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April 17, 2020

VIA EMAIL AND USPS

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: Annual Progress Report-Transitional Care of Fox Valley, Aurora
Project #16-002**

Dear Ms. Avery:

On May 10, 2016, the Illinois Health Facilities and Services Review Board (“HFSRB”) approved Project #16-002, a project to construct and establish a facility with a 68 bed general long term category of service to be located at 4020-4090 East New York Street in Aurora, Illinois. The purpose of this letter is to provide an annual progress report pursuant to 77 Ill. Admin. Code 1130.760.

Status of the Project

The current project completion date is August 31, 2021. The Permit Holders presented a request for a permit renewal to the HFSRB at the June 4, 2019 meeting and obtained the current project completion date. Since our last annual report, we closed on the financing for the project with the Department Housing and Urban Development (“HUD”), and construction has moved forward. We are happy to report that facility is approximately 35% through the construction phase. The facility is vertical and nearly all sections of the roof are now complete. The construction crew has begun to drywall some sections of the building and are following up with painting those areas shortly thereafter.

We have accelerated our construction schedule due to the need for additional patient space in the community as a result of the ongoing COVID-19 pandemic. We have been working in conjunction with the Illinois Department of Public Health (“IDPH”) regarding this accelerated schedule. Our general contractor has estimated a construction timeline of 5-6 months to complete all work on the facility.

We recently submitted an alteration request to increase the project costs and decrease the size of the project. Both of those requests were approved by the HFSRB on April 15, 2020. The request to increase costs was due to our accelerated construction schedule, which has raised costs for the project's labor force and construction materials. The decrease in size of the facility was to improve site access for emergency vehicles. This permit renewal request for additional time is necessary to complete construction of the facility and allow for the requisite IDPH life safety and licensure inspections. This additional time will also permit for the final reconciliation of costs and expenses to allow for proper final cost reporting to the Board.

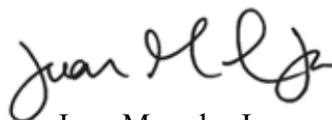
Costs Incurred to Date

Since the resolution of the zoning issues and litigation, significant progress was made on construction of the project. The project was financially committed on July 27, 2018 through the execution of a construction contract to build the skilled nursing facility and has been reported to the Board. To date, approximately \$5,840,178 of the approved \$17,026,950 in project costs have been expended on the project. We do not anticipate the need to further alter the project in any way, as we expect to come in on budget.

If you have any questions or need any additional information regarding the project, 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.