



PAVILION COURT

1400 W 122nd Ave, Westminster, CO 80234

CONFIDENTIAL OFFERING MEMORANDUM

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DISCLAIMER

This Offering Memorandum is provided for the sole purpose of allowing a potential investor to evaluate whether there is interest in proceeding with further discussions regarding a possible purchase of or investment in Pavilion Court (“Property”).

The potential investor is urged to perform its own examination and inspection of the Property and information relating to same, and shall rely solely on such examination and investigation and not on this offering or any materials, statements or information contained herein or otherwise provided.

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NORTH PECOS ST.

PAVILION COURT



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HURON ST.



WEST 120TH AVENUE





INVESTMENT HIGHLIGHTS

THE OFFERING

Basham & Associates, as exclusive Broker, is pleased to present the opportunity to acquire Pavilion Court, a quality 30,044 square foot, two-story office building located within the thriving suburb of Westminster in the hot North Denver Metro Area, (the “Property”).

Size: 30,044 sq ft

Price: \$5,700,000

Site: 1.85 acres

Occupancy: 100%

Number of tenants: 8

Height: 2 stories

Average floor plate: 15,022 sq ft

Parking Spaces: 108 Surface Spaces

Parking ratio: 3.63/1,000

Zoning: PUD

Class: B

Pavilion Court is 100% leased to eight tenants providing an investor stable cash flow with upside through lease up of a single owner space, soon rolling below market rent. Alternatively Pavilion Court offers a unique opportunity for an Owner User to relocate their business into this “owner space” of 13,940 SF. Occupying most of the top floor, with fabulous mountain views, this the premier space in the building.

Pavilion Court is being offered at a significant discount to replacement cost, and together with the built-in income generated from a stable tenant base, offers an extremely attractive investment. The Property features immediate access to Interstate 25 at 120th Avenue as well as Highway 36, providing a quick connection to Denver and Boulder.

Pavilion Court caters to the extensive nearby executive and employee housing base. The Property further benefits from having truly walkable amenities in a suburban setting including restaurant, retail and hotel options.

Stabilized Rent Roll

Pavilion Court is 100% leased to a diverse tenant base providing an investor stable cash flow combined with upside through rolling below market rents to market. The average in-place lease rate is currently \$14.15 NNN per square foot, whereas the current market lease rate for the building is in excess of \$15.00 NNN per square foot. The Property has, 13% and 20% rollover in years, two and three, with average lease rates in the expiring years of, \$12.45 and \$12.90 NNN per square foot respectively.

Excellent Submarket Fundamentals

Denver’s Northwest submarket offers below market vacancy rates of 8.8% compared to the Denver Metro vacancy rate of 12.4%. Its market lease rate is higher than the Denver metro total as well; \$27.45/SF compared to \$25.71/SF. Pavilion Court competes almost exclusively with the 120th Avenue corridor where the immediate competitive set boasts a vacancy rate of 6% and is continuing to experience significant rental rate growth.



Strong Historical Tenancy

Four tenants have been in the building going on ten years, with an average term of seven years at this location.

Building Upgrades

The property has recently undergone various building upgrades and improvements. Upgrades include a remodel of the common-area bathrooms, interior tenant finish remodels, and installation of a new roof in 2015 with a 20-year labor and material warranty.

Limited Management Required

Pavilion Court benefits from recent upgrades and is currently home to only 8 tenants providing a passive management opportunity to an investor.

Offered Free & Clear of Debt

With the stability of the current rent roll and strong submarket fundamentals, lenders will provide aggressive market terms for Pavilion Court.

Discount to Replacement Cost

Pavilion Court is being offered at a significant discount to replacement cost.



Location & Access

Located near the intersection of Interstate 25 and 120th avenue, Pavilion Court benefits from easy vehicular and public transportation access. The city of Westminster is strategically located between Denver and Boulder, offering direct access to Interstate 25, US 36, and Interstate 76.

Approximately 2 blocks away, at 120th & Huron, is RTD's Park-N-Ride lot which is the 3rd largest in Denver. The Park-N-Ride provides an easy public transportation option for Pavilion Court.



Walkable Amenities

The property is located near a large shopping center providing access to numerous restaurant options within close proximity.

Pavilion Court provides a rare opportunity to have truly walkable amenities in a suburban office location providing a competitive advantage over other buildings in the submarket.

