



ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

CERTIFICATE OF NEED PERMIT

LONG-TERM CARE APPLICATION

JULY 2012 EDITION

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

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ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
525 WEST JEFFERSON STREET, 2nd FLOOR
SPRINGFIELD, ILLINOIS 62761
(217) 782-3516

**INSTRUCTIONS
GENERAL**

- o The Application must be completed for all proposed projects that are subject to the permit requirements of the Illinois Health Facilities Planning Act, including those involving establishment, expansion, modernization or discontinuation of a service or facility.
- o The person(s) preparing the application for permit are advised to refer to the Planning Act, as well as the rules promulgated there under (77 Ill. Adm. Codes 1125 and 1130).
- o **This Application does not supersede any of the above-cited rules and requirements that are currently in effect.**
- o The application form is organized into several sections, involving information requirements that coincide with the Review Criteria in 77 Ill. Code 1125 (Long-Term Care)).
- o Questions concerning completion of this form may be directed to the Health Facilities and Services Review Board staff at (217)782-3516.
- o Copies of this application form are available on the Health Facilities and Services Review Board website www.hfsrb.illinois.gov

SPECIFIC

- o Use this form, as written and formatted.
- o Complete and submit **ONLY** those Sections along with the required attachments that are applicable to the type of project proposed.
- o **ALL APPLICABLE CRITERIA** for each applicable section must be addressed. If a criterion is **NOT APPLICABLE**, label as such and state the reason why.
- o For all applications that time and distance are required for a criterion submit copies of all Map-Quest Printouts that indicate the distance and time from the proposed facility or location to the facilities identified.
- o **ALL PAGES ARE TO BE NUMBERED CONSECUTIVELY BEGINNING WITH PAGE 1 OF THE APPLICATION FOR PERMIT. DO NOT INCLUDE INSTRUCTIONS AS PART OF THE APPLICATION AND OR NUMBERING.**
- o Attachments for each Section should be appended after the last page of the application for permit.
- o Begin each Attachment on a separate 8 1/2" x 11" sheet of paper and print or type the attachment identification in the lower right-hand corner of each attached page.
- o For those criteria that require MapQuest printouts, physician referral letters and attachments, impact letters and documentation of receipt, include as appendices after that last attachment submitted with the application for permit. Label as Appendices 1, 2 etc.
- o For all applications that require physician referrals the following must be provided: a summary of the total number of patients by zip code and a summary (number of patients by zip code) for each facility the physician referred patients in the past 12 or 24 months whichever is applicable.
- o Information to be considered must be included with the applicable Section attachments. References to appended material not included within the appropriate Section will **NOT** be considered.
- o The application must be signed by the authorized representative(s) of each applicant entity.
- o Provide an original application and one copy - both **unbound**. Label the copy of the application for permit that contains the original signatures, as "ORIGINAL".

Failure to follow these requirements WILL result in the application being declared incomplete. In addition, failure to provide certain required information (e.g., not providing a site for the proposed project or having an invalid entity listed as the applicant) may result in the application being declared null and void. Applicants are advised to read Part 1130 with respect to completeness (1130.620(d)).

ADDITIONAL REQUIREMENTS**FLOOD PLAIN REQUIREMENTS**

Before an application for permit involving construction will be deemed **COMPLETE** the applicant must **attest** that the project is or is not in a flood plain, and that the location of the proposed project complies with the Flood Plain Rule under Illinois Executive Order #2005-5.

HISTORIC PRESERVATION REQUIREMENTS

In accordance with the requirements of the Illinois Historic Resources Preservation Act (IHRP), the Health Facilities Planning Board is required to advise the Historic Preservation Agency of any projects that could affect historic resources. Specifically, the Preservation Act provides for a review by the IHRP Agency to determine if certain projects may impact upon historic resources. Such types of projects include:

1. Projects involving demolition of any structures; or
2. Construction of new buildings; or
3. Modernization of existing buildings.

The applicant must submit the following information to the Illinois Historic Preservation Agency so known or potential cultural resources within the project area can be identified and the project's effects on significant properties can be evaluated:

1. General project description and address;
2. Topographic or metropolitan map showing the general location of the project;
3. Photographs of any standing buildings/structure within the project area; and
4. Addresses for buildings/structures, if present.

The Historic Preservation Agency (HPA) will provide a determination letter concerning the applicability of the Preservation Act. Include the determination letter or comments from the HPA with the submission of the application for permit.

Information concerning the Historic Resources Preservation Act may be obtained by calling (217)782-4836 or writing Illinois Historic Preservation Agency Preservation Services Division, Old State Capitol, Springfield, Illinois 67201,

FEE

An application processing fee (refer to Part 1130.620(f) for the determination of the fee) must be submitted with most applications. If a fee is applicable, an initial fee of \$2,500 **MUST** be submitted at the same time as submission of the application. **The application will not be declared complete and the review will not be initiated if the processing fee is not submitted.** HFSRB staff will inform applicants of the amount of the fee balance, if any, that must be submitted. **Payment may be by check or money order and must be made payable to the Illinois Department of Public Health.**

SUBMISSION OF APPLICATION

Submit an original and one copy of all Sections of the application, including all necessary attachments. The original must contain original signatures in the certification portions of this form. Submit all copies to:

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

**LONG-TERM CARE
APPLICATION FOR PERMIT**

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION
This Section must be completed for all projects.

DESCRIPTION OF PROJECT

Project Type

[Check one]

[check one]

<input checked="" type="checkbox"/> General Long-term Care <input type="checkbox"/> Specialized Long-term Care	<input type="checkbox"/> Establishment of a new LTC facility <input type="checkbox"/> Establishment of new LTC services <input checked="" type="checkbox"/> Expansion of an existing LTC facility or service <input type="checkbox"/> Modernization of an existing facility
---	--

Narrative Description

Provide in the space below, a brief narrative description of the project. Explain **WHAT** is to be done, **NOT WHY** it is being done. If the project site does NOT have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive. **Include: the number and type of beds involved; the actions proposed (establishment, expansion and/or modernization); the ESTIMATED total project cost and the funding source(s) for the project.**

The Applicant and Licensee of Vi (pronounced VEE) at The Glen is CC-Lake, Inc; who is proposing the expansion of its continuing care retirement community (CCRC) located at 2401-2500 Indigo Lane, Glenview, Illinois 60025, Cook County, Health Service Area VII-B. The proposed project is the expansion of Vi at The Glen's campus. Specifically, the Applicant is proposing to add 9 nursing beds and 5 assisted living beds. Currently, Vi at The Glen has 296 Independent Living units, 31-Assisted Living units and 38-nursing care beds. Upon project completion, the campus will have 296 Independent Living units, 36-Assisted Living units and 47-nursing care beds. Moreover, the continuum of care variance is in-place and will remain so.

The addition as proposed is 10,020 square feet of new construction. A total of 1,835 square feet of existing space will be modernized within the nursing unit. Therefore, upon completion the total square footage of the building will be 63,782 gsf of which only 29,312 is considered square footage for the nursing category of care. The proposed area will be an extension of the existing structure with the first floor housing the nursing beds (4,775 square feet of new construction and 400 square feet of modernized space) and the second floor (the assisted living units) will have 4,265 square feet of new construction and 1,435 square feet of modernized space. The building support area addition: loading dock, central receiving and trash/recycling space (980 square feet of new construction) will also be located in the first level. This project builds out the space available and adjacent to the nursing unit and, therefore, is sized and limited by geographic constraint. The total project cost will be funded in cash of \$5,093,024.

Although this project is non-substantial in size and cost, it is requesting licensed nursing beds in excess of the 20 bed / 10 percent rule: 20 ILCS 3960/5c from Ch. 111 1/2, Par 1155; as such this project is categorized as substantive per section 1125.140-Definitions.

Facility/Project Identification

Facility Name: VI at The Glen		
Street Address: 2401 Indigo Lane		
City and Zip Code: Glenview 60026		
County: Cook	Health Service Area: VII	Health Planning Area: 702

Applicant /Co-Applicant Identification

[Provide for each co-applicant [refer to Part 1130.220].]

Exact Legal Name: CC-Lake, Inc.
Address: 71 South Wacker Drive, Suite 900, Chicago, Illinois 60606
Name of Registered Agent: Illinois Corporation Service
Name of Chief Executive Officer: Randal Richardson
CEO Address: 71 South Wacker Drive, Suite 900, Chicago, Illinois 60606
Telephone Number: 312-803-8800

Type of Ownership (Applicant/Co-Applicants)

<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership	
<input checked="" type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental	
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other

- o Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
- o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact

[Person to receive ALL correspondence or inquiries]

Name: John P. Knlery
Title: Health Care Consultant
Company Name: Charles H. Foley & Associates, Inc.
Address: 1638 South MacArthur Boulevard, Springfield, Illinois 62704
Telephone Number: (217) 544-1551
E-mail Address: jknlery@foleyandassociates.com
Fax Number: (217) 544-3615

Additional Contact

[Person who is also authorized to discuss the application for permit]

Name: Stephanie Fields
Title: Senior Vice President & General Counsel
Company Name: CC-Lake, Inc
Address: 71 South Wacker Drive, Suite 900, Chicago, Illinois 60606
Telephone Number: (312) 803-8520
E-mail Address: sfields@villiving.com
Fax Number: (312) 898-5177
Fax Number:

Post Permit Contact

[Person to receive all correspondence subsequent to permit issuance. This person must be an employee of the applicant.]

Name: Stephanis Fields
Title: Senior Vice President & General Counsel
Company Name: CC-Lake, Inc
Address: 71 South Wacker Drive, Suite 900, Chicago, Illinois 60606
Telephone Number: (312) 803-8520
E-mail Address: sfields@villiving.com
Fax Number: (312) 896-5177

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Glenview Care Center, Inc.
Address of Site Owner: 71 South Wacker Drive, Suite 900, Chicago, Illinois 60606
Street Address or Legal Description of Site: 2401 Indigo Lane, Glenview IL 60026
Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of Intent to lease or a lease.
APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

[Provide this information for each applicable facility, and insert after this page.]

Exact Legal Name: CC-Lake, Inc
Address: 71 South Wacker Drive, Suite 900, Chicago, Illinois 60606
<input type="checkbox"/> Non-profit Corporation <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> For-profit Corporation <input type="checkbox"/> Governmental <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Other
<ul style="list-style-type: none"> o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. o Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.
APPEND DOCUMENTATION AS ATTACHMENT-3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Organizational Relationships

Provide (for each co-applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

APPEND DOCUMENTATION AS ATTACHMENT-4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2005-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at www.FEMA.gov or www.illinoisfloodmaps.org. This map must be in a readable format. In addition please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2005-5 (<http://www.hfsrb.illinois.gov>).

APPEND DOCUMENTATION AS ATTACHMENT-5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

APPEND DOCUMENTATION AS ATTACHMENT-6, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals

The following submittals are up-to-date, as applicable:

- All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
- All reports regarding outstanding permits –Not Applicable

If the applicant fails to submit updated information for the requirements listed above, the application for permit will be deemed incomplete.

CERTIFICATION

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

- o in the case of a corporation, any two of its officers or members of its Board of Directors;
- o in the case of a limited liability company, any two of its managers or members (or the sole manger or member when two or more managers or members do not exist);
- o in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o in the case of a sole proprietor, the individual that is the proprietor.

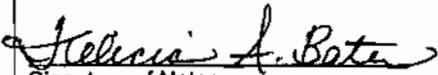
This Application for Permit is filed on the behalf of CC-Lake, Inc. *
in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.

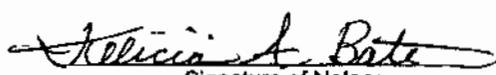

 SIGNATURE
 Gary Smith
 PRINTED NAME
 VP, Treas & Asst. Secty
 PRINTED TITLE


 SIGNATURE
 Randal J. Richardson
 PRINTED NAME
 President
 PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 1st day of August, 2012

Notarization:
Subscribed and sworn to before me
this 1st day of August, 2012


Signature of Notary


Signature of Notary



Seal

Seal

*Insert EXACT legal name of the applicant

**SECTION II – PURPOSE OF THE PROJECT, AND ALTERNATIVES –
INFORMATION REQUIREMENTS**

This Section is applicable to ALL projects.

Criterion 1125.320 – Purpose of the Project

READ THE REVIEW CRITERION and provide the following required information:

PURPOSE OF PROJECT

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. Define the planning area or market area, or other, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the project.
4. Cite the sources of the information provided as documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals as appropriate.

For projects involving modernization, describe the conditions being upgraded if any. For facility projects, include statements of age and condition and regulatory citations if any. For equipment being replaced, include repair and maintenance records.

NOTE: Information regarding the "Purpose of the Project" will be included in the State Board Report. **APPEND DOCUMENTATION AS ATTACHMENT 10. IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. Each item (1-6) must be identified in Attachment 10.**

Criterion 1125.330 – Alternatives

READ THE REVIEW CRITERION and provide the following required information:

ALTERNATIVES

- 1) Identify **ALL** of the alternatives to the proposed project:
Alternative options **must** include:
 - A) Proposing a project of greater or lesser scope and cost;
 - B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;
 - C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
 - D) Provide the reasons why the chosen alternative was selected.
- 2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short term (within one to three years after project completion) and long

term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**

- 3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

APPEND DOCUMENTATION AS ATTACHMENT-11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION III – BED CAPACITY, UTILIZATION AND APPLICABLE REVIEW CRITERIA

This Section is applicable to all projects proposing establishment, expansion or modernization of LTC categories of service that are subject to CON review, as provided in the Illinois Health Facilities Planning Act [20 ILCS 3960]. It is comprised of information requirements for each LTC category of service, as well as charts for each service, indicating the review criteria that must be addressed for each action (establishment, expansion and modernization). After identifying the applicable review criteria for each category of service involved, read the criteria and provide the required information, AS APPLICABLE TO THE CRITERIA THAT MUST BE ADDRESSED:

Criterion 1125.510 – Introduction**Bed Capacity**

Applicants proposing to establish, expand and/or modernize General Long Term Care must submit the following information:

Indicate bed capacity changes by Service:

Category of Service	Total # Existing Beds*	Total # Beds After Project Completion
<input checked="" type="checkbox"/> General Long-Term Care	38	47
<input type="checkbox"/> Specialized Long-Term Care		
<input type="checkbox"/>		

*Existing number of beds as authorized by IDPH and posted in the "LTC Bed Inventory" on the HFSRB website (www.hfrsb.illinois.gov). PLEASE NOTE: ANY bed capacity discrepancy from the Inventory will result in the application being deemed incomplete.

Utilization**Utilization for the most current CALENDAR YEAR:**

Category of Service	Year	Admissions	Patient Days
<input checked="" type="checkbox"/> General Long Term Care	2011	52	13,749
<input type="checkbox"/> Specialized Long-Term Care			

Applicable Review Criteria - Guide

The review criteria listed below must be addressed, per the LTC rules contained in 77 Ill. Adm Code 1125. See HFSRB's website to view the subject criteria for each project type - (<http://hfsrb.illinois.gov>). To view LTC rules, click on "Board Administrative Rules" and then click on "77 Ill. Adm. Code 1125".

READ THE APPLICABLE REVIEW CRITERIA OUTLINED BELOW and submit the required documentation for the criteria, as described in **SECTIONS IV and V**:

GENERAL LONG-TERM CARE

PROJECT TYPE	REQUIRED REVIEW CRITERIA	
	Section	Subject
Establishment of Services or Facility (NOT GERMANE)	.520	Background of the Applicant
	.530(a)	Bed Need Determination
	.530(b)	Service to Planning Area Residents
	.540(a) or (b) + (c) + (d) or (e)	Service Demand - Establishment of General Long Term Care
	.570(a) & (b)	Service Accessibility
	.580(a) & (b)	Unnecessary Duplication & Maldistribution
	.580(c)	Impact of Project on Other Area Providers
	.590	Staffing Availability
	.600	Bed Capacity
	.610	Community Related Functions
	.620	Project Size
	.630	Zoning
	.640	Assurances
	.800	Estimated Total Project Cost
Appendix A	Project Costs and Sources of Funds	
Appendix B	Related Project Costs	
Appendix C	Project Status and Completion Schedule	
Appendix D	Project Status and Completion Schedule	

Expansion of Existing Services (NOT APPLICABLE)	.520	Background of the Applicant
	.530(b)	Service to Planning Area Residents
	.550(a) + (b) or (c)	Service Demand - Expansion of General Long-Term Care
	.590	Staffing Availability
	.600	Bed Capacity
	.620	Project Size
	.640	Assurances
	.560(a)(1) through (3)	Continuum of Care Components
	.590	Staffing Availability
	.600	Bed Capacity
.610	Community Related Functions	

	.630	Zoning
	.640	Assurances
	.800	Estimated Total Project Cost
	Appendix A	Project Costs and Sources of Funds
	Appendix B	Related Project Costs
	Appendix C	Project Status and Completion Schedule
	Appendix D	Project Status and Completion Schedule

Continuum of Care – Establishment or Expansion (GERMANE)	.520	Background of the Applicant
	.560(a)(1) through (3)	Continuum of Care Components
	.590	Staffing Availability
	.600	Bed Capacity
	.610	Community Related Functions
	.630	Zoning
	.640	Assurances
	.800	Estimated Total Project Cost
	Appendix A	Project Costs and Sources of Funds
	Appendix B	Related Project Costs
	Appendix C	Project Status and Completion Schedule
	Appendix D	Project Status and Completion Schedule

Defined Population – Establishment or Expansion (NOT APPLICABLE)	.520	Background of the Applicant
	.560(b)(1) & (2)	Defined Population to be Served
	.590	Staffing Availability
	.600	Bed Capacity
	.610	Community Related Functions
	.630	Zoning
	.640	Assurances
	.800	Estimated Total Project Cost
	Appendix A	Project Costs and Sources of Funds
	Appendix B	Related Project Costs
	Appendix C	Project Status and Completion Schedule
	Appendix D	Project Status and Completion Schedule

Modernization (NOT GERMANE)	.650(a)	Deteriorated Facilities
	.650(b) & (c)	Documentation
	.650(d)	Utilization
	.600	Bed Capacity
	.610	Community Related Functions
	.620	Project Size
	.630	Zoning
	.800	Estimated Total Project Cost
	Appendix A	Project Costs and Sources of Funds
	Appendix B	Related Project Costs
	Appendix C	Project Status and Completion Schedule
	Appendix D	Project Status and Completion Schedule

SPECIALIZED LONG-TERM CARE

THIS ENTIRE SECTION IS NOT APPLICABLE TO THE PROPOSED PROJECT

PROJECT TYPE	REQUIRED REVIEW CRITERIA	
	Section	Subject
Establishment of LTC Developmentally Disabled – (Adult)	.720(a)	Facility Size
	.720(b)	Community Related Functions
	.720(c)	Availability of Ancillary and Support Programs
	.720(d)	Recommendations from State Departments
	.720(f)	Zoning
	.720(g)	Establishment of Beds – Developmentally Disable -Adult
	.720(j)	State Board Consideration of Public Hearing Testimony
	.800	Estimated Total Project Cost
	Appendix A	Project Costs and Sources of Funds
	Appendix B	Related Project Costs
	Appendix C	Project Status and Completion Schedule
	Appendix D	Project Status and Completion Schedule

Establishment of LTC Developmentally Disabled - Children	.720(a)	Facility Size
	.720(b)	Community Related Functions
	.720(c)	Availability of Ancillary and Support Programs
	.720(d)	Recommendations from State Departments
	.720(f)	Zoning
	.720(j)	State Board Consideration of Public Hearing Testimony
	.800	Estimated Total Project Cost
		Appendix A
	Appendix B	Related Project Costs
	Appendix C	Project Status and Completion Schedule
	Appendix D	Project Status and Completion Schedule

Establishment of Chronic Mental Illness	.720(a)	Facility Size
	.720(b)	Community Related Functions
	.720(c)	Availability of Ancillary and Support Programs
	.720(f)	Zoning
	.720(g)	Establishment of Chronic Mental Illness
	.720(j)	State Board Consideration of Public Hearing Testimony
	.800	Estimated Total Project Cost

	Appendix A	Project Costs and Sources of Funds
	Appendix B	Related Project Costs
	Appendix C	Project Status and Completion Schedule
	Appendix D	Project Status and Completion Schedule

Establishment of Long Term Medical Care for Children	720(a)	Facility Size
	720(b)	Community-Related Functions
	720(c)	Availability of Ancillary and Support Programs
	720(e)	Long-Term Medical Care for Children-Category of Service
	720(f)	Zoning
	720(j)	State Board Consideration of Public Hearing Testimony
	800	Estimated Total Project Cost
	Appendix A	Project Costs and Sources of Funds
	Appendix B	Related Project Costs
	Appendix C	Project Status and Completion Schedule
	Appendix D	Project Status and Completion Schedule

SECTION IV - SERVICE SPECIFIC REVIEW CRITERIA**GENERAL LONG-TERM CARE****Criterion 1125.520 – Background of the Applicant****BACKGROUND OF APPLICANT**

The applicant shall provide:

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.
3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
4. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest the information has been previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS ATTACHMENT-12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT-11.

Criterion 1125.530 - Planning Area Need**THIS ITEM IS NOT APPLICABLE TO CCRC EXPANSION PROJECTS**

1. Identify the calculated number of beds needed (excess) in the planning area. See HFSRB website (<http://hfsrb.illinois.gov>) and click on "Health Facilities Inventories & Data".
2. Attest that the primary purpose of the project is to serve residents of the planning area and that at least 50% of the patients will come from within the planning area.
3. Provide letters from referral sources (hospitals, physicians, social services and others) that attest to total number of prospective residents (by zip code of residence) who have received care at existing LTC facilities located in the area during the 12-month period prior to submission of the application. Referral sources shall verify their projections and the methodology used, as described in Section 1125.540.

APPEND DOCUMENTATION AS ATTACHMENT-13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.540 - Service Demand - Establishment of General Long Term Care**THIS ITEM IS NOT GERMANE TO EXPANSION PROJECTS.**

- **If the applicant is an existing facility wishing to establish this category of service or a new facility, #1 – 4 must be addressed. Requirements under #5 must also be addressed if applicable.**

- **If the applicant is not an existing facility and proposes to establish a new general LTC facility, the applicant shall submit the number of annual projected referrals.**

1. Document the number of referrals to other facilities, for each proposed category of service, for each of the latest two years. Documentation of the referrals shall include: resident/patient origin by zip code; name and specialty of referring physician or identification of another referral source; and name and location of the recipient LTC facility.
2. Provide letters from referral sources (hospitals, physicians, social services and others) that attest to total number of prospective residents (by zip code of residence) who have received care at existing LTC facilities located in the area during the 12-month period prior to submission of the application. Referral sources shall verify their projections and the methodology used.
3. Estimate the number of prospective residents whom the referral sources will refer annually to the applicant's facility within a 24-month period after project completion. Please note:
 - The anticipated number of referrals cannot exceed the referral sources' documented historical LTC caseload.
 - The percentage of project referrals used to justify the proposed expansion cannot exceed the historical percentage of applicant market share, within a 24-month period after project completion
 - Each referral letter shall contain the referral source's Chief Executive Officer's notarized signature, the typed or printed name of the referral source, and the referral source's address
4. Provide verification by the referral sources that the prospective resident referrals have not been used to support another pending or approved Certificate of Need (CON) application for the subject services.
5. **If a projected demand for service is based upon rapid population growth in the applicant facility's existing market area** (as experienced annually within the latest 24-month period), the projected service demand shall be determined as follows:
 - a. The applicant shall define the facility's market area based upon historical resident/patient origin data by zip code or census tract;
 - b. Population projections shall be produced, using, as a base, the population census or estimate for the most recent year, for county, incorporated place, township or community area, by the U.S. Bureau of the Census or IDPH;
 - c. Projections shall be for a maximum period of 10 years from the date the application is submitted;
 - d. Historical data used to calculate projections shall be for a number of years no less than the number of years projected;
 - e. Projections shall contain documentation of population changes in terms of births, deaths and net migration for a period of time equal to or in excess of the projection horizon;

- f. Projections shall be for total population and specified age groups for the applicant's market area, as defined by HFSRB, for each category of service in the application (see the HFSRB Inventory); and
- g. Documentation on projection methodology, data sources, assumptions and special adjustments shall be submitted to HFSRB.

APPEND DOCUMENTATION AS ATTACHMENT-14, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM

Criterion 1125.550 - Service Demand – Expansion of General Long-Term Care
THIS ITEM IS NOT GERMANE TO CCRC EXPANSION PROJECTS

The applicant shall document #1 and either #2 or #3:

1. Historical Service Demand
 1. An average annual occupancy rate that has equaled or exceeded occupancy standards for general LTC, as specified in Section 1125.210(c), for each of the latest two years.
 2. If prospective residents have been referred to other facilities in order to receive the subject services, the applicant shall provide documentation of the referrals, including completed applications that could not be accepted due to lack of the subject service and documentation from referral sources, with identification of those patients by initials and date.
2. Projected Referrals
The applicant shall provide documentation as described in Section 1125.540(d).
3. If a projected demand for service is based upon rapid population growth in the applicant facility's existing market area (as experienced annually within the latest 24-month period), the projected service demand shall be determined as described in Section 1125.540 (e).

APPEND DOCUMENTATION AS ATTACHMENT-15, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM

Criterion 1125.560 - Variances to Computed Bed Need

Continuum of Care:

The applicant proposing a continuum of care project shall demonstrate the following:

1. The project will provide a continuum of care for a geriatric population that includes independent living and/or congregate housing (such as unlicensed apartments, high rises for the elderly and retirement villages) and related health and social services. The housing complex shall be on the same site as the health facility component of the project.
2. The proposal shall be for the purposes of and serve only the residents of the housing complex and shall be developed either after the housing complex has been established or as a part of a total housing construction program, provided that the entire complex is one inseparable project, that there is a documented demand for the housing, and that the licensed beds will not be built first, but will be built concurrently with or after the residential units.

3. The applicant shall demonstrate that:
 - a. The proposed number of beds is needed. Documentation shall consist of a list of available patients/residents needing the proposed project. The proposed number of beds shall not exceed one licensed LTC bed for every five apartments or independent living units;
 - b. There is a provision in the facility's written operational policies assuring that a resident of the retirement community who is transferred to the LTC facility will not lose his/her apartment unit or be transferred to another LTC facility solely because of the resident's altered financial status or medical indigency; and
 - c. Admissions to the LTC unit will be limited to current residents of the independent living units and/or congregate housing.

Defined Population:**THIS ITEM NOT GERNAME.**

The applicant proposing a project for a defined population shall provide the following:

1. The applicant shall document that the proposed project will serve a defined population group of a religious, fraternal or ethnic nature from throughout the entire health service area or from a larger geographic service area (GSA) proposed to be served and that includes, at a minimum, the entire health service area in which the facility is or will be physically located.
2. The applicant shall document each of the following:
 - a. A description of the proposed religious, fraternal or ethnic group proposed to be served;
 - b. The boundaries of the GSA;
 - c. The number of individuals in the defined population who live within the proposed GSA, including the source of the figures;
 - d. That the proposed services do not exist in the GSA where the facility is or will be located;
 - e. That the services cannot be instituted at existing facilities within the GSA in sufficient numbers to accommodate the group's needs. The applicant shall specify each proposed service that is not available in the GSA's existing facilities and the basis for determining why that service could not be provided.
 - f. That at least 85% of the residents of the facility will be members of the defined population group. Documentation shall consist of a written admission policy insuring that the requirements of this subsection (b)(2)(F) will be met.
 - g. That the proposed project is either directly owned or sponsored by, or affiliated with, the religious, fraternal or ethnic group that has been defined as the population to be served by the project. The applicant shall provide legally binding documents that prove ownership, sponsorship or affiliation.

APPEND DOCUMENTATION AS ATTACHMENT-16 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM

Criterion 1125.570 - Service Accessibility
THIS ITEM IS NOT GERMANE TO EXPANSION PROJECTS

1. Service Restrictions

The applicant shall document that **at least one** of the following factors exists in the planning area, as applicable:

- o The absence of the proposed service within the planning area;
- o Access limitations due to payor status of patients/residents, including, but not limited to, individuals with LTC coverage through Medicare, Medicaid, managed care or charity care;
- o Restrictive admission policies of existing providers; or
- o The area population and existing care system exhibit indicators of medical care problems, such as an average family income level below the State average poverty level, or designation by the Secretary of Health and Human Services as a Health Professional Shortage Area, a Medically Underserved Area, or a Medically Underserved Population.

2. Additional documentation required:

The applicant shall provide the following documentation, as applicable, concerning existing restrictions to service access:

- a. The location and utilization of other planning area service providers;
- b. Patient/resident location information by zip code;
- c. Independent time-travel studies;
- d. Certification of a waiting list;
- e. Admission restrictions that exist in area providers;
- f. An assessment of area population characteristics that document that access problems exist;
- g. Most recently published IDPH Long Term Care Facilities Inventory and Data (see www.hfsrb.illinois.gov).

