

INVESTMENT SUMMARY

Asset Class-Size: Multi Family– 580 Units
Strategy Summary: Moderate Value add B to B++
Market/Sub-Market: Denver, CO / Lakewood
Total Capitalization: \$115,000,000

Debt - Equity: \$81,600,000 (71%) - \$33,400,000 (29%)
Debt Terms: Avg. blended rate 4.20% fixed through 11/1/2024 with Freddie Mac
Closing Date: May 31, 2017
Projected Returns: 13% IRR over 8 year hold with a Preferred Return of 7%

The investment is a Joint Venture between Standard Management Company, and Gelt, Inc. and consists of two adjacent apartment communities totaling 580 apartment units. Ascend 408 units (built in 1981) and Elevate – 172 units (built in 2000) are located in the City of Lakewood, Colorado, approximately eight miles west of downtown Denver.

Lakewood is a highly coveted submarket within the Denver Metro Area, providing a diverse industry base, a highly educated population, and a superior quality of life. Both assets are located in immediate proximity to the Union Blvd/Federal Center area, which is the largest employment center within Lakewood. Anchored by the Denver Federal Center (1,000 acre area employs more than 13,000 people) and is just a ten minute drive from Downtown Denver which supports 121,000 jobs.

The SMC Acid Test: Schools: 7-5-7 Med HH Income: 69,275 Poverty: 8.4%

Gross Revenues are projected to rise from \$9.5M to \$12.5M in 8 years and the NOI to grow from \$6.5M to \$8.6M which is a 3.5% compound annual growth rate.

The Business Plan is to increase rents and market positioning of the assets by renovating 35-40% of the unit interiors (with new lighting, flooring, paint, countertops and cabinetry components) and to enhance amenities and clubhouse to compete within the existing comp set as well as newly built product. This capital expenditure budget is \$5.3M.

The Investment Structure is a 7% Preferred; then split of cash flow from operations fifty-fifty and then at a sale or refinance event 70% cash available is paid to the Investors.

The projected 8 year Investor Cash on Cash Returns average 8.16%, which includes the preferred return and splits on excess operating cash flow. Using an exit cap of 6.25%, the 8 year Investor IRR is projected to be 13.04%.



Limited number of shares are available.

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Standard Management Partners with Knowledge Pop for Principles of Real Estate Syndication Tele-Seminar

Knowledge Pop, a tele-seminar producer and Sam Freshman partnered to summarize his book Principles of Real Estate Syndication in **Series 1** of a 4-part telephone seminar in which a large diverse group of real estate professionals from around the country participated. Everyone registered received a copy of Principles of Real Estate Syndication and topic specific white papers which Sam has developed over 50 years in real estate business. Curriculum covered included: How to Find a Good Investment Property, How Sponsors Screen Prospective Project Acquisitions, How to Raise Equity Capital Required for Real Estate Investments and Real Estate Investment Principles.

Series 2 of Sam's Principles of Real Estate Syndication series will include How a Syndicator is Compensated, The Role of a Real Estate Broker in Your Transaction, Successful Property Management Principals and Finding the Next Hot Market--before its 'hot'!

Anyone interested in purchasing playback for **Series 1**, a 4-part audio series with companion white papers, or, if you would like to register for **Series 2** please contact Heidi at Heidi@KnowledgePop.com or call 310 864 2402 or visit www.KnowledgePop.com