

September 2, 2020

VIA EMAIL AND FEDEX

Ms. 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: Final Cost Report and Notice of Completion - Transitional Care of Lake County,
Mundelein, Project #16-012

Dear Courtney:

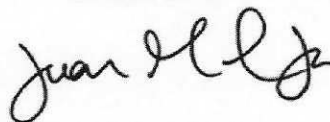
On June 21, 2016, the Illinois Health Facilities and Services Review Board (HFSRB) approved Project # 16-012 to establish a 185 bed long term care facility to be located at 850 East U.S. Highway, Mundelein, Illinois. We are happy to report that the project is now complete and we request that you accept this letter as our final cost report consistent with 77 Ill. Admin Code Section 1130.770.

Enclosed you will find a notarized statement from the permit holder certifying that the final realized costs as itemized are the total costs that were required to complete the project as approved by the HFSRB and there are no additional associated costs. Also enclosed is detailed itemization of all project costs and sources of funds which were all expended consistent with the approved application for the project and a signed payment certification.

If you have any questions or need any additional information regarding the project or this permit renewal request, 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.", written in a cursive style.

Juan Morado, Jr.

**State of Illinois
County of Cook**

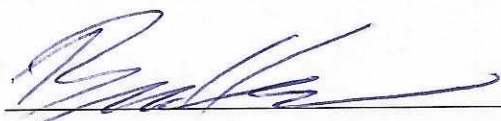
Verification Statement

I, Brad Haber, being first duly sworn, on oath, depose and state as follows:

1. I serve as the Principal for Innovative Health, LLC, one of the permit holders for Transitional Care of Lake County.
2. We filed Certificate of Need application to establish a 185 bed long term care facility in Mundelein, Illinois.
3. That application was approved by the Health Facilities and Services Review Board as Project #16-012.
4. The project was completed, the facility was surveyed and licensed by the Illinois Department of Public Health on July 7, 2020 (a copy of the license is enclosed).
5. I certify that the final realized costs, are the total costs required to complete the project and that there are no additional associated costs or capital expenditures related to the project.
6. The final realized costs for the project equaled \$29,885,525, consistent with what was approved by the Board.
7. The source of funds for the project amounted to \$7,031,184 in cash, and \$22,854,341 in debt financing.
8. The graph below accurately reflects a detailed itemization of all project costs and sources of funds.

	CON permit	Actual project costs	Under (over) budget
Use of funds:			
Preplanning costs	\$ 310,700	53,885	\$ 256,815
Construction costs	23,461,289	21,783,052	1,678,237
Contingencies	402,000	1,077,598	(675,598)
Architect/Engineering	1,525,000	911,174	613,826
Consulting and other	1,560,000	2,066,492	(506,492)
Movable or other equipment	1,955,000	1,668,562	286,438
Net interest expense during construction	970,000	722,695	247,305
Other costs to be capitalized	1,095,000	1,602,067	(507,067)
Total uses of funds	\$ 31,278,989	29,885,525	\$ 1,393,464
Source of funds:			
Cash and securities	\$ 9,077,184	7,031,184	\$ 2,046,000
Loan proceeds	22,201,805	22,854,341	(652,536)
Total sources of funds	\$ 31,278,989	29,885,525	\$ 1,393,464

Under penalties as provided by law pursuant to § 1-109 of the Code of Civil Procedure, the undersigned certifies that the statements set forth in this instrument are true and correct, except as to matters therein stated to be on information and belief and as to such matters the undersigned certifies as aforesaid that he verily believes the same to be true.

 (signature)

9/3/20 (date)

On this 3rd day of September, 2020, before me the undersigned notary public, personally appeared Brad Haber, personally known or proved to me through satisfactory evidence of identification, to be the person whose name is signed on the preceding or attached document and acknowledged to me that he signed it voluntarily for its stated purposed.


