

ORIGINAL

25-031

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

RECEIVED

AUG 11 2025

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

HEALTH FACILITIES &
SERVICES REVIEW BOARD

This Section must be completed for all projects. Facility/Project Identification

Facility Name: Oak Hill Senior Living & Rehabilitation Center		
Street Address: 623 Hamacher Street		
City and Zip Code: Waterloo, Illinois 62298		
County: Monroe	Health Service Area: 011	Health Planning Area: 133

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name: Monroe County, Illinois	
Street Address: 100 South Main Street	
City and Zip Code: Waterloo, Illinois 62298	
Name of Registered Agent:	
Registered Agent Street Address:	
Registered Agent City and Zip Code:	
Name of Chief Executive Officer: George E. Green	
CEO Street Address: 100 South Main Street	
CEO City and Zip Code: Waterloo, Illinois 62298	
CEO Telephone Number: 618-939-8681	

Type of Ownership of Applicants

<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership
<input type="checkbox"/> For-profit Corporation	<input checked="" type="checkbox"/> Governmental
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship
<input type="checkbox"/> Other	
<ul style="list-style-type: none">Corporations and limited liability companies must provide an Illinois certificate of good standing.Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.	
APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Anne M. Cooper
Title: Attorney
Company Name: Polsinelli PC
Address: 150 North Riverside Plaza, Suite 3000, Chicago, Illinois 60606
Telephone Number: 312-873-3606
E-mail Address: acooper@polsinelli.com
Fax Number:

Additional Contact

[Person who is also authorized to discuss the application for permit]

Name: Coby Brandman
Title: Chief Operating Officer
Company Name: Aria Healthcare
Address: 5454 West Fargo Avenue, Skokie, Illinois 60077
Telephone Number: 773-372-4808
E-mail Address: cbrandman@ariahcmgt.com
Fax Number:

Facility/Project Identification

Facility Name: Oak Hill Senior Living & Rehabilitation Center		
Street Address: 623 Hamacher Street		
City and Zip Code: Waterloo, Illinois 62298		
County: Monroe	Health Service Area: 011	Health Planning Area: 133

Legislators

State Senator Name: Terri Bryant
State Representative Name: David Friess

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name: Accolade Ventures LLC
Street Address: 2501 Chatham Road, Suite R
City and Zip Code: Springfield, Illinois 62704
Name of Registered Agent: Illinois Registered Agent Office LLC
Registered Agent Street Address: 2501 Chatham Road, Suite R
Registered Agent City and Zip Code: Springfield, Illinois 62704
Name of Chief Executive Officer: Moshe Freedman
CEO Street Address: 2501 Chatham Road, Suite R
CEO City and Zip Code: Springfield, Illinois 62704
CEO Telephone Number:

Type of Ownership of Applicants

<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership	
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental	
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Name: Coby Brandman
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Telephone Number: 773-372-4808
E-mail Address: cbrandman@ariahcmgt.com
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Facility Name: Oak Hill Senior Living & Rehabilitation Center		
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Legislators

State Senator Name: Terri Bryant
State Representative Name: David Friess

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name: Accolade Healthcare of Waterloo LLC
Street Address: 2501 Chatham Road, Suite R
City and Zip Code: Springfield, Illinois 62704
Name of Registered Agent: Illinois Registered Agent Office LLC
Registered Agent Street Address: 2501 Chatham Road, Suite R
Registered Agent City and Zip Code: Springfield, Illinois 62704
Name of Chief Executive Officer: Moshe Freedman
CEO Street Address: 2501 Chatham Road, Suite R
CEO City and Zip Code: Springfield, Illinois 62704
CEO Telephone Number:

Type of Ownership of Applicants

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E-mail Address: cbrandman@ariahcmgt.com
Fax Number:

Post Permit Contact

[Person to receive all correspondence subsequent to permit issuance-**THIS PERSON MUST BE EMPLOYED BY THE LICENSED HEALTH CARE FACILITY AS DEFINED AT 20 ILCS 3960**

Name: Sam Freedman
Title: Chief Financial Officer
Company Name: Accolade Healthcare
Address: 9433 Olive Boulevard #100, St. Louis, MO 63132
Telephone Number: 973-557-3339
E-mail Address: Sfreedman@accoladehc.com
Fax Number:

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Monroe County, Illinois
Address of Site Owner: 100 South Main Street, Waterloo, Illinois 62298
Street Address or Legal Description of Site: 623 Hamacher Street, Waterloo, Illinois 62298
Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease.
APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

[Provide this information for each applicable facility, and insert after this page.]

Exact Legal Name: Accolade Healthcare of Waterloo LLC								
Address: 100 South Main Street, Waterloo, Illinois 62298								
<table border="0"><tr><td><input type="checkbox"/> Non-profit Corporation</td><td><input type="checkbox"/> Partnership</td></tr><tr><td><input type="checkbox"/> For-profit Corporation</td><td><input type="checkbox"/> Governmental</td></tr><tr><td><input checked="" type="checkbox"/> Limited Liability Company</td><td><input type="checkbox"/> Sole Proprietorship</td></tr><tr><td></td><td><input type="checkbox"/> Other</td></tr></table>	<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership	<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental	<input checked="" type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship		<input type="checkbox"/> Other
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	<input type="checkbox"/> Other							
<ul style="list-style-type: none">Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.								
Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.								
APPEND DOCUMENTATION AS ATTACHMENT-3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.								

Organizational Relationships

Provide (for each co-applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

APPEND DOCUMENTATION AS ATTACHMENT-4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2005-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at www.FEMA.gov or www.illinoisfloodmaps.org. This map must be in a readable format. In addition please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2005-5 (<http://www.hfsrb.illinois.gov>).

APPEND DOCUMENTATION AS **ATTACHMENT -5**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

APPEND DOCUMENTATION AS **ATTACHMENT-6**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

DESCRIPTION OF PROJECT

1. Project Classification

[Check those applicable - refer to Part 1110.40 and Part 1120.20(b)]

Part 1110 Classification :

- ☐ Substantive
☒ Non-substantive

Part 1120 Applicability or Classification:
[Check one only.]

Part 1120 Not Applicable
Category A Project
X Category B Project
DHS or DVA Project

2. Narrative Description

Provide in the space below, a brief narrative description of the project. Explain **WHAT** is to be done in **State Board defined terms**, **NOT WHY** it is being done. If the project site does NOT have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.

Monroe County has been the operator and licensee of Oak Hill Senior Living and Rehabilitation Center (formerly known as Monroe County Nursing Home) for nearly 75 years. The proposed project contemplates the transfer of operational control of Oak Hill Senior Living and Rehabilitation Center from Monroe County to Accolade Healthcare of Waterloo LLC. Upon approval of the Illinois Health Facilities and Services Review Board (the "State Board"), Accolade Healthcare of Waterloo LLC will apply to the Illinois Department of Public Health ("IDPH") to become the licensee, necessitating the change of ownership. As this is a county-owned skilled nursing facility, this project is not exempt from obtaining State Board approval for the change of ownership.

The anticipated date of this transaction will occur when IDPH issues the license to Accolade Healthcare of Waterloo LLC.

Pursuant to 77 Ill. Admin. Code §1110.20(b), the proposed change of ownership is a non-substantive project.

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs			
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts			
Modernization Contracts			
Contingencies			
Architectural/Engineering Fees			
Consulting and Other Fees			
Movable or Other Equipment (not in construction contracts)			
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment	\$2,835,857		\$2,835,857
Other Costs To Be Capitalized			
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	\$2,835,857		\$2,835,857
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities			
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)	\$2,835,857		\$2,835,857
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	\$2,835,857		\$2,835,857
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Related Project Costs

Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

Land acquisition is related to project	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Purchase Price: \$	_____	
Fair Market Value: \$	_____	
The project involves the establishment of a new facility or a new category of service		
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If yes, provide the dollar amount of all non-capitalized operating start-up costs (including operating deficits) through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.		
Estimated start-up costs and operating deficit cost is \$ _____.		

Project Status and Completion Schedules

Indicate the stage of the project's architectural drawings:
<input checked="" type="checkbox"/> None or not applicable <input type="checkbox"/> Preliminary
<input type="checkbox"/> Schematics <input type="checkbox"/> Final Working
Anticipated project completion date (refer to Part 1130.140): <u>October 1, 2025 or as soon thereafter as the Applicants receive their license from the Illinois Department of Public Health</u>
Indicate the following with respect to project expenditures or to financial commitments (refer to Part 1130.140):
<input type="checkbox"/> Purchase orders, leases or contracts pertaining to the project have been executed.
<input type="checkbox"/> Financial commitment is contingent upon permit issuance. Provide a copy of the contingent "certification of financial commitment" document, highlighting any language related to CON Contingencies
<input checked="" type="checkbox"/> Financial Commitment will occur after permit issuance.
APPEND DOCUMENTATION AS ATTACHMENT-8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals

Are the following submittals up to date as applicable:
<input type="checkbox"/> Cancer Registry - NOT APPLICABLE
<input type="checkbox"/> APORS - NOT APPLICABLE
<input checked="" type="checkbox"/> All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
<input checked="" type="checkbox"/> All reports regarding outstanding permits
Failure to be up to date with these requirements will result in the Application being deemed incomplete.

Cost Space Requirements

Provide in the following format, the department/area **DGSF** or the building/area **BGSF** and cost. The type of gross square footage, either **DGSF** or **BGSF**, must be identified. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. Explain the use of any vacated space.

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
Total Clinical							
NON REVIEWABLE							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
TOTAL							
APPEND DOCUMENTATION AS <u>ATTACHMENT-9</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.							

Facility Bed Capacity and Utilization

Complete the following chart, as applicable. Complete a separate chart for each facility that is a part of the project and insert following this page. Provide the existing bed capacity and utilization data for the latest **Calendar Year for which the data are available**. Include **observation days in the patient day totals for each bed service**. Any bed capacity discrepancy from the Inventory will result in the application being deemed **incomplete**.

FACILITY NAME: Oak Hill Senior Living & Rehabilitation Center			CITY: Waterloo, Illinois		
REPORTING PERIOD DATES: From: January 1, 2025 to: December 31, 2025					
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical					
Obstetrics					
Pediatrics					
Intensive Care					
Comprehensive Physical Rehabilitation					
Acute/Chronic Mental Illness					
Neonatal Intensive Care					
General Long Term Care	144	250	47,576	0	144
Specialized Long Term Care					
Long Term Acute Care					
Other ((identify)					
TOTALS:					

CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

- o in the case of a corporation, any two of its officers or members of its Board of Directors;
- o in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- o in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of Monroe County, Illinois in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.

George E Green
Signature

George E. Green
Printed Name

Chairman
Printed Title

Vicki Koerber
Signature

Vicki Koerber
Printed Name

Vice Chairman
Printed Title

Notarization:
Subscribed and sworn to before me
this 4th day of August 2025.

