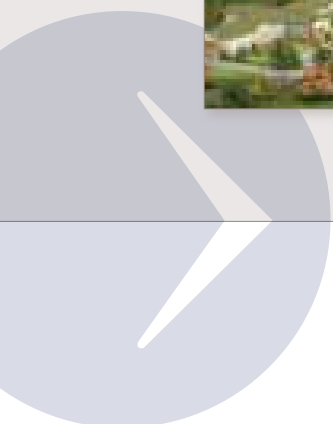
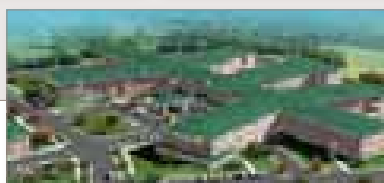
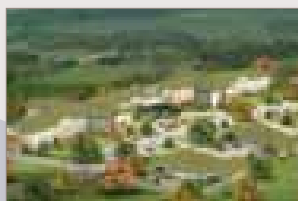
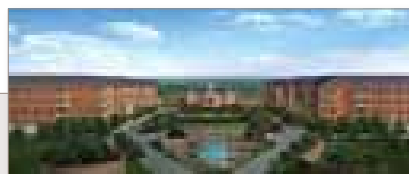


CONSTRUCTION PORTFOLIO | 4Q08

HEALTHCARE  REIT



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CCRC - Entrance Fee

5

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 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>	\$78.9 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 conversion</i>	4Q09
<i>Absorption period</i>	22 months
<i>Estimated stabilization date</i>	4Q11

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 mixed-use, master-planned 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>	\$40.0 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 conversion</i>	3Q09
<i>Absorption period</i>	24 months
<i>Estimated stabilization date</i>	3Q11

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 one stable, two development and six unstabilized properties
- Corporate guaranty
- \$11.0 million security account

CCRC - Entrance Fee

Kenwood, OH



Project Overview

<i>Investment amount</i>	\$111.4 million
<i>Funded to date</i>	\$49.1 million
<i>Lot size (acres)</i>	21.5
<i>Square feet</i>	511,240

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 conversion</i>	2Q10
<i>Absorption period</i>	32 months
<i>Estimated stabilization date</i>	1Q13

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

9

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 skilled nursing. No entrance fees are required.

- One project with a total committed balance of \$4 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

CCRC - Rental

Columbia, SC



Project Overview

<i>Investment amount</i>	\$3.6 million
<i>Funded to date</i>	\$0.2 million
<i>Lot size (acres)</i>	0.25
<i>Square feet</i>	18,990

Unit Mix

	Qty
<i>Cottages</i>	-
<i>Independent living units</i>	-
<i>Assisted living units</i>	-
<i>Dementia care units</i>	-
<i>Nursing units*</i>	24
<i>Total beds/units</i>	24
<i>Investment per bed/unit</i>	\$150,000

* will be operated as a 32-bed facility

Room Size

	Qty	Average Square Feet
<i>Studio</i>	24	336
<i>1-bedroom</i>	-	-
<i>2-bedroom</i>	-	-
<i>Cottages</i>	-	-
<i>Other</i>	-	-
<i>Total/average</i>	24	336

<i>Estimated conversion</i>	4Q09
<i>Absorption period</i>	10 months
<i>Estimated stabilization date</i>	4Q10

Project Amenities & Special Features

Currently, the existing CCRC consists of 87 independent living cottages, 60 independent living apartments, 40 assisted living units, eight dementia care units, and a 32 bed skilled nursing facility. The 24-unit skilled nursing expansion will be connected to the existing skilled nursing facility via an enclosed walkway. The one-story expansion will be constructed on a rectangular foundation with concrete block and masonry exterior walls. The interior will feature alarmed exit doors, an emergency call system, and will be fully wheelchair accessible. The exterior of the facility will be professionally landscaped. The on-site independent and assisted living units will act as a natural referral source for the expansion.

