7	8	9	10		
Beginning Investor Capital Account Balance	\$3,600,000	\$3,600,000	\$3,600,000	\$2,265,437	\$2,265,437	\$2,265,437	\$2,265,437				\$2,837,393	
Investor Cashflow	\$501,145	\$581,672	\$639,194	\$377,986	\$441,592	\$508,458	\$578,740				\$3,628,788	
Cash on Cash Return	13.92%	16.16%	17.76%	16.68%	19.49%	22.44%	25.55%					18.86%
Net Proceeds/Profits from Refinance or Sale							\$4,200,665				\$4,200,665	
Return of Investor Capital				\$1,334,563			\$2,265,437					
Ending Investor Capital Account Balance	\$3,600,000	\$3,600,000	\$3,600,000	\$2,265,437	\$2,265,437	\$2,265,437	\$0					
Total Return in Investment											\$7,829,453	275.94%
Average Annual Return Until Return of all Investor Capital											39.42%	
IRR											24.69%	

#### Summary of Projected Sponsor Cash Flows and Returns

				Earn Out		SALE					TOTAL
	1	2	3	4	5	6	7	8	9	10	
(Acquisition Fee + Equity + Asset Mgmt Fee)	\$153,286	\$73,418	\$87,799	\$49,188	\$65,089	\$81,806	\$99,376				\$609,962
Capital Transaction Fee to Mgr	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0
Net Proceeds/Profits from Refinance or Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$1,050,166				\$1,050,166
Total Payments / Profits / Distributions	\$153,286	\$73,418	\$87,799	\$49,188	\$65,089	\$81,806	\$1,149,543				\$1,660,128

#### Summary of Combined Cash Flows and Returns

				Earn Out		SALE					Return \$	Return %
	1	2	3	4	5	6	7	8	9	10		
Beginning Investor Capital Account Balance	\$3,600,000	\$3,600,000	\$3,600,000	\$2,265,437	\$2,265,437	\$2,265,437	\$2,265,437				\$2,837,393	
Total Cashflow	\$654,432	\$655,091	\$726,993	\$427,174	\$506,681	\$590,263	\$678,116				\$4,238,750	
Cash on Cash Return	18.18%	18.20%	20.19%	18.86%	22.37%	26.06%	29.93%					21.97%
Net Proceeds/Profits from Refinance or Sale							\$5,250,832				\$5,250,832	
Return of Investor Capital			\$0	\$1,334,563	\$0		\$2,265,437					
Ending Investor Capital Account Balance	\$3,600,000	\$3,600,000	\$3,600,000	\$2,265,437	\$2,265,437	\$2,265,437	\$0					
Total Return in Investment											\$9,489,582	334.45%
Average Annual Return Until Return of all Investor Capital											47.78%	
IRR											28.40%	

## 7.9 Internal Rate of Return

### Internal Rate of Return (IRR)

#### Summary of Projected Investor Cash Flows and Returns

Year	Investor Contribution	Cash Flow Distribution	Proceeds from Refinance or Sale	Total
0	(\$3,600,000)	\$0		(\$3,600,000)
1		\$501,145		\$501,145
2		\$581,672		\$581,672
3		\$639,194		\$639,194
4		\$377,986	\$1,334,563	\$1,712,549
5		\$441,592		\$441,592
6		\$508,458		\$508,458
7		\$578,740	\$6,466,103	\$7,044,843
Total	(\$3,600,000)	\$3,628,788	\$7,800,665	\$7,829,453
IRR				24.69%

#### Summary of Total Projected Cash Flows and Returns

Year	Investor Contribution	Cash Flow Distribution	Proceeds from Refinance or Sale	Total
0	(\$3,600,000)	\$0		(\$3,600,000)
1		\$654,432		\$654,432
2		\$655,091		\$655,091
3		\$726,993		\$726,993
4		\$427,174	\$1,334,563	\$1,761,737
5		\$506,681		\$506,681
6		\$590,263		\$590,263
7		\$678,116	\$7,516,269	\$8,194,385
Total	(\$3,600,000)	\$4,238,750	\$8,850,832	\$9,489,582
IRR				28.40%

## **8. Southern NH & Eastern MA Real Estate Market**

### **8.1 Sales and Rent Comparables**

(subject property and comparables on the following pages)

**1 82 Brick Kiln Rd - The Meadows** **SOLD**

**Chelmsford, MA 01824**

**Middlesex County**



Sale Date: <b>03/20/2014 (45 days on mkt)</b>	Bldg Type: <b>Class C Multi-Family Apartments</b>
Sale Price: <b>\$20,000,000 - Confirmed</b>	Year Built/Age: <b>Built 1988 Age: 26</b>
Price/SF: <b>\$127.64</b>	RBA: <b>156,695 SF</b>
Price/Unit: <b>\$111,111</b>	# of Units: <b>180</b>
Pro Forma Cap: <b>-</b>	Parcel No: <b>CHEL-000088-000307-000001</b>
Actual Cap Rate: <b>6.00%</b>	GRM/GIM: <b>-</b>
Comp ID: <b>2992279</b>	Sale Conditions: <b>-</b>
Research Status: <b>Confirmed</b>	

**2 270 Canal St - Washington Mills Building No.1** **SOLD**

**Lawrence, MA 01840**

**Essex County**



Sale Date: <b>04/15/2015 (161 days on mkt)</b>	Bldg Type: <b>Class B Multi-Family Apartments</b>
Sale Price: <b>\$17,500,000 - Confirmed</b>	Year Built/Age: <b>Built 1886 Renov 2007 Age: 129</b>
Price/SF: <b>\$75.30</b>	RBA: <b>232,410 SF</b>
Price/Unit: <b>\$112,903</b>	# of Units: <b>155</b>
Pro Forma Cap: <b>-</b>	Parcel No: <b>LAWR-000105-000000-000009</b>
Actual Cap Rate: <b>-</b>	GRM/GIM: <b>-</b>
Comp ID: <b>3282044</b>	Sale Conditions: <b>-</b>
Research Status: <b>Confirmed</b>	

**3 515 Hadley West Dr - Hadley West Apartments** **SOLD**

**Haverhill, MA 01832**

**Essex County**



Sale Date: <b>04/15/2015</b>	Bldg Type: <b>Class B Multi-Family Apartments</b>
Sale Price: <b>\$20,000,000 - Confirmed</b>	Year Built/Age: <b>Built 1978 Age: 37</b>
Price/SF: <b>\$61.88</b>	RBA: <b>323,228 SF</b>
Price/Unit: <b>\$109,290</b>	# of Units: <b>183</b>
Pro Forma Cap: <b>-</b>	Parcel No: <b>HAVE-000534-000001-000001</b>
Actual Cap Rate: <b>-</b>	GRM/GIM: <b>-</b>
Comp ID: <b>3284768</b>	Sale Conditions: <b>Business Value Included</b>
Research Status: <b>Confirmed</b>	

