

the reserve at

OAK PARK

A P A R T M E N T S

6449 MILLER STREET
ARVADA, CO 80004



Mountain
Investors

the reserve at

OAK PARK

A P A R T M E N T S

PROPERTY/AREA HIGHLIGHTS

Year of Construction	1971
Building Type	Multifamily
Building Size	37,765 SF
Lot Size	63,083 SF
Parking	2:1 Off-Street
Unit Mix	4 - 1Bd/1Ba 38 - 2Bd/1Ba

PROPERTY/AREA HIGHLIGHTS

- Every unit has been updated over the last 10 years with the exception of a few units (2-4)
- Most unit updates include flooring (plank vinyl and carpet), countertops, white or back appliances, new vanities and surrounds in bathrooms
- Significant CAPEX spent on all balconies/porches
- Opportunity to increase rents while maintaining affordability .
- The property sits on a 63,083 SF lot directly across the street from the brand new \$6M - Arvada Tennis Center
- Close proximity to King Soopers, Walmart and the new Ralston Creek Redevelopment
- Walking distance to schools









UNIT LAYOUT



2 Bed / 1 Bath

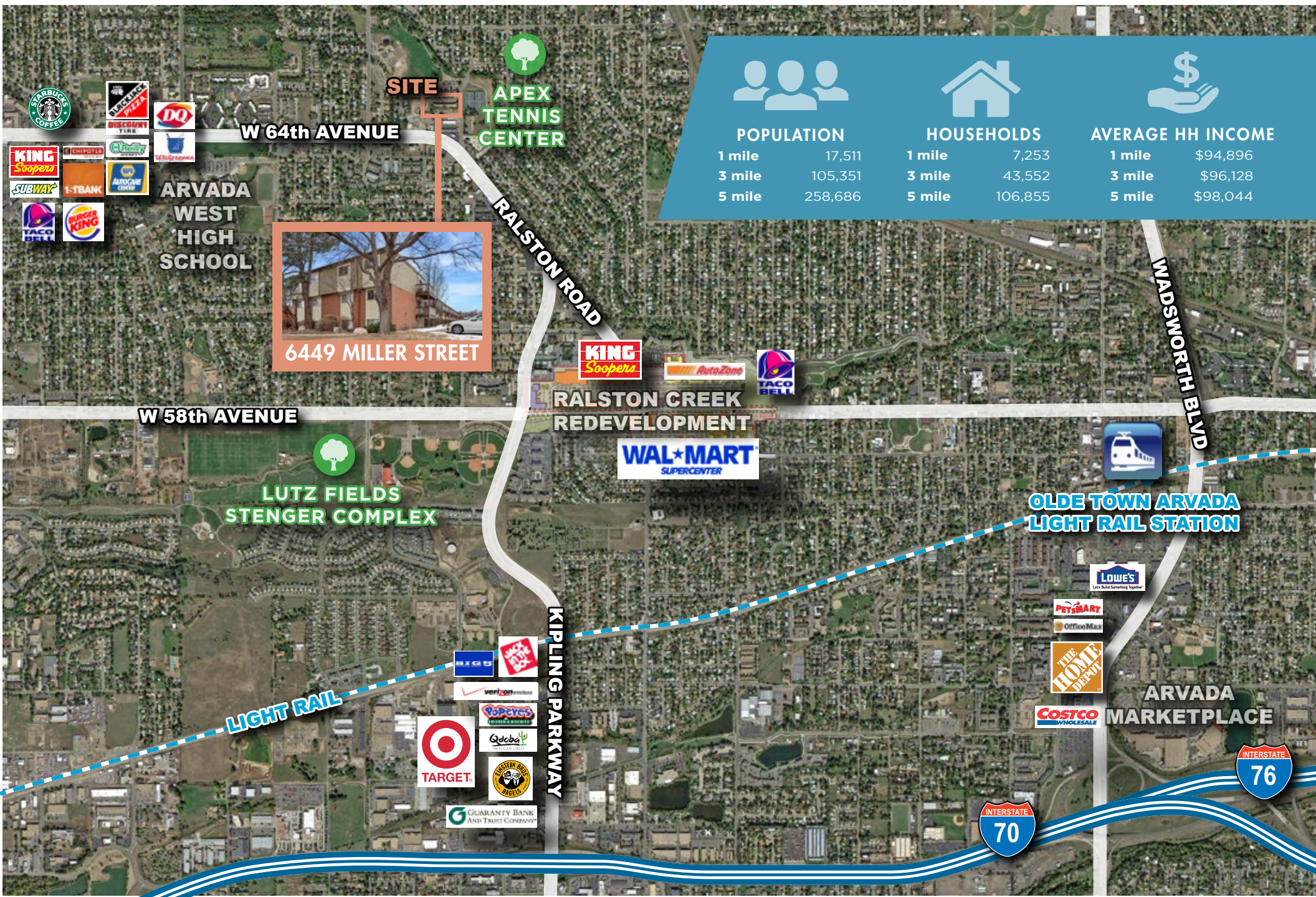
Interior Unit



2 Bed / 1 Bath

End Unit

LOCATION AND AREA AMENITIES



LOCATION AND AREA AMENITIES



CAMPBELL
ELEMENTARY
SCHOOL

6449 MILLER STREET

W 64TH PLACE

RALSTON ROAD

MILLER STREET


APEX
TENNIS
CENTER

N

AREA OVERVIEW



ARVADA

Arvada is currently experiencing a time of extensive redevelopment and rapid growth. The comprehensive plan for the city includes over 20 major projects, including a 9-acre TOD Site providing a large influx of retail, commercial, and multi-family projects through 2020. In total, the City of Arvada is slated to deliver over 8,000 residential units and another 1,200 units are in for review for permitting. Due to the rapid growth of Denver, Arvada presents an attractive and affordable suburb.

