COUNTY OF SUFFOLK

STEVE LEVY
SUFFOLK COUNTY EXECUTIVE

DEPARTMENT OF HEALTH SERVICES

JAMES L. TOMARKEN, MD
MSW, MPH, MBA, FRCPC, FACP
Commissioner

MEMORANDUM

To: Presiding Officer William J. Lindsay

From: James L. Tomarken, MD, MSW, MPH, MBA, FRCPC, FACP
Commissioner

Date: April 23, 2010

Subject: John J. Foley Skilled Nursing Facility projection

As requested at the April 22, 2010 Health & Human Services Legislative Committee meeting, attached please find a copy of the appraisal for the John J. Foley Skilled Nursing Facility projection by Rogers & Taylor.

If you have any questions, please feel free to contact me at 853-3005.

JLT/srg

cc: All Suffolk County Legislators
Gail Vizzini, Director, Budget Review Office

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COUNTY LEGISLATURE
SUFFOLK COUNTY, N.Y.
HAUPPAUGE

Public Health
Prevent. Promote. Protect.
OFFICE OF THE COMMISSIONER
225 Rabro Drive East, Hauppauge, NY 11788 (631) 853-3000 Fax (631) 853-2927

SELF CONTAINED APPRAISAL REPORT
(GOING CONCERN)

ON

PROPERTY LOCATED AT

JOHN J. FOLEY SKILLED NURSING FACILITY
14 GLOVER AVENUE
YAPHANK
TOWN OF BROOKHAVEN
SUFFOLK COUNTY, NEW YORK

Subject's Overview

REPUTED OWNER: Suffolk County

DATE OF VALUATION: March 2, 2010

PREPARED FOR: SCDHS
225 Rabro Drive
Hauppauge, New York 11788

Prepared by **ROGERS & TAYLOR APPRAISERS, INC.**

ROGERS & TAYLOR APPRAISERS, INC.

300 Wheeler Road, Suite 302
Hauppauge, New York 11788

James G. Taylor, MAI, SRA, President
Gary P. Taylor, MAI, SRA, Consultant

Tel: (631) 434-3300
Fax:(631) 434-3508
www.rogersandtaylor.org

March 8, 2010

SCDHS
225 Rabro Drive
Hauppauge, New York 11788

Attention: Leonard J. Marchese

Re: **Property Located at**
14 Glover Avenue
Yaphank, Town of Brookhaven
Suffolk County, New York
Our File # 21127-10

Dear Mr. Marchese:

Attached please find our appraisal of the Market Value of the Going Concern of the above referenced property. The purpose of the appraisal is to provide a value to our client for a possible sale of the facility. A Hypothetical Condition exists; in the assumption that the underlying land allows for the current skilled nursing home use. In addition, this appraisal assumes the subject meets county and state licensing requirements.

In developing this report, all three approaches to value were considered. It was determined that the Income Approach and the Sales Comparison Approach were pertinent. The Cost Approach was not developed due to the lack of comparable land sales.

The subject is located on Glover Avenue which is off Yaphank Avenue (CR 21) within the hamlet of Yaphank, Town of Brookhaven, Suffolk County, New York. The proposed site will contain 14.06± acres with various access easements. Currently the site is part of a large parcel of land owned by Suffolk County. The subject legal description is as follows: District: 200, Section: 742, Block: 1, Lot: p/o 3. The site is currently zoned Residential *"A-1"* according to the Town of Brookhaven Zoning Maps.

As of the date of inspection, the site was improved with a five-story, masonry and steel, 264-bed Skilled Nursing Facility. The subject building was built in 1992/93 and contains a total GBA of 182,146± Sq.Ft. and is fully sprinklered. There is a storage basement containing 15,528± SqFt. The subject building is considered to be in satisfactory condition with good maintenance.

A more complete description of the property, and other pertinent appraisal data, can be found in the following report. The purpose of the appraisal is to estimate the Market Value of the Going Concern of the subject property, as of March 2, 2010.

The appraisal report has been prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) and Title XI (and amendments) of the Financial Institutions, Reform, Recovery, and Enforcement Act of 1989 (FIRREA). Based upon our analysis of the current market conditions, the estimated marketing time for the subject property, reflective of our market value estimate, is twelve months. The estimated exposure time is also considered to be twelve months.

After analyzing all the available information, it is our opinion that the Market Value of the stated interest of the subject property and as of March 2, 2010:

"Fee Simple Interest of property as a Going Concern"

THIRTY ONE MILLION SIX HUNDRED THOUSAND DOLLARS

($31,600,000.00)

The above value estimate is inclusive of $675,000.00 in personal property / FF & E and $7,800,000.00 in business value as an integral part of the Going Concern.

Very truly yours,

Edward M. Zukowski
State Certified General Real Estate Appraiser
Lic. # 46000022830

James G. Taylor, MAI,SRA
State Certified General Real Estate Appraiser
Lic. # 46000002848

EMZ/JGT:jl
Attachments

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QUALIFICATIONS OF THE APPRAISER

JAMES G. TAYLOR, MAI,SRA

Has been employed as a full-time appraiser for the past thirty four years. Is President of Rogers and Taylor Appraisers, Inc. Completed four years as an undergraduate at Hofstra University, Hempstead, New York. Received a B.B.A. Degree in Personnel Management.

Is a licensed Real Estate Appraiser in both the State of New York and New Jersey holding the *Real Estate General Appraiser Certification license*. Is a licensed real estate salesman in the State of New York.

Has attended seminars for the Appraisal Institute, appraisal courses and lectures given by the Society of Real Estate Appraisers, Long Island Society of Real Estate Appraisers, American Society of Appraisers and other real estate groups.

Has taken and successfully completed the following:

- (Course 1A) "Basic Appraisal Principles, Methods and Techniques,"
- (Course 1B) "Capitalization Theory and Techniques,'
- (Course 11-1) "Case Studies,"
- (Course 11-11) "Valuation Analysis and Report Writing,"
- (Course 11-111) "Standards of Professional Practice,"
- (Course I410) "Standards of Professional Practice," Part A
- (Course II420) "Standards of Professional Practice," Part B, and
- (Course VI) "An Introduction to Real Estate Investment Analysis" given by the Appraisal Institute.
- Has credit for completion of Courses SPP - Parts A and B. In addition, has credit for successful completion of Courses 101, 201, 202 and the R-2 Examination given by the Society of the Real Estate Appraisers. Has attended Eminent Domain and Condemnation Appraising seminar given by Appraisal Institute. Has attended Seminar on "Appraising Environmentally Contaminated Properties: Understanding and Evaluating Stigma" given by Appraisal Institute.

Has appraised all types of real estate: *vacant, improved, residential, income, farm and commercial* in the New York City and Long Island area.

Has appraised for condemnation for both condemnors and condemnees.

Has appraised for many local and New York law firms, as well as private individuals to establish values on all types of real property.

QUALIFICATIONS OF THE APPRAISER (Cont'd)

JAMES G. TAYLOR, MAI, SRA

Has appraised for various lending institutions in establishing values for all types of real property.

Has been qualified before both the **Nassau County and Suffolk County Supreme Courts**, the **New York State Court of Claims** and the **Bankruptcy Court of the State of New York.**

Has *taught* appraisal courses given by the *Society of Real Estate Appraisers* and the *Appraisal Institute* including **Courses 101, 201, 202 and Capitalization Theory and Techniques Parts A and B, Courses 310 and 320.** In addition, has taught the Appraisal Institutes seminar **"Understanding Limited Appraisals & Reporting Options".**

ASSOCIATION MEMBERSHIPS

MAI - Appraisal Institute
SRA - Appraisal Institute

APPRAISAL INSTITUTE

- Past Education Chairman
- Chairman of Government Affairs
- Chairman of Budget and Finance
- Treasurer
- Secretary
- Vice President
- Senior Vice President
- President

NATIONAL COMMITTEES APPRAISAL INSTITUTE

- Development Subcommittee - RAB
- Exam Subcommittee – General
- Narrative Exam Grading Panel
- GAC – General Appraisal Council

****

◊ R.E. General Appraiser - New York State License 46000002848
◊ R.E. General Appraiser - New Jersey State License RG 01804

QUALIFICATIONS OF THE APPRAISER

EDWARD M. ZUKOWSKI

Has conducted real estate appraisals in the counties of Nassau, Suffolk, and elsewhere in New York State since April 1985.

Appraisal reports were done to determine market values for owners contemplating sale, lending institutions for mortgage purposes, and legal counsel for estate settlements and ownership disputes. Types of real estate appraised includes all types of property both residential and commercial. Commercial real estate appraised consists of office buildings, shopping centers, industrial buildings, commercial and residential subdivisions as well as all types of vacant land.

Has successfully taken and completed the following:

- New York Institute of Technology Course, "Real Estate Appraisal"
- International Organization of Real Estate Appraisal Courses, "Senior Certified Valuer," "Certified Review Appraiser" and "Registered Mortgage Underwriter".
- The Society of Real Estate Appraisers, Course 101, "An Introduction to Appraising Real Property," at C.W. Post College in December 1989
- Course 102, "Applied Residential Property Valuation", April 7, 1990, 1BA Capitalization Theory and Techniques, Part A at Long Island Savings Bank on October 1, 1991
- 1BB Capitalization Theory and Techniques, Part B at Long Island Savings Bank on February 25, 1992.
- Standards of Professional Practice Parts A and B given by the Appraisal Institute dated June 1993.
- Is a certified "Senior Appraiser" with the International Organization of Real Estate Appraisers (IREA).

Graduate at Kutztown University, Pennsylvania with Bachelor of Science in Industrial Psychology with a background in Business.

PROFESSIONAL AFFILIATIONS

- Presently an associate member with the Appraisal Institute (pursuing an MAI designation)
- National Association of Review Appraisers and Mortgage Underwriters - C.R.A. and R.M.U. Designation

R.E. General Appraiser - New York State License 46000022830

GENERAL INFORMATION

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

TYPE OF PROPERTY:	Skilled Nursing Facility
REPUTED OWNER:	Suffolk County
LOCATION OF PROPERTY:	14 Glover Avenue Yaphank, Town of Brookhaven Suffolk County, New York
INTEREST APPRAISED:	Going Concern
SUFFOLK COUNTY TAX MAP NUMBER:	District: 200, Section: 742, Block: 1, Lot: p/o 3
INDICATED ACTUAL SITE AREA:	14.06± Acres
TOTAL GROSS BUILDING AREA:	182,146± Square Feet
TOTAL BEDS:	264
AVERAGE AREA PER BED:	690± Square Feet
ZONING:	Residential "A-1"
HIGHEST & BEST USE:	As Developed
DATE OF VALUE – AS IS:	March 2, 2010

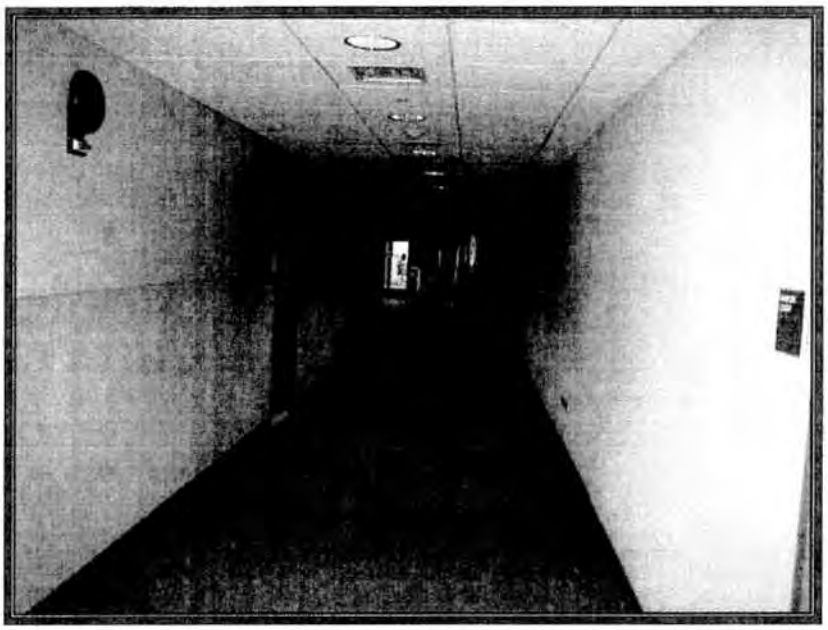
VALUE INDICATED BY THE COST APPROACH:	Not Developed
VALUE INDICATED BY THE INCOME APPROACH:	$31,600,000.00
VALUE INDICATED BY THE SALES COMPARISON APPROACH:	$30,500,000.00
ESTIMATED MARKET VALUE	**$31,600,000.00**

PHOTOGRAPHS OF SUBJECT PROPERTY

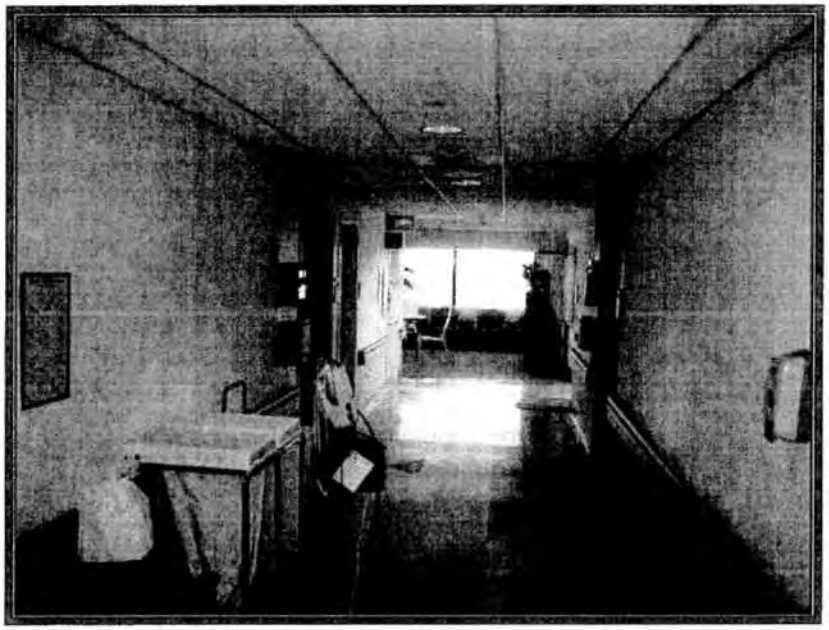
Subjects North Elevation

Subjects East Elevation

PHOTOGRAPHS OF SUBJECT PROPERTY

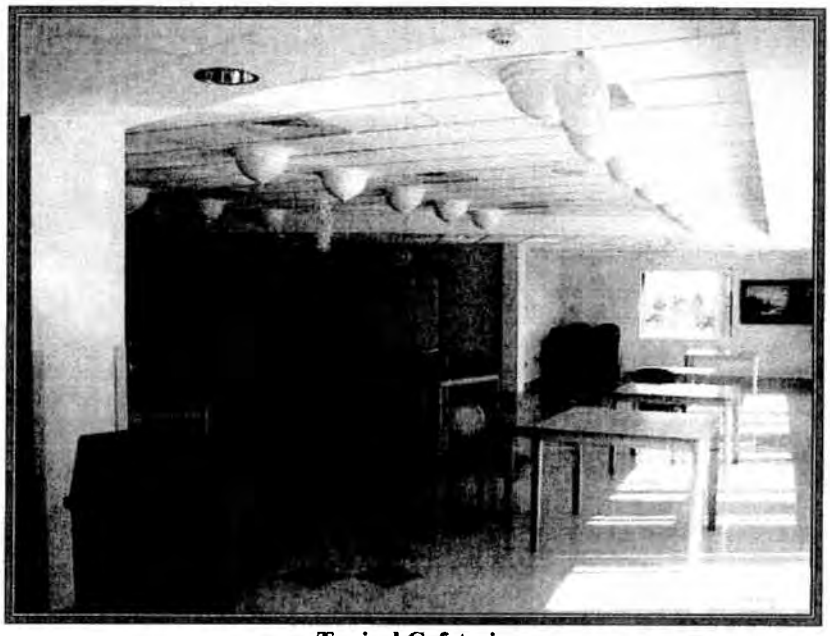


Typical Hallway

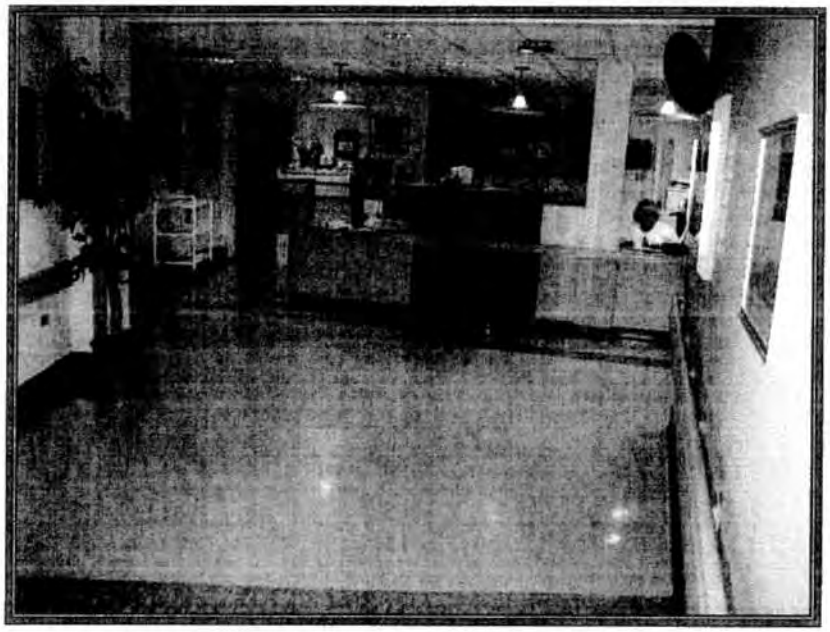


Typical Hallway

PHOTOGRAPHS OF SUBJECT PROPERTY



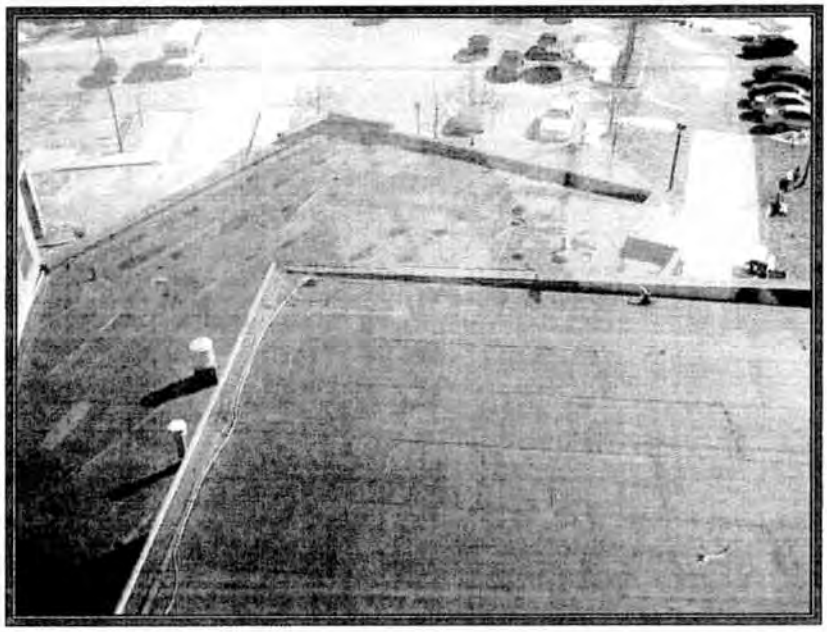
Typical Cafeteria



Typical Nursing Station

PHOTOGRAPHS OF SUBJECT PROPERTY

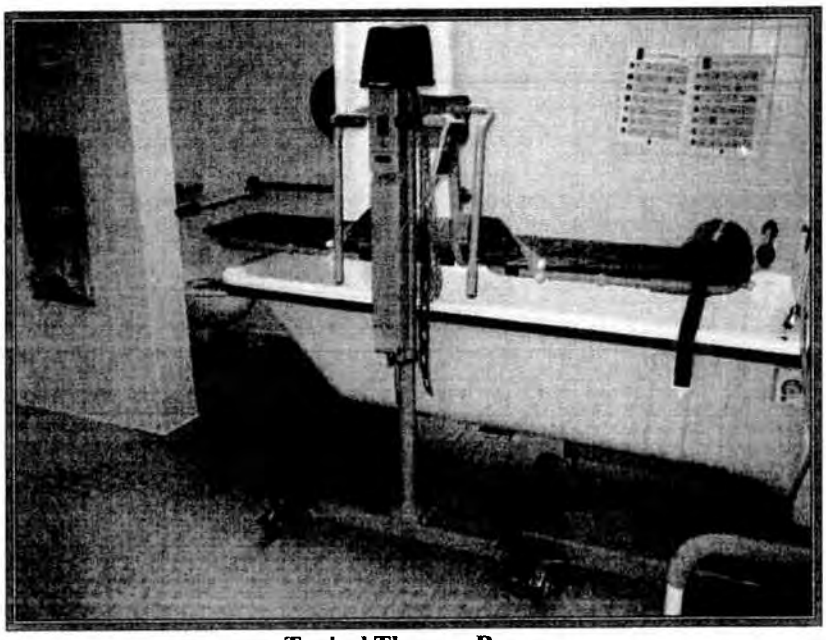
Parking Lot Overview



Lower Level Roof

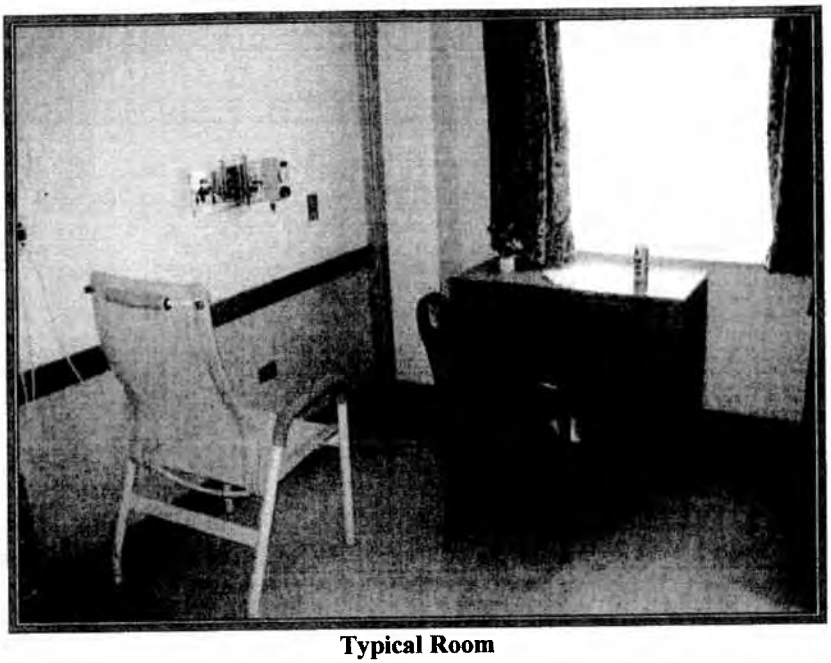
PHOTOGRAPHS OF SUBJECT PROPERTY

Typical Nursing Office

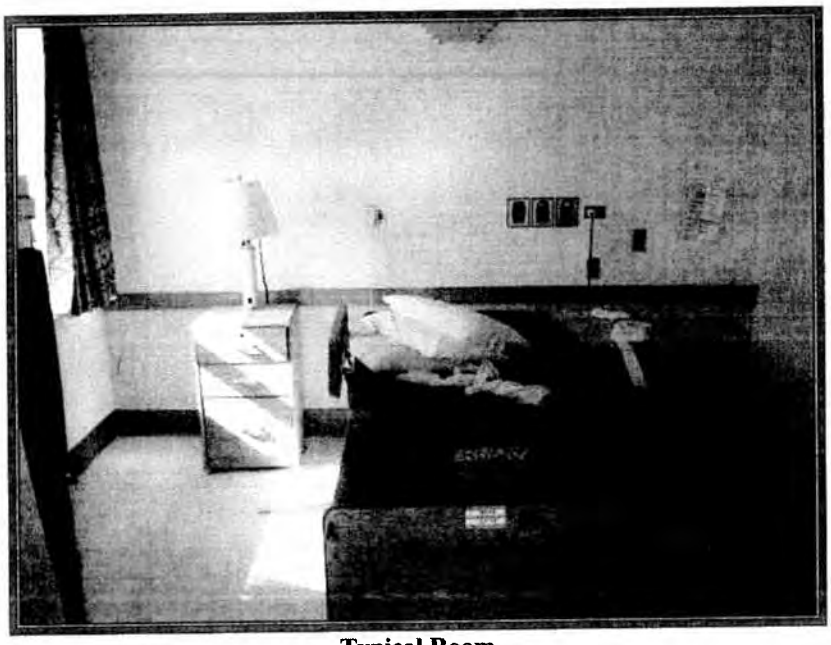


Typical Therapy Room

PHOTOGRAPHS OF SUBJECT PROPERTY

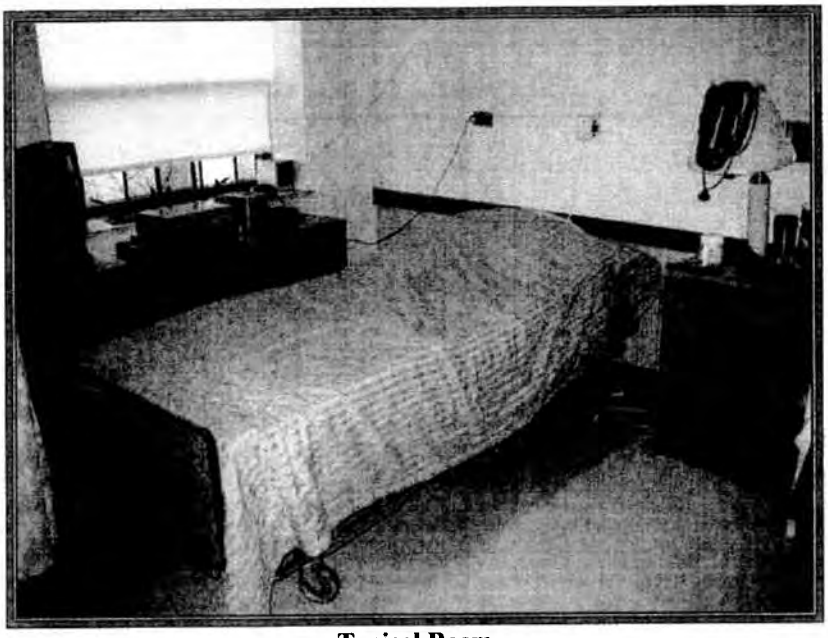


Typical Room



Typical Room

PHOTOGRAPHS OF SUBJECT PROPERTY

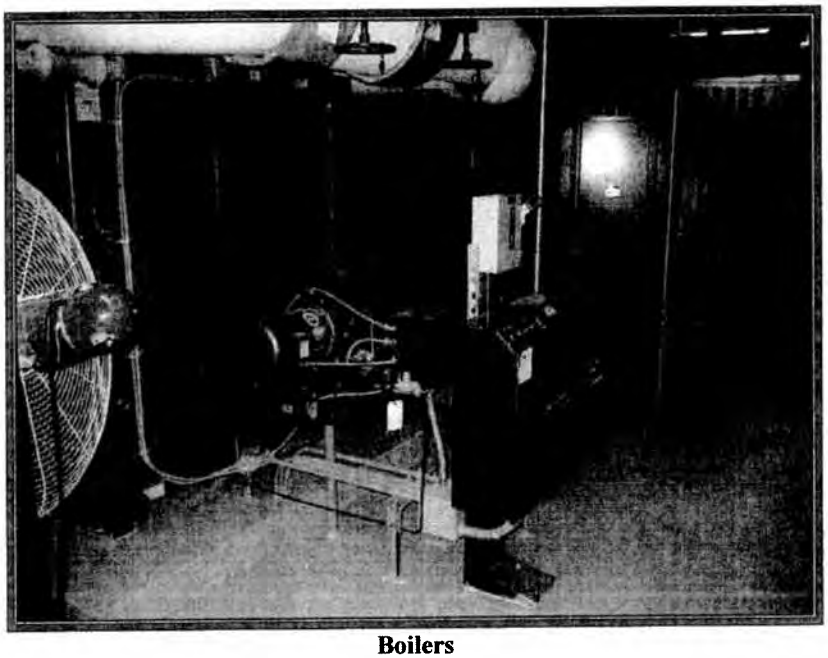


Typical Room

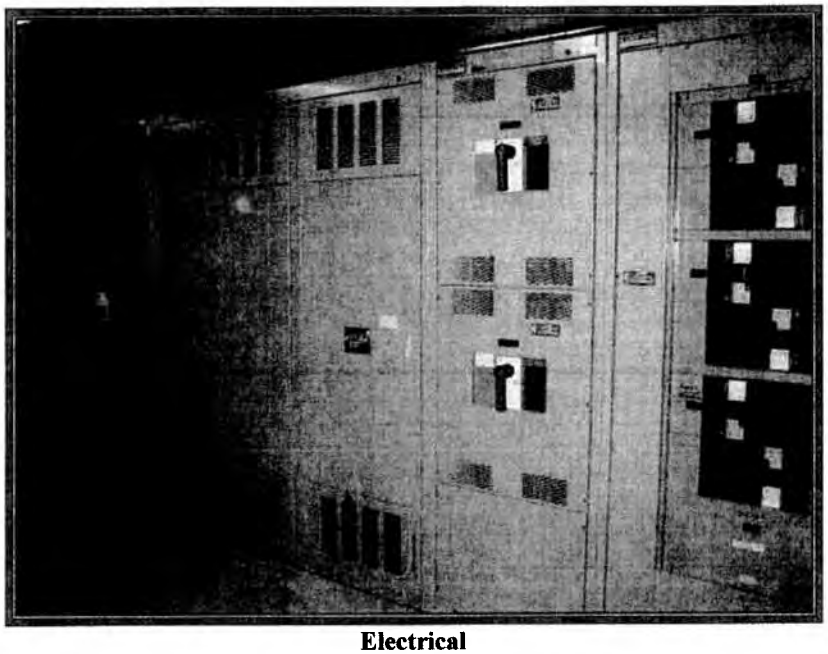
Typical Room

PHOTOGRAPHS OF SUBJECT PROPERTY

Typical Bathroom



Boilers



Electrical

Main Laundry

AERIAL VIEW OF THE SUBJECT PROPERTY

DATE OF APPRAISAL

The subject property is being valued as of March 2, 2010 which is the date of the most recent physical inspection and the effective date of this report.

