ORIGINAL

12-086

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

LTC APPLICATION FOR PERMIT
July 2012 Edition

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HEALTH FACILITIES & SERVICES REVIEW BOARD

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]
☒ General Long-term Care	☒ Establishment of a new LTC facility
☐ Specialized Long-term Care	☐ Establishment of new LTC services
	☐ Expansion of an existing LTC facility or service
	☐ 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.

On September 1, 2009 the Review Board approved Project No. 08-083 authorizing the construction of GreenFields of Geneva as a continuum of care retirement community ("CCRC") including 43 general long-term care beds. The Applicant submits this application as a new application for what is effectively the same project as 08-083 with one change – the request to remove the CCRC variance restriction limiting admissions to internal residents of the CCRC.

Friendship Village of Mill Creek, NFP, d/b/a GreenFields of Geneva is an Illinois not-for-profit corporation sponsored by Friendship Senior Options, the co-applicant. The project is located at 0N801 Friendship Way, Geneva, Illinois 60134.

Project Status

Construction is complete on GreenFields of Geneva. The first independent living residents moved in January 31, 2012 and the first assisted living residents moved in August 28, 2012. The skilled nursing unit, Briarwood Healthcare Center at GreenFields, has applied for licensure with the Illinois Department of Public Health and is currently in the pre-opening phase.

The CCRC variance limits admission to the skilled nursing unit to ONLY those residents already residing in the independent living and assisted living units. As occupancy of the independent living units is ramping up, very few residents will be in need of skilled nursing care immediately. The lack of residents requiring skilled nursing care leads to incredible inefficiencies in staff and resources. The skilled care unit must be operational 24-hours per day with very few residents to offset these costs in the first two years. While the financial feasibility of the project assumes and plans for these inefficiencies, removing the CCRC variance will allow the Applicants to serve the broader community.

GreenFields of Geneva had not intended for its application to be a CCRC variance. However, the Applicants modified the application after receiving an Intent to Deny at the April 21-22, 2009 Board meeting. At the time of the April Board meeting, a bed need did not exist. However, a new need determination was issued by the Staff while the application was being modified for the variance. There is now a calculated bed need of 428 additional beds in Planning Area 8 Kane County.

This application is submitted as a new project with the understanding that, if approved, the new permit would be conditioned upon the surrender of the existing permit.

Other than having completed construction, the Project application for permit does not substantially differ from the existing permit. The bond financing occurred in 2010. The non-clinical portion, of which the majority is independent and assisted living, is $85,112,815. The construction cost is $6,957,229, which compares to the $7,695,626 that was originally approved.

The application is "substantive" although there is no additional cost for the clinical component.

Facility/Project Identification

Facility Name:	Friendship Village of Mill Creek, NFP		
Street Address:	0N801 Friendship Way		
City and Zip Code:	Geneva, IL 60134		
County: Kane		Health Service Area: 8	Health Planning Area: 8

Applicant /Co-Applicant Identification
[Provide for each co-applicant [refer to Part 1130.220].

Exact Legal Name:	Friendship Village of Mill Creek, NFP
Address:	0N801 Friendship Way, Geneva, IL 60134
Name of Registered Agent:	Don Hemmesch, Jr.
Name of Chief Executive:	Stephen Yenchek
CEO Address:	30 W. Schaumburg Road, Schaumburg, IL 60194
Telephone Number:	(630) 232-9105

Type of Ownership (Applicant/Co-Applicants)

☒ Non-profit Corporation
☐ For-profit Corporation
☐ Limited Liability Company
☐ Partnership
☐ Governmental
☐ Sole Proprietorship
☐ Other

- Corporations and limited liability companies must provide an **Illinois certificate of good standing.**
- 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:	Stephen Yenchek
Title:	President & CEO
Company Name:	Friendship Village of Mill Creek, NFP
Address:	0N801 Friendship Way, Geneva, IL 60134
Telephone Number:	(630) 232-9105
E-mail Address:	stephen.yenchek@friendshipvillage.org
Fax Number:	(630) 232-9128

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

Name:	Christopher J. Dials
Title:	Director
Company Name:	Revere Healthcare, Ltd.
Address:	112 Cary Street, Cary, IL 60013
Telephone Number:	(847) 516-4900
E-mail Address:	cdials@reverehc.com
Fax Number:	(847) 516-2260

Facility/Project Identification

Facility Name:	Friendship Village of Mill Creek, NFP		
Street Address:	0N801 Friendship Way		
City and Zip Code:	Geneva, IL 60134		
County: Kane	Health Service Area: 8		Health Planning Area: 8

Applicant /Co-Applicant Identification
[Provide for each co-applicant [refer to Part 1130.220].

Exact Legal Name:	Friendship Senior Options, NFP
Address:	30 W. Schaumburg Road, Schaumburg, IL 60194
Name of Registered Agent:	Don Hemmesch, Jr.
Name of Chief Executive:	Stephen Yenchek
CEO Address:	30 W. Schaumburg Road, Schaumburg, IL 60194
Telephone Number:	(847) 884-5007

Type of Ownership (Applicant/Co-Applicants)

- ☒ Non-profit Corporation
- ☐ For-profit Corporation
- ☐ Limited Liability Company
- ☐ Partnership
- ☐ Governmental
- ☐ Sole Proprietorship
- ☐ Other

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[Person to receive ALL correspondence or inquiries)

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Title:	President & CEO
Company Name:	Friendship Senior Options, NFP
Address:	30 W. Schaumburg Road, Schaumburg, IL 60194
Telephone Number:	(630) 232-9105
E-mail Address:	stephen.yenchek@friendshipvillage.org
Fax Number:	(630) 232-9128

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

Name:	Christopher J. Dials
Title:	Director
Company Name:	Revere Healthcare, Ltd.
Address:	112 Cary Street, Cary, IL 60013
Telephone Number:	(847) 516-4900
E-mail Address:	cdials@reverehc.com
Fax Number:	(847) 516-2260

Post Permit Contact

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

Name:	Judi Donovan
Title:	Executive Director
Company Name:	GreenFields of Geneva
Address:	0N801 Friendship Way, Geneva, IL 60134
Telephone Number:	(630) 232-6261
E-mail Address:	judi.donovan@friendshipvillage.org
Fax Number:	(630) 232-9128

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner:	Friendship Village of Mill Creek, NFP
Address of Site Owner:	0N801 Friendship Way, Geneva, IL 60134
Street Address or Legal Description of Site:	0N801 Friendship Way, Geneva, IL 60134

Proof of ownership or control of the site is to be provided as . 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:	Friendship Village of Mill Creek, NFP
Address:	0N801 Friendship Way, Geneva, IL 60134

☒ Non-profit Corporation
☐ For-profit Corporation
☐ Limited Liability Company
☐ Partnership
☐ Governmental
☐ Sole Proprietorship
☐ Other

- Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.
- 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.
- **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

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:

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- 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);
- 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);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on the behalf of Friendship Village of Mill Creek NFP* **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.**

Ronald A. Ahlman	Steph A. Yenchek
SIGNATURE	SIGNATURE
RONALD A. AHLMAN	STEPHEN A. YENCHEK
PRINTED NAME	PRINTED NAME
CHAIR OF THE BOARD	PRESIDENT & CEO
PRINTED TITLE	PRINTED TITLE
Notarization: Subscribed and sworn to before me this 15th day of May 2012	Notarization: Subscribed and sworn to before me this 21st day of May
Anju Goswami	Anju Goswami
Signature of Notary	Signature of Notary
Seal: OFFICIAL SEAL ANJU GOSWAMI NOTARY PUBLIC - STATE OF ILLINOIS MY COMMISSION EXPIRES:06/01/13	Seal: OFFICIAL SEAL ANJU GOSWAMI NOTARY PUBLIC - STATE OF ILLINOIS MY COMMISSION EXPIRES:06/01/13

*Insert EXACT legal name of the applicant

CERTIFICATION

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

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- 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);
- 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);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on the behalf of Friendship Senior Options NFP * **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.**

Jan L. Tucker
SIGNATURE

JAN L. TUCKER
PRINTED NAME

CHAIR OF THE BOARD
PRINTED TITLE

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

Anju Goswami
Signature of Notary

Seal

OFFICIAL SEAL
ANJU GOSWAMI
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:06/01/13

Stephen A. Yenchek
SIGNATURE

STEPHEN A. YENCHEK
PRINTED NAME

PRESIDENT + CEO
PRINTED TITLE

Notarization:
Subscribed and sworn to before me this 21st day of May 2012

Anju Goswami
Signature of Notary

Seal

OFFICIAL SEAL
ANJU GOSWAMI
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:06/01/13

*Insert EXACT legal name of the applicant

Application page 8

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 <u>ATTACHMENT-10,</u> 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 **<u>ALL</u>** of the alternatives to the proposed project:

   Alternative options **<u>must</u>** 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 <u>ATTACHMENT-11,</u> 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
☒ General Long-Term Care	43	43
☐ Specialized Long-Term Care		
☐		

***Existing number of beds as authorized by IDPH and posted in the "LTC Bed Inventory" on the HFSRB website (www.hrfsb.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
☒ General Long Term Care	2012	0	0
☐ 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	.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	.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	.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	.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	.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

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

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

- **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

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

1. Historical Service Demand

   a. 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.

   b. 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:

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 <u>ATTACHMENT- 16,</u> IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.570 - Service Accessibility

1. Service Restrictions

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

   - The absence of the proposed service within the planning area;
   - 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;
   - Restrictive admission policies of existing providers; or
   - 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

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

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

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:**

_______	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;
6,957,229	d. Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including: 1. For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated; 2. For revenue bonds, proof of the feasibility of securing the specified amount and interest rate; 3. For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.; 4. For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment; 5. For any option to lease, a copy of the option, including all terms and conditions.

______	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.
6,957,229	**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									
	A	B	C	D	E	F	G	H	
Area (list below)	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. $ (A x C)	Mod. $ (B x E)	Total Cost (G + H)
Contingency									
TOTALS									
* 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.

GreenFields of Geneva
Reasonableness of Project and Related Costs

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
	A	B	C	D	E	F	G	H	Total
	Cost/Square Foot		Gross Sq. Ft.		Gross Sq. Ft.		Const. $	Mod. $	Cost
Department/Area	New	Mod.	New	Circ.*	Mod.	Circ.*	(A x C)	(B x E)	(G + H)
Nursing Units	$156.10		16,721				$2,610,197		$2,610,197
Food Service/Dining	$156.10		3,579				$558,692		$558,692
Support/Administration	$156.10		5,524				$862,313		$862,313
Contingency	$4.74		25,824				$122,477		$122,477
TOTAL	$160.85	0	25,824	0.00%	0	0	$4,153,678	$0	$4,153,678

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			
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts			
Modernization Contracts			
Contingencies			
Architectural/Engineering Fees			
Consulting and Other Fees			
Movable or Other Equipment (not in construction contracts)			
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment			
Other Costs To Be Capitalized			
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS			
SOURCE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Cash and Securities			
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS			

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: $ 5,241,000
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 $ 134,000 .

APPENDIX C

Project Status and Completion Schedules

Indicate the stage of the project's architectural drawings:

- ☐ None or not applicable
- ☐ Preliminary
- ☐ Schematics
- ☒ Final Working

Anticipated project completion date (refer to Part 1130.140): December 31, 2012

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.**

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	**Cost**	**Existing**	**Proposed**	**New Const.**	**Modernized**	**As Is**	**Vacated Space**
CLINICAL							
Total Review							
NON CLINICAL							
Total Non-clinical							
TOTAL							

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:

INDEX OF ATTACHMENTS

Attachment 1

File Number 6310-754-9

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

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

FRIENDSHIP SENIOR OPTIONS, NFP, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON SEPTEMBER 23, 2003, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 29TH *day of* AUGUST *A.D.* 2008 .

SEAL OF THE STATE OF ILLINOIS AUG. 26TH 1818

Authentication #: 0824201574

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

Jesse White

SECRETARY OF STATE

ATTACHMENT IDEN-1

File Number 6435-978-9

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

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

FRIENDSHIP VILLAGE OF MILL CREEK, NFP, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JULY 20, 2005, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 14TH *day of* AUGUST *A.D.* 2008 .

Authentication #: 0822701528

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

Jesse White

SECRETARY OF STATE

Attachment 2

ASSIGNMENT OF REAL ESTATE CONTRACT

THIS ASSIGNMENT is made and executed this 14^{th} day of December, 2006 by Friendship Village of Schaumburg (FVS) and Friendship Senior Options, NFP (FSO) to Friendship Village of Mill Creek, LLC (FVMC).

RECITALS

WHEREAS, FVS entered into a Real Estate Contract with Shodeen Construction Company, LLC dated May 17, 2005 to acquire land for the purpose of developing a CCRC on the property.

WHEREAS, in furtherance of the plan of corporate restructure, FVS has formed FSO to ultimately be its sole member and FVMC to be an affiliate for the purpose of developing Tallgrass of Mill Creek. FSO will also be the sole member of FVMC.

WHEREAS, in furtherance of its plan of corporate restructure, FVS on July 26, 2005, passed a resolution approving the transfer of all right, title and interest in and to the Real Estate Contract to FSO.

WHEREAS, such assignment was specifically contemplated and identified as a permitted transfer or disposition pursuant to Section 417 of the Master Trust Indenture between Evangelical Retirement Homes of Greater Chicago, Inc. and Wells Fargo Bank.

WHEREAS, in furtherance of the plan of corporate restructure, FSO is hereby assigning the Real Estate Contract to FVMC in order that FVMC can develop the Tallgrass at Mill Creek continuing care retirement community.

WHEREAS, FSO has provided approximately Four Million Dollars ($4,000,000.00) of preconstruction funding for the development of the project and has agreed to assign the Real Estate Contract to FVMC.

WHEREAS, FVMC has agreed and will ultimately pay to FSO, the fair market value of the land and repay to FSO the preconstruction development funding.

NOW THEREFORE, in consideration of the promises, mutual covenants, herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. All recitals set forth above are incorporated herein by reference and are made a part of this Agreement.

2. FVS and FSO do hereby grant and assign any and all of their right, title and interest in and to the Real Estate Contract to FVMC.

3. FVMC hereby assumes and shall be bound by all of the terms, covenants, and provisions of the Real Estate Purchase Contract.

FRIENDSHIP VILLAGE OF SCHAUMBURG, a non-for-profit corporation

By: [signature]

Its: President + CEO

Date: March 2, 2007

FRIENDSHIP SENIOR OPTIONS, a non-for-profit corporation

By: [signature]

Its: President & CEO

Date: March 2, 2007

FRIENDSHIP VILLAGE OF MILL CREEK, a non-for-profit corporation

By: [signature]

Its: President & CEO

Date: 3/2/07

Attachment 3

File Number 6435-978-9

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

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

FRIENDSHIP VILLAGE OF MILL CREEK, NFP, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JULY 20, 2005, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 14TH *day of* AUGUST *A.D.* 2008 .

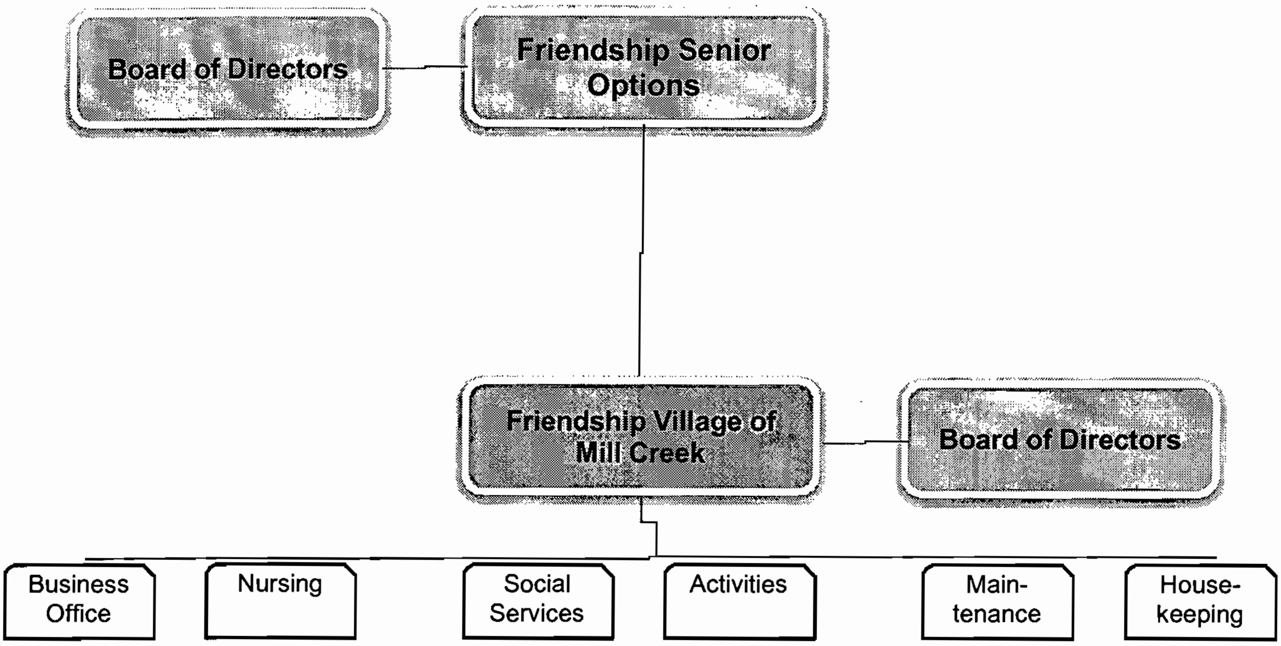
SEAL OF THE STATE OF ILLINOIS
AUG. 26TH 1818

Authentication #: 0822701528
Authenticate at: http://www.cyberdriveillinois.com

Jesse White
SECRETARY OF STATE

Attachment 4

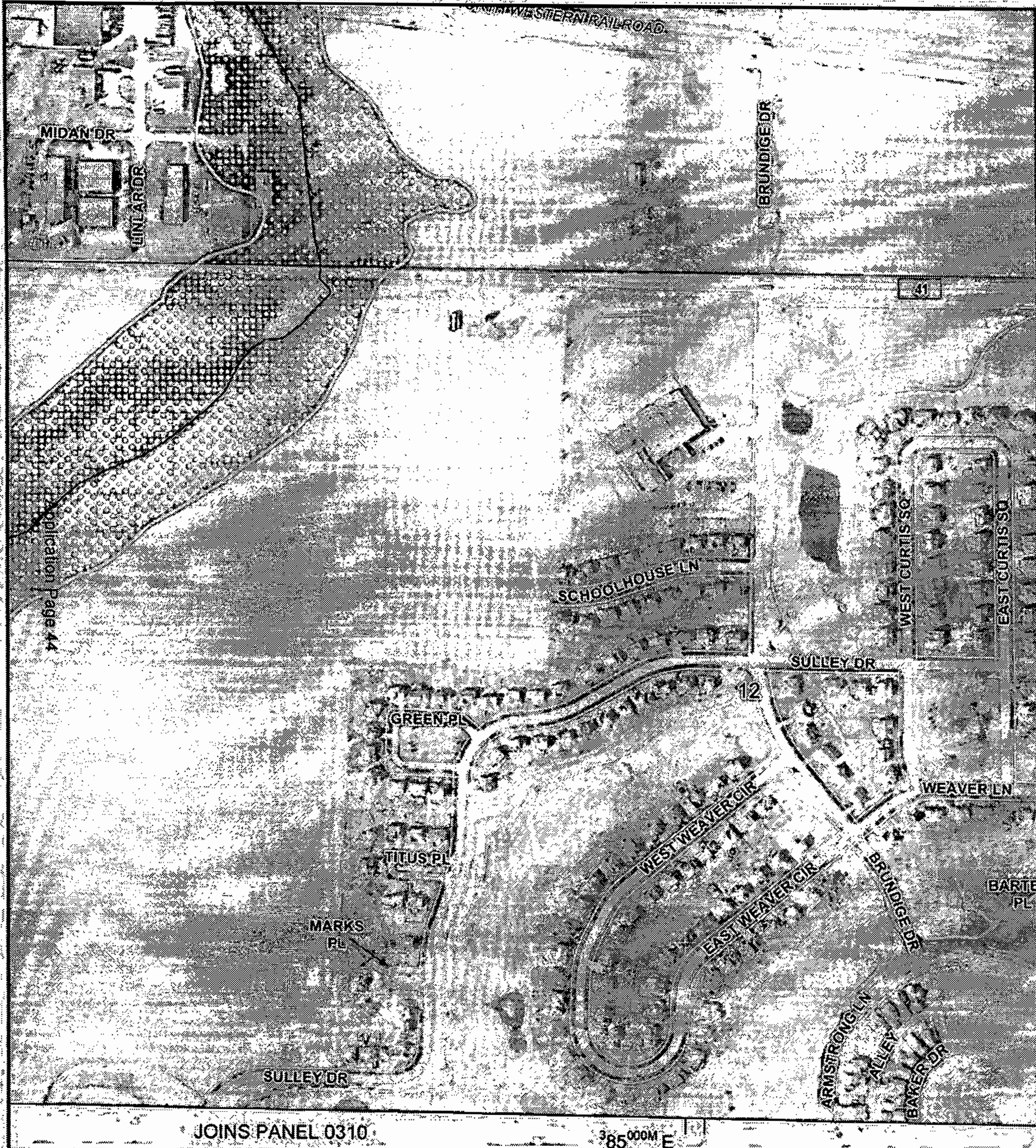
Organizational Structure



Attachment 5

Flood Plain

The project complies with the requirements of Illinois Executive Order #2005-5 pertaining to construction activities in special flood hazard areas. A map of the project location follows this page. The map shows identified floodplain areas.



MAP SCALE 1" = 500'

0 500 1000 FEET

METE

NFIP

NATIONAL FLOOD INSURANCE PROGRAM

PANEL 0244H

FIRM

FLOOD INSURANCE RATE MAP

KANE COUNTY, ILLINOIS

AND INCORPORATED AREAS

PANEL 244 OF 410

(SEE MAP INDEX FOR FIRM PANEL LAYOUT)

CONTAINS:

COMMUNITY	NUMBER	PANEL	SUFFIX
CAMPTON HILLS, VILLAGE OF	171398	0244	H
GENEVA, CITY OF	170325	0244	H
KANE COUNTY	170896	0244	H
ST. CHARLES, CITY OF	170330	0244	H

Notice to User: The Map Number shown below should be used when placing map orders; the Community Number shown above should be used on insurance applications for the subject community.

MAP NUMBER
17089C0244H

MAP REVISED
AUGUST 3, 2009

Federal Emergency Management Agency

This is an official copy of a portion of the above referenced flood map. It was extracted using F-MIT On-Line. This map does not reflect changes or amendments which may have been made subsequent to the date on the title block. For the latest product information about National Flood Insurance Program flood maps check the FEMA Flood Map Store at www.msc.fema.gov

Attachment 6

Illinois Historic
Preservation Agency

FAX (217) 782-8161

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

Kane County
Geneva
CON - New Construction of Skilled Nursing Facility, Greenfields of Geneva
0N801 Friendship Way
IHPA Log #020050712

May 24, 2012

Christopher Dials
Revere Healthcare, Inc.
112 Cary St.
Cary, IL 60013

Dear Mr. Dials:

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 archaeological 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

Anne E. Haaker
Deputy State Historic
Preservation Officer

Application page 46

Attachment 10

Purpose of Project

1. GreenFields of Geneva will provide nursing services to residents of the independent living and assisted living units of the retirement community. However, GreenFields of Geneva seeks to expand its capabilities and services to include serving the elderly of Geneva and surrounding communities. By opening its state-of-the-art facility to the market, GreenFields will improve the health care of the market area population in need of post-acute rehabilitation and 24-hour skilled nursing care.

2. The market area is Kane County, which is consistent with the planning area.

3. Existing problems that will be addressed by GreenFields of Geneva include:

   - Although the skilled nursing unit will serve primarily residents from independent living and assisted living units of the retirement community, the process of achieving target occupancy will take several years.
   - The bed need in the Planning Area is 428.
   - The 43-bed unit at GreenFields of Geneva can be used to meet the identified bed need while the independent living and assisted living units ramp up occupancy.
   - GreenFields of Geneva will incur a significant financial loss during the period of time that occupancy ramps up. These losses were contemplated as part of the financial projections.
   - GreenFields of Geneva currently has a CON permit under the CCRC variance, thereby restricting admissions from non-residents of the facility.

4. Sources of information for above:

   - A full market research analysis was conducted by Clifton Larson Allen as part of the bond financing (**Attachment 18 Item 1**).
   - The latest update to the *Inventory of Health Care Facilities and Services and Need Determinations* as prepared by the Illinois Department of Public Health.

5. Detail of how the proposed project will address the above listed problems:

   GreenFields of Geneva seeks to address the above problems by opening its state of the art, all private room facility to not only its current independent living and assisted living residents returning from the hospital but also to residents of Geneva and surrounding communities.

   GreenFields of Geneva estimates that it can lower its initial operating losses by approximately $1 million if allowed open admissions. These revenues would assist in the facility's ability to provide Medicaid services at GreenFields of Geneva.

6. Goals with measurable objectives and timeframes.

   Serve 20 residents from the community requiring skilled nursing and rehabilitative services and discharge to home in 2013.

Attachment 11

Alternatives

In the application for Project 08-083, a full array of alternatives to the proposed project was explored. Since a permit has been approved for that project and construction of the facility has been completed, this application will focus on the two relevant alternatives:

- Operate GreenFields of Geneva under the CCRC variance; or
- Remove the CCRC variance

Given that construction is completed, proposing a project of greater or lesser scope and cost is not possible. Likewise, a joint venture with one or more providers would not be feasible for the Applicant with an existing 43-bed facility. Finally, utilizing other health care resources is not a viable alternative as the 43-bed facility exists regardless of any such arrangement existing.

1. Operate GreenFields of Geneva under the CCRC variance

First, the Applicant considered the alternative of operating under its existing Certificate of Need permit. In revisiting the background of project 08-083, the CCRC variance was only sought in reaction to the Intent to Deny the project based upon an absence of bed need at the time. The variance was not the alternative preferred by the Applicant. Subsequently, the Department has identified a bed need.

Furthermore, the Applicant will experience substantial operating losses during the ramp up of occupancy at the independent living unit and assisted living unit where few residents of the community will require skilled nursing services. Under the variance, only residents from these units may be admitted to the skilled nursing unit. This occupancy ramp up period is projected to take several years, leaving the skilled nursing unit under-utilized during that time.

Finally, this alternative does not address the identified bed need of 428 beds in the Planning Area.

2. Remove the CCRC variance

The alternative selected by the Applicant as the optimal path involves the removal of the CCRC variance to permit the admission of residents from Geneva and surrounding communities. This "open market" Certificate of Need permit would enable GreenFields of Geneva to accept Medicaid residents that would not otherwise be possible due to substantial operating losses. Losses are estimated to exceed $1 million over the occupancy ramp up period.

As a result, the alternative removing the CCRC variance is the best option.

Attachment 12

Background of Applicant

1) The Applicant does not own or operate health care facilities beyond the project.

On September 1, 2009 the Review Board approved Project No. 08-083 authorizing the construction of GreenFields of Geneva as a continuum of care retirement community ("CCRC") including 43 general long-term care beds. Today, construction is complete on GreenFields of Geneva. The first independent living residents moved in to the community January 31, 2012 and the first assisted living residents moved in to the community August 28, 2012. The skilled nursing unit, Briarwood Healthcare Center at GreenFields, has applied for licensure with the Illinois Department of Public Health.

A brochure and a listing of Board members for the Applicants are provided as **Attachment 12 Item 1**.

2) A certified listing of adverse actions is attached as **Attachment 12 Item 2**.

3) Letters authorizing HFSRB and DPH to access any documents necessary to verify the information submitted are appended as **Attachment 12 Item 3**.

4) The applicant has not submitted more than one application for permit this year. Therefore, this item is not applicable.

Attachment 12

Item 1

Friendship Senior Options

FY13 Board of Directors

(4/1/2012-3/31/2013)

Jan L. Tucker, Chair
Jean Schlinkmann, Vice Chair
Kathleen Gilmer, Secretary
Clark Delanois, Treasurer
Chuck Cassell, Past Chair

Ron Ahlman
Tom Castronovo
Darcy Davidsmeyer
Kathy Rivera
Paul Schaffhausen
Larry Shoemake
Steve Smith
Duane Tyler
Stephen Yenchek

Staff: Don Hemmesch, Counsel

FRIENDSHIP VILLAGE of MILL CREEK

Ron Ahlman, Chair
Cathie Tardy, Secretary
Larry Shoemake, Treasurer
Tom Castronovo
Gary Howard
Kathy Rivera
Tom Johnson
Chuck Cassell

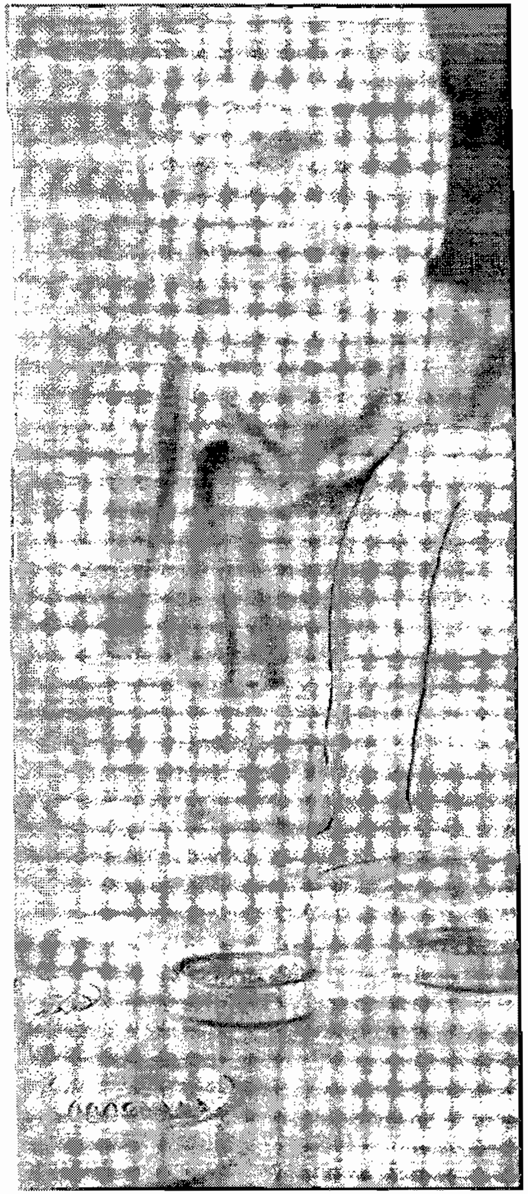
A Lifetime Plan for Care — The GreenFields Continuum

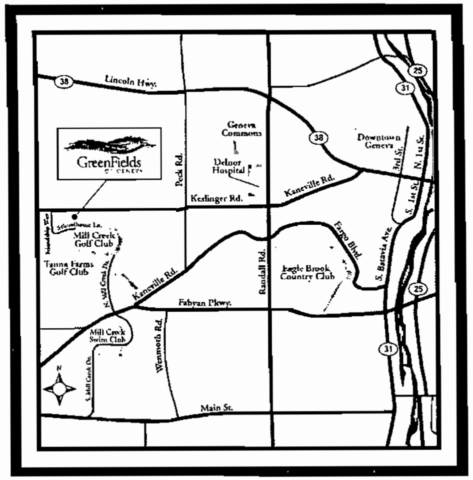
There are many stand-alone health care options available to area seniors. But in Geneva, GreenFields offers Life Care with full access to assisted living, memory support and skilled nursing care, all on site.

At GreenFields, our goal is to maximize the physical, cognitive, emotional, social and spiritual potential of each resident, and provide the people who love them with peace of mind. Here, our skilled staff and innovative wellness programming come together to create a comfortable, nurturing environment. The result is quality care and quality of life.

GreenFields is sponsored by Friendship Senior Options, which has been delivering a rewarding lifestyle for 35 years at our sister community, Friendship Village of Schaumburg. So you'll know you can count on us, too.

To schedule a tour, provide a referral or request more information, please call **630.232.9105** today.



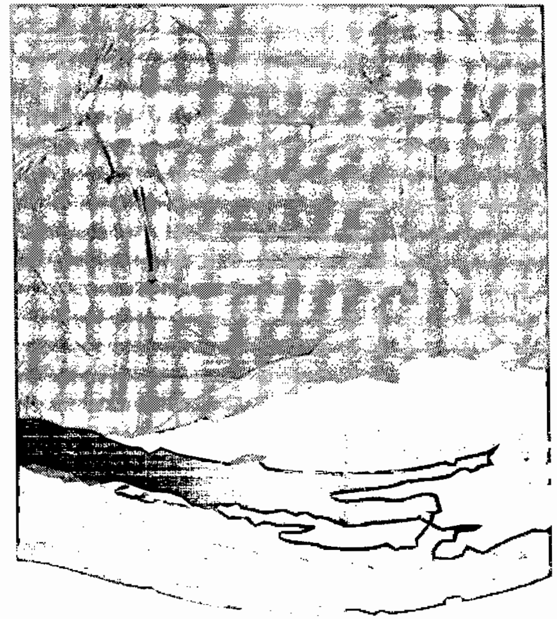


GreenFields OF GENEVA

Assisted Living • Memory Support • Skilled Nursing

A FRIENDSHIP SENIOR OPTIONS COMMUNITY

0N801 Friendship Way | Geneva, Illinois 60134
Phone: 630.232.9105 | Toll-Free: 800.589.2610
www.GreenFieldsofGeneva.org



DEVELOPED FROM EXPERIENCE

Delivered with Excellence

GreenFields OF GENEVA

Assisted Living • Memory Support • Skilled Nursing

Willows Assisted Living

No two people are alike. That's why at GreenFields, we take a personalized approach to care. We begin by meeting with each family and completing a thorough wellness evaluation to assess specific needs — we then perform ongoing professional assessments to address any changes that may arise.

Personalized Care:

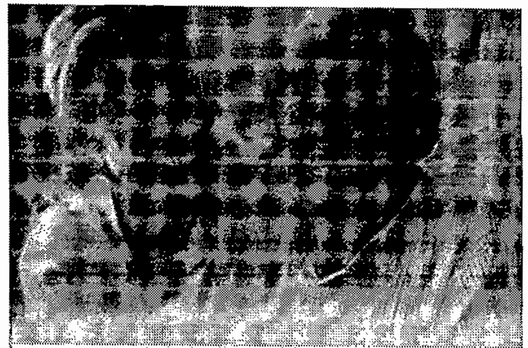
- Professional, individualized wellness evaluation
- Assistance with personal care
- Medication administration and management available
- Home health services — specialized medical care under doctor's orders
- Wellness and therapy services — including the *SeniorFITness™* program
- 24/7 emergency response
- Licensed nursing staff on site
- Priority access to memory support and skilled nursing care
- Three chef-prepared meals daily
- Spiritual, cultural, social and educational opportunities
- Weekly linen and housekeeping services
- Ongoing interior and exterior maintenance
- Laundry services
- Group and individual transportation options available
- Social support services available

Distinctive Amenities:

- Selection of floor plans
- Warm, inviting living areas
- Concierge services
- Beauty salon
- Restaurant-style dining
- Chaplain services
- Wellness/fitness center
- Library with computer stations
- Access to all campus amenities

Reflections Memory Support

Memory support at ***Reflections*** draws on the renowned ***Best Friends™ Approach*** to Alzheimer's care. Our goal is to keep seniors with dementia engaged and more productive while boosting their sense of self-esteem; this is achieved with caregivers who are unconditionally supportive, as if they were the resident's best friend.



Specialized Care and Amenities:

- ***Best Friends Approach*** to Alzheimer's care for caregivers
- Separate, secure environment
- Selection of floor plans
- Professional, individualized wellness evaluation
- Assistance with personal care
- Medication administration and management available
- 24/7 emergency response
- Primary health care team — including nursing professionals and certified nursing assistants on site
- Wellness and therapy services — including the ***SeniorFITness*** program
- Enclosed patio for safe enjoyment of the outdoors
- Priority access to skilled nursing care
- Three chef-prepared meals daily, with restaurant-style dining
- Spiritual, cultural, social and educational opportunities
- Chaplain services
- Social support services available
- Access to all campus amenities

Briarwood Skilled Nursing and Rehabilitation

Briarwood Healthcare Center is a private skilled nursing care and rehabilitation center ***for residents of GreenFields***. Here, we offer thoughtfully designed private rooms with basic cable, individually controlled heating and air conditioning, state-of-the-art equipment and treatment programs, and 24-hour nursing delivered by compassionate health professionals.

Specialized Health Care and Amenities:

- Secure environment with private suites
- Professional, individualized wellness evaluation
- Assistance with personal care
- Medication administration and management
- 24/7 emergency response
- Licensed nurse on site 24/7
- Wellness and therapy services — including the ***SeniorFITness*** program
- Physical, speech and occupational therapies
- Post-surgical care
- Orthopedic and neurologic rehabilitation
- IV therapy
- Three chef-prepared meals daily meeting all dietary needs
- Chaplain services
- Spiritual, cultural, social and educational opportunities
- Social support services available

Attachment 12

Item 2

GreenFields
OF GENEVA

October 10, 2012

Dale Galassie, Chairman
Illinois Health Facilities & Services Review Board
525 West Jefferson St., Second Floor
Springfield, IL 62761

RE: Greenfields of Geneva

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.

Thank you.

Sincerely,

Stephen A. Yenchek
President & CEO
Friendship Senior Options

Larry Shoemake
Treasurer
Friendship Village of Mill Creek

Application page 59

P.O. Box 784 | Geneva, Illinois 60134
P: 630.232.9105 | F: 630.232.9128 | www.GreenFieldsofGeneva.org
A FRIENDSHIP VILLAGE COMMUNITY

Attachment 12

Item 3

GreenFields
OF GENEVA

October 10, 2012

Dale Galassie, Chairman
Illinois Health Facilities & Services Review Board
525 West Jefferson St., Second Floor
Springfield, IL. 62761

RE: Greenfields of Geneva

I authorized the Illinois Health Facilities & Services Review Board and the Illinois Department of Public Health to obtain access to information in order to verify any documentation or information submitted in this permit application regarding the requirements of the Background of Applicant Criteria, or to obtain any additional documentation or information which the State Board or Agency finds pertinent to this subsection.

Thank you.

Sincerely,

Stephen A. Yenchek
President & CEO
Friendship Senior Options

Larry Shoemake
Treasurer
Friendship Village of Mill Creek

Application page 61

P.O. Box 784 | Geneva, Illinois 60134
P: 630.232.9105 | F: 630.232.9128 | www.GreenFieldsofGeneva.org
A FRIENDSHIP VILLAGE COMMUNITY

Attachment 13

Criterion 1125.530 – Planning Area Need

1. **Bed Need Determination 1125.530(a)**

   According to the *Inventory of Health Care Facilities and Services and Need Determinations 2011*, or "2011 Inventory", a bed need exists in Planning Area 8 – Kane County. The bed need stands at 329 beds as of the *2011 Inventory*. As the *2011 Inventory* currently includes the 43 beds assigned to Project 08-083, there will be no reduction in the calculated bed need as a result of the project.

   As a condition of receiving approval for this application, the Applicant will abandon the existing CON permit for Project 08-083.

   As of the latest update to 2011 Inventory of LTC Facilities, this planning area has the following need/(surplus):

   428 bed need

   Therefore, the 43 beds established by the project is in conformance with the projected bed need.

   The relevant pages of the 2011 Inventory and the latest update are included as **Attachment 13 Item 1**.

2. **Service to Planning Area Residents 1125.530(b)**

   A listing is provided of ZIP codes of origin for all individuals who have made a deposit and/or who have moved in to the independent living or assisted living units of the retirement community. As illustrated in the listing, over 50% of the current and projected residents of the retirement community are from Planning Area 8 - Kane County.

   The primary service area for this project is those residents within a 30-minute drive time of the facility. The secondary market is the larger Planning Area 8 - Kane County. This secondary market has a calculated bed need for 428 additional beds. As the proposed project establishes a 43-bed facility as part of a larger campus, GreenFields of Geneva will provide necessary long-term care services to the primary and secondary service areas.

   The ZIP code listing and planning area map are provided in **Attachment 13 Item 2**.

3. **Projected Referrals 1125.540(d)**

   Eight local physicians estimate that they have referred 386 patients per year to long-term care facilities in the past 12 months.

   Letters from local physicians documenting these referrals are attached as **Attachment 13 Item 3**.

Attachment 13

Item 1

Planning Area: Kane

Facility Name	City	County/Area	General Nursing Care Beds	General Nursing Care 2008 Patient Days
ADDISON REHABILITATION & LIVING CENTER (PER	ELGIN	Kane County	120	
3/2/2010 09-030 Permit issued for the establishment of a 120 bed Nursing Care facility at 1754 Capital Street in Elgin.				
ALDEN OF WATERFORD	AURORA	Kane County	99	29,410
APOSTOLIC CHRISTIAN RESTHAVEN	ELGIN	Kane County	50	17,851
ASBURY PAVILION NURS & REH CTR (PERMIT)	NORTH AURORA	Kane County	75	
6/9/2010 09-077 Permit issued to establish a long-term care facility with 75 Nursing Care beds.				
ASTA CARE CENTER OF ELGIN	ELGIN	Kane County	102	32,674
AURORA REHAB & LIVING CENTER	AURORA	Kane County	158	62,680
10/18/2010 Bed Change Discontinued 37 Nursing Care beds; facility now has 158 Nursing Care beds.				
BATAVIA REHAB & HLTHCARE CTR	BATAVIA	Kane County	63	18,407
COUNTRYSIDE CARE CENTER	AURORA	Kane County	203	68,951
COVENANT HEALTH CARE CENTER	BATAVIA	Kane County	99	34,990
ELMWOOD TERRACE HEALTHCARE CTR	AURORA	Kane County	68	20,338
FOX RIVER PAVILION	AURORA	Kane County	121	36,593
FOX RIVER PAVILION (PERMIT)	AURORA	Kane County	-22	
GENEVA NURSING & REHAB CENTER	GENEVA	Kane County	107	33,359
7/8/2011 Name Change Formerly Provena Geneva Care Center.				
7/8/2011 CHOW Change of Ownership occurred.				
GREENFIELDS OF GENEVA (PERMIT)	GENEVA	Kane County	43	
9/1/2009 08-083 permit issued to establish a 40-bed Nursing Care facility.				
3/2/2010 Alteration Alteration to project approved; Bed count increased from 40 to 43 Nursing Care beds.				
HERITAGE MANOR - ELGIN	ELGIN	Kane County	94	30,469
JENNINGS TERRACE	AURORA	Kane County	60	17,057
MANORCARE OF ELGIN	ELGIN	Kane County	88	25,804
11/10/2008 Name Change Name changed from Manor Care - Elgin.				
MAPLEWOOD CARE	ELGIN	Kane County	203	71,736
MEADOWBROOK MANOR (PERMIT)	GENEVA	Kane County	150	
9/1/2009 08-099 permit issued to establish a 150-bed Nursing Care facility.				
NORTH AURORA CARE CENTER	NORTH AURORA	Kane County	129	41,465
PARK POINT SOUTH ELGIN HEALTHCARE (PERMIT)	SOUTH ELGIN	Kane	120	
12/14/2010 10-065 Permit issued to construct and establish a 120 bed General Nursing Care facility at Illinois Route 25 and East Middle Street in South Elgin.				
PROVENA MCAULEY MANOR	AURORA	Kane County	87	24,941
PROVENA PINE VIEW CARE CENTER	ST. CHARLES	Kane County	120	34,511
ROSEWOOD CARE CENTER OF ELGIN	ELGIN	Kane County	139	43,150
ROSEWOOD CARE CENTER ST. CHARLES	ST. CHARLES	Kane County	109	29,126
SHERMAN WEST COURT	ELGIN	Kane County	112	34,362
8/1/2010 Bed Change Facility discontinued 8 nursing care beds; facility now has 112 nursing care beds.				

INVENTORY OF HEALTH CARE FACILITIES AND SERVICES AND NEED DETERMINATIONS

General Long-Term Care Category of Service

Planning Area: Kane

Facility Name	City	County/Area	General Nursing Care Beds	General Nursing Care 2008 Patient Days
SOUTH ELGIN REHAB & HLTHCARE CT	SOUTH ELGIN	Kane County	90	20,612
TOWER HILL HEALTHCARE CENTER	SOUTH ELGIN	Kane County	206	67,356
		Planning Area Totals	2,993	795,842

HEALTH SERVICE AREA	AGE GROUPS	2008 Patient Days	2008 Population	2008 Use Rates (Per 1,000)	2008 Minimum Use Rates	2008 Maximum Use Rates
008	0-64 Years Old	530,813	1,423,200	373.0	223.8	596.8
	65-74 Years Old	291,725	70,900	4,114.6	2,468.8	6,583.4
	75+ Years Old	1,525,347	58,700	25,985.5	15,591.3	41,576.7

	2008 PSA Patient Days	2008 PSA Estimated Populations	2008 PSA Use Rates (Per 1,000)	2008 HSA Minimum Use Rates	2008 HSA Maximum Use Rates	2018 PSA Planned Use Rates	2018 PSA Projected Populations	2018 PSA Planned Patient Days	Planned Average Daily Census	Planned Bed Need (90% Occ.)	Beds Needed
0-64 Years Old	185,571	473,700	391.7	223.8	596.8	391.7	538,800	211,074			
65-74 Years Old	86,751	22,000	3,943.2	2,468.8	6,583.4	3,943.2	41,700	164,433			
75+ Years Old	523,520	19,600	26,710.2	15,591.3	41,576.7	26,710.2	26,800	715,833			
						Planning Area Totals		1,091,340	2,990.0	3,322	329

LONG_TERM CARE FACILITY UPDATES

9/16/2011 - 9/18/2012

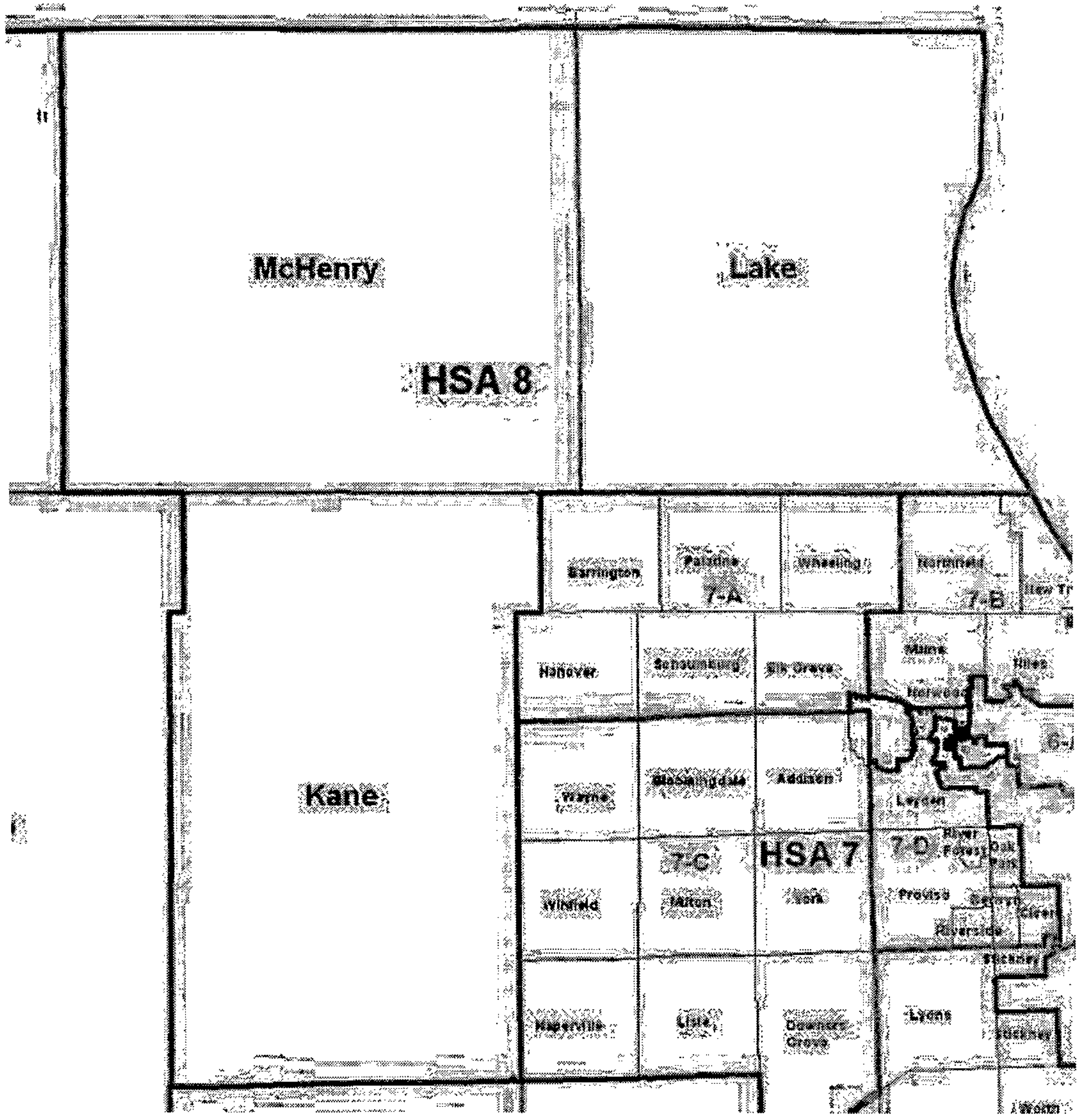
CALCULATED BED NEEDS

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	369	7
Jasper	82	57	25
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	7194	(1231)
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	6830	350
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)

Attachment 13

Item 2

Health Service Area 8



GreenFields of Geneva
Resident/Depositor ZIP Code of Origin

ZIP Code	City	State	Number of Residents/ Depositors	Percent of Total
60134	Geneva	IL	12	15%
60174	Saint Charles	IL	9	11%
60142	Huntley	IL	5	6%
60554	Plainfield	IL	4	5%
60137	Glen Ellyn	IL	3	4%
60510	Batavia	IL	3	4%
30642	Greensboro	GA	2	3%
60119	Elburn	IL	2	3%
60123	Elgin	IL	2	3%
60124	Elgin	IL	2	3%
60175	Saint Charles	IL	2	3%
60185	West Chicago	IL	2	3%
60506	Aurora	IL	2	3%
60542	North Aurora	IL	2	3%
60555	Warrenville	IL	2	3%
7059	Warren	NJ	1	1%
28467	Calabash	NC	1	1%
29576	Garden City	SC	1	1%
32162	Lady Lake	FL	1	1%
34608	Spring Hill	FL	1	1%
52211	Brooklyn	IA	1	1%
60010	Barrington	IL	1	1%
60015	Deerfield	IL	1	1%
60068	Park Ridge	IL	1	1%
60108	Bloomingdale	IL	1	1%
60115	Dekalb	IL	1	1%
60181	Villa Park	IL	1	1%
60184	Wayne	IL	1	1%
60187	Wheaton	IL	1	1%
60189	Wheaton	IL	1	1%
60194	Schaumburg	IL	1	1%
60441	Lockport	IL	1	1%
60523	Oak Brook	IL	1	1%
60540	Naperville	IL	1	1%
60543	Oswego	IL	1	1%
60564	Naperville	IL	1	1%
61550	Morton	IL	1	1%
86301	Prescott	AZ	1	1%
54235	Door County	WI	1	1%
	Onterio	Canada	1	1%
Total			79	100%

Attachment 13

Item 3

FOX VALLEY
MEDICAL
ASSOCIATES, LTD.

INTERNAL MEDICINE

Nephrology

Harry Rubinstein, M.D.
Aurora 851-1144
Batavia 879-5700

Pardeep Sood, M.D.
Aurora 851-1144
Batavia 879-5700

Valerie Heidenry, M.D.
Aurora 851-1144
Batavia 879-5700

Rasa Kedainis, M.D.
Aurora 851-1144
Batavia 879-5700

Infectious Diseases

Bob Manam, M.D.
Aurora 851-1144

Harkamal Rehal, M.D.
Aurora 851-1144

Erin Stillwell, P.A. - C
Aurora 851-1144

General Internal Medicine

Philip Branshaw, M.D.
Batavia 879-5700

FAMILY PRACTICE

Mark J. Bernhard, M.D.
Batavia 879-5700

Sergio Mercado, M.D.
Batavia 879-5700

LOCATIONS

2020 Ogden Ave.
Suite 140
Aurora, IL 60504
Ph: (630) 851-1144

1180 W. Wilson St.
Suite E
Batavia, IL 60510
Ph: (630) 879-5700

www.foxvalleymedical.com

May 3, 2012

Chairman Dale Galassie
Illinois Health Facilities and Services Review Board
525 Jefferson Street, Second Floor
Springfield, IL. 62761

RE: Projected and Historical Referrals

GreenFields of Geneva

As a physician serving Geneva and surrounding communities, I intend to utilize the soon to be open GreenFields of Geneva, a 43-bed skilled nursing facility located in Geneva, Illinois.

I estimate that after the community is fully operational, I will refer approximately 20 patients annually to GreenFields of Geneva in the twenty-four months following its opening. These patients would come from within Health Service Area 8, where the facility is located.

In the past twelve months, I have referred approximately 50 patients to other long-term care facilities. The ZIP code of residence of those patients in not readily available, but my practice serves primarily patients in the immediate area.

I verify that, to the best of my knowledge, I have not used the above-mentioned referrals to support another pending CON application for a long-term care facility.

Sincerely,

OFFICIAL SEAL
CHRISTINE M. PROPHETER
Notary Public - State of Illinois
My Commission Expires Nov 17, 2014

May 3, 2012

FOX VALLEY
MEDICAL
ASSOCIATES, LTD.

INTERNAL MEDICINE

Nephrology

Harry Rubinstein, M.D.
Aurora 851-1144
Batavia 879-5700

Pardeep Sood, M.D.
Aurora 851-1144
Batavia 879-5700

Valerie Heidenry, M.D.
Aurora 851-1144
Batavia 879-5700

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Infectious Diseases

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1180 W. Wilson St.
Suite E
Batavia, IL 60510
Ph: (630) 879-5700

www.foxvalleymedical.com

May 3, 2012

Chairman Dale Galassie
Illinois Health Facilities and Services Review Board
525 Jefferson Street, Second Floor
Springfield, IL. 62761

RE: Projected and Historical Referrals

GreenFields of Geneva

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I verify that, to the best of my knowledge, I have not used the above-mentioned referrals to support another pending CON application for a long-term care facility.

Sincerely,

Mark J. Bernhard, MD

OFFICIAL SEAL
CHRISTINE M. PROPHETER
Notary Public - State of Illinois
My Commission Expires Nov 17, 2014

Chris Propheter
May 3, 2012

FOX VALLEY MEDICAL ASSOCIATES, LTD.

INTERNAL MEDICINE

Nephrology

Harry Rubinstein, M.D.
Aurora 851-1144
Batavia 879-5700

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Batavia 879-5700

FAMILY PRACTICE

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Batavia 879-5700

Sergio Mercado, M.D.
Batavia 879-5700

LOCATIONS

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Sincerely,

S. Mercado

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26W171 Roosevelt Road
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Fax 630.909.7001

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Sincerely,

Richard [illegible], MD
Stroke Director
Marianjoy Rehab. Hospital

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E. Amani MD

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1049 EAST WILSON • SUITE 160 B
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Attachment 14

Criterion 1125.540 - Service Demand – Establishment of General Long Term Care

1. As GreenFields of Geneva opened its independent living unit in January of 2012, and the assisted living unit in August of 2012, no referrals to other facilities have been made.
2. To support the need for this project, projected referrals from local physicians are attached as **Attachment 14 Item 2**.
3. Eight local physicians estimate that they will refer between 165-185 patients per year to the facility within a 24-month period after project completion.
4. These referrals have not been used to support another pending or approved CON application.

Attachment 14

Item 1

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INTERNAL MEDICINE

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Bob Mariani, M.D.
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Richard Ly, MD
Stroke Director
Marianjoy Rehab. Hospital

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May 31, 2012

Attachment 17

1125.570 Service Accessibility

1) Service Restrictions

The Applicant is seeking an "open market" Certificate of Need permit in the HSA 8 Kane County Planning Area. Although there is not a total absence of the proposed service, general long-term care beds, a bed need of 428 beds has been identified in the IDPH Inventory of *Long Term Care Facilities 2011* inclusive of the latest update dated September 18, 2012.

2) Additional Documentation

a. The location and utilization of other planning area service providers is provided as **Attachment 17 Item 1**. Source: *Long Term Care Profiles 2011* updated August 29, 2012.
b. Patient/resident location information by ZIP code was provided previously as **Attachment 13 Item 2**.
c. Independent time-travel studies are not applicable.
d. Certification of a waiting list is not applicable.
e. An assessment of admission restrictions at area providers is not applicable.
f. An assessment of area population characteristics is not applicable.
g. The most recently published *IDPH Long Term Care Facilities Inventory and Data* was previously provided as **Attachment 13 Item 1**.

Attachment 17

Item 1

ALDEN OF WATERFORD
2021 RANDI DRIVE
AURORA, IL. 60504

Reference Numbers Facility ID 6014773
Health Service Area 008 Planning Service Area 089

Administrator
Nora O'Gorman

Contact Person and Telephone
CHRIS KUEHN
773-286-3883

Registered Agent Information
Ken Fisch
4200 West Peterson Ave 140
Chicago, IL 60646

Date Completed
2/27/2012

FACILITY OWNERSHIP
LIMITED LIABILITY CO

CONTINUING CARE COMMUNITY	No
LIFE CARE FACILITY	No

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	1
Chronic Alcoholism	1
Developmentally Disabled	1
Drug Addiction	0
Medicaid Recipient	0
Medicare Recipient	0
Mental Illness	1
Non-Ambulatory	0
Non-Mobile	0
Public Aid Recipient	0
Under 65 Years Old	0
Unable to Self-Medicate	0
Ventilator Dependent	1
Infectious Disease w/ Isolation	0
Other Restrictions	0
No Restrictions	0

Note: Reported restictions denoted by '1'

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	0
Endocrine/Metabolic	5
Blood Disorders	3
*Nervous System Non Alzheimer	0
Alzheimer Disease	0
Mental Illness	0
Developmental Disability	0
Circulatory System	5
Respiratory System	2
Digestive System	0
Genitourinary System Disorders	0
Skin Disorders	0
Musculo-skeletal Disorders	53
Injuries and Poisonings	0
Other Medical Conditions	2
Non-Medical Conditions	0
TOTALS	70
Total Residents Diagnosed as Mentally Ill	0

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS

LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS SET-UP	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED	MEDICAID CERTIFIED
Nursing Care	99	99	92	99	70	29	99	40
Skilled Under 22	0	0	0	0	0	0		0
Intermediate DD	0	0	0	0	0	0		0
Sheltered Care	0	0	0	0	0	0		
TOTAL BEDS	99	99	92	99	70	29	99	40

ADMISSIONS AND DISCHARGES - 2011

Residents on 1/1/2011	82
Total Admissions 2011	686
Total Discharges 2011	698
Residents on 12/31/2011	70
Identified Offenders	0

FACILITY UTILIZATION - 2011
BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	13724	38.0%	8465	58.0%	552	4000	3407	15	30163	83.5%	83.5%
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%
Sheltered Care					0	0	0	0	0	0.0%	0.0%
TOTALS	13724	38.0%	8465	58.0%	552	4000	3407	15	30163	83.5%	83.5%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011

AGE GROUPS	NURSING CARE Male	NURSING CARE Female	SKL UNDER 22 Male	SKL UNDER 22 Female	INTERMED. DD Male	INTERMED. DD Female	SHELTERED Male	SHELTERED Female	TOTAL Male	TOTAL Female	GRAND TOTAL
Under 18	0	0	0	0	0	0	0	0	0	0	0
18 to 44	0	0	0	0	0	0	0	0	0	0	0
45 to 59	0	2	0	0	0	0	0	0	0	2	2
60 to 64	0	0	0	0	0	0	0	0	0	0	0
65 to 74	3	6	0	0	0	0	0	0	3	6	9
75 to 84	8	20	0	0	0	0	0	0	8	20	28
85+	1	30	0	0	0	0	0	0	1	30	31
TOTALS	12	58	0	0	0	0	0	0	12	58	70

Source:Long-Term Care Facility Questionnaire for 2011, Illinois Department of Public Health, Health Systems Development 8/29/2012

ALDEN OF WATERFORD
2021 RANDI DRIVE
AURORA, IL. 60504

Reference Numbers Facility ID 6014773
Health Service Area 008 Planning Service Area 089

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	33	19	0	7	10	1	70
Skilled Under 22	0	0	0	0	0	0	0
ICF/DD		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	33	19	0	7	10	1	70

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	315	280
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Asian	3	0	0	0	3
Amer. Indian	0	0	0	0	0
Black	5	0	0	0	5
Hawaiian/Pac. Isl.	0	0	0	0	0
White	62	0	0	0	62
Race Unknown	0	0	0	0	0
Total	70	0	0	0	70

ETHNICITY	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Hispanic	2	0	0	0	2
Non-Hispanic	68	0	0	0	68
Ethnicity Unknown	0	0	0	0	0
Total	70	0	0	0	70

STAFFING

EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	13.23
LPN's	0.00
Certified Aides	21.65
Other Health Staff	5.00
Non-Health Staff	38.63
Totals	80.51

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
68.4%	11.4%	0.7%	12.0%	7.6%	100.0%		0.1%
7,981,435	1,329,023	79,348	1,395,903	889,429	11,675,138	5,839	

*Charity Expense does not include expenses which may be considered a community benefit.

95

APOSTOLIC CHRISTIAN RESTHAVEN
2750 WEST HIGHLAND AVENUE
ELGIN, IL. 60124

Reference Numbers Facility ID 6000392
Health Service Area 008 Planning Service Area 089

Administrator
DAVID G. STIEGLITZ

Contact Person and Telephone
DAVID STIEGLITZ
847-741-4543

Registered Agent Information
David G. Stieglitz
5N598 Meadowview Ln.
St. Charles, IL 60175

Date Completed
2/21/2012

FACILITY OWNERSHIP
NON-PROF CORPORATION

CONTINUING CARE COMMUNITY	No
LIFE CARE FACILITY	No

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	1
Chronic Alcoholism	1
Developmentally Disabled	1
Drug Addiction	1
Medicaid Recipient	0
Medicare Recipient	0
Mental Illness	0
Non-Ambulatory	0
Non-Mobile	0
Public Aid Recipient	0
Under 65 Years Old	0
Unable to Self-Medicate	0
Ventilator Dependent	1
Infectious Disease w/ Isolation	0
Other Restrictions	1
No Restrictions	0

Note: Reported restrictions denoted by '1'

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	0
Endocrine/Metabolic	4
Blood Disorders	0
*Nervous System Non Alzheimer	2
Alzheimer Disease	4
Mental Illness	21
Developmental Disability	0
Circulatory System	7
Respiratory System	0
Digestive System	0
Genitourinary System Disorders	1
Skin Disorders	0
Musculo-skeletal Disorders	6
Injuries and Poisonings	0
Other Medical Conditions	1
Non-Medical Conditions	0
TOTALS	46
Total Residents Diagnosed as Mentally Ill	21

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS

LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS SET-UP	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED	MEDICAID CERTIFIED
Nursing Care	50	50	49	50	46	4	0	50
Skilled Under 22	0	0	0	0	0	0		0
Intermediate DD	0	0	0	0	0	0		0
Sheltered Care	0	0	0	0	0	0		
TOTAL BEDS	50	50	49	50	46	4	0	50

ADMISSIONS AND DISCHARGES - 2011

Residents on 1/1/2011	45
Total Admissions 2011	21
Total Discharges 2011	20
Residents on 12/31/2011	46
Identified Offenders	0

FACILITY UTILIZATION - 2011
BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	0	0.0%	3164	17.3%	0	0	14370	0	17534	96.1%	96.1%
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%
Sheltered Care					0	0	0	0	0	0.0%	0.0%
TOTALS	0	0.0%	3164	17.3%	0	0	14370	0	17534	96.1%	96.1%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011

AGE GROUPS	NURSING CARE Male	NURSING CARE Female	SKL UNDER 22 Male	SKL UNDER 22 Female	INTERMED. DD Male	INTERMED. DD Female	SHELTERED Male	SHELTERED Female	TOTAL Male	TOTAL Female	GRAND TOTAL
Under 18	0	0	0	0	0	0	0	0	0	0	0
18 to 44	0	0	0	0	0	0	0	0	0	0	0
45 to 59	0	0	0	0	0	0	0	0	0	0	0
60 to 64	0	0	0	0	0	0	0	0	0	0	0
65 to 74	0	2	0	0	0	0	0	0	0	2	2
75 to 84	1	11	0	0	0	0	0	0	1	11	12
85+	7	25	0	0	0	0	0	0	7	25	32
TOTALS	8	38	0	0	0	0	0	0	8	38	46

APOSTOLIC CHRISTIAN RESTHAVEN
2750 WEST HIGHLAND AVENUE
ELGIN, IL. 60124

Reference Numbers Facility ID 6000392
Health Service Area 008 Planning Service Area 089

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	0	7	0	0	39	0	46
Skilled Under 22	0	0	0	0	0	0	0
ICF/DD		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	0	7	0	0	39	0	46

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	203	173
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Asian	0	0	0	0	0
Amer. Indian	0	0	0	0	0
Black	0	0	0	0	0
Hawaiian/Pac. Isl.	0	0	0	0	0
White	46	0	0	0	46
Race Unknown	0	0	0	0	0
Total	46	0	0	0	46

ETHNICITY	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Hispanic	0	0	0	0	0
Non-Hispanic	46	0	0	0	46
Ethnicity Unknown	0	0	0	0	0
Total	46	0	0	0	46

STAFFING

EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	10.00
LPN's	3.00
Certified Aides	28.00
Other Health Staff	1.00
Non-Health Staff	23.00
Totals	67.00

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
0.0%	22.3%	0.0%	0.0%	77.7%	100.0%		0.0%
0	676,976	0	0	2,364,571	3,041,547	0	

*Charity Expense does not include expenses which may be considered a community benefit.

