

ORIGINAL

16-002

LONG-TERM CARE  
APPLICATION FOR PERMIT

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

RECEIVED

JAN 04 2016

DESCRIPTION OF PROJECT

Project Type

[Check one]

[check one]

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

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.**

Transitional Care Management proposes to construct and operate Transitional Care of Fox Valley, a short-term skilled rehabilitation nursing facility offering post-acute rehabilitation services for patients with high rehabilitation and complex care needs, focusing primarily on high acuity patients. The facility to be located in Aurora, DuPage County, Illinois will consist of 68 beds permitted under the general long-term care category.

Transitional Care of Fox Valley will be located at 4020-4090 E New York Street, Aurora, IL 60506.

Transitional Care of Fox Valley will be Medicare and Medicaid certified along with insurance contracts and will offer skilled nursing care, intensive rehabilitative therapies, as well as specialized programs in orthopedics, wound care, and cardiac rehabilitation.

The modern, fully equipped nursing facility will conform with all federal, state and local regulations relating to construction, staffing, sanitation and environmental protection.

The proposed skilled nursing facility will consist of 52,000 gross square feet and will contain virtually all private one-bed skilled nursing rooms. Additionally, it will contain a dining room, nurse stations, physical and occupational therapy room, recreational therapy, family rooms, beauty/barber shop, a kitchen, administrative offices and support areas. For rehabilitation, the facility will have a purpose built space in a high visibility location with state-of-the-art therapy and rehabilitation equipment in a large therapy gym (approximately 2,080 gross square feet). A diagram on the next page shows the proposed location of the skilled nursing facility.

Construction is projected to commence in the second quarter of 2016, and the facility is projected to open 36 months thereafter.

A review of this project is classified as "substantive" as it involves the development of new long-term care beds with a capital expenditure in excess of the threshold amount.



**Facility/Project Identification**

Facility Name: Transitional Care of Fox Valley		
Street Address: 4020-4090 E New York Street		
City and Zip Code: Aurora, IL 60504		
County: DuPage	Health Service Area: 7	Health Planning Area: 7-C

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

Exact Legal Name: IH Fox Valley OpCo, LLC
Address: 6400 Shafer Court, Suite 600, Rosemont, Illinois 60018
Name of Registered Agent: Illinois Corporation Service Company
Name of Chief Executive Officer: Brian Cloch
CEO Address: 6400 Shafer Court, Suite 600, Rosemont, Illinois 60018
Telephone Number:

**Type of Ownership (Applicant/Co-Applicants)**

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

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

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

**Primary Contact****[Person to receive ALL correspondence or inquiries)**

Name: Charles Sheets
Title: Attorney
Company Name: Polsinelli PC
Address: 161 North Clark Street, Suite 4200, Chicago, IL 60601
Telephone Number: 312-873-3605
E-mail Address: csheets@polsinelli.com
Fax Number: 312-873-3793

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

Name: Bradley S. Haber
Title: Manager
Company Name: Innovative Health, LLC
Address: 6400 Shafer Court, Suite 600, Rosemont, Illinois 60018
Telephone Number:
E-mail Address: brad@inhealth.biz
Fax Number:

**Facility/Project Identification**

Facility Name: Transitional Care of Fox Valley		
Street Address: 4020-4090 E New York Street		
City and Zip Code: Aurora, IL 60504		
County: DuPage	Health Service Area: 7	Health Planning Area: 7-C

**Applicant /Co-Applicant Identification**

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

Exact Legal Name: IH Fox Valley Owner, LLC
Address: 6400 Shafer Court, Suite 600, Rosemont, Illinois 60018
Name of Registered Agent: Illinois Corporation Service Company
Name of Chief Executive Officer: Brian Cloch
CEO Address: 6400 Shafer Court, Suite 600, Rosemont, Illinois 60018
Telephone Number: 847-309-6000

**Type of Ownership (Applicant/Co-Applicants)**

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

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Company Name: Polsinelli PC
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**Additional Contact**

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

Name: Bradley S. Haber
Title: Manager
Company Name: Innovative Health, LLC
Address: 6400 Shafer Court, Suite 600, Rosemont, Illinois 60018
Telephone Number:
E-mail Address: brad@inhealth.biz
Fax Number:

**Post Permit Contact**

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

Name: Charles Sheets
Title: Attorney
Company Name: Polsinelli PC
Address: 161 North Clark Street, Suite 4200, Chicago, IL 60601
Telephone Number: 312-873-3605
E-mail Address: csheets@polsinelli.com
Fax Number: 312-873-3793

**Site Ownership**

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: IH Fox Valley Owner, LLC
Address of Site Owner 6400 Shafer Court, Suite 600, Rosemont, Illinois 60018
Street Address or Legal Description of Site:  LOTS 163 THROUGH 167, INCLUSIVE IN THE PLAZA ON NEW YORK SUBDIVISION, BEING A SUBDIVISION OF PART OF SECTION 21, TOWNSHIP 38 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED JUNE 5, 2007 AS DOCUMENT R2007-104168, IN CITY OF AURORA, DUPAGE COUNTY, ILLINOIS
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: IH Fox Valley OpCo, LLC
Address: 6400 Shafer Court, Suite 600, Rosemont, IL 60018
<input type="checkbox"/> Non-profit Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Governmental <input checked="" type="checkbox"/> Limited Liability Company <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Other
<ul style="list-style-type: none"> <li>o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.</li> <li>o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.</li> <li>o <b>Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.</b></li> </ul>
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](http://www.FEMA.gov) or [www.illinoisfloodmaps.org](http://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 NOT APPLICABLE**

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 manager 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.

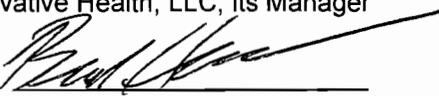
This Application for Permit is filed on the behalf of IH Fox Valley OpCo, LLC \*  
in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of 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.

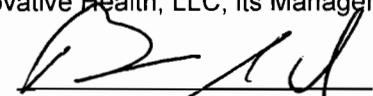
By: IHOP JV OPCO, LLC, its Managing Member

By: IHOP JV OPCO, LLC, its Managing Member

By: Innovative Health, LLC, its Manager

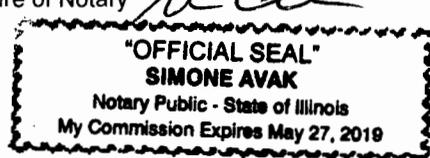
By: Innovative Health, LLC, its Manager

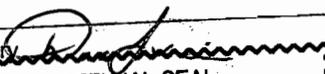
By:   
Bradley S. Haber  
Manager

By:   
Brian Cloch  
Manager

Notarization:  
Subscribed and sworn to before me  
this 22 day of Dec, 2015

Notarization:  
Subscribed and sworn to before me  
this 30<sup>th</sup> day of Dec, 2015

Signature of Notary   
Seal 

Signature of Notary   
Seal 

\*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:

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

This Application for Permit is filed on the behalf of IH Fox Valley Owner, LLC \* 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.

By: IHOP JV, LLC, its Managing Member

By: IHOP JV, LLC, its Managing Member

By: Innovative Health, LLC, its Manager

By: Innovative Health, LLC, its Manager

By:   
Bradley S. Haber  
Manager

By:   
Brian Cloch  
Manager

Notarization:  
Subscribed and sworn to before me  
this 22 day of Dec, 2015

Notarization:  
Subscribed and sworn to before me  
this 30<sup>th</sup> day of Dec, 2015

  
Signature of Notary  
"OFFICIAL SEAL"  
SIMONE AVAK  
Notary Public - State of Illinois  
My Commission Expires May 27, 2019

  
Signature of Notary  
OFFICIAL SEAL  
DIANE LUCIA  
NOTARY PUBLIC - STATE OF ILLINOIS  
MY COMMISSION EXPIRES:04/01/17

\*Insert EXACT legal name of the applicant

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

This Section is applicable to ALL projects.

**Criterion 1125.320 – Purpose of the Project**

**READ THE REVIEW CRITERION** and provide the following required information:

**PURPOSE OF PROJECT**

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

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

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

**Criterion 1125.330 – Alternatives**

**READ THE REVIEW CRITERION** and provide the following required information:

**ALTERNATIVES**

1. Identify ALL of the alternatives to the proposed project:
 

Alternative options must include:

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

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

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

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

**SECTION III – BED CAPACITY, UTILIZATION AND APPLICABLE REVIEW CRITERIA**

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

**Criterion 1125.510 – Introduction**

**Bed Capacity**

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

Indicate bed capacity changes by Service:

Category of Service	Total # Existing Beds*	Total # Beds After Project Completion
<input checked="" type="checkbox"/> General Long-Term Care	0	68
<input type="checkbox"/> Specialized Long-Term Care		
<input type="checkbox"/>		

\*Existing number of beds as authorized by IDPH and posted in the "LTC Bed Inventory" on the HFSRB website ([www.hfsrb.illinois.gov](http://www.hfsrb.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: NOT APPLICABLE

Category of Service	Year	Admissions	Patient Days
<input type="checkbox"/> General Long Term Care			
<input type="checkbox"/> Specialized Long-Term Care			

**Applicable Review Criteria - Guide**

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

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

**GENERAL LONG-TERM CARE**

PROJECT TYPE	REQUIRED REVIEW CRITERIA	
	Section	Subject
Establishment of Services or Facility	.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

<b>Continuum of Care – Establishment or Expansion</b>	.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

<b>Defined Population – Establishment or Expansion</b>	.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
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	Appendix D	Project Status and Completion Schedule

<b>Modernization</b>	.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 p\_\_\_\_\_ y 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 ATTACHMENT TO THE APPLICATION 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:

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

**2. Additional documentation required:**

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

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

<u>\$1,703,691</u>	<p>a. Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:</p> <ol style="list-style-type: none"> <li>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</li> <li>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;</li> </ol>
_____	<p>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.</p>
_____	<p>c. Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;</p>
<u>\$14,200,000</u>	<p>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:</p> <ol style="list-style-type: none"> <li>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;</li> <li>2. For revenue bonds, proof of the feasibility of securing the specified amount and interest rate;</li> <li>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.;</li> <li>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;</li> <li>5. For any option to lease, a copy of the option, including all terms and conditions.</li> </ol>

_____	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.
\$15,903,691	<b>TOTAL FUNDS AVAILABLE</b>	

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:				Year 2
Current Ratio				4.1
Net Margin Percentage				11.7%
Percent Debt to Total Capitalization				19.1%
Projected Debt Service Coverage				2.01
Days Cash on Hand				29 days
Cushion Ratio				1.0

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and

applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

2. Variance

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

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

## Economic Feasibility

This section is applicable to all projects

### A. Reasonableness of Financing Arrangements

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

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

### B. Conditions of Debt Financing

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

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

### C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

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

COST AND GROSS SQUARE FEET BY SERVICE									
Area (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.**	Const. \$ (A x C)	Mod. \$ (B x E)	
Contingency									
<b>TOTALS</b>									

\* Include the percentage (%) of space for circulation

**D. Projected Operating Costs**

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

**E. Total Effect of the Project on Capital Costs**

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

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

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

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

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	\$26,645	\$9,855	\$36,500
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts	\$8,541,000	\$3,159,000	\$11,700,000
Modernization Contracts			
Contingencies	\$218,270	\$80,730	\$299,000
Architectural/Engineering Fees	\$233,600	\$86,400	\$320,000
Consulting and Other Fees	\$695,690	\$257,310	\$953,000
Movable or Other Equipment (not in construction contracts)	\$1,051,930	\$389,070	\$1,441,000
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)	\$325,828	\$120,512	\$446,340
Fair Market Value of Leased Space or Equipment			
Other Costs To Be Capitalized	\$516,731	\$191,120	\$707,851
Acquisition of Building or Other Property (excluding land)			
<b>TOTAL USES OF FUNDS</b>	<b>\$11,609,694</b>	<b>\$4,293,997</b>	<b>\$15,903,691</b>
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$1,243,694	\$459,997	\$1,703,691
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages	\$10,366,000	\$3,834,000	\$14,200,000
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$11,609,694</b>	<b>\$4,293,997</b>	<b>\$15,903,691</b>

## APPENDIX C

**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	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Purchase Price:	\$ <u>1,268,000</u>	
Fair Market Value:	\$ <u>1,268,000</u>	
The project involves the establishment of a new facility or a new category of service		
	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If yes, provide the dollar amount of all <b>non-capitalized</b> 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 \$	<u>-\$904,587</u>	

**Project Status and Completion Schedules**

Indicate the stage of the project's architectural drawings:	
<input type="checkbox"/> None or not applicable	<input type="checkbox"/> Preliminary
<input checked="" type="checkbox"/> Schematics	<input type="checkbox"/> Final Working
Anticipated project completion date (refer to Part 1130.140): <u>June 30, 2019</u>	
Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140):	
<input type="checkbox"/> Purchase orders, leases or contracts pertaining to the project have been executed.	
<input type="checkbox"/> Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies	
<input checked="" type="checkbox"/> Project obligation will occur after permit issuance.	

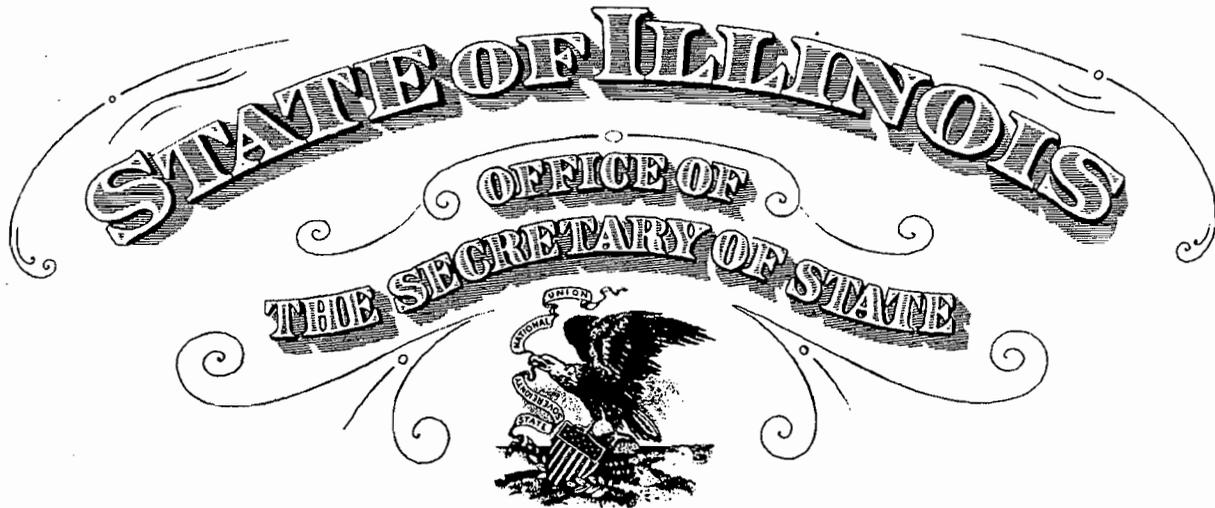
**APPENDIX D****Cost/Space Requirements**

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.**

Cost Space Table							
Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
<b>CLINICAL</b>							
Resident Rooms/Bathrooms/Corridors	\$9,198,954		30,145	30,145			
Nurses Station/Med Prep	\$744,583		2,440	2,440			
Dining Room/Activity Room/Lounge	\$534,025		1,750	1,750			
Exam Rooms	\$45,773		150	150			
Physical Therapy	\$634,726		2,080	2,080			
Laundry	\$271,590		890	890			
Clean/Soiled Laundry	\$180,043		590	590			
<b>Total Clinical</b>	<b>\$11,609,694</b>		<b>38,045</b>	<b>38,045</b>			
<b>NON CLINICAL</b>							
Office/Administration	\$1,036,959		3,370	3,370			
Kitchen	\$595,405		1,935	1,935			
Employee Lounge	\$320,011		1,040	1,040			
Locker/Training	\$209,238		680	680			
Mechanical	\$276,933		900	900			
Lobby/Vestibule	\$486,171		1,580	1,580			
Storage/Maintenance	\$709,256		2,305	2,305			
Public Corridor/Public Space	\$309,242		1,005	1,005			
Structure/Misc.	\$350,782		1,140	1,140			
<b>Total Non-clinical</b>	<b>\$4,293,997</b>		<b>13,955</b>	<b>13,955</b>			
<b>TOTAL</b>	<b>\$15,903,691</b>		<b>52,000</b>	<b>52,000</b>			

**Section I, Identification, General Information, and Certification**  
**Applicants**

Certificates of Good Standing for the applicants, IH Fox Valley OpCo, LLC and IH Fox Valley Owner, LLC are attached at Attachment – 1.



**To all to whom these Presents Shall Come, Greeting:**

*I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that*

IH FOX VALLEY OPCO, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON DECEMBER 29, 2015, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.

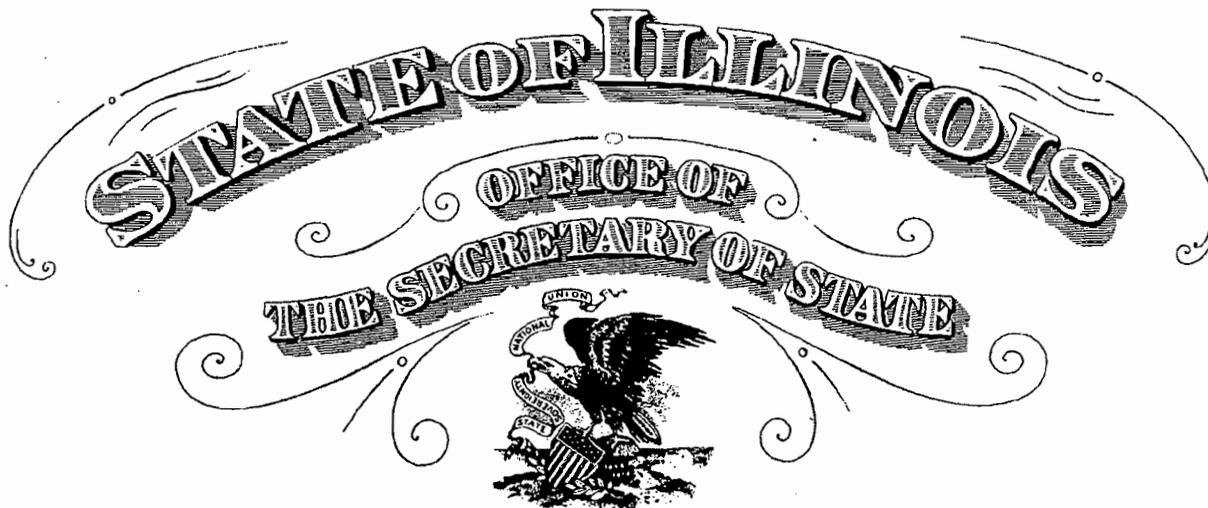
***In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 30TH day of DECEMBER A.D. 2015 .***



Authentication #: 1536402276 verifiable until 12/30/2016  
Authenticate at: <http://www.cyberdriveillinois.com>

*Jesse White*

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 I am the keeper of the records of the Department of Business Services. I certify that*

IH FOX VALLEY OWNER, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON DECEMBER 29, 2015, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANSACT BUSINESS 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 30TH day of DECEMBER A.D. 2015 .***



Authentication #: 1536402288 verifiable until 12/30/2016  
Authenticate at: <http://www.cyberdriveillinois.com>

*Jesse White*

SECRETARY OF STATE

**Section I, Identification, General Information, and Certification**  
**Site Ownership**

The Letter of Intent between IH Fox Valley OpCo, LLC and IH Fox Valley Owner, LLC to lease the facility at 4020-4090 E New York Street, Aurora, IL 60504 is attached at Attachment – 2.

