

CapitalTech is offering a Bridge Loan to Lenders



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Lending Opportunity

Bridge Loan

\$5.6 M bridge loan to facilitate predevelopment cost prior to the closing of a construction loan to fund the final build-out & launch of Brookstone Senior Living & Spa

Proposed Terms

BORROWER: ELDERHOME LAND LLC

LENDER: CapitalTech, LLC or any affiliate or assignee.

GUARANTORS: TBD.

SECURITY: Senior lien on all the Company's real estate and all other corporate assets.

PROPOSED Terms:

USD \$6M TOTAL, CONSISTING OF THE FOLLOWING:

USE OF PROCEEDS: For the development of "Brookstone Senior Living & Spa" in Silver Spring, MD.

TERM OF FACILITY: (a) Term Loan: Twelve (12) months from the date of closing.

AVAILABILITY: (a) Term Loan: Fifty percent (50.00%) LTV.

INTEREST: (a) Term Loan: A fixed rate per annum (360-day basis) equal to Twelve percent (12.00%).

ORIGINATION FEE TO CAPITALTECH, LLC : A one-time fee of one percent (1.50%) of the total loan amount secured, payable at closing.

DISCOUNT POINTS: TBD:

May
2024

Senior
Housing

Project Summary



BROOKSTONE

— SENIOR LIVING & SPA —
Burtonsville

A Continuum of Care Facility with 176 units (212 beds)

independent living • assisted living • memory care

Montgomery County
Burtonsville, Maryland 20866



DRAFT



A. Project Summary

Brookstone Senior Living is a 176-unit (212 beds) continuing care senior living project to be built in Burtonsville/Silver Spring, Maryland, which is off the Route 29 corridor in Montgomery County, Maryland. This new state-of-the-art facility will feature a number of amenities, including a wellness spa with an indoor pool and fitness room, bistro, wine bar, game room, art studio, and theater. The site includes a 191,000 square foot, four-story building with court yards, fitness green, dining terrace, social terrace, gardens, and walkways.

Project Summary

Site:

Address: 15300 Dino Drive
Burtonsville, MD 20866

County: Montgomery County

Land Value: \$11,200,000 (\$52,830/bed)

Project Cost: 77M

Stabilized Value: \$107,800 million upon stabilization
(Yr 3, 2028)

Development Summary:

Type: Independent/Assisted Living/Memory Care

Lot Size: 5.86 acres, plus storm pond

Building Size: 191,000 sf

Units: 176 units (88 IL, 64 AL, 24 MC)

Beds: 212 beds (121 IL, 64 AL, 27 MC)

Zoning: Finished site has Master Plan approval
Project approved by Montgomery Co.

Utilities: Water, sewer, gas and electric at site

Contact:

Company: ElderHome Senior Living, Inc.

Contact: Thomas Norris, President

Phone: (240) 786-5692 • (301) 675-1525 cell

E-Mail: tnorris@tlgroup1.com

Research indicates the primary market area is undersupplied by at least 4,100 beds/units. Demographics for the primary market show increased demand for senior housing.

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Front Elevation Rendering (Northwest View)

BROOKSTONE
SENIOR LIVING, LLC
AT BURTONSVILLE

The Site

The site is located in Montgomery County, Maryland, in between two major metropolitan areas: Baltimore and Washington, D.C., which is the sixth largest metropolitan area in the U.S. The site is bounded by Dino Drive and Route 198, with close proximity to large thoroughfares including Route 29, Interstate 95, and the Beltway (495). The market area provides for an upper middle income with excellent net worth and value indicators.



Bird's-Eye View (looking South)



SITE IS FULLY ENTITLED AND HAS COUNTY AND MASTER PLAN APPROVALS

The site is fully approved for a 176-unit (212 beds) senior housing facility. Groundbreaking in late 2024.

The Dino Drive road, curb, gutter, street lights, ingress/egress, and sidewalk have been built, making this a finished site pad. All utilities are at the site including a stormwater management pond.



Route 29 Corridor

B. Primary Market

THE PRIMARY MARKET IS UNDERSUPPLIED

The competition in the Primary Market, which is defined as a 5-mile radius, is shown below. As can be seen, there is no competition within a 4-mile radius.

Assisted Living/Memory Care:

1. Morningside House, Laurel (4.1 miles)¹
2. Arbor Terrace, Fulton (4.5 miles)
3. Arden Courts, Silver Spring (MC only, 4.2 miles)

Independent:²

5. Arbor Crest (4.4 miles)
6. Selbourne House at Laurel (4.7 miles)¹
7. The Willows at Victoria Falls (4.8 miles)¹

CCRC:

13. Riderwood Village (6.5 miles)¹

Skilled Nursing:

