

April 9, 2013

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

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

Re: Hickory Point Christian Village ("Hickory Point")
Project No. 12-005 (the "Project")
Annual Progress Report

Dear Ms. Avery:

This letter provides the Annual Progress Report for the 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 Hickory Point Christian Village Project on April 17, 2012, for the establishment of a 17-bed skilled LTC facility to adjoin our existing assisted, independent living and skilled nursing community in Forsyth. Currently, all design work, including construction drawings, has been completed on the Project. We have submitted our drawings to IDPH for architectural review and our drawings have been approved; we have also submitted our drawings to the Village of Forsyth and are awaiting our final permit. Construction contracts have been signed and work will begin as soon as the city permit is received.

While design has proceeded, actual construction on the Project is zero percent complete and consequently all construction components remain to be finished. The costs incurred though April 9, 2013, are \$152,104.17.



2) Project Costs

The Project remains within approved requirements of the Permit with respect to Project cost.

3) Project Funding

The method of financing the Project is self funded. 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.

4) Obligation

Christian Homes, Inc., and Shores Builders signed the construction contract for this Project on April 9, 2013. Therefore, we became obligated to this project on that date.

5) Application and Certification for Payment

Construction for this Project has not yet begun, pending final permit issuance from the Village of Forsyth.

6) Anticipated Date of Completion

Under the existing Permit, Project completion is scheduled for April 1, 2014. At this time, we foresee no delays in this timeline.

Please let me know of any questions you might have regarding the information contained herein, or if additional information needs to be provided.

Sincerely,



Susan McGhee
Chief financial Officer