

OFFERING MEMORANDUM



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PROPERTY INFORMATION	3	All materials and information received or derived from WestMark Commercial TCN Worldwide its directors, officers, agents, advisors, affiliates and/or any third party sources are provided without representation or warranty as to completeness, veracity, or accuracy, condition of the property, compliance or lack of compliance with applicable governmental requirements, developability or suitability, financial performance of the property, projected financial performance of the property for any party's intended use or any and all other matters.
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ADVISOR BIOS	31	Neither WestMark Commercial TCN Worldwide its directors, officers, agents, advisors, or affiliates makes any representation or warranty, express or implied, as to accuracy or completeness of the any materials or information provided, derived, or received. Materials and information from any source, whether written or verbal, that may be furnished for review are not a substitute for a party's active conduct of its own due diligence to determine these and other matters of significance to such party. WestMark Commercial TCN Worldwide will not investigate or verify any such matters or conduct due diligence for a party unless otherwise agreed in writing.

EACH PARTY SHALL CONDUCT ITS OWN INDEPENDENT INVESTIGATION AND DUE DILIGENCE.

PRESENTED BY

Marty Cleckler,

Any party contemplating or under contract or in escrow for a transaction is urged to verify all information and to conduct their own inspections and investigations including through appropriate third party independent professionals selected by such party. All financial data should be verified by the party including by obtaining and reading applicable documents and reports and consulting appropriate independent professionals. WestMark Commercial | TCN Worldwide makes no warranties and/or representations regarding the veracity, completeness, or relevance of any financial data or assumptions. WestMark Commercial | TCN Worldwide does not serve as a financial advisor to any party regarding any proposed transaction. All data and assumptions regarding financial performance, including that used for financial modeling purposes, may differ from actual data or performance. Any estimates of market rents and/or projected rents that may be provided to a party do not necessarily mean that rents can be established at or increased to that level. Parties must evaluate any applicable contractual and governmental limitations as well as market conditions, vacancy factors and other issues in order to determine rents from or for the property.

Legal questions should be discussed by the party with an attorney. Tax questions should be discussed by the party with a certified public accountant or tax attorney. Title questions should be discussed by the party with a title officer or attorney. Questions regarding the condition of the property and whether the property complies with applicable governmental requirements should be discussed by the party with appropriate engineers, architects, contractors, other consultants and governmental agencies. All properties and services are marketed by WestMark Commercial | TCN Worldwide in compliance with all applicable fair housing and equal opportunity laws.

1 • PROPERTY INFORMATION



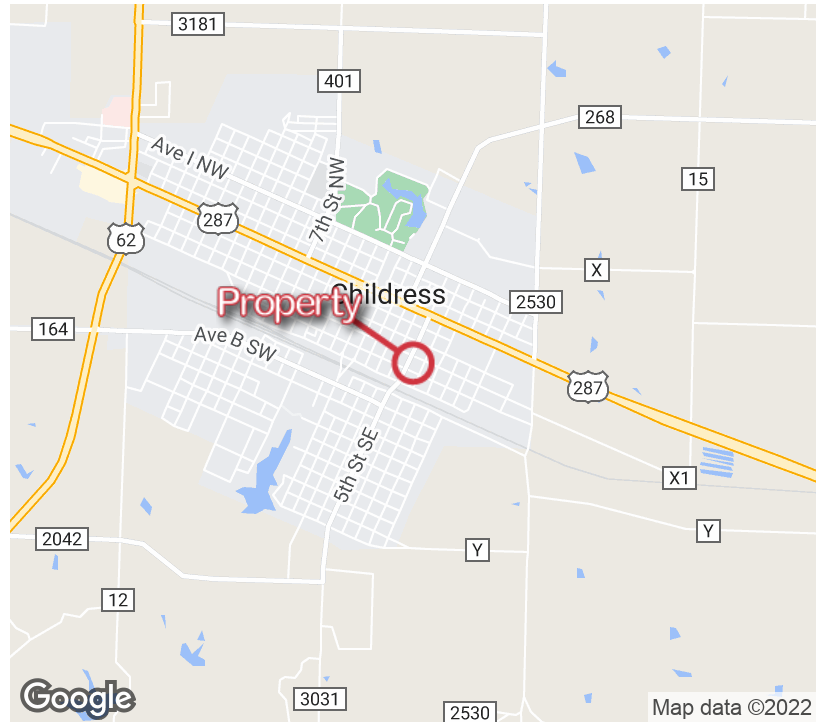
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EXECUTIVE SUMMARY



Cottage Village



OFFERING SUMMARY

Sale Price:	N/A
Number Of Units:	23
Lot Size:	2.07 Acres
Year Built:	1997
Renovated:	2005

PROPERTY OVERVIEW

This asset is prime for a value add renovation with average current rents well below the market rate for comparable properties. The current owner operates from a distant Fort Worth and as a result overspends on employee costs and is hindered in marketing.

PROPERTY HIGHLIGHTS

- Control the rural market outside Amarillo.
- Significant upside with rents.
- Ability to easily turn existing assisted living facility into memory care to meet demand.
- Additional land to add additional assisted living facility.

DEMOGRAPHIC TRENDS

SENIOR HOUSING INVESTMENTS

10,000

New "baby boomers" reach the age of 65 everyday.



Recession Proof

...the only sector to post increases in rental price during the financial crisis.



...untapped growth potential based on demographic trend



SOURCE: NREIF, Q4 2014



COMPLETE HIGHLIGHTS



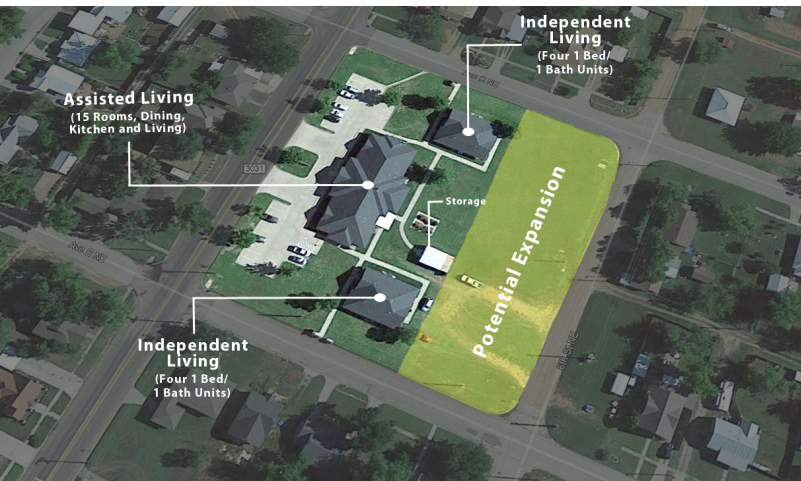
LOCATION INFORMATION

Building Name	Cottage Village
Street Address	204 5th St NE
City, State, Zip	Childress, TX 79201
County	Childress
Signal Intersection	Yes

BUILDING INFORMATION

Year Built	1997
Year Last Renovated	2005
Free Standing	Yes

PROPERTY HIGHLIGHTS



POTENTIAL VALUE ADD

Potential Expansions

Existing
Independent
Living

Potential Assisted Living

A new assisted living facility could be built with additional independent living units.

