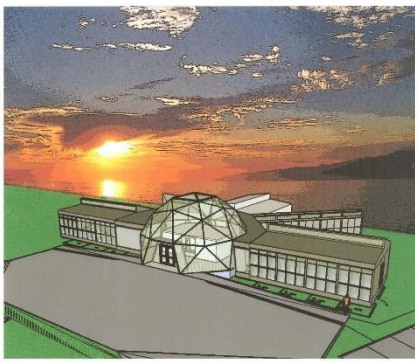
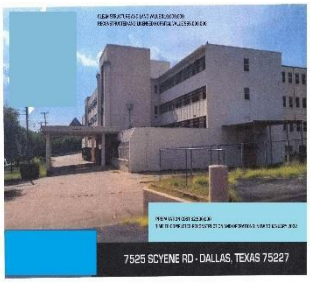
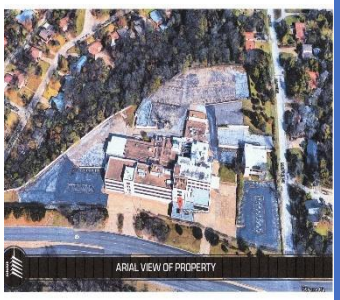






TBT Introduction and Summaries of Each NMTC Project

A Complete Health Care System based on economics as if people mattered

Executive Summaries

Contents

Introduction

TBTMSO1 is a **Medical Services Organization** (MSO) owned by four companies:

1. The Order of Love Peace Truth Tolerance and Cooperation DBA TBT-Tomorrow's Bread Today,
2. Schulte Law, PC,
3. Construction LTD,
4. Diamond Development.

The goal of the company is to develop complete health care systems in specific locations that will serve the whole population regardless of their income status. The systems require safe and modern facilities, professional medical services, and methods to pay for both. In the absence of a universal public system for health insurance, the company has organized and contracted for a combination of public and private ways in which everyone in a community has the means to get complete and high-quality medical care.

We have four major projects in Texas which are included in this document. We offer these summaries to investors and lenders for their consideration in participating with us in these developments. The facilities proposed are those that address the medical and social needs of patients throughout their lives: Primary Care Clinics, Multi-Specialty Care Clinics, Hospital and Nursing Care, and Assisted Living. The first locations of the facilities were chosen because the properties on which to build were already owned by one or more of our partners or a contracted Medical Groups. In that way we would have the needed equity for proper financing of construction, marketing and beginning services.

Each project is described in enough detail to allow an interested party to evaluate whether any or all the projects match their investment or lending goals. In each case the populations being served qualify under Federal and State guidelines as low income and in need of better and more complete healthcare systems.

Several public programs are applicable to these projects: New Markets Tax Credits, Grants for medically underserved areas, and tax abatements for improvements in employment and infrastructure. Participation in the ACA, Medicare Plans and ACO programs are in the experience of this group and will be part of the complete health care system. Quality Assurance, Shared Saving and Local Patient Cooperatives are the means to making the projects viable and long lasting.

Contract Information: Don McCormick 832-599-8449 donmcco@gmail.com

Management of TBTMSO1

Bret A. Schulte, J.D.

Attorney – Houston **Real Estate and Health Care Law**

Bret Schulte has been a licensed Attorney for 21 years and handles cases in Health Care, Real Estate.
Attended Yale University and Ohio State University Moritz College of Law.
8700 Commerce Park Drive Ste. 103,
Houston, Texas 77036 Tel: (+1) 713-551-4961

Don McCormick, BA, AAMA

B.A. Degree from University of St. Thomas in Houston, 1967
University of Houston and Mills College for advanced studies in Insurance, 1967-1975
Licensed as a General Lines Insurance Agent, 1967- Present
Marketing Director for New Communities Service Corporation HMO, 1975
Executive Director of Texas Health Plans HMO, 1977-1980
President of Computech (Medical Accounting Software Company), 1980-1984
President of National Association of Preferred Providers, 1984-1995
President of Physicians ACO, 2012-2013
Executive Director of SEMNet, HMINet, PDMP Multi-specialty Group IPAs
Founder of Senior Patient Association AKA Patient Doctor Medical Plans (PDMP), 2005-Present
Trustee for TBT, a 501c3 organization and sponsor of PDMP 1995-Present
921 CR 3704B
Splendor, Texas 77372 Tel: (+1) 832-599-8449 https://tbt.org

Blair Korndorffer, AIA

Thirty+ years' experience as lead design professional in Health Care, Resort, Hospitality, Residential and Industrial Projects throughout the World.
Managing Partner of a Multi-tiered development group that specializes in Medical, Resort and Hospitality development with projects in Texas, South and Central America and West Africa.
Completed over 2000 projects representing $2.8 Billion in Project Cost. Most of these projects are in health care and resort/hospitality facilities.
In addition to these projects, we have designed over $30 Billion in master planned developments, including continued care retirement communities (CCRC), Resort, Residential and Town Center Developments.
700 Gemini St Suite 260
Houston, TX 77058 Tel: (832) 224-6400 http://diamonddevelopmentgroup.com.

Tim Dixon of Construction, Ltd. **Tim Dixon**
1825 Upland Houston, TX 77043 Tel: (713) 984-9444 https://cltd.net/

1981 Founder & owner of Construction LTD, a multi-family, professional, commercial, governmental, healthcare, retail, airport, religious, institutional, industrial and K-12 builder, with $1.5BB in constructed projects in the greater Houston area.

1996 Founder & General Partner of Dixon Financial Services a private equity, mineral and real estate holding company that does developments in the Houston area.

1999 Founder & owner of Dixon Land & Wildlife Company a wildlife ranching operation consisting of 1,100 acres in Harwood, TX.

2009 Founder & majority shareholder of Qwik Pipe, Inc. a water transfer company for private energy operators in the Delaware, Permian & Eagle-ford Shale regions.

2010 Ordained minister at Encourager Church Houston, TX.

2017 Shareholder & Managing Member of DR3 Supply an oil field supply company.

2018 Shareholder of Heights Hospital which is a 50-bed acute care hospital in the Heights area of Houston.

2019 Co-founder & majority shareholder of Spirit Drilling Fluids a drilling mud company.

THE COMPANY'S COMPETITIVE POSITION

The Company is unique in its developments, agency organization and services provided to physicians, Medicare, private insurers, and cooperatives.

Our competitors are hospital sponsored ACOs, large Group Medical Practices, and Insurance companies that contract directly with physicians. All these entities have incentives to share less of the bonuses with the physicians than does our MSO and the IPAs it manages. Hospitals do not want to reduce hospital revenue and if the practices cause fewer admissions, then they need to be in position to recover their lost revenue by getting any shared saving into their account first. That would also be true for any facility vendor that became the owner of the IPA, such as pharmacies, DME companies and insurance companies.

The Company believes that:

1. Physicians will continue to join local multi-disciplinary medical teams that we organize.
2. The patients will continue to enroll in Medicare ACO and HMO plans with the companies we will represent.
3. The health care delivery system will change in the direction that feeds our kind of service organization such as the MSO/IPA models in the current federal health laws. This will remain true even if it were a single payer system or some compromise of that system.

CHANGES IN HEALTH INSURANCE SYSTEM

As of now, PPACA is the law and it establishes HMOs and ACOs for use by both Medicare and the private sector. The likelihood of a radical change in the current private sector domination of the health insurance system is unlikely. On the contrary, the health care providers will be able to count on an even greater number of patients who may be *required* to purchase health insurance subsidized or not by the government.

We anticipate legislative changes that will cost the patients more out of pocket either in reduced tax deductions or limited benefits, followed by further fixing of physician fees – rollbacks of Medicare rates, and better organization of managed care systems. The Congress could try to further control hospital costs by extension of diagnosis-related group (DRG) contracts to the non-Medicare markets and by reinstatement of certificates of need in building of facilities.

Furthermore, the legislation could prohibit physician ownership of hospitals completely except as unit holders of public companies. All these likely strategies play into the strengths of our type of contracted management company.

Size of the Market

There are 50 million people on Medicare, of which 20 million receive their Medicare benefits from private health plans called Medicare Advantage (MA). These private plans have been around since the 1970s but in 1997 they were expanded to include preferred provider organizations (PPOs), provider sponsored organizations (PSOs), and private fee-for-service plans (PFFS). With the Medicare

Prescription Drug, Improvement, and Modernization Act of 2003 these types of plans were expanded to include regional PPOs that would serve patients that were eligible for both Medicare and Medicaid and special needs patients (SNP).

The 2003 Act also increased payments to plans to encourage enrollments and participation. The political motivation for that increase and expansion was that the open fee-for-service system has little price or quality control and did not reach to the most vulnerable parts of our population. Further, there is a bias in our system toward private rather than public health care financing systems.

Since 2003 enrollment in Medicare Advantage plans has increased from 5 million to 20 million by the end of 2020. The higher level of funding for these private health plans has not continued but the growth rate of these plans will as the MA advantage increase their ability to persuade patients to stay with their primary care physicians.

Medicare will not remain an unmanaged system because of the performance requirements. Medicare plans to achieve this by having fewer hospital admissions and less redundancy in professional services. A good way for physicians to capture a larger share of that saving is to be an owner in a physician's IPA and not in a hospital or insurance company IPA.

The financial projections of the company as shown in this summary reflect the expected cost of this development.

Payor Composition

The market payor mix is expected to be:

- Medicaid 21%
- Medicare 39%
- PPO/HMO 30%
- Indemnity 5%
- Self-Pay 5%

Assets of TBTMSO1 Partners

Information from SBA Loan Applications

Partners in TBMSO1, managers of TBT	Assets	Liabilities	Net Worth
James Blair Korndorffer	$ 4,992,000	$ 1,390,000	$ 3,302,000
Timothy A. Dixon	$17,920,484	$ 68,000	$17,852,484
Bret Schulte	$ 529,000	$ 0	$ 529,000
Don McCormick	$ 719,000	$ 140,000	$ 579,000
TBT from **Audited Financial and on 990** 2020	$ 11,464,617	$ 4,867,325	$ 6,597,292

Financial Strength of the Sponsors (See Assets above)

$35,625,101

Commercialization Strategy

By commercialization we mean the exchange of values between the providers of medical care and patients. In medicine these values are usually a combination of cash or insurance payments for services that have been rendered and properly recorded and reported in standardized claims and medical records systems. But that is not the only kind of exchange. Providers are obligated by oath and by law to care for people who are sick and injured, so individual forgiveness of debt, contributions from charity and supportfrom government are all in play. Our strategy in all of our projects is to enroll the patient population into health plans that lessen the burden on them and us and do not drive the facility to depend mostly on a beggar's bowl. During the building period we will harness the best contracts possible with government and insurers and support a local cooperative that can solve the problems of paying for care for those who are outside of the usual systems but are our neighbors and patients. We have already addressed that issue in detail and are able to provide healthcare, including hospitalization for about 60% of the market cost.

We are a 501c3 organization and can obtain grants and donations to fill any money shortages in the patient population we will serve.

Legal and Regulatory Issues

The hospital will require a license and our Developers and Architectural Firm and the Operators have done that many times in the past. In contracting for insurance payments, we had also done that many timesin the past, including one of the first ACOs in Texas in 2012

that achieved significant savings, and numerous contracts with Medicare Advantage Plans which were profitable since 1995. The law firm which is a sponsor in this plan is also a Title Company and managed a Medical Specialty Group in Houston for ten years whose performance was profitable each year until the practices were purchased by the Hospital and the HMO was sold to another larger group.

While compliance is complex, we have the skill and knowledge to meet their demands.

Patents and Intellectual Properties

This is not part of this kind of business, at least for us, as the tools and systems we use are either open source or available by license agreement and represent a modest portion of the budget.

Business Model

A non-profit hospital managed by a Medical Service Organization that controls the contracts with payersand can market health plans in the community that are less expensive and more comprehensive and in which patients stay for the long term. Our books have elaborate descriptions of the business model and
finds support in the economic systems described by E.F. Schumacher and the marketing lessons of Henry Ospitia.

Long Term Sustainability

Health care has been required during the whole history and pre-history of mankind. Its need is increasingbecause of an aging population and the emergence of new diseases. Care is not yet a science we understand well, however the practice of care giving is allowing people to survive in less pain and for longer than in the last two centuries. That fact sustains this business. Those who value life, plan and prepare for healthy relationships and environments that will sustain this program and its facilities and providers.

Amount and Specific Use of Funds

See the Cost Sheets on the pages under each project:

Financial Capacity to Enter into Retained Relationship

All the sponsors have retained relationships with both their suppliers and customers for more than thirtyyears.

Medical Economics That Support Our Projects

This essay relates to the development of new hospitals, clinics, assisted living and insurance systems for low-income areas in the United States. It discusses the economic systems from a fresh point of view. It helps people to organize themselves into local cooperatives that satisfy their wants and needs in health care. It produces a new understanding of how health care economics will work when it is "cooperative" and not "dog eat dog" and not "somebody else's problem." It is a guide for how to create cooperatives that are economical and produce good health outcomes within the current laws and regulations. Making it universal can be done. It is not based on faith and hope but cooperative action, education, trust, and love.

Trusteeship and transfer of ownership of health care premiums paid to third parties by members of a health plan for future health care expenses is the core problem to solve in the United States. Insurance companies, employer-controlled trusts, and health benefits managers prosper when health care expenses are less than was predicted by premium setting. When there have been saving, beneficiaries have not shared in those saving but have continuously paid higher premiums and increased out-of-pocket costs for health care services. Consequently, money spent by member patients has not protected their health and welfare as intended. Payments of premiums to private companies which contain funds for payment of future health care services and supplies should not be converted to profits by denial of payment or failure to predict future health care expenses. Payment of taxes and premiums in the Medicare and Medicaid plans in the United States are supposed to be in trust funds and price regulated by types of covered services. However, the methods used to claim and to distribute trust funds result in extraordinary waste in which most of the money goes to non-medical suppliers and facilities and not to providers of medical and surgical services. Less than 20% of claims paid is for professional fees. The result is "no valid accounting" from the point of view of the member who pays taxes, premiums and seeks services.

Patients have been paying twice as much for health care in the United States as is paid in other countries that have universal health care systems. Direct payments by members to providers for services not covered by insurance are as much as the total cost of health care services in other industrialized countries. This includes Medicare premiums and out-of-pocket expenses. **It does not have to be that way and a cooperative can fix the problem**.

Health care as a human right ideal is derived from a basic need for humans to cooperate with each other to survive. Such a right is built on foundations of material and labor, love and respect for each other, honesty, and truth in our interactions. It is difficult to impose a right on any group of people by fiat or force. But it is even harder to deny that right when patients and doctors create it by individual labor and by collectively sharing material goods, teaching each other skills, and cooperating in the welfare of their families, friends, and neighbors. Whether the people in a "Gathering" are rich or poor is of no consequence in the creation of these rights. What matters is that every human being in a "Gathering" is cared for and everyone who can provide skills and resources is participating.

Such an environment is possible in any community of at least a few thousand families. The economic and political systems in which rights can be established are mostly matters of opinion but systems in which universal rights established by participants are denied or become exclusionary are faulty. Capitalism and Socialism have manifested such faults and need not have significant influence on the creation of a health care system by a "Gathering" of people who love and care for each other. "Health care for all" can be built on a "Gathering" in each community everywhere. It should be enabled by honest trusteeship of required resources which must be shared between the communities. Presently, governments in the United States are often not honest trustees despite desires of many representatives to change laws and regulations to make trusteeship vibrant.

Governments, State and Federal, can and often do help by creating risk pools under real trusteeship for large losses that the local Gatherings cannot anticipate. The Federal Government under a program called New Markets Tax Credits provides 39% Tax Credits which convert into about 25% of the total cost of

the projects we have proposed under our 501c3 Non-Profit and in the neighborhoods where the hospitals, clinics, and assisted living facilities will be located. NMTC funding is interest only for seven years and the principle is then forgiven. TBT has applied for this funding. However, the private sector plans must contribute balance of the funding which can be done by TBTMSO1 and the TBT Multi-specialty Group, LLC. through bank loans and capital investments guaranteed by the owners of the management company (TBTMSO1) and members of the medical groups.

Compensation of professional health care providers is on a retainer basis adjusted by semi-annual retrospective analysis. Such analysis requires a relationship to both the problem treated and the cost of the service provided, material and labor. The current method of payment causes this analysis to be done after the services have been rendered and before payments are made which results in three-way adversarial relationship between the professional, insurer, and patient. The analyst is usually the employee of the health plan. Consequently, high prices, excessive services, denials of payments, and transfer of expenses to patients by copayments, deductibles and exclusions create chaos and increase the administrative burden. Knowing the earning a professional medical care provider wants and needs, his or her capacity to serve patients, and the frequency of his or her type services within a defined population determines the retainer. Most of the services of professional medical care providers do not rise to the level of cost sharing through insurance but are merely a line item in a family budget. Retainers rather than premiums are far less expensive to both patients and providers. They have the added advantage of taking away adverse encounters between providers, insurers, and patients. Complaints about opacity of pricing, complexity of reporting, confidentiality of records and independent verification of transactions and payments are mostly solved from the patient and provider points of view. Individuals who cannot support a line-item budget for professional medical care need income subsidy not their uncompensated labor or tax payments to be given to paternalistic third parties to be reduced in value by their handling.

The hospitals and suppliers, even those we develop, are the “elephants in the room.” They are big boxes, electrical-mechanical devices, drugs, chemicals, and their investor groups. In the current system with which they compete, they eat 40% of all the money available for health care. Patients can own all these needed tools and reduce the load to 20%. When that happens, you will not have people confusing hospitals with medical care providers. It has never been that physicians needed to own these shelters, tools, chemicals, and medicines, they just needed to use them. It is bestto operate hospitals at cost so that the surplus they now drain can expand the supply of medical care providers and restore wealth to those who struggle to get wages and proper support when needed. Hospitals can be owned by patient physician cooperatives and the best ones in the United States are under that structure. We are an expansion of a system in which people matter and they know it because they provide the ways and means to functional and economical health care.

An Integrated Version of Eastern and Western Medical Oaths

I swear to fulfill, to the best of my ability and judgment, this covenant:
I first must calm my mind and make steadfast my intention.
I shall not give way to idle wishes and desires but should first develop an attitude of compassion.
I vow to help rescue all living beings from their suffering.
Enemies, relatives, good friends, natives or foreigners, foolish and wise, they all are the same to me. I think of each of them as a close and loved relative - or indeed as if it were I who had been struck down by an illness.
I shall not worry about my own life or my fortunes or misfortunes. My purpose is to preserve the life of others.
I will remember that there is art to medicine as well as science, and that warmth, sympathy, and understanding may outweigh the surgeon's knife or the chemist's drug.
I will respect the hard-won scientific gains of those physicians and others in whose steps I walk, and gladly share such knowledge as is mine with those who are to follow.
I will apply, for the benefit of the sick, all measures that are required, avoiding either demanding or giving overtreatment and therapeutic nihilism.
I will not be ashamed to say, "I know not," nor will I fail to call in my colleagues when the skills of another are needed for a patient's recovery including physicians I may not know personally.
I will respect the privacy of my patients, for their problems are not disclosed to me that the world may know. Most especially must I tread with care in matters of life and death. If it is given me to save a life, all thanks. But it may also be within my power to take a life; this awesome responsibility must be faced with great humbleness and awareness of my own frailty and such a decision will not be taken alone.
Above all, I must not play at God.
I, as a physician, will remember that I do not treat a fever chart, a cancerous growth, but a sick human being, whose illness may affect the person's family and economic stability. My responsibility includes these related problems, if I am to care adequately for the sick.
I will prevent disease whenever I can, for prevention is preferable to cure.
I will teach my patients and their families as much as possible about self-care and prevention by allowing time in my practice for such activity.
I will remember that I remain a member of society, with special obligations to all my fellow human beings, those sound of mind and body as well as the infirm.
I shall not hide away in the mountains. Day and night, in cold and in heat, in hunger, thirst, and fatigue, I will single mindedly go to the rescue. If I act in this manner, I may approach being a great person for those who are sick or in need.
Sometimes people look with contempt on those who suffer with abominable things, such as ulcers and diarrhea, however I shall maintain an attitude of compassion and sympathy. Never in a great person should there arise an attitude of rejection.
I will not glory in my reputation. I will not discredit other people while I praise my own virtues.
Thus, I will fulfill my responsibilities and my destiny as a physician member of the cooperative until I am no longer capable of fulfilling my obligations or until the end of my lifetime.
If I do not violate this oath, may I enjoy life, art, science, and my work, be respected while I live and remembered with affection thereafter. May I always act to preserve the finest traditions of my calling and may I long experience the joy of healing and the relief of suffering.

Patient Member Medical Oath

I swear to fulfill, to the best of my ability and judgment, this covenant:
I first must calm my mind and make steadfast my intention to support the cooperative and its caregivers.
I shall not give way to idle wishes and desires but should first develop an attitude of compassion for my fellow members.
I vow to help rescue all living beings from their suffering.
Enemies, relatives, good friends, natives, or foreigners, foolish and wise, they all are the same to me. I think of each of them as a close and loved relative - or indeed as if it were I who had been struck down by an illness and in need of their compassion and help.
I shall not worry about my own life or my fortunes or misfortunes. My purpose is to preserve the life of others.
I will follow all measures required for the benefit of curing my sickness or injury based on what I have been taught by those physicians in whom I have placed my trust and my care, but I will not undergo treatment which is invasive or dangerous without consulting physicians, and other experts, independent of my chosen physicians.
I will remember that there is art to medicine as well as science and I will be mindful and cautious of the care I agreed to receive.
I will respect the hard-won scientific gains of those physicians and others whose advice and treatment I seek.
I will respect the humble nature of my physician's call for help and advice in diagnosis and treatment of me and I will cooperate fully in the process.
I will respect the privacy of my conversation with my physicians and not gossip about my problems and the care and treatment I have sought because such talk may not be correct and can cause harm to others.
I will remember that I and my fellow members of the Cooperative by having chosen a physician or a physician team command their time and dedication to our care and therefore we are responsible for their support materially and spiritually. When, by their oath, they must care for everyone they see without regard to power or wealth or poverty or condition then each of us as cooperative members must bear our share of that expense and burden so that no one should suffer needlessly.
I will prevent disease whenever I can, for prevention is preferable to cure.
As a patient, I will study and learn as much as possible about self-care and prevention and have respect the schedule of the teacher when I seek instruction.
I will remember that I remain a member of society, with special obligations to all my fellow human beings, those sound of mind and body as well as the infirm.
I shall not hide away in the mountains. Day and night, in cold and in heat, in hunger, thirst, and fatigue, I will single mindedly go to the rescue of my caregivers and fellow members. If I act in this manner, I may approach being a great person for those who provide care and for those who are sick or in need.
Care is given by physicians, nurses, family and friends and sometimes people look with contempt on those who suffer with abominable things, such as ulcers and diarrhea, however I, as a member and helper, shall maintain an attitude of compassion and sympathy. Never in a great person should there arise an attitude of rejection.
I will not glory in my reputation. I will not discredit other people while I praise my own virtues.
Thus, I will fulfill my responsibilities and my destiny as a fellow member of the cooperative until I am no longer capable of fulfilling my obligations or until the end of my lifetime.
If I do not violate this oath, may I enjoy life, art, science, and my work, be respected while I live and remembered with affection thereafter. May I always act to preserve the finest traditions of my calling and may I long experience the joy of healing and the relief of suffering in others**.**

Benchmark Medical Cost Data from Managed Care Plans

Health Plan Fund Benchmark FFS Costs Expressed as Capitation Rates										
Assume 1,500 Pts in 30 practices in Health Plans	This budget is based on actual experience in managed care plans over a ten year period adjusted for 2019 costs									
About 45,000 total in four age grouping:	7500 Patients		7500 Patients		15000 Patients		15,000 Patients		45,000 Patients	Weighted
Capitation for Medical Services	Dollars	2019	Dollars	2019	Dollars	2019	Dollars	2019	*Total All Ages*	Cap
Specialties		Seniors 65+		Ages 0-17		Ages 18-44		Ages 45-64		
Hospital Inpatient and Outpatient	$2,812,500	$375.00	$435,000	$58.00	$1,530,000	$102.00	$2,325,000	$155.00	$7,102,500	$158.15
Primry Care Physicians	$375,000	$50.00	$123,750	$16.50	$450,000	$30.00	$570,000	$38.00	$1,518,750	$33.82
Prescription Drugs	$251,250	$33.50	$66,000	$8.80	$240,000	$16.00	$436,800	$29.12	$994,050	$22.13
Diagnostic Imaging/Radiology	$165,000	$22.00	$74,250	$9.90	$270,000	$18.00	$270,000	$18.00	$779,250	$17.35
Home Health	$85,125	$11.35	$15,469	$2.06	$56,250	$3.75	$102,375	$6.83	*$259,219*	$5.77
Oncology/Hemotology	$77,250	$10.30	$15,593	$2.08	$56,700	$3.78	$91,200	$6.08	$240,743	$5.36
Unlisted Specialites	$58,125	$7.75	$16,875	$2.25	$60,000	$4.00	$86,850	$5.79	$221,850	$4.94
Ophthalmology	$86,250	$11.50	$12,128	$1.62	$44,100	$2.94	$80,262	$5.35	$222,740	$4.96
Lab	$76,875	$10.25	$10,931	$1.46	$39,750	$2.65	$72,345	$4.82	$199,901	$4.45
Annesthesiology	$43,500	$5.80	$12,375	$1.65	$45,000	$3.00	$81,900	$5.46	$182,775	$4.07
Cardiovascular Disease	$74,625	$9.95	$9,158	$1.22	$33,300	$2.22	$60,606	$4.04	$177,689	$3.96
Surgery: Orthopedic	$40,500	$5.40	$11,756	$1.57	$42,750	$2.85	$77,805	$5.19	$172,811	$3.85
Rehab	$62,325	$8.31	$9,488	$1.27	$34,500	$2.30	$62,790	$4.19	$169,103	$3.77
Out Patient Surgery Centers	$38,400	$5.12	$9,900	$1.32	$36,000	$2.40	$65,520	$4.37	$149,820	$3.34
Obstetries & Gynecology	$11,550	$1.54	$20,171	$2.69	$73,350	$4.89	$35,250	$2.35	$140,321	$3.12
Emergency Medicine	$46,500	$6.20	$7,301	$0.97	$26,550	$1.77	$48,321	$3.22	$128,672	$2.87
Surgery: General	$33,750	$4.50	$8,003	$1.07	$29,100	$1.94	$52,962	$3.53	$123,815	$2.76
Hospitalist	$57,900	$7.72	$5,528	$0.74	$20,100	$1.34	$36,582	$2.44	$120,110	$2.67
Gastroenterology	$52,125	$6.95	$5,775	$0.77	$21,000	$1.40	$38,220	$2.55	$117,120	$2.61
DME	$26,850	$3.58	$6,806	$0.91	$24,750	$1.65	$45,045	$3.00	$103,451	$2.30
Long Term Acute Care	$39,600	$5.28	$5,445	$0.73	$19,800	$1.32	$36,036	$2.40	$100,881	$2.25
Urology	$40,950	$5.46	$5,074	$0.68	$18,450	$1.23	$33,579	$2.24	$98,053	$2.18
Diagnostic Imaging/ Cardiology	$58,125	$7.75	$3,671	$0.49	$13,350	$0.89	$24,297	$1.62	$99,443	$2.21
Skilled Nursing Facility	$34,125	$4.55	$5,445	$0.73	$19,800	$1.32	$36,036	$2.40	$95,406	$2.12
Pulmonary Disease	$24,300	$3.24	$6,188	$0.83	$22,500	$1.50	$40,950	$2.73	$93,938	$2.09
Ambulance	$37,875	$5.05	$4,950	$0.66	$18,000	$1.20	$32,760	$2.18	$93,585	$2.08
Addition, Behavior & Mental Health	$19,125	$2.55	$6,394	$0.85	$23,250	$1.55	$42,315	$2.82	$91,084	$2.03
Radiation Oncology	$52,875	$7.05	$3,094	$0.41	$11,250	$0.75	$20,475	$1.37	$87,694	$1.95
Dialysis Facility	$25,500	$3.40	$4,043	$0.54	$14,700	$0.98	$26,754	$1.78	$70,997	$1.58
Physical Medicine & Rehabilitation	$20,850	$2.78	$4,373	$0.58	$15,900	$1.06	$28,938	$1.93	$70,061	$1.56
Surgery: Cardiothoracic	$37,725	$5.03	$2,681	$0.36	$9,750	$0.65	$17,745	$1.18	$67,901	$1.51
Physical Therapy	$21,525	$2.87	$3,589	$0.48	$13,050	$0.87	$23,751	$1.58	$61,915	$1.38
Dermatology	$15,600	$2.08	$3,919	$0.52	$14,250	$0.95	$25,935	$1.73	$59,704	$1.33
Video & Telemedicine	$15,000	$2.00	$7,500	$1.00	$15,000	$1.00	$22,500	$1.50	$60,000	$1.34
Otolaryngology	$12,600	$1.68	$3,589	$0.48	$13,050	$0.87	$23,751	$1.58	$52,990	$1.18
Neurology	$17,175	$2.29	$3,218	$0.43	$11,700	$0.78	$21,294	$1.42	$53,387	$1.19
Surgery: Bariatric	$12,075	$1.61	$3,506	$0.47	$12,750	$0.85	$23,205	$1.55	$51,536	$1.15
Nephrology	$14,775	$1.97	$3,094	$0.41	$11,250	$0.75	$20,475	$1.37	$49,594	$1.10
Urgent Care Facility	$8,625	$1.15	$4,200	$0.56	$17,100	$1.14	$17,250	$1.15	$47,175	$1.05
Pathology	$10,200	$1.36	$3,135	$0.42	$11,400	$0.76	$20,748	$1.38	$45,483	$1.01
Surgical Assistant	$12,375	$1.65	$3,000	$0.40	$10,500	$0.70	$19,110	$1.27	$44,985	$1.00
Surgery: Plastic & Hand	$8,925	$1.19	$3,011	$0.40	$10,950	$0.73	$19,929	$1.33	$42,815	$0.95
Podiatry	$11,025	$1.47	$2,681	$0.36	$9,750	$0.65	$17,745	$1.18	$41,201	$0.92
Rheumatology	$16,650	$2.22	$1,856	$0.25	$6,750	$0.45	$12,285	$0.82	$37,541	$0.84
Allergy	$4,650	$0.62	$2,681	$0.36	$9,750	$0.65	$17,745	$1.18	$34,826	$0.78
Surgery: Neurological	$6,750	$0.90	$1,898	$0.25	$6,900	$0.46	$12,558	$0.84	$28,106	$0.63
Vision	$5,175	$0.69	$1,609	$0.21	$5,850	$0.39	$10,647	$0.71	$23,281	$0.52
Chiropractic	$5,850	$0.78	$1,444	$0.19	$5,250	$0.35	$9,555	$0.64	$22,099	$0.49
Intensive Care Professional	$6,300	$0.84	$1,320	$0.18	$4,800	$0.32	$8,736	$0.58	$21,156	$0.47
Pain Management	$4,425	$0.59	$1,238	$0.17	$4,500	$0.30	$8,190	$0.55	$18,353	$0.41
Endocrinology	$4,875	$0.65	$784	$0.10	$2,850	$0.19	$5,187	$0.35	$13,696	$0.30
Infectious Diseases	$5,550	$0.74	$495	$0.07	$1,800	$0.12	$3,276	$0.22	$11,121	$0.25
Optometry	$900	$0.12	$600	$0.08	$1,500	$0.10	$1,800	$0.12	$4,800	$0.11
	$4,549,950	$303.33	$1,101,953	$73.46	$1,990,650	$132.71	$3,000,390	$200.03	$2,610,875	$174.06