Julie Renee Rusteberg
Signature of Notary

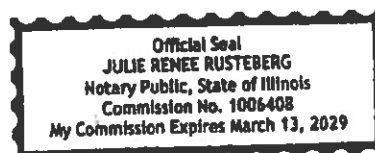
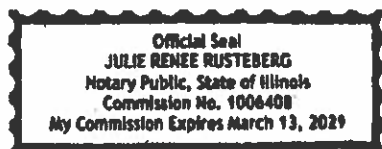
Seal

*Insert the EXACT legal name of the applicant

Notarization:
Subscribed and sworn to before me
this 4th day of August 2025.

Julie Renee Rusteberg
Signature of Notary

Seal



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- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of Accolade Ventures LLC in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.

Signature

Moeshe Freedman

Printed Name

Manager

Printed Title

Notarization:

Subscribed and sworn to before me
this 7th day of August.

Signature of Notary

Seal

*Insert the EXACT legal name of the applicant

Signature

Michael Zahtz

Printed Name

Manager

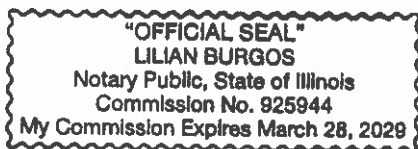
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Manager

Printed Title

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Signature

Michael Zahtz

Printed Name

Manager

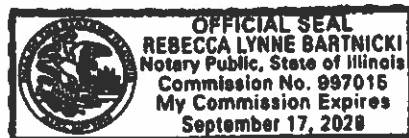
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Signature

Moeshe Freedman

Printed Name

Manager

Printed Title

Signature

Michael Zahtz

Printed Name

Manager

Printed Title

Notarization:

Subscribed and sworn to before me
this 7th day of August


Signature of Notary

Seal

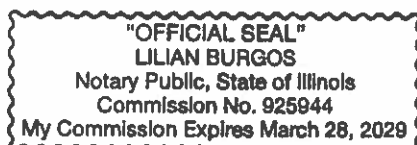
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Signature

Moeshe Freedman

Printed Name

Manager

Printed Title

Notarization:

Subscribed and sworn to before me

this _____ day of _____

Signature of Notary

Seal

*Insert the EXACT legal name of the applicant

Signature

Michael Zahtz

Printed Name

Manager

Printed Title

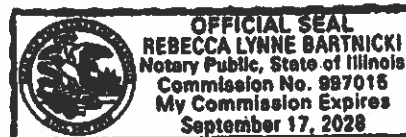
Notarization:

Subscribed and sworn to before me

this 6 day of August

Signature of Notary

Seal



SECTION II – BACKGROUND, PURPOSE OF THE PROJECT, AND ALTERNATIVES - INFORMATION REQUIREMENTS

This Section is applicable to all projects except those that are solely for discontinuation with no project costs.

Criterion 1110.230 – Background, Purpose of the Project, and Alternatives

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility.
3. For the following questions, please provide information for each applicant, including corporate officers or directors, LLC members, partners and owners of at least 5% of the proposed facility. A health care facility is considered owned or operated by every person or entity that owns, directly or indirectly, an ownership interest.
 - a. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant, directly or indirectly, during the three years prior to the filing of the application.
 - b. A certified listing of each applicant, identifying those individuals that have been cited, arrested, taken into custody, charged with, indicted, convicted or tried for, or pled guilty to the commission of any felony or misdemeanor or violation of the law, except for minor parking violations; or the subject of any juvenile delinquency or youthful offender proceeding. Unless expunged, provide details about the conviction and submit any police or court records regarding any matters disclosed.
 - c. A certified and detailed listing of each applicant or person charged with fraudulent conduct or any act involving moral turpitude.
 - d. A certified listing of each applicant with one or more unsatisfied judgements against him or her.
 - e. A certified and detailed listing of each applicant who is in default in the performance or discharge of any duty or obligation imposed by a judgment, decree, order or directive of any court or governmental agency.
4. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
5. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest the information has been previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS ATTACHMENT-11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.

PURPOSE OF PROJECT

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. Define the planning area or market area, or other, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the project. [See 1110.230(b) for examples of documentation.]
4. Cite the sources of the information provided as documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals **as appropriate**.

For projects involving modernization, describe the conditions being upgraded if any. For facility projects, include statements of age and condition and regulatory citations if any. For equipment being replaced, include repair and maintenance records.

NOTE: Information regarding the "Purpose of the Project" will be included in the State Agency Report.

APPEND DOCUMENTATION AS ATTACHMENT-12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-6) MUST BE IDENTIFIED IN ATTACHMENT 12.

ALTERNATIVES

- 1) Identify **ALL** of the alternatives to the proposed project:

Alternative options **must** include:

- A) Proposing a project of greater or lesser scope and cost;
 - B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;
 - C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
 - D) Provide the reasons why the chosen alternative was selected.
- 2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short term (within one to three years after project completion) and long term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**
 - 3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

APPEND DOCUMENTATION AS ATTACHMENT-13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION III - PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE

Criterion 1110.234 - Project Scope, Utilization, and Unfinished/Shell Space

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative.**
2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following:
 - a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies;
 - b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix B;
 - c. The project involves the conversion of existing space that results in excess square footage.

Provide a narrative for any discrepancies from the State Standard. A table must be provided in the following format with Attachment 14.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?

APPEND DOCUMENTATION AS ATTACHMENT-14, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

PROJECT SERVICES UTILIZATION:

This criterion is applicable only to projects or portions of projects that involve services, functions or equipment for which HFSRB has established utilization standards or occupancy targets in 77 Ill. Adm. Code 1100.

Document that in the second year of operation, the annual utilization of the service or equipment shall meet or exceed the utilization standards specified in 1110.Appendix B. **A narrative of the rationale that supports the projections must be provided.**

A table must be provided in the following format with Attachment 15.

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MET STANDARD?
YEAR 1					
YEAR 2					

APPEND DOCUMENTATION AS ATTACHMENT-15, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

UNFINISHED OR SHELL SPACE:

Provide the following information:

1. Total gross square footage of the proposed shell space;
2. The anticipated use of the shell space, specifying the proposed GSF to be allocated to each department, area or function;
3. Evidence that the shell space is being constructed due to
 - a. Requirements of governmental or certification agencies; or
 - b. Experienced increases in the historical occupancy or utilization of those areas proposed to occupy the shell space.
4. Provide:
 - a. Historical utilization for the area for the latest five-year period for which data are available; and
 - b. Based upon the average annual percentage increase for that period, projections of future utilization of the area through the anticipated date when the shell space will be placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT-16, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

ASSURANCES:

Submit the following:

1. Verification that the applicant will submit to HFSRB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.
2. The estimated date by which the subsequent CON application (to develop and utilize the subject shell space) will be submitted; and
3. The anticipated date when the shell space will be completed and placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT-17, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IV – CHANGE OF OWNERSHIP OF COUNTY-OWNED LONG-TERM CARE FACILITIES

This Section is applicable to projects involving merger, consolidation or acquisition/change of ownership.

NOTE: For all projects involving a change of ownership THE TRANSACTION DOCUMENT must be submitted with the application for permit. The transaction document must be signed dated and contain the appropriate contingency language.

A. Criterion 1110.240(b), Impact Statement

Read the criterion and provide an impact statement that contains the following information:

1. Any change in the number of beds or services currently offered.
2. Who the operating entity will be.
3. The reason for the transaction.
4. Any anticipated additions or reductions in employees now and for the two years following completion of the transaction.
5. A cost-benefit analysis for the proposed transaction.

B. Criterion 1110.240(c), Access

Read the criterion and provide the following:

1. The current admission policies for the facilities involved in the proposed transaction.
2. The proposed admission policies for the facilities.
3. A letter from the CEO certifying that the admission policies of the facilities involved will not become more restrictive.

C. Criterion 1110.240(d), Health Care System

Read the criterion and address the following:

1. Explain what the impact of the proposed transaction will be on the other area providers.
2. List all of the facilities within the applicant's health care system and provide the following for each facility.
 - a. the location (town and street address);
 - b. the number of beds;
 - c. a list of services; and
 - d. the utilization figures for each of those services for the last 12 month period.
3. Provide copies of all present and proposed referral agreements for the facilities involved in this transaction.
4. Provide time and distance information for the proposed referrals within the system.
5. Explain the organization policy regarding the use of the care system providers over area providers.
6. Explain how duplication of services within the care system will be resolved.
7. Indicate what services the proposed project will make available to the community that are not now available.

APPEND DOCUMENTATION AS ATTACHMENT-19, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The following Sections **DO NOT** need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18 month period prior to the submittal of the application):

- Section 1120.120 Availability of Funds – Review Criteria
- Section 1120.130 Financial Viability – Review Criteria
- Section 1120.140 Economic Feasibility – Review Criteria, subsection (a)

V. 1120.120 - Availability of Funds

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable: Indicate the dollar amount to be provided from the following sources:

	a)	Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:
	1)	the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and
	2)	interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
	b)	Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated timetable of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
	c)	Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated timetable of receipts;
\$2,835,857	d)	Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:
	1)	For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated;
	2)	For revenue bonds, proof of the feasibility of securing the specified amount and interest rate;
	3)	For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.;
	4)	For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment;
	5)	For any option to lease, a copy of the option, including all terms and conditions.
	e)	Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
	f)	Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
	g)	All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
\$2,835,857	TOTAL FUNDS AVAILABLE	
<p>APPEND DOCUMENTATION AS ATTACHMENT-20, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</p>		

VI. 1120.130 - Financial Viability

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

Financial Viability Waiver

The applicant is not required to submit financial viability ratios if:

1. All of the projects capital expenditures are completely funded through internal sources
2. The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent
3. The applicant provides a third party surety bond or performance bond letter of credit from an A rated guarantor.

See Section 1120.130 Financial Waiver for information to be provided

APPEND DOCUMENTATION AS ATTACHMENT-21, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion. When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

Provide Data for Projects Classified as:	Category A or Category B (last three years)			Category B (Projected)
Enter Historical and/or Projected Years:				2027
Current Ratio				2.48
Net Margin Percentage				7.9%
Percent Debt to Total Capitalization				N/A
Projected Debt Service Coverage				N/A
Days Cash on Hand				11
Cushion Ratio				N/A

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

2. Variance

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt obligations should the applicant default.

APPEND DOCUMENTATION AS ATTACHMENT 22, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

VII. 1120.140 - Economic Feasibility

This section is applicable to all projects subject to Part 1120.

A. Reasonableness of Financing Arrangements

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

- 1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or
- 2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:
 - A) A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or
 - B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

- 1) That the selected form of debt financing for the project will be at the lowest netcost available;
- 2) That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;
- 3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

1. Identify each department or area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)	
Contingency									
TOTALS									
* Include the percentage (%) of space for circulation									

D. Projected Operating Costs

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

E. Total Effect of the Project on Capital Costs

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

APPEND DOCUMENTATION AS ATTACHMENT -23, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

VIII. Safety Net Impact Statement

SAFETY NET IMPACT STATEMENT that describes all of the following must be submitted for ALL SUBSTANTIVE AND DISCONTINUATION PROJECTS:

1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.
2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.
3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

Safety Net Impact Statements shall also include all of the following:

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.
2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non- hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.
3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

A table in the following format must be provided as part of Attachment 43.

