

CONSTRUCTION PORTFOLIO | 2Q08

HEALTHCARE  REIT



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CCRC - Entrance Fee

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Entrance fee continuing care retirement communities (CCRCs) include multiple service types within the same campus, usually a combination of independent living, assisted living and/or dementia care and include skilled nursing. Some or all of the independent living units require payment of an upfront fee that is refundable to some extent at some time in the future. All other residents pay a monthly or daily fee.

- Three projects with a total committed balance of \$259 million
- HCN has extensive development experience with senior housing, including an in-house development team (Development Services Group) to oversee predevelopment and construction
- Proven underwriting and asset management protocols minimize risk
- Experienced operators with the ability to expand the relationship
- Most development facilities are part of Master Leases, and are structured with corporate and/or personal guaranties

CCRC - Entrance Fee

Greenville, SC



Project Overview

<i>Investment amount</i>	\$96.5 million
<i>Funded to date</i>	\$40.7 million
<i>Lot size (acres)</i>	40.0
<i>Square feet</i>	529,630

Unit Mix

	Qty
<i>Cottages</i>	43
<i>Independent living units</i>	166
<i>Assisted living units</i>	48
<i>Dementia care units</i>	24
<i>Nursing beds</i>	44
<i>Total beds/units</i>	325
<i>Investment per bed/unit</i>	\$296,923

Room Size

Room Size	Qty	Average Square Feet
<i>Studio</i>	72	300
<i>1-bedroom</i>	83	745
<i>2-bedroom</i>	105	1,388
<i>Cottages</i>	43	2,076
<i>Other*</i>	22	1,847
<i>Total/average</i>	325	1,105

* three-bedroom units

<i>Estimated completion</i>	11/2008
<i>Absorption period</i>	22 months
<i>Estimated stabilization date</i>	9/2010

Project Amenities & Special Features

The facility will be constructed as an entrance-fee continuing care retirement community including a clubhouse with an auditorium, classrooms, administrative offices, beauty shop, barber shop, fitness center, pool and spa, full service kitchen and several dining options, and various activity rooms.

The project will be one of the first elements of the 1,100-acre master plan community to be developed by Verdae Development, Inc. on behalf of the Hollingsworth Fund. The Verdae tract was left by John D. Hollingsworth, a Greenville industrialist, to the board of the not-for-profit Hollingsworth Fund to arrange for its development as a master plan community and to distribute all profits to Greenville charities.

Credit Highlights

- Corporate guaranty
- Personal guaranty
- \$4.8 million letter of credit

CCRC - Entrance Fee

Myrtle Beach, SC



Project Overview

<i>Investment amount</i>	\$51.2 million
<i>Funded to date</i>	\$19.4 million
<i>Lot size (acres)</i>	50.0
<i>Square feet</i>	194,363

Unit Mix

	Qty
<i>Cottages</i>	108
<i>Independent living units</i>	96
<i>Assisted living units</i>	24
<i>Dementia care units</i>	-
<i>Nursing beds</i>	24
<i>Total beds/units</i>	252
<i>Investment per bed/unit</i>	\$202,976

Room Size

	Qty	Average Square Feet
<i>Studio</i>	49	313
<i>1-bedroom</i>	60	883
<i>2-bedroom</i>	35	1,239
<i>Cottages</i>	108	2,420
<i>Other</i>	-	-
<i>Total/average</i>	252	1,480

<i>Estimated completion</i>	4/2009
<i>Absorption period</i>	24 months
<i>Estimated stabilization date</i>	4/2011

Project Amenities & Special Features

The campus will include the full range of services from independent living cottages to skilled nursing. Amenities include two clubhouses and a wellness center on the 50-acre site, including professional landscaping. The property will be the premier provider in the local market with a good location, quality building design, superior amenities, competitive rates and strong management.

Credit Highlights

- Master lease with two stable, one development and five unstabilized properties
- Corporate guaranty
- \$9.0 million security account

CCRC - Entrance Fee

Kenwood, OH



Project Overview

<i>Investment amount</i>	\$111.4 million
<i>Funded to date</i>	\$27.8 million
<i>Lot size (acres)</i>	21.5
<i>Square feet</i>	431,649

Unit Mix

	Qty
<i>Cottages</i>	24
<i>Independent living units</i>	215
<i>Assisted living units</i>	25
<i>Dementia care units</i>	12
<i>Nursing beds</i>	12
<i>Total beds/units</i>	288
<i>Investment per bed/unit</i>	\$386,723

Room Size

Room Size	Qty	Average Square Feet
<i>Studio</i>	-	-
<i>1-bedroom</i>	84	755
<i>2-bedroom</i>	131	1,192
<i>Cottages</i>	24	1,672
<i>Other*</i>	49	1,687
<i>Total/average</i>	288	1,189

* three-bedroom units and penthouses

<i>Estimated completion</i>	1/2010
<i>Absorption period</i>	32 months
<i>Estimated stabilization date</i>	9/2012

Project Amenities & Special Features

The entrance fee CCRC will feature over 107,500 square feet of common area space and amenities. Concierge and valet services, a business center and a bank will be located near the primary independent living reception area. Dining amenities include private dining rooms, bar & grille, deli and bakery. The health care wing will include a pool and fitness area, salon, medical offices, massage therapy room, library, and a 1,600-square foot theater/media room.

Credit Highlights

- Master lease with one unstabilized property
- Corporate guaranty

CCRC - Rental

6

Rental continuing care retirement communities (CCRCs) include multiple service types within the same campus, usually a combination of independent living, assisted living and/or dementia care and include skilled nursing. No entrance fees are required for any independent living units.

- One project with a total committed balance of \$30 million
- HCN has extensive development experience with senior housing, including an in-house development team (Development Services Group) to oversee predevelopment and construction
- Proven underwriting and asset management protocols minimize risk
- Experienced operator with the ability to expand the relationship
- Part of a Master Lease with corporate and personal guaranties

CCRC - Rental

Aurora, CO



Project Overview

<i>Investment amount</i>	\$29.6 million
<i>Funded to date</i>	\$27.5 million
<i>Lot size (acres)</i>	12.0
<i>Square feet</i>	209,652

<i>Unit Mix</i>	<i>Qty</i>
<i>Cottages</i>	-
<i>Independent living units</i>	105
<i>Assisted living units</i>	73
<i>Dementia care units</i>	-
<i>Nursing beds</i>	-
<i>Total beds/units</i>	178
<i>Investment per bed/unit</i>	\$166,409

<i>Room Size</i>	<i>Qty</i>	<i>Average Square Feet</i>
<i>Studio</i>	70	447
<i>1-bedroom</i>	72	624
<i>2-bedroom</i>	36	904
<i>Cottages</i>	-	-
<i>Other</i>	-	-
<i>Total/average</i>	178	611

<i>Estimated completion</i>	9/2008
<i>Absorption period</i>	21 months
<i>Estimated stabilization date</i>	6/2010

Project Amenities & Special Features

The project includes the acquisition of a 94-bed skilled nursing facility and the expansion of that facility by 72 beds (already completed), the development of a 105-unit independent living facility, and the development of a 73-unit assisted living facility. The independent and assisted living facilities will be attached to one another and will be adjacent to the nursing facility. The project will feature an exercise room, beauty shop, library, outdoor courtyards, activity room, arts and crafts room, lounges, ice cream parlor, chapel, theater, and wellness center.

