

RESPONSE TO RFP

PROPOSAL TO ACQUIRE AND DEVELOP THE COMMISSARY PARCEL HISTORIC HAMILTON NEIGHBORHOOD CITY OF NOVATO, CA



AUGUST 13, 2018

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A. Transmittal Letter

August 13, 2018

City of Novato
Mr. Scott Ward
Hamilton Base Re-use Director
922 Machin Avenue
Novato, CA 94945
Phone: 415.899.8900
Email: HamiltonCommissaryRFP@novato.org

Avesta Development Group, LLC (“ADG”) is pleased to submit our proposal to acquire and develop the property owned by the City of Novato located at 802 State Access Road, Novato, CA 94949 and assessor’s parcel number 157-970-03, also known as the Commissary Parcel in the historic Hamilton neighborhood in Novato, CA (“Property”).

By way of introduction, Avesta Development Group, LLC is a commercial real estate development and investment firm with focus on acquiring and developing multifamily and seniors’ housing properties. Avesta’s principals have been involved with over one billion dollars’ worth of real estate investment and development to date and are currently involved with several multifamily and seniors’ housing development projects in the Bay Area. ADG and its partner, Capital Health Group, LLC and its affiliate Milestone Retirement Services are currently developing several seniors housing communities in California.

ADG has had the opportunity over the past few years to work and collaborate with the City of Novato’s staff and elected officials as well as the members of the Hamilton community to implement a plan to rehabilitate and redevelop the historic Hamilton Hospital. We look forward to another opportunity to collaborate with our neighbors in Hamilton as well as the City staff and create additional value for the residents of Hamilton and the City of Novato.

1. Full Legal Name of the Submitting Organization:

AVESTA DEVELOPMENT GROUP, LLC

2. Legal Structure

A California Limited Liability Company

Established in March 2013

3. Authorized Representative:

Mohammad Javanbakht
Managing Member
1095 Colby Ave., Menlo Park, CA 94025
Phone: 925-899-8981
Email: mj@avestadev.com

4. Team Members

The legal entity that will enter into a purchase and sale agreement (“PSA”) with the City of Novato to acquire and develop the Property is contemplated to be a California limited liability company (“Company”).

The Company will initially be owned and managed by an affiliate of ADG. ADG has a programmatic partnership with Capital Health Group, LLC (“CHG”) to fund its portfolio of seniors housing acquisitions and developments. CHG makes capital investments through a joint venture with Akard Street Partners (“Akard”). Akard is a partnership between Banner Oak Capital Partners and the Teacher Retirement System of Texas (“TRS”). The joint venture has funded ADG’s current seniors housing development program including the redevelopment of Hamilton Hospital, and is contemplated to fund the acquisition, development and management of the Property.

LPAS will be the Project’s architect. LPAS is a local architectural firm with over 40 years of experience designing high quality projects including multifamily and seniors housing properties. LPAS has also produced the revised and improved design for the Hamilton Hospital rehabilitation and redevelopment project that has received praise from the design review officials at the City of Novato as well as the community.

The following pages outline our response to the questions in the RFP issued by the City of Novato in May 2018. Please contact me should you require additional information or have additional questions.

Sincerely,

Mohammad Javanbakht
Avesta Development Group
Managing Member

B. Conceptual Proposal

1. Narrative

Avesta Development Group LLC (“ADG”) proposes to construct a three-story project, consisting of a residential care facility for the elderly (“RCFE”) as well as certain amenities available for the use of the public as further described below (“Project”). The Project would consist of approximately 165 age friendly senior residences with a la carte assistance as well as associated amenities. The Project also provides a prominent amenitized public plaza for the enjoyment of the neighbors.

The characteristics of each of these types of uses are further described below:

Age Friendly Senior Residences with A La Carte Assistance:

These residences are designed to allow independence and dignity for aging senior residents seeking social and mental stimulation. These units provide security in a maintenance-free environment. The residences provide seniors with an option to live in a high-quality environment while having access to various activities and programs. Most of the residents may require assistance for daily activities, such as bathing, dressing and medication, which will be provided on an as needed basis, with high priority placed on independence and dignity.

Each residence would include areas for living, eating, and sleeping, plus a kitchen and at least one bathroom. There may be a range of studio, one bedroom and two-bedroom residences provided in the building. The residences would be “high end,” with top-quality fixtures and surfaces, and designed to appeal to sophisticated and discerning individuals.

The occupants of the residences would be offered a menu of services as part of their monthly rent such as meals, housekeeping, laundry, transportation, social and recreational activities as well as observation of the resident for changes in condition. Residents will also be offered personal care services such as assistance with dressing, bathing, grooming, toileting and medication management on an as-needed, a la carte basis¹.

Amenities Available to the Public:

The Project will provide an approximately 15,000 sqft of active outdoor landscaped space available to the public with amenities to welcome the neighbors to gather and socialize. The amenity space is designed to be a prominent feature of the Project, facing the State Access Road to activate the Project’s frontage and provide for easy access to the neighbors. Amenities may

¹ Because assisted living services would be offered by the operator of the community and available to all residents on an as needed basis, California law requires that the entire Project be licensed as assisted living residences (under the residential care facilities for the elderly statute—Health and Safety Code Section 1569 et seq.) by the California Department of Social Services (“DSS”), whether or not the services are actually utilized by each individual resident.

include seating areas, bocce court and/or other forms of entertainment options. The actual amenities will be determined based on the neighbors' input during our public design workshops.

The Project will also provide a café fronting State Access Road adjacent to the amenity space. The café will be open to the public during certain hours to serve the residents of the Project as well as members of the public. The café will serve coffee and pastry, alcoholic and non-alcoholic drinks as well as a limited food menu during the times that the public amenity space is most active, i.e. mornings, evenings and weekends.

There will be various public events organized in collaboration with the Hamilton's Owners Association for the enjoyment of the members of the public. Events may include bocce tournaments, cheese and wine tasting, chocolate tasting, music, etc. The neighbors will also be able to book the amenity space and host private events.

Other Benefits and Impacts:

The Project will provide a much-needed housing option for active and aging local seniors to stay and age in their neighborhood. It also provides continuum of care to ensure that local seniors have access to care on an as needed basis to be able to age in place without the need to move to another community as their need for care increases.

The Project is expected to add significant value to the community. The Project will create a much needed, high quality and culturally enriched living environment for local seniors where the residents age in place with dignity while remaining active and continuing to be functional members of our society. The Project will be designed to create a community with a welcoming atmosphere, providing various opportunities for neighbors and residents to gather, socialize and interact with each other.

The Project will have many direct and indirect positive impacts on the local economy. It will create a low-impact economic engine. The RCFE community will be fully staffed and operated 24 hours a day and 7 days a week and is expected to create approximately 80 new local jobs that will result in approximately \$4.0mm in annual payroll. It facilitates new investments in aging homes in Novato. The Project will also provide for great synergy and efficiency with ADG's senior housing community at the historic Hamilton Hospital property.

While the Project provides various economic and lifestyle benefits for the City of Novato and its residents, it is expected to have no or very minimum negative impact on the surrounding neighborhood. Due to the fact that most of the senior residents will not drive vehicles and most employees will be encouraged and will have access to use public transportation, the project will require a minimum amount of parking and it is anticipated to generate a minimum amount of traffic. Due to the Project's close proximity to the Hamilton's SMART station, it is anticipated that a most of the future employees and visitors will utilize public transportation to access the

Property. In fact, the Project will provide its employees vouchers to use SMART train for their daily commute; therefore, reducing any potential traffic impacts that they may have.

Additionally, the project intends to provide more parking than that required by the City of Novato. The City of Novato code requires 82 parking spaces for the Project. However, the Project intends to provide 132 parking spaces or 50 spaces more than the City's requirement. Included in the 50 additional parking spaces will be designated parking for the public during their use of the public amenities.

Furthermore, due to the special use of the Project as residences for seniors, the Project will not generate any noise or disturbance in the neighborhood. It is anticipated that there may be some noise disturbance during the construction period; however, due to the Project location with a significant street frontage acting as noise buffers, the noise disturbance on the residential neighborhood is anticipated to be minimum. In addition, various noise reduction techniques will be employed to mitigate any potential noise generated from the construction activities such as: limited construction hours based on the City of Novato code, use of quiet equipment, and several other available techniques.

Description of the proposed Project:

The proposed Project is in response to the City of Novato's Request for Proposals to develop a vacant 4.7-acre parcel known as the "Commissary Parcel" along State Access Road. This proposal envisions a 165-Unit Senior Living Community with additional public-oriented amenities, complimenting the existing mostly residential uses found in the Hamilton Neighborhood.

The three-story facility is organized around three themed courtyards that highlight community activities and focus gathering spaces toward the public frontage of State Access Road. The central Palm Court serves as the primary residential entrance, with a covered drop-off area that extends through the center of the building. Community Amenity spaces activate both sides of the Palm Court, providing a vibrant, welcoming atmosphere. Guest parking is provided on both sides of the drop-off area, and the central driveway also provides access to the remaining parking areas located to the rear of the building, away from public view.

A Café serves as a transition between the Palm Court and the East Courtyard. The East Courtyard will be the Project frontage on State Access Road will be developed into an activity plaza designed for the enjoyment of the neighbors and residents. Outdoor dining and a Bocce court extend the public use along the street frontage from the Café into the East Courtyard. The outdoor activity plaza will specifically be designed and programed to become an attraction for the residents of Hamilton. There will be events organized around art, music, food and activities for the neighbors and residents to enjoy.

A landscaped courtyard with decorative fountain provides a buffer between the public plaza and Bocce Court and adjacent residential units. Additional public oriented services may also be considered as the detailed program for the facility is developed in collaboration with the neighbors and City staff.

The West Courtyard, with a pool, spa, and outdoor living facilities, provides outdoor recreation space for the Senior Community. A trellis and decorative wall provide security between the space and the public road.

Most of the resident parking is screened away from public view behind the building or in garages along the West property line. Mechanized parking, within the garages can be used to increase the parking yield beyond the currently proposed 132 parking spaces.

The building and site design, oriented around separate courtyards and the overall architectural character reflects the Early-California development patterns and architectural style found throughout the Hamilton Neighborhood. Influenced by Mission and Spanish Colonial architecture, the project is envisioned to have light-colored cement plaster walls with barrel-shaped tile roofs. Accent tile, dark trim and windows will provide contrast to the smooth plaster walls.

A hierarchy of mass and scale provides a transition from the main entrance which is articulated with a large entry arch, gable roof and tower to the end of each building wing which steps down to two stories along the street frontage. The alternating pattern of building and open space along the street also serves to reduce the overall perceived scale of the project.

