

# The Frequency

## 156-Unit Active Adult Development Opportunity

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**Black Dog**  
CAPITAL ADVISORS

**SRM**<sup>TM</sup>

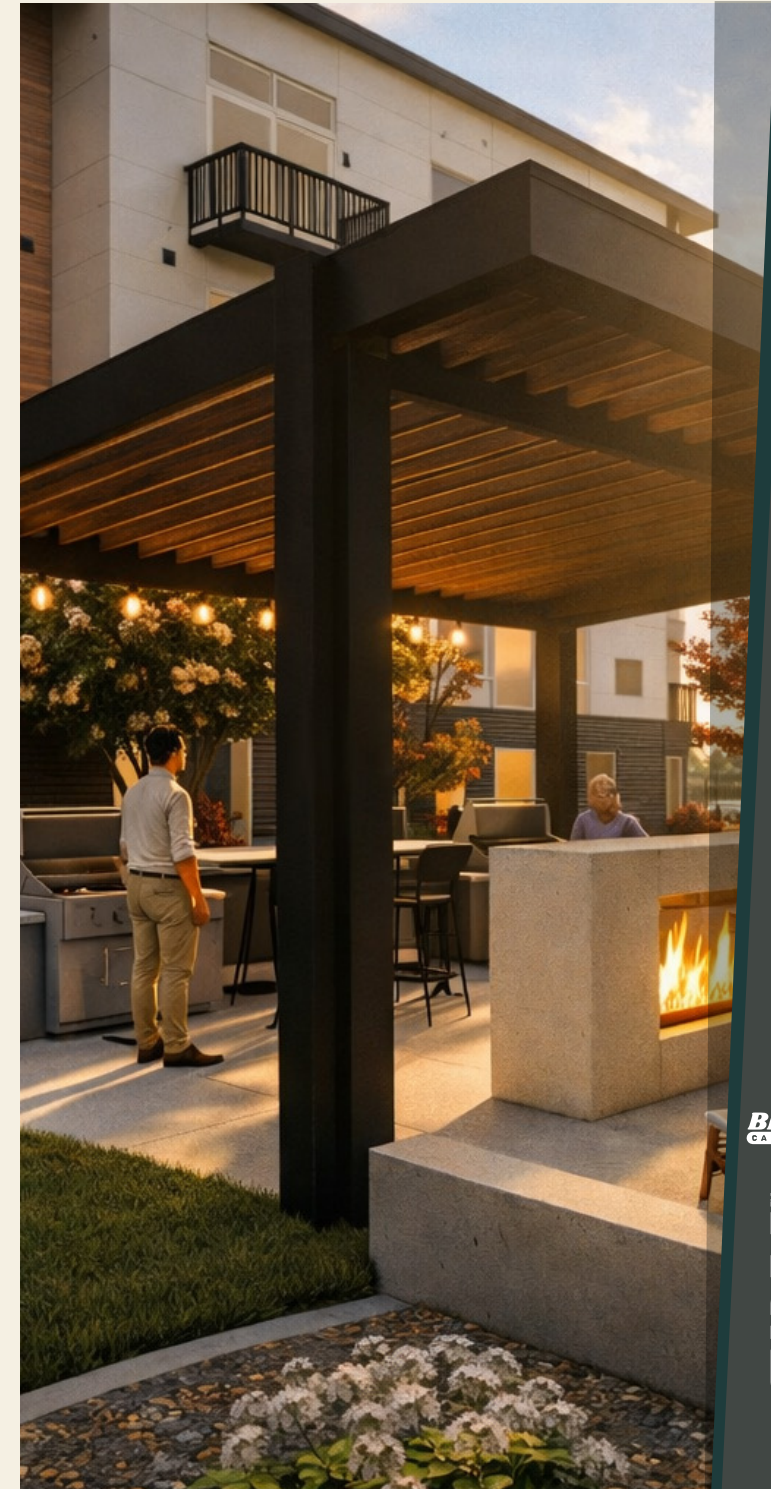
# Summary

SRMBD (the “Sponsor”) is pleased to offer up to \$6.1 million of equity in SRMBD Spokane Equity, LLC (“Company”). The Company has already raised \$2.4 million through a separate purchase and contribution of the land and will be raising an additional \$3.7 million through this offering. These funds will be invested in the project with an additional \$6.1 million of equity that was previously committed by SRMBD’s active adult fund (SRMBD Fund I, LP), and over \$4.0 million of contributed development and construction fees from the Sponsor, which will fully fund the project equity of approximately \$16 million. These funds will be paired with an approved loan, with a 6% fixed rate and a term of 40 years.

Located in the highly sought-after South Hill submarket of Spokane, WA, this community will be located directly adjacent to the city owned soccer complex on South Regal and offer residents easy access to dining, personal services, recreation opportunities and entertainment. The community will include 156 units with spacious floor plans, and modern finishes; purpose-built and designed for the active adult tenant, and a superior quality to most other multifamily or senior projects in the area. The community will offer unobstructed territorial views, a generous courtyard with spa and BBQ’s, a central muse with private pickleball court and an attached, private parking structure that will allow residents direct

access to each floor of the building and protection from the outdoor elements. Interior amenities include a large lounge, bistro, card room, library, and sky lounge.

The project has received its building permits and has an approval loan from the US Department of Housing and Urban Development (HUD). SRM Construction has bid the project, is finalizing the GMP and construction is scheduled to commence in May 2026.



# Why The Frequency

**Location:** The project is part of a larger mixed-use retail and residential development located in a highly desirable, infill location with plentiful surrounding retail, including grocery, convenience and restaurants. This community will be one of only two residential communities in the project.

**Speed to Cash Flow:** Investor capital will be deployed immediately, as the project is fully designed and permitted, with the construction, bidding and financing processes complete and ready to close. The community is expected to be open and operating within 24 months.

**Strong Cost Basis:** Low Due to the recent slowdown in construction activity, the final GMP will be below previous estimates, providing an extremely attractive cost basis and strong returns to LP investors.

**Predictable Capital Costs:** The construction financing has been approved by HUD and offers many advantages to conventional financing including:

- A 40-year loan term and amortization, with the construction loan converting to a permanent loan upon project stabilization
- A fixed interest rate of 6% for the 40-year term of the loan, providing interest rate certainty and protection in a volatile market

- An attractive pre-payment option to allow for a refinance of the loan in the event interest rates decrease after stabilization of the community
- No affordability restrictions

**Underserved Market:** Strong demographics with a sizeable 62+ age and income qualified senior population.

### Attractive Investment Structure for Investors:

- An 8% preferred rate of return to Investors
- Investor sharing ratio of 80%
- Sponsor participation of only 20% after payment of the 8% preferred return
- No Sponsor catch-up upon sale
- Sponsor contribution of all development and construction fees



### TRANSACTION SUMMARY

Address	4980 S. Regal Street
Units / Avg SF	156 / 791 SF
Total Cost	\$51,566,469
Targeted Equity Raise	\$6,115,835
Minimum LP Investment	\$100,000
Offer End Date	4/30/2026

### PROJECT METRICS

Stabilized Value	\$71,610,588
Stabilized NOI	3,938,582
<b>Yield on Cost</b>	<b>7.6%</b>



SRM<sup>TM</sup>

# Summary of Projected Investor Returns

**SRMBD Spokane Equity, LLC** ..... **\$6,115,835**

## 5-Year Returns

Proceeds .....	\$13,481,181
Initial Investment .....	<u>\$6,115,835</u>
<b>Net Proceeds</b> .....	<b>\$7,365,346</b>
<b>Equity Multiple</b> .....	<b>2.20x</b>
<b>IRR</b> .....	<b>15.9%</b>