97

ASTA CARE CENTER OF ELGIN
134 NORTH MCLEAN BOULEVARD
ELGIN, IL. 60123

Reference Numbers Facility ID 6005847
Health Service Area 008 Planning Service Area 089

Administrator
JACK SIEGEL

Contact Person and Telephone
JACK SIEGEL
847-742-8822

Registered Agent Information
Seth Gillman
134 N. McLean Blv.
Elgin, IL 60123

Date Completed
2/13/2012

FACILITY OWNERSHIP
LIMITED LIABILITY CO

CONTINUING CARE COMMUNITY	No
LIFE CARE FACILITY	No

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	1
Chronic Alcoholism	1
Developmentally Disabled	0
Drug Addiction	1
Medicaid Recipient	0
Medicare Recipient	0
Mental Illness	0
Non-Ambulatory	0
Non-Mobile	0
Public Aid Recipient	0
Under 65 Years Old	0
Unable to Self-Medicate	0
Ventilator Dependent	1
Infectious Disease w/ Isolation	0
Other Restrictions	0
No Restrictions	0

Note: Reported restictions denoted by '1'

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	2
Endocrine/Metabolic	10
Blood Disorders	0
*Nervous System Non Alzheimer	18
Alzheimer Disease	2
Mental Illness	23
Developmental Disability	0
Circulatory System	14
Respiratory System	3
Digestive System	0
Genitourinary System Disorders	8
Skin Disorders	1
Musculo-skeletal Disorders	1
Injuries and Poisonings	0
Other Medical Conditions	0
Non-Medical Conditions	0
TOTALS	82
Total Residents Diagnosed as Mentally Ill	23

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS

LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS SET-UP	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED	MEDICAID CERTIFIED
Nursing Care	99	99	96	99	82	17	52	102
Skilled Under 22	0	0	0	0	0	0		0
Intermediate DD	0	0	0	0	0	0		0
Sheltered Care	0	0	0	0	0	0		
TOTAL BEDS	99	99	96	99	82	17	52	102

ADMISSIONS AND DISCHARGES - 2011

Residents on 1/1/2011	85
Total Admissions 2011	70
Total Discharges 2011	73
Residents on 12/31/2011	82
Identified Offenders	4

FACILITY UTILIZATION - 2011
BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	4803	25.3%	22028	59.2%	1698	920	1441	0	30890	85.5%	85.5%
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%
Sheltered Care					0	0	0	0	0	0.0%	0.0%
TOTALS	4803	25.3%	22028	59.2%	1698	920	1441	0	30890	85.5%	85.5%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011

AGE GROUPS	NURSING CARE Male	NURSING CARE Female	SKL UNDER 22 Male	SKL UNDER 22 Female	INTERMED. DD Male	INTERMED. DD Female	SHELTERED Male	SHELTERED Female	TOTAL Male	TOTAL Female	GRAND TOTAL
Under 18	0	0	0	0	0	0	0	0	0	0	0
18 to 44	4	1	0	0	0	0	0	0	4	1	5
45 to 59	10	7	0	0	0	0	0	0	10	7	17
60 to 64	8	9	0	0	0	0	0	0	8	9	17
65 to 74	16	6	0	0	0	0	0	0	16	6	22
75 to 84	7	7	0	0	0	0	0	0	7	7	14
85+	3	4	0	0	0	0	0	0	3	4	7
TOTALS	48	34	0	0	0	0	0	0	48	34	82

ASTA CARE CENTER OF ELGIN
134 NORTH MCLEAN BOULEVARD
ELGIN, IL. 60123

Reference Numbers Facility ID 6005847
Health Service Area 008 Planning Service Area 089

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	20	58	0	4	0	0	82
Skilled Under 22	0	0	0	0	0	0	0
ICF/DD		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	20	58	0	4	0	0	82

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	250	170
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Asian	2	0	0	0	2
Amer. Indian	0	0	0	0	0
Black	4	0	0	0	4
Hawaiian/Pac. Isl.	1	0	0	0	1
White	75	0	0	0	75
Race Unknown	0	0	0	0	0
Total	82	0	0	0	82

ETHNICITY	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Hispanic	13	0	0	0	13
Non-Hispanic	69	0	0	0	69
Ethnicity Unknown	0	0	0	0	0
Total	82	0	0	0	82

STAFFING

EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	7.00
LPN's	6.00
Certified Aides	33.00
Other Health Staff	4.00
Non-Health Staff	38.00
Totals	90.00

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
41.7%	51.0%	0.0%	2.9%	4.5%	100.0%		0.0%
2,702,551	3,305,187	0	185,663	288,894	6,482,295	0	

*Charity Expense does not include expenses which may be considered a community benefit

99

AURORA REHAB & LIVING CENTER
1601 NORTH FARNSWORTH
AURORA, IL. 60505

Reference Numbers Facility ID 6000574
Health Service Area 008 Planning Service Area 089

Administrator
JOHN MARC C. SIANGHIO

Contact Person and Telephone
JOHN MARC C. SIANGHIO
630-898-1180

Registered Agent Information
Charles Sheets
161 N. Clark St., Suite 4200
Chicago, IL 60601

Date Completed
3/6/2012

FACILITY OWNERSHIP
FOR-PROF CORPORATION

CONTINUING CARE COMMUNITY No
LIFE CARE FACILITY Yes

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	0
Chronic Alcoholism	1
Developmentally Disabled	0
Drug Addiction	1
Medicaid Recipient	0
Medicare Recipient	0
Mental Illness	0
Non-Ambulatory	0
Non-Mobile	0
Public Aid Recipient	0
Under 65 Years Old	0
Unable to Self-Medicate	0
Ventilator Dependent	1
Infectious Disease w/ Isolation	0
Other Restrictions	0
No Restrictions	0

Note: Reported restrictions denoted by '1'

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	5
Endocrine/Metabolic	31
Blood Disorders	0
*Nervous System Non Alzheimer	13
Alzheimer Disease	3
Mental Illness	10
Developmental Disability	2
Circulatory System	23
Respiratory System	12
Digestive System	0
Genitourinary System Disorders	8
Skin Disorders	5
Musculo-skeletal Disorders	4
Injuries and Poisonings	0
Other Medical Conditions	14
Non-Medical Conditions	0
TOTALS	130
Total Residents Diagnosed as Mentally Ill	86

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS

LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS SET-UP	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED	MEDICAID CERTIFIED
Nursing Care	158	158	145	158	130	28	189	189
Skilled Under 22	0	0	0	0	0	0		0
Intermediate DD	0	0	0	0	0	0		0
Sheltered Care	0	0	0	0	0	0		
TOTAL BEDS	158	158	145	158	130	28	189	189

ADMISSIONS AND DISCHARGES - 2011

Residents on 1/1/2011	118
Total Admissions 2011	298
Total Discharges 2011	286
Residents on 12/31/2011	130
Identified Offenders	1

FACILITY UTILIZATION - 2011
BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	8739	12.7%	29932	43.4%	0	4572	4405	0	47648	82.6%	82.6%
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%
Sheltered Care					0	0	0	0	0	0.0%	0.0%
TOTALS	8739	12.7%	29932	43.4%	0	4572	4405	0	47648	82.6%	82.6%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011

AGE GROUPS	NURSING CARE Male	NURSING CARE Female	SKL UNDER 22 Male	SKL UNDER 22 Female	INTERMED. DD Male	INTERMED. DD Female	SHELTERED Male	SHELTERED Female	TOTAL Male	TOTAL Female	GRAND TOTAL
Under 18	0	0	0	0	0	0	0	0	0	0	0
18 to 44	2	1	0	0	0	0	0	0	2	1	3
45 to 59	10	4	0	0	0	0	0	0	10	4	14
60 to 64	5	5	0	0	0	0	0	0	5	5	10
65 to 74	11	16	0	0	0	0	0	0	11	16	27
75 to 84	16	31	0	0	0	0	0	0	16	31	47
85+	9	20	0	0	0	0	0	0	9	20	29
TOTALS	53	77	0	0	0	0	0	0	53	77	130

AURORA REHAB & LIVING CENTER
1601 NORTH FARNSWORTH
AURORA, IL. 60505

Reference Numbers Facility ID 6000574
Health Service Area 008 Planning Service Area 089

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	23	77	0	16	14	0	130
Skilled Under 22	0	0	0	0	0	0	0
ICF/DD		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	23	77	0	16	14	0	130

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	270	170
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Asian	3	0	0	0	3
Amer. Indian	0	0	0	0	0
Black	12	0	0	0	12
Hawaiian/Pac. Isl.	0	0	0	0	0
White	115	0	0	0	115
Race Unknown	0	0	0	0	0
Total	130	0	0	0	130

ETHNICITY	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Hispanic	17	0	0	0	17
Non-Hispanic	113	0	0	0	113
Ethnicity Unknown	0	0	0	0	0
Total	130	0	0	0	130

STAFFING

EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Administrators	1.00
Physicians	1.00
Director of Nursing	1.00
Registered Nurses	10.00
LPN's	10.00
Certified Aides	36.00
Other Health Staff	0.00
Non-Health Staff	35.00
Totals	94.00

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
27.5%	51.7%	0.0%	5.9%	14.9%	100.0%		0.0%
2,062,475	3,875,145	0	445,538	1,119,202	7,502,360	0	

*Charity Expense does not include expenses which may be considered a community benefit.

101

BATAVIA REHAB & HLTHCARE CTR.
520 FABYAN PARKWAY
BATAVIA, IL. 60510

Reference Numbers Facility ID 6008171
Health Service Area 008 Planning Service Area 089

Administrator
Amy Urben

Contact Person and Telephone
Marikay Snyder
309-691-8113

Registered Agent Information
Marikay L Snyder
830 West Trailcreek Dr
Peoria, IL 61614

Date Completed
3/16/2012

FACILITY OWNERSHIP
LIMITED LIABILITY CO

CONTINUING CARE COMMUNITY	No
LIFE CARE FACILITY	No

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	0
Chronic Alcoholism	0
Developmentally Disabled	0
Drug Addiction	0
Medicaid Recipient	0
Medicare Recipient	0
Mental Illness	0
Non-Ambulatory	0
Non-Mobile	0
Public Aid Recipient	0
Under 65 Years Old	0
Unable to Self-Medicate	0
Ventilator Dependent	1
Infectious Disease w/ Isolation	0
Other Restrictions	1
No Restrictions	0

Note: Reported restrictions denoted by '1'

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	0
Endocrine/Metabolic	13
Blood Disorders	0
*Nervous System Non Alzheimer	4
Alzheimer Disease	9
Mental Illness	19
Developmental Disability	2
Circulatory System	0
Respiratory System	0
Digestive System	0
Genitourinary System Disorders	0
Skin Disorders	0
Musculo-skeletal Disorders	0
Injuries and Poisonings	0
Other Medical Conditions	0
Non-Medical Conditions	0
TOTALS	47
Total Residents Diagnosed as Mentally Ill	28

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS

LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS SET-UP	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED	MEDICAID CERTIFIED
Nursing Care	63	63	52	63	47	16	0	63
Skilled Under 22	0	0	0	0	0	0		0
Intermediate DD	0	0	0	0	0	0		0
Sheltered Care	0	0	0	0	0	0		
TOTAL BEDS	63	63	52	63	47	16	0	63

ADMISSIONS AND DISCHARGES - 2011

Residents on 1/1/2011	41
Total Admissions 2011	47
Total Discharges 2011	41
Residents on 12/31/2011	47
Identified Offenders	0

FACILITY UTILIZATION - 2011
BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	0	0.0%	13736	59.7%	1133	0	2163	0	17032	74.1%	74.1%
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%
Sheltered Care					0	0	0	0	0	0.0%	0.0%
TOTALS	0	0.0%	13736	59.7%	1133	0	2163	0	17032	74.1%	74.1%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011

AGE GROUPS	NURSING CARE Male	NURSING CARE Female	SKL UNDER 22 Male	SKL UNDER 22 Female	INTERMED. DD Male	INTERMED. DD Female	SHELTERED Male	SHELTERED Female	TOTAL Male	TOTAL Female	GRAND TOTAL
Under 18	0	0	0	0	0	0	0	0	0	0	0
18 to 44	2	1	0	0	0	0	0	0	2	1	3
45 to 59	4	0	0	0	0	0	0	0	4	0	4
60 to 64	1	3	0	0	0	0	0	0	1	3	4
65 to 74	2	3	0	0	0	0	0	0	2	3	5
75 to 84	4	10	0	0	0	0	0	0	4	10	14
85+	3	14	0	0	0	0	0	0	3	14	17
TOTALS	16	31	0	0	0	0	0	0	16	31	47

BATAVIA REHAB & HLTHCARE CTR.
520 FABYAN PARKWAY
BATAVIA, IL. 60510

Reference Numbers Facility ID 6008171
Health Service Area 008 Planning Service Area 089

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	0	40	0	0	7	0	47
Skilled Under 22	0	0	0	0	0	0	0
ICF/DD		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	0	40	0	0	7	0	47

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	185	139
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Asian	3	0	0	0	3
Amer. Indian	0	0	0	0	0
Black	5	0	0	0	5
Hawaiian/Pac. Isl.	0	0	0	0	0
White	39	0	0	0	39
Race Unknown	0	0	0	0	0
Total	47	0	0	0	47

ETHNICITY	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Hispanic	3	0	0	0	3
Non-Hispanic	44	0	0	0	44
Ethnicity Unknown	0	0	0	0	0
Total	47	0	0	0	47

STAFFING

EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	4.00
LPN's	5.00
Certified Aides	13.00
Other Health Staff	1.00
Non-Health Staff	12.00
Totals	37.00

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
0.0%	86.4%	0.0%	13.6%	0.0%	100.0%		0.0%
0	1,825,566	0	287,928	0	2,113,494	0	

*Charity Expense does not include expenses which may be considered a community benefit.

103

Application Page 103

COUNTRYSIDE CARE CENTRE
2330 WEST GALENA BOULEVARD
AURORA, IL. 60506

Reference Numbers Facility ID 6002174
Health Service Area 008 Planning Service Area 089

Administrator
KIM KOHLS

Contact Person and Telephone
KIM KOHLS
630-896-4686

Registered Agent Information
Illinois Corporation Service Company
801 Adlai Stevenson Drive
Springfield, IL 62703

Date Completed
2/28/2012

FACILITY OWNERSHIP
LIMITED LIABILITY CO

CONTINUING CARE COMMUNITY No
LIFE CARE FACILITY No

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	1
Chronic Alcoholism	1
Developmentally Disabled	1
Drug Addiction	1
Medicaid Recipient	0
Medicare Recipient	0
Mental Illness	0
Non-Ambulatory	0
Non-Mobile	0
Public Aid Recipient	0
Under 65 Years Old	0
Unable to Self-Medicate	0
Ventilator Dependent	1
Infectious Disease w/ Isolation	0
Other Restrictions	0
No Restrictions	0

Note: Reported restictions denoted by '1'

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	3
Endocrine/Metabolic	24
Blood Disorders	6
*Nervous System Non Alzheimer	18
Alzheimer Disease	52
Mental Illness	2
Developmental Disability	0
Circulatory System	27
Respiratory System	20
Digestive System	4
Genitourinary System Disorders	4
Skin Disorders	0
Musculo-skeletal Disorders	4
Injuries and Poisonings	0
Other Medical Conditions	18
Non-Medical Conditions	0
TOTALS	182
Total Residents Diagnosed as Mentally Ill	12

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS

LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS SET-UP	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED	MEDICAID CERTIFIED
Nursing Care	203	203	201	203	182	21	127	203
Skilled Under 22	0	0	0	0	0	0		0
Intermediate DD	0	0	0	0	0	0		0
Sheltered Care	0	0	0	0	0	0		
TOTAL BEDS	203	203	201	203	182	21	127	203

ADMISSIONS AND DISCHARGES - 2011

Residents on 1/1/2011	193
Total Admissions 2011	239
Total Discharges 2011	250
Residents on 12/31/2011	182
Identified Offenders	2

FACILITY UTILIZATION - 2011
BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	6928	14.9%	50637	68.3%	5160	1617	5803	0	70145	94.7%	94.7%
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%
Sheltered Care					0	0	0	0	0	0.0%	0.0%
TOTALS	6928	14.9%	50637	68.3%	5160	1617	5803	0	70145	94.7%	94.7%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011

AGE GROUPS	NURSING CARE Male	NURSING CARE Female	SKL UNDER 22 Male	SKL UNDER 22 Female	INTERMED. DD Male	INTERMED. DD Female	SHELTERED Male	SHELTERED Female	TOTAL Male	TOTAL Female	GRAND TOTAL
Under 18	0	0	0	0	0	0	0	0	0	0	0
18 to 44	0	0	0	0	0	0	0	0	0	0	0
45 to 59	3	5	0	0	0	0	0	0	3	5	8
60 to 64	6	9	0	0	0	0	0	0	6	9	15
65 to 74	8	19	0	0	0	0	0	0	8	19	27
75 to 84	18	39	0	0	0	0	0	0	18	39	57
85+	11	64	0	0	0	0	0	0	11	64	75
TOTALS	46	136	0	0	0	0	0	0	46	136	182

104

COUNTRYSIDE CARE CENTRE
2330 WEST GALENA BOULEVARD
AURORA, IL. 60506
Reference Numbers Facility ID 6002174
Health Service Area 008 Planning Service Area 089

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	15	150	0	6	11	0	182
Skilled Under 22	0	0	0	0	0	0	0
ICF/DD		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	15	150	0	6	11	0	182

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	220	170
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Asian	0	0	0	0	0
Amer. Indian	1	0	0	0	1
Black	11	0	0	0	11
Hawaiian/Pac. Isl.	0	0	0	0	0
White	170	0	0	0	170
Race Unknown	0	0	0	0	0
Total	182	0	0	0	182

ETHNICITY	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Hispanic	10	0	0	0	10
Non-Hispanic	172	0	0	0	172
Ethnicity Unknown	0	0	0	0	0
Total	182	0	0	0	182

STAFFING

EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	20.00
LPN's	26.00
Certified Aides	68.00
Other Health Staff	25.00
Non-Health Staff	44.00
Totals	185.00

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
31.8%	56.2%	0.0%	5.1%	7.0%	100.0%		0.0%
4,458,195	7,883,839	0	711,466	983,176	14,036,676	0	

*Charity Expense does not include expenses which may be considered a community benefit.

105

COVENANT HEALTH CARE CENTER
831 N. BATAVIA AVENUE
BATAVIA, IL. 60510

Reference Numbers Facility ID 6002208
Health Service Area 008 Planning Service Area 089

Administrator
Josh Anderson

Contact Person and Telephone
ANNA-LISA WHITSON
630-879-4106

Date Completed
3/2/2012

Registered Agent Information
Illinois Corp Service Company
801 Adlai Stevenson Drive
Springfield, IL 62703

FACILITY OWNERSHIP
NON-PROF CORPORATION

CONTINUING CARE COMMUNITY Yes
LIFE CARE FACILITY Yes

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	0
Chronic Alcoholism	0
Developmentally Disabled	1
Drug Addiction	1
Medicaid Recipient	0
Medicare Recipient	0
Mental Illness	0
Non-Ambulatory	0
Non-Mobile	0
Public Aid Recipient	0
Under 65 Years Old	0
Unable to Self-Medicate	0
Ventilator Dependent	1
Infectious Disease w/ Isolation	0
Other Restrictions	0
No Restrictions	0

Note: Reported restictions denoted by '1'

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	1
Endocrine/Metabolic	1
Blood Disorders	0
*Nervous System Non Alzheimer	4
Alzheimer Disease	3
Mental Illness	5
Developmental Disability	0
Circulatory System	12
Respiratory System	5
Digestive System	4
Genitourinary System Disorders	8
Skin Disorders	2
Musculo-skeletal Disorders	24
Injuries and Poisonings	9
Other Medical Conditions	11
Non-Medical Conditions	0
TOTALS	89
Total Residents Diagnosed as Mentally Ill	5

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS

LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS SET-UP	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED	MEDICAID CERTIFIED
Nursing Care	99	99	98	95	89	10	99	99
Skilled Under 22	0	0	0	0	0	0		0
Intermediate DD	0	0	0	0	0	0		0
Sheltered Care	0	0	0	0	0	0		
TOTAL BEDS	99	99	98	95	89	10	99	99

ADMISSIONS AND DISCHARGES - 2011

Residents on 1/1/2011	94
Total Admissions 2011	223
Total Discharges 2011	228
Residents on 12/31/2011	89
Identified Offenders	0

FACILITY UTILIZATION - 2011
BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	4125	11.4%	9713	26.9%	0	187	18104	0	32129	88.9%	88.9%
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%
Sheltered Care					0	0	0	0	0	0.0%	0.0%
TOTALS	4125	11.4%	9713	26.9%	0	187	18104	0	32129	88.9%	88.9%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011

AGE GROUPS	NURSING CARE Male	NURSING CARE Female	SKL UNDER 22 Male	SKL UNDER 22 Female	INTERMED. DD Male	INTERMED. DD Female	SHELTERED Male	SHELTERED Female	TOTAL Male	TOTAL Female	GRAND TOTAL
Under 18	0	0	0	0	0	0	0	0	0	0	0
18 to 44	0	0	0	0	0	0	0	0	0	0	0
45 to 59	0	0	0	0	0	0	0	0	0	0	0
60 to 64	0	0	0	0	0	0	0	0	0	0	0
65 to 74	0	2	0	0	0	0	0	0	0	2	2
75 to 84	7	15	0	0	0	0	0	0	7	15	22
85+	14	51	0	0	0	0	0	0	14	51	65
TOTALS	21	68	0	0	0	0	0	0	21	68	89

COVENANT HEALTH CARE CENTER
831 N. BATAVIA AVENUE
BATAVIA, IL. 60510

Reference Numbers Facility ID 6002208
Health Service Area 008 Planning Service Area 089

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	7	26	0	2	54	0	89
Skilled Under 22	0	0	0	0	0	0	0
ICF/DD		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	7	26	0	2	54	0	89

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	355	268
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Asian	0	0	0	0	0
Amer. Indian	0	0	0	0	0
Black	0	0	0	0	0
Hawaiian/Pac. Isl.	0	0	0	0	0
White	89	0	0	0	89
Race Unknown	0	0	0	0	0
Total	89	0	0	0	89

ETHNICITY	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Hispanic	0	0	0	0	0
Non-Hispanic	89	0	0	0	89
Ethnicity Unknown	0	0	0	0	0
Total	89	0	0	0	89

STAFFING

EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	17.00
LPN's	3.40
Certified Aides	41.40
Other Health Staff	3.10
Non-Health Staff	38.10
Totals	105.00

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
16.7%	11.0%	0.0%	1.3%	71.0%	100.0%		0.0%
1,442,913	949,129	0	107,865	6,123,819	8,623,726	0	

*Charity Expense does not include expenses which may be considered a community benefit.

107

ELMWOOD TERRACE HEALTHCARE CTR
1017 WEST GALENA BOULEVARD
AURORA, IL. 60506

Reference Numbers Facility ID 6002844
Health Service Area 008 Planning Service Area 089

Administrator
CATHY WOOD

Contact Person and Telephone
CATHY WOOD
630-897-3100

Registered Agent Information

Date Completed
3/6/2012

FACILITY OWNERSHIP
FOR-PROF CORPORATION

CONTINUING CARE COMMUNITY No
LIFE CARE FACILITY No

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	1
Chronic Alcoholism	0
Developmentally Disabled	0
Drug Addiction	1
Medicaid Recipient	0
Medicare Recipient	0
Mental Illness	0
Non-Ambulatory	0
Non-Mobile	0
Public Aid Recipient	0
Under 65 Years Old	0
Unable to Self-Medicate	0
Ventilator Dependent	1
Infectious Disease w/ Isolation	0
Other Restrictions	0
No Restrictions	0

Note: Reported restrictions denoted by '1'

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	1
Endocrine/Metabolic	12
Blood Disorders	1
*Nervous System Non Alzheimer	6
Alzheimer Disease	0
Mental Illness	5
Developmental Disability	0
Circulatory System	17
Respiratory System	11
Digestive System	0
Genitourinary System Disorders	0
Skin Disorders	0
Musculo-skeletal Disorders	1
Injuries and Poisonings	0
Other Medical Conditions	0
Non-Medical Conditions	0
TOTALS	54
Total Residents Diagnosed as Mentally Ill	5

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS

LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS SET-UP	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED	MEDICAID CERTIFIED
Nursing Care	68	68	64	68	54	14	68	68
Skilled Under 22	0	0	0	0	0	0		0
Intermediate DD	0	0	0	0	0	0		0
Sheltered Care	0	0	0	0	0	0		
TOTAL BEDS	68	68	64	68	54	14	68	68

ADMISSIONS AND DISCHARGES - 2011

Residents on 1/1/2011	58
Total Admissions 2011	52
Total Discharges 2011	56
Residents on 12/31/2011	54
Identified Offenders	1

FACILITY UTILIZATION - 2011
BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	4217	17.0%	17395	70.1%	0	0	687	0	22299	89.8%	89.8%
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%
Sheltered Care					0	0	0	0	0	0.0%	0.0%
TOTALS	4217	17.0%	17395	70.1%	0	0	687	0	22299	89.8%	89.8%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011

AGE GROUPS	NURSING CARE Male	NURSING CARE Female	SKL UNDER 22 Male	SKL UNDER 22 Female	INTERMED. DD Male	INTERMED. DD Female	SHELTERED Male	SHELTERED Female	TOTAL Male	TOTAL Female	GRAND TOTAL
Under 18	0	0	0	0	0	0	0	0	0	0	0
18 to 44	0	0	0	0	0	0	0	0	0	0	0
45 to 59	5	3	0	0	0	0	0	0	5	3	8
60 to 64	2	5	0	0	0	0	0	0	2	5	7
65 to 74	7	8	0	0	0	0	0	0	7	8	15
75 to 84	6	9	0	0	0	0	0	0	6	9	15
85+	0	9	0	0	0	0	0	0	0	9	9
TOTALS	20	34	0	0	0	0	0	0	20	34	54

108

ELMWOOD TERRACE HEALTHCARE CTR
1017 WEST GALENA BOULEVARD
AURORA, IL. 60506

Reference Numbers Facility ID 6002844
Health Service Area 008 Planning Service Area 089

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	13	40	0	1	0	0	54
Skilled Under 22	0	0	0	0	0	0	0
ICF/DD		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	13	40	0	1	0	0	54

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	360	180
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Asian	0	0	0	0	0
Amer. Indian	0	0	0	0	0
Black	12	0	0	0	12
Hawaiian/Pac. Isl.	0	0	0	0	0
White	35	0	0	0	35
Race Unknown	7	0	0	0	7
Total	54	0	0	0	54

ETHNICITY	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Hispanic	7	0	0	0	7
Non-Hispanic	47	0	0	0	47
Ethnicity Unknown	0	0	0	0	0
Total	54	0	0	0	54

STAFFING

EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	9.00
LPN's	6.00
Certified Aides	26.00
Other Health Staff	2.00
Non-Health Staff	24.00
Totals	69.00

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
47.1%	49.9%	0.0%	0.0%	3.0%	100.0%		0.0%
2,144,439	2,271,016	0	0	135,360	4,550,815	0	

*Charity Expense does not include expenses which may be considered a community benefit.

GENEVA NURSING & REHAB CENTER
1101 EAST STATE STREET
GENEVA, IL. 60134

Reference Numbers Facility ID 6003503
Health Service Area 008 Planning Service Area 089

Administrator
SCOTT HOCHSTADT

Contact Person and Telephone
SCOT HOCHSTADT
630-232-7544

Date Completed
3/1/2012

Registered Agent Information
Abraham Gutnicki
8320 Skokie Blvd.
Skokie, IL 60077

FACILITY OWNERSHIP
LIMITED LIABILITY CO

CONTINUING CARE COMMUNITY No
LIFE CARE FACILITY No

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	1
Chronic Alcoholism	1
Developmentally Disabled	1
Drug Addiction	1
Medicaid Recipient	0
Medicare Recipient	0
Mental Illness	1
Non-Ambulatory	0
Non-Mobile	0
Public Aid Recipient	0
Under 65 Years Old	0
Unable to Self-Medicate	0
Ventilator Dependent	1
Infectious Disease w/ Isolation	0
Other Restrictions	0
No Restrictions	0

Note: Reported restictions denoted by '1'

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	3
Endocrine/Metabolic	4
Blood Disorders	2
*Nervous System Non Alzheimer	4
Alzheimer Disease	27
Mental Illness	0
Developmental Disability	0
Circulatory System	6
Respiratory System	17
Digestive System	2
Genitourinary System Disorders	4
Skin Disorders	2
Musculo-skeletal Disorders	1
Injuries and Poisonings	5
Other Medical Conditions	15
Non-Medical Conditions	0
TOTALS	92
Total Residents Diagnosed as Mentally Ill	0

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS

LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS SET-UP	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED	MEDICAID CERTIFIED
Nursing Care	107	103	94	103	92	15	107	107
Skilled Under 22	0	0	0	0	0	0		0
Intermediate DD	0	0	0	0	0	0		0
Sheltered Care	0	0	0	0	0	0		
TOTAL BEDS	107	103	94	103	92	15	107	107

ADMISSIONS AND DISCHARGES - 2011

Residents on 1/1/2011	79
Total Admissions 2011	88
Total Discharges 2011	75
Residents on 12/31/2011	92
Identified Offenders	0

FACILITY UTILIZATION - 2011
BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	3065	7.8%	9185	23.5%	0	148	2562	0	14960	38.3%	39.8%
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%
Sheltered Care					0	0	0	0	0	0.0%	0.0%
TOTALS	3065	7.8%	9185	23.5%	0	148	2562	0	14960	38.3%	39.8%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011

AGE GROUPS	NURSING CARE Male	NURSING CARE Female	SKL UNDER 22 Male	SKL UNDER 22 Female	INTERMED. DD Male	INTERMED. DD Female	SHELTERED Male	SHELTERED Female	TOTAL Male	TOTAL Female	GRAND TOTAL
Under 18	0	0	0	0	0	0	0	0	0	0	0
18 to 44	0	0	0	0	0	0	0	0	0	0	0
45 to 59	0	1	0	0	0	0	0	0	0	1	1
60 to 64	0	2	0	0	0	0	0	0	0	2	2
65 to 74	5	13	0	0	0	0	0	0	5	13	18
75 to 84	4	29	0	0	0	0	0	0	4	29	33
85+	7	31	0	0	0	0	0	0	7	31	38
TOTALS	16	76	0	0	0	0	0	0	16	76	92

Source:Long-Term Care Facility Questionnaire for 2011, Illinois Department of Public Health, Health Systems Development 8/29/2012

GENEVA NURSING & REHAB CENTER
1101 EAST STATE STREET
GENEVA, IL. 60134

Reference Numbers Facility ID 6003503
Health Service Area 008 Planning Service Area 089

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	17	60	0	1	14	0	92
Skilled Under 22	0	0	0	0	0	0	0
ICF/DD		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	17	60	0	1	14	0	92

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	297	242
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Asian	1	0	0	0	1
Amer. Indian	0	0	0	0	0
Black	0	0	0	0	0
Hawaiian/Pac. Isl.	0	0	0	0	0
White	91	0	0	0	91
Race Unknown	0	0	0	0	0
Total	92	0	0	0	92

ETHNICITY	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Hispanic	4	0	0	0	4
Non-Hispanic	88	0	0	0	88
Ethnicity Unknown	0	0	0	0	0
Total	92	0	0	0	92

STAFFING

EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Administrators	1.00
Physicians	0.25
Director of Nursing	1.00
Registered Nurses	12.00
LPN's	9.00
Certified Aides	36.00
Other Health Staff	6.00
Non-Health Staff	29.00
Totals	94.25

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
35.5%	47.8%	0.0%	1.1%	15.6%	100.0%		0.0%
1,457,420	1,960,134	0	47,162	638,460	4,103,176	0	

*Charity Expense does not include expenses which may be considered a community benefit

111

HERITAGE HEALTH - ELGIN
355 RAYMOND STREET
ELGIN, IL. 60120

Reference Numbers Facility ID 6006902
Health Service Area 008 Planning Service Area 089

Administrator
LINDA S. HARTMANN

Contact Person and Telephone
Rebecca Howard
309-828-4361

Registered Agent Information

Date Completed
3/5/2011

FACILITY OWNERSHIP
LIMITED LIABILITY CO

CONTINUING CARE COMMUNITY No
LIFE CARE FACILITY No

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	1
Chronic Alcoholism	1
Developmentally Disabled	1
Drug Addiction	1
Medicaid Recipient	0
Medicare Recipient	0
Mental Illness	1
Non-Ambulatory	0
Non-Mobile	0
Public Aid Recipient	0
Under 65 Years Old	0
Unable to Self-Medicate	0
Ventilator Dependent	1
Infectious Disease w/ Isolation	0
Other Restrictions	0
No Restrictions	0

Note: Reported restictions denoted by '1'

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	1
Endocrine/Metabolic	4
Blood Disorders	2
*Nervous System Non Alzheimer	3
Alzheimer Disease	1
Mental Illness	0
Developmental Disability	0
Circulatory System	51
Respiratory System	2
Digestive System	3
Genitourinary System Disorders	8
Skin Disorders	1
Musculo-skeletal Disorders	1
Injuries and Poisonings	0
Other Medical Conditions	1
Non-Medical Conditions	0
TOTALS	78

Total Residents Diagnosed as Mentally Ill 0

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS

LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS SET-UP	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED	MEDICAID CERTIFIED
Nursing Care	94	94	82	94	78	16	94	94
Skilled Under 22	0	0	0	0	0	0		0
Intermediate DD	0	0	0	0	0	0		0
Sheltered Care	0	0	0	0	0	0		
TOTAL BEDS	94	94	82	94	78	16	94	94

ADMISSIONS AND DISCHARGES - 2011

Residents on 1/1/2011	80
Total Admissions 2011	80
Total Discharges 2011	82
Residents on 12/31/2011	78
Identified Offenders	0

FACILITY UTILIZATION - 2011
BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	4403	12.8%	21560	62.8%	0	0	2816	0	28779	83.9%	83.9%
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%
Sheltered Care					0	0	0	0	0	0.0%	0.0%
TOTALS	4403	12.8%	21560	62.8%	0	0	2816	0	28779	83.9%	83.9%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011

AGE GROUPS	NURSING CARE Male	NURSING CARE Female	SKL UNDER 22 Male	SKL UNDER 22 Female	INTERMED. DD Male	INTERMED. DD Female	SHELTERED Male	SHELTERED Female	TOTAL Male	TOTAL Female	GRAND TOTAL
Under 18	0	0	0	0	0	0	0	0	0	0	0
18 to 44	0	0	0	0	0	0	0	0	0	0	0
45 to 59	0	0	0	0	0	0	0	0	0	0	0
60 to 64	0	1	0	0	0	0	0	0	0	1	1
65 to 74	2	2	0	0	0	0	0	0	2	2	4
75 to 84	6	14	0	0	0	0	0	0	6	14	20
85+	9	44	0	0	0	0	0	0	9	44	53
TOTALS	17	61	0	0	0	0	0	0	17	61	78

112

HERITAGE HEALTH - ELGIN
355 RAYMOND STREET
ELGIN, IL. 60120

Reference Numbers Facility ID 6006902
Health Service Area 008 Planning Service Area 089

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	10	59	0	0	9	0	78
Skilled Under 22	0	0	0	0	0	0	0
ICF/DD		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	10	59	0	0	9	0	78

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	0	0
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Asian	1	0	0	0	1
Amer. Indian	1	0	0	0	1
Black	2	0	0	0	2
Hawaiian/Pac. Isl.	0	0	0	0	0
White	74	0	0	0	74
Race Unknown	0	0	0	0	0
Total	78	0	0	0	78

ETHNICITY	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Hispanic	5	0	0	0	5
Non-Hispanic	73	0	0	0	73
Ethnicity Unknown	0	0	0	0	0
Total	78	0	0	0	78

STAFFING

EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	16.00
LPN's	4.00
Certified Aides	36.00
Other Health Staff	18.00
Non-Health Staff	11.00
Totals	87.00

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
42.4%	45.5%	0.0%	0.0%	12.1%	100.0%		0.0%
2,576,639	2,765,271	0	0	732,103	6,074,014	0	

*Charity Expense does not include expenses which may be considered a community benefit.

113

JENNINGS TERRACE, INC.
275 SOUTH LASALLE
AURORA, IL. 60505

Reference Numbers Facility ID 6004899
Health Service Area 008 Planning Service Area 089

Administrator
DAVID F. SCARPETTA

Contact Person and Telephone
DAVID F. SCARPETTA
630-897-6947 ext. 13

Date Completed
3/7/2012

Registered Agent Information
James E. Cheatham
6S487 Densmore Road
Aurora, IL 60506

FACILITY OWNERSHIP
NON-PROF CORPORATION

CONTINUING CARE COMMUNITY No
LIFE CARE FACILITY No

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	1
Chronic Alcoholism	1
Developmentally Disabled	0
Drug Addiction	0
Medicaid Recipient	0
Medicare Recipient	1
Mental Illness	0
Non-Ambulatory	0
Non-Mobile	0
Public Aid Recipient	0
Under 65 Years Old	0
Unable to Self-Medicate	0
Ventilator Dependent	1
Infectious Disease w/ Isolation	0
Other Restrictions	0
No Restrictions	0

Note: Reported restictions denoted by '1'

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	1
Endocrine/Metabolic	10
Blood Disorders	2
*Nervous System Non Alzheimer	15
Alzheimer Disease	20
Mental Illness	10
Developmental Disability	0
Circulatory System	22
Respiratory System	4
Digestive System	1
Genitourinary System Disorders	0
Skin Disorders	4
Musculo-skeletal Disorders	10
Injuries and Poisonings	0
Other Medical Conditions	4
Non-Medical Conditions	24
TOTALS	127
Total Residents Diagnosed as Mentally Ill	27

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS

LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS SET-UP	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED	MEDICAID CERTIFIED
Nursing Care	60	60	57	60	55	5	0	8
Skilled Under 22	0	0	0	0	0	0		0
Intermediate DD	0	0	0	0	0	0		0
Sheltered Care	103	103	75	103	72	31		
TOTAL BEDS	163	163	132	163	127	36	0	8

ADMISSIONS AND DISCHARGES - 2011

Residents on 1/1/2011	123
Total Admissions 2011	154
Total Discharges 2011	150
Residents on 12/31/2011	127
Identified Offenders	1

FACILITY UTILIZATION - 2011
BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	0	0.0%	2364	81.0%	0	0	16816	0	19180	87.6%	87.6%
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%
Sheltered Care					0	0	25817	0	25817	68.7%	68.7%
TOTALS	0	0.0%	2364	81.0%	0	0	42633	0	44997	75.6%	75.6%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011

AGE GROUPS	NURSING CARE Male	NURSING CARE Female	SKL UNDER 22 Male	SKL UNDER 22 Female	INTERMED. DD Male	INTERMED. DD Female	SHELTERED Male	SHELTERED Female	TOTAL Male	TOTAL Female	GRAND TOTAL
Under 18	0	0	0	0	0	0	0	0	0	0	0
18 to 44	0	0	0	0	0	0	0	0	0	0	0
45 to 59	1	1	0	0	0	0	1	1	2	2	4
60 to 64	2	1	0	0	0	0	0	1	2	2	4
65 to 74	2	1	0	0	0	0	7	7	9	8	17
75 to 84	6	9	0	0	0	0	1	13	7	22	29
85+	9	23	0	0	0	0	15	26	24	49	73
TOTALS	20	35	0	0	0	0	24	48	44	83	127

114

JENNINGS TERRACE, INC.
275 SOUTH LASALLE
AURORA, IL. 60505

Reference Numbers Facility ID 6004899
Health Service Area 008 Planning Service Area 089

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	0	8	0	0	47	0	55
Skilled Under 22	0	0	0	0	0	0	0
ICF/DD		0	0	0	0	0	0
Sheltered Care			0	0	72	0	72
TOTALS	0	8	0	0	119	0	127

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	169	155
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	38	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Asian	0	0	0	0	0
Amer. Indian	0	0	0	0	0
Black	1	0	0	0	1
Hawaiian/Pac. Isl.	0	0	0	0	0
White	54	0	0	72	126
Race Unknown	0	0	0	0	0
Total	55	0	0	72	127

ETHNICITY	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Hispanic	0	0	0	1	1
Non-Hispanic	55	0	0	71	126
Ethnicity Unknown	0	0	0	0	0
Total	55	0	0	72	127

STAFFING

EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	6.50
LPN's	6.00
Certified Aides	27.00
Other Health Staff	16.00
Non-Health Staff	24.80
Totals	82.30

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
0.0%	5.1%	0.0%	0.0%	94.9%	100.0%		0.0%
0	12,038	0	0	222,527	234,565	0	

*Charity Expense does not include expenses which may be considered a community benefit.

115

MANOR CARE OF ELGIN
180 SOUTH STATE STREET
ELGIN, IL. 60123

Reference Numbers Facility ID 6000277
Health Service Area 008 Planning Service Area 089

Administrator
Pam Crenshaw

Contact Person and Telephone
Eric Talbert
419-252-5951

Registered Agent Information

Date Completed
3/9/2012

FACILITY OWNERSHIP
LIMITED LIABILITY CO

CONTINUING CARE COMMUNITY	No
LIFE CARE FACILITY	No

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	1
Chronic Alcoholism	0
Developmentally Disabled	1
Drug Addiction	0
Medicaid Recipient	0
Medicare Recipient	0
Mental Illness	1
Non-Ambulatory	0
Non-Mobile	0
Public Aid Recipient	0
Under 65 Years Old	0
Unable to Self-Medicate	0
Ventilator Dependent	1
Infectious Disease w/ Isolation	0
Other Restrictions	0
No Restrictions	0

Note: Reported restictions denoted by '1'

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	10
Endocrine/Metabolic	17
Blood Disorders	0
*Nervous System Non Alzheimer	0
Alzheimer Disease	7
Mental Illness	0
Developmental Disability	0
Circulatory System	0
Respiratory System	37
Digestive System	0
Genitourinary System Disorders	0
Skin Disorders	0
Musculo-skeletal Disorders	2
Injuries and Poisonings	0
Other Medical Conditions	0
Non-Medical Conditions	0
TOTALS	73
Total Residents Diagnosed as Mentally Ill	0

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS

LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS SET-UP	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED	MEDICAID CERTIFIED
Nursing Care	88	83	81	82	73	15	88	61
Skilled Under 22	0	0	0	0	0	0		0
Intermediate DD	0	0	0	0	0	0		0
Sheltered Care	0	0	0	0	0	0		
TOTAL BEDS	88	83	81	82	73	15	88	61

ADMISSIONS AND DISCHARGES - 2011

Residents on 1/1/2011	71
Total Admissions 2011	231
Total Discharges 2011	229
Residents on 12/31/2011	73
Identified Offenders	0

FACILITY UTILIZATION - 2011
BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	5134	16.0%	18600	83.5%	0	2607	758	0	27099	84.4%	89.5%
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%
Sheltered Care					0	0	0	0	0	0.0%	0.0%
TOTALS	5134	16.0%	18600	83.5%	0	2607	758	0	27099	84.4%	89.5%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011

AGE GROUPS	NURSING CARE Male	NURSING CARE Female	SKL UNDER 22 Male	SKL UNDER 22 Female	INTERMED. DD Male	INTERMED. DD Female	SHELTERED Male	SHELTERED Female	TOTAL Male	TOTAL Female	GRAND TOTAL
Under 18	0	0	0	0	0	0	0	0	0	0	0
18 to 44	0	1	0	0	0	0	0	0	0	1	1
45 to 59	4	3	0	0	0	0	0	0	4	3	7
60 to 64	0	3	0	0	0	0	0	0	0	3	3
65 to 74	7	5	0	0	0	0	0	0	7	5	12
75 to 84	12	13	0	0	0	0	0	0	12	13	25
85+	5	20	0	0	0	0	0	0	5	20	25
TOTALS	28	45	0	0	0	0	0	0	28	45	73

116

MANOR CARE OF ELGIN
180 SOUTH STATE STREET
ELGIN, IL. 60123

Reference Numbers Facility ID 6000277
Health Service Area 008 Planning Service Area 089

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	14	54	0	2	3	0	73
Skilled Under 22	0	0	0	0	0	0	0
ICF/DD		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	14	54	0	2	3	0	73

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	267	238
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Asian	0	0	0	0	0
Amer. Indian	0	0	0	0	0
Black	10	0	0	0	10
Hawaiian/Pac. Isl.	0	0	0	0	0
White	63	0	0	0	63
Race Unknown	0	0	0	0	0
Total	73	0	0	0	73

ETHNICITY	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Hispanic	5	0	0	0	5
Non-Hispanic	0	0	0	0	0
Ethnicity Unknown	68	0	0	0	68
Total	73	0	0	0	73

STAFFING

EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	13.20
LPN's	6.00
Certified Aides	28.60
Other Health Staff	8.60
Non-Health Staff	5.70
Totals	64.10

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
50.6%	35.8%	2.7%	7.4%	3.5%	100.0%		0.0%
3,207,662	2,270,589	170,678	471,602	220,935	6,341,466	0	

*Charity Expense does not include expenses which may be considered a community benefit.

117

Application Page 117

MAPLEWOOD CARE
50 NORTH JANE DRIVE
ELGIN, IL. 60123

Reference Numbers Facility ID 6004758
Health Service Area 008 Planning Service Area 089

Administrator
JAMIE LLOYD

Contact Person and Telephone
NIKI MEHTA
847-697-3750

Registered Agent Information
Thomas Winter
6840 N Lincoln Ave
Lincolnwood, IL 60172

Date Completed
3/6/2012

FACILITY OWNERSHIP
FOR-PROF CORPORATION

CONTINUING CARE COMMUNITY No
LIFE CARE FACILITY No

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	0
Chronic Alcoholism	0
Developmentally Disabled	0
Drug Addiction	0
Medicaid Recipient	0
Medicare Recipient	0
Mental Illness	0
Non-Ambulatory	0
Non-Mobile	0
Public Aid Recipient	0
Under 65 Years Old	0
Unable to Self-Medicate	0
Ventilator Dependent	1
Infectious Disease w/ Isolation	0
Other Restrictions	0
No Restrictions	0

Note: Reported restictions denoted by '1'

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	0
Endocrine/Metabolic	4
Blood Disorders	1
*Nervous System Non Alzheimer	2
Alzheimer Disease	62
Mental Illness	89
Developmental Disability	2
Circulatory System	19
Respiratory System	6
Digestive System	0
Genitourinary System Disorders	0
Skin Disorders	0
Musculo-skeletal Disorders	5
Injuries and Poisonings	1
Other Medical Conditions	4
Non-Medical Conditions	0
TOTALS	195

Total Residents Diagnosed as Mentally Ill 89

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS

LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS SET-UP	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED	MEDICAID CERTIFIED
Nursing Care	203	203	200	203	195	8	203	203
Skilled Under 22	0	0	0	0	0	0		0
Intermediate DD	0	0	0	0	0	0		0
Sheltered Care	0	0	0	0	0	0		
TOTAL BEDS	203	203	200	203	195	8	203	203

ADMISSIONS AND DISCHARGES - 2011

Residents on 1/1/2011	195
Total Admissions 2011	101
Total Discharges 2011	101
Residents on 12/31/2011	195

Identified Offenders 7

FACILITY UTILIZATION - 2011
BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	3143	4.2%	63917	86.3%	0	349	699	0	68108	91.9%	91.9%
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%
Sheltered Care					0	0	0	0	0	0.0%	0.0%
TOTALS	3143	4.2%	63917	86.3%	0	349	699	0	68108	91.9%	91.9%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011

AGE GROUPS	NURSING CARE Male	NURSING CARE Female	SKL UNDER 22 Male	SKL UNDER 22 Female	INTERMED. DD Male	INTERMED. DD Female	SHELTERED Male	SHELTERED Female	TOTAL Male	TOTAL Female	GRAND TOTAL
Under 18	0	0	0	0	0	0	0	0	0	0	0
18 to 44	9	5	0	0	0	0	0	0	9	5	14
45 to 59	45	30	0	0	0	0	0	0	45	30	75
60 to 64	17	14	0	0	0	0	0	0	17	14	31
65 to 74	22	24	0	0	0	0	0	0	22	24	46
75 to 84	8	9	0	0	0	0	0	0	8	9	17
85+	4	8	0	0	0	0	0	0	4	8	12
TOTALS	105	90	0	0	0	0	0	0	105	90	195

118

Source:Long-Term Care Facility Questionnaire for 2011, Illinois Department of Public Health, Health Systems Development 8/29/2012

MAPLEWOOD CARE
50 NORTH JANE DRIVE
ELGIN, IL. 60123

Reference Numbers Facility ID 6004758
Health Service Area 008 Planning Service Area 089

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	9	183	0	1	2	0	195
Skilled Under 22	0	0	0	0	0	0	0
ICF/DD		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	9	183	0	1	2	0	195

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	135	135
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Asian	4	0	0	0	4
Amer. Indian	1	0	0	0	1
Black	15	0	0	0	15
Hawaiian/Pac. Isl.	4	0	0	0	4
White	170	0	0	0	170
Race Unknown	1	0	0	0	1
Total	195	0	0	0	195

ETHNICITY	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Hispanic	10	0	0	0	10
Non-Hispanic	182	0	0	0	182
Ethnicity Unknown	3	0	0	0	3
Total	195	0	0	0	195

STAFFING

EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	15.00
LPN's	7.00
Certified Aides	53.00
Other Health Staff	3.00
Non-Health Staff	72.00
Totals	152.00

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
16.9%	60.5%	1.4%	0.7%	20.5%	100.0%		0.0%
1,535,108	5,484,915	122,985	60,531	1,855,412	9,058,951	0	

*Charity Expense does not include expenses which may be considered a community benefit.

119

NORTH AURORA CARE CENTER
310 BANBURY ROAD
NORTH AURORA, IL. 60542

Reference Numbers Facility ID 6006605
Health Service Area 008 Planning Service Area 089

Administrator
KEN BOGARD

Contact Person and Telephone
Marikay Snyder
309-691-8113

Date Completed
3/30/2012

Registered Agent Information
Marikay L Snyder
830 W Trailcreek Dr
Peoria, IL 61614

FACILITY OWNERSHIP
LIMITED LIABILITY CO

CONTINUING CARE COMMUNITY No
LIFE CARE FACILITY No

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	0
Chronic Alcoholism	0
Developmentally Disabled	0
Drug Addiction	0
Medicaid Recipient	0
Medicare Recipient	0
Mental Illness	0
Non-Ambulatory	0
Non-Mobile	0
Public Aid Recipient	0
Under 65 Years Old	0
Unable to Self-Medicate	0
Ventilator Dependent	1
Infectious Disease w/ Isolation	0
Other Restrictions	1
No Restrictions	0

Note: Reported restictions denoted by '1'

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	0
Endocrine/Metabolic	8
Blood Disorders	0
*Nervous System Non Alzheimer	1
Alzheimer Disease	0
Mental Illness	83
Developmental Disability	4
Circulatory System	0
Respiratory System	8
Digestive System	1
Genitourinary System Disorders	0
Skin Disorders	0
Musculo-skeletal Disorders	0
Injuries and Poisonings	0
Other Medical Conditions	8
Non-Medical Conditions	0
TOTALS	113

Total Residents Diagnosed as Mentally Ill 83

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS

LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS SET-UP	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED	MEDICAID CERTIFIED
Nursing Care	129	129	113	129	113	16	0	129
Skilled Under 22	0	0	0	0	0	0		0
Intermediate DD	0	0	0	0	0	0		0
Sheltered Care	0	0	0	0	0	0		
TOTAL BEDS	129	129	113	129	113	16	0	129

ADMISSIONS AND DISCHARGES - 2011

Residents on 1/1/2011	99
Total Admissions 2011	41
Total Discharges 2011	27
Residents on 12/31/2011	113

Identified Offenders 7

FACILITY UTILIZATION - 2011
BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	0	0.0%	38572	81.9%	162	0	1203	0	39937	84.8%	84.8%
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%
Sheltered Care					0	0	0	0	0	0.0%	0.0%
TOTALS	0	0.0%	38572	81.9%	162	0	1203	0	39937	84.8%	84.8%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011

AGE GROUPS	NURSING CARE Male	NURSING CARE Female	SKL UNDER 22 Male	SKL UNDER 22 Female	INTERMED. DD Male	INTERMED. DD Female	SHELTERED Male	SHELTERED Female	TOTAL Male	TOTAL Female	GRAND TOTAL
Under 18	0	0	0	0	0	0	0	0	0	0	0
18 to 44	15	2	0	0	0	0	0	0	15	2	17
45 to 59	22	26	0	0	0	0	0	0	22	26	48
60 to 64	10	5	0	0	0	0	0	0	10	5	15
65 to 74	6	13	0	0	0	0	0	0	6	13	19
75 to 84	4	7	0	0	0	0	0	0	4	7	11
85+	0	3	0	0	0	0	0	0	0	3	3
TOTALS	57	56	0	0	0	0	0	0	57	56	113

NORTH AURORA CARE CENTER
310 BANBURY ROAD
NORTH AURORA, IL. 60542

Reference Numbers Facility ID 6006605
Health Service Area 008 Planning Service Area 089

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	0	110	0	0	3	0	113
Skilled Under 22	0	0	0	0	0	0	0
ICF/DD		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	0	110	0	0	3	0	113

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	135	115
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Asian	1	0	0	0	1
Amer. Indian	0	0	0	0	0
Black	12	0	0	0	12
Hawaiian/Pac. Isl.	0	0	0	0	0
White	99	0	0	0	99
Race Unknown	1	0	0	0	1
Total	113	0	0	0	113

ETHNICITY	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Hispanic	7	0	0	0	7
Non-Hispanic	106	0	0	0	106
Ethnicity Unknown	0	0	0	0	0
Total	113	0	0	0	113

STAFFING

EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	5.00
LPN's	15.00
Certified Aides	33.00
Other Health Staff	4.00
Non-Health Staff	30.00
Totals	89.00

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
0.0%	97.4%	0.0%	0.0%	2.6%	100.0%		0.0%
0	4,294,451	0	0	114,855	4,409,306	0	

*Charity Expense does not include expenses which may be considered a community benefit

121

PROVENA MCAULEY MANOR
400 W. SULLIVAN ROAD
AURORA, IL. 60506

Reference Numbers Facility ID 6005912
Health Service Area 008 Planning Service Area 089

Administrator
Jennifer Roach

Contact Person and Telephone
Jennifer Roach
630-859-3700

Registered Agent Information
Kendra Allaband
19065 Hickory Creek Drive
Mokena, IL 60448

Date Completed
3/2/2011

FACILITY OWNERSHIP
NON-PROF CORPORATION

CONTINUING CARE COMMUNITY	No
LIFE CARE FACILITY	No

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	0
Chronic Alcoholism	0
Developmentally Disabled	0
Drug Addiction	0
Medicaid Recipient	0
Medicare Recipient	0
Mental Illness	1
Non-Ambulatory	0
Non-Mobile	0
Public Aid Recipient	0
Under 65 Years Old	0
Unable to Self-Medicate	0
Ventilator Dependent	1
Infectious Disease w/ Isolation	0
Other Restrictions	0
No Restrictions	0

Note: Reported restrictions denoted by '1'

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	0
Endocrine/Metabolic	1
Blood Disorders	0
*Nervous System Non Alzheimer	0
Alzheimer Disease	2
Mental Illness	0
Developmental Disability	0
Circulatory System	3
Respiratory System	2
Digestive System	0
Genitourinary System Disorders	0
Skin Disorders	0
Musculo-skeletal Disorders	1
Injuries and Poisonings	2
Other Medical Conditions	45
Non-Medical Conditions	0
TOTALS	56
Total Residents Diagnosed as Mentally Ill	0

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS

LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS SET-UP	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED	MEDICAID CERTIFIED
Nursing Care	87	85	81	85	56	31	87	9
Skilled Under 22	0	0	0	0	0	0		0
Intermediate DD	0	0	0	0	0	0		0
Sheltered Care	0	0	0	0	0	0		
TOTAL BEDS	87	85	81	85	56	31	87	9

ADMISSIONS AND DISCHARGES - 2011

Residents on 1/1/2011	67
Total Admissions 2011	600
Total Discharges 2011	611
Residents on 12/31/2011	56
Identified Offenders	0

FACILITY UTILIZATION - 2011
BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	9553	30.1%	2964	90.2%	0	2680	8702	0	23899	75.3%	77.0%
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%
Sheltered Care					0	0	0	0	0	0.0%	0.0%
TOTALS	9553	30.1%	2964	90.2%	0	2680	8702	0	23899	75.3%	77.0%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011

AGE GROUPS	NURSING CARE Male	NURSING CARE Female	SKL UNDER 22 Male	SKL UNDER 22 Female	INTERMED. DD Male	INTERMED. DD Female	SHELTERED Male	SHELTERED Female	TOTAL Male	TOTAL Female	GRAND TOTAL
Under 18	0	0	0	0	0	0	0	0	0	0	0
18 to 44	0	0	0	0	0	0	0	0	0	0	0
45 to 59	0	2	0	0	0	0	0	0	0	2	2
60 to 64	2	1	0	0	0	0	0	0	2	1	3
65 to 74	1	3	0	0	0	0	0	0	1	3	4
75 to 84	8	15	0	0	0	0	0	0	8	15	23
85+	5	19	0	0	0	0	0	0	5	19	24
TOTALS	16	40	0	0	0	0	0	0	16	40	56

PROVENA MCAULEY MANOR
400 W. SULLIVAN ROAD
AURORA, IL. 60506

Reference Numbers Facility ID 6005912
Health Service Area 008 Planning Service Area 089

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	22	9	0	5	20	0	56
Skilled Under 22	0	0	0	0	0	0	0
ICF/DD		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	22	9	0	5	20	0	56

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	258	234
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Asian	0	0	0	0	0
Amer. Indian	0	0	0	0	0
Black	0	0	0	0	0
Hawaiian/Pac. Isl.	0	0	0	0	0
White	55	0	0	0	55
Race Unknown	1	0	0	0	1
Total	56	0	0	0	56

ETHNICITY	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Hispanic	1	0	0	0	1
Non-Hispanic	54	0	0	0	54
Ethnicity Unknown	1	0	0	0	1
Total	56	0	0	0	56

STAFFING

EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	9.00
LPN's	3.00
Certified Aides	24.00
Other Health Staff	6.00
Non-Health Staff	29.00
Totals	73.00

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
43.2%	5.2%	0.0%	13.8%	37.9%	100.0%		0.4%
3,113,677	372,116	0	990,670	2,727,775	7,204,238	29,538	

*Charity Expense does not include expenses which may be considered a community benefit.

123

PROVENA PINE VIEW CARE CENTER
611 ALLEN LANE
ST. CHARLES, IL. 60174

Reference Numbers Facility ID 6007439
Health Service Area 008 Planning Service Area 089

Administrator
DAWN RENEE FURMAN

Contact Person and Telephone
Dawn Renee Furman
630-377-2211

Date Completed
2/27/2012

Registered Agent Information
Kendra Allaband
19065 Hickory Creek Drive
Mokena, IL 60448

FACILITY OWNERSHIP
NON-PROF CORPORATION

CONTINUING CARE COMMUNITY No
LIFE CARE FACILITY No

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	0
Chronic Alcoholism	0
Developmentally Disabled	0
Drug Addiction	1
Medicaid Recipient	0
Medicare Recipient	0
Mental Illness	1
Non-Ambulatory	0
Non-Mobile	0
Public Aid Recipient	0
Under 65 Years Old	0
Unable to Self-Medicate	0
Ventilator Dependent	1
Infectious Disease w/ Isolation	0
Other Restrictions	0
No Restrictions	0

Note: Reported restictions denoted by '1'

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	3
Endocrine/Metabolic	5
Blood Disorders	1
*Nervous System Non Alzheimer	4
Alzheimer Disease	1
Mental Illness	2
Developmental Disability	0
Circulatory System	19
Respiratory System	4
Digestive System	0
Genitourinary System Disorders	1
Skin Disorders	1
Musculo-skeletal Disorders	1
Injuries and Poisonings	1
Other Medical Conditions	10
Non-Medical Conditions	32
TOTALS	85
Total Residents Diagnosed as Mentally Ill	45

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS

LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS SET-UP	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED	MEDICAID CERTIFIED
Nursing Care	120	110	100	110	85	35	120	60
Skilled Under 22	0	0	0	0	0	0		0
Intermediate DD	0	0	0	0	0	0		0
Sheltered Care	0	0	0	0	0	0		
TOTAL BEDS	120	110	100	110	85	35	120	60

ADMISSIONS AND DISCHARGES - 2011

Residents on 1/1/2011	89
Total Admissions 2011	298
Total Discharges 2011	302
Residents on 12/31/2011	85
Identified Offenders	0

FACILITY UTILIZATION - 2011
BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	8097	18.5%	18179	83.0%	0	641	5427	0	32344	73.8%	80.6%
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%
Sheltered Care					0	0	0	0	0	0.0%	0.0%
TOTALS	8097	18.5%	18179	83.0%	0	641	5427	0	32344	73.8%	80.6%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011

AGE GROUPS	NURSING CARE Male	NURSING CARE Female	SKL UNDER 22 Male	SKL UNDER 22 Female	INTERMED. DD Male	INTERMED. DD Female	SHELTERED Male	SHELTERED Female	TOTAL Male	TOTAL Female	GRAND TOTAL
Under 18	0	0	0	0	0	0	0	0	0	0	0
18 to 44	0	0	0	0	0	0	0	0	0	0	0
45 to 59	0	0	0	0	0	0	0	0	0	0	0
60 to 64	1	1	0	0	0	0	0	0	1	1	2
65 to 74	2	7	0	0	0	0	0	0	2	7	9
75 to 84	8	20	0	0	0	0	0	0	8	20	28
85+	10	36	0	0	0	0	0	0	10	36	46
TOTALS	21	64	0	0	0	0	0	0	21	64	85

124

PROVENA PINE VIEW CARE CENTER
611 ALLEN LANE
ST. CHARLES, IL. 60174
Reference Numbers Facility ID 6007439
Health Service Area 008 Planning Service Area 089

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	19	50	0	1	15	0	85
Skilled Under 22	0	0	0	0	0	0	0
ICF/DD		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	19	50	0	1	15	0	85

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	337	234
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Asian	0	0	0	0	0
Amer. Indian	0	0	0	0	0
Black	0	0	0	0	0
Hawaiian/Pac. Isl.	0	0	0	0	0
White	85	0	0	0	85
Race Unknown	0	0	0	0	0
Total	85	0	0	0	85

ETHNICITY	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Hispanic	0	0	0	0	0
Non-Hispanic	85	0	0	0	85
Ethnicity Unknown	0	0	0	0	0
Total	85	0	0	0	85

STAFFING

EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	9.95
LPN's	7.16
Certified Aides	33.74
Other Health Staff	7.50
Non-Health Staff	34.15
Totals	94.50

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
43.3%	31.5%	0.0%	2.6%	22.6%	100.0%		0.0%
3,106,244	2,262,450	0	184,712	1,621,381	7,174,787	0	

*Charity Expense does not include expenses which may be considered a community benefit.

