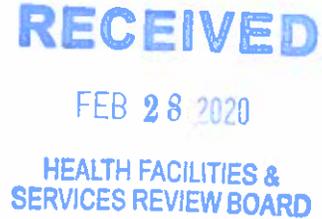


Advocate Sherman Ambulatory Surgery Center, LLC

February 28, 2020

Via Courier

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



Re: Project #16-038 Advocate Sherman Ambulatory Surgery Center (the "Project")

Annual Progress Report

Dear Ms. Avery,

In accordance with requirements of the 77 Ill. Adm. Code 1130.760, Advocate Sherman Ambulatory Surgery Center, LLC is submitting an annual progress report on the Project at 1445 N. Randall Road, Elgin, IL 60123 referenced above. The permit for this Project was granted on January 24, 2017.

The Project is to establish a multi-specialty ASTC with three operating rooms.

1. Current status of the project:
 - a. Percentage of the Project finished: 20%
 - b. Work done to date:
 - i. CD and DD architecture and engineering packages approved by Illinois Department of Health
 - ii. City of Elgin engaged for permitting process
 - iii. General Contractor procured and engaged in pre-construction activities and procuring subcontractors
 - iv. Various contracts and agreements drafted for operating and governance matters
 - c. Construction of shell and core expected to begin in late 2020

2. Costs incurred to date:

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Use of Funds	Incurred	In Permit
Preplanning Costs	\$84,207	\$85,500
Site Survey and Soil Investigation		\$9,500
Site Preparation		\$350,000
Off Site Work		\$0
New Construction Contracts		\$6,558,424
Modernization Contracts		\$0
Contingencies		\$606,659
Architectural/Engineering Fees	\$290,716	\$564,135
Consulting and Other Fees	\$125,612	\$315,469
Moveable or Other Equipment (not in Construction Contracts)		\$3,473,317
Bond Issuance Expense (project related)		\$37,550
Net Interest Expense During Construction (Project related)		\$335,000
Fair Market Value of Leased Space or Equipment		\$0
Other Costs To Be Capitalized	\$115,271	\$383,298
Acquisition of Building or Other Property (excluding land)		\$0
TOTAL USES OF FUNDS	\$615,806	\$12,718,852

3. Target date of completion: September 30, 2021
4. Project size and scope: The final design drawings contemplate a minor increase in square footage. We will make application for a Permit Alteration at the appropriate time. The Project is otherwise in compliance with what the Review Board approved.

Please contact me at 847.267.3537 if you have any questions about this report.

Sincerely,



Drew Bell
 Vice President, Operations
 Surgical Care Affiliates