## 10-Year Returns

Proceeds .....	\$20,808,482
Initial Investment .....	<u>\$6,115,835</u>
<b>Net Proceeds</b> .....	<b>\$14,692,647</b>
<b>Equity Multiple</b> .....	<b>3.40x</b>
<b>IRR</b> .....	<b>13.7%</b>



**SRM**<sup>TM</sup>

# Project Summary

<b>Address</b>	4980 S. Regal Street
<b>Project Type</b>	Active Adult 55+
<b>Site Acreage / SF</b>	3.5 acres / 151,498 SF
<b>No. of Buildings</b>	1 Four-Story
<b>Building Size</b>	123,318 NRSF
<b>Units / Avg SF</b>	156 / 791 SF
<b>Parking Ratio (Garage)</b>	1.34:1

## Amenities

Fitness & Yoga Center	Rooftop Clubhouse
Arts and Crafts Room	Game Room
Theater	Lobby Lounge
Hot Tub	Pickleball Courts



## Unit Mix

<b>Unit Type</b>	<b># Units</b>	<b>% of Unit Total</b>	<b>Avg. SF</b>	<b>Total SF</b>	<b>Avg Rent</b>	<b>Rent/SF</b>
Open 1	33	21%	542	17,883	\$2,150	\$ 3.97
1 Bed / 1 Bath	58	37%	704	40,817	\$2,500	\$ 3.55
1 Bed / 1.5 Bath	1	1%	741	741	\$2,525	\$ 3.41
2 Bed/ 2 Bath	56	36%	983	55,062	\$3,100	\$ 3.15
2 Bed/ 2 Bath - Large	8	5%	1,102	8,815	\$3,175	\$ 2.88
<b>Totals/Avg</b>	<b>156</b>	<b>100%</b>	<b>791</b>	<b>123,318</b>	<b>\$2,676</b>	<b>\$ 3.39</b>

## Sources and Uses

<b>Source</b>	<b>\$ Amount</b>	<b>Per Unit</b>	<b>Per GSF</b>	<b>%</b>
SRMBD Spokane Equity, LLC	\$ 6,115,835	\$ 39,204	\$ 23	12%
SRMBD Fund I, LP	\$ 6,115,835	\$ 39,204	\$ 23	12%
HUD Loan	\$ 39,334,800	\$ 252,146	\$ 151	76%
<b>Total Sources*</b>	<b>\$ 51,566,469</b>	<b>\$ 330,554</b>	<b>\$ 198</b>	<b>100%</b>

<b>Use</b>	<b>\$ Amount</b>	<b>Per Unit</b>	<b>Per GSF</b>	<b>%</b>
Land Acquisition	\$ 3,000,000	\$ 19,231	\$ 12	6%
Soft Costs	\$ 12,087,709	\$ 77,485	\$ 46	23%
Hard Costs	\$ 36,478,760	\$ 233,838	\$ 140	71%
<b>Total Uses</b>	<b>\$ 51,566,469</b>	<b>\$ 330,554</b>	<b>\$ 198</b>	<b>100%</b>



**The Frequency**

**Future SRM Development**



**SRM**<sup>TM</sup>

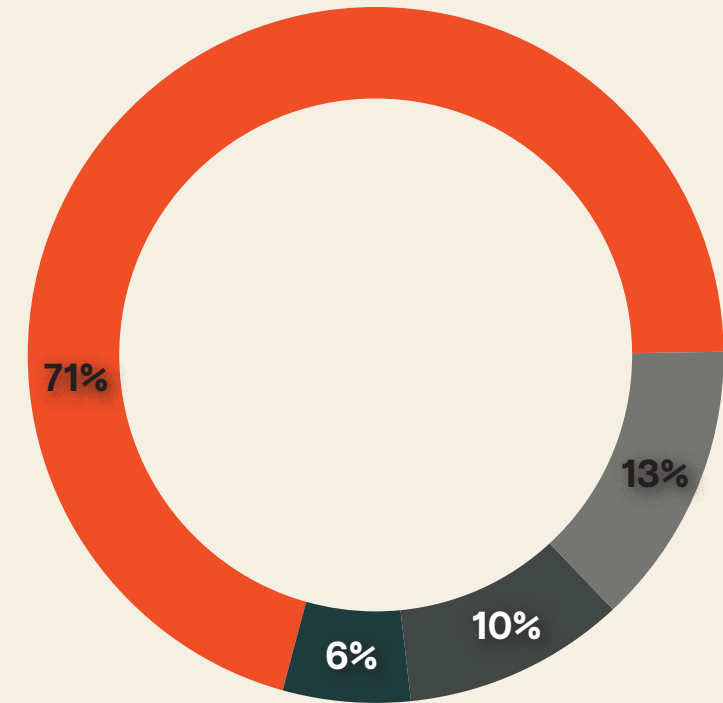
# Project Development

## Project Budget

	\$ Amount	Per Unit	Per NRA	Per GSF	%
Hard costs	\$ 36,478,760	\$ 233,838	\$ 296	\$ 140	71%
Land	\$ 3,000,000	\$ 19,231	\$ 24	\$ 12	6%
Financing costs	\$ 5,675,281	\$ 36,380	\$ 46	\$ 22	11%
Soft costs	\$ 6,412,428	\$ 41,105	\$ 52	\$ 25	12%
<b>Total project cost</b>	<b>\$ 51,566,469</b>	<b>\$ 330,554</b>	<b>\$ 418</b>	<b>\$ 198</b>	<b>100%</b>

## Timeline

	2024	2025	2026	2027	2028	2029	2030
<b>Total Project</b>							
<b>DEVELOPMENT</b>							
Pre-construction							
Construction							
<b>Total Development</b>							
Land Acquisition							
<b>OCCUPANCY</b>							
Lease Up Res.							
Stabilization - Res.							



- Hard Costs
- Land (Purchase)
- Soft Costs
- Financing Costs



# Investment Structure

The Frequency is being capitalized by a combination of equity sources including a \$6.1 million contribution from SRM's active adult fund and \$6.1 million of equity from the Company, of which \$2.4 million has already been raised.

In lieu of SRMBD receiving development and contractor fees, SRMBD will instead contribute these fees totaling approximately \$4.0 million to the project, which reduces the actual project cost and fully aligns SRMBD with its investors.



## SRMBD Spokane, LLC

<i>Entity</i>	<i>Capital Contributions</i>	<i>Carried Interest</i>	<i>Total</i>	<i>Ratio</i>	<i>Sharing</i>
SRMBD Spokane Equity, LLC (Compan	\$6,115,835	\$0	\$6,115,835	50.00%	37.59%
SRMBD Fund I, LP (AA Fund)	\$6,115,835	\$0	\$6,115,835	50.00%	37.59%
SRMJVII, LLC	\$0	\$1,658,904	\$1,658,904	0.00%	10.20%
SRMBDJV, LLC	\$0	\$2,377,505	\$2,377,505	0.00%	14.61%
<b>Total</b>	<b>\$12,231,669</b>	<b>\$4,036,408</b>	<b>\$16,268,078</b>	<b>100.00%</b>	<b>100.00%</b>

<b>Target Equity Raise</b>	\$6,115,835
<b>Minimum Investment</b>	\$100,000
<b>Distributable Cash</b>	To include the Company's share of cash flow attributable to its ownership in project
<b>Distributions Upon Sale</b>	<ul style="list-style-type: none"> <li>• 8% preferred return</li> <li>• 100% return of capital to investors</li> <li>• 80/20 to Investors/Sponsor thereafter</li> </ul>
<b>Investment Fee(s)</b>	<ul style="list-style-type: none"> <li>• Development Fee up to 5.0% of total project cost</li> <li>• General Contractor Fee up to 5.0% of project hard cost</li> <li>• Asset Management Fee of 1.0% on invested capital after the first quarter of stabilization</li> </ul>
<b>Capital Due</b>	Funds due on or before April 28th, 2026



