



SLF 1031 Decatur DST | Offering Summary

Monthly Cash Flow.
Bonus Rent Structure.
Proven Operator.

7.44% PROJECTED AVERAGE
ANNUAL CASH FLOW

9.07% PROJECTED 5-YEAR XIRR

33.99% TRUST LTV

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A group of five people, three men and two women, are standing on a beach, looking out at the ocean. They are all wearing light-colored clothing. The man on the far left is wearing a white shirt and glasses. The woman next to him is wearing a red hat and a white lace dress. The man in the center is wearing a light blue shirt. The woman next to him is wearing a white and black patterned dress. The man on the far right is wearing a light blue shirt. They are all looking out at the ocean, which is calm and blue. In the background, there are mountains under a clear sky. The overall mood is peaceful and serene.

Table of Contents

Executive Summary 3

Offering Summary 6

Operator/Master Tenant Overview 8

Capital Provider Overview 9

Risk Summary 10

Sponsor

SLF 1031, LLC

SLF 1031, LLC is a joint venture between both Senior Living Fund, LLC and Bridge Capital Management, LLC that invests in senior housing using Delaware Statutory Trusts (DSTs) designed to offer the advantages of tax-deferred investing.



Original Owner

Bridge Capital Management, LLC

Bridge Capital Management, LLC (BCM) is a private real estate investment company that invests in various real estate sectors as well as raw land, development, and speculative assets and opportunities. BCM is the parent company of both Senior Living Fund, LLC and SLF 1031, LLC and initially purchased the subject property in December 2018. BCM partnered with SLF to create SLF 1031, LLC, the Sponsor of the Offering.



Capital Partner

Senior Living Fund, LLC

Senior Living Fund, LLC (SLF) is a private equity company formed to underwrite and manage a diversified portfolio of healthcare real estate investment funds with a focus on senior housing. Senior Living Fund, LLC provides capital to senior housing developers and operators across the USA.

As of March 2021, Senior Living Fund has approximately \$100,000,000 under management with active investments in 24 unique locations throughout the US.



Operator/Master Tenant:

Carriage Crossing Senior Living

Carriage Crossing Senior Living (CCSL) develops, constructs, owns and manages assisted living and memory care communities in Central Illinois. CCSL and SLF have successfully partnered together on several previous senior housing communities including nearby Carriage Crossing Senior Living- Arcola, Bloomington, Champaign, and Rochester.



Exceptional Care. Extraordinary People.

Offering Highlights

Renovation Cost • \$10,198,641
Value as Is • \$11,600,000
Gross Trust Value • \$14,706,101
Debt Financing • \$5,000,000
Net Trust Value • \$9,706,101
Equity Raise • \$9,220,796
Leverage Ratio • 33.99%
Projected 5 Year XIRR • 9.07%



Carriage Crossing Decatur is a 65-bed Assisted Living and Memory Care facility situated on a 3-acre parcel in the city of Decatur, IL. The 46,800 square foot building was converted from a Skilled Nursing facility and renovated by SOAR Development & Construction throughout 2019 and 2020.

Renovations were extensive and included significant demolition and replacement, resulting in 40 Assisted Living units and 25 Memory Care units. Self-contained room ventilation units are included in every bedroom to limit the spread of contagious infections, including influenza and COVID-19. Other features include fully upgraded residents' suites with nurse call service, fully upgraded common area amenities, landscaped outdoor courtyards and patios, computerized marketing, billing and revenue management systems, and other amenities designed to create a community environment that is fully compliant with modern operating and safety standards and guidelines.

The design for the Decatur renovation was completed by BLDD Architects, with more than 35 years of experience designing and transforming the landscape of senior living developments. The single-story Assisted Living and Memory Care community is laid out to meet the desires of today's seniors, providing lifestyle amenities and services as well as personal care services that can grow with changing needs.



SLF 1031 Decatur DST offers investors the opportunity to directly own a fractional interest in a recently converted senior housing community in Decatur, Illinois.

Direct ownership via DST means the investor receives a portion of the monthly rental income as well as their proportional share of the sale proceeds upon sale of the facility. According to IRS revenue ruling 2004-86, beneficial ownership in a DST meets the requirements of like-kind property for a 1031 exchange, and thus proceeds from the sale of your ownership interests are eligible for capital gains tax deferral.

[View Video Tour](#)[View Virtual Tour](#)

Business Plan

SLF 1031's parent company, Bridge Capital Management, LLC, and Carriage Crossing Decatur, LLC, the Operating Company and Tenant, purchased the underlying asset in December 2018.

