

BioTech Apartments

92 Units | Worcester, MA

CONFIDENTIAL INVESTMENT SUMMARY



ARROWPOINT
PROPERTIES

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INVESTMENT SUMMARY



INVESTMENT OFFERING

ADDRESS	38 Goldthwaite Rd Worcester, MA 01605
Year Built	1965
Units	92
# of Buildings	13
Stories	2.5
Net Rentable Area	83,032
Avg Unit Size	903 sf
Lot Size	9.41 acres
Exterior	Brick
Roof Type	Mix of pitched, asphalt shingle and flat, rubber membrane
Occupancy	100%
Parking Ratio	1.09

UTILITIES	
Electricity	National Grid, Landlord paid
Water/Sewer	City of Worcester, Landlord paid
Heating Type	Gas FHW, Tenant paid
Air Conditioning	Through-the-wall units, Landlord provided

UNIT TYPE	# of Units	Size (SF)	Market Rent	\$/SF	Reno. Rent	Reno \$/SF
1 bed, 1 bath	8	725	\$1,600	\$2.21	\$1,700	\$2.34
2 bed, 1 bath	83	920	\$1,725	\$1.88	\$1,895	\$2.06
3 bed, 1 bath	1	950	\$2,100	\$2.21	\$2,200	\$2.32
Total/Avg	92	903	\$1,718	\$1.90	\$1,881	\$2.08

PROPERTY LOCATION



PROPERTY LOCATION



INVESTMENT HIGHLIGHTS

- **92-Unit Community Situated in an In-Fill Location:** BioTech Apts represents an excellent opportunity to acquire a community with tremendous rental income upside
- **Attractive Unit Mix:** The community consists of a desirable unit mix, with 90% of the apartments being two-bedroom units
- **Growing Market & Dynamics:** The city of Worcester is on the upswing with recent developments in the entertainment, tech and life-sciences space. The city continues to add jobs and attract people from several surrounding communities
- **Tremendous Value-Add Opportunity:** New ownership can capture a +/- \$500/unit premium over current rent rates and a 35% return on capital investment by implementing a value-add strategy that includes upgrading unrenovated units and building out new amenity space
- **Potential for Additional Units:** The sale of the property includes city approvals to construct an additional 36 units on the site. Arrowpoint did not model for this nor include it in the price, so it is looked at as an “added bonus”. Plan is to explore this option down the road or include it as a selling point for the next owner

VALUE-ADD OPPORTUNITY

+/- \$500

POTENTIAL MARKET RENT INCREASE

Proposed Interior Renovations
(In Select Units)

- New, modern cabinetry
- Hard surface counters
- Stainless-steel appliance package
- Energy saving plumbing/light fixtures
- Luxury, vinyl-plank flooring
- Modern vanities and updated tub surrounds

NEW AMENITY SPACE

PROPOSED AMENITY ADDITIONS

***Currently, there are no amenities on-site**



Addition of Dog Park



Addition of Patio Area & Grills



Addition of Fitness Center

PROPERTY DESCRIPTION



PROPERTY OVERVIEW

- 92-Units spread across 13 buildings
- All brick construction
- Well located off major highway
- 56 units upgraded by current owner
- Resident paid utilities most units
- 90% of units are two-bedrooms
- Potential to add 36 additional units
- Private, residential setting





UNIT AMENITIES

- Upgraded kitchens*
- Spacious interiors
- Designer lighting in many units
- Hard wood flooring
- Upgraded vinyl-plank flooring
- Granite counters/tile backsplash*
- Window blinds
- Stainless-Steel appliances*

**In select units*

LOCATION OVERVIEW



SUBMARKET HIGHLIGHTS

98.4%

Avg. Occupancy Rate in 4Q21 -
highest 4th qtr rate on record

\$1,740

Effective rent / month in 4Q21,
up 7.1% annually.
Projected to reach \$1,868 in
4Q22 equating to a 7.4%
annual increase

\$2,209

Average mortgage payment
Effective Rent: \$1,740
Difference: \$469

LOCATION HIGHLIGHTS

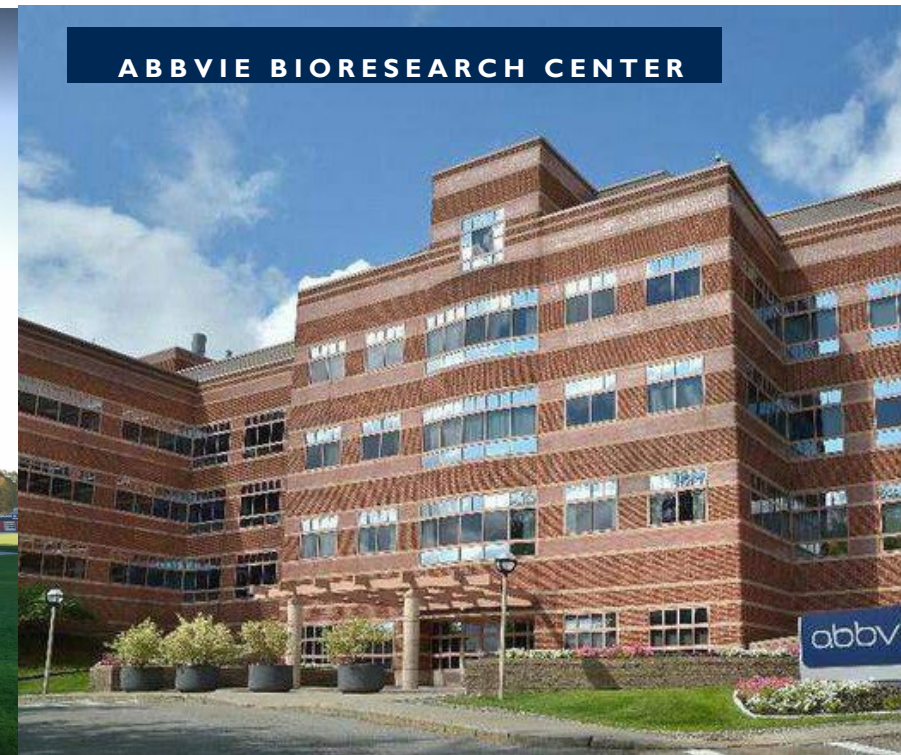
- Convenient access to employers, shopping, entertainment and education
- Easy access to downtown Worcester
- Walking distance to Lincoln Plaza, a 434,000 SF shopping plaza w/major retailers
- Easy access to major routes I-290 and I-190
- Access to UMass Science Park, a 10-acre campus which is home to dozens of bio-tech and life-science companies
- Worcester is home to the new Polar Park, where minor league team WooSox will play all their games

MEDICAL & BIOTECH

UMASS MEDICINE SCIENCE PARK

UMass Medicine Science Park is one of the nation's leading centers for biotechnology research and production, providing a nurturing environment for companies during all stages of growth. Ranging from start-up incubator space to full-building footprints, the five-building park accommodates a variety of quality office and laboratory tenants within an extraordinary 10-acre campus setting.