Credit Highlights

- Master lease with three unstabilized properties and one development project
- Corporate guaranty
- Personal guaranty

Combination - Entrance Fee

8

Entrance fee combination communities are similar to CCRCs in offering multiple service types, but do not include a skilled nursing component.

- Three projects with a total committed balance of \$132 million
- HCN has extensive development experience with senior housing, including an in-house development team (Development Services Group) to oversee predevelopment and construction
- Proven underwriting and asset management protocols minimize risk
- Experienced operators with the ability to expand the relationship
- Most development facilities are part of Master Leases, and are structured with corporate and/or personal guaranties

Combination - Entrance Fee

Worcester, MA



Project Overview

<i>Investment amount</i>	\$61.9 million
<i>Funded to date</i>	\$19.9 million
<i>Lot size (acres)</i>	22.0
<i>Square feet</i>	347,168

Unit Mix

	Qty
<i>Cottages</i>	40
<i>Independent living units</i>	150
<i>Assisted living units</i>	28
<i>Dementia care units</i>	-
<i>Nursing beds</i>	-
<i>Total beds/units</i>	218
<i>Investment per bed/unit</i>	\$284,060

Room Size

	Qty	Average Square Feet
<i>Studio</i>	28	560
<i>1-bedroom</i>	62	808
<i>2-bedroom</i>	88	1,026
<i>Cottages</i>	40	2,235
<i>Other</i>	-	-
<i>Total/average</i>	218	1,126

<i>Estimated completion</i>	8/2009
<i>Absorption period</i>	22 months
<i>Estimated stabilization date</i>	6/2011

Project Amenities & Special Features

The project includes a variety of residential choices, from 150 one- and two-bedroom apartment homes to 40 two-bedroom cottages in addition to assisted living units. Each home is spacious and well appointed with a fully equipped, modern kitchen, washer and dryer, climate control, walk-in closet, wall-to-wall carpeting and available upgrade options. Residents have the opportunity to be as active as they choose, with amenities including formal and informal dining venues, an indoor swimming pool, fitness center, art studio and woodworking shop, a library, a full-time recreation and entertainment coordinator and convenient access to several parks, as well as the dining, shopping and cultural activities within Worcester. The project also includes interior and exterior maintenance, spa and massage therapy, hair salon and barbershop, housekeeping and transportation, on-site banking, a convenience store, high-speed Internet access, 24-hour security, and some underground parking. The cottages also include private garages.

Credit Highlights

- Master lease with second property expected to close August, 2008
- Corporate guaranty
- \$3.1 million letter of credit

Combination - Entrance Fee

Denver, CO



Project Overview

<i>Investment amount</i>	\$14.8 million
<i>Funded to date</i>	\$3.9 million
<i>Lot size (acres)</i>	7.3
<i>Square feet</i>	63,910

Unit Mix

	Qty
<i>Cottages</i>	41
<i>Independent living units</i>	-
<i>Assisted living units</i>	-
<i>Dementia care units</i>	-
<i>Nursing beds</i>	-
<i>Total beds/units</i>	41
<i>Investment per bed/unit</i>	\$360,976

Room Size

	Qty	Average Square Feet
<i>Studio</i>	-	-
<i>1-bedroom</i>	-	-
<i>2-bedroom</i>	-	-
<i>Cottages</i>	41	1,436
<i>Other</i>	-	-
<i>Total/average</i>	41	1,436

<i>Estimated completion</i>	6/2009
<i>Absorption period</i>	12 months
<i>Estimated stabilization date</i>	6/2010

Project Amenities & Special Features

The project is an addition of 41 independent living cottages and a clubhouse to an existing, stabilized independent and assisted living facility with 195 units in Aurora, Colorado, that is owned by Health Care REIT, Inc. The cottages range in size from 1,375 to 1,670 square feet and include a garage, a patio, two bathrooms, floor and window coverings, individual climate control, a fully equipped kitchen, dishwasher, microwave, washer and dryer, and cable TV and internet hook ups. The 5,000-square foot clubhouse consists of an indoor/outdoor swimming pool, jacuzzi, sun deck, fitness center, bistro, theater, billiards room, dining room and barbecue deck.

Credit Highlights

- Master lease with one stabilized property
- Corporate guaranty
- Personal guaranties
- \$667,000 letter of credit securing the master lease

Combination - Entrance Fee

Melbourne, FL



Project Overview

<i>Investment amount</i>	\$55.6 million
<i>Funded to date</i>	\$23.0 million
<i>Lot size (acres)</i>	26.0
<i>Square feet</i>	200,880

Unit Mix

	Qty
<i>Cottages</i>	121
<i>Independent living units</i>	96
<i>Assisted living units</i>	24
<i>Dementia care units</i>	24
<i>Nursing beds</i>	-
<i>Total beds/units</i>	265
<i>Investment per bed/unit</i>	\$209,623

Room Size

	Qty	Average Square Feet
<i>Studio</i>	48	310
<i>1-bedroom</i>	35	848
<i>2-bedroom</i>	61	1,227
<i>Cottages</i>	121	2,079
<i>Other</i>	-	-
<i>Total/average</i>	265	1,431

<i>Estimated completion</i>	12/2009
<i>Absorption period</i>	24 months
<i>Estimated stabilization date</i>	12/2011

Project Amenities & Special Features

The project will be constructed on a 26-acre parcel with stone, brick, vinyl siding, stucco, metal roofs, slab foundation, and concrete and steel frame. The professionally landscaped campus will feature two clubhouses and a wellness center. The primary market area for this project is particularly strong, with population growth rates, elderly concentration, median household income and a median housing value that exceed both the county and state averages. The market currently has no independent living units, no CCRCs and only two assisted living properties in close proximity to the project.

Credit Highlights

- Master lease with two stable, one development, and five unstabilized properties
- Corporate guaranty
- \$9.0 million security account

Combination - Rental

12

Senior housing combination properties include multiple service types within the same campus, usually a combination of independent living, assisted living and/or dementia care. Some combinations could also include skilled nursing. No entrance fees are required.