PROPERTY DESCRIPTION

Foundation System: Concrete slab on grade

Windows: Windows are fixed 1" double-pane insulating glass set in 4" or 6" dark-bronze anodized aluminum frame

Exterior Doors: Entry doors include 1/4" safety glass set in narrow-stile dark-bronze anodized aluminum in 4" aluminum storefront frame with push-pulls & deadbolt, overhead closer, threshold & weather strips. Service Doors include 1 3/4" thick painted hollow metal in painted steel frame with rim panic exit device, overhead closer, & weather strips.

Exterior Walls: Oversize face brick; there is glazed brick at the west entry feature and soffit at the East Entry is painted gypsum board.

Lighting:

Exterior: High-intensity discharge (HID) single-head fixtures on 26' +/- high painted steel poles throughout the parking areas. HID wall sconces at exit doors on the east side of the building. HID post lights 42" high at the Main West Entry.

Interior: 8' long 1-tube 80W T-12 fluorescent fixtures in light cove (Bathrooms). 2'x4' 3-tube and 2'x2' 2-tube 34W T-8 recessed fluorescent parabolic troffers (Common-Area Hallways)

HVAC

Rooftop HVAC Units protected by new hail guards. Heating, cooling and ventilation is provided to the entire building primarily by roof-mounted package HVAC units (RTU's) with refrigerant-type cooling and an integral gas-fired furnace for heating.

- (RTU-1) 15-ton cooling capacity with economizer and bypass damper, R-22 refrigerant, 243 MBH heating capacity, 208V 3Φ, manufactured '03.
- (RTU-2) 12 1/2-ton cooling capacity with economizer and bypass damper, R-22 refrigerant, 183 MBH heating capacity, 208V 3Φ, manufactured '85.
- (RTU-3) 15-ton cooling capacity with economizer and bypass damper, R-22 refrigerant, 292 MBH heating capacity, 208V 3Φ, manufactured '08.
- (RTU-4) 18-ton cooling capacity with economizer and bypass damper, R-22 refrigerant, 292 MBH heating capacity, 208V 3Φ, manufactured '05.
- (RTU-5) 15-ton cooling capacity with economizer and bypass damper, R-22 refrigerant, 292 MBH heating capacity, 208V 3Φ, manufactured '05.
- (RTU-6) 12 1/2-ton cooling capacity with economizer and bypass damper, R-22 refrigerant, 183 MBH heating capacity, 208V 3Φ, manufactured '85.

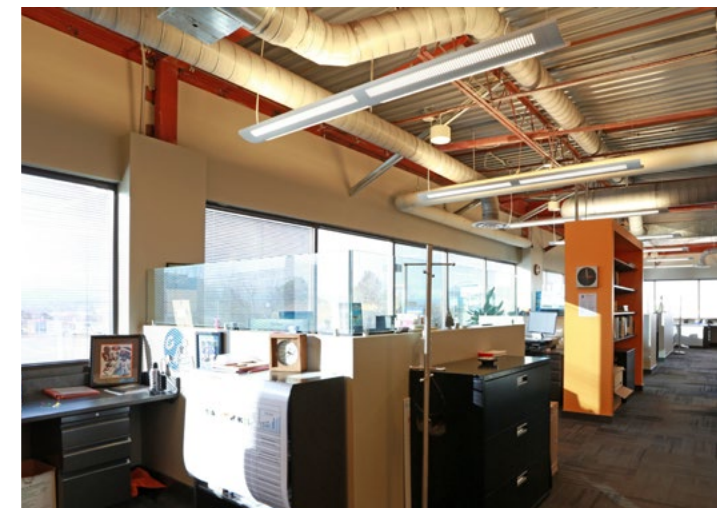
Conditioned air is distributed to approximately 53 zones by variable volume dampers. Supply air is provided from the RTU's via sheet metal and

insulated flexible ducting; return air is provided to the RTU's via the ceiling plenum. Zone dampers are controlled by non-programmable thermostats, reporting to a Schneider Electric "BACnet" DDC building automation system.

There are supplemental electric baseboard heating units in the common area bathrooms. In addition, there are supplemental electric cabinet heating units in the West Entry vestibule and the east side of the 1st & 2nd floor lobbies.