The nearly 470,000-square-foot park is home to dozens of biotechnology companies, as well as several non-profit and academic institutions. Situated alongside the continuously growing UMass Medical School and UMass Memorial Medical Center campus, the UMass Medicine Science Park both contributes to and benefits from the organic synergies created within this interconnected complex. A palpable energy from an unparalleled 10,000+ knowledge seekers on site – in addition to approximately 10 additional neighboring colleges and universities – permeates the campus, encouraging innovative thoughts and collaborative partnerships.



LIFE SCIENCES

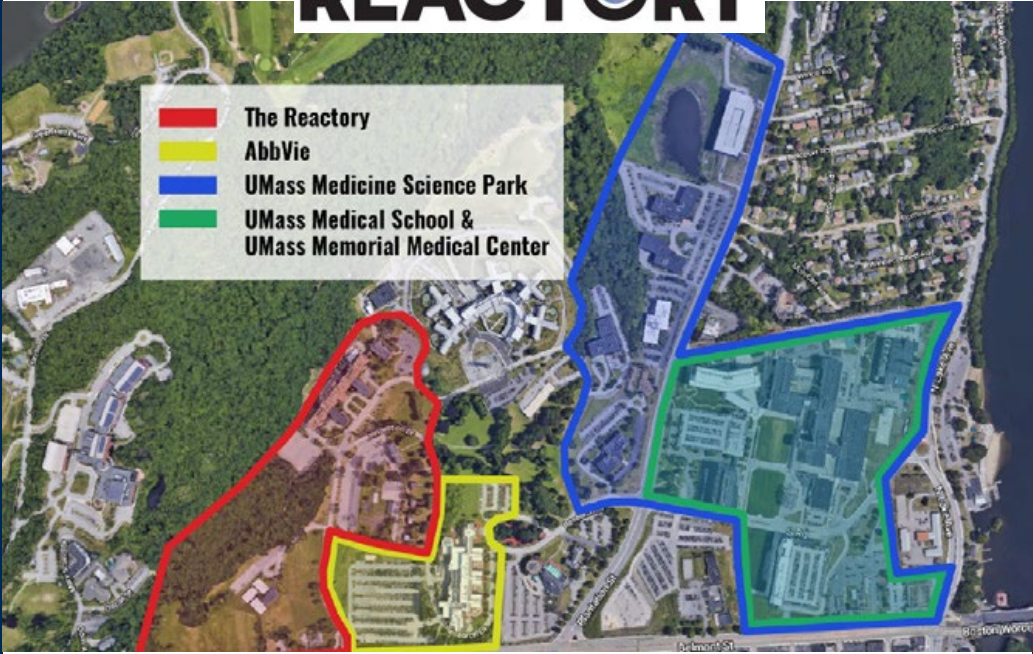
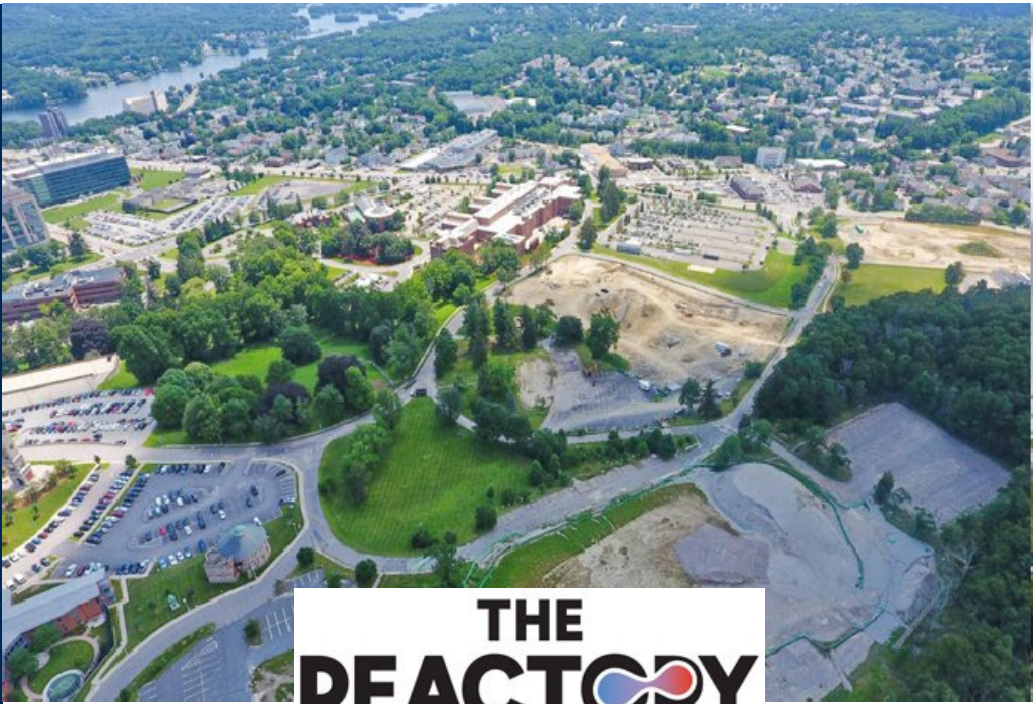
THE REACTORY

Located in Worcester, alongside UMass Medicine Science Park and the continuously growing UMass Medical School, The Reactory is a 46-acre campus that is specifically dedicated to biomanufacturing. The Reactory's master plan allows for up to eight shovel-ready parcels that provide the potential of up to 530,000 square feet of high-quality biomanufacturing facilities.