Existing
Independent
Living

Potential
Memory Care

Original assisted living facility could be converted into a memory care facility

Over 40% of Assisted Living Residents are diagnosed with Alzheimer's disease or other dementias.

Source: cdc.gov

ADDITIONAL PHOTOS



Front to Assisted Living



Front Porch of Independent Living Apartment



Front of Independent Living

ADDITIONAL PHOTOS



Entry Area



Double Sided Fireplace to Entry and Dining



Dining Area

ADDITIONAL PHOTOS



Back Porch Area



Main Kitchen



Office Area

ADDITIONAL PHOTOS



Typical Assisted Living Bedroom



Typical Assisted Living Kitchenette



Typical Assisted Living Bathroom

ADDITIONAL PHOTOS



Typical Independent Living Bedroom



Typical Independent Living Kitchen



Typical Independent Living Bathroom

MARKET SUMMARY

SENIORS HOUSING BUSINESS

Enterprising operators fill void in underserved tertiary and rural markets...

While the big markets get the lion's share of attention, some senior living contrarians are finding success in small places. Often overlooked by large companies, small and rural markets lack a variety of basic services for seniors, which can create opportunities for owners and operators willing to take the risk.



OPERATORS IN RURAL MARKETS HAVE
A LOT OF ADVANTAGES.

Debbie Howard, CEO at Senior Living Smart

	Independent Living	Assisted Living	Memory Care
Building Facility	Similar to apartments but has commercial kitchen, dining room and additional common area amenities.	Most units do not have a full kitchen, only dorm room size refrigerator and microwave. Many units are studios.	Units do not have a full kitchen, only dorm room size refrigerator and microwave. Many units are studios.
Typical Services Provided	Restaurant-style dining, social activities, weekly housekeeping, laundry and transportation.	Independent living services plus assistance with bathing, eating and dressing; medication reminders (no administration of medicine).	Assisted living services plus special behavior/memory care, secured access only.
Average Length of Stay ⁽³⁾	2.0 to 4.4 Years	1.2 to 2.9 Years	1.2 to 1.8 Years

(3) "The State of Seniors Housing 2017." (Table 8.2) ASHA American Seniors Housing Association (2017).

MARKET SUMMARY

Texas senior population set to explode over the next 30 years.

Texas Population Projections by Age Group					
Age Group	2010	2020	2010-2020 % Change	2050	2020-2050 % Change
65 and Older	2,601,886	4,014,083	54.3%	9,442,865	135.2%
65-69	853,100	1,375,699	61.3%	2,519,575	83.1%
70-74	619,156	1,081,697	74.7%	2,136,439	97.5%
75-79	477,245	714,641	49.7%	1,830,330	156.1%
80-84	347,206	440,399	26.8%	1,365,653	210.1%
85+	205,501	401,647	95.4%	1,590,868	296.1%
Total Population	25,145,561	30,541,978	21.5%	54,369,297	78.0%

Source: US Census Bureau, 2010 Census

Texas State Data Center, 2014 Projections, 1.0 Migration Scenario

Overall construction is down from its peak in 2015.

New Senior Housing Construction — Started by Quarter



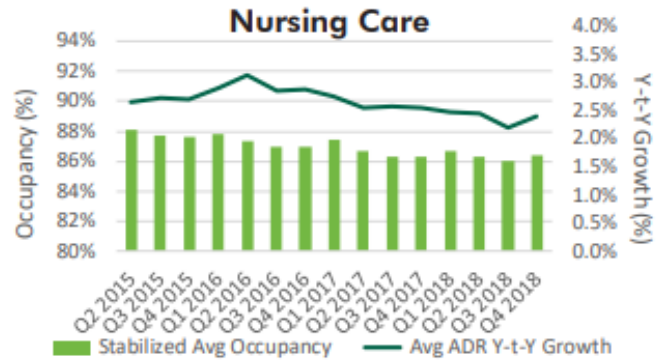
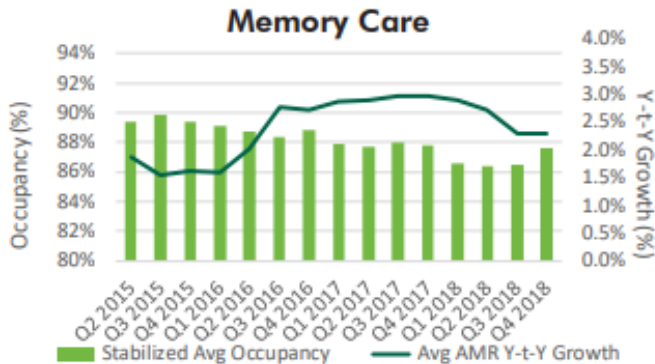
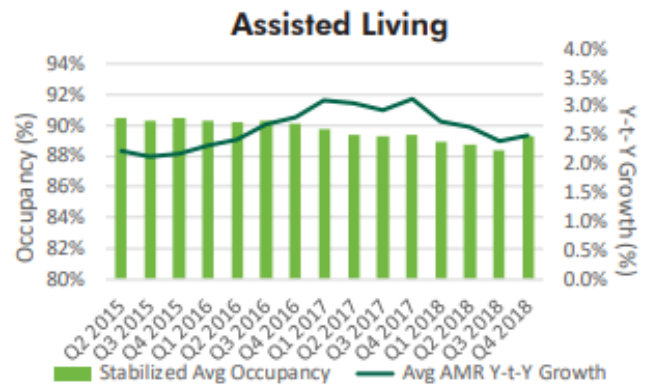
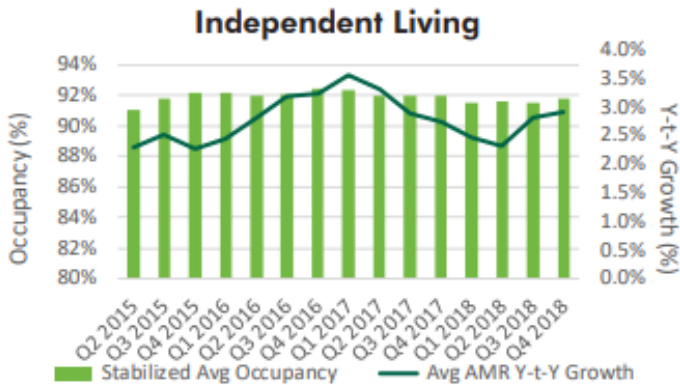
Source: NIC MAP® Data Service, Primary and Secondary Markets.