INTENDED USE OF THE APPRAISAL

The intended use of the appraisal is to provide a value to our client for a possible sale of the facility.

INTENDED USER OF THE APPRAISAL

The intended user of the appraisal is our client, SCDHS and its affiliates or subsidiaries, other participating financial institutions, government/ non-government agencies, legal counsel or other transaction participants.

MARKET VALUE, DEFINED

Market Value is defined as; [1]the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of sale as of a specified date and passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and each acting in what he considers his own best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

"Real estate-related financial transaction" means any transaction involving:

1. The sale, lease, purchase, investment in or exchange of real property, including interests in property, or the financing thereof; or
2. The refinancing of real property or interests in real property; or
3. the use of real property or interests in property as security for a loan or investment, including mortgage-backed securities.[2]

STABILIZED OCCUPANCY:

Occupancy at that point in time when abnormalities in supply and demand or any additional transitory conditions cease to exist and the existing conditions are those expected to continue over the economic life of the property; the optimum range of long-term occupancy which an income-producing real estate project is expected to achieve under competent management after exposure for leasing in the open market for a reasonable period of time at terms and conditions comparable to competitive offerings.

[1] The Dictionary of Real Estate Appraisal, Fourth Edition, Appraisal Institute, Pg. 177, C. 2002.

[2] Federal Reserve Bank of New York, The Federal Register: Real Estate Appraisal Standards Amendments to Regulation H and Y Final Rule (New York, Federal Reserve Bank of New York, 1990), page 2.

REASONABLE EXPOSURE TIME IN MARKET VALUE ESTIMATES:

Exposure time may be defined as follows: The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market.

Exposure time is different for various types of real estate and under various market conditions. It is noted that the overall concept of reasonable time but also adequate, sufficient and reasonable effort. This statement focuses on the time component. The estimate may be expressed as a range and can be based on one or more of the following:

- Statistical information about days on market;
- Information gathered through sales verification; and
- Interviews of market participants.

The reasonable exposure period is a function of price, time and use, not an isolated estimate of time alone. The estimated exposure time is 12 months.

MARKETING TIME ESTIMATES:

The reasonable marketing time is an estimate of the amount of it time might take to sell a property interest in real estate at the estimated market value level during the period immediately after the effective date of an appraisal.

Marketing time differs from exposure time, which is always presumed to proceed the effective date of an appraisal. The estimate may be expressed as a range and can be based on one or more of the following:

- Statistical information about days on market;
- Information gathered through sales verification;
- Interviews of market participants; and
- Anticipated changes in market conditions.

MARKETING TIME ESTIMATES (Cont'd)

Related information garnered through this process include other market conditions that may affect marketing time, such as the identification of typical buyers and sellers for the type of real estate involved and typical equity investment levels and/or financing terms. The reasonable marketing time is a function of price, time, use and anticipated market conditions such as changes in the cost and availability of funds; not an isolated estimate of time alone.

The estimated marketing time is 12 months.

EXTRAORDINARY ASSUMPTION

An assumption, directly related to a specific assignment, which if found to be false, could alter the appraiser's opinions or conclusions.

HYPOTHETICAL CONDITION

That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property.

MARKET VALUE "AS IS"

An estimate of the market value of a property in its present condition subject to the market conditions prevalent as of the effective date of the appraisal, without hypothetical conditions, assumptions or qualifications as to the physical or legal aspects of the property. If the property has not achieved stabilized occupancy or sellout as of the date of the appraisal, all applicable deductions and discounts need to be applied in order to estimate the "as is" value.

The most frequent deductions include, but are not necessarily limited to , unearned entrepreneurial profit; the costs necessary to market the space or units (sales commissions, leasing commissions, and advertising expenses); the costs necessary to maintain the property until it achieves sellout or lease-up, as appropriate; the real estate taxes on unsold units or un-leased space; the associated administrative expenses; and other marketing, holding, and administrative cost/expenses that may be applicable and appropriate.

PROSPECTIVE MARKET VALUE UPON COMPLETION OF CONSTRUCTION

A forecast of the market value of a property that is proposed, under construction, under conversion, or in the process of rehabilitation, subject to the assumption that the improvements are 100% completed as of a specified future date. Implicit in this definition is the assumption that the property has achieved 100% unit sellout, or stabilized occupancy, as appropriate, as of the projected date of completion. Should anticipated market conditions indicate that complete unit sellout, or stabilized occupancy, is not likely as of the date of completion, all appropriate deductions and discounts, similar to those referenced above, should be applied.

PROSPECTIVE MARKET VALUE UPON REACHING STABILIZED OCCUPANCY

A forecast of the market value of a property that is expected to occur at the estimated date of stabilized occupancy. Implicit in this definition is the assumption that all improvements to the property have been physically completed and that the property has been leased to its optimum level of long-term occupancy as of the date of value.

PROPERTY IDENTIFICATION

The subject is located on Glover Avenue which is off Yaphank Avenue (CR 21) within the hamlet of Yaphank, Town of Brookhaven, Suffolk County, New York. The proposed site will contain 14.06± acres with various access easements. Currently the site is part of a large parcel of land owned by Suffolk County. The subject legal description is as follows: District: 200, Section: 742, Block: 1, Lot: p/o 3. The site is currently zoned Residential *"A-1"* according to the Town of Brookhaven Zoning Maps.

PROPERTY RIGHTS APPRAISED

The subject property is appraised on the basis of its Going-Concern Value.

Going-Concern Value is defined in Real Estate Appraisal Terminology as follows:

> "The market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; also called *value of the going concern*."*

*The Dictionary of Real Estate Appraisal, Fourth Edition, (2002), Pg. 127, The Appraisal Institute.

The subject property is appraised on the basis of Fee Simple Estate.

Fee Simple Estate is defined in Real Estate Appraisal Terminology as follows:

> "Absolute ownership unencumbered by any other interest or estate; subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat."*

*The Dictionary of Real Estate Appraisal, Fourth Edition, (2002) Pg. 113, The Appraisal Institute.

OWNERSHIP AND OCCUPANCY

OWNERSHIP:	Suffolk County
OCCUPANCY:	Currently operating as a Suffolk County owned 264-bed Skilled Nursing Facility. The reported occupancy is over 96%.

SALES HISTORY OF THE PROPERTY

The subject has been in the current ownership for over 10 years. The facility was built for Suffolk County. There is limited information pertaining to the possible sale of the facility. According to an independent consultant the facility including the land, building, equipment and operations should sell between $33,000,000.00 and $35,000,000.00.

SCOPE OF THE APPRAISAL

As of the date of inspection, the site was improved with a five-story, masonry and steel, 264-bed Skilled Nursing Facility. The subject building was built in 1992/93 and contains a total GBA of 182,146± Sq.Ft. and is fully sprinklered. There is a storage basement containing 15,528± SqFt. The subject building is considered to be in satisfactory condition with good maintenance.

It is important to note that on November 14, 2007, the New York State Department of Health changed the requirements for RHCF Beds. The minimum change is that a modern nursing home must provide at least 625 square feet per resident to be in substantial compliance with applicable construction and health codes. This is a significant increase from the previous standard. This change has a direct impact on land value due to the reduced density. Increasing the GBA can increase the income potential and overall quality of the facility (larger rooms, more open space, etc). The subject meets this requirement.

In developing this report, all three approaches to value were considered. It was determined that the Income Approach and the Sales Comparison Approach were pertinent. The Cost Approach was not developed due to the lack of comparable land sales.

In the Income Approach to Value, an investigation of the market revealed comparable rentals within similar facilities in the Suffolk County area. The rentals are analyzed on a rent per bed per month basis for comparative purposes. The occupancy is approximately 96%. In 2008 the revenues were 77% Medicaid, 10% Medicare and 13% other / private pay. The private paying patients cost to the occupant is self regulated by the facility management itself and is generally what the market can bear. The rental survey that will be developed will determine if the subject rates are in line with the market. The appraiser will estimate the potential gross income from these sources of income. All other sources of income will be evaluated and where appropriate will be, included in the overall income. A deduction for vacancy is estimated and operating expenses are analyzed to reconcile an estimate of net operating income. An appropriate capitalization rate will be utilized to derive a final estimate of value via this approach.

In the Sales Comparison Approach, sales of other comparable properties through Long Island and sand sections of the Northeast were analyzed and compared to the subject. The sales were analyzed on the basis of price per bed. Adjustments were made to the sales to reflect differences in date of sale, location, building size, finish, condition, etc. between the sales and the subject.

SCOPE OF THE APPRAISAL (Cont'd)

As part of the Sales Comparison Approach an Effective Gross Income Multiplier and a Cash Flow Multiplier were developed. The EGIM serves as an indicator of market value as expressed by the relationship between the sales price of a property and its effective gross income. This unit of comparison is commonly utilized by participants active in the real estate market. A significant strength of this analytical technique is that it represents a direct factor of income as reflected by the market and therefore, requires no adjustments.

The Cash Flow Multiple (CFM) is considered a reliable indicator of value. This is because the CFM considers both the income and the expenses of a facility, whereas the EGIM and the price per bed do not.

SUFFOLK COUNTY DATA

Population

The current year (2009) population in Suffolk County is 1,478,500. The current population is 49.15% male and 50.85% female. In 2004, the median age of the population in this area was 37.8, compared to the State of New York median age which was 36.3. The population density in your area is 1,606.7 people per square mile. The following chart shows the trends and future projections.

1990 Total Population	1,321,768
2000 Total Population	1,419,369
2008 Total Population	1,498,410
2013 Total Population	1,543,329

Households

There are currently 488,298 households in Suffolk County as of 2009. The following chart shows the trends and future projections.

1990 Total Households	424,689
2000 Total Households	469,299
2008 Total Households	493,870
2013 Total Households	509,613

2009 Households	
Total Households	488,298
Average Household Size	2.97

Income

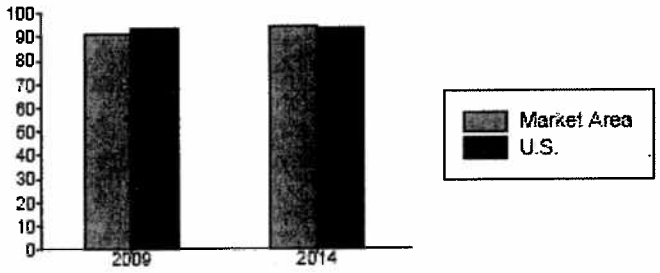
In 2009, the median household income in Suffolk County was $85,938, compared to the STATE of NY median which was $48,025. The following chart shows the trends and future projections.

Median Household Income	
1990 Median HH Income	$49,130
2000 Median HH Income	$64,885
2009 Median HH Income	$85,938
2014 Median HH Income	$91,960
1990-2000 Annual Rate	2.82%
2000-2009 Annual Rate	3.08%
2009-2014 Annual Rate	1.36%

Employment

Currently Suffolk County is doing slightly better than the United States as a whole. The Manhattan market has a string influent on Suffolk County unemployment rate a moderate amount commute to the city for employment.

Year	%Employed	%Unemployed
2009	91.0	9.0
2014	94.0	6.0



Transportation

Transportation in Suffolk County is predominantly by private automobile. The private automobile accounted for 84% of all means of transportation to or from work. The network of highways in Suffolk County and Long Island provides easy transportation and/or trucking routes in a north/south or east/west direction. The most heavily traveled artery heading in an east/west direction on Long Island is the Long Island Expressway. This road provides the easiest means for trucking goods on or off the Island. Traditionally, the best industrial sites have been located in close proximity to or with access to the Long Island Expressway.

Second in the means of transportation to those working on Long Island is the Long Island Railroad. The railroad accounts for approximately 5%-8% of the total means of transportation. The railroad has three main lines located in Suffolk County. These lines are the Montauk Branch, the Main Line and the Port Jefferson Branch. The railroad maintains 134 stations conveniently located in major communities. Although the railroad has been much maligned, it is one of the largest commuter lines in the country. In 2009 for instance, the Long Island Railroad accounted for moving 78.9 million passengers per year, or 216,164 passengers per day. The railroad also accounted for a total freight tonnage of 998,000 tons in 2009.

Although bus transportation is available, it only accounts for a small percent of the means of transportation. This mode of transportation has not been well-developed in the Suffolk County area and cannot be considered a viable means of transportation until additional funds are expended for its development.

Transportation out of the area via airplane is provided by various airports located in close proximity to the County. Included are Kennedy Airport, LaGuardia Airport and Islip-MacArthur Airport. It should be noted that both Kennedy and LaGuardia are among the busiest airports in the world.

Conclusion - Market Analysis

Due to the current recession which started in late 2007, the commercial real estate market has seen a decline of 15 to 30%. Vacancies have increased in all property types with the hardest hit industry being Auto retailers. Most economists see the economy growing in late 2009 with more moderate growth in 2010. However, in order to sustain a full recovery jobs will have to be created. This is a driving force in true economic growth and recovery.

The following is a map of Suffolk County.

Executive Summary

Prepared by STDBonline

John J. Foley SNF Site Type: Ring	14 Glover Dr, Yaphank, NY, 11980 Radius: 1 Miles	14 Glover Dr, Yaphank, NY, 11980 Radius: 3 Miles	14 Glover Dr, Yaphank, NY, 11980 Radius: 5 Miles
2009 Population			
Total Population	1,603	30,337	112,888
Male Population	53.0%	49.7%	48.9%
Female Population	47.0%	50.3%	51.1%
Median Age	35.6	35.7	35.6
2009 Income			
Median HH Income	$105,122	$85,761	$76,603
Per Capita Income	$29,910	$28,612	$28,018
Average HH Income	$102,695	$96,264	$89,182
2009 Households			
Total Households	240	8,792	35,018
Average Household Size	5.59	3.30	3.15
2009 Housing			
Owner Occupied Housing Units	87.9%	79.4%	72.5%
Renter Occupied Housing Units	9.3%	16.0%	22.2%
Vacant Housing Units	2.8%	4.6%	5.3%
Population			
1990 Population	957	25,071	97,466
2000 Population	1,173	26,904	104,840
2009 Population	1,603	30,337	112,888
2014 Population	1,864	31,296	114,556
1990-2000 Annual Rate	2.06%	0.71%	0.73%
2000-2009 Annual Rate	3.43%	1.31%	0.8%
2009-2014 Annual Rate	3.06%	0.62%	0.29%

In the identified market area, the current year population is 112,888. In 2000, the Census count in the market area was 104,840. The rate of change since 2000 was 0.8 percent annually. The five-year projection for the population in the market area is 114,556, representing a change of 0.29 percent annually from 2009 to 2014. Currently, the population is 48.9 percent male and 51.1 percent female.

Households			
1990 Households	101	6,963	29,685
2000 Households	132	7,757	32,640
2009 Households	240	8,792	35,018
2014 Households	285	9,091	35,527
1990-2000 Annual Rate	2.71%	1.06%	0.95%
2000-2009 Annual Rate	6.68%	1.36%	0.76%
2009-2014 Annual Rate	3.5%	0.67%	0.29%

The household count in this market area has changed from 32,640 in 2000 to 35,018 in the current year, a change of 0.76 percent annually. The five-year projection of households is 35,527, a change of 0.29 percent annually from the current year total. Average household size is currently 3.15, compared to 3.14 in the year 2000. The number of families in the current year is 27,409 in the market area.

Housing

Currently, 72.5 percent of the 36,972 housing units in the market area are owner occupied; 22.2 percent, renter occupied; and 5.3 percent are vacant. In 2000, there were 34,173 housing unitsâ€" 73.3 percent owner occupied, 22.1 percent renter occupied and 4.6 percent vacant. The rate of change in housing units since 2000 is 0.85 percent. Median home value in the market area is $244,999, compared to a median home value of $162,279 for the U.S. In five years, median home value is projected to change by 5.64 percent annually to $325,346. From 2000 to the current year, median home value changed by 6.61 percent annually.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2009 and 2014. ESRI converted 1990 Census data into 2000 geography.

Executive Summary

Prepared by STDBonline

John J. Foley SNF Site Type: Ring	14 Glover Dr, Yaphank, NY, 11980 Radius: 1 Miles	14 Glover Dr, Yaphank, NY, 11980 Radius: 3 Miles	14 Glover Dr, Yaphank, NY, 11980 Radius: 5 Miles
Median Household Income			
1990 Median HH Income	$41,667	$46,767	$42,812
2000 Median HH Income	$77,849	$64,774	$59,343
2009 Median HH Income	$106,122	$85,761	$76,503
2014 Median HH Income	$107,996	$91,636	$80,669
1990-2000 Annual Rate	6.46%	3.53%	3.32%
2000-2009 Annual Rate	3.41%	3.06%	2.8%
2009-2014 Annual Rate	0.35%	1.36%	1.04%
Per Capita Income			
1990 Per Capita Income	$13,241	$14,123	$14,387
2000 Per Capita Income	$20,366	$21,364	$21,111
2009 Per Capita Income	$29,910	$28,812	$28,018
2014 Per Capita Income	$31,320	$30,250	$29,309
1990-2000 Annual Rate	4.39%	4.23%	3.91%
2000-2009 Annual Rate	4.25%	3.29%	3.11%
2009-2014 Annual Rate	0.93%	0.95%	0.91%
Average Household Income			
1990 Average Household Income	$47,441	$48,573	$46,445
2000 Average Household Income	$72,785	$71,696	$66,798
2009 Average HH Income	$102,695	$96,264	$89,182
2014 Average HH Income	$113,260	$100,771	$93,242
1990-2000 Annual Rate	5.34%	4%	3.7%
2000-2009 Annual Rate	3.5%	3.21%	3.17%
2009-2014 Annual Rate	0.64%	0.92%	0.89%

Households by Income

Current median household income is $76,503 in the market area, compared to $54,719 for all U.S. households. Median household income is projected to be $80,669 in five years. In 2000, median household income was $59,343, compared to $42,812 in 1990.

Current average household income is $89,182 in this market area, compared to $71,437 for all U.S. households. Average household income is projected to be $93,242 in five years. In 2000, average household income was $66,798, compared to $46,445 in 1990.

Current per capita income is $28,018 in the market area, compared to the U.S. per capita income of $27,277. The per capita income is projected to be $29,309 in five years. In 2000, the per capita income was $21,111, compared to $14,387 in 1990.

Population by Employment

Total Businesses	80	1,066	3,768
Total Employees	2,435	23,234	43,770

Currently, 89.8 percent of the civilian labor force in the identified market area is employed and 10.2 percent are unemployed. In comparison, 89.4 percent of the U.S. civilian labor force is employed, and 10.6 percent are unemployed. In five years the rate of employment in the market area will be 93.2 percent of the civilian labor force, and unemployment will be 6.8 percent. The percentage of the U.S. civilian labor force that will be employed in five years is 92.9 percent, and 7.1 percent will be unemployed. In 2000, 68.1 percent of the population aged 16 years or older in the market area participated in the labor force, and 0.0 percent were in the Armed Forces.

In the current year, the occupational distribution of the employed population is:

- 58.4 percent in white collar jobs (compared to 61.5 percent of U.S. employment)
- 18.7 percent in service jobs (compared to 17.1 percent of U.S. employment)
- 22.8 percent in blue collar jobs (compared to 21.4 percent of U.S. employment)

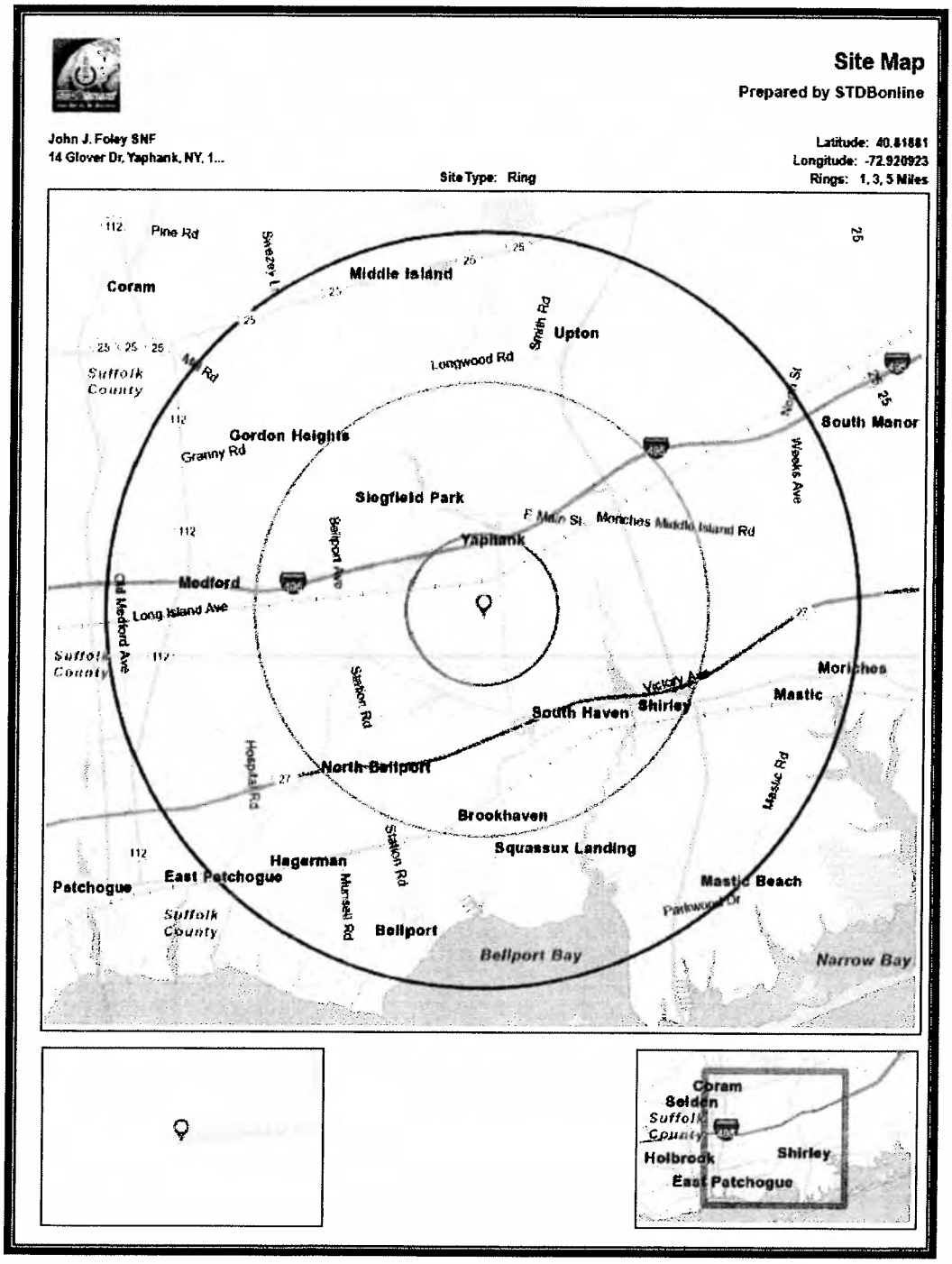
In 2000, 79.1 percent of the market area population drove alone to work, and 2.1 percent worked at home. The average travel time to work in 2000 was 32.8 minutes in the market area, compared to the U.S. average of 25.5 minutes.

