

Facility Name Eastgate Manor of Algonquin, LLC

Report Period Beginning: 1/1/06 Ending: 12/31/06

III. STATISTICAL DATA

A. Certified units; enter number of units and unit days

Date of change in certified units N/A

	1	2	3	4	
	Units at Beginning of Report Period	Type of Apartment	Units at End of Report Period	Unit Days During Report Period	
1	90	Single Unit Apartment	90	32,850	1
2	16	Double Unit Apartment	16	5,840	2
3		Other			3
4	106	TOTALS	106	38,690	4

B. Census-For the entire report period.

	1 Type of Unit	2 3 4 5 Resident Days by Unit and Primary Source of Payment				
		Medicaid Recipient	Private Pay	Other	Total	
5	Single Unit	1,592	24,955	31	26,578	5
6	Double Unit	3,883			3,883	6
7	Other					7
8	TOTALS	5,475	24,955	31	30,461	8

C. Percent Occupancy. (Column 5, line 8 divided by total certified bed days on line 4, column 4.) 78.73%

D. Indicate the number of paid bed-hold days the SLF had during this year 99 Also, indicate the number of unpaid bed-hold days the SLF had during this year. 83 (Do not include bed-hold days in Section B.)

E. Does page 3 include expenses for services or investments not directly related to SLF services?

YES NO

F. Does the BALANCE SHEET reflect any non-SLF assets?

YES NO

G. List all services provided by your facility for non-residents. (E.g., day care, "meals on wheels", outpatient therapy)

None

H. ACCOUNTING BASIS

ACCRUAL MODIFIED CASH* CASH*

I. Is your fiscal year identical to your tax year? YES NO

Tax Year: 12/31/06 Fiscal Year: 12/31/06

* All facilities other than governmental must report on the accrual basis.

J. Does the facility have any Illinois Housing Development Authority Loans outstanding? NO If yes, did the facility make all of the required payments of interest and principle? N/A

If no, explain. N/A

K. Does the facility have any loans from the Federal Home Loan Bank outstanding? No If yes, did the facility make all of the required payments of interest and principle? N/A

If no, explain. N/A

L. Does the facility have any loans from the IL Dept of Commerce and Economic Opportunity outstanding? No If yes, did the facility make all of the required payments of interest and principle? N/A

If no, explain. N/A

Facility Name: Eastgate Manor of Algonquin, LLC

Report Period Beginning:

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IV. COST CENTER EXPENSES (please round to the nearest dollar)

Operating Expenses		Costs Per General Ledger				Reclassifications and Adjustments 5	Adjusted Total 6	
		Salary/Wage 1	Supplies 2	Other 3	Total 4			
A. General Services								
1	Dietary and Food Purchase	195,811	211,295	1,425	408,531		408,531	1
2	Housekeeping, Laundry and Maintenance	67,337	6,440	101,407	175,184	(80)	175,104	2
3	Heat and Other Utilities			120,405	120,405		120,405	3
4	Other (specify):							4
5	TOTAL General Services	263,148	217,735	223,237	704,120	(80)	704,040	5
B. Health Care and Programs								
6	Health Care/ Personal Care	316,778		15,645	332,423		332,423	6
7	Activities and Social Services	38,501	3,895	13,549	55,945		55,945	7
8	Other (specify):							8
9	TOTAL Health Care and Programs	355,279	3,895	29,194	388,368		388,368	9
C. General Administration								
10	Administrative and Clerical			379,877	379,877	162,377	542,254	10
11	Marketing Materials, Promotions and Advertising	29,581		49,868	79,449	(79,449)		11
12	Employee Benefits and Payroll Taxes			140,023	140,023		140,023	12
13	Insurance-Property, Liability and Malpractice			81,781	81,781		81,781	13
14	Other (specify):							14
15	TOTAL General Administration	29,581		651,549	681,130	82,928	764,058	15
16	TOTAL Operating Expense (Sum of lines 5, 9 and 15)	648,008	221,630	903,980	1,773,618	82,848	1,856,466	16
Capital Expenses								
D. Ownership								
17	Depreciation			15,163	15,163	302,383	317,546	17
18	Interest			84,973	84,973	387,309	472,282	18
19	Real Estate Taxes					132,110	132,110	19
20	Rent -- Facility and Grounds			805,884	805,884	(805,884)		20
21	Rent -- Equipment			5,832	5,832		5,832	21
22	Other (specify):Beauty and Barber			17,260	17,260		17,260	22
23	TOTAL Ownership			929,112	929,112	15,918	945,030	23
24	GRAND TOTAL (Sum of lines 16 and 23)	648,008	221,630	1,833,092	2,702,730	98,766	2,801,496	24

