

November 7, 2012

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**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Mr. Michael Constantino
Project Review Supervisor
Illinois Health Facilities & Services Review Board
525 West Jefferson Street
Springfield, Illinois 62761

Re: Extension of the Obligation Period Request for Project # 11-055
First Permit Renewal Request for Project # 11-055
Transitional Care Center of Naperville

Dear Mr. Constantino:

As President/CEO of Transitional Care Management, the Permit Holder, and pursuant to 77 Ill. Admin. Code 1130.730 and 1130.740, I am submitting this extension of the obligation period request for Project # 11-055. In addition, I am submitting a permit renewal request for Project # 11-055.

The application for permit was filed on July 11, 2011. The application sought the establishment and operation of a 120 bed skilled nursing facility. The application stated that the project would cost \$18,325,873 and be completed in February 2014. On October 13, 2011, I appeared before the Board and the Board approved the project. A permit letter was issued on October 17, 2011. The letter listed an obligation date of April 13, 2013 and a project completion date of February 28, 2014.

I believe that we have met the conditions for an extension of the obligation period for the project, and hereby request a twelve (12) month extension of the original project obligation period of April 13, 2013. This would result in a new obligation date of April 13, 2014.

Furthermore, I hereby request a twenty four (24) month extension of the original project completion date of February 28, 2014. This would result in a new completion date of February 28, 2016.

Project Status

To date, the Permit Holder undertook an extensive effort to obtain zoning approval from the Village of Naperville. Due to various local challenges, zoning has required increased levels of commentary with Village officials and the public. The permit holder is continuing to focus maximum effort in this area, however, the zoning approval process has lead to substantial delay in obligating the project.

Furthermore, the Permit Holder has been engaged in finalizing the design of the project for maximum operational efficiency with respect to the services to be delivered to the residents, best practice utilization of the building structure with regard to the site, and compliance with the Village of Naperville municipal

building code. Once working drawings are fully complete, the Village of Naperville requires the Permit Holder to undertake an additional approval process of the final working drawings, which then may need minor modification. As a result, the final working drawings have not yet been submitted to IDPH for review.

Finally, the Permit Holder has continued to engage in a vigorous process of selecting a general contractor to most optimally construct the project at the original permit amount of \$18,325,873.

The Permit Holder currently operates licensed skilled nursing facilities in Illinois. I have provided an affidavit attesting that the necessary staff has been recruited at key levels and are available to begin work at the project once construction is complete (attachment 1).

At this stage, the Permit Holder has spent \$131,082.54 in funds attributable to the skilled nursing facility development.

Financial Commitment

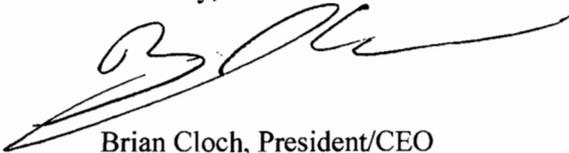
I have attached an affidavit, as President/CEO of the Permit Holder, as a demonstration of financial commitment to fund the project and that substantial resources are available to complete the project (attachment 2). The Permit Holder is continuing the lender underwriting process to obtain project financing through the HUD 232 Lean program.

Anticipated Final Cost

The Permit Holder believes that the final cost of the project will be within the permit amount of \$18,325,873.

As set forth in this letter, I believe the project is entitled to an extension of the obligation period and a permit renewal for the project. If you need any other information, please call. I am also enclosing the processing fee of \$500.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brian Cloch', written over a horizontal line.

Brian Cloch, President/CEO
Transitional Care Management

Attachments

Attachment 1

November 7, 2012

Mr. Michael Constantino
Project Review Supervisor
Illinois Health Facilities & Services Review Board
525 West Jefferson Street
Springfield, Illinois 62761

Re: Extension of the Obligation Period Request for Project # 11-055
First Permit Renewal Request for Project # 11-055
Transitional Care Center of Naperville

Dear Mr. Constantino:

I hereby certify under penalty of perjury that, as an established and operating management company, Transitional Care Management (Co-applicant) currently employs the necessary staff at key levels and staff is available to begin work at Transitional Care Center of Naperville, LLC (Applicant) once construction is complete.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Cloch", with a long horizontal flourish extending to the right.