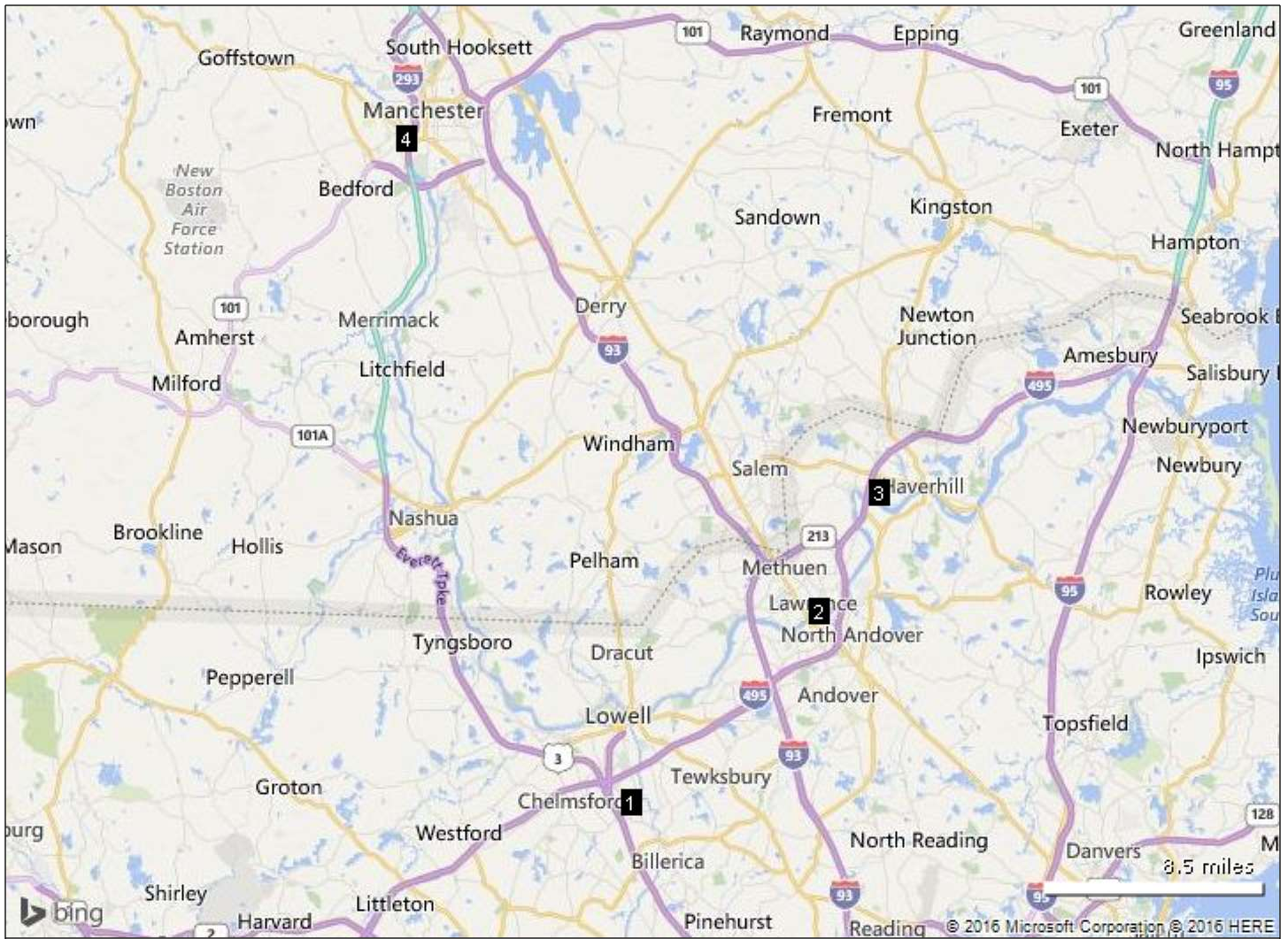
**4 180 Woodbury St - Carisbrooke At Manchester** **SOLD**

**Manchester, NH 03102**

**Hillsborough County**



Sale Date: <b>02/11/2015</b>	Bldg Type: <b>Class B Multi-Family Apartments</b>
Sale Price: <b>\$12,150,000 - Full Value</b>	Year Built/Age: <b>Built 1989 Age: 26</b>
Price/SF: <b>\$106.26</b>	RBA: <b>114,345 SF</b>
Price/Unit: <b>\$112,500</b>	# of Units: <b>108</b>
Pro Forma Cap: <b>-</b>	Parcel No: <b>-</b>
Actual Cap Rate: <b>-</b>	GRM/GIM: <b>-</b>
Comp ID: <b>3260325</b>	Sale Conditions: <b>-</b>
Research Status: <b>Full Value</b>	



	Address	City	Property Info	Sale Info
<b>1</b>	82 Brick Kiln Rd	Chelmsford	156,695 SF Multi-Family/Apartments	Sold: \$20,000,000 (\$111,111/Unit)
<b>2</b>	270 Canal St	Lawrence	232,410 SF Multi-Family/Apartments	Sold: \$17,500,000 (\$112,903/Unit)
<b>3</b>	515 Hadley West Dr	Haverhill	323,228 SF Multi-Family/Apartments	Sold: \$20,000,000 (\$109,290/Unit)
<b>4</b>	180 Woodbury St	Manchester	114,345 SF Multi-Family/Apartments	Sold: \$12,150,000 (\$112,500/Unit)



## Rent Survey Report

# Rivers Edge - 1 Water St

164 Unit Apartment Building

Haverhill, Massachusetts

Outer Greater Merrimack Valley Neighborhood

PREPARED BY

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Christopher Mauri  
Sales Associate



# Subject Property

## Rivers Edge - 1 Water St

Haverhill, Massachusetts - Outer Greater Merrimack Valley Neighborhood



### PROPERTY

No. of Units:	164
Stories:	9
Avg. Unit Size:	534 SF
Year Built:	1960
Parking:	130 Spaces; 0.8 per Unit
Distance to Transit:	-

### ASKING RENTS PER UNIT/SF

Rent Type:	Market	
Current:	\$1,386	\$2.60 /SF
Last Quarter:	\$1,319	\$2.47 /SF
Year Ago:	\$1,245	\$2.33 /SF
Competitors:	\$1,411	\$1.65 /SF
Submarket:	\$1,530	\$1.73 /SF

### VACANCY

Current:	3.7%	6 Units
Last Quarter:	3.7%	6 Units
Year Ago:	6.1%	10 Units
Competitors:	4.7%	11 Units
Submarket:	5.0%	459 Units

### 12 MONTH NET ABSORPTION

Current:	2 Units
Competitor Total:	1 Unit
Competitor Avg:	0.3 Units
Submarket Total:	95 Units
Submarket Avg:	1.1 Units

### UNIT BREAKDOWN

Bed	Bath	Avg SF	Unit Mix		Vacancy		Avg Asking Rent		Avg Effective Rent		Concessions
			Units	Mix %	Units	Percent	Per Unit	Per SF	Per Unit	Per SF	
Studio	1	350	17	10.4%	0	0.0%	\$1,050	\$3.00	\$1,050	\$3.00	0.0%
1	1	520	114	69.5%	6	5.3%	\$1,387	\$2.67	\$1,387	\$2.67	0.0%
2	1	675	33	20.1%	0	0.0%	\$1,557	\$2.31	\$1,557	\$2.31	0.0%
Totals		Avg SF	Units	Mix %	Units	Percent	Per Unit	Per SF	Per Unit	Per SF	Concessions
All Studios		350	17	10.4%	0	0.0%	\$1,050	\$3.00	\$1,050	\$3.00	0.0%
All 1 Beds		520	114	69.5%	6	5.3%	\$1,387	\$2.67	\$1,387	\$2.67	0.0%
All 2 Beds		675	33	20.1%	0	0.0%	\$1,557	\$2.31	\$1,557	\$2.31	0.0%
Totals		534	164	100%	6	3.7%	\$1,386	\$2.60	\$1,386	\$2.60	0.0%

### SITE AMENITIES

Clubhouse	Controlled Access	Gated	Laundry Facilities
Property Manager on Site			

### UNIT AMENITIES

Balcony	Cable Ready	Carpet	Dishwasher
Kitchen	Oven	Sprinkler System	Views



## Rent Comparables

# Rivers Edge - 1 Water St

164 Unit Apartment Building

Haverhill, Massachusetts

Outer Greater Merrimack Valley Neighborhood

PREPARED BY

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Christopher Mauri  
Sales Associate



