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LTC Properties, Q1 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). And our first question will come from the line of Tony Howard with Hilliard Lyons. Please proceed.

Tony Howard - Hilliard Lyons

Good morning Wendy and Pam.

Wendy Simpson

Hi Tony.

Tony Howard - Hilliard Lyons

First, a clarification, on the 10-Q on page 8.

Wendy Simpson

Okay, hold on. Pam? Moving it.

Pam Kessler

Yes.

Tony Howard - Hilliard Lyons

Okay. You mentioned then the acquisition of the Ohio property and then you mentioned at the same time that there is an agreement to spend up to \$2 million to rebuild,[\[Author ID1: at Thu Jun 5 16:35:00 2008\]](#)

] I guess[\[Author ID1: at Thu Jun 5 16:35:00 2008\]](#)

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]this facility.

Wendy Simpson

Right.

Tony Howard - Hilliard Lyons

I guess part of my question is how should we model this \$2 million as far as near-term projections?

Wendy Simpson

I'm going to have Clint answer that because he's working with the operator. I know the operator had identified several pieces of land in Ohio. We contacted KeyBank, who is familiar with Ohio about the value of land in Ohio but Clint, would you --?

Clint Malin

Tony, I will give you some guidance on that. Ohio is a certificate of needs state. So, there's a regulatory process that would have to go through. And right now, the plan is to file that certificate of need application by June 1st. I think it's usually a three or four-month process to [\[Author ID1: at Thu Jun 5 16:36:00 2008](#)

gain approval. But I would imagine that construction will probably begin probably say six months to seven months from today when it will start being used. So, it will be the latter part of fourth quarter.

Wendy Simpson

The latter part of the year, the latter part of the fourth quarter.

Tony Howard - Hilliard Lyons

Okay. Thanks Clint. In that same paragraph then, you mentioned as of March 31st you have remaining under these agreements \$2.5 million. I am a little confused as far as what that represents?

Clint Malin

That's just what remains of the existing commitments we have outstanding.

Pam Kessler

Are you wanting to know how to model that? Is that your question?

Tony Howard - Hilliard Lyons

Well, not only that but where is this \$2.5 million? Is that part of the \$2 million you are talking about as far as rebuilding this building?

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