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**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Ms. Courtney Avery
Illinois Department of Public Health
Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

RE: Oak Trace, Project # 16-056 Annual Progress Report

Dear Ms. Avery:

Below is the annual progress report for Oak Trace's CON permit for project 16-056, which was approved on March 14, 2017.

Current Status of the Project

The project is 13% complete. As for the elements of the project, please note the following:

- Mass grading and excavation complete
- Foundations and basement level walls complete
- Installation of metal wall panels has begun
- Concrete slabs are in progress
- Structural steel erection is in progress
- Underground MEP routing underway

The project is on target for completion by the approved completion date. Project costs and square footage are expected to be completed within permitted amounts.

Project Commitment Date

Project commitment occurred when the construction contract was signed on September 29, 2017.

Costs Incurred to Date

The project has incurred costs in the amount of \$11,586,559 as of January 31, 2018. The Project Costs table below provides an itemized listing showing the Approved Permit Amount and the Costs Incurred to Date.



Change in Organizational Structure

The Applicant, Lifespace DG, LLC d/b/a Oak Trace, and the Co-Applicant, Lifespace Communities, Inc., effectuated a merger dated as of January 30, 2018. Lifespace Communities, Inc. which had previously been the sole corporate member of Lifespace DG, LLC is the surviving operating entity based on the merger.

PROJECT COSTS	Approved Permit Amount	Costs Incurred to Date
Preplanning Costs	\$486,000	\$338,074
Site Survey and Soil Investigation	\$61,000	\$32,917
Site Preparation	\$2,697,000	\$2,732,311
Off Site Work	\$176,000	\$354,567
New Construction Contracts	\$0	\$0
Modernization Contracts	\$52,000,000	\$2,991,138
Contingencies	\$3,972,000	\$0
Architectural/Engineering Fees	\$2,931,000	\$2,552,321
Consulting and Other Fees	\$3,461,000	\$2,002,326
Movable or Other Equipment (not in construction contracts)	\$1,475,000	\$563
Bond Issuance Expense (project related)	\$1,720,000	\$570,519
Net Interest Expense During Construction (project related)	\$4,750,000	\$0
Fair Market Value of Leased Space or Equipment	\$0	\$0
Other Costs To be Capitalized	\$721,000	\$11,823
Acquisition of Building or Other Property (excluding land)	\$0	\$0
ESTIMATED TOTAL PROJECT COSTS	\$74,450,000	\$11,586,559

Method of Financing of the Project

The table below provides a listing of the sources of funding for the project through January 31, 2018.

PROJECT SOURCES OF FUNDS	Original Amount	Funds Expended to Date
Cash and Securities	\$0	\$0
Pledges	\$0	\$0
Gifts and Bequests	\$0	\$0
Bond Issues (project related)	\$74,450,000	\$11,586,559
Mortgages	\$0	\$0
Leases (fair market value)	\$0	\$0
Governmental Appropriations	\$0	\$0
Grants	\$0	\$0
Other Funds and Sources	\$0	\$0
TOTAL FUNDS	\$74,450,000	\$11,586,559

The Anticipated Completion Date

The project completion date of record is March 31, 2020. It is anticipated that the project will be completed within that required timeframe.

If you have any questions or concerns about this project, please feel free to contact me.

Sincerely,



Jodi Hirsch
Senior Vice President and General Counsel

cc: Mr. Michael Constantino, Ms. Kara Friedman