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November 8, 2013

VIA FEDERAL EXPRESS

Courtney R. Avery
Administrator
Illinois Health Facilities Planning Board
525 West Jefferson Street
Springfield IL 62761

Re: Notice of Alteration:
St. Paul's Home, Project 13-003

Dear Ms. Avery,

In accordance with the requirements of 77 Ill. Admin. Code 1130.750 on behalf of St. Paul's Home as it relates to Project 13-003 we hereby submit notice to the Illinois Health Facilities and Services Review Board ("HFSRB" or the "Board") of a proposed alteration.

This is a notice of alteration St. Paul's is extremely happy to submit to the Board. Based upon alternative funding that recently became available, St. Paul's will be able to **reduce the cost of the project by $2,353,196** (from $31,612,469 to 29,259,300). These savings are entirely related to a reduction in financing costs and not a change in construction plans or other costs. The underlying project remains unchanged.

St. Paul's Home took the certification it executed under Section 1120.140(b)(1) seriously. St. Paul's Home committed to selecting the form of debt financing for the project which would be at the lowest net cost available. St. Paul's Home has continued working with Stifel Nicolaus & Company prior and subsequent to the CON process to ensure fulfilling this obligation. Accordingly, St. Paul's Home was very pleased when the opportunity to utilize private, rather than HUD financing, became available and would result in a **reduction of cost of over $2.3 million**.

Attached is the commitment letter issued by First Bank. Should any further information be necessary, please advise. We look forward to verification that everything is in order and remain aware of our obligation to keep the Board apprised regarding the progress of the project.

Should there be any questions or concerns regarding this notice of alteration please contact me at (312) 499-6713 or, regarding the overall project, Christopher Wiltse, at (314) 726-0111.

Best regards,

Mark J. Silberman

Enclosure

Cc: Christopher Wiltse
Susan Franklin
Diane Meatheany

Member FDIC

September 26, 2013

St. Paul's Home
1021 W E Street
Belleville, Illinois 62220

Re: Commitment Letter

Ladies and Gentlemen:

In connection with that certain $29,259,300 project consisting of construction and renovation of your facility in Belleville, IL and the repayment of certain debt and the establishment of a line of credit (the "Project"), St. Paul's Home ("Borrower") has requested senior loans totalling $22,100,000 (the "Facilities"). The Facilities would consist of a $21,600,000 Construction Loan and a $500,000 Line of Credit.

We are pleased to act as the Administrative Agent ("Agent") under the Construction Loan and to confirm our financing commitment to Borrower under the Construction Loan in the amount of $17,600,000 ("First Bank Commitment"), and a $500,000 line of credit all on the terms and subject to the conditions set forth in this Commitment Letter and in the summary term sheet (the "Term Sheet") attached hereto as Schedule A, and further subject to the terms and conditions set forth in Schedules B and C attached hereto and made a part hereof by this reference (collectively, this "Commitment Letter" or "Letter" or "Commitment").

We are also pleased to act as the arranger with respect to the offer and sale of the remainder of the Construction Loan commitment and are pleased to provide you with our best efforts undertaking to syndicate such portion of the Construction Loan to such banks or other financial institutions (collectively and including First Bank, "Lenders") subject to the terms of the paragraph entitled Syndication Management in the Term Sheet. Our commitment hereunder is limited as set forth in that paragraph.

You agree that portions of the Closing Fee and the Arrangement Fee that are due upon acceptance of the Commitment Letter are fully earned and due and owing as of your acceptance of this Letter, and shall be paid concurrently with your execution of this Letter.

You hereby irrevocably agree to: (a) reimburse Agent and Lenders for all reasonable out-of-pocket costs and expenses (including, without limitation, the reasonable fees and expenses of outside counsel and reasonable time charges for inside counsel) incurred in connection with this Commitment Letter, including, without limitation, reasonable travel expenses and costs incurred in connection with the preparation, negotiation, execution, administration, syndication or enforcement of any document relating to the syndication or our role hereunder (provided that the Agent's out of pocket costs for preparation of and negotiation of this Commitment Letter shall not exceed $5,000); and (b) defend, indemnify and hold harmless Agent and each Lender and its respective shareholders, subsidiaries, directors, officers, employees and agents (collectively the "Indemnified Persons") from and against any and all losses, liabilities, claims, suits, settlements, demands, damages, costs or expenses or every kind or nature whatsoever to which any of the Indemnified Persons may become subject in connection in any way with the syndication, including, without limitation, reasonable expenses incurred in connection with defending any liability or action as a party thereto, except to the extent any of the foregoing is found in a final

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judgement of a court of competent jurisdiction to have arisen solely from such Indemnified Person's intentional act.