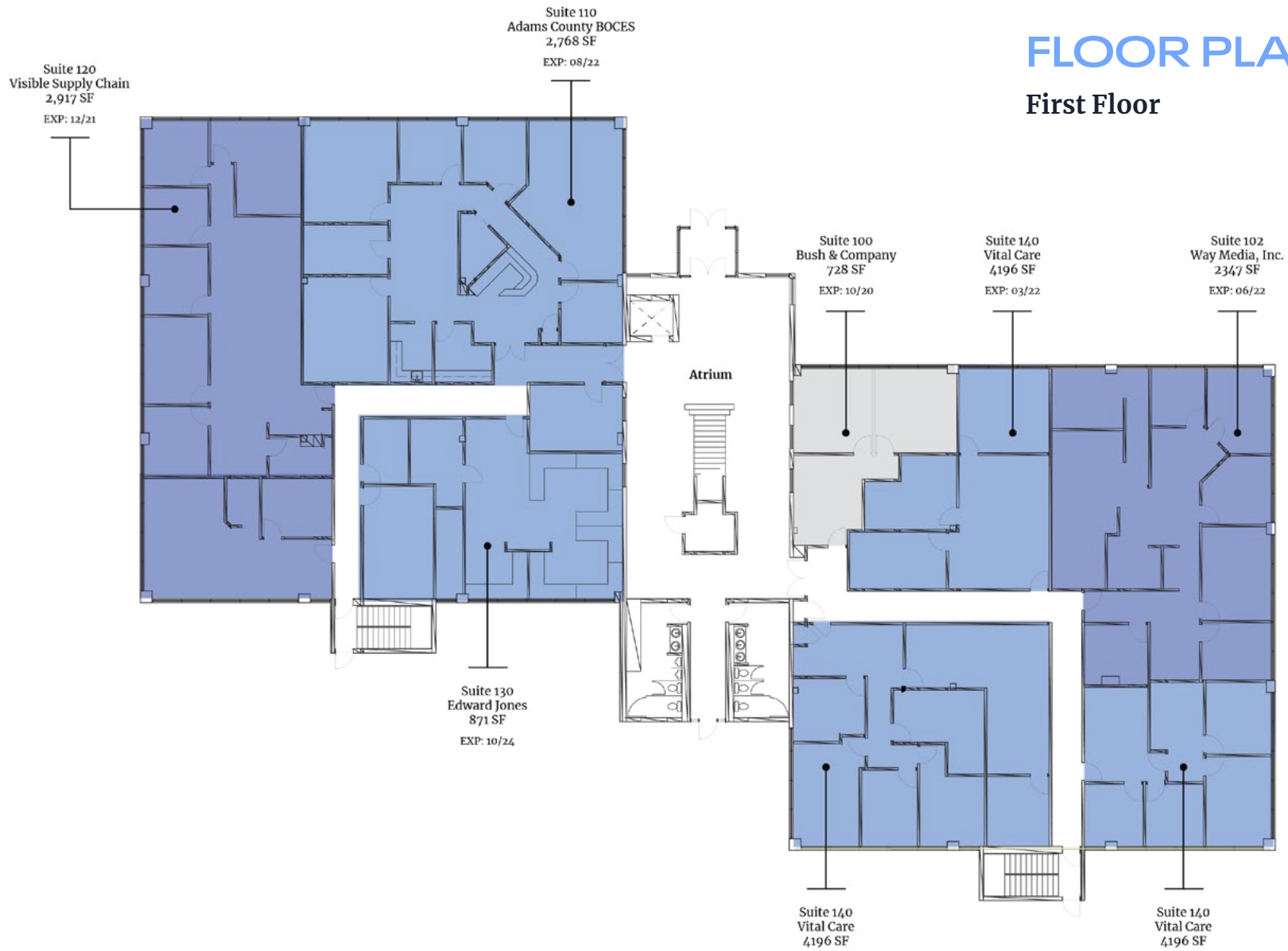
Cooling Capacity: 30,046 SF / 88 Tons =
1 Ton per 341 SF

