



INCREASING THE POTENTIAL SUCCESS OF OTHERS



Yamada Capital

SERENITY VILLA

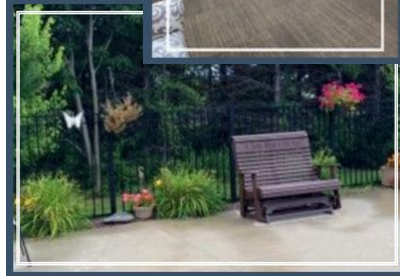
ASSISTED LIVING

INVESTMENT OPPORTUNITY



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WHY THIS TEAM?

We prioritize the performance of every investment. We also realize that a human component exists within the landscape of our business as with all. With this realization, we exist to create strong outcomes that return value to those who engage our ecosystem at every level.



DJ Tosh



CJ Yamada

OUR MISSION

To create excellent outcomes by partnering with investors to purchase commercial real estate and businesses, and realizing strong, asset-backed, tax-advantaged returns and our own immeasurable returns within the community and our team.



Loren Jacobs



Ryan Dworak

Core. Four. Values.



PRIORITIZE PEOPLE

PEOPLE ARE OUR AGENDA. THE VIBRANCY WE CREATE IS CRITICAL TO THE DESIRE THAT OTHERS HAVE TO BE CLOSE TO AN ECOSYSTEM STRONGLY FOCUSED ON THE BEST SUCCESS OF ALL.



PROGRESSIVELY GROW

WE ARE CONSTANTLY IN A STATE OF CURIOSITY AND ASKING OURSELVES, WHY? WE ARE STRIVING TO ACHIEVE TREMENDOUS GROWTH IN OUR LIVES, IN OUR TEAM, AND WITHIN ALL WHO TOUCH OUR COMPANY.



OWN OUR ACTIONS

WE CLAIM FUNCTIONAL RESPONSIBILITY. WE CLAIM THE SPACES IN WHICH WE OPERATE AT EVERY LEVEL. WE CLAIM THE OPPORTUNITIES WE CREATE AND THE SITUATIONS THAT FOLLOW.



ACHIEVE MARGIN

WE ARE CONSISTENTLY ENGAGED IN ASSESSING OURSELVES AND OUR GROWING TEAMS TO ALLOW THE SPACE NECESSARY FOR PEOPLE'S LIVES TO BE THRIVING.

WHAT IS SENIOR LIVING?

Senior living refers to living options for our aging population, ranging from independent living to 24-hour care. Here are the top 3 senior living categories:



Independent living

- Largest category of senior living
- Includes everything from mom-and-pop-managed adult apartments to resort-like accommodations complete with golf courses and spas
- Does not offer assistance with daily living activities or medical services



Assisted living

Provides residents with services that help with daily living activities including:

- Food preparation
- Transportation
- Assistance with bathing, eating, laundry, medication, and other personal living requirements



Memory Care

Common features of a memory care community:

- Secure outdoor areas for residents to walk and spend time in nature
- Specialized dining options, such as finger foods and pureed meals, to accommodate residents with difficulty swallowing or using utensils
- Sensory stimulation activities, such as music therapy or art therapy
- Specialized training for staff to assist residents with memory loss

WHY SENIOR LIVING MAKES A GREAT INVESTMENT

Americans are living longer.



- Average U.S. life expectancy increased from 68 years in 1950 to 78.9 years in 2019
- By 2030, 18% of the population will be 80 years or older. 70 million Boomers will be 65 and older
- In the next 20 years, it is estimated 25% of all seniors will be searching for senior housing



- In 2021, there were 54.1M people age 65 and older; up from 39.6M in 2009 (U.S. Census Bureau)
- This population is projected to reach 80.8M by 2040 and 94.7M by 2060 (U.S. Census Bureau)

Life expectancy in the U.S. has increased primarily due to the reduction of acute illness threats. However, aging Americans confront other challenges with longer life expectancy including chronic diseases and loss of independence and reduced mobility - in many cases, requiring various forms of living assistance.