MARKET SUMMARY

Texas rent growth continues to exceed the cost of living while occupancy remains steady.

Occupancy versus Average Monthly Rent "AMR" Growth

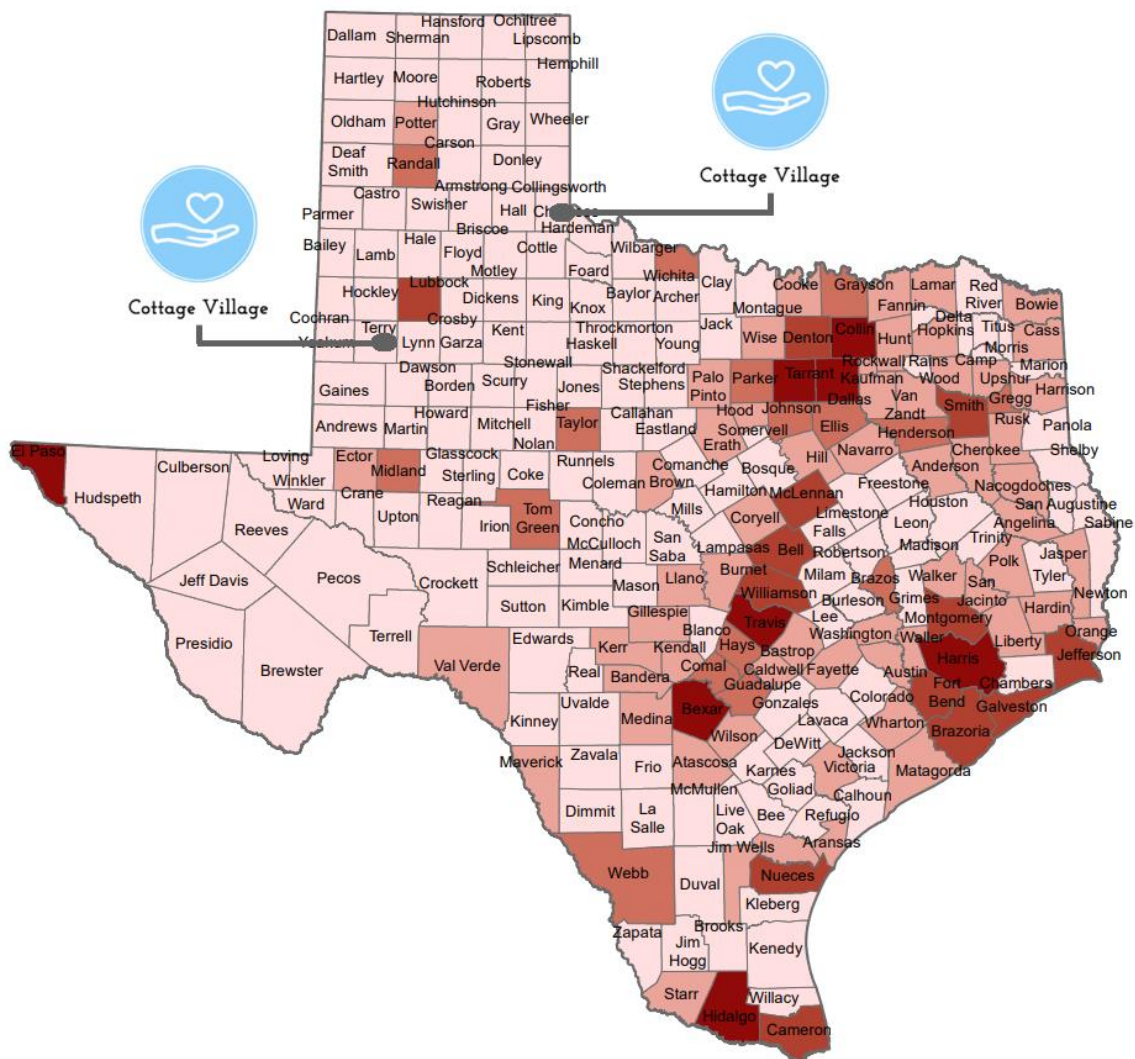
The graphs below compare the average stabilized occupancy rates and the average monthly rent (AMR) growth for each care segment in the graphs below. The aggregated senior housing year-over-year rent growth has remained generally consistent over time and averaged 2.5% in Q4 2018. Memory care rent growth faltered slightly at 2.3% in Q4 2018, 0.4% below the prior four-quarter average rate of 2.7%.