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
Total			
Charity (cost in dollars)			
Inpatient			
Outpatient			
Total			
MEDICAID			
Medicaid (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
Total			

Medicaid (revenue)			
Inpatient			
Outpatient			
Total			

APPEND DOCUMENTATION AS ATTACHMENT-24, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

IX. Charity Care Information

Charity Care information **MUST** be furnished for **ALL** projects.

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three **audited** fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.
2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility underreview.
3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

Charity care" means care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer. (20 ILCS 3960/3) Charity Care **must** be provided at cost.

A table in the following format must be provided for all facilities as part of Attachment 44.

CHARITY CARE			
	Year	Year	Year
Net Patient Revenue			
Amount of Charity Care (charges)			
Cost of Charity Care			

APPEND DOCUMENTATION AS ATTACHMENT-25, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Section I, Identification, General Information, and Certification
Applicants

Certificates of Good Standing for Accolade Ventures LLC and Accolade Healthcare of Waterloo LLC (collectively, the "Applicants") are attached at Attachment – 1.

Accolade Healthcare of Waterloo LLC (the "Licensee") will be the licensed entity and operator of the nursing home located at 623 Hamacher Street, Waterloo, Illinois 62298 known as Oak Hill Senior Living & Rehabilitation Center (the "Nursing Home").

As the entity with final control of the Licensee, Accolade Ventures LLC has been named as an applicant for this application for change of ownership exemption.



To all to whom these Presents Shall Come, Greeting:

I, Alexi Giannoulas, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

ACCOLADE HEALTHCARE OF WATERLOO LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON JULY 08, 2025, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.



In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 29TH day of JULY A.D. 2025 .

File Number

1646511-9



To all to whom these Presents Shall Come, Greeting:

I, Alexi Giannoulas, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

ACCOLADE VENTURES LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON JULY 08, 2025, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.



In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 29TH day of JULY A.D. 2025 .

Authentication #: 2521002172 verifiable until 07/29/2026
Authenticate at: <https://www.ilsos.gov>

Alexi Giannoulas
SECRETARY OF STATE

Section I, Identification, General Information, and Certification

Site Ownership

A copy of the Letter of Intent between Accolade Healthcare LLC and the Monroe County, Illinois for the skilled nursing facility located at 623 Hamacher Street, Waterloo, Illinois 62298 is attached at Attachment – 2.

April 7, 2025

Mr. Ray Giannini
Senior Managing Director
Marcus & Millichap National Seniors Housing Group
13890 Bishops Dr: Suite 300
Brookfield, WI 53005

RE: Proposed Lease of Monroe County Nursing Home

Dear Ray:

The purpose of this **Letter of Intent (LOI)** is to outline the general terms and conditions upon which Accolade Healthcare (Lessee) (Collectively "Lessee"), would be prepared to lease from Monroe County, (hereafter "Lessor"), and upon which Lessor would be prepared to lease to Lessee the operations related to a certain nursing home consisting of land, buildings, improvements, fixtures, equipment, supplies, inventory, trade names, and related intangible property. **The terms of the contemplated transaction shall include the following:**

1. A leasehold interest in the real and personal property known as the Monroe County Nursing Home collectively constituting Oak Hill, Magnolia Terrace, Whispering Pines, and Evergreen Court (collectively "Nursing Home"), at 623 Hamacher Street, Waterloo, IL 62298.
2. One initial Five (5) year lease period ("**the Initial Period**").
3. A second Five (5) year lease period ("**the Second Period**"), with similar lease rents to those in the Initial Period *but including an option to purchase the fee-simple interest* in the Nursing Home at some date within the Second Period.
4. The Initial Period rent shall be paid at the beginning of Lessee operations as follows:
 - Initial Period Rent Schedule:
 - o Year 1:
 - Months 1 to 3: \$35,000 per month;
 - Months 4 to 12: \$62,500 per month;
 - o Years 2-5: \$750,000 plus rent annual rent escalator of 2%
 - Years 6-10: Year 5 rent totaling \$811,824 annually.
5. In the event a second Five (5) year lease period is commenced; Lessor agrees to place a referendum to approve the sale of the Nursing Home at the first general election following said commencement of the Second Period requesting voter approval of sale. The Purchase Price of the Nursing Home shall be **Fourteen Million Dollars (\$14,000,000)**. Said purchase of the Nursing Home shall be governed by a separate Purchase and Sale Agreement with sale provisions customary to the state of Illinois for similar commercial transactions.

6. Lessee shall have full rights of inspection of the Nursing Home prior to the beginning of Lessee operation of the Nursing Home, at reasonable times on reasonable notice, with representatives of Lessor being given reasonable opportunity to be present; and **in** this regard, Lessee shall have forty-five (45) days from execution of the LOI ("**the Due Diligence period**") within which to terminate such agreement, if it is not satisfied, in its sole discretion, with the condition of the Nursing Home. Lessor shall pay and be responsible for curing all open citations (federal, state or local) issued and outstanding prior to closing.

7. Lessor shall furnish to Lessee whatever financial information concerning the Nursing Home Lessee reasonably requires, and Lessor shall warrant the accuracy of such financial information.

8. The definitive lease agreement ("**the Agreement**") to be entered into shall provide that the execution of the Agreement is subject to Lessee's obtaining all governmental approvals that are necessary to allow Lessee to own and operate the Nursing Home as a long-term health care facility, having at least as high a level of licensing as such Nursing Home currently has. Lessee shall use its best efforts to obtain such approvals, and Lessor shall cooperate fully with Lessee in obtaining same. Lessee agrees to file its applications for and exercise best efforts to obtain governmental approvals, within thirty (30) days after the execution of the Agreement.

9. The Agreement shall also contain a contingency for CON board approval, which will require Lessee to file for, and present itself to, said board.

10. Upon execution of this LOI, Lessee shall pay to a title insurance underwriter involved in this transaction ("Escrow Agent") the amount of Ten Thousand Dollars (\$10,000.00) to be held in escrow. The foregoing \$10,000.00 amount is referred to as the "**Initial Deposit**". Should Lessee withdraw during the Due Diligence period, the Initial Deposit shall be retained by Lessor.

11. Upon execution of the definitive lease agreement, Four (4) regular monthly lease payments of \$62,500 totaling Two Hundred Fifty Thousand Dollars (\$250,000.00), *less the Initial Deposit* ("**the Final Deposit**") shall be deposited into an escrow account to be chosen by Lessee and Lessor, as an express remedy to Lessor should Lessee default on its lease payments. If the Lessee does not default on its lease payment obligations during the Initial and Second Period lease terms, and the Lessee purchases the Nursing Home, the Final Deposit shall be applied as a credit to Lessee against the purchase price. If the transaction fails to close solely because Lessee is in default under the Purchase and Sale Agreement, then the Earnest Money shall be promptly paid to Lessor as liquidated damages which shall be Lessor's sole remedy. If the transaction fails to close for any other reason, then the Earnest Money shall promptly be returned to Lessee, less Ten Thousand Dollars (\$10,000.00) which shall be deemed non-refundable at the time of the execution of the LOI.

12. The Lessor and Lessee acknowledge and agree that this LOI is not contractual in nature. It is an outline from which the parties' counsel can draft the more definitive and contractually binding Agreement for execution by the parties. This LOI only highlights some proposed points that may or may not become part of an eventual contract. It is not based on any agreement between the parties. It is not intended to impose any obligation whatsoever on either party, including without limitation an obligation to bargain in good faith or in any way other than at arms' length. The parties do not intend to be bound by any agreement until both agree to and sign a formal written contract, and neither part may reasonably rely on any promises inconsistent with this paragraph. This paragraph supersedes all other conflicting language.

Notwithstanding the foregoing, however, the Lessor does agree, as a contractually binding matter, that the Lessor will not negotiate in any manner with any third party for a period of Thirty (30) days from the date of the execution of the LOI, lease of the Nursing Home or any portion thereof. By April 21, 2025, or as soon as practical, Lessee intends to submit a first draft of the Agreement to Lessee, and then Lessee and Lessor intend to execute the final version thereafter.

Very truly yours,

Moe Freedman, President Accolade Healthcare

By:  _____

Approved and accepted as of the 7th day of April, 2025.

**George Green, Chairman
Monroe County Board of Commissioners**

By:  _____

Section I, Identification, General Information, and Certification
Operating Identity/Licensee

A Certificate of Good Standing for the Accolade Healthcare of Waterloo LLC is attached at Attachment – 3.

The name and ownership percentages of all persons with an ownership of Accolade Healthcare of Waterloo LLC are listed below.

Name	Ownership Interest
Moshe Freedman	33.00%
Igor Rebel	16.00%
Joseph Chase	16.00%
Michael Zahtz	16.00%
Joshua Rosen	3.00%
Yaakov Brandman	16.00%



To all to whom these Presents Shall Come, Greeting:

I, Alexi Giannoulas, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

ACCOLADE HEALTHCARE OF WATERLOO LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON JULY 08, 2025, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.



In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 29TH day of JULY A.D. 2025 .

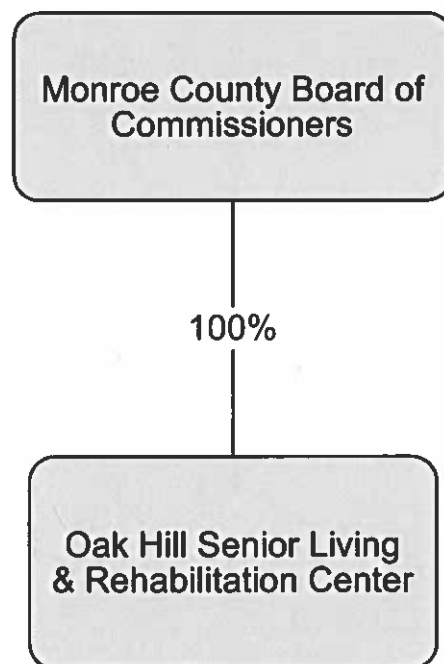
Authentication #: 2521002098 verifiable until 07/29/2026
Authenticate at: <https://www.ilsos.gov>

