



**St. Joseph's
Hospital Highland**

AN AFFILIATE OF HOSPITAL SISTERS HEALTH SYSTEM

March 8, 2013

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

RECEIVED

MAR 18 2013

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Re: Annual Progress Report #1
St. Joseph's Hospital MOB
Highland, Illinois
CON # 11-106

Dear Mr. Constantino:

As required by Section 1130.760, Annual Progress Reports, St. Joseph's Hospital is providing you with the following information regarding our Certificate of Need for the MOB Project, CON # 11-106. All data represented is current thru December 31, 2012.

- 1) Current status of the project, including the percentage of the project finished, components finished and components yet to be finished, and any changes in the scope of the project and size;

A: The project was obligated on March 9, 2012.

The Hospital project is approximately 40% complete.

Building Activities

Interior:

Framing is complete.

Drywall is ongoing.

Elevator installation ongoing.

Installing finishes including wall protection, corner guards, etc.

Ceiling grid installation progressing throughout building.

Piping in the mechanical room is ongoing.

Ceramic tile work continues.

Floor finishes, millwork and casework installation is ongoing.

Exterior:

Roofing is complete.

Masonry is ongoing.

Air barrier installation is ongoing.

No changes identified in overall project scope or size.

- 2) Cost incurred to date and an itemized listing of the total current estimated project costs and a comparison of those costs to the approved permit amounts;

Description/Use of Funds	Total Allocation	Spent to Date	% complete
Preplanning Costs	\$ 0	\$ 0	0%
Site Survey/Soil Investigation	\$ 35,000	\$ 14,925	43%
Site Preparation	\$ 147,383	\$ 147,383	100%
Off Site Work	\$ 666,031	\$ 464,683	70%
New Construction Contracts	\$ 10,390,146	\$ 4,242,813	41%
Contingencies	\$ 625,969	\$ 0	0%
A & E Fees	\$ 376,824	\$ 312,837	83%
Consulting and Other Fees	\$ 629,183	\$ 330,823	53%
Movable or Other Equipment	\$ 1,464,802	\$ 0	0%
Net Interest Expense	\$ 337,586	\$ 38,533	11%
Other Costs to be Capitalized	\$ 130,358	\$ 64,375	50%
TOTAL	\$ 14,803,282	\$ 5,616,372	38%

- 3) The method of financing the project and sources of funds;

A: As originally planned, the proposed project is being funded with cash and securities of \$2,668,282, bond issuances totaling \$4,127,353, and mortgages totaling \$8,006,947. The Hospital is responsible for the bond funding and the third party developer is responsible for the cash and mortgage.

- 4) For major construction projects, the most recent Application and Certification for Payment for the construction contract, as per form G702 published by the American Institute of Architects, or equivalent; and

A: Please see attached Application and Certification for Payment #9 representing the Hospital's portion of the MOB and Application and Certification for Payment #5 representing the third party developers portion of the MOB. The Applications for Payment

are for work performed thru December 31, 2012. The costs have been accounted for accordingly within each CON Annual Report.

5) The anticipated date of completion.

A: The anticipated date of completion is projected to be May 31, 2013.

Please contact me if you require additional information.

Regards,

A handwritten signature in black ink that reads "Peggy Sebastian". The signature is written in a cursive style with a large initial "P" and a flourish at the end.

Peggy Sebastian

President and CEO

St. Joseph's Hospital

618.651.2531

Application For Payment

Application No: 009
 Period To: 12/31/2012
 Project No: 067002.000
 Contract Date: 04/19/2012

To Owner: St Joseph's Hospital
 From Contractor: Korte & Luijohan/McCarthy, a Joint Venture
 Contract For: Via Architect: St Josephs Hospital

Application For Payment Summary

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

1. ORIGINAL CONTRACT SUM	30,220,974.00
2. Net Change by Change Orders	475,712.00
3. CONTRACT SUM TO DATE (Line 1 + 2)	30,696,686.00
4. TOTAL COMPLETED & STORED TO DATE	17,416,167.00

