

# M Northwestern Memorial® HealthCare

December 14, 2015

Ms. Courtney Avery  
Administrator  
Illinois Health Facilities and Services Review Board  
525 West Jefferson Street, 2<sup>nd</sup> Floor  
Springfield, IL 62761

**Re: Project Completion  
Project # 11-107  
Northwestern Memorial Hospital  
Outpatient Care Pavilion (OCP) Project**

Dear Ms. Avery:

This letter certifies that project #11-107 has been completed and is in compliance with all terms of the permit, including total project cost, square footage, and services. The final realized cost is \$291,513,978 which is less than the approved permit amount of \$310,154,935. This is the total amount required to complete the project.

A detailed itemization of expenditures and sources of funds is attached. The entire project cost will be submitted for reimbursement under Titles XVIII and XIX of the Social Security Act. There are no additional or associated costs or capital expenditures related to the project that will be submitted for reimbursement under Title XVIII or XIX.

This letter is intended to complete the project close-out process for this permit. If further information or action is needed, please contact Bridget Orth (312-926-8650).

Sincerely,



Gina Weldy  
Vice President, Real Estate

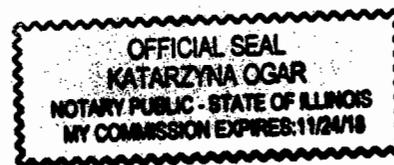


John A. Orsini  
Senior Vice President &  
Chief Financial Officer

cc: Bridget Orth, Director, Regulatory Planning  
Jim Mladucky, Director, Planning and Construction  
Jan Peterson, Project Manager, Finance  
Simon Jin, Project Accountant, Finance

Attachments

251 East Huron Street, Chicago, Illinois 60611-2908 312.926.2000 www.nmh.org



*Katarzyna Ogara*  
Chicago, Illinois

December 14, 2015

**Outpatient Care Pavilion (OCP) Project  
Project # 11-107**

**ANNUAL COST REPORT  
to the  
Illinois Health Facilities and Services Review Board**

**Northwestern Memorial Hospital Permit Project Expenditures**

**Final Realized Cost**

<u>Category</u>	CON Approved Budget	Project to Date (Final)
<b><u>USE OF FUNDS</u></b>		
2 SITE SURVEY AND SOIL INVESTIGATION	\$ 352,786	\$ 260,665
3 SITE PREPARATION	2,865,020	1,904,156
4 OFF SITE WORK	1,764,235	1,043,370
5 NEW CONSTRUCTION CONTRACTS	216,762,153	216,762,153
7 CONTINGENCIES	21,911,716	16,866,706
8 ARCHITECTURAL/ENGINEERING FEES	8,310,429	12,763,355
9 CONSULTING & OTHER FEES	16,321,677	15,499,563
10 MOVABLE CAPITAL EQUIPMENT (not in constr	25,928,100	21,158,796
11 BOND ISSUANCE EXPENSE (project related)	-	-
12 NET INTEREST EXPENSE DURING CONSTI	-	-
14 OTHER COSTS WHICH ARE TO BE CAPITALIZED	15,938,819	5,255,214
<b>GRAND TOTAL</b>	<b>\$ 310,154,935</b>	<b>\$ 291,513,978</b>
<b><u>SOURCE OF FUNDS</u></b>		
16 CASH & SECURITIES	\$ 310,154,935	\$ 291,513,978
18 GIFTS & BEQUESTS	-	-
19 BOND ISSUES (project related)	-	-
25 TOTAL FUNDS	<b>\$ 310,154,935</b>	<b>\$ 291,513,978</b>
CON PERMIT AMOUNT	\$ 310,154,935	\$ 291,513,978
% COMPLETE	100.0%	



Invoice  
No. 1222069017

Northwestern Memorial Hospital  
Accounts Payable  
PO Box 10614  
Chicago, IL 60610

Date	GC Job#:	Owner PO#	Job Location	Invoice #
3/6/2015	22069	3001118096	Chicago, IL	Final Billing

NMH OCP 10TH & 12TH Floor Surgery

RE: Northwestern Memorial Hospital Outpatient Care Pavilion  
259 E. Erie Street, Chicago, IL

Contract Amount	11,352,020.00
Change Orders	2,278,674.00
<b>Revised Contract Amount</b>	<b><u>\$13,630,694.00</u></b>
Work Completed To Date	13,630,694.00
Less: Retention	0.00
Net Amount Earned	\$13,630,694.00
Less: Previously Billed	13,443,478.00
<b>Net Amount Due This Invoice</b>	<b><u>\$187,216.00</u></b>