Your obligations described in the immediately foregoing paragraphs are independent of all of your other obligations under the Commitment and under the Loan Documents (defined below), shall survive the expiration, revocation or termination of the Commitment and shall be payable whether or not the financing transactions contemplated by the Commitment shall close. Our obligations under the Commitment are enforceable solely by you and may not be assigned to or relied upon by any other person or entity. For purposes of enforcing any of your obligations under the immediately foregoing paragraph, you hereby irrevocably submit to the non-exclusive jurisdiction of any Federal or State court sitting in the State of Missouri in which a claim arising out of or relating to the services provided under the Commitment is properly brought by us or any of the Lenders, and you hereby irrevocably waive any objection as to venue or inconvenient forum. IF THE COMMITMENT, OR ANY ACT, OMISSION OR EVENT DESCRIBED IN THIS OR THE IMMEDIATELY FOREGOING PARAGRAPH BECOMES THE SUBJECT OF A DISPUTE, THE PARTIES HERETO EACH HEREBY WAIVE TRIAL BY JURY. You agree not to settle any claim, litigation or proceeding relating to the syndication (to the extent that we, Agent or any Lender is a party thereto) unless such settlement releases all Indemnified Persons from any and all liability in respect of such syndication.

Our undertakings in respect to the Commitment are subject to the following conditions precedent: (a) the preparation, execution and delivery of a mutually acceptable loan agreement, and other related documents (collectively, the "Loan Documents") including, without limitation, those set forth in Schedule C, incorporating, without limitation, substantially the terms and the conditions outlined in this Commitment Letter and in the Term Sheet. The Loan Documentation shall contain conditions precedent, representations and warranties, covenants, events of default and other terms and conditions, consistent with the terms hereof and of the Term Sheet, as shall be satisfactory to Agent, Lenders and Agent's and Lender's counsel and deemed appropriate by Agent in its sole discretion for a transaction of the type contemplated herein; (b) our determination that: (i) there has been no material adverse change in the assets, liabilities, business condition (financial or otherwise), operations, performance or prospects of you since June 30, 2013, and (ii) a bank other than First Bank and satisfactory to Agent commits to funding its portion of the Construction Loan; and (c) satisfaction of each of the conditions precedent set forth in the Commitment. Our commitment is subject to the results of our and our counsel's customary due diligence conducted subsequent to the Borrower's acceptance of this Commitment being in all respects satisfactory to us and our counsel. Such due diligence shall include, without limitation, Lender's and its counsel's due diligence with respect to the Borrower, status of title to all property securing the Loan, licenses and permits, and all applicable matters in respect to surveys, sale contracts, leases, construction issues, and environmental issues, including without limitation, the matters set forth in Schedule C. Without limiting the generality of the above, Lender's obligations under this Commitment are subject to (i) all laws, regulations and regulatory decisions to which Lender, and the Loan, may be subject (ii) the approval by Lender and Lender's counsel of all documentation and other legal matters related to the transaction, and (iii) all of the terms and conditions contained herein and in the Term Sheet.

Please indicate your acceptance of the Commitment in the space indicated below and return a fully-executed counterpart of this Commitment Letter to us. The Commitment and our undertaking under and in respect of the Commitment will expire at 5:00 p.m. (Central Time) on September 30, 2013, unless on or prior to such time we shall have received a counterpart of this Commitment Letter executed by you. Notwithstanding timely acceptance of the Commitment pursuant to the preceding sentence, the Commitment will automatically terminate unless definitive Loan Documents are executed and delivered to us at or before 5:00 p.m. (Central time) on November 19, 2013.

By accepting the Commitment, you hereby authorize us, at our sole expense but without any prior approval by you the following the consummation of the syndication, to publish such tombstones and give such other publicity to the Facility as we may from time to time determine in our sole discretion, including without limitation, signage at the property.

By accepting the Commitment, you hereby agree that you will not disclose either expressly or covertly, without our consent, to any person or entity any of the terms of the Commitment, or the fact that the Commitment or the financing proposal represented thereby exists, except that you may disclose any of the foregoing to any or your Board members, employees, financial advisors (other than a commercial lender) or attorneys to whom, in each case, it is necessary to disclose such information so long as any such Board member, employee, financial advisor or attorney is directed to observe this confidentiality obligation.

You will not make a public disclosure of this Commitment Letter without our permission or written opinion of your counsel indicating such disclosure is required by law or regulation. If you do not accept the Commitment, you must immediately return it and all copies of it to us.

This Commitment has been issued to the Borrower on the basis of all information provided by the Borrower and all representations, exhibits, data and other materials submitted with and in support of the Sponsor's loan application. Any misinformation or withholding of material information incident thereto shall, at the option of Agent and Lender, void all of Lender's obligations hereunder. Lender's commitment as contained in this Commitment assumes the accuracy and completeness in all material respects of all information previously and hereafter submitted to Lender or any person or entity on behalf of Borrower, and that no material discrepancy is discovered during the completion of Lender's business and legal due diligence.

