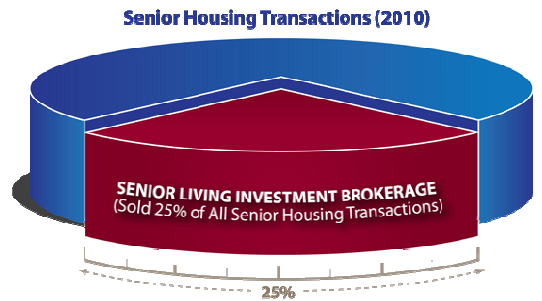


INDUSTRY LEADER IN THE SENIOR HOUSING REAL ESTATE MARKET

Senior Living Investment Brokerage is a full-service brokerage company dedicated to providing our clients unparalleled service while achieving their investment objectives. From its genesis in 1997, we have built our organization on a solid foundation of performance, integrity, and commitment to successfully represent clients in the confidential sale of their facilities. Our company has followed certain core beliefs to become one of the top providers of long-term care and seniors housing brokerage services – arguably the largest firm solely dedicated to the industry. In these uncertain economic times, our experience, marketing structure and vast network has allowed Senior Living Investment Brokerage, Inc. to successfully complete more transactions than any other firm in the seniors housing sector.



SAMPLE OF FACILITIES SOLD IN 2011:



- | | |
|-----------------------|---|
| Oregon | - 49 Unit Memory Care Facility |
| Missouri | - 96 Bed Skilled Nursing Facility |
| Illinois | - 60 Bed Intermediate Care Facility |
| Iowa | - 75 Bed Skilled Nursing Facility |
| Nevada | - 152 Unit Independent & Assisted Living Facility |
| Indiana | - 177 Bed Skilled Nursing Facility |
| South Carolina | - 96 Bed Skilled Nursing Facility |
| Kansas | - 114 Bed Continuing Care Retirement Community |
| Texas | - 154 Bed Skilled Nursing Facility |
| Illinois | - 231 Bed Skilled Nursing Facility |
| South Carolina | - 117 Unit Assisted Living Portfolio |
| South Dakota | - 104 Unit Assisted Living Portfolio |
| Florida | - 120 Unit Assisted Living Facility |
| Louisiana | - 77 Unit Assisted Living Facility |

SELECT TRANSACTIONS

The Fountains of Crystal Lake – Crystal Lake, Illinois

In February 2011, Senior Living Investment Brokerage, Inc. facilitated the sale of a 97 bed Skilled Nursing facility located in Crystal Lake, Illinois. Situated in the northeast region of the state, Crystal Lake is approximately 55 miles northwest of Chicago. Constructed in 1989, the one story building is comprised of approximately 33,870 square feet and sits on 3.97 acres. At the time of the sale, occupancy was 75%. The Buyer is a regional provider of long-term care services based in the Chicago MSA. In this instance, the acuity level was not an operational fit, and a performing, high-quality asset became available for a well respected local provider. Our vast network of national buyers made Senior Living Investment Brokerage, Inc. the ideal choice for this national client.



Good Neighbor Care Center of Eugene – Eugene, Oregon

In March 2011, Senior Living Investment Brokerage, Inc. facilitated the sale of a 49 Unit / 75 Bed Memory Care Community located in Eugene, Oregon. Situated in the southwest region of the state, fifty miles east of the Oregon coast, Eugene is the second largest city in the state. Constructed in 2000, the campus consists of five residential buildings and one administrative building all of which feature a one-story, wood frame construction. Combined, the buildings encompass approximately 69,184 square feet and sit on 3.5 acres. At the time of the sale, occupancy was near 100%. The Buyer is a regional provider of senior housing services based in the Seattle MSA. The sale of Good Neighbor Care of Eugene was truly a team effort, and the pricing would not have been made possible without the incredible operating performance over the last several years under the management of Good Neighbor Care. The disposition was a strategic one for the Seller allowing them to access capital for other corporate needs. This is another example of our confidential, client-focused, marketing process reaping significant dividends for our clients.



Loma Linda Health Care – Moberly, Missouri

In May 2011, Senior Living Investment Brokerage, Inc. facilitated the sale of a 96 Bed Skilled Nursing Facility located in Moberly, Missouri. Situated in the north-central region of the state in Randolph County, Moberly is approximately 130 miles northwest of St. Louis. Constructed in 1987 with an addition in 1992, the one story facility encompasses approximately 27,922 square feet and sits on 4 acres. At the time of the sale, occupancy was near 90%. The Buyer is a regional provider of senior housing services based in the St. Louis MSA. Senior Living worked with this client for nearly seven years to position the facility at its peak value prior to marketing.



Grand Court Las Vegas – Las Vegas, Nevada

In June 2011, Senior Living Investment Brokerage, Inc. facilitated the sale of a 152 unit Independent and Assisted Living Community located in Las Vegas, Nevada. Constructed in 1986, the three-story facility consists of 83 independent living units and 69 assisted living units. Grand Court Las Vegas encompasses approximately 82,461 square feet and sits on 6.5 acres. At the time of the sale, occupancy was near 88%. The Buyer is a national provider who will use this purchase as their entry into Nevada.