**APPLICATION AND CERTIFICATE OF PAYMENT** DOCUMENT G702

PROJECT: Northwestern Memorial Hospital  
 Outpatient Care Pavilion  
 259 E. Erie Street, Chicago, IL  
 Purchase order #300118096  
 NMH OCP 10th & 12th Floor Surgery  
 VIA (ARCHITECT):

APPLICATION NO: Final Billing

PERIOD TO: 03/06/15

Distribution to:  
 OWNER  
 ARCHITECT  
 CONTRACTOR

FROM (CONTRACTOR):  
 Lend Lease, Inc & The Pepper Construction Companies, Inc.  
 A Joint Venture  
 One North Wacker, Ste 850  
 Chicago, IL 60606  
 CONTRACT FOR: Tenant Improvement  
 Project #3508.00

ARCHITECTS

PROJECT NO:

CONTRACT DATE:

**CONTRACTOR'S APPLICATION FOR PAYMENT**

Application is made for Payment, as shown below, in connection with the Contract. Continuation Sheet, Document G703, is attached.

CHANGE ORDER SUMMARY		ADDITIONS	DEDUCTIONS
Change Orders approved in previous months by Owner - 0 through: 0			
TOTAL		2,315,493.00	
Approved this Month	Date Approved		
Number			
028	12/12/2014		
029	3/5/2015	0.00	(36,819.00)
TOTALS		2,315,493.00	(36,819.00)
Net Change by Change Orders		2,278,674.00	

1. ORIGINAL CONTRACT SUM ..... \$ 11,352,020.00
2. Net Change by Change Orders ..... \$ 2,278,674.00
3. CONTRACT SUM TO DATE (Line 1+2) ..... \$ 13,630,694.00
4. TOTAL COMPLETED & STORED TO DATE ..... \$ 13,630,694.00  
 (Column G on G703)

5. RETAINAGE:
  - a. 0% of Completed Work \$ -
  - (Column D+E on G703)
  - b. of Stored Material  
 (Column F on G703)

Total Retainage (Line 5a+5b or Total in Column I of G703) ..... \$ -

6. TOTAL EARNED LESS RETAINAGE ..... \$ 13,630,694.00  
 (Line 4 less line 5 Total)

7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) ..... \$ 13,443,478.00
8. CURRENT PAYMENT DUE ..... \$ 187,216.00
9. BALANCE TO FINISH, PLUS RETAINAGE ..... \$ -  
 (Line 3 less Line 6)

State of: Illinois County of: Cook  
 Subscribed and sworn to before me this March 6, 2015  
 Notary Public: Tiffany Mehalic  
 TIFFANY MEHALIC  
 Notary Public, State of Illinois  
 My Commission Expires 11/03/15

Contractor Lend Lease, Inc & The Pepper Construction Companies, Inc. A Joint Venture  
 Brian Greiner  
 Assistant Controller

By: [Signature] March 6, 2015

AMOUNT CERTIFIED ..... \$ 187,216.00  
 (Attach explanation if amount certified differs from the amount applied for).  
 ARCHITECT:

By: [Signature] Date: 3/2/15  
 This certificate is not negotiable. The amount certified is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this contract.  
[Signature] 4/24/15

**ARCHITECT'S CERTIFICATE FOR PAYMENT**

In accordance with the contract documents, based on on-site observations and the data comprising the above application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the work has progressed as indicated, the quality of the work is in accordance with the contract documents, and the Contractor is entitled to payment of the amount certified.



Invoice  
No. 1222067017

Northwestern Memorial Hospital  
Accounts Payable  
PO Box 10614  
Chicago, IL 60610

Date	GC Job#:	Owner PO#	Job Location	Invoice #
4/28/2015	22067	3001118096	Chicago, IL	Final Billing, Revision 1

NMH OCP 17th Floor Imaging

RE: Northwestern Memorial Hospital Outpatient Care Pavilion  
259 E. Erie Street, Chicago, IL

Contract Amount	7,206,518.00
Change Orders	456,800.00
<b>Revised Contract Amount</b>	<b><u>\$7,663,318.00</u></b>
Work Completed To Date	7,663,318.00
Less: Retention	0.00
Net Amount Earned	7,663,318.00
Less: Previously Billed	7,537,771.00
<b>Net Amount Due This Invoice</b>	<b><u>125,547.00</u></b>

