

From: [Kendrick, Alexis](#)
To: [Hills, Bonnie](#)
Subject: FW: Addison Rehabilitation and Living Center (Proj. No. 09-030)
Date: Friday, March 22, 2013 5:06:52 PM
Attachments: [Addison - Annual Progress Report \(03-22-2013\).pdf](#)

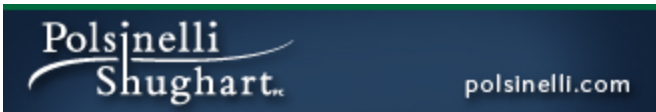
From: Anne Cooper [mailto:ACooper@Polsinelli.com]
Sent: Friday, March 22, 2013 4:56 PM
To: Kendrick, Alexis
Cc: Constantino, Mike; 'tneshek@gmail.com'; Charles Sheets
Subject: Addison Rehabilitation and Living Center (Proj. No. 09-030)

Alexis,

Attached please find a copy of the annual progress report for Addison Rehabilitation and Living Center (Proj. No. 09-030). If you have any questions about the report or the status of the project, please feel free to contact me.

Thanks.

Anne



Anne M. Cooper
Attorney

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March 22, 2013

**ELECTRONIC MAIL
CERTIFIED MAIL/RETURN RECEIPT**

Ms. Alexis Kendrick
Compliance and Legislative Affairs Manager
Illinois Health Facilities and Services Review
Board
122 South Michigan Avenue, 7th Floor
Chicago, Illinois 60603

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

Dear Ms. Kendrick:

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 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"). Pursuant to Section 1130.760, Addison submits the following information regarding the progress of Project Permit #09-030.

1. Status of the Project

The Project is obligated, and Addison has been diligently working to obtain financing for the project. This project will be funded with \$2,825,500 in cash and securities and an \$11,301,878 mortgage. Due to changes in underwriting criteria, financing projects, like the Addison, has become more difficult. Specifically, lenders are requiring more equity at the time of financing for projects with a lower loan-to-value. As a result of these underwriting constraints, it is taking significantly longer to secure financing. Addison remains committed to completing this project and anticipates commencing construction once financing is in place.

As of the date of this letter, Addison has expended \$499,628, which represents approximately 3.5% of the total project costs. Once closing on the financing occurs, Addison anticipates 12 months of construction time to complete the project.

Chicago | Dallas | Denver | Edwardsville | Jefferson City | Kansas City | Los Angeles | New York
Overland Park | Phoenix | St. Joseph | St. Louis | Springfield | Topeka | Washington, DC | Wilmington

In California, Polsinelli Shughart LLP.

2. Costs Incurred to Date

To date, Addison has incurred \$499,628 in project costs.

PROJECT COSTS			
	Approved	Proposed	Expended
Preplanning Costs	\$36,000	\$36,000	\$108,165
Site Survey and Soil Investigation	\$5,200	\$5,200	\$0
Site Preparation	\$100,000	\$100,000	\$0
New Construction Contracts	\$10,848,382	\$10,848,382	\$0
Contingencies	\$1,084,838	\$1,084,838	\$0
Architectural/Engineering Fees	\$298,330	\$298,330	\$256,322
Consulting and Other Fees	\$67,000	\$67,000	\$129,614
Moveable or Other Equipment	\$900,000	\$900,000	\$0
Net Interest Expense During Construction	\$517,000	\$517,000	\$0
Other Costs to be Capitalized	\$270,598	\$270,598	\$5,527
Estimated Total Project Cost	\$14,127,348	\$14,127,348	\$499,628

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

Construction on the project has not commenced. Therefore, no Application and Certification for Payment (AIA Form G702) has been presented for payment.

5. Anticipated Completion Date

The anticipated completion date for the Project is December 31, 2014.

Ms. Alexis Kendrick
March 22, 2013
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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

cc: Michael Constantino
056520 132070