

HEADWATER CAPITAL



**Retail Investment
Offering Memorandum**



BARRINGTON TOWN CENTER: INVESTMENT HIGHLIGHTS: 8% Preferred Return/12-14% IRR

- 97% occupied (a letter of intent has been received on the remaining space), grocery shadow anchored center located in the highly-desirable upscale suburban community of Aurora, Ohio with average household incomes over \$133,000.
- Centrally located with unbeatable access from three main roadways in high barrier to entry market: limited grocery competition (5+ miles to next closest conventional grocery stores)
- Brand new lease extension with anchor tenants, Cinemark (7 years) and Dollar Tree, along with over 80% of tenants having renewed their leases
- Tremendous mix of national, regional and local tenants with constant flurry of activity due to high traffic generating tenants
- Surrounded by retail (Aurora Farms Premium Outlets), Aurora Schools (consistently ranked in the Top 10 school Systems in Ohio and Top System in the United States in 2016 by *U.S. News & World Report*), adjacent to Barrington Country Club (home to a Jack Nicklaus Signature Golf Course) and Barrington Residential Communities (luxury homes & townhomes).
- Strategically located between two major metropolitan areas: Akron (17 Miles) and Cleveland (22 Miles) with easy highway access to I-480 (Route to I-80, Ohio Turnpike)
- Dominant center in the Aurora market area shadow-anchored complimented by well-known tenants: Heinen's Grocery (22 Locations in Ohio & Illinois), Huntington Bank, CVS Pharmacy, Walgreens, Wendy's and others.



Nothing in this document is an offer to invest in this deal. Investment can only be made through a private placement memorandum.

INVESTMENT OVERVIEW

The 97% occupied property offers an excellent mix of tenured tenants, most of whom have been located at the center for many years and have consistently exercised renewals, giving great stability to the rent roll. Over 80% of the tenants have renewed their lease on at least one occasion, demonstrating a very high level of stability. Subway recently extended their lease for five years at an increased rent.

The property draws a tremendous flow of traffic from not only the Heinen's grocery (corporately owned in this location since 1995 and in Aurora since 1974), but also from some of the property's other well-known tenants. The center is also home to Cinemark, a 10 screen theatre with 2,000 seats, Starbucks, University Hospital's Aurora Branch, Howard Hanna (3rd Largest Real Estate Company in the U.S.), Dollar Tree, Great Clips, Pizza Hut, The UPS Store, Subway and GNC, along with a great mix of other regional and local tenants.

The portions of Barrington Town Center included in the offering were built in phases between 1996-2004 and have been well-maintained since. The center is shadow anchored by Heinen's, a prevalent grocery store in the Midwest that has been in the market since 1974 and has an excellent reputation and following throughout the region. Heinen's has limited grocery competition in the market being the only conventional grocery store in a 5-mile radius (Marc's Discount store is the only area grocery competitor, 0.5 miles) from Barrington Town Center. Heinen's sales per sq. ft. are much higher than the national average.

The property is also surrounded by other well-known, shadow retailers that complement the offering. Huntington Bank, CVS Pharmacy and Wendy's are all shadow outlots, and Barrington Town Center is also adjacent to Walgreens, PNC Bank & Dunkin Donuts. The overall development is in a highly desirable central location. Additionally, the area is a destination point as it is home to Aurora Farms Premium Outlets just over one mile from the featured property. Aurora Farms boasts over 70 outlet stores that are an impressive collection of the finest brands (Saks, Banana Republic, Coach, Calvin Klein and many more).

The incredible access to the center is one of the many great features of Barrington Town Center. The property sits at the intersections of three main roadways in Aurora; Route 43 (North Aurora Road), Route 306 (North Chillicothe Road) and Route 82 (Garfield Road) with entrances from all roadways. The center boasts highly visible signage for the approximately 48,000 VPD that surround the property.

The immediate area boasts a strong residential community with average household incomes over \$133,530 within a 1-mile radius of the property. The market is very upscale with the Barrington residential community, part of the Barrington Country Club, which sits at the doorstep of the center. The country club is home to a Jack Nicklaus Signature Golf Course, and considered one of Ohio's finest courses. Additionally, The Residences of Barrington, a luxury townhome community is located directly behind the center and Aurora City Schools are a great draw to families with a school system consistently ranked in the top 10 in the state and top nationwide, according to the 2016 rankings by *U.S. News & World Report*.