**NON-BINDING REAL ESTATE LEASE LETTER OF INTENT**

December 22, 2015

Mr. Bradley S. Haber  
Manager  
Innovative Health, LLC  
6400 Shafer Court, Suite 600  
Rosemont, Illinois 60018

**Re: Letter of Intent – Transitional Care of Fox Valley Lease**

Dear Mr. Haber:

This Non-Binding Letter of Intent sets forth the material terms and conditions pursuant to which IH Fox Valley Owner, LLC (“Lessor”) is prepared to lease the skilled nursing facility located at 4020-4090 East New York Street, Aurora, Illinois (“Subject Property”) to IH Fox Valley OpCo, LLC (“Lessee”). This letter shall serve as a Non-Binding Letter of Intent to lease the Subject Property.

**Proposed Terms and Conditions**

- Space:** 38,045 gross square feet of clinical space and 13,955 gross square feet of non-clinical support space to be located at 4020-4090 East New York Street, Aurora, Illinois.
- Lease Term:** Initial term will be ten (10) years effective upon the later of the completion of construction or lessee occupancy. Lessor will grant Lessee two (2) renewal options each for a period of five (5) years.
- Lease Rate:** The lease rate will be based upon the full amortization of the capitalized costs to construct the skilled nursing facility with a reasonable rate of return. The anticipated costs to build the skilled nursing facility are projected to be \$15,903,691.
- Lease Contingency:** The lease shall be contingent upon Lessee’s receipt of a certificate of need permit for the establishment of a skilled nursing facility from the Illinois Health Facilities and Services Review Board.

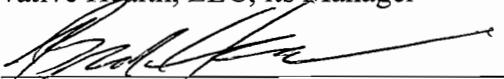
If the above terms and conditions are acceptable, please indicate your acceptance by executing a copy of this letter and returning it to me.

Sincerely,

IH FOX VALLEY OWNER, LLC

By: IHOP JV, LLC, its Managing Member

By: Innovative Health, LLC, its Manager

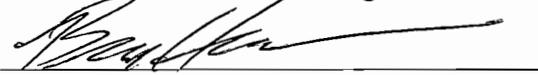
By:   
Bradley S. Haber  
Manager

AGREED TO AND ACCEPTED THIS 22nd DAY OF December, 2015:

**IH FOX VALLEY OPCO, LLC**

By: IHOP OpCo JV, LLC, its Managing Member

By: Innovative Health, LLC, its Manager

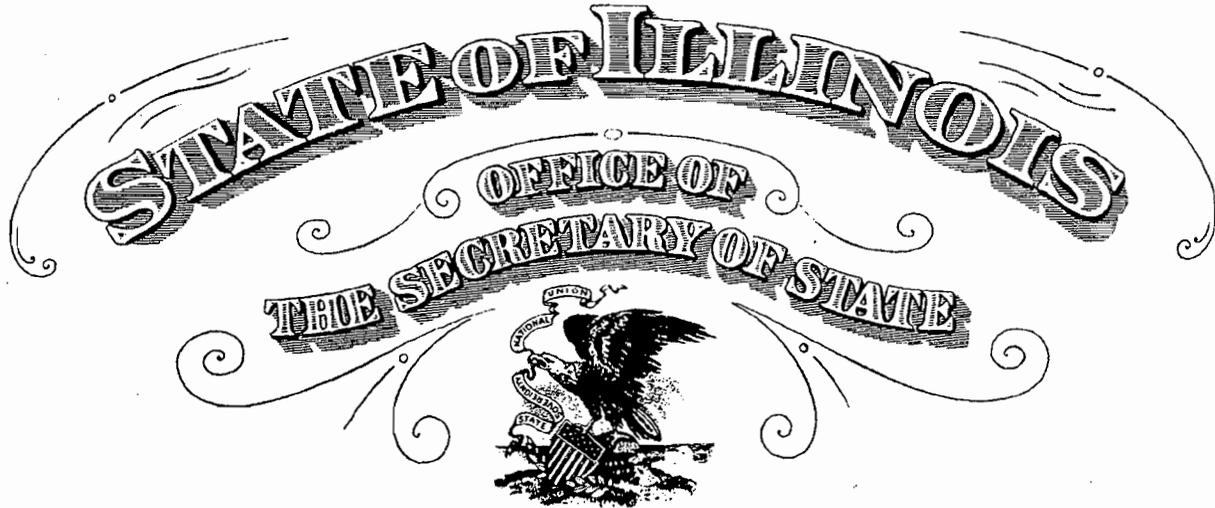
By:   
Bradley S. Haber  
Manager

**Section I, Identification, General Information, and Certification**  
**Operating Identity/Licensee**

A Certificate of Good Standing for, IH Fox Valley OpCo, LLC is attached at Attachment – 3.

The names and percentage of ownership of all persons with five percent or greater ownership in IH Fox Valley OpCo, LLC is listed below.

<b>NAME</b>	<b>OWNERSHIP INTEREST</b>
Jerry Williamson	41.31% indirect ownership interest
Horace Winchester	39.69% indirect ownership interest



**To all to whom these Presents Shall Come, Greeting:**

*I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that*

IH FOX VALLEY OPCO, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON DECEMBER 29, 2015, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANSACT BUSINESS 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 30TH day of DECEMBER A.D. 2015 .***



Authentication #: 1536402276 verifiable until 12/30/2016  
Authenticate at: <http://www.cyberdriveillinois.com>

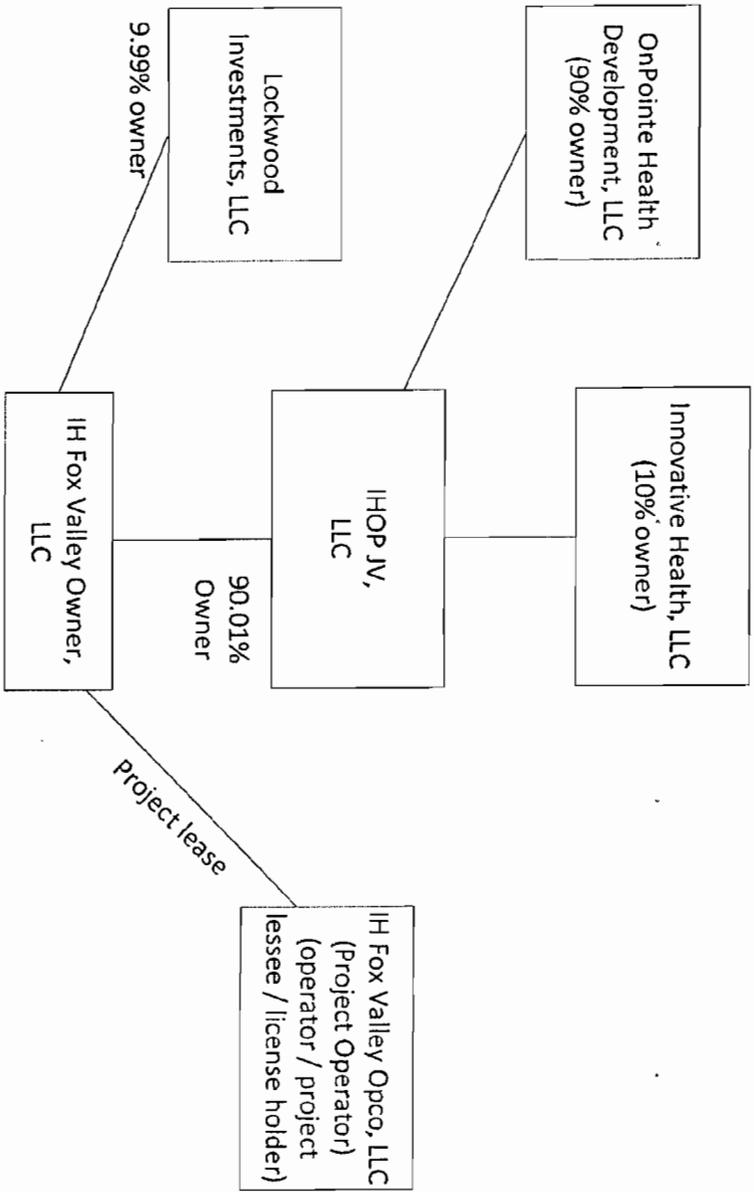
*Jesse White*

SECRETARY OF STATE

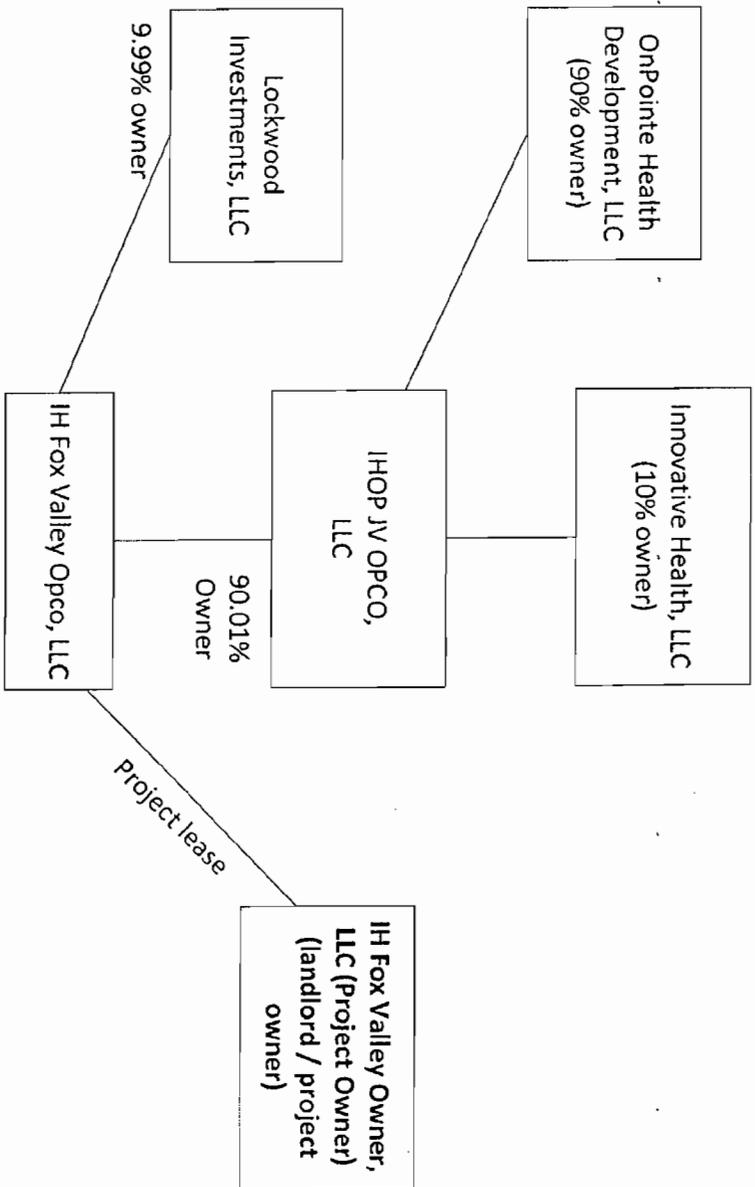
**Section I, Identification, General Information, and Certification**  
**Organizational Relationships**

The organizational chart for IH Fox Valley OpCo, LLC and IH Fox Valley Owner, LLC is attached at Attachment – 4.

TRANSITIONAL CARE OF FOX VALLEY  
 ORGANIZATIONAL CHART FOR  
 IH FOX VALLEY OWNER, LLC (PROJECT OWNER)

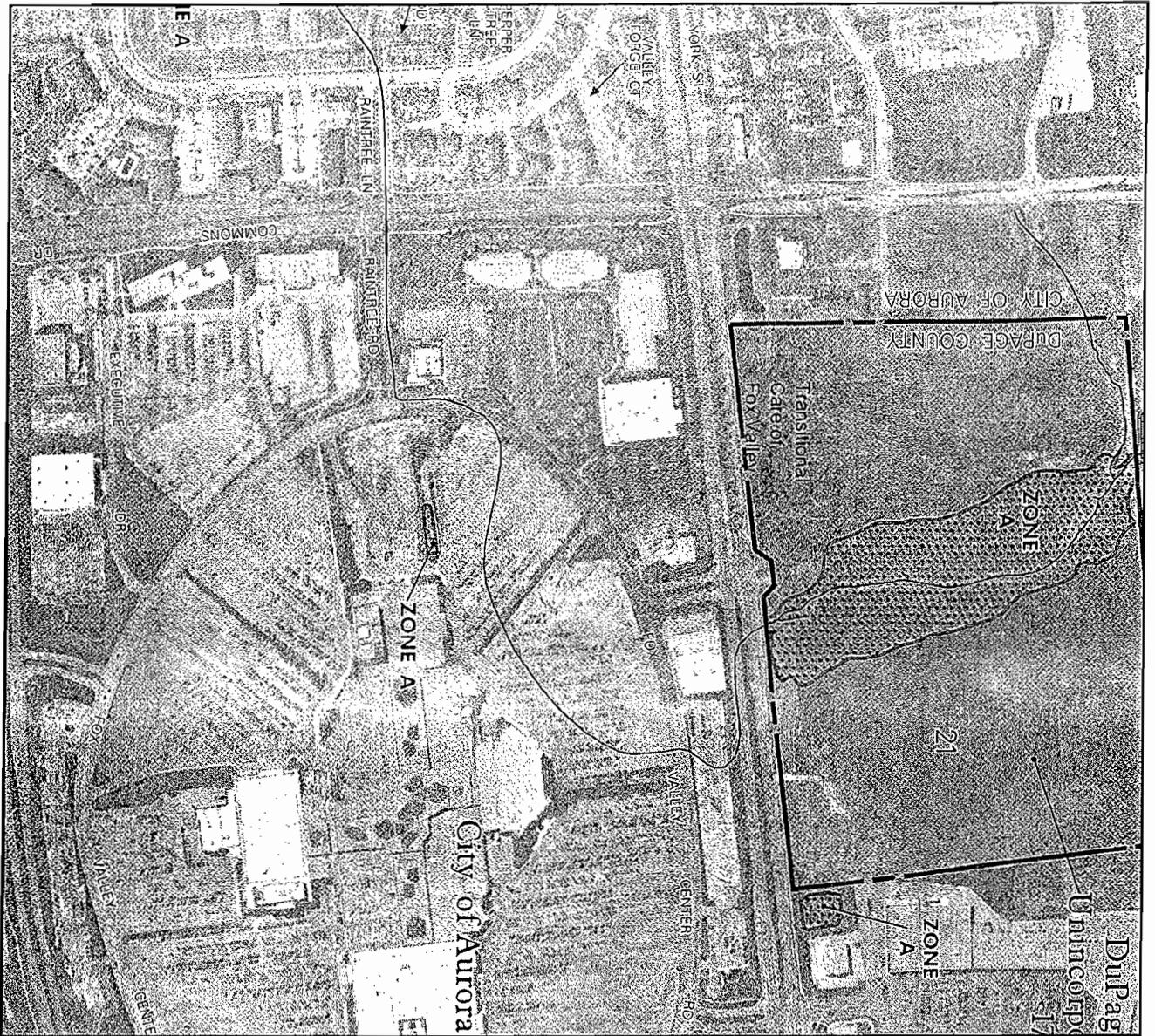


TRANSITIONAL CARE OF FOX VALLEY  
 ORGANIZATIONAL CHART FOR  
 IH FOX VALLEY OPSCO, LLC (PROJECT OPERATOR)

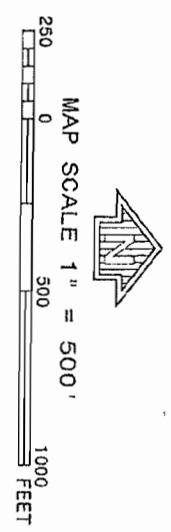


**Section I, Identification, General Information, and Certification**  
**Flood Plain Requirements**

The site of the proposed skilled nursing facility complies with the requirements of Illinois Executive Order #2005-5. The proposed skilled nursing facility will be located at 4020-4090 E New York Street, Aurora, IL 60504. As shown in the documentation from the FEMA Flood Map Service Center attached at Attachment – 5, the site of the proposed skilled nursing facility is located outside of the flood plain.



National Flood Insurance Program at 1-800-638-5620.



NATIONAL FLOOD INSURANCE PROGRAM

NFIP

FIRM

FLOOD INSURANCE RATE MAP

DUPAGE COUNTY,  
ILLINOIS

AND INCORPORATED AREAS

PANEL 0705 OF 1006

(SEE MAP INDEX FOR FIRM PANEL LAYOUT)

CONTAINS:	NUMBER	PANEL	SHEET
COMMUNITY	17043	0705	4
DUPAGE COUNTY	17043	0705	4

MAP NUMBER  
1704300705H

EFFECTIVE DATE  
DECEMBER 16, 2004

Federal Emergency Management Agency

Notice to User: This map number should be used when ordering maps. The community number above should be used on insurance applications for the subject community.