Heating Capacity: 485 MBH / 30,046 SF =
49 BTUH per SFv



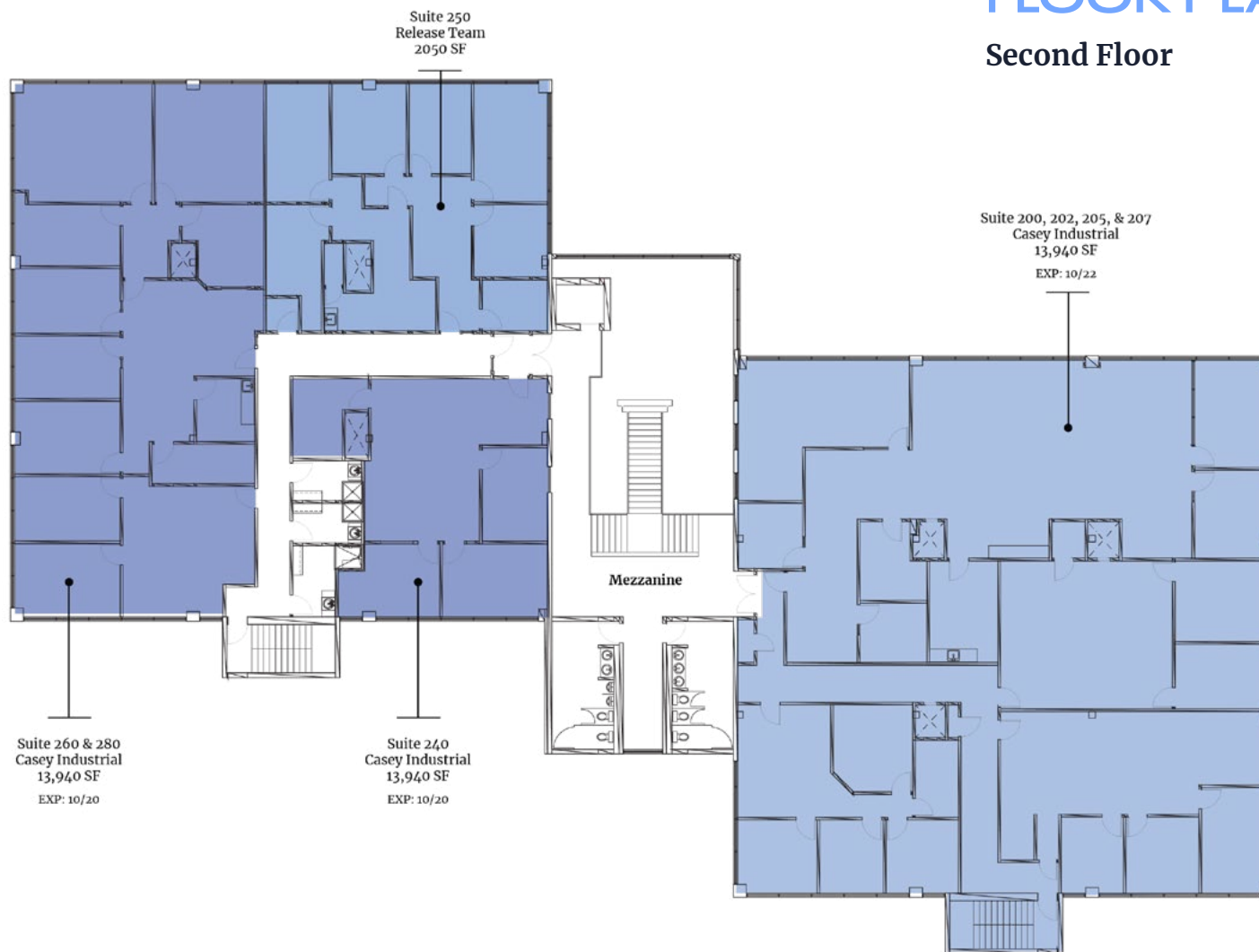
FLOOR PLAN

First Floor



FLOOR PLAN

Second Floor



PAVILION COURT

FINANCIAL ANALYSIS

Tenant	Unit	Square Feet	Pro Rata Share	Lease Start	Lease End	Last Rent Increase	Rent Charges	Annual Rent/Sq Ft	NNN Expense Charges	NNN Expenses / Sq Ft	Total Charges	Annual Charges Sq Ft
Bush and Company	100	728	2.45	05/01/11	10/31/20	11/01/17	758.33	12.50	584.83	9.64	1,343.16	22.14
				Rent Escalation	From Date	To Date	Rent	Rent / Sq Ft				
					11/01/19	10/31/20	819.00	13.50				
Way Media, Inc	102	2,347	7.89	05/01/15	06/30/22	07/01/19	2,738.17	14.00	1,885.42	9.64	4,623.59	23.64
				Rent Escalation	From Date	To Date	Rent	Rent / Sq Ft				
					07/01/19	06/30/20	2,738.17	14.00				
					07/01/20	06/30/21	2,835.96	14.50				
					07/01/21	06/30/22	2,933.75	15.00				
Adams County BOCES	110	2,768	9.30	07/01/11	08/31/22	11/01/19	2,883.33	12.50	2,223.63	9.64	5,106.96	22.14
				Rent Escalation	From Date	To Date	Rent	Rent Sq Ft				
					11/01/19	08/31/20	2,883.33	12.50				
					09/01/20	09/30/20	2,998.67	13.00				
					11/01/20	08/31/21	2,998.67	13.00				
					09/01/21	09/30/21	3,114.00	13.50				
					11/01/21	08/31/22	3,114.00	13.50				
Visible Supply Chain	120	2,917	9.80	01/01/15	12/31/21	01/01/20	3,055.56	12.57	2,343.32	9.64	5,398.88	22.21
				Rent Escalation	From Date	To Date	Rent	Rent Sq Ft				
					01/01/20	12/31/20	3,055.56	12.57				
					01/01/21	12/31/21	3,147.93	12.95				
Edward Jones	130	815	2.74	01/01/14	10/31/24	11/01/19	900.00	13.25	654.72	9.64	1,554.72	22.89
				Rent Escalation	From Date	To Date	Rent	Rent Sq Ft				
					11/01/19	10/31/20	900.00	13.25				
					11/01/20	10/31/21	918.00	13.52				