This Commitment is solely for the benefit of the Borrower and Agent and Lender, and no provision hereof shall be deemed to confer rights on any other person or entity and may not be assigned by the Borrower to any other person or entity, but all of the obligations of the Borrower hereunder shall be binding upon the successors and assigns of the Borrower.

This notice is provided pursuant to Section 432.047, R.S.Mo. As used herein, "borrower(s)" means you, "creditor" means Agent and each Lender and each of "the credit agreement" and "this writing" means the Loan Agreement as amended, the Notes and the other Loan Documents. **ORAL OR UNEXECUTED AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT ARE NOT ENFORCEABLE, REGARDLESS OF THE LEGAL THEORY UPON WHICH IT IS BASED THAT IS IN ANY WAY RELATED TO THE CREDIT AGREEMENT. TO PROTECT YOU (BORROWER(S)) AND US (CREDITOR) FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS WE REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS WRITING, WHICH IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN US, EXCEPT AS WE MAY LATER AGREE IN WRITING TO MODIFY IT.**

The terms and conditions set forth in this Commitment are neither exhaustive nor exclusive, and are intended to be implemented by the execution of such further documentation as is necessary in Lender's opinion to effectuate the terms and conditions of this Commitment and the transactions contemplated hereby.

This Commitment Letter shall be governed by the substantive laws of the State of Missouri (without reference to conflict of law principles) and may only be amended by writing signed by both parties.

Very truly yours,

FIRST BANK, as Lender and as Agent

By: Stephen Saring
Its: SENIOR VICE PRESIDENT

Accepted and agreed on Sept. 30, 2013.

ST. PAUL'S HOME

By: Steven C. Seven
Its: Chairman

Schedule A

Term Sheet

Borrower:	St. Paul's Home ("St. Paul's" or "Borrower").
Facilities:	An Aggregate $22,100,000, consisting of a Construction Loan converting to a Real Estate Term Loan and a Working Capital Line of Credit, all as described below. Sources and uses of the funds are set forth on the attachment hereto.
Administrative Agent:	First Bank or "Agent".
Lenders:	First Bank and a to-be-determined syndicate of Lenders acceptable to the Agent and the Borrower.
Documentation:	The Facilities shall be evidenced by a Loan Agreement, Promissory Notes, Security Agreements, Mortgages, Subordination Agreements, and other Loan Documents mutually satisfactory to the Lenders and the Borrower.

CONSTRUCTION LOAN

Borrower:	St. Paul's.
Purpose:	To provide funding for the construction of a 90 bed skilled nursing facility, ("SNF"), a 26 bed assisted living facility, ("ALF"), a 18 bed memory care facility, ("MCF"), new main entrance, and other improvements to the Borrower's real property located at 1021 W E Street, Belleville, IL 62220, and the refinancing of certain other existing senior indebtedness of the Borrower with an outstanding balance of approximately $2,900,000.
Construction Loan:	A $21,600,000 24-Month Construction Loan converting to a 3.5-Year Real Estate Term Loan amortizing over 25 years on a mortgage style basis. Subject to the terms of the Commitment, First Bank would commitment to lend $17,600,000 of the Construction Loan, and would use its best efforts to obtain commitments for the remaining amounts subject to Syndication Management, as described below.
Capital Contribution and Subordinate Loan:	Evidence satisfactory to the Lenders the Borrower has received a capital contribution not less than $2,659,000 in the form of cash and not less than $5,000,000 in the form of a subordinate loan or loans as reflected on the attached sources and uses (which loan(s) must be subordinated to the payment of the indebtedness of the Borrower to the Lenders pursuant to documentation in form and substance satisfactory to the Agent and Lenders). The required Capital Contribution is based on the proposed Project budget of approximately $29,259,300, as set forth in the attached sources and uses statement. The Capital Contribution and subordinate loan(s) shall be deposited with First Bank prior to or at closing. The terms of the subordinate loan(s) shall be subject to the approval of Agent.
Maturity:	24 months from Closing Date for Construction Loan, with additional 42 months for Real Estate Tem Loan.
Amortization:	Construction Loan: Interest only for 24 months. Real Estate Term Loan: Beginning in the 25th month following closing, the Real Estate Term Loan will be repaid in forty one equal and consecutive month principal and interest installments of a to-be-determined amount followed by a forty second and final installment of the remaining balance at Maturity.