Credit Highlights

- Expansion of a stabilized property
- Corporate guaranty
- Personal guaranty

Combination - Entrance Fee

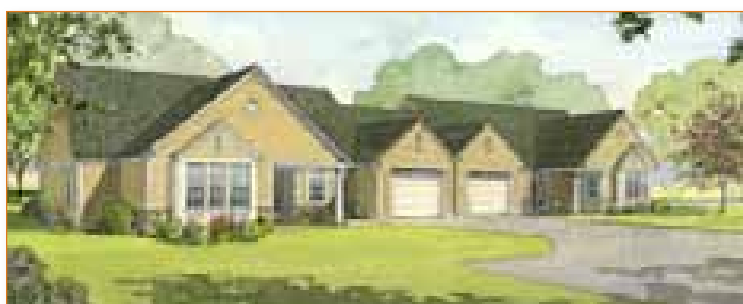
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Entrance fee combination communities are similar to CCRCs in offering multiple service types, but do not include a skilled nursing component.

- Four projects with a total committed balance of \$188 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>	\$38.6 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>	151
<i>Assisted living units</i>	28
<i>Dementia care units</i>	-
<i>Nursing beds</i>	-
<i>Total beds/units</i>	219
<i>Investment per bed/unit</i>	\$282,763

Room Size

	Qty	Average Square Feet
<i>Studio</i>	28	560
<i>1-bedroom</i>	63	808
<i>2-bedroom</i>	88	1,026
<i>Cottages</i>	40	2,235
<i>Other</i>	-	-
<i>Total/average</i>	219	1,126

<i>Estimated conversion</i>	1Q10
<i>Absorption period</i>	22 months
<i>Estimated stabilization date</i>	1Q12

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 one unstabilized property
- Corporate guaranty
- \$3.7 million letter of credit

Combination - Entrance Fee

Denver, CO



Project Overview

<i>Investment amount</i>	\$14.8 million
<i>Funded to date</i>	\$10.2 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 conversion</i>	2Q09
<i>Absorption period</i>	12 months
<i>Estimated stabilization date</i>	2Q10

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. The two- and three-bedroom 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>	\$41.1 million
<i>Lot size (acres)</i>	26.0
<i>Square feet</i>	200,880

<i>Unit Mix</i>	<i>Qty</i>
<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

<i>Room Size</i>	<i>Qty</i>	<i>Average Square Feet</i>
<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 conversion</i>	4Q09
<i>Absorption period</i>	24 months
<i>Estimated stabilization date</i>	4Q11

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 one stable, two development, and six unstabilized properties
- Corporate guaranty
- \$11.0 million security account

Combination - Entrance Fee

Port St. Lucie, FL



Project Overview

<i>Investment amount</i>	\$56.2 million
<i>Funded to date</i>	\$17.0 million
<i>Lot size (acres)</i>	30.0
<i>Square feet</i>	208,986

Unit Mix

	Qty
<i>Cottages</i>	70
<i>Independent living units</i>	96
<i>Assisted living units</i>	24
<i>Dementia care units</i>	24
<i>Nursing beds</i>	0
<i>Total beds/units</i>	214
<i>Investment per bed/unit</i>	\$262,617

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>	70	2,420
<i>Other</i>	-	-
<i>Total/average</i>	214	1,314

<i>Estimated conversion</i>	1Q10
<i>Absorption period</i>	24 months
<i>Estimated stabilization date</i>	1Q12

Project Amenities & Special Features

The fully built-out campus (phases I & II) will include the full range of services from independent living cottages to skilled nursing. Construction for 70 cottages is being tracked separately under an expansion project. Amenities include two clubhouses and a wellness center on the professionally landscaped 30-acre site. The property is part of a mixed-use, master-planned community containing residential, commercial, and retail properties. 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. The property has the advantage of being the only CCRC in the market. The secondary competition consists of standalone independent and assisted living facilities, which do not offer the same continuum of care as the property. Market occupancy is 95%, suggesting strong demand for senior housing in the community.

Credit Highlights

- Master lease with one stable, two development and six unstabilized properties
- Corporate guaranty
- \$11.0 million security account



Combination - Rental

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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.