MOST POPULOUS CITY IN COLORADO

#7

115,320 RESIDENTS U.S. CENSUS BUREAU

TOTAL VALUE IN 5 BLOCK AREA

\$227M

PROJECTS SPURRED BY LIGHT RAIL STOP

QUALITY OF LIFE

Arvada's land encompasses nearly 40 square miles, many of which are dedicated to an extraordinary trail system which links the Denver trails on the east and the foothills of the Rocky Mountains to the west. Additionally, there are thousands of acres of parks and open spaces. The city is also easily connected to the larger metropolitan area via three proximate interstate highways. Arvada will soon have three transit stops along the Gold Line commuter rail line, part of the metropolitan FasTracks light rail system.

BUSINESS

Arvada is known for its award winning business retention program. The Arvada Economic Development Association (AEDA) facilitates business growth by offering a variety of financial assistance and tax credits for businesses in targeted industries. These programs allow businesses to start, expand, renovate, or relocate in Arvada.

WORKFORCE

Residents and businesses have easy access to resources and an incredible workforce coming from world-class research institutions including the University of Colorado and Colorado School of Mines. In addition, the Arvada campus of Red Rocks Community College provides training assistance to meet employer needs. As a result, Jefferson County has the second-lowest unemployment rate in the nation as of September 2019 at three percent.