**APPLICATION AND CERTIFICATE OF PAYMENT** DOCUMENT G702

PROJECT: Northwestern Memorial Hospital  
 Outpatient Care Pavilion  
 259 E. Erie Street, Chicago, IL  
 Purchase order #300118096  
 NMH OCP 17th Floor Imaging  
 VIA (ARCHITECT):

APPLICATION NO: Billing, Revision 1  
 PERIOD TO: 04/28/15  
 ARCHITECT'S  
 No. 22067-\*\*\*-09-13676  
 CONTRACT DATE: 130826

TO (OWNER): Northwestern Memorial Hospital  
 251 E. Huron Street  
 Chicago, IL 60611

FROM (CONTRACTOR): Lend Lease, Inc & The Pepper Construction Companies, Inc.  
 A Joint Venture  
 One North Wacker, Ste 850  
 Chicago, IL 60606  
 CONTRACT FOR: Tenant Improvement

**CONTRACTOR'S APPLICATION FOR PAYMENT**

Application is made for Payment, as shown below, in connection with the Contract. Con 8361

CHANGE ORDER SUMMARY		ADDITIONS	DEDUCTIONS
Change Orders approved in previous months by Owner - 0 through 0			
Approved this Month	TOTAL	411,060.00	
Number	Date Approved		
22	3/2/2014	48,123.00	2,383.00
23	4/28/2015		
TOTALS		459,183.00	2,383.00
Net Change by Change Orders			456,800.00

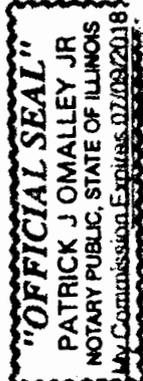
The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief, the work covered by this application for payment has been completed in accordance with the contract documents, that all amounts have been paid by the Contractor for work for which previous certificates for payment were issued and payments received from the Owner, and that current payment shown herein is now due.

1. ORIGINAL CONTRACT SUM ..... \$ 7,206,518.00
  2. Net Change by Change Orders ..... \$ 456,800.00
  3. CONTRACT SUM TO DATE (Line 1+2) ..... \$ 7,663,318.00
  4. TOTAL COMPLETED & STORED TO DATE ..... \$ 7,663,318.00  
 (Column G on G703)
  5. RETAINAGE:
    - a. 0% of Completed Work ..... \$ -  
 (Column D+E on G703)
    - b. \_\_\_\_\_ of Stored Material  
 (Column F on G703)
- Total Retainage (Line 5a+5b or Total in Column I of G703) ..... \$ -
6. TOTAL EARNED LESS RETAINAGE ..... \$ 7,663,318.00  
 (Line 4 less line 5 Total)
  7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) ..... \$ 7,537,771.00
  8. CURRENT PAYMENT DUE ..... \$ 125,547.00
  9. BALANCE TO FINISH, PLUS RETAINAGE (Line 3 less Line 6) ..... \$ -

Contractor Lend Lease, Inc & The Pepper Construction Companies, Inc. A Joint Venture  
 Kelly Hampton  
 Senior Project Accountant

By: *Kelly Hampton* April 28, 2015

State of Illinois County of Cook April 28, 2015  
 Subscribed and sworn to before me this  
 Notary Public: *Patrick J. Omalley Jr.*



AMOUNT CERTIFIED .....  
 (Attach explanation if amount certified differs from the amount applied for).  
 ARCHITECT: *[Signature]*

**ARCHITECT'S CERTIFICATE FOR PAYMENT**

In accordance with the contract documents, based on on-site observations and the data comprising the above application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the work has progressed as indicated, the quality of the work is in accordance with the contract documents, and the Contractor is entitled to payment of the amount certified.

By: *[Signature]* Date: *4/28/15*  
 This certificate is not negotiable. The amount certified is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this contract.

