

December 19, 2014

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

RECEIVED

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Re: Alteration Notification
Project Number: 10-090 Centegra Hospital - Huntley
Permit Amount: \$233,160,352
**HEALTH FACILITIES &
 SERVICES REVIEW BOARD**

Dear Ms. Avery,

The purpose of this letter is to provide a written notification to the Illinois Health Facilities and Services Review Board of an alteration to project #10-090 for which a permit has been issued, as required under 77 Illinois Administrative Code Section 1130.750.d.

Centegra Health System is submitting this report in anticipation of changes in the line items of this project that will not change the total project cost approved in this CON permit. This alteration will move \$9,950,000 among the line items for the project. There will be an increase in project cost for the line items Consulting and Other Fees and Moveable and Other Equipment, while there will be a corresponding reduction in the line items for Bond Issuance Expense and Net Interest Expense.

The total approved project costs of \$233,160,352 remain unchanged and as approved in the CON permit.

The table below shows the altered amounts for all line items.

Category	Original Permit Amount	Altered Amount	
		Net Change	Total
Pre-Planning	\$ 2,935,000	\$	2,935,000
Site Survey and Soil Investigation	\$ 85,000	\$	85,000
Site Preparation	\$ 2,090,000	\$	2,090,000
Offsite Work	\$ 10,880,000	\$	10,880,000
New Construction Contracts	\$ 126,732,813	\$	126,732,813
Modernization	\$ -	\$	-
Contingencies	\$ 12,039,617	\$	12,039,617
A&E Fees	\$ 7,446,160	\$	7,446,160
Consulting and Other Fees	\$ 7,724,729	\$ 4,500,000	\$ 12,224,729
Moveable or Other Equipment	\$ 30,234,966	\$ 5,450,000	\$ 35,684,966
Bond Issuance Expense	\$ 3,000,000	\$ (1,500,000)	\$ 1,500,000
Net Interest Expense	\$ 27,450,000	\$ (8,450,000)	\$ 19,000,000
Fair Market Value of Equipment	\$ 2,150,000	\$	2,150,000
Other Costs	\$ 392,067	\$	392,067
Total	\$ 233,160,352	\$ -	\$ 233,160,352

The explanation for the increase in the line items for Consulting and Other Fees and for Moveable or Other Equipment is due to:

- Consulting and Other Fees: increase in additional legal fees and project management expense for the project.
- Moveable and Other Equipment: increase in cost of medical and other equipment due to the delay in starting the project as a result of the litigation.

If you have any questions, please feel free to contact me at (815)788.5858

Sincerely,

A handwritten signature in black ink that reads "Hadley Streng". The signature is written in a cursive, flowing style.

Hadley Streng
VP, Strategy and Development