Population by Education

In 2009, the educational attainment of the population aged 25 years or older in the market area was distributed as follows:

- 14.0 percent had not earned a high school diploma (16.2 percent in the U.S.)
- 38.6 percent were high school graduates only (29.8 percent in the U.S.)
- 6.4 percent had completed an Associate degree (7.2 percent in the U.S.)
- 10.1 percent had a Bachelor's degree (17.0 percent in the U.S.)
- 7.9 percent had earned a Master's/Professional/Doctorate Degree (9.8 percent in the U.S.)

NEIGHBORHOOD DATA (1, 3 AND 5 MILE RADIUS) (Cont'd)



Medical Expenditures

Prepared by STDBonline

John J. Foley SNF
14 Glover Dr, Yaphank, NY, 1...

Latitude: 40.81881
Longitude: -72.920923
Radius: 1 Miles

Site Type: Ring

Demographic Summary	2009	2014
Population	1,603	1,864
Households	240	286
Families	210	250
Median Household Income	$106,122	$107,998
Males per 100 Females	112.6	106.9
Population by Age		
Population <5 Years	6.4%	6.4%
Population 5 - 17 Years	17.5%	16.3%
Population 65+ Years	8.4%	9.7%
Median Age	36.6	37.4

	Spending Potential Index	Average Amount Spent	Total
Health Care	143	$5,370.92	$1,269,020
Medical Care	143	$2,660.56	$628,135
Physician Services	153	$346.55	$83,243
Dental Services	160	$552.26	$132,642
Eyecare Services	152	$80.53	$19,327
Lab Tests, X-Rays	145	$87.31	$20,964
Hospital Room and Hospital Service	137	$179.25	$43,021
Convalescent or Nursing Home Care	104	$33.56	$8,060
Other Medical Services[1]	154	$150.30	$36,073
Nonprescription Drugs	133	$138.66	$33,282
Prescription Drugs	133	$734.09	$176,182
Nonprescription Vitamins	144	$82.40	$19,776
Medicare Prescription Drug Premium	102	$37.80	$9,072
Eyeglasses and Contact Lenses	156	$117.93	$28,303
Hearing Aids	108	$23.03	$5,528
Medical Equipment for General Use	130	$8.54	$2,050
Other Medical Supplies[2]	151	$78.01	$18,722
Health Insurance	142	$2,720.35	$652,884
Blue Cross/Blue Shield	152	$850.24	$204,058
Commercial Health Insurance	155	$575.21	$138,051
Health Maintenance Organization	157	$566.07	$135,857
Medicare Payments	109	$426.39	$102,334
Long Term Care Insurance	140	$88.39	$21,213
Other Health Insurance[3]	121	$214.05	$51,372

Data Note: The Spending Potential Index (SPI) is household-based, and represents the amount spent for a product or service relative to a national average of 100.Detail may not sum to totals due to rounding.

[1] **Other Medical Services** includes Services by Medical Professionals other than Physicians, Nursing Services, Therapeutic Treatments, Blood Donation, Ambulance, Emergency Room, and Outpatient Hospital Services.

[2] **Other Medical Supplies** includes Topicals, Dressings, Supportive and Convalescent Medical Equipment, Rental of Medical Equipment for General Use, and Rental of Supportive and Convalescent Medical Equipment.

[3] **Other Health Insurance** includes Medicare Supplements and Other Health Insurance excluding Blue Cross/Blue Shield.

Source: Consumer Spending data are derived from the 2005 and 2006 Consumer Expenditure Surveys, Bureau of Labor Statistics. ESRI forecasts for 2009 and 2014.

Medical Expenditures

Prepared by STDBonline

John J. Foley SNF
14 Glover Dr, Yaphank, NY, 1...

Latitude: 40.81881
Longitude: -72.920923
Site Type: Ring
Radius: 3 Miles

Demographic Summary	2009	2014
Population	30,337	31,296
Households	8,792	9,091
Families	7,164	7,395
Median Household Income	$85,761	$91,836
Males per 100 Females	99.0	98.4
Population by Age		
Population <5 Years	7.1%	7.1%
Population 5 - 17 Years	19.7%	19.3%
Population 65+ Years	8.7%	10.8%
Median Age	35.7	35.8

	Spending Potential Index	Average Amount Spent	Total
Health Care	127	$4,793.64	$42,145,639
Medical Care	127	$2,340.44	$20,577,132
Physician Services	131	$298.49	$2,624,350
Dental Services	143	$493.74	$4,340,929
Eyecare Services	133	$70.35	$618,532
Lab Tests, X-Rays	120	$72.30	$635,691
Hospital Room and Hospital Service	117	$152.85	$1,343,666
Convalescent or Nursing Home Care	120	$38.72	$340,369
Other Medical Services[1]	130	$126.09	$1,108,576
Nonprescription Drugs	117	$122.15	$1,073,919
Prescription Drugs	119	$655.19	$5,760,421
Nonprescription Vitamins	127	$72.73	$639,464
Medicare Prescription Drug Premium	101	$37.37	$328,569
Eyeglasses and Contact Lenses	135	$102.33	$899,865
Hearing Aids	103	$21.90	$192,529
Medical Equipment for General Use	115	$7.58	$66,662
Other Medical Supplies[2]	133	$68.65	$603,547
Health Insurance	128	$2,453.20	$21,568,506
Blue Cross/Blue Shield	136	$762.74	$6,706,017
Commercial Health Insurance	130	$480.49	$4,224,479
Health Maintenance Organization	141	$508.45	$4,470,301
Medicare Payments	108	$420.76	$3,699,345
Long Term Care Insurance	129	$81.34	$715,117
Other Health Insurance[3]	113	$199.41	$1,753,246

Data Note: The Spending Potential Index (SPI) is household-based, and represents the amount spent for a product or service relative to a national average of 100.Detail may not sum to totals due to rounding.

[1] **Other Medical Services** includes Services by Medical Professionals other than Physicians, Nursing Services, Therapeutic Treatments, Blood Donation, Ambulance, Emergency Room, and Outpatient Hospital Services.

[2] **Other Medical Supplies** includes Topicals, Dressings, Supportive and Convalescent Medical Equipment, Rental of Medical Equipment for General Use, and Rental of Supportive and Convalescent Medical Equipment.

[3] **Other Health Insurance** includes Medicare Supplements and Other Health Insurance excluding Blue Cross/Blue Shield.

Source: Consumer Spending data are derived from the 2005 and 2006 Consumer Expenditure Surveys, Bureau of Labor Statistics. ESRI forecasts for 2009 and 2014.

Medical Expenditures

Prepared by STDBonline

John J. Foley SNF
14 Glover Dr, Yaphank, NY, 1...

Latitude: 40.81881
Longitude: -72.928923
Radius: 5 Miles

Site Type: Ring

Demographic Summary	2009	2014
Population	112,555	114,666
Households	35,016	35,627
Families	27,409	27,707
Median Household Income	$76,603	$80,669
Males per 100 Females	95.7	95.3
Population by Age		
Population <5 Years	7.3%	7.2%
Population 5 - 17 Years	19.5%	19.1%
Population 65+ Years	9.7%	11.7%
Median Age	35.6	35.3

	Spending Potential Index	Average Amount Spent	Total
Health Care	119	$4,487.61	$157,147,137
Medical Care	118	$2,188.20	$76,626,370
Physician Services	122	$276.49	$9,681,962
Dental Services	131	$450.29	$15,766,273
Eyecare Services	123	$65.06	$2,276,240
Lab Tests, X-Rays	111	$66.98	$2,345,392
Hospital Room and Hospital Service	111	$145.49	$5,094,758
Convalescent or Nursing Home Care	120	$38.81	$1,358,997
Other Medical Services[1]	119	$115.54	$4,046,029
Nonprescription Drugs	111	$116.38	$4,075,432
Prescription Drugs	113	$621.00	$21,746,167
Nonprescription Vitamins	120	$68.46	$2,396,868
Medicare Prescription Drug Premium	102	$37.52	$1,313,956
Eyeglasses and Contact Lenses	124	$93.98	$3,290,928
Hearing Aids	99	$21.09	$738,704
Medical Equipment for General Use	111	$7.27	$254,561
Other Medical Supplies[2]	124	$63.86	$2,236,133
Health Insurance	120	$2,299.41	$80,520,766
Blue Cross/Blue Shield	126	$702.83	$24,611,727
Commercial Health Insurance	120	$442.40	$15,492,014
Health Maintenance Organization	131	$470.03	$16,459,679
Medicare Payments	106	$416.08	$14,570,231
Long Term Care Insurance	121	$76.27	$2,670,979
Other Health Insurance[3]	109	$191.79	$6,716,137

Data Note: The Spending Potential Index (SPI) is household-based, and represents the amount spent for a product or service relative to a national average of 100.Detail may not sum to totals due to rounding.

[1] **Other Medical Services** includes Services by Medical Professionals other than Physicians, Nursing Services, Therapeutic Treatments, Blood Donation, Ambulance, Emergency Room, and Outpatient Hospital Services.

[2] **Other Medical Supplies** includes Topicals, Dressings, Supportive and Convalescent Medical Equipment, Rental of Medical Equipment for General Use, and Rental of Supportive and Convalescent Medical Equipment.

[3] **Other Health Insurance** includes Medicare Supplements and Other Health Insurance excluding Blue Cross/Blue Shield.

Source: Consumer Spending data are derived from the 2005 and 2006 Consumer Expenditure Surveys, Bureau of Labor Statistics. ESRI forecasts for 2009 and 2014.

Age 50+ Profile

Prepared by STDBonline

John J. Foley SNF
14 Glover Dr, Yaphank, NY, 1...

Site Type: Ring

Latitude: 40.81881
Longitude: -72.520823
Radius: 1 Miles

Demographic Summary	Census 2000	2009	2014	2009-2014 Change	2009-2014 Annual Rate
Total Population	1,173	1,603	1,564	261	3.06%
Population 50+	245	415	527	112	4.89%
Median Age	34.4	36.6	37.4	0.8	0.43%
Households	132	240	255	46	3.5%
% Householders 55+	19.7	23.7	28.6	4.9	3.83%
Owner/Renter Ratio	9.2	9.4	11.4	2.0	3.93%
Median Home Value	$151,316	$269,643	$353,097	$83,454	5.54%
Average Home Value	$156,962	$287,100	$396,135	$109,035	6.65%
Median Household Income	$77,549	$106,122	$107,996	$1,874	0.35%
Median Household Income for Householder 55+	$77,299	$104,126	$104,906	$780	0.15%

Population by Age and Sex

Male Population	Census 2000		2009		2014	
	Number	% of 50+	Number	% of 50+	Number	% of 50+
Total (50+)	112	100.0%	196	0.0%	251	100.0%
50 - 54	40	36.7%	58	29.6%	69	27.5%
55 - 59	21	18.8%	53	27.0%	60	23.9%
60 - 64	13	11.6%	35	17.9%	49	19.5%
65 - 69	7	6.3%	16	8.2%	31	12.4%
70 - 74	10	8.9%	10	5.1%	16	6.4%
75 - 79	10	8.9%	10	5.1%	11	4.4%
80 - 84	6	5.4%	8	4.1%	8	3.2%
85+	5	4.5%	6	3.1%	7	2.8%

Female Population	Census 2000		2009		2014	
	Number	% of 50+	Number	% of 50+	Number	% of 50+
Total (50+)	133	100.0%	219	100.0%	276	100.0%
50 - 54	31	23.3%	54	24.7%	67	24.3%
55 - 59	18	13.5%	50	22.8%	56	20.3%
60 - 64	9	6.8%	31	14.2%	46	16.7%
65 - 69	9	6.8%	17	7.8%	31	11.2%
70 - 74	10	7.5%	13	5.9%	20	7.2%
75 - 79	15	11.3%	14	6.4%	15	5.4%
80 - 84	16	12.0%	15	6.8%	16	5.8%
85+	25	18.8%	25	11.4%	25	9.1%

Total Population	Census 2000		2009		2014	
	Number	% of Total Pop	Number	% of Total Pop	Number	% of Total Pop
Total (50+)	245	20.9%	415	25.9%	527	28.3%
50 - 54	71	6.1%	112	7.0%	136	7.3%
55 - 59	39	3.3%	103	6.4%	116	6.2%
60 - 64	22	1.9%	66	4.1%	95	5.1%
65 - 69	16	1.4%	33	2.1%	62	3.3%
70 - 74	20	1.7%	23	1.4%	36	1.9%
75 - 79	25	2.1%	24	1.5%	26	1.4%
80 - 84	22	1.9%	23	1.4%	24	1.3%
85+	30	2.6%	31	1.9%	32	1.7%
65+	113	9.6%	134	8.4%	180	9.7%
75+	77	6.6%	78	4.9%	82	4.4%

Data Note: Detail may not sum to totals due to rounding.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2009 and 2014.

Age 50+ Profile

Prepared by STDBonline

John J. Foley SNF
14 Glover Dr, Yaphank, NY, 1...

Site Type: Ring

Latitude: 40.81881
Longitude: -72.920923
Radius: 1 Miles

2000 Households by Income and Age of Householder 55+

	55 - 64	65 - 74	75+	Total
Total	17	4	2	23
< $15,000	0	0	0	0
$15,000 - $24,999	0	3	0	3
$25,000 - $34,999	0	0	1	1
$35,000 - $49,999	3	0	0	3
$50,000 - $74,999	2	1	1	4
$75,000 - $99,999	4	0	0	4
$100,000 - $149,999	7	0	0	7
$150,000 - $199,999	1	0	0	1
$200,000+	0	0	0	0
Median Household Income	$86,790	$22,361	$42,500	$77,299
Average Household Income	$92,514	$44,754	$70,058	$82,266

2009 Households by Income and Age of Householder 55+

	55 - 64	65 - 74	75+	Total
Total	41	12	2	55
< $15,000	0	0	0	0
$15,000 - $24,999	0	2	0	2
$25,000 - $34,999	2	1	1	4
$35,000 - $49,999	2	1	0	3
$50,000 - $74,999	2	3	1	6
$75,000 - $99,999	7	1	0	8
$100,000 - $149,999	22	3	0	25
$150,000 - $199,999	5	1	0	6
$200,000+	1	0	0	1
Median Household Income	$108,553	$64,084	$42,500	$104,126
Average Household Income	$122,962	$94,669	$245,416	$121,242

2014 Households by Income and Age of Householder 55+

	55 - 64	65 - 74	75+	Total
Total	53	23	4	80
< $15,000	0	0	0	0
$15,000 - $24,999	0	3	0	3
$25,000 - $34,999	2	1	1	4
$35,000 - $49,999	2	2	0	4
$50,000 - $74,999	3	5	1	9
$75,000 - $99,999	8	4	1	13
$100,000 - $149,999	29	5	1	35
$150,000 - $199,999	7	3	0	10
$200,000+	2	0	0	2
Median Household Income	$110,679	$77,299	$75,000	$104,906
Average Household Income	$123,145	$97,085	$136,624	$116,428

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2009 and 2014.

Age 50+ Profile

Prepared by STDBonline

John J. Foley SNF
14 Glover Dr, Yaphank, NY, 1...

Latitude: 40.81861
Longitude: -72.926923
Radius: 1 Mile

Site Type: Ring

2009 Households by Income and Age of Householder 50+

	50 - 54	55 - 59	60 - 64	65 - 69	70 - 74	75 - 79	80 - 84	85+
Total	35	24	17	9	3	2	0	0
< $15,000	0	0	0	0	0	0	0	0
$15,000 - $24,999	0	0	0	1	1	0	0	0
$25,000 - $34,999	1	1	1	1	0	1	0	0
$35,000 - $49,999	1	1	1	1	0	0	0	0
$50,000 - $74,999	3	1	1	2	1	1	0	0
$75,000 - $99,999	6	4	3	1	0	0	0	0
$100,000 - $149,999	17	13	9	2	1	0	0	0
$150,000 - $199,999	6	3	2	1	0	0	0	0
$200,000 - $249,999	1	1	0	0	0	0	0	0
$250,000 - $499,999	0	0	0	0	0	0	0	0
$500,000+	0	0	0	0	0	0	0	0
Median HH Income	$110,953	$110,253	$106,324	$86,667	$59,184	$42,500	$0	$0
Average HH Income	$118,331	$123,088	$122,786	$96,666	$118,630	$139,563	$0	$0

Percent Distribution

	50 - 54	55 - 59	60 - 64	65 - 69	70 - 74	75 - 79	80 - 84	85+
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
< $15,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
$15,000 - $24,999	0.0%	0.0%	0.0%	11.1%	33.3%	0.0%	0.0%	0.0%
$25,000 - $34,999	2.9%	4.2%	5.9%	11.1%	0.0%	50.0%	0.0%	0.0%
$35,000 - $49,999	2.9%	4.2%	5.9%	11.1%	0.0%	0.0%	0.0%	0.0%
$50,000 - $74,999	8.6%	4.2%	5.9%	22.2%	33.3%	50.0%	0.0%	0.0%
$75,000 - $99,999	17.1%	16.7%	17.6%	11.1%	0.0%	0.0%	0.0%	0.0%
$100,000 - $149,999	48.6%	54.2%	52.9%	22.2%	33.3%	0.0%	0.0%	0.0%
$150,000 - $199,999	17.1%	12.5%	11.8%	11.1%	0.0%	0.0%	0.0%	0.0%
$200,000 - $249,999	2.9%	4.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
$250,000 - $499,999	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
$500,000+	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Data Note: Income reported for July 1, 2009 represents annual income for the preceding year, expressed in current (2008) dollars, including an adjustment for inflation. In 2000, the Census Bureau reported age by income data for incomes up to $200,000+ by ten-year age groups up to 75+ years. ESRI extended age by income data to income up to $500,000+ by five-year age groups up to 85+ years.

Source: ESRI forecasts for 2009 and 2014.

Age 50+ Profile

Prepared by STDBonline

John J. Foley SNF
14 Glover Dr, Yaphank, NY, 1...

Latitude: 40.81881
Longitude: -72.520923
Radius: 1 Miles

Site Type: Ring

2014 Households by Income and Age of Householder 50+

	50 - 54	55 - 59	60 - 64	65 - 69	70 - 74	75 - 79	80 - 84	85+
Total	42	27	26	16	7	4	0	0
< $15,000	0	0	0	0	0	0	0	0
$15,000 - $24,999	0	0	0	2	1	0	0	0
$25,000 - $34,999	1	1	1	1	0	1	0	0
$35,000 - $49,999	1	1	1	1	1	0	0	0
$50,000 - $74,999	3	1	2	3	2	1	0	0
$75,000 - $99,999	7	4	4	3	1	1	0	0
$100,000 - $149,999	21	15	14	4	1	1	0	0
$150,000 - $199,999	8	4	3	2	1	0	0	0
$200,000 - $249,999	1	1	1	0	0	0	0	0
$250,000 - $499,999	0	0	0	0	0	0	0	0
$500,000+	0	0	0	0	0	0	0	0
Median HH Income	$112,763	$112,183	$109,169	$81,537	$66,362	$75,000	$0	$0
Average HH Income	$122,319	$127,270	$118,861	$101,774	$86,376	$84,424	$0	$0

Percent Distribution

	50 - 54	55 - 59	60 - 64	65 - 69	70 - 74	75 - 79	80 - 84	85+
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
< $15,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
$15,000 - $24,999	0.0%	0.0%	0.0%	12.5%	14.3%	0.0%	0.0%	0.0%
$25,000 - $34,999	2.4%	3.7%	3.8%	6.3%	0.0%	25.0%	0.0%	0.0%
$35,000 - $49,999	2.4%	3.7%	3.8%	6.3%	14.3%	0.0%	0.0%	0.0%
$50,000 - $74,999	7.1%	3.7%	7.7%	18.8%	28.6%	25.0%	0.0%	0.0%
$75,000 - $99,999	16.7%	14.8%	15.4%	18.8%	14.3%	25.0%	0.0%	0.0%
$100,000 - $149,999	50.0%	55.6%	53.8%	25.0%	14.3%	25.0%	0.0%	0.0%
$150,000 - $199,999	19.0%	14.8%	11.5%	12.5%	14.3%	0.0%	0.0%	0.0%
$200,000 - $249,999	2.4%	3.7%	3.8%	0.0%	0.0%	0.0%	0.0%	0.0%
$250,000 - $499,999	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
$500,000+	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Data Note: Income reported for July 1, 2014 represents annual income for the preceding year, expressed in current (2011) dollars, including an adjustment for inflation.

Source: ESRI forecasts for 2009 and 2014.

Age 50+ Profile

Prepared by STDBonline

John J. Foley SNF
14 Glover Dr, Yaphank, NY, 1...

Site Type: Ring

Latitude: 40.81881
Longitude: -72.920523
Radius: 1 Miles

Census 2000 Households with Population 65+ by Size and Type

	Number	Percent	% Total HHs
Total	23	100.0%	17.4%
1 Person Households	4	17.4%	3.0%
2+ Person Households	19	82.6%	14.4%
Family	18	78.3%	13.6%
Nonfamily	1	4.3%	0.8%

Census 2000 Households with Population 65+ by Size and Type

	Number	Percent	% Total HHs
Total	18	100.0%	13.6%
1 Person Households	3	16.7%	2.3%
2+ Person Households	15	83.3%	11.4%
Family	14	77.8%	10.6%
Nonfamily	1	5.6%	0.8%

Census 2000 Occupied Housing Units by Age of Householder 55+

	Number	Percent	% Total HHs
Total	24	100.0%	18.2%
Owner Occupied HUs / Householder 55+	23	95.8%	17.4%
Householder Age 55-64	12	50.0%	9.1%
Householder Age 65-74	6	25.0%	4.6%
Householder Age 75-84	4	16.7%	3.0%
Householder Age 85+	1	4.2%	0.8%
Renter Occupied HUs / Householder 55+	1	4.2%	0.8%
Householder Age 55-64	1	4.2%	0.8%
Householder Age 65-74	0	0.0%	0.0%
Householder Age 75-84	0	0.0%	0.0%
Householder Age 85+	0	0.0%	0.0%

Census 2000 Households by Poverty Status and Age of Householder

	Number	Percent
Total	131	100.0%
Below Poverty	2	1.5%
Households with Income Below Poverty Level / Householder <65	2	1.5%
Households with Income Below Poverty Level / Householder 65+	0	0.0%
Above Poverty	129	98.5%
Households with Income At or Above Poverty Level / Householder <65	121	92.4%
Households with Income At or Above Poverty Level / Householder 65+	8	6.1%

Census 2000 Average Value of Specified Owner Occupied Housing Units by Householder 55+

Average Value of Specified Owner Occupied HUs / Householder 55-64	$182,557
Average Value of Specified Owner Occupied HUs / Householder 65-74	$136,548
Average Value of Specified Owner Occupied HUs / Householder 75+	$183,372

Data Note: Specified Owner-occupied Housing Units exclude houses on 10+ acres, mobile homes, units in multiunit buildings, and houses with a business or medical office.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing.

Age 50+ Profile

Prepared by STDBonline

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14 Glover Dr, Yaphank, NY, 1...

Site Type: Ring

Latitude: 40.81881
Longitude: -72.920923
Radius: 3 Miles

Demographic Summary	Census 2000	2009	2014	2009-2014 Change	2009-2014 Annual Rate
Total Population	26,904	30,337	31,286	959	0.62%
Population 50+	6,094	8,349	9,265	916	2.1%
Median Age	33.5	35.7	36.8	1.1	0.61%
Households	7,757	8,792	9,091	299	0.67%
% Householders 55+	26.9	34.4	37.5	3.0	1.74%
Owner/Renter Ratio	5.0	5.0	6.0	1.0	3.71%
Median Home Value	$136,715	$248,990	$330,263	$81,273	6.81%
Average Home Value	$147,613	$270,205	$367,994	$97,788	6.37%
Median Household Income	$64,774	$85,761	$91,836	$6,075	1.35%
Median Household Income for Householder 55+	$60,454	$84,264	$89,070	$4,806	1.12%

Population by Age and Sex

Male Population	Census 2000		2009		2014	
	Number	% of 50+	Number	% of 50+	Number	% of 50+
Total (50+)	2,885	100.0%	3,916	0.0%	4,358	100.0%
50 - 54	1,023	35.7%	1,079	27.6%	1,130	25.9%
55 - 59	622	21.7%	942	24.1%	940	21.6%
60 - 64	368	12.8%	767	19.6%	803	18.4%
65 - 69	275	9.6%	430	11.0%	637	14.6%
70 - 74	208	7.3%	254	6.5%	365	8.4%
75 - 79	188	6.5%	193	4.9%	218	5.0%
80 - 84	111	3.9%	136	3.5%	143	3.3%
85+	70	2.4%	115	2.9%	122	2.8%

Female Population	Census 2000		2009		2014	
	Number	% of 50+	Number	% of 50+	Number	% of 50+
Total (50+)	3,229	100.0%	4,433	100.0%	4,907	100.0%
50 - 54	1,018	31.5%	1,120	25.3%	1,142	23.3%
55 - 59	597	18.5%	1,001	22.6%	997	20.3%
60 - 64	389	12.0%	794	17.9%	867	17.7%
65 - 69	277	8.6%	456	10.3%	694	14.1%
70 - 74	281	8.7%	320	7.2%	437	8.9%
75 - 79	270	8.4%	254	5.7%	290	5.9%
80 - 84	203	6.3%	218	4.9%	208	4.2%
85+	194	6.0%	270	6.1%	275	5.6%

Total Population	Census 2000		2009		2014	
	Number	% of Total Pop	Number	% of Total Pop	Number	% of Total Pop
Total (50+)	6,094	22.7%	8,349	27.5%	9,265	29.6%
50 - 54	2,041	7.6%	2,199	7.2%	2,272	7.3%
55 - 59	1,219	4.5%	1,943	6.4%	1,937	6.2%
60 - 64	757	2.8%	1,561	5.1%	1,670	5.3%
65 - 69	552	2.1%	886	2.9%	1,331	4.3%
70 - 74	489	1.8%	574	1.9%	802	2.6%
75 - 79	458	1.7%	447	1.5%	508	1.6%
80 - 84	314	1.2%	354	1.2%	348	1.1%
85+	264	1.0%	385	1.3%	397	1.3%
65+	2,077	7.7%	2,646	8.7%	3,356	10.8%
75+	1,036	3.9%	1,186	3.9%	1,253	4.0%

Data Note: Detail may not sum to totals due to rounding.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2009 and 2014.

Age 50+ Profile

Prepared by STDBonline

John J. Foley SNF
14 Glover Dr, Yaphank, NY, 1...