FORECASTS SUGGEST THE SENIOR LIVING ASSET CLASS WILL REPRESENT A SIGNIFICANT MARKET

1

Driven by an expanding geriatric population requiring more care, the senior home care market is projected to grow from just under \$100B in 2016 to \$225B by 2024.

*Insider Intelligence, Andrew Meola

2

Approximately 50% of all senior housing and care properties were purchased by private equity firms. Private buyers, including private equity, have averaged \$1.5B in volume per quarter since early 2016.

*National Investment Center for Seniors Housing & Care

3

The senior housing market has 5 dominant participants that collectively control approximately 25% of the market. Most of the remaining market is relatively fragmented.

*National Investment Center for Seniors Housing & Care

4

December 2021 was the 10th consecutive month of weighted average occupancy growth for Brookdale Senior Living and it was also the first December in 9 years to deliver sequential occupancy growth.

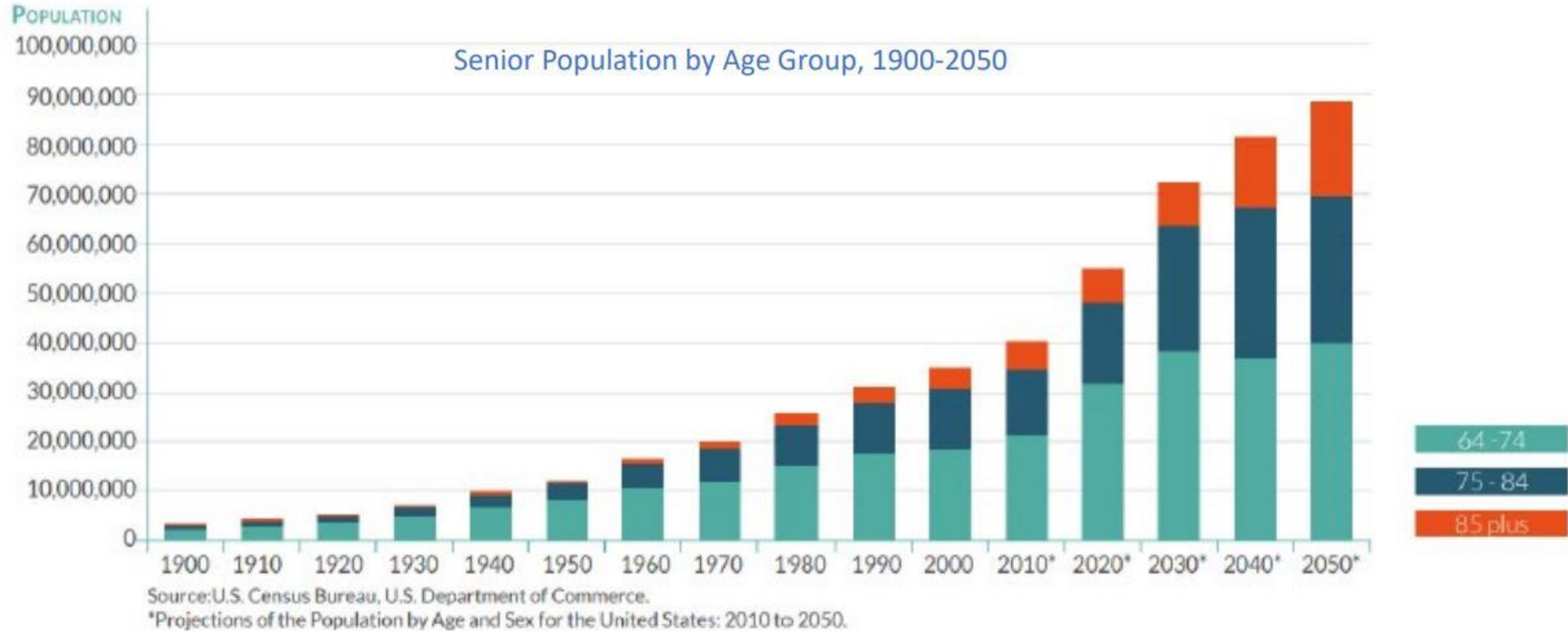
*Brookdale Senior Living

5

Prior to the pandemic, assisted living was regarded as one of the most recession-proof asset classes.

