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HEALTH FACILITIES &
SERVICES REVIEW BOARD

VIA OVERNIGHT DELIVERY

January 15, 2020

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

**Re: Project Completion Report for Premier Cardiac Surgery Center, LLC
CON Project 17-058**

Dear Ms. Avery:

I am submitting this letter on behalf of Premier Cardiac Surgery Center, LLC (the "Permit Holder"), which provides the Illinois Health Facilities and Services Review Board (the "State Board") with notice of project completion as such notification is required by Section 5 of the Illinois Health Facilities Planning Act, 20 ILCS 3960/1 et seq. (the "Act"). Furthermore, as required by 77 Ill. Adm. Code 1130.770(a), I also submit the final realized costs related to this project.

Specifically, I hereby report that the Permit Holder completed all steps necessary to establish an ambulatory surgical treatment center ("ASTC") in Merrionette Park, Illinois, which will provide surgical procedures under the cardiac category of service (the "Project"). The Permit Holder obtained a license from the Illinois Department of Public Health ("IDPH") on October 15, 2019 (the "License Date"), allowing the ASTC to begin operating. In accordance with the CON regulations, a project is complete when the IDPH issues a license to a permit holder. Accordingly, the Project was officially complete on the License Date noted above.

The total cost of the project as approved by the State Board was \$1,254,860 (the "Project Cost"). The Project Cost reflects the amended projected cost as disclosed in the CON permit renewal request approved by the State Board on June 4, 2019. The final realized cost of the project was \$ 1,181,424.27, an amount which was below the approved Project Cost.

The following information is provided for your review:

1. Project Cost and Sources of Funds

Pursuant to Section 1130.770(c) of the State Board's rules, the Permit Holder is hereby reporting the final project costs related to CON Project 17-058. A detailed itemization of all project costs and sources of funds is provided on Exhibit A.

2. Certification of Final Realized Costs and Compliance

In accordance with Section 1130.770(d)(3) of the State Board's rules, the Permit Holder hereby certifies that it has complied with all of the terms of the CON permit to date, including project cost, square footage, services, etc., and all information submitted in this notice letter and accompanying finalized cost report for the Project is true and correct and meets the requirements of the State Board's rules.

3. Final Application and Certification for Payment

Pursuant to Section 1130.770(d)(4) of the State Board's rules, the Permit holder herein provides a copy of the final Application and Certification for Payment related to the construction project, as per the American Institute of Architects form G702. A copy of this report is attached hereto as Exhibit B.

If you have any questions, do not hesitate to contact me at (708) 478-3600, extension 1420, or by e-mail at mberlin@heartcc.com. Thank you very much.

Respectfully Submitted,

Mark Berlin
Chief Operating Officer
Premier Cardiac Surgery Center, LLC

NOTARY ACKNOWLEDGMENT:

State of Illinois

County of Cook

On this 15th day of JANUARY, 2020, Mark Berlin, Chief Operating Officer of Premier Cardiac Surgery Center, LLC, personally appeared before me and proved on the basis of satisfactory evidence to be the person whose name is subscribed above and acknowledged to me that he executed the same with his authorized capacity, and that by his signature on this instrument the person, or the entity upon behalf of which the person acted, executed this instrument.

I certify under penalty of perjury under the laws of the State of Illinois that the foregoing paragraph is true and correct.

Notary Public: Agnes Ann Damon

Seal:



EXHIBIT A

FINAL PROJECT COSTS

**Premier Cardiac Surgery Center, LLC
CON Project No. 17-058**

TABLE A CON PERMIT COST CENTERS			
USE OF FUNDS			
Use of Funds	CON Permit	Actual Project Costs Incurred	Difference: CON vs. Final
Preplanning Costs			
Site Survey and Soil Investigation			
Site Preparation			
Off-Site Work			
New Construction Contracts			
Modernization Contracts			
Contingencies			
Architectural/Engineering Fees			
Consulting and Other Fees (Permits)			
Movable/Other Equipment			
Bond Issuance Expense			
Net Interest Expense During Construction			
FMV of Leased Space or Equipment	\$1,237,360	\$1,159,760	[\$77,600]
Other Costs to be Capitalized	\$17,500	\$21,665	+\$4,165
Acquisition of Building/Property			
TOTAL COSTS	\$1,254,860	\$1,181,425	[\$73,435]
SOURCE OF FUNDS			
Cash & Securities	\$17,500	\$17,500	\$0.0
Pledges			
Gifts and Bequests			
Bond Issues (Project Related)			
Mortgages			
Leases	\$1,237,360	\$1,159,760	[\$73,435]
Govt. Appropriations			
Grants			
Other Funds and Sources			
TOTAL COSTS	\$1,254,860	\$1,181,425	[\$73,435]