Site Type: Ring

Latitude: 40.81881
Longitude: -72.928923
Radius: 3 Miles

2000 Households by Income and Age of Householder 55+

	55 - 64	65 - 74	75+	Total
Total	1,196	532	405	2,133
< $15,000	60	69	113	242
$15,000 - $24,999	94	133	115	342
$25,000 - $34,999	57	43	51	151
$35,000 - $49,999	193	77	53	323
$50,000 - $74,999	207	102	27	336
$75,000 - $99,999	244	63	18	325
$100,000 - $149,999	279	34	28	341
$150,000 - $199,999	44	11	0	55
$200,000+	18	0	0	18
Median Household Income	$73,025	$36,575	$21,896	$50,454
Average Household Income	$75,888	$47,379	$33,674	$60,760

2009 Households by Income and Age of Householder 55+

	55 - 64	65 - 74	75+	Total
Total	1,800	771	457	3,028
< $15,000	33	49	45	127
$15,000 - $24,999	75	126	116	320
$25,000 - $34,999	57	54	51	162
$35,000 - $49,999	136	75	45	262
$50,000 - $74,999	231	169	47	467
$75,000 - $99,999	270	90	42	402
$100,000 - $149,999	763	115	69	947
$150,000 - $199,999	177	44	22	243
$200,000+	55	26	17	98
Median Household Income	$102,834	$57,725	$39,226	$54,264
Average Household Income	$106,027	$73,840	$54,959	$91,633

2014 Households by Income and Age of Householder 55+

	55 - 64	65 - 74	75+	Total
Total	1,809	1,094	503	3,406
< $15,000	26	54	47	127
$15,000 - $24,999	57	133	111	301
$25,000 - $34,999	42	56	46	148
$35,000 - $49,999	120	109	54	283
$50,000 - $74,999	220	275	60	558
$75,000 - $99,999	261	142	52	455
$100,000 - $149,999	804	186	80	1,070
$150,000 - $199,999	214	84	30	328
$200,000+	65	50	21	136
Median Household Income	$105,532	$64,853	$47,036	$89,070
Average Household Income	$111,797	$83,162	$59,626	$96,357

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2009 and 2014.

Age 50+ Profile

Prepared by STDBonline

John J. Foley SNF
14 Glover Dr, Yaphank, NY, 1...

Latitude: 40.81681
Longitude: -72.920923
Radius: 3 Miles

Site Type: Ring

2009 Households by Income and Age of Householder 50+

	50 - 54	55 - 59	60 - 64	65 - 69	70 - 74	75 - 79	80 - 84	85+
Total	1,137	1,005	795	484	287	221	109	127
< $15,000	17	19	14	29	20	22	11	12
$15,000 - $24,999	22	43	35	78	48	51	29	36
$25,000 - $34,999	16	31	26	34	20	26	12	14
$35,000 - $49,999	57	74	62	49	29	21	14	13
$50,000 - $74,999	202	127	104	117	72	26	10	12
$75,000 - $99,999	184	148	122	58	32	21	9	12
$100,000 - $149,999	434	427	335	73	42	32	17	20
$150,000 - $199,999	146	100	77	28	16	11	5	6
$200,000 - $249,999	30	15	9	11	5	9	2	2
$250,000 - $499,999	24	16	9	6	3	3	0	0
$500,000+	5	3	1	1	0	1	0	0
Median HH Income	$104,257	$103,295	$102,269	$68,414	$56,643	$42,928	$37,044	$36,331
Average HH Income	$115,198	$107,635	$103,991	$76,401	$71,206	$70,194	$60,503	$59,674

Percent Distribution

	50 - 54	55 - 59	60 - 64	65 - 69	70 - 74	75 - 79	80 - 84	85+
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
< $15,000	1.5%	1.9%	1.8%	6.0%	7.0%	10.0%	10.1%	9.4%
$15,000 - $24,999	1.9%	4.3%	4.4%	16.1%	16.7%	23.1%	26.6%	28.3%
$25,000 - $34,999	1.4%	3.1%	3.3%	7.0%	7.0%	11.3%	11.0%	11.0%
$35,000 - $49,999	5.0%	7.4%	7.8%	10.1%	10.1%	9.5%	12.8%	10.2%
$50,000 - $74,999	17.8%	12.6%	13.1%	24.2%	25.1%	11.3%	9.2%	9.4%
$75,000 - $99,999	16.2%	14.7%	15.3%	12.0%	11.1%	9.5%	8.3%	9.4%
$100,000 - $149,999	38.2%	42.5%	42.3%	15.1%	14.6%	14.5%	15.6%	15.7%
$150,000 - $199,999	12.8%	10.0%	9.7%	5.8%	5.6%	5.0%	4.6%	4.7%
$200,000 - $249,999	2.6%	1.5%	1.1%	2.3%	1.7%	4.1%	1.8%	1.6%
$250,000 - $499,999	2.1%	1.6%	1.1%	1.2%	1.0%	1.4%	0.0%	0.0%
$500,000+	0.4%	0.3%	0.1%	0.2%	0.0%	0.5%	0.0%	0.0%

Data Note: Income reported for July 1, 2009 represents annual income for the preceding year, expressed in current (2008) dollars, including an adjustment for inflation. In 2000, the Census Bureau reported age by income data for incomes up to $200,000+ by ten-year age groups up to 75+ years. ESRI extended age by income data to income up to $500,000+ by five-year age groups up to 85+ years.

Source: ESRI forecasts for 2009 and 2014.

Age 50+ Profile

Prepared by STDBonline

John J. Foley SNF
14 Glover Dr, Yaphank, NY, 1...

Latitude: 40.81881
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Radius: 3 Miles

Site Type: Ring

2014 Households by Income and Age of Householder 50+

	50 - 54	55 - 59	60 - 64	65 - 69	70 - 74	75 - 79	80 - 84	85+
Total	1,157	976	833	699	395	265	110	138
< $15,000	13	15	11	29	25	22	14	11
$15,000 - $24,999	16	31	26	80	53	54	25	32
$25,000 - $34,999	14	22	20	40	18	25	9	14
$35,000 - $49,999	50	63	57	68	41	26	12	16
$50,000 - $74,999	183	115	105	171	107	32	12	16
$75,000 - $99,999	178	136	125	92	50	27	11	14
$100,000 - $149,999	469	440	364	121	65	37	19	24
$150,000 - $199,999	171	115	99	60	24	15	6	9
$200,000 - $249,999	29	16	13	22	8	12	2	2
$250,000 - $499,999	27	20	11	16	4	5	0	0
$500,000+	7	3	2	1	0	0	0	0
Median HH Income	$107,449	$108,082	$104,586	$67,322	$61,209	$50,277	$42,691	$45,387
Average HH Income	$120,620	$113,426	$109,888	$87,019	$76,336	$74,144	$64,441	$65,044

Percent Distribution

	50 - 54	55 - 59	60 - 64	65 - 69	70 - 74	75 - 79	80 - 84	85+
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
< $15,000	1.1%	1.5%	1.3%	4.1%	6.3%	8.3%	12.7%	8.0%
$15,000 - $24,999	1.4%	3.2%	3.1%	11.4%	13.4%	21.2%	22.7%	23.2%
$25,000 - $34,999	1.2%	2.3%	2.4%	5.7%	4.6%	9.8%	5.2%	10.1%
$35,000 - $49,999	4.3%	6.5%	6.8%	9.7%	10.4%	10.2%	10.9%	11.6%
$50,000 - $74,999	15.8%	11.8%	12.6%	24.5%	27.1%	12.5%	10.9%	11.6%
$75,000 - $99,999	15.4%	13.9%	15.0%	13.2%	12.7%	10.6%	10.0%	10.1%
$100,000 - $149,999	40.5%	45.1%	43.7%	17.3%	16.5%	14.0%	17.3%	17.4%
$150,000 - $199,999	14.8%	11.8%	11.9%	8.6%	6.1%	5.9%	5.5%	6.5%
$200,000 - $249,999	2.5%	1.6%	1.6%	3.1%	2.0%	4.7%	1.8%	1.4%
$250,000 - $499,999	2.3%	2.0%	1.3%	2.1%	1.0%	2.0%	0.0%	0.0%
$500,000+	0.6%	0.3%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%

Data Note: Income reported for July 1, 2014 represents annual income for the preceding year, expressed in current (2011) dollars, including an adjustment for inflation.

Source: ESRI forecasts for 2009 and 2014.

Age 50+ Profile

Prepared by STDBonline

John J. Foley SNF
14 Glover Dr, Yaphank, NY, 1...

Site Type: Ring

Latitude: 40.81881
Longitude: -72.526923
Radius: 3 Miles

Census 2000 Households with Population 50+ by Size and Type

	Number	Percent	% Total HHs
Total	1,817	100.0%	23.4%
1 Person Households	429	23.6%	5.5%
2+ Person Households	1,388	76.4%	17.9%
Family	1,321	72.7%	17.0%
Nonfamily	67	3.7%	0.9%

Census 2000 Households with Population 65+ by Size and Type

	Number	Percent	% Total HHs
Total	1,355	100.0%	17.5%
1 Person Households	351	25.9%	4.5%
2+ Person Households	1,004	74.1%	12.9%
Family	966	71.3%	12.5%
Nonfamily	38	2.8%	0.5%

Census 2000 Occupied Housing Units by Age of Householder 55+

	Number	Percent	% Total HHs
Total	2,084	100.0%	26.9%
Owner Occupied HUs / Householder 55+	1,786	85.7%	23.0%
Householder Age 55-64	975	46.8%	12.6%
Householder Age 65-74	483	23.2%	6.2%
Householder Age 75-84	274	13.1%	3.5%
Householder Age 85+	54	2.6%	0.7%
Renter Occupied HUs / Householder 55+	298	14.3%	3.8%
Householder Age 55-64	111	5.3%	1.4%
Householder Age 65-74	93	4.5%	1.2%
Householder Age 75-84	71	3.4%	0.9%
Householder Age 85+	23	1.1%	0.3%

Census 2000 Households by Poverty Status and Age of Householder

	Number	Percent
Total	7,816	100.0%
Below Poverty	383	4.9%
Households with Income Below Poverty Level / Householder <65	334	4.3%
Households with Income Below Poverty Level / Householder 65+	49	0.6%
Above Poverty	7,433	95.1%
Households with Income At or Above Poverty Level / Householder <65	6,542	83.7%
Households with Income At or Above Poverty Level / Householder 65+	891	11.4%

Census 2000 Average Value of Specified Owner Occupied Housing Units by Householder 55+

Average Value of Specified Owner Occupied HUs / Householder 55-64	$156,933
Average Value of Specified Owner Occupied HUs / Householder 65-74	$143,721
Average Value of Specified Owner Occupied HUs / Householder 75+	$138,982

Data Note: Specified Owner-occupied Housing Units exclude houses on 10+ acres, mobile homes, units in multiunit buildings, and houses with a business or medical office.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing.

NEIGHBORHOOD DATA (1, 3 AND 5 MILE RADIUS) (Cont'd)

Age 50+ Profile

Prepared by STDBonline

John J. Foley SNF
14 Glover Dr, Yaphank, NY, 1...

Latitude: 40.81881
Longitude: -72.920923
Radius: 5 Miles

Site Type: Ring

Demographic Summary	Census 2000	2009	2014	2009-2014 Change	2009-2014 Annual Rate
Total Population	104,640	112,558	114,555	1,667	0.29%
Population 50+	24,740	31,797	34,680	2,883	1.75%
Median Age	33.9	35.6	36.3	0.7	0.39%
Households	32,640	35,018	35,527	509	0.29%
% Householders 55+	29.4	36.0	39.1	3.2	1.67%
Owner/Renter Ratio	3.3	3.3	3.6	0.6	2.56%
Median Home Value	$135,555	$244,999	$325,346	$80,347	5.84%
Average Home Value	$148,723	$272,051	$367,811	$95,760	6.22%
Median Household Income	$59,343	$76,603	$80,669	$4,066	1.04%
Median Household Income for Householder 55+	$45,146	$70,639	$76,484	$5,845	1.6%

Population by Age and Sex

Male Population	Census 2000		2009		2014	
	Number	% of 50+	Number	% of 50+	Number	% of 50+
Total (50+)	11,236	100.0%	14,561	0.0%	15,942	100.0%
50 - 54	3,591	32.0%	3,920	26.9%	4,016	25.2%
55 - 59	2,423	21.6%	3,386	23.3%	3,437	21.6%
60 - 64	1,538	13.7%	2,698	18.5%	2,838	17.8%
65 - 69	1,139	10.1%	1,681	11.5%	2,278	14.3%
70 - 74	993	8.8%	1,056	7.2%	1,437	9.0%
75 - 79	783	7.0%	767	5.3%	850	5.4%
80 - 84	480	4.3%	577	4.0%	566	3.5%
85+	291	2.6%	477	3.3%	511	3.2%

Female Population	Census 2000		2009		2014	
	Number	% of 50+	Number	% of 50+	Number	% of 50+
Total (50+)	13,504	100.0%	17,236	100.0%	18,738	100.0%
50 - 54	3,826	28.3%	4,095	23.8%	4,199	22.4%
55 - 59	2,461	18.2%	3,642	21.1%	3,623	19.3%
60 - 64	1,660	12.3%	3,066	17.7%	3,176	16.9%
65 - 69	1,286	9.5%	1,921	11.1%	2,733	14.6%
70 - 74	1,303	9.6%	1,350	7.8%	1,806	9.6%
75 - 79	1,181	8.7%	1,089	6.3%	1,201	6.4%
80 - 84	944	7.0%	986	5.7%	883	4.7%
85+	773	5.7%	1,098	6.4%	1,120	6.0%

Total Population	Census 2000		2009		2014	
	Number	% of Total Pop	Number	% of Total Pop	Number	% of Total Pop
Total (50+)	24,740	23.6%	31,797	28.2%	34,680	30.3%
50 - 54	7,487	7.1%	8,015	7.1%	8,214	7.2%
55 - 59	4,884	4.7%	7,028	6.2%	7,060	6.2%
60 - 64	3,198	3.0%	5,763	5.1%	6,013	5.2%
65 - 69	2,425	2.3%	3,602	3.2%	5,011	4.4%
70 - 74	2,296	2.2%	2,406	2.1%	3,242	2.8%
75 - 79	1,964	1.9%	1,856	1.6%	2,051	1.8%
80 - 84	1,424	1.4%	1,563	1.4%	1,448	1.3%
85+	1,064	1.0%	1,576	1.4%	1,631	1.4%
65+	9,173	8.7%	11,001	9.7%	13,393	11.7%
75+	4,452	4.2%	4,994	4.4%	5,140	4.5%

Data Note: Detail may not sum to totals due to rounding.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2009 and 2014.

Age 50+ Profile

Prepared by STDBonline

John J. Foley SNF
14 Glover Dr, Yaphank, NY, 1...

Site Type: Ring

Latitude: 40.81661
Longitude: -72.926923
Radius: 5 Miles

2000 Households by Income and Age of Householder 55+

	55 - 64	65 - 74	75+	Total
Total	4,595	2,630	2,458	9,684
< $15,000	303	346	825	1,474
$15,000 - $24,999	313	461	585	1,359
$25,000 - $34,999	331	356	332	1,019
$35,000 - $49,999	520	379	286	1,355
$50,000 - $74,999	972	518	266	1,756
$75,000 - $99,999	782	237	97	1,116
$100,000 - $149,999	945	201	51	1,197
$150,000 - $199,999	197	102	2	301
$200,000+	63	31	14	108
Median Household Income	$64,820	$39,529	$21,398	$45,146
Average Household Income	$75,780	$54,638	$31,612	$58,827

2005 Households by Income and Age of Householder 55+

	55 - 64	65 - 74	75+	Total
Total	6,810	3,247	2,545	12,602
< $15,000	272	233	559	1,064
$15,000 - $24,999	290	360	453	1,103
$25,000 - $34,999	258	259	227	744
$35,000 - $49,999	626	371	279	1,286
$50,000 - $74,999	1,333	686	392	2,411
$75,000 - $99,999	908	333	206	1,447
$100,000 - $149,999	2,411	536	218	3,165
$150,000 - $199,999	469	302	95	866
$200,000+	233	167	116	516
Median Household Income	$90,414	$62,056	$35,376	$70,639
Average Household Income	$98,035	$83,409	$56,786	$88,340

2014 Households by Income and Age of Householder 55+

	55 - 64	65 - 74	75+	Total
Total	6,822	4,369	2,718	13,909
< $15,000	230	255	590	1,075
$15,000 - $24,999	245	374	407	1,026
$25,000 - $34,999	207	265	203	678
$35,000 - $49,999	555	465	309	1,379
$50,000 - $74,999	1,297	930	443	2,670
$75,000 - $99,999	868	499	280	1,647
$100,000 - $149,999	2,547	840	266	3,653
$150,000 - $199,999	551	465	113	1,129
$200,000+	272	253	127	652
Median Household Income	$98,624	$70,254	$41,627	$78,484
Average Household Income	$102,936	$90,899	$52,032	$91,182

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2009 and 2014.

Age 50+ Profile

Prepared by STDBonline

John J. Foley SNF
14 Glover Dr, Yaphank, NY, 1...

Latitude: 40.81881
Longitude: -72.920923
Radius: 5 Miles

Site Type: Ring

2009 Households by Income and Age of Householder 50+

	50 - 54	55 - 59	60 - 64	65 - 69	70 - 74	75 - 79	80 - 84	85+
Total	4,308	3,782	3,028	1,969	1,276	1,107	688	750
< $15,000	121	150	122	134	99	216	173	168
$15,000 - $24,999	104	163	127	218	142	166	124	143
$25,000 - $34,999	155	140	118	153	106	101	57	69
$35,000 - $49,999	292	352	284	225	146	111	85	83
$50,000 - $74,999	874	739	594	412	274	173	100	119
$75,000 - $99,999	734	499	409	208	125	96	53	55
$100,000 - $149,999	1,461	1,336	1,075	326	210	104	55	59
$150,000 - $199,999	416	261	208	180	122	49	19	27
$200,000 - $249,999	73	73	50	75	38	49	20	21
$250,000 - $499,999	63	58	32	33	16	15	2	5
$500,000+	13	11	9	5	0	3	0	1
Median HH Income	$94,500	$90,887	$69,841	$62,969	$60,726	$40,542	$32,853	$34,085
Average HH Income	$102,739	$95,878	$96,982	$85,275	$80,533	$65,650	$51,437	$56,398

Percent Distribution

	50 - 54	55 - 59	60 - 64	65 - 69	70 - 74	75 - 79	80 - 84	85+
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
< $15,000	2.8%	4.0%	4.0%	6.8%	7.7%	19.7%	25.1%	22.4%
$15,000 - $24,999	2.4%	4.3%	4.2%	11.1%	11.1%	15.0%	18.0%	19.1%
$25,000 - $34,999	3.6%	3.7%	3.9%	7.8%	8.3%	9.1%	8.3%	9.2%
$35,000 - $49,999	6.8%	9.3%	9.4%	11.4%	11.4%	10.0%	12.4%	11.1%
$50,000 - $74,999	20.3%	19.5%	19.6%	20.9%	21.4%	15.6%	14.5%	15.9%
$75,000 - $99,999	17.0%	13.2%	13.5%	10.6%	9.8%	8.9%	7.7%	7.3%
$100,000 - $149,999	33.9%	35.3%	35.5%	16.6%	16.4%	9.4%	8.0%	7.9%
$150,000 - $199,999	9.7%	6.9%	6.9%	9.1%	9.5%	4.4%	2.8%	3.6%
$200,000 - $249,999	1.7%	1.9%	1.7%	3.8%	3.0%	4.4%	2.9%	2.8%
$250,000 - $499,999	1.5%	1.5%	1.1%	1.7%	1.3%	1.4%	0.3%	0.7%
$500,000+	0.3%	0.3%	0.3%	0.3%	0.0%	0.3%	0.0%	0.1%

Data Note: Income reported for July 1, 2009 represents annual income for the preceding year, expressed in current (2008) dollars, including an adjustment for inflation. In 2000, the Census Bureau reported age by income data for incomes up to $200,000+ by ten-year age groups up to 75+ years. ESRI extended age by income data to income up to $500,000+ by five-year age groups up to 85+ years.

Source: ESRI forecasts for 2009 and 2014.

Age 50+ Profile

Prepared by STDBonline

John J. Foley SNF
14 Glover Dr, Yaphank, NY, 1...

Latitude: 40.81881
Longitude: -72.920923
Radius: 5 Miles

Site Type: Ring

2014 Households by Income and Age of Householder 50+

	50 - 54	55 - 59	60 - 64	65 - 69	70 - 74	75 - 79	80 - 84	85+
Total	4,322	3,712	3,110	2,670	1,899	1,229	633	856
< $15,000	103	124	108	134	121	231	179	180
$15,000 - $24,999	86	136	102	225	149	183	95	129
$25,000 - $34,999	128	110	97	164	104	98	41	64
$35,000 - $49,999	258	315	270	295	190	130	71	108
$50,000 - $74,999	812	696	592	558	374	204	95	144
$75,000 - $99,999	714	476	412	299	200	119	57	84
$100,000 - $149,999	1,566	1,396	1,142	513	327	131	56	79
$150,000 - $199,999	482	295	255	302	163	59	19	35
$200,000 - $249,999	79	79	62	117	47	55	16	23
$250,000 - $499,999	78	68	40	58	24	17	2	9
$500,000+	16	13	10	7	0	2	0	1
Median HH Income	$100,914	$99,797	$97,081	$72,516	$67,081	$46,081	$35,234	$41,501
Average HH Income	$106,496	$103,752	$101,955	$94,534	$65,028	$58,036	$52,493	$60,455

Percent Distribution

	50 - 54	55 - 59	60 - 64	65 - 69	70 - 74	75 - 79	80 - 84	85+
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
< $15,000	2.4%	3.3%	3.4%	5.0%	7.1%	18.8%	28.3%	21.0%
$15,000 - $24,999	2.0%	3.7%	3.3%	8.4%	8.6%	14.9%	15.0%	15.1%
$25,000 - $34,999	3.0%	3.0%	3.1%	6.1%	6.1%	8.0%	6.5%	7.5%
$35,000 - $49,999	6.0%	8.5%	8.7%	11.0%	11.2%	10.6%	11.2%	12.6%
$50,000 - $74,999	18.8%	15.8%	19.3%	20.9%	22.0%	16.6%	15.0%	16.8%
$75,000 - $99,999	16.5%	12.8%	13.2%	11.2%	11.5%	9.7%	9.0%	9.8%
$100,000 - $149,999	36.2%	37.7%	36.9%	19.2%	19.2%	10.7%	8.8%	9.2%
$150,000 - $199,999	11.2%	7.9%	8.2%	11.3%	9.6%	4.8%	3.0%	4.1%
$200,000 - $249,999	1.8%	2.1%	2.0%	4.4%	2.5%	4.5%	2.8%	2.7%
$250,000 - $499,999	1.8%	1.8%	1.3%	2.2%	1.4%	1.4%	0.3%	1.1%
$500,000+	0.4%	0.4%	0.3%	0.3%	0.0%	0.2%	0.0%	0.1%

Data Note: Income reported for July 1, 2014 represents annual income for the preceding year, expressed in current (2011) dollars, including an adjustment for inflation.

Source: ESRI forecasts for 2009 and 2014.

Age 50+ Profile

Prepared by STDBonline

John J. Foley SNF
14 Glover Dr, Yaphank, NY, 1...

Site Type: Ring

Latitude: 40.81881
Longitude: -72.520923
Radius: 5 Miles

Census 2000 Households with Population 50+ by Size and Type

	Number	Percent	% Total HHs
Total	8,484	100.0%	26.0%
1 Person Households	2,384	28.1%	7.3%
2+ Person Households	6,100	71.9%	18.7%
Family	5,811	68.5%	17.8%
Nonfamily	289	3.4%	0.9%

Census 2000 Households with Population 65+ by Size and Type

	Number	Percent	% Total HHs
Total	6,445	100.0%	19.7%
1 Person Households	1,999	31.0%	6.1%
2+ Person Households	4,446	69.0%	13.6%
Family	4,257	66.1%	13.0%
Nonfamily	189	2.9%	0.6%

Census 2000 Occupied Housing Units by Age of Householder 55+

	Number	Percent	% Total HHs
Total	9,590	100.0%	29.4%
Owner Occupied HUs / Householder 55+	7,614	79.4%	23.3%
Householder Age 55-64	3,832	40.0%	11.7%
Householder Age 65-74	2,124	22.1%	6.5%
Householder Age 75-84	1,364	14.2%	4.2%
Householder Age 85+	294	3.1%	0.9%
Renter Occupied HUs / Householder 55+	1,976	20.6%	6.1%
Householder Age 55-64	702	7.3%	2.2%
Householder Age 65-74	546	5.7%	1.7%
Householder Age 75-84	557	5.8%	1.7%
Householder Age 85+	171	1.8%	0.5%

Census 2000 Households by Poverty Status and Age of Householder

	Number	Percent
Total	32,626	100.0%
Below Poverty	2,103	6.4%
Households with Income Below Poverty Level / Householder <65	1,690	5.2%
Households with Income Below Poverty Level / Householder 65+	413	1.3%
Above Poverty	30,523	93.6%
Households with Income At or Above Poverty Level / Householder <65	26,844	79.2%
Households with Income At or Above Poverty Level / Householder 65+	4,679	14.3%

Census 2000 Average Value of Specified Owner Occupied Housing Units by Householder 55+

Average Value of Specified Owner Occupied HUs / Householder 55-64	$154,561
Average Value of Specified Owner Occupied HUs / Householder 65-74	$153,189
Average Value of Specified Owner Occupied HUs / Householder 75+	$141,884

Data Note: Specified Owner-occupied Housing Units exclude houses on 10+ acres, mobile homes, units in multiunit buildings, and houses with a business or medical office.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing.

REAL ESTATE TAXES AND ASSESSED VALUATION

The subject is located on Glover Avenue which is off Yaphank Avenue (CR 21) within the hamlet of Yaphank, Town of Brookhaven, Suffolk County, New York. The proposed site will contain 14.06± acres with various access easements. Currently the site is part of a large parcel of land owned by Suffolk County. The subject legal description is as follows: District: 200, Section: 742, Block: 1, Lot: p/o 3. Since the subject is owned by Suffolk County it is exempted from taxes. The following are tax comparables in order to project a fair tax base for the subject if it was privately operated.

