

WILLOW CREEK TOWNHOMES

BY POINT COMMUNITIES



Address:

1606 S State St, Provo, UT 84606

Property Description:

Willow Creek is a rare investment opportunity nestled inside the Opportunity Zone. Willow Creek consists of 14 Buildings and 62 Units. Each unit has a 2-car garage, 4 bedrooms, 4 ½ bathrooms, finished with Granite countertops, 9' ceilings, patios, and rooftop deck.

2020 Estimated Population⁽¹⁾:
126,377

Property Size:
62 units, 2600 SF

Sales Price per Unit:
\$496,000

Tenant Use:
Young Single Professionals
Between 21 – 37 years old

(1) Based on Provo City municipal website

(2) Based on all funds used in the offering, including all offering costs.

(3) The average pro forma distribution, covering the ten-year investment period, excludes additional accumulated equity realized from amortizing the loan.

(4) There can be no assurances or guarantees that the Property's operating performance (which includes contractual leases as well as other consideration and obligations) will be sufficient to achieve the forecasted distributions.



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TRANSACTION HIGHLIGHTS

- **Heart of the Silicon Slopes:** Willow Creek offers Investors the opportunity to own newly-constructed multi-family housing stock in Central Utah Valley – the heart of the Silicon Slopes, Utah’s Technology Epicenter and home to 4,300+ technology companies.
- **Major Employers:** Some of the major employers here include Vivint Solar, Intel, IM Flash, Adobe, MX, Oracle, Microsoft, Domo and Xactware.
- **Fast Growth Community:** Utah Valley is projected to double in size during the next 30 years, reaching a population of over 2 million people in 2050. There’s a good reason for that – we’ve been consistently named one of the best places in the nation to live, work, and play for 10 consecutive years!
- **Prime Location:** Willow Creek is near 2 of Utah’s largest universities: Brigham Young University and Utah Valley University. It’s also just minutes away from the proposed Noorda College of Osteopathic Medicine.
- **Rare Investment Opportunity:** Willow Creek is a rare investment opportunity nestled inside the Opportunity Zone.
- **Opportunity Zone⁽¹⁾:** Opportunity Zones provide a tax incentive for investors to re-invest their capital gains into dedicated opportunity funds. Willow Creek is located within an Opportunity Zone in Provo, creating a rare investment opportunity. Please consult with your tax advisor for further information.
- **Attractive Features:** Our townhomes feature style, convenience, and amenities sought after by all the tech-savvy millennial generation drawn to the area by a rare combination of elevated lifestyle and incomparable job opportunities.

LEASE SUMMARY



Estimated Revenue (Rent)	Proposed Monthly Revenue	Proposed Annual Revenue	Estimated Expense	Estimated Monthly	Estimated Annual
Suite 1	\$700.00	\$8,400.00	HOA	\$110.00	\$1,320.00
Suite 2	\$700.00	\$8,400.00	Insurance	\$45.16	\$541.92
Suite 3	\$700.00	\$8,400.00	Property Tax	\$205.05	\$2,460.60
Suite 4	\$700.00	\$8,400.00	Maintenance/Reserves/Replacement	\$115.00	\$1,380.00
Garage Parking 1	\$0.00	\$00.00	Vacancy (3.0%)	\$80.40	\$964.80
Garage Parking 2	\$0.00	\$00.00	Property Management	\$175.00	\$2,100.00
Covered Parking 1	\$0.00	\$00.00	Accounting Fee (1.0%)	\$26.80	\$321.60
Covered Parking 2	\$0.00	\$00.00			
Subtotal	\$2,800.00	\$33,600.00		\$730.61	\$8,767.32

OFFERING SUMMARY



Total Offering Size ⁽²⁾ :	\$31,000,000
Offering Type:	Reg D / Rule 506(b)
Minimum Investment (Cash):	\$250,000
Pro-Forma Distribution ⁽⁴⁾⁽⁵⁾ :	4.7% year one
Expected Distribution Frequency:	Monthly, paid on or about the 15 th of the following month.
Capital Reserves ⁽³⁾	\$565,809