Benchmark Plan Administrative Cost Data From Managed Care Plans

Health Plan Fund Benchmark FFS Costs Expressed as Capitation Rates										
Assume 1,500 Pts in 30 practices in Health Plans	This budget is based on actual experience in managed care plans over a ten year period adjusted for 2019 costs									
About 45,000 total in four age grouping:	7500 Patients		7500 Patients		15000 Patients		15,000 Patients		45,000 Patients	Weighted
Capitation for Medical Services	Dollars	2019	Dollars	2019	Dollars	2019	Dollars	2019	*Total All Ages*	Cap
General Administrative Expenses										
Auditing Actuarial & Consulting	$8,625	$1.15	$2,888	$0.39	$10,500	$0.70	$15,000	$1.00	$37,013	$0.82
Beneficiary Discovery and Survey	$13,125	$1.75	$2,681	$0.36	$9,750	$0.65	$17,745	$1.18	$43,301	$0.96
Beneficiary Personal Contact & HRA	$11,250	$1.50	$6,806	$0.91	$24,750	$1.65	$18,750	$1.25	$61,556	$1.37
Boards Bureaus & Asso. Dues	$825	$0.11	$165	$0.02	$600	$0.04	$1,092	$0.07	$2,682	$0.06
Care Coordination	$14,625	$1.95	$4,331	$0.58	$15,750	$1.05	$28,665	$1.91	$63,371	$1.41
Collections and Bank Service Charges	$3,150	$0.42	$578	$0.08	$2,100	$0.14	$3,822	$0.25	$9,650	$0.21
Commissions	$285,000	$38.00	$52,800	$7.04	$192,000	$12.80	$349,440	$23.30	$879,240	$19.58
Cost of Depreciation of EDP Equipment	$4,875	$0.65	$949	$0.13	$3,450	$0.23	$6,279	$0.42	$15,553	$0.35
Equipment	$2,625	$0.35	$536	$0.07	$1,950	$0.13	$3,549	$0.24	$8,660	$0.19
Insurance on Real estate	$5,400	$0.72	$1,361	$0.18	$4,950	$0.33	$9,009	$0.60	$20,720	$0.46
Legal	$7,350	$0.98	$1,320	$0.18	$4,800	$0.32	$8,736	$0.58	$22,206	$0.49
Occupancy, depreciation & Amort.	$2,850	$0.38	$578	$0.08	$2,100	$0.14	$3,822	$0.25	$9,350	$0.21
Out of Area Stop Loss Insurance	$6,750	$0.90	$1,485	$0.20	$5,400	$0.36	$9,828	$0.66	$23,463	$0.52
Outsourced Services EDP, Claims	$61,950	$8.26	$11,096	$1.48	$40,350	$2.69	$73,437	$4.90	$186,833	$4.16
Payroll Taxes	$10,200	$1.36	$2,104	$0.28	$7,650	$0.51	$13,923	$0.93	$33,877	$0.75
Postage Express & Telephone	$35,625	$4.75	$9,199	$1.23	$33,450	$2.23	$60,879	$4.06	$139,153	$3.10
Printing $ Office Supplies	$18,750	$2.50	$6,146	$0.82	$22,350	$1.49	$25,200	$1.68	$72,446	$1.61
Regulatory Authority Fees	$525	$0.07	$124	$0.02	$450	$0.03	$819	$0.05	$1,918	$0.04
Rent	$15,900	$2.12	$4,373	$0.58	$15,900	$1.06	$28,938	$1.93	$65,111	$1.45
Salaries, Wages & Benefits	$75,000	$10.00	$18,810	$2.51	$68,400	$4.56	$94,500	$6.30	$256,710	$5.72
Specific Stop Loss @$75,000	$187,500	$25.00	$61,875	$8.25	$225,000	$15.00	$330,000	$22.00	$804,375	$17.91
State and Local Taxes	$48,750	$6.50	$9,900	$1.32	$36,000	$2.40	$65,520	$4.37	$160,170	$3.57
State Premium Taxes	$45,975	$6.13	$8,044	$1.07	$29,250	$1.95	$53,235	$3.55	$136,504	$3.04
Travel	$5,625	$0.75	$1,856	$0.25	$6,750	$0.45	$9,750	$0.65	$23,981	$0.53
		$116.30								
Summary of Costs										
All Professional	$2,274,975	$303.33	$550,976	$73.46	$3,484,650	$232.31	$5,259,870	$350.66		
All Hospital Services	$2,812,500	$375.00	$435,000	$58.00	$36,000	$2.40	$65,520	$4.37		
All Administration	$872,250	$116.30	$210,004	$28.00	$763,650	$50.91	$1,231,938	$82.13		
Sub-Totals	$5,959,725	$794.63	$1,195,980	$159.46	$4,284,300	$285.62	$6,557,328	$437.16		
Margin	$595,973	$79.46	$119,598	$15.95	$428,430	$28.56	$655,733	$43.72		
Totals	$6,555,698	$874.09	$1,315,578	$175.41	$4,712,730	$314.18	$7,213,061	$480.87		
Target Hospital Admits per 1000		250		43	$930,000	62	$1,692,600	113		
Target Length of stay		5.26		1.75	$37,500	2.50	$68,250	4.55		
Income From Premiums	$8,250,000	$1,100.00	$1,537,500	$205.00	$5,250,000	$350.00	$8,250,000	$550.00		
									Totals For Plan	
Gross Shared Savings Potential	$1,694,303	$225.91	$221,922	$29.59	$537,270	$35.82	$1,036,939	$69.13	$3,490,433.70	
25% to MSO	$423,576	$56.48	$55,481	$7.40	$134,318	$8.95	$259,235	$17.28	$872,608.43	
37.5% PCPs	$635,363	$84.72	$83,221	$11.10	$100,738	$13.43	$194,426	$25.92	$1,308,912.64	
37.5% Specialists	$635,363	$84.72	$83,221	$11.10	$100,738	$13.43	$194,426	$25.92	$1,308,912.64	

Project # 1: Dallas Hospital and Assisted Living Project

- Borrower: TBT MSO 1, LLC (A newly formed entity which is the Medical Service Organization that will manage the Non-Profit Hospital that is owned by The Order of Love Peace Truth Tolerance and Cooperation (DBA TBT) and a Physician Association (TBT Multi-Specialty Group, LLC that is managed by TBTMSO1)

Owners/Managers of TBTMSO1

- Donald McCormick (Executive Director of TBT which is a 501c3 Corporation that owns the Property and the Patient Association)
- James Blair Korndorffer (Architect)
- Timothy Dixon (General Contractor)
- Bret Schulte (Attorney)
- Corporate Guarantors
- The Order of Love Peace Truth Tolerance and Cooperation DBA Tomorrow's Bread today (TBT) and Patient Doctor Medical Plan (PDMP)
- Construction, LTD
- Diamond Development, LLC
- Schulte Law, PC

Corporate guarantors to provide primary cash for repay and provide a cash flow analysis to demonstrate the ability to repay the loan.

Project Cost: $81,205,000 Term: 120 months

- Interest Reserve: - Full 36 months of interest payments suggested
- Rate: CDE 1.5%, Leveraged Lender LIBOR + 3.00% with a 1.00% floor
  - The Order of Love Peace Truth Tolerance and Cooperation DBA TBT owns the hospital
  - Hospital was donated to TBT and has a net value $6.7 Million reflected in the audited statement of TBT and based on an independent appraisal. The developer will reconstruct the hospital using their own funds. TBT will then lease the facility to an operating company it at market rates for a seven-year terms renewable for three terms.
  - The property is 7.32 Acres with 120,000 sq. ft., 70,000 of which will be a surgical hospital and 50,000 will be Assisted Living and Skilled Nursing. Additionally, we will build a 20,000 SF parking garage.
  - The expected lease rate will be $45 per square foot per year.
- The assets of the hospital business will be it licenses, contracts and receivables and the property will be its market value less debt.
- PRS (Primary Source of Repayment) Corporate entities named as guarantors.
- Loan will be supplemented in less than 12 months by NMTC cash which is a 1.5% interest only loan forgiven at the end of seven years of approximately $5,000,000 to $15,000,000. Such forgiveness creates equity that coupled with the contributions of the owners makes possible establishment and profitable operation of the hospital and health care system.
- 10-year cash flow projection for TBTMSO1 that will pay back the loan.
- Source and Application of Funds: Total $81,808,450
  - Construction -44,250,000
  - Equipment -14,909,916
  - Professional fees - 2,180,176
  - Administration - 7,996,797
  - Funder & Closing - 7,408,450
  - Marketing & Sales - 5,063,111

New Market Tax Credit (NMTC) Program for Permanent Loan for Project

- TBT qualified for the NMTC Loan program from the Treasury Department because of the population being served and the several CDEs may be included in the project and could cover as much as 25% of the total cost and the principle is forgiven after 7 years with the interest now at 1.5%. We must raise the balance of the cost of the project by cash or loan after the tax credits are sold by the Community Development Entities which amount will be about $15 million leaving a balance of $66 million. This amount will come from a permanent loan. The contribution of the CDE from Tax Credits sale will be forgiven in the eight-year.
- TBT MSO 1, LLC & The Order of Peace Love Truth Tolerance, & Cooperation Inc. will contract for management of theleased medical facilities. The management contract will be with an experienced and proven operator of hospitals and Assisted Living facilities of this type.

Appraisal of the Dallas Property by Pyles Whatley

Market as is Real Estate	$ 8,785,000
Prospective Value in December 2020 after Site Prep	$ 11,300,000
Real Estate Improvements/Land	$ 65,780,000
Furniture, Fixtures and Equipment	$ 7,746,000
Prospective Value upon Completion	$ 73,526,000 *

- This represents the prospective value of the property and does not include the value of the business which is based on the margins in Medical Fees and Insurance Bonuses.

Capital Contributed to the Project

- $140,000 – Trustee Expenses/Legal and Accounting (completed)
  $220,000 – Security Expenses 2020 (On going)
  $1,200,000 – Demolition and Cleanup (Completed)
  $200,000 – Site Preparation for New Construction (In process)
  $600,000 – Architectural Work needed for permits, demolition, site prep, & loans (Completed)
  $200,000 – Marketing and Promotion Expenses
  $300,000 – Enrollment in Health Plans (Starts in July)
  $ 60,000 – Application for New Markets Tax Credits
  $1,680,000 – Original Owner (Note from TBT to PPC Trust)
  $4,600,000 -Total

Proprietary Nature of the Products and Services

Hospital Nuestra Senora de Guadalupe in Dallas Texas 75227

The service area of this hospital is considered an economic distressed Opportunity Zone by the Community Development Financial Institutions Fund (CDFI). This project will address the needs of the zone by leasing and operating the reconstructed hospital, HospitalNuestra Senora de Guadalupe. The property is in a perfect location for both the patients and the providers. The facility as designed will serve a community which currently is underserved for emergency and hospital healthcare. The current population in the service area is more than 57,000. This hospital project will benefit the local economy through an increased tax base and more than 200 permanent jobs. The reconstruction will take about 18 months. The property is on 7 plus acres with some existing infrastructure. The cost of the completed project could be as much as $81 Million. The hospital property will have a net equity value of $11,000,000 before construction and as much as $90,000,000 after operations begin. The medical business which supports the hospital and assisted living facilities with a patient base of 30,000 which is the equivalent of patients seen by 20 primary care practices will have a market value of approximately $60,000,000 based of past sales of controlled and insured managed care books of business. This equity will qualify for conventional operational loans.

The owners of TBT have operated IPAs in Houston since 1994 and are currently managing a patient association and contracts betweenphysicians in IPAs. In the next two years the patient numbers for which our IPAs will be responsible will grow from a 1,000 to more than 30,000. The long-term experiences of our contracted IPA groups are asource of trust to create Physician Owned Districts (PODs) of 30 primary care physicians supported by 30 specialists in each city.

Providers in each POD invest $40,000 to $60,000 in the form of promissory notes that are paid on demand. This investment createsenough asset value to allow at-risk contracting with insurers in which the physician organizations avoid the regular movement of patients from one insurer to another. Also, it assures the long-term liquidity of the IPAs.

Dallas Hospital Project

We are fortunate to have been offered participation in a non-profit hospital project six miles southeast of downtown Dallas. This provides us the seed capital from the developer for the creation of a POD in which we can control facility cost, create profits for providers and investors, and save money for patients using our cooperative resources. Bret Schulte, JD is an attorney that has been a manager of IPAs in Houston under Don McCormick for the last 20 years. He also owns and operates a title company and was the trustee of the closed hospital in Dallas on which one of his clients had a lien. Bret and his client won the bid from the District Court’s Receiver to be the sole owner of the property conditioned on it being cleaned and secured by December 31, 2020 which goal was accomplished. The title to the property was then transferred to TBT without any liens from the City or County. Bret is also a General Agent for TBTMSO1, our IPA management company, and a contract manager for the TBT Multi-Specialty Group, LLC that will serve the Dallas POD. This enabled TBT to sell the property to a developer for cash that will be used to operate the hospital and the health care system. The lease of the reconstructed buildings is within the hospital usual rental budget. It is less expensive than overall than mortgage and interest and related maintenance costs. The buildings have been designed by Blair

Korndorffer, A.I.A, of DiamondDevelopment. The reconstruction will take about 18 months and will be done by Construction, Ltd which is owned by Tim Dixon.
TBT is a 501c3 organization that owns the property and will be the license holder of the hospital and the association for patientmembership.

Bret will move to Dallas to oversee the project and expand TBT Multi-Specialty Group, LLC with the help of Don McCormick. Blair's firm will do the design, drawings, permits, and supervision. Tim Dixon's company, Construction, LTD is the General Contractor and will provide the Bonds and do the construction. QHR will do the management and operation of the Hospital. This Dallas POD will be supported by TBT Patient Association which gives the hospital and POD access to patients from major insurers and self-insured employer health care trust funds. Our contracted insurers are major companies in the United States, such as Partner'sRe, Pan American Life, Amerigroup, Blue Cross of Alabama through Americare, and TC ACO.

Structure

Hospital is a non-profit and is tax exempt and will be owned by TBT, the 501c3 organization that created the Patient Association andis in the health care services business. The Health Insurance Plans (HIPs – TBT Agency) and Medical Service Organizations (MSOs – TBTMSO1) that will use the facilities are for profit companies. Money from patients for health care goes through the HIPs and MSOs that pay the hospital for use of their facilities and services. The bank rate of interest could be 4.5%. The POD will require $6,000,000 from investors which will be amortized over 20 years and repayment will begin one year after reconstruction. The investors in the MSO will be the providers for the number of shares they deem acceptable for the risk involved. The hospital is expected to operate at cost plus reserves with the profit from the hospital operations contained in the management's contracted rate which should be consistent with the current market rates.

Demand

The Hospital and Medical Groups serving the residents of the East Dallas Community are currently spending as much as $500,000,000 on health care. It is paid primarily by Medicare, Medicaid, Employer Sponsors HealthPlans, and directly by patients out of their cash and savings. The contributions in each category are approximately 25% of the total. There are no hospital facilities in the neighborhood and when the hospital was open it did a robust business. It closed because of the unusual behavior of its owners in their agreements with Medicare. Our design of a medical group of 30 Primary Care Physicians supported by 15 Specialty Groups will serve 30,000 patients in a Value Based system. Such a system cost the patient little out of pocket and the premiums are paid by Medicare, Medicare Advantage, Medicaid, Employers and Patient Cooperatives.

Travel outside of the Neighborhood for care that is not Value Based and distant and more costly creates demand and participation that restores the prior usage of the facilities and pushes away competition that would direct thesick and injured people to facilities that are more difficult to access and cost more to use.

This facility can prosper serving a population of 9,000 while it has access to more than 50,000. That is the nature of a Value Based System supported by MA, ACO and Cooperative Agreements.

Barriers to Entry

Aside from investment contributions and loans needed to start operations, the facilities, and marketing in the community; the main barrier is, raising the level of awareness of the providers and patients concerning their health care, education about health care management, and participation in plans that make care affordable and of greater quality.

It is not done by contesting another's truth but through discovery of the common interests, experiences, wants and needs of each person – providers and patients. Henry Ospitia, who surveyed 4,000 people in the East Dallas Community asked, "What is the point of change without improvement and how can one improve their life without comparative knowledge?" He concluded that the population would respond to a better system aligned with the patient's wants and needs. Ernesto Sirolli advised us to "Shut up and Listen and not to incite but to be a servant of local people's passion to become better and to create an environment of trust - invest on what a person wants to do towards improving the community and support them…."

So, the main barriers are financial support and careful development of relationships within the community where we discover the wants and needs of the people and incorporate them into our structures and services.

The population is 75% Hispanic. We have written a book called Fundamentals of Marketing in both English and Spanish to help us train people to do this work in this community.

We have also written another Book called By The People, For The People, Gathering to Get Health Care Now. This book addresses the issue of community organization and building the provider network in a value-based system.

Competition

Usually, health care is paid for through contracts with Insurers, HMOs and Federal and State governments. IPAs, ACOs or group medical practices are the entities for contracting. They require management in several ways: (1) negotiating and contracting with the insurance companies in the mostfavorable way for the physicians, (2) Credentialing of each provider, (3) problem resolutions regardingpatient care and payments, (4) distributions and accounting for the money received for performance bonuses, and (5) coordination of care for patients sent to the physicians by the insurance plans.

Independent physicians, physician practice groups, and health care facilities receive most of the payments for their services through third party payers (40% from Medicare, 20% from Medicaid, 30%from Private Insurers and 10% from Patients). The increasing cost of fee-for-service Medicare and employee group health plans has caused government, employers, and group administrators to shift a large percentage of their members to HMOs, PPOs, and other managed care systems using IPAs and ACOs. Although patients may not prefer a managed payment system, none want or are able to afford the higher cost of fee-for-service open access plans.

The sponsors of managed care payment plans receive premiums from Medicare or from employee groups or government designated groups at a set price per patient per month. This premium limit places the sponsor at risk for any amount of cost excess of the amount anticipated in the rate structure. Sponsors attempt to eliminate this risk by entering "capitation" agreements with health care providers in which the amounts paid to the providers are contained regardless of the number of services provided. It has been our experience that type payment is greater for physicians and facilities in this system than in the fee-for-service contracts from major insurers and HMOs. We can do well as an agent in this kind of marketplace and within the IPA there is even more opportunity. The IPA contractswith Medicare in a shared saving model in which the medical care providers are paid electronically directly fee-for-service from the Medicare claims processing companies at a

cost of about 3% of the gross claims. The IPA is then paid a 50% to 75% portion of the savings if their claims from attributed patients are less than the benchmark in their service area. Since there is no administrative load of 15% as in the HMO model the loss ratios needed for profits to be made can be higher in the ACO even though the savings on claims are limited by Medicare to 10%. They could be more profitable than in the HMO experience. The competition for patient enrollments will arise from the way in which the doctors stay in contact with their patients and provide them with better services than from other physicians and not from locked-in enrollments as in the HMO model. The determination for attributionis based on which physician has seen the patient most frequently for primary care and preventive services. This means that when the IPA is competing with other IPAs their physicians could take patients from the other IPAs just by treating the patients better and more frequently.

The Company's goal is the administration and profitable operation of a medical service organization (MSO) that will provide direct payment agreements with patients and profit-sharing contracts for IPA providers with Medicare and commercial health plans. The company will use the existing relationships of its principals with their related IPAs and Insurers to make agreements that will benefit all the parties. The physicians who are members of the IPA will have a greater share of the underwriting profits of the Medicare shared saving plans, the HMOs, and the commercial insurance plans. The insurers, by the cooperation of the physicians, will reduce their risk and management cost of health care services and facility expenses, Thus, they will increase their profit margins in the business they underwrite.

Historical, Current and Future Earning

This is a start-up project for the Sponsors and has no financial history. The reports under the heading Assets give the current positions of the Sponsors which are evidenced by their tax filings and audited statement of the property owner. No person involved is without vast experience including the operator to whom we will award the management contract. The projections of the MSO and Hospital for seven years are on the next page:

Dallas Health Care System Projections 7/16/2021

Hospital Cash Flow Projections:

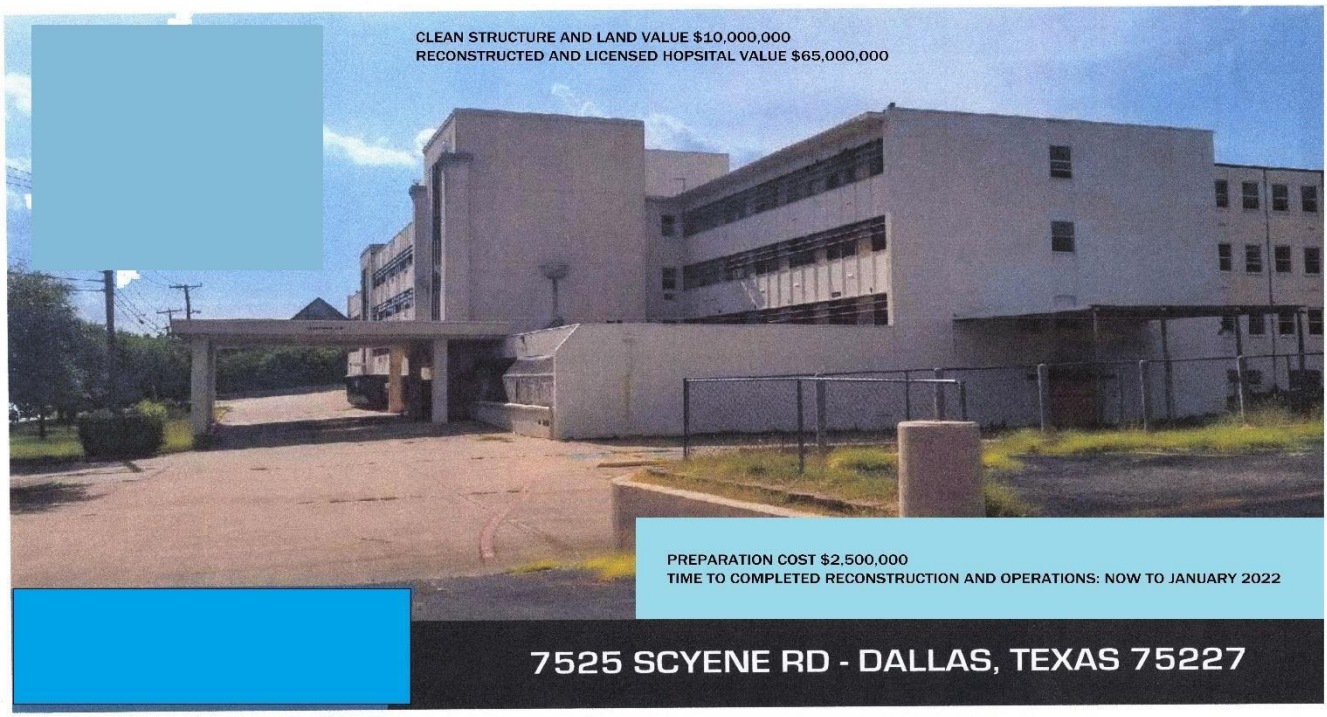
	Development		Operations							
Data	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
Surgical/Procedure Volume			3000	4000	4650	5850	6600	6600	6600	6600
Avg Surg Reimbursement/Case			$ 4,000.00	$ 4,000.00	$ 4,000.00	$ 4,000.00	$ 4,000.00	$ 4,000.00	$ 4,000.00	$ 4,000.00
OP Diagnostic			3500	4050	5250	6450	7200	7200	7200	7200
Avg OP Diagnostic Reimbursement/Case			$ 700.00	$ 700.00	$ 700.00	$ 700.00	$ 700.00	$ 700.00	$ 700.00	$ 700.00
Average Bed Daily Census			18	20	22	24	26	28	30	30
Bed Day Per Diem			$ 2,000.00	$ 2,000.00	$ 2,000.00	$ 2,000.00	$ 2,000.00	$ 2,000.00	$ 2,000.00	$ 2,000.00
ER Visits			3000	3650	4600	5600	6000	6000	6000	6000
REVENUE										
Surgical/Procedure Revenue			$ 12,000,000	$ 16,000,000	$ 18,600,000	$ 23,400,000	$ 26,400,000	$ 26,400,000	$ 26,400,000	$ 26,400,000
Bed Day Revenue			$ 13,140,000	$ 14,600,000	$ 16,060,000	$ 17,520,000	$ 18,980,000	$ 20,440,000	$ 21,900,000	$ 21,900,000
OP Diagnostic Revenue			$ 2,450,000	$ 2,835,000	$ 3,675,000	$ 4,515,000	$ 5,040,000	$ 5,040,000	$ 5,040,000	$ 5,040,000
ER Revenue			$ 2,100,000	$ 2,555,000	$ 3,220,000	$ 3,920,000	$ 4,200,000	$ 4,200,000	$ 4,200,000	$ 4,200,000
ALF Income			$ 128,000	$ 985,000	$ 1,600,000	$ 1,600,000	$ 1,600,000	$ 1,600,000	$ 1,600,000	$ 1,600,000
MOB Lease Income (21,600 sf at $30/sf NNN)			$ 648,000	$ 648,000	$ 648,000	$ 648,000	$ 648,000	$ 648,000	$ 648,000	$ 648,000
TOTAL REVENUE			$ 30,466,000	$ 37,623,000	$ 43,803,000	$ 51,603,000	$ 56,868,000	$ 58,328,000	$ 59,788,000	$ 59,788,000
Less Bad Debt Expense			$ 3,046,600	$ 3,762,300	$ 4,380,300	$ 5,160,300	$ 5,686,800	$ 5,832,800	$ 5,978,800	$ 5,978,800
Projected Project Revenue (Hospital, MOB, ALF)			**$ 27,419,400**	**$ 33,860,700**	**$ 39,422,700**	**$ 46,442,700**	**$ 51,181,200**	**$ 52,495,200**	**$ 53,809,200**	**$ 53,809,200**
VARIABLE EXPENSES										
Medical Supplies			$ 472,500	$ 1,035,000	$ 1,576,000	$ 1,755,000	$ 1,980,000	$ 1,980,000	$ 1,980,000	$ 1,980,000
Drug/Pharmacy			$ 667,225	$ 1,051,500	$ 1,145,250	$ 1,250,000	$ 1,350,000	$ 1,350,000	$ 1,350,000	$ 1,350,000
Purchased Services			$ 1,287,563	$ 1,416,319	$ 1,557,951	$ 1,713,746	$ 1,885,121	$ 1,885,121	$ 1,885,121	$ 1,885,121
Transcription			$ 39,375	$ 82,500	$ 120,000	$ 148,000	$ 165,000	$ 165,000	$ 165,000	$ 165,000
Total Variable Expenses			$ 2,466,663	$ 3,585,319	$ 4,399,201	$ 4,866,746	$ 5,380,121	$ 5,380,121	$ 5,380,121	$ 5,380,121
FIXED EXPENSES										
Salary Expense			$ 9,000,000	$ 14,000,000	$ 17,000,000	$ 20,000,000	$ 22,000,000	$ 22,500,000	$ 22,500,000	$ 22,500,000
Benefits			$ 1,980,000	$ 3,080,000	$ 3,740,000	$ 4,400,000	$ 4,840,000	$ 4,950,000	$ 4,950,000	$ 4,950,000
Management			$ 1,370,970	$ 1,693,035	$ 1,971,135	$ 2,322,135	$ 2,559,060	$ 2,624,760	$ 2,690,460	$ 2,690,460
Maintenance			$ 200,000	$ 220,000	$ 242,000	$ 266,200	$ 292,820	$ 322,102	$ 354,312	$ 389,743
Office Supplies and Expense			$ 160,000	$ 176,000	$ 193,600	$ 212,960	$ 234,256	$ 257,682	$ 283,450	$ 311,795
Professional Fees			$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000
Utilities			$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000
Insurance			$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000
Marketing/Advertising			$ 180,000	$ 180,000	$ 180,000	$ 180,000	$ 180,000	$ 180,000	$ 180,000	$ 180,000
Telephone/Communications			$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ 60,000
Dietary			$ 105,000	$ 115,500	$ 127,050	$ 139,755	$ 153,731	$ 169,104	$ 186,014	$ 204,615
Leases and Lease Expenses			$ 8,400,000	$ 8,400,000	$ 8,400,000	$ 8,400,000	$ 8,400,000	$ 8,400,000	$ 8,400,000	$ 8,400,000
Total Fixed Expenses			$ 22,005,970	$ 28,474,535	$ 32,463,785	$ 36,531,050	$ 39,269,867	$ 40,013,647	$ 40,154,236	$ 40,236,613
Projected Operating Expenses (Fixed + Variable)			**$ 24,472,633**	**$ 32,059,854**	**$ 36,862,986**	**$ 41,397,796**	**$ 44,649,987**	**$ 45,393,768**	**$ 45,534,357**	**$ 45,616,734**
Cash Flow from Hospital Operations			$ 2,946,767	$ 1,800,846	$ 2,559,714	$ 5,044,904	$ 6,531,213	$ 7,101,432	$ 8,274,843	$ 8,192,466
NET CASH FLOW			$ 2,946,767	$ 1,800,846	$ 2,559,714	$ 5,044,904	$ 6,531,213	$ 7,101,432	$ 8,274,843	$ 8,192,466
% of collections			10.75%	5.32%	6.49%	10.86%	12.76%	13.53%	15.38%	15.23%

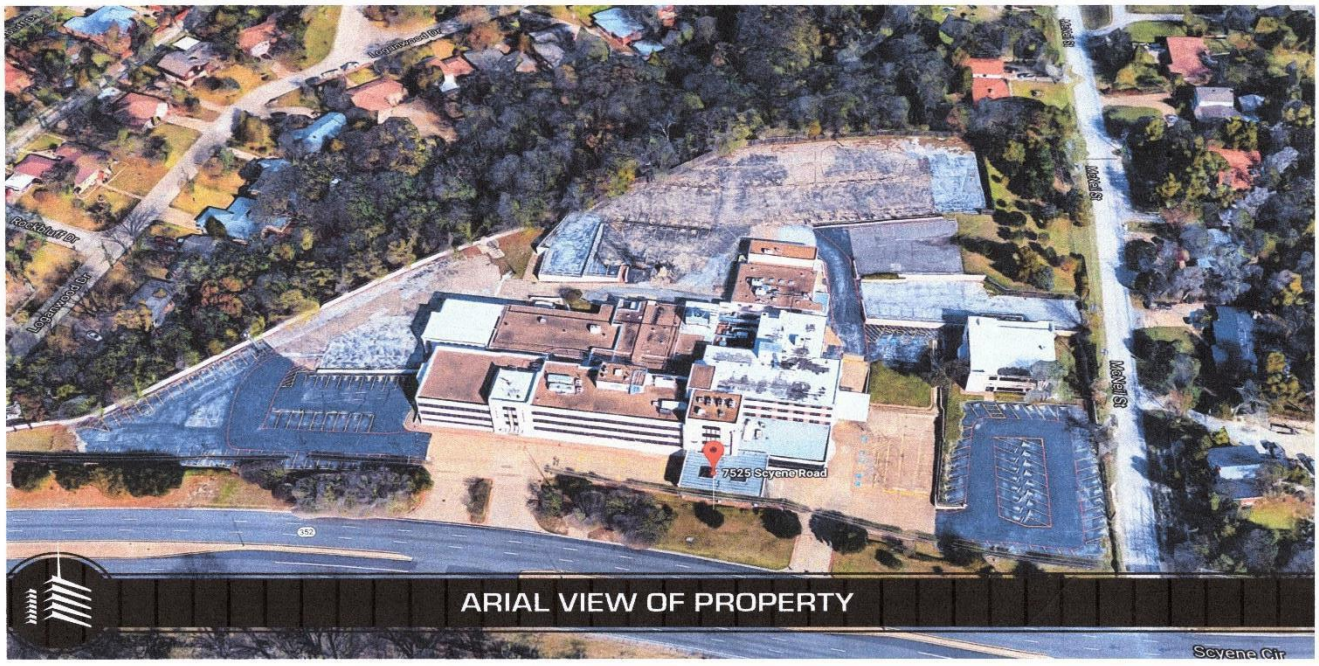
MSO Cash Flow Projections:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Projected Membership	1500	3000	6000	9000	12000	15000	18000	23000	30000	30000
Revenue										
Care Coordination	$ 192,500	$ 965,000	$ 2,194,500	$ 5,796,000	$ 10,836,000	$ 10,836,000	$ 10,836,000	$ 10,836,000	$ 10,836,000	$ 10,836,000
Group Insurance Participation	$ 590,000	$ 1,104,000	$ 1,776,000	$ 3,672,000	$ 6,552,000	$ 6,552,000	$ 6,552,000	$ 6,552,000	$ 6,552,000	$ 6,552,000
Bonuses From Shared Saving			$ 1,250,000	$ 1,250,000	$ 1,250,000	$ 1,250,000	$ 1,250,000	$ 1,250,000	$ 1,250,000	$ 1,250,000
Projected MSO Revenue	**$ 782,500**	**$ 2,069,000**	**$ 5,220,500**	**$ 10,718,000**	**$ 18,638,000**	**$ 18,638,000**	**$ 18,638,000**	**$ 18,638,000**	**$ 18,638,000**	**$ 18,638,000**
Expenses										
Accounting and Legal	$ 96,000	$ 96,000	$ 96,000	$ 96,000	$ 96,000	$ 96,000	$ 96,000	$ 96,000	$ 96,000	$ 96,000
Credentialing	$ 14,400	$ 14,400	$ 14,400	$ 14,400	$ 14,400	$ 14,400	$ 14,400	$ 14,400	$ 14,400	$ 14,400
Data Analytics	$ 36,000	$ 36,000	$ 36,000	$ 36,000	$ 36,000	$ 36,000	$ 36,000	$ 36,000	$ 36,000	$ 36,000
Employee Benefits	$ 40,000	$ 40,000	$ 40,000	$ 40,000	$ 40,000	$ 40,000	$ 40,000	$ 40,000	$ 40,000	$ 40,000
Insurance Premiums	$ 72,000	$ 72,000	$ 72,000	$ 72,000	$ 72,000	$ 72,000	$ 72,000	$ 72,000	$ 72,000	$ 72,000
Medical Director	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ 120,000
Phone Center	$ 48,000	$ 48,000	$ 48,000	$ 48,000	$ 48,000	$ 48,000	$ 48,000	$ 48,000	$ 48,000	$ 48,000
Payroll taxes	$ 271,200	$ 271,200	$ 271,200	$ 271,200	$ 271,200	$ 271,200	$ 271,200	$ 271,200	$ 271,200	$ 271,200
QA Committee	$ 72,000	$ 72,000	$ 72,000	$ 72,000	$ 72,000	$ 72,000	$ 72,000	$ 72,000	$ 72,000	$ 72,000
Rent	$ 48,000	$ 48,000	$ 48,000	$ 48,000	$ 48,000	$ 48,000	$ 48,000	$ 48,000	$ 48,000	$ 48,000
Salaries	$ 400,000	$ 400,000	$ 400,000	$ 400,000	$ 400,000	$ 400,000	$ 400,000	$ 400,000	$ 400,000	$ 400,000
Supplies	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000
Telephone	$ 24,000	$ 24,000	$ 24,000	$ 24,000	$ 24,000	$ 24,000	$ 24,000	$ 24,000	$ 24,000	$ 24,000
Travel	$ 18,000	$ 18,000	$ 18,000	$ 18,000	$ 18,000	$ 18,000	$ 18,000	$ 18,000	$ 18,000	$ 18,000
Utilities	$ 18,000	$ 18,000	$ 18,000	$ 18,000	$ 18,000	$ 18,000	$ 18,000	$ 18,000	$ 18,000	$ 18,000
Broker Fees	$ 800,000									
TPA Share Purchase	$ 1,000,000									
Interest on NMTC CDE Loan	$ 80,730	$ 80,730	$ 80,730	$ 80,730	$ 80,730	$ 80,730	$ 80,730			
Interest on NMTC Levelaged L Loan	$ 1,015,000	$ 1,015,000	$ 1,015,000	$ 1,015,000	$ 1,015,000	$ 1,015,000	$ 1,015,000			
Projected MSO Expenses	$ 4,185,330	$ 2,385,330	$ 2,385,330	$ 2,385,330	$ 2,385,330	$ 2,385,330	$ 2,385,330	$ 1,289,600	$ 1,289,600	$ 1,289,600
Cash Flow from MSO Operations	$ (3,402,830)	$ (316,330)	$ 2,835,170	$ 8,332,670	$ 16,252,670	$ 16,252,670	$ 16,252,670	$ 17,348,400	$ 17,348,400	$ 17,348,400
Total Cash Flow (Hospital + MSO)	$ (3,402,830)	$ (316,330)	$ 5,781,937	$ 10,133,516	$ 18,812,384	$ 21,297,574	$ 22,783,883	$ 24,449,832	$ 25,623,243	$ 25,540,866
DEVELOPMENT COST - CASH DISTRIBUTION										
Capital Contributed/ Loan	$ 82,840,000									
Funder Fee and Closing Cost	$ (7,455,600)									
Land Acquisition + PreDevelopment Expense to Date	$ (6,200,000)									
Balance of PreDevelopment Expenses	$ (2,212,500)	$ (1,106,250)	$ (442,500)							
FF&E Expenses		$ (2,400,000)	$ (5,240,000)							
Construction and Development Cost	$ (16,800,000)	$ (18,500,000)	$ (8,950,000)							
Taxes at 30%				$ (3,040,055)	$ (5,643,715)	$ (6,389,272)	$ (6,835,165)	$ (7,334,950)	$ (7,686,973)	$ (7,662,260)
Net Cash (Total Cash Flow + Development Cost)	**$ 46,769,070**	**$ (22,322,580)**	**$ (8,850,563)**	**$ 7,093,461**	**$ 13,168,669**	**$ 14,908,302**	**$ 15,948,718**	**$ 17,114,882**	**$ 17,936,270**	**$ 17,878,606**
Accumulated Cash Before Debit Service	**$ 46,769,070**	**$ 24,446,490**	**$ 15,595,927**	**$ 22,689,388**	**$ 35,858,057**	**$ 50,766,358**	**$ 66,715,076**	**$ 83,829,958**	**$ 101,766,228**	**$ 119,644,834**

Development Project Cost	*$ 76,000,000*	*Interest Rate*	*4.50%*	*Payment/Month*	*$ 841,595.70*			
Construction	*$ 44,250,000*	*Loan Period*	*10 Years*					
Funder Fee	*$ 6,840,000*	*Loan Amount*	*$ 82,840,000*					

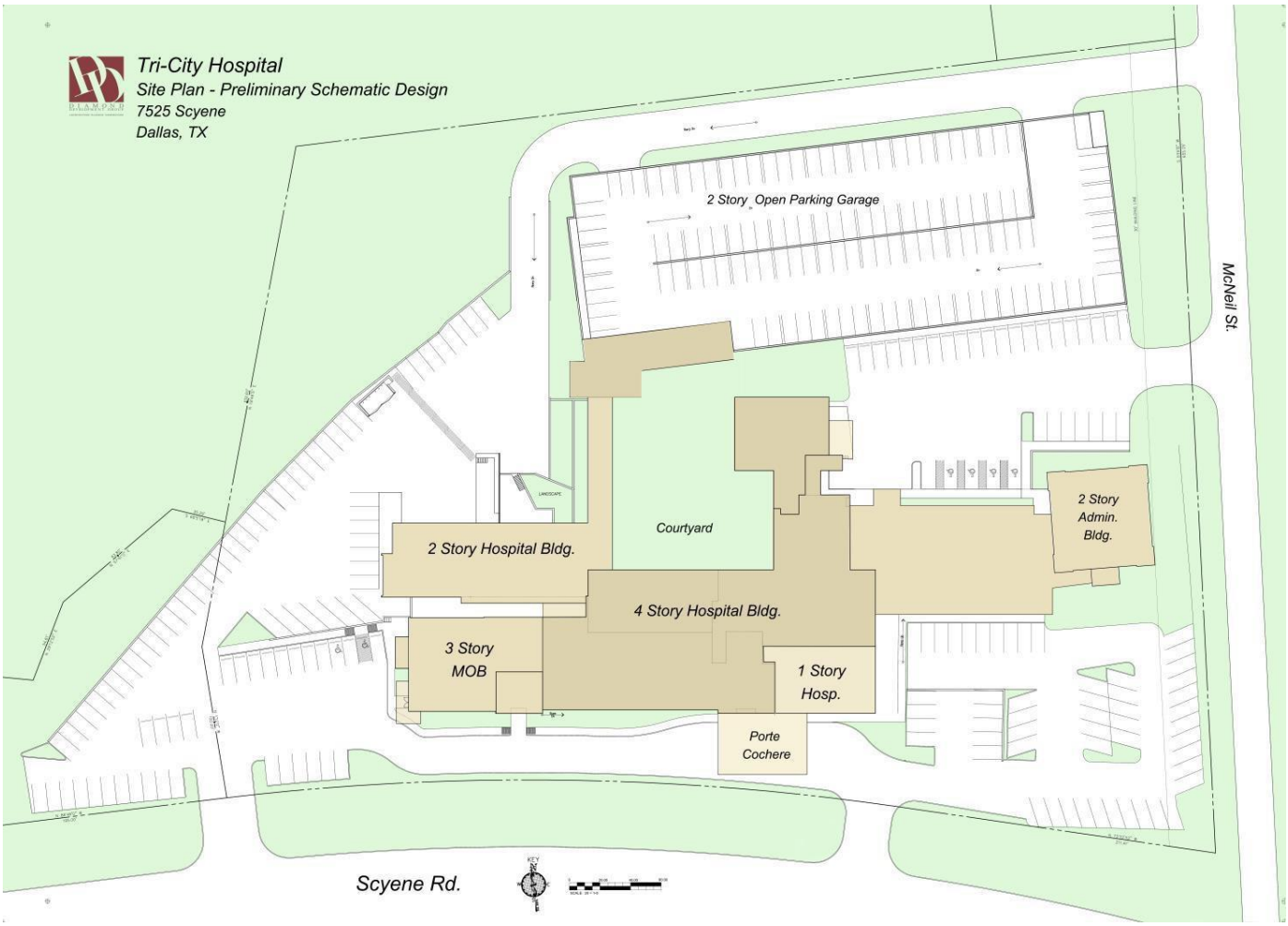
Differed Interest										$ 7,455,600
Principle Payment	$ -	$ -	$ 7,197,936	$ 6,881,788	$ 7,197,936	$ 7,528,608	$ 7,874,471	$ 8,236,223	$ 8,614,593	$ 9,010,346
Interest Payment	$ -	$ -	$ 3,519,623	$ 3,217,361	$ 2,901,212	$ 2,570,540	$ 2,224,678	$ 1,862,926	$ 1,484,555	$ 1,088,802
Current Loan Value	$ 82,840,000	$ 82,840,000	$ 75,642,064	$ 68,760,276	$ 61,562,340	$ 54,033,732	$ 46,159,261	$ 37,923,039	$ 29,308,445	$ 20,298,099
Net	$ 46,769,070	$ (22,322,580)	$ (19,568,122)	$ (3,005,687)	$ 3,069,520	$ 4,809,153	$ 5,849,569	$ 7,015,734	$ 7,837,122	$ (19,974,242)
Accumulated Cash After Debit Service	**$ 46,769,070**	**$ 24,446,490**	**$ 4,878,368**	**$ 1,872,681**	**$ 4,942,201**	**$ 9,751,354**	**$ 15,600,924**	**$ 22,616,658**	**$ 30,453,779**	**$ 10,479,538**

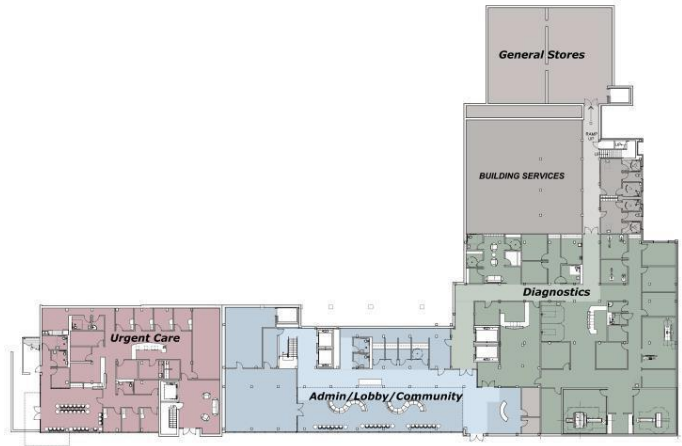
Loan Paid OFF


CLEAN STRUCTURE AND LAND VALUE $10,000,000
RECONSTRUCTED AND LICENSED HOPSITAL VALUE $65,000,000
PREPARATION COST $2,500,000
TIME TO COMPLETED RECONSTRUCTION AND OPERATIONS: NOW TO JANUARY 2022
7525 SCYENE RD - DALLAS, TEXAS 75227


Longwood Dr
Rockcliff Dr
Longmont Dr
Monet St
7525 Scyene Road
552
ARIAL VIEW OF PROPERTY
Scyene Cir

Surgical Hospital Designed and Build by Diamond Development in Mesquite, Texas


Tri-City Hospital
Site Plan - Preliminary Schematic Design
7525 Scyene
Dallas, TX
2 Story Open Parking Garage
McNeil St.
Courtyard
2 Story Hospital Bldg.
2 Story Admin. Bldg.
4 Story Hospital Bldg.
3 Story MOB
1 Story Hosp.
Porte Cochere
Scyene Rd.



1 FLOOR PLAN
FIRST FLOOR
1/16 = 1-0
Hospital Area: 24,000 SF
M.O.B. Area: 5,000 SF
TOTAL AREA: 29,500 SF

DIAMOND
DEVELOPMENT GROUP
ARCHITECTURE PLANNING CONSTRUCTION

700 Gemini • Suite 260
Houston • Texas
77058
832 • 224 • 6400

HAWARCH @ AOL.COM

Revisions

No.	IOC	Date	Description
			Issue for Pricing
			Issue for Permit
			Issue for Construction

NOT FOR CONSTRUCTION
OR PERMIT
FOR REFERENCE ONLY
This Document is for Information Only and may NOT be used for Regulatory Approval, Permit or Construction.

TRI-CITY
HOSPITAL

7525 SCYENE RD.
DALLAS, TEXAS 75227

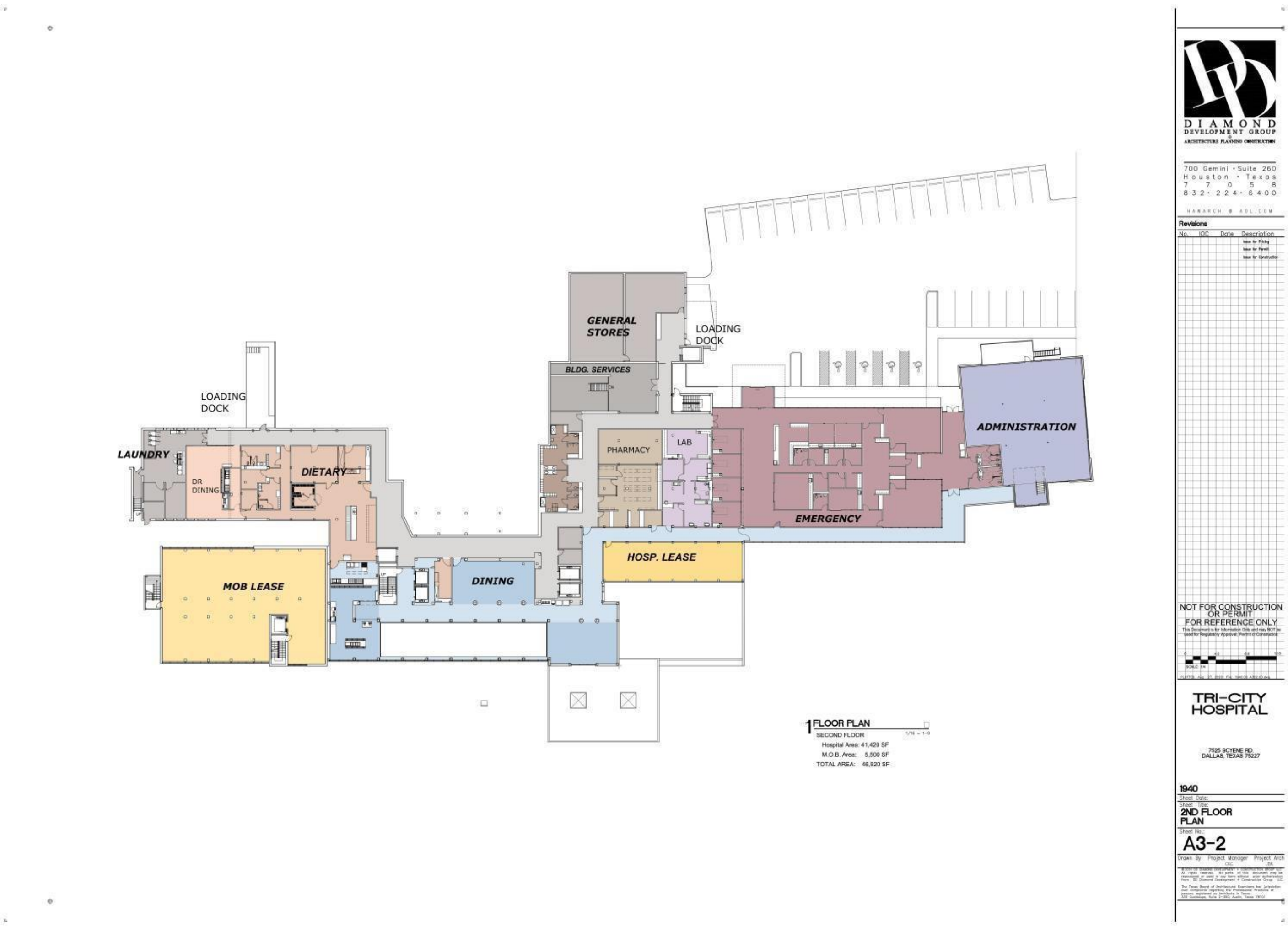
1940

Sheet Date:

Sheet Title:
1ST FLOOR
PLAN

Sheet No.:
A3-1

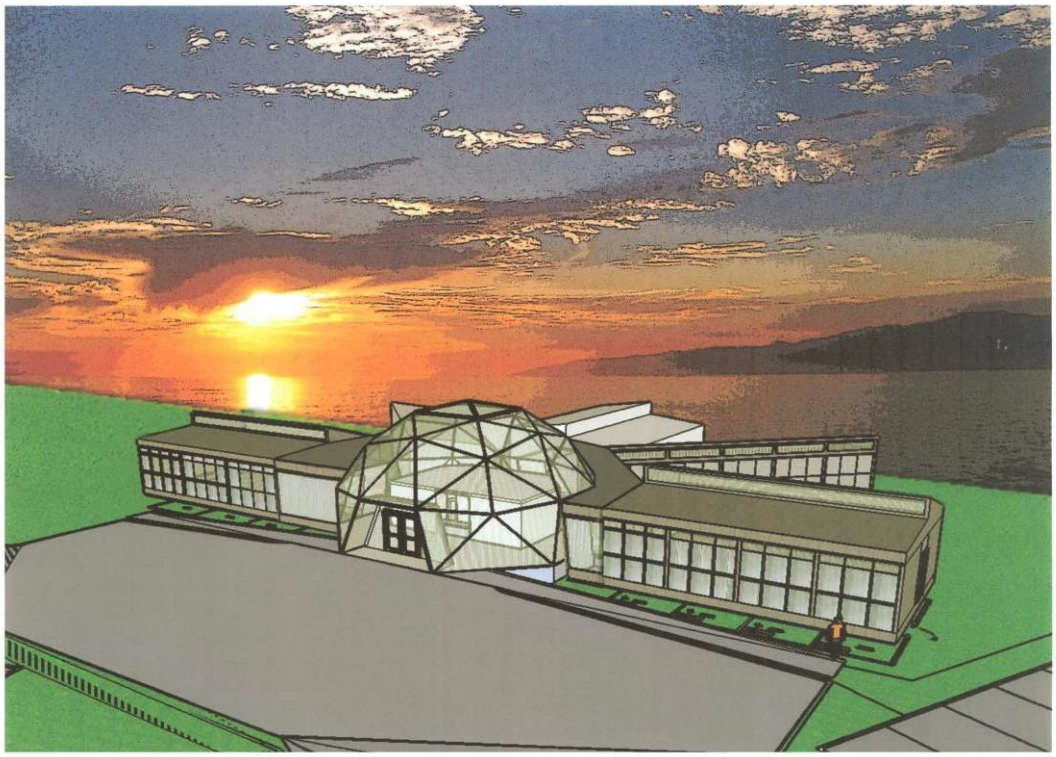
Drawn By | Project Manager CAC | Project Arch JBK