Interest Due Dates:	Interest shall be computed on the basis of actual days elapsed over a 360-day year and shall be payable monthly in arrears on the first day of each month.
Collateral:	The Construction and Real Estate Term Loans will be secured by: (1) A First Mortgage to be recorded against the real property and improvements located at 1021 W E Street, Belleville, IL 62220. (2) A First priority lien on all tangible and intangible personal property and assets of the Borrower, (including the ILF, ALF, MCF and SNF), including without limitation, all licenses, receivables, permits, agreements and the to be issued special services area note receivable; provided that the same is in compliance with all laws. (3) Assignment of the construction contract, plans and specifications, architectural plans, permits, surveys and all other construction related documents as may be required by the Lender, and assignment of the Management Agreement (4) Such additional pledges and security interests as may be required by Lender.
Management Agreement:	Management Agreement with St. Andrews is subject to approval by Agent, and shall be assigned to Lenders and shall be extended for the life of the Construction Loan, subject to Agent's approval.
Construction Terms:	(1) The Project must be completed within twenty-four (24) months of the Closing Date. (2) Disbursement of construction funds will be through a to-be-determined title company or disbursing agent. Note that the Capital Contribution to be fully disbursed prior to Lenders funding construction. (3) Site inspections to be performed prior to each disbursement by Architectural / Engineering firm engaged by the Agent. (4) Review and approval by the Lender of the Project contractor, including financials. (5) Bonding for Contractor. (6) An "As Completed" MAI appraisal of the fair market value the Project. (7) Receipt and acceptable review, in Lenders sole discretion, of a Phase I environmental report for the Project. (8) Each advance subject to receiving a date down endorsement on the title policy. (9) Other items Lenders and its counsel may reasonably require.
Interest Rate- Construction Loan:	A fixed rate at 5% through construction.
Interest Rate- Real Estate Term Loan:	A floating rate at LIBOR plus 375 bps with a rate floor of 4.50% beginning in month 19 post closing. First Bank can provide the Borrower with a fixed rate option upon the conversion to a Real Estate Term Loan. Note that the option will be based on like term swap rate plus the 375 bps credit spread with a rate floor of 4.50%; the terms of such option to be acceptable to Agent in its discretion.
Arrangement Fee:	12 bps (0.12%) of the total amount of the Agent's commitment ($21,120) will be charged and due upon execution of the Syndicate Bank Commitment Letter.
Closing Fee:	A fee equal to the greater of 100bps (1%) of the total amount of the Agent's commitment or the highest tier paid to any other Lender as required by the market and payable on the following schedule; $10,000 of such fee is due and payable on acceptance of this Commitment Letter and is not refundable; $78,000 is due upon execution of the Syndicate Bank Commitment Letter; and the remainder of such fee is due on the Closing Date.
Administrative Agent Fee:	An annual fee of $5,000 per Lender (excluding Agent), payable in advance of each calendar year on the anniversary of the Closing Date.

Construction Administration Fee:	15 bps of the final senior and subordinated loan amounts, estimated to be $2,050 per month during construction (aggregate fee estimated to be $39,900).
Prepayment Fee:	If Borrower chooses to fix the interest rate for the Real Estate Term Loan, there will be a prepayment fee for the first two year based on standard break funding language. Floating rate options can be prepaid at any time subject to customary LIBOR break funding fees, if any.

LINE OF CREDIT

Borrower:	St. Paul's.
Loan Participation:	First Bank intends to hold all of the Line of Credit.
Line of Credit:	A $500,000 facility subject to a Borrowing Base, as described below.
Purpose:	To provide working capital for the ongoing operation of the Borrower.
Maturity:	364 days from closing. Note that the Line of Credit will be booked at closing should the Borrower so request otherwise it will be booked at the time of the Real Estate Term Loan.
Payments:	Monthly interest only payments with a balloon payment due at maturity. Interest computed on the basis of actual days elapsed over a 360-day year and shall be payable monthly in arrears on the first day of each month.
Collateral:	Same as Construction Loan
Borrowing Base:	The aggregate principal balance of all direct borrowings under the revolving line of credit shall not exceed 80% of all accounts receivable less than 90 days aged, with exception of Government A/R where the advance rate is 80% less than 180 days aged. Private pay receivables and Medicaid pending are ineligible.
Reporting Requirement:	Monthly borrowing base certificate and detailed aging report are due within 30 days of each month-end.
Field Audit:	The requirement for an annual field audit will be waived.
Line of Credit Interest Rate:	A floating rate of LIBOR + 325 bps with a floor of 4.00%.
Unused Fee:	Waived.
Closing Fee:	Waived.

COMMON TERMS CONSTRUCTION LOAN AND LINE OF CREDIT

Financial Covenants:

1) Minimum Fixed Charge Coverage Ratio (FCCR) not less than 1.20 to 1.00 tested quarterly on a rolling 4 quarter basis beginning with the three months ending March 2016 and building to a rolling four quarters during the next 9 months.

FCCR defined as EBITDA of the Borrower less Replacement Reserves divided by Debt Service.

EBITDA for the Borrower will be defined as the sum of (i) consolidated net income, plus (ii) interest expense, plus (iii) income tax expense, if any, plus (iv) depreciation and amortization expense as determined by Lender, minus/plus (v) non cash gains/losses on the sale of assets to the extent included in determining consolidated net

income, and minus/plus (vi) non cash extraordinary gains/losses to the extent included in determining consolidated net income.