AREA OVERVIEW

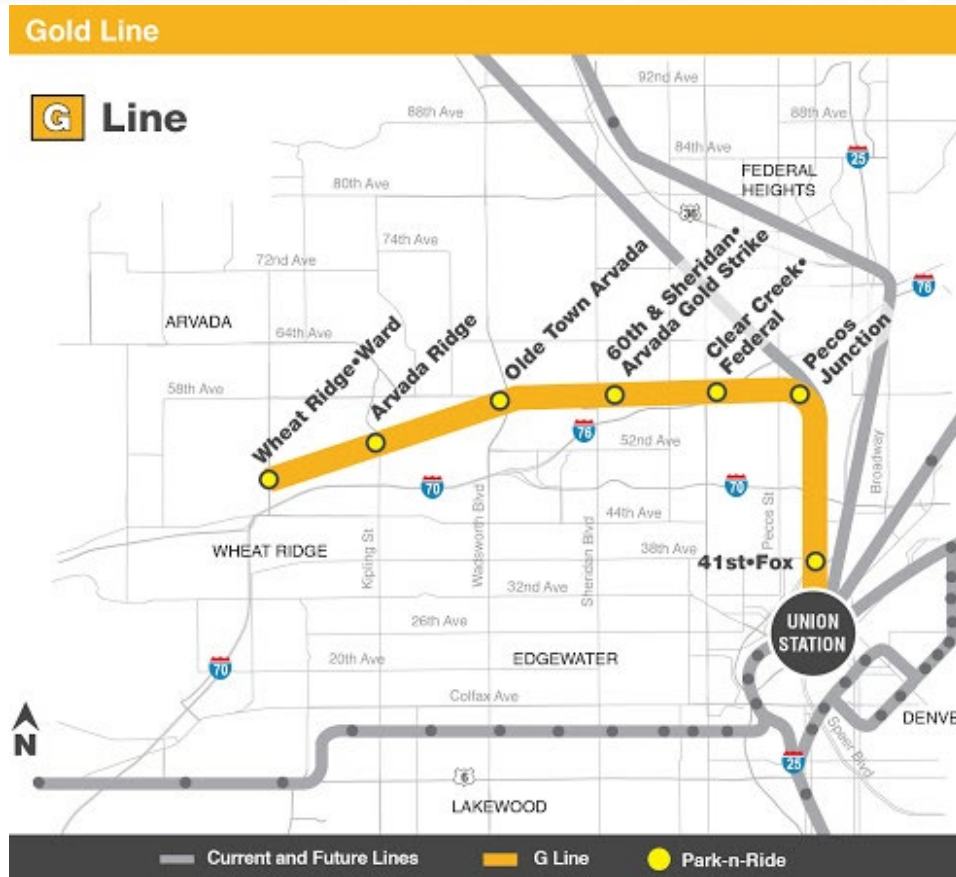


RTD TRANSPORTATION

The G Line, also known as the Gold Line during construction, is a Regional Transportation District (RTD) electric commuter rail line between Denver Union Station and Wheat Ridge, Colorado. The line opened in mid-2019.

Gold Line

The Gold Line is an 11.2-mile electric commuter rail transit line that connects Union Station to Wheat Ridge, passing through northwest Denver, Adams County, and Arvada. Three of its eight stations are located in Arvada: Arvada Ridge, Olde Town Arvada, and 60th & Sheridan. It runs on a railroad right-of-way north sharing track with the B Line until Pecos Junction station after which the two routes diverge. The G Line continues west to its terminus in Wheat Ridge.



FINANCIAL ANALYSIS



Arvada CO

PROFORMA ANALYSIS

DEAL SUMMARY

Purchase Price:	\$8,300,000
Price / Unit:	\$197,619
Price / SF:	\$207.5
Down payment	\$2,490,000
Inspection	\$3,500
Appraisal	\$1,500
Buyer's Transfer Tax	\$0
Acquisition Fees	\$166,000
Closing Costs	\$83,000
Construction Costs	\$0
Equity Requirement	\$2,744,000

PROPERTY INFORMATION

Street Address:	6449 Miller Drive	Number of Bldgs.:	1
City / State / ZIP:	Arvada, CO	Construction:	Frame
Total Units:	42	Open Parking:	Surface
Total SF:	40,000	Metering:	No
Avg SF / Unit:	1,100	Heating:	GFA / unit
Land Area (Acres):	2.000	Air Conditioning:	No
Density (Units/Acre):	-	Hot Water:	Common
Year of Construction:	1972	Washer / Dryer:	In building
Apartment Type:	Multi unit building	Property Amenities:	Deck(s),
Roofs:	Asphalt	Unit Amenities:	
Stories:	3		

NET OPERATING INCOME & CASH FLOW YIELD					
YEAR 0		YEAR 1		YEAR 2	
NOI:	\$413,233	NOI:	\$411,695	NOI:	\$439,020
Cap Rate:	4.98%	Cap Rate:	4.96%	Cap Rate:	5.29%
Cash Flow	\$151,783	Cash Flow	\$150,245	Cash Flow	\$177,570
Cash on Cash:	5.53%	Cash on Cash:	5.48%	Cash on Cash:	6.47%
NOI:	\$467,832	NOI:	\$467,832	NOI:	\$467,832
Cap Rate:	5.64%	Cap Rate:	5.64%	Cap Rate:	5.64%
Cash Flow	\$206,382	Cash Flow	\$206,382	Cash Flow	\$206,382
Cash on Cash:	7.52%	Cash on Cash:	7.52%	Cash on Cash:	7.52%

