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**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

March 20, 2015

Anne M. Cooper
(312) 873-3606
(312) 276-4317 Direct Fax
acooper@polsinelli.com

Via Federal Express

Michael Constantino
Supervisor, Project Review Section
Illinois Department of Public Health
Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, IL 62761

**Re: Annual Progress Report – Addison Rehabilitation and Living Center
(Proj. No. 09-030)**

Dear Mr. Constantino:

This office represents Addison Rehabilitation and 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 establish a 120-bed long term care facility to be located at 1754-1760 Capital Street, Elgin, Illinois (the “Project”). On December 16, 2014, the State Board approved a 12-month renewal of the Project and established December 31, 2015 as the new project completion date. Pursuant to Section 1130.760, Addison submits the following information regarding the progress of Project Permit #09-030.

1. Status of the Project

The first floor mechanicals, electrical and framing rough-ins are substantially complete. Windows, frames and doors have been delivered and are currently on site. Masonry walls and structural steel is 50 percent complete on the second floor, including third floor decking. Progress on the masonry was temporarily delayed and other contractors have been working on a limited schedule due to the record cold weather experienced this winter. The second floor masonry should be complete by the end of March. Electrical and plumbing has been roughed in on 50 percent of the third floor. Roof bar joists and metal decking for the third floor have been delivered and are on site. To date, Addison has expended \$3,619,091, which represents approximately 26% of the total project costs.

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2. Costs Incurred to Date

To date, Addison has incurred \$3,619,091 in project costs.

Project Costs		
	Approved	Expended*
Preplanning Costs	\$36,000	\$107,876
Site Survey and Soil Investigation	\$5,200	\$16,795
Site Preparation	\$100,000	\$0
New Construction Contracts	\$10,848,382	\$1,969,275
Contingencies	\$1,084,838	\$0
Architectural/Engineering Fees	\$298,330	\$577,524
Consulting and Other Fees	\$67,000	\$947,621
Moveable or Other Equipment	\$900,000	\$0
Net Interest Expense During Construction	\$517,000	\$0
Other Costs to be Capitalized	\$270,598	\$0
Estimated Total Project Cost	\$14,127,348	\$3,619,091

*Sworn Statement of Contractor and Subcontractor includes \$1,200,000 for land purchase.

3. Sources of Funds

The project will be financed through \$2,825,500 in cash and securities and an \$11,301,848 mortgage.

4. Application and Certification for Payment

A copy of the Sworn Statement of Contractor and Subcontractor to Owner and to Fidelity National Title Insurance Company is attached at Attachment – 1.

5. Anticipated Completion Date

The anticipated completion date for the Project is December 31, 2015.



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If you need any additional information or have any questions regarding the status of the project, please feel free to contact me at 312-873-3606 or acooper@polsinelli.com

Sincerely,

A handwritten signature in cursive script that reads "Anne M. Cooper".

Anne M. Cooper



**SWORN OWNER'S STATEMENT TO
FIDELITY NATIONAL TITLE INSURANCE COMPANY**

STATE OF IL
COUNTY OF Cook } SS.

Escrow No. UNC999101571-001
Guarantee No. 59010003

The affiant, Sigmund Lefkovitz (Name), being first duly sworn, on oath deposes and says that he/she is/are the owner(s)* /-beneficiary of Trust No. _____ held by _____ which is the Owner* of the following described premises in the County of Kane, State of Illinois, commonly known as 1760 Capital St.- Elgin, IL (Street Address).

1. That the affiant is thoroughly familiar with all the facts and circumstances concerning the premises described above;
2. That with respect to improvements on the premises, all contracts let for work done or material furnished to date or for the furnishing of future work or materials relative to the contemplated improvements are listed below;
3. That this statement is a full, true and complete statement of all such contracts, previous payments and balances due, if any.

NAME AND ADDRESS	KIND OF WORK OR MATERIAL	ADJUSTED TOTAL CONTRACT (INCL. EXTRAS & CREDITS)	AMOUNT PREVIOUSLY PAID	AMOUNT OF THIS PAYMENT	BALANCE TO BECOME DUE
LEFELGIN, LLC 910 Skokie Blvd. - Suite 225 Northbrook, IL 60062	General Contract for 3 story nursing home	\$12,195,720.10	\$4,691,320.95	\$127,770.21	\$7,376,628.94
First Midwest Bank 550 Dundee Road Buffalo Grove, IL 60089	interest reserve	\$250,000.00	\$7,365.66	\$0.00	\$242,634.34
TOTALS		\$12,445,720.10	\$4,698,686.61	\$127,770.21	\$7,619,263.28

I agree to furnish Waivers of Lien for all materials under my contract when demanded.

SIGNED [Signature]

Subscribed and sworn to before me this

ADDRESS 910 Skokie Blvd. - Suite 225
Northbrook, IL 60062

17 day of February, 20 15

TIH23B

[Signature]
Notary Public

