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39Rainbow Secures Two Major Healthcare Tenants For Phase Two of Development

Construction to Start Immediately

July 16, 2012. KANSAS CITY, Kan. – Developer LANE4 Property Group, Inc. has announced it has secured two major healthcare tenants to anchor the second phase of 39Rainbow, a mixed-use development located near The University of Kansas Hospital and the University of Kansas Medical Center at the southwest corner of 39th Street and Rainbow Boulevard in Kansas City, Kansas. The first phase of the project is currently under construction and will open late this month. Phase I includes a new 83-room Holiday Inn Express and Suites, Five Guys Burgers & Fries and additional retail shops.

For the second phase, The University of Kansas Hospital will operate an inpatient acute rehabilitation center in 27,800 square feet on the second floor. This will replace the current rehabilitation unit currently operated in one of the older buildings on campus.

“This will give the hospital a new location to provide inpatient rehabilitation in a bright new facility which will enhance the excellent care provided by our physicians, nurses and therapists,” said Bob Page, president and chief executive officer of The University of Kansas Hospital.

“Plus, the project supports an exciting new development project in our community. This project will maintain the economic development momentum in our neighborhood,” added Page.

Two more floors in the second phase are being leased by Kansas City Transitional Care Center, LLC, a subsidiary of Skilled Healthcare Group, Inc. (NYSE: SKH), which will operate a post-acute skilled nursing rehabilitation facility in 55,600 square-feet on the 3rd and 4th floors. Skilled Healthcare Group, Inc., based in Foothill Ranch, California, is a holding company whose subsidiaries operate long-term care facilities and provide a wide range of post-acute care services, with a strategic emphasis on sub-acute specialty health care.

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“There is a void in short term rehabilitation skilled nursing services in the area. Currently, patients have to travel outside the area to receive these services. We believe the proximity to the hospital and medical center will help patients in need of ongoing care”, said Jose Lynch, president of Skilled Healthcare Group, Inc.

A common lobby serving both tenants will be located on the building’s first floor adjacent to 17,000 square feet of additional dining and retail shops. The project will also feature a rooftop terrace for outdoor rehabilitation. Site demotion has begun on the 100,000 square foot four-story second phase and the building is scheduled to be completed in the fall of 2013.

Developer Lane4 expressed its excitement with the tenants.

“We are very excited to attract these two outstanding healthcare providers to our project. We believe it’s a perfect fit for the area and helps complete our overall mixed use development objectives,” said Hunter Harris, director of development for LANE4.

Owen Buckley, president of LANE4, added the immediate area around the hospital and the medical center is changing dramatically and this was the catalyst for the mixed-use development. “We are thrilled to be a part of this community and all the positive things happening around us,” Buckley said.

Buckley said the building is traditional but in a Parisian-inspired style designed to fit in with the older, beautiful buildings in the area. LANE4 used natural limestone and real stucco, along with iron balcony railings and other appurtenances to assure an authentic and durable building and design. “We think it will be the type of building that ages well, becoming even more elegant with age. That was our goal”, said Buckley.

LANE4 said further announcements regarding retailers for the \$50 million 39Rainbow development will be announced as the hotel opens and the second phase is under construction. A combination Grand Opening for the first phase and groundbreaking for the second phase will be scheduled for later this summer.

Financing for Phase Two is being provided by UMB Bank, N.A. As with Phase One, Crossland Construction Company and Davidson Architectural and Engineering are providing their services as well.

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LANE4 Property Group specializes in project leasing, tenant representation, development and property management of retail, office, hospitality and mixed-use projects throughout the United States including 39Rainbow (Kansas City, Kan.), The Village in Prairie Village, Kan., Corinth Square in Prairie Village, Kan., Mission Crossing (Mission, Kan.) One Kellogg Place in Wichita, Kan., The Shoppes at Market Pointe in Papillion, Neb., and Tiffany Springs MarketCenter in Kansas City, Mo. For more information on LANE4 Property Group, visit www.lane4group.com.

The University of Kansas Hospital is the region's premier academic medical center, providing a full range of care. The hospital is affiliated with the University of Kansas Schools of Medicine, Nursing and Health Professions, and their various leading edge research projects. The constantly growing facility contains 576 staffed beds (plus 24 bassinets) and serves nearly 27,000 inpatients annually. The University of Kansas Hospital's comprehensive heart program is ranked 39th in the nation by U.S. News & World Report and is housed in the state of the art Center for Advanced Heart Care. Other U.S. News & World Report nationally ranked programs include Pulmonology, Ear Nose & Throat, Gastroenterology, Nephrology (kidney) and Cancer. The cancer program is part of The University of Kansas Cancer Center, based in the region's largest outpatient cancer facility, the Richard and Annette Bloch Cancer Care Pavilion, located in Westwood, Kansas, 1 ½ miles from the main hospital. The hospital has received Magnet nursing designation, reflecting the quality of care throughout the hospital, an honor awarded to only 6.6 percent of the hospitals nationwide. The hospital also houses the region's only burn center and the area's only nationally accredited Level I Trauma Center. For more information, visit www.kumed.com.

Skilled Healthcare Group, Inc., based in Foothill Ranch, California, is a holding company with subsidiary healthcare services companies, which in the aggregate had trailing twelve month revenue of approximately \$866 million and approximately 14,300 employees as of March 31, 2012. Skilled Healthcare Group and its wholly-owned companies, collectively referred to as "Skilled," operate long-term care facilities and provide a wide range of post-acute care services, with a strategic emphasis on sub-acute specialty health care. Skilled operates long-term care facilities in California, Iowa, Kansas, Missouri, Nebraska, Nevada, New Mexico and Texas, including 74 skilled nursing facilities that offer sub-acute care and rehabilitative and specialty health skilled nursing care, and 23 assisted living facilities that provide room and board and social services. In addition, Skilled provides physical, occupational and speech therapy in Skilled-operated facilities and unaffiliated facilities. Furthermore, Skilled provides hospice and home health care in Arizona, California, Idaho, Montana, New Mexico and Nevada. Skilled leases 5 skilled nursing facilities in California to an unaffiliated third party operator. More information about Skilled Healthcare Group is available at www.skilledhealthcaregroup.com.