ROSEWOOD CARE CTR ST. CHARLES
850 DUNHAM ROAD
ST. CHARLES, IL. 60174

Reference Numbers Facility ID 6014666
Health Service Area 008 Planning Service Area 089

Administrator
Ivy Gleeson

Contact Person and Telephone
JAN POELKER
314-994-9070, ext. 3025

Date Completed
2/29/2012

Registered Agent Information
Dan Maher
412 E. Lawrence
Springfield, IL 62703

FACILITY OWNERSHIP
FOR-PROF CORPORATION

CONTINUING CARE COMMUNITY	No
LIFE CARE FACILITY	No

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	0
Chronic Alcoholism	0
Developmentally Disabled	0
Drug Addiction	1
Medicaid Recipient	0
Medicare Recipient	0
Mental Illness	0
Non-Ambulatory	0
Non-Mobile	0
Public Aid Recipient	0
Under 65 Years Old	0
Unable to Self-Medicate	0
Ventilator Dependent	1
Infectious Disease w/ Isolation	0
Other Restrictions	0
No Restrictions	0

Note: Reported restictions denoted by '1'

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	2
Endocrine/Metabolic	0
Blood Disorders	0
*Nervous System Non Alzheimer	5
Alzheimer Disease	2
Mental Illness	0
Developmental Disability	0
Circulatory System	15
Respiratory System	5
Digestive System	2
Genitourinary System Disorders	5
Skin Disorders	0
Musculo-skeletal Disorders	30
Injuries and Poisonings	0
Other Medical Conditions	6
Non-Medical Conditions	0
TOTALS	72
Total Residents Diagnosed as Mentally Ill	0

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS

LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS SET-UP	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED	MEDICAID CERTIFIED
Nursing Care	109	109	81	109	72	37	41	56
Skilled Under 22	0	0	0	0	0	0		0
Intermediate DD	0	0	0	0	0	0		0
Sheltered Care	0	0	0	0	0	0		
TOTAL BEDS	109	109	81	109	72	37	41	56

ADMISSIONS AND DISCHARGES - 2011

Residents on 1/1/2011	76
Total Admissions 2011	315
Total Discharges 2011	319
Residents on 12/31/2011	72
Identified Offenders	0

FACILITY UTILIZATION - 2011
BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	5627	37.6%	9960	48.7%	0	412	9655	0	25654	64.5%	64.5%
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%
Sheltered Care					0	0	0	0	0	0.0%	0.0%
TOTALS	5627	37.6%	9960	48.7%	0	412	9655	0	25654	64.5%	64.5%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011

AGE GROUPS	NURSING CARE Male	NURSING CARE Female	SKL UNDER 22 Male	SKL UNDER 22 Female	INTERMED. DD Male	INTERMED. DD Female	SHELTERED Male	SHELTERED Female	TOTAL Male	TOTAL Female	GRAND TOTAL
Under 18	0	0	0	0	0	0	0	0	0	0	0
18 to 44	0	0	0	0	0	0	0	0	0	0	0
45 to 59	1	1	0	0	0	0	0	0	1	1	2
60 to 64	2	2	0	0	0	0	0	0	2	2	4
65 to 74	0	3	0	0	0	0	0	0	0	3	3
75 to 84	4	17	0	0	0	0	0	0	4	17	21
85+	9	33	0	0	0	0	0	0	9	33	42
TOTALS	16	56	0	0	0	0	0	0	16	56	72

126

ROSEWOOD CARE CTR ST. CHARLES
850 DUNHAM ROAD
ST. CHARLES, IL. 60174

Reference Numbers Facility ID 6014666
Health Service Area 008 Planning Service Area 089

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	16	26	0	0	30	0	72
Skilled Under 22	0	0	0	0	0	0	0
ICF/DD		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	16	26	0	0	30	0	72

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	177	149
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Asian	0	0	0	0	0
Amer. Indian	0	0	0	0	0
Black	0	0	0	0	0
Hawaiian/Pac. Isl.	0	0	0	0	0
White	72	0	0	0	72
Race Unknown	0	0	0	0	0
Total	72	0	0	0	72

ETHNICITY	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Hispanic	1	0	0	0	1
Non-Hispanic	71	0	0	0	71
Ethnicity Unknown	0	0	0	0	0
Total	72	0	0	0	72

STAFFING

EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	12.00
LPN's	12.00
Certified Aides	38.00
Other Health Staff	7.00
Non-Health Staff	35.00
Totals	106.00

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
46.7%	19.6%	0.0%	3.6%	30.1%	100.0%		0.0%
2,936,072	1,234,740	0	225,860	1,895,460	6,292,132	0	

*Charity Expense does not include expenses which may be considered a community benefit.

127

ROSEWOOD CARE CENTER OF ELGIN
2355 ROYAL BOULEVARD
ELGIN, IL. 60123

Reference Numbers Facility ID 6014237
Health Service Area 008 Planning Service Area 089

Administrator
Peggy Aschenbrenner

Contact Person and Telephone
JAN POELKER
314-994-9070, ext. 9025

Date Completed
2/28/2012

Registered Agent Information
Dan Maher
412 E. Lawrence
Springfield, IL 62703

FACILITY OWNERSHIP
FOR-PROF CORPORATION

CONTINUING CARE COMMUNITY No
LIFE CARE FACILITY No

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	0
Chronic Alcoholism	0
Developmentally Disabled	0
Drug Addiction	1
Medicaid Recipient	0
Medicare Recipient	0
Mental Illness	0
Non-Ambulatory	0
Non-Mobile	0
Public Aid Recipient	0
Under 65 Years Old	0
Unable to Self-Medicate	0
Ventilator Dependent	1
Infectious Disease w/ Isolation	0
Other Restrictions	0
No Restrictions	0

Note: Reported restictions denoted by '1'

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	2
Endocrine/Metabolic	2
Blood Disorders	2
*Nervous System Non Alzheimer	6
Alzheimer Disease	10
Mental Illness	0
Developmental Disability	0
Circulatory System	25
Respiratory System	6
Digestive System	1
Genitourinary System Disorders	6
Skin Disorders	1
Musculo-skeletal Disorders	9
Injuries and Poisonings	9
Other Medical Conditions	23
Non-Medical Conditions	0
TOTALS	102
Total Residents Diagnosed as Mentally Ill	22

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS

LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS SET-UP	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED	MEDICAID CERTIFIED
Nursing Care	139	139	118	139	102	37	48	41
Skilled Under 22	0	0	0	0	0	0		0
Intermediate DD	0	0	0	0	0	0		0
Sheltered Care	0	0	0	0	0	0		
TOTAL BEDS	139	139	118	139	102	37	48	41

ADMISSIONS AND DISCHARGES - 2011

Residents on 1/1/2011	114
Total Admissions 2011	564
Total Discharges 2011	576
Residents on 12/31/2011	102
Identified Offenders	0

FACILITY UTILIZATION - 2011
BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	10339	59.0%	12882	86.1%	0	518	15213	0	38952	76.8%	76.8%
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%
Sheltered Care					0	0	0	0	0	0.0%	0.0%
TOTALS	10339	59.0%	12882	86.1%	0	518	15213	0	38952	76.8%	76.8%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011

AGE GROUPS	NURSING CARE Male	NURSING CARE Female	SKL UNDER 22 Male	SKL UNDER 22 Female	INTERMED. DD Male	INTERMED. DD Female	SHELTERED Male	SHELTERED Female	TOTAL Male	TOTAL Female	GRAND TOTAL
Under 18	0	0	0	0	0	0	0	0	0	0	0
18 to 44	0	0	0	0	0	0	0	0	0	0	0
45 to 59	0	1	0	0	0	0	0	0	0	1	1
60 to 64	0	1	0	0	0	0	0	0	0	1	1
65 to 74	4	5	0	0	0	0	0	0	4	5	9
75 to 84	9	13	0	0	0	0	0	0	9	13	22
85+	7	62	0	0	0	0	0	0	7	62	69
TOTALS	20	82	0	0	0	0	0	0	20	82	102

128

ROSEWOOD CARE CENTER OF ELGIN
2355 ROYAL BOULEVARD
ELGIN, IL. 60123

Reference Numbers Facility ID 6014237
Health Service Area 008 Planning Service Area 089

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	26	34	0	4	38	0	102
Skilled Under 22	0	0	0	0	0	0	0
ICF/DD		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	26	34	0	4	38	0	102

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	171	145
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Asian	2	0	0	0	2
Amer. Indian	0	0	0	0	0
Black	2	0	0	0	2
Hawaiian/Pac. Isl.	0	0	0	0	0
White	98	0	0	0	98
Race Unknown	0	0	0	0	0
Total	102	0	0	0	102

ETHNICITY	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Hispanic	4	0	0	0	4
Non-Hispanic	98	0	0	0	98
Ethnicity Unknown	0	0	0	0	0
Total	102	0	0	0	102

STAFFING

EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	18.00
LPN's	13.00
Certified Aides	49.00
Other Health Staff	13.00
Non-Health Staff	42.00
Totals	137.00

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
51.2%	17.0%	0.0%	2.9%	28.9%	100.0%		0.0%
4,936,207	1,633,784	0	282,775	2,785,831	9,638,597	0	

*Charity Expense does not include expenses which may be considered a community benefit.

129

SHERMAN WEST COURT
1950 LARKIN AVENUE
ELGIN, IL. 60123

Reference Numbers Facility ID 6012827
Health Service Area 008 Planning Service Area 089

Administrator
JOSEPH MCMANUS

Contact Person and Telephone
JOSEPH MCMANUS
224-783-5275

Registered Agent Information
Rick Floyd
1950 Larkin Avenue

Date Completed
3/16/2012

FACILITY OWNERSHIP
NON-PROF CORPORATION

CONTINUING CARE COMMUNITY No
LIFE CARE FACILITY No

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	1
Chronic Alcoholism	1
Developmentally Disabled	1
Drug Addiction	1
Medicaid Recipient	0
Medicare Recipient	0
Mental Illness	1
Non-Ambulatory	0
Non-Mobile	0
Public Aid Recipient	0
Under 65 Years Old	0
Unable to Self-Medicate	0
Ventilator Dependent	1
Infectious Disease w/ Isolation	0
Other Restrictions	0
No Restrictions	0

Note: Reported restictions denoted by '1'

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	1
Endocrine/Metabolic	1
Blood Disorders	0
*Nervous System Non Alzheimer	4
Alzheimer Disease	0
Mental Illness	0
Developmental Disability	0
Circulatory System	6
Respiratory System	3
Digestive System	0
Genitourinary System Disorders	0
Skin Disorders	2
Musculo-skeletal Disorders	38
Injuries and Poisonings	1
Other Medical Conditions	24
Non-Medical Conditions	0
TOTALS	80

Total Residents Diagnosed as Mentally Ill 0

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS

LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS SET-UP	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED	MEDICAID CERTIFIED
Nursing Care	112	112	95	112	80	32	64	12
Skilled Under 22	0	0	0	0	0	0		0
Intermediate DD	0	0	0	0	0	0		0
Sheltered Care	0	0	0	0	0	0		
TOTAL BEDS	112	112	95	112	80	32	64	12

ADMISSIONS AND DISCHARGES - 2011

Residents on 1/1/2011	87
Total Admissions 2011	630
Total Discharges 2011	637
Residents on 12/31/2011	80

Identified Offenders 1

FACILITY UTILIZATION - 2011
BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	13894	59.5%	3144	71.8%	0	2330	10138	0	29506	72.2%	72.2%
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%
Sheltered Care					0	0	0	0	0	0.0%	0.0%
TOTALS	13894	59.5%	3144	71.8%	0	2330	10138	0	29506	72.2%	72.2%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011

AGE GROUPS	NURSING CARE Male	NURSING CARE Female	SKL UNDER 22 Male	SKL UNDER 22 Female	INTERMED. DD Male	INTERMED. DD Female	SHELTERED Male	SHELTERED Female	TOTAL Male	TOTAL Female	GRAND TOTAL
Under 18	0	0	0	0	0	0	0	0	0	0	0
18 to 44	0	0	0	0	0	0	0	0	0	0	0
45 to 59	0	2	0	0	0	0	0	0	0	2	2
60 to 64	1	1	0	0	0	0	0	0	1	1	2
65 to 74	8	6	0	0	0	0	0	0	8	6	14
75 to 84	9	13	0	0	0	0	0	0	9	13	22
85+	10	30	0	0	0	0	0	0	10	30	40
TOTALS	28	52	0	0	0	0	0	0	28	52	80

SHERMAN WEST COURT
1950 LARKIN AVENUE
ELGIN, IL. 60123

Reference Numbers Facility ID 6012827
Health Service Area 008 Planning Service Area 089

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	36	8	0	9	27	0	80
Skilled Under 22	0	0	0	0	0	0	0
ICF/DD		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	36	8	0	9	27	0	80

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	243	205
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Asian	0	0	0	0	0
Amer. Indian	0	0	0	0	0
Black	1	0	0	0	1
Hawaiian/Pac. Isl.	0	0	0	0	0
White	79	0	0	0	79
Race Unknown	0	0	0	0	0
Total	80	0	0	0	80

ETHNICITY	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Hispanic	2	0	0	0	2
Non-Hispanic	78	0	0	0	78
Ethnicity Unknown	0	0	0	0	0
Total	80	0	0	0	80

STAFFING

EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Administrators	2.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	23.10
LPN's	1.00
Certified Aides	33.20
Other Health Staff	8.70
Non-Health Staff	31.97
Totals	100.97

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
63.9%	3.5%	0.0%	11.0%	21.6%	100.0%		0.5%
6,945,972	380,796	0	1,194,176	2,345,689	10,866,634	58,963	

*Charity Expense does not include expenses which may be considered a community benefit.

FACILITY NOTES

Bed Change 8/1/2010 Facility discontinued 8 nursing care beds; facility now has 112 nursing care beds.

SOUTH ELGIN REHAB & HLTHCARE CT
746 SPRING STREET
SOUTH ELGIN, IL. 60177

Reference Numbers Facility ID 6008718
Health Service Area 008 Planning Service Area 089

Administrator
MARY KARSON

Contact Person and Telephone
Marikay Snyder
309-691-8113

Date Completed
3/27/2012

Registered Agent Information
Marikay L Snyder
830 West Trailcreek Dr
Peoria, IL 61614

FACILITY OWNERSHIP
LIMITED LIABILITY CO

CONTINUING CARE COMMUNITY No
LIFE CARE FACILITY No

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	0
Chronic Alcoholism	0
Developmentally Disabled	0
Drug Addiction	0
Medicaid Recipient	0
Medicare Recipient	0
Mental Illness	0
Non-Ambulatory	0
Non-Mobile	0
Public Aid Recipient	0
Under 65 Years Old	0
Unable to Self-Medicate	0
Ventilator Dependent	1
Infectious Disease w/ Isolation	0
Other Restrictions	1
No Restrictions	0

Note: Reported restictions denoted by '1'

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	2
Endocrine/Metabolic	2
Blood Disorders	0
*Nervous System Non Alzheimer	14
Alzheimer Disease	27
Mental Illness	1
Developmental Disability	2
Circulatory System	2
Respiratory System	2
Digestive System	0
Genitourinary System Disorders	1
Skin Disorders	0
Musculo-skeletal Disorders	12
Injuries and Poisonings	0
Other Medical Conditions	1
Non-Medical Conditions	0
TOTALS	66

Total Residents Diagnosed as Mentally Ill 6

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS

LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS SET-UP	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED	MEDICAID CERTIFIED
Nursing Care	90	80	75	80	66	24	14	90
Skilled Under 22	0	0	0	0	0	0		0
Intermediate DD	0	0	0	0	0	0		0
Sheltered Care	0	0	0	0	0	0		
TOTAL BEDS	90	80	75	80	66	24	14	90

ADMISSIONS AND DISCHARGES - 2011

Residents on 1/1/2011	63
Total Admissions 2011	113
Total Discharges 2011	110
Residents on 12/31/2011	66

Identified Offenders 4

FACILITY UTILIZATION - 2011
BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	2129	41.7%	18455	56.2%	1108	8	3099	0	24799	75.5%	84.9%
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%
Sheltered Care					0	0	0	0	0	0.0%	0.0%
TOTALS	2129	41.7%	18455	56.2%	1108	8	3099	0	24799	75.5%	84.9%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011

AGE GROUPS	NURSING CARE Male	NURSING CARE Female	SKL UNDER 22 Male	SKL UNDER 22 Female	INTERMED. DD Male	INTERMED. DD Female	SHELTERED Male	SHELTERED Female	TOTAL Male	TOTAL Female	GRAND TOTAL
Under 18	0	0	0	0	0	0	0	0	0	0	0
18 to 44	3	0	0	0	0	0	0	0	3	0	3
45 to 59	13	10	0	0	0	0	0	0	13	10	23
60 to 64	4	5	0	0	0	0	0	0	4	5	9
65 to 74	6	6	0	0	0	0	0	0	6	6	12
75 to 84	4	8	0	0	0	0	0	0	4	8	12
85+	1	6	0	0	0	0	0	0	1	6	7
TOTALS	31	35	0	0	0	0	0	0	31	35	66

Source:Long-Term Care Facility Questionnaire for 2011, Illinois Department of Public Health, Health Systems Development 8/29/2012

SOUTH ELGIN REHAB & HLTHCARE CT
746 SPRING STREET
SOUTH ELGIN, IL. 60177

Reference Numbers Facility ID 6008718
Health Service Area 008 Planning Service Area 089

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	4	51	2	0	9	0	66
Skilled Under 22	0	0	0	0	0	0	0
ICF/DD		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	4	51	2	0	9	0	66

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	138	208
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Asian	1	0	0	0	1
Amer. Indian	0	0	0	0	0
Black	8	0	0	0	8
Hawaiian/Pac. Isl.	0	0	0	0	0
White	57	0	0	0	57
Race Unknown	0	0	0	0	0
Total	66	0	0	0	66

ETHNICITY	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Hispanic	3	0	0	0	3
Non-Hispanic	63	0	0	0	63
Ethnicity Unknown	0	0	0	0	0
Total	66	0	0	0	66

STAFFING

EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	8.00
LPN's	4.00
Certified Aides	17.00
Other Health Staff	0.00
Non-Health Staff	19.00
Totals	50.00

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
36.9%	55.7%	0.0%	0.7%	6.7%	100.0%		0.7%
1,896,007	2,859,685	0	33,828	342,185	5,131,705	34,987	

*Charity Expense does not include expenses which may be considered a community benefit.

TOWER HILL HEALTHCARE CENTER
759 KANE STREET
SOUTH ELGIN, IL. 60177

Reference Numbers Facility ID 6003263
Health Service Area 008 Planning Service Area 089

Administrator
JEREMY AMSTER

Contact Person and Telephone
CHERYL CARL
847-982-2300

Date Completed
3/6/2012

Registered Agent Information
SHELDON WOLFE
7434 SKOKIE BLVD
SKOKIE, IL 60077

FACILITY OWNERSHIP
LIMITED LIABILITY CO

CONTINUING CARE COMMUNITY No
LIFE CARE FACILITY No

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	0
Chronic Alcoholism	0
Developmentally Disabled	0
Drug Addiction	0
Medicaid Recipient	0
Medicare Recipient	0
Mental Illness	0
Non-Ambulatory	0
Non-Mobile	0
Public Aid Recipient	0
Under 65 Years Old	0
Unable to Self-Medicate	0
Ventilator Dependent	0
Infectious Disease w/ Isolation	0
Other Restrictions	0
No Restrictions	1

Note: Reported restictions denoted by '1'

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	9
Endocrine/Metabolic	19
Blood Disorders	5
*Nervous System Non Alzheimer	9
Alzheimer Disease	12
Mental Illness	19
Developmental Disability	0
Circulatory System	30
Respiratory System	30
Digestive System	4
Genitourinary System Disorders	17
Skin Disorders	3
Musculo-skeletal Disorders	3
Injuries and Poisonings	24
Other Medical Conditions	8
Non-Medical Conditions	0
TOTALS	192

Total Residents Diagnosed as Mentally Ill 32

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS

LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS SET-UP	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED	MEDICAID CERTIFIED
Nursing Care	206	206	195	206	192	14	206	206
Skilled Under 22	0	0	0	0	0	0		0
Intermediate DD	0	0	0	0	0	0		0
Sheltered Care	0	0	0	0	0	0		
TOTAL BEDS	206	206	195	206	192	14	206	206

ADMISSIONS AND DISCHARGES - 2011

Residents on 1/1/2011	182
Total Admissions 2011	127
Total Discharges 2011	117
Residents on 12/31/2011	192

Identified Offenders 2

FACILITY UTILIZATION - 2011
BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

	Medicare		Medicaid		Other Public	Private Insurance	Private Pay	Charity Care	TOTAL	Licensed Beds	Peak Beds Set Up
LEVEL OF CARE	Pat. days	Occ. Pct.	Pat. days	Occ. Pct.	Pat. days	Pat. days	Pat. days	Pat. days	Pat. days	Occ. Pct.	Occ. Pct.
Nursing Care	7596	10.1%	50971	67.8%	0	0	9892	0	68459	91.0%	91.0%
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%
Sheltered Care					0	0	0	0	0	0.0%	0.0%
TOTALS	7596	10.1%	50971	67.8%	0	0	9892	0	68459	91.0%	91.0%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011

	NURSING CARE		SKL UNDER 22		INTERMED. DD		SHELTERED		TOTAL		GRAND
AGE GROUPS	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	TOTAL
Under 18	0	0	0	0	0	0	0	0	0	0	0
18 to 44	0	0	0	0	0	0	0	0	0	0	0
45 to 59	0	1	0	0	0	0	0	0	0	1	1
60 to 64	0	3	0	0	0	0	0	0	0	3	3
65 to 74	7	16	0	0	0	0	0	0	7	16	23
75 to 84	16	44	0	0	0	0	0	0	16	44	60
85+	24	81	0	0	0	0	0	0	24	81	105
TOTALS	47	145	0	0	0	0	0	0	47	145	192

Source:Long-Term Care Facility Questionnaire for 2011, Illinois Department of Public Health, Health Systems Development 8/29/2012

TOWER HILL HEALTHCARE CENTER
759 KANE STREET
SOUTH ELGIN, IL. 60177

Reference Numbers Facility ID 6003263
Health Service Area 008 Planning Service Area 089

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	20	140	0	0	32	0	192
Skilled Under 22	0	0	0	0	0	0	0
ICF/DD		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	20	140	0	0	32	0	192

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	180	170
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Asian	0	0	0	0	0
Amer. Indian	0	0	0	0	0
Black	5	0	0	0	5
Hawaiian/Pac. Isl.	0	0	0	0	0
White	187	0	0	0	187
Race Unknown	0	0	0	0	0
Total	192	0	0	0	192

ETHNICITY	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Hispanic	11	0	0	0	11
Non-Hispanic	181	0	0	0	181
Ethnicity Unknown	0	0	0	0	0
Total	192	0	0	0	192

STAFFING

EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	15.00
LPN's	14.00
Certified Aides	57.00
Other Health Staff	5.00
Non-Health Staff	56.00
Totals	149.00

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
26.2%	44.5%	0.0%	0.0%	29.3%	100.0%		0.0%
3,730,046	6,318,109	0	0	4,163,680	14,211,835	0	

*Charity Expense does not include expenses which may be considered a community benefit.

Attachment 18

1125.210(c) Maldistribution

1) Information provided in compliance with 1125.210(c):

a. The ZIP codes located within 30 minutes normal travel time include:

   60134
   60174
   60175
   60177
   60184
   60505
   60506
   60510
   60542
   60554
   60512
   60538
   60543
   60555
   60504
   60185
   60103
   60119

b. Total population of the identified ZIP codes is 455,994.
c. The names and locations of all existing or approved facilities located within 30 minutes normal drive time:

   Covenant Health Care Ctr, Batavia
   Provena Geneva Care Ctr, Geneva
   Batavia Rehab & Healthcare Ctr, Batavia
   Provena Pine View Care Ctr, St Charles
   Rosewood Care Ctr, St Charles
   Countryside Care Ctr, Aurora
   North Aurora Care Ctr, North Aurora
   Provena Mcauley Manor, Aurora
   South Elgin Rehab & Healthcare, South Elgin
   Tower Hill Healthcare Ctr, South Elgin
   West Chicago Terrace, West Chicago
   Elmwood Terrace Healthcare Ctr, Aurora
   Aurora Rehab & Living Ctr, Aurora
   Sherman West Court, Elgin
   Apostolic Christian Resthaven, Elgin
   Rosewood Care Ctr, Elgin
   Maplewood Care, Elgin
   Asta Care Ctr, Elgin
   Fox River Pavilion, Aurora
   Manor Care, Elgin
   Jennings Terrace, Aurora

Wynscape, Wheaton
DuPage Convalescent Home, Wheaton
Wood Glen Nursing & Rehab Ctr, West Chicago
Winfield Woods, Winfield
Heritage Manor, Elgin

The attached market study by Larson Allen illustrates that sufficient population exists within the proposed project's service area to ensure the necessary volume to utilize the proposed services at or above occupancy standards. See **Attachment 18 Item 1**.

2) The project will not result in a maldistribution of services. As the calculated bed need for the planning area is 428 beds, the project's 43 beds represents 10% of the excess need or 1% of the total bed need of 4,482 beds. Within 24 months after project completion, the project will be serving predominately internal demand from independent living residents of GreenFields of Geneva. Therefore, the impact of the project on other area providers will be negligible in 2 years.

3) Certification that the project will not lower the utilization of other area providers below the occupancy standards and will not lower, to a further extent, the utilization of other area facilities that are currently operating below the occupancy standards are included as **Attachment 18 Item 3**.

Attachment 18

Item 1

FRIENDSHIP VILLAGE OF MILL CREEK, NFP
D/B/A GREENFIELDS OF GENEVA

FINANCIAL FEASIBILITY STUDY

FOR THE YEARS ENDING

MARCH 31, 2011 THROUGH 2016

TABLE OF CONTENTS

LarsonAllen LLP
CPAs, Consultants & Advisors
www.larsonallen.com

INDEPENDENT ACCOUNTANTS' REPORT

Board of Directors
Friendship Village of Mill Creek, NFP
d/b/a GreenFields of Geneva
Geneva, Illinois

We have prepared a financial feasibility study (the "Study") of the plans of Friendship Village of Mill Creek, NFP d/b/a GreenFields of Geneva ("FVMC" or the "Organization"), an Illinois not for profit corporation that was incorporated in 2005 to develop, own, and operate a continuing care retirement community near Geneva, Illinois, to be known as "GreenFields of Geneva." GreenFields of Geneva ("GreenFields" or the "Community") is planned to be located on approximately 26 acres of land in the community of Mill Creek near Geneva, Illinois. The Community is planned to be composed of 267 total units which will include 147 independent living units, an assisted living center containing 51 assisted living units and 26 memory support assisted living units, and a 43-bed nursing facility, as well as related common areas. Proceeds from the issuance of the Series 2010 Bonds (as defined subsequently herein), a subordinated loan from Friendship Senior Options, NFP ("FSO"), and other available funds, will be used by the Organization to construct and equip the Community and pay for other related costs (the "Project").

FSO, an Illinois not for profit corporation, will serve as manager of the Community and is the sole member of the Organization and other related entities. As used hereafter, management of the Community refers to management of the Organization and FSO (collectively "Management"). FSO is anticipated to provide liquidity support to the Organization through the deposit of $4,000,000 into a special trust fund held in the custody of Wells Fargo Bank, N.A. (as the bond trustee and the master trustee (the "Bond Trustee" and the "Master Trustee") in the name of FSO under a liquidity support agreement (the "Liquidity Support Agreement"). Additionally, pursuant to the Liquidity Support Agreement, the Organization is anticipated to provide $500,000 of liquidity support for the Project through a deposit into a special trust fund held in the custody of the Master Trustee in the name of the Organization. **FSO and its affiliates (other than the Organization) will not be obligated to pay debt service on the Series 2010 Bonds (as defined hereinafter) or other financial obligations of the Organization, other than to the extent of the commitment of FSO under the Liquidity Support Agreement. Accordingly, the forecasted financial statements include only the forecasted financial results of the Organization, and <u>do not</u> include the financial results of FSO or other affiliates.**

The development and marketing of the Community is planned to be overseen by FSO, along with the assistance of Greystone Development Company II, LP, a Delaware limited partnership ("Greystone"), pursuant to a development consulting agreement, dated as of December 14, 2007, between the Organization and Greystone (the "Development Consulting Agreement"). Under the terms of the Development Consulting Agreement, Greystone has agreed to provide certain professional and consulting services related to the development and marketing of the Community.

The Study was undertaken to evaluate the ability of the Organization to generate sufficient funds to meet its operating expenses, working capital needs, and other financial requirements, including the debt service requirements associated with the proposed issuance of the $117,600,000 Illinois Finance Authority Revenue Bonds (GreenFields of Geneva Project), Series 2010 (the "Series 2010 Bonds"). The Corporation's underwriter, Ziegler Capital Markets, a division of B. C. Ziegler and Company (the "Underwriter") has indicated the following structure and terms of the Series 2010 Bonds:

Board of Directors
Friendship Village of Mill Creek, NFP
d/b/a GreenFields of Geneva
Geneva, Illinois

- $89,100,000 of tax-exempt fixed rate bonds (the "Series 2010A Bonds"), net of an original issue discount of approximately $1,110,000, consisting of term maturities to February 15, 2046 with annual principal sinking fund payments assumed to begin on February 15, 2017, with assumed average annual interest rates ranging from 7.50 percent to 8.25 percent and average annual yields ranging from 7.50 percent to 8.35 percent.
- $5,000,000 of tax-exempt Accelerated Redemption Reset Option Securities (ARROS℠) (the Series 2010B Bonds) with a stated maturity date of February 15, 2046, with quarterly principal payments assumed to begin on May 15, 2013 and full redemption assumed to occur on November 15, 2013. The Series 2010B Bonds are assumed to initially bear interest at an average annual interest rate of 7.25 percent until February 15, 2017 (the "Initial Rate Change Date") at which time the Series 2010B Bonds will bear interest at a rate and for a period determined in accordance with the bond indenture.
- $23,500,000 of fixed rate Tax Exempt Mandatory Paydown Securities (TEMPS℠) (The "Series 2010C Bonds") consisting of:
  - $3,575,000 of Series 2010C-1 Tax Exempt Mandatory Paydown Securities (TEMPS-75℠) with a stated maturity date of February 15, 2017, anticipated to be redeemed in full by approximately May 15, 2013, with quarterly principal payments assumed to begin on February 15, 2013, and bearing interest at an assumed average interest rate of 7.00 percent.
  - $8,325,000 of Series 2010C-2 Tax Exempt Mandatory Paydown Securities (TEMPS-65℠) with a stated maturity date of February 15, 2016, anticipated to be redeemed in full by approximately February 15, 2013 with quarterly principal payments assumed to begin on November 15, 2012, and bearing interest at an assumed average interest rate of 6.75 percent.
  - $11,600,000 of Series 2010C-3 Tax Exempt Mandatory Paydown Securities (TEMPS-50℠) with a stated maturity date of February 15, 2016, anticipated to be redeemed in full by approximately November 15, 2012 with quarterly principal payments assumed to begin on May 15, 2012, and bearing interest at an assumed average interest rate of 6.25 percent.

Principal on the Series 2010B Bonds and the Series 2010C Bonds is anticipated to be paid from a portion of the entrance fee receipts from initial residents of the Community's independent living units.

The proceeds from the Series 2010 Bonds, together with a subordinated loan from FSO, anticipated entrance fee receipts from the initial occupancy of the Community's independent living units, and interest earned on trustee-held funds relating to the Series 2010 Bonds will be used, among other things, to fund:

- Project-related costs that have been incurred prior to the assumed issuance of the Series 2010 Bonds, including repayment of the Illinois Finance Authority's $3,335,000 Bond Anticipation Notes, Series 2008A (GreenFields of Geneva Project) (the "Series 2008A Notes"), $350,000 Taxable Bond Anticipation Notes, Series 2008B (GreenFields of Geneva Project) (the "Series 2008B Notes" and together with the Series 2008A Notes, the "Series 2008 Notes"), $5,500,000 Bond Anticipation Notes, Series 2007 (Tallgrass at Mill Creek Project) (the "Series 2007 Notes"), repayment of $1,400,000 of investor capital and repayment of $400,000 of loans from FSO;
- Remaining Project-related costs;
- A supplemental liquidity support fund;
- Debt service reserve funds for the Series 2010 Bonds;
- Interest for the Series 2010 Bonds for a period of approximately 20 months;
- Cost of issuance related to the Series 2010 Bonds; and
- A working capital fund and an operating reserve fund.

Initial entrance fee receipts from the initial occupancy of the Community's independent living units are assumed to be used to pay refunds, fund a working capital fund and an operating reserve fund, pay a portion of project related costs, and redeem a portion of the Series 2010 Bonds.

Board of Directors
Friendship Village of Mill Creek, NFP
d/b/a GreenFields of Geneva
Geneva, Illinois

Our procedures included analysis of:

- The Organization's objectives, timing, and financing;
- Management's assessment of the current and future demand for the Organization's services, including consideration of:
  - Economic and demographic characteristics of Management's defined market area for the Community;
  - Locations, capacities, and comparable market information pertaining to other existing and planned senior care facilities in the Community's primary market area; and
  - Forecasted occupancy and utilization levels of the Community;
- Project-related costs;
- Debt service requirements and estimated financing costs of the Series 2010 Bonds, the Series 2008 Notes and the Series 2007 Notes (Management assumes the repayment of the $4,000,000 subordinated loan will be subsequent to the period covered by this Study);
- Staffing requirements, salaries and wages, related fringe benefits and other operating expenses of the Community;
- Anticipated entrance fees, monthly service fees, and per diem charges for the Community's residents;
- Sources of other Community operating and non-operating revenues; and
- Community revenue, expense, and volume/utilization relationships.

Management has set forth its significant forecast assumptions upon which the accompanying forecasted financial statements are based in the Study in the section entitled, "Summary of Significant Forecast Assumptions and Accounting Policies." These assumptions are integral and essential to an understanding of Management's forecasted financial statements.

The accompanying financial forecast as of March 31, 2011, 2012, 2013, 2014, 2015, and 2016, and for each of the six years then ending (the "Forecast Period"), is based upon assumptions provided by, or reviewed with, and approved by Management. The financial forecast includes the following forecasted financial statements of the Organization:

- Forecasted Statements of Operations and Changes in Unrestricted Net Deficits;
- Forecasted Statements of Cash Flows; and
- Forecasted Statements of Financial Position.

In addition, Management has summarized and included a Schedule of Forecasted Financial Ratios.

We have examined the accompanying financial forecast. Management is responsible for its financial forecast. Our responsibility is to express an opinion on the forecast based on our examination. Our examination was conducted in accordance with attestation standards for an examination of a financial forecast established by the American Institute of Certified Public Accountants and, accordingly, included such procedures as we considered necessary to evaluate both the assumptions used by Management and the preparation and presentation of the forecast. We believe that our examination provides a reasonable basis for our opinion. Management's financial forecast has been prepared for the specific purpose of presenting the forecasted financial statements of financial position, results of operations, changes in unrestricted net deficits, and cash flows of the Organization.

As discussed on page B-10, this financial forecast takes into account events and circumstances that were not anticipated at June 11, 2010, the date a previous forecast was issued for the same Forecast Period, and that forecast should no longer be relied upon. We previously examined and, on June 11, 2010, reported on the previous forecast. Our report on that forecast is withdrawn and should no longer be relied upon for any purpose.

Board of Directors
Friendship Village of Mill Creek, NFP
d/b/a GreenFields of Geneva
Geneva, Illinois

Legislation and regulations at all levels of government have affected and may continue to affect the operations of continuing care retirement communities, including revenues and expenses of facilities, such as the Organization's. The financial forecast is based upon legislation and regulations currently in effect. If future legislation or regulations related to the Organization's operations are subsequently enacted, such legislation or regulations could have a material effect on future operations.

A substantial number of prospective residents of the Community's independent living units are assumed to sell their current homes to pay the entrance fee prior to occupancy or to meet other financial obligations under the residency agreement. If prospective residents encounter difficulties in selling their current home due to local or national economic conditions affecting the sale of residential real estate, there could be a delay in the forecasted fill-up of the Community and/or the remarketing of vacated units, which could have an adverse impact on the liquidity and revenues of the Organization and the ability to provide for payment of the debt service associated with the Series 2010 Bonds.

Management's financial forecast is based on the achievement of occupancy levels as determined by Management. We have not been engaged to evaluate the effectiveness of Management and we are not responsible for future marketing efforts and other Management actions upon which actual results will depend.

The interest rates, principal payments, and other financing assumptions are described in the section entitled "Summary of Significant Forecast Assumptions and Accounting Policies." If actual interest rates, principal payments, or funding requirements are different from those assumed, the amount of the Series 2010 Bonds and associated debt service requirements would need to be adjusted, accordingly, from those indicated in the forecast. If such interest rates, principal payments, and funding requirements are lower than those assumed, such adjustments would not adversely affect the forecast.

Sensitivity analyses of certain of Management's forecast assumptions and the potential impact on the Organization's forecasted maximum annual debt service coverage and certain liquidity ratios are presented beginning on page B-90 of the "Summary of Significant Forecast Assumptions and Accounting Policies." Management has conducted these sensitivity analyses on its financial forecast. We have not examined these sensitivity analyses.

Our conclusions are presented below:

- The accompanying financial forecast indicates that sufficient funds could be generated to meet the Organization's operating expenses, working capital needs, and other financial requirements, including the debt service requirements associated with the Series 2010 Bonds during the Forecast Period. However, the achievement of any financial forecast is dependent upon future events, the occurrence of which cannot be assured.

- In our opinion, the accompanying financial forecast is presented in conformity with guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants, and the underlying assumptions provide a reasonable basis for Management's financial forecast. However, usually there will be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

Board of Directors
Friendship Village of Mill Creek, NFP
d/b/a GreenFields of Geneva
Geneva, Illinois

We have no responsibility to update this Study for events and circumstances occurring after the date of this Study.

LarsonAllen LLP

LarsonAllen LLP

Minneapolis, Minnesota
August 19, 2010

FRIENDSHIP VILLAGE OF MILL CREEK, NFP
FORECASTED STATEMENTS OF OPERATIONS AND CHANGES IN UNRESTRICTED NET DEFICITS
FOR THE YEARS ENDING MARCH 31,
(000s Omitted)

	2011	2012	2013	2014	2015	2016
OPERATING REVENUES						
Net Resident Service Revenue:						
Independent Living Units	$ -	$ 84	$ 2,950	$ 4,818	$ 5,470	$ 5,670
Assisted Living Center	-	-	1,477	4,511	5,269	5,347
Nursing Center	-	-	882	3,935	5,594	5,738
Amortization of Entrance Fees	-	243	1,512	1,879	1,983	2,003
Interest Income	-	207	400	391	611	819
Other Revenue	-	17	202	512	652	681
Total Operating Revenues	-	551	7,423	16,046	19,579	20,258
OPERATING EXPENSES						
Assisted Living and Memory Support Services	-	-	598	1,239	1,352	1,406
Nursing Care Services	-	-	802	1,584	2,126	2,213
Dietary Services	-	201	1,205	2,057	2,534	2,624
Housekeeping and Laundry Services	-	55	201	341	462	481
Resident Activities and Transportation Services	-	63	246	353	366	381
Plant Operations and Maintenance	-	223	879	1,177	1,355	1,416
Property and Related	-	190	421	421	432	449
Administrative Services	-	276	904	1,129	1,238	1,292
Marketing	-	-	-	-	176	281
Depreciation and Amortization	90	627	3,181	3,406	3,431	3,460
Interest Expense	-	1,716	8,080	7,400	7,276	7,276
Total Operating Expenses	90	3,351	16,517	19,107	20,748	21,279
OPERATING LOSS	(90)	(2,800)	(9,094)	(3,061)	(1,169)	(1,021)
NON-OPERATING LOSS						
Loss on Extinguishment of Debt	(329)	-	-	-	-	-
Total Non-Operating Loss	(329)	-	-	-	-	-
CHANGE IN UNRESTRICTED NET DEFICITS	(419)	(2,800)	(9,094)	(3,061)	(1,169)	(1,021)
UNRESTRICTED NET DEFICITS - BEGINNING	(514)	(933)	(3,733)	(12,827)	(15,888)	(17,057)
UNRESTRICTED NET DEFICITS - ENDING	$ (933)	$ (3,733)	$ (12,827)	$ (15,888)	$ (17,057)	$ (18,078)

See Summary of Significant Forecast Assumptions and Accounting Policies and Independent Accountants' Report

FRIENDSHIP VILLAGE OF MILL CREEK, NFP
FORECASTED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDING MARCH 31,
(000s Omitted)

	2011	2012	2013	2014	2015	2016
CASH FLOWS FROM OPERATING ACTIVITIES						
Change in Unrestricted Net Deficits	$ (419)	$ (2,800)	$ (9,094)	$ (3,061)	$ (1,169)	$ (1,021)
Non-Cash Items and Other Adjustments to Operations:						
Depreciation and Amortization	90	627	3,181	3,406	3,431	3,460
Amortization of Bond Discount	-	6	31	31	31	31
Amortization of Entrance Fees	-	(243)	(1,512)	(1,879)	(1,983)	(2,003)
Loss on Extinguishment of Debt	329	-	-	-	-	-
Deferred Management Fees	-	42	219	345	418	439
Increase in Operating Assets:						
Accounts Receivable	-	(2)	(104)	(158)	(62)	(8)
Prepaid Expenses	-	(24)	(72)	(36)	(18)	(6)
Increase (Decrease) in Operating Liabilities:						
Accounts Payable	-	48	144	72	37	12
Accrued Expenses	(2,531)	18	(71)	25	53	15
Net Cash Provided (Used) by Operating Activities	(2,531)	(2,328)	(7,278)	(1,255)	738	919
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of Property, Plant and Equipment	-	(52)	(166)	(206)	(246)	(286)
Payment of Project Costs (Including Capitalized Interest)	(29,906)	(44,928)	(9,686)	(442)	-	-
(Increase) Decrease in Project Fund	(48,621)	38,829	9,130	662	-	-
Increase in Investments	-	-	(541)	(4,679)	(8,903)	(2,756)
Increase in Supplemental Liquidity Support Fund	(500)	-	-	-	-	-
(Increase) Decrease in Operating Reserve Fund	-	(3,000)	-	-	3,000	-
(Increase) Decrease in Working Capital Fund	-	(10,824)	8,251	1,596	977	-
(Increase) Decrease in Entrance Fee Fund and Deposits	-	59	(145)	3,159	-	-
(Increase) Decrease in Debt Service Reserve Funds	(9,875)	-	1,287	613	-	-
(Increase) Decrease in Funded Interest Fund	(10,361)	8,590	1,771	-	-	-
(Increase) Decrease in Bond Funds	-	-	(647)	43	-	(61)
Net Cash Provided (Used) by Investing Activities	(99,263)	(11,326)	9,254	746	(5,172)	(3,103)
CASH FLOWS FROM FINANCING ACTIVITIES						
Payment of Financing Costs	(3,624)	-	-	-	-	-
Proceeds from Issuance of Series 2010 Bonds	116,490	-	-	-	-	-
Refinance Series 2007 BANs and Series 2008 BANs	(9,185)	-	-	-	-	-
Repay FSO Advances and FSO Notes	(476)	-	-	-	-	-
Repay Investor Capital, Net of Advances	(638)	-	-	-	-	-
Principal Payments on Long-Term Debt	-	-	(21,300)	(7,200)	-	-
Payment of Deferred Marketing Costs	(767)	(1,145)	(952)	(738)	-	-
Receipt of Independent Living Units Initial Entrance Fees	-	14,985	20,598	7,762	2,653	-
Assisted Living Center and Nursing Center Entrance Fee Receipts	-	-	152	245	125	-
Independent Living Units Turnover Entrance Fees, Net of Refunds	-	17	217	640	1,756	2,184
Net Cash Provided (Used) by Financing Activities	101,800	13,857	(1,285)	709	4,534	2,184
INCREASE IN CASH AND CASH EQUIVALENTS	6	203	691	200	100	-
Cash and Cash Equivalents - Beginning	-	6	209	900	1,100	1,200
CASH AND CASH EQUIVALENTS - ENDING	$ 6	$ 209	$ 900	$ 1,100	$ 1,200	$ 1,200
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION						
Cash Paid for Interest	$ 9,008	$ 9,150	$ 8,747	$ 7,464	$ 7,276	$ 7,276

See Summary of Significant Forecast Assumptions and Accounting Policies and Independent Accountants' Report

FRIENDSHIP VILLAGE OF MILL CREEK, NFP
FORECASTED STATEMENTS OF FINANCIAL POSITION
MARCH 31,
(000s Omitted)

	2011	2012	2013	2014	2015	2016
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	$ 6	$ 209	$ 900	$ 1,100	$ 1,200	$ 1,200
Accounts Receivable	-	2	106	264	326	334
Prepaid Expenses	-	24	96	132	150	156
Current Portion of Assets Limited as to Use	4,216	3,503	647	604	604	665
Total Current Assets	4,222	3,738	1,749	2,100	2,280	2,355
ASSETS LIMITED AS TO USE						
Supplemental Liquidity Support Fund	500	500	500	500	500	500
Operating Reserve Fund	-	3,000	3,000	3,000	-	-
Working Capital Fund	-	10,824	2,573	977	-	-
Entrance Fees Fund	-	1,282	3,159	-	-	-
Debt Service Reserve Funds	9,875	9,875	8,588	7,975	7,975	7,975
Project Fund	48,621	9,792	662	-	-	-
Funded Interest Fund	10,361	1,771	-	-	-	-
Bond Funds	-	-	647	604	604	665
Resident Deposits	3,073	1,732	-	-	-	-
Total Assets Limited as to Use	72,430	38,776	19,129	13,056	9,079	9,140
Less: Current Portion of Assets Limited as to Use	4,216	3,503	647	604	604	665
Noncurrent Assets Limited as to Use	68,214	35,273	18,482	12,452	8,475	8,475
PROPERTY, PLANT AND EQUIPMENT						
At Cost	-	59,067	94,696	95,344	95,590	95,876
Less: Accumulated Depreciation	-	396	2,557	4,869	7,206	9,572
Total Property, Plant and Equipment (Net)	-	58,671	92,139	90,475	88,384	86,304
OTHER ASSETS						
Construction in Progress	39,864	25,777	-	-	-	-
Deferred Financing Costs	3,624	3,599	3,497	3,395	3,293	3,191
Deferred Marketing Costs	7,849	8,788	8,822	8,568	7,576	6,584
Investments	-	-	541	5,220	14,123	16,879
Total Other Assets	51,337	38,164	12,860	17,183	24,992	26,654
Total Assets	$ 123,773	$ 135,846	$ 125,230	$ 122,210	$ 124,131	$ 123,788
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Current Maturities of Long-Term Debt	$ -	$ -	$ -	$ -	$ -	$ 730
Entrance Fee Deposits	3,073	1,732	-	-	-	-
Accounts Payable	-	48	192	264	301	313
Accrued Salaries, Benefits, and Payroll Taxes	-	18	120	209	262	277
Accrued Interest	1,143	1,143	970	906	906	906
Total Current Liabilities	4,216	2,941	1,282	1,379	1,469	2,226
LONG-TERM LIABILITIES						
Long-Term Debt, Net of Original Issue Discount	116,490	116,496	95,227	88,058	88,089	87,390
Subordinated Note	4,000	4,000	4,000	4,000	4,000	4,000
Deferred Management Fees	-	42	261	606	1,024	1,463
Deferred Revenue from Entrance Fees	-	16,100	37,287	44,055	46,606	46,787
Total Long-Term Liabilities	120,490	136,638	136,775	136,719	139,719	139,640
Total Liabilities	124,706	139,579	138,057	138,098	141,188	141,866
NET DEFICITS						
Unrestricted Net Deficits	(933)	(3,733)	(12,827)	(15,888)	(17,057)	(18,078)
Total Net Deficits	(933)	(3,733)	(12,827)	(15,888)	(17,057)	(18,078)
Total Liabilities and Net Deficits	$ 123,773	$ 135,846	$ 125,230	$ 122,210	$ 124,131	$ 123,788

See Summary of Significant Forecast Assumptions and Accounting Policies and Independent Accountants' Report

FRIENDSHIP VILLAGE OF MILL CREEK, NFP
FORECASTED SCHEDULE OF FINANCIAL RATIOS
FOR THE YEAR ENDING MARCH 31,
(000s Omitted, Except Ratios)

		2016
DEBT SERVICE COVERAGE RATIO		
CHANGE IN UNRESTRICTED NET DEFICITS	$	(1,021)
NON-CASH ITEMS AND ADD-BACKS:		
Amortization of Entrance Fees		(2,003)
Depreciation and Amortization		3,460
Interest Expense		7,276
Net Cash Received from Turnover Entrance Fees		2,184
Deferred Management Fees		439
INCOME AVAILABLE FOR DEBT SERVICE	$	10,335
ACTUAL ANNUAL DEBT SERVICE (1)	$	7,245
ACTUAL ANNUAL DEBT SERVICE COVERAGE RATIO (2)		1.43
MAXIMUM ANNUAL DEBT SERVICE (3)	$	7,975
MAXIMUM ANNUAL DEBT SERVICE COVERAGE RATIO (4)		1.30
CASH TO LONG-TERM DEBT (1)		
CASH AND CASH EQUIVALENTS	$	1,200
INVESTMENTS		16,879
SUPPLEMENTAL LIQUIDITY SUPPORT FUND		500
DEBT SERVICE RESERVE FUND		7,975
TOTAL	$	26,554
TOTAL LONG-TERM DEBT OUTSTANDING (5)(6)	$	88,370
CASH TO LONG-TERM DEBT		30%
DAYS CASH ON HAND (1)		
CASH AND CASH EQUIVALENTS	$	1,200
INVESTMENTS		16,879
SUPPLEMENTAL LIQUIDITY SUPPORT FUND		500
TOTAL	$	18,579
OPERATING EXPENSES (7)	$	17,380
DAILY CASH OPERATING EXPENSES	$	48
NUMBER OF DAYS OF CASH ON HAND		387

Note:
(1) Calculations as described in the draft Master Indenture.
(2) Actual annual debt service is equal to the forecasted debt service on the Series 2010 Bonds.
(3) Maximum annual debt service is equal to the forecasted maximum annual debt service on the Series 2010 Bonds.
(4) This ratio was requested by the Underwriter and is not required by the Master Indenture.
(5) The Subordinated Note is excluded from the Total Long-Term Debt Outstanding consistent with the Master Trust Indenture.
(6) Total Long-Term Debt Outstanding excludes the original issue discount.
(7) Operating expenses are equal to total operating expenses less depreciation and amortization expense and deferred management fees.

See Summary of Significant Forecast Assumptions and Accounting Policies and Independent Accountants' Report

SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS AND ACCOUNTING POLICIES

BACKGROUND AND INFORMATION

Basis of Presentation

The purpose of the financial feasibility study (the "Study") is to evaluate Management (as subsequently defined hereinafter) of Friendship Village of Mill Creek, NFP d/b/a GreenFields of Geneva's ("FVMC" or the "Organization") ability to meet the operating requirements, working capital needs, and other financial requirements, including the debt service requirements associated with the proposed issuance of the $117,600,000 Illinois Finance Authority Revenue Bonds (GreenFields of Geneva Project), Series 2010 (the "Series 2010 Bonds").

The accompanying financial forecast for the years ending March 31, 2011, 2012, 2013, 2014, 2015, and 2016, and for each of the six years then ending (the "Forecast Period"), contained herein is estimated by Management. The financial forecast presents, to the best of Management's knowledge and belief, Management's expected financial position, results of operations, changes in net deficits, and cash flows for the Forecast Period. Accordingly, the financial forecast reflects Management's judgment as of August 19, 2010, the date of this financial forecast, of its expected conditions and its expected course of action. The assumptions disclosed herein, while not all-inclusive, are those that Management believes are significant to its financial forecast. Furthermore, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The accompanying financial forecast takes into account events and circumstances that were not anticipated at June 11, 2010, the date a previous forecast was issued for the same Forecast Period, and that forecast should no longer be relied upon.

Management is updating the previous forecast to reflect the following:

- **Changes to the plan of finance based on the executed Bond Purchase Agreement for the Series 2010 Bonds;**
- **Changes to the Series 2010 Bonds sources and uses of funds including the funding of a Supplemental Liquidity Support Fund (as defined subsequently hereinafter);**
- **Changes to the forecasted construction start and completion dates for the Project (as defined subsequently hereinafter);**
- **Changes to the forecasted opening dates and stabilized occupancy dates for the Project;**
- **Changes to the forecasted resident turnover and health care utilization based upon updated actuarial projections; and**
- **Changes in the investment earnings rate on the trustee held funds related to the Series 2010 Bonds.**

Fundamental to the Study is the assumption that the operations of the Organization will be competently and efficiently managed and its services professionally and consistently marketed. In addition, the validity of the financial forecast will decrease substantially in proportion to the time elapsed since its preparation. Management's financial forecast has been prepared in connection with the issuance of the Series 2010 Bonds. Management does not intend to update its financial forecast of the Organization subsequent to the issuance of this financial forecast, and, accordingly, there are risks inherent to referring to or using, this financial forecast in the future as it may, and most likely will, become outdated.

The assumed interest rates, principal payments, financing assumptions, and assumptions pertaining to the forecasted revenue, expenses, and cash flows are described in the section entitled, "Summary of Significant Forecast Assumptions and Accounting Policies." If the actual interest rates, principal payments, funding requirements, or other financing assumptions related to the Series 2010 Bonds are different from those assumed, the principal amount of the Series 2010 Bonds, and associated debt service requirements would need to be adjusted, accordingly, from those indicated in the forecast. If interest rates, principal payments, and funding requirements are lower than those assumed, then such adjustments would not adversely affect the forecast.

SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS AND ACCOUNTING POLICIES

The Organization

The Organization is an Illinois not for profit corporation that was incorporated in 2005, to develop, own, and operate a continuing care retirement community near Geneva, Illinois, to be known as GreenFields of Geneva ("GreenFields" or the "Community"). Proceeds from the issuance of the Series 2010 Bonds, a subordinated loan from Friendship Senior Options, NFP ("FSO"), and other available funds, will be used by the Organization to construct and equip the Community and pay for other related costs (the "Project").

The Organization received a determination letter from the Internal Revenue Service ("IRS") in December, 2006 that it is an organization exempt from federal income tax under Section 501(a) of the Internal Revenue Code of 1986 (the "Code") as an organization described in Section 501(c)(3) of the Code. FSO, an Illinois not for profit corporation, is the Organization's sole member.

The governance of the Organization is vested in its board of directors (the "Board of Directors") and FSO has certain reserve powers. The Board of Directors must consist of no fewer than five and no more than ten directors, each of whom are appointed by FSO. A majority of the Organization's directors must also be directors of FSO.

Affiliates

FSO

FSO was incorporated in September 2003 and is the sole member of the Organization and other related entities as follows:

- Evangelical Retirement Homes of Greater Chicago, Inc. d/b/a Friendship Village of Schaumburg ("FVS");
- Friendship Village Neighborhood Services, NFP ("Neighborhood Services"); and
- Friendship Senior Services Foundation, NFP ("Foundation").

FSO has received a determination letter from the IRS that it is an organization exempt from federal income tax under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code.

Administrative Services Agreement

The Organization entered into an administrative services agreement with FSO (the "Administrative Services Agreement") in May 2010 pursuant to which FSO will provide corporate management, accounting and payroll, human resources, information technology, marketing and risk management for the Organization. According to the terms of the Administrative Services Agreement, the Organization will pay FSO compensation equal to 4.34 percent of the Organization's annual expenses (excluding depreciation, amortization and interest expense) (the "Management Fees"). The Administrative Services Agreement will be for an initial term of 1 year, and automatically renew for successive periods of two years after the initial term unless sooner terminated. Either party may terminate the Administrative Services Agreement without cause with one hundred eighty days written notice to the other party. According to the master trust indenture, payment of Management Fees will be deferred until:

(a) There have been two consecutive full fiscal quarters for which the total percentage of all units occupied with respect to the Independent Living Units, Assisted Living Center and Nursing Center has averaged at least 90 percent for each of such fiscal quarter;
(b) If the proposed payment of the Management Fees had occurred as of the last day of the most recent fiscal quarter for which financial statements have been delivered, the Organization would have had a cash-to-indebtedness ratio (as defined in the master trust indenture) of at least 0.30 after that payment;

(c) If the proposed payment on the Management Fees had occurred as of the last day of the most recent fiscal year for which audited financial statements of the Organization are available, the Organization's historical debt service coverage ratio for that fiscal year would have been not less than 1.30;
(d) No Series 2010B Bonds or Series 2010C Bonds (as defined subsequently hereinafter) remain outstanding; and
(e) Assuming no event of default has occurred and is continuing under the Master Trust Indenture or the Loan Agreement.

Management has not forecasted payment of any Management Fees during the Forecast Period.

FSO Advances

During the initial stages of development of the Community, preconstruction funding was provided by FSO to the Organization in the form of a loan in the amount of approximately $4,000,000 evidenced by a note payable by the Corporation to FSO (the "Subordinated Note"). According to the terms of the Subordinated Note, no interest will accrue on the unpaid balance. According to the master trust indenture, no principal payments will be made until:

(a) There have been two consecutive full fiscal quarters for which the total percentage of all units occupied with respect to the Independent Living Units, Assisted Living Center and Nursing Center has averaged at least 90 percent for each of such fiscal quarter;
(b) If the proposed payment of the Subordinated Note had occurred as of the last day of the most recent fiscal quarter for which financial statements have been delivered, the Organization would have had a cash-to-indebtedness ratio (as defined in the master trust indenture) of at least 0.30 after that payment;
(c) If the proposed payment on the Subordinated Note had occurred as of the last day of the most recent fiscal year for which audited financial statements of the Organization are available, the Organization's historical debt service coverage ratio for that fiscal year would have been not less than 1.30;
(d) No Series 2010B Bonds or Series 2010C Bonds remain outstanding; and
(e) Assuming no event of default has occurred and is continuing under the Master Trust Indenture or the Loan Agreement.

Management has not forecasted any principal payments on the Subordinated Note during the Forecast Period.

Management has forecasted that FSO will have advanced an additional $448,470 to the Organization prior to the planned issuance of the Series 2010 Bonds, $250,000 of which was in the form of a loan evidenced by a note payable by the Organization to FSO in 2009 (the "$250,000 FSO Note") and $150,000 of which was in the form of a loan evidenced by a note payable by the Organization to FSO in 2010 (the "$150,000 FSO Note"). According to the terms of the $250,000 FSO Note and the $150,000 FSO Note, no interest will accrue on the unpaid balances and payment of principal shall be due and payable at the time of closing of permanent financing of the Community. Management has forecasted that the Organization will redeem the $250,000 FSO Note and the $150,000 FSO Note upon closing of the Series 2010 Bonds and that the Organization will reimburse FSO for the remaining $48,470 of advances upon closing of the Series 2010 Bonds.

Liquidity Support Agreement

The Organization, FSO, and Wells Fargo Bank, N.A. (as the bond trustee and the master trustee (the "Bond Trustee" and the "Master Trustee")) plan to enter into a liquidity support agreement (the "Liquidity Support Agreement"), expected to be executed upon closing of the Series 2010 Bonds. Pursuant to the Liquidity Support Agreement, FSO will provide liquidity support to the Organization of up to $4,000,000. Such moneys will be deposited in a special trust account to be created and established in the name of FSO and held in the custody of the Master Trustee to be called the "FSO Liquidity Support Fund". Additionally, pursuant to the Liquidity

Support Agreement, the Organization will deposit $500,000 in a special trust account (the "Supplemental Liquidity Support Fund") held by the Master Trustee. Collectively, the FSO Liquidity Support Fund and the Supplemental Liquidity Support Fund are referred to herein as the "Liquidity Support Funds."

The moneys available in the Liquidity Support Funds may be drawn upon by the Bond Trustee or the Organization to pay for construction, equipment or capital expenses related to the Project, principal of or interest on the Series 2010 Bonds, or any operating expenses related to the Project, if no other funds are available for those purposes in any trustee-held fund held by the Bond Trustee (other than the Debt Service Reserve Fund) or Master Trustee. The Supplemental Liquidity Support Fund will be drawn upon prior to any draws on the FSO Liquidity Support Fund. The Supplemental Liquidity Support Fund is not subject to repayment . If the FSO Liquidity Support Fund is drawn upon, repayment is subject to certain payment conditions outlined in the Liquidity Support Agreement and is subordinated to the Series 2010 Bonds. FSO is not obligated to replenish the FSO Liquidity Support Fund if drawn upon. The FSO Liquidity Support Fund and the Supplemental Liquidity Support Fund may be replenished from initial entrance fees, pursuant to certain provisions in the Master Trust Indenture.

The FSO Liquidity Support Fund and the Supplemental Liquidity Support Fund may be reduced when the Series 2010B Bonds and Series 2010C Bonds are no longer outstanding and upon meeting certain other requirements pursuant to the Liquidity Support Agreement.

Management has not forecasted any draws on the Supplemental Liquidity Support Fund or the FSO Liquidity Support Fund during the Forecast Period.

FVS

FVS was organized in 1974 by a group of Christian ministers and business people to fulfill the community's moral and social obligation to the elderly. In January 1977 FVS opened its facilities ("Friendship Village") to the public offering life care to older adults. Currently Friendship Village consists of 28 garden homes, 631 independent living units, 75 assisted living units, 25 memory support assisted living units, and a 248 bed nursing facility located on a 60-acre campus in Schaumburg, Illinois.

FVS has received a determination letter from the IRS that it is an organization exempt from federal income tax under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code.

Neighborhood Services

Neighborhood Services, is an Illinois not for profit corporation that was organized to provide adult day services, wellness training, case management and respite services and to act as a resource center for other services related to senior citizens. Neighborhood Services has not received a tax exemption determination letter from the Internal Revenue Service.

Foundation

Foundation is an Illinois not for profit corporation that was formed to solicit funds through fund-raising campaigns and donations from the general public in support of FSO and its affiliates.

Foundation has received a determination letter from the IRS that it is an organization exempt from federal income tax under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code.

FSO and its affiliates (other than the Organization) will not be responsible for the debts or other obligations of the Organization, other than to the extent of the commitment of FSO under the Liquidity Support Agreement. The Organization will be the sole entity obligated to pay debt service on the Series

2010 Bonds and to pay its other financial obligations. Accordingly, the forecasted financial statements only include the forecasted financial results of the Organization, and do not include the financial results of FSO or other affiliates.

Management

As used hereafter, management of the Community refers to management of the Organization and of FSO, collectively "Management."

The Community

The Community is planned to be located on an approximately 26 acre site in the Mill Creek master planned development near Geneva, Illinois in Kane County, Illinois. The Community is planned to include the following:

- Independent living units (the "Independent Living Units") consisting of 147 independent living apartments;
- An assisted living center (the "Assisted Living Center") containing 51 assisted living units (the "Assisted Living Units") and 26 memory support assisted living units (the "Memory Support Units");
- A 43-bed nursing facility (the "Nursing Center");
- A centralized commons area (the "Common Areas"); and
- An underground parking garage and surface parking.

The Community is planned to be contained in a single building with separate wings for the Independent Living Units and related Common Areas and separate wings for the Assisted Living Center and the Nursing Center. The Community will total approximately 305,000 square feet which includes the underground parking garage.

The Community will fall under the provisions of the Illinois Department of Public Health's Life Care Facilities Contract Code, 77 Illinois Administrative Code 396 (the "Life Care Rules") as promulgated under the Life Care Facilities Act, 210 ILCS 40/1-12 (the "Life Care Act"). The Life Care Act defines a life care facility as "a place or places in which a provider undertakes to provide a resident with nursing services, medical services or personal care services, in addition to maintenance services for a term in excess of one year or for life pursuant to a life care contract. The term also means a place or places in which a provider undertakes to provide such services to a non-resident." A life care facility is required to obtain a permit from the Illinois Department of Public Health prior to entering into life care contracts. A life care contract requires that an entrance fee be paid to the provider in addition to or in place of the monthly maintenance fee. The resident has 14 days after signing the contract to rescind the contract without penalty. Prior to or at execution of the contract, the Community must provide the resident with a financial disclosure statement reflecting the provider's financial condition. A life care facility is required to obtain a permit from the Illinois Department of Public Health prior to entering into life care contracts. Management plans to offer life care contracts to residents for each level of care within the Community.