WILLOW CREEK

(1) Each prospective purchaser is advised to consult with his/her/its own tax advisor regarding the specific tax consequences to the prospective purchaser.
 (2) Based on all funds used in the offering, including all offering costs.
 (3) A portion of the capital reserves will be held by the lender.
 (4) The average pro forma distribution, covering the ten-year period, excludes additional accumulated equity realized from amortizing the loan.
 (5) There can be no assurances or guarantees that the Property’s operating performance (which includes contractual leases as well as other consideration and obligations) will be sufficient to achieve the forecasted distributions.

BUILDING AND PLAT SUMMARY

BUILDING SUMMARY

Unit Type	Unit Count	Unit Sq. Ft.	Sales Price	CAP
Townhomes	62	2,596	\$490,286.81	4.7%

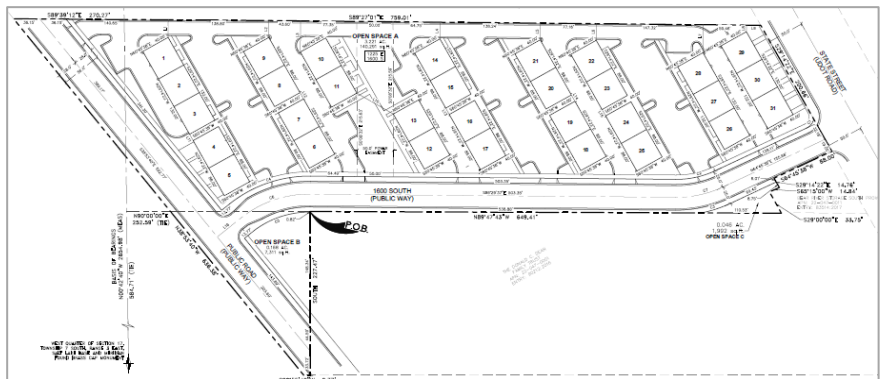
FEATURES:

- An innovative townhome community designed with entrepreneurs and small business professionals in mind, Willow Creek is blurring the lines between work, home and play. Each townhome offers upscale new construction in an amenity-rich master-planned community. With four individual suites per unit and outdoor rooftop living, Willow Creek features style, convenience and amenities sought after in today's tech-savvy world.