Senior Living Fund, LLC (via one of its private equity investment funds) then provided approximately \$10,200,000 in short term debt financing to convert the existing skilled nursing facility into a 65-unit assisted living and memory care facility. The conversion and renovation were completed by SOAR Construction & Development, LLC, another affiliate of the Tenant. Construction was completed in December 2020; shortly thereafter the Trust Manager closed on a \$5,000,000 mortgage loan containing a \$2,300,000 dedicated operating deficit reserve.

Partnering with Carriage Crossing in both the acquisition and construction phase as well as providing the conversion and renovation financing in-house through our fixed income fund allowed us to acquire the property at a much lower cost than if purchased on the open market, and created a unique opportunity for SLF 1031 to provide a DST offering.

The Offering

5 Year Summary of Projected Cash Flows					
	Year 1	Year 2	Year 3	Year 4	Year 5
Base Rental Income	262,874	339,714	363,979	363,979	363,979
Supplemental Rental Income	485,305	592,072	601,778	611,484	621,190
Bonus Rental Income	0	291,183	291,183	291,183	291,183
Debt Service	0	(251,707)	(367,764)	(356,553)	(317,284)
Asset Management Fee	(88,046)	(228,920)	(230,521)	(230,521)	(230,521)
Trust Reserves	(174,827)	(150,269)	(56,877)	223,095	183,826
Projected Cash Flow to DST	485,306	592,073	601,778	902,667	912,373
Projected Cash on Cash Return	6.00%	6.10%	6.20%	9.30%	9.40%

Projected cash-on-cash return is based on a Bonus Rent Master Lease, which serves both the purpose of incentivizing the master lessee and providing upside cash flow to the DST and its beneficial owners.

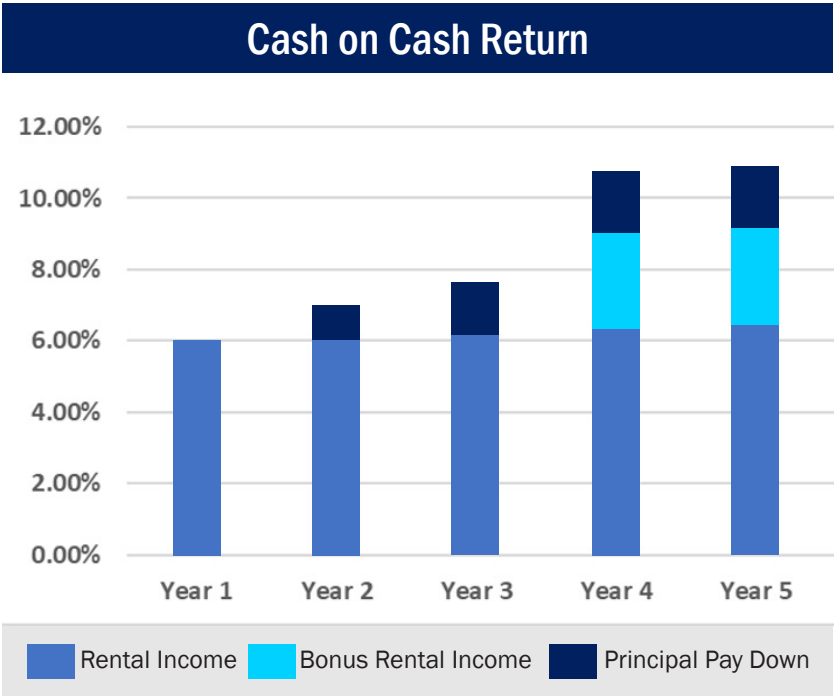
Rent is made up of 3 components (computed as a % of Net Trust Value):

1. Base Rent – Covers debt service, asset management fees, and deposits into the Trust Reserves; Base Rental Income is designed to cover the Trust's expenses and is not passed on to the beneficial owners of the DST
2. Supplemental Rent – Rent amount that is available to be passed on to the beneficial owners, increases by a predetermined fixed percentage each year
3. Bonus Rent – An additional rent amount that is paid to the DST and passed on to its beneficial owners beginning in Year 4, and only when:
 - a. Base Rent and Supplemental Rent have been fully paid
 - b. All Trust Expenses including the Asset Management Fee have been fully paid
 - c. No additional deposits into Trust Reserves are necessary

Bonus Rent is calculated as 3.00% of Net Trust Value, and does not increase throughout the Master Lease term.

Year	Supplemental Rent	Bonus Rent	Total Potential Return
2021	6.00%	0.00%	6.00%
2022	6.10%	0.00%	6.10%
2023	6.20%	0.00%	6.20%
2024	6.30%	3.00%	9.30%
2025	6.40%	3.00%	9.40%

This type of Bonus Rent Structure allows the DST to build and maintain an adequate level of Reserves throughout the life of the Trust while also providing investors the potential for a higher rate of return in Years 4 & 5.