# Rent Comparables Summary

Rivers Edge - 1 Water St

No. Rent Comps

3

Avg. Rent Per Unit

\$1,410

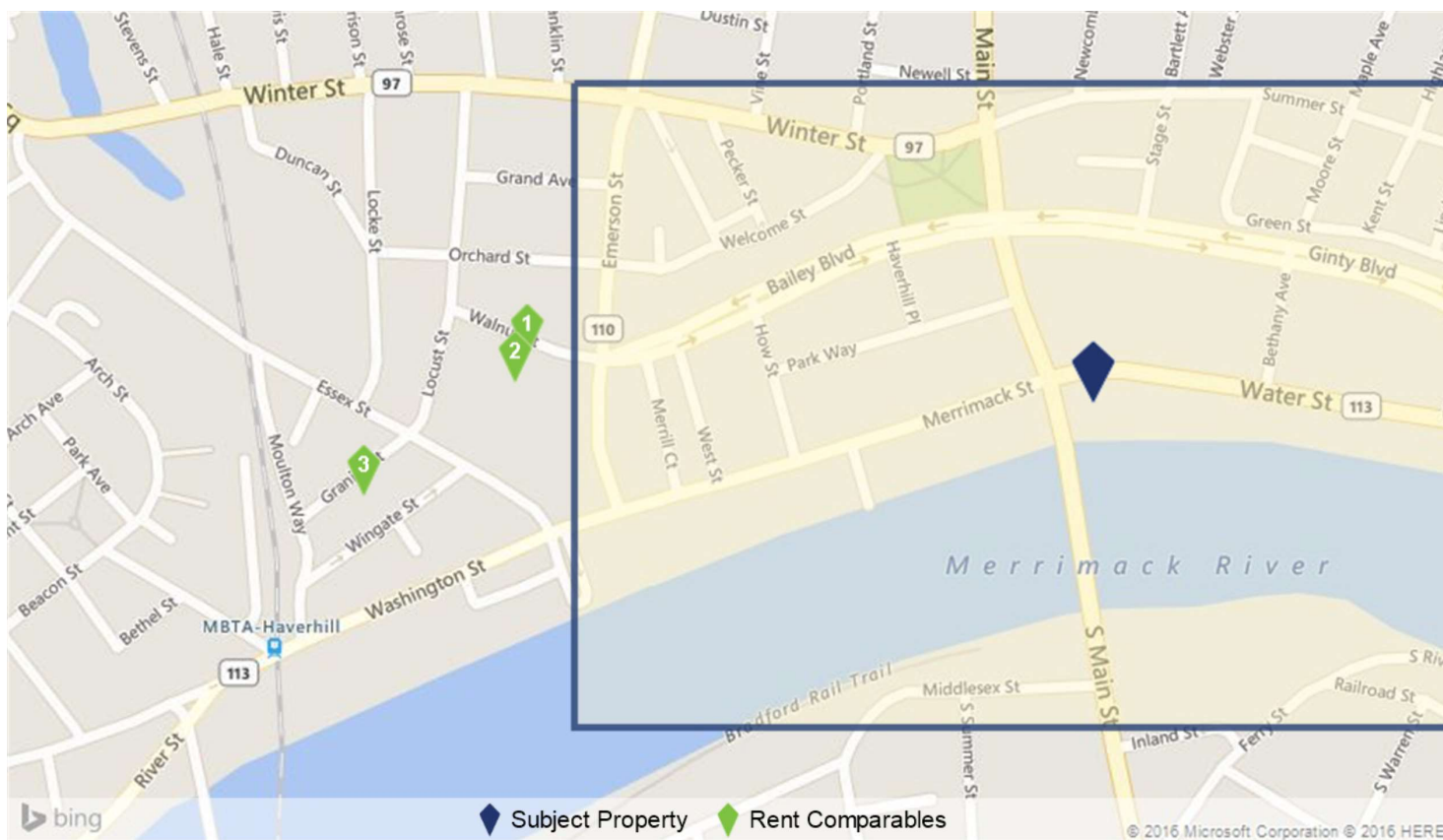
Avg. Rent Per SF

\$1.65

Avg. Vacancy Rate

4.7%

## RENT COMPS LOCATIONS







## RENT COMPS SUMMARY STATISTICS

Unit Breakdown	Low	Average	Median	High
Total Units	32	78	57	146
Studio Units	0	26	32	48
One Bedroom Units	0	20	11	50
Two Bedroom Units	0	31	46	48
Three Bedroom Units	0	0	0	0
Property Attributes	Low	Average	Median	High
Year Built	1890	1900	1900	1911
Number of Floors	7	7	7	8
Average Unit Size	870 SF	960 SF	916 SF	1,095 SF
Vacancy Rate	1.4%	4.7%	6.3%	12.3%
Star Rating	★★★★☆	★★★★☆ 3.3	★★★★☆	★★★★☆

# Rent Comparables Summary

Rivers Edge - 1 Water St

Property Name/Address	Rating	Yr Built	Property Size		Asking Rent Per Month Per Unit				Rent/SF
			Units	Avg Unit SF	Studio	1 Bed	2 Bed	3 Bed	
 Rivers Edge 1 Water St	★ ★ ★ ★ ★	1960	164	533	\$1,050	\$1,387	\$1,557	-	\$2.60
 the Cordovan at Haverhill ... 45 Locust St	★ ★ ★ ★ ★	1900	146	916	\$1,239	\$1,430	\$1,540	-	\$1.91
 Haverhill Lofts 25 Locust St	★ ★ ★ ★ ★	1890	32	870	\$1,540	-	-	-	\$1.77
 The Hayes at Railroad Squ... 14 Granite St	★ ★ ★ ★ ★	1911	57	1,095	-	\$980	\$1,583	-	\$1.34

# Rent Comparables

Rivers Edge - 1 Water St

the Cordovan at Haverhill Station - 45 Locust St  
Haverhill, Massachusetts - Outer Greater Merrimack Valley Neighborhood



PROPERTY	
Property Size:	146 Units, 7 Floors
Avg. Unit Size:	917 SF
Year Built:	1900
Rent Type:	Market/Affordable
Parking:	-
Distance to Subject:	0.4 Miles
Distance to Transit:	-

PROPERTY MANAGER	
Beacon - The Cordovan	
(978) 374-3744	
OWNER	
Beacon Communities LLC	
Purchased 2/13/2006	
\$2,400,000 - Portfolio Price	

## UNIT BREAKDOWN

Bed	Bath	Avg SF	Unit Mix		Vacancy		Avg Asking Rent		Avg Effective Rent		Concessions
			Units	Mix %	Units	Percent	Per Unit	Per SF	Per Unit	Per SF	
Studio	1	642	48	32.9%	0	0.0%	\$1,239	\$1.93	\$1,239	\$1.93	0.0%
1	1	743	40	27.4%	1	2.5%	\$1,430	\$1.92	\$1,430	\$1.92	0.0%
1	2	1,475	10	6.8%	0	0.0%	-	-	-	-	-
2	2	1,177	44	30.1%	0	0.0%	-	-	-	-	-
2	2	1,213	-	0.7%	1	100%	\$1,540	\$1.27	\$1,540	\$1.27	0.0%
2	2	1,838	3	2.1%	0	0.0%	-	-	-	-	-
Totals		Avg SF	Units	Mix %	Units	Percent	Per Unit	Per SF	Per Unit	Per SF	Concessions
All Studios		642	48	32.9%	0	0.0%	\$1,239	\$1.93	\$1,239	\$1.93	0.0%
All 1 Beds		889	50	34.2%	1	2.0%	\$1,430	\$1.92	\$1,430	\$1.92	0.0%
All 2 Beds		1,219	48	32.9%	1	2.1%	\$1,540	\$1.27	\$1,540	\$1.27	0.0%
Totals		916	146	100%	2	1.4%	\$1,328	\$1.91	\$1,328	\$1.91	0.0%

## SITE AMENITIES

24 Hour Availability, Clubhouse, Courtyard, Fitness Center, Gameroom, Online Services, Pet Play Area, Property Manager on Site, Video Patrol, Wi-Fi at Pool and Clubhouse

## UNIT AMENITIES

Air Conditioning, Balcony, Cable Ready, Carpet, Dishwasher, Disposal, Heating, Kitchen, Range, Refrigerator, Smoke Free, Storage Units, Vaulted Ceiling, Views, Washer/Dryer, Wheelchair Accessible (Rooms), Wi-Fi

# Rent Comparables

Rivers Edge - 1 Water St

## Haverhill Lofts - 25 Locust St



Haverhill, Massachusetts - Outer Greater Merrimack Valley Neighborhood



PROPERTY	
Property Size:	32 Units, 8 Floors
Avg. Unit Size:	870 SF
Year Built:	1890
Rent Type:	Market
Parking:	50 Spaces; 1.6 per Unit
Distance to Subject:	0.4 Miles
Distance to Transit:	-

PROPERTY MANAGER	
Beacon - Haverhill Lofts	
(978) 374-3744	
OWNER	
Beacon Communities LLC	

### UNIT BREAKDOWN

Bed	Bath	Avg SF	Unit Mix		Vacancy		Avg Asking Rent		Avg Effective Rent		Concessions
			Units	Mix %	Units	Percent	Per Unit	Per SF	Per Unit	Per SF	
Studio	1	870	32	100%	2	6.3%	\$1,540	\$1.77	\$1,540	\$1.77	0.0%
Totals		Avg SF	Units	Mix %	Units	Percent	Per Unit	Per SF	Per Unit	Per SF	Concessions
All Studios		870	32	100%	2	6.3%	\$1,540	\$1.77	\$1,540	\$1.77	0.0%
Totals		870	32	100%	2	6.3%	\$1,540	\$1.77	\$1,540	\$1.77	0.0%