Independent Living Units

The 147 Independent Living Units are planned to be contained in two L-shaped wings, one of which is three stories, and one of which is three stories with a walk-out basement. The Independent Living Units are connected to the underground parking on the lower level, Common Areas on the main level, and the Assisted Living Center on the second and third levels.

The following table presents a summary of the number of units and square footage by type planned for the Independent Living Units.

Table 1
Independent Living Units
Unit Configuration

Unit Type	Number of Units	Unit Size (Square Feet)
One-Bedroom, 1 Bath (1)	34	747 - 832
One-Bedroom, 1.5 Bath (1)	41	890 - 966
One-Bedroom Plus Den, 1.5 Bath	13	1,034 - 1,211
Two-Bedroom, 2 Bath	59	1,087 - 1,227
Total/Weighted Average	147	989

Source: Management

Note (1): 14 depositors have each reserved two one-bedroom Independent Living Units and combined those units to form a two-bedroom plus den unit. These two-bedroom plus den units range in size from 1,493 to 1,637 square feet. Upon vacancy, the combined units could be separated and remarketed as their original floor plans, therefore Management has forecasted the number of Independent Living Units according to the original floor plans.

Each of the Independent Living Units is planned to be furnished with window treatments, wall-to-wall carpeting (except in the kitchen and bath where tile is provided), a full kitchen with refrigerator/freezer, range with oven, microwave oven, garbage disposal and dishwasher, a washer and dryer, fire and smoke alarms, fire sprinkler system, internet access, 24-hour emergency response system, and individually controlled heating and air conditioning.

Assisted Living Center

The Assisted Living Center is planned to consist of 51 Assisted Living Units for residents who require varying amounts of assistance with activities of daily living, and 26 Memory Support Units for residents in need of memory support assisted living in a secured environment. The Assisted Living Center is planned to be contained in several three-story wings connected to the Common Areas on the main level, the Independent Living Units and the Nursing Center on the second level and the Independent Living Units on the third level. The following table presents a summary of the Assisted Living Center's planned unit configuration:

Table 2
Assisted Living Center
Unit Configuration

Unit Type	Number of Units	Unit Size (Square Feet)
Assisted Living Units		
Alcove	23	479
One-Bedroom	23	582
Two-Bedroom	5	778
Total/Weighted Average	51	555
Memory Support Units		
Alcove	26	380
Total/Weighted Average All Units	77	496

Source: Management

The Assisted Living Center is planned to be available for occupancy by existing residents of the Community and direct admissions from outside of the Community.

The Assisted Living Units are planned to be private apartments with kitchenettes and full baths and will be furnished with amenities similar to the Independent Living Units but do not include the kitchen range, dishwasher, or washer and dryer. The Assisted Living Units common areas are planned to include a lobby, lounge, multi-purpose room, library, dining room and administrative and support areas.

The Memory Support Units are planned to be private suites with full baths and furnished with amenities similar to the Assisted Living Units, but without kitchenettes. The Memory Support Units are planned to have secured access and separate common areas that will include amenities similar to the Assisted Living Units' common areas.

Nursing Center

The Nursing Center will consist of 43 beds in private rooms. The Nursing Center is planned to be contained in several wings on the second level of the Community's living areas adjacent to the Assisted Living Units. The Nursing Center will share its primary access area with the Assisted Living Center. The following table presents a summary of the Nursing Center's planned unit configuration:

Table 3
Nursing Center
Unit Configuration

Unit Type	Number of Units	Unit Size (Square Feet)
Private Room	43	315

Source: Management

The Organization applied and was approved on September 1, 2009 by the State of Illinois Health Facilities and Services Review Board (the "Review Board") to obtain a certificate of need ("CON") for 40 beds pursuant to the Illinois Health Facilities Planning Act 20 Illinois Compiled Statutes ("ILCS") 3960/1 and the regulations promulgated by the Illinois Department of Public Health Title 77 of the Illinois Administrative Code, Chapter II Part 1110.1730(d)(2) based on the CCRC variance provisions. Management filed a request with the Review Board to increase the number of approved beds from 40 to 43 and received approval for the increase in beds on March 2, 2010. Under the CCRC variance provisions, only residents of the Community are eligible for admission to the Nursing Center. Management has assumed admissions into the Nursing Center from residents transferring from the Independent Living Units and the Assisted Living Center and from residents entering into a health care life care contract. The Organization anticipates applying for an amendment to its CON after issuance of the Series 2010 Bonds, to allow for direct admissions into the Health Center from residents that chose not to enter into a life care contract. The Organization is also planning to certify the Nursing Center for Medicare.

The Nursing Center's common areas will include administrative, service and support areas, resident dining, activity, lounge, therapy and bathing areas.

Common Areas

The Community is planned to include a centralized commons area consisting of approximately 25,700 square feet which is planned to include a main dining room, private dining room, Bistro, library, creative arts room/studio, multipurpose room/auditorium, club room, wellness center, barber/beauty shop, living room, mail room, and administrative areas. The Independent Living Units, Assisted Living Center, and the Health Center are each planned to have access to the Common Areas. In addition, the Assisted Living Center and the Health Center each have additional common areas as noted previously herein.

SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS AND ACCOUNTING POLICIES

Land Purchase Agreement

FVS entered into a real estate sale contract (the "Sale Contract") with Shodeen Construction Company, L.L.C. (the "Seller"), an Illinois limited liability company, on May 17, 2005 to purchase 18.5 acres of vacant land (the "Sale Parcel"). The Sale Contract has been assigned by FVS to FSO and FSO has assigned the Sale Contract to the Organization. In addition to the Sale Parcel, in the Sale Contract, the Seller has agreed to make a charitable contribution of an additional 7.5 acre parcel of vacant land adjacent to and contiguous with the Sale Parcel (the "Donated Parcel"). The total area of vacant land (the Sale Parcel and the Donated Parcel) to be acquired is approximately 26 acres, of which Management believes approximately 14 acres are developable upon which the Project will be located. The property is located on the south side of Keslinger Road, west of its intersection with Brundridge Road and east of its intersection with Linlar Drive in Kane County, Illinois. The Sale Contract, as amended to date, provides the Organization with the option of extending the closing to a date no later than September 30, 2010.

Management has forecasted the cost of the land, including option and extension payments will be approximately $6,129,000.

History of the Project and Preconstruction Funding

FVS entered into a marketing and development agreement (the "RLS Development Agreement") on December 1, 2004 with Retirement Living Services, LLC ("RLS") for the development of a continuing care retirement community on the Sale Parcel and Donated Parcel described previously herein, which was named "Tallgrass at Mill Creek." Tallgrass at Mill Creek was to consist of 174 independent living units, 20 assisted living units, 24 skilled nursing care beds and related facilities (collectively, the "Tallgrass at Mill Creek Project"). The RLS Development Agreement was assigned by FVS to the Organization.

During the initial stages of development of the Tallgrass at Mill Creek Project, preconstruction funding was provided by FSO in the amount of approximately $4,000,000, as evidenced by a Subordinated Note, as described previously herein. In March of 2007, the Organization received preconstruction funding from the issuance of $5,500,000 Illinois Finance Authority Bond Anticipation Notes, Series 2007 (Tallgrass at Millcreek Project) (the "Series 2007 BANs"). In February 2008 the Organization terminated the RLS Development Agreement and subsequently entered into a Development Consulting Agreement with Greystone Development Company II, LP, a Delaware limited partnership ("Greystone), as more fully described subsequently herein. Under the Development Consulting Agreement with Greystone, the name of the planned continuing care retirement community was changed from Tallgrass at Mill Creek to GreenFields of Geneva and the scope, pricing and program was modified and redefined resulting in the current Project. The proceeds from the Series 2007 BANs were used, in part, to pay for additional preconstruction development costs of the Tallgrass at Millcreek Project and the Community.

In September 2008, subsequent to engaging Greystone, the Organization received additional preconstruction funding from the issuance of $3,685,000 Illinois Finance Authority Bond Anticipation Notes, Series 2008 (GreenFields of Geneva Project) (the "Series 2008 BANs"). The proceeds from the Series 2008 BANs were used, in part, to pay preconstruction development costs of the Community.

On December 8, 2009, the Organization and FSO entered into a preconstruction funding agreement (the "Funding Agreement") with Ziegler Equity Facility Funding – Greenfields, LLC ("ZEF") under which ZEF agreed to advance the sum of $1,400,000 in monthly installments (the "Investor Capital") to the Organization to be used for additional preconstruction costs of the Project. Under the Funding Agreement, the Funding Agreement investors (the "Funding Agreement Investors") are to receive a total return equal to repayment of Investor Capital plus an investor fee (the "Investor Fee") as follows:

- $0.25 for each $1.00 if the payment is received on or before April 30, 2010;
- $0.30 for each $1.00 if the payment is received after April 30, 2010 but before May 30, 2010;

- $0.35 for each $1.00 if the payment is received after May 30, 2010 but before June 30, 2010; or
- $0.40 for each $1.00 if the payment is received after June 30, 2010.

According to the Funding Agreement, the sole source of repayment of the Investor Capital and the Investor Fee will be the proceeds of permanent financing for the Project.

As noted previously herein, Management has forecasted FSO will have advanced approximately $4,448,470 to the Organization for payment of pre-finance expenditures prior to the planned issuance of the Series 2010 Bonds, of which approximately $4,000,000 is evidenced by a Subordinated Note that is not forecasted to be repaid during the Forecast Period, $250,000 is evidenced by a $250,000 FSO Note forecasted to be repaid at closing of the Series 2010 Bonds, $150,000 is evidenced by a $150,000 FSO Note forecasted to be repaid at closing of the Series 2010 Bonds, and approximately $48,470 is planned to be reimbursed upon the closing of the Series 2010 Bonds.

Development Consulting Agreement

The development and marketing of the Community will be overseen and managed by the Organization, along with the assistance of Greystone, pursuant to a development consulting agreement dated as of December 14, 2007 between the Organization and Greystone, as amended (the "Development Consulting Agreement"). Under the Development Consulting Agreement, Greystone has agreed to provide certain professional and consulting services as (described below) related to the development and marketing of the Community.

Development services specified to be provided by Greystone under the Development Consulting Agreement include the following:

(a) Provide all necessary planning to implement the business plan approved by the Organization, including any revisions to the business plan, or budgets, schedules, or strategies contained therein;

(b) Assist in obtaining all necessary governmental approvals required for development of the Community;

(c) Advise and assist with the selection and engagement of architects, engineers, other design professionals and a pre-construction consultant;

(d) Coordinate preparation of all design and construction plans, specifications and construction budget by the Community's architect and other design consultants for review by the Organization;

(e) Develop a program for resident services and activities;

(f) Provide consulting services in connection with the marketing and initial sales of the Community including 1) implement the marketing and sales plan for the Community consistent with the business plan, including any revisions thereto, 2) employ, train and supervise the marketing and sales staff until the Community is operational, 3) assist in identifying an appropriate location for an information center for the Community, 4) assist in the preparation of any required resident disclosure documents, 5) assist in the development of written procedures for financial and health acceptance guidelines for screening and interviewing applicants for residence in the Community and 6) provide administrative support for Owner's processing of prospective resident applications.

(g) Assist in securing permanent financing for the Community;

(h) Assist in negotiating, evaluating, and awarding a construction contract for the Community, and thereafter monitoring the progress of construction;

(i) Prepare monthly project cost reports and prepare construction requisitions for the Organization's review and submission;

(j) Provide the Organization with all information and records with respect to Greystone to comply with filing and disclosure requirements;

(k) Prior to commencement of construction, Greystone Management Services Company, LLC ("GMSC"), an affiliate of Greystone, will assist in the preparation of operating cash flow projections and provide input to the design consultants regarding the space plan; and

(l) Assist in the preparation of an application for rezoning of the land, if applicable and other documents required in the process of obtaining entitlements.

The Development Consulting Agreement is effective until the Community achieves 90 percent occupancy of the aggregate total of the Independent Living Units, Assisted Living Center and Nursing Center.

Pursuant to the Development Consulting Agreement, the Organization has exercised and will exercise final authority on the following, among other matters related to the development of the Community:

(a) Acquisition of the land;

(b) Selection, engagement, and supervision of design professionals, engineering professionals, and pre-construction consultants;

(c) Approval of working drawings and final plans and specifications for the Community;

(d) Execution of all commitments with respect to financing;

(e) Selection and engagement of a feasibility consultant and actuarial consultant;

(f) Selection, engagement, and supervision of a general contractor for construction of the Community;

(g) Negotiation, approval, and execution of a construction contract and other related contracts;

(h) Approval for regulatory filings for the Community;

(i) Selection and engagement of media and promotional firm and approval of marketing materials;

(j) Approval of the final project budget;

(k) Approval of the business plan and revisions thereto;

(l) Approval of all funding requisitions associated with the Project;

(m) Approval of the form of all resident agreements; and

(n) Approval of the schedule for resident fees and any changes thereto.

As compensation for services rendered pursuant to the Development Consulting Agreement, Greystone has been and will be paid a development fee consisting of a base fee (the "Base Fee"), an initial fill-up fee (the "Initial Fill-up Fee"), an assisted living occupancy fee (the "Assisted Living Occupancy Fee"), an incentive occupancy fee (the "Incentive Occupancy Fee") and reimbursable expenses. Collectively the Base Fee, Initial Fill-up Fee, Assisted Living Occupancy Fee and the Incentive Occupancy Fee are referred to as the "Total Development Fees".

The Base Fee is forecasted at approximately $4,939,888 as outlined in the Development Consulting Agreement. The Base Fee is due and payable in installments as follows:

(a) $478,296 upon commencement of the development consulting services;

(b) $478,296 in twelve equal monthly installments commencing the first day of the month following the commencement of the development consulting services;

(c) $239,148 upon achievement of each of the following presales levels for the Community: (1) presales equal to 25 percent of the Independent Living Units; (2) presales equal to 50 percent of the Independent Living Units;

(d) $2,050,000 upon obtaining permanent financing for the Community (the "Funding Date");

(e) $760,000 in 20 equal monthly installments beginning upon commencement of construction; and

(f) $695,000 upon initial occupancy by the first resident of the Community.

The Initial Fill-up Fee is forecasted at approximately $1,326,000 as outlined in the Development Consulting Agreement. The Initial Fill-up Fee is only applicable to those Independent Living Units that have not been previously occupied. The Initial Fill-up Fee is payable in installments as follows:

(a) Upon occupancy of each of the Independent Living Units (up to 90 percent occupancy), $4,060 per unit will be paid (approximately $540,000);

(b) $262,000 upon the Community reaching 65 percent occupancy of the Independent Living Units;

(c) $262,000 upon the Community reaching 80 percent occupancy of the Independent Living Units; and

(d) Approximately $262,000 upon the Community reaching 90 percent occupancy of the Independent Living Units.

The Assisted Living Occupancy Fee is forecasted at approximately $323,000 which is equal to the monthly fee owed by the resident of the unit of the Assisted Living Center provided the unit has not been previously occupied, and the resident did not previously occupy another level of care in the Community, as outlined in the Development Consulting Agreement. The Assisted Living Occupancy Fee will be paid upon the initial move in of the first resident of the respective units in the Assisted Living Center.

The Incentive Occupancy Fee will be paid only if the Community achieves an aggregate of 90 percent occupancy within the following timeframes:

- $200,000 if 90% aggregate occupancy is achieved within 21 months;
- $150,000 if 90% aggregate occupancy is achieved within 24 months; and
- $100,000 if 90% aggregate occupancy is achieved within 27 months.

Based upon the forecasted fill-up assumptions of the Community, the Organization is forecasted to pay an Incentive Occupancy Fee of $150,000.

Based on the Project budget Management has forecasted the Organization will pay Total Development Fees of approximately $6,739,000. The following table summarizes the forecasted payment of the Total Development Fees related to the Development Consulting Agreement.

Table 4
Forecasted Development Fees
(In Thousands)

	Through March 31, 2010	March 31, 2011	2012	2013	2014	2015	Total
Base Fee							
Upon commencement of development services and 12 monthly installments following commencement of services:	$ 957	$ -	$ -	$ -	$ -	$-	$ 957
Upon achieving 25% pre-sales of the Independent Living Units:	239	-	-	-	-	-	239
Upon achieving 50% pre-sales of the Independent Living Units:	239	-	-	-	-	-	239
Upon closing of Series 2010 Bonds:	-	2,050	-	-	-	-	2,050
In 20 monthly installments beginning upon commencment of construction:	-	266	456	38	-	-	760
Upon initial Occupancy:	-	-	695	-	-	-	695
Total Base Fee	1,435	2,316	1,151	38	-	-	4,940
Initial Fill-up Fee							
$4,060 upon occupancy of each unit up to 90% occupancy (1):	-	-	196	261	83	-	540
Upon 65% occupancy (1):	-	-	-	262	-	-	262
Upon 80% Occupancy (1):	-	-	-	-	262	-	262
Upon 90% Occupancy (1):	-	-	-	-	262	-	262
Total Initial Fill-up Fee	-	-	196	523	607	-	1,326
Assisted Living Occupancy Fee							
Upon occupancy of the Assisted Living Units up to 90% occupancy:	-	-	-	47	145	131	323
	-	-	-	47	145	131	323
Incentive Occupancy Fee							
Incentive Occupancy Fee (2)	-	-	-	-	150	-	150
Total Development Fees	$ 1,435	$ 2,316	$ 1,347	$ 608	$ 902	$131	$ 6,739

Source: Management and Greystone

Notes: (1) Occupancy levels pertain to Independent Living Units only

(2) Contingent upon 90% overall occupancy of the Community within 24 months of receipt of final certificate of occupancy as described previously herein.

Pursuant to the terms of the Development Consulting Agreement, the Organization is to reimburse Greystone for all out-of-pocket expenses, including but not limited to travel expenses, for personnel employed by Greystone, pay a 3.5 percent administrative fee on Total Development Fees to cover miscellaneous office expenses, all personnel costs related to sales and marketing staff of the Community paid by Greystone, and 3.5 percent administrative fee of all payroll costs for the marketing staff of the Community paid by Greystone.

Project Timeline

A proposed timeline for the Project, as provided by Management, is summarized in the following table:

Table 5
Project Timeline

Date	Item
August 2010	Series 2010 Bonds are issued
September 2010	Construction commences on the Project
October 2011	Construction Complete on the First Section of Independent Living Units and the Common Areas
November 2011	Move-ins begin for the Independent Living Units
February 2012	Construction Complete on the Last Section of Independent Living Units and the Assisted Living Center
March 2012	Construction complete on the Nursing Center
June 2012	Move-ins begin for the Assisted Living Center
July 2012	Move-ins begin for the Nursing Center
January 2014	Assisted Living Center reaches stabilized occupancy (95.0%)
July 2014	Nursing Center reaches stabilized occupancy (95.0%)
October 2014	Independent Living Units reaches stabilized occupancy (95.0%)

Source: Management

SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS AND ACCOUNTING POLICIES

PLAN OF FINANCE

A summary of the forecasted sources and uses of funds for the Organization's financing is provided in the following table.

Table 6
Series 2010 Bonds
Forecasted Sources and Uses of Funds
(000's Omitted)

Sources of Funds:				
Gross Proceeds Series 2010 Bonds				
Series 2010A Bonds	$ 89,100			
Less: Original Issue Discount	(1,110)	$ 87,990		
Series 2010B Bonds		5,000		
Series 2010C-1 Bonds		3,575		
Series 2010C-2 Bonds		8,325		
Series 2010C-3 Bonds		11,600	$116,490	(1)
Interest Income on Trustee Held Funds			1,055	(2)
Initial Entrance Fees			15,000	(3)
Subordinated Note			4,000	(4)
Total Sources of Funds			$136,545	
Uses of Funds:				
Land and Related			$ 6,214	(5)
Design and Engineering			3,803	(6)
Direct Construction			51,913	(7)
Furniture, Fixtures and Equipment			2,335	(8)
Indirect Construction			951	(9)
Project Contingency			2,500	(10)
Development Consulting Fees - Greystone			6,739	(11)
Development Consulting Fees - RLS			798	(12)
Investor Fee - Funding Agreement			560	(13)
Accrued Interest - Series 2007 BANs and Series 2008 BANs			4,257	(14)
Miscellaneous Costs			2,263	(15)
Marketing Costs			10,684	(16)
Total Project Related Costs			$ 93,017	
Funded Interest			15,241	(17)
Debt Service Reserve Funds			9,875	(18)
Working Capital			10,200	(19)
Operating Reserve Fund			3,000	(20)
Supplemental Liquidity Support Fund			500	(21)
Series 2007 BANs, Series 2008 BANs, and Investor Capital Cost of Issuance			1,088	(22)
Cost of Issuance and Other Finance Costs			3,624	(23)
Total Other Costs			$ 43,528	
Total Uses of Funds			$136,545	

Source: Management and Underwriter

Certain summaries, assumptions, rationale, and descriptions included in Management's financial forecast are more fully described in the Official Statement pertaining to the Series 2010 Bonds. For more detailed information regarding the proposed terms, conditions, debt service requirements, and any other

requirements of the Series 2010 Bonds, all of the Series 2010 Bonds financing-related documents should be read in their entirety.

Notes to Table 6:

1) The Organization's underwriter, Ziegler Capital Markets, a division of B.C. Ziegler and Company (the "Underwriter") has indicated that net bond proceeds in the amount of $116,490,000 are estimated to be generated from the proposed issuance of the Series 2010 Bonds (gross bond proceeds in the amount of $117,600,000 less a net original issue discount of approximately $1,110,000). The responsibility for payment of the debt service on the Series 2010 Bonds is solely that of the Organization. The Underwriter has indicated the following structure and terms of the Series 2010 Bonds:

- $89,100,000 of tax-exempt fixed rate bonds (the "Series 2010A Bonds"), less a net original issue discount of approximately $1,110,000, consisting of term maturities to February 15, 2046 with annual principal sinking fund payments assumed to begin on February 15, 2017, with assumed average annual interest rates ranging from 7.50 percent to 8.25 percent and average annual yields ranging from 7.50 percent to 8.35 percent.
- $5,000,000 of tax-exempt Accelerated Redemption Reset Option Securities (ARROS^{SM}) (the Series 2010B Bonds) with a stated maturity date of February 15, 2046, with quarterly principal payments assumed to begin on May 15, 2013 and full redemption assumed to occur on November 15, 2013. The Series 2010B Bonds are assumed to initially bear interest at an average annual interest rate of 7.25 percent until February 15, 2017 (the "Initial Rate Change Date") at which time the Series 2010B Bonds will bear interest at a rate and for a period determined in accordance with the bond indenture.
- $23,500,000 of fixed rate Tax Exempt Mandatory Paydown Securities (TEMPS^{SM}) (The "Series 2010C Bonds") consisting of:
  - $3,575,000 of Series 2010C-1 Tax Exempt Mandatory Paydown Securities (TEMPS-75^{SM}) with a stated maturity date of February 15, 2017, anticipated to be redeemed in full by approximately May 15, 2013, with quarterly principal payments assumed to begin on February 15, 2013, and bearing interest at an assumed average interest rate of 7.00 percent.
  - $8,325,000 of Series 2010C-2 Tax Exempt Mandatory Paydown Securities (TEMPS-65^{SM}) with a stated maturity date of February 15, 2016, anticipated to be redeemed in full by approximately February 15, 2013 with quarterly principal payments assumed to begin on November 15, 2012, and bearing interest at an assumed average interest rate of 6.75 percent.
  - $11,600,000 of Series 2010C-3 Tax Exempt Mandatory Paydown Securities (TEMPS-50^{SM}) with a stated maturity date of February 15, 2016, anticipated to be redeemed in full by approximately November 15, 2012 with quarterly principal payments assumed to begin on May 15, 2012, and bearing interest at an assumed average interest rate of 6.25 percent.

Principal on the Series 2010B Bonds and the Series 2010C Bonds is anticipated to be paid from a portion of the entrance fee receipts from initial residents of the Community's Independent Living Units.

2) Management has estimated interest earnings on trustee-held funds associated with the Series 2010 Bonds during the first 20 months subsequent to issuance, as provided by Management. Management has assumed the following interest rates on trustee-held funds based upon information provided by the planned investment fund managers:

- 0.80 percent on the Project Fund;
- 0.85 percent on the Funded Interest Fund;
- 2.25 percent on the Series 2010A Bonds Debt Service Reserve Fund;
- 1.35 percent on the Series 2010B Bonds Debt Service Reserve Fund;

- 1.20 percent on the Series 2010C-1 Bonds Debt Service Reserve Fund;
- 1.00 percent on the Series 2010C-2 Bonds Debt Service Reserve Fund; and
- 0.95 percent on the Series 2010C-3 Bonds Debt Service Reserve Fund.

3) Management has forecasted that approximately $15,000,000 of entrance fees from initial residents of the Independent Living Units will be used to fund start-up losses, operating reserves, and a portion of the development fees related to the Community. $12,000,000 is forecasted to be deposited into a working capital fund and $3,000,000 is forecasted to be deposited into an operating reserve fund for these purposes.

4) Represents the amount FSO has loaned to the Organization to fund costs in connection with the Project. The Organization has issued a Subordinated Note (as more fully described previously herein) to FSO to evidence its indebtedness to the Organization.

5) Management has estimated that the cost of land and land related costs will total approximately $6,214,000 and include costs for purchasing the land in the amount of approximately $6,129,000 and approximately $84,000 of costs related to engineering reports, zoning, permitting, legal fees and other land related costs.

6) Design and engineering costs of approximately $3,803,000 are based primarily on the Organization's contract with the architect, Dorsky Hodgson & Partners, and include architect, engineering, and design fees, as well as construction administration, interior design fees, and other such costs.

7) Management has forecasted construction, site work, and other costs related to the construction of the Community will approximate $51,913,000, based upon a guaranteed maximum price ("GMP") contract provided by the general contractor, Bovis Lend Lease, Inc. in the amount of $50,000,000 which includes a contractor's construction contingency of approximately $988,900. An owner held construction contingency equal to approximately $1,476,000 is also included in the construction costs. It should be noted that although Management has entered into a GMP contract, adjustments for allowances, change orders or other circumstances not addressed in the contract could result in the total construction costs exceeding the maximum price that was established by the GMP contract.

8) Management has estimated the cost of furniture, fixtures, and equipment for the Community approximates $2,335,000 based on the architect's estimates and Management's plans.

9) Management has assumed that indirect construction costs for the Project would approximate $951,000 in the aggregate, and consist of the cost of preconstruction contractor services, offsite road improvements, an owner's representative fee, and other items, such as zoning, permit, and tap fees.

10) Management has included a project contingency of $2,500,000 in the overall project related costs of the Community.

11) Based upon the Development Consulting Agreement with Greystone (as more fully described previously herein) Management has assumed that the Total Development Fees would approximate $6,739,000. According to Management, $4,939,000 of the Total Development Fees will be funded with a portion of the proceeds from the Series 2010 Bonds and the remaining portion, $1,800,000, will be funded from first generation entrance fees from the Independent Living Units.

12) Development consulting fees of approximately $798,000 were paid to RLS under the terms of the RLS Development Agreement, which has been terminated and is no longer in effect.

13) Represents Management's estimate of the Investor Fee to be paid to the Funding Agreement Investors upon the assumed repayment of Investor Capital at closing of the Series 20010 Bonds, based upon the terms of the Funding Agreement, as more fully described previously herein.

14) Represents Management's estimate of the amount of accrued interest to be paid to the holders of the Series 2007 BANs and the Series 2008 BANs upon the assumed refunding of the Series 2007 BANs and the Series 2008 BANs from proceed of the Series 2010 Bonds.

15) Miscellaneous costs related to the Community are estimated to approximate $2,263,000 and include expenses related to travel, legal and other professional fees and other administrative costs as provided by Management.

16) Marketing costs related to the initial occupancy of the Community are assumed to approximate $10,684,000 in total expenditures and will include direct marketing costs, salaries and commissions, promotional materials, and other items as provided by Management and Greystone based on their experience with other projects. Marketing costs are assumed to be funded through stabilized occupancy.

17) Management and the Underwriter have estimated funded interest in the amount of $15,241,000 which represents the Project related debt service through April, 2012, which is approximately 20 months from the assumed issuance date of the Series 2010 Bonds.

18) Represents the estimated amount that will be deposited to the Debt Service Reserve Funds related to the Series 2010 Bonds as provided by Management and the Underwriter.

19) Subsequent to the issuance of the Series 2010 Bonds and after completion of the Community, initial entrance fees related to the Independent Living Units are forecasted to be used to fund working capital in the amount of $10,200,000. In addition, initial entrance fees from the Independent Living Units are also forecasted to fund payment of $1,800,000 of Greystone development fees as noted in item 11 above. In total $12,000,000 is forecasted to be deposited into the Working Capital Fund from initial entrance fees.

20) Subsequent to the issuance of the Series 2010 Bonds and after completion of the Community, initial entrance fees related to the Independent Living Units are forecasted to be used to fund an operating reserve fund in the amount of $3,000,000 (prior to any replenishment).

21) Management has forecasted $500,000 will be deposited into a Supplemental Liquidity Support Fund pursuant to the Liquidity Support Agreement as more fully described previously herein.

22) Represents the amount of costs associated with the issuance of the Series 2007 BANs, the Series 2008 BANs, and the Investor Capital.

23) Management and the Underwriter estimate of costs related to the Underwriter's discount, legal fees, accounting fees, and other costs associated with the proposed issuance of the Series 2010 Bonds.

Resident Admission Criteria-Independent Living Units

A prospective resident will be accepted for residency in the Independent Living Units only if the applicant is age 62 and older at the time of occupancy, demonstrates the ability to live independently or with some assistance with activities of daily living as determined by the Organization, and is able to meet the financial obligations as a resident of the selected Independent Living Units. The Community will be open to individuals regardless of race, nationality or religion.

In order to reserve one of the Independent Living Units at the Community, the prospective resident must complete a reservation agreement (the "Reservation Agreement"), complete a "Confidential Data Profile" which provides self disclosure of his or her health and finances, and submit payment of a reservation deposit equal to either 7.0 percent or 10.0 percent of the entrance fee for the respective Independent Living Units selected (the "Entrance Fee Deposit") (prior to February 2009, prospective residents were required to pay a 10.0 percent deposit; beginning in February 2009, prospective residents are required to pay a deposit equal to 7.0 percent of the entrance fee for their selected unit under Plans I, II, III and IV, or 10.0 percent of the entrance fee for their selected unit under Plan V). As of June 4, 2010, approximately 52 percent of the Depositors have paid a deposit equal to 7.0 percent of the entrance fee, and approximately 48 percent have paid a deposit equal to 10.0 percent of the entrance fee. Upon the Organization's receipt of the Reservation Agreement, Management has 10 days to notify the prospective residence of their acceptance and execute the Reservation Agreement. Upon acceptance and execution of the Reservation Agreement, the prospective resident is referred to as a "Depositor").

The executed Reservation Agreement reserves the right of the Depositor to choose the selected apartment within the Independent Living Units and indicates their intent to execute a life care contract (referred to herein as the "Residency Agreement").

Termination of the Reservation Agreement

Termination by the Depositor
Prior to occupancy and execution of a Residency Agreement, Depositors may terminate their Reservation Agreement as follows:

Termination with 14 days
If the Depositor terminates the Reservation Agreement within 14 days from the date it is executed, the Organization will refund the entire Entrance Fee Deposit, in full, within 30 days.

Termination after 14 days
Depositors will be entitled to full reimbursement of their Entrance Fee Deposit, with interest, within 30 days of termination under the following circumstances: (i) the Organization's failure to meet its obligations under the Reservation Agreement, (ii) death of the Depositor prior to occupancy, or (iii) other circumstances beyond the control of the Depositor that equitably entitle the Depositor to a refund.

If the Depositor terminates the Reservation Agreement after 14 days from the date it is executed, other than for those reasons listed in the preceding paragraph, the Organization shall refund the entire Entrance Fee Deposit, including interest earned on the Entrance Fee Deposit, less a $250 processing fee, within 30 days of termination.

Termination by the Organization
The Organization may terminate the Reservation Agreement and refund the entire Entrance Fee Deposit, plus interest, within 30 days under the following circumstances:

(i) If the Depositor's physical or mental health status changes after the Depositor is accepted for residency so that at the time of occupancy the Depositor is precluded from residence for health reasons, (ii) if the Organization concludes that either the required governmental approvals are not likely to be obtained in a timely manner or the project is no longer reasonably feasible, or (iii) if the Depositor fails to execute a Residency Agreement with 14 days after it has been presented by the Organization for execution.

Residency Agreements-Independent Living Units

Execution of the Residency Agreement and payment of the monthly service fee and the entrance fee entitles the resident to occupy the selected Independent Living Units.

Entrance Fee Plan Options

The Organization offers five entrance fee plans to prospective residents of the Independent Living Units as summarized in the following table:

Table 7
Entrance Fee Plans and Refund Percentage

Entrance Fee Plan Option	Refund Percentage
Plan I: LifeCare with Full Services - 90% Refundable ("Plan I")	90% of the entrance fee paid will be refunded based upon a 10% reduction at occupancy (1)
Plan II: LifeCare with Limited Services - 90% Refundable ("Plan II")	90% of the entrance fee paid will be refunded based upon a 10% reduction at occupancy (1)
Plan III: No LifeCare with Full Services - 90% Refundable ("Plan III")	90% of the entrance fee paid will be refunded based upon a 10% reduction at occupancy (1)
Plan IV: LifeCare with Full Services - 50% Refundable ("Plan IV")	The entrance fee paid will be refunded based upon the following amortization schedule: a 10% reduction at occupancy and approximately 1.33% reduction for up to 30 months thereafter until termination, but in no case less than 50% refundable.
Plan V: LifeCare with Full Services - 0% Refundable Traditional Amortizing ("Plan V")	The entrance fee paid will be refunded based upon the following amortization schedule: a 10% reduction at occupancy and approximately 1.5% reduction for each month of occupancy thereafter for up to 60 months until termination, at which point the entrance fee is no longer refundable.

Source: Management
Notes:
(1) The entrance fee for residents with Charter Benefits (as described subsequently herein) will be 95% refundable.

The monthly service fees under Plan II are forecasted to be approximately 12 percent lower than the monthly service fees under Plan I. The monthly services under Plan III and Plan IV are forecasted to be approximately 20 percent lower than the monthly service fees under Plan I. Plan V monthly service fees are forecasted to equal Plan I monthly service fees. The entrance fees under Plan V are forecasted to be approximately 30 percent lower than the entrance fees under Plan I. Plan II, Plan III, and Plan IV entrance fees are forecasted to equal Plan I entrance fees. See Tables 42 and 43 hereinafter for a summary of the forecasted monthly service fee and entrance fee pricing for each plan option.

If the Residency Agreement is terminated prior to assuming occupancy at the Community, the resident will receive a full refund of all monies paid to the Organization, including interest as is earned on the escrow account, within 30 days.

If the Residency Agreement is terminated after occupancy, the Organization will refund the refundable portion of the entrance fees paid (without interest) as summarized in Table 7, on the later of (i) the effective date of termination of the Residency Agreement or (ii) the date a new entrance fee and executed Residency Agreement have been received from a new resident and that new resident has taken occupancy of the vacated unit.

If two residents occupy one unit within the Independent Living Units, and one of the residents terminates the Residency Agreement and the other resident remains in the unit, the monthly service fee will be adjusted for single occupancy. In such cases, no refund of the entrance fee will occur until termination of the Residency Agreement by both residents.

Services and Amenities

Under the Residency Agreement, residents that pay an entrance fee and a monthly service fee are entitled to certain services and amenities at no additional cost. The following table outlines the services included in the Residency Agreement for each of the entrance fee plan types.

Table 8
Services Included in Each Entrance Fee Plan

		Services Included At No Additional Cost?		
		Plan I, Plan IV, Plan V	Plan II	Plan III
Service Type	Description	LifeCare with Full Services	LifeCare with Limited Services	No LifeCare with Full Services
Dining	GreenFields Dollars, a credit system providing the equivalent of a complete meal for each day of the month	Yes	No	Yes
Housekeping	Weekly vacuuming & light housekeeping	Yes	No	Yes
Linen	Weekly laundering and changing of bed linens	Yes	No	Yes
Utilities	Sewer, water, waste disposal, electricity, heat and air-conditioning, and basic cable television	Yes	Yes	Yes
Security	Smoke detectors and fire-sprinkler system	Yes	Yes	Yes
Emergency Alert System	24 hour emergency alert system	Yes	Yes	Yes
Maintenance	Maintenance of buildings, grounds and common areas. Repair, maintenance and replacement of certain unit fixtures	Yes	Yes	Yes
Mail	Mailboxes will be provided in a central location	Yes	Yes	Yes
Transportation	Scheduled local transportation	Yes	Yes	Yes
Activities	Social, education and wellness programs	Yes	Yes	Yes
Insurance	Maintain property and casualty insurance coverage on buildings and grounds	Yes	Yes	Yes
Storage Area	One individual storage area	Yes	Yes	Yes
Medical Director	Services of a qualified licensed physician will be retained	Yes	Yes	Yes
Life Care Benefit	Lifetime priority access to Assisted Living Units, Memory Support Units and Health Center at pre-determined rates (1)	Yes	Yes	No

Source: Management
Notes: (1) See "Life Care Benefit" section that follows for further description and terms

Management anticipates that certain services will be available for an extra fee including, but not limited to: meals and food items over and above those outlined in the table above, catering for special occasions, guest overnight accommodations, delivered meal service and take-out, additional maintenance services, additional parking (subject to availability), additional housekeeping services, personal laundry services, personalized transportation services, special social events and programs, personal fitness trainer, home care and personal assistance services.

SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS AND ACCOUNTING POLICIES

Life Care Benefit

The Organization will provide residents of the Independent Living Units with priority access to nursing services that are available in the Nursing Center or assisted living/memory support services in the Assisted Living Center when a determination is made that the resident needs such care (the "Life Care Benefit"). The Organization will pay for the routine assisted living, memory support, or nursing care required by the residents to the extent that it is not covered by the resident's insurance, Medicare, or other governmental benefits or entitlements that the residents are required to posses and maintain under the Residency Agreement. Assisted living services will be provided in an Alcove Assisted Living Unit and nursing services will be provided in a traditional nursing room.

Effect on Monthly Service Fee - Temporary Transfer
For single occupancy residents with a temporary need for care in the Assisted Living Center or Nursing Center, the resident will be required to pay both their current monthly service fee for their apartment in the Independent Living Units and the applicable fee at the Assisted Living Center or Nursing Center. For double occupancy residents, should one or both residents have a temporary need for care in the Assisted Living Center or Nursing Center, they will continue to pay their current monthly service fee for their apartment in the Independent Living Units less the second occupancy fee, plus the applicable fee at the Assisted Living Center or Nursing Center.

Effect on Monthly Service Fee - Permanent Transfer
For single occupancy, upon permanent transfer to the Nursing Center or Assisted Living Center and release of their apartment in the Independent Living Units, the monthly service fee will be adjusted to the then-current monthly service fee for a Plan I Daisy apartment within the Independent Living Units, plus the cost of two additional meals daily.

In the case of double occupancy of one of the Independent Living Units, in the event of a permanent transfer of both residents and release of their apartment in the Independent Living Units, the monthly service fee will be adjusted to the then-current monthly service fee for a Plan I Daisy apartment within the Independent Living Units, plus the then-current monthly service fee for a Plan I Aster apartment within the Independent Living Units, and the cost of two additional meals per person daily.

In the case of double occupancy of one of the Independent Living Units, in the event of a permanent transfer of only one of the residents, the monthly service fee will be adjusted to the then current monthly service fee for the residence plus the then current monthly service fee for a Plan I Aster apartment within the Independent Living Units, and the relocated resident will pay for the then-current cost of two additional meals per day.

In all cases, residents will also be billed for non-routine care and ancillary services at the then-current rates for such items. If space is not available in the Nursing Center or Assisted Living Center, until such space becomes available, the Organization will arrange and pay for the resident's care by a home health care agency if reasonably possible, or if not medically appropriate, in another facility that can provide similar care that would have been provided by the Community.

Charter Benefits and Construction Benefits

Charter Benefits

The Organization is offering approximately the first 80 percent of the Independent Living Units' Depositors a package of additional benefits ("Charter Benefits") that include the following:

- An approximate 14 percent discount on the standard entrance fee pricing (the "Charter Entrance Fee");
- 95 percent refund of the Entrance Fee Deposit to the resident or their estate (applicable only to Plan I, Plan II, and Plan III);
- Reduced second person monthly service fee ($300 discount);

- Monthly fees stabilized through August 31, 2011;
- Two complimentary months of service fees from the available occupancy date;
- Guaranteed occupancy should the resident's health care needs change between the date of the Entrance Fee Deposit and the date of occupancy;
- Opportunity to customize Independent Living Units; and
- Payment of the greater of the market-rate or 4 percent interest on the Entrance Fee Deposit from the date of deposit through the date the unit is available for occupancy upon move-in to the Community.

In addition the first 75 percent of the Independent Living Units Depositors will also receive one complimentary underground parking space.

Construction Benefits

The Organization also plans to offer those Depositors signing a Reservation Agreement during the construction period an approximate 7.5 percent discount from the standard entrance fee pricing (the "Construction Benefits");

Management has forecasted that approximately 50 percent of first generation residents will receive Charter Benefits, 25 percent of initial residents will receive Construction Benefits, and the remaining 25 percent will not receive either Charter Benefits or Construction Benefits (referred to as "Standard Pricing").

Forecasted Utilization of Entrance Fee Plans

The following table summarizes Management's forecasted utilization of the entrance fee plans by first generation residents in comparison to the number of Depositors who have selected each plan as of June 4, 2010:

Table 9
Forecasted Utilization of Entrance Fee Plans

	Initial Deposits (1)		Forecasted	
Entrance Fee Option	Number	Percent	Number	Percent
Plan I	71	71.7%	109.3	78.2%
Plan II	13	13.1%	11.4	8.2%
Plan III	2	2.0%	3.8	2.7%
Plan IV	6	6.1%	7.6	5.4%
Plan V	7	7.1%	7.6	5.4%
Total	99	100.0%	139.7	100.0%

Source: Management
Note: (1) Based upon the Depositors as of June 4, 2010

Although residents select their refund plans initially, they can change their selection upon move-in so long as alternative plan contracts are available. Management has planned to offer only Plan I to post-first generation residents of the Independent Living Units.

Combination Units

According to Management, as of June 4, 2010, 14 Depositors have each reserved two Independent Living Units (the "Combination Units"). Upon vacancy, the Combination Units could be separated and remarketed as their original floor plans; therefore Management has forecasted the number of Independent Living Units according to the original floor plans. Thirteen of the 14 Depositors that reserved one of the Combination Units have contracted to pay monthly fees and entrance fees for the combined apartments for an amount equal to the combined monthly fees/entrance fee for each floor plan less a $500 discount for the monthly service fee and a $30,000 discount on the entrance fee. The remaining Depositor that reserved one of the Combination Units has contracted to pay monthly fees and an entrance fee for the combined apartment in an amount equal to the combined monthly fee/entrance fee for each floor plan.

Assisted Living Center and Nursing Center Admissions

The Organization plans to offer life care contracts for residency at the Assisted Living Center and the Nursing Center. Under the CCRC variance provisions, only residents of the Community are eligible for admission to the Nursing Center. Management has assumed admissions into the Nursing Center from residents transferring from the Independent Living Units and the Assisted Living Center and from residents entering into a health care life care contract. Residents of the Independent Living Units will have priority utilization of the Assisted Living Center and the Nursing Center over direct admissions residents.

SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS AND ACCOUNTING POLICIES

MARKET ASSESSMENT

General

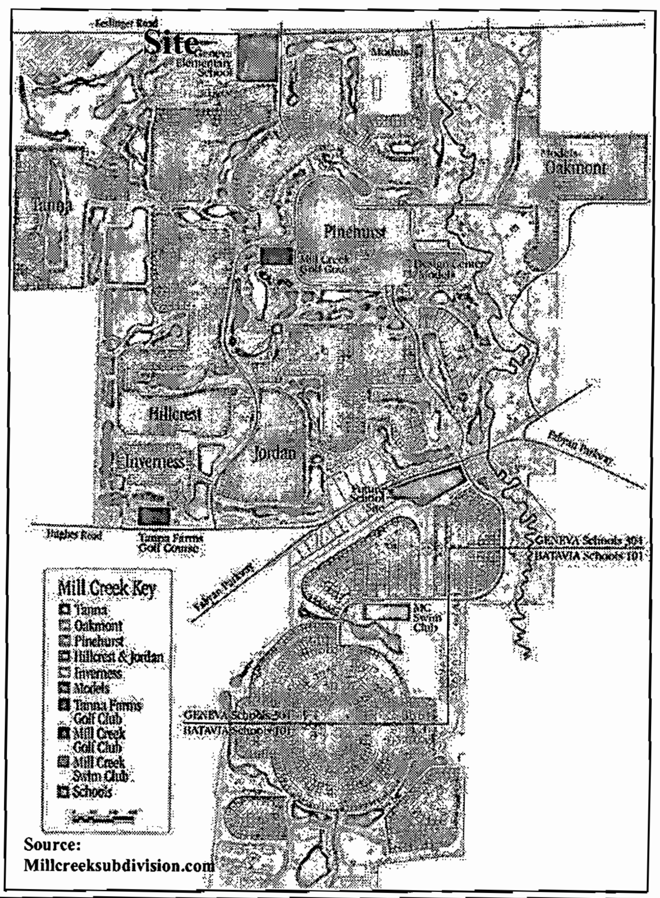
Management's assumptions for the future utilization of the Community were developed based on analysis of the following factors, which may affect the demand for the services:

- Site description and general area analysis;
- Defined primary market area ("PMA") for the Independent Living Units, Assisted Living Center and Nursing Center;
- Demographic and economic characteristics of Management's defined PMA;
- Estimated age and income qualified households within Management's defined PMA;
- Description and utilization of existing and proposed comparable retirement communities within Management's defined PMA;
- Penetration rates for retirement community services within Management's defined PMA; and
- Management's ability to market the Independent Living Units, Assisted Living Center, and Nursing Center beds of the Community.

Site Analysis

Site Description and Surrounding Land Use

The Community will be located on 26 acres in the northwest quadrant of the Mill Creek subdivision (the "Site") in Kane County, Illinois. The map to the right shows the location of the Site along with the layout of the entire Mill Creek subdivision.



Source: Millcreeksubdivision.com

The Site is just west of downtown Geneva, Illinois which is located in the Fox River Valley, and approximately 40 miles west of downtown Chicago via Interstate 88. The Mill Creek subdivision consists primarily of single-family homes as well two 18-hole golf courses. The area's topography is relatively flat with slight rolling hills and little tree cover. Land use surrounding the Site to the north and west is agricultural with the exception of the Richardson Electronic offices which is less than one mile west of the Site. Directly east of the Site is an elementary school. Residential development to the south and east is sporadic with the Mill Creek subdivision being the largest.

Access and Visibility

Access to the Community will be on Friendship Way via Keslinger Road to the north or Schoolhouse Lane to the south. Keslinger Road is a two-lane east-west road north of the Site which intersects with Randall Road to the east, a major north-south thoroughfare. Randall Road is a divided highway linking Keslinger Road with Interstate 88 approximately seven miles to the south, which leads directly to Chicago.

Proximity to Retail, Health Care, and Community Services

The major concentration of retail development in the area is between Lincoln Highway and Fabyan Parkway on Randall Road east of the Site. This area consists of Geneva Commons which features a collection of retailers in an open air design including Crate & Barrel, Dick's Sporting Goods, Barnes & Noble, as well as specialty shops and dining options. In addition, other large stores such as Home Depot are located in this area and also a grocery store. Geneva's historic downtown district also offers a number of dining venues and a variety of specialty shops.

There are several clinics located in Geneva near the Site including family practice and specialty services. In addition, there are five hospitals in the area according to the American Hospital Directory. These five hospitals are summarized below along with their location in proximity to the Site:

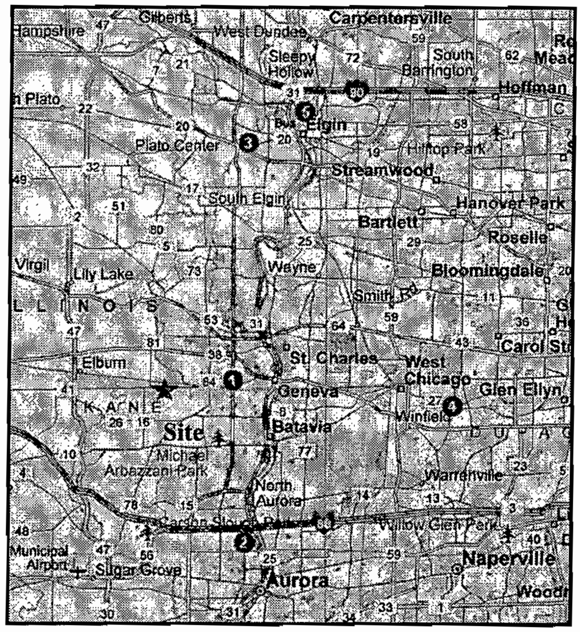
1. *Delnor-Community Hospital*, 159 beds located on 300 Randall Road in Geneva, approximately three miles from the Site.

2. *Provena Mercy Medical Center*, a 299-bed hospital located on 1325 North Highland Avenue in Aurora, approximately seven miles from the Site.

3. *Provena St. Joseph Hospital*, a 193-bed hospital located on 77 North Airlite Street in Elgin, approximately 11 miles from the Site.

4. *Central DuPage Hospital,* a 313-bed hospital, located on 900 North Brundige in Elburn, approximately 13 miles from the Site.

5. *Sherman Hospital*, a 255-bed hospital, located on 1425 North Randall Road in Elgin, approximately 13 miles from the Site. Sherman Hospital is located in a new facility that opened in December 2009.



Source: Microsoft MapPoint 2009

There are a variety of community services available to seniors in the Geneva area. A senior center and public library are located in downtown Geneva offering a variety of daily activities. There is also a Metra station in Geneva, which provides access to downtown Chicago via a regional railway. In addition, the "Ride in Kane" program offers seniors in Kane County transportation to medical visits, shopping and other personal needs for a nominal fee.

Independent Living Units Primary Market Area

Management defines the PMA for the Community's Independent Living Units (the "IL PMA") as the geographic area from which the majority of the prospective residents are assumed to originate prior to occupancy. Based upon an analysis of reserved Independent Living Units at the Community, Management has defined the IL PMA to be a 24 ZIP Code area around the Community which extends approximately 25 miles to the north, 11 miles to the south, 16 miles to the east and 12 miles to the west. The following table summarizes the ZIP Codes and corresponding cities that make up the IL PMA.

Table 10
IL PMA ZIP Codes and Cities/Localities

Zip Code	City/Locality	Zip Code	City/Locality
60103	Bartlett	60119	Elburn
60120	Elgin	60123	Elgin
60124	Elgin	60134	Geneva
60136	Gilberts	60142	Huntley
60174	Saint Charles	60175	Saint Charles
60177	South Elgin	60184	Wayne
60185	West Chicago	60187	Wheaton
60188	Carol Stream	60190	Winfield
60502	Aurora	60505	Aurora
60506	Aurora	60510	Batavia
60539	Mooseheart	60542	North Aurora
60554	Sugar Grove	60555	Warrenville

Source: Management

As of June 4, 2010, there were 113 Independent Living Units reserved by 99 Depositors (14 of the Depositors have each reserved two Independent Living Units), representing a 76.9 percent pre-sale level of the 147 available Independent Living Units.

The following table summarizes the resident origin information for the Depositors as of June 4, 2010.

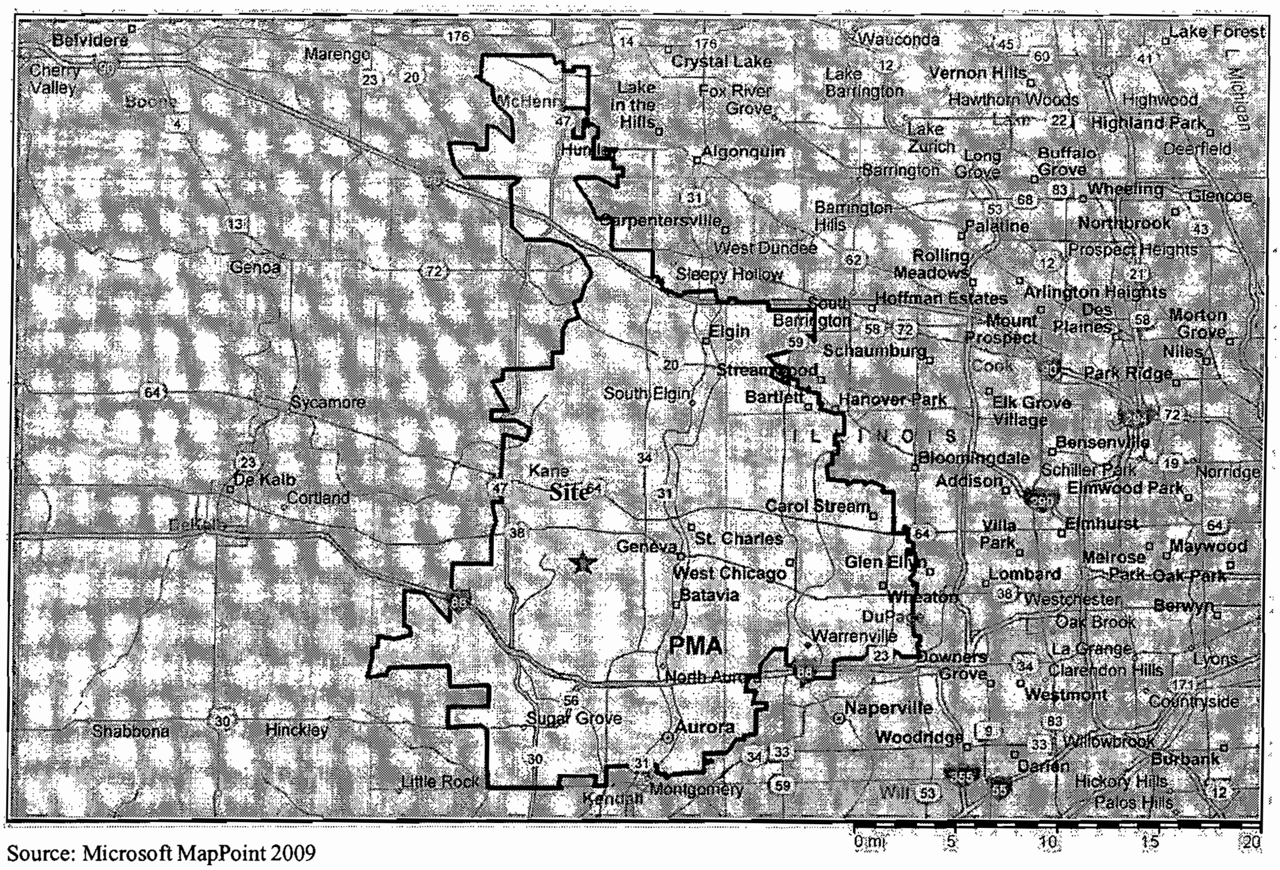
Table 11
Depositor Origin - Independent Living Units

Area of Origin	Number of Depositors	Percentage of Depositors
IL PMA	67	67.7%
Other Areas in the Chicago-Naperville-Joliet, IL-IN-WI Metropolitan Statistical Area (1)	23	23.2%
Other Areas in Illinois	3	3.0%
All Other Areas	6	6.1%
Total	99	100.0%

Source: Management
Note: (1) The Chicago-Naperville-Joliet, IL-IN-WI Metropolitan Statistical Area includes the Illinois counties of Cook, DeKalb, DuPage, Grundy, Kane, Kendall, McHenry, and Will, the Indiana counties of Jasper, Lake, Newton, and Porter, and Kenosha county in Wisconsin.

Based on the information in the table above, Management assumes that approximately 70.0 percent of the Independent Living Units' future residents will originate from the IL PMA.

The following map depicts the IL PMA and the location of the proposed Community.



Source: Microsoft MapPoint 2009

Population – IL PMA

The age distribution of the population in a geographic area is considered by Management to be a key factor in the determination of the area's retirement housing needs. Population data regarding numbers of elderly is presented in the following tables. The 2009 and 2014 data in the following tables are estimates and projections, respectively, based on the 2000 census, which were provided by Claritas, Inc., a recognized provider of census demographic information.

Based on an analysis conducted of the Independent Living Units' Depositors (including second person occupants) as of June 4, 2010, approximately 22 percent of the primary Depositors will be under age 75 upon opening of the Community and 78 percent will be age 75 and over.

Table 12
Elderly Population Change for the IL PMA

	2000 (Actual) Population	2009 (Estimated) Population	Average Compounded Percentage Change 2000 - 2009	2014 (Projected) Population	Average Compounded Percentage Change 2009 - 2014
Total Population	541,800	649,919	2.0%	707,223	1.7%
Age 65 to 74 Population	22,351	32,227	4.1%	45,329	7.1%
Age 75 to 84 Population	14,882	16,556	1.2%	19,060	2.9%
Age 85 plus Population	5,730	7,265	2.7%	8,328	2.8%
Total 65 plus	42,963	56,048	3.0%	72,717	5.3%
Total 75 plus	20,612	23,821	1.6%	27,388	2.8%

Source: Claritas

The following table presents the percentage of total population by age group for the elderly population in the IL PMA, the State of Illinois and the United States.

Table 13
Percentage of Total Population by Age Cohort

	2009 (Estimated)		
	IL PMA	Illinois	U.S.
Age Cohort			
65 plus	8.6%	12.3%	12.9%
75 plus	3.7%	5.9%	6.2%
85 plus	1.1%	1.9%	1.9%

	2014 (Projected)		
	IL PMA	Illinois	U.S.
Age Cohort			
65 plus	10.3%	13.5%	14.3%
75 plus	3.9%	6.0%	4.3%
85 plus	1.2%	2.0%	2.0%

Source: Claritas

Real Estate Trends – IL PMA

Management has assumed that the majority of residents moving into the Community's Independent Living Units will sell their current homes prior to relocating to the Community. The ability of potential residents to sell their homes in a timely fashion may have an impact on the fill-up period of the Community and may affect the ability of residents to pay the entrance fees, in some cases. The following table summarizes real estate trends for the ZIP codes included in the IL PMA.

Table 14
Real Estate Trends in the IL PMA (1)
2007 through April 30, 2010

		2007			2008			2009			January 1, 2010 through April 30, 2010		
ZIP Code	City	Number Homes Sold	Median Sales Price	Average Days on Market	Number Homes Sold	Median Sales Price	Average Days on Market	Number Homes Sold	Median Sales Price	Average Days on Market	Number Homes Sold	Median Sales Price	Average Days on Market
60103	Bartlett	360	$ 325,000	360	250	$295,500	153	234	$273,500	176	56	$254,000	138
60119	Elburn	107	345,000	107	79	313,000	285	75	305,000	295	26	249,500	200
60120	Elgin	320	199,500	118	253	157,100	152	313	120,000	177	115	125,000	166
60123	Elgin	436	244,450	126	286	193,000	178	308	161,000	190	102	151,800	158
60124	Elgin	67	338,000	127	63	349,400	147	118	289,500	189	36	279,965	237
60134 (2)	Geneva	332	365,000	142	261	360,000	160	259	323,500	194	72	309,250	172
60136	Gilberts	53	344,624	133	32	287,750	206	37	248,000	206	10	260,750	134
60142	Huntley	301	279,500	112	221	260,000	221	251	232,000	208	79	214,000	194
60174	St. Charles	201	273,500	162	201	273,500	162	214	242,500	199	59	233,000	169
60175	St. Charles	274	525,000	186	237	567,000	213	181	450,000	291	50	454,950	227
60177	S. Elgin	198	275,000	126	158	249,450	158	119	224,900	179	35	202,500	132
60184	Wayne	15	649,000	216	12	615,000	317	23	455,000	325	4	355,000	564
60185	W Chicago	203	280,000	127	175	235,000	173	203	162,000	203	57	165,000	162
60187	Wheaton	473	386,500	122	401	371,500	156	256	345,000	169	71	313,135	166
60188	Carol Stream	205	279,000	167	167	250,000	167	142	228,500	148	35	215,000	165
60190	Winfield	93	361,000	108	76	317,500	179	61	315,000	181	13	285,000	128
60502	Aurora	130	365,500	129	113	342,000	171	122	310,000	141	35	299,900	163
60505	Aurora	357	141,000	101	281	107,500	136	310	59,900	139	138	55,000	126
60506	Aurora	456	190,000	102	296	173,000	142	311	145,000	159	127	123,500	150
60510	Batavia	185	302,500	165	185	302,500	165	181	279,000	225	51	278,000	192
60542	N. Aurora	177	273,000	120	138	274,700	133	102	249,950	169	46	255,500	211
60544	Sugar Grove	110	336,755	170	80	310,000	251	83	294,000	277	27	299,900	210
60555	Warrenville	85	266,500	136	68	241,500	175	73	210,000	169	19	219,000	192
Total/Weighted Avg.		5,138	$ 294,367	146	4,033	$278,568	169	3,976	$231,395	189	1,263	$207,647	169

Source: Illinois MLS data from Baird & Warner - Fox Valley, May 20, 2010
Notes:
(1) Information was not available for ZIP Code 60539.
(2) The Community is expected to be located in ZIP Code 60134.

The following table summarizes the number of homes sold from January 1, 2010 through April 30, 2010 within eight price ranges for the majority of the ZIP Codes in the IL PMA.

Table 15
Real Estate Trends in the IL PMA (1)
January 1, 2010 through April 30, 2010

	60103 Bartlett	60119 Elburn	60120 Elgin	60123 Elgin	60124 Elgin	60134 (2) Geneva	60136 Gilberts	60142 Huntley	60174 St. Charles	60175 St. Charles	60177 S. Elgin	60184 Wayne
Closed Price:												
Up to $199,999	11	6	100	77	1	5	2	34	17	1	17	0
$200,000-249,999	14	7	4	15	7	13	2	23	16	3	9	1
$250,000-299,999	17	4	6	6	14	13	4	9	7	4	3	0
$300,000-349,999	6	6	3	1	5	16	2	6	6	6	1	1
$350,000-399,999	3	1	1	0	2	14	0	2	2	6	1	1
$400,000-449,999	2	1	1	2	5	6	0	2	4	4	1	0
$450,000-499,999	2	0	0	0	1	0	0	1	3	7	1	1
$500,000 and over	1	1	0	1	1	5	0	2	4	19	2	0
Total	**56**	**26**	**115**	**102**	**36**	**72**	**10**	**79**	**59**	**50**	**35**	**4**

	60185 W. Chicago	60187 Wheaton	60188 Carol Strm.	60190 Winfield	60502 Aurora	60505 Aurora	60506 Aurora	60510 Batavia	60542 N. Aurora	60554 Sugar Gr.	60555 Warrenville	TOTAL Number	TOTAL %
Closed Price:													
Up to $199,999	35	7	14	2	4	137	107	12	9	5	8	**611**	**48.4%**
$200,000-249,999	6	15	10	2	4	0	10	6	13	5	4	**189**	**15.0%**
$250,000-299,999	5	9	7	6	10	1	5	13	13	4	4	**164**	**13.0%**
$300,000-349,999	6	9	2	0	3	0	4	7	7	5	1	**103**	**8.2%**
$350,000-399,999	3	9	1	1	5	0	1	5	4	3	1	**66**	**5.2%**
$400,000-449,999	0	4	0	0	3	0	0	0	0	3	0	**38**	**3.0%**
$450,000-499,999	0	6	1	1	1	0	0	4	0	1	0	**30**	**2.4%**
$500,000 and over	2	12	0	1	5	0	0	4	0	1	1	**62**	**4.9%**
Total	**57**	**71**	**35**	**13**	**35**	**138**	**127**	**51**	**46**	**27**	**19**	**1,263**	**100.0%**

Source: Illinois MLS Data from Baird & Warner - Fox Valley, May 20, 2010
Notes:
(1) Information was not available for ZIP Code 60539
(2) The Community is expected to be located in ZIP Code 60134

The following table shows the S&P/Case-Shiller Home Price Index value for the Chicago-Naperville-Joliet, IL Metropolitan Statistical Area ("MSA") compared to Composite-10 and Composite-20 Homes Price Indices as of March 2010. Also shown is the percentage change in value for each of the past 5 years.