- 13 projects with a total committed balance of \$283 million
- HCN has extensive development experience with senior housing, including an in-house development team (Development Services Group) to oversee predevelopment and construction
- Proven underwriting and asset management protocols minimize risk
- Quality regional operators
- Most development facilities are part of Master Leases, and are structured with corporate and/or personal guarantees

Combination - Rental

Kent, WA



Project Overview

<i>Investment amount</i>	\$9.6 million
<i>Funded to date</i>	\$2.2 million
<i>Lot size (acres)</i>	0.9
<i>Square feet</i>	29,432

<i>Unit Mix</i>	<i>Qty</i>
<i>Cottages</i>	-
<i>Independent living units</i>	-
<i>Assisted living units</i>	-
<i>Dementia care units</i>	30
<i>Nursing beds</i>	-
<i>Total beds/units</i>	30
<i>Investment per bed/unit</i>	\$320,000

<i>Room Size</i>	<i>Qty</i>	<i>Average Square Feet</i>
<i>Studio</i>	30	348
<i>1-bedroom</i>	-	-
<i>2-bedroom</i>	-	-
<i>Cottages</i>	-	-
<i>Other</i>	-	-
<i>Total/average</i>	30	348

<i>Estimated completion</i>	4/2009
<i>Absorption period</i>	24 months
<i>Estimated stabilization date</i>	4/2011

Project Amenities & Special Features

The project includes an assisted living facility that is complete with 89 units, an independent living facility with 30 units that is also complete, and a 30-unit/60-bed Alzheimer's care building currently under construction. The assisted living facility features a large lounge/lobby, main dining room with a private dining room for residents' families, a kitchen, library, and television and community space. Resident rooms are located on either side of a central hallway on the upper two floors. Rooms are mostly one-bedroom with some two-bedroom units. The independent living building is located on the southern portion of the site facing the assisted living building. The entrance is followed by a lobby/reception area, dining room, game room and library. The resident units are located on either side of four connecting hallways on the upper two floors and consist of one-bedroom and two-bedroom units with high end finishes and private kitchens. The Alzheimer's care facility will feature community space and studio units with bathrooms and a privacy wall.

Credit Highlights

- Master lease with one stable and three unstabilized facilities
- Corporate guaranty
- Personal guaranties
- \$2.4 million in letters of credit securing the master lease

Combination - Rental

Sparks, NV



Project Overview

<i>Investment amount</i>	\$50.8 million
<i>Funded to date</i>	\$14.3 million
<i>Lot size (acres)</i>	7.0
<i>Square feet</i>	235,120

<i>Unit Mix</i>	<i>Qty</i>
<i>Cottages</i>	-
<i>Independent living units</i>	120
<i>Assisted living units</i>	96
<i>Dementia care units</i>	15
<i>Nursing beds</i>	-
<i>Total beds/units</i>	231
<i>Investment per bed/unit</i>	\$219,697

<i>Room Size</i>	<i>Qty</i>	<i>Average Square Feet</i>
<i>Studio</i>	42	470
<i>1-bedroom</i>	145	696
<i>2-bedroom</i>	44	992
<i>Cottages</i>	-	-
<i>Other</i>	-	-
<i>Total/average</i>	231	711

<i>Estimated completion</i>	10/2009
<i>Absorption period</i>	27 months
<i>Estimated stabilization date</i>	1/2012

Project Amenities & Special Features

The facility will be three stories with two covered entrances. Each entrance will be followed by a lobby, library and community room. Other community amenities located centrally on the first floor include a bistro, beauty salon, exercise room, billiards room, activities room and a computer/business center. Located on the western side of the facility will be the independent living dining room, kitchen and separate assisted living dining room. Each dining room will be adjacent to a private dining room for residents' families. Two enclosed courtyards (one dedicated to Alzheimer's care residents) will be located centrally while other courtyards will surround the dining rooms. The residents will be located on either side of nine connecting hallways. The independent living and assisted living units are larger than those currently available in the market and consist mostly of one and two-bedroom units with high-end finishes. The Alzheimer's care wing will be on the first floor and will be a secured unit. In addition to resident units on the second and third floor, there will be laundry rooms, resident storage, sitting rooms, TV/game rooms and a wellness center. A swimming pool will be located on the western side of the facility.

Credit Highlights

- Master lease with one stable and three unstabilized facilities
- Corporate guaranty
- Personal guaranties
- \$2.4 million in letters of credit securing the master lease

Combination - Rental

Oshkosh, WI



Project Overview

<i>Investment amount</i>	\$24.2 million
<i>Funded to date</i>	\$12.4 million
<i>Lot size (acres)</i>	6.4
<i>Square feet</i>	240,000

Unit Mix

	Qty
<i>Cottages</i>	-
<i>Independent living units</i>	111
<i>Assisted living units</i>	27
<i>Dementia care units</i>	-
<i>Nursing beds</i>	-
<i>Total beds/units</i>	138
<i>Investment per bed/unit</i>	\$175,560

Room Size

	Qty	Average Square Feet
<i>Studio</i>	5	517
<i>1-bedroom</i>	94	658
<i>2-bedroom</i>	39	931
<i>Cottages</i>	-	-
<i>Other</i>	-	-
<i>Total/average</i>	138	730

<i>Estimated completion</i>	10/2008
<i>Absorption period</i>	24 months
<i>Estimated stabilization date</i>	10/2010

Project Amenities & Special Features

The facility is an existing five-story former hospital. The building is located on Lake Winnebago overlooking the lake and the city's largest park. The majority of the original structure was built in the early 1900s and is reinforced concrete with a brick exterior. The contractor will bring the interior of the facility down to the concrete columns and studs then redevelop 111 independent living apartments and 27 assisted living units. In addition, a connected parking structure will be redeveloped to include 80 indoor parking spaces along with the 120 outdoor parking spaces. Amenities will include a spa, salon, doctor's offices, café, exercise center and living/dining room facilities. The project will also have sprinklers, alarmed exit doors, emergency call systems and will be wheelchair accessible throughout. All resident rooms will have views of the lake. The grounds will be professionally landscaped.