Signature of Notary


Notary Stamp

APPLICATION AND CERTIFICATE FOR PAYMENT

SIMILAR TO AIA DOCUMENT G 702

PAGE 1 OF 3 PAGES

TO (OWNER): IH KCB MUNDELEIN OWNER, LLC
5 Revere Dr., STE 200
Norhtbrook, IL 60062

PROJECT: 389 - Transitional Care of Lake County
VIA (ARCHITECT): PFB Architects
33 N. Lasalle St., Suite 3600
Chicago, IL 60602

APPLICATION NO: 19 - Ret

DUE:

Distribution to:



OWNER



ARCHITECT

FROM (CONTRACTOR): ARCO Construction Company, Inc.
900 N. Rock Hill Road
St. Louis, MO 63119

PERIOD TO: FINAL AND RETENTION

HUD

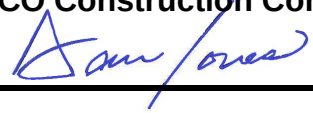
PROJECT NO: 71-43286

CONTRACT FOR: Transitional Care of Lake County

CONTRACT DATE: **11/7/2018****CONTRACTOR'S APPLICATION FOR PAYMENT**

CHANGE ORDER SUMMARY			
Change Order approved in previous months by Owner		ADDITIONS	DEDUCTIONS
TOTAL		\$340,000	
Approved this month		\$581,408	
Number	Date Approved		
CO#2			
TOTALS:		\$921,408	\$0
Net change by Change Orders		\$921,408	

The undersigned Contractor certifies that to the best of the Contractor's Knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: **ARCO Construction Company, Inc**By: **ARCHITECT'S CERTIFICATE FOR PAYMENT**

In accordance with the Contract Documents, based on on-site observations and the data comprising the above application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

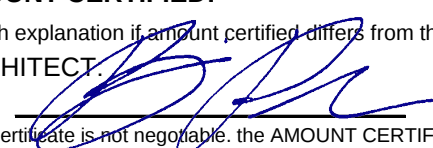
Application is made for Payment, is shown below, in connection with the Contract.

Continuation Sheet showing , SCHEDULE OF VALUES, is attached.

1. ORIGINAL CONTRACT SUM	\$21,966,008.00
2. Net change by Change Orders	\$921,408.00
3. CONTRACT SUM TO DATE (Line 1 + 2)	\$22,887,416.00
4. TOTAL COMPLETED & STORED TO DATE (Column G on Schedule of Values)	\$22,887,416.00
5. RETAINAGE:	
a. 0% of Completed Work	\$0.00
(Column D + E on S of V)	
b. 10% of Stored Material	\$0.00
(Column F on S of V)	
Total Retainage (Line 5a + 5b or Total in Column I on Schedule of Values)	\$0.00
6. TOTAL EARNED LESS RETAINAGE (Line 4 less Line 5 Total)	\$22,887,416.00
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)	\$20,037,204.18
8. CURRENT PAYMENT DUE	\$2,850,211.82
9. BALANCE TO FINISH, PLUS RETAINAGE (Line 3 less Line 6)	\$0.00

AMOUNT CERTIFIED:

(attach explanation if amount certified differs from the amount applied for)

ARCHITECT: 

By:

\$2,850,211.82

This Certificate is not negotiable. the AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

CONTINUATION SHEET

SIMILAR TO AIA DOCUMENT G 703

PAGE 2 OF 3 PAGES

This APPLICATION AND CERTIFICATE FOR PAYMENT, has a
Contractor's signed Certification attached.

APPLICATION NUMBER: 19 - Ret DUE:

APPLICATION DATE: FINAL AND RET DUE:

PERIOD TO: FINAL AND RETENTION

In tabulations below, amounts are stated to the nearest dollar.

