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John P. Mordach
Rush University Medical Center
Senior Vice President
Chief Financial Officer

May 15, 2014

Ms. Courtney Avery
Administrator
Division of Health Systems Development
525 West Jefferson St., Second Floor
Springfield, IL 62761

Re: Permit #12-011

Dear Ms. Avery,

Pursuant to 77 Illinois Administrative Code 1130.760, this is the annual progress report for permit #12-011, Rush University Medical Center (the "Project"). The permit for the Project was issued on April 17, 2012, to Rush University Medical Center. The approved permit amount was \$46,230,784 for the modernization of medical surgical, pediatrics, obstetric beds and surgery rooms, endoscopy procedure rooms, post anesthesia care units, and prep recovery stations in 184,737 GSF of space for 333 medical surgical beds, 34 obstetric beds, and 22 pediatric beds for a total of 722 acute care beds. We provide the following information regarding the progress of the Project:

1. **Current Status of the Project** – Through March 31, 2014, the Project is 44.7% complete. There have not been any changes in scope or size of the Project.
2. **Costs Incurred to Date** – Project costs incurred through March 31, 2014 are \$20,680,176 as summarized in the attached CON Status Report. Total projected costs at completion are within the approved permit amounts.
3. **Method of Financing the Project** – The Project has been financed using \$20,680,176 in cash and securities.
4. **Anticipated Date of Completion** – The anticipated completion date of the Project is June 30, 2016.

If you need any additional information, please contact Shaun Cooper at 312-563-3168 or Shaun_Cooper@rush.edu or Sarah Roche at 312-942-4938 or Sarah_Roche@rush.edu.

Sincerely,

A handwritten signature in black ink, appearing to read 'John P. Mordach', written over a white background.

John P. Mordach

CC: Mike Constantino, Supervisor of Project Review
George Roate, Division of Health Systems Development
Anne Murphy, RUMC Legal Affairs
Clare Connor Ranalli, McDermott, Will & Emery LLP
Janet Scheuerman, PRISM Healthcare Consulting

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

Rush University Medical Center
Transformation Program - Atrium
Permit #12-011

CERTIFICATE OF NEED STATUS REPORT

Reported through 3/31/14	CON Permit	Projected at Completion	Projected Increase (Decrease)	Costs through 3/31/14	Percent Expended
Uses of Funds					
Preplanning	\$ 20,000	\$ 20,000	\$ -	-	0.0%
Modernization	32,975,871	32,975,871	-	13,010,267	39.5%
Contingencies	4,946,380	3,546,380	(1,400,000)	-	0.0%
Architecture & Engineering Fees	1,040,000	1,040,000	-	1,192,169	114.6%
Consulting	1,178,083	1,178,083	-	1,746,540	148.3%
Moveable & Other Equipment	5,705,450	5,705,450	-	3,476,712	60.9%
Other Costs to be Capitalized	365,000	365,000	-	474,904	130.1%
Net Interest Expense During Construction	-	1,400,000	1,400,000	779,584	55.7%
Total Uses of Funds	\$ 46,230,784	\$ 46,230,784	\$ -	\$ 20,680,176	44.7%
Sources of Funds					
Cash & Securities	\$ 46,230,784	\$ 46,230,784	\$ -	\$ 20,680,176	44.7%
Total Sources of Funds	\$ 46,230,784	\$ 46,230,784	\$ -	\$ 20,680,176	44.7%