# Member Financial Projections

## SRMBD SPOKANE EQUITY, LLC - WATERFALL

Year	0	1	2	3	4	5	6	7	8	9	10
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
<b>Cash Flow from Operations</b>											
Equity Funded	\$ (6,115,835)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Available Cash from Operations	\$ -	\$ -	\$ -	\$ 926,709	\$ 1,387,999	\$ 1,498,596	\$ 1,614,371	\$ 1,732,817	\$ 1,854,914	\$ 1,980,773	\$ 2,149,957
SRMBD Spokane Equity, LLC	37.59%	\$ -	\$ -	\$ -	\$ 348,388	\$ 521,805	\$ 563,383	\$ 606,908	\$ 651,437	\$ 697,338	\$ 744,653
Asset Management Fee (@ Stabilization)	1.00%	\$ -	\$ -	\$ -	\$ 35,676	\$ 61,158	\$ 61,158	\$ 61,158	\$ 61,158	\$ 61,158	\$ 61,158
Balance to be Paid	\$ -	\$ -	\$ -	\$ 35,676	\$ 61,158	\$ 61,158	\$ 61,158	\$ 61,158	\$ 61,158	\$ 61,158	\$ 61,158
Cash Paid to Fee	\$ -	\$ -	\$ -	\$ 35,676	\$ 61,158	\$ 61,158	\$ 61,158	\$ 61,158	\$ 61,158	\$ 61,158	\$ 61,158
Unpaid Asset Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fee Accrual	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Preferred Return Accrual</b>											
Non-Compounding Accrual	8.00%	\$ 285,406	\$ 489,267	\$ 489,267	\$ 489,267	\$ 489,267	\$ 489,267	\$ 489,267	\$ 489,267	\$ 489,267	\$ 489,267
Cash Paid to Pref	\$ -	\$ -	\$ -	\$ 312,712	\$ 460,647	\$ 502,225	\$ 545,749	\$ 590,278	\$ 636,180	\$ 683,495	\$ 747,098
Accrual	\$ 285,406	\$ 774,672	\$ 1,263,939	\$ 1,440,494	\$ 1,469,114	\$ 1,456,155	\$ 1,399,673	\$ 1,298,661	\$ 1,151,748	\$ 957,520	\$ 699,688
<b>Cash Flow from Sale in Years 5 and 10</b>											
Market Value	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,873,290	\$ -	\$ -	\$ -	\$ -	\$ 89,781,440
Selling Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,074,932)	\$ -	\$ -	\$ -	\$ -	\$ (3,591,258)
Gross Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 73,798,359	\$ -	\$ -	\$ -	\$ -	\$ 86,190,182
Less: Loan Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (38,250,216)	\$ -	\$ -	\$ -	\$ -	\$ (36,425,063)
Total Available Sales Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,548,143	\$ -	\$ -	\$ -	\$ -	\$ 49,765,119
SRMBD Spokane Equity, LLC portion of Proceeds	37.59%	\$ -	\$ -	\$ -	\$ -	\$ 13,363,999	\$ -	\$ -	\$ -	\$ -	\$ 18,708,740
Preferred Return Payoff	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,456,155	\$ -	\$ -	\$ -	\$ -	\$ 699,688
Return of Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,115,835	\$ -	\$ -	\$ -	\$ -	\$ 6,115,835
<b>Proceeds from Sale after Preferred Return Payoff</b>											
SRMBD Spokane Equity Remaining Sale Proceeds	80%	\$ -	\$ -	\$ -	\$ -	\$ 4,633,607	\$ -	\$ -	\$ -	\$ -	\$ 9,514,574
SRMBDGP Remaining Sale Proceeds	20%	\$ -	\$ -	\$ -	\$ -	\$ 1,158,402	\$ -	\$ -	\$ -	\$ -	\$ 2,378,643
<b>Total Cash flow to SRMBD Spokane Equity, LLC</b>											
From Operations	\$ -	\$ -	\$ -	\$ 312,712	\$ 460,647	\$ 502,225	\$ 545,749	\$ 590,278	\$ 636,180	\$ 683,495	\$ 747,098
Investor Cash on Cash Yield					7.5%	8.2%	8.9%	9.7%	10.4%	11.2%	12.2%
From Sale Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,205,597	\$ -	\$ -	\$ -	\$ -	\$ 16,330,097

### 5 Year Return Summary

Proceeds	\$ 13,481,181
Fund Initial Investment	\$ 6,115,835
<b>Fund Net Proceeds</b>	<b>\$ 7,365,346</b>
Fund Equity Multiple	2.20x
Net IRR	15.9%