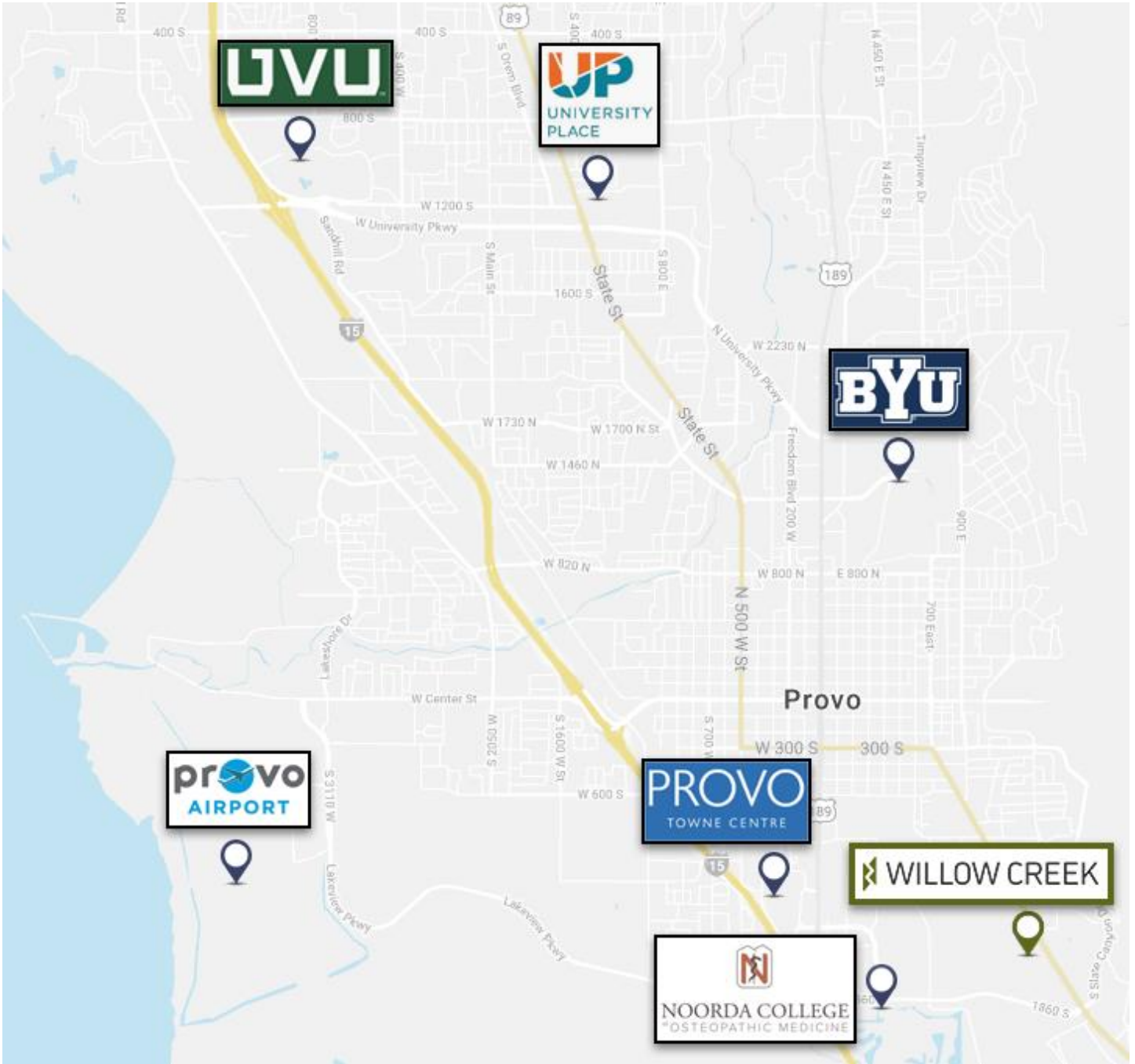
FLOOR PLANS



BUILDING AND PLAT



AREA ANALYSIS



LOCATION HIGHLIGHTS

Provo ranks as #1 in the nation for career opportunities, and #2 of the greatest place to live in America. Provo is also consistently recognized nationally for its outstanding quality of life, well-being, and recreational opportunities⁽¹⁾.

- **BYU:** 3 miles away | Total Enrollment: 33,600 students
- **UVU:** 9 miles away | Total Enrollment: 37,300 students

Noorda College of Osteopathic Medicine: NCOM is a new, innovative medical school in southern Provo projected to open in the fall of 2021. NCOM will be constructed on the northwestern portion of the East Bay Golf Course. Beginning in 2020, 150 students will be recruited.

- **Freeway Access:** 2 miles away
- **Local Malls:** 3 miles from Provo Towne Center, and 6 miles from University Place

WILLOW CREEK

(1) Source: <https://www.provo.org/about-us/provo-rankings>

OPPORTUNITY ZONE



INVESTMENT OPPORTUNITY

Opportunity Zones provide a tax incentive for investors to re-invest their unrealized capital gains into dedicated opportunity funds. Willow Creek is located within an Opportunity Zone in Provo, creating a rare investment opportunity.

Please consult with your tax advisor for further information.

TAX CODE

26 USX 1400Z-2: Special rules for capital gains invested in Opportunity Zones. Text contains those laws in effect on October 30, 2019.