CONTRACTOR / VENDOR  
INVOICE

**CONTRACTOR:** Skender Construction, LLC      **PROJECT:** Northwestern Memorial Hospital  
200 W. Madison, Suite 1300      259 Bridge Connection  
Chicago, IL 60606      Feinberg-Gaiter Pavilion

**BILL TO:** Northwestern Memorial Hospital  
P.O. Box 10614  
Chicago, IL 60610  
Attn: Accounts Payable

**INVOICE NO:** 140207-01-09

**INVOICE DATE:** 5/26/2015

<b>CURRENT CONTRACT VALUE (CAPITAL):</b>	\$2,164,412.71
<b>PREVIOUS APPLICATION:</b>	\$1,950,086.93
<b>CURRENT INVOICE TOTAL:</b>	<b>\$214,325.78</b>
<b>CURRENT BALANCE DUE:</b>	\$ -

*Applied to the following Purchase Orders*

<b>PO # 3001330689</b>	<b>CAPITAL</b>	<b>\$214,325.78</b>
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<b>TOTAL:</b>	<b>\$ 214,325.78</b>
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\* Please refer to the attached backup for additional detail.

# APPLICATION AND CERTIFICATE FOR PAYMENT

AIA DOCUMENT G702 (Instructions on reverse side)

TO: Northwestern Memorial Hospital  
 251 E. Huron  
 Chicago, IL 60611

FROM CONTRACTOR: Skender Construction, LLC  
 200 W. Madison St., Suite 1300  
 Chicago, IL 60608

PROJECT: NMH 259 Bridge Connection  
 Feinberg-Galter Pavilion  
 251 E. Huron Street, Chicago, IL 60611

VIA (ARCHITECT): VOA Associates  
 224 S. Michigan Avenue  
 Chicago, IL 60604

APPLICATION NO.: Draw #9  
 5/15/2015  
 PERIOD TO: 14-02-07

Distribution to:  
 OWNER  
 ARCHITECT  
 CONTRACTOR

## CAPITAL WORK

CONTRACT FOR: Northwestern Memorial Hospital 259 Bridge Connection

**CONTRACTOR'S APPLICATION FOR PAYMENT**  
 Application is made for payment, as shown below, in connection with the Contract.  
 Continuation Sheet, AIA Document G703, is attached.

1 ORIGINAL CONTRACT SUM.....	\$	2,106,284.00
2 Net change by Change Orders.....	\$	58,128.71
3 CONTRACT SUM TO DATE (Line 1 + 2).....	\$	2,164,412.71
4 TOTAL COMPLETED & STORED TO DATE.....	\$	2,164,412.71
<b>RETAINAGE:</b>		
a 0.00% % of Completed Work (Column D + E on G703)	\$	0.00
b 0 % of Stored Material (Column F on G703)	\$	0.00
Total Retainage (Line 5a + 5b or Total in Column I of G703)	\$	0.00
<b>6 TOTAL EARNED LESS RETAINAGE.....</b>	<b>\$</b>	<b>2,164,412.71</b>

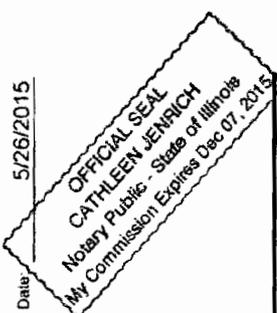
<b>7 LESS PREVIOUS CERTIFICATES FOR PAYMENT</b>	
(Line 6 from prior Certificate)	\$ 1,950,086.93
<b>8 CURRENT PAYMENT DUE.....</b>	<b>\$ 214,325.78</b>
<b>9 BALANCE TO FINISH, INCLUDING RETAINAGE</b>	<b>\$ 0.00</b>
(Line 3 less line 8)	

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	161,850.00	(64,203.00)
Total approved this Month	0.00	(39,518.29)
<b>TOTALS</b>	<b>161,850.00</b>	<b>(103,721.29)</b>
NET CHANGES by Change Order	58,128.71	

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payment received from the Owner, and that current payment shown herein is now due.

CONTRACTOR:  
 By: *[Signature]* Date: 5/26/2015

State of: ILLINOIS  
 County of: COOK  
 Subscribed and sworn to before me this 26th day of May, 2015



Notary Public: *[Signature]* Date: 5/26/2015  
 My Commission expires: 12/7/2015

**ARCHITECT'S CERTIFICATE FOR PAYMENT**  
 In accordance with the Contract Documents, based on on-site observations and the data comprising this application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED.....\$ 214,325.78  
 (Attach explanation if amount certified differs from the amount applied for. Initial all figures on this Application and on the Continuation Sheet that are changed to conform to the amount certified.)

ARCHITECT:  
 By: *[Signature]* Date: 6/14/15  
 This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Assurance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.