This is an official copy of a portion of the above referenced flood map. It was extracted using F.M.I.T. 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](http://www.msc.fema.gov)

**Section I, Identification, General Information, and Certification**  
**Historic Resources Preservation Act Requirements**

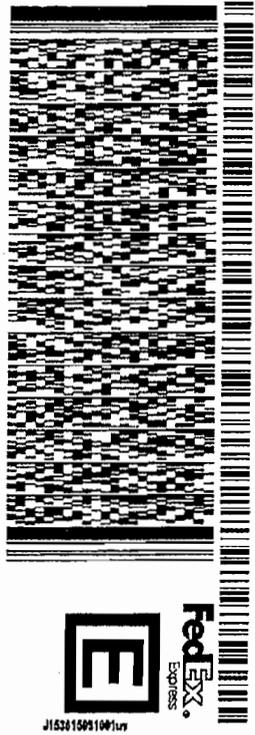
The applicants submitted a request for determination that the proposed location is compliant with the Historic Resources Preservation Act from the Illinois Historic Preservation Agency. A copy of this request is attached at Attachment – 6.

ORIGIN ID:CHIA (312) 819-1900  
OFFICE SERVICES  
POLSKINELLI PC  
161 N. CLARK STREET  
SUITE 4200  
CHICAGO, IL 60601  
UNITED STATES US

SHIP DATE: 23DEC15  
ACTMGT: 1 001B  
CAD: 9383503MNET3670  
BILL SENDER

TO  
**RACHEL LIEBOWITZ, PH.D.,**  
**IL HISTORIC PRESERVATION AGENCY**  
**PRESERVATION SERVICES DIVISION**  
**1 OLD STATE CAPITOL PLAZA**  
**SPRINGFIELD IL 62701**  
(217) 782-4836  
REF: 090275-509419  
PO. DEPT:

539J1113003100



TRK# 7752 8559 7362  
0201  
THU - 24 DEC 3:00P  
STANDARD OVERNIGHT

**NA SPIA**  
IL-US  
62701  
STL



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**Warning:** Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

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161 N. Clark Street, Suite 4200, Chicago, IL 60601-3316 • 312.819.1900

December 23, 2015

Anne M. Cooper  
(312) 873-3606  
(312) 276-4317 Direct Fax  
acooper@polsinelli.com

**Via Federal Express**

Rachel Liebowitz, Ph.D.  
Deputy State Historic Preservation Officer  
Preservation Services Division  
Illinois Historic Preservation Agency  
1 Old State Capitol Plaza  
Springfield, Illinois 62701

**Re:** Historic Preservation Act Determination – Transitional Care of Fox Valley

Dear Ms. Liebowitz:

This office represents Transitional Care of Fox Valley (“Requestor”). Pursuant to Section 4 of the Illinois State Agency Historic Resources Preservation Act, Requestor seeks a formal determination from the Illinois Historic Preservation Agency as to whether Requestor’s proposed project to establish a sixty-eight bed nursing facility located at 4020-4090 E New York Street, Aurora, IL 60504 (“Proposed Project”) affects historic resources.

**1. Project Description and Address**

The Requestor is seeking a certificate of need from the Illinois Health Facilities and Services Review Board to establish a nursing facility located at 4020-4090 E New York Street, Aurora, IL 60504. The Proposed Project will involve the construction of a new building.

**Topographical or Metropolitan Map**

A metropolitan map showing the location of the Proposed Project is attached at Attachment 1.

polsinelli.com

Atlanta Chicago Dallas Denver Kansas City Los Angeles New York Phoenix St. Louis San Francisco Washington, D.C. Wilmington  
Polsinelli PC, Polsinelli LLP in California

51901834.1



Ms. Rachel Liebowitz  
December 23, 2015  
Page 2

**2. Historic Architectural Resources Geographic Information System**

A map from the Historic Architectural Resources Geographic Information System is attached at Attachment 2. The property is not listed on the (i) National Register, (ii) within a local historic district, or (iii) within a local landmark.

**3. Photographs of Standing Buildings/Structure**

Photograph of the site of the proposed facility is attached at Attachment 3.

**4. Addresses for Buildings/Structures**

The Proposed Project is located at 4020-4090 E New York Street, Aurora, IL 60504.

Thank you for your time and consideration of our request for Historic Preservation Determination. If you have any questions or need any additional information, please feel free to contact me at 312-873-3606 or [acooper@polsinelli.com](mailto:acooper@polsinelli.com)

Sincerely,

A handwritten signature in cursive script that reads "Anne M. Cooper".

Anne M. Cooper

Attachments

ATTACHMENT 1



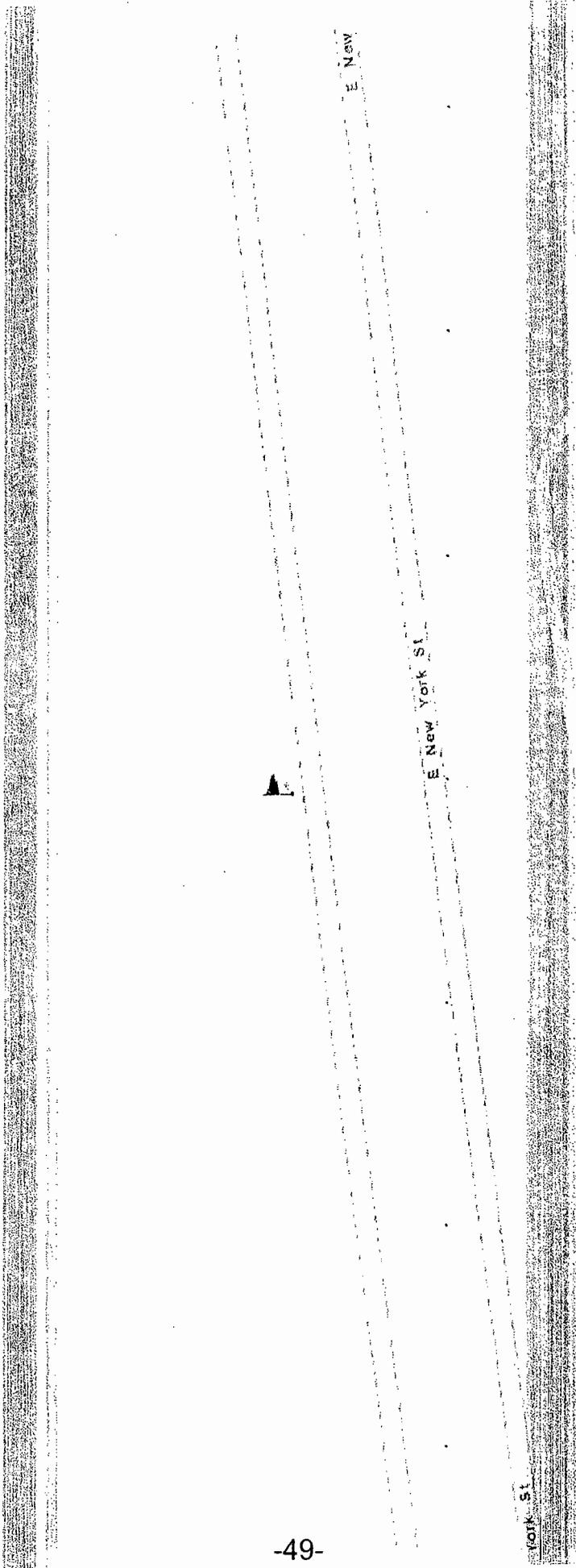
Map of:  
**Aurora, IL 60504**

Notes



©2015 MapQuest, Inc. Use of directions and maps is subject to the MapQuest Terms of Use. We make no guarantee of the accuracy of their content, road conditions or route usability. You assume all risk of use. [View Terms of Use](#)

ATTACHMENT 2



Top of US  
Westfield  
Fox Valley

Westfield  
Fox Valley

50 m

100 ft

ATTACHMENT 3

# E New York St

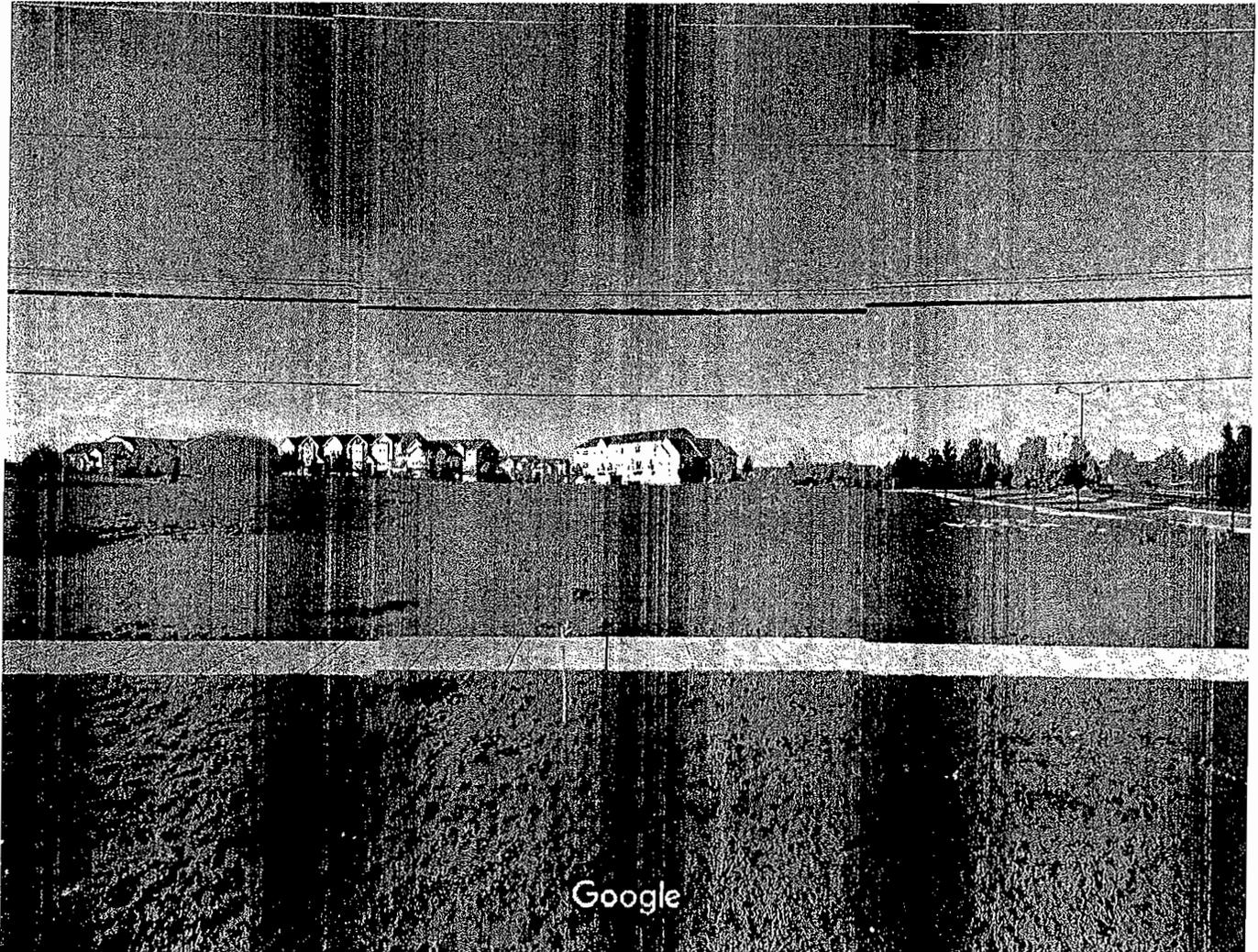


Image capture: Oct 2012 © 2015 Google

Aurora, Illinois

Street View - Oct 2012



Attachment - 6

**Section II, Purpose of the Project, and Alternatives.**  
**Criterion 1125.320(b), Purpose of Project**

Purpose of the Project

1. Transitional Care of Fox Valley is bringing skilled nursing facilities (SNFs) into a new realm in terms of:
  - Quality of care.
  - Acuity and coordination with other components of the healthcare delivery continuum.
  - Patient comfort, satisfaction and outcomes.

2. The market area is planning area 7-C also known as DuPageCounty Illinois. A map of the market area for the proposed facility is attached at Attachment – 10. The market area encompasses an approximate 30 mile radius around the proposed facility. The boundaries of the market area are as follows:

- North approximately 30 minutes normal travel time to Streamwood, Illinois
- Northeast approximately 30 minutes normal travel time to Glendale Heights, Illinois
- East approximately 30 minutes normal travel time to Burr Ridge, Illinois
- Southeast approximately 31 minutes normal travel time to Lockport, Illinois
- South approximately 30 minutes normal travel time to Shorewood, Illinois
- Southwest approximately 30 minutes normal travel time to Yorkville, Illinois
- West approximately 30 minutes normal travel time to Big Rock, Illinois
- Northwest approximately 30 minutes normal travel time to, St. Charles, Illinois

3. Existing problems that exist that will be addressed by the proposed project include:

Over the last 30 years a dramatic shift in the utilization of hospitals coupled with the aging of America has created growing demand for Quality post-acute care.

- Since 1980 the average length of stay ("ALOS") in a hospital for those over the age of 65 decreased from 10.7 days to 5.5 days. As a result of the shortened stays, patients are being discharged more quickly and with more intense post-acute care needs. This trend will continue as cost containment efforts are refined.
- Approximately 35% of the rapidly growing age 65+ population are admitted to a hospital each year.

YEAR	1990	2010	2020
65+ Population	30mm	40mm	54mm

- In 2009 SNF revenue for short-term stays (generally less than 30 days, paid for by insurers, managed care companies and Medicare) exceeded \$40 billion (28% of their total revenue). By 2018 expenditures on short-term SNF stays are projected to grow to \$60 billion (25%). Rehab Hospitals and Long Term Hospitals generate another \$15 billion in revenue as providers of post-acute care.

4. Sources of information for above:

Centers for Medicare & Medicaid Services

Attachment – 10

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

The Applicants focus on high acuity patients treated in coordination with hospital and physician partners. The delivery of care across the acute and post-acute settings will be highly coordinated and generate positive outcomes at a lower cost.

- Care: specialized clinical pathways working within the healthcare continuum to properly manage care for each patient.
- Physical plant: purpose-built, state-of-the-art transitional care centers that are differentiated from traditional skilled nursing facilities.
- Licensed as skilled nursing but with quality and service mix unlike existing SNFs.

The Applicants' delivery model will offer seamless, high quality post-acute care to patients that also benefits strategic partners (who control referrals and reimbursements) including:

- Hospitals: seek positive outcomes while managing capacity and reimbursement.
- Physicians: seek positive outcomes in a systematic manner enabling them to effectively manage and grow their practices.
- Payers: motivated to provide positive outcomes in a cost effective manner.

The Applicants' role in the healthcare continuum will be that of a post-acute "relief-valve" for all of its strategic partners; Transitional Care Management provides high acuity care ...

- At a lower cost than other settings (such as hospitals, rehab hospitals, or long term acute care hospitals) and
- In a more coordinated manner, located in a physical plant far more desirable than the typical skilled nursing facility.

The Applicants' role as the low-cost provider of high acuity post-acute services positions the Applicants to capitalize on efforts to reform healthcare; whether reform measures result in bundling, a single post-acute reimbursement system, or a managed care model, the Applicants will be poised for success.

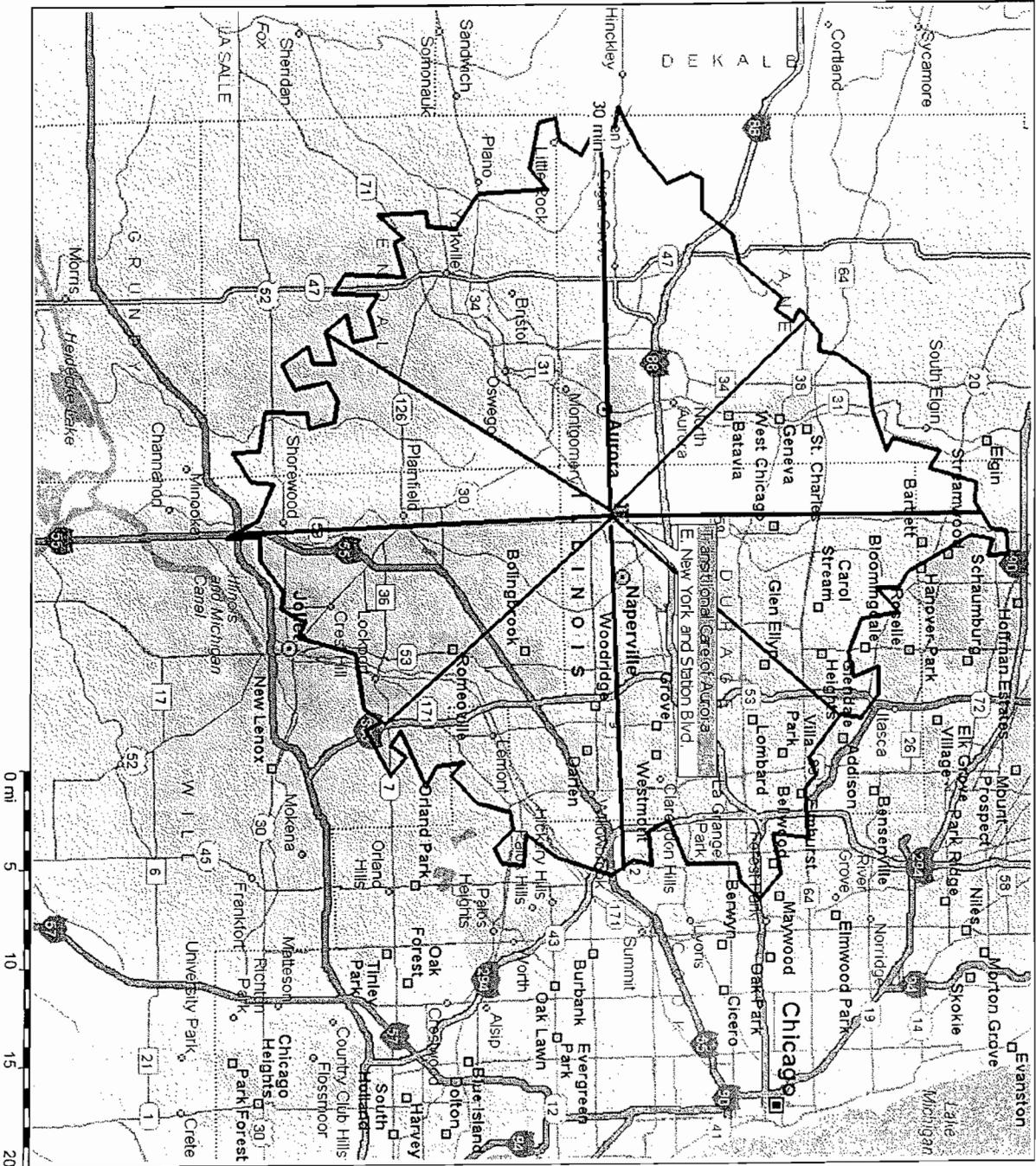
While select traditional skilled nursing facilities currently serve patients that may approach the acuity levels the Applicants contemplate, the Applicants will have competitive advantages relative to the traditional nursing home, including:

- State of the art physical plants with a rehab focus versus the traditional model that is dated (semi-private rooms, no in-room showers, limited therapy space/equipment) and combines a mix of high acuity patients with long term indigent patients.
- Strategic partnerships with hospitals and physicians enable Transitional Care Management to admit patients with higher care needs than the traditional SNF while still generating positive outcomes.
- High acuity focus does not require payers (Medicare, Managed Care, Private Insurance) to subsidize long term patients in the facility who are reimbursed by lesser payers.