- 14 projects with a total committed balance of \$312 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>	\$5.3 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 conversion</i>	2Q09
<i>Absorption period</i>	24 months
<i>Estimated stabilization date</i>	2Q11

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 two stable, one unstabilized and one development property
- 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>	\$32.7 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 conversion</i>	4Q09
<i>Absorption period</i>	27 months
<i>Estimated stabilization date</i>	1Q12

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

Combination - Rental

Waukesha, WI



Project Overview

<i>Investment amount</i>	\$18.0 million
<i>Funded to date</i>	\$3.4 million
<i>Lot size (acres)</i>	3.8
<i>Square feet</i>	64,496

<i>Unit Mix</i>	<i>Qty</i>
<i>Cottages</i>	-
<i>Independent living units</i>	-
<i>Assisted living units</i>	29
<i>Dementia care units</i>	58
<i>Nursing beds</i>	-
<i>Total beds/units</i>	87
<i>Investment per bed/unit</i>	\$206,897

<i>Room Size</i>	<i>Qty</i>	<i>Average Square Feet</i>
<i>Studio</i>	63	237
<i>1-bedroom</i>	24	310
<i>2-bedroom</i>	-	-
<i>Cottages</i>	-	-
<i>Other</i>	-	-
<i>Total/average</i>	87	257

<i>Estimated conversion</i>	1Q10
<i>Absorption period</i>	25 months
<i>Estimated stabilization date</i>	2Q12

Project Amenities & Special Features

The facility will be a single-story building dedicated to dementia care. The building will have three rectangular wings. Each wing intersects to create a large, central area that houses the dining rooms, the laundry room, the salon, and other common areas. Each wing has a central courtyard designed to provide each unit with maximum natural light and to provide outdoor walking areas in each 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 project will feature natural light, volume ceilings and motion-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. Other amenities include a café, various activity rooms, and administrative offices located near the main entrance.

Credit Highlights

- Master lease
- Corporate guaranty
- Personal guaranties
- \$1.5 million letter of credit securing the master lease

Combination - Rental

St. Charles, IL



Project Overview

<i>Investment amount</i>	\$16.7 million
<i>Funded to date</i>	\$10.4 million
<i>Lot size (acres)</i>	3.0
<i>Square feet</i>	61,571

<i>Unit Mix</i>	<i>Qty</i>
<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>	\$219,302

<i>Room Size</i>	<i>Qty</i>	<i>Average Square Feet</i>
<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 conversion</i>	2Q09
<i>Absorption period</i>	30 months
<i>Estimated stabilization date</i>	4Q11

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 grounds will be professionally landscaped.

Credit Highlights

- Master lease with one stable and two unstabilized properties
- Corporate guaranty
- Personal guaranties

Combination - Rental

Ocala, FL



Project Overview

<i>Investment amount</i>	\$12.0 million
<i>Funded to date</i>	\$5.0 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 conversion</i>	3Q09
<i>Absorption period</i>	23 months
<i>Estimated stabilization date</i>	2Q11

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

- Master lease with two development properties
- Corporate guaranty
- Personal guaranties

Combination - Rental

Venice, FL



Project Overview

<i>Investment amount</i>	\$11.9 million
<i>Funded to date</i>	\$2.4 million
<i>Lot size (acres)</i>	3.0
<i>Square feet</i>	65,978

Unit Mix

	Qty
<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>	\$141,667

Room Size	Qty	Average Square Feet
<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 conversion</i>	4Q09
<i>Absorption period</i>	20 months
<i>Estimated stabilization date</i>	3Q11

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

- Master lease with two development properties
- Corporate guaranty
- Personal guaranties

Combination - Rental

Palm Coast, FL



Project Overview

<i>Investment amount</i>	\$11.9 million
<i>Funded to date</i>	\$1.7 million
<i>Lot size (acres)</i>	3.1
<i>Square feet</i>	65,978

Unit Mix

	Qty
<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>	\$141,667

Room Size

	Qty	Average Square Feet
<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 conversion</i>	1Q10
<i>Absorption period</i>	20 months
<i>Estimated stabilization date</i>	4Q11

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

- Master lease with two development facilities
- Corporate guaranty
- Personal guaranties

Combination - Rental

Harleysville, PA



Project Overview

<i>Investment amount</i>	\$12.2 million
<i>Funded to date</i>	\$7.4 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 conversion</i>	2Q09
<i>Absorption period</i>	19 months
<i>Estimated stabilization date</i>	1Q11

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 rental independent living facility operated by the tenant, which will be a natural referral source.

