

CHARLES H. FOLEY & ASSOCIATES INC.

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HAND DELIVERED

April 5, 2010

RECEIVED

APR 05 2010

Mr. Michael Constantino
Illinois Department of Public Health
525 West Jefferson
Springfield, Illinois 62761

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

**Re: Project Number 10-015, Water Tower
Surgicenter.**

Dear Mr. Constantino

Please accept this correspondence to address issues that you sought further information on in your April 1, 2010 correspondence to me. Your issues and the Applicant's responses are provided below.

"I need you to address Reasonableness of Financing Arrangements and the Conditions of Debt Financing and The Effect of Project on Capital Costs."

Appended as **EXHIBIT I**, is a letter from the Applicant addressing item, 1120.310.a) Reasonableness of Financing Arrangements.

Appended as **EXHIBIT II**, is a letter from the Applicant addressing item, 1130.310.b) Conditions of Debt Financing.

Item number 1120.310.e, Total Effect of the Project on Capital Costs: the capital cost per case of \$164.07 appears reasonable.

"I am seeing different GSF numbers for the facility in the application I need to know what the correct number is and an explanation of why the numbers are different."

In the Application there are inconsistent square footages listed for the proposed ASTC. The correct number is the 11,269 square feet for the operating rooms, recovery stations and all other ancillary space directly related to the Surgicenter. Therefore, the square footage numbers on pages 8 (the cost/space page) and 101 (financial attachments) should read 11,269 square feet as indicated on page 5 (Narrative Description) of the application. The other listed square footages on page 101 are related to physician offices and ancillary space associated with the applicant's physician practices but not the ASTC. A chart detailing the 11,269 square feet is appended as



Health Care Consulting

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Page Two

EXHIBIT III. Please note that under the existing operations, there is more space not associated with the proposed ASTC. This space is and will be subleased for a clinic and physician office not related to the ASTC. However, the total amount of the lease was provided as the proposed Applicant/licensee, Gold Coast Surgicenter, LLC is assuming the obligations of the existing operator, WT Surgicenter, LLC.

Thanks you for your review of this project. I trust that the enclosed information addresses your concerns. Should you have additional questions, do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "John P. Kniery", written over a horizontal line.

John P. Kniery
Health Care Consultant

ENCLOSURES

C: Mark Silberman, Attorney at Law
Roberto Diaz, MD
William Kulanda, CPA

Gold Coast Surgicenter, LLC

April 2, 2010

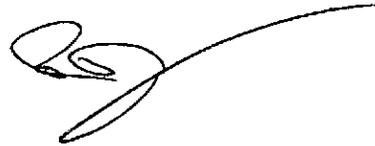
Mr. Michael Constantino
Illinois Health Facilities Planning Board
525 West Jefferson Street
Springfield, Illinois 62761

Dear Mr. Constantino:

Regarding Criteria 1120.310.a, Reasonableness of Financing Arrangements, we hereby certify that:

- 1) A portion or all of the cash and equivalents will be retained in the balance sheet asset accounts in order that the current ratio does not fall below 2.0 times; or
- 2) Borrowing is less costly than the liquidation of existing investments and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

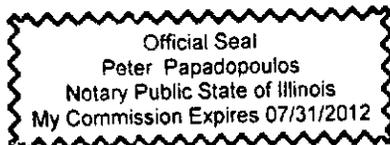
Sincerely,



State of Illinois
County of Cook

Sworn to before me this
2nd day of April, 2009

Notary Public



ATTACHMENT 76

845 N. Michigan Ave., Suite 910W Chicago, IL 60611 Tel: 312-202-0700

EXHIBIT I

Gold Coast Surgicenter, LLC

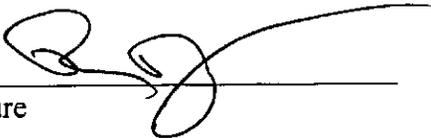
April 2, 2010

Mr. Dale Glassie, Chairman
Illinois Health Facilities Planning Board
525 West Jefferson Street
Springfield, Illinois 62761

Dear Mr. Glassie:

Regarding Criteria 1120.310.b, Conditions of Financing, we have explored various alternatives for financing the project and determined that the proposed plan of finance will provide the lowest net cost of debt available given terms desired.

The project also involves the lease of space for use as the surgery center. Given the availability of real estate in the area and the need for specialized space, the expenses associated with the lease are less costly than the construction and owning of a new facility.



Signature

Printed Name Roberto Diaz

Printed Title President

Signature

Printed Name _____

Printed Title _____

Notarization:
Subscribed and sworn to before me
This 2nd day of April

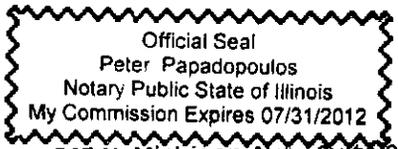
Notarization:
Subscribed and sworn to before me
This _____ day of _____



Signature of Notary

Signature of Notary

Seal



Seal

845 N. Michigan Ave., Suite 910W Chicago, IL 60611 Tel: 312-202-0700

EXHIBIT II

Old Water Tower				
<u>East Suites</u>		<u>Sq. Ft.</u>	<u>\$Cost Per Sq. Ft.</u>	<u>Monthly Rent</u>
Clinic		5805	\$ 41.00	\$ 19,833.75
Sub Lease, Dr. Shah		1730	\$ 41.00	\$ 5,910.83
<u>West Suites</u>		<u>Sq. Ft.</u>	<u>\$Cost Per Sq. Ft.</u>	<u>Monthly Rent</u>
Sub Lease, Chiro		966	\$ 41.00	\$ 3,300.50
Family Waiting		200	\$ 41.00	\$ 683.33
Sub Lease, Weinzweig		412	\$ 41.00	\$ 1,407.67
Billing		2912	\$ 41.00	\$ 9,949.33
Accounting		409	\$ 41.00	\$ 1,397.42
Storage		417	\$ 41.00	\$ 1,424.75
	Total Sq. Ft.	12851	Total Mo. Rent	\$ 43,907.58
Gold Coast				
<u>Suite Usage</u>		<u>Sq. Ft.</u>	<u>\$Cost Per Sq. Ft.</u>	<u>Monthly Rent</u>
OR		9448	\$ 41.00	\$ 32,280.67
Admin Offices		1411	\$ 41.00	\$ 4,820.92
Executive Office		410	\$ 41.00	\$ 1,400.83
	Total Sq. Ft.	11269	Total Mo. Rent	\$ 38,502.42
			Combined Total:	\$ 82,410.00

CAM & Real Estate Taxes 5,761.55

Grand Total 88,171.55