Per IRS requirements, no new capital or cash contributions are permissible throughout the life of the DST, thus it is necessary to establish significant reserves on both the Trust and Operator side to cover any potential future operating deficits resulting in missed or reduced rent payments. The table below outlines the 3 different Reserve accounts to be established as well as the source of each Reserve.

Operating Deficit Reserve	Established at Loan Closing	\$ 2,300,000.00
Contingency Reserve	Established from sale of Beneficial Interests	\$ 250,000.00
Trust Reserves	Established from Rental Income	\$ 350,000.00
		\$ 2,900,000.00

All 3 Reserve accounts are pledged to the Trust, and therefore all unused Reserves are distributed to the DST and its beneficial owners at the time of sale.

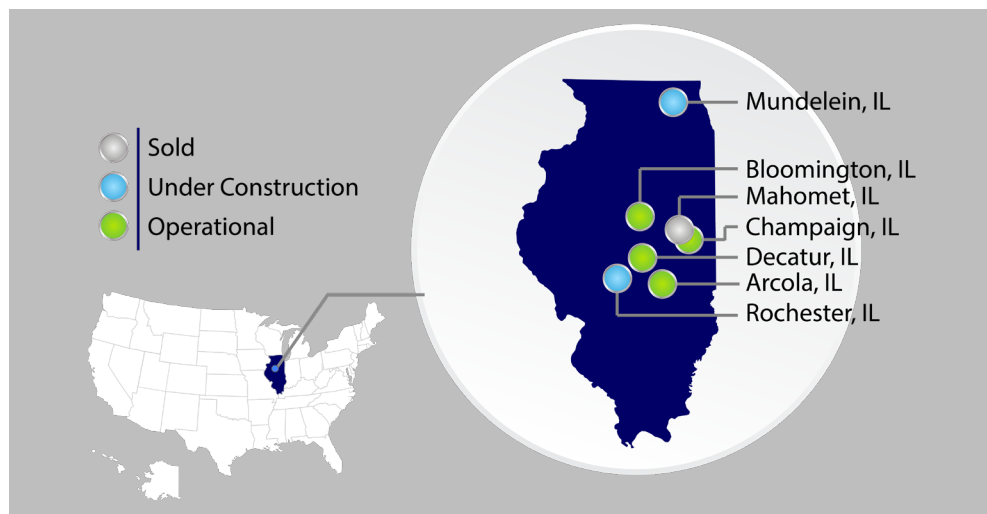




Operator / Master Tenant

Carriage Crossing Senior Living will be the Operator of the Property. CCSL has set the standard for lifestyle, fulfillment, and value to ensure that their residents are well cared for. Their Assisted Living and Memory Care communities are thoughtfully designed to provide residents with a nurturing, comfortable, home-like environment where they can feel confident and in control. Their caring staff provides assistance with activities of daily living such as bathing, grooming, continence management transferring, dressing, medication reminders or administration, diabetes management and nutritional support.

The company's vision for senior living development is unparalleled in operations and resident care. Their communities allow residents to "age-in-place." As seniors age and need more personal care services, they can receive them at Carriage Crossing facilities, allowing seniors and their loved ones to know they have chosen a community that can meet their needs both today and tomorrow.



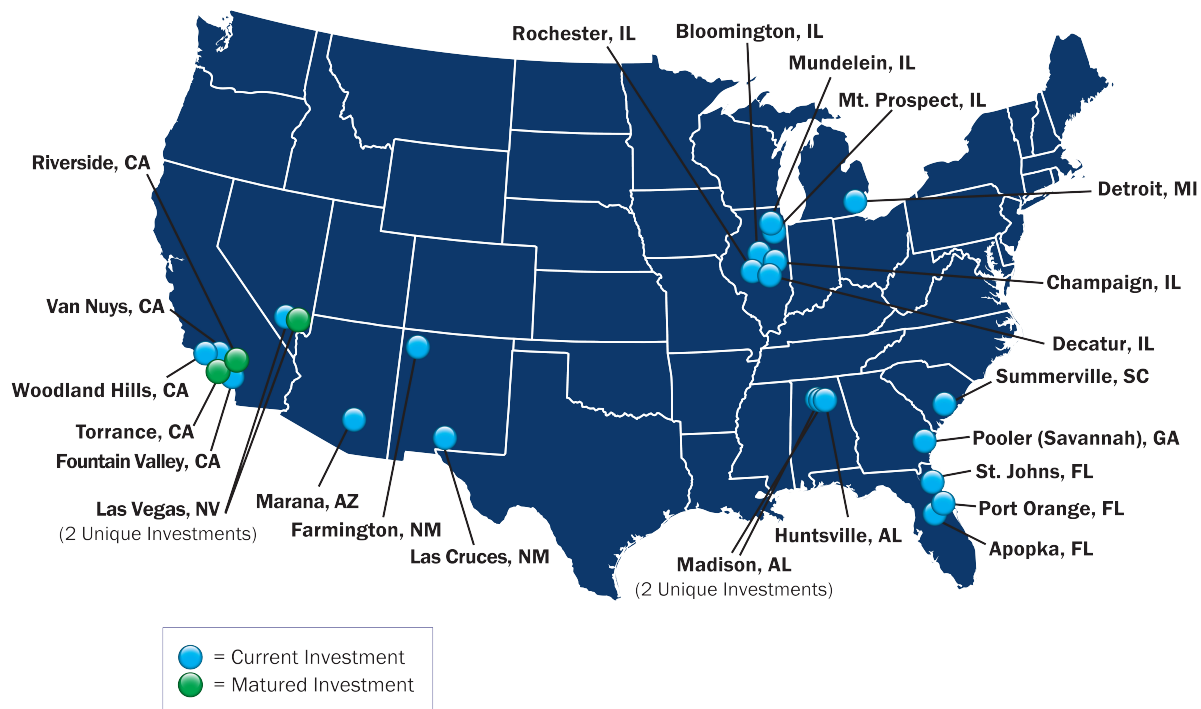
SLF 1031 Decatur DST Investment Community