5. RETAINAGE	1,435,868.00
a. 8.24 % of Completed Work	0.00
b. .00 % of Stored Material	1,435,868.00
Total Retainage (Lines 5a+5b or Total in Cont Sheet)	15,980,299.00
6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total)	13,221,686.00
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from Prior Certificate)	2,758,613.00
8. CURRENT PAYMENT DUE	14,716,387.00
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 Less Line 6)	2,758,613.00

Change Order Summary	Additions	Deductions
Total changes in previous applications	322,222.00	0.00
Total approved this application	153,490.00	0.00
Totals	475,712.00	0.00
Net Changes by Change Order	475,712.00	

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 which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

Contractor:
 By: Del or Date: 12/27/12
 State of: Illinois

County of: Madison before me on this 27th day of December
 Subscribed and sworn to (or affirmed) by Paranahay, personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.
 Notary Public: Megan Holmes
 My Commission Expires: 8-2-2016

Official Seal
 Megan Holmes
 Notary Public, State of Illinois
 My Commission Expires August 2, 2016

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: \$ 2,758,613.00

(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 this amount certified.)

Architect: Odell

By: _____ Date: 11/5/2013

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.

Application for Payment Continuation Sheet

Job: St Joseph Hospital
 Project No: 067002
 Contract No: _____
 Application No: 1
 Application Date: December 31, 2012
 Period To: December 31, 2012
 Architect's Project No: _____
 Retainage Amount
 Varies

Line No	Description	WORK FROM				Total Completed & Stored to Date	%	Balance To Finish	Total Retainage
		Scheduled Value	Previous Applications	Work Completed This Invoice	Stored Materials				
1000 Hospital Building and Site Work									
1010	Earth work	\$ 402,590	\$ 386,934	\$ 178,070	\$ 386,934	96%	\$ 15,656	\$ 19,347	
1020	Asphalt Paving	\$ 772,964	\$ 336,343	\$ 22,713	\$ 336,343	44%	\$ 436,621	\$ 33,634	
1030	Storm and Sanitary Sewer	\$ 526,826	\$ 449,000	\$ 54,526	\$ 449,000	85%	\$ 77,826	\$ 44,900	
1040	Landscaping	\$ 412,238	\$ 35,244	\$ 49,454	\$ 84,708	21%	\$ 327,530	\$ 8,471	
