

# Horizons Health Group Senior Care Group

## Investment Prospectus



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# AGENDA

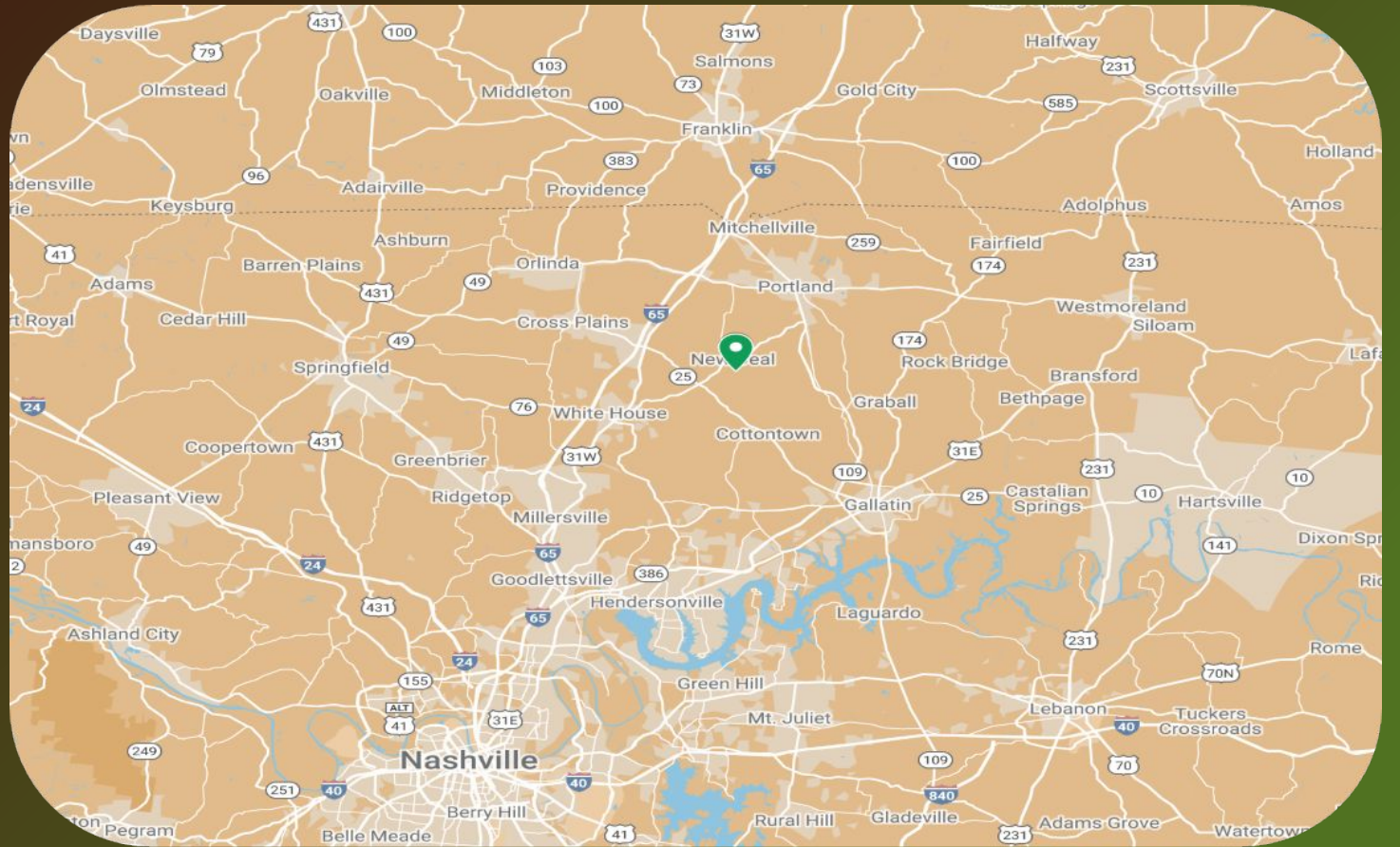
- 1) Introduction
- 2) Description of Acquisition Model
- 3) Acquisition Target
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- 5) Offer
- 6) Next Step

# Acquisition Target

## Maple Cottage Assisted Living



Location: Portland, Tennessee



**OPERATIONS**

Facility Bed Capacity	21
Rent / Bed / Month	\$3,724
Average Occupancy	80%
Profit Margin	21%
Gross Income	\$750,758
EBITDA	\$157,659

**BANK TERMS**

LTV	68%
DSCR	1.25
Yearly Debt Capacity	\$126,127
Monthly Debt Capacity	\$10,511
Interest Rate	8.5%
Loan Term (years)	10
Number of Payments / Year	12
Loan Size	\$847,728

Cap Rate	<b>13%</b>
EBITDA Multiple (R.E & O.P.)	<b>7.9</b>
Total Purchase Price	<b>\$1,248,495</b>

Down Payment	<b>\$400,767</b>
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# Management Team

## Josh Chambers

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Josh will lead the boots-on-the-ground management. In the past, he has successfully operated comparable facilities for HHG, growing revenue by increasing and maintaining occupancy and doubling the yearly income from Medicaid funding.

## William Mayes

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With over 30 years of senior care C-suite experience, William will actively lead the acquisition due diligence and integration. William will proactively aid Josh in day-to-day operations as needed.

## Chris Mirando

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With over 20 years of experience operating facilities from mid-sized to large, Chris will actively help maintain occupancy, increase rates, and increase personnel, chiefly remotely.

# Offer

## KEY TERMS OF SERIES A PREFERRED INTERESTS

**Company**: Horizons Health Senior Care Group, LLC, a Delaware limited liability company.

**Securities**: Series A 5% Preferred Membership Interests of the Company.

**Investment Amount**: \$[400,767].

**Seniority**: The Series A Membership Interests will rank senior to the Company's common membership interests in liquidation and repayment of the original investment amount plus accrued and unpaid dividends. A sale of the company will be treated as a liquidation.

**Dividends**: 25% cumulative annual dividends for four years. After the return of the initial investment in year four, the yearly cumulative dividends will stabilize at 15%.

**Use of Proceeds**: The company will use the proceeds from the sale of the Series A Preferred Membership Interests for the acquisition of a nursing home facility.

The foregoing does not purport to be a complete summary of the terms of the transaction.

# Next Steps

Following this decision we shall proceed with the following:

- 1) HHG and [Investor] will sign an NDA
- 2) HHG will provide [Investor] with additional due diligence information, including, but not limited to, HHG formation documents, HHG's current property tax returns, HHG's cap table, and HHG's Operating Agreement.
- 3) HHG and [Investor] will execute a nonbinding mutual LOI.