The proposed Project compliments the overall uses and character of the Hamilton Neighborhood and increases the residential opportunities available for senior residents in the City of Novato.

2. Plans

Please refer to the attached Exhibit A.

3. Proposed Business Terms

The following terms are initial proposed terms. If ADG is selected as a finalist during the RFP process, ADG and the City of Novato shall negotiate a definitive purchase and sale agreement (“Purchase Agreement”) that will include the terms and conditions of the transaction.

ADG (“Purchaser”) is pleased to present to the City of Novato (“Seller”) the following initial terms and conditions for the proposed transaction:

- I. **Property:** All of the real property and appurtenances thereto located at 802 State Access Road, Novato, CA, 94949 and assessor’s parcel number 157-970-03 (the “Property”). The Property will

be transferred vacant and free and clear of all liens and encumbrances, and Purchaser will agree to assume no liabilities in connection with the Property incurred prior to the Closing date.

II. Purchase Price: The initial proposed Purchase Price shall be six million five hundred thousand dollars (\$6,500,000.00). The Purchase Price may be adjusted as follows:

- a. **Additional Units if no easement:** It has recently come to our attention that the 25' access easement along the eastern edge of the property is no longer in place, which enables ADG to potentially construct an additional 20 units than currently shown on the plans, for a total of 185 units. Therefore, the above Purchase Price is reflective of an additional \$600,000 to the proforma price, as the proforma was constructed based on 165 units. The final Purchase Price may be adjusted by \$30,000 per unit, based on the final number of buildable units at Project's entitlements, reflecting the status of the easement.
- b. **Public Amenities:** The Purchase Price contemplates the construction of a prominent amenity space that is available to the public. However, the Purchase Price can increase by \$30,000 per buildable unit if the public amenity space is removed from the Project and additional units are constructed in its place.

Note: The price per unit for seniors housing projects is typically lower than that of multifamily or townhomes. However, because seniors housing developments require fewer parking spaces and have higher average density, due to their smaller average unit sizes and larger amenity spaces, the total price will be competitive with other product types. For example, we will be able to construct 80 townhomes on the Property vs. 185 seniors housing units. 80 townhomes and 185 seniors housing units will both result in approximately 160,000 sqft of total building size.

III. Review Period: Purchaser will have the right for a one hundred and twenty (120) day period beginning upon the execution of the Purchase Agreement (the "Review Period") to inspect the Property, review the status of title and make such other inspections, feasibility determinations, engineering feasibility assessments, environmental studies, financing arrangements and/or any other studies as Purchaser determines.

Based on the conclusions that Purchaser derives during the Review Period, Purchaser may notify Seller in writing of its intent not to enter into or close the transaction within said Review Period if it is not satisfied in its sole and absolute discretion with any matter relating to the Property, the aforesaid inspections, reviews, determinations, financing arrangements or studies, in which case neither party shall have any further liability to the other (other than the return to Purchaser of its Deposit).

- IV. **Close of Escrow:** The “Close of Escrow” for the Property shall occur forty-five (45) days after the final issuance of all of the required City approvals and permits required to construct the Project including all entitlements, conditional use permit, and any and all required site and building permits. The Close of Escrow shall be subject to any modifications and/or extensions as may be allowed under the definitive Purchase Agreement.
- V. **Title Policy:** Seller will convey title by grant deed and Purchaser will obtain an owner’s title insurance policy from a title company acceptable to the Purchaser in the amount of the Purchase Price insuring fee-simple title in the Property in the name of Purchaser or an affiliate of Purchaser. Escrow shall be opened at the Old Republic Title Company in San Francisco. Seller shall pay all recordation taxes, transfer taxes, and title policy costs. Escrow costs shall be paid as customary in the County that the Property is located.

4. Proforma

Confidential proforma is provided separately in Exhibit B.

5. Public Outreach Plan

Public input is critically important when a project is located in close proximity to neighboring houses. Therefore, a comprehensive public involvement program is a valuable component for understanding the potential impacts of the proposed project on the neighbors’ day to day lives. Understanding the project’s impact and the neighbors' potential concerns, needs and desires will help us plan a project that provides value to the neighborhood.

Our public engagement process will foster involvement through a proactive public participation program with the all interested parties. ADG public participation plan will include public outreach, public awareness, and public input beginning with the planning stage.

The following program will be implemented to ensure the maximum opportunity for the public to voice their input and have visibility over the project planning and development process:

- I. Raise awareness and offer opportunities for public input.
- II. Outreach efforts encouraging the active participation of a broad range of stakeholders in the planning process.
- III. Mapping and visualization tools will be used, to the extent practicable, to create visual representations of the proposed Project. Use of these tools will help facilitate more effective and meaningful public involvement to stimulate dialogue in development and refinement of the plans.

- IV. Regional public workshops and meetings with all interested stakeholders and neighbors with information and tools providing a clear understanding of the design options and issues.
- V. A process enabling the public to provide a single request to receive notices, information and updates.
- VI. Every effort will be made to ensure that anyone who wants to participate can do so.

C. Qualifications and Experience

1. Qualifications of Team Members

Avesta Development Group is a Bay Area based real estate investment and development firm. ADG prides itself for its successful track record of forming true partnerships with all of its stakeholders, from its investment partners to the Cities and communities that host our projects. Our passion is to build environments with where people thrive, to add value to our communities with the goal of preserving the culture and critical patterns that make the existing urban fabric rich and textured while providing thoughtful, appropriate new housing.

ADG's principal and team of professionals has a wide range of experience in all areas of commercial real estate. Our primary expertise is in new construction and major renovation of complex, large-scale projects including multifamily, senior housing, master planned communities, hotels and resorts, and luxury custom single-family homes. Overarching these disciplines is an unwavering commitment to dedicated partnerships, design excellence, urban revitalization, employment of innovative technology, and sustainability.

ADG currently has over \$500M worth of seniors housing projects under development in the Bay Area.

Capital Health Group is a privately-owned vertically integrated seniors' housing private equity and investment company based in Baltimore, Maryland. CHG's principals have over 60 years of combined experience investing in and developing high quality seniors housing communities nationwide. CHG's breadth of experience and reputation as well as its shared vision with ADG's principal for creating environment for the betterment of the lives of our seniors will add significant value to the proposed project.

CHG currently owns a portfolio of seniors housing communities, valued in excess of \$1.1 BN, includes 41 operating communities with approximately 4,050 beds and 7 communities under construction with approximately 850 beds. In addition, CHG's affiliated management company, Milestone Retirement Communities ("Milestone"), manages 91 senior housing communities across the United States with more than 8,700 beds. Per the American Senior Housing Association ("ASHA") ASHA 50 report, Milestone is the 14th largest operator of senior housing communities in the United States.

LPAS is a local architectural firm with over 40 years of experience designing high quality projects including multifamily and seniors housing properties. LPAS has designed many award-winning seniors housing communities across the country and is a valuable addition to our team.

2. Experience and Track Record

Please refer to Exhibit C.

D. Financial Capacity

1. Financing Strategy

The proposed Project is contemplated to be funded with a combination of cash equity and construction debt. The initial planning, design, entitlements as well as land acquisition will be funded with cash equity. ADG has a partnership with Capital Health Group, LLC (“CHG”) as co-general partners of their joint venture that funds ADG’s seniors housing acquisitions and developments.

CHG makes capital investments through a joint venture with Akard Street Partners (“Akard”). Akard is a partnership between Banner Oak Capital Partners and the Teacher Retirement System of Texas (“TRS”). The joint venture has funded ADG’s current seniors housing development portfolio including the redevelopment of Hamilton Hospital, and is anticipated to fund the acquisition, development and management of the Property. A letter from CHG in support of our proposal is enclosed in Exhibit D.

TRS has Total Net Position of \$147.6 BN. TRS’ 2017 complete financial statements are separately attached in Exhibit E.

A construction loan from a top tier bank will be in place prior to the commencement of construction. All guarantees required by the construction lender will be provided by the principals of the joint venture that will acquire the Property.

2. Financial Statements

Please refer to Exhibit E.

Exhibit A: Plans

AVESTA



PROJECT DATA

SITE AREA:	204,732	SF
	4.70	ACRES

PUBLIC AMENITY AREA:

CAFÉ AREA:	2,000	SF
PLAZA / OPEN SPACE:	15,000	SF
	17,000	SF

RCFE AREA:

GROSS BUILDING AREA:	171,300	SF
NO. OF UNITS:	165	UNITS
FOOTPRINT:	60,200	SF
FAR:	0.84	
LOT COVERAGE:	29%	
DENSITY:	35	UNITS/ACRE

PARKING DATA:

PARKNG REQUIRED:	82	SPACES
PARKING PROVIDED:		
SURFACE:	92	SPACES
GARAGE:	40	SPACES
	132	SPACES







**Exhibit B: Proforma
(Confidential - Provided Separately)**

AVESTA

Exhibit C: Qualifications and Experience

AVESTA

AVESTA | DEVELOPMENT GROUP

August 2018

COMPANY BACKGROUND

▶ **AVESTA DEVELOPMENT GROUP**

1095 Colby Ave.
Menlo Park CA 94025

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1

AVESTA DEVELOPMENT GROUP OVERVIEW

COMPANY BACKGROUND

THE COMPANY

Avesta Development Group (“ADG”) is a real estate investment and development firm headquartered in Menlo Park, CA. ADG is focused on sourcing and structuring unique, value-add investment opportunities that generate attractive risk-adjusted returns. ADG’s team of professionals has a wide range of experience in all areas of commercial real estate. Our primary expertise is in new construction and major renovation of complex, large-scale projects including multifamily, senior housing, master planned communities, hotels and resorts, and luxury custom single family homes. Overarching these disciplines is an unwavering commitment to dedicated partnerships, design excellence, urban revitalization, employment of innovative technology, and sustainability.

THE PHILOSOPHY

ADG has been established with the goal of creating value for its partners and stakeholders by developing high quality real estate projects. We invest in long-term relationships. Whether assuming the role as lead developer or as a project consultant, ADG values seamless team integration as the key ingredient to delivering the best value for our partners. We achieve this by fostering an open, trusting, and collaborative team environment that facilitates the structured alignment of interests.

Our passion is to not just build buildings, but to build environments where people thrive. We strive to add value to our communities with the goal of preserving the culture and critical patterns that make the existing urban fabric rich and textured while providing thoughtful, appropriate new housing.

DESIGN EXCELLENCE

Fundamentally, function drives form and never vice versa. ADG is committed to finding the optimal balance between vernacular architecture and our client’s unique identity to define a project’s design aesthetic, while never compromising operational efficacy. Our buildings are unique and timeless expressions of their local environmental, cultural, and historical context and the tenants that reside therein.