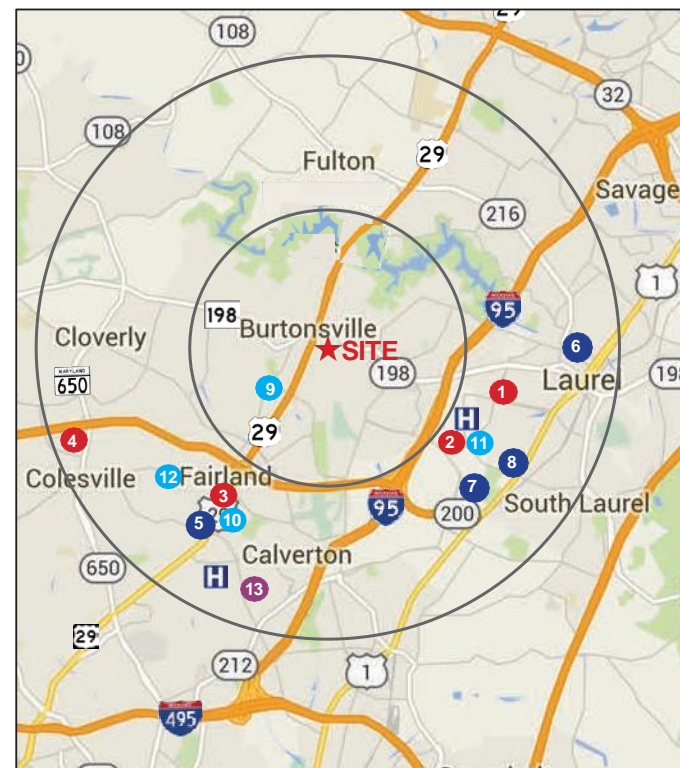
9. Oak Manor Rehab (1.9 miles)

Hospitals:

- Adventist Healthcare - White Oak (4.3 miles)
- UM Laurel Medical Center (4.7 miles)¹
- Howard County General (7.4 miles)
- Montgomery General (7.8 miles)

¹ Prince George's County

² Wilshire Estates in Silver Spring is 6.4 miles away.



Third-Party Market Studies

Demand Forecast

by CBRE, Inc. & Province Consulting Group

Today, the senior housing market has grown dramatically and there is significant demand for such a well-located project. The following table summarizes the Net Demand for independent living, assisted living, and memory care services within a five-mile radius.

YEAR	INDEPENDENT (units)	ASSISTED LIVING (beds)	MEMORY CARE (beds)	NET DEMAND (beds/units)
2023	2,111	1,379	1,159	4,649

These demographics indicate strong demand for independent living as well as assisted living and memory care services. This study was conducted by Province Consulting Group, who concluded the primary market is dramatically undersupplied.

A market study prepared by CBRE, Inc., the largest commercial real estate valuation and advisory services company in the world, also concluded that the primary market is undersupplied. In their report dated October 7, 2021, page 64, CBRE concludes:

"The market is undersupplied with respect to independent living, assisted living and memory care. Other than the subject property, there is no additional future competitive property expected within in the PMA during the projection period. The supply and demand characteristics concluded in the Market Analysis indicate sufficient demand for this product, as well as the subject...."

In conclusion, the market shows positive demand for all three levels of care, with the subject's projected rental rates and occupancy concluded to the top end of the range."

Demand Coverage

CBRE

In their Appraisal dated April 17, 2024, CBRE analyzed the demand coverage and concluded:

"The subject's market is undersupplied for all care levels.... The proposed addition to competitive supply has a small impact on penetration indicating a healthy market."

In addition, CBRE outlines the project strengths:

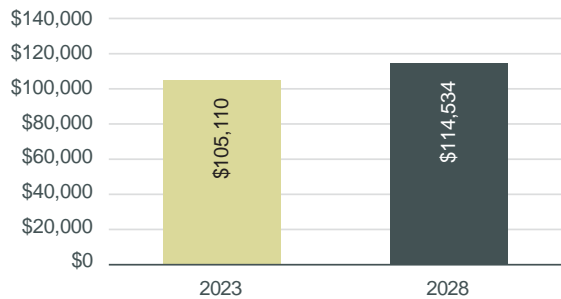
- *"superior product and design of the proposed improvements;*
- *lack of new construction of similar facilities in the local market;*
- *positive growth in age 75+ population and households."*

Using an indicated base income requirement of \$58,286 for Independent Living and \$60,000 for Assisted Living and Memory Care, CBRE concludes that the demand coverage indicates Independent Living units are undersupplied by 785 units; Assisted Living by 782 units; and Memory Care by 782 units. See CBRE Appraisal, April 2024, p. 44.

Market Overview

Maryland household income: wealthiest in the Nation

MEDIAN INCOME BY YEAR



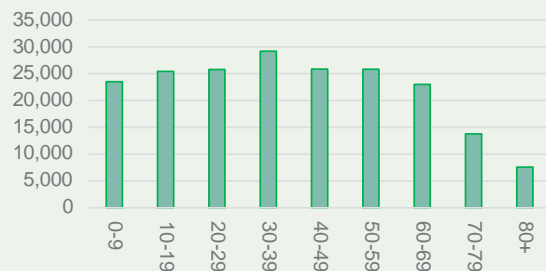
Household Income

The primary market features an average household income of \$146,516 and a median household income of \$105,110 within a 5-mile radius. Over the next five years, median household income is expected to increase by 9% or \$1,885 per annum. According to the 2020 U.S. Census, Maryland is the richest state in the U.S. by median household income.

