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Via FedEx

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MAY 17 2019
HEALTH FACILITIES & SERVICES REVIEW BOARD

May 16, 2019

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

RE: Mercy Health Hospital and Medical Center Crystal Lake – Hospital
Project # 17-002
Request for Extension – Financial Commitment

Dear Ms. Avery,

The Illinois Health Facilities and Services Review Board approved Project #17-002 on June 20, 2017, for construction of a medical office building in Crystal Lake. This project is one of two Mercy Health projects approved on that date. The other project is Mercy Health Hospital and Medical Center Crystal Lake – Medical Office Building, Project #17-001, for construction of a medical office building.

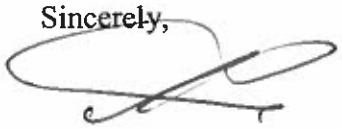
As you are aware, the approvals of the two projects were challenged by competitors and, the Circuit Court ruled to overturn the Board's decision regarding Mercy Health's Project 17-002. We are confident that the Board's decision was proper and would continue construction if we were able to do so. However, because of this decision, the City of Crystal Lake has refused to issue the necessary permits to allow construction to continue while this matter is being reviewed by the Appellate Court. As a result, the expenditure of funds related to the planning and construction of the hospital project have been put on hold, while the case is being reviewed at the Appellate Court.

While construction of the medical office building and hospital projects are not interdependent, the architectural footprint was designed to allow for the construction to occur simultaneously and the redesign would result in the unnecessary expenditure of funds. Accordingly, Mercy Health has postponed the expenditure of funds related to the planning and construction of the hospital and the medical office building. Mercy Health has not committed an expenditure of at least 33% of total project cost, as required for financial commitment of the permit 17-002. The approved permit stipulated that financial commitment must occur by June 20, 2019. Mercy Health hereby requests a one year extension of the financial commitment period, consistent with the requirements of Section 1130.730.

Enclosed is a check to the Illinois Department of Public Health in the amount of $1,000, for the extension application processing fee.

If you have any questions, please contact me at (608) 756-6158.

Sincerely,



Paul Van Den Heuvel
Vice President of Legal Affairs & Risk Management and General Counsel

c: Ralph Weber, CON Consultant