



ELDER CARE DEVELOPMENT LLC

Southern Oregon Senior Community Projects

OVERVIEW



October 2015

EXECUTIVE SUMMARY



INTRODUCTION

Headquartered in Central Point, Oregon, Elder Care Development LLC is launching several state-of-the-art independent living, assisted living and memory care facilities in the Southern Oregon region. We have partnered with Mosaic Management, a very experienced operator.

Elder care Development LLC will complete build-out and landscaping according to the operator's specifications and at the completion of construction will shift into a property management role once the operator takes control of the facility. The Company will repeat this model for each subsequent facility it develops.

Elder Care Development LLC is a successor of a company that began creating assisted living and memory care suites in 1983.

We are looking for equity partners that can invest \$2,000,000 for the first project or \$16,000,000 for all projects to be developed over a 16 month time frame.

MISSION

Our mission is to bring today and future seniors best-in-class living properties. Cutting edge architecture accented by state of the art amenities coupled with world class health care deliver the next generation senior community.

Our day-to-day operations are led by Mr. Bill Cooper, President and Mr. Terry Toner, Senior Vice President.

Bill Cooper has a long track record of successful real estate development and mortgage services. A few examples of his success include a 7 story addition to existing 2 story, an 496 unit apartment project, four 50,000 square foot shopping centers, a 100 acre industrial park and multiple ALF|MC facilities. He has served as a principal for the Dilmore Mortgage Company. His primary concern, though, is to improve the standards of elder care by developing the state of the art facilities that he wishes his father had been able to enjoy. Mr. Cooper founded the original Elder Care LLC that designed, developed, and operated 16 assisted living and memory care communities in Oregon and Washington. These facilities are still in operation, though Mr. Cooper is no longer invested in them.

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Terry Toner is a commercial real estate broker with experience at every step of the development process. He started as a steamfitter/welder tradesman, where his reliability and determination quickly led him into supervision and management. From working on construction projects directly he turned to real estate and development. Mr. Toner leverages his contractor and real estate know-how to identify the best opportunities for development. He can see the land and its potential better than people who have only real estate or construction experience. Mr. Toner is currently devoting all of his attention to helping southern Oregon meet the fast growing needs of its elderly population for assisted living and memory care facilities.

Mr. Toner has specialized in projects that necessitate close attention to detail, much as assisted living and memory care facilities require.

STATE APPROVAL AQUIRED

If you reside outside of Oregon you may be thinking: What is a "Letter of Needs?" Why would I need one? There isn't much RCF development in that state.

Elder Care Development LLC has received the exclusive "Letter of Needs" from the State of Oregon to develop properties in Central Point and Grants Pass, Oregon.

The State of Oregon has created strong barriers to entry regarding RCF development. Those regulating barriers are the reason for the limited development. The "need" for beds must be proven to the state prior to the issuance of the Letter. Elder Care Development LLC, having acquired these "Letter of Needs" in multiple communities is poised to begin developments in 2016. Our position is complimented by relationships with both cities resulting in a rapid approval of entitlements in just 6-8 weeks. We draw from a population of 300,000 residents in Southern Oregon plus those in Northern California which is only 18 miles south of Medford, Oregon.

EXECUTIVE SUMMARY



OPPORTUNITIES IN THE PIPELINE

SUPERIOR INVESTMENT OPPORTUNITIES

CENTRAL POINT PROJECTS

CENTRAL POINT - Phase 1

50 Suite ALF
25 Suite MC
Total Cost To Develop \$15.9M

CENTRAL POINT - Phase 2

84 Door Age Friendly
*Limited Services
Total Cost To Develop \$13M

ELDER CARE DEVELOPMENT LLC

GRANTS PASS PROJECTS

GRANTS PASS - Phase 1

60 Suite ALF
24 Suite MC
Total Cost To Develop \$18M

GRANTS PASS - Phase 2

55 Suite ALF
24 Suite MC
Total Cost To Develop \$15.5M

GRANTS PASS - Phase 3

90 Door Independent Living
Full Services
Total Cost To Develop \$12M

Project	Equity Investment	ROE from cash flow
Central Point		
Assisted Living/Memory Care	\$2.1M	39%
Independent Living	\$3.9M	33%
Grants Pass		
Assisted Living/Memory Care 1	\$2.3M	37%
Assisted Living/Memory Care 2	\$2.2M	37%
Independent Living	\$3.9M	34%

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CENTRAL POINT LOCATION & CURRENT OCCUPANCY RATES

Currently the RCF occupancy is 95%, Memory Care occupancy is 98% all private pay rooms.

