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JUN 28 2013

HEALTH FACILITIES &
SERVICES REVIEW BOARD

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

Re: Update on Project 09-068

Dear Ms. Avery,

As the Board was kind enough to provide us with an unprecedented second extension to our CON, I wanted to take this opportunity to update the Board on our progress.

Our application for funding has been forwarded to Washington for review which we hope will result in a commitment letter by late July or early August for a combination of a direct loan and a guaranteed loan that would provide the funding that will be required to build the replacement hospital. We have arranged for construction funding in conjunction with AgStar using hospital issued revenue bonds that will be paid off after completion of construction and converted to the USDA loans.

The updated drawings have been forwarded to IDPH for review of the changes that were made to reduce the size of the project and we look for a response from them by early July.

We are working on a timeline that will allow us to proceed with bidding the project to be ready to start construction upon receipt of a commitment letter from USDA which we believe we will see in late July or early August. The close on the financing with USDA would be approximately 90 – 120 days after the commitment letter is received. We have indicated that we would like to be granted an early release to start construction upon receipt of the commitment letter to maximize the good weather available before the end of the year.

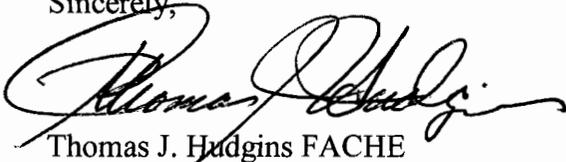
June 19	Revenue bond process started
July 8	Start bidding process
July 16	Prebid meeting

August 6 Bid opening (bids good for 90 days)
August 22 GMP from Robins Morton (bids awarded after receipt of commitment letter)
August 22 Revenue bonds sold
September 9 Project starts
? Close financing with USDA
November 2014 Construction complete
November /December 2014 IDPH preoccupancy inspections
January 2015 Occupancy

While the schedule is tight, we believe we will be under construction by early September.

If you have any questions, please feel free to contact me at 618-357-5901 or thudgins@pvillehosp.org.

Sincerely,



Thomas J. Hudgins FACHE
Administrator/CEO

June 14th, 2013

CC: Mr. Mike Constantino, Supervisor, Project Review Section