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**M MEMORIAL**

*Dedication. Compassion. Innovation.*

MARK J. TURNER, PRESIDENT

**VIA FEDERAL EXPRESS**



June 11, 2012

Illinois Health Facilities and Services Review Board  
525 West Jefferson  
Springfield, Illinois 62761

RE: Annual Progress Report  
Project #11-017  
Metro East Services, Inc. d/b/a Memorial Hospital East

**RECEIVED**

JUN 13 2012

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

To Whom It May Concern:

Please accept this document in response to the annual progress reporting requirements for the above-referenced project, consistent with the provisions of Section 1130.760. This project was approved by the State Board on June 28, 2011 and involves construction of a newly licensed 94-bed hospital to be located at Shiloh, Illinois.

The project is currently approximately 5% complete, and the anticipated completion date remains June 30, 2017. To date, it is estimated that a total of approximately \$ 5.5 million has been incurred related to the project.

The attached table identifies the anticipated project costs as identified in the *Application*, the currently-anticipated project cost, and costs incurred to date.

The major project components completed to date include:

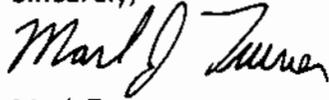
- Selection of project architect
- Selection of construction management team
- Schematic design

The major project components yet to be completed include:

- Design Development
- Construction
- Final equipment selection and installation
- Landscaping
- Installation of equipment
- Inspections and occupancy permit

Please do not hesitate to contact me if any additional information is required. I may be reached at 618-257-5642 or [mturner@memhosp.com](mailto:mturner@memhosp.com)

Sincerely,

A handwritten signature in black ink that reads "Mark J. Turner". The signature is written in a cursive, flowing style.

Mark Turner  
President

cc: Ruth Holmes, Vice President  
Jack Axel, Axel & Associates  
Joe Lanius, Vice President  
Amy Thomas, Vice President

attachment

**PROTESTANT MEMORIAL MEDICAL CENTER  
PROJECT #11-017**

**IDENTIFICATION OF COSTS INCURRED**

| <b>USE OF FUNDS</b>        | <u>Approved<br/>Amount</u> | <u>Current<br/>Estimate</u> | <u>Incurred<br/>To Date</u> |
|----------------------------|----------------------------|-----------------------------|-----------------------------|
| Preplanning Costs          | \$ 1,615,000               | 50,000                      | 50,000                      |
| Site Survey & Soil Invest  | 50,000                     | 312,000                     | 18,000                      |
| Site Preparation           | 3,690,000                  | 10,423,000                  | 433,750                     |
| Off Site Work              | 6,000,000                  | 2,829,000                   | 285,550                     |
| New Construction Contracts | 69,835,354                 | 74,000,000                  | 0                           |
| Contingencies              | 5,757,450                  | 0                           | 0                           |
| A & E Fees                 | 3,990,000                  | 3,868,000                   | 3,867,345                   |
| Consulting & Other Fees    | 400,000                    | 200,000                     | 101,440                     |
| Movable Equipment          | 23,556,000                 | 23,000,000                  | 795,000                     |
| Net Interest Expense       | 3,735,654                  | 3,736,000                   | 0                           |
| <b>TOTAL</b>               | <b>\$ 118,629,458</b>      | <b>\$118,418,000</b>        | <b>\$5,551,085</b>          |

**SOURCES OF FUNDS**

|                     |                      |                      |                    |
|---------------------|----------------------|----------------------|--------------------|
| Cash and Securities | \$ 10,000,000        | 10,000,000           | 5,551,085          |
| Mortgages/Loans     | 108,629,458          | 108,418,000          | 0                  |
| <b>TOTAL</b>        | <b>\$118,629,458</b> | <b>\$118,418,000</b> | <b>\$5,551,085</b> |