PROFORMA ANALYSIS

Year 0						Year One					Year Two					Year Three				
INCOME	Annual	Monthly	% GI	/Unit/Mo	/SF/Mo	Annual	Monthly	% GI	/Unit/Mo	/SF/Mo	Annual	Monthly	% GI	/Unit/Mo	/SF/Mo	Annual	Monthly	% GI	/Unit/Mo	/SF/Mo
Gross Rent Potential:	\$606,300	\$50,525	90%	\$1,203	\$1.26	\$ 666,930	\$55,578	91%	\$15,879	\$16.67	\$ 700,277	\$58,356	91%	\$16,673	\$17.51	\$ 735,290	\$61,274	91%	\$17,507	\$18.38
Other Income:	\$31,279	\$2,607	5%	\$62	\$0.07	\$32,843	\$2,737	4%	\$782	\$0.82	\$34,485	\$2,874	4%	\$821	\$0.86	\$36,209	\$3,017	4%	\$862	\$0.91
Utility Reimbursements:	\$33,300	\$2,775	5%	\$66	\$0.07	\$34,299	\$2,858	5%	\$817	\$0.86	\$35,328	\$2,944	5%	\$841	\$0.88	\$36,388	\$3,032	5%	\$866	\$0.91
Scheduled Gross Income:	\$670,879	\$55,907	100%	\$1,331	\$1.40	\$734,072	\$61,173	100%	\$17,478	\$18.35	\$770,090	\$64,174	100%	\$18,335	\$19.25	\$807,887	\$67,324	100%	\$19,235	\$20.20
Less - Economic Vacancy:	(\$30,315)	(\$2,526)	-5%	(\$60)	(\$0.06)	(\$33,347)	(\$2,779)	-5%	(\$794)	(\$0.83)	(\$35,014)	(\$2,918)	-5%	(\$834)	(\$0.88)	(\$36,765)	(\$3,064)	-5%	(\$875)	(\$0.92)
Effective Gross Income:	\$640,564	\$53,380	95%	\$1,271	\$1.33	\$700,725	\$58,394	95%	\$16,684	\$17.52	\$735,076	\$61,256	95%	\$17,502	\$18.38	\$771,123	\$64,260	95%	\$18,360	\$19.28
															\$0 \$0.00					
EXPENSES	Annual	Monthly	% GI	/Unit/Yr	/SF/Yr	Annual	Monthly	% GI	/Unit/Yr	/SF/Yr	Annual	Monthly	% GI	/Unit/Yr	/SF/Yr	Annual	Monthly	% GI	/Unit/Yr	/SF/Yr
Increase		3%																		
RE Taxes:	(\$44,597)	(\$3,716)	-7%	(\$1,062)	(\$1.11)	(\$45,935)	(\$3,828)	-6%	(\$1,094)	(\$1.15)	(\$47,313)	(\$3,943)	-6%	(\$1,126)	(\$1.18)	(\$48,732)	(\$4,061)	-6%	(\$1,160)	(\$1.22)
Insurance:	(\$19,075)	(\$1,590)	-3%	(\$454)	(\$0.48)	(\$19,647)	(\$1,637)	-3%	(\$468)	(\$0.49)	(\$20,237)	(\$1,686)	-3%	(\$482)	(\$0.51)	(\$20,844)	(\$1,737)	-3%	(\$496)	(\$0.52)
Utilities:	(\$55,344)	(\$4,612)	-8%	(\$1,318)	(\$1.38)	(\$57,004)	(\$4,750)	-8%	(\$1,357)	(\$1.43)	(\$58,714)	(\$4,893)	-8%	(\$1,398)	(\$1.47)	(\$60,476)	(\$5,040)	-7%	(\$1,440)	(\$1.51)
Property Management*:	(\$48,504)	(\$4,042)	-7%	(\$1,155)	(\$1.21)	(\$49,959)	(\$4,163)	-7%	(\$1,190)	(\$1.25)	(\$51,458)	(\$4,288)	-7%	(\$1,225)	(\$1.29)	(\$53,002)	(\$4,417)	-7%	(\$1,262)	(\$1.33)
Construction and Rehab	\$0	\$0	0%	\$0	\$0.00	\$ -	\$0	0%	\$0	\$0.00	\$ -	\$0	0%	\$0	\$0.00	\$ -	\$0	0%	\$0	\$0.00
Repairs & Maintenance	(\$59,811)	(\$4,984)	-9%	(\$1,424)	(\$1.50)	(\$61,605)	(\$5,134)	-8%	(\$1,467)	(\$1.54)	(\$63,453)	(\$5,288)	-8%	(\$1,511)	(\$1.59)	(\$65,357)	(\$5,446)	-8%	(\$1,556)	(\$1.63)
Asset Management:	\$0	\$0	2%	\$0	\$0.00	(\$54,880)	(\$4,573)	-7%	(\$1,307)	(\$1.37)	(\$54,880)	(\$4,573)	-7%	(\$1,307)	(\$1.37)	(\$54,880)	(\$4,573)	-7%	(\$1,307)	(\$1.37)
Replacement Reserves:	\$0	\$0	0%	\$0	\$0.00	\$0	\$0	0%	\$0	\$0.00	\$0	\$0	0%	\$0	\$0.00	\$0	\$0	0%	\$0	\$0.00
Total Operating Expenses	(\$227,331)	(\$18,944)	(\$0)	(\$5,413)	(\$5.68)	(\$289,031)	(\$24,086)	(\$0)	(\$6,882)	(\$7.23)	(\$296,055)	(\$24,671)	(\$0)	(\$7,049)	(\$7.40)	(\$303,291)	(\$25,274)	(\$0)	(\$7,221)	(\$7.58)
Net Operating Income:	\$413,233	\$34,436	62%	\$9,839	\$10.33	\$411,695	\$34,308	56%	\$9,802	\$10.29	\$439,020	\$36,585	57%	\$10,453	\$10.98	\$467,832	\$38,986	58%	\$11,139	\$11.70