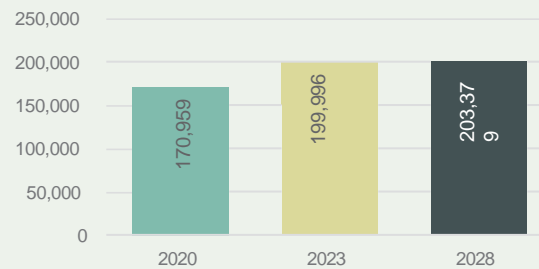
Population

The primary market has a population of 199,996 within the 5-mile radius. Population has increased by 29,037 since 2020, reflecting an annual increase of 5.4%. It is projected to increase by an additional 3,383 by 2028, the year the Brookstone project is stabilized.

AREA POPULATION BY AGE



POPULATION BY YEAR

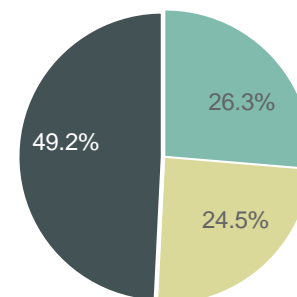


Education

Approximately 50.8% of individuals over the age of 24 have a college degree, with 26.3% holding a bachelor's degree and 24.5% holding a graduate degree. Montgomery County, Maryland is one of the most educated counties in the U.S.

POPULATION BY DEGREE

- Bachelor's Degree
- Graduate Degree
- Other

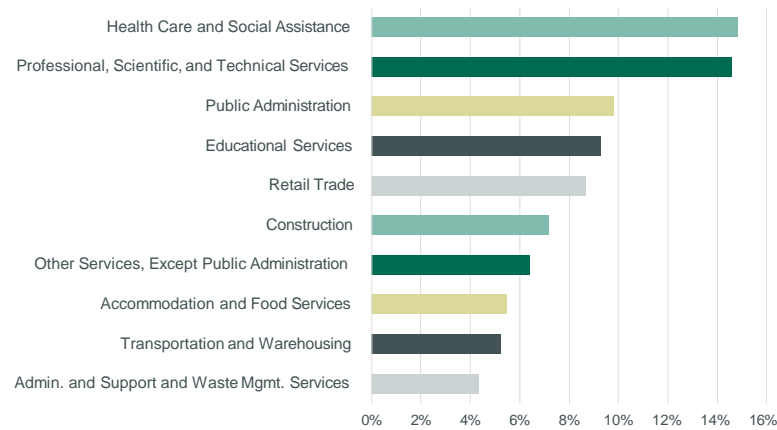


Market Overview *(continued)*

Montgomery County, MD

Employment

The primary area includes a total of 108,860 employees and has a 3.7% unemployment rate. The top three industries within the area represent a combined total of 39% of the population: (1) Health Care and Social Assistance; (2) Professional, Scientific, and Technical Services, and (3) Public Administration.



MONTGOMERY COUNTY, MARYLAND

According to data from the U.S. Census Bureau, Montgomery County's population reached over one million in 2012. It is the most populated County in Maryland. Montgomery County has been ranked as one of the wealthiest in the U.S.

Montgomery County's diverse and well-educated residents provide a skilled and available resource for the senior housing industry. As one of the most affluent counties in the U.S., Montgomery County has the nation's highest percentage of residents over 25 years of age who hold post-graduate degrees (29.2%).

County Statistics	Montgomery County
Population, 2023	1,089,145
Population, % change, 2010-2022	11.45%
Population, % change, 2000-2019	20.3%
Number of households, 2023	383,308
Persons, 65 years and over, 2023	17.2%

Source: www.Census.gov.

Market Demographics

Population:	
Conservative Primary Market (3-mile)*	56,875
Primary market (5-mile)*	199,996
Secondary market (7-mile)*	354,275
Median Home Value, 2024	
Conservative Primary Market (3-mile)*	\$571,717
Maryland average	\$418,534
Average Household Income, 2024	
Conservative Primary Market* (3-mile)	\$150,095
Maryland average***	\$129,642
National average	\$74,580
Annual Growth, 2010-2023, 3-mile radius:	
Population	5.2%/year
Households	4.5%/year