Alexi Giannoulas
SECRETARY OF STATE

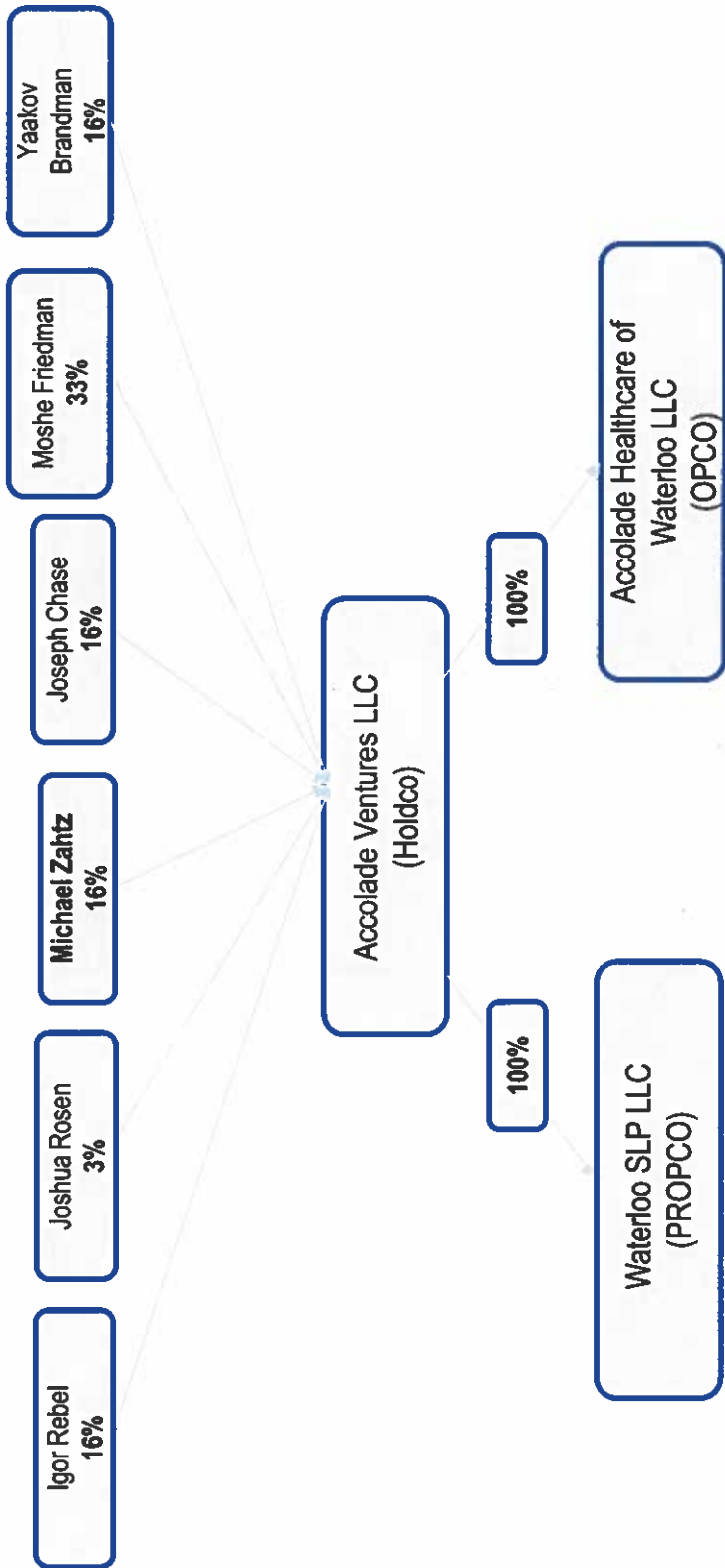
Section I, Identification, General Information, and Certification
Organizational Relationships

The pre-transaction and post-transaction organizational charts for the Nursing Home are attached at Attachment – 4.

Oak Hill Senior Living & Rehabilitation Center Pre-Transaction Organizational Chart

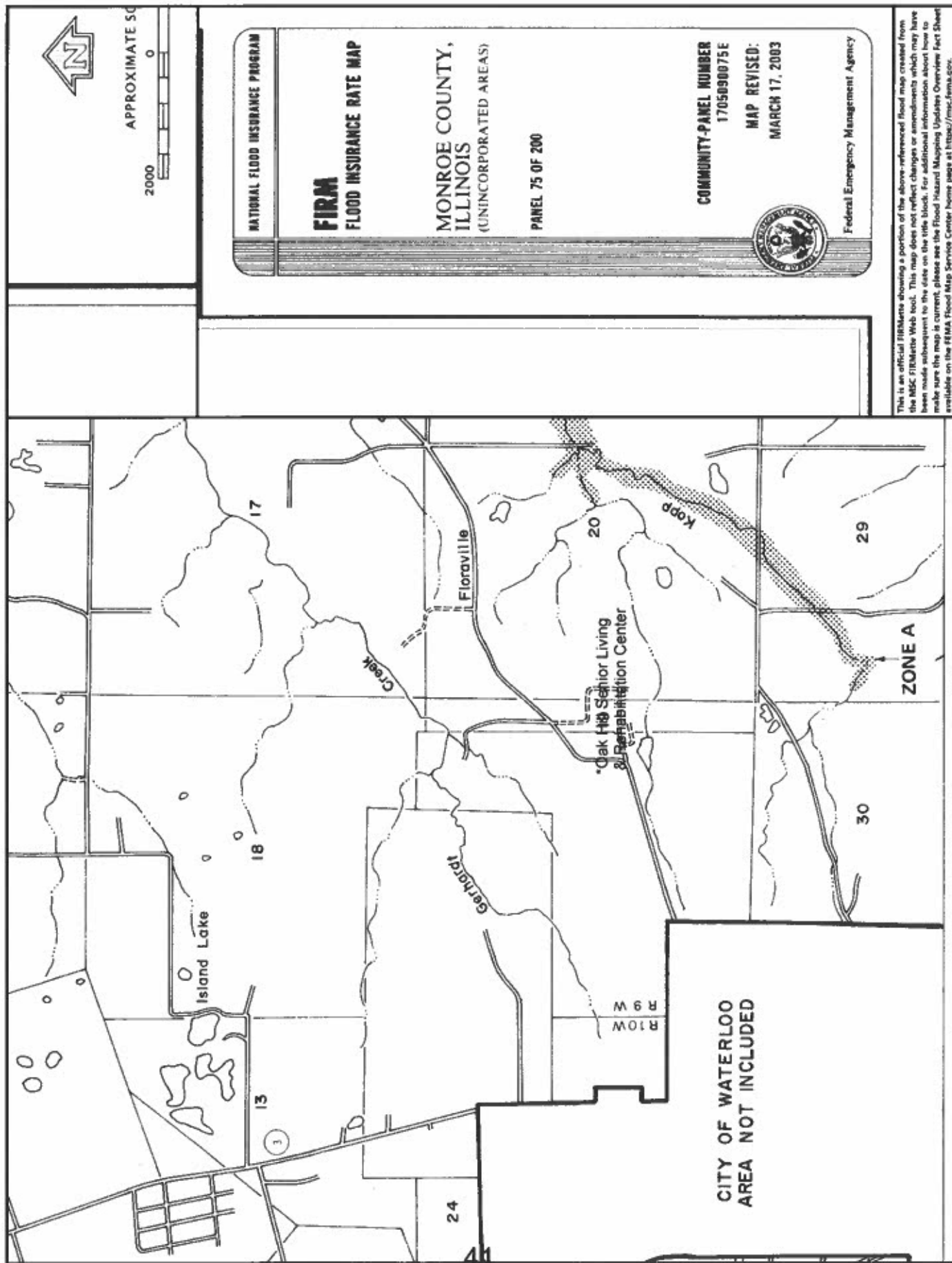


Post – Transaction
Organizational Chart



Section I, Identification, General Information, and Certification
Flood Plain Requirements

Oak Hill Senior Living & Rehabilitation Center complies with the requirements of Illinois Executive Order #2006-5. As shown in the documentation from the FEMA Flood Map Service Center attached at Attachment – 5, the interactive map for Panel 1705090075E shows this area is not located within a flood plain.



Section I, Identification, General Information, and Certification
Historic Resources Preservation Act Requirements

The Historic Preservation Act determination from the Illinois State Historic Preservation Office is attached at Attachment - 6.



Illinois
Department of
**Natural
Resources**

JB Pritzker, Governor • Natalie Phelps Finnie, Director
One Natural Resources Way • Springfield, Illinois 62702-1271
www.dnr.illinois.gov

**Monroe County
Waterloo**

**CON - Operational Control of Oak Hill Senior Living and Rehabilitation Center
623 Hamacher St.**

IHFSRB, SHPO Log #002073025

July 31, 2025

**Anne Cooper
Polsinelli
150 N. Riverside Plaza, Suite 3000
Chicago, IL 60606-1599**

This letter is to inform you that we have reviewed the information provided concerning the referenced project. Our review of the records indicates that no historic, architectural properties exist within the project area. Our office did not conduct an archaeological review because there is no physical activity associated with this application.

Please retain this letter in your files as evidence of compliance with Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.). This clearance remains in effect for two years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the Illinois Human Remains Protection Act (20 ILCS 3440).

If you have any further questions, please contact Steve Dasovich, Cultural Resources Manager, at 217/782-7441 or at Steve.Dasovich@illinois.gov.

Sincerely,

**Carey L. Mayer, AIA
Deputy State Historic Preservation Officer**

Section III, Project Purpose, Background and Alternatives – Information Requirements
Criterion 1110.230, Project Purpose, Background and Alternatives

Background of the Applicant

1. The Monroe County, Illinois currently owns and operates the Nursing Home. A copy of the Nursing Home's license issued by the Illinois Department of Public Health ("IDPH") is attached at Attachment – 11A.
2. Certified listings of any adverse action taken against any facility owned and/or operated by the Applicants are attached at Attachments – 11B and 11C.
3. Authorizations permitting the State Board and IDPH access to any documents necessary to verify information submitted, including, but not limited to: official records of IDPH or other State agencies and the records of nationally recognized accreditation organizations are attached at Attachment – 11B and 11C.
4. The Applicants have not previously submitted an application for permit during this calendar year. Accordingly, this criterion is not applicable.

State of Illinois Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

Dr. Sameer Vohra
Director

Issued under the authority of
The State of Illinois
Department of Public Health

EXPIRATION DATE	I.D. NUMBER
11/30/2025	0047019
UNRESTRICTED	
Long-Term Care License	
Skilled	144
144 Total Beds	

BUSINESS ADDRESS

LICENSEE

County of Monroe

Oak Hill
623 Hamacher Street
Waterloo, IL 62298

EFFECTIVE DATE: 12/01/2023

The face of this license has a colored background. Printed by Authority of the State of Illinois • 5/16

Debra Savage
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Adverse Action and Access to Documents

Dear Chair Savage:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 that no adverse action as defined in 77 Ill. Admin. Code § 1130.140 has been taken against any health care facility owned or operated by Monroe County in the State of Illinois during the three-year period prior to filing this application.

Additionally, pursuant to 77 Ill. Admin. Code § 1110.110(a)(2)(J), I hereby authorize the Health Facilities and Services Review Board ("HFSRB") and the Illinois Department of Public Health ("IDPH") access to any documents necessary to verify information submitted as part of this application for permit. I further authorize HFSRB and IDPH to obtain any additional information or documents from other government agencies which HFSRB or IDPH deem pertinent to process this application for permit.