FINANCING:				
Mortgage		Construction/Rehab		
Debt Amount - LTV (%)	70.0%	Amount	\$	-
Interest Rate:	4.50%	Interest Rate*		0.00%
Amortization (Yrs):	30.0	Fees*	\$	-
Purchase Price:	\$8,300,000	Annual payment*	\$	-
Loan Amount:	\$5,810,000			
Equity:	\$2,490,000			
Term:	30 YR			

YEAR 0		
	Annual	Monthly
1st Mortgage Debt Service:	\$261,450	\$21,788
Cash Flow after Debt Service:	\$151,783	\$12,649
Debt Service Coverage:	1.58	
Loan Constant:	(4.50)	
Cash on Cash Return:	5.53%	

YEAR 1		
	Annual	Monthly
1st Mortgage Debt Service:	\$261,450	\$21,788
Cash Flow after Debt Service:	\$150,245	\$12,520
Debt Service Coverage:	1.57	
Loan Constant:	(4.50)	
Cash on Cash Return:	5.48%	

YEAR 2		
	Annual	Monthly
1st Mortgage Debt Service:	\$261,450	\$21,788
Cash Flow after Debt Service:	\$177,570	\$14,798
Debt Service Coverage:	1.68	
Loan Constant:	(4.50)	
Cash on Cash Return:	6.47%	

YEAR 3		
	Annual	Monthly
1st Mortgage Debt Service:	\$261,450	\$21,788
Cash Flow after Debt Service:	\$206,382	\$17,199
Debt Service Coverage:	1.79	
Loan Constant:	(4.50)	
Cash on Cash Return:	7.52%	

	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year
	1	2	3	4	5	6	7	8	9	10
Gross Revenue Potential	\$666,930	\$700,277	\$735,290	\$772,055	\$810,658	\$851,190	\$893,750	\$938,437	\$985,359	\$1,034,627
Other Income:	\$32,843	\$34,485	\$36,209	\$38,020	\$39,921	\$41,917	\$44,013	\$46,213	\$48,524	\$50,950
Utility Reimbursements:	\$34,299	\$35,328	\$36,388	\$37,479	\$38,604	\$39,762	\$40,955	\$42,183	\$43,449	\$44,752
Economic Vacancy	-\$33,347	-\$35,014	-\$36,765	-\$38,603	-\$40,533	-\$42,560	-\$44,687	-\$46,922	-\$49,268	-\$51,731
Effective Gross Income:	\$700,725	\$735,076	\$771,123	\$808,951	\$848,649	\$890,310	\$934,030	\$979,912	\$1,028,064	\$1,078,599
Total Operating Expenses:	\$289,031	\$296,055	\$303,291	\$312,389	\$321,761	\$331,414	\$341,356	\$351,597	\$362,145	\$351,281
Net Operating Income:	\$411,695	\$439,020	\$467,832	\$496,562	\$526,888	\$558,896	\$592,674	\$628,315	\$665,919	\$727,318