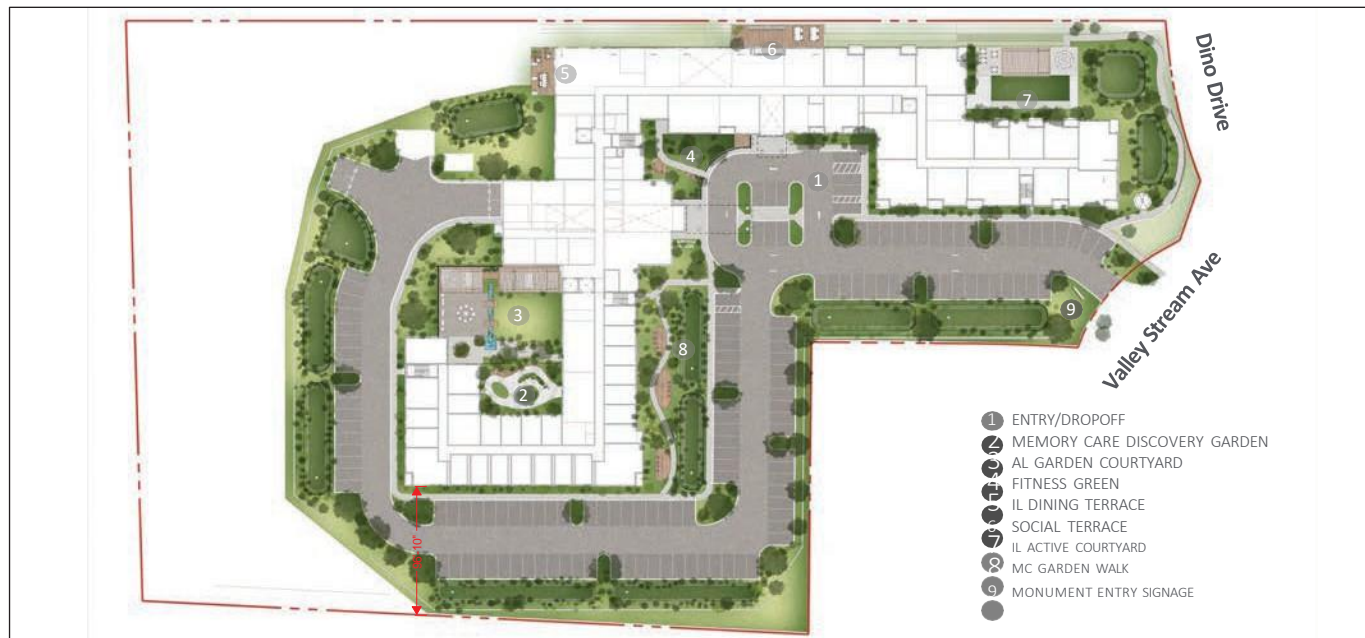
*See CBRE Appraisal, April 17, 2024.

**See Market Study by Troyer, based on 5-mile, 15-minute drive-time and Province Consulting.

***Maryland is the richest state in the U.S. by median household income, 2020 U.S. Census.

C. Project Team

- Developer:** **ElderHome** is the Landowner and Developer. They have invested over \$2.8 million to finish this well-located site including building a new road (Dino Drive), curb and gutter, sidewalk, stormwater management pond, with an approved entrance.
- Operator:** **Distinctive Living** (www.Distinctive-Liv.com) specializes in developing and managing senior living communities. They understand new development and design as well as pre-opening planning and execution protocols. With decades of combined experience in the senior housing industry, Distinctive Living is well versed in operational needs, regulatory compliance, and human resources. They are part of the capital stack.
- Architect:** **BKV Group** (www.BKVGGroup.com) is one of the premiere architects in the Nation, having designed age-restricted and senior living projects throughout the U.S., including active adult, independent living, income-restricted and memory care communities. Since 1978, BKV Group has grown into a diverse partnership with 200+ employees with offices in Chicago, Dallas, Hanoi, Vietnam, Minneapolis, and Washington, D.C.
- Attorney:** **Bregman, Berbert, Schwartz & Gilday, LLC** (www.BregmanLaw.com) is a well-respected firm in Montgomery County, Maryland. Ms. Soo Lee-Cho, Esquire, has been retained to obtain the building design and site plan approvals, which are routine for this previously-approved site. She worked for several years at Miller, Miller, & Canby, who obtained our original 120-bed approval in the late 1990s.
- Engineer:** **Packard & Associates, LLC** is an engineering and consulting firm. Their staff have decades of experience in the Washington, D.C. metropolitan area, including working with Montgomery County and other government agencies as well as private developers.
- Builder:** **Caritas Construction** is an experienced construction company headquartered in Pennsylvania. They have over 100 years of construction experience including commercial and multi-family projects. They are part of the capital stack.



Site Layout

Draft - subject to change.

D. Design

Architectural



BKV is experienced in designing senior housing projects through the U.S.