GENERAL STORES
LOADING DOCK
BLDG. SERVICES
LOADING DOCK
LAUNDRY
DR DINING
DIETARY
PHARMACY
LAB
ADMINISTRATION
EMERGENCY
HOSP. LEASE
MOB LEASE
DINING
1 FLOOR PLAN
SECOND FLOOR
Hospital Area: 41,420 SF
M.O.B. Area: 5,500 SF
TOTAL AREA: 46,920 SF
DIAMOND DEVELOPMENT GROUP
ARCHITECTURE PLANNING CONSTRUCTION
700 Gemini • Suite 260
Houston • Texas
7 7 0 5 8
832 • 224 • 6400
HAWARCH @ AOL.COM
Revisions
No. IOC Date Description
Issue for Pricing
Issue for Permit
Issue for Construction
NOT FOR CONSTRUCTION
OR PERMIT
FOR REFERENCE ONLY
TRI-CITY
HOSPITAL
7525 SCYENE RD.
DALLAS, TEXAS 75227
1940
Sheet Date:
Sheet Title:
2ND FLOOR
PLAN
Sheet No.:
A3-2
Drawn By Project Manager Project Arch


PARKING GARAGE
STORAGE
ADMIN.
ELEC./
ENG.
HOSP. LEASE
RESTRICTED CORRIDOR
NURSING
M.O.B. LEASE
1 FLOOR PLAN
THIRD FLOOR
Hospital: 41,500 SF
M.O.B: 5,500 SF
TOTAL AREA: 47,000 SF
DIAMOND
DEVELOPMENT GROUP
ARCHITECTURE PLANNING CONSTRUCTION
700 Gemini • Suite 260
Houston • Texas
77058
832 • 224 • 6400
Revisions
No. IOC Date Description
NOT FOR CONSTRUCTION
OR PERMIT
FOR REFERENCE ONLY
TRI-CITY
HOSPITAL
7525 SCYENE RD.
DALLAS, TEXAS 75227
1940
Sheet Date:
Sheet Title:
3RD FLOOR
PLAN
Sheet No.:
A3-3
Drawn By Project Manager Project Arch


PARKING GARAGE
SURGICAL SUITE
RESTRICTED
PENTHOUSE
1 FLOOR PLAN
FOURTH FLOOR
FLOOR AREA (HOSPITAL): 17,430 SF
DIAMOND DEVELOPMENT GROUP
ARCHITECTURE PLANNING CONSTRUCTION
700 Gemini • Suite 260
Houston • Texas
7 7 0 5 8
832 • 224 • 6400
HAWARCH @ AOL.COM
Revisions
No. IOC Date Description
Issue for Pricing
Issue for Permit
Issue for Construction
SCALE: 1/4
TRI-CITY HOSPITAL
7525 SCYENE RD.
DALLAS, TEXAS 75227
1940
Sheet Date:
Sheet Title:
4TH FLOOR PLAN
Sheet No.:
A3-4
Drawn By Project Manager Project Arch

Project # 2 Primary Care Clinic in a Neighborhood



Splendora Primary Care Clinic Project

Executive Summary

TBT Health Loan Request Structure

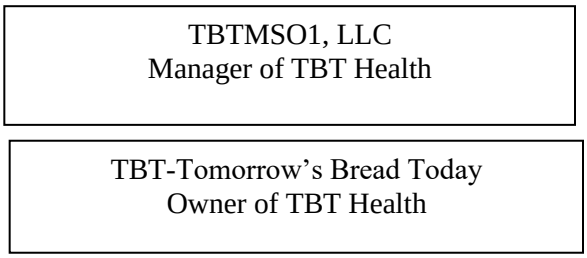
- Borrower: Medical Service Organization (MSO) that will bring health plans to the community that use TBT Health.
- Owners/Managers of TBTMSO1 (TBT, Diamond Development, Schulte Law & Construction LTD)
  - Shareholders of each of the above-named companies are owners of this medical system. Don McCormick and Bret Schulte are managers of TBTMSO1.
  - Don McCormick, (Health Systems Consultant), James Blair Korndorffer (Architect), Timothy Dixon (General Contractor). & Bret Schulte (Attorney). .
- Guarantors are the signers of the notes that pay the contributions to the TBT "Shared Income Fund"
- **Cash Contributed to the "Shared Income Fund" is invested in this project and loans repaid by the contributors are automatically collected by TBTMSO1 and remitted in whole to the lender each month at 7% over 84 months.**
- Amount: $ 3,200,000
- Uses per the client –

$ 1,000,000	- Design, Engineering and Construction of the medical facilities
$ 20,000	- Equipment
$ 690,000	- Startup of the medical system after construction
$ 228,000	- Development and Patient Health Plan Enrollment for Company
$ 400,000	- Cost of Professional Fee and Financing
$ 862,000	- Reserves

Term: seven years – Interest Only Payments

- Interest Reserve: - 36 months of interest payments
- Rate: 3.5% with a 1.00% floor
- Collateral: 60% LTV & 1st line position on DOT located at Lot 16 921 County Road 3704B Splendora, TX 77372
  - TBT-Tomorrow's Bread Today chartered in Texas on 9-15-1994 owns the Facility and TBT Multi-specialty Group is the Medical Provider.
  - Property is 3.1 Acres, and the Building will be 4,000 sq. ft. and paved parking lot. There are no building on the property now.
  - Appraisal estimates the as is value to be $ 32,198 made ready for the construction of the new clinic and parking. The completed facility will have real estate value of $ 1.25 MM and FFE of .6 MM for a total of 1.85 MM. The owner equity at that time will be approximately $ .6 MM.
  - Don McCormick, CEO of TBT- Tomorrow's Bread Today can make the decision to place the property as added collateral onloans made to the contributors to the "Shared Income Fund."
- PRS (Primary Source of Repayment) TBT Fund and the individual notes signed by the contributors.
- 7-year cash flow projection for TBT Health will pay back the interest and all loans.

Organization Chart



TBT Health Medical Care System

TBT Health Project in Splendora, Texas is in the Northeast corner of corner of Montgomery County and on the border of Liberty County. The clinic is in Liberty County and its southern property line is the border with Montgomery County. It is not in the incorporated city limits of Splendora. Numerous census tracts in the service area are within a four-mile radius of the Clinic are in an economically distressed Opportunity Zone listed by the Community Development Financial Institutions Fund (CDFI). The clinic is in a qualified low- income census tract and serves other nearby qualified low-income census tracts: (Zip Code 77372)

Low-income census tracts; 48336963000, 4833962700, 48291700300, 48339692802.

This project will address the needs of the zone by building and operating a multi-specialty clinic and comprehensive health plan in which the aims are: (1) better access to care, (2) better health care outcomes and (3) lower professional, hospital, and ancillary costs. The property owned by TBT is in a good location for both the patients and the providers. It is just 1.5 miles from the intersection of I69 North and FM370. The facility as designed will serve populations which currently are medically underserved and lack comprehensive healthcare coverage. The target population in the service area is more than 15,000 with a growth that will add 1,000 more people in the next few years. TBT Health project will benefit the local economy through an increased tax base and more than 10 permanent jobs. The construction will take about 6 months. The property is on 3.1 acres with no zoning restrictions. The hard and soft cost of the completed project will be as much as $3.2 million. The property will have a value of $32,000 before construction and as much as $1,200,000 after construction is completed and the facility is financed and operational. This equity will qualify for conventional construction and operational loans. TBT Health is a non-profit and contracts with Health Insurance Plans (HIPs) and a Medical Service Organization (MSO) that will use the facilities. Money from patients for health care goes through the HIPs and MSO that pay TBT Health for use of their facilities and services. TBT Health will put up the property for collateral with the Lenders for the construction, equipment, and long-term loans and secondarily with investors for the seed capital and initial operating funds. TBT health will invest its own capital in the project including the purchase at a 10% discount of the Tax Credits allocated to the CDE. The managers of TBT Health have operated medical practices, facilities, and health plans for over twenty-five years. The long-term experience of our group is a source of trust to create a FQHC look alike Clinic supported by two primary care physicians and supported by the TBT Multi-specialty Group of 15 specialty types that we manage.

How owners and managers of this project will fulfill their obligations to lenders

1. The project is expected to have a start-up cost that is greater than the income that can be generated by its operations of the health plans and the medical facilities. That deficit could be as $700,000. The capital contributions from the investors in TBT "Shared Income Fund" Health will be $3,200,000.
2. The physical assets of the TBT are presently $6,000,000 and when these facilities are completed will be excess of $7,200,000. Therefore, the exposure of the lender is less than in most commercial transactions of this type.
3. **Participation in a New Markets Tax Credits plan (39% of the total project cost or $1,248,000) by TBT with Community Development Entity further reduces the risk for everyone and makes investments and loans more attractive than any opportunities in medical care available in the United States by double.**
4. **In this project the lender is the medical group and the member patients through donations into the "pooled income fund" of TBT. We ask of the outside investor only loans to the medical group and the individual patients to cover their donations to the "pooled income fund. " The total of those loans would be $3,200,000 (1500 Units at $2,133 each). The bank or outside investor loans would be amortized at 7% interest over 8 years.**

Summary of Costs, Loans, and Values

Community Based NMTC Medical Facility (Patient and/or Physician Sponsored)

Project Cost	$3,200,000							
Members	1500							
Term-months	84							
New Markets Tax Credits	$1,248,000							
Note at 7%	$48,297							
Payment per Member	$32.20	$32.20	$32.20	$32.20	$32.20	$32.20	$32.20	$32.20
Tax Credit Per Member Month	$9.90	$8.89	$8.89	$8.89	$10.67	$10.67	$10.67	$10.67
PIT Income	$8.89	$8.89	$8.89	$8.89	$8.89	$8.89	$8.89	$8.89
Net Cost Per Member Month	$13.40	$14.42	$14.42	$14.42	$12.64	$12.64	$12.64	$12.64
Membership in the Cooperative and Clinic		$115.00	$115.00	$115.00	$115.00	$115.00	$115.00	$115.00
Comprehensive Med Care and Stop Loss		$285.00	$285.00	$285.00	$285.00	$285.00	$285.00	$285.00
Medical Facility Proforma	Development				Operations			
Year	(3 to 12 months)	1	2	3	4	5	6	7
Community Organizers	$120,000							
Overhead	$48,000							
Facility Construction	$1,000,000							
Providers (2)		$400,000	$400,000	$400,000	$400,000	$400,000	$400,000	$400,000
Assistants (2)		$120,000	$120,000	$120,000	$120,000	$120,000	$120,000	$120,000
Overhead		$375,000	$375,000	$375,000	$375,000	$375,000	$375,000	$375,000
Total Expense	$1,168,000	$895,000	$895,000	$895,000	$895,000	$895,000	$895,000	$895,000
Capital	$3,000,000							
Patients	0	500	1000	1500	1500	1500	1500	1500
Income	$3,000,000	$366,667	$733,333	$1,100,000	$1,100,000	$1,100,000	$1,100,000	$1,100,000
Net Cash	$1,832,000	-$528,334	-$161,667	$205,000	$205,000	$205,000	$205,000	$205,000
Accumulated Cash Flow	$1,832,000	$1,303,667	$1,142,000	$1,346,999	$1,551,999	$1,756,998	$1,961,998	$2,166,997
NMTC Project Gross	$3,200,000							
CDE Burden	$200,000							
Net Cash to Project	$3,000,000							
Tax Credit Benefits to Owners	$1,248,000	$160,000	$160,000	$160,000	$192,000	$192,000	$192,000	$192,000
"Pooled Income Trust" By # Units Bought	$3,200,000							
Note	$48,297							
1 Unit								
Payment per month per # units	$32	$32	$32	$32	$32	$32	$32	$32
Tax Credit Per Member Month	$10	$9	$9	$9	$11	$11	$11	$11
PIT Income	$9	$9	$9	$9	$9	$9	$9	$9
Net Cost Per Member Month	$13	$14	$14	$14	$13	$13	$13	$13
25 Units								
Payment per month per # units		$805	$805	$805	$805	$805	$805	$805
Tax Credit Per Member Month		$222	$222	$222	$267	$267	$267	$267
PIT Income		$222	$222	$222	$222	$222	$222	$222
Net Cost Per Member Month		$361	$361	$361	$316	$316	$316	$316
50 Units								
Payment per month per # units		$1,610	$1,610	$1,610	$1,610	$1,610	$1,610	$1,610
Tax Credit Per Member Month		$445	$445	$445	$534	$534	$534	$534
PIT Income		$445	$445	$445	$445	$445	$445	$445
Net Cost Per Member Month		$721	$721	$721	$632	$632	$632	$632
100 Units								
Payment per month per # units		$3,220	$3,220	$3,220	$3,220	$3,220	$3,220	$3,220
Tax Credit Per Member Month		$889	$889	$889	$1,067	$1,067	$1,067	$1,067
PIT Income		$889	$889	$889	$889	$889	$889	$889
Net Cost Per Member Month		$1,442	$1,442	$1,442	$1,264	$1,264	$1,264	$1,264
		Tax Saving from Contribution to "Pool Income Trust"						
Deduction for Donations	Deduction	*10% Bracket*	*15% Bracket*	*20% Bracket*				
1 Unit	$2,133	$213	$320	$427				
25 Units	$53,325	$5,333	$7,999	$10,665				
50 Units	$106,650	$10,665	$15,998	$21,330				
100 Units	$213,300	$21,330	$31,995	$42,660				
Speciatist's monthly income on 1500 patients	$1,950.00							

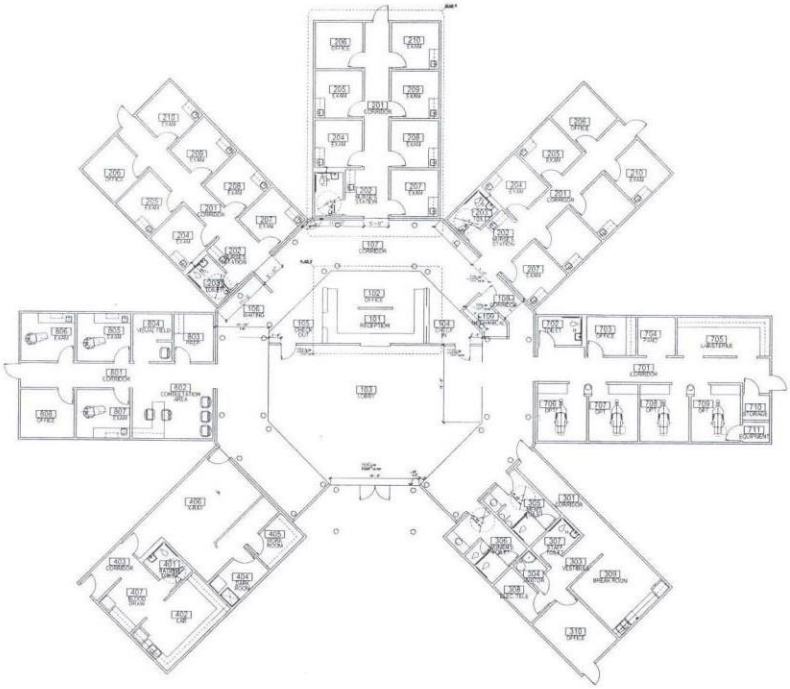
PCP Clinic (2 Doctors - 1500 patients)

Construction Pricing	Cost	Percentage of total
Land	$32,198	0.0258
Site Preparation & Planning	$16,598	0.0133
Off Site Utility improvements	$3,120	0.0025
Pre-construction consulting	$998	0.0008
Site Work	$17,472	0.0140
Site Utilities	$28,579	0.0229
Shell	$75,504	0.0605
Clinic	$425,069	0.3406
Landscaping	$5,990	0.0048
Contractors Fee	$38,938	0.0312
Owners Contingency	$27,830	0.0223
Signage and graphics	$2,995	0.0024
Equipment	$20,842	0.0167
Low Voltage	$4,118	0.0033
Furnishings and Artwork	$39,062	0.0313
Security	$2,870	0.0023
TV/Music/Data Systems	$5,491	0.0044
Architects and Engineers	$37,190	0.0298
Interior Design	$5,741	0.0046
Civil Engineer	$1,123	0.0009
Surveyor	$998	0.0008
Geotechincal Engineer	$125	0.0001
Environmental Study	$250	0.0002
Testing	$749	0.0006
Permit Fees	$3,120	0.0025
Utility Impact fees	$125	0.0001
Real Estate Commissions	$1,997	0.0016
Project Management	$23,462	0.0188
Marketing Expenses	$94,474	0.0757
Taxes During Construction	$7,738	0.0062
Insurance	$3,120	0.0025
Project Related Reimbursement	$1,373	0.0011
Construction Loan amount	**$929,261**	
Interest on Construction Loan (18 months)	$85,613	0.0686
Appraisal	$749	0.0006
Special Inspection	$499	0.0004
Legal	$4,742	0.0038
Total Hospital and Medical Office Building Costs	**$1,020,864**	
Health System Development Expenses	$113,568	0.0910
Projected Deficit from Startup	$96,470	0.0773
Contingency Reserve	$17,098	0.0137
NMTC Financing	**$1,248,000**	1.0000

PCP Clinic Budget and Projections

Patients	1500	
Encounters	4	
Fees Collected Per Encounter	$96	
Performance Bonuses Per Pt	$349	
Total Income	$1,100,001	
Capitation Equivalent	$61	
Expenses		%
Accounting (MSO)	$12,000	1.09%
Benefits	$2,500	0.23%
Communications	$4,200	0.38%
EMR	$6,000	0.SS%
Equipment	$6,000	**O.SS%**
Insurance	$11 ,700	1.06%
Legal	$1,200	0.11%
Licenses and Fees	$1,200	0.11%
Local Support (ACO)	$14,400	1.31%
Medical Assistants (4)	$180,000	16.36%
Medical Supplies	$75,000	**6.82%**
Office Supplies	$2,400	0.22%
Reception	$44,000	4.00%
Rent	$66,000	6.00%
Taxes	$42,400	**3.8S%**
Travel	$2,400	0.22%
Utilities	$3,000	0.27%
Waste Removal	$600	0.0S%
Physician (2)	$420,000	**38.18%**
Total Expenses	$89S,000	**81.36%**
Net Profits	$205,001	18.64%
After Taxes	$153,751	**13.98%**

Building Drawings



HAWTHORNE
ARCHITECTS INC

2714 46th Street
Dickinson · Texas
7 7 5 3 9
281 · 337 · 4270

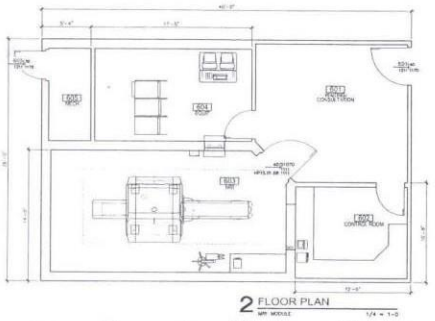
Revisions
No. IOC Date Description

T.B.T.
CLINIC

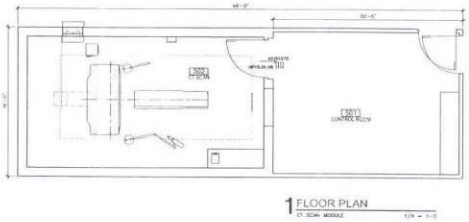
PEARLAND, TEXAS

0722
Sheet Date
Sheet Title
FLOOR PLAN

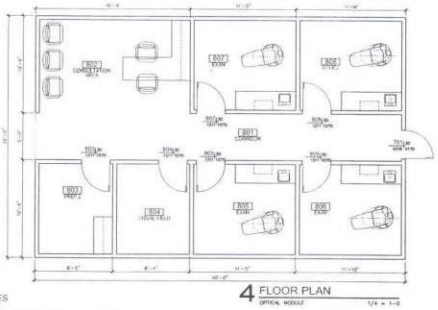
Sheet No.
A3-1
Drawn By Project Manager Project Arch



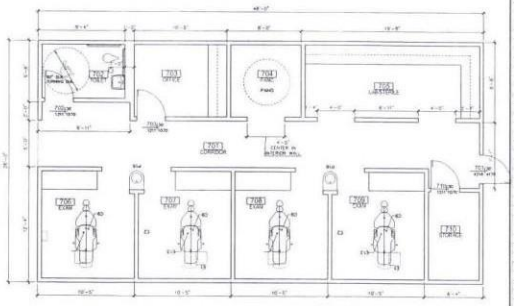
2 FLOOR PLAN



1 FLOOR PLAN



4 FLOOR PLAN



3 FLOOR PLAN

PARTITION TYPE NOTES

DR HARDWARE NOMENCLATURE

DOOR SCHEDULE

HAWTHORNE ARCHITECTS INC

2714 46th Street
Dickinson · Texas
7 7 5 3 9
281 · 337 · 4270

Revisions

No.	IDC	Date	Description

NOT FOR CONSTRUCTION OR PERMIT
FOR REFERENCE ONLY

T.B.T. CLINIC

PEARLAND, TEXAS

0722

Sheet Title:
FLOOR PLAN ENLARGED

Sheet No.:
A3-2

Drawn By Project Manager Project Arch

Demographics

Area Code 77372 (Areas of Montgomery and Liberty Counties, Texas)

Population	**12,164**
Median Household Income	**$44,896**
Race	
White	**10,766**
Black or African American	**115**
American Indian or Alaskan Native	**73**
Asian	**49**
Native Hawaiian or Other Pacific Islander	**2**
Other race	**930**
Two or More Races	**229**
Gender	
Male	**6,015**
Female	**6,149**
Employment Status	
Full Time	**3,616**
Part Time	**2,116**
No earnings	**3,622**

THE ORDER OF LOVE PEACE TRUTH TOLERANCE AND COOPERATION
STATEMENT OF FINANCIAL POSITION
December 31, 2020

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	$ 44,439
Beneficial interest in trust	11,300,000
Total current assets	11,344,439
Property - net	120,178
Total Assets	$ 11,464,617

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	$ 3,032,958
Line of credit	48,000
Current portion of long-term debt	1,663,477
Notes payable - net of current portion	122,890
Total liabilities	4,867,325
NET ASSETS	
Without Donor Restrictions	4,206
With Donor Restrictions	6,593,086
Total net assets	6,597,292
Total liabilities and net assets	$ 11,464,617

The accompanying notes are an integral part of this statement
1

THE ORDER OF LOVE PEACE TRUTH TOLERANCE AND COOPERATION

STATEMENT OF ACTIVITIES
FOR THE YEAR BEGINNING JANUARY 1, 2020 TO
THE YEAR ENDED DECEMBER 31, 2020

	Without Donor Restriction	With Donor Restriction	Total
REVENUE AND SUPPORT			
Contributions	$ 246,826	$ -	$ 246,826
Beneficial interest in trust	-	6,650,000	6,650,000
Total revenue and other support	246,826	6,650,000	6,896,826
EXPENSES			
Salaries and wages	71,834	-	71,834
Utilities	64,092	-	64,092
General and administrative expense	58,232	56,914	115,146
Rent	24,402	-	24,402
Professionl fees	21,903	-	21,903
Insurance	17,619	-	17,619
Depreciation	13,352	-	13,352
Interest expense	7,181	-	7,181
Total Expenses	278,615	56,914	335,529
Change in net assets	(31,789)	6,593,086	6,561,297
Net assets, beginning of year	35,995	-	35,995
Net assets, end of year	$ 4,206	$ 6,593,086	$ 6,597,292

The accompanying notes are an integral part of this statement

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter social security numbers on this form as it may be made public.

▶ Go to *www.irs.gov/Form990* for instructions and the latest information.

OMB No. 1545-0047

2020

Open to Public Inspection

A For the 2020 calendar year, or tax year beginning , 2020, and ending , 20

B Check if applicable:
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Final return/terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization: The Order of Love Peace Truth Tolerance and Cooperation
Doing business as: TBT-Tomorrows Bread Today and Sacred Spring Reiki Collective
Number and street (or P.O. box if mail is not delivered to street address): 921 CR 3704B
Room/suite:
City or town, state or province, country, and ZIP or foreign postal code: Splendira, TX 77372

D Employer identification number: 76-0446925

E Telephone number: 832-599-8449

G Gross receipts $

F Name and address of principal officer: Donald H. McCormick

H(a) Is this a group return for subordinates? ☑ Yes ☐ No

H(b) Are all subordinates included? ☑ Yes ☐ No
If "No," attach a list. See instructions

H(c) Group exemption number ▶

I Tax-exempt status: ☐ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ tbt.org

K Form of organization: ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 1994

M State of legal domicile: TX

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities: Doing the corporal works of mercy and providing access to health care for people in low income communities

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.

3	Number of voting members of the governing body (Part VI, line 1a)	3	7
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	3
5	Total number of individuals employed in calendar year 2020 (Part V, line 2a)	5	5
6	Total number of volunteers (estimate if necessary)	6	100
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
b	Net unrelated business taxable income from Form 990-T, Part I, line 11	7b	0

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	130905	6896826
9	Program service revenue (Part VIII, line 2g)		
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)		
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	130905	6896826
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)		
14	Benefits paid to or for members (Part IX, column (A), line 4)	100905	186980
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)		
16a	Professional fundraising fees (Part IX, column (A), line 11e)		
b	Total fundraising expenses (Part IX, column (D), line 25) ▶		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	30000	148549
18	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	130905	335529
19	Revenue less expenses. Subtract line 18 from line 12		6561297

		Beginning of Current Year	End of Year
Net Assets or Fund Balances			
20	Total assets (Part X, line 16)	4206	6597292
21	Total liabilities (Part X, line 26)	0	0
22	Net assets or fund balances. Subtract line 21 from line 20	4206	6597292

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer: Donald H. McCormick Date: 5 15 21

Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

May the IRS discuss this return with the preparer shown above? See instructions ☐ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions. Cat. No. 11282Y Form **990** (2020)

ijI e tate of ijiexns

ecreta of tate

::,- P. lot 1994

IJ"" MCC"' ll f"K- - i'IC CIJRMI'.:K I"ISU \NCE
30 l c • 2oTrl SJ
HJ U'i T% , TX f7 0 J 'l

T>H: UROl=R UF L lli:, PEAC E:, T>tlHi, TU!...[R A "4 Cc, A"lD CO P!! !lAT IO N
CH TER NUMBEC 0 1326 4oJ-01

IT AS qEFN O PLEASU - ru PP{OV A O PLAC!: ON ECORD THE A TI CLE S
OF l NCO P.P ATI N THf.T LL T-o '( ) J R CUR POK TI O . E EXTEND JU BES T
Wl S-H:, ftN 'iuc._;c5<; 1 '(ıU-ı n Vc'HJk •

A$ CO P'JKJ\T[IJN, mu A_ SUBJ : : r TJ STA TE TAX LA S. SOME NO - PRΘ IT
COR PO QAT1 '1r, 5 K"' tY.t"l?T HI T-i PAf <r ,H JF F A' C-i IS!: TAX ES A'ID MAY
ALS O RE c Xr. MPT FK JM TH PA't'1.. T UF SALES AN1) ıJ S c TAX ON THE PJRCHASE
oc TAXABLF IT 'IS. IF Yl U F tL THA T U OER T !: LA 't'J U R COR PJR- TI ON IS
EN TI r L!: ı) TJ ll F Fx,_„ P T Y l U r\UST '\ PPLY TJ THE C JMPT'.{J - L ER DF f>U'3LI C A C-
CJ U TS Fu THC rX MPTI J N. TH- s ... rK T RY J F STAT CANNOT MAKE SUCH
O T KMl M• l □N F□ YGUR CU{ P ı A f l 0.

I '= -lt CAN bi: ı'r- FURTrlLK ::,ı" V I Ct AT N'f Tl It:, ?LtASE LET US (N0w .