APPEND DOCUMENTATION AS ATTACHMENT 17 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.580 - Unnecessary Duplication/Maldistribution
THIS ITEM IS NOT APPLICABLE TO EXPANSION PROJECTS

1. The applicant shall provide the following information:

- a. A list of all zip code areas that are located, in total or in part, within 30 minutes normal travel time of the project's site;
- b. The total population of the identified zip code areas (based upon the most recent population numbers available for the State of Illinois); and

- c. The names and locations of all existing or approved LTC facilities located within 30 minutes normal travel time from the project site that provide the categories of bed service that are proposed by the project.
2. The applicant shall document that the project will not result in maldistribution of services.
3. The applicant shall document that, within 24 months after project completion, the proposed project:
 - a. Will not lower the utilization of other area providers below the occupancy standards specified in Section 1125.210(c); and
 - b. Will not lower, to a further extent, the utilization of other area facilities that are currently (during the latest 12-month period) operating below the occupancy standards.

APPEND DOCUMENTATION AS ATTACHMENT- 18. IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.590 - Staffing Availability

1. For each category of service, document that relevant clinical and professional staffing needs for the proposed project were considered and that licensure and JCAHO staffing requirements can be met.
2. Provide the following documentation:
 - a. The name and qualification of the person currently filling the position, if applicable; and
 - b. Letters of interest from potential employees; and
 - c. Applications filed for each position; and
 - d. Signed contracts with the required staff; or
 - e. A narrative explanation of how the proposed staffing will be achieved.

APPEND DOCUMENTATION AS ATTACHMENT- 19. IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.600 Bed Capacity

The maximum bed capacity of a general LTC facility is 250 beds, unless the applicant documents that a larger facility would provide personalization of patient/resident care and documents provision of quality care based on the experience of the applicant and compliance with IDPH's licensure standards (77 Ill. Adm. Code: Chapter I, Subchapter c (Long-Term Care Facilities)) over a two-year period.

APPEND DOCUMENTATION AS ATTACHMENT- 20. IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.610 - Community Related Functions

The applicant shall document cooperation with and the receipt of the endorsement of community groups in the town or municipality where the facility is or is proposed to be located, such as, but not limited to, social, economic or governmental organizations or other concerned parties or groups. Documentation shall consist of copies of all letters of support from those organizations.

APPEND DOCUMENTATION AS ATTACHMENT- 21 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.620 - Project Size

THIS ITEM IS NOT APPLICABLE TO CCRC EXPANSION PROJECTS

The applicant shall document that the amount of physical space proposed for the project is necessary and not excessive. The proposed gross square footage (GSF) cannot exceed the GSF standards as stated in Appendix A of 77 Ill. Adm Code 1125 (LTC rules), unless the additional GSF can be justified by documenting one of the following:

1. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies;
2. The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix A;
3. The project involves the conversion of existing bed space that results in excess square footage.

APPEND DOCUMENTATION AS ATTACHMENT- 22 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.630 - Zoning

The applicant shall document one of the following:

1. The property to be utilized has been zoned for the type of facility to be developed;
2. Zoning approval has been received; or
3. A variance in zoning for the project is to be sought.

APPEND DOCUMENTATION AS ATTACHMENT- 23 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.640 - Assurances

1. The applicant representative who signs the CON application shall submit a signed and dated statement attesting to the applicant's understanding that, by the second year of operation after the project completion, the applicant will achieve and maintain the occupancy standards specified in Section 1125.210(c) for each category of service involved in the proposal.

2. For beds that have been approved based upon representations for continuum of care (Section 1125.560(a)) or defined population (Section 1125.560(b)), the facility shall provide assurance that it will maintain admissions limitations as specified in those Sections for the life of the facility. To eliminate or modify the admissions limitations, prior approval of HFSRB will be required.

APPEND DOCUMENTATION AS ATTACHMENT 24 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.650 - Modernization

THIS ITEM IS NOTE GERMANE TO EXPANSION PROJECTS

1. If the project involves modernization of a category of LTC bed service, the applicant shall document that the bed areas to be modernized are deteriorated or functionally obsolete and need to be replaced or modernized, due to such factors as, but not limited to:
 - a. High cost of maintenance;
 - b. non-compliance with licensing or life safety codes;
 - c. Changes in standards of care (e.g., private versus multiple bed rooms); or
 - d. Additional space for diagnostic or therapeutic purposes.
2. Documentation shall include the most recent:
 - a. IDPH and CMMS inspection reports; and
 - b. Accrediting agency reports.
3. Other documentation shall include the following, as applicable to the factors cited in the application:
 - a. Copies of maintenance reports;
 - b. Copies of citations for life safety code violations; and
 - c. Other pertinent reports and data.
4. Projects involving the replacement or modernization of a category of service or facility shall meet or exceed the occupancy standards for the categories of service, as specified in Section 1125.210(c).

APPEND DOCUMENTATION AS ATTACHMENT 25 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION V – FINANCIAL AND ECONOMIC FEASIBILITY REVIEW

Criterion 1125.800 Estimated Total Project Cost

The following Sections **DO NOT** need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18 month period prior to the submittal of the application):

- Availability of Funds – Review Criteria
- Financial Viability – Review Criteria
- Economic Feasibility – Review Criteria, subsection (a)

Availability of Funds

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable: Indicate the dollar amount to be provided from the following sources:

<u>\$5,093,024</u>	a.	Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
_____	b.	Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
_____	c.	Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
_____	e.	Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
_____	f.	Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
_____	g.	All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
<u>\$5,093,024</u>	TOTAL FUNDS AVAILABLE	

APPEND DOCUMENTATION AS ATTACHMENT-27, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Financial Viability

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

Financial Viability Waiver

The applicant is not required to submit financial viability ratios if:

1. "A" Bond rating or better
2. All of the projects capital expenditures are completely funded through internal sources
3. The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent
4. The applicant provides a third party surety bond or performance bond letter of credit from an A rated guarantor.

See Section 1120.130 Financial Waiver for information to be provided

APPEND DOCUMENTATION AS ATTACHMENT 28, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

1. The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion. When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

Provide Data for Projects Classified as:	Category A or Category B (last three years)			Category B (Projected)
Enter Historical and/or Projected Years				
Current Ratio				
Net Margin Percentage				
Percent Debt to Total Capitalization				
Projected Debt Service Coverage				
Days Cash on Hand				
Cushion Ratio				

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

2. Variance

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt obligations should the applicant default.

APPEND DOCUMENTATION AS ATTACHMENT 29, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Economic Feasibility

This section is applicable to all projects

A. Reasonableness of Financing Arrangements

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

1. That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or
2. That the total estimated project costs and related costs will be funded in total or in part by borrowing because:
 - A. A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 1.5 times for LTC facilities; or
 - B. Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

1. That the selected form of debt financing for the project will be at the lowest net cost available;
2. That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;
3. That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

Identify each area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY SERVICE									
Area (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New Mod.		Gross Sq. Ft. New Circ.*		Gross Sq. Ft. Mod. Circ.*		Const. \$ (A x C)	Mod. \$ (B x E)	
Nursing	281.53	187.01	4,775		400		\$1,344,312	\$74,803	\$1,419,115
Other	281.53	187.01	5,245		1,435		\$1,476,632	\$268,357	\$1,744,989
Contingency	10.04	70.76	10,020		1,835		\$100,594	\$129,848	\$230,442
TOTALS	291.57	257.77	10,020		1,835		\$2,921,538	\$473,008	\$3,394,546

* Include the percentage (%) of space for circulation

D. Projected Operating Costs

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

E. Total Effect of the Project on Capital Costs

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

APPEND DOCUMENTATION AS ATTACHMENT - 30, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM

APPENDIX A**Project Costs and Sources of Funds**

Complete the following table listing all costs associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	\$3,534	\$8,246	\$11,780
Site Survey and Soil Investigation	\$6,000	\$14,000	\$20,000
Site Preparation	\$42,000	\$98,000	\$140,000
Off Site Work	\$108,000	\$252,000	\$360,000
New Construction Contracts	\$846,283	\$1,974,661	\$2,820,944
Modernization Contracts	\$102,948	\$240,212	\$343,160
Contingencies	\$69,133	\$161,309	\$230,442
Architectural/Engineering Fees	\$99,180	\$231,419	\$330,599
Consulting and Other Fees	\$162,212	\$378,494	\$540,705
Movable or Other Equipment (not in construction contracts)	\$73,618	\$171,776	\$245,394
Bond Issuance Expense (project related)	\$0	\$0	\$0
Net Interest Expense During Construction (project related)	\$0	\$0	\$0
Fair Market Value of Leased Space or Equipment	\$0	\$0	\$0
Other Costs To Be Capitalized	\$15,000	\$35,000	\$50,000
Acquisition of Building or Other Property (excluding land)	\$0	\$0	\$0
TOTAL USES OF FUNDS	\$1,527,907	\$3,565,117	\$5,093,024
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$1,527,907	\$3,565,117	\$5,093,024
Pledges	\$0	\$0	\$0
Gifts and Bequests	\$0	\$0	\$0
Bond Issues (project related)	\$0	\$0	\$0
Mortgages	\$0	\$0	\$0
Leases (fair market value)	\$0	\$0	\$0
Governmental Appropriations	\$0	\$0	\$0
Grants	\$0	\$0	\$0
Other Funds and Sources	\$0	\$0	\$0
TOTAL SOURCES OF FUNDS	\$1,527,907	\$3,565,117	\$5,093,024
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

APPENDIX B**Related Project Costs**

Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

Land acquisition is related to project Yes No
Purchase Price: \$ _____
Fair Market Value: \$ _____

The project involves the establishment of a new facility or a new category of service
 Yes No

If yes, provide the dollar amount of all **non-capitalized** operating start-up costs (including operating deficits through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.

Estimated start-up costs and operating deficit cost is \$ Not Germane.

APPENDIX C

Project Status and Completion Schedules

Indicate the stage of the project's architectural drawings:

- | | |
|---|--|
| <input type="checkbox"/> None or not applicable | <input type="checkbox"/> Preliminary |
| <input checked="" type="checkbox"/> Schematics | <input type="checkbox"/> Final Working |

Anticipated project completion date (refer to Part 1130.140): December 31, 2014

Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140):

- Purchase orders, leases or contracts pertaining to the project have been executed. Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies
- Project obligation will occur after permit issuance.

APPENDIX D

Cost/Space Requirements

Provide in the following format, the department/area **DGSF** or the building/area **BGSF** and cost. The type of gross square footage either **DGSF** or **BGSF** must be identified. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

Department/Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE	-	-	-	-	-	-	-
Nursing	\$1,263,053	12,350	15,290	2,940	0		0
Living/Dining/Activity	\$161,104	2,650	3,025	375	0		0
Kitchen/Food Service	\$0	653	653	0	0		0
P.T./O.T.	\$0	921	921	0	0		0
Laundry	\$0	0	0	0	0		0
Janitor Closets	\$42,981	0	100	0	100		0
Clean/Soiled Utility	\$53,701	0	125	125	0		0
Beauty/Barber	\$0	0	0	0	0		0
Nursing Clinical	\$1,520,819	16,574	20,114	3,440	100		0

NON REVIEWABLE							
(Nursing)	\$0						
Circulation	\$0	5,920	5,920				
Office/Administration	\$0	1,211	1,211	0	0		0
Employee Lounge/ Locker/Training	\$0	0	0	0	0		0
Mechanical/Electrical*	\$21,480	432	482	50	0		0
Lobby	\$0	0	0	0	0		0
Storage/Maintenance*	\$88,070	0	205	205	0		0
Corridor/Public Toilets	\$519,828	0	1,210	910	300		0
Stair/Elevators	\$73,034	0	170	170	0		0
Nursing Non Review	\$702,412	7,563	9,198	1,335	300		
Total Nursing	\$2,223,231	24,137	29,312	4,775	400		

Loading	\$421,018	0	980	980	0		0
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Assisted Living	\$2,319,893	27,790	33,190	4,010	1,390		0
Storage/Maintenance*	\$88,070	0	205	205	0		0
Mechanical/Electrical*	\$40,813	0	95	50	45		0
Total AL	\$2,448,776	27,790	33,490	4,265	1,435		0
Total Non-clinical	\$3,572,205	35,353	43,668	6,580	1,735		0

TOTAL	\$5,093,024	51,927	63,782	10,020	1,835		0
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After paginating the entire, completed application, indicate in the chart below, the page numbers for the attachments included as part of the project's application for permit:

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SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

Applicant /Co-Applicant Identification

The Applicant for this project is CC-Lake, Inc. This entity is the subleasee of the facility and operator/licensee. CC-Lake, Inc. is a for-profit corporation. The entity's Illinois Certificate of Good Standing is provided in ATTACHMENT-1A.

ATTACHMENT-1



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

CC-LAKE, INC., INCORPORATED IN DELAWARE AND LICENSED TO TRANACT BUSINESS IN THIS STATE ON JUNE 05, 1998, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE RELATING TO THE PAYMENT OF FRANCHISE TAXES, AND AS OF THIS DATE, IS A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO TRANACT BUSINESS IN THE STATE OF ILLINOIS.



Authentication #: 1220102492

Authenticate at: <http://www.cyberdriveillinois.com>

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 19TH day of JULY A.D. 2012 .

Jesse White

SECRETARY OF STATE
ATTACHMENT - 1A

WWW.CYBERDRIVEILLINOIS.COM

JESSE WHITE
SECRETARY OF STATE



CORPORATION FILE DETAIL REPORT

Entity Name	CC-LAKE, INC.	File Number	59984314
Status	ACTIVE		
Entity Type	CORPORATION	Type of Corp	FOREIGN BCA
Qualification Date (Foreign)	06/05/1998	State	DELAWARE
Agent Name	ILLINOIS CORPORATION SERVICE C	Agent Change Date	10/31/2003
Agent Street Address	801 ADLAI STEVENSON DRIVE	President Name & Address	RANDY RICHARDSON 71 S WACKER DR STE 900 CHICAGO 60606
Agent City	SPRINGFIELD	Secretary Name & Address	STEPHANIE FIELDS SAME
Agent Zip	62703	Duration Date	PERPETUAL
Annual Report Filing Date	06/20/2012	For Year	2012
Assumed Name	ACTIVE - CLASSIC RESIDENCE BY HYATT AT THE GLEN ACTIVE - VI AT THE GLEN		

[Return to the Search Screen](#)

[Purchase Certificate of Good Standing](#)
(One Certificate per Transaction)

[BACK TO CYBERDRIVEILLINOIS.COM HOME PAGE](#)

ATTACHMENT-1A

**SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION
(Continued II)**

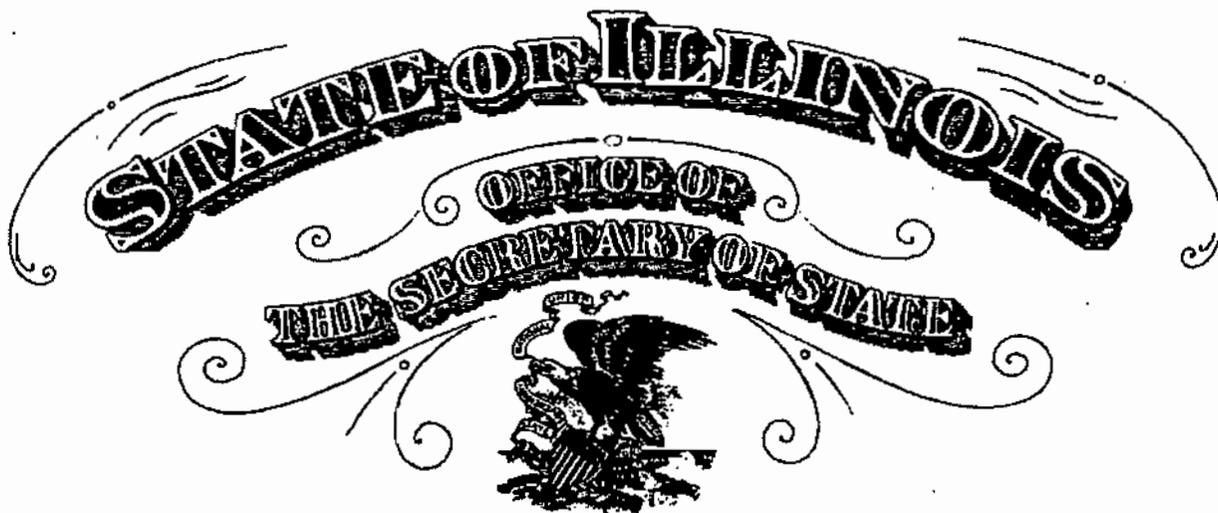
Site Ownership

Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease.

APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM

The owner of the building and site is Glenview Care Center, Inc., a for-profit corporation that is in good standing with the Illinois Secretary of State's office. Please find a copy of the entity's Certificate of Good Standing appended as ATTACHMENT-2A. Appended as ATTACHMENT-2B, is a copy of the deed for the property. Appended as ATTACHMENT-2C are the lease and sublease showing control lies with CC-Lake, Inc.

ATTACHMENT-2



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

GLENVIEW CARE CENTER, INC., INCORPORATED IN DELAWARE AND LICENSED TO TRANSACT BUSINESS IN THIS STATE ON OCTOBER 10, 2002, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE RELATING TO THE PAYMENT OF FRANCHISE TAXES, AND AS OF THIS DATE, IS A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.



Authentication #: 1217102400

Authenticate at: <http://www.cyberdriveillinois.com>

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 19TH day of JUNE A.D. 2012*

Jesse White

SECRETARY OF STATE

ATTACHMENT - 2A

Prepared by and after
recordation return to:

Lawrence A. Eiben, Esq.
Bell, Boyd & Lloyd, LLC
70 W. Madison Street
Suite 3100
Chicago, Illinois 60602

QUIT CLAIM DEED

THE GRANTOR, CC-LAKE, INC., a Delaware corporation, of the City of Chicago, County of Cook, State of Illinois, for and in consideration of Ten and 00/100 DOLLARS (\$10.00), and other good and valuable consideration in hand paid, CONVEYS and QUIT CLAIMS, to GLENVIEW CARE CENTER, INC., a Delaware corporation, of 71 South Wacker Drive, Suite 900, Chicago, IL 60606, the following described Real Estate situated in the County of Cook in the State of Illinois, to-wit:

See Exhibit A attached hereto and made a part hereof

THIS IS NOT HOMESTEAD PROPERTY

SUBJECT TO: covenant, conditions and restrictions of record; public, private and utility easements; and general real estate taxes not due and payable as of the date hereof

Permanent Real Estate Index No.: 04-27-428-001-0000 (part of)
Address of Real Estate: 2401 Indigo Lane, Glenview, Illinois 60025

DATED this 25 day of May, 2006

CC-LAKE, INC., a Delaware corporation

Rep

By:

Its: VICE PRESIDENT

Send subsequent tax bills to:

71 South Wacker Drive, Suite 900
Chicago, IL 60606

State of Illinois)
) ss.
County of Cook)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Gary Smith, the Vice Pres. of CC-LAKE, INC., a Delaware corporation, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act and as the free and voluntary act of such corporation, for the uses and purposes therein set forth.

Given under my hand and official seal, this 25th day of May, 2006.

Linda Sadler
Notary Public



EXHIBIT A

Legal Description

THAT PART OF LOT 2 OF GNAS LOT 35 CLASSIC RESIDENCE - SENIOR HOUSING BEING A SUBDIVISION IN THE SOUTHEAST QUARTER OF SECTION 27 AND THE NORTHEAST QUARTER OF SECTION 34, ALL IN TOWNSHIP 42 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED AS DOCUMENT NUMBER 0417631120, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 2, SAID CORNER BEING ALSO THE SOUTHWEST CORNER OF LOT 36 OF GLENVIEW NAVAL AIR STATION SUBDIVISION NO. 2 ACCORDING TO THE PLAT THEREOF RECORDED AS DOCUMENT NUMBER 99313067; THENCE ALONG THE SOUTHERLY LINE OF SAID LOT 2 FOR THE FOLLOWING THREE (3) COURSES; (1) THENCE SOUTH 80°52'32" WEST, 64.13 FEET TO A POINT ON A NON-TANGENT CURVE; (2) THENCE WESTERLY ALONG A CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 646.50 FEET WITH AN ARC LENGTH OF 200.61 FEET AND A CHORD BEARING OF SOUTH 71°29'31" WEST TO A POINT ON A NON-TANGENT CURVE; (3) THENCE SOUTHWESTERLY ALONG A CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 591.74 FEET WITH AN ARC LENGTH OF 67.28 FEET AND A CHORD BEARING OF SOUTH 63°47'34" WEST TO A POINT OF NON-TANGENCY; THENCE NORTH 30°08'43" WEST, 12.67 FEET TO A POINT OF CURVATURE; THENCE NORTHWESTERLY ALONG A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 245.00 FEET WITH AN ARC LENGTH OF 46.20 FEET TO A POINT OF TANGENCY; THENCE NORTH 40°56'58" WEST, 74.45 FEET TO A POINT ON A NON-TANGENT CURVE, SAID POINT BEING ALSO ON THE WESTERLY LINE OF LOT 2, AFORESAID; THENCE ALONG SAID WESTERLY LINE FOR THE FOLLOWING TWO (2) COURSES; (1) THENCE NORTHEASTERLY ALONG A CURVE CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 1864.13 FEET WITH AN ARC LENGTH OF 96.57 FEET AND A CHORD BEARING OF NORTH 51°54'45" EAST TO A POINT OF REVERSE CURVATURE; (2) THENCE NORTHEASTERLY ALONG A CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 360.00 FEET WITH AN ARC LENGTH OF 351.97 FEET AND A CHORD BEARING OF NORTH 25°23'15" EAST TO A POINT OF NON-TANGENCY; THENCE NORTH 89°15'51" EAST, 7.85 FEET; THENCE NORTH 00°02'12" EAST, 19.93 FEET; THENCE SOUTH 89°57'48" EAST, 65.00 FEET; THENCE SOUTH 00°02'12" WEST, 19.05 FEET; THENCE NORTH 89°15'51" EAST, 101.41 FEET TO THE EAST LINE OF LOT 2, AFORESAID; THENCE SOUTH 00°01'06" WEST ALONG SAID EAST LINE, 368.70 FEET TO THE POINT OF BEGINNING, CONTAINING 105,453 SQUARE FEET OF LAND MORE OR LESS, ALL IN COOK COUNTY, ILLINOIS.

LEASE

THIS LEASE (the "Lease") is made and entered into as of the 4th day of April, 2003, by and between Glenview Care Center, Inc., a Delaware corporation (the "Landlord"), and Classic Lake, Inc., an Illinois not-for-profit corporation (the "Tenant").

RECITALS

WHEREAS, Landlord is, or prior to the Commencement Date will become, the owner of that certain real property commonly known as 2401 Indigo Lane, Glenview, Illinois 60025 (the "Real Property"). The Real Property is being developed as a care center (the "Care Center") which will include assisted living units, Alzheimer's care units and skilled nursing units, together with all furnishings, personal property and equipment incidental to those uses ("Personal Property"). The Real Property, Care Center and Personal Property are collectively referred to as the "Premises."

WHEREAS, an affiliate of Landlord owns that certain continuing care retirement community ("CCRC") located adjacent to the Care Center.

WHEREAS, it is the mutual desire of Landlord and Tenant that Landlord and Tenant enter into this Lease pursuant to which Landlord shall lease to Tenant the Premises on the terms and conditions as provided herein.

NOW, THEREFORE, in consideration of the rent and mutual covenants provided in this Lease, Landlord hereby rents, demises and leases unto Tenant the Premises on the terms and conditions set forth below:

1. **TERM**. This Lease shall have an initial ten (10) year (the "Initial Term") term beginning April 15, 2003 (or such later date that the Care Center is licensed by the Illinois Department of Public Health as an Assisted Living Facility and the Village of Glenview has issued a Certificate of Occupancy for the Care Center) (the "Commencement Date"). Unless otherwise terminated in accordance herein, upon the expiration date of the Initial Term, this Lease shall automatically renew for additional ten (10) year periods (each, a "Renewal Term").

2. **RENT**. Beginning on the 6 month anniversary of Commencement Date, and continuing on the first business day of each month thereafter, during the Initial Term, unless the Lease is terminated earlier in accordance with the terms of this Lease, Tenant shall pay to Landlord an annual base rent of Six Hundred Sixty One Thousand Dollars (\$661,000), in equal monthly installments (the "Monthly Rent"). At the end of the Initial Term and each Renewal Term, the Monthly Rent for each Renewal Term shall be increased by a percentage equal to the percentage charge in the Consumer Price Index between the Commencement Date or the commencement date for any prior Renewal Term, as the case may be, and the commencement date for the then-current Renewal Term. In no event shall the annual base rent for any Renewal Term be less than the Initial Term or the prior Renewal Term, as the case may be.

For the purposes of this Lease, the term "Consumer Price Index" means the Consumer Price Index-United States All Items for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor or, if no longer prepared and published, such other index which is generally recognized as a measure of inflation in the United States as a whole and which is designated by Landlord as a reasonable substitute. The Consumer Price Index applicable to any date shall be, for purposes of this Lease, the Consumer Price Index reported for the nearest prior month ending at least thirty (30) days prior to such date. Monthly Rent for any fractional month shall be prorated and payable in advance.

3. **USE, MAINTENANCE, IMPROVEMENTS.** -

(a) Tenant shall, at all times during the term of this Lease, use and operate the Premises as an assisted living and skilled nursing facility with not less than thirty one (31) licensed assisted living units (some of which may be Alzheimer's care units) and thirty eight (38) licensed skilled nursing beds, and all purposes incidental thereto, but for no other purposes without the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed.

(b) Tenant shall at all times during the term hereof maintain the Real Property in as good a condition as when the Real Property was delivered to Tenant hereunder, ordinary wear and tear and unavoidable casualties excepted. Tenant shall, at Tenant's expense, perform all major mechanical repair or replacement of major components of the Care Center, including but not limited to heating, ventilation, air conditioning, electrical, plumbing and sewer systems. Tenant shall, at Tenant's expense, perform all nonstructural repairs and maintenance to the Real Property and to any part thereof, which are needed to maintain the Real Property in a good, safe, operable and clean condition and state of repair, including glass. Tenant shall have no duty to improve the Real Property beyond its present condition. To the extent the Personal Property and equipment are not obsolete and remain used in the operation of the Premises, Tenant shall also, at Tenant's expense, maintain, repair and keep the Personal Property in good, safe, operable and clean condition and state of repair, ordinary wear and tear and avoidable casualties excepted. However, in the event that any of such Personal Property becomes obsolete, Tenant may discard the same or discontinue any maintenance or repair of the same if, in Tenant's opinion, it becomes uneconomical or is not prudent to continue such repairs or maintenance. Tenant shall further be responsible to replace, repair or clean up any condition of the Premises existing after the Commencement Date which shall violate any present or future local, state or federal environmental or hazardous waste laws, rules or regulations. Tenant shall not commit or suffer waste of any nature whatsoever to the Premises or any part thereof. Tenant shall not allow the Premises or any part thereof or any activity thereon to become a nuisance. Tenant shall maintain and conduct Tenant's activities on the Premises in a good, safe, prudent and businesslike manner.

4. **UTILITIES.** Tenant shall arrange for, be liable for and pay for all utilities and utility service to the Care Center arising on or after the Commencement Date, including all electricity, gas, water and fuel. With respect to any utilities assessed to or against the CCRC as a whole, Tenant agrees to be responsible for and pay, when due, its prorata share of all such utilities as

determined by Landlord in its reasonable discretion. Tenant shall protect, defend, indemnify and save Landlord and the Premises harmless from and against all utility and service charges, and laborers', materialman's or mechanic's liens that may attach solely to the Premises by reason of Tenant's use, occupancy or possession of the Premises or Tenant's activities thereon. Tenant shall not permit any such charge or lien, if uncontested, to remain un-discharged for more than thirty (30) days; provided, however, that Tenant, at its expense, may contest by appropriate legal proceedings conducted in good faith and with due diligence the amount or validity or application, in whole or in part, of: (i) any federal, state, county or local law, statute, act, code, rule, regulation or requirement affecting, applicable to or pertaining to all or any part of the Premises or the use thereof (each and every such law, statute, act, code, rule, regulation and requirement being herein collectively called the "Applicable Laws"), (ii) the amount or validity of all taxes, assessments, water and sewer charges and public charges now or hereafter levied against the Premises and the valuation of the Premises for real estate tax purposes (collectively, the "Taxes"); or (iii) the amount or validity of any mechanic's or materialman's lien against the Premises, or of any apparent or threatened adverse title or claim to or against the Premises, or any other lien, statement of lien, encumbrance, claim or charge against the Premises (collectively, the "Liens"); provided, however, that during the pendency each such contest by Tenant of such proceedings shall prevent: (1) the collection of or realization of or enforcement of such Applicable Laws, Taxes or Liens; and (2) the sale, forfeiture, interference with or loss of the Premises or any part thereof or the use and occupancy of the Premises to satisfy the same. Tenant further agrees that each such contest shall be promptly prosecuted to a final conclusion. Tenant will pay, and save Landlord harmless from and against, any and all losses, judgments, decrees and cost (including reasonable attorneys' fees and expenses) in connection with any such contest and will promptly after the final determination of such contest, pay and discharge any amounts levied, assessed, charged or imposed or determined to be payable therein or in connection therewith, together with all penalties, fines, interests, costs and expenses thereof or in connection therewith, and perform all acts, the performance of which shall be ordered or decreed as a result thereof. No such contest shall subject Landlord to the risk of any civil liability or criminal liability.