Credit Highlights

- Master lease with three unstabilized properties and one development project
- Corporate guaranty
- Personal guaranties
- \$1.4 million in letters of credit securing the master lease

Combination - Rental

Crystal Lake, IL



Project Overview

<i>Investment amount</i>	\$8.2 million
<i>Funded to date</i>	\$6.7 million
<i>Lot size (acres)</i>	3.0
<i>Square feet</i>	34,142

Unit Mix

	Qty
<i>Cottages</i>	-
<i>Independent living units</i>	-
<i>Assisted living units</i>	42
<i>Dementia care units</i>	14
<i>Nursing beds</i>	-
<i>Total beds/units</i>	56
<i>Investment per bed/unit</i>	\$146,429

Room Size

	Qty	Average Square Feet
<i>Studio</i>	49	319
<i>1-bedroom</i>	7	357
<i>2-bedroom</i>	-	-
<i>Cottages</i>	-	-
<i>Other</i>	-	-
<i>Total/average</i>	56	324

<i>Estimated completion</i>	7/2008
<i>Absorption period</i>	24 months
<i>Estimated stabilization date</i>	7/2010

Project Amenities & Special Features

The rental facility will be single-story and provide assisted living and Alzheimer's care. The 34,142-square-foot building will be constructed on three acres with stone, brick and vinyl siding, composite shingle and wood frame. The design is a rectangular facility with a figure "8" shape and two enclosed courtyards. The primary entrance will lead to the foyer, fireside room, television room and various offices. On two corridors heading to the rear of the building are the assisted living rooms and in the rear of the building is the secured Alzheimer's wing. The resident units will have carpeting throughout with individually controlled heating and cooling units, private bathrooms with walk-in showers and emergency call systems. The exterior of the facility and interior courtyard will be professionally landscaped.

Credit Highlights

- Master lease with one stable property and two development projects
- Corporate guaranty
- Personal guaranties

Combination - Rental

Oswego, IL



Project Overview

<i>Investment amount</i>	\$9.0 million
<i>Funded to date</i>	\$6.5 million
<i>Lot size (acres)</i>	7.5
<i>Square feet</i>	34,142

Unit Mix

	Qty
<i>Cottages</i>	-
<i>Independent living units</i>	-
<i>Assisted living units</i>	42
<i>Dementia care units</i>	14
<i>Nursing beds</i>	-
<i>Total beds/units</i>	56
<i>Investment per bed/unit</i>	\$160,268

Room Size

	Qty	Average Square Feet
<i>Studio</i>	49	319
<i>1-bedroom</i>	7	357
<i>2-bedroom</i>	-	-
<i>Cottages</i>	-	-
<i>Other</i>	-	-
<i>Total/average</i>	56	324

<i>Estimated completion</i>	7/2008
<i>Absorption period</i>	24 months
<i>Estimated stabilization date</i>	7/2010

Project Amenities & Special Features

The rental facility will be single-story and provide assisted living and dementia care services. The 34,142-square-foot building will be constructed with vinyl siding and a stone and brick veneer, composite shingles, rectangular slab foundation and a wood frame. The design is rectangular with a figure "8" shape and two enclosed courtyards. The primary entrance will lead to the foyer, fireside room, television room and various offices. The assisted living rooms are along the two corridors heading to the rear of the building and at the end of these corridors is the secured Alzheimer's wing. The resident units will have wall-to-wall carpeting, window treatments, individually controlled heating and cooling units, private bathrooms with walk-in showers and emergency call systems. The exterior of the facility and interior courtyard will be professionally landscaped.

Credit Highlights

- Master lease with one stable property and two development projects
- Personal guaranties and corporate guaranty

Combination - Rental

St. Charles, IL



Project Overview

<i>Investment amount</i>	\$17.7 million
<i>Funded to date</i>	\$5.3 million
<i>Lot size (acres)</i>	3.0
<i>Square feet</i>	61,571

Unit Mix

	Qty
<i>Cottages</i>	-
<i>Independent living units</i>	-
<i>Assisted living units</i>	64
<i>Dementia care units</i>	12
<i>Nursing beds</i>	-
<i>Total beds/units</i>	76
<i>Investment per bed/unit</i>	\$232,895

Room Size

	Qty	Average Square Feet
<i>Studio</i>	55	376
<i>1-bedroom</i>	18	394
<i>2-bedroom</i>	3	426
<i>Cottages</i>	-	-
<i>Other</i>	-	-
<i>Total/average</i>	76	382

<i>Estimated completion</i>	3/2009
<i>Absorption period</i>	30 months
<i>Estimated stabilization date</i>	9/2011

Project Amenities & Special Features

The rental facility will have three stories and include assisted living and dementia care services. The 61,571-square-foot structure will be built on a three acre parcel with a concrete slab foundation, steel frame, cultured stone veneer siding, vinyl shutters and a composite shingle roof. The design is a 'V' shape. The main entrance will lead into a lobby with a living room and lounge. The first floor will contain 21 resident units, a bistro, main dining room and kitchen. Resident rooms will be located along the two wings on each floor. The second floor will have 31 units and the third floor will have 24 units. Additional common rooms will be located centrally on the second and third floors and include an activities room, a library, seating areas and a television room. The exterior of the facility will be professionally landscaped.

Credit Highlights

- Master lease with one stable property and two development projects
- Personal guaranties and corporate guaranty

Combination - Rental

Harleysville, PA



Project Overview

<i>Investment amount</i>	\$12.2 million
<i>Funded to date</i>	\$3.4 million
<i>Lot size (acres)</i>	4.0
<i>Square feet</i>	74,808

Unit Mix

	Qty
<i>Cottages</i>	-
<i>Independent living units</i>	-
<i>Assisted living units</i>	50
<i>Dementia care units</i>	19
<i>Nursing beds</i>	-
<i>Total beds/units</i>	69
<i>Investment per bed/unit</i>	\$176,812

Room Size

	Qty	Average Square Feet
<i>Studio</i>	31	348
<i>1-bedroom</i>	38	500
<i>2-bedroom</i>	-	-
<i>Cottages</i>	-	-
<i>Other</i>	-	-
<i>Total/average</i>	69	432

<i>Estimated completion</i>	3/2009
<i>Absorption period</i>	19 months
<i>Estimated stabilization date</i>	10/2010

Project Amenities & Special Features

The two-story building will be built on a concrete slab foundation and include 74,808 square feet. The rates and service offering will be comparable to other properties in the market, but with a superior physical plant. The target consumers are middle-income residents in the Harleysville area. The project will be somewhat unique, in that most of the assisted living services in the market are currently part of entrance fee communities. The property will be fully sprinklered with common areas, a commercial kitchen and various activity rooms. The project is also located next to an existing independent living facility operated by the tenant, which will be a natural referral source.

