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February 24, 2021

SENT VIA U.S. POSTAL SERVICE

Ms. Courtney Avery
Board Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62702

**RE: Annual Progress Report – Encompass Health Rehabilitation Hospital of
Libertyville, LLC, Project # 19-036**

Dear Ms. Avery:

I am writing on behalf of Encompass Health Rehabilitation Hospital of Libertyville, LLC in regards to Encompass Health Rehabilitation Hospital of Libertyville, Project # 19-036. This project is to establish a 60-bed freestanding comprehensive inpatient physical rehabilitation hospital in Libertyville, Illinois. The Illinois Health Facilities and Services Review Board (“HFSRB”) approved this project on February 25, 2020. Pursuant to Ill. Admin. Code Section 1130.760, this is our annual progress report for the above-referenced project matter.

I. Current Status of the Project

Construction has already started on this project. Through the end of January 2021, the project is 15% complete. The site clearing is finished, and the pouring of the foundation and installation of site utilities are in progress.

II. Cost Incurred to Date & Method of Financing

The project cost incurred to date is \$8,470,770. The method of financing and sources of funds have not changed since the approval of the project application. On October 7, 2020, we entered into a construction contract with our general contractor, JE Dunn Construction Company. Through this executed construction agreement, we are financially committed to expend in excess of 33% of the total project cost. We submitted a written notice of financial commitment to the HFSRB on February 23, 2021. At this time, we do not anticipate the project cost to be more than the approved amount.

III. Anticipated Date of Completion

The scope of this project has not changed and remains consistent with the approved project application. We are pleased to report that we are on schedule with our construction progress. As previously mentioned, we have an executed agreement with JE Dunn Construction Company as our general contractor and have also engaged Gresham Smith as our architect. All zoning and design and construction drawings have been approved, and we have received our building permit (JCA-20-0006). We anticipate that the project will be completed by June 30, 2022, which is the completion date provided in our project permit letter.

If you have any questions or need additional information, please feel free to contact me. We greatly appreciate your time in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Walter Smith", with a horizontal line extending to the right.

Walter Smith
Director, State Regulatory Affairs
Encompass Health Corporation