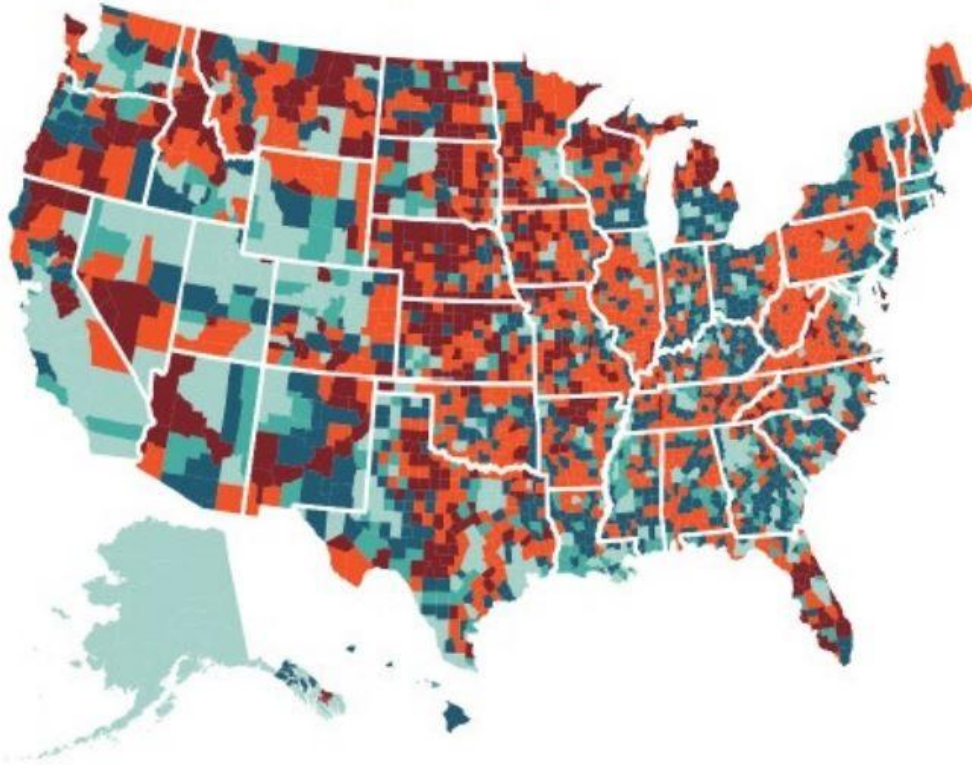
*Multi-Housing News

The Case for the Senior Housing



Strong Outlook for Secondary and Tertiary Markets

Persons Over Age 65 / County

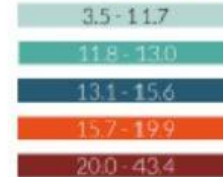


Rural America is older than the United States as a whole. More than 25% of all seniors live in these markets.

Persons aged 65 and older comprise 15.7% of secondary and tertiary town populations vs: 13% nationally.

Housing Assistance Council, October 2014

Percent Age 65 and over:



Source: HAC Tabulations of U.S. Census Bureau's 2010 Census of Population and Housing

Primary Risks

The senior living and care sector faces staffing challenges. Many operators were reporting higher labor costs in 2021 due to a very competitive labor environment.