The rise of genetically personalized medicine and the development of rare-disease treatments have sparked demand for a new type of biomanufacturing: facilities that can handle complex production requirements and deliver quality along with the flexibility to manufacture in smaller volumes.

As new clinical programs continue to emerge along the Cambridge-Worcester corridor, the ability to manufacture locally is essential. The Reactory offers the type of dynamic, flexible environment where R&D scientists can collaborate on-site with production experts to perfect manufacturing techniques.

Whether for specialized product lines or as a key interim step toward large-scale manufacturing, The Reactory is poised to become a unique resource within the Northeast. Close to Boston yet significantly less expensive, located in a city with a hip vibe and a thriving biotech community, this ecosystem ideally positions The Reactory to help biotech companies realize their entrepreneurial vision.



GALAXY LIFE SCIENCES

It's full speed ahead for Worcester's newest biomanufacturing campus, The Reactory, after the new life sciences team at Webster-based Galaxy Development signed a land deal to build a state-of-the-art \$50M clinical and commercial manufacturing facility on six acres earlier this month.

Galaxy's purchase is the second transaction at the 46-acre, master-planned park in the last few months, following China-based WuXi Biologics' purchase to build their first U.S. production facility by 2022. With at least two of the eight pad-ready parcels at The Reactory now claimed, it won't be long before new biomanufacturing companies are welcomed to the city, joining the area's already-prominent life sciences ecosystem.

WUXI BIOLOGICS

WuXi Biologics, a global company with leading open-access biologics technology platforms, empowers biopharma organizations to discover, develop, and manufacture biologics from concept to commercial manufacturing. The \$60 million production facility will be a 107,000 square foot facility. It will be operational in 2022 and create 150 new jobs.

"WuXi Biologics' decision to locate its first U.S. biomanufacturing facility in Worcester at The Reactory confirms the value of Worcester's strong life sciences ecosystem, and we expect other biotech manufacturers will soon follow their lead." - Craig Blais, CEO.



SHOPPING & ENTERTAINMENT



POLAR PARK

The City of Worcester welcomes its partnership with the Red Sox and Polar Park as the centerpiece of a revitalized Canal District. Polar Park, truly a community park, is anticipated to host 125 year-round events including family affordable baseball games, outdoor concerts, other sporting events and community meetings/events.

The Worcester Red Sox, nicknamed the WooSox, began play at Polar Park for the 2021 season competing in the Triple-A East Division. The WooSox are affiliated with the Boston Red Sox and often host Red Sox players on rehab assignments

POLAR PARK QUICK FACTS

Location: 100 Madison Street (45 Miles from Fenway Park)

Opening Day: April 12th, 2022

Seating Capacity: 9,508

Concessions: Currently 9 Options

Turf Type: Kentucky Bluegrass



LINCOLN PLAZA



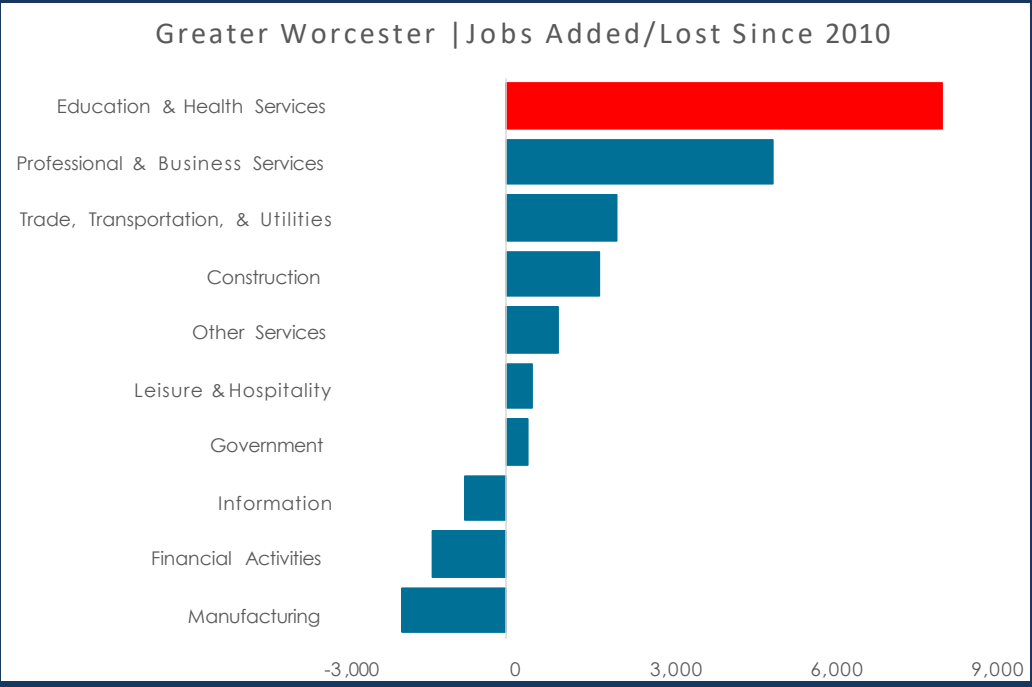
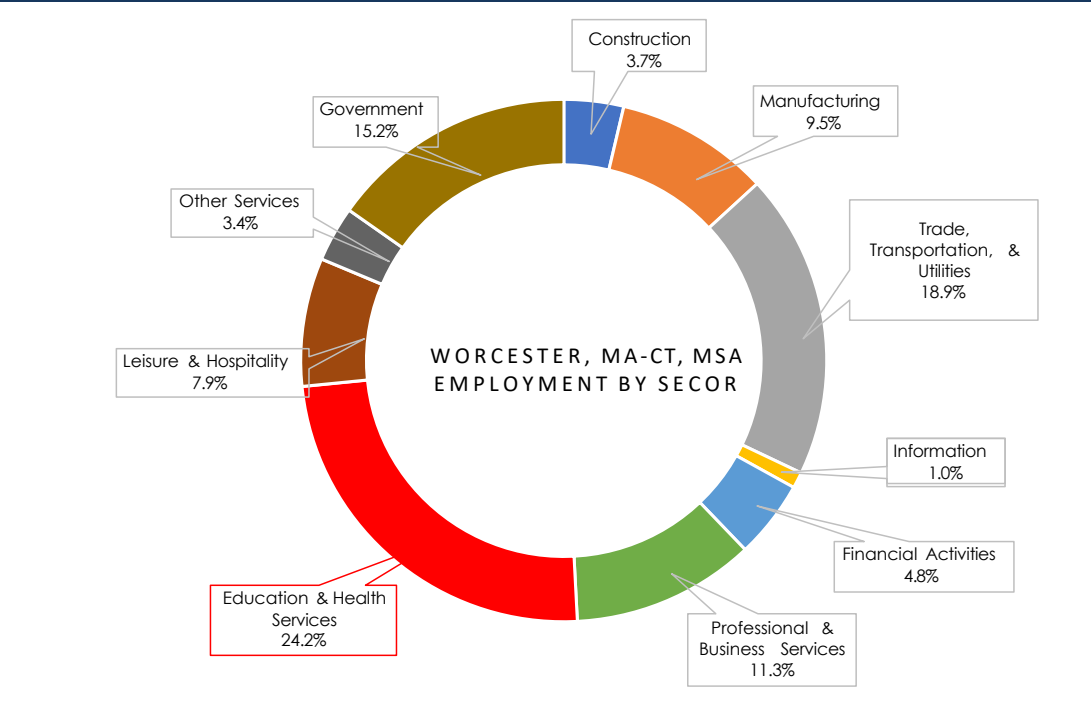
AERIAL VIEW