VERY TRULY YOURS,

Secretary of State

Corporations Section
P.O. Box 13697
Austin, Texas 78711-3697

Antonio O. Garza, Jr.
Secretary of State

Office of the Secretary of State

January 6, 1997

DONALD MCCORMICK
TBT
301 E. 26THST
HOUSTON, TX 77008

RE: THE ORDER OF LOVE, PEACE, TRUTH, TOLERANCE AI\'D COOPERATION

ASSUMED NAME: TBT - TOMORROW'S BREAD TODAY

FILE DATE: JAN. 3, 1997

..rheassumed name certificate for the above referenced entity has been filed in this office. This letter may le used as evidence of the filing.

Please be aware that pursuant to Section 36.17 of the Texas Business and Commerce Code, the filing of an assumed name certificate does not give the registrant any right to use the name when contrary to the common law or statutory law of unfair competition, unfair trade practices, common law copyright, or similar law.

In addition to filing with the Secretary of State, Chapter 36 of the Texas Business and Commerce Code requires filing of the assumed name certificate with the county clerk in the counties in which the registered office and the principal office of the entity are located.

Sincerely yours,

l-ov'N- Wo..«r41J-

Loma Wassdorf
Deputy Assistant Secretary
Statutory Filings Division

,.,LSW: dim

The Mission We Facilitate with Local Non-Profits

Health care services are either not available or are limited for many people in our communities. This condition has worsened because of lack of insurance for the working poor and no reasonable access to care when people are not eligible for public assistance. Consequently, there are dire predictions by health professionals of possible epidemics of communicable diseases, some of which have already happened. Also, care for poor people, pregnant women, young children, and the elderly is a growing concern. Therefore, **we have obtained physician and nursing care in private practices** for people in need. We do so with community ownership of clinics that serve all the people and by purchasing services through cooperatives created within local groups**. These cooperatives can be as small as 300 households and are able to provide comprehensive services to all members.**

Summary of our Rule for our Organizations Members

As members of Tomorrow's Bread Today, we are committed to:

* Love, Peace, Truth, Tolerance, and Cooperation,

* Working and ministering within the local community in the service of others and especially the poor,

* Performance of Corporal and Spiritual works of mercy within every community where we serve,

* Commitment to the construction and operation of facilities and organizations necessary to serve the needs of members of local communities.

The Offer to Start Healthcare Services through the local Non-Profit

Health care services are provided to people who need them without qualification. These services are from people who are trained in the diagnosis and treatment of diseases and injuries and from their assistants. These medical professionals have seen the need to solve our health care access problems and to teach people medicine and care for themselves and their families. A few organizations in the United States have established useful medical services with large networks of qualified providers for groups such as TBT has organized. They do this kind of work: (1) Telemedicine from Board Certified Physicians in every state (2) Dental, Vision, Prescription Drugs for 50% to 75% less than wholesale prices and (3) Roadside Services. They charge TBT $5 per family per month for access to their benefits. TBT will provide that membership to each family in the non-profit who registers for it with their non-profit sponsor. TBT will also provide Primary Care in the members home and specialty care in clinics to any registered family that needs diagnosis, care, and treatment. TBT and professionals who provide the services will accept whatever TBT pays them from **donations to the non-profit's healthcare fund which is a "Pooled Income Trust"** administered by TBT for development of facilities and for production of income for the beneficiaries of the contributors.

It is possible that through this work of mercy and through donations healthcare, regardless of its extraordinary expense for some people in the community, can be delivered and paid for entirely on a voluntary basis. This has not been accomplished yet by insurance, either public or private, because they are based on economic forces and not on love, education and cooperation which are the proper sources of happiness and comfort.

The problem with health care as it is delivered in most communities in the United States is cost and access to service. There is an assumption that it is 100% dependent on an insurance system to function effectively. Insurance has a proper place and function but it is not health care (diagnosing, treating, and recording of sicknesses and injuries of patients). So, to properly address the cost and access problem we must use the tool as it was intended and purchase it without conditions and unnecessary costs. Insurance is intended to be a pooled fund to pay for unexpected costs of sicknesses and injuries. It is available to us now for $45 per month per person and pays 100% of the medical and hospital expenses excess of $80,000 up to $5,000,000 per person per year with no health questions and no pre-existing conditions exclusions from Partner's Re in a group policy issued to TBT for cooperative members. Ninety-five percent of all the cost for health care is below the $80,000 per year and it is better addressed with other financial tools like direct payment agreements with health care providers of all types. No insurer needs to be involved in those kinds of transactions. The reason they have been involved is because people have not taken direct action to work in concert to select their health care providers and to learn how to care for themselves and their problems.

There are already electric cooperatives, farm cooperatives, water cooperatives, and transportation cooperatives and day care cooperatives, fire protection cooperatives, education cooperatives, and representative government, but we have given health care to insurance companies (private and public) at a cost that cannot be paid by government, businesses, or individuals. It is almost 20% of the gross national product. It is more than food, shelter, transportation, education, and taxes. It is out of control. So, why not stop and reform this behavior. There are no legal barriers to solving this problem, but it will not be done

unless we embrace our families and friends and neighbors and cooperate with each other in a common-sense system of contributions, care, and education. First, become a group of at least 300 households, then find the health care providers among your members and bring in the ones you need to address the problems which you have discovered within your group. Record the cost of using the labor of these chosen advisors and caregivers. It can take as many as fifteen different types of health care provider to advise and treat the medical problems manifest in people who are in 300 households. However, the time taken among all these providers is the equivalent of one practice's full-time labor (doctor and staff). Suppose that practice cost $600,000 per year to operate. How much would each member of the household in the group of 300 pay per month to support that practice? 300 households in most communities have about 1000 individuals of all ages as members. Divide $600,000 by 1,000 people and the answer is $600 per year per person or $50 per month. TBT has done this and it works.

Beyond the direct payment of the chosen medical providers is the cost of medical facilities of all kinds which are less than the $80,000 threshold of our $5,000,000 group insurance policy. How can we handle that expense? We have found that a group indemnity policy combined with a health care saving account for the families will fill the gap. The policy cost $100 per person and the saving account is $100. The operation of the cooperative which includes patient advocacy is $50. Therefore, the total cost of healthcare when done cooperatively within a group of 300 households is $45 (5 Mil Insurance)+ $50 (Direct Payment to practices)+ $100 (80K Indemnity)+ $100 (HCS)+ $50 (Cooperative Management)= $345 or $4,140 per year. The cost today in the United States is twice as high as our cost of doing more and doing it better by cooperation. Forethought and organization precede any solutions and the barriers to this are in our hearts and minds and not in laws or actions of government or commercial enterprises.

Donor Program

TBT as a 501c3 operates a "pooled income fund" so that donors can contribute to the Local Non-Profits. We share the assets that come via those donations 80% to the Local and 20% to the TBT Trust Fund. The brochure that explains that program is attached. This donor program is an effort to take usury out of our systems of care and the carry out the best ideas of E.F Schumacher and other Distributist Economists who preceded him.

Benefit to the non-profit for organization of the Cooperative and for the Donor "pooled income fund"

Assumptions:

1. The non-profit can convince 300 households (including the primary care providers and the specialists who help them) to participate in the Cooperative for their health care either partially or fully. The money to the non-profit is $30 per month per household or $9,000.

2. If the non-profit gets donors to contribute to the "pooled income fund" then those contributors can build a state-of-the-art medical clinic, create a functional cooperative, and receive tax deductions, tax credits and income for the life of their two named beneficiaries at a 5% per year return on their donation. The total cost is $3,200,000 which is divided into 1500 Units of $2133.33 each. The Units are financed by TBT and payable monthly at a gross cost of $32.20 for 84 months. At the end of the 84 months the facility is full paid and owned by the community and the cooperative system is fully functional and controlled by the board which is elected by the cooperative members. The tax deductions and credits reduce the gross cost by 50% and the income to the two named beneficiaries is paid from the rents collected on the facilities and operations and the cooperative. Suppose you contributed ten units ($21,333.33) the net cost to you over seven years would be $5,153 ($21,333-$16,153 in tax saving). The income to your named beneficiaries would be $7,467. That income will continue for their lifetime paid quarterly at $266.68 if the clinic continues in operation and pays its rents. A complete description of the program is in the Disclosure paper.

TBTHCF POOLED INCOME FUNDS

Tax deductions and a lifetime of income

PROVIDING FOR NOW AND IN THE FUTURE

Supporting access to health care in your community through charity is an important part of our lives. If you want to be especially generous, you may find yourself having to make a choice between giving and maintaining your current lifestyle. With Tomorrow's Bread Today Health Care Fund (TBTHCF), you can repurpose the same asset for both objectives.

A common denominator among donors is a generous spirit: You want to make a difference. Now you can enjoy the power of giving without the hassle of timing, tax concerns, expenses and record keeping.

With TBHCF Pooled Income Funds – which are also known as "life income" funds – offer a significant advantage. When you make your contribution, you gain tax benefits and a continued stream of investment income for life. Your charitable donation can generate income paid monthly to you and/or the beneficiary(ies) you name. Upon the death of the last income beneficiary, the principal passes through the TBTHCF to TBT Medical Development Fund.

WHAT ARE YOUR OBJECTIVES?

To make a charitable gift, but still benefit from a lifetime of income that gift could provide you and/or your beneficiaries?

To avoid capital gains taxes on appreciated investments while benefiting a charity?

To create a legacy of giving through your own foundation for your children and grandchildren?

To offset some of your estate taxes as you help support charity health care?

Charitable giving creates positive change in people, institutions, and communities.

EXPLAINING POOLED INCOME FUNDS

TBTHCF manages your donation with the objective of generating income while protecting the principal value of the account for the charity.

DONOR BENEFITS

Tax deduction

Avoid capital gains taxes on highly appreciated assets

Income stream for up to two beneficiaries until they pass away (you may include yourself)

Gift of principal creates a lasting legacy for your wealth

Donations to the charity gives people access to affordable and quality health care

Once the irrevocable gift is made, up to two designated individuals will receive a lifetime income stream generated by your gift.

Upon the death of the last income beneficiary you have named, the remaining assets will be distributed to the TBT Health Care Fund in one of two ways:

1. Your gift can be invested through our donor advised fund, which seeks to increase the value of your original contribution via prudent investing to benefit charity health care over time.

2. Alternatively, your gift may be distributed directly to non-profit Community Development Entities (CDEs) that expand and improve health care in medically underserved communities.

TBT Health Care Fund board of directors will help qualified CDEs to make qualified investments in medical services among low-income populations without the hassle of timing, tax concerns, expenses and record keeping.

CHOOSING THE STRATEGY THAT MEETS YOUR OBJECTIVES

TBT Healthcare Income Funds are ideal when you want to receive income for life and support a charity yet prefer a less complicated and less expensive strategy.

All gifts to TBTHCF Pooled Income Funds are irrevocable, so it's important for you to consider your long-term needs before making a donation.

GETTING STARTED

To establish a TBTHCF Pooled Income Funds account, you can contribute as little as $1,000 in cash or marketable securities. Subsequent contributions can be made in amounts of $1,000 or more. Note that all gifts to TBTHCF Pooled Income Funds are irrevocable, so it's important to consider your long- term needs before making a donation.

Before you make your initial contribution, you will be asked to complete and sign a Gift Agreement. You will also be asked to name your account. You can honor a cherished family member or highlight your personal charitable goals in health and welfare.

Moreover, the Gift Agreement allows you to name up to two income beneficiaries to receive the lifetime of income that your gift will generate. You can name yourself and another person such as your spouse, a child, grandchild, or sibling. Or you can designate two people other than yourself.

Income is paid monthly and you decide how these monthly payments are issued. Income can be disbursed:

1. Concurrently, with half of every monthly payment paid to each beneficiary, or

2. Consecutively, with all monthly payments going to one person for the remainder of his or her life and then monthly payments going to the second person for the remainder of his or her life.

In most cases, your charitable program can be initiated within 24 hours. For more information, contact TBT. The web TBT.org has more information and personal contact information.

INVESTING

At the time of your contribution there are two investment objectives:

INCOME – Seeks income and the preservation of capital.

INCOME WITH GROWTH – Seeks to emphasize income for the donor and the growth of capital, yet growth will be an ever present, albeit secondary, consideration.

There can be no guarantee that any objective will be met.

Because your gift to TBTHCF Income Funds is irrevocable, the objective you choose cannot be changed once your contribution is made.

SIMPLE GUIDELINES

Minimum irrevocable contribution: $1,000 in cash or marketable securities

Subsequent contributions:

$1,000 or more

Complete the Gift Agreement form with your account name

For TBTHCF Income Funds, the board of directors has identified a diverse selection of medical projects from those "Highly Recommended" based on pass performances reported in their medical service organizations, practices, and facilities.

Choosing appropriate medical projects is only part of the process. The board must also continually monitor the funds as part of its fiduciary responsibility. While its main priority is consistent performance over the long term, there is no assurance that this goal will be met.

Any income or appreciation achieved will be reinvested to further benefit the charity organization. To the extent that your gift grows, additional funds will be available for the improvement and availability of health care for everyone in the community.

You should consider the investment objectives, risks, and charges and expenses of carefully. The prospectus contains this and other information about the medical projects. The prospectus is available from your financial advisor and should be read carefully.

When the last income beneficiary passes away, the principal passes to the TBT Health Care Fund to pay for expansion of charitable health care services.

OFFSETTING TAXES

One of the advantages of charitable giving is that the federal government rewards you for your generosity. With TBTHCF Funds, this reward comes in the form of three key tax advantages:

Tax deduction. One of the most appealing benefits of the TBTHCF Pooled Income Funds is that you can take an immediate tax deduction – up to the maximum allowed by law – for your donation.

Eliminate capital gains taxes. Gifts of long-term appreciated securities avoid capital gains taxes and receive a deduction based on their full market value. This is particularly useful for shares bought at a very low price (or other basis) that have appreciated significantly over the years and enables the larger sum to generate more income for your named beneficiaries.

Full or partial estate tax reduction. Depending on who receives the income, you will save varying amounts on federal estate taxes. If you and/or your spouse are the income beneficiaries, your donation may be removed from your estate for tax purposes. If you name anyone other than your spouse as an income beneficiary, a portion of your donation may be taxable in your estate and a portion will be removed.

Consult with your tax professional about how a donation to the Pooled Income Funds would impact your tax situation.

SIMPLIFYING WAYS YOU GIVE

While you can't live forever, your passion for helping others can.

The TBTHCF Pooled Income Funds are designed to provide a lifetime income stream for up to two beneficiaries. We invest the money for you with a focus on producing income while protecting the principal value of the account for charity. In short, pooled income funds are one of the simplest ways to make a significant charitable donation while still receiving income.

TBTHCF provides all administration and reporting services, including the documentation you need to calculate and support income tax deductions, in order to keep you apprised of account activity.

ANSWERING YOUR QUESTIONS

Q. How much income will I receive?

That depends on market conditions. TBTHCF Pooled Income Funds will distribute 100% of the interest, dividends, and other ordinary income it receives to the income beneficiary every month. Short- and long- term capital gains and unrealized appreciation cannot be distributed.

Q. Is the income I receive taxable?

Yes. The income received is taxable to the income beneficiary as ordinary income. A pooled income fund cannot own tax-free municipal bonds. Each year in early March, you will receive a Form K-1 that will give you the information needed for your tax return.

Q. Can I add to my account and will that affect my income?

Yes. You may make additional contributions of at least $1,000 in cash or marketable securities at any time. Your income will increase proportionately with every donation.

Q. What is the current monthly payment from the medical project investments?

The current rate of return is 5% which is $4.16 per month per $1,000 contribution.

Because the investment is a donation to charity the $1,000 is deductible. Additionally, some investment in medical facilities and services and in programs that are eligible for tax credits which will improve the value of the income received by the Pooled Income Fund. Under these conditions the return could be greater than the current rate of 5%.

Examples of Medical Projects in which we invest

Type Project	**Invested Capital**	**Estimated Net Annual Profit**	**Estimated Dividend to Donor ($10,000 = $500 Annual Income)**
1. Primary Care Clinic	$3,200,000	$270,000 (9%)	5% of donation paid to beneficiaries

APPLICATION FORM

The Order of Love Peace Truth Tolerance and Cooperation(DBA TBT) Pooled Income Fund.

Donors

Name of Donor	Name of Co-Donor
Date of Birth	Date of Birth
Social Security Number	Social Security Number
Street Address	Street Address
Apartment #	Apartment #
PO Box	PO Box
City	City
State	State
Zip Code	Zip Code
Email Address	Email Address
Telephone Number	Telephone Number

Income Beneficiary(ies)

If income beneficiary(ies) is (are) same as donor(s) above, check here: ___

If not, supply information below:

Beneficiary #1. Name	**Beneficiary # 2**. Name
Date of Birth	Date of Birth
Social Security Number	Social Security Number
Street Address	Street Address
Apartment #	Apartment #
PO Box	PO Box
City	City
State	State
Zip Code	Zip Code
Email Address	Email Address
Telephone Number	Telephone Number

The Gift Cash (amount) $ (Please make check payable to the TBT)
Securities (Please describe)
Broker Name:
Phone Number:
Acquisition Date:
Cost Basis:

Please send completed application form to: TBT P.O Box 1838 Splendora, TYX 77372
Tel: 832-599-8449 Email: donation@tbt.org Website: www.tbt.org
Payment Sequence (Please check one)
a. Check payable to individual for his/her life.
b. Joint and Survivor Check payable to [a] and [b] jointly, then one check payable to the survivor.
c. Successive Interests Check payable to
[a] for his/her life, then one check payable to
[b] if [a] predeceases [b]. TBT's obligation to make annuity payments will terminate with the payment preceding the surviving annuitant's death.
Distribution of Charitable Amount With the death of the last income beneficiary, please distribute my share of units in the Pooled Income Fund to TBT health care cooperatives projects.

Signature of Donor_____ Date _____

TBT Health

CREDIT APPLICATION

APPLICANT INFORMATION		
Name:		
Date of birth:	SSN:	Phone:
Current address:		
City:	State:	ZIP Code:
Own Rent (Please circle)	Monthly payment or rent:	How long?
Previous address:		
City:	State:	ZIP Code:
Owned Rented (Please circle)	Monthly payment or rent:	How long?

EMPLOYMENT INFORMATION		
Current employer:		
Employer address:		How long?
Phone:	E-mail:	Fax:
City:	State:	ZIP Code:
Position:	Hourly Salary (Please circle)	Annual income:
Previous employer:		
Address:		How long?
Phone:	E-mail:	Fax:
City:	State:	ZIP Code:
Position:	Hourly Salary (Please circle)	Annual income:
Name of a relative not residing with you:		
Address:		Phone:
City:	State:	ZIP Code:
Relationship:		

I authorize TBT Health to verify the information provided on this form as to my credit and employment history.

Signature of applicant	Date
Signature of co-applicant, if for joint account	Date

Promissory Note

Date: Borrower Account Number

Borrower's Mailing Address: City: State: ZIP:

Lender's Name: The Order of Love Peace Truth Tolerance and Cooperation DBA TBT-Tomorrow's Bread Today

Place for Payment,

Street Address 921 CR374B City: Splendora State: TX ZIP 77372
Mailing Address: P.O Box 1838 City: Splendora, State: TX ZIP 77372

Principal Amount: $ Annual Rate of Interest: 7 % Monthly Payment is $

Terms of payment of principal and interest

The Principal Amount and the Interest due are payable within 84 months of the date of this note. Payments of interest will be made monthly until principal balance is paid in full

Borrower promises to pay to the order of the Lender the principal amount plus interest at the annual interest. This note is payable at the Place for payment and according to the terms of payment. All unpaid amounts are due by the maturity date.

If the borrower defaults in the payment of this note or in the performance of any obligation in any instrument securing or collateral to this note, lender may declare the unpaid principal balance, earned interest, and any other amounts owed on this note immediately due. Borrower and each surety, endorser, and guarantor waive all demand for payment, presentation for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, protest, and notice of protest, to the extent permitted by law.

Borrower also promises to pay reasonable attorney fees and court and other costs if this note is placed in the hands of an attorney to collect of enforce the note. These expenses will bear interest from the date of advance at the annual interest rate on matured unpaid amounts. Borrower will pay lender these expenses and interest on demand at the Place for Payment. These expenses and interest will become part of the debt evidenced by the note and will be secured by any security for payment.

Interest on the debt evidenced by this note will not exceed the maximum rate or amount of non-usurious interest that may be contracted for, taken, reserved, charged, or received under law. Any interest in excess of that amount will be credited on the principal amount or, if the principal amount has been paid, refunded. On any acceleration or required or permitted prepayment, any excess interest will be canceled automatically as of the acceleration or prepayment or, if the excess interest has already been paid, credited on the principal amount or, if the principal amount has been paid, refunded. This provision overrides any conflicting provisions in this note and all other instruments concerning the debt.

Lender has the right to transfer this note to another Lender.

Borrower is responsible for all obligations represented by this note. When the context requires, singular nouns and pronouns include the plural.

Name of the Borrower:

Name of the Business:

Signature of the Borrower _____Date _____

TBT Form

Project #3 CLS Health

CLS HEALTH

Executive Summary


MCB, LLC
Medical Center Blvd, LLC
Partners
Management
Kob Rd LLC
Kobayashi Rd, LLC
Partners
Management

CLS Health Loan Request Structure

- Borrower: Medical Service Organization that will bring health plans to the community that use CLS Health.
- **Owners/Managers (See Website: https://www.clearlake-specialties.com/provider-directory)**

- Shareholders of each of the above-named companies are owners of this medical system:
  - Medical Center Blvd LLC (MCB),
  - Kobayashi Rd LLC (KRD), and
  - Clear Lake Specialties PA (CLS) is the manager of CLS Health.
- Don McCormick, (Health Systems Consultant), James Blair Korndorffer (Architect), Timothy Dixon (General Contractor). & Bret Schulte (Attorney). .
- Guarantors are the owners of 20% or more of the stock in the following companies and their guaranties are proportional to their investments in the respective companies: MCB – Dr. Mohammad Baba 32.97%, KRD – Dr. Mohammad Baba 31.11%, and CLS PA

  Guarantors to provide primary cash for repay and provide a cash flow analysis to demonstrate the ability to repay loans.
- Amount: $50,000,000
- Uses per the client –

$ 37,968,796	- Design, Engineering and Construction of the medical facilities
$ 362,000	- Equipment
$ 1,000,000	- Startup of the medical system after construction
$ 3,500,000	- Development and Patient Health Plan Enrollment for Company
$ 6,669,204	- Cost of Professional Fee and Financing
$ 500,000	- Reserves

Term: seven years – Interest Only Payments

- Interest Reserve: - Full 36 months of interest payments suggested
- Rate: 3.5% with a 1.00% floor
- Collateral: 70% LTV & 1st line position on DOT located at 500/600 N. Kobayashi Rd. Webster, Texas 77598
- chartered in Texas on:
  - 09/22/2011 KRD LLC formation was created and owns the Facility at 500/600 Kobayashi Rd, Webster, TX 77598
  - 05/05/2005 CLS PA, CLS Health formation was created and is the Medical Group;
  - 07/17/2020 MCB LLC formation of the land at 905 Medical Center Blvd, Webster, TX 77598.
- KRD LLC Property is 4.4463 Acres and paved parking lot and there is an existing one-story building 15,328 sq ft and an existing three-story building 65,745 sq. ft. on the property now.
- MCB LLC Property is 4.566 Acres, and the new building will be approximately 100,800 sq. ft. on the property, presently is vacant land.
- Appraisal estimates the as is value to be $ 39,500,000 made ready for the construction of the new 4 story facility/clinic and parking. The completed facility will have real estate value of $ _72____ MM and FFE of __38____ MM for a total of__110 MM. The owner equity at that time will be approximately $ __39_____MM.
- Integrated Medical Practices Management LLC (IMPM), manager of KRD LLC, CLS PA, and MCB LLC, can make the decision to place the property as collateral on the loan.
- PRS (Primary Source of Repayment) Corporate entities named and the 20% owners as personal guarantors.
- 7-year cash flow projection for KRD, CLS PA and MCB will pay back the interest and loan.

CLS Health Medical Care System

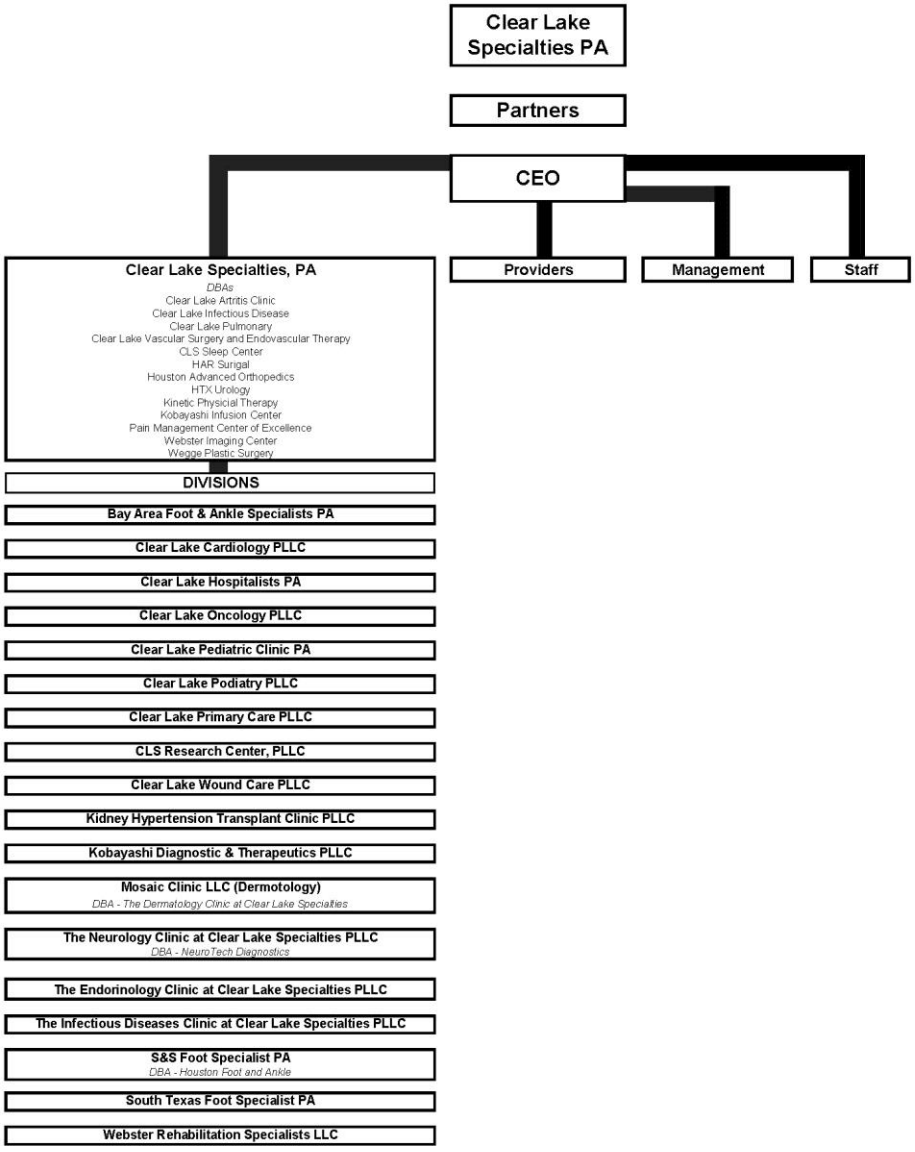
CLS Health Project in Webster Texas is in the Southeast corner of Harris county at 600 N Kobayashi Rd. Numerous census tracts in the service are within a four-mile radius of their Multi-specialty Clinic expansion are in an economic distressed Opportunity Zone by the Community Development Financial Institutions Fund (CDFI). The census tracts in the service area that are qualified Low Income are:

48167720800, 48201333902, 48201334001, 48201334002, 48201340100, 48201340500, 48201340900, 48201341100, 48201341201, 48201341301, 48201341302, 48201350400, 48201350500.