### 10 Year Return Summary

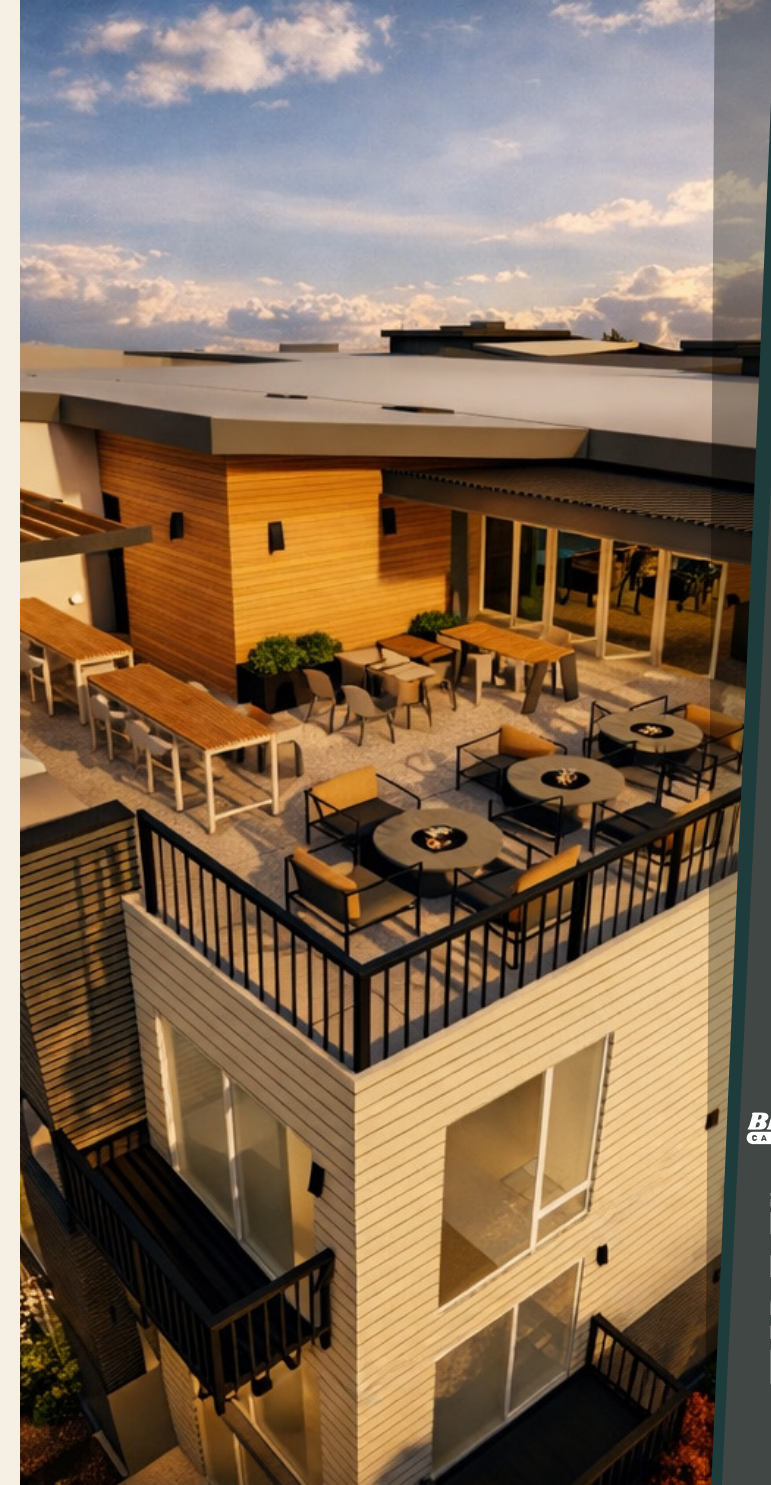
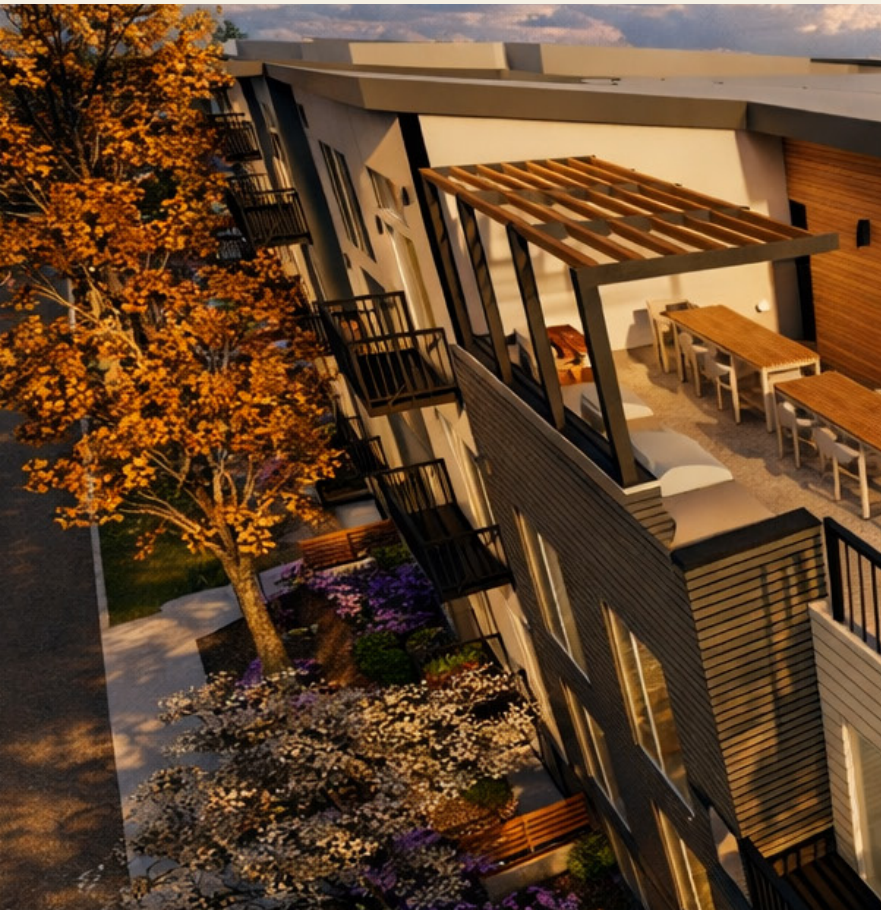
Proceeds	\$ 20,808,482
Fund Initial Investment	\$ 6,115,835
<b>Fund Net Proceeds</b>	<b>\$ 14,692,647</b>
Fund Equity Multiple	3.40x
Net IRR	13.7%

# Why Invest in Active Adult

The convergence of unique demand drivers, limited supply, shifting demographics, and accessible solutions for healthy aging with promising financial returns presents a compelling case for investment in new Active Adult housing developments.

- The 76 million seniors within the Boomer generation, including 24 million single seniors, represent the largest cohort to experience aging alone—triple that of the preceding generation.

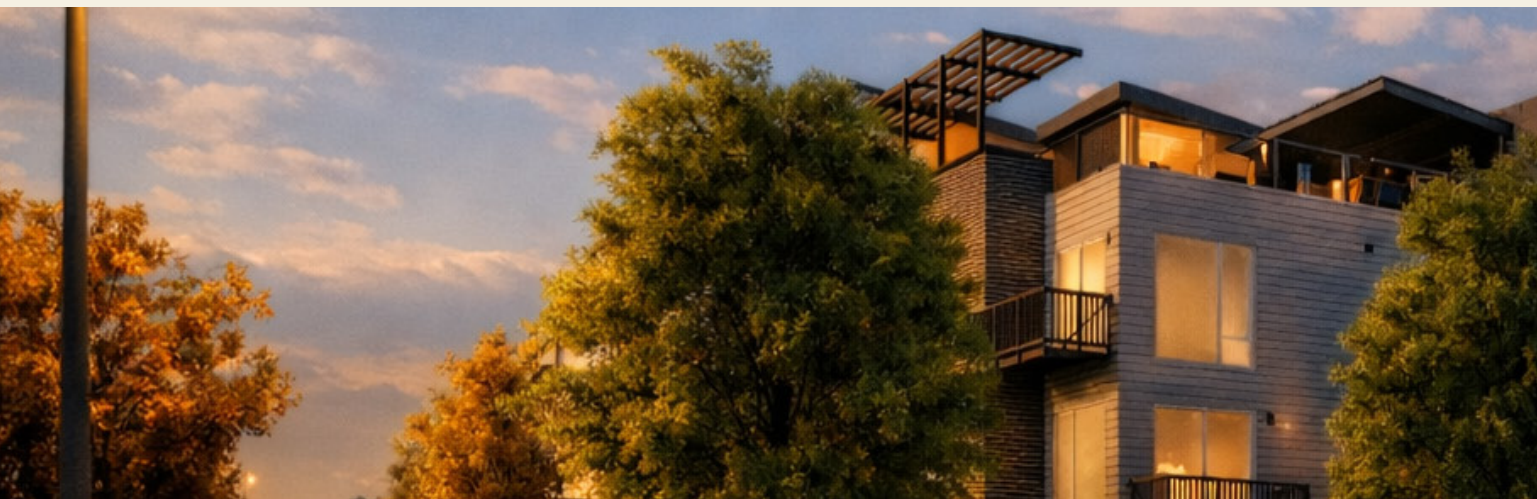
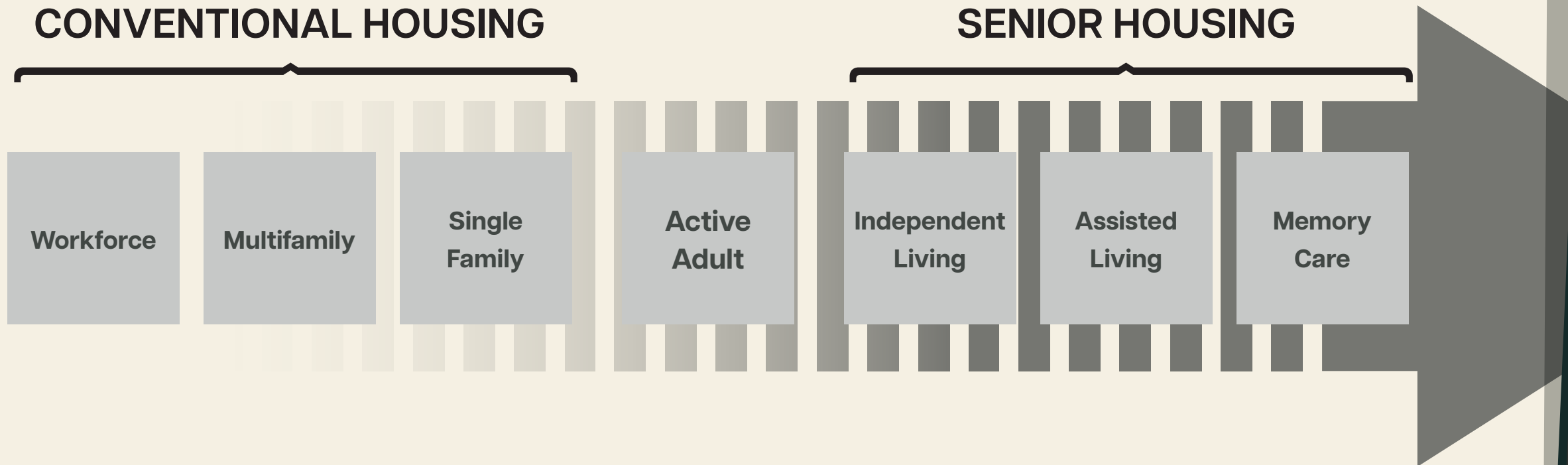
- This type of housing offers an appealing affordability profile, typically priced at 50% below traditional options for independent seniors. It thereby enables middle-income seniors, who are progressively losing access to conventional aging solutions, to benefit from viable alternatives not previously available to earlier generations of U.S. seniors.
- Smaller-scale facilities can be situated within established neighborhoods near adult children and retail outlets, offering locational benefits over larger, for-sale retirement communities such as those developed by Del Webb, Pulte, or The Villages.
- These rental communities emphasize wellness, featuring amenities designed to foster social connections, intellectual engagement, and meaningful participation, which help mitigate isolation and loneliness while strengthening community bonds.
- Attractive return profiles facilitate access to both private and institutional capital sources required to support significant development efforts that address the needs of the Boomer population, all within environments focused on wellness and aging solutions.