5. INDEMNIFICATION.

(a) Except as herein provided, Landlord shall not be liable for any bodily injury to or death of any person, or for any damage to or loss of any property, resulting from or arising out of Tenant's use, occupancy or possession of the Premises. From and after the Commencement Date, Tenant shall protect, defend, indemnify and save Landlord and the Premises harmless from and against any loss, cost, damage, demand, claim, suit or other liability, including reasonable attorneys' fees and other expenses of litigation, because of: (i) bodily injury or death at any time resulting therefrom, or (ii) property damage which directly or indirectly results from or arises out of Tenant's use, occupancy or possession of the Premises or Tenant's activities thereon, or which otherwise results from or arises out of this Lease, without regard to the cause of the same, excepting only the gross negligence or willful misconduct of Landlord, its agents, contractors, employees or invitees.

(b) Landlord shall not, under any circumstances be liable or otherwise accountable to Tenant or to any third person for any damage or injury to Tenant or to any third person or to the property of Tenant or of any third person, however caused, and

whether such damage or injury has its origin in the Premises, excepting only the gross negligence or willful misconduct of Landlord, its agents, contractors, employees or invitees. This provision applies to such items as, but is not limited to, damage to the Premises and damage to any of the fixtures, merchandise, property or equipment therein contained, whether owned by Tenant or by any other person, due to the overflowing or breaking of steam, sewer or water pipes, tanks, drains, boilers, basins, toilets, lavatories or gutters, or other plumbing, or from smoke, fire, odors, earthquake, explosion, gas, electricity, lightning and wiring, or from any other cause whatsoever.

(c) Tenant shall protect, defend, indemnify and save Landlord and the Premises harmless from and against any loss, cost, damage, demand, claim, suit, fine, sanctions or other liability, including reasonable attorneys' fees and other expenses of litigation, resulting from any violations of any federal, state or local laws regulating the operation of an assisted living or skilled nursing facility upon the Premises and imposing sanctions upon the owner thereof for violations of their provisions. Tenant further represents, warrants and covenants to remedy or repair any such violation at Tenant's sole cost and expense.

6. **INSURANCE.** Tenant shall maintain the insurance identified on Exhibit A attached hereto.

7. **TAXES.**

(a) Tenant shall pay or discharge before delinquency all real estate and property taxes, assessments (but only to the extent installments thereof are due and payable during the term of this Lease) or charges levied or assessed against the Premises accruing. In the event real estate taxes are assessed on the CCRC as a whole, Tenant shall pay, when due, its prorata share of all such taxes as determined by Landlord in its reasonable discretion.

(b) Tenant shall not be required to pay any franchise, corporate, estate, inheritance, succession, capital levy, single business tax or transfer tax of Landlord or any business tax, income, profits, or revenue tax or any other tax, assessment, charge, or levy charged upon the Monthly Rent payable by Tenant under this Lease.

8. **CASUALTY; CONDEMNATION.**

(a) In the event that the Premises or any part thereof is lost, damaged or destroyed, then, Tenant shall restore the Premises to its condition prior to the date of such casualty with due diligence and as expeditiously as reasonably possible. Landlord and Tenant shall be joint loss payees of any insurance proceeds in connection with such loss (except with regard to that portion attributable to Tenant's property). The Monthly Rent reserved by Section 2 hereof shall not be abated during the term hereof after the occurrence of such loss, damage or destruction. Tenant shall, at its own expense and with the insurance proceeds, replace and repair so much of said Premises which may be damaged or destroyed by fire or any other cause whatsoever, as may be necessary for the resumption by Tenant of its business on the Premises. Such replacement or repair shall take place as soon after the damage or destruction as may be reasonably possible.

(b) In the event a portion of the Premises is taken through condemnation, either party may terminate this Lease within 90 days of the taking, by providing written notice to the other party, if such party determines in its reasonable discretion that the Care Center cannot feasibly be operated as a result of the taking. If this Lease is not terminated as aforesaid, after such taking the "Premises" shall be deemed to mean the portion of the former Premises not taken, Tenant shall repair and rebuild the Care Center to the extent reasonably practicable, and the Rent under this Lease shall equitably abate.

(c) Except as herein otherwise specifically provided, Landlord shall be entitled to all awards and proceeds payable by reason of any condemnation or taking, whether whole or partial, provided, however, that where such condemnation or taking results in the termination of this Lease pursuant to Section 8(b) above, then Tenant shall be entitled to that portion of an award made to or for the benefit of Tenant (by a court of competent jurisdiction or by appraisal) for the loss of Tenant's business, Tenant's moving expense, the value of Tenant's leasehold estate, depreciation to and the cost of removal or loss of Tenant's trade fixtures and personal property and leasehold improvements owned by Tenant which are permitted to be removed upon the natural expiration of this Lease and the value of the loss of the going concern of Tenant's business.

9. **LANDLORD'S RIGHT TO INSPECT.** Landlord retains full right and authority to enter onto and inspect the Premises and any part thereof at any reasonable hour upon reasonable prior notice to Tenant.

10. **COMPLIANCE WITH LAWS, LICENSES, PERMITS.** Subsequent to the Commencement Date, Tenant shall comply with all applicable local, state and federal laws, regulations, rulings and orders, relating to the use or occupancy of the Premises and shall, at Tenant's cost and expense, obtain and thereafter maintain in good standing all permits, certificates and licenses required by the same. Tenant agrees to protect, defend, indemnify and save Landlord and the Premises harmless from and against any loss, cost, damage, demand, claim, suit, fine, penalty and expense of litigation, including reasonable attorneys' fees, which arises directly or indirectly out of Tenant's failure to comply with the provisions of this Section. Notwithstanding anything contained herein to the contrary, Tenant shall not be required to comply with any applicable local, State and Federal laws, regulations, rulings and orders relating to a violation of any environmental law or hazardous waste law if the condition of the Premises or the cause of such violation existed prior to the Commencement Date, including but not limited to any remedial actions required, caused or occasioned by Landlord or Landlord's predecessors' prior use of the Premises.

11. **DEFAULTS; REMEDIES.**

(a) If any one or more of the following events occurs:

(i) If the Monthly Rent reserved by Section 2 of this Lease, or any portion thereof, is unpaid when due and remains unpaid for a period of fifteen (15)

days following becomes due and payable after written notice of such default by Landlord to Tenant;

(ii) If Tenant defaults in the performance of or breaches any other provision of this Lease and does not within thirty (30) days after written notice of such default or breach by Landlord to Tenant cure the same; provided, however, that if such default or breach cannot be cured within thirty (30) days and Tenant is diligently pursuing such cure, Tenant shall be granted such additional time as is reasonably necessary to cure the same;

(iii) If Tenant transfers any substantial portion of Tenant's property to any party for less than fair and adequate consideration during the term of this Lease; or

(iv) If any execution, attachment or bankruptcy proceeding involving this Lease or the Premises is taken against Tenant and not dismissed within one hundred twenty (120) days of such filing.

(b) In the event of an uncured default, following the required written notice, if any, Landlord shall have the following options:

(i) Landlord may elect to re-enter, as herein provided, or take possession of the Premises pursuant to legal proceedings or pursuant to any notice provided for herein, and may either terminate this Lease, or it may from time to time, without terminating this Lease, make such alterations and repairs as may be necessary in order to relet the Premises and relet the Premises or any part thereof for such term or terms (which may be for a term extending beyond the term of this Lease) and at such rent and upon such other terms and conditions as Landlord, in its sole discretion, may deem advisable. Upon each such reletting all rent received by Landlord from such reletting shall be applied first to the payment of any indebtedness other than the Monthly Rent due hereunder from Tenant to Landlord; second to the payment of any costs and expenses of such reletting, including brokerage fees and attorneys' fees, and of costs of such alterations and repairs; third to the payment of the most current rent owed at that time; and the residue, if any, shall be held by Landlord and applied in payment of future Monthly Rent as the same may become due and payable hereunder from Tenant. If such rent received from such reletting during any month is less than the Monthly Rent to be paid during that month by Tenant hereunder, Tenant shall be liable for the payment of such deficiency to Landlord. Such deficiency shall be calculated and become payable monthly. No such re-entry or the taking of possession of the Premises by Landlord shall be construed as an election on its part to terminate this Lease or to accept a surrender thereof unless a written notice of such intention be given to Tenant. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect to terminate this Lease for such previous breach. Should Landlord at any time terminate this Lease for any default, in addition to any other remedies it may have, Landlord may recover from Tenant all damages it may incur by reason of such breach, including the cost of recovering the Premises, and the worth at the time

of such termination of the excess, if any, of the amount of rent and charges equivalent to rent reserved in this Lease for the remainder of the stated term over the then reasonable rental value of the Premises for the remainder of the stated term (subject to an appropriate adjustment for the present value of such remaining rent), all of which amounts shall be immediately due and payable from Tenant to Landlord. No delay or omission of Landlord to exercise any right or remedy under this Lease, or in law or in equity shall be construed as a waiver of any such right or remedy of any default.

Notwithstanding anything contained herein to the contrary, Landlord shall use reasonable efforts to mitigate its damages in the event of a default by Tenant.

12. **QUIET ENJOYMENT.** Tenant, upon paying the Monthly Rent reserved herein and complying with all other provisions of this Lease, shall have quiet enjoyment of the Premises.

13. **NO PARTNERSHIP RELATION.** Landlord shall not be deemed to be a partner or associate of Tenant, nor shall Landlord be deemed to be engaged in a joint venture with Tenant, as a result of this Lease. The intention of Landlord and Tenant is that their relationship hereunder be solely that of lessor and lessee and no other.

14. **REPRESENTATIONS AND WARRANTIES OF TENANT.** Tenant represents, covenants and warrants that:

(a) Tenant is duly organized and validly existing and in good standing under the laws of the State of Illinois. Tenant has full right, title and authority to execute and perform this Lease and consummate all of the transactions contemplated herein.

(b) Tenant shall operate the Premises in a manner so that the Premises shall at all times qualify as a licensed assisted living facility and skilled nursing facility under the laws and regulations of the State of Illinois.

(c) Tenant shall do all things necessary to obtain, maintain and renew from time to time, as necessary, all permits, licenses, and other governmental approvals necessary for operation of the Premises.

15. **REPRESENTATIONS AND WARRANTIES OF LANDLORD.** Landlord represents, covenants, and warrants that:

(a) Landlord is duly organized and validly existing and in good standing under the laws of the State of Delaware. Landlord has full right, title, and authority to execute and perform this Lease and consummate all of the transactions contemplated herein.

(b) Landlord shall reasonably cooperate with Tenant in obtaining or renewing all necessary governmental licenses and permits required to operate an assisted living facility on the Premises.

(c) There is no pending condemnation or similar proceeding affecting the Real Property or Personal Property or any portion thereof, and Landlord has not received any written notice, and has no knowledge, that any such proceeding is contemplated.

(d) Landlord has no knowledge that the continued ownership, operation, use, and occupancy of the Premises violates any zoning, building, health, flood control, fire, or other law, ordinance, order, or regulation or any restrictive covenant. There are no violations of any federal, state, county, or municipal law, ordinance, order, regulation, or requirement, affecting any portion of the Real Property or the Personal Property, and no written notice of any such violation has been issued by any governmental authority.

(e) Landlord is not prohibited from consummating the transactions contemplated in this Lease, by any law, regulation, agreement, instrument, restriction, order, or judgment.

(f) There are no parties in possession of the Premises or of any part thereof, and no party has been granted any license, lease, or other right relating to the use or possession of the Premises.

(g) There are no attachments, executions, assignments for the benefit of creditors, receiverships, conservatorships, or voluntary or involuntary proceedings in bankruptcy or pursuant to any other debtor relief laws contemplated or filed by Landlord or pending against Landlord or the Premises.

(h) There are no actions, suits, claims, proceedings, or causes of action which are pending or have been threatened or asserted against, or are affecting, Landlord, or the Premises or any part thereof in any court or before any arbitrator, board, or governmental or administrative agency or other person or entity which might have an adverse effect on the Premises or any portion thereof or on Tenant's ability to operate the Premises as an assisted living and skilled nursing facility from and after the date hereof, other than those actions, suits, claims, proceedings, or causes of action identified in writing and delivered by Landlord to Tenant.

(i) All personal property located on the Premises and owned by Landlord or any related or affiliated entity is part of the Personal Property being leased hereunder and all such property is in good working order, sufficient for the purpose intended.

All of the warranties and representations of Landlord shall survive any inspection or investigation made by or on behalf of Tenant.

16. **ASSIGNMENT AND SUBLETTING.** Tenant shall not be entitled to assign the Lease or sublet the Premises without the prior written consent of Landlord, in its sole discretion, and any such assignment or subletting shall be an immediate event of default hereunder. Notwithstanding the foregoing, Tenant may freely assign this Lease to an affiliate. Landlord may freely assign this Lease in the event it transfers title to the Premises and the transferee assumes this Lease.

17. **COMPLIANCE WITH ENVIRONMENTAL LAWS.**

(a) Landlord represents and warrants to Tenant that as of the Commencement Date, to its actual knowledge, there are no Adverse Environmental Conditions affecting the Premises that have not otherwise been disclosed to Tenant. Landlord represents and warrants to Tenant that, to its actual knowledge, the Premises are free from Hazardous Materials other than those used or generated in the normal course of operating an assisted living or skilled nursing facility. Landlord hereby indemnifies, defends, and holds Tenant harmless from any and all loss, cost, damage, and claims, including reasonable attorneys' fees and other expenses of litigation, which directly or indirectly result from Landlord's breach of the foregoing.

(b) Tenant hereby indemnifies, defends, and holds Landlord harmless from any and all loss, cost, damage, and claims, including reasonable attorneys' fees and other expenses of litigation, which directly or indirectly result from all claims, demands, suits, and other proceedings caused by or related to Environmental Laws, Hazardous Materials, or Adverse Environmental Conditions affecting the Premises brought on to the Premises by Tenant as a result of the negligent or wrongful act or omission of Tenant. This indemnity shall survive the termination or expiration of this Lease.

(c) **Definitions.** As used herein:

(i) The term "Hazardous Materials" shall mean all pollutants, dangerous substances, industrial wastes, petroleum products, solid wastes, refuse, oil, insecticides, fungicides, rodenticides, polychlorinated biphenyls ("PCB's"), toxic substances, hazardous wastes, hazardous materials, and hazardous substances of any kind, as such terms are defined in or pursuant to any and all Environmental Laws.

(ii) The term "Environmental Laws" shall mean all federal, state or local environmental laws, ordinances, rules, regulations, requirements, licenses, permits, and acts, and all regulations promulgated thereunder, whether now existing or hereafter enacted, including, but not limited to: the Federal Water Pollution Control Act, 33 U.S.C. § 1251 *et seq.*, as amended ("FWPCA"); the Clean Air Act, 42 U.S.C. §§ 741 *et seq.*, as amended ("CAA"); the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901, *et seq.*, as amended ("RCRA"); the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 *et seq.*, as amended ("CERCLA"); the Superfund Amendments and Reauthorization Act, as amended, ("SARA"); the Clean Water Act, as amended ("CWA"); The Toxic Substances Control Act, 15 U.S.C. § 2601 *et seq.*, as amended ("TSCA"); The Occupational Safety and Health Act, 29 U.S.C. § 651 *et seq.*, as amended ("OSHA"); The Safe Drinking Water Act, 42 U.S.C. § 300(f) *et seq.*, as amended ("SDWA"); The Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. § 136, *et seq.*, as amended ("FIFRA"); The Hazardous Material Transportation Act; and The Marine Protection, Research and Sanctuaries Act.

(iii) The term "Adverse Environmental Conditions" shall mean any and all conditions in, on, under or resulting from the soil, surface water, ground water and stream sediments on or under the Premises that could require remedial action or result in claims, demands or liabilities by third parties against Tenant or Landlord, including the presence, release or threatened release of any Hazardous Materials.

18. **PERSONAL PROPERTY.** Tenant may promptly replace all worn out or obsolete Personal Property located at the Premises as and when mutually agreed upon by Tenant and Landlord. Except as otherwise mutually agreed upon by Tenant and Landlord, upon the expiration, termination or cancellation of this Lease, all Personal Property located at the Premises (other than Tenant's personal property which does not constitute a replacement of any item of Personal Property located at the Premises as of the Commencement Date), equipment, trade fixtures, installations, and improvements located at the Premises shall remain the property of Landlord. Any personal property acquired by Tenant which is not a replacement of personal property owned by the Landlord as of the Commencement Date shall remain property of Tenant and the Landlord and Tenant shall discuss entering into agreements for Landlord to acquire such personal property at the termination of the Lease.

19. **MISCELLANEOUS PROVISIONS.**

(a) This Lease shall be construed, governed, and administered in accordance with the laws of the State of Illinois.

(b) This Lease is the final and entire expression of the agreement between Landlord and Tenant with respect to the subject matter.

(c) Nothing in this Lease, express or implied, is intended to confer on any person other than Landlord or Tenant, and their respective successors and assigns, any right or remedy under or by reason of this Lease.

(d) This Lease will not be binding upon Landlord or Tenant until it is fully executed by and delivered to both parties. This Lease may not be amended, modified, or supplemented, except by written agreement of Landlord and Tenant, executed by their duly authorized representatives.

(e) All notices and other communications hereunder shall be deemed to have been duly given if they are in writing and: (a) sent by telecopy, confirmed receipt; (b) delivered personally or by overnight courier, or (c) sent by registered or certified mail, return receipt requested and first-class postage prepaid, to the following addresses:

If to Landlord: Glenview Care Center, Inc.
200 W. Madison St,
Suite 3700
Chicago, IL 60606
Attention: General Counsel
facsimile (312) 920-2252

If to Tenant: Classic Lake, Inc.
2500 Indigo Lane
Glenview, IL 60025
Attention: Executive Director
facsimile (847) 904-4605

All such notices shall be effective when personally delivered or received.

(f) No waiver of any breach of this Lease may be construed as a waiver of any continuing or subsequent breach of the same or any other provision of this Lease.

(g) If any provisions of this Lease or the application of any such provision to any person or circumstance is held invalid, then the application of that provision to other persons or circumstances and the remainder of this Lease shall not be affected thereby, but shall remain in full force and effect.

(h) Landlord and Tenant acknowledge that each has a duty to exercise its rights and remedies and perform its obligations reasonably and in good faith. Whenever the provisions of this Lease allow Landlord or Tenant to perform or not to perform some act at its option or in its judgment, the decision to perform or not to perform such act must be reasonable, subject to the express limitations contained in this Lease.

(i) No waiver of any breach of this Lease may be construed as a waiver of any continuing or subsequent breach of the same or any other provision of this Lease.

(j) Landlord and Tenant acknowledge that if either party shall commence a suit, action or other legal proceeding due to the alleged breach of the terms of this Lease by the other party, the prevailing party shall be entitled to obtain its fees, costs and expenses, including reasonable attorneys' fees, from the non-prevailing party.

(k) Landlord and Tenant each acknowledge and agree that Landlord may assign its right, title and interest to this Lease as collateral to a third party lender, to secure Landlord's obligations owing on account of any indebtedness incurred by Landlord with such lender and that this Lease shall be subject and subordinate to the lien of such lender, on the Premises encumbering Landlord's right, title and interest in the Premises; provided, further, that such Tenant shall agree to attorn to such third party lender in the event of

EXHIBIT A
INSURANCE COVERAGE AREAS

Insurance to be maintained by Tenant, with such companies and limits as reasonably required by Landlord.

I. Comprehensive General Liability:

Premises Operations

Elevators

Independent Contractors

Blanket Contractual

Worldwide Products Liability (U.S. Suit or Foreign Indemnity)

Personal Injury (including Contractual) Exclusion C deleted

Amendment of "Bodily Injury" to include Mental Anguish, Mental Injury, or illness whether or not accompanied by physical injury or illness suffered by any person or persons

Employees as Additional Insureds

Broad Form Property Damage

Fire Legal Liability (\$50,000 per location)

Host Liquor Liability (including Loss of Means of Support)

Liquor Liability

XCU exclusion deleted

Incidental Malpractice (including determination of incapacity and moving people out)

II. Professional Liability Insurance

III. Innkeepers Liability Including Safe Deposit Box Liability

IV. Comprehensive Automobile Liability Limits:

Includes all owned, hired, leased (or substitute) automobiles.

Use of other auto - broad form - Blanket coverage for all Classic officers and/or employees while acting within the scope of their duties, including an individual while a resident of the household, and spouse and dependent children of such individual.

V. Garagekeepers Legal Liability:

Fire and Explosion

Theft

Riot, Civil Commotion, Malicious Mischief and Vandalism, Collision or upset

Including coverage for personal property left in insured vehicle

VI. Property and Casualty Insurance:

Insuring the Full Replacement cost of Premises.

*If Landlord obtains, Tenant shall reimburse as additional Rent under the Lease.

SUBLEASE

BETWEEN

CLASSIC LAKE, INC.

Sublandlord

AND

CC-LAKE, INC.

Subtenant

DATED AS OF June 1, 2006

PREMISES: 2401 Indigo Lane, Glenview, Illinois 60025

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SUBLEASE

THIS SUBLEASE (the "Sublease"), dated as of the 1st day of June, 2006, (the "Effective Date") between CLASSIC LAKE, INC., an Illinois not-for-profit corporation ("Sublandlord"), and CC-LAKE, INC., a Delaware corporation ("Subtenant").

RECITALS

A. Pursuant to that certain Lease dated June 1, 2006, ("Prime Lease") by and between Glenview Care Center, a Delaware corporation, as landlord ("Prime Landlord") and Sublandlord as tenant, Sublandlord leased the care center located at 2401 Indigo Lane, Glenview, Illinois 60025 (the "Premises"). The Premises are more particularly described in the Prime Lease. A true and complete copy of the Prime Lease has been furnished to Subtenant and is annexed hereto as Exhibit A:

B. Sublandlord and Subtenant have agreed that Sublandlord shall sublease and demise to Subtenant and Subtenant shall hire and take from Sublandlord the Premises, upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, Sublandlord and Subtenant hereby agree as follows:

ARTICLE 1

Defined Terms; Recitals

Section 1.01. All capitalized terms used but not defined in this Sublease shall have the respective meanings prescribed to such terms in the Prime Lease. The foregoing Recitals are incorporated in this Sublease and made a part hereof as though restated verbatim herein.

ARTICLE 2

Premises; Term; Use; Condition of Premises; Subtenant Improvements

Section 2.01. Sublandlord hereby subleases to Subtenant, and Subtenant hereby hires from Sublandlord, the Premises for a term (the "Term") commencing at 12:01 a.m. on the Effective Date (the "Commencement Date") and expiring at 11:59 p.m. on the date of the expiration of the Initial Term of the Prime Lease (the "Expiration Date"), unless (a) sooner terminated pursuant to any of the terms of this Sublease, or (b) extended for any applicable Renewal Terms (as hereinafter defined). Unless Subtenant delivers written notice to Sublandlord terminating this Sublease prior to the expiration of the Term or the Sublease is otherwise terminated in accordance herein, upon the expiration date of the Term and the expiration of each Renewal Term thereafter, if any, this Sublease shall automatically renew for each Renewal Term of the Prime Lease.

Section 2.02. The Premises shall be occupied and used by Subtenant for the purposes permitted pursuant to the Prime Lease and for no other purposes. Subtenant agrees that Sublandlord has no obligation to alter or repair the Premises or to prepare the same in any way for Subtenant's occupancy or use.

ARTICLE 3

Monthly Rent; Additional Rent

Section 3.01. Subtenant shall, on or before the date when the Monthly Rent for the Premises is due from Sublandlord under the Prime Lease, pay to Sublandlord, without notice or demand (except as herein specifically provided) the Monthly Rent (the "Monthly Rent") in an amount equal to the Monthly Rent set forth in Section 2 of the Prime Lease. In the event of any adjustment to the Monthly Rent payable under the Prime Lease, Sublandlord shall furnish Subtenant with copies of all invoices and statements delivered by Prime Landlord to Sublandlord with respect to such adjustment, together with Sublandlord's calculation of the allocation of such adjustment to the Monthly Rent between Subtenant and Sublandlord. Notwithstanding anything herein to the contrary, Sublandlord may require that Subtenant pay the Monthly Rent directly to the Prime Landlord.

Section 3.02. In addition to the Monthly Rent, Subtenant shall pay to Sublandlord from and after the Commencement Date, additional rent ("Additional Rent") equal to the following:

A. Subtenant shall, on or before the date when a payment towards Taxes or insurance (if any) for the Premises is due from Sublandlord under the Prime Lease, pay to Sublandlord as Additional Rent: (i) the amounts payable by Sublandlord to Prime Landlord on account of real estate taxes pursuant to the Prime Lease and, (ii) the amounts payable by Sublandlord to Prime Landlord on account of operating expenses pursuant to the Prime Lease. The Additional Rent payable pursuant to this Section 3.02A shall be payable to Sublandlord at the times set forth in the Prime Lease demand which shall be accompanied by all invoices and statements delivered by Prime Landlord to Sublandlord with respect to such Additional Rent as well as Sublandlord's calculation of the allocation of such Additional Rent between Subtenant and Sublandlord. Notwithstanding anything herein to the contrary, Sublandlord may require that Subtenant pay the Additional Rent directly to the Prime Landlord.

B If Sublandlord shall be charged with respect to the Premises for any other sums or charges pursuant to the provisions of the Prime Lease, including, without limitation, any charge, cost or expense incurred by Sublandlord as a result of Subtenant's acts in the Premises or for overtime or other extra services requested by Subtenant, then Subtenant shall be liable for payment of the same within ten (10) days of written demand therefor.

C All other sums of money as shall become due and payable by Subtenant to or for the benefit of Sublandlord pursuant to the provisions of this Sublease shall also constitute Additional Rent due hereunder. For the purposes of this Sublease, "Rent" shall mean, collectively, Monthly Rent (as hereinafter defined) and Additional Rent (as hereinafter defined) payable hereunder.

Section 3.03.

A. Sublandlord shall have the same remedies for a default in payment of Additional Rent as for a default in payment of Monthly Rent.

B. If the Commencement Date shall be other than the first day of a month or if the Expiration Date shall be other than the last day of a month (other than by reason of the termination of this Sublease by reason of Subtenant's default hereunder), the monthly installments of Monthly Rent and Additional Rent payable hereunder for any such month shall be prorated on a per diem basis based on the actual number of days in such month.

C. In the event that any sums payable by Sublandlord under the Prime Lease are subject to adjustment by Prime Landlord at the end of a year or other period, then either (i) Subtenant shall pay to Sublandlord, within ten (10) days after written demand, Subtenant's portion allocable to the Premises of any deficiencies payable to Prime Landlord by reason of such adjustment, which obligation of Subtenant shall survive the termination of this Sublease, or (ii) Sublandlord shall credit against the next payments of Rent coming due hereunder Subtenant's portion allocable to the Premises of any refund or credit received by Sublandlord from Prime Landlord by reason of such adjustment, except that if no further payments of Rent shall be due hereunder, then Sublandlord shall refund such amount to Subtenant within ten (10) days after receipt of the refund or credit from Prime Landlord. Sublandlord's obligations hereunder shall survive the termination of this Sublease. Sublandlord's demand made pursuant to this Section 3.03C shall include all invoices and statements delivered by Prime Landlord or Sublandlord with respect to such adjustment as well as Sublandlord's calculation of the allocation of such adjustment between Subtenant and Sublandlord.

D. Rent shall be paid by Subtenant to Sublandlord, in lawful money of the United States of America, in immediately available funds, by check or wire, at the address of Sublandlord set forth herein or at such other address as may be designated by Sublandlord from time to time in writing pursuant to Article 11. There shall be no abatement of, deduction from, or counterclaim or setoff against Rent, except that Subtenant shall be entitled to an abatement or setoff of Rent if and to the extent that Sublandlord shall receive an abatement or other reduction of monthly rent or additional rent reserved under the Prime Lease and Section 3.03C of this Sublease. If Sublandlord receives a reimbursement or credit of rent, or other award, under the Prime Lease, which relates to the Premises or any amounts previously paid by Subtenant under this Sublease, Sublandlord shall promptly pay to Subtenant such amount. If any amount payable by Subtenant or repayable to Subtenant as provided for herein shall be determined after the termination of this Sublease, such amount shall nevertheless be payable by Subtenant or repayable to Subtenant, as the case may be, in the same manner as described in Section 3.03C; such obligations shall survive the termination of this Sublease.

ARTICLE 4

**Subordination to Prime Lease,
Incorporation of Prime Lease and Representations and Warranties**

Section 4.01.

A This Sublease and all rights of Subtenant hereunder are and shall remain subject and subordinate to (i) all of the terms, covenants, agreements, provisions and conditions of the Prime Lease, (ii) all mortgages, ground leases, leasehold mortgages, encumbrances, covenants, restrictions and other rights, if any, to which the Prime Lease and Prime Landlord's and Sublandlord's respective interests therein are subject and subordinate, provided this Sublease shall not be subject and subordinate to any mortgage on Sublandlord's leasehold estate, and (iii) any and all amendments to the Prime Lease and supplemental agreements relating thereto hereafter made between Prime Landlord and Sublandlord; provided that Sublandlord shall receive written consent of Subtenant for any such amendments and/or supplemental agreements which materially and adversely affect Subtenant or its use of the Premises. In the event Prime Landlord and Sublandlord enter into an amendment to the Prime Lease or supplemental agreement and Subtenant's consent to such amendment or agreement is required pursuant to the foregoing, Subtenant shall give its consent within ten (10) days of Subtenant's receipt of such amendment or agreement. Subtenant's failure to consent or disapprove of such amendment or agreement in writing within the ten (10) day period shall be deemed an approval of the amendment or agreement.