### SITE AMENITIES

24 Hour Availability, Business Center, Elevator, Fitness Center, Gated, Wi-Fi at Pool and Clubhouse

### UNIT AMENITIES

Air Conditioning, Dishwasher, Granite Countertops, Heating, Intercom, Microwave, Range, Refrigerator, Smoke Free, Stainless Steel Appliances, Storage Units, Vaulted Ceiling, Walk-In Closets, Washer/Dryer, Wi-Fi

# Rent Comparables

Rivers Edge - 1 Water St

The Hayes at Railroad Square - 14 Granite St  
Haverhill, Massachusetts - Outer Greater Merrimack Valley Neighborhood



PROPERTY	
Property Size:	57 Units, 7 Floors
Avg. Unit Size:	1,096 SF
Year Built:	1911
Rent Type:	Market/Affordable
Parking:	-
Distance to Subject:	0.5 Miles
Distance to Transit:	-

PROPERTY MANAGER	
Peabody Properties, Inc	
(978) 521-0014	
OWNER	
Archdiocese of Boston	

## UNIT BREAKDOWN

Bed	Bath	Avg SF	Unit Mix		Vacancy		Avg Asking Rent		Avg Effective Rent		Concessions
			Units	Mix %	Units	Percent	Per Unit	Per SF	Per Unit	Per SF	
1	1	732	11	19.3%	1	9.1%	\$980	\$1.34	\$980	\$1.34	0.0%
2	2	1,015	23	40.4%	3	13.0%	\$1,358	\$1.34	\$1,358	\$1.34	0.0%
2	2.5	1,351	23	40.4%	3	13.0%	\$1,808	\$1.34	\$1,808	\$1.34	0.0%
Totals		Avg SF	Units	Mix %	Units	Percent	Per Unit	Per SF	Per Unit	Per SF	Concessions
All 1 Beds		732	11	19.3%	1	9.1%	\$980	\$1.34	\$980	\$1.34	0.0%
All 2 Beds		1,183	46	80.7%	6	13.0%	\$1,583	\$1.34	\$1,583	\$1.34	0.0%
Totals		1,096	57	100%	7	12.3%	\$1,467	\$1.34	\$1,467	\$1.34	0.0%

## SITE AMENITIES

Clubhouse, Controlled Access, Fitness Center, Laundry Facilities, Property Manager on Site, Storage Space

## UNIT AMENITIES

Air Conditioning, Cable Ready, Dishwasher, Disposal, Granite Countertops, Heating, High Speed Internet Access, Microwave, Range, Refrigerator, Stainless Steel Appliances, Tile Floors, Walk-In Closets

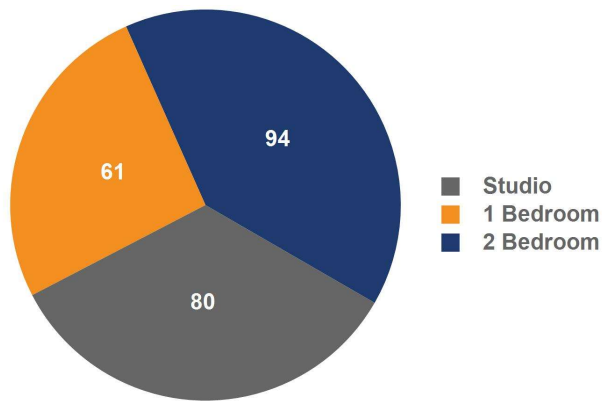
# Rent Comparables by Bedroom

Rivers Edge - 1 Water St

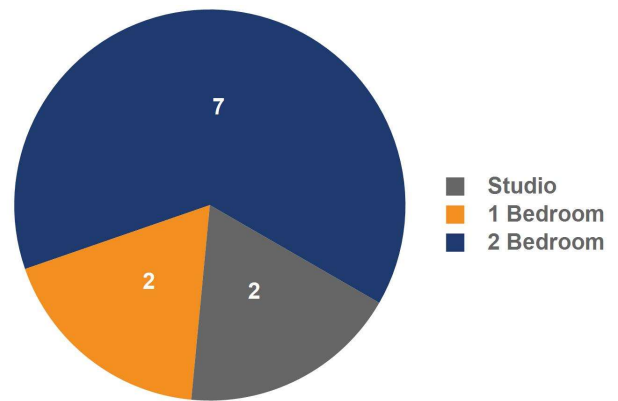
Studio Comps	One Bed Comps	Two Bed Comps	Three Bed Comps
<b>\$1,359</b>	<b>\$1,333</b>	<b>\$1,582</b>	-
Subject	Subject	Subject	Subject
\$1,050	\$1,387	\$1,557	-

Current Conditions in Rent Comps	Studio	1 Bedroom	2 Bedroom	3 Bedroom
Total Number of Units	80	61	94	0
Vacancy Rate	2.5%	3.3%	7.4%	-
Asking Rent Per Unit	\$1,359	\$1,333	\$1,582	-
Asking Rent Per SF	\$1.85	\$1.80	\$1.34	-
Effective Rents Per Unit	\$1,359	\$1,333	\$1,582	-
Effective Rents Per SF	\$1.85	\$1.80	\$1.34	-
Concessions	0.0%	0.0%	0.0%	-
Changes Past Year in Rent Comps	Studio	1 Bedroom	2 Bedroom	3 Bedroom
Year-Over-Year Effective Rent Growth	13.3%	-11.7%	-3.3%	-
Year-Over-Year Vacancy Rate Change	2.5%	3.3%	5.3%	-
12 Month Net Absorption in Units	0	1	0	-

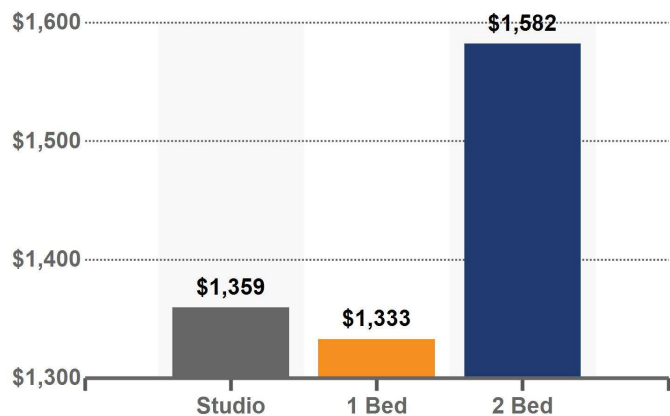
## EXISTING UNITS



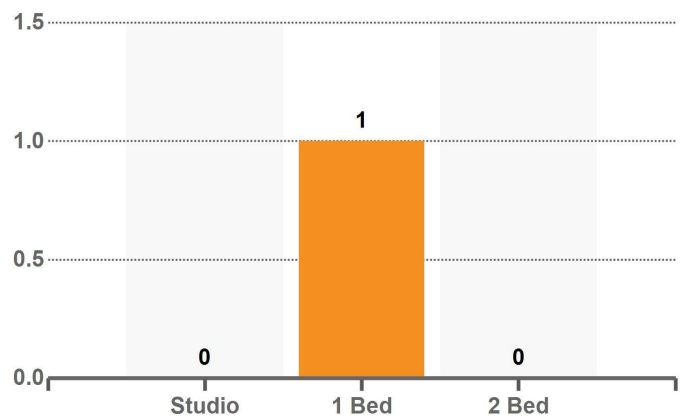
## VACANT UNITS



## ASKING RENT PER UNIT PER MONTH



## 12 MONTH NET ABSORPTION IN UNITS



## 9. Overview of Haverhill

### 9.1 About the city of Haverhill, MA

## City History

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The City of Haverhill, located in northeastern Massachusetts on the Merrimack River, is one of the oldest historic communities in the state. It is situated in northern Essex County, is bordered by the towns of Methuen on the west, Groveland and Boxford on the south, West Newbury on the east, and the state of New Hampshire on the north. Haverhill contains almost 36 square miles of area and a wide variety of land uses, ranging from rural agricultural areas to urban areas such as the city's historical industrial center.

Established in 1640 as Pentucket, Haverhill was incorporated as a city in 1870. Although originally settled as farmland, the city evolved into a major industrial center through the establishment of saw and grist mills in the late 17th century, tanneries and boat yards in the early 18th century and shoe manufacturing, its leading industry for 180 years. The city remained a thriving industrial center until the severe depression of the 1930s. Currently, computer technology and research industries thrive within Haverhill's seven industrial parks, business districts, and newly rehabilitated central business district.