ARCHITECT'S PROJECT NUMBER: 71-43286 FINAL AND RETENTION

A	B	C	D	E	F	G		H	I
ITEM NO.	DESCRIPTION OF WORK	SCHEDULE VALUE	WORK COMPLETED		MATERIALS PRESENTLY STORED (NOT IN D OR E)	TOTAL COMPLETED AND STORED TO DATE (D + E + F)	%(G / C)	BALANCE TO FINISH (C - G)	RETAINAGE
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD					
1	Concrete (Ftg., Fnd., Slab)	\$1,037,924.00	\$1,037,924.00	\$0.00	\$0.00	\$1,037,924.00	100%	\$0.00	\$0.00
2	Masonry	\$593,266.00	\$593,266.00	\$0.00	\$0.00	\$593,266.00	100%	\$0.00	\$0.00
3	Metals	\$150,965.00	\$150,965.00	\$0.00	\$0.00	\$150,965.00	100%	\$0.00	\$0.00
4	Rough Carpentry (Inc. Siding)	\$2,452,217.00	\$2,452,217.00	\$0.00	\$0.00	\$2,452,217.00	100%	\$0.00	\$0.00
5	Finish Carpentry	\$364,155.00	\$364,155.00	\$0.00	\$0.00	\$364,155.00	100%	\$0.00	\$0.00
6	Waterproofing (Sealants)	\$21,188.00	\$21,188.00	\$0.00	\$0.00	\$21,188.00	100%	\$0.00	\$0.00
CO#2	Insulation	\$200,227.00	\$200,227.00	\$0.00	\$0.00	\$200,227.00	100%	\$0.00	\$0.00
8	Roofing	\$829,021.00	\$829,021.00	\$0.00	\$0.00	\$829,021.00	100%	\$0.00	\$0.00
9	Sheet Metal	\$79,455.00	\$79,455.00	\$0.00	\$0.00	\$79,455.00	100%	\$0.00	\$0.00
10	Doors	\$421,431.00	\$421,431.00	\$0.00	\$0.00	\$421,431.00	100%	\$0.00	\$0.00
11	Windows	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$0.00	\$0.00
12	Glass	\$460,883.00	\$460,883.00	\$0.00	\$0.00	\$460,883.00	100%	\$0.00	\$0.00
13	Lath and Plaster	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$0.00	\$0.00
14	Drywall	\$1,074,235.00	\$1,074,235.00	\$0.00	\$0.00	\$1,074,235.00	100%	\$0.00	\$0.00
15	Tile Work	\$177,882.00	\$177,882.00	\$0.00	\$0.00	\$177,882.00	100%	\$0.00	\$0.00
16	Acoustical	\$274,735.00	\$274,735.00	\$0.00	\$0.00	\$274,735.00	100%	\$0.00	\$0.00
17	Wood Flooring	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$0.00	\$0.00
18	Resilient Flooring	\$296,469.00	\$296,469.00	\$0.00	\$0.00	\$296,469.00	100%	\$0.00	\$0.00
19	Painting and Decorating	\$363,269.00	\$363,269.00	\$0.00	\$0.00	\$363,269.00	100%	\$0.00	\$0.00
20	Specialties (Bath Acc., FE Cab., Shelves, Curtain Tracks)	\$138,385.00	\$138,385.00	\$0.00	\$0.00	\$138,385.00	100%	\$0.00	\$0.00
		\$8,935,707.00	\$8,935,707.00	\$0.00	\$0.00	\$8,935,707.00	100%	\$0.00	\$0.00

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APPLICATION DATE: FINAL AND RET DUE:
PERIOD TO: FINAL AND RETENTION
ARCHITECT'S PROJECT NUMBER: 71-43286 FINAL AND RETENTION