B. Except as otherwise expressly provided in this Sublease, Subtenant assumes and shall keep, observe and perform every term, covenant and condition on Sublandlord's part pertaining to the Premises which is required to be kept, observed or performed pursuant to the Prime Lease.

Section 4.02. Except as expressly set forth herein, Sublandlord shall have, with respect to Subtenant, this Sublease and the Premises, all of the rights, powers, privileges, immunities and remedies, but none of the obligations of, Prime Landlord under the Prime Lease, including, without limitation, the rights and remedies arising out of any default by Subtenant in the payment of Rent or any other payment by Subtenant otherwise due under this Sublease. In addition, Sublandlord shall have the right to exercise any election or option (including, without limitation, election of remedies) available to Sublandlord as tenant under the Prime Lease.

Section 4.03.

A. In connection with the incorporation in this Sublease with respect to the Premises of all of the terms, covenants, conditions and provisions of the Prime Lease as provided in Section 4.04A and as a result thereof, Sublandlord hereby grants and Subtenant hereby assumes with respect to the Premises all of the rights, powers, privileges, immunities and remedies of Sublandlord as tenant under the Prime Lease. In furtherance thereof, Subtenant shall, during the Term, look to the Prime Landlord for all services, utilities and repairs (collectively, "Services") to be provided by Prime Landlord under the Prime Lease with respect to the Premises, subject to the provisions of the Prime Lease and this Sublease.

B. Except as provided in Section 4.03C, Sublandlord shall have no responsibility or liability for any default of or by Prime Landlord under the Prime Lease or for the furnishing to Subtenant or the Premises of any Services of any kind whatsoever which Prime Landlord is required to furnish to Sublandlord, the Premises or to the Premises under the Prime Lease. In furtherance (and without limitation) of the foregoing, Subtenant agrees that Sublandlord shall not have any obligation to furnish heat, air conditioning, electricity, cleaning

service, and/or any other building services of any kind whatsoever, and that Sublandlord shall not be obligated to make any repairs or restorations of any kind whatsoever in the Premises. Subtenant agrees to look solely to Prime Landlord for any Services to be furnished to Sublandlord, the Premises or the Premises; however, Sublandlord agrees to use reasonable efforts to cause Prime Landlord to perform the obligations of Prime Landlord under the Prime Lease with respect to the Premises. Sublandlord shall cooperate with Subtenant, if requested, to obtain utilities, telecommunication and similar services directly from the applicable service providers as allowed under the Prime Lease.

C. If Prime Landlord shall default in any of its obligations to Sublandlord with respect to the Premises, upon the written request of Subtenant, Sublandlord shall use reasonable efforts to enforce Sublandlord's rights with respect to the Premises against Prime Landlord, as requested in writing by Subtenant, including but not limited to the commencement of an action or proceeding in the courts or in arbitration. In connection therewith, Subtenant shall be entitled to participate with Sublandlord in the enforcement of Sublandlord's rights with respect to the Premises against Prime Landlord (and in any recovery or relief obtained). Any action or proceeding so instituted by Sublandlord with respect to the Premises shall be at the sole expense of Subtenant, payable to Sublandlord within ten (10) days of Sublandlord's demand. If, after written request from Subtenant, Sublandlord shall fail or refuse to use reasonable efforts to enforce Sublandlord's rights with respect to the Premises against Prime Landlord, Subtenant shall have the right to take such action in its own name and, for that purpose, all of the rights of Sublandlord to enforce the obligations of Prime Landlord under the Prime Lease with respect to the Premises shall be conferred upon and assigned to Subtenant and Subtenant shall be subrogated to such rights (including, without limitation, the benefit of any recovery or relief). Subtenant shall indemnify and hold Sublandlord harmless from and against any and all losses, liabilities, obligations, claims, damages, penalties, fines and costs and expenses of every kind and nature, including, without limitation, reasonable attorneys' fees and disbursements and court costs (collectively "Costs") which Sublandlord may incur arising out of or in connection with the taking of any such action by Subtenant.

Section 4.04.

A. The parties agree that, except as otherwise provided either in this Article 4 or elsewhere in this Sublease, and to the extent not inconsistent with either the agreements and understandings expressed in this Sublease or terms of the Prime Lease which are applicable solely to the original parties to the Prime Lease, this Sublease shall specifically incorporate all of the terms, covenants, conditions and provisions of the Prime Lease as if fully set forth herein at length; provided, however, that (i) the specific inclusion of any article or section of the Prime Lease shall not require Subtenant to make any double payments of any Rent under this Sublease, (ii) Subtenant shall only be responsible for the payment of any amounts with respect to the Premises arising under the Prime Lease and the performance of any obligations of Sublandlord as tenant under the Prime Lease with respect to the Premises to the extent such amounts or obligations arise during the Term, are attributable to Subtenant's or its agents, employees' or contractors use or occupancy of the Premises or are attributable to Subtenant's obligations under this Sublease, and (iii) Subtenant's assignment, subleasing and encumbering rights are limited to those expressly set forth in Section 15.01A. Except as otherwise provided in this Article 4, any reference to "Premises," "Landlord," "Tenant," and "Monthly Rent" or words of similar import

in the Prime Lease shall be for purposes of this Sublease deemed, to the extent those terms apply to the subject matter of this Sublease, to be a reference, respectively, to the Premises, to Sublandlord, to Subtenant, and Monthly Rent in this Sublease. If there shall be any conflict or inconsistency between the Prime Lease and the express provisions of this Sublease, such express provisions of this Sublease shall govern.

B. Sublandlord hereby represents and warrants to Subtenant that (i) to the best of Sublandlord's actual knowledge, attached hereto as Exhibit A is a true, correct and complete copy of the Prime Lease (including all addenda, exhibits, schedules and amendments thereto) as well as any agreements related to Sublandlord's right of non-disturbance in the Premises (from a lender, leasehold mortgagee, ground lessor or other party), (ii) the Prime Lease remains in full force and effect, and (iii) Sublandlord has not received any default notice from Prime Landlord or given any default notice to Prime Landlord under the Prime Lease which remains uncured.

C. Provided Subtenant shall timely pay all Rent when and as due under this Sublease, Sublandlord shall pay, when and as due, all Monthly Rent, Additional Rent and other charges payable by Sublandlord to Prime Landlord under the Prime Lease.

ARTICLE 5

Indemnification

Section 5.01. Except for matters covered under Section 5.02 below, Subtenant hereby indemnifies Sublandlord and holds Sublandlord harmless from and against any and all Costs which Sublandlord may incur by reason of: (i) any failure of or by Subtenant to perform or comply with any and all of the terms, covenants and conditions of this Sublease, and (ii) any breach or violation by (or caused by) Subtenant of the terms, covenants and conditions of the Prime Lease. If any action or proceeding shall be brought against Sublandlord by reason of any such claim, Subtenant, upon notice from Sublandlord, shall resist or defend such action or proceeding and employ counsel therefor reasonably satisfactory to Sublandlord (it being understood that counsel for Subtenant's insurance company shall be deemed to be satisfactory to Sublandlord.) Subtenant shall pay to Sublandlord on demand all sums which may be owing to Sublandlord by reason of the provisions of this Section 5.01. Subtenant's and Sublandlord's obligations under this Article 5 shall survive the termination of this Sublease.

Section 5.02.

A. Subject to Section 5.03 and Section 8.02 hereof, Subtenant agrees to indemnify Sublandlord and hold Sublandlord and its agents, partners, employees and invitees harmless from and against any and all claims, suits, damages, costs, expenses, (including reasonable attorneys' fees and court costs) causes of action and any other liability relating to bodily injury and tangible property damage claims or losses brought by parties not affiliated with Sublandlord occasioned by any act or omission of Subtenant, its agents, employees, contractors, or invitees, unless such claim, damage or other liability is the consequence of the act or omission of Sublandlord, its agents, employees, contractors or invitees.

B. Subject to Section 5.03 and Section 8.02 hereof, Sublandlord agrees to indemnify Subtenant and hold Subtenant and its agents, employees and invitees harmless from and against any and all claims, suits, damages, costs, expenses, (including reasonable attorneys' fees and court costs) causes of action and any other liability relating to bodily injury and tangible property damage claims or losses brought by parties not affiliated with Subtenant occasioned by any grossly negligent or intentional act or omission of Sublandlord, its agents, employees, contractors or invitees.

Section 5.03. Sublandlord and Subtenant hereby release and waive all claims against the other party, its agents, directors, officers, partners, members, employees and invitees (collectively, "Related Parties") from injury or damage to person, property or business sustained in or about the Premises, the Premises or the Building by the releasing and waiving party, unless such injury or damage is not covered by any insurance that Prime Landlord or the releasing and waiving party carries and would not be covered by any insurance the releasing and waiving party is required to carry under this Sublease.

ARTICLE 6

Alterations

Section 6.01. In addition to the agreements contained in Section 2.03 hereof, Subtenant agrees that Subtenant shall make or install no alterations, installations, additions fixtures or improvements (collectively, with all appurtenances attached thereto, "Alterations") in the Premises without the prior written consent of Prime Landlord and Sublandlord. Subtenant shall comply with all applicable provisions of the Prime Lease and this Sublease with respect to the performance of all Alterations.

Section 6.02. All Alterations attached to, or built into, the Premises made by either Sublandlord or Subtenant shall be and remain part of the Premises and be deemed the property of Prime Landlord and shall not be removed by Subtenant, subject to the right of Prime Landlord to require removal of the Alterations, as provided in the Prime Lease and the rights of Subtenant in this Section 6.02. All business machines, equipment, fixtures, furniture, furnishings and other articles of personal property owned by Subtenant, located in the Premises and that can be removed without any damage to the Premises or the Premises (all of which are, collectively, hereinafter referred to as "Subtenant's Property") shall be and remain the property of Subtenant, and may be removed by it at any time during the Term, provided that Subtenant repairs any damage caused by removal of Subtenant's Property.

ARTICLE 7

Insurance

Section 7.01. Subtenant shall obtain and maintain in full force and effect during the Term, at its own cost and expense, insurance in accordance with the requirements set forth in the Prime Lease.

ARTICLE 8

Damage and Destruction; Condemnation

Section 8.01.

A. If the Premises or the Building are partially or totally damaged or destroyed by fire or other casualty, Subtenant shall have no right to terminate this Sublease and this Sublease shall not be terminated by reason of such casualty unless the Prime Lease is terminated by Prime Landlord or Sublandlord. This Sublease shall terminate upon any such termination of the Prime Lease in accordance with the provisions therein. Sublandlord shall provide to Subtenant notice of any such termination concurrently with the notice delivered to Prime Landlord exercising such right of termination.

B. If the Premises are partially or totally damaged by fire or other casualty, and to the extent that, pursuant to the terms of the Prime Lease, Sublandlord receives a corresponding abatement applicable to the Premises, Subtenant shall receive an abatement of Rent corresponding to the abatement received by Sublandlord under the Prime Lease and applicable to the Premises.

C. If the Prime Lease is terminated as the result of a taking of all or any portion of the Building by condemnation (or deed in lieu thereof), this Sublease shall likewise terminate in accordance with the provisions of the Prime Lease. In such event, Subtenant shall have no claim to any share of the award, except to file a separate claim for the value of Subtenant's moving expenses or for Subtenant's Alterations which do not become a part of the Building or the property of Prime Landlord. Subtenant's right to file a separate claim is subject to any limitations and restrictions set forth in the Prime Lease.

Section 8.02. Nothing contained in this Sublease shall relieve Subtenant from liability that may exist as a result of damage from fire or other casualty, but each party shall look first to any insurance in its favor (or would have been in its favor had the insurance required hereunder been maintained) before making any claim against the other party for recovery for loss or damage resulting from fire or other casualty. To the extent that such insurance is in force and collectible and to the extent permitted by law, Sublandlord and Subtenant each hereby releases and waives all right of recovery against the other or anyone claiming through or under the other by way of subrogation or otherwise. The foregoing release and waiver shall be in force only if the insurance policies of Sublandlord and Subtenant provide that such release or waiver does not invalidate the insurance. Each party shall include in its applicable insurance policies such a provision.

ARTICLE 9

Electricity and Utilities

Section 9.01. Sublandlord shall not in any way be liable or responsible to Subtenant for any loss or damage or expense which Subtenant may sustain or incur if either the quantity or character of electric or other utility service is changed or is no longer available or suitable for Subtenant's requirements for any reason whatsoever.

ARTICLE 10

Default of Subtenant; Remedies

Section 10.01. In the event that Subtenant shall default in the performance of any of the terms, covenants or conditions on its part to be performed under this Sublease, or in the event that Subtenant shall default in the performance of any of the terms, covenants or conditions on the tenant's part to be performed under the Prime Lease, Sublandlord shall provide notice of such default to Subtenant to the extent required by and consistent with the provisions of the Prime Lease except that the applicable notice period shall be three (3) Business Days less than the corresponding notice period provided for in the Prime Lease. If such default is not cured within the aforesaid cure period, then Sublandlord shall have the same rights and remedies with respect to such default as are given to Prime Landlord under the Prime Lease with respect to defaults by the tenant under the Prime Lease, all with the same force and effect as though the provisions of the Prime Lease with respect to defaults and the rights and remedies of Prime Landlord thereunder in the event thereof were set forth at length in this Sublease. Sublandlord agrees promptly to give notice to Subtenant of any notices of default relating to the Premises which may be received by Sublandlord from Prime Landlord, but failure of Sublandlord to give such notice to Subtenant shall not diminish Subtenant's obligations under this Sublease.

Section 10.02 If Subtenant shall default in the performance of any of Subtenant's obligations under this Sublease or under the provisions of the Prime Lease to the extent applicable to the Premises and incorporated herein, after notice to Subtenant consistent with the provisions of the Prime Lease, except that the applicable notice period shall be three (3) Business Days less than the corresponding notice period provided for in the Prime Lease. If such default is not cured within the aforesaid cure period, then Sublandlord, without thereby waiving such default and without limiting Sublandlord's remedies under Section 10.01 hereof, may, at Sublandlord's option, perform the same for the account and at the expense of Subtenant. If Subtenant shall fail to make any payment or shall default in the performance of any term, covenant or condition of this Sublease which involves an expenditure of money by Subtenant, Sublandlord, at Sublandlord's sole option, may after five (5) days notice to Subtenant (except in an event of an emergency where no notice is required) make such payment or expend such sums as may be reasonably necessary to perform and fulfill such term, covenant or condition. In such event, Additional Rent shall include, also, on written demand, the amount of Sublandlord's expenditure or payment and any and all Costs as were reasonably necessary to perform and fulfill any such term, covenant or condition, together with interest on the amount thereof from the time such moneys are expended until paid at an annual rate equal to the lesser of (i) the applicable default interest rate under the Prime Lease and (ii) the maximum legal rate permitted by applicable law.

ARTICLE 11

Notices

Section 11.01. All notices, requests, demands, elections, consents, approvals and other communications hereunder ("Notices"), whether or not so stated in the other provisions of

this Sublease, must be in writing and addressed as follows (or to any other address which such party may designate by Notice):

If to Sublandlord: Classic Lake, Inc.
 2500 Indigo Lane
 Glenview, IL 60025
 Attention: Executive Director
 facsimile (847) 904-4605

If to Subtenant: CC-LAKE, INC.
 c/o Classic Residence by Hyatt
 71 South Wacker Drive, Suite 900
 Chicago, Illinois 60606
 Attn: General Counsel
 facsimile (312) 803-8801

Section 11.02. Any Notice required by this Sublease shall be deemed to be duly given or made only if sent by hand or nationally recognized courier service, with delivery evidenced by a written receipt, or by certified or registered United States mail, return receipt requested, and postage and registry fees prepaid. A Notice sent by certified or registered United States mail (as above) shall be deemed to be given on the third (3rd) Business Day after the date of mailing. All other Notices shall be deemed given when received.

ARTICLE 12

Access

Section 12.01. Subject to the limitations set forth below, Sublandlord shall not have access to the Premises unless accompanied by a representative of Subtenant after reasonable prior notice of entry has been given to Subtenant. Nothing herein shall be construed to limit Prime Landlord's access to the Premises in the manner set forth in the Prime Lease or Sublandlord's access to the Premises to cure a default by Subtenant under this Sublease (following any applicable notice and cure period).

ARTICLE 13

Surrender of Premises

Section 13.01. Upon the expiration or other termination of the Term, Subtenant shall quit and surrender the Premises to Sublandlord in accordance with Section 6.02 of this Sublease and the applicable provisions of the Prime Lease.

ARTICLE 14

Quiet Enjoyment

Section 14.01. Sublandlord covenants and agrees with Subtenant upon paying the Monthly Rent reserved herein and complying with all other provisions of this Sublease, shall have quiet enjoyment of the Premises, provided however, that any action or inaction of the Prime Landlord shall not constitute a breach of this covenant of quiet enjoyment.

ARTICLE 15

Assignment and Subletting

Section 15.01.

A. Neither this Sublease nor the term and estate hereby granted shall be assigned or otherwise transferred by Subtenant, by operation of law or otherwise, and neither the Premises, nor any part thereof, shall be sublet, occupied or permitted to be occupied by any person other than Subtenant, without Sublandlord's prior written consent.

B. Sublandlord shall have the right to assign Sublandlord's interest in the Prime Lease and in this Sublease. Upon such assignment of Sublandlord's interest, Sublandlord shall be completely relieved and discharged from all further duties and obligations herein imposed upon the Sublandlord, provided that Sublandlord's assignee shall take such interests subject to the terms hereof and shall succeed to all rights, privileges and obligations of Sublandlord hereunder.

ARTICLE 16

Termination of Prime Lease and this Sublease

Section 16.01. In the event of and upon the termination or cancellation of the Prime Lease pursuant to the terms and provisions thereof, this Sublease shall automatically cease and terminate on the date of such termination or cancellation, subject however to all of the rights of the Prime Landlord pursuant to the Prime Lease.

Section 16.02. Reference in this Sublease to "termination" of this Sublease includes expiration or earlier termination of the Term or cancellation of this Sublease pursuant to any of the provisions of this Sublease or pursuant to law. Upon the termination of this Sublease, the term and estate granted by this Sublease shall end at 11:59 p.m. on the date of termination as if such time and date were the time and date of expiration of the Term, and neither party shall have any further obligation or liability to the other after such termination, except (i) as shall be provided for in this Sublease, and (ii) for such obligations as by their nature or under the circumstances can only be, or by the provisions of this Sublease may be, performed after such termination and, in any event, unless otherwise provided in this Sublease, any liability for a payment which shall have accrued to or with respect to any period ending at the time of such termination shall survive the termination of this Sublease.

ARTICLE 17

Broker

Section 17.01. Each party hereto represents and warrants to the other party hereto that there is no broker, finder or similar person entitled to a commission, fee or other compensation in connection with the consummation of this Sublease and no conversations or prior negotiations were had by such party with any broker, finder or similar person concerning the renting of the Premises. Each party hereto hereby indemnifies and holds the other party hereto harmless from and against any and all Costs, including, without limitation, claims for brokerage commissions, finder's fees and other compensation, arising out of or in connection with any conversations, negotiations or actions had by such party or anyone acting on behalf of such party with any broker, finder or similar person. The provisions of this Article 17 shall survive the termination of this Sublease.

ARTICLE 18

Consents and Approvals of Sublandlord and Subtenant

Section 18.01. Subtenant agrees that in any case where the provisions of this Sublease require the consent or approval of Sublandlord prior to the taking of any action, it shall be a condition precedent to the taking of such action that the prior consent or approval of Prime Landlord shall have been obtained, if the consent or approval of Prime Landlord must be obtained under the Prime Lease in such case. Sublandlord, provided Subtenant is not in default hereunder beyond any applicable notice and cure periods with respect to a default of which notice has been given by Sublandlord to Subtenant, agrees that its consent or approval will not be unreasonably withheld or delayed in any such case as to which Prime Landlord shall have consented or approved.

Section 18.02. Subtenant agrees that, if this Sublease calls for Subtenant's consent to be given, its consent or approval will not be unreasonably withheld or delayed.

ARTICLE 19

Intentionally Deleted

ARTICLE 20

Miscellaneous

Section 20.01. Neither Sublandlord nor any agent, representative or employee of Sublandlord has made any representations, agreements or promises with respect to the Building or the Premises or the use thereof other than those expressly set forth in this Sublease and no rights are to be deemed to be acquired by Subtenant, by implication or otherwise, except those expressly granted herein.

Section 20.02. This Sublease shall be construed and enforced in accordance with and governed by the laws of the State of Illinois.

Section 20.03. This Sublease contains the entire agreement and understanding between Sublandlord and Subtenant with respect to the Premises and all prior negotiations and agreements with respect to the use and occupancy of the Premises by Subtenant are hereby terminated and are of no further force or effect.

Section 20.04. This Sublease may not be modified or amended or any term or provision hereof waived or discharged except in a writing signed by the party against whom such amendment, modification, waiver or discharge is sought to be enforced. Any executory agreement hereafter made between Sublandlord and Subtenant shall be ineffective to change, modify, waive, release, discharge, terminate or effect an abandonment or surrender of this Sublease, in whole or in part, unless such agreement is in writing and signed by the parties.

Section 20.05. Each right and remedy of Sublandlord and of Subtenant provided for in this Sublease shall be cumulative and shall be in addition to every other right and remedy provided for in this Sublease or now or hereafter existing at law or in equity or by statute or otherwise.

Section 20.06. The terms, covenants and conditions contained in this Sublease whether so expressed or not shall be binding upon and inure to the benefit of and be enforceable by Sublandlord and Subtenant and their respective successors and assigns, except that no violation of the provisions of Article 15 shall operate to vest any rights in any successor or assignee of Subtenant.

Section 20.07. The headings of this Sublease are for purposes of reference only and shall not limit or otherwise affect the meaning thereof. All articles, sections, subsections and exhibits referred to in this Sublease refer to articles, sections, subsections and exhibits contained in this Sublease, unless expressly indicated otherwise. All exhibits annexed hereto are hereby made a part of this Sublease. All references in this Sublease to "herein," "hereof" or "hereunder" shall be references to this Sublease in its entirety and not to any particular provision of this Sublease.

Section 20.08. This Sublease may be executed in several counterparts each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

Section 20.09. In the event Sublandlord defaults in the payment of any monthly rent or additional rent, Prime Landlord is authorized to collect any rents due or accruing from Subtenant and to apply the net amounts collected to the monthly rent and additional rent reserved under the Prime Lease. The receipt by Prime Landlord of any amounts from Subtenant shall not be deemed or construed as releasing Sublandlord from Sublandlord's obligations under the Prime Lease or the acceptance of Subtenant as a direct tenant.

IN WITNESS WHEREOF, Sublandlord and Subtenant have duly executed this Sublease as of the day and year first above written.

SUBLANDLORD:

CLASSIC LAKE, INC.

By: *[Signature]*
Print Name:
Its: *[Signature]*
Print Title:

SUBTENANT:

CC-LAKE, INC.

By: *[Signature]*
Print Name: Gary Smith
Its: *VP & Treasurer*
Print Title:

EXHIBIT A

Prime Lease

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION
(Continued iii)

Operating Identity/Licensee

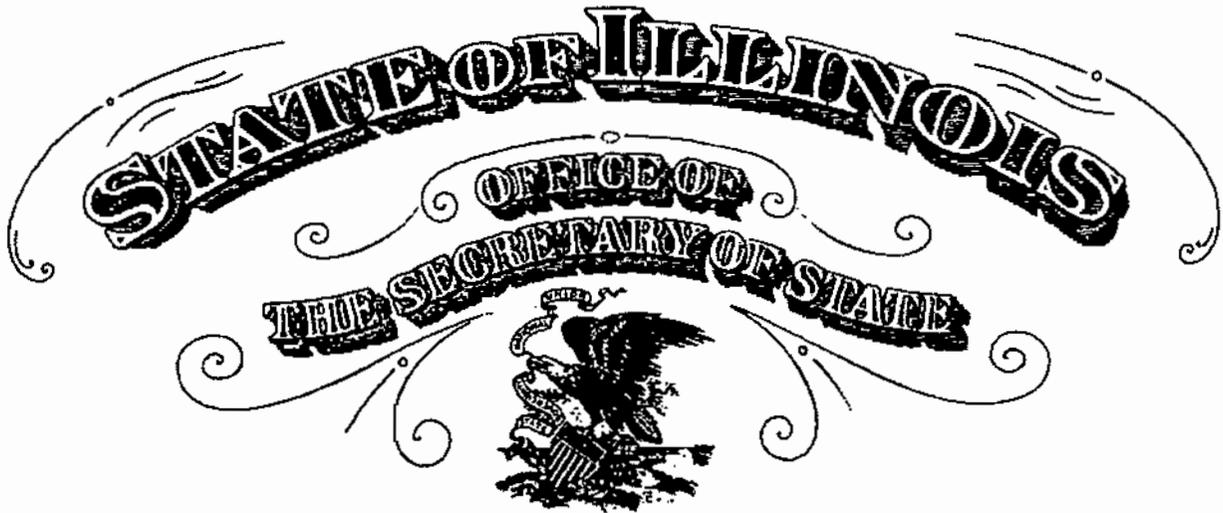
- o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.
- o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.
- o **Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.**

APPEND DOCUMENTATION AS ATTACHMENT-3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The operating entity that subleases the building from the property owner, Glenview Care Center, Inc. is CC-Lake, Inc. CC-Lake, Inc. is a for profit corporation that is also the facility's licensee. The Illinois Secretary of State Certificate of Good Standing for CC-Lake, Inc. is appended as **ATTACHMENT-3A.**

There are no individuals who have 5 percent or greater direct or indirect ownership interest in CC-Lake, Inc. Please refer to the ownership information sheet provided by the Illinois Department of Public Health's website of listing of Illinois Nursing Homes which is appended as **ATTACHMENT-3B.**

ATTACHMENT-3



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

CC-LAKE, INC., INCORPORATED IN DELAWARE AND LICENSED TO TRANSACT BUSINESS IN THIS STATE ON JUNE 05, 1998, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE RELATING TO THE PAYMENT OF FRANCHISE TAXES, AND AS OF THIS DATE, IS A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.



Authentication #: 1220102492

Authenticate at: <http://www.cyberdriveillinois.com>

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 19TH day of JULY A.D. 2012 .

Jesse White

SECRETARY OF STATE

ATTACHMENT - 3A



- [Who Regulates Nursing Homes?](#)
- [A Listing of Illinois Nursing Homes](#)
- [How to Select a Nursing Home](#)
- [Centers for Medicare and Medicaid Services Nursing Home Database](#)
- [Quarterly Reports of Nursing Home Violation](#)
- [Illinois Law on Advance Directives](#)
- [Nursing Homes with No Certification Deficiencies](#)
- [Nursing Home Care Act](#)
- [Illinois Health Care Worker Registry](#)
- [Centers for Medicare and Medicaid Services Nursing Home Quality Initiative](#)

Ownership Information

VI AT THE GLEN
 2401 INDIGO LANE
 GLENVIEWIL60026
 ADMINISTRATOR: CHERIE GETLIN
 TELEPHONE: 847-904-4700
 Licensee Name:
 CC-LAKE, INC.

Persons with 5 percent or greater interest in licensee:

Name	% of Ownership

Ownership Type:
 FOR-PROF CORPORATION

The information you requested is not available on the Nursing Homes in Illinois Web page.

Index

- [General](#)
- [Facility Information](#)
- [Ownership information](#)
- [Surveys](#)
- [Administration](#)
- [Staffing](#)
- [Admission Restrictions](#)
- [Admissions & Discharges](#)
- [Licensed Beds / Berths](#)
- [Residents](#)
- [Primary Diagnosis](#)
- [Age Gender & Level of Care](#)
- [Racial / Ethnic Groups](#)
- [Patient Days](#)
- [Level of Care](#)
- [Payment Source](#)
- [Private Payment Rates](#)



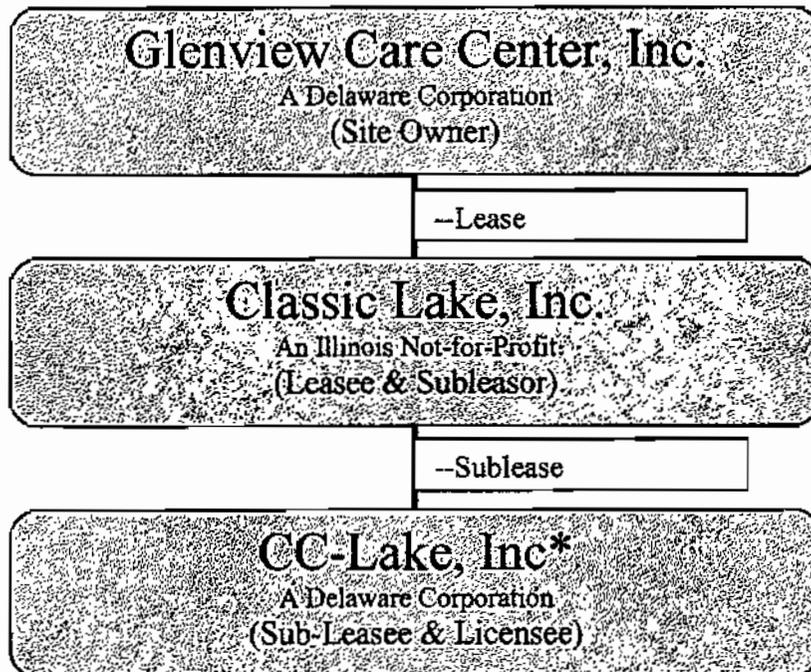
SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION
(Continued iv)

Organizational Relationships

Provide (for each co-applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

APPEND DOCUMENTATION AS ATTACHMENT-4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Illustration of Real Estate Ownership and Leases



It should be known that CC-Lake, Inc. is responsible for the funding of this project, which is entirely in cash. Moreover, this entity has fiscal independence and control, in accordance with the HFSRB definition of "control" (Part 1130.140). As such, CC-Lake, Inc is the Applicant to this project.