Legends at Berry, St. Paul, MN



Preserve at Shady Oak, Minnetonka, MN



Antholo GY of Novi, Novi, MI



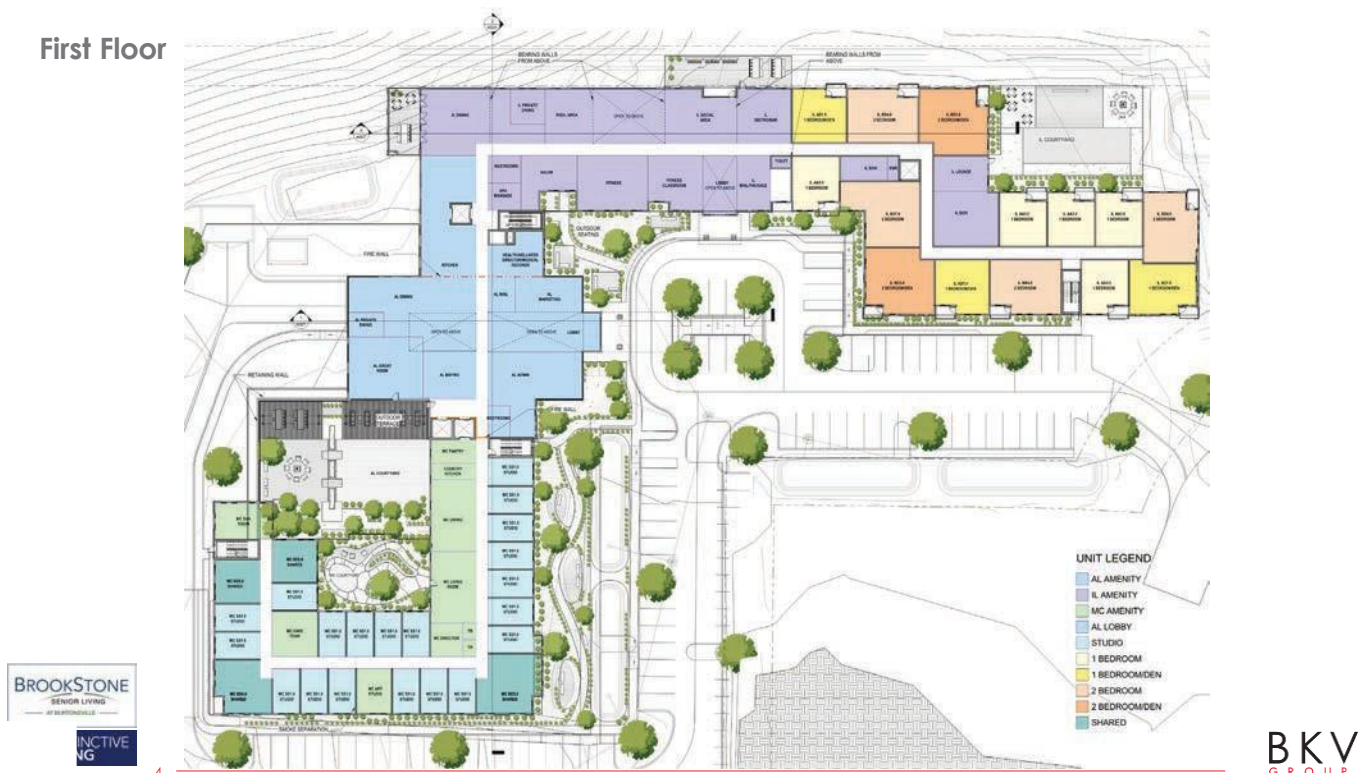
Antholo GY of Midlothian, Richmond, VA

Typical Interiors



First Floor Layout

First Floor



Draft - subject to change.

Perspective Views



Front Entrance



View from Dino Drive

Perspective Views



View from Side of Facility



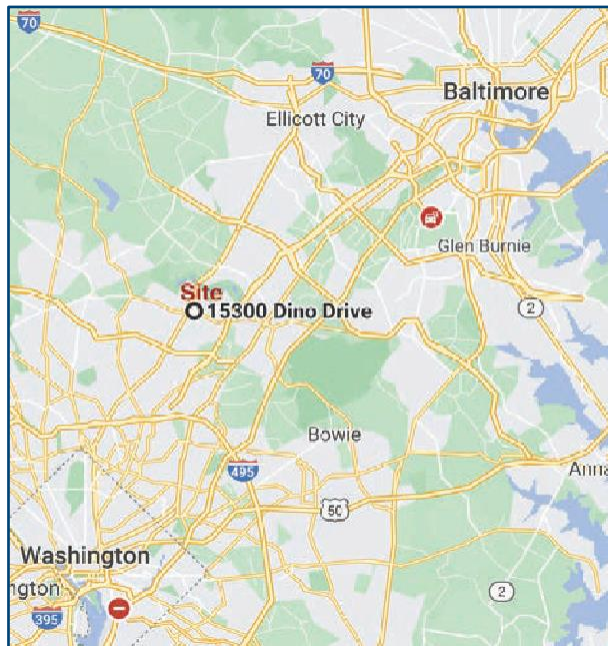
View from Rear of Facility

E. The Property

Location

Montgomery County, Maryland

Brookstone Senior Living is located on a private, six-acre setting in Burtonsville/Silver Spring, Maryland, in the northeastern corner of Montgomery County. The site is located 500' off Sandy Spring Road (Maryland Route 198), a four-lane divided highway (44,000 average vehicles per day). The site is also adjacent to U.S. Route 29, a six-lane divided highway (61,000 average vehicles per day) and the primary North-South artery for Eastern Montgomery County. U.S. Route 29 connects Montgomery County to Howard County to the North and runs South through White Oak, Four Corners, and Route 495 (better known as the Capital Beltway) into downtown Silver Spring and the District of Columbia.



Burtonsville is located between Washington, D.C. and Baltimore. It is 22 miles north of Washington, D.C., 26 miles south of Baltimore, and 30 miles from Annapolis. The Brookstone project is located near the intersection of Route 29 (a six-lane divided highway) and Route 198.