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ITEM NO.	DESCRIPTION OF WORK	SCHEDULE VALUE	WORK COMPLETED		MATERIALS PRESENTLY STORED (NOT IN D OR E)	TOTAL COMPLETED AND STORED TO DATE (D + E + F)	% (G / C)	BALANCE TO FINISH (C - G)	RETAINAGE
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD					
21	Special Equipment (Oxygen, Kitchen, Laundry)	\$630,398.00	\$630,398.00	\$0.00	\$0.00	\$630,398.00	100%	\$0.00	\$0.00
22	Cabinets	\$546,232.00	\$546,232.00	\$0.00	\$0.00	\$546,232.00	100%	\$0.00	\$0.00
23	Appliances	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$0.00	\$0.00
24	Blinds and Shades, Artwork	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$0.00	\$0.00
25	Carpets	\$118,588.00	\$118,588.00	\$0.00	\$0.00	\$118,588.00	100%	\$0.00	\$0.00
26	Special Construction (Fire Sprinklers)	\$502,555.00	\$502,555.00	\$0.00	\$0.00	\$502,555.00	100%	\$0.00	\$0.00
CO#2	Elevators	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$0.00	\$0.00
28	Plumbing and Hot Water	\$1,239,926.00	\$1,239,926.00	\$0.00	\$0.00	\$1,239,926.00	100%	\$0.00	\$0.00
29	Fire Sprinklers	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$0.00	\$0.00
30	Heat and Ventilation	\$1,127,201.00	\$1,127,201.00	\$0.00	\$0.00	\$1,127,201.00	100%	\$0.00	\$0.00
31	Electrical	\$2,918,074.00	\$2,918,074.00	\$0.00	\$0.00	\$2,918,074.00	100%	\$0.00	\$0.00
32	Accessory Buildings	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$0.00	\$0.00
33	Earthwork	\$1,119,124.00	\$1,119,124.00	\$0.00	\$0.00	\$1,119,124.00	100%	\$0.00	\$0.00
34	Site Utilities	\$469,315.00	\$469,315.00	\$0.00	\$0.00	\$469,315.00	100%	\$0.00	\$0.00
35	Roads and Walks	\$550,890.00	\$550,890.00	\$0.00	\$0.00	\$550,890.00	100%	\$0.00	\$0.00
36	Site Improvement (Mon. Sign, Fences)	\$83,057.00	\$83,057.00	\$0.00	\$0.00	\$83,057.00	100%	\$0.00	\$0.00
37	Lawns and Planting	\$180,099.00	\$180,099.00	\$0.00	\$0.00	\$180,099.00	100%	\$0.00	\$0.00
38	Unusual Site Conditions	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$0.00	\$0.00
39	General Requirements	\$1,105,270.00	\$1,105,270.00	\$0.00	\$0.00	\$1,105,270.00	100%	\$0.00	\$0.00
40	Builder's Overhead	\$390,528.00	\$390,528.00	\$0.00	\$0.00	\$390,528.00	100%	\$0.00	\$0.00
41	Builder's Profit	\$1,171,586.00	\$1,171,586.00	\$0.00	\$0.00	\$1,171,586.00	100%	\$0.00	\$0.00
42	Builders Risk	\$136,729.00	\$0.00	\$136,729.00	\$0.00	\$136,729.00	100%	\$0.00	\$0.00
43	PP Bond	\$122,765.00	\$0.00	\$122,765.00	\$0.00	\$122,765.00	100%	\$0.00	\$0.00
44	Demo	\$61,700.00	\$0.00	\$61,700.00	\$0.00	\$61,700.00	100%	\$0.00	\$0.00
45	Consulting Agreement	\$616,329.00	\$588,609.18	\$27,719.82	\$0.00	\$616,329.00	100%	\$0.00	\$0.00
46	Design	\$162,900.00	\$162,900.00	\$0.00	\$0.00	\$162,900.00	100%	\$0.00	\$0.00
47	Change Order #1	\$340,000.00	\$306,000.00	\$34,000.00	\$0.00	\$340,000.00	100%	\$0.00	\$0.00
48	Change Order #2	\$333,408.00	\$0.00	\$333,408.00	\$0.00	\$333,408.00	100%	\$0.00	\$0.00
49	Post Close	\$25,035.00	\$0.00	\$25,035.00	\$0.00	\$25,035.00	100%	\$0.00	\$0.00
	GRAND TOTALS	\$22,887,416.00	\$22,146,059.18	\$741,356.82	\$0.00	\$22,887,416.00	100.00%	\$0.00	\$0.00