Facility Name: Eastgate Manor of Algonquin, LLC

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V. STAFFING AND SALARY COSTS (Please report each line separately.)

	Personnel	Number of FTE	Average Hourly Wage	
1	Registered Nurses	0.97	\$ 30.31	1
2	Licensed Practical Nurses	0.03	26.65	2
3	Certified Nurse Assistants			3
4	Activity Director & Assistants	1.56	11.56	4
5	Social Service Workers			5
6	Head Cook	2.50	11.98	6
7	Cook Helpers/Assistants	8.29	7.36	7
8	Dishwashers			8
9	Maintenance Workers	1.02	11.85	9
10	Housekeepers	2.60	7.46	10
11	Laundry			11
12	Managers Administrator	1.00	32.63	12
13	Other Administrative	6.03	13.64	13
14	Clerical			14
15	Marketing			15
16	Other Caregivers	11.30	10.31	16
17	Total (lines 1 thru 16)	35.30	\$ 163.75	17

VI. (A) STATEMENT OF COMPENSATION AND OTHER PAYMENTS TO OWNERS, RELATIVES AND MEMBERS OF THE BOARD OF DIRECTORS.

	NAME and FUNCTION	Ownership Interest	Average Hours Per Work Week Devoted to this Business	Amount of Compensation for this Reporting Period	
1	See Attachment 1		See Attachment 4	See Attachment 4	1
2					2
3					3
4					4
5					5
Total				\$	6

VI. (B) Management fees paid to unrelated parties

	Amount of Fee	
1	\$	1
2		2
Total		\$ 3

VII. RELATED ORGANIZATIONS

A. Enter below the names of all related organizations. Attach an additional schedule if necessary.

RELATED SLF's & HEALTH CARE BUSINESSES

Name	1	City	2
See Attachment 1			

OTHER RELATED BUSINESS ENTITIES

Name	3	City	4	Type of Business	5
See Attachment 1					

B. Does your facility receive services from a parent organization or home office; the costs for which were not included on page 3? YES NO

Name of related entity: _____ If yes, what is the value of those services? \$ _____
 (Please attach a separate schedule itemizing those services.)

C. Does page 3 include any costs derived from transactions (including rent) with related parties? YES NO

If so, please attach a separate schedule detailing the nature of those services, their costs as they appear on your books and the underlying cost to the related party (i.e., not including markup). See Attachment 4

Facility Name: Eastgate Manor of Algonquin, LLC

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VIII. OWNERSHIP COSTS

A. Purchase price of land 311,565 Year land was acquired 2000

B. Building Depreciation -- Including Fixed Equipment. Round all numbers to the nearest dollar.

*Total units on this schedule must agree with page 2.

