



Medella Arbor

AN INSPIRING
APPROACH
FOR NEXT
GENERATION
ASSISTED
LIVING HOMES

VISION

Americans in their later years often need extra help with the activities of daily life such as cooking, cleaning, bathing, or managing medications. Assisted Living homes today use archaic modes of care that have not changed in decades. Their approaches fail to take advantage of technology or modern scientific knowledge and provide no purpose for the residents. It is well-established that older people who have a sense of purpose enjoy life and can “maintain physical strength, function and mobility as they age”.¹

At the same time, there is a huge influx of new residents occurring, a veritable ‘grey tsunami’, as the baby boomers age. Demographics show that the number of assisted living units needed will double this decade.

Medella Arbor creates a unique living environment offering each resident a space to call their own. This cultivates an environment which becomes a home in every sense.

The design of Medella Arbor enables support and care to be provided to residents within their own space, an individual home on our campus. We also offer high levels of care, including memory care, nursing care, and hospice in our group homes. The transition from one level of support to another is seamless. Our assistance goes beyond our residents, helping their families – relieving them of some of the most challenging aspects of caregiving and enabling them to focus on enjoying the time they spend together, being part of their lives.

¹ <https://time.com/4903166/purpose-in-life-aging/>



MEDELLA ARBOR

RAL Homes LLC was founded in 2019 and is the parent company for Medella Arbor. The concept is to develop an innovative approach to assisted living that addresses the huge shortfalls and archaic practices common in most assisted living homes. We apply advanced technology from [CarePredict](#) - similar to an Apple Watch - with artificial intelligence (AI) algorithms incorporated that can automatically detect falls, detect urinary tract infections early, notice changes in eating or movement patterns that may signal decline, and enable caregivers to provide better care with less wasted effort. We use the [RECODE protocol](#) to tailor treatment to each resident to prevent or even reverse Alzheimer's. Medella Arbor's unique contribution is identifying these advanced technologies and improved care regimes and bringing them together to transform the assisted living experience.

Over the past few years, the Medella Arbor team has honed their approach and is now ready to create the communities that support residents as they age.



A sense of purpose supports physical strength, function, and mobility.

Our strategy is to build integral communities with the assisted living homes, nursing care, and home health care all on the same campus. We build greenhouses to grow organic food indoors year-round for our residents. Excess food is also shared with the community at a farmers' market and through collaboration with local food banks. We include a boutique hotel so that family and friends can easily visit our residents. Retail spaces adjacent to the homes are focused on goods and services needed by our residents like pharmacies, hair salons, restaurants or coffee shops, fitness centers, and medical offices.

At Medella Arbor we make valuable contributions to our residents, our communities, and our planet.



CHALLENGE

Most assisted living homes are large buildings with 60+ units and many have hundreds of units. This style of residential environment accounts for more than 75% of the total beds available. The majority of Americans have lived in a house their entire lives. To force someone when they are older and vulnerable to live in a radically different structure is a shock to their system. This change is especially challenging for residents with dementia who are less capable of understanding what is happening.

The average assisted living facility is focused on controlling costs, allocating one caregiver for 8-15 residents. While this approach is legal, it is not optimal. Group homes exist as an alternative, usually with 4-16 residents. This model is better for the residents and more human in scale. But these homes often fail because the manager must wear many hats: caregiver, administrator, marketer, cook, home maintenance, bookkeeper. It is rare to find a manager who can fill all those roles with a high level of competency.

SOLUTION

Medella Arbor combines the advantages of the two approaches. By creating more intimate living situations with 16 bed homes, similar to a group home, organized in campuses, we still achieve the economies of scale that make an assisted living facility sustainable. We provide many of the managerial services at a central office and engage home managers who can focus on caregiving and staff management – skill sets much easier to find. There will be one caregiver for every 4-6 residents and our smaller group home means that the caregiver has almost constant interaction with each resident. No one is ignored.

Transform assisted living.