Source: NIC MAP® Data Service, Primary Markets

MARKET SUMMARY

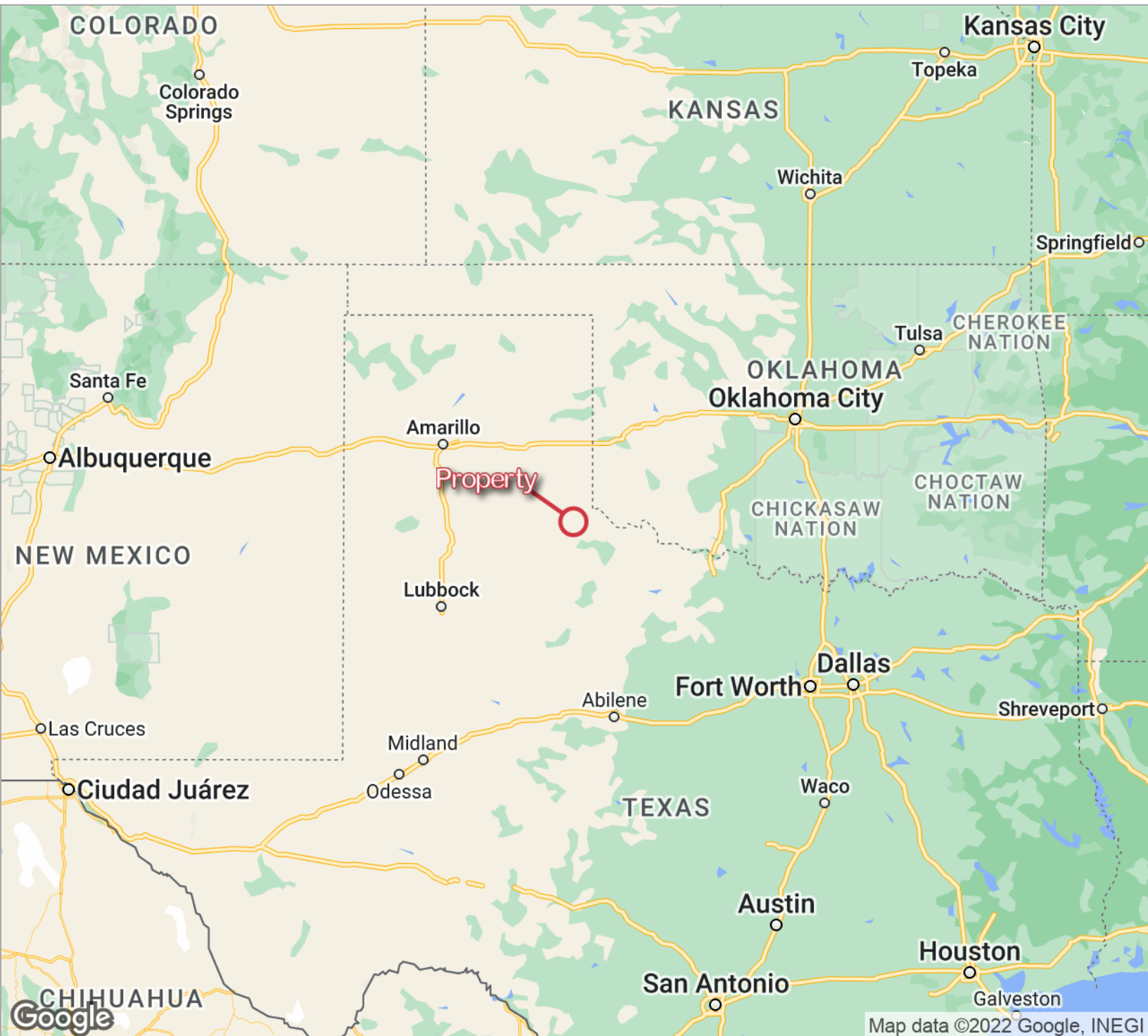
Cottage Village Brownfield is strategically located southwest of the medical hub, Lubbock and Cottage Village Childress is strategically located midway between the medical hubs of Amarillo and Wichita Falls.



2 • LOCATION INFORMATION



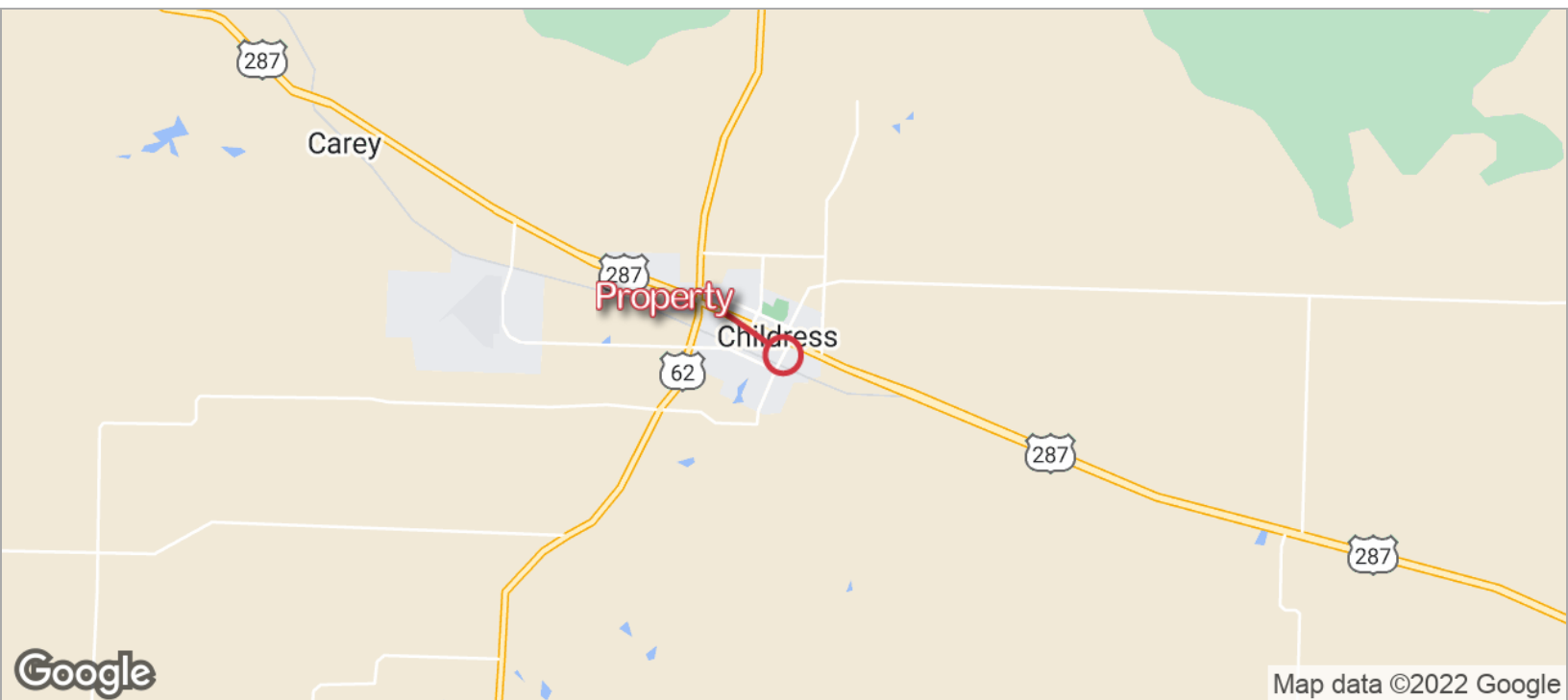
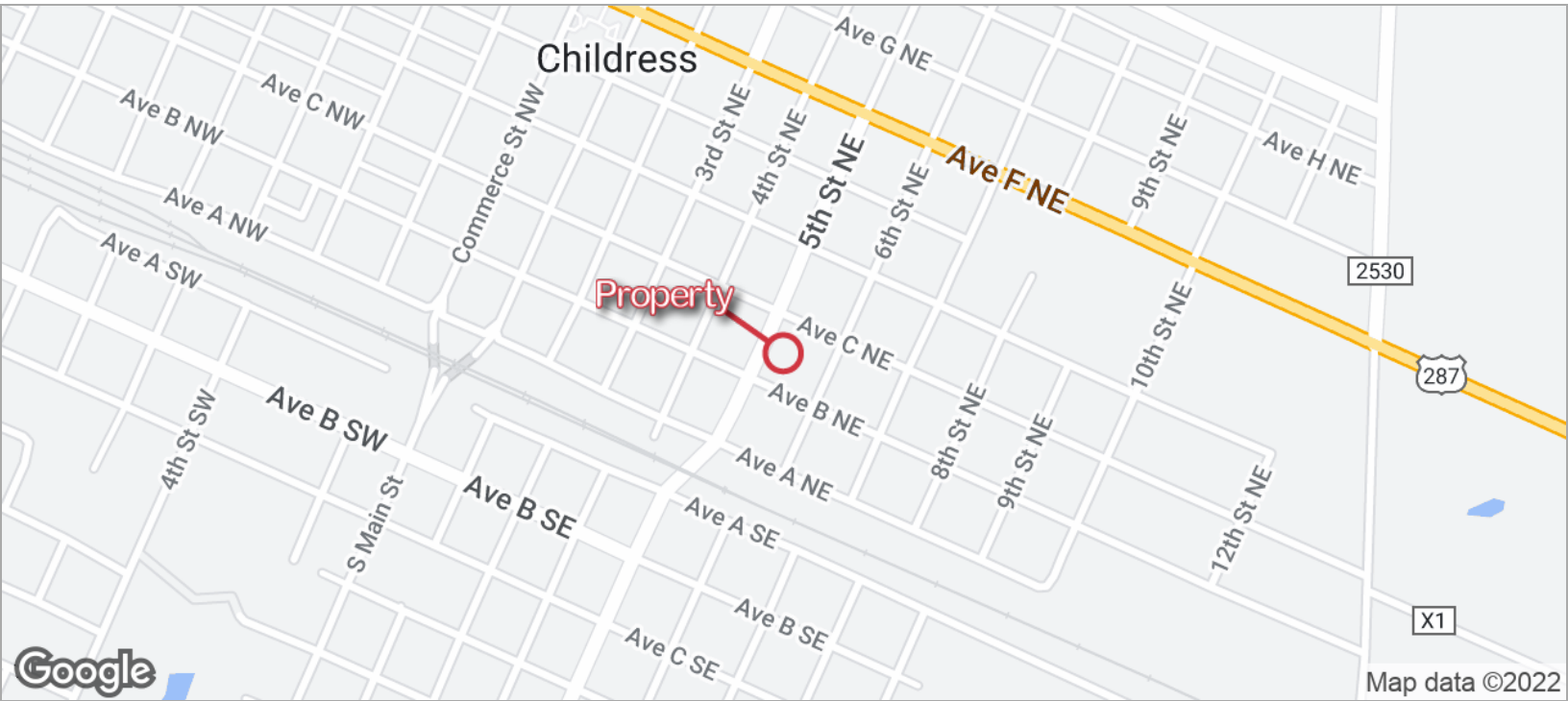
REGIONAL MAP