PORTFOLIO AERIAL



EMPLOYMENT DRIVERS

The City of Worcester is home to eight colleges and universities, with more than 35,000 students and 10,000 employees. The City also boasts two major hospitals, UMass Memorial Medical Center and Saint Vincent Hospital, as well as the UMass Chan Medical School and a Massachusetts College of Pharmacy and Health Sciences (MCPHS) campus. In addition to strengthening the local apartment demand by providing a continuous pool of potential renters, these institutions play an integral role in Worcester’s thriving "Eds and Meds" scene. Anchoring the regional economy, the education and health services sectors account for nearly one out of four jobs in Greater Worcester. As the largest employment sector in the metro area, Eds and Meds supports 68,000 jobs in the region and has led all sectors in job growth since 2010, adding 8,300 new positions over that time frame.



HIGHER EDUCATION



School / University

Enrollment*

Worcester Polytechnic	6,920
Institute Worcester State	5,724
University Clark University	3,356
College of the Holy Cross	3,114
Massachusetts College of Pharmacy and Health Sciences Worcester	2,500
Campus Assumption University, Worcester Campus	2,350
Umass Chan Medical School	1,243
QCC's Center for Workforce Development and Continuing Education	150

*Most recent enrollment numbers available

TRANSPORTATION

Worcester Regional Transit Authority

The Worcester Regional Transit Authority (WRTA) is a regional transit system that serves the city of Worcester and the surrounding 36 communities in central Massachusetts via an extensive fixed-route bus network.

- 3.5 million+ annual passengers
- 24 fixed routes
- Second-largest regional transit authority in Massachusetts

Worcester Regional Airport (1.8 mi. / 5 min.)

375 Airport Dr, Worcester, MA 01602

Conveniently located near downtown Worcester, Worcester Regional Airport is the primary gateway to central Massachusetts and a key economic driver for the region.

- Served by three airlines: American, Delta, JetBlue
- Offers Rectrix private jet services
- 200,000 annual passengers (pre-pandemic)
- \$97 million annual economic impact
- 44 flights per day
 - 19 takeoffs per day
 - 25 landings per day



ECONOMIC OVERVIEW

Greater Boston Economic Overview

Due to its exceptional quality of life, cultural offerings, diversified employment and well-developed infrastructure, Massachusetts is one of the nation's most desirable areas to live and work. In fact, U.S. News & World Report has consistently ranked Massachusetts at the top of its Best States rankings. Massachusetts was also ranked at the top of the list in both education and healthcare in the same report. Bloomberg also ranked Massachusetts the #1 State for Innovators.

Greater Boston continues to rank as one of the top three markets nationally for institutional investors, thanks in large part to the underlying fundamentals and the dynamic employment market. The organic demand in Boston created by the biotechnology, technology, healthcare and education industries is a strong driver that will continue to provide stability throughout the region. According to Forbes, Boston has one of the highest average household incomes of America's largest metro areas.

With Metro Boston containing the largest life science cluster in the nation, the local economy has benefited and will continue to benefit from the stability and growth in the biotech and life science industries.

Massachusetts-based biopharma companies raised \$6.3B in venture capital funding in 2020, and another \$13B in 2021. This represents over 40% of all biopharma venture funding. Notably, more than 50% of Massachusetts-based biopharma companies that received VC funding were located outside of Cambridge.

Total life sciences employment in the Boston Metro has seen continual growth. Since 2010, life science employment has grown 50%, and notched a record high of approximately 104,135 jobs at the end of the 2020.