Table 16
The S&P/Case-Shiller Home Price Index Trends

Metropolitan Area	March 2010 Level	1-Year (3/09 to 3/10)	2-Year (3/08 to 3/10)	3-Year (3/07 to 3/10)	4-Year (3/06 to 3/10)	5-Year (3/05 to 3/10)
Composite-10						
Boston	151.42	3.8%	-4.5%	-10.1%	-14.5%	-14.4%
Chicago	119.71	-2.3%	-20.4%	-28.3%	-27.4%	-21.2%
Denver	125.31	4.1%	-1.6%	-6.6%	-8.5%	-5.6%
Las Vegas	102.58	-12.0%	-39.4%	-55.1%	-55.9%	-51.4%
Los Angeles	170.62	6.0%	-17.6%	-35.5%	-36.4%	-24.8%
Miami	146.15	-1.7%	-30.0%	-47.2%	-46.7%	-32.2%
New York	169.42	-2.4%	-13.8%	-20.2%	-21.0%	-11.8%
San Diego	160.22	10.8%	-13.6%	-31.3%	-35.4%	-32.3%
San Francisco	136.74	16.2%	-18.8%	-35.2%	-36.7%	-31.0%
Washington, DC	175.28	5.6%	-13.8%	-26.1%	-29.6%	-19.5%
Composite-20 (includes Composite-10)						
Atlanta	103.74	-1.3%	-16.6%	-22.1%	-20.6%	-16.8%
Charlotte	114.74	-3.9%	-12.8%	-12.0%	-5.5%	0.4%
Cleveland	103.32	6.7%	-2.9%	-12.1%	-14.3%	-13.7%
Dallas	115.74	3.0%	-2.7%	-6.0%	-4.8%	-1.4%
Detroit	67.66	-4.6%	-29.2%	-41.9%	-46.4%	-45.2%
Minneapolis	116.66	6.5%	-52.4%	-59.1%	-59.9%	-58.0%
Phoenix	109.52	2.4%	-34.4%	-49.5%	-51.0%	-34.0%
Portland	143.61	-2.8%	-17.7%	-21.0%	-15.5%	3.8%
Seattle	143.73	-3.6%	-19.4%	-22.9%	-15.2%	0.0%
Tampa	136.46	-3.5%	-25.1%	-39.8%	-41.6%	-25.7%
Composite-10	156.25	3.1%	-16.0%	-28.9%	-30.2%	-21.6%
Composite-20	143.35	2.3%	-16.8%	-28.7%	-29.6%	-20.9%

Source: Case-Shiller Index, May 26, 2010

Economy and Employment Information

The following table summarizes the 20 largest private sector employers within Geneva in 2009.

Table 17
Top 20 Private Employers – Geneva, IL

Major Private Employers	Industry	Employees
Delnor - Community Hospital	Hospital/Medical Offices	1,693
County of Kane	County Government	1,401
Kane County Cougars	Class A Baseball Team	640
Geneva School District	School District	544
Burgess Norton	Piston Pins, Powder Metal	309
Johnson Controls Battery Group	Manufacture of Automotive Batteries	300
Peacock Engineering Co.	Packaging and Manufacturing	250
City of Geneva	City Government	242
Millard Refrigerated Services	Refrigerated Warehouse	220
Exel North American Logistics	Wholesale General Groceries	200
Houghton Mifflin Co.	Publisher	179
Little Traveler Inc.	Retailer/Restaurant	169
Nicor Service	Gas Distribution Company	158
Home Depot	Home Improvement Store	147
FONA International, Inc.	Research and Development Flavoring Extracts	136
Miner Enterprises, Inc.	Design and Manufacturing Railcar Elements	130
Gordon Flesch Co.	Business Equipment Solutions	121
Provena Health, Inc.	Medical Care Services	111
Continental Envelope	Envelope Printing	110
KCA Financial Services	Collection Agency	105

Source: City of Geneva, Illinois Community Profile. Compiled by the Economic Development Department, April 2009.

The following table summarizes employment by industry sector for the Tri-Cities Region (which includes the cities of Batavia, Geneva and St. Charles, and Kane and DuPage Counties) as of March 2009.

Table 18
Employment by Industry Sector

	Tri-Cities Region [1]		Kane County		DuPage County	
	Number	%	Number	%	Number	%
Manufacturing	10,237	23.3%	29,883	18.3%	53,193	10.6%
Retail Trade	7,028	16.0%	20,918	12.8%	61,886	12.3%
Health Care & Social Assistance	5,733	13.0%	22,775	14.0%	51,314	10.2%
Accommodations & Food Services	4,745	10.8%	13,608	8.3%	38,967	7.8%
Wholesale Trade	3,537	8.0%	10,913	6.7%	47,984	9.6%
Admin & Sup & Waste MGMT & Remed. Serv.	2,099	4.8%	16,106	9.9%	44,783	8.9%
Construction	1,868	4.2%	8,240	5.1%	23,042	4.6%
Professional, Scientific & Tech Services	1,846	4.2%	8,349	5.1%	47,331	9.4%
Other Services	1,576	3.6%	5,266	3.2%	19,083	3.8%
Finance & Insurance	1,479	3.4%	7,952	4.9%	30,778	6.1%
Transportation & Warehousing	1,444	3.3%	3,582	2.2%	22,377	4.5%
Information	849	1.9%	3,962	2.4%	12,435	2.5%
Educational Services	589	1.3%	3,346	2.1%	12,860	2.6%
Arts, Entertainment & Recreation	506	1.1%	5,076	3.1%	4,605	0.9%
Real Estate, Rental & Leasing	369	0.8%	1,305	0.8%	8,798	1.8%
MGMT of Companies & Enterprises	108	0.2%	626	0.4%	18,438	3.7%
Agriculture, Forestry, Fishing & Hunting	0	0.0%	655	0.4%	310	0.1%
Mining, Quarrying, Oil & Extraction	0	0.0%	130	0.1%	90	0.0%
Utilities	0	0.0%	165	0.1%	3,101	0.6%
Unclassified	0	0.0%	147	0.1%	503	0.1%
All Occupations [2]	44,013	100.0%	163,004	100.0%	501,878	100.0%

Source: Where Workers Work 2010. Publication. Illinois Department of Employment Security, Mar. 2009. Web. 26 Jan. 2010. <http://lmi.ides.state.il.us/wwwork.htm>.

Notes: (1) Tri-Cities Region includes Batavia, Gevena and St. Charles.
(2) Data is for the private sector and excludes government workers.

The following table summarizes unemployment rate trends for Kane County, DuPage County, Illinois and the United States for 2007 through March 2010.

Table 19
Unemployment Rate Trends

	Kane County	DuPage County	State of Illinios	United States
2010				
March	12.2%	9.2%	11.7%	10.2%
Feburary	12.0%	9.2%	12.0%	10.4%
January	12.3%	9.5%	12.2%	10.6%
2009				
Annual Average	10.3%	8.4%	10.1%	9.3%
December	11.1%	8.7%	10.8%	9.7%
November	10.1%	8.6%	10.4%	9.4%
October	10.0%	8.8%	10.5%	9.5%
September	10.1%	8.8%	10.4%	9.5%
August	10.1%	8.6%	10.4%	9.6%
July	11.0%	9.2%	10.7%	9.7%
June	11.0%	9.4%	10.5%	9.7%
May	10.4%	8.8%	9.8%	9.1%
April	10.2%	8.2%	9.4%	8.6%
March	10.3%	7.7%	9.6%	9.0%
Feburary	9.7%	7.4%	9.4%	8.9%
January	9.0%	6.7%	8.7%	8.5%
2008 (Annual Average)	6.3%	5.0%	6.4%	5.8%
2007 (Annual Average)	4.8%	3.8%	5.1%	4.6%

Source: U.S. Bureau of Labor Statistics,www.bls.gov/data/ May 25, 2010
Note: Data reflects rates not seasonally adjusted

Independent Living Units Market Assessment

Comparable Retirement Communities

Comparable retirement communities may include several types of facilities. Continuing care retirement communities ("CCRC") may offer life care, modified life care, fee-for-service, or rental contracts. Independent living residents generally have access to common area amenities, which often include a central dining room, a library, lounge areas, and other community areas. Various monthly service fee options often cover laundering the resident's flat linen, housekeeping services, maintenance, scheduled transportation, and one (or more) meals per day.

The life care concept offers independent living housing and various levels of service and healthcare that provides for a resident's changing needs as he/she ages and begins to require a higher level of care. Life care arrangements typically include an entrance fee and a monthly service fee. In a life care facility, a resident may receive assisted living or nursing care at little or no extra charge beyond the monthly service fee paid in his/her independent living unit ("extensive" contract or "Type A" contract). A modified life care facility typically offers a limited benefit for assisted living and nursing care services ("modified" contract or "Type B" contract).

The fee-for-service community ("fee-for service" contract or "Type C" contract) offers a variation of the typical life care concept. The general concept of continuing care is offered at a fee-for-service facility in various forms. For example, at some facilities, residents pay reduced entrance fees and must pay per-diem rates for assisted living and nursing care, while other facilities may offer priority, but not guaranteed admission to assisted living and nursing care services, limited allotments of free healthcare days, and/or low or no entrance fees with higher monthly service fees. While healthcare is often provided in the service package for a fee-for-service senior care community, it is funded by the resident on an "as-needed" basis at current per diem rates.

A rental retirement community offers independent living housing and may offer healthcare services, such as assisted living or nursing care. A resident is not required to pay an entrance fee. The resident generally signs a lease for the independent living unit selected and pays for various additional services utilized on a per diem basis. The resident may enter the community at various levels of care in a rental retirement community.

Retirement communities offering an equity option involve the actual purchase of real estate or membership by the resident. This includes independent living condominiums and cooperatives. Healthcare services may be accessible in this type of senior housing on an optional basis.

Management has defined comparable retirement facilities as certain retirement facilities that include independent living services, one or more other levels of care, offer similar services and amenities, compete for similar age and income qualified residents, and are located within the IL PMA of the Community. Note that Management has also included data on Monarch Landing because it is located just outside of the IL PMA. The following table summarizes the comparable independent living communities in the IL PMA and Monarch Landing, with detailed data provided on Table 21a (comparable retirement communities in the IL PMA) and Table 21b (comparable retirement communities located outside of the IL PMA).

Table 20
Comparable Retirement Communities

	Units	Occupancy
Comparable Retirement Communities:		
In the IL PMA (Table 21a)		
Clare Oaks	164	80.5%
Delnor Glen	28	92.9%
The Holmstad	451	85.0%
Windsor Park Manor	391	94.0%
Wyndemere	238	85.0%
Sub-Total	1,272	87.4%
Outside of the IL PMA (Table 21b)		
Monarch Landing	362	70.0%
Total Comparable Units - Excluding the Community	**1,634**	**83.5%**
The Community	**147**	
Total Comparable Units - Including the Community	**1,781**	

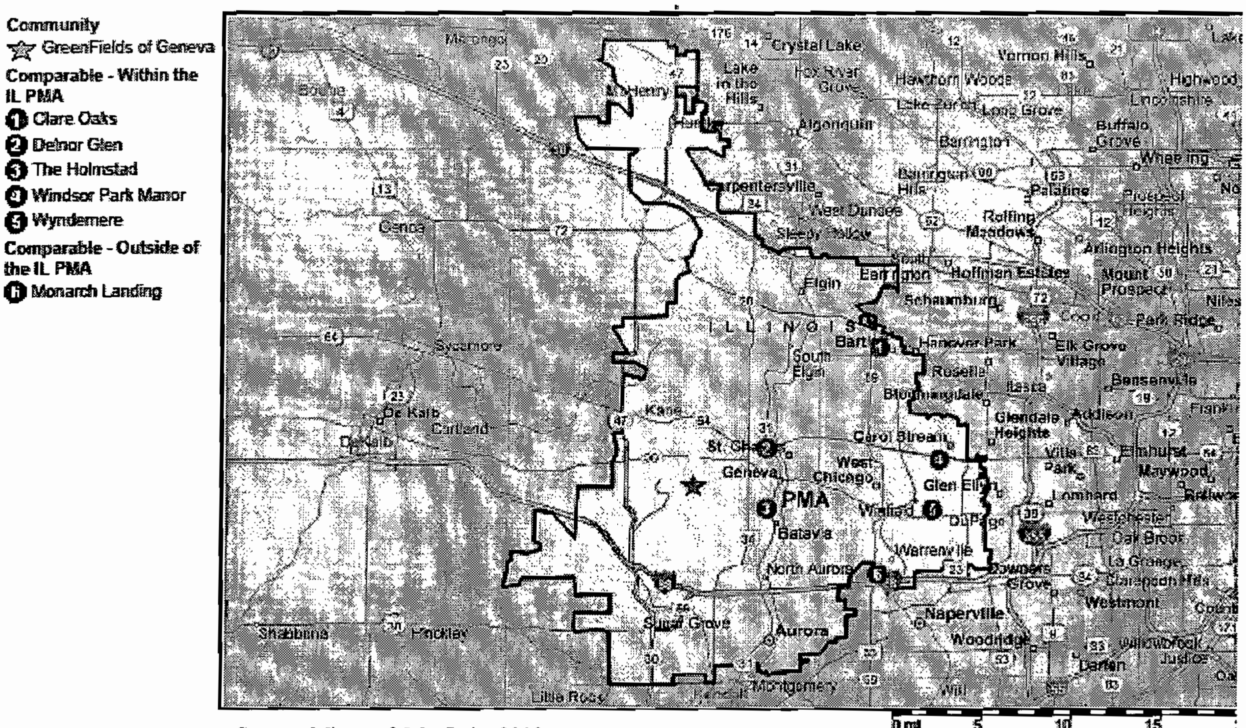
Source: Management

There are also six other existing independent living facilities located in the IL PMA that Management does not consider to be comparable with the Community as they did not meet one or more of the criteria noted previously.

These other retirement communities are as follows:

- Carriage Oaks
- Geneva Place
- The Reserve of Geneva
- Oak Crest and Atrium Apartments
- Provena Fox Knoll
- Plum Landing

The following map depicts the location of the comparable retirement communities and the IL PMA.



Source: Microsoft MapPoint 2009

The following tables profile the Community and the five comparable retirement communities within the IL PMA (Table 21a) and the one comparable retirement community outside of the IL PMA (Table 21b).

Table 21a
Comparable Retirement Communities in the IL PMA

	The Community	Clare Oaks	Delnor Glen
Street Address	-	825 Carillon Drive	975 North 5th Avenue
City/State/ZIP Code	Geneva, Illinois 60134	Barlett, Illinois 60103	St. Charles, Illinois 60174
Miles from the Project	-	16	7
Type of Contract	Type A and C	Type B	Equity
Owner/Sponsor	FVMC	Sisters of St. Joseph	Delnor Glen Senior Living
Profit/Non-Profit	Non-Profit	Non-Profit	Non-Profit
Year Opened	Planned November 2011 (1)	February 2008	2004
IL Units:			
Studio apartments	0	0	0
One-bedroom apartments	75	32	0
One-bedroom/den apartments	13	43	0
Two-bedroom apartments	59	32	0
Two-bedroom/den or Three-bedroom	0	47	0
Villas/Townhomes/Cottages	0	10	28
Total IL Units	147	164	28
AL/MC Units	77	33	63
HC Beds	43	120	0
IL Square Footage:			
Studio apartments	N/A	N/A	N/A
One-bedroom apartments	747 - 966	625 - 705	N/A
One-bedroom/den apartments	1,034 - 1,211	820 - 923	N/A
Two-bedroom apartments	1,087 - 1,227	950	N/A
Two-bedroom/den or Three-bedroom	N/A	1,045 - 1,150	N/A
Villas/Townhomes/Cottages	N/A	1,465 - 1,660	1,400
IL Monthly Service Fees:			
Studio apartments	N/A	N/A	N/A
One-bedroom apartments	\$1,979 - \$2,469 (2)	\$1,760 - \$1,890	N/A
One-bedroom/den apartments	\$2,546 - \$2,905 (2)	\$2,005 - \$2,090	N/A
Two-bedroom apartments	\$2,595 - \$2,963 (2)	\$2,100	N/A
Two-bedroom/den or Three-bedroom	N/A	\$2,180 - \$2,425	N/A
Villas/Townhomes/Cottages	N/A	\$2,870 - \$3,099	\$450
IL second person fee	\$695 (3)	\$635	*
IL Entrance Fees:			
Studio apartments	N/A	N/A	N/A
One-bedroom apartments	\$259,900 - \$312,900 (4)	\$187,999 - \$196,750 (1)	N/A
One-bedroom/den apartments	\$359,900 - \$389,900 (4)	\$231,750 - \$252,999 (1)	N/A
Two-bedroom apartments	\$391,900 - \$414,900 (4)	\$261,000 (1)	N/A
Two-bedroom/den or Three-bedroom	N/A	\$284,250 - \$312,750 (1)	N/A
Villas/Townhomes/Cottages	N/A	\$359,999 - \$392,999 (1)	\$359,000 - \$446,000
IL second person fee	\$0	\$15,500 (1)	*
Included in the Monthly Fee:			
Meals	Meal credits (5)	1/Day	No
Housekeeping	Weekly (6)	Weekly	No
Linen service	Weekly (6)	Weekly	No
Laundry service	In-Unit	In-Unit	No
Scheduled transportation	Yes	Yes	Yes
Utilities	All except phone	All except phone & cable TV	No
IL Reported Occupancy Rate (a)	N/A	80.5% (2)	92.9%
AL/MC Reported Occupancy Rate	N/A	85.0%	*
HC Reported Occupancy Rate	N/A	71.0%	N/A

Source: Management and telephone interviews and/or personal visits conducted in January and February 2010.

Table 21a (continued)
Comparable Retirement Communities in the IL PMA

	The Holmstad	Windsor Park Manor	Wyndemere
Street Address	700 West Fabyan Pwky.	124 Windsor Park Drive	200 Wyndemere Circle
City/State/ZIP Code	Batavia, Illinois 60510	Carol Stream, Illinois 60188	Wheaton, Illinois 60134
Miles from the Project	5	15	14
Type of Contract	Type B	Type A and B	Type A and C
Owner/Sponsor	Covenant Retirement Com.	Covenant Retirement Com.	DuPage Central Hospital
Profit/Non-Profit	Non-Profit	Non-Profit	Non-Profit
Year Opened	1975/October 2008 (1)	1986	1997
IL Units:			
Studio apartments	60	33	0
One-bedroom apartments	143	109	86
One-bedroom/den apartments	* (2)	0	0
Two-bedroom apartments	105	160	109
Two-bedroom/den or Three-bedroom	* (2)	27	17
Villas/Townhomes/Cottages	80	62	26
Catered living units	63	0	0
Total IL Units	451	391	238
AL/MC Units	62	54	65
HC Beds	99	80	156
IL Square Footage:			
Studio apartments	450	435	N/A
One-bedroom apartments	610 - 726	610	660 - 978
One-bedroom/den apartments	857 - 1,143	N/A	N/A
Two-bedroom apartments	875 - 1,186	860 - 1,200	995 - 1,287
Two-bedroom/den or Three-bedroom	1,115 - 1,342	1,450	1,520 - 2,230
Villas/Townhomes/Cottages	825 - 1,560	1,550 - 1,957	1,744 - 2,031
Catered living units	450 - 875	N/A	N/A
IL Monthly Service Fees:			
Studio apartments	$1,247	$2,150 (1)	N/A
One-bedroom apartments	$1,517 - $1,819	$2,675 (1)	$2,536 - $2,994 (1)
One-bedroom/den apartments	$2,033 - $2,142	N/A	N/A
Two-bedroom apartments	$1,956 - $2,470	$3,250 - $3,750 (1)	$3,642 - $4,362 (1)
Two-bedroom/den or Three-bedroom	$2,387 - $2,678	$4,025	$4,625
Villas/Townhomes/Cottages	$1,423 - $2,283	$2,750 - $3,250 (1)	$4,703 - $4,764 (1)(3)
Catered living units	$2,577-$3,270	N/A	N/A
IL second person fee	$270 - $691	$1,300	$1,318 - $1,320 (2) (4)
IL Entrance Fees:			
Studio apartments	$147,600 (3)	$102,000 - $112,000 (1)	N/A
One-bedroom apartments	$203,400 - $260,640 (3)	$137,000 - $147,000 (1)	$161,700 - $195,200 (1)
One-bedroom/den apartments	$307,800 - $347,940 (3)	N/A	N/A
Two-bedroom apartments	$290,520 - $425,880 (3)	$189,000 - $258,000 (1)	$223,200 - $303,900 (1)
Two-bedroom/den or Three-bedroom	$397,800 - $482,040 (3)	$307,000 - $312,000 (1)	$440,300 (1)
Villas/Townhomes/Cottages	$267,120 - $597,600 (3)	$345,000 - $427,000 (1)	$498,800 - $538,600 (1)
Catered living units	$45,200 - $87,900 (4)	N/A	N/A
IL second person fee	$23,000 - $27,000 (3)(4)	$25,000 - $30,000 (1)	$16,000 (2)
Included in the Monthly Fee:			
Meals	1/Day (4)	Meal credits (2)	1/Day (3)
Housekeeping	Bi-Weekly	No	Bi-Weekly (3)
Linen service	Weekly	Weekly	No
Laundry service	No	No	No
Scheduled transportation	Yes (4)	Yes	Yes
Utilities	All except phone & cable TV	All except phone & cable TV	All except phone & cable TV
IL Reported Occupancy Rate (a)	85.0%	94.0%	85.0%
Catered Living Reported Occupancy R	93.0%	N/A	N/A
AL/MC Reported Occupancy Rate	100.0%	100.0%	100.0%
HC Reported Occupancy Rate	100.0%	90.0%	100.0%

Source: Management and telephone interviews and/or personal visits conducted in January and February 2010.

Notes to Table 21a:

(a) = IL reported occupancy rate for each community.

* = Unable to obtain information from the facility.

IL = Independent Living

AL = Assisted Living

MC = Memory Care

HC = Health Care

N/A = Not applicable to this facility

The Community

(1) The Community is planned to open in November 2011.

(2) Stated monthly service fees in the table are deflated by 3% from the published price listings to reflect pricing in 2010 dollars. For the Independent Living Units, Plans I and V have the same monthly service fees (which are shown on the table), Plan II monthly service fees are approximately 12 percent lower than Plan I, and Plans III and IV monthly service fees are approximately 20 percent lower than Plan I.

(3) Represents the 2nd person fee for residents with Charter Benefits in 2010 dollars. After construction begins on the Community, the 2nd person fee is planned to increase to $995 per month.

(4) There are five contract types available to prospective residents of the Community (see Table 7). Plans I, II, IV and V are Type A contracts while Plan III is a Type C contract. Residents with Charter Benefits receive a 7.5 percent discount on entrance fees at the Community. The table reflects entrance fees for prospective residents with Charter Benefits under Plan I. Entrance fees are priced the same under Plans I, II, III and IV, while Plan V entrance fees are approximately 30 percent lower. Management plans to increase the entrance fees by 7.5 percent from those shown on the table upon commencement of construction of the Project and another 7.5 percent after the opening of the Community.

(5) The Community's meal credit program is planned to provide residents with the equivalent of one meal for each day of the month; it may be applied toward one meal a day or toward items on a fixed-price menu offered in different dining venues. In addition, residents may use the credits to purchase additional meals and any overages will be billed to the resident's account. Generally, residents will not be allowed to carryover unused meal credits each month.

(6) The services shown on the table reflect the Independent Living Units' services under Plan I, IV and V. Under Plan II, no meals, housekeeping or linen services are included. Plan III includes the same services shown on the table however it is a Type C contract (no health care benefit). See also Table 8 for a detailed description of services included under each of the Independent Living Units' plan types.

Clare Oaks

(1) The entrance fees on the table reflect the 90 percent refundable plan. A traditionally amortizing plan is also available.

(2) Occupancy data is current as of March 31, 2010.

The Holmstad

(1) In October of 2008, 48 independent living apartments opened as well as a new town center which includes a dining room, gym, and swimming pool.

(2) Den and deluxe unit options are available for both one and two-bedroom units; the community would not disclose how many of each of these unit types were available.

(3) Entrance fees under the community's 90 percent refundable residency plan are shown on the table; the agreement includes a healthcare benefit of 60 days of basic assisted living or skilled nursing care with no increase in the monthly service fee. After the 60 days of basic assisted living or skilled nursing care has been utilized, the prevailing rate for assisted living or skilled nursing care is discounted by 10%. A non-refundable plan option is also available at this community with entrance fees ranging from $82,000 for a studio unit to $267,800 for a two-bedroom plus den unit. The monthly service fee and healthcare benefit is the same under both plans.

(4) Entrance fees for residents in the catered living units shown on the table are non-refundable and include a healthcare benefit of 60 days of basic assisted living or skilled nursing care with no increase in the monthly service fee. After the 60 days of basic assisted living or skilled nursing care has been utilized, the prevailing rate for assisted living or skilled nursing care is discounted by 10%. An additional non-refundable plan is also available which provides for a lessor healthcare benefit. Residents in the community's catered living units receive two additional meals per day and personal services including personal shopping, transportation coordination, and daily wellness checks.

Windsor Park Manor

(1) The entry fee shown on the table represents the lifecare contract (Type A) non-refundable plan. Two additional plans are available, a non-refundable modified lifecare contract (Type B) and a 75% refundable modified lifecare contract (Type B). These modified lifecare contracts include 60 free days of healthcare per resident and a 10% discount for healthcare services. The non-refundable modified contract has entrance fees ranging from $85,000 to $348,000 and

monthly service fees ranging from $1,250 to $2,435. The 75% refundable contract has entrance fees ranging from $130,000 to $626,000 and monthly service fees ranging from $1,250 to $2,850.

(2) The meal credit program is included in the monthly rent and allows the resident to allocate $215 per month on meals of their choice; breakfast is $5.80, lunch is $5.25 and dinner ranges from $8.00 to $14.00.

Wyndemere

(1) The entrance fees and monthly service fees shown on the table represent the "Premier Plan" (Type A contract) in which the entrance fees are 75% refundable. A non-refundable "Premier Plan" (Type A contract) is available with entrance fees ranging from $121,300 to $404,000. The monthly service fees are the same under both of these plan types. Two fee-for-service "Lifestyle Plans" (Type C contracts) are also available, a non-refundable option (with entrance fees ranging from $146,600 to $436,100) and a 90% refundable option (with entrance fees ranging from $195,000 to $581,400). Monthly service fees under the Type C contracts range from $1,887 to $4,118. A non-refundable and a 75% refundable "Blended Plan" are also available for a shared unit where one resident has a Premier Plan and the other has a Lifestyle Plan. Entrance fees for the 75% refundable Blended Plan range from $161,700 to $538,600 while entrance fees under the non-refundable Blended Plan range from $121,300 to $404,000. Monthly service fees under each of the Blended Plans range from $3,454 to $5,684.

(2) The table reflects the second person monthly service fee and the second person entrance fee under each of the Premier Plans for the apartments and the town homes. The second person entrance fee under the Lifestyle Plans and the Blended Plans is $11,000 for the apartments and town homes.

(3) As noted above, the monthly fees shown on the table represent the Type A contract pricing. For each of the contract types available at this community (Type A, Type C, and Blended), an alternative option is available ("Plan B") under which the resident can elect to not receive the daily meal or housekeeping services and pay a lower monthly service fee (approximately 20% lower fees).

(4) Second person monthly services fees for the town homes under Plan B range from $967 under the Type A plans and $677 under the Type C plans.

Table 21b
Comparable Retirement Communities Located Outside of the IL PMA

	Monarch Landing (1)
Street Address	2255 Erickson Drive
City/State/ZIP Code	Naperville, Illinois 60563
Miles from the Project	12
Type of Contract	Type C
Owner/Sponsor	Erickson Retirement Com.
Profit/Non-Profit	Non-Profit
Year Opened	September 2007
IL Units:	
One-bedroom apartments	*
One-bedroom/den apartments	*
Two-bedroom apartments	*
Two-bedroom/den or Three-bedroom	*
Villas/Townhomes/Cottages	0
Total IL Units	362 (1)
AL/MC Units	N/A (1)
HC Beds	N/A (1)
IL Square Footage:	
One-bedroom apartments	674 - 944
One-bedroom/den apartments	899 - 1,249
Two-bedroom apartments	974 - 1,158
Two-bedroom/den or Three-bedroom	1,252 – 2,123
Villas/Townhomes/Cottages	N/A
IL Monthly Service Fees:	
One-bedroom apartments	$1,417 - $1,463
One-bedroom/den apartments	$1,656
Two-bedroom apartments	$1,642 - $1,796
Two-bedroom/den or Three-bedroom	$1,881 - $1,951
Villas/Townhomes/Cottages	N/A
IL second person fee	$571
IL Entrance Fees:	
One-bedroom apartments	$206,500 - $246,000 (2)
One-bedroom/den apartments	$265,000 - $280,000 (2)
Two-bedroom apartments	$268,000 - $419,500 (2)
Two-bedroom/den or Three-bedroom	$429,000 - $519,000 (2)
Villas/Townhomes/Cottages	N/A
IL second person fee	*
Included in the Monthly Fee:	
Meals	1/Day
Housekeeping	No
Linen service	No
Laundry service	In-Unit
Scheduled transportation	Yes
Utilities	All except phone & cable TV
IL Reported Occupancy Rate	70.0%
AL/MC Reported Occupancy Rate	N/A
HC Reported Occupancy Rate	N/A

Source: Management and telephone interviews and/or personal visits conducted in January and February 2010.

Notes to Table 21b:

* = Unable to obtain information from the facility.

IL = Independent Living

AL = Assisted Living

MC = Memory Care

HC = Health Care

N/A = Not applicable to this facility

Monarch Landing

(1) Monarch Landing was originally planned to have 1,504 independent living units, 96 assisted living units and 132 nursing beds totaling 1,732 units at full build-out however, Erickson Retirement Communities filed for Chapter 11 Bankruptcy in October 2009 and completion of Monarch Landing appears uncertain at this time.
(2) Entrance fees are 100% refundable.

Proposed Independent Living Developments

According to local planning agencies and interviews with management at existing retirement communities, there are no other comparable independent living retirement communities that are expected to be developed in the IL PMA other than the Community.

Summary of Independent Living Units

Tables 21a reflect that there are 1,272 comparable independent living units in the IL PMA, excluding the Community. In addition, there are 362 comparable independent living units at Monarch Landing (Table 21b) which is just outside of the IL PMA. This represents a total of 1,634 comparable independent living units excluding the Community. Management has reflected 1,453 of these units as comparable with the Community for purposes of calculating penetration rates (Table 23) which includes an adjustment for 50 percent of the Monarch Landing units because of its location outside of the IL PMA.

Estimated Eligible Households for Independent Living Services

In order to qualify for residency at the Community, a prospective resident generally must be at least 62 years of age and demonstrate sufficient financial resources to pay the initial entrance fee, required monthly fees, and other expenses related to independent living services not provided in the Reservation Agreement. Additionally, a prospective resident must be able to live independently. Management has established certain criteria to identify potential residents who would be eligible to reside in one of the Independent Living Units at the Community.

Management reported that an evaluation of the financial profile of a prospective resident is completed by estimating his/her future income and expenditures based on reported assets and pre-tax income in order to assess the prospective resident's ability to afford the entrance fee and monthly service fee at the Community. Furthermore, Management's analysis considers, on a case-by-case basis, the available assets of a prospective resident and the ability of a resident to liquidate and use these assets in order to supplement income sources.

In addition to the services planned to be included in the monthly service fee, Management assumes that a resident would incur certain other basic living expenses. Management evaluates the financial profile of each resident individually, however for purposes of its presentation of the market, Management estimates that a prospective resident of the Independent Living Units should have an annual pre-tax income of at least 1.6 times the annualized monthly service fee and an asset level approximately 2.0 times the entrance fee to become a resident of the Community. The following two annual household income scenarios are presented for purposes of estimating the number of income qualified households in the IL PMA:

- Annual household income of approximately $40,000 or more (in 2011) based upon the monthly fee of an Aster one bedroom apartment, which is the smallest of the Independent Living Units at the Community, assuming Plan I pricing; and

- Annual household income of approximately $58,000 or more (in 2011) based upon the weighted average monthly fee of the Independent Living Units at the Community, assuming Plan I pricing, and assuming approximately 50 percent of the units will be occupied as double occupancy units.

The average age of the Independent Living Units' Depositors as of June 4, 2010 is estimated at approximately 79 years upon the planned opening of the Community in November 2011. Therefore, Management assumes the majority of prospective residents would be at least 75 years of age at the time they move into the Community. According to Management's analysis approximately 22 percent of the primary Depositors will be under age 75 upon the planned opening of the Community. Therefore, Management has assumed that households with the following characteristics would be the most likely to consider residing at the Independent Living Units based upon demographic age cohorts available as of the date of this Study:

- Householders age 75 or older are assumed to fill approximately 80 percent of the units based upon the age of the current depositors; and
- Householders with annual household income of $40,000 or more (in 2011), assuming the minimum monthly service fee, or householders with annual household income of $58,000 or more (in 2011) assuming the weighted average monthly service fee and 50.0 percent double occupancy.

The following table presents the household income distribution data in the IL PMA as well as the calculated income eligible households for the Independent Living Units. The 2009 and 2014 data in the table are estimates, based on the 2000 census, as provided by Claritas, Inc. The following table also presents data for 2011 that has been interpolated from information provided by Claritas, Inc.

Table 22
Income Eligible Households in the IL PMA

	2009 (Estimated)			
Age Range:	65-74	75-84	85+	Total
Total Households	18,663	9,938	3,492	32,093
Median Household Income[1]	$ 51,677	$ 34,176	$ 28,954	$ 43,785
Household Income:				
Less than $35,000	5,867	5,080	2,085	13,032
$35,000 - 49,999	3,181	1,850	558	5,589
$50,000 - 74,999	4,061	1,427	402	5,890
$75,000 - 99,999	2,268	647	174	3,089
$100,000 - 149,999	1,982	538	143	2,663
$150,000 - 199,999	612	186	83	881
$200,000 - 249,000	286	96	20	402
$250,000 - 499,000	319	86	26	431
$500,000 plus	87	28	1	116
Percentage of Households with $37,700 or more of income	65.6%	45.7%	37.5%	56.4%
Percentage of Households with $54,700 or more of income	47.5%	27.6%	22.2%	38.6%

	2011 (Interpolated)[2]			
Age Range:	65-74	75-84	85+	Total
Total Households	21,536	10,469	3,672	35,677
Household Income:				
Less than $35,000	6,405	5,109	2,112	13,626
$35,000 - 49,999	3,575	1,992	616	6,183
$50,000 - 74,999	4,631	1,567	436	6,635
$75,000 - 99,999	2,746	709	198	3,653
$100,000 - 149,999	2,494	643	162	3,299
$150,000 - 199,999	782	204	85	1,071
$200,000 - 249,000	374	109	32	514
$250,000 - 499,000	404	97	31	533
$500,000 plus	125	38	1	164
Percentage of Households with $40,000 or more of income	64.7%	44.9%	36.9%	56.0%
Percentage of Households with $58,000 or more of income	46.8%	27.4%	21.9%	38.5%

	2014 (Projected)			
Age Range:	65-74	75-84	85+	Total
Total Households	25,846	11,265	3,943	41,054
Median Household Income[1]	$ 56,506	$ 38,042	$ 31,997	$ 49,086
Household Income:				
Less than $35,000	7,211	5,152	2,153	14,516
$35,000 - 49,999	4,166	2,205	703	7,074
$50,000 - 74,999	5,487	1,777	488	7,752
$75,000 - 99,999	3,463	803	234	4,500
$100,000 - 149,999	3,263	801	190	4,254
$150,000 - 199,999	1,036	232	87	1,355
$200,000 - 249,000	505	129	49	683
$250,000 - 499,000	532	114	39	685
$500,000 plus	183	52	0	235
Percentage of Households with $43,700 or more of income	62.8%	42.9%	35.1%	54.6%
Percentage of Households with $63,400 or more of income	44.6%	26.2%	20.9%	37.3%

Source: Claritas, Inc. and Management

Notes: (1) Some medians are estimated based on weighted averages of median incomes of sub-groups

(2) Interpolated data based upon the 2009 and 2014 data provided by Claritas, Inc.

Independent Living Units Penetration Analysis

Penetration rates are one measure of the degree to which the IL PMA is either under-served or saturated. As penetration rates increase, units may become more difficult to fill. However, higher penetration rates may not necessarily be an indication of the difficulty in achieving expected occupancy levels. Some markets may have a higher acceptance level for independent living housing options and may support higher penetration rates.

These penetration rates should be considered in conjunction with each other and other market factors such as occupancy levels at existing comparable communities within and near the IL PMA, the number of proposed facilities in the IL PMA, the design of the units and community spaces at the Community, alternatives for potential residents and marketing plans and efforts of Management.

Management has presented three penetration rate calculations as follows:

- The Gross Market Penetration rate is calculated by adding the total number of Independent Living Units of the Community to those of the comparable existing and proposed retirement communities within, and directly adjacent to, Management's defined IL PMA and dividing by the total number of age and income qualified households (households headed by individuals 75 years of age or older).

- The Net Market Penetration rate is calculated by adding the total number of Independent Living Units of the Community becoming vacant due to resident attrition as well as the number of units needed to be filled to achieve a 95 percent occupancy of the comparable existing and proposed retirement communities within, and directly adjacent to, Management's defined IL PMA and dividing by the total number of age and income qualified households (households headed by individuals 75 years of age or older).

- The Project Penetration rate is that calculated proportion of eligible households in an IL PMA that will need to move to the Independent Living Units at the Community to maintain its full occupancy (defined as the point where the occupancy stabilizes, typically, at 95 percent for independent living units).

The following table presents a summary of these penetration rate calculations:

Table 23
Independent Living Units Estimated Penetration Analysis – 2011

	Age 75 and over with income of $40,000 and above	Age 75 and over with income of $58,000 and above
Gross Market Penetration Rate		
Market Inventory of Independent Senior Living Facilities:		
The Community (1)	118	118
Comparable Existing Independent Senior Living Units (2)	1,453	1,453
Comparable Planned Independent Senior Living Units	-	-
Total Units	1,571	1,571
Number of units to be filled assuming 70% originate from within the IL PMA at 95% occupancy (3)[a]	1,044	1,044
Total Number of Age and Income Qualified Households (4) [b]	6,051	3,671
Gross Market Penetration Rate [a/b]	**17.3%**	**28.4%**
Net Market Penetration Rate		
Total unoccupied units within the IL PMA:		
The Community (5)	112	112
Comparable Existing Independent Senior Living Units (6)	142	142
Comparable Planned Independent Senior Living Units	-	-
Total Existing Units Becoming Available from Resident Attrition (7)	134	134
Subtotal Units to be Occupied by IL PMA households	388	388
Number of units to be occupied assuming 70% originate from within the IL PMA[c]	272	272
Number of Age and Income eligible households [b]	6,051	3,671
Less: Inventory of Occupied Competitive Units (8)	(1,238)	(1,238)
Net Number of Age and Income Eligible Households (4) [d]	4,813	2,433
Net Market Penetration Rate [c/d]	**5.6%**	**11.2%**
Project Penetration Rate		
The Project[e] (9)	78	78
Net Number of Age and Income Eligible Households (4) [f]	4,813	2,433
Project Penetration Rate [e/f]	**1.6%**	**3.2%**

Source: Management and Claritas

Notes to Table 23:

(1) There will be a total of 147 Independent Living Units at the Community. It is assumed that 80% of the units will be filled by residents age 75 and over based upon the age of the current Depositors.

(2) As shown on Table 20, there are 1,634 comparable independent living units in the IL PMA, however, only 50% of the 362 units at Monarch Landing have been included in this analysis given their location outside of the IL PMA.

(3) Management has assumed that approximately 70% of the units will be filled by qualified residents originating from within the IL PMA and that stabilized occupancy is achieved at 95%.

(4) Qualified residents are householders age 75 or over with incomes of $40,000 (minimum monthly service fee) or $58,000 (weighted average monthly service fee and assuming 50% of units will be double occupancy), from Table 22.

(5) Represents the number of units at the Community assuming a 95% occupancy level and that approximately 80% will be filled by depositors age 75 and over based upon the age of the current Depositors.

(6) Represents the number of vacant units in comparable facilities that need to be filled to achieve a 95% occupancy rate.

(7) Represents the number of units becoming available (based upon occupied comparable units in the IL PMA) annually from resident attrition (assuming a 10.8% attrition rate for entrance fee and equity communities from the "State of Seniors Housing 2009" report by the American Association of Homes and Services for the Aging, American Seniors Housing Association, Assisted Living Federation of America, National Center for Assisted Living and National Investment Center).

(8) Represents the number of occupied independent living units in the IL PMA assuming that 100% of the units at these facilities are occupied by residents age 75 and over.

(9) Represents the number of Independent Living Units at the Community assuming a 95% occupancy level is achieved, 70% originate from the IL PMA, and 80% of the units will be filled by residents age 75 and over.

Marketing the Independent Living Units

The success of the Community is dependent on Management's ability to market and achieve specified presales, fill-up rates, and turnover rates for the Independent Living Units. Management began accepting entrance fee deposits for the Independent Living Units in July 2008. As part of the process to reserve the Independent Living Units at the Community, a prospective resident must sign a Reservation Agreement and pay a deposit equal to either 7.0 percent or 10.0 percent of the entrance fee for their selected unit (prior to February 2009, prospective residents were required to pay a 10.0 percent deposit; beginning in February 2009, prospective residents were required to pay a deposit equal to 7.0 percent of their selected unit under Plans I, II, III and IV, or 10.0 percent of their selected unit under Plan V). As of June 4, 2010, approximately 52 percent of the Depositors have paid a deposit equal to 7.0 percent of the entrance fee, and approximately 48 percent have paid a deposit equal to 10.0 percent of the entrance fee. The Reservation Agreement requires a determination that the Depositor is able to live independently, and the resident must be able to afford living in the selected unit based upon Management's financial analysis.

The information in the following table reflects the history of unit reservations based on those Depositors who have paid an initial deposit, signed a Reservation Agreement and have been approved in accordance with residency requirements as of June 4, 2010.

Table 24
Marketing the Independent Living Units

	Number of Units Reserved	Number of Cancellations	Net Reservations for Month	Cumulative Units Reserved	Cumulative Percentage of Total Units
2008:					
July	23	0	23	23	15.6%
August	15	2	13	36	24.5%
September	7	0	7	43	29.3%
October	9	4	5	48	32.7%
November	0	0	0	48	32.7%
December	3	0	3	51	34.7%
2009:					
January	2	0	2	53	36.1%
February	1	1	0	53	36.1%
March	3	0	3	56	38.1%
April	5	0	5	61	41.5%
May	3	0	3	64	43.5%
June	6	3	3	67	45.6%
July	10	3	7	74	50.3%
August	7	0	7	81	55.1%
September	7	0	7	88	59.9%
October	9	0	9	97	66.0%
November	2	0	2	99	67.3%
December	3	1	2	101	68.7%
2010:					
January	6	1	5	106	72.1%
February	2	0	2	108	73.5%
March	3	1	2	110	74.8%
April	1	0	1	111	75.5%
May	2	1	1	112	76.2%
June (1)	1	0	1	113	76.9%
Totals	130	17	113	113	76.9%

Source: Management

Footnotes: (1) Data is current through June 4, 2010

(2) According to Management, 14 Depositors have each reserved two Independent Living Units creating either an Aster/Bluebell combination or an Aster/Aster combination. Upon vacancy of the Independent Living Units, Management could remarket these units as separate apartments.

The following table depicts the inventory of the Community's reserved Independent Living Units as of June 4, 2010.

Table 25
Inventory of Independent Living Units Reserved

Type of Independent Living Units	Number of Project Units Available	Number of Units Reserved	Percentage of Project Units Reserved
One-Bedroom Apartments			
Aster [(1)]	30	29	96.7%
Aster Golf Tower	4	2	50.0%
Bluebell [(1)]	23	16	69.6%
Bluebell Bay	8	4	50.0%
Daisy	10	10	100.0%
One-Bedroom Plus Den Apartments			
Clover Bay	2	1	50.0%
Clover Golf Tower	4	4	100.0%
Coneflower	7	7	100.0%
Two-Bedroom Apartments			
Elderberry	13	6	46.2%
Elderberry Bay	20	10	50.0%
Foxglove	16	14	87.5%
Goldenrod	1	1	100.0%
Goldenrod Bay	7	7	100.0%
Larkspur	2	2	100.0%
Total Independent Living Units	147	113	76.9%

Source: Management

Notes: (1) According to Management, 14 Depositors have each reserved two Independent Living Units creating either an Aster/Bluebell combination or an Aster/Aster combination. Upon vacancy of the Independent Living Units, Management could remarket these units as separate apartments.

Independent Depositor Confirmation

An independent confirmation process was performed by LarsonAllen, LLP through a mailed questionnaire or telephone survey of 96 of the 99 Depositors as of June 4, 2010. As of June 4, 2010, 96 completed surveys (100.0 percent) had responded to the mailed questionnaire or telephone survey. The following information was compiled for those 96 completed responses.

- 96 (100.0 percent) of the respondents indicated they had paid a deposit to reserve their selected unit at the Community.

- Respondents were asked if they intend to reside at the Community upon the availability of their residence. Responses to this question were as follows:
  - 70 (72.9 percent) indicated "Yes"; and
  - 26 (27.1 percent) indicated "Undecided"; LarsonAllen conducted a telephone survey of these Depositors to determine the primary reason they indicated they were undecided. LarsonAllen obtained responses from 25 (96.2 percent) of the 26 respondents that indicated they were undecided. The following summarizes the responses from these 25 Depositors:
    - 17 (17.7 percent) indicated due to concerns regarding the housing market;
    - 3 (3.1 percent) indicated due to health concerns;
    - 3 (3.1 percent) indicated due to the uncertainty of when the Community will open; and
    - 2 (2.1 percent) indicated due to other reasons.
- 31 (32.3 percent) indicated that they would reside alone, and 65 (67.7 percent) indicated that they would reside with a spouse, relative or friend.
- 96 (100.0 percent) indicated they owned their homes.
- 55 (57.3 percent) of the 96 respondents who indicated that they own their own homes indicated that they NEED to use the proceeds from the sale of their home to pay the entrance fee.
- Respondents indicated the following as to how soon they intended to move into their Independent Living Apartment after it becomes available:

Table 26
Move-ins After Independent Living Units are Available

	Respondents	Respondents
1 to 30 days	18	18.8%
31 to 60 days	7	7.3%
61 to 90 days	6	6.3%
Greater than 90 days	2	2.1%
After the Sale of My Home	55	57.3%
No Answer	8	8.3%
Total	96	100.0%

Source: Questionnaire Responses

- 9 (9.4 percent) of the respondents indicated they had reserved an independent living unit or were on a waiting list at another retirement community as follows:
  - Two indicated the Holmstad, which is located in the IL PMA. One of these indicated that they paid a deposit of $1,600;
  - One indicated The Reserve of Geneva, located in the IL PMA and that they have paid a deposit of $200;
  - One indicated Delnor Glen (a townhouse unit), located in the IL PMA and that they have paid a deposit of $2,500. This respondent indicated they have requested a refund of this deposit amount;
  - One indicated Park Place of Elmhurst, in Elmhurst, Illinois and that they paid a deposit of $31,500;
  - One indicated the Charter House, which is located in Rochester, Minnesota and that they paid a deposit of $1,000;
  - Three respondents would not disclose the retirement community at which they have reserved an independent living unit.
  - Of the 9 respondents that indicated they had reserved an independent living unit at another retirement community, 5 indicated that they intend to reside at the Community upon availability of their residence and 4 indicated they were "Undecided" if they were going to reside at the Community upon availability of their residence.

- Respondents indicated their primary reasons for selecting the Community as follows:

Table 27
Reason for Selecting the Community

	Number of Respondents [1]	Percentage of Respondents
Access to Health Care (LifeCare)	81	83.5%
Proximity to family/friends	65	67.0%
Geographic Location	53	54.6%
Reputation	35	36.1%
Social Activities	34	35.1%
Physical Security	28	28.9%
Other	6	6.2%

Source: Questionnaire Responses
Foonote: (1) Respondents were given the option of indicating more than one reason for selecting the Community.

The following table presents information regarding the reported net worth (including home values before payment of the entrance fee) and estimated annual income of the Depositors based on financial questionnaires that Depositors were required to fill out and that Management subsequently utilized to financially qualify Depositors for residency at the Community.

Table 28
Reported Annual Income and Net Worth of the Project Depositors[1]

	Net Worth								
Annual Income:	Less than $500,000	$500,000 to $999,999	$1,000,000 to $1,499,999	$1,500,000 to $1,999,999	$2,000,000 to $2,999,999	$3,000,000 to $4,999,999	Greater than $5,000,000	Total	% of Total
Less than $40,000	2	10	3	0	1	0	0	16	16.2%
$40,000 to $49,999	1	2	2	2	0	0	0	7	7.1%
$50,000 to $59,999	1	7	1	4	1	0	0	14	14.1%
$60,000 to $74,999	1	6	4	2	1	0	0	14	14.1%
$75,000 to $100,000	1	4	3	3	6	1	0	18	18.2%
$100,000 to $150,000	0	2	3	5	8	3	0	21	21.2%
Greater than $150,000	0	1	2	0	2	3	1	9	9.1%
Total	6	32	18	16	19	7	1	99	100.0%
Percent of Total	6.1%	32.3%	18.2%	16.2%	19.2%	7.1%	1.0%	100.0%	

Source: Management

Note: (1) Data is current through June 4, 2010. The median reported annual income of the Depositors is approximately $73,800 and the median reported net asset value of the Depositors is approximately $1,285,000. Management completes an evaluation of the financial profile of prospective residents which includes an analysis of the prospective resident's available assets and their ability to liquidate and use those assets to supplement income sources.

Health Care Primary Market Area

Management defines the PMA for the Community's Assisted Living Center and Nursing Center (the "HC PMA") as the geographic area from which the majority of the prospective residents will reside prior to moving to the Community. Management has defined the HC PMA to be a 7 ZIP Code area around the Site which extends approximately 7 miles to the north, 8 miles to the south, 7 miles to the east and 5 to 12 miles to the west.

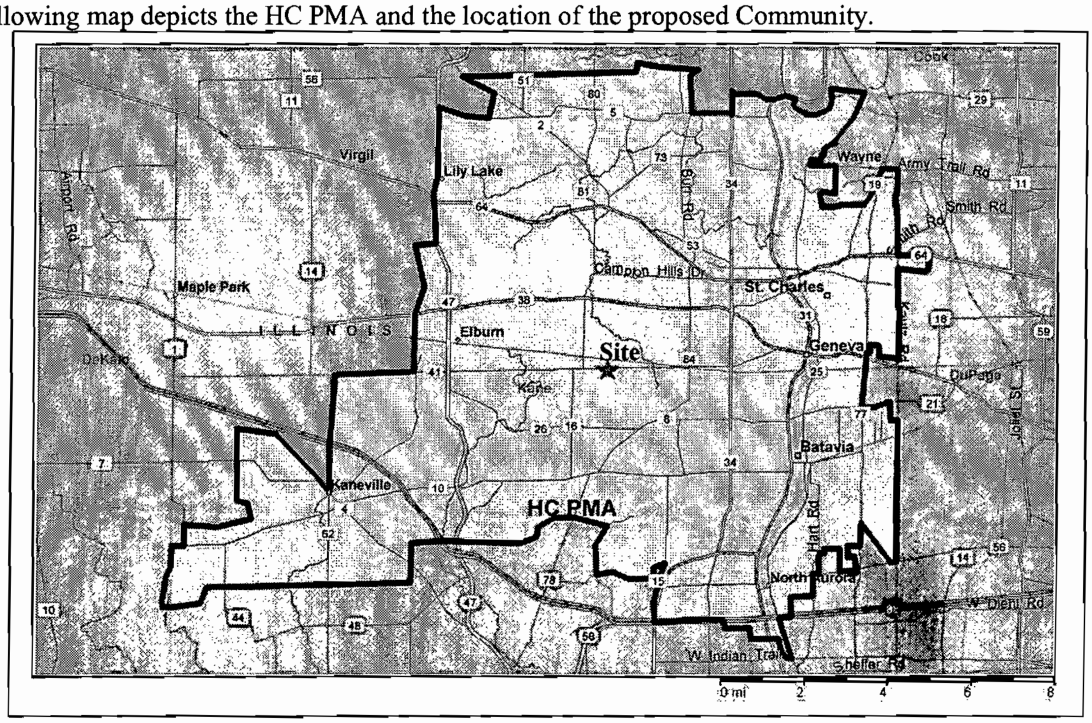
The following table summarizes the ZIP codes and corresponding cities that make up the HC PMA.

Table 29
HC PMA ZIP Codes and Cities/Localities

ZIP Code	City/Locality	ZIP Code	City/Locality
60119	Elburn	60510	Batavia
60134	Geneva	60539	Mooseheart
60174	St. Charles	60542	North Aurora
60175	St. Charles		

Source: Management

The following map depicts the HC PMA and the location of the proposed Community.



Source: Microsoft MapPoint 2009

Population – HC PMA

The age distribution of the population in a geographic area is considered by Management to be a key factor in the determination of the area's retirement housing needs. Population data regarding numbers of elderly is presented in the following tables. The 2009 and 2014 data in the following table are estimates and projections, respectively, based on the 2000 census, which were provided by Claritas, Inc.

Table 30
Elderly Population Change for the HC PMA

	2000 (Actual) Population	2009 (Estimated) Population	Average Compounded Percentage Change 2000 - 2009	2014 (Projected) Population	Average Compounded Percentage Change 2009 - 2014
Total Population	115,390	141,319	2.3%	155,458	1.9%
Age 65 to 74 Population	5,212	7,354	3.9%	10,493	7.4%
Age 75 to 84 Population	3,450	3,828	1.2%	4,380	2.7%
Age 85 plus Population	1,422	1,722	2.1%	1,959	2.6%
Total 65 plus	10,084	12,904	2.8%	16,832	5.5%
Total 75 plus	4,872	5,550	1.5%	6,339	2.7%

Source: Claritas, Inc.

Description and Utilization of Assisted Living Center and Nursing Center in the HC PMA

Description of Assisted Living Services

Assisted living facilities in Illinois are licensed and regulated by the State of Illinois Department of Public Health (the "Department") under the Assisted Living and Shared Housing Act, Chapter 210 Illinois Compiled Statutes ("ILCS") 9 (the "AL Act"), and the Assisted Living and Shared Housing Code, 77 Illinois Administrative Code 295 ("AL Code"). The Organization plans to license the Assisted Living Center as an assisted living established under the AL Act. In general, licenses are valid for one year and an on-site inspection by the Department staff is required prior to license renewal.

The AL Act defines an assisted living establishment as a home, building, residence, or any other place where sleeping accommodations are provided for at least three unrelated adults, at least 80 percent of whom are 55 years of age or older and where the following are provided consistent with the purpose of the AL Act:

- "Services consistent with a social model that is based on the premise that the resident's unit in assisted living and shared housing is his or her own home; and

- Community-based residential care for persons who need assistance with activities of daily living, including personal, supportive, and intermittent health-related services available 24 hours per day, if needed, to meet the scheduled and unscheduled needs of a resident; and

- Mandatory services, whether provided directly by the establishment or by another entity arranged for by the establishment, with the consent of the resident or resident's representative; and

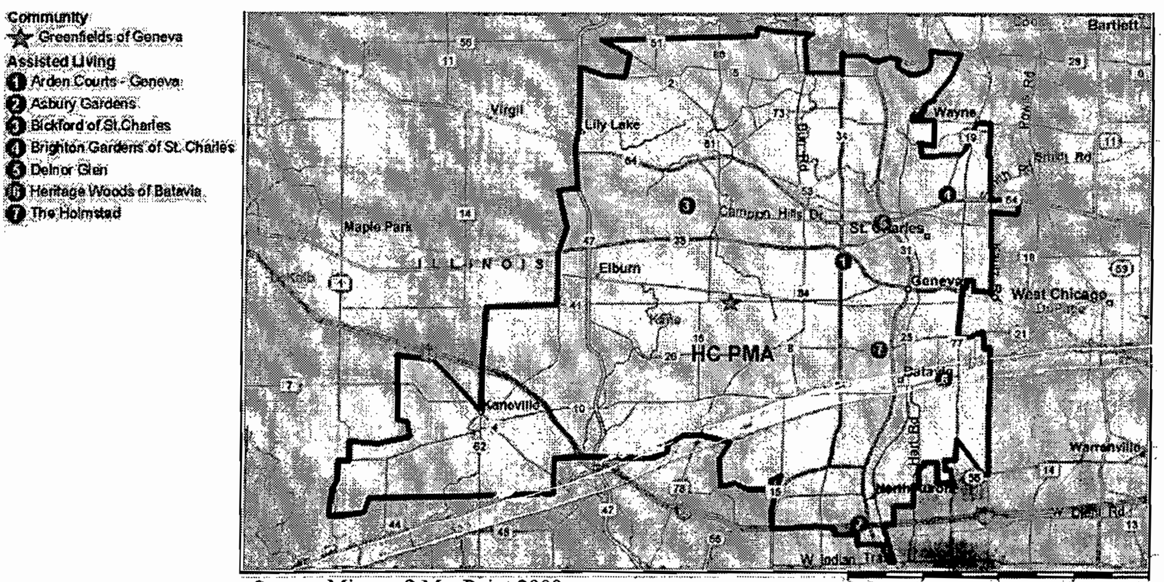
- A physical environment that is a homelike setting that includes the following and such other elements as established by the Department in conjunction with the Assisted Living and Shared Housing Advisory Board: individual living units each of which shall accommodate small kitchen appliances and contain private bathing, washing, and toilet facilities, or private washing and toilet facilities with a common bathing room readily accessible to each resident. Units shall be maintained for single occupancy except in cases in which two residents choose to share a unit. Sufficient common space shall exist to permit individual and group activities."

In addition, facilities licensed as "Sheltered Care" under the Nursing Care Act, Chapter 210, ILCS 45 and facilities licensed as "Supportive Living" under the Healthcare and Family Services Act, Chapter 89, ILCS 146 also provides residents with assistance of activities of daily living including personal care, supportive and health related services.

For purposes of this Study, Management has included facilities licensed under the AL Act as well as facilities licensed as Sheltered Care and Supportive Living in the analyses of assisted living facilities in the HC PMA; however, only those facilities that are a market for the same age and income qualified population as the Assisted Living Center at the Community are included as comparable.

Existing Comparable Assisted Living Facilities

The following map depicts the locations of existing comparable assisted living facilities in the HC PMA.



Source: Microsoft MapPoint 2009.

The following table summarizes the number of units, the percentage occupied, and current monthly fees of the comparable existing assisted living facilities in the HC PMA, based on telephone interviews, personal visits, and other research completed during January and February of 2010.

Table 31
Comparable Assisted Living Facilities in the HC PMA

Facility Name/ Address/Owner-Sponsor	Part of a CCRC?	Miles from the Community	Profit/ Non-Profit	Year Opened	Total Number of AL Units [1]	Total Occ. %	AL Monthly Fees	Number of Distinct MC Units	MC Monthly Fees	Personal Care Included in MSF?
The Community Geneva, IL 60134 FVMC	Yes	-	Non - Profit	2012 [2]	77	N/A	$4,514 - $5,188 [2]	26	5,380 [2]	Yes
Arden Courts - Geneva [3] 2388 Bricher Road Geneva, IL 60134 HCR ManorCare	No	3	Non-Profit	2000	60	96.7%	N/A	60	$5,200	Yes
Asbury Gardens [4] [5] 210 Airport Road North Aurora, IL 60542 Asbury Retirement Communities	No	10	Non-Profit	2003	150	98.0%	$2,850 - $5,700	0	N/A	Yes
Bickford of St. Charles 2875 Campton Hills Rd St. Charles, IL 60175 Bickford Senior Living	No	4	Profit	May 2009	76	42.1% [6]	$3,000 - $6,000	24	$5,000 $6,000	No, levels of care [7]
Brighton Gardens of St. Charles 600 Dunham Road St. Charles, IL 60174 Sunrise Retirement Communities	No	7	Profit	1999	82	97.6%	$3,000 - $7,000	24	*	Yes
Delnor Glen 975 N 5th St. St. Charles, IL 60147 Denor-Community Residential Living	No	7	Non-Profit	1940	63	*	*	15	*	*
Heritage Woods of Batavia[5][8] 1079 East Wilson Street Batavia, IL 60510 BMA Management	No	7	Non-Profit	2003	148	99.3%	$2,965 - $5,485	0	N/A	Yes
The Holmstad 700 W. Fabyan Pkwy Batavia, IL 60510 Covenant Retirement Communities	Yes	5	Non-Profit	1975	65	100.0%	$4,163 - $5,624	16	$4,480 - $5,742	Yes
Subtotal of AL and MC units in the HC PMA					721	**91.1%** [9]		165		

Source: Telephone interviews and personal visits conducted in January and Feburary 2010

Notes to Table 31:

* = Unable to obtain information from the facility.

AL = Assisted Living

MC = Memory Care

N/A = Not applicable to this facility.

(1) The total number of AL Units shown on the table includes general assisted living units and memory care units.

(2) The Assisted Living Center is planned to open in June of 2012. The monthly service fees shown on the table have been deflated by 4.0 percent per annum to reflect monthly service fees in 2010 dollars. Management is also planning to charge a non-refundable entrance fee equal to approximately $5,100 for new residents at the Community.

(3) This facility is entirely for memory care residents.

(4) Approximately 65 percent of the residents in this facility receive financial assistance.

(5) Community is licensed as "Supportive Living".

(6) Bickford of St. Charles is still in its initial fill-up period.

(7) Four levels of care are available with the highest level of care costing an additional $3,000 per month.

(8) Approximately 50 percent of the residents in this facility receive financial assistance.

(9) Occupancy percentage excludes Delnor Glen because occupancy information could not be obtained and for the Community as it is not yet opened. If the Bickford of St. Charles, which is still in its initial fill period, were excluded the average occupancy would be approximately 98.4 percent.

Planned Assisted Living Developments in the HC PMA

According to local planning agencies and interviews with management at existing facilities there is one assisted living facility in the planning stages in the HC PMA, Autumn Leaves, which is planned to be located on 3.5 acres at the northeast corner of Route 64 and Peck Road in St. Charles, Illinois. This project was approved by the City of St. Charles in September of 2009 for 80 assisted living and memory care units. According to planning officials at the city of St. Charles, timing is uncertain due to current economic conditions.

Summary of Assisted Living Units

There are a total of 644 assisted living units (including memory care) in the HC PMA, excluding the 77 units planned for the Community. In addition, there are 80 assisted living units planned in the HC PMA. In total, there are 801 existing and planned assisted living units in the HC PMA including the Community.

Assisted Living Calculated Estimated Penetration Analysis

The increased size of the private paying frail elderly market has attracted providers to develop new and creative options for caring for this population. Methodologies for projecting bed need or demand for assisted living vary. Research studies have identified impairment levels in activities of daily living ("ADL") such as dressing, bathing, eating, toileting, mobility, and taking medications, as well as instrumental activities of daily living ("IADL"), such as meal preparation, home maintenance, shopping, and personal finance; all of which generally are often used to measure levels of functioning and estimate the care needs of a specific population. The decision by elderly persons to enter an assisted living facility to meet their needs for assistance often depends on alternatives available and is somewhat more discretionary than the decision to enter a nursing care facility.

Population data and income statistics may be utilized to some extent to estimate the number of qualified households (age 75 and over) for assisted living services, yet should not be relied upon entirely as a measure of success for a facility. The amount of cross subsidization that occurs between adult care givers (assumed to be those households aged 45-to-64 earning in excess of $100,000 annually) and their parents may also provide for additional financial assistance as a means for non-income qualified seniors to afford this level of care. Additionally, non-income qualified seniors may have additional assets which could provide the financial means to afford this level of care. Thus, assisted living calculated estimated penetration rates, where relevant, and estimated market penetration rates are presented as a range between age qualified households and age and income qualified households.

SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS AND ACCOUNTING POLICIES

Management anticipates that the prospective residents of its Assisted Living Center will generally meet the following profile prior to occupancy:

- 75 years of age or older;
- Living alone; and
- Requiring some assistance with ADLs and/or IADLs.

Additionally, pre-tax income characteristics have been applied to estimate a range of market penetration rates for age and income qualified households. Management assumes that a prospective direct-admit resident of the Assisted Living Center will have an annual pre-tax income of at least $65,000 or an annual income of $25,000 or more if they own their own home. This assumption allows those owning a home to be included as qualified households in light of the additional potential financial resources from the sales proceeds.

The following table presents the household income distribution data in the HC PMA as well as the calculated income eligible households for the Assisted Living Center. The 2009 and 2014 data in the table are estimates, based on the 2000 census, as provided by Claritas, Inc. The following table also presents data for 2012 that has been interpolated from information provided by Claritas, Inc.