This project will address the needs of the zone by building and operating a multi-specialty clinic and comprehensive health plan in which the aims are: (1) better access to care, (2) better health care outcomes and (3) lower professional, hospital, and ancillary costs. The property owned by CLS Health is in a perfect location for both the patients and the providers. The facility as designed will serve populations which currently are medically underserved and lack comprehensive healthcare coverage. The target population in the service area is more than 100,000 with a growth that will add 10,000 more people in the next few years. CLS Health project will benefit the local economy through an increased tax base and more than 297 permanent jobs. The construction will take about 18 months. The property is on acres with some infrastructure and an existing three-story building. The hard and soft cost of the completed project could be as much as $45,000,000. The property will have a net equity value of $40,000,000 before construction and as much as $90,000,000 after construction is completed and the facility is financed and operational. This equity will qualify for conventional construction and operational loans. CLS Health is a for-profit and will own The Health Insurance Plans (HIPs) and Medical Service Organization (MSO) that will use the facilities. Money from patients for health care goes through the HIPs and MSOs that pay CLS for use of their facilities and services. CLS will put up the property for collateral with the Lenders for the construction, equipment, and long-term loans and secondarily with investors for the seed capital and initial operating funds. CLS health will invest its own capital in the project including the purchase at no discount of the Tax Credits allocated to the CDE. The owners of CLs have operated medical practices, facilities and health plans for over twenty years. In the next two years the patient numbers for which CLS will be responsible will grow from a 151,000 to more than 200,000 coming from enrollments of the targeted Low-Income population. The long-term experience of our group is a source of trust to create Physician Owned Districts (POD) of 30 primary care physicians supported by 90 specialists in CLS Health. This investment creates enough asset value to allow at-risk contracting with other insurers and CMS in which the physician organizations avoid the regular movement of patients from one insurer to another. Also, it assures the long-term liquidity of the CLS Health. Physicians in the area who have been participants with the owners in many health plans referred 151,000 patients to our group last year. As we add facilities and more primary care providers in increase our capacity to address the health care needs of everyone and raise income levels of the targeted population.

Managers of CLS Health

Dr. Mohammad Baba, MD, President
Dr. Mahmood Dweik, MD, Vice President
Jeanne Frazier, MBA-HM, Chief Operating Officer
Ammar Baba, MSEE, IT / Property Manager
Shahed Shaboki, BS – Healthcare Administration / Management, Billing and Benefits Manager
Priti Vyas, MHA, MBA, Human Resources Manager
Khalid Alzwahereh, MBBS, Clinical Services Manager
Amanda Carroll, BAA – Marketing, Physician Liaison Manager
Sarah Silva, BS - Management, RPGST, Ancillary Services Manager
Bhavita Patel, BS – Healthcare Administration, Accounting Manager


Clear Lake Specialties PA
Partners
CEO
Providers
Management
Staff
Clear Lake Specialties, PA
DBAs
Clear Lake Artritis Clinic
Clear Lake Infectious Disease
Clear Lake Pulmonary
Clear Lake Vascular Surgery and Endovascular Therapy
CLS Sleep Center
HAR Surigal
Houston Advanced Orthopedics
HTX Urology
Kinetic Physicial Therapy
Kobayashi Infusion Center
Pain Management Center of Excellence
Webster Imaging Center
Wegge Plastic Surgery
DIVISIONS
Bay Area Foot & Ankle Specialists PA
Clear Lake Cardiology PLLC
Clear Lake Hospitalists PA
Clear Lake Oncology PLLC
Clear Lake Pediatric Clinic PA
Clear Lake Podiatry PLLC
Clear Lake Primary Care PLLC
CLS Research Center, PLLC
Clear Lake Wound Care PLLC
Kidney Hypertension Transplant Clinic PLLC
Kobayashi Diagnostic & Therapeutics PLLC
Mosaic Clinic LLC (Dermotology)
DBA - The Dermatology Clinic at Clear Lake Specialties
The Neurology Clinic at Clear Lake Specialties PLLC
DBA - NeuroTech Diagnostics
The Endorinology Clinic at Clear Lake Specialties PLLC
The Infectious Diseases Clinic at Clear Lake Specialties PLLC
S&S Foot Specialist PA
DBA - Houston Foot and Ankle
South Texas Foot Specialist PA
Webster Rehabilitation Specialists LLC

Consultants, Architect and General Contractor

Bret A. Schulte, J.D.
Attorney – Houston ***Real Estate and Health Care Law***
Bret Schulte has been a licensed Attorney for 21 years and handles cases in Health Care, Real Estate.
Attended Yale University and Ohio State University Moritz College of Law.
8700 Commerce Park Drive Ste. 103,
Houston, Texas 77036 Tel: (+1) 713-551-4961

Don McCormick, BA, AAMA
B.A. Degree from University of St. Thomas in Houston, 1967
University of Houston and Mills College for advanced studies in Insurance, 1967-1975
Licensed as a General Lines Insurance Agent, 1967- Present
Marketing Director for New Communities Service Corporation HMO, 1975
Executive Director of Texas Health Plans HMO, 1977-1980
President of Computech (Medical Accounting Software Company), 1980-1984
President of National Association of Preferred Providers, 1984-1995
President of Physicians ACO, 2012-2013
Executive Director of SEMNet, HMINet, PDMP Multi-specialty Group IPAs
Founder of Senior Patient Association AKA Patient Doctor Medical Plans (PDMP), 2005-Present
Trustee for TBT, a 501c3 organization and sponsor of PDMP 1995-Present
921 CR 3704B
Splendor, Texas 77372 Tel: (+1) 832-599-8449 https://tbt.org

Blair Korndorffer, AIA
Thirty+ years' experience as lead design professional in Health Care, Resort, Hospitality, Residential and Industrial Projects throughout the World.
Managing Partner of a Multi-tiered development group that specializes in Medical, Resort and Hospitality development with projects in Texas, South and Central America and West Africa.
Completed over 2000 projects representing $2.8 Billion in Project Cost. Most of these projects are in health care and resort/hospitality facilities.
In addition to these projects, we have designed over $30 Billion in master planned developments, including continued care retirement communities (CCRC), Resort, Residential and Town Center Developments.
700 Gemini St Suite 260
Houston, TX 77058 Tel: (832) 224-6400 http://diamonddevelopmentgroup.com.

Tim Dixon of Construction, Ltd.
The company was begun in 1981 by Tim Dixon as Dixon Services, Inc, a general contracting entity performing small private projects solely in the greater Houston area. Because of other business concerns added shortly thereafter in the industrial painting, fencing and metal building sectors, the assumed name Construction LTD was added as a d/b/a in 1984 to separate the general contracting entity from the others and has been the general contracting aspect of the parent since that time. Later the parent corporation, Dixon Services, Inc. was converted to a partnership for franchise tax purpose, but the operation remained static. In the tradition of most general contractors, Construction LTD has self-performed site layout, concrete, drywall, painting, acoustical, carpentry and finish carpentry throughout the years. In almost four decades of operation, the company has performed over $700M in construction contracts in almost every sector of the industry, i.e., multi and single family residential, commercial, retail, institutional, governmental, educational, religious, charitable, medical, professional, and industrial sectors and we have continued to adapt to market conditions and innovate delivery methods but focused almost exclusively on public work for the last 17 years. Currently our focus is privately funded projects with owners and developers in the residential, commercial.
1825 Upland Houston, TX 77043 Tel: (713) 984-9444 https://cltd.net/

How owners and managers of this project will fulfill their obligations to lenders

1. The project is expected to have a start-up cost that is greater than the income that can be generated by its operations of the health plans and the medical facilities. That deficit could be as $5 million. The owners have businesses that produce surplus income that would allow them to pay for the deficit. In addition, the capital contributions from the investors in CLS Health will be between $25,000,000.
2. The physical assets of the practice are presently $3,600,000 and the when the facilities are completed will be excess of $50,000,000. Therefore, the exposure of the lender is less than in most commercial transactions of this type.
3. Participation in a New Markets Tax Credits plan by this project further reduces the risk for everyone and makes investments and loans more attractive that any opportunities in medical care available in the United States by double.
4. Even if no CDE participated the investment would still outperform the market in health plan returns and practice income by 50%.

Summary of Costs, Loans, and Values

	Specialty Clinic Cost	Percentage of total	
Construction Pricing			
Land Cost	$2,894,280	6%	
Construction Cost	$35,074,516	78%	
Equipment and Furnishing	$362,000	1%	
Professional Fees	$1,654,389	4%	
Adminstrativer Costs	$1,863,082	4%	
Financing, Legal and Closing Costs	$2,872,757	6%	
	$44,721,024	100%	
Project Loan amount	**$45,000,000**		
Projected Deficit from Startup	$1,000,000		
Contingency Reserve	$500,000		
HMO License capital, surplus and development	$3,500,000		
NMTC Financing	**$50,000,000**		
CDE Share is 39% minus discounts from sale of Tax Credits	$19,500,000		
Leverage Share	$30,500,000		
CDE Interest Expense (1.5% per year for 7 Years)	$2,047,500	Paid from gross earning	
Leverage Lender Cost (4% per year for 7 Years)	$8,540,000	Paid from gross earning	
Stable value of the Business at 5 years	**$81,519,753**		

Patient Membership by Year	1	2	3	4	5
Total Members earned in 12 months	151000	151000	151000	151000	151000
Premiums (Ave all ages. This is the source for health care payments)	$6,500	$6,500	$6,500	$6,500	$6,500
Out of Pocket (This is the average amount per patient)	$650	$650	$650	$650	$650
Gross Revenue	$1,079,650,000	$1,079,650,000	$1,079,650,000	$1,079,650,000	$1,079,650,000
Insurers (15%)	$161,947,500	$161,947,500	$161,947,500	$161,947,500	$161,947,500
Professional(5%)	$53,982,500	$64,779,000	$64,779,000	$64,779,000	$64,779,000
Facilities (40%)	$431,860,000	$431,860,000	$431,860,000	$431,860,000	$431,860,000
Other(40%)	$431,860,000	$421,063,500	$421,063,500	$421,063,500	$421,063,500
Expenditures					
Insurers	$161,947,500	$161,947,500	$161,947,500	$161,947,500	$161,947,500
Professional Services	$50,492,416	$50,492,416	$50,492,416	$50,492,416	$50,492,416
Building Construction System Development Capital Expenses	$44,721,024				
Facilities	$431,860,000	$431,860,000	$431,860,000	$431,860,000	$431,860,000
Administration, Marketing and Enrollment	$3,780,000	$3,780,000	$3,780,000	$3,780,000	$3,780,000
Other	$431,860,000	$421,063,500	$421,063,500	$421,063,500	$421,063,500
Total Expenditures	$1,124,660,940	$1,069,143,416	$1,069,143,416	$1,069,143,416	$1,069,143,416
Net Revenue	-$45,010,940	$10,506,584	$10,506,584	$10,506,584	$10,506,584
Provider Bonuses	0	$4,202,634	$4,202,634	$4,202,634	$4,202,634
Shareholder Distributions	0	$3,151,975	$3,151,975	$3,151,975	$3,151,975
Retained Earning		$3,151,975	$3,151,975	$3,151,975	$3,151,975
Loan Amount					
Loan Interest for 7 years paid each year to CDE and LL					
Loan Amortization Balance after yr 7 at 5% for 20 annual payments					
Market Value of an Enrolled Patient Population in Year 5	$31,519,753	$209 Per Patient			
Property Value	$50,000,000				
	$81,519,753				

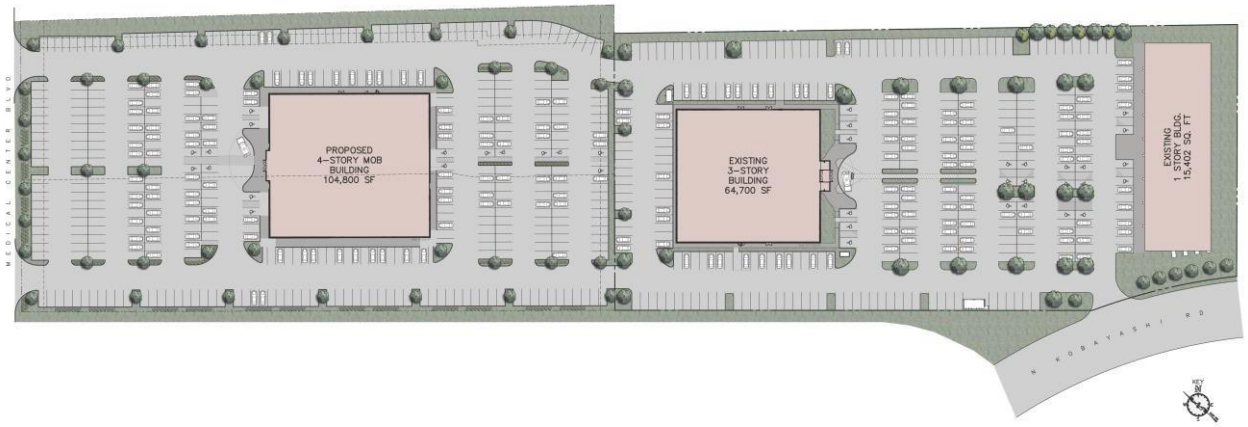
Diamond Development
+ CONSTRUCTION GROUP LLC

Re: New Medical Office Building
Webster, Texas

Project: CLS MOB
Project No: 2103
Date: 04/14/2021

	Percent Project Cost		Unit Cost	Hard Cost	Soft Cost	Paid to Date	Total
LAND COST	**8%**		**$35.37**	**$ 3,678,360**	**$ -**	**$ 3,528,360.00**	**$ 3,678,360**
Land Acquisition	4.50	acre	$18	$ 3,528,360		$ 3,528,360	$ 3,528,360
Off Site Utility Improvements	1	LS		$ 150,000			$ 150,000
Pre-Construction Consulting	0.0%	of	$0		$ -	$ -	$ -
CONSTRUCTION COST	**77%**		**$337.25**	**$ 35,074,516**	**$ -**	**$ -**	**$ 35,074,516**
Building Cost:	104,000	SF		$ -	$ -	$ -	$ -
Site Work	196,020	SF	$2.25	$ 441,045	$ -	$ -	$ 441,045
Site Paving & Walks	65,000	SF	$5.75	$ 373,750	$ -	$ -	$ 373,750
Structure: Shell	104,000	SF	$185.00	$ 19,240,000	$ -	$ -	$ 19,240,000
Common Areas	11,440	SF	$95.00	$ 1,086,800	$ -	$ -	$ 1,086,800
Ambulatory Surgical Center	11,600	SF	$285.00	$ 3,306,000	$ -	$ -	$ 3,306,000
Allowances (TI: Tenant Improvements)	80,960	sf	$80.00	$ 6,476,800	$ -	$ -	$ 6,476,800
Landscaping	1	LS		$ 115,000	$ -	$ -	$ 115,000
Contractor's Fee	8.0%	of	$31,039,395	$ 2,483,152	$ -	$ -	$ 2,483,152
Owners Contingency	5.0%	of	$31,039,395	$ 1,551,970	$ -	$ -	$ 1,551,970
EQUIPMENT & FURNISHINGS.	**1%**		**$3.48**	**$ -**	**$ 362,000**	**$ -**	**$ 362,000**
Signage & Graphics	1	LS	$45,000	$ -	$ 45,000	$ -	$ 45,000
Equipment				$ -	$ -	$ -	$ -
Low Voltage	1	LS	$35,000	$ -	$ 35,000	$ -	$ 35,000
Emergency Generator & ATS	1	LS	$115,000	$ -	$ 115,000	$ -	$ 115,000
Furnishings/ appliances	1	LS	$135,000	$ -	$ 135,000	$ -	$ 135,000
	0	LS	$0	$ -	$ -	$ -	$ -
Furnishings & Artwork- Unit	1	EA	$0	$ -	$ -	$ -	$ -
Security	1	EA	$7,500	$ -	$ 7,500	$ -	$ 7,500
TV/Music/Data Systems	1	EA	$24,500	$ -	$ 24,500	$ -	$ 24,500
PROFESSIONAL FEES	**4%**		**$15.91**	**$ -**	**$ 1,654,389**	**$ -**	**$ 1,654,389**
Architects & Engineers	5.5%	of	$28,747,716	$ -	$ 1,583,139	$ -	$ 1,583,139
MEP Design	inc above			$ -	inc	$ -	inc
Structural Engineers	inc above			$ -	inc	$ -	inc
Interior Space Planning Tenant Improvements		SF		$ -	By Suite	$ -	By Suite
Civil Engineer	4.50	AC	$8,500.00	$ -	$ 38,250	$ -	$ 38,250
Graphics/Signage Consultant	1	LS		$ -	$ -	$ -	$ -
Landscape Architect	inc above			$ -	inc	$ -	inc
Surveyor	4.50	AC	$2,200.00	$ -	$ 9,900	$ -	$ 9,900
Geotechnical Engineer	6	EA	$1,350.00	$ -	$ 8,100	$ -	$ 8,100
Environmental Study		EA		$ -	$ -	$ -	$ -
Reimbursable Expenses	1	LS	$15,000.00	$ -	$ 15,000	$ -	$ 15,000
ADMINISTRATIVE COST	**4%**		**$17.91**	**$ -**	**$ 1,778,081**	**$ -**	**$ 1,863,081**
Testing	1	LS	$54,000	$ -	$ 54,000	$ -	$ 54,000
Permit Fees	0.5%	of	$0	$ -		$ -	$ 85,000
Utility/ Impact Fees	1	LS	$0	$ -		$ -	$ -
Real Estate Commissions	6.0%	of	$2,428,800	$ -	$ 145,728	$ -	$ 145,728
Project Management	3.0%	of	$35,074,516	$ -	$ 1,052,235	$ -	$ 1,052,235
Marketing Expenses	0.0%	of	$0	$ -	$ -	$ -	$ -
Taxes During Construction	1.0%	of	$35,074,516	$ -	$ 350,745	$ -	$ 350,745
Insurance	0.5%	of	$35,074,516	$ -	$ 175,373	$ -	$ 175,373
Project Related Reimbursable Expenses	1	LS	$0	$ -	$ -	$ -	$ -
Relocation Expenses	1	LS	$0	$ -	$ -	$ -	$ -
Utilities	0	EA	$0	$ -	$ -	$ -	$ -
FINANCING, LEGAL & CLOSING COSTS	**6%**	**18**	**$28.14**	**$ -**	**$ 224,862**	**$ -**	**$ 2,926,072**
Construction Loan Amount:	*80.0%*	*of*	*$42,632,347*	$ -	$ -	$ -	$ 34,105,878
Financing Fee	1.0%	of	$34,105,878	$ -	$ -	$ -	$ 341,059
Interest (18 month loan)	5.5%	of	$34,446,936	$ -	$ -	$ -	$ 1,278,843
Appraisal	1	LS	$15,500	$ -	$ -	$ -	$ 15,500
Special Inspection	18	LS	$650	$ -	$ 11,700	$ -	$ 11,700
Permanent Loan			$0	$ -	$ -	$ -	$ -
Financing Fee	1.5%	of	$0	$ -	$ -	$ -	$ -
Appraisal	1	LS	$0	$ -	$ -	$ -	$ -
Title Policy	1.0%	of	$42,632,347	$ -	$ -	$ -	$ 426,323
Closing Costs	1.5%	of	$42,632,347	$ -	$ -	$ -	$ 639,485
Legal Costs	0.5%	of	$42,632,347	$ -	$ 213,162	$ -	$ 213,162
Project Budget (including FF+E)	100%		$438.06 Project Cost/SF	$ 39,114,876 Hard Cost	$ 3,657,332 Soft Cost	$ 3,528,360 Paid to Date	$ 45,558,419 Project Total
Funding Summary							
Equity Amount Required	***20.0%***			***$7,822,975***	***$0***		***$9,111,684***
Financing Required	***80.0%***			***$31,291,901***	***$0***		***$36,446,735***

Building Drawings



DIAMOND DEVELOPMENT GROUP

CLEAR LAKE SPECIALTIES
WEBSTER, TEXAS
SCHEMATIC SITE PLAN

DIAMOND DEVELOPMENT GROUP
ARCHITECTURE PLANNING CONSTRUCTION

CLEAR LAKE SPECIALTIES
WEBSTER, TEXAS
TYPICAL FLOOR PLAN

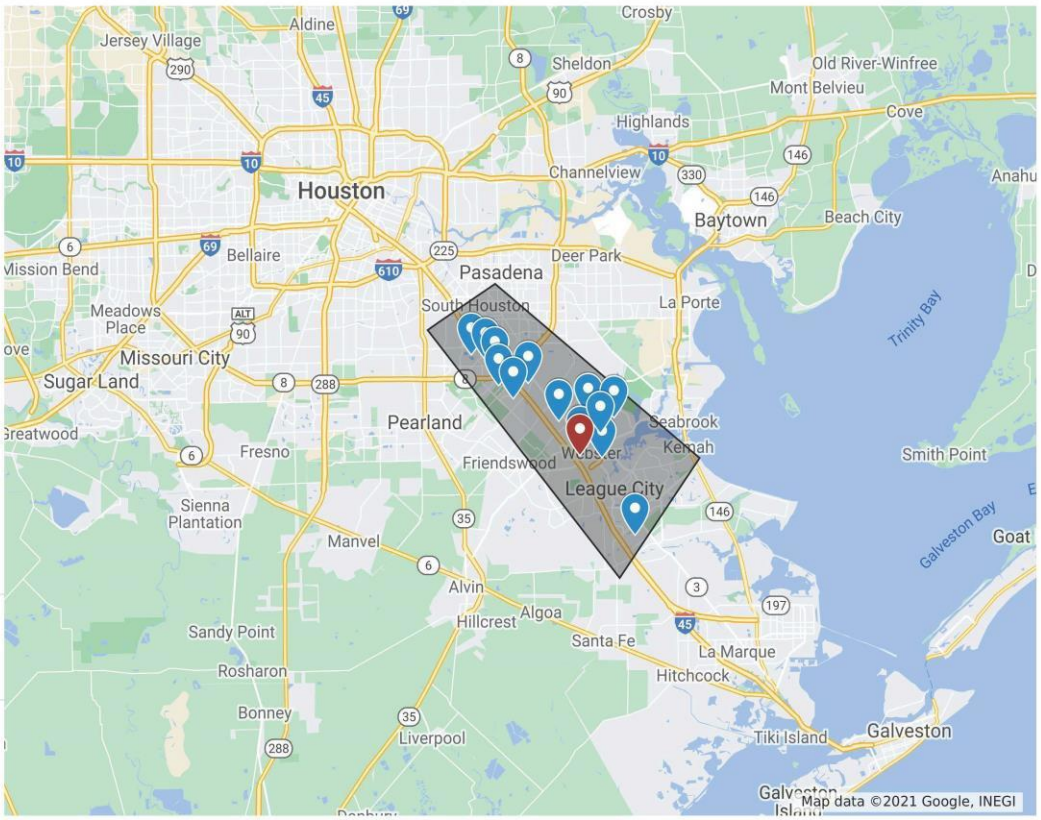
Low Income Census Tracts

Baba Project Service Area Census Tracts.xlsx

- 48167720800
- 48201333902
- 48201334001
- 48201334002
- 48201340100
- 48201340500
- 48201340900
- 48201341100
- 48201341201
- 48201341301
- 48201341302
- 48201350400
- 48201350500
- Our Address

Service Area

- CL Health Service Area



Demographics

This census tract is designated "severely distressed" because it meets three (3) of the items six (6) through sixteen (16) in the CDFI Fund's regulatory guidance (highlighted):

1. Census tracts with poverty rates greater than 30 percent
2. Census tracts that (a) if located within a non-Metropolitan Area, have a median family income that does not exceed 60 percent of statewide median family income; or (b) if located within a Metropolitan Area, have a median family income that does not exceed 60 percent of the greater of statewide median family income of the Metropolitan Are median family income
3. Census tracts with unemployment rates at least 1.5 times the national average (8.3% for 2011-2015 ACS Survey, 7.9% for 2006-2010 ACS Survey)
4. Census tracts that are located in counties not contained within a Metropolitan Statistical Area (MSA) (i.e., non-metropolitan counties), as defined pursuant to 44 U.S.C. 3504(e) and 31 U.S.C. 104(d) and Executive order 10253 (3 C.F.R. Part 1949-1953 Comp., p.758), as amended, with respect to the 2010 Census and as made available by the CDFI Fund
5. As permitted by IRS and related CDFI Fund guidance materials, projects serving Targeted Populations to the extent that: (a) such projects are 60% owned by low-income persons (LIPs); or (b) at least 60% of the projects' employees are LIPs; or (c) at least 60% of the projects' gross income is derived from sales, rentals, services, or other transactions to customers who are LIP
6. Census tracts with one of the following: (a) poverty rates greater than 25%, or (b) if located within a non-Metropolitan Area, median family income that does not exceed 70% of statewide median family income, or, if located within a Metropolitan Area, median family income that does not exceed 70% of the greater of the statewide median family income or the Metropolitan Area median family income; or (c) unemployment rates at least 1.25 times the national average
7. U.S. Small Business Administration (SBA) designated HUB Zones, to the extent that the QLICIs will support businesses that obtain HUB Zone certification from the SBA
8. Brownfield sites as defined under 42 U.S.C. 9601(39)
9. Areas encompassed by a HOPE VI redevelopment plan
10. Federally designated as Indian Reservations, Off-Reservation Trust Lands or Alaskan Native Village Statistical Areas, or Hawaiian Homelands
11. Areas designated as distressed by the Appalachian Regional Commission or Delta Regional Authority
12. Colonias areas as designated by the U.S. Department of Housing and Urban Development
13. Federally Designated medically underserved areas, to the extent that QLICI activities will support health related services*
14. Federally designated Promise Zones, Impacted Coal Counties, base realignment and closure areas, State enterprise zone programs, or other similar state/local programs targeted towards particularly economically distressed communities
15. Counties for which the Federal Emergency Management Agency (FEMA) has (a) issued a "major disaster declaration" and (b) made a determination that such County is eligible for both "individual and public assistance;" provided that the initial project investment was made within 36 months of the disaster declaration
16. A census tract identified as a Food Desert, which must either: 1) be census tract determined to be a Food Desert by the U.S. Department of Agriculture (USDA), as identified in USDA's Food Desert Locator Tool; or 2) a census tract that qualifies as a Low Income Community and has been identified as having low access to a supermarket or grocery store through a methodology that has been adopted for use by another government agency, to the extent QLICI activities will increase access to healthy food

*Below is the Federal designation of this census tract as a "Medically Underserved Area:"
Source: US Dept. of HHS/Health Resources & Services Administration (HRSA):

13

Healthcare Access and Impact On Vulnerable Communities

Healthcare Disparity & Access:

Implicit to the methodology of establishing the NMTC qualified census tract as severely distressed because, among other criteria, it is a "medically underserved area (MUA)" is the estimation of Medicaid eligible patients and uninsured patients in the target area. This catchment area is populated with an exceptionally large percentage of residents who are Medicaid eligible.

The Brazoria County Public Health Department has concluded that residents living within the NMTC qualified census tract and surrounding zip codes are consistently reporting higher rates of incidence and prevalence of negative health indicators. The conclusion of their research is that ***Zip Codes are more important than genetics wherein even short travel distances contribute to large disparities in health.*** This Project will shorten that distance.

These target community groups were reviewed as to their health characteristics by zip code and other demographics such as race, ethnicity etc. (Please see attached Table 1)

The ***Health Literacy*** of these residents will be further developed by this Project. ***Health Literacy*** is defined by HHS as "the increased capacity of individuals to obtain and process and understand basic health information and services to make appropriate health care decisions as to prevention and treatment of illness".

Low health literacy is disproportionally affecting the individuals and groups living in the Project service area including the poor, racial and ethnic minorities, senior citizens and new arrival immigrants.

This Project will allow residents a one-stop location where they can address many of their healthcare needs, e.g., poor physical health, poor mental health, no health insurance, diabetes, obesity, high blood pressure, asthma, binge alcohol drinking, smoking, and heart disease.

Economic Development Impact:

The ***Alvin Community Hospital Project*** will impact the local community in several ways: by creating numerous temporary and permanent jobs, by attracting healthcare firms to establish a presence as lessees in the Project, and by attracting a regular flow of traffic to the facility, and by stimulating competitive and complementary business activity in the facility and the surrounding area.

