



CAMBRIDGE

Senior Housing & Healthcare Capital

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PRESS RELEASE

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CAMBRIDGE MAKES COMPLEX DEALS HAPPEN

Obtaining financing for the purchase of a senior care facility is complicated even when all contributing factors are straightforward. However, not all circumstances can fit into a nice, neat box. Sometimes owners/operators come to Cambridge Realty Capital Companies on a second or third try because their situation has so many variables and complexities that conventional lenders refuse to work with them. By the time they reach our offices, they are discouraged and somewhat dejected, but unwilling to throw in the towel just yet.

Cambridge recently worked with a client whose portfolio fell outside of the parameters of "the box." The borrower was a relative newcomer to the senior care industry, having only been operating for less than one year. The company wished to purchase the facility which it was leasing, but found that lenders were skittish about working with them because they had such a short operating history.

The company, which was hoping to jump on the opportunity to purchase its leased facility at less than its market value, came to Cambridge to see if a deal could be made. In spite of the borrower's history and minimal equity, Cambridge was able to facilitate a \$20,000,000 term loan and a \$1,000,000 ABL to make the transaction happen.

Why is Cambridge able to facilitate such complex deals when other institutions are unable, or unwilling, to do so? "It all comes down to our experience," declares Jeffrey Davis, Cambridge Chairman. "We understand that every client is different. We are very thorough in our research and background checks. Although some potential borrowers may appear on paper as being too risky to work with, we are able to find ways to broker deals and arrange terms that both borrower and lender can work within."

Another example comes from a client that Cambridge worked with in years past, an operator with ten properties and seven outstanding loans from six different lenders. The company wanted to simplify its books and reduce the overall interest rate it was paying on the loans separately by consolidating them into one sum. Additionally, the operator wanted to borrow another \$10 million to upgrade two of its facilities and \$3 million to pay off collateral notes held by other lenders. Other factors included a complicated ownership and operating structure and a desire to access \$6.5 million in equity for miscellaneous use.

In spite of the intricacies, Cambridge was able to coordinate all of the details so that all of the company's loans could be consolidated, reduce the interest rates on an aggregate basis, pay off the company's collateral debt and get them the extra funding they wanted. According to Cambridge Assistant Vice President Zachary Scardina, the deal totaled \$65 million and was the largest multi-facility conventional loan transaction arranged by Cambridge in company history. "Cambridge is especially well-qualified to bring transactions with lots of moving parts to a successful conclusion," Scardina added, thanks to more than three decades of experiences, a strong and respected reputation, and highly-trained staff with diverse areas of expertise.

Privately owned since its founding in 1983 as a real estate investment banker specializing in commercial real estate properties, Cambridge today has three distinctive business units: FHA-insured HUD loans, conventional financing, and investments and acquisitions. The company is one of the nation's leading senior housing and healthcare debt and equity capital providers, with more than 400 closed senior housing transactions totaling more than \$4.5 billion since the early 1990's, when the firm began its specialization in providing senior housing capital.

Cambridge has consistently ranked among the country's top five FHA-insured HUD lenders (now HUD Lean) over the last 15 years and offers an array of conventional lending options, including permanent construction and interim loans on either a floating or variable rate basis. The company's principal investment strategy includes direct property acquisitions, joint ventures and sale/leasebacks. The company has acquired 16 facilities totaling approximately \$60 million.

Cambridge is the creator of *The Signature Experience*[™], a four-step process designed to transform the traditional lender/borrower relationship and identify "ideal" capital solutions for worthy projects. The company has a national origination office in Los Angeles, and numerous correspondent and brokerage relationships nationwide.

Cambridge publishes the bi-monthly Capital Wisdom(R) electronic newsletter, which delivers company news and feature stories via e-mail to corporate friends and clients as well as monthly updates of other relevant news and breaking trends. Additional information is available on the Cambridge website, www.cambridgecap.com, and Cambridge can be reached at (312) 357-1601 or via e-mail to info@cambridgecap.com. The firm also has embraced social media and networking via Twitter at <http://twitter.com/cambridgecap>, via Facebook at <http://www.facebook.com/cambridgecap>, via blog at www.cambridgecap.com/blog and via LinkedIn at <http://www.linkedin.com/companies/454232>, where information on the firm and its employees can be found.

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