Tax Comparables SNF Town of Brookhaven

Address	# of Beds	2009/10 Taxes	2009/10 Taxes per Bed
6 Frowein Rr, Center Moriches, NY	100	$133,447.16	$1,334.47
63 Oakcreast Avenue, Middle Island, NY	120	$229,003.95	$1,908.37
1360 Route 112, Port Jefferson Station, NY	143	$117,989.36	$825.10
150 Dark Hollow Road, Village of Port Jefferson, NY	120	$85,573.82	$713.12
100 Southern Blvd, Nesconset, NY 11767 (skilled nursing facility only)	240	$320,910.22	$1,337.13
Low			$713.12
High			$1,908.37
Average			$1,223.64
Subject Projection	**264**	**$316,800.00**	**$1,200.00**

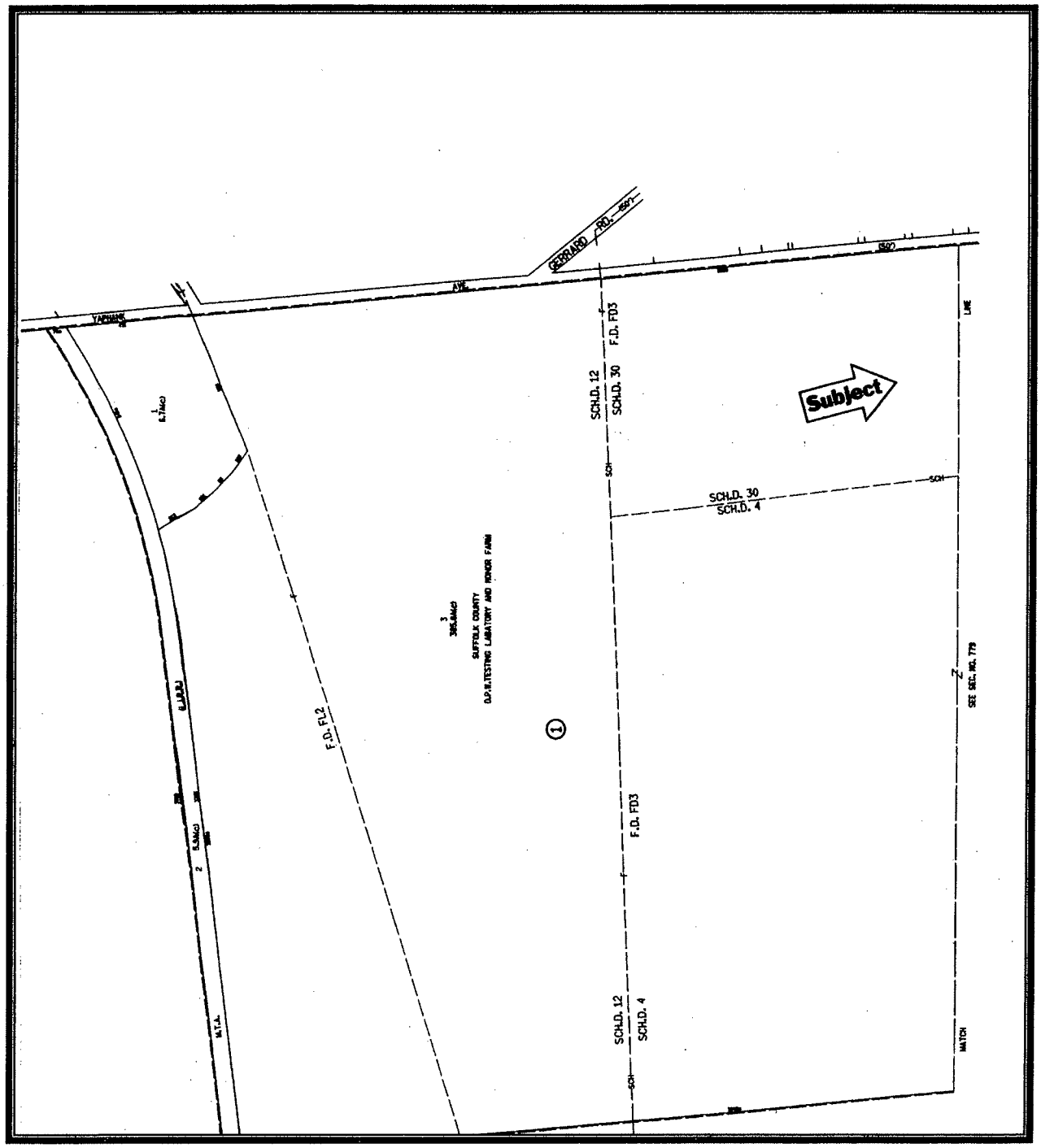
VALUATION OF ENTIRE PROPERTY

SITE DESCRIPTION

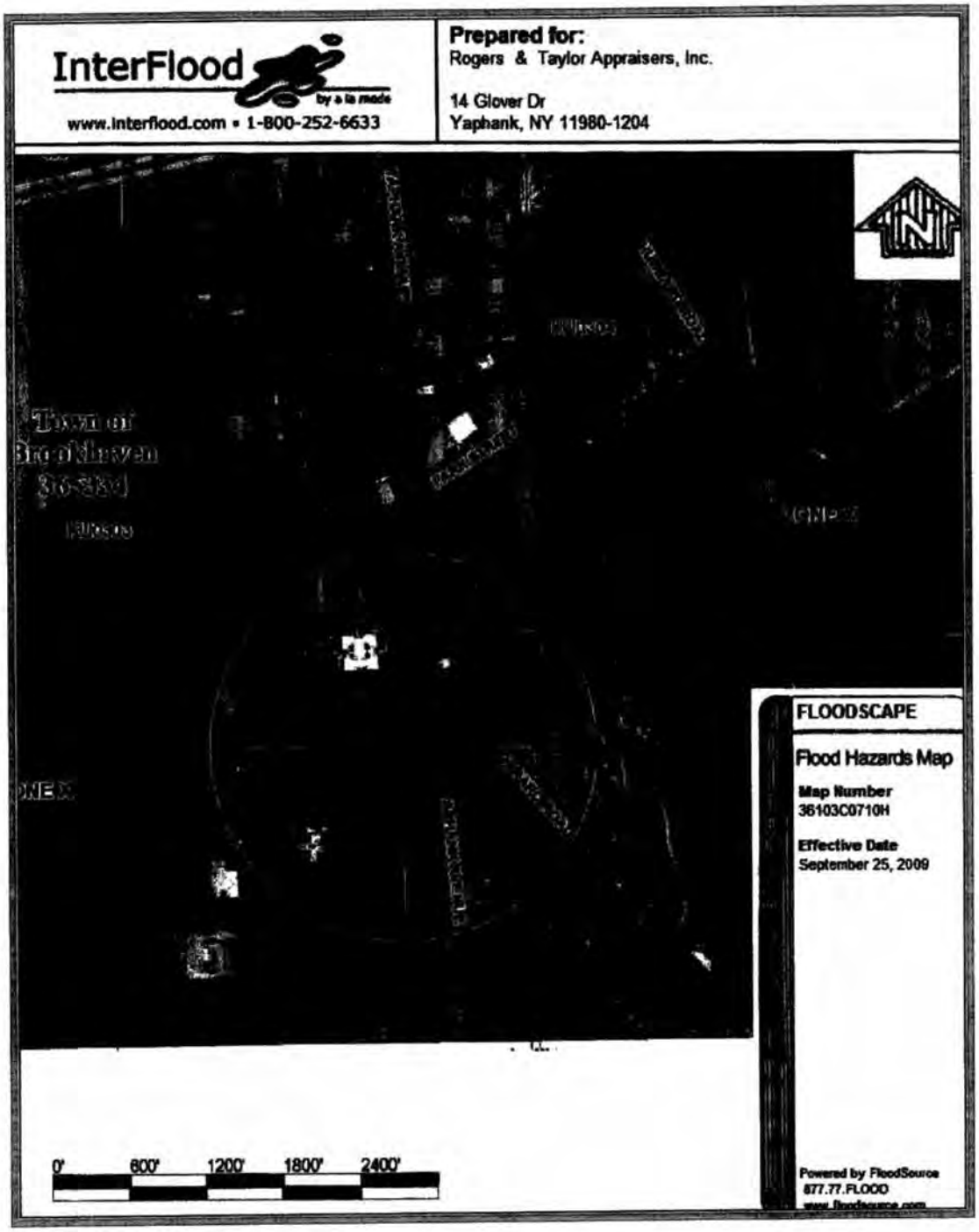
The subject is located on Glover Avenue which is off Yaphank Avenue (CR 21) within the hamlet of Yaphank, Town of Brookhaven, Suffolk County, New York. The proposed site will contain 14.06± acres with various access easements. Currently the site is part of a large parcel of land owned by Suffolk County. The subject legal description is as follows: District: 200, Section: 742, Block: 1, Lot: p/o 3. The site is currently zoned Residential *"A-1"* according to the Town of Brookhaven Zoning Maps.

Indicated Site Area:	14.06± acres
Shape/Frontages:.	The site will have limited frontage along Yaphank Avenue with access easement to Glover Avenue. Essentially the underlying site is being carved out of a larger parcel.
Access/visibility:	Considered average for this type of property in this locale. There is ample "on-site" parking.
Easements/encroachments:	Normal utility easements are in place and are assumed to have no detrimental effect on value. No adverse encroachments are identified.
Functional Utility:	Adequate for commercial use.
Utilities:	Public water, gas and electric are available at the subject site.
Topography:	Level and on road grade
Flood Map Designation:	The subject site is not located in a FEMA Special Flood Hazard Area as outlined on the FEMA Flood Hazard Map Panel # 36103C0710H, Zone X dated September 25, 2009. Drainage appears adequate.
Adjacent Property Uses:	Country Owned facilities (offices, jail, public works facility, etc.).
Detrimental Conditions:	No other detrimental conditions restricting the efficient use or appeal of the property is identified.
Census Tract:	The subject property is located in Census Tract Number 1591.06 (2000).
Marketability and Appeal:	The subject is competitive in the market due to its location, utility and good access.
Ingress/Egress:	Curb cuts along both Yaphank Avenue and Glover Avenue.

SUFFOLK COUNTY TAX MAP LOCATING THE SUBJECT PROPERTY



FLOOD MAP LOCATING THE SUBJECT PROPERTY



ZONING OF SUBJECT PROPERTY

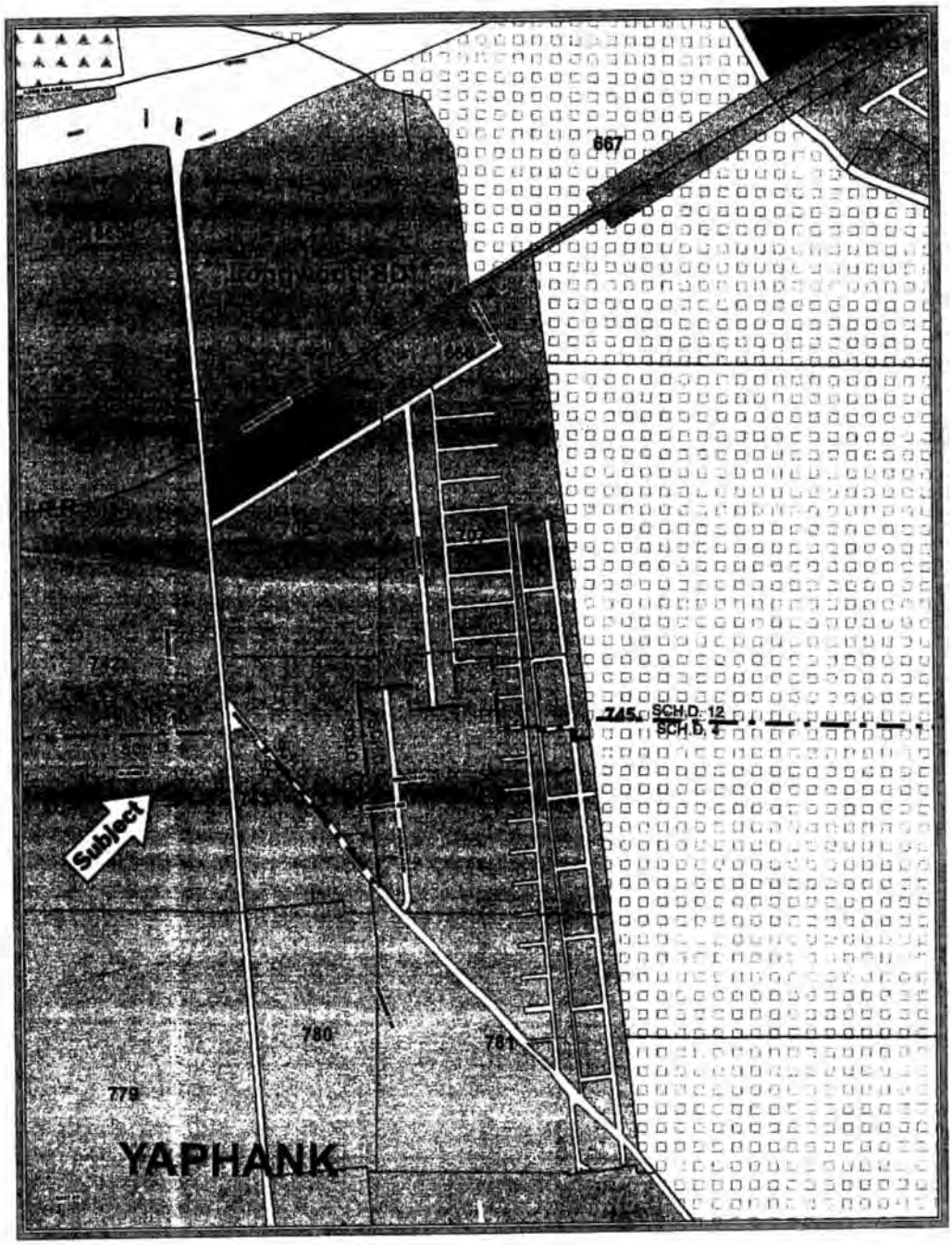
The site is currently zoned Residential *"A-1"* according to the Town of Brookhaven Zoning Maps.. A summary of this zoning classification is as follows:

Permitted Uses:	One-family dwellings, churches or similar places of worship and parish houses, certain schools, and certain agricultural uses. According to the Town of Brookhaven Planning Department, off-street parking for a commercial property is also permitted up to 50 feet within a residential district with the issuance of a special permit.
	REQUIREMENTS
Minimum Lot Area:	40,000 Sq. Ft.
Maximum Height:	35 Feet or 2½ Stories
Maximum Lot Occupancy:	15%
Minimum Front Yard:	50 Feet
Minimum Side Yards:	25 (at least) / 75 feet (total)
Minimum Frontage:	175 Feet
Minimum Rear Yard:	60 Feet

Comments:

As mentioned previously, a Hypothetical Condition exist; in the assumption that the underlying land allows for the current skilled nursing home use. In addition, this appraisal assumes the subject meets county and state licensing requirements. As currently zoned (A-1) a nursing home is not permitted.

ZONING MAP LOCATING THE SUBJECT PROPERTY



IMPROVEMENT ANALYSIS

As of the date of inspection, the site was improved with a five-story, masonry and steel, 264-bed Skilled Nursing Facility. The subject building was built in 1992/93 and contains a total GBA of 182,146± Sq.Ft. and is fully sprinklered. There is a storage basement containing 15,528± SqFt. The subject building is considered to be in satisfactory condition with good maintenance.

DESCRIPTION OF THE IMPROVEMENTS

FOUNDATION	Poured concrete slab
EXTERIOR WALLS	Brick over block with some decorative covering.
ROOF	Rubberized (not inspected)
WINDOWS	Casement type
Doors:	Metal in metal frames with plate glass in aluminum frames at the main entrance area.
FLOORS	Standard finish consisting of a combination of carpet, vinyl tile and ceramic tile. Good quality finishes.
CEILINGS	Suspended acoustical grid system.
WALLS	Gypsum board with paint and wallpaper.
LIGHTING	High hat and grid system
HEATING AND AIR CONDITIONING	Package units (condensing unit and air conditioning/ heating unit) mounted on the roof with adequate capacity to service the building. There are 2 large gas boilers and 1 back up diesel generator.
ELECTRICAL	Adequate electrical to meet the extensive needs of the operation.
LAVATORIES	All rooms have 1 bathrooms with all necessary finish and support equipment. There are ample common and staff bathrooms with good finish.
SPRINKLER	The building is fully sprinklered.
ELEVATORS	There are passenger and 1 freight.

ADDITIONAL COMMENTS

The building is considered to be in average condition and adequately maintained. There are some cosmetic repairs needs, which is typical for a building of this type and age.

HIGHEST AND BEST USE

Highest and Best Use is defined as: "That reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value".

> "Alternatively, that use from among reasonably probable and legal alternative uses, found to be physically possible, appropriately supported, financially feasible and which results in highest land value"*.

The subject property is analyzed *(1)* as though vacant and available for development and *(2)* as developed with the existing improvements. Consideration is given to alternative programs of development among potential uses which are:

1) Physically possible, based upon topography, land area and site configuration;
2) Legally permissible, in compliance with zoning, deed restrictions or other constraints;
3) Economically feasible and fulfilling an identifiable demand in the market, and
4) Maximally productive thus, resulting in the highest present land value.

The highest and best use analysis views the subject property as vacant in order to place the subject site into proper perspective, thus considering alternative programs of development. Alternative programs of development are further examined if the intended or current use does not reflect the highest and best use.

PHYSICAL

In the subject analysis, key considerations to determine the Highest and Best Use are the location, size, and overall physical characteristics of the site. A Hypothetical Condition exist; in the assumption that the underlying land allows for the current skilled nursing home use

Based upon the site's physical characteristics, including its site location, road frontage, accessibility, parcel configuration, etc. it is the appraisers' opinion that the physical highest and best use of the subject site, as vacant, is for commercial development. Furthermore, it is the appraisers' opinion that the physical highest and best use of the subject site, as improved, is for commercial use similar to its current use as a skilled nursing facility.

LEGAL

The subject site is presently zoned "Residential A-1" according to the Town of Brookhaven (see zoning requirements). As mentioned we must assume that the underlying land allows for the current skilled nursing home use. This appraisal is contingent upon and made subject to the legality (in all respects) of the subject's existing use and improvements that they conform with the building and zoning regulations of the Town of Brookhaven and the County of Suffolk.

In accordance with the Hypothetical assumption, it is the appraisers' opinion that the highest and best use of the subject site, as if vacant and ready for development, is for commercial development. As improved, it is the appraisers' opinion that the highest and best use of the subject site is for commercial use similar to its current use as a skilled nursing facility.

ECONOMIC

The subject's present use appears not to be economically feasible and maximally productive within the immediate real estate market. The current use is considered to be economically feasible and maximally productive within the immediate real estate market. Demand for skilled nursing facilities is currently good with future demand to be stronger.

Based upon an analysis of the economic characteristics of the subject property and its location, it is the appraisers' opinion that the highest and best use of the subject, as if vacant, is for commercial development. As improved, it is the appraisers' opinion that the highest and best use of the subject site is for is its current use as a skilled nursing facility.

SUMMARY

Considering the physical, legal, and economic aspects, it is the appraisers' opinion that the highest and best use of the subject property, *as vacant*, is for commercial development with all necessary zoning changes and or variances.

As improved, it is the appraisers' opinion that the highest and best use of the subject site is its current use as a skilled nursing facility.

APPROACHES TO VALUE

An opinion of value is a well-supported estimate derived through data analysis and consideration of all pertinent facts. To achieve this goal, one or more of three traditional Approaches to Value are utilized: The Cost Approach, The Sales Comparison Approach and The Income Capitalization Approach. Each approach may be referred to as an aspect or adaptation of the data relative to each property under appraisal. These approaches may vary and still achieve their individual characteristics and appellations thus giving the appraiser an opportunity to consider all aspects of the property.

The diversity of property mandates flexibility in valuation approach, but an overriding principle throughout the appraisal process is the Principle of Substitution. This affirms that the value of the property being appraised does not exceed the cost of acquiring, without due delay, a substitute property of equal or similar desirability providing equal or similar benefits of income or amenities.

The accumulation of data pertinent to all approaches is fundamental. However, the approach, or approaches, used in the appraisal may be dictated by the valuation problem to be solved, or the data available, supportive of one or another approach.

The Cost Approach is a method whereby the current cost of reproducing or replacing the improvements, minus loss in value due to depreciation, is added to the land value.

This cost is estimated either by a unit survey, a contractor's certified estimate, or some other qualified expression of present cost. This approach is particularly applicable when improvements are relatively new. It is least applicable in the valuation of older buildings except in instances involving remodeling, conversion or rehabilitation, where historic cost factors may apply. This approach also has specific application in the valuation of special purpose property for which there exist no comparable properties on the market.

The Sales Comparison is based on the Principle of Substitution, which affirms that the value of a property is governed by the prices generally obtained for equally desirable property. It is a comparative procedure, drawing indicators of value from actual transactions. This approach is most applicable when an active market provides sufficient quantities of reliable data which can be verified from authoritative sources. As no two properties are ever identical, any price paid for a property being compared to one under appraisal must be adjusted for differences in time, quality, size, location, condition and market appeal.

These adjustments are a function of appraisal experience, judgment and available data. This approach is most applicable when data concerning arm's length sales of comparable property is available, verified, and representative of typical market conditions. It is least reliable in an inactive market.

Basic to the appraisal is the valuation of the land, which may be sought through analysis of comparable sales, or in some cases, when there is a paucity of market data or circumstances warrant, by abstraction, development, or residual technique.

The Income Capitalization Approach is a method of valuing future benefits in the form of anticipated income and reversion by discounting them through a capitalization process, to present worth. This approach is applied to property purchased for the income it is anticipated they will generate. It is a process recognized and understood as a method of evaluating income property.

The areas that an appraiser investigates are the property's gross income expectancy, the expected reduction in gross income due to lack of full occupancy, the expected annual operating expenses and the pattern and duration of the income stream. Thus, investment properties are valued on their ability to produce income, and the security of that income stream over a period of time. Hence, this approach is given most weight in that it involves an analysis of the property in terms of its ability to provide dependable net annual income. This net income is then capitalized at a rate commensurate with the risks inherent in ownership of property, and relative to the rate of return offered by other investments competing in the capital market.

VALUATION

The valuation process is a systematic procedure to determine the value of a parcel of real estate or of any of the rights thereto in order to solve a problem, or answer a question. The appraiser conducts an appraisal and produces and appraisal report which provide a basis, or perspective, for making a decision concerning a subject property. To complete the valuation process, the appraiser integrates the techniques to form a conclusion.

In developing this report, all three approaches to value were considered. It was determined that the Income Approach and the Sales Comparison Approach were pertinent. The Cost Approach was not developed due to the lack of comparable land sales.

INCOME APPROACH TO VALUE

The Income Approach to Value is defined in the Dictionary of Real Estate Appraisal as follows:

> *Income Capitalization Approach* - A set of procedures through which an appraiser derives a value indication for income-producing property by converting its anticipated benefits into property value. This conversion can be accomplished in two ways 1) A single year's income expectancy can be capitalized at a market-derived capitalization rate or a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment, or; 2) Discounting the annual cash flows for the holding period and the reversion at a specified yield rate.*

This process begins with a forecast of the potential gross income that a property is capable of generating. The next step is to estimate the operating expenses that are associated with this income generation. These expenses include but are not limited to vacancy and collection allowances, management, repairs, utilities, general maintenance, insurance, structural repairs and legal and accounting. Once these expenses have been deducted from the potential gross income, the resulting cash flow is the net operating income. The final step in the process is the capitalization of the net operating income into an estimate of present value or market value.

The capitalization rate accounts for the return required by the mortgagee, (interest) and the equity investor. The rate also considers the investors equity build-up and potential appreciation over the projection or holding period.

In developing our market value estimate via the Income Approach to value, the traditional approach (Direct Capitalization) was utilized due to the stable income stream to be generated over the holding period. In developing a market value estimate via the Income Approach, the traditional method (Direct Capitalization) was utilized due to the stable income stream expected to be generated over the holding period. The value developed via this approach is considered most appropriate in valuing properties such as the subject.

The income stream to be generated at the property is considered to remain relatively stable over the holding period (which generally ranges form five to ten years). The direct capitalization method of the Income Approach can be utilized to value the property due to this stable income stream.

*Dictionary of Real Estate Appraisal, Third Edition, The Appraisal Institute, c 1993, Page 178.

In this formula, the income is treated as a stabilized stream that will be received over a specified holding period. The rate is considered as a combination of equity benefits and the availability of mortgage financing in the marketplace.

A summary of the basic steps of the Income Approach is as follows:

1. Projection of Potential Gross Income
2. Estimation of Vacancy and Collection Losses
3. Estimation of Effective Gross Income
4. Expense Analysis
5. Net Operating Income Forecast
6. Rate Selection
7. Estimation of Market Value

(1) POTENTIAL GROSS INCOME

As of the date of inspection, the site was improved with a five-story, masonry and steel, 264-bed Skilled Nursing Facility. The subject building was built in 1992/93 and contains a total GBA of 182,146± Sq.Ft. and is fully sprinklered. There is a storage basement containing 15,528± SqFt. The subject building is considered to be in satisfactory condition with good maintenance.

RATE ANALYSIS

There are three significant payment sources for nursing facilities: Private Pay, Medicaid and Medicare. In addition, Medicare/Managed Care Contracts, which represent the HMO census at the subject, are also a payer source in New York.

In order to project a market rate for the subject facility, we must consider actual posted rates, as well as historical per patient day (PPD) revenues. Revenues are typically discussed after contractual obligations. The following table summarizes the actual revenues by payor type as a total and on a PPD basis for the historical period analyzed.

(1) POTENTIAL GROSS INCOME (Cont'd)

PRIVATE-PAY RATE ANALYSIS

In the Competitive Market Analysis section, we identified several competitive nursing home properties in the subject's market. The private-pay rates for these facilities, as well as the subject's private-pay rates, are outlined in the following table.

MEDICARE RATE ANALYSIS

There are two primary parts to the Medicare program, Part A and Part B. Part A (hospital insurance) helps pay for inpatient hospital care, inpatient skilled nursing care, home health care and hospice care. Part B (medical insurance) helps pay for doctors' services, outpatient hospital services, durable medical equipment and other medical services not covered by Part A.

MEDICARE PART A

Medicare Part A is generally provided automatically to persons age 65 and older who are entitled to Social Security or Railroad Retirement Board benefits. Similarly, individuals who have received such benefits based on their disability, for a period of at least 24 months, are also entitled to Part A benefits. Skilled nursing facility care is covered by Part A only if it follows within 30 days of a hospitalization period of three or more days, and is certified as medically necessary. Covered services are similar to those for inpatient hospital care (room, meals, regular nursing services, etc.), as well as rehabilitation services and appliances. The number of SNF days provided under Medicare is limited to 100 per benefit period, with a co-payment required for days 21 through 100. The history of Medicare reimbursement methodologies and rate changes was presented previously in the Market Analysis section of this report. We have forecasted a Medicare rate consistent with and reflective of average acuity levels of residents who have received services in the subject facility.