Table 32
Income Eligible Households in HC PMA

	2009 (Estimated)			
Age Range:	65-74	75-84	85+	Total
Total Households	4,530	2,502	959	7,991
Median Household Income[1]	$ 58,318	$ 36,321	$ 28,506	$ 47,853
Household Income:				
Less than $25,000	671	845	419	1,935
$25,000 - 34,999	524	365	141	1,030
$35,000 - 49,999	630	438	139	1,207
$50,000 - 74,999	1,089	373	115	1,577
$75,000 - 99,999	577	184	57	818
$100,000 - 149,999	558	176	56	790
$150,000 - 199,999	208	75	23	306
$200,000 - 249,000	120	17	6	143
$250,000 - 499,000	116	24	3	143
$500,000 plus	37	5	0	42
Percentage of households with $22,800 or more of income	86.5%	69.2%	60.2%	77.9%
Percentage of households with $59,300 or more of income	50.8%	28.6%	22.7%	40.4%
	2012 (Interpolated)[2]			
Age Range:	65-74	75-84	85+	Total
Total Households	5,622	2,695	1,038	9,355
Household Income:				
Less than $25,000	765	851	427	2,042
$25,000 - 34,999	588	390	157	1,135
$35,000 - 49,999	755	459	153	1,368
$50,000 - 74,999	1,313	417	128	1,857
$75,000 - 99,000	743	208	64	1,015
$100,000 - 149,999	764	224	66	1,055
$150,000 - 199,999	306	80	25	412
$200,000 - 249,000	164	28	11	203
$250,000 - 499,000	163	25	7	195
$500,000 plus	60	13	-	73
Percentage of households with $25,000 or more of income	86.4%	68.4%	58.9%	78.2%
Percentage of households with $65,000 or more of income	48.5%	27.6%	21.7%	39.5%
	2014 (Projected)			
Age Range:	65-74	75-84	85+	Total
Total Households	6,350	2,824	1,091	10,265
Median Household Income[1]	$ 64,537	$ 39,680	$ 31,029	$ 54,137
Household Income:				
Less than $25,000	827	855	432	2,114
$25,000 - 34,999	631	407	167	1,205
$35,000 - 49,999	839	473	163	1,475
$50,000 - 74,999	1,462	446	136	2,044
$75,000 - 99,000	853	224	69	1,146
$100,000 - 149,999	902	256	73	1,231
$150,000 - 199,999	372	84	27	483
$200,000 - 249,000	194	35	14	243
$250,000 - 499,000	194	26	10	230
$500,000 plus	76	18	0	94
Percentage of households with $26,500 or more of income	85.5%	67.6%	58.1%	77.6%
Percentage of households with $69,000 or more of income	46.3%	26.6%	20.7%	38.2%

Source: Claritas, Inc. and Management

Notes: (1) Some medians are estimated based on weighted averages of median incomes of sub-groups

(2) Interpolated data based upon the 2009 and 2014 data provided by Claritas, Inc.

The following table estimates the number of age and income qualified households that are living alone and estimated to require assistance with ADLs or IADLs within the HC PMA. The information is presented in 2012, the proposed year of opening of the Assisted Living Center.

Table 33
Estimated Number of Qualified Individuals in the HC PMA – 2012

Estimated Age Qualified Households(1)	Estimated Age, Income and Asset Qualified Households(2)	Percentage Requiring Assistance(3)	Percentage Living Alone(4)	Estimated Number of Age Qualified Individuals	Estimated Number of Age, Income Asset Qualified Individuals
3,733	N/A	36.4%	58.2%	790	N/A
N/A	1,982	35.2%	58.2%	N/A	406

Source: Management

Notes:

(1) Households with householders aged 75 years of age and older, from Table 32.

(2) Households with householders aged 75 years of age and over with reported incomes of $25,000 and over if they own their homes (based on tenure data from the 2000 U.S. Census) plus all householders aged 75 years and older with reported incomes of $65,000 or more (interpolated from the income data on Table 32).

(3) Percentage of persons aged 75 years of age and older estimated to need assistance with ADLs. Percentage is the weighted average based upon the number of qualified households age 75 to 84 and age 85 and over. From the National Center for Health Statistics, "Functional Limitations of Medicare Beneficiaries by Age, Residence, Sex, Race and Ethnicity from the Medicare Current Beneficiary Survey, 2002-2006", Average, February 2010.

(4) Percentage of persons aged 75 years of age and older estimated to be living alone. Percentage is from www.census.gov for the HC PMA from the 2000 U.S. Census.

The market penetration rate is presented as the percentage of the age qualified individuals and age and income qualified individuals that Management assumes that the total market has absorbed (or must absorb) for the entire market to achieve stabilized occupancy. The market penetration rate is calculated by dividing the number of comparable assisted living units within the PMA, by the number of age qualified individuals and the age and income qualified individuals within the PMA.

The project penetration rate is presented as a range between the percentages of the age qualified individuals and the percentage of age and income qualified individuals that Management assumes that the Community would need to attract in order to achieve stabilized occupancy. Project penetration is calculated by dividing the number of assisted living units at the Community, by the total number of age qualified individuals and age and income qualified individuals in the PMA.

Assisted Living Calculated Estimated Penetration Analysis

The following tables present the Community's calculated estimated market penetration rate for assisted living services in the HC PMA. Note that the project penetration rate is the percentage of estimated age- and income-eligible households with the HC PMA that need to move into the Assisted Living Center of the Community in order to achieve the expected occupancy level. The market penetration rate is presented as the percentage of age- and income-eligible households that the total market has absorbed or must absorb for the entire market to achieve stabilized occupancy. The assisted living market penetration rate is calculated by dividing the total number of assisted living units, including those planned for the Community, within the HC PMA by the total number of age- and income-eligible individuals residing within the HC PMA.

Table 34
Assisted Living Calculated Estimated Market Penetration Rate – 2012

	Age Qualified Individuals	Age and Income Qualified Individuals
Number of Qualified Individuals (1) [a]	790	406
Number of qualified individuals currently residing in exisiting comparable assisted living units in the HC PMA (2) [b]	440	440
Total qualified individuals [a + b] [c]	1,230	846
Market Inventory of Assisted Living Facilities:		
The Community (3)	77	77
Competitive Existing Assisted Living Facilities (4)	473	473
Total Units	550	550
Number of units to be occupied assuming 70% originate from within the HC PMA at 93.0% occupancy (5)[d]	358	358
Number of planned comparable units (6) [e]	52	52
Total existing and planned units to be occupied assuming 70% originate within the HC PMA at 93% occupancy [d+e] [f]	410	410
MARKET PENETRATION RATE-EXISTING COMPARABLE UNITS [d/c]	**29.1%**	**42.3%**
MARKET PENETRATION RATE-EXISTING & PENDING COMPARABLE UNITS [f/c]	**33.3%**	**48.5%**
Total Community assisted living units to be filled from the HC PMA (7) [g]	51	51
PROJECT PENETRATION RATE [g/c]	**4.1%**	**6.0%**

Source: Management

Notes to Table 34:

(1) Number of qualified individuals from Table 33.

(2) Reflects 644 units at comparable assisted living facilities in the HC PMA excluding the Community (from Table 31), excluding 65 percent of the units at Asbury Gardens and 50 percent of the units at Heritage Woods of Batavia because these units are estimated to be occupied by residents receiving financial assistance, and assuming 93 percent stabilized occupancy in 2012.

(3) There are 77 Assisted Living Units at the Community.

(4) As shown on Table 31, there are 644 units at comparable assisted living facilities in the HC PMA excluding the Community. The number of units included as comparable for purposes of this penetration rate (473 units) excludes 65 percent of the units at Asbury Gardens and 50 percent of the units at Heritage Woods of Batavia because these units are estimated to be occupied by residents receiving financial assistance.

(5) Management has assumed that approximately 70% of the units will be filled by qualified residents originating from within the HC PMA and that stabilized occupancy in the HC PMA is achieved at 93.0%.

(6) There are 80 assisted living units planned for the HC PMA. The number in the table assumes 70 percent will originate from the HC PMA and that stabilized occupancy is achieved at 93%.

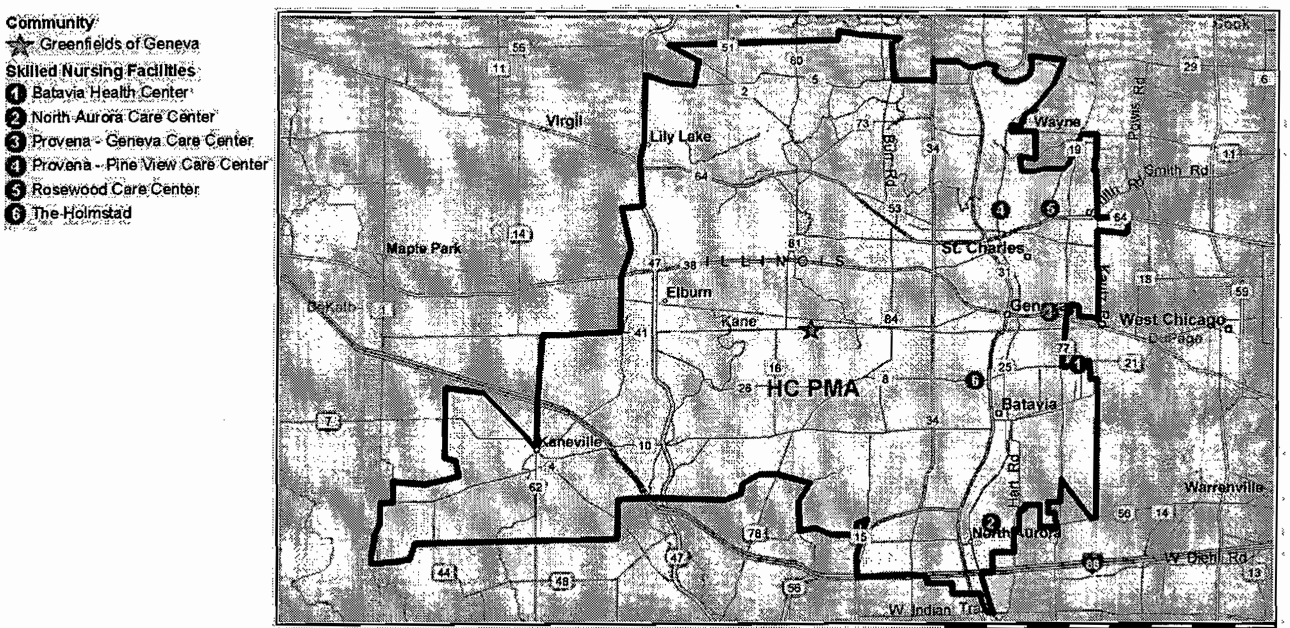
(7) There are a total of 77 assisted living units at the Community. This number has been adjusted to reflect the assumption that 70% of the units will be filled by qualified residents originating from the HC PMA and that stabilized occupancy is achieved at 95% for the Community.

Description of Nursing Care Facilities

In Illinois, nursing facilities are required to maintain licensure by the Department pursuant to the Illinois Nursing Home Care Act, set forth at Chapter 210, Section 45 of the Illinois Compiled Statutes. When it deems it necessary, the Department has the authority to inspect, survey, and evaluate every facility to determine compliance with applicable licensure requirements and standards. An inspection should occur within 120 days prior to annual licensure renewal. There is no prior notice of this inspection. The Department requires periodic reports and has access to and may reproduce or photocopy at its cost any document maintained by the facility. In addition, any licensed nursing care facility is required to submit an annual attested financial statement to the Department as well as a statement of ownership. Nursing facility services are bundled into a comprehensive package of room, board, and nursing services. The package does not include acute care services.

Profile of Nursing Care Facilities

The table on the following page profiles the nursing care facilities in the HC PMA based upon information obtained from telephone interviews and research related to these facilities conducted in January and February of 2010. The following map presents the location of the nursing care facilities in the HC PMA.



Source: Microsoft MapPoint 2009

Certificate of Need Requirements for Nursing Care Facilities

Illinois law requires licensed health facilities to obtain a certificate of need ("CON") for all capital expenditures above a designated threshold, and for certain increases and decreases in bed count. In addition, a CON must be obtained for such capital expenditures "by or on behalf of" a licensed health care facility. The Organization applied and was granted the CON for 40 beds on September 1, 2009 pursuant to the Illinois Health Facilities Planning Act 20 IL CS 3960/1 and the regulations promulgated by the Illinois Department of Public Health, Title 77 of the Illinois Administrative Code, Chapter II, Part 1110.1730 (d)(2) based on the CCRC variance provisions. Management filed a request with the Review Board to increase the number of approved beds from 40 to 43 and received approval for the increase in beds on March 2, 2010. Under the CCRC variance provisions, only residents of the Community are eligible for admission to the Nursing Center. Management has assumed admissions into the Nursing Center from residents transferring from the Independent Living Units and the Assisted Living Center and from residents entering into a health care life care contract. The Organization plans to apply for an amendment to its CON after issuance of the Series 2010 Bonds, to allow for direct admissions into the Health Center from residents who do not enter into a life care contract.

Table 35
Nursing Care Facilities in the PMA

Facility Name/ Address/Owner	Occupancy Date	Part of a CCRC?	Profit/ Non-Profit	Number of Beds in Service	Current Occupancy	Room (Beds) by Type	Daily Room Rate	Separate Dementia Unit
The Community Geneva, IL 60134 FVMC	2012 (1)	Yes	Non-Profit	43	N/A	43 (43) Private	$328 (1)	No
Batavia Rehabilitation and Health Center 520 Fabyan Pkwy. Batavia, IL 60510 Petersen Health Care	1971	No	Profit	63	85.7%	1 (1) Private 31 (62) Semi-Private	$195 $135	No
The Holmstad 831 N. Batavia Ave, Batavia, IL 60510 Convenant Retirement Comm.	1975	Yes	Non-Profit	99	100.0%	* Private * Semi-Private	$359 $349	No
North Aurora Care Center 310 Banbury Rd. North Aurora, IL 60542 Petersen Health Care	1972	No	Profit	128	87.5%	64 (128) Semi-Private	$135	No
Provena - Geneva Care Center 1101 East State St. Geneva, IL 60134 Provena Health	1972	No	Non-Profit	107	90.7%	* Private * Semi-Private	$288 - $324 $235	No
Provena - Pine View Care Center 611 Allen Lane St. Charles, IL 60174 Provena Health	1978	No	Non-Profit	110	90.9%	12 (12) Private 49 (98) Semi-Private	$237 $230	No
Rosewood Care Center 850 Dunham Rd St. Charles, IL 60174 Rosewood Care Center	1994	No	Profit	58	*	* Private * Semi-Private	*	*
Total				608	91.1% (2)			

Source: Telephone interviews and research conducted in January and February 2010

Notes to Table 35:
* Unable to obtain information from the facility.
N/A = Not applicable
(1) The Health Center is planned to open in July of 2012. The private pay daily room rate shown in the table is reflected in 2010 dollars. Management has deflated the daily room rate at opening by 4% per annum to estimate the daily room rate in 2010. Management is also planning to charge a non-refundable entrance fee equal to approximately $5,100 for residents entering into a health care life care contract at the Community.
(2) The average occupancy rate was calculated excluding Rosewood Care Center as this facility would not provide occupancy data.

Planned Nursing Facility Developments in the PMA

According to interviews with local planning agencies and the Illinois Department of Public Health, there is one planned nursing facility in the HC PMA other than the Community as described below:

Meadowbrook Manor of Geneva is being developed by Butterfield Health Care, Inc. and is planned to be located within three miles of the Community adjacent to the Delnor Community Hospital. This planned 150-bed long term care facility was issued a Certificate of Need permit by the Illinois Department of Public Health in March of 2009. According to city planning staff, construction is intended to be complete by the end of January, 2011.

According to Illinois Department of Public Health, "the building will have 22 private rooms and 64 semi private rooms in a total of 89,402 gross square feet of space."

Summary of Nursing Facility Beds

Currently there are 565 nursing facility beds in the HC PMA excluding the Community. Once the Community is complete, there will be 758 nursing facility beds in the HC PMA including the beds at Meadowbrook Manor.

Ratio Analysis

Beds per thousand is a widely used statistic used to allow comparison between areas that have different populations. The following table shows the number of total beds and number of occupied beds per 1,000 persons age 65 and over and age 85 and over for 2009 and 2014 for the HC PMA, Illinois, and the United States.

In calculating the beds per thousand ratios, the number of total beds in the HC PMA and the average occupancy rate in 2010 are based upon data from the previous table. The number of total beds in the HC PMA for 2014 reflects the number of beds at the Nursing Center after the assumed completion of the Community and the number of planned nursing facility beds in the HC PMA. Total nursing home beds and occupied nursing home beds for Illinois and the United States in 2009 and 2014 are based upon December 2009 data from the American Health Care Association.

Table 36
Nursing Beds per 1,000 and Utilization Rates
2009 and 2014

2009 NH BEDS PER 1,000 AND UTILIZATION RATE											
						Total Beds (1)		Occupied Beds(2)			
	Total	Occupied	Occupancy	2009 Population		Beds Per 1,000		Beds Per 1,000		Utilization Rate(3)	
	NH Beds	NH Beds	Rate	Age 65 +	Age 85 +	Age 65 +	Age 85 +	Age 65 +	Age 85 +	Age 65 +	Age 85 +
HC PMA (4)	565	515	91.1%	12,904	1,722	43.8	328.1	39.9	298.9	4.0%	29.9%
Illinois (5)	95,817	90,376	78.8%	1,594,643	240,159	60.1	399.0	56.7	376.3	5.7%	37.6%
United States(5)	1,666,797	1,410,902	84.0%	39,578,194	5,738,990	42.1	290.4	35.6	245.8	3.6%	24.6%
2014 NH BEDS PER 1,000 AND UTILIZATION RATE											
						Total Beds (1)		Occupied Beds(2)			
		Occupied	Occupancy	2014 Population		Beds Per 1,000		Beds Per 1,000		Utilization Rate(3)	
	NH Beds	NH Beds	Rate	Age 65 +	Age 85 +	Age 65 +	Age 85 +	Age 65 +	Age 85 +	Age 65 +	Age 85 +
HC PMA (6)	758	691	91.1%	16,832	1,959	45.0	386.9	41.0	352.5	4.1%	35.2%
Illinois (5)	95,817	90,376	78.8%	1,787,654	262,714	53.6	364.7	50.6	344.0	5.1%	34.4%
United States(5)	1,666,797	1,410,902	84.0%	46,005,033	6,513,114	36.2	255.9	30.7	216.6	3.1%	21.7%

Sources: Management and Claritas, Inc.

Notes to Table 36:

(1) Total nursing home beds divided by age 65+ and 85+ population multiplied by 1,000.

(2) Occupied nursing home beds divided by age 65+ and 85+ population multiplied by 1,000.

(3) Utilization Rate is the number of occupied nursing home beds divided by age 65+ and 85+ populations.

(4) The number of beds and occupancy rates in the HC PMA for 2009 are based upon the data in Table 35, excluding the 43 beds at the Community.

(5) Occupancy rates and total nursing home beds are based upon data from the American Health Care Association - OSCAR (On-Line Survey, Certification and Reporting) data reports; December 2009 (certified beds).

(6) The number of beds in the HC PMA for 2014 is based upon the data in Table 35 and includes the 43 beds at the Community and the 150 units planned at Meadowbrook Manor. The average occupancy rate is assumed to equal the average occupancy rate from Table 35.

SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS AND ACCOUNTING POLICIES

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization's forecasted financial statements are presented using the accrual basis of accounting.

Cash and Cash Equivalents

Cash and cash equivalents are assumed to include certain investments in highly liquid instruments with original maturities of three months or less from the date of acquisition, which are not included in assets limited as to use or investments.

Accounts Receivable

The Organization plans to report accounts receivable at the original invoice amount less an estimate for doubtful receivables based on a review of all outstanding amounts on a monthly basis. Management plans to determine the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Resident accounts receivable will be written off when deemed uncollectible and recoveries of balances previously written off will be recorded when received.

Property, Plant and Equipment

Property, plant and equipment additions are stated at cost, which includes interest capitalized during construction. Contributed property is assumed to be recorded at its estimated fair value at the date of receipt. Depreciation is forecasted on a straight-line basis for all depreciable assets over estimated useful lives. Management has estimated useful lives ranging from 40 years for buildings and improvements and 10 to 15 years for furniture and equipment.

The Organization periodically assesses the ability to realize the value of its long-lived assets and evaluates such assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. For assets to be held, impairment is determined to exist if estimated future cash flows, undiscounted and without interest charges, are less than the carrying amount. For assets to be disposed of, impairment is determined to exist if the estimated net realizable value is less than the carrying amount. The Organization has determined that there are no indicators of impairment during the prospective reporting period.

Assets Limited as to Use

Assets limited or restricted as to use include assets held by a bond trustee under bond indenture agreements and all donor-restricted assets. Assets limited as to use which are assumed to be available to meet current obligations are classified as current assets. Assets limited as to use are assumed to be carried at fair value. Management does not assume any changes in the underlying values of the assets limited as to use during the Forecast Period that would result in realized or unrealized gains or losses.

Deferred Financing Costs

Financing costs incurred in connection with the issuance of long-term debt are assumed to be deferred and amortized using the straight line method over the term of the related financing.

SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS AND ACCOUNTING POLICIES

Deferred Marketing Costs

Deferred marketing costs are forecasted to represent direct costs associated with the initial marketing of the Project's Independent Living Units which are capitalized during a period which ends at the earlier of the date of substantial occupancy or one year from the date of opening. Deferred marketing costs are amortized using the straight line method over the estimated life expectancy of the residents.

Investments and Investment Income

Investments in equity securities with readily determinable fair values and all investments in debt securities are forecasted to be measured at fair value. Investment income or loss is assumed to be included in the operating income unless the income or loss is restricted by donor or law. Management classifies investments as trading securities, and therefore, will projected unrealized losses, and changes in cash flows for investments, as cash flows from operating activities. Management has not forecasted any unrealized gains or losses on investments during the Forecast Period.

Obligation to Provide Future Services

Management is planning to calculate on an annual basis the present value of the net cost of future services and use of facilities to be provided to current residents and to compare that amount with the balance of deferred revenue from entrance fees. If the present value of the net cost of future services and use of facilities exceeds the deferred revenue from entrance fees, a liability will be recorded (obligation to provide future services) with the corresponding charge to income. Management assumes that no obligation to provide future services to residents will be required to be recorded during the Forecast Period.

Entrance Fees

Fees paid by a resident upon entering into a Residency Agreement, net of the portion thereof that is refundable, are assumed to be recorded as deferred revenue and are assumed to be amortized to income using the straight-line method over the assumed life expectancy of a resident. The refundable portion of entrance fees are categorized as deferred revenue and are assumed to be amortized over the estimated useful life of the building.

Net Resident Service Revenue

Net resident service revenue is forecasted to be reported at the estimated net realizable amounts from residents and third-party payors, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Net resident service revenue is recorded as revenue when earned. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Management has not assumed any third party settlements or adjustments during the Forecast Period.

Federal Income Tax

The Organization received a determination letter from the IRS in December, 2006 that it is an organization exempt from federal income tax under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code.

Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

MANAGEMENT'S BASIS FOR FORECAST OF REVENUES AND ENTRANCE FEES

Revenues for the Independent Living Units are primarily based on the monthly service fees assumed by Management to be charged to the residents and the assumed utilization of the Independent Living Units. Health care revenues primarily consist of funds generated from services provided to residents either transferring from the Independent Living Units or from residents admitted directly from outside of the Community to the Assisted Living Center.

Under the requirements of the Residency Agreement, a resident transfer to a unit in the Assisted Living Center or a bed in the Nursing Center is classified as either temporary or permanent, depending upon the medical assessment. A resident who transfers to a unit in the Assisted Living Center or a bed in the Nursing Center is assumed to pay the following depending upon the transfer classification:

- Temporary transfer – For single occupants, a resident is assumed to continue to pay the then current monthly service fee in effect for his/her unit in the Independent Living Units, plus the then current applicable pro-rated monthly service fee for the Assisted Living Center or the then current applicable daily rate for the Nursing Center. For double occupancy residents, should one or both residents have a temporary need for care in the Assisted Living Center or Nursing Center, the residents are assumed to continue to pay their current monthly service fee for their unit in the Independent Living Units less the second occupancy fee, plus the applicable fee at the Assisted Living Center or Nursing Center.

- Permanent transfer – Upon permanent transfer, a resident must release his/her unit in the Independent Living Units. For single occupants, the monthly service fee will be adjusted to the then-current monthly service fee for a Plan I Daisy apartment in the Independent Living Units plus the cost of two additional meals daily. In the case of double occupancy, in the event of a permanent transfer of both residents, the monthly service fee will be adjusted to the then-current monthly service fee for a Plan I Daisy apartment in the Independent Living Units, plus the then-current monthly service fee for a Plan I Aster apartment within the Independent Living Units, and the cost of two additional meals per person daily. In the case of double occupancy and in the event of a permanent transfer of only one of the residents, the monthly service fee will be adjusted to the then current monthly service fee for the residence plus the then current monthly service fee for a Plan I Aster apartment within the Independent Living Units, and the relocated resident will pay for the then-current cost of two additional meals per day.

Forecasted Occupancy Levels

Forecasted occupancy for the Community's Independent Living Units is based upon Management's assumed move-in schedule for these units. Occupancy of the Assisted Living Center is forecasted to be primarily from direct entrants, as provided by Management, and transfers from the Independent Living Units. Nursing Center occupancy is based primarily on transfers from the Assisted Living Center's direct admissions, as provided by Management, and internal transfers from the Independent Living Units. Forecasted resident transfers from the Independent Living Units to the Assisted Living Center or Nursing Center have been provided by the Organization's actuary, A.V. Powell and Associates (the "Actuary").

The following tables reflect Management's anticipated move-in schedule for the Community's Independent Living Units, Assisted Living Center, and Nursing Center, as well as forecasted occupancy and utilization assumptions for the Community.

Table 37
Forecasted Independent Living Units Move-In Schedule

FYE March 31 / Month	Total Units	Net Move-Ins	Cumulative Occupancy	Cumulative Occupancy Percentage
2012				
November 2011	147.00	11.00	11.00	7.5%
December 2011	147.00	10.00	21.00	14.3%
January 2012	147.00	9.00	30.00	20.4%
February 2012	147.00	9.00	39.00	26.5%
March 2012	147.00	9.00	48.00	32.7%
2013				
April 2012	147.00	8.00	56.00	38.1%
May 2012	147.00	7.65	63.65	43.3%
June 2012	147.00	7.00	70.65	48.1%
July 2012	147.00	6.00	76.65	52.1%
August 2012	147.00	6.00	82.65	56.2%
September 2012	147.00	5.00	87.65	59.6%
October 2012	147.00	5.00	92.65	63.0%
November 2012	147.00	4.00	96.65	65.8%
December 2012	147.00	4.00	100.65	68.5%
January 2013	147.00	4.00	104.65	71.2%
February 2013	147.00	4.00	108.65	73.9%
March 2013	147.00	3.00	111.65	76.0%
2014				
April 2013	147.00	3.00	114.65	78.0%
May 2013	147.00	3.00	117.65	80.0%
June 2013	147.00	2.00	119.65	81.4%
July 2013	147.00	2.00	121.65	82.8%
August 2013	147.00	2.00	123.65	84.1%
September 2013	147.00	2.00	125.65	85.5%
October 2013	147.00	2.00	127.65	86.8%
November 2013	147.00	1.00	128.65	87.5%
December 2013	147.00	1.00	129.65	88.2%
January 2014	147.00	1.00	130.65	88.9%
February 2014	147.00	1.00	131.65	89.6%
March 2014	147.00	1.00	132.65	90.2%
2015				
April 2014	147.00	1.00	133.65	90.9%
May 2014	147.00	1.00	134.65	91.6%
June 2014	147.00	1.00	135.65	92.3%
July 2014	147.00	1.00	136.65	93.0%
August 2014	147.00	1.00	137.65	93.6%
September 2014	147.00	1.00	138.65	94.3%
October 2014	147.00	1.00	139.65	95.0%
Thereafter	147.00		139.65	95.0%

Source: Management

Table 38
Forecasted Assisted Living Center and Nursing Center Move-In Schedule

FYE March 31 / Month	Assisted Living Center: Total Units	Net Net Move-Ins	Cumulative Occupancy	Cumulative Occupancy Percentage	Nursing Center: Total Beds	Net Net Move-Ins	Cumulative Occupancy	Cumulative Occupancy Percentage
2013								
June 2012	77.00	6.00	6.00	7.8%	43.00	-	-	0.0%
July 2012	77.00	6.00	12.00	15.6%	43.00	2.00	2.00	4.7%
August 2012	77.00	5.00	17.00	22.1%	43.00	2.00	4.00	9.3%
September 2012	77.00	5.00	22.00	28.6%	43.00	2.00	6.00	14.0%
October 2012	77.00	5.00	27.00	35.1%	43.00	2.00	8.00	18.6%
November 2012	77.00	5.00	32.00	41.6%	43.00	2.00	10.00	23.3%
December 2012	77.00	4.00	36.00	46.8%	43.00	2.00	12.00	27.9%
January 2013	77.00	4.00	40.00	52.0%	43.00	2.00	14.00	32.6%
February 2013	77.00	4.00	44.00	57.1%	43.00	2.00	16.00	37.2%
March 2013	77.00	4.00	48.00	62.3%	43.00	2.00	18.00	41.9%
2014								
April 2013	77.00	3.00	51.00	66.2%	43.00	2.00	20.00	46.5%
May 2013	77.00	3.00	54.00	70.1%	43.00	2.00	22.00	51.2%
June 2013	77.00	3.00	57.00	74.0%	43.00	2.00	24.00	55.8%
July 2013	77.00	3.00	60.00	77.9%	43.00	2.00	26.00	60.5%
August 2013	77.00	3.00	63.00	81.8%	43.00	2.00	28.00	65.1%
September 2013	77.00	2.90	65.90	85.6%	43.00	2.00	30.00	69.8%
October 2013	77.00	2.35	68.25	88.6%	43.00	1.85	31.85	74.1%
November 2013	77.00	1.90	70.15	91.1%	43.00	1.00	32.85	76.4%
December 2013	77.00	1.50	71.65	93.1%	43.00	1.00	33.85	78.7%
January 2014	77.00	1.50	73.15	95.0%	43.00	1.00	34.85	81.0%
February 2014	77.00	-	73.15	95.0%	43.00	1.00	35.85	83.4%
March 2014	77.00	-	73.15	95.0%	43.00	1.00	36.85	85.7%
2015								
April 2014	77.00	-	73.15	95.0%	43.00	1.00	37.85	88.0%
May 2014	77.00	-	73.15	95.0%	43.00	1.00	38.85	90.4%
June 2014	77.00	-	73.15	95.0%	43.00	1.00	39.85	92.7%
July 2014	77.00	-	73.15	95.0%	43.00	1.00	40.85	95.0%
Thereafter	77.00		73.15	95.0%	43.00		40.85	95.0%

Source: Management

Table 39
Forecasted Health Care Utilization by Independent Living Residents

FYE	Assisted Living Center: Permanent Transfers	Temporary Transfers	Total	Percentage of Available Units	Nursing Center: Permanent Transfers	Temporary Transfers	Total	Percentage of Available Beds
2012	0.0	-	0.0	0.0%	0.0	0.2	0.2	0.6%
2013	0.4	-	0.4	0.6%	0.2	1.3	1.6	3.7%
2014	1.7	-	1.7	2.2%	0.8	2.4	3.3	7.6%
2015	4.3	-	4.3	5.5%	2.1	3.7	5.8	13.5%
2016	7.6	-	7.6	9.9%	3.8	4.2	8.0	18.6%

Source: Management and Actuary

The forecasted double occupancy percentages for the Independent Living Units are as follows:

Table 40
Independent Living Units
Forecasted Double Occupancy Percentage

Fiscal Year	Double Occupancy Percentage
2011	N/A
2012	63.6%
2013	57.0%
2014	56.1%
2015	51.7%
2016	45.6%

Source: Management and Actuary

The forecasted double occupancy percentage for the Assisted Living Units are as follows:

Table 41
Assisted Living Units
Forecasted Double Occupancy Percentage

Fiscal Year	Double Occupancy Percentage
2011	N/A
2012	N/A
2013	5.8%
2014	5.2%
2015	5.0%
2016	5.0%

Source: Management and Actuary

Forecasted Entrance Fees and Monthly Service Fees/Daily Rates

Independent Living Units

The following tables summarize the entrance fees and monthly service fees for the Independent Living Units at opening in 2011. Table 42 summarized the monthly service fees at opening in 2011. Table 43 summarizes the entrance fees for residents with Charter Benefits, Construction Benefits and Standard Pricing.

Table 42
Independent Living Units
Forecasted Monthly Service Fees
At Opening in November 2011

Unit Type	Number of Units	Monthly Service Fees [1] [2] Plan I,V	Plan II	Plan III, IV
Aster - One-Bedroom	30	$ 2,040	$ 1,801	$ 1,642
Aster Golf Tower - One-Bedroom	4	2,255	1,991	1,815
Bluebell - One-Bedroom	23	2,395	2,115	1,928
Bluebell Bay - One-Bedroom	8	2,445	2,159	1,968
Daisy - One-Bedroom	10	2,545	2,247	2,049
Clover Bay- One-Bedroom/Den	2	2,625	2,318	2,113
Clover Golf Tower- One-Bedroom/Den	4	2,695	2,380	2,169
Coneflower - One-Bedroom/Den	7	2,995	2,645	2,411
Foxglove - Two-Bedroom	16	2,675	2,362	2,153
Elderberry - Two-Bedroom	13	2,865	2,530	2,306
Elderberry Bay - Two-Bedroom	20	2,895	2,556	2,330
Larkspur - Two-Bedroom	2	2,945	2,600	2,371
Goldenrod- Two-Bedroom	1	2,975	2,627	2,395
Goldenrod Bay- Two-Bedroom	7	3,055	2,698	2,459
Total/Weighted Average	147	$ 2,554	$ 2,256	$ 2,056
Second Person Fees - Charter Benefits		$ 695	$ 695	$ 695
Second Person Fees - Standard		$ 995	$ 995	$ 995

Source: Management

Notes to Table 42:

(1) Management has forecasted that residents with Charter Benefits or Construction Benefits will pay the same monthly service fee as residents without Charter Benefits or Construction Benefits. For second person monthly fees, residents with Charter Benefits are forecasted to receive a $300 reduction over the standard second person monthly fee pricing.

(2) 14 Depositors have each reserved two Independent Living Units. Upon vacancy, the combined apartments could be separated and remarketed as their original floor plans, therefore Management has forecasted the number of Independent Living Units according to the original floor plans. Thirteen of the 14 Depositors that reserved one of the Combination Units have contracted to pay the monthly fees for the combined apartments for an amount equal to the combined monthly fees for each floor plan less a $500 discount. The remaining Depositor that reserved one of the Combination Units has contracted to pay monthly fees in an amount equal to the combined monthly fees for each floor plan.

Table 43
Independent Living Units
Forecasted Entrance Fees for First Generation Residents

		Entrance Fees (1) (2)					
	Number	Charter Benefits		Construction Benefits		Standard Pricing	
Unit Type	of Units	Plan I, II, III, IV	Plan V	Plan I, II, III, IV	Plan V	Plan I, II, III, IV	Plan V
Aster - One-Bedroom	30	$ 259,900	$ 181,930	$ 280,973	$ 196,681	$ 303,755	$ 212,628
Aster Golf Tower - One-Bedroom	4	289,900	202,930	313,405	219,384	338,817	237,172
Bluebell - One-Bedroom	23	316,900	221,830	342,595	239,816	370,373	259,261
Bluebell Bay - One-Bedroom	8	322,900	226,030	349,081	244,357	377,385	264,169
Daisy - One-Bedroom	10	312,900	219,030	338,270	236,789	365,698	255,988
Clover Bay- One-Bedroom/Den	2	359,900	251,930	389,081	272,357	420,628	294,440
Clover Golf Tower- One-Bedroom/Den	4	375,900	263,130	406,378	284,465	439,328	307,530
Coneflower - One-Bedroom/Den	7	389,900	272,930	421,514	295,059	455,690	318,983
Foxglove - Two-Bedroom	16	369,900	258,930	399,892	279,924	432,316	302,621
Elderberry - Two-Bedroom	13	391,900	274,330	423,676	296,573	458,028	320,619
Elderberry Bay - Two-Bedroom	20	399,900	279,930	432,324	302,627	467,378	327,164
Larkspur - Two-Bedroom	2	397,900	278,530	430,162	301,114	465,040	325,528
Goldenrod- Two-Bedroom	1	404,900	283,430	437,730	306,411	473,221	331,255
Goldenrod Bay- Two-Bedroom	7	414,900	290,430	448,541	313,978	484,909	339,436
Total/Weighted Average	147	$ 340,315	$ 238,220	$ 367,908	$ 257,536	$ 397,738	$ 278,417

Source: Management

Notes to Table 43:

(1) Residents with Charter Benefits are forecasted to pay entrance fees which are approximately 14.4 percent lower than the Standard Pricing. Residents with Construction Benefits are forecasted to pay entrance fees which are approximately 7.5 percent lower than the Standard Pricing.

(2) 14 Depositors have each reserved two Independent Living Units. Upon vacancy, the combined apartments could be separated and remarketed as their original floor plans, therefore Management has forecasted the number of Independent Living Units according to the original floor plans. Thirteen of the 14 Depositors that reserved one of the Combination Units have contracted to pay the entrance fees for the combined apartments for an amount equal to the combined entrance fees for each floor plan less a $30,000 discount. The remaining Depositor that reserved one of the Combination Units has contracted to pay entrance fees in an amount equal to the combined entrance fees for each floor plan.

Management has forecasted that approximately 50.0 percent of the first generation residents will receive Charter Benefits, 25.0 percent will receive Construction Benefits, and 25.0 percent will pay the Standard Pricing as reflected in Table 43. As noted previously herein, Management has forecasted that approximately 78.2 percent of first generation residents will select Plan I, 8.2 percent of first generation residents will select Plan II, 2.7 percent of first generation residents will select Plan III, 5.4 percent of first generation residents will select Plan IV and 5.4 percent of first generation residents will select Plan V. Management has planned to offer only Plan I to post-first generation residents.

Management has assumed that entrance fees for post-first generation residents will be inflated by an average of 4.0 percent during the fiscal year ending March 31, 2013 and 4.0 percent per annum during the remainder of the Forecast Period. Management has forecasted that monthly service fees will be inflated by an average of 4.0 percent per annum during the fiscal year ending March 31, 2013 and 4.0 percent per annum during the remainder of the Forecast Period.

Assisted Living Center

The following table summarizes the monthly service fees for the Assisted Living Center at its planned opening in June 2012:

Table 44
Assisted Living Center
Forecasted Monthly Service Fees At Opening in June 2012

	Number of Units	Monthly Service Fee
Assisted Living Units		
Alcove	23	$ 4,883
One-Bedroom	23	5,195
Two-Bedroom	5	5,611
Memory Support Units		
Alcove	26	5,819
Total/Weighted Average	77	$ 5,339
Assisted Living Second Person Montly Service Fee		$ 2,283

Source: Management

Management has forecasted monthly services fees for the Assisted Living Center will be inflated by 4.0 percent per annum beginning on April 1, 2013 through the remainder of the Forecast Period. Management has also forecasted that residents of the Assisted Living Center who are initial residents of the Community will pay a non-refundable entrance fee of approximately $5,100 during the Forecast Period. In addition, Management has forecasted that approximately 45 percent of the residents of the Assisted Living Center will purchase additional care services at an average rate of $688 per month upon opening of the Assisted Living Center in June 2012. Management has forecasted these monthly care services fees will be inflated by 4.0 percent per annum beginning on April 1, 2013 through the remainder of the Forecast Period.

Nursing Center

The following tables summarize the monthly per diems and the assumed payor mix for the Nursing Center at opening in July 2012.

Table 45
Nursing Center
Forecasted Payor Mix (by Days) and Daily Per Diems
At Opening in July 2012

	Payor Mix (by Resident Days)	Daily Rates
Private Pay	88.4%	$ 355
Medicare	11.6%	458
Total/Weighted Average	100.0%	$ 367

Source: Management

Management has forecasted the daily payment rates for the Nursing Center will be inflated by 4.0 percent per annum for private pay residents and 3.0 percent per annum for Medicare residents beginning on April 1, 2013 through the remainder of the Forecast Period. Management has also forecasted that residents of the Nursing Center who are initial residents of the Community will enter into a healthcare life care contract and pay a non-refundable entrance fee of approximately $5,100 during the Forecast Period.

Entrance Fee Receipts

Entrance fee receipts and refunds are based on information provided by Management and the Actuary. The following table notes entrance fees received and refunds paid during the Forecast Period for the Community.

Table 46
Forecasted Entrance Receipts and Refunds
(000s Omitted)

	2011	2012	2013	2014	2015	2016
Independent Living Units						
Entrance Fees Received From Initial Residents (1)	$ -	$ 14,985	$ 20,598	$ 7,762	$ 2,653	$ -
Initial Resident Entrance Fees (1)	$ -	$ 14,985	$ 20,598	$ 7,762	$ 2,653	$ -
Entrance Fees Received From Unit Turnover (2)		$ 61	$ 657	$ 1,485	$ 2,768	$ 3,597
Entrance Fees Refunded From Unit Turnover (3)		(44)	(440)	(845)	(1,012)	(1,413)
Net Turnover Entrance Fees	$ -	$ 17	$ 217	$ 640	$ 1,756	$ 2,184
Total Entrance Fees Received, Net of Refunds	$ -	$ 15,002	$ 20,815	$ 8,402	$ 4,409	$ 2,184
Assisted Living Center						
Entrance Fees Received From Initial Residents	$ -	$ -	$ 47	$ 145	$ 125	$ -
Nursing Center						
Entrance Fees Received From Initial Residents	$ -	$ -	$ 105	$ 100	$ -	$ -
Total	$ -	$ 15,002	$ 20,967	$ 8,647	$ 4,534	$ 2,184

Source: Management and Actuary
Notes to Table 46:
(1) Entrance Fees from initial residents excludes $3,073,000 of Entrance Fee Deposits received through March 31, 2010.
(2) Management has forecasted approximately 1 unit to turnover in 2012, 2 units to turnover in 2013, 3 units to turnover in 2014, 6 units to turnover in 2015 and 7 units to turnover in 2016, based upon data from the Actuary.
(3) Management has forecasted refunds will be paid related to approximately 1 unit in 2012 and 2013, 2 units in 2014, 3 units in 2015, and 4 units in 2016, based upon data from the Actuary.

Interest Income

Interest income consists of interest earned on available cash and cash equivalents, investments and assets limited as to use. During construction of the Project, interest expense on the Series 2010 Bonds has been netted with interest earned on the various trustee-held funds relating to the Series 2010 Bonds. The following table reflects Management's assumed realized investment earning rates during the Forecast Period.

Table 47
Forecasted Investment Earning Rates

	For the Years Ending March 31,					
	2011	2012	2013	2014	2015	2016
Cash and Cash Equivalents	0.00%	0.50%	0.50%	0.50%	0.50%	0.50%
Investments	n/a	n/a	4.00%	4.00%	4.00%	4.00%
Debt Service Reserve Fund-Series 2010A	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
Debt Service Reserve Fund-Series 2010B	1.35%	1.35%	1.35%	1.35%	n/a	n/a
Debt Service Reserve Fund-Series 2010C-1	1.20%	1.20%	1.20%	1.20%	n/a	n/a
Debt Service Reserve Fund-Series 2010C-2	1.00%	1.00%	1.00%	n/a	n/a	n/a
Debt Service Reserve Fund-Series 2010C-3	0.95%	0.95%	0.95%	n/a	n/a	n/a
Project Fund	0.80%	0.80%	0.80%	0.80%	n/a	n/a
Funded Interest Fund	0.85%	0.85%	0.85%	n/a	n/a	n/a
Operating Reserve Fund	n/a	1.50%	1.50%	1.50%	1.50%	n/a
Working Capital Fund	n/a	0.80%	0.80%	0.80%	0.80%	n/a
Entrance Fee Fund	n/a	1.00%	1.00%	1.00%	n/a	n/a
Bond Fund	n/a	n/a	1.00%	1.00%	1.00%	1.00%
Supplemental Liquidity Support Fund	1.35%	1.35%	1.35%	1.35%	1.35%	1.35%

Source: Management
n/a = not applicable

Management does not forecast any unrealized or realized gains/losses from the valuation or sale of investments during the Forecast Period.

Other Revenue

Management has forecasted other revenue to include service revenue, additional meals, guest meals, and beauty and barber services. Management has forecasted other revenue equal to approximately 4 percent of net resident services revenue during the Forecast Period.

MANAGEMENT'S BASIS FOR FORECAST OF EXPENSES

Operating Expenses

Operating expenses have been forecasted to be recognized during the month incurred. Management has forecasted operating expenses based upon Management's operating plans for the Project and its experience operating a similar retirement community. In general, operating expenses are forecasted to increase by 4.0 percent annually throughout the Forecast Period for inflation.

The specific basis for major expense items were formulated by Management and are discussed below.

Salaries and Benefits

A full-time equivalent employee ("FTE") represents 2,080 hours of time paid annually. Average hourly rates are forecasted to increase at a rate of 4.0 percent annually for inflation throughout the Forecast Period for the Community. Listed below are Management's forecasted FTEs and average hourly rates, by department, for the Community for the years ending March 31, 2012 through 2016. There are no FTEs forecasted to be included in salaries expense for the Community prior to its planned opening during the year ending March 31, 2012 other than marketing staff. Marketing salaries and benefits are forecasted to be included in deferred marketing costs until the Independent Living Units obtain stabilized occupancy in October 2014, therefore they are not included in the summary of FTEs below until the fiscal year ending March 31, 2015.

Table 48
Forecasted Staffing and Average Hourly Rates of the Community
(In Full-Time Equivalents)

	For the Years Ending March 31,									
	2012		2013		2014		2015		2016	
Departments:	Number of FTEs	Average Hourly Rate	Number of FTEs	Average Hourly Rate	Number of FTEs	Average Hourly Rate	Number of FTEs	Average Hourly Rate	Number of FTEs	Average Hourly Rate
Administration	1.99	$ 28.25	6.90	$ 25.67	7.90	$ 26.49	7.90	$ 27.55	7.90	$ 28.65
Activities	0.42	$ 23.13	2.55	$ 16.79	4.90	$ 15.11	4.90	$ 15.71	4.90	$ 16.34
Assisted Living	-	N/A	8.43	$ 21.13	17.12	$ 18.93	18.75	$ 19.29	18.75	$ 20.06
Memory Support	-	N/A	3.80	$ 13.72	10.85	$ 14.26	10.85	$ 14.83	10.85	$ 15.43
Nursing	-	N/A	9.46	$ 25.30	23.47	$ 21.94	32.55	$ 22.20	32.55	$ 23.09
Plant and Maintenance	0.45	$ 32.97	1.63	$ 27.77	2.98	$ 22.60	4.07	$ 21.48	4.07	$ 22.34
Emergency Services	0.95	$ 14.67	2.28	$ 15.26	2.28	$ 15.87	2.28	$ 16.50	2.28	$ 17.16
Dining Services	2.80	$ 17.89	18.38	$ 15.03	30.62	$ 14.70	38.96	$ 14.81	38.96	$ 15.40
Grounds Maintenance	-	N/A	-	N/A	-	N/A	0.50	$ 13.11	0.50	$ 13.63
Housekeeping and Laundry	1.32	$ 11.65	5.34	$ 11.80	9.68	$ 12.07	13.08	$ 12.48	13.08	$ 12.98
Transportation	0.21	$ 14.67	1.00	$ 15.26	1.40	$ 15.87	1.40	$ 16.50	1.40	$ 17.16
Marketing	-	N/A	-	N/A	-	N/A	1.25	$ 29.27	2.50	$ 30.44
Total \ Weighted Average	**8.13**	**$ 20.06**	**59.75**	**$ 18.81**	**111.19**	**$ 17.72**	**136.49**	**$ 18.11**	**137.74**	**$ 18.94**

Source: Management
N/A = Not applicable

Benefit costs are assumed to include payroll taxes and employee benefits including FICA, unemployment taxes, workers' compensation, health insurance, and other miscellaneous benefits. These benefit costs are assumed to approximate 26.6 percent of wages during the year ending March 31, 2012, 24.7 percent of wages during the year ending March 31, 2013, 24.2 percent of wages during the year ending March 31, 2014 and 24.1 percent of wages during the remainder Forecast Period for the Community.

Assisted Living and Memory Support Services

Non-salary costs in this department include Management's estimate of the costs of operating the Assisted Living Center. These non-salary costs include costs for supplies and other miscellaneous costs incurred in the provision of assisted living and memory support services. Management has forecasted these costs beginning in the year ending March 31, 2013 based upon the number of months the Assisted Living Center is planned to be open. Additionally, these costs are anticipated to increase for inflation at 4.0 percent annually throughout the Forecast Period.

Nursing Care Services

Non-salary nursing care services costs include Management's estimate of the costs of operating the Nursing Center. These non-salary costs include costs for pharmacy, therapy, lab supplies, equipment, equipment rental, and other miscellaneous costs incurred in the provision of health care services. Management assumes that these costs would vary with changes in occupancy levels of the Nursing Center. Additionally, these costs are anticipated to increase for inflation at 4.0 percent annually throughout the Forecast Period.

Dietary Services

Non-salary related costs of the dietary department include Management's estimate of the costs for raw food, dietary supplies, equipment, linens, and other such costs. Raw food costs are forecasted to increase during the Community's assumed fill-up correlating with increases in meal consumptions as a result of higher census, with the overall cost of raw food costs per meal increasing annually at 4.0 percent for inflation. Other dietary department costs are anticipated to increase at 4.0 percent annually throughout the Forecast Period for inflation.

Housekeeping and Laundry Services

Non-salary related costs of housekeeping and laundry services include Management's estimate of the costs for contract services, supplies, chemicals and other miscellaneous costs associated with providing housekeeping and laundry services to residents. Management has forecasted these costs for the year ending March 31, 2012 based upon the number of months the Community is planned to be open. Additionally, these costs are anticipated to increase for inflation at 4.0 percent annually throughout the Forecast Period.

Resident Activities and Transportation Services

Non-salary related costs of resident activities and transportation services include Management's estimate of costs for items such as resident entertainment, resident functions, vehicle lease payments, gasoline and oil, repairs and maintenance, and other such costs based on Management's assumptions. Management has forecasted these costs for the year ending March 31, 2012 based upon the number of months the Community is planned to be open. Additionally, these costs are anticipated to increase for inflation at 4.0 percent annually throughout the Forecast Period.

Plant Operations and Maintenance

Non-salary related costs in this department include Management's estimate of the cost for electricity, water, sewer, gas, sanitation, service contracts, repairs, general maintenance, and operating supplies which Management assumes are primarily fixed in nature. Management has forecasted these costs for the year ending March 31, 2012 based upon the number of months the Community is planned to be open. Additionally, these costs are anticipated to increase for inflation at 4.0 percent annually throughout the Forecast Period.

Property and Related

Non-salary related costs in this department include Management's anticipated costs for general and professional liability insurance, property insurance, property taxes, and other such expenses. Property taxes have been forecasted by Management related to the Independent Living Units and an allocated portion of the Common Areas only. The Assisted Living Center, the Nursing Center, and an allocated portion of the Common Areas are assumed to be exempt from property taxes throughout the Forecast Period based upon Management's experience operating a similar retirement community. Management has forecasted these costs for the year ending March 31, 2012 based upon the number of months the Community is planned to be open, adjusting property insurance and real estate taxes for partial occupancy until stabilization. Additionally, these costs are anticipated to increase for inflation at 4.0 percent annually upon reaching stabilization throughout the remainder of the Forecast Period.

Administrative Services

Non-salary related costs of administration include Management's estimate of costs for cable television, telephone service, professional fees, Management Fees, supplies, and other miscellaneous costs. Management has forecasted these costs, excluding Management Fees, for the year ending March 31, 2012 based upon the number of months the Community is planned to be open. Additionally, these costs are anticipated to increase for inflation at 4.0 percent annually throughout the Forecast Period.

As noted previously herein, the Organization has entered into an Administrative Services Agreement with FSO pursuant to which FSO will provide corporate management, accounting and payroll, human resources, information technology, marketing and risk management for the Community. According to the terms of the Administrative Services Agreement, the Organization will owe FSO Management Fees equal to 4.34 percent of the Organization's annual expenses (excluding depreciation, amortization and interest expense). Management Fees will be deferred, without interest, until the Community reaches certain occupancy and financial covenants as more fully described previously herein, Management has not forecasted payment of any Management Fees during the Forecast Period.

Marketing

Non-salary related costs in this department include Management's estimate of the costs for items such as supplies, special events, marketing collateral, advertising, and other miscellaneous costs. Management has forecasted these costs beginning during the year ending March 31, 2015 upon expiration of marketing services under the Development Consulting Agreement. These costs are anticipated to increase at 4.0 percent annually throughout the Forecast Period for inflation.

Depreciation and Amortization

Property, plant and equipment are forecasted to be depreciated over their estimated useful lives by the straight-line method. Amortization expense is forecast based on amortizing deferred financing costs related to the Organization's outstanding debt using the straight line method over the term of the debt, and amortizing deferred marketing costs over the assumed average life expectancy of the initial residents.

Interest Expense

Prior to the assumed issuance of the Series 2010 Bonds, interest expense is forecasted related to the debt service requirements of the Series 2007 BANs, the Series 2008 BANs and the Investor Capital. After the assumed issuance of the Series 2010 Bonds, interest expense is assumed to be related to the debt service requirements associated with the Series 2010 Bonds, as provided by the Underwriter. Management has capitalized interest expense during the development and construction period of the Community, net of interest income on the related trustee held-funds.

MANAGEMENT'S BASIS FOR FORECAST OF OTHER ITEMS

Current Assets and Current Liabilities

Cash and Cash Equivalents

Cash and cash equivalent balances for the Forecast Period are assumed to reflect net cash flows during the Forecast Period. For purposes of presentation, cash balances are estimated at 25 days of operating expenses for the Community.

Accounts Receivable

Accounts receivable, net of an allowance for non-collectible accounts, are forecasted based on Management's estimate of 7 days of resident services revenue in accounts receivable for the Community throughout the Forecast Period.

Prepaid Expenses

Prepaid expenses are forecasted based upon Management's estimate of 15 days of expenses excluding salaries, employee benefits and payroll taxes, depreciation, amortization and interest throughout the Forecast Period.

Accounts Payable

Accounts payable are forecasted based upon Management's estimate of 30 days of expenses excluding salaries, employee benefits and payroll taxes, depreciation, amortization and interest throughout the Forecast Period.

Accrued Salaries, Benefits, and Payroll Taxes

Accrued salaries, benefits and payroll taxes are forecasted based upon Management's estimate of 15 days or salaries, employee benefits and payroll taxes during the Forecast Period.

Accrued Interest

Accrued interest is forecasted based upon the terms of the Series 2010 Bonds during the Forecast Period.

Assets Limited as to Use

The following funds are forecasted to be held by the Bond Trustee in the name of the Organization pursuant to the terms of the Master Trust Indenture and the Series 2010 Bond Trust Indentures:

Bond Funds — The Bond Funds are planned to represent monthly advance payments of bond principal and interest to be made by the Organization to the Bond Trustee relating to the Series 2010 Bonds. The funds held in the Bond Funds will be used by the Bond Trustee to make the principal payments and the interest payments to the owners of the Series 2010 Bonds when due.

Debt Service Reserve Funds — The Organization is required to maintain a separate debt service reserve fund related to each of the series of the Series 2010 Bonds, which will be funded from proceeds of the Series 2010 Bonds. Each of the debt service reserve funds is to be released and available to pay debt service in the year that the respective series of the Series 2010 Bonds is repaid in full.

Project Fund — Upon the assumed issuance of the Series 2010 Bonds, the project fund is planned to be funded to include the forecasted amount of funds needed to pay for remaining Project-related costs.

Funded Interest Fund — Upon the assumed issuance of the Series 2010 Bonds, the funded interest fund is planned to be net funded to pay for interest expense on the Series 2010 Bonds for the first 20 months after the issuance of the Series 2010 Bonds.

Entrance Fees Fund — Pursuant to the Master Trust Indenture, first generation entrance fees relating to the Independent Living Units are to be deposited into the entrance fees fund. Amounts on deposit in the entrance fees fund are assumed to be used first to pay refunds of resident deposits, second to fund the working capital fund, third to fund the operating reserve fund, fourth to reimburse any amounts advanced under the Liquidity Support Fund, and fifth to redeem the Series 2010B Bonds and the Series 2010C Bonds. Subsequent to repayment of the Series 2010B Bonds and the Series 2010C Bonds, and assuming no events of default have occurred and are continuing under the Master Trust Indenture, amounts remaining on deposit in the entrance fees fund are assumed to be released by the trustee to the Organization.

Operating Reserve Fund — An initial amount equal to $3,000,000 (prior to any replenishment) is assumed to be funded from initial entrance fee receipts from the Independent Living Units. This fund is assumed to be used to pay Project related construction, development and marketing costs, and operating needs of the Organization, if necessary. Amounts remaining in the Operating Reserve Fund subsequent to repayment of the Series 2010B Bonds and the Series 2010C Bonds may be released to the Organization upon reaching stabilized occupancy at the Community, assuming no events of default have occurred and are continuing under the Master Trust Indenture.

Working Capital Fund — An initial amount equal to $12,000,000 is assumed to be funded from initial entrance fee receipts from the Independent Living Units. This fund is assumed to be used to fund the pre-opening costs and ongoing working capital needs of the Community. Amounts remaining in the Working Capital Fund subsequent to repayment of the Series 2010B Bonds and the Series 2010C Bonds may be released to the Organization upon reaching stabilized occupancy at the Community, assuming no events of default have occurred and are continuing under the Master Trust Indenture.

Supplemental Liquidity Support Fund — An initial amount equal to $500,000 is assumed to be funded at closing of the Series 2010 Bonds and held in custody of the Master Trustee in the name of the Organization pursuant to the Liquidity Support Agreement as more fully described previously herein.

Property, Plant, and Equipment

Property, plant, and equipment balances, net of accumulated depreciation, are forecasted based on assumed costs of constructing the Project, and other routine property, plant, and equipment additions during the Forecast Period, reduced by estimated annual depreciation. The following table reflects Project related costs, capitalized interest, net of interest earnings, and other routine capital additions during the Forecast Period.

Table 49
Forecasted Property, Plant and Equipment Additions
(000s Omitted)

	2011	2012	2013	2014	2015	2016
Property, Plant and Equipment, Beginning	$ 9,958	$ 39,864	$ 84,844	$ 94,696	$ 95,344	$ 95,590
Project Costs (1)	24,938	37,944	9,200	442	-	-
Capitalized Interest, Net (2)	4,968	6,984	486	-	-	-
Routine Additions	-	52	166	206	246	286
Total	$ 39,864	$ 84,844	$ 94,696	$ 95,344	$ 95,590	$ 95,876

Source: Management
Notes:
(1) Project Costs are shown as Construction in Progress on the Statement of Financial Position until placed in service.
(2) Capitalized Interest, Net is shown net of interest income of $366,000 in 2011, $450,000 in 2012 and $8,000 in 2013.

Long-Term Debt and Interest Expense

Prior to the assumed issuance of the Series 2010 Bonds the Organization's long-term debt was comprised of the Series 2007 BANs, the Series 2008 BANs, the Investor Capital, and the Subordinated Note, the terms of each of which are described more fully previously herein. After the assumed issuance of the Series 2010 Bonds, the

Organization's long-term debt is planned to be comprised of the Series 2010 Bonds and the Subordinated Note. See the notes to Table 6 for a summary of the terms of the Series 2010 Bonds.

The following table presents a summary of the assumed annual debt service for the Series 2010 Bonds which is presented on a March 31, fiscal year basis.

Table 50
Schedule of Series 2010 Bonds Annual Debt Service
(000's Omitted)

Fiscal Year	Series 2010A Bonds	Series 2010B Bonds	Series 2010C-1 Bonds	Series 2010C-2 Bonds	Series 2010C-3 Bonds	Total
2012	$ -	$ -	$ -	$ -	$ -	$ -
2013	-	-	1,375	8,325	11,600	21,300
2014	-	5,000	2,200	-	-	7,200
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-
2017	730	-	-	-	-	730
2018	780	-	-	-	-	780
2019	840	-	-	-	-	840
2020	905	-	-	-	-	905
2021	970	-	-	-	-	970
2022	1,045	-	-	-	-	1,045
Thereafter	83,830	-	-	-	-	83,830
Total	$ 89,100	$ 5,000	$ 3,575	$ 8,325	$ 11,600	$ 117,600

Source: Management and Underwriter

SENSITIVITY ANALYSES

The financial forecast was prepared based on assumptions made by Management concerning future operations of the Organization. Various factors and conditions may occur which could adversely affect the forecast of the financial condition of the Organization and its ability to meet debt service requirements. These factors may include, but may not be limited to, legislation and regulatory actions, changes in assumptions concerning occupancy, rental rates, financing, construction costs, operating costs, occupancy variations due to increased competition from other senior housing facilities, and independent living turnover. Furthermore, Management prepared its financial forecast assuming that the Organization obtains financing at rates and terms similar to those provided by the Underwriter, and the debt service requirements of the Series 2010 Bonds do not change during the Forecast Period.

The analyses that follow should not be construed as reflecting the only significant assumptions presented in the forecast. The sensitivity analyses represent Management's estimates and the Underwriter's request and have not been examined. The sensitivity analyses are not intended to be all-inclusive, and are presented for the purpose of demonstrating the significance of: (1) an extended move-in period and a reduction in stabilized occupancy of the Independent Living Units, and (2) a reduction in net turnover entrance fee receipts from the Independent Living Units.

Sensitivity Analysis #1A in Table 51, as presented by Management, was conducted to reflect the impact of an extension in the assumed move-in period of the Independent Living Units from 36 months to 60 months without a corresponding ability to reduce operating expenses and no adjustment to the forecasted repayment of the Series 2010 Bonds. Sensitivity Analysis #1B in Table 51 was conducted to estimate the reduction in forecasted stabilized occupancy of the Independent Living Units to a breakeven point such that the Organization's maximum annual debt service coverage ratio would approximate near 1.00, without a corresponding ability to reduce operating expenses and no adjustment to the forecasted repayment of the Series 2010 Bonds. The following table contrasts the forecasted financial metrics against the sensitivity analyses.

Table 51
Sensitivity Analysis #1
For the Year Ending March 31, 2016

	As Forecasted	Sensitivity #1A	Sensitivity #1B
Actual Annual Debt Service Coverage Ratio	1.43	1.32	1.13
Maximum Annual Debt Service Coverage Ratio	1.30	1.20	1.02
Cash to Long-Term Debt	30%	24%	12%
Number of Days Cash on Hand	387	275	49
Independent Living Units:			
Occupancy at March 31, 2016	95.0%	91.0%	74.5%
Initial Move-in Period, Number of Months	36	60 (1)	36
Intitial Move-in Period, Average Monthly Move-ins	3.88	2.33	3.04

Note: (1) For purposes of Sensitivity Analysis #1A, the Independent Living Units are estimated to reach 91.0% occupancy in March 2016, and Stabilized Occupancy of 95% in October 2016, which is outside of the Forecast Period.

Sensitivity Analysis #2A in Table 52, as presented by Management, was conducted to estimate the impact of no turnover entrance fee cash flow receipts or refunds from the Independent Living Units in the stabilized year ending March 31, 2016. Sensitivity Analysis #2B in Table 52 was conducted to estimate the cumulative impact of each Independent Living Unit turning over that generates an entrance fee deposit also generating an entrance fee refund during each year of the Forecast Period. The following table contrasts the forecasted financial metrics against the sensitivity analyses.

Table 52
Sensitivity Analysis #2
For the Year Ending March 31, 2016

	As Forecasted	Sensitivity #2A	Sensitivity #2B
Actual Annual Debt Service Coverage Ratio	1.43	1.12	1.22
Maximum Annual Debt Service Coverage Ratio	1.30	1.02	1.11
Cash to Long-Term Debt	30%	28%	26%
Number of Days Cash on Hand	387	341	313
Independent Living Units:			
Turnover Entrance Fee Receipts (in Thousands)	$3,597	$0	$3,597
Turnover Entrance Fee Refunds (in Thousands)	($1,413)	$0	($2,809)
Net Turnover Entrance Fee Receipts (in Thousands)	$2,184	$0	$788

Attachment 18

Item 3

GreenFields
OF GENEVA

October 10, 2012

Dale Galassie, Chairman
Illinois Health Facilities & Services Review Board
525 West Jefferson St., Second Floor
Springfield, IL. 62761

RE: Greenfields of Geneva

I certify that the project will not lower the utilization of other area providers below the occupancy standards set by Illinois Health Facilities & Services Review Board. Furthermore, I certify that the project will not lower, to a further extent, the utilization of other area facilities that are currently operating below the occupancy standards.