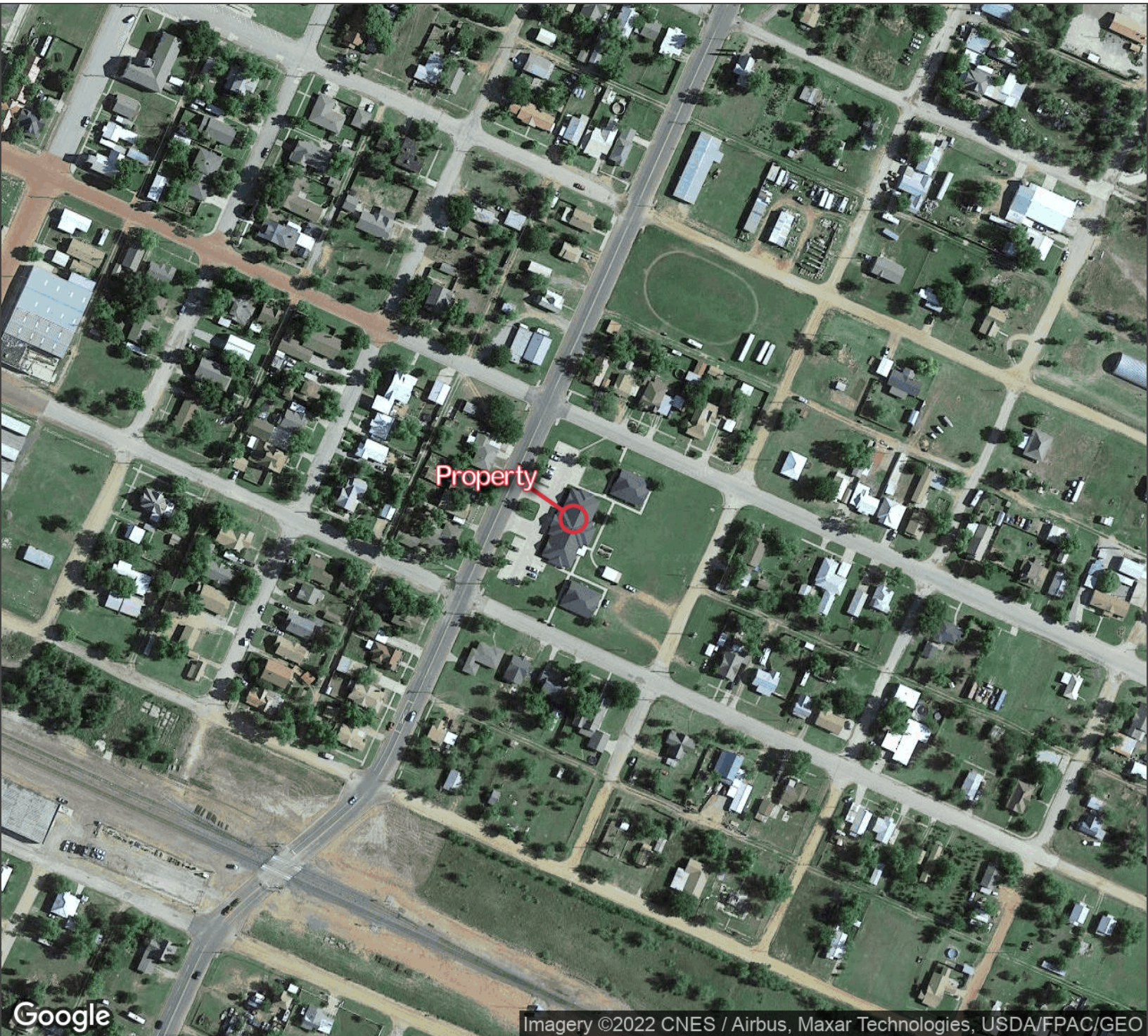
Cottage Village

204 5th St NE, Childress, TX 79201

LOCATION MAPS



AERIAL MAP



3 • FINANCIAL ANALYSIS



UNIT MIX SUMMARY

UNIT TYPE	COUNT	% TOTAL	MARKET RENT
Assisted Living	15	65.2	\$3,500.00
Independent Living Apartment	8	34.8	\$1,575.00
Totals/Averages	23	100%	\$65,100.00