Sincerely,

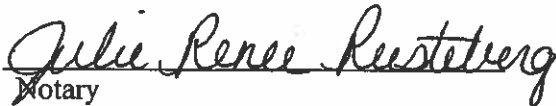
George E. Green
Chairman



Monroe County Board of Commissioners

Subscribed and sworn to me

This 4th day of August, 2025


Notary

Debra Savage
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761


Re: Adverse Action and Access to Documents

Dear Chair Savage:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 that Accolade Ventures LLC and Accolade Healthcare of Waterloo LLC did not own or operate a health care facility in the State of Illinois during the three-year period prior to filing this application.

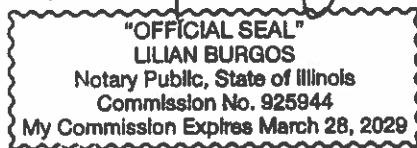
Additionally, pursuant to 77 Ill. Admin. Code § 1110.110(a)(2)(J), I hereby authorize the Health Facilities and Services Review Board ("HFSRB") and the Illinois Department of Public Health ("IDPH") access to any documents necessary to verify information submitted as part of this application for permit. I further authorize HFSRB and IDPH to obtain any additional information or documents from other government agencies which HFSRB or IDPH deem pertinent to process this application for permit.

Sincerely,


Moshe Freedman
Manager
Accolade Ventures LLC
Accolade Healthcare of Waterloo LLC

Subscribed and sworn to me
This 7th day of August, 2025


Notary Public



Section III, Project Purpose, Background and Alternatives – Information Requirements.
Criterion 1110.230(b), Project Purpose, Background and Alternatives

Purpose of the Project

1. The purpose of this project is to ensure the residents of Monroe County continue to have access to quality long-term care services, and to ensure that there will be a continued commitment to the provision of care to the underserved and indigent residents of Monroe County. Changing the licensee of the Nursing Home will improve access to high quality skilled nursing home services for residents of Monroe County.

Oak Hill Senior Living and Rehabilitation Center ("Oak Hill") began in 1858 as the Monroe County Alms House and has blossomed into a state of the art health care facility. In 1951, the Alms House was replaced with the Monroe County Nursing Home. Monroe County was the first county in the state of Illinois to build a nursing home, which served as a model and inspiration to other nursing homes.

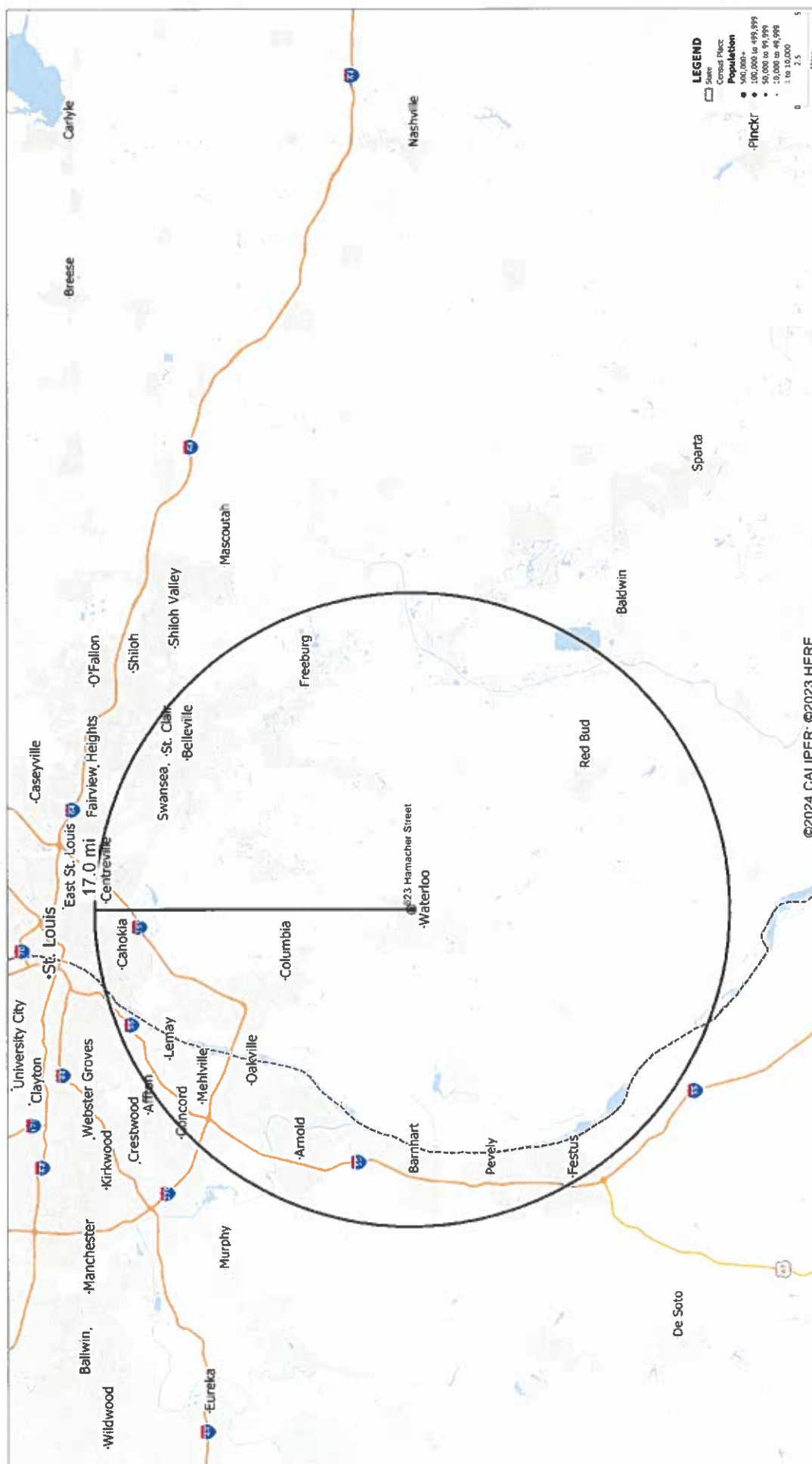
The facility grew from a capacity of 64 residents in 1951, to 115 residents in 1953, 136 in 1958 and, in 1971, a final addition brought the total capacity to 225 residents. At that time, Monroe County Nursing Home was the largest of its kind in Illinois.

In 2004, plans began for a replacement facility due to the age of the building and the required regulations. The new facility, known as Oak Hill Senior Living & Rehabilitation Center, opened on Dec. 1, 2006. Today, Oak Hill is home to more than 180 residents and provides nearly 200 local jobs including RNs, LPNs, CNAs, physical therapists, occupational therapists, speech therapists, and social workers. In 2017, Oak Hill added a transitional care unit to help with those needing short-term rehabilitation.

As health care has evolved, Monroe County Board of Commissioners (the "County") determined it no longer has the required expertise to operate a skilled nursing facility and decided to exit the business, so it can focus on public safety and essential services to the residents of Monroe County. To address the complex and growing regulations, it must employ costly managers. Moreover, the Nursing Home repeatedly encounters staffing issues, employing five administrators in five years and frequently relies on costly staffing agencies to maintain appropriate staffing levels. Inconsistent staffing in nursing homes significantly and negatively impacts residents, leading to increased risks of falls, pressure ulcers, infections, and other health issues. It also affects resident well-being by contributing to neglect, inadequate emotional support, and potential for abuse. The instability in staffing levels can also lead to higher mortality rates and hospitalizations. Finally, the industry is continually changing, whether the complexities of Medicare billing or electronic medical records, and with no one on the Monroe County Board of Commissioners with health care expertise, it must hire high priced consultants to address these issues as they arise. For example, an inexperienced Medicare biller at the Nursing Home inappropriately billed Medicare for several years. When the County became aware of a potential billing issue, it hired an independent account to audit seven years of billing. As a result of the audit, the Nursing Home self-disclosed overpayments to CMS, which resulted in engaging a D.C. lawyer to settle the overpayment. All of which increases the tax burden for Monroe County residents.

Importantly, the Nursing Home does not have a clinical team of managers that can oversee day-to-day patient care, and as a result, high acuity residents with tracheotomies, requiring dialysis or complex wound care must leave the area for skilled nursing care. Bringing in a new operator with expertise in owning and operating skilled nursing facilities will allow the Nursing Home to not only address operational and staffing needs, but the Nursing Home will be able to expand its current services to allow it to admit higher acuity residents.

2. A map of the market area for the Nursing Home is attached at Attachment – 12. The market area encompasses a 17 mile radius around the Nursing Home. The boundaries of the market area are as follows:
 - North 17 miles to Centreville
 - Northwest 17 miles to Arnold, MO
 - West 17 miles to Barnhart, MO
 - Southwest 17 miles to Crystal City, MO
 - South 17 miles to Prairie du Rocher
 - Southeast 17 miles to Red Bud
 - East 17 miles to New Athens
 - Northeast 17 miles to Mascoutah
3. As noted above, the County no longer has the requisite expertise to operate a skilled nursing facility. To address the complex and growing regulations, it must employ costly managers. Moreover, the Nursing Home repeatedly encounters staffing issues, employing five administrators in five years and frequently relies on costly staffing agencies to maintain appropriate staffing levels. Inconsistent staffing in nursing homes significantly and negatively impacts residents, leading to increased risks of falls, pressure ulcers, infections, and other health issues. It also affects resident well-being by contributing to neglect, inadequate emotional support, and potential for abuse. The instability in staffing levels can also lead to higher mortality rates and hospitalizations. Finally, the industry is continually changing, whether the complexities of Medicare billing or electronic medical records, and with no one on the Monroe County Board of Commissioners with health care expertise, it must hire high priced consultants to address these issues as they arise. For example, an inexperienced Medicare biller at the Nursing Home inappropriately billed Medicare for several years. When the County became aware of a potential billing issue, it hired an independent account to audit seven years of billing. As a result of the audit, the Nursing Home self-disclosed overpayments to CMS, which resulted in engaging a D.C. lawyer to settle the overpayment. All of which increases the tax burden for Monroe County residents.
4. Importantly, the Nursing Home does not have a clinical team of managers that can oversee day-to-day patient care, and as a result, high acuity residents with tracheotomies or requiring dialysis or complex wound care must leave the area for skilled nursing care.
5. Leasing the Nursing Home to a new operator that has expertise in owning and operating skilled nursing facilities will allow the nursing home to not only address operational and staffing needs, but the Nursing Home will be able to expand its current services to allow it to admit higher acuity residents.