Replacement Reserves for the Borrower will be defined as money used to aid in funding extraordinary maintenance and repair and replacement of capital items. There is no requirement to set-up a reserve fund but $350 per bed annually will only be used in the compliance calculations.

Debt Service for the Borrower will be defined as the sum of: (i) interest expense on all of borrower's indebtedness, plus (ii) the aggregate principal payments on all of Borrower's indebtedness including the Real Estate Term Loan, subordinated debt, and capital leases but excluding any principal payments made on the Line of Credit.

Note that for purposes of calculating the annual Supplemental Coupon payments to sub debt holders the FCCR formula will be modified as follows: EBITDA less distributions and replacement reserves divided by debt service.

Distributions to be defined as the Supplemental Coupon payments up to 12% maximum and not to exceed 50% of the allowable amount over the 1.20 coverage ratio.

Sub Debt Payments:

The Borrower's subordinated lenders will be required to execute a subordination agreement, which will prohibit any current payment on their notes in the event of a default. So long as there is no event of default Borrower will be permitted to make regularly scheduled interest and principal payments to subordinated lenders and beginning on the 30th month following the Closing Date. The terms of the subordinate loans must be satisfactory to Agent and Lenders.

Other Conditions:

Other terms and conditions customary for a transaction of this nature including:

A) Copies of all appropriate licensing and credentials for business of this sort;
B) Management fees will be limited to 5% of revenue;
C) No additional debt or liens on assets other than mortgage or liens of Bank, liens securing leases of furniture, fixtures and equipment so long as they do not exceed $500,000, and it is subordinated to the Bank in a form acceptable to the Bank;
D) No transfer or conveyance, and;
E) Satisfactory results of a to-be-determined due diligence investigation of the Borrower required by the Lenders.

Reporting Requirements:

Reporting requirements to include the following:

A) Quarterly Company prepared consolidating and consolidated financial statements for the Borrower due 45 days after each quarter end.
B) Annual audited consolidating and consolidated financial statements for the Borrower due within 120 days of FYE.
C) Monthly Census Report and Entrance Fee Activity report due 45 days after each month end.
D) Quarterly Compliance certificate due 45 days after each quarter end.

Syndication Management:

The Agent will, with the assistance of the Borrower and/or its advisors, structure, arrange and syndicate on a best efforts basis the Construction Loan. First Bank will commit to holding $17,600,000 of the Construction Loan. The balance of the Construction Loan commitments would be assigned to a financial institutions or group of financial institutions mutually agreeable to First Bank and the Borrower and its advisors. The syndication efforts of First Bank will be limited to negotiating the documentation of the Construction Loan with the Lenders, it being understood by First Bank that the Borrower and or its advisors will be responsible for providing commitments from other potential lenders. Notwithstanding anything herein to the contrary, First Bank's obligations and commitments under the Commitment Letter are subject to another lender committing (pursuant to a commitment letter acceptable to

	First Bank ("Syndicate Bank Commitment Letter") to hold the remainder of the Construction Loan ($4,000,000), and to their funding at Closing. All terms of syndication must be acceptable to First Bank.
Documentation:	The Bank plans to use Thompson Coburn, at customer expense.
Insurance:	Borrower shall submit, at least three days prior to the funding date evidence of insurance in form and substance satisfactory to the Bank for the full replacement value of the property, obtainable from an insurance company and business interruption insurance. First Bank shall be listed as first Mortgagee. If applicable, should the property be located in a flood plain, provide proof of flood insurance with First Bank listed as first Mortgagee.
Operating Accounts:	Borrower shall maintain their treasury management accounts with the Agent including accounts for ILF, ALF, MCF, and SNF.
Cost and Expenses:	All cost and expenses incurred in the due diligence, preparation and administration of the transaction, including all legal expenses, appraisal fees, title insurance, disbursement related fees and survey fees, shall be borne by the Borrower.
Closing Date:	A to-be-determined mutually agreed upon date, estimated to be November 15, 2013.