6. Goals with measurable objectives and timeframes:

Annually serve 735 residents requiring skilled nursing and rehabilitative services and discharge to home by 2021.

Mappoint Aurora 30 minute drive time map



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 Certain mapping and direction data © 2009 NAVTEQ. All rights reserved. The Data for areas of Canada includes information taken with permission from Canadian authorities, including: © Her Majesty the Queen in Right of Canada. © Queen's Printer for Ontario. NAVTEQ and NAVTEQ ON BOARD are trademarks of NAVTEQ. © 2009 Tele Atlas and Tele Atlas North America, Inc. All rights reserved. Tele Atlas and Tele Atlas North America are trademarks of Tele Atlas, Inc. © 2009 by Applied Geographic Systems. All rights reserved.

**Section II, Purpose of the Project and Alternatives**  
**Criterion 1125.330; Alternatives to the Proposed Project**

Alternatives

**1. Purchase Existing Facility**

This option was rejected because there are no facilities currently offered for sale in Aurora, IL.

**2. Expand an Existing Facility**

This option was rejected because the applicant does not currently own a facility in the market area.

**3. Purchase or Lease a Building to Convert**

This option was rejected because there are no suitable buildings for the proposed program in existence in Fox Valley, and conversion cost of those buildings that are available would be prohibitive.

**4. Construct a New Facility**

The final option, to construct a new facility, is the option chosen. The proposed skilled nursing facility will be a one-story building containing 52,000 gross square feet. The facility will contain nearly all private skilled nursing rooms. The total project will be constructed for \$15,905,691. The facility will be built specifically for the intended population requiring transitional care. A new, purpose built facility will allow Transitional Care Management to accomplish the following:

- Deliver high quality transitional care in an efficient, coordinated manner;
- Deliver high quality rehabilitative care outside of traditional setting significantly reduces the cost of care in comparison to an acute care medical/surgical or acute care rehabilitation stay;
- Develop clinical pathways and have specialized staffing is especially beneficial to orthopedic groups that do a high volume of joint replacements.\*

\* In these relationships Transitional Care Management develops clinical pathways to address specific needs specified by physicians. These pathways result in cost effective care that is well coordinated and generates the best patient outcomes. The facility is designed to facilitate this innovative program.

**Section IV, Service Specific Review Criteria**  
**Criterion 1125.520; Background of the Applicant**

**Background of the Applicant**

1. Neither the Centers for Medicare and Medicaid Services nor the Illinois Department of Public Health ("IDPH") has taken any adverse action involving civil monetary penalties or restriction or termination of participation in the Medicare and Medicaid programs against any of the applicants, or against any Illinois health care facilities owned or operated by the Applicants, directly or indirectly, within three years preceding the filing of this application.
2. The Applicants have not previously owned or operated any health care facilities. Accordingly, this criterion is not applicable.
3. An authorization permitting the State Board and IDPH access to any documents necessary to verify information submitted, including but not limited to: official records of IDPH or other State agencies and the records of nationally recognized accreditation organizations is attached at Attachment – 12A.
4. The Applicant has not previously submitted an application for permit during this calendar year. Accordingly, this criterion is not applicable.

December 22, 2015

Kathryn Olsen  
Chair  
Illinois Health Facilities and Services Review Board  
525 West Jefferson Street, 2<sup>nd</sup> Floor  
Springfield, IL 62761

Dear Chair Olson:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 that no adverse actions as defined in 77 Ill. Admin. Code 1130.140 have been taken against IH Fox Valley Owner, LLC during the three year period prior to filing this application.

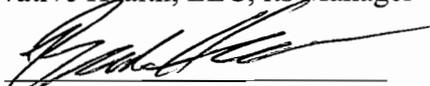
Additionally, pursuant to 77 Ill. Admin. Code § 1125.520(c)(3), I hereby authorize the Illinois Health Facilities and Services Review Board ("State Board") and the Illinois Department of Public Health ("IDPH") access to any documents necessary to verify information submitted as part of this application for permit. I further authorize the State Board and IDPH to obtain any additional information or documents from other government agencies which the State Board and IDPH deem pertinent to process this application for permit.

Sincerely,

IH FOX VALLEY OWNER, LLC

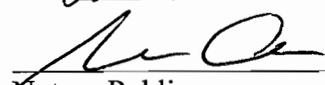
By: IHOP JV, LLC, its Managing Member

By: Innovative Health, LLC, its Manager

By:   
Name: Bradley S. Haber  
Title: Manager

Subscribed and sworn to me

This 22 day of Dec, 2015

  
Notary Public



December 22, 2015

Kathryn Olsen  
Chair  
Illinois Health Facilities and Services Review Board  
525 West Jefferson Street, 2<sup>nd</sup> Floor  
Springfield, IL 62761

Dear Chair Olson:

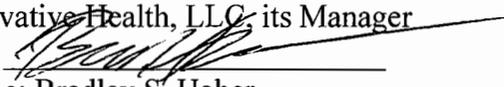
I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 that no adverse actions as defined in 77 Ill. Admin. Code 1130.140 have been taken against IH Fox Valley OpCo, LLC during the three year period prior to filing this application.

Additionally, pursuant to 77 Ill. Admin. Code § 1125.520(c)(3), I hereby authorize the Illinois Health Facilities and Services Review Board ("State Board") and the Illinois Department of Public Health ("IDPH") access to any documents necessary to verify information submitted as part of this application for permit. I further authorize the State Board and IDPH to obtain any additional information or documents from other government agencies which the State Board and IDPH deem pertinent to process this application for permit.

Sincerely,

IH FOX VALLEY OPCO, LLC

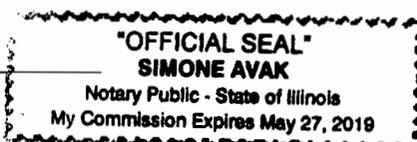
By: IHOP JV OPCO, LLC, its Managing Member

By: ~~Innovative Health, LLC, its Manager~~  
By:   
Name: Bradley S. Haber  
Title: Manager

Subscribed and sworn to me

This 22 day of Dec, 2015

  
Notary Public



**Section IV, Service Specific Review Criteria**  
**Criterion 1125.530; Planning Area Need**

1. According to the November 18, 2015 Long-Term Care Facility Updates, there is currently a need of 138 skilled nursing beds in Planning Area 7-C.
2. As indicated in the referral letters attached as Appendix – E, patient volume will be from residents of the area.
3. Attached at Appendix - E are letters from referral sources attesting to the number of prospective residents who have received care at existing long-term care facilities located in the area during the 12-month period prior to submission of this application.

**Section IV, Service Specific Review Criteria**

**Criterion 1125.540; Service Demand- Establishment of General Long-Term Care**

Attached at Appendix – E are letters from referral sources attesting to the number of prospective residents who have received care at existing long-term care facilities located in the area during the 12-month period prior to submission of this application.

**Section IV, Service Specific Review Criteria**  
**Criterion 1125.570; Service Accessibility**

The 68 beds established as part of the project are necessary for improving access to a particular type of patient requiring transitional care following a hospital stay. This service is not currently offered in the planning area.

**Section IV, Service Specific Review Criteria**  
**Criterion 1125.580; Unnecessary Duplication/Maldistribution**

**1. Unnecessary Duplication of Services**

- a. The proposed skilled nursing facility will be located at 4020-4090 E New York Street, Aurora, IL 60504. A map of the proposed facility's market area is attached at Attachment – 18A. A list of zip codes located, in total or in part, within 30 minutes normal travel time of the site of the proposed nursing facility as well as the 2010 census figures for each zip code is provided in Table 1125.580.

<b>Zip Code</b>	<b>City</b>	<b>Population</b>
60538	Montgomery	26,619
60504	Aurora	53,013
60542	Aurora	17,099
60539	Mooseheart	341
60543	Oswego	36,156
60503	Aurora	16,717
60505	Aurora	76,573
60519	Eola	88
60502	Aurora	21,873
60510	Batavia	28,897
60544	Plainfield	25,959
60446	Romeoville	39,807
60585	Plainfield	22,311
60564	Naperville	41,312
60504	Aurora	37,919
60555	Warrenville	13,538
60563	Naperville	35,922
60540	Naperville	42,910
60490	Bolingbrook	20,463
60565	Naperville	40,524
60440	Bolingbrook	52,911
60532	Lisle	27,066
60441	Lockport	36,869
60491	Home Glen	22,743
60517	Woodridge	32,038
60515	Downers Grove	27,503
60516	Downers Grove	29,084
60559	Westmont	24,852

<b>Table 1125.580</b>		
<b>Population of Zip Codes within 30 Minutes of Proposed Facility</b>		
<b>Zip Code</b>	<b>City</b>	<b>Population</b>
60511	Big Rock	1793
60512	Bristol	1111
60554	Sugar Grove	11796
60134	Geneva	28565
60174	Campton Hills	30752
60404	Shorewood	17395
60586	Plainfield	46251
60431	Joliet	22577
60435	Joliet	48899
60403	Crest Hill	17529
60439	Lemont	22919
60561	Darien	23115
60527	Burr Ridge	27486
60514	Clarendon Hills	9708
60521	Oak Brook	17597
60558	Western Springs	12960
60185	West Chicago	36527
60190	Winfield	10663
60184	Wayne	2448
60103	Bartlett	41928
60189	Wheaton	30471
60187	Wheaton	29016
60188	Carol Stream	42656
60139	Glendale Heights	64381
60107	Streamwood	39927
60137	Glen Ellyn	37805
60148	Lombard	51468
60523	Oak Brook	9890
60181	Oakbrook Terrace	28836
60162	Hillside	8111
60163	Berkeley	5209
60154	Westchester	16773
60104	Bellwood	19038
<b>Total</b>		<b>1,613,965</b>

- b. A list of existing and approved skilled nursing facilities located within 30 minutes normal travel time of the proposed skilled nursing facility is provided as Attachment – 18B.

2. **Maldistribution of Services**

The proposed skilled nursing facility will not result in a maldistribution of services. A maldistribution exists when an identified area has excess supply of facilities, beds and services characterized by such factors as, but not limited to: (1) ratio of beds to population exceeds one and one-half times the State Average; (2) historical utilization for existing facilities and services is below the HFSRB's utilization standard; or (3) insufficient population to provide the volume or caseload necessary to utilize the services proposed by the project at or above utilization standards. As discussed more fully below, the ratio of beds to population in the geographic service area is 52% of the State average, and the average utilization of existing skilled nursing facilities within the GSA is 80%. Accordingly, the proposed skilled nursing facility will not result in a maldistribution of services.

a. Ratio of Beds to Population

As shown in Table 1110.1430(d)(2)(A) the ratio of beds to population is 52% of the State Average.

	<b>Population</b>	<b>Beds</b>	<b>Beds to Population</b>	<b>Standard Met?</b>
Geographic Service Area	1,613,965	6,549	1:246	Yes
State	12,830,632	100,377	1:128	

b. Historic Utilization of Existing Facilities

There are 40 skilled nursing facilities within 30 minutes of the proposed Transitional Care of Fox Valley; collectively these facilities were operating at 80% as of December 31, 2014.

c. Sufficient Population to Achieve Target Utilization

The Applicants propose to establish a 68 bed skilled nursing facility. To achieve the HFSRB's 90% utilization standard within the first two years after project completion, the Applicants would need 734 patient referrals. Accordingly, there is sufficient population to achieve target utilization.

3. **Impact to Other Area Providers**

Transitional Care of Fox Valley will provide highly specialized rehabilitation care to patients requiring transitional care following a hospital stay. No existing skilled nursing facility in the area provides the level of care proposed by the Applicants. Accordingly, Transitional Care of Fox Valley will not lower utilization of other area providers below the HFSRB's occupancy standards or will not lower, to a further extent, the utilization of other area facilities that are currently operating below the occupancy standards.



Facility Name	Location	City	Zip Code	Distance	Drive Time	Adjusted Drive Time	Skilled Beds	Total Patient Days	Utilization
St. Patrick's Residence	1400 Brookdale Road	Naperville	60563	2.97	5.00	5.75	206	70,722	94%
Manor Care Of Naperville	200 Martin Avenue	Naperville	60540	3.66	6.00	6.90	118	25,836	60%
Community Nursing & Rehab Ctr	1136 North Mill Street	Naperville	60563	4.40	7.00	8.05	153	42,199	76%
Taber Hills Health Care Fac	1347 Crystal Avenue	Naperville	60563	4.02	7.00	8.05	192	62,759	90%
Alden Of Waterford	2021 Randt Drive	Aurora	60504	4.28	8.00	9.20	99	27,224	75%
Meadowbrook Manor-Naperville	720 Raymond Drive	Naperville	60563	4.83	8.00	9.20	245	85,156	95%
The Grove Of Fox Valley	1601 North Farnsworth Avenue	Aurora	60505	5.60	10.00	11.50	158	34,967	61%
Tiller's Nsg & Rehab Ctr, The	4930 Route 71	Oswego	60543	6.98	11.00	12.65	90	33,022	101%
Alden Estates Of Naperville	1525 South Oxford Lane	Naperville	60565	6.22	11.00	12.65	203	53,678	72%
Jennings Terrace	275 South Lassalle	Aurora	60505	5.78	12.00	13.80	163	44,193	74%
Brookdale Plaza Lisle	1800 Robin Lane	Lisle	60532	7.37	13.00	14.95	55	16,928	84%
Presence Mcauley Manor	400 West Sullivan Road	Aurora	60504	7.64	14.00	16.10	87	19,457	61%
Elmwood Terrace Healthcare Ctr	1017 West Galena	Aurora	60506	6.72	14.00	16.10	68	21,103	85%
Du Page Convalescent Center	400 N County Farm Rd	Wheaton	60187	10.26	17.00	19.55	368	117,889	88%
Wynscape	2180 Manchester Rd.	Wheaton	60187	10.00	17.00	19.55	209	41,952	55%
Countryside Care Centre	2330 West Galena Blvd	Aurora	60506	8.69	18.00	20.70	203	68,283	92%
Lakewood Nsg & Rehab Center	14716 South Eastern Avenue	Plainfield	60544	11.27	18.00	20.70	131	42,049	88%
Beacon Hill	2400 South Finley Road	Lombard	60148	14.56	18.00	20.70	110	37,868	94%
Meadowbrook Manor	431 West Remington Boulevard	Bolingbrook	60490	11.60	19.00	21.85	298	99,616	92%
Providence Downers Grove	3450 Saratoga Avenue	Downers Grove	60515	15.21	19.00	21.85	145	29,168	55%
Wheaton Care Center	1325 Manchester Road	Wheaton	60187	10.88	19.00	21.85	123	41,984	94%
Bria Of Geneva	1101 East State Street	Geneva	60134	12.21	20.00	23.00	203	47,496	64%
Wood Glen Nursing & Rehab Ctr	30 West 300 North Avenue	West Chicago	60185	12.27	20.00	23.00	213	62,443	80%
Lexington Hlth Cr Ctr-Lombard	2100 South Finley Road	Lombard	60148	15.29	20.00	23.00	224	65,136	80%
Oak Brook Healthcare Centre	2013 Midwest Road	Oakbrook	60523	17.04	22.00	23.00	156	41,873	74%
Covenant Hlth Cr Ctr-Batavia	831 North Batavia Avenue	Batavia	60510	13.99	22.00	25.30	99	31,325	87%
Lexington Of Elmhurst	420 West Butterfield Road	Elmhurst	60126	18.52	22.00	26.45	145	40,248	76%
Oak Trace	250 Village Drive	Downers Grove	60516	13.61	23.00	26.45	232	49,305	58%
Windsor Park Manor	110 Windsor Park Drive	Carol Stream	60188	16.63	23.00	26.45	80	23,501	80%
Manorcare Of Westmont	512 East Ogden Avenue	Westmont	60599	16.48	24.00	27.60	155	40,965	72%
Manorcare Of Hinsdale	600 West Ogden Avenue	Hinsdale	60521	19.17	24.00	27.60	202	62,196	84%
Park Place Christian Community	1150 Euclid Avenue	Elmhurst	60126	20.38	24.00	27.60	37	12,333	91%
Rosewood Care Ctr St. Charles	850 Dunham Road	St. Charles	60174	15.10	25.00	28.75	109	33,080	83%
Rosewood Care Center of Joliet	3401 Hennepin Drive	Joliet	60431	15.22	25.00	28.75	120	32,798	75%
Bria of Westmont	6501 S Cass Ave	Westmont	60559	14.77	25.00	28.75	215	67,061	86%
Westchester Health & Rehab Ctr	2901 South Wolf Road	Westchester	60154	21.06	25.00	28.75	120	42,238	95%
Presence Villa Scalabrini N&R	480 North Wolf Road	Northlake	60164	20.85	25.00	28.75	253	81,117	88%
Hillside Rehab & Care Center	1308 Game Farm Road	Yorkville	60560	15.38	26.00	29.90	79	18,936	66%
Burgess Square Healthcare Ctr	5801 South Cass Avenue	Westmont	60599	14.91	26.00	29.90	203	53,155	72%
Alden Valley Ridge Rehab & Hcc	275 East Army Trail Road	Bloomingtondale	60108	22.59	26.00	29.90	207	67,439	89%
Oakridge Healthcare Center	323 Oakridge Avenue	Hillside	60162	21.57	26.00	29.90	73	21,889	82%
<b>Total</b>							<b>6549</b>	<b>1,910,587</b>	<b>80%</b>

**Section IV, Service Specific Review Criteria**  
**Criterion 1125.590; Staffing Availability**

Transitional Care of Fox Valley will be staffed in accordance with all State and Medicare staffing requirements.

