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July 26, 2019

VIA FEDEX

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: Permit Renewal Request-Lake Behavioral Hospital, Project #17-048

Dear Ms. Avery:

On January 9, 2018, the Illinois Health Facilities and Services Review Board ("HFSRB") approved Project #17-048, an application to renovate and expand the existing facility to a 146 bed Acute Mental Illness facility in 88,180 gross square feet. The facility will be located at 2614 West Washington, Waukegan, Illinois 60085. The purpose of this letter is to request a Permit Renewal pursuant to 77 Ill. Admin. Code 1130.740. Enclosed you will find a check with the permit renewal fee. This is our first renewal request.

Request Project Completion Date

The permit holder requests that the HFSRB grant a permit renewal and establish Thursday October 1, 2020 as the project completion date for this project.

Status of the Project

This project involves the conversion and expansion of Lake Behavioral Hospital. The project was able to begin construction in earnest this past year. While we expected more progress on construction, given the harsh winter weather we were unable to continue work for weeks at a time. Currently the project is approximately 30% complete. We anticipate an additional 13-15 months of construction will be required to complete the new building and allow for the requisite Illinois Department of Public Health ("IDPH") life safety and licensure inspections. This additional time will also allow for the final reconciliation of costs and expenses for the project.

The project was also financially committed through the execution of the agreement with the General Contractor on September 7, 2018 for management and construction of the project.

Statement Regarding Project Completion

Despite an unexpected administrative delay in obtaining the state and local permits, we are happy to report that we have received approval from IDPH for construction of the facility and have obtained the requisite building permits from the City of Waukegan. As part of this renovation we have completed the demolition and abatement of the building on the campus that will be replaced as part of the facility's expansion.

We planned to begin construction of the project in late last year, however, we experienced delays that made continued construction during the harsh winter unfeasible. A substantial portion of the initial work included pouring of concrete. While it is possible to pour concrete during the winter, the cost associated with undertaking that work was considerable and pushing forward would have added additional costs that were inconsistent with our approved project costs.

The site prep and foundations are now completed and structural work on the expansion portion of the building is ready to begin. Plumbing, electrical, and mechanical work for the existing portion of the building is ongoing and the metal stud exterior wall has also been completed and is ready for cladding. The interior metal stud installation is currently in progress.

Given the scope of the overall undertaking, we are requesting additional time to ensure appropriate completion of the project. To date approximately \$7,186,150 of the approved \$30,192,180 has been expended on the project. The remaining components are design and related to construction costs.

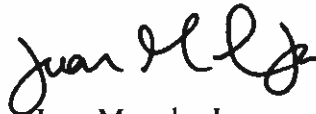
Confirmatory Evidence of Permit Compliance

Enclosed is a verified statement from Martina Sze that confirms the permit holders are currently complying with the scope, costs, and conditions of the project approved by the HFSRB, pursuant to the permit letter issued for this project. Additionally, the aforementioned verified statement confirms that there are sufficient financial resources available to complete this project.

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



Juan Morado, Jr.

JM:
Enclosures

cc: Mike Constantino, Senior Project Reviewer (via email)

State of Illinois
County of Cook

Verification

I, Martina Sze, being first duly sworn, on oath, depose and state as follows:

1. I serve as Executive Vice-President and Chief Development Officer for US HealthVest, LLC the parent company of V Covington, LLC d/b/a Lake Behavioral Hospital.

2. This project involves the renovation and expansion of an existing 46 bed hospital to a 146 bed acute mental illness facility located at 2615 West Washington, Waukegan, Illinois 60085.

3. We experienced an unexpected administrative delay with the issuance of the building permit from the City of Waukegan. However, the permit have been issued at this time.

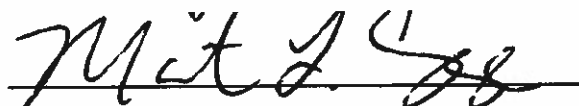
4. The full demolition and abatement of the building that will be replace as part of the facility's expansion has been completed.

5. At this time construction of the site has begun in earnest with progress on both the existing and new structure. However, harsh weather over the winter months caused additional delays in construction of the project.

6. Our project costs and scope remain consistent with the terms of the project approved by the Illinois Health Facilities and Services Review Board as Project #17-048.

7. Sufficient financial resources remain available for the permit holders to complete Project #17-048.

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.

 (signature)

____ July 26, 2019 _____ (date)