URBAN REVITALIZATION

Advances in science, technology, and communication are forcing a rapid evolution in the ways we live and work. Yet our static urban landscapes cannot accommodate this change rapidly enough. ADG is committed to the modernization and adaptive re-use of existing buildings to revitalize central retail and business districts.

INNOVATIVE TECHNOLOGY

Partnering with thought leaders across multiple disciplines, ADG employs advanced building techniques and integrative building technologies to reduce upfront capital expenses, prevent cost overruns, reduce operating costs, improve productivity, and increase environmental sustainability.

SUSTAINABILITY

We share in the collective responsibility to steward the Earth’s limited resources. ADG strives to challenge the possibilities and application of green design, construction and operation techniques.

DEDICATED MANAGEMENT

Avesta Development Group is managed by its principal, Mohammad Javanbakht. Mohammad along with ADG's team of professionals are responsible for all aspects of management of the projects, such as financing, entitlement, development and construction.

MOHAMMAD JAVANBAKHT

Mohammad has been involved in all aspects of the real estate industry for over eighteen years ranging from acquisition and disposition of assets, underwriting and deal structuring, development and rehabilitation of large scale projects including historic buildings, asset management, real estate finance, complex entitlements, and construction management.

Mohammad's past experiences include acting as the projects' lead developer and/or ownership of several real estate development entities. Mohammad is currently managing ADG's active portfolio of development in excess of \$500M in value.

Prior to forming ADG, Mohammad was involved with the Aetna Springs Resort project, a pension fund backed 4,000 acre resort and residential development project in Napa County, as the project's development executive. In addition, Mohammad was instrumental in early phases of the redevelopment of the CalNeva Resort and Spa. Additionally, Mohammad co-founded Broadview Estates, LLC, an opportunity fund established to capitalize on the distressed opportunities. Mr. Javanbakht and his partner, oversaw all aspects of the business including the acquisition, improvements, and disposition of the assets under management.

Prior to moving to the United States, Mohammad assisted several Canadian companies as development executive bringing several large projects to fruition. Mohammad was responsible for the development of the 760-acre master planned community by Trilogy in Cumberland, BC. The project consisted of 1,500 residential housing units as well as over 2M square feet of commercial space and a golf course. Mohammad also held a senior management position in the development of over 500 units of urban housing projects by Polygon Homes in Vancouver, BC. Additionally, Mohammad held a management position with PCL, Canada's largest construction company, working as the general contractor for the construction of the \$830M Vancouver Convention Center Expansion Project.

Mohammad holds a bachelor of Civil Engineering and received an MBA in finance from the University of British Columbia.

CURRENT PROJECTS



➤ Avesta Residences at Hamilton Hill Novato, CA

PROJECT	80 Unit Seniors Housing Community
VALUE	\$42 M
SIZE	71,000 SF
STAGE	Building Permit
Client	Investment Group
Role	Developer



➤ Avesta Residences in Dublin Dublin, CA

PROJECT	80 Unit Seniors Housing Community
VALUE	\$38 M
SIZE	67,000 SF
STAGE	Construction Q4 2018
Client	Investment Group
Role	Developer



➤ Avesta Residences at Concord Concord, CA

PROJECT	140 Unit Seniors Housing Community
VALUE	\$90 M
SIZE	115,000 SF
STAGE	Entitlement
Client	Investment Group
Role	Developer

CURRENT PROJECTS



➤ **Avesta Residences at San Jose** San Jose, CA

PROJECT	Mixed Use 200 Unit Seniors Housing Community & Medical Office
VALUE	\$180 M
SIZE	340,000 SF
STAGE	Entitlement
Client	Investment Group
Role	Developer



➤ **595 Mariposa Street** San Francisco, CA

PROJECT	20 Unit Infill Condominium
VALUE	\$15 M
SIZE	20,000 SF
STAGE	Concluded
Client	Family Office/Ownership
Role	Developer



➤ **502 7th Street** San Francisco, CA

PROJECT	16 Unit Infill Condominium
VALUE	\$12 M
SIZE	17,000 SF
STAGE	Concluded
Client	Family Office/Ownership
Role	Developer

SELECT PAST PROJECTS



➤ **Aetna Springs Resort & Golf Course**
Napa Valley, CA

PROJECT	Luxury Historic Resort Rehabilitation, Golf Course, & Estate Parcels
VALUE	\$230 M
SIZE	4,000 Acres, 90 Hotel Rooms, 46 Estate Parcels, 9 Hole Golf Course, Winery
STAGE	Recapitalization
Client	Criswell Radovan/Pension Fund
Role	Development Executive



➤ **Cayet in Cumberland**
Vancouver Island, BC, Canada

PROJECT	Master Planned Community
VALUE	\$200+ M
SIZE	760 Acres, 2 million SQFT Commercial, 1,500 Units Residential
STAGE	Ongoing Development
Client	Trilogy Properties Corp
Role	Development Executive



➤ **Vancouver Convention Center**
Vancouver, BC, Canada

PROJECT	Convention Center Construction Project
VALUE	\$830 M
SIZE	2+ million SQFT
STAGE	Complete
Client	City of Vancouver-PCL
Role	Team Member – Construction Group



For more information please contact:

Avesta Development Group, LLC

Mohammad Javanbakht

Tel: (925) 899-8981

Email: mj@avestadev.com

Capital Health Group Overview

Information Package,
May 2018



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Tallahassee, FL



Sandy, UT



Ocala, FL

1. Capital Health Group

Capital Health Group Overview

- **Capital Health Group, LLC** (“CHG”) is a private equity firm that was founded in 2006 to make capital investments in senior housing communities through acquisition and development.
- Headquartered in Baltimore, Maryland, CHG is led by founders Kenneth R. Assiran and John W. Dwyer. With over 60 years of combined experience in the senior housing and real estate industries, the management team has the breadth of contacts and reputation that yields opportunities ahead of its competitors.
- Over the past 10+ years, CHG has invested in 55 senior housing facilities with 5,500+ beds.
- CHG’s current portfolio is comprised of 48 communities, includes 42 operating facilities with approximately 4,300 beds and 6 communities under construction with approximately 700 beds. The portfolio is located nationally across 13 states and includes Independent Living, Assisted Living and Memory Care programming, as depicted on the map at the end of this section.
- CHG is the largest stakeholder in CHG’s affiliated management company, Milestone Retirement Communities, LLC, which manages 90 senior housing communities nationwide.



Dayton, OH



Fort Lauderdale, FL

Capital Health Group Investment Strategy

- **Investment Focus:** Independent Living, Assisted Living, and Memory Care
- **Risk Profile:** Core Plus and Value Added
- **Investment Strategies:**
 - Conversion and/or expansion of performing facilities to provide a continuum of care
 - Acquisition of distressed or under-performing facilities
 - Purchase of distressed debt to own real estate
 - Ground-up development in high-income infill locations with high barriers to entry
 - Investments in stabilized properties with opportunities to increase margins through improved operations
 - Acquisition of stabilized facilities in off-market transactions at a discounted price



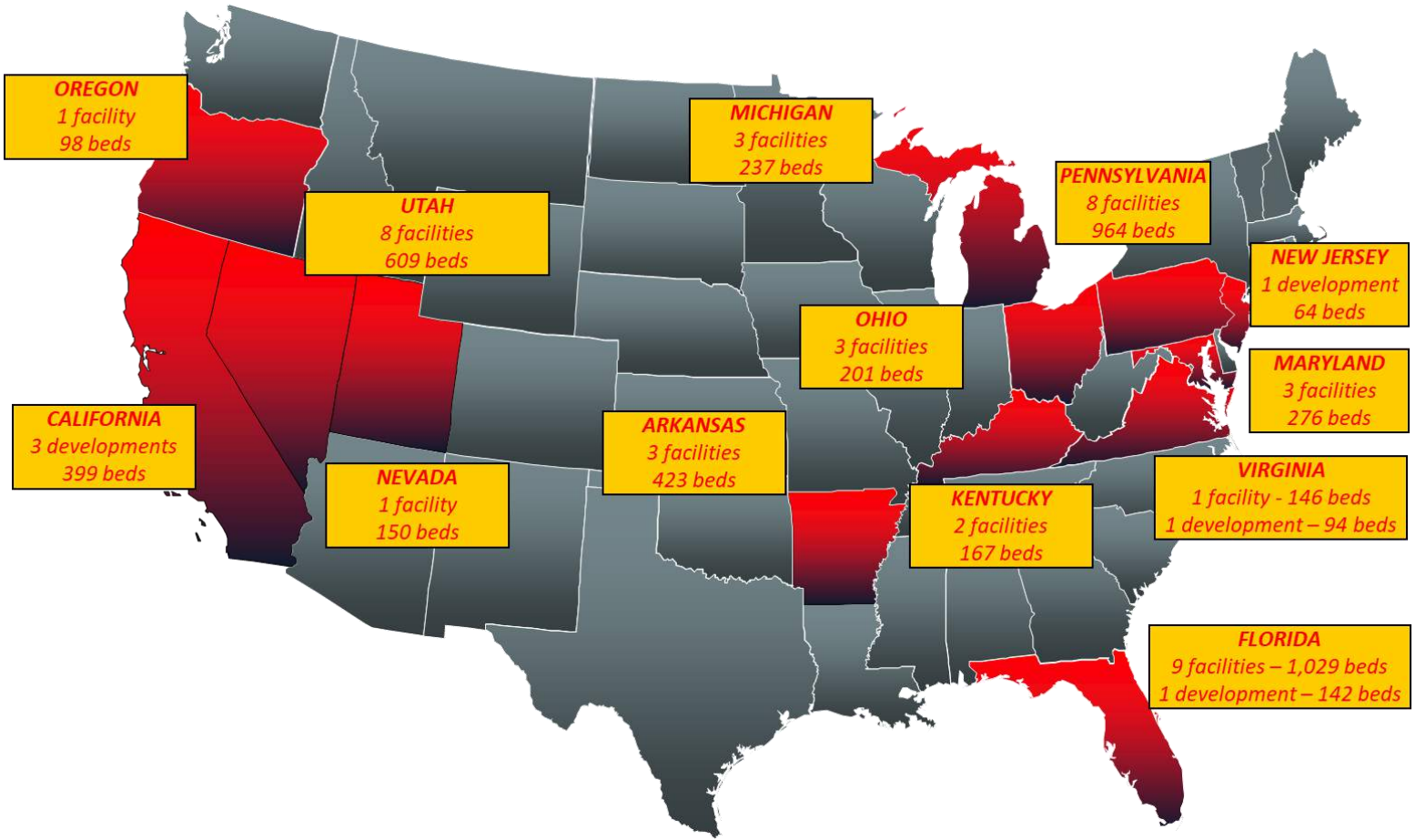
Fayetteville, AR



Douglassville, PA

Capital Health Group Portfolio

Owned and/or Managed Facilities⁽¹⁾



1) Map includes all CHG owned, CHH owned, and managed senior housing facilities.