1050	Site concrete	\$ 475,599	\$ 210,812	\$ 178,070	\$ 210,812	44%	\$ 264,787	\$ 21,081	
1060	Building Structural Concrete	\$ 489,912	\$ 483,266	\$ 54,526	\$ 483,266	99%	\$ 6,646	\$ 24,163	
1070	Building concrete slabs	\$ 420,500	\$ 419,172	\$ 178,070	\$ 419,172	100%	\$ 1,328	\$ 41,917	
1080	Masonry	\$ 1,155,310	\$ 731,480	\$ 178,070	\$ 908,550	79%	\$ 245,760	\$ 90,955	
1090	Structural Steel	\$ 1,357,458	\$ 1,327,357	\$ 22,713	\$ 1,350,070	99%	\$ 7,388	\$ 135,007	
1100	General Works	\$ 1,273,393	\$ 218,462	\$ 54,526	\$ 272,988	21%	\$ 1,000,405	\$ 27,299	
1110	Casework	\$ 353,157	\$ 17,977	\$ 17,977	\$ 17,977	5%	\$ 335,180	\$ 1,798	
1120	Roofing	\$ 1,104,444	\$ 838,580	\$ 201,083	\$ 1,039,663	94%	\$ 64,781	\$ 103,966	
1130	Fishing/Sheet metal	\$ 729,470	\$ 53,010	\$ 117,233	\$ 170,243	23%	\$ 559,227	\$ 17,024	
1140	Hollow metal doors/frames	\$ 391,410	\$ 36,655	\$ 52,773	\$ 89,428	23%	\$ 301,982	\$ 8,943	
1150	Storefront	\$ 224,531	\$ 67,669	\$ 4,516	\$ 72,185	32%	\$ 152,346	\$ 7,219	
1152	Automatic Doors	\$ 173,193	\$ -	\$ -	\$ -	0%	\$ 173,193	\$ -	
1155	Interior Glass	\$ 299,297	\$ 2,500	\$ -	\$ 2,500	0%	\$ -	\$ 250	
1160	Drywall	\$ 2,409,683	\$ 1,287,012	\$ 498,908	\$ 1,785,920	74%	\$ 623,763	\$ 178,592	
1170	Flooring	\$ 663,391	\$ -	\$ -	\$ -	0%	\$ 663,391	\$ -	
1180	Painting	\$ 137,351	\$ 1,870	\$ -	\$ 1,870	1%	\$ 135,481	\$ 187	
1190	Food service equipment	\$ 338,275	\$ 57,392	\$ 31,557	\$ 88,949	26%	\$ 249,326	\$ 8,895	
1200	Shielding	\$ 45,283	\$ -	\$ -	\$ -	0%	\$ 45,283	\$ -	
1210	Pneumatic Tube	\$ 104,962	\$ 93,540	\$ 6,890	\$ 100,430	96%	\$ 4,532	\$ 10,043	
1220	Sprinkler System	\$ 367,082	\$ 350,990	\$ 11,153	\$ 362,143	99%	\$ 4,939	\$ 36,214	
1230	Plumbing and Medical gas	\$ 2,170,325	\$ 1,652,188	\$ 241,779	\$ 1,893,967	87%	\$ 276,358	\$ 189,397	
1240	HVAC	\$ 3,029,110	\$ 1,630,536	\$ 365,237	\$ 1,995,773	66%	\$ 1,033,337	\$ 199,577	
1250	Temperature Controls	\$ 322,349	\$ 129,640	\$ 99,000	\$ 228,640	71%	\$ 93,709	\$ 22,864	
1260	Test and Balance	\$ 38,000	\$ -	\$ -	\$ -	0%	\$ 38,000	\$ -	
1270	Electrical	\$ 4,399,457	\$ 1,942,267	\$ 404,300	\$ 2,346,567	53%	\$ 2,052,890	\$ 234,657	
Page 1 Totals		\$ 24,587,560	\$ 12,759,896	\$ 2,339,202	\$ 15,099,098	61%	\$ 9,488,462	\$ 1,466,400	