Staffing for Transitional Care of Fox Valley will be as follows:

Administrator	1.00 FTE
RN	16.25 FTEs
LPN	6.53 FTEs
CAN	24.18 FTEs
Case Managers	1.00 FTE
Medical Records	1.00 FTE
Therapy Director	1.00 FTE
PT	3.60 FTEs
PTA	4.50 FTEs
Rehab Aides	1.80 FTEs
OTR	2.70 FTEs
COTA	3.60 FTEs
Speech	1.80 FTEs
Unit Secretary	1.00 FTE
DON	1.00 FTE
ADON	1.00 FTE
Education Specialist	1.00 FTE
Food Service Director	1.00 FTE
Food Service Supervisor	1.00 FTE
Cooks	2.00 FTEs
Dining Aides and Dishwashers	3.05 FTEs
Activity Program Director	2.00 FTEs
Activity Assistant	1.00 FTE
Environmental Director	1.00 FTE
Driver	1.00 FTE
Housekeepers	3.25 FTEs
Laundry	1.50 FTEs
Maintenance Technician	1.00 FTE
Social Service	1.00 FTE
Social Service Aide	.50 FTE
Billing Clerk	--
Office Manager	1.00 FTE
Human Resources	1.00 FTE
Admissions	1.00 FTE
Receptionists	1.50 FTEs
<b>TOTAL</b>	<b>96.76 FTEs</b>

**Section IV, Service Specific Review Criteria**  
**Criterion 1125.600; Bed Capacity**

The maximum bed capacity of a general long-term care facility is 250 beds. The bed capacity for the proposed Transitional Care of Fox Valley is 68 beds. Accordingly, this criterion is met.

**Section IV, Service Specific Review Criteria**  
**Criterion 1125.610; Community Related Functions**

Attached at Attachment – 21 are letters from individuals and community groups from Aurora and the surrounding areas endorsing the establishment of the proposed Transitional Care of Fox Valley.

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- An alternative to institutional, rehabilitative care for an increasing number of patients who are leaving hospitals "sicker and quicker" these days
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- A specialized focus on post-hospitalization, short-term rehabilitation
- Higher nurse staffing ratios than traditional nursing home care that translate to better response times, higher patient satisfaction and better over-all care.
- Taxes that further support our community
- Care for all residents including Medicaid recipients
- Coordination with area physician/hospitals to offer top quality rehabilitative care
- Primarily private rooms with private baths
- Comfortable accommodations for patients, family and guests
- Thoughtful conveniences to minimize disruption and offer patient privacy
- A hotel/spa-like feel, amenities and other features that help promote comfort, healing and overall wellbeing.

Transitional Care is a trend that is happening across the country, and I believe it is an innovation whose time has come for Illinois. For these reasons I support the development of Transitional Care of Fox Valley.

Name:

*Melody Stinson*

Address:

*202 Northampton Drive  
Opwega, IL 60543*

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Name: Marilynn Corvenka

Address: 24552 Canton Ct Naperville, IL 60564

Marilynn J Corvenka

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Name: Kristi Caswick

Address: 707 Violet Circle  
Naperville IL 60540

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Name: Lori Jones

Address: 577 Woodland Way  
Oshtemo, IL 60543

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Name: Carson Hess

Address: 5011 Valley Lane Apt 301 Streamwood

IL 60107

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Name:

Sue Ann - Eric Reiner

Address:

868 Riding Ln

St Charles IL 60174

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Name: Rein WA

Address: 467 Waubesa

Oswego IL 60543

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Name: \_\_\_\_\_

Address: \_\_\_\_\_

467 Waukegan Circle

Oswego IL 60543 630-885-3007

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Name: Craig Watson  
Address: 202 NORTHAMPTON DRIVE  
Oswego, IL 60543

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Name: Kelly Butto  
Address: 1184 Betsy Ross  
Bolingbrook IL 60490

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Name:

Alexandra B. G. R.

Address:

1184 Betsy Ross

Bolingbrook IL 60490

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Name: Abby M Butto

Address: 1184 Betsy Ross Place

Bolingbrook IL, 60490

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Name: Donald W. Cervenka

Address: 24552 Stanton Ct.  
Naperville, Ill. 60564

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Name:

Beverly Ecton Strasser

Address:

1322 Souders Avenue

Elburn IL 60119

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Name: Lisa Palese

Address: 335 West Wilson Street

Batavia, IL 00510

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Name: Kim Braun

Address: 325 Judith Ct

Oswego IL 60543

**Section IV, Service Specific Review Criteria**  
**Criterion 1125.620; Project Size**

Size of Project

1. The Applicants propose to establish a 68-bed skilled facility. Pursuant to Section 1125, Appendix A of the HFSRB's rules, the State standard is 435-713 gross square feet per skilled nursing bed for a total of 29,580 – 48,484 gross square feet for 68 skilled nursing beds. The total gross square footage of the clinical space of the proposed Transitional Care of Fox Valley is 38,045 gross square feet (or 559.48 GSF per skilled nursing bed). Accordingly, the proposed facility meets the State standard per skilled nursing bed.
2. The gross square footage is in line with the BGSF standards in Appendix B.

**SIZE OF PROJECT**

<b>DEPARTMENT/SERVICE</b>	<b>PROPOSED BGSF/DGSF</b>	<b>STATE STANDARD</b>	<b>DIFFERENCE</b>	<b>MET STANDARD?</b>
General Long-Term Care	559 BGSF/Bed	435-713 BGSF/Bed	N/A	Yes

**Section IV, Service Specific Review Criteria**  
**Criterion 1125.630; Zoning**

Attached at Attachment – 23 is a letter from the City of Aurora confirming zoning approval for the site.



# City of Aurora

Planning and Zoning Division  
Development Services Department

Mailing Address: 44 E. Downer Place • Aurora, IL 60507-2067  
Office Location: 1 S. Broadway • Aurora, IL 60505  
Phone: (630) 256-3080 • Fax (630) 256-3089

Stephane A. Phifer, AICP  
Director

December 30, 2015

Mr. Brad Haber  
Innovative Health Care  
6400 Shafer Court, Suite 600  
Rosemont, Illinois 60018

Dear Mr. Haber:

As the Zoning Administrator for the City of Aurora, I hereby affirm that the location of the proposed Transitional Care Facility at the Northwest Corner of East New York Street and Station Boulevard is permissible subject to a Special Use Permit under the provisions of the Aurora Zoning Ordinance Section 8.3-4.2.

Sincerely,

Edward T. Sieben  
Zoning Administrator

**Section IV, Service Specific Review Criteria**  
**Criterion 1125.640: Assurances**

Attached at Attachment – 24 is a letter from IH Fox Valley OpCo, LLC, certifying that the proposed facility will achieve target utilization by the second year of operation.

December 22, 2015

Kathryn Olsen  
Chair  
Illinois Health Facilities and Services Review Board  
525 West Jefferson Street, 2<sup>nd</sup> Floor  
Springfield, IL 62761

**Re: Establishment of Facility Assurances**

Dear Chair Olson:

Pursuant to 77 Ill. Admin Code § 1125.640 (a), I hereby certify the following:

By the second year of operation after the project completion, Transitional Care of Fox Valley expects to achieve and maintain the occupancy standards specified in Section 1125.210(c) of the Board's rules for the long term care category of service.

Sincerely,

IH FOX VALLEY OPCO, LLC

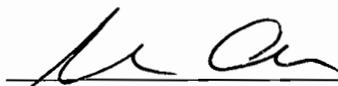
By: IHOP JV OPCO, LLC, its Managing Member

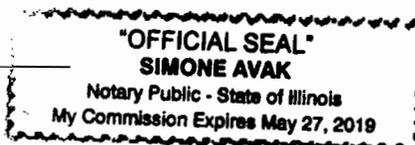
By: Innovative Health, LLC, its Manager

By:   
Name: Bradley S. Haber  
Title: Manager

Subscribed and sworn to me

This 22 day of Dec, 2015

  
Notary Public



**Section V, Financial and Economic Feasibility Review**  
**Criterion 1125.800; Estimated Total Project Costs**

**Availability of Funds**

1. Attached at Attachment - 27A is financing proposed form Capital Funding, LLC to finance a portion of the project with a HUD insured mortgage.
2. Attached at Attachment – 27B. is the Letter of Intent between IH Fox Valley Owner, LLC and IH Fox Valley OpCo, LLC to lease the facility at 4020-4090 E New York Street, Aurora, IL 60504.

# CAPITAL FUNDING, LLC



December 22, 2015

Mr. Brad Haber  
IH Fox Valley Owner, LLC  
6400 Shafer Court, Suite 600  
Rosemont, IL 60018

Re: Transitional Care Center of Fox Valley

Dear Mr. Haber:

This proposal has been prepared to provide financing utilizing mortgage insurance issued by the United States Department of Housing and Urban Development ("HUD") through Section 232 of the National Housing Act for the proposed 68-bed skilled nursing facility known as Transitional Care Center of Fox Valley ("Project"). Notwithstanding the foregoing, the following term sheet structure is offered for discussion purposes, is subject to credit committee approval, and is not a commitment to lend. Capital Funding, LLC is hereafter referred to as Lender.

The terms and conditions discussed herein are non-binding and subject to change upon full underwriting of the loan request. Any future commitment to lend on this Project will first be subject to receipt of the required certificate of need, full underwriting and due diligence by Lender and approval by Lender; therefore, the terms and conditions below should not be construed as a binding obligation.

Oral agreements or commitments to loan money, extend credit or to forebear from enforcing repayment of a debt including promises to extend or renew such debt are not enforceable, regardless of the legal theory upon which it is based that is in any way related to the credit agreement. To protect you (Borrower(s)) and us (Lender) from misunderstanding or disappointment, any agreements we reach covering such matters are contained in this writing, which is the complete and exclusive statement of the agreement between us, except as we may later agree in writing to modify it.

The proposed terms are as follows:

<b>Borrower:</b>	IH Fox Valley Owner, LLC
<b>Loan Amount:</b>	An amount equal to the lesser of: <ul style="list-style-type: none"><li>• 90% of HUD-approved construction costs</li><li>• 80% of HUD-approved appraised 'as-stabilized' value</li></ul> The loan amount is estimated to be approximately \$14,200,000.

<b>Purpose:</b>	The Loan shall be for the purpose of constructing a 68-bed skilled nursing facility known as Transitional Care Center of Fox Valley.
<b>Construction Loan Term:</b>	Estimated to be 18 Months following initial endorsement of the credit instrument by FHA within which time final endorsement of the credit instrument by FHA shall be accomplished by the Mortgagor, subject to extensions consented to by FHA.
<b>Permanent Loan Term:</b>	40 Years or other term approved by HUD from the first payment of principal or other terms as set forth in the FHA Commitment.
<b>Interest Rate:</b>	Fixed Rate to be determined based on market conditions. Under market conditions as of December 22, 2015 the interest rate is approximately 4.50%.
<b>Mortgage Insurance Premium:</b>	0.77% on the outstanding balance paid monthly.
<b>Recourse:</b>	Non-recourse.
<b>Fees:</b>	<ul style="list-style-type: none"> <li>A. Application fee of 0.30% of the total loan amount.</li> <li>B. Mortgage Banker Fee of 1.50% of the total loan amount.</li> <li>C. First year's Mortgage Insurance Premium equal to 0.77% of the total loan amount is paid to HUD from mortgage proceeds.</li> <li>D. GNMA Placement Fees of \$5,000.</li> </ul>
<b>Pre-payment:</b>	Market pre-payment terms available and negotiated at the time of rate lock.
<b>Collateral:</b>	The Insured Loan shall be evidenced and secured by (1) a first mortgage lien on the land and improvements now and hereafter acquired or constructed thereon, (2) a chattel mortgage or security agreement creating a first mortgage lien on the furnishings and equipment to be located at the Project, and (3) the endorsement by FHA of the Insured Loan. The Insured Loan shall also be secured by a lien on the Project operator's; tangible and intangible personal property (including, but not limited to, cash and deposit accounts); to the extent assignable under applicable law, licenses, certificates, permits and other governmental approval necessary and required to operate the Project; the books and records of the Project; and accounts receivable. A Deposit Account Control Agreement will be required from the operator.

<b>Loan to Value:</b>	Not to exceed 80% (including funding of reserves and closing costs).
<b>SPE Provision:</b>	The Borrower and Operator will each be a single purpose entity.
<b>Appraisal:</b>	Project shall be appraised by an appraiser approved by Lender and such appraisal must be accepted by Lender (appraisal fees to be paid by Borrower).
<b>No Other Encumbrances:</b>	Borrower will not, without prior written consent of Lender and HUD, create, place or permit to be created or placed, or allow to remain any deed of trust, mortgage, voluntary or involuntary lien, security interest, encumbrance or charge against or covering the Project, or any part thereof, regardless of whether the same are expressly or otherwise subordinate to the lien or security interest created in Lender's deed of trust or mortgage. Borrower will cause any of such encumbrances that arise outside of the ordinary course of business and without the prior written consent of Lender to be promptly discharged and released.
<b>Zoning:</b>	Borrower will provide acceptable evidence that the Project is zoned for the intended use.
<b>Skilled Nursing Facility State Requirements:</b>	It is the Lender's understanding that a Certificate of Need is required by the state of Illinois. The Borrower will provide acceptable evidence that all required document/permits have been obtained to operate a skilled nursing facility.
<b>Title Insurance:</b>	Lender requires an ALTA lender's extended coverage title insurance commitment from a company acceptable to Lender ("Title Company") insuring Lender for the Loan Amount, evidencing Borrower's title to the Collateral and showing Lender's lien on the Project is or will be upon recordation of a valid first lien.
<b>Plans/Specs:</b>	A complete set of final working plans, including drawings, specifications, details and manuals, for the Project ("Plans"). Borrower represents and warrants that the Plans shall be in full accordance with all applicable statutes, law, ordinances, regulations and requirements of all governmental agencies including HUD having jurisdiction over the Project, including without limitation the Americans With Disabilities Act and any other statues, laws, ordinances, regulations and requirements dealing with access to real estate properties by persons with disabilities. All specialized drawings shall be signed by licensed engineers of the respective disciplines normally responsible for such drawings.

<b>Contractors:</b>	A list of all contractors, subcontractors and materialmen to be employed in connection with the Project. Said list shall provide a name and telephone number, a general description of the nature of the work to be performed, and an approximate dollar value of the services or material to be provided. Lender is hereby authorized to confirm this information.
<b>Permits:</b>	Copies of all permits required for each phase of the construction of the Project. Written confirmation from the suppliers including but not limited to water, storm and sanitary sewer, gas, electric and telephone utilities for the Project.
<b>Budget:</b>	A detailed budget showing a schedule of the estimated construction costs and the estimated timing of disbursements. Lender is hereby authorized to confirm this transaction.
<b>Insurance</b>	During the Construction Period, evidence the Project is covered by a Lender-approved construction policy (builder's risk policy) in an amount satisfactory to Lender and showing Lender and HUD as Loss Payee. Borrower shall also provide evidence that all appropriate contractors have Lender-required insurance.
<b>Survey:</b>	An ALTA survey (at Borrower's expense) showing that the Project, if constructed in accordance with the plans and specifications provided, shall lie wholly within the boundaries of the property described on Lender's deed of trust or mortgage without encroachment or violation of any zoning ordinances, building codes or regulations, or setback requirements. This survey must show the complete legal description and zoning of the Project.
<b>Environmental:</b>	A HUD-compliant report is required, which shall (a) be prepared by a qualified environmental engineer or consultant satisfactory to Lender, (b) be satisfactory in form and substance to Lender, (c) identify and evaluate any "recognized environmental condition" associated with the Project, (d) evaluate current and past uses of the Project and the Land.
<b>Flood Insurance:</b>	Should the Project at any time prior to the Closing Date or during the term of the Loan be deemed to be located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, Borrower agrees to obtain and maintain federal flood insurance, if available, for the full unpaid principal balance of the Loan and any prior lines on the collateral, up to the maximum policy limits set forth under the National Flood Insurance Program, or as otherwise required by Lender. Flood insurance may be purchased under the national Flood Insurance Program or from

	private insurers; however, the amount of insurance must be approved by Lender. To the extent HUD deems any potential flood hazard to be a critical action, HUD may choose not to insure the loan.
<b>Change Orders:</b>	Borrower will fund into escrow 100% of the value of all change orders.
<b>Disbursements on Loan:</b>	Disbursements shall be made through Capital Funding, LLC. Updated title insurance endorsements insuring Lender against mechanics liens will be obtained with each disbursement. Borrower agrees to pay all fees and expenses related to these services, to the extent not funded through the mortgage.
<b>Additional Requirements:</b>	Other due diligence information may be required. Borrower shall provide all due diligence items reasonably requested by Lender and HUD; and all due diligence shall be subject to the approval of Lender in Lender's sole discretion. Approval of all due diligence, all Loan Documents, and all documentation associated with any other source of funding for the Project, shall be approved by Lender. Lender or HUD may require additional information to fully underwrite and approve the loan, and may change any conditions listed herein at its full discretion.

The Insured Loan will be made by Lender only upon compliance with each of the following conditions:

1. The Borrower shall have complied with all of the requirements of the FHA Commitment, the requirements of HUD's attorneys, and applicable FHA regulations and all of the requirements of Lender pursuant to this term sheet.
2. Lender shall have approved in its sole discretion the title company, bonding company, insurance companies and all loan documents, instruments, agreements, leases, organizational documents of Borrower and Operator entities, letters of credit, title, hazard insurance, malpractice and property policies, and such other documents required by FHA and Lender in connection with the financing transaction contemplated by this term sheet, which approval shall not be unreasonably withheld. Copies of such proposed documentation shall be submitted to Lender and its special counsel for review at least three weeks prior to the scheduled date of the FHA Endorsement.
3. All costs and expenses in connection with the financing transactions contemplated by this term sheet shall be paid by the Borrower or other party assuming liability for the payment thereof, including but not limited to: Third Party Reports (independent appraisal, property inspection and architectural and cost review, environmental assessment, feasibility and/or market study); the fees and expenses

of the special counsel in the transaction; recording costs; title company charges; survey charges; Borrower's legal fees. To the extent possible, these fees will be included in the mortgage and credited against any equity requirement or refunded at the closing.

4. This term sheet is contingent upon receipt of acceptable full market study performed by market analyst to be determined by Lender. Additionally, valuation will be driven by reconciliation to market comparables on per-day revenue rates as well as expense comparables. If market study or expense calculations, in Lender's opinion, does not support the project or underwriting, this term sheet will be modified as Lender deems appropriate, and can be terminated by Borrower with no penalties of fee payment obligations.