THE OPPORTUNITY

Headwater Capital is offering an outstanding opportunity to invest in a grocery-shadow anchored retail center in the upscale suburb of Aurora, Ohio. Aurora is conveniently located between Cleveland and Akron, each a major metropolitan area, offering a perfect suburb for commuters.

The \$4,500,000 equity investment features the following attractive components:

- The investment is projected to provide an average cash flow to our investing partners between 8%-9.5% per year over a period of 10 years, with an IRR between 12%-14%.
- Approximately 30% of annual distributions will be shielded by depreciation from current income tax.
- The loan will be a 30-year amortized loan after two years of interest only, non-recourse, and approximately 65% of the total value of acquisition; the modest debt-to-equity financing further reduces the risk of the transaction.
- The 97% occupied property offers an excellent mix of tenured tenants, most of whom have been located at the center for many years and have consistently exercised renewals, giving great stability to the rent roll. Over 80% of the tenants have renewed their lease on at least one occasion, demonstrating a very high level of stability.
- The demographically secure property's location has, average income of \$133,000 per household, tremendous traffic flow, high accessibility, Heinen's – the area's leading grocery store, both CVS and Walgreens, Wendy's and McDonalds, a Cinemark 10-screen theatre with 2,000 seats, Starbucks, University Hospital's Aurora Branch and many other national and regional named tenants.
- The investment has an acquisition fee (1%) and an annual asset management fee of 1/2% of the property value.
- The Managing Partner receives a 20% profit share only if the Investing Partners' total annual cash distributions exceed 8% per year during the entire holding period, and a minimum of 9% overall return (including the annual 8%) on sale.

OUR APPROACH

- HEADWATER CAPITAL IMPLEMENTS RISK-AVERSE STRATEGIES in commercial real estate investments. We reduce the risk factors in our sponsored investments by using our 45 plus years of experience coupled with careful and thorough research. This enables Headwater to offer investors long-term, reliable and tax efficient cash flows.
- Risk is further reduced by limiting borrowing on any property to a maximum of 65% of its value.
- Investments sponsored by Headwater Capital preserve wealth by identifying properties that should grow in value at or above inflation.
- Headwater Capital uses a management structure that aligns the management and investor's interests.
- Initial acquisition fees are modest (1% or less), as well as annual management fees (1% or less); and management profit sharing is dependent on investors having received minimum returns. Headwater Capital's principals and shareholders always invest in our properties.



BARRINGTON TOWN CENTER: THE INVESTMENT

\$4,500,000 of interests in Barrington Properties, LLC

- The property is being acquired for a total estimated cost of \$13,100,000, representing an approximately 8% CAP, \$118/S.F. and approximately 8.4% projected year-1 cash-on-cash return to our investors.
- Headwater Capital, LLC (“Company”), a Delaware LLC has recently formed Barrington Properties, LLC, for the purpose of conducting this offering and using the proceeds to acquire the real property in Aurora, Ohio known as the Barrington Town Center (“Property”). Barrington Town Center is managed by Barrington Asset Managers, LLC, which is wholly owned by Headwater Capital, LLC in conjunction with a local property management company. Barrington Properties, LLC does not expect to own any assets other than the real property and associated personal property.
- The Company has prepared an offering memorandum for the purpose of informing potential investors about the opportunity to participate in the acquisition of the Property, a ± 112,631 square foot retail center located on a 15.8 Acres size lot in Aurora, Ohio, located less than 30 minutes between the two major metropolitan areas of Cleveland and Akron.
- The 97% occupied property offers an excellent mix of tenured tenants, most of whom have been located at the center for many years and have consistently exercised renewals, giving great stability to the rent roll. Over 80% of the tenants have renewed their on at least one occasion, demonstrating a very high level of stability.
- The total transaction, including organizational costs, capital improvements and reserves of \$570,000 is estimated to be \$13,670,000. The Company expects to finance \$9,170,000 at a rate of approximately 4.8%* on a non-recourse loan, 2 years interest only, then a 30-year amortization. The Seller is providing \$300,000 of the reserve amount.
- This summary is our introduction to an investment opportunity with immediate cash flow, preferential tax benefits, and an excellent risk-adjusted rate of return. A complete offering package is available to qualified investors upon request.

**This number may vary with the interest rate in effect at the time of closing.*

This is a confidential memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest in participating as an investor.

