



October 8, 2012

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**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

VIA FEDERAL EXPRESS

Mr. Dale Galassie
Chairman
Illinois Health Facilities and Services Review Board
525 West Jefferson Street – 2nd Floor
Springfield, IL 62761

**Re: Re: Lutheran Home for the Aged, Inc.
Project No. 12-025 (the "Project")
Request for Extension of Date to Secure Debt Financing
Lutheran Home for the Aged, Inc., Lutheran Home and Services for the
Aged, Inc., Lutheran Life Communities, Lutheran Foundation for the
Aged, Inc. (the "Permit Holders")**

Dear Chairman Galassie:

On July 23, 2012, the Illinois Health Facilities and Services Review Board (the "Board") granted a permit ("Permit") for the modernization of the Lutheran Home for the Aged, Inc.'s ("LHA") 334 bed long-term facility located at 800 West Oakton Street, Arlington Heights, Illinois. In the letter granting approval from the Board, a condition and stipulation provision indicated that "the Permit Holders are required to have debt financing for this project by November 1, 2012. Failure to do so will result in the permit being deemed null and void."

While the Permit Holders have aggressively pursued the closing of their tax exempt bond issuance in advance of the November 1, 2012 deadline and are still on track to close prior to November 1, 2012, given the turmoil and uncertainty of the financial markets, the Permit Holders respectfully request an extension of the condition and stipulation date to December 1, 2012 as a precaution in the event there is an unforeseen delay in closing.

The Permit Holders intended to have their tax exempt bond financing closed well in advance of the November 1, 2012 date; however, certain factors as described below, contributed to delays in the financing timeline.

Approval of the Village of Arlington Heights Board of Trustees. Following the Board's approval of the Permit for the project, on July 25, 2012, the Arlington Heights Plan Commission met and recommended the project for approval to the Arlington Height Board of Trustees. The Permit Holders has originally anticipated being heard in front of the Arlington Heights Village Board ("Village Board") on August 6, 2012. However, the Village of Arlington Heights, Illinois, gratefully living across all generations

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Heights was not able to put the project on its agenda until the September 4, 2012 meeting. When the project was finally heard on September 4, 2012, the Village Board unanimously approved the project.

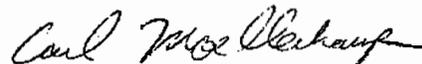
Guaranteed Maximum Price Contract ("GMP") Negotiation with General Contractor. As a result of the delay in being heard by the Village Board as described above, the timeline for negotiation of the GMP with the general contractor for the project was extended. As part of the tax exempt bond process, it was critical to have the GMP finalized before the Preliminary Official Statement could be printed and circulated to the bond market.

Investors Availability. Due to the delay in approval by the Village Board as described above, additional time was needed to give appropriate information on the bond offering to potential investors.

Because of the aforementioned reasons, the Permit Holders respectfully request the Board to extend the deadline by which to have the debt financing in place to December 1, 2012.

Please let me know if you have any questions or need any additional information to support this request.

Sincerely,


CFO

cc: Mr. Mike Constantino, Supervisor of Project Review
Andrew P. Tecson