



## **SNH Closes \$67.9 Million Transaction with Alterra Healthcare Corporation**

Newton, MA (February 28, 2003): Senior Housing Properties Trust (NYSE: SNH) today announced that it has closed its previously announced transaction to provide \$67.9 million of financing to Alterra Healthcare Corporation ("Alterra").

The final terms of this transaction are substantially as previously announced:

- SNH purchased from Alterra 18 assisted living facilities with 894 living units located in ten states for \$61 million. Simultaneously with this purchase, SNH leased these properties to a subsidiary of Alterra for an initial term through 2017, plus renewal options. The rent payable to SNH under this lease is \$7 million per year plus increases starting in 2004 based upon increases in the gross revenues at the leased properties.
- SNH provided mortgage financing to Alterra for six assisted living facilities with 202 living units located in two states. The amount of this mortgage loan is \$6.9 million. The interest rate is 8% per year. The maturity of this loan is June 30, 2004, but SNH expects it may be prepaid as Alterra sells the mortgaged properties.

The total investment of \$67.9 million was funded with cash drawn under SNH's revolving, unsecured, bank credit facility and from cash on hand.

Alterra filed for bankruptcy reorganization in January 2003. Earlier this week, the Alterra Bankruptcy Court approved the terms of SNH's investment with Alterra, and that approval includes a decision that payments due to SNH under this lease and mortgage are accorded priority status under the Bankruptcy Code. Alterra has stated that it will use the proceeds of this transaction primarily to refinance maturing debt thereby furthering its plan for reorganization.

Senior Housing Properties Trust is a real estate investment trust headquartered in Newton, MA which owns or has mortgage investments in 143 senior living properties, including independent living apartments, assisted living facilities, nursing homes and hospitals, located in 31 states which are leased or mortgaged to various health care and senior living operating companies.