Capital Health Group Principals

- **Kenneth R. Assiran**

Ken Assiran is a founding partner of Capital Health Group, LLC (“CHG”), where he has served as a Managing Principal since the founding of CHG in 2006. CHG is a private equity firm that focuses on acquiring, developing, and operating senior housing facilities throughout the United States. CHG’s current portfolio includes 48 senior housing facilities with approximately 5,000 beds. This portfolio is located nationally across 13 states and includes Independent Living, Assisted Living, and Memory Care communities. As Managing Principal, Mr. Assiran is responsible for managing CHG’s existing portfolio and facilitating capital investments in senior housing communities. On behalf of CHG and its affiliates, he has acquired/developed 55 communities and managed the successful disposition of 19 CHG owned facilities. Mr. Assiran is an owner and also serves as a board member of Milestone Retirement Communities, LLC, CHG’s affiliated management company.

Prior to the formation of CHG, Mr. Assiran established the Investment Banking Division of GMS Group, LLC (“GMS”). At GMS, he specialized in distressed debt acquisitions and high yield bond financing. Prior to joining GMS, Mr. Assiran was the Managing Director of the High Yield Debt Group at A.H. Williams & Co., Inc. His efforts helped A.H. Williams become a leader in the senior housing finance industry. Prior to joining A. H. Williams & Co., Inc., Mr. Assiran was a Vice President at Wertheim Schroeder in New York.

Mr. Assiran served on the board of directors of the National Investment Center for Seniors Housing (“NIC”) from 2001-2005 and is currently a member of the American Senior Housing Association (ASHA) public policy commission.

- **John W. Dwyer**

Jack Dwyer founded Capital Funding Group in 1993. He has been involved in the financing of more than \$3.0 billion in FHA-insured healthcare mortgages. Over the past 15 years Mr. Dwyer has formed Capital Health Group, LLC; Capital Lending and Mortgage Group, LLC, a healthcare bridge lending company; Capital Hospital Finance Group, LLC, a merchant banking and advisory division focused on providing financing for acute care and specialty hospitals; Capital SeniorCare Ventures, LLC, a company that acquires skilled nursing facilities in order to lease them back to operators; Capital Financial Ventures, LLC, the GNMA sales and delivery advisor to Capital Funding, LLC; CFG Capital Markets, LLC, a fully-registered (FINRA/SIPC) Investment Banking and Securities firm focused on providing capital raising solutions for taxable and tax-exempt issuers, and investment advice for institutional investors; and Capital Spend Management, LLC, a web-based purchasing management and consulting service to the long-term care industry. Mr. Dwyer is an owner and serves as a board member of Milestone Retirement Communities, LLC.

In 2009, Mr. Dwyer formed Capital Funding Bancorp, Inc. and through it led the acquisition of AmericasBank Corp. and its subsidiary, AmericasBank. AmericasBank underwent a name change in November 2009 and is now known as CFG Community Bank. Subsidiaries of CFG Community Bank include Capital Finance, LLC, the only working capital/accounts receivable lender focused exclusively on skilled nursing and hospitals; as well as Capital Funding, LLC, under which the HUD origination, underwriting, processing and servicing departments are housed.

Mr. Dwyer received his B.S. in Business Administration from Widener University and is a Certified Public Accountant.

2. Sponsored Investment Ventures

CHG Sponsored Joint Venture Overview

- **CHH Senior Housing, L.P. (“CHS”)**

CHS was formed in 2015 as a joint venture between Capital Health Holdings, L.P. and Akard Street Partners. CHS is the second Capital Health Group, LLC (“CHG”) sponsored venture that focuses on acquiring and developing senior housing communities. CHS’s current investment portfolio includes 14 communities, 8 of which are operating and 6 of which are under construction or development.

- **Capital Health Holdings, L.P. (“CHH”)**

CHH was formed in August 2011 through a partnership between CHG and Akard Street Partners. CHH specializes in making capital investments in Independent Living, Assisted Living, and Memory Care facilities. CHH’s current investment portfolio includes 20 operating communities with approximately 2,100 beds.

- **Akard Street Partners**

Akard Street Partners is a partnership between Banner Oak Capital Partners⁽¹⁾ and the Teacher Retirement System of Texas which invests in select private real estate operating companies with the ability to create franchise value by positioning operators to efficiently scale portfolios and achieve superior risk-adjusted returns. Akard Street Partners has capitalized six operating companies to date.

- **Teacher Retirement System of Texas (“TRS”)**

TRS is a retirement pension fund with 1.5 MM members and a net position of \$147.4 billion as of August 2017. TRS is responsible for investing funds under its stewardship with the goal of delivering defined benefits to its members. TRS’s investments are diversified across a broad range of market sectors and securities.



St. George, UT



Louisville, KY

¹⁾ Employees of Banner Oak Capital Partners formerly worked for Hunt Realty Investments, a subsidiary of Hunt Oil Company. The investment holdings of Hunt Realty Investments were purchased by TRS in 2016.

3. Development / Construction Management

CHG Development & Construction Services

- **CHG's acquisition and investment efforts are supported by the development and construction team**, which is comprised of a Director of Development and two Construction Project Managers. The construction team has completed or is in the process of completing \$383.2 MM in ground up development projects and \$46.0 MM in renovation / expansion / conversion projects for CHG.
- **The Director of Development** is an engineer with 18 years' experience managing large commercial real estate development projects from acquisition through completion. The Director of Development's responsibilities at CHG include:
 - Development of project programs, due diligence / feasibility analysis, and negotiation of land PSA's
 - Establishing project budgets / schedules and identifying / contracting team of key design and construction professionals
 - Obtaining land use approvals / all permits, and coordination with local / state municipalities
 - Development loan draws and other construction related loan documentation
 - Oversight of Construction Project Managers through construction phase
- **The two Construction Project Managers**, one of which is an engineer, have in excess of 40 years combined experience managing large commercial construction projects with prominent national contractors. In their roles at CHG, they oversee each construction project from the permitting stages of development through construction completion. Oversight of each project includes:
 - Site visits on a bi-weekly basis during through the construction phase to monitor progress
 - Management of the overall project budget, contracts / change orders, and billing / loan draws, and coordination of owner-contracted vendors
 - Coordination of all construction related issues such as RFI's, submittals, permit revisions, etc.
 - Coordination of furniture installation, licensing inspections, and owner punchlist
 - Coordination with the property management company during the preopening period
- **Construction Management Services** - CHG will be offering construction management services through its in-house construction team, and is currently utilizing these services for a ground up development in the Virginia / Washington DC metro area. This project is ideal for in-house management given its close proximity to CHG's Baltimore, MD office and the construction team's extensive experience in the Washington, DC metro area. As CHG expands its construction management platform, additional construction team members will be hired and CHG will offer its construction management services to suitable nationwide ground up development projects. Construction management fees will cover all costs associated with offering construction management services, including employment of additional construction management personnel. By directly managing construction via an affiliated team with an aligned interest, CHG can minimize project risk.

4. Asset Management

CHG Asset Management Services

- The goal of the asset management team is to accelerate the stabilization and disposition of CHG's communities. CHG utilizes every employee in an asset management capacity to leverage a variety of community and firm-specific knowledge.
- **Asset Management Team:** CHG's asset management team is comprised of a VP of Asset Management and several asset management analysts, who are further supported by CHG's Managing Director, acquisitions team and development team as needed.
- **Key Asset Management Functions:**
 - Day-to-day oversight of the property management company to ensure business plan implementation
 - Monthly or quarterly visits to each asset to review the physical plant and implementation of the community business plan. Detailed reports are provided to property management which include any issues needing to be addressed, including capex and operational problems
 - Liaise with outside parties, property management, partners, investors, brokers, and lenders to ensure alignment of interests
 - Development of business plans, budgets and reforecasts
 - Preparation of financial reporting



Ephrata, PA

5. CHG Development Portfolio

Development Portfolio Overview

- **CHG's development portfolio consists of 11 senior housing communities with approximately 1,200 beds.** The portfolio includes 5 recently developed communities which have opened, 2 communities currently under construction, and 4 communities scheduled to commence construction in 2018 and 2019. CHG's development projects are located in the California (3), Florida (5), New Jersey (1), Ohio (1), and Virginia (1).

COMMUNITY	CITY	STATE	PROGRAMMING	UNITS	BEDS
<i>Development Portfolio</i> ⁽¹⁾					
Symphony at the Waterways ⁽²⁾	Ft. Lauderdale	FL	AL / MC	106	106
Symphony of Centerville ⁽²⁾	Dayton	OH	MC	60	64
Symphony at St. Augustine ⁽²⁾	St. Augustine	FL	MC	64	64
Symphony at Stuart ⁽²⁾	Stuart	FL	AL / MC	99	112
Symphony at Boca Raton ⁽²⁾	Boca Raton	FL	AL / MC	132	146
Symphony at Delray Beach ⁽³⁾	Delray Beach	FL	AL / MC	118	142
Symphony at Cherry Hill ⁽⁴⁾	Cherry Hill	NJ	MC	56	64
San Gabriel Senior Living	San Gabriel	CA	IL / AL / MC	204	233
Dublin Senior Living	Dublin	CA	AL / MC	80	84
Novato Senior Living	Novato	CA	AL / MC	80	88
Warrenton Senior Living	Warrenton	VA	AL / MC	90	94
Total				1,089	1,197

- 1) Construction has commenced or been completed for all projects in the development portfolio, with the exception of San Gabriel, Dublin, Novato, and Warrenton.
- 2) Symphony at the Waterways, Symphony at St. Augustine, Symphony at Centerville, Symphony at Stuart, and Symphony at Boca Raton are open.
- 3) Symphony at Delray Beach will open in Q3 2018.
- 4) Symphony at Cherry Hill will open in Q3 2018.

