

Term Sheet

Healthcare Acquisition or Refinance Loan

Acquisition or refinance of existing assisted living, memory care, and intermediate or skilled nursing facilities. Properties may also have a percentage of independent living units.

Eligible Properties

The facility must have been completed or substantially rehabilitated for at least 3 years prior to the date of the application. Projects with additions completed less than 3 years previous are eligible as long as the addition was not larger than the original project size and number of beds.

Eligible Borrowers

Single-asset entity; for-profit or non-profit owners.

Loan Term

Up to 35 years fully amortizing.

Maximum Loan Amount

Loan amount for the refinance or purchase of existing properties is the lesser of:

- a) 80% (85% non-profit) of market value;
- b) a mortgage amount supported by a DSC of 1.45x; or
- c) 100% of the transaction cost for a refinance and 85% of the transaction cost for a purchase transaction. Recognizable transaction costs include all eligible debt or acquisition price, property repairs, initial replacement reserves, third-party reports, along with all closing costs including HUD and lender fees.

Recourse Requirements

Non-recourse, except industry-standard carve-outs.

Escrows

Tax, insurance, replacement reserves and mortgage insurance premium escrows are required.

Third-Party Reports

Appraisal, Property Capital Needs Assessment and Phase I Environmental Assessment are required.

Interest Rates

Based on market and are set upon acceptance of Firm Commitment and fixed for the entire term of the loan. Early rate locks are available.

Prepayment Provisions

Negotiable, but typically locked for 1-2 years, with declining penalties through year 10. The loan is fully assumable subject to HUD approval.

Mortgage Insurance Premium

1.00% for first loan year and 0.65% annually thereafter.

To learn more about SunTrust Commercial Real Estate, visit suntrustcre.com.

This term sheet is only for the purpose of setting forth standard required terms of a HUD-insured loan for informational purposes and a basis upon which the parties may be agreeable to proceed toward a potential transaction and is not intended to be a legally binding contract or to impose any liabilities or obligations on any party. The terms reflected in this term sheet are subject to change or withdrawal at any time in SunTrust Bank's sole discretion (due to market conditions or otherwise) and do not constitute a binding offer to enter into a transaction. Finalized terms and conditions are subject to further discussion and negotiation and would be evidenced by execution of definitive documentation acceptable to the parties, and it is understood that this term sheet does not set forth all of the terms of such definitive documentation. Standard credit criteria apply.