- From December 2020 to November 2021, assisting living and nursing home wages were up 8% and 6%, respectively*
- During the same period, the total number of employees for assisted living fell by 2% while the number of nursing home employees fell by 6%*
- Exposure to legal liability exists when providing housing and care services

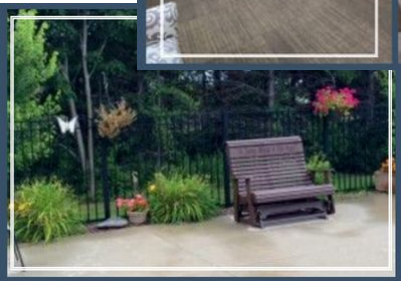
*U.S. Bureau of Labor Statistics

Risk Mitigation Strategies

Arrows Capital Group is committed to providing an excellent experience for residents of our properties. This asset is partnered with local nursing educational programs which places nursing students at Serenity and helps to mitigate staffing deficiencies.

- Full-time staffing personnel are employed and offer superior benefits to their employee base
- Staff are highly trained to high-quality assurance standards, significantly limiting the potential for legal liability
- We acquire strong insurance coverage to protect against potential liabilities

THE OPPORTUNITY



Purchase Price
\$17,200,000
(\$175,510 per unit)

Debt Terms
75% LTV
5.5% Interest
35 year Amortization

BREAKDOWN OF FACILITIES

- 98 unites/125 beds
- 5 buildings & 1.25 acres of vacant land
- 4 buildings together in Slinger, WI
- 1 building & excess land 24 miles north in Campbellsport, WI
- 1600 & 1650 American Eagle Dr, Slinger, WI 53168
- 1707 & 1727 American Eagle Dr, Slinger, WI 53168
- 280 N Bauman St, Campbellsport, WI 53086

DEAL HIGHLIGHTS

- Off market deal, direct to seller, seller looking for local presence with experience
- Newer, well-maintained asset
- Cash flows day one, with a strong day one debt coverage ratio
- Excellent average historical occupancy of 95%+
- Strong operations team which will stay in-place
- Built in equity - purchasing at 12% cap rate

IMMEDIATE GROWTH

This opportunity was generated through a conversation directly with the seller. An LOI was hand delivered and the deal secured over a handshake. The seller and his wife have done a great job owning and operating this portfolio and are now looking to move on to the next stage of their journey. In their exit, they want to make sure the new buyer will continue the strong tradition they have built. Our local footprint, experience and people-centric approach to life and business established the rapport needed to secure this opportunity.

The Serenity Villa portfolio comes with newer, well-maintained assets, constructed from 2006-2016. There is a high level of service being provided at these communities, with a very well-compensated staff and above average food service options. This positive reputation has led to consistent strong occupancy and competitive rates on both the public and private pay sides.

Business Plan

Continue strong occupancy levels

Continue the high standards set on staffing, food service, etc

Interior updates as needed - flooring, paint, fixtures, etc

Realize efficiencies with scale of portfolio

FINANCIAL PERFORMANCE AND PROJECTIONS

Pro Forma

Income	T12	Year 1	Year 2	Year 3	Year 4	Year 5
Resident Care Income	\$ 7,885,277	\$ 8,358,000	\$ 8,775,900	\$ 9,214,695	\$ 9,675,430	\$ 10,159,201
Other Income	\$ 235,000	\$ 117,500	\$ -	\$ -	\$ -	\$ -
Gross Revenue	\$ 8,120,277	\$8,475,500	\$8,775,900	\$9,214,695	\$9,675,430	\$10,159,201

Vacancy Percentage	3.2%	10.0%	10.0%	10.0%	10.0%	10.0%
Vacancy Loss	\$ 252,329	\$ 847,550	\$ 877,590	\$ 921,470	\$ 967,543	\$ 1,015,920
Total Operating Income	\$ 7,867,948	\$7,627,950	\$7,898,310	\$8,293,226	\$8,707,887	\$9,143,281