643 North Orleans  
 Chicago, IL 60654-3608  
 Phone:(312)266-4700 Fax:(312)266-2792

INVOICE  
 No. 1400696010

Sold Northwestern Memrl Hosp  
 251 E Huron Street  
 Chicago, IL 60611

Attn:

DATE	JOB NO.	YOUR NO.	JOB LOCATION
09/30/2015	1400696	3001365772	Chicago IL

Revised Final Billing

RE: NMH OCP - 18th Floor  
 259 E. Erie  
 Chicago, IL 60611

Contract Amount	\$ 16,490,840.00
Change Orders	\$ 1,673,571.76
	<hr/>
Revised Contract Amount	<u>\$ 18,164,411.76</u>
Work Completed to Date	\$ 18,164,411.76
Less: Retention	<u>\$ 0.00</u>
Net Amount Earned	\$ 18,164,411.76
Less: Previously Billed	<u>\$ 16,186,885.84</u>
Net Amount Due This Invoice	<u><u>\$ 1,977,525.92</u></u>

*AEN 9/29/15*

# APPLICATION AND CERTIFICATE FOR PAYMENT

TO OWNER: Northwestern Memrl Hosp  
 251 E Huron Street  
 Chicago, IL 60611 US

PROJECT: NMH OCP - 18th Floor

APPLICATION NO.: 9  
 PERIOD TO : 31-AUG-15  
 PROJECT NOS.: 1400696  
 INVOICE NO. 1400696010  
 DISTRIBUTION TO:  
 OWNER  
 ARCHITECT  
 CONTRACTOR  
 CONTRACT DATE : 15-OCT-14

FROM CONTRACTOR: Pepper Construction Company  
 643 North Orleans  
 Chicago, IL, 60654-3608

ARCHITECT:

CONTRACT FOR: NMH OCP - 18th Floor

## CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation sheet is attached.

- 1. ORIGINAL CONTRACT SUM ..... \$ 16,490,840
- 2. Net change by change orders ..... \$ 1,673,572
- 3. CONTRACT SUM TO DATE ( Line 1 +/- 2 ) ..... \$ 18,164,412
- 4. TOTAL COMPLETED & STORED TO DATE ..... \$ 18,164,412  
 (Column G on G703)
- 5. RETAINAGE:  
 Total retainage Column I of G703) ..... \$ 0
- 6. TOTAL EARNED LESS RETAINAGE ..... \$ 18,164,412  
 (Line 4 less Line 5 Total)
- 7. LESS PREVIOUS CERTIFICATES FOR PAYMENT  
 (Line 6 from prior Certificate) ..... \$ 16,186,886
- 8. CURRENT PAYMENT DUE ..... \$ 1,977,526
- 9. BALANCE TO FINISH, INCLUDING RETAINAGE ..... \$ 0  
 (Line 3 less Line 6 )



The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for payment were issued and payments received from the Owner, and that current payment shown herein is now due.

Contractor : Pepper Construction Company  
 By: Jacklyn Kowalski Date: 9.25.15  
 State of: \_\_\_\_\_  
 County of: \_\_\_\_\_  
 Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_  
 Notary Public: Jacklyn Kowalski  
 My Commission expires: \_\_\_\_\_

## ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the above application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of Work is in accordance with the Contract Documents, and the Contractor is entitled to the payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED ..... \$ 1,977,526  
 (Attach explanation if amount certified differs from the amount applied for. Initial figures on this Application and on the Continuation Sheet that are changed to conform to the amount certified.)

ARCHITECT: [Signature] Date: 9/28/15  
 By: \_\_\_\_\_  
 This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

CHANGE ORDER SUMMARY		ADDITIONS	DEDUCTIONS
Change Order approved in previous months by Owner		1,196,730	0
APPROVED THIS MONTH			
Number	Date Approved		
0000016	02-SEP-2015	0	
0000017	02-SEP-2015	453,627	
0000018	25-SEP-2015	23,215	
<b>CURRENT TOTAL</b>		<b>476,842</b>	<b>0</b>
<b>Net Change by Change Orders</b>		<b>1,673,572</b>	



Northwestern Memorial Hospital  
 Accounts Payable  
 PO Box 10614  
 Chicago, IL 60610

Date	GC Job#	Owner PO#	Job Location	Invoice #
11/30/2015	52091803	3001055341	Chicago, IL	52091803-37

Core & Shell Billing #37

RE: Northwestern Memorial Hospital Outpatient Care Pavilion  
 259 E. Erie Street, Chicago, IL