Purchase Price	\$8,300,000	\$8,300,000	\$8,300,000	\$8,300,000	\$8,300,000	\$8,300,000	\$8,300,000	\$8,300,000	\$8,300,000	\$8,300,000
Sale Price @ X% Appreciation	\$8,715,000	\$9,150,750	\$9,608,288	\$10,088,702	\$10,593,137	\$11,122,794	\$11,678,934	\$12,262,880	\$12,876,024	\$13,519,825
Less - Debt:	\$5,714,765	\$5,615,245	\$5,511,246	\$5,402,567	\$5,288,998	\$5,170,318	\$5,046,297	\$4,916,696	\$4,781,262	\$4,639,734
Equity	\$2,585,235	\$2,684,755	\$2,788,754	\$2,897,433	\$3,011,002	\$3,129,682	\$3,253,703	\$3,383,304	\$3,518,738	\$3,660,266
Equity Investment:	-\$2,744,000	-\$2,744,000	-\$2,744,000	-\$2,744,000	-\$2,744,000	-\$2,744,000	-\$2,744,000	-\$2,744,000	-\$2,744,000	-\$2,744,000
Net Operating Income:	\$411,695	\$439,020	\$467,832	\$496,562	\$526,888	\$558,896	\$592,674	\$628,315	\$665,919	\$727,318
Capital Expenditures:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service:	\$261,450	\$261,450	\$261,450	\$261,450	\$261,450	\$261,450	\$261,450	\$261,450	\$261,450	\$261,450
Cash Flow:	\$150,245	\$177,570	\$206,382	\$235,112	\$265,438	\$297,446	\$331,224	\$366,865	\$404,469	\$465,868
Cumulative Cash Flow:	\$150,245	\$327,815	\$534,197	\$769,309	\$1,034,747	\$1,332,193	\$1,663,417	\$2,030,282	\$2,434,751	\$2,900,619

Sale Value	\$8,715,000	\$9,150,750	\$9,608,288	\$10,088,702	\$10,593,137	\$11,122,794	\$11,678,934	\$12,262,880	\$12,876,024	\$13,519,825
Price per unit	\$207,500	\$217,875	\$228,769	\$240,207	\$252,218	\$264,828	\$278,070	\$291,973	\$306,572	\$321,901
Equity Investment basis	-\$2,744,000	-\$2,744,000	-\$2,744,000	-\$2,744,000	-\$2,744,000	-\$2,744,000	-\$2,744,000	-\$2,744,000	-\$2,744,000	-\$2,744,000
Loan payoff	-\$5,714,765	-\$5,615,245	-\$5,511,246	-\$5,402,567	-\$5,288,998	-\$5,170,318	-\$5,046,297	-\$4,916,696	-\$4,781,262	-\$4,639,734
Construction payoff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Closing costs	-\$174,300	-\$183,015	-\$192,166	-\$201,774	-\$211,863	-\$222,456	-\$233,579	-\$245,258	-\$257,520	-\$270,397
Profit from sale	\$81,935	\$608,490	\$1,160,876	\$1,740,361	\$2,348,277	\$2,986,020	\$3,655,058	\$4,356,927	\$5,093,242	\$5,865,695

Sponsor promote	\$16,387	-\$121,698	-\$232,175	-\$348,072	-\$469,655	-\$597,204	-\$731,012	-\$871,385	-\$1,018,648	-\$1,173,139
Profit from Sale	\$81,935	\$608,490	\$1,160,876	\$1,740,361	\$2,348,277	\$2,986,020	\$3,655,058	\$4,356,927	\$5,093,242	\$5,865,695
Total Profit to Investors	\$98,322	\$486,792	\$928,701	\$1,392,289	\$1,878,621	\$2,388,816	\$2,924,046	\$3,485,542	\$4,074,593	\$4,692,556
Investor Pre-Tax Return	4%	18%	34%	51%	68%	87%	107%	127%	148%	171%