We will transform the assisted living industry by building net zero small homes organized in campuses using advanced construction techniques like 3D printing. Residents will enjoy a better life with delicious farm-to-table meals. Advanced technology, including sensors backed by artificial intelligence (AI), will guide caregivers, and dramatically reduce situations such as falls and urinary tract infections. State-of-the-art memory care protocols will be engaged to improve cognitive ability, not just slow the decline.

Most importantly, we help residents find purpose in their lives through handing down their wisdom and life experience, volunteering or working as they are able, and being involved in the community.

MARKET & COMPETITION

Assisted living in the United States of America reached over \$90 billion in 2022. The expected growth rate is estimated at more than 5% year over year through the end of the decade. By 2060, there will be 95 million Americans over the age of 65 – nearly double the size of the same population segment in 2018. ²

² <https://www.grandviewresearch.com/industry-analysis/us-assisted-living-facility-market>

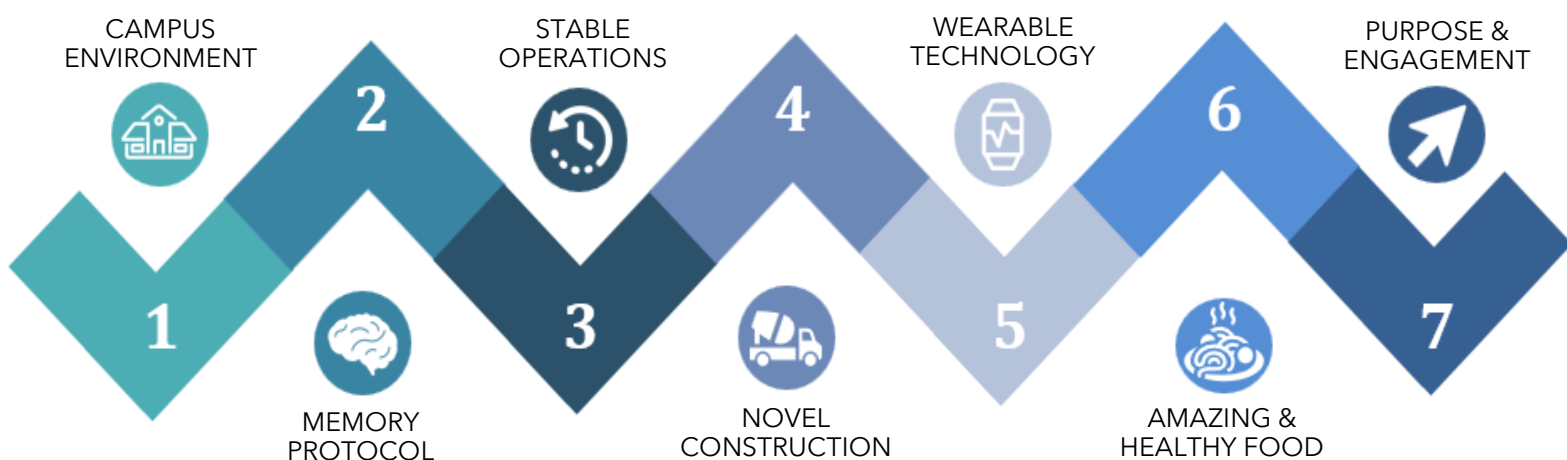
Looking at Texas as a subsection of the market, growth is outpacing national trends. The state population is expected to grow at an annual rate of 6% over the next few years.³ A temperate year-round climate combined with proximity to cities and towns offering good jobs, schools, and affordable living create a complex draw for people aging beyond retirement. They can live close to adult children and grandchildren, enjoying nice weather and regular contact with their families.

Providing right-sized homes and compassionate staffing levels to deliver optimized care will distinguish us within the industry. But that is only the beginning. The most important difference between Medella Arbor and other approaches to assisted living is providing beauty and purpose for our residents' lives. We will further improve care using technology that is commercially available but not widely used. Resident health will be improved through incorporating the best in diet, nutrition, and wellness care.

Medella Arbor will set a new standard in assistance living, becoming the preferred choice for aging Americans and their families. Residents will enjoy a better quality of life, finding purpose within the design of our communities.