4 • SALE COMPARABLES



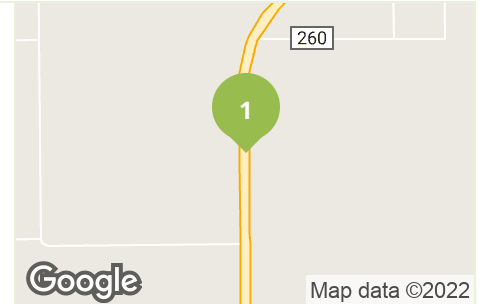
SALE COMPS



BeeHive Floydada

1930 S Rawls Hwy | Floydada, TX 79235

Sale Price: \$1,400,000 **Year Built:** 2006
No. Units: 16 **Price / Unit:** \$87,500



Wilshire Place

6502 4th St | Lubbock, TX 79416

Sale Price: \$5,125,000 **Year Built:** 1994
No. Units: 48 **Price / Unit:** \$106,770
Closed: 04/01/2015



Wedgewood South

9812 Vinton Ave | Lubbock, TX 79424

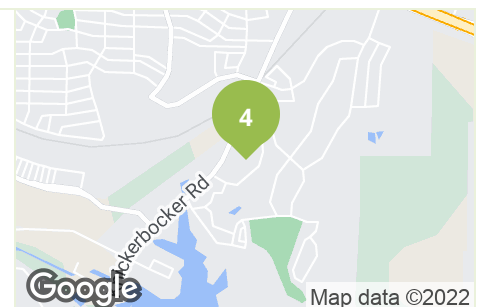
Sale Price: \$5,100,000 **Year Built:** 1997
No. Units: 68 **Price / Unit:** \$75,000
Closed: 08/01/2015



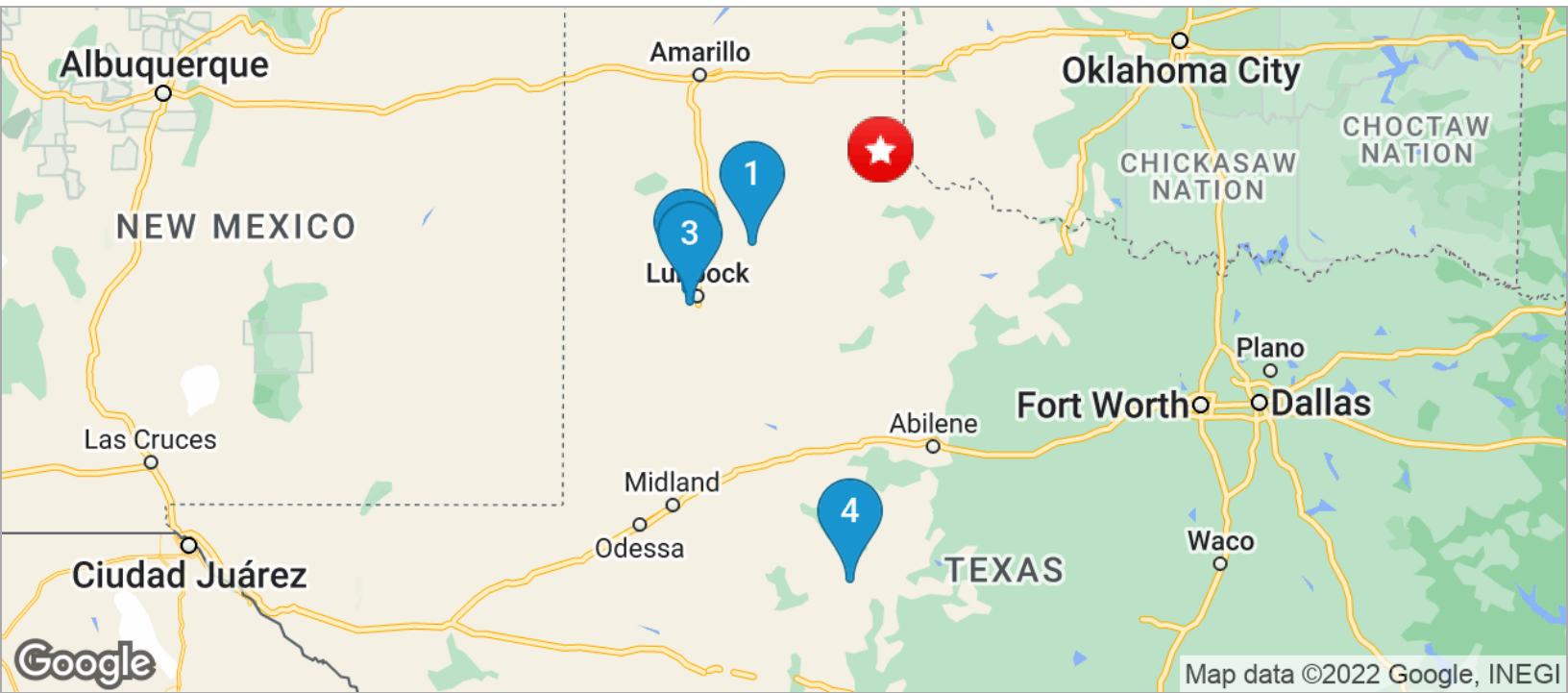
BeeHive of San Angelo

2501 Sawgrass Drive | San Angelo, TX 76904

Sale Price: \$4,900,000 **Year Built:** 2012
No. Units: 32 **Price / Unit:** \$153,125
Closed: 02/01/2016



