

BUSINESS PLAN FOR REAL ESTATE DEVELOPMENT OPPORTUNITIES



SENIOR HOUSING DEVELOPMENT

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CB&C DEVELOPMENT REAL ESTATE INVESTMENT OPPORTUNITY**1. EXECUTIVE SUMMARY**

The following outlines the business venture presented by CB&C Corporation ("CB&C") for the purchase and renovation of existing and/or the development and construction of new Senior Care Living Facilities across the Western and Southwestern United States. Included in this definition are Assisted Living, Skilled Nursing and Alzheimer's Facilities, all major components of the senior housing industry. This business plan lays out a simple strategy for realizing medium-term, high-yield gains while minimizing risk. This investment opportunity is focused on individual projects and not the company itself.

1.1 OBJECTIVE

The primary objective of this venture is to acquire property that fits the criteria as a Senior Care Living Facility at below-market rate/distressed prices. Our over four decades of real estate development experience, land and building acquisition, value added assessments, entitlement processing and construction capabilities, allow us to realize higher yields than industry standards. CB&C then leases the property to an experienced tenant/operator to run the facility until "full-occupancy" stabilization occurs and the property can be held or sold to a qualified buyer, such as a REIT.

1.2 BUSINESS PREMISE

The success of our business premise is predicated on three key factors: 1) distressed existing facilities 2) depressed land prices and, 3) high market demand for Senior Care Living Facilities. The Baby Boomer generation (and its substantial population base) is entering the age segment (65+) that makes up the overwhelming majority of demand for senior care living.

1.3 TARGET ASSETS

Demographic, economic and market demand data guides our hand in target acquisitions. We use a proprietary research method to determine the cities and counties most suitable for development and then use our established network of contacts and resources within the real estate industry to locate specific acquisitions.

1.4 QUALIFICATIONS

CB&C is a full-service real estate development and program management company that incorporates the entire development process in its acquisitions. The management team is fully experienced in all aspects of property and real estate development.

1.5 FINANCIAL PROJECTIONS

Our financial model indicates that the "typical" assisted living facility is anticipated to generate a very attractive return for investors based on a three year investment horizon. Performance varies with each individual project and is provided in each Project Offering Memorandum.

1.6 INVESTOR PARTICIPATION

Joint Venture opportunities exist for knowledgeable investors alongside CB&C in capitalizing on senior living redevelopment of existing Senior Care Living Facilities and also ground-up construction projects that have stalled as a result of the current recession. CB&C will consider equity investors for full or partial participation in these highly sought-after opportunities through a project specific Limited Liability Corporation [LLC].

In most instances, even in this credit market, financing is available for the acquisition and development of Senior Care Living Facilities. These loans are generally 70% LTV and may not require debt service payments until the property has stabilized rents. Based on a "typical" project requiring 30% equity, CB&C would require a commitment of roughly \$3 to 5MM per project. The initial goal of CB&C to develop 3 to 5 properties in the coming year (2010) with an expansion to twice that number by 2011. The financial commitment could range from \$3.0MM to over \$17MM depending on the number of projects a financial partner would prefer to be involved in.

2. BUSINESS STRATEGY & IMPLEMENTATION SUMMARY

2.1 OBJECTIVE

The primary objective of this venture is to acquire and develop multiple repetitive properties that fit the criteria as a Senior Care Living Facility at distressed prices and to take advantage of the surge in demand for senior living going forward. The combination of our long term acquisition experience, value engineering and today's current real estate market allows us to realize higher yields than industry standards. CB&C then brings in an experienced operator to run the facility until stabilization occurs and a determination is made based on market conditions to either keep or sell the property to a qualified buyer, such as a REIT.

