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HEALTH FACILITIES &
SERVICES REVIEW BOARD

November 12, 2013

Anne M. Cooper
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Via FedEx

Ms. Kathryn Olson
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761

**Re: Permit Renewal Request – Addison Rehabilitation & Living Center
(Proj. No. 09-030)**

Dear Chair Olson:

This office represents Addison Rehabilitation & Living Center, LLC and Elgin Property, LLC (collectively, "Addison"). As you are aware, on March 2, 2010, the Illinois Health Facilities and Services Review Board (the "State Board") unanimously approved Addison's application to construct and establish a 120-bed long term care facility located at 1754-1760 Capital Street, Elgin, Illinois (the "Project Permit"). On December 6, 2011, the State Board approved a 24-month renewal of the Project Permit with a project completion date of December 31, 2013. However, due to ongoing delays in obtaining financing, construction did not commence until October 2013. Accordingly, we respectfully request the State Board grant Addison a one-year renewal of the Project Permit and establish December 31, 2014 as the new project completion date.

Requested Completion Date

Addison requests the State Board grant a one-year renewal of the Project Permit and establish December 31, 2014 as the new project completion date.

Status Report

Ms. Kathryn Olson
November 12, 2013
Page 2

Addison acquired land for a total cost of \$1,270,049 and obligated the project through execution of a construction contract. Due to changes in underwriting criteria, financing projects, like the Addison, became more difficult. Specifically, lenders require more equity at the time of financing for projects with a lower loan-to-value, such as the Addison. As a result of these underwriting constraints, it took significantly longer to secure financing that anticipated. Addison was unable to secure financing for the project. As of the date of this letter, Addison has expended \$499,628, which represents approximately 3.5 percent (3.5%) of the total project costs. As previously noted, the construction contract was executed on August 26, 2011, and construction began in October 2013. To date, the topsoil has been cleared, construction of the building pad, excavation of exterior foots, and framing for the footings has begun. Once Addison receives the soil bearing tests results, it will begin pouring concrete. Pictures showing the progress to date are attached at Attachment – 1.

Statement Regarding Completion of the Project

Addison is constructing a new nursing facility in Elgin, Illinois. Because of the financing delay referenced above, commencement of construction was delayed. Construction commenced in October 2013, and Addison anticipates construction will be complete within 12 months. To ensure compliance with its Project Permit, Addison is requesting a renewal of its Project Permit until December 31, 2014.

Confirmatory Evidence of Permit Compliance

The attached affidavit from Thomas Neshek, Manager of Addison Rehabilitation & Living Center, LLC confirms that Addison is complying with the scope and costs of the project approved by the State Board pursuant to Project Permit # 09-030 and that sufficient financial resources are available to complete the project. (See Attachment – 2)

Based on the above information, which is provided to the State Board in compliance with Section 1130.740 of the Illinois Administrative Code, Addison formally requests a 12-month renewal of its permit for project #09-030.