DEAL STRUCTURE & PERFORMANCE SUMMARY

- The Company is offering 18 membership units at a price of \$250,000 per Unit (the “Investor Units”), for a total equity investment of up to \$4,500,000.
- The Investor’s Units will have a preferred annual cash flow of 8% cumulative, but not compounded as a condition of any annual distributions to the managing members.
- The Investor Units will comprise 80% of all membership units on a fully subscribed basis.
- The average cash on cash return to investing members over the first 10 years is projected to be 8%-9.5%.
- Assuming a year 11 property sale, the total cash flow and capital appreciation from the investment is projected to yield a potential IRR of approximately 12%-14%.
- As a condition of the managerial profit share at sale, the Investor Units will be entitled to a minimum total cumulative preferred return of 9% of invested amount including both the annual return and the proceeds from the sale of the Property.
- As more fully set forth in the operating agreement, Barrington Asset Managers, LLC, an Idaho Limited Liability Company, will act as the managing member of Barrington Town Center. Barrington Asset Managers, LLC, will receive membership units entitling it to 20% of the annual distributions, and 20% of the net proceeds from sale distributed by the Company provided that the cumulative preferred returns described above are paid to holders of the Investor Units.
- The Company will be entitled to reimbursement for all acquisition and organization costs and an acquisition fee equal to 1%.
- The Company or its affiliates will acquire two or more of the Investor Units at the offering price of \$250,000 per unit.
- The purchase price of \$13,100,000 is substantially below the replacement cost and the most recent appraised value of \$13,750,000.

ESTIMATED EQUITY OFFERING PROCEEDS: \$4,500,000

FINANCING / LOAN PROCEEDS: \$9,170,000

PURCHASE PRICE: \$13,100,000*

COSTS OF OFFERING & DUE DILIGENCE: \$200,000

LOAN FEES: \$100,000

OPERATING RESERVES: \$270,000

TOTAL USES: \$13,670,000

AVERAGE ANNUAL CASH FLOW: 8%-9.5%

PROJECTED IRR: 12%-14%

*We have secured \$300,000 in the transaction from the seller to be held in escrow for maintenance, repairs and roof replacement.