Section III, Project Purpose, Background and Alternatives – Information Requirements
Criterion 1110.230(c), Project Purpose, Background and Alternatives

Alternatives

After a thoughtful deliberation process, the Applicants determined that the lease of the Nursing Home to a new operator, in balance, is the most effective and least costly alternative to the other alternatives considered when considering access, quality and cost. The following narrative evaluates each alternative that was considered

1. Maintain the Status Quo

Health care continues to evolve, and to address the complex and growing regulations, the County must employ costly managers and consultants. Moreover, the Nursing Home repeatedly encounters staffing issues, employing five administrators in five years and frequently relies on costly staffing agencies to maintain appropriate staffing levels. Inconsistent staffing in nursing homes significantly and negatively impacts residents, leading to increased risks of falls, pressure ulcers, infections, and other health issues. It also affects resident well-being by contributing to neglect, inadequate emotional support, and potential for abuse. The instability in staffing levels can also lead to higher mortality rates and hospitalizations. Finally, the industry is continually changing, whether the complexities of Medicare billing or electronic medical records, and with no one on the Monroe County Board of Commissioners with health care expertise, it must hire high priced consultants. For example, an inexperienced Medicare biller at the Nursing Home inappropriately billed Medicare for several years. When the County became aware of a potential billing issue, it hired an independent account to audit seven years of billing. As a result of the audit, the Nursing Home self-disclosed overpayments to CMS, which resulted in engaging a D.C. lawyer to settle the overpayment. All of which increases the tax burden for Monroe County residents.

The County determined it no longer has the required expertise to operate a skilled nursing facility and decided to exit the business. For these reasons, the option to do nothing was rejected.

There is no cost with this option.

2. Close Oak Hill Senior Living & Rehabilitation Center

Monroe County considered closing the Nursing Home, however, it is one of two nursing homes in the County. The other facility is a Medicare one star facility and lacks the capacity to accommodate all the Oak Hill residents. For these reasons, the option to do nothing was rejected.

3. Sell Oak Hill Senior Living & Rehabilitation Center

The Nursing Home was established by a County-wide referendum and cannot be sold without a County-wide referendum. For this reason, selling Oak Hill Senior Living & Rehabilitation is not an option.

4. Lease Oak Hill Senior Living & Rehabilitation Center

As noted above, Monroe County no longer has the requisite expertise to operate a skilled nursing facility. Additionally, the Nursing Home cannot admit high acuity residents with tracheotomies, requiring dialysis or complex wound care. Bringing in a new operator that has expertise in owning and operating skilled nursing facilities will allow the nursing home to not only address operational and staffing needs, but the Nursing Home will be able to expand its current services to allow it to admit higher acuity residents.

The cost of this option is \$2,835,857.

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.234(b), Project Services Utilization

By the second year of operation, annual utilization of the Nursing Home shall exceed the State Board's utilization standard of 90%. Pursuant to Section 1125.210(c) of the State Board's rules, general long-term care facilities should operate at or above an annual utilization rate of 90%. The Nursing Home operates 144 skilled nursing beds. To achieve 90% utilization, the Nursing Facility would need an average of 130 residents per day (or 47,304 resident days). Historically, the Nursing Home has exceeded the State Board standard and is expected to continue to meet the State Board standard in the future.

Table 1110.234(b) Utilization					
	Dept./ Service	Historical Utilization	Projected Utilization	State Standard	Met Standard?
2023	Skilled Nursing	47,780	N/A	47,304	Yes
2024	Skilled Nursing	47,579	N/A	47,434	Yes

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.234(c), Unfinished or Shell Space

This project will not include unfinished space designed to meet an anticipated future demand for service. Accordingly, this criterion is not applicable.

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.234(d), Assurances

This project will not include unfinished space designed to meet an anticipated future demand for service. Accordingly, this criterion is not applicable.

Criterion 1110.240(b), Impact Statement

1. Change in Services Currently Offered

There will be no change in the services currently offered at Oak Hill Senior Living & Rehabilitation Center. Importantly, Accolade Healthcare of Waterloo LLC will provide services for high acuity residents, like those who have tracheotomies or require dialysis or complex wound care, services currently not offered at the Nursing Home.

2. Operating Entity

Accolade Healthcare of Waterloo LLC will be the operating entity of the Nursing Home.

3. Reason for the Transaction

The purpose of this project is to ensure the residents of Monroe County continue to have access to quality long-term care services, and to ensure that there will be a continued commitment to the provision of care to the underserved and indigent residents of Monroe County. The County determined it no longer has the required expertise to operate a skilled nursing facility and decided to exit the business. Bringing in a new operator that has expertise in owning and operating skilled nursing facilities will allow the nursing home to not only address operational and staffing needs, but the Nursing Home will be able to expand its current services to allow it to admit higher acuity residents.

4. Anticipated Additions or Reductions of Employees

No significant additions or reductions in employees are anticipated. Accolade Healthcare of Waterloo LLC determines its staffing needs according to its census. Going forward, staffing hours and/or positions will be added or reduced according to resident census and care needs. The Applicants anticipate no reduction in employees.

5. Cost-Benefit Analysis

The proposed transaction contemplates the transfer of operational control of Oak Hill Senior Living and Rehabilitation Center from Monroe County to Accolade Healthcare of Waterloo LLC. Bringing in a new operator that has expertise in owning and operating skilled nursing facilities will allow the nursing home to not only address operational and staffing needs, but the Nursing Home will be able to expand its current services to allow it to admit higher acuity residents.

Section VI, Mergers, Consolidations and Acquisitions/Changes of Ownership
Criterion 1110.240(c), Access

1. **Current Admissions Policy**

A copy of the current admissions policy for the Nursing Home is attached as Attachment – 19B-1.

2. **Proposed Admissions Policy**

A copy of the admissions policy for the Nursing Home that will be in place after the change of control is attached as Attachment – 19B-2.

3. **Admission Policy Certification**

A letter from Moshe Freedman, Chief Executive Officer of certifying the admissions policies of the Nursing Home will not become more restrictive after acquisition by Accolade Healthcare of Waterloo LLC is attached as Attachment – 19B-3.



Admission Policy

POLICY:

The facility will admit only those residents whose medical and nursing care needs can be met.

POLICY INTERPRETATION AND IMPLEMENTATION:

The objective of our admissions policy is to:

1. Provide uniform guidelines for admitting residents to the facility;
2. Admit residents who can be adequately cared for by the facility;
3. Address concerns of residents and families during the admission process;
4. Review with the resident, and/or his/her representative, the facility's policies and procedures relating to resident rights, resident care, financial obligations, etc. and
5. Assure that the facility receives appropriate medical and financial documentation prior to or upon the resident's admission.

Physician's Admission Orders

Residents will be required to have a physician follow their care that has long term care privileges at Oak Hill.

Prior to or at the time of admission, the resident's Attending Physician must provide the facility with information needed for the immediate care of the resident, including orders covering at least:

1. Type of diet (i.e. regular, mechanical, etc.)
2. Medication orders, including (as necessary) a medical condition associated with each medication;
3. Routine care orders to maintain or improve the resident's function until the physician and care planning team can conduct a comprehensive assessment and develop a more detailed Interdisciplinary Care Plan;
4. Documentation of isolation needs as appropriate.

Approval for Admission

The acceptance of residents with certain conditions or needs may require authorization by the Medical Director, Director of Nursing, and/or Administrator.

A facility pre-admission screening must be completed along with other appropriate documentation prior to admission to Oak Hill. Admissions are accepted at any time following the coordination by the Director of Nursing or designee. Consideration for placement will be based upon activity, skill level, bed availability, infection control, and pre-certification needs.

Some factors considered for approval of admission include:

1. Age – must be 18 years of age or older.
2. Bed availability
3. Availability of staff to meet the needs of the resident based on activity, ADL status, mental health needs, and behavior management.
4. Bed availability for special needs (i.e. immuno-suppression, isolation precautions, etc.).
5. Residents with diagnosis of mental retardation
6. Residents with mental illness requiring Subpart S services
7. Residents with pre-existing aggressive behavior
8. Wandering residents – Depending on bed availability on Whispering Pines
9. Residents receiving dialysis - Family will be responsible for cost of transportation
10. IV antibiotics - Will be reviewed for ability of the facility to provide the frequency of the dose
11. Bed availability (i.e. safely manage a resident who is a high fall risk)
12. Consideration is given to the individual financial resources of the applicant in balance with the collective financial resources of the Oak Hill organization.

Some Reasons for Denial of Admission include:

1. Active drug abuse and/or alcoholism
2. Ventilator
3. Active TB
4. Tracheotomy
5. IV antibiotics with timed labs that the facility cannot provide
6. IV central line/ Tunnel catheters
7. Peritoneal dialysis
8. Portable hemodialysis
9. Bariatric patients (Assessed on an individual basis based upon equipment needs)
10. Resident requiring prenatal or maternity care
11. Resident who is a threat to themselves or others
12. Resident with primary psychiatric diagnosis requiring nursing home placement for ongoing psychiatric care qualifying for Subpart S services.
(ie: Major Depression, Schizophrenia, Delusional, Schizo-Affective, Bi-Polar, etc.)
13. Residents requiring 1:1 visits may be denied in the event the family is unable to provide or the availability of staff to meet the need.
14. Registered sex offenders
15. Active smoker or tobacco product user and refusing to quit
16. Inappropriate transfer of resources based upon the regulations established by the State of Illinois in 2012.

Applicability

The facility does not deny admission on the basis of race, color, national origin, religion, sex, gender identity, sexual orientation, or disability, veteran status and/or payment source.

Pre-Admission Process

In order to assure that immediate care of the resident can be implemented, the facility will obtain the following information on all residents prior to or at the time of admission:

1. A completed history and physical five days prior to or within 72 hours after admission by the attending physician
2. Admitting diagnosis and prognosis
3. Physician orders for immediate care
4. Level of care
5. Rehabilitation potential
6. Pertinent diagnostic results (chest x-ray reports, lab results, UA results, etc.)
7. Freedom from communicable disease

Re-Assessment of Needs

Any time during a stay at Oak Hill, if it is determined that a resident's needs can not be met by the facility, a conference is set up with family, physician, and care plan team to determine if another facility needs to be located that can better meet the resident's needs. The Long Term Care Ombudsman is also available for consultations. Oak Hill will assist in finding another level of care that is appropriate for your loved one's needs. However, it may not be your 1st choice.

PURPOSE:

To provide guidelines for admission to the facility.

POLICY:

Admissions shall be made without any distinction based on race, color, national origin, handicap, religion, and age, location of residence, profession or sex.

No distinction in eligibility for or in the provision of any service by or through the facility shall be made by the facility on the basis of race, color, national origin, handicap, religion, age, profession or sex.

Residents shall be assigned within the facility without any distinction based on race, color, national origin, handicap, religion, age or profession.

Section 504 of the Rehabilitation Act of 1973 (29 USC Section 794) requires that no otherwise qualified individual with handicaps shall, solely by reason of his or her handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination in a nursing home certified under the Medicaid and/or Medicare program.

Pursuant to this law, no qualified handicapped person shall, on the basis of handicap, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity provided by the facility.

Under the law, Aids and other communicable diseases are considered to be handicaps. Therefore, the facility shall not deny admission to or discriminate against any otherwise qualified applicants or residents solely by reason of AIDS or HIV positive diagnosis or other communicable disease.

Admissions will accept Medicare, Medicaid, and all contracted Managed Care Payors, provided they remain in good standing and comply with the terms of their respective contracts.

RESPONSIBILITY:

It is the responsibility of the Social Services Designees, Director of Nursing, Admission Coordinator, and Administrator to ensure that the admission policy of the facility is followed.