The City has a tremendous array of active and passive recreational opportunities, such as four 18-hole golf courses, a downhill ski area, two horseback riding academies, a public skating rink and a sailing program. The Merrimack River meanders through the city, providing walking, jogging, bird watching and boating opportunities. Haverhill's residents invite visitors to come and watch the growing population of bald eagles which inhabit the city along the Merrimack River. For more information, please contact the Haverhill Historical Society: <http://www.haverhillhistory.org/>.

- **60,953** Up 3.3%  
[Population](#)
- **46.8%**  
[Married Population](#)
- **5.7%**  
[Unemployment Rate](#)
- **28.4 minutes**  
[Average Commute Time](#)
- **38**  
[Median Age](#)
- **2.49**  
[Household Size](#)
- **\$229,700**  
[Median Home Price](#)
- **Real Estate**  
[For Sale](#) [For Rent](#)



## Quick Facts About Haverhill

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### ECONOMY

The unemployment rate in Haverhill is [5.70](#) percent (U.S. avg. is 6.30%). Recent job growth is Positive. Haverhill jobs have Increased by 1.64 percent.

### COST OF LIVING

Compared to the rest of the country, Haverhill's [cost of living](#) is 26.90% Higher than the U.S. average.

### POPULATION

As of 2014, Haverhill's population is [60,953 people](#). Since 2000, it has had a population growth of 3.29 percent.

### TRANSPORTATION

Average Commute time is [28 minutes](#). The National Average is 25 minutes.

### REAL ESTATE

The median home cost in Haverhill is [\\$229,700](#). Home appreciation the last year has been 9.50 percent.

### SCHOOLS

Haverhill public schools spend [\\$15,660 per student](#). The average school expenditure in the U.S. is \$12,435.

There are about [15.3 students per teacher](#) in Haverhill.

## 9.2 Population & Demographics

As of the [census<sup>\[33\]</sup>](#) of 2010, there were 60,879 people, 25,576 households, and 14,865 families residing in the city. The [population density](#) was 1,846.5 people per square mile (683.1/km<sup>2</sup>). There were 23,737 housing units at an average density of 712.2 per square mile (275.0/km<sup>2</sup>). The racial makeup of the city was 88.3% [White](#), 4.5% [African American](#), 0.3% [Native American](#), 1.6% [Asian](#), 0.03% [Pacific Islander](#), 4.30% from [other races](#), and 2.6% from two or more races. [Hispanic Latino](#) made up 14.5% of the population (5.8% [Puerto Rican](#), 4.6% [Dominican](#), 0.9% [Mexican](#), 0.5% [Guatemalan](#), 0.3% [Salvadoran](#), 0.3% [Colombian](#), 0.2% [Cuban](#)). 16.8% were of [Irish](#), 14.6% [Italian](#), 10.1% [French](#), 9.0% [English](#), 7.8% [French Canadian](#) and 6.3% [American](#) ancestry according to [Census 2000](#).

There were 22,976 households out of which 33.0% had children under the age of 18 living with them, 47.0% were [married couples](#) living together, 13.4% had a female householder with no husband present, and 35.3% were non-families. 28.6% of all households were made up of individuals and 10.3% had someone living alone who was 65 years of age or older. The average household size was 2.51 and the average family size was 3.11.

In the city the population was spread out with 25.7% under the age of 18, 7.7% from 18 to 24, 33.5% from 25 to 44, 20.4% from 45 to 64, and 12.8% who were 65 years of age or older. The median age was 36 years. For every 100 females there were 90.3 males. For every 100 females age 18 and over, there were 85.7 males.

## Education

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Haverhill is the home of the main campus of [Northern Essex Community College](#). Until its closing in 2000, [Bradford College](#) provided [liberal arts higher education](#) in Haverhill. In 2007, it became the new home of the Zion Bible College, now called [Northpoint Bible College](#). Recently, The University of Massachusetts at Lowell (U-Mass Lowell) has announced its intention to locate a satellite campus in Haverhill and has begun teaching several courses at Northern Essex Community College.

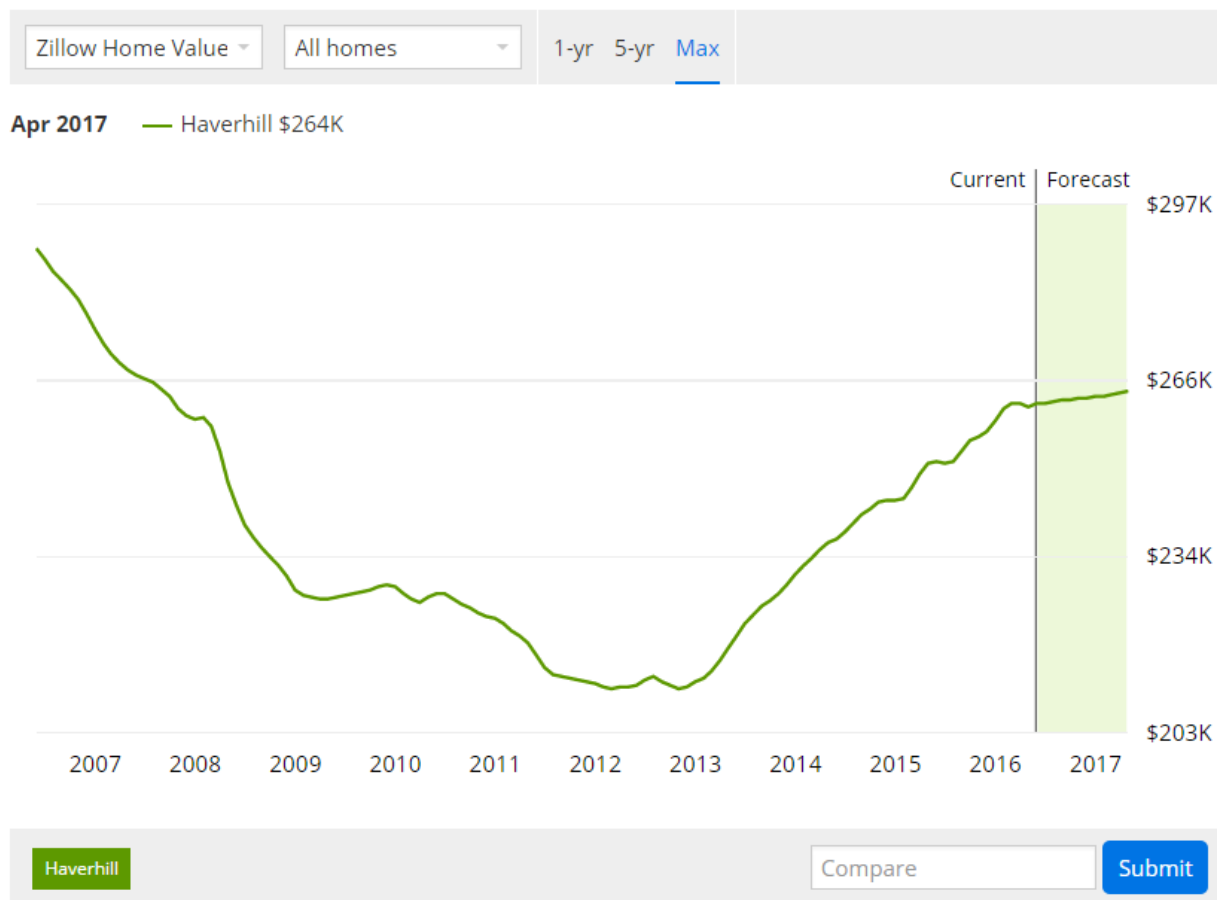
*Source: [https://en.wikipedia.org/wiki/Haverhill,\\_Massachusetts](https://en.wikipedia.org/wiki/Haverhill,_Massachusetts)*

### 9.3 Haverhill RE Market

## Haverhill RE Market Overview

Data through Apr 30, 2016

- **\$261,500** ZHVI
- **1.0%** 1-yr forecast (Apr 30, 2017)
- **No data** Median listing price
- **No recent data** Median sale price



Source: [www.zillow.com](http://www.zillow.com)

## 9.4 Haverhill's Economic Development

### Haverhill Economic Development

There is a large development called “Harbor Place” that is taking place across the street from River’s Edge Apartments.