Contract Amount	175,623,312.00
Change Orders	6,265,514.00
<b>Revised Contract Amount</b>	<b><u>\$181,888,826.00</u></b>
Work Completed To Date	181,888,826.00
Less: Retention	0.00
Net Amount Earned	\$181,888,826.00
Less: Previously Billed	181,793,163.00
<b>Net Amount Due This Invoice</b>	<b><u>\$95,663.00</u></b>

**APPLICATION AND CERTIFICATE OF PAYMENT DOCUMENT G702**

TO (OWNER): Northwestern Memorial Hospital  
 251 E. Huron Street  
 Chicago, IL 60611

PROJECT: 52091803 DOCUMENT G702  
 APPLICATION NO: 37  
 PERIOD TO: 11/30/15  
 Distribution to:  
 OWNER  
 ARCHITECT  
 CONTRACTOR

FROM (CONTRACTOR): Lend Lease, Inc & The Pepper Construction Companies, Inc.  
 A Joint Venture  
 One North Wacker, Ste 850  
 Chicago, IL 60606  
 CONTRACT FOR: Core & Shell

VIA (ARCHITECT): ARCHITECTS  
 PROJECT NO:  
 CONTRACT DATE:

**CONTRACTOR'S APPLICATION FOR PAYMENT**

Application is made for Payment, as shown below, in connection with the Contract. Continuation Sheet, Document G703, is attached.

CHANGE ORDER SUMMARY		ADDITIONS	DEDUCTIONS
Change Orders approved in previous months by Owner - 1 through 15			
TOTAL		6,378,245.00	(112,731.00)
Approved this Month	Date Approved		
Number			
TOTALS		6,378,245.00	(112,731.00)
Net Change by Change Orders			6,265,514.00

1. ORIGINAL CONTRACT SUM ..... \$ 175,623,312.00
2. Net Change by Change Orders ..... \$ 6,265,514.00
3. CONTRACT SUM TO DATE (Line 1+2) ..... \$ 181,888,826.00
4. TOTAL COMPLETED & STORED TO DATE ..... \$ 181,888,826.00  
 (Column G on G703)

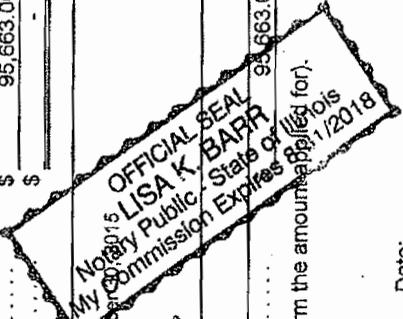
5. RETAINAGE:
  - a. 0% of Completed Work \$ \_\_\_\_\_  
 (Column D+E on G703)
  - b. \_\_\_\_\_ of Stored Material  
 (Column F on G703)

Total Retainage (Line 5a+5b or Total in Column I of G703) ..... \$ \_\_\_\_\_  
 6. TOTAL EARNED LESS RETAINAGE ..... \$ 181,888,826.00  
 (Line 4 less line 5 Total)

7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) ..... \$ 181,793,163.00
8. CURRENT PAYMENT DUE ..... \$ 95,663.00
9. BALANCE TO FINISH, PLUS RETAINAGE ..... \$ \_\_\_\_\_  
 (Line 3 less Line 6)

Contractor Lend Lease, Inc & The Pepper Construction Companies, Inc. A Joint Venture  
 Paul James  
 Sr. Vice President

State of Illinois County of Cook  
 Subscribed and sworn to before me this November 30, 2015  
 Notary Public: Lisa K Barr



By: *[Signature]*

My Commission expires: November 30, 2015

**ARCHITECT'S CERTIFICATE FOR PAYMENT**

In accordance with the contract documents, based on on-site observations and the data comprising the above application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the work has progressed as indicated, the quality of the work is in accordance with the contract documents, and the Contractor is entitled to payment of the amount certified.

By: \_\_\_\_\_ Date: \_\_\_\_\_  
 This certificate is not negotiable. The amount certified is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this contract.

AMOUNT CERTIFIED ..... \$ 95,663.00  
 (Attach explanation if amount certified differs from the amount certified for ARCHITECT.)