PROCEDURE:

1. No resident determined by professional evaluation to be in need of services not readily available in the facility, or through arrangement with a qualified outside source, shall be admitted to, or kept in the facility.
2. Admissions shall be confined to residents requiring medical and nursing services, excluding the following. No resident shall be admitted to or kept in the facility: (77 Illinois Administrative Code. 300.620)
 - A. Who is mentally ill, in need of mental treatment, and at risk because, due to the mental illness, the person is reasonably expected to self-inflict serious physical harm or to inflict serious physical harm on another person in the near future as determined by professional evaluation, provided that all involuntary discharges and transfers shall be in accordance with Sections 3-401 through 3-423 of the Act.
 - B. Who is destructive of property, himself, or others, provided that all involuntary discharges/ transfers shall be in accordance with Sections 3-401 - 3-423 of the Act?

- C. No resident shall be admitted to the facility who is developmentally disabled and who needs programming for such conditions, as described in the rules governing intermediate care facilities for the developmentally disabled.
 - D. Persons under 18 years of age may not be cared for in a facility for adults without prior written approval from the Department.
 - E. Persons with communicable, contagious, or infectious diseases may be admitted under the conditions and in accordance with the procedures specified in Section 300.1020(b).
 - F. The facility shall not admit more residents than the number authorized by the license issued to it.
 - G. The facility shall not refuse to discharge or transfer a resident when requested to do so by the resident, or if incompetent, by the resident's guardian.
 - H. If a resident insists on and is discharged against medical advice, the facts involved in the situation shall be fully documented in the resident's clinical record.
3. Before admission the following screens should be completed:
- a. Payer sources
 - b. Background checks
 - c. Sex offender site
 - d. Department of Corrections defender site
 - e. Parole sex registrants
 - f. OBRA screen
 - g. Resident Payer Status and Rate Determination Forms- which includes rates and additional charges (if at all possible)
4. At the time of admission, the resident and/or responsible party shall sign all pertinent admission papers. This is to include:
- a. Supplement B Book- which includes: state and federal notification requirements, choice of physician and physician policy notification, assignment of Medicare benefits authorization to release information, admission information on Advanced Directives, and authorization of release of medical information. A copy of Residents Rights will be offered at this time. If resident is admitted on Medicare A the following will be completed: Medicare as a second payer- Screening questionnaire (pages 1,2,3, and 4).
 - aa. If a resident does not meet Medicare A guidelines for admission (ex. No 3 midnight hospital days) notice of non-coverage under Medicare form will be filled out (pages, 1, 2 and 3).
 - bb. Notice of Medicare non-coverage Medicare appeal form (if family wishes).
 - cc. Optional forms include: Waiver of Medicare Benefits, Consent for Release of Medical Information, Social Security Administration Release of Information, Agreement and Undertaking, Social Security Notification of Change of Status, Limited Power of Attorney for Pension Benefits, Resident Fund Management Service.
 - cc. When it is determined that a patient will be long placed long term, the admission staff will contact family to initiate Medicaid Application to those residents who do not currently have Medicaid benefits.
 - dd. Medicaid will go back 3 months to initiate payment.
 - ee. The admission staff will assist in retrieving pertinent financial information needed to support the Medicaid Application approval.
 - b. Contract between Resident and Facility- All areas that have initials must be initialed, form filled out in its entirety. The Contract must be signed by the Resident or Resident

Guardian/POA and the Administrator/designee.

5. Residents shall have a complete history and physical within five (5) days prior to admission, or 72 hours after admission.
6. If the resident is transferring from a hospital, a hospital transfer form must accompany him/her.
7. Admission to the facility is initiated through contact with the Administrator,, his/her Designee and/or Director of Nursing service to assure that the resident qualifies for admission, that all of the needs of the resident can be met at the facility, and that there is a bed available for placement.

Debra Savage
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Admissions Policies

Dear Chair Savage:

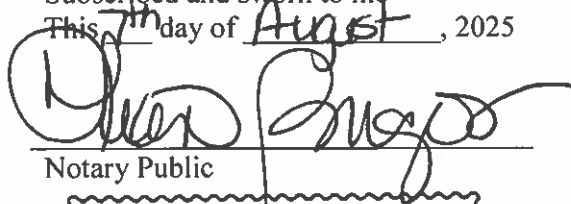
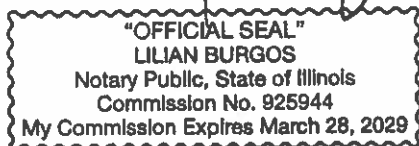
I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 and pursuant to 77 Ill. Admin. Code § 1120.140(a) that the admissions policy for Oak Hill Senior Living and Rehabilitation Center will not become more restrictive as a result of the proposed change of control.

Sincerely,



Moshe Freedman
Manager
Accolade Ventures LLC
Accolade Healthcare of Waterloo LLC

Subscribed and sworn to me
This 7th day of August, 2025


Notary Public

Section VI, Mergers, Consolidations and Acquisitions/Changes of Ownership
Criterion 1110.240(d), Health Care System

1. Impact on Other Area Providers

There will be no change in the scope of services as a result of the change of the operator of the Nursing Home. The transaction will not impact on other unaffiliated long term care facilities as it consists of a change of control of the operating entity.

2. Facilities within Applicant's Health Care System

Accolade Healthcare of Waterloo LLC does not own and/or operate any other healthcare facilities in the State of Illinois.

3. Present and Proposed Referral Agreements

There are no current or proposed referral agreements for the facilities involved in this transaction. Therefore, this criterion is not applicable.

4. Time and Distance for Proposed Referrals

There are no current or proposed referral agreements for the facilities involved in this transaction. Therefore, this criterion is not applicable.

5. Use of Care System Providers

The change of operator of the Nursing Home will have no impact on area long term care facilities. The change of operator will not restrict the use of other area long term care providers, and Accolade Healthcare of Waterloo LLC will admit residents pursuant to a non-discriminatory admission policy.

6. Duplication of Services

As set forth throughout this application, the proposed transaction contemplates a change of control of the Nursing Home. Accordingly, the proposed transaction involves the change of operator of an existing long term care facility; there will be no duplication of services.

7. Services Not Available to the Community

Importantly, Accolade Healthcare of Waterloo LLC will provide services for high acuity residents, like those who have tracheotomies or require dialysis or complex wound care, services currently not offered at the Nursing Home.

Section VIII, Financial Feasibility
Criterion 1120.120 Availability of Funds

A copy of the Letter of Intent between Accolade Healthcare LLC and the Monroe County for the skilled nursing facility located at 623 Hamacher Street, Waterloo, Illinois 62298 is attached at Attachment – 20.

April 7, 2025

Mr. Ray Giannini
Senior Managing Director
Marcus & Millichap National Seniors Housing Group
13890 Bishops Dr: Suite 300
Brookfield, WI 53005

RE: Proposed Lease of Monroe County Nursing Home

Dear Ray:

The purpose of this **Letter of Intent (LOI)** is to outline the general terms and conditions upon which Accolade Healthcare (Lessee) (Collectively "Lessee"), would be prepared to lease from Monroe County, (hereafter "Lessor"), and upon which Lessor would be prepared to lease to Lessee the operations related to a certain nursing home consisting of land, buildings, improvements, fixtures, equipment, supplies, inventory, trade names, and related intangible property. **The terms of the contemplated transaction shall include the following:**

1. A leasehold interest in the real and personal property known as the Monroe County Nursing Home collectively constituting Oak Hill, Magnolia Terrace, Whispering Pines, and Evergreen Court (collectively "Nursing Home"), at 623 Hamacher Street, Waterloo, IL 62298.
2. One initial Five (5) year lease period ("**the Initial Period**").
3. A second Five (5) year lease period ("**the Second Period**"), with similar lease rents to those in the Initial Period *but including an option to purchase the fee-simple interest* in the Nursing Home at some date within the Second Period.
4. The Initial Period rent shall be paid at the beginning of Lessee operations as follows:
 - Initial Period Rent Schedule:
 - o Year 1:
 - Months 1 to 3: \$35,000 per month;
 - Months 4 to 12: \$62,500 per month;
 - o Years 2-5: \$750,000 plus rent annual rent escalator of 2%
 - Years 6-10: Year 5 rent totaling \$811,824 annually.
5. In the event a second Five (5) year lease period is commenced; Lessor agrees to place a referendum to approve the sale of the Nursing Home at the first general election following said commencement of the Second Period requesting voter approval of sale. The Purchase Price of the Nursing Home shall be **Fourteen Million Dollars (\$14,000,000)**. Said purchase of the Nursing Home shall be governed by a separate Purchase and Sale Agreement with sale provisions customary to the state of Illinois for similar commercial transactions.

6. Lessee shall have full rights of inspection of the Nursing Home prior to the beginning of Lessee operation of the Nursing Home, at reasonable times on reasonable notice, with representatives of Lessor being given reasonable opportunity to be present; and in this regard, Lessee shall have forty-five (45) days from execution of the LOI ("**the Due Diligence period**") within which to terminate such agreement, if it is not satisfied, in its sole discretion, with the condition of the Nursing Home. Lessor shall pay and be responsible for curing all open citations (federal, state or local) issued and outstanding prior to closing.

7. Lessor shall furnish to Lessee whatever financial information concerning the Nursing Home Lessee reasonably requires, and Lessor shall warrant the accuracy of such financial information.

8. The definitive lease agreement ("**the Agreement**") to be entered into shall provide that the execution of the Agreement is subject to Lessee's obtaining all governmental approvals that are necessary to allow Lessee to own and operate the Nursing Home as a long-term health care facility, having at least as high a level of licensing as such Nursing Home currently has. Lessee shall use its best efforts to obtain such approvals, and Lessor shall cooperate fully with Lessee in obtaining same. Lessee agrees to file its applications for and exercise best efforts to obtain governmental approvals, within thirty (30) days after the execution of the Agreement.

9. The Agreement shall also contain a contingency for CON board approval, which will require Lessee to file for, and present itself to, said board.

10. Upon execution of this LOI, Lessee shall pay to a title insurance underwriter involved in this transaction ("**Escrow Agent**") the amount of Ten Thousand Dollars (\$10,000.00) to be held in escrow. The foregoing \$10,000.00 amount is referred to as the "**Initial Deposit**". Should Lessee withdraw during the Due Diligence period, the Initial Deposit shall be retained by Lessor.

11. Upon execution of the definitive lease agreement, Four (4) regular monthly lease payments of \$62,500 totaling Two Hundred Fifty Thousand Dollars (\$250,000.00), *less the Initial Deposit* ("**the Final Deposit**") shall be deposited into an escrow account to be chosen by Lessee and Lessor, as an express remedy to Lessor should Lessee default on its lease payments. If the Lessee does not default on its lease payment obligations during the Initial and Second Period lease terms, and the Lessee purchases the Nursing Home, the Final Deposit shall be applied as a credit to Lessee against the purchase price. If the transaction fails to close solely because Lessee is in default under the Purchase and Sale Agreement, then the Earnest Money shall be promptly paid to Lessor as liquidated damages which shall be Lessor's sole remedy. If the transaction fails to close for any other reason, then the Earnest Money shall promptly be returned to Lessee, less Ten Thousand Dollars (\$10,000.00) which shall be deemed non-refundable at the time of the execution of the LOI.