On or prior to the date of the FHA Endorsement, the Borrower shall have presented to Lender duly executed copies of its resolutions authorizing the Insured Loan transaction and all authorizations and approvals of governmental or quasi-governmental bodies which shall be required by law to consummate the transaction contemplated by this term sheet, in each case in form and substance satisfactory to Lender and the special counsel.

As a requirement for proper organization and planning, a member of Lender's staff shall be present whenever you meet with an FHA representative concerning the loan application. In addition, all correspondence from FHA should be cleared through Lender's office before transmittal of a reply. Copies of statements required of the sponsor and file copies of all correspondence between the Borrower and FHA shall be furnished to Lender's office.

Capital Funding Group ("CFG") is a leading provider of full-service, comprehensive financing solutions for multifamily properties and healthcare facilities across the country. Through the CFG family of companies, CFG offers bridge loans, HUD loans, commercial banking, working capital lending, purchase/leasebacks, spend management, investment advisory services and more.

Thank you for this opportunity. If you have any questions regarding the above, please do not hesitate to let me know.

Sincerely,



Karen Becker  
Vice President

Accepted and Acknowledged,



Brad Haber

**NON-BINDING REAL ESTATE LEASE LETTER OF INTENT**

December 22, 2015

Mr. Bradley S. Haber  
Manager  
Innovative Health, LLC  
6400 Shafer Court, Suite 600  
Rosemont, Illinois 60018

**Re: Letter of Intent – Transitional Care of Fox Valley Lease**

Dear Mr. Haber:

This Non-Binding Letter of Intent sets forth the material terms and conditions pursuant to which IH Fox Valley Owner, LLC (“Lessor”) is prepared to lease the skilled nursing facility located at 4020-4090 East New York Street, Aurora, Illinois (“Subject Property”) to IH Fox Valley OpCo, LLC (“Lessee”). This letter shall serve as a Non-Binding Letter of Intent to lease the Subject Property.

**Proposed Terms and Conditions**

- Space:** 38,045 gross square feet of clinical space and 13,955 gross square feet of non-clinical support space to be located at 4020-4090 East New York Street, Aurora, Illinois.
- Lease Term:** Initial term will be ten (10) years effective upon the later of the completion of construction or lessee occupancy. Lessor will grant Lessee two (2) renewal options each for a period of five (5) years.
- Lease Rate:** The lease rate will be based upon the full amortization of the capitalized costs to construct the skilled nursing facility with a reasonable rate of return. The anticipated costs to build the skilled nursing facility are projected to be \$15,903,691.
- Lease Contingency:** The lease shall be contingent upon Lessee’s receipt of a certificate of need permit for the establishment of a skilled nursing facility from the Illinois Health Facilities and Services Review Board.

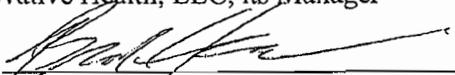
If the above terms and conditions are acceptable, please indicate your acceptance by executing a copy of this letter and returning it to me.

Sincerely,

IH FOX VALLEY OWNER, LLC

By: IHOP JV, LLC, its Managing Member

By: Innovative Health, LLC, its Manager

By: 

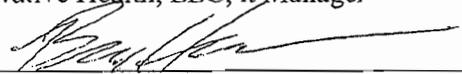
Bradley S. Haber  
Manager

AGREED TO AND ACCEPTED THIS 22nd DAY OF December, 2015:

**IH FOX VALLEY OPCO, LLC**

By: IHOP OpCo JV, LLC, its Managing Member

By: Innovative Health, LLC, it Manager

By: 

Bradley S. Haber  
Manager

**Section V, Financial and Economic Feasibility Review**  
**Criterion 1120.130 – Financial Viability**

1. Pro forma financial statements for the first three fiscal years after the project completion are attached at Attachment – 29.
2. Financial viability worksheets for the first three years after project completion are attached at Attachment – 29.

Aurora 68 beds  
Statement of Income - Pro Forma  
For Years 1 - 3

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Year Tot. 1	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19		
<b>INCOME</b>																						
Total Room and Board	\$ 37,820	\$ 48,160	\$ 144,460	\$ 316,200	\$ 524,520	\$ 699,000	\$ 847,650	\$ 878,950	\$ 972,000	\$ 1,095,912	\$ 1,000,560	\$ 1,095,912	\$ 7,721,244	\$ 1,095,912	\$ 989,856	\$ 1,095,912	\$ 1,060,560	\$ 1,095,912	\$ 1,060,560	\$ 1,095,912	\$ 1,095,912	
Medicare B Net of Contribution Allowance	\$ 37,820	\$ 48,160	\$ 144,460	\$ 316,200	\$ 524,520	\$ 699,000	\$ 847,650	\$ 878,950	\$ 972,000	\$ 1,095,912	\$ 1,000,560	\$ 1,095,912	\$ 7,721,244	\$ 1,095,912	\$ 989,856	\$ 1,095,912	\$ 1,060,560	\$ 1,095,912	\$ 1,060,560	\$ 1,095,912	\$ 1,095,912	
<b>TOTAL INCOME</b>	\$ 75,640	\$ 96,320	\$ 288,920	\$ 632,400	\$ 1,049,040	\$ 1,398,000	\$ 1,695,300	\$ 1,757,900	\$ 1,944,000	\$ 2,191,824	\$ 2,001,120	\$ 2,191,824	\$ 15,442,488	\$ 2,191,824	\$ 1,979,712	\$ 2,191,824	\$ 2,121,120	\$ 2,191,824	\$ 2,121,120	\$ 2,191,824	\$ 2,191,824	
<b>OPERATING EXPENSES:</b>																						
Nursing	\$ 65,960	\$ 82,932	\$ 123,971	\$ 191,914	\$ 280,640	\$ 343,725	\$ 415,200	\$ 424,812	\$ 471,052	\$ 504,284	\$ 498,468	\$ 504,284	\$ 3,916,608	\$ 504,284	\$ 454,815	\$ 522,284	\$ 486,468	\$ 504,284	\$ 486,468	\$ 504,284	\$ 504,284	
Admission	4,674	5,776	5,674	9,493	9,962	9,683	9,952	9,952	9,683	9,952	9,683	9,952	104,121	9,952	9,144	9,952	9,683	9,952	9,683	9,952	9,952	
Social Service	5,211	4,707	7,342	7,144	7,383	7,383	7,383	7,383	7,144	7,383	7,144	7,383	62,791	7,383	6,668	7,383	7,144	7,383	7,144	7,383	7,383	
Diets	21,442	19,864	28,102	29,855	40,935	42,006	45,078	46,209	46,954	50,711	50,711	52,335	476,600	52,335	47,463	52,335	50,711	52,335	50,711	52,335	52,335	
Laundry and Linen	1,978	1,768	1,978	2,680	4,452	4,350	4,452	4,452	4,350	4,452	4,350	4,452	43,800	4,452	4,176	4,452	4,350	4,452	4,350	4,452	4,452	
Housekeeping	5,278	4,864	5,278	8,140	10,556	10,280	10,556	13,408	13,408	13,408	13,408	13,408	119,256	13,408	12,964	13,408	13,408	13,408	13,408	13,408	13,408	
Plant and Maintenance	24,955	24,524	24,955	14,812	26,280	26,094	26,280	26,280	26,094	26,280	26,094	26,280	308,520	26,280	23,771	26,280	26,094	26,280	26,094	26,280	26,280	
Sales and Marketing	32,100	11,330	12,100	11,643	11,643	11,643	12,100	12,100	11,843	12,100	11,843	12,100	145,400	12,100	11,330	12,100	11,843	12,100	11,843	12,100	12,100	
Human Resources and Employee Bep	38,772	42,813	49,957	54,868	62,741	65,620	72,604	73,565	77,319	78,075	82,055	84,075	782,532	77,582	71,871	77,582	75,611	77,582	75,611	77,582	77,582	
General and Administrative	78,250	75,101	98,915	90,999	95,577	97,263	101,368	107,012	107,088	111,000	108,751	121,020	1,181,883	122,055	115,628	117,055	108,372	108,372	108,372	108,372	108,372	
<b>TOTAL OPERATING EXPENSES</b>	\$ 272,847	\$ 273,324	\$ 344,210	\$ 429,137	\$ 550,064	\$ 618,487	\$ 705,626	\$ 724,981	\$ 774,197	\$ 819,288	\$ 822,249	\$ 838,288	\$ 7,159,789	\$ 822,249	\$ 798,881	\$ 822,830	\$ 791,347	\$ 814,330	\$ 791,347	\$ 814,330	\$ 814,330	
<b>NET OPERATING INCOME OR (LOSS)</b>	\$ (197,207)	\$ (177,004)	\$ (155,290)	\$ (216,937)	\$ (501,024)	\$ (719,487)	\$ (136,326)	\$ (147,081)	\$ (172,197)	\$ (127,464)	\$ (121,129)	\$ (146,464)	\$ (638,545)	\$ (127,464)	\$ (209,169)	\$ (230,958)	\$ (269,227)	\$ (261,582)	\$ (269,227)	\$ (261,582)	\$ (261,582)	\$ (261,582)
Management Fees	1,891	2,000	7,213	15,910	20,220	34,950	42,393	43,943	40,000	54,796	53,026	54,796	306,002	54,796	49,453	54,796	53,026	54,796	53,026	54,796	54,796	
Real Estate Taxes	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	200,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	
Real Estate Tax (Net of Receipts)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>EBITDA</b>	\$ (185,316)	\$ (175,004)	\$ (148,077)	\$ (198,027)	\$ (719,487)	\$ (684,537)	\$ (136,326)	\$ (147,081)	\$ (172,197)	\$ (127,464)	\$ (121,129)	\$ (146,464)	\$ (638,545)	\$ (127,464)	\$ (209,169)	\$ (230,958)	\$ (269,227)	\$ (261,582)	\$ (269,227)	\$ (261,582)	\$ (261,582)	
Depreciation	493,626	514,151	519,936	471,074	471,074	471,074	471,074	471,074	471,074	471,074	471,074	471,074	4,710,740	471,074	471,074	471,074	471,074	471,074	471,074	471,074	471,074	
<b>CAPITAL EXPENSES</b>	\$ 308,310	\$ 339,151	\$ 339,059	\$ 277,000	\$ 200,410	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	
Rent	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	
Order Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Depreciation	6,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	
Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>TOTAL CAPITAL EXPENSES</b>	\$ 71,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	
<b>NET INCOME OR (LOSS)</b>	\$ (332,318)	\$ (317,004)	\$ (203,033)	\$ (218,747)	\$ (442,377)	\$ (644,447)	\$ (136,326)	\$ (147,081)	\$ (172,197)	\$ (127,464)	\$ (121,129)	\$ (146,464)	\$ (638,545)	\$ (127,464)	\$ (209,169)	\$ (230,958)	\$ (269,227)	\$ (261,582)	\$ (269,227)	\$ (261,582)	\$ (261,582)	

	Month 20	Month 21	Month 22	Month 23	Month 24	Total Yr. A	Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36	Total Yr. B	
<b>INCOME</b>																				
Tailor Room and Board	\$ 1,095,912	\$ 1,060,560	\$ 1,095,912	\$ 1,050,560	\$ 1,065,912	\$ 12,903,480	\$ 1,095,912	\$ 989,856	\$ 1,065,912	\$ 1,060,560	\$ 1,095,912	\$ 1,060,560	\$ 1,095,912	\$ 1,095,912	\$ 1,060,560	\$ 1,095,912	\$ 1,060,560	\$ 1,095,912	\$ 1,095,912	\$ 12,903,480
Medicare B Ins of Connecticut Allowan																				
<b>TOTAL INCOME</b>	\$ 1,095,912	\$ 1,060,560	\$ 1,095,912	\$ 1,050,560	\$ 1,065,912	\$ 12,903,480	\$ 1,095,912	\$ 989,856	\$ 1,065,912	\$ 1,060,560	\$ 1,095,912	\$ 1,060,560	\$ 1,095,912	\$ 1,095,912	\$ 1,060,560	\$ 1,095,912	\$ 1,060,560	\$ 1,095,912	\$ 1,095,912	\$ 12,903,480
<b>OPERATING EXPENSES:</b>																				
Nursing	\$ 502,284	\$ 496,448	\$ 502,284	\$ 496,448	\$ 502,284	\$ 5,916,836	\$ 502,284	\$ 484,895	\$ 502,284	\$ 486,448	\$ 502,284	\$ 486,448	\$ 502,284	\$ 502,284	\$ 486,448	\$ 502,284	\$ 486,448	\$ 502,284	\$ 502,284	\$ 5,916,836
Activities	9,452	9,893	9,952	9,613	9,853	117,542	9,124	9,952	9,952	9,893	9,952	9,893	9,952	9,952	9,893	9,952	9,893	9,952	9,952	117,542
Social Service	7,383	7,144	7,383	7,144	7,383	86,923	7,383	6,668	7,383	7,144	7,383	7,144	7,383	7,383	7,144	7,383	7,144	7,383	7,383	86,923
Delivery	52,335	50,711	52,335	50,711	52,335	616,849	52,335	47,643	52,335	50,711	52,335	50,711	52,335	52,335	50,711	52,335	50,711	52,335	52,335	616,849
Laundry and Linen	4,452	4,385	4,452	4,396	4,452	52,780	4,452	4,176	4,452	4,396	4,452	4,396	4,452	4,452	4,396	4,452	4,396	4,452	4,452	52,780
Housekeeping	13,408	13,040	13,408	13,040	13,408	158,320	13,408	12,864	13,408	13,040	13,408	13,040	13,408	13,408	13,040	13,408	13,040	13,408	13,408	158,320
Plant and Maintenance	26,280	26,094	26,280	26,094	26,280	314,058	26,280	25,771	26,280	26,094	26,280	26,094	26,280	26,280	26,094	26,280	26,094	26,280	26,280	314,058
Sales and Marketing	12,100	11,843	12,100	11,843	12,100	143,400	12,100	11,330	12,100	11,843	12,100	11,843	12,100	12,100	11,843	12,100	11,843	12,100	12,100	143,400
Hurch Resources and Employee Ben.	77,582	75,611	77,582	75,611	77,582	929,188	77,582	71,671	77,582	75,611	77,582	75,611	77,582	77,582	75,611	77,582	75,611	77,582	77,582	929,188
General and Administrative	108,555	106,373	108,555	106,373	108,555	1,332,885	122,055	115,508	122,055	106,373	108,555	106,373	108,555	108,555	106,373	108,555	106,373	108,555	108,555	1,332,885
<b>TOTAL OPERATING EXPENSES</b>	\$ 814,330	\$ 797,347	\$ 814,330	\$ 797,347	\$ 814,330	\$ 9,666,581	\$ 827,830	\$ 792,881	\$ 814,330	\$ 797,347	\$ 814,330	\$ 797,347	\$ 814,330	\$ 814,330	\$ 797,347	\$ 814,330	\$ 797,347	\$ 814,330	\$ 814,330	\$ 9,666,581
<b>NET OPERATING INCOME OR (LOSS)</b>	\$ 281,582	\$ 263,213	\$ 281,582	\$ 253,213	\$ 253,582	\$ 3,236,899	\$ 268,082	\$ 200,975	\$ 273,582	\$ 263,213	\$ 281,582	\$ 263,213	\$ 281,582	\$ 281,582	\$ 263,213	\$ 281,582	\$ 263,213	\$ 281,582	\$ 281,582	\$ 3,236,899
Management Fees	54,796	53,028	54,796	53,028	54,796	645,174	54,796	48,443	54,796	53,028	54,796	53,028	54,796	54,796	53,028	54,796	53,028	54,796	54,796	645,174
Real Estate Taxes	20,000	20,000	20,000	20,000	20,000	240,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	240,000
Real Estate Tax/Medicaid Recapture																				
<b>EBITDA</b>	\$ 206,786	\$ 190,185	\$ 206,786	\$ 180,185	\$ 180,286	\$ 2,349,725	\$ 193,286	\$ 161,483	\$ 180,185	\$ 196,185	\$ 206,786	\$ 180,185	\$ 206,786	\$ 206,786	\$ 180,185	\$ 206,786	\$ 180,185	\$ 206,786	\$ 206,786	\$ 2,349,725
Depreciation	18,9%	18,5%	18,9%	17,9%	17,4%	18,2%	17,6%	16,3%	18,1%	16,5%	18,9%	16,5%	18,9%	18,9%	16,5%	18,9%	16,5%	18,9%	18,9%	18,2%
Amortization	5,000	5,000	5,000	5,000	5,000	60,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
<b>NET INCOME OR (LOSS)</b>	\$ 135,786	\$ 125,185	\$ 135,786	\$ 120,185	\$ 120,286	\$ 1,589,725	\$ 123,286	\$ 91,433	\$ 125,185	\$ 136,786	\$ 136,786	\$ 120,185	\$ 136,786	\$ 136,786	\$ 120,185	\$ 136,786	\$ 120,185	\$ 136,786	\$ 136,786	\$ 1,589,725