**NORTHWESTERN MEMORIAL HOSPITAL  
HEALTH FACILITIES AND SERVICES  
REVIEW BOARD (HFSRB)  
NORTHWESTERN MEMORIAL HOSPITAL PROJECT  
HFSRB PROJECT #11-107  
SCHEDULE OF PROJECT COSTS AND  
SOURCES OF FUNDS**

For the period March 1, 2012 to October 31, 2015

NORTHWESTERN MEMORIAL HOSPITAL

Chicago, Illinois

HEALTH FACILITIES AND SERVICES REVIEW BOARD

NORTHWESTERN MEMORIAL HOSPITAL PROJECT

HFSRB PROJECT #11-107

SCHEDULE OF PROJECT COSTS AND SOURCES OF FUNDS

For the period from March 1, 2012 to October 31, 2015

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## REPORT OF INDEPENDENT AUDITORS

Board of Trustees of  
Northwestern Memorial Hospital and  
State of Illinois' Health Facilities and Services Review Board

**Report on the Schedule**

We have audited the Schedule of Project Costs and Sources of Funds of Northwestern Memorial Hospital related to the Health Facilities and Services Review Board ("HFSRB") Project #11-107 for the period from March 1, 2012 through October 31, 2015 (Schedule), and the related notes to the Schedule.

**Management's Responsibility for the Schedule**

Management is responsible for the preparation and fair presentation of the Schedule in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedule that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Schedule based on our audit. We conducted our audit of the Schedule in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the Schedule referred to above presents fairly, in all material respects, the project costs and sources of funds of Northwestern Memorial Hospital related to the Health Facilities and Services Review Board Project #11-107 for the period from March 1, 2012 through October 31, 2015, in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

The accompanying Schedule was prepared to present the project costs and sources of funds for the purpose of complying with the terms of the Health Facilities and Services Review Board permit as described in Note 1 and is not intended to be a complete presentation of Northwestern Memorial Hospital's financial position. Our opinion is not modified with respect to this matter.

**Restriction on Use**

This report is intended solely for the information and use of the management of Northwestern Memorial Hospital and the State of Illinois, and is not intended to be and should not be used by anyone other than these specified parties.

*Crowe Horwath LLP*  
Crowe Horwath LLP

Chicago, Illinois  
December 1, 2015

NORTHWESTERN MEMORIAL HOSPITAL  
HEALTH FACILITIES AND SERVICES REVIEW BOARD  
NORTHWESTERN MEMORIAL HOSPITAL PROJECT  
HFSRB PROJECT #11-107  
SCHEDULE OF PROJECT COSTS AND SOURCES OF FUNDS  
Period from March 1, 2012 to October 31, 2015

	Project Cost			
	Approved Permit Amount	Final Approved Alteration	Actual Funds Expended	Altered vs. Actual Variance
Costs:				
Site survey and soil investigation	\$ 352,786	\$ 352,786	\$ 260,665	\$ 92,121
Site preparation	2,865,020	2,865,020	1,904,156	960,864
Off-site work	1,764,235	1,764,235	1,043,370	720,865
New construction contracts	219,117,153	216,762,153	216,762,153	-
Contingencies	21,911,716	21,911,716	16,866,706	5,045,010
Architectural/engineering fees	8,310,429	8,310,429	12,763,355	(4,452,926)
Consulting and other fees	16,321,677	16,321,677	15,499,563	822,114
Movable or other equipment	25,928,100	25,928,100	21,158,796	4,769,304
Bond issuance expense	3,026,000	-	-	-
Net interest expense during construction	7,291,000	-	-	-
Other costs to be capitalized	<u>15,938,819</u>	<u>15,938,819</u>	<u>5,255,214</u>	<u>10,683,605</u>
 Total project cost	 <u>\$322,826,935</u>	 <u>\$310,154,935</u>	 <u>\$291,513,978</u>	 <u>\$ 18,640,957</u>

	Sources of Funds			
	Approved Amount	Final Altered Amount	Actual	Altered vs. Actual Variance
Cash and securities	\$166,564,935	\$310,154,935	\$291,513,978	\$ 18,640,957
Pledges	-	-	-	-
Gifts and bequests	-	-	-	-
Bond issues (project related)	156,262,000	-	-	-
Mortgages/loans	-	-	-	-
Leases (fair market value)	-	-	-	-
Government appropriations	-	-	-	-
Grants	-	-	-	-
Other funds and sources	-	-	-	-
 Total funds	 <u>\$322,826,935</u>	 <u>\$310,154,935</u>	 <u>\$291,513,978</u>	 <u>\$ 18,640,957</u>