SUMMER 2011 INDUSTRY NOTES

Capitalization Rates – SLIB Projections

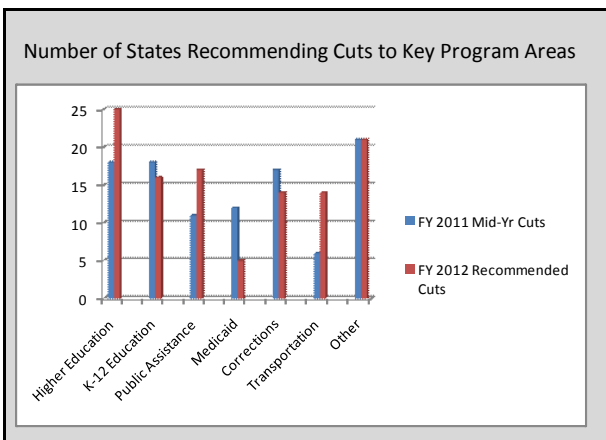
Regarding cap rate forecasting, we project that the assisted living sector has the best chance of prolonged stability. It is need driven, generally not exposed to the reimbursement volatility of Medicaid and Medicare, and, right now, is experiencing the most demand within the seniors housing market. Whereas, in the independent living sector, the prolonged recovery of the housing market and soft overall occupancy has, in most cases, hindered pricing and increased cap rates. Finally, we are in a precarious spot regarding the SNF sector as we wait for the final determination from CMS regarding potential Medicare reimbursement reductions for FY 2012, as well as the likelihood for widespread decreases in state Medicaid reimbursement rates. This uncertainty has put downward pressure on pricing for SNFs and, conversely, increased cap rates for properties with exposure to these two likely events.

“Overall Senior Housing Capitalization Rates have been positively impacted by the aggressive acquisition spree of the sector’s REITs. Most experts believe there is more to come - Jay Flaherty, CEO at HCP, predicts \$4 billion of additional transactions by health care REITs before year’s end” (source: Jane Adler. “M&A Wave Continues: Brookdale Agrees to Purchase Horizon Bay for \$47 Million.” National Real Estate Investor 27 June 2011: <www.nreionline.com>)

Facts to Know – Interesting Discussion Points for the Sector

Discussion Point - Acquisitions of Seniors Housing & Long-Term Care properties have exceeded all other property types with \$24 billion in transactions closed or under contract so far in 2011.

Response – The transaction activity so far in 2011 and the accompanying publicity continues to solidify the sector’s growing prominence in commercial real estate. Long overlooked as a primary player alongside retail, industrial, multi-family and commercial real estate, the strong fundamentals, supportive demographics, and progressive industry leadership are helping to make room for seniors housing alongside these other areas.



Discussion Point – According to *The Fiscal Survey of States, Spring 2011*, states using “targeted” cuts are expected to look to areas other than Medicaid for fiscal relief in FY 2012.

Response – As seen in the adjacent table Medicaid falls behind many other areas regarding the use of targeted cuts anticipated for FY 2012. However, this survey does not include the approximate 18 states looking to employ “across the board” cuts to satisfy monetary needs. The ability to garner Federal matching funds through the Medicaid program provides a key defensive tool for those fighting to avoid cuts to the program.

13 TRANSACTIONS IN 30 DAYS

"While the number of transactions closed is an achievement we are proud of, the geographic diversity shown in these closings provides further evidence of our national coverage,"
Jeff Binder, Managing Director, Senior Living Investment Brokerage, Inc.

The month of May and into early June culminated a very busy 30 days for Senior Living Investment Brokerage, Inc. Over the course of a one-month period, Senior Living brokered the sale of 17 senior living properties in 13 separate transactions with a total value exceeding \$71,500,000. The seven skilled nursing centers and 10 retirement communities located in 10 states have accommodations for over 1,400 residents.



"Your professionalism, market knowledge and contacts helped generate an aggressive sales price. I look forward to working with you in the future."

"Because of your knowledgeable team, we sold our property faster than we expected and the entire transaction was confidential."

"I believe the successful sale was due in large part to your contacts in and knowledge of the long-term care industry, your organizational skills and your active participation during the sales process."

Our relationships are based on exceeding client expectations. We do that by:

- Tracking the latest trends and developments that impact the acquisitions market
- Consistently interacting with active, qualified buyers and sellers that are ready to commit
- Confidentially managing all aspects of the transaction -- negotiations, due diligence, financing and closing.

For more details on our entire range of services, contact Jeff Binder at (314) 961-0070 or binder@seniorlivingbrokerage.com.

SENIOR LIVING
INVESTMENT BROKERAGE, INC.

337 WEST LOCKWOOD, ST. LOUIS, MO 63119
314.961.0070
WWW.SENIORLIVINGBROKERAGE.COM