	# of Jobs	MSF of Office	MSF of Lab
BOSTON	726,000	83	12
CAMBRIDGE	116,000	13	17
TOTAL URBAN	842,000	96	29
METRO WEST	709,000	50	13
METRO NORTH	846,000	44	5
METRO SOUTH	729,000	16	1
METRO WORCESTER	412,000	12	1
TOTAL SUBURBAN	2.7 Million	122	20

TOP EMPLOYERS

	Company	Address	# of Employees	Distance (miles)
1	UMass Memorial Medical Center*	119 Belmont St, Worcester, MA 01605 (Memorial Campus)	7,070	1.7
2	The Hanover Insurance Group	440 Lincoln St, Worcester, MA 01653	5,000	2.6
3	UMass Chan Medical School**	55 N Lake Ave, Worcester, MA 01655	3,560	3.1
4	Saint Vincent Hospital	123 Summer St, Worcester, MA 01608	2,450	1.3
5	Worcester State University	486 Chandler St, Worcester, MA 01602	1,220	2.3
6	Worcester Polytechnic Institute	100 Institute Rd, Worcester, MA 01609	1,000	1.1
7	Nouria	326 Clark St, Worcester, MA 01606	1,000	4.8
8	Fallon Health	10 Chestnut St, Worcester, MA 01608	1,000	0.5
9	AbbVie	100 Research Dr, Worcester, MA 01605	780	2.8
10	Assumption University	500 Salisbury St, Worcester, MA 01609	600	3.3
11	Cummings School of Veterinary Medicine-Tufts University	200 Westboro Rd, North Grafton, MA 01536	500	8.5
12	Charles River Laboratories	1 Innovation Dr, Worcester, MA 01605	450	3.0
13	Imperial Distributors	150 Blackstone River Rd, Worcester, MA 01607	400	3.2
14	Polar Beverages	1001 Southbridge St, Worcester, MA 01610	400	2.3
15	Webster First Federal Credit Union	275 Greenwood St, Worcester, MA 01607	400	3.6
16	Clark University**	950 Main St, Worcester, MA 01610	330	1.2
17	FedEx Ground	100 Pine Hill Dr, Boylston, MA 01505	300	7.8
18	Kennedy Community Health Center	19 Tacoma St, Worcester, MA 01605	300	5.0
19	Kadant Solutions Division	35 Sword St, Auburn, MA 01501	300	3.2
20	Eaton Corporation (Wright Line)	160 Gold Star Blvd, Worcester, MA 01606	300	2.9
	Total		27,360	

*Multiple locations

**Faculty members only

Employee counts are estimates

Source: City of Worcester; CoStar Group; Tetrad; Clark University; Worcester State University; UMass Chan Medical School; UMass Memorial Medical Center

DEMOGRAPHICS

	One-Mile Radius	Three-Mile Radius	Five-Mile Radius	City of Worcester	Worcester Metro
2021 Estimated Population	39,533	153,364	230,561	184,179	955,747
Projected 2026 Population	40,132	153,760	231,649	184,560	968,335
Population Change (2021 - 2026)	1.5%	0.3%	0.5%	0.2%	1.3%
2021 Estimated Average HHI	\$50,360	\$69,309	\$80,413	\$71,670	\$98,508
Projected 2026 Average HHI	\$55,179	\$76,199	\$88,560	\$78,799	\$108,521
Average HHI Growth (2021 - 2026)	9.6%	9.9%	10.1%	9.9%	10.2%
Key Renter Age Group (18 to 35)	32%	27%	25%	26%	23%
Median Age (2021 Estimate)	33.3	36.3	38.2	36.9	41.6
Households Earning \$100,000+ Annually	12%	22%	28%	24%	37%
Bachelor's Degree or Higher (Age 25+)	19%	29%	33%	30%	35%
Renter-Occupied Housing Units	72%	53%	44%	50%	31%
White-Collar Workers	55%	62%	66%	64%	67%
Workplace Establishments	1,846	4,315	6,162	4,770	22,974
FTE Employees*	31,618	90,706	121,009	101,448	340,579

*Full-time equivalent workplace employees

FINANCIAL ANALYSIS



SOURCES & USES

Sources	\$	\$/Unit	%
Debt	\$11,212,500	\$121,875	61%
Equity	\$7,050,000	\$76,630	39%
GP Equity (AMFI)	\$1,410,000	\$15,326	20%
LP Equity	\$5,640,000	\$61,304	80%
Total Sources	\$18,262,500 	\$198,505	100%
Uses	\$	\$/Unit	%
Purchase Price	\$17,250,000	\$187,500	94%
Hard Costs (less Seller credit of \$500k)	\$300,000	\$3,261	2%
Soft Costs	\$712,500	\$7,745	4%
Total Uses	\$18,262,500 	\$198,505	100%

Debt Terms	Amount
Fixed Rate Debt*	65% LTV
Loan Amount (Excluding CapEx dollars)	\$11,212,500
Interest Rate (Fixed)*	5.89%
Term	7 years
Amortization	I/O initial 48 Months (then 30 Years)

*Arrowpoint has accepted a term sheet from Santander bank. The terms are very favorable, with conservative leverage and a fixed rate good for 84 months. At this time, we have locked in our interest rate at 5.89% which will carry us through closing date of November 29th.

DEAL TERMS & COSTS

Deal Terms

GP Co-Investment	\$1,410,000 (20%)
Proj. Hold Period	4 years
Total Equity Raise	\$7,050,000
Minimum Investment (Lp)	\$100,000
Interest Offered (Lp)	\$5,640,000 (80%)
Distributions	Paid Quarterly

Deal Costs

Debt & Equity Fees	\$344,250
CapEx Budget & Repairs	\$800,000
Sponsor's Acquisition Fee	\$250,000
Miscellaneous Expense	\$18,250
Company Reserves	\$50,000
Legal Fees	\$50,000
Total Deal Costs/Fees	\$1,512,500
Contract Price	\$17,250,000
Total Costs	\$18,762,500
Seller Credit to Buyer at Closing	\$ (500,000)
Total Acquisition Costs	\$18,262,500

RETURNS PROFILE

Investor Returns



Projected Returns - Net to Class A Members

Cash-on-Cash Average (not including sale proceeds)	8.50%
IRR - Class A Members	24.30%
Equity Multiple - Class A Members	2.42x

Project Level Exit Assumptions

Hold Period	4 Years
Net Operating Income (Year 4)	\$1,471,289
Year 0 Cap Rate (T-12 NOI)	4.90%
Exit Cap Rate	5.50%
Exit Price	\$26,750,709
Exit Price (\$/unit)	\$290,769
Sale Costs (2%)	\$535,014

LP Investor (Class A) Cash Flows

<u>Summary of Cash Flows and Returns</u>	
Cash Flows	<i>Total</i>
Property Cash Flows	10,014,158
Cash Available For Distribution	10,014,158
Property IRR	26.36%
Property Equity Multiple	2.42x
Total LP Contributions	5,640,000
Total LP Distributions	12,804,100
Total LP Cash Flow (less Contributions)	7,164,100
LP IRR	24.31%
LP Equity Multiple	2.27x
LP Avg. Annual Yield on Cash (before sale)	8.50%