Application for Payment Continuation Sheet

Job: St. Joseph Hospital
 Project No: 067002
 Contract No:

Application No: 1
 Application Date: December 31, 2012
 Period To: December 31, 2012
 Architect's Project No:

Retainage Amount
 Varies

Line No	Description	WORK FROM				Total Completed & Stored to Date	%	Balance To Finish	Total Retainage
		Scheduled Value	Previous Applications	Work Completed This Invoice	Stored Materials				
2000 MOB Tenant Improvements									
2020	General Works	\$ 228,500	-	-	-	\$ -	0%	\$ 228,500	\$ -
2030	Casework	\$ 93,090	-	-	-	\$ -	0%	\$ 93,090	\$ -
2040	Hollow metal doors/frames	\$ 83,108	-	\$ 14,413	-	\$ 14,413	17%	\$ 68,695	\$ 1,441
2050	Interior glass	\$ 31,000	-	-	-	\$ -	0%	\$ 31,000	\$ -
2060	Drywall	\$ 352,651	27,017	\$ 130,594	-	\$ 157,611	45%	\$ 195,040	\$ 15,761
2070	Flooring	\$ 175,082	-	-	-	\$ -	0%	\$ 175,082	\$ -
2080	Painting	\$ 41,808	-	-	-	\$ -	0%	\$ 41,808	\$ -
2090	Pneumatic Tube	\$ 22,000	-	-	-	\$ -	0%	\$ 22,000	\$ -
2100	Sprinkler System	\$ 53,725	30,840	\$ 12,254	-	\$ 43,094	80%	\$ 10,631	\$ 4,309
2110	Plumbing	\$ 264,428	23,250	\$ 7,000	-	\$ 30,250	11%	\$ 234,178	\$ 3,025
2120	Med gas and HVAC	\$ 357,697	243,800	\$ 45,000	-	\$ 288,800	81%	\$ 68,897	\$ 28,880
2130	Temperature Controls	\$ 39,833	-	-	-	\$ -	0%	\$ 39,833	\$ -
2140	Test and Balance	\$ 8,750	-	-	-	\$ -	0%	\$ 8,750	\$ -
2150	Electrical	\$ 1,024,050	253,389	\$ 60,224	-	\$ 313,613	31%	\$ 710,437	\$ 31,361
3000	General Conditions	\$ 1,167,772	637,479	\$ 83,605	-	\$ 721,084	62%	\$ 446,688	\$ 72,108
4000	Logistics	\$ 456,552	80,753	\$ 18,702	-	\$ 99,455	22%	\$ 357,097	\$ 9,946
5000	Contingency	\$ 679,787	-	-	-	\$ -	0%	\$ 679,787	\$ -
6000	Insurance	\$ 282,963	157,147	\$ 23,613	-	\$ 180,760	64%	\$ 102,203	\$ 18,076
7000	Fee	\$ 746,330	443,983	\$ 24,006	-	\$ 467,989	63%	\$ 278,341	\$ 46,799
Page 2 Totals:		\$ 6,109,126	1,897,658	\$ 419,411	-	\$ 2,317,069	38%	\$ 3,792,057	\$ 231,707
Hospital Totals		\$ 30,696,686	14,657,554	\$ 2,758,613	-	\$ 17,416,167	57%	\$ 13,280,519	\$ 1,698,107



Application for Payment

To Owner: Highland Healthcare Investors LLC
 From Contractor: Korte & Luitjohan/McCarthy
 Contract For: NON-TIF eligible core and shell

Project: St Joseph's MOB Core and Shell
 Via Architect:

Application No: 005 Non TIF
 Period To: 12/31/2012
 Project No: 067003
 Contract Date: 7/27/12

Application for Payment

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

1. ORIGINAL CONTRACT SUM	6,204,987.00
2. Net Change by Change Orders	
3. CONTRACT SUM TO DATE (Line 1 + 2)	6,204,987.00
4. TOTAL COMPLETED & STORED TO DATE	3,411,719.00
5. RETAINAGE	
a. Varies% of Completed Work	328,551.00
b. .00% of Stored Material	
Total Retainage (Lines 5a+5b or Total in Cont. Sheet)	328,551.00
6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total)	3,083,168.00
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from Prior Certificate)	2,640,512.00
8. CURRENT PAYMENT DUE	442,556.00
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 Less Line 6)	3,121,819.00

Change Order Summary	Additions	Deductions
Total Changes in previous applications	0.00	0.00
Total Approved this application	0.00	0.00
Totals	0.00	0.00
Net Changes by Change Order	0.00	

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 which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

Contractor:

By: *Sal al*

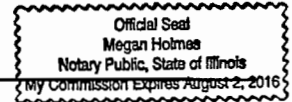
Date: 12/27/12

State of: *Illinois*

County of: *Madison*

Subscribed and sworn to (or affirmed) before me on this *27th* day of *December* 20*12* by *Sal al*, personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Notary Public: *Megan Holmes*
 My Commission Expires: *8-2-2016*



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: \$

(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:

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.

Owner's Approval for Payment

By:

Date:

Application for Payment Continuation Sheet

Job: St Joseph Medical Office Building - NON TIF Eligible
 Project No: 067003
 Contract No: NON TIF Eligible

Application No: 1
 Application Date: 12/31/12
 Period To: 12/31/12
 Architect's Project No:
 Retainage Amount
 Varies