The QALICB's plan to construct an 8,500 square feet Ambulatory Surgical Center and adjoining Medical Business Office Building for a total of 50,000 square feet in a three-phase project will create numerous temporary and permanent jobs. Over 300 temporary jobs will be created for each of the three construction phases (approximately 5-7 months for each phase). The total direct permanent jobs created is estimated to exceed 30 jobs with minimum requirement of 15 jobs created for the opening of the facility, and a total of 100 jobs will be created by the end of the seven-year NMTC period.

The facility will create opportunities for low-income residents of the surrounding community in several ways. First, the facility will require continuous onsite security, maintenance, customer service, information technology, and housekeeping personnel, which will be filled by newly created local jobs. Second, the **Project** will provide healthcare services to residents within the low-income targeted community census tracts.

The potential ancillary activity anticipated to be generated will range from the daily and weekly traffic of vendors and suppliers for the tenants to the establishment of office footprints for vendors with maintenance and technology-related personnel in proximity to the site. This traffic will, in turn, be an element to stimulate the local retail activity that will ultimately be required to increase the attractiveness of the area for further office and residential development.

The new construction portion of this Project will be LEED-certified, with a minimum of LEED Silver certification, which will be driven by the Digital Realty development and construction team. The facility will be highly efficient, with a priority given to water and energy efficiency, sustainable maintenance and management practices, and the optimization of environmental factors for occupants. Specific actions range from the management of the chilled water system to the availability of bike racks and showers to window placement for visual communication and lighting.

The Project will employ the local minority population in a number of positions in both the construction phase as well as the permanent jobs created. During the construction phase, there will be extensive use of skilled and unskilled trades ranging from cleanup crews to electricians to HVAC personnel and plumbers. The permanent jobs will include numerous positions for maintenance, housekeeping, security, and customer service roles, at least five of which will have a 24x7x365 requirement. Furthermore, these positions will provide the opportunity for personnel to move into related engineering and marketing roles through career development in conjunction with the educational opportunities with local community colleges, such as Houston Community College and ITT Technical Institute.

Because the Project requires a high level of security, the security outside and inside the facility will be very visible, which will be complementary to the City of Alvin and the Projects commitment to improve stability, reduce crime, and change the local perception regarding the overall security of the Alvin area.

14

Job Creation & Economic Impact

The Communities within our targeted zip codes / distressed census tract, are a typical inner city urban mix of empty commercial spaces, low-income housing, struggling small businesses and an almost total absence of big box retailers. These are communities where residents have to commute to work and are forced to deal with barriers to many services such as education and healthcare. This Project will prioritize the hiring of full and part time employees from within these communities with the added benefit to the residents of reducing their commuting travel time. These communities are also experiencing a large surge of new arrival immigrants with their own health care needs and the existing health system is being overwhelmed by these new residents.

This Project will create a number of direct jobs (in the aggregate and average after financing) that will be created and maintained through the Project QLICIs. Temporary jobs (e.g., construction) and permanent jobs. These projections include job creation numbers that new construction within the Health Care sector have historically achieved.

Data:

Construction Part Time	Skilled - 84	Unskilled - 280
Health Care Part Time	Skilled - 24	Unskilled - 44
Health Care Full Time	Skilled - 24	Unskilled - 8
Ancillary Services Full Time	Skilled - 40	
Real Estate Support	Skilled -0	Unskilled- 8
Total	**172 Jobs Created**	**340 Jobs Created**

15

Project #4 MPCL Senior Living

FRONT ELEVATION

SIDE ELEVATION

DIAMOND DEVELOPMENT GROUP
ARCHITECTURE PLANNING CONSTRUCTION

1ST FLOOR:	21,673 SF		
2ND FLOOR:	38,264 SF	1 BEDROOM UNITS:	34 UNITS
3RD-6TH FLOORS:	38,881 SF	2 BEDROOM UNITS:	94 UNITS
7TH FLOOR:	29,785 SF	3 BEDROOM UNITS:	11 UNITS
TOTAL:	245,246 SF	TOTAL UNIT COUNT:	139 UNITS

JOHN AUDUBON APARTMENTS
HOUSTON, TEXAS
SCHEMATIC ELEVATIONS

MPCL Senior Living

Executive Summary

MPCL Senior Living Loan Request Structure

- Borrower: Limited Partnership that will bring Assisted Living and Skilled Nursing to the community.

Owners/Managers
Dr. Mohammad Baba, MD, President
Scham Abdalla
Abdul Abdellatif

- Consultants: James Blair Korndorffer (Architect), Timothy Dixon (General Contractor). & Bret Schulte (Attorney). Don McCormick, (Health Systems Consultant), .
- Guarantors are the owners of 20% or more of the stock in the following companies and their guaranties are proportional to their investments in the respective companies:
  Guarantors to provide primary cash for repay and provide a cash flow analysis to demonstrate the ability to repay loans.
- Project Total Cost: $ 79,592,407
- Uses per the client – $ 72,592,407 - Development and Construction Cost
  $ 6,751,939 - Construction Interest
  $ 143,000 - Construction Fin Fees
  Sources of Payment $ 67,905,961 - Debt
  $ 10,627,155 - Equity
  $ 964,229 - Lease-up Income

Term:

- Interest Reserve: - Full 36 months of interest payments suggested
- Rate: 3.5% with a 1.00% floor
- Collateral: 80% LTV & 1st line position on DOT located at 1394 St Hwy 3 Res A2 Houston, TX 77059
  Corporation Charter 801203996 charters in Texas on 12/11/2009
  - Property is 3.9 Acres and 211 spaces paved parking lot and the facility is 7 stories with NRA SF of 151,660
  - Appraisal estimates the as is value to be the land made ready for the construction of the new 7 story facility and parking. The completed facility will have real estate value of $ 85,000,000. The owner equity at that time will be approximately $ 20,000,000.
- Dr. Mohamed Baba, manager of MPCL, can make the decision to place the property as collateral on the loan.
- PRS (Primary Source of Repayment) Corporate entities named and the 20% owners as personal guarantors.
- 10-year cash flow projection for MPCL will pay back the interest and loan.

MPCL Senior Living (MPCL) Narrative

MPCL Project in Houston Texas is in the Southeast corner of Harris county at Hwy 3 and Clear Lake Blvd. Numerous census tracts in the service are within a five-mile radius of the Assisted Living Facility are in an economic distressed Opportunity Zone by the Community Development Financial Institutions Fund (CDFI). The census tracts in the service area that are qualified Low Income are:

48167720800, 48201333902, 48201334001, 48201334002, 48201340100, 48201340500, 48201340900, 48201341100, 48201341201, 48201341301, 48201341302, 48201350400, 48201350500.

This project will address the needs of the zone by building and operating an assisted living supported by a multi-specialty clinic and skilled nursing in which the aims are: (1) better access to care, (2) better health care outcomes and (3) lower professional, hospital, and ancillary costs. The property is in a perfect location for both the tenants and the providers. The facility as designed will serve populations which currently are medically underserved and have Medicare, Medicaid and private funds to cover both facility costs and services. The target population in the service area is more than 100,000 with a growth that will add 2,000 more people in the next few years. MPCL project will benefit the local economy through an increased tax base and more than 35 permanent jobs. The construction will take about 18 months. The hard and soft cost of the completed project could be as much as $80,000,000. The property will have a net equity value of $8.000.000 before construction and as much as $90,000,000 after construction is completed and the facility is financed and operational. This equity will qualify for conventional construction and operational loans. MPCL is a for-profit and will own the facilities. Money from patients for health care goes through the HIPs and MSOs that pay MPCL for use of their facilities and services. MPCL will put up the property for collateral with the Lenders for the construction, equipment, and long-term loans and secondarily with investors for the seed capital and initial operating funds. MPCL will invest its own capital in the project including the purchase at no discount of the Tax Credits allocated to the CDE. The owners of MPCL have operated medical practices, facilities and health plans for over twenty years. The long-term experience of our group is a source of trust to create this Assisted Living System.

Managers of MPCL
Dr. Mohammad Baba, MD, President
Jeanne Frazier, MBA-HM, Chief Operating Officer

MPCL Summary of Costs, Loans, and Values

GENERAL INFORMATION | VALUATION SUMMARY — JOHN AUDUBON SR LIVING

DESCRIPTION			Unit Type:	SF
Investment Name				John Audubon Sr Living
Property Type				Apartment
MSA				Houston--Galveston--Brazoria, TX CMSA
Address				Clear Lake City Blvd
City	Houston		State	TX
County	Harris County		Zip Code	77059
Acres	3.9		NRA SF	151,660
Parking	211 Spaces	1.4:1000 SF	GBA SF	259,734
Buildings	1.0		Avg. # of Stories	7.0
Year Built	2023		Year Renovated	NA

INCLUDE MODULES?		
ORI Module	FALSE	No
MF Module	TRUE	Yes
Permanent Financing Module	TRUE	Yes
Development Module	TRUE	Yes
Residual Land Value Analysis Module	FALSE	No
Ground Lease Valuation Module	FALSE	No
Double Promote (Investors in Sponsor)	FALSE	No

NAVIGATION		
MF Tabs	TRUE	Show
Development Tabs	TRUE	Show
Report Tabs	TRUE	Show
Calculation Tabs	FALSE	Hide
Rate Matrix Setup	FALSE	Hide
Waterfall Tabs	TRUE	Show

TIMING			
Analysis Period (1- 10 Years)	120 Months		10 Years
Analysis Start Date	Month 1	1-Jan-22	Jan-2022
Growth Begin Month	Month 13	Month 13	Jan-2024
Operation Length	8.0 Years		96 Months
Analysis End Date	Month 120		Dec-2031
Residual End Date	Month 132		Dec-2032
Development Length (0-60 Mo.)			24 Months
Development Start Date	Month 1	1-Jan-22	Jan-2022
Development End Date	Month 24	31-Dec-23	Dec-2023
Operations Begin Date	Month 25	1-Jan-24	Jan-2024
Stabilization Date	Month 33	1-Sep-24	Sep-2024
Investment Period	Month 120		10.0 Years
Stabilized Data	8 Months	Year 4	

VALUATION ASSUMPTIONS	Apartment Rate Assumptions
RATES ARE NOT ACCURATE, SETUP RATE MATRIX	Cap Rate
Base Rate	5.00%
Adjustment	0.00%
Adjusted Rate	5.00%
Ann. Chg. Cap Rate	5.0 bps

PROPERTY LEVEL RETURNS AND VALUE - UNLEVERED	Monthly	Annual
Unlevered IRR	**8.07%**	**8.44%**
Unlevered EMx	1.85X	1.85X
Avg. Free-and-Clear Return (CFO)	4.76%	4.79%
Present Value Discounted @ 7.50%	**N/A**	**N/A**
Year 4 Stabilized Value @ 5.15% NOI Cap Rate		**81,953,484**

PROPERTY LEVEL RISK AND RETURNS - LEVERED	Monthly	Annual
Levered IRR	16.51%	17.44%
Levered EMx	3.81X	3.85X
Avg. Cash-on-Cash Return (CFAF)	5.31%	5.37%
Min. DSCR	1.03X	1.07X
Avg. DSCR	1.20X	1.28X
Year 4 DSCR	1.31X	1.31X
Min Debt Yield	5.76%	2.24%
Avg. Debt Yield	6.97%	6.41%
Year 4 Debt Yield	6.21%	6.21%

DEVELOPMENT RETURN	YOC	MKT CAP	Dev. Spread
Development Yield	5.37%	5.15%	22 bps
Development Cost (Net of Lease-up Income)		% of Cost	78,533,116
Stabilized Value		104.36%	81,953,484

PARTNERSHIP LEVEL RETURNS - LEVERED	Annual	Sponsor	LP Investors
Levered IRR		29.41%	15.22%
Levered EMx		9.24X	3.25X
Contributions		1,127,668	10,149,008
Distributions		10,419,620	33,012,478
Net Profit		9,291,953	22,863,470

INITIAL INVESTMENT

SOURCES	/Unit	AMOUNT	USES	/Unit	AMOUNT
Debt	369,054	67,905,961	Dev. Cost	394,524	72,592,407
Equity	57,756	10,627,155	Const. Interest	36,750	6,761,939
Lease-up Income	5,240	964,229	Const. Fin. Fees	777	143,000
Total Sources	432,051	79,497,345	Total Uses	432,051	79,497,345

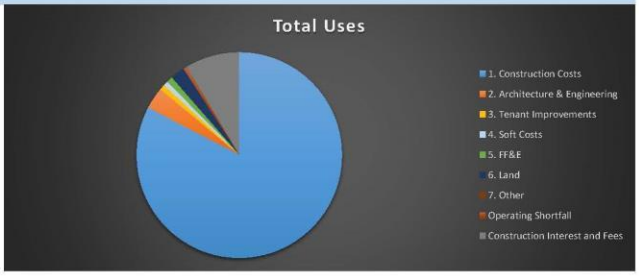
DEVELOPMENT SOURCES AND USES

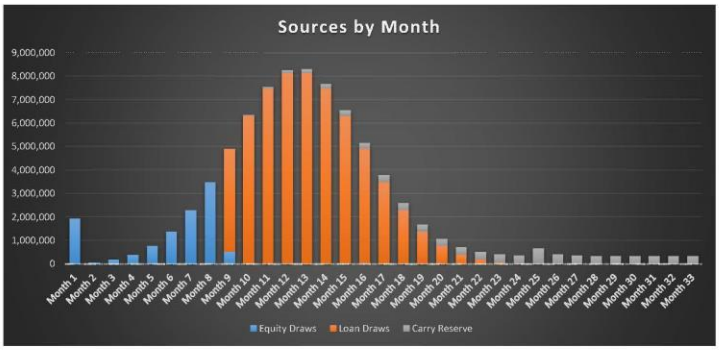
Sources			LTC
Construction Loan	85.0%	67,886,976	85.0%
Lease-Up Income	1.2%	964,229	
Equity Investment	13.8%	11,016,237	
Total Sources	**100.0%**	**79,867,442**	

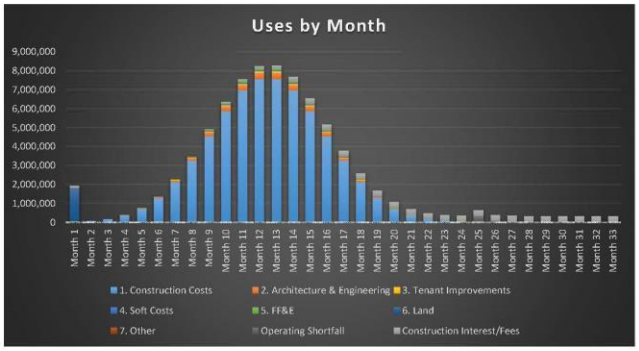
Construction Financing Assumptions		
Construction Loan Term		33 Months
Fixed Interest Rate	Annual	6.00%
% of Lease-Up Inc. to Use		100%

CONST. LOAN MACRO

Uses		
1. Construction Costs	82.6%	65,990,150
2. Architecture & Engineering	3.4%	2,739,606
3. Tenant Improvements	0.8%	672,750
4. Soft Costs	0.7%	577,901
5. FF&E	1.0%	775,000
6. Land	2.2%	1,768,000
7. Other	0.1%	69,000
Development Cost before Carry	90.9%	72,592,407
Operating Shortfall	0.5%	421,765
Construction Interest and Fees	8.6%	6,853,270
Total Uses	100.0%	**79,867,442**







MULTIFAMILY - OPERATING STATEMENT — **JOHN AUDUBON SR LIVING**

ANNUAL OPERATING STATEMENT — Apartment — Trended — Total Units: 184

	Year	YE Actual	YE Actual	YE Actual	Year 4			Stabilized	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Residual
	Year Ending	Dec-2019	Dec-2020	Dec-2021	Analysis	CAGR		Year = 2	Dec-2022	Dec-2023	Dec-2024	Dec-2025	Dec-2026	Dec-2027	Dec-2028	Dec-2029	Dec-2030	Dec-2031	Year = 11
	Physical Occupancy	100%	100%	100%				100%	0%	0%	77%	100%	100%	100%	100%	100%	100%	100%	100%
	Economic Occupancy	100%	100%	100%				93%	0%	0%	68%	94%	94%	94%	94%	94%	94%	94%	94%
	Utility Expense Recovery %	0%	0%	0%				59%	0%	0%	51%	59%	59%	59%	59%	59%	59%	59%	59%
REVENUE	Rental Revenue				/Unit/Mo	CAGR	/SF												
	Gross Potential Rent	-	-	-	4,265	3.0%	5.17	9,416,845	-	-	8,889,478	9,416,845	9,699,351	9,990,331	10,290,041	10,598,743	10,916,705	11,244,206	11,581,532
	- Concessions	-	-	-	37		0.04	81,253	-	-	740,790	-	-	-	-	-	-	-	-
	- Downtime Vacancy / Loss-to-Market	-	-	-	47		0.06	103,128	-	-	1,969,612	103,128	106,222	109,408	112,690	116,071	119,553	123,140	126,834
	Total Rental Revenue	$0	$0	$0	4,181	3.2%	5.07	9,232,464	-	-	6,179,076	9,313,718	9,593,129	9,880,923	10,177,351	10,482,671	10,797,152	11,121,066	11,454,698
	Other Income				/Unit/Mo	CAGR	% Fixed												
	Utility Reimbursement (RUBS)	-	-	-	60	2.0%	0%	132,480	-	-	106,620	140,589	143,401	146,269	149,194	152,178	155,221	158,326	161,492
	Parking Income	-	-	-	7	2.0%	0%	15,000	-	-	12,072	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285
	Storage Income	-	-	-	0	2.0%	0%	-	-	-	-	-	-	-	-	-	-	-	-
	Other Income	-	-	-	0	2.0%	0%	-	-	-	-	-	-	-	-	-	-	-	-
	Total Other Income	$0	$0	$0	67	3.0%		147,480	-	-	118,692	156,507	159,637	162,830	166,086	169,408	172,796	176,252	179,777
	Total Potential Gross Income	$0	$0	$0	/Unit/Mo			9,379,944	-	-	6,297,768	9,470,225	9,752,766	10,043,753	10,343,437	10,652,080	10,969,948	11,297,318	11,634,475
	- General Vacancy	-	-	-	212	5.0%	% Vacant	468,997	-	-	314,888	473,511	487,638	502,188	517,172	532,604	548,497	564,866	581,724
	Effective Gross Income	**$0**	**$0**	**$0**	4,036	**3.1%**	4.90	**8,910,947**	**-**	**-**	**5,982,880**	**8,996,714**	**9,265,128**	**9,541,565**	**9,826,265**	**10,119,476**	**10,421,450**	**10,732,452**	**11,052,752**
EXPENSES	Operating Expenses				/Unit	CAGR	% Fixed												
	Payroll	-	-	-	7,880	2.0%	75%	1,450,000	-	-	1,423,176	1,538,752	1,569,527	1,600,917	1,632,936	1,665,594	1,698,906	1,732,884	1,767,542
	Advertising & Marketing	-	-	-	334	2.0%	250%	61,500	-	-	85,718	65,264	66,570	67,901	69,259	70,644	72,057	73,498	74,968
	General & Administrative	-	-	-	381	2.0%	75%	70,107	-	-	68,810	74,398	75,886	77,404	78,952	80,531	82,142	83,784	85,460
	Utilities	-	-	-	1,228	2.0%	50%	226,000	-	-	208,508	239,833	244,630	249,522	254,513	259,603	264,795	270,091	275,493
	Repairs & Maintenance	-	-	-	992	2.0%	75%	182,500	-	-	179,124	193,670	197,544	201,495	205,525	209,635	213,828	218,104	222,466
	Service Contracts	-	-	-	163	2.0%	100%	30,000	-	-	31,212	31,836	32,473	33,122	33,785	34,461	35,150	35,853	36,570
	Management Fee	-	-	-	2,636	3.0%	% of EGI	485,000	-	-	179,486	269,901	277,954	286,247	294,788	303,584	312,644	321,974	331,583
	Make Ready	-	-	-	329	2.0%		60,531	-	-	19,781	60,531	61,742	62,977	64,236	65,521	66,831	68,168	69,531
	Taxes	-	-	-	10,759	2.0%	100%	1,979,705	-	-	2,059,685	2,100,878	2,142,896	2,185,754	2,229,469	2,274,058	2,319,539	2,365,930	2,413,249
	Insurance	-	-	-	788	2.0%	100%	145,000	-	-	150,858	153,875	156,953	160,092	163,294	166,559	169,891	173,288	176,754
	Total Operating Expenses	$0	$0	$0	25,491	2.2%		4,690,343	-	-	4,406,358	4,728,940	4,826,173	4,925,431	5,026,755	5,130,191	5,235,782	5,343,575	5,453,616
					/EGI														
	Net Operating Income	**$0**	**$0**	**$0**	47.4%	**4.2%**		**4,220,604**	**-**	**-**	**1,576,521**	**4,267,774**	**4,438,955**	**4,616,135**	**4,799,510**	**4,989,285**	**5,185,668**	**5,388,877**	**5,599,136**
EXPENSES	Capital Expenditures				NOI	CAGR													
	Other CapEx	-	-	-	0.2%	2.0%		10,000	-	-	10,404	10,612	10,824	11,041	11,262	11,487	11,717	11,951	12,190
	Capital Reserve	-	-	-	1.1%	2.0%		46,000	-	-	47,858	48,816	49,792	50,788	51,803	52,840	53,896	54,974	56,074
	Total Capital Expenditures	$0	$0	$0	1.3%			56,000	-	-	58,262	59,428	60,616	61,829	63,065	64,326	65,613	66,925	68,264
	Total Expenses	$0	$0	$0				4,746,343	-	-	4,464,621	4,788,367	4,886,789	4,987,259	5,089,820	5,194,517	5,301,395	5,410,500	5,521,880
					/SF	CAGR													
	Cash Flow from Operations	**$0**	**$0**	**$0**	45.7%	**4.2%**		**4,164,604**	**-**	**-**	**1,518,259**	**4,208,346**	**4,378,339**	**4,554,306**	**4,736,445**	**4,924,958**	**5,120,055**	**5,321,952**	**5,530,872**

MULTIFAMILY UNIT MIX

JOHN AUDUBON SR LIVING

ASSUMPTIONS

Apa rtment

Unit Types: 7 Date of RR: 1 -Jan -20

LeasedUnits 69 37.5%

Vacant Units ill

Unit,:: 184 2.35 Rent / SF APT Total Units 184 100.0%

UNITMIX

GROW

	Unit Type	Beds	Baths	Unit Size (SF	Total Units	%of Total	Units Leased as of Month 25	Vacant Units as of Month 25	Occ. as of Month 25	Lease-Up Pace Units/ Mo	1st Gen. Rent / Unit / Mo.	1st Gen. Rent / SF/ Mo.	Roll to market	Roll to market month	Market Rent /Unit/ MO.	Market Rent / SF/ Mo.	Mkt. Rent Growth Method
	0f® f i			824	184		69	11 5	37.5%	15 per month	4,165	5.05			4,020	4.88	
1	A1	1.0	1.0	650	24	13.0%	8	16	33.3%	2.09	1,528	2.35	In Month		1,528	2.35	Inc.%/Yr.
	A2	2.0	2.0	1,360	56	30.4%	20	36	35.7%	4.70	3,196	2.35	Yes		3,196	2.35	Inc.%/Yr.
	A3	3.0	2.0	1,470	12	6.5%	5	7	41.7%	0.91	3,455	2.35	Yes		3,455	2.35	tnc.%/Yr.
4	ALFl	2.0	1.0	710	30	16.3 %	10	20	33.3%	2.61	5,700	8.03	Yes		5,700	8.03	Inc.%/Yr.
5	ALFE	2.0	1.0	355	28	15.2%	10	18	35.7%	2.35	4,300	12.11	Yes		4,300	12.11	Inc. %/Yr.
6	MC	2.0	1.0	340	16	8.7%	12		75.0%	0.52	6,100	17.94	Yes		6.100	17.94	tnc.%/Yr.
7	SNF	2.0	1.0	310	18	9.8%	4	14	22.2%	1.83	5,200	16.77	Yes		5,200	16.77	Inc.% /Yr.

PROPERTY LEVEL CASH FLOW — **JOHN AUDUBON SR LIVING**

RISK, RETURN, AND VALUATION - ANNUAL — Net Rentable Area (SF) 151,660

	Year Ending	Growth	Stabilized Year = 4	Year 0 Dec-2021	Year 1 Dec-2022	Year 2 Dec-2023	Year 3 Dec-2024	Year 4 Dec-2025	Year 5 Dec-2026	Year 6 Dec-2027	Year 7 Dec-2028	Year 8 Dec-2029	Year 9 Dec-2030	Year 10 Dec-2031	Reversion Year = 11
	NOI Cap Rate	5.0 bps	5.15%		5.00%	5.05%	5.10%	5.15%	5.20%	5.25%	5.30%	5.35%	5.40%	5.45%	5.50%
	Gross Property Value		81,953,484		-	-	30,912,184	82,869,392	85,364,520	87,926,378	90,556,797	93,257,659	96,030,893	98,878,484	101,802,464
	- Ground Lease Value		-		-	-	-	-	-	-	-	-	-	-	-
	Net Property Value		81,953,484		-	-	30,912,184	82,869,392	85,364,520	87,926,378	90,556,797	93,257,659	96,030,893	98,878,484	101,802,464
	Net Operating Income		4,220,604		-	-	1,576,521	4,267,774	4,438,955	4,616,135	4,799,510	4,989,285	5,185,668	5,388,877	5,599,136
	- Capital Expenditures		(56,000)		-	-	(58,262)	(59,428)	(60,616)	(61,829)	(63,065)	(64,326)	(65,613)	(66,925)	(68,264)
	Cash Flow from Operations		4,164,604		-	-	1,518,259	4,208,346	4,378,339	4,554,306	4,736,445	4,924,958	5,120,055	5,321,952	5,530,872
UNLEVERED CASH FLOW	- Ground Lease Payment				-	-	-	-	-	-	-	-	-	-	
	Total Investment Costs (w/o Const. Interest)			-	(37,180,203)	(35,412,203)	-	-	-	-	-	-	-	-	
	Gross Reversion Value			-	-	-	-	-	-	-	-	-	-	101,802,464	
	Selling Costs @ Reversion	2.0%		-	-	-	-	-	-	-	-	-	-	(2,036,049)	
	Unlevered Cash Flow			-	(37,180,203)	(35,412,203)	1,518,259	4,208,346	4,378,339	4,554,306	4,736,445	4,924,958	5,120,055	105,088,367	
	Unlevered IRR (Annual)		8.44%												
	Unlevered EMx (Annual)		1.85X												
	Free-and-Clear Return (CFO)	Discount Rate	4.79%		0.00%	0.00%	2.09%	5.80%	6.03%	6.27%	6.52%	6.78%	7.05%	7.33%	
	Present Value	7.5%	N/A												
	Cash Flow from Operations				-	-	1,518,259	4,208,346	4,378,339	4,554,306	4,736,445	4,924,958	5,120,055	5,321,952	
	- Ground Lease Payment				-	-	-	-	-	-	-	-	-	-	
	- Debt Service				-	-	(804,685)	(3,218,741)	(3,474,507)	(4,241,804)	(4,241,804)	(4,241,804)	(4,241,804)	(4,241,804)	
	Cash Flow After Financing	Year = 4	Avg.	Min.	-	-	713,574	989,605	903,832	312,502	494,641	683,154	878,251	1,080,148	
	DSCR (CFO)	1.31X	1.28X	1.07X	N/A	N/A	1.89X	1.31X	1.26X	1.07X	1.12X	1.16X	1.21X	1.25X	
	Debt Yield (CFO)	6.21%	6.41%	2.24%	N/A	N/A	2.2%	6.2%	6.5%	6.7%	7.0%	7.3%	7.6%	7.9%	
LEVERED CASH FLOW	Total Investment Costs (w/Const. Interest)				-	(37,627,425)	(38,835,186)	(3,034,734)	-	-	-	-	-	-	
	Gross Reversion Value	Cost %			-	-	-	-	-	-	-	-	-	101,802,464	
	Selling Costs @ Reversion	2.0%			-	-	-	-	-	-	-	-	-	(2,036,049)	
	Construction Financing (Draws + Op. Shortfall & Int. Reserve)				-	27,000,270	38,835,186	2,492,270	-	-	-	-	-	-	
	Construction Financing Payoff				-	-	-	(67,905,961)	-	-	-	-	-	-	
	Permanent Financing Funding				-	-	-	67,762,961	-	-	-	-	-	-	
	Permanent Financing Fees				-	-	-	(677,630)	-	-	-	-	-	-	
	Permanent Financing Payoff				-	-	-	-	-	-	-	-	-	(61,676,451)	
	Levered Cash Flow				-	(10,627,155)	0	(649,521)	989,605	903,832	312,502	494,641	683,154	878,251	39,170,112
	Levered IRR (Annual)		17.44%												
	Levered EMx (Annual)		3.85X												
	Cash-on-Cash Return (CFAF)	Discount Rate	5.37%		0.00%	0.00%	6.33%	8.78%	8.02%	2.77%	4.39%	6.06%	7.79%	9.58%	

