

Naperville Senior Care, LLC

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OCT 25 2013

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

October 24, 2013

Kathryn Olsen
Chair
Illinois Health Facilities and Services Review Board
525 W. Jefferson, Second Floor
Springfield, IL 62761

By FedEx Delivery

Re: The Healthcare Center at Monarch Landing
Project No. 12-036
Annual Progress Report

Dear Chair Olson:

This letter provides the Annual Progress Report for the project referenced above (the "Project"), in accordance with 77 Ill. Admin. Code §1130.760.

1) Current Status of the Project

On October 31, 2012, the Illinois Health Facilities and Services Review Board approved a certificate of need permit for The Healthcare Center at Monarch Landing in Naperville to expand its existing senior living campus by adding a healthcare center that includes skilled nursing services (the "Permit").

The Project has progressed well, and construction was approximately 24% complete as of October 18, 2013. There have been no material changes to the size or scope of the Project.

Components finished or partially finished are:

Site excavation and grading	Precast concrete installation	Fire protection
Site utilities	Masonry	Insulation
Paving and sidewalks	Metals	Roofing
Foundations	Mechanical	Drywall installation
Light gauge steel framing	Electrical	Doorframes installation
Wood framing	Plumbing	Windows installation

Components yet to be finished include:

Paving	Electrical	Drywall installation
Masonry	Plumbing	Doorframes installation
Metals	Fire protection	Ceilings
Siding	Insulation	Windows installation
Mechanical	Roofing	Fireplaces

Drywall finishing
Trim
Flooring
Painting

Signage
Toilet accessories and
partitions
Landscaping

Elevators

2) Project Costs

The Project costs incurred through October 18, 2013 are \$5,933,296 and remain within the approved requirements of the Permit at this time; please refer to the attached Summary of Project Costs for an itemized summary of project cost in comparison to the approved Permit amounts.

3) Project Financing

The method of financing the Project remains the same as in the permit application. The Project is financed by conventional bank financing which was closed on May 10, 2013.

4) Anticipated Date of Completion

Under the existing Permit, Project Completion is scheduled for March 1, 2014. At this time Naperville Senior Care anticipates that the Project will be completed in a timely manner. If Project Completion will occur after March 1, 2014, Naperville Senior Care will submit a request for project renewal in compliance with 77 Ill. Admin. Code §1130.740.

Please let us know if you have any questions regarding the information contained herein.

Very best regards,

Naperville Senior Care, LLC

By: 
Brett Mehlman
Chief Operating Officer

cc: David Reis, Senior Care Development
Denise deFiebre, Senior Care Development
Renee Garvin, Monarch Landing
Frank Muraca, ARCH Consultants

SUMMARY OF PROJECT COST

Description	Skilled Permit Approval	Non-Clinical Permit Approval	Permit Total	Expended through 9/30/13
Preplanning Costs	\$ 302,713	\$ 163,777	\$ 466,490	\$ 83,098
Site Survey and Soil Investigation	\$ 12,070	\$ 6,530	\$ 18,600	\$ 10,000
New Construction Contracts	\$ 9,356,597	\$ 5,062,208	\$ 14,418,805	\$ 3,040,350
Contingencies	\$ 482,797	\$ 261,208	\$ 744,005	\$ 198,257
Architectural/Engineering Fees	\$ 694,261	\$ 375,617	\$ 1,069,878	\$ 1,025,642
Consulting and Other Fees	\$ 811,098	\$ 438,829	\$ 1,249,927	\$ 653,454
Moveable or Other Equipment	\$ 1,375,970	\$ 744,442	\$ 2,120,412	\$ 773,939
Net Interest Expenses During Construction	\$ 716,816	\$ 387,820	\$ 1,104,636	\$ 10,040
Other Costs to be Capitalized	\$ 2,098,608	\$ 1,135,412	\$ 3,234,020	\$ 138,516
Totals	\$ 15,850,930	\$ 8,575,843	\$ 24,426,773	\$ 5,933,296