

St. Mary's Good Samaritan

Incorporated

January 25, 2011

RECEIVED

Cosponsored by Felician Services, Inc.
and SSM Health Care

JAN 26 2011

HEALTH FACILITIES &
SERVICES REVIEW BOARD



Ms. Courtney Avery
Administrator
Illinois Health Facilities Planning Board
525 W. Jefferson Street, 2nd Floor
Springfield, IL 62761

Re: 2010 / 2011 Annual Progress Report for Project # 08-050
Good Samaritan Physicians & Ambulatory Services Building

Dear Ms. Avery,

In accordance with Section 1130.760 of the Administrative Code, this letter serves as the annual Progress Report for Project 08-050 (Good Samaritan Physicians & Ambulatory Services Building). This project was approved by the Health Facilities Planning Board on January 28, 2009 along with two other related projects - - Good Samaritan replacement hospital (project 08-051) and Physician Surgery Center at Good Samaritan (project 08-070).

STATUS REPORT

The following is an outline of progress towards the Physicians & Ambulatory Services Building through January 12, 2011:

- Through January 12, 2011, \$1,085,435 in expenses have been paid towards the project.
- A standard agreement for the Medical Office Building construction was signed between Mt. Vernon Physicians, LLC / Frauenshuh and McCarthy Building Companies for \$14,466,899 in October, 2010 (attached). This contract, combined with expenditures to date, obligates the project (35.8% of \$43.5 total).
- Leases were signed for approximately 90% of the building space in September, 2010.
- In August, 2010, the Planning Board confirmed receipt of notification that the Surgery Center space (located inside the Physicians & Ambulatory Services Building) will be reduced to 10,937 GSF. The GSF reduced by the surgery center has been converted to lease space in the building. This notification was received by the Planning Board with no further action required (attached).
- Illinois Department of Public Health completed reviews of drawings for the Physicians & Ambulatory Services Building in July, 2010 without further comments.
- In June, 2010, the Chairperson of the Health Facilities Planning Board approved an extension of obligation for the Medical Office Building through July 28, 2011 (attached).
- The share offering for the Surgery Center (which will be located inside the Physicians & Ambulatory Services Building) was finalized on August 21, 2009. All 40 available physician shares were sold.
- The Physicians & Ambulatory Services Building / Physician Surgery Center Commencement Schedule was approved by the Steering Team on October 9, 2009.

The Medical Office Building / Ambulatory Surgery Project Commencement schedule is attached for your reference.

605 North 12th Street
Mt. Vernon, IL 62864
618.242.4600

www.smsgsi.com

COSTS & FINANCING

Project Cost & Sources of Funds – Total

<u>Cost</u>	<u>CON Permit Amount</u>	<u>Expenditures-to-Date</u>
Preplanning Costs	\$35,000	\$10,854
Site Survey & Soil Investigation	\$29,000	\$6,525
Site Preparation	\$765,000	--
New Construction Contracts	\$30,303,939	--
Contingencies	\$2,675,535	--
Architectural / Engineering Fees	\$1,890,948	\$894,381
Consulting & Other Fees	\$2,077,131	\$147,395
Movable or Other Equipment	\$3,629,500	--
Net Interest Exp during Construction	\$1,909,771	--
<u>Other Costs to be Capitalized</u>	<u>\$142,523</u>	<u>\$26,280</u>
Total Statement of Probable Cost	\$43,458,347	\$1,085,435

ANTICIPATED DATE OF COMPLETION

As shown on the attached Commencement Schedule, the construction of the Physicians & Ambulatory Services Building is estimated to begin in April, 2011 and complete before the December 31, 2012 required completion date as listed in the Certificate of Need permit.

If you should have any questions about this Progress Report, or would like additional information, feel free to contact me at (618) 241-2201.

Sincerely,



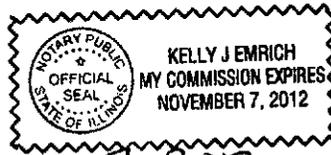
Michael Warren, FACHE
President, Good Samaritan Regional Health Center

State of Illinois
County of Jefferson

I, hereby attest that before me this 25th day of January, 2011, appeared the person known to me as Michael Warren and that he affixed his hand and seal in my presence to the foregoing document dated January 25, 2011, and addressed to Ms. Courtney Avery of the Illinois Health Facilities Planning Board.

Kelly Emrich

Kelly Emrich
Notary



My commission expires: November 7, 2012



STATE OF ILLINOIS

HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516

Copy: Julie Long
Ron Smith

June 9, 2010

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mike Warren, President
Good Samaritan Regional Health Center
605 North 12th Street
Mt. Vernon, Illinois 62864

RE: EXTENSION OF OBLIGATION
Project #08-050 Good Samaritan Physicians & Ambulatory Building
Permit Holder: Mount Vernon's Physicians, LLC, Good Samaritan Regional Health Center, SSM Health Care Corporation, SSM Regional Health Services

Dear Mr. Warren:

On June 8, 2010 the Acting Chairman of the Illinois Health Facilities and Services Review Board approved an "Extension of the Obligation Period" for the above-captioned project. The approval was for a 12-month extension from July 28, 2010 to July 28, 2011. Therefore, this project must be obligated in accordance with the State Board Rule at 77 IAC 1130.720, no later than July 28, 2011.