SALE COMPS MAP



SUBJECT PROPERTY

204 5th St NE | Childress, TX 79201



BEEHIVE FLOYDADA

1930 S Rawls Hwy
Floydada, TX 79235



WEDGEWOOD SOUTH

9812 Vinton Ave
Lubbock, TX 79424



WILSHIRE PLACE

6502 4th St
Lubbock, TX 79416



BEEHIVE OF SAN ANGELO

2501 Sawgrass Drive
San Angelo, TX 76904

5 • RENT COMPARABLES



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RENT COMPS



BeeHive of Floydada

1230 S Ralls Hwy | Floydada, TX 79235

Lease Rate: \$3,450 / month **Space Size:** SF
Bldg Size: 0 SF **Lot Size:** 0 Acres
No. Units: 16



Santa Fe Place

3404 SW 5th St | Plainview, TX 79072

Lease Rate: \$4,043 / month **Space Size:** SF
Bldg Size: 0 SF **Lot Size:** 0 Acres
No. Units: 43



BeeHive of Plainview

1435 Lometa Dr | Plainview, TX 79072

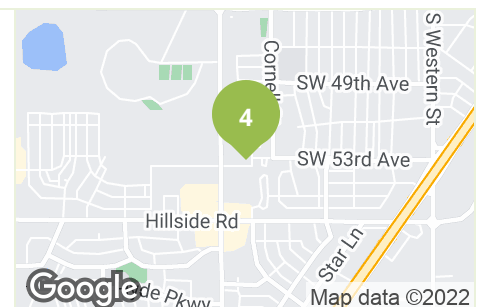
Lease Rate: \$4,500 / month **Space Size:** SF
Bldg Size: 0 SF **Lot Size:** 0 Acres
No. Units: 16



BeeHive of Amarillo

5800 SW 54th St | Amarillo, TX 79109

Lease Rate: \$4,200 / month **Space Size:** SF
Bldg Size: 0 SF **Lot Size:** 0 Acres
No. Units: 16



RENT COMPS

5



BeeHive of Lubbock

2105 W Loop 289 | Lubbock, TX 79407

Lease Rate: \$4,000 / month **Space Size:** SF
Bldg Size: 0 SF **Lot Size:** 0 Acres
No. Units: 16



6



BeeHive of Levelland

140 County Road | Levelland, TX 79336

Lease Rate: \$4,000 / month **Space Size:** SF
Bldg Size: 0 SF **Lot Size:** 0 Acres
No. Units: 14



7



BeeHive of Lamesa

109 N 27th St | Lamesa, TX 79331

Lease Rate: \$3,500 / month **Space Size:** SF
Bldg Size: 0 SF **Lot Size:** 0 Acres
No. Units: 16



8



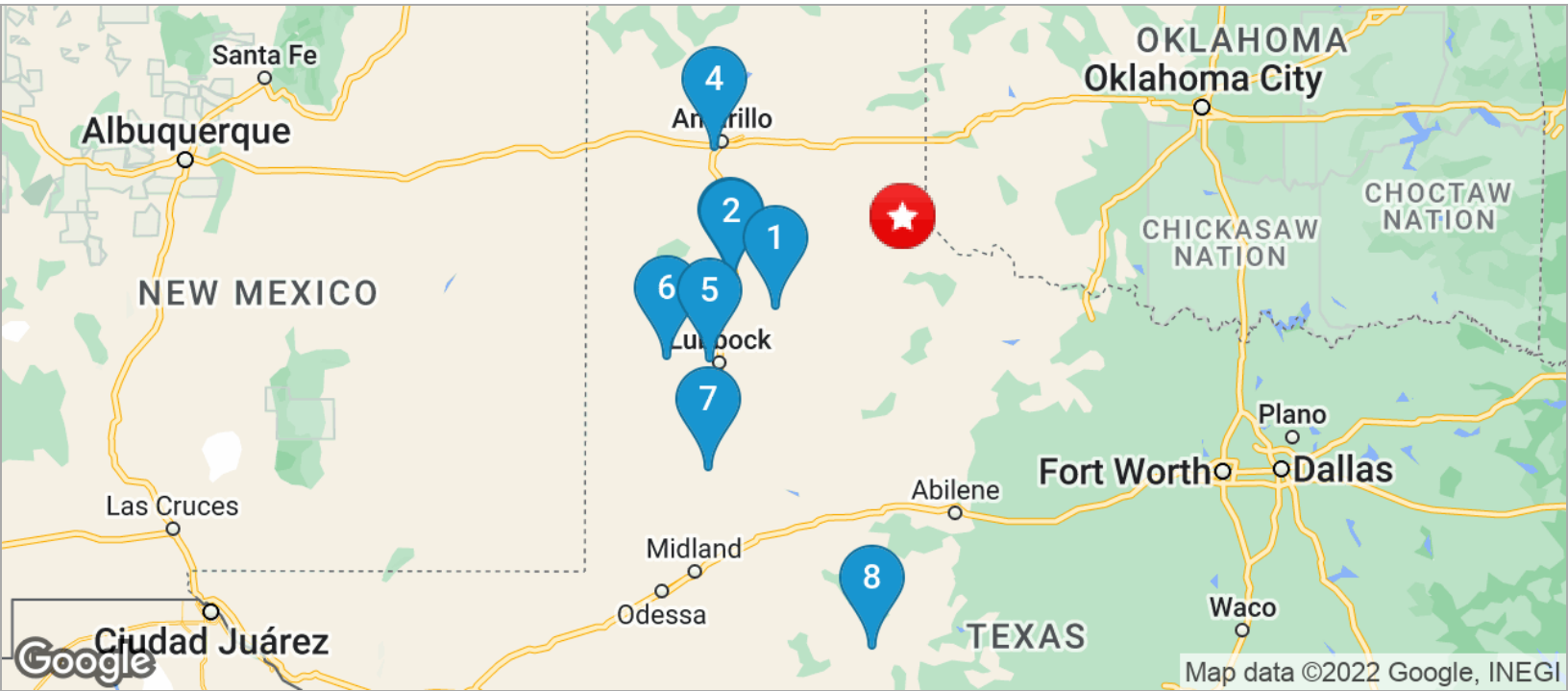
New Haven

2501 Sawgrass Drive | San Angelo, TX 76904

Lease Rate: \$4,000 / month **Space Size:** SF
Bldg Size: 0 SF **Lot Size:** 0 Acres
No. Units: 32