(1) POTENTIAL GROSS INCOME (Cont'd)

MEDICARE PART 8

Medicare Part B payments are available to almost all resident citizens age 65 and older, certain aliens age 65 and older (even to those who are not entitled to Part A services) and disabled beneficiaries who are entitled to Medicare Part A. Part B covers not only physician services (in both hospital and non-hospital settings), but also certain other non-physician services, including: clinical laboratory tests, durable medical equipment, most supplies, diagnostic tests, ambulance services, flu vaccinations, prescription drugs which cannot be self- administered, certain self-administered anti-cancer drugs, some other therapy services, certain other health services, and blood which was not supplied by Part A.

MEDICARE+CHOICE (PART C)

Medicare+Choice (Part C) is another option provided by the Balanced Budget Act of 1997 (BBA). Under the BBA, Medicare beneficiaries that have both Part A and Part B can choose to get their benefits through a variety of risk-based plans known as +Choice (Part C). The primary Medicare+Choice plans include Coordinated care plans, which include Health Maintenance Organizations, Provider-Sponsored Organizations and Preferred Provider Organizations, as well as other certified public or private coordinated care plans and entities that meet the approved required standards as set forth in the law.

Other plan types include the private, unrestricted fee-for-service plans, which allow beneficiaries to select certain private providers. For the providers who agree to accept the plan's payment terms and conditions, this option does not place the providers at risk, nor vary payment rates based upon utilization.

Additionally, the Medical Savings Account (MSA) plan allows beneficiaries (only a limited nu~ber for the first five years) to enroll in a plan with a high deductible. The Federal government pays a prescribed portion of the capitation amount into an insurance fund for each enrollee. If extra money remains in the MSA, it can be used to pay for future medical needs, or subject to certain requirements, the extra money can be used for non-medical purchases.

(1) POTENTIAL GROSS INCOME (Cont'd)

MEDICAID RATE ANALYSIS

Title XIX of the Social Security Act is a Federal-State matching entitlement program that pays for medical assistance for certain vulnerable and needy individuals and families with low incomes and resources. Medicaid is the largest program funding medical and health-related services for America's poorest people. Title XIX of the Social Security Act requires that a state Medicaid program offer medical assistance for certain services to most categorically needy populations, including:

- Inpatient hospital services
- Outpatient hospital services
- Prenatal care
- Vaccines for children
- Physician services;
- Nursing facility services for persons age 21 or
- Family planning services and supplies
- Rural health clinic services;
- Home health care for person eligible for skilled nursing services;
- Laboratory and x-ray services;
- Pediatric and family nurse practitioner services;
- Nurse-midwife services;
- Federally qualified health center (FQHC) older; services, and ambulatory services of an FQHC that would be available in other settings; and
- Early and periodic screening, diagnostic, and treatment (EPSDT) services for children under age21.

Nursing homes must be certified by the state in order to accept Medicaid patients, and once certified, must admit Medicaid patients to all parts of the facility without discrimination. Prior hospitalization is not a requirement for Medicaid coverage in nursing homes. There is no time limit for Medicaid coverage, nor does the patient's condition have to imply successful rehabilitation.

Medicaid operates as a vendor payment program, with states paying providers directly. Providers participating in Medicaid must accept Medicaid payment rates as payment in full. Within Federally imposed upper limits and specific restrictions, each state generally has broad discretion in determining the payment methodology and payment rates for services. Generally, payment rates must be sufficient to enlist enough providers so that covered services are available at least to the extent that comparable care and services are available to the general population within that geographic area.

(1) POTENTIAL GROSS INCOME (Cont'd)

The rate charged at the subject facility has been compared to the market. Several comparable facilities were surveyed for comparison purposes. Descriptions of these comparable facilities are as follows:

Daily Rates from Comparable SNF

Address	# of Beds	Private Daily Rate	Semi-Private Daily Rate
305 Locust Avenue, Oakdale, NY	280	$450.00	$375.00
63 Oakcreast Avenue, Middle Island, NY	120	$400.00	$385.00
110 Beaver Dam Road, Brookhaven, NY	240	$360.00	$340.00
801 Gazzola Blvd	160	$450.00	$400.00
100 Southern Blvd, Nesconset, NY 11767 (skilled nursing facility only)	240	$470.00	$445.00
49 Oakcrest Avenue, Middle Island, NY	164	$400.00	$385.00
Low		$360.00	$340.00
High		$470.00	$445.00
Average		$421.67	$388.33
Subject	**264**	**The facility has less than 10 private beds, no rate provided**	**$425.00 to $450.00 (Say $435.00)**

It was reported that the average Medicare rate per bed per day is $500.00 and the average Medicaid rate per bed per day is $325.00. Utilizing the provided rates the follow is our revenue summation:

Source	# Beds	Mix (Appraisers Projection)	Rates	Occupancy Rate	Projected Revenue
Medicaid	206	78%	$325.00	96%	$23,459,280.00
Medicare	32	12%	$500.00	96%	$5,606,400.00
Private	26	10%	$435.00	96%	$4,128,150.00
Total	**264**				**$33,193,830.00**

(1) POTENTIAL GROSS INCOME (Cont'd)

In addition, the following is a four year history of total subject revenue:

Year	Total Revenue	Revenue per Bed per Day
2005	$25,571,883.00	$265.37
2006	$27,111,989.00	$281.36
2007	$25,995,573.00	$269.77
2008	$30,126,414.00	$312.64
Appraisers 2010 Stabilized Projection	**$30,353,400.00**	**$315.00**

Taken into consideration our calculations from the prior page and the subject history we have projected the stabilized Gross Revenue at **$31,500,000.00 or $326.89/bed/day.**

Facilities surveyed vary in terms of style and size, however it is found from the survey that there is not a great deal of difference from one facility to the next. All adult care facilities are required to offer three meals and two snacks per day. Variations are from management, facility maintenance, size of individual rooms, common areas and extra curricular activities offered. Although the adult care facilities are licensed by the New York State Department of Social Services and licensing, regulations are mostly based upon individual facility management. The facility management can choose who they decide to have as tenants. As a result, the individual facilities are not required to accept tenants which are solely subsidized by Social Service Income (SSI). The subject rental rates are in line with market and have been adopted.

(2) ESTIMATION OF VACANCY AND COLLECTION ALLOWANCE

The survey of the subject and comparable facilities indicate that occupancy levels of these homes are between 94 - 98%. The subject facility is running at a capacity of 95 - 98%. Reflected in our gross income projection is the subject general occupancy rate. What is not reflected is possible loss of income associated in non-payment of services. We have projected this at 1.0%.

(3) EFFECTIVE GROSS INCOME (EGI)

The Effective Gross Income is calculated by deducting the vacancy and credit losses from the Potential Gross Income, as follows:

$31,500,000.00	x	.99	=	**$31,185,000.00** **$323.63/bed/day**

(4) EXPENSE ANALYSIS

We have been provided with a 4 year subject expense history which was summarized as follows:

SUBJECT EXPENSE HISTORY
John J. Foley SNF

Year	2008			
Building Size (Sq. Ft.)	182,146			
# of Beds	264			
Total Net Operating Revenues	$30,126,414.00			
Expense Category	***Total $ amount***	***Per Bed***	***Per SqFt***	***% of Revenue***
Salaries and Wages	$16,424,742.00	$62,214.93	$90.17	54.52%
Employee Benefits	$16,421,875.00	$62,204.07	$90.16	54.51%
Supplies and Other	$9,556,167.00	$36,197.60	$52.46	31.72%
Total Expenses	$42,402,784.00			140.75%
NOI	-$12,276,370.00			
Year	2007			
Building Size (Sq. Ft.)	182,146			
# of Beds	264			
Total Net Operating Revenues	$25,995,573.00			
Expense Category	***Total $ amount***	***Per Bed***	***Per SqFt***	***% of Revenue***
Salaries and Wages	$17,159,671.00	$64,998.75	$94.21	66.01%
Employee Benefits	$16,731,863.00	$63,378.27	$91.86	64.36%
Supplies and Other	$9,269,915.00	$35,113.31	$50.89	35.66%
Total Expenses	$43,161,449.00			166.03%
NOI	-$17,165,876.00			
Year	2006			
Building Size (Sq. Ft.)	182,146			
# of Beds	264			
Total Net Operating Revenues	$27,111,989.00			
Expense Category	***Total $ amount***	***Per Bed***	***Per SqFt***	***% of Revenue***
Salaries and Wages	$17,100,044.00	$64,772.89	$93.88	63.07%
Employee Benefits	$9,172,978.00	$34,746.13	$50.36	33.83%
Supplies and Other	$9,455,608.00	$35,816.70	$51.91	34.88%
Total Expenses	$35,728,630.00			131.78%
NOI	-$8,616,641.00			
Year	2005			
Building Size (Sq. Ft.)	182,146			
# of Beds	264			
Total Net Operating Revenues	$25,571,883.00			
Expense Category	***Total $ amount***	***Per Bed***	***Per SqFt***	***% of Revenue***
Salaries and Wages	$16,721,124.00	$63,337.59	$91.80	65.39%
Employee Benefits	$9,125,796.00	$34,567.41	$50.10	35.69%
Supplies and Other	$9,036,991.00	$34,231.03	$49.61	35.34%
Total Expenses	$34,883,911.00			136.42%
NOI	-$9,312,028.00			

Pertinent page of the Income Statements can be found in the addenda section of the report

(4) EXPENSE ANALYSIS (Cont'd)

In addition to studying and analyzing the actual expenses of the subject, we have also considered an analysis of other similar skilled nursing homes in the Long Island area. The following chart illustrates a summary of these expense comparables.

EXPENSE COMPS SNF

Comp	A				B			
Facility Name	Rockville Nursing				Rockville Skilled			
Year	2008				2008			
Days per year	365				365			
No. of Beds	158				66			
Private Pay	15.0%				12.0%			
Medicare	15.0%				26.0%			
Medicaid	69.0%				63.0%			
Occupancy	96.0%	Average per Day per Bed			95.0%	Average per Day per Bed		
Total Revenues	$16,924,414.90	$293.47			$7,801,305.60	$323.84		
Expense Category	***$ amount***	***Per Bed***	***Per Bed Per Day***	***% EGI***	***$ amount***	***Per Bed***	***Per Bed Per Day***	***% EGI***
Nursing Costs	$5,958,464.40	$37,711.80	$103.32	35.21%	$2,653,754.40	$40,208.40	$110.16	34.02%
Ancillary	$1,190,885.50	$7,537.25	$20.65	7.04%	$610,199.70	$9,245.45	$25.33	7.82%
Dietary	$1,169,547.60	$7,402.20	$20.28	6.91%	$616,463.10	$9,340.35	$25.59	7.90%
Laundry	$281,429.60	$1,781.20	$4.88	1.66%	$119,245.50	$1,806.75	$4.95	1.53%
Housekeeping	$506,342.60	$3,204.70	$8.78	2.99%	$344,246.10	$5,215.85	$14.29	4.41%
Plant Operations	$835,523.40	$4,022.30	$11.02	3.76%	$286,839.10	$4,376.35	$11.99	3.70%
Activities	$361,014.20	$2,284.90	$6.26	2.13%	$228,855.00	$3,467.50	$9.50	2.93%
Employee Benefits	$2,753,165.80	$17,425.10	$47.74	16.27%	$1,246,657.50	$18,888.75	$51.75	15.98%
General & Admin	$1,771,622.40	$11,212.80	$30.72	10.47%	$501,312.90	$7,595.65	$20.81	6.43%
Provider Tax	$742,789.60	$4,701.20	$12.88	4.39%	$287,152.80	$4,350.80	$11.92	3.68%
Real Estate	$263,551.90	$1,668.05	$4.57	1.56%	$130,567.80	$1,978.30	$5.42	1.67%
Insurance	$249,134.40	$1,576.80	$4.32	1.47%	$75,401.70	$1,142.45	$3.13	0.97%
Total Expenses	$15,883,471.40	$100,528.30	$275.42	93.85%	$7,102,695.60	$107,616.60	$294.84	91.04%

Comp	C				D			
Facility Name	Oceanside Care				Meadowbrook			
Year	2008				2008			
Days per year	365				365			
No. of Beds	100				280			
Private Pay	13.0%				12.0%			
Medicare	15.0%				17.0%			
Medicaid	72.0%				71.0%			
Occupancy	98.0%	Average per Day per Bed			95.0%	Average per Day per Bed		
Total Revenues	$10,311,250.00	$282.50			$31,439,786.00	$307.63		
Expense Category	***$ amount***	***Per Bed***	***Per Bed Per Day***	***% EGI***	***$ amount***	***Per Bed***	***Per Bed Per Day***	***% EGI***
Nursing Costs	$3,498,160.00	$34,981.60	$95.84	33.93%	$10,486,742.00	$37,452.65	$102.61	33.36%
Ancillary	$643,495.00	$6,434.95	$17.63	6.24%	$2,286,214.00	$8,165.05	$22.37	7.27%
Dietary	$616,485.00	$6,164.85	$16.89	5.98%	$2,053,198.00	$7,332.85	$20.09	6.53%
Laundry	$166,075.00	$1,660.75	$4.55	1.61%	$481,362.00	$1,719.15	$4.71	1.53%
Housekeeping	$293,095.00	$2,930.95	$8.03	2.84%	$1,066,968.00	$3,810.60	$10.44	3.39%
Plant Operations	$292,000.00	$2,920.00	$8.00	2.83%	$1,239,686.00	$4,427.45	$12.13	3.94%
Activities	$421,575.00	$4,215.75	$11.55	4.09%	$825,776.00	$2,949.20	$8.08	2.63%
Employee Benefits	$1,149,385.00	$11,493.85	$31.49	11.15%	$4,167,716.00	$14,884.70	$40.78	13.26%
General & Admin	$684,010.00	$6,840.10	$18.74	6.63%	$1,495,186.00	$5,339.95	$14.63	4.76%
Provider Tax	$409,895.00	$4,098.95	$11.23	3.98%	$1,313,270.00	$4,690.25	$12.85	4.18%
Real Estate	$109,865.00	$1,098.65	$3.01	1.07%	$1,221,290.00	$4,361.75	$11.95	3.88%
Insurance	$71,123.00	$711.23	$1.95	0.69%	$360,766.00	$1,288.45	$3.53	1.15%
Total Expenses	$8,355,163.00	$83,551.63	$228.91	81.03%	$26,998,174.00	$96,422.05	$264.17	85.87%

(4) EXPENSE ANALYSIS

For purposes of deriving the Net Operating Income for the subject, the expenses are estimated as follows: It should be noted that since we were not provided with detailed schedules of the expense items strong weight will be place on the expense percentage provided by the expense comparables. The subjects salaries and wages expense line item is extremely high as well as the employee benefits line item. This is a county run facility with all union workers and over-lapping of personnel. It is the appraiser's opinion that as a privately run facility these items would be dramatically lower and in line with market standards.

The projected expenses are as follows:

NURSING

This category includes the costs associated with patient care, including salaries and wages, as well as all supplies. Salaries are the most significant expenses an operating health care facility incurs. These expenses generally include all wages and payroll taxes and do not include benefits. As mentioned above the subject actual costs are extremely high; a market rate will be utilized. The comparables range from 33.36% of EGI to 35.21% of EGI. **We projected this expense at 34.0% of EGI.**

ANCILLARY

These costs are associated with the various ancillary services and resultant costs at the subject. The comparables range from 6.24% of EGI to 7.82% of EGI. **We projected this expense at 6.5% of EGI.**

DIETARY

These costs include salaries and wages, raw food costs, as well as kitchen supplies. The comparables range from 5.98% of EGI to 7.90% of EGI. **We projected this expense at 6.0% of EGI.** The subject history only reflects cost of food not salaries and wages.

LAUNDRY

These costs are for the laundry services at the subject, including salaries and wages, as well as all supplies. The comparables range from 1.53% of EGI to 1.66% of EGI. **We projected this expense at 1.5% of EGI.** Typically the subject ranged 1.33% of the EGI to 1.56% of the EGI.

(4) EXPENSE ANALYSIS CONTINUED

HOUSEKEEPING

These costs are for the housekeeping services at the subject, including salaries and wages, as well as all supplies. The comparables range from 2.84% of EGI to 4.41% of EGI. **We projected this expense at 3.0% of EGI.**

PLANT OPERATIONS .

These costs include salaries and wages for maintenance personnel, general repairs and maintenance, all utilities, grounds maintenance, security contracts, supplies and equipment purchases. The comparables range from 2.83% of EGI to 3.94% of EGI. **We projected this expense at 3.0% of EGI.**

ACTIVITIES SOCIAL SERVICES

This category relates to activity and recreation programs for the residents. The program costs include salaries and wages, as well as all requisite supplies. The comparables range from 2.13% of EGI to 4.09% of EGI. **We projected this expense at 2.5% of EGI.**

EMPLOYEE BENEFITS

Employee benefits are typically considered as a percentage of salaries. As mentioned previously, the subject actual costs are extremely high; a market rate will be utilized. The comparables range from 11.15% of EGI to 16.27% of EGI. **We projected this expense at 13% of EGI.**

GENERAL & ADMINISTRATIVE

These costs, for the basis of the subject analysis, include administrative wages, office supplies, licenses, permits, dues, subscriptions, travel, meals, communications, transportation, as well as liability insurance. The comparables range from 4.76% of EGI to 10.47% of EGI (average 7.07%). **We projected this expense at 6.0% of EGI.**

(4) EXPENSE ANALYSIS CONTINUED

PROVIDER TAX

This is the annual cost for the provider tax imposed by the state. This expense is based on a six percent factor on all non-Medicare occupied units (88% of $31,185,000.00). For our analysis we have forecasted this at **$1,646,568.00 or 5.28% of the total EGI.**

PROPERTY TAXES

We projected the taxes at $1,200.00/bed or **$316,800.00**. Please refer to the *Real Estate Tax* section of this report for a discussion on how we calculated this amount.

PROPERTY INSURANCE

The comparables range from .69% of EGI to 1.47% of EGI (average 1.07%). **We projected this expense at .75% of EGI.**

We have forecast Year 1 stabilized Property Insurance costs at $65,000 or $1.34 PPD

In addition to the adjusted operating expenses, a management fee and a reserve for replacements must be deducted in order to arrive at an estimate of stabilized cash flow before debt service.

MANAGEMENT FEE

Management fees typically range from 3.0% to 7.0% and vary depending on the overall facility rates with higher price states requiring a lower fee as a percentage of revenues. In our analysis of the subject, we have assumed a management fee of **5.0%** of the EGI which is considered typical for this type of facility.

REPLACEMENT RESERVES

Replacement reserves are necessary for replacement of roof covering, mechanical systems, furnishings, kitchen appliances, laundry equipment, etc. We have assumed a reserve for the facility of $350 per bed, which is typical for a nursing home. Total reserves are estimated at **$92,400.00** based on the 264 operating nursing beds.

(5) NET OPERATING INCOME

These expenses must be deducted to arrive at a consideration of net operating income which will be capitalized into a final indication of value. Therefore, the indicated value by the Income Approach can be calculated as follows:

Address	14 Glover Avenue	
Facility Name	Foley Skilled Nursing Facility	
Year	2010	
Days per year	365	
No. of Beds	264	
Private Pay	10.0%	
Medicare	12.0%	
Medicaid	78.0%	
Occupancy	96.0%	Average per Day per Bed
Total Projected Revenues (EGI)	$31,185,000.00	$323.63

Expense Category	$ amount	Per Bed	Per Bed Per Day	% EGI
Nursing Costs	$10,602,900.00	$40,162.50	$110.03	34.00%
Ancillary	$2,027,025.00	$7,678.13	$21.04	6.50%
Dietary	$1,871,100.00	$7,087.50	$19.42	6.00%
Laundry	$467,775.00	$1,771.88	$4.85	1.50%
Housekeeping	$935,550.00	$3,543.75	$9.71	3.00%
Plant Operations	$935,550.00	$3,543.75	$9.71	3.00%
Activities	$779,625.00	$2,953.13	$8.09	2.50%
Employee Benefits	$4,054,050.00	$15,356.25	$42.07	13.00%
General & Admin	$1,871,100.00	$7,087.50	$19.42	6.00%
Provider Tax	$1,646,568.00	$6,237.00	$17.09	5.28%
Real Estate	$316,800.00	$1,200.00	$3.29	1.02%
Insurance	$233,887.50	$885.94	$2.43	0.75%
Management	$1,559,250.00	$5,906.25	$16.18	5.00%
Reserves	$92,400.00	$350.00	$0.96	0.30%
Total Expenses	$27,393,580.50	$103,763.56	$284.28	87.84%
NOI	$3,791,419.50			

(6) RATE SELECTION

To arrive at an appropriate overall rate, consideration must be given to the rates indicated on competitive investments.

The following key rates were obtained from *Bloombergh.Com and Realty-Rates com:*

Key Rates

	CURRENT	1 MONTH PRIOR	3 MONTH PRIOR	6 MONTH PRIOR	1 YEAR PRIOR
Fed Funds Rate	0.13	0.13	0.13	0.12	0.25
Fed Reserve Target Rate	0.25	0.25	0.25	0.25	0.25
Prime Rate	3.25	3.25	3.25	3.25	3.25
US Unemployment Rate	9.7	10	10.1	9.4	7.7
1-Month Libor	0.23	0.23	0.23	0.26	0.48
3-Month Libor	0.25	0.25	0.26	0.38	1.26

Mortgage* (National Average)
provided by bankrate.com

	CURRENT	1 MONTH PRIOR	3 MONTH PRIOR	6 MONTH PRIOR	1 YEAR PRIOR
30-Year Fixed	5.12	5.14	4.99	5.33	5.22
15-Year Fixed	4.5	4.66	4.55	4.81	4.84
5/1-Year ARM	4.02	4.36	4.2	4.46	5.07
1-Year ARM	3.68	3.74	3.92	3.96	5.21
30-Year Fixed Jumbo	5.91	6.07	5.92	6.27	6.93
15-Year Fixed Jumbo	5.44	5.45	5.39	5.88	6.06
5/1-Year ARM Jumbo	4.51	4.77	4.71	5	5.84

*Rates may include points.

(6) RATE SELECTION

These rates must be compared to the quality, quantity and durability of the income stream as well as for risk and liquidity.

We have estimated that 65% financing would be available at an interest rate of 7.0% for a period of 25 years. Additionally, it has been estimated that an investor would require a 20.0% return on equity. No appreciation reflected in a model.

Comparable Cap. Rates

Address	DATE OF SALE	SP $	NOI	OAR
480 North Walnut St East Orange, NJ	12/2008	$21,500,000.00	$2,732,639.00	12.71%
175 Grove St, Braintree, MA	10/2007	$14,000,000.00	$2,002,000.00	14.30%
5537 Expressway Dr North, Holtsville, NY	5/2007	$16,164,172.00	$1,858,880.00	11.50%
6 Frowein Rr, Center Moriches, NY	5/2007	$6,550,000.00	$681,200.00	10.40%
100 Southern Blvd, Nesconset, NY 11767	2/2008	$29,750,000.00	$3,629,500.00	12.20%
Low				10.40%
High				14.30%
Average				12.22%

(6) RATE SELECTION

RealtyRates.com INVESTOR SURVEY - 1st Quarter 2010*
HEALTH CARE & SENIOR HOUSING - ACUTE CARE FACILITIES

Item	Input					OAR
Minimum						
Spread Over 10-Year Treasury	1.74%	**DCR Technique**	1.37	0.065449	0.75	**6.72**
Debt Coverage Ratio	1.37	**Band of Investment Technique**				
Interest Rate	5.14%	Mortgage	75%	0.065449	0.049087	
Amortization	30	Equity	25%	0.084500	0.021125	
Mortgage Constant	0.065449	OAR				**7.02**
Loan-to-Value Ratio	75%	**Surveyed Rates**				**6.67**
Equity Dividend Rate	8.45%					
Maximum						
Spread Over 10-Year Treasury	6.47%	**DCR Technique**	2.30	0.128000	0.50	**14.72**
Debt Coverage Ratio	2.30	**Band of Investment Technique**				
Interest Rate	9.87%	Mortgage	50%	0.128000	0.064000	
Amortization	15	Equity	50%	0.187500	0.093750	
Mortgage Constant	0.128000	OAR				**15.77**
Loan-to-Value Ratio	50%	**Surveyed Rates**				**16.99**
Equity Dividend Rate	18.75%					
Average						
Spread Over 10-Year Treasury	4.11%	**DCR Technique**	1.84	0.092170	0.63	**10.57**
Debt Coverage Ratio	1.84	**Band of Investment Technique**				
Interest Rate	7.51%	Mortgage	63%	0.092170	0.057607	
Amortization	23	Equity	38%	0.130850	0.049069	
Mortgage Constant	0.092170	OAR				**10.67**
Loan-to-Value Ratio	63%	**Surveyed Rates**				**11.14**
Equity Dividend Rate	13.09%					

*4th Quarter 2009 Data

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(6) RATE SELECTION

RealtyRates.com INVESTOR SURVEY - 1st Quarter 2010*

HEALTH CARE & SENIOR HOUSING - CONGREGATE CARE FACILITIES

Item	Input					OAR
Minimum						
Spread Over 10-Year Treasury	1.89%	**DCR Technique**	1.25	0.062800	0.75	**5.86**
Debt Coverage Ratio	1.25	**Band of Investment Technique**				
Interest Rate	5.29%	Mortgage	75%	0.062800	0.047100	
Amortization	35	Equity	25%	0.083500	0.020875	
Mortgage Constant	0.062800	OAR				**6.80**
Loan-to-Value Ratio	75%	**Surveyed Rates**				**6.46**
Equity Dividend Rate	8.35%					
Maximum						
Spread Over 10-Year Treasury	4.47%	**DCR Technique**	2.15	0.113779	0.50	**12.20**
Debt Coverage Ratio	2.15	**Band of Investment Technique**				
Interest Rate	7.87%	Mortgage	50%	0.113779	0.056890	
Amortization	15	Equity	50%	0.181500	0.090750	
Mortgage Constant	0.113779	OAR				**14.76**
Loan-to-Value Ratio	50%	**Surveyed Rates**				**14.03**
Equity Dividend Rate	18.15%					
Average						
Spread Over 10-Year Treasury	3.18%	**DCR Technique**	1.70	0.081626	0.63	**8.65**
Debt Coverage Ratio	1.70	**Band of Investment Technique**				
Interest Rate	6.58%	Mortgage	63%	0.081626	0.051016	
Amortization	25	Equity	38%	0.127600	0.047850	
Mortgage Constant	0.081626	OAR				**9.89**
Loan-to-Value Ratio	63%	**Surveyed Rates**				**9.46**
Equity Dividend Rate	12.76%					

*4th Quarter 2009 Data

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(6) RATE SELECTION

RealtyRates.com INVESTOR SURVEY - 1st Quarter 2010*

HEALTH CARE & SENIOR HOUSING - ASSISTED LIVING FACILITIES

Item	Input					OAR
Minimum						
Spread Over 10-Year Treasury	1.72%	**DCR Technique**	1.18	0.059999	0.90	**6.39**
Debt Coverage Ratio	1.18	**Band of Investment Technique**				
Interest Rate	5.12%	Mortgage	90%	0.059999	0.053999	
Amortization	38	Equity	10%	0.083000	0.008300	
Mortgage Constant	0.059999	OAR				**6.23**
Loan-to-Value Ratio	90%	**Survey**				**5.92**
Equity Dividend Rate	8.30%					
Maximum						
Spread Over 10-Year Treasury	3.27%	**DCR Technique**	2.07	0.105658	0.60	**13.11**
Debt Coverage Ratio	2.07	**Band of Investment Technique**				
Interest Rate	6.67%	Mortgage	60%	0.105658	0.063395	
Amortization	15	Equity	40%	0.178500	0.071400	
Mortgage Constant	0.105658	OAR				**13.48**
Loan-to-Value Ratio	60%	**Surveyed Rates**				**12.81**
Equity Dividend Rate	17.85%					
Average						
Spread Over 10-Year Treasury	2.49%	**DCR Technique**	1.63	0.074943	0.75	**9.13**
Debt Coverage Ratio	1.63	**Band of Investment Technique**				
Interest Rate	5.89%	Mortgage	75%	0.074943	0.056208	
Amortization	26	Equity	25%	0.125975	0.031494	
Mortgage Constant	0.074943	OAR				**8.77**
Loan-to-Value Ratio	75%	**Surveyed Rates**				**8.68**
Equity Dividend Rate	12.60%					

*4th Quarter 2009 Data

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(6) RATE SELECTION

The calculation of the overall rate is as follows:

Assumptions			Automatic Computations	
Target Equity Yield Rate	(Ye)	20.00%	Monthly Loan Constant	0.7068%
Loan Interest Rate		7.00%	Annual Loan Constant .....(Rm)	8.4814%
Loan Amort. (Years)		25	Loan Portion Paid Over	
Loan Pymts Per Year		12	Ownership Period ..... (P)	21.3666%
Mortgage Ratio or LTV	(M)	65%	Sinking Fund Factor ..... (SFF)	3.8523%
Ownership Period (Whole Years)		10		
Total Value Change Over				
Ownership Period	(Vc)	0.00%		
First Year Net Income	(Io)	$0		
Annual Income Change		0.00%		

	M	x	Rm	=	(M) (Rm)	=>		65%	x	8.48%	=	5.51%
	E	x	Ye	=	(E) (Ye)	=>		35%	x	20.00%	=	7.00%
			Sum	=	Weighted Avg						=	12.51%
(*)	M x P	x	SFF	=	(M) (P) (SFF)	=>	65% x	21.37%	x	3.85%	=	-0.54%
(**)	Vc	x	SFF	=	(Vc) (SFF)	=>		0.00%	x	3.85%	=	0.00%
								Sum	=	Ro	=	**11.98%**

(*) = Less Credit for Loan Reduction
(**) = Less Downward Adjustment for Value Growth **OR** Upward Adjustment for Value Loss

Our Projected Capitalization Rate is 12.0%

(7) ESTIMATION OF NET PRESENT VALUE

The market value of the subject property has been estimated as follows:

Net Operating Income / Overall Rate (Ro)	=	Estimated Market Value
$3,791,419.50 / .12	=	$31,595,162.50
Round To		**$31,600,000.00**

PERSONAL PROPERTY ALLOCATION (FF & E)

Included in the above estimate of market value is the contributing value of personal property, furnishing, fixture and equipment. Typically skilled nursing facilities range from $7,500.00 to $15,000.00 per bed (new) for all personal property and FF & E. For the purpose of this appraisal we adopted $8,500.00/bed (new). It was reported that most of the FF & E (beds, chairs, etc.) are original. We have utilized a depreciation factor of 70%. We have estimated the value of the personal property and FF & E at **$675,000.00** ($8,500.00/bed x 264 =$2,244,000.00 x 30%). It should be noted that the appraiser made numerous attempts to secure a breakdown of the actual FFE. No information was furnished as of the date of this report. Therefore, market estimates were utilized with consideration given to the actual condition based upon the physical inspection.