The project is being developed by Dellbrook Construction and is proposed as a satellite campus for UMASS Lowell. The information as provided to us is as follows

- UMass is taking 2 floors of the commercial building.
- In addition to UMass, Pentucket bank is taking one floor, and a local cable company is taking one floor. There is still one floor available for lease or sale.
- Currently none of the first floor retail spaces are leased.
- There are 120 parking spaces under the building.
- There are 30 affordable units and 50 market rate units.
- As far as amenities go, they are minimal. They have a community room and a nicely landscaped court yard.



For information on this development, visit  
<http://dellbrookjks.com/projects/mixed-use/harbor-place/>

Arrowpoint feels this development furthers the economic growth in Haverhill and will only attract more developers to the city. New investment capital coming into the area should assist in the value creation of River’s Edge Apartments in the long-run.

## **10. Tax Information**

### **10.1 Federal Taxes**

The potential investor should be aware of the material Federal income tax aspects of an investment in the Interests, effective as of the date of this document. An investor should consult with their tax professional to determine the effects of the tax treatment of the Interests on their individual situation.

### **10.2 Reporting Status of the Company**

The adoption, by the IRS, in 1996, of the so-called 'check-the-box' regulations sets partnership status as the default Federal tax classification for limited liability companies being formed today. No further action is needed to be taken by the Company to obtain partnership status.

In addition, the Company, will operate under the Massachusetts Limited Liability Company Act, and as such, the Company will elect to be treated as a partnership for State income tax purposes. By maintaining partnership tax status, the Company will not be taxed on income or loss at the Company level, but will report to each Member their distributive share of profits and losses from operations and disposition according to the Operating Agreement. This process will make the Company a pass through Property for tax purposes.

### **10.3 Taxation of Members**

The Company will be treated as a partnership for Federal tax purposes. A partnership is not a taxable Property. A Member will be required to report on their Federal tax return their distributable share of partnership profit, loss, gain, deductions or credits. Cash distributions are generally not taxable, but create a deduction in the Member's capital account. Preferred Returns to investors, are however taxable as they are considered income, similar to an interest payment though not classified as such for this type of investment. We encourage potential investors to consult their own CPA.

### **10.4 Basis of Company Assets**

An original tax basis will be established for Company assets. The original basis of the real estate shall be established by its purchase price. The tax basis will be adjusted during the operations of the Company by the addition of any capitalized expenditures and depreciation.

### **10.5 Basis of a Member**

A Member will establish their original tax basis by including their initial capital investment. The Member's tax basis will be adjusted during the operations of the Property by the addition of capital contributions made. In total, a Member may deduct their share of Company losses only to the extent of the adjusted basis of their interest in the Company.

## **10.6 Annual Operations**

According to the Investment Objective and Policies, the Manager is projecting that there will be taxable income to distribute to the Members on the Schedule K-1 report provided to each Member, annually. This taxable income will be reported by each Member, along with the other taxable income or loss they have to report. The tax liability incurred by each Member will depend on their individual marginal tax and capital gains rates for both State and Federal tax.

## **10.7 Disposition**

On dissolution and termination of the Company the Members may be allocated taxable income that may be treated as ordinary income or capital gain. The Operating Agreement states the procedures on the dissolution and termination of the Company. In addition, the Members may receive an adjustment in their Capital Account that will either increase or decrease the capital gain to be reported. The Operating Agreement describes the operation of capital accounts for the Company and the Members.

Currently, the Federal capital gains rate is 15% if you are a middle-income taxpayer. If your adjusted gross income exceeds \$250,000 (married filing jointly) or \$200,000 (filing individually) taxpayers will be hit with an additional 3.8% due the Affordable Care Act. For more information on the Federal capital gains rate see: <http://www.forbes.com/sites/davidmarotta/2014/05/25/capital-gains-tax-gets-more-complicated/>

## **10.8 Sale or Other Disposition of a Member's Interests**

A Member may be unable to sell their interest as there may be no market for the Interests. If there is a market, it is possible that the price received will be less than the market value. It is possible that the taxes payable on any sale may exceed the cash received on the sale. Upon the sale of a Member's interest, the Member will report taxable gain to the extent that the sale price of the interest exceeds the Member's adjustable tax basis. A portion of taxable gain may be reported as a recapture of the cost recovery deduction allocated to the Member and will be taxed at the cost recovery tax rate in effect at that time. Presently, the maximum Federal tax rate on cost recovery recapture is 25%. The balance of the taxable gain will be taxed at the capital gain tax rate in effect at that time.

## **10.9 Tax Returns and Tax Information**

Annually, the Manager will file an informational return, using IRS Form 1065. In addition, the Manager will annually provide each Member a Schedule K-1 report. Each Member will report this income or loss along with their other taxable income. The tax liability incurred by each Member will depend on their individual marginal and capital gains tax rates for both State and Federal tax. The Manager will provide the annual tax information to the Members no later than March 15<sup>th</sup> of each calendar year.

## 11. Plan of Distribution

The offering and sale of the Interests will be made without using any methods of general solicitation. An investor who desires to purchase units in the Company will complete the Offeree Questionnaire and Subscription Agreement. The Manager will confirm that all Members meet the suitability standards established by the Company. The Units offered have not been registered with the Securities Exchange Commission ("SEC") nor qualified with the appropriate State securities agencies. No permits have been obtained from any governmental agency. No reports will be made to any governmental agency under any federal or state securities laws other than registration informational reports as may be required. Other than filing Articles of Organization for the LLC, the Manager does not intend to qualify or register this investment with any governmental agency. A court might or might not decide that this investment is a "security" as defined by State and Federal Laws; however, even if it is a "security," this offering is conducted under State and Federal Laws providing an exemption from registration and qualification requirements for a "private placement."

## 12. Integration

This Private Placement Memorandum is to be distributed only by the Manager and only to individuals who represent in writing that they meet the income, net worth and suitability requirements established for investors by the Manager.

This Private Placement Memorandum represents the complete package of information and disclosures on the Company. Investors should not rely on any verbal information that is not set forth in writing within this document.

Date: \_\_\_\_\_ Arrowpoint Burlington, LLC  
By its Managers  
David Lamattina

By: \_\_\_\_\_  
David Lamattina, Manager

## **DISCLAIMERS**

**FOR RESIDENTS OF ALL STATES: THE PRESENCE OF A LEGEND FOR ANY GIVEN STATE REFLECTS ONLY THAT A LEGEND MAY BE REQUIRED BY THAT STATE AND SHOULD NOT BE CONSTRUED TO MEAN AN OFFER OR SALE MAY BE MADE IN A PARTICULAR STATE. IF YOU ARE UNCERTAIN AS TO WHETHER OR NOT OFFERS OR SALES MAY BE LAWFULLY MADE IN ANY GIVEN STATE, YOU ARE HEREBY ADVISED TO CONTACT THE COMPANY. THE SECURITIES DESCRIBED IN THIS MEMORANDUM HAVE NOT BEEN REGISTERED UNDER ANY STATE SECURITIES LAWS (COMMONLY CALLED "BLUE SKY" LAWS) THESE SECURITIES MUST BE ACQUIRED FOR INVESTMENT PURPOSES ONLY AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION OF SUCH SECURITIES UNDER SUCH LAWS, OR AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED. THE PRESENCE OF A LEGEND FOR ANY GIVEN STATE REFLECTS ONLY THAT A LEGEND MAY BE REQUIRED BY THE STATE AND SHOULD NOT BE CONSTRUED TO MEAN AN OFFER OF SALE MAY BE MADE IN ANY PARTICULAR STATE.**

**NOTICE TO MASSACHUSETTS RESIDENTS ONLY: THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE MASSACHUSETTS UNIFORM SECURITIES ACT, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THIS OFFERING. THESE SECURITIES CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.**

**NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY: NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE UNDER THIS CHAPTER HAS BEEN FILED WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.**

**AN INDEPENDENT INVESTIGATION SHOULD BE UNDERTAKEN BY EACH SUBSCRIBER REGARDING THE SUITABILITY OF HIS OR HER INVESTMENT IN THE COMPANY. OFFEREES ARE NOT TO CONSTRUE THE CONTENTS OF THIS MEMORANDUM OR ANY INFORMATION MADE AVAILABLE AS DESCRIBED BELOW AS LEGAL OR TAX ADVICE. EACH SUBSCRIBER SHOULD CONSULT HIS OR HER OWN COUNSEL, ACCOUNTANT OR BUSINESS ADVISOR AS TO LEGAL, TAX AND RELATED MATTERS CONCERNING THE PURCHASE OF THE UNITS.**