	1 Units*	FOR BHF USE ONLY	2 Year Acquired	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1	106			2000	\$ 4,679,221	\$ 116,981	30	\$ 116,981	\$	\$ 730,025	1
2				2001	3,852,173	96,304	40	96,304		553,750	2
3											3
4											4
5											5
Improvement Type											
6	Flagpoles			2001	2,636	176	10	176		967	6
7	Tub Conversion			2001	1,185	119	10	119		652	7
8	Nurses Station			2001	6,183	309	20	309		1,700	8
9	2nd Floor Carpet			2001	1,339	134	10	134		736	9
10	Fire Alarm Doors			2001	835	83	10	83		459	10
11	2 Exterior signs			2001	2,432	243	10	243		1,338	11
12	Nurse Call Station			2004	21,485	1,074	20	1,074		2,328	12
13	Asphalt Paving			2005	19,397	1,940	10	1,940		2,425	13
14	Apartments			2005	18,224	911	20	911		911	14
15	Nurse Call Station			2006	2,761	104	20	104		104	15
16	See Attachment 2				526,589	26,181		26,181		159,651	16
17	TOTAL (lines 1 thru 16)				\$ 9,134,460	\$ 244,559		\$ 244,559	\$	\$ 1,455,046	17

C. Equipment Depreciation -- Including Transportation.

	Type	1 Cost	2 Current Book Depreciation	3 Straight Line Depreciation	4 Adjustments	5 Life in Years	6 Accumulated Depreciation	
18	Movable Equipment	\$ 705,748	\$ 72,987	\$ 72,987	\$	5	\$ 428,975	18
19	Vehicles							19
20	TOTAL (lines 18 and 19)		\$ 705,748	\$ 72,987	\$		\$ 428,975	20

D. Depreciable Non-Care Assets Included in General Ledger.

	1 Description and Year Acquired	2 Cost	3 Current Book Depreciation	4 Accumulated Depreciation	
21		\$	\$	\$	21
22					22
23					23
24	TOTALS (lines 21, 22 and 23)	\$	\$	\$	24

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IX. RENTAL COSTS

A. Building and Fixed Equipment

1. Name of Party Holding Lease: N/A

2. Does the facility also pay real estate taxes in addition to rental amount shown below on line 7, column 4? YES NO

		1	2	3	4	5	6	
		Year Constructed	Number of Units	Date of Lease	Rental Amount	Total Yrs. of Lease	Total Years Renewal Option*	
3	Original Building	N/A		/ /	\$			3
4	Additions			/ /				4
5				/ /				5
6				/ /				6
7	TOTAL				\$			7

8. Is movable equipment rental included in building rental? YES NO

9. Rental amount for movable equipment \$ N/A

10. If the facility rents any vehicles which are used for care-related purposes, please attach a schedule detailing the model year and make, the rental expense for this period and the use of the vehicle.

X. INTEREST EXPENSE

	1	Name of Lender	2		3	4	6		7	8	9	
			Related**				Purpose of Loan	Date of Note				
			YES	NO			Original	Balance				
		A. Directly Facility Related										
		Long-Term										
1		Lexington Financial Services	X		Mortgage	5/29/02	\$ 8,500,000	\$ 7,477,087	2/1/26	Variable	\$ 468,996	1
2		LLC			Amortization of mortgage costs	/ /			/ /		8,284	2
3						/ /			/ /			3
		Working Capital										
4		Members loans-East Gate	X		Working Capital	Various	1,792,483	1,792,483	Demand	Various	84,973	4
5		Members loans-Samvest	X		Working Capital	Various	2,540,438	2,540,438	Demand	Various	120,973	5
6												6
7		TOTAL Facility Related					\$ 12,832,921	\$ 11,810,008			\$ 683,226	7
		B. Non-Facility Related										
8						/ /	Less interest income		/ /		-4,998	8
9						/ /	Related party interest		/ /		-205,946	9
10		TOTALS (lines 7, 8 and 9)					\$ 12,832,921	\$ 11,810,008			\$ 472,282	10

* If there is an option to buy the building, please provide complete details on an attached schedule.