Credit Highlights

- Corporate guaranty
- Personal guaranties
- 5% letter of credit

Combination - Rental

Ocala, FL



Project Overview

<i>Investment amount</i>	\$12.0 million
<i>Funded to date</i>	\$2.2 million
<i>Lot size (acres)</i>	3.1
<i>Square feet</i>	65,978

<i>Unit Mix</i>	<i>Qty</i>
<i>Cottages</i>	-
<i>Independent living units</i>	-
<i>Assisted living units</i>	70
<i>Dementia care units</i>	14
<i>Nursing beds</i>	-
<i>Total beds/units</i>	84
<i>Investment per bed/unit</i>	\$142,857

<i>Room Size</i>	<i>Qty</i>	<i>Average Square Feet</i>
<i>Studio</i>	14	307
<i>1-bedroom</i>	70	523
<i>2-bedroom</i>	-	-
<i>Cottages</i>	-	-
<i>Other</i>	-	-
<i>Total/average</i>	84	487

<i>Estimated completion</i>	7/2009
<i>Absorption period</i>	23 months
<i>Estimated stabilization date</i>	6/2011

Project Amenities & Special Features

Amenities include a grand atrium with sidewalk café, theatre, resident dining room, group activity room, private dining room, library, game room, sitting areas, outdoor courtyard and a garden.

Credit Highlights

- Personal guaranties
- Corporate guaranty

Combination - Rental

Oklahoma City, OK



Project Overview

<i>Investment amount</i>	\$8.4 million
<i>Funded to date</i>	\$2.2 million
<i>Lot size (acres)</i>	4.3
<i>Square feet</i>	50,675

Unit Mix

	Qty
<i>Cottages</i>	-
<i>Independent living units</i>	-
<i>Assisted living units</i>	51
<i>Dementia care units</i>	15
<i>Nursing beds</i>	-
<i>Total beds/units</i>	66
<i>Investment per bed/unit</i>	\$127,379

Room Size

	Qty	Average Square Feet
<i>Studio</i>	15	309
<i>1-bedroom</i>	51	472
<i>2-bedroom</i>	-	-
<i>Cottages</i>	-	-
<i>Other</i>	-	-
<i>Total/average</i>	66	435

<i>Estimated completion</i>	12/2008
<i>Absorption period</i>	13 months
<i>Estimated stabilization date</i>	1/2010

Project Amenities & Special Features

This facility will be a one-story building offering both assisted living and dementia care services. The facility will be rectangular with eight-foot hallways, alarmed exit doors, emergency call systems and will be wheelchair accessible throughout. The dementia care unit will be located to the left of the main entrance and will be fully secured. The dementia care unit will offer a dedicated dining room, living room, TV lounge area and activity room. The resident rooms surround an interior courtyard. Each room will offer a private bath and kitchenette (dementia care units will not have a kitchenette).

Credit Highlights

- Master lease with one stable and one unstabilized property

Combination - Rental

Davenport, IA



Project Overview

<i>Investment amount</i>	\$36.2 million
<i>Funded to date</i>	\$16.4 million
<i>Lot size (acres)</i>	23.0
<i>Square feet</i>	305,964

Unit Mix

	Qty
<i>Cottages</i>	-
<i>Independent living units</i>	62
<i>Assisted living units</i>	135
<i>Dementia care units</i>	40
<i>Nursing beds</i>	-
<i>Total beds/units</i>	237
<i>Investment per bed/unit</i>	\$152,743

Room Size

	Qty	Average Square Feet
<i>Studio</i>	55	264
<i>1-bedroom</i>	144	532
<i>2-bedroom</i>	38	828
<i>Cottages</i>	-	-
<i>Other</i>	-	-
<i>Total/average</i>	237	517

<i>Estimated completion</i>	6/2009
<i>Absorption period</i>	48 months
<i>Estimated stabilization date</i>	6/2013

Project Amenities & Special Features

The rental campus will consist of a total of 237 units with 135 assisted living units, 62 independent living units and 40 dementia care units built on 23 acres of land. The project will open in phases with the dementia care units expected to open in February 2009 and the assisted living and independent living buildings in May/June 2009. The buildings will have studio, one-bedroom and two-bedroom apartments with the majority being one-bedroom units. The campus will be the premier facility in the market with the best location, amenities and large units. The three buildings will have a total of over 300,000 square feet of floor space. Resident units will have private bathrooms with shower, kitchenette, individually controlled heating and cooling units, and an emergency response system. The project will contain 59 underground parking spaces for the independent living residents.

Credit Highlights

- Master lease with four unstabilized properties and one development project
- Corporate guaranty
- Personal guaranties
- \$5.3 million letter of credit securing the master lease

Combination - Rental

McHenry, IL



Project Overview

<i>Investment amount</i>	\$6.5 million
<i>Funded to date</i>	\$3.0 million
<i>Lot size (acres)</i>	2.2
<i>Square feet</i>	23,000

Unit Mix

	Qty
<i>Cottages</i>	-
<i>Independent living units</i>	-
<i>Assisted living units</i>	-
<i>Dementia care units</i>	40
<i>Nursing beds</i>	-
<i>Total beds/units</i>	40
<i>Investment per bed/unit</i>	\$162,500

Room Size

	Qty	Average Square Feet
<i>Studio</i>	40	235
<i>1-bedroom</i>	-	-
<i>2-bedroom</i>	-	-
<i>Cottages</i>	-	-
<i>Other</i>	-	-
<i>Total/average</i>	40	235

<i>Estimated completion</i>	9/2008
<i>Absorption period</i>	12 months
<i>Estimated stabilization date</i>	9/2009

Project Amenities & Special Features

The facility will be a 40-unit 23,000-square-foot dementia care facility located adjacent to the existing, unstabilized assisted and independent living facility with 114 units that Health Care REIT, Inc. also owns and is operated by the same entity. The facility will be the premier memory care facility in the primary market area and will be a great complement to the assisted and independent living building.

Credit Highlights

- Master lease with three unstabilized properties and two development projects
- Corporate guaranty
- Personal guaranties
- \$5.3 million letter of credit securing the master lease

Combination - Rental

Romeoville, IL



Project Overview

<i>Investment amount</i>	\$70.0 million
<i>Funded to date</i>	\$21.1 million
<i>Lot size (acres)</i>	29.0
<i>Square feet</i>	360,430

<i>Unit Mix</i>	<i>Qty</i>
<i>Cottages</i>	-
<i>Independent living units</i>	121
<i>Assisted living units</i>	150
<i>Dementia care units</i>	76
<i>Nursing beds</i>	-
<i>Total beds/units</i>	347
<i>Investment per bed/unit</i>	\$201,729

<i>Room Size</i>	<i>Qty</i>	<i>Average Square Feet</i>
<i>Studio</i>	96	324
<i>1-bedroom</i>	182	672
<i>2-bedroom</i>	69	987
<i>Cottages</i>	-	-
<i>Other</i>	-	-
<i>Total/average</i>	347	759

<i>Estimated completion</i>	11/2009
<i>Absorption period</i>	53 months
<i>Estimated stabilization date</i>	4/2014

Project Amenities & Special Features

The campus will consist of a total of 347 units with 150 assisted living units, 121 independent living units and 76 memory care units built on 29 acres of land. The campus also has vacant land available for another 78-unit independent living facility and a parcel designated for a potential medical office building. The project will open in phases with the dementia care units expected to open in March 2009 and the assisted living and independent living building in November 2009. The buildings will have studio, one-bedroom and two-bedroom apartments and will be one of the premier facilities in the market with a great location, attractive amenities and large units. It is surrounded by three active adult communities. The two buildings will have a total of over 360,000 square feet of floor space. Resident units will have private bathrooms with shower, kitchenette, individually controlled heating and cooling units and an emergency response system. The project will also contain several underground parking areas.