SRM™

# What is Active Adult

Active Adult fills a gap in the existing housing continuum between traditional residential options and senior housing.



# National Market Recovery

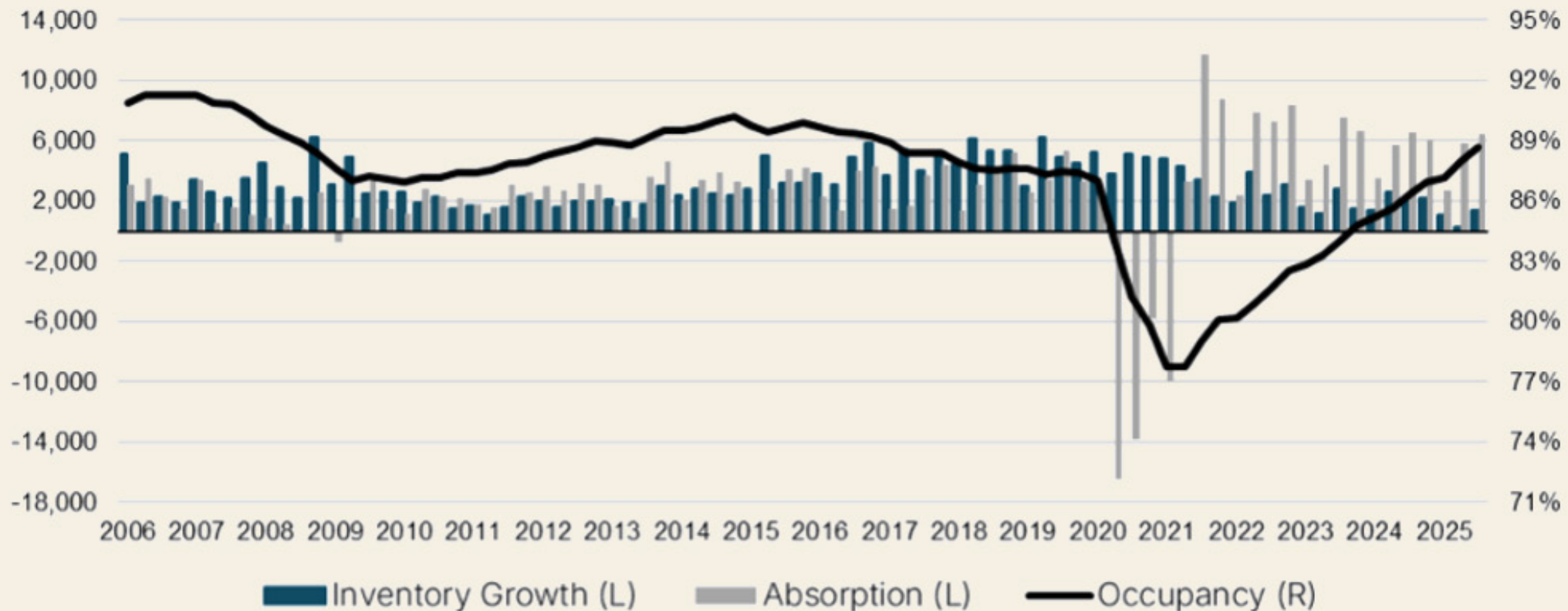
**Senior Housing Occupancy (as of Q3 2025):** 89.1% (up from 86.8% YoY)

**Independent Living:** 90.4%; **Assisted Living:** 87.6%

**Annual Rent Growth:** 4.3%

**In-Place Rent Growth:** +10.1% IL / +5.3% AL

## Senior Housing Supply-Demand Trends



Source: NICMAP Vision



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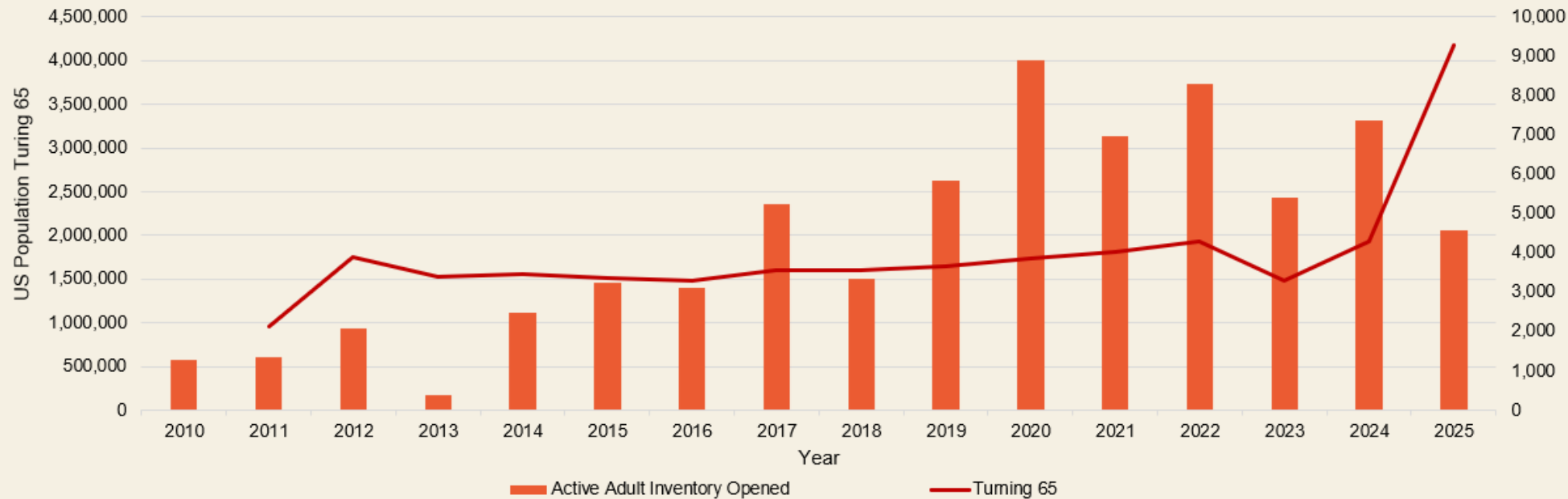
# Active Adult Supply and Demand

By 2030 all 76 million Boomers will have reached age 65, representing 21% of the U.S. population, and the bulk of the generation will have reached the active adult target age of 75. At historical demand levels, the senior housing industry will have to double the supply of new housing to accommodate this generation.