Symphony at the Waterways

PROPERTY INFORMATION

Name	Symphony at the Waterways
Address	3001 E. Oakland Park Blvd
City, State	Ft. Lauderdale, FL
Class	A
Programming	AL / MC
Use & Occupancy Standard	I-2

BUILDING INFORMATION

Stories	8
Estimated Gross Sq. Ft.	102,329
Acreage	1.28
Units/Beds	86 / 86 AL & 20 / 20 MC
Total Units/Beds	106 / 106

PROJECT TIMELINE

Construction Start Date	Q1 2015
Construction Completion Date & First Resident	Q4 2016
Projected Stabilization Date	Q2 2018
Current Occupancy (April 2018)	86%

PROJECT NARRATIVE

Symphony at the Waterways is a state-of-the-art community located in an infill location with high barriers to entry. Symphony at the Waterways offers residents ocean views from their units, water views from all common areas, and common area ocean views from the third floor and above. The community also has a two-story entryway framing a view of the yacht traffic of the Intracoastal Waterway. Symphony at the Waterways features an eighth floor club-level dining room offering 5 star dining, an eighth floor bar with liquor license, an eighth floor terrace with a kitchen, a wellness center, cafe, theater with stadium seating, library, private dining room, and country kitchen. Total project costs were \$35.8 MM.



Symphony at Boca Raton

PROPERTY INFORMATION

Name	Symphony at Boca Raton
Address	21865 Ponderosa Drive
City, State	Boca Raton, FL
Class	A
Programming	AL / MC
Use & Occupancy Standard	I-2

BUILDING INFORMATION

Stories	3
Estimated Gross Sq. Ft.	127,000
Acreage	6.00
Units/Beds	90 / 98 AL & 42 / 48 MC
Total Units/Beds	132 / 146

PROJECT TIMELINE

Construction Start Date	Q3 2015
Construction Completion & First Resident	Q2 2018
Projected Stabilization Date	Q2 2019
Current Occupancy (April 2018)	23%

PROJECT NARRATIVE

Symphony at Boca Raton is a 132 unit, state-of-the-art Assisted Living / Memory Care community in an infill location with high barriers to entry. Symphony at Cobblestone was constructed as a three-story, steel and concrete building, and features a library, country kitchen, theater, salon, activity areas, bar with liquor license, and a secure courtyard for Memory Care residents. Total project costs were \$39.7 MM. The community had 60 preleased units upon opening. As of 5/2/18, the community is scheduled to have 64 units occupied by the end of May 2018, which equates to an occupancy of 48%.



Symphony at Stuart

PROPERTY INFORMATION

Name	Symphony at Stuart
Address	4900 SE Willoughby Blvd
City, State	Stuart, FL
Class	A
Programming	AL / MC
Use & Occupancy Standard	I-2

BUILDING INFORMATION

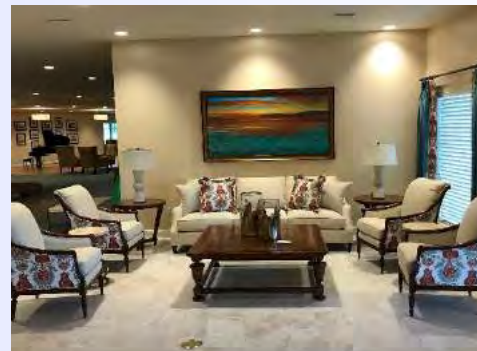
Stories	2
Estimated Gross Sq. Ft.	105,890
Acreage	7.5
Units/Beds	76 / 80 AL & 23 / 32 MC
Total Units/Beds	99 / 112

PROJECT TIMELINE

Construction Start Date	Q4 2015
Construction Completion & First Resident	Q3 2017
Projected Stabilization Date	Q2 2019
Current Occupancy (April 2018)	40%

PROJECT NARRATIVE

Symphony at Stuart is a 99 unit, state-of-the-art Assisted Living / Memory Care community in an infill location with high barriers to entry. The community features a salon, general store, activity areas, cafe, library, fitness center, saloon, dining room, bar with liquor license, theater, and a secure outdoor courtyard. Unit amenities will include kitchenettes with a microwave / refrigerator and granite countertops. Total project costs were \$28.9 MM.



Symphony at Delray Beach

PROPERTY INFORMATION

Name	Symphony at Delray Beach
Address	4840 Atlantic Ave
City, State	Delray, FL
Class	A
Programming	AL / MC
Use & Occupancy Standard	I-2

BUILDING INFORMATION

Stories	3
Estimated Gross Sq. Ft.	131,000
Acreage	4.1
Units/Beds	88 / 94 AL & 30 / 48 MC
Total Units/Beds	118 / 142

PROJECT TIMELINE

Construction Start Date	Q1 2017
Projected Construction Completion Date	Q2 2018
Projected First Resident Move-In	Q3 2018
Projected Stabilization Date	Q4 2019
Units Released (April 2018)	33 of 118 (28%)

PROJECT NARRATIVE

Symphony at Delray Beach is being constructed as a 118 unit, state-of-the-art Assisted Living / Memory Care community in an infill location with high barriers to entry. The community will feature a full service restaurant, bar with liquor license, café, full service hair and nail salon, craft room, fitness center, general store, and a theater. Total project costs are estimated to be \$36.7 MM. Construction is scheduled to be completed in June 2018, with first residents accepted in July 2018.



Symphony at St. Augustine

PROPERTY INFORMATION

Name	Symphony at St. Augustine
Address	150 Village Crossing Ct
City, State	St. Augustine, FL
Class	A
Programming	MC
Use & Occupancy Standard	I-2

BUILDING INFORMATION

Stories	1
Estimated Gross Sq. Ft.	45,000
Acreage	8.71
Units/Beds	64 / 64 MC
Total Units/Beds	64 / 64

PROJECT TIMELINE

Construction Start Date	Q4 2015
Construction Completion & First Resident	Q1 2017
Projected Stabilization Date	Q3 2018
Current Occupancy (April 2018)	71%

PROJECT NARRATIVE

Symphony at St. Augustine opened in March 2017. The state-of-the-art community is divided into two 32 unit neighborhoods and features a large activity space, theater, dining room, and a secure outdoor courtyard. Memory Care programming is centered around the In The Moment program, which stresses physical wellness, engagement, spirituality, supportive community, and social wellbeing. Total project costs were \$14.6 MM.



Symphony at Centerville

PROPERTY INFORMATION

Name	Symphony at Centerville
Address	7383 Paragon Rd
City, State	Dayton, OH
Class	A
Programming	MC
Use & Occupancy Standard	I-2

BUILDING INFORMATION

Stories	1
Estimated Gross Sq. Ft.	42,400
Acreage	5.8
Units/Beds	60 / 64 MC
Total Units/Beds	60 / 64

PROJECT TIMELINE

Construction Start Date	Q1 2016
Construction Completion & First Resident	Q1 2017
Projected Stabilization Date	Q1 2019
Current Occupancy (April 2018)	29%

PROJECT NARRATIVE

Symphony at Centerville opened in February 2016. The state-of-the-art community is divided into two 30 unit neighborhoods and features a large activity space, theater, dining room, and a secure outdoor courtyard. Memory Care programming is centered around the In The Moment program, which stresses physical wellness, engagement, spirituality, supportive community, and social wellbeing. Total project costs were \$14.3 MM. The community opened in February 2017 and is currently in lease up.



Symphony at Cherry Hill

PROPERTY INFORMATION

Name	Symphony at Cherry Hill
Address	1240 Brace Road
City, State	Cherry Hill, NJ
Class	A
Programming	MC
Use & Occupancy Standard	I-2

BUILDING INFORMATION

Stories	1
Estimated Gross Sq. Ft.	48,000
Acreage	3.2
Units/Beds	56 / 64 MC
Total Units/Beds	56 / 64

PROJECT TIMELINE

Construction Start Date	Q1 2017
Projected Construction Completion Date	Q2 2018
Projected First Resident Move-In	Q3 2018
Projected Stabilization Date	Q1 2020

PROJECT NARRATIVE

Symphony at Cherry Hill is a 56 unit, state-of-the-art Memory Care community under construction in an infill location with high barriers to entry. The community will be split into two 32 bed neighborhoods and will feature a large activity space, theater, dining room, and a secure outdoor courtyard. Total project costs are estimated to be \$18.4 MM.



San Gabriel Senior Living

PROPERTY INFORMATION	
Name	San Gabriel Senior Living
Address	824 S Gladys Ave
City, State	San Gabriel, CA
Class	A
Programming	AL / MC
Use & Occupancy Standard	I-2

BUILDING INFORMATION	
Stories	3
Estimated Gross Sq. Ft.	188,248
Acreage	1.0
Units/Beds	80 / 95 IL 60 / 64 AL & 64 / 74 MC
Total Units/Beds	204 / 233

PROJECT TIMELINE	
Projected Construction Start Date	Q4 2018
Projected Construction Completion Date	Q1 2020
Projected First Resident Move-In	Q1 2020
Projected Stabilization Date	Q2 2022

PROJECT NARRATIVE

San Gabriel Senior Living will be constructed as a 204 unit, state-of-the-art Independent Living / Assisted Living / Memory Care community in an infill location with high barriers to entry. The community will feature a large dining room, theatre, music room, card room, craft room, library, bar, salon, ice cream parlor, and a secure outdoor courtyard. The Independent Living units will be licensed to allow for Assisted Living services. Total project costs are estimated to be \$80.3 MM.



Dublin Senior Living

PROPERTY INFORMATION

Name	Dublin Senior Living
Address	7601 Amador Valley Blvd
City, State	Dublin, CA
Class	A
Programming	AL / MC
Use & Occupancy Standard	I-2

BUILDING INFORMATION

Stories	4
Estimated Gross Sq. Ft.	66,787
Acreage	1.0
Units/Beds	48 / 52 AL & 32 / 32 MC
Total Units/Beds	80 / 84

PROJECT TIMELINE

Projected Construction Start Date	Q2 2018
Projected Construction Completion Date	Q3 2019
Projected First Resident Move-In	Q3 2019
Projected Stabilization Date	Q3 2021

PROJECT NARRATIVE

Dublin Senior Living will be constructed as an 80 unit, state-of-the-art Assisted Living / Memory Care community in an infill location in the San Francisco East Bay area with high barriers to entry. The Assisted Living portion of the building will include a large dining room, theatre, fitness center, bistro/bar, den, salon, and card room. The Memory Care portion of the Project will include an exam room, a spa and a beauty salon and a secure outdoor courtyard. Total project costs are estimated to be \$37.0 MM.