PARTNERSHIP LEVEL CASH FLOW

John Audubon Sr Living

PARTNERSHIP LEVEL RETURNS - EQUITY WATERFALL ASSUMPTIONS

Net Rentable Area: 151,660 SF

Promote Structure Method	IRR
Return of Capital	Pari Passu

Equity Contributions	%	**Amount**
Sponsor	10.0%	1,127,668
LP Investors	90.0%	10,149,008
Total Equity	Annual	11,276,676

Error Check: OK
Profit Dist.: 32.155MM
Net BTCF: 32.155MM

Promote Structure (IRR Hurdles)			**Promote Structure Incentive Breakdown**	**Distribution as %** Sponsor %	LP %	**Notes**
Hurdle 1 (Preferred Return)	**Pref**	Up to 8.0% IRR to LP	Sponsor Promote	10.0%	90.0%	*Pref prorata to LP/Sponsor, then Pro rata return of capital*
Hurdle 2	> 8.0% IRR to LP	up to 12.0% IRR to LP	30.0%	37.0%	63.0%	*Prorata to LP/Sponsor to 8.0%, then 63.0%/37.0% to 12.0%*
Hurdle 3	> 12.0% IRR to LP	up to 15.0% IRR to LP	30.0%	37.0%	63.0%	*63.0%/37.0% to 12.0%, then 63.0%/37.0% to 15.0%*
Hurdle 4	> 15.0% IRR to LP		30.0%	37.0%	63.0%	*63.0%/37.0% to 15.0%, then 63.0%/37.0% thereafter*
Monthly Hurdle Rate Calculation Method	XIRR()					

Sponsor Fees	%	Calculated on	Fee Amount	Frequency
Sponsor Asset Mgmt Fee (Monthly)	0.0%	6,282,927	-	Monthly
Sponsor Acquisition Fee	0.0%	79,497,345	-	Once at Analysis Start
Sponsor Disposition Fee	0.0%	101,802,464	-	Once at Analysis End

PARTNERSHIP LEVEL RETURNS ANNUAL - EQUITY WATERFALL

IT IS RECOMMENDED TO USE MONTHLY CASH FLOW WHEN DEVELOPMENT MODULE IS ACTIVATED

Summary of Investor Level Returns		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Limited Partner (LP) Returns												
Preferred Return	8,685,178											
Return of Capital	10,149,008											
Excess Cash Flow	14,178,291											
Total LP Distributions	33,012,478	-	-	0	-	890,645	813,449	281,252	445,177	614,839	790,426	29,176,690
Total LP Contributions	10,149,008	-	9,564,440	-	584,568	-	-	-	-	-	-	-
Total LP Profit	22,863,470											
LP IRR	15.22%	-	(9,564,440)	0	(584,568)	890,645	813,449	281,252	445,177	614,839	790,426	29,176,690
LP Equity Multiple	3.25x											
Sponsor Returns												
Preferred Return	965,020											
Return of Capital	1,127,668											
Excess Cash Flow	1,575,366											
Promote	6,751,567											
Total Sponsor Distributions	10,419,620	-	-	0	-	98,961	90,383	31,250	49,464	68,315	87,825	9,993,422
Total Sponsor Contributions	1,127,668	-	1,062,716	-	64,952	-	-	-	-	-	-	-
Total Sponsor Profit	9,291,953											
Sponsor IRR	29.41%	-	(1,062,716)	0	(64,952)	98,961	90,383	31,250	49,464	68,315	87,825	9,993,422
Sponsor Equity Multiple	9.24x											

Building Drawings

FRONT ELEVATION

SIDE ELEVATION

DIAMOND DEVELOPMENT GROUP
ARCHITECTURE PLANNING CONSTRUCTION

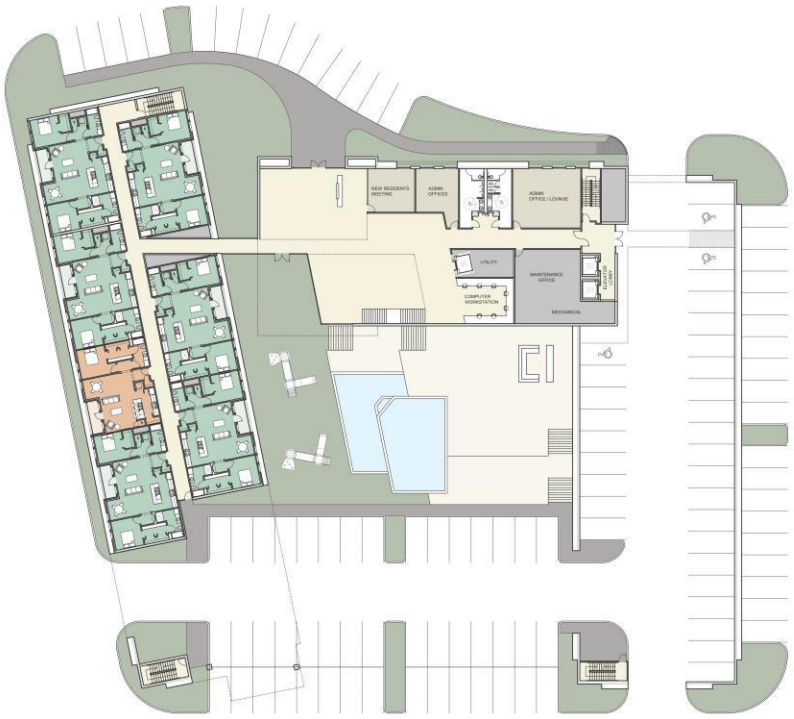
1ST FLOOR:	21,673 SF		
2ND FLOOR:	38,264 SF	1 BEDROOM UNITS:	34 UNITS
3RD-6TH FLOORS:	38,881 SF	2 BEDROOM UNITS:	94 UNITS
7TH FLOOR:	29,785 SF	3 BEDROOM UNITS:	11 UNITS
TOTAL:	245,246 SF	TOTAL UNIT COUNT:	139 UNITS

JOHN AUDUBON APARTMENTS
HOUSTON, TEXAS
SCHEMATIC ELEVATIONS

DIAMOND DEVELOPMENT GROUP
ARCHITECTURE PLANNING CONSTRUCTION

1ST FLOOR:	21,673 SF		
2ND FLOOR:	38,264 SF	1 BEDROOM UNITS:	34 UNITS
3RD-6TH FLOORS:	38,881 SF	2 BEDROOM UNITS:	94 UNITS
7TH FLOOR:	29,785 SF	3 BEDROOM UNITS:	11 UNITS
TOTAL:	245,246 SF	TOTAL UNIT COUNT:	139 UNITS

JOHN AUDUBON APARTMENTS
HOUSTON, TEXAS
SCHEMATIC SITE PLAN



1ST FLOOR

1) 1 BED UNITS
6) 2 BED UNITS
0) 3 BED UNITS
TOTAL: 7 UNITS

DIAMOND DEVELOPMENT GROUP
ARCHITECTURE PLANNING CONSTRUCTION

1ST FLOOR:	21,673 SF		
2ND FLOOR:	38,264 SF	1 BEDROOM UNITS:	34 UNITS
3RD-6TH FLOORS:	38,881 SF	2 BEDROOM UNITS:	94 UNITS
7TH FLOOR:	29,785 SF	3 BEDROOM UNITS:	11 UNITS
TOTAL:	245,246 SF	TOTAL UNIT COUNT:	139 UNITS

JOHN AUDUBON APARTMENTS
HOUSTON, TEXAS
SCHEMATIC FLOOR PLAN

2ND FLOOR

4) 1 BED UNITS
12) 2 BED UNITS
2) 3 BED UNITS
TOTAL: 18 UNITS

DIAMOND DEVELOPMENT GROUP
ARCHITECTURE PLANNING CONSTRUCTION

1ST FLOOR:	21,673 SF		
2ND FLOOR:	38,264 SF	1 BEDROOM UNITS:	34 UNITS
3RD-6TH FLOORS:	38,881 SF	2 BEDROOM UNITS:	94 UNITS
7TH FLOOR:	29,785 SF	3 BEDROOM UNITS:	11 UNITS
TOTAL:	245,246 SF	TOTAL UNIT COUNT:	139 UNITS

JOHN AUDUBON APARTMENTS
HOUSTON, TEXAS
SCHEMATIC FLOOR PLAN

3RD - 6TH FLOORS

6) 1 BED UNITS
16) 2 BED UNITS
2) 3 BED UNITS
TOTAL: 24 UNITS/FLOOR

DIAMOND DEVELOPMENT GROUP
ARCHITECTURE PLANNING CONSTRUCTION

1ST FLOOR:	21,673 SF		
2ND FLOOR:	38,264 SF	1 BEDROOM UNITS:	34 UNITS
3RD-6TH FLOORS:	38,881 SF	2 BEDROOM UNITS:	94 UNITS
7TH FLOOR:	29,785 SF	3 BEDROOM UNITS:	11 UNITS
TOTAL:	245,246 SF	TOTAL UNIT COUNT:	139 UNITS

JOHN AUDUBON APARTMENTS
HOUSTON, TEXAS
SCHEMATIC FLOOR PLAN

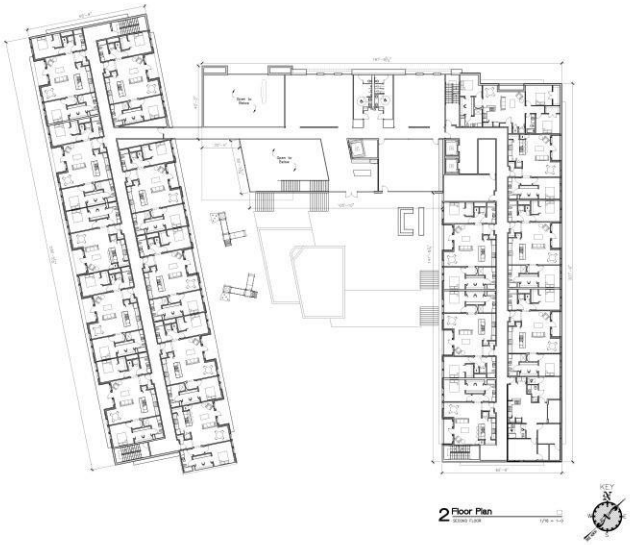
7TH FLOOR

4) 1 BED UNITS
12) 2 BED UNITS
2) 3 BED UNITS
TOTAL: 18 UNITS

DIAMOND DEVELOPMENT GROUP
ARCHITECTURE PLANNING CONSTRUCTION

1ST FLOOR:	21,673 SF		
2ND FLOOR:	38,264 SF	1 BEDROOM UNITS:	34 UNITS
3RD-6TH FLOORS:	38,881 SF	2 BEDROOM UNITS:	94 UNITS
7TH FLOOR:	29,785 SF	3 BEDROOM UNITS:	11 UNITS
TOTAL:	245,246 SF	TOTAL UNIT COUNT:	139 UNITS

JOHN AUDUBON APARTMENTS
HOUSTON, TEXAS
SCHEMATIC FLOOR PLAN



2 Floor Plan

DIAMOND DEVELOPMENT GROUP
ARCHITECTURE PLANNING CONSTRUCTION

700 Gemini • Suite 260
Houston • Texas
7705 8
832 • 224 • 6400

Revisions

No.	By	Date	Description
			New Set Pricing
			New Set Permit
			New Set Construction

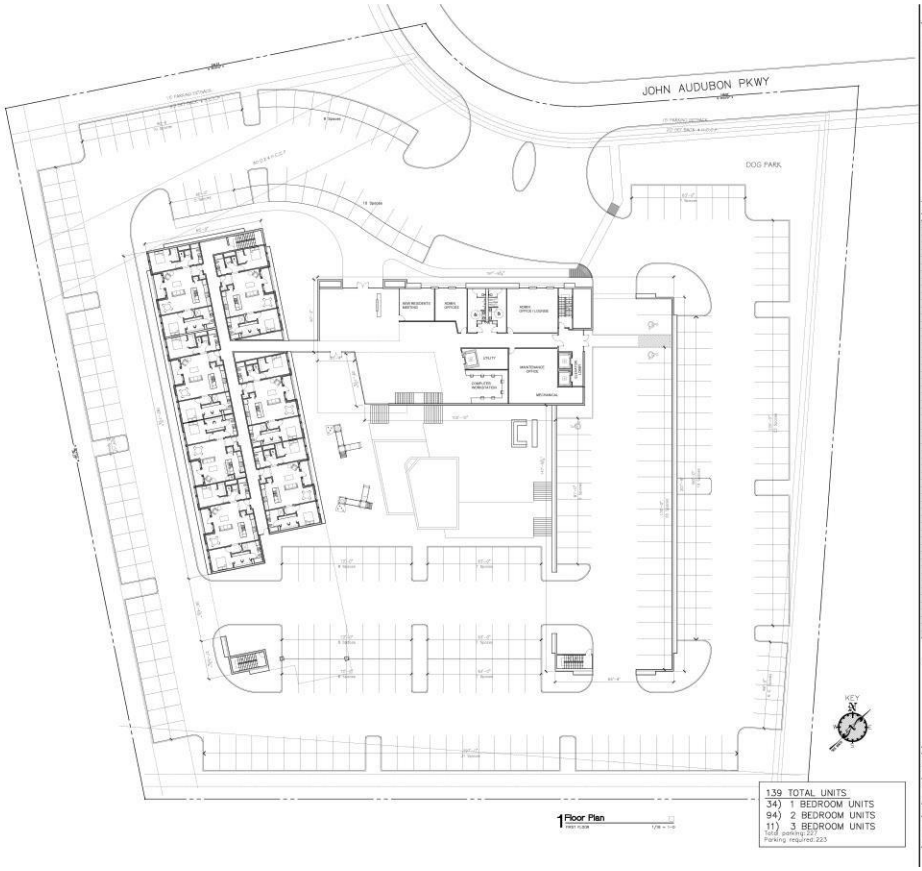
JOHN AUDUBON APARTMENTS

13994 STATE HIGHWAY 3
HOUSTON, TEXAS

Sheet Title:
SECOND FLOOR PLAN

Sheet No:
A3-02

Drawn By Project Manager Project Architect



1 Floor Plan

139 TOTAL UNITS
34) 1 BEDROOM UNITS
94) 2 BEDROOM UNITS
11) 3 BEDROOM UNITS
Total parking:227
Parking required:223

DIAMOND DEVELOPMENT GROUP
ARCHITECTURE PLANNING CONSTRUCTION

700 Gemini • Suite 260
Houston • Texas
7705 8
832 • 224 • 6400

Revisions

No.	By	Date	Description
			New Set Pricing
			New Set Permit
			New Set Construction

JOHN AUDUBON APARTMENTS

13994 STATE HIGHWAY 3
HOUSTON, TEXAS

Sheet Title:
FIRST FLOOR PLAN

Sheet No:
A3-01

Drawn By Project Manager Project Architect

7 Floor Plan

DIAMOND DEVELOPMENT GROUP
ARCHITECTURE PLANNING CONSTRUCTION

700 Gemini • Suite 260
Houston • Texas
7 7 0 5 8
832 • 224 • 6400

Revisions

No.	DC	Date	Description
			New Set Pricing
			New Set Permit
			New Set Construction

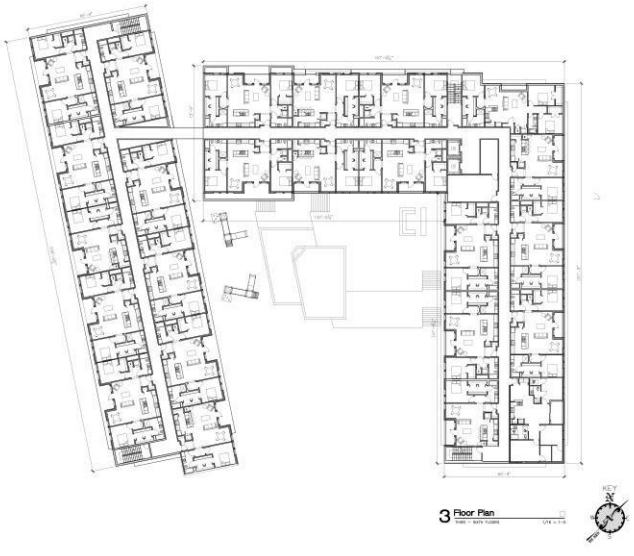
JOHN AUDUBON APARTMENTS

13914 STATE HIGHWAY 3
HOUSTON, TEXAS

Sheet Title
SEVENTH FLOOR PLAN

Sheet No.
A3-04

Drawn By Project Manager Project #



3 Floor Plan

DIAMOND DEVELOPMENT GROUP
ARCHITECTURE PLANNING CONSTRUCTION

700 Gemini • Suite 260
Houston • Texas
7 7 0 5 8
832 • 224 • 6400

Revisions

No.	DC	Date	Description
			New Set Pricing
			New Set Permit
			New Set Construction

JOHN AUDUBON APARTMENTS

13914 STATE HIGHWAY 3
HOUSTON, TEXAS

Sheet Title
THIRD - SIXTH FLOOR PLAN

Sheet No.
A3-03

Drawn By Project Manager Project #

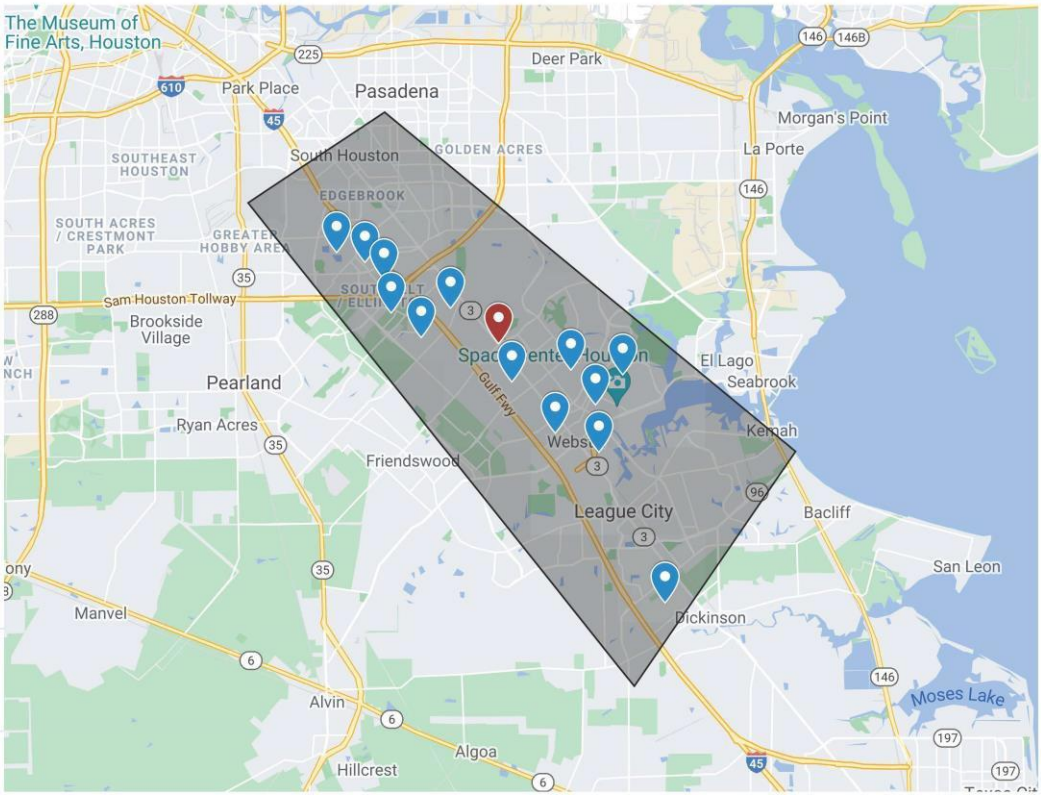
Low Income Census Tracts

Baba Project Service Area Census Tracts.xlsx

- 48167720800
- 48201333902
- 48201334001
- 48201334002
- 48201340100
- 48201340500
- 48201340900
- 48201341100
- 48201341201
- 48201341301
- 48201341302
- 48201350400
- 48201350500
- John Audubon Apartments MAP

Service Area

- CL Health Service Area



Demographics

This census tract is designated "severely distressed" because it meets three (3) of the items six (6) through sixteen (16) in the CDFI Fund's regulatory guidance (highlighted):

1. Census tracts with poverty rates greater than 30 percent
2. Census tracts that (a) if located within a non-Metropolitan Area, have a median family income that does not exceed 60 percent of statewide median family income; or (b) if located within a Metropolitan Area, have a median family income that does not exceed 60 percent of the greater of statewide median family income of the Metropolitan Are median family income
3. Census tracts with unemployment rates at least 1.5 times the national average (8.3% for 2011-2015 ACS Survey, 7.9% for 2006-2010 ACS Survey)
4. Census tracts that are located in counties not contained within a Metropolitan Statistical Area (MSA) (i.e., non-metropolitan counties), as defined pursuant to 44 U.S.C. 3504(e) and 31 U.S.C. 104(d) and Executive order 10253 (3 C.F.R. Part 1949-1953 Comp., p.758), as amended, with respect to the 2010 Census and as made available by the CDFI Fund
5. As permitted by IRS and related CDFI Fund guidance materials, projects serving Targeted Populations to the extent that: (a) such projects are 60% owned by low-income persons (LIPs); or (b) at least 60% of the projects' employees are LIPs; or (c) at least 60% of the projects' gross income is derived from sales, rentals, services, or other transactions to customers who are LIP
6. Census tracts with one of the following: (a) poverty rates greater than 25%; or (b) if located within a non-Metropolitan Area, median family income that does not exceed 70% of statewide median family income, or, if located within a Metropolitan Area, median family income that does not exceed 70% of the greater of the statewide median family income or the Metropolitan Area median family income; or (c) unemployment rates at least 1.25 times the national average
7. U.S. Small Business Administration (SBA) designated HUB Zones, to the extent that the QLICIs will support businesses that obtain HUB Zone certification from the SBA
8. Brownfield sites as defined under 42 U.S.C. 9601(39)
9. Areas encompassed by a HOPE VI redevelopment plan
10. Federally designated as Indian Reservations, Off-Reservation Trust Lands or Alaskan Native Village Statistical Areas, or Hawaiian Homelands
11. Areas designated as distressed by the Appalachian Regional Commission or Delta Regional Authority
12. Colonias areas as designated by the U.S. Department of Housing and Urban Development
13. Federally Designated medically underserved areas, to the extent that QLICI activities will support health related services*

Healthcare Access and Impact On Vulnerable Communities

Healthcare Disparity & Access:

Implicit to the methodology of establishing the NMTC qualified census tract as severely distressed because, among other criteria, it is a "medically underserved area (MUA)" is the estimation of Medicaid eligible patients and uninsured patients in the target area. This catchment area is populated with an exceptionally large percentage of residents who are Medicaid eligible.

The Brazoria County Public Health Department has concluded that residents living within the NMTC qualified census tract and surrounding zip codes are consistently reporting higher rates of incidence and prevalence of negative health indicators. The conclusion of their research is that ***Zip Codes are more important than genetics wherein even short travel distances contribute to large disparities in health.*** This Project will shorten that distance.

These target community groups were reviewed as to their health characteristics by zip code and other demographics such as race, ethnicity etc. (Please see attached Table 1)

The ***Health Literacy*** of these residents will be further developed by this Project. ***Health Literacy*** is defined by HHS as "the increased capacity of individuals to obtain and process and understand basic health information and services to make appropriate health care decisions as to prevention and treatment of illness".

Low health literacy is disproportionally affecting the individuals and groups living in the Project service area including the poor, racial and ethnic minorities, senior citizens and new arrival immigrants.

This Project will allow residents a one-stop location where they can address many of their healthcare needs, e.g., poor physical health, poor mental health, no health insurance, diabetes, obesity, high blood pressure, asthma, binge alcohol drinking, smoking, and heart disease.

Economic Development Impact:

The ***Alvin Community Hospital Project*** will impact the local community in several ways: by creating numerous temporary and permanent jobs, by attracting healthcare firms to establish a presence as lessees in the Project, and by attracting a regular flow of traffic to the facility, and by stimulating competitive and complementary business activity in the facility and the surrounding area.

The QALICB's plan to construct an 8,500 square feet Ambulatory Surgical Center and adjoining Medical Business Office Building for a total of 50,000 square feet in a three-phase project will create numerous temporary and permanent jobs. Over 300 temporary jobs will be created for each of the three construction phases (approximately 5-7 months for each phase). The total direct permanent jobs created is estimated to exceed 30 jobs with minimum requirement of 15 jobs created for the opening of the facility, and a total of 100 jobs will be created by the end of the seven-year NMTC period.

The facility will create opportunities for low-income residents of the surrounding community in several ways. First, the facility will require continuous onsite security, maintenance, customer service, information technology, and housekeeping personnel, which will be filled by newly created local jobs. Second, the **Project** will provide healthcare services to residents within the low-income targeted community census tracts.

The potential ancillary activity anticipated to be generated will range from the daily and weekly traffic of vendors and suppliers for the tenants to the establishment of office footprints for vendors with maintenance and technology-related personnel in proximity to the site. This traffic will, in turn, be an element to stimulate the local retail activity that will ultimately be required to increase the attractiveness of the area for further office and residential development.

The new construction portion of this Project will be LEED-certified, with a minimum of LEED Silver certification, which will be driven by the Digital Realty development and construction team. The facility will be highly efficient, with a priority given to water and energy efficiency, sustainable maintenance and management practices, and the optimization of environmental factors for occupants. Specific actions range from the management of the chilled water system to the availability of bike racks and showers to window placement for visual communication and lighting.

The Project will employ the local minority population in a number of positions in both the construction phase as well as the permanent jobs created. During the construction phase, there will be extensive use of skilled and unskilled trades ranging from cleanup crews to electricians to HVAC personnel and plumbers. The permanent jobs will include numerous positions for maintenance, housekeeping, security, and customer service roles, at least five of which will have a 24x7x365 requirement. Furthermore, these positions will provide the opportunity for personnel to move into related engineering and marketing roles through career development in conjunction with the educational opportunities with local community colleges, such as Houston Community College and ITT Technical Institute.

Because the Project requires a high level of security, the security outside and inside the facility will be very visible, which will be complementary to the City of Alvin and the Projects commitment to improve stability, reduce crime, and change the local perception regarding the overall security of the Alvin area.

14

Job Creation & Economic Impact

The Communities within our targeted zip codes / distressed census tract, are a typical inner city urban mix of empty commercial spaces, low-income housing, struggling small businesses and an almost total absence of big box retailers. These are communities where residents have to commute to work and are forced to deal with barriers to many services such as education and healthcare. This Project will prioritize the hiring of full and part time employees from within these communities with the added benefit to the residents of reducing their commuting travel time. These communities are also experiencing a large surge of new arrival immigrants with their own health care needs and the existing health system is being overwhelmed by these new residents.

This Project will create a number of direct jobs (in the aggregate and average after financing) that will be created and maintained through the Project QLICIs. Temporary jobs (e.g., construction) and permanent jobs. These projections include job creation numbers that new construction within the Health Care sector have historically achieved.

Data:

Construction Part Time	Skilled - 84	Unskilled - 280
Health Care Part Time	Skilled - 24	Unskilled - 44
Health Care Full Time	Skilled - 24	Unskilled - 8
Ancillary Services Full Time	Skilled - 40	
Real Estate Support	Skilled -0	Unskilled- 8
Total	**172 Jobs Created**	**340 Jobs Created**

15