Capital Provider

Senior Living Fund, LLC is the Equity Partner for the Decatur, IL project. Senior Living Fund is a private equity company formed to underwrite and manage a diversified portfolio of healthcare real estate investments with a focus on senior housing. Senior Living Fund, LLC provides capital to senior housing developers and operators across the USA. These developers and operators use the funds as part of their overall capital solution for the development and construction of new senior living communities. In addition, the Fund provides capital for the acquisition of existing senior housing communities that are either economically stabilized or offer the opportunity for increased value through rehabilitation of the facility.

The Senior Living Fund team is comprised of industry, securities, financial, and investment experts and support personnel, based primarily in the Kansas City metropolitan area. As of March 2021, Senior Living Fund has approximately \$100,000,000 under management with active investments in 24 unique locations throughout the US.



Investment Risk Summary

An investment in the Interests of the Trust involves significant risk and is suitable only for Investors who have adequate financial means, desire a relatively long-term investment and who will not need immediate liquidity for their investment and can afford to lose their entire investment. Investors must read and carefully consider the discussion set forth in the section of the Private Placement Memorandum (the “Memorandum”) captioned “Risk Factors.” Capitalized terms used below but not defined herein shall have the meanings set forth in the Memorandum. The risks involved with an investment in the Trust include, but are not limited to:

- The Interests may be sold only to accredited investors, which, for natural persons, are investors who meet certain minimum annual income or net worth thresholds.
- The Interests are being offered in reliance on an exemption from the registration requirements of the Securities Act of 1933, as amended, and are not required to comply with specific disclosure requirements that apply to registration under the Securities Act of 1933, as amended.
- The Securities and Exchange Commission has not passed upon the merits of or given its approval to the Interests, the terms of the offering, or the accuracy or completeness of any offering materials
- The Interests are subject to legal restrictions on transfer and resale and Investors should not assume they will be able to resell their Interests.
- The Offering is subject to project-specific risks including without limitation: Reliance on the Master Lessee to pay the Rent and comply with its other obligations to the Trust pursuant to and in accordance with the terms of the Master Lease; Reliance on the Facility Manager to operate the Property pursuant to and in accordance with the terms of the Facility Management Agreement; Limited control over the operation of the Property; Lack of liquidity; The holding of a beneficial interest in the Trust with no voting rights; The long term nature of the Master Lease; The Mortgage Loan contains financial and performance covenants and if the Trust fails to satisfy or violates these covenants, the Mortgage Lender may declare the Mortgage Loan in default; and Limited diversity of investment;
- Various conflicts of interest among the Sponsor, the Trust Manager, the Master Lessee, the Facility Manager, the Trust, and their respective Affiliates.
- Various risks associated with ownership of real estate generally and specifically with ownership of senior housing properties generally, as well as real estate in Macon County, Illinois.
- The Trust is not providing any prospective Investor with separate legal, accounting or business advice or representation.
- The Trust’s financial condition, results of operations, cash flow, ability to sell the Property at a suitable price and within the desired timeframe, pay its debts when they become due and make distributions to the Investors could be significantly adversely affected by the global outbreak of COVID-19.
- Certain tax risks, including the risk that an acquisition of an Interest may not qualify as a Section 1031 exchange.

SLF 1031 Decatur DST Investment Community