The Active Adult rental market remains relatively small and newly developed, with 34% of inventory delivered in the last five years. Combined with limited new supply resulting from recent economic disruption, the active adult sector presents a compelling development opportunity.



**Active Adult Inventory Growth vs US Population Turning 65**



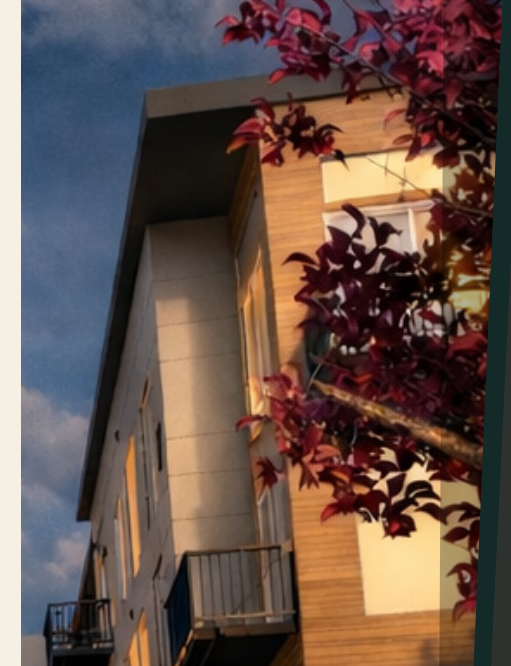
Source: NICMAP Vision; Census Bureau

# Demographic Opportunity

The Boomer generation is the largest to reach retirement age to date. At historical demand levels, the senior housing industry will have to double the supply of new housing to accommodate this generation.

By 2030, all 76 million Boomers will have reached age 65, representing 21% of the U.S. population, and the bulk of the generation will have reached the active-adult target age of 75.

Traditional forms of senior housing are beyond the financial reach of as many as 75% of U.S. seniors. The new active adult segment is positioned to deliver a senior housing alternative at roughly half the rental cost of the current retirement community solutions.

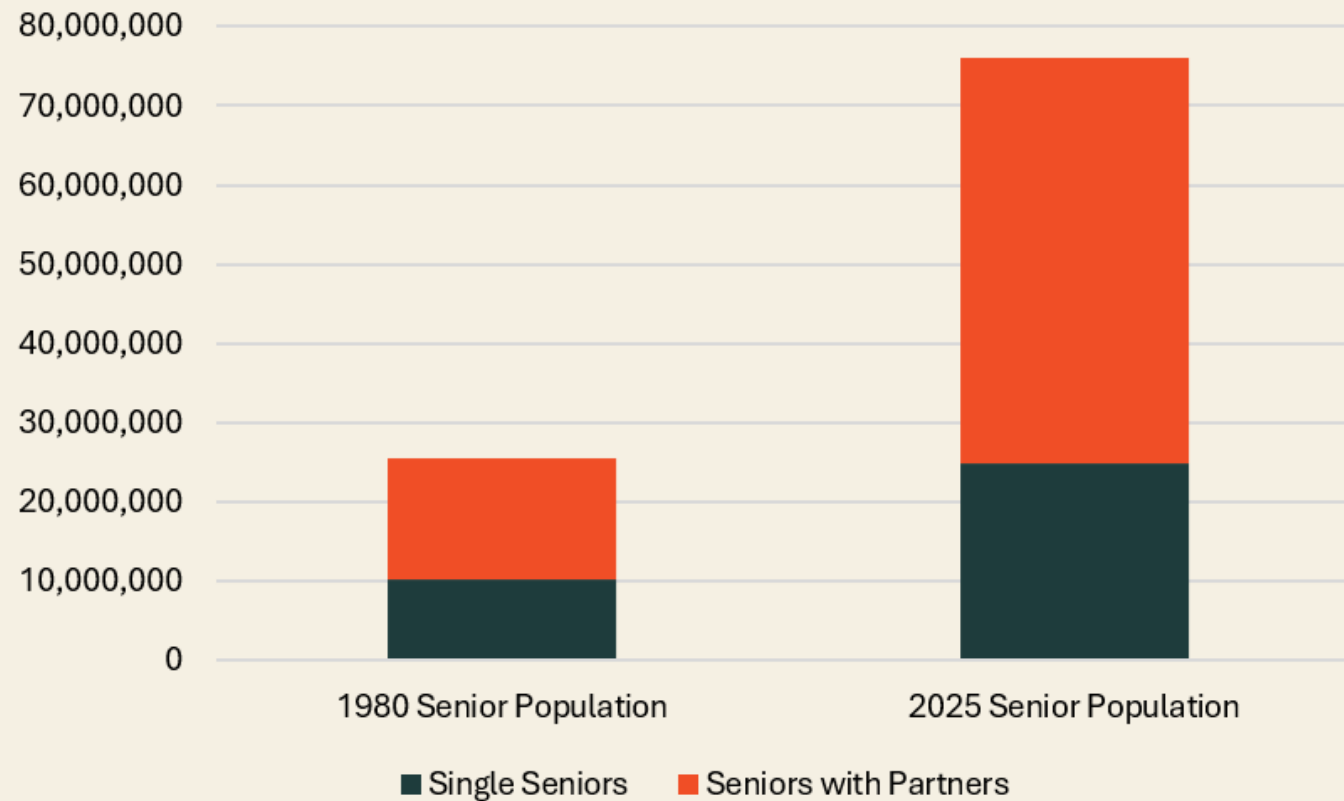


# Boomers and Active Adult Segment Growth

Since 1980, the number of single seniors has increased by approximately  $\pm 50\%$ , with renters comprising  $\pm 60\%$  of age-restricted housing residents. Today, roughly 4 million seniors live in these communities, supported by approximately 49,000 new units delivered annually. Demand is poised to accelerate, with NAHB projecting 2.2 million additional senior renters by 2035, alongside 4.18 million individuals turning 65 in 2025 and the full Baby Boomer cohort reaching age 65+ by 2030.

These demographic tailwinds are driving strong performance in the active adult sector, where stabilized occupancy is 95.7% (92.1% overall) and annual rent growth is approximately +3.9%. Demand is fueled by an affluent 55–74 demographic, strong lifestyle appeal, and limited new supply. Despite these fundamentals, penetration remains below 1% of senior households across the 140 major NIC-tracked markets—well below the 11%+ seen in independent and assisted living—highlighting a significant supply-demand imbalance and compelling opportunity for new development in select markets.

## Senior Growth Driven by Single Households



Source: NICMAP Vision

# Active Adult Opportunity

## Underserved Target Senior Demographic

In the 140 major metropolitan markets tracked by NIC, 11% of the age and income qualified seniors are served by IL/AL/MC communities. In these same markets, active adult community supply is available to less than 1% of the age and income qualified seniors, providing a significant opportunity to serve this target demographic.

## Proven Product-Market Fit

Active adult (55+) is a well adopted housing option, as evidenced by the proven, long-term success of existing for-sale models: Del Webb, Pulte, The Villages, Trilogy, etc.

## Operational Advantage

Compared to traditional senior housing options, active adult provides a high-quality housing and lifestyle option at a much lower cost to the resident. Operationally, the community's function similar to a traditional multifamily property. The slight increase in operational expense associated with bespoke resident offerings is offset by the premium in rent that can be charged equating to better margins than traditional senior housing.

## Economic Benefit to Tenant

The for-sale model requires a significant up-front equity investment from the purchaser and short duration ownership cycle; whereas the rental model

allows for the tenant to continue earning returns on existing investments. Tenants who are downsizing from traditional home ownership have the opportunity to unlock captive equity in their homes which they can put to work within their investment portfolio.

