

**ALDEN ESTATES-COURTS OF NEW LENOX
ALDEN NEW LENOX INVESTMENTS
4200 WEST PETERSON AVENUE, SUITE 140
CHICAGO, ILLINOIS 60646
(773) 286-3883**

July 02, 2020

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson, Second Floor
Springfield, IL 62761

Re: Alden Estates-Courts of New Lenox (the "Project")
Alden New Lenox Investments
Annual Progress Report
Project # 18-009

Dear Ms. Avery:

This letter provides the Annual Progress Report for the Alden Estates-Courts of New Lenox. Project referenced above in accordance with Section 1130.760 of the Review Board rules.

1) Current Status of the Project:

The Review Board approved the permit for our Alden Estates-Courts of New Lenox Project on June 5, 2018 for construction of a new skilled facility in New Lenox. Currently, all necessary zoning, site plan, engineering, environmental and soils studies have been completed. Our HUD financing is progressing for this project.

Due to the ongoing pandemic, we have entertained the possibility of phasing the development. Phase 1 being the larger 114 bed Estates building and Phase 2 being the 52 bed Courts building. This pandemic has resulted in both economic and operational challenges that we continue to work through. The phasing of this project would allow for the timely development of the needed beds in the area. We have obligated the project through the signing of the construction contract for the Estates building which accounts for more than 33.3% of the total project costs.

Design drawings have been completed and final working drawings on this Project are currently underway. Although actual construction on the Project is zero percent complete and consequently all construction components remain to be finished. Project costs incurred through June 30, 2020 are \$1,329,287 as detailed on the attached chart.

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2) Project Costs:

The Project remains within approved requirements of the Permit with respect to Project cost. Attached with this letter is an itemized listing of Project costs in comparison to the approved Permit amounts.

3) Project Funding:

The method of financing the Project remains a combination of equity and debt. Upon closing of the HUD financing, we anticipate that there will be sufficient financial resources to complete this Project. We confirm that nothing has been undertaken on this Project that would cause the Project to be out of compliance with what was approved by the Board. The Project will be constructed in compliance with the scope and cost of the Project as approved by the Board. Funding sources are summarized on the attached table.

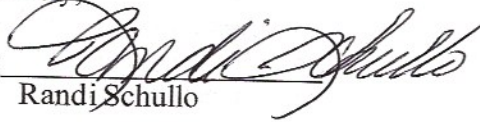
4) Anticipated Date of Completion:

Under the existing permit Project completion is scheduled for March 2021. We have made considerable progress with this development. However, at the start of the ongoing pandemic and businesses adjusting to the changing environment there were delays in nearly every components of this project. Therefore, we will need to request a permit renewal.

Please understand, our primary focus is on the health and safety of our current residents during these challenging times. We are very proud of our frontline staff who have been working tremendous hours to take care of our residents. Please stay safe and well.

Sincerely,

By:


Randi Schullo

cc: Mike Constantino

Use of Funds			
	Total Project Permit	Expended - June 2020	Percentage Expended of Total
Preplanning Costs	\$286,233	\$136,085	48%
Site Survey & Soil Investigation	\$40,000	\$7,290	18%
Site Preparation	\$725,000	\$0	0%
Off-Site Work	\$120,000	\$0	0%
New Construction Contracts	\$28,660,800	\$0	0%
Contingencies	\$1,514,540	\$0	0%
Architectural / Engineering Fees	\$2,133,934	\$896,504	42%
Consulting and Other Fees	\$769,000	\$289,408	38%
Movable or Other Equipment	\$2,429,167	\$0	0%
Net Interest Expense During Const	\$1,540,692	\$0	0%
Other Costs to be Capitalized	\$1,396,250	\$0	0%
Total	\$39,615,616	\$1,329,287	3%
Sources of Funds			
Cash and Securities	\$6,115,616	\$1,329,287	22%
Mortgages	\$33,500,000	\$0	0%
Total	\$39,615,616	\$1,329,287	3%

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