Aurora 68 bits  
Balance Sheet - Pro-Forma  
For Years 1 - 3

Account	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Month 13	Month 14	Month 15	Month 15	Month 17	Month 18	Month 19	
<b>Assets</b>																				
<b>Current Assets</b>																				
Cash - Operating	\$ 307,466	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000
AR - Operations	37,820	86,980	211,530	464,740	912,950	1,381,620	1,839,110	2,076,200	2,274,775	2,507,337	2,642,472	2,704,428	2,722,104	2,633,724	2,651,400	2,686,752	2,704,428	2,686,752	2,704,428	2,704,428
Prepaid Insurance	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	39,000	20,000	10,000	46,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
<b>Total Current Assets</b>	<b>\$ 385,286</b>	<b>\$ 250,980</b>	<b>\$ 376,530</b>	<b>\$ 649,740</b>	<b>\$ 1,077,950</b>	<b>\$ 1,546,620</b>	<b>\$ 1,974,110</b>	<b>\$ 2,241,200</b>	<b>\$ 2,439,775</b>	<b>\$ 2,652,337</b>	<b>\$ 2,787,472</b>	<b>\$ 2,839,428</b>	<b>\$ 2,887,104</b>	<b>\$ 2,798,724</b>	<b>\$ 2,816,400</b>	<b>\$ 2,816,400</b>	<b>\$ 2,869,428</b>	<b>\$ 2,851,752</b>	<b>\$ 2,851,752</b>	<b>\$ 2,869,428</b>
<b>Total Assets</b>	<b>\$ 385,286</b>	<b>\$ 250,980</b>	<b>\$ 376,530</b>	<b>\$ 649,740</b>	<b>\$ 1,077,950</b>	<b>\$ 1,546,620</b>	<b>\$ 1,974,110</b>	<b>\$ 2,241,200</b>	<b>\$ 2,439,775</b>	<b>\$ 2,661,337</b>	<b>\$ 2,787,472</b>	<b>\$ 2,839,428</b>	<b>\$ 2,887,104</b>	<b>\$ 2,798,724</b>	<b>\$ 2,816,400</b>	<b>\$ 2,816,400</b>	<b>\$ 2,869,428</b>	<b>\$ 2,851,752</b>	<b>\$ 2,851,752</b>	<b>\$ 2,869,428</b>
<b>Liabilities and Equity</b>																				
<b>Current Liabilities</b>																				
Accounts Payable	\$ 98,710	\$ 58,198	\$ 124,489	\$ 174,633	\$ 234,308	\$ 284,935	\$ 329,159	\$ 339,613	\$ 365,699	\$ 403,692	\$ 382,800	\$ 400,000	\$ 416,692	\$ 385,717	\$ 411,692	\$ 382,800	\$ 403,692	\$ 385,717	\$ 411,692	\$ 403,692
Accrued Wages	84,641	76,508	100,570	115,918	145,993	151,385	174,582	179,888	190,472	194,071	193,877	193,877	193,877	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Accrued Expenses	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Accrued Debt Taxes	3,255	6,365	13,000	3,878	8,451	13,000	5,513	11,402	15,000	6,642	13,070	20,000	12,641	6,428	6,428	6,428	6,428	6,428	6,428	6,428
Accrued RE Taxes	20,000	40,000	60,000	80,000	100,000	120,000	140,000	160,000	180,000	200,000	220,000	240,000	20,000	40,000	60,000	80,000	100,000	120,000	140,000	160,000
Line of Credit						967,134	1,266,377	1,453,240	1,592,243	1,759,136	1,849,730	1,893,100	1,805,473	1,843,607	1,843,607	1,855,890	1,853,102	1,860,726	1,853,102	1,853,102
<b>Total Current Liabilities</b>	<b>\$ 217,606</b>	<b>\$ 236,071</b>	<b>\$ 300,059</b>	<b>\$ 388,419</b>	<b>\$ 503,750</b>	<b>\$ 1,541,664</b>	<b>\$ 1,831,631</b>	<b>\$ 2,159,145</b>	<b>\$ 2,344,404</b>	<b>\$ 2,574,747</b>	<b>\$ 2,679,211</b>	<b>\$ 2,746,989</b>	<b>\$ 2,571,405</b>	<b>\$ 2,471,647</b>	<b>\$ 2,537,348</b>	<b>\$ 2,537,348</b>	<b>\$ 2,587,360</b>	<b>\$ 2,565,686</b>	<b>\$ 2,565,686</b>	<b>\$ 2,587,360</b>
<b>Long Term Liabilities</b>																				
Due to Parent Company	\$ 500,000	\$ 864,799	\$ 1,027,584	\$ 1,439,981	\$ 1,889,229	\$ 1,361,632	\$ 1,389,134	\$ 1,408,784	\$ 1,362,697	\$ 1,229,288	\$ 1,128,676	\$ 997,948	\$ 1,111,300	\$ 1,016,895	\$ 936,659	\$ 714,360	\$ 550,329	\$ 429,442	\$ 293,796	\$ 293,796
<b>Total Liabilities</b>	<b>\$ 717,606</b>	<b>\$ 900,870</b>	<b>\$ 1,327,643</b>	<b>\$ 1,819,400</b>	<b>\$ 2,389,979</b>	<b>\$ 2,903,296</b>	<b>\$ 3,320,765</b>	<b>\$ 3,567,929</b>	<b>\$ 3,707,301</b>	<b>\$ 3,796,035</b>	<b>\$ 3,807,887</b>	<b>\$ 3,744,915</b>	<b>\$ 3,686,405</b>	<b>\$ 3,488,542</b>	<b>\$ 3,360,296</b>	<b>\$ 3,251,748</b>	<b>\$ 3,167,989</b>	<b>\$ 3,024,128</b>	<b>\$ 3,024,128</b>	<b>\$ 3,024,128</b>
<b>Equity</b>																				
Retained Earnings																				
Current Earnings	\$ 322,313	\$ 649,800	\$ 950,913	\$ 1,169,660	\$ 1,312,030	\$ 1,356,477	\$ 1,346,655	\$ 1,376,728	\$ 1,267,629	\$ 1,135,698	\$ 1,020,415	\$ 904,587	\$ 804,587	\$ 714,769	\$ 643,055	\$ 469,240	\$ 304,587	\$ 194,587	\$ 904,587	\$ 904,587
Total Equity	\$ 322,313	\$ 649,800	\$ 950,913	\$ 1,169,660	\$ 1,312,030	\$ 1,356,477	\$ 1,346,655	\$ 1,376,728	\$ 1,267,629	\$ 1,135,698	\$ 1,020,415	\$ 904,587	\$ 804,587	\$ 714,769	\$ 643,055	\$ 469,240	\$ 304,587	\$ 194,587	\$ 904,587	\$ 904,587
<b>Total Liabilities and Equity</b>	<b>\$ 385,286</b>	<b>\$ 250,980</b>	<b>\$ 376,530</b>	<b>\$ 649,740</b>	<b>\$ 1,077,950</b>	<b>\$ 1,546,620</b>	<b>\$ 1,974,110</b>	<b>\$ 2,241,200</b>	<b>\$ 2,439,775</b>	<b>\$ 2,661,337</b>	<b>\$ 2,787,472</b>	<b>\$ 2,839,428</b>	<b>\$ 2,887,104</b>	<b>\$ 2,798,724</b>	<b>\$ 2,816,400</b>	<b>\$ 2,816,400</b>	<b>\$ 2,869,428</b>	<b>\$ 2,851,752</b>	<b>\$ 2,851,752</b>	<b>\$ 2,869,428</b>

	Month 20	Month 21	Month 22	Month 23	Month 24	Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36
<b>Assets</b>																	
<b>Current Assets</b>																	
Cash	\$ 126,000	\$ 115,300	\$ 126,000	\$ 135,000	\$ 135,000	\$ 135,000	\$ 135,000	\$ 135,000	\$ 135,000	\$ 135,000	\$ 135,000	\$ 135,000	\$ 135,000	\$ 135,000	\$ 135,000	\$ 135,000	\$ 135,000
Accounts Receivable	2,722,104	2,714,423	2,704,428	2,686,752	2,722,104	2,633,724	2,633,724	2,633,724	2,651,400	2,704,426	2,722,104	2,704,428	2,722,104	2,722,104	2,722,104	2,722,104	2,722,104
Prepaid Insurance	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Total Current Assets	\$2,887,104	\$2,869,723	\$2,869,728	\$2,881,752	\$2,881,752	\$2,801,104	\$2,798,724	\$2,798,724	\$2,816,400	\$2,869,726	\$2,881,752	\$2,869,728	\$2,881,752	\$2,881,752	\$2,881,752	\$2,881,752	\$2,881,752
<b>Total Assets</b>	\$2,887,104	\$2,869,728	\$2,869,728	\$2,881,752	\$2,881,752	\$2,801,104	\$2,798,724	\$2,798,724	\$2,816,400	\$2,869,726	\$2,881,752	\$2,869,728	\$2,881,752	\$2,881,752	\$2,881,752	\$2,881,752	\$2,881,752
<b>Liabilities and Equity</b>																	
<b>Liabilities</b>																	
<b>Current Liabilities</b>																	
Accounts Payable	\$ 403,092	\$ 392,800	\$ 403,092	\$ 411,582	\$ 403,092	\$ 416,552	\$ 395,717	\$ 411,582	\$ 392,800	\$ 403,092	\$ 392,800	\$ 403,092	\$ 403,092	\$ 392,800	\$ 403,092	\$ 392,800	\$ 403,092
Accrued Wages	183,398	187,159	183,398	174,662	183,398	182,388	174,662	183,398	187,159	183,398	187,159	183,398	187,159	183,398	187,159	183,398	187,159
Accrued Expenses	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Accrued PPE Taxes	180,000	180,000	200,000	240,000	240,000	200,000	200,000	240,000	240,000	200,000	240,000	240,000	200,000	240,000	240,000	200,000	240,000
Line of Credit	1,905,473	1,887,068	1,177,128	1,019,370	882,800	1,027,048	850,777	670,541	560,635	433,705	259,443	137,182	-	-	-	-	-
Total Current Liabilities	\$2,680,247	\$2,642,047	\$1,965,261	\$1,847,400	\$1,734,290	\$1,658,640	\$1,478,817	\$1,430,531	\$1,242,022	\$1,158,265	\$1,014,403	\$ 896,284	\$ 784,774	\$ 774,860	\$ 818,132	\$ 828,000	\$ 851,490
<b>Long Term Liabilities</b>																	
Due to Parent Company	85,651	-	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total Liabilities	\$2,765,908	\$2,642,047	\$2,465,261	\$2,347,400	\$2,234,290	\$2,158,640	\$1,978,817	\$1,930,531	\$1,742,022	\$1,658,265	\$1,514,403	\$1,396,284	\$1,284,774	\$1,274,860	\$1,318,132	\$1,328,000	\$1,351,490
<b>Equity</b>																	
Retained Earnings	(804,697)	(804,697)	(804,697)	(804,697)	(804,697)	(804,697)	(804,697)	(804,697)	(804,697)	(804,697)	(804,697)	(804,697)	(804,697)	(804,697)	(804,697)	(804,697)	(804,697)
Current Earnings	1,905,793	1,811,268	1,388,754	1,509,721	1,509,721	1,211,286	214,789	343,045	469,240	605,026	732,211	869,927	1,005,783	1,131,988	1,269,754	1,388,919	1,509,721
Total Equity	\$ 1,101,096	\$ 1,006,571	\$ 584,057	\$ 705,024	\$ 705,024	\$ 406,489	\$ 914,092	\$ 538,348	\$ 1,074,373	\$ 1,211,654	\$ 1,337,314	\$ 1,474,624	\$ 1,610,921	\$ 1,737,105	\$ 1,873,892	\$ 1,954,075	\$ 2,114,862
Total Liabilities and Equity	\$2,887,104	\$2,869,728	\$2,869,728	\$2,881,752	\$2,881,752	\$2,801,104	\$2,798,724	\$2,798,724	\$2,816,400	\$2,869,726	\$2,881,752	\$2,869,728	\$2,881,752	\$2,881,752	\$2,881,752	\$2,881,752	\$2,881,752

**Transitional Care of Fox Valley  
Financial Viability Ratios**

	<b>Standard</b>	<b>Projected</b>
<b>Current Ratio</b>		
Current Assets		\$3,466,353
Current Liabilities		\$851,490
<b>Current Ratio</b>	<b>1.5</b>	<b>4.1</b>
<b>Net Margin Percentage</b>		
Net Income		\$1,509,725
Net Operating Revenues		\$12,903,480
<b>Net Margin Percentage</b>	<b>2.5%</b>	<b>11.7%</b>
<b>Long-Term Debt to Capitalization</b>		
Long-Term Debt		\$500,000
Equity		\$2,114,862
<b>Long-Term Debt to Capitalization</b>	<b>50%</b>	<b>19.1%</b>
<b>Projected Debt Service Coverage</b>		
Net Income		\$1,509,725
Depreciation/Amortization		\$60,000
Interest Expense		\$0
Interest Expense and Principal Payments		\$780,000
<b>Projected Debt Service Coverage</b>	<b>1.5</b>	<b>2.01</b>
<b>Days Cash on Hand</b>		
Cash		\$751,925
Investments		\$0
Board Designated Funds		\$0
Operating Expense		\$9,668,581
Depreciation		\$60,000
<b>Days Cash on Hand</b>	<b>45 days</b>	<b>29</b>
<b>Cushion Ratio</b>		
Cash		\$751,925
Investments		\$0
Board Designated Funds		\$0
Interest Expense and Principal Payments		\$780,000
<b>Cushion Ratio</b>	<b>3.0</b>	<b>1.0</b>

**Section V, Financial and Economic Feasibility Review**  
**Criterion 1120.140(a), Reasonableness of Financing Arrangements**

Letters from IH Fox Valley OpCo, LLC and IH Fox Valley Owner, LLC certifying the estimated project costs and related costs will be funded in total or in part by borrowing are attached at Attachment – 30A.

December 22, 2015

Kathryn Olsen  
Chair  
Illinois Health Facilities and Services Review Board  
525 West Jefferson Street, 2<sup>nd</sup> Floor  
Springfield, IL 62761

**Re: Reasonableness of Financing Arrangements**

Dear Chair Olson:

Pursuant to 77 Ill. Admin Code § 1125.800 , I hereby certify the following:

Financial resources will be available and be equal to or exceed the estimated total project cost and any related cost. The project and related costs will be funded in total or in part by borrowing because a portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order that the current ratio does not fall below 2.0 times.

I further certify pursuant to 77 Ill. Admin. Code §1120.140(b) that the selected form of debt financing for the project will be the lowest net cost available.

Sincerely,

IH FOX VALLEY OPCO, LLC

By: IHOP JV OPCO, LLC, its Managing Member

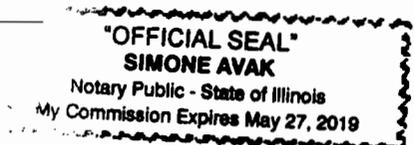
By: ~~Innovative Health, LLC, its Manager~~  
By:   
Name: Bradley S. Haber  
Title: Manager

Subscribed and sworn to me

This 22 day of Dec, 2015



Notary Public



December 22, 2015

Kathryn Olsen  
Chair  
Illinois Health Facilities and Services Review Board  
525 West Jefferson Street, 2<sup>nd</sup> Floor  
Springfield, IL 62761

**Re: Reasonableness of Financing Arrangements**

Dear Chair Olson:

Pursuant to 77 Ill. Admin Code § 1125.800 , I hereby certify the following:

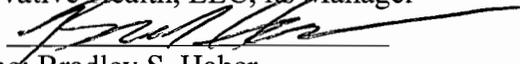
Financial resources will be available and be equal to or exceed the estimated total project cost and any related cost. The project and related costs will be funded in total or in part by borrowing because a portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order that the current ratio does not fall below 2.0 times.

I further certify pursuant to 77 Ill. Admin. Code §1120.140(b) that the selected form of debt financing for the project will be the lowest net cost available.

Sincerely,

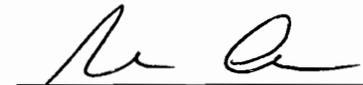
IH FOX VALLEY OWNER, LLC

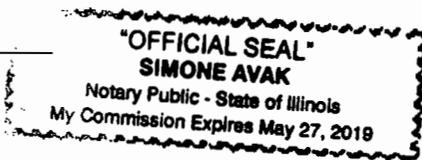
By: IHOP JV, LLC, its Managing Member

By: Innovative Health, LLC, its Manager  
By:   
Name: Bradley S. Haber  
Title: Manager

Subscribed and sworn to me

This 22 day of Dec, 2015

  
Notary Public



**Section V, Financial and Economic Feasibility Review**  
**Criterion 1120.140(b), Conditions of Debt Financing**

Letters from IH Fox Valley OpCo, LLC and IH Fox Valley Owner, LLC certifying that the selected form of debt financing will be the lowest cost available is attached at Attachment – 30A.

**Section V, Financial and Economic Feasibility Review**  
**Criterion 1120.310(c), Reasonableness of Project and Related Costs**

The Cost and Gross Square Feet by Department or Service table below sets forth the modernization cost and square footage allocated to each department of the proposed skilled nursing facility.

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot Mod.	New	Gross Sq. Ft. New Circ.*		Gross Sq. Ft. Mod. Circ.*		Const. \$ (A x C)	Mod. \$ (B x E)	
<b>Clinical</b>									
Resident Rooms/ Bathrooms/Corridors	\$224.50		30,145				\$6,767,471		\$6,767,471
Nurses Station/Med Prep	\$224.50		2,440				\$547,774		\$547,774
Dining Room/Activity Room/Lounge	\$224.50		1,750				\$392,870		\$392,870
Exam Rooms	\$224.50		150				\$33,675		\$33,675
Physical Therapy	\$224.50		2,080				\$466,954		\$466,954
Laundry	\$224.50		890				\$199,803		\$199,803
Clean/Soiled Laundry	\$224.50		590				\$132,453		\$132,453
Contingency – Clinical	\$5.74		38,045				\$218,270		\$218,270
<b>Total Clinical</b>	<b>\$230.23</b>		<b>38,045</b>				<b>\$8,759,270</b>		<b>\$8,759,270</b>
<b>Non-Clinical</b>									
Office/ Administration	\$226.37		3,370				\$762,869		\$762,869
Kitchen	\$226.37		1,935				\$438,027		\$438,027
Employee Lounge	\$226.37		1,040				\$235,425		\$235,425
Locker/Training	\$226.37		680				\$153,933		\$153,933
Mechanical	\$226.37		900				\$203,733		\$203,733
Lobby/Vestibule	\$226.37		1,580				\$357,665		\$357,665
Storage/ Maintenance	\$226.37		2,305				\$521,784		\$521,784
Public Corridor/Public Space	\$226.37		1,005				\$227,502		\$227,502
Structure/Misc.	\$226.37		1,140				\$258,062		\$258,062
Contingency – Non- Clinical	\$5.79		13,955				\$80,730		\$80,730

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot    New Mod.		Gross Sq. Ft. New Circ.*		Gross Sq. Ft. Mod. Circ.*		Const. \$ (A x C)	Mod. \$ (B x E)	
<b>Total Non-Clinical</b>	<b>\$232.02</b>		<b>13,955</b>				<b>\$3,239,730</b>		<b>\$3,239,730</b>
<b>TOTALS</b>	<b>\$230.75</b>		<b>52,000</b>				<b>\$11,999,000</b>		<b>\$11,999,000</b>

\* Include the percentage (%) of space for circulation

**Section V, Financial and Economic Feasibility Review**  
**Criterion 1120.310(d), Projected Operating Costs**

Operating Expenses: 9,668,581

Resident Days: 22,338

Operating Expense per Resident Days: \$432.83

**Section V, Financial and Economic Feasibility Review**  
**Criterion 1120.310(e), Total Effect of Project on Capital Costs**

Capital Costs:

Rent:	\$720,000
Depreciation:	\$60,000
Total Capital Costs:	\$780,000

Resident Days 22,338

Capital Costs per Patient Days: \$34.92



December 18, 2015

Ms. Courtney Avery  
Administrator  
Illinois Health Facilities & Services  
Review Board  
525 W. Jefferson St. - 2<sup>nd</sup> Floor  
Springfield, IL 62761

Re: Transitional Care of Fox Valley

Dear Ms. Avery;

On behalf of Physician Partners of DuPage LLC, an IPA with approximately 100 Primary Care Physicians and part of the Clinical Value Network, I am writing in support of Transitional Care of Fox Valley, LLC's application for a skilled nursing facility to be located at 4020-4090 East New York Street, in Aurora Illinois. Physician Partners sees Transitional Care of Fox Valley as vital to improving access to high quality post-acute care to our patients in DuPage County and beyond, who are recovering from injury, surgery or disease.