RENT ROLL SUMMARY



Rent Roll Date: 8/1/2022

BioTech Apts Unit Mix & Rent Inputs									
Unit Type	# of Units	% of Units	Vacant	Avg SF	Actual Rent	\$/SF	Market Rent	\$/SF	Loss to Lease
1 Bed, 1 Bath	8	9%	0	725	\$1,029	\$1.42	\$1,600	\$2.21	-55.53%
2 Bed, 1 Bath	83	90%	0	920	\$1,297	\$1.41	\$1,725	\$1.88	-32.95%
3 Bed, 1 Bath	1	1%	0	950	\$1,975	\$2.08	\$2,100	\$2.21	-6.33%
Total/Average	92	100%	0	903	\$1,281	\$1.42	\$1,718	\$1.90	-34.08%

OPERATING STATEMENT



PROFORMA							
REVENUE	%	Per Unit	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Potential Rent		\$20,618	\$1,896,900	\$2,010,714	\$2,111,250	\$2,216,812	\$2,305,485
Renovation Income		\$88	\$8,076	\$27,238	\$41,184	\$43,243	\$44,973
Loss to Lease		(\$1,917)	(\$176,341)	(\$30,569)	(\$32,287)	(\$33,901)	(\$35,257)
Gross Potential Income		\$18,790	\$1,728,635	\$2,007,383	\$2,120,147	\$2,226,155	\$2,315,201
Vacancy Loss		(\$939)	(\$86,432)	(\$100,369)	(\$106,007)	(\$111,308)	(\$115,760)
Bad Debt	0.50%	(\$94)	(\$8,643)	(\$10,037)	(\$10,601)	(\$11,131)	(\$11,576)
Net Rental Income		\$17,756	\$1,633,560	\$1,896,977	\$2,003,539	\$2,103,716	\$2,187,865
Total Other Income		\$300	\$27,600	\$28,428	\$29,281	\$30,159	\$31,064
Effective Gross Income		\$18,056	\$1,661,160	\$1,925,405	\$2,032,820	\$2,133,876	\$2,218,929
Total EGI per Unit				\$20,928	\$22,096	\$23,194	\$24,119
OPERATING EXPENSES							
Total Operating Expenses		\$5,931	\$545,672	\$557,165	\$641,732	\$662,587	\$683,306
NOI		\$12,125	\$1,115,488	\$1,368,240	\$1,391,088	\$1,471,289	\$1,535,623
Total Corporate Expenses			\$76,500	\$76,680	\$76,865	\$77,056	\$77,253
Net Cash Flow Before Debt			\$1,038,988	\$1,291,560	\$1,314,223	\$1,394,233	\$1,458,370
DEBT SERVICE							
Senior Loan \$11,212,500			(\$660,416)	(\$660,416)	(\$660,416)	(\$660,416)	(\$797,204)
Net Cash Flow After Debt			\$378,572	\$631,144	\$653,807	\$733,816	\$661,166