** If there is any overlap in ownership between the facility and the lender, this must be indicated in column 2.

STATE OF ILLINOIS

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Facility Name: Eastgate Manor of Algonquin, LLC

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XI. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/06

(last day of reporting year)

		1 Operating	2 After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ 271,267	\$ 322,621	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable- Patients (less allowance 17,118)	339,614	339,614	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance			6
7	Other Prepaid Expenses	8,101	8,101	7
8	Accounts Receivable (owners or related parties)		83,933	8
9	Other(specify):			9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 618,982	\$ 754,269	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments	51,589	51,589	12
13	Land		311,565	13
14	Buildings, at Historical Cost		8,531,394	14
15	Leasehold Improvements, at Historical Cost	171,752	413,149	15
16	Equipment, at Historical Cost	51,670	895,665	16
17	Accumulated Depreciation (book methods)	(37,675)	(1,884,021)	17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds			21
22	Other Long-Term Assets (specify):			22
23	Other(specify): Mortgage costs		161,539	23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 237,336	\$ 8,480,880	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 856,318	\$ 9,235,149	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 28,886	\$ 28,886	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits	201,664	201,664	28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	55,809	55,809	30
31	Accrued Taxes Payable	7,530	133,930	31
32	Accrued Interest Payable		24,522	32
33	Deferred Compensation			33
34	Federal and State Income Taxes			34
	Other Current Liabilities(specify):			
35	See Attachment 3	357,678	83,529	35
36				36
37	TOTAL Current Liabilities (sum of lines 26 thru 36)	\$ 651,567	\$ 528,340	37
	D. Long-Term Liabilities			
38	Long-Term Notes Payable	1,792,483	4,332,921	38
39	Mortgage Payable		7,477,087	39
40	Bonds Payable			40
41	Deferred Compensation			41
	Other Long-Term Liabilities(specify):			
42				42
43				43
44	TOTAL Long-Term Liabilities (sum of lines 38 thru 43)	\$ 1,792,483	\$ 11,810,008	44
45	TOTAL LIABILITIES (sum of lines 37 and 44)	\$ 2,444,050	\$ 12,338,348	45
46	TOTAL EQUITY	\$ (1,587,732)	\$ (3,103,199)	46
47	TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46)	\$ 856,318	\$ 9,235,149	47

*(See instructions.)

Facility Name: Eastgate Manor of Algonquin, LLC

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XII. INCOME STATEMENT (attach any explanatory footnotes necessary to reconcile this Schedule to Schedule IV.)

		1	
Revenue		Amount	
A. SLF Resident Care			
1	Gross SLF Resident Revenue	\$ 2,843,194	1
2	Discounts and Allowances		2
SUBTOTAL Resident Care			
3	(line 1 minus line 2)	\$ 2,843,194	3
B. Other Operating Revenue			
4	Special Services	60	4
5	Other Health Care Services		5
6	Special Grants		6
7	Gift and Coffee Shop		7
8	Barber and Beauty Care	20,940	8
9	Non-Resident Meals	3,042	9
10	Laundry	80	10
SUBTOTAL OTHER OPERATING REVENUE			
11	(sum of lines 4 thru 10)	\$ 24,122	11
C. Non-Operating Revenue			
12	Contributions		12
13	Interest and Other Investment Income	4,998	13
SUBTOTAL Non-Operating Revenue			
14	(sum of lines 12 and 13)	\$ 4,998	14
D. Other Revenue (specify):			
15	Carpet Proration	14,317	15
16	Vending Commission/Misc. Income	2,281	16
SUBTOTAL Other Revenue			
17	(sum of lines 15 and 16)	\$ 16,598	17
TOTAL REVENUE			
18	(sum of lines 3, 11, 14 and 17)	\$ 2,888,912	18

		2	
Expenses		Amount	
A. Operating Expenses			
19	General Services	704,120	19
20	Health Care/ Personal Care	388,368	20
21	General Administration	698,390	21
B. Capital Expense			
22	Ownership	911,852	22
C. Other Expenses			
23	Special Cost Centers		23
24	Non-Operating Expenses		24
25	Other (specify):		25
26			26
27			27
TOTAL EXPENSES			
28	(sum of lines 19 thru 27)	\$ 2,702,730	28
Income Before Income Taxes			
29	(line 18 minus line 28)	\$ 186,182	29
Income Taxes			
30		\$	30
NET INCOME OR LOSS FOR THE YEAR			
31	(line 29 minus line 30)	\$ 186,182	31