## Location Benefit

For-sale supply is driven by large tracts of undeveloped land, so it is concentrated in destination locations and often removed from more traditional residential neighborhoods and retail options. The rental supply provides an opportunity to utilize smaller sites in familiar residential locations with desirable retail options and/or proximity to adult children.

## Lower Barrier to Entry than Traditional Housing Options

The lower threshold of initial investment with the active adult rental model contrasts the existing for-sale model, similar to how the rental IL/AL/memory care model contrasts to the entrance fee of the Continuing Care Retirement Communities model.

## Affordability

Active adult rental model will disrupt the traditional IL/AL model by introducing a more affordable option on the



front-end of the senior housing continuum, while also capturing “younger” seniors when compared to traditional IL/AL. The active adult resident profile is 70+ versus 82+ for traditional IL/AL and active adult rents are typically 50% less than standard IL rents in targeted markets.



# Operational Advantages

Active adult communities focus on lifestyle enrichment and activity programming, which is a **less operationally intensive** model and requires fewer staff, typically 6-8 full-time employees versus 35-40 for a similarly sized, traditional IL/AL.

Active adult tenants offer the most durable tenancies, with **turnover rates 50%** lower than traditional multifamily and an average lease duration of eight years.

The average resident age is 70 to 72 years, which compares favorably to traditional retirement housing, which ranges from 82 to 85 years. As a result, turnover is significantly less, and **length of stay is significantly longer** in active adult communities.

Traditional forms of senior housing are beyond the financial reach of as many as 75% of U.S. seniors. The new active adult segment is positioned to deliver a senior housing alternative at roughly half the rental cost of the current retirement community solutions but still demands a +30% premium to standard multifamily rent.

	Conventional Multifamily	Active Adult (55+)	Independent / Assisted Living
<b>Description</b>	Rental housing in apartment building	Multifamily construction designed to appeal to the Baby Boomer Generation	Senior living typically connected to an assisted living care segment
<b>Resident Age (Typical)</b>	Varying	70-72 years old	82-85 years old
<b>Turnover Rate (Typical Annual)</b>	50-60%	20-25%	30-35%
<b>Lease Duration (Typical)</b>	1 Year	1 Year	Month-to-Month
<b>Avg. Length of Tenancy (Typical)</b>	2 Years	5-7 Years	1-2 Years
<b>Commercial Kitchen</b>	None	None	Full Commercial Kitchen
<b>Freddie / Frannie Classification</b>	Multifamily	Multifamily	Senior Housing
<b>Services</b>	Housing	Multifamily PLUS: Age-Restricted Abundant Activities, Age-Themed Programming	Active Adult PLUS: Dining, Housekeeping, Laundry, Medical Care for Additional Fee



# Affordability

Traditional forms of senior housing are beyond the financial reach of as many as 75% of US seniors.

Median net worth for households age 65+ is \$371,250, and median income is \$58,350 – highlighting the need for lower-cost alternatives that do not require large entry fees or high monthly payments.

The new active adult segment is positioned to deliver a senior housing alternative at roughly half the rental cost of current retirement community options.

Active adult communities provide the benefits seniors enjoy from congregate living without the price associated with food service and higher acuity care.

Active adult residents are both renters-by-choice and renters-by-necessity with a large percentage of the residents being widowed or divorced “solo agers” females.



# Lifestyle Enrichment

An environment focused on wellness and engagement contributes to the quality of a senior’s life, as he or she ages.

The major factors that contribute to this sense of well being include: a healthy diet, regular exercise, intellectual stimulation, access to care, and most importantly social engagement, which prevents feelings of loneliness and isolation.

Freedom from cost and maintenance of homeownership, flexibility to travel, as active adult properties offer flexible and secure lock-and-leave housing.

Traditional forms of senior housing are positioned to enable these elements. However, the Active Adult segment meets all these elements, except for dietary, while offering a more affordable, flexible solution on care.



# Active Adult: Rental Rate Case Study

## Harbor Heights 55+ (Olympia, WA)

Compared to class A conventional multifamily properties in Olympia, Harbor Heights 55+ has achieved a 34.3% rent premium.

Harbor Heights 55+ rents at a 52.4% discount to nearby Independent living community, Brookdale Olympia East (built in 1995).

### Conventional Multifamily - Rent Comparables

Property Name	Units	Built	Occupancy	Avg Rent	Avg SF	Avg Rent/SF	Rent Var. to Subject	Rent/SF Var. to Subject
Westman Mills	75	2020	93.30%	\$1,520	\$585.00	\$2.60	-44.80%	-26.30%
Views on Fifth	140	2020	95.00%	\$2,100	\$607.00	\$3.46	-23.80%	-1.80%
Average	108	2020	94.20%	\$1,810	\$596.00	\$3.03	-34.30%	-14.10%
Harbor Heights 55+ Apts	116	2020	94.80%	\$2,756	\$782.00	\$3.52	-	

### Independent Living - Rent Comp

Property Name	Units	Built	Occupancy	Avg Rent	Avg SF	Avg Rent/SF	Rent Var. to Subject	Rent/SF Var. to Subject
Brookdale Olympia East	155	2000	94.00%	\$5,795	n/a	n/a	110.30%	-
Harbor Heights 55+ Apts	116	2020	94.80%	\$2,756	782	\$3.52	-	



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# Active Adult: Rental Rate Case Study

## Tri-Cities, WA

The Tri-Cities region of Washington has a population of approximately 319,428 and includes 13,808 income-qualified households (age 55–74 earning \$75K+).

Two active adult communities delivered in the past year in this relatively small market highlight both the rent growth achievable over 10+ year-old product and the growing adoption and penetration of the active adult segment.

Active Adult Properties in Tri-Cities				
Property Name	# of Units	Average SF	Date Opened	Avg Rent
Affinity at Southridge	150	600	2013	\$3.26 / \$1,952
Affinity at Broadmoor	170	815	2024	\$2.96 / \$2,414
Affinity at Badger Mountain	170	820	2025	\$3.01 / \$2,447



# Active Adult: IL, MF and AA Case Study

## Tri-Cities, WA

Affinity at Broadmoor and Affinity at Badger Mountain (active adult), Riverwalk Estates (independent Living and the Goat at Broadmoor (Multifamily) were all delivered in 2024/2025.

The Goat at Broadmoor and Affinity at Broadmoor are directly adjacent, same developer and finish quality with the Affinity achieving over \$1.00/sf higher rent or a 30% rent premium, as well as a strong per unit rental premium despite smaller units.

Affinity at Badger Mountain is adjacent to Riverwalk and demonstrates a strong discount to Independent Living

### Conventional Multifamily - Rent Comparables

Property Name	Units	Built	Occupancy	Avg Rent	Avg SF	Avg Rent/SF	Rent Var. to Subject	Rent/SF Var. to Subject
The Goat at Broadmoor	240	2024	\$1,851	\$964	\$1.94	-23.30%	-34.50%	
Affinity at Broadmoor	150	2024	\$2,414	\$815	\$2.96	-		

### Independent Living - Rent Comp

Property Name	Units	Built	Occupancy	Avg Rent	Avg SF	Avg Rent/SF	Rent Var. to Subject	Rent/SF Var. to Subject
Riverwalk Estates	150	2024	\$3,653	\$658	6	49.30%	84.40%	
Affinity at Badger Mountain	170	2025	\$2,447	\$820	3	-		



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# Sponsor Expertise

After a 20+ year history of industry partnership, SRM Development (“SRM”) and Black Dog Capital Advisors (“Black Dog”) are co-sponsoring the project, through its general partner, SRMBDGP, LLC (“Sponsor”), aligning SRM’s real estate development and construction expertise with Black Dog’s management and operational capabilities in senior housing.