PLAN

Medella Arbor advantages in care and quality of life will position us as a preferred option wherever we create our communities. There are also cost advantages in construction by using 3D printing and other construction efficient techniques. We project that we can construct our communities for less than 70% of the costs of our competitors and our facilities will be more beautiful and elegant than our competitors. Our homes are built to last, potentially for hundreds of years where our competitor products will noticeably age in only a few years because of the ineffective construction techniques commonly applied.



³ <https://www.bizjournals.com/houston/news/2022/11/01/why-texas-is-experiencing-senior-living-growth.html>



TEAM

Founders Steve Streetman and Danielle Vest bring a wealth of experience founding and running companies. The strong core leadership is complemented by excellent partnerships with organizations that are prepared to execute all phases of our projects.

STEVE STREETMAN

Chief Executive Officer

Deep commercial real estate expertise, data scientist, tech company leadership experience

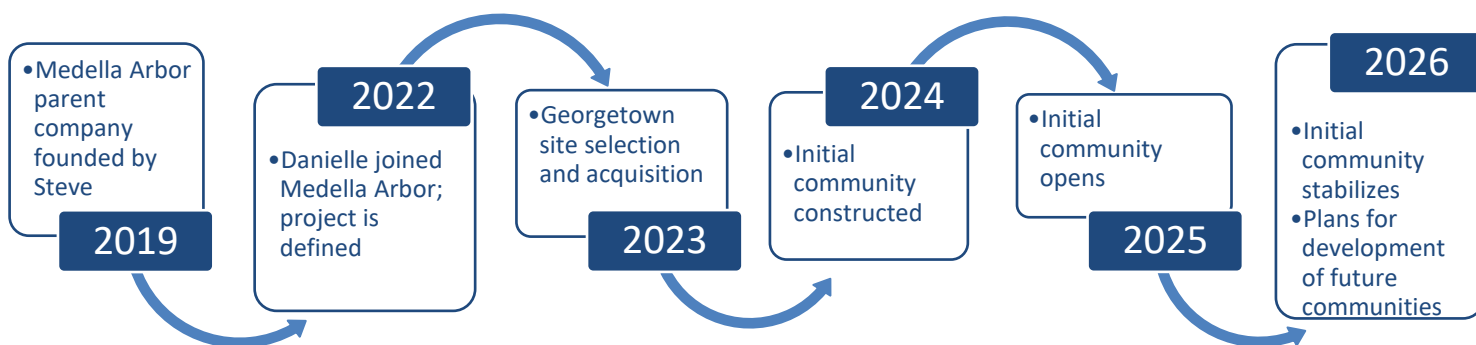
DANIELLE VEST

Chief Operating Officer

Founded staffing company and national maintenance company with high-profile client portfolio

MILESTONES

Medella Arbor is seeking funding to initiate construction for the initial two sites. The following milestones are based on securing investment and the first property in 2023. Site selection must meet our qualifications: 10-20 acres, zoning that aligns with our business model, a neighborhood that supports the concept, and a jurisdiction that allows our construction methods. Property in Georgetown, TX has been identified as an ideal target for the premier location.





FINANCIALS

We are seeking \$26 million to progress the business forward. The initial site can be secured and constructed will be started once \$13 million has been raised.

