

**Palos Hills Healthcare
10426 S Roberts Road
Palos Hills, Illinois**

RECEIVED

DEC 17 2014

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**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

December 17, 2014

Ms. Courtney Avery, Administrator
Health Facilities and Services Review Board
Illinois Department of Public Health
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761

Re: Permit # 13-032, Palos Hills Extended Care;
Annual Progress Report

Dear Ms. Avery:

On December 17, 2013 the Illinois Health Facilities and Services Review Board granted a permit to Palos Hills Extended Care for the on-site replacement of 63 beds. I am writing this letter to comply with section 1130.760 (Annual Progress Reports) of the 77 Illinois Administrative Code.

Current Status:

The project is 6% complete based on the cost allocation. Plans have been submitted and approved by IDPH, The Village of Palos Hills, and The Palos Hills Fire Department. We are waiting on the demolition permit from Cook County for the 3 structures that are on the land. The project has been bid and we are working with the general Contractor on Value engineering to get the costs more in line with our original budget. We expect to begin construction after the weather breaks in March of 2015.

Project Costs:

Appended herein (**EXHIBIT A**) is a project cost and sources of funds chart illustrating the approved line items and the corresponding expenditures that have been made per line item.

Project Financing:

The method and sources of funds have not changed as originally approved. All funds to date have been paid from owners' equity, and financing is now approved and will be funded upon commencement of the construction.

Project Completion:

The anticipated date of completion is still on schedule for December 31, 2016 as stated in the permit letter. This project remains in compliance with all the conditions and items of the permit.

Should you have any questions or concerns, please do not hesitate to contact me at 847-410-2811.

Sincerely,



Natan Weiss
Manager, Palos Hills Healthcare , LLC

ENCLOSURES

6865 N Lincoln Ave Lincolnwood, IL 60712

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Palos Hills Extended Care
Project #13-032

PROJECT COSTS AND SOURCES OF FUNDS

Use of Funds	Cost	Expended to Date	% Expended
Preplanning Costs	\$ 269,900	\$ 109,094	40%
Site Survey and Soil Investigation	\$ 18,000	\$ 7,395	41%
Site Preparation	\$ 520,000	\$ -	0%
Off Site Work	\$ 30,000	\$ -	0%
New Construction Contracts	\$ 13,374,957		0%
Modernization Contracts	\$ -	\$ -	
Contingencies	\$ 1,337,496	\$ -	0%
Architectural/Engineering Fees	\$ 863,997	\$ 645,000	75%
Consulting and Other Fees	\$ 411,000		0%
Movable or Other Equipment	\$ 651,050	\$ 250,692	39%
Bond Issuance Expense	\$ -		
Net Interest Expense During Construction	\$ -	\$ -	
Fair Market Value of Leased Space or Equipment	\$ -	\$ -	
Other Costs to be Capitalized	\$ -		
Acquisition of Building or Other Property	\$ -	\$ -	
Total Uses of Funds	\$ 17,476,400	\$ 1,012,181	6%
Source of Funds			
Cash and Securities	\$ 2,276,400	\$ 1,012,181	44%
Pledges		\$ -	
Gifts and Bequests		\$ -	
Bond Issues		\$ -	
Mortgages	\$ 15,200,000	\$ -	0%
Leases		\$ -	
Governmental Appropriations		\$ -	
Grants		\$ -	
Other Funds and Sources		\$ -	
Total Sources of Funds	\$ 17,476,400	\$ 1,012,181	6%

EXHIBIT A