Black Dog was co-founded by Bill Pettit, former CEO of Merrill Gardens, which under his leadership and through strategic partnership with SRM, became one of the largest senior living providers in the United States. During Bill’s 30-year tenure, Merrill grew to over \$3 billion in assets under management, completing three acquisitions of senior housing companies and numerous portfolio acquisitions. Bill is joined by his co-founder and son, Billy Pettit, who co-founded Pillar Properties, an award-winning subsidiary of RD Merrill that develops, owns, and operates high-end urban infill mixed-use multifamily projects. Under his leadership, Pillar developed over \$2.5 billion in senior living and multifamily projects. Both Bill and Billy have proven track records operating senior living and multifamily assets, respectively. The following describes the most recent prior partnerships for RD Merrill under their leadership:

## **RDM Housing Strategies VI, LLC (2019–Present):**

In 2019, Pillar Properties raised \$85.7 million in a private placement to capitalize the development of three senior housing assets and one multifamily asset. In addition to this capital, the fund has entered, or is in discussions to enter, into several joint ventures with development and institutional capital partners, adding \$60.1 million. The completed portfolio is anticipated to include 690 units with total capitalization of \$354.5 million.

## **RDM Housing Strategies V, LLC (2015–Present):**

In 2016, Pillar raised \$79.7 million in a private placement to capitalize the development of seven senior housing assets and one multifamily asset. In addition, the fund entered into several joint ventures with development partners and an institutional capital partner, contributing an additional \$102.1 million. The portfolio comprises 1,274 units with total capitalization of \$448.9 million.



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# Sponsor Expertise Continued

SRM is a fully integrated real estate development and construction company specializing in the development and construction of mixed-use, multifamily and senior living projects in high barrier-to-entry markets throughout the western U.S. SRM directly manages all phases of the development process, including land acquisition and design, permit and entitlement, and project construction. Since 1999, SRM has developed, or is currently constructing, projects totaling approximately 8,500,000 square feet and almost \$3.5 billion in market value, including over 6,000 residential units and approximately 1,650,000 square feet of commercial space.

## **SRM Senior Housing Fund I, LP (2017-Present):**

In 2017, SRM raised \$20 million in a private placement to capitalize the development of four senior housing assets. One of the senior housing developments is a joint venture with the landowner, one is a joint venture with the facility operator, and the other two are joint ventures with a large family office. The portfolio is comprised of four senior housing facilities (one of which has a commercial retail project adjacent to it, also developed by SRM), all located in California, and with a total capitalization of \$114.5 million. As of the date of this Memorandum, construction and stabilization of all four projects is complete. In Q4 2025, the senior housing and retail project developed in Cypress CA, was successfully sold equating to a 3.2x gross equity multiple and returned 59% of each investor's original investment in the Fund.

## **SRMMFI, LP (2020-Present):**

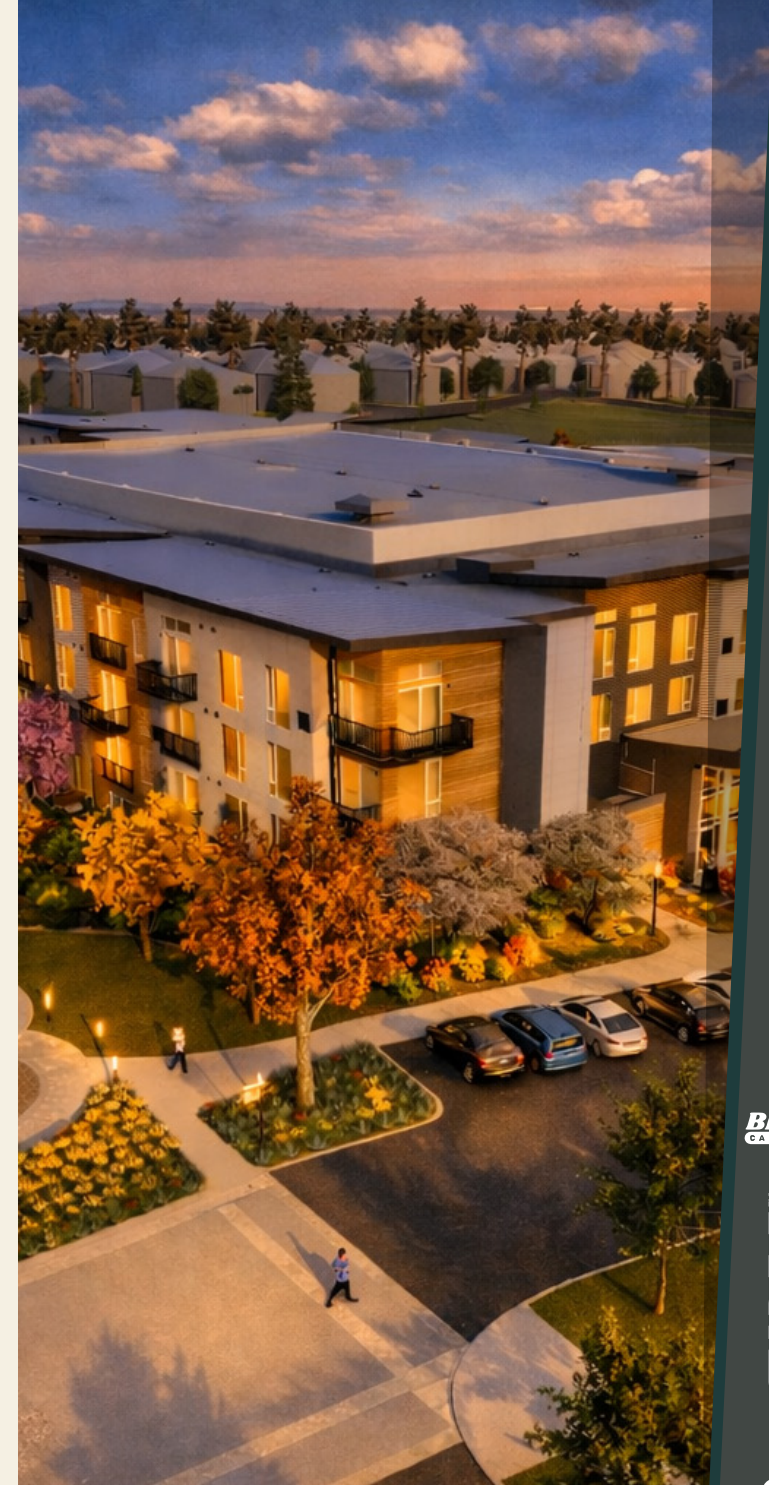
In 2020, SRM raised \$21.9 million in a private placement to capitalize the development of two multifamily assets. The portfolio is comprised of two development sites located in Bellevue, Washington with a total anticipated capitalization of \$363 million. As of the date of this Memorandum, the two projects remain in the entitlement and development phase.

## **Current SRM Development Activity:**

Despite recent challenges in commercial real estate and capital markets, SRM has secured funding and begun construction on four projects in the past six months:

- The Bob – 192-unit multifamily development in Richland, WA
- The Perle – 230-unit multifamily development in Bellevue, WA
- The V – 166-unit multifamily development in Bellevue, WA
- Altaire at Queen Anne – 114-unit affordable housing development in Seattle, WA

The principals of SRM and Black Dog have worked together for nearly 25 years. Black Dog's complete understanding of senior housing operations through various market cycles and SRM's strategic real estate expertise are powerfully combined to execute the strategy.



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# The Sponsor

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**JAMES RIVARD**  
Managing Principal  
Real Estate



**RYAN LEONG**  
Managing Principal  
Real Estate, Finance,  
and Operations



**DEE  
MCGONIGLE**  
Managing Principal  
Construction



**TREVOR  
ASHENBRENER**  
Managing Principal  
Construction

## Black Dog Capital Advisors



**BILL PETTIT**  
Managing Principal  
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Thank you for your consideration.  
Please reach out with any questions.

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