Sincerely,



Anne M. Cooper

Attachments

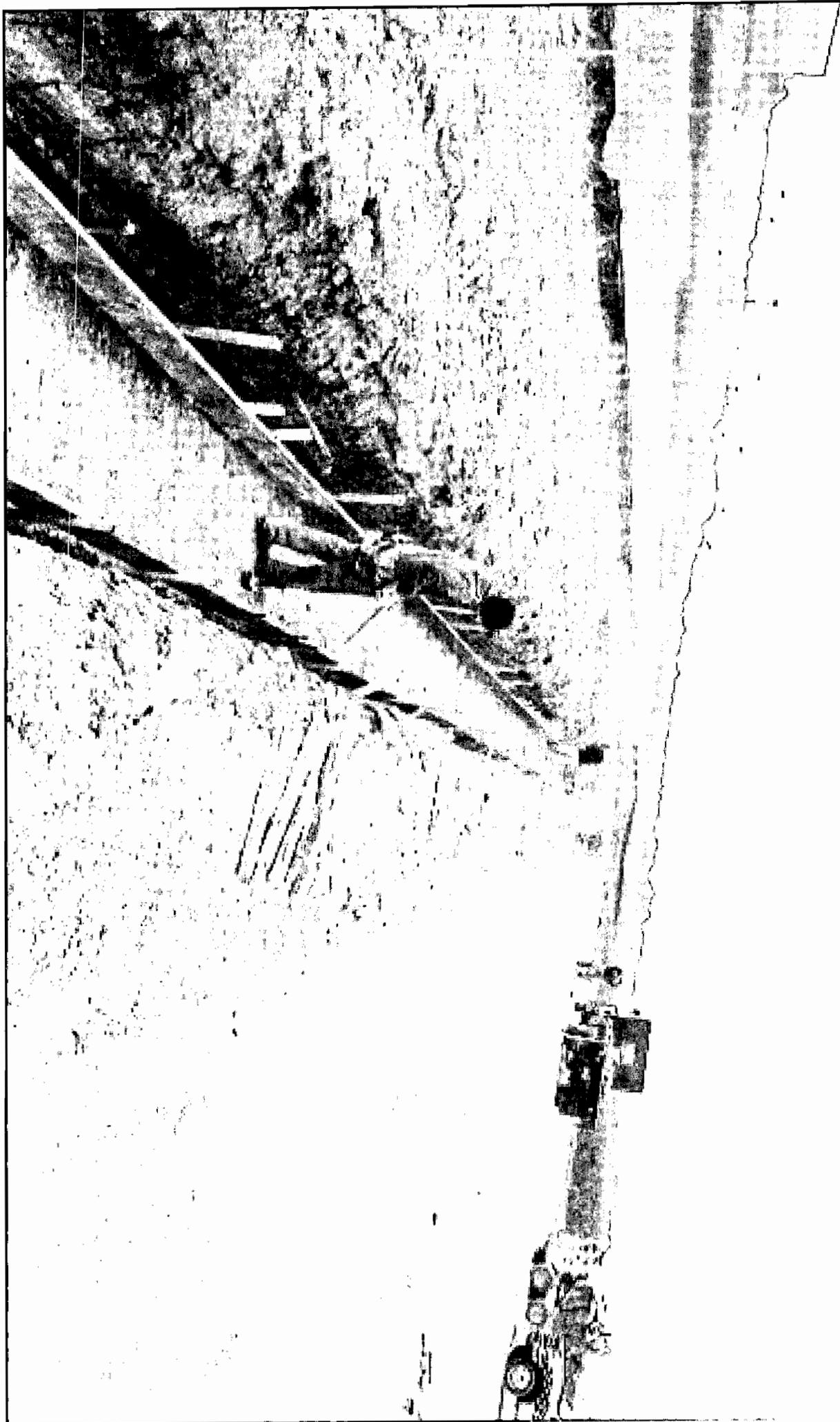
Ms. Kathryn Olson
November 12, 2013
Page 3