RENT COMPS MAP



SUBJECT PROPERTY

204 5th St NE | Childress, TX 79201



BEEHIVE OF FLOYDADA

1230 S Ralls Hwy
Floydada, TX 79235



BEEHIVE OF PLAINVIEW

1435 Lometa Dr
Plainview, TX 79072



BEEHIVE OF LUBBOCK

2105 W Loop 289
Lubbock, TX 79407



BEEHIVE OF LAMESA

109 N 27th St
Lamesa, TX 79331



SANTA FE PLACE

3404 SW 5th St
Plainview, TX 79072



BEEHIVE OF AMARILLO

5800 SW 54th St
Amarillo, TX 79109



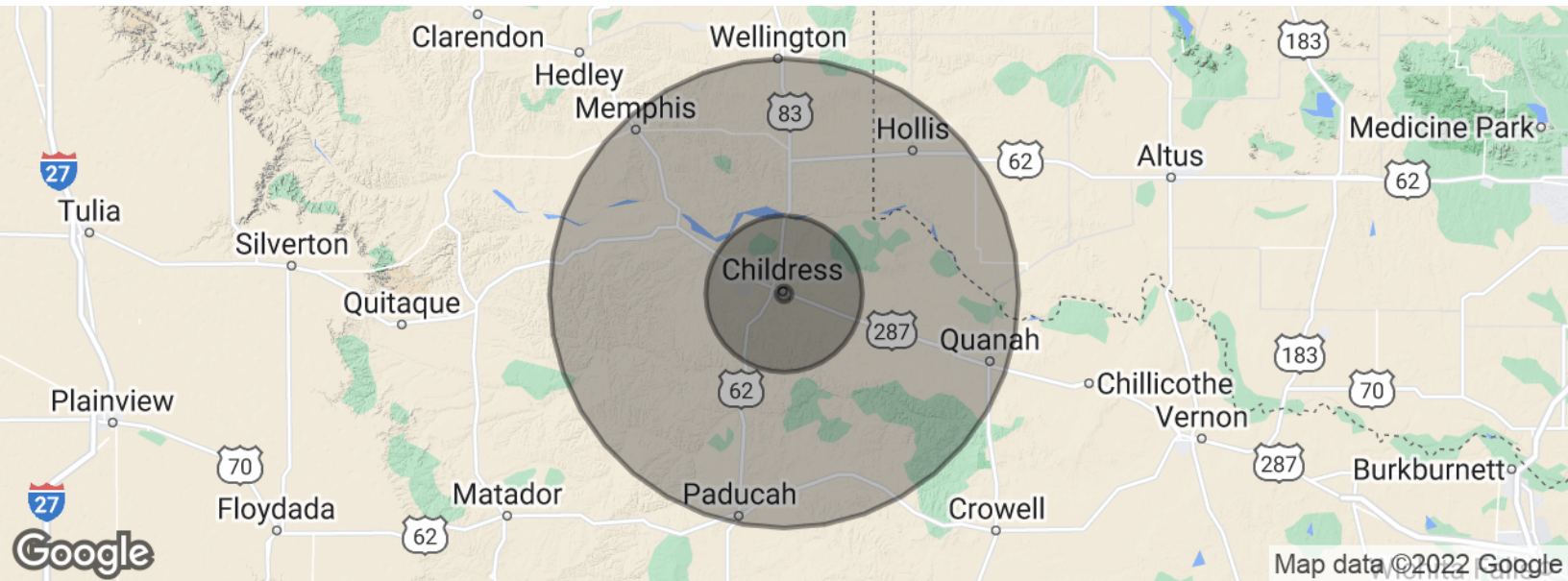
BEEHIVE OF LEVELLAND

140 County Road
Levelland, TX 79336



NEW HAVEN

2501 Sawgrass Drive
San Angelo, TX 76904

DEMOGRAPHICS MAP & REPORT

POPULATION

	1 MILE	10 MILES	30 MILES
Total population	10	4,099	39,340
Median age	30.3	32.4	33.4
Median age (Male)	29.7	32.7	33.0
Median age (Female)	32.3	30.7	33.0

HOUSEHOLDS & INCOME

	1 MILE	10 MILES	30 MILES
Total households	2	1,013	13,036
# of persons per HH	5.0	4.0	3.0
Average HH income	\$86,931	\$36,022	\$71,921
Average house value	\$230,684	\$119,157	\$159,857

* Demographic data derived from 2010 US Census

6 • ADVISOR BIOS

WestMark
COMMERCIAL

TCN
WORLDWIDE
REAL ESTATE SERVICES

MULTIFAMILY INVESTMENTS

160 OFFICES | 24 COUNTRIES | \$63.7 BILLION IN SALES

DALLAS | HOUSTON | LUBBOCK | NEW YORK | CHICAGO | LOS ANGELES | SAN FRANCISCO | TORONTO | MEXICO CITY | LONDON | PARIS | DUBAI | HONG KONG

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TX #0421600

PRIMARY SPECIALTIES

- Multifamily Investment Sales
- Multifamily Land Development
- Multifamily Syndication
- Auction/Tender Offerings

EXPERIENCE**Current**

- TCN Worldwide | WestMark Commercial / WestMark Farm & Ranch / WMCbid.com, Managing Director, April 2013 – Present
- Heath Property Advisors, Owner, March 2014 - Present

Previous

- Valbridge Property Advisors (Blosser Appraisal), Senior Appraiser, October 2009 – March 2014
- Lonestar Commercial, Owner/Partner, July 2003 – September 2009
- Texas Tech University Rawls College of Business, Lecturer Real Estate Development (FIN 4336), January 1998 – December 1999
- Westar Commercial Realty, Manager, August 1996 – March 2000
- Coldwell Banker Commercial, Retail Specialist, August 1995 – August 1996
- Real Estate Research Corporation, Appraiser, May 1993 - August 1995

PUBLISHED

- Rags to Riches Real Estate Secrets, Reached Amazon Kindle's #1 in Real Estate and #10 in Non Fiction categories in 6 months.

LICENSES & MEMBERSHIPS

- Certified General Appraiser No. TX—1380173-G
- Real Estate Broker No. TX—0421600
- Member ICSC, International Council of Shopping Centers

REAL ESTATE EDUCATION

- Bachelor of Business Administration in Economics, Texas Tech University
- Master of Land Economics and Real Estate, Texas A&M University



Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

WestMark Commercial TCN Worldwide	9000344	info@westmarkcommercial.com	806.794.3300
Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
Amie Henry	TX #622547	ahenry@westmarkrealtors.com	806.776.2803
Designated Broker of Firm	License No.	Email	Phone
Marty Cleckler	TX #0421600	mcleckler@westmarkcommercial.com	806-794-3300
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
Marty Cleckler	TX #0421600	mcleckler@westmarkcommercial.com	949.438.3575
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date