

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

SENT VIA HAND DELIVERY

December 17, 2015

RECEIVED

DEC 29 2015

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

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.

In accordance with the Health Facilities Planning Procedural Rules (77 Ill. Admin Code 1130), applicants PM Nursing and Rehabilitation, LLC (Owner) and Palos Hills Healthcare, LLC (Operator/Licensee) (the "Applicants") respectively submit this attestation of project obligation.

The Applicants hereby attest that Project Number 13-032 was obligated on March 10, 2015. The financial resources and the project's cost, scope and design are in compliance with the permit approved by the Illinois Health Facilities and Services Review Board on December 17, 2013.

Current Status:

The project is 54% 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 began construction in March of 2015 as anticipated. The project is now water tight and still expected to be completed on time.

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 the financing for 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

|| ph: 847.933.9200 || fax: 847.933.9765 || email: nweiss@briaahs.com

PM Nursing and Rehabilitation, LLC
6865 N. Lincoln Ave.
Lincolnwood, Illinois 60712
(847) 933-9200

NOTICE TO PROCEED

March 10, 2015

Henry Bros. Co.
9821 South 78th Ave.
Hickory Hills, Illinois 60457

Re: Palos Hills Healthcare Project
10426 S. Roberts Road
Palos Hills, Illinois 60465

Gentlemen,

In accordance with §3.1 of the Contract dated January 22, 2015, you are hereby authorized to proceed on the above referenced project beginning March 16, 2015.

The Contract calls for all work to be completed in 427 consecutive days. [Contract, §3.2.] Therefore, the contract completion date is established as May 16, 2016.

Very truly yours,

PM Nursing and Rehabilitation, LLC,
an Illinois limited liability company

By: 

cc: Douglas J. Baron
SAS Architects & Planners

PROJECT COSTS AND SOURCES OF FUNDS

Use of Funds	Cost	Expended to Date	% Expended
Preplanning Costs	\$ 269,900	\$ 319,249.18	118%
Site Survey and Soil Investigation	\$ 18,000	\$ 10,155.00	56%
Site Preparation	\$ 520,000	\$ 520,000.00	100%
Off Site Work	\$ 30,000	\$ 30,000.00	100%
New Construction Contracts	\$ 13,374,957	\$ 7,782,911.41	58%
Modernization Contracts	\$ -	\$ -	
Contingencies	\$ 1,337,496	\$ -	0%
Architectural/Engineering Fees	\$ 863,997	\$ 608,768.05	70%
Consulting and Other Fees	\$ 411,000	\$ 96,478.80	23%
Movable or Other Equipment	\$ 651,050	\$ -	0%
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	\$ 9,367,562	54%
Source of Funds			
Cash and Securities	\$ 2,276,400	\$ 2,276,400.00	100%
Pledges		\$ -	
Gifts and Bequests		\$ -	
Bond Issues		\$ -	
Mortgages	\$ 15,200,000	\$ 7,091,162.44	47%
Leases		\$ -	
Governmental Appropriations		\$ -	
Grants		\$ -	
Other Funds and Sources		\$ -	
Total Sources of Funds	\$ 17,476,400	\$ 9,367,562.44	54%