**THIS PRIVATE OFFERING MEMORANDUM DOES NOT CONTAIN AN UNTRUE STATEMENT OF A MATERIAL FACT OR OMIT TO STATE A MATERIAL FACT NECESSARY TO MAKE STATEMENTS MADE IN LIGHT OF THE CIRCUMSTANCES UNDER WHICH THEY ARE MADE, NOT MISLEADING. IT CONTAINS A FAIR SUMMARY OF THE MATERIAL TERMS OF THE DOCUMENTS PURPORTED TO BE SUMMARIZED HEREIN.**

**MARKET DATA AND INDUSTRY INFORMATION CONTAINED IN THE MEMORANDUM ARE DERIVED FROM VARIOUS TRADE PUBLICATIONS, INDUSTRY SOURCES AND COMPANY ESTIMATES. SUCH SOURCES AND ESTIMATES ARE INHERENTLY IMPRECISE. HOWEVER, THE COMPANY BELIEVES THAT SUCH DATA AND INFORMATION ARE GENERALLY INDICATIVE OF ITS MARKET POSITION.**

**NO DEALER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED IN CONNECTION WITH THIS OFFERING TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION OTHER THAN THOSE CONTAINED IN THIS MEMORANDUM AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MAY NOT BE RELIED UPON. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY BY ANYONE IN ANY STATE IN WHICH SUCH OFFER OF SOLICITATION IS NOT AUTHORIZED OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO, TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION, OR TO ANY PERSON OTHER THAN THE OFFEREE TO WHOM THIS MEMORANDUM HAS BEEN DELIVERED.**

**THIS INVESTMENT IS SPECULATIVE AND SUITABLE ONLY FOR SUBSCRIBERS OF SUBSTANTIAL NET WORTH WHO ARE WILLING AND HAVE THE FINANCIAL CAPABILITY TO PURCHASE AN INVESTMENT INVOLVING CERTAIN RISKS AND WITHOUT ANY DEGREE OF LIQUIDITY AND WHICH MAY NOT PROVIDE ANY IMMEDIATE CASH RETURN.**

**INVESTORS SHALL HAVE THE OPPORTUNITY TO ASK QUESTIONS AND RECEIVE ANSWERS FROM MANAGEMENT OF THE COMPANY CONCERNING ANY ASPECT OF THIS INVESTMENT AND TO OBTAIN ADDITIONAL INFORMATION CONCERNING THE BUSINESS OF ARROWPOINT BURLINGTON, LLC .**

## **EXHIBIT A**

### **Sponsor Bio**

#### David Lamattina-Manager/Sponsor



David Lamattina, President & CEO of Arrowpoint Properties LLC has been in the business of acquiring and managing multifamily property since 2003. The company's main business model is to source and acquire underperforming and mismanaged apartment communities that are located in strong rental markets and poised for significant appreciation. Arrowpoint has successfully acquired several apartment communities by raising investment equity from local and regional investors who seek a relatively low-risk, high return on their investment. Mr. Lamattina has continued to grow the company which to date has closed several transactions totaling over one hundred fifty apartment units currently valued over \$15 million dollars, while the company experiences a growth rate of 64% annually. At the time of this offering Mr. Lamattina has personally raised approximately \$3 million dollars in private equity, all of which is currently invested in several of Arrowpoint's multifamily projects. The investors that have contributed capital in previous deals have seen above market returns and appreciation of their investment. The company's growing success in this area continues to attract the attention of local investors who have expressed interest in future offerings as they are brought to the table.

Since 2007 Mr. Lamattina has been a licensed real estate broker in both Massachusetts and New Hampshire, with a sole focus on multifamily transactions. In the last several years, Mr. Lamattina has gained significant knowledge and experience analyzing market values of multifamily properties. To date, Mr. Lamattina has been directly involved in the acquisition and disposition of several multifamily properties with an aggregate market value north of \$30 million dollars. Mr. Lamattina has successfully integrated the brokerage side (Arrowpoint Realty Partners, LLC) with the management and investment side of the company, which has now grown to a full service real estate firm and continues to expand in all facets of the business.

Further information can be found on Arrowpoint Properties, LLC and the sponsor by visiting [www.arrowpointproperties.com](http://www.arrowpointproperties.com).

## Arrowpoint Properties, LLC Portfolio Details



Property Address	Date Acquired	# of Units	Purchase Price	Equity Invested	Current Market Value
7-9 Boxford St Lawrence, MA	8/1/2004	5	\$ 415,000	\$ 25,000	\$ 425,000



98 Salem St Lawrence, MA	6/15/09	12	\$ 890,000	\$ 281,544	\$ 1,200,000
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42 Oakland Ave Methuen, MA	7/31/10	24	\$ 1,750,000	\$ 392,000	\$ 2,520,000
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71-75 Salem St  
Lawrence, MA 12/27/12 12 \$ 700,000 \$ 190,000 \$ 1,100,000  
*\*Property was refinanced in 2014, returning more than half the investor's equity investment*



256 Essex St  
Lawrence, MA 3/1/14 18 \$ 1,305,000 \$ 300,000 \$ 1,750,000



101 Shawsheen Rd  
Lawrence, MA 2/28/15 12 \$ 910,000 \$ 260,000 \$ 1,150,000



9 Highland Ave  
Pelham, NH 8/14/15 48 \$ 4,300,000 \$ 1,050,000 \$ 5,200,000



311 Water St  
 Lawrence, MA 5/6/16 24 \$ 1,800,000 \$ 550,000 \$ 2,100,000  
*\*Property was recently acquired via 1031 exchange with a current appraised value close to 2.1 million*

Portfolio Summary			
Total # of Units	Total Project Costs	Total Equity Invested	Current Portfolio Value
155	\$12,070,000	\$3,048,544	\$15,445,000

### Past Projects



Property Address	Date Acquired	# of Units	Purchase Price	Equity Invested	Date Sold	Sale Price	Total Project Return
36 Burlington Ave Lowell, MA	8/4/14	18	\$1,510,000	\$338,000	4/27/16	\$ 1,800,000	30% IRR to Equity



569 Lakeview Ave Lowell, MA	8/14/14	5	\$ 380,000	\$ 105,000	3/31/16	\$ 500,000	30% IRR to Equity
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**EXHIBIT B**

**SUBSCRIPTION AGREEMENT AND OFFEREE QUESTIONNAIRE**

**Arrowpoint Burlington, LLC**

**PRIVATE PLACEMENT**

**DATE OF PRIVATE PLACEMENT MEMORANDUM: June 1<sup>st</sup>, 2016**

**INSTRUCTIONS FOR SUBSCRIPTION**

1. Review and complete this Subscription Agreement and Offeree Questionnaire.
2. Please execute this Subscription Agreement and Offeree Questionnaire and return an executed copy to Arrowpoint Burlington, LLC c/o Arrowpoint Properties, LLC
3. Wire instructions will be provided for the attorney's escrow account, where funds for this transaction will be held until closing
4. Return the above to:

Arrowpoint Burlington, LLC  
c/o Arrowpoint Properties, LLC  
49 Blanchard St. Suite 414  
Lawrence, MA 01843

**ARROWPOINT BURLINGTON, LLC**

***Offeree Questionnaire***

Please fill out and fax to 1-866-517-9599  
or Email to [David@arrowpointproperties.com](mailto:David@arrowpointproperties.com)

To: Arrowpoint Burlington, LLC  
c/o Arrowpoint Properties, LLC  
49 Blanchard Street, Suite 414  
Lawrence, MA 01843  
Phone: 978-207-3077

From: \_\_\_\_\_ Date: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

I am interested in exploring real-estate investment opportunities. I understand I must meet either of the following income (section A) or net worth requirements (section B): and have significant investment, business and financial experience.

A. **Income:** My annual net income was at least \$200,000 in each of the last two years, or my joint income with my spouse was in excess of \$300,000 in each of those years, and I have reasonable expectations of the same income level in this year.

B. **Assets:** My current individual net worth or joint net worth with my spouse is at least \$1 million or greater. For purposes of this item, “net worth” means the excess of total assets at fair market value (excluding primary residence), over total liabilities.