Credit Highlights

- Corporate guaranty
- Personal guaranties
- \$0.6 million letter of credit

Combination - Rental

Oklahoma City, OK



Project Overview

<i>Investment amount</i>	\$8.4 million
<i>Funded to date</i>	\$4.9 million
<i>Lot size (acres)</i>	4.3
<i>Square feet</i>	50,675

<i>Unit Mix</i>	<i>Qty</i>
<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

<i>Room Size</i>	<i>Qty</i>	<i>Average Square Feet</i>
<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 conversion</i>	1Q09
<i>Absorption period</i>	13 months
<i>Estimated stabilization date</i>	2Q10

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
- Corporate guaranty
- Personal guaranty

Combination - Rental Expansion

Troy, OH



Project Overview

<i>Investment amount</i>	\$4.3 million
<i>Funded to date</i>	\$0.3 million
<i>Lot size (acres)</i>	0.5
<i>Square feet</i>	17,616

Unit Mix

	Qty
<i>Cottages</i>	-
<i>Independent living units</i>	-
<i>Assisted living units</i>	-
<i>Dementia care units</i>	22
<i>Nursing beds</i>	-
<i>Total beds/units</i>	22
<i>Investment per bed/unit</i>	\$195,455

Room Size

	Qty	Average Square Feet
<i>Studio</i>	22	288
<i>1-bedroom</i>	-	-
<i>2-bedroom</i>	-	-
<i>Cottages</i>	-	-
<i>Other</i>	-	-
<i>Total/average</i>	22	288

<i>Estimated conversion</i>	4Q09
<i>Absorption period</i>	11 months
<i>Estimated stabilization date</i>	4Q10

Project Amenities & Special Features

The facility will be the only dementia care facility in the local market, filling a great need for dementia and Alzheimer's services for seniors. Currently, the existing building consists of 37 assisted living units. The 22-unit dementia care expansion will be connected to the existing AL building via an enclosed walkway. The one-story expansion will be constructed on a rectangular foundation with concrete block and cement and vinyl siding. The interior will feature alarmed exit doors, an emergency call system, and will be fully wheelchair accessible. The grounds will be professionally landscaped. The on-site assisted living units will act as a natural referral source for the expansion.

Credit Highlights

- Master lease with 44 properties
- Cross default protection with a portfolio of 83 stable, one unstabilized and one development property
- Corporate guaranty

Combination - Rental

Davenport, IA



Project Overview

<i>Investment amount</i>	\$36.2 million
<i>Funded to date</i>	\$24.3 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 conversion</i>	4Q09
<i>Absorption period</i>	48 months
<i>Estimated stabilization date</i>	4Q13

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 first. 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 facility.

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

Romeoville, IL



Project Overview

<i>Investment amount</i>	\$70.0 million
<i>Funded to date</i>	\$40.7 million
<i>Lot size (acres)</i>	29.0
<i>Square feet</i>	360,430

Unit Mix

	Qty
<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

Room Size

	Qty	Average Square Feet
<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 conversion</i>	2Q10
<i>Absorption period</i>	53 months
<i>Estimated stabilization date</i>	4Q14

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 first. 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 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 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>	\$10.5 million
<i>Lot size (acres)</i>	4.5
<i>Square feet</i>	92,325

<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 conversion</i>	2Q09
<i>Absorption period</i>	36 months
<i>Estimated stabilization date</i>	2Q12

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

Combination - Rental

Overland Park, KS



Project Overview

<i>Investment amount</i>	\$31.9 million
<i>Funded to date</i>	\$13.1 million
<i>Lot size (acres)</i>	13.3
<i>Square feet</i>	125,957

Unit Mix

	Qty
<i>Cottages</i>	-
<i>Independent living units</i>	-
<i>Assisted living units</i>	40
<i>Dementia care units</i>	40
<i>Nursing beds</i>	100
<i>Total beds/units</i>	180
<i>Investment per bed/unit</i>	\$177,222

Room Size

	Qty	Average Square Feet
<i>Studio</i>	132	329
<i>1-bedroom</i>	36	499
<i>2-bedroom</i>	-	-
<i>Cottages</i>	-	-
<i>Other</i>	-	-
<i>Total/average</i>	168	365