Thank you,

Sincerely,

Stephen A. Yenchek
President & CEO

P.O. Box 784 | Geneva, Illinois 60134
P: 630.232.9105 | F: 630.232.9128 | www.GreenFieldsofGeneva.org
A FRIENDSHIP VILLAGE COMMUNITY

Attachment 19

1125.590 Staffing Availability

The professional staffing needs of the proposed project at stabilized occupancy are as follows:

GreenFields of Geneva
Health Center Staffing
Fiscal Year Ending March 31, 2016

Position	FTEs	Average Wage Rate
Nursing Home Administrator	1.00	49.13
Director of Nursing	1.00	44.34
ADON/MDS Coordinator	1.00	39.95
RN	4.20	34.98
LPN	4.20	30.09
CNAs	17.00	15.43
Social Worker/Admissions	1.00	24.92
Medical Records/Central Supply	1.00	12.38
Essential Position	2.15	21.09
Subtotal/Weighted Average	**32.55**	**23.09**

The independent living, assisted living and Alzheimer's care units of GreenFields of Geneva are operational. Although the skilled nursing unit is still in the pre-opening phase, the Applicant currently has an Administrator and a Director of Nursing on staff. Additionally, many other positions are currently filled. Additional professional nursing staff – RNs, LPNs, and CNAs – can be recruited from the nursing schools in the area.

The attached letter identifies the positions filled and the number of applications on file by position as a result of two job fairs in April 2012.

Friendship Senior Options

350 West Schaumburg Road
Schaumburg, Illinois 60194
Telephone: 847 884 5000
Fax: 847 884 5053
www.FriendshipVillage.org

May 18, 2012

To Whom This May Concern:

As part of the Certificate of Need process, the Human Resources Department of Friendship Senior Options and GreenFields of Geneva has been requested to provide information specific to current and future staffing availability for the GreenFields Briarwood Health Care Center as follows:

Background
In anticipation of opening GreenFields of Geneva, the Human Resources department, over the last seven years, has continuously conducted research into the workforce demographics, trends and competition in the primary, secondary and tertiary market areas to keep abreast of any significant changes that would possibly impact our ability to staff the new community. Based on our findings, we were confident that we would be able to recruit quality individuals for the wide variety of positions needed to open GreenFields and to acquire additional staff as the remaining areas opened, specifically Briarwood Health Care Center.

Over the last 12 months, we have experienced great success in recruiting and hiring highly competent management and staff positions - most importantly, we do not anticipate any staffing problems in the future. To date we have hired over 65 management and staff employees from the GreenFields market area.

Recruitment Results

1. Management positions hired-to-date from our market area:
   Executive Director
   Administrator, Briarwood Health Care Center & Assisted Living
   Director of Nursing
   Lifestyles (Activities) Manager
   Director of Building Operations
   Supervisor, Housekeeping
   Human Resources Manager
   Business Office Manager
   *Note: Dining Services is an outsourced function with ARAMARK. The management positions are filled and include:

Director, Dining Services
Executive Chef
Dietician

2. As part of the recruitment activities for non-management staff, we have held two 'Job Fairs' - one several months prior to opening on August 30, 2011 and another 'post-opening' on April 17, 2012. The second job fair was specifically focused on recruiting nursing and nursing support positions for the anticipated opening of Briarwood Health Care Center.

   The results of both job fairs were a resounding success which supported our earlier projections that a substantial 'workforce pool' of competent and highly qualified individuals reside in our market areas for us to choose from. The quantity and quality has also allowed us to have a significant 'pool' of applicants for future consideration.

   The following reflects the outcomes of both Job Fairs:

August 30, 2011	76 attended; 13 hired **Recruitment focus:** Service positions – dining, maintenance, hospitality, security.
April 17, 2012	52 attended; 23 will be hired between May and June **Recruitment focus:** Skilled Care: RN, LPN, Certified Nursing Assistants, Social Worker/Admissions Coordinator, Activities Assistants, MDS Coordinator, **We anticipate hiring 6 RN's and 12 CNA's. We were also able to establish a 'future hire' pool of viable of nursing candidates: 32 RN's and 60 CNA's.** Assisted Living: Supervisor and Resident Assistants.

We will continue to maintain an awareness of any issues that may impact the success of our staffing endeavors and ensure safe-guards are in place to counter those. Thank you and please let me know if I can provide any additional information to you.

Sincerely,

Rebecca L. Johnson
Vice-President, Human Resources/Quality Improvement
Friendship Senior Options

Attachment 20

1125.600 Bed Capacity

The criterion reads:

The maximum size of a general long term care facility is 250 beds unless the applicant documents that a larger facility would provide personalization of patient care and documents provision of quality care based on the experience of the applicant and compliance with IDPH's licensure standards.

This does not apply, as the facility is proposing 43 general long-term care beds.

Attachment 21

1125.610 Community Related Functions

Community support letters for this project follow this page. Four letters in support were received for this project.

In addition to the attached letters, six letters of support were received for the original application.

JOHN G. STANEK
ATTORNEY AT LAW
800 HANSON STREET
BATAVIA, ILLINOIS 60510

ADMITTED TO:
ILLINOIS BAR
IDAHO BAR

PHONE (630) 208-9600
FAX (630) 208-9604
BERWYN (708) 788-0000

May 15, 2012

Illinois Health Facilities & Services Review Board
525 West Jefferson Street, Second Floor
Springfield, IL 62761

Re: GreenFields of Geneva-application for Certificate of Need

To Whom It May Concern:

It is my pleasure to write in support of GreenFields of Geneva application to open the Certificate of Need for a skilled nursing facility in Geneva, Illinois to the public.

By opening the facility to admissions from the public, I believe that GreenFields of Geneva Will provide a highly needed health care service to residents within the area. Residents of Geneva and the surrounding communities would benefit greatly from the skilled nursing and/or rehabilitation services offered in this new, state-of-the-art facility.

I fully support GreenFields of Geneva proposal to serve the greater community.

Cordially,

John G Stanek

John G. Stanek
Attorney at Law

Village of Elburn
301 E. North Street
Elburn, IL 60119
(630) 365-5060
Fax: (630) 365-5063
www.elburn.il.us

May 16, 2012

Illinois Health Facilities & Services Review Board
525 West Jefferson Street, Second Floor
Springfield, IL 62761

To Whom It May Concern:

I am writing this letter to indicate my support for the application by Greenfields of Geneva to obtain a certificate of need for a skilled nursing facility in Geneva, Illinois.

By opening the facility to public admission, I believe Greenfields of Geneva will fulfill a needed healthcare service to residents within our area. Residents not only of Geneva but of Elburn and the surrounding communities will benefit from the skilled nursing and/or rehabilitation services offered in a new, state-of-the-art atmosphere/site.

I whole heartedly support Greenfields of Geneva in this proposal to serve the greater community.

Sincerely,

David L. Anderson
Village President
Elburn, IL

ST. CHARLES BANK
& TRUST COMPANY®

May 21, 2012

Illinois Health Facilities & Services Review Board
525 West Jefferson Street, Second Floor
Springfield, IL 62761

To Whom It May Concern:

It is my pleasure to write in support of GreenFields of Geneva application to open the Certificate of Need for a skilled nursing facility in Geneva, Illinois to the public.

By opening the facility to admissions from the public, I believe GreenFields of Geneva will provide a highly needed health care service to residents within the area. Residents of Geneva and surrounding communities would benefit from skilled nursing and/or rehabilitation services offered in the new, state-of-the art facility.

I fully support GreenFields of Geneva proposal to serve the greater community.

Sincerely,

Darla Yhost

Darla Yhost
Vice President
Bank Manager

411 W. Main Street | St. Charles, Illinois 60174 | 630.377.9500
2401 Kaneville Road | Geneva, Illinois 60134 | 630.845.4800
WWW.BANKSTCHARLES.COM

Josef's Elegante Meats & Deli
Pat Falcone, Owner
716 West State Street ▪ Geneva, IL 60134
Phone: (630) 262-1878 ▪ Fax: (630) 845-8514

May 24, 2012

Illinois Health Facilities & Services Review Board
525 West Jefferson Street, Second Floor
Springfield, IL. 62761

To Whom It May Concern:

It is my pleasure to write in support of GreenFields of Geneva application to open the Certificate of Need for a skilled nursing facility in Geneva, Illinois to the public.

By opening the facility to admissions from the public, I believe GreenFields of Geneva will provide a highly needed health care service to residents within the area. Residents of Geneva and surrounding communities would benefit from skilled nursing and/or rehabilitation services offered in the new, state-of-the-art facility.

I fully support GreenFields of Geneva proposal to serve the greater community.

Sincerely,

Pat Falcone

Attachment 22

Project Scope, Utilization, and Unfinished/Shell Space

Size of Project:

1. The physical space is necessary for delivering the program – 43 skilled nursing beds, nurses stations, therapy rooms, clean and dirty linen rooms, shower rooms, etc.

2. The gross square footage is in line with the BGSF standards in Appendix A.

SIZE OF PROJECT

DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?
General Long-Term Care	682 BGSF/Bed	435-713 BGSF/Bed	N/A	Yes

Attachment 23

Section 1125.630 Zoning

Zoning approval has been received. Furthermore, GreenFields of Geneva currently operates the independent living, assisted living, and Alzheimer's care units at the site. Proof of zoning required for the proposed project was provided as part of the original CON permit application (Project 08-083). A copy of that letter is provided after this page. The original was submitted with the previous application.

GreenFields
OF GENEVA

August 4, 2008

Illinois Department of Public Health
525-535 West Jefferson Street
Springfield, Illinois 62761-0001

Gentlemen:

Re: Friendship Village of Mill Creek
d/b/a GreenFields of Geneva
Certificate of Need Application
Development/Zoning Approvals

Friendship Village of Mill Creek, NFP (FVMC) is a Continuing Care Retirement Community doing business as GreenFields of Geneva. The community is under development in unincorporated Kane County, Illinois and will offer 133 Residential Living Apartments, 48 Assisted Living Apartments, 24 Assisted Living Memory Support Apartments and 40 Skilled Nursing Private Rooms. The Community will operate under a Life Care Permit which has previously been issued to FVMC by IDPH on October 19, 2006. At that time FVMC was operating under the d/b/a of Tallgrass at Mill Creek. Additional specific information is contained elsewhere in this application.

FVMC has received required development and zoning approvals from Kane County. These approvals were also provided to FVMC during the period when it operated under the d/b/a of Tallgrass at Mill Creek.

The Community has been repositioned to enhance its acceptance in the market. The repositioning remains consistent with the prior Life Care Permit and zoning approvals. A request to modify the Life Care Permit is being prepared for submission to IDPH. County officials have reviewed the reposition plans for FVMC and have found them consistent with their initial approvals. County officials have indicated they will process an amendment to the current development and zoning approvals by Administrative Process without the need for additional County Board action or public hearing.

FVMC will be happy to provide any additional information as may be required by IDPH in support of this Certificate of Need Application.

Sincerely,

Stephen A. Yenchek

Stephen A. Yenchek
President & Chief Executive Officer

ATTACHMENT GLTC-3

56

P.O. Box 786 Geneva, Illinois 60134
P: 630.232.9105 | F: 630.232.9128 | www.GreenFieldsofGeneva.org
A FRIENDSHIP VILLAGE COMMUNITY

Attachment 24

Section 1125.640 Assurances

Assurances regarding the applicant's understanding that, by the second year of operation after project completion, the project will achieve and maintain the occupancy standards specified in Section 1125.210(c).

GreenFields
OF GENEVA

Assurances Statement

This statement is being filed pursuant to Section 1110.1730(K) of the Board's Rules (771L Adm.Code 1110.1730). The undersigned is an authorized representative of the applicant and attests that the applicant understands that by the second year of operation after the project completion the applicant will make every attempt to achieve and maintain the occupancy standards specified in Part 1100 of the Board's Rules for the long term care category of service.

October 10, 2012

Stephen A. Yenchek
President & CEO
Friendship Senior Options

October 10, 2012

Larry Shoemake
Treasurer
Friendship Village of Mill Creek

Notary: Anju Goswami Date: October 10, 2012

OFFICIAL SEAL
ANJU GOSWAMI
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:06/01/13

P.O. Box 784 | Geneva, Illinois 60134
P: 630.232.9105 | F: 630.232.9128 | www.GreenFieldsofGeneva.org

A FRIENDSHIP VILLAGE COMMUNITY

Attachment 29

GreenFields of Geneva
Financial Viability - Friendship Senior Options, NFP

Provide Data for Projects Classified As:	Category A or Category B (last three years)			Category B (Projected)
Enter Historical and/or Projected Years:	**2009**	**2010**	**2011**	**2016**
Current Ratio	1.26	0.71	1.04	
Net Margin Percentage	-25.72%	-3.89%	-4.39%	
Percent Debt to Total Capitalization	77.88%	77.46%	85.78%	
Projected Debt Service Coverage	1.43	2.62	1.73	
Days Cash on Hand	114	190	274	
Cushion Ratio	1.82	2.42	1.79	

GreenFields of Geneva
Financial Viability - Friendship Village of Mill Creek, NFP

Provide Data for Projects Classified As:	Category A or Category B (last three years)			Category B (Projected)
Enter Historical and/or Projected Years:	**2008**	**2009**	**2010**	**2015**
Current Ratio	N/A	N/A	0.69	1.07
Net Margin Percentage	N/A	N/A	N/A	0.07%
Percent Debt to Total Capitalization	N/A	N/A	100.19%	136.12%
Projected Debt Service Coverage	N/A	N/A	0.05	1.37
Days Cash on Hand	N/A	N/A	16,487.00	458.00
Cushion Ratio	N/A	N/A	0.60	6.90

GreenFields of Geneva – Comments on Ratio Variances

1. Financing for the community occurred on August 31, 2010 (fiscal year ending March 31, 2011). Prior to opening of the community in January 2012, there is no revenue and minimal expenses based on GAAP accounting rules. GreenFields opened in January 2012 and projects a 36 month fill-up of its independent living apartments. As a result, the measurement of ratios prior to stabilization (in FY2016) does not provide accurate measurements of the financial performance of the community. The ratios should be measured as of FY2016.
2. Debt service coverage is not measured until GreenFields achieves stabilized occupancy in FY2016. During this year, FVMC achieves a 1.43 debt service coverage ratio. Financing covenants require that GreenFields achieve a 1.20 debt service coverage. The projected debt service coverage is in excess of the financing requirements.
3. Because the community experiences significant working capital losses (which are funded as part of the financing), the net asset position of the community is negative in the early years. This negative net asset (unrestricted fund balance) position results in a debt to total capitalization in excess of state norms and over 100%.
4. Despite some of the ratios not meeting the state norms for Long term care facilities, GreenFields of Geneva meets and/or exceeds the minimum ratio requirements and financial performance standards required under the terms of its bond financing. GreenFields must achieve a minimum 1.20 debt service coverage ratio, 25% cash to debt ratio and 180 days cash on hand.

FRIENDSHIP SENIOR OPTIONS, NFP
AND AFFILIATES

Consolidated Financial Statements
and Consolidating Schedules

March 31, 2010 and 2009

(With Independent Auditors' Report Thereon)

FRIENDSHIP SENIOR OPTIONS, NFP
AND AFFILIATES

Table of Contents

Independent Auditors' Report

The Board of Directors
Friendship Senior Options, NFP:

We have audited the accompanying consolidated balance sheets of Friendship Senior Options, NFP and affiliates (the Corporations) as of March 31, 2010 and 2009, and the related consolidated statements of operations, changes in net deficit, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Corporations' management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporations' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Corporations as of March 31, 2010 and 2009, and the results of their operations, changes in net deficit, and cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying 2010 consolidating information is presented for purposes of additional analysis of the 2010 consolidated financial statements, rather than to present the financial position and results of operations of the individual corporations. The 2010 consolidating information has been subjected to the auditing procedures applied in the audit of the 2010 consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the 2010 consolidated financial statements taken as a whole.

July 28, 2010

FRIENDSHIP SENIOR OPTIONS, NFP
AND AFFILIATES

Consolidated Balance Sheets

March 31, 2010 and 2009

Assets		2010	2009
Current assets:			
Cash and cash equivalents	$	9,250,033	6,095,178
Assets whose use is limited or restricted – required for current liabilities:			
Held by trustee under bond indenture agreements		1,094,546	10,547,495
Escrow cash from resident advance deposits		3,072,734	1,821,743
Resident accounts receivable, net of allowance for doubtful accounts of approximately $277,000 and $363,000 in 2010 and 2009, respectively		2,825,718	2,614,720
Entrance fees receivable		931,680	302,050
Other receivables		12,207	808,186
Inventories		123,738	92,101
Prepaid expenses		588,756	539,573
Total current assets		17,899,412	22,821,046
Assets whose use is limited or restricted, net of amounts required for current liabilities:			
Held by trustee under bond indenture agreements		19,328,900	9,357,365
Donor restricted investments		318,885	291,779
Total noncurrent assets whose use is limited or restricted		19,647,785	9,649,144
Land, buildings, and equipment, net of accumulated depreciation		130,024,993	130,486,210
Investment in joint venture		1,587,500	1,587,500
Long-term investments		11,272,667	6,474,559
Deferred costs, net		11,464,993	10,660,626
Total assets	$	191,897,350	181,679,085

See accompanying notes to consolidated financial statements.

Liabilities and Net Deficit	2010	2009
Current liabilities:		
Current portion of long-term debt	$ 7,680,000	3,300,000
Accounts payable	2,132,110	2,383,446
Accrued expenses:		
Payroll and employee benefits	1,051,004	956,595
Property taxes	428,031	471,568
Interest	4,277,315	2,392,960
Other	1,412,886	3,587,044
Refundable entrance fees payable	3,480,037	1,977,157
Entrance fee deposits	4,624,186	3,065,191
Total current liabilities	25,085,569	18,133,961
Long-term debt, excluding current installments and unamortized bond discount	114,596,686	115,685,487
Entrance fees:		
Deferred revenue from nonrefundable entrance fees	7,558,044	7,117,383
Refundable entrance fees	79,911,413	74,244,192
Total liabilities	227,151,712	215,181,023
Net assets (deficit):		
Unrestricted	(35,573,247)	(33,793,717)
Temporarily restricted	262,730	235,649
Permanently restricted	56,155	56,130
Total net deficit	(35,254,362)	(33,501,938)
Commitments and contingencies		
Total liabilities and net deficit	$ 191,897,350	181,679,085

FRIENDSHIP SENIOR OPTIONS, NFP
AND AFFILIATES

Consolidated Statements of Operations

Years ended March 31, 2010 and 2009

		2010	2009
Revenue:			
Net resident service revenue:			
Independent living	$	13,486,348	12,250,442
Assisted living		4,186,783	3,977,340
Health care center		19,238,515	17,355,767
Home health		922,330	745,179
Adult day care		—	17,812
Amortization of entrance fees		3,629,587	3,843,990
Contributions		2,257	2,800
Investment income (loss)		3,015,573	(1,435,335)
Net assets released from restrictions used for operations		125,871	269,460
Other revenue		1,194,099	547,855
Total revenue		45,801,363	37,575,310
Operating expenses:			
Salaries and benefits		20,900,361	21,752,902
Supplies and other		5,847,814	5,170,476
Dietary		2,405,197	2,482,430
Professional fees		779,255	783,541
Repairs and maintenance		897,777	766,877
Utilities		1,841,980	2,130,991
Insurance		656,574	544,639
Real estate taxes and other		454,760	581,342
Interest		5,634,255	5,886,444
Depreciation and amortization		8,163,585	6,910,303
Provision for bad debts		(665)	257,320
Total operating expenses		47,580,893	47,267,265
Revenue deficient of expenses		(1,779,530)	(9,691,955)
Other changes in unrestricted net assets:			
Net assets released from restrictions for purchase of land, buildings, and equipment		—	28,114
Decrease in unrestricted net assets	$	(1,779,530)	(9,663,841)

See accompanying notes to consolidated financial statements.

FRIENDSHIP SENIOR OPTIONS, NFP
AND AFFILIATES

Consolidated Statements of Changes in Net Deficit

Years ended March 31, 2010 and 2009

	2010	2009
Decrease in unrestricted net assets	$ (1,779,530)	(9,663,841)
Temporarily restricted net assets:		
Contributions for specific purposes	152,952	109,506
Net assets released from restrictions used for operations	(125,871)	(269,460)
Net assets released from restrictions for purchase of land, buildings, and equipment	—	(28,114)
Increase (decrease) in temporarily restricted net assets	27,081	(188,068)
Increase in permanently restricted net assets:		
Contributions	25	266
Change in net deficit	(1,752,424)	(9,851,643)
Net deficit at beginning of year	(33,501,938)	(23,650,295)
Net deficit at end of year	$ (35,254,362)	(33,501,938)

See accompanying notes to consolidated financial statements.

FRIENDSHIP SENIOR OPTIONS, NFP
AND AFFILIATES

Consolidated Statements of Cash Flows

Years ended March 31, 2010 and 2009

		2010	2009
Cash flows from operating activities:			
Change in net deficit	$	(1,752,424)	(9,851,643)
Adjustments to reconcile change in net deficit to net cash provided by (used in) operating activities:			
Depreciation and amortization of deferred marketing costs		6,593,949	6,544,086
Amortization of bond discount		40,176	40,642
Amortization of deferred finance charges		1,529,460	325,575
Amortization of entrance fees		(3,629,587)	(3,843,990)
Proceeds from nonrefundable entrance fees		1,727,035	1,962,134
Provision for bad debts		(665)	257,320
Change in net unrealized (gains) losses on investments		(2,823,858)	2,783,320
Change in fair value of interest rate swap agreements		—	(185,777)
Equity earnings of investee, net of cash distributions received		(195,555)	(259,719)
Contributions of permanently restricted net assets		(25)	(266)
Changes in assets and liabilities:			
Resident accounts receivable		(210,333)	177,224
Inventories, prepaid expenses, and other receivables		1,102,307	(879,465)
Accounts payable		(251,336)	1,053,902
Accrued expenses		(238,931)	529,545
Net cash provided by (used in) operating activities		1,890,213	(1,347,112)
Cash flows from investing activities:			
Net (purchases) sales of assets whose use is limited or restricted		(1,736,589)	14,700,605
Net purchase of long-term investments		(1,838,789)	(788,032)
Acquisition of land, buildings, and equipment, net		(6,009,135)	(5,401,235)
Net cash provided by (used in) investing activities		(9,584,513)	8,511,338
Cash flows from financing activities:			
Payments on long-term debt		(31,225,000)	(15,000,000)
Proceeds from issuance of long-term debt, net of original issuance discount		33,076,023	—
Proceeds from Ziegler Equity Funding private offering		882,852	—
Proceeds from issuance of bond anticipation notes		—	3,685,000
Proceeds from refundable entrance fees		14,683,903	14,919,893
Refunds paid on entrance fees		(4,241,225)	(5,813,462)
Payments for deferred costs		(2,327,423)	(2,424,221)
Contributions of permanently restricted net assets		25	266
Net cash provided by (used in) financing activities		10,849,155	(4,632,524)
Net increase in cash and cash equivalents		3,154,855	2,531,702
Cash and cash equivalents at beginning of year		6,095,178	3,563,476
Cash and cash equivalents at end of year	$	9,250,033	6,095,178
Supplemental disclosure of cash flow information:			
Cash paid for interest, net of amounts capitalized	$	3,812,636	4,189,579

See accompanying notes to consolidated financial statements.

FRIENDSHIP SENIOR OPTIONS, NFP
AND AFFILIATES

Notes to Consolidated Financial Statements

March 31, 2010 and 2009

(1) Operations and Basis for Consolidation

Friendship Senior Options, NFP (FSO) was incorporated for charitable, educational, and scientific purposes to support healthcare and other services to the elderly by providing management assistance, and in all other relevant ways. The accompanying consolidated financial statements include the accounts of FSO and the following affiliates that it controls and supports (collectively referred to as the Corporations):

- Evangelical Retirement Homes of Greater Chicago, Inc. (d/b/a Friendship Village of Schaumburg) (the Village) provides housing, healthcare, and other related services to residents through the operation of a retirement facility containing 632 apartments for residents capable of maintaining an independent lifestyle, 28 garden homes, 75 assisted living units, 25 memory support units in an assisted living setting, and a 248-bed healthcare facility in Schaumburg, Illinois. On June 19, 2007, Bridgewater Place, a campus redevelopment project, was completed and placed in service. Bridgewater Place added 170 independent living units to the existing 462 independent living units, for a total of 632 independent living units at the Village.
- Friendship Village Neighborhood Services, NFP (Neighborhood Services) was incorporated to provide adult day services, wellness training, case management, and respite services and to act as a resource center for other services related to senior citizens.
- Friendship Village of Mill Creek, NFP (d/b/a GreenFields of Geneva) (Mill Creek) has been incorporated to develop retirement facilities, assisted living facilities, healthcare facilities, and services for the frail and elderly in Geneva, Illinois.
- Friendship Senior Services Foundation, NFP (Foundation) solicits funds through fund-raising campaigns and donations from the general public in support of the Corporations.

The Village, FSO, Mill Creek, and Foundation are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code (Code) and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Neighborhood Services is incorporated as a not-for-profit corporation but has not received tax exemption from the Internal Revenue Service.

All significant intercompany balances and transactions have been eliminated in the accompanying consolidated financial statements.

(2) Summary of Significant Accounting Policies

The following significant accounting policies of the Corporations are utilized in presenting the consolidating financial statements:

- In June 2009, the Financial Accounting Standards Board (FASB) issued an accounting standard which established the Codification to become the single source of authoritative accounting principles. The standard also provides the framework for selecting the principles used in the preparation of financial statements of nongovernmental entities that are represented in conformity with generally accepted accounting principles in the United States of America. All guidance contained in the Codification carries an equal level of authority. The Codification is not intended to change generally accepted accounting principles, but is expected to simplify accounting research by reorganizing current generally accepted accounting principles into specific topics. The Corporations adopted this accounting standard in 2010. The adoption of this accounting standard, which was subsequently codified in Accounting Standards Codification (ASC) Topic 105, had no impact on the Corporations' results of operations, financial position, and liquidity.

- The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- The consolidated statements of operations include revenue deficient of expenses. Transactions deemed by management to be ongoing, major, or central to the provision of resident care are reported as revenue and expenses. Transactions incidental to the provision of resident care are reported as nonoperating gains or losses. Changes in unrestricted net assets, which are excluded from revenue deficient of expenses, consistent with industry practice, include the acquisition of property and equipment financed by donor-restricted contributions.
- The Corporations incur expenses for the provision of residential care, community support services, fund-raising, and related general and administrative activities.
- Cash and cash equivalents include cash and money market accounts.
- On April 1, 2008, the Corporations adopted the provisions of FASB Statement No. 157 (Statement 157), *Fair Value Measurements*, included in ASC Topic 820, *Fair Value Measurements and Disclosures*, for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the consolidated financial statements on a recurring basis. ASC Topic 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC Topic 820 also establishes a framework for measuring fair value and expands disclosures about fair value measurements (note 5).
- Investments are measured at fair value in the consolidated balance sheets. Investment income or loss (including realized gains and losses on investments, unrealized gains and losses on trading securities, interest, and dividends) is included in the determination of revenue deficient of expenses unless restricted by donor or law. All investments are designated as trading securities.
- Assets limited or restricted as to use include assets held by a bond trustee under bond indenture agreements and all donor-restricted assets.
- The Corporations account for derivatives and hedging activities in accordance with ASC Topic 815, *Derivatives and Hedging*, which requires that all derivative instruments be recorded on the consolidated balance sheets at their respective fair values.
- Deferred costs comprise unamortized deferred financing costs of $3,521,602 and $4,076,220 at March 31, 2010 and 2009, respectively, and deferred marketing costs of $9,034,531 and $7,704,980 at March 31, 2010 and 2009, respectively. Accumulated amortization of deferred financing costs was $868,665 and $1,021,696 at March 31, 2010 and 2009, respectively, and accumulated amortization

of deferred marketing costs was $222,475 and $98,878 at March 31, 2010 and 2009, respectively. Deferred financing costs represent issuance costs for outstanding long-term debt. Deferred financing costs and bond discount are being amortized using the bonds-outstanding method over the life of the respective debt. Deferred marketing costs represent direct costs associated with the initial marketing of new units for the Village's redevelopment projects and are capitalized during a period which ends at the earlier of the date of substantial occupancy or one year from date of opening. Deferred marketing costs are amortized over the average lives of the initial residents for the respective redevelopment project.

- The Village annually calculates the present value of the net cost of future services and the use of facilities to be provided to current residents and compares that amount with the balance of deferred revenue from entrance fees. The present value of the net cost of future services and the use of facilities was less than the deferred revenue from entrance fees at both March 31, 2010 and 2009, and accordingly no future services obligation has been recognized in the accompanying consolidated balance sheets.

- The Corporations report gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (i.e., when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations as net assets released from restrictions. Assets released from restriction for operating purposes are reported with revenue whereas assets released from restriction for the acquisition of property and equipment are reported directly to unrestricted net assets. Donor-restricted contributions whose restrictions are met within the same year received are reflected as unrestricted contributions. The Corporations report expirations of donor restrictions when donated or acquired long-lived assets are placed in service.

- Temporarily restricted net assets include monies donated to the Construction of New Facilities Campus Enhancement Fund, Employee Support Program, Benevolence Fund, and the Friendship Program. Earnings on these funds are unrestricted and are included with investment income.

- Permanently restricted net assets represent monies donated to the Corporations whereby the principal must be maintained permanently. The earnings on these funds are either unrestricted or temporarily restricted based on donor intent and are included with investment income during the period in which unrestricted income is earned and temporarily restricted income is utilized for its intended purpose.

- Inventories consist of food and supplies (housekeeping and maintenance) and are valued at current cost, which approximates first-in, first-out cost.

- Land, buildings, and equipment are stated at cost. Depreciation is computed on the straight-line method based on the following estimated useful lives: buildings and improvements – 40 years; land improvements – 20 years; and furniture and equipment – 5 – 15 years.

- Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated discounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. If the Corporations intended to dispose of its assets, they would be reported at the lower of the carrying amount or fair value less estimable costs to sell, and would no longer be depreciated.

- Net resident service revenue is recognized in the period in which occupancy and services are provided. Net resident service revenue is reported at the estimated net realizable amounts from residents and third-party payors, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

- Included in other revenue in 2010 is $527,400 of real estate tax refunds for 2001, 2002 and 2003. A final settlement for these past tax years was reached with Cook County in 2010, and the property tax refund, net of legal fees and other costs, was recognized in 2010 as a change in estimate.

(3) Net Resident Service Revenue

The Village primarily operates under the "Life Care" concept pursuant to which residents enter into an occupancy agreement with the Village, which requires the payment of a one-time entrance fee. A summary of significant entrance fee arrangements currently in existence at the Village is as follows:

- *Nonrefundable entrance fee agreement* – Until 1988, the Village offered only nonrefundable entrance fee agreements. However, if a resident who is residing in the independent living area and is in good health elects to leave the Village, the resident will be entitled to a refund of the portion of the entrance fee that has not been amortized. Amortization for the purpose of this refund provision is 1% for each month of occupancy or 22% of the entrance fee paid, whichever is greater. Nonrefundable entrance fees are deferred and amortized on a straight-line method using the life expectancy of the individual residents at the end of each fiscal year.

- *Refundable entrance fee agreement* – Beginning in 1988, the Village began offering new residents a refundable contract. Entrance fees are fully refundable when the units are reoccupied except when the resident moves into the healthcare facility. When a resident moves into the healthcare facility, one-half of the healthcare center service fees are billed to the resident and the other half is recognized as a reduction of the refundable entrance fee. The Village will bill the resident the entire fee after the resident's refundable entrance fee is eliminated. Any remaining balance of the entrance fee is refundable when the resident is no longer an occupant of the Village, provided the patient's unit has been reoccupied. Based on historical experience it is assumed the healthcare facility fee offset will substantially eliminate the ultimate refunds to most residents who have refundable entrance fee agreements; accordingly, no portion of these refundable entrance fees is being amortized to revenue. The resident remains fully responsible for the payment of their own physician and pharmaceutical expenses.

- *Variable refundable contracts* – Beginning in 2004, the Village added variable contract options, which are either 100%, 90%, or 50% refundable. The nonrefundable portion of the 90% refundable contract option amortizes at the rate of 1% for each month of occupancy up to 10%. The nonrefundable portion of the 50% refundable contract option amortizes at the rate of 5% for each month of occupancy up to 50%. The nonrefundable portion of these entrance fees is deferred and amortized to revenue over the remaining expected life of the individual residents at the end of each fiscal year. The refundable portion of variable contract entrance fees is refundable upon reoccupancy. The refundable portion of variable contract entrance fees is included in refundable entrance fees and amounted to $61,797,512 and $54,073,472 at March 31, 2010 and 2009, respectively. Since the variable contract plans do not include a provision whereby residents bear the risk of loss, if any, upon reoccupancy of their units, the Village does not amortize any of the refundable portion of such entrance fees to revenue.

Total gross refundable entrance fees approximate the amounts shown as refundable entrance fee liabilities in the consolidated balance sheets.

The Village has obtained Medicaid certification for all but 60 of their nursing beds and receives all-inclusive per diem rates for Medicaid-eligible residents. To the extent that charges or related costs incurred for services rendered to Medicaid beneficiaries exceed the per diem rates, they are not recoverable from the Medicaid program or its beneficiaries. Medicaid reimbursement methodologies and payment rates are subject to change based on the amount of funding available to the State of Illinois Medicaid program and any such changes could have a significant effect on the Village's revenues.

The Village has also obtained Medicare certification for all of their nursing beds. The Village is reimbursed by Medicare under a prospective payment system based primarily upon a clinical classification system for Medicare residents. To the extent that charges or related costs incurred for services rendered to Medicare beneficiaries exceed the prospective payment rates, they are not recoverable from the Medicare program or its beneficiaries.

(Continued)

(4) Investments

The Corporations report investments in equity securities with readily determinable fair values and all investments in debt securities at fair value. A summary of the composition of the Corporations' investment portfolio at March 31, 2010 and 2009 is as follows:

		2010	2009
Cash and cash equivalents	$	7,373,138	7,275,362
Corporate bonds and notes		7,939,098	6,843,149
U.S. Treasury securities		3,612,826	3,499,743
U.S. government agency securities		6,715,246	5,057,173
Mortgage and asset-backed securities		88,774	67,231
Equity securities		2,992,026	2,866,946
Mutual funds		4,693,552	1,726,359
Ziegler Equity Funding receivable (note 9)		387,148	—
Investment in Health Resources Alliance, Inc., equity method (note 13)		943,148	814,202
Investment in Coventry Carelink Insurance Services, at cost (note 13)		200,000	200,000
Investment in captive insurance company, at cost (note 13)		142,776	142,776
	$	35,087,732	28,492,941

Investments are reported in the accompanying consolidated balance sheets at March 31, 2010 and 2009 as follows:

		2010	2009
Assets whose use is limited or restricted – required for current liabilities	$	4,167,280	12,369,238
Noncurrent assets whose use is limited or restricted		19,647,785	9,649,144
Long-term investments		11,272,667	6,474,559
	$	35,087,732	28,492,941

The composition of investment return on the Corporations' investment portfolio for the years ended March 31, 2010 and 2009 is as follows:

		2010	2009
Interest and dividend income	$	766,581	1,414,226
Distribution received from Alliance for Health (note 13(e))		—	50,000
Net realized losses on sale of investments		(542,033)	(92,026)
Change in net unrealized gains (losses) during the holding period		2,823,858	(2,783,320)
Interest income capitalized		(32,833)	(24,215)
	$	3,015,573	(1,435,335)

(5) Fair Value Measurements

(a) Fair Value of Financial Instruments

The following methods and assumptions were used by the Corporations in estimating the fair value of its financial instruments:

- The carrying amount reported in the consolidated balance sheets for the following approximates fair value because of the short maturities of these instruments: resident accounts receivable, entrance fee liabilities, accounts payable, and accrued expenses.
- Cash and cash equivalents, U.S. Treasury securities, equity securities, and mutual funds are measured using quoted market prices at the reporting date multiplied by the quantity held. Corporate bonds and notes, U.S. government agency securities, and mortgage and asset-backed securities are measured using other observable inputs.

(b) Fair Value Hierarchy

The Corporations adopted Statement 157 on April 1, 2008 for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. Statement 157 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Corporations has the ability to access at the measurement date.
- Level 2 are observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following table presents assets that are measured at fair value on a recurring basis at March 31, 2010:

		March 31, 2010	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:					
Cash and cash equivalents	$	9,250,033	9,250,033	—	—
Assets whose use is limited or restricted and long-term investments		33,414,660	18,708,972	14,705,688	—

The following table presents assets that are measured at fair value on a recurring basis at March 31, 2009:

		March 31, 2009	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:					
Cash and cash equivalents	$	6,095,178	6,095,178	—	—
Assets whose use is limited or restricted and long-term investments		27,335,963	15,368,410	11,967,553	—

(6) Property and Equipment

A summary of property and equipment at March 31, 2010 and 2009 is as follows:

	2010	2009
Land and land improvements	$ 12,240,359	12,250,359
Buildings	149,173,027	147,769,522
Furniture and equipment	11,232,863	10,536,356
	172,646,249	170,556,237
Less accumulated depreciation	54,033,484	47,563,131
	118,612,765	122,993,106
Construction in progress	11,412,228	7,493,104
Land, buildings, and equipment, net	$ 130,024,993	130,486,210

At March 31, 2010 and 2009, construction in progress consists primarily of preconstruction development costs for a continuing care retirement community development in Geneva, Illinois, which will be owned by Mill Creek.

Net interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. During 2010 and 2009, the Corporations capitalized approximately $1,829,000 and $1,115,000, respectively, of net interest cost, which comprises approximately $1,862,000 and $1,139,000, respectively, of interest cost less approximately $33,000 and $24,000, respectively, of interest earned on unexpended bond proceeds.

(7) Concentration of Credit Risk

The Village grants credit to its self-pay residents as well as those that are insured under third-party payor agreements. The mix of receivables from residents and third-party payors as of March 31, 2010 and 2009 is as follows:

	2010	2009
Medicare	34%	22%
Medicaid	5	20
Commercial insurance	4	3
Self-pay	57	55
	100%	100%

(8) Charity Care

The Village provides care to residents who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Village does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The following information presents the level of charity care provided during the years ended March 31, 2010 and 2009:

		2010	2009
Charges forgone for non-Medicaid residents, based on established rates	$	547,973	493,275
Excess of allocated cost over reimbursement for services provided to Medicaid residents		3,339,945	3,397,506
	$	3,887,918	3,890,781

(9) Long-Term Debt

A summary of long-term debt at March 31, 2010 and 2009 is as follows:

		2010	2009
Revenue Bonds, Series 2005A, at effective fixed interest rates ranging from 5.05% to 5.70% depending on date of maturity, maturing 2010 through 2037	$	74,275,000	75,500,000
Revenue Bonds, Series 2005B, at an initial fixed interest rate of 4.75% through February 15, 2011, maturing 2037		5,000,000	5,000,000
Revenue Bonds, Series 2005C, at variable interest rates based on a weekly adjustable rate as determined by a remarketing agent, retired in 2010, effective interest rate of 0.63% and 1.71% in 2010 and 2009, respectively		—	30,000,000
Revenue Bonds, Series 2010, at effective fixed interest rates ranging from 7.25% to 7.375% depending on date of maturity, maturing 2038 through 2045		33,610,000	—
Bond Anticipation Notes, Series 2007, fixed interest			

		2010	2009
Less:			
Current portion of long-term debt	$	7,680,000	3,300,000
Unamortized bond discount		1,193,314	699,513
Long-term debt, excluding current installments and unamortized bond discount	$	114,596,686	115,685,487

The Village entered into a Master Trust Indenture dated as of July 15, 2005 as the sole Obligated Group member. The purpose of the Master Trust Indenture is to provide a mechanism for the issuance of promissory notes and other evidences of indebtedness in order to secure the financing or refinancing of facilities and for other lawful proper corporate purposes. The Master Trust Indenture provides for other legal entities in the future to participate with the Village in the Obligated Group. The Master Trust Indenture requires individual members of the Obligated Group to make principal and interest payments on notes issued for their benefit and to pay such amounts as are otherwise necessary to enable the Obligated Group to satisfy other obligations issued under the Master Trust Indenture. The proceeds from each bond issue are administered by bond trustees to comply with the terms of the Master Trust Indenture.

On July 15, 2005, the Illinois Finance Authority (IFA) issued, on behalf of the Village, $75,500,000 Revenue Bonds, Series 2005A (Series 2005A Bonds), $5,000,000 Revenue Bonds, Series 2005B Extendable Rate Adjustable Securities (Series 2005B Bonds), and $45,000,000 Revenue Bonds, Series 2005C Variable Rate Demand Revenue Bonds (Series 2005C Bonds) (collectively the Series 2005 Bonds). The Series 2005 Bonds were issued for the purpose of advance refunding the then outstanding Series 1994 and 1997 Bonds; funding the Village's campus redevelopment project; establishing debt service funds; and paying a portion of debt issuance costs.

The interest rate reset on the Series 2005B Bonds, after the initial interest rate expires on February 15, 2011, will be at a fixed rate based on the duration of the next reset period which will be determined by the Village. The Series 2005B Bonds have a put option that allows the holders to redeem the bonds on February 15, 2011. The Village has an agreement with a remarketing agent to remarket any bonds redeemed as a result of the exercise of the put options. If the Series 2005B Bonds cannot be remarketed, the Village would be required to repurchase such bonds subject to liquidity availability as provided in the Master Trust Indenture. The Series 2005B Bonds have been classified as current in the accompanying 2010 consolidated balance sheet.

The Series 2005 Bonds were issued under the Master Trust Indenture and are secured by a mortgage and security agreement covering substantially all Village property.

The Series 2005C Bonds were also secured through September 30, 2010 under an irrevocable direct pay letter of credit arrangement with a commercial bank. The Series 2005C Bonds had a put option that allowed the holders to redeem the bonds prior to maturity. The Village was obligated to repay $25,000,000 of the outstanding principal on the Series 2005C Bonds during 2009, subject to liquidity availability as defined in the debt agreements. During 2009, the Village redeemed $15,000,000 of Series 2005C Bonds based on available liquidity. On September 16, 2009, the Village restructured its Series 2005C letter of credit agreement with the commercial bank. Under the restructured letter of credit agreement, $2.5 million of the Series 2005C Bonds not repaid in 2009 were converted to long-term bonds, subject to a revised repayment schedule. The remaining $7.5 million of Series 2005C Bonds not repaid in 2009 were scheduled to be repaid over a period of six years commencing February 15, 2010.

On March 4, 2010, the IFA issued, on behalf of the Village, $33,610,000 Revenue Bonds, Series 2010 (Series 2010 Bonds). The Series 2010 Bonds were issued for the purpose of advance refunding all of the then outstanding Series 2005C Bonds; funding the Village's capital projects; establishing debt service funds; and paying a portion of debt issuance costs. As a result of the refunding of the Series 2005C Bonds in 2010, the unamortized deferred financing costs of $1,091,299 attributable to the Series 2005C Bonds were written off and are reported as a component of depreciation and amortization in the accompanying 2010 consolidated statement of operations. The Series 2010 Bonds were issued under the Master Trust Indenture and are secured by a mortgage and security agreement covering substantially all Village property.

The Village is required to be in compliance with covenants, terms, and conditions of the Master Trust Indenture. Failure to maintain compliance could result in acceleration of payment for debt outstanding under the Master Trust Indenture. The Village did not comply with certain covenants under the Series 2005C Bonds letter of credit agreement during 2009. The Village received a waiver for covenant noncompliance under the letter of credit agreement through June 30, 2009.

On March 28, 2007, the IFA issued on behalf of Mill Creek, $5,500,000 Bond Anticipation Notes, Series 2007 (Series 2007 Notes). On July 21, 2008, IFA issued on behalf of Mill Creek additional $3,335,000 Bond Anticipation Notes, 2008A and $350,000 taxable Bond Anticipation Notes, Series 2008B (collectively Series 2008 Notes). The Series 2007 and 2008 Notes were issued for the purpose of financing a portion of preconstruction development costs of a continuing care retirement community development in Geneva (the Project), Illinois, which will be owned by Mill Creek. Interest on the Series 2007 and 2008 Notes compounds semi-annually, but is payable only at redemption or maturity. Mill Creek intends to seek financing (Permanent Financing) for the construction of the continuing care retirement community and repayment of the Series 2007 Notes through issuance of tax-exempt revenue bonds. The Village and FSO are not obligated on the Series 2007 or 2008 Notes; however, FSO has a limited indemnification obligation to the IFA for certain costs associated with the Series 2007 and 2008 Notes, which is secured by a letter of credit in the amount of $1,000,000 from the Bank of America. Mill Creek has assigned its rights in the land site purchase contract; project development agreement; management contracts; and licenses, consents, permits, and approvals related to the continuing care retirement community development as security on the Series 2007 and 2008 Notes. The loan agreement for the Series 2007 and 2008 Notes specifies a series of development and sales objectives that, if not met, could ultimately result in acceleration of the Series 2007 and 2008 Notes.

On November 4, 2009 B.C. Ziegler and Company (BCZ), as placement agent for Ziegler Equity Funding – Greenfields, LLC (ZEF), sold units worth of $1.4 million to accredited investors in the form of a private offering. ZEF is a limited liability company organized to seek an above average return on capital through an advance of pre-finance development costs of the Project. The $1.4 million funding was included in current portion of long-term debt in the accompanying 2010 consolidated balance sheet as it has no established long-term repayment schedule. Pursuant to the Funding Agreement between ZEF and Mill

Creek, ZEF will advance in monthly installments an aggregate total amount equal to $1,270,000, which represents the offering proceeds net of BCZ placement fee and offering expenses, based on requisitions received from Mill Creek. Interest and principal on the advance are payable only if Permanent Financing for the Project is obtained and in an amount sufficient to fund all the costs of the Project. The repayment of such advance from proceeds of the Permanent Financing has priority over payments on the Series 2007 and 2008 Notes as well as funds advanced by FSO which were used to fund pre-finance development costs. As of March 31, 2010 $882,852 of advances have been received from ZEF. Mill Creek included the remaining $387,148 of available advances within assets whose use is limited or restricted in the accompanying 2010 consolidated balance sheet.

Scheduled annual principal repayments on long-term debt for the ensuing five years and thereafter are as follows:

Year ending March 31:		
2011	$	2,680,000
2012		10,530,000
2013		1,420,000
2014		1,485,000
2015		1,560,000
Thereafter		105,795,000
	$	123,470,000

For purpose of classification of the current portion of long-term debt, the annual principal repayments, for the ensuing five years and thereafter, which assumes the put option for the 2005B Bonds is exercised and the Bonds fail to be remarked at February 15, 2011, are as follows:

Year ending March 31:		
2011	$	7,680,000
2012		10,530,000
2013		1,420,000
2014		1,485,000
2015		1,560,000
Thereafter		100,795,000
	$	123,470,000

(10) Derivative Instruments

In an effort to lower its overall cost of capital on the Series 2005C debt, the Village previously maintained an interest rate swap agreement. This swap agreement changed the variable rate on a portion of the Series 2005C debt to a fixed rate through the expiration date of the swap which was November 15, 2008. The notional amount under the interest rate swap agreement was $25,000,000. Under the swap agreement, the Village received monthly an amount equal to the BMA index and made payments at an annual fixed rate of 3.195%. The swap was not designated as a hedge instrument by Village management and, therefore, did not qualify for hedge accounting treatment. For the year ended March 31, 2009 the Village recorded a decrease to interest expense in the amount of $185,777 for the increase in fair value of the interest rate swap and an increase to interest expense in the amount of $127,123 for the differential paid under the swap in the accompanying 2009 consolidated statement of operations.

(11) Investment in Joint Venture

On January 7, 2000, the Village formed a joint venture with Sherman Health Systems (Sherman) by creating the Sherman Friendship Limited Liability Corporation (LLC). The purpose of the joint venture is to develop healthcare services addressing the needs of all generations from facilities and long-term care accommodations to be constructed in Huntley, Illinois. Pursuant to the joint venture agreement between the Village and Sherman, the Village is required to contribute cash of $500,000, net of joint venture related costs incurred by the Village, five acres of land to the Sherman/Friendship Land Trust (a subsidiary of the LLC), and a note payable in the amount of the difference between the fair value of each joint venture participant's contributions to the joint venture. Through March 31, 2010, the Village incurred costs of $398,193 on behalf of the joint venture. These costs, along with a $1,500,000 tract of land that the Village purchased and contributed to the Sherman/Friendship Land Trust in 2001, have been recorded as an investment in joint venture in the accompanying consolidated balance sheets. All profits and losses of the joint venture are to be split equally. The Village accounts for its investment in the joint venture using the equity method. The joint venture has not begun operations; however, the LLC has expensed various organizational and start-up costs, whereby the Village has recognized its proportional share of such costs amounting to $310,693 through March 31, 2010 and 2009. During 2006, the joint venture ownership was transferred from the Village to FSO.

(12) Defined Contribution Retirement Plan

The Village has a defined contribution retirement plan covering employees who have completed one year of service and are at least 21 years of age. The Village's matching contributions were equal to 50% of the first 6% of the employee's contributions through March 22, 2009. Effective March 22, 2009 the plan was amended to allow the Village to have a discretionary matching percentage. The Village did not make any discretionary matching contributions during fiscal year 2010. Retirement plan expense, which is funded on a current basis, was $0 and $238,721 for the years ended March 31, 2010 and 2009, respectively.

(13) Commitments and Contingencies

(a) Professional and General Liability Self-Insurance

Through December 31, 2001, the Corporations maintained professional liability coverage through commercial insurance carriers. Effective January 1, 2002, the Corporations entered into a contractual agreement to form Caring Communities Insurance Program (Caring Communities), a self-insurance administrator, which, through its risk-sharing provisions, provides the Corporations with insurance coverage for professional and comprehensive general liability exposure. Caring Communities is a multiorganization insurance company for long-term care organizations incorporated under the laws of the Cayman Islands.

Caring Communities provides the Corporations with claims-made insurance coverage using a combination of self-insured retentions and excess commercial insurance coverage. Caring

Communities has engaged the services of a professional actuarial consultant for the determination of premiums to be assessed to participants under the plan of coverage. As a self-insurance administrator, Caring Communities enables risk sharing among participating long-term care organizations. The Corporations are required to pay assessed premiums and are subject to a per claim self-insured retention. Caring Communities may retroactively assess participants for up to twice their annual premium per coverage year based on adverse participant-specific claims experience as defined in the policy. Based on the Corporations' historical claims experience and exposure to date with Caring Communities, no reserves have been recognized at either March 31, 2010 or 2009 for retroactive premium assessments or tail exposures. The Corporations made their initial capital contribution to Caring Communities of $137,065 in 2002, with an additional capital contribution of $5,711 in 2003. Such amounts are included in long-term investments in the accompanying consolidated balance sheets. The capital contributions are accounted for using the cost method. In 2009 the Corporations received $81,718 dividends from Caring Communities, which is recorded as a reduction to insurance expense in the accompanying 2009 consolidated statement of operations.

(b) Workers' Compensation

Effective October 2009, the Corporations became commercially insured for workers' compensation exposure. Prior to that date, the Corporations were insured for workers' compensation under a multi-employer trust (Trust) arrangement. The Corporations are responsible for funding the Trust if the assets of the Trust are insufficient. The Trust is insolvent and is being administered by the Department of Insurance of the State of Illinois. The Corporations expensed $156,000 in 2010 and $199,856 in 2009 of additional Trust funding assessments. The Corporations may be required to provide additional funding to the Trust in future periods. No accruals for any potential additional funding assessments have been made at March 31, 2010 as such amounts were not considered probable and determinable by Corporations management.

(c) Litigation

The Corporations are involved in litigation arising in the normal course of business. In consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Corporations' consolidated financial position or results of operations.

(d) Regulatory Investigations

The U.S. Department of Justice and other federal agencies routinely conduct regulatory investigations and compliance audits of healthcare providers. The Corporations are subject to these regulatory efforts. Management is currently unaware of any regulatory matters that may have a material adverse effect on the Corporations' consolidated financial position or results of operations.

(e) Health Resources Alliance, Inc.

The Village was a founding member of Alliance for Health (Alliance), which was dissolved in 2009 with a distribution to the Village of $50,000. The Village recorded the distribution as investment income in 2009.

FSO has a 1/15th equity interest in Health Resources Alliance, Inc. (HRA), formerly a wholly owned subsidiary of the Alliance. The investment in HRA is included in long-term investments in the accompanying consolidated balance sheets and is accounted for using the equity method. FSO recognized its respective share of HRA equity earnings of $245,555 and $259,719 in 2010 and 2009, respectively, as other revenue. FSO received $50,000 of distributions from HRA during 2010. As of and for the years ended March 31, 2010 and 2009, respectively, HRA had total assets of $26,344,978 and $22,821,785, equity of $15,142,157 and $12,386,611, and revenue of $66,759,443 and $63,301,709. The carrying value of FSO's investment in HRA of $943,148 and $814,202 at March 31, 2010 and 2009, respectively, is included with long-term investments in the accompanying consolidated balance sheets.

(f) Coventry CareLink Insurance Services, L.L.C.

Neighborhood Services was established primarily to provide services to senior persons residing in their own homes. Neighborhood Services entered into a Program Development Agreement (Agreement) with Coventry CareLink Insurance Services, L.L.C. (Coventry) to serve as the lead provider of at-home services within a defined geographic area to senior persons enrolled in Coventry's CareLink Plan (Program). Neighborhood Services paid $200,000 as initial capitalization for the Program, which is reported as a component of long-term investments in the accompanying consolidated balance sheets and is being accounted for using the cost method. An affiliate of Coventry has provided the Program with $2,250,000 of working capital through an interest bearing promissory note. Neighborhood Services has not guaranteed any portion of the promissory note; however, the initial capitalization is at risk if the Program does not generate future cash flow. As lead provider, Neighborhood Services is reimbursed for direct cost of service, a management fee equivalent to a percentage of direct salary cost, and a marketing royalty. Neighborhood Services has assigned and pledged 75% of Program net income, as defined in the Agreement, to cover debt service on the promissory note. As of March 31, 2010, Program-related activities are not significant.

(14) Subsequent Events

In connection with the preparation of the consolidated financial statements and in accordance with the recently issued ASC Topic 855, *Subsequent Events*, the Corporations evaluated subsequent events after the consolidated balance sheet date of March 31, 2010 through July 28, 2010, which was the date the consolidated financial statements were available to be issued.

FRIENDSHIP SENIOR OPTIONS, NFP AND AFFILIATES

Consolidating Balance Sheet Information

March 31, 2010

Assets	Friendship Senior Options	Friendship Village of Schaumburg	Friendship Village Neighborhood Services	Friendship Village of Mill Creek	Friendship Senior Services Foundation	Eliminations	Consolidated
Current assets:							
Cash and cash equivalents	$ 358,058	8,891,975	—	—	—	—	9,250,033
Assets whose use is limited or restricted required for current liabilities:							
Held by trustee under bond indenture agreements	—	712,842	—	381,704	—	—	1,094,546
Escrow cash from resident advance deposits	—	—	—	3,072,734	—	—	3,072,734
Resident accounts receivable, net of allowance for doubtful accounts of approximately $277,000	—	2,825,718	—	—	—	—	2,825,718
Entrance fees receivable	—	931,680	—	—	—	—	931,680
Other receivables	14,925,747	16,006,944	44,634	—	648,855	(31,613,973)	12,207
Inventories	—	123,738	—	—	—	—	123,738
Prepaid expenses	—	602,363	(13,607)	—	—	—	588,756
Total current assets	15,283,805	30,095,260	31,027	3,454,438	648,855	(31,613,973)	17,899,412
Assets whose use is limited or restricted, net of amounts required for current liabilities:							
Held by trustee under bond indenture agreement	—	19,328,900	—	—	—	—	19,328,900
Donor-restricted investments	—	318,885	—	—	—	—	318,885
Total noncurrent assets whose use is limited or restricted	—	19,647,785	—	—	—	—	19,647,785
Land, buildings, and equipment, net of accumulated depreciation	266,347	119,692,924	—	10,065,722	—	—	130,024,993
Notes receivable from affiliates	4,250,000	—	—	—	—	(4,250,000)	—
Investment in joint venture	1,587,500	—	—	—	—	—	1,587,500
Long-term investments	2,649,971	8,422,696	200,000	—	—	—	11,272,667
Deferred costs, net	—	3,963,976	—	7,501,017	—	—	11,464,993
Total assets	$ 24,037,623	181,822,641	231,027	21,021,177	648,855	(35,863,973)	191,897,350
Liabilities and Net Assets (Deficit)							
Current liabilities:							
Current portion of long-term debt	$ —	7,680,000	—	—	—	—	7,680,000
Accounts payable	8,222	2,123,668	—	—	220	—	2,132,110
Accrued expenses:							
Payroll and employee benefits	94,592	956,412	—	—	—	—	1,051,004
Property taxes	—	428,031	—	—	—	—	428,031
Interest	—	603,102	—	3,674,213	—	—	4,277,315
Other	—	1,412,886	—	—	—	—	1,412,886
Refundable entrance fees payable	—	3,480,037	—	—	—	—	3,480,037
Entrance fee deposits	—	1,443,903	—	3,180,283	—	—	4,624,186
Total current liabilities	102,814	18,128,039	—	6,854,496	220	—	25,085,569
Long-term debt, excluding current installments and unamortized bond discount	—	104,011,686	—	10,585,000	—	—	114,596,686
Due to affiliates	14,814,379	15,424,219	428,491	(23,849)	970,733	(31,613,973)	—
Notes payable to affiliates	—	—	—	4,250,000	—	(4,250,000)	—
Entrance fees:							
Deferred revenue from nonrefundable entrance fees	—	7,553,044	—	—	—	—	7,558,044
Refundable entrance fees	—	79,911,413	—	—	—	—	79,911,413
Total liabilities	14,917,193	225,033,401	428,491	21,665,647	970,953	(35,863,973)	227,151,712
Net assets (deficit):							
Unrestricted	9,120,430	(43,529,645)	(197,464)	(644,470)	(322,098)	—	(35,573,247)
Temporarily restricted	—	262,730	—	—	—	—	262,730
Permanently restricted	—	56,155	—	—	—	—	56,155
Total net assets (deficit)	9,120,430	(43,210,760)	(197,464)	(644,470)	(322,098)	—	(35,254,362)
Commitments and contingencies							
Total liabilities and net assets (deficit)	$ 24,037,623	181,822,641	231,027	21,021,177	648,855	(35,863,973)	191,897,350

See accompanying independent auditors' report.

Schedule 2

FRIENDSHIP SENIOR OPTIONS, NFP
AND AFFILIATES

Consolidating Statement of Operations Information

Year ended March 31, 2010

	Friendship Senior Options	Friendship Village of Schaumburg	Friendship Village Neighborhood Services	Friendship Village of Mill Creek	Friendship Senior Services Foundation	Eliminations	Consolidated
Revenue:							
Net resident service revenue:							
Independent living	$ —	13,486,348	—	—	—	—	13,486,348
Assisted living	—	4,186,783	—	—	—	—	4,186,783
Healthcare center	—	19,238,515	—	—	—	—	19,238,515
Home health	—	922,330	—	—	—	—	922,330
Amortization of entrance fees	—	3,629,587	—	—	—	—	3,629,587
Contributions	—	—	—	—	2,257	—	2,257
Investment income (loss)	400,591	2,616,866	—	(1,884)	—	—	3,015,573
Net assets released from restrictions used for operations	—	—	—	—	125,871	—	125,871
Other revenue	2,454,544	1,184,099		—	—	(2,444,544)	1,194,099
Total revenue	2,855,135	45,264,528	—	(1,884)	128,128	(2,444,544)	45,801,363
Operating expenses:							
Salaries and benefits	1,373,778	19,525,420	—	—	1,163	—	20,900,361
Supplies and other	267,389	5,436,088	—	—	144,337	—	5,847,814
Dietary	217	2,404,980	—	—	—	—	2,405,197
Professional fees	341,007	2,876,338	—	—	6,454	(2,444,544)	779,255
Repairs and maintenance	92	897,685	—	—	—	—	897,777
Utilities	28,982	1,812,998	—	—	—	—	1,841,980
Insurance	(68,817)	725,391	—	—	—	—	656,574
Real estate taxes and other	—	454,760	—	—	—	—	454,760
Interest	—	5,634,255	—	—	—	—	5,634,255
Depreciation and amortization	4,392	7,793,564	—	365,629	—	—	8,163,585
Provision for bad debts	—	(665)	—	—	—	—	(665)
Total operating expenses	1,947,040	47,560,814	—	365,629	151,954	(2,444,544)	47,580,893
Revenue in excess (deficient) of expenses	908,095	(2,296,286)	—	(367,513)	(23,826)	—	(1,779,530)
Increase (decrease) in unrestricted net assets	$ 908,095	(2,296,286)	—	(367,513)	(23,826)	—	(1,779,530)

See accompanying independent auditors' report.

Schedule 3

FRIENDSHIP SENIOR OPTIONS, NFP
AND AFFILIATES

Consolidating Changes in Net Assets (Deficit) Information

Year ended March 31, 2010

	Friendship Senior Options	Friendship Village of Schaumburg	Friendship Village Neighborhood Services	Friendship Village of Mill Creek	Friendship Senior Services Foundation	Eliminations	Consolidated
Increase (decrease) in unrestricted net assets	$ 903,095	(2,296,286)	—	(367,513)	(23,826)	—	(1,779,530)
Temporarily restricted net assets:							
Contributions for specific purposes	—	152,952	—	—	—	—	152,952
Net assets released from restrictions used for operations	—	(125,871)	—	—	—	—	(125,871)
Net assets released from restrictions for purchase of land, building, and equipment	—	—	—	—	—	—	—
Decrease in temporarily restricted net assets	—	27,081	—	—	—	—	27,081
Increase in permanently restricted net assets: Contributions	—	25	—	—	—	—	25
Change in net assets	903,095	(2,269,180)	—	(367,513)	(23,826)	—	(1,752,424)
Net assets (deficit) at beginning of year	8,212,335	(40,941,580)	(197,464)	(276,957)	(298,272)	—	(33,501,938)
Net assets (deficit) at end of year	$ 9,120,430	(43,210,760)	(197,464)	(644,470)	(322,098)	—	(35,254,362)

See accompanying independent auditors' report.

FRIENDSHIP SENIOR OPTIONS, NFP AND ITS AFFILIATED ORGANIZATIONS

CONSOLIDATED FINANCIAL STATEMENTS WITH SUPPLEMENTARY INFORMATION

YEARS ENDED MARCH 31, 2011 AND 2010

FRIENDSHIP SENIOR OPTIONS, NFP AND ITS AFFILIATED ORGANIZATIONS
TABLE OF CONTENTS
YEARS ENDED MARCH 31, 2011 AND 2010

LarsonAllen LLP

CPAs, Consultants & Advisors
www.larsonallen.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Friendship Senior Options, NFP and its affiliated organizations
Schaumburg, Illinois

We have audited the accompanying consolidated balance sheet of Friendship Senior Options, NFP and its affiliated organizations as of March 31, 2011, and the related consolidated statements of operations, changes in net deficit, and cash flows for the year then ended. These financial statements are the responsibility of the Organizations' management. Our responsibility is to express an opinion on these financial statements based on our audit. The consolidated financial statements of Friendship Senior Options, NFP and its affiliated organizations as of March 31, 2010, were audited by other auditors whose report dated July 28, 2010, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Friendship Senior Options, NFP and its affiliated organizations as of March 31, 2011, and the consolidated results of their operations, changes in net deficit and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

LarsonAllen LLP

LarsonAllen LLP

St. Louis, Missouri
August 9, 2011

FRIENDSHIP SENIOR OPTIONS, NFP AND ITS AFFILIATED ORGANIZATIONS
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2011 AND 2010

	2011	2010
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 7,541,465	$ 9,250,033
Assets Limited as to Use:		
Held by Trustee Under Bond Indenture Agreements	10,328,502	1,094,546
Escrow Cash from Resident Advance Deposits	2,893,778	3,072,734
Resident Accounts Receivable, Net of Allowance for Doubtful Accounts of Approximately $151,000 and $277,000 in 2011 and 2010, Respectively	2,672,792	2,825,718
Entrance Fees Receivable	669,500	931,680
Other Receivables	-	12,207
Inventories	104,602	123,738
Prepaid Expenses	367,138	588,756
Total Current Assets	24,577,777	17,899,412
Assets Limited as to Use:		
Held by Trustee under Bond Indenture Agreeements	68,903,322	19,328,900
Donor Restricted Investments	188,684	318,885
Total Noncurrent Assets Limited as to Use	69,092,006	19,647,785
Long-Term Investments	23,481,260	11,272,667
Investment in Joint Venture	-	1,587,500
Land, Buildings, and Equipment, Net of Accumulated Depreciation	169,807,974	130,024,993
Deferred Costs, Net	14,872,461	11,464,993
Total Assets	$ 301,831,478	$ 191,897,350

See accompanying Notes to Consolidated Financial Statements.