BUSINESS VALUE

Senior facilities such as the subject are a combination of business and real estate. The intangibles include reputation, contracts, copyrights, trademarks, etc. There are many theories on how to isolate the business component. One method is to capitalize the stabilized management fee utilizing a business capitalization rate typically between 15% and 25%. We will utilize 20% as the appropriate rate. The stable management fee is $1,559,250.00 which equates to a business value of **$7,800,000.00.**

SALES COMPARISON APPROACH

The Sales Comparison Approach indicates an estimate of value as indicated by sales of similar properties which have occurred in the market. This approach is defined as:

> "A set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, applying appropriate units of comparison, and making adjustments to the sale prices of the comparables based on the elements of comparison."*

This approach requires an appraiser to gather information on transfers of similar property. These transfers are then analyzed to determine the indications of value for the subject property, i.e., price/square foot, gross rent multipliers, overall rates, etc...

Once this data has been collected, the appraiser makes the appropriate adjustments to the sales. These adjustments include such differences as time, location, size, condition, etc... It must be noted that the sales are adjusted to the subject. The adjustment process, when completed, yields an indicated value of the subject property. The adjustment process actually adjusts the sales as if they contained all the characteristics of the subject property after adjustments.

*The Dictionary of Real Estate Appraisal, Fourth Edition, c2002, The Appraisal Institute, Pg. 255

SALES COMPARISON APPROACH (Cont'd.)

JOHN J. FOLEY SKILLED NURSING FACILITY

SALE	SUBJECT	1	2	3	4	5	6
SALES DATE	March 2, 2010	12/2009	12/2008	10/2007	5/2007	5/2007	2/2008
SALES PRICE		$8,398,789.00	$21,500,000.00	$14,000,000.00	$16,164,172.00	$6,550,000.00	$29,750,000.00
OWNERSHIP INTEREST	Going Concern	Going Concern	Going Concern	Going Concern	Going Concern	Going Concern	Going Concern
GBA (SQ. FT.)	182,146	41,370	75,396	40,907	81,972	42,146	125,824
# OF BEDS	264	100	190	101	120	100	430
AVERAGE SIZE PER BED (GROSS)	690	413	396	405	683	421	524
LOT COVERAGE RATIO	3.36 to 1	.89 to 1	1.51 to 1	7.34 to 1	4.25 to 1	4.16 to 1	3.46 to 1
SALES PRICE PER BED		$83,987.89	$113,157.89	$138,613.86	$134,701.43	$65,500.00	$69,186.05
TERMS ADJUSTMENT		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
MARKET CONDITIONS ADJ		-0.50%	-5.50%	-10.00%	-10.00%	-10.00%	-9.00%
PRICE/BED ADJUSTED FOR TERMS & MARKET CONDITIONS		$83,567.95	$106,934.21	$124,752.48	$121,231.29	$58,950.00	$62,959.30
ADJUSTMENTS							
LOCATION		-10.00%	0.00%	0.00%	0.00%	25.00%	0.00%
BUILDING STYLE		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
BUILDING SIZE		-10.00%	-5.00%	-10.00%	-5.00%	-10.00%	0.00%
QUALITY and CONDTION		25.00%	0.00%	0.00%	0.00%	50.00%	15.00%
AVERAGE SIZE PER BED		10.00%	12.50%	10.00%	0.00%	10.00%	5.00%
LOT COVERAGE RATIO		12.50%	10.00%	-15.00%	-5.00%	-5.00%	0.00%
OTHER		0.00%	0.00%	0.00%	0.00%	0.00%	20.00%
NET ADJUSTMENTS		27.50%	17.50%	-15.00%	-10.00%	70.00%	40.00%
ADJUSTED VALUE/BED		$106,549.14	$125,647.70	$106,039.60	$109,108.16	$100,215.00	$88,143.02

Indicated Value Per Bed $110,000.00

EXPLANATION OF ADJUSTMENTS

MARKET CONDITIONS – To properly reflect the changing real estate market due to the national recession and credit problems in the banking system, the following market condition adjustments were utilized:

2007	0%
2008	-5%
2009	-5%
2010	0%

LOCATION - Sale #1 was adjusted downward for location since it is considered to be located in a more desirable area when compared to the subject. The reverse is true for sale #5.

BLDG STYLE - All Sales are similar and no adjustments were required.

SIZE - Sales #1, 2, 3, 4 and 5 were adjusted downward for size to reflect the principle that substantially smaller buildings will typically sell for more on a per bed basis than larger buildings.

CONDITION - The subject is considered to be in average to condition. Sales #1, 5 and 6 were adjusted upward accordingly.

AVERAGE SIZE PER BED – The subject has an average gross area per bed of 690±Sq.Ft. Sales #1, 2, 3, 5 and 6 were adjusted upward accordingly.

LOT COVERAGE RATIO - The subject has a lot coverage ratio of 3.36 to 1. Sales #1 and 2 were adjusted upward accordingly. The reverse is true for sales #3, 4 and 5.

OTHER - Sale #6 was adjusted upward for this variable since part of the operation is not on site.

CONCLUSION - When all of the sales have been adjusted for these differences, a range in value from a low of $88,143.02/bed to a high of $125,647.70/bed is indicated. The average from all 6 sales is $105,950.44/bed. Based upon this analysis, we estimate the value of the subject property to be $110,000.00/bed. Therefore, the value of the subject property can be calculated as follows:

264 beds	@	$110,000.00/bed	=	$29,040,000.00
Round To				**$29,000,000.00**

As part of the Sales Comparison Approach an Effective Gross Income Multiplier and a Cash Flow Multiplier were developed. The EGIM serves as an indicator of market value as expressed by the relationship between the sales price of a property and its effective gross income. This unit of comparison is commonly utilized by participants active in the real estate market. A significant strength of this analytical technique is that it represents a direct factor of income as reflected by the market and therefore, requires no adjustments.

The Cash Flow Multiple (CFM) is considered a reliable indicator of value. This is because the CFM considers both the income and the expenses of a facility, whereas the EGIM and the price per bed do not. The following are comparable sales with EGIM and CFM:

Comparable EGIM, CFM, Expenses Ratios and OAR

Address	EGIM	CFM	Expense Ratio	OAR
480 North Walnut St East Orange, NJ	1.32	8.7	83.30%	12.70%
175 Grove St, Braintree, MA	1.4	6.99	88.40%	14.30%
5537 Expressway Dr North, Holtsville, NY	1.14	8.7	86.80%	11.50%
6 Frowein Rr, Center Moriches, NY	0.76	9.62	92.10%	10.40%
100 Southern Blvd, Nesconset, NY 11767	0.92	8.2	88.70%	12.20%
Low	0.76	6.99	83.30%	10.40%
High	1.32	9.62	92.10%	14.30%
Average	1.11	8.44	87.86%	12.22%

In consideration of all developed data, the projected Effective Gross Income Multiplier for the subject has been estimated to be 1.0.

The indicated value for the subject via an Effective Gross Income Multiplier analysis can be calculated as follows:

E.G.I.	*E.G.I.M.*	*VALUE*
$31,185,000.00	1.0	$31,185,000.00
Round To		**$31,200,000.00**

In consideration of all developed data, the projected Cash Flow Multiplier for the subject has been estimated to be 8.25.

The indicated value for the subject via the Cash Flow Multiplier can be calculated as follows:

NOI	*C.F.M.*	*VALUE*
$3,791,419.50	8.25	$31,279,210.88
Round To		**$31,300,000.00**

CONCLUSION

The indicated value via the; per bed analysis is $29,000,000.00. The value developed via EGIM and CFM are $31,200,000.00 and $31,300,000.00 respectively. Our estimate of Market Value for the subject via the Sales Comparison Approach is **$30,500,000.00.**

COMPARABLE SKILLED NURSING FACILITIES

MARKET SALE #1
243 ATLANTIC AVE, EAST ROCKAWAY, NY 11563

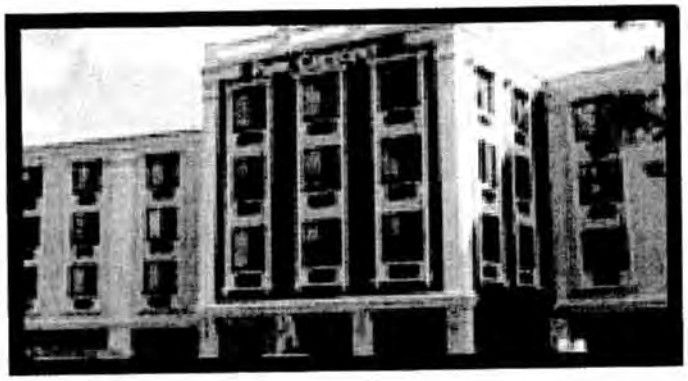
DESCRIPTION:	Skilled Nursing Facility East Rockaway Care Center
GRANTOR:	Vincent J. Castellucci Irrevocable Trust
GRANTEE:	243 Atlantic Avenue Realty, LLC
SIZE:	
Building:	41,370± Sq.Ft.
Land:	.85+- acre
# of Beds:	100
Occupancy:	97%
CONSIDERATION:	$5,000,000.00 (real estate) $410,000.00 (FF & E) $2,988,789.00 (business)
GRAND TOTAL	$8,398,789.00 $83,987.87/bed $203.01/SqFt
VERIFIED WITH:	Public Records and Lender

(NEW)

LIBER/PAGE:	12580 / 455
DEED:	12/28/2009
TAX MAP #:	38-366-23
ZONING:	Business
FINANCING:	M & T Bank $6,400,000.00

COMMENTS:
This is a sale of a 2-story Skilled Nursing Facility with 100 beds. It was built in 1973 and the buyers spent approximately $975,000.00 on renovations. The revenue breakdown is Medicaid 59%, Medicare 39% and private pay 2%. The building sold in average condition. The bed breakdown is 12 private, 36 semi-private and 4 ward type.

MARKET DATA SALE #2
480 NORTH WALNUT STREET EAST ORANGE, NJ 07017



DESCRIPTION: Skilled Nursing Facility
Parkway Manor Health Center

GRANTOR: Norman Village Associates, LLC

GRANTEE: Parkway Manor Realty LLC

SIZE:
- Building: 75,396+- Sq. Ft.
- Land: 2.63+- acres
- # of Beds: 190
- Occupancy: 94%

CONSIDERATION: $21,500,000.00
(real estate, FF & E and business)
$113,157,89/bed
$285.16/SqFt

VERIFIED WITH: Sale Abstract by EMZ on 3/12/10 (21127)

DEED: 12/2008

TAX MAP #: n/a

ZONING: General Business

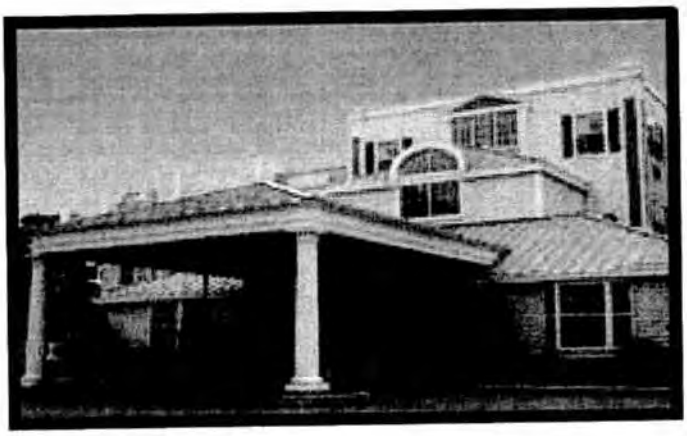
FINANCING: Conv

COMMENTS:
This is a sale of a Skilled Nursing Facility with 190 beds. It was built in 1987 and sold in good condition. The occupancy is 94%.

The EGIM = 1.32
The CFM = 8.70
The expense ratio = 83.30%
NOI = $2,732,639
OAR (Cap. Rate) = 12.70%.

(x)

MARKET DATA SALE #3
175 GROVE STREET, BRAINTREE, MA 02184 (BOSTON AREA – PLYMOUTH COUNTY)



DESCRIPTION: Skilled Nursing Facility
Alliance Health Care Center

GRANTOR: Radius-G & L, LLC

GRANTEE: Alliance Health Southeastern MA, Inc.

SIZE:
- Building: 40,907+- Sq. Ft.
- Land: 6.90+- acres
- # of Beds: 101
- Occupancy: 97%

CONSIDERATION: $14,000,000.00
(real estate, FF & E and business)
$138,613.86/bed
$342.23/SqFt

VERIFIED WITH: Sale Abstract by EMZ on 3/12/10 (21127)

(x)

DEED: 10/2007

TAX MAP #: n/a

ZONING: n/a

FINANCING: Conv

COMMENTS:
This is a sale of a Skilled Nursing Facility with 101 beds. It was built in 1998 and sold in good condition. The revenue breakdown is Medicaid 50%, Medicare 40% and private pay 10%. The occupancy is 97%.

The EGIM = 1.40
The CFM = 6.99
The expense ratio = 88.4%
NOI = $2,002,000.00
OAR (Cap. Rate) = 14.30%.

There was a prior auction sale in 2005 for $8,450,000.00. The buyers (Radius) greatly improved the performance of the property.

MARKET DATA SALE #4
5537 EXPRESSWAY DRIVE NORTH, HOLTSVILLE, NY 11742

DESCRIPTION: Skilled Nursing Facility
Island Nursing & Rehab Center

GRANTOR: 63 Ocean Development

GRANTEE: INRC Services Corp.

SIZE:
- Building: 81,972+- Sq. Ft.
- Land: 8.0+- acres
- # of Beds: 120
- Occupancy: 97%

CONSIDERATION: $16,164,172.00
(real estate, FF & E and business)
$134,701.43/bed
$197.19/SqFt

VERIFIED WITH: Sale Abstract by EMZ on 3/12/10 (21127)

LIBER / PAGE: 12508 / 726

DEED: 5/2007

TAX MAP #: 200-696-5-1.002

ZONING: n/a

FINANCING: Conv

COMMENTS:
This is a sale of a Skilled Nursing Facility with 120 beds. It was built in 2001 and sold in good condition. The revenue breakdown is Medicaid 63%, Medicare 28% and private pay 9%. The occupancy is 97%.

The EGIM = 1.14
The CFM = 8.70
The expense ratio = 86.80%
NOI = $1,858,880.00
OAR (Cap. Rate) = 11.50%.

(x)

MARKET DATA SALE #5
6 FROWEIN ROAD, CENTER MORICHES, NY 11934

DESCRIPTION: Skilled Nursing Facility
Cedar Lodge Nursing Home

GRANTOR: Audrey Lane Laufer LLC

GRANTEE: Cedar Lodge Nursing Home

SIZE:
- Building: 42,146+- Sq. Ft.
- Land: 4.03+- acres
- # of Beds: 100
- Occupancy: 90%

CONSIDERATION: $3,750,000.00
(real estate
$2,800,000.00
(FF & E and business)

GRAND TOTAL: $6,550,000.00
$65,500.00/bed
$155.41/SqFt

VERIFIED WITH: Sale Abstract by EMZ on 3/12/10 (21127)

(x)

LIBER / PAGE: 12517 / 921

DEED: 5/2007

TAX MAP #: 200-830-2-6

ZONING: n/a

FINANCING: Conv

COMMENTS:
This is a sale of a Skilled Nursing Facility with 100 beds. It was built in 1973 and sold in below average condition. The revenue breakdown is Medicaid 78%, Medicare 14% and private pay 8%. The occupancy is 90%. The bed breakdown is 12 private, 40 semi-private and 4 ward type.

The EGIM = .76
The CFM = 9.62
The expense ratio = 92.10%
NOI = $681,200.00
OAR (Cap. Rate) = 10.40%.

MARKET DATA SALE #6
100 SOUTHERN BOULEVARD, NESCONSET, NY 11767

DESCRIPTION: Skilled Nursing Facility
Nesconset Center For Nursing

GRANTOR: Baran Development

GRANTEE: Nesconset NE Realty

SIZE:
Building: 125,824+- Sq. Ft. (SNF only)
Land: 10.0+- acres (SNF only)
# of Beds: 240 plus 190 slot off site adult Daycare operation

CONSIDERATION: $29,750,000.00
(real estate, FF & E and business)

$69,186.05/bed
(based on 430 beds)
$236.44/SqFt (SNF only)

VERIFIED WITH: Sale Abstract by EMZ on 3/12/10 (21127)

(x)

LIBER / PAGE: 12546 / 421 (SNF only)

DEED: 2/2008

TAX MAP #: 800-107-3-7 (SNF only)

ZONING: Business

FINANCING: Conv

COMMENTS:
This is a sale of a Skilled Nursing Facility with 240 beds and a 190 slot off site adult daycare operation. The building was built in 1984 and sold in average condition. The revenue breakdown is Medicaid 80%, Medicare 11% and private pay 8%. The occupancy is 96%.

The EGIM = .92
The CFM = 8.20
The expense ratio = 88.70%
NOI = $3,629,500.00
OAR (Cap. Rate) = 12.20%.

RECONCILIATION AND CONCLUSION OF VALUE

COST APPROACH TO VALUE	Not Developed
INCOME APPROACH TO VALUE	$31,600,000.00
SALES COMPARISON APPROACH TO VALUE	$30,500,000.00

The final conclusion of value is **$31,600,000.00** as indicated by Income Approach and supported by the Sales Comparison Approach.

In developing this report, all three approaches to value were considered. It was determined that the Income Approach and the Sales Comparison Approach were pertinent. The Cost Approach was not developed due to the lack of comparable land sales.

In the Income Approach to Value, an investigation of the market revealed comparable rentals within similar facilities in the Suffolk County area. The rentals are analyzed on a rent per bed per month basis for comparative purposes. The appraiser will estimate the potential gross income from these sources of income. All other sources of income will be evaluated and where appropriate will be, included in the overall income. A deduction for vacancy is estimated and operating expenses are analyzed to reconcile an estimate of net operating income. An appropriate capitalization rate will be utilized to derive a final estimate of value via this approach.

In the Sales Comparison Approach, sales of other comparable properties through Long Island and sand sections of the Northeast were analyzed and compared to the subject. The sales were analyzed on the basis of price per bed. Adjustments were made to the sales to reflect differences in date of sale, location, building size, finish, condition, etc. between the sales and the subject. As part of the Sales Comparison Approach an Effective Gross Income Multiplier and a Cash Flow Multiplier were developed.

UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is made subject to the following assumptions and limiting conditions:

1. Certain opinions, data and statistics which were furnished by others are not guaranteed but were gathered from sources believed to be accurate and reliable.

2. No liability is assumed for matters of a legal character such as title defects, liens, encroachments or easements.

3. The submission of this appraisal does not require future testimony or appearance in court or before any agency without special arrangements for that eventuality.

4. The distribution of the total value between land and the improvements applies only under the program of utilization and conditions stated in the report and invalidated under other programs of utilization or conditions or if used in making a summation appraisal.

5. It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures which would render it more or less valuable. No responsibility is assumed for such factors or for engineering required to discover such factors.

6. Disclosure of the contents of this appraisal report is governed by the By-Laws and regulations of the Appraisal Institute. Neither all nor any part of the contents of this appraisal (especially any conclusions as to value, the identity of the appraiser or the firm with which he is connected, or any reference to the Appraisal Institute) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication without the prior written consent and approval of the person(s) signing this report.

7. It is assumed that the property is free and clear of all liens other than those mentioned in this report and that the property will be efficiently managed and properly maintained.

8. One of the signatories of this report is a member of the Appraisal Institute. The Bylaws and Regulations of the Institute require each member to control the use and distribution of any report signed by such member. Therefore, except as hereinafter provided, the party for whom this appraisal was prepared may distribute copies of it, in the reports entirety, to such third parties as may be selected by the party for whom this appraisal was prepared; however, selected portions of this report shall not be given to third parties without prior written consent of the signatories. Further, neither all nor any part of this appraisal shall be disseminated to the general public by the use of advertising media, public relations media, news media, sales media or other media for public communication without the prior written consent of the signatories of this appraisal report.

9. The existence of potentially hazardous material and/or toxic waste used in the construction or maintenance of the subject building, which may or may not be present, was not observed by us. Nor do we have any knowledge of the existence of such materials in or on the property. We, however, are not qualified to detect such substances. The existence of asbestos, toxic waste, or similar hazardous materials is likely to have an adverse effect on the value of the subject property. We recommend that the client retain an expert in this field if desired.

10. The Americans with Disabilities Act (ADA) became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect on the value of the property. Since I have no direct evidence relating to his issue, I did not consider possible noncompliance with the requirements of the ADA in estimating the value of the property.

11. We did not appraise the subject building within the last 5 years.

CERTIFICATION OF THE APPRAISER

I hereby certify that Rogers and Taylor Appraisers, Inc. was employed to appraise the market value on property located at:

14 GLOVER AVENUE
YAPHANK
TOWN OF BROOKHAVEN
SUFFOLK COUNTY, NEW YORK

Neither Rogers and Taylor Appraisers, Inc., nor I have a present or contemplated future interest in the real estate that is the subject of this appraisal report.

I have no personal interest or bias with respect to the subject matter of this appraisal report or the parties involved.

This appraiser has not performed any services regarding the subject property, as an appraisal or in any other capacity, in the prior three years from the date of this appraisal.

To the best of my knowledge and belief, the statements of fact contained in this appraisal report, upon which the analysis, opinions and conclusions expressed herein are based, are true and correct.

This appraisal report sets forth all of the limiting condition (imposed by the terms of my assignment or by the undersigned) affecting the analysis, opinions and conclusions contained in this report.

This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the Appraisal Institute.
No one other than the undersigned prepared the analysis, opinions and conclusions concerning real estate that are set forth in this appraisal report.

My analyses, opinions and conclusions were developed and this report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice.

I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

I certify that the appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan. I certify that compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.

I, James G. Taylor, do hereby certify that I have inspected the subject property.

I, Edward M. Zukowski, do hereby certify that I have inspected the subject property.

CERTIFICATION OF THE APPRAISER (Cont'd)

The Appraisal Institute conducts a voluntary program of continuing education for its designated members. MAI's and RM's who meet the minimum standards of this program are awarded periodic educational certification.

As of the date of this report, I, James G. Taylor have completed the requirements under the continuing education program of the Appraisal Institute.

After analyzing all the available information, it is our opinion that the going concern value of the fee simple interest of the subject property **14 Glover Avenue, Yaphank, New York,** is as follows:

"Fee Simple Interest of a property as a Going Concern"

THIRTY ONE MILLION SIX HUNDRED THOUSAND DOLLARS

($31,600,000.00)

The above value estimate is inclusive of $675,000.00 in personal property / FF & E and $7,800,000.00 in business value as an integral part of the Going Concern.