cc: Michael Constantino



EXHIBIT
|

1000000



CONSTRUCTION SITE

1760 CAPITAL ST.

NO TRESSPASSING

AUTHORIZED PERSONNEL ONLY

PROJECT CONTACT

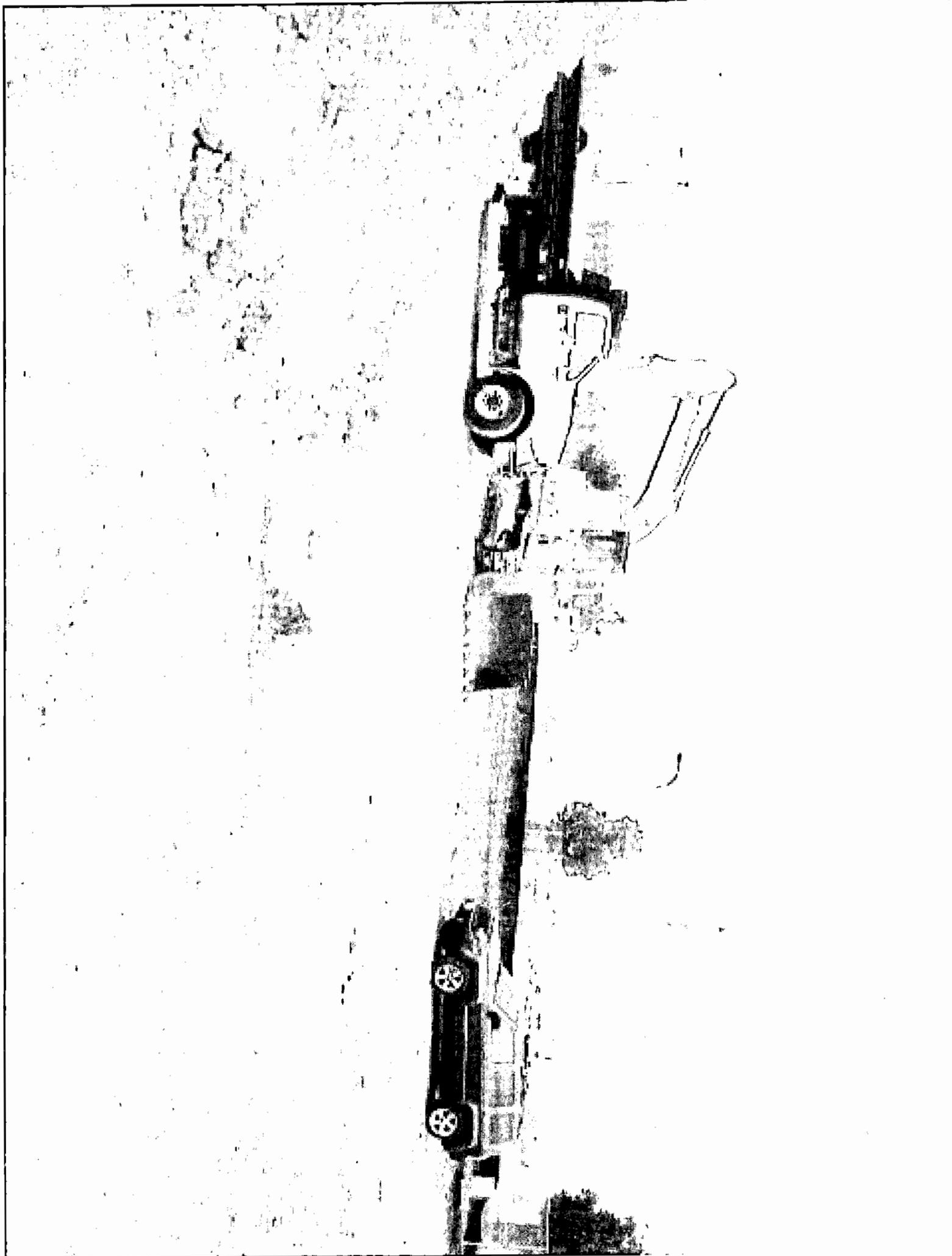
ADJISON REHABILITATION & LIVING

LEPERSIN, LLC

ST. PETERSBURG, FL 33702-1000
247-412-8871

1760
CAPITAL
ST.

ADJISON / LEPERSIN





ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

ADDISON REHABILITATION & LIVING CENTER

REQUEST FOR RENEWAL OF PROJECT PERMIT # 09-030

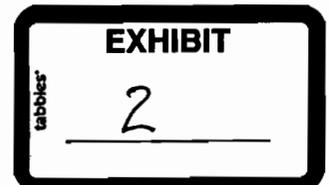
I, Thomas Neshek do hereby affirm and testify:

1. I am an authorized representative of the Permit Holders, Addison Rehabilitation & Living Center, LLC and Elgin Property, LLC. I have personal knowledge of the facts stated herein.

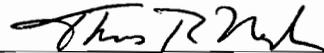
2. Based on my personal knowledge of the on-going project to establish a 120-bed long-term care facility to be located at 1754-1760 Capital Street, Elgin, Illinois, I can attest that the project's cost and scope are in compliance with those approved by the Illinois Health Facilities and Services Review Board.

3. Additionally, I can also attest that there currently exists sufficient financial resources to complete the project.

FURTHER THE AFFIANT SAYETH NOT.

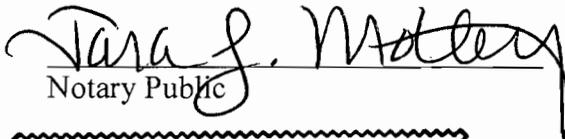


The undersigned certifies that the statements set forth in this instrument are true and correct, except as to matters therein stated to be on information and belief and as to such matters the undersigned certifies as aforesaid that he verily believes the same to be true.



Thomas Neshek
Manager
Addison Rehabilitation & Living Center, LLC

Subscribed and sworn before me
This 12th day of November, 2013



Tara L. Motley
Notary Public