Credit Highlights

- Master lease with four unstabilized properties and one development project
- Corporate guaranty
- Personal guaranties
- \$5.3 million letter of credit securing the master lease

Combination - Rental

Bethel Park, PA



Project Overview

<i>Investment amount</i>	\$18.0 million
<i>Funded to date</i>	\$1.7 million
<i>Lot size (acres)</i>	4.5
<i>Square feet</i>	85,737

<i>Unit Mix</i>	<i>Qty</i>
<i>Cottages</i>	-
<i>Independent living units</i>	-
<i>Assisted living units</i>	82
<i>Dementia care units</i>	14
<i>Nursing beds</i>	-
<i>Total beds/units</i>	96
<i>Investment per bed/unit</i>	\$187,500

<i>Room Size</i>	<i>Qty</i>	<i>Average Square Feet</i>
<i>Studio</i>	52	410
<i>1-bedroom</i>	42	550
<i>2-bedroom</i>	2	581
<i>Cottages</i>	-	-
<i>Other</i>	-	-
<i>Total/average</i>	96	475

<i>Estimated completion</i>	4/2009
<i>Absorption period</i>	36 months
<i>Estimated stabilization date</i>	4/2012

Project Amenities & Special Features

The facility is designed consistent with another facility operated by the tenant and owned by Health Care REIT in a nearby Pittsburgh suburb. The facility will offer a variety of floor plans, including studio and one-bedroom units, two-bedroom units and numerous community areas with media and television areas, a library, 24-hour bistro, a large community dining room, full-service beauty and barbershop, a large porch and outdoor walking area, heated spa and enclosed Alzheimer's garden and walking area. The facility will also have licensed nursing staff, social, educational and recreational programming, support groups, and educational programs for residents, families and friends.

Credit Highlights

- Master lease with two stabilized properties
- Corporate guaranty
- Personal guaranties
- \$1.2 million in letters of credit securing the master lease

Freestanding Dementia Care

26

A residential setting providing similar assistance to residents as in assisted living, but dedicated to serving residents with memory impairment including dementia or Alzheimer's disease.

- Three projects with a total committed balance of \$29 million
- HCN has extensive development experience with senior housing, including an in-house development team (Development Services Group) to oversee predevelopment and construction
- Proven underwriting and asset management protocols minimize risk
- Quality regional operators
- Most development facilities are part of Master Leases, and are structured with corporate and/or personal guarantees

Freestanding Dementia Care

Kenosha, WI



Project Overview

<i>Investment amount</i>	\$11.4 million
<i>Funded to date</i>	\$3.6 million
<i>Lot size (acres)</i>	4.2
<i>Square feet</i>	43,572

<i>Unit Mix</i>	<i>Qty</i>
<i>Cottages</i>	-
<i>Independent living units</i>	-
<i>Assisted living units</i>	-
<i>Dementia care units</i>	56
<i>Nursing beds</i>	-
<i>Total beds/units</i>	56
<i>Investment per bed/unit</i>	\$202,679

<i>Room Size</i>	<i>Qty</i>	<i>Average Square Feet</i>
<i>Studio</i>	56	411
<i>1-bedroom</i>	-	-
<i>2-bedroom</i>	-	-
<i>Cottages</i>	-	-
<i>Other</i>	-	-
<i>Total/average</i>	56	411

<i>Estimated completion</i>	4/2009
<i>Absorption period</i>	17 months
<i>Estimated stabilization date</i>	9/2010

Project Amenities & Special Features

The facility will be a single-story building dedicated to dementia care. The rectangular design includes a figure “8” shape and two enclosed courtyards. The resident units will have carpeting throughout with individually controlled heating and cooling units, private bathrooms with walk-in showers and emergency call systems. The project will feature natural light, volume ceilings and motion sensor activated lights in the bathrooms. The company believes that restrictive space leads to frustration for dementia patients, so the indoor and outdoor community plan is designed to support the resident’s freedom of movement. The entire building will be fully secured and will have a cafe, primary and private dining, an activity room, salon and administrative offices located near the main entrance.

Credit Highlights

- Master lease with three unstabilized properties and one development project
- Corporate guaranty
- Personal guaranties
- \$1.4 million in letters of credit securing the master lease

Freestanding Dementia Care

Irving, TX



Project Overview

<i>Investment amount</i>	\$7.9 million
<i>Funded to date</i>	\$6.7 million
<i>Lot size (acres)</i>	3.2
<i>Square feet</i>	32,190

<i>Unit Mix</i>	<i>Qty</i>
<i>Cottages</i>	-
<i>Independent living units</i>	-
<i>Assisted living units</i>	-
<i>Dementia care units</i>	42
<i>Nursing beds</i>	-
<i>Total beds/units</i>	42
<i>Investment per bed/unit</i>	\$186,905

<i>Room Size</i>	<i>Qty</i>	<i>Average Square Feet</i>
<i>Studio</i>	42	310
<i>1-bedroom</i>	-	-
<i>2-bedroom</i>	-	-
<i>Cottages</i>	-	-
<i>Other</i>	-	-
<i>Total/average</i>	42	310

<i>Estimated completion</i>	8/2008
<i>Absorption period</i>	19 months
<i>Estimated stabilization date</i>	3/2010

Project Amenities & Special Features

This project is the renovation of an existing one-story building with 42 dementia care units containing 80 beds. The facility is fully sprinklered, has six-foot hallways, alarmed exit doors, an emergency call system and will be wheelchair accessible throughout. The exterior and interior courtyards will be professionally landscaped. After renovations, the reconfigured facility will feature memory boxes, secured outdoor wandering paths, a playground for visiting children, an outdoor fireplace, fountain, spa and commercial laundry facilities. The building design consists of two halves of a similar layout centered around a commercial kitchen. Each half has its own spa, wellness center, dining area, common area and outdoor area. Each unit has its own bathroom.