Amount interested in investing, check space below

- \_\_\_\_\_ \$50,000-\$100,000
- \_\_\_\_\_ \$100,000-\$500,000
- \_\_\_\_\_ \$500,000-\$1,000,000
- \_\_\_\_\_ \$1,000,000+

**Sophisticated Investor:**

am an experienced investor as demonstrated by my real estate, business or financial background and expertise. My sophistication is based on the following experience:

\_\_\_\_\_  
\_\_\_\_\_

*This is not an offer to sell or solicitation of an offer to purchase an investment security. This information relates to possible real estate opportunities for qualified purchasers who have established an existing substantive relationship with Arrowpoint Properties, LLC and its Principal. Natural persons qualify as investors by virtue of such pre-existing relationships and by proof of business experience, income and net worth.*

**I/we hereby certify that the above is true and correct.**

\_\_\_\_\_  
**Signature      Date**

\_\_\_\_\_  
**Signature      Date**

## **Subscription Agreement Arrowpoint Burlington, LLC**

Ladies and Gentlemen:

Subject to the terms and conditions of this Subscription Agreement (this “Agreement”) the undersigned Member (the “Member”) hereby subscribes for and offers to purchase a percentage interest in Arrowpoint Burlington, LLC (the “LLC”) as indicated on the Member Signature Page of this Agreement (the “Subscribed Percentage Interests”).

In connection with such subscription, and intending to be legally bound, the Member hereby agrees with the LLC and the Manager, being “David Lamattina” and herein referred to in this document as “Manager” as follows:

### 1. Subscription and Payment of Subscription Price.

(a) Together with this Agreement and the executed LLC Documents, the Member agrees to pay the Subscription Price by the corresponding updated schedule, unless notified beforehand by the Manager that the Offering has been terminated. The above referenced deposit will be deposited in the Company’s escrow account until the transaction closes.

(b) Subject to Section 2 hereof and any applicable provisions of state law, acceptance of this offer to purchase the Subscribed Percentage Interests, shall be irrevocable by the Member, unless the LLC fails to acquire the land with the buildings thereon at 1 Water St Haverhill, MA by July 13<sup>th</sup> 2016.

### 2. Adoption of LLC.

The Member hereby agrees to become a member in a limited liability company that is called Arrowpoint Burlington, LLC. Each Member will have the opportunity to review the LLC Agreement, and thereafter execute the necessary documents to become a Member. Attached hereto is a copy of LLC Operating Agreement. Member shall have seven (7) days from the date in which the agreement is received to notify the Manager in writing of reasonable objections to any of the provisions thereof. If Manager refuses to amend the Operating Agreement to the reasonable satisfaction of the Member, Member shall be entitled to revoke his offer to purchase the Subscribed Percentage Interests and

his deposit shall be refunded. Failure to notify the Manager in writing of reasonable objections to any of the provisions the Operating Agreement within seven (7) days from the date of receipt shall be conclusive evidence that Member has approved the Operating Agreement.

### 3. Member's Representations and Warranties.

With full knowledge that the LLC, the Manager, and their attorneys intend to rely upon the representation and warranties made herein, the Member hereby represents and warrants to for the benefit of the LLC, the Manager, and their attorneys as follows:

(a) The Member is an "accredited investor" within the meaning of Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended (the "Act"). That particularly, the Member meets such requirements as defined by the term and that he/she/it is capable of evaluating the merits and risks of an investment in the LLC.

(b) The Member has been advised that there will be no public market for the Percentage Interest(s) and that these Percentage Interest(s) are not and will not be, registered under the Act, and that the ability of the Member to liquidate its Percentage Interest(s) may be restricted accordingly.

(c) The Member is purchasing the Percentage Interests for its own account and not for resale to other parties.

(d) The Member is able to bear the economic risk of this investment in the Percentage Interests and at the present time, could afford the complete loss of this investment.

(e) The Member has evaluated the risks of investing in the Percentage Interests as described in the Investment Synopsis. Further that the financial projections therein and in the acquisition summary are based upon information received from the seller and other third parties which Arrowpoint Burlington, LLC provides no opinion as to the accuracy thereof.

(f) That the Member represents that he/she/it relied solely on the written materials provided by the LLC and is not relying on any oral statements in making his/her/its investment decision.

(g) That the member is willing to allow investor returns to be electronically transferred to their bank account.

#### 4. Miscellaneous.

(a) Entire Agreement; both parties agree that the materials submitted are preliminary in nature, specifically the form of entity that shall purchase the Property. All LLC Agreements or corporate documents shall be reviewed and executed by each Member, prior to closing.

(b) Any failure by the Member, the Manager, or the LLC to exercise any right or remedy under this Agreement, or delay in exercising any such right or remedy, shall not operate as a waiver of such right or remedy. No waiver of any such right or remedy shall be effective unless it is in writing and signed by the party making the waiver.

(c) This Agreement shall be construed in accordance with the laws of the Commonwealth of Massachusetts. All parties hereby irrevocably consent to the exclusive jurisdiction of any court sitting in the Commonwealth of Massachusetts for any disputes arising as a result of this Agreement.

(d) All notices under this Agreement shall be in writing, shall be deemed effective when sent by overnight or certified mail and if sent to the Member, shall be addressed to the Member at the address given on the Member signature page attached hereto.

(e) The below named Member has carefully read and understands the disclaimer attached to the investment synopsis.

**Terms of Offering.** The Operating Agreement of Arrowpoint Burlington, LLC (“Arrowpoint Burlington”) authorizes the issuance of 36 units to new Members. A total of 36 units in minimum groups of 1 Unit are being offered at \$100,000 per Unit with a total minimum investment of \$100,000. Arrowpoint Burlington, however, reserves the right to accept subscriptions for fractional purchases in its sole discretion.

The undersigned hereby subscribes for Units as follows:

**1. TOTAL SUBSCRIPTION:**

Dollar Amount: \$ \_\_\_\_\_ (\$100,000 minimum)

Number of Units: \_\_\_\_\_ (1 unit minimum)

**CHECK ONE:**

- \_\_\_\_\_ Individual Ownership Single Member
- \_\_\_\_\_ Individual Ownership Joint Tenants
- \_\_\_\_\_ Corporate Ownership Tenants in Common
- \_\_\_\_\_ Tenants by the Entirety Partnership Ownership
- \_\_\_\_\_ Trust

**FOR TRUSTS**

\_\_\_\_\_ / \_\_\_\_\_  
Date Trust Established Name of Trustee or other administrator

**2. SIGNATURE:**

(For joint ownership **BOTH PARTIES** must sign and provide a social security number)

\_\_\_\_\_ X \_\_\_\_\_ / \_\_\_\_\_  
Investor Signature S.S.N. or Tax I.D.No. Date

\_\_\_\_\_ X \_\_\_\_\_ / \_\_\_\_\_  
Investor Signature S.S.N. or Tax I.D.No. Date

**3. UNIT REGISTRATION:**

(Please print name(s) in which your Units are to be registered)

\_\_\_\_\_

\_\_\_\_\_

**4. GENERAL INFORMATION:**

(Investors must complete residence address for registration purposes)

- 1. Name(s) \_\_\_\_\_
- 2. Residence Address \_\_\_\_\_
- 3. Telephone \_\_\_\_\_
- 4. Employer(s) \_\_\_\_\_
- 5. Occupation \_\_\_\_\_
- 6. Email \_\_\_\_\_

**5. MAILING ADDRESS:**

(If different from residence address)

\_\_\_\_\_

\_\_\_\_\_

( ) \_\_\_\_\_ ( ) \_\_\_\_\_  
Cell Phone Business Phone

Please indicate whether investor is a resident of the United States:

Yes \_\_\_\_\_ No \_\_\_\_\_

## 6. PAYMENT INSTRUCTIONS

(all returns and distributions to members are made via electronic transfer)

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ACH Routing Instructions for electronic transfer (Attach blank voided check below please)

I HEREBY AGREE TO PURCHASE, SUBJECT TO ACCEPTANCE BY Arrowpoint Burlington, LLC

No. of Units	Price Per Unit	Total Price
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	\$100,000	
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**I attest that the above is true and correct. I understand that upon subscribing, that due to restrictions on transferability on the Units, any changes in ownership or how distribution payment may be made will be difficult if at all even possible. I understand that unless by operation of the bylaws or Private Placement Memorandum of the Company, I will not be able to ask a refund of funds as this is a binding contract.**

\_\_\_\_\_  
Signature                      Signature

\_\_\_\_\_  
Printed Name                      Printed Name