Sober Lifestyle™

Substance abuse treatment and recovery
Twin Challenges

• Substance abuse
  – High demand for good recovery housing
  – Ineffective treatment from small individual owners

• Oversupply of unproductive real estate
Substance Abuse Treatment Challenges

• Short Treatment
  – Highest % reuse and criminal instances
Substance Abuse Treatment Challenges

• Fragmented Behavioral Healthcare Industry
  – Silos of Treatment Steps
    • Shorter Treatment
  – Mental Health and Substance Abuse Silos
    • Less Effective Treatment
  – Single Facility Organizations
    • 50 companies – 20% of revenues
    • Others
      – Poorly Capitalized
      – Novice Management
Housing Industry Challenges

• Poor Recovery Housing in Bad Neighborhoods
• Foreclosures in Condos and Apartments
  – Negative Equity
  – Cash Flow Negative
The Solution

• **Continuum of care**  
  – Increase success rate

• **Repurpose and recycle failed real estate**  
  – Provide needed recovery housing

• **Two for profit companies**  
  – Sober Lifestyle - for profit operational  
  – SL Realty - for profit real estate holding
Sober Lifestyle Substance Abuse Recovery Programs

Detox
4-7 Days

Treatment
28-112 Days

Halfway House
3-6 Months

Sober Living Units
Unlimited

Alcoholics and Narcotics Anonymous & 12 Step Program

Structured Housing

Unstructured Housing
SL Realty

• Acquires and Holds Property
  – Assumes and/or restructures Loan
  – Stock Purchase
• Convert Property
  – Treatment Center
  – Halfway House and Recovery House
• Master Lease to Sober Lifestyle
  – Double Occupancy, Double Income
Management Team

• Lou Weltman
  – Founded – real estate and merchant banking cos.
  – CEO of architecture and web home furnishing cos.

• Len Bland
  – Founded 5 companies
  – CPA, Northwestern MBA, CEO, VP Sales

• Steve Wolf — Advisor to Wolf Real Estate Partners
  – Over $1B in real estate transactions in 40 years
  – Founded multiple companies
  • Largest Commercial Real Estate Co. in Chicago – ’70’s
Financials

• Investment: $2,500,000

• Year 2
  – Revenue $7,838,000
  – Operating Expense ($6,486,000)
  – Debt Service ($486,000)
  – Net Cash Flow $866,000

• Distributions
  – 8% Preferred Return
  – Estimated IRR – 26%
Financials

• Exit
  – Income production and growth
    • Property appreciation
    • Cash flow provides time to wait for market recovery
  – Acquisition
    • Large national
Sober Lifestyle™

Substance abuse treatment and recovery

Contact: Len Bland
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## Property/Business Status

### Delray Beach Acquisitions

<table>
<thead>
<tr>
<th>Property</th>
<th>Number of Beds</th>
<th>Completed Steps</th>
<th>Next Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Hamptons</td>
<td>44</td>
<td>Completed - Converted</td>
<td>Negotiation with Bank</td>
</tr>
<tr>
<td>Fall Ridge</td>
<td>140</td>
<td>Completed</td>
<td>Bank Negotiation Conversion</td>
</tr>
<tr>
<td>Healing House -operating halfway house</td>
<td>70</td>
<td>Sent LOI</td>
<td>Awaiting Signed LOI</td>
</tr>
<tr>
<td>Treatment Center</td>
<td>None – Licensed Company</td>
<td>Sent LOI</td>
<td>Awaiting Signed LOI</td>
</tr>
</tbody>
</table>