Novato Senior Living

PROPERTY INFORMATION

Name	Novato Senior Living
Address	516 E Hospital Road
City, State	Novato, CA
Class	A
Programming	AL / MC
Use & Occupancy Standard	I-2

BUILDING INFORMATION

Stories	4
Estimated Gross Sq. Ft.	71,072
Acreage	3.4
Units/Beds	40 / 40 AL & 40 / 48 MC
Total Units/Beds	80 / 88

PROJECT TIMELINE

Projected Construction Start Date	Q2 2018
Projected Construction Completion Date	Q4 2019
Projected First Resident Move-In	Q4 2019
Projected Stabilization Date	Q3 2021

PROJECT NARRATIVE

Novato Senior Housing will be constructed as an 80 unit, state-of-the-art Assisted Living / Memory Care community in an infill location in Marin County, CA with high barriers to entry. The Assisted Living portion of the project will include a dining room, theatre, fitness center, bistro/bar, den, salon, and card room. The Memory Care portion of the project will include separate dining and activities spaces, a nurse station, a bistro, and a secure outdoor area. Total project costs are estimated to be \$41.1 MM.



Warrenton Senior Living

PROPERTY INFORMATION

Name	Warrenton Senior Living
Address	345 Legion Drive
City, State	Warrenton, VA
Class	A
Programming	AL / MC
Use & Occupancy Standard	I-2

BUILDING INFORMATION

Stories	2.5
Estimated Gross Sq. Ft.	81,044
Acreage	4.7
Units/Beds	42 / 42 AL & 48 / 52 MC
Total Units/Beds	90 / 94

PROJECT TIMELINE

Projected Construction Start Date	Q3 2018
Projected Construction Completion Date	Q4 2019
Projected First Resident Move-In	Q1 2020
Projected Stabilization Date	Q1 2022

PROJECT NARRATIVE

Symphony at Warrenton will be constructed as a 90 unit, state-of-the-art Assisted Living / Memory Care community in Fauquier County, VA, a southeastern suburb of Washington, DC. The Assisted Living portion of the community will feature a large dining room, theatre, fitness center, bistro/bar, den, salon, and card room. The Memory Care portion of the project will include separate dining and activities spaces, a nurse station, bistro, and a secure outdoor area. Total project costs are estimated to be \$29.2 MM.

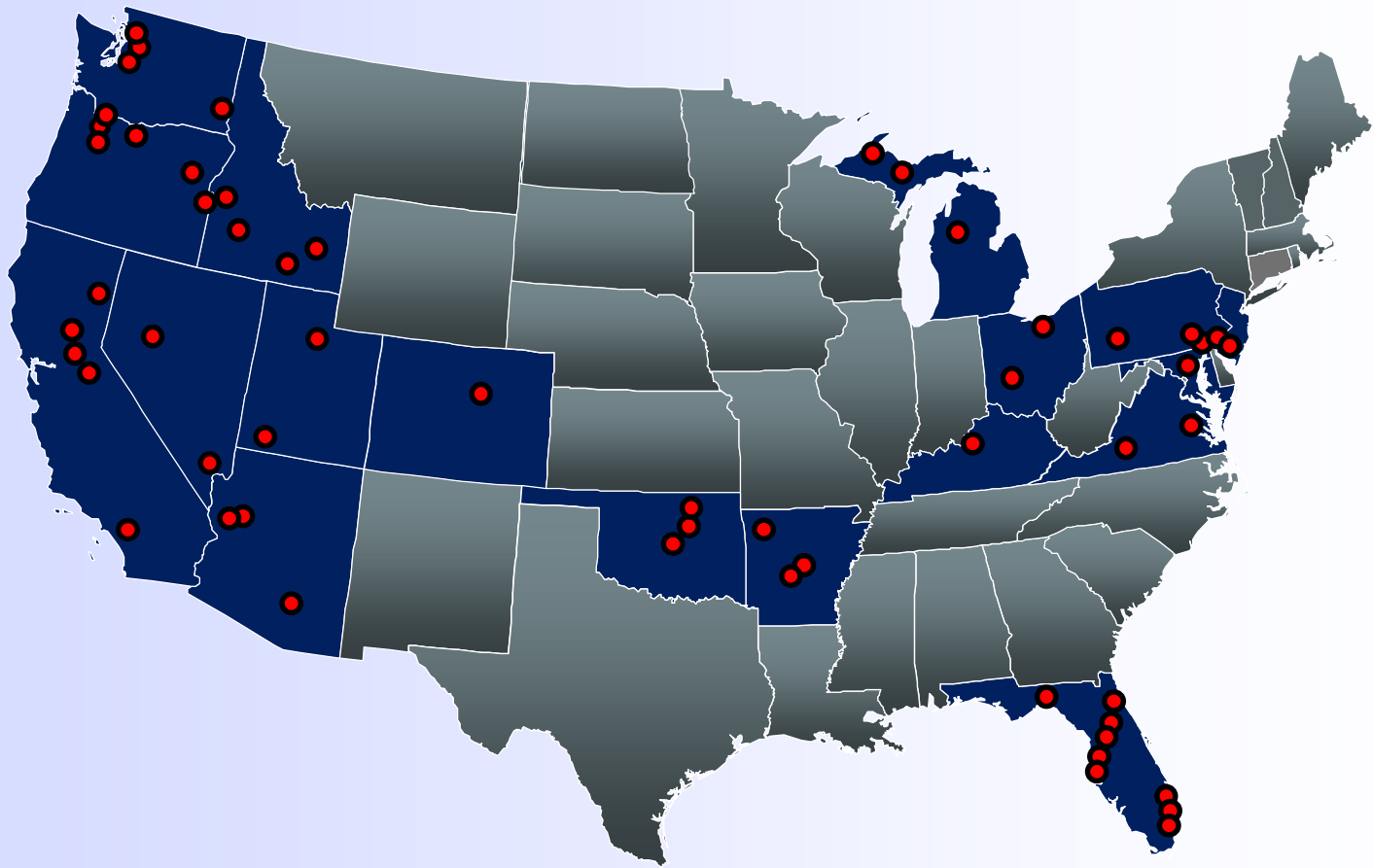


6. Milestone Overview

Management Company Overview

- **Milestone Retirement Communities, LLC (“Milestone”)**, an affiliate of Capital Health Group, LLC, provides management services to the Capital Health portfolio. Please reference the next page for a national map of Milestone communities.
- **Portfolio Summary:**
 - Milestone began operations in 2007 with 6 retirement communities comprised of 289 units. From 2008 to 2017, Milestone grew its portfolio to 90 senior housing communities across the United States with more than 8,500 beds. Milestone is headquartered in Vancouver, WA. Milestone’s east coast operations are based in Baltimore, MD.
 - Milestone’s team supports communities with operations, clinical services, sales & marketing, accounting & finance, human resources and risk management.
- **Milestone Board Members:**
 - **Ken Assiran & John W. Dwyer (Board Members)** – Bios for Ken and Jack can be found on the Capital Health Group Principals slide.
 - **Paul Dendy (Founder, Chief Executive Officer, Board Member)** - Paul W. Dendy was a founder and is Chief Executive Officer of Milestone. Paul has worked in the seniors housing field since 1989. He has served in finance, development, acquisitions and senior executive roles in public and private companies with as many as 3,000 seniors housing units. He has acquired or developed and financed several dozen retirement housing properties.
 - **Don Anderson (Founder, Chief Health Care Officer, Board Member)** - Donald E. Anderson is Chief Clinical & Marketing Officer and co-founder of Milestone Retirement Communities, LLC. In this role, he focuses on operations of the retirement communities under management, adding his expertise in care management and marketing of the properties. Don was most recently Vice President of Marketing and Clinical Affairs of LifeStyles, which operated 16 senior communities.
 - **Mark Wiesner (Founder, Chief Development Officer, Board Member)** - Mark A. Wiesner is the Chief Operations Officer and co-owner of Milestone Retirement Communities, LLC. In this role, he focuses on operations of the retirement communities under management, adding his expertise in budget development, acquisitions and operational design of new communities. Prior to starting Milestone, Mark was responsible for 12 of the senior communities managed by LifeStyles, Senior Housing Managers, LLC.

Milestone Management Portfolio Map



ARCHITECTURE
PLANNING
LANDSCAPE ARCHITECTURE
INTERIOR DESIGN
GRAPHICS

LPAS



We provide our clients with the best design and facilitate collaborative working experiences that ensure the financial, human, and natural resources dedicated to projects result in meaningful, lasting, and quality investments for our clients.

Making Buildings Together

LPAS Architecture + Design has a 40-year history of providing creative design solutions throughout California. In the last 10 years our firm has designed over \$1.6 billion in multi-story residential projects.

LPAS is a firm member of the American Institute of Architects, the Urban Land Institute, the Lean Construction Institute, the Design Build Institute of America, and the US Green Building Council. An advocate of sustainable design, LPAS has been the designer for 28 LEED projects—certified or in the process of obtaining certification.

LPAS

Brady Smith, AIA, NCARB, LEED AP

PRINCIPAL IN CHARGE, VICE PRESIDENT, LPAS



EDUCATION

University Arkansas, Bachelor of Architecture, 1998

Foreign study, Rome, Italy, 1997

REGISTRATIONS

Licensed Architect
California #30082

LEED Accredited Professional
National Council Architectural
Registration Board #64011

YEARS EXPERIENCE

25 in the industry

15 with the firm

Brady Smith is an LPAS owner and Vice President of the firm. He is currently overseeing over \$625M in new mixed-use and multifamily housing projects (both in design and under construction) for clients including FivePoint, LMC and Mill Creek Residential Trust. Additionally, Brady has managed the design and construction of more than 1 million square feet of completed LEED certified buildings in California.

Brady offers 25 years of experience in all phases of project development including establishing and implementing the client's program, development of design concepts and plans, construction documents and construction administration. With this broad range of experience, he is well versed in maximizing our clients' return on investment.

Brady's expertise in developing internal and project-based resource management plans, sustainable design, quality assurance programs, technical training and mentoring will prove highly valuable as he directs the efforts of this multi-disciplined project team.

