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April 20, 2020

VIA EMAIL AND USPS

Courtney Avery
Board Administrator
Health Facilities and Services Review Board
Illinois Department of Public Health
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761

Re: Annual Progress Report-Transitional Care of Lisle, Project #15-056

Dear Ms. Avery:

On May 10, 2016, the Illinois Health Facilities and Services Review Board ("HFSRB") approved Project #15-056, Transitional Care of Lisle, a project to construct and establish a facility with a 68 bed general long term category of service to be located at 2850 Ogden Avenue in Lisle, Illinois. The purpose of this letter is to provide an annual progress report pursuant to 77 Ill. Admin. Code 1130.760.

Status of the Project

Our current project completion date is June 30, 2020. The Permit Holders obtained approval for a permit renewal at the January 15, 2019 HFSRB meeting. The permit renewal request for additional time was necessary to complete construction of the facility and allow for the requisite Illinois Department of Public Health life safety and licensure inspections. We are happy to report that in conjunction with the Illinois Department of Public Health ("IDPH") we have accelerated our construction plans to bring this facility online to meet the need for additional patient space in the community due to the ongoing COVID 19 pandemic. Despite the harsh winter weather, our construction has moved forward with great progress. Our general contractor has estimated that the remainder of the construction timeline will be one additional month.

The project is approximately 85% complete at this time. The facility's exterior is near 100% complete and most of the remaining work consists of finishes and are design related. The Permit Holders recently submitted an alteration request to increase the project budget and decrease the size of the facility. Both of those alteration requests were approved by the HFSRB on April 15, 2020. The increase in costs for the project is a result of the accelerated construction schedule which raised the cost of labor and construction materials. The decrease in size of the

facility was to improve site access to emergency vehicles. The approved alteration will provide the Permit Holders flexibility to bring the project to completion and meet applicable IDPH life safety and design standards.

As this Board knows, we were also delayed because of litigation regarding the permit for the project. Competitors filed an administrative review action in Circuit Court requesting that the Court overturn the Board's approval. After an extensive delay, the action was voluntarily dismissed by the competitors on May 30, 2017.

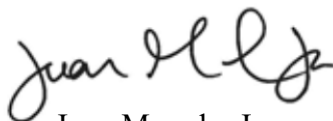
Costs Incurred to Date

Since the resolution of the construction issues and litigation, significant progress has been made on the project. The project was financially committed on July 27, 2018 through the execution of a construction contract to build the skilled nursing facility and has been reported to the Board. To date, approximately \$12,920,200 of the approved \$14,029,117 in project costs have been expended on the project. We do not anticipate the need to further alter the project in any way, as we expect to come in on budget.

If you have any questions or need any additional information regarding the project, please feel free to contact me at 312-212-4967.

Very truly yours,

BENESCH, FRIEDLANDER,
COPLAN & ARONOFF LLP

A handwritten signature in black ink, appearing to read "Juan Morado, Jr.", is positioned above the printed name.

Juan Morado, Jr.