From Title 26-INTERNAL REVENUE CODE
Subtitle A-Income Taxes
CHAPTER 1-NORMAL TAXES AND SURTAXES
Subchapter Z-Opportunity Zones

OPPORTUNITY ZONE BENEFITS



Temporary Deferral

A temporary deferral of inclusion in taxable income for capital gains reinvested into an Opportunity Fund. The deferred gain must be recognized on the earlier of the date on which the Opportunity Zone investment is disposed of or December 31, 2026.



Step-Up In Basis

A step-up in basis for capital gains reinvested in an Opportunity Fund. The basis is increased by 10% of the investment in the Opportunity Fund is held by the taxpayer for at least 5 years and by an additional 5% if held for at least 7 years, thereby excluding up to 15% of the original gain from taxation.

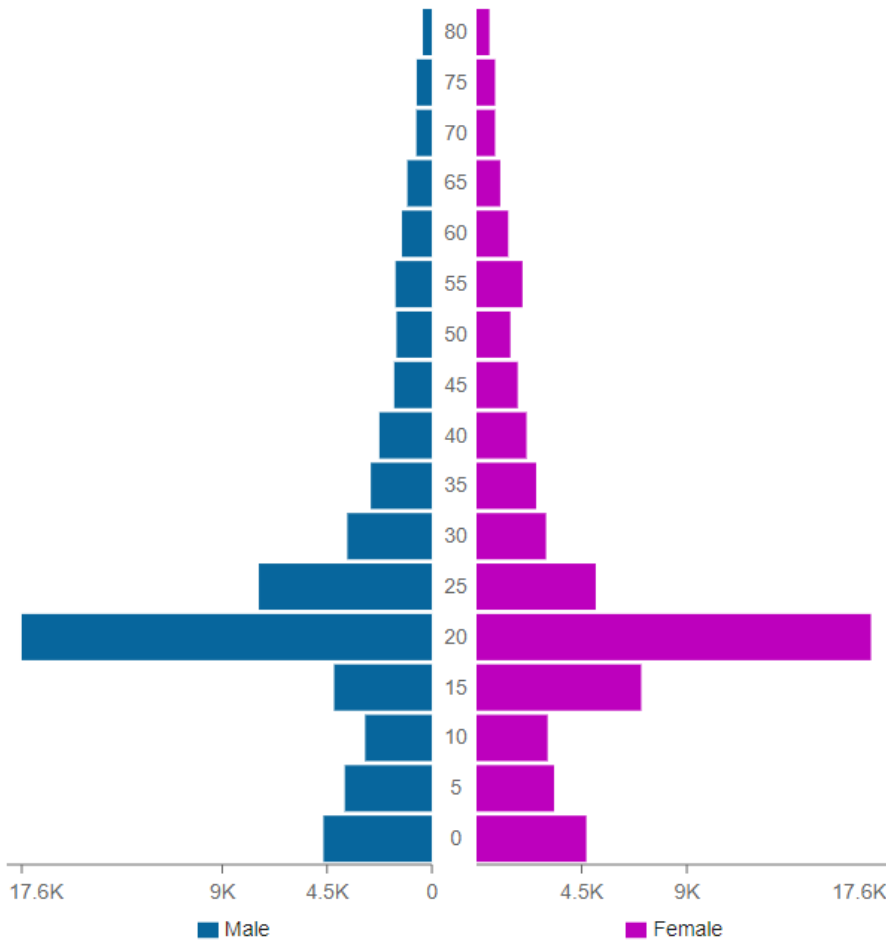


Permanent Exclusion

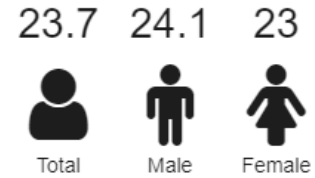
A permanent exclusion from taxable income of capital gains from the sale or exchange of an investment in an Opportunity Fund if the investment is held for at least 10 years. This exclusion only applies to gains after an investment in an Opportunity Fund.