SELECT MULTI-FAMILY HOUSING PROJECTS

16 Powerhouse, Sacramento, CA

1640 Broadway Interiors , Oakland, CA

19th & Harrison, Oakland, CA

20 & L Street, Sacramento, CA

3675 T Street, Sacramento, CA

800 J Lofts, Sacramento, CA

980 Central Townhomes (CD's), West Sacramento, CA

Alexan Midtown, Sacramento, CA

Ascent Apartments, Walnut Creek, CA

Aspire Apartments, Tracy, CA

Atria Mixed-Use, Sunnyvale, CA

Avalon Concord, Concord, CA

Candlestick Point Block 2, San Francisco, CA

Candlestick Point Block 9, San Francisco, CA

Candlestick Point Mid-Block Break Design Specifications
San Francisco, CA

Capitol Station 65 Townhomes, Sacramento, CA

Carriage Park Apartments, Chico, CA

Concord Apartments, Concord, CA

Cornerstone Mixed-Use, Livermore, CA

East Campbell Ave. Condominiums, Campbell, CA

Fiore Di Monte Apartments, Chico, CA

Gateway Crossing, Tracy, CA

Hunters Point Shipyard Block 55, San Francisco, CA

i15, Sacramento, CA

Marston Mixed-Use Interiors, Oakland, CA

Metro Crossing at Sacramento Railyards, Sacramento, CA

Parker, Berkeley, CA

Pique at Iron Point, Folsom, CA

R Street Market Mixed-Use, Sacramento, CA

S Street Apartments, Sacramento, CA

Sherwin Williams, Emeryville, CA

Silicon Valley Apartments Interiors, Milpitas, CA

Sutter Brownstones, Sacramento, CA

Warm Springs Interiors, Fremont, CA

Willow Oaks Apartments, Chico, CA

Ron Metzker, AIA, NCARB

PRINCIPAL DESIGNER, VICE PRESIDENT, LPAS



EDUCATION

California Polytechnic State University, San Luis Obispo
Bachelor of Architecture, 1986

REGISTRATIONS

Licensed Architect
California #C20032

YEARS EXPERIENCE

35 in the industry
31 with the firm

Ron Metzker is an LPAS owner and Vice President of the firm. He offers 35 years of experience of design excellence and a keen ability to develop cost-effective design solutions and sustainable strategies. His talent for leading energetic, interactive design charrettes provides the foundation for building consensus among client groups. Reflecting his client advocacy and creative problem solving, Ron's projects have received the highest recognition from civic/business groups and the design community.

Ron specializes in the design of multi-family residential communities and will lead the design effort. Recent awards for his designs include "Mixed-Use Project of the Year" from the Sacramento Business Journal for 16 Powerhouse.

SELECT MULTI-FAMILY HOUSING PROJECTS

16 Powerhouse, Sacramento, CA

1640 Broadway Interiors , Oakland, CA

19th & Harrison, Oakland, CA

20 & L Street, Sacramento, CA

3675 T Street, Sacramento, CA

800 J Lofts, Sacramento, CA

980 Central Townhomes (CD's), West Sacramento, CA

Alexan Midtown, Sacramento, CA

Ascent Apartments, Walnut Creek, CA

Aspire Apartments, Tracy, CA

Atria Mixed-Use, Sunnyvale, CA

Avalon Concord, Concord, CA

Candlestick Point Block 2, San Francisco, CA

Candlestick Point Block 9, San Francisco, CA

Candlestick Point Mid-Block Break Design Specifications
San Francisco, CA

Capitol Station 65 Townhomes, Sacramento, CA

Carriage Park Apartments, Chico, CA

Concord Apartments, Concord, CA

Cornerstone Mixed-Use, Livermore, CA

East Campbell Ave. Condominiums, Campbell, CA

Fiore Di Monte Apartments, Chico, CA

Gateway Crossing, Tracy, CA

Hunters Point Shipyard Block 55, San Francisco, CA

i15, Sacramento, CA

Marston Mixed-Use Interiors, Oakland, CA

Metro Crossing at Sacramento Railyards, Sacramento, CA

Parker, Berkeley, CA

Pique at Iron Point, Folsom, CA

R Street Market Mixed-Use, Sacramento, CA

S Street Apartments, Sacramento, CA

Sherwin Williams, Emeryville, CA

Silicon Valley Apartments Interiors, Milpitas, CA

Sutter Brownstones, Sacramento, CA

Warm Springs Interiors, Fremont, CA

Willow Oaks Apartments, Chico, CA

Becky McCormick, AIA

SENIOR PROJECT ARCHITECT, LPAS



EDUCATION

Tulane University, School
of Architecture, Master of
Architecture

REGISTRATIONS

Licensed Architect
California #C30882

YEARS EXPERIENCE

17 in the industry
1 with the firm

Becky has over 17 years of experience in architectural design and construction project management with a focus on Senior Housing and Mixed-Use.

Becky takes pride in paying attention to the details of every project and is successful at translating concept into reality via the drawing process. Her in-depth understanding of multiple electronic drawing platforms, including BIM, enables her to work efficiently and effectively. Her expertise includes technical detailing, construction drawing production, code compliance analysis, site verification and existing building analysis, accessibility, coordination with engineering consultants and construction administration.

SELECT MULTI-FAMILY HOUSING PROJECTS

Avesta, Dublin, CA

Avesta, Novato, CA

Broadstone, Roseville, CA

Sagora, Rocklin, CA

Historic building will be transformed into a new senior community.

NOVATO ASSISTED LIVING



Located on a former military property, an abandoned 1930's classic Spanish style hospital with tile roof will be transformed into a new assisted living community. The historic building sits on the top of a knoll with incredible views of the Bay; remnants of the historic landscape plan reveals a formal driveway entry lined with palm trees and mature trees. LPAS is designing the adaptive reuse for the hospital building and a new wing to accommodate 80 residential units, dining space, living room, kitchen, and amenity spaces.

LOCATION	Novato, CA
CLIENT	Avesta Development Group
BUILD	80 units (40 assisted living units and 40 memory care), 4-story
SITE	3.4 acres
STATUS	In Design



Urban infill contemporary senior living.

DUBLIN SENIOR LIVING APARTMENTS & ASSISTED LIVING



Meeting the increasing demands in a suburban neighborhood, this new 82 unit assisted living residential community with memory care is strategically located across the street from a senior center.

The contemporary architecture reflects the new trend in senior housing design to consider the next generation of seniors. The 4-story building features a range of materials, window details and change of planes in the elevation that break up the massing. A contiguous grey plaster ribbon band moves horizontally and vertically across the elevations and contributes to a contemporary aesthetic.

Amenities for the new community include outdoor terraces, flexible dining and living spaces, a fitness room, massage and salon, a theater, an exam room, a nurses' station and doctor's office.

LOCATION	Dublin, CA
CLIENT	Avesta Development Group
BUILD	82 units (32 assisted living units and 32 memory care), 66,000 sf, 4-story
SITE	1 acre
STATUS	In Design



New senior housing to meet North Bay demands.

CARLTON SANTA ROSA



Carlton Senior Living has been developing communities for decades but recently determined that they needed to revitalize their design approach to attract the next generation of residents. LPAS worked closely with the client to research new design approaches and trends. The new senior community features flexible social spaces, flexible living room and dining areas, outdoor dining, wellness center, and a variety of outdoor recreation spaces including a pool. Residential units include an office/sitting area that can be converted into a semi-private area for a care giver. Memory care residents have easy access to an outdoor secure courtyard. The agrarian architectural style features barn and farmhouse details with brick, stucco, and composite wood siding. The building massing is broken up with dormers, a decorative tower, port cochere, and wood trellis along the front elevation that provides a more pedestrian scale for a 3 story building.

LOCATION	Santa Rosa, CA
CLIENT	Carlton Senior Living, LLC
BUILD	100,000 sf, 138 units, 102 assisted living, 36 memory care units, 3 stories
SITE	3.7 acres
STATUS	In Design



Transit oriented infill development project.

GIO APARTMENTS



This new infill development is walking distance to the light rail. It features a five-story mixed-use building with street-level retail including ground floor retail parking. The top floor of the five-story parking garage features a sky terrace with a clubhouse, fitness center, spa, outdoor kitchen, and has the only elevated pool in the Sacramento region with spectacular views of the downtown skyline. Additional amenities include a bike lounge, one to one bike parking, pet grooming center, a dog park as well as a gated and secure parking garage with 251 spaces for resident.

LOCATION	East Sacramento, CA
CLIENT	Allegiant Development Company
BUILD	224 units, 5 stories, 4,300 sf of street-level retail, 5 stories parking garages
SITE	2.8 acres
DENSITY	76 units/acre
STATUS	In Construction

Meeting housing demands created by Apple's new campus.

EL CAMINO REAL APARTMENTS



LOCATION	Sunnyvale, CA
CLIENT	St. Anton Partners
BUILD	108 units, 5 stories, below grade parking with 169 spaces, 101,842 net rentable sf
SITE	2.13 acres
DENSITY	51 units/acre
STATUS	In Design

Located along El Camino Real and a short walk or bike ride to a Caltrain station, this mixed income apartment complex will provide welcome relief to the housing shortage in Silicon Valley and near Apple's new campus with 13,000 employees.

The Mission-style complex features 4 stories of apartments over ground-level community spaces and underground parking. In addition to large balconies with wood trellis detailing, the project will boast competitive amenities

including a variety of outdoor spaces: ground level backyard with pool, spa, and private cabanas; podium level courtyard with outdoor BBQ's, fire pits and lounge seating; and a rooftop terrace with a sky bar and lounge. Other community amenities include a clubhouse, fitness center, billiards game room, video gaming alcoves, personal lockable storage, 'GoPro' bike lounge with bike storage, a pet spa and pet park.



Views of the Bay, East Bay hills, bridges, and the San Francisco skyline.

CANDLESTICK POINT

BLOCK 2



Candlestick Point has long been slated for new development following the demolition of the iconic and historic stadium. This mixed-use project consists of podium construction and features townhomes and flats over street-level retail space. Two stories of amenities will feature a fitness center, a community kitchen, co-working space, and indoor and outdoor lounge spaces. The design approach is to create a warehouse type design that reflects the existing buildings along the South San Francisco waterfront.

LOCATION	San Francisco, CA
CLIENT	FivePoint
BUILD	124 units, 6 stories, 2 levels of subterranean parking, 198 spaces, 33,000sf grocery store at street level
SITE	0.8 acres
DENSITY	101 units/acre
STATUS	In Design



Converting an industrial site to a vibrant community.