FINANCIAL PROJECTIONS

BARRINGTON TOWN CENTER 1/20/17	interest rate: 0.048		BARRINGTON TOWN CENTER						amort: 30 yr		LOAN: 9,170,000		Year 11
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10			
For the Years Ending													
Potential Gross Revenue													
Base Rental Revenue	\$1,390,687	\$1,433,405	\$1,462,073	\$1,491,315	\$1,521,141	\$1,551,564	\$1,582,595	\$1,614,247	\$1,646,532	\$1,679,462	\$1,713,052		
Absorption & Turnover Vacancy	(42,660)	(45,157)	(3,745)	(36,324)	(52,529)	(30,804)	(73,133)	(8,891)	(59,983)	(50,466)	(19,382)		
Scheduled Base Rental Revenue	1,348,027	1,388,248	1,458,328	1,454,991	1,468,612	1,520,760	1,509,462	1,605,356	1,586,549	1,628,996	1,693,670		
Expense Reimbursement Revenue													
CAM	40,605	45,926	50,304	50,296	50,820	52,414	51,949	55,367	54,627	56,107	53,931		
Real Estate Tax	131,601	148,843	163,036	163,015	164,707	169,883	168,367	179,447	177,051	181,847	174,798		
Insurance	20,541	23,232	25,447	25,444	25,709	26,516	26,280	28,009	27,635	28,383	27,285		
Grounds	49,965	56,510	61,897	61,891	62,534	64,498	63,924	68,130	67,220	69,042	66,363		
Management Fee	31,124	36,278	39,957	39,560	39,156	39,043	37,860	40,475	40,163	41,366	40,292		
Total Reimbursement Revenue	273,836	310,789	340,641	340,206	342,926	352,354	348,380	371,428	366,696	376,745	362,669		
Other Income	5,550	5,661	5,774	5,890	6,007	6,128	6,250	6,375	6,503	6,633	6,765		
Percentage Rent	26,000	26,520	27,050	27,591	28,143	28,706	29,280	29,866	30,463	31,072	31,694		
Total Potential Gross Revenue	1,653,413	1,731,218	1,831,793	1,828,678	1,845,688	1,907,948	1,893,372	2,013,025	1,990,211	2,043,446	2,094,798		
General Vacancy	(64,644)	(24,384)	(86,816)	(54,926)		(59,457)	(18,558)	(84,348)	(36,041)	(48,220)	(79,580)		
Effective Gross Revenue	1,588,769	1,706,834	1,744,977	1,773,752	1,845,688	1,848,491	1,874,814	1,928,677	1,954,170	1,995,226	2,015,218		
Operating Expenses													
CAM	73,140	74,603	76,095	77,617	79,169	80,752	82,368	84,015	85,695	87,409	89,157		
Real Estate Tax	237,051	241,792	246,628	251,560	256,592	261,723	266,958	272,297	277,743	283,298	288,964		
Insurance	37,000	37,740	38,495	39,265	40,050	40,851	41,668	42,501	43,351	44,218	45,103		
Grounds	90,000	91,800	93,636	95,509	97,419	99,367	101,355	103,382	105,449	107,558	109,709		
Management Fee	56,394	59,064	60,223	60,681	61,617	60,024	60,974	62,004	63,856	65,626	65,809		
Utilities	25,500	26,010	26,530	27,061	27,602	28,154	28,717	29,291	29,877	30,475	31,084		
Non Reimb. Repairs	22,000	22,440	22,889	23,347	23,814	24,290	24,776	25,271	25,777	26,292	26,818		
Total Operating Expenses	541,085	553,449	564,496	575,040	586,263	595,161	606,816	618,761	631,748	644,876	656,644		
Net Operating Income	1,047,684	1,153,385	1,180,481	1,198,712	1,259,425	1,253,330	1,267,998	1,309,916	1,322,422	1,350,350	1,358,574		
Leasing & Capital Costs													
Paid from Capital Reserves	(40,000)		(41,500)	(62,000)	(65,000)								
Tenant Improvements	40,500	40,434	18,118	57,433	74,794	39,498	55,087	29,696	34,962	13,549	43,609		
Leasing Commissions	16,924	53,126	8,590	39,755	43,657	16,593	31,196	12,886	40,806	38,704	17,705		
Structural Reserve	16,895	17,233	17,577	17,929	18,287	18,653	19,026	19,407	19,795	20,191	20,594		
Capital Improvements Reserve	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000		
Total Leasing & Capital Costs	54,319	130,793	22,785	73,117	91,738	94,744	125,309	81,989	115,563	92,444	81,908		
Cash Flow Before Debt Service	\$993,365	\$1,022,592	\$1,157,696	\$1,125,595	\$1,167,687	\$1,158,586	\$1,142,689	\$1,227,927	\$1,206,859	\$1,257,906	\$1,276,666		
Debt Service, capital imp, gar fees, entity fee													
Total Debt Service (2yr i/o)	440,160	440,160	577,342	577,342	577,342	577,342	577,342	577,342	577,342	577,342	577,342		
Loan Guaranty Fees	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000		
Entity Mgt Fee & Accounting	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000		
Total Debt Service & entity	520,160	520,160	657,342	657,342	657,342	657,342	657,342	657,342	657,342	657,342	657,342		
Free Cash Flow	\$473,205	\$502,432	\$500,354	\$468,253	\$510,345	\$501,244	\$485,347	\$570,585	\$549,517	\$600,565	\$619,324		
Net Distributable Cash Flow Allocation													
Cash on cash return to investors (excl sale)	8.41%	8.93%	8.90%	8.32%	9.07%	8.91%	8.63%	10.14%	9.77%	10.68%	11.01%		
80% cash to investors	378,564	401,946	400,283	374,602	408,276	400,995	388,278	456,468	439,614	480,452	495,459		
Cash from sale of property										8,623,911			
Min. return cash to investors	-	-	-	-	-	-	-	-	-	-	-		
Total cash to investors	378,564	401,946	400,283	374,602	408,276	400,995	388,278	456,468	439,614	9,104,363	495,459		

These are preliminary estimates based upon due diligence information that we have received to date.