CAPITAL EXPENDITURES (LINKED TO SCORECARD)							
SUSTAINABILITY					Quantity	Total Cost	Cost / unit
	Solar pannels for energy savings (37 year payback plus premium at sale)				1000	\$750,000	\$15,625
	Efficient windows				200	\$85,000	\$1,771
	Efficient sliding doors				48	\$35,000	\$729
	Upgrade Boiler System				2	\$20,000	\$417
	Add EV charging stations				3	\$4,500	\$94
AFFORDABILITY							
	Bike storage to promote use of public transportation				1	\$8,000	\$167
LIVABILITY							
	Reducing parking lot to increasing green space (~1000)				1	\$2,500	\$52
	Adding picnic and communal gardens (~1000 sq/ft)				1	\$3,000	\$63
	Formalize dog walk area				1	\$1,500	\$31
EQUITY						Annual Cost	Cost / unit
	Utilze building residents for property management needs					\$30,000	\$625
	Utilize building residents for snow removal and landscaping (annual equipment and maintenance cost)					\$15,000	\$313
	Convert 1BD unit for in building child care (conversion cost and opporunity cost of taking unit offline)					\$15,000	\$313
	Convert 1BD unit into laundry room (equipment, conversion cost and opporunity cost of taking unit offline)					\$15,000	\$313

Arvada, CO Property Scorecard

Sustainability

- Correct Geography and Roof for Solar
- Window Refresh would provide maximum energy efficiency
- Boiler System is efficient and provides best ambient heating method. Can be shut down in summer months for cost containment.
- Reduce paved parking surface area to reduce stormwater runoff and promote additional green space
- Add 2 EV Charging Stations

Affordability

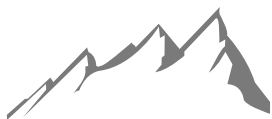
- Arvada is a collar suburb to Denver and near Boulder, providing more affordable housing to the regional workforce
- Easy commute to jobs in front range locations with access to bus and commuter rail nearby
- Building proforma rents within 75% AMI, that will still cash flow and produce a positive NOI

Livability

- Excellent Green Space Ratio
- Plan to Fund picnic area, BBQ Grills and garden
- Existing dog walk area that would be formalized
- New \$10M Community Center just completed across the street with recreation facilities, learning and child friendly activities.
- Easy access to retail and grocery options
- Schools within 1 Mile.
- Walking distance to public transportation

Equity

- Utilize residents for many property management needs
- Hire local and disadvantaged businesses for plumbing, electric, snow removal and landscaping
- Continue our program of helping residents understand and connect with social and financial assistance programs
- Encourage families with children given accessibility to schools and recreation



Meet Our Team

The Mountain Investor Leadership team of Pete Jordan, Brian Sinta and Dan Gardner combine decades of professional and industry experience. They are supported by analysts and advisers with expertise in real estate, finance and related disciplines.



PETER JORDAN

PARTNER

Pete Jordan is an experienced entrepreneur, having taken multiple startups from inception through exit. Pete's background in startups has had a great impact on planning and delivering projects in the multi family space. Raising his family in Colorado, he understands first hand the state's economic and lifestyle strengths that contribute to massive potential for our investors. Pete was Born in Chicago's Beverly neighborhood and is a graduate of Loyola University of Chicago.

Email: pete@mtninvst.com



DAN GARDNER

PARTNER

Dan Gardner has over 30 years of experience in strategically aligning private and public sector investment with market and development opportunities. Dan has overseen successful projects throughout the country and internationally as well as serving as an elected and appointed official in the Chicago region. Prior to joining Mountain Investors, Dan held principal and senior management positions with national and international development advisory firms.

Email: dan@mtninvst.com



BRIAN SINTA

PARTNER

Brian Sinta is an accomplished executive with experience running companies in the Chicagoland area. He has valuable experience in property management, financing, and developed keen instincts around future regional growth patterns. He has a proven track record of leading effective teams, and bringing building and design visions into existence. He is an alumni of Western Michigan University, and The Kellogg School of Business.

Email: Brian@mtninvst.com

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