See notes to Schedule of Project Costs and Sources of Funds

NORTHWESTERN MEMORIAL HOSPITAL  
NOTES TO SCHEDULE OF PROJECT COSTS AND SOURCES OF FUNDS  
Period from March 1, 2012 to October 31, 2015

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**NOTE 1 - DESCRIPTION OF PROJECT**

Northwestern Memorial Hospital ("NMH") was issued a permit to construct a 25-story medical office building with outpatient clinical services, under Illinois' Health Facilities and Services Review Board (HFSRB) Project #11-107. Work on the project was started in March 1, 2012 and ended on October 31, 2015. The project was approved by the HFSRB at an estimated cost of \$322,826,935. On December 8, 2014, NMH requested for and received an alteration to their permit to reduce the budgeted use on new construction contracts and cash of \$2,355,000 for amounts that were budgeted for as tenant improvement allowances for the build-out of the 11<sup>th</sup> floor physician offices. The altered permit budgeted amount changed to \$320,471,935. On November 23, 2015, NMH requested an additional alteration to the budget to reduce the bond issuance costs and bond related interest as the sources of the project was changed to be financed entirely from cash. The final altered permit budget amount changed to \$310,154,935. The final project costs totaled \$291,513,978. The Schedule has been prepared in accordance with accounting principles generally accepted in the United States of America and is not intended to be a complete presentation of Northwestern Memorial Hospital's financial position.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting: Accounting for the costs on the Schedule was performed in accordance with the accrual basis of accounting.

Use of Estimates: The preparation of the Schedule in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of project costs and disclosure over the period covered by the Schedule. Actual project costs could differ from management's estimates.

**NOTE 3 - SUBSEQUENT EVENTS**

Northwestern Memorial Hospital evaluated events and transactions occurring subsequent to October 31, 2015, through December 1, 2015, the date the Schedule was available to be issued. During this period, there were no subsequent events that required recognition or disclosure in the Schedule.

**NORTHWESTERN MEMORIAL HOSPITAL  
HEALTH FACILITIES AND SERVICES  
REVIEW BOARD (HFSRB)  
NORTHWESTERN MEMORIAL HOSPITAL PROJECT  
HFSRB PROJECT #11-107  
SCHEDULE OF PROJECT COSTS AND  
SOURCES OF FUNDS**

For the period March 1, 2012 to October 31, 2015

NORTHWESTERN MEMORIAL HOSPITAL

Chicago, Illinois

HEALTH FACILITIES AND SERVICES REVIEW BOARD  
NORTHWESTERN MEMORIAL HOSPITAL PROJECT  
HFSRB PROJECT #11-107  
SCHEDULE OF PROJECT COSTS AND SOURCES OF FUNDS  
For the period from March 1, 2012 to October 31, 2015

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## REPORT OF INDEPENDENT AUDITORS

Board of Trustees of  
Northwestern Memorial Hospital and  
State of Illinois' Health Facilities and Services Review Board

**Report on the Schedule**

We have audited the Schedule of Project Costs and Sources of Funds of Northwestern Memorial Hospital related to the Health Facilities and Services Review Board ("HFSRB") Project #11-107 for the period from March 1, 2012 through October 31, 2015 (Schedule), and the related notes to the Schedule.

**Management's Responsibility for the Schedule**

Management is responsible for the preparation and fair presentation of the Schedule in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedule that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Schedule based on our audit. We conducted our audit of the Schedule in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the Schedule referred to above presents fairly, in all material respects, the project costs and sources of funds of Northwestern Memorial Hospital related to the Health Facilities and Services Review Board Project #11-107 for the period from March 1, 2012 through October 31, 2015, in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

The accompanying Schedule was prepared to present the project costs and sources of funds for the purpose of complying with the terms of the Health Facilities and Services Review Board permit as described in Note 1 and is not intended to be a complete presentation of Northwestern Memorial Hospital's financial position. Our opinion is not modified with respect to this matter.

**Restriction on Use**

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*Crowe Horwath LLP*  
Crowe Horwath LLP

Chicago, Illinois  
December 1, 2015

NORTHWESTERN MEMORIAL HOSPITAL  
 HEALTH FACILITIES AND SERVICES REVIEW BOARD  
 NORTHWESTERN MEMORIAL HOSPITAL PROJECT  
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See notes to Schedule of Project Costs and Sources of Funds

NORTHWESTERN MEMORIAL HOSPITAL  
NOTES TO SCHEDULE OF PROJECT COSTS AND SOURCES OF FUNDS  
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