***The above illustration of the organizational structure is meant to demonstrate only real estate rights and does not imply parent-subordinate relationships between the entities.**

ATTACHMENT-4

**SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION
(Continued v)**

Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2005-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at www.FEMA.gov or www.illinoisfloodmaps.org. This map must be in a readable format. In addition please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2005-5 (<http://www.hfsrb.illinois.gov>).

APPEND DOCUMENTATION AS ATTACHMENT-5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Appended as **ATTACHMENT-5A** is a letter from Mr. David j. Gewalt, P.E., Project Engineer for Gewalt Hamilton Associates, Inc. attesting that to the best of his knowledge and belief and from their review of the attached flood hazard map, the subject property is not located within a special flood hazard area. Also, appended in this attachment, is the flood hazard map panel #0229j dated August 19, 2008. Mr. Gewalt states that the project, therefore, complies with the requirements of Illinois Executive Order #2005-5

ATTACHMENT-5

**G.A. GEWALT HAMILTON
ASSOCIATES, INC.**
CONSULTING ENGINEERS

850 Forest Edge Drive, Vernon Hills, IL 60061
TEL 847.478.9700 ■ FAX 847.478.9701

820 Lakeside Drive, Suite 5, Gurnee, IL 60031
TEL 847.855.1100 ■ FAX 847.855.1115

www.gha-engineers.com

June 19, 2012

Mr. Michael Constantino
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: VI at the Glen – Care Center Addition
Glenview, Illinois
Mr. John Hoover, VP of Project Management
Hyatt Center
71 South Wacker Drive, Suite 900
Chicago, Illinois 60606

Dear Mr. Constantino:

Based on our review of the attached flood hazard map, panel # 0229J, dated August 19, 2008 and to the best of our knowledge and belief, the construction of the additional 5 new assisted living units and 9 new skilled nursing units to the VI at the Glen facility in Glenview, is not located within any flood hazard zone and will comply with Illinois Executive Order #2006-05.

If you should have any questions or require additional information, please do not hesitate to contact our office.

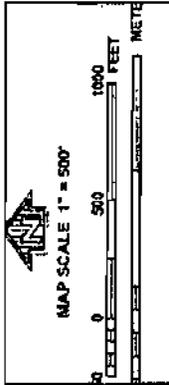
Sincerely,
Gewalt Hamilton Associates, Inc.



David J. Gewalt, P.E.
Project Engineer

4333.000 Hoover Letter 6-19-12.doc

ATTACHMENT - 5A



PANEL 0231A

FIRM

FLOOD INSURANCE RATE MAP
 COOK COUNTY,
 ILLINOIS
 AND INCORPORATED VILLAGES

PANEL 023 OF 027

GENERAL SERVICE CENTER

DATE: 1988

BY: [Signature]

FOR: [Signature]

PROJECT: [Signature]

DATE: 1988

BY: [Signature]

FOR: [Signature]

PROJECT: [Signature]

MAP NUMBER

1710100231A

MAP REVISED

AUGUST 19, 2008



Federal Emergency Management Agency

Map in the Office - Care Center Addition
 2500 Ridge Trail, Glenview, IL 60040

Areas Contained to be outside the
 0.2% Annual Chance Floodplain.

ZONE X

This is a copy of a drawing of the Flood Insurance Rate Map (FIRM) for Cook County, Illinois, and incorporated villages. The FIRM is a map showing the areas of the county that are subject to flooding. The FIRM is used to determine the flood insurance rates for properties in the county. The FIRM is a public document and is available for public inspection. The FIRM is a map showing the areas of the county that are subject to flooding. The FIRM is used to determine the flood insurance rates for properties in the county. The FIRM is a public document and is available for public inspection.

NATIONAL FLOOD INSURANCE PROGRAM



JOHN PANEL 0233

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION
(Continued vi)

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

APPEND DOCUMENTATION AS ATTACHMENT-6 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM

Appended as **ATTACHMENT-6A**, is a letter from Ms. Anne E. Haaker, Deputy State Historic Preservation Officer stating that: "our review of the records indicates that no historic, architectural or archaeological sites exist within the project area." Therefore, this item is in compliance with the Historic Resources Preservation Act.

ATTACHMENT-6



**Illinois Historic
Preservation Agency**

FAX (217) 782-8161

1 Old State Capitol Plaza • Springfield, Illinois 62701-1512 • www.illinois-history.gov

Cook County
Glenview

CON - Demolition and New Construction of Care Center Expansion, Vi at the Glen
2401-2500 Indigo Lane
IHPA Log #021061112

June 21, 2012

Gina Kniery
Charles H. Foley & Associates, Inc.
1638 S. MacArthur Blvd.
Springfield, IL 62704

Dear Ms. Kniery:

This letter is to inform you that we have reviewed the information provided concerning the referenced project.

Our review of the records indicates that no historic, architectural or chaeological sites exist within the project area.

Please retain this letter in your files as evidence of compliance with Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.). This clearance remains in effect for two years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the Illinois Human Skeletal Remains Protection Act (20 ILCS 3440).

If you have any further questions, please contact me at 217/785-5027.

Sincerely,

Anne E. Haaker
Deputy State Historic
Preservation Officer

ATTACHMENT - 6A

A teletypewriter for the speech/hearing impaired is available at 217-524-7128. It is not a voice or fax line.

Glenview Care Center Expansion
CON Application - Project Costs and Sources of Funds
 June 12, 2012

Project Costs and Sources of Funds						
USE OF FUNDS	CLINICAL		NONCLINICAL		TOTAL	
	Subtotals	Totals	Subtotals	Totals	Subtotals	Totals
Preplanning Costs						
Architectural Preplanning and Site Studies					\$11,780	\$11,780
Site Survey and Soil Investigation						
Surveyor					\$10,000	
Soils / Geotechnical Consultant					\$10,000	\$20,000
Site Preparation						
Demolition					\$40,000	
Site Work					\$100,000	\$140,000
Off Site Work						
Storm Sewer Relocation					\$320,000	
Electrical Relocation					\$40,000	\$360,000
New Construction Contracts						\$2,820,944
Modernization Contracts						
Skilled Nursing Janitor Closet Relocation					\$30,000	
Skilled Nursing Corridor Interface					\$50,000	
Assisted Living					\$263,160	\$343,160
Contingencies						
Development Contingency					\$230,442	\$230,442
Architecture / Engineering Fees						
Architectural Fees					\$302,062	
Architectural Reimbursables					\$28,537	\$330,598
Consulting and Other Fees						
On-Site Material Testing					\$50,000	
Regulatory Fees and Building Permit					\$50,000	
Insurance / Builder's Risk					\$36,641	
Title Insurance Fees					\$2,100	
Legal Fees					\$50,000	
CON Consultant					\$60,000	
CON Permit Fee / Licensure					\$50,000	
Development Fee					\$241,984	\$540,705
Movable or Other Equipment (not in construction contract)						
Skilled Nursing Furniture and Equipment					\$185,535	
Other Furniture and Equipment					\$59,859	\$245,394
Bond Issuance Expense (project related)						\$0
Net Interest Expense During Construction (project related)						\$0
Fair Market Value of Leased Space or Equipment						\$0
Other Costs to be Capitalized						
Travel and Reimbursable Expenses					\$50,000	\$50,000
Acquisition of Building or Other Property (excluding land)						\$0
TOTAL USES OF FUNDS						\$5,093,024

SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities			\$5,093,024
Pledges	\$0	\$0	\$0
Gifts and Bequests	\$0	\$0	\$0
Bond Issues (project related)	\$0	\$0	\$0
Mortgages	\$0	\$0	\$0
Leases (fair market value)	\$0	\$0	\$0
Governmental Appropriations	\$0	\$0	\$0
Grants	\$0	\$0	\$0
Other Funds and Sources	\$0	\$0	\$0
TOTAL SOURCES OF FUNDS			\$5,093,024

ATTACHMENT - 7

Glenview Care Center Expansion
CON Application - FF&E Breakdown
 June 12, 2012

Skilled Nursing Resident Rooms

Electric Bed	\$2,300
Overbed Table	\$90
Nightstand	\$420
Nightstand Lamp	\$165
Dresser	\$1,000
Reclining Chair	\$2,800
TV - Wall Mounted	\$1,400
Bulletin Board	\$360
Clocks - Wall & Alarm	\$160
Bed Coverings	\$200
Artwork	\$320
Window Treatments	\$1,400
Subtotal for 1 SNF Room	\$10,615

Total for 9 SNF Rooms **\$95,535**

Skilled Nursing - General

Nurse's Station	\$3,000
Activity Room	\$30,000
Artwork	\$4,000
Window Treatments	\$3,000
Storage Shelving	\$1,000
Expendables	\$34,000
Computers	\$7,000
Telephone System	\$8,000

\$90,000

Assisted Living

Corridor Furniture	\$3,000
Dining Room Furniture	\$33,859
Artwork	\$2,000
Window Treatments	\$2,000
Storage Shelving	\$1,000
Expendables	\$18,000

\$59,859

Total FF&E **\$245,394**

SECTION II – PURPOSE OF THE PROJECT, AND ALTERNATIVES – INFORMATION REQUIREMENTS

Criterion 1125.320 – Purpose of the Project

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.

The market that has been and will be served by the Vi at the Glen even after expansion is that of its existing campus. Specifically, this facility, received its original permit for establishment of a new facility under the Continuum of Care Variance to the State's computed bed need to specifically service its own population and residents. In CY2011, the Vi at the Glen reported a utilization rate of 99.1%. However, the utilization rate it actually experienced was 105% (805 outsourced patient days for 12-months ending May 23, 2012). This facility is a life care community, i.e., independent living residents sign a life care contract with the facility so that if their medical needs outweigh their programmatic and social needs nursing care will be provided. As a result, this applicant had to outsource 805 nursing patient days patient to area nursing facilities in a time where the State has a calculated need for additional beds in the 7-B Planning Area. This proposal does not seek to lift this variance although there is an identified need for 332 additional nursing beds in the 7-B Planning Area. Within the campus are 296 independent living units, 31 assisted living units in addition to the 38 existing nursing beds. The State's CCRC variance allowed for five nursing beds for each campus bed. Therefore, the existing facility could ultimately substantiate the need for 66 nursing care beds. This project builds out the available space adjacent to the nursing unit thus, limiting the overall size and scope of the expansion. Therefore, with the CCRC variance restriction in-place and remaining in-place, the only population to be served is that of the Vi's total campus.

ATTACHMENT-10

**SECTION II – PURPOSE OF THE PROJECT, AND ALTERNATIVES –
INFORMATION REQUIREMENTS (CONTINUED II)**

Criterion 1125.320 – Purpose of the Project (Continued II)

2. Define the planning area or market area, or other, per the applicant's definition.

The market area for the nursing beds is limited to that of the Vi at the Glen's campus as this nursing unit is restricted to only accepting admissions from residents of the campus. This Applicant defines the planning area in accordance with the State's 7-B Planning Area, however, in examining the patient origin data of all campus residents, 83% come with within a 30-minute market area contour. Therefore, for purposes of this item, the Applicant's market area for campus residents is a 30-minute contour from which only residents of the campus can be admitted into the nursing unit.

3. Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the project.

The issue facing this Applicant and precipitating the need for this Certificate of Need proposal is that the current availability of nursing care beds is not adequate to care for the 327 residents of the campus.

4. Cite the sources of the information provided as documentation.

Appended as **ATTACHMENT-10A** is the State's July 25, 2012 Update to the Inventory of Beds and Services and Need Determinations.

Appended as **ATTACHMENT-10B** is a listing of all zip code areas that are within the 30-minute market area contour.

Appended as **ATTACHMENT-10C** is a listing of the Applicant's resident's patient origin analysis.

ATTACHMENT-10

SECTION II – PURPOSE OF THE PROJECT, AND ALTERNATIVES – INFORMATION REQUIREMENTS (CONTINUED III)

Criterion 1125.320 – Purpose of the Project (Continued Iii)

5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.

The Applicant is seeking to add nine nursing beds. Based on CY2011, the campus generated 14,554 patient days. The Applicant had to outsource 805 nursing patient days for the 12-months ending May 23, 2012 and still had a resultant utilization rate of 99.1% compared to the State's optimal or target rate of only 90%. Therefore, by adding nine beds the resultant occupancy rate for the nursing patient days generated in CY2011 and for the 805 patient days that were outsourced for the 12-months ending May 23, 2012 would equate to an 84.8% utilization. This would provide additional capacity of approximately two and one half beds to bring the facility up to the target rate of 90%. Given the fact that the State's CCRC requirements allow for one nursing bed for every five campus units (65.4 nursing care beds), the additional capacity (47 nursing beds in total) is well within that range of what is needed.

6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals as appropriate.

As already achieved with the existing licensed capacity, the Applicant's goal is to reach and maintain the State's target utilization for the nursing care unit.

For projects involving modernization, describe the conditions being upgraded if any. For facility projects, include statements of age and condition and regulatory citations if any. For equipment being replaced, include repair and maintenance records.

It should be noted that the only modernization in the nursing unit (400 gsf) related to this project is that of connecting the addition to the existing building. Therefore, this item is not germane.

LONG TERM CARE FACILITY UPDATES
9/16/2011 - 7/25/2012
CALCULATED BED NEEDS

Planning Area	Calculated Beds Needed	Approved Beds	Additional Beds Needed or Excess Beds ()
HEALTH SERVICE AREA 5			
Alexander/Pulaski	124	83	41
Bond	172	198	(26)
Clay	133	209	(76)
Crawford	246	220	26
Edwards/Wabash	175	139	36
Effingham	490	432	58
Fayette	255	261	(6)
Franklin	442	390	52
Gallatin/Hamilton/Saline	684	590	94
Hardin/Pope	95	113	(18)
Jackson	376	427	(51)
Jasper	82	82	0
Jefferson	424	346	78
Johnson/Massac	338	312	26
Lawrence	325	340	(15)
Marion	862	605	257
Perry	207	210	(3)
Randolph	580	492	88
Richland	360	309	51
Union	351	293	58
Washington	172	263	(91)
Wayne	133	169	(36)
White	354	353	1
Williamson	600	543	57
HEALTH SERVICE AREA 6			
Planning Area 6-A	5963	7217	(1254)
Planning Area 6-B	4252	4178	74
Planning Area 6-C	5209	5037	172
HEALTH SERVICE AREA 7			
Planning Area 7-A	4482	3323	1159
Planning Area 7-B	7180	6848	332
Planning Area 7-C	6867	5930	937
Planning Area 7-D	2519	2904	(385)
Planning Area 7-E	9328	9136	192
HEALTH SERVICE AREA 8			
Kane	3322	2894	428
Lake	5275	4701	574
McHenry	1501	1032	469
HEALTH SERVICE AREA 9			
Grundy	260	265	(5)
Kankakee	1290	1368	(78)
Kendall	219	185	34
Will	3479	2790	689
HEALTH SERVICE AREA 10			
Henry	452	500	(48)
Mercer	222	186	36
Rock Island	1243	1326	(83)
HEALTH SERVICE AREA 11			
Clinton	432	406	26
Madison	2048	2193	(145)
Monroe	435	250	185
St. Clair	2102	2294	(192)

ZIP Code	Country/Region	Area in Square Miles by ZIP Code
60004	United States	11.17858791
60005	United States	8.365204811
60007	United States	15.58320045
60008	United States	5.190497875
60015	United States	13.50300694
60016	United States	9.914958
60018	United States	9.492893219
60022	United States	4.155697823
60025	United States	11.67414379
60026	United States	3.973241091
60029	United States	0.32432285
60035	United States	12.43549061
60037	United States	0.374131441
60040	United States	0.637826383
60043	United States	0.618172646
60044	United States	7.634818554
60045	United States	22.27597427
60048	United States	29.33189392
60053	United States	5.064658165
60056	United States	11.51845074
60061	United States	9.219413757
60062	United States	20.14811516
60067	United States	13.36370182
60068	United States	7.292847157
60069	United States	6.090890408
60070	United States	3.582756281
60074	United States	7.740435123
60076	United States	5.400945663
60077	United States	4.276837349
60082	United States	0.207844362
60089	United States	10.30683327
60090	United States	8.506570816
60091	United States	5.499143124
60093	United States	8.297861099
60106	United States	9.528541565
60131	United States	5.415558815
60164	United States	4.622769356
60165	United States	0.349961072
60171	United States	2.229189157
60173	United States	7.581756592
60176	United States	2.675923586
60201	United States	4.533084393
60202	United States	3.076282951
60203	United States	0.640424132
60208	United States	0.245092303
60601	United States	0.337837309
60602	United States	0.113303378
60603	United States	0.118596427
60604	United States	0.261636585
60606	United States	0.239735991
60607	United States	2.29126358
60610	United States	1.679956794
60611	United States	0.833938181
60612	United States	3.799554825
60613	United States	1.882504463
60614	United States	3.361321211
60618	United States	5.031884193
60622	United States	4.28935957
60625	United States	3.64661026
60626	United States	1.769372821
60630	United States	4.740557194
60631	United States	3.841450691
60634	United States	6.616277695
60639	United States	4.558972836
60640	United States	2.889306545
60641	United States	4.087323189
60645	United States	2.240787506
60646	United States	3.943659782
60647	United States	3.799766779
60651	United States	3.546157598
60654	United States	0.018139506
60656	United States	3.581766367
60657	United States	2.224010468
60659	United States	2.7574687
60660	United States	1.236679196
60661	United States	0.331367254
60666	United States	7.265153408
60706	United States	3.026734591
60707	United States	3.813295126
60712	United States	2.678622007
60714	United States	6.61854744

SECTION II – PURPOSE OF THE PROJECT, AND ALTERNATIVES – INFORMATION REQUIREMENTS (CONTINUED IV)

Criterion 1125.330 – Alternatives

- 1) Identify ALL of the alternatives to the proposed project:

Alternative options must include:

- A) Proposing a project of greater or lesser scope and cost;

The alternatives to this project are, in-fact, limited due to the physical plant and the Health Facilities and Services Review Board restrictions in-place on this project. Specifically, the Applicant originally requested approval of this project under the State's Continuum of Care variance to the State's computed bed need. Thus, all admissions to the nursing unit must come from within the campus, i.e., only from residents already living at the Vi at the Glen. According to this restriction, the size of this unit cannot exceed one nursing bed for every five campus units. This campus has 296 independent living units and 31 assisted living units. This equates to having 327 campus units which justifies up to 65 nursing care beds. As the project has 38 nursing care beds the Applicant could request an additional 27-nursing care beds. However, where this existing nursing unit is located within the campus, there is limited space for expansion. It appears that the proposed project builds out the available space. Given the small nature of this project, in-terms of total beds being added, a project of lesser scope is not germane unless the Applicant did nothing.

- B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;

This Applicant already utilizes other area facilities to accommodate the overflow nursing needs of its residents as internally the facility has been running near 100% (99.1%) occupancy. The arrangement of utilization of area facilities is documented

ATTACHMENT-11

SECTION II – PURPOSE OF THE PROJECT, AND ALTERNATIVES – INFORMATION REQUIREMENTS (CONTINUED V)

Criterion 1125.330 – Alternatives (continued ii)

through the Applicant's outsourcing of 805 patient days for the 12-months ending May 23, 2012. Appended as ATTACHMENT-11A is a listing of outsourced patient days by resident initials, date of transfer, facility transferred to and total days outsourced since July of 2010.

Although the Applicant has utilized this alternative in the past, it has only been out of necessity. It is not the optimal alternative for a resident. The outsourced patient days may also be having an impact on area providers as the State has calculated a need for 332 additional nursing care beds in the 7-B Planning Area. Coupled with the Applicant's ability to add up to 27 additional nursing care beds under the Continuum of Care Variance to the State bed need, the proposed project is being requested as a means to end the Applicant's need to utilize the alternative of outsourcing to area resources.

- C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and

As stated in the item above, the Applicant does utilize other health care resources that are available to serve the population to be served by the project. However, these facilities are only utilized when the Applicant's nursing unit has no availability.

- D) Provide the reasons why the chosen alternative was selected.

- 2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short term (within one to three years after project completion) and long term. This may vary by project or situation. FOR EVERY ALTERNATIVE IDENTIFIED THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.

Due to the limitations on the Applicant and this project, the only alternatives considered were the project as being proposed and to maintain the status quo. The project as being proposed has a total project costs of \$5,093,024

ATTACHMENT-11

**SECTION II – PURPOSE OF THE PROJECT, AND ALTERNATIVES –
INFORMATION REQUIREMENTS (CONTINUED VI)**

Criterion 1125.330 – Alternatives (continued iii)

whereas to maintain the status quo there would be no associated capital cost. Patient accessibility is the issue with this project. The proposed project offers 9 additional nursing beds to accommodate the 805 historically outsourced patient days which appear to be increasing. 805 of the 1014 outsourced days since July of 2010 have come in the 12 months ending May 23, 2012. Although 805 patient days justifies 3-beds (2.2-beds), the CCRC variance does allow for an additional 27 beds, not including the additional bed that it could justify with the approval of this project's additional five assisted living units. Thus, patient access can and should be improved for this project and the existing residents of the campus. The Applicant does not question the quality of the other health care resources that are currently being utilized. There also does not appear to be a financial benefit to the Applicant regardless of the alternatives as the nursing unit is an ancillary service to the primary service of providing housing for the residents of the campus.

- 3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

This Applicant does not question the quality of care being provided nor does it seek to improve quality of care in and of itself. Therefore, this item does not appear to be germane. This Applicant believes that there are issues in addition to quality of care that impact the health and wellbeing of a resident. The issue present in this situation is that it is more conducive to be able to care for a resident within the campus that the resident has chosen and is familiar.

ATTACHMENT-11

#16

VI AT THE GLEN OUTSOURCED DAYS
5/31/10 TO 5/31/2012

Resident Initials	Date of Transfer		Facility	Outsourced Days
L.J.	7/17/2010	7/20/2010	GT	* 3
E.S.	7/17/2010	7/27/2010	WH	** 10
R.S.	7/18/2010	7/27/2010	WH	9
G.B.	7/19/2010	7/23/2010	GT	4
C.S.	8/10/2010	8/12/2010	WH	2
E.M.	8/16/2010	8/17/2010	WH	1
E.M.	9/29/2010	9/30/2010	WH	2
I.L.	10/14/2010	10/20/2010	WH	6
R.P.	10/31/2010	11/9/2010	GT	9
D.D.	11/1/2010	11/9/2010	GT	8
A.H.	11/1/2010	11/9/2001	WH	8
C.S.	11/10/2010	11/19/2010	GT	9
R.K.	11/12/2010	11/16/2010	GT	4
A.G.	11/17/2010	11/24/2010	GT	7
V.T.	11/18/2010	11/24/2010	GT	6
B.C.	12/1/2010	12/3/2010	WH	2
A.G.	12/2/2010	12/14/2010	WH	12
N.S.	12/6/2010	12/15/2010	WH	9
A.L.	12/8/2010	12/21/2010	GT	13
F.G.	1/2/2011	1/4/2011	WH	2
C.V.	1/13/2011	1/26/2011	WH	13
M.F.	3/14/2011	3/16/2011	WH	2
J.P.	3/5/2011	3/7/2011	WH	2
A.H.	4/14/2011	4/16/2011	GT	2
L.M.	4/15/2011	4/24/2011	WH	9
M.S.	4/20/2011	4/28/2011	WH	8
A.K.	4/23/2011	5/17/2011	Manor Care	24
L.M.	4/30/2011	5/23/2011	WH	23
R.L.	5/17/2011	5/28/2011	Manor Care	11
R.N.	5/24/2011	5/28/2011	GT	4
Z.S.	5/24/2011	6/2/2011	WH	9
A.K.	5/28/2011	6/12/2011	GT	15
S.M.	5/28/2011	6/17/2011	GT	20
M.R.	5/31/2011	6/5/2011	WH	5
F.E.	6/8/2011	6/16/2011	WH	8
N.S.	7/22/2011	8/3/2011	WH	12
M.R.	8/3/2011	8/16/2011	WH	13
M.B.	8/12/2011	8/24/2011	WH	12
G.Z.	8/27/2011	9/2/2011	WH	6
L.G.	9/1/2011	9/5/2011	WH	4
I.K.	9/2/2011	9/22/2011	WH	21
B.D.	9/6/2011	9/13/2011	WH	7
B.D.	9/15/2011	9/20/2011	WH	5
H.W.	9/8/2011	10/3/2011	GT	25
L.J.	9/6/2011	9/10/2011	WH	4
P.L.	9/9/2011	9/21/2011	WH	12

VI AT THE GLEN OUTSOURCED DAYS
5/31/10 TO 5/31/2012

Resident Initials	Date of Transfer		Facility	Outsourced Days
A.B.	9/20/2011	10/14/2011	WH	24
J.E.	10/3/2011	10/7/2011	GT	4
B.D.	10/4/2011	10/14/2011	WH	10
L.G.	10/5/2011	10/14/2011	GT	9
B.S.	10/6/2011	10/16/2011	WH	10
P.L.	10/7/2011	10/17/2011	GT	10
P.P.	10/8/2011	10/31/2011	WH	23
J.B.	10/22/2011	11/1/2011	WH	10
B.V.	10/31/2011	11/9/2011	WH	9
E.K.	10/26/2011	11/4/2011	GT	9
M.G.	10/29/2011	11/3/2011	WH	5
E.K.	11/5/2011	11/30/2011	WH	26
A.L.	11/8/2011	11/11/2011	WH	3
P.B.	11/11/2011	12/15/2011	WH	14
L.K.	11/23/2011	12/5/2011	WH	4
L.K.	12/8/2011	12/19/2011	WH	11
R.L.	11/22/2011	12/16/2011	WH	15
A.N.	12/2/2011	12/24/2011	Alden	22
V.F.	12/5/2011	12/21/2011	WH	16
N.S.	12/13/2011	12/22/2011	WH	9
P.B.	12/14/2011	12/23/2011	WH	9
D.B.	12/16/2011	12/31/2011	WH	15
L.H.	12/20/2011	1/4/2012	WH	15
G.B.	12/22/2011	1/5/2012	WH	14
A.R.	12/24/2011	1/1/2012	WH	8
A.R.	1/3/2012	1/18/2012	WH	15
R.D.	1/1/2012	1/8/2012	WH	7
H.W.	1/7/2012	1/31/2012	WH	25
H.Y.	1/12/2012	2/2/2012	WH	21
C.S.	1/13/2012	1/28/2012	McGaw	15
G.K.	1/17/2012	2/22/2012	WH	36
T.C.	1/26/2012	2/14/2012	GT	19
S.L.	2/4/2012	2/18/2012	WH	14
B.N.	2/3/2012	2/17/2012	GT	14
M.K.	2/10/2012	2/19/2012	WH	9
R.Z.	2/27/2012	3/7/2012	GT	9
D.G.	3/6/2012	3/9/2012	WH	3
B.C.	3/17/2012	3/27/2012	WH	10
R.D.	3/22/2012	3/31/2012	WH	9
E.K.	3/26/2012	4/3/2012	GT	8
R.K.	3/27/2012	4/5/2012	GT	9
V.F.	3/29/2012	4/4/2012	GT	6
H.W.	4/3/2012	4/8/2012	WH	5
E.H.	4/4/2012	4/12/2012	GT	8
C.L.	4/14/2012	4/20/2012	WH	6
R.D.	4/16/2012	4/20/2012	WH	5
U.K.	5/3/2012	5/6/2012	WH	3

VI AT THE GLEN OUTSOURCED DAYS
5/31/10 TO 5/31/2012

Resident Initials	Date of Transfer		Facility	Outsourced Days
B.V.	5/5/2012	5/10/2012	GT	5
A.G.	5/5/2012	5/17/2012	WH	12
D.G.	5/8/2012	5/26/2012	WH	18
A.K.	5/13/2012	5/22/2012	WH	9
R.G.	5/14/2012	5/15/2012	WH	1
H.W.	5/16/2012	5/23/2012	WH	7
				<hr/>
99				1014

SECTION IV - SERVICE SPECIFIC REVIEW CRITERIA

GENERAL LONG-TERM CARE

Criterion 1125.520 – Background of the Applicant

The applicant shall provide:

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.

The Applicant does not own or operate any other facilities. However, within this campus, a life care community, there are two licensed components, the assisted living units and the nursing care beds. Please note that there are currently 31 assisted living units and 38 nursing care beds. Appended as ATTACHMENT-12A are copies of the Applicant's certification in the Illinois Department of Public Health's life care program, the Vi at the Glen's business license from the Village of Glenview, the nursing unit's Medicare star rating, the Illinois Department of Public Health's Assisted Living license, and the nursing care license.