LIABILITIES AND NET DEFICIT	2011	2010
CURRENT LIABILITIES		
Current Portion of Long-Term Debt	$ 1,345,000	$ 7,680,000
Accounts Payable - Trade	1,809,264	2,132,110
Accounts Payable - Construction	7,016,822	-
Accrued Expenses:		
Payroll and Employee Benefits	1,090,445	1,051,004
Property Taxes	422,499	428,031
Interest	1,986,015	4,277,315
Other	1,140,094	1,412,886
Refundable Entrance Fees Payable	4,341,201	3,480,037
Entrance Fee Deposits	4,561,814	4,624,186
Total Current Liabilities	23,713,154	25,085,569
LONG-TERM DEBT, EXCLUDING CURRENT PORTION AND UNAMORTIZED BOND DISCOUNT	225,619,668	114,596,686
ENTRANCE FEES		
Deferred Revenue From Nonrefundable Entrance Fees	8,256,987	7,558,044
Refundable Entrance Fees	81,683,434	79,911,413
Total Liabilities	339,273,243	227,151,712
NET ASSETS (DEFICIT)		
Unrestricted	(37,630,449)	(35,573,247)
Temporarily Restricted	188,684	262,730
Permanently Restricted	-	56,155
Total Net Deficit	(37,441,765)	(35,254,362)
Total Liabilities and Net Deficit	$ 301,831,478	$ 191,897,350

FRIENDSHIP SENIOR OPTIONS, NFP AND ITS AFFILIATED ORGANIZATIONS
CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED MARCH 31, 2011 AND 2010

	2011		2010	
	Amount	Percent of Revenue	Amount	Percent of Revenue
REVENUES, GAINS AND OTHER SUPPORT				
Net Resident Revenue:				
Independent Living	$ 13,900,698	29.7 %	$ 13,486,348	29.5 %
Assisted Living	4,369,539	9.3	4,186,783	9.1
Health Care Center	20,308,850	43.3	19,238,515	42.0
Home Health	955,043	2.0	922,330	2.0
Amortization of Entrance Fees	3,779,767	8.1	3,629,587	7.9
Contributions	-	-	2,257	-
Investment Income	2,667,197	5.7	3,015,573	6.6
Net Assets Released from Restrictions Used for Operations	267,581	0.6	125,871	0.3
Other Revenue	622,631	1.3	1,194,099	2.6
Total Revenues, Gains and Other Support	46,871,306	100.0	45,801,363	100.0
OPERATING EXPENSES				
Salaries and Benefits	20,804,241	44.4	20,900,361	45.6
Supplies and Other	6,665,550	14.2	5,847,814	12.8
Dietary	2,411,124	5.1	2,405,197	5.3
Professional Fees	724,096	1.5	779,255	1.7
Repairs and Maintenance	892,691	1.9	897,777	2.0
Utilities	1,927,600	4.1	1,841,980	4.0
Insurance	514,175	1.1	656,574	1.4
Real Estate Taxes	630,266	1.3	454,760	1.0
Interest	6,795,242	14.5	5,634,255	12.3
Depreciation and Amortization	7,557,920	16.1	8,163,585	17.8
Provision for Bad Debts	5,603	-	(665)	-
Total Operating Expenses	48,928,508	104.4	47,580,893	103.9
DEFICIT OF REVENUE OVER EXPENSE AND CHANGE IN UNRESTRICTED NET DEFICIT	$ (2,057,202)	(4.4)	$ (1,779,530)	(3.9)

See accompanying Notes to Consolidated Financial Statements.

FRIENDSHIP SENIOR OPTIONS, NFP AND ITS AFFILIATED ORGANIZATIONS
CONSOLIDATED STATEMENTS OF CHANGES IN NET DEFICIT
YEARS ENDED MARCH 31, 2011 AND 2010

	2011	2010
DEFICIT OF REVENUE OVER EXPENSE AND CHANGE IN UNRESTRICTED NET DEFICIT	$ (2,057,202)	$ (1,779,530)
TEMPORARILY RESTRICTED NET ASSETS:		
Contributions for Specific Purposes	136,635	152,952
Change in Designation of Net Assets	56,155	-
Restricted Investment Income	744	
Net Assets Released from Restrictions used for Operations	(267,580)	(125,871)
Increase (Decrease) in Temporarily Restricted Net Assets	(74,046)	27,081
PERMANENTLY RESTRICTED NET ASSETS:		
Change in Designation of Net Assets	(56,155)	-
Contributions	-	25
Increase (Decrease) in Permanently Restricted Net Assets	(56,155)	25
CHANGE IN NET DEFICIT	(2,187,403)	(1,752,424)
NET DEFICIT AT BEGINNING OF YEAR	(35,254,362)	(33,501,938)
NET DEFICIT AT END OF YEAR	$ (37,441,765)	$ (35,254,362)

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Friendship Senior Options, NFP (FSO) was incorporated for charitable, educational, and scientific purposes to support healthcare and other services to the elderly by providing management assistance and in all other relevant ways. The accompanying consolidated financial statements include the accounts of FSO and the following affiliates that it controls and supports (collectively referred to as the Organizations):

- Evangelical Retirement Homes of Greater Chicago, Inc. (dba Friendship Village of Schaumburg) (the Village) provides housing, healthcare, and other related services to residents through the operation of a retirement facility containing 632 apartments for residents capable of maintaining an independent lifestyle, 28 garden homes, 75 assisted living units, 25 memory support units in an assisted living setting, and a 250 bed healthcare facility in Schaumburg, Illinois.

- Friendship Village Neighborhood Service, NFP (Neighborhood Services) was incorporated to provide adult day services, wellness training, case management, and respite services and to act as a resource center for other services related to senior citizens.

- Friendship Village of Mill Creek, NFP (dba GreenFields of Geneva) (Mill Creek) has been incorporated to develop retirement facilities, assisted living facilities, healthcare facilities, and services for the frail and elderly in Geneva, Illinois. The Community is currently under construction, with expected completion in the fall of 2011, and will operate 147 Independent Living Apartments, 77 Assisted Living Apartments, and 43 healthcare beds.

- Friendship Senior Services Foundation, NFP (Foundation) solicits funds through fundraising campaigns and donations from the general public in support of the organization's mission.

Principles of Consolidation

The consolidated financial statements include all the accounts of FSO including all of the related parties identified above in the nature of operations. All significant intercompany balances and transactions have been eliminated in the accompanying consolidated financial statements.

Financial Statement Presentation

Contributions received are recorded as an increase in unrestricted, temporarily restricted or permanently restricted support, depending on the existence or nature of any donor restrictions. Accordingly, net assets of the Organizations and changes therein are classified and reported as follows:

Unrestricted - Those resources over which the Board of Directors have discretionary control. Designated amounts represent those net assets that the Board has set aside for a particular purpose.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation (Continued)

Temporarily Restricted - Those resources subject to donor imposed restrictions that will be satisfied by actions of the Organizations or through the passage of time.

Permanently Restricted - Those resources subject to a donor imposed restriction that they be maintained permanently by the Organizations. Generally, the donors of these assets permit the Organizations to use all or part of the income earned on related investments for program purposes.

Contributions are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When donor restrictions are satisfied, net assets are released and reported as an increase in unrestricted net assets.

Use of Estimates

The preparation of financial statements in conformity with accounting standards generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Village, FSO, Mill Creek and Foundation qualify as tax-exempt corporations described in Section 501 (c)(3) of the Internal Revenue Code and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Neighborhood Services is incorporated as a taxable not-for-profit corporation for federal and state income tax purposes.

The Organizations are not aware of any activities that would jeopardize its tax exempt status. Should that status be challenged in the future, all years since inception could be subject to review by the IRS.

The Organizations' 2010, 2009, and 2008 tax years are open for examination by the IRS.

Resident Services Revenue

Net resident service revenue is recognized in the period in which occupancy and services are provided. Net resident service revenue is reported at the estimated net realizable amounts from residents and third-party payors, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are reserved on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Third Party Reimbursement Agreements

Medicaid

The Village participates in the Medicaid program administered by the Illinois Department of Healthcare and Family Services (HFS). A licensed nursing facility that participates in the Medicaid program in the State of Illinois is reimbursed based upon facility specific prospective daily rates. Rates are set taking into account individual facility costs, variations in patient case mix and geographical location.

Medicare

A licensed nursing facility which participates in the Medicare program is reimbursed based on a Prospective Payment system (PPS). This program is administered by the United States Department of Health and Human Services. The PPS is a per diem price based system. Annual cost reports are submitted to the designated intermediary; however, they do not contain a cost settlement.

Cash and Cash Equivalents

Cash and cash equivalents include cash and money market accounts held in unrestricted investment and operating accounts.

Accounts Receivable

The Organizations report accounts receivable for services rendered at net realizable amounts from third-party payors, residents and others. An allowance for doubtful accounts is provided based upon the review of outstanding receivables, historical collection information and existing economic conditions. Accounts receivable are due in full when billed. Accounts are considered delinquent and subsequently written off as bad debts based on individual credit evaluation and specific circumstances of the account. At March 31, 2011 and 2010, the allowance for doubtful accounts was approximately $151,000 and $277,000, respectively.

Entrance Fees Receivable

The Village records the remaining balance on entrance fees from residents as entrance fees receivable with payment terms negotiated on a case by case basis. No entrance fees receivable amounts are deemed uncollectible.

Other Receivables

The Organizations report amounts due from affiliates as other receivables with the exclusion of $12,207 at March 31, 2010. All amounts due from affiliates have been eliminated on the consolidated financial statements.

Inventories

Inventories consist of food and supplies (housekeeping and maintenance) and are valued at current cost, which approximates first-in, first-out cost.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets Limited as to Use

Assets limited as to use include assets held by a bond trustee under bond indenture agreements, escrowed resident deposits and all donor-restricted assets. Assets limited as to use which are available to meet obligations classified as current liabilities of the Organizations are reported as current assets.

Investments and Investment Income

Investments in debt and equity securities with readily determinable fair values are stated at fair value and are included in assets limited as to use on the consolidated balance sheets. Certain investments have been identified as investments held to maturity, management has the intent and ability to hold these investments until maturity and accordingly records these at amortized cost. Investment income on the consolidated statements of operations includes dividend, interest, realized gains and losses and unrealized gains and losses from unrestricted investments. Realized investment gains and losses on sale or maturity of investments are determined by the specific identification method and are recorded directly in the consolidated statements of operations.

Land, Buildings and Equipment

Land, buildings and equipment greater than $500 are recorded at historical cost, net of accumulated depreciation. Depreciation is computed on the straight-line method based on the following estimated useful lives: buildings – 40 years; land & building improvements – 20 years; and furniture and equipment – 5 to 15 years.

Donations of property, plant and equipment are reported at fair value as an increase in unrestricted net assets unless use of the assets is restricted by the donor. Interest cost, net of related investments income, incurred on specifically borrowed funds are capitalized during the period of construction as a component of the cost of acquiring the asset.

Expenditures for maintenance, repairs and minor renewals, are charged to operations as incurred. Expenditures for betterments and major renewals are capitalized.

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events determined that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated discounted future cash flows expected to be generated by the asset. If it is determined that the carrying value of an asset exceeds its fair market value, the impairment charge is calculated by using the amount by which the carrying amount of the asset exceeds the fair value of the asset. If the Organization intends to dispose of assets, it would report the gain or loss based on the lower of the carrying amount or the established fair market value. Once disposed the asset would no longer be depreciated.

Asset Retirement Obligations

Asset retirement obligations represent obligations to dispose of assets that are legally required to be removed at a future date. They are recorded at the net present value using a risk-free interest rate and inflationary rate.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Financing Costs

Costs incurred in connection with the issuance of debt are capitalized and amortized using the bonds outstanding method over the life of the respective debt. New financing costs of $3,387,661 were capitalized during the year ended March 31, 2011. Total gross unamortized financing costs were $5,953,856 and $3,521,602, and are included net of accumulated amortization of $763,729 and $868,665 at March 31, 2011 and 2010, respectively. Amortization of finance costs was $915,706 and $1,569,636 for the years ended March 31, 2011 and 2010, respectively.

Deferred Marketing Costs

Deferred marketing costs represent direct costs associated with the initial marketing of new units for the Village's redevelopment projects and the GreenFields of Geneva project and are capitalized during a period which ends at the earlier of the date of substantial occupancy or one year from date of opening. Deferred marketing costs are amortized over the average life expectancy of the initial residents for the respective redevelopment project. The total gross unamortized marketing costs at March 31, 2011 and 2010 were $10,032,714 and $9,034,531, and are included net of accumulated amortization of $350,380 and $222,475, respectively. Amortization of marketing costs was $127,905 and $123,597 for the years ended March 31, 2011 and 2010, respectively.

Deficit of Revenue Over Expense

The consolidated statements of operations include deficit of revenue over expense. Transactions deemed by management to be ongoing, major, or central to the provision of resident care are reported as revenue and expenses. Transactions incidental to the provision of resident care are reported as non-operating gains and losses. Changes in unrestricted net assets, which are excluded from deficit of revenue over expense, consistent with industry practice, include the acquisition of property and equipment financed by donor-restricted contributions.

Life Residents' Fees

The Village primarily operates under the "Life Care" concept pursuant to which residents enter into an occupancy agreement with the Village, which requires the payment of a one-time entrance fee. A summary of significant entrance fee arrangements currently in existence at the Village is as follows:

- *Nonrefundable entrance fee agreement* – Until 1988, the Village offered only nonrefundable entrance fee agreements. However, if a resident who is residing in the independent living area and is in good health elects to leave the Village, the resident will be entitled to a refund of the portion of the entrance fee that has not been amortized. Amortization for the purpose of this refund provision is 1% for each month of occupancy or 22% of the entrance fee paid, whichever is greater. Nonrefundable entrance fees are deferred and amortized on a straight-line method using the life expectancy of the individual residents at the end of each fiscal year.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Life Residents' Fees (Continued)

- *Refundable entrance fee agreement* – Beginning in 1988, the Village began offering new residents a refundable contract. Entrance fees are fully refundable when the units are reoccupied except when the resident moves into the healthcare facility. When a resident moves into the healthcare facility, one-half of the healthcare center service fees are billed to the resident and the other half is recognized as a reduction of the refundable entrance fees. The Village will bill the resident the entire fee after the resident's refundable entrance fee is eliminated. Any remaining balance of the entrance fee is refundable when the resident is no longer an occupant of the Village, provided the patient's unit has been reoccupied. Based on historical experience it is assumed the healthcare facility fee offset will substantially eliminate the ultimate refunds to most residents who have refundable entrance fee agreements; accordingly, no portion of these refundable entrance fees is being amortized to revenue. The resident remains fully responsible for the payment of their own physician and pharmaceutical expenses.

- *Variable refundable contacts* – Beginning in 2004, the Village added variable contract options, which are either 100%, 90%, or 50% refundable. The nonrefundable portion of the 90% refundable contact options amortizes at the rate of 1% for each month of occupancy up to 10%. The nonrefundable portion of the 50% refundable contract option amortizes at the rate of 5% for each month of occupancy up to 50%. The nonrefundable portion of these entrance fees is deferred and amortized to revenue over the remaining expected life of the individual residents at the end of each fiscal year. The refundable portion of variable contract entrance fees is refundable upon reoccupancy. The refundable portion of variable contract entrance fees is included in refundable entrance fees and amounted to $67,568,453 and $61,797,512 at March 31, 2011 and 2010, respectively. Since the variable contract plans do not include a provision whereby residents bear the risk of loss, if any, upon reoccupancy of their units, the Village does not amortized any of the refundable portion of such entrance fees to revenue.

Total gross refundable entrance fees approximate the amounts shown as refundable entrance fee liabilities in the consolidated balance sheets.

The Village annually calculates the present value of the net cost of future services and the use of facilities to be provided to current residents and compares that amount with the balance of deferred revenue from entrance fees. The present value of the net costs of future services and the use of facilities was less than the deferred revenue from entrance fees at both March 31, 2011 and 2010, and accordingly no future service obligation has been recorded in the accompanying consolidated balance sheets.

Net Resident Revenue

The Village has agreements with third-party payers that provide for payments to the Village at amounts different from its established rates. Net resident revenue is reported at the estimated net realizable amounts from patients, residents, third-party payers and others for services rendered.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Occupancy Percentages

During the years ended March 31, 2011 and 2010, the occupancy percentages and the percentages of residents covered under the Medicaid and Medicare programs for the health care center were as follows:

	2011		2010 (Unaudited)	
	Days	Percent	Days	Percent
Medicaid	15,577	18.92 %	15,237	19.09 %
Medicare	24,904	30.25	23,014	28.83
Private and Other	41,852	50.83	41,574	52.08
Total	82,333	100.00	79,825	100.00
Health Care Center Occupancy Percentage		90.23 %		87.48 %

For the years ended March 31, 2011 and 2010, occupancy percentages for the assisted living units were 90.29% and 89.22%, respectively.

For the years ended March 31, 2011 and 2010, occupancy percentages for the independent living units were 79.90% and 82.85%, respectively.

Charity Care

In support of its mission, the Village provides services to residents who meet certain criteria under its benevolent assistance (charity care) policy without charge or at amounts less than its established rates. Because the Village does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The Village maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished under its benevolent assistance policy, the estimated cost of those services and supplies, and equivalent service statistics. Charity care is recognized as a reduction of net resident revenue. Management estimated the cost of charity care to be approximately $593,600 and $548,000 for the years ended March 31, 2011 and 2010, respectively.

Uncompensated Balances

The Village provides nursing care to residents under the Medicaid program for which the costs to provide such care exceeds reimbursement. The Village funds this difference through its operations. The shortfall associated for care provided under this program for the years ended March 31, 2011 and 2010 was approximately $3,490,000 and $3,340,000, respectively.

Advertising

Advertising costs are charged to operations when incurred. Advertising expense was $1,071,835 and $838,679 for the years ended March 31, 2011 and 2010, respectively.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments

Fair value measurement applies to reported balances that are required or permitted to be measured at fair value under an existing accounting standard. The Organizations emphasize that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy.

The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organizations have the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The Organizations have adopted the policy of valuing certain financial instruments at fair value. The accounting policy allows entities the irrevocable option to elect fair value for the initial and subsequent measurement for certain financial assets and liabilities on an instrument-by-instrument basis. The Organizations have elected to measure certain investments at fair value at April 1, 2008.

Subsequent Events

In preparing these consolidated financial statements, the Organizations have evaluated events and transactions for potential recognition or disclosure through August 9, 2011, the date the consolidated financial statements were issued.

NOTE 2 INVESTMENTS

The Organizations report investments in equity securities with readily determinable fair values and certain investments in debt securities at fair value. Management has identified investments held in certain trustee managed accounts as investments in debt securities that will be held to maturity, and thus these investments are held at amortized cost. A summary of the composition of the Organizations' investment portfolio at March 31, 2011 and 2010 follows:

	2011	2010
Cash and Cash Equivalents	$ 9,875,476	$ 7,373,138
Corporate Bonds and Notes - Fair Value	15,416,344	7,939,098
Corporate Bonds and Notes - Held-to-Maturity	52,161,346	-
U.S. Treasury Securities	1,167,483	3,612,826
U.S. Government Agency Securities	10,988,453	6,715,246
Mortgage and Asset-backed Securities	37,915	88,774
Equity Securities	3,547,910	2,992,026
Mutual Funds	10,961,308	4,693,552
Ziegler Equity Funding Receivable	-	387,148
Investment in Health Resource Alliance, Inc. equity method (note 8)	1,296,535	943,148
Investment in Coventry Carelink Insurance Services, at cost (note 8)	200,000	200,000
Investment in Captive Insurance Company, at cost (note 8)	142,776	142,776
Total	$ 105,795,546	$ 35,087,732

Investments are reported in the accompanying consolidated balance sheets at March 31, 2011 and 2010 as follows:

	2011	2010
Assets Limited as to Use - Current Portion	$ 13,222,280	$ 4,167,280
Assets Limited as to Use - Long-Term Portion	69,092,006	19,647,785
Long-Term Investments	23,481,260	11,272,667
Total	$ 105,795,546	$ 35,087,732

The composition of investment return on the Organizations' investment portfolio for the years ended March 31, 2011 and 2010 is as follows:

	2011	2010
Interest and Dividend Income	$ 1,788,287	$ 766,581
Net Realized Gains (Losses) on Sale of Investments	1,554,263	(542,033)
Change in Net Unrealized Gains (Losses) on Investments	(275,396)	2,823,858
Investment Income Capitalized	(399,957)	(32,833)
Total	$ 2,667,197	$ 3,015,573

NOTE 3 FAIR VALUE MEASUREMENTS

The Organizations use fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how the Organizations measure fair value refer to Note 1 – Summary of Significant Accounting Policies.

The following table presents the fair value hierarchy for the balances of the assets and liabilities of the Organizations measured at fair value on a recurring basis as of March 31,

	2011			
	Level 1	Level 2	Level 3	Total
ASSETS				
Equity Securities	$ 3,547,910	$ -	$ -	$ 3,547,910
Corporate Debt Obligations	-	15,416,344	-	15,416,344
US Treasury and Agency Obligations	-	12,155,936	-	12,155,936
Mortgage and Asset-backed Securities	-	37,915	-	37,915
Mutual Funds	10,961,308	-	-	10,961,308
Total Assets Held at Fair Value	$ 14,509,218	$ 27,610,195	$ -	$ 42,119,413

	2010			
	Level 1	Level 2	Level 3	Total
ASSETS				
Equity Securities	$ 2,992,026	$ -	$ -	$ 2,992,026
Corporate Debt Obligations	-	7,939,098	-	7,939,098
US Treasury and Agency Obligations	-	10,328,072	-	10,328,072
Mortgage and Asset-backed Securities	-	88,774	-	88,774
Mutual Funds	4,693,552	-	-	4,693,552
Total Assets Held at Fair Value	$ 7,685,578	$ 18,355,944	$ -	$ 26,041,522

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Long-Term Debt

The fair value of long-term debt is estimated for each individual issue based upon current reasonable interest rates taking type of debt and maturities into account.

All Other

The carrying value is a reasonable estimate of the fair value for all other financial instruments due to the short-term nature of those financial instruments.

The following disclosures represent financial instruments in which the ending balances at March 31, 2011 and 2010 are not carried at fair value in their entirety on the consolidated balance sheet:

	2011		2010	
	Cost	Fair Value	Cost	Fair Value
Long-Term Debt	$ 229,205,000	$ 207,298,157	$ 112,885,000	$ 96,608,429

NOTE 4 CONCENTRATION OF CREDIT RISK

The Organizations maintain their cash and cash equivalents, investments, and assets limited as to use, at financial institutions which management believes has strong credit ratings and that the credit risk related to these deposits is minimal. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At times, deposits may exceed FDIC limits. The Organizations have not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

The Organizations grant credit without collateral to its various facility residents or their families, most of whom are local individuals and are insured under third-party payor agreements. The mix of receivables from residents and third-party payors was as follows at March 31, 2011 and 2010:

	2011	2010
Medicaid	1 %	5 %
Medicare	40	34
Private and Insurance	59	61
Total	100 %	100 %

NOTE 5 LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment, by major category, at March 31, 2011 and 2010, are as follows:

	2011	2010
Land and Land Improvements	$ 13,854,270	$ 12,240,359
Buildings and Building Improvements	152,940,554	149,173,027
Fixed Equipment	12,156,007	11,232,863
	178,950,831	172,646,249
Less Accumulated Depreciation	60,547,793	54,033,484
	118,403,038	118,612,765
Construction in Progress	51,404,936	11,412,228
	$ 169,807,974	$ 130,024,993

At March 31, 2011 and 2010, construction in progress consists primarily of construction costs for the continuing care retirement community development in Geneva, Illinois, which will be owned by Friendship Village of Mill Creek. Mill Creek entered into a guaranteed maximum price construction contract with costs not to exceed $50,000,000.

Net interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. During 2011 and 2010, the Organizations capitalized approximately $6,064,000 and $1,829,000, respectively, of net interest cost, which is comprised of approximately $6,464,000 and $1,862,000, respectively, of interest cost less approximately $400,000 and $33,000, respectively, of interest earned on unexpended bond proceeds.

Depreciation expense for the years ended March 31, 2011 and 2010 was $6,642,214 and $6,593,950, respectively.

NOTE 6 LONG-TERM DEBT

A summary of long-term debt at March 31, 2011 and 2010 is as follows:

	2011	2010
Friendship Village		
Revenue Bonds, Series 2005A, at effective fixed interest rates ranging from 5.05% to 5.70% depending on date of maturity, maturing 2010 through 2037.	$ 72,995,000	$ 74,275,000
Revenue Bonds, Series 2005B, at fixed interest rate of 6.00% through February 15, 2014, maturing 2037.	5,000,000	5,000,000
Revenue Bonds, Series 2010, at effective fixed interest rates ranging from 7.25% to 7.375% depending on date of maturity 2038 through 2045.	33,610,000	33,610,000
GreenFields of Geneva		
Bond Anticipation Notes, Series 2007, fixed interest at 13.00%, originally maturing February 15, 2012, refinanced in August 2010.	-	5,500,000
Bond Anticipation Notes, Series 2008A, fixed interest at 15.00%, originally maturing February 15, 2012, refinanced in August 2010.	-	3,335,000
Bond Anticipation Notes, Series 2008B, fixed interest at 20.00%, originally maturing February 15, 2012, refinanced in August 2010.	-	350,000
Private Offering Ziegeler Equity Funding - GreenFields, LLC fixed interest at 25% if repaid by April 30, 2010, 30% if repaid after April 30, 2010 but by May 30, 2010, 35% if repaid after May 30, 2010 but by June 30, 2010, 40% if repaid after June 30, 2010, refinanced in August 2010.	-	1,400,000
Revenue Bonds, GreenFields 2010A, at effective fixed interest rates ranging from 7.50% to 8.25%, maturing February 15, 2046.	89,100,000	-
Revenue Bonds, GreenFields 2010B, at an initital fixed interest rate of 7.25% maturing February 15, 2014.	5,000,000	-
Revenue Bonds, GreenFields 2010C-1, fixed interest at 7.00%, maturing February 15, 2013 through 2014.	3,575,000	-
Revenue Bonds, GreenFields 2010C-2, fixed interest at 6.75%, maturing February 15, 2013.	8,325,000	-
Revenue Bonds, GreenFields 2010C-3, fixed interest at 6.25%, maturing February 15, 2013.	11,600,000	-
Total Long-Term Debt	$ 229,205,000	$ 123,470,000

NOTE 6 LONG-TERM DEBT (CONTINUED)

	2011	2010
Total Long-Term Debt (Balance Forward)	$ 229,205,000	$ 123,470,000
Less:		
Current Portion of Long-Term Debt	1,345,000	7,680,000
Unamortized Bond Discount	2,240,332	1,193,314
Long-Term Debt, Excluding Current Installments and Unamortized Bond Discount	$ 225,619,668	$ 114,596,686

Friendship Village of Schaumburg

The Village entered into a Master Trust Indenture dated as of July 15, 2005 as the sole Obligated Group member. The purpose of the Master Trust Indenture is to provide a mechanism for the issuance of promissory notes and the other evidences of indebtedness in order to secure the financing or refinancing of facilities and for other lawful proper corporate purposes. The Master Trust Indenture provides for other legal entities in the future to participate with the Village in the Obligated Group. The Master Trust Indenture requires individual members of the Obligated Group to make principal and interest payments on notes issued for their benefit and to pay such amounts as are otherwise necessary to enable the Obligated Group to satisfy other obligations issued under the Master Trust Indenture. The proceeds from each bond issue are administered by bond trustees to comply with the terms of the Master Trust Indenture.

On July 15, 2005, the Illinois Finance Authority (IFA) issued, on behalf of the Village, $75,500,000 Revenue Bonds, Series 2005A (Series 2005A Bonds), $5,000,000 Revenue Bonds, Series 2005B Extendable Rate Adjustable Securities (Series 2005B Bonds), and $45,000,000 Revenue Bonds, Series 2005C Variable Rate Demand Revenue Bonds (Series 2005C Bonds) (collectively the Series 2005 Bonds). The Series 2005 Bonds were issued for the purpose of advance refunding the then outstanding Series 1994 and 1997 Bonds; funding the Village's campus redevelopment project establishing debt service fund; and paying a portion of debt issuance costs. The 2005C Bonds were refinanced in fiscal year 2010 and replaced with the 2010 Series Bonds. The Series 2005 Bonds were issued under the Master Trust Indenture and are secured by a mortgage and security agreement covering substantially all Village property.

The interest rate on the Series 2005B Bonds reset on February 15, 2011 at a fixed rate of 6% and has a reset term of three years. The reset period is determined by the Village within the constraints of the market. The Series 2005B Bonds had a put option that allowed the holders to redeem the bonds on February 15, 2011. The Village had an agreement with a remarketing agent to remarket any bonds redeemed from the put options. All of the Series 2005B Bonds were remarketed and reset with a fixed interest rate of 6% that will expire February 15, 2014. The Village will be required to repurchase such bonds, if not completely remarketed, subject to liquidity availability as provided in the Master Trust Indenture.

NOTE 6 LONG-TERM DEBT (CONTINUED)

On March 4, 2010, the IFA issued, on behalf of the Village, $33,610,000 Revenue Bonds, Series 2010 (Series 2010 Bonds). The Series 2010 Bonds were issued for the purpose of advance refunding all of the then outstanding Series 2005C Bonds; funding the Village's capital projects; establishing debt service funds; and paying a portion of debt issuance cost. As a result of the refunding of the Series 2005C Bonds in 2010, the unamortized deferred financing cost of $1,091,299 attributable to the 2005C Bonds were written off and are reported as a component of depreciation and amortization in the accompanying 2010 consolidated statement of operations. The Series 2010 Bonds were issued under the Master Trust Indenture and are secured by a mortgage and security agreement covering substantially all Village property.

GreenFields of Geneva

On March 28, 2007, the Illinois Finance Authority (IFA) issued on behalf of GreenFields of Geneva, $5,500,000 Bond Anticipation Notes, Series 2007 (Series 2007 Notes). On July 21, 2008, IFA issued on behalf of GreenFields additional $3,335,000 Bond Anticipation Notes, 2008A and $350,000 taxable Bond Anticipation Notes, Series 2008B (collectively Series 2008 Notes). The Series 2007 and 2008 Notes were issued for the purpose of financing a portion of preconstruction development costs of the continuing care retirement community development in Geneva, Illinois, which is owned by Friendship Village of Mill Creek. These Bond Anticipation Notes were redeemed upon closing of permanent financing for the project. Interest on the Series 2007 and 2008 Notes compounded semi-annually, but was payable only at redemption or maturity.

On November 4, 2009 B.C. Ziegler and Company (BCZ), as placement agent for Ziegler Equity funding GreenFields, LLC (ZEF), sold units worth of $1.4 million to accredited investors in the form of a private offering.

On August 19, 2010 the Illinois Finance Authority issued, on behalf of GreenFields, $89,100,000 Revenue Bonds, Series 2010A (Series 2010A Bonds), $5,000,000 Revenue Bonds, Series 2010B Accelerated Redemption Reset Option Securities (Series 2010B Bonds), and $23,500,000 Revenue Bonds, 2005C Tax-Exempt Mandatory Paydown Securities (Series 2010C), (collectively the GOG Series 2010 Bonds). The GOG Series 2010 Bonds were issued for the purpose of repayment of temporary financing and funding construction of a continuing care retirement community in Geneva, Illinois. The bonds are secured by substantially all property of GreenFields.

Scheduled annual principal repayments on long-term debt for the ensuing five years and thereafter are as follows:

Year ending March 31,	Village	GreenFields	Total
2012	$ 1,345,000	$ -	$ 1,345,000
2013	1,420,000	21,300,000	22,720,000
2014	1,485,000	7,200,000	8,685,000
2015	1,560,000	-	1,560,000
2016	1,640,000	-	1,640,000
Thereafter	104,155,000	89,100,000	193,255,000
Total	$ 111,605,000	$ 117,600,000	$ 229,205,000

NOTE 6 LONG-TERM DEBT (CONTINUED)

Restrictive Covenants

The provisions of the debt agreements of the bonds as described above contain various restrictive covenants that limit the occurrence of additional debt and require certain measures of financial performance be satisfied as long as the bonds are outstanding. Failure to maintain compliance could result in acceleration of payment for debt outstanding under the Master Trust Indenture. Management believes the Organizations are in compliance with such covenants at March 31, 2011.

NOTE 7 DEFINED CONTRIBUTION RETIREMENT PLAN

The Village has a defined contribution retirement plan covering employees who have completed one year of service and are at least 21 years of age. The Village did not make any discretionary matching contributions during fiscal year 2010. During fiscal year 2011 the discretionary matching contribution increased to 50% of the first 2% of the employee's contribution. Retirement plan expense, which is funded on a current basis, was $50,026 for the year ended March 31, 2011.

NOTE 8 COMMITMENTS AND CONTINGENCIES

Professional and General Liability Self-Insurance

Through December 31, 2001, the Organizations maintained professional liability coverage through commercial insurance carriers. Effective January 1, 2002, the Organizations entered into a contractual agreement to form Caring Communities Insurance Program (Caring Communities), a self-insurance administrator which, through its risk-sharing provisions, provides the Organizations with insurance coverage for professional and comprehensive general liability exposure. Caring Communities is a multi-organization insurance company for long-term care organizations incorporated under the laws of the Cayman Islands.

Caring Communities provides the Organizations with claims made insurance coverage using a combination of self-insured retentions and excess commercial insurance coverage. Caring Communities has engaged the services of a professional actuarial consultant for the determination of premiums to be assessed to participants under the plan of coverage. As a self-insurance administrator, Caring Communities enables risk sharing among participating long-term care organizations. The Organizations are required to pay assessed premiums and are subject to a per claim self-insured retention. Caring Communities may retroactively assess participants for up to twice their annual premium per coverage year based on adverse participant-specific claims experience as defined in the policy. Based on the Organizations' historical claims experience and exposure to date with Caring Communities, no reserves have been recognized at either March 31, 2011 or 2010 for retroactive premium assessments or tail exposures. The Organizations made their initial capital contribution to Caring Communities of $137,065 in 2002, with an additional capital contribution of $5,711 in 2003. Such amounts are included in long-term investments in the accompanying consolidated balance sheets. The capital contributions are accounted for using the cost method. In 2011 the Organizations received $95,281 dividends from Caring Communities, which is recorded as a reduction to insurance expense in the accompanying 2011 statement of operations.

NOTE 8 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Litigation

The Organization is subject to asserted and unasserted claims encountered in the normal course of business. The Organization's management and legal counsel assess such contingent liabilities and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Organization or unasserted claims that may result in such proceedings, the Organization's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein. In the opinion of management, disposition of these matters will not have a material effect on the Organization's financial condition or results of operations.

Workers' Compensation

Effective October 2009, the Organizations became commercially insured for workers' compensation exposure. Prior to that date, the Organizations were insured for workers' compensation under a multi-employer trust (Trust) arrangement. The Organizations are responsible for funding the Trust if the assets of the Trust are insufficient. The Trust became insolvent in fiscal year 2009 and is currently being administered by the Department of Insurance of the State of Illinois. The Organizations expensed $156,000 in 2010 and $199,856 in 2009 of additional Trust funding assessments. The Organizations may be required to provide additional funding to the Trust in future periods. No accruals for any potential additional funding assessments have been made at March 31, 2011, as such amounts were not considered probable and determinable by management. The remaining liability on the Trust Fund Assessment is $116,145 as of March 31, 2011.

Health Care

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for resident services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers.

Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed.

Health Resource Alliance, Inc.

Friendship Senior Options has a 1/15th equity interest in Health Resources Alliance, Inc. (HRA), formerly a wholly owned subsidiary of the Alliance. The investment in HRA is included in long-term investments in the accompanying consolidated balance sheets and is accounted for using the equity method. The Organizations recognized their respective share of HRA equity earnings of $353,387 and $245,555 in 2011 and 2010, respectively as other revenue. FSO received distributions of $50,000 in 2010 and no distributions in 2011. The carrying value of the investment in HRA of $1,296,535 and $943,148 at March 31, 2011 and 2010, respectively, is included with long-term investments in the accompanying consolidated balance sheets.

NOTE 8 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Coventry CareLink Insurance Services, L.L.C.

Neighborhood Services was established primarily to provide services to senior persons residing in their own homes. Neighborhood Services entered into a Program Development Agreement (Agreement) with Coventry CareLink Insurance Services, L.L.C. (Coventry) to serve as the lead provider of at-home services within a defined geographic area to senior persons enrolled in Coventry's CareLink Plan (Program). Neighborhood Services paid $200,000 as initial capitalization for the Program, which is reported as a component of long-term investments in the accompanying consolidated balance sheets and is being accounted for using the cost method. An affiliate of Coventry has provided the Program with $2,250,000 of working capital through an interest bearing promissory note. Neighborhood Services has not guaranteed any portion of the promissory note; however, the initial capitalization is at risk if the Program does not generate future cash flow. As lead provider, Neighborhood Services is reimbursed for direct cost of service, a management fee equivalent to a percentage of direct salary cost, and a marketing royalty. Neighborhood Services has assigned and pledged 75% of Program net income, as defined in the Agreement, to cover debt service on the promissory note. As of March 31, 2011 and 2010, program-related activities are not significant.

Government Regulations – Medicaid

The State of Illinois reserves the right to perform field audit examinations of the Organization's records. Any adjustments resulting from such examinations could retroactively adjust Medicaid revenue.

Government Regulations – Medicare

The Medicare intermediary has the authority to audit the skilled nursing facility's records any time within a three-year period after the date the skilled nursing facility receives a final notice of program reimbursement for each cost reporting period. Any adjustments resulting from these audits could retroactively adjust Medicare revenue.

NOTE 9 FUNCTIONAL EXPENSES

The Organization provides services to senior citizens within its geographic location. Expenses related to providing these services are as follows during 2011 and 2010:

	2011	2010 (Unaudited)
Program Activities (Includes All Interest and Depreciation Expenses)	$ 44,759,328	$ 43,740,708
General and Administrative	4,169,180	3,840,185
Total Expenses	$ 48,928,508	$ 47,580,893

Salaries and related expenses are allocated based on job descriptions and the best estimates of management. Expenses, other than salaries and related expenses, which are not directly identifiable by program or supporting services, are allocated based on the best estimates of management.

NOTE 10 RELATED PARTY TRANSACTIONS

Relating to the GreenFields of Geneva Series 2010 Bonds, Friendship Senior Options and GreenFields entered into a liquidity support agreement which was originally funded with $4 million from Friendship Senior Options and $500,000 from GreenFields. In addition, Friendship Senior Options and the Village entered into a promissory note for $2 million to be paid to the Village 24 months after terms of the liquidity support fund have been satisfied. These balances have been eliminated on the consolidated financial statements.

NOTE 11 EXECUTIVE INCENTIVE COMPENSATION PLAN

During the year ended March 31, 2011, the Organization established a Section 457(f) non-qualified retirement plan that currently covers one executive. Performance based goals determine the compensation to be paid into the plan on a yearly basis. At March 31, 2011 no amounts were paid into the plan.

NOTE 12 RESTRICTED NET ASSETS

Temporarily Restricted Net Assets

At March 31, 2011, temporarily restricted net assets consist of various funds relating to donor specifications totaling $188,684. Restrictions may be satisfied due to time or purpose as designated by the donor.

During 2011 and 2010, net assets were released from donor restrictions by incurring expenses satisfying the restrictions of time and purpose in the amounts of $267,580 and $125,871, respectively.

Permanently Restricted Net Assets

At March 31, 2010, permanently restricted net assets consist of funds relating to donor specifications for employee education and training totaling $56,155. Review of historical records during the fiscal year ended March 31, 2011 determined that these funds held in perpetuity are temporarily restricted and thus have been transferred from permanently restricted to temporarily restricted on the consolidated statements of changes in net deficit.

NOTE 13 INVESTMENT IN JOINT VENTURE

On January 7, 2000, the Village formed a joint venture with Sherman Health Systems (Sherman) by creating the Sherman Friendship Limited Liability Corporation (LLC). The purpose of the joint venture was to develop health care services addressing the needs of all generations from facilities and long-term care accommodations to be constructed in Huntley, Illinois. Pursuant to the joint venture agreement between the Village and Sherman, the Village would be required to contribute cash of $500,000, net of joint venture related costs incurred by the Village, five acres of land to the Sherman/Friendship Land Trust (a subsidiary of the LLC), and a note payable in the amount of the difference between the fair value of each joint venture participant's contributions to the joint venture. The Village incurred costs of $398,193 on behalf of the joint venture.

NOTE 13 INVESTMENT IN JOINT VENTURE (CONTINUED)

These costs, along with a $1,587,500 tract of land which the Village purchased and held for contribution to the Sherman/Friendship Land Trust in 2001, have been recorded as an investment in joint venture in the accompanying consolidated balance sheets. All profits and losses of the joint venture were to be split equally. The Village accounted for its investment in the joint venture using the equity method. The joint venture has not begun operations; however, the LLC has expensed various organizational and start-up costs, whereby the Village has recognized its proportional share of such costs amounting to $310,693. During 2006, the joint venture ownership was transferred from the Village to FSO.

On May 24, 2010 the Joint Venture was dissolved by both Sherman and FSO and the land investment was transferred to the land account on the Balance Sheet for FSO.

LarsonAllen LLP

CPAs, Consultants & Advisors
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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors
Friendship Senior Options, NFP and its affiliated organizations
Schaumburg, Illinois

Our report on our audit of the consolidated financial statements of Friendship Senior Options, NFP and its affiliated organizations for the year ended March 31, 2011 appears on page 1. We conducted our audit in accordance with generally accepted auditing standards in the United States of America for the purpose of forming an opinion on the 2011 consolidated financial statements taken as a whole. The consolidating information for the year ended March 31, 2011 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and cash flows of the individual organizations. The 2011 consolidating information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements for the year ended March 31, 2011, taken as a whole.

The consolidated financial statements of Friendship Senior Options, NFP and its affiliated organizations for the year ended March 31, 2010, were audited by other auditors and their report thereon dated July 28, 2010, expressed an unqualified opinion on those consolidated financial statements. Their report, as of the same date, on the 2010 consolidating information stated that, in their opinion, such information was fairly stated in all material respects in relation to the financial statements for the year ended March 31, 2010, as a whole.

LarsonAllen LLP
LarsonAllen LLP

St. Louis, Missouri
August 9, 2011

NEXIA INTERNATIONAL
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FRIENDSHIP SENIOR OPTIONS, NFP AND ITS AFFILIATED ORGANIZATIONS
CONSOLIDATING BALANCE SHEET
MARCH 31, 2011

	Friendship Senior Options	Friendship Village of Schaumburg	Friendship Village Neighborhood Services	GreenFields of Geneva	Friendship Senior Services Foundation	Eliminations	Total
Current Assets							
Cash and Cash Equivalents	$ 72,521	$ 7,186,166	$ -	$ 282,778	$ -	$ -	$ 7,541,465
Assets Limited as to Use:							
Held by Trustee Under Bond Indenture Agreements	-	2,181,123	-	8,147,379	-	-	10,328,502
Escrow Cash from Resident Advance Deposits	-	-	-	2,893,778	-	-	2,893,778
Resident Accounts Receivable, Net of Allowance for Doubtful Accounts of Approximately $151,000	-	2,672,792	-	-	-	-	2,672,792
Entrance Fees Receivable	-	669,500	-	-	-	-	669,500
Other Receivables	2,579,959	2,459,355	-	66,908	122,684	(5,228,906)	-
Inventories	-	104,602	-	-	-	-	104,602
Prepaid Expenses	-	367,138	-	-	-	-	367,138
Total Current Assets	2,652,480	15,640,676	-	11,390,843	122,684	(5,228,906)	24,577,777
Assets Limited as to Use:							
Held by Trustee Under Bond Indenture Agreement	4,024,072	8,203,320	-	56,675,930	-	-	68,903,322
Donor-Restricted Investments	-	188,684	-	-	-	-	188,684
Total Noncurrent Assets Limited as to Use	4,024,072	8,392,004	-	56,675,930	-	-	69,092,006
Land, Buildings, and Equipment, Net of Accumulated Depreciation	1,849,433	116,606,595	-	51,351,946	-	-	169,807,974
Notes Receivable from Affiliates	4,072,463	2,000,000	-	-	-	(6,072,463)	-
Long-Term Investments	1,439,311	21,841,949	200,000	-	-	-	23,481,260
Deferred Costs, Net	-	3,737,402	-	11,135,059	-	-	14,872,461
Total Assets	$ 14,037,759	$ 168,218,626	$ 200,000	$ 130,553,778	$ 122,684	$ (11,301,369)	$ 301,831,478

FRIENDSHIP SENIOR OPTIONS, NFP AND ITS AFFILIATED ORGANIZATIONS
CONSOLIDATING BALANCE SHEET
MARCH 31, 2011

	Friendship Senior Options	Friendship Village of Schaumburg	Friendship Village Neighborhood Services	GreenFields of Geneva	Friendship Senior Services Foundation	Eliminations	Total
Current Liabilities							
Current Portion of Long-Term Debt	$ -	$ 1,345,000	$ -	$ -	$ -	$ -	$ 1,345,000
Accounts Payable	64,002	1,744,511	-	-	751	-	1,809,264
Accounts Payable - Construction	-	-	-	7,016,822	-	-	7,016,822
Accrued Expenses:							
Payroll and Employee Benefits	74,185	1,016,260	-	-	-	-	1,090,445
Property Taxes	-	422,499	-	-	-	-	422,499
Interest	-	842,959	-	1,143,056	-	-	1,986,015
Other	-	1,140,094	-	-	-	-	1,140,094
Refundable Entrance Fees Payable	-	4,341,201	-	-	-	-	4,341,201
Entrance Fee Deposits	-	1,230,783	-	3,331,031	-	-	4,561,814
Total Current Liabilities	138,187	12,083,307	-	11,490,909	751	-	23,713,154
Long-Term Debt, Excluding Current Portion and Unamortized Bond Discount	-	109,103,672	-	116,515,996	-	-	225,619,668
Due to Affiliates	1,786,280	2,509,154	397,464	81,022	454,986	(5,228,906)	-
Notes Payable to Affiliates	2,000,000	-	-	4,072,463	-	(6,072,463)	-
Entrance Fees							
Deferred Revenue from Nonrefundable Entrance Fees	-	8,256,987	-	-	-	-	8,256,987
Refundable Entrance Fees	-	81,683,434	-	-	-	-	81,683,434
Total Liabilities	3,924,467	213,636,554	397,464	132,160,390	455,737	(11,301,369)	339,273,243
Net Assets (Deficit)							
Unrestricted	10,113,292	(45,606,612)	(197,464)	(1,606,612)	(333,053)	-	(37,630,449)
Temporarily Restricted	-	188,684	-	-	-	-	188,684
Premanently Restricted	-	-	-	-	-	-	-
Total Net Assets (Deficit)	10,113,292	(45,417,928)	(197,464)	(1,606,612)	(333,053)	-	(37,441,765)
Total Liablities and Net Assets (Deficit)	$ 14,037,759	$ 168,218,626	$ 200,000	$ 130,553,778	$ 122,684	$ (11,301,369)	$ 301,831,478

FRIENDSHIP SENIOR OPTIONS, NFP AND ITS AFFILIATED ORGANIZATIONS
CONSOLIDATING STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2011

	Friendship Senior Options	Friendship Village of Schaumburg	Friendship Village Neighborhood Services	GreenFields of Geneva	Friendship Senior Services Foundation	Eliminations	Total
Revenue							
Net Resident Revenue							
Independent Living	$ -	$ 13,900,698	$ -	$ -	$ -	$ -	$ 13,900,698
Assisted Living	-	4,369,539	-	-	-	-	4,369,539
Healthcare Center	-	20,308,850	-	-	-	-	20,308,850
Home Health	-	955,043	-	-	-	-	955,043
Amortization of Entrance Fees	-	3,779,767	-	-	-	-	3,779,767
Investment Income (Loss)	437,826	2,380,446	-	(202,018)	50,943	-	2,667,197
Net Assets Released from Restrictions Used for Operations	-	170,334	-	-	97,247	-	267,581
Other Revenue	2,309,976	622,631	-	-	-	(2,309,976)	622,631
Total Revenue	2,747,802	46,487,308	-	(202,018)	148,190	(2,309,976)	46,871,306
Operating Expenses							
Salaries and Benefits	1,037,921	19,766,320	-	-	-	-	20,804,241
Supplies and Other	478,559	6,031,177	-	-	155,814	-	6,665,550
Dietary	-	2,411,124	-	-	-	-	2,411,124
Professional Fees	200,802	2,829,939	-	-	3,331	(2,309,976)	724,096
Repairs and Maintenance	-	892,691	-	-	-	-	892,691
Utilities	33,244	1,894,356	-	-	-	-	1,927,600
Insurance	-	514,175	-	-	-	-	514,175
Real Estate Taxes	-	630,266	-	-	-	-	630,266
Interest	-	6,795,242	-	-	-	-	6,795,242
Depreciation and Amortization	4,414	6,793,382	-	760,124	-	-	7,557,920
Provision for Bad Debts	-	5,603	-	-	-	-	5,603
Total Operating Expenses	1,754,940	48,564,275	-	760,124	159,145	(2,309,976)	48,928,508
Excess (Deficit) of Revenue over Expense	$ 992,862	$ (2,076,967)	$ -	$ (962,142)	$ (10,955)	$ -	$ (2,057,202)

FRIENDSHIP SENIOR OPTIONS, NFP AND ITS AFFILIATED ORGANIZATIONS
CONSOLIDATING STATEMENT OF CHANGES IN NET DEFICIT
YEAR ENDED MARCH 31, 2011

	Friendship Senior Options	Friendship Village of Schaumburg	Friendship Village Neighborhood Services	GreenFields of Geneva	Friendship Senior Services Foundation	Eliminations	Consolidated
Increase (Decrease) in Unrestricted Net Assets	$ 992,862	$ (2,076,967)	$ -	$ (962,142)	$ (10,955)	$ -	$ (2,057,202)
Temporarily Restricted Net Assets:							
Contributions for Specific Purposes	-	136,635	-	-	-	-	136,635
Change in Designation of Net Assets	-	56,155	-	-	-	-	56,155
Restricted Investment Income	-	744	-	-	-	-	744
Net Assets Released From Restrictions Used for Operations	-	(267,580)	-	-	-	-	(267,580)
Decrease in Temporarily Restricted Net Assets	-	(74,046)	-	-	-	-	(74,046)
Permanently Restricted Net Assets:							
Change in Designation of Net Assets	-	(56,155)	-	-	-	-	(56,155)
Decrease in Permanently Restricted Net Assets	-	(56,155)	-	-	-	-	(56,155)
Change in Net Assets (Deficit)	992,862	(2,207,168)	-	(962,142)	(10,955)	-	(2,187,403)
Net Assets (Deficit) at Beginning of Year	9,120,430	(43,210,760)	(197,464)	(644,470)	(322,098)	-	(35,254,362)
Net Assets (Deficit) at End of Year	$ 10,113,292	$ (45,417,928)	$ (197,464)	$ (1,606,612)	$ (333,053)	$ -	$ (37,441,765)

FRIENDSHIP SENIOR OPTIONS, NFP AND ITS AFFILIATED ORGANIZATIONS
CONSOLIDATING BALANCE SHEET
MARCH 31, 2010

	Friendship Senior Options	Friendship Village of Schaumburg	Friendship Village Neighborhood Services	GreenFields of Geneva	Friendship Senior Services Foundation	Eliminations	Total
Current Assets							
Cash and Cash Equivalents	$ 358,058	$ 8,891,975	$ -	$ -	$ -	$ -	$ 9,250,033
Assets Limited as to Use:							
Held by Trustee Under Bond Indenture Agreements	-	712,842	-	381,704	-	-	1,094,546
Escrow Cash from Resident Advance Deposit	-	-	-	3,072,734	-	-	3,072,734
Resident Accounts Receivable, Net of Allowance for Doubtful Accounts of Approximately $277,000	-	2,825,718	-	-	-	-	2,825,718
Entrance Fees Receivable	-	931,680	-	-			931,680
Other Receivables	14,925,747	16,006,944	44,634	-	648,855	(31,613,973)	12,207
Inventories	-	123,738	-	-	-	-	123,738
Prepaid Expenses	-	602,363	(13,607)	-	-	-	588,756
Total Current Assets	15,283,805	30,095,260	31,027	3,454,438	648,855	(31,613,973)	17,899,412
Assets Limited as to Use:							
Held by Trustee Under Bond Indenture Agreement	-	19,328,900	-	-	-	-	19,328,900
Donor-Restricted Investments	-	318,885	-	-	-	-	318,885
Total Noncurrent Assets Limited as to Use	-	19,647,785	-	-	-	-	19,647,785
Land, Buildings, and Equipment, Net of Accumulated Depreciation	266,347	119,692,924	-	10,065,722	-	-	130,024,993
Notes Receivable from Affiliates	4,250,000	-	-	-	-	(4,250,000)	-
Investment in Joint Venture	1,587,500	-	-	-	-	-	1,587,500
Long-Term Investments	2,649,971	8,422,696	200,000	-	-	-	11,272,667
Deferred Costs, Net	-	3,963,976	-	7,501,017	-	-	11,464,993
Total Assets	$ 24,037,623	$ 181,822,641	$ 231,027	$ 21,021,177	$ 648,855	$ (35,863,973)	$ 191,897,350

FRIENDSHIP SENIOR OPTIONS, NFP AND ITS AFFILIATED ORGANIZATIONS
CONSOLIDATING BALANCE SHEET
MARCH 31, 2010

	Friendship Senior Options	Friendship Village of Schaumburg	Friendship Village Neighborhood Services	GreenFields of Geneva	Friendship Senior Services Foundation	Eliminations	Total
Current Liabilities							
Current Portion of Long-Term Debt	$ -	$ 7,680,000	$ -	$ -	$ -	$ -	$ 7,680,000
Accounts Payable	8,222	2,123,668	-	-	220	-	2,132,110
Accrued Expenses:							
Payroll and Employee Benefits	94,592	956,412	-	-	-	-	1,051,004
Property Taxes	-	428,031	-	-	-	-	428,031
Interest	-	603,102	-	3,674,213	-	-	4,277,315
Other	-	1,412,886	-	-	-	-	1,412,886
Refundable Entrance Fees Payable	-	3,480,037	-	-	-	-	3,480,037
Entrance Fee Deposits	-	1,443,903	-	3,180,283	-	-	4,624,186
Total Current Liabilities	102,814	18,128,039	-	6,854,496	220	-	25,085,569
Long-Term Debt, Excluding Current Portion and Unamortized Bond Discount	-	104,011,686	-	10,585,000	-	-	114,596,686
Due to Affiliates	14,814,379	15,424,219	428,491	(23,849)	970,733	(31,613,973)	-
Notes Payable to Affiliates	-	-	-	4,250,000	-	(4,250,000)	-
Entrance Fees							
Deferred Revenue from Nonrefundable Entrance Fees	-	7,558,044	-	-	-	-	7,558,044
Refundable Entrance Fees	-	79,911,413	-	-	-	-	79,911,413
Total Liabilities	14,917,193	225,033,401	428,491	21,665,647	970,953	(35,863,973)	227,151,712
Net Assets (Deficit)							
Unrestricted	9,120,430	(43,529,645)	(197,464)	(644,470)	(322,098)	-	(35,573,247)
Temporarily Restricted		262,730	-	-	-	-	262,730
Permanently Restricted		56,155	-	-	-	-	56,155
Total Net Assets (Deficit)	9,120,430	(43,210,760)	(197,464)	(644,470)	(322,098)	-	(35,254,362)
Total Liabilities and Net Assets (Deficit)	$ 24,037,623	$ 181,822,641	$ 231,027	$ 21,021,177	$ 648,855	$ (35,863,973)	$ 191,897,350

FRIENDSHIP SENIOR OPTIONS, NFP AND ITS AFFILIATED ORGANIZATIONS
CONSOLIDATING STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2010

	Friendship Senior Options	Friendship Village of Schaumburg	Friendship Village Neighborhood Services	GreenFields of Geneva	Friendship Senior Services Foundation	Eliminations	Total
Revenue							
Net Resident Revenue							
Independent Living	$ -	$ 13,486,348	$ -	$ -	$ -	$ -	$ 13,486,348
Assisted Living	-	4,186,783	-	-	-	-	4,186,783
Healthcare Center	-	19,238,515	-	-	-	-	19,238,515
Home Health	-	922,330	-	-	-	-	922,330
Amortization of Entrance Fees	-	3,629,587	-	-	-	-	3,629,587
Contributions	-	-	-	-	2,257	-	2,257
Investment Income (Loss)	400,591	2,616,866	-	(1,884)	-	-	3,015,573
Net Assets Released from Restrictions Used for Operations	-	-	-	-	125,871	-	125,871
Other Revenue	2,454,544	1,184,099	-	-	-	(2,444,544)	1,194,099
Total Revenue	2,855,135	45,264,528	-	(1,884)	128,128	(2,444,544)	45,801,363
Operating Expenses							
Salaries and Benefits	1,373,778	19,525,420	-	-	1,163	-	20,900,361
Supplies and Other	267,389	5,436,088	-	-	144,337	-	5,847,814
Dietary	217	2,404,980	-	-	-	-	2,405,197
Professional Fees	341,007	2,876,338	-	-	6,454	(2,444,544)	779,255
Repairs and Maintenance	92	897,685	-	-	-	-	897,777
Utilities	28,982	1,812,998	-	-	-	-	1,841,980
Insurance	(68,817)	725,391	-	-	-	-	656,574
Real Estate Taxes	-	454,760	-	-	-	-	454,760
Interest	-	5,634,255	-	-	-	-	5,634,255
Depreciation and Amortization	4,392	7,793,564	-	365,629	-	-	8,163,585
Provision for Bad Debts	-	(665)	-	-	-	-	(665)
Total Operating Expenses	1,947,040	47,560,814	-	365,629	151,954	(2,444,544)	47,580,893
Excess (Deficit) of Revenue over Expense	$ 908,095	$ (2,296,286)	$ -	$ (367,513)	$ (23,826)	$ -	$ (1,779,530)

FRIENDSHIP SENIOR OPTIONS, NFP AND ITS AFFILIATED ORGANIZATIONS
CONSOLIDATING STATEMENT OF CHANGES IN NET DEFICIT
YEAR ENDED MARCH 31, 2010

	Friendship Senior Options	Friendship Village of Schaumburg	Friendship Village Neighborhood Services	GreenFields of Geneva	Friendship Senior Services Foundation	Eliminations	Consolidated
Increase (Decrease) in Unrestricted Net Assets	$ 908,095	$ (2,296,286)	$ -	$ (367,513)	$ (23,826)	$ -	$ (1,779,530)
Temporarily Restricted Net Assets:							
Contributions for Specific Purposes	-	152,952	-	-	-	-	152,952
Net Assets Released From Restrictions Used for Operations	-	(125,871)	-	-	-	-	(125,871)
Decrease in Temporarily Restricted Net Assets	-	27,081	-	-	-	-	27,081
Permanently Restricted Net Assets:							
Contributions	-	25	-	-	-	-	25
Change in Net Assets (Deficit)	908,095	(2,269,180)	-	(367,513)	(23,826)	-	(1,752,424)
Net Assets (Deficit) at Beginning of Year	8,212,335	(40,941,580)	(197,464)	(276,957)	(298,272)	-	(33,501,938)
Net Assets (Deficit) at End of Year	$ 9,120,430	$ (43,210,760)	$ (197,464)	$ (644,470)	$ (322,098)	$ -	$ (35,254,362)

Attachment 30

Item B

GreenFields
OF GENEVA

Certificate of Financing at Lowest Net Cost Available

This statement is being filed pursuant to Section 1 120.310(b) of the Board's Rules (77 Ill.Adm.Code 1120.310). The undersigned are authorized representatives of the applicant and attest that the bonds selected to finance the project is at the lowest net cost available.

Dated this 10th day of October 2012:

Stephen A. Yenchek
President & CEO
Friendship Senior Options

Dated this 10th day of October 2012:

Larry Shoemake
Treasurer
Friendship Village of Mill Creek

P.O. Box 784 | Geneva, Illinois 60134
P: 630.232.9105 | F: 630.232.9128 | www.GreenFieldsofGeneva.org
A FRIENDSHIP VILLAGE COMMUNITY

Attachment 30

Items D & E

GreenFields of Geneva
Reasonableness of Project and Related Costs

D. Projected Operating Costs - Clinical (dollars in thousands)

Expenses:	FY2016
Salaries	1,198
Benefits	300
Supplies	67
Total Operating Expenses	3,339
Number of Patient Days	14,125
Cost per Patient Day	$236

	FY2016
EXPENSES	
Assisted Living and Memory Support Services	0
Nursing Care Services	(2,213)
Dietary Services	(576)
Housekeeping and Laundry Services	(40)
Resident Activities and Transportation Services	(61)
Plant Operations and Maintenance	(119)
Property and Related	(38)
Administrative Services	(281)
Marketing	(11)
TOTAL OPERATING EXPENSES	($3,339)
Number of Patient Days	14,125
Cost per Patient Day	$236
Cost per Patient Day excluding Utilities and Insurance	$234

E. Total Effect of the Project on Capital Costs - Clinical (dollars in thousands)

	FY2016
EXPENSES	
Depreciation & Amortization	(261)
Interest Expense	550
TOTAL OPERATING EXPENSES	$288
Number of Patient Days	14,125
Cost per Patient Day	$20

Appendix A

GreenFields of Geneva
Project Costs and Sources of Funds

Project Costs and Sources of Funds			
USES OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Preplanning Costs	$100,414	$1,095,602	$1,196,017
Site Survey and Soil Investigation	1,513	16,507	18,020
Site Preparation	251,862	2,748,023	2,999,885
Off Site Work	46,883	511,531	558,414
New Construction Contracts	4,031,202	43,983,713	48,014,915
Modernization Contracts	0	0	0
Contingencies	122,477	1,498,344	1,620,821
Architectural/Engineering Fees	302,356	3,298,954	3,601,310
Consulting and Other Fees	469,834	5,747,823	6,217,657
Movable or Other Equipment (not in construction contracts)	200,269	2,185,104	2,385,373
Bond Issuance Expense (project related)	358,438	4,385,025	4,743,463
Net Interest Expense During Construction (project related)	1,071,981	13,114,319	14,186,300
Fair Market Value of Leased Space or Equipment	0	0	0
Other Costs to be Capitalized	0	6,527,870	6,527,870
Acquisition of Building or Other Property (excluding land)	0	0	0
TOTAL USES OF FUNDS	$6,957,229	$85,112,815	$92,070,044
SOURCE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Cash and Securities	$0	$0	$0
Pledges			
Gifts and Bequests			
Bond Issues (project related)	6,957,229	85,112,815	92,070,044
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	$6,957,229	$85,112,815	$92,070,044

Appendix B

GreenFields of Geneva
Estimated Start-Up Costs

Estimated Start-up Costs	
Marketing Costs	$50,000
Pre-Opening Staffing Costs	$35,000
Staff Training	$49,000
Total Estimated Start-up Costs	**$134,000**
Estimated Sources	
Tax-Exempt Revenue Bonds	$134,000
Total Estimated Sources of Funds	**$134,000**

Appendix D

GreenFields of Geneva
Cost Space Requirements

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept./Area	**Cost**	**Existing**	**Proposed**	**New Const.**	**Modernized**	**As Is**	**Vacated Space**
CLINICAL							
Nursing Units	$4,504,795		16,721	16,721			
Food Service/Dining	964,216		3,579	3,579			
Support/Administration	1,488,218		5,524	5,524			
Total Clinical	$6,957,229		25,824	25,824			
NON CLINICAL							
Independent Living	$65,033,922		215,291	215,291			
Assisted Living	14,947,251		49,482	49,482			
Memory Support Assisted Living	5,131,642		16,988	16,988			
Total Non-Clinical	$85,112,815		281,761	281,761			
TOTAL	$92,070,044		307,585	307,585			