BARRINGTON TOWN CENTER
1/20/17

interest rate: 0.048

BARRINGTON TOWN CENTER

amort: 30 yr

LOAN: 9,170,000

For the Years Ending

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Headwater (Mgr) cash 20%	94,641	100,486	100,071	93,651	102,069	100,249	97,069	114,117	109,903	120,113	123,865
Cash from sale of property										2,155,978	
Headw. (Mgr) to investor min.	-	-	-	-	-	-	-	-	-	-	-
Total cash to Headwater Capital, LLC	94,641	100,486	100,071	93,651	102,069	100,249	97,069	114,117	109,903	2,276,091	123,865
Net distributable cash	473,205	502,432	500,354	468,253	510,345	501,244	485,347	570,585	549,517	11,380,453	619,324

SALE OF PROPERTY - YEAR 10

Net sale proceeds (after debt payoff & closing costs)	10,779,889	HC	INVESTORS
Sale proceeds to Headwater (20%)	(2,155,978)	2,155,978	
Subtotal cash for investors	8,623,911		8,623,911
110% of capital return to investors	4,950,000		
Clawback from Headwater	-	-	-
Net proceeds		2,155,978	8,623,911

These are preliminary estimates based upon due diligence information that we have received to date.

**BARRINGTON TOWN CENTER
INTERNAL RATE OF RETURN CALC**

LOAN:	\$	9,170,000
EQUITY:	\$	4,500,000
PRICE + RESERVE	\$	13,670,000
INT RATE		4.8%
AMORT:		30
SALE CAP:		7

YEAR		Regular Investor Distribs (80%)	Liquidation Proceeds to Investors (after debt payoff)	TOTAL INVESTOR DISTRIBS	IRR
	Equity	(4,500,000)		(4,500,000)	
1	Investors Distribs (80%)	378,564		378,564	
2	Investors Distribs (80%)	401,946		401,946	
3	Investors Distribs (80%)	400,283		400,283	
4	Investors Distribs (80%)	374,602		374,602	
5	Investors Distribs (80%)	408,276		408,276	
6	Investors Distribs (80%)	400,995		400,995	
7	Investors Distribs (80%)	388,278		388,278	
8	Investors Distribs (80%)	456,468		456,468	
9	Investors Distribs (80%)	439,614		439,614	IRR
10	Investors Distribs & Sale (80%)	480,452	8,623,911	9,104,363	13.775%

AVERAGE ANNUAL CASH YIELD (EXCLUDING SALE) 9.18%

These are preliminary estimates based upon due diligence information that we have received to date.

THE PROPERTY



Property Address	70-130 Barrington Town Square Drive
Property Type	Retail, Strip Center
Intersection	3 main roadways: Route 43, Route 306, Route 82
County	Portage
Year Built	Phases: 1996-2004
Occupancy	97%
Number of buildings	Multiple
Number of tenants	21
Lot size	Approx. 15.8 acres
Rentable square feet	112,631 square feet
Parking	Ample