Edward M. Zukowski
State Certified General Real Estate Appraiser
Lic. # 46000022830

James G. Taylor, MAI,SRA
State Certified General Real Estate Appraiser
Lic. # 46000002848

ADDENDA

Office of the Comptroller
County of Suffolk
Department of Audit and Control
Audit Division

John J. Foley Skilled Nursing Facility
(An Enterprise Fund of the County of Suffolk)

Financial Statements and Schedule

Years Ended December 31, 2008 and 2007

Audit by:
Ernst & Young LLP

Report No.: 2009-07 CPA
Report Date: June 22, 2009

John J. Foley Skilled Nursing Facility

Statements of Revenues and Expenses and Changes in Net Assets (Deficit)

	Year Ended December 31	
	2008	2007
Operating revenues:		
Net inpatient service revenue	$ 29,069,384	$ 26,315,317
Net outpatient service revenue	2,396,010	1,928,848
Other revenue	438,288	644,074
	31,903,682	28,888,239
Less provision for bad debts	1,777,268	2,892,666
Total net operating revenues	30,126,414	25,995,573
Operating expenses:		
Salaries and wages	16,424,742	17,159,671
Employee benefits	16,421,875	16,731,863
Supplies and other	9,556,167	9,269,915
Depreciation and amortization	1,727,978	1,752,376
Interest	1,040,871	1,149,922
Total operating expenses	45,171,633	46,063,747
Loss from operations	(15,045,219)	(20,068,174)
Nonoperating items:		
New York State Intergovernmental Transfer Program	10,256,986	–
Reimbursement to County of Suffolk	(5,128,493)	–
Investment income	71,302	19,409
Subsidy from County of Suffolk	10,227,333	10,336,918
Total nonoperating items	15,427,128	10,356,327
Increase (decrease) in net assets	381,909	(9,711,847)
Net assets (deficit), beginning of year	(19,157,106)	(9,445,259)
Net assets (deficit), end of year	$(18,775,197)	$(19,157,106)

See accompanying notes.

John J. Foley Skilled Nursing Facility

Notes to Financial Statements (continued)

3. Related Party Transactions

The County pays for substantially all direct and indirect costs related to the Facility. Indirect costs are allocated from the County to the Facility on an estimated cost basis. Direct and indirect costs, included in the accompanying statements of revenues and expenses and changes in net assets (deficit), were as follows:

	Year Ended December 31	
	2008	2007
Personnel salaries and fringe benefits	$ 32,846,617	$ 33,891,534
Indirect costs – purchased services	871,181	813,478
Maintenance in lieu of rent	1,611,961	1,619,890
Transportation	589,868	547,113
Interest	1,040,871	1,149,922
Pharmaceuticals	706,749	682,125
Laundry contracted service	400,415	398,430
Food	693,999	727,453
Other various expenses	3,172,008	3,066,534
	$ 41,933,669	$ 42,896,479

Expenditures of the Facility are funded by the County. The County processes substantially all cash disbursements on behalf of the Facility. Funds received by the Facility, primarily from patients and third-party payors, are transferred to the County on a monthly basis. Cash balances on hand represent funds to be remitted to the County. The Facility records the County's subsidy as nonoperating gains. The subsidy received from the County was approximately $10.2 million and $10.3 million for the years ended December 31, 2008 and 2007, respectively. Due to County of Suffolk represents the cumulative difference between the amounts expended by the County on behalf of the Facility, the amount of cash transferred to the Facility from the County, the amount of cash transferred by the Facility to the County, and the subsidy received from the County.

The County is self-insured for medical malpractice liability, general liability and workers' compensation. These costs are allocated to the Facility on a fixed fee basis and were approximately $831,000 for each of the years ended December 31, 2008 and 2007.

John J. Foley Skilled Nursing Facility

Notes to Financial Statements (continued)

10. Concentration of Credit Risk

The Facility grants credit to residents, substantially all of whom are local residents. The Facility generally does not require collateral or other security in extending credit to residents; however, it routinely obtains assignment of (or is otherwise entitled to receive) residents' benefits payable under their health insurance programs, plans or policies.

The significant concentrations of the Facility's net residents' accounts receivable for services to residents at December 31, 2008 and 2007 are as follows:

	2008	2007
Medicaid	77%	81%
Medicare	10	2
Other	13	17
	100%	100%

11. Functional Expenses

The Facility provides general health care services to residents primarily within its geographic location. Expenses related to providing these services for 2008 and 2007 are as follows:

	Year Ended December 31	
	2008	2007
Health care services	$ 36,238,975	$ 37,212,130
General and administrative	8,932,658	8,851,617
	$ 45,171,633	$ 46,063,747

12. Contingencies

Revenues received under Medicaid and Medicare reimbursement agreements represent a substantial portion of the Facility's revenue. Such revenue is subject to audit and adjustment by the New York State Department of Health and Medicare intermediary. Audits of the Facility's Medicare cost reports have been completed through 2007. Final audited Medicaid rates have been issued through 1985. Provisions for those adjustments, which can be reasonably estimated, have been provided for in the accompanying financial statements.

UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is made subject to the following assumptions and limiting conditions:

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2. No liability is assumed for matters of a legal character such as title defects, liens, encroachments or easements.

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9. The existence of potentially hazardous material and/or toxic waste used in the construction or maintenance of the subject building, which may or may not be present, was not observed by us. Nor do we have any knowledge of the existence of such materials in or on the property. We, however, are not qualified to detect such substances. The existence of asbestos, toxic waste, or similar hazardous materials is likely to have an adverse effect on the value of the subject property. We recommend that the client retain an expert in this field if desired.

10. The Americans with Disabilities Act (ADA) became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect on the value of the property. Since I have no direct evidence relating to his issue, I did not consider possible noncompliance with the requirements of the ADA in estimating the value of the property.

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To the best of my knowledge and belief, the statements of fact contained in this appraisal report, upon which the analysis, opinions and conclusions expressed herein are based, are true and correct.

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CERTIFICATION OF THE APPRAISER (Cont'd)

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"Fee Simple Interest of a property as a Going Concern"

THIRTY ONE MILLION SIX HUNDRED THOUSAND DOLLARS

($31,600,000.00)

The above value estimate is inclusive of $675,000.00 in personal property / FF & E and $7,800,000.00 in business value as an integral part of the Going Concern.

Edward M. Zukowski
State Certified General Real Estate Appraiser
Lic. # 46000022830

James G. Taylor, MAI,SRA
State Certified General Real Estate Appraiser
Lic. # 46000002848

ADDENDA

Office of the Comptroller
County of Suffolk
Department of Audit and Control
Audit Division

John J. Foley Skilled Nursing Facility
(An Enterprise Fund of the County of Suffolk)

Financial Statements and Schedule

Years Ended December 31, 2008 and 2007

Audit by:
Ernst & Young LLP

Report No.: 2009-07 CPA
Report Date: June 22, 2009

John J. Foley Skilled Nursing Facility

Statements of Revenues and Expenses and Changes in Net Assets (Deficit)

	Year Ended December 31 2008	2007
Operating revenues:		
Net inpatient service revenue	$ 29,069,384	$ 26,315,317
Net outpatient service revenue	2,396,010	1,928,848
Other revenue	438,288	644,074
	31,903,682	28,888,239
Less provision for bad debts	1,777,268	2,892,666
Total net operating revenues	30,126,414	25,995,573
Operating expenses:		
Salaries and wages	16,424,742	17,159,671
Employee benefits	16,421,875	16,731,863
Supplies and other	9,556,167	9,269,915
Depreciation and amortization	1,727,978	1,752,376
Interest	1,040,871	1,149,922
Total operating expenses	45,171,633	46,063,747
Loss from operations	(15,045,219)	(20,068,174)
Nonoperating items:		
New York State Intergovernmental Transfer Program	10,256,986	–
Reimbursement to County of Suffolk	(5,128,493)	–
Investment income	71,302	19,409
Subsidy from County of Suffolk	10,227,333	10,336,918
Total nonoperating items	15,427,128	10,356,327
Increase (decrease) in net assets	381,909	(9,711,847)
Net assets (deficit), beginning of year	(19,157,106)	(9,445,259)
Net assets (deficit), end of year	$(18,775,197)	$(19,157,106)

See accompanying notes.

John J. Foley Skilled Nursing Facility

Notes to Financial Statements (continued)

3. Related Party Transactions

The County pays for substantially all direct and indirect costs related to the Facility. Indirect costs are allocated from the County to the Facility on an estimated cost basis. Direct and indirect costs, included in the accompanying statements of revenues and expenses and changes in net assets (deficit), were as follows:

	Year Ended December 31	
	2008	**2007**
Personnel salaries and fringe benefits	**$ 32,846,617**	$ 33,891,534
Indirect costs – purchased services	**871,181**	813,478
Maintenance in lieu of rent	**1,611,961**	1,619,890
Transportation	**589,868**	547,113
Interest	**1,040,871**	1,149,922
Pharmaceuticals	**706,749**	682,125
Laundry contracted service	**400,415**	398,430
Food	**693,999**	727,453
Other various expenses	**3,172,008**	3,066,534
	$ 41,933,669	$ 42,896,479

Expenditures of the Facility are funded by the County. The County processes substantially all cash disbursements on behalf of the Facility. Funds received by the Facility, primarily from patients and third-party payors, are transferred to the County on a monthly basis. Cash balances on hand represent funds to be remitted to the County. The Facility records the County's subsidy as nonoperating gains. The subsidy received from the County was approximately $10.2 million and $10.3 million for the years ended December 31, 2008 and 2007, respectively. Due to County of Suffolk represents the cumulative difference between the amounts expended by the County on behalf of the Facility, the amount of cash transferred to the Facility from the County, the amount of cash transferred by the Facility to the County, and the subsidy received from the County.

The County is self-insured for medical malpractice liability, general liability and workers' compensation. These costs are allocated to the Facility on a fixed fee basis and were approximately $831,000 for each of the years ended December 31, 2008 and 2007.

John J. Foley Skilled Nursing Facility

Notes to Financial Statements (continued)

10. Concentration of Credit Risk

The Facility grants credit to residents, substantially all of whom are local residents. The Facility generally does not require collateral or other security in extending credit to residents; however, it routinely obtains assignment of (or is otherwise entitled to receive) residents' benefits payable under their health insurance programs, plans or policies.

The significant concentrations of the Facility's net residents' accounts receivable for services to residents at December 31, 2008 and 2007 are as follows:

	2008	2007
Medicaid	77%	81%
Medicare	10	2
Other	13	17
	100%	100%

11. Functional Expenses

The Facility provides general health care services to residents primarily within its geographic location. Expenses related to providing these services for 2008 and 2007 are as follows:

	Year Ended December 31	
	2008	2007
Health care services	$ 36,238,975	$ 37,212,130
General and administrative	8,932,658	8,851,617
	$ 45,171,633	$ 46,063,747

12. Contingencies

Revenues received under Medicaid and Medicare reimbursement agreements represent a substantial portion of the Facility's revenue. Such revenue is subject to audit and adjustment by the New York State Department of Health and Medicare intermediary. Audits of the Facility's Medicare cost reports have been completed through 2007. Final audited Medicaid rates have been issued through 1985. Provisions for those adjustments, which can be reasonably estimated, have been provided for in the accompanying financial statements.

Office of the Comptroller
County of Suffolk
Department of Audit and Control
Audit Division

John J. Foley Skilled Nursing Facility
(An Enterprise Fund of the County of Suffolk)

Financial Statements

Years Ended December 31, 2007 and 2006

John J. Foley Skilled Nursing Facility

Statements of Revenues and Expenses and Changes in Net Assets (Deficit)

	Year Ended December 31 2007	2006
Operating revenues:		
Net inpatient service revenue	$ 26,315,317	$ 26,429,784
Net outpatient service revenue	1,928,848	1,684,679
Other revenue	644,074	791,044
	28,888,239	28,905,507
Less: provision for bad debts	2,892,666	1,793,518
Total net operating revenues	25,995,573	27,111,989
Operating expenses:		
Salaries and wages	17,159,671	17,100,044
Employee benefits	16,731,863	9,172,978
Supplies and other	9,269,915	9,455,608
Depreciation and amortization	1,752,376	1,680,988
Interest	1,149,922	1,214,107
Total operating expenses	46,063,747	38,623,725
Loss from operations	(20,068,174)	(11,511,736)
Nonoperating gains:		
New York State Intergovernmental Transfer Program	–	211,166
Investment income	19,409	10,410
Total nonoperating gains	19,409	221,576
Subsidy from County of Suffolk	10,336,918	12,175,867
(Decrease) increase in net assets	(9,711,847)	885,707
Net assets (deficit), beginning of year	(9,445,259)	(10,330,966)
Net assets (deficit), end of year	$ (19,157,106)	$ (9,445,259)

See notes to financial statements.

John J. Foley Skilled Nursing Facility

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Income Taxes

The Facility is exempt from Federal income taxes on income related to its tax-exempt purpose as it is owned and operated by the County and falls under its taxing jurisdiction. It also is exempt from State and local income taxes.

3. Related Party Transactions

The County pays for substantially all direct and indirect costs related to the Facility. Indirect costs are allocated from the County to the Facility on an estimated cost basis. Direct and indirect costs, included in the accompanying statements of revenues and expenses and changes in net assets (deficit), were as follows:

	Year Ended December 31	
	2007	2006
Personnel salaries and fringe benefits	$ 33,891,534	$ 26,273,022
Indirect costs – purchased services	813,478	884,679
Maintenance in lieu of rent	1,619,890	1,523,486
Transportation	547,113	472,105
Interest	1,149,922	1,214,107
Pharmaceuticals	682,125	663,166
Laundry contracted service	398,430	424,961
Food	727,453	764,458
Other various expenses	3,066,534	3,179,678
	$ 42,896,479	$ 35,399,662

Expenditures of the Facility are funded by the County. The County processes substantially all cash disbursements on behalf of the Facility. Funds received by the Facility, primarily from patients and third-party payors, are transferred to the County on a monthly basis. Cash balances on hand represent funds to be remitted to the County. The Facility records the County's subsidy as nonoperating gains. Due to County of Suffolk as of December 31, 2007 and 2006 represents the cumulative difference between the amounts expended by the County on behalf of the Facility, the amount of cash transferred by the Facility to the County, and the subsidy received from the County.

John J. Foley Skilled Nursing Facility

Notes to Financial Statements (continued)

10. Concentration of Credit Risk

The Facility grants credit to residents, substantially all of whom are local residents. The Facility generally does not require collateral or other security in extending credit to residents; however, it routinely obtains assignment of residents' benefits payable under health insurance programs, plans or policies.

At December 31, 2007 and 2006, the Facility's net residents' accounts receivable by financial class were as follows:

	2007	2006
Medicaid	81%	71%
Medicare	2	8
Other	17	21
	100%	100%

11. Intergovernmental Transfer Revenue

No intergovernmental revenue was recorded by the Facility in 2007 and $211,166 was recorded in 2006.

12. Functional Expenses

The Facility provides general health care services to residents primarily within its geographic location. Expenses related to providing these services for 2007 and 2006 are as follows:

	Year Ended December 31	
	2007	2006
Health care services	$ 37,212,130	$ 30,532,198
General and administrative	8,851,617	8,091,527
	$ 46,063,747	$ 38,623,725

Office of the Comptroller
County of Suffolk
Department of Audit and Control
Audit Division

John J. Foley Skilled Nursing Facility
(An Enterprise Fund of the County of Suffolk)

Financial Statements

Years Ended December 31, 2006 and 2005

John J. Foley Skilled Nursing Facility

Statements of Revenues and Expenses and Changes in Net Assets (Deficit)

	Year Ended December 31 2006	2005
Operating revenues:		
Net inpatient service revenue	$ 26,429,784	$ 26,016,681
Net outpatient service revenue	1,684,679	1,675,796
Other revenue	791,044	276,581
	28,905,507	27,969,058
Less: provision for bad debts	1,793,518	2,397,175
Total net operating revenues	27,111,989	25,571,883
Operating expenses:		
Salaries and wages	17,100,044	16,721,124
Employee benefits	9,172,978	9,125,796
Supplies and other	9,455,608	9,036,991
Depreciation and amortization	1,680,988	1,662,738
Interest	1,214,107	1,178,312
Total operating expenses	38,623,725	37,724,961
Loss from operations	(11,511,736)	(12,153,078)
Nonoperating gains:		
New York State Intergovernmental Transfer Program	211,166	633,498
Investment income	10,410	10,747
Total nonoperating gains	221,576	644,245
Subsidy from County of Suffolk	12,175,867	7,294,961
Increase (decrease) in net assets	885,707	(4,213,872)
Net assets (deficit), beginning of year	(10,330,966)	(6,117,094)
Net assets (deficit), end of year	$ (9,445,259)	$ (10,330,966)

See notes to financial statements.

John J. Foley Skilled Nursing Facility

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Income Taxes

The Facility is exempt from Federal income taxes on income related to its tax-exempt purpose as it is owned and operated by the County and falls under its taxing jurisdiction. It also is exempt from State and local income taxes.

3. Related Party Transactions

The County pays for substantially all direct and indirect costs related to the Facility. Indirect costs are allocated from the County to the Facility on an estimated cost basis. Direct and indirect costs, included in the accompanying statements of revenues and expenses and changes in net assets (deficit), were as follows:

	Year Ended December 31	
	2006	**2005**
Personnel salaries and fringe benefits	**$26,273,022**	$25,846,920
Indirect costs – purchased services	**884,679**	856,449
Maintenance in lieu of rent	**1,523,486**	1,252,639
Transportation	**472,105**	450,333
Interest	**1,214,107**	1,178,312
Pharmaceuticals	**663,166**	1,094,902
Laundry contracted service	**424,961**	395,994
Food	**764,458**	760,251
Other various expenses	**3,179,678**	3,124,206
	$35,399,662	$34,960,006

Expenditures of the Facility are funded by the County. The County processes substantially all cash disbursements on behalf of the Facility. Funds received by the Facility, primarily from patients and third-party payors, are transferred to the County on a monthly basis. Cash balances on hand represent funds to be remitted to the County. The Facility records the County's subsidy as nonoperating gains. Due to County of Suffolk as of December 31, 2006 and 2005, represents the cumulative difference between the amounts expended by the County on behalf of the Facility, the amount of cash transferred by the Facility to the County, and the subsidy received from the County.

John J. Foley Skilled Nursing Facility

Notes to Financial Statements (continued)

10. Concentration of Credit Risk

The Facility grants credit to residents, substantially all of whom are local residents. The Facility generally does not require collateral or other security in extending credit to residents; however, it routinely obtains assignment of residents' benefits payable under health insurance programs, plans or policies.

At December 31, 2006 and 2005, the Facility's net residents' accounts receivable by financial class were as follows:

	2006	2005
Medicaid	71%	73%
Medicare	8	10
Other	21	17
	100%	100%

11. Intergovernmental Transfer Revenue

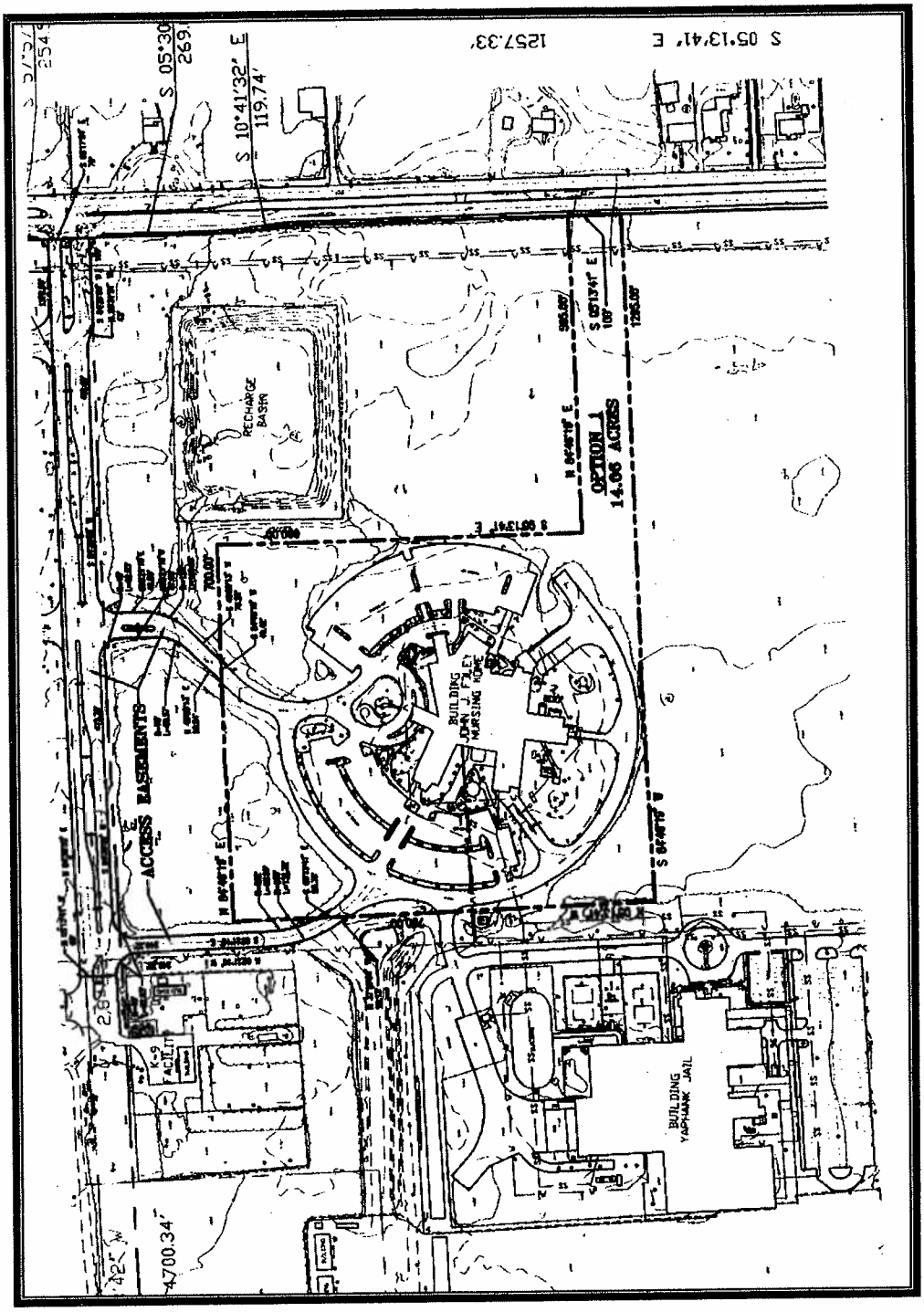
The Facility recorded revenue of approximately $211,166 and $633,498 in 2006 and 2005, respectively, of intergovernmental transfer revenue.

12. Functional Expenses

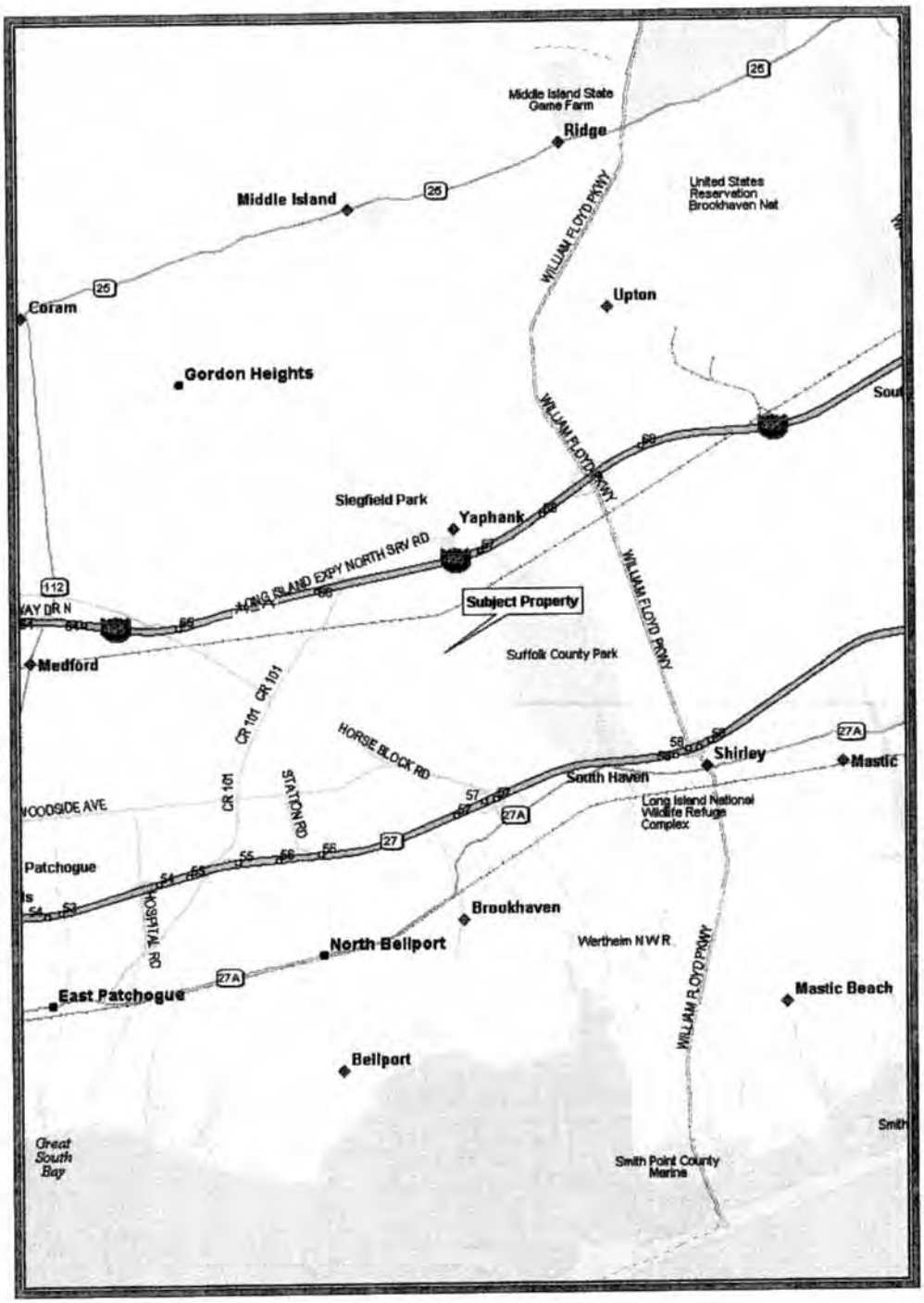
The Facility provides general health care services to residents primarily within its geographic location. Expenses related to providing these services for 2006 and 2005 are as follows:

	Year Ended December 31	
	2006	2005
Health care services	$ 30,532,198	$ 30,639,403
General and administrative	8,091,527	7,085,558
	$ 38,623,725	$ 37,724,961

COPY OF SURVEY



AREA MAP LOCATING SUBJECT PROPERTY



AREA MAP LOCATING SUBJECT PROPERTY & COMPARABLE SALES