RENT COMPARABLES



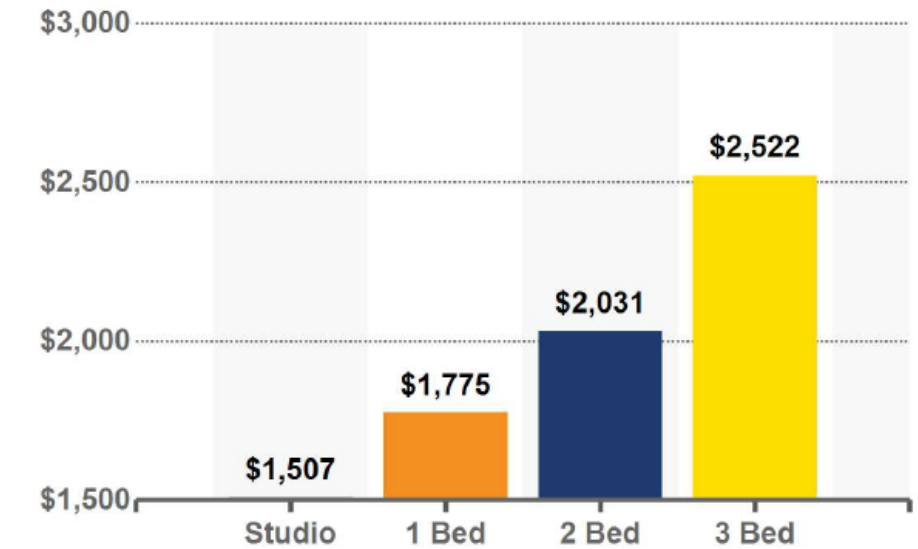
RENT COMPARABLES

Rent Comparables Summary

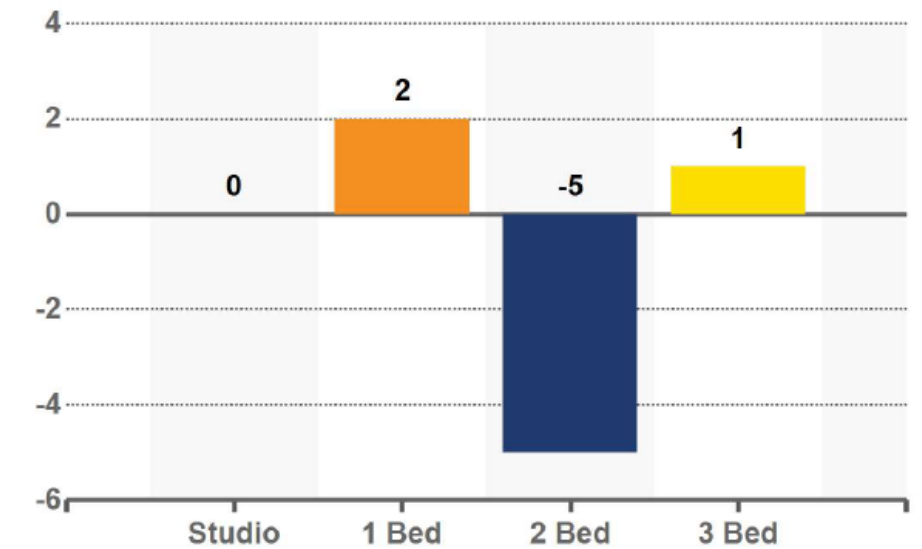
34-80 Goldthwaite Rd Worcester, MA

	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	
1	The Fairways 200 E Mountain St	★★★★★	1965	200	929	-	\$1,948	\$2,472	\$2,522	\$2.59
2	Wexford Village Apartme... 29 Duncannon Ave	★★★★★	1974	264	852	\$1,512	\$1,855	\$2,269	-	\$2.40
3	Sutton Estates 21 Harley Dr	★★★★★	1960	210	834	\$1,499	\$1,799	\$1,899	-	\$2.21
4	PRINCETON PLACE 285 Plantation St	★★★★★	1987	260	912	-	\$1,709	\$1,882	-	\$2.05
5	Redwood Hill Apartments 376-384 Sunderland Rd	★★★★★	1974	180	946	-	\$1,590	\$1,780	-	\$1.78
	Goldthwaite Manor Apart... 34-80 Goldthwaite Rd	★★★★★	1960	92	791	-	\$1,002	\$1,359	-	\$1.68

ASKING RENT PER UNIT PER MONTH

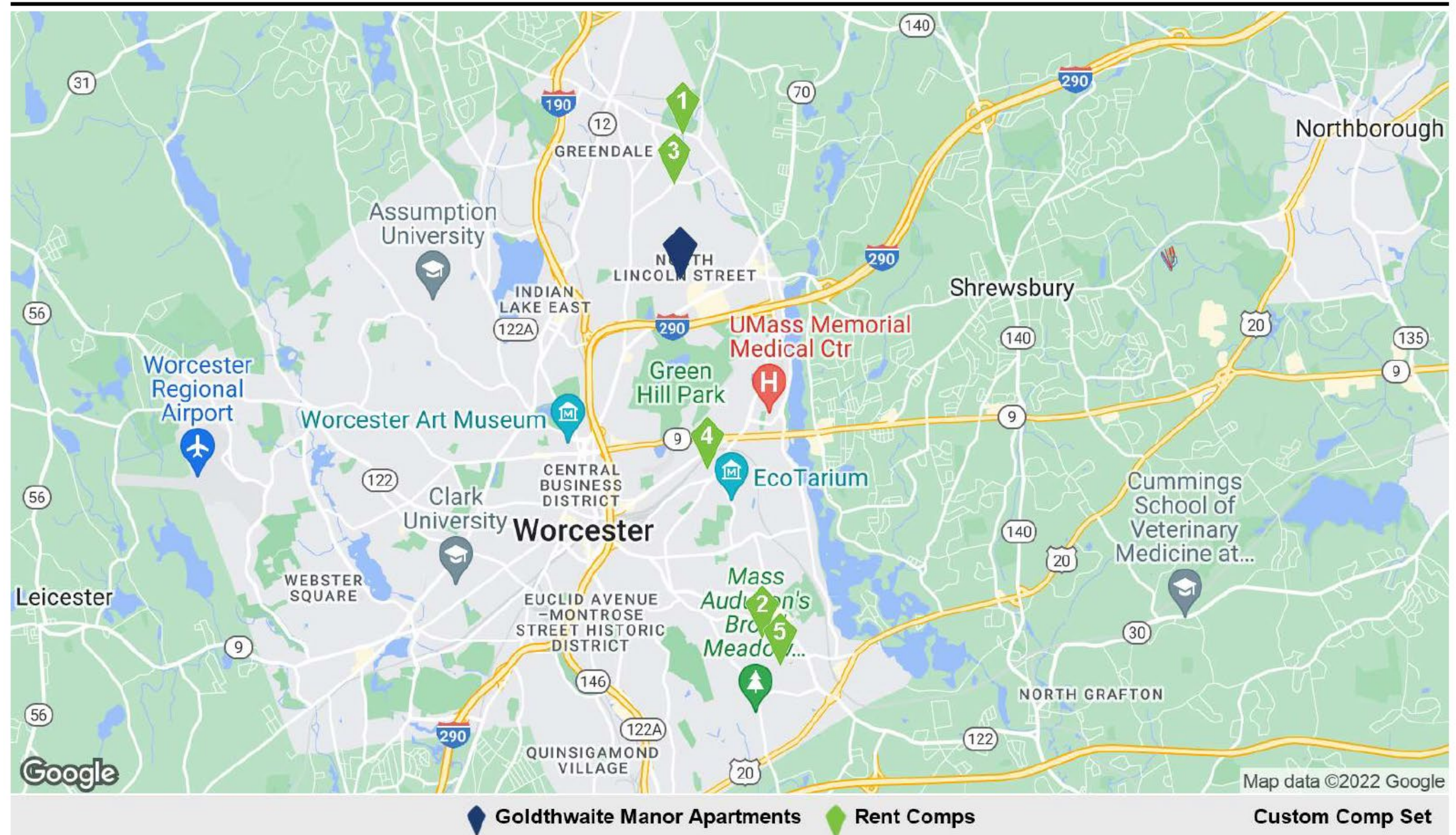


12 MONTH ABSORPTION IN UNITS



RENT COMPARABLES MAP

RENT COMP LOCATIONS



SPONSOR PROFILE



KEY PRINCIPALS

OUR MANAGEMENT TEAM collectively has **over 50 years** of experience in real estate across a variety of disciplines including investment and financial management, development, property management, operations, and private equity.