PLEASE NOTE THAT 77 IAC 1130.730 ALLOWS ONLY ONE TWELVE-MONTH EXTENSION OF THE OBLIGATION PERIOD FOR EACH PROJECT. THEREFORE, THIS IS THE ONLY EXTENSION ALLOWABLE FOR THIS PROJECT.

Failure to meet the requirements for permit obligation will result in the permit being considered expired and the project abandoned.

The permit holder is also reminded of other post-permit requirements contained in "Subpart G" of Part 1130. Adherence to these requirements is essential in maintaining a valid permit and is the responsibility of the permit holder.

Should you have any questions, please contact our office at (217) 782-3516.

Sincerely,

Dale W. Galassie
Acting Chairman Illinois Health Facilities and
Services Review Board



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516

August 11, 2010

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ronald Smith, Principal
Frauenshuh HealthCare Real Estate Solutions
701 West 78th Street, Suite 100
Minneapolis, Minnesota 55439

RE: Permit Alteration: Project #08-050
Permit Holder: Mt. Vernon Physicians, LLC, Good Samaritan Regional
Health Center, and SSM Health Care

Dear Mr. Smith:

We are receipt of your letter dated July 20, 2010 requesting an alteration to Permit #08-050. The alteration proposes to reduce space for the Ambulatory Surgical Treatment Center from 13,675 GSF of space to 10,937 GSF of space. The space to be removed from the Surgery Center will be leased to physicians. Based upon the information provided by the applicants this alteration request **DOES NOT** require any action of the Illinois Health Facilities and Services Review Board ("State Board") as stated in 77 IAC 1130.750.

The permit holder should note the post-permit requirements contained in "Subpart G" of 77 IAC 1130. Adherence to the post-permit requirements is essential in maintaining a valid permit and is the responsibility of the permit holder.

Please contact me at (217) 782-3516 should you have any questions.

Sincerely,

Mike Constantino
Project Reviewer

 **AIA** Document A102™ – 2007

REC'D OCT 15 2010

Standard Form of Agreement Between Owner and Contractor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price

AGREEMENT made as of the 1st day of October in the year 2010
(In words, indicate day, month and year.)

BETWEEN the Owner:
(Name, legal status, address and other information)

Mount Vernon Physicians, LLC
c/o Frauenshuh
7101 West 78th Street
Minneapolis, MN 55439

and the Contractor:
(Name, legal status, address and other information)

McCarthy Building Companies, Inc.
1341 N. Rock Hill Road
St. Louis, MO 63124

for the following Project:
(Name, location, and detailed description)

Construction labor, materials and equipment and value engineering and construction estimating during all design and construction phases necessary to complete the construction of the Medical Office Building at Good Samaritan Regional Health Center.

The Architect:
(Name, legal status, address and other information)

BSA LifeStructures
35 East Wacker Drive, Suite 800
Chicago, IL 60601

The Owner and Contractor agree as follows.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

This document is not intended for use in competitive bidding.

AIA Document A201™–2007, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

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§ 5.1.5 Unit prices, if any, are set forth in the "Schedule of Unit Prices" attached hereto as Exhibit D, if applicable. Such unit prices are considered complete and include (i) all materials, equipment, labor, delivery, installation, overhead, and profit and (ii) any other costs or expenses in connection with, or incidental to, the performance of that portion of the Work to which unit prices apply.

(Identify and state the unit price; state the quantity limitations, if any, to which the unit price will be applicable.)

Item	Units and Limitations	Price Per Unit(\$0-00)
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§ 5.2 GUARANTEED MAXIMUM PRICE

§ 5.2.1 The Contract Sum is guaranteed by the Contractor not to exceed Fourteen Million Four Hundred Sixty-Six Thousand Eight Hundred Ninety-Nine Dollars (\$ 14,466,899), subject to additions and deductions by Change Order as provided in the Contract Documents. Such maximum sum is referred to in the Contract Documents as the Guaranteed Maximum Price (or "GMP"). Costs which would cause the Guaranteed Maximum Price to be exceeded shall be paid by the Contractor without reimbursement by the Owner.

(Insert specific provisions if the Contractor is to participate in any savings.)

100% of all savings below GMP shall accrue to Owner.

§ 5.2.1.1 The GMP includes a line item for Contractor's General Conditions of Seven Hundred Nineteen Thousand Twenty Dollars (\$719,020) which shall be a fixed amount for that line item (the "General Conditions" or "General Conditions"). Contractor will not apply for payment for any Cost of the Work that it incurs in excess of the General Conditions or be entitled to any increase in the General Conditions except for reasons that would entitle Contractor to a Change Order under this Agreement increasing the GMP. Because the General Conditions are a fixed amount, the provision in § 5.2.1 that all savings below the GMP shall accrue to the Owner does not apply to the General Conditions described in § 5.2.1.1.