St. Paul's Home (First Bank Loan)
New SNF/Shelter Project
Series 2013

As of July 18, 2013

Sources of Funds	Total Project Cost	Previously Paid by SPH	Loan
Loan Proceeds	$21,600,000		$21,600,000
Equity Contribution			
St. Paul's Home/Foundation -- (From Existing Liquidity)	$2,034,300	$834,300	$2,200,000 [2]
St. Paul's Foundation -- Additional Gifts	$625,000		$625,000
Investment of STARS/GSH/CA	$5,000,000		$5,000,000
Total Sources of Funds	$29,259,300	$834,300	$28,425,000
Uses of Funds			
General Contractor	$18,700,838		$18,700,838
Payoff of Existing Debt	$2,900,000		$2,900,000
FF&E (Major Moveables)[1]	$960,000		$960,000
Architectural Services	$881,682	$310,400	$571,282
Capitalized Interest - Senior Loan	$605,466		$605,466
Renovation	$850,000		$850,000
Contingency Reserve	$500,000		$500,000
Low Voltage Services	$650,000		$650,000
Demolition of Existing Building & Phase 2 Site Work	$840,000		$840,000
Development Fee (STARS)	$475,000	$235,000	$240,000
Minor Moveables[1]	$240,000		$240,000
Licensing Expenses	$200,000	$155,150	$44,850
Borrower/Project Legal	$150,000	$27,500	$122,500
Construction Management	$206,750	$59,750	$147,000
Geotechnical Testing/Signage/Relocation/Civil Engineering/Project Database	$317,500	$17,500	$300,000
Start-up Marketing Costs	$100,000	$4,000	$96,000
City/Utility Credits	-$250,000		-$250,000
Builder's Risk	$42,091		$42,091
Senior Bonds Financing Costs:			
Stl Placement/Consulting Fee (1.5%)	*$324,000*		*$324,000*
Cost Certification Fee	*$8,000*		*$8,000*
Bank Counsel	*$25,000*		*$25,000*
Bank Closing Fee (1%)	*$216,000*		*$216,000*
Bank Arrangement Fee (0.12%)	*$25,920*		*$25,920*
Bank Project Management (0.15%)	*$32,400*		*$32,400*
Bond Counsel			
Miscellaneous	*$10,000*		*$10,000*
Additional Third Party Fee:			
Architectural & Costs Reviews	*$22,500*		*$22,500*
Appraisal	*$25,000*	*$25,000*	*$0*
Market Study			
Title & Recording	*$12,500*		*$12,500*
Environmental Report	*$3,500*		*$3,500*
SSA Processing (Stifel and Legal)	$100,000		$100,000
STARS/GSH/CA Legal Expenses	$70,000		$70,000
Rounding Amount	$15,153		$15,153
Total Uses of Funds	$29,259,300	$834,300	$28,425,000

[1] Assumes FF&E from St. Andrew's is 80% Major and 20% Minor Moveables.
[2] Net expected liquidity on balance sheet at closing approximately $750,000 - $1,000,000 plus First Bank Line of Credit.

STIFEL

Schedule B

Construction Loan Terms

1. Lenders shall have no obligation to advance any proceeds of the Construction Loan until all conditions thereto set forth in the Loan Documents have been satisfied, including, without limitation, Borrower's funding of Borrower's equity and subordinate loans into the Project, as evidenced by a detailed accounting and certification thereof provided by Borrower to Lenders and subject to verification by Lenders. All such funds shall be deposited with Agent.

2. Advances of proceeds of the Construction Loan shall be made no more frequently than once per month. Prior to the funding of each draw request (including the first and the last), Lenders must receive and approve, and Borrower shall provide the following, in addition to any other items required by the Loan Documents:

3. Agent's forms of Owner's Affidavit and Requisition of Funds, Contractor's Affidavit and Requisition of Funds, together with completed AIA forms G702 and G703 signed by the general contractor and architect.

4. Copies of bills, contractor's trade breakdowns and other requested back-up data.

5. Borrower's project budget summary in form acceptable to Lenders.

6. Executed lien waivers for the current draw from the general contractor and executed lien-waivers from all subcontractors and suppliers (of all tiers) for all prior draws.

7. Title insurance endorsement updating title policy and mechanics' lien coverage without additional exceptions.

8. Certifications by Borrower, the general contractor, the architect and Lenders' construction consultant, dated as of the end of each period covered by a draw request that (a) the requested Loan proceeds shall be advanced to pay for the cost of materials and work actually incorporated into the Project, (b) the most recent Lenders-approved budgets (including the overall project budget and the general contractor's detailed cost breakdown) accurately reflect the then-current projected cost of completing the Project and the remaining undisbursed Loan proceeds are sufficient to complete the Project, (c) all work in place as of the date of such certification is in compliance with the Lenders-approved plans and specifications therefor, and (d) such other matters as may be required by Lenders.

9. To the extent that funds are due from any funding source other than the proceeds of the Construction Loan, whether Borrower's equity, or otherwise, evidence that disbursements of such funds have been made.

10. Loan proceeds will be disbursed as follows: (a) to the extent permissible under the Loan Documents, interest, fees and expense reimbursements due to Lenders will be advanced by Lenders to themselves directly out of the proceeds of the Construction Loan, and (b) except as may be provided in the Loan Documents, all other proceeds of the Construction Loan will be advanced in accordance with the above.

11. All advances of proceeds of the Construction Loan will be made in accordance with the Lenders-approved budget. Additional limitations on advances of proceeds of the Construction Loan may be included within the Loan Documents with respect to items deemed appropriate by Lenders upon review of the items listed on **Schedule C**, including, without limitation, the following: off-site stored materials; developer overhead and fees; and any sums payable to Borrower or its affiliates.