2.2 BUSINESS PREMISE

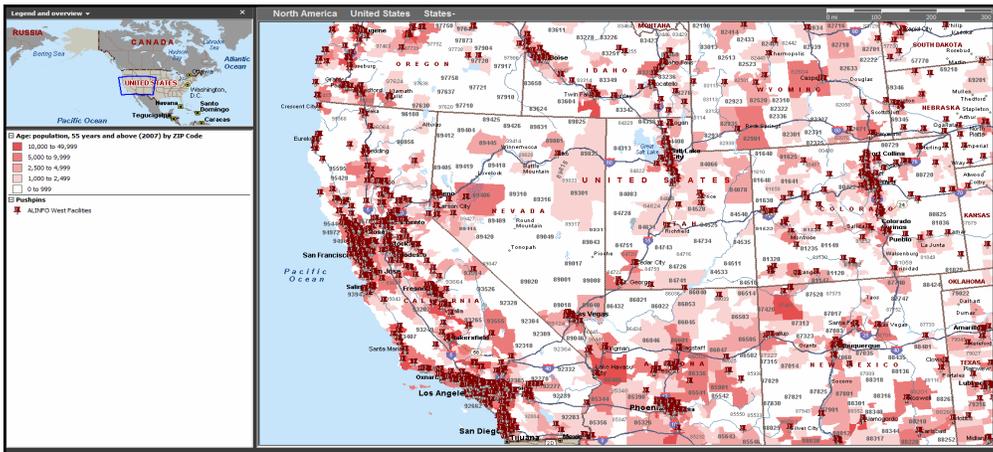
The success of our business premise is predicated on the following key factors:

- **Distressed Acquisition Prices:** Senior Care Living Facility opportunities can be either existing or can be built in residential or commercial zoned areas. Over the past several years, the market for Senior Care Living Facilities was typically traded in the approximate range of \$80/SF to \$160/SF, depending, the same are now available from \$30 to \$120/ SF, increasing the potential yield for these projects substantially.
- **Strong Senior Living Demand and Growth:** The Baby Boomer generation is working its way into the age bracket (65+) most closely associated with Assisted Living demand. In the year 2010, the Assisted Living Federation of America (ALFA) indicates there should be an estimated overall potential demand of 40.2 million seniors. It is also expected that demand should grow to an overall demand of 63.5 million seniors by 2025. Based upon an absorption rate of 100 to 180 units per project, this environment creates a very real immediate need for new assisted living units to supply this unmet demand.

2.3 GEOGRAPHIC FOCUS

Although CB&C is based in Southern California, we have significant development experience in multiple states and over numerous metropolitan areas. Our market research assists in determining which markets to focus on. Preliminary research indicates locations in the Pacific and Sun Belt regions (California, Oregon, Washington, Idaho, Utah, Nevada, Arizona, Texas, New Mexico) will initially serve as primary targets.

2.4 ACQUISITION STRATEGY



The acquisition process is fairly simple in that the selection of potential properties has already been narrowed down by geography, size, and demographic information provided by our own primary research. CB&C is evaluating markets in which to acquire projects based on demographics, existing supply, short term and long term competitive behavior, as well as estimated market demand. CB&C anticipates finding acquisitions internally, as well as through independent brokers, consultants, other developers, health care organizations, operators, and financial institutions. Selections are based on several factors including economics, accessibility, immediate adjacencies, and community perception. Market feasibility studies will be completed for each site and will include evaluations of all similar competitors, extensive interviews with key community sources, health care operators/ providers, and demographic studies.

2.5 DISPOSITION / EXIT STRATEGY

We anticipate forming strategic partnerships with REITs and various other investors and/or buyers focused on acquiring senior living facilities as part of their investment portfolio. Disposition shall take place upon occupancy stabilization with pricing consistent with timely disposition. We are currently in discussion with several REITs to form this type of partnership.

2.6 PROPRIETARY ACQUISITION MODEL

CB&C uses a proprietary site selection program for analyzing potential acquisitions that can rapidly analyze the supply and demand. This visual acquisition model combines key economic and demographic factors with our database of over 16,000 active assisted living facilities to determine general supply and demand trends of any finite geographical area in the United States. This model is a crucial part of narrowing our time and geographic focus to acquire new projects in areas that currently are under-supplied or possess above-average levels of demand.

3. SUMMARY

This Business Plan is provided for informational purposes only. Additional information shall be provided on a project by project basis upon request. As we move forward, CB&C Corporation is continually seeking interested moneyed investors and/or joint-venture partners to participate in what we have determined to be well-thought out real estate development goals and plans. CB&C has been studying and evaluating the senior housing industry concluding that the existing demand along with this emerging Baby Boomer demand is in fact very real, even in this depressed economy. CB&C is aggressively pursuing its plan to capture an early share of significant profits in this evolving market demand, before it becomes more competitive and profits are diluted.

