

BV ERNEST HEALTH NEURO REHAB DST



Actual photo of Sacramento Rehabilitation Hospital

OFFERING DETAILS

Equity Raise	\$77,667,582
Loan-to-Value (LTV)	0%
Projected Hold Period	5-7 years
Tenant Lease Term	20 years with two 10-year extensions

Offering Details sourced from the PPM on pages 14, 16, 43



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10 ADVANTAGE CT, SACRAMENTO, CA 95834



PROPERTY HIGHLIGHTS:

- Facility opened in January 2023
 - 20-year lease through January 4, 2043
 - Absolute Net lease with two 10-year tenant options
 - Annual rent escalations
- 50 total beds with 95% average occupancy as of 12/31/24
- Active overflow referral agreements with:
 - Kaiser Permanente
 - UC-Davis Medical Center



VALUE PROPOSITION:

The Sacramento Rehabilitation Hospital provides specialized services to patients recovering from disabilities caused by accidents, illnesses, or chronic medical conditions. These disabilities occur regardless of the economic environment. The inpatients receive a multidisciplinary team to maximize their return of functional capabilities, perform daily activities, return to work (or school), and pursue leisure activities. Patients treated in rehab hospitals vs. skilled nursing facilities live longer, have fewer hospital and ER visits, and remain longer in their homes without additional outpatient services.



The goal is to get ready for independent living again for those who have suffered:

- Strokes
- Brain injuries
- Spinal cord injuries
- Orthopedic injuries like hip fractures
- Neurological conditions
- Multiple sclerosis
- Amputations
- Parkinson's disease
- Debility from illness
- Post-surgical care – ortho/cardiac/neuro
- Worker's Compensation injuries

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HOSPITAL PERFORMANCE HIGHLIGHTS:

For a newer facility, it is already a top performer of the 886 rehabilitation hospitals across the US per their top 1% PEM score as of February 2025. The Program Evaluation Model ("PEM") is a tool to evaluate the quality of care by inpatient rehabilitation facilities (IRFs). It measures outcomes like patient discharge rates, length of stay efficiency, and changes in patient function. The PEM score allows comparison across different IRFs, highlighting those delivering high-quality, efficient care by achieving better patient outcomes.

Insurers favor rehabilitation centers for their lower care costs than a prolonged stay in the ICU at traditional hospitals. Sacramento Rehabilitation Hospital's current Case Mix Index score is 1.81x as of February 2025. The index essentially says that the hospital's patient acuity is higher, resulting in higher payouts from insurance reimbursements resulting in potentially higher profitability on a relative basis.



ABOUT ERNEST HEALTH:

A network of rehab and long-term acute care hospitals that see patients who are often recovering from disabilities caused by injuries or illnesses or from chronic or complex medical conditions. Ernest owns 35 facilities (four in California and the others across 13 states). The hospital network has earned national recognition as a healthcare leader, providing patients with the highest level of care.

Ranked by the Uniform Data System for Medical Rehabilitation ("UDSMR") in the top 10% nationwide based on its standards of providing patient-centered, effective, efficient, and timely care. UDSMR is a non-for-profit corporation that was developed with support from the National Institute on Disability and Rehabilitation Research, a component of the U.S. Department of Education. It ranks rehabilitation facilities based upon care that is patient-centered, effective, efficient, and timely.



Actual Photo of Imaging Facility



Actual Photo of Day Room Area

DISCLOSURE

Investments in these securities are not suitable for all investors; they are speculative and illiquid and involve a high degree of risk and the potential loss of your entire investment. The information contained herein does not constitute an offer to sell nor a solicitation of an offer to purchase any security. Offers for the BV Ernest Health Neuro Rehab DST will only be made through a private placement memorandum (PPM) to accredited investors and qualified purchasers where law permits. Moreover, you should not assume that any discussion or information in this fact sheet serves as the receipt of, or as a substitute for, personalized investment advice. Please remember that past performance may not be indicative of future results. For any tax questions, please consult a tax professional. **PROSPECTIVE INVESTORS SHOULD CAREFULLY REVIEW THE "RISK FACTORS" BEGINNING ON PAGE 51 AND THE ENTIRE PPM PRIOR TO INVESTING.**

Consider the Risks:

An investment in the interests involves substantial investment and tax risks, including, without limitation, the following risks:

- The economic success of the interests will depend upon the results of the property's operations, which are subject to those risks typically associated with investments in real estate, like the ability to collect rent from the tenant, the ability of the tenant to pay for adequate maintenance, insurance, and real estate taxes, relative illiquidity of real estate, among others.
- The Trust's capitalization is supported solely by the cash flow from the underlying tenant lease. The sponsor is not under any obligation to contribute capital to the Trust.
- No assurance can be given that beneficial owners of interests will realize a substantial return (if any) on their investment or that they will not lose their entire investment in the trust.
- The property is subject to the ground lease, which may make the property more difficult to sell.
- The interests are not freely transferable by the beneficial owners.
- Adverse trends in the healthcare service industry may negatively affect the trust's revenues.
- There are various risks associated with owning, financing, operating, and leasing commercial properties in California.
- The interests do not represent a diversified investment.
- The beneficial owners have no voting rights with respect to the management or operations of the Trust or in connection with the sale of the property.
- There are various conflicts of interest among the Trust, the sponsor, the administrative trustee, the asset manager, and their respective affiliates.
- The interests are illiquid.
- There are tax risks associated with an investment in the Interests. Each prospective beneficial owner should consult with their tax advisor regarding an investment in the Interests and the qualification of the prospective beneficial owner's transaction under Section 1031 for their unique circumstances.
- There is no public market for the interests.
- There may be environmental risks related to the property.
- There are various tax risks, including the risk that an acquisition of an Interest may not qualify as replacement property in a Section 1031 Exchange.

FOR SALES AND OTHER INFORMATION:

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