12. Lenders shall hold back from each disbursement of Loan proceeds the retainage described on **Schedule C** applicable to such disbursement. Borrower shall not be permitted to utilize those contingencies included in the Project budget without Lenders' prior written consent, to be granted or withheld in Lenders' sole and subjective discretion.

13. Lenders' approval shall be required for any reallocation of uses between line-items in the Project budget provided that no such reallocation shall be permitted if the same would cause the Construction Loan not to be in balance.

14. Borrower will not enter into, amend, modify or terminate any management agreement or any similar agreement unless approved by Lenders in writing, such approval not to be unreasonably withheld except with respect to increases in the property management fee.

15. Borrower shall reimburse Lenders for all of Lenders' expenses in connection with the evaluation and origination of the Construction Loan, the preparation of this commitment and the closing, funding and administration of the Construction Loan, including without limitation, (a) the fees and expenses of Lenders' appraiser, Lenders' attorneys, Lenders' disbursing agent, Lenders' construction inspector and the title company, (b) recording charges, mortgage taxes, if any, and other taxes and governmental charges imposed in connection with the Construction Loan, (c) all fees and expenses of surveyors, environmental consultants and other third party consultants engaged in connection with the project, regardless of whether engaged by Lenders or by or for the benefit of Borrower, and (d) all other fees described above, regardless of whether or not the Construction Loan closes. Such obligation on the part of Borrower shall survive any termination of Lenders' obligations under this Commitment, notwithstanding anything to the contrary herein.

16. The Construction Loan is non-assumable and junior financing or other liens are not permitted except as expressly noted in the Term Sheet. The mortgage will include a "due on sale" clause and a covenant against any liens or encumbrances other than those in favor of Lenders.

17. Borrower shall be responsible for insurance and payment of taxes, charges and other expenses related to the subject property, and will provide Lenders evidence of payment upon request. Lenders shall have the option to obtain insurance and make payments if Borrower fails to do so. Insurance and condemnation proceeds may be applied to the Construction Loan or to reconstruction, at Lenders' option.

18. Lenders shall have the right to review and approve the contractors and Project architect and their respective contracts for services entered into by and between such parties and Borrower. No amendments, change orders or change directives to or termination of the Lenders-approved construction and architect contracts will be permitted without Lenders' consent.

19. No changes in the Lenders-approved plans and specifications will be permitted without Lenders' prior written consent in each instance; in no event will any change increase or decrease costs of the Project, or cause the Construction Loan to be out of balance.

20. During construction of the Project, Borrower shall provide Lenders with periodic color photographs of the Project showing the status of construction, which may be posted to a website to which Lenders are given access. At all times during construction, Borrower shall provide to Lenders monthly certifications from the Project architect as to the status and percentage of completion of the Project and the sources and uses of funds to date. During construction, Borrower shall also cause the Project architect to provide monthly Project reports to Lenders, in form and substance acceptable to Lenders, which monthly Project reports shall include color photographs of the Project showing the status of construction.

21. Lenders will retain an independent architect or other consultant (a "construction consultant") at Borrower's expense to inspect and review construction, plans, specifications, materials storage, permits, draw requests, back-up data and/or perform other duties as Lenders may require. Borrower shall reimburse Lenders for all reasonable fees and expenses of said consultant.

22. Lenders and their representatives shall have, at all reasonable hours, access to and full rights to observe and examine the subject property, the Project and all related books and records.

23. If requested by Lenders, Borrower will erect a construction financing sign, provided by Lenders, on subject property.

24. All rights of Lenders to be exercised by Agent on behalf of Lenders, pursuant to the terms of the Loan Documents.

Schedule C

Each of the following must be acceptable to Agent and Lenders in form and substance in their sole and absolute discretion:

1. Each of the Loan Documents and other collateral documents, duly executed and delivered by each party thereto.

2. Opinions of Borrower's counsel covering authority of Borrower validity and enforceability of the Loan Documents, absence of litigation or other proceedings, and such other matters as Lenders determines.

3. Organizational documents and authorizing resolutions of Borrower and each entity and trust member thereof at any tier, including articles of incorporation, by-laws and board resolutions for a corporation; articles of organization, operating agreement and member resolutions for a limited liability company; and the partnership agreement, including amendments and recorded or filed certificates of partnership, if any, and general partner resolutions for a partnership. Good standing certificates and any fictitious name registrations for Borrower and each other entity are also required.

4. Current financial statements for Borrower, the manager, the general contractor, and such others as Lenders require.

5. Searches of the UCC, tax lien, judgment lien and bankruptcy records in such jurisdictions as Lenders require.

6. Copies of (i) the general contractor's detailed breakdown of construction costs for the Project listing overhead and profit and general conditions as separate items, and (ii) the complete breakdown of all costs of the Project (including, soft costs, interest carry, hard costs, etc.).