Brian Cloch, President/CEO
Transitonal Care Management

Attachment 2

November 7, 2012

Mr. Michael Constantino
Project Review Supervisor
Illinois Health Facilities & Services Review Board
525 West Jefferson Street
Springfield, Illinois 62761

Re: Extension of the Obligation Period Request for Project # 11-055
First Permit Renewal Request for Project # 11-055
Transitional Care Center of Naperville

Dear Mr. Constantino:

I hereby certify under penalty of perjury that Transitional Care Center of Naperville, LLC has sufficient and readily accessible funds to complete the above referenced project.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Cloch", with a long horizontal flourish extending to the right.

Brian Cloch, President/CEO
Transitional Care Management

TRANSITIONAL CARE MANAGEMENT, LLC

6400 SHAFER COURT, SUITE 600
ROSEMONT, IL 60018-4914

MB FINANCIAL BANK, N.A.
CHICAGO, IL 60659

2-173/710

011042

11/09/2012

PAY TO THE
ORDER OF

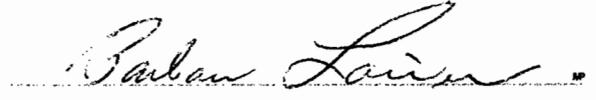
Illinois Health Facilities & Services Rev

\$ **500.00

Five hundred and 00/100*****

DOLLARS

Illinois Health Facilities & Services Rev
525 West Jefferson Street
Springfield, Il 62761 USA



MEMO 11-055 Transitional Care Center of Naperville

⑈011042⑈ ⑆071001737⑆ 1560016896⑈

TRANSITIONAL CARE MANAGEMENT, LLC ROSEMONT, IL 60018-4914

11/09/2012

Illinois Health Facilities & Services Rev

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Date	Type	Reference	Original Amount	Balance Due	Payment
11/07/2012	Bill	IHFSRB11072012	500.00	500.00	500.00
		Check Amount			500.00

Operating - MB Finan

500.00

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SERVICES REVIEW BOARD

November 7, 2012

Mr. Michael Constantino
Project Review Supervisor
Illinois Health Facilities & Services Review Board
525 West Jefferson Street
Springfield, Illinois 62761

Re: Status Report for Project # 11-055
Transitional Care Center of Naperville

Dear Mr. Constantino:

The project is 0.72% complete to date. The components of the project yet to be completed are as follows:

- Final entitlement work and site engineering
- Final working drawings from the architect
- Approval of the final drawings by the Village of Naperville
- Selection of a general contractor
- Closing on project financing
- Construction
- Licensing and certification

Of the original permit amount of \$18,325,873, the Permit Holder has spent \$131,082.54 in funds attributable to the skilled nursing facility development (attachment 1).

The Permit Holder is currently involved in the lender underwriting process required for financing through the HUD 232 Lean program. The Permit Holder has sufficient and readily accessible funds to complete the above referenced project.

Sincerely,



Brian Cloch, President/CEO
Transitional Care Management

Attachment 1

<p align="center">Project Costs and Source of Funds</p> <p align="center">Project 11-055 Transitional Care Center of Naperville</p>						
Use of Funds	Clinical	Non-Clinical	Total	Clinical Costs to Date	Non-Clinical Costs to Date	Remaining Budget
Preplanning Costs	\$172,666	\$102,334	\$275,000	\$82,304	\$48,779	\$143,917
Construction Costs	\$8,589,342	\$5,090,658	\$13,680,000	\$0	\$0	\$13,680,000
Contingencies	\$313,938	\$186,062	\$500,000	\$0	\$0	\$500,000
A&E Fees	\$675,908	\$400,592	\$1,076,500	\$0	\$0	\$1,076,500
Consulting & Other Fees	\$502,301	\$297,699	\$800,000	\$0	\$0	\$800,000
Moveable & Other Equipment	\$637,294	\$377,706	\$1,015,000	\$0	\$0	\$1,015,000
Construction Interest	\$497,255	\$294,709	\$791,964	\$0	\$0	\$791,964
Other Costs to be Capitalized	\$117,670	\$69,739	\$187,409	\$0	\$0	\$187,409
Totals	\$11,506,374	\$6,819,499	\$18,325,873	\$82,304	\$48,779	\$18,194,790