Site Overview

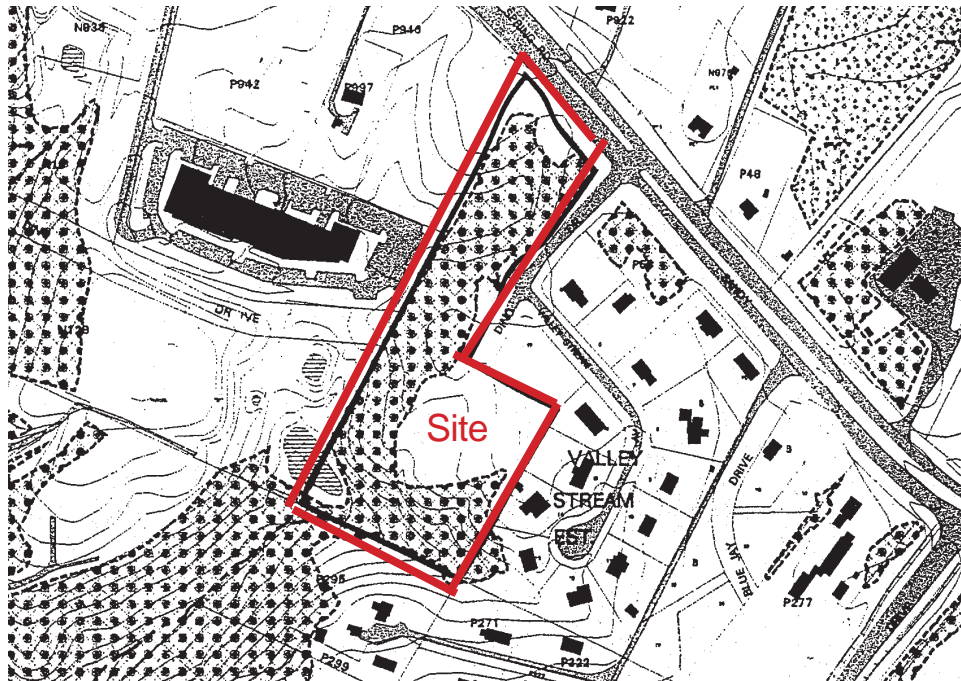
15300 Dino Drive, Burtonsville, MD 20866

ACREAGE	5.86 acres, with storm water detention pond adjacent to site.
TOPOGRAPHY	Minimal clearing. Site mostly level, falls off slightly toward rear for walk-out, lower level.
TRAFFIC COUNT	Approximately 45,000 cars per day on Route 198; 61,000 cars on Route 29.
ACCESS	<ul style="list-style-type: none"> • Ingress and egress off major public thoroughfare, with traffic light and separate turn lane; • easy access to Route 29, Interstate 95, and Route 198; • facility set back and visible from major highway; • approved curb cut.
UTILITIES	Sewer, water, electric, gas, cable and phone located at site.
ZONING	<ul style="list-style-type: none"> • County approvals obtained for the 212-bed, 176-unit, Brookstone senior housing facility. • Senior housing designated in Master Plan; • Height: approved for four-story with memory care; • Parking: 133 spaces.
NEIGHBORHOOD	<ul style="list-style-type: none"> • Close to Medical (hospitals, clinics, medical office)—Hospital within 4 miles of site, doctors' offices within half mile; • Residential—Upper income, higher-end housing within 0.25 miles of site; • Commercial/Retail—Middle to upscale shops, grocery, pharmacy, restaurants and services nearby; • Public Transportation—Rt. 198 is close by.
COMPETITION	Direct Competitors—No competitors within 3 miles of site.

