

QUESTIONS AND ANSWERS

What is my tax basis in my New Sun and Sabra common stock?

Your tax basis in New Sun shares received in the Separation is equal to the fair market value of a share of New Sun common stock at the time of the Separation. Based on the average of the high and low trading prices for New Sun common stock on November 15, 2010 (the Separation date), the fair market value of New Sun common stock was \$10.945 per share on that date. Accordingly, your basis in the shares of New Sun common stock you received in the Separation is \$10.945 per share.

Your tax basis in Sabra common stock is equal to your adjusted tax basis in Old Sun common stock prior to the Separation and REIT Conversion Merger, adjusted for the distribution of New Sun shares and the cash dividend. This tax basis is calculated as follows: take the basis in your Old Sun shares minus the amount of the New Sun stock distribution that is determined to be a return of capital to the Old Sun stockholders (estimated at \$2.8818 per share of Old Sun common stock), and then multiply that number by three.

The following example illustrates the dividend, return of capital and tax basis calculations (the tax basis and number of Old Sun shares are used for illustrative purposes only, and the below example does not address the payment of cash for fractional shares).

Total Tax Basis of Shares of Old Sun Common Stock:

3,000 shares

Tax basis = \$8.00 per share

Total tax basis = 3,000 shares x \$8.00 per share = \$24,000.00

Distribution Received in the Separation Per Share of Old Sun Common Stock

Tax basis per share of New Sun common stock	\$10.945
Value of New Sun common stock received for each share of Old Sun common stock ($\$10.945 \div 3$)	\$3.6483
Cash dividend received per share of Old Sun common stock	<u>0.1335</u>
Total Distribution for Each Share of Old Sun Common Stock	\$3.7818
<u>Estimated</u> Amount of Distribution Treated as a Taxable Dividend	<u>0.90 (A)</u>

Estimated Amount of Distribution Treated as a Return of Capital \$2.8818 (A)

(A) Final amount to be determined and after the books are closed for 2010, at which time stockholders will be notified.

Total Distribution Received in the Separation

3,000 shares of Old Sun common stock x 1/3 share of New Sun common stock = 1,000 shares of New Sun common stock

3,000 shares of Old Sun common stock x \$.1335 cash = \$400.50 cash

Tax Basis of New Sun Common Stock

\$10.945 per share (fair market value of New Sun common stock on 11/15/10)

Total tax basis : 1,000 shares x \$10.945 per share = \$10,945.00

Receipt of Sabra Common Stock in REIT Conversion Merger

Exchange ratio : 1/3 share of Sabra common stock for each share of Old Sun common stock

3,000 shares of Old Sun common stock x 1/3 share of Sabra common stock = 1,000 shares of Sabra common stock

Tax Basis of Sabra Common Stock

Tax basis per share of Old Sun common stock	\$ 8.0000
<u>Estimated</u> Amount of Distribution Treated as a Return of Capital	<u>(2.8818)</u>
Net tax basis per share of Old Sun common stock	\$ 5.1182
Exchange Ratio (3 shares of Old Sun for 1 share of Sabra)	<u> x3</u>
Tax basis per share of Sabra common stock	\$15.3545
Total shares of Sabra common stock	<u> 1,000</u>
Total tax basis in Sabra common stock	<u>\$15,354.50</u>

Reconciliation of Old Sun Tax Basis to New Sun and Sabra Tax Basis

To reconcile your basis in Old Sun common stock to the basis in your New Sun common stock and Sabra common stock, you first need to adjust your basis in Old Sun common stock to reflect

the distributions to you. Specifically, your basis in your Old Sun common stock is calculated as follows: original basis in Old Sun common stock, plus the product of \$0.90 (estimated) multiplied by the number of your Old Sun shares, minus the product of \$0.1335 multiplied by the number of your Old Sun shares. Your total adjusted basis in Old Sun common stock should equal the combined basis in your New Sun common stock and Sabra common stock.

Using the amounts from the example above, the reconciliation is as follows:

Original tax basis in Old Sun common stock	\$24,000.00
Plus amount of Distribution treated as a dividend:	
3,000 shares of Old Sun common stock x \$.90 per share	2,700.00
Less cash portion of Distribution:	
3,000 shares of Old Sun common stock x \$.1335	<u>(400.50)</u>
Total Adjusted Tax Basis in Old Sun common stock	<u>\$26,299.50</u>
Total Tax Basis in New Sun common stock	\$10,945.00
Total Tax Basis in Sabra common stock	<u>\$15,354.50</u>
Total Tax Basis	<u>\$26,299.50</u>

This summary does not discuss all tax considerations that may be relevant in light of your particular circumstances, nor does it address any state, local or foreign tax consequences or tax consequences to persons who are not U.S. persons. You should consult your own tax advisor as to the particular consequences of the Separation to you. For a more detailed discussion of the tax consequences of the Separation, you are encouraged to read the section “Material U.S. Federal Income Tax Consequences—U.S. Federal Income Tax Consequences of the Separation—U.S. Holders of Sun Common Stock” in the definitive proxy statement/prospectus that New Sun filed with the Securities and Exchange Commission on September 29, 2010. A copy of the definitive proxy statement/prospectus can be accessed on New Sun’s corporate website at www.sunh.com. To ensure compliance with requirements imposed by the IRS, we inform you that any tax advice contained herein was not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties under federal, state or local tax law or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.