Expenses	T12	Year 1	Year 2	Year 3	Year 4	Year 5
Payrolls	\$ 3,984,596	\$ 3,785,666	\$ 3,933,307	\$ 4,086,706	\$ 4,246,087	\$ 4,411,685
Utilities	\$ 258,412	\$ 286,902	\$ 298,091	\$ 309,717	\$ 321,796	\$ 334,346
Office	\$ 35,101	\$ 50,100	\$ 52,054	\$ 54,084	\$ 56,193	\$ 58,385
Marketing	\$ 30,139	\$ 72,000	\$ 74,808	\$ 77,726	\$ 80,757	\$ 83,906
Services	\$ 632,602	\$ 506,506	\$ 526,260	\$ 546,784	\$ 568,108	\$ 590,265
Maintenance	\$ 166,398	\$ 149,300	\$ 155,123	\$ 161,172	\$ 167,458	\$ 173,989
Miscellaneous	\$ 73,272	\$ 9,600	\$ 9,974	\$ 10,363	\$ 10,768	\$ 11,188
Management Fees	\$ 393,397	\$ 381,398	\$ 394,916	\$ 414,661	\$ 435,394	\$ 457,164
Professional Fees	\$ 43,055	\$ 41,500	\$ 43,119	\$ 44,800	\$ 46,547	\$ 48,363
Taxes & Insurance	\$ 276,824	\$ 386,139	\$ 401,198	\$ 416,845	\$ 433,102	\$ 449,993
Additional Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Expenses	\$ 5,893,796	\$ 5,669,110	\$5,888,849	\$ 6,122,858	\$ 6,366,211	\$ 6,619,283
Expense Ratio	74.91%	74.32%	74.56%	73.83%	73.11%	72.40%

Net Operating Income	\$ 1,974,152	\$1,958,840	\$2,009,461	\$2,170,367	\$2,341,676	\$2,523,999
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PROJECTED INVESTOR RETURNS

16 - 20%

IRR

10 - 13%

Avg CoC Return

1.9-2.3x

Multiple

ACQUISITION FEE

4%

PROJECTED CAPITAL RAISE

\$6,000,000 to \$7,000,000

ASSET MANAGEMENT FEE

3%

INVESTMENT DETAILS

Sample Investor Returns

Investment	Cash Flow	Sale Profits	Total Gain	Ending Capital
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\$ 100,000	\$ 63,740	\$ 50,525	\$ 114,265	\$ 214,265
\$ 250,000	\$ 159,350	\$ 126,312	\$ 285,662	\$ 535,662
\$ 400,000	\$ 254,961	\$ 202,099	\$ 457,059	\$ 857,059
\$ 750,000	\$ 478,051	\$ 378,935	\$ 856,986	\$ 1,606,986

70 / 30
Equity Split

8%
Preferred Return

5 Years
Projected Hold Period

HOW DOES A SYNDICATION WORK ?

1

CONNECT WITH US

Our attention to detail, expertise, high operating standards, and team-centric approach are ready to work for you. It is important you get to know our team mentality before we work together.

2

JOIN OUR INVESTMENT PLATFORM

Get access to Arrows Capital Group's' investment opportunities through our Investor platform which is easy, intuitive, and designed especially for you.

3

RECEIVE OPPORTUNITIES

We provide research on an exclusive opportunity and you ask the questions. We've developed [△ PASSIVE INVESTOR GUIDE](#) to encourage and promote deal-specific investigation.

4

INVEST WITH US

We strive every day to create excellent outcomes and impact people's lives by putting your money to work in a strong asset class: Senior Living.

5

REAP REWARDS

- **CASH FLOW**
 - Receive distributions
- **TAX ADVANTAGED**
 - Accelerated depreciation
 - Pass through advantages
- **APPRECIATION**
 - Increased value through renovation
 - Increased rental income
 - Property value based on income
- **PRINCIPAL PAY DOWN**
 - Property income pays down debt, creating equity
 - Return of initial investment
- **DISPOSITION**
 - Upside at scale in the future

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