					11/01/21	10/31/22	936.00	13.78				
					11/01/22	10/31/23	954.00	14.05				
					11/01/23	10/31/24	972.00	14.31				

(Continued on next page)

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FINANCIAL ANALYSIS

Property	Units	Area	Rate	Start Date	End Date	Start Date	Rate	Area	Total Rent	Rate	Total Rent	Area	
VitalCare	140	4,196	14.10	01/01/17	03/31/22	04/01/19	4,720.50	13.50	3,370.79	9.64	8,091.29	23.14	
				Rent Escalation	From Date	To Date	Rent	Rent Sq Ft					
					04/01/19	03/31/20	4,720.50	13.50					
					04/01/20	03/31/21	4,895.33	14.00					
					04/01/21	03/31/22	5,070.17	14.50					
Release Team Inc.	250	2,050	6.89	02/22/11	05/31/22	06/01/19	2,220.83	13.00	1,646.84	9.64	3,867.67	22.64	
				Rent Escalation	From Date	To Date	Rent	Rent Sq Ft					
					06/01/19	05/31/20	2,220.83	13.00					
					06/01/20	05/31/21	2,306.25	13.50					
					06/01/21	05/31/22	2,391.67	14.00					
Casey Industrial, Inc.	200+	14,223	46.84	04/30/11	10/30/20	05/01/19	15,392.08	13.25	11,198.47	9.64	26,590.55	22.89	
				Rent Escalation	From Date	To Date	Rent	Rent Sq Ft					
					05/01/19	04/30/20	15,392.08	13.25					
					05/01/20	10/30/20	15,577.95	13.41					
Total for Property	30,044	100					23,201.37	32,668.80	13.17	23,908.02	9.64	56,576.82	22.81

Investment Report Summary As of 02/10/20

Total Scheduled Rent	32,668.80
Vacancy Rent	0.00
Occupied Unit Rent	32,668.80
Number of Units	8
Vacant Units	0
Occupancy Sq. Ft.	30,044
Occupancy %	100.00

Owner/User Report Summary As of 11/01/2020 (Latest Date the Casey Industrial Vacates)

Total Tenant Scheduled Rent	17,828.77
Owner/user Pro Forma Rent:	15,577.95
Total Occupied Unit Rent:	33,406.72
Number of Units	8
Owner/user (Vacant) Units:	1
Tenant Occupied Sq Ft:	15,821.00
Tenant Occupancy %:	52.66%