2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.

Appended as ATTACHMENT-12B is a notarized statement advising that no adverse action has been taken against the facility.

3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.

Appended as ATTACHMENT-12C is a statement from the Applicant authorizing access to information.

4. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest the information has been previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

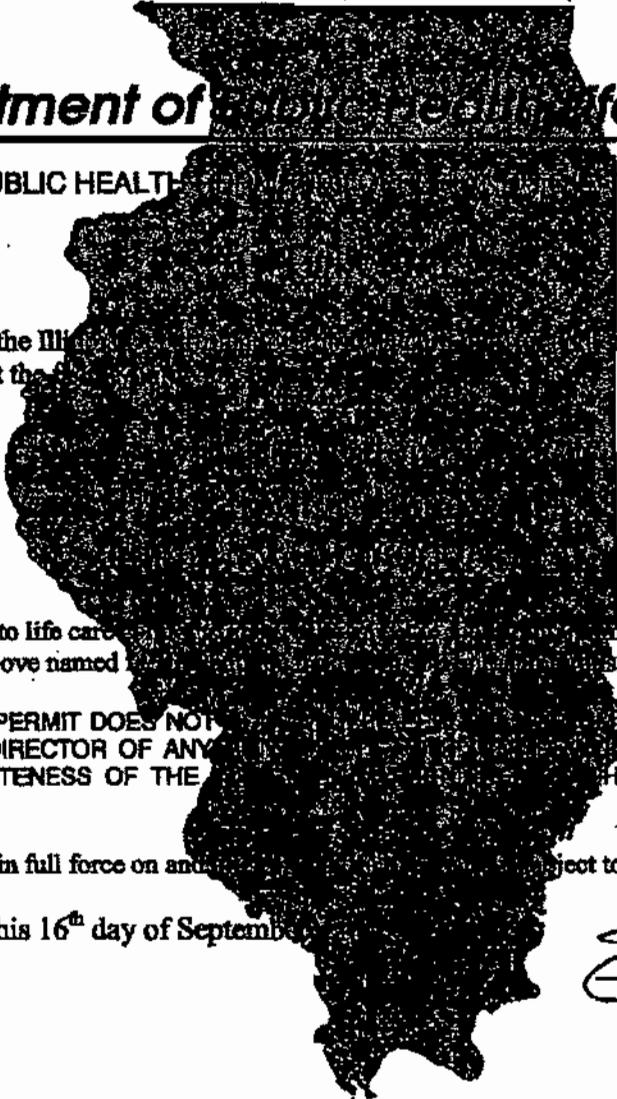
This item is not applicable.

ATTACHMENT-12

Illinois Department of Public Health Life Care Program

ILLINOIS DEPARTMENT OF PUBLIC HEALTH PERMIT TO ENTER INTO LIFE CARE CONTRACTS

is hereby granted a permit by the Illinois Department of Public Health to enter into life care contracts for the provision of services at the following facility:

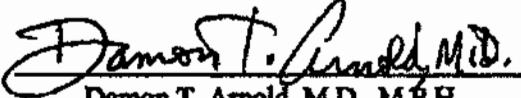


The above named grantee may enter into life care contracts for a maximum number of living units: 296
This permit is applicable only to the above named facility and is non-transferable.

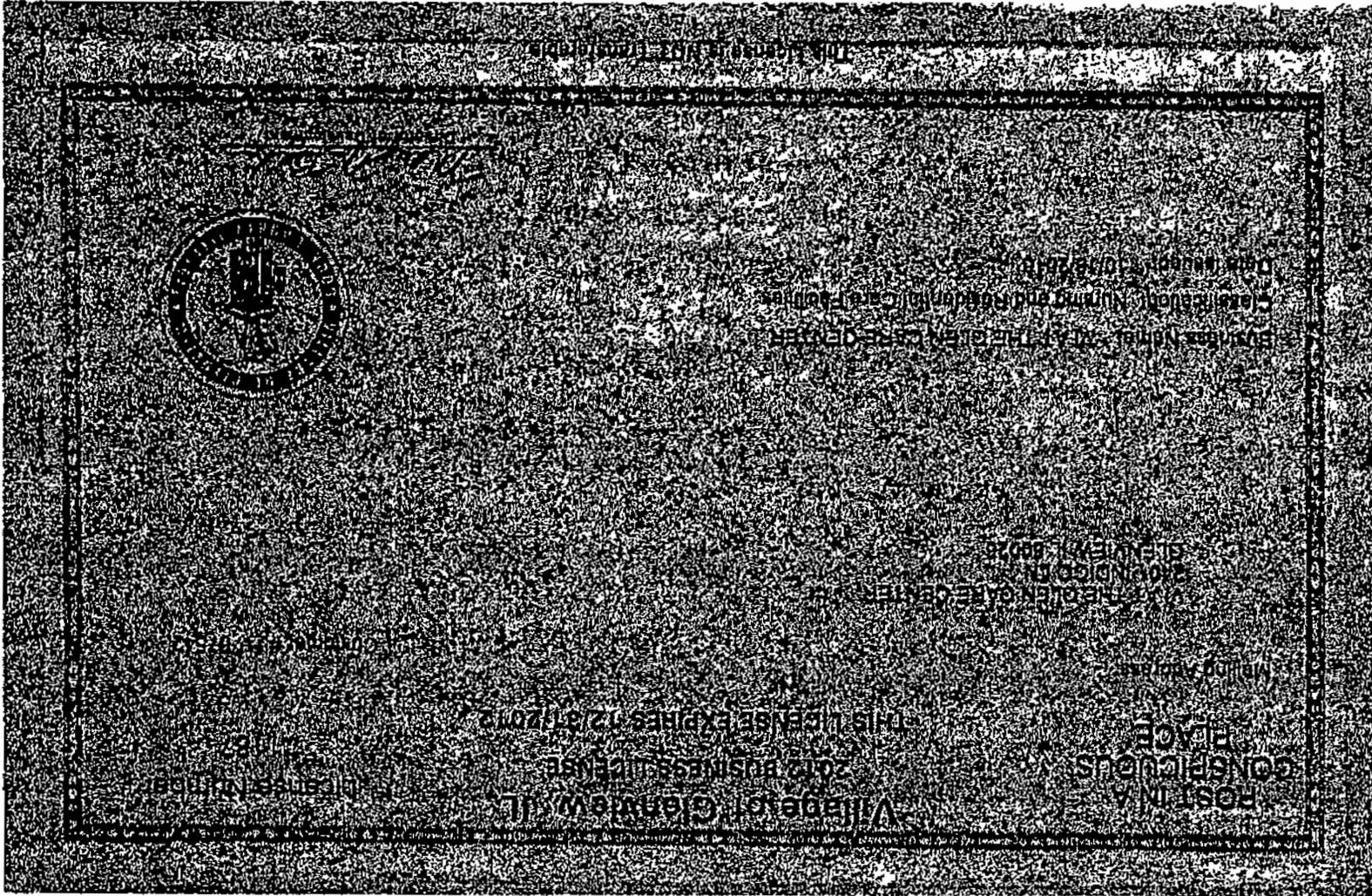
THE ISSUANCE OF THIS PERMIT DOES NOT CONSTITUTE A RECOMMENDATION OR ENDORSEMENT BY THE DEPARTMENT OR DIRECTOR OF ANY FACILITY, SERVICE, OR PROVIDER, NOR DOES IT EVIDENCE THE ACCURACY OR COMPLETENESS OF THE INFORMATION PROVIDED TO THE DEPARTMENT REGARDING THIS PERMIT.

This permit shall take effect and remain in full force on and after the date of issuance, subject to the provisions of the *Life Care Facilities Act*.

Dated and effective this 16th day of September, 1999.


Damon T. Arnold, M.D., M.P.H.
Director of Public Health





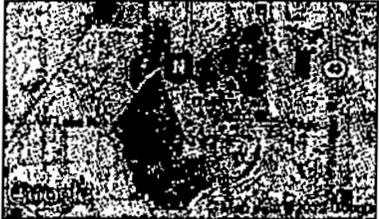
Medicare.gov

The Official Website of the U.S. Social Security Administration

Nursing Home Profile

Key:  Special Focus Facilities (SFF) [?]

General Information

<p>VI AT THE GLEN</p> <p>2401 INDIGO LANE GLENVIEW, IL 60026 (847) 904-4700</p> <p>Add to my Favorites Map and Directions</p> 	<p>Nursing Home Information</p> <ul style="list-style-type: none"> • 38 Certified Beds • Participates in [?]: Medicare • Ownership [?]: For profit - Corporation • Within a Continuing Care Retirement Community (CCRC) [?] • Not in a Hospital • Resident Council Only <p>Star Ratings Summary</p> <p>Overall Rating [?]</p> <p>Health Inspection Rating [?]</p> <p>Staffing Rating [?]</p> <p>Quality Assessment Rating [?]</p>
<p>Ownership Information</p> <p>Ownership [?]: For profit - Corporation CC LAKE INC</p> <p>Read more information about Ownership</p>	

Inspections and Complaints

<p>VI AT THE GLEN</p> <p>2401 INDIGO LANE GLENVIEW, IL 60026 (847) 904-4700</p> <p>Add to my Favorites Map and Directions</p>	<p>Nursing Home Information</p> <ul style="list-style-type: none"> • 38 Certified Beds • Participates in [?]: Medicare
<p>Overall Rating [?]</p> <p>Health Inspection Rating [?]</p>	
<p>Date of last standard health inspection:</p>	<p>07/12/2011 View Full Report</p>
<p>Date(s) of complaint survey(s) within the past 15 months:</p>	<p>No Complaint Surveys</p>

ATTACHMENT - 12A

Total number of Health Deficiencies:	0
Average number of Health Deficiencies in Illinois:	8.3
Average number of Health Deficiencies in the United States:	7.4
View Previous Inspections Summary	
How to Read a Deficiency Chart	
FIRE SAFETY DEFICIENCIES	
Total number of Fire Safety Deficiencies for this nursing home:	0
Average number of Fire Safety Deficiencies in Illinois:	4.6
Average number of Fire Safety Deficiencies in the United States:	3.4
Range of Fire Safety Deficiencies in Illinois:	0-19
How to Read a Deficiency Chart	
COMPLAINTS AND INCIDENTS	
This Nursing Home has not been cited for any Deficiencies from Incidents Reported by the Nursing Home or Complaints in the last 3 years.	

Staffing

VI AT THE GLEN 2401 INDIGO LANE GLENVIEW, IL 60026 (847) 904-4700 Add to my Favorites Map and Directions	Nursing Home Information <ul style="list-style-type: none"> 38 Certified Beds Participates in [?]: Medicare 		
	Overall Rating (5)	★★★★★	
	Staffing Rating (5)	★★★★★	
RN Staffing (5)	★★★★★		
	VI AT THE GLEN	ILLINOIS AVERAGE	NATIONAL AVERAGE
Total Number of Residents	37	95.7	88.4
Total Number of Licensed Nurse Staff Hours per Resident per day	1 hour 27 minutes	1 hour 30 minutes	1 hour 36 minutes
RN Hours per Resident per Day	1 hour 23 minutes	52 minutes	46 minutes
LPN/LVN Hours per Resident per Day	4 minutes	38 minutes	50 minutes
CNA Hours per Resident per Day	2 hours 37 minutes	2 hours 14 minutes	2 hours 27 minutes
Physical Therapy Staff Hours per Resident per Day	4 minutes	6 minutes	6 minutes
How to Read Staffing Chart About Staff Roles			

*The star rating a nursing home received for the information it provided about its Registered Nurse (RN) staffing. RNs have between 2 and 6 years of education.

Quality Measures

VI AT THE GLEN 2401 INDIGO LANE GLENVIEW, IL 60026 (847) 904-4700 Add to my Favorites Map and Directions		Nursing Home Information <ul style="list-style-type: none"> • 38 Certified Beds • Participates in (7): Medicare 	
Overall Rating (7)			
Quality Measures (7)			
	ILLINOIS AVERAGE	NATIONAL AVERAGE	
SHORT-STAY RESIDENTS Current data collection period			
Percent of short-stay residents who self-report moderate to severe pain. Lower percentages are better.	4.3%	20.0%	23.1%
Percent of short-stay residents with Pressure ulcers that are new or worsened. Lower percentages are better.	1.5%	2.3%	2.1%
Percent of short-stay residents assessed and given, appropriately, the seasonal influenza vaccine. Higher percentages are better.	100.0%	78.0%	80.5%
Percent of short-stay residents assessed and given, appropriately, the pneumococcal vaccine. Higher percentages are better.	100.0%	77.6%	80.6%
Percent of short-stay residents who newly received an antipsychotic medication. Lower percentages are better.	2.3%	2.6%	3.0%
LONG-STAY RESIDENTS Current data collection period			
Percent of long-stay residents experiencing one or more falls with major injury. Lower percentages are better.	5.9%	3.5%	3.4%
Percent of long-stay residents with a urinary tract infection. Lower percentages are better.	7.9%	7.1%	7.8%

	ILLINOIS AVERAGE	NATIONAL AVERAGE	
Percent of long-stay residents who self-report moderate to severe pain. Lower percentages are better.	6.3%	9.9%	12.5%
Percent of long-stay high-risk residents with pressure ulcers. Lower percentages are better.	8.9%	8.1%	7.0%
Percent of long-stay low-risk residents who lose control of their bowels or bladder. Lower percentages are better.	54.1%	33.8%	41.5%
Percent of long-stay residents who have/had a catheter inserted and left in their bladder. Lower percentages are better.	0.0%	4.8%	4.3%
Percent of long-stay residents who were physically restrained. Lower percentages are better.	0.0%	2.9%	2.4%
Percent of long-stay residents whose need for help with daily activities has increased. Lower percentages are better.	22.2%	15.0%	16.6%
Percent of long-stay residents who lose too much weight. Lower percentages are better.	25.0%	8.0%	7.2%
Percent of long-stay residents who have depressive symptoms. Lower percentages are better.	0.0%	7.7%	7.2%
Percent of long-stay residents assessed and given, appropriately, the seasonal influenza vaccine. Higher percentages are better.	100.0%	89.9%	91.0%
Percent of long-stay residents assessed and given, appropriately, the pneumococcal vaccine. Higher percentages are better.	100.0%	92.4%	94.0%
Percent of long-stay residents who received an antipsychotic medication. Lower percentages are better.	22.3%	26.3%	28.9%

Penalties

VI AT THE GLEN	Nursing Home Information
----------------	--------------------------

Medicare Nursing Home Profile

2401 INDIGO LANE GLENVIEW, IL 60026 (847) 904-4700 Add to my Favorites Map and Directions	<ul style="list-style-type: none">• 38 Certified Beds• Participates in (P): Medicare
Overall Rating	
Fines (F)	
This nursing home has not received any fines in the last 3 years.	
PAYMENT DENIALS (D)	
This nursing home has not received any payment denials in the last 3 years.	

[Back to Top ↑](#)

Data Last Updated: July 19, 2012

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ATTACHMENT-12A



State of Illinois 2065276
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations, and is hereby authorized to engage in the activity as indicated below.

CRAIG CONOVER, M.D.
ACTING DIRECTOR

Issued under the authority of
 The State of Illinois
 Department of Public Health

EXPIRATION DATE	CATEGORY	ID. NUMBER
11/19/2013	A9-A10	5100398
ASSISTED LIVING LICENSE ISSUED: 11/19/11 13 ALZHEIMER UNITS 18 REGULAR UNITS 31 TOTAL UNITS		

BUSINESS ADDRESS

STATUS: UNRESTRICTED
LICENSEE BUSINESS ADDRESS

VI AT THE GLEN*
2401 INDIGO LANE
GLENVIEW, IL 60025

The face of this license has a colored background. Printed by Authority of the State of Illinois. • 4/07 •

← DISPLAY THIS PART IN A
 CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN
 IDENTIFICATION



State of Illinois 2065276
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

EXPIRATION DATE	CATEGORY	ID. NUMBER
11/19/2013	A9-A10	5100398

ASSISTED LIVING LICENSE
13 ALZHEIMER UNITS
18 REGULAR UNITS
31 TOTAL UNITS

11/18/11

VI AT THE GLEN*
2401 INDIGO LANE
GLENVIEW IL 60025

FEE RECEIPT NO.

State of Illinois 2004912

Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

DANON T. ARNOLD, M.D.
DIRECTOR

Issued under the authority of
The State of Illinois
Department of Public Health

EXPIRATION DATE	CATEGORY	LIC. NUMBER
10/05/2012	868E	0045161
LONG TERM CARE LICENSE		
SKILLED 038		
UNRESTRICTED 038 TOTAL BEDS		

**BUSINESS ADDRESS:
LICENSEE**

CC-LAKE, INC.

VI AT THE GLEN
2401 INDIGO LANE
GLENVIEW IL 60026
EFFECTIVE DATE: 10/06/10

The face of this license has a colored background. Printed by Authority of the State of Illinois - 4/97 -

← DISPLAY THIS PART IN A CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION

State of Illinois 2004912

Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

EXPIRATION DATE	CATEGORY	LIC. NUMBER
10/05/2012	868E	0045161
LONG TERM CARE LICENSE		
SKILLED 038		
UNRESTRICTED 038 TOTAL BEDS		

09/28/10

VI AT THE GLEN
2401 INDIGO LANE
GLENVIEW IL 60026

FEE RECEIPT NO.

104

ATTACHMENT - 12A



Stephanie Fields
Senior Vice President
& General Counsel
71 South Wacker Drive, Ste. 900
Chicago, IL 60606
P: 312.803.8520
F: 312.896.5177
sfields@viliving.com

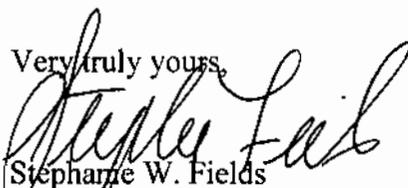
June 18, 2012

Ms. Courtney Avery
Administrator
Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

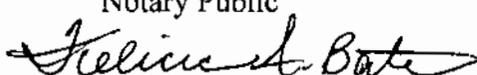
Re: CC-Lake, Inc. d/b/a Vi at The Glen ("Applicant")

Dear Ms. Avery:

Please be advised that no "adverse action" as defined under 1110.230.a).3)B has been taken against the Applicant or against any health care facility owned or operated by the Applicant, directly or indirectly, within three years preceding the filing of the Certificate of Need Application.

Very truly yours,

Stephanie W. Fields
Sr. Vice President & General Counsel

Subscribed and sworn to me
this 18th day of June, 2012

Notary Public




Write your next chapter at ViLiving.com



Stephanie Fields
Senior Vice President
& General Counsel
71 South Wacker Drive, Ste. 900
Chicago, IL 60606
P: 312.803.8520
F: 312.896.5177
sfields@viliving.com

June 18, 2012

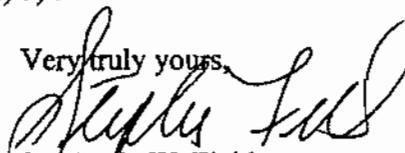
Ms. Courtney Avery
Administrator
Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: CC-Lake, Inc. d/b/a Vi at The Glen ("Applicant")

Dear Ms. Avery:

I hereby authorize the Health Facilities Planning Board and the Illinois Department of Public Health (IDPH) access to any documents necessary to verify the information submitted, including, but not limited to: official records of IDPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. I further authorize the Illinois Department of Public Health to obtain any additional documentation or information that said agency deems necessary for the review of this Application as it pertains to 1110.230.a).3)C.

Very truly yours,


Stephanie W. Fields
Sr. Vice President & General Counsel

ATTACHMENT-12C

SECTION IV - SERVICE SPECIFIC REVIEW CRITERIA (CONTINUED II)

Criterion 1125.560 - Variances to Computed Bed Need

CONTINUUM OF CARE:

1. The project will provide a continuum of care for a geriatric population that includes independent living and/or congregate housing (such as unlicensed apartments, high rises for the elderly and retirement villages) and related health and social services. The housing complex shall be on the same site as the health facility component of the project.

The proposed project is the expansion of Vi at the Glen's campus. Specifically, the Applicant is proposing to add 9 nursing beds and 5 assisted living beds. Currently, Vi at the Glen has 296 Independent Living units, 31-Assisted Living units and 38-nursing care beds. Upon project completion the campus will have 296 Independent Living units, 36-Assisted Living units and 47-nursing care beds. Therefore the continuum of care is in-place and on the same site.

2. The proposal shall be for the purposes of and serve only the residents of the housing complex and shall be developed either after the housing complex has been established or as a part of a total housing construction program, provided that the entire complex is one inseparable project, that there is a documented demand for the housing, and that the licensed beds will not be built first, but will be built concurrently with or after the residential units.

This project was originally approved under this variance and proposes to continue under this variance. The campus is up and operating with high overall utilization rates. The proposed expansion is a response to only providing a limited number of nursing beds to service the campus and now, after the campus has been operating, the Applicant is proposing the expansion.

3. The applicant shall demonstrate that:
 - a. The proposed number of beds is needed. Documentation shall consist of a list of available patients/residents needing the proposed project. The proposed number of beds shall not exceed one licensed LTC bed for every five apartments or independent living units.

This rule allows for 65.4 or 66 nursing beds based upon the current number of 327 campus units. Should this project be approved, one additional nursing beds could be justified based upon this variance. Therefore, with the Applicant requesting a total of 47 nursing care beds an additional 19 – 20 nursing care beds could be justified in addition to this 47 nursing care beds.

ATTACHMENT-17

SECTION IV - SERVICE SPECIFIC REVIEW CRITERIA (CONTINUED III)

Criterion 1125.560 - Variances to Computed Bed Need (Continued ii)

- b. There is a provision in the facility's written operational policies assuring that a resident of the retirement community who is transferred to the LTC facility will not lose his/her apartment unit or be transferred to another LTC facility solely because of the resident's altered financial status or medical indigency; and

Section 7.3 of the Continuing Care Residency Agreement, appended as **ATTACHMENT-17A** provides the language that a resident will not lose his/her apartment when transferred to the nursing unit. Section 8.5 of the Continuing Care Residency Agreement, appended as **ATTACHMENT-17B**, provides that a resident will not lose his/her unit solely based upon the resident's altered financial status.

- c. Admissions to the LTC unit will be limited to current residents of the independent living units and/or congregate housing.

This item is addressed through the Applicant's assurances. Specifically, under item 1125.640 – Assurances, the Applicant must provide assurance that it will maintain admissions limitations as specified in this section for the life of the facility.

ATTACHMENT-17

may be provided more safely, effectively or efficiently at a location other than in your current location within the Community; (2) you require care that may not lawfully be provided in your current location within the Community; (3) you require care that Provider does not routinely provide in your current location within the Community; (4) you engage in conduct or have a condition that interferes with the peaceful lodging of residents or the administration of the Community, or endangers Community property or the property or health of other residents or staff; or (5) you develop a physical or mental condition that endangers your health, safety, or well-being or that of another person, or causes an unreasonable and ongoing disturbance at the Community. Provider will consult with you (and/or, as applicable, your physician, representative, or family member) in making a transfer decision.

7.3 Temporary/Permanent Transfers to the Care Center

7.3.1 Temporary Transfer to the Care Center. If you temporarily transfer from your Home to the Care Center (or outside the Community), you will not be required to vacate your Home and you will continue to pay your regular monthly fee. You will also be responsible for paying the charges for any additional services, supplies and meals you receive. If you occupy your Home with another Resident who is covered under this Agreement and one of you is temporarily transferred outside your Home, the remaining Resident may continue to occupy your Home. In that case, there shall be no change in the payment of both Residents' monthly fees, except that you will be responsible for paying for any additional meals, services and supplies that the transferred Resident receives in the Care Center (or outside the Community).

7.3.2 Permanent Transfer to the Care Center. Provider will determine, in consultation with the Care Team and you (and/or, as applicable, your physician, representative, or family member), whether your transfer is permanent. If you (or, if this Agreement covers two Residents, both of you) permanently transfer to the Care Center or outside the Community, you must "make your Home available" to Provider (as that phrase is defined in Section 4.8.1) within thirty (30) days. If you do not make your Home available to Provider within the thirty (30) day period, you will pay double your monthly fee from the 31st day on a pro rata basis until your Home is made available to Provider. If you occupy your Home with another Resident who is covered by this Agreement and one of you is permanently transferred outside your Home, the remaining Resident may continue to occupy your Home. Notwithstanding a permanent transfer, this Agreement shall remain in effect until you or Provider terminate it under Section 8.

7.3.3 Monthly Fees After Your Permanent Transfer to the Care Center.

Following the permanent transfer of one or both of you from your Home to a location in the Care Center, you will continue to pay your regular monthly fee, plus any additional expenses required by this Agreement or other applicable agreements (including meals and supplies that the transferred Resident receives in the Care Center).

However, if within the twelve (12) months before your transfer to the Care Center, you moved from one non-Care Center apartment to another non-Care Center apartment in the Community, then your "regular monthly fee" will be deemed to be the highest of your previous monthly fees during that twelve (12) month period.

Similarly, this restriction applies for twelve (12) months after moving to the Care Center. Thus, if this Agreement covers two Residents, and one Resident moves to the Care Center (for purposes of this paragraph, referred to as the "first resident"), the second resident may move to another non-Care Center apartment in the Community. However, if the second resident moves to another non-Care Center apartment within twelve (12) months after the first resident transferred to a Care Center, then your "regular monthly fee" will be deemed to be the highest of your monthly fees during the twelve (12) month period after the first resident transferred to the Care Center.

Further, while you reside in the Care Center, your monthly fee may be adjusted based on any adjustments of the monthly fee applicable to the type of non-Care Center apartment or villa you occupied prior to your transfer.

7.4 Transfer to a New Apartment Which Is Not in the Care Center

You may elect to move from your Home to a different non-Care Center apartment in the Community upon Provider's approval, which will not be unreasonably withheld, and subject to availability. When you move, you will execute Provider's form amendment to this Agreement or Provider's then-current form of residency agreement for the Community, at Provider's sole discretion.

The entrance fee pricing for the new apartment or villa you select will be calculated using the same minimum refund percentage that was stated in your existing residency agreement. So, for example, if your entrance fee minimum refund percentage was 90% in your existing residency agreement, then the entrance fee price for the new apartment or villa you

cancellation right will continue for the duration of your original cancellation period (i.e., the cancellation period that began on the Agreement Date of your original Continuing Care Residency Agreement).

8.3 Termination By You After the Cancellation Period

Your right to terminate this Agreement continues after the expiration of the cancellation period described in Section 8.2 above. However, if you terminate after the cancellation period described in Section 8.2, you will not receive a full refund of your Entrance Fee.

If you decide to terminate this Agreement pursuant to this section, you must send written notice of termination to Provider. The written notice must be sent by certified mail or by a reputable commercial courier service with signature required. The effective date of the termination shall be the last day of the first full calendar month following the date Provider receives the notice, provided that you "make your Home available" (as that phrase is defined in Section 4.8.1) by that date. So, for example, if Provider receives your notice on March 7th, the effective date of the termination would April 30th. If the date you "make your Home available" to Provider is later than the calendar month end, then the effective date of the termination will be the date you "make your Home available" to Provider. You would continue to owe your monthly fee until the effective date of the termination.

In the event of termination pursuant to this Section, the refund provision set forth in Section 9.1.2 below shall apply.

8.4 Termination Upon the Death of a Resident

This Agreement shall automatically terminate upon the death of a Resident effective as of the date that the Resident's Home is "made available" to Provider (as that phrase is defined in Section 4.8.1). If this Agreement covers two Residents, the termination shall apply only to the decedent, and shall be effective immediately upon the death of the decedent. In the event of termination of this Agreement pursuant to this Section, the refund provisions set forth in Section 9.1.2 below shall apply.

8.5 Termination By Provider

8.5.1 Resident's Financial Difficulty. After your initial occupancy, Provider will not terminate this Agreement solely because you are financially unable to pay your monthly fee if the conditions set forth in this Subsection are satisfied. You may be allowed to remain at the

SECTION IV - SERVICE SPECIFIC REVIEW CRITERIA (CONTINUED IV)

Criterion 1125.590 - Staffing Availability

1. For each category of service, document that relevant clinical and professional staffing needs for the proposed project were considered and that licensure and JCAHO staffing requirements can be met.

Refer to **ATTACHMENT-19A** for the existing and proposed staffing pattern by position for the Nursing category of service. The proposed project will require an additional 14.35 full time equivalents and upon project completion there will be 67.45 FTE's in the nursing unit. As the project currently meets licensure standards the proposed project will also. It should be noted that to date, the facility has never sought JCAHO accreditation. However, according to the star rating system, Vi at the Glen had received five stars in the Medicare.gov rating system, indicative of a staffing level that is "above average". Refer to **ATTACHMENT-19B**, for a copy of the facility's full Medicare nursing home profile.

2. Provide the following documentation:
 - a. The name and qualification of the person currently filling the position, if applicable; and
 - b. Letters of interest from potential employees; and
 - c. Applications filed for each position; and
 - d. Signed contracts with the required staff; or
 - e. A narrative explanation of how the proposed staffing will be achieved.