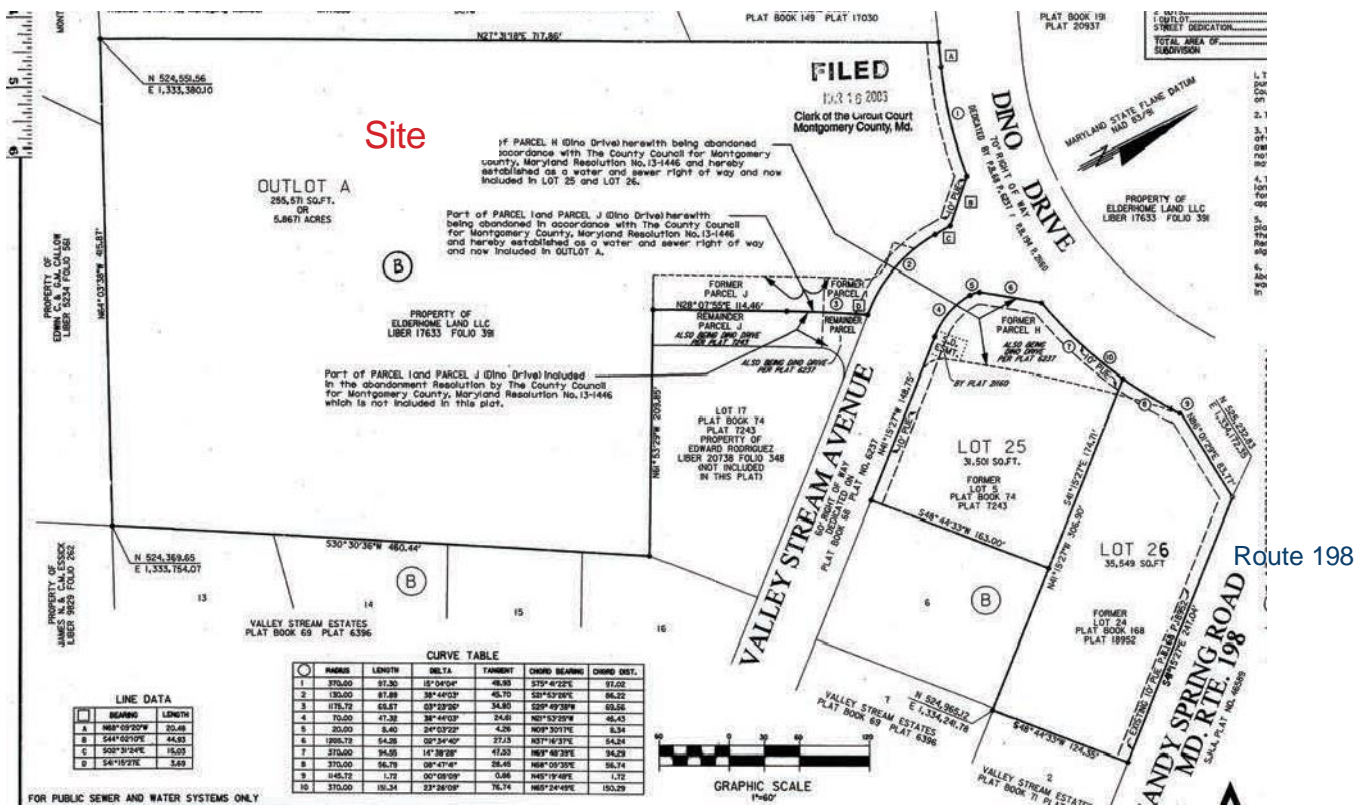
Aerial View



Undeveloped/Developed Site Plan



Undeveloped site (prior to Dino Drive construction)



Developed site (record plat)

F. Site Development



Route 198 heading West



New Dino Drive Road



Dino Drive - under construction



Dino Drive - under construction



Dino Drive after paving



Valley Stream Avenue after paving

G. Nearby Shopping & Restaurants



Burtonsville Town Square Shopping Center



Starbucks



Green Turtle



Sprouts Farmers Market



Zen Asian Grill

Project Overview

Building Assumptions

No. of Buildings:	1
No. of Levels:	4 levels with memory care in separate wing
Construction Type:	stick built, with upper middle finishes
Construction Time:	16 months to build, 18 months to stabilization

Unit & Bed Count Summary		
	Units	Beds
Assisted living	64	64
Memory care	24	27
Independent	88	121
Total	176	212
Avg. Sq Ft/unit or bed	1,084.4	900.2

Square Footage Summary	
	SF
Rentable areas	126,742
Common areas	35,644
Corridors, stairs, other	28,464
Total Square Feet	190,850

Project Costs

Start-Up Costs:

	Subtotal	Timing
Land	\$ 11,200,000	
Hard Costs:		
Site Work	1,950,000	
Building Construction Costs	36,798,042	
Soft Costs:		
Banking & Closing Expenses	2,279,777	
Development Fees	4,546,828	
County Permits & Fees	2,248,970	
Capital Invested to Date	2,880,426	
Furniture, Fixtures, & Equipment	1,712,477	
Other Soft Costs	275,000	
Other:		
Interim Operating Deficit (IOD)	3,327,500	
Interest:		
Senior Debt Interest (Yr 0-1)	8,322,895	
C-Pace Interest	1,470,588	escrowed
Subtotal, Project Costs	\$ 77,012,503	
<i>Total Cost/square foot</i>	\$ 403.52	

Revenue

TYPE	Starting Monthly Rate		Stabilized	
	YEAR 1	YEAR 3	YEAR 1	YEAR 3
Assisted Living	\$ 7,661	\$ 7,773,293		
Memory Care	11,560	3,635,344		
Independent	4,593	6,808,709		
TOTAL, Year 3 Net Revenue		\$18,217,346		

Cash Flow

	YEAR 0	YEAR 1	breakeven YEAR 2	refinance YEAR 3	YEAR 4	
	Construction	Constr./Lease-Up	Lease-Up	stabilized	stabilized	%
Net Revenue*	\$ -	\$ 4,441,602	\$ 14,048,637	\$ 18,217,346	\$ 18,763,866	100.0
Operating Expenses:						
Salaries & wages	\$ -	\$ 1,742,490	\$ 4,319,417	\$ 5,240,758	\$ 5,397,981	28.8
Administration	-	91,400	242,451	316,630	326,129	1.7
Marketing	-	86,322	187,993	276,945	285,253	1.5
Nursing supplies & agencies	-	35,324	102,640	146,718	151,120	0.8
Program & activities	-	26,120	63,921	89,247	91,924	0.5
Maintenance & housekeeping	-	110,600	285,588	384,339	395,869	2.1
Dining services	-	167,882	827,682	1,219,312	1,255,891	6.7
Utilities	7,800	95,570	419,757	654,294	673,923	3.6
Taxes & insurance	-	304,292	674,273	920,992	948,622	5.1
<i>Subtotal</i>	\$ 7,800	\$ 2,660,000	\$ 7,123,722	\$ 9,249,235	\$ 9,526,712	50.8
Management Fee:						
Operator (5%)	\$ -	\$ 279,988	\$ 702,432	\$ 910,867	\$ 938,193	5.0
Corporate administration	-	-	-	-	-	0.0
<i>Total, Operating Expenses</i>	\$ 7,800	\$ 2,939,988	\$ 7,826,154	\$ 10,160,102	\$ 10,464,905	55.8
Net Operating Income	\$ (7,800)	\$ 1,501,614	\$ 6,222,483	\$ 8,057,244	\$ 8,298,961	44.2
Debt Service & Other Expenses:						
Debt service	\$ 3,087,212	\$ 5,795,100	\$ 4,114,501	\$ 3,291,350	\$ 3,291,350	17.5
C-Pace	735,294	735,294	1,123,235	1,123,235	1,123,235	6.0
Replacement reserves	-	30,000	75,000	75,000	75,000	0.4
<i>Subtotal</i>	\$ 3,822,506	\$ 6,560,394	\$ 5,312,736	\$ 4,489,585	\$ 4,489,585	23.9
Net Income (EBTDA)	\$ (3,830,306)	\$ (5,058,780)	\$ 909,748	\$ 3,567,659	\$ 3,809,376	20.3
Interest (funded by IR/Project Costs Reserve)	\$ 3,822,506	\$ 4,687,355	-	-	-	
Operating Costs (funded by IOD Reserve)	7,800	371,426	-	-	-	
Actual Net Income (ending balance)	\$ -	\$ -	\$ 909,748	\$ 3,567,659	\$ 3,809,376	20.3%

