



CAMBRIDGE

Senior Housing & Healthcare Capital

1 NORTH LASALLE STREET | 37TH FLOOR | CHICAGO, IL 60602 | M 312-357-1601 | F 312-357-1611

WWW.CAMBRIDGECAP.COM

– EXECUTIVE SUMMARY –
– CAMBRIDGE SENIOR HOUSING INVESTORS –
Breakdown of Responsibilities of Prospective Venture Between
Cambridge Senior Housing Investors and Its Operating Partners
For Institutional Investment in Senior Housing Assets
[– For Discussion Purposes Only –]

Introduction:

This information piece will attempt to summarize the breakdown of responsibilities and respective costs between Cambridge Realty Capital Companies and its investors as prospective operating partners relating to all potential acquisitions of senior housing and health care properties under a to-be-formed venture among Cambridge, its operating partners, and Cambridge’s Institutional Partner (the “Institutional Partner”). This document is not meant to be all inclusive, but meant solely to expand on the basic transaction outline (which you have) of our prospective acquisition. The basic tasks and responsibilities are outlined below.

I. Sourcing of Transaction:

Typically, the transaction will be sourced by Cambridge’s operating partners. However, this responsibility is not meant to be all inclusive and transactions may be sourced by Cambridge and brought into the venture.

II. Analysis of Transaction:

The transactions will be analyzed by both Cambridge and its operating partners. Cambridge will provide all computerized cash flow analysis as it relates to structuring the potential transaction for the Institutional Partner. Cambridge’s operating partners will analyze in detail the operating statements, all expenses and costs associated, and will provide necessary input to Cambridge as it relates to preparing the numbers and financial feasibility for the Institutional Partner.

III. Letter of Intent / Contract Negotiations:

It is anticipated that Cambridge will prepare the Letter of Intent and be responsible for all contract negotiations on behalf of the to-be-formed venture among Cambridge, its operating partners, and the Institutional Partner.

IV. Management and Operation:

It is anticipated that Cambridge’s operating partners will provide property management services for the to-be-formed venture. Cambridge will provide asset management services. The majority of the property management fee will be paid to Cambridge’s operating partners. The asset management fee will inure 100% to Cambridge.

V. Ownership Percentages and Contribution of Equity:

It is anticipated that the institutional partner will contribute the majority of the equity, typically 80% or greater of whatever equity is required. Cambridge and its operating partner will be responsible for the remaining equity. The respective ownership of both Cambridge and Cambridge's operating partners will be commensurate with their equity contributions and transaction negotiations.

VI. Equity Placement and Financing Fee:

Cambridge will be paid an equity placement and financing fee.

VII. Preacquisition, Due Diligence, and all Miscellaneous Costs:

These costs will be split funded 100% by Cambridge's operating partners. Upon completion of the venture with the Institutional Partner, all preacquisition and due diligence costs will be reimbursed by the new partnership.

Summary / Conclusion:

This outline, in conjunction with the transaction sheet summarizes a typical venture between Cambridge, Cambridge's operating partners, and the Institutional Investor. It is not a terms sheet. It is not a commitment. Of course, we expect questions and comments. Please feel free to address them to anyone on Cambridge's staff.

For questions and additional information, please contact:

Financing Information Group
Cambridge Realty Capital Companies
1 North LaSalle Street – 37th Floor
Chicago, Illinois 60602
Telephone 312-357-1601
Fax 312-357-1611
info@cambridgecap.com
www.cambridgecap.com

DISCLAIMER: This financing outline is designed to provide immediate information regarding a specific real estate capital structure on the above-captioned transaction utilizing HUD insured financing. It is not a Commitment Letter and is subject to complete review and underwriting by HUD and Cambridge Realty Capital Ltd. of Illinois. The information contained herein is for preliminary review purposes only and is subject to errors, omissions, and changes, all without notice. N:\goldmine\faxrush\outfax\exec-cambshhcinvestors.doc

"Cambridge Realty Capital Companies@", "e-Pulse! @" and its logos are registered trademarks of Cambridge Realty Capital, LLC