Line No	Description	Scheduled Value	Work From Previous Applications	Work Completed This Invoice	Stored Materials	Total Completed & Stored to Date	%	Balance To Finish	Total Retainage
Subcontractors									
1020	Vee Jay - Concrete Slabs	\$ 141,207	\$ 116,819			\$ 116,819	83%	\$ 24,388	\$ 11,682
1030	Becker - Masonry and Stone	\$ 505,250	\$ 40,000			\$ 40,000	8%	\$ 465,250	\$ 4,000
1040	Ozark - Structural Steel	\$ 1,130,808	\$ 1,088,563	\$ 31,216		\$ 1,119,779	99%	\$ 11,029	\$ 111,978
1050	Joiner - Architectural Metals	\$ 452,325	\$ -	\$ 10,233		\$ 10,233	2%	\$ 442,092	\$ 1,023
1060	Joiner - Roofing	\$ 294,173	\$ 33,649	\$ 22,764		\$ 56,413	19%	\$ 237,760	\$ 5,641
1070	St Jacob Glass - Glass and Glazing	\$ 314,910	\$ 80,415			\$ 80,415	26%	\$ 234,495	\$ 8,042
1080	Waterhout - General Work	\$ 243,000	\$ 26,073	\$ 47,772		\$ 73,845	30%	\$ 169,155	\$ 7,385
1090	H&G Sales - Doors furnish only	\$ 40,563	\$ -	\$ 5,607		\$ 5,607	14%	\$ 34,956	\$ 561
1100	Von Alst - Drywall and Ceilings	\$ 768,109	\$ 485,566	\$ 89,996		\$ 575,562	75%	\$ 192,547	\$ 57,556
1110	Runge - Painting	\$ 25,420	\$ -			\$ -	0%	\$ 25,420	\$ -
1120	Flooring Systems - Flooring	\$ 111,231	\$ -			\$ -	0%	\$ 111,231	\$ -
1130	Firetech - Fire sprinklers	\$ 156,800	\$ 79,792	\$ 39,892		\$ 119,684	76%	\$ 37,116	\$ 11,968
1140	Bergman Roscow - Plumbing	\$ 228,855	\$ 24,271	\$ 26,740		\$ 51,011	22%	\$ 177,844	\$ 5,101
1150	Icon mechanical - HVAC	\$ 534,700	\$ 385,700	\$ 85,300		\$ 471,000	88%	\$ 63,700	\$ 47,100
1160	Senoo - Test and balance	\$ 3,780	\$ -			\$ -	0%	\$ 3,780	\$ -
1170	Siemens - Controls	\$ 40,000	\$ -	\$ 14,500		\$ 14,500	36%	\$ 25,500	\$ 1,450
1180	K&F - Electric	\$ 351,080	\$ 194,965	\$ 73,753		\$ 268,718	77%	\$ 82,362	\$ 26,872
1190	Otis - Elevators	\$ 164,695	\$ 87,990			\$ 87,990	53%	\$ 76,705	\$ 8,799
1200	Byrne and Jones - Asphalt Paving	\$ 171,231	\$ 67,718			\$ 67,718	40%	\$ 103,513	\$ 6,772
1210	Unassigned Scope	\$ 34,873							\$ -

Application for Payment Continuation Sheet

Job: St. Joseph Medical Office Building - NON TIF Eligible
 Project No: 067003
 Contract No: NON TIF Eligible

Application No: 1
 Application Date: 12/31/12
 Period To: 12/31/12
 Architect's Project No:
 Retainage Amount
 Varies

Line No	Description	Scheduled Value	WORK FROM Previous Applications	Completed This Invoice	WORK Stored Materials	Total Completed & Stored to Date	%	Balance To Finish	Total Retainage
3000	General Conditions	\$ 169,198	\$ 71,500	\$ 25,000		\$ 96,500	57%	\$ 72,698	\$ 4,825
4000	Contingency	\$ 74,064	-			-	0%	\$ 74,064	-
5000	Insurance	\$ 68,388	\$ 39,430	\$ 4,189		\$ 43,619	64%	\$ 24,769	\$ 2,181
6000	Fee	\$ 180,327	\$ 99,852	\$ 12,454		\$ 112,306	62%	\$ 68,021	\$ 5,815
MOB Totals:		\$ 6,204,987	\$ 2,922,303	\$ 489,416	-	\$ 3,411,719	55%	\$ 239,552	\$ 328,551