PROVO UT POPULATION 2019

POPULATION PYRAMID



MEDIAN AGE



Provo Ut Adults

There are 90,017 adults, (6,947 of whom are seniors) in Provo Ut.

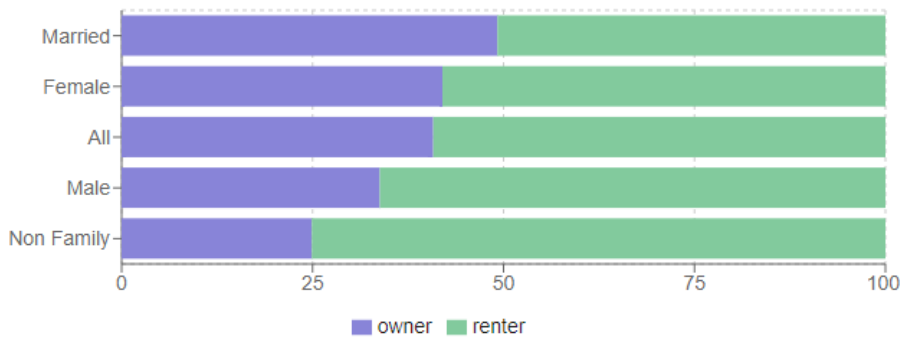
Provo Ut Age Dependency

39.9 Age Dependency Ratio
 8.4 Old Age Dependency Ratio
 31.5 Child Dependency Ratio

Provo Ut Sex Ratio

Female 58,022 49.93%
 Male 58,177 50.07%

RENTER VS OWNER OCCUPIED



Data Source: US Census 2017 ACS 5-Year Survey (Table S1101)

HOUSEHOLD TYPE

Type	Owner	Renter
Married	49.2%	50.8%
Female	42%	58%
All	40.8%	59.2%
Male	33.8%	66.2%
Non Family	24.9%	75.1%

40.8% Rate of Home Ownership

Risk Factors

Investing in Willow Creek Townhomes, a Utah Limited Liability Company (LLC) involves a high degree of risk. You should carefully review the Risk Factors section of the Private Placement Memorandum (the "Memorandum") relating to the offer of interests (the "Interests") in the LLC (the "Offering"). Some of the risks relating to an investment in the LLC include:

Risks Related to Holding Interests in the LLC ("LLC Interests")

- Investors will have limited control over the LLC
- The manager has limited duties to investors, and there are limitations on the actions that the manager of the LLC can take relative to the real estate. IRS Revenue Ruling 2004-86, which sets forth standards for LLC Interests acquired in an IRC Section 1031 exchange, provides, in part, that in order for investors in the LLC to be treated as acquiring a direct interest in the LLC's real estate for tax purposes, the LLC must impose significant prohibitions on the powers of the LLC's manager. These prohibitions are explained in more detail in the Offering documents.
- If the manager are required to take action to conserve and protect the Property held by the LLC but are unable to do so due to the prohibitions imposed on their powers, they may determine to terminate (or be required to terminate) the LLC and transfer the Property to a limited liability company (a "Transfer Distribution"). An interest in a limited liability company, unlike a LLC Interest, is not treated as a direct interest in the underlying real estate for tax purposes.
- In addition to the U.S. federal income tax consequences described above, you should consider the state tax consequences of acquiring, owning, holding and disposing of an interest in a LLC. You must seek the advice of your own independent tax advisor as to the state and local tax issues.

Risks Related to Debt Financing

- The loan agreement with respect to the first mortgage acquisition financing encumbering the Property contains various restrictive covenants, including debt service coverage requirements and, if the LLC fails to satisfy or violates these covenants, the lender may declare the loan in default or exercise cash management remedies.
- The loan will reduce the funds available for distribution and increase the risk of loss.
- If the LLC is unable to sell or otherwise dispose of the Property before the maturity date of the loan, it may be unable to repay the loan and may have to cause a Transfer Distribution.
- The effect of a future financing (where a Transfer Distribution has occurred) or a sale of the Property owned by the LLC could affect the rate of return to the investors in the LLC with respect to the Property in the projected time of disposition of the Property. In an environment of increasing mortgage rates, if we place mortgage debt in the Property (if a Transfer Distribution has occurred), we run the risk of being unable to refinance such debt if mortgage rates are higher at the time a balloon payment is due.