12. The Lessor and Lessee acknowledge and agree that this LOI is not contractual in nature. It is an outline from which the parties' counsel can draft the more definitive and contractually binding Agreement for execution by the parties. This LOI only highlights some proposed points that may or may not become part of an eventual contract. It is not based on any agreement between the parties. It is not intended to impose any obligation whatsoever on either party, including without limitation an obligation to bargain in good faith or in any way other than at arms' length. The parties do not intend to be bound by any agreement until both agree to and sign a formal written contract, and neither part may reasonably rely on any promises inconsistent with this paragraph. This paragraph supersedes all other conflicting language.

Notwithstanding the foregoing, however, the Lessor does agree, as a contractually binding matter, that the Lessor will not negotiate in any manner with any third party for a period of Thirty (30) days from the date of the execution of the LOI, lease of the Nursing Home or any portion thereof. By April 21, 2025, or as soon as practical, Lessee intends to submit a first draft of the Agreement to Lessee, and then Lessee and Lessor intend to execute the final version thereafter.

Very truly yours,

Moe Freedman, President Accolade Healthcare

By:  _____

Approved and accepted as of the 7th day of April, 2025.

**George Green, Chairman
Monroe County Board of Commissioners**

By:  _____

Section IX, Financial Feasibility
Criterion 1120.130 – Financial Viability

Accolade Healthcare of Waterloo is a newly formed entity and does not have audited financial statements. The proforma financial statements for the second year after project completion are attached at Attachment – 22.

**Oak Hill Senior Living & Rehabilitation
Pro Forma Financial Statements**

BUDGETED CENSUS DAYS AND INCOME STATEMENT

			<u>2027</u>
Budgeted Census Days			
Private Pay			21,900
Medicaid			18,250
Medicare			5,840
Other			
Total Census Days			<u>45,990</u>
Budgeted Income			
Private Pay	(Rate	<u>\$300.00</u>)	\$6,570,000.00
Private Pay	(Rate	<u> </u>)	
Medicaid	(Rate	<u>\$267.47</u>)	\$4,881,327.50
Medicaid	(Rate	<u> </u>)	
Medicare	(Rate	<u>\$523.44</u>)	\$3,056,875.00
Medicare	(Rate	<u> </u>)	
Other	(Rate	<u> </u>)	\$0.00
Other	(Rate	<u> </u>)	
Other Income (Attach a Schedule)			<u>\$461,500.00</u>
Total Income			<u>\$14,969,702.50</u>
General Services			
Dietary			\$643,860.00
Food Purchase			\$321,930.00
Housekeeping			\$436,905.00
Laundry			\$68,985.00
Heat and Other Utilities			\$219,500.00
Maintenance			\$327,700.00
Other (Specify)		<u> </u>	
Total General Services			<u>\$2,018,880.00</u>
Health Care Programs			
Medical Director			\$24,000.00
Nursing and Medical Records			\$6,476,909.00
Activities			\$321,930.00
Social Services			
Nurse Aide Training			
Program Transportation			\$30,000.00
Other (Specify)		<u> </u>	
Total Health Care Programs			<u>\$6,852,839.00</u>

	2027
General Administration	
Administrator	\$150,000.00
Director's Fee	\$758,482.00
Professional Services	
Fees, Subscriptions, Promotions	\$50,000.00
Clerical and Office Expenses	\$1,614,600.00
Employee Benefits & Payroll Tax	\$939,552.00
In-Service Training & Education	\$15,000.00
Travel & Seminar	\$5,000.00
Other Administrative Staff Transportation	\$5,000.00
Insurance-Property Liability & Malpractice	\$288,273.00
Other (Specify) <u>Bad debt, bed tax</u>	\$1,122,817.00
Total General Administration	\$4,948,724.00
TOTAL OPERATING EXPENSES	\$13,820,443.00
Ownership	
Depreciation	\$1,000.00
Amortization of Pre-Operation & Organization	
Interest	
Real Estate Taxes	
Rent - Facility and Grounds	\$372,000.00
Rent - Equipment and Vehicles	
Other (Specify) _____	
TOTAL OWNERSHIP	\$373,000.00
SUMMARY	
Projected Profit (or Loss)	\$776,259.50
Owner's Equity at Beginning of Period	\$0.00
Owner's Equity at End of Period	\$776,259.50

BUDGETED BALANCE SHEET

2027

Current Assets

Cash on Hand and in Banks		\$416,259.50
Cash - Patient Deposits		\$15,000.00
Accounts and Short-Term Notes Receivable - Patients		
(less allowance	\$200,000.00	\$1,616,000.00
Supply Inventory		
(priced at		
Short-term Investments		
Pre-paid Expenses		\$10,000.00
Accounts Receivable (Owners or Related Parties)		
Other (Specify)		
Other (Specify)		
Total Current Assets		\$2,057,259.50

Long-Term Assets

Long-Term Notes Receivable		
Long-Term Investments		
Land		
Buildings, at Historical Cost		
Equipment, at Historical Cost		\$50,000.00
Accumulated Amortization ('-' for negative)		-\$1,000.00
Deferred Charges		
Organization and Pre-Operating Costs		
Accumulate Amortization, Organization and Pre-Operating Costs		
Restricted Funds		
Other Long-Term Assets (Specify)		
Leasehold improvements		
Other (Specify)		
Total Long-Term Assets		\$49,000.00
TOTAL ASSETS		\$2,106,259.50

Current Liabilities

Accounts Payable		\$500,000.00
Officer's Accounts Payable		
Patient Deposits		\$15,000.00
Short-Term Notes Payable		
Accrued Salaries Payable		\$300,000.00
Accrued Taxes Payable (Excluding Real Estate Taxes)		\$15,000.00
Accrued Real Estate Taxes		
Accrued Interest Payable		
Deferred Compensation		
Federal & State Income Tax		
Other Current Liabilities (Specify)		
Total Current Liabilities		\$830,000.00

	2027
Long-Term Liabilities	
Long-Term Notes Payable	
Mortgage Payable	
Bonds Payable	
Deferred Compensation	
Other Long-Term Liabilities (Specify)	
Related parties	\$500,000.00
Total Long-Term Liabilities	\$500,000.00
TOTAL LIABILITIES	\$1,330,000.00
SUMMARY	
Total Equity	\$776,259.50
Total Liabilities and Equity	\$2,106,259.50

Oak Hill Financial Viability Ratios
Financial Viability Ratios

	Standard	2027
Current Ratio		
Current Assets		\$2,057,260
Current Liabilities		\$830,000
Current Ratio	> 1.5	2.48
Net Margin Percentage		
Net Income	\$	1,149,260
Net Operating Revenues	\$	14,508,203
Net Margin Percentage	> 2.5%	7.9%
Long-Term Debt to Capitalization		
Long-Term Debt		N/A
Equity		\$776,260
Long-Term Debt to Capitalization	< 50%	N/A
Projected Debt Service Coverage		
Net Income	\$	1,149,260
Depreciation/Amortization		1,000
Interest Expense		-
Interest Expense and Principal Payments		-
Projected Debt Service Coverage	> 1.50	N/A
Days Cash on Hand		
Cash	\$	416,260
Investments		\$0
Board Designated Funds		\$0
Operating Expense	\$	13,820,443
Depreciation		1,000
Days Cash on Hand	> 45 Days	11
Cushion Ratio		
Cash	\$	416,260
Investments		\$0
Board Designated Funds		\$0
Interest Expense and Principal Payments		\$0
Cushion Ratio	> 3.0	N/A

Section X, Economic Feasibility Review Criteria
Criterion 1120.140(a), Reasonableness of Financing Arrangements

Attached at Attachment – 23A is the letter from Accolade Healthcare of Waterloo attesting that the project will be funded through at \$2,835,857 lease.

Debra Savage
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Reasonableness of Financing Arrangements

Dear Chair Savage:

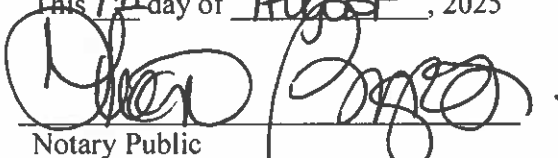
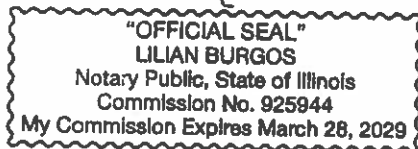
I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 and pursuant to 77 Ill. Admin. Code § 1120.140(a) that the project involves the leasing of a skilled nursing facility and related equipment and that the expenses incurred with leasing the facility and equipment are less costly than constructing a skilled nursing facility and purchasing new equipment.

Sincerely,



Moshe Freedman
Manager
Accolade Ventures LLC
Accolade Healthcare of Waterloo LLC

Subscribed and sworn to me
This 7th day of August, 2025


Notary Public

Section X, Economic Feasibility Review Criteria
Criterion 1120.140(b), Conditions of Debt Financing

The letter from Accolade Healthcare of Waterloo LLC certifying the project involves the leasing of equipment and the Nursing Home and the expenses incurred with leasing the Nursing Home and equipment is less costly than constructing a new facility and purchasing equipment is attached at Attachment – 23A.

Section X, Economic Feasibility Review Criteria

Criterion 1120.140(c), Reasonableness of Project and Related Costs

The Applicants propose a change in the operator of the Nursing Home. The proposed project involves no construction or modernization. Accordingly, this criterion is not applicable.

Section X, Economic Feasibility Review Criteria
Criterion 1120.140(d), Projected Operating Costs

Operating Expenses: \$7,590,461

Resident Days: 45,990

Operating Expense per Resident Day: \$165.05

Section X, Economic Feasibility Review Criteria
Criterion 1120.140(e), Total Effect of Project on Capital Costs

Capital Costs: \$373,000

Resident Days: 45,990

Capital Costs per Resident Day: \$8.11

Section VIII, Safety Net Impact Statement

The Applicants propose a change of ownership of Oak Hill Senior Living & Rehabilitation Center. A change of ownership constitutes a non-substantive project. Accordingly, this criterion is not applicable.

Section IX, Charity Care Information

Oak Hill Senior Living & Rehabilitation Center as a county owned facility and has no historical data on charity care. Thus, it cannot report charity care data.

The anticipated payor mix for Oak Hill Senior Living & Rehabilitation Center after the change of control is provided below:

Medicare	12%
Medicaid	45%
Private Pay	43%

After paginating the entire, completed application, indicate in the chart below, the page numbers for the attachments included as part of the project's application for permit:

INDEX OF ATTACHMENTS		
ATTACHMENT NO.		PAGES
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3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	35 – 36
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	37 – 39
5	Flood Plain Requirements	40 – 41
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7	Project and Sources of Funds Itemization	
8	Financial Commitment Document if required	
9	Cost Space Requirements	
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