Credit Highlights

- Master lease with one unstabilized property and one development project
- Corporate guaranty

Freestanding Dementia Care

Los Angeles, CA



Project Overview

<i>Investment amount</i>	\$9.6 million
<i>Funded to date</i>	\$2.0 million
<i>Lot size (acres)</i>	0.7
<i>Square feet</i>	59,285

<i>Unit Mix</i>	<i>Qty</i>
<i>Cottages</i>	-
<i>Independent living units</i>	-
<i>Assisted living units</i>	-
<i>Dementia care units</i>	85
<i>Nursing beds</i>	-
<i>Total beds/units</i>	85
<i>Investment per bed/unit</i>	\$112,941

<i>Room Size</i>	<i>Qty</i>	<i>Average Square Feet</i>
<i>Studio</i>	85	186
<i>1-bedroom</i>	-	-
<i>2-bedroom</i>	-	-
<i>Cottages</i>	-	-
<i>Other</i>	-	-
<i>Total/average</i>	85	186

<i>Estimated completion</i>	2/2009
<i>Absorption period</i>	36 months
<i>Estimated stabilization date</i>	2/2012

Project Amenities & Special Features

This project is the renovation of an existing three-story building with 85 dementia care units containing 150 beds. The facility is located above an underground parking garage with 65 covered spaces. The facility is fully sprinklered and has six-foot hallways, two elevators, alarmed exit doors, emergency call systems and will be wheelchair accessible throughout. The interior and exterior courtyards will be professionally landscaped. After renovations, the reconfigured facility will feature memory boxes, a commercial kitchen, commercial laundry facilities and a secured outdoor patio area. The building design includes two halves centered around a large dining area on the ground floor. Each half will contain a nursing station and common areas. A spa area will be centrally located on each floor, and each unit will have a private bathroom and shower.

Credit Highlights

- Master lease with one unstabilized property and one development project
- Corporate guaranty

Freestanding Skilled Nursing

30

Skilled nursing facilities are licensed daily rate or rental properties where the majority of the residents require 24-hour nursing and/or medical care. Generally, these properties are licensed for Medicaid and/or Medicare reimbursement.

- Two projects with a total committed balance of \$34 million
- HCN has extensive development experience with senior housing, including an in-house development team (Development Services Group) to oversee predevelopment and construction
- Proven underwriting and asset management protocols minimize risk
- Quality regional operators
- Most development facilities are part of Master Leases, and are structured with corporate and/or personal guarantees

Freestanding Skilled Nursing

Post Falls, ID



Adjacent Independent & Assisted Living Property

Project Overview

<i>Investment amount</i>	\$19.5 million
<i>Funded to date</i>	\$12.5 million
<i>Lot size (acres)</i>	7.0
<i>Square feet</i>	63,319

Unit Mix

	Qty
<i>Cottages</i>	-
<i>Independent living units</i>	-
<i>Assisted living units</i>	-
<i>Dementia care units</i>	-
<i>Nursing beds*</i>	120
<i>Total beds/units</i>	120
<i>Investment per bed/unit</i>	\$162,083

*some rooms may be double occupied

Room Size

	Qty	Average Square Feet
<i>Studio</i>	78	306
<i>1-bedroom</i>	-	-
<i>2-bedroom</i>	-	-
<i>Cottages</i>	-	-
<i>Other</i>	-	-
<i>Total/average</i>	78	306

Estimated completion 9/2008

Absorption period 20 months

Estimated stabilization date 5/2010

Project Amenities & Special Features

The building will be a fully-sprinklered, single-story facility with 78 skilled-nursing units containing a total of 120 licensed beds. The facility will be constructed on a rectangular foundation with stone, brick and vinyl siding. The interior will feature eight-foot hallways, alarmed exit doors, emergency call systems and will be fully wheelchair accessible. The exterior of the facility and interior courtyard will be professionally landscaped. The facility will be located adjacent to a combination independent and assisted living campus which is under construction and will be operated by the same entity. This combination independent and assisted living campus will serve as a natural feeder to the skilled nursing facility.

Credit Highlights

- Master lease with three unstabilized properties and one development project
- Corporate guaranty
- Personal guaranty

Freestanding Skilled Nursing

Houston, TX



Project Overview

<i>Investment amount</i>	\$14.8 million
<i>Funded to date</i>	\$5.8 million
<i>Lot size (acres)</i>	8.0
<i>Square feet</i>	69,387

Unit Mix

	Qty
<i>Cottages</i>	-
<i>Independent living units</i>	-
<i>Assisted living units</i>	-
<i>Dementia care units</i>	-
<i>Nursing beds*</i>	120
<i>Total beds/units</i>	120
<i>Investment per bed/unit</i>	\$123,292

*some rooms may be double occupied

Room Size

	Qty	Average Square Feet
<i>Studio</i>	86	317
<i>1-bedroom</i>	-	-
<i>2-bedroom</i>	-	-
<i>Cottages</i>	-	-
<i>Other</i>	-	-
<i>Total/average</i>	86	317

<i>Estimated completion</i>	1/2009
<i>Absorption period</i>	16 months
<i>Estimated stabilization date</i>	5/2010

Project Amenities & Special Features

The facility will be a 120-bed skilled nursing facility on the campus of Cypress Woods Medical Center in Houston, Texas. The campus includes eight acres for this project, plus an additional eight acres for future expansion within an 80-acre medical campus. The single story building will be approximately 69,400 square feet and will have a central courtyard. The community amenities are designed with the physical and mental frailties of the elderly in mind, including dining area, private dining room, multi-purpose room, lobby and reception area, activity/arts and craft rooms, beauty parlor, TV rooms, therapy room (the largest in the market), day rooms, laundry room, spa room and canopied entrance.

Credit Highlights

- \$500,000 escrow account for excess construction costs and working capital
- Personal guaranties
- Built on existing medical campus

Specialty Care

33

Specialty care projects are typically acute care hospitals, specialty hospitals or long-term acute care hospitals with strong health systems.