SHADOW ANCHORS

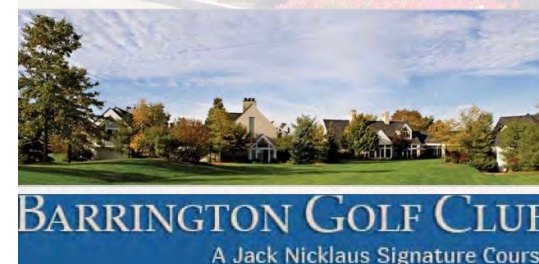


LOCATION OVERVIEW: AURORA, OHIO

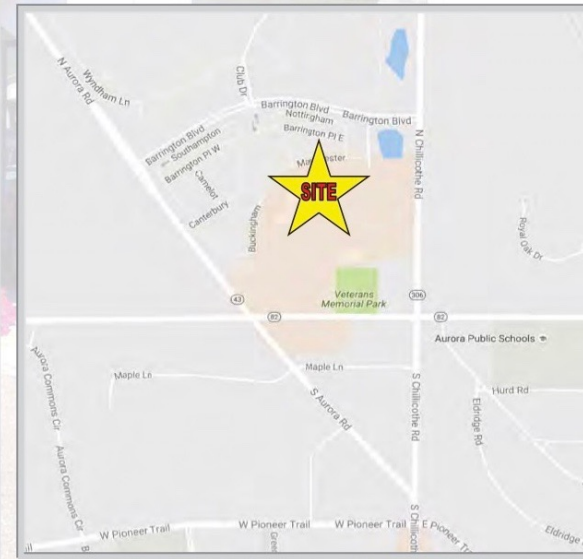
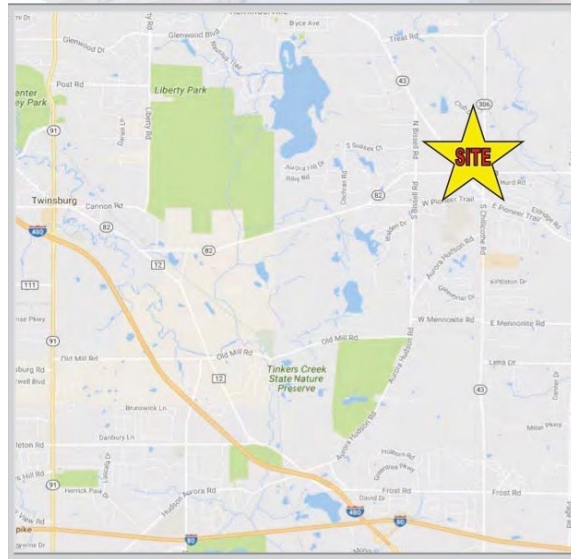
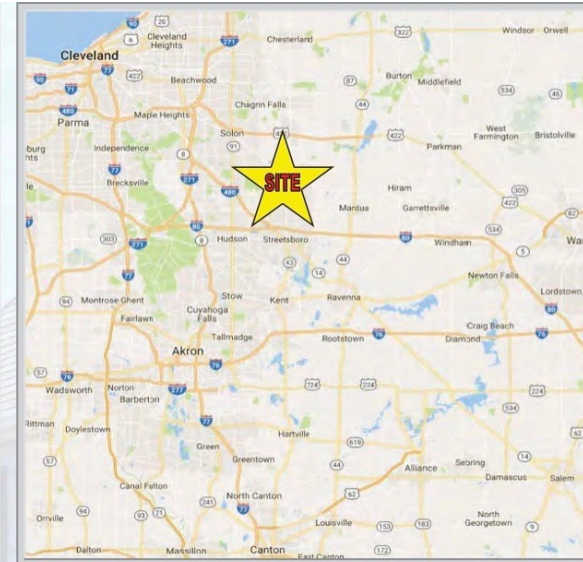
Aurora is located in Portage County, Ohio. The city has earned its reputation as one of the best places in the Midwest for employers to do business and for families to both live and work. Located less than 30 minutes between the two major metropolitan areas of Cleveland and Akron, Ohio, Aurora is a superior community with an exceptional educational system, safe family-oriented neighborhoods, and a skilled, educated workforce. Aurora is located within driving distance of 32 private and public colleges/universities, world-class healthcare facilities, parks, wildlife preserves, and recreational and cultural venues. The City of Aurora offers consistent population growth, high household income (\$133,539 within 1-mile) and an attractive housing market. The suburb has a plethora of private country clubs including Aurora Golf and Country Club, the world-class Club Walden, and Barrington Golf Club, just steps from the featured property.

Aurora is an ideal location to establish and grow a business. It is currently home to light manufacturing technology, distribution and professional services. Additionally, retail, restaurants and hospitality businesses are successfully established in Aurora's business district. Retail and commercial areas are well populated with brand names, boutique businesses and the necessary services. One of the most well-known locations in Aurora is the Aurora Farms Premium Outlets. The outlets were opened in the early 1970s to serve tourists to the Aurora area and still do today. Aurora Farms is home to over 70 outlet stores that are an impressive collection of the finest brands, and just over one mile away from Barrington Town Center.

Employment is one fundamental component in Aurora's thriving economy. Aurora's workforce can be drawn from Portage County in addition to Summit, Geauga and Cuyahoga counties, including the cities of Streetsboro, Hudson, Solon and Twinsburg. The suburban area is located 22 miles southeast of Cleveland and only 17 miles northeast of Akron. Accordingly, a significant portion of people living in Aurora commute to nearby cities for work and pleasure. Aurora is located near a number of highways that provide access for the heavy concentration of offices and distribution centers. Interstate 480, located less than 7-miles from the property, is an auxiliary Interstate Highway of I-80, the Ohio Turnpike. I-480 is one of 13 auxiliary Interstate Highways in Ohio. The western terminus of I-480 is an interchange with I-80 in North Ridgeville in Lorain County, where it soon enters Cuyahoga County. I-480 then approaches the Cleveland Hopkins International Airport, which serves as the primary airport for the Greater Cleveland area. The highway continues east towards the communities of Bedford and Twinsburg toward its eastern terminus at I-80 in Streetsboro. On its route, I-480 crosses interstates I-77 and I-271, major highways serving not only the Northern Ohio region but many 6 major cities spanning the entire Eastern Half of the United States.