§ 5.2.1.2 The GMP includes a line item for part of the Work that the Contractor will self perform with its own forces of One Million Five Hundred Eighty-Five Thousand Three Hundred Four Dollars (\$1,585,304) which will itself be a Guaranteed Maximum Price for that line item (the "Self Performed GMP" or "SPGMP"). Contractor will not apply for payment for any Cost of the Work that it incurs in excess of the SPGMP or be entitled to any increase in the SPGMP except for reasons that would entitle Contractor to a Change Order under this Agreement increasing the GMP.

§ 5.2.1.3 Contractor's GMP contains a contingency of Three Hundred Ninety-Nine Thousand Nine Hundred Two Dollars (\$399,902) to cover the risks inherent in providing a GMP for the Project. Contractor may not use the contingency established for the GMP to fund any Cost of the Work applicable to and in excess of the General Conditions or SPGMP. Contractor acknowledges that the General Conditions and the SPGMP each have their own contingencies that are already part of the General Conditions and SPGMP and that are separate from the GMP contingency. Contractor may not use the contingency to fund any cost overruns in the General Conditions or the SPGMP provided in §§ 5.2.1.1 and 5.2.1.2.

§ 5.2.2 The Guaranteed Maximum Price is based on the following alternates, if any, which are described in the Contract Documents and are hereby accepted by the Owner:

(State the numbers or other identification of accepted alternates. If bidding or proposal documents permit the Owner to accept other alternates subsequent to the execution of this Agreement, attach a schedule of such other alternates showing the amount for each and the date when the amount expires.)

Alternates, if any, are listed in Exhibit E.

§ 5.2.3 Allowances included in the Guaranteed Maximum Price, if any, are listed in Exhibit F and are also included in the Guaranteed Maximum Price. Contractor represents that allowances are reasonably accurate cost estimates, but not guaranteed. Guaranteed Maximum Price will be adjusted for any items as an allowance when the actual cost for each allowance item is determined. For items listed as allowances, where the allowance is greater than the actual Cost of the Work or where the allowance is less than the actual Cost of the Work, the Guaranteed Maximum Price will be decreased or increased respectively by the amount of the difference. Before allowance is exceeded,

(State bonding requirements, if any, and limits of liability for insurance required in Article 11 of AIA Document A201-2007.)

Type of insurance or bond

Limit of liability or bond amount (\$0.00)(\$ 0.00)

This Agreement entered into as of the day and year first written above.


OWNER (Signature)

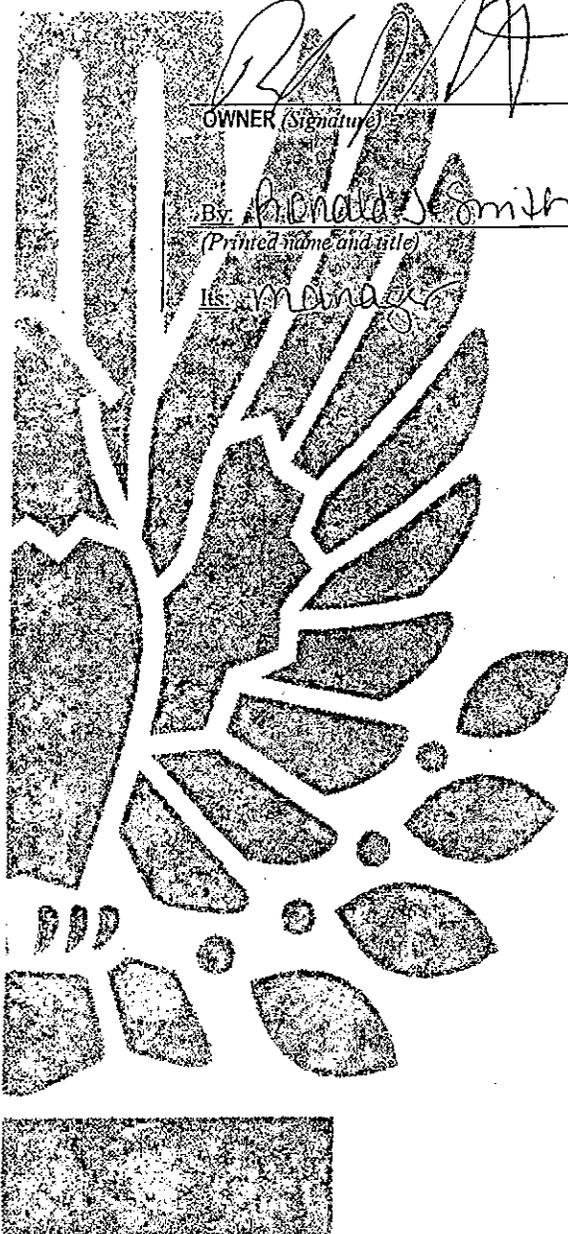
By: Ronald J. Smith
(Printed name and title)

Its: Manager


CONTRACTOR (Signature)

By: SCOTT T. WITTKOP
(Printed name and title)

Its: PRESIDENT-CENTRAL DIVISION



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