Elder Care Development LLC's Central Point projects are located within the award winning subdivision, Twin Creeks. Twin Creeks is the crown jewel of Central Point's planned communities. Within Twin Creeks are Single Family Homes, Age Friendly Senior Housing and Independent Senior Housing that are some of the feeders to Elder Care Development LLC's properties. We will be the only Assisted Living and Memory Care provider in the Twin Creeks community of Central Point. The ideal location adjacent to a large medical facility, two independent care facilities, parks and age friendly housing all within walking distance.

The initial facility will feature two separate buildings, with a common wall, which will total 65,000 square feet. The first building will be dedicated to assisted living, and will accommodate a total of 50 beds in its two stories. The second building will be a single story with 25 rooms designed for residents in need of memory care.

GRANTS PASS LOCATION & CURRENT OCCUPANCY RATES

Currently the RCF occupancy is 95%, Memory Care occupancy is 98% all private pay rooms.

Located between and frontage on two major light traffic roadways with large RCF, Memory Care, Independent Living and Cottages down the street. Regional medical center/hospital within 2 miles by highway that fronts the property. We are developing both Independent and RCF projects on contiguous land with exceptional exposure to traffic.

This second project 141,158 square feet to have 48 memory care beds and 115 residential care beds will be developed in two phases.

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CENTRAL POINT & GRANTS PASS PROJECTS SITE STATUS

There are no community objections nor barriers. Oregon State Letter of Need granted for both communities. Elder Care Development LLC has met with the city and they are enthusiastic about these projects. An "in house decision" is the last approval. Both sites have curbs and utilities in. The flat level lands are "shovel ready". Unlike many other areas of the country, Southern Oregon's seniors are sorely under-served and badly in need of housing.

MARKET FORECAST

Findings from the CBRE's 2014 CAP Rate Survey reveal that senior housing construction is still a potentially lucrative investment for tenured operators looking to grow, as well as opportunistic developers seeking diversification from typical multifamily projects. While construction activity is currently in a high-growth expansion phase in certain markets, the total supply will have to increase approximately 150% to meet demand in 2044, with a substantial shortage in 2024. CBRE reports around 40,000 senior living dwellings must be added each year to meet demand. For comparison, the current construction rate of senior living units is about 16,000 units each year.

Further detail available in the Elder Care Development LLC Business Plan.



Investment Points



The Location. Southern Oregon is a retirement area. Twenty-two percent (63,819) of the population (298,886 in 2014) is over 65 yrs.

As of 2013, America's Baby Boomers began turning 65 at the rate of 10,000 to 15,000 per day.

Other senior living centers in the area are at 95 to 99% occupancy.

Other operators have barriers to entry by the State of Oregon. Our group has obtained the Oregon State required approval letters for both Central Point and Grants Pass.

Our team includes Mosaic management as the operator. Mosaic is a seasoned company that currently operates several properties in Oregon as well as the surrounding states.

Principles in the partnership to date have developed \$500M plus in real estate projects including many senior living projects.

Growth Industry: The aging of America is just starting; a report recently published in Senior housing news stated, “ Our current need for new senior care is 40,000 doors per year, yet only 16,000 are being brought on-line”.

Window of opportunity; 5-10 years.

Reits are currently buying senior living properties at historically low cap rates.

City approvals will be completed in months not years.

Secure investment: Our developments are a very safe investment, during the 2008 market crash, occupancy in senior care facilities remained steady, and have increased to date