David Lamattina



- **Founder and Owner** of Arrowpoint Properties since 2004
- Has acquired and **sold over 900 apartment units** with an aggregate market value of approximately **\$150 million**
- **Experienced Owner/Operator** and Property Manager of large platform multi-family apartment communities.
- Received a B.A. in Business Management from **Fairfield University** in **2002**

Jay Goldberg



- **Managing Partner** of Arrowpoint Properties since 2013
- **Founder & President** of Spire Investments
- **Experienced real estate professional** with deep knowledge across all aspects of real estate transactions.
- Worked at **Ernst & Young's Real Estate Consulting Transaction Group**
- Received a B.A. in Real Estate and Urban Economics from the **University of Connecticut** in **2001**

Anthony Arone



- **Managing Partner** of Arrowpoint Multifamily Fund LP
- **Founder and Owner** of NextVenture LLC.
- **Experienced in multi-family real estate** investing and developing residential properties
- Worked at **Gordon Brothers Group** as a Valuation expert and **Investment professional**
- Received a B.S. from **Brown University** in 1993 and an MBA from **MIT Sloan School of Management** in 2001

INVESTMENT STRATEGY

Arrowpoint's investment strategy is to acquire multifamily properties in secondary and tertiary markets below replacement cost. The communities we target are typically growing and supply-constrained, and the properties we acquire have below market rents and value-add opportunities that allow for us to increase value through our management practices and improvement program.

INVESTMENT OBJECTIVE

Provide investors with superior, risk-adjusted returns using standard market leverage. Target performance is as follows:

- Average annual cash yield minimum of 8%
- Investor levered IRR >17%
- Total investor ROI >25%
- Deal levered IRR >20%

VALUE-ADD APPROACH

Identify properties with below-market rents in communities with strong long-term fundamentals and reduce operating costs by implementing cost-saving initiatives and leveraging economies of scale. Arrowpoint typically is able to identify properties that have been mismanaged over a long period of time, leaving thousands of dollars in NOI to be created in a 2-3 year period.

FINANCE PERSPECTIVE

Arrowpoint tends to maximize value and returns by seeking the most opportune lending scenario for each property acquired. Typically, interest rates are locked in for at least a 5-year term with the first 2-3 years being interest only. This allows Arrowpoint to conserve cash in the initial term while capital is spent improving the property and reaching its stabilization point. Once the property is stabilized and significant value is created, cash may be realized and returned to investors by way of a refinancing of the property or through an earn-out scenario.

OUR TRACK RECORD



\$31 Million
Equity Invested¹

1,000+
Total Units
Acquired²

31
Apartment
Communities³

30.80%
Avg. Net LP IRR⁴

2.60x
Avg. LP Equity
Multiple⁴

10%
Avg. Cash-on-
Cash Return
(Pre-Sale)

¹ Represents total equity invested by Arrowpoint Principals and LP investors in active and sold assets of Arrowpoint Properties.

² Total units include all units acquired and sold by Arrowpoint and its Principals. Currently, Arrowpoint and its Principals have close to 700 units under management with a total market value of approximately \$159 Million.

³ A total of 31 individual apartment communities have been acquired and sold by Arrowpoint and its Principals since 2004.

⁴ Arrowpoint has taken 9 assets full-cycle through August 2022 and does not include 4 additional assets that were sold as a part of the Principals' personal RE portfolio.

**Any prior investment results and returns are provided for illustrative purposes only and are not necessarily indicative of the Partnership's potential investment results or future performance.*

FULL-CYCLE DEALS



2.50x Average LP Equity Multiple*

30.60% Average LP IRR*

As of August 2022, Arrowpoint has successfully taken nine assets (excluding Principal's personal RE assets) full-cycle, with an average **Equity Multiple of 2.50x** and **IRR of 30.60%** at the LP level.

Property	Location	Units	Acquisition Date	Disposition Date	Hold Period (months)	Purchase Price	Disposition Price	Valuation Increase	LP Equity Multiple	LP IRR
The Burlington	Lowell, MA	18	8/4/2014	4/28/2016	20	\$1,515,000	\$1,800,000	18.81%	1.63x	28.79%
Lakeview Gardens	Lowell, MA	5	8/14/2014	4/28/2016	20	\$380,000	\$500,000	31.58%	1.81x	34.52%
Shawsheen Heights	Lawrence, MA	12	2/27/2015	10/28/2016	20	\$910,000	\$1,160,000	27.47%	1.77x	34.00%
Highland Estates	Pelham, NH	48	8/13/2015	11/30/2017	27	\$4,300,000	\$5,250,000	22.09%	1.82x	22.81%
River's Edge	Haverhill, MA	164	8/1/2016	7/25/2019	35	\$15,600,000	\$21,800,000	39.74%	2.16x	32.12%
Essex House Condos	Lawrence, MA	18	3/31/2014	12/18/2020	80	\$1,305,000	\$2,450,000	87.74%	5.74x	36.13%
Union Grove	Methuen, MA	36	3/30/2018	6/23/2021	38	\$3,890,000	\$6,500,000	67.10%	1.97x	26.00%
Howard Place	Lawrence, MA	12	2/28/2017	8/31/2021	54	\$950,000	\$2,010,000	111.58%	3.20x	32.00%
Lowell Manor	Methuen, MA	12	6/28/2019	7/21/2022	36	\$1,450,000	\$2,505,000	72.76%	3.08x	34.00%
Appleton Square**	Methuen, MA	140	9/25/2019	8/2/2022	34	\$29,300,000	\$37,500,000	27.99%	1.86x	25.62%
Total / Weighted Avg. ¹		465			36	\$59,600,000	\$81,475,000	36.70%	2.50x	30.60%

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¹ The total number of units, purchase price and disposition price are sums. All other values are weighted averages based on disposition price.

**Appleton Square was sold as a recapitalization. All existing LP's were redeemed at full value while Arrowpoint principals retained an ownership share in the asset as well as management rights.

OFFERING TERMS SUMMARY



BIOTECH PARK CLOSING DATE	November 29 th , 2022
TOTAL OFFERING AMOUNT (INCLUDES GP FUND PARTICIPATION OF 20%)	\$7,050,000
LP OFFERING AMOUNT	\$5,640,000
INVESTMENT VEHICLE	Limited Liability Company
PROPERTY MANAGEMENT FEE	4.0% of Effective Gross Income
ASSET MANAGEMENT FEE	1.0% of Capitalization
MINIMUM INVESTMENT	\$100,000
PREFERRED RETURN	10.0%
ELIGIBLE INVESTORS	Accredited Investors Only
IRA / 401K ELIGIBLE	Yes

CONTACT INFORMATION



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