Appended as **ATTACHMENT-19C**, is a listing of job applicant's on file by position title. The project will require an additional 8.4 FTE's for persons with RN, LPN, and CNA credentials. The community has received many times that number of applications and has even determined 47-89 candidates for the CNA and 16 candidates for the RN positions. Appended as **ATTACHMENT-19D** are two letters from staffing agencies documenting their ability to provide the staffing should the Vi at the Glen need assistance. Therefore, staffing for the proposed addition should not be an issue.

ATTACHMENT-19

STAFFING PLAN

QUESTION 10.A

Position	Current Staffing for 38 Beds	Proposed Additional Staffing for 9 Additional Beds	New Staffing Plan for 47 Beds
Nursing Home Administrator	1 FTE	0	1 FTE
Director of Nursing	1 FTE	0	1 FTE
Social Services Manager	1 FTE + 6 hrs consultant quarterly	2 hrs consultant quarterly	1 FTE + 8 hours consultant quarterly
Medical Records Coordinator	1 FTE + 6 hrs consultant quarterly	2 hrs consultant quarterly	1 FTE + 8 hours consultant quarterly
Lifestyle Manager (Activities)	1.2 FTEs+ 4 hours consult quarterly	0.5 FTE+ 1 hour consult quarterly	1.7 FTEs+ 5 hours consult quarterly
Dining Room Asst. Manager	1 FTE	0	1 FTE
Nutrition Services Manager (Certified Dietary Manager)	1 FTE + 13 hrs consultant monthly	1 hr consultant monthly	1 FTE + 14 hrs consultant monthly
Facilities	1 FTE	0	1 FTE
Housekeeping/ Laundry	2.6 FTE HK, .8 FTE laundry	0.6 FTE HK, .2 FTE laundry	3.2 HK, 1.0 laundry
Concierge	2.1 FTEs	0	2.1 FTEs
Unit Clerk	0.5 FTE	0.5 FTE	1 FTE
Dining Room Servers	5.8 FTEs	2.0 FTEs	7.8 FTEs
Kitchen Workers	4.4 FTEs	0.5 FTE	4.9 FTEs
Licensed Nurses (RN and LPN)	7.0 FTEs	4.2 FTEs	11.2 FTEs
Certified Nursing Assistants (CNAs)	16.8 FTEs	4.2 FTEs	21 FTEs
Human Resources	1 FTE	0	1 FTE
Business Office	1 FTE	0	1 FTE
Therapy (Rehabcare)	.75 PT	.25 PT	1.0 PT
	1.0 PTA	.5 PTA	1.5 PTA
	1.0 OT	0 OT	1.0 OT
	0 COTA	.75 COTA	.75 COTA
	.15 ST	.15 ST	.30 ST

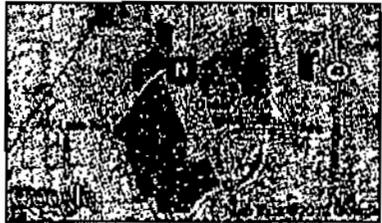
Medicare.gov

The Official Government Site for Medicare

Nursing Home Profile

Key:  **Special Focus Facilities (SFF) [?]**

General Information

<p>VI AT THE GLEN</p> <p>2401 INDIGO LANE GLENVIEW, IL 60026 (847) 904-4700</p> <p>Add to my Favorites Map and Directions</p> 	<p>Nursing Home Information</p> <ul style="list-style-type: none"> • 38 Certified Beds • Participates in [?]: Medicare • Ownership [?]: For profit - Corporation • Within a Continuing Care Retirement Community (CCRC) [?] • Not In a Hospital • Resident Council Only <p>Star Ratings Summary</p> <p>Overall Rating [?]</p> <p>Health Inspection Rating [?]</p> <p>Staffing Rating [?]</p> <p>Quality Measures Rating [?]</p>
<p>Ownership Information</p> <p>Ownership [?]: For profit - Corporation CC LAKE INC</p> <p>Read more information about Ownership</p>	

Inspections and Complaints

<p>VI AT THE GLEN</p> <p>2401 INDIGO LANE GLENVIEW, IL 60026 (847) 904-4700</p> <p>Add to my Favorites Map and Directions</p>	<p>Nursing Home Information</p> <ul style="list-style-type: none"> • 38 Certified Beds • Participates in [?]: Medicare
<p>Overall Rating [?] ★★★★★</p> <p>Health Inspection [?] ★★★★★</p>	
<p>Date of last standard health inspection:</p>	<p>07/12/2011 View Full Report</p>
<p>Date(s) of complaint survey(s) within the past 15 months:</p>	<p>No Complaint Surveys</p>

ATTACHMENT - 19B

Total number of Health Deficiencies:	0
Average number of Health Deficiencies in Illinois:	8.3
Average number of Health Deficiencies in the United States:	7.4
View Previous Inspections Summary	
How to Read a Deficiency Chart	
FIRE SAFETY DEFICIENCIES	
View Previous Inspections Summary	
Total number of Fire Safety Deficiencies for this nursing home:	0
Average number of Fire Safety Deficiencies in Illinois:	4.6
Average number of Fire Safety Deficiencies in the United States:	3.4
Range of Fire Safety Deficiencies in Illinois:	0-19
How to Read a Deficiency Chart	
COMPLAINTS AND INCIDENTS	
This Nursing Home has not been cited for any Deficiencies from Incidents Reported by the Nursing Home or Complaints in the last 3 years.	

Staffing

VI AT THE GLEN 2401 INDIGO LANE GLENVIEW, IL 60026 (847) 904-4700 Add to my Favorites Map and Directions	Nursing Home Information <ul style="list-style-type: none"> • 38 Certified Beds • Participates in PPS: Medicare 		
	Overall Rating (N) ★★★★★ Staffing Rating (N) ★★★★★ RN by 100 (N) ★★★★★		
	VI AT THE GLEN	ILLINOIS AVERAGE	NATIONAL AVERAGE
Total Number of Residents	37	95.7	88.4
Total Number of Licensed Nurse Staff Hours per Resident per day	1 hour 27 minutes	1 hour 30 minutes	1 hour 36 minutes
RN Hours per Resident per Day	1 hour 23 minutes	52 minutes	46 minutes
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CNA Hours per Resident per Day	2 hours 37 minutes	2 hours 14 minutes	2 hours 27 minutes
Physical Therapy Staff Hours per Resident per Day	4 minutes	6 minutes	6 minutes
How to Read Staffing Chart About Staff Roles			

*The star rating a nursing home received for the information it provided about its Registered Nurse (RN) staffing. RNs have between 2 and 6 years of education.

Quality Measures

VI AT THE GLEN 2401 INDIGO LANE GLENVIEW, IL 60026 (847) 904-4700 Add to my Favorites Map and Directions		Nursing Home Information <ul style="list-style-type: none"> • 38 Certified Beds • Participates in (7): Medicare 	
OVERALL RATING Current data collection period		QUALITY MEASURE (7) Current data collection period	
	ILLINOIS AVERAGE	NATIONAL AVERAGE	
SHORT-STAY RESIDENTS Current data collection period			
Percent of short-stay residents who self-report moderate to severe pain. <i>Lower percentages are better.</i>	4.3%	20.0%	23.1%
Percent of short-stay residents with Pressure ulcers that are new or worsened. <i>Lower percentages are better.</i>	1.5%	2.3%	2.1%
Percent of short-stay residents assessed and given, appropriately, the seasonal influenza vaccine. <i>Higher percentages are better.</i>	100.0%	78.0%	80.5%
Percent of short-stay residents assessed and given, appropriately, the pneumococcal vaccine. <i>Higher percentages are better.</i>	100.0%	77.6%	80.6%
Percent of short-stay residents who newly received an antipsychotic medication. <i>Lower percentages are better.</i>	2.3%	2.5%	3.0%
LONG-STAY RESIDENTS Current data collection period			
Percent of long-stay residents experiencing one or more falls with major injury. <i>Lower percentages are better.</i>	6.9%	3.5%	3.4%
Percent of long-stay residents with a urinary tract infection. <i>Lower percentages are better.</i>	7.9%	7.1%	7.8%

	ILLINOIS AVERAGE	NATIONAL AVERAGE	
Percent of long-stay residents who self-report moderate to severe pain. <i>Lower percentages are better.</i>	6.3%	9.9%	12.5%
Percent of long-stay high-risk residents with pressure ulcers. <i>Lower percentages are better.</i>	8.9%	8.1%	7.0%
Percent of long-stay low-risk residents who lose control of their bowels or bladder. <i>Lower percentages are better.</i>	54.1%	33.8%	41.5%
Percent of long-stay residents who have/had a catheter inserted and left in their bladder. <i>Lower percentages are better.</i>	0.0%	4.8%	4.3%
Percent of long-stay residents who were physically restrained. <i>Lower percentages are better.</i>	0.0%	2.9%	2.4%
Percent of long-stay residents whose need for help with daily activities has increased. <i>Lower percentages are better.</i>	22.2%	15.0%	16.8%
Percent of long-stay residents who lose too much weight. <i>Lower percentages are better.</i>	25.0%	8.0%	7.2%
Percent of long-stay residents who have depressive symptoms. <i>Lower percentages are better.</i>	0.0%	7.7%	7.2%
Percent of long-stay residents assessed and given, appropriately, the seasonal influenza vaccine. <i>Higher percentages are better.</i>	100.0%	89.8%	91.0%
Percent of long-stay residents assessed and given, appropriately, the pneumococcal vaccine. <i>Higher percentages are better.</i>	100.0%	92.4%	94.0%
Percent of long-stay residents who received an antipsychotic medication. <i>Lower percentages are better.</i>	22.3%	26.3%	23.9%

Penalties

VI AT THE GLEN	Nursing Home Information
----------------	--------------------------

Medicare Nursing Home Profile

2401 INDIGO LANE GLENVIEW, IL 60026 (847) 904-4700 Add to my Favorites Map and Directions	<ul style="list-style-type: none">• 38 Certified Beds• Participates in [F]; Medicare
Overall Rating	
Fines (F) DATE AMOUNT	
This nursing home has not received any fines in the last 3 years.	
PAYMENT DENIALS (D) DATE	
This nursing home has not received any payment denials in the last 3 years.	

[Back to Top ↑](#)

Data Last Updated: July 19, 2012

AVAILABLE STAFFING AS DOCUMENTED BY LIST OF POTENTIAL AND EXISTING APPLICANTS

QUESTION 10.B

Potential Candidates – July 2011 through June 2012
(Applications sent to Christine/Cherie for consideration)

CNA – 47
RN – 16
ADON – 1

Applications Received – July through December 2011
(Not considered – Filed)

CNA – 150
RN – 84
LPN – 3
ADON – 22
MDS Coordinator – 3

Applications Received – January through June 2012
(Not considered – Filed)

CNA – 179 (42 of these are from CareerBuilder that Christine might still have and may consider)
RN – 33
LPN – 3
ADON – 3



2340 S. RIVER RD.
SUITE 109
DES PLAINES, IL 60018
TEL: 847 ▲ 297 ▲ 2005
FAX: 847 ▲ 297 ▲ 6765

June 6, 2012

Via Regular U.S. Mail

Vi at The Glen
2401 Indigo Lane
Glenview, IL 60026
Attn: Cherie Getlin

Re: Vi at The Glen Expansion Plans of SNF and AL Venues at the Care Center

Dear Cherie Getlin:

Maxim Staffing Solutions is happy to have the opportunity to do business with Vi at The Glen and, through this correspondence, assures Vi at the Glen that Maxim Staffing Solutions has ample and adequate staffing personnel to meet the demands of all new facilities of Vi at The Glen. Maxim Staffing Solutions and Vi at The Glen executed a rider to a master agreement August 18TH 2011 which may be amended or renewed to accommodate Vi at The Glens expansion plans.

If you should have any further questions, please do not hesitate to contact me.

Sincerely,

Brian Blohm
Assistant Regional Controller

June 7, 2012

To Whom It May Concern:

Please be advised that, Relief Medical Services Incorporated, has the necessary nursing staff to support the, Vi at the Glen, with any nursing requests they may have, in order to open their proposed new facility.

Relief Medical Services has been in business since 1973. We have over 4000 nurses, at all skill levels, in our database. If you have any questions please do not hesitate to call.

Very truly yours,



David Neiman

President

SECTION IV - SERVICE SPECIFIC REVIEW CRITERIA (CONTINUED V)

Criterion 1125.600 Bed Capacity

The maximum bed capacity of a general LTC facility is 250 beds, unless the applicant documents that a larger facility would provide personalization of patient/resident care and documents provision of quality care based on the experience of the applicant and compliance with IDPH's licensure standards (77 Ill. Adm. Code: Chapter I, Subchapter c (Long-Term Care Facilities)) over a two-year period.

The Applicant is in compliance with this item as even upon project completion, the facility's licensed capacity will only be 47 beds.

SECTION IV - SERVICE SPECIFIC REVIEW CRITERIA (CONTINUED VI)

Criterion 1125.610 - Community Related Functions

The applicant shall document cooperation with and the receipt of the endorsement of community groups in the town or municipality where the facility is or is proposed to be located, such as, but not limited to, social, economic or governmental organizations or other concerned parties or groups. Documentation shall consist of copies of all letters of support from those organizations.

Appended as **ATTACHMENT-21A** are three letters from community groups endorsing the proposed project. Specifically, the letters are from Township of Horthfield Supervisor, Ms. Jill A. Brickman; Glenview Park District Executive Director, Mr. Charles T. Balling; and Resident Council of Vi at the Glen Chairman, Mr. Stanley H. Beals.

ATTACHMENT-21



Township of Northfield

July 10, 2012

Illinois Health Facilities and Services Review Board
525 West Jefferson Street
2nd Floor
Springfield, IL 62761

To Whom It May Concern:

This letter supports Vi at The Glen's plans for expanding its Skilled Nursing and Assisted Living facilities. Northfield Township has worked with Vi at The Glen on several occasions coordinating food and monetary drives for the Northfield Township Food Pantry.

Northfield Township recognizes the value of the services that Vi at The Glen provides to our senior population. Transitioning to a new facility when the need for skilled nursing or assisted living care arises can be very difficult. The addition of nine skilled nursing rooms will enable Vi residents to stay in their homes, making that transition a bit easier. Also, the additional facilities will enable Vi at The Glen to continue providing an exceptional level of care to their residents as they age and require higher levels of assistance.

We are fortunate to have a senior housing complex like Vi at The Glen providing a full service living experience to our seniors.

If you have any questions please feel free to contact me at 847-724-8300.

Sincerely,

Jill A. Brickman
Supervisor



GLENVIEW PARK DISTRICT

1930 PRAIRIE STREET, GLENVIEW, ILLINOIS 60025-2823, (847) 657-3215, FAX: (847) 724-8601

July 6, 2012

COMMISSIONERS:

William M. Casey
Mary Jean Coulson
Angie G. Katsamaklis
Charles J. Kuhn
Robert J. Patton
Daniel B. Peterson
Ted M. Przybylo

Attorney:
Samuel W. Witwer, Jr.

Treasurer:
William D. Moore

ADMINISTRATION:

Charles T. Balling,
Executive Director/
Secretary

Barbara Cremin,
Superintendent of
Administrative Operations

Cheryl L. Deom,
Superintendent of
Special Facilities

Robert D. Quill,
Superintendent of
Leisure Services

James Warnstedt,
Superintendent of
Park & Facility Services

The Illinois Health Facilities and Services Review Board
525 W Jefferson Street
Springfield IL 62761

To Whom It May Concern:

I write on behalf of the Glenview Park District in support of the expansion of your skilled nursing facilities. The aging of the population is on the mind of just about every public service organization. Our community is so fortunate to have such a high quality care facility like the Vi at The Glen in Glenview. We are all so impressed with the activities and services the Vi provides for its residents. From basic health care, to recreation, to medical and therapeutic services. We consider the Vi as one of our community partners in serving the senior population in the area and we strongly support the Vi at the Glen's application to add nine skilled nursing rooms.

Not everyone is physically able to live on their own as they age. The continued expansion of this wonderful facility will make sure they keep up with the growing demand for their services as the senior population continues to age. Continuing Care Retirement Communities, like the Vi, offer many types of senior living options allowing residents to age in place as their care needs change. The Glenview Park District is pleased to see that the Vi is continuing to offer an atmosphere where dignity is supported, privacy is honored and self-sufficiency is encouraged. We also believe there are many cross over benefits between our programs.

The Glenview Senior Center has over 1130 members from Glenview and the surrounding communities and works very closely with the Vi.

The Vi and the Senior Center have similar views when it comes to working with seniors. We both focus on successful aging through social, physical, and educational wellness. We allow members and residents to embrace their own wellness by tailoring our offerings to meet their needs.

Both organizations realize the need for a sense of community. Loneliness is one of the main issues many seniors face. The Vi offers a variety of social, cultural and recreational activities that allows residents to remain socially active while they engage with friends and family.

I strongly support Vi at The Glen's application to expand their skilled nursing services and encourage the Health Facilities Planning Board to approve their request.

Sincerely,

Charles T. Balling, Executive Director

ATTACHMENT - 21A





RESIDENT COUNCIL of Vi at THE GLEN

June 25, 2012

Illinois Health Facilities and Services Review Board
2nd Floor
525 W. Jefferson Street
Springfield, Illinois 62761

RE: Certificate of Need – Vi at The Glen

As the official representative body elected by the residents of Vi at The Glen, we strongly encourage the Illinois Planning Board to support and approve the community's application to expand the Care Center located at 2401 Indigo Lane, Glenview, Illinois 60026.

The expansion of the Care Center will greatly enhance the community's ability to keep our residents on this campus when they have health care needs. This will be especially important for those residents with spouses living independently in the community, but will also be meaningful with respect to the ease of visitation by their friends here at Vi at The Glen.

We assure you, expansion of our Care Center as discussed above will be warmly welcomed by our resident body, and we thank you in advance for your attention to this matter.

Sincerely,


Stanley H. Beals
Chairman

ATTACHMENT-21A

SECTION IV - SERVICE SPECIFIC REVIEW CRITERIA (CONTINUED VII)

Criterion 1125.630 - Zoning

The applicant shall document one of the following:

1. The property to be utilized has been zoned for the type of facility to be developed;
2. Zoning approval has been received; or
3. A variance in zoning for the project is to be sought.

Appended as **ATTACHMENT-23A** is a letter from the Village of Glenview Director of Planning and Economic Development, Ms. Mary M. Bak giving the current status of zoning and stating that zoning is to be sought

ATTACHMENT-23



The Village of ◦
Glenview

Planning & Economic Development Department
(847) 904-4340 direct
(847) 724-1752 fax

June 14, 2012

Illinois Health Facilities and Services Review Board
525 West Jefferson Street
2nd Floor
Springfield, Illinois 62761
Attention: Mr. Michael Constantino

Re: VI at the Glen, Glenview, Illinois

Dear Mr. Constantino:

Please be advised that representatives of VI at the Glen, 2500 Indigo Lane, Glenview, Illinois, have approached the Village of Glenview regarding a proposed amendment to the existing Planned Development zoning and approved site plan, Ordinance # 4092, adopted October 5, 1999, to allow for an expansion of the Continuing Care Retirement Community. Specifically the proposed two-story expansion of the Care Center located at 2401 Indigo Lane includes a 10,000 gross square foot project on two floors that would add 9 Skilled Nursing Beds and support space on the first floor, and 5 Assisted Living Units on the second floor. The entire proposed expansion is approximately 10,000 gross square feet.

Although a formal application has not yet been submitted, initial development meetings have been held and the proposed expansion appears feasible subject to formal review and approval by the Village of Glenview.

If you have any questions, please feel free to contact me at (847) 904-4304 or by e-mail at: maryb@glenview.il.us.

Sincerely,

Mary M. Bak
Director of Planning and Economic Development

CC: Ati Rahimpour, Solomon Cordwell Buenz

ATTACHMENT - 23A

1225 Waukegan Road • Glenview, IL 60025-3071 • (847) 904-4340 • TDD (847) 724-4232 • www.glenview.il.us

SECTION IV - SERVICE SPECIFIC REVIEW CRITERIA (CONTINUED VIII)

Criterion 1125.640 - Assurances

1. The applicant representative who signs the CON application shall submit a signed and dated statement attesting to the applicant's understanding that, by the second year of operation after the project completion, the applicant will achieve and maintain the occupancy standards specified in Section 1125.210(c) for each category of service involved in the proposal.

Appended as **ATTACHMENT-24A**, is a letter from the licensee committing to this item.

2. For beds that have been approved based upon representations for continuum of care (Section 1125.560(a)) or defined population (Section 1125.560(b)), the facility shall provide assurance that it will maintain admissions limitations as specified in those Sections for the life of the facility. To eliminate or modify the admissions limitations, prior approval of HFSRB will be required.

Appended as **ATTACHMENT-24B**, is a letter from the licensee committing to this item.

ATTACHMENT-24

CC-LAKE, INC.
71 South Wacker Drive
Suite 900
Chicago, IL 60606
312 803 8800

August 1, 2012

Dale Galassie
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: General Long-Term Care Assurances

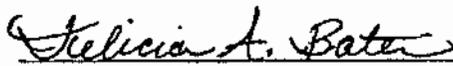
Dear Chairman Galassie:

Pursuant to 77 Ill. Admin. Code § 1125.640(a), I hereby certify that by the second year after project completion CC-Lake, Inc. (Applicant) for Vi at the Glen will achieve and maintain 90% target utilization as specified in 77 Ill. Admin. Code 1125.210(c).

Sincerely,


Randal J. Richardson
President

Subscribed and sworn to me
This 1st day of August, 2012



Notary Public



ATTACHMENT - 24A

CC-LAKE, INC.
71 South Wacker Drive
Suite 900
Chicago, IL 60606
312 803 8800

August 1, 2012

Ms. Courtney Avery, Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761

RE: Criterion 1125.560(a) Continuum of Care

Dear Ms. Avery:

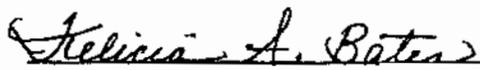
Regarding the above referenced criterion, we hereby certify that the facility shall provide assurance that it will maintain admissions limitations as specified in those Sections for the life of the facility.

Sincerely,


Randal J. Richardson
President

Notarization:

Subscribed and sworn to before me this
1st day of August, 2012.


Signature of Notary

Seal



ATTACHMENT - 24B

SECTION V – FINANCIAL AND ECONOMIC FEASIBILITY REVIEW

Criterion 1125.800 Estimated Total Project Cost

Availability of Funds

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable: indicate the dollar amount to be provided from the following sources:

<u>\$5,093,024</u>	a. Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
---------------------------	---

Appended as **ATTACHMENT-27A**, is a copy of the Licensee's bank statement from Bank of America, N.S. illustrating that this entity has the cash to fund the project.

BANK OF AMERICA, N.A.

540 W MADISON ST - 16th Floor
CHICAGO, IL 60661

Customer Service
1-888-400-8009

Client Information

CC LAKE INC
OWNERSHIP ACCOUNT
ATTN: ELIEEN CHRISTENSON
2500 INDI GO LN
GLENVIEW IL 60026-7787

Statement Date: 06/29/12
Page 1
Account Number: ~~XXXXXXXXXX~~

FULL ANALYSIS CHECKING

Statement Period	06/01/12 - 06/29/12	Statement Beginning Balance	930,541.93
Number of Deposits/Credits	10	Amount of Deposits/Credits	7,109,898.00
Number of Withdrawals/Debits	6	Amount of Withdrawals/Debits	1,728,879.47
Number of Checks	0	Amount of Checks	0.00
		Statement Ending Balance	6,313,360.46
Number of Enclosures	0	Service Charge	0.00
Number of Days in Cycle	29		

Deposits and Credits

Date Posted	Customer Reference	Amount (\$)	Description	Bank Reference
06/05/12	0000000000000000	55,125.00	CLASSIC CONCEN DES:CASH C&D ID:241 INDN:GLENVIEW OWNERSHIP CO ID:363558465 CCD	0000056008885302
06/29/12	0000000000000000	203,500.00	WIRE TYPE:WIRE IN DATE: 120629 TIME:1344 ET TRN:2012062900279846 SEQ:021810505200038874 ORIG:ROBERT F SEEBECK TTEE ID:5582185910 SND BK:CTIBANK, N.A. ID:021000089	000000370279846
06/29/12	0000000000000000	1,090,999.00	WIRE TYPE:WIRE IN DATE: 120629 TIME:1548 ET TRN:2012062900345617 SEQ:2012062900415211/009180 ORIG:ALBERT NATHAN ID:3800091925 SND BK:THE NORTHERN TRUST COMPANY ID:071000152	0000000370345617
06/29/12	0000000000000000	3,700,000.00	WIRE TYPE:BOOK IN DATE:120629 TIME:1501 ET TRN:2012062900308508 SND REF:2012181004670 ORIG:CC-DEVELOPMENT GROUP INC ID:005600441298	0000000370308508
06/04/12	0000000000000240	124,400.00	IL ELECTRONIC DEPOSIT	0000007882685883
06/16/12	0000000000000240	2,000.00	IL ELECTRONIC DEPOSIT	0000007882285238
06/18/12	0000000000000240	704,700.00	IL ELECTRONIC DEPOSIT	0000007882287276
06/20/12	0000000000000240	205,600.00	IL ELECTRONIC DEPOSIT	0000007882443431
06/20/12	0000000000000240	679,044.00	IL ELECTRONIC DEPOSIT	0000007882411078
06/22/12	0000000000000240	44,330.00	IL ELECTRONIC DEPOSIT	0000007882522976

Checks

Check Number	Amount (\$)	Date Posted	Bank Reference
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Other Withdrawals and Debits

Date Posted	Customer Reference	Amount (\$)	Description	Bank Reference
06/06/12	0000000000000000	19,269.70	CLASSIC CONCEN DES:CASH C&D ID:241 INDN:GLENVIEW OWNERSHIP CO ID:363558465 CCD	0000057004514235
06/13/12	0000000000000000	28,877.19	CLASSIC CONCEN DES:CASH C&D ID:241 INDN:GLENVIEW OWNERSHIP CO ID:363558465 CCD	0000064008282838
06/15/12	0000000000000000	485.77	CLASSIC CONCEN DES:CASH C&D ID:241 INDN:GLENVIEW OWNERSHIP CO ID:363558465 CCD	0000066006845476
06/20/12	0000000000000000	771,870.70	CLASSIC CONCEN DES:CASH C&D ID:241 INDN:GLENVIEW OWNERSHIP CO ID:363558465 CCD	0000071004773311

BANK OF AMERICA, N.A.

540 W MADISON ST - 16th Floor
CHICAGO, IL 60661

Customer Service
1-888-400-9009

Client Information

CC LAKE INC
OWNERSHIP ACCOUNT
ATTN: ELIEEN CHRISTENSON
2500 INDIGO LN
GLENVIEW IL 60026-7797

Statement Date: 06/28/12
Page 2
Account Number: XXXXXXXXXX

Other Withdrawals and Debits

Date Posted	Customer Reference	Amount (\$)	Description	Bank Reference
05/27/12	0000000000000000	6,582.11	OWNERSHIP CO ID:363558465 CCD CLASSIC CONCEN DES:CASH C&D ID:241 INDN:GLENVIEW OWNERSHIP CO ID:363558465 CCD	0000078008904754
06/27/12	0000000000000000	900,000.00	CC-DEVELOPMENT DES:CASH C&D ID:241 INDN:GLENVIEW OWNERSHIP CO ID:363572949 CCD	0000078008904754

Daily Balance Summary

Date	Ledger Balance(\$)	Collected Balance(\$)	Date	Ledger Balance(\$)	Collected Balance(\$)
05/31/12	930,541.93	570,781.93	06/18/12	1,768,140.27	1,083,440.27
06/04/12	1,054,941.93	630,541.93	06/20/12	1,781,113.57	1,083,469.57
06/05/12	1,110,066.93	985,666.93	06/22/12	2,225,443.57	1,781,113.57
06/08/12	1,090,787.23	1,090,787.23	06/25/12	2,225,443.57	2,225,443.57
06/13/12	1,081,926.04	1,081,926.04	06/27/12	1,318,861.46	1,318,861.46
06/15/12	1,068,440.27	1,068,440.27	06/28/12	1,318,860.46	1,318,860.46
06/18/12	1,768,140.27	1,061,440.27			

BANK OF AMERICA, N.A.

540 W MADISON ST - 16th Floor
CHICAGO, IL 60681

Customer Service
1-888-400-9009

Client Information

CC LAKE INC
OWNERSHIP ACCOUNT
ATTN: ELIEEN CHRISTENSON
2500 INDIGO LN
GLENVIEW IL 60026-7797

Statement Date: 06/29/12
Page 3
Account Number: XXXXXXXXXX

IMPORTANT INFORMATION

Change of Address: Please call us at the customer service telephone number listed on the front of this statement to tell us about a change of address.

Terms and Conditions: All deposits to, withdrawals from, or other transactions pertaining to your account(s) are subject to the terms and conditions of the agreement you received when you opened your account and any amendments thereto. Amendments to the agreement may be made from time to time in the manner stated therein.

Electronic Transfers: In case of errors or questions about your electronic transfers

if you think your statement or receipt is wrong or if you need more information about an electronic transfer (e.g., ATM transactions, direct deposits or withdrawals, point-of-sale transactions) on the statement or receipt, telephone or write us at the address or number listed on the front of this statement as soon as you can. We must hear from you no later than 60 days after we sent you the FIRST statement on which the error or problem appeared.