Risks Related to the Offering

- The LLC Interests may be sold only to accredited investors, which, for natural persons, are investors who meet certain minimum annual income or net worth thresholds.
- The LLC Interests are being offered in reliance on an exemptions from the registration requirements of Securities Act of 1933, as amended, and we are not required to comply with specific disclosure requirements that apply to registration under the Securities Act of 1933, as amended.
- Purchasers must bear the economic risks of an investment in the Interests for an indefinite period of time and must be prepared to sustain a total loss of such investments. There is no public market for the Interests and we do not expect a public market for the Interests to develop in the future. An investment in an Interest will not be suitable for the purchasers desiring or requiring liquidity in the near future.
- The LLC Interests are subject to legal restrictions on transfer and resale and investors should not assume they will be able to resell their LLC Interests.
- The Sponsor, the Asset Manager and the Property Manager of the LLC and their respective affiliates are subject to conflicts of interest between their activities, roles and duties for other entities and the activities, roles and duties they have assumed on behalf of the LLC. Conflicts exist in allocating management time, services and functions between their current and future activities and the LLC.
- The purchase price of the Interests in the Offering include a substantial "mark-up" to cover certain fees and expenses of the Offering – meaning that a portion of the marked-up purchase price for an Interest will be used by the Sponsor and/or its affiliate to cover fees and expenses.
- The LLC is not providing any prospective investor with separate legal, accounting or business advise or representation.
- Various tax risks exist with respect to the Interests, including the risk that an acquisition of a LLC Interest may not qualify as a Section 1031 exchange.

Risks Related to Investments in Real Property

- Real properties are illiquid investments, and we may be unable to sell, refinance or reposition the Property in response to changes in economic or other conditions.
- An economic downturn could adversely affect rental income generated from tenants, From time to time, an economic downturn could occur that would result in slowed economic activity.
- The Property may incur a vacancy either by the continued default of a tenant under its lease or the expiration of the lease. In addition, the Property may have some vacancies at the time of closing if there is a lease default by a bankruptcy or other adverse change in the financial condition of one or more tenants of the Property.

Please be aware that Point Communities, LLC and its officers, directors and affiliates are not undertaking to provide impartial investments advice or to give advice in a fiduciary capacity in connection with the LLC's private placement of Interests and that the Sponsor and/or its affiliates have financial interests associated with the Offering, as described in the Memorandum, including fees, expense reimbursements and other payments it may receive in connection with the Offering. These materials are not intended as a recommendation to make an investment in the Offering and investors should consult their financial advisors before making an investment decision. This brochure is for informational purposes only and does not constitute an offer to sell, or the solicitation of an offer to buy or sell any securities. The Interests referenced herein shall not be offered or sold to any person in any jurisdiction in which the offer, solicitation, purchase or sale would be unlawful under the securities law of such jurisdiction. The securities are only offered to accredited investors pursuant to the Memorandum. The Memorandum contains more complete information about the Interests including investment objectives, risks and charges and expenses of the Interests. Prospective investors should carefully read and consider the Memorandum before investing or sending any money. Each prospective purchaser is advised to consult with his, her or its own tax advisor regarding the specific tax consequences to the prospective purchaser of a contribution of Property to a partnership, including the federal, state, local, foreign and other tax consequences of such transactions, ownership or sale and of potential changes in applicable tax laws. Prospective investors are hereby notified that the following discussion is not intended or written to be used, and it cannot be used, nor relied upon, by any taxpayer for the purpose of avoiding penalties that may be imposed under federal tax law. Each taxpayer should seek advice based on his, her or its particular circumstances from an independent tax advisor.