<i>Estimated conversion</i>	2Q10
<i>Absorption period</i>	24 months
<i>Estimated stabilization date</i>	2Q12

Project Amenities & Special Features

The 168-unit rental campus will include an 88-unit (100-bed) skilled nursing building, a 40-unit assisted living building and a 40-unit dementia care building. The skilled nursing building will be positioned between the memory care and assisted living buildings, connected to each by a nine-foot-wide, enclosed hallway. It will include a spa room, two formal dining areas, outdoor dining areas, theater, conference room, salon and other activity and social rooms. The memory care building will have two kitchenettes in each wing located next to a dining room. It will include a bank, nature room, parlor, salon, wellness room, rehab room and other social areas. The assisted living building will include two stories with a partial basement for physical therapy and resident storage. The assisted living building will have similar amenities as the memory care building with a few additional social and activity rooms which include a sunroom, a crafts room, a large theater and a "Wine Cellar" room.

Credit Highlights

- Master lease with one unstabilized property
- Cross default protection with a master lease and multiple stable properties
- Corporate guaranty



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Freestanding Dementia Care

33

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 \$27 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>	\$9.6 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 conversion</i>	1Q09
<i>Absorption period</i>	17 months
<i>Estimated stabilization date</i>	3Q10

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 café, primary and private dining, an activity room, salon and administrative offices located near the main entrance.

Credit Highlights

- Master lease with two stable, two unstablized and one development property
- Corporate guaranty
- Personal guaranties
- \$1.4 million in letters of credit securing the master lease

Freestanding Dementia Care

Los Angeles, CA



Project Overview

<i>Investment amount</i>	\$9.6 million
<i>Funded to date</i>	\$4.0 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>	88
<i>Nursing beds</i>	-
<i>Total beds/units</i>	88
<i>Investment per bed/unit</i>	\$109,091

<i>Room Size</i>	<i>Qty</i>	<i>Average Square Feet</i>
<i>Studio</i>	88	186
<i>1-bedroom</i>	-	-
<i>2-bedroom</i>	-	-
<i>Cottages</i>	-	-
<i>Other</i>	-	-
<i>Total/average</i>	88	186

<i>Estimated conversion</i>	4Q09
<i>Absorption period</i>	36 months
<i>Estimated stabilization date</i>	4Q12

Project Amenities & Special Features

This project is the renovation of an existing three-story building with 88 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 two unstabilized properties
- Cross default protection with a portfolio of eight properties (stable TTM coverate after management fee of 2.04x)
- Corporate guaranty

Freestanding Dementia Care

Azusa, CA



Project Overview

<i>Investment amount</i>	\$6.0 million
<i>Funded to date</i>	\$0.4 million
<i>Lot size (acres)</i>	2.14
<i>Square feet</i>	13,928

Unit Mix

	Qty
<i>Cottages</i>	-
<i>Independent living units</i>	-
<i>Assisted living units</i>	-
<i>Dementia care units</i>	17
<i>Nursing beds</i>	-
<i>Total beds/units</i>	17
<i>Investment per bed/unit</i>	352,941

Room Size

	Qty	Average Square Feet
<i>Studio</i>	17	305
<i>1-bedroom</i>	-	-
<i>2-bedroom</i>	-	-
<i>Cottages</i>	-	-
<i>Other</i>	-	-
<i>Total/average</i>	17	305

<i>Estimated conversion</i>	1Q10
<i>Absorption period</i>	10 months
<i>Estimated stabilization date</i>	3Q10

Project Amenities & Special Features

The expansion is a two-story building that will contain 34 dementia care beds. The facility will be connected to the existing 53-bed facility. The facility will be fully sprinklered and has one elevator, alarmed exit doors, emergency call systems and will be wheelchair accessible throughout. The exterior courtyards will be professionally landscaped. The expansion will feature memory boxes, kitchen and secured outdoor walking paths. The building design includes rooms centered around common areas on each floor. Each floor will contain a nursing station. Each unit will have a private bathroom and shower.

Credit Highlights

- Master lease with three stabilized properties
- Cross default protection with a portfolio of eight properties (stable TTM coverage after management fee of 2.04x)
- Corporate guaranty
- \$0.3 million letter of credit securing the master lease

Freestanding Skilled Nursing

37

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.