*Figures are net Revenue, at 94% occupancy, 6% vacancy factor.

Financing Overview

Sources & Uses of Funds

Uses of Funds

PROJECT COSTS (uses)	Subtotal	Amount
Land	\$ 11,200,000	\$ 11,200,000
Hard Costs:		
Site Work	1,950,000	
Building Construction Costs	36,798,042	
<i>TOTAL Hard Costs</i>		38,748,042
Soft Costs:		
Banking & Closing Expenses	2,279,777	
Development Fees	4,546,828	11,663,701
County Permits & Fees	2,248,970	
Capital Invested to Date	2,880,426	
Furniture, Fixtures, & Equipment	1,712,477	
Other Soft Costs	275,000	
<i>TOTAL Soft Costs</i>		13,943,478
Other:		
Net Operating Deficit (36 mos)	3,327,500	
Interest:		
U.S. Capital interest	8,322,895	<i>escrowed</i>
C-Pace Interest	1,470,588	<i>escrowed</i>
<i>TOTAL Soft Costs</i>		13,120,983
TOTAL Project Start-up Costs		\$ 77,012,503

Sources of Funds

DEBT & EQUITY (sources)	Total Cost %	Amount
Senior Debt	61.0%	\$ 47,000,000
PACE Equity	17.5%	13,450,000
Developer/Landowner Equity	9.1%	7,025,000
Preferred Equity	12.4%	9,537,503
TOTAL Debt & Equity	100.0%	\$ 77,012,503

Equity

1. EQUITY-TO-DEBT

	LTC	LTV	Amount
Start-up Project Costs	100.0%	50.4%	\$ 77,012,503
Less Senior Debt	-61.0%	-30.7%	(47,000,000)
TOTAL Equity Needed	39.0%	19.6%	\$ 30,012,503

2. EQUITY SOURCES

Landowner/Developer Equity:	Cost %	Value %	Amount
Land Value (per CBRE appraisal)	14.5%	7.3%	\$ 11,200,000
Less Land Pay-offs	-7.5%	-3.8%	(5,790,000)
<i>Subtotal, Landowner Equity</i>	7.0%	3.5%	\$ 5,410,000
Burtonsville Crossing			1,615,000
Capital Invested to Date (\$2,880,426)			
<i>Subtotal, Landowner/Developer Equity</i>			\$ 7,025,000

Other:

PACE Equity	17.5%	8.8%	\$ 13,450,000
Preferred Equity	12.4%	6.2%	9,537,503
<i>Subtotal, Other</i>			\$ 22,987,503
TOTAL, Equity Contribution	43.9%	18.6%	\$ 30,012,503

Ownership Interest

	Percentage
Developer/Landowner	100%
Preferred Equity	TBD
	100.0%

Financing Information

1. CONSTRUCTION/MINI PERM LOAN

	Amount
Senior Debt	\$ 47,000,000
Term (months)	36 months

Senior Debt Interest:	Rate	%	Years 0-2
Pre-Construction (8 mos.) ¹	12.33%		\$ 872,021
Year 0 Construction (12 mos.)			3,087,212
Year 1 Const/Lease-up (12 mos.)			3,952,061
<i>Subtotal, Interest (included in project costs)</i>			\$ 7,911,293

C-PACE:	Amount	Rate	%	Years 0-2
Amount	\$ 13,450,000			
Year 0 Construction (12 mos.) ²		5.45%		735,294
Year 1 Const/Lease-up (12 mos.) ²				735,294
<i>Subtotal, Interest (included in project costs)</i>				\$ 1,470,588

2. PERMANENT LOAN

	Year 3
Mortgage Loan Amount	\$ 47,000,000
Interest Rate (fixed, 2028)	5.75%
Term	30 years
Annual Debt Service (P&I)	\$ 3,291,350
Monthly Debt Service (P&I)	\$ 274,279

Valuation

Year 4	Cap Rate	Amount
Cost per Unit		\$ 437,571
Facility in Year 4 (stabilized)		
Market Value (Yr 4)	5.43%	\$ 152,856,622
NOI		\$ 8,298,961
NOI/Unit		\$ 47,153
Levered Return on Cost		10.8%
IRR:		
Market Value (Yr 5)	5.43%	\$ 157,442,321
IRR, if sale of property in Year 6		14.6%

¹construction interest expense is calculated based on amount drawn down.

²Interest calculated by C-PACE company.