7. Construction contract with a contractor acceptable to Lenders with either a guaranteed maximum cost or a stipulated sum, and a minimum 10% retainage until 50% completion of the entire Project and 0% retainage thereafter, in the form of a guaranteed maximum price contract, along with copies of bids and contracts from all subcontractors, validating the costs represented to Lenders by Borrower. The contract shall include a completion schedule incorporating milestone dates for completion of the various stages of the Project, and shall contain payment procedures consistent with the Loan Documents.

8. Borrower's contract with each design professional covering all design and engineering work for the Project, providing for supervision and approval of each application for payment for the benefit of Borrower and Lenders, and providing for a certificate of final completion of the Project to be given to Borrower and Lenders; and evidence of satisfactory design professional's errors and omissions insurance coverage.

9. Agreement and Consent to Assignments from each of the Project general contractor and the Project architect.

10. Final and complete plans and specifications for the Project together with the written approval thereof by Borrower, the Project architect, the Project general contractor, any applicable governmental authority, and any funding source other than Lenders whose approval is required by law, contract or otherwise.

11. Site plan including proposed location of improvements, parking areas, drives, utilities and easements on and off site (if any).

12. Sworn statement of the Project general contractor listing all subcontractors and suppliers and the

amounts of their subcontracts.

13. As a condition to the disbursement of proceeds of the Loan (as opposed to closing), copies of executed subcontracts and purchase orders confirming adequacy of cost breakdown for a minimum of 90% of contract price.

14. Copies of any development services agreements or similar agreements pursuant to which development services are being provided for the Project.

15. Performance Bond and Payment Bond, AIA Document A312-1984 in the full amount of the construction contract naming Agent and Lenders as dual obligee, if required by Agent and Lenders.

16. Policies or certificates for the insurance required by the Loan Documents.

17. ALTA Loan Policy of Title Insurance (Form 2006) in the Loan Amount, with all standard exceptions deleted, no other exceptions not previously approved by Lenders and with such affirmative coverages as Lenders shall require, including, without limitation, zoning endorsement (ALTA Form 3.0), comprehensive endorsement (CLTA Form 100), future advances, variable rate, access, separate tax parcel, subdivision and survey endorsements, pending disbursement endorsement, and satisfactory mechanic's lien coverage including, at a minimum, monthly endorsements insuring against mechanic's liens arising from nonpayment of bills for labor performed or materials furnished prior to the date of the most recent sworn contractor's statement.

18. A fully executed agreement with the title company approved by Lenders, providing for the disbursement of Loan proceeds and all other sources of funds for the Project, issuance of endorsements to Lenders' loan policy of title insurance, advancing the effective date of the coverages provided by said policy to the last day of the period covered by each draw request, whether draws are made on Loan proceeds or any other source of funds, and such other matters as may be required by Lenders.

19. Copies of all recorded plats and title exceptions.

20. Survey satisfying title insurer and ALTA-ACSM minimum standard detail requirements including improvements, utilities, easements, rights-of-way, restrictions and building lines, adjacent streets, certified to Lenders.

21. Letter from appropriate government or other qualified agency addressed to Lenders stating that property is not located in an area designated by HUD to be in a flood or mudslide hazard area. If any portion of the Project is in such a hazard area, satisfactory flood insurance coverage shall be required naming Lenders, as mortgagee.

22. All soil test reports, geotechnical reports and similar reports by a qualified engineer, to the extent performed on behalf or in the possession of Borrower.

23. Environmental reports for the Project that are acceptable to Lenders and addressed to Agent and Lenders.

24. Evidence of compliance with all laws affecting the Project, the construction of the Project, and the operation of the Project for its intended use, including without limitation, grading, foundation and building permits, site plan approvals, curb cut approvals, storm water drainage approvals, signage permits and zoning.

25. A zoning letter from the applicable municipality sufficient to enable the title company to issue a

zoning endorsement and otherwise acceptable to Lenders and such other information from the appropriate county and/or municipality indicating the current zoning and permitted use of the Project.

26. Letters from utility suppliers stating that adequate electric, gas, storm sewer, sanitary sewer and water facilities are available to the Project and may be tapped into at no unreasonable or considerable expense to Borrower.

27. A copy of the management agreement acceptable to Lenders for the operation of the Project, together with such assignments and subordinations thereof as Lenders may require.

28. Evidence of Borrower's source of funding its required equity into the Project.

29. Lenders' approval of the terms of the subordinate loans.

30. Lenders' approval of the terms of the SSA and any other incentives.

31. Subordination and Intercreditor Agreement with subordinate Lenders.

32. Amendment to and assignment of Management Agreement.

33. Such additional items as Agent and Lenders or their counsel may reasonably require.

34. All rights and approvals by Lenders to be exercised by Agent pursuant to the terms of the Loan Documents. At Agent's option, Agent shall be named as addressee and beneficiary of all reports and insurance