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August 29, 2013

Kathryn J. Olson, Chairwoman
Illinois Health Facilities and Services Review Board
525 W. Jefferson St., 2nd Floor
Springfield, IL 32761

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**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Madame Chairwoman,

In keeping with 77 Ill. Adm. Code Sections 1130.740 and 1130.770, please accept this letter requesting a renewal of permit for Project 11-095. This is the second permit renewal request for this project.

The current project completion date is September 15, 2013. The facility is ready for the IDPH licensure survey. However, due to IDPH's workload, it will be unable to complete the survey by that date. As such, due neither to the fault of Palos Hills Surgery Center nor IDPH, the survey cannot be completed by September 15, 2013.

We confirmed with IDPH on August 26, 2013 that the licensure survey could not be conducted by September 15th and, having consulted with the Alexis Kendrick - Assistant General Counsel to the Board as to proper procedure, are submitting this request as soon as possible. Based on advice from IDPH, we are seeking a four-month extension, with a new completion date of January 15, 2014. However, we anticipate the licensure survey being completed in early October of 2013. As such, the requested date of January 15, 2014 is intended to take into account all possible delays.

Thank you for your kind attention and assistance in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Cheryl G. Murer', is written over a horizontal line.

Cheryl G. Murer, JD, CRA
President & CEO
Murer Consultants Inc.
Acting on behalf of Palos Hills Surgery Center, LLC

Palos Hills Surgery Center, LLC

August 29, 2013

Kathryn J. Olson, Chairwoman
Illinois Health Facilities and Services Review Board
2nd Floor
525 West Jefferson Street
Springfield, Illinois 62761

Re: Confirmation of Financial Resources for Project # 11-095 for Request to Renew Permit

Dear Madame Chairwoman,

Please accept this letter from the owners and authorized representatives of Palos Hills Surgery Center, LLC, confirming that this project's costs and scope are in compliance with the Board has approved and that this project has the financial resources necessary for successful completion. This confirmation letter is provided along with a request to renew the permit for the project in keeping with 77 Ill. Adm. Code § 1130.740(b) and in keeping with the direction of Board Staff.

This request for a permit renewal was necessitated in by the uncontrollable and unforeseeable delay in completing the IDPH licensure survey. This project has not changed in the (1) square footage, (2) number of operating rooms or recovery stations, (3) type of facility, (4) location, (5) (6) number or type of surgical specialties, or (7) ownership. Furthermore, the project is within the costs approved by the Board.

Palos Hills Surgery Center still has the financial resources to complete this project. Indeed, the delay in completing the survey does not affect the project's financial standing.

Thank you for your attention in this matter.

Sincerely,



Anton Fakhouri, M.D.
Owner and Authorized Representative
Palos Hills Surgery Center, LLC

Status Report

Palos Hills Surgery Center (Project 11-095)

This status report for project #11-095, which is provided in accordance with 77 Ill. Adm. Code § 1130.740(d)(2), is being submitted by Murer Consultants on behalf of its client, Palos Hills Surgery Center. The report details (1) the percentage of the project that has thus far been completed; (2) the project components that have yet to be completed; and (3) the percentage of funds that have been disbursed.

All construction has been completed and all equipment has been purchased, although not all funds have been dispensed. Applications have been made to IDPH for the licensure survey, but the survey has not been scheduled or conducted.

The various project components and their completion percentage are listed below:

| Project Component | Percentage Completed |
|---|----------------------|
| Pre-Construction (architectural submissions, permits) | 100% |
| Equipment Installation | 100% |
| Construction | 100% |
| Licensure Survey | 50% |

To account for any delays in the licensure survey the applicants have requested a new Completion Date of January 15, 2014.

Amount of Funds Expended to Date

| | Total Use of Funds per Board Approval | Amount Expended as of August 29, 2013 |
|------------------------------------|---------------------------------------|---------------------------------------|
| Modernization Contracts | \$1,250,000.00 | \$1,150,000.00 |
| Architectural and Engineering Fees | \$90,000.00 | \$90,000.00 |
| Consultant and Other Fees | \$67,000.00 | \$67,000.00 |
| Contingencies | \$63,000.00 | \$63,000.00 |
| Fair Market Value of Leased Space | \$819,750.00 | \$0.00 |
| Movable or Other Equipment | \$291,408.40 | \$0.00 |
| TOTAL | \$2,581,158.40 | \$1,370,000 |