- One project with a total committed balance of \$15 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

Houston, TX



Project Overview

<i>Investment amount</i>	\$14.8 million
<i>Funded to date</i>	\$9.0 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 conversion</i>	2Q09
<i>Absorption period</i>	16 months
<i>Estimated stabilization date</i>	4Q10

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

39

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

- Three projects with a total committed balance of \$341 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

Specialty Care

Bellevue, NE



Project Overview

<i>Investment amount</i>	\$108.5 million
<i>Funded to date</i>	\$28.1 million
<i>Lot size (acres)</i>	20.0
<i>Square feet</i>	250,000

<i>Unit Mix</i>	<i>Qty</i>
<i>Inpatient beds</i>	60
<i>Investment per bed/unit</i>	\$1,807,598

<i>Estimated conversion</i>	3Q10
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Project Amenities & Special Features

The project is a 250,000-square-foot hospital with five stories and 60 private inpatient beds with shell space for 36 additional inpatient beds, and has been designed to meet the growing need for primary care in the market. The hospital's clinical services will include 10 intensive care beds, an emergency department with two trauma bays and two triage units, six operating rooms, one cesarean section suite, four procedure rooms, physical therapy department, lab, dialysis, pharmacy, and a full imaging suite with CT, MRI, ultrasound, X-ray, and mammography. The hospital has also been designed to accommodate an additional two floors of vertical expansion providing an additional 72 inpatient beds. Attached to the hospital will be a 60,000-square-foot medical office building that will provide office space for practicing physicians and complement the hospital's operations.

Credit Highlights

- Capitalized with \$10.0 million of equity
- Significant unmet market demand for acute care services
- Invested physicians drive surgical and inpatient volume for the hospital
- Nebraska Medical Center brings credibility to the project with its respected brand-name
- \$20.1M letter of credit to be funded upon commencement of tenancy

Specialty Care

Lakeway, TX



Project Overview

<i>Investment amount</i>	\$21.8 million
<i>Funded to date</i>	\$10.8 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>	\$472,826

<i>Estimated conversion</i>	2Q10
<i>Absorption period</i>	18 months
<i>Estimated stabilization date</i>	4Q11

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 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

Specialty Care

Murrieta, CA



Project Overview

<i>Investment amount</i>	\$210.5 million
<i>Funded to date</i>	\$36.7 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 conversion</i>	1Q11
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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

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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.

- Four projects with a total committed balance of \$209 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

Covington, KY



Project Overview

<i>Investment amount</i>	\$29.2 million
<i>Funded to date</i>	\$15.1 million
<i>Lot size (acres)</i>	10.6
<i>Square feet</i>	112,638

<i>Estimated conversion</i>	3Q09
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Project Amenities & Special Features

The medical office will be a three-story, 112,638-square-foot 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. 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

Sewell, NJ



Project Overview

<i>Investment amount</i> ¹	\$70.4 million
<i>Funded to date</i>	\$24.8 million
<i>Lot size (acres)</i>	31.0
<i>Square feet</i>	225,039

<i>Estimated conversion</i>	3Q09
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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 ultrasound. 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 86.5% 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

Stafford, VA



Project Overview

<i>Investment amount</i>	\$18.8 million
<i>Funded to date</i>	\$3.6 million
<i>Lot size (acres)</i>	0.6
<i>Square feet</i>	56,775

<i>Estimated conversion</i>	1Q10
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Project Amenities & Special Features

The medical office will be a three-story, 59,730-gross-square-foot building with a total development budget of \$18.8 million. It will be the only medical office building on the campus of a 125-bed general acute care hospital scheduled to open in March, 2009. The medical office building will be connected to the hospital via an enclosed, climate-controlled connector and will include a cancer treatment center, lab, and medical and hospital offices.

Credit Highlights

- 76% pre-leasing to investment grade anchor tenant
- Attached to hospital operated by locally dominant health system in a CON state

Medical Office

Midwest Region

Project Overview

<i>Investment amount</i>	\$90.6 million
<i>Funded to date</i>	\$53.3 million

Estimated conversion 1Q10

Credit Highlight

- Strong tenant with 100% pre-leasing

Additional information withheld at request of client.



Thank you for your interest in Health Care REIT, Inc.

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