Eastgate Manor of Algonquin
12/31/2006
Attachment 1

VI. A

Owners:

<u>Name</u>	<u>% Ownership</u>
John Samatas Discretionary Trust	25.714%
James Samatas Discretionary Trust	17.143%
Cynthia Thiem Discretionary Trust	17.143%
Chester Plodzien	20.000%
George Samatas 1998 Gamma Trust for Jason UAD 11/25/98	2.858%
George Samatas 1998 Gamma Trust for Jeremy UAD 11/25/1998	2.857%
George Samatas 1998 Gamma Trust for Jillayne UAD 11/25/1998	2.857%
George Samatas 1998 Gamma Trust for Collin UAD 11/25/1998	2.857%
George Samatas 1998 Gamma Trust for Gabrielle UAD 11/25/1998	2.857%
George Samatas 1998 Gamma Trust for Philip UAD 11/25/1998	2.857%
George Samatas 1998 Gamma Trust for Daniel UAD 11/25/1998	2.857%

VIII. A

<u>Related Organizations: Related SLF's and Healthcare Businesses</u>	<u>City</u>
Lexington Health Care Center of Lombard, Inc.	Lombard
Lexington Health Care Center of Bloomingdale, Inc.	Bloomingdale
Lexington Health Care Center of Elmhurst, Inc.	Elmhurst
Lexington Health Care Center of LaGrange, Inc.	LaGrange
Lexington Health Care Center of Lake Zurich, Inc.	Lake Zurich
Lexington Health Care Center of Schaumburg, Inc.	Schaumburg
Lexington Health Care Center of Streamwood, Inc.	Streamwood
Lexington Health Care Center of Wheeling, Inc.	Wheeling
Lexington Health Care Center of Orland Park, Inc.	Orland Park
Lexington Health Care Center of Chicago Ridge, Inc.	Chicago Ridge

Other Related Business Entities

	<u>City</u>	<u>Type</u>
Samvet of Algonquin Limited Partnership	Algonquin	Real Estate Partnership
Royal Management Company	Lombard	Management Company
Lexington Financial Services, L.L.C.	Lombard	Finance Co.

Eastgate Manor of Algonquin
 Leasehold Improvements (continued)
 12/31/2006

Attachment 2

	Improvement Type	Year Acquired	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
18	Sealcoat parking lot	2006		3,240	189	10	189	0	189	18
19	Kitchen Rehab	2006		10,222	256	20	256		256	19
20	Apartments	2006		81,813	2,045	20	2,045		2,045	20
21										21
22										22
23	Allocation Real Estate Entity									23
24	Land Improvements	2000		79,149	5,277	15	5,277		47,487	24
25	Land Improvements	2001		162,248	10,817	15	10,817		62,195	25
26	Sewer and water improvement:	2000		189,917	7,597	25	7,597		47,479	26
27										27
28										28
29										29
30										30
31										31
32										32
33										33
34										34
35										35
36										36
37										37
38	Total (Attachment 2) to Schedule VIII - Line 16			\$ 526,589	\$ 26,181		26,181	\$ -	\$ 159,651	38

Eastgate Manor of Algonquin
Supplementary Information
12/31/2006

Attachment 3

XI. C. Line 35	Operating	After Consolidation
Due from related parties	625	2,505
Accrued rent	149,201	
Due to Samvest of Algonquin	120,000	
Due to Samvest of Algonquin	69,477	
Accrued expenses	17,650	17,654
Other current liabilities	725	725
Interest Rate Swap		62,645
	<u>357,678</u>	<u>83,529</u>

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