- * Tell us your name and account number.
- * Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe there is an error or why you need more information.
- * Tell us the dollar amount of the suspected error.

For consumer accounts used primarily for personal, family or household purposes, we will investigate your complaint and will correct any error promptly. If we take more than 10 business days (20 business days if you are a new customer, for electronic transfers occurring during the first 30 days after the first deposit is made to your account), to do this, we will re-credit your account the amount you think is in error so that you will have use of the money during the time it takes us to complete our investigation.

For other accounts, we investigate, and if we find we have made an error, we will make the appropriate adjustment to your account at the conclusion of our investigation.

Direct Deposit: If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you may call us at the telephone number listed on the front of this statement to find out if the deposit was made as scheduled.

Reporting Other Problems: You must examine your statement carefully and promptly. You are in the best position to discover errors and unauthorized transactions on your account. If you fail to notify us in writing of suspected problems or unauthorized transactions within the time periods specified in the deposit agreement (which periods are no more than 60 days after we make the statement available to you in some cases are 30 days or less), we are not liable to you for, and you agree not to make a claim against us for the problems or unauthorized transactions.

SECTION V – FINANCIAL AND ECONOMIC FEASIBILITY REVIEW (CONTINUED II)

Financial Viability

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

Financial Viability Waiver

The applicant is not required to submit financial viability ratios if:

1. "A" Bond rating or better
2. All of the projects capital expenditures are completely funded through internal sources
3. The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent
4. The applicant provides a third party surety bond or performance bond letter of credit from an A rated guarantor.

Appended as ATTACHMENT-28A, is a copy of the Licensee's bank statement illustrating that it has the cash to fund the project internally, addressing item number two above. Therefore, it appears that the financial viability ratios are not required. Moreover, it is the Licensee, CC-Lake, Inc who is responsible for funding the project.

ATTACHMENT-28

BANK OF AMERICA, N.A.

540 W MADISON ST - 16th Floor
CHICAGO, IL 60661

Customer Service
1-888-400-9009

Client Information

CC LAKE INC
OWNERSHIP ACCOUNT
ATTN: ELIEEN CHRISTENSON
2500 INDIGO LN
GLENVIEW IL 60026-7797

Statement Date: 06/29/12
Page 1
Account Number: [REDACTED]

FULL ANALYSIS CHECKING

Statement Period	06/01/12 - 06/29/12	Statement Beginning Balance	930,541.83
Number of Deposits/Credits	10	Amount of Deposits/Credits	7,109,688.00
Number of Withdrawals/Debits	6	Amount of Withdrawals/Debits	1,726,879.47
Number of Checks	0	Amount of Checks	0.00
		Statement Ending Balance	6,313,360.46
Number of Enclosures	0	Service Charge	0.00
Number of Days in Cycle	29		

Deposits and Credits

Date Posted	Customer Reference	Amount (\$)	Description	Bank Reference
06/05/12	0000000000000000	55,125.00	CLASSIC CONCEN DES:CASH C&D ID:241 INDN:GLENVIEW OWNERSHIP CO ID:363558465 CCD	0000056008885302
06/29/12	0000000000000000	203,500.00	WIRE TYPE WIRE IN DATE: 120629 TIME: 1344 ET TRN: 2012062900279646 SEQ: GTZ1810486200038874 ORIG: ROBERT F SEEBECK TTEE ID: 5592165910 SND BK: CFBANK N.A. ID: 021000089	0000000370279346
06/29/12	0000000000000000	1,080,999.00	WIRE TYPE WIRE IN DATE: 120629 TIME: 1548 ET TRN: 2012062900345617 SEQ: 2012062800415211009180 ORIG: ALBERT NATHAN ID: 3800091925 SND BK: THE NORTHERN TRUST COMPANY ID: 071000152	0000000370345617
06/29/12	0000000000000000	3,700,000.00	WIRE TYPE BOOK IN DATE: 120629 TIME: 1501 ET TRN: 201206290036508 SDR REF: 2012181004670 ORIG: CC DEVELOPMENT GROUP INC ID: 005800441298	000000037036508
06/04/12	0000000000000240	124,400.00	IL ELECTRONIC DEPOSIT	0000007882685883
06/15/12	0000000000000240	2,000.00	IL ELECTRONIC DEPOSIT	0000007882285238
06/18/12	0000000000000240	704,700.00	IL ELECTRONIC DEPOSIT	0000007882287276
06/20/12	0000000000000240	205,600.00	IL ELECTRONIC DEPOSIT	0000007882443431
06/20/12	0000000000000240	579,044.00	IL ELECTRONIC DEPOSIT	0000007882411078
06/22/12	0000000000000240	444,330.00	IL ELECTRONIC DEPOSIT	0000007882522975

Checks

Check Number	Amount (\$)	Date Posted	Bank Reference
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Other Withdrawals and Debits

Date Posted	Customer Reference	Amount (\$)	Description	Bank Reference
06/06/12	0000000000000000	19,289.70	CLASSIC CONCEN DES:CASH C&D ID:241 INDN:GLENVIEW OWNERSHIP CO ID:363558465 CCD	0000057004514235
06/13/12	0000000000000000	28,871.19	CLASSIC CONCEN DES:CASH C&D ID:241 INDN:GLENVIEW OWNERSHIP CO ID:363558465 CCD	0000064008232838
06/15/12	0000000000000000	485.77	CLASSIC CONCEN DES:CASH C&D ID:241 INDN:GLENVIEW OWNERSHIP CO ID:363558465 CCD	0000066006845478
06/20/12	0000000000000000	771,870.70	CLASSIC CONCEN DES:CASH C&D ID:241 INDN:GLENVIEW	0000071004773311

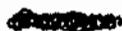
BANK OF AMERICA, N.A.

540 W MADISON ST - 18th Floor
CHICAGO, IL 60661

Customer Service
1-888-400-9009

Client Information

CC LAKE INC
OWNERSHIP ACCOUNT
ATTN: ELIEEN CHRISTENSON
2500 INDIGO LN
GLENVIEW IL 60026-7797

Statement Date: 06/29/12
Page 2
Account Number: 

Other Withdrawals and Debits

Date Posted	Customer Reference	Amount (\$)	Description	Bank Reference
06/27/12	0000000000000000	6,582.11	OWNERSHIP CO ID:363558465 CCD CLASSIC CONCEN DES:CASH C&D ID:241 INDN:GLENVIEW OWNERSHIP CO ID:363558465 CCD	0000078008904754
06/27/12	0000000000000000	600,000.00	CC-DEVELOPMENT DES:CASH C&D ID:241 INDN:GLENVIEW OWNERSHIP CO ID:363572849 CCD	0000078008904782

Daily Balance Summary

Date	Ledger Balance(\$)	Collected Balance(\$)	Date	Ledger Balance(\$)	Collected Balance(\$)
05/31/12	930,541.93	570,781.93	06/19/12	1,768,140.27	1,063,440.27
06/04/12	1,054,941.93	930,541.93	06/20/12	1,781,113.57	998,489.57
06/05/12	1,110,066.93	985,666.93	06/22/12	2,225,443.57	1,781,113.57
06/08/12	1,090,797.23	1,090,797.23	06/26/12	2,225,443.57	2,225,443.57
06/13/12	1,061,826.04	1,061,826.04	06/27/12	1,318,861.46	1,318,861.46
06/15/12	1,063,440.27	1,061,440.27	06/28/12	6,313,360.46	6,313,360.46
06/18/12	1,768,140.27	1,061,440.27			

BANK OF AMERICA, N.A.

540 W MADISON ST - 16th Floor
CHICAGO, IL 60661

Customer Service
1-888-400-9009

Client Information

CC LAKE INC
OWNERSHIP ACCOUNT
ATTN: ELIEEN CHRISTENSON
2500 INDIGO LN
GLENVIEW IL 60026-7797

Statement Date:
Page 3
Account Number:

06/29/12

~~XXXXXXXXXX~~

IMPORTANT INFORMATION

Change of Address: Please call us at the customer service telephone number listed on the front of this statement to tell us about a change of address.

Terms and Conditions: All deposits to, withdrawals from, or other transactions pertaining to your account(s) are subject to the terms and conditions of the agreement you received when you opened your account and any amendments thereto. Amendments to the agreement may be made from time to time in the manner stated therein.

Electronic Transfers: In case of errors or questions about your electronic transfers

If you think your statement or receipt is wrong or if you need more information about an electronic transfer (e.g., ATM transactions, direct deposits or withdrawals, point-of-sale transactions) on the statement or receipt, telephone or write us at the address or number listed on the front of this statement as soon as you can. We must hear from you no later than 60 days after we sent you the FIRST statement on which the error or problem appeared.

- * Tell us your name and account number.
- * Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe there is an error or why you need more information.
- * Tell us the dollar amount of the suspected error.

For consumer accounts used primarily for personal, family or household purposes, we will investigate your complaint and will correct any error promptly, if we take more than 10 business days (20 business days if you are a new customer, for electronic transfers occurring during the first 30 days after the first deposit is made to your account), to do this, we will re-credit your account the amount you think is in error so that you will have use of the money during the time it takes us to complete our investigation.

For other accounts, we investigate, and if we find we have made an error, we will make the appropriate adjustment to your account at the conclusion of our investigation.

Direct Deposit: If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you may call us at the telephone number listed on the front of this statement to find out if the deposit was made as scheduled.

Reporting Other Problems: You must examine your statement carefully and promptly. You are in the best position to discover errors and unauthorized transactions on your account. If you fail to notify us in writing of suspected problems or unauthorized transactions within the time periods specified in the deposit agreement (which periods are no more than 60 days after we make the statement available to you in some cases are 30 days or less), we are not liable to you for, and you agree not to make a claim against us for the problems or unauthorized transactions.

ATTACHMENT - 28A

**SECTION V – FINANCIAL AND ECONOMIC FEASIBILITY REVIEW
(CONTINUED III)**

Economic Feasibility

A. Reasonableness of Financing Arrangements

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

1. That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or
2. That the total estimated project costs and related costs will be funded in total or in part by borrowing because:
 - A. A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 1.5 times for LTC facilities; or
 - B. Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

Appended as **ATTACHMENT-30A** is a notarized statement from the Applicant's Licensee stating that the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation.

D. Projected Operating Costs

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

	CY2016
Direct cost	\$2,233,000
Patient Days	15,440
Operating cost per Pat. Day	\$144.62

E. Total Effect of the Project on Capital Costs

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

	CY2016
Capital cost	\$1,866,000
Patient Days	15,440
Capital cost per Pat. Day	\$120.86

ATTACHMENT-30

CC-LAKE, INC.
71 South Wacker Drive
Suite 900
Chicago, IL 60606
312 803 8800

August 1, 2012

Ms. Courtney Avery, Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761

RE: Criterion 1120.140A Reasonableness of Financing Arrangements

Dear Ms. Avery:

Regarding the above referenced criterion, we hereby certify that the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation.

Sincerely,


Randal J. Richardson
President

Notarization:

Subscribed and sworn to before me this
1st day of August, 2012.


Signature of Notary

Seal



ATTACHMENT - 3 0A

CC-LAKE, INC.
Balance Sheets
December 31, 2013, 2014 and 2015

Assets	2011	2012	2013	2014	2015
Current assets:					
Cash and cash equivalents	\$ 2,804,632	6,904,632	1,904,632	1,904,632	1,904,632
Current portion of assets limited as to use	1,314,904	395,680	395,680	395,680	395,680
Resident accounts receivable	246,411	246,411	246,411	246,411	246,411
Deposits and other	611,191	611,191	611,191	611,191	611,191
Total current assets	<u>4,977,138</u>	<u>8,157,914</u>	<u>3,157,914</u>	<u>3,157,914</u>	<u>3,157,914</u>
Assets limited as to use, net of amounts required for current liabilities	<u>2,705,045</u>	<u>2,807,045</u>	<u>2,807,045</u>	<u>2,807,045</u>	<u>2,807,045</u>
Property and equipment:					
Land	18,884,135	18,884,135	18,884,135	18,884,135	18,884,135
Building and improvements	91,487,768	91,748,768	95,913,018	96,351,018	96,817,518
Furniture, fixtures, and equipment	20,923,575	21,706,575	24,199,325	25,513,325	26,912,825
Construction in progress	850	850	850	850	850
	<u>131,296,328</u>	<u>132,340,328</u>	<u>138,997,328</u>	<u>140,749,328</u>	<u>142,615,328</u>
Less accumulated depreciation	<u>43,135,717</u>	<u>46,776,358</u>	<u>51,158,838</u>	<u>55,952,318</u>	<u>60,832,728</u>
Property and equipment, net	<u>88,160,611</u>	<u>85,563,970</u>	<u>87,838,490</u>	<u>84,797,010</u>	<u>81,782,600</u>
Deferred tax asset	1,579,700	1,579,700	1,579,700	1,579,700	1,579,700
Costs of acquiring initial continuing care contracts, net	180,360	—	—	—	—
Total assets	<u>\$ 97,602,854</u>	<u>98,108,629</u>	<u>95,383,149</u>	<u>92,341,669</u>	<u>89,327,259</u>
Liabilities and Stockholders' Deficit					
Current liabilities:					
Accounts payable	\$ 350,036	350,036	350,036	350,036	350,036
Accrued expenses	2,359,404	2,359,404	2,359,404	2,359,404	2,359,404
Prepaid resident service revenue	939,106	19,882	19,882	19,882	19,882
Resident deposits	395,680	395,680	395,680	395,680	395,680
Current portion of refundable entrance fees	5,151,823	4,071,670	4,204,667	4,412,333	4,522,333
Due to affiliate	(2,939,799)	(2,278,299)	(1,616,799)	(955,299)	(293,799)
Total current liabilities	<u>6,256,250</u>	<u>4,918,373</u>	<u>5,712,870</u>	<u>6,582,036</u>	<u>7,353,536</u>
Refundable entrance fees	132,966,915	126,801,070	119,095,073	111,923,407	105,863,407
Deferred revenue from nonrefundable entrance fees	24,941,001	30,814,763	36,581,763	44,655,763	55,272,763
Other liabilities	81,000	81,000	81,000	81,000	81,000
Total liabilities	<u>164,245,166</u>	<u>162,615,206</u>	<u>161,470,706</u>	<u>163,242,206</u>	<u>168,570,706</u>
Stockholders' deficit:					
Common stock, no par value, \$10 assigned value. Authorized, issued, and outstanding 100 shares	1,000	1,000	1,000	1,000	1,000
Distributions in excess of paid-in capital	(43,203,482)	(41,752,096)	(43,846,696)	(49,088,896)	(57,968,296)
Accumulated deficit	(23,439,830)	(22,755,481)	(22,241,861)	(21,812,641)	(21,276,151)
Total stockholders' deficit	<u>(66,642,312)</u>	<u>(64,506,577)</u>	<u>(66,087,557)</u>	<u>(70,900,537)</u>	<u>(79,243,447)</u>
Total liabilities and stockholders' deficit	<u>\$ 97,602,854</u>	<u>98,108,629</u>	<u>95,383,149</u>	<u>92,341,669</u>	<u>89,327,259</u>

CC-LAKE, INC.
Statements of Operations
Years ended December 31, 2013, 2014 and 2015

	2011	2012	2013	2014	2015
Revenue:					
Net resident service revenue	\$ 17,805,073	18,891,753	19,466,000	20,247,000	21,417,000
Amortization of entrance fees	4,962,652	4,493,050	4,750,000	5,000,000	5,250,000
Investment return	16,755	18,000	18,000	19,000	19,000
Other income	63,606	49,907	58,000	60,000	62,000
Total revenue	22,848,086	23,452,710	24,292,000	25,326,000	26,748,000
Expenses:					
Food and beverage	2,083,892	2,195,182	2,266,000	2,342,000	2,426,000
Dining room	1,100,158	1,193,813	1,233,000	1,274,000	1,320,000
Housekeeping	718,873	773,550	799,000	826,000	856,000
Laundry	107,425	118,105	122,000	126,000	131,000
Residence activities	1,467,777	1,573,291	1,624,000	1,679,000	1,739,000
Personal care expense	2,742,356	2,737,392	2,826,000	3,070,000	3,627,000
Repairs and maintenance	1,379,226	1,368,839	1,413,000	1,461,000	1,514,000
Utilities	1,103,902	1,246,135	1,284,000	1,323,000	1,363,000
Marketing	593,625	538,037	555,000	574,000	595,000
Total operating expenses	11,297,234	11,744,344	12,122,000	12,675,000	13,571,000
Management fees	1,436,613	1,516,253	1,562,000	1,625,000	1,718,000
Property taxes	983,787	1,175,875	1,211,000	1,247,000	1,284,000
Care center lease	661,500	661,500	661,500	661,500	661,500
Depreciation and amortization	3,671,359	3,821,001	4,382,480	4,793,480	4,880,410
Insurance	414,973	488,419	503,000	518,000	534,000
Administration	2,411,776	2,882,969	2,977,400	3,077,800	3,188,600
Total expenses	20,877,242	22,290,361	23,419,380	24,597,780	25,837,510
Income before income tax expense	1,970,844	1,162,349	872,620	728,220	910,490
Income tax expense	793,981	478,000	359,000	299,000	374,000
Net income	\$ 1,176,863	684,349	513,620	429,220	536,490

CC-LAKE, INC.
Statements of Changes in Stockholders' Deficit
Years ended December 31, 2013, 2014 and 2015

	Common stock		Distributions in excess of paid-in capital	Accumulated deficit	Total
	Shares	Amount			
Balance at December 31, 2010	100	\$ 1,000	(37,064,555)	(26,216,616)	(63,280,171)
Contributions from Parent	—	—	(6,138,927)	—	(6,138,927)
Net income	—	—	—	1,176,863	1,176,863
Tax adjustment	—	—	—	1,599,923	1,599,923
Balance at December 31, 2011	100	\$ 1,000	(43,203,482)	(23,439,830)	(66,642,312)
Contributions from Parent	—	—	1,451,386	—	1,451,386
Net income	—	—	—	684,349	684,349
Balance at December 31, 2012	100	\$ 1,000	(41,752,096)	(22,755,481)	(64,506,577)
Contributions from Parent	—	—	(2,094,600)	—	(2,094,600)
Net income	—	—	—	513,620	513,620
Balance at December 31, 2013	100	\$ 1,000	(43,846,696)	(22,241,861)	(66,087,557)
Contributions from Parent	—	—	(5,242,200)	—	(5,242,200)
Net income	—	—	—	429,220	429,220
Balance at December 31, 2014	100	\$ 1,000	(49,088,896)	(21,812,641)	(70,900,537)
Contributions from Parent	—	—	(8,879,400)	—	(8,879,400)
Net income	—	—	—	536,490	536,490
Balance at December 31, 2015	100	\$ 1,000	(57,968,296)	(21,276,151)	(79,243,447)

CC-LAKE, INC.
Statements of Cash Flows
Years ended December 31, 2013, 2014 and 2015

	2011	2012	2013	2014	2015
Cash flows from operating activities:					
Net income	\$ 1,176,863	684,349	513,620	429,220	536,490
Adjustments to reconcile net income to net cash provided by operating activities:					
Proceeds from nonrefundable entrance fees	8,055,619	10,366,812	10,517,000	13,074,000	15,867,000
Depreciation and amortization	3,671,359	3,821,001	4,382,480	4,793,480	4,880,410
Amortization of entrance fees	(4,962,652)	(4,493,050)	(4,750,000)	(5,000,000)	(5,250,000)
Unrealized (gains) losses on investment securities	8,585	—	—	—	—
Tax adjustment	1,599,923	—	—	—	—
Changes in assets and liabilities:					
Resident accounts receivable	78,608	—	—	—	—
Deposits and other	(548,301)	—	—	—	—
Deferred tax asset	(1,002,015)	—	—	—	—
Accounts payable	(65,476)	—	—	—	—
Accrued expenses	55,136	—	—	—	—
Due to affiliate	654,883	661,500	661,500	661,500	661,500
Prepaid resident service revenue	131,136	(919,224)	—	—	—
Net cash provided by operating activities	8,853,668	10,121,388	11,324,600	13,958,200	16,695,400
Cash flows from investing activities:					
Additions to property and equipment	(965,681)	(1,044,000)	(6,657,000)	(1,752,000)	(1,866,000)
Decrease (increase) in assets limited as to use, net	(428,372)	817,224	—	—	—
Increase (decrease) in resident deposits	136,680	—	—	—	—
Net cash used in investing activities	(1,257,373)	(226,776)	(6,657,000)	(1,752,000)	(1,866,000)
Cash flows from financing activities:					
Distributions to Parent	(6,138,927)	1,451,386	(2,094,600)	(5,242,200)	(8,879,400)
Proceeds from refundable entrance fees	6,438,636	4,969,012	5,041,000	6,273,000	7,617,000
Refunds of entrance fees	(10,498,713)	(12,215,010)	(12,614,000)	(13,237,000)	(13,567,000)
Net cash used in financing activities	(10,199,004)	(5,794,612)	(9,667,600)	(12,206,200)	(14,829,400)
Net increase (decrease) in cash and cash equivalents	(2,602,709)	4,100,000	(5,000,000)	—	—
Cash and cash equivalents at beginning of year	5,407,341	2,804,632	6,904,632	1,904,632	1,904,632
Cash and cash equivalents at end of year	\$ 2,804,632	6,904,632	1,904,632	1,904,632	1,904,632

CC-LAKE, INC.

Balance Sheets

December 31, 2011, 2010 and 2009

Assets	2009	2010	2011
Current assets:			
Cash and cash equivalents	\$ 8,976,052	5,407,341	2,804,632
Current portion of assets limited as to use	858,074	1,021,811	1,314,904
Resident accounts receivable	238,633	325,019	246,411
Deposits and other	48,352	62,890	611,191
Total current assets	<u>10,121,111</u>	<u>6,817,061</u>	<u>4,977,138</u>
Assets limited as to use, net of amounts required for current liabilities	<u>3,286,795</u>	<u>2,578,351</u>	<u>2,705,045</u>
Property and equipment:			
Land	18,884,135	18,884,135	18,884,135
Building and improvements	90,958,592	90,958,592	91,487,768
Furniture, fixtures, and equipment	18,648,841	20,059,212	20,923,575
Construction in progress	118,519	428,704	850
	<u>128,610,087</u>	<u>130,330,643</u>	<u>131,296,328</u>
Less accumulated depreciation	<u>36,567,957</u>	<u>39,719,520</u>	<u>43,135,717</u>
Property and equipment, net	<u>92,042,130</u>	<u>90,611,123</u>	<u>88,160,611</u>
Deferred tax asset	1,020,831	577,685	1,579,700
Costs of acquiring initial continuing care contracts, net	690,683	435,526	180,360
Total assets	<u>\$ 107,161,550</u>	<u>101,019,746</u>	<u>97,602,854</u>
Liabilities and Stockholders' Deficit			
Current liabilities:			
Accounts payable	\$ 333,071	415,512	350,036
Accrued expenses	2,322,348	2,304,268	2,359,404
Prepaid resident service revenue	497,739	807,970	939,106
Resident deposits	461,000	340,000	395,680
Current portion of refundable entrance fees	1,476,773	2,813,186	5,151,823
Due to affiliate	(4,245,648)	(3,594,682)	(2,939,799)
Total current liabilities	<u>845,283</u>	<u>3,086,254</u>	<u>6,256,250</u>
Refundable entrance fees	144,098,947	138,737,140	132,966,915
Deferred revenue from nonrefundable entrance fees	20,653,533	22,476,523	24,941,001
Other liabilities	—	—	81,000
Total liabilities	<u>165,597,763</u>	<u>164,299,917</u>	<u>164,245,166</u>
Stockholders' deficit:			
Common stock, no par value, \$10 assigned value. Authorized, issued, and outstanding 100 shares	1,000	1,000	1,000
Distributions in excess of paid-in capital	(31,384,555)	(37,064,555)	(43,203,482)
Accumulated deficit	(27,052,658)	(26,216,616)	(23,439,830)
Total stockholders' deficit	<u>(58,436,213)</u>	<u>(63,280,171)</u>	<u>(66,642,312)</u>
Total liabilities and stockholders' deficit	<u>\$ 107,161,550</u>	<u>101,019,746</u>	<u>97,602,854</u>

CC-LAKE, INC.

Statements of Operations

Years ended December 31, 2011, 2010 and 2009

	2009	2010	2011
Revenue:			
Net resident service revenue	\$ 17,307,519	17,744,719	17,805,073
Amortization of entrance fees	3,293,979	4,053,000	4,962,652
Investment return	(4,838)	54,410	16,755
Other income	68,298	65,859	63,606
Total revenue	20,664,958	21,917,988	22,848,086
Expenses:			
Food and beverage	1,949,278	2,025,041	2,083,892
Dining room	1,156,581	1,160,271	1,100,158
Housekeeping	705,210	679,691	718,873
Laundry	91,288	104,303	107,425
Residence activities	1,410,705	1,431,540	1,467,777
Personal care expense	2,484,644	2,612,323	2,742,356
Repairs and maintenance	1,248,844	1,339,998	1,379,226
Utilities	1,121,247	1,053,315	1,103,902
Marketing	485,213	495,238	593,625
Total operating expenses	10,653,010	10,901,720	11,297,234
Management fees	1,394,949	1,430,925	1,436,613
Property taxes	1,240,164	1,264,968	983,787
Care center lease	661,500	661,500	661,500
Depreciation and amortization	3,262,004	3,406,724	3,671,359
Insurance	380,265	502,663	414,973
Administration	2,810,894	2,470,300	2,411,776
Total expenses	20,402,786	20,638,800	20,877,242
Income before income tax expense	262,172	1,279,188	1,970,844
Income tax expense	109,926	510,097	793,981
Net income	\$ 152,246	769,091	1,176,863

CC-LAKE, INC.

Statements of Changes in Stockholders' Deficit
Years ended December 31, 2011, 2010 and 2009

	Common stock		Distributions in excess of paid-in capital	Accumulated deficit	Total
	Shares	Amount			
Balance at December 31, 2008	100	\$ 1,000	(31,464,504)	(27,171,937)	(58,635,441)
Contributions from Parent	—	—	79,949	—	79,949
Net income	—	—	—	152,246	152,246
Tax adjustment	—	—	—	(32,967)	(32,967)
Balance at December 31, 2009	100	\$ 1,000	(31,384,555)	(27,052,658)	(58,436,213)
Distributions to Parent	—	—	(5,680,000)	—	(5,680,000)
Net income	—	—	—	769,091	769,091
Tax adjustment	—	—	—	66,951	66,951
Balance at December 31, 2010	100	\$ 1,000	(37,064,555)	(26,216,616)	(63,280,171)
Distributions to Parent	—	—	(6,138,927)	—	(6,138,927)
Net income	—	—	—	1,176,863	1,176,863
Tax adjustment	—	—	—	1,599,923	1,599,923
Balance at December 31, 2011	100	\$ 1,000	(43,203,482)	(23,439,830)	(66,642,312)

CC-LAKE, INC.

Statements of Cash Flows

Years ended December 31, 2011, 2010 and 2009

	2009	2010	2011
Cash flows from operating activities:			
Net income	\$ 152,246	769,091	1,176,863
Adjustments to reconcile net income to net cash provided by operating activities:			
Proceeds from nonrefundable entrance fees	5,383,589	5,875,990	8,055,619
Depreciation and amortization	3,262,004	3,406,724	3,671,359
Amortization of entrance fees	(3,293,979)	(4,053,000)	(4,962,652)
Unrealized (gains) losses on investment securities	—	—	8,585
Tax adjustment	(32,967)	66,951	1,599,923
Changes in assets and liabilities:			
Resident accounts receivable	15,728	(86,386)	78,608
Deposits and other	28,379	(14,538)	(548,301)
Deferred tax asset	162,944	443,146	(1,002,015)
Accounts payable	109,100	82,441	(65,476)
Accrued expenses	160,021	(18,080)	55,136
Due to affiliate	630,190	650,966	654,883
Prepaid resident service revenue	(625,010)	310,231	131,136
Net cash provided by operating activities	<u>5,952,245</u>	<u>7,433,536</u>	<u>8,853,668</u>
Cash flows from investing activities:			
Additions to property and equipment	(1,080,648)	(1,720,560)	(965,681)
Decrease (increase) in assets limited as to use, net	586,394	544,707	(428,372)
Increase (decrease) in resident deposits	(80,932)	(121,000)	136,680
Net cash used in investing activities	<u>(575,186)</u>	<u>(1,296,853)</u>	<u>(1,257,373)</u>
Cash flows from financing activities:			
Contributions from (distributions to) Parent	79,949	(5,680,000)	(6,138,927)
Proceeds from refundable entrance fees	9,109,356	4,545,015	6,438,636
Refunds of entrance fees	(9,438,781)	(8,570,409)	(10,498,713)
Net cash used in financing activities	<u>(249,476)</u>	<u>(9,705,394)</u>	<u>(10,199,004)</u>
Net increase (decrease) in cash and cash equivalents	5,127,583	(3,568,711)	(2,602,709)
Cash and cash equivalents at beginning of year	3,848,469	8,976,052	5,407,341
Cash and cash equivalents at end of year	<u>\$ 8,976,052</u>	<u>5,407,341</u>	<u>2,804,632</u>