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October 22, 2015

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Via Federal Express

Mr. Michael Constantino  
Illinois Health Facilities and Services Review  
Board  
525 West Jefferson Street, 2nd Floor  
Springfield, Illinois 62761

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OCT 23 2015

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

**Re: Annual Progress Report - Hinsdale Surgical Center (Proj. No. 14-034)**

Dear Mr. Constantino:

Pursuant to Section 1130.760 of the Illinois Health Facilities and Services Review Board (“State Board”) rules, I am writing on behalf of Hinsdale Surgical Center, LLC (the “Permit Holder”) to submit the annual progress report for Hinsdale Surgical Center (Project No. 14-034). As you are aware, on October 7, 2014, the State Board approved the Permit Holder’s application to discontinue its existing ambulatory surgical treatment center located at 908 North Elm Street, Suite 401, Hinsdale, Illinois and establish an ambulatory surgical treatment center at 10 Salt Creek Lane, Hinsdale, Illinois (the “Project”). Pursuant to Section 1130.760, the Permit Holders submit the following information regarding the progress of Project Permit #12-041.

**1. Status of the Project**

The Project was obligated on November 14, 2014, through the execution of the real estate lease with the developer. The Project is substantially complete and Illinois Department of Public Health (“IDPH”) completed a building survey of the facility on October 21, 2015. A plan of correction for the deficiencies identified during the survey has been completed and will be submitted to IDPH for approval no later than October 23, 2015. The Permit Holder anticipates approval from the IDPH Design Standards Unit by October 27, 2015 and issuance of the license by November 2, 2015.

**2. Costs Incurred to Date**

To date, the Permit Holder has incurred \$10,512,220 in project costs.



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<b>PROJECT COSTS</b>	<b>Approved</b>	<b>Expended</b>
Modernization Contracts	\$4,510,842	\$4,392,919
Contingencies	\$239,644	\$0
A & E Fees	\$378,388	\$378,388
Consulting & Other Fees	\$293,233	\$300,409
Moveable Equipment	\$491,356	\$202,925
Fair Market Value of Leased Space & Equipment	\$4,472,766	\$4,472,766
Other Costs to be Capitalized	\$764,813	\$764,813
<b>Total</b>	<b>\$11,151,042</b>	<b>\$10,512,220</b>

### **3. Sources of Funds**

The project will be financed through \$3,923,463 through cash and cash equivalents, \$2,000,000 in lending, and the remaining elements are leased. If you need any additional information or have any questions regarding the status of the project, please feel free to contact me.

Sincerely,

Kara M. Friedman

cc: Juan Morado Jr.