- Two projects with a total committed balance of \$232 million
- HCN has extensive hospital development experience, including an in-house development team (Development Services Group) to oversee predevelopment and construction
- Proven underwriting and asset management protocols minimize risk
- Experienced development partners
- Projects are in markets with underserved health care needs

Speciality Care

Lakeway, TX



Project Overview

<i>Investment amount</i>	\$21.7 million
<i>Funded to date</i>	\$6.4 million
<i>Lot size (acres)</i>	5.8
<i>Square feet</i>	55,321

Unit Mix

	Qty
<i>Long-term acute care beds</i>	46
<i>Investment per bed/unit</i>	\$471,087

<i>Estimated completion</i>	3/2009
<i>Absorption period</i>	18 months
<i>Estimated stabilization date</i>	9/2010

Project Amenities & Special Features

The facility is a 46-bed long-term acute care hospital with an urgent care clinic and a diagnostic imaging center. The urgent care clinic was required by the city of Lakeway due to the limited availability of health services in the market. The long-term acute care hospital will have private patient rooms with six intensive care beds, two operating rooms, hyperbaric therapy, physical therapy and dialysis services. The urgent care clinic will have exam and procedure rooms and a lab. The imaging clinic will have CT scan, MRI, x-ray, mammography, ultrasound, bone density, a lab and space for developing and viewing films. The facility must conform to Lakeway's design standards, which includes an attractive Austin stone exterior. There is also vacant land on campus which Health Care REIT, Inc. expects to develop in the future with complementary facilities such as medical offices and outpatient surgery.

Credit Highlights

- The facility is in a market with limited health care services and will be the sole provider for a large population
- Personal guaranties

Speciality Care

Murrieta, CA



Project Overview

<i>Investment amount</i>	\$210.5 million
<i>Funded to date</i>	\$27.1 million
<i>Lot size (acres)</i>	18.0
<i>Square feet</i>	245,000

<i>Unit Mix</i>	<i>Qty</i>
<i>Inpatient beds</i>	106
<i>Investment per bed/unit</i>	\$1,985,849

<i>Estimated completion</i>	1/2011
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Project Amenities & Special Features

The project is a 245,000-square-foot hospital with five stories and 106 private inpatient beds. The hospital's clinical services include an emergency room with two trauma units, four operating rooms, two catheter labs, two endoscopy suites, 12 ICU beds, five labor/delivery rooms, two cesarean section suites, pharmacy, lab and an imaging suite with MRI, CT scan and x-ray. The hospital will also have a gift shop, full service kitchen with dining area, offices, and support services. Recognizing the significant need for acute care beds in the area, the project has been designed with the expectation that it will eventually be expanded by 100 beds. The hospital has been designed with the potential for horizontal expansion, because vertical expansion is not practical or cost effective in California. A medical office building will also be built on campus that will open before the hospital.

Credit Highlights

- Capitalized with significant equity from health system and physicians
- Significant unmet market demand for acute care services
- Invested physicians drive surgical and inpatient volume for the hospital
- The health system brings credibility to the project with its respected brand-name and negotiating leverage with payers and vendors

Medical Office

36

Medical office buildings are typically affiliated with strong regional health systems and can be located on or off the hospital campus offering a variety of health care services.

- Three projects with a total committed balance of \$183 million
- HCN has extensive medical office development experience, including an in-house development team (Development Services Group) to oversee predevelopment and construction
- Proven underwriting and asset management protocols minimize risk
- Experienced development partners
- Most development facilities are 60%+ pre-leased prior to construction and may also have a significant anchor tenant or space reserved for the affiliated health system

Medical Office

Sewell, NJ



Project Overview

<i>Investment amount</i> ¹	\$70.4 million
<i>Funded to date</i>	\$11.3 million
<i>Lot size (acres)</i>	31.0
<i>Square feet</i>	225,039

<i>Estimated completion</i>	7/2009
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Project Amenities & Special Features

This health and wellness center is located 20 miles south of Philadelphia in Gloucester County, one of New Jersey's fastest growing communities. The project will be a four-story, 225,039 square-foot outpatient center anchored by a strong health system. Services will include an urgent care center, high-risk pregnancy center which offers the services of world-class maternal-fetal medicine specialists to care for women with high-risk pregnancies, and a metabolic center that provides an outpatient diabetes management program accredited by the American Diabetes Association. It will also offer physical and occupational therapy, cardiac rehabilitation, radiation oncology, diagnostic radiology, and women's breast imaging services such as mammography and ultrasounds. Visitors can exercise at the fitness center, relax with a massage at the med spa and enjoy a heart-healthy meal in the café. Many of the area's top specialists will have offices in the center and will provide services in cardiology, endocrinology, pediatrics, obstetrics and gynecology, otolaryngology, oncology, radiology and a full compliment of surgical specialties.

Credit Highlight

- Strong anchor tenant with 83% pre-leasing

Note

¹ upon rent commencement, the tenants will repay \$14 million in tenant improvement costs reducing the project investment amount to \$56.4 million

Medical Office

Covington, KY



Project Overview

<i>Investment amount</i>	\$28.9 million
<i>Funded to date</i>	\$5.4 million
<i>Lot size (acres)</i>	10.6
<i>Square feet</i>	112,638

<i>Estimated completion</i>	7/2009
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Project Amenities & Special Features

The Covington Medical Arts Facility will be a three-story, 112,638 square-foot medical office building anchored by a strong health system with a total development budget of \$28.9 million. The project will consist of emergency and outpatient services, physician clinics and physician offices. The first floor will be purchased and occupied at completion by the health system. The health system holds more than half the market share in its primary market area. The second and third floors will be owned by Health Care REIT, Inc. Ninety-seven percent of the second and third floors is expected to be leased upon completion. In total, 58% of the rentable square feet of the building is currently committed.

Credit Highlights

- Strong project sponsor/anchor tenant
- Developer's extensive marketing and leasing experience

Medical Office

Phoenix, AZ



Project Overview

<i>Investment amount</i>	\$83.6 million
<i>Funded to date</i>	\$11.6 million
<i>Lot size (acres)</i>	2.6
<i>Square feet</i>	234,221

<i>Estimated completion</i>	12/2010
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Project Amenities & Special Features

The development will be a six-story, 234,221 square-foot specialty medical office building and is expected to serve a diverse group of tenants including medical office space (163,921 square feet), space dedicated to biotechnology/biosciences (54,640 square feet) and retail (15,660 square feet). The project will have total development costs of \$83.6 million. It is located across the street from a 30-acre area known as the Phoenix Biomedical Campus at Copper Square and the global headquarters of the Translational Genomics Research Institute. Health Care REIT, Inc. and its partner, through a 75%/25% joint venture, have funded the cost to buy and assemble the land and secure the necessary project entitlements. Health Care REIT, Inc. is not obligated to fund construction until the project achieves 60% pre-leasing. In addition, the city of Phoenix has agreed to provide incentives to support the development.

Credit Highlights

- Experienced developer with significant local market knowledge
- No funding commitment (beyond the land and limited predevelopment costs) by Health Care REIT, Inc. until achievement of 60% pre-leasing
- Partner is funding 25% of land costs and predevelopment costs prior to achieving the pre-leasing threshold
- City of Phoenix support for the project

*Thank you for your interest in Health Care REIT, Inc.
We look forward to working with you.*

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