Table A above shows the Project's budget as reflected in the amended CON permit application compared with the actual final costs incurred. The Project's total cost was \$73,435 less than the CON budget and, therefore, is in compliance with the CON permit guidelines. Construction costs are not broken out in this table because the costs were absorbed into lease agreements, as explained in the CON permit application.

Table B below shows the Project's budget reflected as construction cost expenses. As noted above, the construction costs were not broken out in the original tables in the CON permit application. However, the cost centers are provided below to provide a more detailed summary of the final project costs.

TABLE B		
CONSTRUCTION COSTS IN LEASE AGREEMENTS		
USE OF FUNDS		
Use of Funds	CON Permit	Actual Project Costs Incurred
Preplanning Costs		
Site Survey and Soil Investigation		
Site Preparation		
Off-Site Work		
New Construction Contracts		\$1,038,051
Modernization Contracts		
Contingencies		
Architectural/Engineering Fees		\$96,149
Consulting and Other Fees (Permits)		21,861
Movable/Other Equipment		\$3,699
Bond Issuance Expense		
Net Interest Expense During Construction		
FMV of Leased Space or Equipment	\$1,237,360	
Other Costs to be Capitalized	\$17,500	\$21,665
Acquisition of Building/Property		
TOTAL COSTS	\$1,254,860	\$1,181,425

EXHIBIT B

AIA FORM G702

(see attached)

APPLICATION AND CERTIFICATE FOR PAYMENT

TO OWNER:

Heart Care Centers of IL
13011 S. 104th Avenue, Suite 100
Palos Park, IL 60464

Project:

Ambulatory Surgical
Treatment Center

APPLICATION NO: Five

PERIOD TO: August 31, 2019

PROJECT NO:

CONTRACT DATE: November 20, 2018

FROM CONTRACTOR:

Krause Construction Inc.
3330 Edison Ave.
Blue Island IL 60406

ARCHITECT:

RKG Design Group LLC
1316 Illinois Court
Shorewood, IL 60404

CONTRACT FOR:

General Contracting

CONTRACTORS APPLICATION FOR PAYMENT

Application is made for payment as shown in connection with the Contract Continuation Sheet, Attached

- 1. Original Contract Sum \$ 868,692.30
- 2. Net Change by Change Orders \$ 169,358.47
- 3. CONTRACT SUM TO DATE \$ 1,038,050.77
- 4. TOTAL COMPLETED & STORED TO DATE (Column G) \$ 1,038,050.77
- 5. RETAINAGE \$ -
- 6. TOTAL EARNED LESS RETAINAGE (Line 4 less Line 5 Total) \$ 1,038,050.77
- 7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) \$ 893,338.94
- 8. CURRENT PAYMENT DUE \$ 144,711.83
- 9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6) \$ -

CHANGE ORDER SUMMARY		ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner		\$ 124,616.97	\$ -
Total approved this month		\$ 44,741.50	\$ -
TOTALS		\$ 169,358.47	\$ -
NET CHANGES by Change Order		\$ 169,358.47	\$ -

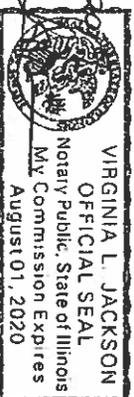
The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this application has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which the previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown is now due.

CONTRACTOR:

BY: *Stimelle Marmorek-agent* DATE: *Aug 26, 2019*

State of: IL
County of: Cook

Subscribed and sworn before me this *26th* day of *August*



Notary Public: *Virginia L. Jackson*
My Commission expires: *8/1/20*

ARCHITECTS 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 \$

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.