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November 5, 2014

Via Overnight Carrier

Ms. Courtney Avery, Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street
Springfield, IL 62761

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

Re: Project #12-065 Advocate Illinois Masonic Medical Center (the "Project")

Annual Progress Report

Advocate Northside Health Network, (dba Advocate Illinois Masonic Medical Center),
Advocate Health Care Network, and Advocate Health and Hospitals Corporation
Construction Project for a Three-Story Outpatient Center

Dear Ms. Avery:

Advocate Illinois Masonic Medical Center is pleased to submit to you the annual progress report on the Project referenced above in accordance with requirements of the 77 Ill. Adm. Code 1130.760, The Review Board granted the permit for this Project October 30, 2012 and a Permit Alteration on April 4, 2014. The Permit Alteration was to increase various clinical and non-clinical areas without any increase in the cost. The Project is progressing according to schedule.

The Project is for the construction of a new outpatient pavilion to contain digestive health care, cancer care, and ambulatory surgery plus various clinical and non-clinical services. The Project adjoins the Medical Center located at 836 West Wellington Avenue in Chicago.

1. Current status of the Project

- **Obligation:** The Project was timely obligated on October 2, 2013 by the signing of a construction contract with Turner Construction Company.
- **Percentage of the project finished:** The project is approximately 75% complete
- **Components of project finished:** Site utilities relocation, underground utilities, site prep work, deep foundations, earth retention system, concrete foundations/permanent walls, waterproofing, steel structure, building envelope, roofing, mechanical/electrical/plumbing rough in, metal stud and drywall, and low voltage proprietary systems.
- **Components yet to be finished:** Flooring, trim, interior walls finishes, acoustical ceilings, casework, medical equipment, landscaping, furniture fixtures and equipment.

- Changes in scope and size: The Project remains substantially consistent with the general scope of the Project as described in the Permit Alteration approved by the Review Board April 4, 2014.

2. Costs

Costs incurred to date, an itemized listing of the total current estimated Project costs, and a comparison of those costs to the approved permit amounts are shown below:

USE OF FUNDS	COSTS INCURRED TO DATE	ALTERATION/ ESTIMATED PROJECT COST	ORIGINAL PERMIT AMOUNT
Preplanning Costs	454,096	\$ 917,387	\$ 917,387
Site Survey and Soil Investigation	197,422	\$ 197,422	\$ 161,250
Site Preparation	2,565,000	\$ 2,700,000	\$ 2,700,000
Off Site Work	1,629,969	\$ 2,786,372	\$ 2,786,372
New Construction Contracts	57,417,905	\$ 66,800,000	\$ 51,957,650
Modernization Contracts	236,208	\$ 944,832	\$ 944,832
Contingencies	0	\$ 3,372,323	\$ 5,195,765
Architectural/Engineering Fees	1,781,713	\$ 3,076,225	\$ 3,076,225
Consulting and Other Fees	3,872,506	\$ 6,842,522	\$ 6,842,522
Movable or Other Equipment (not in construction contracts)	1,292,545	\$ 10,400,000	\$ 16,326,160
Bond Issuance Expense (project related)	448,374	\$ 887,899	\$ 887,899
Net Interest Expense During Construction (project related)	1,431,199	\$ 6,262,974	\$ 6,262,974
Fair Market Value of Leased Space or Equipment	\$ -	\$ -	\$ -
Other Costs To Be Capitalized	919,427	\$ 4,061,108	\$ 11,189,937
Acquisition of Building or Other Property (excluding land)	\$ -	\$ -	\$ -
TOTAL USES OF FUNDS	\$72,246,364	\$ 109,248,973	\$ 109,248,973

3. Method of financing the Project and sources of Funds

The method of financing remains a combination of cash, debt, and grant funding. We anticipate, however, that the amount of debt may decrease and the amount paid from cash may increase.

	ESTIMATED PROJECT FUNDING TO DATE	IN PERMIT
Cash and Securities	\$ 31,889,699	\$ 35,717,087
Bond Issues (project related)	\$ 39,654,798	\$ 71,031,886
Grants	\$ 701,867	\$ 2,500,000
TOTAL SOURCES OF FUNDS	\$ 72,246,364	\$ 109,248,973

4. Anticipated date of completion

The Project completion date in the permit is October 31, 2015. Progress on the Project is occurring on schedule and we anticipate completing the Project within the time frame in the permit.

Please contact me at (630)-990-5546 or Jack Gilbert at (773) 296-7809 if you have any questions about this report.

Sincerely,



Albert Manshum, III
VP Facilities and Construction
Advocate Health Care

CC: Jack Gilbert
Advocate Illinois Masonic Medical Center

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