



VIA FEDEX

May 27, 2020

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street 2nd floor
Springfield, IL 62761

Re: Annual Progress Report – Project 18-042
Confirmation of Financial Commitment
Quincy Medical Group Surgery Center
Quincy, IL

Dear Ms. Avery

Pursuant to 77 Illinois Administrative Code Section 1130.760, this is the Annual Progress Report for Project 18-042, Quincy Medical Group Surgery Center. The permit was approved by the HFSRB on April 30, 2019, for the construction of an ambulatory surgery center and cardiac catheterization lab in the amount of \$19,519,058.

1. Current status of the project. The lease for space between QMG and Cullinan Properties was signed last year. Demolition in the former retail space has been completed, as well as under-floor plumbing and floor leveling. City permits are expected by the end of this month, with construction starting shortly thereafter. QMG is currently in discussion with IDPH regarding the State's Facility Plan Review. Purchase orders for equipment have been signed, including the CT scanner and the cath lab.

The scope and size of the Project have not changed since the issuance of the permit.

2. Costs incurred to date. Through April 30, the project costs incurred or committed to date are approximately \$4,800,000. An additional \$11,900,000 in project cost is the fair market value amount of the lease for space, as reported in the permit application. The lease covers construction and other costs by the developer. These expenditures are consistent with the CON approved project cost of \$19,519,058.

The expenditure or commitment of \$4,800,000 is approximately 25% of the total project cost.

3. Obligation of the Project. This letter also serves as the letter of financial commitment. The signing of the lease for space in the former Bergner's building occurred last year. The value of the lease exceeds one third of total project cost and constitutes financial commitment of the project.

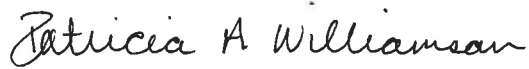
4. Sources of Funding. The Project is being financed with cash and securities, a mortgage and a lease, consistent with the sources of funding identified in the permit application.



5. Anticipated date of completion. The anticipated completion of the Project is during January, 2021, consistent with the project completion date of March 1 as specified in the CON permit application.

If you have questions or need additional information, please contact me at 217-222-6550 x 3304, or Ralph Weber at 847-791-0830.

Sincerely

A handwritten signature in cursive script that reads "Patricia A. Williamson".

Patty Williamson
Chief Financial Officer
Quincy Medical Group

Cc: Michael Constantino, HFSRB

Carol Brockmiller, Chief Executive Officer, Quincy Medical Group

Anne Cooper, Polsinelli

Tracey Klein, Polsinelli

Rebecca Lindstrom, Polsinelli

Ralph Weber, CON Consultant