HUNTERS POINT SHIPYARD

BLOCK 55



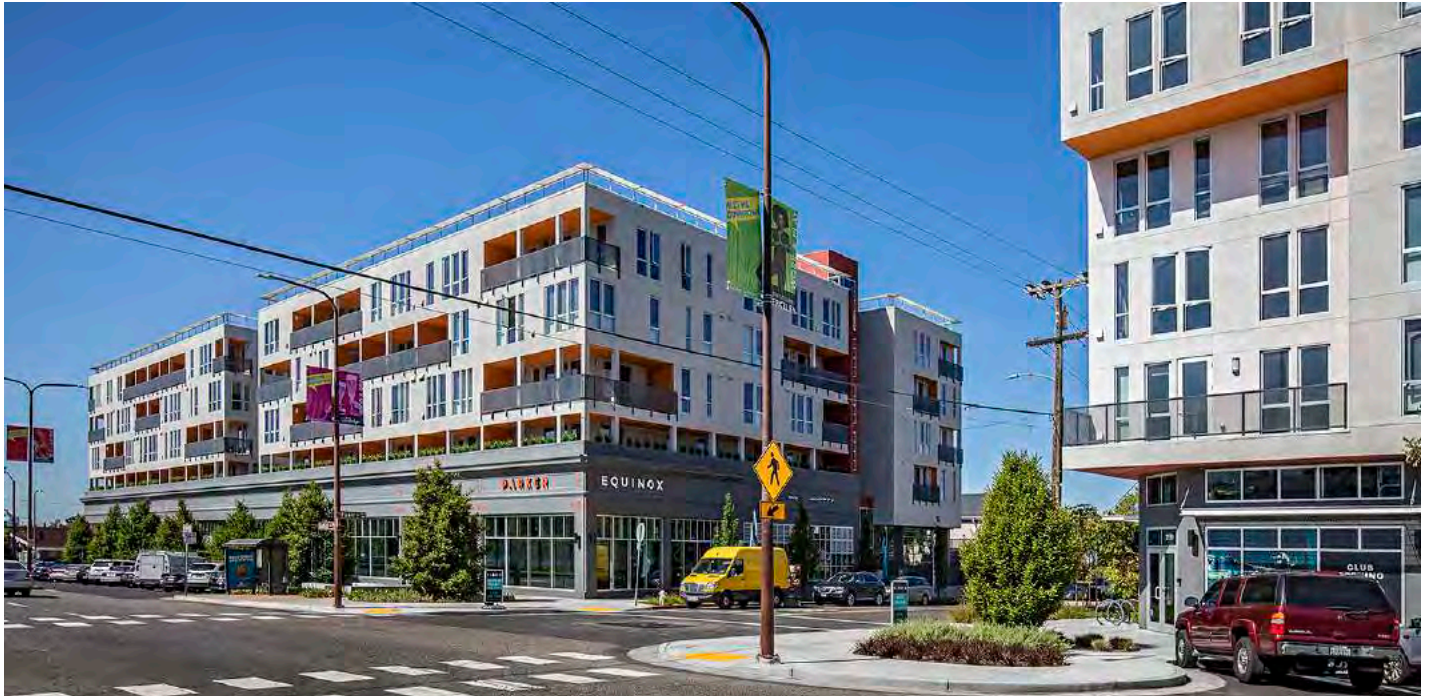
Block 55 offers sweeping views of the bay, downtown San Francisco, Candlestick Park and the Shipyard. The townhomes are situated on 16.5' wide lots and are grouped into seven clusters with unique colors and materials that are consistent with the other projects within the development. Some of the townhomes are designed as "multi-generation" plans to accommodate a variety of family types.

LOCATION	San Francisco, CA
CLIENT	Lennar
BUILD	66 single-family, 3-story townhomes, 132 parking spaces
SITE	2.45 acres
DENSITY	27 units/acre
STATUS	In Design



Historic meets modern in downtown Berkeley.

PARKER



Located on two parcels on Shattuck Avenue, this market rate apartment project is a major adaptive reuse of an existing 1-story 1920's era concrete auto dealership. Within the footprint of the existing auto dealership, LPAS designed 2 levels of below grade parking, 2 levels of above grade parking and 4 levels of new wood frame apartment building above the roof line of the existing building.

Amenities include a lounge, bike kitchen, pet grooming, outdoor kitchen and lounge space, and a single fitness tenant in the 30,000 square foot retail space.

LOCATION	Berkeley, CA
CLIENT	LMC
BUILD	155 units, 5 stories, 2 levels above grade parking, 2 levels below grade parking, 30,000 sf retail
SITE	1.38 acres
DENSITY	2600 Shattuck Ave - 121 units/acre 2598 Shattuck Ave - 91 units/acre
STATUS	Completed 2016



New senior living option for the suburbs.

BROADSTONE ACTIVE ADULT COMMUNITY



Located in a residential/commercial neighborhood and convenient to regional shopping centers, the new 55+ community offers a spacious and secure campus setting. Independent seniors will embrace the wide variety of amenities and social activities with the comfort of knowing assisted living and memory care facilities are next door when needed.

Amenity spaces are organized around the outdoor areas and include fitness and yoga spaces, fireside lounge, great room, flexible and private dining, demonstration kitchen, and media room. Outdoor recreation features a variety of spaces including a courtyard, pool area, spa and a dog park. LPAS is providing architectural design services for the 3-story, contemporary craftsman style building and landscape design for the 20-acre campus.

LOCATION	Roseville, CA
CLIENT	Alliance Residential Company
BUILD	201 units (10% affordable), 3-story, 584-1266 sf
SITE	11 acres
STATUS	In Design



Designed for aging in place.

BRUCEVILLE POINT



Located in the heart of this suburban community and adjacent neighborhood retail, the new senior housing project targets residents over the age of 75. The design is developed to support a more contemporary “aging in place” approach to integrate all levels of independence including assisted living. Memory care is available in an adjacent wing. Innovative programming for this community required a fresh approach to community and dining spaces, wellness and recreation spaces, and outdoor amenities including a BBQ area and fire pit.

LOCATION	Elk Grove, CA
CLIENT	Shamrock Holdings
BUILD	155,000 sf, 117 units (20 memory care units; 4 shared units - total of 24 beds)
SITE	8.14 acres
STATUS	In Design





Carlton Plaza Davis



Carlton Plaza Elk Grove



Eskaton Village, Carmichael



Livermore Independent Living Apartments Phase I



Livermore Independent Living Apartments Phase II

ADDITIONAL SENIOR HOUSING EXPERIENCE

Carlton Plaza, Davis, CA

Carlton Plaza of Davis features 108 units with 18 double-occupancy memory care units on 2.4 acres. The dining and activity areas are centrally located for minimal walking distance for residents.

Carlton Plaza, Elk Grove, CA

This infill project features 101 living units with 18 double-occupancy memory care units, in a 2-story wood framed building on 4 acres.

Carlton Plaza, Sacramento, CA

56-unit respite care facility totaling 41,775 sq ft in two stories. Situated on a shared campus with Carlton's Crown Plaza community, residents are offered a seamless continuum of care with the ability to age in place.

Carlton Plaza, San Leandro, CA

140-unit assisted living facility with a 24-bed dementia unit and 10,000 sq ft of community space. Design-Build with Sundt Construction.

Carlton Plaza, San Jose, CA

130-unit assisted living facility with a 20-bed dementia unit and 16,000 sq ft of community space. Design-Build with Sundt Construction.

Carlton Plaza, Vasona Ranch, CA

Feasibility study of the renovation of an existing ranch site for a 150-unit, 50 parking space, senior housing, assisted living, and special care project. Design-Build with Sundt Construction.

Carlton Seniors, Vallejo, CA

2-story, 100,000 sq ft facility on 3.7 acres with 100 assisted living units; two separate and secure 20 bed memory care areas and associated fenced courtyard for memory impaired residents.

Greenwood Hills, Placerville, CA

177-acre master planned community consisting of 290 new residential lots. A 5.7 acre multi-family lot to contain a 120-unit senior assisted living facility and wellness center. Includes over 20 parks and open spaces as well as a village center with commercial retail lots

Eskaton Village, Roseville, CA

83 patio homes designed in clusters of 4-8 positioned around the site in 'neighborhoods' creating a smaller community within the larger community. Features two restaurants, a 35,000 sq ft wellness center with an indoor pool, and 265 congregate apartments in a four story building, 60 assisted living apartments, 20 memory care units and a 60-bed skilled nursing unit which is OSHPD regulated (completely designed and permitted although not built). Design-Build with Otto Construction.

Eskaton Village, Phases I and II, Carmichael, CA

82 cottage units, 200 congregate units, 40 assisted living units, a 30-bed skilled nursing facility, and 40,000 sq ft community building. Design-Build with Otto Construction.

Eskaton Properties Skilled Nursing Renovation, Carmichael, CA

Renovation of five OSHPD regulated skilled nursing facilities with a total of 694 beds. Design-Build with Otto Construction.

Eskaton Apartment Conversion, Carmichael, CA

Conversion of existing 200-unit congregate apartment to R2 occupancy to allow non-ambulatory residents. Design-Build with Otto Construction.

Greenwood Hills, Placerville, CA

177-acre master planned community consisting of 290 residential lots. A 5.7 acre multi-family lot to contain a 120-unit senior assisted living facility and wellness center. Includes over 20 parks and open spaces as well as a village center with commercial retail lots.

Laguna Reserve, Elk Grove, CA

45 acre senior living development including 100 units of assisted living, 200 congregate care apartments, 250 age-restricted homes and 30,000 sq ft of retail. Built into a site surrounded by existing single family homes.

LPAS

Architecture + Design 2484 Natomas Park Drive Suite 100 Sacramento CA 95833 T 916 443 0335

5 Third Street Suite 1117 San Francisco CA 94103 T 415 213 0335 LPAS.com **Making Buildings Together**

Exhibit D: Financing Letter from Capital Health Group

AVESTA

Capital Health Group, LLC

August 13, 2018

City of Novato
Mr. Scott Ward
Hamilton Base Re-use Director
922 Machin Avenue
Novato, CA 94945

RE: Capital Health Group, LLC's Relationship with the Teacher Retirement System of Texas

To Whom It May Concern:

The purpose of this letter is to outline the relationship between Capital Health Group, LLC ("CHG") and the Teacher Retirement System of Texas ("TRS"). CHG currently makes capital investments in senior housing communities through a joint venture with Akard Street Partners ("Akard") called CHH Senior Housing, LP. Akard is a partnership between Banner Oak Capital Partners and TRS. Akard has capitalized six operating companies to date, including the partnership with CHG. Akard's current equity commitment to CHH Senior Housing, LP is \$200 MM. TRS funds 100% of the equity required for Akard's investments. As of August 2017, TRS had a Total Net Position of \$147.6 BN. Please reference the following link for a complete copy of TRS's 2017 Comprehensive Annual Financial Report:

<https://ers.texas.gov/About-ERS/Reports-and-Studies/Reports-on-Overall-ERS-Operations-and-Financial-Management/2017-CAFR.pdf>

CHG's current portfolio, valued in excess of \$1.1 BN, includes 42 operating communities with approximately 4,300 beds and 6 communities under construction with approximately 625 beds. CHG's affiliated management company, Milestone Retirement Communities, currently manages 91 senior housing communities across the United States with more than 8,700 beds. Per the American Senior Housing Association ("ASHA") ASHA 50 report, Milestone is the 14th largest operator of senior housing communities in the United States.

Sincerely,

Capital Health Group, LLC

By:


Kenneth R. Assiran, Managing Principal

1422 Clarkview Road
Baltimore, MD 21209
Office: 410.342.3155
Fax: 410.342.9489

**Exhibit E: Financial Statements
(Confidential - Provided Separately)**

AVESTA