Annually the participating providers of Physician Partners literally admit hundreds of patients to existing Skilled Nursing Facilities in DuPage County and the surrounding area. Physician Partners projects more than 250 patients will be referred annually to Transitional Care of Fox Valley within two years of opening. A zip code analysis of patients from Du Page County and surrounding towns is included as Attachment A.

These projected referrals have not been used to support any other Certificate of Need application. The information is true and correct to the best of my knowledge.

Physician Partners enthusiastically supports the granting of a CON to Transitional Care of Fox Valley to improve access to high quality short term rehabilitative care for patients.

Sincerely,

  
Kevin Hnatusko  
Executive Director

Appendix E

Subscribed and sworn to me

This 23 day of December 2015



Notary Public: Kevin M. Raftery

Attachment A:

Percent of patients served by town	
ADDISON	8.3%
AURORA	4.0%
BLOOMINGDALE	1.1%
CAROL STREAM	8.1%
DARIEN	2.6%
DOWNERS GROVE	4.1%
GLEN ELLYN	1.8%
GLENDALE HEIGHTS	7.2%
HANOVER PARK	1.6%
LISLE	1.5%
LOMBARD	3.5%
NAPERVILLE	4.3%
PLAINFIELD	6.8%
ROMEOVILLE	12.5%
VILLA PARK	3.0%
WARRENVILLE	2.7%
WEST CHICAGO	2.2%
WESTMONT	5.7%
WHEATON	2.9%
WILLOWBROOK	3.7%
WOODRIDGE	7.8%
OTHER DUPAGE	4.7%
	100.0%



December 18, 2015

Ms. Courtney Avery  
Administrator  
Illinois Health Facilities & Services  
Review Board  
525 W. Jefferson St. - 2<sup>nd</sup> Floor  
Springfield, IL 62761

Re: Transitional Care of Fox Valley

Dear Ms. Avery;

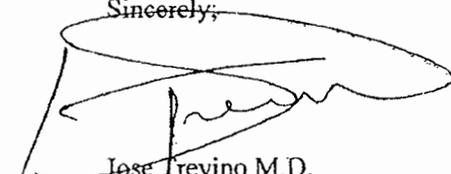
On behalf of the Kane County IPA, part of the Clinical Value Network, I am writing in support of Transitional Care of Fox Valley, LLC's application for a skilled nursing facility to be located at 4020-4090 East New York Street, in Aurora Illinois. KCIPA contemplates Transitional Care of Fox Valley being a necessary institution improving access to high quality post-acute care to patients in Aurora and Southern Kane County and Western DuPage County recovering from injury, surgery or disease.

Annually the physicians of KCIPA admit hundreds of patients to existing Skilled Nursing Facilities in our service area, which is identical to service area listed above. KCIPA projects more than 300 patients will be referred annually to Transitional Care of Fox Valley within two years of opening. A zip code analysis of patients from our current service area is included as Attachment A.

These projected referrals have not been used to support another pending or approved Certificate of Need application. The information is true and correct to the best of my knowledge.

KCIPA enthusiastically supports the granting of a CON to Transitional Care of Fox Valley to improve access to high quality short term rehabilitative services for our patients.

Sincerely;



Jose Trevino M.D.  
President & Medical Director

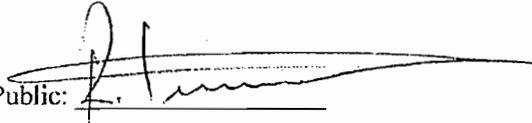
P.O. Box 728

Frankfort, IL 60423

Phone: 877 226-3676

Subscribed and sworn to me

This 21<sup>st</sup> day of December, 2015

Notary Public: 



Percent of patients served by town

AURORA	54.9%
MONTGOMERY	5.3%
NAPERVILLE	2.0%
NORTH AURORA	2.5%
OSWEGO	3.4%
WEST CHICAGO	0.8%

P.O. Box 728

Frankfort, IL 60423

Phone: 877 226-3676

Appendix E

# Innovista, LLC

1 Westbrook Corporate Center, Suite 940 • Westchester, IL 60154 • Phone: 773-562-6740  
E-Mail: jmcycis@innovista-health.com Web: www.innovista-health.com

Date: December 27, 2015

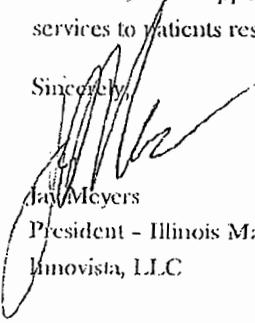
Ms. Courtney Avery  
Administrator  
Illinois Health Facilities and Services Review Board  
525 W. Jefferson St.  
2<sup>nd</sup> Floor  
Springfield, IL 62761

Dear Ms. Avery:

On behalf of Innovista, LLC I am writing in support of Transitional Care of Fox Valley, LLC's application for a 68 bed skilled nursing facility to be located in Aurora, Illinois at 4020-4090 E. New York St. just west of Rt. 59 located between Edward and Rush Copley hospitals. Innovista provides management services to numerous IPAs in the area that manage thousands of commercial, Medicare, and Medicaid patients and anticipate as many as 425 patients could utilize Transitional Care of Fox Valley that will improve post-discharge care coordination and access for patients recovering from surgery, disease, and injury residing in DuPage County.

Innovista, LLC supports the establishment of Transitional Care of Aurora to increase access to short-term rehabilitation services to patients residing in DuPage County.

Sincerely,



Jay Meyers  
President - Illinois Market  
Innovista, LLC

Subscribed and sworn to me

This 31<sup>st</sup> day of Dec, 2015



Notary Public





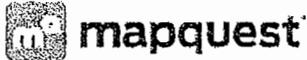


Trip to:  
**Burr Ridge, IL**  
 18.50 miles / 30 minutes

Notes

 <b>E New York St &amp; Station Blvd, Aurora, IL 60504</b>		Download Free App
	1. Start outgoing south on Station Blvd toward E New York St. <a href="#">Map</a>	0.01 Mi <i>0.01 Mi Total</i>
	2. Take the 1st left onto E New York St. <a href="#">Map</a>	0.5 Mi <i>0.5 Mi Total</i>
	3. Take the 2nd right onto IL-59 / S Route 59. <a href="#">Map</a>	1.1 Mi <i>1.5 Mi Total</i>
	4. Turn left onto 75th St / County Hwy-33. Continue to follow 75th St. <a href="#">Map</a>	13.4 Mi <i>15.0 Mi Total</i>
	5. Keep right at the fork to continue on 75th St. <a href="#">Map</a>	0.10 Mi <i>15.1 Mi Total</i>
	6. Turn slight right onto Kingery Hwy / IL-83. <a href="#">Map</a>	0.8 Mi <i>15.8 Mi Total</i>
	7. Merge onto I-55 N / Adlai E Stevenson Expy N / Trl State Pkwy E toward Chicago. <a href="#">Map</a>	1.8 Mi <i>17.6 Mi Total</i>
	8. Take the County Line S exit, EXIT 276A. <a href="#">Map</a>	0.4 Mi <i>18.0 Mi Total</i>
	9. Merge onto S County Line Rd. <a href="#">Map</a>	0.5 Mi <i>18.5 Mi Total</i>
	10. Welcome to BURR RIDGE, IL. <a href="#">Map</a>	

<http://classic.mapquest.com/print?a=app.core.a1efb2446f904c1b68dec661>



Trip to:  
**1180 Valewood Dr**  
Streamwood, IL 60107-2610  
18.64 miles / 30 minutes

Notes



**E New York St & Station Blvd, Aurora, IL 60504**

Download  
Free App



1. Start out going south on Station Blvd toward E New York St. [Map](#)

0.01 Mi  
*0.01 Mi Total*



2. Take the 1st left onto E New York St. [Map](#)

0.5 Mi  
*0.5 Mi Total*



59

3. Turn left onto S Route 59 / IL-59. Continue to follow IL-59. [Map](#)

15.1 Mi  
*15.7 Mi Total*



4. Stay straight to go onto S Il Route 59 / IL-59. Continue to follow S Il Route 59. [Map](#)

3.0 Mi  
*18.6 Mi Total*



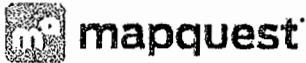
5. 1180 VALEWOOD DR. [Map](#)



**1180 Valewood Dr, Streamwood, IL 60107-2610**  
(Address is approximate)

Total Travel Estimate: 18.64 miles - about 30 minutes

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Trip to:

**1004 Walnut St**  
St Charles, IL 60174-2644  
17.44 miles / 30 minutes

Notes



**E New York St & Station Blvd, Aurora, IL 60504**

Download  
Free App



1. Start outgoing west on E New York St toward N Commons Dr. [Map](#)

1.4 Mi

1.4 Mi Total



2. Turn right onto N Eola Rd / County Hwy-14. [Map](#)

4.3 Mi

5.7 Mi Total



56

3. Turn left onto Butterfield Rd / IL-56. [Map](#)

2.5 Mi

8.2 Mi Total



4. Turn right onto Kirk Rd. [Map](#)

5.1 Mi

13.3 Mi Total



38

5. Turn left onto E State St / IL-38. [Map](#)

1.2 Mi

14.5 Mi Total



25

6. Turn right onto N Bennett St / IL-25. Continue to follow IL-25. [Map](#)

1.6 Mi

16.1 Mi Total



25

7. Turn slight right onto S 5th Ave / IL-25. [Map](#)

0.5 Mi

16.5 Mi Total



64

8. Turn left onto E Main St / IL-64. [Map](#)

0.9 Mi

17.4 Mi Total



9. IL-64. [Map](#)



**1004 Walnut St, St Charles, IL 60174-2644** 41.912064, -88.326515  
(Address is approximate)

<http://classic.mapquest.com/print?a=app.core.a1e7b246161601c4b68ded861>



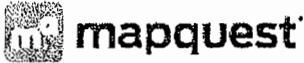
Trip to:  
**Lockport, IL**  
19.24 miles / 31 minutes

Notes

<b>E New York St &amp; Station Blvd, Aurora, IL 60504</b>		Download Free App
	1. Start out going south on Station Blvd toward E New York St. <a href="#">Map</a>	0.01 Mi <i>0.01 Mi Total</i>
	2. Take the 1st left onto E New York St. <a href="#">Map</a>	0.5 Mi <i>0.5 Mi Total</i>
<span style="border: 1px solid black; padding: 2px;">59</span>	3. Take the 2nd right onto IL-59 / S Route 59. Continue to follow IL-59. <a href="#">Map</a>	10.8 Mi <i>11.3 Mi Total</i>
<span style="border: 1px solid black; padding: 2px;">EAST 30</span>	4. Turn left onto S Joliet Rd / US-30 E. <a href="#">Map</a>	1.1 Mi <i>12.4 Mi Total</i>
	5. Turn left onto E Renwick Rd / County Hwy-36. Continue to follow E Renwick Rd. <a href="#">Map</a>	6.2 Mi <i>18.6 Mi Total</i>
<span style="border: 1px solid black; padding: 2px;">7</span>	6. E Renwick Rd becomes IL-7 / W 9th St. <a href="#">Map</a>	0.7 Mi <i>19.2 Mi Total</i>
	7. Welcome to LOCKPORT, IL. <a href="#">Map</a>	
<b>Lockport, IL</b>		

Total Travel Estimate: 19.24 miles - about 31 minutes

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Trip to:  
**900 Cobblestone Ct**  
Shorewood, IL 60404-9608  
19.41 miles / 30 minutes

Notes

		Download Free App
<b>E New York St &amp; Station Blvd, Aurora, IL 60504</b>		
	1. Start out going south on Station Blvd toward E New York St. <a href="#">Map</a>	0.01 MI <i>0.01 Mi Total</i>
	2. Take the 1st left onto E New York St. <a href="#">Map</a>	0.5 MI <i>0.5 Mi Total</i>
	3. Take the 2nd right onto IL-59 / S Route 59. Continue to follow IL-59. <a href="#">Map</a>	10.8 MI <i>11.3 Mi Total</i>
	4. Turn left onto S Joliet Rd / US-30 E. Continue to follow US-30 E. <a href="#">Map</a>	2.2 MI <i>13.5 Mi Total</i>
	5. Merge onto I-55 S toward Bloomington. <a href="#">Map</a>	4.4 MI <i>17.9 Mi Total</i>
	6. Take the US-52 exit, EXIT 253, toward Shorewood / Joliet. <a href="#">Map</a>	0.2 MI <i>18.2 Mi Total</i>
	7. Turn right onto E Jefferson St / US-52 W. <a href="#">Map</a>	1.0 MI <i>19.2 Mi Total</i>
	8. Turn right onto N Raven Rd. <a href="#">Map</a>	0.1 MI <i>19.3 Mi Total</i>
	9. Take the 2nd right onto Cardinal Pl. <a href="#">Map</a>	0.06 MI <i>19.4 Mi Total</i>
	10. <b>900 COBBLESTONE CT.</b> <a href="#">Map</a>	

<http://classic.mapquest.com/print?e=app.core.a1efb2440f004c4b66ded361>

12/15/2015

Driving Directions from E New York St & Station Blvd, Aurora, Illinois 60504 to 900 Cobblestone Ct, Shorewood, Illinois 60404 | MapQuest



**900 Cobblestone Ct, Shorewood, IL 60404-96084 1.522990, -88.208423**  
(Address is approximate)

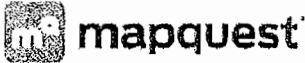
**Total Travel Estimate: 19.41 miles - about 30 minutes**

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<http://classic.mapquest.com/print?z=app.core.s1eb2461604c4b68ded861>

2/2

Appendix - F



Trip to:  
**13673 State Route 71**  
Yorkville, IL 60560-9549  
20.28 miles / 30 minutes

Notes



**E New York St & Station Blvd, Aurora, IL 60504**

Download  
Free App



1. Start outgoing west on E New York St toward N Commons Dr. [Map](#)

0.2 Mi

0.2 Mi Total



2. Take the 1st left onto N Commons Dr. [Map](#)

0.8 Mi

1.0 Mi Total



3. Turn right onto Ogden Ave / US-34 W. Continue to follow US-34 W. [Map](#)

7.8 Mi

8.8 Mi Total



4. Stay straight to go onto IL-71 / State Route 71. Continue to follow IL-71. [Map](#)

11.5 Mi

20.3 Mi Total



5. **13673 STATE ROUTE 71**. [Map](#)



**13673 State Route 71, Yorkville, IL 60560-9549** 1.596153, -88.508502  
(Address is approximate)

Total Travel Estimate: **20.28 miles** - about **30 minutes**

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Trip to:  
**49W226 US Highway 30**  
Big Rock, IL 60511-9703  
24.94 miles / 30 minutes

Notes

		Download Free App
<b>E New York St &amp; Station Blvd, Aurora, IL 60504</b>		
	1. Start out going south on Station Blvd toward E New York St. <a href="#">Map</a>	0.01 Mi <i>0.01 Mi Total</i>
	2. Take the 1st left onto E New York St. <a href="#">Map</a>	0.5 Mi <i>0.5 Mi Total</i>
	3. Turn left onto S Route 59 / IL-59. Continue to follow IL-59. <a href="#">Map</a>	3.0 Mi <i>3.5 Mi Total</i>
	4. Merge onto I-88 W / Chicago-Kansas City Expressway W / Ronald Reagan Memorial Tollway W via the ramp on the left (Portions toll). <a href="#">Map</a>	9.5 Mi <i>13.0 Mi Total</i>
	5. Merge onto IL-56 W toward US-30 / IL-47 / Sugar Grove (Portions toll). <a href="#">Map</a>	4.2 Mi <i>17.2 Mi Total</i>
	6. Stay straight to go onto US-30 W / US Highway 30. <a href="#">Map</a>	7.8 Mi <i>24.8 Mi Total</i>
	7. Turn right onto Shaw Rd (Portions unpaved). <a href="#">Map</a>	0.2 Mi <i>24.9 Mi Total</i>
	8. <b>49W226 US HIGHWAY 30. <a href="#">Map</a></b>	
<b>E 49W226 US Highway 30, Big Rock, IL 60511-9703 41.769410, -88.592632</b> (Address is approximate)		

Total Travel Estimate: 24.94 miles - about 30 minutes

<http://classic.mapquest.com/print?z=app.core.z1e1b2446f604c1b68cd8661>

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:

<b>INDEX OF ATTACHMENTS</b>		
<b>ATTACHMENT NO.</b>		<b>PAGES</b>
1	Applicant/Co-applicant Identification including Certificate of Good Standing	29-31
2	Site Ownership	32-34
3	Operating Identity/Licensee	35-36
4	Organizational Relationships	37-39
5	Flood Plain Requirements	40-41
6	Historic Preservation Act Requirements	42-51
	<b>General Information Requirements</b>	
10	Purpose of the Project	52-54
11	Alternatives to the Project	55
	<b>Service Specific - General Long-Term Care</b>	
12	Background of the Applicant	56-58
13	Planning Area Need	59
14	Establishment of General LTC Service or Facility	60
15	Expansion of General LTC Service or Facility	
16	Variances	
17	Accessibility	61
18	Unnecessary Duplication/Maldistribution	62-66
19	Staffing Availability	67
20	Bed Capacity	68
21	Community Relations	69-86
22	Project Size	87
23	Zoning	88-89
24	Assurances	90-91
25	Modernization	
	<b>Service Specific - Specialized Long-Term Care</b>	
26	Specialized Long-Term Care – Review Criteria	
	<b>Financial and Economic Feasibility:</b>	
27	Availability of Funds	92-101
28	Financial Waiver	
29	Financial Viability	102-107
30	Economic Feasibility	108-115
	<b>APPENDICES</b>	
A	Project Costs and Sources of Funds	26
B	Related Project Costs	
C	Project Status and Completion Schedule	27
D	Cost/Space Requirements	28
E	Referral Letters	116-122
F	30 minute drive times	123-131