LOCATION MAPS



DEMOGRAPHICS

70 Barrington Town Square		1 mi radius	3 mi radius	5 mi radius	10 mi radius
Aurora, OH 44202-7791					
POPULATION	2016 Estimated Population	2,908	17,791	47,491	190,815
	2010 Census Population	2,944	18,096	48,236	194,643
	2000 Census Population	2,304	15,979	40,767	177,978
	2016 Median Age	46.8	45.9	42.5	42.7
HOUSEHOLDS	2016 Estimated Households	1,264	7,223	19,089	76,145
	2021 Projected Households	1,305	7,437	19,552	77,440
	2010 Census Households	1,220	7,032	18,626	74,930
	2000 Census Households	876	5,940	15,316	65,631
RACE AND ETHNICITY	2016 Estimated White	89.6%	92.3%	87.1%	83.2%
	2016 Estimated Black or African American	4.2%	3.6%	6.4%	10.1%
	2016 Estimated Asian or Pacific Islander	4.5%	2.6%	4.4%	4.6%
	2016 Estimated American Indian or Native Alaskan	0.1%	0.1%	0.1%	0.1%
	2016 Estimated Other Races	1.5%	1.5%	1.9%	2.0%
	2016 Estimated Hispanic	1.8%	1.8%	1.7%	1.7%
INCOME	2016 Estimated Average Household Income	\$133,539	\$108,650	\$108,155	\$109,460
	2016 Estimated Median Household Income	\$99,774	\$90,871	\$89,056	\$88,360
	2016 Estimated Per Capita Income	\$58,066	\$44,191	\$43,516	\$43,758
EDUCATION (AGE 25+)	2016 Estimated Elementary (Grade Level 0 to 8)	1.8%	1.7%	1.3%	1.3%
	2016 Estimated Some High School (Grade Level 9 to 11)	1.3%	3.1%	4.0%	3.9%
	2016 Estimated High School Graduate	12.2%	21.6%	25.1%	24.6%
	2016 Estimated Some College	22.2%	21.1%	19.2%	18.0%
	2016 Estimated Associates Degree Only	4.7%	5.8%	6.7%	7.0%
	2016 Estimated Bachelors Degree Only	32.2%	26.2%	24.4%	26.4%
	2016 Estimated Graduate Degree	25.6%	20.4%	19.1%	18.7%
BUSINESS	2016 Estimated Total Businesses	189	735	1,847	10,097
	2016 Estimated Total Employees	2,048	8,886	22,555	129,585
	2016 Estimated Employee Population per Business	10.8	12.1	12.2	12.8
	2016 Estimated Residential Population per Business	15.4	24.2	25.7	18.9

HEADWATER CAPITAL

Robert A. Kantor, Chief Executive Officer

45+ years of success as a commercial real estate investor and manager of over \$500M in real estate acquisitions.

Rick LeFaivre, Chief Operating Officer & Chief Information Officer

Former VP of Advanced Technology at Apple and Partner at OVP Venture Partners, yielding more than 40 years of experience as a computer scientist and venture investor.

Bill Fowler, Chief Financial Officer

25+ years as a CPA with Ernst & Young and running his own accounting, tax and financial consulting firm.

Leigh K. Barer, Director of Marketing Communications

20+ years of experience in branding, marketing and strategic communications to position early and mid-stage companies as market leaders.

Camille Watson, Acquisition Manager

Licensed Real Estate Associate (Idaho)

Legal Counsel

Chris Beeson, Givens Pursley LLP, Boise, Idaho

FOR MORE INFORMATION, PLEASE CONTACT:

Robert A. Kantor, Co-founder and CEO

Headwater Capital, Inc.

208-274-5001, x703; M: 208-309-0075

RAKantor@HeadwaterCapital.com

www.HeadwaterCapital.com

The information contained herein is preliminary and subject to completion or amendment. This shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of limited partnership interests in any State in which such offer, solicitation or sale would be unlawful prior to qualification under the securities laws of any such State and the United States. A Private Placement Memorandum relating to this matter is available and will be provided upon request to prospective investors.