Operating Statements	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue					
Assisted Living Facility Beds	1,612,800	1,919,232	10,075,968	10,579,766	11,762,211
Food Sales (Greenhouse)	0	1,155,000	1,732,500	2,310,000	2,379,300
Retail Rent	0	0	630,000	927,000	954,810
Apartments - Short-term rentals	0	0	11,406	14,098	16,941
Apartments - Long-term rentals	0	0	4,200	8,652	11,458
Home Health Services (off-site)	720,000	1,190,400	2,812,320	4,429,404	5,115,962
Net Income	2,332,800	4,264,632	15,266,394	18,268,921	20,240,681
Operating Expenses					
Maintenance	4,000	4,120	21,218	21,855	22,510
General Payroll & Benefits	1,350,000	1,350,000	4,250,000	4,462,500	4,685,625
Home Health Payroll & Benefits	504,000	833,280	1,968,624	3,100,583	3,581,173
Marketing	50,000	100,000	75,000	78,750	82,688
Greenhouse Operations	-	80,000	90,000	92,700	95,481
Real Estate Taxes	54,270	54,270	271,350	279,491	287,875
Utilities	45,600	54,264	284,886	299,130	332,563
Food and supplies	76,800	89,651	461,704	475,555	518,634
General, admin + entertainment	13,920	16,249	83,684	86,194	94,002
Insurance	34,900	34,900	174,500	179,735	185,127
Total Operating Expenses	2,133,490	2,616,734	7,680,965	9,076,492	9,885,679
Pre-Tax Income	199,310	1,647,898	7,585,429	9,192,428	10,355,003

This forecast is based on a pragmatic approach which includes acquiring two existing assisted living homes as a starting point, with the immediate addition of home health services. Principals Steve Streetman and Danielle Vest will manage the business while overseeing construction of the new assisted living community in Georgetown.

Projections are based on industry knowledge of existing operations, along with targets for occupancy and rate growth in the coming years.

Operating Statements	Year 1	Year 2	Year 3	Year 4	Year 5
Occupancy and rates					
Assisted Living Bed Occupancy Rate	75%	85%	85%	85%	90%
Available ALF Beds	32	32	160	160	160
Occupied ALF Beds	24	27	136	136	144
Number of Facilities	2	2	10	10	10
Monthly avg rev per bed - \$5.6k + 6% y/y	5,600	5,880	6,174	6,483	6,807
Maintenance cost per bed - \$125 + 3% y/y	125	129	133	137	141
Utility costs per bed occ - \$1.9k + 3% y/y	1,900	1,995	2,095	2,199	2,309
Food and supplies per bed occ - \$3.2k + 3% y/y	3,200	3,296	3,395	3,497	3,602
Gen, admin, entmt per bed occ - \$580 + 3% y/y	580	597	615	634	653
Home Health Service clients	10	16	36	54	59
Home Health Service mthly rev per client	6,000	6,200	6,510	6,836	7,177



INVESTMENT STRATEGY

Medella Arbor will be offering this investment opportunity through Fairmint funding portal, using an exciting new investment model called the Continuous Agreement for Future Equity (CAFE). The minimum investment is 25,000 tokens at \$10 per token, and the investor must hold these tokens for a minimum of 12 months before reselling. \$26,000,000 will be raised using CAFE.

Profit sharing with investors is estimated to begin in Year 3; timing will be based on revenue growth. Each year a percentage of funds will be allocated based on available funds after expenses.

12 Reasons a CAFE is a Better Fundraising Option

For Entrepreneurs

- Perpetual Offering
- Fixed Dilution
- Seamlessly integrated with company website
- Operates standalone or in tandem with other fundraising activities
- Diverse investor community
- Unlimited, unrestricted solicitation

For Investors

- Invest frequently
- Digital tokens registered on the Blockchain
- Automated market system:
 - *Fast-track verification*
 - *Liquidity*
 - *24/7/365 Reporting*



CONCLUSIONS

Principals Steve Streetman and Danielle Vest are seeking \$26 million investment build transformative assisted living communities with Medella Arbor. The first new-build community is targeted for Georgetown and will include eight facilities, alongside a greenhouse and expansive property.

This is the opportunity to be on the ground floor of a fundamental change in assisted living communities. Medella Arbor will be improving the lives of aging Americans using an operating structure that is simultaneously able to deliver substantial long-term profits.

Helping an 82-year-old recover her cognitive abilities and recognize her daughter again is a return beyond calculation. Providing the kind of care and support we will deliver without adding carbon to the atmosphere or harmful impact to the community is a gift to the planet. Creating a work environment that values its people and is generous to our neighbors touches many lives beyond our residents, their families and friends, and the entire community.

Join Medella Arbor in the mission to make a person's last years their best years.



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5th Avenue Capital

Private Funding from \$10M to \$2B